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**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 April 15, 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. Also attending the meeting were 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; Cissie Gonzalez, Internal General Counsel and Chief Compliance Officer for the Corporation; Bill Edwards, Managing Director of Information Technology; 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; and Philip Aldridge, Moshmee Kalamkar, and Miles Ragland representing The University of Texas System (the "UT System"); and Barb Davison of Investment Training and Consulting, Inc. Chairman Tate called the meeting to order at 3:04 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 meeting of the Risk Committee held on January 23, 2008. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Risk Committee held on January 23, 2008, be, and are hereby, approved.

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 February 29, 2008. 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 chart that provided asset allocation over time; asset class benchmark vs. total fund policy benchmark; asset category allocations

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comparing dollar allocations to downside risk; and several charts explaining the current risk environment of the Funds and their respective liquidity profiles. He also discussed a supplemental chart which illustrated four-way risk decomposition as of February 29, 2008, using the new investment strategy for the GEF and ITF.

Mr. Zimmerman continued by presenting a private markets exposure report as of February 29, 2008, and then reviewed the Funds with the categorization grids, comparing asset class and investment type targets, ranges and performance objectives. Also presented were a comprehensive derivative report as of February 29, 2008, and a report on investment transactions made under the Delegation of Authority for the period beginning January 16, 2008, and ending March 31, 2008. Mr. Zimmerman and Ms. Iberg answered the Committee Members' questions.

Compliance Summary Program

Mr. Tate asked Ms. Gonzalez to give a report on the Compliance Summary Program. Ms. Gonzalez began with presenting the Investment Policies Compliance Report for the Quarter Ended February 29, 2008. She described an overview of the annual employee training which includes review of the Code of Ethics, Employee Handbook, Travel Guidelines and IT Security Policies. Additionally Ms. Gonzalez presented the Institutional Compliance Program Report for the Quarter Ended February 29, 2008, which was also submitted to UT System. There were no significant findings. Mr. Zimmerman and Ms. Gonzalez answered the Committee Members' questions.

Categorization of New Investment Mandates

Mr. Tate asked Mr. Zimmerman to explain the Categorization of New Investment Mandates. Mr. Zimmerman gave a recap of the Mandate Categorization Procedure (Procedure) that was adopted by the Corporation Board on November 29, 2007. This Procedure requires that all new mandates be categorized by the Managing Directors, and that the Chief Compliance Officer provide the Chief Investment Officer with his/her agreement or recommended categorization, after which the Chief Investment Officer will designate the Asset Class and Investment Type, and report to the Risk Committee at its next regular meeting for their approval or re-categorization. The materials provided to the Committee represented the mandate categorizations prepared by staff through March 31, 2008, that have not previously been presented to the Committee for review and approval or re-categorization, as appropriate. The Staff requested that the Committee recommend any additional changes and approve, or re-categorize, as appropriate, the mandate classifications. Mr. Tate requested that the CIO report separately at each subsequent Committee meeting if there has not been a mandate re-categorization. Mr. Zimmerman and Ms. Iberg answered the Committee Members' questions. Mr. Zimmerman also reported regarding the UT System Audit Office review of asset allocation. The UT System Audit Office audited a sample of the mandates categorized pursuant to the Procedure with no resultant findings. 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

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Permanent University Fund, the General Endowment Fund, and the Intermediate Term Fund; and

WHEREAS, the Procedure requires the Managing Directors, the Chief Compliance Officer, and the Chief Investment Officer to review and categorize each new mandate; and

WHEREAS, the Managing Director, Chief Compliance Officer, and Chief Investment Officer have reviewed all new mandates prepared through March 31, 2008, and categorized each as required by the Procedure; and

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.

Recommended Distribution Rates

Mr. Tate asked Mr. Zimmerman to present the recommended distribution rates for the Permanent University Fund (PUF), Permanent Health Fund (PHF), Long Term Fund (LTF) and Intermediate Term Fund (ITF) for the fiscal year ending August 31, 2009. Mr. Zimmerman explained that each of the Funds' respective Investment Policy Statement provides guidelines to calculate the distribution amount or rate and provides the spending policy objectives of the Fund. UTMCO staff recommended that the Committee approve the following for fiscal year ending August 31, 2009: 1) the distribution from the PUF to the Available University Fund be increased by 18.3% from \$448,942,761 to \$530,932,622; 2) the distribution rate for the PHF be increased from \$0.0511 per unit to \$0.0528 per unit; 3) the distribution rate for the LTF be increased from \$0.2929 per unit to \$0.3024 per unit; and 4) the distribution rate for the ITF remains at 3.0% per annum. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the annual distribution amount for the Permanent University Fund be increased from \$448,942,761 to \$530,932,622, for fiscal year 2009, effective with the September 1, 2008 distribution; the distribution rate for the Permanent Health Fund be increased from \$0.0511 per unit to \$0.0528 and the distribution rate for the Long Term Fund be increased from \$0.2929 per unit to \$0.3024 per unit for fiscal year 2009, both effective with the November 30, 2008 distributions; and the distribution rate for the Intermediate Term Fund remain at 3.0% per annum for fiscal year 2009, effective with the September 1, 2008 distribution.

BE IT FURTHER RESOLVED, that the annual distribution amount for the Permanent University Fund and the distribution rates for the Permanent Health

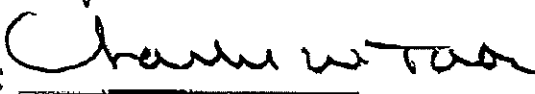
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Fund, Long Term Fund, and Intermediate Term Fund be, and are hereby, approved subject to approval and adoption by this Corporation's Board of Directors, and subject to approval by The University of Texas System Board of Regents.

With there being no further business to come before the Risk Committee, the meeting was adjourned at approximately 4:30 p.m.

Secretary: 
Joan Moeller

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

Date: 7-18-08