

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

A joint meeting of the Policy and the Risk Committees (the "Committees") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 7, 2011**, 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 Policy Committee Chair, Printice Gary, and the Risk 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 Committees:

Printice L. Gary, Chair, Policy Committee
Charles W. Tate, Chair, Risk Committee
Kyle Bass
J. Philip Ferguson
Ardon E. Moore
James P. Wilson

Also attending the meeting was Paul Foster, Chairman of the Board, thus constituting a majority and quorum of the Committees and Board. Employees of the Corporation attending were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; and various staff members. Also attending were Keith Brown of the McCombs School of Business at UT Austin; Jim Phillips, Terry Hull, and Moshmee Kalamkar of UT System Administration; and Bob Jewell of Andrews Kurth LLP. Chair Gary called the meeting to order at 9:25 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Amendments to Investment Policies

Mr. Gary asked Mr. Zimmerman to present the proposed amendments to the Investment Policies. The Investment Management Services Agreement (IMSA) requires a review of current Investment Policies for each Fund at least annually. This year's review included distribution guidelines, long-term investment return expectations and expected risk levels, Asset Class and Investment Type allocation targets and ranges for each eligible Asset Class and Investment Type, expected returns for each Asset Class, Investment Type, and each of the Investment Funds, and designated performance benchmarks for each Asset Class and/or Investment Type. The changes to the Investment Policies and Exhibits are subject to the approval of the Risk Committee and the Policy Committee with further approval of the UTIMCO Board and the UT System Board of Regents. Exhibits to the Investment Policy Statements for the Permanent University Fund (PUF), General Endowment Fund (GEF), Permanent Health Fund (PHF) and Long Term Fund (LTF) were being amended to reflect proposed changes for FY 2012, setting forth the revised Policy Portfolio Asset Class and Investment Type targets and ranges for FY 2012 with one policy benchmark change. The benchmark FTSE EPRA/NAREIT Developed Index has been changed to FTSE

EPRA/NAREIT Developed Index Net TRI USD. In addition, the one year downside deviation was being adjusted to reflect the revised Asset Class and Investment Type targets for FY 2012, and the Expected Annual Return (Benchmark) target for FY 2012 was updated for the PUF, GEF, PHF and LTF. Mr. Zimmerman explained each of these proposed changes, and he and Ms. Iberg answered the Committee Members' questions. In addition, changes to the Derivative Investment Policy, the Delegation of Authority Policy, Liquidity Policy and the Mandate Categorization Procedure were submitted to the Policy and Risk Committees for approval. The Short Term Fund (STF) and the Separately Invested Funds (SIF) Investment Policy Statements were reviewed by Staff with no recommended amendments. Mr. Tate, Chair of the Risk Committee, recommended approval on behalf of the Risk Committee to accept the proposed policy amendments, subject to further approval by the Policy Committee and the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Risk Committee:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and the Intermediate Term Fund, and amendments to the Derivative Investment Policy, Delegation of Authority Policy, Liquidity Policy and Mandate Categorization Procedure, as presented be, and are hereby, approved, subject to approval by the Policy Committee and the Corporation's Board of Directors.

There being no further business to come before the Policy Committee and the Risk Committee, the joint meeting was adjourned at approximately 9:55 a.m.

Secretary: 
Joan Moeller

Approved:  Date: 11-15-12
Prudence L. Gary, Chair
Policy Committee of
The University of Texas Investment Management Company

Approved:  Date: 11-9-12
Charles W. Tate, Chair
Risk Committee of
The University of Texas Investment Management Company

**MINUTES OF MEETING OF
THE POLICY COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

A meeting of the Policy Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 7, 2011**, 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, Printice L. Gary, 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:

Printice L. Gary, Chair
Kyle Bass
J. Philip Ferguson
James P. Wilson

Also attending the meeting was Paul Foster, Chairman of the Board, thus constituting a majority and quorum of the Committee and 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; and various staff members. Also attending were Charlie Chaffin, Moshmee Kalamkar, Jim Phillips, and Terry Hull of The University of Texas System (UT System) Administration; and Jerry Turner and Bob Jewell of Andrews Kurth LLP. Chairman Gary called the meeting to order at 10:35 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 the approval of the minutes of the Policy Committee meeting held on April 7, 2011. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

RESOLVED, that the minutes of the meeting of the Policy Committee held on April 7, 2011, be and are hereby, approved.

Investment Policy Amendments

Mr. Gary asked the Committee to approve the proposed amendments to the Investment Policy Statements that were discussed during the Joint Policy and Risk Committee Meeting held directly prior to the Policy Committee meeting. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and the Intermediate Term Fund, and amendments to the

Derivative Investment Policy, Delegation of Authority Policy, Liquidity Policy and Mandate Categorization Procedure, as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

Amendments to the Corporation's Bylaws

Mr. Gary asked Ms. Gonzalez to explain to the Committee the proposed amendments to the Corporation's Bylaws. Ms. Gonzalez explained that the most significant change was to amend Article III, Sections 3, 4 and 5 (pages 3 and 4) to incorporate the effects of HB 2825, 82nd Legislature, Regular Session, which was signed into law by Governor Rick Perry on June 17, 2011, and which amended Section 66.08 of the Texas Education Code. HB 2825 changed the composition and appointment of the UTIMCO Board of Directors by replacing one or more Texas A&M University System nominee(s) with two Texas A&M University System appointments, at least one of whom would be required to have a substantial background and expertise in investments. HB 2825 established a process for implementing the changes. The change in the law does not affect board members serving on the effective date. As required by HB 2825, the Corporation's Bylaws were being amended to give effect to the requirements of this legislation. The only other change proposed was to modify the language regarding the requirement to have an annual joint meeting with the UT System Board of Regents and instead hold joint meetings when requested by the UT System Board of Regents. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

RESOLVED, that amendments to the Bylaws of the Corporation as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors and the Board of Regents of The University of Texas System.

Comprehensive Welfare Benefits Plan

Mr. Gary asked Ms. Gonzalez to continue by presenting the proposed amendment and restatement of the UTIMCO Comprehensive Welfare Benefits Plan (the "Plan"). Ms. Gonzalez reported that Staff had hired Vinson & Elkins LLP to review the Plan and its Constituent Benefit Programs. Certain changes were proposed due to recent legislation and newly issued regulations, and other changes were needed to be consistent with current benefit offerings under the Plan. Staff, Vinson & Elkins and the Corporation's Plan Administrative Committee all recommended Committee approval of the amendment and restatement of the Plan and its Constituent Benefit Programs. Mr. Zimmerman, Ms. Gonzalez and Mr. Turner answered the Committee Members' questions. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

WHEREAS, The University of Texas Investment Management Company (the "Corporation") has established and currently maintains, on behalf of itself and its participating affiliates, the UTIMCO Comprehensive Welfare Benefits Plan (the "Plan"), which provides various welfare benefits to eligible employees through "Constituent Benefit Programs" (as defined in the Plan); and

WHEREAS, Section 10.1 of the Plan provides that the Board of Directors of the Corporation (the "Board") may amend the Plan and its Constituent Benefit Programs from time to time; and

WHEREAS, the Corporation wishes to amend the Plan and its Constituent Benefit Programs to make certain changes resulting from recent legislation and newly issued regulations and to make certain other changes; and

WHEREAS, the Board has assigned responsibility to review suggested amendments to UTIMCO Board Policies and Corporate Documents and provide guidance and suggested language when necessary to the Policy Committee; and

WHEREAS, the Policy Committee has reviewed the proposed restatements of the Plan and its Constituent Benefit Programs affecting such changes and approves of such changes, subject to approval by the Board.

NOW, THEREFORE, be it:

RESOLVED, that the restatement of the "UTIMCO Comprehensive Welfare Benefits Plan," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Health Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO TeleDoc Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Dental Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Vision Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Cafeteria Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Health Care Spending Account Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Dependent Care Spending Account Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Short-Term Disability Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Long-Term Disability Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the merger of the "UTIMCO Accidental Death and Dismemberment Program (Basic)" into the "UTIMCO Life Insurance Program (Basic)" (now named the "UTIMCO Life/AD&D Program") and the restatement of the "UTIMCO Life/AD&D Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby are, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the merger of the "UTIMCO Dependent Life Insurance Program" and the "UTIMCO Accidental Death and Dismemberment Program (Supplemental)" into the "UTIMCO Life Insurance Program (Supplemental)" (now named the "UTIMCO Voluntary Life/AD&D Program") and the restatement of the "UTIMCO Voluntary Life/AD&D Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby are, approved, effective as of May 1, 2011, subject to approval by the Board; and

RESOLVED, that the restatement of the "UTIMCO Employee Assistance Program," a copy of which is attached hereto and which is hereby directed to be marked for identification and filed with the records of the Corporation, be, and the same hereby is, approved, effective as of May 1, 2011, subject to approval by the Board.

Recommended Distribution Rates

Mr. Gary asked Mr. Zimmerman to provide Staff's recommendations for the distribution rates for the Permanent University Fund (PUF), Permanent Health Fund (PHF), Long Term Fund (LTF) and the Intermediate Term Fund (ITF) for the next fiscal year. Mr. Zimmerman reminded the members of the Committee that at its meeting held on April 7, 2011, he had briefed the Committee on the distribution rate recommendations, outlining the rationale for distribution methodologies, distribution rate limitations, projections and recommendations, although Staff requested postponing action at that time. Mr. Zimmerman presented Staff's recommendations for distribution rates for the fiscal year ending August 31, 2012, requesting Committee approval, subject to approval and adoption by the Corporation's Board of Directors, and subject to approval by the Board of Regents of the UT System. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

RESOLVED, that the annual distribution amount for the Permanent University Fund be increased from \$506,395,811 to \$575,511,336 for fiscal year 2012, effective with the September 1, 2011 distribution; the distribution rate for the Permanent Health Fund be increased from \$.0554 per unit to \$.0561 per unit for fiscal year 2012, effective with the November 30, 2011 quarterly distributions; the distribution rate for the Long Term Fund be increased from \$0.3172 per unit to \$0.3215 per unit for fiscal year 2012, effective with the November 30, 2011 quarterly distributions; and the distribution rate for the Intermediate Term Fund remain at 3.0% per annum for fiscal year 2012, effective with the September 1, 2011 monthly distribution.

BE IT FURTHER RESOLVED, that the annual distribution amount for the Permanent University Fund and the distribution rates for the Permanent Health 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 Board of Regents of The University of Texas System.

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

Secretary: 
Joan Moeller

Approved: 
Printice L. Gary, Chair
Policy Committee of
The University of Texas Investment
Management Company

Date: 4/11/12