

**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 9:05 a.m. on the **21st day of September 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.

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
J. Philip Ferguson
Colleen McHugh
Ardon E. Moore
Charles W. Tate

thus; constituting a majority and quorum of the Board. Director Clint Carlson and Director Erle Nye did not attend the meeting. Also attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Joan Moeller, Secretary and Treasurer of the Corporation; Bill Edwards, Managing Director of Information Technology; Cecilia Gonzalez, internal General Counsel for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; Lindel Eakman, Managing 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, Amy Barrett, Charlie Chaffin, Anthony de Bruyn, William Huang, and Cathy Swain of UT System Administration; Bruce Myers, Hamilton Lee and Jeanne Rogers of Cambridge Associates; and Greg Anderson of The Texas A&M University System. Barry Burgdorf, Julie Lynch, and Randa Safady of UT System Administration joined the meeting later as noted in the minutes. Mr. Caven called the meeting to order at 9:05 a.m.

Minutes

The first matter to come before the Board was approval of the minutes of the meetings of the Board of Directors held on July 11, 2007 and July 30, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meetings of the Board of Directors held on July 11, 2007 and July 30, 2007, be, and are hereby, approved.

Corporate Resolution

Mr. Caven asked Mr. Zimmerman to present the next agenda item. Mr. Zimmerman recommended Mr. Lindel Eakman to be named an officer of the Corporation in his newly appointed role of Managing Director - Private Markets. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Lindel Eakman is hereby appointed to the office of Managing Director of the Corporation, to serve until the next Annual Meeting of the Corporation or until his resignation or removal.

Mr. Zimmerman explained that the next resolution pertained to the Plan Administrative Committee. The Board appoints the Plan Administrative Committee, which is an internal committee consisting of UTIMCO employees and is responsible for general administration of the 403(b) Tax Sheltered Annuity Plan of the Corporation. The proposed resolution added Bruce Zimmerman as a member, and designated Cathy Iberg as chairperson of the Plan Administrative Committee. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the following employees be designated as the Plan Administrative Committee, responsible for general administration of the 403(b) Tax Sheltered Annuity Plan of the Corporation:

Bruce Zimmerman	CEO and Chief Investment Officer
Cathy Iberg	President and Deputy CIO – Chair of the Committee
Joan Moeller	Managing Director – Accounting, Finance and Administration
Melynda Carter	Manager - Finance and Administration

Endowment and Operating Funds Update

Mr. Caven asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman noted that the format of the Performance Summary had been changed to present the information clearly with an increased level of transparency. Although July performance numbers were included in the Board materials, Mr. Zimmerman reported the fiscal year-end numbers as of August 31, 2007. The net performance for the one-month period ended August 31, 2007, for the PUF was 0.24% and for the GEF was 0.38%, versus benchmark returns of 0.05% for each fund. The net performance for the one-year period ended August 31, 2007, for the PUF and GEF were 15.34% and 15.90%, respectively, versus benchmark returns of 13.38% for each fund. The Intermediate Term Fund's (ITF) performance was 0.29% versus its benchmark return of 0.24% for the one-month period, and was 10.62% versus its benchmark return of 8.47% for the one-year period ended August 31, 2007. Performance for the Short Term Fund (STF) was 0.45% versus 0.56% for its benchmark return for the one-month period, and was 5.39% versus a benchmark return of 5.29% for the one-year period ended August 31, 2007. Mr. Zimmerman 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. He also handed out the 4th Quarter Performance Analysis for the GEF. Mr. Burgdorf, Ms. Lynch, and Ms. Safady joined the meeting at this time. Ms. Iberg and Mr. Zimmerman answered the Directors' questions with regard to the permissible level of risk. Mr. Zimmerman continued by reporting information on performance

attribution, liquidity, risk dashboard, the Comprehensive Derivative Report, and actions taken under the Delegation of Authority. Ms. Safady, Mr. Burgdorf and Ms. Barrett provided history and an update on UT System administration fees and gave an overview of the endowment compliance program. Ms. Iberg, Mr. Yoeli and Mr. Zimmerman answered the Directors' questions.

Risk Committee Report

Mr. Caven asked Mr. Tate to give a report from the Risk Committee. The Risk Committee met previously on September 5, 2007. Mr. Tate reported the meeting included a discussion of risk reporting, review and discussion of investment strategy, and an information technology security presentation. The Committee also received an investment strategy presentation by Mr. Zimmerman. Input will be solicited from the Risk and Policy Committees to assist in the continuing development of recommendations for changes to the Investment Policies. Mr. Zimmerman noted that the investment strategy will be discussed at the Joint UT System Board of Regents/UTIMCO Board of Directors meeting to be held on October 12, 2007. Specific recommendations regarding policies will be discussed first at the Committee level, and then brought to the Board for discussion and consideration at the November 29, 2007 meeting. Further approval will be requested by the UT System Board of Regents at their meeting on December 6, 2007. The meeting included routine review of the liquidity profile, risk reports, derivative reports, and derivative compliance reporting, as well as an update on the investment compliance reporting and the Investment Compliance Report for the quarter ended May 31, 2007 and the Institutional Compliance Program Quarterly Report for the quarter ended May 31, 2007.

Investment Strategy Review

Mr. Caven asked that Mr. Zimmerman give his presentation on Investment Strategy. During the review and discussion, Mr. Zimmerman solicited input to assist in the continuing development of recommendations for changes to the policies. Discussion included incentive for the campuses to run efficiently and the need for the Regents to discuss a reasonable level of payout. As discussed earlier in the meeting, after review of the investment strategy, the various investment policies will be revised appropriately.

Information Technology Security Presentation

Mr. Caven asked Mr. Edwards to provide an overview of the issues confronting security and the methods deployed to protect the Corporation's data assets and processes. Mr. Edwards responded to the Directors' questions.

Executive Session

Mr. Caven, at 12:20 p.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 deliberating individual personnel matters. This Executive Session meeting of the Board is

authorized by Texas Government Code Section 551.071 (Consultation with Attorney on Legal Matters) and Section 551.074 (Personnel Matters). The time is now 12:20 p.m. and the date is September 21, 2007."

Reconvene in Open Session

The Board reconvened at 12:44 p.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 September 21, 2007 and the time is now 12:44 p.m. During the Executive Session, the Board deliberated individual personnel matters, but did not take any final action or votes, or make any decisions."

At this point, Director Rowling left the meeting.

Compensation Committee Report

Mr. Caven asked Mr. Ferguson to present the report for the Compensation Committee. Mr. Ferguson stated that the Committee met previously on September 18, 2007. Mr. Ferguson reported that the Committee reviewed and approved the amendment and restatement of the UTIMCO Compensation Program (the "Plan") effective July 1, 2007. Mr. Ferguson asked Mr. Zimmerman to review the changes to the Plan with the Board and discussion continued. Upon motion duly made and seconded, the following resolution was unanimously adopted:

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

WHEREAS, UTIMCO and the Board wish to amend the Compensation Program to incorporate all such amendments into an amended and restated plan document in the form previously provided to the Board; and

WHEREAS, the Board has reviewed the proposed restatement of the Compensation Program;

NOW, THEREFORE, be it:

RESOLVED, that the Board approves and adopts the restatement of the UTIMCO Compensation Program, effective as of July 1, 2007, except as otherwise stated in the document, subject to the approval of the Board of Regents.

At this point, Director Yudof left the meeting. Mr. Ferguson reported that the Compensation Committee reviewed and approved the Eligible Positions, weightings of Performance Goals (entity, asset class, and individual), and the incentive award opportunities for each performance period as set forth in Table 1 of Appendix C of the Plan for the performance period ending June 30, 2008. The Committee and Board are to

consider and approve each of these items on an annual basis within the first 90 days of the performance period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.3(a) of the UTIMCO Compensation Program (the "Plan") provides that Eligible Positions for a Performance Period include certain employment positions as designated by the President and CEO and approved by the Board of Directors of UTIMCO (the "UTIMCO Board"); and

WHEREAS, Section 5.4(d) of the Plan provides that, subject to the approval of the UTIMCO Board, the Compensation Committee will approve (or adjust as it deems appropriate) the weightings of the Performance Goals (entity, asset class, and individual) for each Participant (other than for the President/CEO) for each Performance Period; and

WHEREAS, Section 5.5(a) of the Plan provides that, subject to the approval of the UTIMCO Board, the Committee will determine the incentive award opportunity for each Performance Goal for each Participant in an Eligible Position; and

WHEREAS, the Committee has reviewed and approved the Eligible Positions, weightings of the Performance Goals, and the incentive award opportunities for each Eligible Position for the 2007/2008 Performance Period as set forth in Table 1 on Exhibit 1 attached hereto; and

WHEREAS, the UTIMCO Board has reviewed and wishes to approve the Eligible Positions, weightings of the Performance Goals, and the incentive award opportunities for each Eligible Position for the 2007/2008 Performance Period as set forth in Table 1 on Exhibit 1 attached hereto;

NOW, THEREFORE, be it:

RESOLVED, that the UTIMCO Board approves the Eligible Positions, weightings of Performance Goals, and incentive award opportunities for each Eligible Position for the 2007/2008 Performance Period as set forth in Table 1 on Exhibit 1 attached hereto effective as of July 1, 2007.

Mr. Ferguson continued with a recommendation from the Compensation Committee to approve the designation of the employees in Eligible Positions as participants in the Plan for the 2007/08 performance period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.3(a) of the UTIMCO Compensation Program (the "Plan") provides that, in order to become a "Participant" in the Plan for a Performance Period, a UTIMCO employee must be (1) employed in a position designated by the Board of Directors of UTIMCO (the "Board") as an "Eligible Position" for that Performance Period and (2) selected by the Board as a Participant for that Performance Period; and

WHEREAS, the Compensation Committee of the Board has recommended the "Eligible Positions" and individuals who may become Participants for the 2007/2008 Performance Period set forth on Exhibit 1 attached hereto; and

WHEREAS, the UTIMCO Board has reviewed Exhibit 2 and wishes to designate the "Eligible Positions" and select the individuals who may become Participants for the 2007/2008 Performance Period;

NOW, THEREFORE, be it:

RESOLVED, that the Eligible Positions and the individuals set forth on Exhibit 2 attached hereto are hereby designated as "Eligible Positions" for and "Participants" in the Plan for the 2007/2008 Performance Period, effective as of July 1, 2007, except as any other date is specified for any such Eligible Position or Participant on such Exhibit 2.

Mr. Ferguson reported that the Compensation Committee reviewed and approved the Participants' performance goals for each 2007/08 participant. There are three categories of performance goals: (1) entity performance, (2) asset class performance, and (3) individual performance. Mr. Ferguson recommended on behalf of the Compensation Committee that the Board also approve the entity performance goals and the asset class performance goals. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.4(a) of the UTIMCO Compensation Program (the "Plan") provides that the Compensation Committee (the "Committee") of the Board of Directors of UTIMCO will approve the Performance Goals for each Participant (other than for the President/CEO) for each Performance Period; and

WHEREAS, the Committee has reviewed and recommended the proposed Performance Goals for the Participants for the 2007/2008 Performance Period set forth on Exhibit 3 attached hereto (for their Entity and Asset Class Performance Goals); and

WHEREAS, the Board has reviewed Exhibit 3 and wishes to approve the Performance Goals for the Participants for the 2007/2008 Performance Period set forth on Exhibit 3 attached hereto (for their Entity and Asset Class Performance Goals);

NOW, THEREFORE, be it:

RESOLVED, that the Performance Goals for each Participant for the 2007/2008 Performance Period as set forth on Exhibit 3 attached hereto (for his or her Entity and Asset Class Performance Goals) are hereby approved, effective as of July 1, 2007.

Mr. Ferguson also reported that the Committee had approved Deloitte and Touche LLP as the external auditor to review relative performance data and calculations for the performance period ended June 30, 2007. The Committee also reviewed the Request for Proposal for the Compensation Consultant.

Staff Title Changes

Mr. Caven asked Mr. Zimmerman to present the next agenda item to the Board. Mr. Zimmerman made a recommendation that he hold only the titles of "Chief Executive Officer" and "Chief Investment Officer" and Ms. Iberg have the title of "President" of the Corporation. He then discussed the reasons for his recommendation regarding these staff title changes. He stated that this appointment is in recognition of Ms. Iberg's long-standing dedication and contribution to the Corporation, coupled with some additional new responsibilities. Mr. Zimmerman stated: "Ms. Iberg is an excellent investor with a proven track record; as such, the Board and I have asked her to take the lead in coordinating the Corporation's investment process". Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that, subject to the control of the Board of Directors of the Corporation, (i) Bruce Zimmerman has and 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, however, from and after the date hereof Mr. Zimmerman shall only have the titles of "Chief Executive Officer" and "Chief Investment Officer" of the Corporation, and (ii) Cathy Iberg has and shall have all the powers and duties of Deputy Chief Investment Officer and Senior Managing Director – Marketable Alternative Investments as have been or may hereafter be assigned to her in those capacities by the Corporation's Board of Directors or Chief Executive Officer; provided however, Ms. Iberg shall be authorized to act for Mr. Zimmerman when he is absent due to an extended leave of absence, incapacity or an unforeseeable emergency, and from and after the date hereof Ms. Iberg shall have the title of "President" of the Corporation.

Audit and Ethics Committee Report

Mr. Caven asked Ms. McHugh, in Committee Chairman Nye's absence, to give a report from the Audit and Ethics Committee. Ms. McHugh stated that the Audit and Ethics Committee at their last meeting considered the proposed changes to the Audit Charter of the Audit and Ethics Committee. Most of the requested changes relate to the Committee's oversight role of the Chief Compliance Officer. Ms. McHugh reviewed the recommended changes and on behalf of the Committee, she recommended approval by the Board. Ms. McHugh also informed the Board that the Committee had received the audit report on the internal controls of the Intermediate Term Fund performed by the UT System Audit Office and there were

no findings. Upon motion duly made and seconded, the following resolution was unanimously adopted:

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

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 1:16 p.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

Exhibit 1

Table 1
Eligible Positions, Weights, and Incentive Award Opportunities for each Eligible Positions
(for the Performance Periods Beginning After June 30, 2007)

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)			
	Entity	Asset Class	Individual	< Threshold	Threshold	Target	Maximum
<i>Investment Professionals</i>							
President, CEO & CIO	70%	0%	30%	0%	20%	100%	200%
Deputy CIO & MD of Marketable Alt. Invest.	40%	40%	20%	0%	18%	90%	190%
Risk Manager	70% 30%	0%	30% 70%	0%	18%	90%	190%
MD, Public Markets Invest.	20%	60%	20%	0%	18%	90%	190%
MD, Inflation Hedging Assets	20%	60%	20%	0%	18%	90%	190%
MD, Private Markets	30%	50%	20%	0%	18%	90%	190%
Sr. Portfolio Mgr., Fixed Income Invest.	20%	60%	20%	0%	10%	50%	140%
Portfolio Manager, Fixed Income Invest.	20%	60%	20%	0%	10%	50%	140%
Director, Public Markets	20%	60%	20%	0%	8%	40%	80%
Director, Marketable Alternative	20%	60%	20%	0%	8%	40%	80%
Director, Inflation Hedging Assets	20%	60%	20%	0%	8%	40%	80%
Director, Private Markets	20%	60%	20%	0%	8%	40%	80%
Director, Risk Management	70% 30%	0%	30% 70%	0%	8%	40%	80%
Associate, Public Markets	20%	60%	20%	0%	6%	30%	70%
Associate, Marketable Alternative	20%	60%	20%	0%	6%	30%	70%
Associate, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%	70%
Associate, Private Markets	20%	20%	60%	0%	6%	30%	70%
Associate, Risk Management	70% 30%	0%	30% 70%	0%	6%	30%	70%
Analyst, Public Markets	20%	60%	20%	0%	6%	30%	50%
Analyst, Marketable Alternative	20%	60%	20%	0%	6%	30%	50%
Analyst, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%	50%
Analyst, Private Markets	20%	20%	60%	0%	6%	30%	50%
Analyst, Risk Management	70% 30%	0%	30% 70%	0%	6%	30%	50%
<i>Operations/Support Professionals</i>							
MD, Accounting, Finance & Admin.	20%	0%	80%	0%	10%	50%	140%
MD, Information Technology	20%	0%	80%	0%	10%	50%	140%
Manager, Finance & Administration	20%	0%	80%	0%	8%	40%	80%
Manager, Investment Reporting	20%	0%	80%	0%	8%	40%	80%
Manager, Portfolio Accounting & Ops.	20%	0%	80%	0%	8%	40%	80%
General Counsel	0%	0%	100%	0%	8%	40%	80%
Chief Compliance Officer	0%	0%	100%	0%	8%	40%	80%
Manager, Client Services	20%	0%	80%	0%	8%	40%	80%

Exhibit 2
Designation of Plan Participants in Eligible Positions
in the 2007/2008 Performance Period

ELIGIBLE POSITION

PARTICIPANTS

Investment Professionals

SR MD, Marketable Alternative Investments and Deputy CIO	Cathy Iberg
MD, Private Markets	Lindel Eakman
Sr. Portfolio Mgr., Fixed Income Invest.	Russ Kampfe
Portfolio Manager, Fixed Income Invest.	Harland Doak
Director, Private Markets	Mark Shoberg
Director, Risk Management	Uzi Yoeli
Director, Marketable Alternative	Ryan Ruebsahm
Associate, Public Markets	Laura Patrick
Associate, Public Markets	Mark Newcomb
Associate, Marketable Alternative	Courtney Powers*
Associate, Private Markets	Scott Bigham
Associate, Private Markets	Zac McCarroll
Associate, Risk Management	Kathleen Wagner
Analyst, Marketable Alternative	Eric Dooley
Analyst, Marketable Alternative	Aman Jain

Operations/Support Professionals

MD, Accounting, Finance & Admin.	Joan Moeller
MD, Information Technology	Bill Edwards
Manager, Finance & Administration	Melynda Carter
Manager, Investment Reporting	Gary Hill
Manager, Portfolio Accounting & Ops.	Debbie Childers
Internal General Counsel	Cissie Gonzalez

Participants are eligible as of July 1, 2007 unless otherwise notated

*eligible August 20, 2007

Exhibit 3

UPDATED TABLE 4 (7/1/07 through 8/31/08)

Asset Class	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment	ITF	Threshold	Target	Maximum
		Assets	(% of Portfolio)			
Entity: Peer Group (Total Endowment Funds)	Peer group (Endowments w/>\$1 B assets)	n/a	n/a	40th %ile	60th %ile	75th %ile
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+100 bps	+150 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+32.5 bps	+65 bps
US Public Equity	Russell 3000 Index	20%	15%	+0 bps	+31 bps	+62 bps
Non-US Developed Equity	MSCI EAFE Index with net dividends	10%	5%	+0 bps	+37.5 bps	+75 bps
Emerging Markets Equity	MSCI Emerging Markets Index with net dividends	7%	5%	+0 bps	+75 bps	+150 bps
Directional Hedge Funds	MSCI Investable Hedge Fund Index	10%	12.5%	+0 bps	+65 bps	+130 bps
Absolute Return Hedge Funds	MSCI Investable Hedge Fund Index	15%	12.5%	+0 bps	+50 bps	+100 bps
Private Equity	Custom Benchmark Created from Venture Economics Database	11%	0%	+0 bps	+103.5 bps	+207 bps
Venture Capital	Custom Benchmark Created from Venture Economics Database	4%	0%	+0 bps	+103.5 bps	+207 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5%	10%	+0 bps	+37.5 bps	+75 bps
Commodities	Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index	3%	5%	+0 bps	+17.5 bps	+35 bps
TIPS	Lehman Brothers US TIPS Index	5%	10%	+0 bps	+2.5 bps	+5 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10%	25%	+0 bps	+12.5 bps	+25 bps
Internal Credit	Credit Related Composite Index	0%	0%	+0 bps	+12.5 bps	+25 bps
Cash	90 day t-bills	0%	0%	+0 bps	+0 bps	+0 bps