

**MINUTES OF THE SPECIAL CALLED 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 1:02 p.m. on the **6th day of October 2009**, 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, Erle Nye, 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:

Erle Nye, Chairman  
J. Philip Ferguson, Vice Chairman  
Clint Carlson  
Paul Foster  
Janiece M. Longoria  
Colleen McHugh  
Ardon E. Moore

Accordingly, a majority and quorum of the Board was in attendance. Vice Chairman for Policy, Francisco G. Cigarroa, M.D., 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; Mark Warner, Senior Director – Natural Resources Investments; Uzi Yoeli, Senior Director – Portfolio Risk Management; and other Staff members. Other attendees were Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner and Bob Jewell of Andrews Kurth LLP; Philip Aldridge, Charlie Chaffin, William Huang, Moshmee Kalamkar, Miles Ragland and Roger Starkey of UT System Administration; and Hamilton Lee of Cambridge Associates. Director Charles Tate joined later in the meeting as noted in the minutes. Mr. Nye called the meeting to order at 1:38 p.m.

**Minutes**

The first matter to come before the Board was the approval of the minutes of the meeting of the Board of Directors held on July 9, 2009, and the Joint Meeting with the Board of Regents of The University of Texas System held on July 9, 2009. 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 9, 2009**, and the Joint Meeting with the Board of Regents of The University of Texas System held on **July 9, 2009**, be, and are hereby, approved.

## **Compensation Committee Report**

Mr. Nye asked Mr. Ferguson to give a report on behalf of the Compensation Committee. Mr. Ferguson reported that the Compensation Committee had met on September 10, 2009 and considered several items of business at their meeting. The Committee recommended for approval by the Board, the designation of employees in Eligible Positions as Participants in the UTIMCO Compensation Program for the 2009/2010 Performance Period, as set forth in Exhibit 1 (attached). Mr. Ferguson asked Mr. Zimmerman to provide more detail. The Board members were reminded that they had approved the Amended and Restated UTIMCO Compensation Program (the "Plan") at the July 9, 2009 meeting and had approved the Eligible Positions at that same meeting. The Plan was also approved by the UT System Board of Regents at its meeting held on August 20, 2009. Mr. Zimmerman explained that the Plan states 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. Mr. Zimmerman said that the positions listed in Exhibit 1 were the same as last year with the exception of two new employees hired to fill two open analyst positions. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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 individuals who may become Participants for the 2009/2010 Performance Period set forth on Exhibit 1 attached hereto; and

WHEREAS, the UTIMCO Board has reviewed Exhibit 1 and wishes to select the individuals who may become Participants for the 2009/2010 Performance Period.

NOW, THEREFORE, be it:

RESOLVED, that the individuals set forth on Exhibit 1 attached hereto are hereby designated as "Participants" in the Plan for the 2009/2010 Performance Period, effective as of July 1, 2009 or as otherwise noted on Exhibit 1.

## **Endowment and Operating Funds Update**

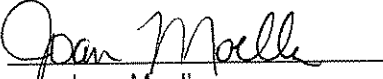
Mr. Nye asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman began with the net asset value and performance numbers as of the Fiscal Year Ended August 31, 2009. The Corporation had \$20.5 billion of assets under management at the end of August 31, 2009. Of the \$20.5 billion, \$9.7 billion was in the Permanent University Fund (PUF), just under \$5.4 billion in the General Endowment Fund (GEF), \$1.8 billion in the Short Term Fund (STF) and \$3.6 billion in the Intermediate Term Fund's (ITF). The net performance for the one-month period ended August 31, 2009, for the PUF was 2.04% and for the GEF was 2.04%, versus benchmark returns of 1.34% for each fund. The net performance for the fiscal year ended August 31, 2009, for the PUF and GEF were -12.98% and

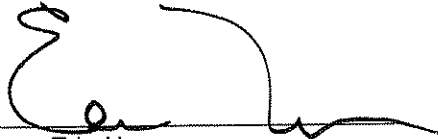
-13.22%, respectively, versus benchmark returns of -15.42% for each fund. The ITF's performance was 2.13% versus its benchmark return of 2.52% for the one-month period, and -7.07% versus its benchmark return of -7.56% for the fiscal year ended August 31, 2009. Performance for the STF was 0.03% versus 0.02% for its benchmark return for the one-month period, and was 1.21% versus a benchmark return of 0.66% for the fiscal year ended August 31, 2009. Mr. Zimmerman presented actual versus benchmark results, 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 reviewed the Funds' asset class and investment type targets, ranges and performance objectives. He reported on both the More Correlated and Constrained portfolio and the Less Correlated and Constrained portfolio and reviewed the Private Investments portfolio update. Mr. Zimmerman also presented risk analytics, a report on derivatives and counterparties, manager exposure, investment activity as of August 31, 2009, and gave an update on liquidity, contracts and the Intermediate Term Fund. Ms. Longoria asked about the Corporation's Enterprise Risk Management process. Mr. Zimmerman stated that the Corporation has an Enterprise Risk Management program in place and that Ms. Gonzalez will be completing an update of program by calendar year end, which will be reported to the Board. Mr. Zimmerman, Ms. Iberg, Mr. Eakman, and Ms. Gonzalez answered the Directors' questions.

### UTIMCO Strategic Plan

Mr. Nye asked Mr. Zimmerman to lead the discussion related to the development of a strategic plan for the Corporation, which is one of Mr. Zimmerman's qualitative performance goals for the 2009/2010 Performance Period. Mr. Zimmerman said he wanted to take personal responsibility for leading the project, at least through the discovery phase. The plan will focus on the organization in the year 2015. He presented a timeline for the task/deliverables, to include initial discussions and strategic analysis over the next few months, followed by a period of time to refine the issues identified, develop views and initial recommendations on those issues by April 2010, and finalize the recommendations and implementation plans by July 2010. Mr. Tate joined the meeting during this discussion. Mr. Zimmerman continued with a preliminary list of potential key issues, constituent interviewees, and participants. Mr. Zimmerman sought the Directors' input and answered their questions.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 2:56 p.m.

Secretary:   
Joan Moeller

Approved:  Date: 11/20/09  
Erle Nye  
Chairman, Board of Directors of  
The University of Texas Investment  
Management Company

**Exhibit 1**  
**Designation of Plan Participants in Eligible Positions**  
**in the 2009/2010 Performance Period**

ELIGIBLE POSITION	PARTICIPANTS
<i>Investment Professionals</i>	
CEO & Chief Investment Officer	Bruce Zimmerman
President and Deputy CIO	Cathy Iberg
Managing Director - Private Investments	Lindel Eakman
Senior Portfolio Manager	Russ Kampfe
Senior Director, Investments	Mark Warner
Senior Director, Investments	Bob Schau
Senior Director, Risk Management	Uzi Yoeli
Portfolio Manager	Harland Doak
Director, Investments	Ryan Ruebsahm
Director - Private Investments	Mark Shoberg
Director, Investments	Susan Chen
Senior Associate, Investments	Zac McCarroll
Senior Associate, Investments	Mark Newcomb
Senior Associate, Investments	Courtney Powers
Associate - Private Investments	Scott Bigham
Associate - Private Investments	Mike McClure
Associate, Investments	Amanda Hopper
Associate, Investments	Laura Patrick
Associate, Risk Management	Kathleen Wagner
Senior Analyst, Investments	Eric Dooley
Senior Analyst, Investments	Aman Jain
Analyst, Investments	Shari Ledbetter
Analyst, Investments	Natasha Cupps
Analyst, Investments	Siamc Kamalie
Analyst, Investments	Daniel Senneff *
Analyst, Investments	Mukund Joshi**
<i>Operations/Support Professionals</i>	
Senior Managing Director	Joan Moeller
Managing Director	Bill Edwards
General Counsel and Chief Compliance Officer	Cissie Gonzalez
Manager	Gary Hill
Manager	Debbie Childers
Manager	Melynda Shepherd

Participants are eligible as of July 1, 2009 unless otherwise noted.

\*Eligible as of July 27, 2009

\*\*Eligible as of September 14, 2009