

**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 **July 29, 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 and broadcast over the Internet. Participating in the meeting were the following members of the Board:

Morris E. Foster, Chairman
Ardon E. Moore, Vice Chairman
Kyle Bass
Jeffery D. Hildebrand
H. Lee S. Hobson
Robert L. Stillwell
John D. White

thus constituting a majority and quorum of the Board. Chairman Foster called the meeting to order at 11:40 a.m. Directors Hobson and Moore joined the meeting by conference telephone enabling all persons participating in the meeting to hear each other. Directors Francisco Cigarroa and Steve Hicks 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 Investments; Mark Warner, Managing Director - Natural Resources Investments; Mark Shoberg, Managing Director – Real Estate Investments; Susan Chen, Managing Director – Public Markets Investments; Ryan Ruebsahm, Managing Director – Marketable Alternative Investments; Uzi Yoeli, Senior Director - Portfolio Risk Management; Amanda Hopper, Director – Public Markets Investments; Russ Kampfe, Senior Portfolio Manager – Fixed Income 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 Jim Phillips, Terry Hull, Moshmee Kalamkar, Allen Hah, Roger Starkey and Guillermo Garcia of the UT System Administration; Keith Brown of the McCombs School of Business at UT Austin; Bob Jewell of Andrews Kurth LLP; and Billy Hamilton and Maria Robinson of The Texas A&M University System. Copies of materials supporting the Board 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 May 7, 2014. 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 May 7, 2014, be, and are hereby, approved.

Corporate Resolutions

The newest Board member, H. Lee S. Hobson, was introduced and welcomed by Chairman Foster and the Board. Chairman Foster then recommended approval of Mr. Hobson's committee assignments. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

BE IT RESOLVED, that Director H. Lee S. Hobson is hereby designated as a member of the Audit and Ethics Committee of the Board of Directors, subject to approval by the Board of Regents of The University of Texas System at a future meeting, and as a member of the Compensation and Risk Committees of the Board of Directors, to serve until the expiration of his terms, or until his successors have been chosen and qualified, or until his death, resignation, or removal; and

FURTHER RESOLVED, that H. Lee S. Hobson is hereby designated the Chair of the Compensation Committee and shall preside at its meetings.

Chairman Foster also recommended approval of the Resolution of Appreciation for Cathy Iberg, President and Deputy CIO, in recognition of her leadership and service to the Corporation upon her retirement. Chairman Foster read the following resolution and thanked Ms. Iberg for her many years of advice and counsel, and recognized her many contributions to the Corporation. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

WHEREAS, due to her substantial background and expertise in business as a Certified Public Accountant, Certified Financial Planner, and fifteen years as an accounting, tax, and investment professional, Cathy A. Iberg was hired by The University of Texas System Office of Asset Management in 1991, as Manager - Trust Reporting, later advancing to Director - Endowment Administration to manage the corporate endowment fund operations for the Board of Regents of The University of Texas System, for the benefit of the citizens of the State of Texas; and

WHEREAS, when The University of Texas Investment Management Company was formed in 1995 as a Texas nonprofit corporation engaged exclusively to provide investment management services to the Board of Regents of The University of Texas System and began operations in March 1996, Ms. Iberg was hired as Vice President, in which she served as the corporate and investment funds chief financial and compliance officer in addition to overseeing three investment support areas: security operations, accounting, and information technology services; and

WHEREAS, from April 2001 to April 2002, Ms. Iberg assumed the Interim President and CEO duties, in addition to her duties as Managing Director - Investment Operations and subsequent to the end of this term, advanced to the position of Managing Director - Marketable Alternative Investments and Deputy Chief Investment Officer; and

WHEREAS, as Managing Director - Marketable Alternative Investments and Deputy Chief Investment Officer, Ms. Iberg provided invaluable insight and direction in the investment of hedge funds, and because of her extensive experience in all areas of UTIMCO investment and operations matters was again asked to and served as Interim President, Chief Executive

Officer and Chief Investment Officer in addition to her duties as Managing Director - Marketable Alternative Investments from September 2006 to June 2007; and

WHEREAS, on September 21, 2007, Ms. Iberg was appointed to the position of President and Deputy CIO responsible for investment oversight of the endowment funds and management of the public markets, fixed income and hedge fund investment groups, and will continue to serve in that capacity until her retirement from UTIMCO on August 31, 2014; and

WHEREAS, Ms. Iberg's leadership, commitment, and service during her five years with The University of Texas System and eighteen years with UTIMCO were exemplary, reflecting her dedication to the success of The University of Texas System for the benefit of and education and development of students at all levels, and further evidenced by the growth of the assets managed by UTIMCO from \$9 billion in 1996 to more than \$34 billion in 2014. **NOW, THEREFORE**,

BE IT RESOLVED, that the Directors of The University of Texas Investment Management Company, do hereby express to Cathy A. Iberg their sincerest appreciation for her leadership, commitment, and service to The University of Texas Investment Management Company and The University of Texas System; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Ms. Iberg has made a lasting and fundamental contribution to The University of Texas Investment Management Company, 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 29th day of July, 2014.

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 May 31, 2014 and as of June 30, 2014. Mr. Zimmerman reported the Corporation had \$33.9 billion of assets under management on May 31, 2014, and as of the end of June, \$34.5 billion. Of the \$33.9 billion, \$16.9 billion was in the Permanent University Fund ("PUF"), \$8.1 billion in the General Endowment Fund ("GEF"), \$1.8 billion in the Short Term Fund ("STF"), \$0.2 billion in Separately Invested Funds, \$0.3 billion in the Debt Proceeds Fund, and \$6.6 billion in the Intermediate Term Fund ("ITF"). The net performance for the nine months ended May 31, 2014, for the PUF was 11.91% and for the GEF was 11.62%, versus benchmark returns of 11.33% for each fund. The ITF's performance was 8.62% versus its benchmark return of 8.18% for the nine months ended May 31, 2014. The net performance for the ten months ended June 30, 2014, for the PUF was 13.72%, for the GEF 13.31%, and 10.27% for the ITF. Performance for the STF was 0.04% versus a benchmark return of 0.04% for the nine months ended May 31, 2014. Mr. Zimmerman presented returns, returns vs. projections, and value-add analysis in the Funds Report presentation, including risk adjusted returns, tactical allocation and insurance hedge positions. He asked Dr. Yoeli to present the risk metrics and optics for the period ending May 31, 2014, including leverage, liquidity and concentration, geographic and sector exposure. Mr. Zimmerman continued by reporting asset class and investment type exposure as

of May 31, 2014. Mr. Kampfe, Mr. Shoberg, Mr. Warner, and Ms. Chen each reported on their current portfolios, and Mr. Ruebsahm, Mr. Powers and Mr. Morris reported on the Less Correlated and Constrained portfolio. Mr. Zimmerman reported on the private investments portfolio, gave an update on contracts and the ITF. Mr. Zimmerman and Investment Staff answered the Directors' questions.

At approximately 11:45 a.m. the Board recessed to a Briefing Session and lunch.

The meeting of the Board reconvened in open session at 1:40 p.m.

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, compliance and corporate legal update, and deal legal fees. Mr. Abalogu provided an update on the technology infrastructure platform and application development. Mr. Zimmerman answered the Director's questions.

Risk Committee Report

Chairman Foster asked Mr. Bass to provide a report from the Risk Committee. Mr. Bass reported that the Committee met on July 23, 2014 and jointly with the Policy Committee on July 29, 2014. Minutes were approved from the previous meeting. He stated that the Risk Committee approved 19 new investment mandate categorizations prepared by Staff for the period beginning April 16, 2013, and ending July 9, 2014, and reviewed the watch list. The Committee heard a report from Ms. Gonzalez on compliance items for the quarter ending May 31, 2014, and a review and discussion of performance and risk reporting as of May 31, 2014, from Mr. Zimmerman and Dr. Yoeli.

Audit and Ethics Committee Report

Chairman Foster asked Mr. White to provide a report on behalf of the Audit and Ethics Committee. Mr. White reported that the Committee convened on July 22, 2014. At the meeting, the Committee approved minutes from their previous meeting, approved engaging Deloitte & Touche LLP as external auditor for the Corporation subject to further Board approval, received a report from UT System Audit Office and approved the FY2015 Audit Plan and discussed and approved base salary, performance incentive plan participation, and performance goals for the General Counsel and Chief Compliance Officer for the 2014-15 fiscal year. The Committee heard an update on compliance, reporting and audit issues for the period ending May 31, 2014 from Ms. Gonzalez, and Ms. Moeller reviewed the unaudited financial statements for the Investment Funds and Corporation for the nine months ending May 31, 2014. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the firm of Deloitte & Touche LLP be, and is hereby, engaged as the independent auditor of the Corporation for the year ended August 31, 2014.

Policy Committee Report

Chairman Foster asked for a report from the Policy Committee Chair, Mr. Hildebrand. Mr. Hildebrand stated that the Policy Committee had met earlier in the day, on July 29, 2014, separately and jointly with the Risk Committee. The Committee approved minutes from a previous meeting, and jointly, with the Risk Committee, discussed and approved amendments related to the Investment Policy Statements, Liquidity Policy and the Derivative Investment Policy. Approval of proposed amendments to the Delegation of Authority was tabled until a later date. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund, and amendments to the Derivative Investment Policy and Liquidity Policy, as presented be, and are hereby, approved.

Executive Session

Chairman Foster announced, at 2:03 p.m., 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 for the purpose of deliberating individual personnel matters, including the CEO and Chief Investment Officer, pursuant to Section 551.074 *Texas Government Code*. The date is July 29, 2014, and the time is now 2:03 p.m." With the exception of Mr. Zimmerman, Mr. Jewell and Dr. Brown, all other meeting participants left the meeting at this time. Mr. Zimmerman left the meeting during discussions regarding his compensation matters.

Open Session

The Board reconvened in open session and Chairman Foster announced that "The Open Session of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The date is July 29, 2014, and the time is now 2:18 p.m. During the Executive Session, the Board deliberated individual personnel matters, but no action was taken nor decisions made, and no vote was called for or had by the Board in Executive Session."

Compensation Committee Report

Chairman Foster asked Mr. Bass to report on behalf of the Compensation Committee. Mr. Bass stated that the Committee had met on July 23 and July 29, 2014. The Committee passed a resolution to approve recommendations for base salaries for all UTIMCO officers and UTIMCO Compensation Program Participants, except the CEO's, for the 2014-2015 fiscal year, recommended for approval by the Board the proposed base salary for the Corporation's CEO for the 2014-2015 fiscal year, approved the proposed amendments to Appendices C, D and E of the UTIMCO Compensation Program and approved amendments to the Charter of the Compensation Committee. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Board of Directors of UTIMCO hereby approves the Base Salary of the Corporation's CEO for the Fiscal Year 2014-2015 in the amount of \$690,000.

And,

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, Section 5.3.(a) of the Plan requires Table 1 to be revised each Performance Period when necessary to set forth the Eligible Positions, the weightings for the Eligible Positions, the Incentive Award Opportunities, and any Applicable Deferral Percentage for each Eligible Position, for that Performance Period as soon as administratively practicable after confirmation of such Eligible Positions by the Board for such Performance Period and to be attached as Appendix C to the Plan; and

WHEREAS, Section 5.8.(b)(1) of the Plan requires Table 2 to be revised for subsequent Performance Periods to reflect new benchmarks, as well as threshold, target, and maximum performance standards, in effect during the three-year rolling historical period, culminating with the subsequent Performance Period and to be attached as Appendix D to the Plan; and

WHEREAS, Section 5.12. of the Plan pertaining to certain Eligible Positions listed on Table 3 whose Performance Incentive Awards are subject to automatic adjustment requires Table 3 to be revised when necessary to set forth changes to those Eligible Positions that are Affected Positions, for the Performance Period as soon as administratively practicable after confirmation of such Eligible Positions as Affected Participants by the Board for such Performance Period and to be attached as Appendix E to the Plan; and

WHEREAS, the Board has reviewed the revised Tables 1, 2, and 3, and approves the amendments as recommended by the Compensation Committee.

NOW, THEREFORE, be it:

RESOLVED, the updated and amended Tables 1, 2, and 3 copies of which are attached hereto, are hereby adopted and approved to replace the current Appendix C, D and E, respectively, effective as of September 1, 2014.

The Committee also recommended approval by the Board amendments to the Charter of the Compensation Committee. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

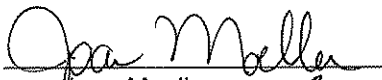
RESOLVED, that the amendments to the Charter of the Compensation Committee be, and are hereby approved, in the form submitted to the Corporation's Board of Directors.

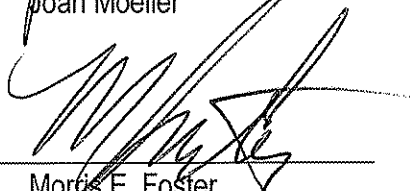
Proposed FY2015 Budget

Chairman Foster asked Mr. Zimmerman to review the proposed budget for FY2015. Mr. Zimmerman compared FY2014 Budget vs. FY2015 Budget, reviewed salaries, peer benchmarking, incentive compensation and other Corporation expenses. He also explained direct costs, capital budget, annual fee and allocation schedule and a reserve analysis. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the UTIMCO Management Fee of \$25,428,694 and the Other Direct Fund Costs of \$7,421,930, resulting in Total Fees of \$32,850,624, Capital Budget of \$1,372,000 and the Allocation Schedule; as provided to the Board for the period beginning September 1, 2014 through August 31, 2015, be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

There being no further business to come before the Board, the meeting was adjourned at approximately 2:25 p.m.

Secretary: 
Joan Moeller

Approved:  Date: 12/9/14
Morris E. Foster
Chairman, Board of Directors of
The University of Texas Investment Management Company

Appendix C, Table 1
Eligible Positions, Weightings, Incentive Award Opportunities, and Percentage of Award Deferred for each Eligible Position
(for the Performance Periods Beginning After August 31, 2014)

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)				Percentage of Award Deferred
	Entity	Asset Class/ Investment Type	Qualitative (Individual)	< Threshold	Threshold	Target	Maximum	
<i>Investment Professionals</i>								
CEO & Chief Investment Officer	60%	0%	40%	0%	0%	125%	340%	50%
President & Deputy CIO	40%	40%	20%	0%	0%	115%	300%	50%
Senior Managing Director - Investments	30%	40%	30%	0%	0%	110%	260%	45%
Managing Director - Investments	30%	40%	30%	0%	0%	100%	240%	40%
Managing Director - Private Investments	30%	30%	40%	0%	0%	100%	240%	40%
Managing Director - Risk Management	30%	0%	70%	0%	0%	65%	180%	40%
Senior Director - Investments	25%	35%	40%	0%	0%	70%	185%	35%
Senior Portfolio Manager	20%	40%	40%	0%	0%	70%	185%	35%
Senior Director - Risk Management	30%	0%	70%	0%	0%	55%	170%	35%
Portfolio Manager	20%	40%	40%	0%	0%	60%	170%	30%
Director - Investments	20%	40%	40%	0%	0%	60%	170%	30%
Director - Private Investments	20%	30%	50%	0%	0%	60%	170%	30%
Director - Risk Management	30%	0%	70%	0%	0%	50%	150%	30%
Senior Associate - Investments	15%	35%	50%	0%	0%	50%	150%	20%
Senior Associate - Private Investments	15%	25%	60%	0%	0%	50%	150%	20%
Senior Associate - Risk Management	30%	0%	70%	0%	0%	45%	140%	20%
Associate - Investments	15%	30%	55%	0%	0%	35%	135%	15%
Associate - Private Investments	15%	20%	65%	0%	0%	35%	135%	15%
Associate - Risk Management	30%	0%	70%	0%	0%	35%	120%	15%
Senior Analyst - Investments	10%	20%	70%	0%	0%	30%	100%	0%
Analyst - Investments	10%	20%	70%	0%	0%	25%	75%	0%
Analyst - Risk Management	30%	0%	70%	0%	0%	25%	75%	0%
<i>Operations/Support Professionals</i>								
Senior Managing Director	20%	0%	80%	0%	0%	65%	150%	40%
Chief Technology Officer	20%	0%	80%	0%	0%	55%	100%	30%
General Counsel & Chief Compliance Officer	0%	0%	100%	0%	0%	50%	120%	30%
Senior Manager	20%	0%	80%	0%	0%	50%	90%	25%
Manager	20%	0%	80%	0%	0%	50%	80%	25%
Investment Counsel	20%	0%	80%	0%	0%	40%	80%	25%
Senior Financial Analyst	20%	0%	80%	0%	0%	40%	60%	20%
IT Investment Associate	20%	0%	80%	0%	0%	35%	100%	20%

Appendix D, Table 2
Benchmarks for Entities and Asset/Class Investment Type
Threshold, Target, and Maximum Performance Standards
(9/1/14 through 8/31/15)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment Assets	PIF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+100 bps	+250 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
MCC Investment Grade Fixed Income:	Barclays Capital Global Aggregate Index	6.5%	30.0%	+0 bps	+25 bps	+62.5 bps
MCC Credit - Related Fixed Income	Barclays Capital Global High Yield Index	0.0%	0.0%	+0 bps	+37.5 bps	+100 bps
MCC Real Estate	FTSE EPRA/NAREIT Developed Index NET TRI USD	2.5%	3.0%	+0 bps	+62.5 bps	+150 bps
MCC Natural Resources	50% Bloomberg Commodity Total Return Index and 50% MSCI World Natural Resources Index	5.0%	4.6%	+0 bps	+62.5 bps	+150 bps
MCC Natural Resources Gold	Gold Spot price (XAU)	2.5%	2.4%	+0 bps	+0 bps	+0 bps
MCC Developed Country Equity	MSCI World Index with net dividends	14.0%	9.0%	+0 bps	+62.5 bps	+150 bps
MCC Emerging Markets Equity	MSCI Emerging Markets with net dividends	9.5%	6.0%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	45.0%	+0 bps	+75 bps	+250 bps
Private Investments	Custom Cambridge Fund of Funds Benchmark	30.0%	0%	+0 bps	+150 bps	+450 bps

Appendix E, Table 3
Eligible Positions of Affected Participants
(For the Performance Periods Beginning After September 1, 2014)

Eligible Position
<i>Investment Professionals</i>
CEO & Chief Investment Officer
President & Deputy CIO
Senior Managing Director
Managing Director
Managing Director - Private Investments
Managing Director, Risk Management
Senior Director, Investment
Senior Portfolio Manager
Senior Director, Risk Management
Portfolio Manager
Director, Investment
Director - Private Investments
Director, Risk Management
<i>Operations/Support Professionals</i>
Senior Managing Director
Chief Technology Officer
General Counsel & Chief Compliance Officer
Senior Manager
Investment Counsel
Manager