

**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

**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 **February 20, 2014**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, Robert L. Stillwell, 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:

Robert L. Stillwell, Chair  
R. Steven Hicks  
Jeffery D. Hildebrand  
James P. Wilson

Morris Foster, Chairman of the Board, 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; and Keith Brown of the McCombs School of Business at UT Austin. Committee Chair Stillwell called the meeting to order at 8:35 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

**Minutes**

Mr. Stillwell asked the Committee for approval of the minutes of the Policy Committee meeting and the Joint Meeting of the Policy and Risk Committees, both held on July 9, 2013. 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 9, 2013, and the July 9, 2013 Joint Meeting of the Policy and Risk Committees, be and are hereby, approved.

**Amendments to Charter of the Policy Committee**

Mr. Stillwell asked Mr. Zimmerman to explain the proposed amendments to the Charter of the Policy Committee. Mr. Zimmerman stated that in accordance with the Charter, the Committee is required to periodically review the Charter and recommend any proposed changes to the Board. He summarized the changes that were recommended for the Committee. With no discussion and upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the amendments to the Charter of the Policy Committee, as recommended be, and are hereby approved, in the form submitted to the Committee, subject to approval by the Corporation's Board of Directors.

There being no further business to come before the Committee, the meeting was adjourned at 8:38 a.m.

Secretary: Joan Moeller  
Joan Moeller

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

Date: 5/7/2014