AMENDED MINUTES OF
MEETING OF THE RISK COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY

The Risk Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **January 23, 2008**, 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, 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 Committee:

Charles W. Tate, Chair
Clint D. Carlson
J. Philip Ferguson
Erle Nye

thus constituting a majority and quorum of the Committee; provided that Mr. Carlson joined the meeting at the point indicated below. Also attending the meeting were Robert B. Rowling, Chairman of the Board; Chancellor Mark Yudof, Director; Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Cathy Iberg, President and Deputy CIO 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; Lindel Eakman, Managing Director – Private Markets; Uzi Yoeli, Director - Portfolio Risk Management; various staff members of the Corporation; Jerry Turner, external General Counsel for the Corporation; Keith Brown of the McCombs School of Business at UT Austin; Bruce Myers of Cambridge Associates; Brandon Bean of TRT Holdings; and Jim Phillips, Moshmee Kalamkar, Dean Metzger and William Huang representing The University of Texas System (the "UT System"). Chairman Tate called the meeting to order at 2:02 p.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Minutes

The first matter to come before the Committee was approval of the minutes of the joint meeting of the Policy and Risk Committees held on November 12, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted:

> RESOLVED, that the minutes of the joint meeting of the Policy and Risk Committees held on **November 12, 2007** be, and are hereby, approved.

Mr. Carlson joined the meeting at this point.

Risk Reporting

Mr. Tate proceeded by asking Mr. Zimmerman to discuss the risk reporting section behind Tab 2. Mr. Zimmerman began with the performance summary as of November 30, 2007. Other charts presented included deviations from policy targets for the Permanent University Fund (PUF), the General Endowment Fund (GEF) and the Intermediate Term Fund (ITF) (collectively, the Funds), a new chart that provided asset allocation over time; asset class benchmark vs. total fund policy benchmark; asset category allocations comparing dollar allocations to downside risk; and several charts explaining the current risk environment of the Funds and their respective liquidity profiles.

Mr. Zimmerman continued by presenting a private markets exposure report as of November 30, 2007, and then reviewed the Funds in a new reporting format with the new categorization grids, comparing asset class and investment type targets, ranges and performance objectives. Also presented were a comprehensive derivative report as of November 30, 2007, and a report on investment transactions made under the Delegation of Authority for the period beginning November 16, 2007, and ending January 15, 2008. Mr. Zimmerman asked Ms. Moeller to give the investment policies compliance report summary and the Institutional Compliance Program Quarterly Report for the Quarter ended November 30, 2007. Mr. Zimmerman, Mr. Yoeli and Ms. Moeller answered the Committee Members' questions. Mr. Rowling left the meeting at this time.

Investment Mandate Categorization

Mr. Tate asked Mr. Zimmerman to summarize the process followed to implement the Mandate Categorization Procedure (Procedure). This Procedure was adopted by the Board on November 29, 2007, and requires that all existing mandates be reviewed annually. Mr. Zimmerman reviewed with the Committee the results of the initial categorization by asset class and investment type for all mandates prepared by the Staff since adoption of the Procedure. Although the new Mandate Categorization Procedure ("Procedure") had been approved by the Board at the November 29, 2007 meeting, the Committee requested Staff to amend the Procedure to require that Staff report, at the next scheduled Risk Committee, any re-categorization of an Asset Class or Investment Type of an existing mandate whenever re-categorization is warranted. A revised version of the Procedure related to the Mandate Categorization Procedure will be presented to the Board at its next meeting, on January 30, 2008, for approval. Mr. Zimmerman answered the Committee Members' questions and expressed appreciation to Philip Aldridge, Amy Barrett, and William Huang of UT System for their assistance in this process. Upon motion duly made and seconded, the following resolution was unanimously adopted:

> WHEREAS, the Board adopted a Mandate Categorization Procedure on November 29, 2007, to provide greater transparency into the process of classifying an investment mandate within the approved Asset Classes and Investment Types as defined in the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, and the Intermediate Term Fund; and
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> WHEREAS, the Managing Director, Chief Compliance Officer, and Chief Investment Officer and other Corporation staff have reviewed all existing mandates and categorized each as required by the Procedure; and
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> WHEREAS, the Risk Committee has reviewed the Asset Classes and Investment Type Mandate Categorizations and concurs in the classifications as proposed by the Corporation's staff;

NOW, THEREFORE, BE IT

RESOLVED, that the Categorizations of the Asset Class and Investment Type for each Investment Mandate are hereby approved.

Procedure for Calculating Liquidity

Mr. Tate asked Mr. Zimmerman to summarize the Procedure for Calculating Liquidity. The Procedure for Calculating Liquidity is a new procedure intended to formulate guidelines for the standardization of liquidity calculations for each investment in that asset class for the Endowment Funds and the ITF. Mr. Zimmerman provided explanation for the two categories, liquid and illiquid, and the determination of liquidity as stated in the Liquidity Policy. Upon motion duly made and seconded, the following resolution was unanimously adopted:

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

Charter of the Risk Committee

Mr. Zimmerman stated that the Staff is recommending amendments to the Charter of the Risk Committee. Mr. Zimmerman explained that these proposed changes are necessary to update and clarify the responsibilities related to liquidity in conformity with the Liquidity Policy adopted by the Board on November 29, 2007, and by the UT System Board of Regents on December 6, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the amendments to the Charter of the Risk Committee, as recommended be, and are hereby approved in the form submitted to the Committee, subject to approval of the Corporation's Board of Directors.

After a short discussion on market volatility, with there being no further business to come before the Risk Committee, the meeting was adjourned at approximately 3:20 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Charles W. Tate Date: 7/10/08
Charles W. Tate, Chair
Risk Committee
of the Board of Directors of
The University of Texas Investment
Management Company