

Chairman Caven  
MOTION FROM OPEN SESSION  
FEBRUARY 7, 2008

I would like to move that the Board of Regents approve amending the last 3 paragraphs of the section on PUF Distributions in the Permanent University Fund Investment Policy Statement, approved on December 6, 2007, and effective March 1, 2008, to read as follows:

Annually, the Board of Regents will approve a distribution amount to the Available University Fund.

In conjunction with the annual U. T. System budget process, UTIMCO shall recommend to the Board of Regents each May, or at other times as needed, an amount to be distributed to the AUF during the next fiscal year. UTIMCO's recommendation to the Board of Regents shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each year unless the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more, in which case the distribution shall be 5.0% of the trailing 12-quarter average. "Expected Return" is the Expected Annual Return or Benchmarks set out in Exhibit A to this Policy Statement.

Following approval of the distribution amount, distributions from the PUF to the AUF may be quarterly or annually at the discretion of UTIMCO Management.

I further move that the new revenue resulting from the increase in the payout be directed toward expanding the UT System's faculty recruitment and retention efforts. The portion of the increase directed to Excellence funding at U. T, Austin will be used to expand the faculty and provide other services to students pursuant to a plan to be submitted to the Chancellor by the campus for his approval.