UTIMCO Guidelines for Liquidation of Distributed Securities from investments in Non-Marketable Limited Partnerships

Purpose: To address liquidation of public securities, which have been distributed to the PUF and GEF ("Funds") from the Funds' limited partnerships.

Background: Limited partnerships are the primary investment vehicles for the Alternative Non-Marketable Asset Class. These partnerships may distribute publicly traded equity securities in lieu of cash to the endowment funds. These securities will be received in one of two forms, restricted or unrestricted. If the endowment funds receive unrestricted securities, UTIMCO will follow a liquidation plan to convert the securities to cash (see Plan below). When the Funds receive distributed securities, Securities Operations notifies the liquidating investment manager and indicates any restriction on the sale of those securities. If the endowment funds receive restricted securities that cannot be immediately sold, the securities are held until they become unrestricted and then are liquidated based on the liquidation plan for distributed securities. Some restricted securities can be sold with the proper paperwork (Rule 145 is a Seller's Rep letter as to affiliation and recently sales; S-3 Registrations require delivery of the appropriate prospectus; Rule 144 has many variations). If the restricted stock can be sold at the time of distribution, the liquidation plan can be followed.

Liquidation Plan

- By default, the liquidating investment manager will attempt to sell distributed securities within a reasonably short period of time (usually one month). The manager will have discretion regarding the timing of the sales, but will attempt to maximize the value of the distributed securities within this time frame.
- If the CEO or any Managing Director of Non-Marketable Alternative Investments or Public Markets wishes to override these guidelines, such individual will write a brief memo to describe the rationale for such decision.