

**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 **August 23, 2016**, 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, Jeffery D. Hildebrand, 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:

Jeffery D. Hildebrand, Chairman
Phil Adams
Kyle Bass
David J. Beck
R. Steven Hicks
H. Lee S. Hobson
Ray Nixon
Ray Rothrock

thus constituting a majority and quorum of the Board. William H. McRaven, Vice Chairman for Policy, did not attend the meeting. Chairman Hildebrand called the meeting to order at 3:32 p.m. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; Mark Warner, Senior Managing Director - Natural Resources, Emerging Markets & Lower/Middle Markets; Russ Kampfe, Managing Director - Fixed Income; Susan Chen, Managing Director - MCC; Harland Doak, Senior Director - Fixed Income and other staff members. Other attendees were Roger Starkey and Terry Hull of UT System Administration; David Rejino of The Texas A&M University System; and Keith Brown of the McCombs School of Business at UT Austin. 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 July 21, 2016. 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 21, 2016, be, and are hereby, approved.

Dreyfus Institutional Preferred Government Money Market Fund

Chairman Hildebrand asked Mr. Russ Kampfe to present the request to add the Dreyfus Institutional Preferred Government Money Market Fund (the "Government Fund") as a cash and cash equivalent

holding of the Short Term Fund ("STF"), including the selection process and criteria considered in Staff's recommendation. Mr. Kampfe explained that the Liquidity Policy requires staff to obtain UTIMCO Board approval to utilize any SEC Rule 2a-7 money market fund rated AAAM by Standard & Poor's or the equivalent by a Nationally Recognized Statistical Rating Organization (NRSRO) for cash holdings. Mr. Zimmerman and Mr. Kampfe answered the Directors' questions.

Chairman Hildebrand recommended approval of the proposal for the Dreyfus Institutional Preferred Government Money Market Fund to serve as a cash or cash holding equivalent for the STF. Upon motion duly made and seconded, the following resolution was approved:

RESOLVED that the Dreyfus Institutional Preferred Government Money Market Fund be, and is hereby approved, as a cash account for The University of Texas System Short Term Fund.

CEO's Recommendation Regarding Staff Authorization

Chairman Hildebrand asked Mr. Bruce Zimmerman to discuss his recommendation for Mr. Mark Warner to act for Mr. Zimmerman when Mr. Zimmerman is absent due to an extended leave, incapacity, or an unforeseeable emergency. Mr. Zimmerman discussed his reasons for such a recommendation. Mr. Zimmerman answered the Directors' questions. Chairman Hildebrand noted that he, in his sole discretion, will make the determination that it is necessary for Mr. Warner to perform the CEO and Chief Investment Officer duties.

Chairman Hildebrand recommended approval of Mr. Zimmerman's recommendation. Upon motion duly made and seconded, the following resolution was approved:

RESOLVED, that, subject to the control of the Board of Directors of the Corporation, Mark Warner, Senior Managing Director – Natural Resources, Emerging Markets, and Lower/Middle Markets, shall have all the powers and duties of Chief Executive Officer and Chief Investment Officer of the Corporation, including the powers and duties of President of the Corporation set forth in Article V, Section 7 of the Corporation's Bylaws and such additional powers and duties as have been or may hereafter be assigned to him in those capacities by the Board of Directors of the Corporation, and shall be authorized to act for Mr. Zimmerman when he is absent due to an extended leave of absence, incapacity or an unforeseeable emergency as determined by the Chairman of the Board of Directors of the Corporation, in his sole discretion.

At 3:41 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 a Private Investment.

The open meeting of the Board reconvened in open session at 3:51 p.m.

Private Investment

Chairman Hildebrand noted that during the briefing session, Ms. Susan Chen gave a presentation on a proposed investment in Underscore.VC Fund I, L.P. Board approval is required for this proposed

investment because Director Rothrock owns an interest in this investment. Director Rothrock's interest was acquired prior to the time he joined the Corporation's Board and his interest is less than a pecuniary interest as defined in the Corporation's Code of Ethics (the "Code"). Chairman Hildebrand explained that the Code allows staff, with a 2/3 vote of the members of the Board and a finding that the director will not personally benefit from UTIMCO's investment, to invest in an entity in which a director is also invested so long as the director's interest is not a pecuniary interest and the interest was acquired before the director joined the board. Director Rothrock's investment in Underscore.VC meets these requirements. Director Rothrock did not participate in the discussion of this investment. Mr. Zimmerman and Ms. Chen answered the Directors' questions.

Chairman Hildebrand recommended approval of the \$20 million commitment to Underscore.VC Fund I, LP. Upon motion duly made and seconded, the following resolution was approved by a two-thirds majority of the Board with Director Rothrock abstaining:

WHEREAS, the Corporation's Private Investments Staff has recommended a \$20 million commitment to Underscore.VC Fund I, LP; and

WHEREAS, Director Rothrock has disclosed a conflict of interest in the proposed investment, which he acquired before the date he assumed position on the Board and does not constitute a pecuniary interest as defined by Section 2.06(a) of the Code must absent himself from any deliberations related to the proposed investment and refrain from voting on the matter; and

WHEREAS, Section 3.03 of the Code provides that the Corporation may not invest in the private investments of a business entity if a director or director entity then owns a private investment in the same business entity unless: (a) the director or director entity acquired the private investment before the date on which the director assumed a position with UTIMCO; (b) the director's private investment does not constitute a pecuniary interest in a business entity as defined by Section 3.01(b) of the Code; and (c) the Board approves the investment by UTIMCO or the UTIMCO entity by a vote of two-thirds of the membership of the Board after a full disclosure in an open meeting of the relevant facts and a finding by the Board that the investment will not benefit the director or director entity financially; and

WHEREAS, Director Rothrock has disclosed his interest Underscore.VC Fund I, LP and has absented himself from all deliberations related to the proposed investment as required by the Code.

NOW, THEREFORE, BE IT

RESOLVED, that the Board approves the \$20 million commitment to Underscore.VC Fund I, LP for the Permanent University Fund of the State of Texas and the Board of Regents of The University of Texas System General Endowment Fund (the "UT Funds") and directs staff to negotiate and enter into a contract with Underscore.VC Fund I, LP (the "Agreement"), conditioned on the receipt by the Chief Compliance Officer of UTIMCO of a certification of no pecuniary interest, as required by Section 4.04 of the UTIMCO Code of Ethics, from each director and key employee of UTIMCO.

RESOLVED FURTHER, that the Chief Executive Officer, 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, in its capacity as the investment manager of the UT Funds or otherwise, 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 the UT Funds under the Agreement.

There being no further business to come before the Board, the meeting was adjourned at approximately 3:54 p.m.

Secretary: 
Joan Moeller

Approved:  Date: 
Jeffery D. Hildebrand
Chairman, Board of Directors of
The University of Texas Investment Management Company