

**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 at 9:00 a.m. on the **11th day of July 2007**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, 78701, said meeting having been called by the Chairman, H. Scott Caven, Jr., 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:

H. Scott Caven, Jr., Chairman
Robert B. Rowling, Vice Chairman
Mark G. Yudof, Vice Chairman for Policy
Colleen McHugh
Ardon E. Moore
Erle Nye

thus, constituting a majority and quorum of the Board. Directors Clint D. Carlson and J. Philip Ferguson participated by means of conference telephone enabling all persons participating in the meeting to hear each other. Director Charles W. Tate joined the meeting later as noted in the minutes. Also attending the meeting were Bruce Zimmerman, CEO, President and CIO; Cathy Iberg, Managing Director – Marketable Alternative Investments and Deputy CIO; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Bill Edwards, Managing Director of Information Technology; Cecilia Gonzalez, General Counsel for the Corporation; Uzi Yoeli, Risk Director; Lindel Eakman, Director – Private Markets; various staff members of the Corporation; Jerry Turner, outside legal counsel for the Corporation; Keith Brown of the McCombs School of Business at UT Austin; Philip Aldridge, Charlie Chaffin, Amy Barrett, Keith McDowell, Arjuna Sanga and Cathy Swain of UT System Administration; and Bruce Myers and Hamilton Lee of Cambridge Associates. Mr. Caven called the meeting to order at 9:10 a.m. Mr. Caven introduced Mr. Bruce Zimmerman, and welcomed him as the new CEO, President and CIO of the Corporation.

Minutes

The first matter to come before the Board was approval of the minutes of the meeting of the Board of Directors held on May 31, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Board of Directors held on May 31, 2007 be, and are hereby, approved.

Corporate Resolution

Mr. Caven presented the next item, recommending Bruce Zimmerman and Mark Newcomb to be designated as key employees of the Corporation. The Corporation's Code of Ethics requires the Board to designate, by position, the employees who exercise significant decision-making authority. By virtue of their position with UTIMCO, these persons are "key employees". Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, as required by the Corporation's Code of Ethics, the Board shall designate, by position, key employees of the Corporation. The following two employees have been, and are hereby, added as key employees since the annual meeting held on April 10, 2007.

Bruce Zimmerman CEO, President and CIO
Mark Newcomb Associate – Public Markets Investments

Endowment and Operating Funds Update Report

Mr. Zimmerman asked Ms. Iberg to present the performance section of the Corporation's endowment and operating funds update. Director Tate joined the meeting during Ms. Iberg's presentation. Ms. Iberg began by discussing performance reports ending May 31, 2007. She reviewed portfolio policy ranges and policy targets, and then presented the Market Exposure chart showing market exposure and deviations from policy targets within tactical policy ranges. The net performance for the one-month period ended May 31, 2007, for the PUF was 2.10% and for the GEF was 2.09%, versus benchmark returns of 1.97% for each fund. The net performance for the one-year period ended May 31, 2007, for the PUF and GEF were 17.85% and 18.23%, respectively, versus benchmark returns of 16.95% for each fund. The Intermediate Term Fund's (ITF) performance was 1.20% versus its benchmark return of .84% for the one-month period, and was 14.17% versus its benchmark return of 12.98% for the one-year period ended May 31, 2007. Performance for the Short Term Fund (STF) was 0.45% versus 0.44% for its benchmark for the one-month period, and was 5.38% versus a benchmark return of 5.20% for the one-year period ended May 31, 2007. Mr. Zimmerman continued by reporting information on performance attribution, liquidity, derivatives, and actions taken under the Delegation of Authority and the May 31, 2007 Risk Dashboard. Ms. Iberg, Mr. Zimmerman, and Mr. Myers answered the Directors' questions.

Executive Session

Mr. Caven, at 9:48 a.m., announced 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 consulting with legal counsel regarding recent developments in oversight and fiduciary duties of directors of non-profit corporations and to deliberate individual personnel matters. This Executive Session meeting of the Board is authorized by *Texas Government Code* sections 551.071 and 551.074. The time is now 9:48 a.m. and the date is July 11, 2007."

Reconvene in Open Session

The Board reconvened at 10:26 a.m., in open session, and Mr. Caven 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 11, 2007 and the time is now 10:26 a.m. During the Executive Session, the Board discussed with legal counsel recent developments in oversight and fiduciary duties of directors of non-profit corporations and deliberated individual personnel matters, but did not take any final action or votes, or make any decisions."

Report from Compensation Committee

Mr. Caven asked Mr. Ferguson, Chairman of the Compensation Committee, to give a report of the last Compensation Committee meeting. Mr. Ferguson reported to the Board that the Compensation Committee had met on June 13, 2007, and passed a resolution that approved the Corporation's Officers' and Other UTIMCO Compensation Program Participants' Base Salaries (except that of the President) for the Fiscal Year 2007-2008 in the amount of \$4,070,500.

Recommended 2007-2008 Budget

Mr. Caven asked Mr. Zimmerman to move to the next item on the agenda, which was the 2007-2008 Budget discussion. Mr. Zimmerman began by discussing a handout with updated budget information that was provided to the Board. UTIMCO staff recommended a Corporation's Operating Budget of \$64,595,642, Capital Budget of \$355,569 and Fee Request of \$15,369,829 for the period September 1, 2007 through August 31, 2008. Mr. Zimmerman gave a very detailed report of the budget submission. Mr. Zimmerman and Ms. Iberg answered the Directors' questions. Upon motion duly made and seconded, a revised resolution was handed out and the following resolution was unanimously adopted:

RESOLVED, that the Corporation's Operating Budget of \$64,595,642, Capital Budget of \$355,569 and Fee Request of \$15,369,829 for the period September 1, 2007 through August 31, 2008 be, and is hereby, approved, subject to approval by the U. T. System Board of Regents.

At this time, Mr. Caven introduced Student Regent Matt Camarillo who had joined the meeting for a short time.

Corporate Auditor

Mr. Caven asked Mr. Nye, Chairman of the Audit and Ethics Committee, to give a report on the external auditor change. Mr. Nye explained that based on the RFQ responses and oral presentations offered to a panel of UT System, Texas A&M System, and UTIMCO representatives, Deloitte & Touche LLP was deemed to be the best qualified candidate to replace Ernst & Young LLP as the auditor for the investment funds. It was anticipated that the Board of Regents would approve the appointment of Deloitte & Touche LLP to replace Ernst & Young LLP as the investment funds auditor for the fiscal year ending August 31, 2007 at its meeting on the afternoon of July 11, 2007, following the Board meeting. The Committee

recommended Deloitte & Touche LLP to be engaged by the UTIMCO Board as the Corporation's independent auditor for the fiscal year ending August 31, 2007, following satisfactory negotiation of an engagement letter by UTIMCO Staff. Upon motion duly made and seconded, the following resolution was unanimously adopted:

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, 2007, following satisfactory negotiation of an engagement letter by UTIMCO Staff.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 11:30 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: H. Scott Caven, Jr. Date: 11/29/07
H. Scott Caven, Jr.
Chairman, Board of Directors of
The University of Texas Investment
Management Company