

**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 13, 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
R. Steven Hicks
H. Lee S. Hobson

thus constituting a majority and quorum of the Committee. Director Phil Adams also attended the meeting. Committee Chair ("Chairman") White called the meeting to order at 9:02 a.m. 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 Terry Hull, Moshmee Kalamkar, and Eric Polonski of The University of Texas System ("UT System") Administration; and Jerry Turner of Andrews Kurth LLP. 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, 2015. 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, 2015, be, and are hereby, approved.

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 February 28, 2015, with no non-compliance items to report. Ms. Gonzalez continued reporting on compliance matters for the fiscal quarter ending February 28, 2015, 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 Report for the Quarter Ended February 28, 2015 and an update on the Institutional Compliance Action Plan for FY2015. Mr. Zimmerman mentioned Mr. Robert A. Prentice, JD, interim Chair of the Business, Government and Society Department at the UT Austin McCombs School of Business, gave a presentation on ethical behavior to staff during the April 2015 annual ethics training session, and it was excellent. Mr. Zimmerman and Ms. Gonzalez answered the Committee Members' questions.

Unaudited Financial Statements

Chairman White asked Ms. Moeller to present the separate unaudited financial statements as of February 28, 2015, 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. Mr. Zimmerman and Ms. Moeller answered the Committee Members' questions. Mr. Polonski, of the UT System Audit Office, provided an update on internal audit activities and stated that the CEO Travel and Entertainment Expense audit for periods July 2012 – February 2015 was in progress.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:27 a.m.

Secretary Joan Moeller
Joan Moeller

Approved: John D. White Date: 7/23/15
John D. White, Chair
Audit and Ethics Committee of the Board of Directors of
The University of Texas Investment
Management Company