

**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 on **October 11, 2012**, 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, Paul Foster, 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:

Paul Foster, Chairman
Ardon E. Moore, Vice Chairman
Francisco G. Cigarroa, Vice Chairman for Policy
Printice L. Gary
R. Steven Hicks
James P. Wilson

Accordingly, a majority and quorum of the Board was in attendance. Directors Kyle Bass, Morris E. Foster and Charles W. Tate did not attend the meeting. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Lindel Eakman, Managing Director – Private Markets Investments; Mark Shoberg, Managing Director – Real Estate Investments; Mark Warner, Managing Director - Natural Resources Investments; Susan Chen, Senior Director – Public Markets Investments; Uzi Yoeli, Senior Director - Portfolio Risk Management; Courtney Powers, Director – Marketable Alternatives Investments; and other Staff members. Other attendees were Keith Brown of the McCombs School of Business at The University of Texas at Austin; Jerry Turner of Andrews Kurth LLP; Terry Hull and Roger Starkey of The University of Texas System (UT System) Administration; and Greg Anderson of The Texas A&M University System. Mr. Foster called the meeting to order at 10:01 a.m.

Minutes

The first item to come before the Board was approval of the minutes of the Board of Directors Meeting held on July 11, 2012. 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 11, 2012, be, and are hereby, approved.


Endowment and Operating Funds Update

Mr. Foster asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman presented the Corporation's Performance Summary as of August 31, 2012. He reported the Corporation had \$27.8 billion of assets under management at the end of August 31, 2012. Of the \$27.8

billion, \$13.5 billion was in the Permanent University Fund (PUF), \$7.1 billion in the General Endowment Fund (GEF), \$1.5 billion in the Short Term Fund (STF), \$0.7 billion in the Debt Proceeds Fund, and \$4.9 billion in the Intermediate Term Fund (ITF). Mr. Zimmerman presented actual versus benchmark results, tactical asset allocation, value-add analysis and peer group comparison. The net performance for the quarter ended August 31, 2012, for the PUF was 3.71% and for the GEF was 3.77%, versus benchmark returns of 4.99% each for the PUF and GEF. The net performance for the one year ended August 31, 2012, for the PUF was 3.21% and for the GEF was 3.24%, versus benchmark returns of 3.27% for each fund. The ITF's performance was 4.33% versus its benchmark return of 3.98% for the quarter ended August 31, 2012, and 2.87% versus its benchmark return of 1.00% for the one year ended August 31, 2012. Performance for the STF was 0.04% versus 0.03% for its benchmark return for the quarter ended August 31, 2012, and was 0.15% versus a benchmark return of 0.06% for the one year ended August 31, 2012. Mr. Zimmerman and Staff reviewed the Funds' Asset Class and Investment Type targets, tactical asset allocation, ranges and performance objectives. Mr. Zimmerman reported on investment activity as of August 31, 2012, including manager exposure and leverage. He also reported on derivatives and counterparties, and gave an update on liquidity, contracts and the ITF. Mr. Zimmerman and Staff answered the Directors' questions.

There being no further business to come before the Board, the meeting was adjourned at approximately 10:50 a.m.

Secretary: 
Joan Moeller

Approved:  Date: 12-3-2012
Paul Foster
Chairman, Board of Directors of
The University of Texas Investment Management Company