

**MINUTES OF MEETING OF
THE RISK COMMITTEE OF THE
BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS/TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

A meeting of the Risk Committee (the "Committee") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in open session on **March 5, 2020**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 1700, 210 West 7th Street, Austin, Texas, said meeting having been called by the Committee Chair, Robert Gauntt ("Chairman"), 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:

Robert Gauntt, Chair
Janiece Longoria
Ray Rothrock

thus constituting a majority and quorum of the Committees. Employees of the Corporation attending the meeting were Britt Harris, President, CEO and Chief Investment Officer; Rich Hall, Deputy Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; Uzi Yoeli, Managing Director – Risk Management; and other employees. Other attendees were Jerry Kyle of Orrick, Herrington & Sutcliffe LLP; David Rejino of The Texas A&M University System; and Keith Brown of the UT Austin McCombs School of Business. Chairman Gauntt called the meeting to order at 1:03 p.m. 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 the approval of the minutes of the Meeting of the Risk Committee held on November 21, 2019. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the minutes of the Meeting of the Risk Committee of the Board of Directors held on November 21, 2019, be, and are hereby, approved.

Charter Amendments

Chairman Gauntt asked Mr. Hall to introduce the proposed amendments to the Committee Charter. Mr. Hall reviewed the proposed Charter amendments and answered the Committee members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the amendments to the Charter of the Risk Committee, as recommended be, and are hereby approved, in the form submitted to the committee, subject to approval by the Corporation's Board of Directors.

Risk Committee Self-Assessment

Chairman Gauntt asked Ms. Gonzalez to discuss the results of the Committee's self-assessment. Ms. Gonzalez stated that the charter of the Committee requires the Committee to evaluate its performance on a periodic basis. The self-assessment consisted of 32 questions related to three areas of the Committee Charter: (1) scope, composition, and purpose; (2) functions, duties, and responsibilities; and (3) process and procedures. All Committee members completed the self-assessment and expressed overall satisfaction with the Committee's performance and effectiveness. Committee member comments included a request to periodically review the Committee Charter to determine whether the Committee's responsibilities are adequately described, circulation of the agenda and related information in advance of the meetings to allow members sufficient time to study and understand the information, and to better understand risk models and other risk information. Mr. Harris and Ms. Gonzalez discussed the responses and answered the Committee members' questions.

Compliance Reporting

Chairman Gauntt asked Ms. Gonzalez to provide an update on compliance and reporting matters. Ms. Gonzalez began by presenting the risk compliance dashboard for the quarter ended November 30, 2019. Ms. Gonzalez noted that UTIMCO was in compliance with all of the Board of Regents' investment policies and guidelines, including asset allocation, downside volatility, monitoring of manager mandate exposure, and new derivatives exposure. Next Ms. Gonzalez presented the investment compliance summary noting no areas out of compliance.

Ms. Gonzalez then presented the Institutional Compliance Program Report for the quarter ended November 30, 2019, and compliance hotline activity. Finally, Ms. Gonzalez updated the Committee on the status of the Institutional Compliance Action Plan for Fiscal Year 2020. Ms. Gonzalez answered the Committee Members' questions. Mr. Harris also addressed the measures the Team had taken to ensure employee safety during the Coronavirus pandemic, including the creation of a task force to monitor government and health information and provide guidance to the Team.

Market and Portfolio Risk Update

Chairman Gauntt asked Dr. Yoeli to present the market and portfolio risk update. Dr. Yoeli began by discussing the bubble indicators and the bear market indicators, noting the probability of a recession had moved up to 40%. He discussed liquidity metrics and the purpose of having those rules in place during a downturn in the market. Dr. Yoeli followed with a detailed analysis of the current economic regime, bubble monitors, fund level leverage and concentration limits, downside volatility attribution by relationship, and performance on a 1-year and 5-year basis as of December 31, 2019. Dr. Yoeli and Mr. Harris then answered questions from the Committee Members.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 1:48 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Robert Gauntt
Robert Gauntt, Chair
Risk Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Date: 6/16/20