

**MINUTES OF MEETING OF THE  
AUDIT AND ETHICS COMMITTEE OF  
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

A meeting of the Audit and Ethics Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **April 11, 2013**, 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, James P. Wilson, 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:

James P. Wilson, Chair  
Printice Gary  
R. Steven Hicks  
Charles W. Tate

thus constituting a majority and quorum of the Committee. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Gary Hill, Senior Manager - Investment Reporting; Debbie Childers, Manager - Portfolio Accounting and Operations; and other staff members. Other attendees were Allen Hah, Jim Phillips, Michael Peppers, Moshmee Kalamkar and Roger Starkey of The University of Texas System ("UT System") Administration; and Bob Jewell of Andrews Kurth LLP. Mr. Wilson called the meeting to order at 2:09 p.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

**Approval of Minutes**

The first matter to come before the Committee was the approval of the minutes of the Audit and Ethics Committee meeting held on January 30, 2013. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the minutes of the Meeting of the Audit and Ethics Committee of  
the Board of Directors held on January 30, 2013, be, and are hereby, approved.

**Update on Compliance, Reporting and Audit Matters**

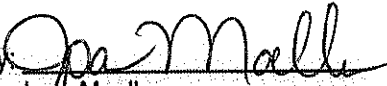
Mr. Wilson asked Ms. Gonzalez to provide an update on compliance, reporting and audit matters. Ms. Gonzalez reported one non-compliance item regarding an external manager. The external manager was out of compliance with its investment guidelines in December, but was back in compliance in January. She reported on the compliance matters for the fiscal quarter ending February 28, 2013, including the status of employee training, pre-clearance of trades and the Corporation's Compliance Hotline's activity. Also provided to the Committee was the Investment Policies Compliance Report for the Quarter Ended February 28, 2013, the Institutional Compliance Program Report for the Period Ended February 28, 2013 and the Institutional Compliance Action Plan for FY 2013. She stated that the investment deal counsel position had been filled. Ms. Gonzalez also discussed the results of the State Auditor's Office audit. Mr.

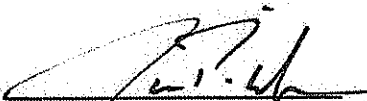
Zimmerman and Ms. Gonzalez answered the Committee members' questions. Ms. Gonzalez asked Mr. Peppers, Chief Audit Executive, and Ms. Kalamkar, Manager of Audits of the UT System Audit Office, to report from the UT System Audit Office. Ms. Kalamkar gave an update on two internal audits. The Audit Office has been conducting a UT System-wide audit of Laptop Encryption and Information Technology inventory and UTIMCO was a part of the audit. Ms. Kalamkar reported that they had completed UTIMCO's portion of the audit, there were no findings, and that they would issue their report at a later date. She also reported that they had begun their audit of the Separately Invested Funds.

### Unaudited Financial Statements

Mr. Wilson asked Ms. Moeller to present the separate unaudited financial statements as of February 28, 2013, for the Permanent University Fund, The University of Texas System General Endowment Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, The University of Texas System Intermediate Term Fund and the Corporation. Ms. Moeller provided highlights of the statements, with no new items or significant changes reported. Mr. Zimmerman and Ms. Moeller answered the Committee members' questions.

There being no further business to come before the Committee, the meeting was adjourned at 2:25 p.m.

Secretary:   
Joah Moeller

Approved:   
James P. Wilson, Chair  
Audit and Ethics Committee of the Board of Directors of  
The University of Texas Investment  
Management Company

Date: 7-10-13