

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

The Risk Committee (the "Committee"), of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 21, 2005**, 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; Bill Edwards, Managing Director – Information Technology; Sara McMahon and Trey Thompson, Managing Directors – Non-Marketable Alternative Investments; Andrea Reed, Risk Manager of the Corporation; Bill Volk, legal counsel for the Corporation; Keith Brown of the UT Austin McCombs School of Business; and Charlie Chaffin and Cathy Swain of the UT System. Chairman Caven called the meeting to order at 8:35 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 Risk Committee held on June 16, 2005. Chairman Caven stated that the minutes should reflect that Messrs. Kozlowski and Soileau are managers of the Texas Growth Fund, not Executive Directors as originally listed. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Risk Committee held on June 16, 2005, be, and are hereby, approved, subject to revision as requested by the Committee; and

RESOLVED, FURTHER, that the President and the Secretary of the Corporation be and they are hereby authorized and directed to revise the minutes.

Liquidity Profiles

The next item on the agenda was the report on Liquidity Profiles as of the end of May 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 May 31,

2005, reports and supporting documentation. Mr. Boldt presented the liquidity profiles, actual liquidity classifications, and pro-forma liquidity profile. Mr. Boldt, Ms. McMahon, and Mr. Thompson answered the Directors' questions during a discussion regarding the definition and classification of liquidity. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Liquidity Profiles for May 2005, be, and are hereby, approved in the form 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 24.2% of the combined PUF and GEF illiquid portfolio value, which includes \$185,000,000 of proposed Non-Marketable Alternative investments in Blackstone Capital Partners V, L.P., JatoTech Ventures II, L.P., OCM Opportunities Fund VI, L.P., and Windjammer Senior Equity Fund III, L.P.; and \$25,000,000 of proposed Marketable Alternative investments in OCM High Yield Plus (Cayman) Fund, Ltd. Subject to final due diligence, the proposed investments may be made by the Corporation's Staff as provided in the Delegation of Authority Policy. During the discussion of the recommendations, Mr. Boldt, Ms. McMahon and Mr. Thompson answered the Directors' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Risk Committee has reviewed proposed investments in Blackstone Capital Partners V, L.P., JatoTech Ventures II, L.P., OCM High Yield Plus (Cayman) Fund, Ltd., OCM Opportunities Fund VI, L.P., and Windjammer Senior Equity Fund III, L.P. to determine their impact on the liquidity of the combined PUF and GEF illiquid portfolio value; and

RESOLVED, while these investments would increase the pro forma illiquid allocation to approximately 24.2%, the Risk Committee has no objection to the increase.

Liquidity Policy and Charter of the Risk Committee

Mr. Caven asked Mr. Boldt to review the proposed amendments to the Liquidity Policy and Charter of the Risk Committee. The amendments are proposed to expand the policy and Charter to include the Reserve Plus Fund and the Balanced Fund. The funds are being considered by the Board as part of the centralization of the UT System Operating Funds. In addition, changes to the Liquidity Policy's illiquid thresholds for the PUF and GEF are also proposed. Mr. Boldt, and Ms. Reed answered the Directors' questions. After discussion, the Directors agreed to accept the Liquidity Policy as proposed, changing the illiquid trigger zone to 30% - 40% and moving the illiquidity threshold to 30%, with the decision to delay the approval for the illiquidity for the operating funds until the next meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the amendments to the Liquidity Policy, as recommended be, and are hereby, approved, subject to approval of the Corporation's Board of Directors.

Mr. Boldt presented the proposed amendments to the Charter of the Risk Committee which were made primarily to accommodate language for the Reserve Plus Fund and the Balanced Fund, and to note that the Risk Committee is also responsible for illiquidity and risk of the operating funds. Upon motion duly made and seconded, the following resolution was unanimously adopted:

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

Risk Update

Mr. Boldt continued with the risk update. He provided a handout with chart showing risk exposures through May 2005. Mr. Boldt and Ms. Reed discussed the models, budgeting, thresholds, and risk reporting and answered the Directors' questions.

There being no further business to come before the Liquidity Committee, the meeting was adjourned at approximately 9:20 a.m.

Secretary: _____
Joan Moeller

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

Date: _____