

**MINUTES OF MEETING OF THE
AUDIT AND ETHICS COMMITTEE OF THE
BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS /TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

A meeting of the Audit and Ethics Committee (the "Committee") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in open session on **September 19, 2019**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 1700, 210 West 7th Street, Austin, Texas, said meeting having been called by the Committee Chair, Janet Handley ("Chairman"), 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:

Janet Handley, Chair
James C. "Rad" Weaver

thus constituting a majority and quorum of the Committee. Chairman Handley called the meeting to order at 1:01 p.m. Employees of the Corporation attending the meeting were Britt Harris, President, CEO and Chief Investment Officer; Rich Hall, Deputy Chief Investment Officer; Joan Moeller, Treasurer and Secretary; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; and other employees. Other attendees were Jerry Kyle of Orrick, Herrington & Sutcliffe LLP; J. Michael Peppers, Eric Polonski, Allen Hah and Roger Starkey of The University of Texas System ("UT System") Administration; and Maria Robinson and David Rejino of The Texas A&M University System. 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 June 20, 2019. 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 June 20, 2019 be, and are hereby, approved.

Update on Compliance, Reporting and Audit Matters

Chairman Handley introduced the second item on the agenda and asked Ms. Gonzalez to provide an update on compliance and reporting matters. Ms. Gonzalez presented the investment compliance summary for items monitored by the Committee. Ms. Gonzalez next reported on the Institutional Compliance Program Report for the quarter ended May 31, 2019, the status of training, pre-clearance of trades, and compliance hotline activity. Ms. Gonzalez reported that all high-risk areas continued to be monitored and remain well controlled with the exception of Information Technology and Security, which continues to show an opportunity for enhancement but noted that progress is being made. In addition, Ms. Gonzalez reviewed with the Committee the Update on Fraud Prevention and Detection Program. Finally, Ms. Gonzalez reported there were no new contracts, leases or other commercial arrangements of \$250,000 or more for the period beginning June 6, 2019 through September 6, 2019.

Eric Polonski, Director of Audits for the UT System Audit Office reported on the agreed upon procedures engagement related to the Risk Team's monitoring plan and activities used to monitor key risks identified for Investment Risk Management as part of the Institutional Compliance Program. He stated that UTIMCO and UT System Audit Office had agreed on the steps and procedures for the engagement and the Audit Office set a goal to complete the engagement by the end of November 2019.

Unaudited Financial Statement Reports

Chairman Handley asked Ms. Moeller to present the Unaudited Financial Statements for the Permanent University Fund ("PUF"), General Endowment Fund ("GEF"), Permanent Health Fund ("PHF"), Long Term Fund ("LTF"), and the Intermediate Term Fund ("ITF"), each for the quarter ended May 31, 2019. Ms. Moeller provided highlights of the statements, with no new items or significant changes reported. She discussed the Corporation's unaudited financial statements for the quarter ended May 31, 2019. Ms. Moeller answered the Committee Members' questions.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 1:37 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Janet Handley Date: 2/7/2020
Janet Handley, Chair
Audit and Ethics Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company