

**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 on **October 13, 2011**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Chairman, Paul Foster, 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:

Paul Foster, Chairman  
J. Philip Ferguson, Vice Chairman  
Kyle Bass  
Printice L. Gary  
R. Steven Hicks  
Ardon E. Moore  
Charles W. Tate  
James P. Wilson

Accordingly, a majority and quorum of the Board was in attendance. Also attending the meeting were members of The University of Texas System Board of Regents ("UT System Board"), Regent Robert L. Stillwell and Student Regent John Davis Rutkauskas. 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; Mark Warner, Managing Director - Natural Resources Investments; Uzi Yoeli, Senior Director - Portfolio Risk Management; and other Staff members. Other attendees were Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner of Andrews Kurth LLP; Terry Hull, Charlie Chaffin, Roger Starkey, Moshmee Kalamkar and Miles Ragland of The University of Texas System (UT System) Administration; Greg Anderson of The Texas A&M University System and Joel Sauer of Hayman Capital Management LP. Dr. Francisco G. Cigarroa joined the meeting later as noted in the minutes. Mr. Foster called the meeting to order at 2:08 p.m.

**Minutes**

The first item to come before the Board was approval of the minutes of the Board of Directors Meeting held on July 14, 2011, and the Joint Meeting with the UT System Board held on August 15, 2011. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

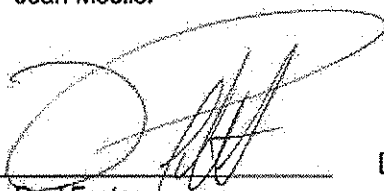
RESOLVED, that the minutes of the meetings of the Board of Directors held on **July 14, 2011**, and the Joint Meeting with the Board of Regents of The University of Texas System held on **August 15, 2011**, be, and are hereby, approved.

**Endowment and Operating Funds Update**

Mr. Foster asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman presented the Corporation's Performance Summary as of the Fiscal Year End, August 31, 2011. He reported the Corporation had \$26.7 billion of assets under management at the end of August 31, 2011. Of the \$26.7 billion, \$12.7 billion was in the Permanent University Fund ("PUF"), \$7.0 billion in the The University of Texas System General Endowment Fund ("GEF"), \$2.2 billion in the The University of Texas System Short Term Fund ("STF") and Debt Proceeds Fund and \$4.7 billion in the The University of Texas System Intermediate Term Fund ("ITF") (collectively, "the Funds"). Mr. Zimmerman presented actual versus benchmark results, tactical asset allocation, and value-add analysis. The net performance for the quarter ended August 31, 2011, for the PUF was -2.70% and for the GEF was -2.67%, versus benchmark returns of -3.54% each for the PUF and GEF. The net performance for the one year ended August 31, 2011, for the PUF was 14.62% and for the GEF was 14.74%, versus benchmark returns of 12.0% for each fund. The ITF's performance was -2.25% versus its benchmark return of -2.85% for the quarter ended August 31, 2011, and 11.39% versus its benchmark return of 9.06% for the one year ended August 31, 2011. Performance for the STF and Debt Proceeds Fund was 0.04% versus 0.02% for its benchmark return for the quarter ended August 31, 2011, and the STF was 0.22% versus a benchmark return of 0.15% for the one year ended August 31, 2011. Mr. Zimmerman reviewed the Funds' Asset Class and Investment Type targets, ranges and performance objectives. Mr. Zimmerman reported on investment activity as of August 31, 2011, and asked Ms. Iberg to discuss manager exposure reporting – derivative transactions. Mr. Zimmerman and Ms. Iberg explained a new section reporting specifically on derivatives and counterparties. Mr. Zimmerman asked Dr. Yoeli to review the section on risk analytics and stress testing. Dr. Cigarroa joined the meeting at this time. Mr. Zimmerman continued by discussing the portfolio level of leverage and LCC leverage and gave an update on liquidity, contracts and the ITF. Mr. Zimmerman, Ms. Iberg and Dr. Yoeli answered the Directors' questions.

There being no further business to come before the Board, the meeting was adjourned at approximately 3:33 p.m.

Secretary:   
Joan Moeller

Approved:  Date: 12-5-2011  
Paul Foster  
Chairman, Board of Directors of  
The University of Texas Investment Management Company