



Our Mission & Impact

The University of Texas/Texas A&M Investment Management Company

January 2023

Who is UTIMCO?

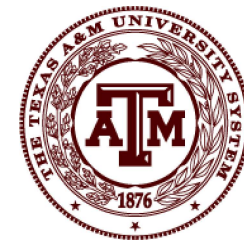


Created in March 1996, The University of Texas/Texas A&M Investment Management Company (UTIMCO) is the first external investment corporation formed by a public university system and oversees investments for The University of Texas and Texas A&M Systems.

- UTIMCO manages the largest public endowment fund (~\$65B AUM) in the nation, which is both a privilege and a responsibility
- Our legacy of success begins with our investment team delivering consistent and exceptional long-term investment returns
- We invest for two of the nation's top six universities – University of Texas and Texas A&M
- We invest for the world's top cancer facility – MD Anderson
- We collaborate with University Lands on over two million acres of Permian property

Our Mission

UTIMCO's mission is to generate superior long-term investment returns to support The University of Texas and Texas A&M University Systems as they provide world-class teaching, push the boundaries of discovery, and achieve excellence in patient healthcare for the people of Texas and beyond.



Who Benefits from the Endowment

13 Academic Institutions | 8 Healthcare Institutions | ~400,000 Total Students



World-Class Education

- UTIMCO serves over 400,000 students across 13 academic institutions
- 100,000+ first generation college students
- 107,000 *Pell Grant Recipients, representing 37% undergraduates

Research & Discovery

- Over \$4.5B in research expenditures annually
- A new invention every 10 hours
- Five new patents every week
- A new company formed every eight days

Healthcare

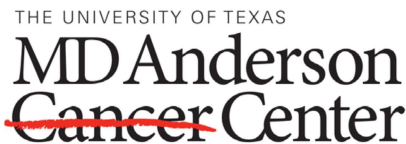
- Care for over 2.7 million patients each year
- Life changing and life saving research
- 6 medical schools, training the next generation of practitioners
- MD Anderson is ranked #1 for cancer care

**The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education*



Our Institutions

13 Academic Institutions | 8 Healthcare Institutions | ~400,000 Total Students



World-Class Education



Accessible & Affordable

We never forget that our diligence, decisions and effectiveness support the educational goals of the students with the UT and Texas A&M systems.

UT Board of Regents establishes \$300M endowment to expand tuition assistance

By FOX 7 Austin Digital Team | Published February 24, 2022 | UT Austin | FOX 7 Austin

AUSTIN, Texas - The UT System Board of Regents has established a \$300 million endowment to help undergrad students pay for college.

The "Promise Plus" program will provide tuition assistance to eligible students at seven UT institutions: UT Arlington, UT Dallas, UT El Paso, UT Permian Basin, UT Rio Grande Valley, [UT San Antonio](#) and UT Tyler.

In 2019, Regents created a \$167 million endowment to provide a significant increase in tuition support for students at [UT Austin](#).

The funding for the Promise Plus program was generated by a series of investments by UT System financial officers that produced higher-than-expected returns over the past fiscal year.

Every UT academic institution has a program that covers 100 percent of students' tuition and mandatory fees, depending on family income. Funds from these programs generally are used to supplement federal and state aid such as Pell grants and TEXAS grants.

Only full-time, undergraduate students, who are Texas residents, fill out the FAFSA and qualify for need-based aid are eligible to receive Promise Plus funds. Individual institutions may have additional criteria and will be determining how many students will be served by the Promise Plus funding.

Over the next month, Chancellor Milliken, Chairman Eltife and the regents will be visiting all seven campuses to announce each institution's Promise Plus allocation and more details about the UT System's commitment to affordability and access.



UTEP is one of seven University of Texas System schools that will benefit from a new \$300 million endowment to help system schools expand their free tuition assistance programs.

PROMISE+

AGGIE ASSURANCE



Full tuition covered at \$80,000 Income threshold

Full tuition covered at \$70,000 Income threshold

Full tuition covered at \$85,000 Income threshold

Full tuition covered at \$125,000 Income threshold

Full tuition covered at \$100,000 Income threshold

Full tuition covered at \$65,000 Income threshold

Full tuition covered at \$75,000 Income threshold

Full tuition covered at \$60,000 Income threshold

Research & Discovery



Research Impact

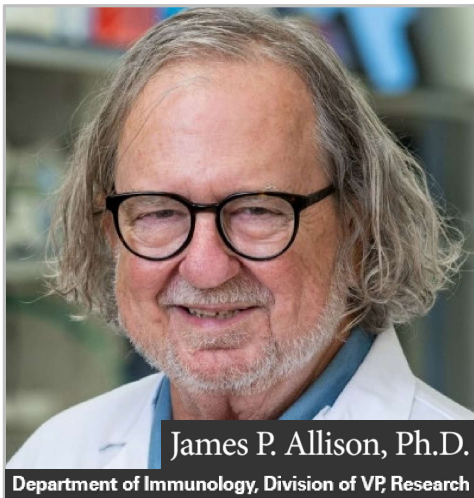
The University of Texas System

Nobel Prize in Physiology or Medicine

Dr. Jim Allison of MD Anderson earned the Nobel Prize in 2018 for his breakthrough research regarding the biology of T cells—a type of white blood cell that develops in the thymus gland and plays an integral role in the central nervous system.

Traditional cancer treatments focused on attacking the cancer cells. Dr. Allison's research instead focuses on treating the immune system rather than the cancer cells. Allison's crucial insight was to block a protein on T cells that acts as a brake on their activation, freeing the T cells to attack cancer.

Dr. Allison is the first scientist at MD Anderson to win the prestigious award.



Water Harvesting by Polymer Gel Film



Alternative solution to water scarcity “from the air”.

The thin and porous film uses atmospheric water vapor as a source of fresh water. It can rapidly capture large amounts of water under arid conditions. It is cost effective at \$2 per kilogram and roughly produces 1.5 gallons of water a day in environments with less than 15% relative humidity. The synthesis of the gel is very simple, which means everyone can make it easily for massive usage.

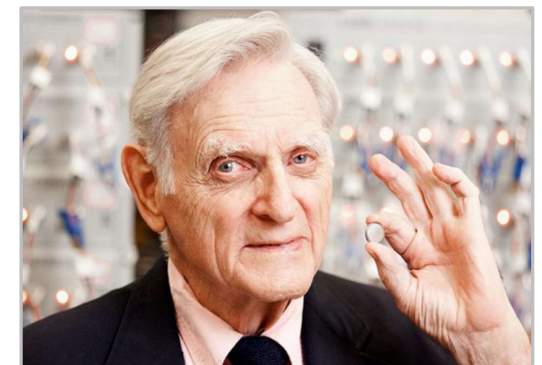
It was developed in part to aid soldiers in securing clean drinking water and is key to aiding water scarcity in two-thirds of global population.

Fast-charging Noncombustible Batteries

A team of engineers led by John Goodenough, professor in the Cockrell School of Engineering at The University of Texas at Austin and co-inventor of the lithium-ion battery, has developed the first all-solid-state battery cells that could lead to safer, faster-charging, and longer-lasting rechargeable batteries for handheld mobile devices, electric cars and stationary energy storage.

Goodenough's latest breakthrough is a low-cost all-solid-state battery that is noncombustible and has a long cycle life (battery life) with a high volumetric energy density and fast rates of charge and discharge.

Dr. Goodenough was awarded the Nobel Prize in 2019. At 97 years old, he became the oldest Nobel laureate in history.



Research Impact

The Texas A&M University System

Nanoscale Bioabsorbable Dressing

Scientists at Texas A&M are harnessing the combined power of organic nanomaterials-based chemistry and a natural product found in crustacean exoskeletons to help bring emergency medicine one step closer to a viable solution for mitigating blood loss.

Hemorrhage is a leading cause of death in traumatic injuries, ranking fourth in the United States at a total cost of \$671 billion in 2013. Karen Wooley's research group has developed bioabsorbable wound dressing that builds on the already proven blood-flow-staunching properties of chitosan by taking them nanoscale to boost their effectiveness and impact.

Wooley's team successfully encapsulated highly entangled nanofibers of chitosan within a sugar-based hydrogel that dissolves in as little as seven days, leaving behind a significantly larger available wound-healing surface while eliminating the need for subsequent physical removal.



Alzheimer's Research



Celltex has acquired an intellectual property license and signed multi-year research study with Texas A&M Health Science Center.

Houston-based biotech company, Celltex, a multi-year research study investigating potential therapies for Alzheimer's disease using autologous mesenchymal stem cell (MSC)-derived exosomes. His team will test the efficiency of these exosomes to reduce brain inflammation and assist in repair of neuronal damage related to Alzheimer's disease.

There are more than five million Americans living with Alzheimer's. Texas A&M and Celltex are hopeful that this research might someday treat the disease by stopping or delaying the neuronal damage. Alternatively, exosomes may rejuvenate the networks of surviving but sick neurons via anti-inflammatory and neuroprotective effects.

Breast Cancer Detection Technology

Doctoral Student Elif Kaya is working with Dr. Kamran Entesari on a device to assist with early breast cancer detection in the hope of saving millions of lives.

"We have demonstrated that the first broadband time domain contact-less CMOS (complementary metal-oxide-semiconductor) homodyne-transceiver works as a complex dielectric spectroscopy with an exceptional accuracy that can characterize the materials such as liquid/solid materials, chemical/biological materials or body tissues," Kaya said.

Although there are already some research projects focused on breast cancer detection, Kaya's team is proposing to make a more cost-effective miniaturized portable device with greater accuracy, ease of use and quick results.



UT Arlington: Bone Regeneration Work

UT Arlington Researcher takes Home Pitch Competition Prize at BioNTX's iC3 Life Science Summit



UT Arlington's Venu Varanasi, is developing Semiconductor Biomaterials for Craniomaxillofacial Bone Regeneration.

- In simpler terms, Varanasi has created a way to use nanoparticles integrated with gelatin to 3D print bone-forming scaffolds to speed up the healing process from severe cranial and facial injuries
- His research has shown promising results in small animal testing, and he is currently looking to scale that up to larger animals and eventually humans
- "This has the potential to change the way we deliver healthcare" – Dr. Varanasi

Healthcare



Curing & Caring

Life-changing and life-saving research, education and care takes place in the labs and facilities funded with the PUF

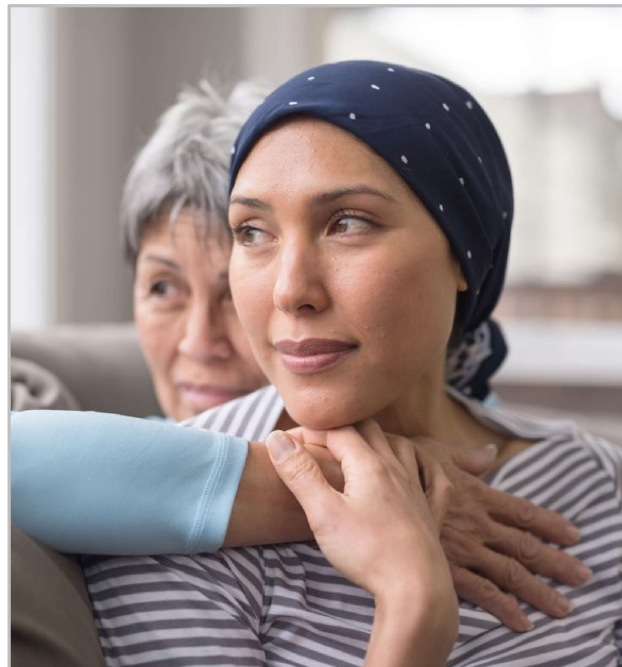


MD Anderson is proud to be #1 in the nation for cancer care

Proton Therapy Center at MD Anderson

Bioengineering & Sciences Building at UT Dallas

New Medical School at UT Rio Grande Valley



These institutions provide best-in-class, comprehensive specialty care, leading-edge technologies, world renowned expertise and the most advanced, research-based therapies.

They care for over 2.7 million patients every year

The medical schools are training the next generation of practitioners and researchers

Diversity & Inclusion Efforts



UTIMCO Scholars Program

OUR GOAL = ACCESS + EDUCATION + OPPORTUNITY



FRAMEWORK

- 5 students are selected from each campus. A total of 50 students will be selected for the Program

ELIGIBILITY CRITERIA

- Rising sophomore or rising junior (i.e., current freshman or sophomore)
- Pell Grant recipient or first-generation college student
- Interest in a career in Asset Management
- Seeking a 2024 Summer Internship
- High character and high capacity
- Ready to Speak Up and ask questions
- Perseverance
- Strong work ethic
- Willingness to learn
- Commitment to the Program
- **Not Based on GPA**

UTIMCO will hire 5 interns from the cohort and help place others with their external partners

PROGRAM GOALS

INTRODUCTION TO THE INVESTMENT MANAGEMENT INDUSTRY & PERSONAL DEVELOPMENT



IMPROVE YOUR
PERSONAL
EFFECTIVENESS



RESUME WRITING
SKILLS



INTERVIEWING
SKILLS



ASSET
MANAGEMENT
SESSIONS



EARLY CAREER
ADVICE



INTERNSHIP
OPPORTUNITIES



BUILD FRIENDSHIPS
& NETWORK WITH
PEERS



BE INSPIRED &
HAVE SOME FUN!

UTIMCO Scholars Program Success

Summer 2022

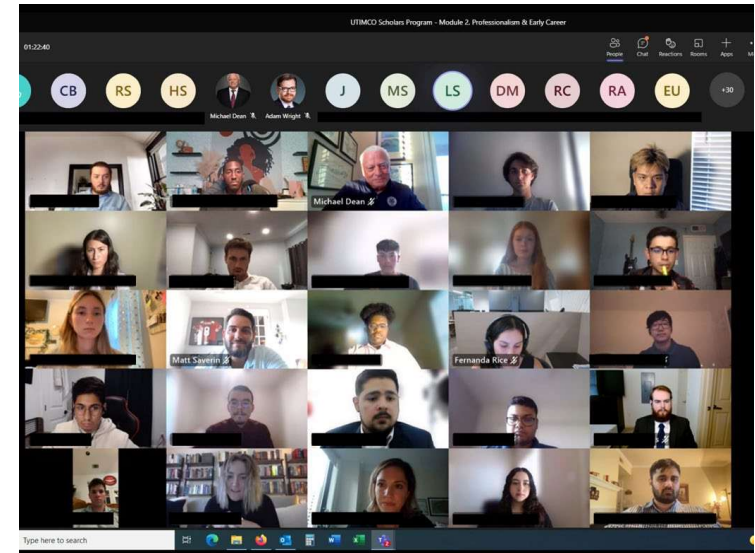
OUR GOAL

ACCESS + EDUCATION + OPPORTUNITY

Access and exposure to top global firms like JP Morgan, Greystar, Bridgewater, Fortress, PIMCO, Vista Equity, Farallon, Goldman Sachs and many more

Educate Scholars so they can explore career paths in the investment community

Our expectation is that all, or most, of the successful Scholars will be actively pursued by the financial community for Summer 2023 internships



36 SCHOLARS

Rising sophomores and juniors who are Pell Grant recipients or first-generation college students. *31 Scholars are eligible for internships in Summer 2023



10 UNIVERSITY PARTNERS

University of Texas and Texas A&M Systems nominated 5 students from each campus



30 HIRING PARTNERS

Access to career paths within the financial services sector and an opportunity to build network with professionals in the investment community



22 INTERNSHIPS AND COUNTING

17 Scholars have secured Summer 2023 internships within 12 weeks of program completion. 5 Scholars have been hired at UTIMCO and several others are actively interviewing with top global firms

*2 Scholars will graduate in May 2023 and will be looking for full time positions. 1 Scholar will be taking Summer classes. 2 Scholars have decided to change their major and are no longer interested in a career in the asset management industry

Appendix – Firm & Fund Structure





At A Glance

UTIMCO's vision is to strive to be the world's leading endowment fund, making a lasting positive impact on the future of Texas and beyond

- Created in March 1996
- Manages the investment assets under the fiduciary care of the UT System Board of Regents
- Governed by a nine-member board consisting of at least three members of the UT System Board of Regents, four members appointed by the UT System Board of Regents, three of which must have substantial background and expertise in investments, and two members appointed by the Texas A&M System Board of Regents, one of which must have a substantial background and expertise in investments
- Day-to-day management responsibility for the investment assets is delegated to UTIMCO
- Providing a place where great people can flourish, grow and excel
- Diversified portfolio includes US and global equities, fixed income investments, natural resource, real estate, private equity, venture capital and hedge funds
- Continue to build a superior long-term investment strategy that will provide increasing levels of purchasing power for scholarships, teaching, research and other educational programs of The University of Texas and The Texas A&M University Systems
- We welcome partners who can bring dedication, inspiration, past experience and new ideas in helping us continue to make a positive impact

FUND STRUCTURE & AUM

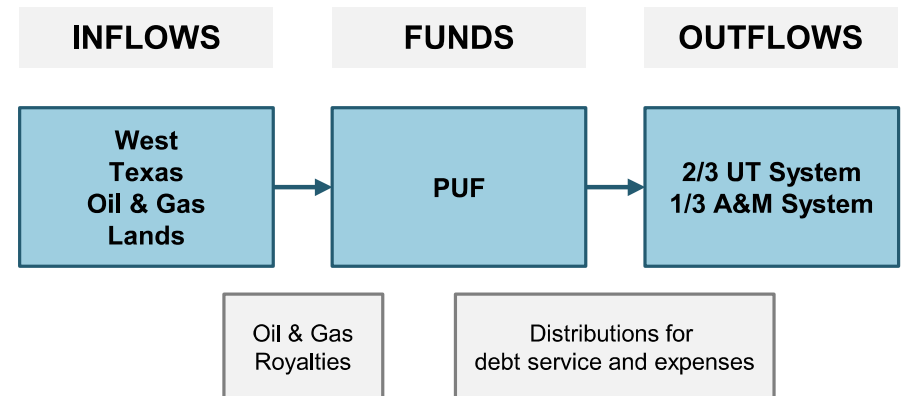
PUF | GEF | Operating Funds

Permanent University Fund (PUF): ~ \$30.6B*

Established by the Texas Constitution in 1876, through appropriation of land grants previously given to the University of Texas at Austin (prior to UT & A&M Systems)

Today, the PUF benefits from two streams of income produced by 2.1 million acres of land in the Permian Basin:

- Mineral & Surface Income — oil and gas royalties (non-distributable, must be invested); surface leases and easements (distributable)

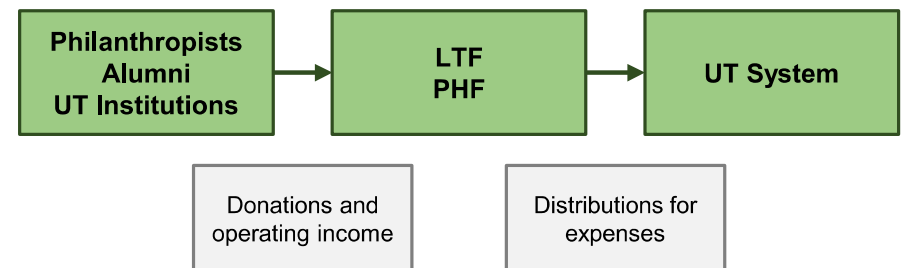


General Endowment Fund (GEF): ~ \$21.1B*¹

Created in 2001 and is composed of two sub-funds:

- Long Term Fund (LTF): ~\$19.5 billion
- Permanent Health Fund (PHF): ~\$1.4 billion

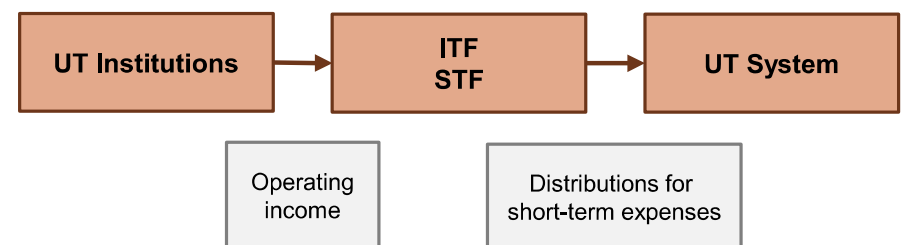
Created to allow for greater diversification and cost savings than was possible when the PHF and LTF were managed separately



Operating Funds: ~\$12.4B*²

Established in 2006 to improve the efficiency of operating funds management, and to improve investment returns on UT System operating reserves

- Intermediate Term Fund (ITF): ~\$8.7 billion
- Short Term Fund (STF): ~\$3.5 billion



*As of October 31, 2022; www.utimco.org for more information

(1) Includes \$181 million in Separately Invested Funds; (2) Includes \$125 million in Debt Proceeds Fund

Understanding Fund Flows

University Lands → UTIMCO → UT and A&M Systems

The Texas Legislature amended the Texas Constitution in 1931 to include Texas A&M System but with a split of 2/3 to UT System and 1/3 to Texas A&M System

