

**MINUTES OF MEETING 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 **July 15, 2008**, 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 Policy Committee Chair, Colleen McHugh, and the Risk Committee Chair, Charles Tate, 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:

Colleen McHugh, Chair, Policy Committee
Charles Tate, Chair, Risk Committee
J. Phil Ferguson
Paul Foster
Ardon E. Moore
Erle Nye

thus constituting a majority and quorum of the Committees. Risk Committee Member Clint Carlson joined later in the meeting as noted in the minutes. Also attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; Gary Hill, Manager - Investment Reporting for the Corporation; Debbie Childers, Manager Portfolio Accounting and Operations for the Corporation; Melynda Shepherd, Manager - Finance and Administration for the Corporation; Kate Wagner, Associate - Portfolio Risk Management for the Corporation; Dr. Keith Brown of the McCombs School of Business at UT Austin; Philip Aldridge, Charlie Chaffin, Jim Phillips and William Huang of UT System Administration. Policy Committee Chair McHugh and Risk Committee Chair Tate called the meeting to order at 1:48 p.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Review and Discussion of Proposed Amendments to Investment Policies

Mr. Zimmerman explained that Staff was recommending for approval by the Policy and Risk Committees proposed amendments to the investment policies. These amendments will need further approval by the Board of Directors and the UT System Board of Regents. Mr. Zimmerman presented a summary of the Investment Strategy Review 2008. He reported that the objective of this year's investment strategy review was to assess the portfolio's current position in relation to the initial multi-year plan and recent/expected market conditions and recommend "mid-course corrections" to the originally proposed multi-year implementation plan as well as to recommend targets and ranges for FY 2011.

Mr. Carlson joined the meeting at this time. Mr. Zimmerman discussed the Asset Class and Investment Type performance of the Permanent University Fund ("PUF") as of May 31, 2008, compared to the targets,

ranges and performance objectives. He also discussed the variables in the private markets investments in relation to the endowments.

Mr. Zimmerman explained that the Committees were being requested to approve changes to Exhibits A to the Investment Policy Statements for the PUF and General Endowment Fund ("GEF") and Exhibits B to the Permanent Health Fund ("PHF") and Long Term Fund ("LTF") Investment Policy Statements, for the fiscal year ending August 31, 2008, effective July 24, 2008. This change related to increasing the Private Investments maximum range to 20% (up from 16.8%). The Committees were also being requested to approve amendments to the Exhibits to the Investment Policy Statements for the PUF, GEF, PHF, LTF, and Intermediate Term Fund, to reflect changes to the implementation plan proposed for FY 09 and FY 10 as well as to recommend targets and ranges through FY 2011. In addition, the Exhibits reflect the staff's recommendations related to revisions to the benchmarks, effective September 1, 2008. Mr. Zimmerman also presented recommended amendments to the Liquidity Policy, which included new liquidity limits and trigger zones for the fiscal years ending 2009 and 2010 for the Endowment Funds and adding fiscal year ending 2011 liquidity limits and trigger zones for both the Endowment Funds and the Intermediate Term Fund. In addition, the unfunded commitments maximums in the Liquidity Policy were changed for the fiscal years ending 2008, 2009, and 2010 and the maximum permitted amount for fiscal year 2011 was added. Mr. Zimmerman answered the Committee members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendments to the Exhibits of the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund, and the 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 Policy or the Risk Committees, the joint meeting was adjourned at approximately 2:45 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Colleen McHugh Date: 5.14.2009
Colleen McHugh, Chair
Policy Committee of
The University of Texas Investment Management Company

Approved: Charles W. Tate Date: 5/14/09
Charles Tate, Chair
Risk Committee of
The University of Texas Investment Management Company