

**MINUTES OF
MEETING OF THE RISK COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

The Risk Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 5, 2012**, 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 Committee Chair, Charles W. Tate, with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was electronically recorded. Participating in the meeting were the following members of the Committee:

Charles W. Tate, Chair
Kyle Bass
Morris E. Foster

thus constituting a majority and quorum of the Committee. Committee Member Ardon Moore did not attend the meeting. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Joan Moeller, Secretary and Treasurer; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; Uzi Yoeli, Senior Director – Portfolio Risk Management; and various staff members. Also attending were Jerry Turner of Andrews Kurth LLP; Jim Phillips, Terry Hull and Roger Starkey of The University of Texas System Administration, and Keith Brown of the McCombs School of Business at The University of Texas at Austin. Mr. Tate called the meeting to order at 8:30 a.m. (CDT). Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Minutes

The first matter to come before the Committee was approval of the minutes of the meeting of the Risk Committee held on April 5, 2012. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Risk Committee of the Board of Directors held on April 5, 2012, be, and are hereby, approved.

Mandate Categorizations

Mr. Tate summarized the Categorization of New Investment Mandates. He stated that there were 16 new investment mandate categorizations prepared by Staff for the period beginning March 24, 2012, through June 25, 2012. The "Mandate Categorization Watch-List" continues to be monitored by Staff for possible recategorization. No mandates were recommended for re-categorization at this meeting. The Chief Compliance Officer and CEO and Chief Investment Officer concurred in the categorizations prepared by the Managing Directors. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Board adopted a Mandate Categorization Procedure on January 30, 2008, with an effective date of March 1, 2008, to provide

greater transparency into the process of classifying an investment mandate within the approved Asset Classes and Investment Types as defined in the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, and the Intermediate Term Fund; and

WHEREAS, the Procedure requires the Managing Directors, the Chief Compliance Officer, and the Chief Investment Officer to review and categorize each new mandate, to recommend re-categorization of any existing mandate if after the initial or annual categorization they become aware of a change(s) in the investment characteristics of the mandate that warrants a re-categorization, and to annually review all existing mandates; and

WHEREAS, a Managing Director, the Chief Compliance Officer, and the Chief Investment Officer have reviewed all new mandates prepared from March 24, 2012, through June 25, 2012, and categorized each as required by the Procedure; and

WHEREAS, the Risk Committee has reviewed the new Asset Class and Investment Type Mandate Categorizations of 16 new mandates and concurs in the classifications as proposed by the Corporation's staff.

NOW, THEREFORE, BE IT

RESOLVED, that the Categorizations of the Asset Class and Investment Type for each Investment Mandate are hereby approved.

Use of Broker-Dealers

Mr. Tate asked Mr. Zimmerman to explain the Staff policy regarding the use of Broker-Dealers. Mr. Zimmerman began by explaining that Staff authorized to trade ("UTIMCO Traders") are only permitted to conduct trades with a Broker-Dealer on the Approved Fixed Income Broker-Dealer List. Staff makes approximately 10-15 trades a month. The Approved Fixed Income Broker-Dealer Procedure, effective July 1, 2008 (the Procedure), includes an Approved Fixed Income Broker-Dealer List (the List). In order to be added to the List, a Broker-Dealer must meet the following criteria: (1) usage of delivery versus payment; (2) documentation of overall desirability of sales coverage; (3) adequate financials, which would require a copy of the Broker-Dealer's current FOCUS report on file; (4) a copy of the latest annual report containing an unqualified auditor's opinion; and (5) trading authorization signed by a corporate compliance officer. The Procedure also requires an annual review of the List by a committee comprised of the UTIMCO Traders, the CEO and Chief Investment Officer, the President and Deputy CIO, and the General Counsel and Chief Compliance Officer using the same criteria. Russ Kampfe, Senior Portfolio Manager – Fixed Income Investments, reviewed the criteria for all Broker-Dealers on the List and presented the results of the annual review of the List and work performed on potential additions to the List with the Committee. The review was performed in accordance with the Procedure. No approval from the Committee is required for a Broker-Dealer meeting all eligibility criteria. In prior years' the Committee was requested to approve exceptions for broker/dealers not meeting all policy criteria but the Procedure was amended, effective July 1, 2012, to allow the CEO and Chief Investment Officer to approve exceptions.

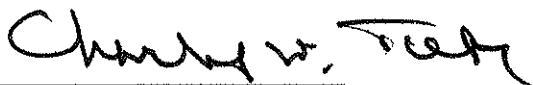
The Committee agreed with the amendment to the Procedure. Mr. Zimmerman and Mr. Kampfe answered the Committee Members' questions.

Compliance Summary Program

Mr. Tate asked Ms. Gonzalez to discuss the Compliance Summary Program. Ms. Gonzalez presented the Compliance Summary Program report for the fiscal quarter ending May 31, 2012, which monitors the Derivative Investment Policy, the risk targets, asset allocation targets and ranges and other investment related restrictions. She then presented the Institutional Compliance Program Report for the Period Ended May 31, 2012, including discussion of on-going monitoring of the compliance program, employee training, the preclearance of trades and the Corporation's Compliance Hotline. Mr. Zimmerman suggested the adoption of a penalty for failure to comply with the preclearance of securities transactions procedures in the UTIMCO Code of Ethics, including a possible fine. Ms. Gonzalez concluded by presenting the updated Institutional Compliance Action Plan for FY 2012, including reporting on the progress of the Records Retention Procedure and Business Continuity Plan.

At this time, the Risk Committee convened with the Policy Committee for a Joint Policy/Risk Committee.

Secretary: 
Joan Moeller

Approved: 
Charles W. Tate, Chair
Risk Committee of the Board of Directors of
The University of Texas Investment
Management Company

Date: 11-9-12