

**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 **February 5, 2015**, 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, 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
R. Steven Hicks
Jeffery D. Hildebrand
H. Lee S. Hobson
Robert L. Stillwell
John D. White

thus constituting a majority and quorum of the Board. Director Kyle Bass did not attend the meeting. Chairman Foster called the meeting to order at 10:01 a.m. Also attending the meeting was Chancellor William H. McRaven. 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; Mark Warner, Senior Managing Director - Natural Resources and Emerging Markets Investments; Lindel Eakman, Managing Director - Private Markets Investments; Mark Shoberg, Managing Director - Real Estate Investments; Susan Chen, Managing Director - Public Markets Investments; Ryan Ruebsahm, Managing Director - Marketable Alternative Investments; Uzi Yoeli, Managing Director - Portfolio Risk Management; Russ Kampfe, Sr. Portfolio Manager - Fixed Income Investments; Uche Abalogu, Chief Technology Officer; and other staff members. Other attendees were Mike Peppers, Moshmee Kalamkar, and Terry Hull of the UT System Administration; Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner of Andrews Kurth LLP; and Maria Robinson from 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 November 18, 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 **November 18, 2014**, be, and are hereby, approved.

Corporate Resolutions

Chairman Foster recommended designating April 22, 2015, as the annual meeting date for the Board. 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 22, 2015, in Austin, Texas.

Chairman Foster also presented a Resolution of Appreciation to Chancellor Francisco G. Cigarroa, M.D. for his service as a member of the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Francisco G. Cigarroa, M.D., a nationally renowned transplant surgeon and third generation physician from Laredo, Texas, graduated from Yale University in 1979 with a bachelor's degree in biology and then received his medical degree from The University of Texas Southwestern Medical Center in 1983; and

WHEREAS, during his post graduate training, he became chief resident in General Surgery at Massachusetts General Hospital in Boston and completed fellowships in Pediatric Surgery and Transplantation Surgery at Johns Hopkins Hospital in Baltimore, then joined the faculty of The University of Texas Health Science Center at San Antonio in 1995, where he served as director of pediatric surgery before serving as president of the institution from 2000-2009; and

WHEREAS, President George W. Bush appointed Dr. Cigarroa to serve on the President's Committee on the National Medal of Science, and President Barack Obama appointed him to serve as a commissioner on the White House Initiative on Educational Excellence for Hispanic Americans; and

WHEREAS, in 2009, Dr. Cigarroa became the first Hispanic to be named chancellor of The University of Texas System, overseeing one of the largest public systems of higher education in the nation, which consists of nine universities and six health institutions; and

WHEREAS, by virtue of his position as Chancellor of the UT System, he also served as Director and Vice Chairman for Policy for The University of Texas Investment Management Company, providing outstanding leadership, counsel and guidance to UTIMCO by drawing upon his experience as well as his knowledge and insight gained during his tenure with The University of Texas Health Science Center at San Antonio; and

WHEREAS, Dr. Cigarroa's commitment as a Director of UTIMCO was exemplary, reflecting his deep devotion to the education and development of students at all levels, and further evidenced by his service as the 2010 President of the Academy of Medicine, Engineering and Science of Texas, a member of the National Research Council Committee on Research Universities and the American Academy Commission on the Humanities and Social Sciences and recipient of the

Massachusetts General Hospital Trustees' Medal in recognition of his contributions to the advancement of the practice of medicine and patient care in 2011; and

WHEREAS, Dr. Cigarroa's unselfish contributions are also evidenced in the civic and corporate arenas by his membership in several prestigious societies, including the American College of Surgery, the Institute of Medicine, the American Board of Surgery and the American Academy of Arts and Sciences, and as an honorary member of the National Academy of Science in Mexico, and Alumni Fellow to the Yale Corporation; and

WHEREAS, during Dr. Cigarroa's tenure on the UTIMCO Board, UTIMCO managed the Permanent University Fund and other investments of The University of Texas System with the highest standards of integrity, professionalism, and competency, earning wide praise and recognition from UTIMCO's investment beneficiaries, namely The University of Texas System and The Texas A&M University System, as well as the alumni and patrons of such Systems, the State's legislative leaders, the national credit rating agencies, capital markets, and investment community generally.

NOW, THEREFORE,

BE IT RESOLVED, that the Directors of The University of Texas Investment Management Company, on behalf of the grateful people of the State of Texas, particularly the Boards of Regents and Administrators of The University of Texas System and The Texas A&M University System, do hereby express to Francisco G. Cigarroa, M.D. their sincerest appreciation for his leadership and service that have contributed immeasurably to UTIMCO's past successes; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Dr. Cigarroa has made a lasting and fundamental contribution to improve the manner in which public university endowments are invested and managed in the State of Texas, 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 5th day of February 2015.

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 assets under management and performance results as of the fiscal quarter, November 30, 2014, and also as of December 31, 2014. Mr. Zimmerman reported the Corporation had \$34.5 billion of assets under management as of December 31, 2014. Of the \$34.5 billion, \$17.5 billion was in the Permanent University Fund ("PUF"), \$8.2 billion in the General Endowment Fund ("GEF"), \$1.7 billion in the Short Term Fund ("STF"), \$0.1 billion in Separately Invested Funds, \$0.3 billion in the Debt Proceeds Fund, and \$6.7 billion in the Intermediate Term Fund ("ITF"). The net

performance for the calendar year ended December 31, 2014, for the PUF was 6.84% and for the GEF was 7.0%. The ITF's performance was 3.48%. Mr. Zimmerman also presented the *Endowment Dashboard*, which provides a one page summary of ten identified risks for the funds, including underperformance risk, market and scenario analysis, volatility/downside risk and downside risk attribution, active management, value add, endowment insurance hedges, transparency risks and concentration analysis. Mr. Kampfe, Mr. Warner, Mr. Shoberg, Ms. Chen, Mr. Ruebsahm and Mr. Eakman each reported on their respective portfolios. Mr. Zimmerman gave an update on the ITF and contracts. Mr. Zimmerman and Investment Staff answered the Directors' questions.

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 January 30, 2015. At that meeting, the Committee approved minutes from their previous meeting and heard a report from Mr. Robert Cowley, engagement partner from the independent accounting firm of Deloitte & Touche LLP, providing the audit results and communications for the Corporation for the fiscal years ended August 31, 2014 and August 31, 2013. Also reviewed and approved were the Audited Financial Statements and Audit Report for the Corporation for the fiscal years ended August 31, 2014 and August 31, 2013. The Committee heard an update on compliance for the period ending November 30, 2014 from Ms. Gonzalez and Ms. Moeller presented the separate unaudited financial statements as of November 30, 2014, for the PUF, GEF, the Permanent Health Fund, The University of Texas System Long Term Fund, and ITF. The following resolution was recommended by the Audit and Ethics Committee for approval by the Board. Upon motion duly made and seconded, this resolution was unanimously adopted by the Board:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2014, 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, 2014 and August 31, 2013, be, and are hereby approved in the form as presented to the Board.

Risk Committee Report

Chairman Foster asked Mr. Zimmerman to provide a report from the Risk Committee in Mr. Bass' absence. Mr. Zimmerman reported that the Committee met on January 30, 2015. Minutes were approved from the previous meeting. He stated that the Risk Committee approved 13 new investment mandate categorizations prepared by Staff for the period beginning October 25, 2014 and ending January 20, 2015. The Committee heard a report from Ms. Gonzalez on compliance items for the quarter ending November 30, 2014. There were no action items related to the Risk Committee report.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:32 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: [Signature] Date: 4-24-15
Chairman, Board of Directors of
The University of Texas Investment Management Company