

**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 **October 13, 2016**, 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, Jeffery D. Hildebrand, 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:

Jeffery D. Hildebrand, Chairman
Phil Adams
Kyle Bass
David J. Beck
R. Steven Hicks
H. Lee S. Hobson
Ray Nixon
Ray Rothrock

thus constituting a majority and quorum of the Board. William H. McRaven, Vice Chairman for Policy, did not attend the meeting. Chairman Hildebrand called the meeting to order at 10:03 a.m. Employees of the Corporation attending the meeting were Mark Warner, Interim CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; Russ Kampfe, Managing Director - Fixed Income; Susan Chen, Managing Director – MCC, Technology & Deal Legal; Uzi Yoeli, Managing Director – Risk Management; Ryan Ruebsahm, Managing Director – LCC & Credit; Eddie Lewis, Senior Director – Real Estate; and other staff members. Other attendees were Jim Phillips, Mike Peppers, Eric Polonski, and Karen Adler of UT System Administration; Jerry Turner and Bob Jewell of Andrews Kurth Kenyon LLP; and Keith Brown of the McCombs School of Business at UT Austin. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

Executive Session

Chairman Hildebrand announced 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 to consult with Counsel and to deliberate individual personnel matters, including acceptance of the resignation of the Chief Executive Officer and Chief Investment Officer and appointment of Interim Chief Executive Officer and Chief Investment Officer, pursuant to Sections 551.071 and 551.074, Texas Government Code. The date is October 13, 2016, and the time is now 10:03 a.m."

Reconvene in Open Session

The Board reconvened in open session and Chairman Hildebrand announced that "The Open Session of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The

date is October 13, 2016, and the time is now 10:36 a.m." During the Executive Session, the Board consulted with Counsel and 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."

Corporate Resolutions

Chairman Hildebrand continued by recommending resolutions to approve Bruce Zimmerman's resignation as Chief Executive Officer and Chief Investment Officer, appoint Mark Warner as Interim Chief Executive Officer and Chief Investment Officer, authorize the Chairman to appoint an Advisory Search Committee for the New Chief Executive Officer and Chief Investment Officer as a Nominating Committee of the Board, and authorize the Chairman to retain an executive search firm to assist the Advisory Search Committee. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the resignation of the Chief Executive Officer and Chief Investment Officer is accepted and that the terms of separation for Bruce Zimmerman as recommended by the Chairman of the Board of Directors (the "Board") are hereby approved; and

FURTHER RESOLVED, that Mark Warner is hereby appointed as the Interim Chief Executive Officer and Chief Investment Officer of the Corporation with all the powers and duties of Chief Executive Officer and Chief Investment Officer of the Corporation, including the powers and duties of President of the Corporation set forth in Article V, Section 7 of the Corporation's Bylaws and such additional powers and duties as have been or may hereafter be assigned to him in those capacities by the Board; and

FURTHER RESOLVED, that the authority of the Chairman of the Board to appoint an Advisory Search Committee for a new Chief Executive Officer and Chief Investment Officer as a Nominating Committee of the Board, as set forth in Article IV, Section 3 of the Bylaws of the Corporation, is hereby confirmed; and

FURTHER RESOLVED, that the Advisory Search Committee shall function in an advisory role to compile a list of one or more candidates considered qualified and suitable for consideration by the Board for appointment to the position of Chief Executive Officer and Chief Investment Officer of the Corporation; provided that the Advisory Search Committee shall have no authority or responsibility to establish or recommend compensation for such officer; and

FURTHER RESOLVED, that the Chairman of the Board, in his sole discretion, is authorized to retain an executive search firm to assist the Advisory Search Committee in the performance of its functions hereunder.

Minutes

The next item to come before the Board was approval of the minutes of the Board of Directors Meeting held on August 23, 2016. 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 August 23, 2016, be, and are hereby, approved.

Endowment and Operating Funds Update

Chairman Hildebrand asked Mr. Warner to present the Corporation's endowment and operating funds update. Mr. Warner stated that he was presenting a high-level summary as Private Benchmark returns were not yet available. The Board will be updated with the Corporation's performance results as of August 31, 2016, when benchmark information is available. Mr. Warner then discussed the market performance during FY2016, active management value add, current tactical allocation, and covered high points of volatility. Mr. Warner also gave an update on co-investments, the ITF and contracts. Mr. Kampfe, Mr. Ruebsahm, Mr. Lewis, Ms. Chen, Mr. Pace, and Mr. Rincon discussed in detail their respective portfolios. Mr. Warner then presented the *Endowment Dashboard*, which provides a one page summary of ten identified risks for the funds, including underperformance risk, market and scenario analysis, downside volatility and downside volatility attribution, active management, value add, endowment insurance hedges, transparency risks and concentration analysis. Mr. Warner, Dr. Yoeli and other Investment Staff answered the Directors' questions.

Briefing Session

The open meeting of the Board recessed into a Briefing Session pursuant to Texas Education Code Section 66.08 (h)(2).

The Board reconvened in open session.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 12:22 p.m.

Secretary: 
Joan Moeller

Approved:  _____

Date: 12-15-14

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