

**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 **January 30, 2015**, 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, John White, 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:

John D. White, Chair
H. Lee S. Hobson
Robert L. Stillwell

thus constituting a majority and quorum of the Committee. Director R. Steven Hicks did not attend the meeting. Committee Chair ("Chairman") White called the meeting to order at 10:03 a.m. Morris Foster, Chairman of the Board, also attended the meeting. 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; and other staff members. Other attendees were Mike Peppers, Terry Hull, and Roger Starkey of The University of Texas System ("UT System") Administration; Jerry Turner of Andrews Kurth LLP; Tom Wagner and Robert Cowley of Deloitte and Touche LLP; and Verma Elliott of the Texas State Auditor's Office. 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 November 4, 2014. 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 November 4, 2014, be, and are hereby, approved.

Audit Results and Communications

Chairman White asked Mr. Robert Cowley, engagement partner from the independent accounting firm of Deloitte & Touche LLP, to present the audit results and necessary communications for the Corporation for the fiscal years ended August 31, 2014 and August 31, 2013. Mr. Cowley confirmed the completion of the audit of the Corporation, summarized the process and reviewed with the Committee the Audit Results and Communications report covering required communications. As stated in the report, Mr. Cowley confirmed that 1) Deloitte & Touche LLP issued an unqualified opinion on the Corporation's August 31, 2014 financial statements; 2) there were no changes in accounting policies that impacted the Corporation's financial statement balances, and 3) accounting principles utilized by management are of good quality, are

acceptable, and have been consistently applied under accounting principles generally accepted in the United States. The Corporation's financial statements and disclosures were complete in all material respects. Mr. Cowley stated that no material weaknesses regarding internal controls were found during their audit procedures and there were no concerns regarding management. Mr. Cowley stated they had no difficulties to report and were very complimentary of the Corporation's Staff, and the cooperation that Deloitte & Touche LLP had received throughout the audit process. Chairman White also called for approval of the Audited Financial Statements and Audit Report for the Corporation for the fiscal years ended August 31, 2014 and August 31, 2013. Mr. Zimmerman and Ms. Moeller answered the Committee Members' questions. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Committee:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications on the Corporation for the year ended August 31, 2014, be, and is hereby approved in the form as presented to the Audit and Ethics Committee, subject to approval by the Corporation's Board.

And,

RESOLVED, that the annual financial statements and audit report for the Corporation for the years ended August 31, 2014, and August 31, 2013 be, and are hereby approved in the form as presented to the Audit and Ethics Committee, subject to approval by the Corporation's Board.

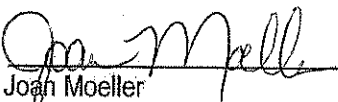
Update on Compliance and Reporting Matters

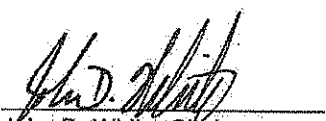
Chairman White asked Ms. Gonzalez to provide an update on compliance and reporting matters. Ms. Gonzalez discussed the Investment Policies Compliance Report for the Quarter Ended November 30, 2014, with no non-compliance items to report. Ms. Gonzalez continued reporting on compliance matters for the fiscal quarter ending November 30, 2014, including the status of employee training, pre-clearance of trades and the Corporation's Compliance Hotline activity. Also provided to the Committee was the Institutional Compliance Program Annual Report for the Quarter Ended November 30, 2014 and an update on the Institutional Compliance Action Plan for FY2015, noting that the Compliance Program self-assessment had been completed.

Unaudited Financial Statements

Chairman White asked Ms. Moeller to present the separate unaudited financial statements as of November 30, 2014, 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, and The University of Texas System Intermediate Term Fund. Ms. Moeller provided highlights of the statements, with no new items or significant changes reported. Mr. Zimmerman gave an update on accounting staff changes.

There being no further business to come before the Committee, the meeting was adjourned at 10:24 a.m.

Secretary: 
Joan Moeller

Approved: 
John D. White, Chair
Audit and Ethics Committee of the Board of Directors of
The University of Texas Investment
Management Company

Date: 4-21-15