

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

The Liquidity Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **May 21, 2004**, 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, Town Lake Conference Room, Austin, Texas 78701, said meeting having been called by the Committee Chair, with notice provided to each member in accordance with the Bylaws. Participating in the meeting were the following members of the Committee:

I. Craig Hester, Chair
J. Philip Ferguson
Woody L. Hunt

thus, constituting a majority and quorum of the Committee. Directors Susan M. Byrne and James R. Huffines were not present at the meeting. Also attending the meeting were Bob Boldt, President and CEO of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cathy Iberg, Managing Director - Marketable Alternative Investments and Deputy CIO of the Corporation; Andrea Reed, Risk Manager of the Corporation; Sara McMahon, Managing Director - Non-Marketable Alternative Investments of the Corporation; Trey Thompson, Managing Director - Non-Marketable Alternative Investments of the Corporation; Jerry Turner, legal counsel for the Corporation; Philip Aldridge and Jerry Modjeski of U.T. System Administration; and Lucius Lomax, a member of the public representing the Austin Chronicle. Chairman Hester called the meeting to order at 10:05 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 23, 2004. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Liquidity Committee of the Board of Directors held on **March 23, 2004** be and are hereby, approved.

Mr. Hester suggested that the certification requirements noted in the minutes of the Liquidity Committee Meeting held on March 23, 2004, should be added to the Liquidity Policy. The specific language will be added to the Documentation and Controls portion of the Liquidity Policy and will be presented to the Committee at the next meeting for approval.

Liquidity Report

The next item on the agenda was the report on Liquidity Profiles. Mr. Hester asked Mr. Boldt to explain the reports. Mr. Boldt explained the report reflecting liquid and illiquid percentages of the current investments and the approved but not yet invested illiquid marketable investments; and the change in the investment's liquidity classification since last reported. The PUF and GEF profile reports had signature lines added for the newly required certification by the Risk Manager and Chief Compliance Officer but were missing signatures. Noted at the meeting was the fact that the signatures were missing only because both staff members were out of town the day the books were prepared. All Managing Directors' signatures were provided certifying the report and supporting documents, and the profile reports will be signed by all necessary staff members by the UTIMCO Board of Directors Meeting on May 26, 2004. There was no further discussion of this item.

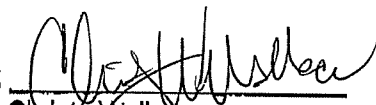
Liquidity Threshold

Mr. Hester asked the Committee to defer the Liquidity Threshold resolution to May 26, 2004. The Liquidity Committee will meet again on May 26, 2004, and will address the recommendation that the Liquidity Committee approve an increase in allowable illiquid investments to 25% of the total portfolio. Mr. Boldt and the Committee discussed the role of the committee going forward and possible costs of purchasing liquidity in the future.

Mr. Lomax asked to make a statement in the meeting. He requested that the UTIMCO Board meetings and Committee meetings be tape recorded. Mr. Hunt, Chairman of the Corporation's Board of Directors, stated that the decision to record the UTIMCO Board of Directors meetings had been made, and noted that the last meeting was recorded. Chairman Hunt agreed to record all UTIMCO committee meetings going forward.

There being no further business to come before the Liquidity Committee, the meeting was adjourned at approximately 10:40 a.m.

Assistant Secretary:


Christy Wallace

Approved:


T. Craig Hester, Chair
Liquidity Committee
of the Board of Directors of
The University of Texas Investment
Management Company

Date: May 26, 2004