

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

A meeting of the Compensation Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **February 20, 2014**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Compensation Committee Chair, Kyle Bass, 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:

Kyle Bass, Chair
Jeffery D. Hildebrand
Ardon E. Moore
James P. Wilson

Morris Foster, Chairman of the Board, and Directors Robert L. Stillwell and Steve Hicks also attended the meeting 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; Lindel Eakman, Managing Director – Private Markets Investments; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Uzi Yoeli, Senior Director – Portfolio Risk Management; Gary Hill, Senior Manager - Investment Reporting; Debbie Childers, Manager - Portfolio Accounting and Operations; and other staff members. Other attendees were Allen Hah, Jim Phillips, and Roger Starkey of The University of Texas System ("UT System") Administration; Keith Brown of the McCombs School of Business at UT Austin; and Jill Shaw and Ham Lee of Cambridge Associates. Committee Chair Bass called the meeting to order directly following the Joint Policy and Committee Meeting at 9:37 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Approval of Minutes

The first matter to come before the Committee was the approval of the minutes of the Compensation Committee meeting held on December 3, 2013. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Compensation Committee of the Board of Directors held on December 3, 2013, be, and are hereby, approved.

Committee Charter

Discussion and appropriate action on proposed amendments to the Compensation Committee Charter was deferred to a future meeting.

UTIMCO Compensation Program

Due to time constraints, discussion and appropriate action on the proposed amendments to the UTIMCO Compensation Program was relegated to the UTIMCO Board.

The meeting was adjourned at approximately 9:40 a.m.

Secretary: 
Joan Moeller

Approved: 
Kyle Bass, Chair
Compensation Committee of
The University of Texas Investment Management Company

Date: July 29, 2014

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

A joint meeting of the Policy and the Compensation Committees (the "Committees") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **February 20, 2014**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Policy Committee Chair, Robert L. Stillwell, and the Compensation Committee Chair, Kyle Bass, 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:

Robert L. Stillwell, Chair, Policy Committee
Kyle Bass, Chair, Compensation Committee
R. Steven Hicks
Jeffery D. Hildebrand
Ardon E. Moore
James P. Wilson

Morris Foster, Chairman of the Board, also attended the meeting thus constituting a majority and quorum of the Committees and the Board. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Lindel Eakman, Managing Director – Private Markets Investments; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Uzi Yoeli, Senior Director – Portfolio Risk Management; Gary Hill, Senior Manager - Investment Reporting; Debbie Childers, Manager - Portfolio Accounting and Operations; and other staff members. Other attendees were Allen Hah, Jim Phillips, and Roger Starkey of The University of Texas System ("UT System") Administration; Keith Brown of the McCombs School of Business at UT Austin; and Jill Shaw and Ham Lee of Cambridge Associates. Committee Chair Bass called the meeting to order at 8:45 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.


Amendments to Exhibits of the Investment Policy Statements

Mr. Bass asked Mr. Zimmerman to discuss the proposed amendments to Exhibit A to the Investment Policy Statements for the Permanent University Fund (PUF) and General Endowment Fund (GEF), and Exhibit B to the Investment Policy Statements for the Permanent Health Fund (PHF) and Long Term Fund (LTF) as reflected on Attachment 1 in the materials and summarize the letter from Cambridge Associates with regards to changes in the private investment benchmarks. Mr. Zimmerman began the discussion by explaining that, as with all benchmark changes, Cambridge Associates had been engaged to advise and provide recommendations. Cambridge's recommended amendments were supported by Staff. Mr. Zimmerman presented the *Private Investments Benchmark* presentation providing context, Corporation history, recent analysis and recommendations, and an implementation plan. Exhibit A of the Investment Policy Statements of the PUF and GEF and Exhibit B of the Investment Policy Statements of the PHF and LTF were amended to reflect the proposed change in the Private Investments benchmarks. The proposed

benchmark, the Custom Cambridge Fund of Funds Benchmark, would replace the Venture Economics Custom Index used for all Asset Classes for the Private Investments except Real Estate, and replaces the Custom NACREIF used for Real Estate Private Investments. Cambridge will supply a database of Private Equity Fund of Funds data, which will be used to calculate the benchmark based on Staff developed methodology. Mr. Zimmerman, Mr. Eakman, Dr. Yoeli and Ms. Shaw from Cambridge Associates answered the Committee Members' questions. Mr. Bass, Chair of the Compensation Committee, recommended approval of the amendments to Exhibits A and B of the Investment Policy Statements on behalf of the Compensation Committee, subject to further approval by the Policy Committee and the Board. Mr. Stillwell, Chair of the Policy Committee, recommended approval on behalf of the Policy Committee, subject to further approval by the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Policy and Compensation Committees:

RESOLVED, that amendments to the Exhibits A of the Investment Policy Statements of the Permanent University Fund and General Endowment Fund, and Exhibits B of the Investment Policy Statements of the Permanent Health Fund and Long Term Fund, 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 Compensation Committee, the joint meeting was adjourned at approximately 9:37 a.m.

Secretary: 
Joan Moeller

Approved: _____ Date: _____
Robert L. Stillwell, Chair
Policy Committee of
The University of Texas Investment Management Company

Approved:  Date: 7/29/14
Kyle Bass, Chair
Compensation Committee of
The University of Texas Investment Management Company