

TRUST

*for Credit Unions*

Annual Report  
August 31, 2006

*The reports concerning the Portfolios included in this unitholder report may contain certain forward-looking statements about the factors that may affect the performance of the Portfolios in the future. These statements are based on Portfolio management's predictions and expectations concerning certain future events and their expected impact on the Portfolios, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Portfolios. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.*

*TCU files the complete schedule of portfolio holdings of each Portfolio with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Portfolios' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330.*

*This Annual Report is authorized for distribution to prospective investors only when preceded or accompanied by the Trust for Credit Unions Prospectus (the "Prospectus"), which contains facts concerning the Portfolios' objectives and policies, management, expenses and other information.*

**An investment in the TCU Money Market Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per unit, it is possible to lose money by investing in the Portfolio.**

The TCU Ultra-Short Duration Government Portfolio and the TCU Short Duration Portfolio are not money market funds. Investors in these Portfolios should understand that the net asset values of the Portfolios will fluctuate, which may result in a loss of the principal amount invested. The Portfolios' net asset values and yields are not guaranteed by the U.S. government or by its agencies, instrumentalities or sponsored enterprises. Investments in fixed income securities are subject to the risks associated with debt securities including credit and interest rate risk. The guarantee on U.S. government securities applies only to the underlying securities of the Portfolios if held to maturity and not to the value of the Portfolios' shares. The Portfolios' investments in mortgage-backed securities are subject to prepayment risks. These risks may result in greater share price volatility.

Holdings and allocations shown may not be representative of current or future investments. Portfolio holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities.

**This material is not authorized for distribution unless preceded or accompanied by a current Prospectus. Investors should consider a Portfolio's objectives, risks, and charges and expenses, and read the Prospectus carefully before investing or sending money. The Prospectus contains this and other information about the Portfolios.**

Goldman, Sachs & Co. and Callahan Financial Services, Inc. are co-distributors of the TCU Portfolios.

**Dear Credit Union Unitholders:**

August 31 marked the end of fiscal year 2006 for the Trust for Credit Unions (“TCU”). Short-term interest rates rose through most of the twelve-month period, with the largest increases at the very shortest maturities. The Federal Reserve Open Market Committee raised the target federal funds rate by 175 basis points, from 3.50% to 5.25%. The two-year Treasury note, by comparison, rose 97 basis points, from 3.81% to 4.78%. By the end of the Trust’s fiscal year, the yield curve was inverted. This dynamic presented an additional challenge to the financial institution business model. Margins continued to decline as the cost of funds rose faster than loan income.

Distribution rates on each of the three TCU Portfolios rose throughout the year as short-term interest rates rose, but at varying paces. Increases in the Money Market Portfolio yield were relatively consistent with the rise in the federal funds rate. The yield on money market portfolios tends to lag overnight rates when rates rise, and we saw this happen during the 2006 fiscal year. Conversely, money market portfolios also lag, but with a positive effect, when interest rates are falling. Over a complete market cycle, money market portfolios such as the TCU Money Market Portfolio present a competitive alternative to direct overnight investments.

The TCU Ultra-Short Duration Government and Short Duration Portfolios (the “Bond Portfolios”) have two moving parts that comprise total return—the distribution rate and the net asset value, or NAV, per share. As a result of a tax policy change implemented in 2004 that directly affects distribution levels, both of these elements behaved differently in the 2006 fiscal year than in previous rising rate environments. The Portfolios’ distribution yields, which closely reflect the economic yield of the Portfolios’ holdings, remained below the relative yields on the respective Portfolio benchmarks, and below the overnight federal funds rate. However, the NAVs of each of the Bond Portfolios displayed less volatility than expected based on the Portfolio’s duration, which is a measure of interest rate sensitivity. The NAV of the TCU Ultra-Short Duration Government Portfolio both began and ended the year at \$9.43, while the NAV of the TCU Short Duration Portfolio declined about half as much as expected, from \$9.59 to \$9.51.

When interest rates rise, the usual bond risk-reward equation can be inverted and investors who take the least risk can be rewarded with the most return over the short term. This happened in the 2006 fiscal year, as the TCU Portfolios posted the following returns:

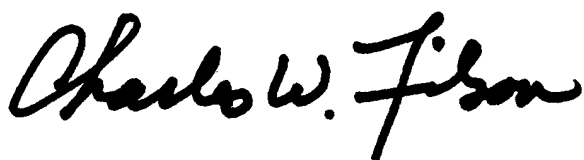
<u>TCU Portfolio</u>	<u>For the Fiscal Year Ended August 31, 2006</u>		
	<u>Total Return</u>	<u>NAV Change</u>	<u>Component of Total Return Distribution Return</u>
<b>Money Market</b> .....	<b>4.52%</b>	<b>N/A</b>	<b>4.52%</b>
iMoneyNet First Tier — Institutional Only Average.....	4.21%	N/A	N/A
<b>Ultra-Short Duration Government</b> .....	<b>4.12%</b>	<b>0.00%</b>	<b>4.12%</b>
Benchmark: Six-Month U.S. Treasury Bill Index .....	4.32%	N/A	N/A
Benchmark: One-Year U.S. Treasury Note Index.....	3.60%	N/A	N/A
<b>Short Duration</b> .....	<b>3.25%</b>	<b>(0.83%)</b>	<b>4.08%</b>
Benchmark: Two-Year Treasury Note Index .....	2.70%	N/A	N/A

In total return terms, the Bond Portfolios performed well relative to their respective benchmarks.

As of late September 2006, the market seems to be at an inflection point. The Federal Reserve Open Market Committee has just held the target federal funds rate firm at 5.25% for the second consecutive meeting, and signs are emerging that the economy is slowing. While we can't know for sure, it is possible that the difficult days of a rising rate environment are behind us, but challenges such as share growth may persist while others, such as a slowing housing market, may begin to have an impact. Regardless of the investment backdrop, we continue to look for ways that the TCU Portfolios can be more responsive to the credit union market.

As always, we are grateful for your investment in the Trust for Credit Unions.

Sincerely,



Charles W. Filson  
 President  
 Callahan Financial Services, Inc.  
 and Trust for Credit Unions

## TCU MONEY MARKET PORTFOLIO

### Objective

The objective of the TCU Money Market Portfolio (“MMP” or the “Portfolio”) is to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing in high quality money market instruments authorized under the Federal Credit Union Act (“FCUA”).

### Performance Review

For the one-year period that ended August 31, 2006, the MMP had a one-year simple average yield of 4.43%. This compared to the 4.21% return of the iMoneyNet First Tier—Institutional Only Average (“iMoneyNet benchmark”) for the same period. The Portfolio witnessed stable asset flows over the period and was able to outperform the iMoneyNet benchmark.

As of August 31, 2006, the Portfolio had standardized seven-day current and effective yields, with fee waivers, of 5.18% and 5.31%, respectively. As of that date, the Portfolio’s standardized seven-day current and effective yields, without fee waivers, would have been 4.94% and 5.06%, respectively. The standardized 7-day current and effective yields are calculated in accordance with industry regulations and do not include capital gains. The standardized 7-day current yield may differ slightly from the actual distribution rate because of the exclusion of distributed capital gains, which are non-recurring. The standardized 7-day effective yield assumes reinvestment of all dividends.

*The past performance of the Portfolio is no indication of its future results. Yields will fluctuate. Unless otherwise noted, performance reflects fee waivers in effect. In their absence, performance would be reduced.*

### Portfolio Composition and Investment Strategies

The Federal Reserve Board (the “Fed”) continued tightening the federal funds rate at a “measured pace” during the fiscal year. Over that period, it tightened rates seven times, bringing the federal funds rate to 5.25%. The Fed went to great lengths to make its message more transparent to the fixed income market. As a result, much of the Fed tightenings were already anticipated by investors and priced into the market. The tightening cycle ended when the Fed decided to leave rates unchanged at its August meeting.

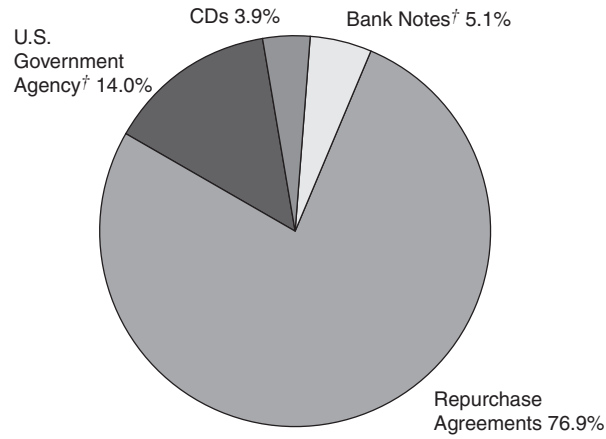
Despite the fact that the front end of the money market yield curve was higher than we had seen in years, we maintained a shorter duration for the Portfolio. Over the reporting period, the duration of the Portfolio was approximately 15-25 days. This allowed the Portfolio’s yield to reset more quickly following each Fed meeting. That said, despite the shorter duration, the rapid pace of Fed tightening caused the yield of the Portfolio to lag the federal funds rate.

The supply of domestic bank-issued securities remained extremely low throughout the reporting period. In addition, U.S. government agencies continued issuing debt at a near record pace. This caused the credit spread between bank debt and government agencies to shrink to extremely tight levels. As a result, the Portfolio maintained a relatively high allocation to repurchase agreements and U.S. government agency securities during the fiscal year.

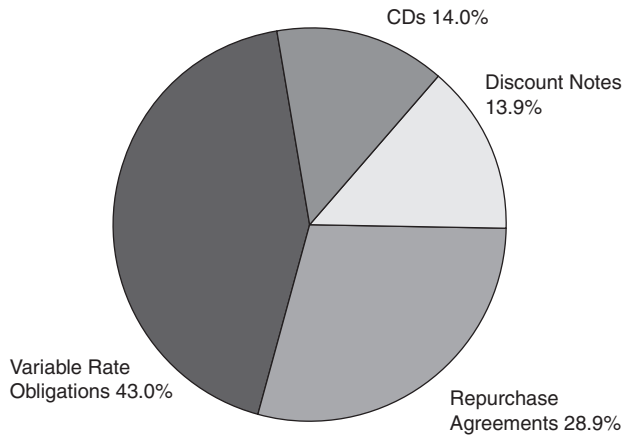
We thank you for your investment and look forward to your continued confidence.

**Goldman Sachs Money Market Portfolio Management Team**

**Portfolio Composition as of August 31, 2006\***



**Portfolio Composition as of August 31, 2005\***



\* These percentages reflect Portfolio holdings as a percentage of net assets. Figures in the above charts may not sum to 100% due to the exclusion of other assets and/or liabilities. Holdings and allocations shown may not be representative of current or future investments. Holdings and allocations may not include the Portfolio's entire investment portfolio, which may change at any time. Portfolio holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities.

† U.S. Government Agency and Bank Notes include 10.9% and 3.9% variable rate securities, respectively.

## TCU ULTRA-SHORT DURATION GOVERNMENT PORTFOLIO

### Objective

The TCU Ultra-Short Duration Government Portfolio (“USDGP” or the “Portfolio”) seeks to achieve a high level of current income, consistent with low volatility of principal, by investing in obligations authorized under the Federal Credit Union Act. Under normal circumstances, at least 80% of the net assets (measured at the time of purchase) of USDGP will be invested in securities issued or guaranteed by the U.S. government, its agencies, instrumentalities or sponsored enterprises. The Portfolio expects that a substantial portion of these securities will be mortgage-related securities. An investment in the Portfolio is neither insured nor guaranteed by the U.S. government. USDGP’s maximum duration is equal to that of a Two-Year U.S. Treasury Security, and its target duration is to be no shorter than that of a Six-Month U.S. Treasury Bill Index and no longer than that of a One-Year U.S. Treasury Note Index. As of August 31, 2006, the Portfolio’s actual duration was 0.66 years, compared to 0.72 years for the Nine-Month Treasury average. (The Nine-Month Treasury average represents an equally weighted blend of the Six-Month U.S. Treasury Bill Index and the One-Year U.S. Treasury Note Index, as reported by Merrill Lynch. The Nine-Month Treasury average does not reflect any deduction of fees or expenses.)

### Performance Review

For the one-year period that ended August 31, 2006, the cumulative total return of USDGP was 4.12% versus the 4.32% and 3.60% cumulative total returns of the Portfolio’s benchmarks, the Six-Month Treasury Bill Index and the One-Year Treasury Note Index, respectively.

The Portfolio’s net asset value closed at \$9.43, equaling the \$9.43 net asset value on August 31, 2005. During the reporting period, the yield on the Six-Month Treasury Bill Index increased 143 basis points from 3.68% to 5.11% basis points and the yield on the One-Year Treasury Note Index increased 121 basis points from 3.79% to 5.00%. The yield on the Nine-Month Treasury average increased 132 basis points from 3.74% to 5.06% over the same period. As of August 31, 2006, the Portfolio’s standardized 30-day yield was 4.47% and its distribution rate was 4.89%. Its duration was 0.66 years as of that date.

The Portfolio’s one-year, five-year and ten-year standardized total returns as of June 30, 2006 were 3.47%, 3.08%, and 4.53%, respectively. *The past performance of the Portfolio is no indication of future results. Investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost.* Pursuant to the provisions of the Internal Revenue Code, the Portfolio distributes substantially all of its net investment company taxable income each year. The amount of these income distributions to Unitholders, which are calculated in accordance with relevant tax requirements, can often differ from the amount of the Portfolio’s net investment income for financial reporting purposes, which is calculated in accordance with generally accepted accounting principles.

## **Portfolio Composition and Investment Strategies**

Yields rose across the U.S. yield curve over the fiscal year ended August 31, 2006 amid mixed economic data and heightened inflationary pressures. The yield curve continued to flatten, as short-term rates rose more than intermediate and longer-term rates. Over the period, the Fed raised rates a total of seven times, with the federal funds rate closing the fiscal year at 5.25%. The Fed paused for the first time since initiating its tightening cycle in June 2004 at its August 2006 meeting, signaling to the markets that its tightening cycle may be coming to an end as the economy is showing increasing signs of cooling down.

A combination of top-down and bottom-up strategies impacted performance over the period. Higher interest rates at the front end of the yield curve were a drag on the Portfolio's total return. However, the Portfolio was positioned defensively over the period, maintaining a short duration position in anticipation of continued higher interest rates. This strategy helped to enhance relative results as interest rates rose. In terms of our cross-sector strategies, wider mortgage spreads were a drag on returns. However, we continued to take advantage of opportunities to add value in security-specific trades. We emphasized adjustable-rate mortgages ("ARMs") and collateralized mortgage obligations ("CMOs") in order to maximize option-adjusted spreads, while seeking to limit risk. The Portfolio also held pass-through mortgages.

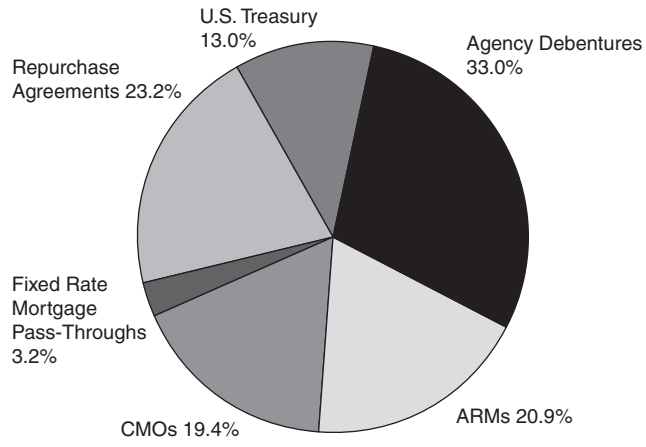
Although we maintain a defensive posture in the Portfolio, we recognize that we may be at a turning point in the economic cycle and have moved the Portfolio's duration closer to the duration of the Nine-Month Treasury average. We continue to hold a meaningful position in shorter duration securities and cash equivalents, namely short agency debentures, as they offer attractive spreads relative to Treasuries. Mortgages, and in particular pass-throughs, continue to appear expensive and, in light of this, we have trimmed pass-through exposure. ARMs are a mortgage subsector in which we continue to find value and have modestly increased exposure. We continue to evaluate security selection opportunities across the mortgage and government markets as relative valuations change over time.

We thank you for your investment and look forward to your continued confidence.

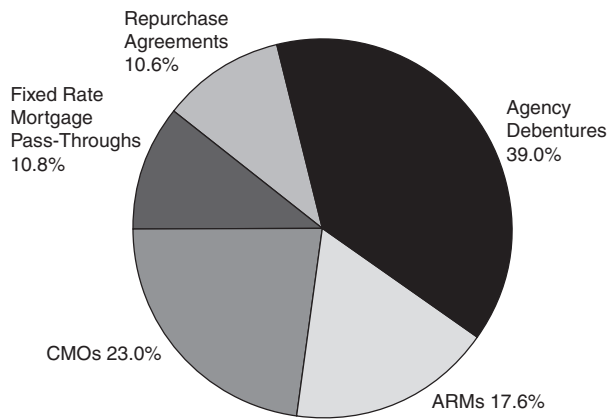
**Goldman Sachs U.S. Fixed Income Investment Management Team**

**Portfolio Composition — Sector Allocation:**

**August 31, 2006\***

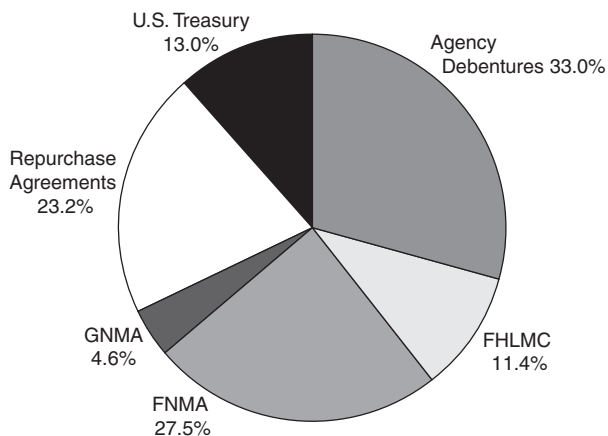


**August 31, 2005\***

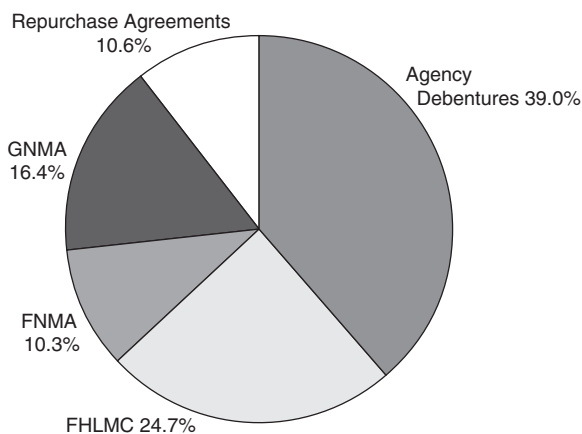


## Portfolio Composition — Issuer Allocation:

August 31, 2006\*



August 31, 2005\*



° These percentages reflect Portfolio holdings as a percentage of net assets. Figures in the above charts may not sum to 100% due to the exclusion of other assets and/or liabilities. Holdings and allocations shown may not be representative of current or future investments. Holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Portfolio holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities.

The Six-Month Treasury Bill Index and the One-Year Treasury Note Index, as reported by Merrill Lynch, do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index. The TCU Ultra-Short Duration Government Portfolio is not a money market fund. Investors in this Portfolio should understand that the net asset value of the Portfolio will fluctuate, which may result in a loss of the principal amount invested. The Portfolio's net asset value and yield are not guaranteed by the U.S. government or by its agencies, instrumentalities or sponsored enterprises. Investments in fixed income securities are subject to the risks associated with debt securities including credit and interest rate risk. The guarantee on U.S. government securities applies only to the underlying securities of the Portfolio if held to maturity and not to the value of the Portfolio's shares. The Portfolio's investments in mortgage-backed securities are subject to prepayment risks. These risks may result in greater share price volatility.

## TCU SHORT DURATION PORTFOLIO

### Objective

The TCU Short Duration Portfolio (“SDP” or the “Portfolio”) seeks to achieve a high level of current income, consistent with relatively low volatility of principal, by investing in obligations authorized under the Federal Credit Union Act. These securities include privately issued mortgage-related securities rated, at the time of purchase, in one of the two highest rating categories by a Nationally Recognized Statistical Rating Organization (“NRSRO”) and mortgage-related securities issued or guaranteed by the U.S. government, its agencies, instrumentalities or sponsored enterprises. Mortgage-related securities held by SDP may include adjustable rate and fixed rate mortgage pass-through securities, collateralized mortgage obligations and other multi-class mortgage-related securities, as well as other securities that are collateralized by or represent direct or indirect interests in mortgage-related securities or mortgage loans. An investment in the Portfolio is neither insured nor guaranteed by the U.S. government. SDP invests in obligations authorized under the Federal Credit Union Act with a maximum portfolio duration not to exceed that of a Three-Year U.S. Treasury Security and a target duration equal to that of its benchmark, the Two-Year U.S. Treasury Security. As of August 31, 2006, the Portfolio’s actual duration was 1.62 years, versus 1.80 years for its benchmark.

### Performance Review

The Portfolio’s cumulative total return for the one-year period ended August 31, 2006 was 3.25%, versus a 2.70% cumulative total return for the Two-Year U.S. Treasury Index. The Portfolio’s net asset value fell during the review period, closing at \$9.51, versus \$9.59 on August 31, 2005, which is consistent with the rising interest rate environment. During the reporting period, the yield on the Portfolio’s benchmark increased 97 basis points from 3.81% to 4.78%. Net asset value movements reflect, among other things, the Portfolio’s duration of 1.62 years, as well as the impact of market forces, including interest rates. As of August 31, 2006, the Portfolio’s standardized 30-day yield was 4.56% and its distribution rate was 4.38%.

The Portfolio’s one-year, five-year and ten-year standardized total returns as of June 30, 2006 were 2.05%, 3.66% and 5.14%, respectively. *The past performance of the Portfolio is no indication of future results. Investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, will be worth more or less than their original cost.* Pursuant to the provisions of the Internal Revenue Code, the Portfolio distributes substantially all of its net investment company taxable income each year. The amount of these income distributions to Unitholders, which are calculated in accordance with relevant tax requirements, can often differ from the amount of the Portfolio’s net investment income for financial reporting purposes, which is calculated in accordance with generally accepted accounting principles.

### Portfolio Composition and Investment Strategies

Yields rose across the U.S. yield curve over the fiscal year ended August 31, 2006 amid mixed economic data and heightened inflationary pressures. The yield curve continued to flatten, as short-term rates rose more than intermediate and longer-term rates. Over the period, the Fed raised rates a total of

seven times, with the federal funds rate closing the fiscal year at 5.25%. The Fed paused for the first time since initiating its tightening cycle in June 2004 at its August 2006 meeting, signaling to the markets that its tightening cycle may be coming to an end as the economy is showing increasing signs of cooling down.

During the reporting period, the Portfolio maintained a short duration position relative to its benchmark, the Two-Year U.S. Treasury Index, due to our belief that rates would move higher. This positioning helped enhance results as short to intermediate yields rose meaningfully over the period. In terms of our cross-sector strategies, wider mortgage spreads were a drag on returns. However, we continued to take advantage of opportunities to add value in security-specific trades. We emphasized adjustable-rate mortgages (“ARMs”) and collateralized mortgage obligations (“CMOs”) in order to maximize option-adjusted spreads, while seeking to limit risk. The Portfolio also held pass-through mortgages.

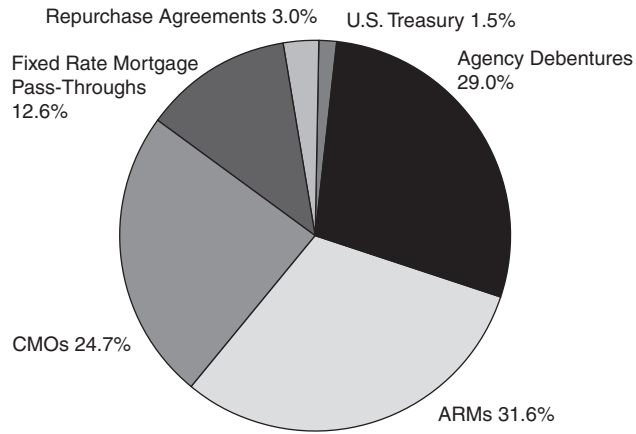
Although we maintain a defensive posture in the Portfolio, we recognize that we may be at a turning point in the economic cycle and have moved the Portfolio’s duration closer to the duration of its benchmark. Within the agency sector, we maintain exposure to short agency debentures that offer attractive spreads relative to Treasuries. As these shorter securities matured over the period, the allocation to agency debentures decreased from 56% to 29%. Although the mortgage sector, and in particular pass-throughs, still appear expensive, we believe there are attractive security selection opportunities within the other mortgage subsectors. We increased the Portfolio’s allocations to ARMs as we continue to find value in select securities. We continue to evaluate security selection opportunities across the mortgage and government markets as relative valuations change over time.

We thank you for your investment and look forward to your continued confidence.

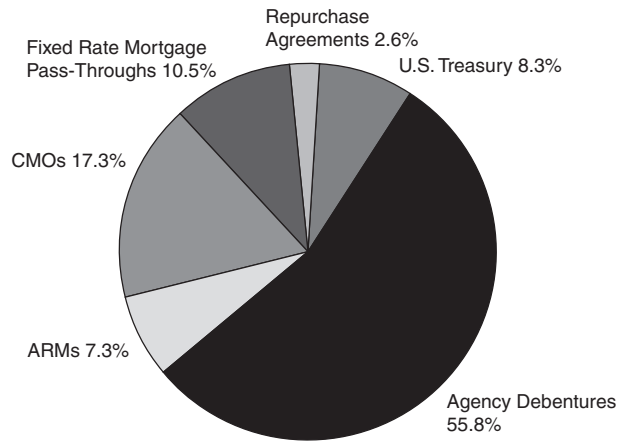
**Goldman Sachs U.S. Fixed Income Investment Management Team**

**Portfolio Composition — Sector Allocation:**

**August 31, 2006\***

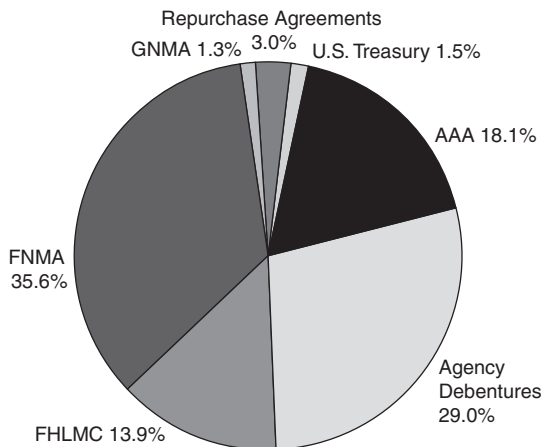


**August 31, 2005\***

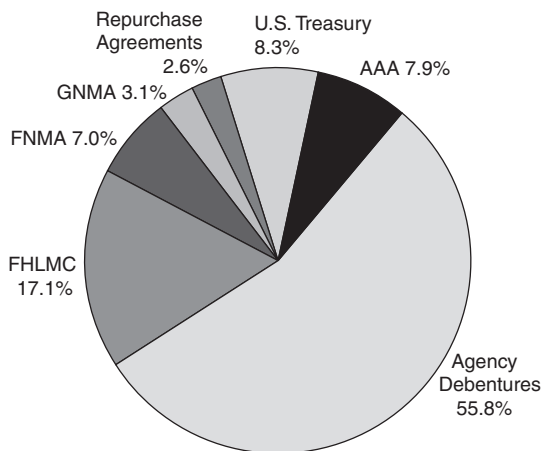


**Portfolio Composition — Issuer Allocation:**

**August 31, 2006\***



**August 31, 2005\***



\* These percentages reflect Portfolio holdings as a percentage of net assets. Figures in the above charts may not sum to 100% due to the exclusion of other assets and/or liabilities. Holdings and allocations shown may not be representative of current or future investments. Holdings and allocations may not include the Portfolio's entire investment portfolio, which may change at any time. Portfolio holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities.

The Two-Year U.S. Treasury Note Index, as reported by Merrill Lynch, does not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index. The TCU Short Duration Portfolio is not a money market fund. Investors in this Portfolio should understand that the net asset value of the Portfolio will fluctuate, which may result in a loss of the principal amount invested. The Portfolio's net asset value and yield are not guaranteed by the U.S. government or by its agencies, instrumentalities or sponsored enterprises. Investments in fixed income securities are subject to the risks associated with debt securities including credit and interest rate risk. The guarantee on U.S. government securities applies only to the underlying securities of the Portfolio if held to maturity and not to the value of the Portfolio's shares. The Portfolio's investments in mortgage-backed securities are subject to prepayment risks. These risks may result in greater share price volatility.

## TRUST FOR CREDIT UNIONS

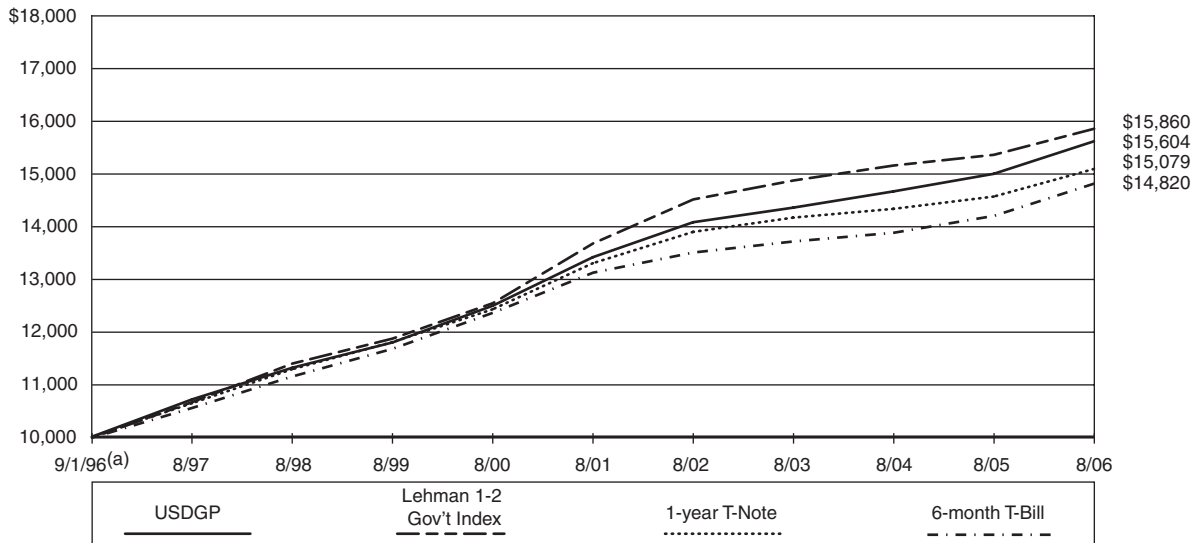
### PERFORMANCE COMPARISON

In accordance with the requirements of the Securities and Exchange Commission, the following data for the Ultra-Short Duration Government Portfolio is supplied for the period ended August 31, 2006. The Trust for Credit Unions Portfolio is compared to its benchmarks assuming the following initial investment:

<u>Portfolio</u>	<u>Initial Investment</u>	<u>Compare to:</u>
Ultra-Short Duration Government ("USDGP")	\$10,000	Lehman Brothers Mutual Fund Short (1-2 year) Government Index ("Lehman 1-2 Gov't Index"); 1-Year U.S. Treasury Note Index ("1-year T-Note"); 6-Month U.S. Treasury Bill Index ("6-month T-Bill").

All performance data shown represents past performance and should not be considered indicative of future performance, which will fluctuate as market conditions change. The investment return and principal value of an investment will fluctuate with changes in market conditions so that an investor's units, when redeemed, may be worth more or less than their original cost. The chart and table below assume reinvestment of dividends and distributions. In addition to the investment adviser's decisions regarding issuer/industry investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio. Please call 1-800-342-5828 or 1-800-CFS-5678 for the most recent month-end returns.

Ultra-Short Duration Government Portfolio



Average Annual Total Return			
One Year	Five Year	Ten Year	Since Inception <sup>(b)</sup>
4.12%	3.08%	4.55%	4.73%

<sup>(a)</sup> For comparative purposes, the initial investments is assumed to be made on September 1, 1996.

<sup>(b)</sup> The Ultra-Short Duration Government Portfolio commenced operations on July 10, 1991.

## TRUST FOR CREDIT UNIONS

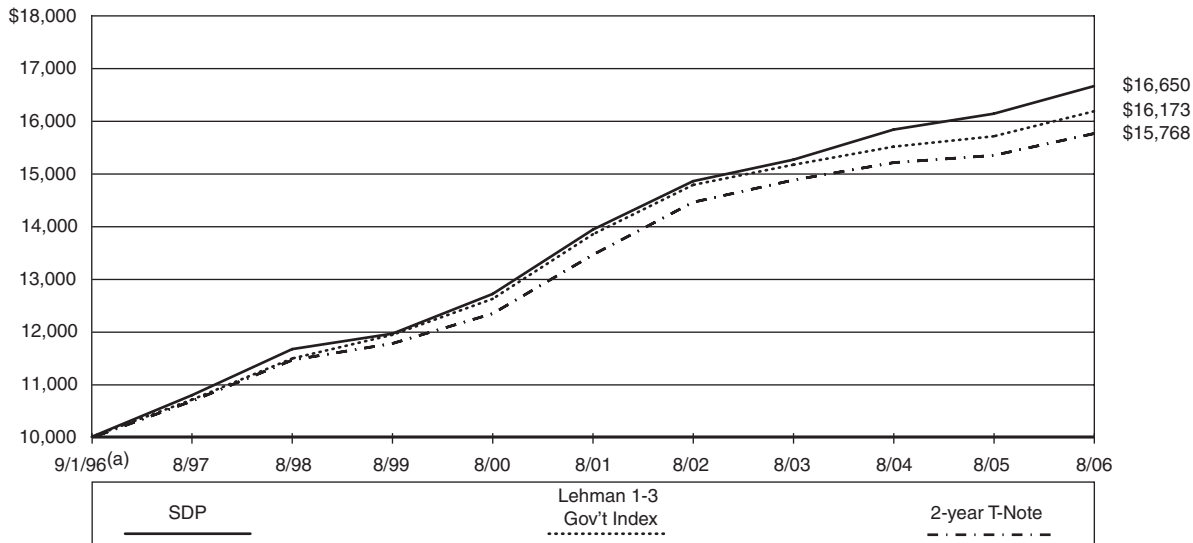
### PERFORMANCE COMPARISON

In accordance with the requirements of the Securities and Exchange Commission, the following data for the Short Duration Portfolio is supplied for the period ended August 31, 2006. The Trust for Credit Unions Portfolio is compared to its benchmarks assuming the following initial investment:

<u>Portfolio</u>	<u>Initial Investment</u>	<u>Compare to:</u>
Short Duration ("SDP")	\$10,000	Lehman Brothers Mutual Fund Short (1-3 year) Government Index ("Lehman 1-3 Gov't Index"); 2-Year U.S. Treasury Note Index ("2-year T-Note").

All performance data shown represents past performance and should not be considered indicative of future performance, which will fluctuate as market conditions change. The investment return and principal value of an investment will fluctuate with changes in market conditions so that an investor's units, when redeemed, may be worth more or less than their original cost. The chart and table below assume reinvestment of dividends and distributions. In addition to the investment adviser's decisions regarding issuer/industry investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio. Please call 1-800-342-5828 or 1-800-CFS-5678 for the most recent month-end returns.

Short Duration Portfolio



Average Annual Total Return			
One Year	Five Year	Ten Year	Since Inception <sup>(b)</sup>
3.25%	3.64%	5.23%	5.28%

<sup>(a)</sup> For comparative purposes, the initial investment is assumed to be made on September 1, 1996.

<sup>(b)</sup> The Short Duration Portfolio commenced operations on October 9, 1992.

**TRUST FOR CREDIT UNIONS**

**MONEY MARKET PORTFOLIO**

**SCHEDULE OF INVESTMENTS**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amortized Cost</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amortized Cost</u>
<b>Bank Notes (5.1%)</b>				<b>Repurchase Agreements (76.9%)</b>			
Bank of America, N.A.				Deutsche Bank			
\$ 3,000	5.650%	06/25/07	\$ 3,000	\$ 15,000	5.320%	11/27/06	\$ 15,000
Wachovia Bank, N.A. <sup>(a)</sup>				Maturity Value: \$15,200			
10,000	5.459	03/30/07	9,999	Dated: 08/29/2006			
Total Bank Notes .....			<u>\$ 12,999</u>	(Fully collateralized by Federal Home Loan Mortgage Corp., 4.00% to 7.50%, due 09/01/2018 to 11/01/2035 and Government National Mortgage Association, 5.50% to 7.00%, due 03/15/2012 to 05/15/2036. The aggregate market value of the collateral, including accrued interest, was \$15,450.)			
<b>Certificates of Deposit (3.9%)</b>				Joint Repurchase Agreement Account II <sup>(b)</sup>			
National City Bank				167,600	5.281	09/01/06	167,600
\$ 5,000	5.170%	03/30/07	\$ 5,000	Maturity Value: \$167,625			
Wells Fargo Bank				Merrill Lynch			
5,000	5.600	07/19/07	5,000	15,000	5.420	10/16/06	<u>15,000</u>
Total Certificates of Deposit .....			<u>\$ 10,000</u>	Maturity Value: \$15,203			
<b>Government Agency Securities (14.0%)</b>				Dated: 07/18/2006			
Federal National Mortgage Association				(Fully collateralized by Federal National Mortgage Association, 4.50% to 6.50%, due 07/01/2011 to 08/01/2036. The aggregate market value of the collateral, including accrued interest, was \$15,452.)			
\$ 8,000	3.550%	01/12/07	\$ 7,962	Total Repurchase Agreements .....			<u>\$197,600</u>
Federal National Mortgage Association <sup>(a)</sup>				Total Investments (99.9%) .....			<u>\$256,560</u>
28,000	5.111	09/07/06	27,999	Other Assets In Excess Of			
Total Government Agency Securities .....			<u>\$ 35,961</u>	Liabilities—0.1% .....			<u>\$ 238</u>
Total Investments Before Repurchase Agreements .....			<u>\$ 58,960</u>	Net Assets—100% .....			<u>\$256,798</u>

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

(a) Variable rate securities. Coupon rates disclosed are those which are in effect at August 31, 2006. Maturity date shown is the date of the next coupon rate reset or actual maturity.

(b) Joint repurchase agreement was entered into on August 31, 2006. Additional information appears on page 26.

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**ULTRA-SHORT DURATION GOVERNMENT PORTFOLIO**

**SCHEDULE OF INVESTMENTS**

**August 31, 2006**

(\$ in Thousands)

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations (43.5%)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>Adjustable Rate FHLMC<sup>(a)</sup> (2.2%)</i>				<i>Adjustable Rate FNMA<sup>(a)</sup>—(Continued)</i>			
\$ 763	4.320%	02/01/18	\$ 749	\$ 721	5.009%	07/01/27	\$ 723
808	5.773	11/01/18	809	533	6.567	07/01/27	540
3,420	6.870	11/01/19	3,535	682	5.259	01/01/29	686
249	6.176	11/01/22	250	163	5.259	02/01/29	164
242	6.318	11/01/22	243	13,264	5.636	08/01/29	13,433
174	6.728	10/01/24	176	116	7.138	07/01/31	118
467	5.842	10/01/25	466	704	5.533	07/01/32	706
1,264	6.597	08/01/28	1,285	1,122	5.637	07/01/32	1,118
177	6.021	07/01/29	178	871	6.745	09/01/32	892
572	6.511	05/01/31	583	3,583	5.280	01/01/33	3,586
				591	4.488	03/01/33	592
Total Adjustable Rate FHLMC.....			8,274	4,901	5.009	08/01/33	4,924
				2,672	3.851	10/01/33	2,642
<i>Adjustable Rate FNMA<sup>(a)</sup> (14.4%)</i>				4,639	3.445	04/01/34	4,594
242	4.407	10/01/13	238	1,004	5.134	07/01/34	1,018
276	5.406	07/01/17	278	2,313	5.134	08/01/34	2,345
305	5.508	11/01/17	307	4,270	5.134	08/01/44	4,292
255	6.686	11/01/17	261				
241	6.936	11/01/17	248	Total Adjustable Rate FNMA.....			55,462
595	6.250	03/01/18	609				
228	5.911	04/01/18	231	<i>Adjustable Rate GNMA<sup>(a)</sup> (4.3%)</i>			
160	5.661	05/01/18	162	1,455	4.500	04/20/34	1,442
215	6.614	06/01/18	221	5,593	4.250	06/20/34	5,514
39	7.375	06/01/18	39	9,685	4.750	08/20/34	9,596
2,445	4.963	10/01/18	2,431	Total Adjustable Rate GNMA .....			16,552
260	5.150	02/01/19	263				
310	5.911	05/01/19	315	<i>Fixed Rate FHLMC (2.3%)</i>			
181	6.864	12/01/19	183	178	6.500	11/01/10	180
513	6.423	01/01/20	522	908	6.500	09/01/13	924
227	6.232	05/01/20	228	794	6.500	10/01/13	808
1,034	6.446	05/01/20	1,064	351	6.500	05/01/14	357
816	5.969	12/01/20	822	360	6.500	06/01/14	367
1,257	5.376	12/25/20	1,253	2,889	6.000	12/01/14	2,898
35	6.797	10/01/21	35	1,329	8.000	12/01/15	1,391
1,514	6.710	02/01/22	1,558	1,826	6.000	03/01/16	1,839
206	5.905	01/01/23	210	239	6.500	07/01/16	243
569	5.728	03/01/24	570	Total Fixed Rate FHLMC .....			9,007
330	7.142	04/01/25	338				
685	6.354	10/01/25	703				

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**ULTRA-SHORT DURATION GOVERNMENT PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations—(Continued)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>Fixed Rate FNMA (0.8%)</i>				<i>Regular Floater CMOs<sup>(a)</sup>—(Continued)</i>			
\$ 2,323	6.000%	06/01/09	\$ 2,321	FNMA REMIC Trust Series 1993-190, Class F			
847	8.500	04/01/16	896	\$ 189	5.140%	10/25/08	\$ 188
Total Fixed Rate FNMA .....			<u>3,217</u>	FNMA REMIC Trust Series 1998-21, Class F			
				825	5.590	03/25/28	809
<i>Fixed Rate GNMA (0.1%)</i>				FNMA Series 1993-027, Class F			
184	7.000	04/15/26	<u>190</u>	1,736	6.494	02/25/23	1,777
				FNMA Series 1993-191, Class FC			
<i>CMOs (19.4%)</i>				1,038	4.890	10/25/08	1,031
<i>Regular Floater CMOs<sup>(a)</sup> (9.2%)</i>				FNMA Series 2001-60, Class O			
FHLMC Series 1009, Class D				3,410	6.274	10/25/31	3,475
69	5.975	10/15/20	69	FNMA Series 2001-70, Class OF			
FHLMC Series 1066, Class P				1,137	6.274	10/25/31	1,165
210	6.275	04/15/21	210	FNMA Series 2001-W4, Class AV1			
FHLMC Series 1222, Class P				687	5.604	02/25/32	687
323	4.560	03/15/22	322	FNMA Series 2002-T7, Class A1			
FHLMC Series 1448, Class F				1,596	5.434	07/25/32	1,595
378	6.775	12/15/22	382	FNMA Series 2002-W2, Class AV1			
FHLMC Series 1555, Class FA				1,321	5.584	06/25/32	1,321
237	6.575	08/15/08	237	FNMA Series 2003-T3, Class 1A			
FHLMC Series 1575, Class FA				283	5.444	06/25/33	283
718	6.875	08/15/08	723	FNMA Series 2006-5, Class 2A1			
FHLMC Series 1604, Class FC				15,339	5.374	11/25/28	<u>15,345</u>
526	4.420	11/15/08	520	Total Regular Floater CMOs .....			<u>35,152</u>
FHLMC Series 1618, Class F							
28	4.460	11/15/08	28	<i>PAC CMOs (6.7%)</i>			
FHLMC Series 1689, Class FD				FHLMC REMIC Trust Series 1432, Class H			
2,012	4.570	10/15/23	1,988	96	7.500	12/15/07	96
FHLMC Series 1698, Class FA				FHLMC Series 1250, Class J			
646	6.175	03/15/09	651	819	7.000	05/15/22	817
FNMA REMIC Trust Series 1992-033, Class F				FHLMC Series 1308, Class J			
90	4.450	03/25/22	89	116	8.500	06/15/07	116
FNMA REMIC Trust Series 1992-137, Class F				FHLMC Series 1461, Class H			
1,423	6.344	08/25/22	1,439	2,606	6.500	01/15/08	2,601
FNMA REMIC Trust Series 1992-155, Class FC				FHLMC Series 1475, Class K			
539	6.194	09/25/07	541	1,148	7.000	02/15/08	1,145
FNMA REMIC Trust Series 1993-093, Class FB				FHLMC Series 1513, Class N			
279	4.940	05/25/08	277	1,254	6.500	05/15/08	1,253

The accompanying notes are an integral  
part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**ULTRA-SHORT DURATION GOVERNMENT PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations—(Continued)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>PAC CMOs—(Continued)</i>				<i>Sequential Fixed Rate CMOs (2.3%)</i>			
FHLMC Series 1685, Class G				FHLMC Series 1216, Class GC			
\$ 1,846	6.000%	09/15/23	\$ 1,847	\$ 455	7.000%	03/15/07	\$ 455
FHLMC Series 1693, Class H				FHLMC Series 1331, Class O			
317	6.000	12/15/08	316	793	8.000	07/15/07	792
FHLMC Series 1720, Class PJ				FHLMC Series 1823, Class C			
1,268	7.250	01/15/24	1,286	936	6.000	12/15/08	941
FHLMC Series 2440, Class OU				FHLMC Series 2367, Class BC			
2,993	6.500	09/15/09	3,001	362	6.000	04/15/16	362
FNMA REMIC Trust Series 1991-67, Class J				FHLMC Series 2543, Class AD			
1,712	7.500	08/25/21	1,792	782	8.500	01/15/16	804
FNMA REMIC Trust Series 1992-01, Class E				FHLMC Series 2663, Class KV			
24	7.500	01/25/07	24	1,044	6.000	04/15/12	1,043
FNMA REMIC Trust Series 1992-094, Class J				FNMA REMIC Trust Series 1992-53, Class G			
403	7.000	05/25/07	403	164	7.000	04/25/07	164
FNMA REMIC Trust Series 1992-175, Class PH				FNMA Series 2000-16, Class ZG			
566	7.000	10/25/07	567	1,382	8.500	06/25/30	1,468
FNMA REMIC Trust Series 1993-040, Class H				FNMA Series 2000-32, Class Z			
1,116	6.800	04/25/08	1,121	1,842	7.500	10/18/30	1,937
FNMA REMIC Trust Series 1993-174, Class H				FNMA Series 2002-73, Class AD			
906	6.500	09/25/08	906	1,012	8.500	12/25/15	1,042
FNMA Series 1993-225, Class WC				Total Sequential Fixed Rate CMOs			9,008
2,898	6.500	12/25/13	2,968	<i>Support CMO (1.2%)</i>			
FNMA Series 1994-51, Class PJ				FHLMC Series 1605, Class E			
484	6.500	09/25/23	485	4,682	6.500	10/15/08	4,687
FNMA Series 2002-16, Class LH				Total CMOs .....			74,520
4,085	6.500	03/25/31	4,105	Total Mortgage-Backed Obligations			
GNMA REMIC Trust Series 2001-10, Class PD				(cost \$170,470) .....			167,222
810	6.500	08/16/30	824				
Total PAC CMOs .....			25,673				

The accompanying notes are an integral  
part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**ULTRA-SHORT DURATION GOVERNMENT PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Agency Debentures (33.0%)</b>				<b>Repurchase Agreement<sup>(c)</sup> (23.2%)</b>			
FHLB				Joint Repurchase Agreement Account II			
\$20,000	5.190% <sup>(a)</sup>	12/13/06	\$ 20,001	\$89,200	5.281%	09/01/06	\$ 89,200
FHLMC				Maturity Value: \$89,213			
25,000	4.500	04/18/07	24,850	(cost \$89,200)			
17,200	5.000	09/17/07	17,156	Total Investments (112.7%)			
FNMA				(cost \$436,438).....			\$433,019
30,000	0.000 <sup>(b)</sup>	09/13/06	29,953	Liabilities In Excess Of Other			
25,000	2.625	11/15/06	24,858	Assets—(12.7)%.....			\$ (48,999)
Small Business Administration <sup>(a)</sup>				Net Assets—100%.....			\$384,020
758	6.075	03/25/14	763				
Sri Lanka Aid <sup>(a)</sup>							
9,250	5.691	11/01/24	9,192				
Total Agency Debentures							
(cost \$126,944).....			126,773				
<b>U.S. Treasury Obligation (13.0%)</b>							
United States Treasury Notes							
\$50,000	4.625%	02/29/08	\$ 49,824				
(cost \$49,824)							
Total Investments Before							
Repurchase Agreement							
(cost \$347,238).....			\$343,819				

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

(a) Variable rate securities. Coupon rates disclosed are those which are in effect at August 31, 2006. Maturity date shown is the date of the next coupon rate reset or actual maturity.

(b) Security issued with a zero coupon. Income is recognized through the accretion of discount.

(c) Joint repurchase agreement was entered into on August 31, 2006. Additional information appears on page 26.

**Investment Abbreviations:**

CMOs—Collateralized Mortgage Obligations  
 FHLB—Federal Home Loan Bank  
 FHLMC—Federal Home Loan Mortgage Corp.  
 FNMA—Federal National Mortgage Association  
 GNMA—Government National Mortgage Association  
 PAC—Planned Amortization Class  
 REMIC—Real Estate Mortgage Investment Conduit

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**SHORT DURATION PORTFOLIO**

**SCHEDULE OF INVESTMENTS**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations (68.9%)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>Adjustable Rate FHLMC<sup>(a)</sup> (4.6%)</i>				<i>Adjustable Rate FNMA<sup>(a)</sup>—(Continued)</i>			
\$ 1,220	4.825%	09/01/32	\$ 1,225	\$ 7,171	4.296%	05/01/35	\$ 7,078
5,647	3.899	01/01/34	5,497	3,153	4.325	05/01/35	3,123
3,384	4.153	09/01/34	3,344	10,138	4.476	05/01/35	10,052
7,208	4.460	10/01/34	7,162	5,655	4.754	05/01/35	5,591
1,876	4.818	11/01/34	1,863	7,781	4.675	06/01/35	7,746
2,486	4.404	08/01/35	2,451	5,337	5.064	06/01/35	5,294
5,913	4.583	08/01/35	5,791	6,388	4.250	08/01/35	6,184
3,871	5.181	04/01/36	3,834	3,896	4.552	09/01/35	3,853
			31,167	8,386	4.639	09/01/35	8,211
Total Adjustable Rate FHLMC.....				1,984	4.684	10/01/35	1,960
<i>Adjustable Rate FNMA<sup>(a)</sup> (26.5%)</i>				7,211	5.312	12/01/35	7,165
609	6.049	05/01/32	618	6,598	5.251	02/01/36	6,486
894	6.745	09/01/32	916	6,205	5.113	03/01/36	6,183
949	4.744	10/01/32	958	Total Adjustable Rate FNMA.....			
1,806	4.409	01/01/33	1,798	179,946			
2,142	4.650	01/01/33	2,152	<i>Adjustable Rate GNMA<sup>(a)</sup> (0.5%)</i>			
2,636	4.216	02/01/33	2,618	3,046	4.500	12/20/34	3,014
3,907	3.978	04/01/33	3,845	<i>Fixed Rate FHLMC Gold (4.3%)</i>			
1,959	4.205	04/01/33	1,953	48	7.000	03/01/09	48
3,169	4.399	04/01/33	3,154	38	7.000	04/01/09	39
5,543	3.846	07/01/33	5,430	543	7.000	06/01/09	549
4,345	3.877	07/01/33	4,281	39	7.000	03/01/12	40
6,831	3.288	08/01/33	6,845	760	7.000	12/01/12	772
4,101	4.082	08/01/33	4,045	1,105	5.000	12/01/13	1,095
3,563	3.851	10/01/33	3,523	1,183	4.000	01/01/14	1,136
7,426	4.344	11/01/33	7,326	51	8.000	07/01/14	54
918	4.561	11/01/33	908	12,527	4.500	03/01/15	12,195
7,162	3.962	12/01/33	7,036	20	7.000	03/01/15	20
7,117	4.299	12/01/33	6,996	3,250	5.500	05/01/15	3,249
1,655	4.465	01/01/34	1,630	370	5.500	06/01/17	370
1,789	4.291	02/01/34	1,757	217	8.000	09/01/17	229
2,199	4.331	02/01/34	2,174	490	5.500	10/01/17	490
6,251	4.150	03/01/34	6,113	1,078	8.000	11/01/17	1,138
3,066	4.343	03/01/34	3,035	1,229	5.500	03/01/18	1,228
5,157	3.545	04/01/34	5,152	685	5.500	04/01/18	684
1,973	5.007	08/01/34	1,946	903	6.500	05/01/18	920
4,889	4.780	10/01/34	4,863	80	6.000	10/01/18	82
6,816	4.684	04/01/35	6,693	21	6.000	11/01/18	21
3,295	4.243	05/01/35	3,255				

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**SHORT DURATION PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations—(Continued)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>Fixed Rate FHLMC Gold—(Continued)</i>				<i>Fixed Rate FNMA—(Continued)</i>			
\$ 4,350	5.500%	02/01/19	\$ 4,343	\$ 1,125	7.000%	11/01/28	\$ 1,163
168	6.500	12/01/29	171	152	7.000	02/01/32	157
Total Fixed Rate FHLMC Gold....			28,873	277	7.000	05/01/32	286
				581	7.000	09/01/32	597
				Total Fixed Rate FNMA .....			55,105
<i>Fixed Rate FNMA (8.1%)</i>				<i>Fixed Rate GNMA (0.2%)</i>			
341	6.500	09/01/08	340	4	6.000	07/15/08	4
244	6.000	12/01/08	245	7	6.000	08/15/08	7
13	7.500	09/01/10	13	129	6.000	09/15/08	129
3,790	6.000	01/01/12	3,811	154	6.000	10/15/08	154
1,016	6.000	04/01/12	1,022	22	6.000	11/15/08	22
1,346	6.000	05/01/12	1,354	18	6.000	12/15/08	18
1,885	6.000	06/01/12	1,897	45	6.000	01/15/09	45
71	7.500	07/01/12	73	14	6.000	02/15/09	14
3,758	6.000	09/01/12	3,783	18	6.000	05/15/09	18
373	5.000	11/01/12	369	1	8.500	07/15/09	1
6,379	5.500	01/01/13	6,365	— <sup>(b)</sup>	8.500	09/15/09	— <sup>(b)</sup>
5	8.000	01/01/13	5	1	8.500	12/15/09	1
2,109	4.500	08/01/13	2,057	98	8.500	01/15/10	102
11,919	4.500	09/01/13	11,639	68	8.500	02/15/10	72
2,560	5.500	09/01/14	2,559	39	8.500	03/15/10	41
1,343	5.500	12/01/14	1,342	30	8.500	04/15/10	31
20	6.000	02/01/18	20	16	8.500	05/15/10	16
3,930	5.500	05/01/18	3,926	55	8.500	06/15/10	58
254	6.000	05/01/18	256	16	8.500	07/15/10	17
1,378	5.500	06/01/18	1,378	32	8.500	08/15/10	33
16	6.000	08/01/18	16	26	8.500	10/15/10	27
16	6.000	09/01/18	16	52	8.500	11/15/10	54
1,150	5.500	10/01/18	1,150	52	8.500	12/15/10	54
1,434	5.500	11/01/18	1,432	49	8.500	09/15/11	51
1,366	6.000	11/01/18	1,375	78	8.500	10/15/11	81
79	5.500	12/01/18	79	27	8.500	03/15/12	28
2,437	6.000	12/01/18	2,453	56	8.500	07/15/12	59
2,014	6.000	01/01/19	2,028	Total Fixed Rate GNMA .....			1,137
29	6.000	02/01/19	29				
714	6.000	04/01/19	720				
162	6.000	05/01/19	164				
220	6.000	10/01/23	221				
741	7.000	08/01/28	765				

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**SHORT DURATION PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations—(Continued)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>CMOs (24.7%)</i>				<i>Adjustable Rate CMOs<sup>(a)</sup>—(Continued)</i>			
<i>Adjustable Rate CMOs<sup>(a)</sup> (17.2%)</i>				Structured Adjustable Rate Mortgage Loan Series 2004-5,			
Adjustable Rate Mortgage Trust Series 2004-4, Class 1A1				Class 1A			
\$ 4,324	4.871%	03/25/35	\$ 4,361	\$ 3,159	4.442%	05/25/34	\$ 3,164
Adjustable Rate Mortgage Trust Series 2005-4, Class 1A1				Structured Adjustable Rate Mortgage Loan Series 2004-6,			
5,857	4.692	08/25/35	5,839	Class 3A2			
Bear Stearns Adjustable Rate Mortgage Trust				6,349	4.727	06/25/34	6,275
Series 2005-10, Class A3				Structured Asset Securities Corp. Series 2003-34A,			
5,100	4.650	10/25/35	4,995	Class 3A3			
Bear Stearns Adjustable Rate Mortgage Trust				2,553	4.700	11/25/33	2,531
Series 2005-9, Class A1				Structured Asset Securities Corp. Series 2003-37A,			
7,335	4.625	10/25/35	7,129	Class 3A7			
Countrywide Home Loans Series 2003-37, Class 1A1				6,270	4.520	12/25/33	6,200
190	5.858	08/25/33	189	Washington Mutual Series 2003-AR6, Class A1			
First Horizon Asset Securities, Inc. Series 2004-AR2,				1,709	4.338	06/25/33	1,698
Class 2A1				Washington Mutual, Inc. Series 2005-AR10, Class 1A3			
3,861	4.577	05/25/34	3,829	4,000	4.839	09/25/35	3,926
FNMA Series 1988-12, Class A				Wells Fargo Mortgage Backed Securities Trust			
364	10.000	02/25/18	409	Series 2005-AR1, Class 1A1			
Indymac Index Mortgage Loan Trust Series 2004-AR4,				10,869	4.546	02/25/35	10,615
Class 1A				Wells Fargo Mortgage Backed Securities Trust			
4,571	4.527	08/25/34	4,566	Series 2005-AR16, Class 6A3			
JP Morgan Mortgage Trust Series 2005-A2, Class 1A1				5,292	5.000	10/25/35	5,224
1,029	4.760	04/25/35	1,013	Wells Fargo Mortgage Backed Securities Trust			
Merrill Lynch Mortgage Investors, Inc. Series 2003-A4,				Series 2005-AR4, Class 2A2			
Class 1A				10,535	4.530	04/25/35	10,321
1,664	6.264	07/25/33	1,672	Wells Fargo Mortgage Backed Securities Trust			
Merrill Lynch Mortgage Investors, Inc. Series 2005-A9,				Series 2006-AR2, Class 2A3			
Class 2A1C				13,196	5.092	03/25/36	13,068
7,000	5.171	12/25/35	6,991	Wells Fargo Mortgage Backed Securities Trust			
Salomon Brothers Mortgage Securities VII, Inc.				Series 2006-AR2, Class 2A5			
Series 1994-20, Class A				5,656	5.092	03/25/36	5,605
203	7.188	12/25/24	203	Wells Fargo Series 2005-AR16, Class 1A1			
Structured Adjustable Rate Mortgage Loan Series 2004-1,				5,326	4.977	10/25/35	5,357
Class 3A3				Total Adjustable Rate CMOs .....			<u>116,688</u>
541	4.655	02/25/34	547				
Structured Adjustable Rate Mortgage Loan Series 2004-2,							
Class 2A							
945	4.983	03/25/34	961				

The accompanying notes are an integral  
part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**SHORT DURATION PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Mortgage-Backed Obligations—(Continued)</b>				<b>Mortgage-Backed Obligations—(Continued)</b>			
<i>Regular Floater CMOs<sup>(a)</sup> (0.1%)</i>				<i>Sequential Fixed Rate CMOs (3.3%)</i>			
FHLMC Series 1448, Class F				FHLMC Series 1342, Class H			
\$ 883	6.775%	12/15/22	\$ 891	\$ 354	7.500%	08/15/07	\$ 353
FNMA Series 1993-220, Class PF				FHLMC Series 1980, Class Z			
175	4.520	09/25/13	174	1,407	7.000	07/15/27	1,451
Total Regular Floater CMOs .....			<u>1,065</u>	FHLMC Series 2236, Class Z			
				9,935	8.500	06/15/30	10,681
<i>PAC CMOs (4.0%)</i>				FHLMC Series 2417, Class VK			
FHLMC Series 1506, Class PI				3,268	6.000	07/15/18	3,275
3,449	6.750	05/15/08	3,441	FNMA REMIC Trust Series 1992-4, Class H			
FHLMC Series 1661, Class PJ				129	7.500	02/25/07	129
5,262	6.500	01/15/09	5,278	FNMA REMIC Trust Series 1992-53, Class G			
FHLMC Series 1693, Class H				201	7.000	04/25/07	201
418	6.000	12/15/08	417	FNMA Series 2001-42, Class HG			
FHLMC Series 1720, Class PJ				789	10.000	09/25/16	867
634	7.250	01/15/24	643	FNMA Series G92-44, Class Z			
FHLMC Series 3028, Class MB				2,030	8.000	07/25/22	2,137
7,489	5.000	12/15/26	7,441	GNMA REMIC Trust Series 2001-62, Class VL			
FNMA REMIC Trust Series 1992-193, Class HB				3,000	6.500	11/16/17	<u>3,027</u>
1,913	6.500	11/25/07	1,915	Total Sequential Fixed Rate CMOs			<u>22,121</u>
FNMA Series 2005-87, Class CL				Total CMOs .....			<u>167,615</u>
4,742	5.000	10/25/35	4,704	Total Mortgage-Backed Obligations			<u>466,857</u>
GNMA REMIC Trust Series 2001-60, Class PD				(cost \$471,943) .....			
1,346	6.000	10/20/30	1,350				
GNMA REMIC Trust Series 2002-45, Class QD				<b>Agency Debentures (29.0%)</b>			
85	6.500	06/20/31	85	FFCB			
Residential Funding Securities Corp. Series 2003-RM2, Class A15				\$ 7,600	3.800%	09/07/07	\$ 7,491
1,953	8.500	05/25/33	<u>2,095</u>	FHLB			
Total PAC CMOs .....			<u>27,369</u>	13,000	2.625	05/15/07	12,759
<i>Support CMO (0.1%)</i>				40,100	3.750	05/15/07	39,660
FNMA REMIC Trust Series 1993-131, Class Z				12,000	4.000	07/13/07	11,861
369	7.000	07/25/08	<u>372</u>	8,000	4.125	09/06/07	7,911
				10,000	3.030	06/12/08	9,638
				FHLMC			
				20,500	4.125	04/02/07	20,357
				17,500	4.500	08/04/08	17,320
				25,000	4.480	09/19/08	24,710
				21,000	4.750	10/17/08	20,805

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**SHORT DURATION PORTFOLIO**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**

**(\$ in Thousands)**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
<b>Agency Debentures—(Continued)</b>				<b>Repurchase Agreement<sup>(c)</sup> (3.0%)</b>			
FNMA				Joint Repurchase Agreement Account II			
\$10,250	2.375%	03/30/07	\$ 10,077	\$20,600	5.281%	09/01/06	\$ 20,600
14,500	4.000	07/25/08	<u>14,210</u>	Maturity Value: \$20,603			
Total Agency Debentures				(cost \$20,600)			
(cost \$198,263).....			<u>196,799</u>	Total Investments (102.4%)			
				(cost \$700,851).....			<u>\$694,301</u>
<b>U.S. Treasury Obligation (1.5%)</b>				Liabilities In Excess Of Other			
United States Treasury Notes				Assets—(2.4%) .....			<u>\$ (16,239)</u>
\$10,000	4.875%	08/15/09	\$ 10,045	Net Assets—100%.....			<u><u>\$678,062</u></u>
(cost \$10,045)							
Total Investments Before							
Repurchase Agreement							
(cost \$680,251).....			<u>\$673,701</u>				

The percentage shown for each investment category reflects the value of investments in that category as a percentage of total net assets.

(a) Variable rate securities. Coupon rates disclosed are those which are in effect at August 31, 2006. Maturity date shown is the date of the next coupon rate reset or actual maturity.

(b) Principal amount and value of security held is less than \$500.

(c) Joint repurchase agreement was entered into on August 31, 2006. Additional information appears on page 26.

**Investment Abbreviations:**

CMOs—Collateralized Mortgage Obligations  
FFCB—Federal Farm Credit Bank  
FHLB—Federal Home Loan Bank  
FHLMC—Federal Home Loan Mortgage Corp.  
FNMA—Federal National Mortgage Association  
GNMA—Government National Mortgage Association  
PAC—Planned Amortization Class  
REMIC—Real Estate Mortgage Investment Conduit

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**SCHEDULE OF INVESTMENTS—(Continued)**

**August 31, 2006**  
**(\$ in Thousands)**

**ADDITIONAL INVESTMENT INFORMATION**

**JOINT REPURCHASE AGREEMENT ACCOUNT II**—At August 31, 2006, the Portfolios had undivided interests in the Joint Repurchase Agreement Account II, as follows:

<u>Portfolio</u>					<u>Principal Amount</u>
Money Market .....					\$167,600
Ultra-Short Duration Government .....					89,200
Short Duration .....					20,600
<u>Repurchase Agreements</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>		
Banc of America Securities LLC .....	\$ 3,000,000	5.28%	09/01/2006	\$	3,000,440
Barclays Capital PLC.....	3,000,000	5.28	09/01/2006		3,000,440
Credit Suisse First Boston LLC .....	1,400,000	5.28	09/01/2006		1,400,205
Deutsche Bank Securities, Inc. ....	1,915,000	5.29	09/01/2006		1,915,281
Greenwich Capital Markets .....	300,000	5.28	09/01/2006		300,044
Merrill Lynch.....	500,000	5.28	09/01/2006		500,073
Morgan Stanley & Co. ....	1,000,000	5.28	09/01/2006		1,000,147
UBS Securities LLC.....	2,373,000	5.28	09/01/2006		2,373,348
Wachovia Capital Markets .....	250,000	5.28	09/01/2006		250,037
<b>TOTAL</b> .....	<u>\$13,738,000</u>			<u>\$</u>	<u>13,740,015</u>

At August 31, 2006, the Joint Repurchase Agreement Account II was fully collateralized by Federal Home Loan Bank, 0.00% to 6.35%, due 09/01/2006 to 06/29/2016; Federal Home Loan Mortgage Association, 2.63% to 14.00%, due 01/01/2007 to 09/01/2036; and Federal National Mortgage Association, 0.00% to 14.00%, due 10/01/2006 to 09/01/2036. The aggregate market value of the collateral, including accrued interest, was \$13,996,119.

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**STATEMENTS OF ASSETS AND LIABILITIES**  
**August 31, 2006**

	<u>Money Market Portfolio</u>	<u>Ultra-Short Duration Government Portfolio</u>	<u>Short Duration Portfolio</u>
<b>Assets</b>			
Investments, at value (amortized cost \$58,960,049, identified cost \$347,238,093 and \$680,250,522 respectively).....	\$ 58,960,049	\$343,819,138	\$673,700,581
Repurchase agreements, at value based on amortized cost.....	197,600,000	89,200,000	20,600,000
Cash.....	54,532	98,659	62,323
Receivables:			
Interest.....	786,350	2,044,343	4,571,503
Investment securities sold.....	—	5,262	132,142
Reimbursement from administrator.....	—	22,170	—
Portfolio units sold.....	9,752	—	—
Other assets.....	1,477	3,017	4,279
Total assets.....	<u>257,412,160</u>	<u>435,192,589</u>	<u>699,070,828</u>
<b>Liabilities</b>			
Payables:			
Investment securities purchased.....	—	49,830,607	18,319,560
Dividends.....	533,619	1,145,363	2,428,111
Advisory fees.....	16,812	65,122	115,020
Administration fees.....	4,804	32,560	28,755
Accrued expenses.....	58,920	99,384	117,756
Total liabilities.....	<u>614,155</u>	<u>51,173,036</u>	<u>21,009,202</u>
<b>Net Assets</b>			
Paid-in capital.....	256,809,489	436,462,951	707,488,227
Accumulated undistributed (distributions in excess of) net investment income ..	(4,217)	1,543,844	2,183,527
Accumulated net realized loss on investment transactions.....	(7,267)	(50,568,287)	(25,060,187)
Net unrealized loss on investments.....	—	(3,418,955)	(6,549,941)
Net assets.....	<u>\$256,798,005</u>	<u>\$384,019,553</u>	<u>\$678,061,626</u>
Net asset value, offering and redemption price per unit (net assets/units outstanding).....	<u>\$ 1.00</u>	<u>\$ 9.43</u>	<u>\$ 9.51</u>
<b>Units Outstanding</b>			
Total units outstanding, \$0.001 par value (unlimited number of units authorized).....	<u>256,809,489</u>	<u>40,725,262</u>	<u>71,322,888</u>

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**STATEMENTS OF OPERATIONS**  
**For the Year Ended August 31, 2006**

	<b>Money Market Portfolio</b>	<b>Ultra-Short Duration Government Portfolio</b>	<b>Short Duration Portfolio</b>
<b>Investment income:</b>			
Interest income .....	\$12,556,989	\$18,817,709	\$29,442,204
<b>Expenses:</b>			
Advisory fees .....	544,360	961,507	1,396,783
Administration fees .....	272,180	480,754	349,196
Custody and accounting fees .....	50,428	176,509	206,714
Professional fees .....	81,526	107,007	149,600
Trustees' fees .....	13,796	13,021	35,153
Printing fees .....	9,905	16,495	30,436
Transfer Agent fees .....	—	5,562	2,628
Registration fees .....	144	4,351	2,171
Other expenses .....	30,288	61,021	72,750
Total operating expenses .....	1,002,627	1,826,227	2,245,431
Expense Reductions:			
Advisory fees waived .....	(381,242)	—	—
Administration fees waived .....	(245,010)	—	—
Expenses reimbursed by administrator .....	—	(143,589)	—
Custody credits .....	(1,060)	(12,758)	(10,692)
Total expense reductions .....	(627,312)	(156,347)	(10,692)
Net operating expenses .....	375,315	1,669,880	2,234,739
<b>Net Investment Income</b> .....	<u>\$12,181,674</u>	<u>\$17,147,829</u>	<u>\$27,207,465</u>
<b>Net Realized Loss on Investment Transactions</b> .....	(2,838)	(1,391,654)	(5,866,759)
<b>Net Change in Unrealized Gain on Investments</b> .....	—	2,949,766	869,503
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u><u>\$12,178,836</u></u>	<u><u>\$18,705,941</u></u>	<u><u>\$22,210,209</u></u>

The accompanying notes are an integral  
part of these financial statements.

## TRUST FOR CREDIT UNIONS

### STATEMENTS OF CHANGES IN NET ASSETS

	Money Market Portfolio		Ultra-Short Duration Government Portfolio		Short Duration Portfolio	
	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	August 31, 2006	August 31, 2005	August 31, 2006	August 31, 2005	August 31, 2006	August 31, 2005
<b>From Operations:</b>						
Net investment income .....	\$ 12,181,674	\$ 12,669,338	\$ 17,147,829	\$ 22,504,978	\$ 27,207,465	\$ 23,541,694
Net realized loss on investment transactions .....	(2,838)	(4,429)	(1,391,654)	(925,923)	(5,866,759)	(3,634,494)
Net change in unrealized gain (loss) on investments .....	—	—	2,949,766	(1,882,250)	869,503	(6,091,248)
Net increase in net assets resulting from operations ....	<u>12,178,836</u>	<u>12,664,909</u>	<u>18,705,941</u>	<u>19,696,805</u>	<u>22,210,209</u>	<u>13,815,952</u>
<b>Distributions to Unitholders:</b>						
From net investment income....	(12,178,836)	(12,676,393)	(19,086,263)	(25,301,602)	(28,215,801)	(23,917,022)
From paid-in capital .....	—	—	—	(56,581)	—	—
Total distributions to Unitholders .....	<u>(12,178,836)</u>	<u>(12,676,393)</u>	<u>(19,086,263)</u>	<u>(25,358,183)</u>	<u>(28,215,801)</u>	<u>(23,917,022)</u>
<b>From Unit Transactions:</b>						
Proceeds from sales of units....	4,564,768,057	6,456,292,323	1,500,000	1,600,000	1,500,000	82,603,952
Reinvestment of dividends and distributions .....	6,710,002	6,738,378	6,046,114	9,574,235	2,798,257	5,701,150
Cost of units repurchased .....	<u>(4,565,680,582)</u>	<u>(6,797,649,606)</u>	<u>(211,004,215)</u>	<u>(897,675,167)</u>	<u>(41,880,965)</u>	<u>(148,719,986)</u>
Net increase (decrease) in net assets resulting from unit transactions .....	<u>5,797,477</u>	<u>(334,618,905)</u>	<u>(203,458,101)</u>	<u>(886,500,932)</u>	<u>(37,582,708)</u>	<u>(60,414,884)</u>
Total increase (decrease).....	<u>5,797,477</u>	<u>(334,630,389)</u>	<u>(203,838,423)</u>	<u>(892,162,310)</u>	<u>(43,588,300)</u>	<u>(70,515,954)</u>
<b>Net Assets:</b>						
Beginning of year.....	<u>251,000,528</u>	<u>585,630,917</u>	<u>587,857,976</u>	<u>1,480,020,286</u>	<u>721,649,926</u>	<u>792,165,880</u>
End of year .....	<u>\$ 256,798,005</u>	<u>\$ 251,000,528</u>	<u>\$ 384,019,553</u>	<u>\$ 587,857,976</u>	<u>\$678,061,626</u>	<u>\$ 721,649,926</u>
<b>Accumulated Undistributed (Distributions in excess of) Net Investment Income .....</b>						
	<u>\$ (4,217)</u>	<u>\$ (7,055)</u>	<u>\$ 1,543,844</u>	<u>\$ 2,803,229</u>	<u>\$ 2,183,527</u>	<u>\$ 2,805,634</u>
<b>Summary of Unit Transactions:</b>						
Units sold .....	4,564,768,057	6,456,292,323	159,235	169,136	157,729	8,591,015
Reinvestment of dividends and distributions .....	6,710,002	6,738,378	641,824	1,014,081	294,456	592,375
Units repurchased .....	<u>(4,565,680,582)</u>	<u>(6,797,649,606)</u>	<u>(22,394,561)</u>	<u>(95,028,189)</u>	<u>(4,417,579)</u>	<u>(15,434,806)</u>
Net increase (decrease) in units outstanding.....	<u>5,797,477</u>	<u>(334,618,905)</u>	<u>(21,593,502)</u>	<u>(93,844,972)</u>	<u>(3,965,394)</u>	<u>(6,251,416)</u>

The accompanying notes are an integral  
part of these financial statements.

TRUST FOR CREDIT UNIONS

MONEY MARKET PORTFOLIO  
FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A UNIT OUTSTANDING THROUGHOUT EACH YEAR

Years ended:	Net asset value, beginning of year	Net investment income <sup>(a)</sup>	Distributions to Unitholders	Net asset value, end of year	Total return <sup>(b)</sup>	Net assets, end of year (000's)	Ratio of net expenses to average net assets	Ratio of net investment income to average net assets	Ratios assuming no expense reductions	
									Ratio of total expenses to average net assets	Ratio of net investment income to average net assets
8/31/06	\$1.00	\$0.04	\$(0.04)	\$1.00	4.52%	\$ 256,798	0.14%	4.48%	0.38%	4.24%
8/31/05	1.00	0.02	(0.02)	1.00	2.44	251,000	0.13	2.36	0.32	2.17
8/31/04	1.00	0.01	(0.01)	1.00	1.01	585,631	0.13	0.99	0.30	0.82
8/31/03	1.00	0.01	(0.01)	1.00	1.25	1,223,006	0.11	1.25	0.28	1.08
8/31/02	1.00	0.02	(0.02)	1.00	1.99	1,816,545	0.11	1.97	0.28	1.80

<sup>(a)</sup> Calculated based on average units outstanding methodology.

<sup>(b)</sup> Assumes reinvestment of all distributions.

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**

**ULTRA-SHORT DURATION GOVERNMENT PORTFOLIO  
FINANCIAL HIGHLIGHTS**

**SELECTED DATA FOR A UNIT OUTSTANDING THROUGHOUT EACH YEAR**

	From investment operations			Distributions to Unitholders		Net asset value, end of year	Total return <sup>(b)</sup> (net assets)	Net assets, end of year (000's)	Ratio of net expenses to average net assets	Ratio of net investment income to average net assets	Ratio of total net investment income to average net assets	Portfolio turnover rate <sup>(c)</sup>
	Net investment income <sup>(a)(e)</sup>	Net realized and unrealized gain (loss) on investments	Total from investment operations	From net investment income <sup>(e)</sup>	Net asset value, end of year							
Years ended:												
8/31/06	\$0.34	\$ 0.04	\$0.38	\$(0.38)	\$9.43	4.12%	\$ 384,020	0.35%	3.57%	3.54%	52%	
8/31/05	0.22	(0.01)	0.21	(0.26) <sup>(f)</sup>	9.43	2.28	587,558	0.35	2.42	2.41	68	
8/31/04	0.20	—	0.20	(0.30)	9.48	2.15	1,480,020	0.34	2.05	2.05	148	
8/31/03	0.26	(0.07)	0.19	(0.34)	9.58	1.97	1,487,994	0.33	2.70	2.70	128	
8/31/02	0.38 <sup>(d)</sup>	0.09 <sup>(d)</sup>	0.47	(0.46)	9.73	4.94	1,057,429	0.34	3.88 <sup>(d)</sup>	3.88 <sup>(d)</sup>	122	

(a) Calculated based on average units outstanding methodology.

(b) Assumes investment at the net asset value at the beginning of the year, reinvestment of all distributions and a complete redemption of the investment at the net asset value at the end of the year.

(c) The portfolio turnover rate excluding the effect of mortgage dollar rolls is 50% for the year ended August 31, 2006. Prior years include the effect of mortgage dollar roll transactions, if any.

(d) As required, effective September 1, 2001, the Portfolio has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premium and discount on all debt securities and reclassifying all paydown losses to income. The effect of these changes for the year ended August 31, 2002 was to decrease net investment income per unit by \$0.05, increase net realized and unrealized gains and losses per unit by \$0.05, and decrease the ratio of net investment income to average net assets by 0.53%.

(e) Net investment income per unit differs from Distributions to Unitholders primarily due to book/tax differences on treatment of paydown gains and losses, market discounts and market premiums.

(f) Includes amounts less than \$0.005 that are distributions from paid-in capital.

The accompanying notes are an integral part of these financial statements.

**TRUST FOR CREDIT UNIONS**  
**SHORT DURATION PORTFOLIO**  
**FINANCIAL HIGHLIGHTS**

**SELECTED DATA FOR A UNIT OUTSTANDING THROUGHOUT EACH YEAR**

	From investment operations			Distributions to Unitholders			Net asset value, end of year	Net asset value, end of year	Total return <sup>(b)</sup>	Net assets, end of year (000's)	Ratio of net expenses to average net assets	Ratio of net investment income to average net assets	Portfolio turnover rate <sup>(c)</sup>
	Net investment income <sup>(a)(c)</sup>	Net realized gain (loss) on investments	Total from investment operations	From net investment income <sup>(c)</sup>	From paid-in capital	Total distributions							
Years ended:													
8/31/06.....	\$9.59	\$0.37	\$0.30	\$(0.38)	\$ —	\$(0.38)	\$9.51	3.25%	\$678,062	0.32%	3.90%	126%	
8/31/05.....	9.72	0.31	0.18	(0.31)	—	(0.31)	9.59	1.91	721,650	0.31	3.19	235	
8/31/04.....	9.74	0.33	0.36	(0.36)	(0.02)	(0.38)	9.72	3.74	792,166	0.29	3.34	269	
8/31/03.....	9.93	0.36	0.27	(0.46)	—	(0.46)	9.74	2.74	794,989	0.30	3.64	275	
8/31/02.....	9.84	0.51 <sup>(d)</sup>	0.63	(0.54)	—	(0.54)	9.93	6.60	377,752	0.31	5.14 <sup>(d)</sup>	170	

<sup>(a)</sup> Calculated based on average units outstanding methodology.

<sup>(b)</sup> Assumes investment at the net asset value at the beginning of the year, reinvestment of all distributions and a complete redemption of the investment at the net asset value at the end of the year.

<sup>(c)</sup> There was no effect due to mortgage dollar roll transactions for the year ended August 31, 2006. Prior years include the effect of mortgage dollar roll transactions, if any.

<sup>(d)</sup> As required, effective September 1, 2001, the Portfolio has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began reclassifying all paydown losses to income. The effect of this change for the year ended August 31, 2002 was to decrease net investment income per unit by \$0.04, increase net realized and unrealized gains and losses per unit by \$0.04, and decrease the ratio of net investment income to average net assets by 0.43%.

<sup>(e)</sup> Net investment income per unit differs from Distributions to Unitholders primarily due to book/tax differences on treatment of paydown gains and losses, market discounts and market premiums.

The accompanying notes are an integral part of these financial statements.

# TRUST FOR CREDIT UNIONS

## NOTES TO FINANCIAL STATEMENTS

August 31, 2006

### 1. Organization

Trust for Credit Unions is a Massachusetts business trust registered under the Investment Company Act of 1940 (“the Act”), as amended, as an open-end management investment company consisting of three diversified portfolios: Money Market Portfolio, Ultra-Short Duration Government Portfolio and Short Duration Portfolio (collectively, “the Portfolios” or individually a “Portfolio”). Units of the Portfolios are offered for sale solely to state and federally chartered credit unions.

### 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Portfolios. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts. Actual results could differ from those estimates.

#### A. Investment Valuation

For the Ultra-Short Duration Government and Short Duration Portfolios, investments in mortgage-backed, asset-backed and U.S. Treasury obligations for which accurate market quotations are readily available are valued on the basis of quotations furnished by a pricing service or provided by dealers in such securities. Portfolio securities for which accurate market quotations are not readily available are valued based on yield equivalents, pricing matrices or other sources, under valuation procedures established by the Portfolios’ Board of Trustees. Securities of the Money Market Portfolio and short-term debt obligations maturing in sixty days or less for the Ultra-Short Duration Government Portfolio and Short Duration Portfolio are valued at amortized cost, which approximates market value.

#### B. Security Transactions and Investment Income

Security transactions are recorded as of the trade date. Realized gains and losses on sales of portfolio securities are calculated using the identified cost basis. Interest income is recorded on the basis of interest accrued, premium amortized and discount accreted.

Market discounts and market premiums on debt securities are amortized to interest income over the life of the security with a corresponding adjustment in the cost basis of that security. All paydown gains and losses are classified as interest income in the accompanying Statements of Operations in accordance with generally accepted accounting principles. Original issue discounts (“OID”) on debt securities are accreted to interest income over the life of the security with a corresponding increase in the cost basis of that security.

## TRUST FOR CREDIT UNIONS

### NOTES TO FINANCIAL STATEMENTS—(Continued)

August 31, 2006

#### 2. Summary of Significant Accounting Policies—(Continued)

##### C. Federal Taxes

It is each Portfolio's policy to comply with the requirements of the Internal Revenue Code (the "Code") applicable to regulated investment companies and to distribute each year substantially all of its investment company taxable income and capital gains to its Unitholders. Accordingly, no federal tax provisions are required. Income distributions to Unitholders are recorded on the ex-dividend date, declared daily and paid monthly by the Portfolios. Net capital losses are carried forward to future years and may be used to the extent allowed by the Code to offset any future capital gains. Utilization of capital loss carryforwards will reduce the requirement of future capital gain distributions.

The characterization of distributions to Unitholders for financial reporting purposes is determined in accordance with federal income tax rules. Therefore, the source of a Portfolio's distributions may be shown in the accompanying financial statements as either from net investment income or net realized gains, or as a tax return of capital.

Generally, paydown gains and losses are recorded as increases (paydown gains) or decreases (paydown losses) against capital gains for tax purposes. The Ultra-Short Duration Government and Short Duration Portfolios have elected to amortize and accrete market discounts and premiums on portfolio securities for tax purposes based on the securities' yield to maturity. Such net amortization generally reduces ordinary income available for distribution.

##### D. Expenses

Expenses incurred by the Portfolios that do not specifically relate to an individual Portfolio are generally allocated to the Portfolios based on each Portfolio's relative average net assets for the period.

##### E. Repurchase Agreements

Repurchase agreements involve the purchase of securities subject to the seller's agreement to repurchase them at a mutually agreed upon date and price.

During the term of a repurchase agreement, the value of the underlying securities held as collateral on behalf of the Portfolios, including accrued interest, is required to exceed the value of the repurchase agreement, including accrued interest. If the seller defaults or becomes insolvent, realization of the collateral by the Portfolios may be delayed or limited and there may be a decline in the value of the collateral during the period while the Portfolios seek to assert their rights. The underlying securities for all repurchase agreements are held in safekeeping at the Portfolios' custodian or designated subcustodians under triparty repurchase agreements.

## TRUST FOR CREDIT UNIONS

### NOTES TO FINANCIAL STATEMENTS—(Continued)

August 31, 2006

#### 2. Summary of Significant Accounting Policies—(Continued)

Pursuant to exemptive relief granted by the Securities and Exchange Commission (the “SEC”) and terms and conditions contained therein, the Portfolios, together with other registered investment companies having management or investment advisory agreements with Goldman Sachs Asset Management, L.P. (“GSAM”) or its affiliates, may transfer uninvested cash into joint accounts, the daily aggregate balance of which is invested in one or more repurchase agreements.

##### F. When-Issued Securities

Consistent with National Credit Union Association (“NCUA”) rules and regulations, the Ultra-Short Duration Government and Short Duration Portfolios may purchase or sell securities in when-issued transactions. The value of a when-issued security sale is recorded as an asset and a liability on the Portfolios’ records with the difference between its market value and expected cash proceeds recorded as an unrealized gain or loss. Gains or losses are realized upon delivery of the security sold. Losses may arise due to changes in the market value of the security or from the inability of counterparties to meet the terms of the transaction.

##### G. Mortgage Dollar Rolls

The Ultra-Short Duration Government and Short Duration Portfolios may enter into mortgage “dollar rolls” in which the Portfolios sell securities in the current month for delivery and simultaneously contract with the same counterparty to repurchase similar (same type, coupon and maturity) but not identical securities on a specified future date. For financial reporting and tax reporting purposes, the Portfolios treat mortgage dollar rolls as two separate transactions; one involving the purchase of a security and a separate transaction involving a sale. During the period between the sale and repurchase, the Portfolios will not be entitled to accrue interest and/or receive principal payments on the securities sold. Dollar roll transactions involve the risk that the market value of the securities sold by the Portfolios may decline below the repurchase price of those securities. In the event the buyer of the securities under a dollar roll transaction files for bankruptcy or becomes insolvent, the Portfolios’ use of proceeds of the transaction may be restricted pending a determination by or with respect to the other party. The Portfolios do not currently intend to enter into mortgage dollar rolls for financing and do not treat them as borrowings.

#### 3. Agreements

GSAM, an affiliate of Goldman, Sachs & Co. (“Goldman Sachs”), serves as investment adviser pursuant to an Advisory Agreement (the “Agreement”) with the Trust on behalf of the Portfolios. Under the Agreement, GSAM manages the Portfolios, subject to the general supervision of the Trust’s Board of Trustees. As compensation for services rendered pursuant to the Agreement and the assumption of the

**TRUST FOR CREDIT UNIONS**

**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**August 31, 2006**

**3. Agreements—(Continued)**

expenses related thereto, GSAM is entitled to a fee (“advisory fee”), computed daily and payable monthly, at the following annual rates as a percentage of each respective Portfolio’s average daily net assets:

<u>Portfolio</u>	<u>Asset levels</u>	<u>Fee</u>
Money Market .....	up to \$300 million	0.20%
	in excess of \$300 million	0.15
Ultra-Short Duration Government .....	All	0.20
Short Duration .....	All	0.20

GSAM has voluntarily agreed to limit its advisory fee with respect to the Money Market Portfolio to 0.07% of average daily net assets. Additionally, effective October 19, 2005, GSAM voluntarily agreed to further limit its advisory fee to the Money Market Portfolio to 0.05% of average daily net assets until April 18, 2006. On April 19, 2006, GSAM removed this additional waiver. These voluntary limitations may be modified or eliminated by GSAM in the future at its discretion. For the year ended August 31, 2006, GSAM waived advisory fees amounting to approximately \$381,200.

Callahan Credit Union Financial Services Limited Liability Limited Partnership (“CUFSLP”) serves as the Portfolios’ administrator pursuant to an Administration Agreement. Callahan Financial Services, Inc. serves as a general partner to CUFSLP, which includes 40 major credit unions that are limited partners. Under the Administration Agreement, CUFSLP, subject to the general supervision of the Trust’s Board of Trustees, provides certain administrative services to the Portfolios. As compensation for services rendered under the Administration Agreement, CUFSLP is entitled to the following fees (“administration fees”), computed daily and payable monthly, at the following annual rates as a percentage of each respective Portfolio’s average daily net assets:

<u>Portfolio</u>	<u>Fee</u>
Money Market .....	0.10%
Ultra-Short Duration Government .....	0.10
Short Duration .....	0.05

CUFSLP has voluntarily agreed to limit its administration fee with respect to the Money Market Portfolio to 0.02% of average daily net assets. Additionally, effective October 17, 2005, CUFSLP voluntarily agreed to waive all of its administration fee with respect to the Money Market Portfolio until April 16, 2006. On April 17, 2006, CUFSLP removed this additional waiver. This voluntary limitation and waiver may be modified or eliminated by CUFSLP in the future at its discretion. For the year ended August 31, 2006, CUFSLP waived administration fees amounting to approximately \$245,000.

## TRUST FOR CREDIT UNIONS

### NOTES TO FINANCIAL STATEMENTS—(Continued)

August 31, 2006

#### 3. Agreements—(Continued)

CUFSLP has agreed that to the extent the total annualized expenses (excluding interest, taxes, brokerage and extraordinary expenses exclusive of any expense offset arrangements) (the “Expenses”) of the Money Market Portfolio exceed 0.20% of the average daily net assets, CUFSLP will either reduce the administration fees otherwise payable or pay such Expenses of the Money Market Portfolio. In addition, the Portfolio is not obligated to reimburse CUFSLP for prior fiscal year expense reimbursements, if any. For the year ended August 31, 2006, no expenses were required to be reimbursed by CUFSLP under this agreement.

CUFSLP and GSAM have each voluntarily agreed to limit the other annualized ordinary expenses (excluding advisory fees, administration fees, interest, taxes, brokerage and extraordinary expenses exclusive of any expense offset arrangements) of the Ultra-Short Duration Government Portfolio such that CUFSLP will reimburse expenses that exceed 0.05% up to 0.10% of the Ultra-Short Duration Government Portfolio’s average daily net assets, and GSAM will reimburse expenses that exceed 0.10% up to 0.15% of the Ultra-Short Duration Government Portfolio’s average daily net assets. In addition, the Portfolio is not obligated to reimburse CUFSLP and GSAM for prior fiscal year expense reimbursements, if any. For the year ended August 31, 2006, CUFSLP reimbursed expenses of approximately \$143,600. GSAM was not required to reimburse any expenses under this agreement for the same period.

In addition, the Portfolios have entered into certain expense offset arrangements with the custodian resulting in a reduction in the Portfolios’ expenses. For the year ended August 31, 2006, custody fee reductions for the Money Market, Ultra-Short Duration Government and Short Duration Portfolios amounted to approximately \$1,100, \$12,800 and \$10,700, respectively.

Callahan Financial Services, Inc. and Goldman Sachs serve as exclusive distributors of Units of the Portfolios. For the year ended August 31, 2006, neither party received any compensation for this service. Goldman Sachs also serves as Transfer Agent of the Portfolios and receives a fee (“transfer agent fee”) from the Ultra-Short Duration Government and Short Duration Portfolios. The transfer agent fee is calculated monthly based on a fixed amount and is assessed on the number of accounts serviced during the month.

## TRUST FOR CREDIT UNIONS

### NOTES TO FINANCIAL STATEMENTS—(Continued)

August 31, 2006

#### 4. Investment Transactions

The cost of purchases and proceeds from sales and maturities of long-term securities for the Ultra-Short Duration Government Portfolio and Short Duration Portfolio for the year ended August 31, 2006 were as follows (\$ in thousands):

	<u>Ultra-Short Duration Government Portfolio</u>	<u>Short Duration Portfolio</u>
Purchases of U.S. Government and agency obligations .....	\$198,999	\$846,944
Purchases (excluding U.S. Government and agency obligations) .....	—	85,029
Sales or maturities of U.S. Government and agency obligations .....	285,864	855,993
Sales or maturities (excluding U.S. Government and agency obligations) .....	6,227	5,364

#### 5. Line of Credit Facility

The Portfolios participate in a \$400,000,000 committed, unsecured revolving line of credit facility together with other registered investment companies having management or investment advisory agreements with GSAM. Under the most restrictive arrangement, each Portfolio must own securities having a market value in excess of 300% of its total bank borrowings. This facility is to be used solely for temporary or emergency purposes. The interest rate on borrowings is based on the federal funds rate.

This committed facility also requires a fee to be paid by the Portfolios based on the amount of the commitment that has not been utilized. For the year ended August 31, 2006, the Portfolios did not have any borrowings under this facility.

#### 6. Other Matters

**Principal Transactions with GSAM**—Pursuant to exemptive relief granted by the SEC and the terms and conditions contained therein, the Money Market Portfolio may enter into certain principal transactions, including repurchase agreements, with Goldman Sachs.

**New Accounting Pronouncements**—On July 13, 2006, the Financial Accounting Standards Board (“FASB”) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 provides guidance as to how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Portfolios’ tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning

**TRUST FOR CREDIT UNIONS**

**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**August 31, 2006**

**6. Other Matters—(Continued)**

after December 15, 2006 and is to be applied to all open tax years as of the effective date. At this time, management is evaluating the implications of FIN 48 and its impact on the Portfolios' financial statements has not yet been determined.

On September 15, 2006, the FASB released Statement Financial Accounting Standard No. 157 ("FAS 157") Fair Value Measurement which provides enhanced guidance for using fair value to measure assets and liabilities. The standard requires companies to provide expanded information about the assets and liabilities measured at fair value and the potential effect of these fair valuations on an entity's financial performance. The standard does not expand the use of fair value in any new circumstances, but provides clarification on acceptable fair valuation methods and applications. Adoption of FAS 157 is required for fiscal years beginning after November 15, 2007. The standard is not expected to materially impact the Portfolio's financial statements.

**7. Tax Information**

The tax character of distributions paid was as follows\*:

	<b>Ultra-Short Duration Government Portfolio Fiscal Years Ended</b>		<b>Short Duration Portfolio Fiscal Years Ended</b>	
	<u>August 31, 2006</u>	<u>August 31, 2005</u>	<u>August 31, 2006</u>	<u>August 31, 2005</u>
Distributions paid from:				
Ordinary income .....	\$19,086,263	\$25,301,602	\$28,215,801	\$23,917,022
Total taxable distributions .....	<u>\$19,086,263</u>	<u>\$25,301,602</u>	<u>\$28,215,801</u>	<u>\$23,917,022</u>
Tax return of capital.....	<u>\$ —</u>	<u>\$ 56,581</u>	<u>\$ —</u>	<u>\$ —</u>

\* In addition, the Money Market Portfolio had distributed substantially all of its current year income and realized gains (if any) as ordinary income for the past two years.

As of August 31, 2006, the components of accumulated earnings (losses) on a tax basis for the Ultra-Short Duration Government Portfolio and the Short Duration Portfolio were as follows:

	<b>Ultra-Short Duration Government Portfolio</b>	<b>Short Duration Portfolio</b>
Undistributed ordinary income—net .....	\$ 1,294,291	\$ 2,165,719
Total undistributed earnings .....	\$ 1,294,291	\$ 2,165,719
Capital loss carryforward <sup>1</sup> .....	(48,742,546)	(20,956,674)
Timing differences (dividends payable and post October losses) .....	(2,971,104)	(6,531,624)
Unrealized losses—net .....	<u>(2,024,039)</u>	<u>(4,104,022)</u>
Total accumulated losses—net .....	<u>\$(52,443,398)</u>	<u>\$(29,426,601)</u>

**TRUST FOR CREDIT UNIONS**

**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**August 31, 2006**

**7. Tax Information—(Continued)**

There were no significant book to tax differences for the Money Market Portfolio.

<sup>1</sup> The amount and year of expiration for each capital loss carryforward is indicated below. Expiration occurs on August 31 of the year indicated. Utilization of these losses may be limited under the Code:

<u>Portfolio</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Ultra-Short Duration								
Government .....	\$(5,040,383)	\$(689,432)	\$(139,960)	\$(371,560)	\$(2,667,678)	\$(17,778,765)	\$(18,747,166)	\$(3,307,602)
Short Duration .....	(4,468,853)	(526,184)	—	—	(1,439,421)	(4,543,488)	(3,835,419)	(6,143,309)

The amortized cost for the Money Market Portfolio stated in the accompanying Statements of Assets and Liabilities also represents aggregate cost for U.S. federal income tax purposes. At August 31, 2006, the Portfolios' aggregate security unrealized gains and losses based on cost for U.S. federal income tax purposes were as follows:

	<u>Ultra-Short Duration Government Portfolio</u>	<u>Short Duration Portfolio</u>
Tax Cost .....	\$435,043,177	\$698,404,603
Gross unrealized gain .....	100,314	1,041,312
Gross unrealized loss .....	(2,124,353)	(5,145,334)
Net unrealized loss .....	<u>\$ (2,024,039)</u>	<u>\$ (4,104,022)</u>

The difference between book-basis and tax-basis unrealized gains (losses) is attributable primarily to market discounts and market premiums.

In order to present certain components of the Portfolios' capital accounts on a tax basis, certain reclassifications have been recorded to the Portfolios' accounts. These reclassifications have no impact on the net asset value of the Portfolios. Reclassifications result primarily from the difference in the tax treatment of paydown losses, market discounts and market premiums.

<u>Portfolio</u>	<u>Paid-in Capital</u>	<u>Accumulated Undistributed Net Investment Income</u>	<u>Accumulated Net Realized Loss</u>
Ultra-Short Duration Government .....	\$198,136	\$679,049	\$(877,185)
Short Duration .....	(76,423)	386,229	(309,806)

## TRUST FOR CREDIT UNIONS

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### NOTES TO FINANCIAL STATEMENTS—(Continued)

August 31, 2006

#### 8. Concentration of Risk

The Ultra-Short Duration Government and Short Duration Portfolios may also invest in multiple class mortgage-related securities, including collateralized mortgage obligations and REMIC pass-through or participation certificates (collectively, “CMOs”). These multiple class securities may be mortgage-related securities issued by the U.S. Government, its agencies, instrumentalities or sponsored enterprises, including FNMA and FHLMC or, in the case of the Short Duration Portfolio, private mortgage-related securities issued by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs represent direct ownership interests in a pool of residential mortgage loans or mortgage pass-through securities (the “Mortgage Assets”), the payments on which are used to make payments on the CMOs. Investors may purchase beneficial interests in CMOs, which are known as “regular” interests or “residual” interests. The Portfolios may not purchase residual interests, but may purchase other types of interests. Each class of a CMO, often referred to as a “tranche,” is issued at a specific adjustable or fixed interest rate and must be fully retired no later than its final distribution date. Principal prepayments on the Mortgage Assets underlying a CMO may cause some or all of the classes of the CMO to be retired substantially earlier than its final distribution date. The principal of and interest on the Mortgage Assets may be allocated among several classes of a CMO in various ways.

# Report of Independent Registered Public Accounting Firm

To the Trustees and Unitholders of  
Trust for Credit Unions:

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Trust for Credit Unions (a Massachusetts business trust comprising the Money Market Portfolio, Ultra-Short Duration Government Portfolio, and Short Duration Portfolio), (collectively, the Portfolios ), at August 31, 2006, and the results of each of their operations, the changes in each of their net assets and the financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Portfolios' management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of investments owned at August 31, 2006, by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Boston, Massachusetts  
October 27, 2006

**Portfolio Expenses (Unaudited)—Six Month Period Ended August 31, 2006**

As a Unitholder of the Portfolios, you incur ongoing costs, including management fees, administration fees and other Portfolio expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolios and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from March 1, 2006 through August 31, 2006.

*Actual Expenses*—The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid” to estimate the expenses you paid on your account for this period.

*Hypothetical Example for Comparison Purposes*—The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolios’ actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolios and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. As a Unitholder of the Portfolios, you do not incur any transaction costs, such as sales charges (loads), redemption fees or exchange fees, but shareholders of other funds may incur such costs. The second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds whose shareholders may incur transaction costs.

	Money Market Portfolio			Ultra-Short Duration Government Portfolio			Short Duration Portfolio		
	Beginning Account Value 3/1/06	Ending Account Value 8/31/06	Expenses Paid for the 6 months ended 8/31/06*	Beginning Account Value 3/1/06	Ending Account Value 8/31/06	Expenses Paid for the 6 months ended 8/31/06*	Beginning Account Value 3/1/06	Ending Account Value 8/31/06	Expenses Paid for the 6 months ended 8/31/06*
Actual	\$1,000.00	\$1,025.00	\$0.66	\$1,000.00	\$1,024.10	\$1.79	\$1,000.00	\$1,023.40	\$1.63
Hypothetical 5% return	1,000.00	1,024.55+	0.66	1,000.00	1,023.44+	1.79	1,000.00	1,023.59+	1.63

\* Expenses are calculated using each Portfolio’s annualized expense ratio, which represents the ongoing expenses as a percentage of net assets for the six months ended August 31, 2006. Expenses are calculated by multiplying the annualized expense ratio by the average account value for such period; then multiplying the result by the number of days in the most recent fiscal half year; and then dividing that result by the number of days in the fiscal year. The annualized expense ratios for the period were 0.13%, 0.35% and 0.32% for the Money Market Portfolio, Ultra-Short Duration Government Portfolio and Short Duration Portfolio, respectively.

+ Hypothetical expenses are based on the Portfolios’ actual annualized expense ratios and an assumed rate of return of 5% per year before expenses.

## Statement Regarding Basis for Approval of Advisory Agreement

The Trustees oversee the management of Trust for Credit Unions (the “Trust”), and review the investment performance and expenses of the investment portfolios covered by this Report (the “Portfolios”) at regularly scheduled meetings held during the Portfolios’ fiscal year. In addition, the Trustees determine annually whether to approve and continue the Trust’s investment advisory agreement (the “Advisory Agreement”) with Goldman Sachs Asset Management, L.P. (the “Investment Adviser”) for the Portfolios.

The Advisory Agreement was most recently approved by the Trustees, including a majority of the Trustees who are not parties to the Advisory Agreement or “interested persons” (as defined in the Investment Company Act of 1940, as amended) of any party thereto (the “Independent Trustees”), on March 27, 2006 (the “Annual Contract Meeting”).

At the Annual Contract Meeting the Trustees reviewed matters that included: (a) the Portfolios’ investment advisory fee arrangements; (b) the Portfolios’ investment performance; (c) the quality of the Investment Adviser’s services; (d) the structure, staff and capabilities of the Investment Adviser and its portfolio management team; (e) the groups within the Investment Adviser that support the portfolio management team, including the legal and compliance departments and the technology, operations, treasury and tax groups; (f) the Investment Adviser’s financial resources; (g) the fees received by the Investment Adviser’s affiliates from the Portfolios for transfer agency and other services; (h) the terms of the Advisory Agreement; (i) the statutory and regulatory requirements applicable to the approval and continuation of mutual fund investment advisory agreements; and (j) the Investment Adviser’s credit research process, trade aggregation and allocation policies and employee trading practices. At the Annual Contract Meeting, the Trustees also considered the expenses paid by the Portfolios and the Portfolios’ expense trends over time.

In connection with the Annual Contract Meeting, the Trustees received written materials and oral presentations on the topics covered, and were advised by their independent legal counsel regarding their responsibilities under applicable law. During the course of their deliberations, the Independent Trustees met in executive session without employees of the Investment Adviser present.

In evaluating the Advisory Agreement at the Annual Contract Meeting, the Trustees relied upon their knowledge, resulting from their meetings and other interactions throughout the year, of the Investment Adviser, its services and the Portfolios. At those meetings the Trustees received materials relating to the Investment Adviser’s investment management and other services under the Advisory Agreement, including: (a) information on the investment performance of the Portfolios in comparison to other mutual funds and benchmark performance indices; (b) general investment outlooks in the markets in which the Portfolios invest; (c) compliance reports; and (d) expenses borne by the Portfolios.

In connection with their approval of the Advisory Agreement, the Trustees gave weight to various factors, but did not identify any particular factor as controlling their decision. As part of their review, the Trustees considered the nature, extent and quality of the services provided by the Investment Adviser. The Trustees concluded that the Investment Adviser had substantial resources to provide services to the Trust; that GSAM’s services had been acceptable; and that GSAM had been responsive to requests made by the Trustees and to regulatory and industry changes.

The Trustees also considered the investment performance of the Portfolios and the Investment Adviser. Information on the Portfolios’ investment performance was provided for one, three, five and ten year periods. The Trustees considered the Portfolios’ investment performance in light of their performance benchmarks and the investment objectives and credit parameters applicable to the Portfolios. The Trustees concluded that the investment performance of each of the Ultra-Short Duration Government Portfolio and the Short Duration Portfolio as compared to their respective benchmarks was acceptable, and that although the yields of the Money Market Portfolio trailed the federal funds rate, this spread had narrowed in recent months. In addition, the Money Market Portfolio’s investment

## Statement Regarding Basis for Approval of Advisory Agreement (continued)

performance was competitive when compared to the performance of other registered money market funds. In reaching these conclusions, the Trustees also considered the relative stability of the net asset values of the Ultra-Short Duration Government Portfolio and Short Duration Portfolio during the past year despite the rising interest rate environment.

The Board of Trustees also considered the contractual fee rates payable by the Portfolios under the Advisory Agreement. In this regard, information on the fees paid by the Portfolios and the Portfolios' total operating expense ratios (before and after fee waivers and expense reimbursements) were compared to similar information for mutual funds advised by other, unaffiliated investment advisory firms. Most of the comparisons of the Portfolios' fee rates and total operating expense ratios were prepared by a third-party consultant. The Trustees found the industry and peer group comparisons to be helpful in their deliberations.

More particularly, the Trustees reviewed analyses prepared by a third party consultant of the expense rankings of the Portfolios. The analyses provided a comparison of the Portfolios' management fees to relevant peer groups and category universes; an expense analysis which compared each Portfolio's expenses to a peer group and a category universe; and a five-year history comparing each Portfolio's expenses to peer group and category medians. The analyses also compared the Portfolios' transfer agency fees and other expenses to peer group medians.

In addition, the Trustees reviewed information regarding the Investment Adviser's potential economies of scale, and whether the Funds and their shareholders were participating in the benefits of these economies. In this regard, the Trustees considered the information provided by the Investment Adviser relating to the costs of the services provided by the Investment Adviser and its affiliates and the profits realized by them, and information comparing the contractual fee rates charged by the Investment Adviser with fee rates charged by other, unaffiliated investment managers to other mutual funds. In this connection, the Trustees noted that the current investment advisory fee for the Money Market Portfolio had a breakpoint at \$300 million (from 0.20% to 0.15%), although the Investment Adviser was currently waiving voluntarily its investment advisory fee to a lower level (0.07%). In addition, the Trustees noted that although the investment advisory fees for the Ultra-Short Duration Government Portfolio and the Short Duration Portfolio did not include breakpoints, the investment advisory fees and ordinary operating expense ratios for these Portfolios were low compared to mutual fund industry averages. The Trustees further noted that the Portfolios' investment advisory fee rates and ordinary operating expense ratios were among the lowest in the mutual fund industry, which would appear to indicate that the Portfolios were sharing in economies of scale at their current asset levels. In this regard, the Trustees also noted that although the assets of the Portfolios had declined, the ordinary operating expense ratios of the Portfolios had remained relatively stable, due, in part, to additional expense reimbursements by the Trust's administrator with respect to the Ultra-Short Duration Government Portfolio and, with respect to the Money Market Portfolio, fee waivers that had been implemented by the Trust's administrator, the Investment Adviser and the Trustees.

The Trustees also considered the other benefits derived by the Investment Adviser and its affiliates from the Portfolios. These other benefits included the transfer agency fees paid by the Ultra-Short Duration Government Portfolio and the Short Duration Portfolio. In addition, the Trustees reviewed the Investment Adviser's pre-tax revenues and pre-tax margins with respect to the Trust and the Portfolios. The Trustees reviewed, among other things, profitability analyses and summaries, revenue and expense schedules and expense allocation methodologies.

After reviewing the information regarding the Investment Adviser's costs, profitability and economies of scale, and after considering the Investment Adviser's services, the Trustees concluded that the investment advisory fees paid by the Portfolios were fair and reasonable and that the Advisory Agreement should be approved and continued.

**Trustees and Officers (Unaudited)**  
**Independent Trustees**

<u>Name, Age and Address<sup>1</sup></u>	<u>Position(s) Held with Trust</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee<sup>3</sup></u>	<u>Other Directorships Held by Trustee<sup>4</sup></u>
James C. Barr Age: 70	Trustee	Since 1989	Managing Member, J.C.B. Enterprises, L.L.C. (March 1997-Present); Chief Executive Officer, National Milk Producers Federation (March 1985-March 1997).	3	None
Edgar F. Callahan Age: 78	Vice Chairman and Trustee	Since 1989	Partner, Member Value Network, L.L.C. (March 2003-Present); Director, Member Trust (2004); Chief Executive Officer, PATELCO Credit Union (October 1987-December 2002).	3	None
Robert M. Coen Age: 67	Trustee	Since 1989	Professor of Economics, Northwestern University.	3	None
Thomas S. Condit Age: 64	Trustee	Since 1989	Retired. Director, American Community Properties Trust (March 2003-Present).	3	
Rudolf J. Hanley Age: 63	Trustee	Since 2003	President and Chief Executive Officer, Orange County Federal Teachers Credit Union (September 1982-Present).	3	None
Betty G. Hobbs Age: 67	Trustee	Since 1996	President and Chief Executive Officer, The Tennessee Credit Union (over 25 years).	3	None
Gary Oakland Age: 53	Chairman and Trustee	Since 1999	President and Chief Executive Officer, Boeing Employees Credit Union (July 1986-Present).	3	None
D. Michael Riley Age: 59	Trustee	Since 2000	President, D. Michael Riley & Associates (July 1996-Present).	3	None

## Interested Trustees

Name, Age and Address <sup>1</sup>	Position(s) Held with Trust	Term of Office and Length of Time Served <sup>2</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee <sup>3</sup>	Other Directorships Held by Trustee <sup>4</sup>
Wendell A. Sebastian <sup>5</sup> Age: 62	Trustee	Since 1989	President and Chief Executive Officer, GTE Federal Credit Union (January 1998-Present).	3	None

<sup>1</sup> Each Trustee may be contacted by writing to the Trustee, c/o Callahan Credit Union Financial Services Limited Liability Limited Partnership, 1001 Connecticut Avenue, N.W., Suite 1001, Washington, D.C. 20036-5504.

<sup>2</sup> Each Trustee serves for an indefinite term until the next meeting of Unitholders, if any, called for the purpose of considering the election or re-election of such Trustee, or until such Trustee sooner dies, resigns, retires or is removed.

<sup>3</sup> The Fund Complex includes all registered investment companies that are advised by GSAM or one of its affiliates.

<sup>4</sup> Directorships of companies required to report to the Securities and Exchange Commission under the Securities and Exchange Act of 1934 (i.e., “public companies”) or other investment companies registered under the 1940 Act.

<sup>5</sup> Mr. Sebastian is considered an Interested Trustee of the Trust because his daughter is an employee of Callahan & Associates, Inc., the sole shareholder of Callahan Financial Services, Inc., a co-distributor of the Trust.

## Officers of the Trust

<u>Name, Age and Address</u>	<u>Position(s) Held with Trust</u>	<u>Term of Office and Length of Time Served<sup>1</sup></u>	<u>Principal Occupation(s) During Past 5 Years</u>
Charles W. Filson, 61 1001 Connecticut Ave., N.W. Suite 1001 Washington, D.C. 20016	President	Since 1988	Director and President, Collahan Financial Services, Inc. (“CFS”) (Nov. 2001-Present); and Treasurer, CFS (October 1987-Present).
Kaysie P. Uniacke, 44 32 Old Slip, 31 <sup>st</sup> Floor New York, NY 10005	Vice President	Since 2006	Partner, Goldman Sachs (October 2002-Present); Managing Director, GSAM (since 1997); Trustee, Goldman Sachs Mutual Fund Complex (registered investment companies) (2001-Present); President, Goldman Sachs Mutual Fund Complex (registered investment companies) (2002-Present); Assistant Secretary, Trust for Credit Unions (1995-2006).
Jesse Cole, 43 71 South Wacker Drive Suite 500 Chicago, IL 60606	Vice President	Since 2006	Vice President, GSAM (June 1998-Present); Vice President, Goldman Sachs Trust and Goldman Sachs Variable Insurance Trust (registered investment companies) (1998-Present).
John M. Perlowski, 41 32 Old Slip, 31 <sup>st</sup> Floor New York, NY 10005	Treasurer	Since 1998	Managing Director, Goldman Sachs (December 2003-Present); Vice President, Goldman Sachs (July 1995-December 2003); Treasurer, Goldman Sachs Trust and Goldman Sachs Variable Insurance Trust (registered investment companies) (1997-Present).
Peter V. Bonanno, 38 32 Old Slip New York, NY 10005	Secretary	Since 2006	Vice President and Associate General Counsel, Goldman Sachs (2002-Present); Vice President and Assistant General Counsel, Goldman Sachs (1990-2002). Secretary — Goldman Sachs Mutual Fund Complex (registered investment companies).

<sup>1</sup> Each officer is elected by the Board of Trustees of the Trust. The President, Treasurer and Secretary each serve until the next annual meeting of the Trustees and until his or her successor is chosen and qualified or until his or her death, resignation, removal or disqualification. Each of the other officers hold office at the pleasure of the Trustees.



**Trustees**

Gary Oakland, *Chairman*  
Edgar F. Callahan, *Vice-Chairman*  
James C. Barr  
Robert M. Coen  
Thomas S. Condit  
Rudolf J. Hanley  
Betty G. Hobbs  
D. Michael Riley  
Wendell A. Sebastian

**Officers**

Charles W. Filson, *President*  
Kaysie P. Uniacke, *Vice President*  
Jesse Cole, *Vice President*  
John M. Perlowski, *Treasurer*  
Peter V. Bonanno, *Secretary*

**Administrator**

Callahan Credit Union Financial Services, Inc.,  
Limited Liability Limited Partnership

**Investment Adviser**

Goldman Sachs Asset Management, L.P.,  
an affiliate of Goldman, Sachs & Co.

**Transfer Agent**

Goldman, Sachs & Co.

**Distributors**

Callahan Financial Services, Inc.  
Goldman, Sachs & Co.

**Independent Auditors**

PricewaterhouseCoopers LLP

**Return address:**

Goldman Sachs Funds  
71 South Wacker Drive  
Suite 500  
Chicago, IL 60606



**Asset  
Management**

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