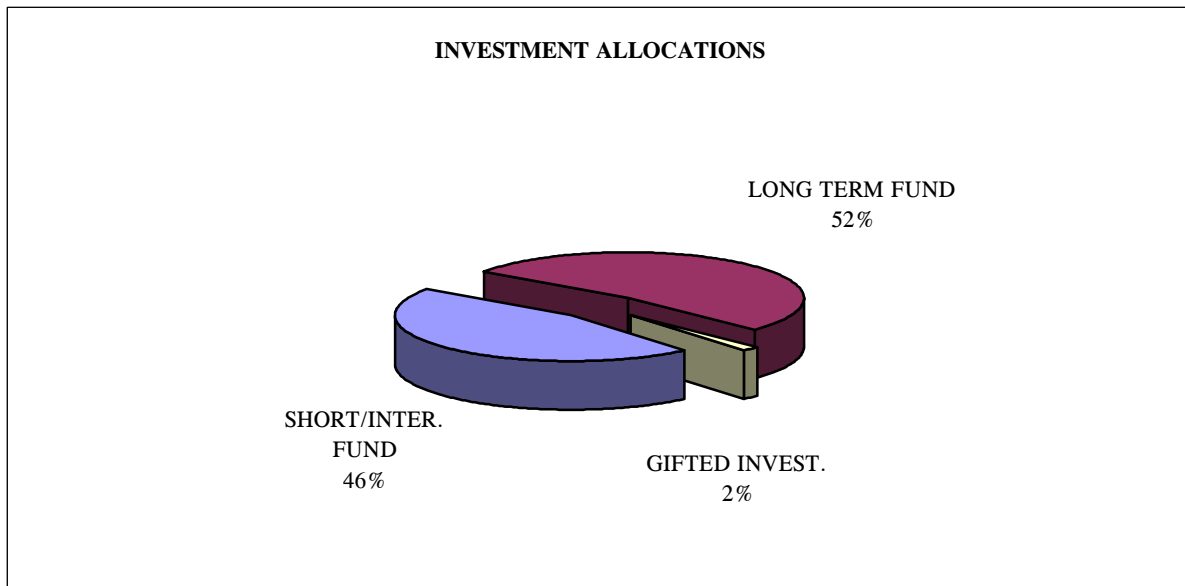


**TEXAS TECH UNIVERSITY SYSTEM
MANAGED INVESTMENTS
YEAR ENDED February 28, 2006**

| FUND | February 28, 2006 MARKET VALUE | ONE YEAR TOTAL RETURN |
|------------------------------|---|----------------------------------|
| SHORT/INTERMEDIATE TERM FUND | \$ 445,274,972 | 3.27% |
| LONG TERM INVESTMENT FUND | \$ 510,455,302 | 14.70% |
| GIFTED INVESTMENTS | \$ 15,468,349 | 5.35% |
| TOTAL | <u>\$ 971,198,623</u> | |



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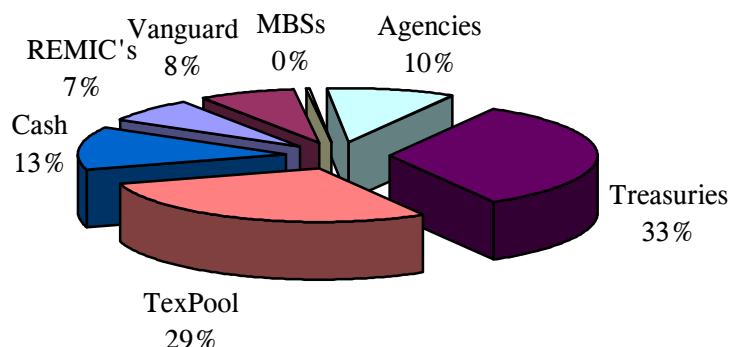
TEXAS TECH UNIVERSITY SYSTEM
MARKET VALUES OF INVESTMENT POOLS
INVESTMENT ACTIVITY
Quarter Ended February 28, 2006

| | <div> <div>SHORT</div> <div>INTERMEDIATE</div> <div>TERM FUND</div> </div> | | <div> <div>LONG TERM</div> <div>INVESTMENT</div> <div>FUND</div> </div> | |
|---------------------------|--|-------------|---|-------------|
| Market Value @ 11/30/05 | \$ | 404,086,977 | \$ | 479,595,337 |
| Net Additions | \$ | 37,211,696 | \$ | - |
| Distributions | \$ | - | \$ | (4,501,655) |
| Investment Income | \$ | 4,124,640 | \$ | 2,838,712 |
| Realized Gains (Losses) | \$ | - | \$ | 15,399,926 |
| Unrealized Gains (Losses) | \$ | (148,340) | \$ | 17,122,982 |
| Market Value @ 02/28/06 | \$ | 445,274,972 | \$ | 510,455,302 |

SHORT/INTERMEDIATE TERM INVESTMENT FUND
TEXAS TECH UNIVERSITY SYSTEM
AS OF February 28, 2006

| INVESTMENT TYPE | MARKET VALUE 02/28/06 | % OF TOTAL | ONE YEAR YIELD | ONE YEAR TOTAL RETURN |
|---|--------------------------|----------------|-------------------|-----------------------------|
| <u>SHORT-TERM ASSETS</u> | | | | |
| PRIMARY DEPOSITORY CASH: | | | | |
| PNB FINANCIAL BANK REPURCHASE AGREEMENT | \$46,616,123 | 10.47% | 2.75% | 2.75% |
| SECONDARY DEPOSITORY CASH | | | | |
| TEXPOOL | \$127,486,393 | 28.63% | 3.64% | 3.64% |
| TOTAL SHORT TERM ASSETS | \$185,991,801 | 41.77% | 3.37% | 3.37% |
| <u>SHORT/INTERMEDIATE TERM ASSETS</u> | | | | |
| U.S. TREASURIES (unannualized returns; purchased 12/04) | \$148,309,495 | 33.31% | 2.89% | 1.52% |
| TOTAL SHORT/INTERMEDIATE TERM ASSETS | \$148,309,495 | 33.31% | 2.89% | 1.52% |
| <u>INTERMEDIATE TERM ASSETS</u> | | | | |
| CALLABLE AGENCY SECURITIES | \$44,059,474 | 9.89% | 4.40% | 2.68% |
| MBSs | \$970,835 | 0.22% | 2.76% | 2.23% |
| REAL ESTATE MORTGAGE INVESTMENT CONDUITS (REMICs): | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA) | \$11,577,007 | 2.60% | | |
| FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC) | \$20,616,360 | 4.63% | | |
| TOTAL REMIC'S | \$32,193,367 | 7.23% | 4.99% | 4.83% |
| VANGUARD BOND INDEX FUND | \$33,750,000 | 7.58% | 3.34% | -0.36% |
| TOTAL INTERMEDIATE TERM ASSETS | \$110,973,676 | 24.92% | 4.33% | 2.69% |
| TOTAL SHORT/INTERMEDIATE TERM INVESTMENT FUND | \$445,274,972 | 100.00% | 3.50% | 3.27% |

INVESTMENT COMPONENTS



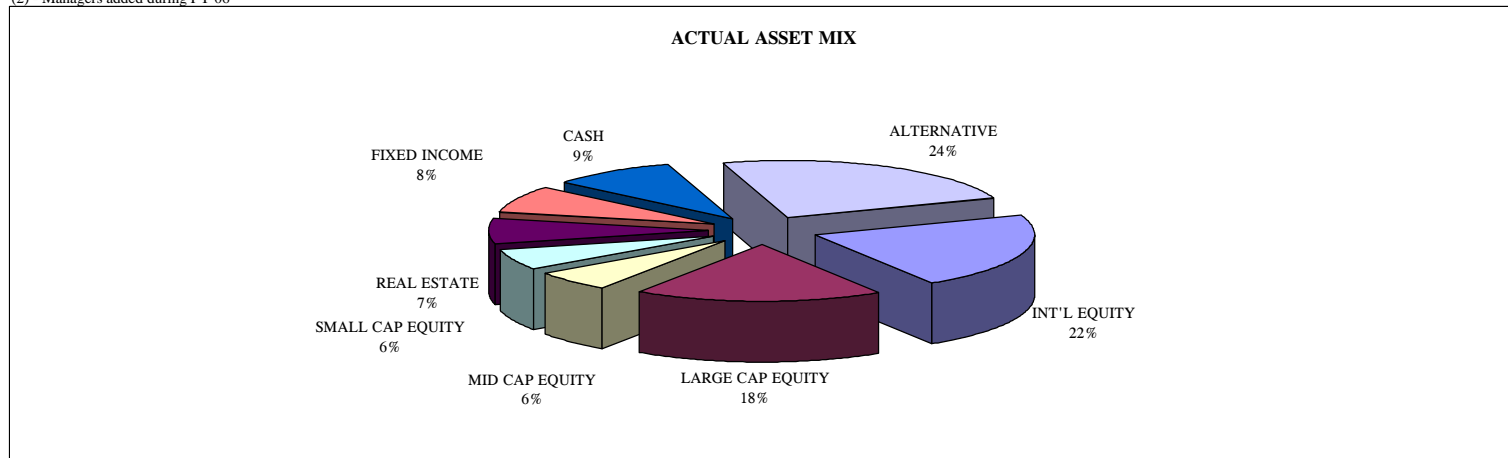
**TEXAS TECH UNIVERSITY SYSTEM
LONG TERM INVESTMENT FUND**

AS OF February 28, 2006

| Manager | Market Value | | | | | Performance Measures | | | Benchmarks | | | |
|------------------------------|--------------|-------------|---------------|-------------|-------------|----------------------|--------------|----------|---------------------------|-----------------|--------------|----------|
| | Fixed Income | Equities | Cash & Equiv. | Alternative | Total | Quarter | Year to Date | One Year | Index | Quarter to Date | Year to Date | One Year |
| Large Cap Equity: | | | | | | | | | | | | |
| INTECH (2) | - | 21,262,948 | - | - | 21,262,948 | 2.90% | 2.00% | N/A | S&P/Barra 500 Growth | 0.80% | 1.50% | N/A |
| Oakbrook (2) | - | 20,028,097 | 348,371 | - | 20,376,468 | 2.20% | 3.00% | N/A | S&P 500 | 3.00% | 2.90% | N/A |
| Ssga S&P 500 Index | - | 51,165,213 | - | - | 51,165,213 | N/A | N/A | N/A | S&P 500 | N/A | N/A | N/A |
| Mid Cap Equity: | | | | | | | | | | | | |
| Hotchkis & Wiley | - | 29,917,823 | 1,697,676 | - | 31,615,499 | 6.50% | 4.40% | 14.80% | Russell MidCap Value | 6.40% | 5.30% | 17.40% |
| Small Cap Equity: | | | | | | | | | | | | |
| DFA Micro-Cap | - | 10,519,773 | - | - | 10,519,773 | 9.60% | 9.40% | 19.60% | Russell 2000 | 8.20% | 8.70% | 16.60% |
| Martingale | - | 19,463,583 | 291,239 | - | 19,754,822 | 6.20% | 7.80% | 14.60% | Russell 2000 Value | 7.40% | 8.30% | 15.60% |
| International Equity: | | | | | | | | | | | | |
| The Boston Company | - | 22,085,316 | - | - | 22,085,316 | 16.00% | 9.40% | 30.20% | MSCI Emerging Markets | 17.60% | 11.00% | 36.50% |
| GMO - Emerging Markets | - | 19,564,573 | - | - | 19,564,573 | 16.80% | 9.70% | 38.00% | MSCI Emerging Markets | 17.60% | 11.00% | 36.50% |
| GMO - Foreign Fund II | - | 32,186,997 | - | - | 32,186,997 | 11.90% | 6.30% | 19.00% | EAFE (\$US) | 10.80% | 5.90% | 17.40% |
| Julius Baer | - | 22,089,037 | - | - | 22,089,037 | 14.80% | 9.20% | 22.50% | EAFE (\$US) | 10.80% | 5.90% | 17.40% |
| Acadian | - | 8,404,852 | - | - | 8,404,852 | 15.40% | 8.50% | 34.90% | Citigroup EMI-PAC | 14.20% | 7.40% | 23.70% |
| GMO - Int'l Small | - | 6,851,592 | - | - | 6,851,592 | 14.30% | 6.60% | 25.80% | Citigroup EMI-PAC | 14.20% | 7.40% | 23.70% |
| Fixed Income: | | | | | | | | | | | | |
| Ssga Passive Bond | 39,927,994 | - | - | - | 39,927,994 | 1.30% | 0.30% | 2.70% | Lehman Aggregate | 1.30% | 0.30% | 2.70% |
| Cash: | | | | | | | | | | | | |
| Cash Account | - | - | 42,335,956 | - | 42,335,956 | 1.00% | 0.60% | 3.10% | 91-day T-Bill | 1.00% | 0.60% | 3.40% |
| Real Estate: | | | | | | | | | | | | |
| K.G. Redding | - | 27,469,276 | 785,365 | - | 28,254,641 | 9.50% | 8.60% | 22.80% | Wilshire REIT Index | 10.30% | 10.10% | 33.20% |
| CDK Realty | (1) | - | - | 8,497,332 | 8,497,332 | | | | | | | |
| E2M | (1) | - | - | 1,349,395 | 1,349,395 | | | | | | | |
| Absolute Return: | | | | | | | | | | | | |
| AQR Absolute Return | - | - | - | 11,173,324 | 11,173,324 | 3.00% | 1.70% | 6.50% | CSFB Multi Strategy Hedge | 5.40% | 3.50% | 10.10% |
| Ariel | - | - | - | 15,372,066 | 15,372,066 | 5.20% | 2.80% | 17.80% | CSFB Event Driven | 5.10% | 3.80% | 9.50% |
| GMO - Mean Reversion | - | - | - | 11,750,472 | 11,750,472 | 4.70% | 2.90% | 1.70% | 91-day T-Bill + 4% | 2.00% | 1.30% | 7.40% |
| GMO - Absolute Return | - | - | - | 19,225,725 | 19,225,725 | 5.70% | 3.30% | 13.90% | S&P 500 | 3.00% | 2.90% | 8.40% |
| King Street | - | - | - | 10,654,995 | 10,654,995 | 4.10% | 2.80% | 9.00% | CSFB Distressed Hedge | 4.50% | 2.70% | 12.40% |
| New Castle | - | - | - | 13,577,545 | 13,577,545 | 7.90% | 5.70% | 20.50% | 91-day T-Bill + 4% | 2.00% | 1.30% | 7.40% |
| Oaktree - Emerging Markets | - | - | - | 4,733,066 | 4,733,066 | 6.90% | 4.50% | 8.20% | CSFB Long/Short Hedge | 7.20% | 4.30% | 13.10% |
| Taconic | - | - | - | 6,793,977 | 6,793,977 | 5.00% | 3.60% | 10.90% | CSFB Event Driven | 5.10% | 3.80% | 9.50% |
| Private Equity: | | | | | | | | | | | | |
| Encap IVb | (1) | - | - | 4,555,435 | 4,555,435 | | | | | | | |
| Encap Vb | (1) | - | - | 6,686,483 | 6,686,483 | | | | | | | |
| Oaktree - Fund IV | (1) | - | - | 479,908 | 479,908 | | | | | | | |
| Oaktree - Opp Fund III | (1) | - | - | 7,100,500 | 7,100,500 | | | | | | | |
| Stone Point Trident | (1) | - | - | 6,694,636 | 6,694,636 | | | | | | | |
| Sterling Group | (1) | - | - | 4,102,879 | 4,102,879 | | | | | | | |
| Reservoir | (1) | - | - | 1,311,883 | 1,311,883 | | | | | | | |
| Total | 39,927,994 | 291,009,081 | 45,458,607 | 134,059,620 | 510,455,302 | 6.10% | 4.30% | 14.70% | Policy Allocation Index | 6.30% | 4.70% | 14.10% |

(1) - Returns aren't presented for private equity due to the illiquidity of the investments.

(2) - Managers added during FY 06



TEXAS TECH UNIVERSITY SYSTEM
GIFTED INVESTMENTS
AS OF February 28, 2006

| FUND TYPE | BOOK VALUE 11/30/05 | MARKET VALUE 11/30/05 | BOOK VALUE 02/28/06 | MARKET VALUE 02/28/06 | ONE YEAR YIELD | ONE YEAR TOTAL RETURN |
|-------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|---------------------------|--------------------------------------|
| Total Restricted Funds | \$1,333,925 | \$1,333,925 | \$1,333,925 | \$1,333,925 | | |
| Total Endowment Funds | \$435,634 | \$433,831 | \$464,036 | \$461,345 | | |
| Total Foundation/Agency Funds | \$11,691,841 | \$11,716,326 | \$13,629,108 | \$13,673,079 | | |
| Grand Total | \$13,461,400 | \$13,484,082 | \$15,427,069 | \$15,468,349 | <u>4.83%</u> | <u>5.35%</u> |

Glossary of Terms

| | |
|-----------------------|---|
| Book Value | Fund value without accounting for changes in market value. Sum of original investment, additions and deletions from the fund, current income (interest and dividends less fees), and realized gains and losses. |
| Market Value | Fund value with investments priced as of the date of the report. Sum of book value and unrealized gains and losses. |
| Yield | Return measuring current income (interest and dividends less fees) earned based on the beginning market value of fund. |
| Total Return | Return measuring total appreciation in the value of the fund. Total appreciation includes current income, plus realized and unrealized gains and losses. |
| One Year Yield | Yield for the year ended as of the date of the report. |
| One Year Total Return | Total return for the year ended as of the date of the report. |