

**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 July 23, 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, 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
Ardon E. Moore

thus constituting a majority and quorum of the Committee. Morris E. Foster, Chairman of the Board, and Regent Alex Cranberg also attended the meeting. 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; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Lindel Eakman, Managing Director – Private Markets Investments; Susan Chen – Managing Director – Public Markets Investments; Uzi Yoeli, Senior Director – Portfolio Risk Management; and other staff members. Other attendees were Jim Phillips and Guillermo Garcia of The University of Texas System ("UT System") Administration; Jerry Turner and Bob Jewell of Andrews Kurth LLP; and Keith Brown of the McCombs School of Business at UT Austin. Chairman Bass called the meeting to order at 9:05 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 April 29, 2014. 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 April 29, 2014, be, and are hereby, approved.

Mandate Categorization

Chairman Bass asked Mr. Zimmerman to review the new mandate categorizations requiring approval by the Committee. Mr. Zimmerman stated that there were 19 new investment mandate categorizations prepared by Staff for the period beginning April 16, 2014, and ending July 9, 2014, that needed to be approved by the Committee with no re-categorizations recommended. The Chief Compliance Officer and CEO and Chief Investment Officer concurred in the categorizations prepared by the Managing Directors. Mr. Zimmerman also discussed the three categorizations on the watch list. 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 April 16, 2014, through July 9, 2014, and categorized each as required by the Procedure; and

WHEREAS, the Risk Committee has reviewed the Asset Class and Investment Type Mandate Categorizations of nineteen (19) 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.

Funds Update

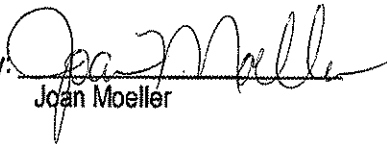
Chairman Bass asked Mr. Zimmerman to provide the Funds Update. Mr. Zimmerman presented the Funds Update as of May 31, 2014, which included assets under management, returns, value add attribution, and other charts focusing on investment strategy. He asked Dr. Yoeli to review the risk section of the Funds Update with the Committee members. Dr. Yoeli provided risk analytics for the period ending May 31, 2014, beginning with the current risk environment, including 4-way risk decomposition, leverage and concentration summary, up/down capture, risk contributions and correlations. Mr. Zimmerman asked Mr. Eakman and Ms. Chen to discuss the current environment and the Funds' investments in Russia. Mr. Zimmerman, Dr. Yoeli, Mr. Eakman and Ms. Chen answered the Committee Members' questions. Mr. Zimmerman will discuss other sections of the Funds Update in more detail at the Board meeting.

Compliance Summary Program

Chairman Bass 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 May 31, 2014. Ms. Gonzalez reported that an external manager violated its duration test because one of its index countries exceeded its duration limit to the investment benchmark. This was the third violation in three quarters by this manager and as requested as by the Committee and the Risk Committee, the manager was terminated. She also reported that UTIMCO's securities lending agent had allowed overnight liquidity in the collateral pool to fall below 20% in violation of the Securities Lending

Policy. Mr. Kampfe discussed the violation of the policy with the Committee and his instructions to the securities lending agent that steps should be taken to ensure the guideline is not violated at any time in the future. Next day liquidity was brought back above 20% on June 3rd. Ms. Gonzalez stated that the Legal and Compliance Specialist had been hired and work had begun to transition compliance tasks from the Portfolio and Accounting Operations team. Mr. Zimmerman stated that he will discuss the compliance duties in more detail at the Board meeting.

There being no further business to come before the Risk Committee, the meeting was adjourned at approximately 9:58 a.m.

Secretary: 
Joan Moeller

Approved: 
Kyle Bass, Chair
Risk Committee of the Board of Directors of
The University of Texas Investment
Management Company

Date: 11/19/14