

**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 **February 18, 2014**, 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
Jeffery D. Hildebrand
Ardon E. Moore

thus constituting a majority and quorum of the Committee. Director Kyle Bass did not attend the meeting. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Uzi Yoeli, Senior Director – Portfolio Risk Management; and other staff members. Other attendees were Terry Hull, Moshmee Kalamkar, Jim Phillips, and Roger Starkey of The University of Texas System ("UT System") Administration; Jerry Turner of Andrews Kurth LLP; and Keith Brown of the McCombs School of Business at UT Austin. Mr. Tate called the meeting to order at 1:43 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 November 18, 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 November 18, 2013, be, and are hereby, approved.

Mandate Categorization

Mr. Tate presented the new mandate categorizations requiring approval by the Committee. Mr. Tate stated that there were 11 new investment mandate categorizations prepared by Staff for the period beginning November 2, 2013, and ending February 5, 2014, with one re-categorization recommended, that needed to be approved by the Committee. The Chief Compliance Officer and CEO and Chief Investment Officer concurred in the categorizations prepared by the Managing Directors. Mr. Zimmerman was asked to briefly review those of the 11 new categorizations that needed a separate discussion. Mr. Zimmerman gave a summary of the new mandate categorizations, discussed the re-categorization recommendation and answered the Committee Members questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the purpose of the Mandate Categorization Procedure, amended as of July 22, 2013, is 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, and to review mandates prior to each Risk Committee meeting to determine whether there have been any change(s) in the investment characteristics of the mandate that warrant a re-categorization and, if so, to recommend re-categorization to the Risk Committee for their approval or re-categorization; and

WHEREAS, a Managing Director, the Chief Compliance Officer, and the Chief Investment Officer have reviewed all new mandates prepared from November 2, 2013, through February 5, 2014, and categorized each as required by the Procedure; and

WHEREAS, the Managing Directors, the Chief Compliance Officer, and the Chief Investment Officer have reviewed existing mandates and determined there has been a change in the investment characteristics of one mandate to warrant a re-categorization; and

WHEREAS, the Risk Committee has reviewed the new Asset Class and Investment Type Mandate Categorizations of eleven new mandates and the re-categorization of one existing mandate 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.

Amendments to Charter of the Risk Committee

Mr. Tate asked Mr. Zimmerman to explain the proposed amendments to the Charter of the Risk 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 recommended for the Committee. With no discussion and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the amendments to the Charter of the Risk 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.

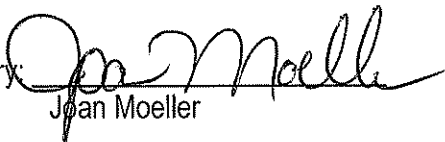
Compliance Summary Program

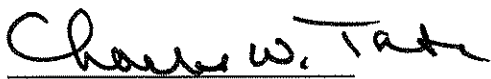
Mr. Tate asked Ms. Gonzalez to present the Compliance Summary Program update. Ms. Gonzalez presented to the Committee non-compliance items in the Investment Policies Compliance Report for the Quarter Ended November 30, 2013. She reported two non-compliance items related to external managers, both of which were corrected to bring them back into compliance. 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 Annual Report for the Period Ended November 30, 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 2014.

Funds Update

Mr. Tate asked Mr. Zimmerman to provide the Funds Update. Mr. Zimmerman presented the Funds Update as of December 31, 2013, which included assets under management, returns, returns vs. projections, and other charts focusing on investment strategy and several new charts in the presentation. He asked Dr. Yoeli to review the risk section of the Funds Update and to discuss downside risk with the Committee members. Dr. Yoeli provided risk analytics for the period ending December 31, 2013, beginning with the current risk environment, including 4-way risk decomposition, leverage and concentration summary, up/down capture, risk contributions and correlations. Mr. Zimmerman and Dr. Yoeli answered the Committee Members' questions.

There being no further business to come before the Risk Committee, the meeting was adjourned at approximately 2:35 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: 5/7/14