

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

A joint meeting of the Policy and Risk Committees (the "Committees") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **November 12, 2007**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of TRT Holdings, 600 Las Colinas Blvd., Suite 1900, Irving, Texas, said joint meeting having been called by the Policy Committee Chair, Robert B. Rowling, and Risk 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 Committees:

Policy

Robert B. Rowling, Chair
Ardon E. Moore

Risk

Charles W. Tate, Chair
Clint D. Carlson
Erle Nye

thus, constituting a majority and quorum of each Committee. Directors J. Philip Ferguson and Colleen McHugh were not present at the meeting. Also attending the meeting were H. Scott Caven, Jr., Chairman of the Board; Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Bill Edwards, Managing Director of Information Technology; Cissie Gonzalez, internal General Counsel for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; various Staff members of the Corporation; Jerry Turner, outside General Counsel for the Corporation; Keith Brown of the McCombs School of Business at UT Austin; Bruce Myers and Jeanne Rogers of Cambridge Associates; Philip Aldridge, Amy Barrett, William Huang and Jim Phillips of UT System Administration; and Brandon Bean of TRT Holdings. Chairman Rowling and Chairman Tate called the meeting to order at 9:10 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Investment Policy Statements

Mr. Rowling asked Mr. Zimmerman to present the proposed amendments to the Investment Policies. Mr. Zimmerman began by giving an update on October performance. He then presented suggested changes to the Investment Policy Statements. The Investment Policy Statements for the Permanent University Fund ("PUF"), General Endowment Fund ("GEF"), Permanent Health Fund ("PHF"), Long Term Fund ("LTF"), and Intermediate Term Fund ("ITF") have been amended to reflect the new investment strategy,

and Exhibit A (or Exhibit B, as applicable) attached to each Investment Policy Statement summarized in table format the new investment strategy, which provides for allocation among six Asset Class and three Investment Type targets and ranges for the period ended March 1, 2008, FYE 2008, 2009, and 2010. Mr. Zimmerman explained the substantial changes and thanked the Corporation's Staff, UT System staff, Dr. Brown and Mr. Myers for their time and input during this process. There was discussion related to the Intermediate Term Fund Exhibit A and benchmarks. During discussion with the Committees, Mr. Zimmerman, Mr. Turner, and Mr. Myers answered the Committee Members' questions.

Mr. Zimmerman continued by presenting to the Committee proposed changes to the Derivative Investment Policy and the Liquidity Policy. Mr. Zimmerman and Mr. Myers answered the Committee Members' questions. Recommendation was made to adopt the amendments to the Investment Policy Statements with these changes: (1) in the Investment Policy Statement for the PUF, no change should be made to the target distribution rate of 4.75% plus an annual expected expense of .35%; (2) in the Investment Policy Statements for the PUF, GEF, PHF, and LTF, delete references to "adjusted for risk" with respect to peer comparison returns; (3) add missing gridlines to Exhibit A (or Exhibit B, as applicable); and (4) correct ministerial and scrivener's errors. Mr. Rowling also asked that Staff and Mr. Myers perform additional research regarding the appropriateness of certain benchmarks used in the Investment Policy Statements. Upon motion duly made and seconded, the following resolution approving amendments to the Investment Policy Statements was unanimously adopted by both Committees:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund, and the Derivative Investment Policy and the Liquidity Policy, as presented be, and are hereby, approved, subject to revision as requested by the Committees, and further subject to approval by the Corporation's Board of Directors; and

RESOLVED, FURTHER, that the CEO and the Secretary of the Corporation be, and they are hereby, authorized and directed to revise the Investment Policy Statements in accordance with the foregoing resolution.

Delegation of Authority

Mr. Rowling asked Mr. Zimmerman to discuss proposed amendments to the Delegation of Authority, which were for the most part to clarify and better reflect current practice. A recommendation was made to approve the amendments to the Delegation of Authority as presented with one change. Language will be added to the New Investment Vehicle and Manager Selection and Changing Allocations Investment Funds Among Existing Internal and External Managers and Partnerships provisions to make clear that the delegation of authority to commit funds applies at the individual manager level. Upon motion duly made and seconded, the following resolution approving amendments to the Delegation of Authority was unanimously adopted by both Committees:

RESOLVED, that amendments to the Delegation of Authority Policy be, and are hereby, approved in the form submitted to the Policy Committee and the Risk

Committee, subject to revision as requested by the Committees, and further subject to approval by the Corporation's Board of Directors; and

RESOLVED, FURTHER, that the CEO and the Secretary of the Corporation be, and they are hereby, authorized and directed to revise the Delegation of Authority Policy in accordance with the foregoing resolution.

Mandate Categorization Procedure

The Mandate Categorization Procedure was presented by Mr. Zimmerman and reviewed by the Committees. The Mandate Categorization Procedure is a new procedure intended to provide guidance to the Corporation's Staff and greater transparency to the Board into the process of determining the classification and reporting of an investment mandate within the Asset Class and Investment Type definitions of the Investment Policy Statements. Upon motion duly made and seconded, the following resolution related to the Mandate Categorization Procedure was unanimously adopted by both Committees:

RESOLVED, that the Mandate Categorization Procedure be, and is hereby, approved in the form submitted to the Policy Committee and the Risk Committee, subject to approval by the Corporation's Board of Directors.

Minutes

The next matter to come before the Risk Committee was the approval of the minutes of the meeting of the Risk Committee held on September 5, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Risk Committee:

RESOLVED, that the minutes of the Meeting of the Risk Committee of the Board of Directors held on September 5, 2007, be, and are hereby, approved.

Next presented was approval of the minutes of the meeting of the Policy Committee held on January 25, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Policy Committee:

RESOLVED, that the minutes of the Meeting of the Policy Committee of the Board of Directors held on January 25, 2007, be, and are hereby, approved.

There being no further business to come before the Committees, the meeting was adjourned at approximately 10:55 a.m.

Secretary: Joan Moeller
Joan Moeller

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

Date: 1/28/08

Approved: Robert B. Rowling
Robert B. Rowling, Chair
Policy Committee
of the Board of Directors of
The University of Texas Investment
Management Company

Date: 1/29/2008