

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

The Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in an open meeting on **June 29, 2021**, in person and by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation located at 210 West 7th Street, Suite 1700 in Austin, said meeting having been called by the Chairman, Jeffery D. Hildebrand ("Chairman"), with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded and broadcast over the Internet. Participating in the meeting were the following members of the Board:

Jeffery D. Hildebrand
Ray Rothrock
Robert Gauntt
Janet Handley
Jodie L. Jiles
Janiece Longoria
Ray Nixon
Clifton L. Thomas, Jr.
James C. "Rad" Weaver

thus constituting a majority and quorum of the Board. 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; Carolina de Onis, General Counsel and Chief Compliance Officer; Mike Sjolander, Chief Technology Officer ("CTO"); Uzi Yoeli, Managing Director – Risk Management; and other team members as well as our Growing Investment Leaders ("GIL") Interns. Other attendees were James B. Milliken, Chancellor of The University of Texas ("UT System") System; Jerry Kyle of Orrick, Herrington, & Sutcliffe LLP; and Keith Brown of the McCombs School of Business at UT Austin. Chairman Hildebrand called the meeting to order at 9:00 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

Minutes

The first item to come before the Board was approval of the Minutes of the Board of Directors Meeting held on March 11, 2021. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the minutes of the Meeting of the Board of Directors held on March 11, 2021, be, and are hereby, approved.

Corporate Resolutions

Chairman Hildebrand nominated Director Rothrock to serve as Vice Chairman of the Board and Director Jiles to serve as Vice Chairman for Policy. He then requested nominations for the office of Chairman. Director Rothrock nominated Chairman Hildebrand to serve as Chairman of the Board. There being no other nominations, Chairman Hildebrand then requested a motion to approve the corporate resolution designating

the officers for the Corporation. As stated in the Bylaws, Officers for the ensuing year are to be elected at the Annual Meeting. Employees that are designated as Officers by the Board meet the definition of Key Employees in the Corporation's Code of Ethics. Chairman Hildebrand also presented a recommendation for new Board committee assignments. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the following persons are hereby appointed to the respective office or offices of the Corporation set forth opposite their names, to serve until the next Annual Meeting of the Corporation or until their resignation or removal.

<u>Name</u>	<u>Office or Offices</u>
Jeffery D. Hildebrand	Chairman
Ray Rothrock	Vice Chairman
Jodie L. Jiles	Vice Chairman for Policy
Britt Harris	President, Chief Executive Officer and Chief Investment Officer
Rich Hall	Deputy Chief Investment Officer
Joan Moeller	Senior Managing Director, Treasurer and Secretary
Susan Chen	Managing Director
Carolina de Onis	Managing Director, General Counsel and Chief Compliance Officer
Mike Dean	Managing Director
Russ Kampfe	Managing Director
Edward Lewis	Managing Director
Pat Pace	Managing Director
Ryan Ruebsahm	Managing Director
Mike Sjolander	Managing Director and Chief Technology Officer
Scott Slayton	Managing Director
Uzi Yoeli	Managing Director

And

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Audit and Ethics Committee of the Board of Directors:

Janet Handley
Jodie L. Jiles
Clifton L. Thomas, Jr.
James C. "Rad" Weaver

subject to approval by the Board of Regents of The University of Texas System at a future meeting, to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Janet Handley is hereby designated the Chair of the Audit and Ethics Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Compensation Committee of the Board of Directors:

Robert Gauntt
Janet Handley
Ray Nixon
Ray Rothrock

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Ray Nixon is hereby designated the Chair of the Compensation Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Policy Committee of the Board of Directors:

Robert Gauntt
Jodie L. Jiles
Ray Nixon
Clifton L. Thomas, Jr.

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Robert Gauntt is hereby designated the Chair of the Policy Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Risk Committee of the Board of Directors:

Janet Handley
Janiece Longoria
Ray Rothrock
James C. "Rad" Weaver

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that James C. "Rad" Weaver is hereby designated the Chair of the Risk Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Cyber Risk Committee of the Board of Directors:

Robert Gauntt
Janiece Longoria
Ray Rothrock
James C. "Rad" Weaver

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Ray Rothrock is hereby designated the Chair of the Cyber Risk Committee and shall preside at its meetings.

Performance and Market Update

Chairman Hildebrand asked Mr. Hall to present the Corporation's performance and market update. Mr. Hall reported that as of March 31, 2021, the Corporation had around \$60 billion of assets under management; a \$14 billion increase over a 12-month period. Mr. Hall reviewed the AUM by institution as well as the UTIMCO diversification framework. Next, he discussed endowment returns and alpha detail and risk and return. He also discussed ITF returns and alpha detail. He then turned the presentation over to Mr. Harris for a UTIMCO update. Mr. Harris started with a highlight of recent public listings. He then introduced the 2021 summer interns and discussed the UTIMCO Scholars program. Next, Mr. Hall reviewed the year-to-date market dashboard and provided an economic forecast. He also discussed dispersions as well as P/E vs. operating margin and concluded with a Federal Reserve Update. Mr. Hall answered questions from the Board.

Real Return Presentation

Chairman Hildebrand asked Mr. Lewis to present the update on the Real Return program. Mr. Lewis began with a few key highlights and an overview of the Real Return team. He then discussed the role in the total portfolio as well as investment results and exposure as of 4/30/21. Mr. Lewis reported that Total Real Return is generating positive alpha across all time periods measured. He shared that the Real Return portfolio faced a steep decline followed by a recovery in 2020. Next, he discussed the Covid-19 impact on commercial real estate as well as unlevered return expectations. Mr. Lewis then reviewed oil and gas market conditions and discussed energy transitions and the restructuring of the Natural Resources portfolio. He concluded with an overview of the teams' key accomplishments and top priorities going forward. Mr. Lewis answered the Directors' questions.

Private Equity Presentation

Chairman Hildebrand asked Dr. Pace to update the Board on the Private Equity Team and their current work. Dr. Pace began by stating that Private Equity generated a 30.4% Internal Rate of Return ("IRR") over the past 12 months. Over the past 10 years, Private Equity generated a 14.4% IRR contributing 218 basis points of alpha when compared to the same benchmark. Dr. Pace recognized the team for their efforts and discussed Private Equity's role in the endowments. He covered performance and key highlights as well as priorities for 2021. Dr. Pace discussed the current market conditions and commitment plan before concluding his presentation. He then answered the Directors' questions.

Strategic Asset Allocation Review

Chairman Hildebrand asked Britt Harris, Rich Hall, Uzi Yoeli and Ken Standley to present an update on the Strategic Asset Allocation ("SAA"). Mr. Harris gave a brief introduction before turning the presentation over to Mr. Hall who began by acknowledging the teams' efforts. Mr. Hall then reviewed the summary recommendations and discussed the investment framework including asset diversification, returns, role of bonds and future funding. Mr. Harris added some points on the UTIMCO conclusions for the ITF as well as

contribution analysis. Next, Mr. Stanley discussed capital market assumptions and expectations vs. 2018 as well as the role of bonds and declining yields. Mr. Harris reviewed the overshoot with the Board, noting that market performance has generally exceeded 2018 assumptions. He briefly reviewed margin of safety before turning the presentation over to Dr. Yoeli. Dr. Yoeli concluded the presentation with a discussion on risk of regime change, expected states of economy and recommended portfolios. The team then answered questions from the Board. Mr. Harris made a recommendation that the UTIMCO Board approve the proposed amendments to the Investment Policy Statements and associated Exhibits for the PUF, GEF, PHF, LTF and ITF for the fiscal year beginning September 1, 2021.

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Fund, as presented be, and are hereby approved, subject to approval by the Board of Regents of The University of Texas System.

Report from Policy Committee

Chairman Hildebrand asked Director Gauntt to provide a report from the Policy Committee. Director Gauntt reported that the Policy Committee met jointly with the Risk Committee via teleconference on June 17, 2021. The Joint Committee meeting agenda included the discussion and appropriate action related to proposed amendments to the Investment Policy Statements. The Committee also received an update on the Strategic Asset Allocation. A recommendation was made, but no decision was made and the topic was tabled for further discussion.

Report from Audit and Ethics Committee

Chairman Hildebrand asked Director Handley to provide a report on behalf of the Audit and Ethics Committee. Director Handley reported that the Committee met via teleconference on June 17, 2021. The Committee's agenda included approval of Committee minutes; discussion and appropriate action related to engaging corporate external auditor; a report from UT System Audit Office; an update on UTIMCO's compliance, reporting, and audit matters; a presentation of unaudited financial statements for the Investment Funds and the Corporation; discussion and appropriate action related to the Chief Executive Officer's Nominee for Chief Compliance Officer; and discussion and appropriate action related to the base salary for the Corporate Counsel and Chief Compliance Officer for the 2021-2022 Fiscal Year. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation and evaluation matters.

The Committee received a report from J. Michael Peppers and Eric Polonski from the UT System Audit Office on the completed audit of UTIMCO's Compliance Program. Director Handley noted that Mrs. de Onis reported on the annual disclosure statements filed by outside financial advisors and service providers that were filed with the State Auditor's Office on April 15th and the annual report on Director Co-Investments. Mrs. de Onis also reported to the Committee on contracts, leases, or other commercial arrangements of \$250,000 or more entered into during the quarter.

Director Handley reported that the Committee had approved the hiring of Deloitte and Touche LLP as the corporate auditor and requested that the Board take appropriate action related to hiring Deloitte and Touche LLP as the corporate auditor. Estimated fees for the FY 2021 audit services are \$48,000 plus out-of-pocket

expenses. This is a \$1,700 increase over the FY 2020 fee. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the firm of Deloitte & Touche LLP be, and is hereby, engaged as the independent auditor of the Corporation for the year ended August 31, 2021.

Report from Risk Committee

Chairman Hildebrand asked Director Gauntt to provide a report from the Risk Committee. Director Gauntt reported that the Risk Committee met via teleconference on June 17, 2021. The Committee considered one action item: the minutes of its March 4, 2021 meeting were approved as drafted. The Committee also met jointly with the Policy Committee to discuss appropriate action related to proposed amendments to the Investment Policy Statements. The Risk Committee received a report on compliance matters for the quarter ended February 28, 2021, and a market and portfolio risk update.

Report from Cyber Risk Committee

Chairman Hildebrand asked Director Rothrock to provide a report from the Cyber Risk Committee. Director Rothrock reported that the Cyber Risk Committee met via teleconference on June 17, 2021. The Committee approved the minutes of its March 4, 2021 meeting. The Committee also met in Executive Session to receive an update on computer security assessments related to information resources technology, including security assessments.

Executive Session

Prior to going into executive session, Chairman Hildebrand announced that, "The Board of Directors of The University of Texas/Texas A&M Investment Management Company having been duly convened in Open Session and notice of this meeting having been duly given, I hereby announce the convening of a closed meeting as an Executive Session to deliberate individual personnel compensation matters, including the CEO and Chief Investment Officer pursuant to *Texas Government Code* Section 551.074. The date is June 29, 2021, and the time is now 11:08 a.m."

Reconvene in Open Session

The Board reconvened in open session and Chairman Hildebrand announced that, "The Open Session of the Board of Directors of The University of Texas/Texas A&M Investment Management Company is now reconvened. The date is June 29, 2021, and the time is now 11:50 a.m. During the Executive Session, the Board deliberated individual compensation matters, including the CEO and Chief Investment Officer, but no action was taken, nor decisions made, and no vote was called for or had by the Board in Executive Session."

Report from Compensation Committee

Chairman Hildebrand asked Director Rothrock to provide a report from the Compensation Committee. Director Rothrock stated that the Compensation Committee met on June 17, 2021. The agenda included

approval of the minutes of the March 4, 2021 meeting; discussion and appropriate action related to the base salaries for the UTIMCO officers and other UTIMCO Compensation Program ("Plan") Participants for the 2021-2022 Fiscal Year, discussion and appropriate action related to the CEO's Qualitative Performance Standards for the Plan for the Performance Period ending June 30, 2022. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation matters. Director Rothrock requested the Board take appropriate action on two resolutions, the base salary for the Corporation's CEO, and the CEO's qualitative performance standards. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that the Board of Directors of UTIMCO hereby approves the Base Salary of the Corporation's CEO for the Fiscal Year 2021-2022 in the amount of \$870,000.

And

WHEREAS, Section 5.4(b) of the UTIMCO Compensation Program (the "Plan") provides that the Board will determine the Performance Standards of the CEO for each Performance Period; and

WHEREAS, the Board has reviewed the CEO's Qualitative Performance Standards for the Performance Period ending June 30, 2022, as prepared by the CEO, and recommended by the Compensation Committee and set forth in the document presented to the Board.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the Qualitative Performance Standards for the CEO for the Performance Period ending June 30, 2022, as set forth in the document presented to the Board.

Corporation Budget

Chairman Hildebrand asked Mr. Harris, Mr. Hall, and Ms. Moeller to discuss the Corporation's budget for the next fiscal year. The Corporation's budget is subject to approval by the Board and the Board of Regents of UT System. Mr. Hall explained the changes to the proposed budget compared to the prior year's budget and actual for the last fiscal year. Ms. Moeller concluded the presentation with a review of the annual fee and allocation schedule and cash reserves. The team answered questions from the Board. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the UTIMCO Management Fee of \$60,631,074 and the Other Direct Fund Costs of \$8,058,631 resulting in Total Fees of \$68,689,705, Capital Budget of \$135,000 and the Allocation Schedule; as provided to the Board for the period beginning September 1, 2021 through August 31, 2022, be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

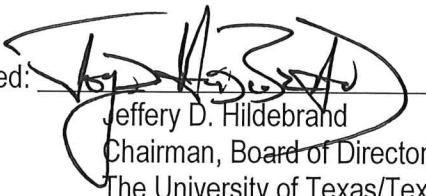
Discussion Related to CEO's Speaker Role at Various Engagements

Chairman Hildebrand asked Mr. Harris to present his recommendation. Mr. Harris recommended approval of his external employment as a speaker at various functions. The Board requested more time to consider any action and no resolution was made.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 12:07 p.m.

Secretary: 
Joan Moeller

Approved: 
Jeffery D. Hildebrand
Chairman, Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Date: 12/9/21