

**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 **February 17, 2016**, 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
David J. Beck
H. Lee S. Hobson

thus constituting a majority and quorum of the Committee. Director Phil Adams joined the meeting later, as noted in the minutes. Committee Chair ("Chairman") White called the meeting to order at 1:32 p.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, Corporate Counsel and Chief Compliance Officer; Russ Kampfe, Managing Director – Fixed Income; and Gary Hill, Senior Manager - Investment Reporting. Other attendees were Terry Hull, Allen Hah, Michael Peppers, Moshmee Kalamkar, Eric Polonski, and Roger Starkey of The University of Texas System ("UT System") Administration; Jerry Turner and Bob Jewell of Andrews Kurth LLP; and Robert Cowley and Tom Wagner of Deloitte & Touche 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 January 15, 2016. 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 January 15, 2016, be, and are hereby, approved.

Audit Results and Communications

Chairman White asked Mr. Robert Cowley, engagement partner from the independent accounting firm of Deloitte & Touche LLP, to present the audit results and necessary communications for the Corporation for the fiscal years ended August 31, 2015 and August 31, 2014. Director Adams joined the meeting at this time. Mr. Cowley confirmed the completion of the audit of the Corporation, summarized the process and reviewed with the Committee the Audit Results and Communications report covering required communications. As stated in the report, Mr. Cowley confirmed that 1) Deloitte & Touche LLP issued an unqualified opinion on the Corporation's August 31, 2015 financial statements, 2) there were no changes in accounting policies that impacted the Corporation's financial statement balances, and 3) accounting principles utilized by management are of good quality, are acceptable, and have been consistently applied under accounting principles generally accepted in the United States. The Corporation's financial

statements and disclosures were complete in all material respects. Mr. Cowley stated that no material weaknesses regarding internal controls were found during their audit procedures and there were no concerns regarding management. Mr. Cowley stated they had no difficulties to report and were very complimentary of the Corporation's Staff, and the cooperation that Deloitte & Touche LLP had received throughout the audit process. Chairman White called for approval of the audit results and necessary communications for the Corporation for the fiscal years ended August 31, 2015 and August 31, 2014, and the Audited Financial Statements and Audit Report for the Corporation for the fiscal years ended August 31, 2015 and August 31, 2014. Mr. Zimmerman, Ms. Moeller and Mr. Cowley answered the Committee Members' questions. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Committee:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications on the Corporation for the year ended August 31, 2015, be, and is hereby approved in the form as presented to the Audit and Ethics Committee, subject to approval by the Corporation's Board.

And,

RESOLVED, that the annual financial statements and audit report for the Corporation for the years ended August 31, 2015, and August 31, 2014 be, and are hereby approved in the form as presented to the Audit and Ethics Committee, subject to approval by the Corporation's Board.

Update on Compliance, Reporting and Audit Matters

Chairman White asked Ms. Gonzalez to provide an update on compliance, reporting and audit matters. Ms. Gonzalez discussed the Investment Policies Compliance Report for the Quarter Ended November 30, 2015, with no issues to report. She presented to the Committee the Institutional Compliance Program Report for the Quarter Ended November 30, 2015 and an update on the Institutional Compliance Action Plan for FY2016. She reported on two minor compliance violations regarding unencrypted personal information being sent over the internet by employees. The violations were addressed with the employees. Ms. Gonzalez continued her report on compliance matters, including the status of employee training, pre-clearance of trades and the Corporation's Compliance Hotline activity.

Unaudited Financial Statements

Chairman White asked Ms. Moeller to present the separate unaudited financial statements for the Permanent University Fund ("PUF"), the General Endowment Fund ("GEF"), Permanent University Fund ("PHF"), Long Term Fund ("LTF"), and the Intermediate Term Fund ("ITF") for the three months ended November 30, 2015, and the Corporate unaudited financial statements for the period ended November 30, 2015. Ms. Moeller provided highlights of the statements, with no new items or significant changes reported.

Executive Session

Mr. White announced, at 1:56 p.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 receiving advice of counsel, pursuant to Texas Government Code Section 551.071 (Consultation with Attorney). The date is February 17, 2016, and the time is now 1:56 p.m." With the exception of Mr. Turner, Mr. Jewell, Mr. Zimmerman, Ms. Moeller, and Ms. Gonzalez, 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 February 17, 2016, and the time is now 2:10 p.m. During the Executive Session, the Committee received advice of counsel but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

There being no further business to come before the Committee, the meeting was adjourned at approximately 2:11 p.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: 5/3/16