

**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 9:35 a.m. on the **30th day of January 2008**, at the Ritz-Carlton Dallas Hotel, 2121 McKinney Avenue, Dallas, Texas, 75201, said meeting having been called by the Chairman, Robert B. Rowling, with notice provided to each member in accordance with the Bylaws.

Participating in the meeting were the following members of the Board:

Robert B. Rowling, Chairman
Mark G. Yudof, Vice Chairman for Policy
Clint Carlson
J. Philip Ferguson
Paul Foster
Colleen McHugh
Ardon E. Moore
Erle Nye
Charles W. Tate

thus constituting a majority and quorum of the Board. 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; Christy Wallace, Assistant Secretary of the Corporation; Cecilia Gonzalez, internal General Counsel for the Corporation; Bill Edwards, Managing Director of Information Technology for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; Mark Warner, Director of Natural Resources Investments; Mark Shoberg, Director – Private Markets; Bob Schau, Director – Real Estate Investments; Ryan Ruebsahm, Director – Marketable Alternatives Investments; Courtney Powers, Associate – Marketable Alternatives Investments, and other Staff members, all of the Corporation; Jerry Turner, external General Counsel for the Corporation; Philip Aldridge, Anthony de Bruyn, William Huang, Moshmee Kalamkar and Dean Metzger of UT System Administration; Bruce Myers and Hamilton Lee of Cambridge Associates; and Brandon Bean of TRT Holdings. Mr. Rowling called the meeting to order at 9:35 a.m.

Minutes

The first matter to come before the Board was approval of the minutes of the meeting of the Board of Directors held on November 29, 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
November 29, 2007, be, and are hereby, approved.

Corporate Resolutions

Mr. Rowling recommended J. Philip Ferguson as Vice Chairman of the Corporation and presented new Committee assignments. Upon motion duly made and seconded, the following resolution for the office of Vice Chairman was unanimously adopted:

RESOLVED, that J. Philip Ferguson is hereby appointed to the office of Vice Chairman of the Corporation, to serve until the next Annual Meeting of the Corporation or until his earlier death, resignation or removal.

Also upon motion duly made and seconded, the following resolutions for Committee assignments were unanimously adopted:

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Audit and Ethics Committee of the Board of Directors:

Erle Nye
Colleen McHugh
Paul Foster
Charles W. Tate

subject to approval by the Board of Regents at their meeting to be held on February 7, 2008, to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Erle Nye is hereby designated the Chair of the Audit and Ethics Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Compensation Committee of the Board of Directors:

J. Philip Ferguson
Clint D. Carlson
Ardon E. Moore

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that J. Philip Ferguson is hereby designated the Chair of the Compensation Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Risk Committee of the Board of Directors:

Charles W. Tate
Clint D. Carlson
J. Philip Ferguson
Erle Nye

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Charles W. Tate is hereby designated the Chair of the Risk Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Policy Committee of the Board of Directors:

Colleen McHugh
Ardon E. Moore
Paul Foster

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Colleen McHugh is hereby designated the Chair of the Policy Committee and shall preside at its meetings.

Mr. Rowling then recommended that the Annual Meeting be held on April 25, 2008, in Houston, Texas. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Annual Meeting of the Board of Directors will be held on April 25, 2008, in Houston, Texas.

Audit and Ethics Committee Report

Mr. Rowling asked Mr. Nye to give a report from the Audit and Ethics Committee. Mr. Nye stated that the Audit and Ethics Committee met on January 23, 2008. Tom Wagner, engagement partner, presented to the Audit and Ethics Committee the Deloitte & Touche LLP Audit Results and Communications letter and answered questions related to the financial statements for the Corporation. Deloitte & Touche LLP issued unqualified opinions on the August 31, 2007 financial statements. The Committee approved the Deloitte & Touche LLP's Financial Statement Audit Results and Communications and the audited financial statements for the Corporation, and recommended that the Board approve the same. Upon motion duly made and seconded, the following was unanimously adopted:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2007, 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, 2007 and August 31, 2006, be, and are hereby approved in the form as presented to the Board.

Mr. Nye continued with the report from the Audit and Ethics Committee Meeting. Also presented at the Committee Meeting were the unaudited Financial Statements for the three months ended November 30,

2007 for the Investment Funds and the Corporation, and an update by the UT System Audit Office. At this time, Moshmee Kalamkar and Dean Metzger of the UT System Audit Office were introduced. They will jointly be taking over Amy Barrett's responsibilities. As part of the update by the UT System Audit Office, a recommendation was made for the Committee to approve hiring Barb Davison with Investment Training and Consulting, Inc. (ITCI) to assist the UT System Audit Office in developing a "risk-focused" audit plan to review the investment activities at the Corporation. The Committee approved a proposal for two audits, one related to Internal Fixed Income and one related to Internal Derivatives.

Mr. Nye also presented the Audit and Ethics Committee report for the meeting held that morning. He stated that the Committee met prior to the Board Meeting to discuss and approve the recommendation of Mr. Zimmerman to hire a Chief Compliance Officer (CCO) for the Corporation. Mr. Zimmerman proposed, with the concurrence of several UT System staff, that Cecilia (Cissie) Gonzalez be hired as the Chief Compliance Officer. The Audit and Ethics Committee approved Ms. Gonzalez for the CCO position, as well as continuing her role as the internal General Counsel for the Corporation, with a new salary amount to reflect her additional duties. The CCO will report functionally to the Audit and Ethics Committee, and administratively to the CEO. The Audit and Ethics Committee concurred that Ms. Gonzalez is ideally suited for this position. The Committee however, made it clear that although Ms. Gonzalez would now be internal General Counsel and Chief Compliance Officer for the Corporation, she would maintain dual responsibilities, reporting to Bruce administratively and as internal General Counsel, and functionally as CCO to the Audit and Ethics Committee with her salary determined 100% by the Audit and Ethics Committee. Mr. Rowling reiterated that Ms. Gonzalez has a direct line to Mr. Nye and Mr. Rowling at any time for all compliance issues. Mr. Zimmerman thanked Joan Moeller for doing a great job as Compliance Officer and expressed appreciation for the excellent compliance program she created and has maintained for the Corporation. Mr. Nye left the meeting at this time.

Endowment and Operating Funds Update

Mr. Rowling asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman reported performance numbers as of the end of the quarter, November 30, 2007, and briefly mentioned December 2007 and January 2008 numbers. The net performance for the one-month period ended November 30, 2007, for the Permanent University Fund (PUF) was -2.27% and for the General Endowment Fund (GEF) was -2.19%, versus benchmark returns of -2.17% for each fund. The net performance for the one-year period ended November 30, 2007, for the PUF and GEF were 14.73% and 15.26%, respectively, versus benchmark returns of 11.64% for each fund. The Intermediate Term Fund's (ITF) performance was -1.65% versus its benchmark return of -1.91% for the one-month period, and was 10.35% versus its benchmark return of 6.85% for the one-year period ended November 30, 2007. Performance for the Short Term Fund (STF) was 0.42% versus 0.47% for its benchmark return for the one-month period, and was 5.37% versus a benchmark return of 5.17% for the one-year period ended November 30, 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. Mr. Zimmerman continued by presenting a private markets exposure report as of November 30, 2007, and then reviewed the Funds in a new reporting format with the new categorization grids, comparing asset class and investment type targets, ranges and performance objectives. Also presented were a comprehensive derivative report as of November 30, 2007, and a report on investment transactions made under the Delegation of Authority for the period beginning November 16, 2007, and

ending January 15, 2008. Mr. Zimmerman, Ms. Iberg, Mr. Myers, and Mr. Yoeli answered the Directors' questions.

Organization Update

Mr. Rowling asked Mr. Zimmerman to continue with an update on the organizational structure of the Corporation. Mr. Zimmerman noted that Ms. Iberg had been formally asked to take over responsibility for the Public Markets area. Presenting the most recent organization chart, Mr. Zimmerman announced new hires in several of the investment areas. He asked Bob Schau, the new Director for Real Estate Investments, to introduce himself. Mr. Schau gave a brief background of his career and answered the Directors' questions. Mr. Zimmerman next presented and discussed the Corporation's actual expenses vs. budget for the first quarter of 2008, near term projects including facilities build-out, the individual endowment accounting system, the investment process, including the formation of an internal Investment Committee, and future travel plans for Staff.

Marketable Alternatives Presentation

Mr. Rowling asked Ms. Iberg to give a presentation on the Corporation's Marketable Alternative Investments (i.e., less correlated and constrained investments). Ms. Iberg introduced each of her team members, discussed industry trends, presented program strategy, objectives and results, and manager classifications. She also discussed future plans for the Marketable Alternative Investments area. Mr. Zimmerman, Ms. Iberg, and Mr. Ruebsahm answered the Directors' questions.

The meeting was recessed at 11:30 a.m. The Board of the Corporation reconvened in an open meeting at the same meeting location at 2:05 p.m.

Pooling Private Investments

Mr. Rowling asked Mr. Shoberg to present the next item. Mr. Shoberg explained that the Staff was seeking approval of its recommendation to create internally managed commingled funds for the purpose of holding the existing PUF and GEF's Private Investments and for the purpose of making additional investments or redeeming existing investments following the approach that the Marketable Alternatives Investments undertook in 2005. The ownership of such assets within the internally managed commingled funds shall at all times be vested in the Board of Regents, as a fiduciary. Vinson and Elkins, outside legal counsel for the Corporation, recommended that staff seek approval from the UTIMCO Board to create the internally managed commingled funds. Mr. Shoberg explained that in conjunction with the Board's approval the UTIMCO Board would be acknowledging that prior fund investments were approved by or presented to the Board as an initial capital amount of a specific named investment of the PUF and GEF, and further would be waiving the stated amounts and percentages previously authorized for investment by the PUF and GEF coincident with the creation of the internally managed commingled investment pools. Mr. Zimmerman, Mr. Shoberg, Ms. Iberg, Mr. Turner and Ms. Moeller answered the Directors' questions. Upon motion duly made and seconded, subject to Corporation staff briefing and approval of the change by The Texas A&M University System, the following resolutions were unanimously adopted:

RESOLVED, that the Board approves the creation of one or more internally-managed commingled funds, as necessary, for the purpose of pooling existing private investments currently held by the Permanent University Fund (PUF) and the General Endowment Fund (GEF), and for the purpose of making additional private investments or redeeming private investments; and, be it further

RESOLVED, that the foregoing resolutions shall be implemented in accordance with the recommendation of the Corporation staff submitted to the Board and shall supersede all prior resolutions of the Board to the extent any such resolutions authorized a private investment for only the PUF or the GEF or prescribed a stated amount or percentage of a private investment for the PUF or the GEF.

Policy Committee Report

Mr. Rowling stated that the Policy Committee met on January 23, 2008. At the meeting, the second draft of the Securities Lending Policy was discussed at length. Mr. Rowling asked Mr. Zimmerman to give a brief summary of the proposed Policy. Mr. Zimmerman explained that the staff took a very conservative approach in implementing the management of the Securities Lending program and carefully structured a Securities Lending Agreement with its master custodian, Bank of New York/Mellon. The Committee discussed the level of risk that should be adopted when implementing the program and felt comfortable with the current Policy; no action by the Committee was necessary. Mr. Zimmerman will meet with the UT System Office of Finance, Bruce Myers of Cambridge Associates LLC, and the master custodian to determine if anyone has a more conservative policy and whether changes should be made to the Policy.

Mr. Rowling reported that two other items were discussed by the Policy Committee: proposed changes to (1) the Master Investment Management Services Agreement ("IMSA") and (2) the Bylaws. Mr. Zimmerman stated that minor changes to the IMSA were suggested by Staff and UT System, including deleting the date certain for annual review of the investment policies, and changing the references from the President to CEO consistent with current job titles. Mr. Zimmerman said that the Staff's proposed changes to the Bylaws closely mirrored the above mentioned changes to the IMSA. Mr. Rowling recommended the changes to both policies be approved. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Master Investment Management Services Agreement with UTIMCO ("IMSA") be, and is hereby, approved in the form submitted to the Corporation's Board, subject to approval by the Board of Regents of The University of Texas System; and, be it further

RESOLVED, that amendments to the Bylaws of the Corporation as presented be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

Mr. Rowling informed the Board that he asked the Staff and the Policy Committee to review the Code of Ethics. Mr. Rowling stated that the Corporation's Code of Ethics is more restrictive than state law requires and requested that the Policy Committee, Mr. Zimmerman, and Mr. Turner review and discuss the Code of

Ethics and present recommendations regarding changes to the Code of Ethics to the Committee at its next meeting.

Risk Committee Report

Mr. Rowling asked Mr. Tate to give a report from the Risk Committee. Mr. Tate informed the Board that the Risk Committee last met on January 23, 2008. The items discussed at the meeting were risk reporting, Investment Mandate Categorizations, the Procedure for Calculating Liquidity, and proposed changes to the Charter of the Risk Committee. Mr. Tate explained that although the new Mandate Categorization Procedure ("Procedure") had been approved by the Board at the November 29, 2008 meeting, the Committee requested Staff to amend the Procedure to require that Staff report, at the next scheduled Risk Committee, any re-categorization of an Asset Class or Investment Type of an existing mandate whenever re-categorization is warranted. A revised version of the Procedure and resolution related to the Mandate Categorization Procedure was handed out at the meeting. Mr. Tate continued by explaining that the Staff presented to the Committee for their review and approval the initial categorization by Asset Class and Investment Type for all mandates since adoption of the Procedure. Mr. Zimmerman summarized the results of the initial categorization for all mandates prepared by the Staff. Mr. Zimmerman answered the Committee Members' questions and expressed appreciation to Philip Aldridge, Amy Barrett, and William Huang of UT System for their assistance in this process.

Mr. Tate reported that the Committee also reviewed the Procedure for Calculating Liquidity and proposed changes to the Charter of the Risk Committee. Mr. Tate recommended on behalf of the Committee that the Board approve the Procedure for Calculating Liquidity and the amendments to the Charter of the Risk Committee. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Procedure for Calculating Liquidity be, and is hereby, approved in the form submitted to the Corporation's Board of Directors; and, be it further

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

Mr. Tate also recommended approval, on behalf of the Committee, of the proposed amendments to the Mandate Categorization Procedure. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the amendments to the Mandate Categorization Procedure be, and are hereby, approved in the form submitted to the Corporation's Board of Directors.

Compensation Committee Report

Mr. Rowling asked Mr. Ferguson to present the Compensation Committee report. Mr. Ferguson stated that the Committee met today, prior to the Board meeting. Mr. Ferguson said that Staff made a

recommendation to the Committee, as required by the Corporation's Compensation Program, setting forth the position of Director – Natural Resources as an Eligible Position and requested approval for the Weightings of Performance Goals, and Incentive Award Opportunities for that Eligible Position and selection of Mark Warner as a Participant in the Plan for the 2007/2008 Performance Period. The Compensation Committee approved the recommendation subject to further approval from the Board. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

WHEREAS, the UTIMCO Board has established a UTIMCO Compensation Program (the "Plan") for certain employees of the Corporation; and

WHEREAS, Section 5.3.(a) of 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 "UTIMCO Board") as an "Eligible Position" for that Performance Period and (2) selected by the UTIMCO Board as eligible to participate for that Performance Period; and

WHEREAS, the UTIMCO Board has the discretion to designate the employment position of a newly hired or promoted employee as an Eligible Position and may designate such newly hired or promoted employee as eligible to participate in the Plan for a Performance Period (or remainder of a Performance Period) within 30 days of hire or promotion, or if later, as soon as administratively feasible after such hire or promotion; and

WHEREAS, Mark Warner was hired as the Director – Natural Resources on November 19, 2007; and

WHEREAS, subject to approval by the UTIMCO Board, the CEO designated the position of Director – Natural Resources as an Eligible Position for the 2007/2008 Performance Period as provided by Section 5.3.(a) of the Plan; and

WHEREAS, the Compensation Committee recommended that the UTIMCO Board approve the designation of the position of Director – Natural Resources as an Eligible Position and selection of Mark Warner as a Participant in the Plan for the 2007/2008 Performance Period, effective as of November 19, 2007; 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 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 reviewed and recommended that the UTIMCO Board approve the Eligible Position, Weightings of the Performance Goals (entity, asset class, and individual), and the Incentive Award Opportunities for the position of Director – Natural Resources for the 2007/2008 Performance Period; and

WHEREAS, the UTIMCO Board wishes to designate the position of Director – Natural Resources as an Eligible Positions and select Mark Warner as a Participant in the Plan for the 2007/2008 Performance Period, effective as of November 19, 2007; and has reviewed and wishes to approve the Eligible Position, Weightings of Performance Goals (entity, asset class, and individual), and the Incentive Award Opportunities for the position of Director – Natural Resources for the 2007/2008 Performance Period.

NOW, THEREFORE, be it:

RESOLVED, that the position of Director – Natural Resources is hereby designated as an "Eligible Position" in the Plan for the 2007/2008 Performance Period; and be it

FURTHER RESOLVED, that Mark Warner is selected as a "Participant" in the Plan for the 2007/2008 Performance Period, effective as of November 19, 2007; and be it

FURTHER RESOLVED, that the UTIMCO Board approves the Eligible Position, Weightings of Performance Goals (entity and asset class), and Incentive Award Opportunities for the Eligible Position of Director – Natural Resources for the 2007/2008 Performance Period, effective as of November 19, 2007.

Mr. Zimmerman stated that Staff was still in communication with Cambridge Associates and asked that the Cambridge Contract Renewal agenda item be deferred.

The Directors briefly discussed the current market environment prior to adjournment. Mr. Rowling expressed an interest in holding an offsite retreat with guest speakers in the future. There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 3:05 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Robert B. Rowling
Robert B. Rowling
Chairman, Board of Directors of
The University of Texas Investment
Management Company

Date: April 28, 2008