

**MINUTES OF 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 10, 2013, 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 Vice Chairman, Ardon Moore, 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:

Ardon E. Moore, Vice Chairman
Morris E. Foster
R. Steven Hicks
Charles W. Tate
James P. Wilson

thus constituting a majority and quorum of the Board. Vice Chairman Moore called the meeting to order at 3:00 p.m. Vice Chairman for Policy Francisco Cigarroa, and Directors Kyle Bass and Jeffery D. Hildebrand did not attend the meeting. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Uzi Yoeli, Senior Director - Portfolio Risk Management; Uche Abalogu, Chief Technology Officer; 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, Mike Peppers, Moshmee Kalamkar, Jim Phillips, and Guillermo Garcia of The University of Texas System ("UT System") Administration. Copies of materials supporting the Board meeting agenda were previously furnished to each Director. At the meeting, Vice Chairman Moore announced the newest Board member, Jeffery D. Hildebrand.

Minutes

The first item to come before the Board was approval of the minutes of the Board of Directors Meeting held on July 22, 2013. 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 22, 2013, be, and are hereby, approved.

Corporate Resolutions

Vice Chairman Moore recommended the first action item related to corporate resolutions, which was the election of a new UTIMCO Chairman. With the former Chairman Paul Foster's election as Chairman of the

UT System Board of Regents and his subsequent replacement on the UTIMCO Board, the Board was required to elect a new UTIMCO Chairman. Vice Chairman Moore was pleased to nominate Morris Foster as the new UTIMCO Chairman. After asking for other nominations, and hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that Morris E. Foster is hereby appointed to the office of Chairman of the Corporation, to serve until the next Annual Meeting of the Corporation or until his or her earlier death, resignation or removal.

Vice Chairman Moore congratulated Chairman Foster and turned the meeting over to him. Chairman Foster said he was very honored to be the new Chairman. He said there was one change to the meeting and asked to strike the Briefing Session from the agenda. He then recommended approval of the resolution related to committee assignments. Upon motion duly made and seconded, the following resolution was unanimously adopted:

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Audit and Ethics Committee of the Board of Directors:

- James P. Wilson
- R. Steven Hicks
- Jeffery D. Hildebrand
- Charles W. Tate

subject to approval by the Board of Regents of The University of Texas System at a future meeting, to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that James P. Wilson is hereby designated the Chair of the Audit and Ethics Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Compensation Committee of the Board of Directors:

- Kyle Bass
- Jeffery D. Hildebrand
- Ardon E. Moore
- James P. Wilson

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Kyle Bass is hereby designated the Chair of the Compensation Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Risk Committee of the Board of Directors:

- Charles W. Tate
- Kyle Bass
- Alex M. Cranberg¹
- Ardon E. Moore

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Charles W. Tate is hereby designated the Chair of the Risk Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Policy Committee of the Board of Directors:

- Alex M. Cranberg¹
- R. Steven Hicks
- Jeffery D. Hildebrand
- James P. Wilson

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Alex M. Cranberg¹ is hereby designated the Chair of the Policy Committee and shall preside at its meetings.

Chairman Foster then recognized Paul Foster for his outstanding leadership, commitment, and service to the Corporation as former Chairman of the Board of Directors. Chairman Foster recommended approval of the Resolution of Appreciation. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, in recognition of his substantial background and expertise in business and Investments, Paul L. Foster was appointed by Governor Rick Perry to a six-year term to The University of Texas System Board of Regents in 2007, and was reappointed to the Board in 2013 for another six-year term; and

WHEREAS, Mr. Foster was appointed by the Board of Regents to the Board of Directors of The University of Texas Investment Management Company ("UTIMCO") in 2007, and was reappointed by the Board of Regents to serve additional terms on the UTIMCO Board until 2013; and

¹ After the meeting on October 10th, the Board was notified that Regent Alex Cranberg had given formal notice of resignation from the Board effective October 9, 2013. As such, Regent Cranberg did not commence service on the Board and his appointments to the Risk and Policy Committees were ineffective.

WHEREAS, Mr. Foster served as Chairman of the Board's Audit and Ethics Committee, and Member of the Policy Committee and Risk Committee, and was elected Chairman in 2010; and

WHEREAS, Mr. Foster served as Chairman until September 2013; and

WHEREAS, during his tenure on the UTIMCO Board, Mr. Foster provided invaluable insight and counsel, drawing on his immense business experience as Executive Chairman of Western Refining, Inc., an independent oil refiner and marketer, headquartered in El Paso, Texas; and

WHEREAS, Mr. Foster's commitment and service as a Director of UTIMCO were exemplary, reflecting his deep devotion to the education and development of students at all levels, and further evidenced by his work with The University of Texas System, including serving as Chairman and Vice Chairman of the Board of Regents, Chairman of the Finance and Planning Committee, Vice Chairman of the Audit, Compliance, and Management Review Committee, and as a member of the Academic Affairs and Health Affairs Committees; and

WHEREAS, Mr. Foster's unselfish contributions are also evidenced in the civic and corporate arena, by his service on numerous boards, including the Advisory Board of the Hankamer School of Business at Baylor University, the Governor's Business Council, World Presidents' Organization, the Texas Economic Development Corporation, member, former executive committee member and former chair of the El Paso Regional Economic Development Corporation, former chairman of the El Paso Chapter of the American Red Cross, member of the Greater El Paso Chamber of Commerce, the Executive Committee of the Paso del Norte organization, the Bank of the West Board and Chairman of the Nomination and Governance Committee, National Petroleum Club, Business Advisory Council of The University of Texas at El Paso, and a former member of the Young Presidents' Organization and the Texas Higher Education Coordinating Board; and

WHEREAS, during Mr. Foster's tenure on the UTIMCO Board, UTIMCO managed the Permanent University Fund and other investments of The University of Texas System with the highest standards of integrity, professionalism, and competency, earning wide praise and recognition from UTIMCO's investment beneficiaries, namely The University of Texas System and The Texas A&M University System, as well as the alumni and patrons of such Systems, the State's legislative leaders, the national credit rating agencies, capital markets, and investment community generally; and

WHEREAS, much of the credit for UTIMCO's success is directly attributable to Mr. Foster's leadership, judgment, and commitment. NOW, THEREFORE,

BE IT RESOLVED, that the Directors of The University of Texas Investment Management Company, on behalf of the grateful people of the State of Texas, particularly the Boards of Regents and Administrators of The University of Texas System and The Texas A&M University System, do hereby express to Paul L.

Foster their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Mr. Foster has made a lasting and fundamental contribution to improve the manner in which public university endowments are invested and managed in the State of Texas, to the benefit of all of the citizens of the State, particularly the students and faculty of The University of Texas System and The Texas A&M University System.

PASSED AND ADOPTED this 10th day of October, 2013.

Organization Update

Chairman Foster asked Mr. Zimmerman to provide an organization update to the Board. Mr. Zimmerman gave an update on the Corporation's staffing. He then asked Mr. Abalogu to present an update on the technology infrastructure platform and application development. Mr. Abalogu presented strengths of the current platform, explained UT System integration/leveraging, existing and select applications, challenges and opportunities with the infrastructure, and provided an update of the infrastructure including remote access, separate technology sites, storage, servers and data back-up. He also provided information on the document management system, investment support system and contract with GlobeArc LLC. The Corporation had entered into a contract with GlobeArc LLC to jointly extend and re-develop their flagship product to the Corporation's specifications to meet a pressing need for an investment support system for the Corporation's investment professionals. Mr. Zimmerman summarized the terms of the contract and asked the Board to ratify the contract entered into between the Corporation and GlobeArc LLC. Mr. Zimmerman and Mr. Abalogu answered the Directors' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Delegation of Authority delegates to the UTIMCO Chief Executive Officer the authority to execute on behalf of UTIMCO all contracts, leases, or other commercial arrangements (except investment management agency contracts, partnership agreements, investment consultant agreements and agreements with independent auditors) for a total of \$1 million or less during the contract term; and

WHEREAS, to meet a pressing need for an investment support system for UTIMCO's investment professionals, UTIMCO staff entered into a contract with GlobeArc LLC to serve as an information technology consultant and system developer of the investment support system, and

WHEREAS, after entering into the contract, UTIMCO staff realized it had exceeded its delegated authority to enter into the contract because the value of the contract exceeds \$1 million during the contract term of three years; and

WHEREAS, Staff requests the UTIMCO Board ratify the contract with GlobeArc LLC dated April 23, 2013, if the UTIMCO Board deems appropriate.

NOW, THEREFORE, be it:

RESOLVED that the contract entered into between the Corporation and GlobeArc LLC dated April 23, 2013 (the "Agreement"), for GlobeArc LLC to serve as an information technology consultant and developer for the Corporation is hereby ratified, confirmed, approved and adopted.


FURTHER RESOLVED, that the CEO and Chief Investment Officer, President and Deputy CIO, any Managing Director, and the Secretary of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, in the name and on behalf of the Corporation, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolution and to perform the obligations of this Corporation under the Agreement.

Endowment and Operating Funds Update

Chairman Foster asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman presented the Corporation's Performance Summary as of August 31, 2013. Mr. Zimmerman reported the Corporation had \$30.0 billion of assets under management at the end of August 31, 2013. Of the \$30.0 billion, \$14.9 billion was in the Permanent University Fund ("PUF"), \$7.4 billion in the General Endowment Fund ("GEF"), \$1.6 billion in the Short Term Fund ("STF"), \$0.3 billion in the Debt Proceeds Fund, and \$5.5 billion in the Intermediate Term Fund ("ITF"). Mr. Zimmerman presented actual versus benchmark results, tactical asset allocation, and value-add analysis. The net performance for the fiscal year ended August 31, 2013, for the PUF was 8.79% and for the GEF was 8.99%, versus benchmark returns of 7.47% for each fund. The ITF's performance was 5.03% versus its benchmark return of 2.70% for the fiscal year ended August 31, 2013. Performance for the STF was 0.11% versus a benchmark return of 0.11% for the fiscal year ended August 31, 2013. Mr. Zimmerman reviewed the risk section of the Funds Update providing risk analytics for the period ending August 31, 2013, beginning with the current risk environment, including 4-way risk decomposition, up/down capture, risk contributions and correlations. Mr. Zimmerman reviewed the Funds' asset class and investment type targets, tactical asset allocation, ranges and performance objectives. Mr. Zimmerman reported on investment activity as of August 31, 2013, including manager exposure and leverage. He also reported on derivatives and counterparties, and gave an update on liquidity, contracts and the ITF. Mr. Zimmerman answered the Directors' questions.

There being no further business to come before the Board, the meeting was adjourned at approximately 4:01 p.m.

Secretary: 
Joan Moeller

Approved:  Date: 11/5/13
Morris E. Foster
Chairman, Board of Directors of
The University of Texas Investment Management Company