

**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 11, 2013**, 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
Morris E. Foster
Ardon E. Moore

thus constituting a majority and quorum of the Committee. Employees of the Corporation attending 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; Uzi Yoeli, Senior Director – Portfolio Risk Management and various staff members. Also attending were Bob Jewell of Andrews Kurth LLP; Jim Phillips and Roger Starkey of The University of Texas System Administration; Keith Brown of the McCombs School of Business at The University of Texas at Austin. Mr. Tate called the meeting to order at 2:30 p.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 30, 2013. 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 30, 2013, be, and are hereby, approved.

Mandate Categorizations

Mr. Tate stated that there were two new investment mandate categorizations prepared by Staff for the period beginning January 19, 2013, and ending March 29, 2013. Mr. Zimmerman was asked to review the two new categorizations. Mr. Zimmerman summarized each and said they were both straightforward with regards to categorization. He discussed movement within the portfolio and provided information regarding the "Mandate Categorization Watch-List". The Watch List continues to be monitored by Staff for possible categorization, but no mandates were being added to or removed from the list, and no recategorization recommendations were made by Staff at this time. The Chief Compliance Officer and CEO and Chief Investment Officer concurred in the categorizations prepared by the Managing Directors.

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 19, 2013, through March 29, 2013, and categorized each as required by the Procedure; and

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

Mr. Zimmerman also discussed the requirement to perform an annual review of all mandate categorizations with the Committee. The mandate categorizations have been reviewed quarterly over the past four years. If no Committee member objects, Mr. Zimmerman will recommend removal of the annual review requirement at the next Policy Committee meeting as part of the required annual review of investment policies. No recommendation or action was requested by Staff at this meeting. Mr. Zimmerman answered the Committee members' questions and no member objected to the removal of the annual review requirement.

Compliance Summary Program

Mr. Tate asked Ms. Gonzalez to present the Compliance Summary Program update. Ms. Gonzalez reported one out of compliance matter in the Compliance Summary Program report for the fiscal quarter ending February 28, 2013, related to an external manager. The external manager was out of compliance with its investment guidelines in December, but was back in compliance in January. Also monitored were the Derivative Investment Policy, the risk targets, asset allocation targets and ranges and other investment related restrictions. Ms. Gonzalez provided to the Committee the Institutional Compliance Program Report for the Period Ended February 28, 2013, including on-going monitoring of the compliance program, employee training, the preclearance of trades and the Corporation's Compliance Hotline. Ms. Gonzalez reviewed the Institutional Compliance Action Plan for FY 2013. She stated that the investment deal

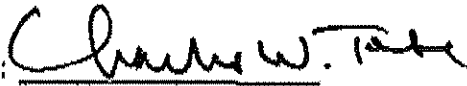
counsel position had been filled. Mr. Tate asked Mr. Zimmerman to briefly discuss the summary of transactions made under the delegation of authority as of February 28, 2013. Mr. Zimmerman and Ms. Gonzalez answered the Committee members' questions.

Funds Update

Mr. Zimmerman summarized the Funds Update, and said he would review in more detail at the Board Meeting next week. Mr. Zimmerman answered the Committee members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 2:57 p.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: 7/10/13