

**MINUTES OF THE JOINT MEETING  
OF THE POLICY AND RISK COMMITTEES OF  
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

A joint meeting of the Policy and the Risk Committees (the "Committees") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 7, 2011**, 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 Policy Committee Chair, Printice Gary, and the Risk Committee Chair, Charles 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 Committees:

Printice L. Gary, Chair, Policy Committee  
Charles W. Tate, Chair, Risk Committee  
Kyle Bass  
J. Philip Ferguson  
Ardon E. Moore  
James P. Wilson

Also attending the meeting was Paul Foster, Chairman of the Board, thus constituting a majority and quorum of the Committees and Board. Employees of the Corporation attending were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; and various staff members. Also attending were Keith Brown of the McCombs School of Business at UT Austin; Jim Phillips, Terry Hull, and Moshmee Kalamkar of UT System Administration; and Bob Jewell of Andrews Kurth LLP. Chair Gary called the meeting to order at 9:25 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

**Amendments to Investment Policies**

Mr. Gary asked Mr. Zimmerman to present the proposed amendments to the Investment Policies. The Investment Management Services Agreement (IMSA) requires a review of current Investment Policies for each Fund at least annually. This year's review included distribution guidelines, long-term investment return expectations and expected risk levels, Asset Class and Investment Type allocation targets and ranges for each eligible Asset Class and Investment Type, expected returns for each Asset Class, Investment Type, and each of the Investment Funds, and designated performance benchmarks for each Asset Class and/or Investment Type. The changes to the Investment Policies and Exhibits are subject to the approval of the Risk Committee and the Policy Committee with further approval of the UTIMCO Board and the UT System Board of Regents. Exhibits to the Investment Policy Statements for the Permanent University Fund (PUF), General Endowment Fund (GEF), Permanent Health Fund (PHF) and Long Term Fund (LTF) were being amended to reflect proposed changes for FY 2012, setting forth the revised Policy Portfolio Asset Class and Investment Type targets and ranges for FY 2012 with one policy benchmark change. The benchmark FTSE EPRA/NAREIT Developed Index has been changed to FTSE

EPRA/NAREIT Developed Index Net TRI USD. In addition, the one year downside deviation was being adjusted to reflect the revised Asset Class and Investment Type targets for FY 2012, and the Expected Annual Return (Benchmark) target for FY 2012 was updated for the PUF, GEF, PHF and LTF. Mr. Zimmerman explained each of these proposed changes, and he and Ms. Iberg answered the Committee Members' questions. In addition, changes to the Derivative Investment Policy, the Delegation of Authority Policy, Liquidity Policy and the Mandate Categorization Procedure were submitted to the Policy and Risk Committees for approval. The Short Term Fund (STF) and the Separately Invested Funds (SIF) Investment Policy Statements were reviewed by Staff with no recommended amendments. Mr. Tate, Chair of the Risk Committee, recommended approval on behalf of the Risk Committee to accept the proposed policy amendments, subject to further approval by the Policy Committee and the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Risk Committee:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and the Intermediate Term Fund, and amendments to the Derivative Investment Policy, Delegation of Authority Policy, Liquidity Policy and Mandate Categorization Procedure, as presented be, and are hereby, approved, subject to approval by the Policy Committee and the Corporation's Board of Directors.

There being no further business to come before the Policy Committee and the Risk Committee, the joint meeting was adjourned at approximately 9:55 a.m.

Secretary:   
Joan Moeller

Approved:  Date: 11-15-12  
Prudence L. Gary, Chair  
Policy Committee of  
The University of Texas Investment Management Company

Approved:  Date: 11-9-12  
Charles W. Tate, Chair  
Risk Committee of  
The University of Texas Investment Management Company