

**MINUTES OF THE JOINT MEETING  
OF THE POLICY AND RISK COMMITTEES OF  
THE UNIVERSITY OF TEXAS/TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

A joint meeting of the Policy and the Risk Committees (the "Committees") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in open session on **June 4, 2020**, by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 1700, 210 West 7<sup>th</sup> Street, Austin, Texas, said meeting having been called by the Policy Committee Chair ("Policy Chairman"), R. Steven Hicks, and the Risk Committee Chair ("Risk Chairman"), Robert Gauntt, with notice provided to each member in accordance with the Corporation's 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 Committees:

R. Steven Hicks, Chair, Policy Committee  
Robert Gauntt, Chair, Risk Committee  
Janet Handley  
Janiece Longoria  
Ray Nixon  
Ray Rothrock  
Clifton L. Thomas, Jr.  
James C. "Rad" Weaver

thus constituting a majority and quorum of the Committees and 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; Uzi Yoeli, Managing Director – Risk Management; Tim Jones, Director – Risk Management, and other employees. Other attendees were Jerry Kyle of Orrick, Harrington & Sutcliffe LLP; Roger Starkey and Allen Hah of The University of Texas System ("UT System") Administration; David Rejino and David Verghese of The Texas A&M University System; and Keith Brown of UT Austin, McCombs School of Business. Chairman Hicks and Chairman Gauntt called the meeting to order at 9:05 a.m. Copies of materials supporting the Joint Committee meeting agenda were previously furnished to each Committee member.

**Proposed Amendments to the Investment Policy Statements**

Policy Chairman Hicks asked Mr. Harris to review recommendations regarding changes to the Investment Policies. Mr. Harris began with a policy portfolio review and reviewed asset class allocations. Mr. Harris explained changes to the asset class targets and ranges in the exhibits to the Investment Policy Statements for the Permanent University Fund ("PUF"), General Endowment Fund ("GEF"), Permanent Health Fund ("PHF"), and Long Term Fund ("LTF"). The proposed amendments to the PUF, GEF, PHF, and LTF Investment Policy Statements continue the transition to the Long-Term Strategic Asset Allocation. The Exhibits to the Investment Policy Statements of the PUF, GEF, PHF, and LTF were amended to reflect the proposed changes for FY 2021, effective September 1, 2020. There were no recommended amendments to any other investment policies. Mr. Harris answered questions regarding the proposed changes.

Mr. Harris also discussed a change to the Investment Policy Statements to allow for floating weights for the private asset classes in order to eliminate an existing skew of an average of 20 bps a year in performance evaluation. Mr. Harris noted that the Team intends to stay as close to the benchmark as possible but the

adoption of the floating weight benchmark would provide a better measure of returns. Mr. Brown stated the change to the floating weight benchmark was an entirely sensible plan. The Committee agreed and requested a change to the resolution, to include adoption of a floating weight benchmark. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, and Long Term Fund, including the adoption of a floating weight benchmark, as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

**MSCI Barra Total Plan Risk System Presentation**

Policy Chairman Hicks asked Tim Jones to review with the Committee the Risk Team's selection of MSCI Barra Total Plan Risk System. Mr. Jones reviewed the current risk system and challenges as well as the various other analytical systems that were tested across teams as research for a risk system replacement. Next Mr. Jones reviewed the objectives that would be achieved by moving to the new system. Mr. Jones answered questions from Committee members.

**Adjourn**

There being no further business to come before the Policy Committee, the joint meeting was adjourned at 9:41 a.m.

Secretary:   
Joan Moeller

Approved:   
R. Steven Hicks, Chair  
Policy Committee of the Board of Directors of  
The University of Texas/Texas A&M Investment  
Management Company

Date: March 24, 2021

Approved:   
Robert Gauntt, Chair  
Risk Committee of the Board of Directors of  
The University of Texas/Texas A&M Investment  
Management Company

Date: 3.29.21