

**UTIMCO BOARD OF DIRECTORS
MEETING AGENDA
October 9, 2014**

UTIMCO
401 Congress Avenue, Suite 2800
Austin, Texas 78701

Time	Item #	Agenda Item
Begin	End	
9:30 a.m.	9:33 a.m.	1 OPEN MEETING: Call to Order/Discussion and Appropriate Action related to Minutes of Meeting held July 29, 2014*
9:33 a.m.	9:35 a.m.	2 Discussion and Appropriate Action Related to Appointment of Corporate Officer*
9:35 a.m.	10:20 a.m.	3 Endowment and Operating Funds Update Report
10:20 a.m.	10:35 a.m.	Executive Session Pursuant to Section 551.074, <i>Texas Government Code</i> , the Board of Directors may convene in Executive Session to deliberate individual personnel compensation and evaluation matters, including the CEO and Chief Investment Officer. Pursuant to 551.072, <i>Texas Government Code</i> , the Board of Directors may convene in Executive Session to deliberate the Purchase, Exchange, Lease or Value of Real Property. Reconvene into Open Session
10:35 a.m.	10:40 a.m.	4 Report from Compensation Committee: - Discussion and Appropriate Action Related to CEO's Qualitative Performance Goals for the Performance Period ended August 31, 2015* - Discussion and Appropriate Action Related to Designation of Employees in Eligible Position as Participants in the UTIMCO Compensation Program for the Performance Period ended August 31, 2015*
10:40 a.m.	10:45 a.m.	5 Discussion and Appropriate Action Related to Office Lease Extension*
10:45 a.m.		Adjourn

* Action by resolution required

Members of the Board may attend the meeting by telephone conference call pursuant to Tex. Educ. Code Ann. § 66.08(h)(2)(B). The telephone conference will be audible to the public at the meeting location specified in this notice during each part of the meeting that is required to be open to the public.

Next Scheduled Meeting: November 18, 2014
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RESOLUTION RELATED TO MINUTES

RESOLVED, that the minutes of the meeting of the Board of Directors held on **July 29, 2014**, be, and are hereby, approved.

**MINUTES OF 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 **July 29, 2014**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Chairman, Morris Foster, with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded and broadcast over the Internet. Participating in the meeting were the following members of the Board:

Morris E. Foster, Chairman
Ardon E. Moore, Vice Chairman
Kyle Bass
Jeffery D. Hildebrand
H. Lee S. Hobson
Robert L. Stillwell
John D. White

thus constituting a majority and quorum of the Board. Chairman Foster called the meeting to order at 11:40 a.m. Directors Hobson and Moore joined the meeting by conference telephone enabling all persons participating in the meeting to hear each other. Directors Francisco Cigarroa and Steve Hicks 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; Lindel Eakman, Managing Director – Private Markets Investments; Mark Warner, Managing Director - Natural Resources Investments; Mark Shoberg, Managing Director – Real Estate Investments; Susan Chen, Managing Director – Public Markets Investments; Ryan Ruebsahm, Managing Director – Marketable Alternative Investments; Uzi Yoeli, Senior Director - Portfolio Risk Management; Amanda Hopper, Director – Public Markets Investments; Russ Kampfe, Senior Portfolio Manager – Fixed Income Investments; Uche Abalogu, Chief Technology Officer; Gary Hill, Senior Manager - Investment Reporting; Debbie Childers, Manager - Portfolio Accounting and Operations; and other staff members. Other attendees were Jim Phillips, Terry Hull, Moshmee Kalamkar, Allen Hah, Roger Starkey and Guillermo Garcia of the UT System Administration; Keith Brown of the McCombs School of Business at UT Austin; Bob Jewell of Andrews Kurth LLP; and Billy Hamilton and Maria Robinson of The Texas A&M University System. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

Minutes

The first item to come before the Board was approval of the minutes of the Board of Directors Meeting held on May 7, 2014. 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 May 7, 2014, be, and are hereby, approved.

Corporate Resolutions

The newest Board member, H. Lee S. Hobson, was introduced and welcomed by Chairman Foster and the Board. Chairman Foster then recommended approval of Mr. Hobson's committee assignments. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

BE IT RESOLVED, that Director H. Lee S. Hobson is hereby designated as a member of the Audit and Ethics Committee of the Board of Directors, subject to approval by the Board of Regents of The University of Texas System at a future meeting, and as a member of the Compensation and Risk Committees of the Board of Directors, to serve until the expiration of his terms, or until his successors have been chosen and qualified, or until his death, resignation, or removal; and

FURTHER RESOLVED, that H. Lee S. Hobson is hereby designated the Chair of the Compensation Committee and shall preside at its meetings.

Chairman Foster also recommended approval of the Resolution of Appreciation for Cathy Iberg, President and Deputy CIO, in recognition of her leadership and service to the Corporation upon her retirement. Chairman Foster read the following resolution and thanked Ms. Iberg for her many years of advice and counsel, and recognized her many contributions to the Corporation. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

WHEREAS, due to her substantial background and expertise in business as a Certified Public Accountant, Certified Financial Planner, and fifteen years as an accounting, tax, and investment professional, Cathy A. Iberg was hired by The University of Texas System Office of Asset Management in 1991, as Manager - Trust Reporting, later advancing to Director - Endowment Administration to manage the corporate endowment fund operations for the Board of Regents of The University of Texas System, for the benefit of the citizens of the State of Texas; and

WHEREAS, when The University of Texas Investment Management Company was formed in 1995 as a Texas nonprofit corporation engaged exclusively to provide investment management services to the Board of Regents of The University of Texas System and began operations in March 1996, Ms. Iberg was hired as Vice President, in which she served as the corporate and investment funds chief financial and compliance officer in addition to overseeing three investment support areas: security operations, accounting, and information technology services; and

WHEREAS, from April 2001 to April 2002, Ms. Iberg assumed the Interim President and CEO duties, in addition to her duties as Managing Director - Investment Operations and subsequent to the end of this term, advanced to the position of Managing Director - Marketable Alternative Investments and Deputy Chief Investment Officer; and

WHEREAS, as Managing Director - Marketable Alternative Investments and Deputy Chief Investment Officer, Ms. Iberg provided invaluable insight and direction in the investment of hedge funds, and because of her extensive experience in all areas of UTIMCO investment and operations matters was again asked to and served as Interim President, Chief Executive

Officer and Chief Investment Officer in addition to her duties as Managing Director - Marketable Alternative Investments from September 2006 to June 2007; and

WHEREAS, on September 21, 2007, Ms. Iberg was appointed to the position of President and Deputy CIO responsible for investment oversight of the endowment funds and management of the public markets, fixed income and hedge fund investment groups, and will continue to serve in that capacity until her retirement from UTIMCO on August 31, 2014; and

WHEREAS, Ms. Iberg's leadership, commitment, and service during her five years with The University of Texas System and eighteen years with UTIMCO were exemplary, reflecting her dedication to the success of The University of Texas System for the benefit of and education and development of students at all levels, and further evidenced by the growth of the assets managed by UTIMCO from \$9 billion in 1996 to more than \$34 billion in 2014. **NOW, THEREFORE**,

BE IT RESOLVED, that the Directors of The University of Texas Investment Management Company, do hereby express to Cathy A. Iberg their sincerest appreciation for her leadership, commitment, and service to The University of Texas Investment Management Company and The University of Texas System; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Ms. Iberg has made a lasting and fundamental contribution to The University of Texas Investment Management Company, to the benefit of all of the citizens of the State, particularly the students and faculty of The University of Texas System and The Texas A&M University System.

PASSED AND ADOPTED this 29th day of July, 2014.

Endowment and Operating Funds Update

Chairman Foster asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman presented the Corporation's Performance Summary as of May 31, 2014 and as of June 30, 2014. Mr. Zimmerman reported the Corporation had \$33.9 billion of assets under management on May 31, 2014, and as of the end of June, \$34.5 billion. Of the \$33.9 billion, \$16.9 billion was in the Permanent University Fund ("PUF"), \$8.1 billion in the General Endowment Fund ("GEF"), \$1.8 billion in the Short Term Fund ("STF"), \$0.2 billion in Separately Invested Funds, \$0.3 billion in the Debt Proceeds Fund, and \$6.6 billion in the Intermediate Term Fund ("ITF"). The net performance for the nine months ended May 31, 2014, for the PUF was 11.91% and for the GEF was 11.62%, versus benchmark returns of 11.33% for each fund. The ITF's performance was 8.62% versus its benchmark return of 8.18% for the nine months ended May 31, 2014. The net performance for the ten months ended June 30, 2014, for the PUF was 13.72%, for the GEF 13.31%, and 10.27% for the ITF. Performance for the STF was 0.04% versus a benchmark return of 0.04% for the nine months ended May 31, 2014. Mr. Zimmerman presented returns, returns vs. projections, and value-add analysis in the Funds Report presentation, including risk adjusted returns, tactical allocation and insurance hedge positions. He asked Dr. Yoeli to present the risk metrics and optics for the period ending May 31, 2014, including leverage, liquidity and concentration, geographic and sector exposure. Mr. Zimmerman continued by reporting asset class and investment type exposure as

of May 31, 2014. Mr. Kampfe, Mr. Shoberg, Mr. Warner, and Ms. Chen each reported on their current portfolios, and Mr. Ruebsahm, Mr. Powers and Mr. Morris reported on the Less Correlated and Constrained portfolio. Mr. Zimmerman reported on the private investments portfolio, gave an update on contracts and the ITF. Mr. Zimmerman and Investment Staff answered the Directors' questions.

At approximately 11:45 a.m. the Board recessed to a Briefing Session and lunch.

The meeting of the Board reconvened in open session at 1:40 p.m.

Organization Update

Chairman Foster asked Mr. Zimmerman to provide an organization update to the Board. Mr. Zimmerman gave an update on the Corporation's staffing, compliance and corporate legal update, and deal legal fees. Mr. Abalogu provided an update on the technology infrastructure platform and application development. Mr. Zimmerman answered the Director's questions.

Risk Committee Report

Chairman Foster asked Mr. Bass to provide a report from the Risk Committee. Mr. Bass reported that the Committee met on July 23, 2014 and jointly with the Policy Committee on July 29, 2014. Minutes were approved from the previous meeting. He stated that the Risk Committee approved 19 new investment mandate categorizations prepared by Staff for the period beginning April 16, 2013, and ending July 9, 2014, and reviewed the watch list. The Committee heard a report from Ms. Gonzalez on compliance items for the quarter ending May 31, 2014, and a review and discussion of performance and risk reporting as of May 31, 2014, from Mr. Zimmerman and Dr. Yoeli.

Audit and Ethics Committee Report

Chairman Foster asked Mr. White to provide a report on behalf of the Audit and Ethics Committee. Mr. White reported that the Committee convened on July 22, 2014. At the meeting, the Committee approved minutes from their previous meeting, approved engaging Deloitte & Touche LLP as external auditor for the Corporation subject to further Board approval, received a report from UT System Audit Office and approved the FY2015 Audit Plan and discussed and approved base salary, performance incentive plan participation, and performance goals for the General Counsel and Chief Compliance Officer for the 2014-15 fiscal year. The Committee heard an update on compliance, reporting and audit issues for the period ending May 31, 2014 from Ms. Gonzalez, and Ms. Moeller reviewed the unaudited financial statements for the Investment Funds and Corporation for the nine months ending May 31, 2014. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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, 2014.

Policy Committee Report

Chairman Foster asked for a report from the Policy Committee Chair, Mr. Hildebrand. Mr. Hildebrand stated that the Policy Committee had met earlier in the day, on July 29, 2014, separately and jointly with the Risk Committee. The Committee approved minutes from a previous meeting, and jointly, with the Risk Committee, discussed and approved amendments related to the Investment Policy Statements, Liquidity Policy and the Derivative Investment Policy. Approval of proposed amendments to the Delegation of Authority was tabled until a later date. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund, and amendments to the Derivative Investment Policy and Liquidity Policy, as presented be, and are hereby, approved.

Executive Session

Chairman Foster announced, at 2:03 p.m., 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, including the CEO and Chief Investment Officer, pursuant to Section 551.074 *Texas Government Code*. The date is July 29, 2014, and the time is now 2:03 p.m." With the exception of Mr. Zimmerman, Mr. Jewell and Dr. Brown, all other meeting participants left the meeting at this time. Mr. Zimmerman left the meeting during discussions regarding his compensation matters.

Open Session

The Board reconvened in open session and Chairman Foster 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 29, 2014, and the time is now 2:18 p.m. During the Executive Session, the Board deliberated individual personnel matters, but no action was taken nor decisions made, and no vote was called for or had by the Board in Executive Session."

Compensation Committee Report

Chairman Foster asked Mr. Bass to report on behalf of the Compensation Committee. Mr. Bass stated that the Committee had met on July 23 and July 29, 2014. The Committee passed a resolution to approve recommendations for base salaries for all UTIMCO officers and UTIMCO Compensation Program Participants, except the CEO's, for the 2014-2015 fiscal year, recommended for approval by the Board the proposed base salary for the Corporation's CEO for the 2014-2015 fiscal year, approved the proposed amendments to Appendices C, D and E of the UTIMCO Compensation Program and approved amendments to the Charter of the Compensation Committee. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Board of Directors of UTIMCO hereby approves the Base Salary of the Corporation's CEO for the Fiscal Year 2014-2015 in the amount of \$690,000.

And,

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

WHEREAS, Section 5.3.(a) of the Plan requires Table 1 to be revised each Performance Period when necessary to set forth the Eligible Positions, the weightings for the Eligible Positions, the Incentive Award Opportunities, and any Applicable Deferral Percentage for each Eligible Position, for that Performance Period as soon as administratively practicable after confirmation of such Eligible Positions by the Board for such Performance Period and to be attached as Appendix C to the Plan; and

WHEREAS, Section 5.8.(b)(1) of the Plan requires Table 2 to be revised for subsequent Performance Periods to reflect new benchmarks, as well as threshold, target, and maximum performance standards, in effect during the three-year rolling historical period, culminating with the subsequent Performance Period and to be attached as Appendix D to the Plan; and

WHEREAS, Section 5.12. of the Plan pertaining to certain Eligible Positions listed on Table 3 whose Performance Incentive Awards are subject to automatic adjustment requires Table 3 to be revised when necessary to set forth changes to those Eligible Positions that are Affected Positions, for the Performance Period as soon as administratively practicable after confirmation of such Eligible Positions as Affected Participants by the Board for such Performance Period and to be attached as Appendix E to the Plan; and

WHEREAS, the Board has reviewed the revised Tables 1, 2, and 3, and approves the amendments as recommended by the Compensation Committee.

NOW, THEREFORE, be it:

RESOLVED, the updated and amended Tables 1, 2, and 3 copies of which are attached hereto, are hereby adopted and approved to replace the current Appendix C, D and E, respectively, effective as of September 1, 2014.

The Committee also recommended approval by the Board amendments to the Charter of the Compensation Committee. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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

Proposed FY2015 Budget

Chairman Foster asked Mr. Zimmerman to review the proposed budget for FY2015. Mr. Zimmerman compared FY2014 Budget vs. FY2015 Budget, reviewed salaries, peer benchmarking, incentive compensation and other Corporation expenses. He also explained direct costs, capital budget, annual fee and allocation schedule and a reserve analysis. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the UTIMCO Management Fee of \$25,428,694 and the Other Direct Fund Costs of \$7,421,930, resulting in Total Fees of \$32,850,624, Capital Budget of \$1,372,000 and the Allocation Schedule; as provided to the Board for the period beginning September 1, 2014 through August 31, 2015, be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

There being no further business to come before the Board, the meeting was adjourned at approximately 2:25 p.m.

Secretary: _____
Joan Moeller

Approved: _____ Date: _____
Morris E. Foster
Chairman, Board of Directors of
The University of Texas Investment Management Company

Appendix C, Table 1
Eligible Positions, Weightings, Incentive Award Opportunities, and Percentage of Award Deferred for each Eligible Position
(for the Performance Periods Beginning After August 31, 2014)

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)				Percentage of Award Deferred
	Entity	Asset Class/ Investment Type	Qualitative (Individual)	< Threshold	Threshold	Target	Maximum	
<i>Investment Professionals</i>								
CEO & Chief Investment Officer	60%	0%	40%	0%	0%	125%	340%	50%
President & Deputy CIO	40%	40%	20%	0%	0%	115%	300%	50%
Senior Managing Director - Investments	30%	40%	30%	0%	0%	110%	260%	45%
Managing Director - Investments	30%	40%	30%	0%	0%	100%	240%	40%
Managing Director - Private Investments	30%	30%	40%	0%	0%	100%	240%	40%
Managing Director - Risk Management	30%	0%	70%	0%	0%	65%	180%	40%
Senior Director - Investments	25%	35%	40%	0%	0%	70%	185%	35%
Senior Portfolio Manager	20%	40%	40%	0%	0%	70%	185%	35%
Senior Director - Risk Management	30%	0%	70%	0%	0%	55%	170%	35%
Portfolio Manager	20%	40%	40%	0%	0%	60%	170%	30%
Director - Investments	20%	40%	40%	0%	0%	60%	170%	30%
Director - Private Investments	20%	30%	50%	0%	0%	60%	170%	30%
Director - Risk Management	30%	0%	70%	0%	0%	50%	150%	30%
Senior Associate - Investments	15%	35%	50%	0%	0%	50%	150%	20%
Senior Associate - Private Investments	15%	25%	60%	0%	0%	50%	150%	20%
Senior Associate - Risk Management	30%	0%	70%	0%	0%	45%	140%	20%
Associate - Investments	15%	30%	55%	0%	0%	35%	135%	15%
Associate - Private Investments	15%	20%	65%	0%	0%	35%	135%	15%
Associate - Risk Management	30%	0%	70%	0%	0%	35%	120%	15%
Senior Analyst - Investments	10%	20%	70%	0%	0%	30%	100%	0%
Analyst - Investments	10%	20%	70%	0%	0%	25%	75%	0%
Analyst - Risk Management	30%	0%	70%	0%	0%	25%	75%	0%
<i>Operations/Support Professionals</i>								
Senior Managing Director	20%	0%	80%	0%	0%	65%	150%	40%
Chief Technology Officer	20%	0%	80%	0%	0%	55%	100%	30%
General Counsel & Chief Compliance Officer	0%	0%	100%	0%	0%	50%	120%	30%
Senior Manager	20%	0%	80%	0%	0%	50%	90%	25%
Manager	20%	0%	80%	0%	0%	50%	80%	25%
Investment Counsel	20%	0%	80%	0%	0%	40%	80%	25%
Senior Financial Analyst	20%	0%	80%	0%	0%	40%	60%	20%
IT Investment Associate	20%	0%	80%	0%	0%	35%	100%	20%

Appendix D, Table 2
Benchmarks for Entities and Asset/Class Investment Type
Threshold, Target, and Maximum Performance Standards
(9/1/14 through 8/31/15)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment Assets	IIF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+100 bps	+250 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
MCC Investment Grade Fixed Income:	Barclays Capital Global Aggregate Index	6.5%	30.0%	+0 bps	+25 bps	+62.5 bps
MCC Credit - Related Fixed Income	Barcalys Capital Global High Yield Index	0.0%	0.0%	+0 bps	+37.5 bps	+100 bps
MCC Real Estate	FTSE EPRA/NAREIT Developed Index NET TRI USD	2.5%	3.0%	+0 bps	+62.5 bps	+150 bps
MCC Natural Resources	50% Bloomberg Commodity Total Return Index and 50% MSCI World Natural Resources Index	5.0%	4.6%	+0 bps	+62.5 bps	+150 bps
MCC Natural Resources Gold	Gold Spot price (XAU)	2.5%	2.4%	+0 bps	+0 bps	+0 bps
MCC Developed Country Equity	MSCI World Index with net dividends	14.0%	9.0%	+0 bps	+62.5 bps	+150 bps
MCC Emerging Markets Equity	MSCI Emerging Markets with net dividends	9.5%	6.0%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	45.0%	+0 bps	+75 bps	+250 bps
Private Investments	Custom Cambridge Fund of Funds Benchmark	30.0%	0%	+0 bps	+150 bps	+450 bps

Appendix E, Table 3
Eligible Positions of Affected Participants
(For the Performance Periods Beginning After September 1, 2014)

Eligible Position
<i>Investment Professionals</i>
CEO & Chief Investment Officer
President & Deputy CIO
Senior Managing Director
Managing Director
Managing Director - Private Investments
Managing Director, Risk Management
Senior Director, Investment
Senior Portfolio Manager
Senior Director, Risk Management
Portfolio Manager
Director, Investment
Director - Private Investments
Director, Risk Management
<i>Operations/Support Professionals</i>
Senior Managing Director
Chief Technology Officer
General Counsel & Chief Compliance Officer
Senior Manager
Investment Counsel
Manager

Agenda Item
UTIMCO Board of Directors Meeting
October 9, 2014

Agenda Item: Discussion and Appropriate Action Related to Appointment of Corporate Officer

Developed By: Staff

Presented By: Zimmerman

Type of Item: Action Item

Description: Bruce Zimmerman will request that Uzi Yoeli be appointed an officer of the corporation. Managing directors are considered officers of the corporation. Dr. Yoeli has been promoted to the position of Managing Director – Portfolio Risk Management, effective September 1, 2014.

Recommendation: Mr. Zimmerman will request that the Board approve Uzi Yoeli's appointment as a corporate officer.

Reference: None

RESOLUTION RELATED TO CORPORATION OFFICER
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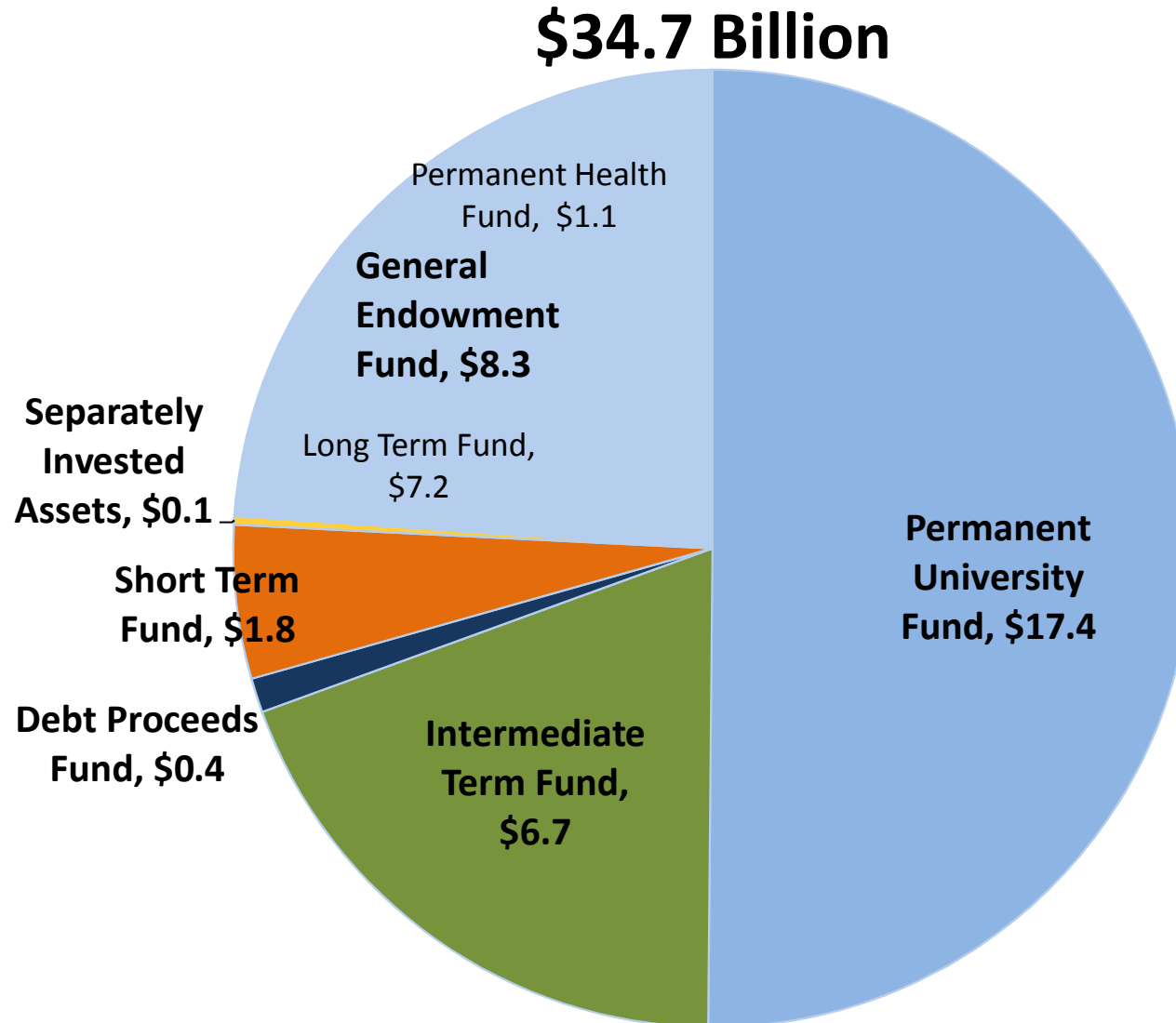
RESOLVED, that Uzi Yoeli is hereby appointed to the office of Managing Director of the Corporation to serve until the next Annual Meeting of the Corporation or until his resignation or removal.



UTIMCO Board of Directors Funds Update October 9, 2014

UTIMCO Assets Under Management

August 31, 2014



Endowment Dashboard



Underperformance

<u>FY2014</u>	<u>3-years</u>	<u>5-years</u>	<u>10-years</u>
15.0%	8.9%	10.9%	7.9%



Market

<u>Beta</u>		
<u>Equity</u>	<u>Interest Rates</u>	<u>Currency</u>
0.526	(0.283)	(0.169)



Volatility/Downside

	<u>1 stdev</u>	<u>2 stdev</u>
Expected returns	-1.1%	-16.5%
VIX:	12.1%	



Scenarios

	<u>US Liquidity</u>	<u>China</u>	<u>Japan</u>
Projected	<u>Squeeze</u>	<u>Slowdown</u>	<u>Implosion</u>
Returns:	-21.2%	-18.5%	-15.4%



Active Management

	<u>FY2014</u>	<u>3-years</u>	<u>10-years</u>
<u>Value-Add</u>			
bps	66	71	184
\$	\$206M	\$521M	\$3,984M
<u>Risk/Return</u>			
Sharpe	3.41	1.57	0.78
IR	0.37	0.31	0.78



Transparency

<u>Full</u>	<u>Full but Lagged</u>	<u>Partial</u>	<u>None</u>
37%	30%	30%	3%



Concentration

<u>US</u>	<u>Manager</u>		<u>Securities (Top 10)</u>	
	<u>Top 10</u>	<u>Top 20</u>	<u>Bonds</u>	<u>Stocks</u>
54%	26%	43%	6.2%	4.0%



Illiquidity

	<u>90 day liquidity</u>	<u>1 year liquidity</u>
Endowments	41%	65%
ITF	62%	89%



Leverage

	<u>LCC</u>	<u>LCC ex-FI</u>	<u>Endowments</u>
Gross	2.14	1.77	1.00
Net	0.49	0.58	1.00



Permanent Loss of Capital

	<u>Invested Capital (\$B)</u>	<u>Permanent Loss (\$M)</u>	<u>%</u>
MCC	\$31.3	\$600	1.9%
LCC	11.4	400	3.5%
PI	<u>12.5</u>	<u>370</u>	<u>3.0%</u>
Total	<u>\$55.2</u>	<u>\$1,370</u>	<u>2.5%</u>



Returns

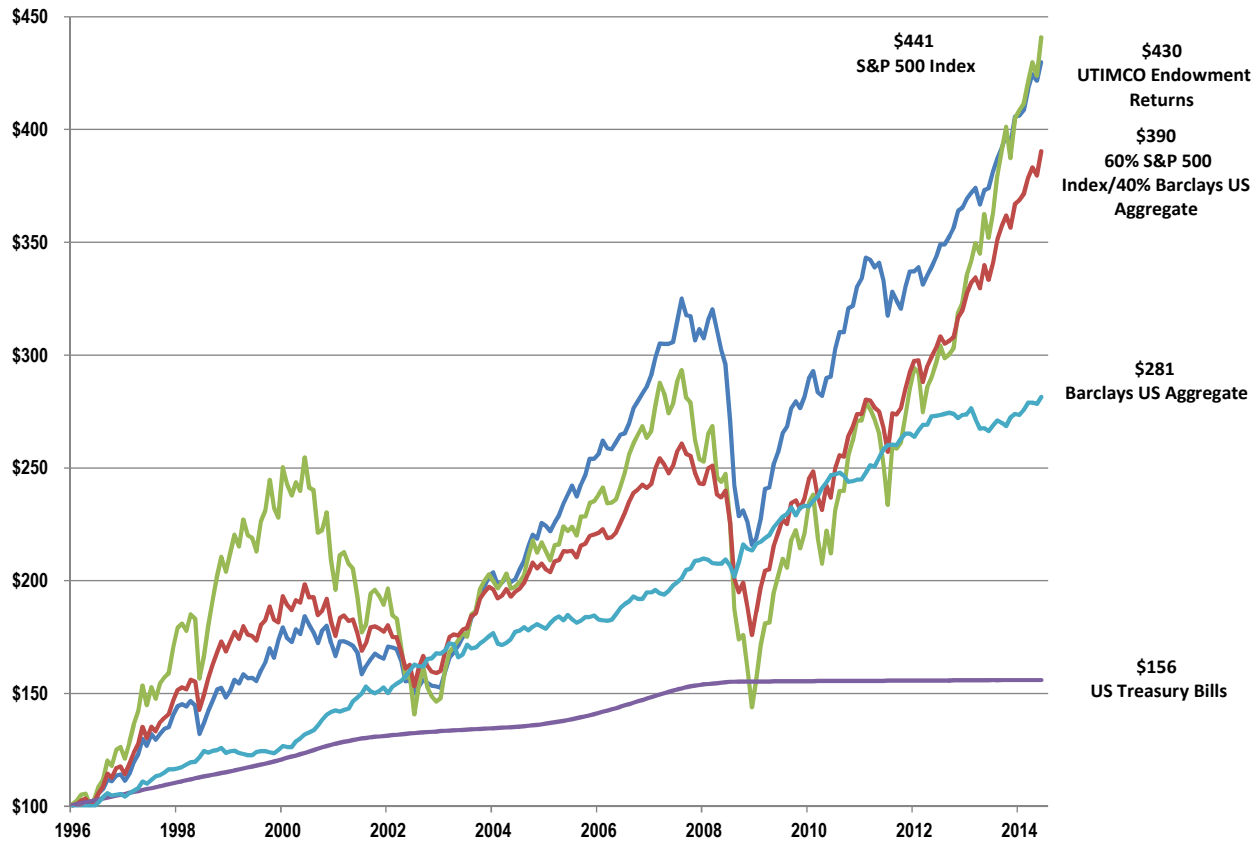
Returns



Periods Ended August 31, 2014

Fund	Three Months	One Year	Three Years	Five Years	Ten Years
Permanent University Fund (PUF)	2.86%	15.11%	8.93%	10.86%	7.93%
General Endowment Fund (GEF)	2.79%	14.73%	8.89%	10.86%	7.98%
Intermediate Term Fund (ITF)	1.69%	10.45%	6.07%	8.10%	N/A

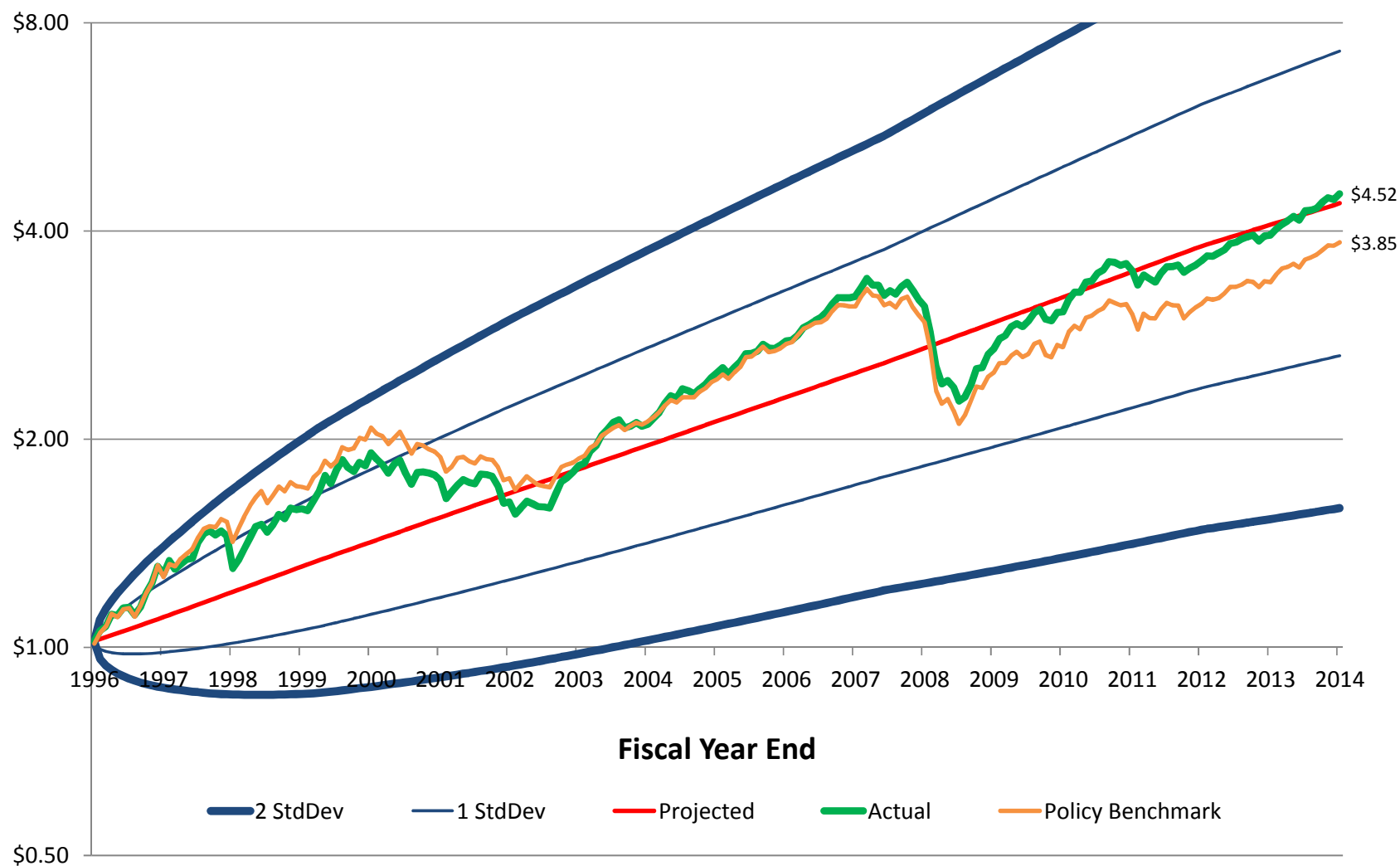
Returns vs. Market



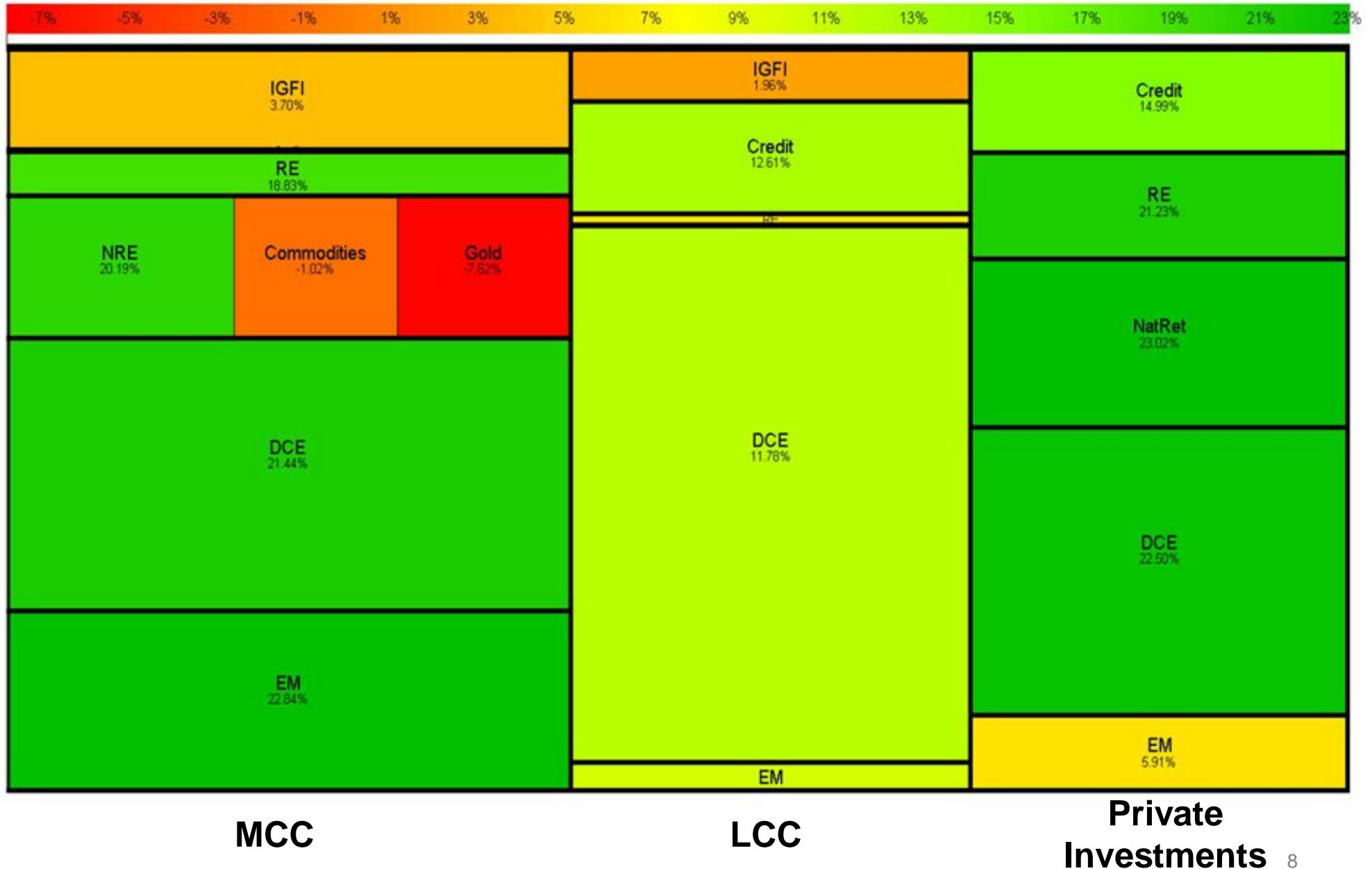
Annualized Returns Period Ending August

	One Year	Three Years	Ten Years
UT Endowments	14.95%	8.88%	7.92%
60% Stocks / 40% Bonds	17.14%	13.41%	7.44%
Stocks	25.25%	20.61%	8.71%
Bonds	5.66%	2.91%	4.83%
Treasury Bills	0.05%	0.06%	1.27%

Returns vs. Projections



One Year Returns as of August 2014



Peer Performance

Year Ending June 30, 2014



- To evaluate the effect of our asset allocation on performance, we multiplied each peer's asset allocation (when data was available) by UTIMCO's annual returns for that asset class. This tells us what our returns would have been if we followed that peer's asset allocation

UTIMCO Return	15.81%
Peer Average Return	<u>17.15%</u>
Difference	<u>(1.34%)</u>
Asset Allocation	(0.96%)
Active Management	(0.38%)



Market

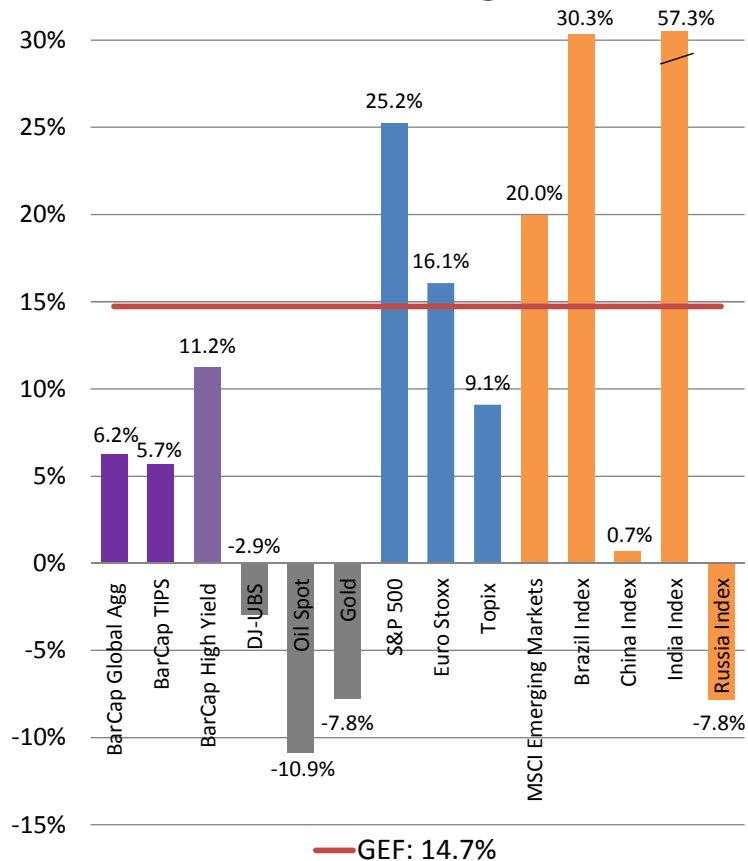
Performance During Last 1 and 5 Years



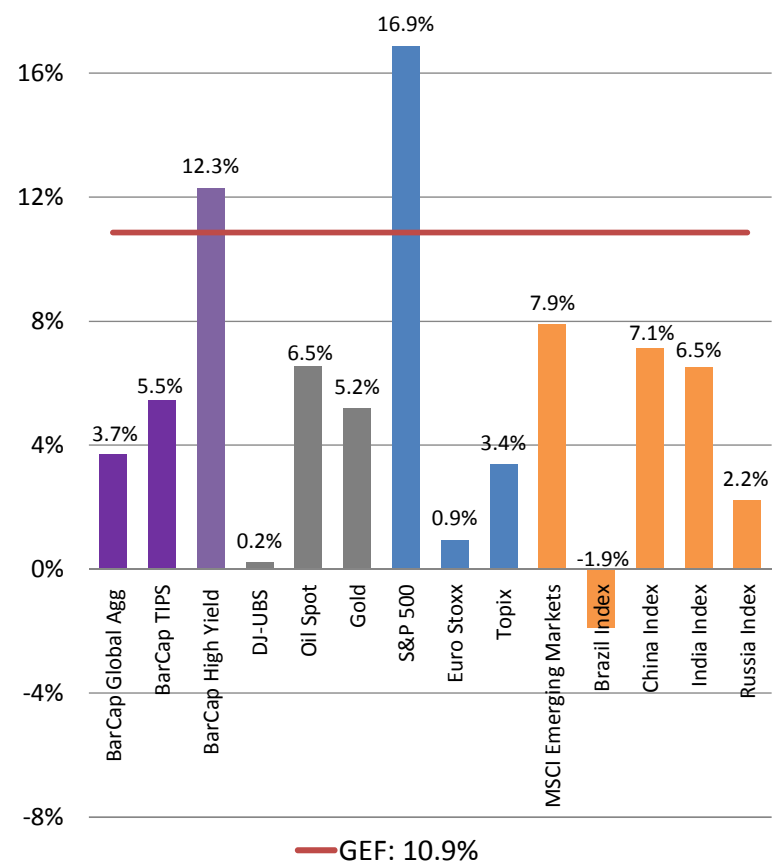
Sensitivity Analysis (beta)

Equities	0.526
Interest Rates	(0.283)
Currencies	(0.169)

Performance During Last 1 Year



Performance During Last 5 Years





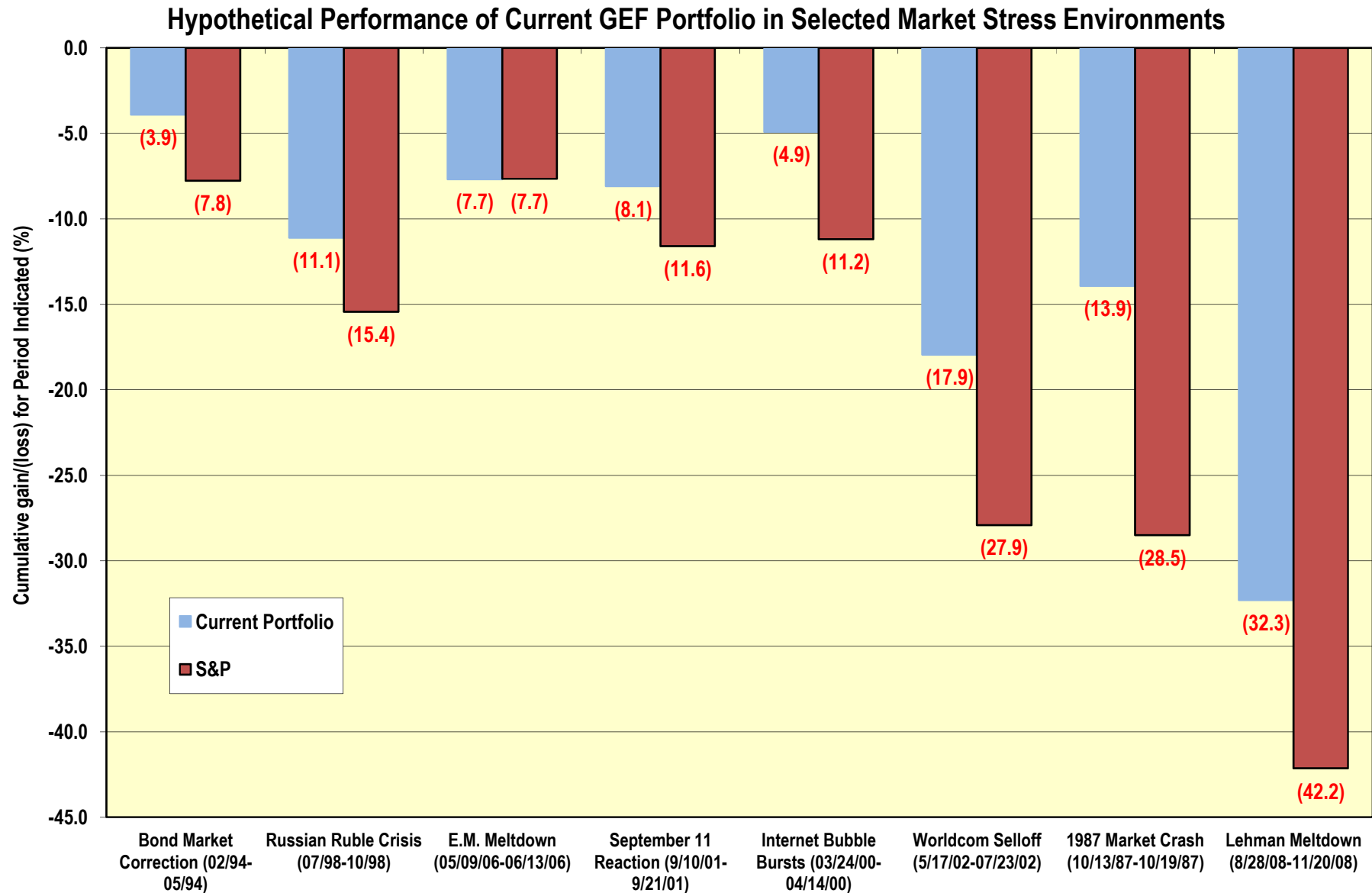
Scenario

Scenario Analysis



	Scenario						
	US Liquidity Squeeze	EM Slowdown (Esp China)	Eurozone Breakup	Japan Implosion	Currency Debasement	Eurozone Lost Decade	Mideast War / Oil shock
Expected Policy Returns (nominal)	(22.6%)	(21.3%)	(17.8%)	(18.1%)	(15.3%)	(4.1%)	(3.2%)
Gain from tactical positions	(0.4%)	(0.3%)	(0.2%)	(0.1%)	(0.8%)	(0.2%)	0.1%
Gain from current hedges	0.0%	0.0%	0.0%	0.3%	0.2%	0.0%	0.0%
Gain from manager's alpha	1.8%	3.1%	2.9%	2.5%	2.1%	2.3%	1.3%
Estimated Endowment Returns	(21.2%)	(18.5%)	(15.1%)	(15.4%)	(13.8%)	(2.0%)	(1.8%)

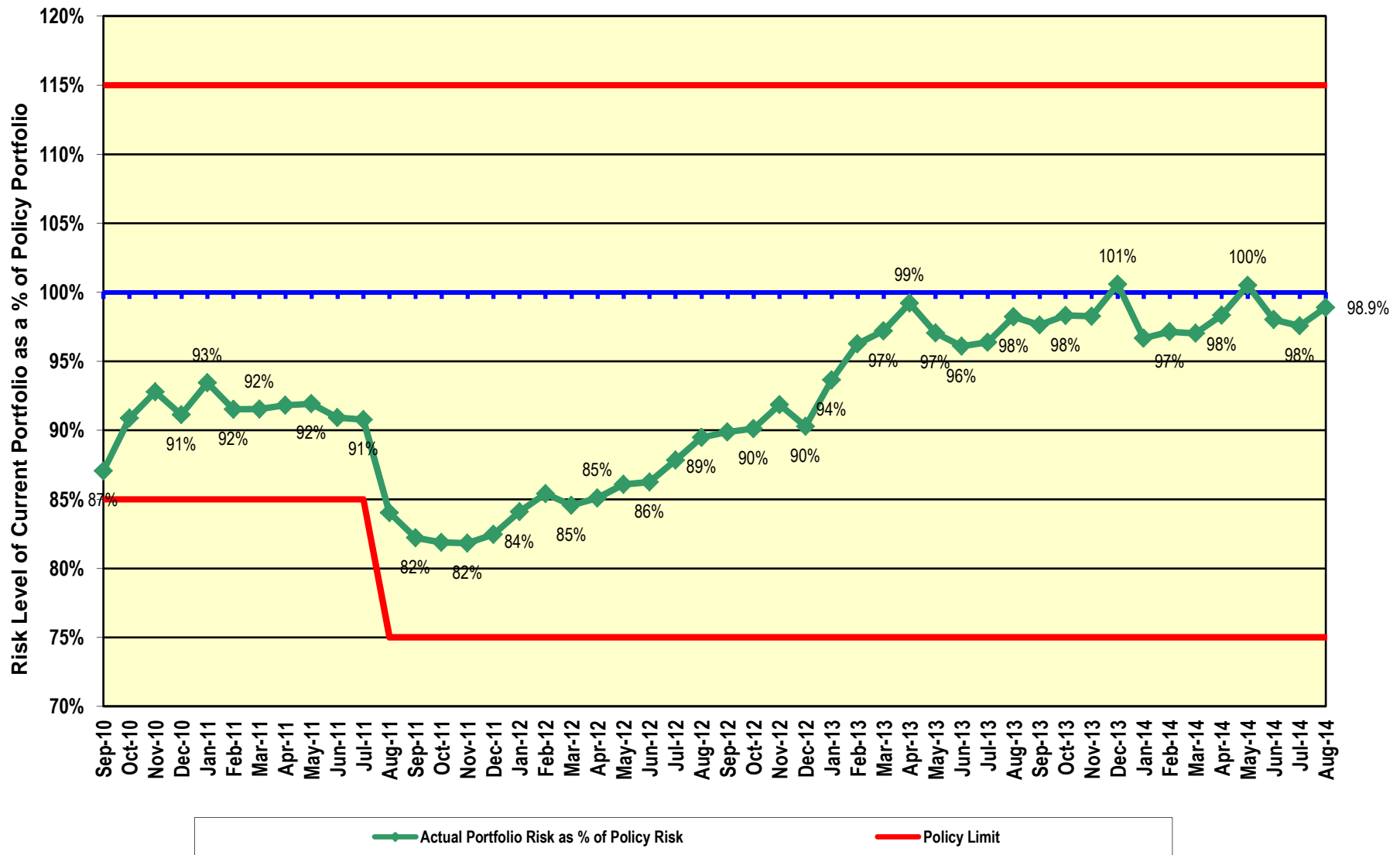
Hypothetical Performance of Current GEF Portfolio in Selected Market Stress Environments



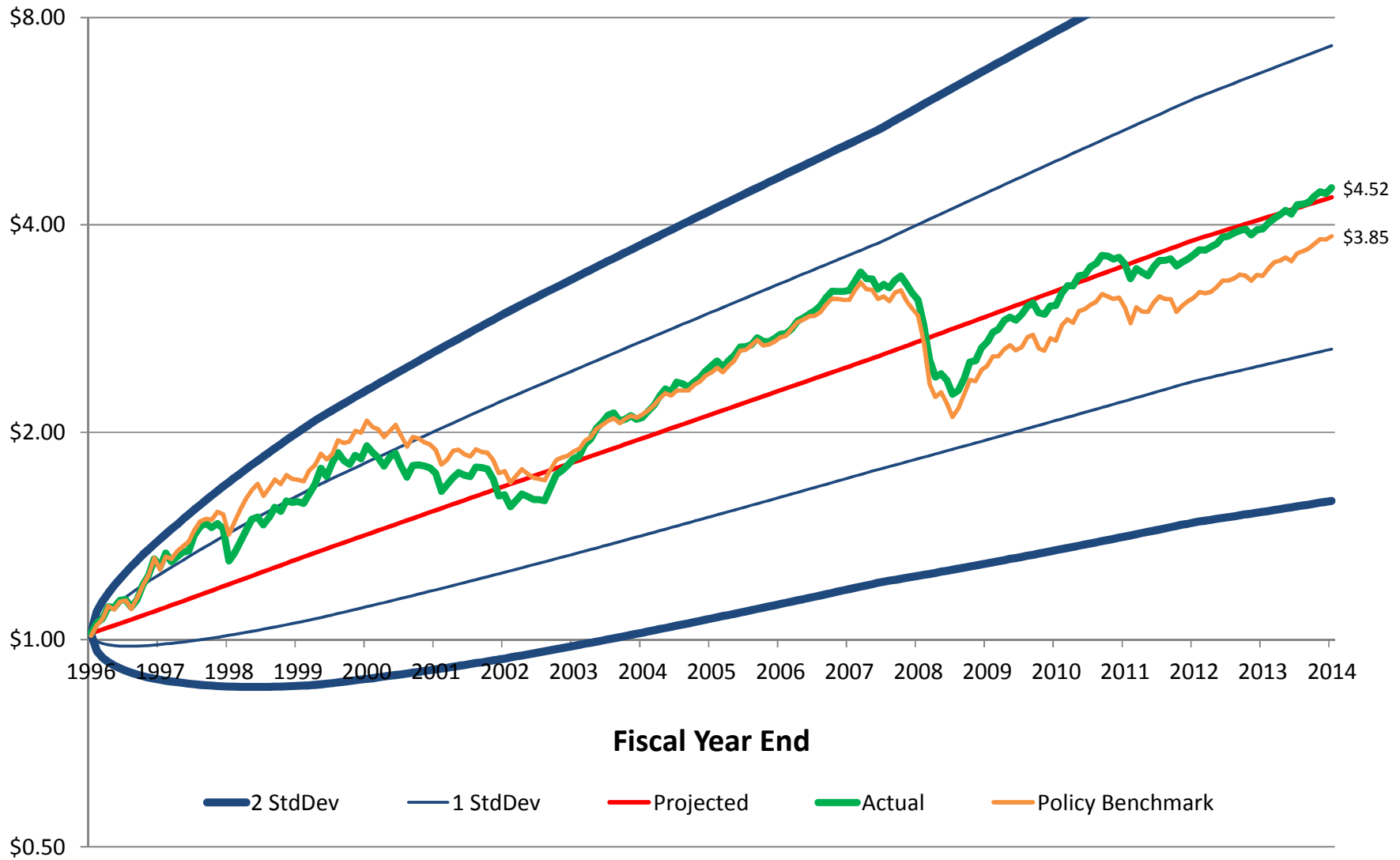


Volatility/Downside

Risk Capacity Utilization of GEF



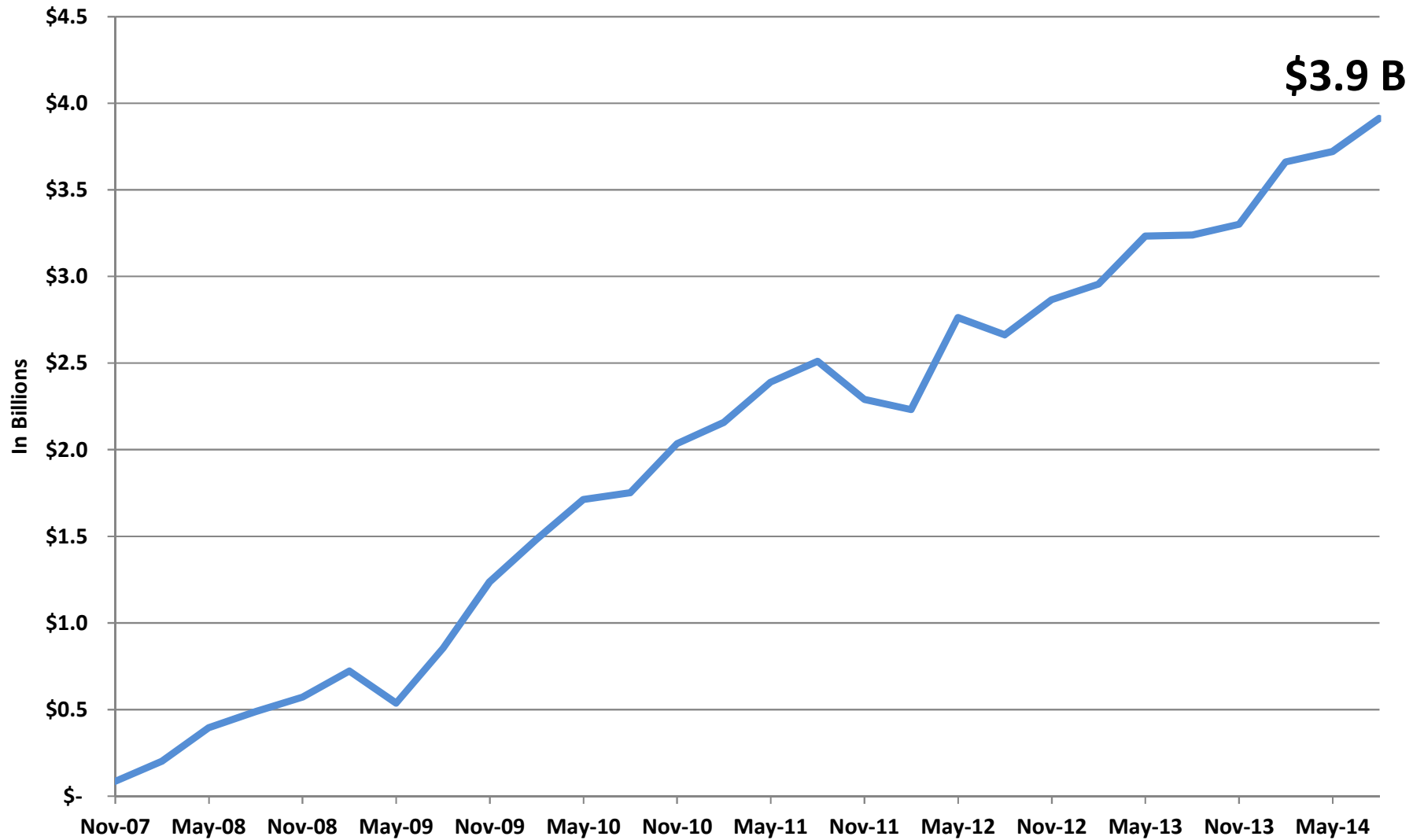
Volatility / Downside





Active Management

Cumulative Value Add



Value Add Attribution

Periods Ending August 31, 2014



Periods Ending August 31, 2014

	One Year	Three Years	Five Years	Ten Years
Active Management				
MCC	0.20%	0.93%	0.99%	0.19%
LCC	0.92%	1.46%	1.65%	1.75%
Private Markets	0.45%	-0.17%	-0.12%	0.25%
Total Active Management	1.57%	2.22%	2.52%	2.18%
Tactical Allocation:				
Gold	-0.91%	-0.84%	-0.35%	-0.18%
Other	0.19%	-0.31%	-0.09%	-0.04%
Total Tactical Allocation	-0.72%	-1.15%	-0.44%	-0.22%
Insurance Hedges	-0.19%	-0.36%	-0.27%	-0.13%
Total Value Add	0.66%	0.71%	1.81%	1.84%

Current Tactical Allocation



Overweights

- MCC NR 0.4%
- MCC DCE 1.3%
- MCC EM 0.2%
- 1.9%

Underweights

- MCC IGFI (1.2%)
- LCC (0.3%)
- Private Investments (0.4%)
- (1.9%)

Endowment Insurance Hedges



Exposures as of August 31, 2014

<u>Event</u>	<u>Hedge</u>	<u>Total Cost</u> ⁽¹⁾	<u>bps Cost/Year</u>	<u>Notional</u> (\$ millions)	<u>MTM</u> (\$ millions)	<u>P/L</u>
U.S. Inflation						
	CMS Options	(\$46)	4.7	\$8,043	\$1.1	(\$45)
Sovereign Default						
	JPY Rate Options and Swaptions	(10)	1.9	891	0.5	(10)
	TOTAL	(\$56)	6.6bps		1.6	(\$55)

(1) Maximum Loss for Options



Transparency

Transparency Summary



	MCC			TOTAL	LCC	Privates	TOTAL
	Fixed Income	Real Assets	Equities				
Full & Timely	100%	94%	81%	87%			37%
Full but lagged			6%	4%	2%	100%	30%
Partial		6%	7%	6%	93%		30%
No Transparency			6%	3%	5%		3%



Concentration

Combined PUF and GEF Exposure

as of August 31, 2014

(in millions)



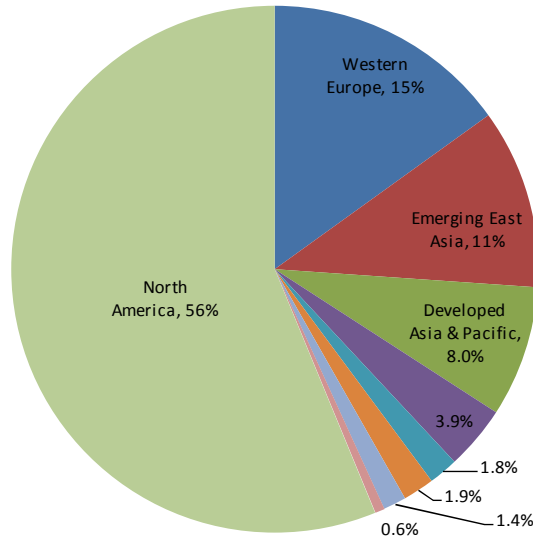
Asset Group	Asset Class	More Correlated and Constrained		Less Correlated and Constrained		Private Investments		Total	
		\$	%	\$	%	\$	%	\$	%
Fixed Income	Investment Grade	\$ 1,605	6.3%	\$ 543	2.1%	\$ -	0.0%	\$ 2,148	8.4%
	Credit-Related	28	0.1%	1,154	4.5%	1,012	3.9%	2,194	8.5%
Fixed Income Total		1,633	6.4%	1,697	6.6%	1,012	3.9%	4,342	16.9%
Real Assets	Real Estate	\$ 650	2.5%	\$ 115	0.5%	\$ 1,028	4.0%	1,793	7.0%
	Natural Resources	2,032	7.9%	4	0.0%	1,638	6.4%	3,674	14.3%
Real Assets Total		2,682	10.4%	119	0.5%	2,666	10.4%	5,467	21.3%
Equity	Developed Country	\$ 3,928	15.3%	\$ 5,503	21.4%	\$ 2,781	10.8%	12,212	47.5%
	Emerging Markets	2,618	10.2%	304	1.2%	747	2.9%	3,669	14.3%
Equity Total		6,546	25.5%	5,807	22.6%	3,528	13.7%	15,881	61.8%
Total		\$ 10,861	42.3%	\$ 7,623	29.7%	\$ 7,206	28.0%	\$ 25,690	100.0%

The total Asset Class & Investment Type exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 105% of the Asset Class & Investment Type exposures excluding the amount of derivatives exposure not collateralized by Cash.

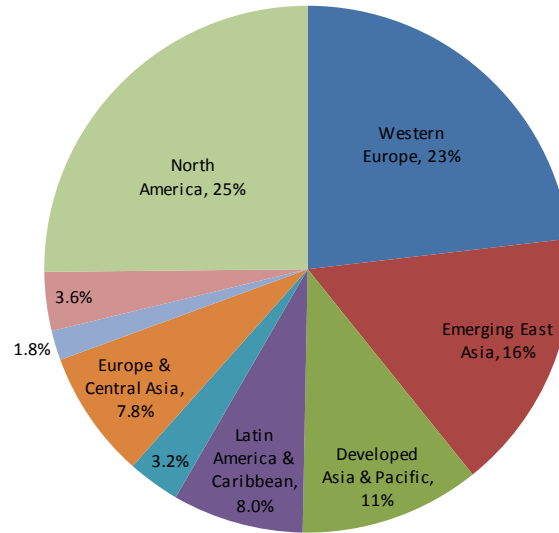
Geographic Exposure



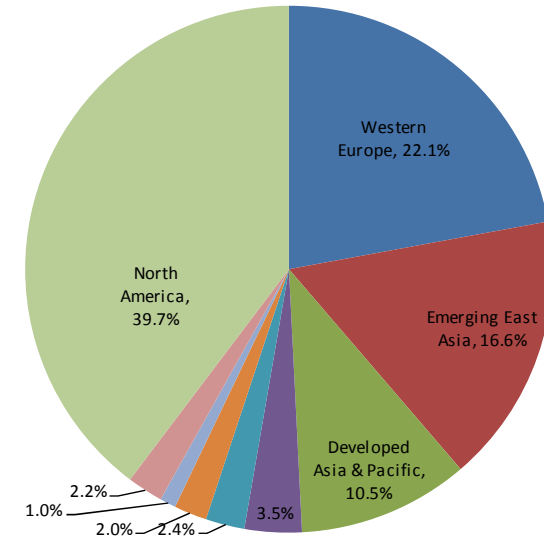
TOTAL Endowment



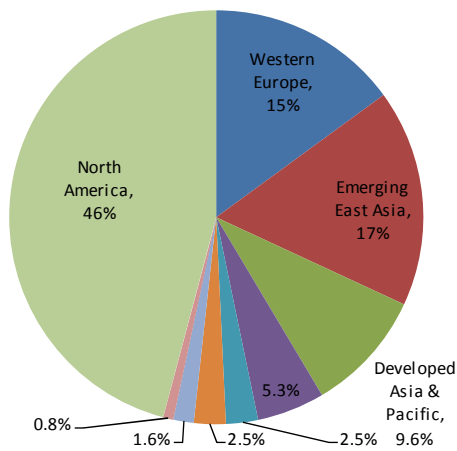
GDP



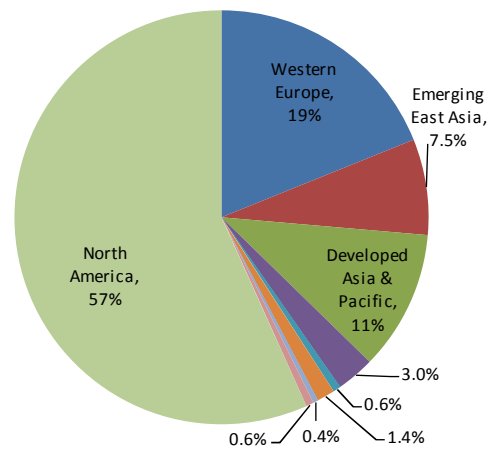
Global Mkt Cap



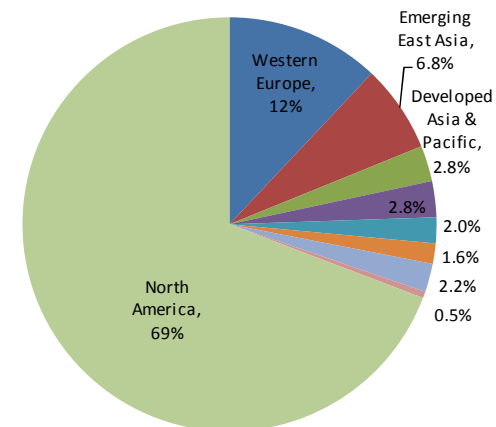
MCC



LCC



PI



■ Latin America & Caribbean
 ■ South Asia
 ■ Europe & Central Asia
 ■ Sub-Saharan Africa
 ■ Middle East & North Africa

Largest Country Exposures



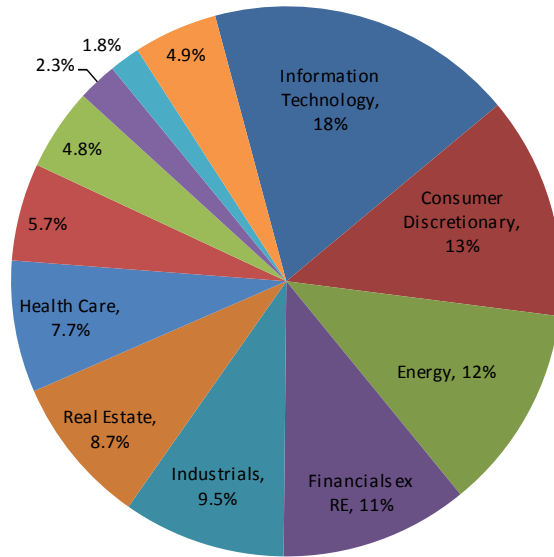
	MCC	LCC	PI	TOTAL	GDP	Global Mkt Cap
1) United States	44.0%	56.1%	64.4%	53.6%	22.7%	36.1%
2) China	6.7%	2.7%	3.5%	4.7%	11.5%	6.3%
3) Japan	6.9%	5.6%	0.9%	4.7%	8.3%	7.2%
4) United Kingdom	4.1%	3.2%	6.0%	4.4%	3.5%	5.0%
5) Canada	2.5%	0.9%	3.9%	2.4%	2.5%	3.5%
6) Brazil	3.4%	0.5%	1.8%	2.1%	3.1%	1.6%
7) India	2.3%	1.1%	1.7%	1.8%	2.6%	1.9%
8) South Korea	3.7%	0.9%	0.0%	1.7%	1.6%	2.3%
9) Australia	1.5%	0.6%	1.5%	1.2%	2.1%	3.5%
10) France	1.9%	0.7%	0.7%	1.2%	3.6%	5.3%
11) Hong Kong	1.9%	0.9%	0.5%	1.1%	0.4%	2.2%
12) Switzerland	1.7%	0.4%	0.3%	0.9%	0.9%	2.5%
13) Germany	0.8%	0.7%	1.1%	0.9%	4.8%	3.1%
14) Indonesia	0.9%	0.0%	1.5%	0.8%	1.2%	0.7%
15) Italy	1.6%	0.2%	0.3%	0.8%	2.8%	1.1%
16) Russia	1.4%	0.0%	0.6%	0.7%	2.8%	1.1%

Sector Exposure

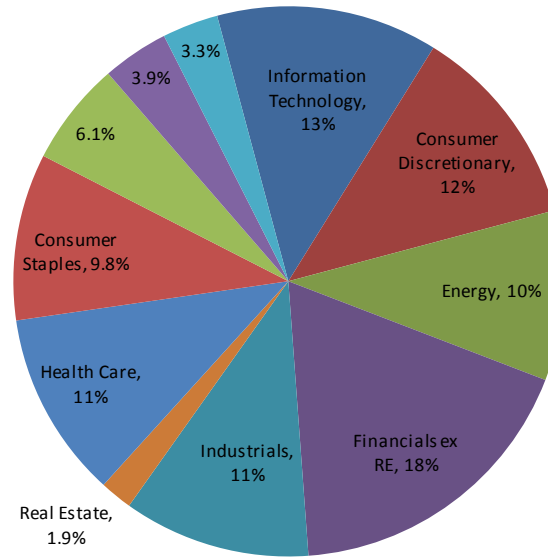
Endowments, excluding Fixed Income and NR Commodities



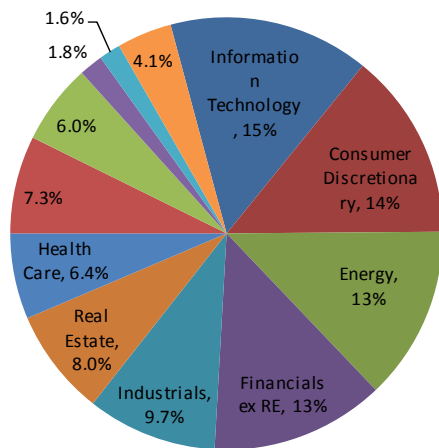
TOTAL Endowment



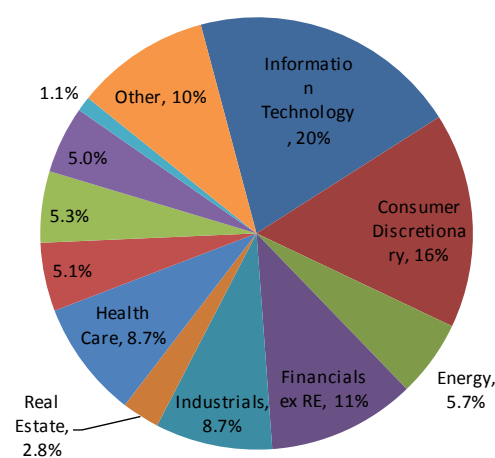
All Countries Index



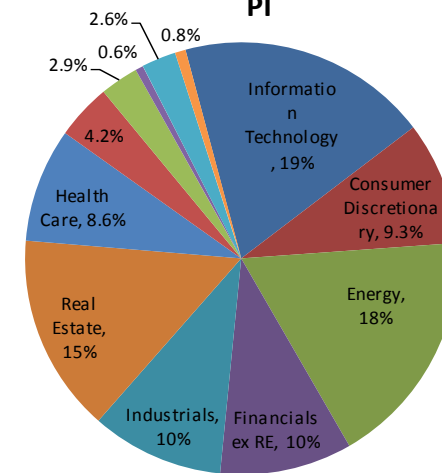
MCC



LCC

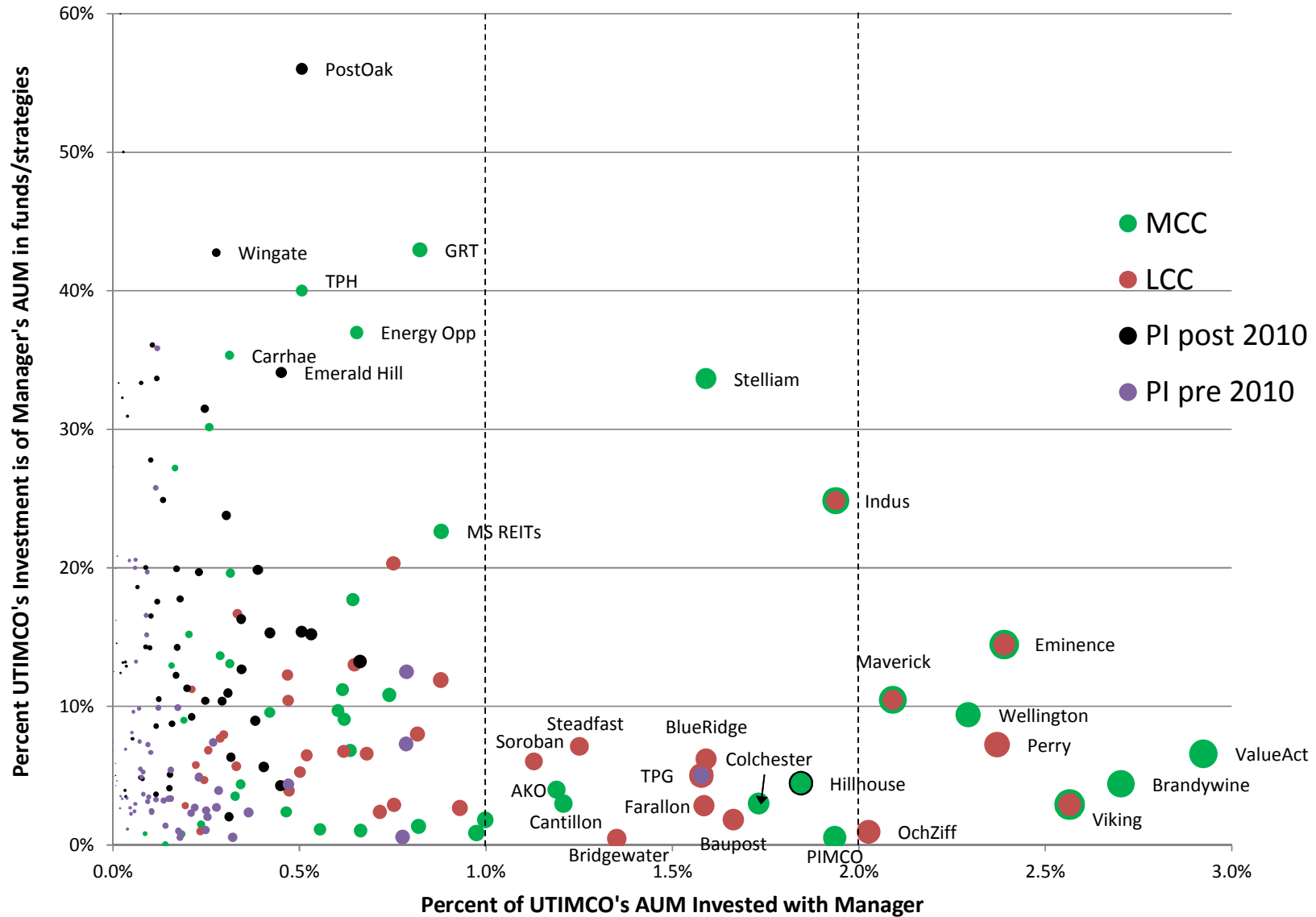


PI



■ Health Care ■ Consumer Staples ■ Materials ■ Telecommunications ■ Utilities ■ Other

Concentration Analysis



Position Level Concentration: Top Ten Fixed Income and Equity



Fixed Income	\$ (M)	% of AUM	Duration adjusted \$(M)
U.S. Government	\$721	2.88%	\$974
Mexican Sovereign	199	0.63%	204
Italian Sovereign	154	0.49%	296
Lehman Debt	152	0.48%	n/a
Australian Sovereign	146	0.46%	173
Securitized CMO	110	0.35%	77
New Zealand Sovereign	102	0.32%	111
Polish Sovereign	72	0.23%	77
Spanish Sovereign	67	0.21%	80
Japan Sovereign	40	0.13%	216

Equity	\$ (M)	% of AUM
Valeant Pharma	\$239	0.76%
Microsoft	183	0.58%
JD.com	143	0.45%
Adobe	133	0.42%
Motorola Solutions	127	0.40%
Samsung	109	0.35%
AIG	101	0.32%
Private Investment - Bank	84	0.27%
Endo International	75	0.24%
Private Investment - Energy	74	0.23%

As of July 2014

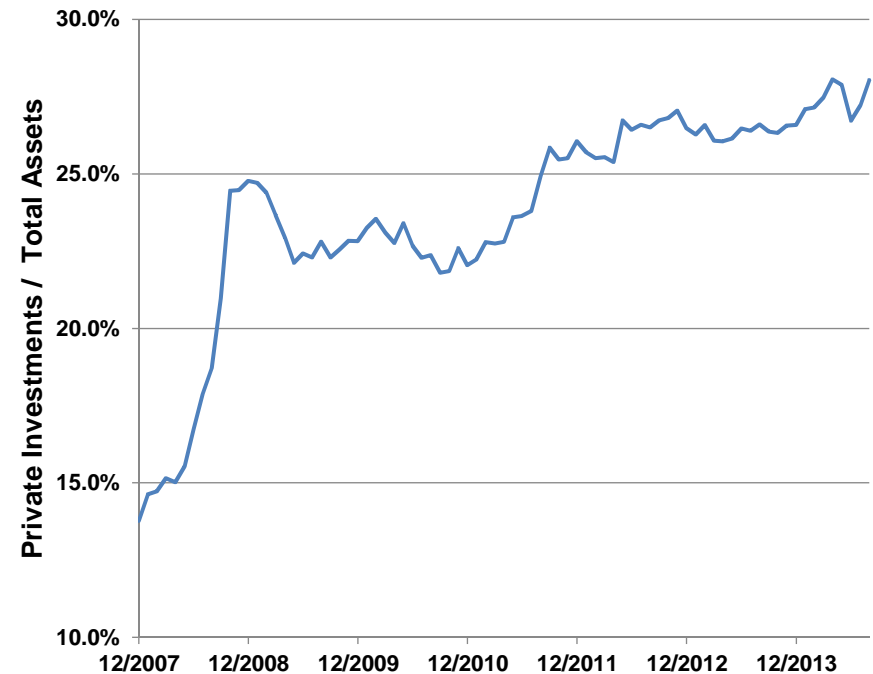
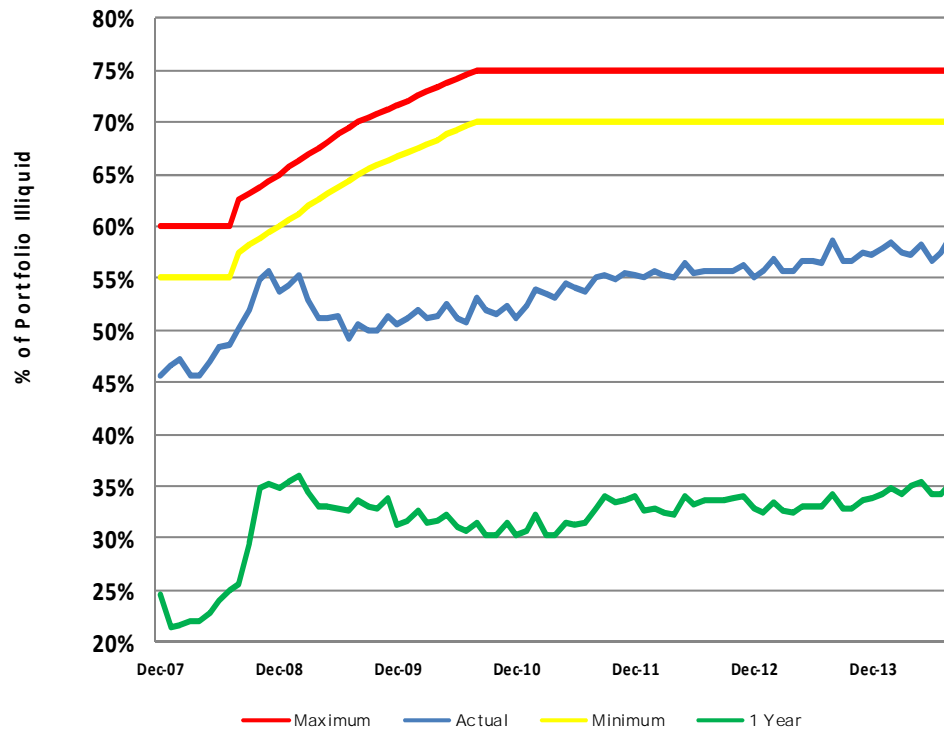


Illiquidity

Endowment Fund Liquidity



Actual Illiquidity vs. Trigger Zones



Three Month Liquidity \$ 10,566 million One Year Liquidity \$ 16,636 million



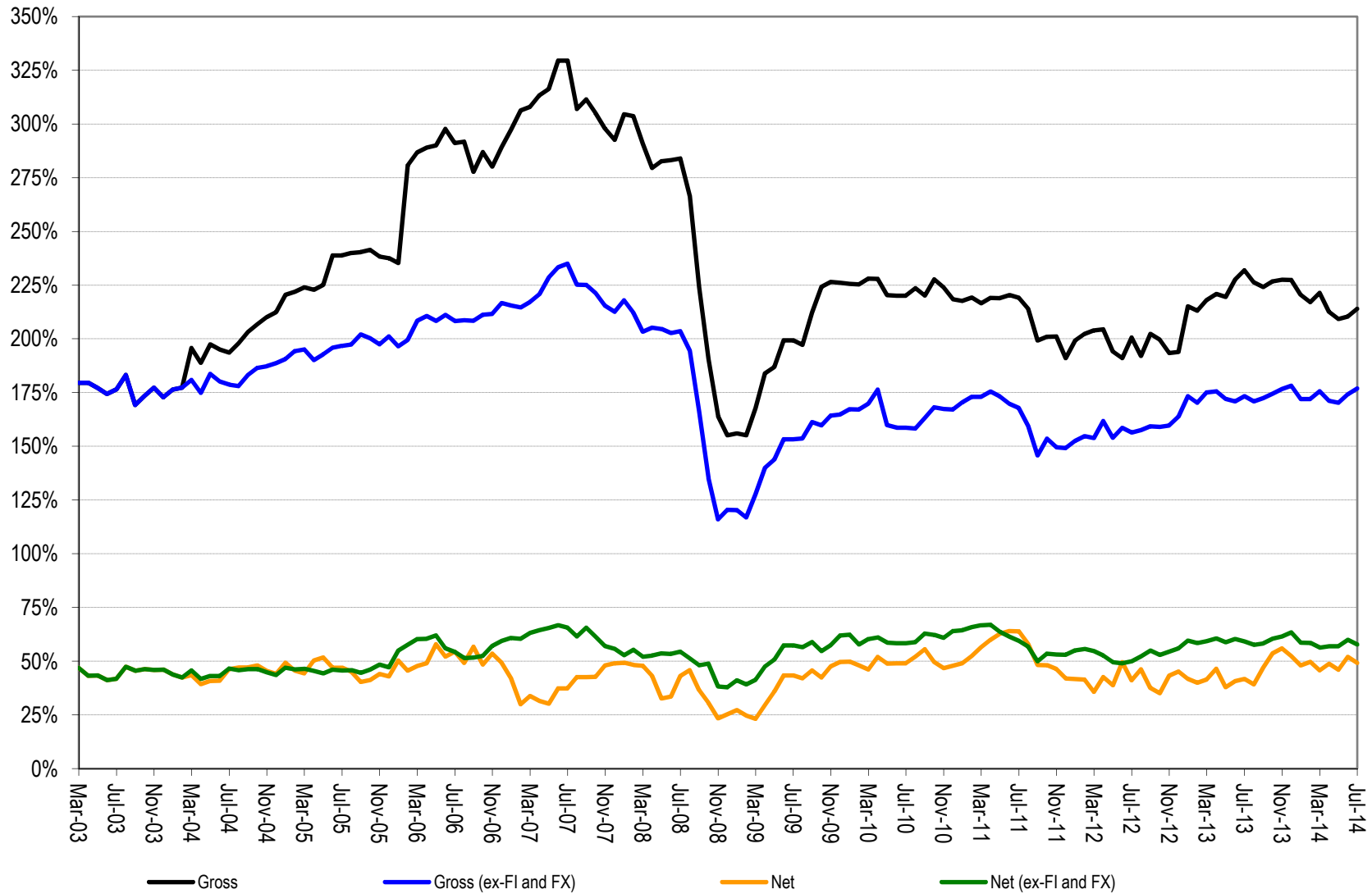
Leverage

LCC Leverage

Estimated as of July 31, 2014



Total Portfolio Exposures





Permanent Loss of Capital

Permanent Loss of Capital



	Total Investments Made	Total Dollars Invested	Investments Made Generating Losses	Dollars Invested in Those Generating Losses	Realized / Expected Losses	Losses as Percentage of Invested Capital
More Correlated and Constrained	143	\$31.3	29	\$5.4	\$0.6	1.9%
Less Correlated and Constrained	98	11.4	18	2.0	0.4	3.5%
Private Investments	446	12.5	55	0.3	0.4	3.2%
Total	687	\$55.2	102	\$7.7	\$1.4	2.5%



Portfolio Reviews

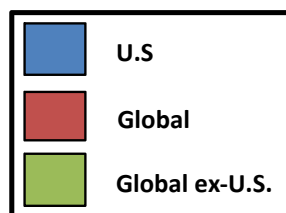
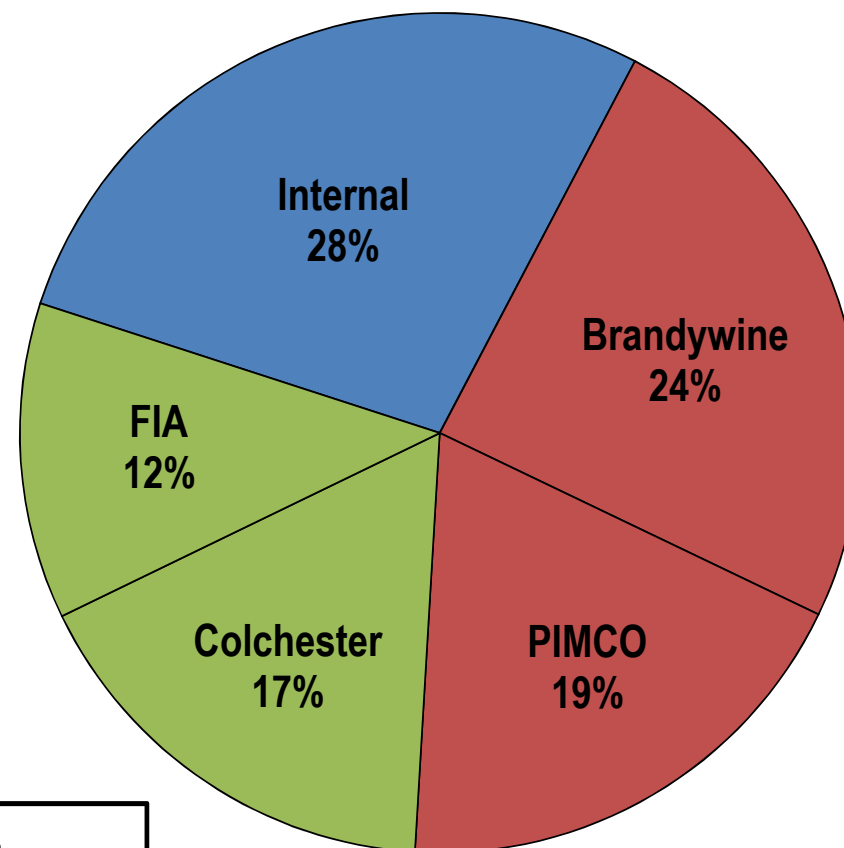
MCC Investment Grade Fixed Income



MCC Investment Grade Fixed Income			
	1 Year	3 Years	5 Years
Portfolio Return	8.2%	3.8%	6.0%
Benchmark Return	<u>6.2%</u>	<u>1.3%</u>	<u>3.7%</u>
Value Add	+1.9%	+2.5%	+2.2%
Portfolio Volatility	2.9%	3.8%	4.4%
Benchmark Volatility	3.2%	4.1%	5.1%
Portfolio Sharpe Ratio	2.8	1.0	1.3
Portfolio Information Ratio	1.4	1.7	1.4

As of 8/31/2014 - Statistics for periods longer than a year are annualized

\$3.3 Billion



Capital Movement (FY14)	
Subscriptions	
FIA	\$400
Internal	224
Colchester	128
Brandywine	121
PIMCO	94
Total	\$967
Redemptions	
Total	\$619
Net Activity	\$348

Liquidity
Within 90 days
100%

MCC Investment Grade Fixed Income



Overview		
	UTIMCO	BC Gbl Agg
Total Portfolio Size	\$3.3B	\$45.1T
Modified Duration	6.3	6.4
Yield to Maturity	2.8%	1.7%
Average Agency Rating	A1	AA3

Geographical Exposure			
	UTIMCO	BC Gbl Agg	O/U
United States	37.6%	35.9%	1.7%
Canada	-0.1%	3.5%	-3.6%
Europe	29.7%	35.3%	-5.6%
Asian-Pac Aggregate	16.7%	20.9%	-4.3%
Emerging Markets	16.2%	4.3%	11.9%

Currency Exposure			
	UTIMCO	BC Gbl Agg	O/U
United States Dollar	54.3%	40.8%	13.5%
Euro	12.9%	26.7%	-13.8%
Japanese Yen	5.2%	16.7%	-11.5%
UK Pound Sterling	4.0%	6.3%	-2.3%
Emerging Markets	18.4%	2.6%	15.7%
Other	5.2%	6.8%	-1.6%

Sector Exposure			
	UTIMCO	BC Gbl Agg	O/U
Treasuries & Sovereign	72.6%	55.4%	17.3%
Government Related	6.5%	12.3%	-5.9%
Corporates	16.4%	17.1%	-0.7%
Securitized	4.2%	15.2%	-11.0%
Cash & Cash Equivalents	0.4%	0.0%	0.4%

As of 8/31/2014

MCC Natural Resources Commodities



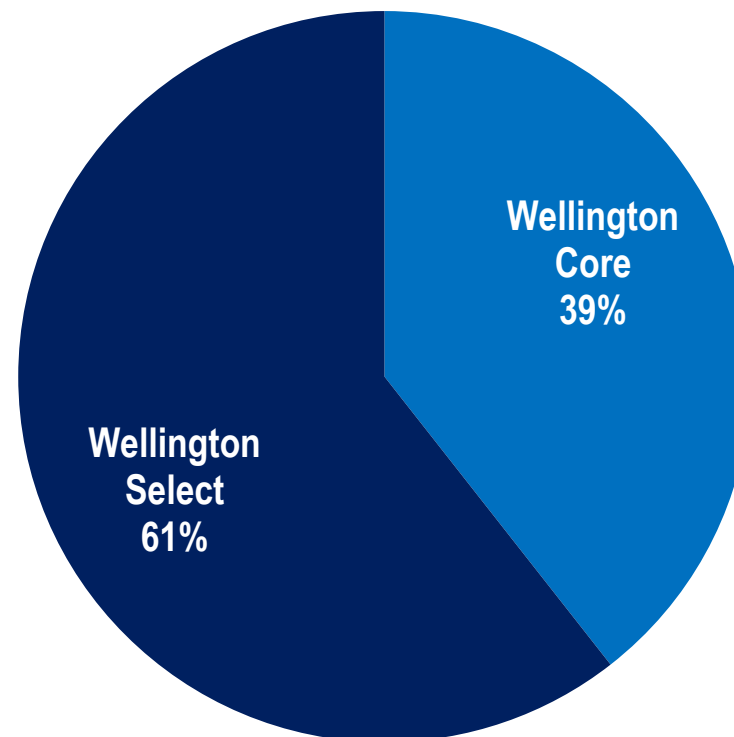
Natural Resources Commodity Portfolio Characteristics			
	1 Year	3 Years	5 Years
Commodities Return (Ex-Gold)	(1.0%)	(6.7%)	2.0%
Benchmark Return	(2.9%)	(8.3%)	0.2%
Value Add	1.9%	1.6%	1.8%
Portfolio Volatility	7.1%	10.9%	13.3%
Benchmark Volatility	8.0%	12.3%	14.5%
Portfolio Sharpe Ratio	(0.6)	(0.9)	(0.1)
Portfolio Information Ratio	0.6	0.5	0.6

As of 8/31/2014

Statistics for periods longer than a year are annualized

Capital Movement (FY 14) (\$ millions)			
	Redemptions	Additions	Net
Wellington Select		\$448	
Wellington Core		204	
Total	(\$687)	\$652	(\$35)

\$733 Million



Liquidity	
Within 90 days	Within One Year
100%	N/A

MCC Natural Resources Equities



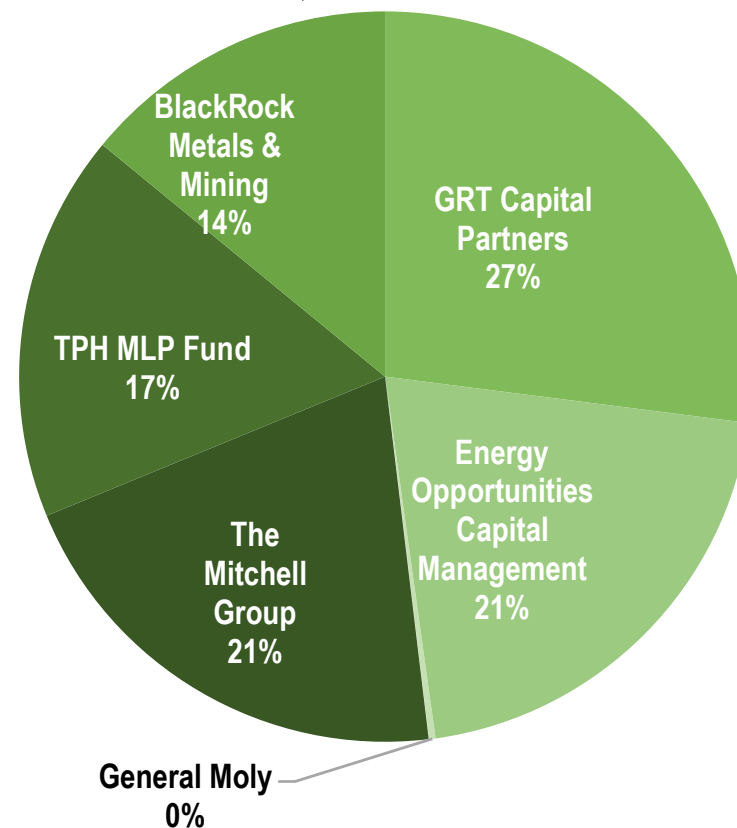
Natural Resources Commodity Portfolio Characteristics			
	1 Year	3 Years	5 Years
Equity Return	20.2%	5.4%	11.0%
Benchmark Return	20.4%	6.2%	8.5%
Value Add	(0.2%)	(0.8%)	2.6%
Portfolio Volatility	13.3%	19.9%	22.3%
Benchmark Volatility	9.7%	17.4%	19.4%
Portfolio Sharpe Ratio	1.3	0.1	0.4
Portfolio Information Ratio	(0.0)	(0.1)	0.3

As of 8/31/2014

Statistics for periods longer than a year are annualized

Capital Movement (FY 14) (\$ millions)			
	Redemptions	Additions	Net
TPH		\$168	
GRT		50	
Total		\$218	\$218

\$1,026 Million



Liquidity	
Within 90 days	Within One Year
100%	N/A

MCC Real Estate






MCC Real Estate Portfolio Characteristics			
	1 Year	3 Years	5 Years
Portfolio Return (Ex Hedges)	18.8%	12.4%	13.2%
Benchmark Return	19.4%	12.2%	13.4%
Value Add	-0.6%	+0.2%	-0.2%
Portfolio Volatility	7.9%	16.5%	16.7%
Benchmark Volatility	8.4%	16.0%	16.0%
Portfolio Sharpe Ratio	2.2	0.8	0.8
Portfolio Information Ratio	-0.3	0.1	-0.1

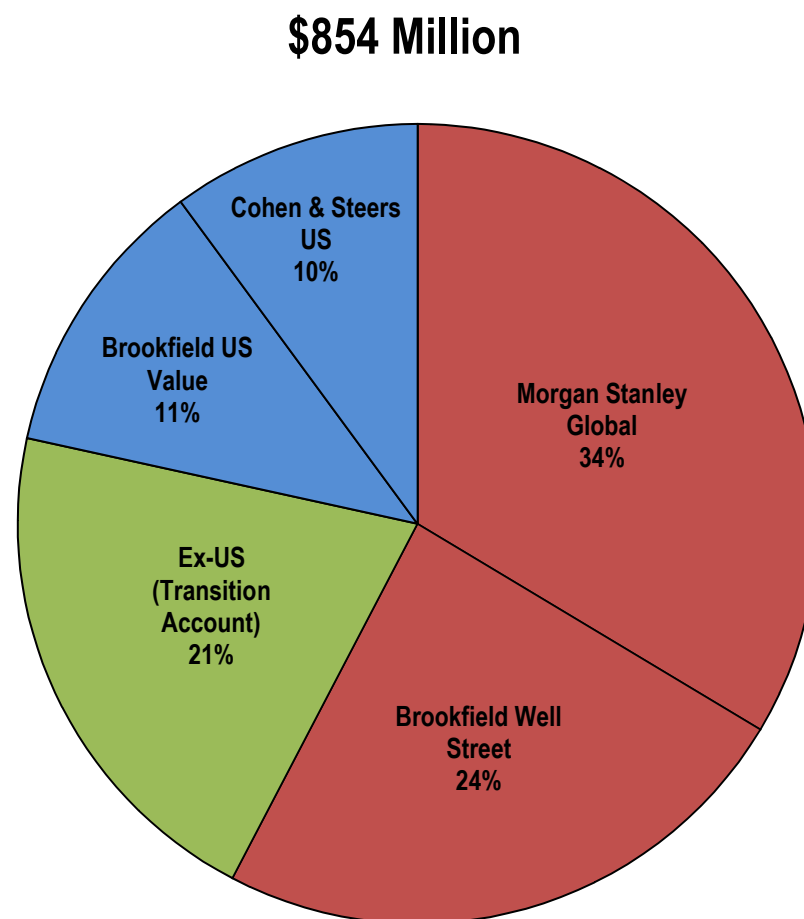
As of 08/31/2014

Statistics for periods longer than a year are annualized

FYTD Capital Activity	
Subscriptions	
Brookfield Wells Street	\$200
Brookfield US Value	\$94
Total	\$294
Redemptions	
Total	\$334
Net Activity	-\$40

	U.S
	Global
	International

Liquidity	
Within 90 days	Within One Year
100%	N/A



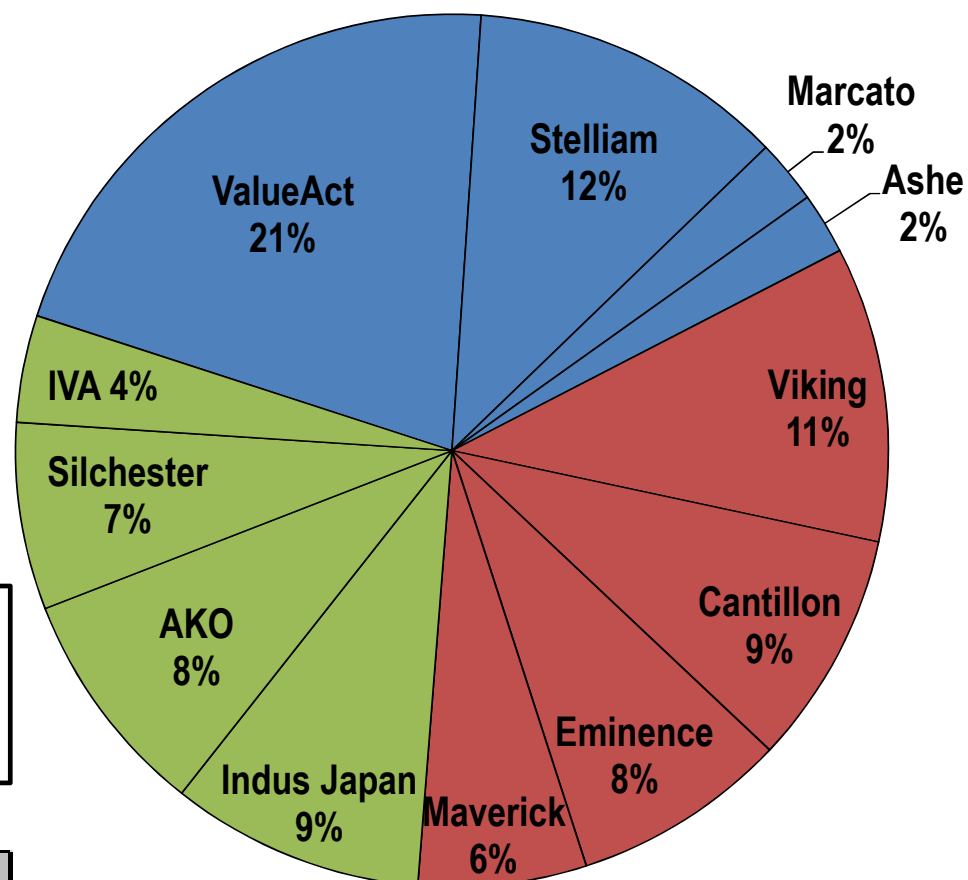
MCC Public Equity – Developed Markets



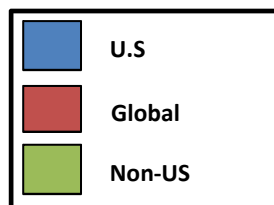
MCC Developed Country Equity			
	1 Year	3 Years	5 Years
Portfolio Return	21.4%	19.2%	15.9%
Benchmark Return	<u>21.1%</u>	<u>15.5%</u>	<u>12.4%</u>
Value Add	+0.3%	+3.7%	+3.6%
Portfolio Volatility	8.2%	11.0%	12.5%
Benchmark Volatility	8.7%	12.9%	14.3%
Portfolio Sharpe Ratio	2.6	1.7	1.3
Portfolio Information Ratio	0.1	1.0	1.1

As of 8/31/2014 - Statistics for periods longer than a year are annualized

\$4.6 Billion



Capital Movement (FY14)	
Subscriptions	
Ashe	\$100
Marcato	50
Total	\$150
Redemptions	
Total	\$179
Net Activity	-\$29



Liquidity	
Within 90 days	Within One Year
65%	87%

MCC Public Equity – Emerging Markets

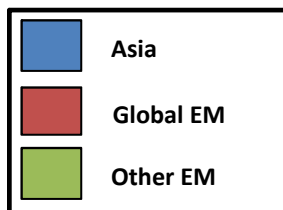


MCC Emerging Markets Equity			
	1 Year	3 Years	5 Years
Portfolio Return	27.1%	8.5%	10.7%
Benchmark Return	<u>20.0%</u>	<u>4.3%</u>	<u>7.9%</u>
Value Add	+7.1%	+4.2%	+2.8%
Portfolio Volatility	12.5%	16.9%	16.8%
Benchmark Volatility	11.9%	18.8%	18.6%
Portfolio Sharpe Ratio	2.2	0.5	0.6
Portfolio Information Ratio	1.1	0.9	0.7

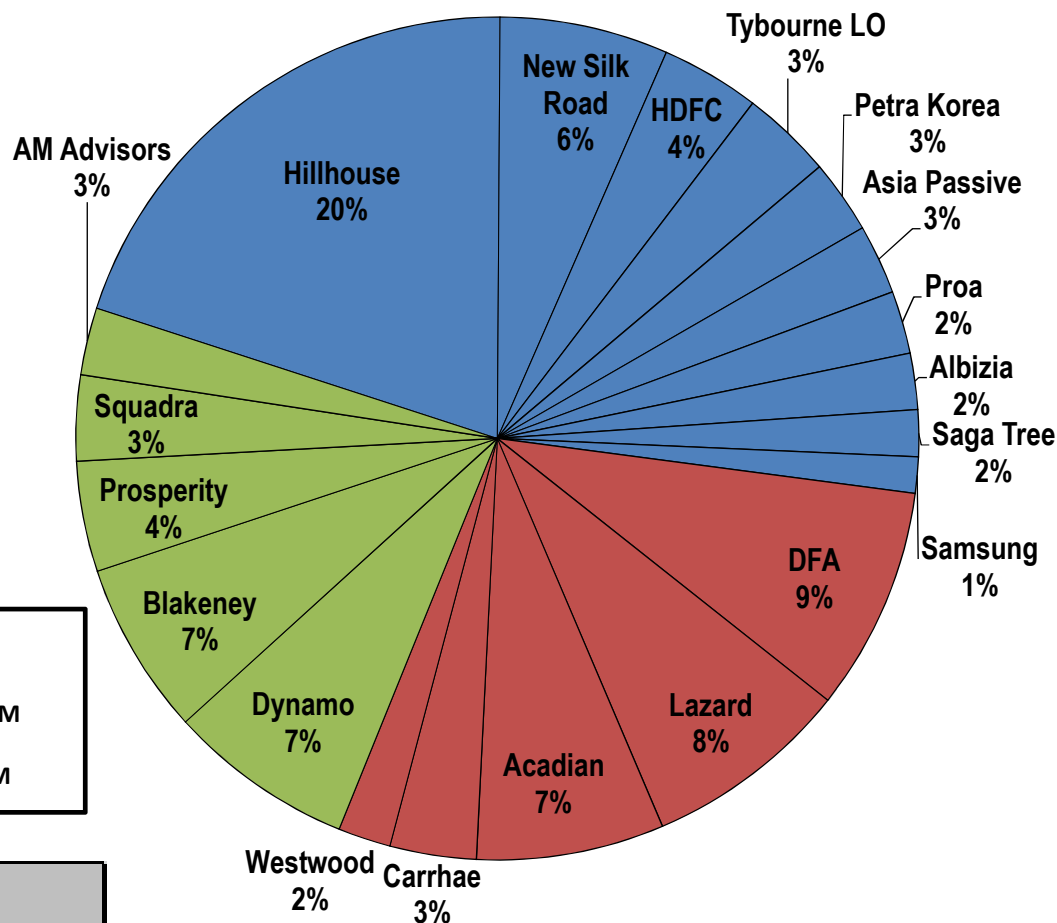
As of 8/31/2014 - Statistics for periods longer than a year are annualized

Capital Movement (FY14)	
Subscriptions	
Tybourne	\$100
Carrhae	100
Petra	75
Other	284
Total	\$559
Redemptions	
Total	\$366
Net Activity	\$193

Liquidity	
Within 90 days	Within One Year
64%	91%



\$3.0 Billion



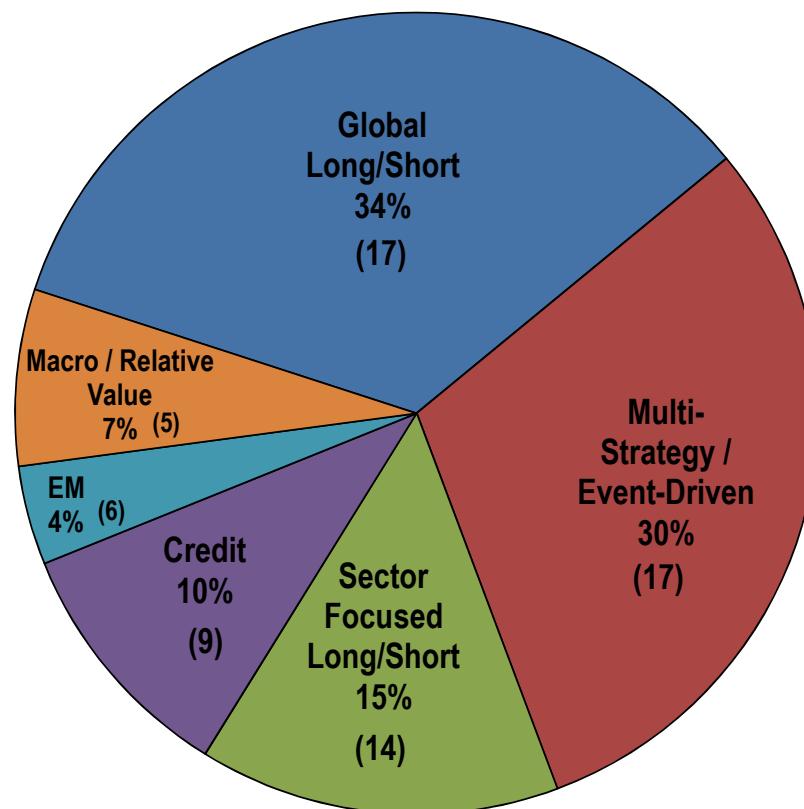
Less Correlated & Constrained



LCC Portfolio Characteristics			
	1 Year	3 Year	5 Year
LCC Return	10.6%	9.5%	9.6%
Benchmark Return	<u>7.7%</u>	<u>4.3%</u>	<u>3.8%</u>
Value Add	2.9%	5.2%	5.8%
LCC Volatility	4.9%	4.3%	4.5%
Benchmark Volatility	3.2%	3.8%	4.2%
Sharpe Ratio	2.1	2.2	2.1
Information Ratio	1.4	3.0	3.5

As of 8/31/2014 - Statistics for periods longer than a year are annualized.

Strategy Allocation (\$10.6 Billion)



FYTD Capital Activity	
Subscriptions	
Three Bays	\$150
Falcon Edge	\$140
Passport	\$125
Oaktree EM	\$100
Gotham DN	\$120
JMB	\$100
Two Creeks	\$100
Other (17)	<u>\$870</u>
Total	\$1,705
Redemptions	
Total	\$671
Net Activity	\$1,034

Concentration	
Top 10	48%
Top 20	74%
Top 30	89%

Liquidity	
<u>90 days</u>	<u>1 year</u>
18%	72%

Look-Thru Leverage			
	% of Capital	Gross	Net
Core Strategies	96%	177%	58%
FI & FX	4%	1222%	-183%
Total LCC	100%	214%	49%

Private Investments Portfolio Rollforward

Year Ended August 31, 2014



\$ in millions	Beg FY 9/1/13			Calls	Distributions	Change in Valuation	% Return	FY'14 New Commitments		End 8/31/14	
	NAV	Unfunded	# Funds					# Funds	\$ Committed	NAV	Unfunded
Credit-Related Fixed Income	\$1,062	\$238	33	\$193	\$387	\$144	15.0%	2	\$125	\$1,012	\$222
Real Estate	748	773	29	332	222	170	21.2%	11	589	1,028	1,066
Natural Resources	1,061	1,118	42	467	174	283	23.0%	14	904	1,637	1,562
Venture	824	387	46	158	347	306	34.2%	7	218	941	451
Other Developed Country Equity	<u>1,667</u>	<u>751</u>	<u>87</u>	<u>268</u>	<u>365</u>	<u>270</u>	<u>16.3%</u>	<u>8</u>	<u>300</u>	<u>1,840</u>	<u>842</u>
Total Developed Country Equity	2,491	1,138	133	426	712	576	22.5%	15	518	2,781	1,293
Emerging Markets Equity	<u>594</u>	<u>514</u>	<u>24</u>	<u>169</u>	<u>53</u>	<u>38</u>	5.9%	<u>4</u>	<u>235</u>	<u>748</u>	<u>591</u>
TOTAL	<u>\$5,956</u>	<u>\$3,781</u>	<u>261</u>	<u>\$1,587</u>	<u>\$1,548</u>	<u>\$1,211</u>	20.0%	<u>46</u>	<u>\$2,371</u>	<u>\$7,206</u>	<u>\$4,734</u>
% of Endowment (PUF+ GEF)	27%	17%								28%	18%

Co-Investment Pipeline and Portfolio



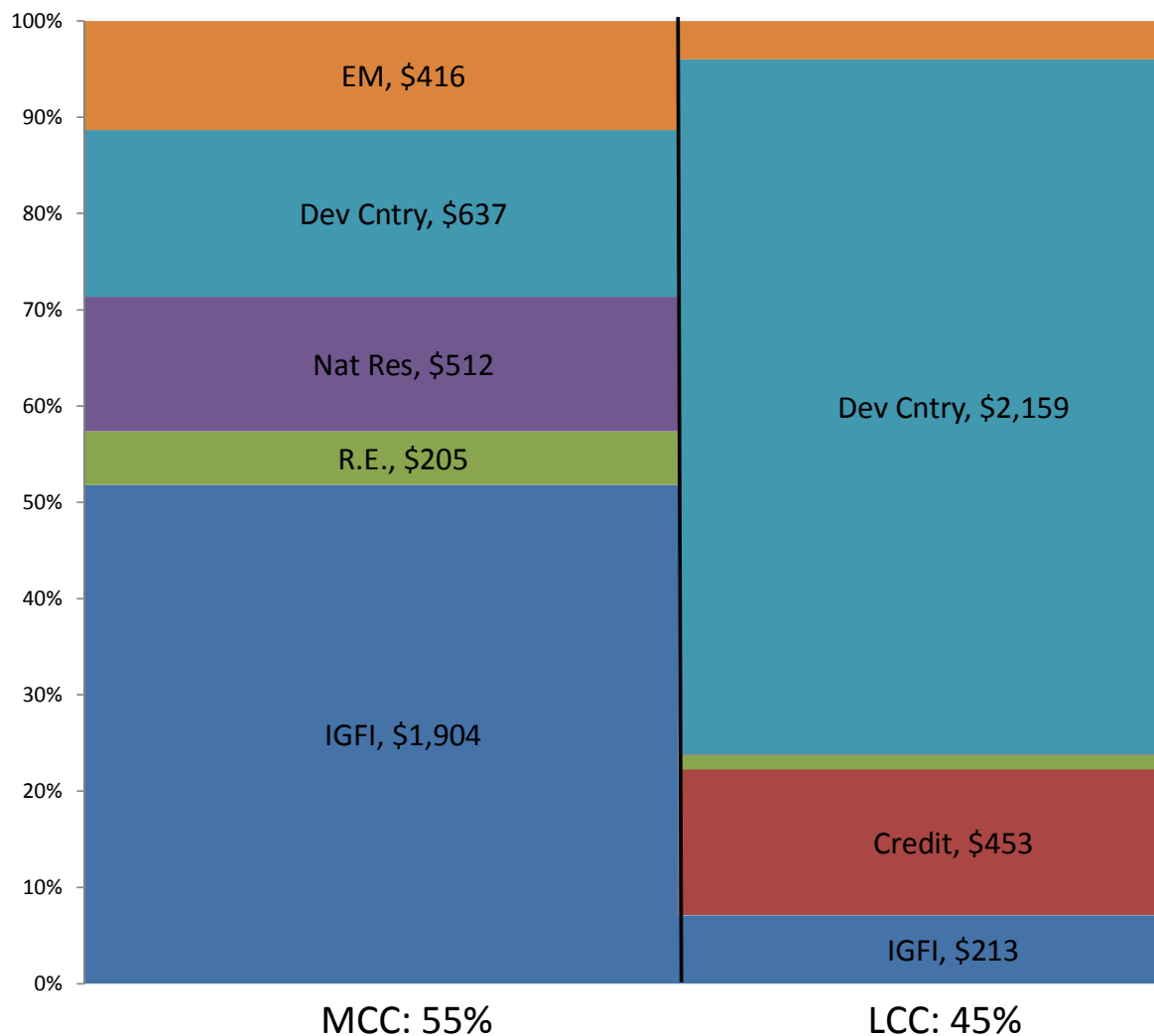
	Real Estate		Natural Resources		Private Investments		Total FY 2014		Total Since Inception	
	<u>#</u> <u>FY 14</u>	<u>\$</u> <u>FY 14</u>	<u>#</u> <u>FY 14</u>	<u>\$</u> <u>FY 14</u>	<u>#</u> <u>FY 14</u>	<u>\$</u> <u>FY 14</u>	<u>#</u> <u>FY 14</u>	<u>\$</u> <u>FY 14</u>	<u>#</u>	<u>\$</u>
<u>Pipeline:</u>										
Reviewed	13	\$276	17	\$437	18	\$580	48	\$1,293	117	\$3,512
Interest	7	115	9	237	18	580	34	932	68	2,269
Committed	4	85	4	62	6	83	14	230	34	778
In Process	1	35	4	150	2	125	7	310	8	320
<u>Portfolio Returns (Since Inception):</u>										
Invested	9	\$114	14	\$298	11	\$161			34	\$573
Realized Proceeds	4	14	1	106	0	0			5	120
Total Value		142		470		189				801
Multiple		1.24x		1.58x		1.18x				1.40x
IRR		15%		50%		9%				29%



ITF



ITF NAV: \$6,665M

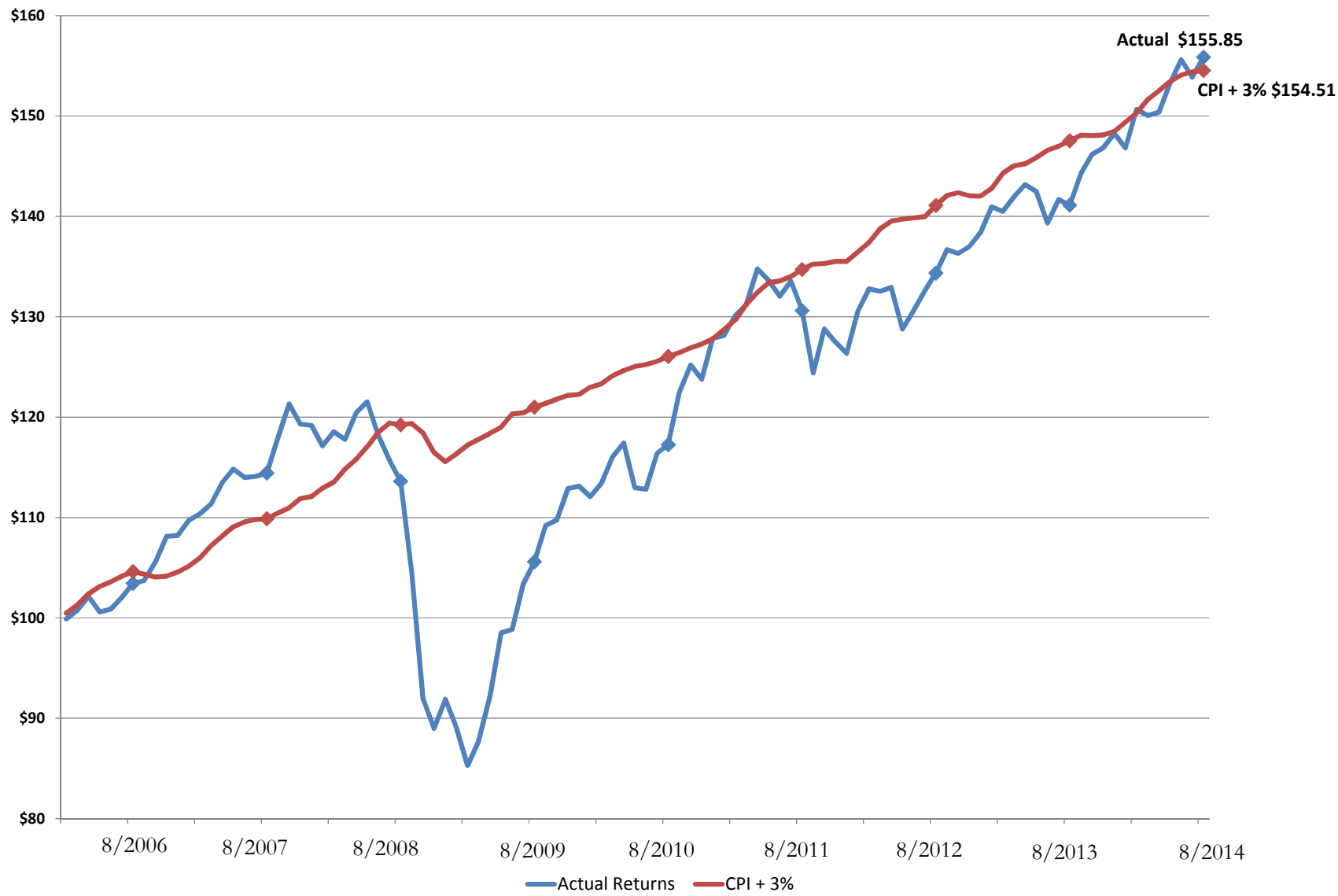


Downside Volatility (trailing three years)	
Actual	% of Policy
4.19%	99.9%

Liquidity	
Three months	One Year
62.0%	89.1%

Insurance Hedges NAV	
CMS Caps	\$0.3M
JPY FX rate	\$0.1M

ITF Returns vs. CPI + 3%





Contracts

Contracts Update

July 1, 2014 through September 30, 2014



(Total Obligation per Agreement greater than \$50,000)

Agreement	Purpose	Contract Term	Annual Amount
CreditSights	Provides suite of BondScore credit scoring models, fundamental credit research, and an efficient screening and credit risk surveillance tool	9/1/2014 - 9/1/2015	\$50,000
Heidrick & Struggles	Conduct search for Investment Officers	6 months	\$150,000

Services that renew via invoice on a monthly or quarterly basis:

Agreement	Purpose	Contract Term	Annual Amount
Bloomberg	Portfolio Order Management System	Renews quarterly via invoice	\$140,000
Bloomberg	All-in-one investment platform for trading, analysis and information	Renews quarterly via invoice and may be canceled at any time	\$309,840
International Fund Services	Risk System	Quarterly invoice – fees increased as underlying accounts are added	\$292,000
Factset Research Systems	Analytical tool for performance	Monthly invoice	\$375,464
Albourne America LLC	Advisor to Marketable Alternative staff	Monthly invoice	\$240,000

Agenda Item
UTIMCO Board of Directors Meeting
October 9, 2014

Agenda Item: Report from Compensation Committee, including (1) Discussion and Appropriate Action Related to CEO's Qualitative Performance Goals for the Performance Period ended August 31, 2015; and (2) Discussion and Appropriate Action Related to Designation of Employees in Eligible Positions as Participants in the UTIMCO Compensation Program for the Performance Period ended August 31, 2015

Developed By: Zimmerman, Moeller, Gonzalez

Presented By: Hobson

Type of Item: Action item

Description: The Compensation Committee (the "Committee") met on September 26, 2014. The Committee's agenda included (1) discussion and appropriate action related to minutes of its July 29, 2014 meeting; (2) discussion and appropriate action related to the designation of employees in Eligible Positions as Participants in the UTIMCO Compensation Program (the "Plan") for the Performance Period ended August 31, 2015; (3) discussion and appropriate action related to Qualitative Performance Goals for the Participants of the Plan for the Performance Period ended August 31, 2015; and (4) discussion and appropriate action related to engaging UTIMCO's external auditor for agreed upon procedures services. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation and evaluation matters at the meeting.

Discussion: *(1) Qualitative Performance Goals.* The Committee will report on its actions related to the Participants' Qualitative Performance Goals for the Performance Period ended August 31, 2015. There are three categories of performance goals in the Plan: (1) entity performance; (2) asset class performance; and (3) qualitative performance. Qualitative Performance Goals may be established in one or more of the following areas: leadership, implementation of operational goals, management of key strategic projects, effective utilization of human and financial resources, and UTIMCO's investment performance relative to the Peer Group. The entity and asset class performance goals are included in the Plan in Table 2 of Appendix D of the Plan.

Section 5.4. of the Plan requires that the CEO's performance goals be determined and approved by the UTIMCO Board. The Committee presents and recommends the approval of the CEO's goals to the UTIMCO Board. The Committee will request that the Board take appropriate action related to the CEO's Qualitative Performance Goals. The CEO's Qualitative Performance Goals will be reviewed in Executive Session with the UTIMCO Board.

Agenda Item
UTIMCO Board of Directors Meeting
October 9, 2014

(2) Designation of Employees in Eligible Positions. Approval is required by the UTIMCO Board related to the designation of Employees in Eligible Positions as Participants in the Plan for the Performance Period ended August 31, 2015. Eligible Positions, as defined in Section 5.3. of the Plan include senior management, investment staff, and other key positions as designated by the CEO and approved by the UTIMCO Board. Section 5.3. of the Plan provides that in order for an employee of UTIMCO to become a Participant in the Plan for a Performance Period, the employee must be (1) employed by UTIMCO in an employment position that is designated as an Eligible Position for the Performance Period and (2) be selected by the UTIMCO Board as eligible to participate in the performance incentive award opportunity available under the Plan. An employment position that is an Eligible Position in one Performance Period is not automatically an Eligible Position in any subsequent Performance Period. Similarly, an employee eligible to participate in one Performance Period is not automatically eligible to participate in any subsequent Performance Period. The UTIMCO Board in its discretion may also designate the employment position of a newly hired or promoted employee as an Eligible Position. The designation of Employees in Eligible Positions as Participants in the Plan for the Performance Period ended August 31, 2015, is included in the materials.

Recommendation: The Committee will request appropriate action from the Board related to (1) the CEO's Qualitative Performance Goals for the Performance Period ended August 31, 2015 and (2) designation of employees in Eligible Positions as Participants in the Plan for the Performance Period ended August 31, 2015.

Reference: Exhibit 1 - Designation of Plan Participants in Eligible Positions for the Performance Period Ended August 31, 2015
CEO's Qualitative Performance Goals are included in Executive Session materials

RESOLUTION RELATED TO THE CEO'S QUALITATIVE PERFORMANCE GOALS FOR THE PERFORMANCE PERIOD ENDED AUGUST 31, 2015

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 (the "Board") will approve the Performance Goals for each Participant (other than for the CEO) each Performance Period; and

WHEREAS, Section 5.4.(c) of the Plan provides that the Board will determine the Performance Goals of the CEO for each Performance Period; and

WHEREAS, the Board has reviewed the CEO's Qualitative Performance Goals for the Performance Period ended August 31, 2015, as prepared by the CEO, and recommended by the Committee and set forth in the document presented to the Board.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the Qualitative Performance Goals for the CEO for the Performance Period ended August 31, 2015, as set forth in the document presented to the Board.

**RESOLUTION RELATED TO
2014/2015 PARTICIPANTS IN
UTIMCO COMPENSATION PROGRAM**

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 Performance Period ended August 31, 2015 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 Performance Period ended August 31, 2015.

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 Performance Period ended August 31, 2015, effective as of September 1, 2014.

Exhibit 1
Designation of Plan Participants in Eligible Positions
for the Performance Period Ended August 31, 2015

ELIGIBLE POSITION	PARTICIPANTS
<i>Investment Professionals</i>	
CEO & Chief Investment Officer	Bruce Zimmerman
Senior Managing Director - Investments	Mark Warner
Managing Director - Private Investments	Lindel D. Eakman
Managing Director - Investments	Mark Shoberg
Managing Director - Investments	Ryan Ruebsahm
Managing Director - Investments	Susan Chen
Managing Director - Risk Management	Uzi Yoeli
Senior Portfolio Manager	Russ Kampfe
Portfolio Manager	Harland Doak
Director - Investments	Courtney Powers
Director - Private Investments	Scott Bigham
Director - Investments	Edward Lewis
Director - Investments	Amanda Hopper
Director - Investments	Spencer Swayze
Senior Associate - Investments	William Prather
Senior Associate - Risk Management	Kate Wagner
Associate - Investments	Mukund Joshi
Associate - Private Investments	Lara Jeremko
Associate - Investments	Drury Morris
Senior Analyst - Investments	Russell Brown
Senior Analyst - Investments	Jena Michels
Analyst - Investments	Rafael Ramirez, Jr.
Analyst - Investments	Spencer Branch
Analyst - Investments	Kyle Burhop
Analyst - Investments	Zoe Gabbard
<i>Operations/Support Professionals</i>	
Senior Managing Director	Joan Moeller
General Counsel and Chief Compliance Officer	Anna Cecilia Gonzalez
Chief Technology Officer	Uche Abalogu
Senior Manager	Gary Hill
Manager	Debbie Childers
Manager	Melynda Shepherd
Senior Financial Analyst	Lara McKinney
Investment Counsel	Jon Ellison
IT Investment Associate	Aman Jain

Agenda Item
UTIMCO Board of Directors Meeting
October 9, 2014

Agenda Item: Discussion and Appropriate Action Related to Office Lease Extension

Developed By: Staff

Presented By: Zimmerman

Type of Item: Action Item

Description: UTIMCO's current 132 month office lease expires August 31, 2016. Mr. Zimmerman will discuss amending the lease for an additional three years. Pursuant to the Delegation of Authority Policy, because the contract to extend the lease for a 3 – year term is a total obligation in excess of \$1 million, the UTIMCO Board must approve the contract or provide specific authority to the CEO to execute the lease on behalf of UTIMCO.

Recommendation: Staff requests appropriate action related to the extension of the office lease.

Reference: Executive session materials

RESOLUTION RELATED TO EXTENSION OF OFFICE LEASE

WHEREAS, the Corporation currently leases office space for its executive and administrative offices in the Building commonly known as Frost Bank Tower in Austin, Texas pursuant to an Office Lease with PKY-401 Congress, LLC (as successor in interest to Cousins Properties Texas LP) which expires on August 31, 2016; and

WHEREAS, the Corporation must negotiate and enter into a new lease agreement to secure office space for its executive and administrative offices on the expiration of the existing lease.

NOW, THEREFORE, BE IT RESOLVED, that the CEO is authorized and directed by the Board of Directors to negotiate and enter into an office lease extension agreement on behalf of the Corporation for executive and general administrative offices in Austin, Texas, ("Lease Agreement") on such terms that may be in the best interests of the Corporation as determined by the CEO; and

FURTHER RESOLVED, that the CEO is authorized by the Board of Directors to negotiate and enter into on behalf of the Corporation any modifications of and documents ancillary to the Lease Agreement and to take whatever action as may be necessary or in the best interests of the Corporation as the CEO may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of this Resolution and to perform the obligations of the Corporation under the Lease Agreement and any instruments referred to therein and/or executed in connection therewith.