

**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 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 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:

Charles W. Tate, Chair, Risk Committee
Kyle Bass, Acting Chair, Policy Committee
Morris E. Foster
R. Steven Hicks

thus constituting a majority and quorum of the Committees. Policy Committee Chair, Printice L. Gary, and Ardon Moore, Risk Committee member, did not attend the meeting. Also attending the meeting was a member of The University of Texas System Board of Regents (UT System Board), Regent Wallace Hall. Employees of the Corporation attending were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Joan Moeller, Secretary and Treasurer; 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 The University of Texas at Austin; Jim Phillips, Terry Hull, Roger Starkey and Moshmee Kalamkar of The University of Texas System Administration; and Jerry Turner of Andrews Kurth LLP. Chair Tate and Acting Chair Bass called the meeting to order at 9:04 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Investment Strategy Review and Amendments to Investment Policies

Mr. Zimmerman presented the Investment Strategy Review For Fiscal Year 2013 and Staff's proposed changes to the Investment Policies. The investment strategy review provided a comprehensive analysis of the portfolio's positioning, return/risk assumptions, and the current and future economic environment considerations used in developing the recommended changes to the Asset Class and Investment Type targets and ranges for FY 2013 in the Investment Policies. The Investment Management Services Agreement (IMSA) requires a review of current Investment Policies for each Fund at least annually. The review included distribution (spending) 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. Mr. Zimmerman summarized Staff's recommendations for changes to the Investment Policies and Exhibits, noting that these changes will be subject to the approval of the Risk Committee and the Policy Committee with further approval of the UTIMCO Board and the UT System Board. Exhibits A to the Investment Policy

Statements for the Permanent University Fund (PUF), General Endowment Fund (GEF), and Intermediate Term Fund (ITF), and Exhibits B in the Permanent Health Fund (PHF) and Long Term Fund (LTF) were amended to reflect proposed changes for FY 2013, setting forth the revised Policy Portfolio Asset Class and Investment Type targets and ranges for FY 2013. In addition, the one year downside deviation was being adjusted to reflect the revised Asset Class and Investment Type targets for FY 2013, and the Expected Annual Return (Benchmark) target for FY 2013 was updated for the PUF, GEF, PHF and LTF. Mr. Zimmerman answered the Committee Members' questions. In addition, changes to the Investment Policy for the Short Term Fund (STF) and Separately Invested Funds (SIF); the Derivative Investment Policy, the Delegation of Authority Policy, and Liquidity Policy were submitted to the Policy and Risk Committees for approval. And as a matter of information, two internal policies, the Proxy Voting Policy and the Soft Dollar Policy and Procedures, were discussed with the Policy and Risk Committees. Mr. Tate, Chair of the Risk Committee, recommended approval on behalf of the Risk Committee to accept the proposed policy amendments, subject to receiving additional information provided from Staff regarding the insurance budget, and further approval by the Policy Committee and the Board. The Policy Committee then also recommended approval subject to receiving additional information provided from Staff regarding the insurance budget, and further approval by the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Risk and Policy Committees:

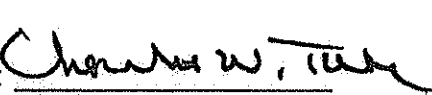
RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Intermediate Term Fund, Short Term Fund, and Separately Invested Funds, and amendments to the Derivative Investment Policy, Delegation of Authority Policy, and Liquidity Policy, as presented be, and are hereby, approved, subject to approval by 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 10:23 a.m.

Secretary: 
Joan Moeller

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

Date: 11-15-12

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

Date: 11-9-12