

**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 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, Charles W. 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
Kyle Bass
Ardon Moore

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; Cathy Iberg, President and Deputy CIO; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; Uzi Yoeli, Senior Director – Portfolio Risk Management; and various staff members. Also attending was Jim Phillips of The University of Texas System Administration and Keith Brown of the McCombs School of Business at The University of Texas at Austin. Mr. Tate called the meeting to order at 10:34 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 January 26, 2012. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Risk Committee of the Board of Directors held on January 26, 2012, be, and are hereby, approved.

Mandate Categorizations

Mr. Tate summarized the Categorization of New Investment Mandates. He stated that there were six new investment mandate categorizations prepared by Staff for the period beginning January 14, 2012, through March 23, 2012. The "Mandate Categorization Watch-List" continues to be monitored by Staff for possible recategorization. No mandates were recommended for re-categorization at this meeting. The Chief Compliance Officer and CEO and Chief Investment Officer concurred in the categorizations prepared by the Managing Directors. Mr. Zimmerman presented the Mandate Categorization Annual Review which included asset class re-categorization criteria, and a summary of Staff's annual review results. 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, to recommend re-categorization of any existing mandate if after the initial or annual categorization they become aware of a change(s) in the investment characteristics of the mandate that warrants a re-categorization, and to annually review all existing mandates; and

WHEREAS, a Managing Director, the Chief Compliance Officer, and the Chief Investment Officer have reviewed all new mandates prepared from January 14, 2012, through March 23, 2012, and categorized each as required by the Procedure; and

WHEREAS, a Managing Director, the Chief Compliance Officer, and the Chief Investment Officer have performed the annual review of all existing mandates and have not recommended the re-categorization of any mandates that were previously approved by the Committee; and

WHEREAS, the Risk Committee has reviewed the new Asset Class and Investment Type Mandate Categorizations of six new mandates 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.


Compliance Summary Program


Mr. Tate asked Ms. Gonzalez to discuss the Compliance Summary Program. Ms. Gonzalez presented the Compliance Summary Program report for the fiscal quarter ending February 29, 2012, which monitors the Derivative Investment Policy, the risk targets, asset allocation targets and ranges and other investment related restrictions. Ms. Gonzalez then presented the Institutional Compliance Program Report for the Period Ended February 29, 2012, including discussion of on-going monitoring of the compliance program, employee training, the preclearance of trades and the Corporation's Compliance Hotline. . She reported that the Chief Technology Officer, Uche Abalogu, had been hired, with a start date of March 5th. She also presented the updated Institutional Compliance Action Plan for FY 2012, including reporting on the progress of the Records Retention Procedure and Business Continuity Plan.

Funds Update

Mr. Tate asked Mr. Zimmerman to present the highlights of the Funds Update. Mr. Zimmerman stated that he would report in more detail at the Board meeting to be held the next week. Mr. Zimmerman discussed the performance summary, value add, investment returns, active management and attribution. Dr. Yoeli reviewed the Corporation's up/down capture and other risk reporting with the Committee. Mr. Zimmerman, Ms. Iberg and Dr. Yoeli answered the Committee Members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 11:32 a.m.

Secretary: 
Joan Moeller

Approved:  Date: 7/25/12
Charles W. Tate, Chair
Risk Committee of the Board of Directors of
The University of Texas Investment
Management Company