

**MINUTES OF ANNUAL 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 April 22, 2015, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Vice Chairman, Ardon Moore, 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:

Ardon E. Moore, Vice Chairman
Phil Adams
Kyle Bass
R. Steven Hicks
Jeffery D. Hildebrand
John D. White

Director Adams joined the meeting by conference telephone enabling all persons participating in the meeting to hear each other, thus constituting a majority and quorum of the Board. Vice Chairman for Policy William McRaven and Director Lee Hobson did not attend the meeting. Vice Chairman Moore called the meeting to order at 10:05 a.m., welcoming the newest Board member, Phil Adams. 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; 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; Scott Bigham, Director - Private Markets Investments; Eddie Lewis, Director - Real Estate Investments, Pat Pace, Director - Private Markets Investments; Uche Abalogu, Chief Technology Officer; and other staff members. Other attendees were Jim Phillips, Roger Starkey, Allen Hah and Terry Hull of the UT System Administration; Keith Brown of the McCombs School of Business at UT Austin; and Jerry Turner of Andrews Kurth LLP. 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 February 5, 2015. 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 February 5, 2015, be, and are hereby, approved.

Corporate Resolutions

Vice Chairman Moore nominated Director Hildebrand as Chairman and recommended approval of the corporate resolution designating officers for the Corporation. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the following persons are hereby appointed to the respective office or offices of the Corporation set forth opposite their names, to serve until the next Annual Meeting of the Corporation or until their resignation or removal.

<u>Name</u>	<u>Office or Offices</u>
Jeffery D. Hildebrand	Chairman
Ardon E. Moore	Vice-Chairman
William H. McRaven	Vice-Chairman for Policy
Bruce Zimmerman	Chief Executive Officer and Chief Investment Officer
Joan Moeller	Senior Managing Director, Treasurer and Secretary
Mark Warner	Senior Managing Director
Lindel Eakman	Managing Director
Mark Shoberg	Managing Director
Ryan Ruebsahm	Managing Director
Susan Chen	Managing Director
Uzi Yoeli	Managing Director
Uche Abalogu	Chief Technology Officer
Christy Wallace	Assistant Secretary

At this point, Mr. Hildebrand assumed control of the meeting as Chairman. Chairman Hildebrand thanked the Board and said it was an honor to serve as Chairman and was pleased to be a part of this organization. He continued the meeting by presenting Resolutions of Appreciation to Morris Foster and Robert Stillwell for their service as members of the Board. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

Director Morris E. Foster's Resolution of Appreciation:

WHEREAS, in recognition of his substantial background and expertise in business, Morris E. Foster was appointed by Governor Rick Perry to the Board of Regents of The Texas A&M University System in 2007, served as its Chairman from 2009-2011, and was reappointed in 2013 for another six-year term; and

WHEREAS, during his tenure Mr. Foster was appointed by The Texas A&M University System Board to the Board of Directors of The University of Texas Investment Management Company ("UTIMCO") in 2012; and

WHEREAS, Mr. Foster served as a Member of the Board's Policy and Risk Committees, and was elected Chairman of the Board in 2013 until his term ended on April 1, 2015; and

WHEREAS, during his tenure on the UTIMCO Board, Mr. Foster provided invaluable insight and counsel, drawing on his immense experience in business,

engineering, and the oil and gas industry, presently as Chairman of Stagecoach Properties, Inc., and formerly as the President of ExxonMobil Production Company, Vice President, Exxon Mobil Corporation, and President of ExxonMobil Development Company, and prior to the merger of Exxon and Mobil, as President of Exxon Upstream Development Company; and

WHEREAS, Mr. Foster's commitment and service as a Director of UTIMCO were exemplary, reflecting his deep devotion to the education and development of students at all levels, and further evidenced by his induction into Texas A&M University's Academy of Distinguished Graduates in 1993, and his work with The Texas A&M University System, including serving as Chairman of the Board of Regents, a member of the Committee on Buildings and Physical Plant, special liaison to the Development Foundations of A&M System Members, and a member of the Committee on Finance; and

WHEREAS, Mr. Foster's unselfish contributions are also evidenced in the civic and corporate arenas by his service on numerous boards, including First State Bank of Central Texas, Tidewater, Inc., Scott & White Medical Institute, United Way of the Texas Gulf Coast, Greater Houston Partnership, and as a member of the American Petroleum Institute, the Society of Petroleum Engineers, and the Texas Oil & Gas Association; and

WHEREAS, during Mr. Foster'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; and

WHEREAS, much of the credit for UTIMCO's success is directly attributable to Mr. Foster's leadership, judgment, and commitment.

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 Morris E. Foster their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Mr. Foster 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 22nd day of April 2015.

And Director Robert L. Stillwell's Resolution of Appreciation:

WHEREAS, in recognition of his substantial background and expertise in law and business, Robert L. Stillwell was appointed by Governor Rick Perry to the Board of Regents of The University of Texas System in 2009, and was appointed by the Board of Regents to the Board of Directors of The University of Texas Investment Management Company ("UTIMCO") in 2013; and

WHEREAS, Mr. Stillwell has provided invaluable insight and counsel, drawing on his immense experience as a principal with TBP Investments Management, as director of Pioneer Corporation, as an original director of Mesa Petroleum Co.; and a retired partner at the law firm of Baker Botts L.L.P.; and

WHEREAS, Mr. Stillwell's unselfish contributions are also evidenced in the civic and education arenas by his service on the boards of EXCO Resources, Inc. and Warren Equipment Company, membership in the State Bar of Texas and the Houston Bar Association, and as trustee of the T. Boone Pickens Foundation helping direct \$700 million of educational, scientific, and health care gifts to nonprofit organizations, including gifts to U.T.M.D. Anderson Cancer Center, U.T. Southwestern Medical Center and U.T. Dallas; and

WHEREAS, during Mr. Stillwell'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; and

WHEREAS, Mr. Stillwell's commitment and service as a Board Member of UTIMCO were exemplary, reflecting his deep devotion to the education and development of students at all levels, and further evidenced by his work with the Board of Regents of The University of Texas System, including service as Chairman of the Health Affairs Committee; a member of the Academic Affairs, Audit, Compliance, and Management Review, and Facilities Planning and Construction Committees; service as a Regental Representative to the M. D. Anderson Services Corporation Board of Directors; an Athletics Liaison; previous service as a member of the Task Force on University Excellence and Productivity, and service on the Longhorn Foundation Advisory Council Executive Committee at The University of Texas at Austin; and

WHEREAS, Mr. Stillwell has provided outstanding leadership and judgment to UTIMCO through his dedicated service as Chair of the Board's Policy Committee and a member of the Audit and Ethics Committee.

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 Mr. Stillwell their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Robert L. Stillwell 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 22 day of April, 2015.

Various Directors also expressed their appreciation to Morris Foster and Robert Stillwell for their dedicated service to the Board. Chairman Hildebrand then recommended approval of new committee assignments. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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

John D. White
Phil Adams
H. Lee S. Hobson

subject to approval by the Board of Regents of The University of Texas System at a future meeting, 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 John D. White 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:

H. Lee. S. Hobson
Kyle Bass
R. Steven Hicks
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 H. Lee S. Hobson 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:

Kyle Bass
H. Lee S. Hobson
Ardon E. Moore
John D. White

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 Kyle Bass 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:

R. Steven Hicks
Phil Adams
John D. White

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 R. Steven Hicks is hereby designated the Chair of the Policy Committee and shall preside at its meetings.

Mr. Zimmerman noted that the UT System Board would be appointing a new Board member soon and that individual would be added to serve on committees at that time.

Endowment and Operating Funds Update

Chairman Hildebrand asked Mr. Zimmerman to present the Corporation's endowment and operating funds update. Mr. Zimmerman 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. He also presented the Corporation's assets under management and performance results as of February 28, 2015. Mr. Zimmerman reported the Corporation had \$35.7 billion of assets under management: \$18.0 billion in the Permanent University Fund ("PUF"), \$8.3 billion in the General Endowment Fund ("GEF"), \$1.9 billion in the Short Term Fund ("STF"), \$0.2

billion in Separately Invested Funds, \$0.3 billion in the Debt Proceeds Fund, and \$7.0 billion in the Intermediate Term Fund ("ITF"). The net performance for the six months ended February 28, 2015, for the PUF was 1.06% and for the GEF was 1.47%. The ITF's performance was 0.29%. Mr. Zimmerman, Ms. Chen, Dr. Yoeli, Mr. Warner, Mr. Ruebsahm, Mr. Kampfe and Mr. Lewis discussed in detail each of the risks identified on the *Endowment Dashboard* and reported on their respective portfolios. Mr. Zimmerman also gave an update on co-investments, the ITF and contracts. Mr. Zimmerman and Investment Staff answered the Directors' questions.

Permanent Loss of Capital

Mr. Zimmerman began discussion of the Permanent Loss of Capital presentation. In the spirit of transparency and also as an educational process, Staff reviewed the Corporation's 19-year investment history as it related to permanent loss of capital. Mr. Zimmerman summarized all investments' risk of loss of capital, and reported realized and anticipated losses for the 19 years. Out of \$59.9 billion of investment decisions, there was a total loss of 2.5% in 19 years. Mr. Zimmerman then asked Ms. Chen, Mr. Ruebsahm, Mr. Powers, and Mr. Bigham to discuss permanent loss of capital in their respective portfolios. Mr. Zimmerman and Staff answered the Directors' questions.

At approximately 12:00 p.m. the Board recessed for lunch.

The meeting of the Board reconvened in open session at 12:30 p.m.

Organization Update

Chairman Hildebrand asked Mr. Zimmerman to give an organization update to the Board. Mr. Zimmerman gave an update on the Corporation's staffing, asking new employees to introduce themselves to the Board, and presented the actual to budget expenses for the first six months of Fiscal Year 2015. He asked Mr. Ruebsahm to give a presentation of the junior staffing program, and asked Mr. Abalogu to report on updates in the information technology area. Mr. Zimmerman and Staff answered the Directors' questions.

Compensation Committee Report

Chairman Hildebrand asked Mr. Bass to provide a report on the Compensation Committee in the absence of Mr. Hobson, Chairman of the Compensation Committee. Mr. Bass stated that the Committee had met on April 13, 2015. The Committee approved minutes from their previous meeting. They also discussed and approved the Designation of a new employee and a promoted employee in Eligible Positions as Participants in the UTIMCO Compensation Program for the Performance Period ending August 31, 2015, subject to approval by the Board, and the Qualitative Performance Goals for two new Participants in the UTIMCO Compensation Program for the Performance Period ending August 31, 2015. The Committee also discussed and approved Committee Chair Hobson to engage a consultant to inform and advise the Committee regarding compensation matters for the 2015-2016 performance period. Chairman Hildebrand recommended that the Board accept the Compensation Committee's recommendations. Upon motion duly made and seconded, the following resolutions were 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 Patrick Pace (Director – Private Investments) to become a Participant for the 2014/2015 Performance Period; and

WHEREAS, the UTIMCO Board wishes to select Patrick Pace (Director – Private Investments) as a Participant for the 2014/2015 Performance Period.

NOW, THEREFORE, be it:

RESOLVED, that, Patrick Pace (Director – Private Investments) be designated as a "Participant" in the Plan for the 2014/2015 Performance Period, effective as of January 5, 2015.

And,

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 "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 Compensation Committee of the Board of Directors of UTIMCO (the "Committee") has previously determined that the position of Director, Investments is an Eligible Position in the Plan; and

WHEREAS, the position of Director, Investments, includes the position of Director – Natural Resources Investments; and

WHEREAS, William Prather, currently designated in the Plan in the Eligible Position of Senior Associate, Investments has been promoted to Director – Natural Resources Investments, and

WHEREAS, the Committee approved the designation of William Prather in the Eligible Position of Director, Investments for the 2014/2015 Performance Period, effective as of March 1, 2015, and the weighting of Mr. Prather's Incentive Award Opportunity and Percentage of Award Deferred for the 2014/2015 Performance Period, based on the time spent by Mr. Prather in each Eligible Position for the Performance Period ended August 31, 2015, and has recommended that the UTIMCO Board approve same.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the designation of William Prather in the Eligible Position of Director, Investments for the 2014/2015 Performance Period, effective as of March 1, 2015; and

FURTHER RESOLVED, that the Board approves the weighting of Mr. Prather's Incentive Award Opportunity and Percentage of Award Deferred for the 2014/2015 Performance Period, based on the time spent by Mr. Prather in each Eligible Position for the Performance Period ended August 31, 2015.

Audit and Ethics Committee Report

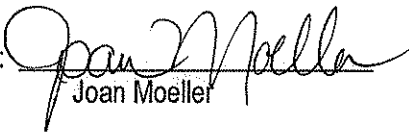
Chairman Hildebrand asked Mr. White to provide a report on behalf of the Audit and Ethics Committee. Mr. White reported that the Committee met on April 13, 2015. At that meeting, the Committee approved minutes from their previous meeting, heard an update on compliance for the period ending February 28, 2015, from Ms. Gonzalez, and Ms. Moeller presented the separate unaudited financial statements as of February 28, 2015, for the PUF, GEF, the Permanent Health Fund, The University of Texas System Long Term Fund, and ITF. There were no action items related to the Audit and Ethics Committee report.

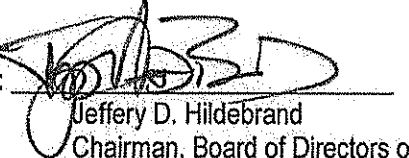
Risk Committee Report

Chairman Hildebrand asked Mr. Bass to provide a report from the Risk Committee. Mr. Bass reported that the Committee convened on April 13, 2015 and minutes were approved from the previous meeting. He stated that the Risk Committee approved 14 new investment mandate categorizations prepared by Staff for the period beginning January 21, 2015 and ending March 31, 2015. The Committee heard a report from Ms. Gonzalez on compliance items for the quarter ending February 28, 2015. There were no action items related to the Risk Committee report.

Prior to adjourning the meeting, Chairman Hildebrand expressed his pleasure and honor to be named Chairman of the Board.

There being no further business to come before the Board, the meeting was adjourned at approximately 12:59 p.m.

Secretary: 
Joan Moeller

Approved: 
Jeffery D. Hildebrand
Chairman, Board of Directors of
The University of Texas Investment Management Company

Date: 