

**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 11:20 a.m. on the **5th day of February 2009**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Vice Chairman, J. Philip Ferguson, 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
Clint Carlson
Paul Foster
Colleen McHugh
Ardon E. Moore
Erle Nye
Charles W. Tate

Accordingly, a majority and quorum of the Board was in attendance. Chairman Robert B. Rowling did not attend the meeting. Employees of the Corporation attending the meeting were 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; and other Staff members. Other attendees were Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner and Bob Jewell of Andrews Kurth LLP; Jim Phillips, Mark Gentle, William Huang, Moshmee Kalamkar, Miles Ragland, of UT System Administration; Bruce Myers, Hamilton Lee and Jeanne Rogers of Cambridge Associates; and Greg Anderson of Texas A&M University System. Chancellor Francisco G. Cigarroa, M.D., Vice-Chairman for Policy of the Board; Bruce Zimmerman, CEO and Chief Investment Officer; and Philip Aldridge of UT System joined later in the meeting as noted in the minutes. Mr. Ferguson called the meeting to order at 11:20 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 November 7, 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
November 7, 2008, be, and are hereby, approved.

Corporate Resolutions

Mr. Ferguson recommended approval of two corporate resolutions. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that Francisco G. Cigarroa, M.D., is hereby appointed to the office of Vice Chairman for Policy of the Corporation, to serve until the next Annual Meeting of the Corporation or until his or her earlier death, resignation or removal, and

RESOLVED, that the Annual Meeting of the Board of Directors will be held on April 23, 2009, in Austin, Texas.

Risk Committee Report

Mr. Ferguson asked Mr. Tate to report on the last meeting of the Risk Committee. Mr. Tate stated that the Risk Committee last met on January 29, 2009. He reported that the Risk Committee reviewed compliance reporting, reviewed and discussed risk reporting, and discussed and approved mandate categorizations. At the Committee meeting, it was reported that during the quarter ended November 30, 2008, More Correlated and Constrained Investments (MCC) were below their minimum range while Private Markets Investments exceeded the maximum range set by the Investment Policy Statements for the PUF and GEF. No new Private Markets Investment commitments were being made while Private Markets Investments remained above the maximum range. Both incidents were reported and managed as per policy requirements, and all Investment Types were back within range at the time of the meeting. Mr. Tate also reported that the overall risk for the ITF had fallen slightly below the risk range, but the ITF breach was reported and managed as per policy and was back in range at the time of the meeting. Ms. Gonzalez reported to the Committee that there were three external manager contracts out of compliance with investment guidelines during the quarter. Mr. Warner and Mr. Schau explained the details to the Board and answered the Directors' questions. As explained to the Board, both instances were minor and the exceptions were allowed after discussion with the managers. Mr. Tate stated that Ms. Gonzalez gave a report on the Institutional Compliance Program Quarterly Report for the Quarter Ended November 30, 2008, and gave a summary of reviews she had performed as Chief Compliance Officer, with no significant findings. Mr. Tate stated that, on behalf of the Risk Committee, he believes that the Chief Compliance Officer position is monitoring compliance in all aspects, is functioning quite well, and is a benefit to the management of the Corporation. The Committee reviewed the Categorization of New Investment Mandates and Re-categorization of Investment Mandate and approved eight categorizations of new investment mandates and two recommended re-categorizations of existing mandates being submitted for their review and approval or re-categorization. These represented the mandate categorizations prepared by staff from October 1, 2008, through January 15, 2009.

Policy Committee Report

Mr. Ferguson asked Ms. McHugh to give a report on behalf of the Policy Committee. Ms. McHugh stated that the Policy Committee last met less than an hour ago, prior to the Board meeting, in a joint meeting with the Risk Committee. Ms. McHugh recommended on behalf of the Policy Committee, and Mr. Tate on behalf of the Risk Committee, approval of the proposed amendments to the Exhibits of the Investment Policy Statements as presented. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendments to the Exhibits A of the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, and Intermediate Term Fund and Exhibits B of the Investment Policy Statements of the Permanent Health Fund and Long Term Fund, as presented be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

Compensation Committee Report

Mr. Ferguson gave a report on behalf of the Compensation Committee, which had also met the same morning prior to the Board meeting. The Committee recommended to the Board to amend the current benchmark for the Less Correlated and Constrained Investments (LCC) benchmark from the MSCI Investable Hedge Fund Index to the Hedge Fund Research Indices (HFRI) Fund of Funds Composite Index. The Committee also recommended amendments to the Target and Maximum Performance Standards of the LCC, currently 125 bps and 250 bps, respectively and that the Performance Standards Target and Maximum be changed to 75 bps and 150 bps, respectively. The Committee also recommended that the names of the Lehman Brothers' indices benchmarks in Appendix D, Table 2, be changed to the Barclays Capital indices due to the acquisition of Lehman Brothers by Barclays Capital, Inc. in September 2008. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 7.2 of the UTIMCO Compensation Program (the "Plan") gives the Board the right in its discretion to amend the Plan or any portion thereof from time to time, to suspend it for a specified period, or to terminate it entirely or any portion thereof; and

WHEREAS, the current benchmark for the Less Correlated and Constrained Investments ("LCC"), MSCI Investable Hedge Fund Index, was discontinued by MSCI on January 21, 2009, which necessitates the selection of a replacement benchmark for the LCC; and

WHEREAS, the Lehman Brothers' indices benchmarks set forth in Appendix D, Table 2 have been rebranded as Barclays Capital indices due to the acquisition of Lehman Brothers by Barclays Capital, Inc. in September 2008; and

WHEREAS, Sections 5.8(a) and (b) of the Plan provide that the benchmarks and Threshold, Target, and Maximum Performance Standards for the Total

Endowment Assets, Intermediate Term Fund, and the Asset Class/Investment Type will be set forth on Appendix D, Table 2; and

WHEREAS, subject to the approval of the Board of Regents of The University of Texas System, the UTIMCO Board has approved amendments to Exhibit A to the Investment Policy Statements for the Permanent Endowment Fund, the General Endowment Fund, and the Intermediate Term Fund to replace the LCC benchmark with the HFRI Fund of Funds Composite Index benchmark; and

WHEREAS, the change in the LCC benchmark necessitates changes to the Entity Benchmarks: Total Endowment Funds and Intermediate Term Fund; and

WHEREAS, the UTIMCO Board has reviewed the proposed changes to the Target and Maximum Performance Standards for the LCC, Total Endowment Assets, and Intermediate Term Fund, and the name change of the Lehman Brothers' indices as set forth on the proposed Appendix D, Table 2; and

WHEREAS, the UTIMCO Board wishes to document its approval of the amendments to Appendix D, Table 2, subject to the approval by the Board of Regents of The University of Texas System of the amendments to Exhibit A to the Investment Policy Statements for the Permanent Endowment Fund, the General Endowment Fund, and the Intermediate Term Fund.

NOW, THEREFORE, be it

RESOLVED, the amended Appendix D, Table 2, in the form attached hereto, is hereby adopted and approved as part of the Plan, to be effective as of January 1, 2009.

Audit and Ethics Committee Report

Mr. Ferguson asked Mr. Nye to report on behalf of the Audit and Ethics Committee. Mr. Nye stated that the Audit and Ethics Committee met on January 29, 2009. Tom Wagner, engagement partner, presented to the Audit and Ethics Committee the Deloitte & Touche LLP Audit Results and Communications letter and answered questions related to the financial statements for the Corporation. Deloitte & Touche LLP issued unqualified opinions on the August 31, 2008 financial statements. The Committee approved Deloitte & Touche LLP's Financial Statement Audit Results and Communications and the audited financial statements for the Corporation, and recommended that the Board approve the same. Mr. Nye reported that also presented at the Committee Meeting were the unaudited Financial Statements for the three months ended November 30, 2008 for the Investment Funds and the Corporation, a report by the UT System Audit Office, and an update of other compliance, reporting, and other audit issues by Ms. Gonzalez. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications for the Corporation 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 annual financial statements and audit report for the Corporation for the fiscal years ended August 31, 2008 and August 31, 2007, be, and are hereby approved in the form as presented to the Board.

Cambridge Contract Renewal

Mr. Ferguson asked Ms. Iberg to present the terms of the external investment consultant contract with Cambridge Associates. Mr. Myers, Mr. Lee and Ms. Rogers left the meeting during this discussion. Ms. Iberg stated that the contract had been negotiated very well by Mr. Zimmerman, and she explained the details and changes of the contract services. Ms. Iberg and Mr. Eakman answered the Directors' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the contract renewal of Cambridge Associates as the external investment consultant be, and is hereby, approved in the form submitted to the Board.

Mr. Myers, Mr. Lee and Ms. Rogers re-joined the meeting at this time. Mr. Ferguson asked Mr. Myers to give the Board a brief update on trends in the current market and endowment community. Mr. Myers obliged and answered the Directors' questions.

Guest Speaker

At this point in the meeting, the Board received a presentation and a question and answer session led by Mr. Mohamed A. El-Erian of PIMCO. Dr. Cigarroa, Mr. Zimmerman and Mr. Aldridge joined the meeting at this time.

Mr. Ferguson introduced Dr. Cigarroa, welcoming the new Chancellor of the UT System as Vice Chairman for Policy on the Corporation's Board. Dr. Cigarroa gave a few comments to the Board prior to leaving the meeting.

Endowment and Operating Funds Update

Mr. Ferguson asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman reported performance numbers as of November 30, 2008. The net performance for the one-month period ended November 30, 2008, for the Permanent University Fund (PUF) was -5.60% and for the General Endowment Fund (GEF) was -5.71%, versus benchmark returns of -4.17% for each fund. The net performance for the one-year period ended November 30, 2008, for the PUF and GEF were -28.03% and -28.04%, respectively, versus benchmark returns of -30.22% for each fund. The Intermediate Term Fund's (ITF) performance was -3.24% versus its benchmark return of -3.37% for the one-month period, and was -25.42% versus its benchmark return of -27.84% for the one-year period ended November 30, 2008. Performance for the Short Term Fund (STF) was 0.17% versus 0.10% for its benchmark return

for the one-month period, and was 3.28% versus a benchmark return of 2.34% for the one-year period ended November 30, 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 reviewed the funds comparing asset class and investment type targets, ranges and performance objectives. Also presented were manager exposure, investment activity as of November 30, 2008, and an update on Securities Lending. Also there were presentations given on Acadian Asset Management and Watershed Asset Management LLC. Mr. Zimmerman, Ms. Iberg, Mr. Newcomb and Mr. Powers answered the Directors' questions.

At 2:45 p.m. the open meeting of the Board recessed into a Briefing Session pursuant to Texas Education Code Section 66.08 (h)(2) related to Investments.

The open meeting of the Board reconvened in open session at 3:10 p.m.

Endowment and Operating Funds Update - Private Markets Investments

Mr. Zimmerman asked Mr. Eakman to continue with the Endowment and Operating Funds update by providing information on the Private Markets Investments portfolio. Mr. Zimmerman continued by reporting on risk, leverage, liquidity, manager exposure and reviewed a comprehensive derivative report as of November 30, 2008.

UTIMCO Update

Mr. Zimmerman gave an update for the Corporation. He discussed the Corporation's 1st Quarter actual to budget for FY 2009, and gave a staff update. He reported on the Investment Best Practices project that had almost completed all areas of review including a new due diligence questionnaire, a background check policy, updated compliance certificate and executive summary, investment memo template, investment terms analysis and a new side letter template. Mr. Zimmerman asked Mr. Shoberg to give highlights on the new software application and pipeline management system project that has been completed and is in use by Staff. Mr. Edwards gave an outline of topics to be covered in the upcoming technology peer review and Mr. Zimmerman gave a review of the expenses, costs and breakdown of institutions that use the Annual Report and said he will be working with the UT System Vice Chancellor for External Relations over the next few months to suggest possible changes to reduce the size and therefore expenses of the 2009 Annual Report.

Investment Environment

Mr. Zimmerman led a discussion with the Board on current investment environment issues. Mr. Zimmerman presented information on long dated treasuries, GMO return forecasts, TIPS, global fundamentals, a real estate outlook, and the current climate of natural resources.

UT System Debt Programs

Mr. Ferguson asked Mr. Aldridge to present an overview of the UT System's debt programs and how they interrelate with the Corporation's investment activities. Mr. Aldridge and Mr. Anderson answered the Directors' questions. Mr. Zimmerman thanked Mr. Aldridge and his staff for doing a great job and he acknowledged appreciation for a good working relationship with the Staff of the Corporation.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 4:05 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: J. Philip Ferguson Date: 27 APRIL 09
J. Philip Ferguson
Vice Chairman, Board of Directors of
The University of Texas Investment
Management Company

Appendix D
UPDATED Table 2 (1/1/09 through 6/30/09)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment	ITF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+62.5 bps	+125 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+37.5 bps	+75 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.0%	33.0%	+0 bps	+12.5 bps	+25 bps
Credit-Related Fixed Income	Barclays Capital Global High-Yield Index	1.2%	2.0%	+0 bps	+25 bps	+50 bps
Real Estate	FTSE EPRA/NAREIT Global Index	5.5%	10.0%	+0 bps	+37.5 bps	+75 bps
Natural Resources	Combination index - 50% Dow Jones-AIG Commodities Index + 50% MSCI World Natural Resources Index	5.3%	5.0%	+0 bps	+37.5 bps	+75 bps
Developed Country Equity	MSCI World Index with net dividends	19.5%	20.0%	+0 bps	+35 bps	+70 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	10.5%	5.0%	+0 bps	+75 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	33.0%	25.0%	+0 bps	+75 bps	+150 bps
Private Investments (excludes Real Estate)	Venture Economics Custom Index	17.0%	0%	+0 bps	+100 bps	+200 bps
Private Investments Real Estate	NACRIEF Custom Index	1.0%	0%	+0 bps	+37.5 bps	+75 bps
Specific asset class benchmark:						
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+12.5 bps	+25 bps