

**MINUTES OF MEETING OF THE
AUDIT AND ETHICS COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

A meeting of the Audit and Ethics Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 14, 2015**, 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, John White, 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:

John D. White, Chair
Phil Adams
H. Lee S. Hobson

thus constituting a majority and quorum of the Committee. Committee Chair ("Chairman") White called the meeting to order at 8:32 a.m. 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; Gary Hill, Senior Manager - Investment Reporting; Melynda Shepherd, Manager - Finance and Administration; and other staff members. Other attendees were Jim Phillips, Allen Hah, Michael Peppers, Moshmee Kalamkar, Eric Polonski of The University of Texas System ("UT System") Administration; and Jerry Turner of Andrews Kurth LLP. 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 Audit and Ethics Committee meeting held on April 13, 2015. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the minutes of the Meeting of the Audit and Ethics Committee of the Board of Directors held on April 13, 2015, be, and are hereby, approved.

Independent Auditor

Chairman White asked Ms. Moeller to present the proposed appointment of an independent auditor for the Corporation. Ms. Moeller reported that Staff recommended approval by the Committee of the engagement of Deloitte & Touche LLP as the Corporation's independent auditor for the fiscal year ending August 31, 2015. She noted that this would be the ninth year Deloitte and Touche LLP would be engaged as the Corporation's external auditor. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the firm of Deloitte & Touche LLP be, and is hereby, engaged as the independent auditor of the Corporation for the year ended August 31, 2015, subject to further approval of the UTIMCO Board.

UT System Audit Report

Chairman White asked Mr. Peppers, Chief Audit Executive, of the UT System Audit Office, to report from the UT System Audit Office. Mr. Peppers introduced Ms. Kalamkar, Manager of Audits and Mr. Polonski, Assistant Director of Audits, and Mr. Polonski reviewed the Report on the Chief Executive Officer and Chief Investment Officer's Expenses Audit Fiscal Year 2015 with the Committee. Mr. Polonski also provided an update on the completion of the Audit Office's FY2015 Audit Plan as of June 2015, and provided an update on the Audit Office's audit of the internal controls surrounding the processes over separately managed accounts. Mr. Zimmerman, Ms. Moeller and Mr. Peppers answered the Committee Members' questions.

Update on Compliance and Reporting Matters

Chairman White asked Ms. Gonzalez to provide an update on compliance and reporting matters. Ms. Gonzalez discussed the Investment Policies Compliance Report for the Quarter Ended May 31, 2015, reporting two non-compliance items. During the quarter, two directors submitted Financial Disclosure Statements, Ethics and Compliance Statements and Disciplinary Action Disclosure Statements after the required due date. All required documents had been received by the date of the meeting. Ms. Gonzalez continued reporting on compliance matters for the fiscal quarter ending May 31, 2015, including the status of employee training, pre-clearance of trades, and the Corporation's Compliance Hotline activity. Also provided to the Committee was the Institutional Compliance Program Report for the Quarter Ended May 31, 2015 and an update on the Institutional Compliance Action Plan for FY2015. As part of the Institutional Compliance Action Plan, a Peer Review of the Corporation's Compliance Program was performed. The peer review team reported that the primary objective was to evaluate the effectiveness of the Corporation's Institutional Compliance Program, and to identify opportunities for Compliance Program enhancements. The peer review team discussed findings, gave commendations and recommendations and provided verbal reports concluding that the primary objective of the review had been accomplished.

Ms. Gonzalez also reported on the UTIMCO Director Co-Investment Log which is reviewed annually by the UTIMCO Board of Directors and reported to the U.T. Board, and the annual disclosure statements filed by outside financial advisors and service providers. Annual disclosure statements must be filed with the State Auditor's Office. Ms. Gonzalez reported that the Corporation filed the report prior to the April 15th deadline. Mr. Zimmerman and Ms. Gonzalez answered the Committee Members' questions.

Unaudited Financial Statements

Chairman White asked Ms. Moeller to present the separate unaudited financial statements as of May 31, 2015, for the Permanent University Fund, The University of Texas System General Endowment Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, The University of Texas System Intermediate Term Fund, and the Corporation. Ms. Moeller provided highlights of the statements, with no new items or significant changes reported. Mr. Zimmerman and Ms. Moeller answered the Committee Members' questions.

Executive Session

Chairman White announced, at 9:07 a.m., that, "The Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company having been duly convened in Open Session

and notice of this meeting having been duly given, I hereby announce the convening of a closed meeting as an Executive Session of the Committee, for the purpose of deliberating individual personnel compensation and evaluation matters related to the General Counsel and Chief Compliance Officer. This Executive Session meeting of the Committee is authorized by Texas Government Code Section 551.074 (Personnel Matters). The date is July 14, 2015, and the time is now 9:07 a.m." With the exception of Mr. Turner and Mr. Zimmerman, all other staff members left the meeting.

Open Session

The Committee reconvened in open session and Mr. White announced that "The Open Session of the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The date is July 14, 2015, and the time is now 9:20 a.m. During the Executive Session, the Committee deliberated individual personnel compensation and evaluation matters but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

Individual Personnel Compensation and Evaluation Matters Related to the General Counsel and Chief Compliance Officer

Chairman White recommended that the Audit and Ethics Committee and the CEO jointly recommend to the Compensation Committee, subject to approval by the UTIMCO Board, the Base Salary, Performance Incentive Plan Participation, Weightings and Incentive Award Opportunities, and Performance Goals for the General Counsel and Chief Compliance Officer for the 2015-2016 Performance Period. By motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the UTIMCO Board has established a UTIMCO Compensation Program (the "Plan") for certain employees of the Corporation; and

WHEREAS, Section 4.2.(a) of the Plan provides that the Compensation Committee of the Board of Directors of UTIMCO will determine the base salaries of key investment and operations employees; and

WHEREAS, Section 5.3.(a) of the Plan provides that, in order to become a "Participant" in the Plan for a Performance Period, a UTIMCO employee must be (1) employed in a position designated by the Board of Directors of UTIMCO (the "UTIMCO Board") as an "Eligible Position" for that Performance Period and (2) selected by the UTIMCO Board as eligible to participate for that Performance Period; and

WHEREAS, Section 5.4.(a) of the Plan provides that the Compensation Committee of the Board of Directors of UTIMCO will approve the Performance Goals for each Participant (other than for the CEO) for each Performance Period; and

WHEREAS, the charter of the Audit and Ethics Committee (the "Committee") requires the Committee and the CEO to approve the Chief Compliance Officer's

performance goals and achievement of the goals, and to make a joint recommendation to the Compensation Committee as to the base salary and performance incentive awards for the Chief Compliance Officer; and

WHEREAS, the Committee and the CEO have prepared a joint recommendation regarding the base salary of the General Counsel and Chief Compliance Officer; and

WHEREAS, subject to the approval of the Compensation Committee, the Committee and CEO have reviewed and approve the Performance Goals for the General Counsel and Chief Compliance Officer for the 2015/2016 Performance Period as presented to the Committee; and

WHEREAS, subject to approval by the UTIMCO Board, the Audit and Ethics Committee and the CEO jointly recommend the position of General Counsel and Chief Compliance Officer as an Eligible Position and Cecilia Gonzalez as a "Participant" in the Plan for the 2015/2016 Performance Period; and

WHEREAS, subject to the concurrence of the Compensation Committee and approval by the UTIMCO Board, the Audit and Ethics Committee has reviewed and approves the Eligible Position for the position of General Counsel and Chief Compliance Officer for the 2015/2016 Performance Period as presented to the Audit and Ethics Committee.

NOW, THEREFORE, be it:

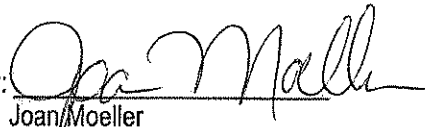
RESOLVED, that the Audit and Ethics Committee approves the base salary of the General Counsel and Chief Compliance Officer as recommended by the CEO and the Audit and Ethics Committee and the CEO hereby jointly recommend to the Compensation Committee the base salary of the General Counsel and Chief Compliance Officer, effective September 1, 2015; and be it

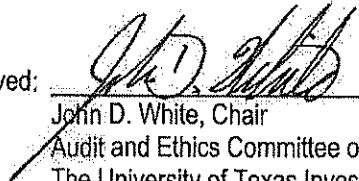
FURTHER RESOLVED, that the Audit and Ethics Committee approves the Performance Goals of the General Counsel and Chief Compliance Officer for the 2015/2016 Performance Period as recommended by the CEO and the Audit and Ethics Committee and the CEO hereby jointly recommend to the Compensation Committee the Performance Goals of the General Counsel and Chief Compliance Officer; and be it

FURTHER RESOLVED, that the Audit and Ethics Committee and the CEO hereby jointly recommend to the Compensation Committee that the position of General Counsel and Chief Compliance Officer be designated by the UTIMCO Board as an "Eligible Position" in the Plan for the 2015/2016 Performance Period; and be it

FURTHER RESOLVED, that the Audit and Ethics Committee and the CEO hereby jointly recommend to the Compensation Committee that Cecilia Gonzalez be designated by the UTIMCO Board as a "Participant" in the Plan for the 2015/2016 Performance Period.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:21 a.m.

Secretary: 
Joan Moeller

Approved: 
John D. White, Chair
Audit and Ethics Committee of the Board of Directors of
The University of Texas Investment
Management Company

Date: 11-16-15