

**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 **April 5, 2012**, 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
James P. Wilson

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; Gary Hill, Senior Manager – Investment Reporting; and various staff members. Also attending were Charlie Chaffin, Terry Hull, Moshmee Kalamkar, Jim Phillips, Roger Starkey and Whitney Henry of The University of Texas System ("UT System") Administration; Keith Brown of McCombs School of Business of the University of Texas at Austin; and Jerry Turner and Bob Jewell of Andrews Kurth LLP. Chairman Gary called the meeting to order at 9:33 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 July 7, 2011. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

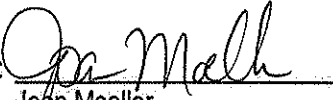
RESOLVED, that the minutes of the meeting of the Policy Committee held on July 7, 2011, be and are hereby, approved.

Distribution Rates and Amount

Mr. Gary asked Mr. Zimmerman to give an overview of the Distribution Rates and Amount decision making process for the Permanent University Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund. Mr. Zimmerman stated that this agenda item was for discussion purposes only. He said that the UT System Board of Regents typically looks to the Board for a recommendation. Staff makes a recommendation to the Policy Committee, and then the Policy Committee provides a recommendation to the Board. Staff did not ask for approval or provide a formal recommendation at this meeting. Mr. Zimmerman gave a presentation providing a timetable for recommendation and decision, current

distribution rates and methodologies, distribution rate limitations, PUF and LTF inflows, and projected distributions. Mr. Zimmerman, Ms. Moeller and Mr. Hill answered the Committee Members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 10:14 a.m.

Secretary: 
Joan Moeller

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

Date: 7/12/12