

**MINUTES OF ANNUAL 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 11, 2020**, 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
R. Steven Hicks
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; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; Eddie Lewis, Managing Director – Real Return; Pat Pace M.D., Managing Director – Private Equity and other team members and interns. Other attendees were Keith Brown of the McCombs School of Business at UT Austin; and Jerry Kyle of Orrick, Herrington & Sutcliffe LLP. Chairman Hildebrand called the annual meeting to order at 9:04 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 Meetings held on March 24, 2020. 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 24, 2020, be, and are hereby, approved.

Corporate Resolution - Election of Officers

Chairman Hildebrand nominated Director Ray Rothrock to serve as Vice Chairman of the Board and Director Hicks 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. Upon motion duly made and seconded, the following resolution was 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
R. Steven Hicks	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
Russ Kampfe	Managing Director
Edward Lewis	Managing Director
Pat Pace	Managing Director
Ryan Ruebsahm	Managing Director
Mike Sjolander	Managing Director
Scott Slayton	Managing Director
Uzi Yoeli	Managing Director

Performance and Market Update

Chairman Hildebrand asked Mr. Hall to present the Fund's performance and market update. Mr. Hall began with an overview of the market as well as the S&P 500 concentration and dispersions. He then reviewed benchmark performance and an overview of funds. He presented UTIMCO's performance results as of March 31, 2020 and reported a total of \$46.1 billion of assets under management, noting that number has since increased to around \$49 billion. Mr. Hall also compared performance and risk adjusted returns relative to other foundations and endowments. Mr. Hall concluded with a brief review of the economic forecast.

The Future after COVID-19 Presentation

Chairman Hildebrand asked Britt Harris to present his predictions for what the future will look like after COVID-19. Mr. Harris discussed the changes he expects the economy may face post COVID. Mr. Harris discussed de-urbanization, technology advancement, the entertainment industry, online learning for academia, travel, and healthcare. Mr. Harris also discussed how governments around the world may invest in infrastructure to monitor citizens, which means less privacy, changes to dependence on global supply chains, retail services, and family and community connections. Mr. Harris concluded his presentation and answered questions from the Directors.

Real Return Presentation

Chairman Hildebrand asked Mr. Lewis to present the update on the Real Return program. Mr. Lewis highlighted returns over the past year noting that the team generated a 5.4% TWR, which is a compression from the last couple of years. Natural Resources, broadly across the industry, have compressed and our returns reflect that. Mr. Lewis noted that Real Estate is the largest exposure representing 46% of the real return net asset. Natural Resources is 38% and Infrastructure is 16%. Both Real Estate and Infrastructure are in growth mode. Mr. Lewis next discussed how the markets impacted the portfolio. 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. The presentation covered the current market conditions for private equity investments, the portfolio performance summary, and the Q1 activity and expectations. The Private Investments portfolio is \$8.2 billion or 23.5% of the endowments. The goal of the Private Equity Team is to increase that percentage to 25% over the long term. The portfolio is divided among Buyouts, Private Equity, Venture Capital, Emerging Markets, and Private Credit. Dr. Pace answered the Directors' questions.

Board Fiduciary Education

Chairman Hildebrand asked Mr. Kyle of Orrick, Herrington & Sutcliffe LLP, fiduciary counsel of UTIMCO, to present an Overview of Fiduciary Duties of Directors. Mr. Kyle reviewed the fiduciary duties of obedience, loyalty, and care. Failure to comply with applicable standards of conduct and fiduciary duties can result in Director liability. Mr. Kyle also reviewed fiduciary duty under Texas Corporate Law and special responsibilities of UTIMCO Directors. Mr. Kyle answered the Directors' questions.

Report from Audit and Ethics Committee

Chairman Hildebrand asked Director Handley to provide a report on behalf of the Audit and Ethics Committee (the "Committee"). Director Handley reported that the Committee met on June 4, 2020. The Committee's agenda included approval of Committee minutes; discussion and appropriate action related to engaging corporate external auditor; an update on UTIMCO's compliance, reporting, and audit matters; a presentation of unaudited financial statements for the Investment Funds and the Corporation; and discussion and appropriate action related to the base salary for the Corporate Counsel and Chief Compliance Officer for the 2020-2021 Fiscal Year. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation and evaluation matters.

Director Handley noted that Ms. Gonzalez 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. Ms. Gonzalez 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 2020 audit services are \$46,300 plus out-of-pocket

expenses. This is a \$1,300 increase over the FY 2019 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, 2020.

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 jointly with the Policy Committee and separately on June 4, 2020. The Committee's agenda for the joint meeting included a discussion and appropriate action related to proposed amendments to the Investment Policy Statements and the MSCI Barra Total Plan Risk System presentation. Its separate meeting included discussion and approval of the minutes of its March 5, 2020 meeting; review and discussion of compliance reporting; and a market and portfolio risk update.

Report from Policy Committee

Chairman Hildebrand asked Director Hicks to provide a report from the Policy Committee. Director Hicks reported that the Policy Committee met jointly with the Risk Committee on June 4, 2020. The Joint Committee meeting agenda included discussion and appropriate action related to proposed amendments to the Investment Policy Statements and the MSCI Barra Total Plan Risk System presentation.

The Investment Management Services Agreement (IMSA) requires that UTIMCO review the current Investment Polices for each Fund at least annually. The review includes long-term investment return expectations and expected risk levels, strategic asset allocation targets and ranges, expected returns for each Asset Class and Fund, designated performance benchmarks for each Asset Class and such other matters as the UT Board or its staff designees may request. At the joint meeting, the Policy and Risk Committees approved the amendments to the Investment Policy Statements for the Permanent University Fund ("PUF"), the General Endowment Fund ("GEF"), Long Term Fund ("LTF"), and Permanent Health Fund ("PHF"), as proposed by the Team, subject to approval by the Board and the Board of Regents of UT System. There were no recommended amendments to any other investment policies. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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

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 on June 4, 2020. The Committee's meeting agenda included approval of Committee minutes and a security program overview. 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 11, 2020, and the time is now 10:52 a.m." Except for Mr. Harris, Mr. Hall, Ms. Moeller, and Mr. Kyle, all others left the meeting at this time. Mr. Harris, Mr. Hall and Ms. Moeller left the meeting during discussion of Mr. Harris' compensation.

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 11, 2020, and the time is now 11:20 a.m. During the Executive Session, the Board deliberated individual personnel 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 4, 2020. The agenda included approval of the minutes of the March 5, 2020 meeting; discussion and appropriate action related to the base salaries for the UTIMCO officers and other UTIMCO Compensation Program ("Plan") Participants for the 2020-2021 Fiscal Year, discussion and appropriate action related to the CEO's Qualitative Performance Standards for the Plan for the Performance Period ending June 30, 2021; and discussion and appropriate action related to the UTIMCO Compensation Program, Amended and Restated effective July 1, 2020. 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 three resolutions, the base salary for the Corporation's CEO, the CEO's qualitative performance standards, and the proposed amendments to the Plan. 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 2020-2021 in the amount of \$828,000.

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, 2021, 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, 2021, as set forth in the document presented to the Board.

And

WHEREAS, Section 7.2. of the UTIMCO Compensation Program (the "Plan") provides that UTIMCO, by action of its Board of Directors (the "Board"), has the right in its discretion to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Compensation Committee of the Board (the "Committee") has reviewed the proposed amendments to the Plan incorporated into an Amended and Restated Plan, effective July 1, 2020 (the "Amended and Restated Plan"), in the form previously provided to the Board but deferred to the Board on action on the Amended and Restated Plan; and

WHEREAS, the Board has reviewed the Amended and Restated Plan.

NOW, THEREFORE, be it:

RESOLVED, that the Board hereby approves and adopts the Amended and Restated Plan, effective as of July 1, 2020, subject to the approval of the Board of Regents of The University of Texas System.

Corporation Budget

Chairman Hildebrand asked Mr. Harris and Mr. Hall to discuss the Corporation's budget for the next fiscal year. Mr. Harris and Mr. Hall explained the changes to the proposed budget compared to the prior year's budget and actual for the last fiscal year. The Corporation's budget is subject to approval by the Board and the Board of Regents of UT System. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the UTIMCO Management Fee of \$55,610,211 and the Other Direct Fund Costs of \$7,208,101 resulting in Total Fees of \$62,818,312, Capital Budget of \$1,200,000 and the Allocation Schedule; as provided to the Board for the period beginning September 1, 2020 through August 31, 2021, be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 11:44 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Jeffery D. Hildebrand Date: 09/18/20
Jeffery D. Hildebrand,
Chairman, Board of Directors of
The University of Texas/Texas A&M Investment Management Company