

**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 7, 2017**, 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
Phil Adams
Kyle Bass
David J. Beck
R. Stephen 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. 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; Richard Rincon, Director - Emerging Markets; Courtney Powers, Senior Director - LCC; Pat Pace, Senior Director – Healthcare and Lower/MiddleMarkets; Drury Morris, Senior Associate – LCC; Mukund Joshi, Senior Associate – Real Estate; Jim Pappas, Senior Analyst – Natural Resources and Emerging Markets; Andres Delgado, Analyst – MCC; Anna Sandvik, Office Associate; Tara Hamilton, ITC – Real Estate, and other staff members. Other attendees were Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner and Bob Jewell of Andrews Kurth Kenyon LLP; Randa Safady, Allen Hah, Roger Starkey, Terry Hull, Mike Peppers, Eric Polonski and Jenny LaCoste-Caputo of UT System; David Rejino of Texas A&M University System; and Jill Shaw and Kevin Carlow of Cambridge Associates. Chairman Hildebrand called the meeting to order at 11:03 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

Approval of Minutes

The first item to come before the Board was approval of the Minutes of the Board of Directors Meeting held on December 1, 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
December 1, 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 provided Assets Under Management as of November 30, 2016, reporting that the Corporation had \$37.3 billion of assets under management: \$18.3 billion in the Permanent University Fund ("PUF"), \$8.6 billion in the General Endowment Fund ("GEF"), \$1.6 billion in the Short Term Fund ("STF"), \$0.2 billion in the Separately Invested Funds, \$0.7 billion in the Debt Proceeds Fund, and \$7.9 billion in the Intermediate Term Fund ("ITF"). Mr. Warner then discussed preliminary endowment performance, noting that the portfolio was up 1.77% in the General Endowment Fund, and 1.53% in the Permanent University Fund. He also presented returns, returns vs. market, active management value add, and market performance. Mr. Warner then discussed Up-Down Capture vs. U.S. and World Equities.

Mr. Warner asked colleagues to discuss each investment strategy in more detail. Mr. Kampfe discussed the current Investment Grade Fixed Income Portfolio. Director Bass shared with the Board a recap of the recent conversations he and the Staff had about this portfolio and complimented the team on their work around this discussion and indicated there may be additional future discussions with Staff on the portfolio. Following the Fixed Income discussion, Mr. Joshi, Ms. Chen, Mr. Ruebsahm, Mr. Powers, Mr. Morris, Mr. Pace, and Mr. Rincon discussed and reported on their respective portfolios. Mr. Joshi noted that MCC Real Estate is no longer in the policy portfolio and will likely be fully liquidated no later than the end of FY 2017. Mr. Warner noted that MCC-Natural Resources is being combined into the broader MCC-Developed Country Equity policy portfolio. Mr. Warner gave an update on the private investments portfolio and asked Dr. Yoeli to report on the different risk scenarios. Mr. Warner and the Investment Staff answered the Directors' questions.

At approximately 1:02 p.m. the Board recessed for lunch.

The meeting of the Board reconvened in open session at approximately 1:31 p.m.

Audit and Ethics Committee Report

Chairman Hildebrand asked Mr. Beck to provide a report on behalf of the Audit and Ethics Committee. Mr. Beck reported that the Committee met via teleconference on January 31, 2017. At the meeting, the Committee approved the minutes from their previous meeting, approved the Deloitte & Touche LLP's Audit Results and Communications and the audited financial statements for the Corporation for the year ended August 31, 2016, and the Committee approved and submitted its recommendation regarding a change to the incentive award opportunities for the Corporate Counsel and Chief Compliance Officer for the fiscal year 2017, effective September 1, 2016. Routine matters of the Committee were also considered, including an update on UTIMCO's compliance, reporting and audit matters, including the quarterly compliance summary, the quarterly report on the institutional compliance program, and an update on the FY17 action plan. Mr. Beck reported that Ms. Gonzalez notified the Committee about a compliance violation for the quarter ended November 30, 2016, related to a derivative trade by an external manager under an agency agreement. Mr. Beck stated that the Committee heard a report from Mr. Peppers and Mr. Polonski of UT System on the results of the calendar year ended 2015 Travel and Entertainment audit for the CEO and selected Staff. Finally the Committee heard a report from Mr. Cowley of Deloitte and Touche LLP on the Financial Statement Audit Results and Communications for the Corporation. Mr. Beck then requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to the audits of the Corporation for Fiscal Year 2016. Upon motion duly made and seconded, the following 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, 2016, 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, 2016, and August 31, 2015, be, and are hereby approved in the form as presented to the Board.

Policy Committee Report

Chairman Hildebrand asked Mr. Hicks to provide a report from the Policy Committee. Mr. Hicks reported that the Committee convened via teleconference in a joint meeting with the Risk Committee, followed by a separate meeting, on January 31, 2017. At the separate meeting, the Policy Committee approved the minutes from the April 26, 2016 meeting and the minutes of the Joint Meeting of the Policy and Risk Committee on July 12, 2016. During the Joint Committee meeting the Committee considered the proposed amendments to the Private Investments benchmark and the Investment Policy Statements of the PUF, GEF, the Long Term Fund ("LTF"), and the Permanent Health Fund ("PHF"). The Committee did not take action on the proposed amendments. Chairman Hildebrand then asked Mr. Warner to briefly present Staff's recommendation regarding the change to the Private Investments Benchmark. Mr. Warner and Ms. Shaw of Cambridge Associates answered the Directors' questions. The Board deferred action on the resolution.

Risk Committee Report

Chairman Hildebrand asked Mr. Bass to provide a report from the Risk Committee. Mr. Bass reported that the Risk Committee met via teleconference jointly with the Policy Committee, and separately on January 31, 2017. During the Joint meeting the Committee listened to presentations on proposed amendments to the Private Investments benchmark and the Investment Policy Statements. The Committee did not take action on the proposed amendments. At the separate meeting the Committee considered two action items, the approval of minutes from the November 17, 2016 meeting and approval of seven (7) new mandate categorizations prepared by Staff for the period beginning November 8, 2016 and ending January 20, 2017. The Committee also discussed a prior compliance violation by Staff with regard to trading authorization. Routine matters before the Committee included a report from the Corporate Counsel and Chief Compliance Officer on compliance matters for the quarter ended November 30, 2016. Mr. Bass further stated that the Committee heard a report on a compliance violation related to a derivatives trade by an external manager under an agency agreement. Mr. Bass explained that Staff formally requested, and was granted, a waiver from the Board of Directors' Chairman. In addition, the external manager in question also held positions with a counterparty whose credit rating did not meet our requirement of an A- rating or above. Mr. Warner updated the Committee to confirm that those positions were liquidated. There were no action items related to the Risk Committee.

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 consider

individual personnel compensation and evaluation matters, pursuant to Section 551.074, *Texas Government Code*. The date is February 7, 2017, and the time is now 1:50 p.m." With the exception of Mr. Turner, Mr. Jewell, and Mr. Warner, all other meeting participants left the meeting. Mr. Warner left the meeting during discussions regarding his evaluation and compensation matters.

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 February 7, 2017, and the time is now 2:30 p.m. During the Executive Session, the Board deliberated individual personnel compensation and evaluation 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 Hildebrand asked Mr. Hobson, Chairman of the Compensation Committee, to provide a report on the Committee's meeting. Mr. Hobson stated that the Compensation Committee met via teleconference on February 1, 2017. The Committee considered six action items at this meeting, three of which required further approval by the Board. The minutes from the November 17, 2016, November 28, 2016, and December 1, 2016 meetings were approved. The Committee then met in Executive Session to consider individual personnel compensation matters. Following the Executive Session the Committee approved the designation of four new employees as participants in the UTIMCO Compensation Program. The Committee further approved the qualitative performance goals for those new plan participants. The Committee then approved the UTIMCO Peer Group for the plan, effective September 1, 2016. The Committee discussed and approved action related to Appendix C of the UTIMCO Compensation Program as it related to the incentive award opportunities for certain individuals, effective September 1, 2016. The Committee then discussed the selection of a compensation consultant, but deferred action on this item until a later meeting. Mr. Hobson then requested approval, on behalf of the Compensation Committee, for three resolutions. 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 the following individuals, Will Mirshak (Senior Associate – Investments), James Pappas (Senior Analyst – Investments), Andres Delgado (Analyst – Investments), and James Ricker (Analyst – Investments), as Participants in the Plan for the Performance Period ended August 31, 2017; and

WHEREAS, the UTIMCO Board wishes to select Will Mirshak (Senior Associate – Investments), James Pappas (Senior Analyst – Investments), Andres Delgado

(Analyst – Investments), and James Ricker (Analyst – Investments) as Participants for the 2016/2017 Performance Period.

NOW, THEREFORE, be it:

RESOLVED, that Will Mirshak (Senior Associate – Investments), James Pappas (Senior Analyst – Investments), Andres Delgado (Analyst – Investments), and James Ricker (Analyst – Investments) are hereby designated as "Participants" in the Plan for the Performance Period ended August 31, 2017, effective as of January 23, 2017, December 30, 2016, January 17, 2017, and February 21, 2017, respectively.

And

WHEREAS, Section 8.24. of the UTIMCO Compensation Program (the "Plan") provides that the "Peer Group" will be updated from time to time as deemed appropriate by the Board, and Appendix B (UTIMCO Peer Group) will be amended accordingly; and

WHEREAS, Section 7.2. of the Plan provides that the Board has the right to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Board has reviewed the Appendix B and it conforms to the updated Peer Group as defined in the Plan.

NOW, THEREFORE, be it:

RESOLVED, that the updated and amended Appendix B (UTIMCO Peer Group), a copy of which is attached hereto, is hereby adopted and approved as part of the Plan to replace the current Appendix B, effective as of September 1, 2016.

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, the Plan requires Table 1 to be revised, as necessary, for subsequent Performance Periods to set forth any changes or additions to 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, the Board has reviewed the revised Table 1 and approves the amendments as recommended by the Compensation Committee.

NOW, THEREFORE, be it:

RESOLVED, the updated and amended Table 1, a copy of which is attached hereto, is hereby adopted and approved to replace the current Appendix C, effective as of September 1, 2016.

UTIMCO Organization Update

Chairman Hildebrand asked Mr. Warner to provide the Board with an update on the organization. Mr. Warner discussed the current organization chart and gave a recruiting update on new positions at the Corporation. New staff members Jim Pappas, Andres Delgado, Anna Sandvik, and Tara Hamilton introduced themselves to the Board. Mr. Warner then reported on the 1st Quarter Corporate budget vs. actual, and provided an update on UTIMCO's Mission, Vision, and Values. Mr. Warner and Ms. Moeller answered the Directors' questions.

Corporate Resolutions

Chairman Hildebrand recommended Board approval of the resolution to designate the Annual Meeting of the UTIMCO Board of Directors. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the Annual Meeting of the Board of Directors will be held on April 20, 2017, in Austin, Texas.

Chairman Hildebrand read and recommended for approval a resolution of appreciation honoring Bruce Zimmerman for his nine years of service as the Chief Executive Officer and Chief Investment Officer of The University of Texas Investment Management Company. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

WHEREAS, due to his substantial background and expertise in global investing, Bruce Zimmerman was hired by The University of Texas Investment Management Company in July 2007, to serve as Chief Executive Officer and Chief Investment Officer for the investment of the funds under the fiduciary care of the Board of Regents of The University of Texas System, for the benefit of The University of Texas System, The Texas A&M University System, and the citizens of the State of Texas; and

WHEREAS, as the Chief Executive Officer and Chief Investment Officer, Mr. Zimmerman provided invaluable insight and direction to the staff and Board of Directors, through his development of investment strategy, drafting and amendment of various investment policies, establishment of annual budgets, directing the investment teams, administration of all personnel and staff matters; administration of matters pertaining to the management of the Intermediate Term Fund and maintenance of relationships with the Chief Business Officers at each of the institutions; leadership in all the UTIMCO Committee and Board of Directors Meetings; analysis and reporting on the investment portfolio to the Board of Regents, and cultivation of relationships with members of the legislature and various constituents; and

WHEREAS, Mr. Zimmerman's leadership, commitment, and service as Chief Executive Officer and Chief Investment Officer were exemplary, reflecting his dedication to the success of The University of Texas Investment Management Company and The University of Texas System for the benefit of and education and development of students at all levels.

NOW, THEREFORE,

BE IT RESOLVED, that the Directors of The University of Texas Investment Management Company, do hereby express to Bruce Zimmerman their sincerest appreciation for his leadership, commitment, and service during his nine years as Chief Executive Officer and Chief Investment Officer of The University of Texas Investment Management Company; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Mr. Zimmerman 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 7th day of February, 2017.

Employee's Service as a Director on an UTIMCO Investee Company

Chairman Hildebrand asked Mr. Warner to explain his recommendation for Richard Rincon, Director – Emerging Markets, to serve as a Manager of the Board of Managers for Grupo Los Grobo LLC. Mr. Rincon would begin service on March 14, 2017 and would serve for so long as the Board of Regents of The University of Texas System retains at least 50% of its original investment in the LLC. For his service Mr. Rincon would be reimbursed his expenses incurred in attending the meetings but no additional compensation. Mr. Warner explained that, before an employee may serve as a director of a company in which the Corporation has directly invested its assets, the UTIMCO Code of Ethics requires the employee to obtain Board approval. Board approval must be conditioned on the extension of UTIMCO's Directors and Officers Insurance Policy coverage to the Employee's service as Director of the investee company. UTIMCO's Directors and Officers Insurance Policy coverage has been extended to cover Mr. Rincon's service as a director. Mr. Warner answered the Directors' questions. Upon motion duly made and seconded, the following resolution was adopted:

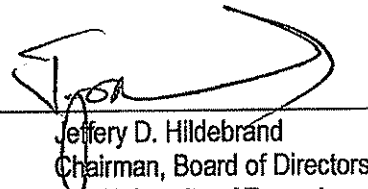
RESOLVED, that the Board of Directors hereby approves Richard Rincon's service as a Manager of the Board of Managers for Grupo Los Grobo LLC.

FURTHER RESOLVED, that this board service on an UTIMCO investee company will meet all requirements of the Code of Ethics for the Corporation applicable to board service on an UTIMCO investee company.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 2:49 p.m.

Secretary: 
Joan Moeller

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

Date: 6-20-17

Appendix B

UTIMCO Peer Group

- Brown University
- Columbia University
- Cornell University
- Dartmouth College
- Duke University
- Emory University
- Harvard University
- John Hopkins University
- Massachusetts Institute of Technology
- New York University
- Northwestern University
- Princeton University
- Rice University
- Stanford University
- UNC Management Company
- University of California
- University of Chicago
- University of Michigan
- University of Notre Dame
- University of Pennsylvania
- University of Southern California
- University of Virginia Investment Management Company
- Vanderbilt University
- Washington University in St. Louis
- Yale University

Source: UTIMCO Staff. Represents endowment funds (excluding the Total Endowment Assets) with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, all to be determined as of the last day of each year ended June 2014, 2015, 2016.

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, 2016)

Eligible Position	Weighting		Incentive Award Opportunity (% of Salary)				Percentage of Award Deferred
	Entity	Qualitative (Individual)	< Threshold	Threshold	Target	Maximum	
<i>Investment Professionals</i>							
CEO & Chief Investment Officer	80%	20%	0%	0%	200%	450%	50%
Senior Managing Director - Investments	70%	30%	0%	0%	120%	300%	45%
Managing Director - Investments	65%	35%	0%	0%	100%	250%	40%
Managing Director - Fixed Income	65%	35%	0%	0%	80%	200%	40%
Managing Director - Risk Management	65%	35%	0%	0%	70%	135%	40%
Senior Director - Investments	60%	40%	0%	0%	70%	185%	35%
Director - Investments	50%	50%	0%	0%	65%	175%	30%
Director - Risk Management	50%	50%	0%	0%	35%	80%	30%
Senior Associate - Investments	40%	60%	0%	0%	60%	155%	20%
Senior Associate - Risk Management	40%	60%	0%	0%	45%	140%	20%
Associate - Investments	35%	65%	0%	0%	50%	145%	15%
Associate - Risk Management	35%	65%	0%	0%	35%	120%	15%
Senior Analyst - Investments	30%	70%	0%	0%	40%	110%	0%
Analyst - Investments	20%	80%	0%	0%	30%	75%	0%
Analyst - Risk Management	20%	80%	0%	0%	25%	75%	0%
Senior Investment Counsel	50%	50%	0%	0%	40%	80%	25%
<i>Support and Control Professionals</i>							
Senior Managing Director	20%	80%	0%	0%	50%	90%	40%
Chief Technology Officer	20%	80%	0%	0%	30%	70%	30%
Corporate Counsel & Chief Compliance Officer	0%	100%	0%	0%	30%	70%	30%
Senior Manager	20%	80%	0%	0%	30%	60%	25%
Manager	20%	80%	0%	0%	30%	60%	25%
Senior Financial Analyst	20%	80%	0%	0%	15%	35%	20%
Mgr, Infrastructure and CISO	20%	80%	0%	0%	25%	50%	20%
Mgr, Development	20%	80%	0%	0%	25%	50%	20%
Business Analyst and Document System Manager	20%	80%	0%	0%	25%	50%	20%