

**MINUTES OF THE 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 at 9:40 a.m. on the **10th day of October 2003**, at The Adolphus Hotel, 1321 Commerce Street, Dallas, Texas, 75202, said meeting having been called by the Chairman, Woody L. Hunt, with notice provided to each member in accordance with the Bylaws.

Participating in the meeting were the following members of the Board:

Woody L. Hunt, Chairman
J. Luther King, Jr., Vice-Chairman
Mark G. Yudof, Vice-Chairman for Policy
Rita C. Clements
J. Philip Ferguson
I. Craig Hester
James R. Huffines
R. H. (Steve) Stevens, Jr.

thus, constituting a majority and quorum of the Board. Director Susan M. Byrne was not present at the meeting. Also, attending the meeting were R. D. Burck, Advisory Director; Bob Boldt, President, Chief Executive Officer and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cathy Iberg, Managing Director – Marketable Alternative Investments and Deputy CIO; Larry Goldsmith, Managing Director - Public Markets Investments; Andrea Reed, Risk Manager; Sara McMahon and Trey Thompson, Managing Directors – Non-Marketable Alternative Investments of the Corporation; Bill Edwards – Managing Director Information Technology; Cristian Tiu, Intern/Analyst for the Corporation; Jerry Turner, legal counsel for the Corporation; and Bruce Myers of Cambridge Associates. Mr. Scott Caven, a U.T. System Regent; Messrs. Philip Aldridge, Michael Warden, Charlie Chaffin, and Jerry Modjeski of U. T. System; and Mr. Steven Voss of EnnisKnupp also attended the meeting. Mr. Hunt called the meeting to order at 9:40 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each Director or distributed at the meeting.

Minutes

The first matter to come before the Board was approval of the minutes of the meeting of the Board of Directors held on September 12, 2003. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Board of Directors held on
September 12, 2003 be, and are hereby, approved.

Endowment and Operating Funds Update

Mr. Hunt asked Mr. Boldt to give an endowment and operating funds update. The latest performance information available was handed out at the meeting. Mr. Boldt reported value added and preliminary performance of the assets under the Corporation's management for the period ended September 30, 2003. The preliminary net performance for the one month period ended September 30, 2003, for the PUF and the GEF were .92%, and .85%, respectively. The preliminary net performance for one year ended September 30, 2003, for the PUF and GEF were 17.38% and 18.46%, respectively. The preliminary Short Intermediate Term Fund's (SITF) performance was 1.02% versus benchmark return of 1.08% for the one-month period ended September 30, 2003. Preliminary performance for the Short Term Fund (STF) was 0.08% versus 0.10% for its benchmark for the one-month period ended September 30, 2003. Also reviewed were manager history performance summary and a liquidity profile as of September 30, 2003. After the report, Mr. Boldt answered the Directors' questions.

Asset Allocation Workshop

Mr. Hunt began with an overview of the asset allocation workshop and acknowledged the Board's commitment to the arduous process. He acknowledged Mr. Voss of EnnisKnupp and Mr. Myers of Cambridge Associates and encouraged their input in the workshop discussions. Mr. Hunt then asked Mr. Boldt to begin the workshop on asset allocation. Mr. Boldt led an interactive discussion regarding the candidate portfolios and potential changes to the portfolios. Mr. Boldt, Mr. Voss and Mr. Myers answered the Directors' questions during the workshop. Decision Factor analysis was implemented to identify which of the specific factors held the highest ratings among the directors. Also included in the discussion were liquidity questions, and Mr. Huffines stated that he would like the minutes to reflect that he did not want the asset allocation to result in more than 30% illiquidity. Ms. Clements concurred. At this point, Mr. Ferguson left the meeting. The Board made the final asset allocation decision as presented in Exhibit A, attached. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Asset Allocation Policy, as determined by the Board be, and is hereby, approved.

Review of Recent Investments

During a working lunch, Mr. Hunt asked several staff members to review recent investments, in response to Board Members' request to review specific investment recommendations made by the Staff. Mr. Goldsmith reviewed Barclays Global Investors (BGI) Russell 3000 Alpha Tilts and International Alpha Tilts Investments, ValueAct Capital Investment and Globeflex Capital, L. P. International Small Cap Equity Investments. Mr. Thompson discussed investment in SCF V, L.P. and Ms. Iberg reviewed SG Partners, L.P. The staff members' answered the Directors questions.

Compensation Committee Report

Prior to the Compensation Committee report, Mr. Stevens left the meeting. Mr. King, Chairman of the Compensation Committee, reported that the Committee met prior to the Board Meeting. During the

committee meeting Mr. King reported that they reviewed the Mercer report and approved the Corporation's Performance Compensation Plan Award for Fiscal Year 2002-2003 (excluding the President), staying within the guidelines of the existing performance compensation plan. Mr. King also proposed that the following resolution regarding the performance compensation plan award for the Corporation's President be approved. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the UTIMCO Performance Compensation Plan Award for the 2002-2003 Fiscal Year for the Corporation's President in the amount of \$298,800 with 50% deferral for two years, as recommended by the Compensation Committee be, and is hereby approved.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 4:50 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Woody L. Hunt Date: 11/20/03
Woody L. Hunt
Chairman, Board of Directors of
The University of Texas Investment
Management Company

Exhibit A

Asset Category	
U S Equities	30.0
Global ex US Equities	17.0
Developed	10
Emerging	7
Absolute Return Hedge Funds	15.0
Private Capital	15.0
Venture Capital	6
Private Equity	9
Inflation Hedge	15.0
REITS	5
Private Real Estate	0
Commodities	5
Timberland	0
Oil & Gas	0
TIPS	5
Fixed Income	8.0
Cash	0.0
Expected Annual Return (%)>	8.35
Downside Deviation (%)>	4.23
Annual Standard Deviation (%)>	10.30