

**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 **February 20, 2014**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Chairman, Morris 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:

Morris E. Foster, Chairman
Ardon E. Moore, Vice Chairman
Francisco G. Cigarroa, Vice Chairman for Policy
Kyle Bass
R. Steven Hicks
Jeffery D. Hildebrand
Robert L. Stillwell
Charles W. Tate
James P. Wilson

thus constituting a majority and quorum of the Board. The University of Texas System ("UT System") Student Regent Nash Horne also attended the meeting. Chairman Foster called the meeting to order at 9:41 a.m. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Lindel Eakman, Managing Director – Private Markets Investments; Mark Warner, Managing Director - Natural Resources Investments; Mark Shoberg, Managing Director – Real Estate Investments; Uzi Yoeli, Senior Director - Portfolio Risk Management; Amanda Hopper, Director – Public Markets Investments; Uche Abalogu, Chief Technology Officer; Gary Hill, Senior Manager - Investment Reporting; Debbie Childers, Manager - Portfolio Accounting and Operations; and other staff members. Other attendees were Moshmee Kalamkar, Allen Hah, Jim Phillips, and Roger Starkey of the UT System Administration; Keith Brown of the McCombs School of Business at UT Austin; and Maria Robinson of the Texas A&M University System. Copies of materials supporting the Committee meeting agenda were previously furnished to each member of the Board.

Minutes

The first item to come before the Board was approval of the minutes of the Board of Directors Meeting held on December 3, 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 December 3, 2013, be, and are hereby, approved.

Corporate Resolution

Chairman Foster recommended approval of the corporate resolution, designating April 17, 2014 as the date for the next annual meeting of the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the Annual Meeting of the Board of Directors will be held on April 17, 2014, in Austin, Texas.¹

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 December 31, 2013. Mr. Zimmerman reported the Corporation had \$31.7 billion of assets under management on December 31, 2013. Of the \$31.7 billion, \$15.9 billion was in the Permanent University Fund ("PUF"), \$7.8 billion in the General Endowment Fund ("GEF"), \$1.6 billion in the Short Term Fund ("STF"), \$0.1 in the Separately Invested Funds, \$0.2 billion in the Debt Proceeds Fund, and \$6.0 billion in the Intermediate Term Fund ("ITF"). The net performance for the fiscal year ended December 31, 2013, for the PUF was 6.30% and for the GEF was 6.45%, versus benchmark returns of 6.32% for each fund. The ITF's performance was 5.08% versus its benchmark return of 4.86% for the fiscal ended December 31, 2013. Performance for the STF was 0.02% versus a benchmark return of 0.02% for the fiscal year ended December 31, 2013. Mr. Zimmerman presented returns, returns vs. projections, value-add analysis, and highlighted new charts in the Funds Report presentation. Mr. Kampfe, Mr. Shoberg, Mr. Warner, Ms. Hopper and Mr. Eakman each reported on their current portfolios and answered the Directors' questions. Also included in the presentation was risk analytics for the period ending December 31, 2013, current risk environment, including 4-way risk decomposition, up/down capture, risk contributions and correlations. Mr. Zimmerman continued by reporting investment activity as of December 31, 2013, including manager exposure. He also reported on derivatives and counterparties, and gave an update on liquidity, contracts and the ITF. Mr. Zimmerman and Investment Staff answered the Directors' questions.

Investment Strategy

Chairman Foster asked Mr. Zimmerman to present the presentation on Investment Strategy, a handout that was provided at the meeting. Mr. Zimmerman discussed investment strategy decisions relative to policy and implementation. The discussion also provided an opportunity for the Board to deliberate on issues, expectations, any concerns and opportunities regarding the current investment strategy. Chairman Foster recommended the creation of a small working group, not a committee, composed of two board members and several staff members to collaborate and share with the Board at a future meeting their collective thoughts regarding investment strategy. Mr. Zimmerman answered the Directors' questions.

¹ After the meeting on February 20, 2014, due to scheduling conflicts, the Annual Meeting of the Board date was changed to May 7, 2014.

Audit and Ethics Committee Report

Chairman Foster asked Mr. Wilson to provide a report on behalf of the Audit and Ethics Committee. Mr. Wilson reported that the Committee met on February 13, 2014. At the meeting, the Committee approved minutes from their previous meeting and heard a report from Mr. Tom Wagner, engagement partner from the independent accounting firm of Deloitte & Touche LLP providing the audit results and necessary communications for the Corporation for the fiscal years ended August 31, 2013 and August 31, 2012. Also reviewed and approved were the annual financial statements for the Corporation. The Committee approved proposed amendments to the Charter of the Audit and Ethics Committee and heard an update of compliance, reporting and audit issues for the period ending November 30, 2013 from Ms. Gonzalez. Finally, an executive session was held to allow deliberation of individual personnel evaluation matters, with no action taken by the Committee. The following resolutions were recommended by the Audit and Ethics Committee for approval by the Board. Upon motion duly made and seconded, these resolutions were approved unanimously:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2013, 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, 2013 and August 31, 2012, be, and are hereby approved in the form as presented to the Board.

And,

RESOLVED, that the amendments to the Charter of the Audit and Ethics Committee be, and are hereby approved, in the form submitted to the Corporation's Board of Directors.

Policy Committee Report

Chairman Foster asked for a report from the Policy Committee Chair, Mr. Stillwell. Mr. Stillwell stated that the Policy Committee had met earlier that morning. The Committee approved minutes from previous meetings, discussed proposed amendments to the Exhibits of the Investment Policy Statements and recommended changes to the Committee Charter. Directly following the Policy Committee meeting, the Committee met jointly with the Compensation Committee to discuss and take appropriate action related to proposed amendments to the Exhibits of the Investment Policy Statements. Changes to the Exhibits of the Investment Policy Statements and the Committee Charter were approved and on behalf of the Committee, Mr. Stillwell recommended further approval by the Board. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that amendments to the Exhibits A of the Investment Policy Statements of the Permanent University Fund and General Endowment 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, effective September 1, 2013.

And,

RESOLVED, that the amendments to the Charter of the Policy Committee be, and are hereby approved, in the form submitted to the Corporation's Board of Directors.

Compensation Committee Report

Chairman Foster asked Mr. Bass to report on behalf of the Compensation Committee. Mr. Bass reported that the Compensation Committee had also met prior to the Board meeting that day. He reported that the Compensation Committee met jointly with the Policy Committee and discussed and took appropriate action on proposed amendments to the Exhibits of the Investment Policy Statements. Discussion and appropriate action on proposed amendments to the Compensation Committee Charter was deferred to a future meeting. On behalf of the Compensation Committee, Mr. Bass recommended approval of the proposed amendments to the UTIMCO Compensation Program (the "Plan"), including the new benchmark adopted in the Investment Policy Statements, contingent on the UT System Board of Regents approval of the proposed amendments to the Plan. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 7.2 of the UTIMCO Compensation Program (the "Plan") provides that UTIMCO, by action of its Board of Directors (the "Board"), has the right in its discretion to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Compensation Committee of the Board (the "Committee") has reviewed certain proposed amendments to the Plan incorporated into an Amended and Restated Plan, effective September 1, 2013 (the "Amended and Restated Plan"), in the form previously provided to the Board; and

WHEREAS, the Committee approved the Amended and Restated Plan and made its recommendation to the Board that the Board approve and adopt the Amended and Restated Plan; and

WHEREAS, the Board has reviewed the Amended and Restated Plan.

NOW, THEREFORE, be it:

RESOLVED, that the Board hereby approves and adopts the Amended and Restated Plan, effective as of September 1, 2013, subject to the approval of the Board of Regents of The University of Texas System.

Risk Committee Report

Chairman Foster asked Mr. Tate to provide a report from the Risk Committee. Mr. Tate reported that the Committee met on February 13, 2013 and approved minutes from the previous meeting. He stated that the Risk Committee approved 11 new investment mandate categorizations prepared by Staff for the period beginning November 2, 2013, and ending February 5, 2014, approved one re-categorization and reviewed the watch list. The Committee heard a report from Ms. Gonzalez on compliance items for the quarter

ending November 30, 2013 and a Funds Update report from Mr. Zimmerman. The Committee also approved and further recommended Board approval for recommended changes to the Risk Committee Charter. Upon motion duly made and seconded, the following resolution was unanimously adopted:

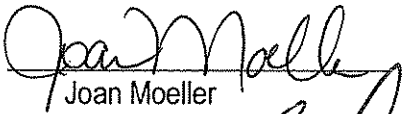
RESOLVED, that the amendments to the Charter of the Risk Committee be, and are hereby approved, in the form submitted to the Corporation's Board of Directors.

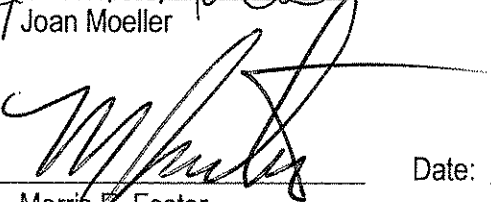
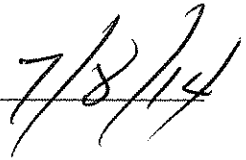
Organization Update

Chairman Foster asked Mr. Zimmerman to provide an organization update to the Board. Mr. Zimmerman gave an update on the Corporation's staffing and the first quarter fiscal year 2014 actual to budget expenses.

On behalf of the Board and Staff, Chairman Foster expressed appreciation for the tremendous amount of time and commitment that Charles Tate and Jim Wilson had provided as members of the Board of Directors.

There being no further business to come before the Board, the meeting was adjourned at approximately 12:10 p.m.

Secretary: 
Joan Moeller

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