

**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 **March 11, 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
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; Carolina de Onis, General Counsel; Michael Dean, Managing Director – Human Resources; Mike Sjolander, Chief Technology Officer ("CTO"); Uzi Yoeli, Managing Director – Risk Management; Ken Standley, Senior Director – Strategic Partnerships; and other team members. 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 9:02 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 December 10, 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 December 10, 2020, be, and are hereby, approved.

Corporate Resolutions

Chairman Hildebrand presented a recommendation that the annual meeting of the Board of Directors of the Corporation be held on June 29, 2021. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the Annual Meeting of the Board of Directors will be held on June 29, 2021.

Chairman Hildebrand also presented a recommendation to the Board to approve a resolution acknowledging the services of R. Steven Hicks as a UTIMCO Board member. Director Hicks was recognized for his service as a Regental Director for UTIMCO since February 17, 2011 and as the longest tenured Director in UTIMCO's history. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

WHEREAS, in recognition of his substantial background and expertise in business, R. Steven ("Steve") Hicks was appointed by Governor Rick Perry to a term on the Board of Regents of The University of Texas System in February 2009, and reappointed by Governor Greg Abbott to a second term in February 2011 and a third term in January 2015; and

WHEREAS, Mr. Hicks was appointed by the Board of Regents of The University of Texas System to the Board of Directors of The University of Texas/Texas A&M Investment Management Company ("UTIMCO") in 2011, reappointed to consecutive two-year terms in 2013, 2015 and 2017, and was reappointed for a fifth and final term in 2019; and

WHEREAS, Mr. Hicks served as Vice Chairman for Policy of the UTIMCO Board since 2017, and previously served as the Chair and member of the Audit and Ethics, Compensation, and Policy Committees; and

WHEREAS, during his tenure on the UTIMCO Board, Mr. Hicks provided invaluable insight and counsel, drawing on his many years of business and investment experience as owner and Executive Chairman of Capstar Partners, LLC, an Austin-based private investment firm; co-founder and former CEO of SFX Broadcasting; founder and former Chief Executive Officer of Capstar Broadcasting Corporation, which merged with Chancellor Media Corporation and ultimately became AMFM Inc, where he served as Vice Chairman and President of its New Media division; and

WHEREAS, Mr. Hicks' business acumen is further evidenced by his recognition in 1997 as Radio Executive of the Year; and in 1996, he was named Entrepreneur of the Year by Ernst and Young and recognized as Broadcaster of the Year by the Texas Association of Broadcasters; and

WHEREAS, Mr. Hicks' commitment and service as a Director of UTIMCO were exemplary, reflecting his deep devotion to the education and development of students at all levels, and further evidenced by his generous donation to the School of Social Work at The University of Texas at Austin (renamed Steve Hicks School of Social Work), one of the top 10 graduate programs of social work in the United

States and the establishment of numerous endowments for the benefit of students, fellows, professors, and other needs of The University of Texas at Austin and The University of Texas System; and

WHEREAS, Mr. Hicks' unselfish contributions are also evidenced in the civic and corporate arenas by his generous financial support and service on various charitable and professional boards throughout his career; and

WHEREAS, during Mr. Hicks' tenure on the UTIMCO Board, UTIMCO managed the Permanent University Fund for the benefit of The University of Texas and The Texas A&M University Systems and other investments of The University of Texas System with the highest standards of integrity, professionalism, and competency, earning wide praise and recognition from UTIMCO's investment beneficiaries, namely The University of Texas System and The Texas A&M University System, as well as the alumni and patrons of such Systems, the State's legislative leaders, the national credit rating agencies, capital markets, and investment community generally; and

WHEREAS, during Mr. Hicks' tenure on the UTIMCO Board, total assets under management by UTIMCO more than doubled, growing from \$26 billion to over \$57 billion; and

WHEREAS, Mr. Hicks' leadership, judgment, and commitment to UTIMCO has contributed greatly to UTIMCO's success.

NOW, THEREFORE,

BE IT RESOLVED that the Directors of The University of Texas/Texas A&M Investment Management Company, on behalf of the grateful people of the State of Texas, particularly the Boards of Regents and Administrators of The University of Texas System and The Texas A&M University System, and everyone at UTIMCO, do hereby express to R. Steven Hicks their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Mr. Hicks has made a lasting and fundamental contribution to improve the manner in which public university endowments are invested and managed in the State of Texas, to the benefit of all of the citizens of the State, particularly the students and faculty of The University of Texas System and The Texas A&M University System.

PASSED AND ADOPTED this 11th day of March 2021.

Performance and Market Update

Chairman Hildebrand asked Mr. Harris to present the Corporation's performance and market update. Mr. Harris reported that as of December 31, 2020, the Corporation had around \$57 billion of assets under management; almost \$40 billion in asset growth from 2009. Next, Mr. Harris reviewed the market dashboard, as well as endowment returns and alpha detail. He discussed the equity returns in different regimes and the

global monetary and fiscal stimulus, noting the US fiscal deficit was widest since WW2. He also reviewed the falling expected growth of GDP and discussed inflation rates. He then discussed climate change and CO2 emissions by region. He briefly noted that millennials are the largest generation in the work force and touched base on the polarization of US politics today. Mr. Harris concluded his presentation with a summary of his discussion and stating that servant leadership is UTIMCO's theme and resilient will be our key word moving forward. He then answered questions from the Board.

Strategic Asset Allocation Update

Chairman Hildebrand asked Rich Hall to present an update on the Strategic Asset Allocation ("SAA"). Mr. Hall began by acknowledging Dr. Yoeli and Mr. Standley's hard work on the project and thanking them for their efforts. He then highlighted three key takeaways with the first being that we are making steady progress. The second is that expected returns have declined and the level of uncertainty is largely due to Covid. Third, we are leveraging all resources both internally and externally. He then provided a detailed Executive Summary followed by a 2018 Strategic Asset Allocation recap and discussion on the progress being made. Mr. Hall then discussed market and economic environment changes, including monetary and fiscal policy as well as growth drivers and paths forward. He concluded his presentation with a 2021 project update. Mr. Hall and Mr. Harris answered questions from the Board.

Public Equity Presentation

Chairman Hildebrand invited Susan Chen to present an update on Public Equity. Ms. Chen reported that Public Equity is approximately \$16.3 billion of the total portfolio, roughly 33% of the Endowments and approximately 13% of ITF assets as of December 2020. Ms. Chen discussed market conditions and UTIMCO's performance, noting strong absolute and relative returns. She also noted alpha numbers were unusual with the highest calendar figures in both portfolios in ten years. Ms. Chen briefly addressed the team structure, discussed key contributions to UTIMCO's 2020 top accomplishments, and priorities for 2021. She further detailed the role in the portfolio and market conditions as well as Public Equity performance during 2020. Ms. Chen and Mr. Harris answered the Directors' questions.

Hedge Funds Presentation

Chairman Hildebrand asked Ryan Ruebsahm to present the Hedge Funds Review. Mr. Ruebsahm began by stating that performance has substantially improved due to changes over the last three years. Both directional and stable value portfolios are meeting or exceeding expectations. Mr. Ruebsahm introduced the Hedge Fund Team and recognized them for their efforts. Next, he noted that Hedge Funds are 20% of the Endowment. Mr. Ruebsahm highlighted that risk is being monitored and managed well and the Team is executing on their action plan. Mr. Ruebsahm answered questions from the Board.

Report from Compensation Committee

Chairman Hildebrand asked Director Rothrock to provide a report from the Compensation Committee. Director Rothrock stated that the Compensation Committee (the "Committee") met via teleconference on March 4, 2021. At the meeting, the Committee considered one action item: the minutes of its December 10, 2020 meeting were approved as drafted. The Committee also met in executive session for the purpose of

deliberating individual personnel compensation and evaluation matters, but no action was taken at that meeting.

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 March 4, 2021. The Committee approved the minutes of its December 1, 2020 meeting. The Committee also met in Executive Session to receive an update on the corporation's cyber risk program, including an update on security metrics, the information security program, and other projects.

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 March 4, 2021. At the meeting, the Committee considered four action items: the minutes of its December 1, 2020 meeting were approved as drafted; Deloitte & Touche LLP's Audit Results and Communications for the Corporation for the fiscal year ended August 31, 2020, were approved, subject to approval by the Board; the audit reports for the Corporation for the fiscal year ended August 31, 2020 were approved, subject to approval by the Board; and the Committee affirmed the continuance of Robert Cowley as the lead audit partner for Deloitte & Touche LLP for the fiscal years ended August 31, 2021, 2022 and 2023, as long as Deloitte remains as the external auditor for the Investment Funds and UTIMCO during this time frame. Director Handley reported that the Committee also received an update on UTIMCO's compliance, reporting and audit matters, a report on new contracts, and the annual report of all contracts over \$250,000. She requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to approval of Deloitte and Touche LLP's Financial Statement Audit Results and Communications, and the audited financial statements and audit report for the Corporation. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2020, be, and is hereby approved in the form as presented to the Board; and further

RESOLVED, that the annual financial statements and audit report for the Corporation for the fiscal year ended August 31, 2020, and August 31, 2019, be, and are hereby approved in the form as presented to the Board.

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 via teleconference on March 4, 2020. At the meeting, the Committee considered one action item: the minutes of its March 5, 2020 meeting and the Joint Meeting of the Policy and Risk Committees on June 4, 2020 were approved as drafted. The Committee also received an update on the Strategic Asset Allocation.

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 March 4, 2021. At the meeting, the Committee considered one action item: the minutes of its December 1, 2020 meeting. The Committee also received a report on compliance matters for the quarter ended November 30, 2020, and a market and portfolio risk update.

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 consider individual personnel compensation matters pursuant to *Texas Government Code* Section 551.074 and to consult with legal counsel regarding legal matters and pending and/or contemplated litigation pursuant to *Texas Government Code* Section 551.071. The date is March 11, 2021, and the time is now 11:20 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 March 11, 2021, and the time is now 11:34 a.m. During the Executive Session, the Board deliberated individual compensation matters and consulted with legal counsel regarding legal matters, but no action was taken nor decisions made, and no vote was called for or had by the Board in Executive Session."

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 11:35 a.m.

Secretary: 
Joan Moeller

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

Date: 