

**MINUTES OF
MEETING OF THE RISK COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

The Risk Committee (the "Committee"), formerly referred to as the Liquidity Committee, of The University of Texas Investment Management Company (the "Corporation") convened in open session on **June 16, 2005**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, 221 W. 6th Street, Suite 1700, Austin, Texas 78701, said meeting having been called by the Committee Chair, H. Scott Caven, 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:

H. Scott Caven, Chair
Woody L. Hunt
Charles Tate

thus, constituting a majority and quorum of the Committee. Also attending the meeting were Bob Boldt, President of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cathy Iberg, Managing Director – Marketable Alternative Investments and Deputy CIO; Bill Edwards, Managing Director – Information Technology; Trey Thompson, Managing Director – Non-Marketable Alternative Investments; Andrea Reed, Risk Manager of the Corporation; Jerry Turner, legal counsel for the Corporation; and Amy Barrett of the UT System. Chairman Caven called the meeting to order at 11:35 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Director.

Minutes

The first matter to come before the Committee was approval of the minutes of the meeting of the Liquidity Committee held on March 11, 2005. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Liquidity Committee held on March 11, 2005, be, and are hereby, approved.

Risk Update

Mr. Caven asked Ms. Reed to give a risk management update. Ms. Reed discussed the models, budgeting and other risk initiatives that she and her staff are working on. Due to the Committee's expanded scope, she will be updating the Committee on a regular basis on the progress of risk management of the policy portfolio. Mr. Boldt and Ms. Reed answered the Directors' questions.

Liquidity Profiles

The next item on the agenda was the report on Liquidity Profiles as of the end of April 2005. The PUF and GEF profile reports included certification signatures by the Risk Manager, Chief Compliance Officer, and President of the Corporation. All Managing Directors' signatures were provided certifying the April 30, 2005, reports and supporting documentation. Mr. Boldt presented the liquidity profiles, actual liquidity classifications, and pro-forma liquidity profile. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Liquidity Profiles for April 2005, be, and are hereby, approved in the forms submitted to the Committee.

Liquidity Threshold

The next matter to come before the Committee was a recommendation for the Committee to approve the pro-forma combined illiquid allocation of approximately 24.4% of the combined PUF and GEF illiquid portfolio value, which includes \$270,000,000 of proposed Non-Marketable Alternative Investments in Ampersand 2005 Limited Partnership, L.P., Candover 2005 Fund, L.P., CVC European Equity Partners IV L.P., Lake Capital Partners II, L.P., SCF Partners VI, L.P., Southwest Opportunity Fund I, L.P., and Warburg Pincus Private Equity IX, L.P. Subject to final due diligence, the proposed investments may be made by the Corporation's Staff as provided in the Delegation of Authority Policy. Mr. Caven announced that while he has no financial or other pecuniary interest in SCF Partners VI, L.P., he does have a personal relationship with L. E. Simmons, a general partner of SCF Partners VI, L.P. Mr. Caven stated that Mr. Simmons is married to Mr. Caven's first cousin once-removed and is a godparent to one of Mr. Caven's children. Mr. Caven also announced that while he has no financial or other pecuniary interest in Southwest Opportunity Fund I, L.P., he is well acquainted with James Kozlowski and Stephen Soileau, two of the principal managers of the fund, as a result of his prior involvement with the Texas Growth Fund. Continuing, Mr. Caven stated that while he has no ongoing relationship with the Texas Growth Fund (he has not been associated with them for five years), he was involved in the creation of the Fund, was chairman of the Fund for over 10 years and has had significant history with the Texas Growth Fund. Mr. Caven pointed out that Messrs. Kozlowski and Soileau were two of the principals of the private management company that served as managers of the Texas Growth Fund. Further, Mr. Caven stated that in view of the foregoing, he preferred not to participate in the discussion and vote related to the SCF Partners VI, L.P. and Southwest Opportunity Fund I, L.P. During the discussion of the recommendations, Mr. Boldt and Mr. Thompson answered the Directors' questions. Upon motion duly made and seconded, with Mr. Caven abstaining, the following resolution was adopted:

RESOLVED, that the Risk Committee has reviewed proposed investments, Ampersand 2005 Limited Partnership, L.P., Candover 2005 Fund, L.P., CVC European Equity Partners IV, L.P., Lake Capital Partners II, L.P., SCF Partners VI, L.P., Southwest Opportunity Fund I, L.P., and Warburg Pincus Private Equity IX, L.P. to determine their impact on the liquidity of the combined PUF and GEF illiquid portfolio value; and

RESOLVED, FURTHER, that these investments would increase the pro forma illiquid allocation to approximately 24.4%, and the Risk Committee has no objection to the increase.

Mr. Boldt noted that the 2005 asset allocation approved by the Board in their meeting held prior to the Risk Committee meeting, has an illiquid factor of approximately 32.5%. He asked the Committee to consider changing the illiquidity threshold to be reflective of the new asset allocation. The Committee concurred that the threshold issue will be discussed and considered at the next Risk Committee meeting, recommending further approval by the Board of Directors at their meeting to be held on July 21, 2005.

There being no further business to come before the Liquidity Committee, the meeting was adjourned at approximately 11:55 a.m.

Secretary: _____
Joan Moeller

Approved: _____
H. Scott Caven, Chair
Liquidity Committee
of the Board of Directors of
The University of Texas Investment
Management Company

Date: