

**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 26, 2004**, at the Hotel Crescent Court, 400 Crescent Court, Dallas, Texas, 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
James R. Huffines
Woody L. Hunt

thus, constituting a majority and quorum of the Committee. Director Susan M. Byrne joined the meeting at the point indicated below. Also attending the meeting were H. Scott Caven, UT System Regent; 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; and Jerry Turner, legal counsel for the Corporation. Chairman Hester called the meeting to order at 8:38 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 May 21, 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 **May 21, 2004** be, and are hereby, approved.

Liquidity Policy

Mr. Hester discussed a proposed change to the Liquidity Policy. The change was to add certification requirements to the Documentation and Controls section of the Liquidity Policy. A suggestion was made to retain the original effective date and approval date, and to include a new line with the revision date. The Liquidity Policy, with the suggested changes, will be provided as an action item at the next meeting of the Liquidity Committee, subject to approval of the Corporation's Board of Directors.

Liquidity Charter

The next item discussed was proposed changes to the Charter of the Liquidity Committee. Mr. Hester asked Mr. Boldt to explain the proposed changes. Mr. Boldt explained that the Charter was written with specific percentages that refer to the Liquidity Policy. If the proposed changes to the Charter were made, the document would be more generic and would not require future changes to be made to the Charter each time the Liquidity Policy was revised. Director Byrne joined the meeting during this discussion. Mr. Boldt answered the Directors' questions, and after discussion, he recommended that the Committee table the proposed changes to the Charter of the Liquidity Committee at this time. The Committee concurred and the matter was tabled.

Liquidity Report

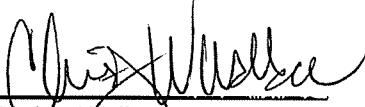
The next item on the agenda was the report on Liquidity Profiles as of the end of April 2004. Mr. Hester asked Mr. Boldt to explain the reports. Mr. Boldt explained that the report reflected liquid and illiquid percentages of current investments and approved but not yet invested illiquid marketable investments, as well as the change in the investment's liquidity classification since last reported. Mr. Boldt answered the Directors' questions. 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, 2004 report and supporting documentation. There was no further discussion of this item.

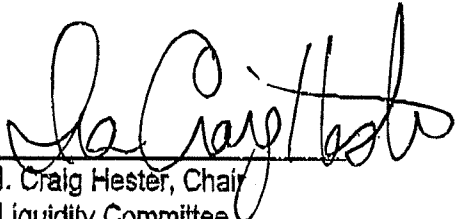
Liquidity Threshold

The next matter to come before the Committee was a recommendation to approve a change to the "trigger zones" for illiquid investments. Mr. Boldt explained that the Corporation's Liquidity Policy specifies ranges and "trigger zones" for liquid and illiquid investments. The recommendation was made 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 Liquidity Committee and discussed the possible liquidity of both the Marketable and Non-Marketable Alternative Investments portfolios going forward. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Liquidity Committee has discussed the fact that the proposed alternative asset investments to be considered by the Corporation's Board today, if approved, would cause the illiquid profile of the PUF and GEF to increase to approximately 21.68% and 21.39%, respectively (based on April 30 valuations), and the Committee does not object to such increase.

There being no further business to come before the Liquidity Committee, the meeting was adjourned at approximately 9:40 a.m.

Assistant Secretary: 
Christy Wallace

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

Date: July 15, 2004