

**MINUTES OF THE JOINT MEETING
OF THE POLICY AND RISK COMMITTEES OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

A joint meeting of the Policy and the Risk Committees (the "Committees") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **October 15, 2015**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Policy Committee Chair, R. Steven Hicks, and the Risk 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 Committees:

R. Steven Hicks, Chair, Policy Committee
Kyle Bass, Chair, Risk Committee
Phil Adams
H. Lee S. Hobson
Ardon Moore
John D. White

Jeffery D. Hildebrand, Chairman of the Board, also attended the meeting, thus constituting a majority and quorum of the Committees and the Board. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; and various staff members. Also attending were Terry Hull, Jim Phillips, Roger Starkey and Eric Polonski of The University of Texas System ("UT System") Administration; Keith Brown of the McCombs School of Business of The University of Texas at Austin; and Jerry Turner of Andrews Kurth LLP. Chair Hicks called the meetings to order at approximately 9:05 a.m. Copies of materials supporting the Joint Committee meeting agenda were previously furnished to each Committee member.

Annual Investment Policy Review

Mr. Hicks asked Mr. Zimmerman to present the *Investment Strategy Review for Fiscal Year 2016* and Staff's proposed changes to the Investment Policies. The Investment Management Services Agreement (IMSA) requires UTIMCO Staff to review current Investment Policies for each Fund at least annually and propose Staff's recommendations to both the Policy and Risk Committees, subject to approval by the Board and the UT System Board of Regents. Mr. Zimmerman provided a comprehensive analysis of the portfolio's positioning, return/risk assumptions, and the current and future economic environment considerations used in determining the recommended changes to the Asset Class and Investment Type targets and ranges for FY 2016. Staff recommended amendments to the Investment Policy Statements of the Permanent University Fund (PUF), the General Endowment Fund (GEF), the Permanent Health Fund (PHF), Long Term Fund (LTF) and the Intermediate Term Fund (ITF). Included in the recommended amendments were also changes in Exhibits A of the PUF, the GEF, and the ITF, and Exhibits B in the PHF and the LTF Investment Policy Statements, to set forth the revised Policy Portfolio Asset Class and Investment Type Targets and Ranges for FY 2016. Recommended amendments to Exhibits A of the PUF and GEF, and Exhibits B in the PHF and LTF Investment Policy Statements included setting forth the Target Distribution Rates for the respective Fund as determined by the UT System Board of Regents, a revised Expected Annual Real Return (Benchmark) target for FY 2016, an adjustment to one year downside volatility based on the change in the Expected Annual Real Return (Benchmark) target, and

deletion of the footnote related to the Expected Annual Return (Benchmark). With the exception of the inclusion of the Target Distribution Rate, the same recommended amendments were proposed for Exhibit A of the ITF. These amendments to the PUF, GEF, ITF, PHF, and LTF are to be effective December 1, 2015. Mr. Zimmerman also reviewed with the Risk and Policy Committees proposed changes to the Separately Invested Funds Investment Policy Statement (effective December 1, 2015), Derivative Investment Policy (effective November 5, 2015); and the Liquidity Policy (effective November 5, 2015). Mr. Zimmerman answered the Committee Members' questions. Chairman Hicks and Chairman Bass, on behalf of the Policy and Risk Committees, recommended approval of the following resolution. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

RESOLVED, that the amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Intermediate Term Fund, Separately Invested Funds, and amendments to the Derivative Investment Policy and Liquidity Policy, as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

There being no further business to come before the Committees, the meeting was adjourned at 9:47 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: R. Steven Hicks
R. Steven Hicks, Chair
Policy Committee of
The University of Texas Investment
Management Company

Date: 4-29-14

Approved: _____
Kyle Bass, Chair
Risk Committee of
The University of Texas Investment
Management Company

Date: _____

deletion of the footnote related to the Expected Annual Return (Benchmark). With the exception of the inclusion of the Target Distribution Rate, the same recommended amendments were proposed for Exhibit A of the ITF. These amendments to the PUF, GEF, ITF, PHF, and LTF are to be effective December 1, 2015. Mr. Zimmerman also reviewed with the Risk and Policy Committees proposed changes to the Separately Invested Funds Investment Policy Statement (effective December 1, 2015), Derivative Investment Policy (effective November 5, 2015); and the Liquidity Policy (effective November 5, 2015). Mr. Zimmerman answered the Committee Members' questions. Chairman Hicks and Chairman Bass, on behalf of the Policy and Risk Committees, recommended approval of the following resolution. Upon motion duly made and seconded, the following resolution was adopted by the Committee:

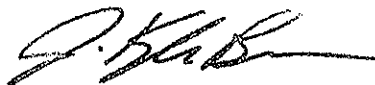
RESOLVED, that the amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Intermediate Term Fund, Separately Invested Funds, and amendments to the Derivative Investment Policy and Liquidity Policy, as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

There being no further business to come before the Committees, the meeting was adjourned at 9:47 a.m.

Secretary: _____
Joan Moeller

Approved: _____
R. Steven Hicks, Chair
Policy Committee of
The University of Texas Investment
Management Company

Date: _____

Approved:  _____
Kyle Bass, Chair
Risk Committee of
The University of Texas Investment
Management Company

Date: 10 April 16