

**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 29, 2009, 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

thus constituting a majority and quorum of the Committee. Director Erle Nye was not present at the meeting. Also attending the meeting was Robert Rowling, Chairman of the Board. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; Lindel Eakman, Managing Director – Private Investments; Ryan Ruebsahm, Director – Marketable Alternative Investments; and various staff members of the Corporation; Keith Brown of the McCombs School of Business at UT Austin; and Charlie Chaffin, Philip Aldridge, Jim Phillips and Moshmee Kalamkar representing The University of Texas System (the "UT System"); and Jerry Turner of Andrews Kurth LLP. Chairman Tate called the meeting to order at 10:02 a.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 October 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
October 23, 2008 be, and are hereby, approved.

Funds Update

Mr. Tate asked Mr. Zimmerman to give an update on the Funds. Mr. Zimmerman began with presenting the performance summary as of December 31, 2008, and then focused his reporting on the three-month period ending November 30, 2008. He presented charts that included performance during the last three and twelve months, risk/return analysis, asset allocation over time for the General Endowment Fund (GEF), deviations from policy targets for the Permanent University Fund (PUF), the GEF and the Intermediate Term Fund (ITF) (collectively, the Funds). Mr. Zimmerman then reviewed the Funds with the categorization grids, comparing asset class and investment type targets, ranges and performance objectives. He discussed several charts explaining the current risk environment of the Funds and their respective liquidity profiles and a chart which illustrated four-way risk decomposition as of November 30, 2008. Also among

the reports presented by Mr. Zimmerman were comprehensive derivative reports as of November 30, 2008, a report on risk allocation, and a report on investment transactions made under the Delegation of Authority for the Fiscal Quarter ended November 30, 2008. During the quarter, More Correlated and Constrained Investments (MCC) were below their minimum range while Private Markets Investments exceeded the maximum range set by the Investment Policy Statements for the PUF and GEF. No new Private Markets Investments commitments were being made while Private Markets Investments remained above the maximum range. Both incidents were reported and managed as per policy requirements, and all Investment Types were back within range at the time of the meeting. Mr. Zimmerman and Mr. Eakman answered the Committee Members' questions.

Compliance Summary Program

Mr. Tate asked Ms. Gonzalez to give a report on the Compliance Summary Program. Ms. Gonzalez presented the Investment Policies Compliance Report for the Quarter Ended November 30, 2008, noting that Mr. Zimmerman had already discussed the details of the two incidents of breached policy and target ranges earlier in the meeting. Ms. Gonzalez reported that there were three external manager contracts out of compliance with investment guidelines during the quarter. Mr. Zimmerman, Mr. Warner and Mr. Schau explained the details and answered the Committee Members' questions. Both instances were minor and the exceptions were allowed after discussion with the managers. Additionally, Ms. Gonzalez presented the Institutional Compliance Program Quarterly Report for the Quarter Ended November 30, 2008, which is submitted to UT System. She gave a summary of reviews she had performed as Chief Compliance Officer including Employee Ethics and Compliance quarterly meetings, investment due diligence meetings, investment risk management, IT and security monitoring, investment compliance and monitoring of conflicts of interest. There were no significant findings. Mr. Zimmerman commended Ms. Gonzalez and the accounting staff for all of their hard work related to compliance. Ms. Gonzalez mentioned that representatives of the State Auditor's Office were beginning field work to see if the Corporation's ethics policies are in compliance with State statutes. Mr. Zimmerman and Ms. Gonzalez answered the Committee Members' questions.

Categorization of New Mandates

Mr. Tate began the discussion on the Categorization of New Investment Mandates and Re-categorization of Investment Mandate by stating that there were eight categorizations of new investment mandates and two recommended re-categorizations of existing mandates being submitted for their review and approval or re-categorization. These represented the mandate categorizations prepared by staff from October 1, 2008, through January 15, 2009. There were also four mandates that were on a "watch list". The ones on the watch list had been considered for re-categorization, but Staff recommended leaving them as currently categorized at this time. Mr. Tate asked Mr. Zimmerman to present the details of the Staff recommendations for new mandate categorizations and re-categorizations of previously approved mandates. Mr. Zimmerman also discussed the mandate categorization framework, categorization considerations, and criteria for re-categorization. He reported that the Chief Compliance Officer concurred in the categorizations prepared by the Managing Directors, as did he. Mr. Zimmerman and Mr. Ruebsahm answered the Committee Members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Board adopted a Mandate Categorization Procedure on January 30, 2008, with an effective date of March 1, 2008, 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

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, a Managing Director, the Chief Compliance Officer, and the Chief Investment Officer have reviewed all new mandates prepared through January 15, 2009, and categorized each as required by the Procedure; and

WHEREAS, a Managing Director, the Chief Compliance Officer, and the Chief Investment Officer have recommended a re-categorization of two mandates that were approved by the Committee on January 23, 2008; and

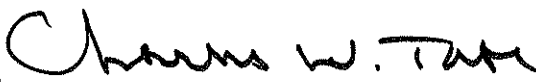
WHEREAS, the Risk Committee has reviewed the new Asset Class and Investment Type Mandate Categorizations and the re-categorization of the Mandate Categorizations that were approved by the Committee on January 23, 2008, and concurs in the classifications as proposed by the Corporation's staff.

NOW, THEREFORE, BE IT

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

With there being no further business to come before the Risk Committee, the meeting was adjourned at approximately 11:25 a.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: 4/22/09