

**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 **January 30, 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, 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  
H. Lee S. Hobson  
Ardon E. Moore

thus constituting a majority and quorum of the Committee. Director John D. White did not attend the meeting. Morris E. Foster, Chairman of the Board, also attended the meeting. Committee Chair ("Chairman") Bass called the meeting to order at 9:02 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; Uzi Yoeli, Managing Director – Portfolio Risk Management; and other staff members. Other attendees were Roger Starkey and Terry Hull 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. 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 November 18, 2014 meeting of the Risk Committee. 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, 2014, be, and are hereby, approved.

**Mandate Categorization**

Chairman Bass asked Mr. Zimmerman to give a brief summary of the new mandate categorizations requiring approval by the Committee. Mr. Zimmerman discussed the 13 new investment mandate categorizations prepared and recommended by Staff for the period beginning October 25, 2014 and ending January 20, 2015. The Chief Compliance Officer and CEO and Chief Investment Officer concurred in the categorizations prepared by the Managing Directors. 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 October 25, 2014, through January 20, 2015, 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 have been no changes in the investment characteristics of the mandates to warrant re-categorization; and

WHEREAS, the Risk Committee has reviewed the new Asset Class and Investment Type Mandate Categorizations of thirteen 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.

### Compliance Summary Program

Chairman Bass asked Ms. Gonzalez to present the Compliance Summary Program update. Ms. Gonzalez presented to the Committee the Investment Policies Compliance Report for the Quarter Ended November 30, 2014, with no non-compliance items to report. Also monitored were 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 Quarter Ended November 30, 2014, including on-going monitoring of the compliance program, employee training, the preclearance of trades and the Corporation's Compliance Hotline. Ms. Gonzalez also reviewed the updated Institutional Compliance Action Plan for FY 2015, noting that the Compliance Program self-assessment had been completed.

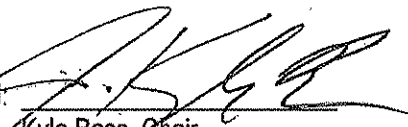
### Funds Update

Chairman Bass confirmed with Mr. Zimmerman that he would be providing a very detailed funds update at the next Board of Directors meeting, so there was no need to give other than a brief summary at this meeting. Chairman Bass then asked if communication had been made to the UT System Board of Regents regarding the scenario analysis provided in the meeting materials. Mr. Zimmerman explained that he had

presented the scenarios to the UT System Board of Regents in the past, on a summary level. He said he would make sure to provide details in future reports. Mr. Zimmerman also reported on the oil supply shock. He explained that Dr. Yoeli had prepared detailed work on effects of oil supply and asked him to provide a short update. Mr. Zimmerman summarized the Endowment Dashboard and stated that he would discuss other sections of the Funds Update in more detail at the Board meeting.

There being no further business to come before the Risk Committee, the meeting was adjourned at approximately 9:19 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: 4/16/15