

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY**

The Board of Directors (the "Board") of The University of Texas Investment Management Company (the "Corporation") convened in an open meeting at 8:12 a.m. on the **7th day of November 2008**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Chairman, Robert B. Rowling, with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded.

Participating in the meeting were the following members of the Board:

J. Philip Ferguson, Vice Chairman
Kenneth I. Shine, Vice Chairman for Policy
Clint Carlson
Paul Foster
Ardon E. Moore
Erle Nye
Charles W. Tate

Accordingly, a majority and quorum of the Board was in attendance. Director Colleen McHugh did not attend the meeting. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Lindel Eakman, Managing Director - Private Markets; Bill Edwards, Managing Director - Information Technology; Mark Warner, Senior Director - Natural Resources Investments; Bob Schau, Senior Director - Real Estate Investments; Uzi Yoeli, Director - Portfolio Risk Management; and other Staff members; Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner of Andrews Kurth LLP; William Volk of Vinson & Elkins LLP; Jim Phillips, Charles Chaffin, Phillip Aldridge, Moshmee Kalamkar, Miles Ragland, Barry McBee and Roger Starkey of UT System Administration; Bruce Myers, Jeff Mansukhani and Hamilton Lee of Cambridge Associates; Greg Anderson of Texas A&M University System; and Tom Wagner of Deloitte & Touche LLP. Robert Rowling, Chairman of the Board, joined later in the meeting as noted in the minutes. Mr. Ferguson called the meeting to order at 8:12 a.m.

Minutes

The first matter to come before the Board was the approval of the minutes of the meeting of the Board of Directors held on July 23, 2008, and the Joint Meeting of the Board and UT System Board of Regents held on July 24, 2008. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the minutes of the meeting of the Board of Directors held on **July 23, 2008**, and the Joint Meeting with the Board of Regents of The University of Texas System held on **July 24, 2008**, be, and are hereby, approved.

Legal Counsel Selection

Mr. Ferguson asked Mr. Zimmerman to discuss external legal counsel. Mr. Zimmerman stated that he and Staff recommended that the Board hire Andrews Kurth LLP to provide guidance and assistance to the Board, its individual members, and Staff in matters related to the Corporation's business. Mr. Rowling joined the meeting at this time. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the Board approves the selection of Andrews Kurth LLP as external general counsel of the Corporation; provided that the Corporation CEO may appoint other lawyers or firms of lawyers deemed necessary or appropriate to assist the Corporation Staff in connection with the discharge of their investment activities on behalf of the Corporation.

Endowment and Operating Funds Update

Mr. Rowling asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman reported performance numbers as of the fiscal year end, August 31, 2008, and also reported September 2008 numbers and preliminary numbers for October 2008. The net performance for the one-month period ended August 31, 2008, for the Permanent University Fund (PUF) was -2.14% and for the General Endowment Fund (GEF) was -2.16%, versus benchmark returns of -2.38% for each fund. The net performance for the one-year period ended August 31, 2008, for the PUF and GEF were -3.34% and -3.09%, respectively, versus benchmark returns of -5.20% for each fund. The Intermediate Term Fund's (ITF) performance was -1.79% versus its benchmark return of -2.14% for the one-month period, and was -0.71% versus its benchmark return of -4.15% for the one-year period ended August 31, 2008. Performance for the Short Term Fund (STF) was 0.23% versus 0.15% for its benchmark return for the one-month period, and was 3.97% versus a benchmark return of 2.99% for the one-year period ended August 31, 2008. Mr. Zimmerman reviewed portfolio policy ranges and policy targets, and then presented the Market Exposure chart showing market exposure and deviations from policy targets within tactical policy ranges. Mr. Zimmerman reported on risk and leverage, and reviewed a comprehensive derivative report as of August 31, 2008. Mr. Zimmerman reviewed the funds comparing asset class and investment type targets, ranges and performance objectives. Also presented was manager exposure, liquidity and investment activity as of August 31, 2008. Portfolio updates on Less Correlated & Constrained Investments and Private Investments were also provided. Mr. Zimmerman, Ms. Iberg, Mr. Eakman, and Mr. Mansukhani answered the Directors' questions.

Overview of Public Markets Portfolio

Mr. Rowling asked Ms. Iberg to proceed to the overview of the Public Markets Portfolio. Ms. Iberg began by introducing the Public Markets staff. She reviewed performance as of August 31, 2008, and reviewed allocation of capital, the year in review and future plans for the Portfolio. Presentations were given on current opportunities in Residential Mortgage-Backed Securities and Special Equity Portfolio. Mr. Zimmerman and Ms. Iberg answered questions of the Directors.

At 11:40 a.m. the open meeting of the Board recessed into a Briefing Session pursuant to Texas Education Code Section 66.08 (h)(2) related to a Private Investment.

The open meeting of the Board reconvened in open session at 1:30 p.m.

Executive Session

Mr. Rowling, at 1:30 p.m., announced that, "The Board of Directors of The University of Texas Investment Management Company having been duly convened in Open Session and notice of this meeting having been duly given, I hereby announce the convening of a closed meeting as an Executive Session to receive the advice of legal counsel and to consider individual personnel compensation matters. The time is now 1:30 p.m. and the date is November 7, 2008. This Executive Session meeting of the Board is authorized by *Texas Government Code Sections 551.071 and 551.074.*"

Reconvene in Open Session

The Board reconvened at 3:05 p.m. in open session and Mr. Rowling announced that, "The Open Session of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The date is November 7, 2008, and the time is now 3:05 p.m. During the Executive Session, the Board received the advice of legal counsel and discussed individual personnel matters, but did not take any final action or votes, or make any decisions." Mr. Nye left the meeting at this time.

Compensation Committee Report

Mr. Rowling discussed the UTIMCO Peer Group, which is updated annually by Cambridge Associates, the Board's external investment advisor, at the beginning of each Performance Period, and Appendix B is updated accordingly. The Peer Group is no longer used in the calculation of entity performance in accordance with section 5.8(a) of the UTIMCO Compensation Program however, effective with the Performance Period beginning July 1, 2008, performance relative to the Peer Group may be included as a Qualitative Performance Goal. Effective July 1, 2008, the definition of the UTIMCO Peer Group set forth in Appendix B of the Plan was changed to a peer group of endowment funds maintained by the Board's external investment advisor that is composed of all endowment funds with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, determined as of the last day of each of the three immediately preceding Performance Periods, excluding the Total Endowment Assets (PUF and GEF). The Compensation Plan Universe for 2008/2009 was provided by Cambridge Associates and will be used as the peer group for Appendix B. The amended Appendix B is attached to these minutes.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 8.14 of the UTIMCO Compensation Program (the "Plan") provides that the "Peer Group" will be updated annually at the beginning of each Performance Period, and Appendix B (UTIMCO Peer Group) will be amended accordingly; and

WHEREAS, Section 7.2 of the Plan provides that the Board has the right to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Board wishes to amend Appendix B to conform to the updated Peer Group.

NOW, THEREFORE, be it:

RESOLVED, that the updated and amended Appendix B (UTIMCO Peer Group), a copy of which is attached hereto, is hereby adopted and approved as part of the Plan to replace the current Appendix B, effective as of July 1, 2008.

Mr. Rowling asked Mr. Foster to report from the Audit and Ethics Committee regarding the Performance Incentive Award for Ms. Gonzalez, General Counsel and Chief Compliance Officer. Mr. Foster stated that the Audit and Ethics Committee met the day before, November 6, 2008 and as part of that meeting, the Audit and Ethics Committee concurred with the Compensation Committee's recommendation to the Board and approved the Performance Incentive Award for the General Counsel and Chief Compliance Officer for the 2007/2008 Performance Period subject to the approval of the Board.

Mr. Rowling asked Mr. Ferguson to report from the Compensation Committee. Mr. Ferguson reported that the Compensation Committee had also met the day before, November 6, 2008, and unanimously approved the Performance Incentive Awards for the Participants for the 2007/2008 Performance Period in the total amount of \$2,336,697. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

WHEREAS, Section 5.5(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each Performance Period, the Compensation Committee will determine the level of achievement of each Participant against the Performance Goals of the respective Participant and determine the Participant's level of achievement of his or her Performance Goals; and

WHEREAS, in accordance with Section 5.5(d) of the UTIMCO Compensation Program (the "Plan"), the Compensation Committee has determined each Participant's level of achievement of his or her Performance Goals for the 2007/2008 Performance Period, and

WHEREAS, Sections 5.5(e) and 5.5(f) of the Plan provide that, based on the percentage achieved of each Participant's Performance Goals for a Performance Period, a Performance Incentive Award will be calculated for each Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5(f) of the Plan provides that the Compensation Committee will review all calculations of Performance Incentive Awards, based on the certification of its advisors, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Compensation Committee has reviewed the Performance Incentive Awards for all Participants who have met or exceeded their performance benchmarks for the 2007/2008 Performance Period based on the certification of its advisors, made changes it deemed appropriate, approved such Performance Incentive Awards, and recommended that the Board approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the Performance Incentive Awards for the Participants for the 2007/2008 Performance Period in the total amount of \$2,336,697 are hereby approved.

Mr. Ferguson continued with the next recommendation from the Compensation Committee for approval of the CEO's Performance Incentive Award for the 2007/2008 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

WHEREAS, in lieu of participation in the UTIMCO Compensation Program for the 2007/2008 Performance Period, the CEO participates in a special Performance Incentive Award Plan as attached in Attachment 2 of the Offer of Employment Letter ("Letter") for Bruce E. Zimmerman; and

WHEREAS, the Individual Performance Goals for the CEO for the Period of July 1, 2007 through June 30, 2008 were established in Attachment 1 of the Letter; and

WHEREAS, the Board will determine the level of achievement of the CEO relative to his Performance Goals for such Performance Period as provided in the Letter and based on the recommendation of the Compensation Committee; and

WHEREAS, Attachment 2 of the Letter provides that, based on the percentage achieved of the CEO's Performance Goals for the 2007/2008 Performance Period, a Performance Incentive Award will be calculated for the CEO for such Performance Period in accordance with the calculation methodology set forth in Attachment 2 of the Letter; and

WHEREAS, the Compensation Committee has reviewed the actual performance of the CEO during the Performance Period and has compared such actual performance relative to each Performance Goal for the CEO against his corresponding Performance Goal for such Performance Period and recommended that the Board review the same; and

WHEREAS, the Compensation Committee has reviewed the calculation of the Performance Incentive Award for the CEO of the Corporation, approved such calculation, and recommended that the Board approve the CEO's Performance Incentive Award.

WHEREAS, the Board has reviewed the actual performance of the CEO during the Performance Period and has compared such actual performance relative to each Performance Goal for the CEO against his corresponding Performance Goal for such Performance Period.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the CEO's Performance Incentive Award for the 2007/2008 Performance Period in the amount of \$1,050,000.

The final recommendation from the Compensation Committee for Board approval was that Susan Chen, Director - Public Markets, be designated as a "Participant" in the Plan in the Eligible Position of Director, Investment for the 2008/2009 Performance Period, effective as of September 22, 2008, and approval of her

Qualitative Performance Goals for the 2008/2009 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

WHEREAS, Section 5.3(a) of the UTIMCO Compensation Program (the "Plan") provides that, in order to become a Participant in the Plan for a Performance Period, a UTIMCO employee must be (1) employed in a position designated by the Board of Directors of UTIMCO (the "Board") as an Eligible Position for that Performance Period and (2) selected by the Board as a Participant for that Performance Period; and

WHEREAS, the Compensation Committee of the Board of Directors of UTIMCO (the "Committee") has previously determined that the position of Director, Investment is an Eligible Position in the Plan; and

WHEREAS, the position of Director, Investment, includes the position of Director - Public Markets Investments; and

WHEREAS, the Compensation Committee of the Board has recommended that Susan Chen, as Director - Public Markets Investments, become a Participant for the 2008/2009 Performance Period; and

WHEREAS, the UTIMCO Board has determined that Susan Chen may become a Participant for the 2008/2009 Performance Period.

NOW, THEREFORE, be it:

RESOLVED, that Susan Chen be designated by the UTIMCO Board as a Participant in the Plan in the Eligible Position of Director, Investment for the 2008/2009 Performance Period, effective as of September 22, 2008.

Key Employees

Mr. Rowling asked Mr. Zimmerman to present the recommendation for Key Employees. The Corporation's Code of Ethics requires the Board to designate, by position with the Corporation, the employees who exercise significant decision-making authority. Staff is recommending three additional employees, by virtue of their position with the Corporation, be designated as Key Employees. Upon motion duly made and seconded, the following resolution was passed unanimously:

RESOLVED, that, as required by the Corporation's Code of Ethics, the following persons are designated, by position, as key employees of the Corporation.

Mark Warner	Senior Director – Natural Resources Investments
Robert Schau	Senior Director – Real Estate Investments
Susan Chen	Director – Public Markets Investments

Audit and Ethics Committee Report

Mr. Rowling asked Mr. Foster to complete his report on behalf of the Audit and Ethics Committee. Mr. Foster asked Tom Wagner, engagement partner, to give a brief update of the financial statements audited by Deloitte & Touche LLP. Mr. Wagner presented Deloitte & Touche LLP's Financial Statement Audit Results and Communications and the audited financial statements of the Permanent University Fund ("PUF"), General Endowment Fund ("GEF"), Permanent Health Fund ("PHF"), Long Term Fund ("LTF"), Intermediate Term Fund ("ITF"), and the Statement of Performance Statistics for the year ended August 31, 2008. Mr. Wagner answered questions related to the audit. Mr. Foster made a recommendation from the Audit and Ethics Committee to adopt Deloitte & Touche LLP's Financial Statement Audit Results and Communications letter. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications on the Investment Funds Under Fiduciary Responsibility of The University of Texas System Board of Regents for the year ended August 31, 2008, be, and is hereby approved in the form as presented to the Board; and

FURTHER RESOLVED, that the separate annual financial statements and audit reports for the Permanent University Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, The University of Texas System General Endowment Fund, and The University of Texas System Intermediate Term Fund each for the fiscal years ended August 31, 2008, and August 31, 2007, and the Statement of Investment Performance Statistics for the year ended August 31, 2008, be, and are hereby approved in the form as presented to the Board.

Policy Committee Report

Mr. Rowling asked Mr. Foster to give a report on behalf of the Policy Committee. Mr. Foster stated that the Policy Committee had also met the day before. The Committee discussed and approved a proposed amendment to the Corporation's Travel Guidelines. Mr. Foster asked Mr. Zimmerman to summarize the requested change. Mr. Zimmerman stated that the proposed amendment was based on the recommendation of the UT System Audit Office. The Audit Office recommended that UTIMCO add provisions related to ground transportation costs, in particular, private car services, in the UTIMCO Travel Guidelines. UTIMCO Travel Guidelines provide UTIMCO employees with information regarding and guidance about the procedures and responsibilities for traveling on company business. Mr. Zimmerman and Mr. Chaffin answered the Committee Members' questions.

Mr. Foster asked Mr. Zimmerman to present the proposed amendment to the Delegation of Authority Policy that was discussed and approved at the Policy Committee meeting. Mr. Zimmerman stated that at a previous Risk Committee meeting, the Directors requested that UTIMCO staff return to the Board at a future meeting with a policy recommendation that would address handling of manager mandates that exceed the limits of delegated authority in the Delegation of Authority Policy due to appreciation of the investment. The proposed amendments to the Delegation of Authority Policy were also reviewed and approved by the Risk Committee, subject to approval by the Board.

Mr. Zimmerman continued by explaining the proposed changes to the Master Investment Management Services Agreement (IMSA) between UTIMCO and the UT System Board of Regents that were also

approved by the Policy Committee. Mr. Zimmerman explained that the UTIMCO Code of Ethics was approved by the UT Board at their August 14, 2008 meeting, subject to an amendment proposed by Regent Janiece Longoria and the requirements that UTIMCO (1) maintain a log of (a) all agreements and transactions between UTIMCO and a Director or Employee and (b) all investments in the private investments of a business entity in which a Director or Employee then owns a private investment, or is then co-investing, in the same business entity as UTIMCO, which annually shall be reviewed by the UTIMCO Board of Directors and reported to the UT Board; and (2) report to the UT Board annually on compliance with the UTIMCO Code of Ethics and any recommended changes to the UTIMCO Code of Ethics following review by the UTIMCO Board of Directors. UTIMCO staff drafted changes to the IMSA, consistent with the above requirements, which were also reviewed and approved by UT System staff. On behalf of the Policy Committee, Mr. Foster recommended approval of the changes by the Board. If approved, these changes will need further approval from the UT System Board of Regents at a future meeting. Mr. Zimmerman answered the questions of the Board Members. Mr. Turner left the meeting at this time. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Master Investment Management Services Agreement with UTIMCO ("IMSA") be, and is hereby, approved in the form submitted to the Corporation's Board, subject to approval by the Board of Regents of The University of Texas System.

and

RESOLVED, that amendments to the Delegation of Authority Policy as presented be, and are hereby, approved in the form submitted to the Corporation's Board.

Risk Committee Report

Mr. Rowling asked Mr. Tate to report on the last meeting of the Risk Committee. Mr. Tate stated that the Risk Committee last met on October 23, 2008. He reported that the Committee reviewed compliance reporting, reviewed and discussed risk reporting, and discussed and approved mandate categorizations. Also at the Committee meeting, Mr. Zimmerman reported that in August all asset classes and investment types were within ranges. However, when final net asset values for the PUF and GEF for September 30, 2008 became available, Private Investments exceeded the ranges set by the Investment Policy Statements. As required by the Investment Policy Statements, Ms. Gonzalez, CCO, notified the Chairs of the Audit and Ethics Committee and the Risk Committee. Also as required by the Investment Policy Statements, the CEO and Chief Investment Officer notified the Chairman of the Board and proposed a plan of action to bring Private Investments back within the ranges. The CEO and Chief Investment Officer also discussed the proposed plan of action with the Committee Chairs. The Chairman of the Board and the Committee Chairs agreed with the proposed plan of action and it is being followed. Mr. Tate asked Mr. Zimmerman to give a report to the Board on the Geographic Sector Exposure presentation he gave at the Committee meeting. Mr. Zimmerman began by explaining that questionnaires had been sent to all managers and 85% had responded with detailed exposure. The exposures of the endowment funds (excluding the ITF) were as of June 30, 2008. He reviewed a chart that compared total equity country exposure against total endowments, market cap, MSCI All Country World Index, and other indices. Although Staff noted that the conclusions of this report were interesting, they did not recommend spending the time and effort involved to provide this information to the Committee and Board more frequently than once a year and the Committee concurred, but did ask that the presentation be given to the full Board. Mr. Zimmerman answered the Directors' questions.

Organization Update

Mr. Rowling asked Mr. Zimmerman to give an organization update for the Corporation. Prior to Mr. Zimmerman's report, Dr. Shine mentioned that in conjunction with the travel guidelines he would like to mention that the Governor sent out a request to lower costs for travel. He asked Mr. Zimmerman to look at the travel budget and asked that the Corporation to be responsive to this request by looking closely at future travel expenses. Mr. Zimmerman agreed, concurring with Dr. Shine that cutbacks would not undermine productivity or office morale. He continued with providing the Board an update on the Corporation's 2008 Actual vs. Budget, current organization chart, current projects, and the 2008 Annual Report.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 4:10 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Robert B. Rowling Date: Feb. 13, 2009
Robert B. Rowling
Chairman, Board of Directors of
The University of Texas Investment
Management Company

Appendix B

UTIMCO Peer Group

- Columbia University
- Cornell University
- Emory University
- Harvard University
- Massachusetts Institute of Technology
- Northwestern University
- Princeton University
- Rice University
- Stanford University
- The Duke Endowment
- University of California
- University of Chicago
- University of Michigan
- University of Notre Dame
- University of Pennsylvania
- University of Virginia Investment Management Company
- Vanderbilt University
- Washington University in St. Louis
- Yale University

Source: Cambridge Associates. Represents endowment funds (excluding the Total Endowment Assets) with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, all to be determined as of the last day of each fiscal year end June 2006, 2007, 2008.