

**MINUTES OF MEETING
OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS/TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

The Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in an open meeting on **July 26, 2018**, in person at the corporate headquarters located at 210 West 7th Street, Suite 1700 in Austin, 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
J. Kyle Bass
Robert Gauntt
Janet Handley
R. Steven Hicks
Ray Rothrock
Clifton L. Thomas, Jr.
James C. "Rad" Weaver

thus constituting a majority and quorum of the Board. Director Ray Nixon was not in attendance. Employees of the Corporation attending the meeting were Britt Harris, President, CEO and Chief Investment Officer; Rich Hall, Deputy Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; Scott Slayton, Managing Director; Uzi Yoeli, Managing Director; Russell Kampfe, Managing Director; Ryan Ruebsahm, Managing Director; Eddie Lewis, Managing Director; Mukund Joshi, Director; and other team members. Other attendees were Mr. John Kukral, President and CEO of Northwood Investors; Keith Brown of the McCombs School of Business at UT Austin; Jerry Kyle of Orrick, Herrington & Sutcliffe LLP; Terry Hull and Karen Adler of The University of Texas System ("UT System"); and Maria L. Robinson and David Rejino of The Texas A&M University System. Chairman Hildebrand called the meeting to order at 8:30 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

Chairman Hildebrand began the meeting by welcoming and introducing the newest member of the Board of Directors, Mr. Clifton L. Thomas, Jr.

Minutes

The first item to come before the Board was approval of the Minutes of the Board of Directors Meeting held on May 18, 2018. 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 18, 2018, be, and are hereby, approved.

Presentation by President and CEO of Northwood Investors

Chairman Hildebrand asked Mr. Eddie Lewis to introduce Mr. John Kukral, President and CEO of Northwood Investors. Mr. Lewis introduced Mr. Kukral and invited him to share with UTIMCO and the Board his thoughts about the real estate market and the manner in which Northwood operates in that market. Mr. Kukral said the success of Northwood has been due to their diversification in the real estate market, the purchase of and improvements they are willing to make to high quality properties, and their strategy of divesting investments within a short timeframe. Mr. Kukral answered the Directors' questions.

Real Estate Report

Chairman Hildebrand asked Mr. Lewis and Mr. Joshi to present to the Board an update on UTIMCO's Real Estate program. Mr. Lewis provided an overview of Real Estate's performance. UTIMCO's investment in real estate is 7.5% of the endowments. Real Estate is intended to provide better returns in times of market surprise or decline. Mr. Lewis also discussed with the Board the Team's action plan goals both met and planned for the rest of the calendar year of 2018. Mr. Lewis and Mr. Joshi answered the Directors' questions.

Performance and Market Update

Chairman Hildebrand asked Mr. Harris to give the UTIMCO Performance and Market Update. Mr. Harris reviewed the portfolio returns by asset class for the calendar quarter and pointed out that several areas performed ahead of their benchmark, including Real Estate, Natural Resources, and Venture Capital. He also reported that the preliminary returns for the Permanent University Fund ("PUF"), the Permanent Health Fund ("PHF") and the Long Term Fund ("LTF") for the quarter ended June 30, 2018 were 1.40%, 1.38%, and 1.38%, respectively. Total Net Asset Value ("NAV") of the Funds at the end of June 30, 2018 was \$44.6B. Mr. Harris answered the Directors' questions.

Audit and Ethics Committee Report

Chairman Hildebrand asked Director Handley to provide a report on behalf of the Audit and Ethics Committee. Director Handley reported that the Committee met via teleconference on July 19, 2018. At the meeting, the Committee considered three action items. The Committee approved the minutes from the May 10, 2018 meeting; Deloitte & Touche LLP was hired as the auditor for the corporation for the fiscal year ending August 31, 2018, pending approval from the Board; and approved the base salary for the Corporate Counsel and Chief Compliance Officer for the 2018-2019 fiscal year. Routine matters of the Committee were also considered, including an update on UTIMCO's compliance matters for the three months ended May 31, 2018; and a presentation of the unaudited financial statements as of May 31, 2018 for the Investment Funds and the Corporation. Ms. Gonzalez also reported that there were no contracts, leases, or other commercial arrangements of \$100,000 or more entered into during the quarter that needed to be reported. Ms. Gonzalez also reported on the UTIMCO Director Co-Investment Log. Ms. Moeller presented the capital budget versus actual for FY 18 as of May 31, 2018, for the leasehold improvements and furniture, fixtures and equipment related to the new office space. Director Handley recommended approval by the Board of the resolution related to the engagement of Deloitte and Touche LLP as the auditor for the corporation for the fiscal year

ending August 31, 2018. 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, 2018.

Risk Committee Report

Chairman Hildebrand asked Director Bass to provide a report from the Risk Committee. Director Bass reported that the Risk Committee met via teleconference on July 19, 2018. During the meeting the Risk Committee approved the minutes of the May 10, 2018 meeting and the categorization of nine investment mandates. The Committee also briefly discussed the development of a compliance program to avoid investments that engage in business activities that present a risk for U. S. Secondary Sanctions under the Office of Foreign Asset Control ("OFAC"). During the meeting Ms. Gonzalez reported on quarterly compliance matters.

Policy Committee Report

Chairman Hildebrand asked Director Hicks to provide a report from the Policy Committee. Director Hicks reported that the Committee convened via teleconference on July 19, 2018, jointly with the Risk Committee and separately. At the separate meeting, the Committee approved the minutes of the February 21, 2018 meeting. During the joint meeting, the Committees listened to a presentation from Mr. Rich Hall regarding the proposed amendments to the Investment Policy Statements, Liquidity Policy, Derivative Investment Policy, and the Delegation of Authority Policy. Mr. Hall also explained the Team's reasons for proposing to eliminate the Mandate Categorization Procedure.

Mr. Hall and Mr. Harris answered the Directors' questions regarding the proposed amendments. On behalf of the Policy Committee, Director Hicks presented the following resolution for Board approval. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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 Liquidity Policy and Derivative Investment Policy, as presented be, and are hereby approved, subject to approval by the Board of Regents of The University of Texas System; and

FURTHER RESOLVED, that amendments to the Delegation of Authority Policy as presented be, and are hereby approved; and

FURTHER RESOLVED that the Mandate Categorization Procedure is no longer applicable and deleted in its entirety.

Executive Session

Prior to going into executive session, Chairman Hildebrand announced that, "The Board of Directors of The University of Texas/Texas A&M 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 matters, including the CEO and Chief Investment Officer, pursuant to Texas Government Code Section 551.074. The date is July 26, 2018, and the time is now 10:45 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/Texas A&M Investment Management Company is now reconvened. The date is July 26, 2018, and the time is now 11:17 a.m. During the Executive Session, the Board deliberated individual personnel compensation matters, including the CEO and Chief Investment Officer, 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 Director Rothrock, Chairman of the Compensation Committee, to provide a report on the Committee's meeting. Director Rothrock stated that the Compensation Committee met via teleconference on July 19, 2018. The Committee approved the minutes of the February 21, 2018 meeting. After meeting in executive session, the Committee approved the base salaries for the UTIMCO Officers and other UTIMCO Compensation Program Participants, excluding the CEO, for the 2018-2019 fiscal year in the amount of \$11,073,000, and made a recommendation for the CEO's base salary for the 2018-2019 fiscal year, subject to approval by the Board. The Committee also considered the amendments to the UTIMCO Compensation Program, Amended and Restated effective July 1, 2018, but did not take action. Director Rothrock recommended two resolutions for Board approval. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that the Board of Directors of UTIMCO hereby approves the Base Salary of the Corporation's CEO for the Fiscal Year 2018-2019 in the amount of \$792,000.

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, the Compensation Committee of the Board (the "Committee") has reviewed the proposed amendments to the Plan incorporated into an Amended and Restated Plan, effective July 1, 2018 (the "Amended and Restated Plan"), in the form previously provided to the Board but deferred to the Board on action on the Amended and Restated Plan; and

WHEREAS, the Board has reviewed the Amended and Restated Plan.

NOW, THEREFORE, be it:

RESOLVED, that the Board hereby approves and adopts the Amended and Restated Plan, effective as of July 1, 2018, subject to the approval of the Board of Regents of The University of Texas System.

Corporation Budget

Chairman Hildebrand deferred discussion and action on the corporation's budget for the next fiscal year.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 11:26 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Jeffery D. Hildebrand Date: 10/1/18
Jeffery D. Hildebrand
Chairman, Board of Directors of
The University of Texas/Texas A&M Investment Management Company