

**UTIMCO BOARD OF DIRECTORS
MEETING AGENDA
December 9, 2021
UTIMCO
210 West 7th Street, Suite 1700
Austin, Texas 78701**

Time		Item #	Agenda Item
Begin	End		
9:00 a.m.	9:05 a.m.	1	Call to Order of the Meeting/Discussion and Appropriate Action Related to Minutes of the September 16, 2021 Meeting*
9:05 a.m.	9:15 a.m.	2	Discussion and Appropriate Action Related to Election of Corporate Officer and Amendment to Delegation of Authority Policy*
9:15 a.m.	10:00 a.m.	3	UTIMCO and Market Update
10:00 a.m.	10:20 a.m.	4	Strategic Partnerships Presentation
10:20 a.m.	10:35 a.m.	5	Operations Presentation
10:35 a.m.	10:50 a.m.	6	Information Services & Security Presentation
10:50 a.m.	11:05 a.m.	7	Legal and Compliance Presentation
11:05 a.m.	11:15 a.m.	8	Report from Audit and Ethics Committee: - Discussion and Appropriate Action Related to the Deloitte & Touche LLP Financial Statement Audit Results and Communications and the Audited Financial Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Intermediate Term Fund, and the Statement of Investment Performance Statistics for the year ended August 31, 2021*
11:15 a.m.	11:20 a.m.	9	Report from Investment Risk Committee
11:20 a.m.	11:25 a.m.	10	Report from Cyber Risk Committee
11:25 a.m.	11:40 p.m.		Recess to Executive Session, if required Executive Session: The Board of Directors may convene in Executive Session to consider individual personnel compensation matters, including Report of Compensation Committee Regarding Performance Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2021, pursuant to Section 551.074, <i>Texas Government Code</i> . Reconvene into Open Session
11:40 p.m.	11:45 p.m.	11	Report from Compensation Committee: - Discussion and Appropriate Action Related to Performance Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2021*
11:45 p.m.			Adjourn

* Action by resolution required

** Resolution requires further approval from the Board of Regents of The University of Texas System

Members of the Board may attend the meeting by telephone conference call pursuant to Tex. Educ. Code Ann. § 66.08(h)(2)(B). The telephone conference will be audible to the public at the meeting location specified in this notice during each part of the meeting that is required to be open to the public.

Next Scheduled Meeting: March 2022

RESOLUTION RELATED TO MINUTES

RESOLVED, that the minutes of the Meeting of the Board of Directors held on **September 16, 2021**, be, and are hereby, approved.

**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 **September 16, 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
Jodie L. Jiles
Ray Nixon
Clifton L. Thomas, Jr.
James C. “Rad” Weaver

thus constituting a majority and quorum of the Board. Director Janiece Longoria was not in attendance. 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; Carolina de Onís, General Counsel and Chief Compliance Officer; Scott Slayton, Managing Director – Tactical Asset Allocation; Russ Kampfe, Managing Director – Fixed Income; Uzi Yoeli, Managing Director – Risk Management; Tim Jones, Senior Director – Risk Management; and other team members. Other attendees were James B. Milliken, Chancellor of The University of Texas (“UT System”) System; Ben Morse of Orrick, Herrington, & Sutcliffe LLP; Bryan Murphy and Kirk Oldford of MSCI Barra; and Keith Brown of the McCombs School of Business at UT Austin. Chairman Hildebrand called the meeting to order at 9:03 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 June 29, 2021. 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 June 29, 2021, be, and are hereby, approved.

Corporate Resolutions

Election of Corporate Officers

Chairman Hildebrand recommended that Courtney Powers, Amanda Hopper, and Gary Hill be appointed as officers of the Corporation. Managing Directors are considered officers of the Corporation. Effective

September 1, 2021, Mr. Powers was appointed Managing Director – Hedge Funds, Ms. Hopper was appointed Managing Director – Public Markets, and Mr. Hill was appointed Managing Director – Operations, Accounting and Reporting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Courtney Powers, Amanda Hopper, and Gary Hill are hereby appointed to the office of Managing Director of the Corporation to serve until the next Annual Meeting of the Corporation or until his or her resignation or removal.

Chairman Hildebrand also requested the name of the Risk Committee be changed to the Investment Risk Committee. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Directors of the Corporation hereby rename the Risk Committee to the Investment Risk Committee.

Proposed Amendment of the Public Real Estate Investments Benchmark of the Investment Policy Statements' Exhibits

Chairman Hildebrand asked Mr. Hall to present the recommendation. Mr. Hall discussed that upon subsequent review of benchmarks approved by the UTIMCO Board during its June meeting, UTIMCO determined that the MSCI US REIT Index (RMZ) is a price only REIT benchmark which neglects to include the impact of dividends received from REIT investments. Historically, REIT dividends have been meaningful positive component of an investor's return associated with REIT holdings. As such, UTIMCO is recommending that the Board approve a correction to the real estate benchmark by changing it to the MSCI US REIT Gross Total Return Index (RMSG) which measures the total return comprised of price movements and dividends received. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendment of the Public Real Estate Investments Benchmark of the Exhibits of the Investment Policy Statement of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund to the MSCI US REIT Gross Total Return Index (RMSG) is hereby approved, effective September 1, 2021, subject to approval by the Board of Regents of The University of Texas System.

Market Update

Chairman Hildebrand asked Mr. Hall to present the Corporation's market update. Mr. Hall provided an update on the Corporation's assets under management and performance results as of June 30, 2021. He reported that the Corporation had approximately \$64 billion of assets under management and reviewed AUM by institution. He provided an overview of the UTIMCO diversification framework as well as a detailed review of returns and alpha. Mr. Hall next discussed historical and projected PUF drawdowns and liquidity planning for a market decline. He then reported on the market dashboard, economic and GDP forecast, and current economic regime as of August 31, 2021. Mr. Hall reviewed sector, market cap and style, and country return dispersion. He followed with a federal reserve update, noting what tapering could look like if initiated. He concluded his presentation with a discussion on inflation and answered questions from the Board.

Future Macro Trends Report

Chairman Hildebrand asked Mr. Harris to present an overview of future macro trends. Mr. Harris began with a discussion of nine super factors for the future and provided an overview of passive and index concentration. He noted the growth of ETF assets with three issuers controlling almost 80 percent of the market and their influence on indexation and proxy vote. He then discussed energy transition and the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report. He reviewed the goals of the Paris agreement as well as transition options and impact. Mr. Harris discussed the Drawdown Report and proposed solutions to reach net zero emissions. He also reviewed how the \$100 trillion plus spending would affect the economy. He discussed super polluters and largest emitters by region as well as US, Europe, and Chinese emissions. Mr. Harris continued with a review on US/China relations noting that unfavorable views of China are at an all time high. He reviewed real estate dispersion before concluding his presentation with a discussion on the second machine age and the future of artificial intelligence.

Tactical Asset Allocation Presentation

Chairman Hildebrand asked Mr. Slayton to provide an update on UTIMCO’s Tactical Asset Allocation (“TAA”). Mr. Slayton began by stating that the new system has been implemented smoothly and methodically. He provided an update on HTAA Execution, touching on several objectives and their status. He then reviewed the differences in the pilot TAA program versus where the HTAA is now. Next, Mr. Slayton provided a 5-step example of how the HTAA portfolio is generated. He discussed HTAA positioning, noting that the current portfolio is long equities (0.5%) and broadly short global fixed income (-0.5%). He concluded with a review of the implementation timeline with an expected increase to 2/3 of market risk weight by quarter four. Mr. Slayton then took questions from the Board.

Fixed Income Presentation

Chairman Hildebrand asked Mr. Kampfe to provide an update on Fixed Income to the Board. Mr. Kampfe shared the team’s objectives, philosophy, experience, and performance and touched on their priorities going forward. He gave a brief overview of Fixed Income’s new SAA projected roles in the endowments and followed with an introduction of the Fixed Income team and their roles. Next, he discussed market performance noting that the Fixed Income portfolio generated +2.9% alpha over the 1-year period ended June 30, 2021. Mr. Kampfe concluded with a review of market conditions and answered the Directors’ questions.

Risk Management Presentation and Risk System Demonstration

Chairman Hildebrand asked Uzi Yoeli to lead the presentation on Risk Management. Dr. Yoeli began by sharing the teams’ philosophy, key responsibilities, and accomplishments over the past year. He then introduced the Risk Management Team and their roles in the Corporation. He continued with a discussion on the next bear market noting that the biggest indicator right now is inflation. He then discussed liquidity planning for a rapid market decline before turning the presentation over to Dr. Jones. Dr. Jones reviewed goals and progress of the MSCI Barra risk project and reviewed the diversity of challenges faced. He turned the presentation to Mr. Murphy and Mr. Oldford of MSCI Barra for a demo of the risk system. Following the demo, Dr. Yoeli and Dr. Jones answered questions from the Board.

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 via teleconference on September 8, 2021. All Committee members attended the meeting. At the meeting, the Committee considered two action items: the minutes of the June 17, 2021 meeting, which were approved as drafted; and discussion and action related to the approval of proposed amendments to the Charter of the Audit and Ethics Committee. Routine matters of the Committee included a report on compliance matters for the quarter ended May 31, 2021. The unaudited financial statements without footnotes for the Funds were presented for the nine months ended May 31, 2021. The Committee also met in Executive Session to consult with legal counsel and deliberate individual personnel matters. The Committee approved the amendments to the Charter. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the amendments to the Charter of the Audit and Ethics Committee, as recommended be, and are hereby approved, in the form submitted to the Corporation's Board of Directors.

Report from Risk Committee (renamed the Investment Risk Committee)

Chairman Hildebrand asked Director Weaver to provide a report from the Risk Committee. Director Weaver reported that the Risk Committee met via teleconference on September 8, 2021. All members of the Committee except for Director Longoria attended the meeting. At the meeting, the Committee considered the following action items: the minutes of its June 17, 2021 meeting and the June 17, 2021 joint meeting with the Policy Committee were approved as drafted; and discussion and action related to the approval of the proposed amendments to the Charter of the Risk Committee. Routine business included a report on compliance matters for the quarter ended May 31, 2021. The Committee also received a market and portfolio risk update and a report on the implementation progress of new risk system. The Committee approved the amendments to the Charter, including a name change to the Investment Risk Committee, pending Board approval. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the amendments to the Charter of the Risk Committee, as recommended be, and are hereby approved, in the form submitted to the Corporation's Board of Directors.

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 September 8, 2021. All members of the Committee except for Director Longoria attended the meeting. The Cyber Risk Committee approved the minutes of its June 17, 2021 meeting and met in Executive Session to receive a report on the Corporation's information resources technology and information security program.

Report on 2022 Meeting Dates

Chairman Hildebrand presented the 2022 UTIMCO Board Meetings schedule and Committee Meetings schedule.

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 matters pursuant to *Texas Government Code* Section 551.074. The date is September 16, 2021, and the time is now 11:45 a.m." With the exception of Mr. Harris and Mr. Morse, all other meeting participants left the meeting at this time.

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 September 16, 2021, and the time is now 12:20 p.m. During the Executive Session, the Board deliberated individual personnel 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 12:21 p.m.

Secretary: _____
Joan Moeller

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

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Discussion and Appropriate Action Related to Election of Corporate Officer and Amendment to Delegation of Authority Policy

Developed By: Moeller, de Onís

Presented By: Harris

Type of Item: Action Item

Description: Britt Harris will discuss personnel changes with the Board, including recommending the appointment of a corporate officer. He also will present a change to the Delegation of Authority Policy.

Recommendation: Mr. Harris will request the Board approve the appointment of a corporate officer and an amendment to the Delegation of Authority Policy.

Reference: None

Resolution and Materials to be Distributed at the Meeting

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: UTIMCO and Market Update

Developed By: Hall

Presented By: Hall

Type of Item: Information Item

Description: Rich Hall will review UTIMCO's performance and provide an update on the financial markets.

Reference: *UTIMCO and Market Update* presentation



UTIMCO and Market Update

Rich Hall, Deputy Chief Investment Officer

December 9, 2021

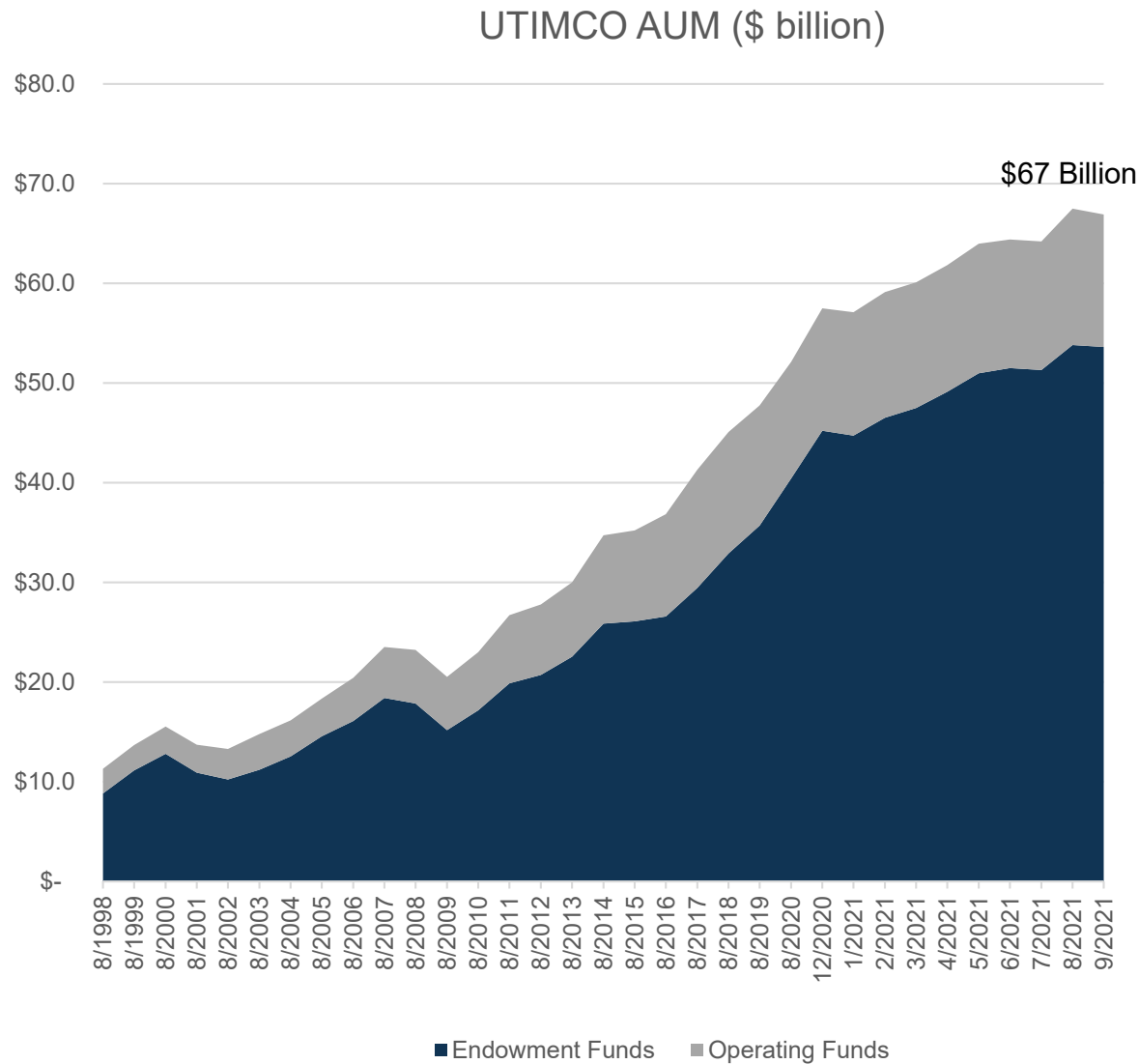
UTIMCO Performance





Growth in Assets Under Management

Total Assets through September 30, 2021



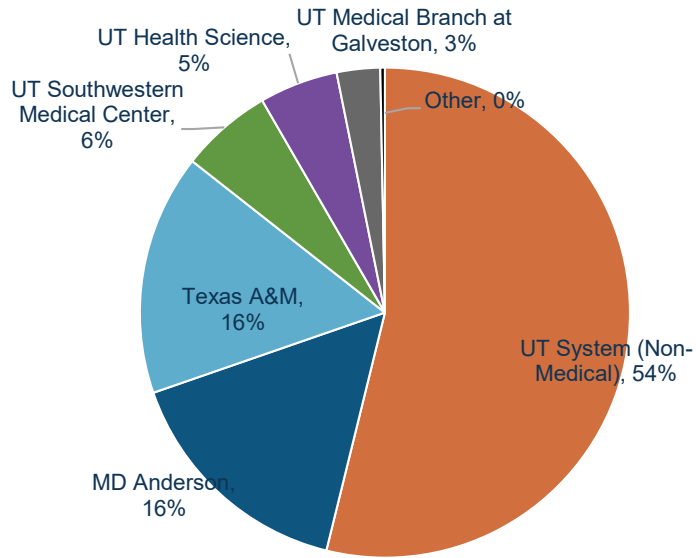
12 Month Change in AUM

	\$ Billion
Beginning NAV	51.9
Contributions	3.8
Net Investment Income	13.4
Distributions	-2.1
Ending NAV	66.9

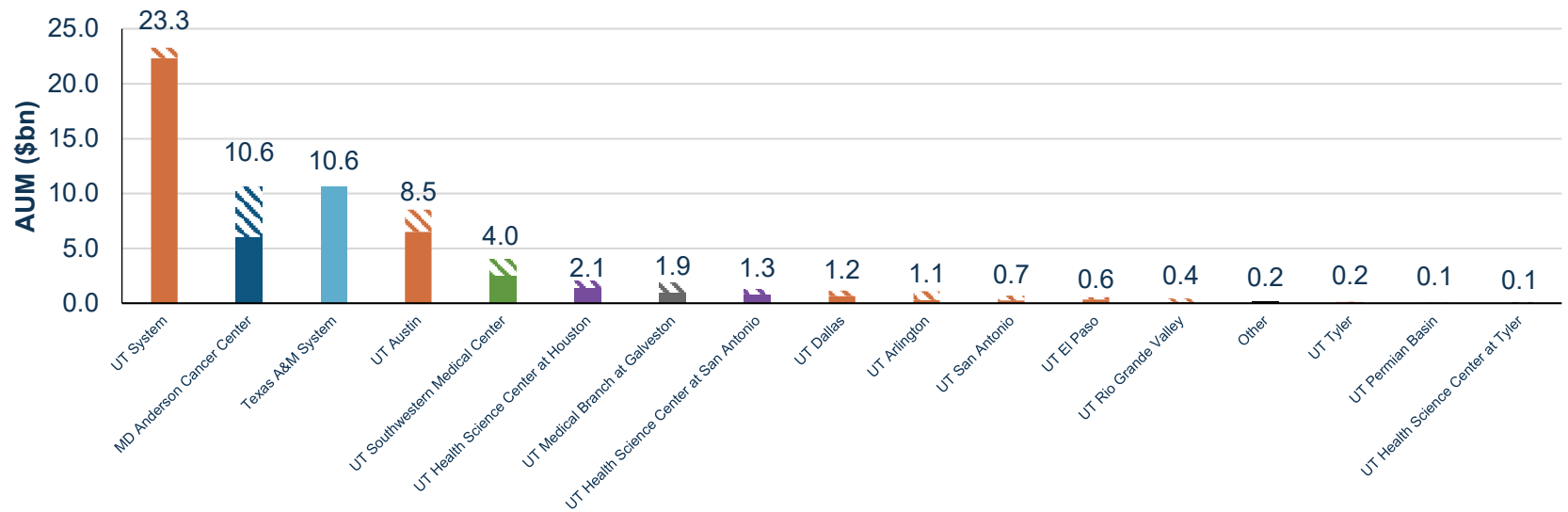
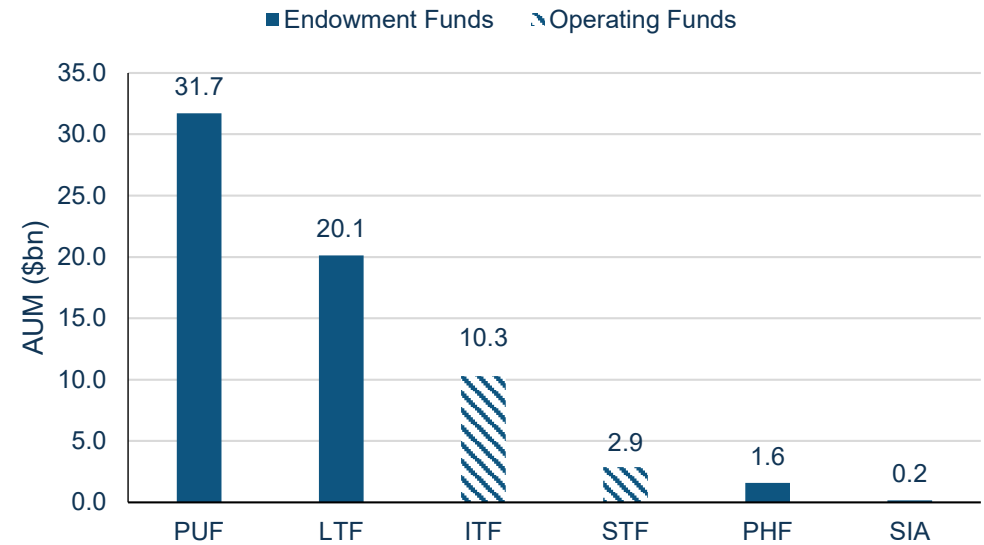


AUM by Institution

As of September 30, 2021

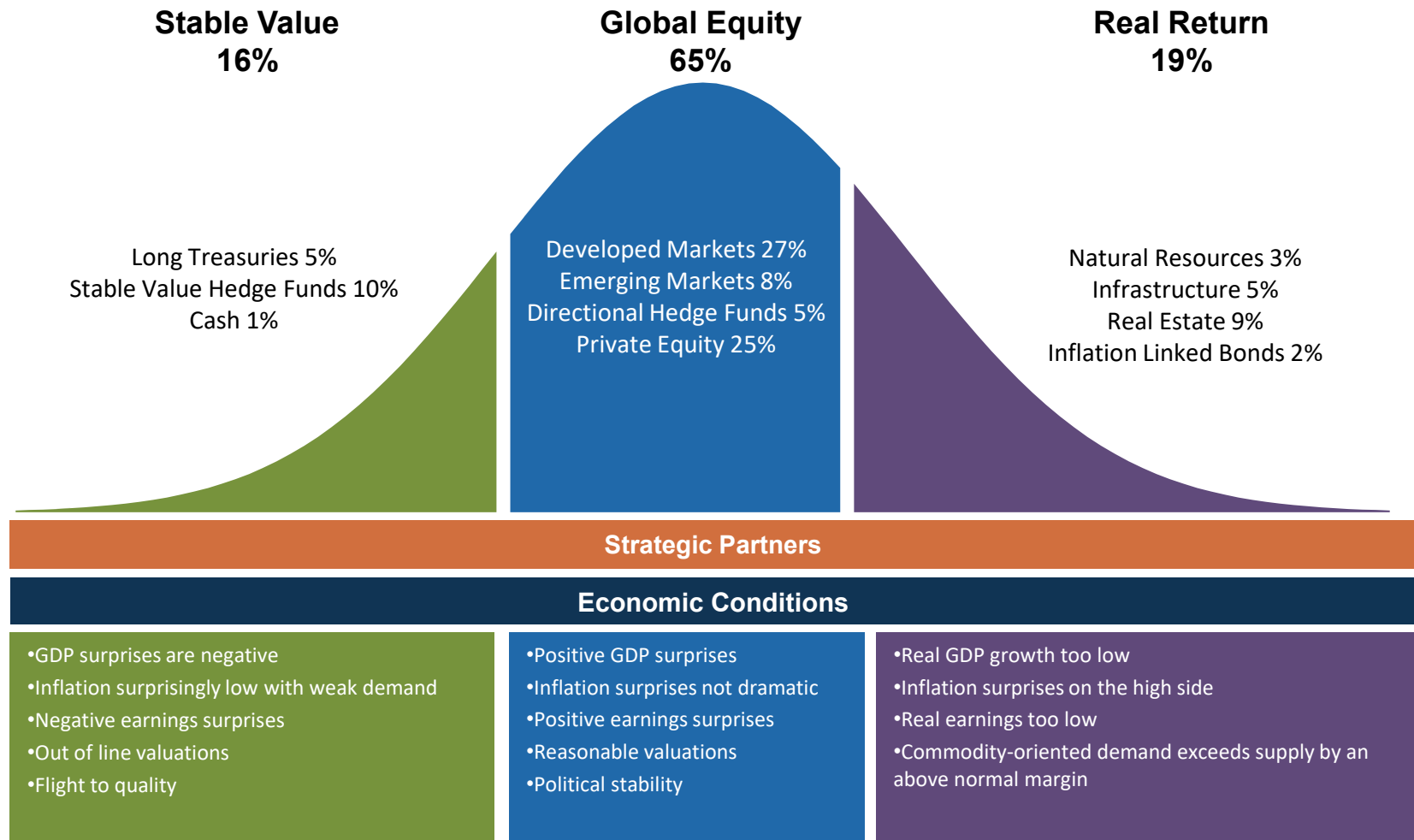


AUM by Fund





UTIMCO Diversification Framework



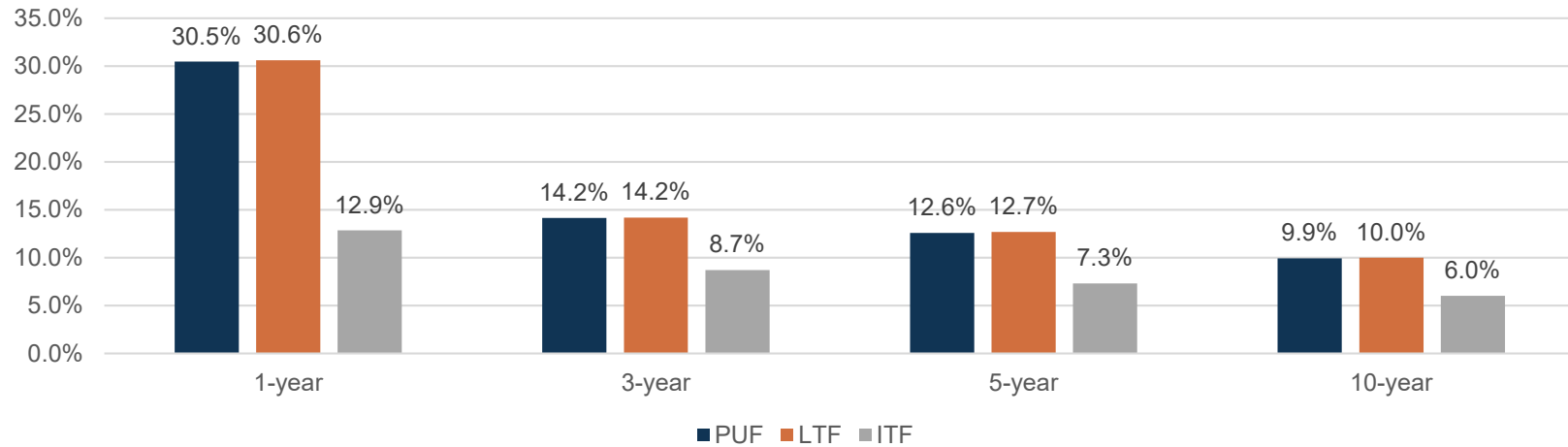
*LTSAA Policy Weights



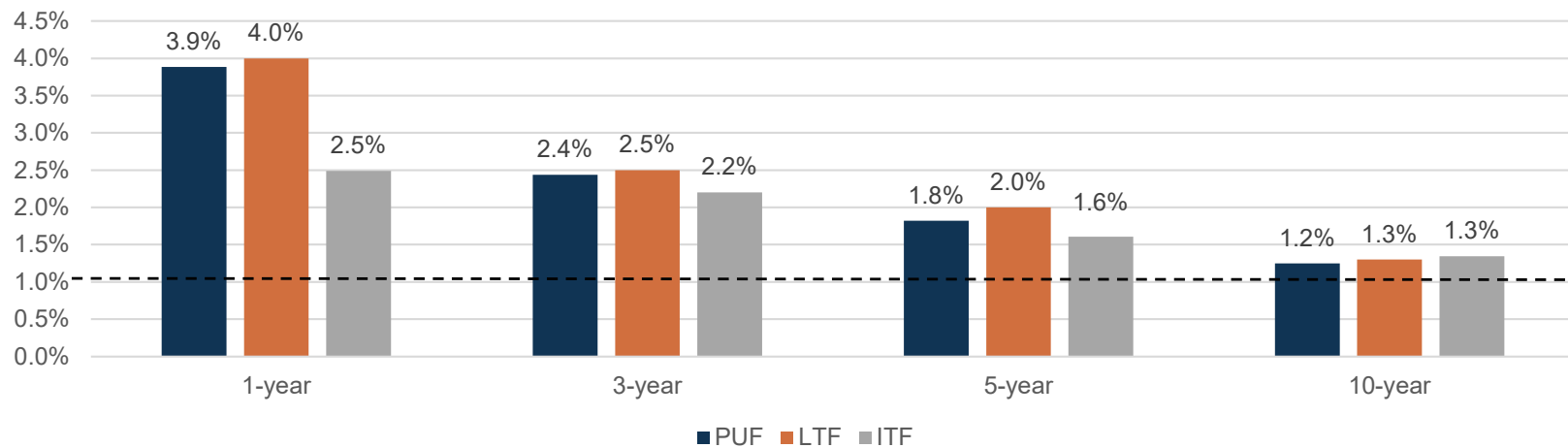
UTIMCO Returns and Alpha

As of September 30, 2021

Total Net Returns



Outperformance vs. Benchmarks





Endowment Returns and Alpha Detail

As of September 30, 2021

		1-Year		3-Year		Asset Allocation		
		Return	Alpha	Return	Alpha	\$ Invested	% of Fund	Over / (Under)
Global Equity	Public Equity	27.6%	1.2%	15.7%	3.7%	15,577	29.0%	0.3%
	Directional Hedge Funds	20.6%	5.6%	10.1%	3.6%	4,253	8.0%	(1.0%)
	Total Private Equity	64.8%	10.3%	27.3%	3.4%	13,918	26.0%	0.0%
	Total Global Equity	39.8%	5.3%	19.0%	3.3%	33,748	63.0%	(0.7%)
Stable Value	Investment Grade Fixed Income	1.1%	1.7%	5.3%	0.6%	4,158	7.7%	1.1%
	Credit Related Fixed Income	8.0%	(1.5%)	6.3%	0.6%	38	0.1%	0.1%
	Long Treasuries	0.0%	0.0%	0.0%	0.0%	99	0.2%	0.0%
	Cash	0.0%	(0.0%)	1.1%	(0.1%)	784	1.4%	0.5%
	Stable Value Hedge Funds	12.7%	(1.5%)	8.3%	3.1%	4,685	8.8%	(0.7%)
	Total Stable Value	5.3%	(1.9%)	5.3%	0.0%	9,764	18.2%	1.0%
Real Return	Inflation Linked Bonds	4.7%	(0.5%)			901	1.7%	(0.1%)
	Natural Resources	24.6%	(1.6%)	(2.8%)	0.3%	2,739	5.1%	0.0%
	Infrastructure	79.5%	61.6%	22.4%	12.3%	1,146	2.2%	0.0%
	Real Estate	20.1%	2.3%	9.0%	1.9%	3,322	6.2%	0.2%
	Total Real Return	28.4%	8.4%	6.8%	2.5%	8,108	15.2%	0.1%
Strategic Partnerships	Total Strategic Partnerships	24.1%	4.0%			1,899	3.6%	(0.4%)
TAA	TAA	0.1%	0.1%	0.0%	0.0%		-	-
Total Fund	Endowment Total	30.5%	3.9%	14.2%	2.4%	53,517	100.0%	0.0%



ITF Returns and Alpha Detail

As of September 30, 2021

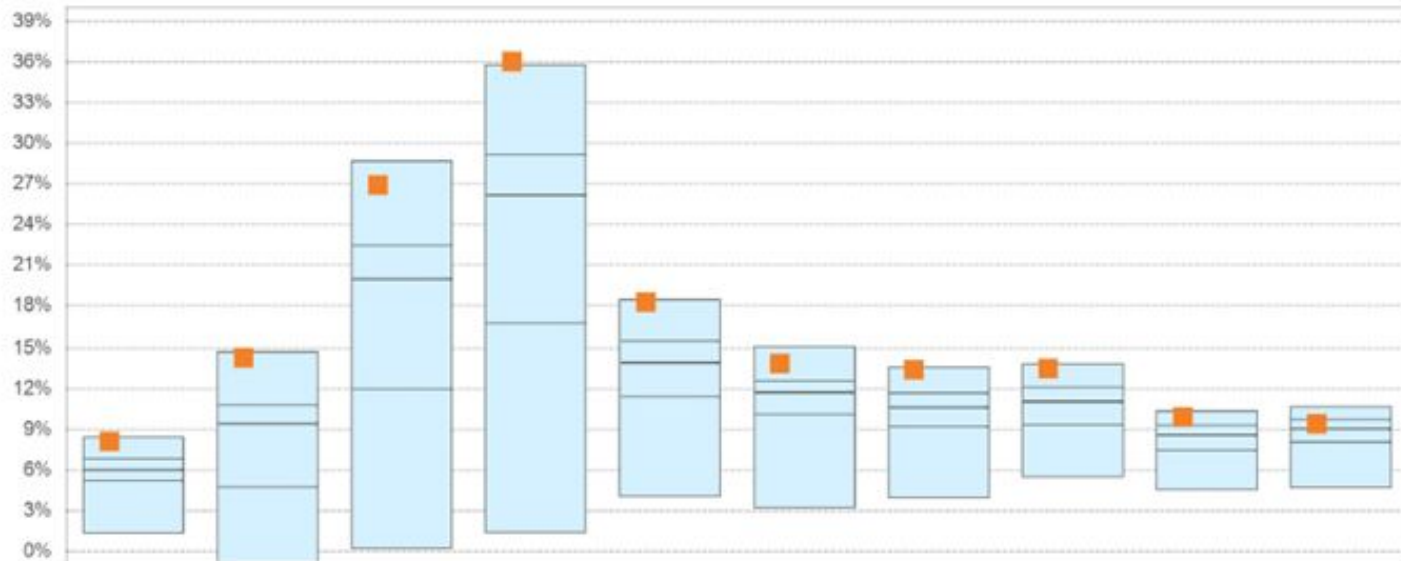
		1-Year		3-Year		Asset Allocation		
		Return	Alpha	Return	Alpha	\$ Invested	% of Fund	Over / (Under)
Global Equity	Public Equity	26.3%	0.5%	15.1%	3.2%	1,236	12.0%	(1.1%)
	Directional Hedge Funds	20.6%	5.6%	10.1%	3.6%	4,449	43.2%	0.6%
	Total Global Equity	21.9%	4.4%	11.4%	3.5%	5,685	55.2%	(0.5%)
Stable Value	Investment Grade Fixed Income	1.2%	1.7%	5.3%	0.6%	3,405	33.4%	(0.1%)
	Long Treasuries					32	0.3%	(0.3%)
	Cash	0.0%	(0.0%)	1.1%	(0.1%)	208	2.0%	0.1%
	Stable Value Hedge Funds	12.5%	(1.7%)	8.4%	3.2%	877	8.5%	0.7%
	Total Stable Value	2.5%	0.8%	5.0%	0.8%	4,522	43.9%	0.4%
Real Return	Inflation Linked Bonds					42	0.4%	0.0%
	Commodities					22	0.2%	0.0%
	Real Estate					29	0.3%	0.1%
	Total Real Return					93	0.9%	0.1%
TAA	TAA	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%
Total Fund	ITF Total	12.9%	2.5%	8.7%	2.2%	10,300	100.0%	0.0%



Total Return of All Plans > \$1 Billion

Trust Universe Comparison Service Performance Comparison

Total Returns of Master Trusts - Plans > \$1 Billion
Cumulative Periods Ending : June 30, 2021



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	8.44	14.72	28.66	35.78	18.46	15.10	13.59	13.83	10.36	10.66
25th	8.84	10.81	22.46	29.18	15.52	12.56	11.69	12.13	9.29	9.76
50th	5.99	9.44	19.95	26.15	13.91	11.74	10.64	11.04	8.58	9.03
75th	5.21	4.76	12.00	16.75	11.41	10.14	9.20	9.33	7.45	8.06
95th	1.38	-0.02	0.23	1.42	4.05	3.24	3.95	5.49	4.56	4.73
No. Of Obs	156	156	155	155	138	124	121	120	120	119
PUF TOTAL FUND	7.83 (10)	14.00 (6)	26.67 (8)	35.78 (5)	18.03 (6)	13.61 (13)	13.12 (9)	13.23 (9)	9.03 (16)	9.18 (44)

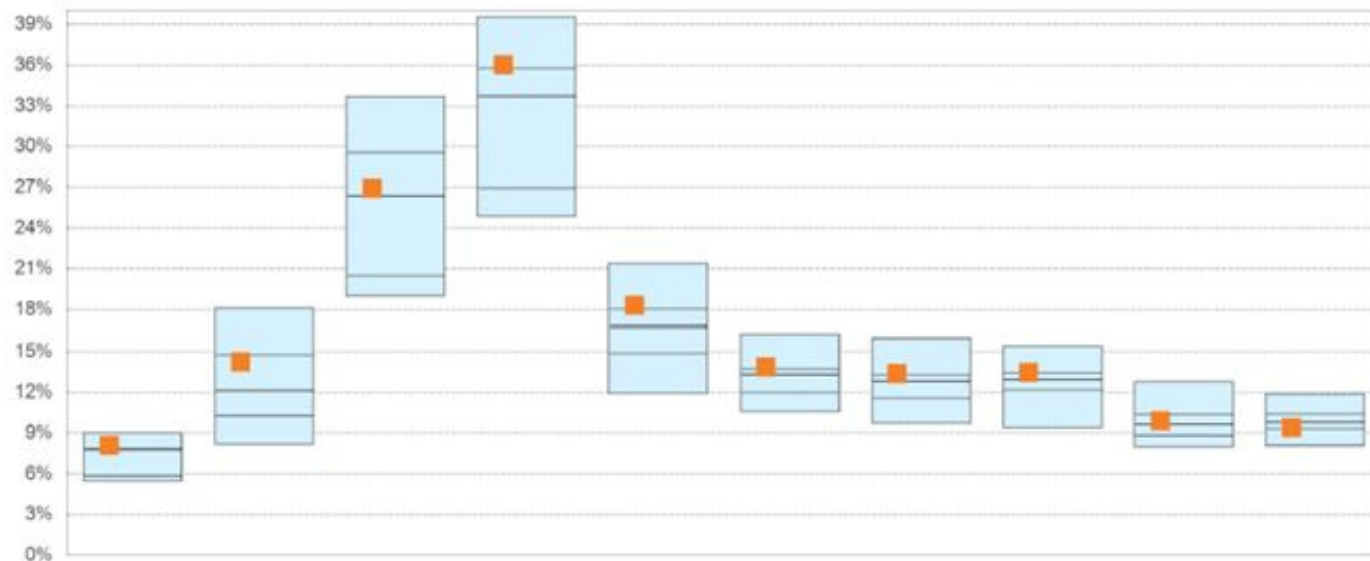
Source: TUCS



Total Return of All E&F > \$1 Billion

Trust Universe Comparison Service Performance Comparison

Total Returns of Master Trusts - Foundation & Endowment : Plans > \$1 Billion
Cumulative Periods Ending : June 30, 2021



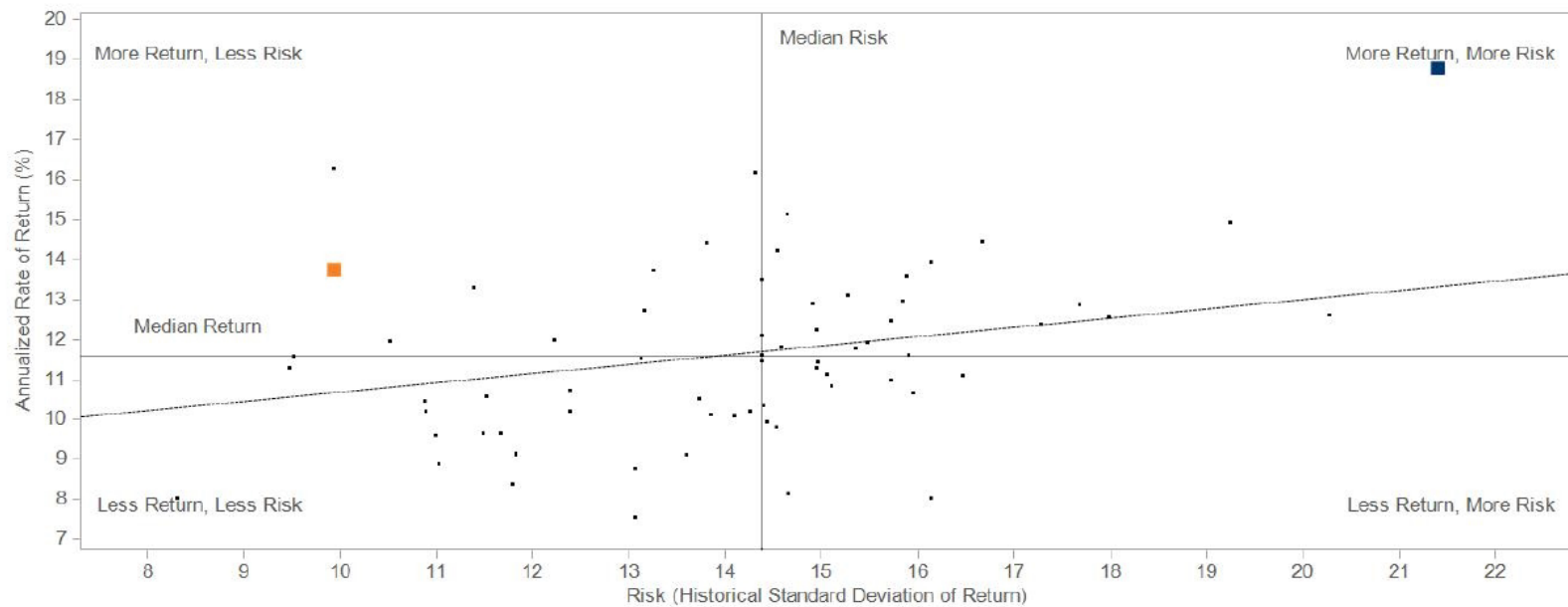
Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	8.98	18.13	33.09	39.59	21.42	16.29	15.96	15.35	12.79	11.90
25th	7.88	14.72	29.60	35.79	18.04	13.74	13.27	13.44	10.36	10.42
50th	7.78	12.16	26.33	33.70	16.81	13.31	12.81	12.96	9.63	9.80
75th	5.87	10.28	20.46	26.89	14.86	12.00	11.60	12.20	8.83	9.33
95th	5.45	8.17	18.99	24.85	11.92	10.59	9.72	9.45	8.01	8.09
No. Of Obs	13	13	13	13	13	12	12	12	12	12
■ PUF TOTAL FUND	7.83 (41)	14.00 (33)	26.67 (41)	35.78 (33)	18.03 (33)	13.61 (41)	13.12 (33)	13.23 (41)	9.63 (50)	9.18 (87)

Source: TUCS



Peers: Risk and Return

Trust Universe Comparison Service
 Risk vs Total Returns of Master Trusts - Foundation & Endowment
 3 Years Ending June 30, 2021



Alpha: 8.4
 Beta: 0.23
 R-Squared: 0.07

	Risk Value	Risk Rank	Return Value	Return Rank
PUF TOTAL FUND	9.99	91	13.61	16
S&P 500	21.45	1	18.67	1
Median	14.38		11.60	

Source: TUCS

Market Update





Economic Indicators

Estimates as of 11/29/21

	Real GDP			S&P 500 EPS			Unemployment			Core PCE		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
AGMR	5.2%	6.2%		\$199	\$211		4.1%	3.3%		3.2%	2.5%	
Barclays	5.5%	4.0%	2.3%	\$210	\$235		4.3%	3.8%	3.5%	3.2%	2.5%	2.0%
BofA	5.6%	4.0%	2.2%	\$207	\$220		4.4%	3.7%	3.5%	3.2%	2.3%	2.4%
Citi	5.6%	4.1%		\$204	\$221		4.5%	3.7%		3.3%	3.3%	
Credit Suisse	5.5%	3.8%		\$210	\$230	\$250	4.5%	3.8%		3.3%	3.4%	
Goldman	5.6%	4.2%	2.1%	\$209	\$226	\$236	4.2%	3.5%	3.3%	4.5%	2.3%	2.1%
ISI	5.5%	4.5%		\$220	\$240		4.8%	3.5%		4.5%	3.0%	
JP Morgan	5.5%	3.5%	2.5%	\$210	\$240	\$250	4.4%	3.5%	3.4%	3.3%	3.6%	2.3%
Morgan Stanley	5.5%	4.6%	3.7%	\$207	\$227	\$245	4.7%	3.6%	3.2%	3.1%	2.9%	2.2%
UBS	5.1%	4.0%	2.4%	\$213	\$239	\$252	4.3%	3.8%	3.4%	4.3%	1.7%	2.0%
Yardeni	5.3%	2.7%		\$210	\$220		4.5%	3.6%		4.5%	3.5%	
Median	5.5%	4.0%	2.4%	\$210	\$227	\$250	4.4%	3.6%	3.4%	3.3%	2.9%	2.2%
Average	5.4%	4.1%	2.5%	\$209	\$228	\$247	4.4%	3.6%	3.4%	3.7%	2.8%	2.2%
FOMC	5.9%	3.8%	2.5%				4.8%	3.8%	3.5%	3.7%	2.3%	2.2%
Prior Years	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
	2.9%	2.3%	(3.4%)	\$163	\$165	\$142	3.9%	3.6%	6.7%	2.1%	1.6%	1.5%



Market Dashboard

Rates

	12/31/2020	Today 11/19/2021	Change
Fed Funds	0.25	0.25	0.00
10-yr Treasury	0.91	1.55	0.63
30-yr Treasury	1.64	1.91	0.27
Investment Grade Bonds	1.83	2.27	0.44
High Yield	4.59	4.68	0.09

Equities

	12/31/2020	11/19/2021	Change
S&P 500	3,756	4,698	27%
Forward P/E	22.7x	21.4x	-1.3x
Trailing P/E	30.5x	25.8x	-4.7x
Shiller P/E	30.8x	37.7x	6.8x
Forward Earnings Yield	4.4%	4.7%	0.3%
Developed: MSCI World	8,008	9,709	21%
Emerging: MSCI EM	624	625	0%
Global: MSCI ACWI	328	389	18%

Inflation

	12/31/2020	11/19/2021	Change
5-yr TIPS	-1.63	-1.82	-0.19
5-yr TIPS Breakeven	1.99	3.04	1.05
10-yr TIPS	-1.09	-1.12	-0.03
10-yr TIPS Breakeven	2.01	2.67	0.66

Commodities

	12/31/2020	11/19/2021	Change
Gold	1,898	1,846	-3%
Oil	49	76	57%
Copper	352	441	25%
Bloomberg Commodities Index	167	218	31%



S&P 500 Forward P/E Ratio

S&P 500 Index: Forward P/E ratio



Source: FactSet, FRB, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.

Source: JP Morgan



S&P 500 Concentration

P/E ratio of the top 10 and remaining stocks in the S&P 500
Next 12 months



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Weight of the top 10 stocks in the S&P 500
% of market capitalization of the S&P 500



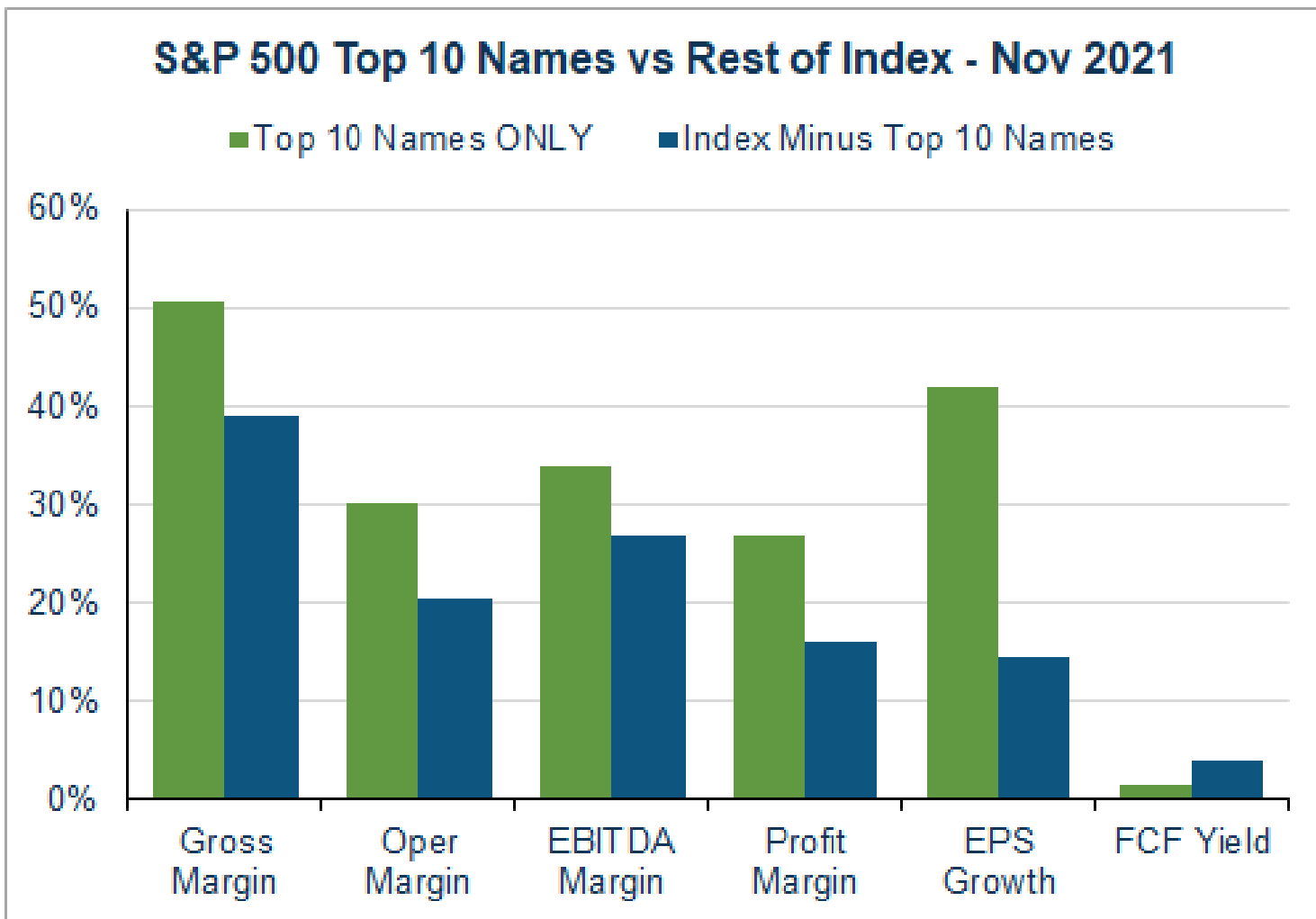
Earnings contribution of the top 10 in the S&P 500
Based on last 12 months' earnings



Source: JP Morgan



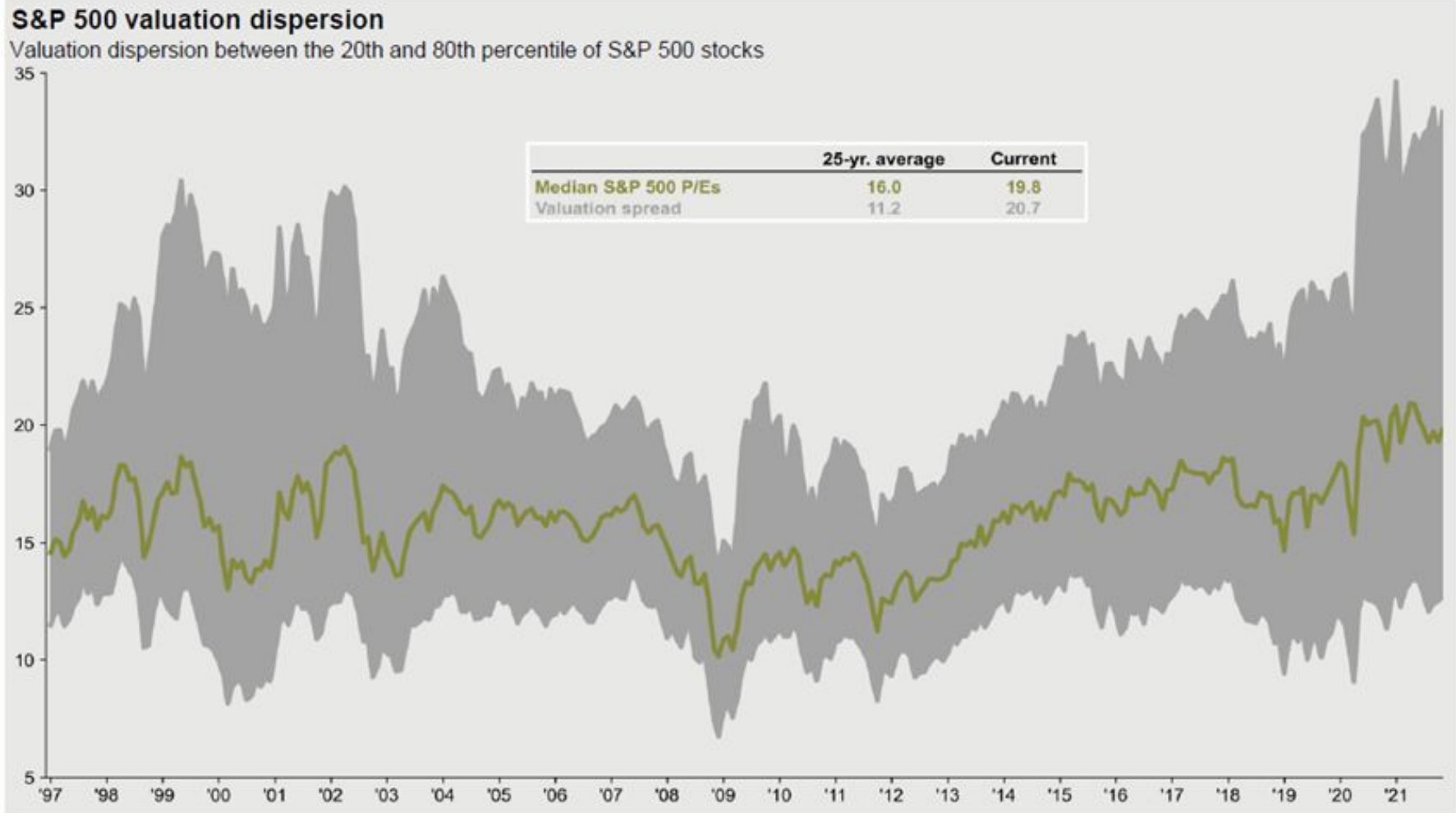
S&P 500 Concentration



Source: UTIMCO



S&P 500 Valuation Dispersion



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of October 31, 2021.

Source: JP Morgan



Asset Allocation Returns

																2006 - 2020	
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Ann.	Vol.
REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	Comdty. 32.5%	Large Cap 9.9%	EM Equity 23.3%
EM Equity 32.6%	Comdty. 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	REITs 30.2%	Small Cap 8.9%	REITs 23.1%
DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. 25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Large Cap 24.0%	High Yield 7.5%	Small Cap 22.6%
Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 17.2%	REITs 7.1%	DM Equity 19.1%
Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity 0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 12.3%	EM Equity 6.9%	Comdty. 18.8%
Asset Alloc. 15.3%	Large Cap 5.5%	Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.5%	Asset Alloc. 6.7%	Large Cap 16.7%
High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.2%	DM Equity 5.0%	High Yield 12.2%
Cash 4.8%	High Yield 3.2%	REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	Fixed Income 4.5%	Asset Alloc. 11.8%
Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	EM Equity 0.0%	Cash 1.2%	Fixed Income 3.2%
Comdty. 2.1%	REITs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	Fixed Income -1.6%	Comdty. -4.0%	Cash 0.8%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
 Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg US Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2005 to 12/31/2020. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.
 Guide to the Markets – U.S. Data are as of October 31, 2021.



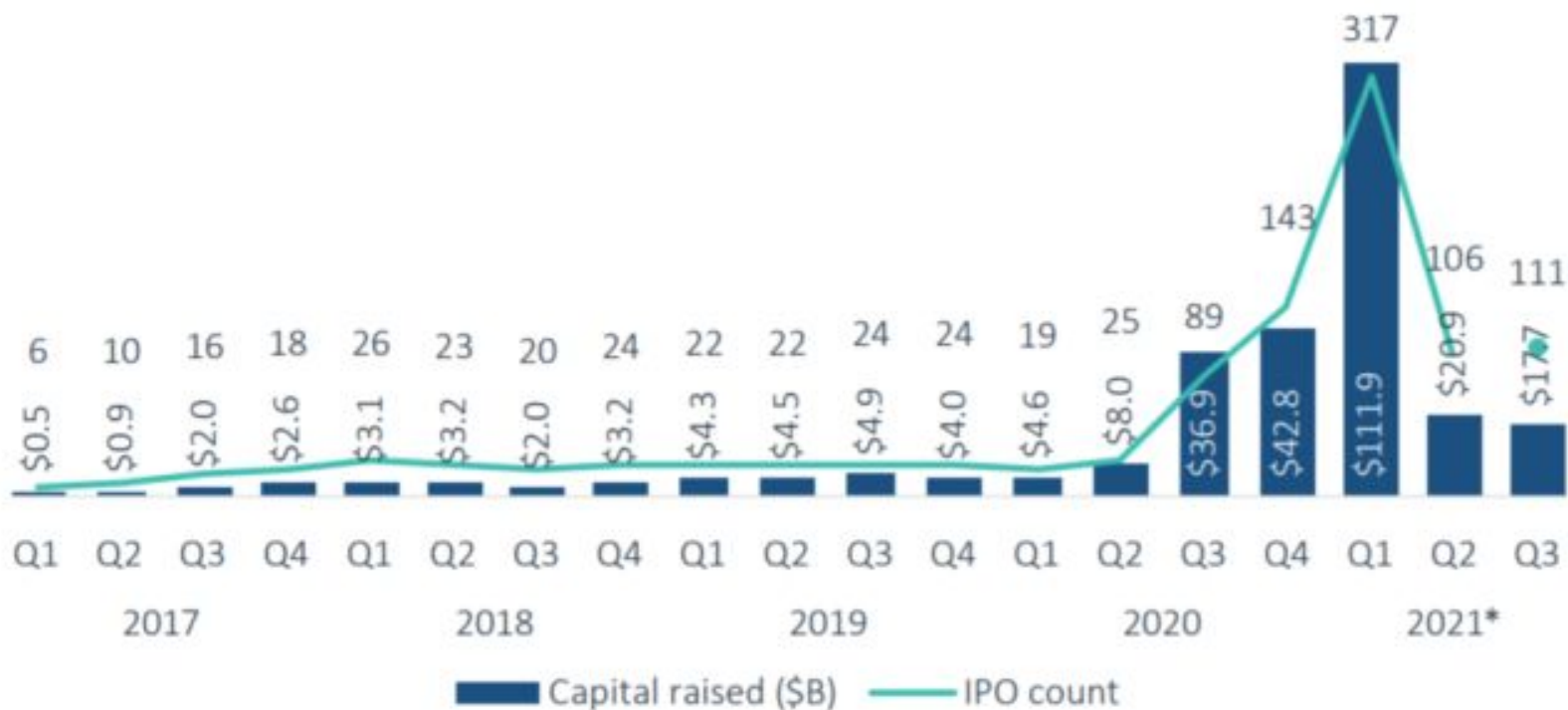
Reflecting on 2021





SPACtivity: Boom & Bust

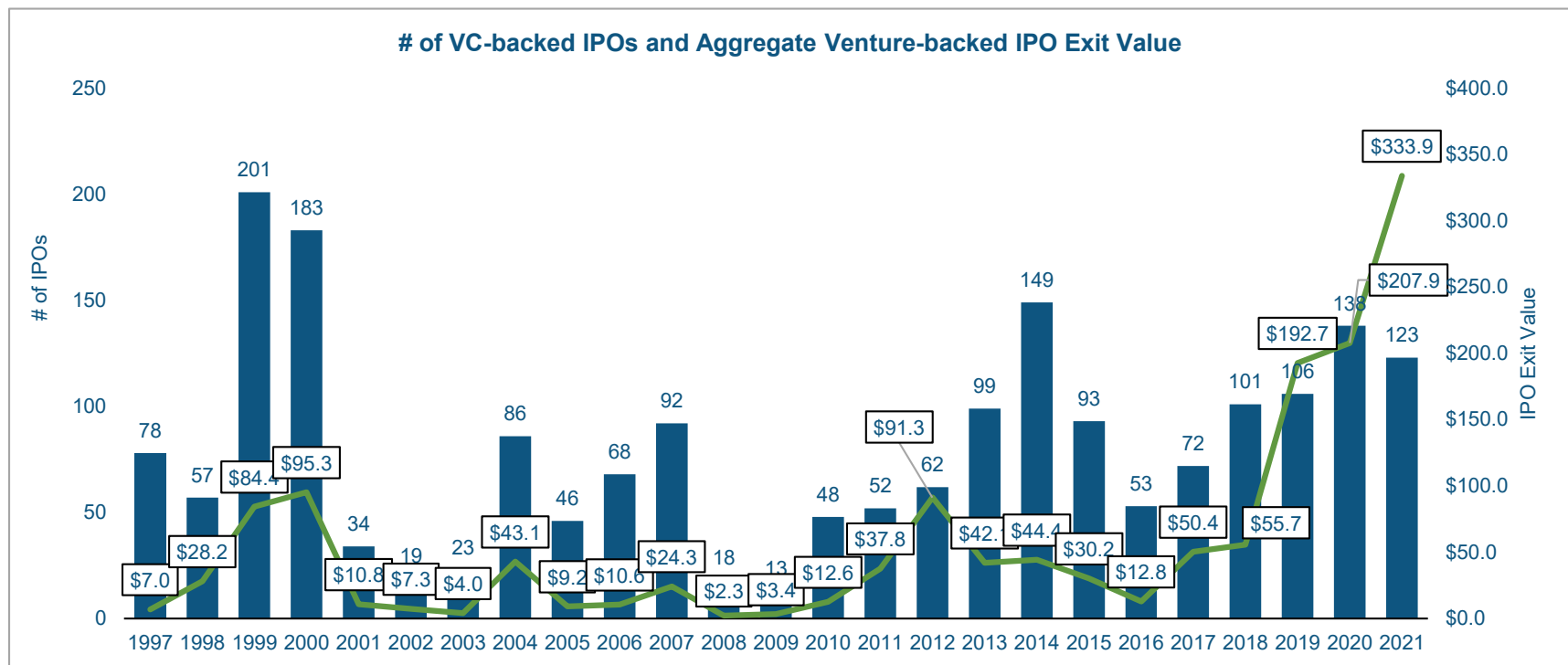
SPAC IPO activity



Source: PitchBook | Geography: US
*As of September 20, 2021



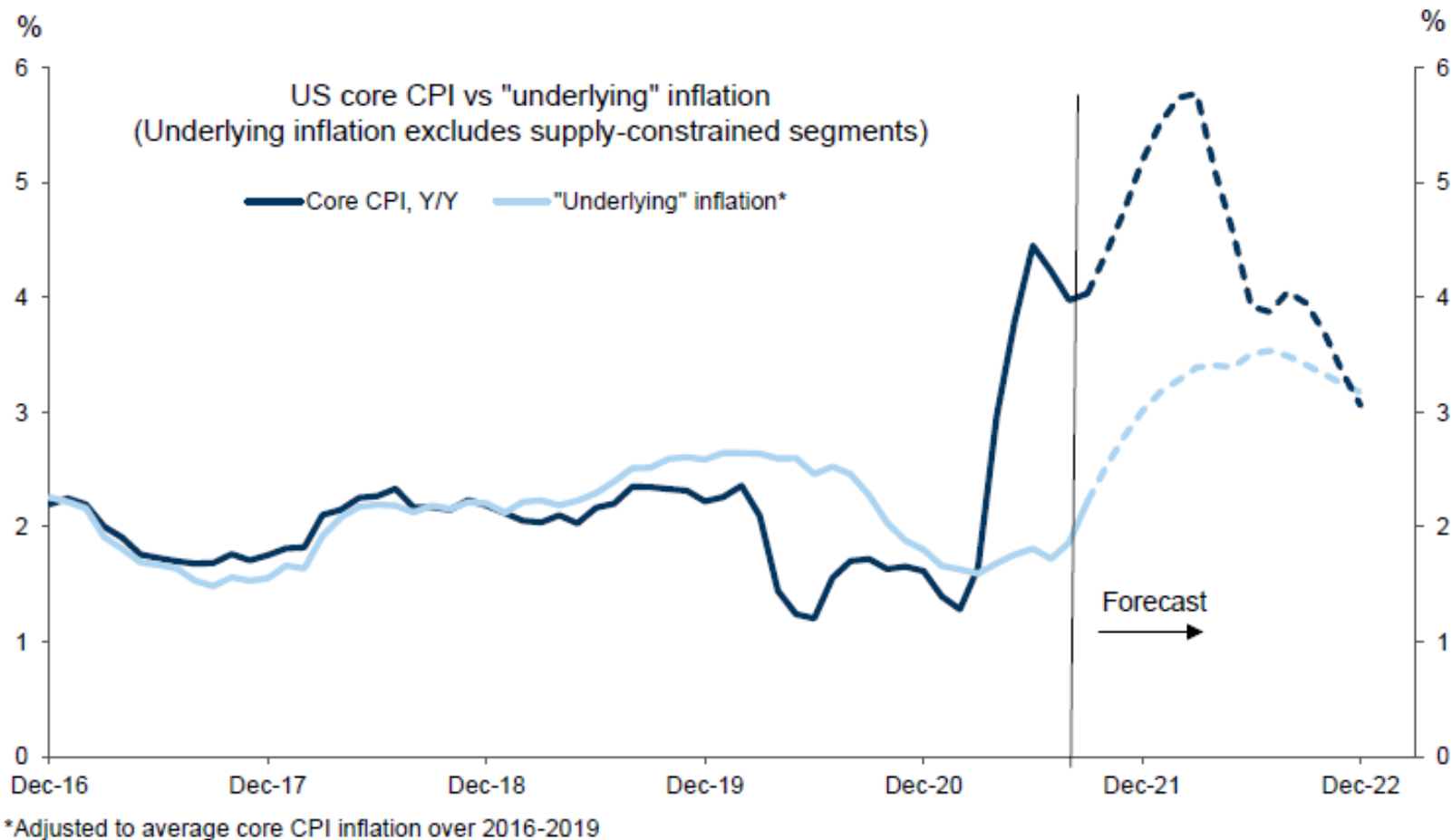
Year of the IPO



Note: Data pre-2006 not updated by Pitchbook and may not be accurate
Source: NVCA-Pitchbook as of 2Q 2021



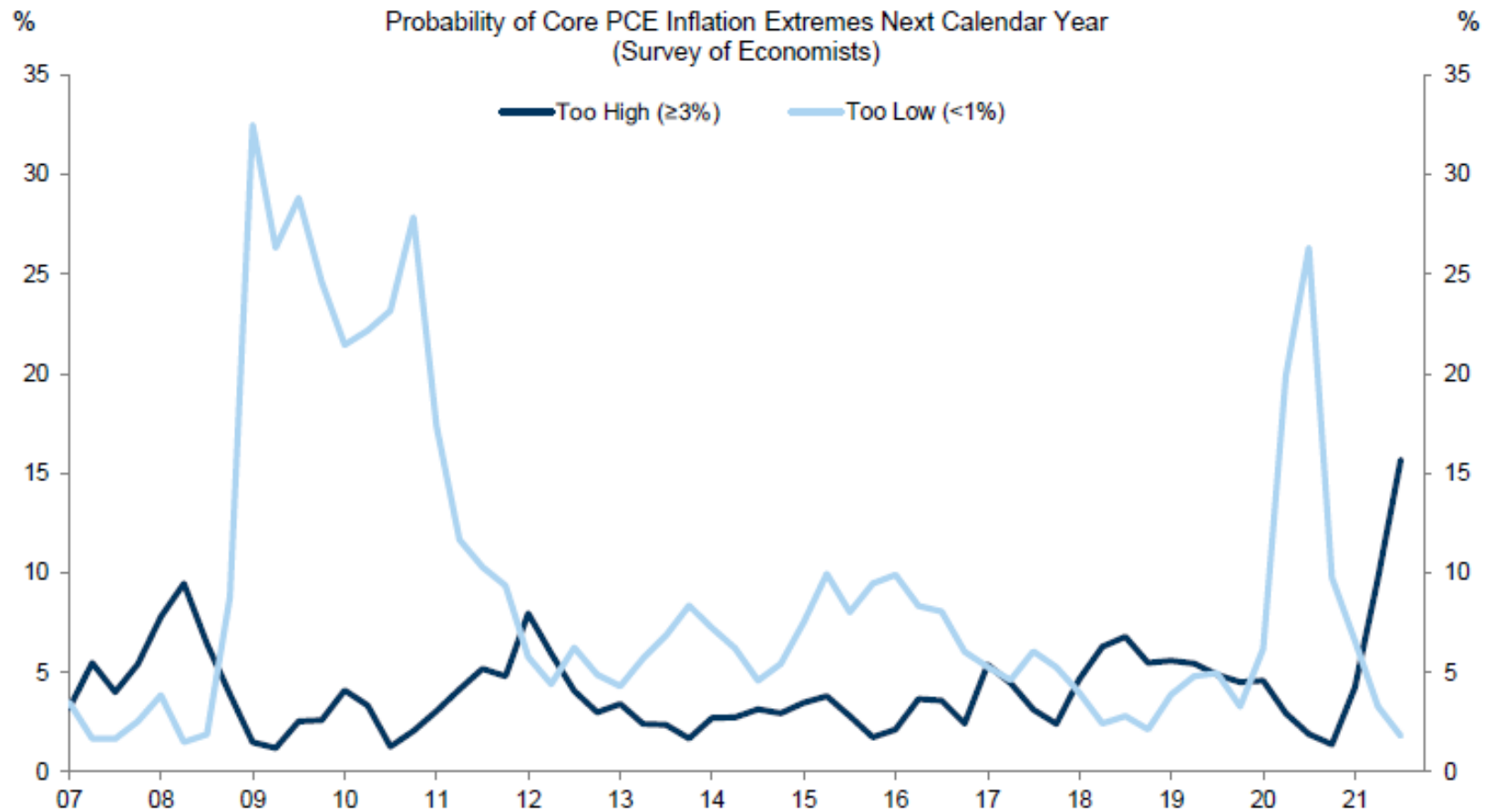
Inflation: Core and Underlying Spiking



Source: Goldman



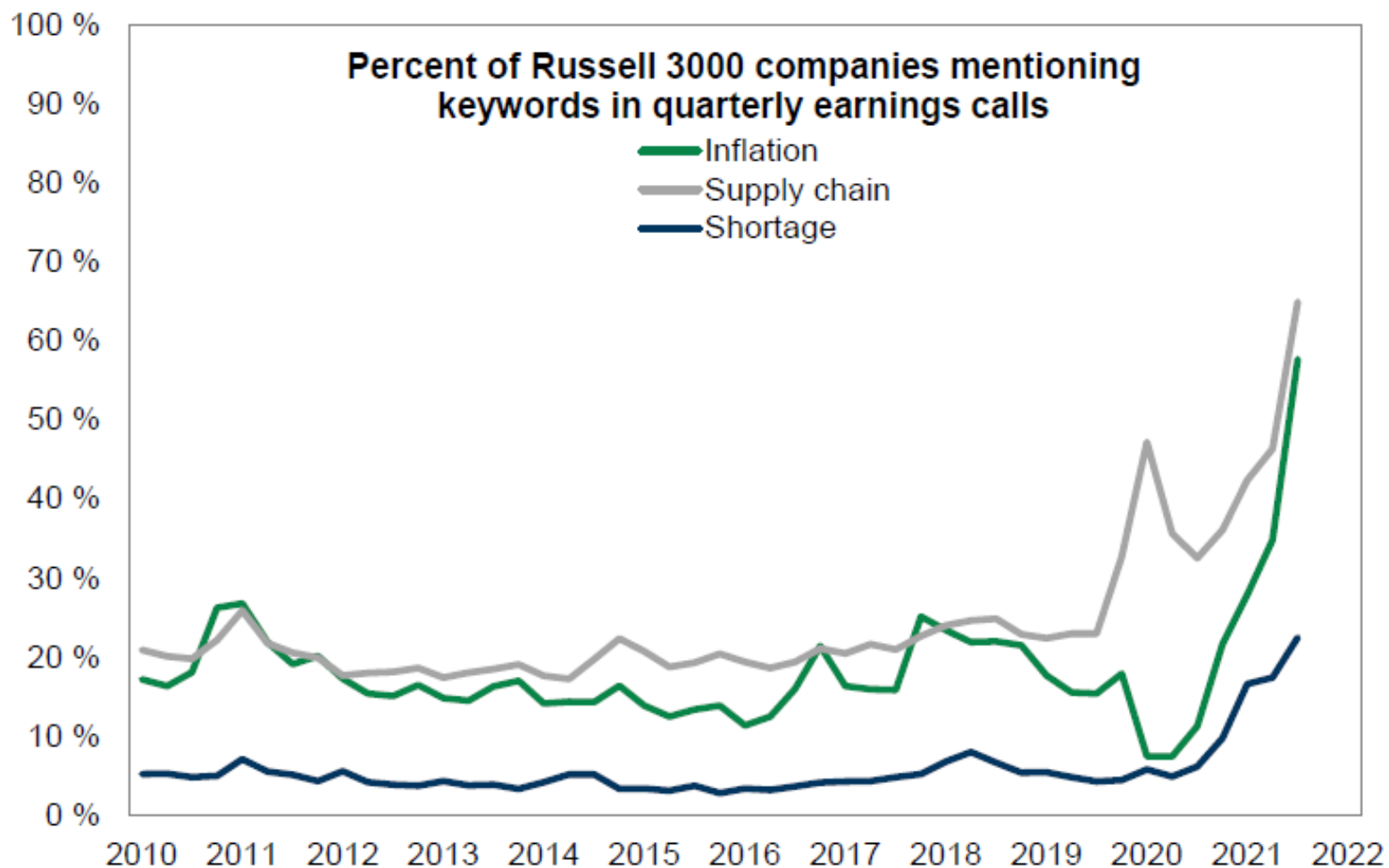
Inflation: Risks Have Flipped



Source: Goldman



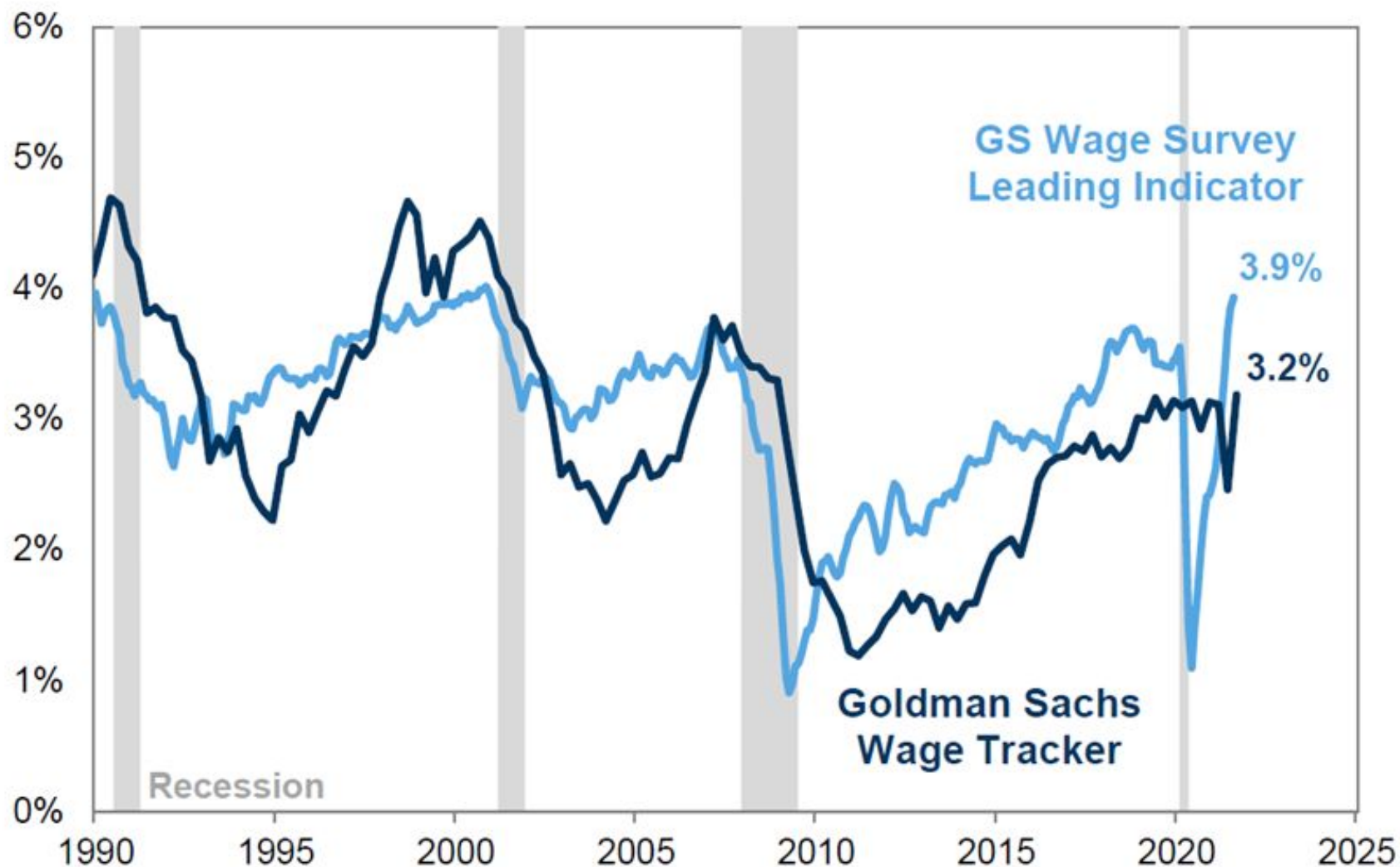
Inflation: Earnings Calls Buzzwords



Source: Goldman Sachs Global Investment Research, Goldman Sachs Data Works



Inflation: Highest Wage Growth in 20 Years



Source: Goldman



End of Easing: Federal Reserve Update

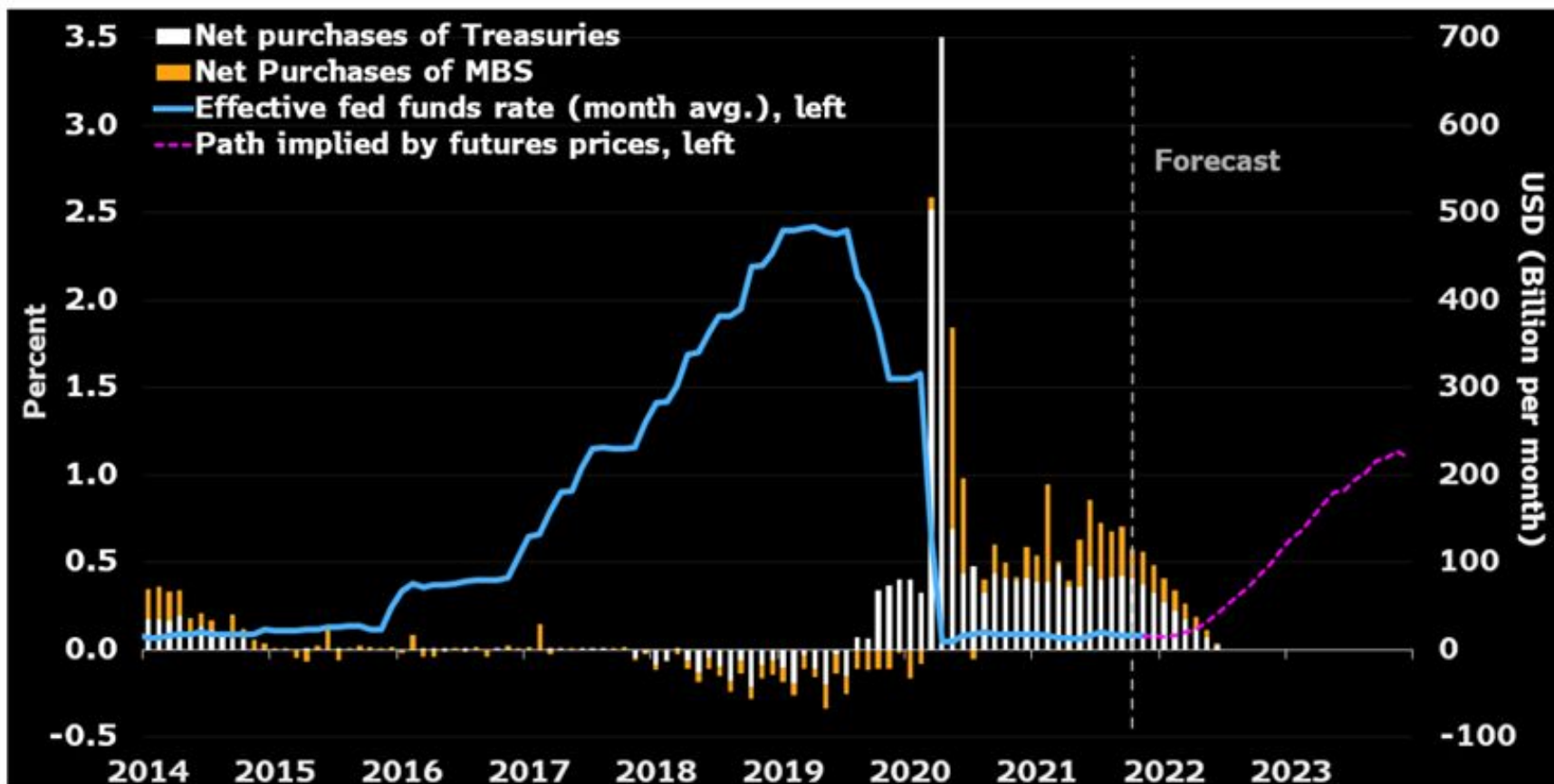
FOMC Meeting, November 2021

- **“Supply and demand imbalances related to the pandemic and the reopening of the economy have contributed to sizable price increases in some sectors ... progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation.”
-FOMC Statement**
- **“Our decision today to begin tapering our asset purchases does not imply any direct signal regarding our interest rate policy. We continue to articulate a different and more stringent test [...] to be met before raising the federal funds rate. ”
-Powell November 2021**
- The FOMC initially announced that they would begin tapering asset purchases by \$15m per month, with purchases expected to conclude in mid-2022.
- But at the end of November, Powell suggested that timeline may move up a few months due to inflation heating up.
- While the Fed believes we are not moving into a long-term inflationary regime, their research suggests that the factors driving inflation will persist well into next year.





End of Easing: Federal Reserve Tapering & Liftoff



Source: Bloomberg



China: Technology Sector Crackdown

China Reigning in “Free-wheeling” Technology Sectors

Regulatory event	Sector impacted	When	Duration (months)
Anti-corruption campaign	Consumer Discretionary	Nov 12 - Jun 16	44
Supply side structural reform*	Old Economy	Dec 15 - 1Q 18	28
Education sector reform (phase 1)	Education (K-12 AST)	Feb 18 - Mar 19	14
Gaming license suspension	Internet / gaming	Mar 18 - Oct 18	8
Drug procurement reform (pilot scheme)	Pharma	Jun 18 - Sep 19	16
Antitrust / cybersecurity regulation on internet companies	Internet	Since Nov 20 until now	9
Education sector reform (phase 2)	Education (K-12 AST)	Since May 21 till now	3

Source: Morgan Stanley, China's Regulatory Reset

Bloomberg

How China Lost Patience With Jack Ma, Its Loudest Billionaire

THE WALL STREET JOURNAL.

China's Tech Clampdown Is Spreading Like Wildfire

Chinese authorities are targeting hundreds of apps in a push to clean up the country's fast-growing, freewheeling internet sector

Bloomberg

Technology

China Tech Rout Deepens as New Regulations Muled; Alibaba Dives

FINANCIAL TIMES

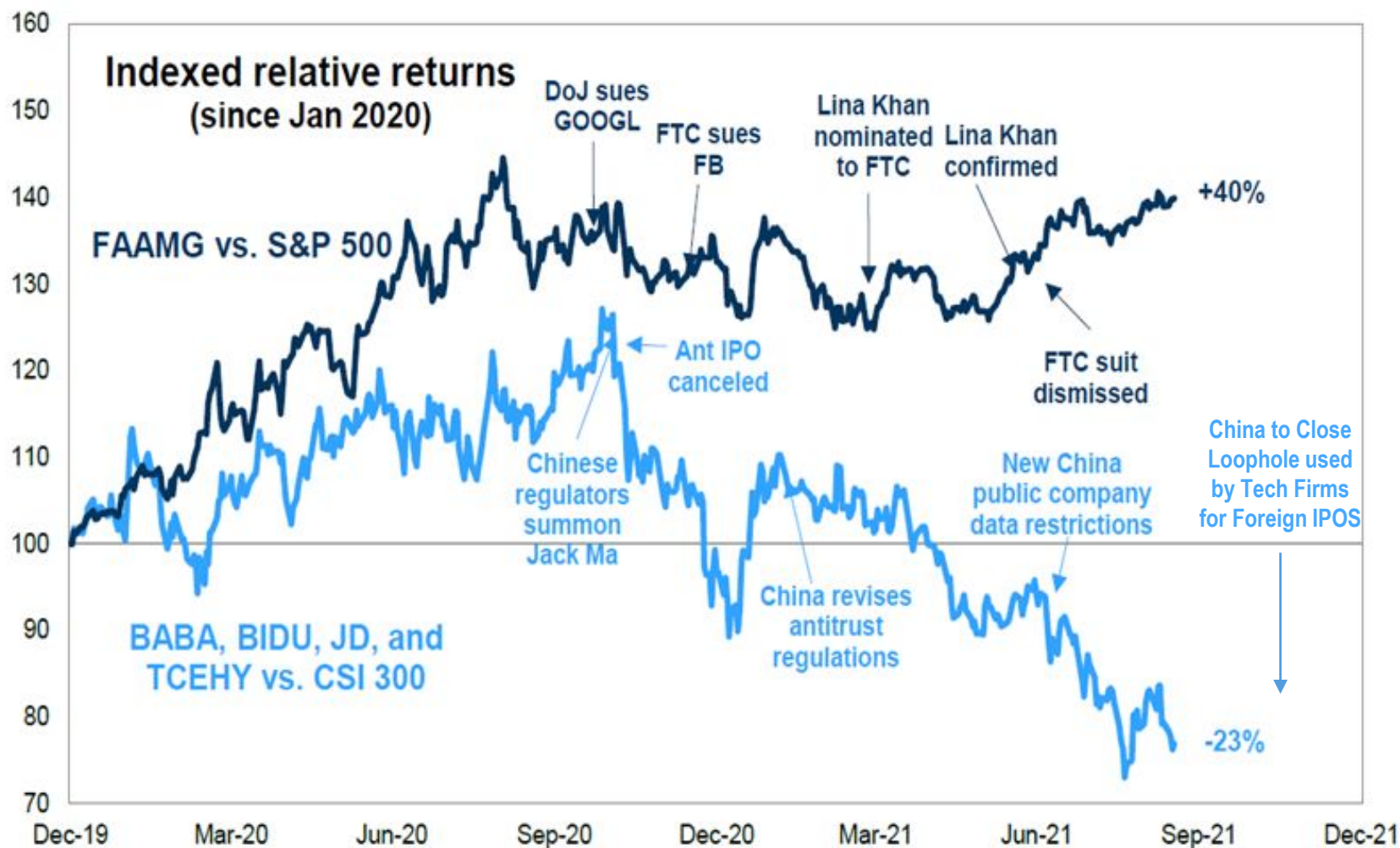
Tencent warns investors China's tech regulation will intensify

Bloomberg

Marshall Wace Hedge Fund Warns Chinese ADRs Have Become 'Uninvestable'



China: Technology Sector Crackdown



Source: Goldman

2022 Outlook





Goldman: Top Ten Market Themes for 2022

1. **Long convalescence:** weaker beta signals as economic and medical recovery matures
2. **Supply side comes to life:** easing shortages to help eliminate most acute inflation pressures
3. **Too early for the risk bunker:** pro-cyclical market trends to continue alongside economic recovery
4. **Structural scarcity:** commodity tightness persists
5. **Up the escalator:** steady central bank hiking to lift distant forward rates
6. **Pricing the once unthinkable:** implications of an eventual ECB exit from negative rates
7. **In a lower gear:** China tolerates step-down in growth
8. **Old school:** more mature tightening cycle in EM, but also old school fiscal risks
9. **Parting ways:** disparate recovery trajectories should drive assets
10. **Usual suspects:** risks from Covid, rates, commodities, and politics

Appendix





Sector Return Dispersion

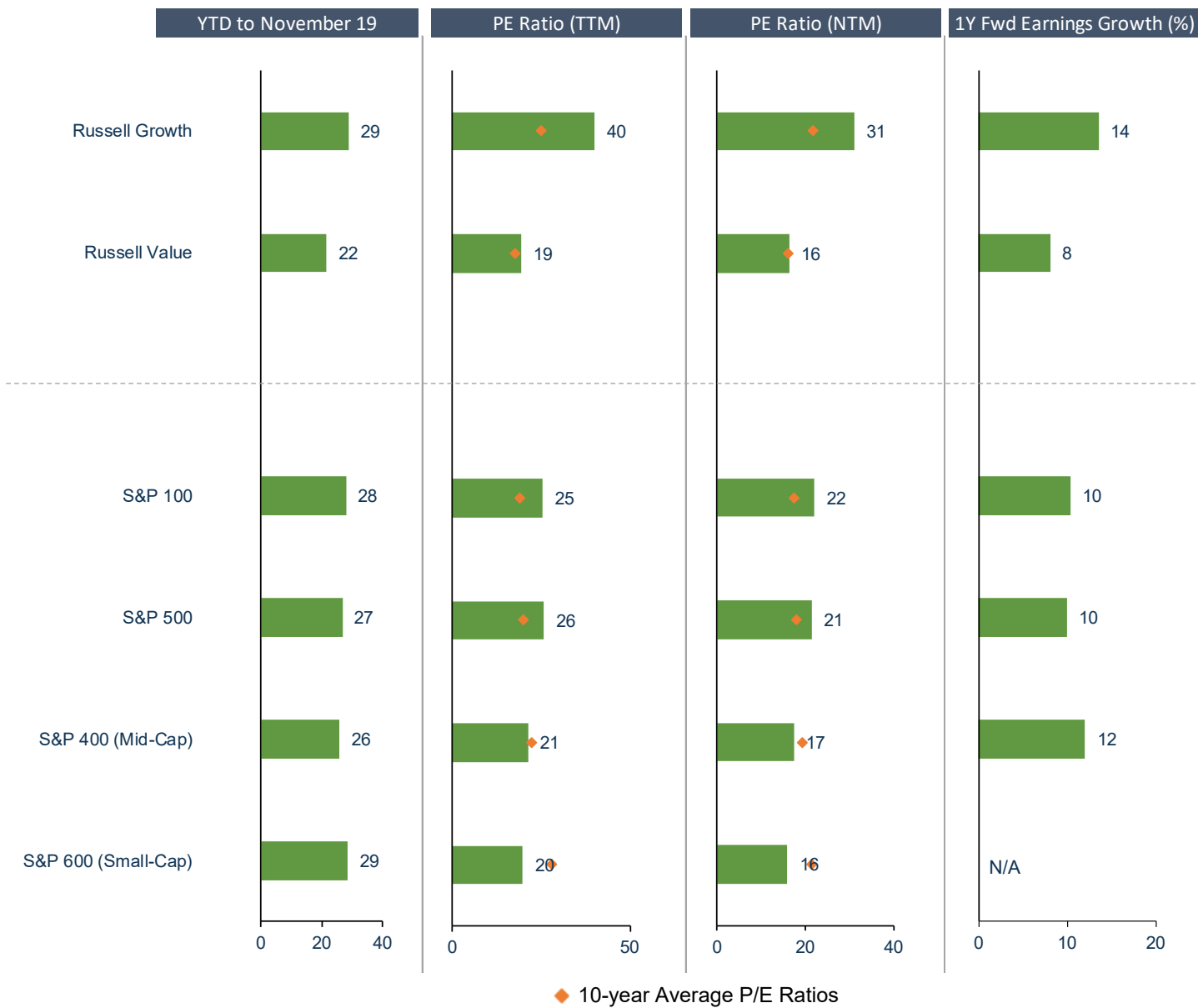
As of November 19, 2021





Market Cap & Style Return Dispersion

As of November 19, 2021





Country Return Dispersion

As of November 19, 2021



◆ 10-year Average P/E Ratios

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Strategic Partnerships Presentation

Developed By: Standley, Chuah

Presented By: Standley

Type of Item: Information Item

Description: Mr. Standley will provide an update on the Strategic Partnerships portfolio and knowledge sharing efforts.

Recommendation: None

Reference: *Strategic Partnerships* presentation



Strategic Partnerships

Ken Standley

December 2021



Strategic Partnerships Executive Summary

- **~75% of our way to target exposures with JP Morgan and BlackRock**
- Delivering great outcomes across our dimensions of value-add
 - **Investment Alpha:** achieve UTIMCO objectives and add value
 - **Organizational Alpha:** training, resources, deliver full value of the firm
- **Met or exceeded all objectives**

Strategic Partnership Objectives	Status	Details
Generate Investment Results Achieve our investment objectives (190 bps of alpha, 0.6 Information Ratio)	✓	<ul style="list-style-type: none"> • Return: 29.7%¹ • Alpha: 4.8% • Information Ratio: 2.1
Serve our Customers Leverage Strategic Partners for operational alpha and innovative research	✓	<ul style="list-style-type: none"> • Ad-hoc requests: DEI, manager due-diligence, risk budgeting, ETFs, vendor management, global copper analysis, etc. • Innovation projects underway: Country models (JPM), Risk managing TAA (BLK)
Drive UTIMCO Strategy Harness insights, perspectives, and processes to further develop and refine portfolio strategy	✓	<ul style="list-style-type: none"> • Strategic Partner Summits: Deliver SP insights to UTIMCO • Strategic Asset Allocation (SAA): SP perspective a key input into new Long-Term targets and provide ongoing support • Holistic Tactical Asset Allocation (HTAA): SP Positioning ~2/3rds of UTIMCO HTAA program
Develop the SP Platform Build and grow a team capable of extracting full value of our Strategic Partners	✓	<ul style="list-style-type: none"> • Completed training on MSCI Barra Risk System • Currently onboarding a new analyst

(1) Annualized return. Dates: April 2020 – September 2021



Executive Summary (continued)

Performance Summary - September 2021

Strategic Partnerships	UTIMCO Performance			Alpha vs BM			Tracking Error			Information Ratio		
	6mo	1y	ITD	6mo	1y	ITD	6mo	1y	ITD	6mo	1y	ITD
JP Morgan	2.7%	25.2%	31.5%	-0.5%	5.1%	6.7%	1.1%	2.6%	2.6%	-0.49	1.97	2.59
BlackRock	3.5%	23.0%	27.9%	0.3%	2.9%	3.0%	2.0%	2.7%	2.4%	0.14	1.07	1.25
Total	3.1%	24.1%	29.7%	-0.1%	4.0%	4.8%	1.2%	2.5%	2.3%	-0.11	1.60	2.08

Exposure Summary - September 2021

Strategic Partnerships	Funding Plan		Exposure				Active Weights (9/30) ²						
	To Date	Remaining ¹	NAV	% of SPN Portfolio	% of Endowments	FY22 Target Weights	US Equity	Non-US DM Equity	EM Equity	Total Equity	FI Duration	Net Leverage ³	Gross Leverage ³
JP Morgan	\$757	\$243	\$961	50.6%	1.8%	2.5%	2.1%	3.2%	2.1%	7.4%	-0.73	0.94	1.19
BlackRock	\$757	\$243	\$938	49.4%	1.8%	2.5%	-2.5%	6.6%	0.0%	4.1%	-2.36	1.09	1.55
Total	\$1,514	\$486	\$1,899	100.0%	3.5%	5.0%	-0.2%	4.9%	1.1%	5.8%	-1.54	1.01	1.37

¹ Remaining funding will occur quarterly through April 2022

² 9/30 benchmark weights: US Equity: 44%, Non-US DM Equity: 23%, EM Equity: 25%, Fixed Income: 8%

³ Maximum allowable net and gross leverage is 1.5x and 3.0x, respectively

Major 2021 Accomplishments

- SAA Resolution
- HTAA Launch
- Completed Barra Training and Certification
- Two Successful Summits

Currently Focused On

- Research Projects
- Regime Markets and Tilts
- Finish Barra Onboarding
- Onboarding New Analyst

Coming Up Soon

- 2022 Action Plans



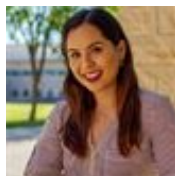
Strategic Partnership Team



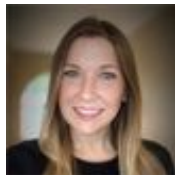
Ken Standley, CFA, CAIA
Senior Director
George Washington University



Anson Chuah, CFA
Associate
University of Texas



Fernanda Rice, MBA
Analyst
UT Permian Basin



Jenna Hudson
Investment Team Coordinator
University of Texas



Performance and Attribution

Annualized Performance and Attribution (Since Inception Through 9/30)

Performance	JPM	BLK	Total SP
Total Return	43.6%	40.0%	41.8%
Benchmark	36.9%	36.9%	36.9%
Total Alpha	6.7%	3.0%	4.8%

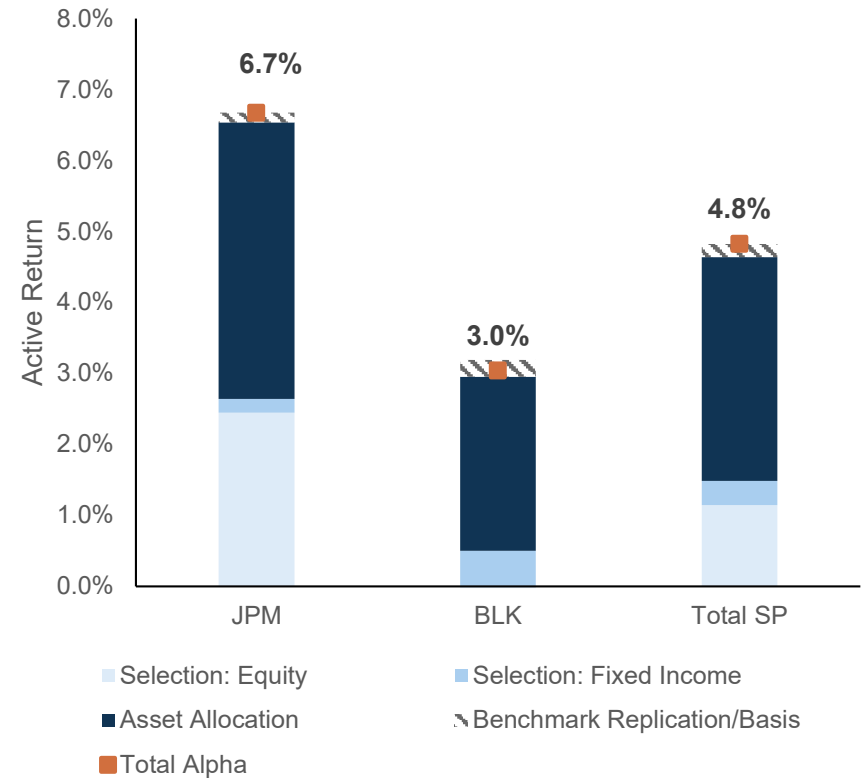
Alpha Attribution	JPM	BLK	Total SP
Security Selection	2.6%	0.4%	1.5%
Selection: Equity	2.4%	-0.1%	1.1%
Selection: Fixed Income	0.2%	0.5%	0.3%
Asset Allocation	3.9%	2.4%	3.2%
Benchmark Replication/Basis	0.1%	0.2%	0.2%
Total Alpha	6.7%	3.0%	4.8%

	Type ¹	Asset	Contribution to Total
JPM Top Alpha Contributors			
Credit OW	AA	FI	1.6%
Stock/Bond	AA	EQ	1.4%
Currency	AA	FX	0.9%
BLK Top Alpha Contributors			
Global Market Strategies Fund	AA	Multi	0.8%
Strategic Income Opp	SS	FI	0.6%
US FI	AA	FI	0.4%

¹ Security selection or asset allocation

² GMS is a predominately systematic global macro fund strategy that allocates relative value positions across interest rate swaps, sovereign bonds, equities, and FX

Alpha Attribution Tracking Expectations



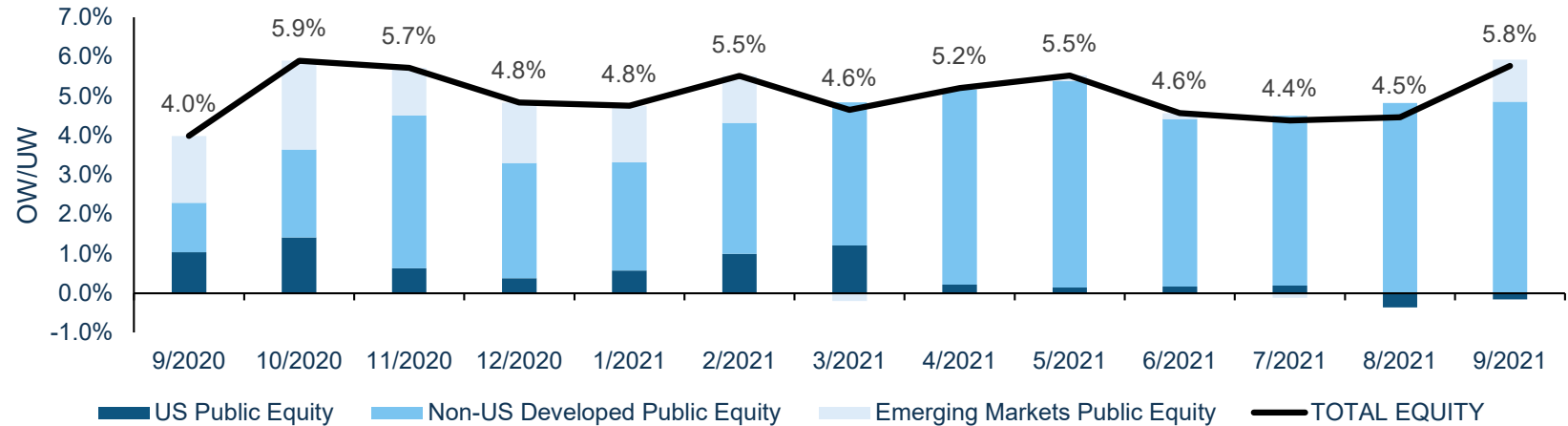
	Expectations		Actual*	
	AA	SS	AA	SS
JP Morgan	54%	46%	58%	40%
BlackRock	79%	21%	81%	12%
Total SP	66%	34%	69%	26%

*Does not sum to 100% due to benchmark replication/basis



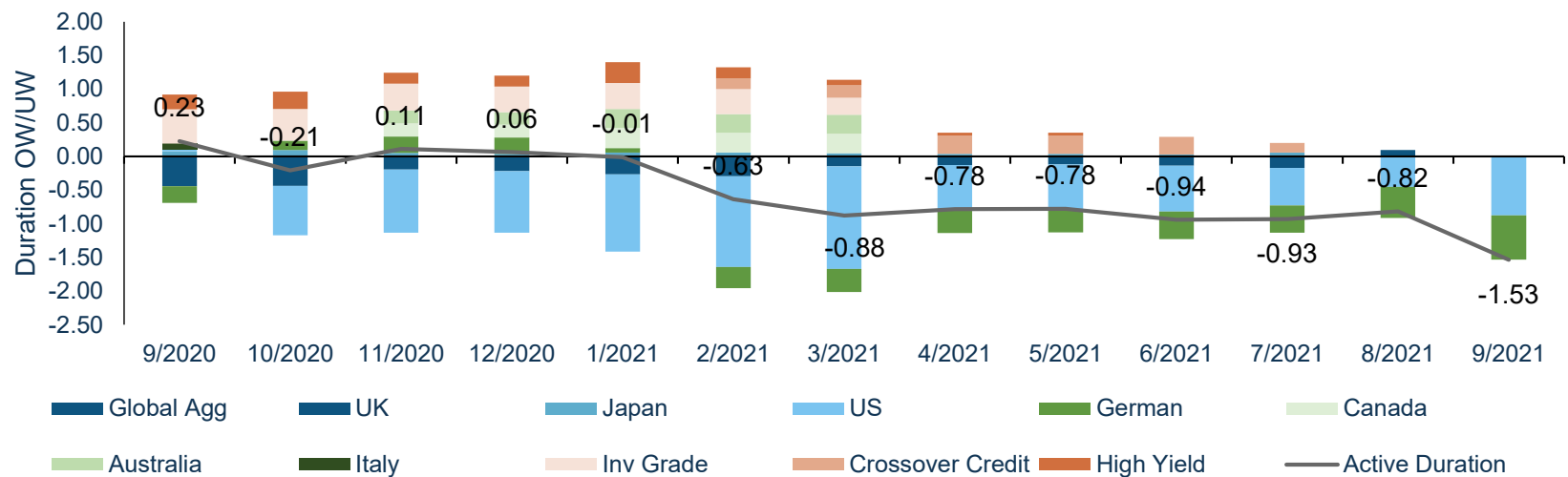
Historical Strategic Partner Tactical Positioning

Equity overweight has tilted into Non-US Developed markets



Note: Chart shows month-end exposures and intra-month exposures may vary. For example, the SP Portfolio was 7-8% overweight equities mid-month November 2020.

Fixed Income exposure positioned to benefit in rising-rate environment





Knowledge Sharing Update

INCREASING UTIMCO'S ACCESS TO RESOURCES AND INSIGHTS

Strategic Partnership Summits

Semi-annual portfolio reviews and in-depth strategy discussions

- Inflation: Transient vs Persistent?
- Investing Amidst Climate Change
- Post-COVID Investment Themes
- Investing in China
- Role of Fixed Income

Harnessing Positioning and Outlook

Transparency and Partnership on TAA Views

Large contributor to HTAA process

- Overweight Non-US Developed Equities
- Underweight Duration (US + German Rates)

Frequent reporting to Leadership Team and Internal Risk Committee with current tactical views and outlook

Research Projects

Combination of frequent and timely ad-hoc requests alongside structured Innovation Projects

Active Innovation Projects

- Country-Level Equity Models and Views (JPM)
- Risk budgeting TAA in risk-off markets (BLK)

Ad-Hoc Requests

- Data, Best Practices, Access

Enterprise Priorities

Bringing gold standard institutional insight to bear on UTIMCO's biggest business questions

- Strategic Asset Allocation
- ETFs
- Diversity and Inclusion Task Force
- China Task Force



Summary

- **Performance is strong**
 - ITD: +29.7% Returns, +4.8% Alpha, 2.1 IR
- **By Early 2022, our funding plan of \$1 Billion per partner will be complete**
- **Current tactical positioning remains pro-cyclical**
 - Overweight Non-US Developed Equities
 - Underweight duration
- **Operational Alpha**
 - Two Successful Summits
 - New Innovation Projects underway
 - JPM: Country-level models
 - BLK: Risk managing TAA programs
- **Contribution to UTIMCO Key Priorities**
 - Strategic Asset Allocation
 - Holistic Tactical Asset Allocation



Appendix



Strategic Partner Relationship Map

JP Morgan Asset Management

CEO

Mary Erdoes (CEO of Asset and Wealth Management)

Senior Sponsors

George Gatch (CEO of Asset Management)

Jed Laskowitz (Global Head of Asset Management Solutions)

Andrea Lisher (Head of Americas, Client)

Portfolio Management Team

Jeff Geller (CIO of Multi-Asset Solutions)

Gary Herbert (U.S. Head of Global Tactical Asset Allocation)

Patrik Jakobson (Portfolio Manager)

Morgan Moriarty (Portfolio Manager)

Charles Fishman (Portfolio Manager)

Client Services Team

Doug Fleming (Vice Chairman, Asset Management)

Michael Smith (Client Advisor)

Heather Arison (Client Advisor)

Matthew Rose (Investment Specialist)

Anthony Vo (Client Account Manager)

Stephen Traynor (Investment Specialist Associate)

Tyler Murphy (Institutional Sales Associate)

Jalil Khoury (Institutional Sales Analyst)

BlackRock

CEO

Larry Fink (Chairman and CEO)

Senior Sponsors

Terrence Keeley (MD, Sr. Advisor)

Lili Forouraghi (MD, Head of Endowments & Foundations)

GTAA Portfolio Management Team

Phillip Green (MD, Head of GTAA)

Thomas Becker (Portfolio Manager)

Michael Pensky (Portfolio Manager)

Richard Murrall (Portfolio Manager)

Ted Daverman (Portfolio Manager)

Daniel Caderas

Ryan Zamani

Daniel Felder

GTAA Strategy Team

John Simpson

Felipe Arguello

Karen McQuiston

Leah Schoenfeld

Charles Stoltze

David Szentmihalyi

Client Management Team

Katherine Patch

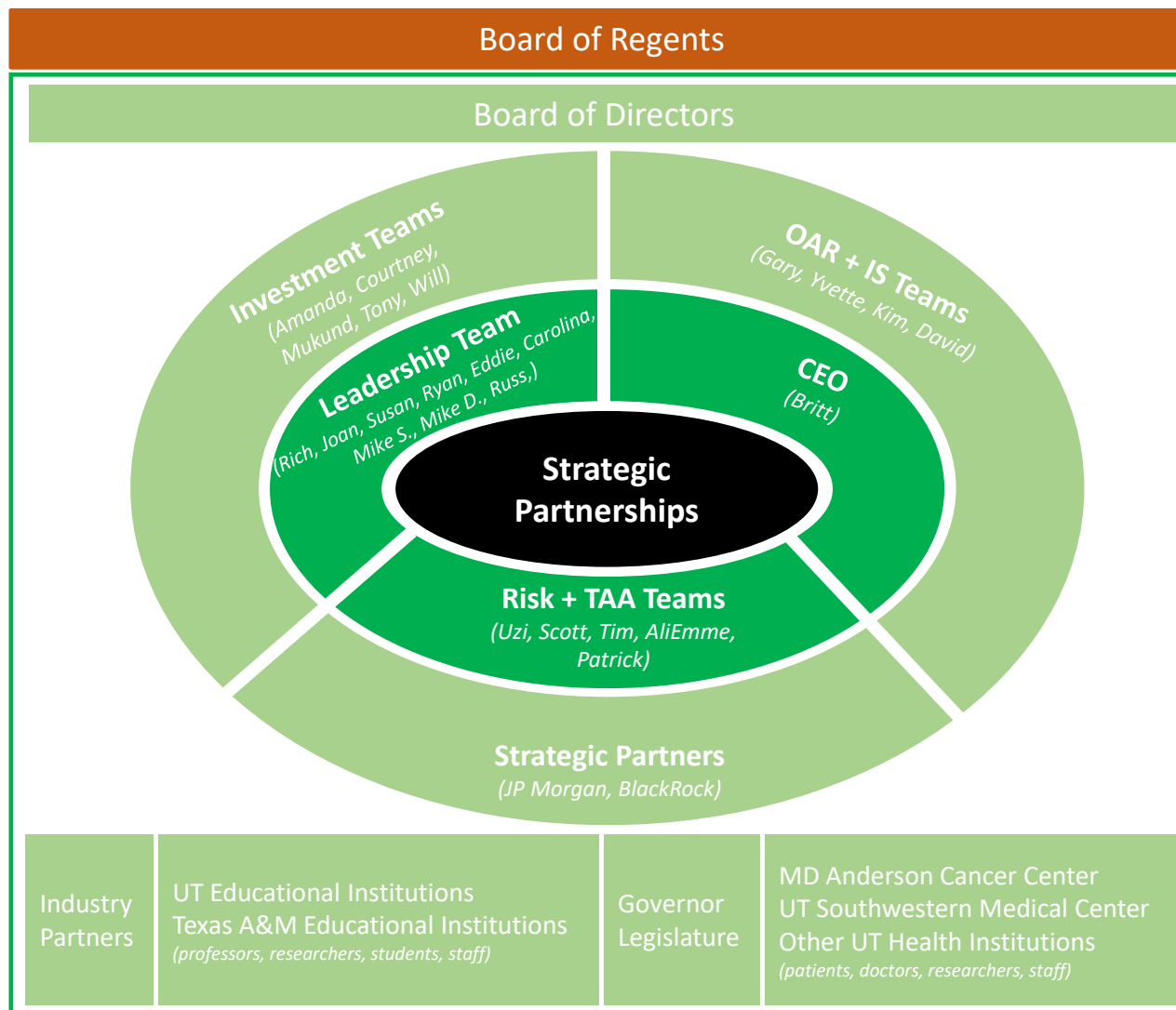
Evan Teiger

Sivan Krems



Strategic Partnership Team Customer Map

Client and Customers



- Client
- Primary customers
- Selected other customers



Strategic Partner Mandate (Original)

Return Objective

Generate 190 basis points of net alpha via security selection and Tactical Asset Allocation

Risk Limits

Min/Max exposures by asset class

Tracking error target: 300 basis points

Maximum tracking error: 500 basis points

Leverage

Maximum gross exposure: 3.0x

Maximum net exposure: 1.5x

Benchmark and asset class ranges:

Asset Class	Benchmark	Returns (ann.)	Allocation Target and Range		
		ITD	Target	Min	Max
US Equities	MSCI USA	43.6%	37%	20%	60%
Non-US Developed Equities	MSCI EAFE + CN	36.7%	21%	6%	36%
Emerging Market Equities	MSCI EM	43.5%	24%	5%	35%
Total Public Equities		41.8%	82%	40%	112%
Global Fixed Income (Hedged)	Bloomberg Global Agg (hedged)	0.7%	18%	0%	41%
Extended Credit	-	-	0%	0%	20%
Total Fixed Income		0.7%	18%	0%	55%

Expected benchmark return* 5.00%

Expected benchmark volatility* 13.19%

*Based on CMAs used for June 2021 Board meeting



Strategic Partner Mandate (Updated for new SAA)

Return Objective

Generate 190 basis points of net alpha via security selection and Tactical Asset Allocation

Risk Limits

Min/Max exposures by asset class

Tracking error target: 300 basis points

Maximum tracking error: 500 basis points

Leverage

Maximum gross exposure: 3.0x

Maximum net exposure: 1.5x

Benchmark and asset class ranges:

Benchmark and asset class ranges:		Returns (ann.)	Allocation Target and Range		
		ITD	Target ¹	Min	Max
Asset Class	Benchmark				
Developed Public Equity	MSCI World	41.2%	69%	26%	96%
Emerging Markets Equity	MSCI EM	43.5%	20%	4%	29%
Total Public Equities		41.8%	89%	43%	120%
Global Fixed Income (Hedged)	Bloomberg Global Agg (hedged)	0.7%	0%	0%	0%
Long Treasuries	Bloomberg US Treasury: Long Index	-10.5%	11%	0%	30%
Extended Credit	-	-	0%	0%	20%
Total Fixed Income		0.7%	11%	0%	50%

Expected benchmark return² 5.26%

Expected benchmark volatility² 13.52%

¹ Asset class targets transition to FY22 targets over quarterly increments beginning on 9/1

² Based on CMAs used for June 2021 Board meeting

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Operations Presentation

Developed By: Hill, Bauer

Presented By: Hill, Bauer

Type of Item: Information Item

Description: The Operations Team consists of the Operations, Accounting and Reporting (the "OAR") team which provides accounting and reporting for the funds under management, and the Corporate Accounting team which provides accounting, payroll, and benefits management for the corporation. Gary Hill will present the OAR overview and Kim Bauer will report on the Corporate Accounting team.

Reference: *Operations Overview* presentation



Operations Overview

Gary Hill, Managing Director – Operations, Accounting and Reporting
Kim Bauer, Senior Director – Corporate Accounting

December 9, 2021



Executive Summary

Talented and capable teams in place

- Added bandwidth as outlined in UTIMCO Strategic Plan
- Growth in institutional knowledge and cross-training

Dynamic and ever-changing environment

- Operational Due Diligence reviews of deals focusing on new investment strategies
- New Corporate Accounting and benefit plan requirements based on employee counts

High volumes of data and reporting processed and produced

- 5-year average of over 600 new donor established endowment accounts
- 32,000 documents tagged and stored in Data Repository per year



Operations, Accounting & Reporting

The team is 20 members led by Managing Director Gary Hill and Directors Yvette Cowell and Adam Wright

What we do:

- Account for all assets we manage
- Report net asset value and performance information
- Investment Fund Reporting
- Reporting for Individual Endowment Accounts
- Maintain master securities file
- Operational Due Diligence
- Facilitate movements of cash
- Document Management
- Provide other support as needed

Who we work with:

- Investment Team
- BNY Mellon – Global Custodian
- External investment managers
- Cambridge Associates
- UT and Texas A&M Systems
- Auditors (External and UT System)
- Development Offices
- Dreyfus
- Legal & Compliance



Corporate Accounting

The team is 4 members led by Kim Bauer, Senior Director

Corporate Accounting is responsible for activities related to UTIMCO corporate business, including:

- Corporate Finance
 - General Ledger Accounting
 - Budget and Strategic Plan
 - Financial Reporting; Tax Reporting
- Corporate Administration
 - Corporate Travel Coordination
 - Corporate Insurance Management
- Payroll and Benefits
 - Payroll administration and reporting
 - Benefits administration and reporting
 - Annual census reporting, benefits discrimination reporting, payroll tax reporting

Appendix





Audits and Reviews

- External Auditing Firm – Deloitte & Touche, LLP
 - Annual Audits of the Investment Funds (7 separate audit reports)
 - PUF, PUF Detail Schedules of Investment Securities, GEF, PHF, LTF, ITF and Performance Statistics
- Corporate Audits
 - UTIMCO Corporate
 - 403(b) audit
- Review of Performance Calculations
- UT System Audit Office
 - Variety of audits, reviews and agreed upon procedures (AUP)
 - Next up – IT Asset Management Audit (2022)
 - Recent engagements
 - UTIMCO's Compliance Program (2021)
 - AUP engagement of Risk Team's monitoring plan and activities used to monitor key risks (2019/2020)
 - Travel and entertainment expenses (2018)
 - UTIMCO Software Development Life Cycle (2018)



2021 Operations Action Plan

Enhance Reporting

- Jointly w/IS to modernize Legacy Applications (Q4)
 - 1 Legacy overhaul
 - Implement CRT database
- 403(b) Plan:
 - Streamline audit prep (Q2)
 - Implement new controls (Q1)
- Provide remodel fixed assets management (Q2)
 - fixed asset acquisitions and disposals
 - Provide budget vs actual reports
- Implement GASB 87 (lease) (Q3)
- Update Tax ID for Funds (Q3)
- Review, plan and price accounting & reporting system for corporate records (Q3)
- Partner w/IS to develop new data architecture strategy (Q4)
- Review current ODD processes with new team and formalize monitoring program (Q2)
- Assist IS with projects pipeline timing and Operations teams' requirements (Q2)
- Implement records retention procedures/processes (Q4)

Develop more meaningful, informative, and useful reports

Create Efficiency

- Ongoing review of team reporting and processes (Q4)
 - Document current steps and make refinements (Q3)
 - Explore automating manual processes (Q4)
 - Explore outsourcing certain benefit processes (Q2)
 - Explore options for utilizing UltiPro to automate benefit plan processes (Q1)
 - Outsourcing middle & back office (derivatives & collateral) (Q2)
 - Accommodate clients & customer requests (ongoing)
- Jointly w/IS, successful business continuity test (Q3)
- Continue to implement DiligenceVault to create additional efficiencies in third party requests (Q2)
- Doc Man. process 99% of incoming documents in less than 48 hours (ongoing)
- Process optimization to improve Document Management efficiency (Q4)
 - Explore Dynamo features, including automation tools.
 - Automate checklists

Streamline activities and processes to provide time and cost savings

Build Trust

- Successful and timely execution of team processes
 - Accurate and timely accounting & performance reporting (ongoing)
 - Timely funding of investment mandates (ongoing)
 - Achieve clean audits (Q4)
 - Successful budget preparation w/ Mercer study (Q3)
 - Tax reporting (Q2)
 - Payroll and benefits administration (ongoing)
 - Corporate insurance review and renewal (Q1)
 - Board responsibilities
- Maintain and follow internal controls and processes for all team functions (ongoing)
- Assist Risk Team with the Barra implementation (Q4)
- Implement changes in Compensation Program and requirements met timely (Q4)
- Assist with 87th Legislative Session as required (Q1 & Q2)

Maintain an effective control environment to mitigate risks

Talent Management

- Team initiatives (ongoing)
 - Team members complete items outlined in their IDPs
 - Cross-training
 - Live and promote UTIMCO's culture
 - Coordinate team roles and responsibilities (ongoing)
- Focus on and enhance client service by providing onsite training at UT System institutions (Q3)
- Hire and onboard new ODD team member (Q1)
- Recommend changes to Travel Guidelines subject to approval by Policy Committee (Q2)
- Analyze state reporting & payroll requirements as needed (ongoing)
- Nurture Servant Leadership (ongoing)
- Embrace, assist, and support D&I

Create a harmonious environment with motivated and knowledgeable people now and in the future

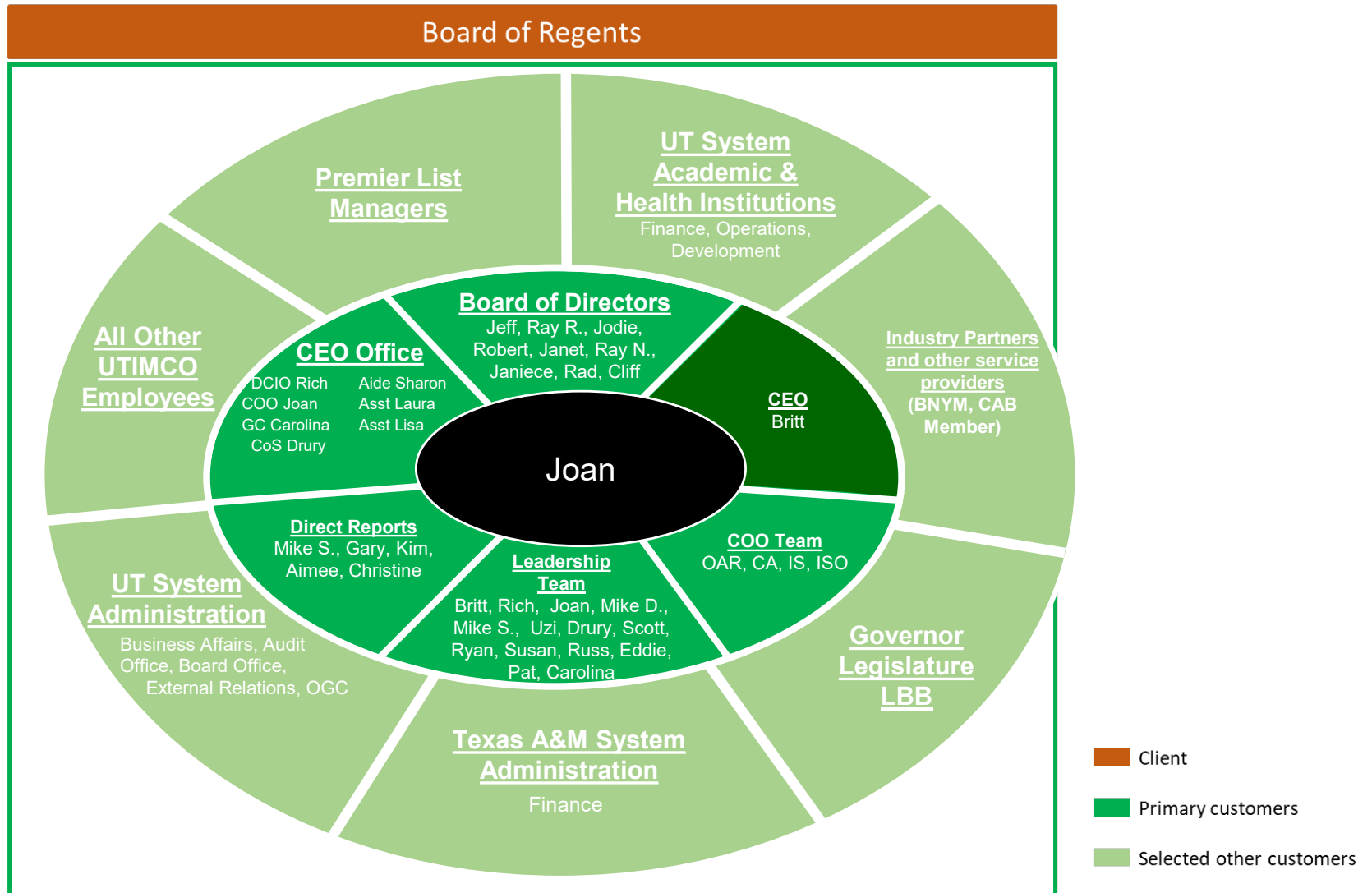
Green = Actively Working

Blue = Completed



Customer Chart – Joan Moeller

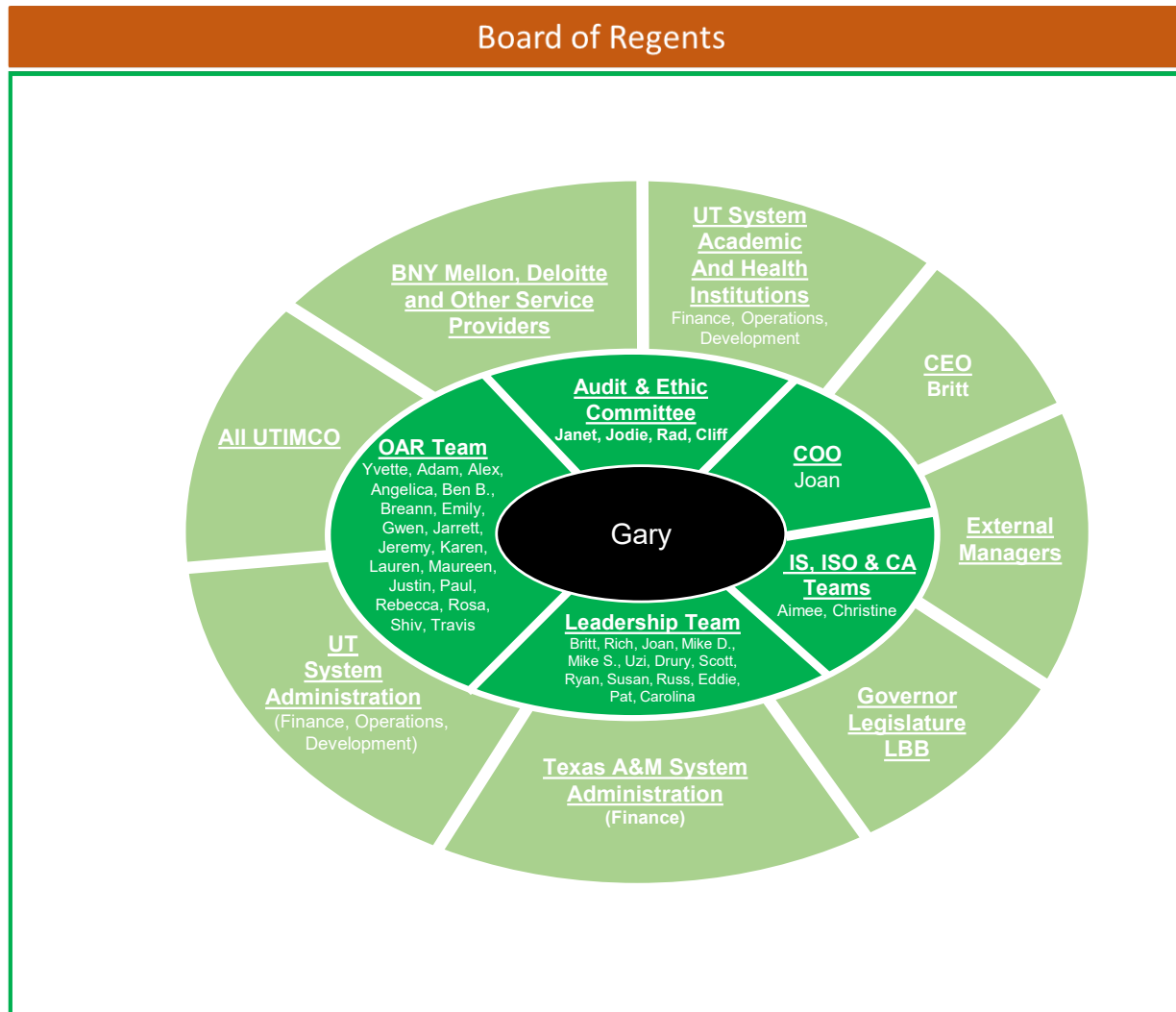
Client and Customers





Gary Hill Customer Chart

Client and Customers

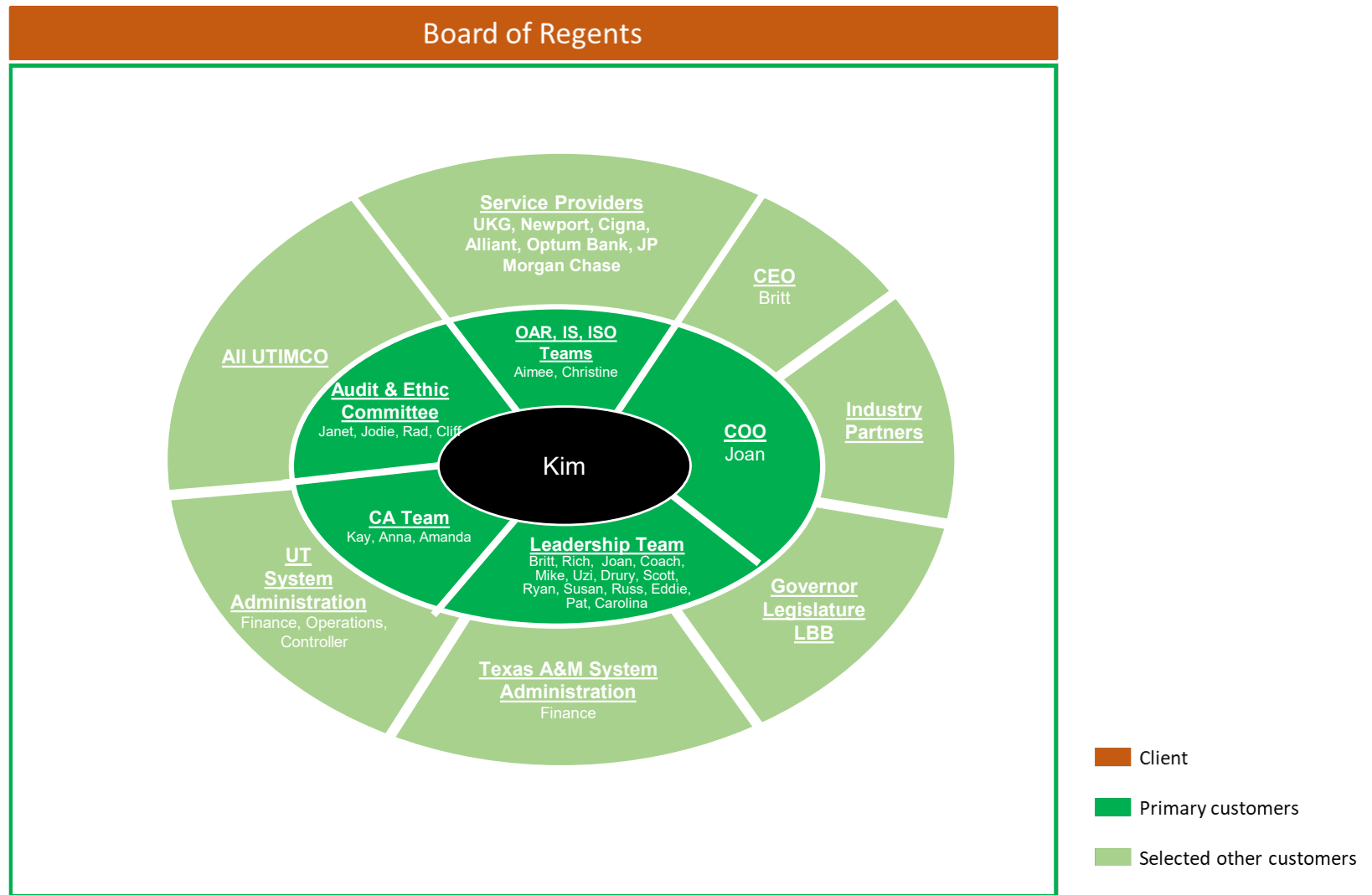


- Client
- Primary customers
- Selected other customers



Kim Bauer Customer Chart

Client and Customers



Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Information Services & Security Presentation

Developed By: Sjolander

Presented By: Sjolander

Type of Item: Information Item

Description: Mr. Sjolander will provide a report on the Information Services and Security teams.

Reference: *Information Services & Security Overview* presentation



Information Services & Security Overview

Mike Sjolander, CTO

December 9, 2021



Executive Summary

Transforming the ISS Team

- Hiring and Developing the Right Team
- Establishing IT Processes and a Customer Service Culture

Talent Management

- Staffed to the Firm's Needs
- Filling in the Skill Gaps

Customer Service Focus

- Introduced Project Management Discipline
- Hired a Great Leader to Influence the Adoption of Project Management
- Routinely Connecting with our Customers

Delivering on our Agreements

- Setting Expectations and Executing
- Advancing Technology Solutions and Realizing Efficiencies

Information Services & Security Organization



Hired, Upgraded Talent, and Added Skillsets



* COO Team Support



Team Functional Alignment

High Performing Leadership with Great Alignment



Stephen Mack
Director

- **Infrastructure Services: Stephen Mack**
 - IT Infrastructure Engineering
 - Customer Experience Technology
 - Customer Services (Help Desk)
 - Disaster Recovery



David Gahagan
Senior Director

- **Security: David Gahagan**
 - Security Monitoring & Compliance
 - Security Assessments
 - Security Education



Komika Sims
Director

- **Project Management: Komika Sims**
 - Project Management for High Value Projects
 - Portfolio Management



Weiming Tang
Director

- **Application Services: Weiming Tang**
 - Software Development
 - Software Maintenance



IS&S Strategic Imperatives

Our Responsibilities to the Firm

- **Always On, Available Anywhere, Always Secure**
- **Advance the Business**
- **Keep the Trains Running**
- **Recover the Business**
- **Enhance Employee Productivity**



2021 Major Accomplishments

The Team is Executing on their Agreements

- **Always On, Available Anywhere, Always Secure:**
 - Improved Email and Workstation with Defender Advanced Threat Protection with Antivirus
 - Web Application Firewall
 - Ransomware Tabletop Exercise
 - **Replaced Legacy Phone Switch**
 - Consolidate Multi Factor Authentication
 - External WiFi security assessment
- **Advance the Business:**
 - Customer Engagement & Relationship
 - **Barra Project Management Support**
- **Keep the Trains Running:**
 - Data Architecture Assessment
 - **Modernize Legacy Applications**
 - Modern Device Management
- **Recover the Business:**
 - **Business Continuity Disaster Recovery (BCDR) Program Completion**
- **Enhance Employee Productivity:**
 - Teams Enabled Conference Rooms with One Click Join
 - External File Sharing Migrated to Share Point



IS&S Road Ahead



Modernize Legacy Applications

Improving the ability to work from anywhere and simplifying our security perimeter

Improve data architecture and access methods

Incorporate Cyber Event roles in the Business Continuity Process

Self-service data management solution



MLA - Modernization Legacy Applications



MLA (Modernize Legacy Applications)

41 Applications are at Risk if We Do Nothing!

MLA Objectives:

- Core Code Rewrite
- Minor Feature Enhancements
- User Interface (UI) Upgrade to Modern Code (New Screens)
- Updated Security



Endowment Reporting Application

- Endowment Reports used by institution development offices to provide formal reporting to donors about the investment results and distributions generated by their gifts
- Originally created in 1997 to generate 4,500 Endowment reports
- 31,000 prepared in 2021
- Updated in early 2000's to web-based application accessible via www.utimco.org



Endowment Reporting Original Design

The University of Texas Investment Management Company

Main Account Group Maintenance Feedback Help/FAQ Results User Logout

Select a Period:

September 2020 - February 2021 ▲
 September 2020 - November 2020 ▲
 September 2019 - August 2020 ▼

(Current Selection: September 2020 - February 2021)

Select a Report Type:

UTIMCO Standard Report ▲
 Institution Option 2 Report ▼

Select a Component Institution:

Callier Foundation ▲
 Law Foundation ▲
 LBJ Foundation ▼

(Current Selection: All Components)

Optional Selection:

Select a College

Narrow Your Selection

Select one, several or a range of endowments for one of the following options:

(Enter one or more endowments or beginning of account range) (Optional: Enter end of account range)

Endowment Name	<input type="text"/>
UTIMCO Principal Account Number	<input type="text"/>
Component Principal Account Number	<input type="text"/> *
UTIMCO Income Account Number	<input type="text"/>
Component Income Account Number	<input type="text"/> *

* If a range of Component Principal or Component Income accounts is chosen, records with blanks for those values will NOT be included.

Select endowments by academic position

Select a Position:

Academic Position: Chair ▲
 Distinguished Chair ▲
 Distinguished Professorship ▼

OR Select an Account Group

No group selected ▼

Note: If you select an account group, all other criteria except Reporting Period will be ignored.


Submit Request Reset Form

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11






Endowment Reporting New UX Design



The University of Texas Investment Management Company

Endowment Reports

All Applications  Need help?  Log out 

Report Generation Account Groups

Basic information

Period (one or more):

Report type:
 UTIMCO Standard Report
 Institution Option 2 Report

Account group (optional):


Filters will be disabled

Filters

Component institution (one or more):

College (one or more):

Academic position (one or more):

Account search criteria 

Sorting options

Sort by:

Then sort by:

Then sort by:

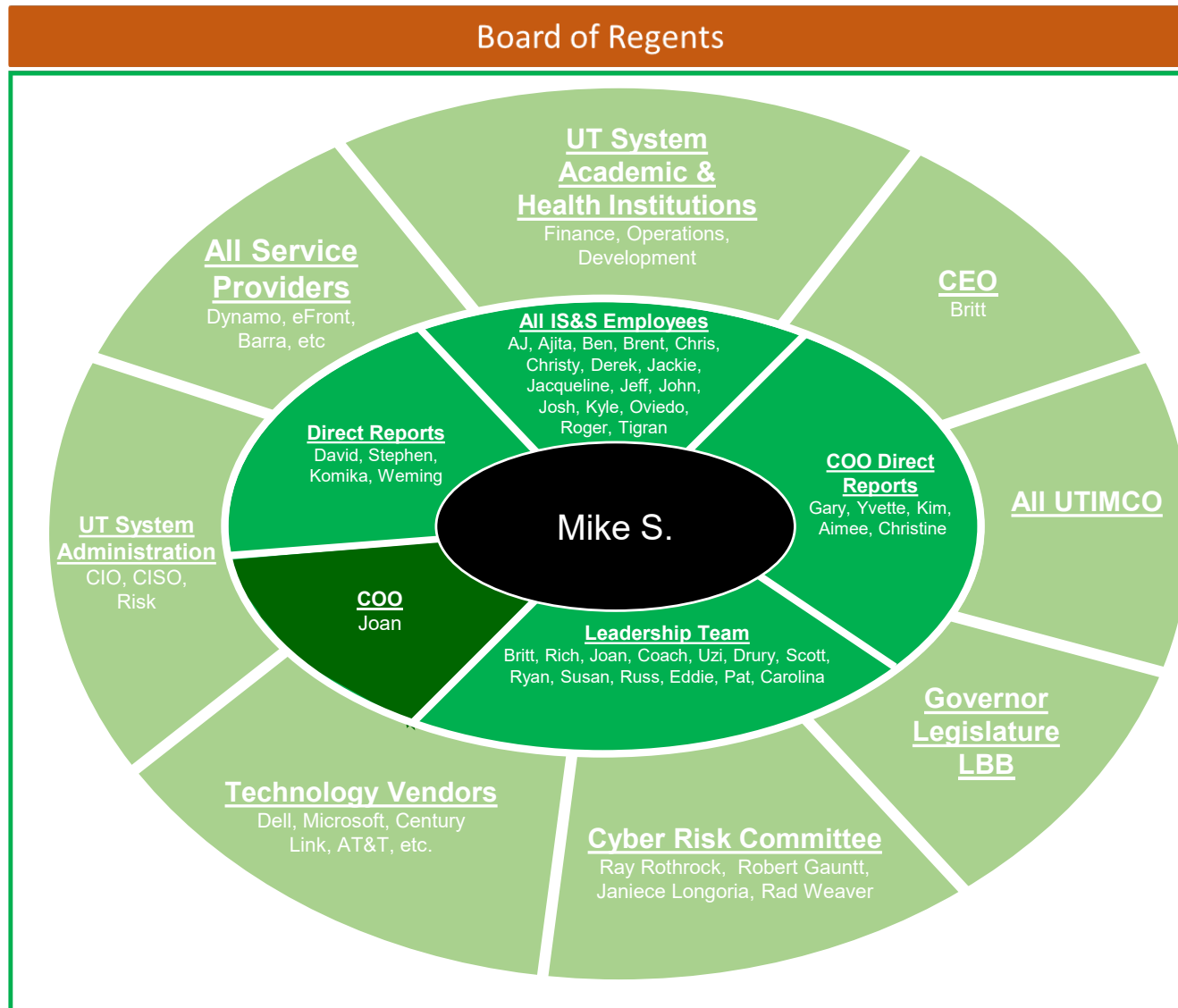


Appendix



Customer Chart – Mike Sjolander

Client and Customers



- Client
- Primary customers
- Selected other customers



2021 Information Technology Action Plan

Always On; Available Anywhere	Always Secure	Advance the Business and Keep the Trains Running	Enhance Employee Productivity & Talent Mgt
<p>Q2 – Successful Business Continuity Test</p> <ul style="list-style-type: none"> Customer Validation Required <p>Q2 – Rearchitect Wireless Platform</p> <ul style="list-style-type: none"> Aligned with Construction Project Increased Capacity <p>Q3 – Assess Application High Availability</p> <ul style="list-style-type: none"> Code Base Review Design and Architect Solution <p>Q3 – Design and Implement Separation of Public Facing Website</p> <ul style="list-style-type: none"> Architect Website Define Projects <p>Q4 – Partner with OAR to Develop New Data Architecture Strategy</p> <ul style="list-style-type: none"> Identify Gaps Develop a Plan Resource the Plan 	<p>Q1 – Adopt Security Program Changes from EY Project as jointly determined upon with the Cyber Risk Committee</p> <p>Q1 – Implement New Server and Desktop Antivirus</p> <ul style="list-style-type: none"> Remove FortiEMS Implement Microsoft ATP <p>Q3 – Evaluate and Implement Strategic Firewall Technology</p> <p>Q4 – Plan Implementation of Metrics from EY Metrics Project as jointly determined upon with the Cyber Risk Committee</p> <ul style="list-style-type: none"> Identify Partner for Project <p>Q4 – Complete Annual External Security Assessment</p> <ul style="list-style-type: none"> Denim Security Services 	<p>Q1 – Implement New Service Desk Platform</p> <ul style="list-style-type: none"> Replace Manage Engine Define Metrics for Service Desk <p>Q2 – Reassess Task Management Productivity Tools (Trello/Planner)</p> <p>Q4 – Support Barra Implementation</p> <ul style="list-style-type: none"> Grouping Information Private Market Data Data Extraction (Flat Files) <p>Q3 – Provide HR Metrics and Learning Institute Through UltiPro*</p> <p>Q4 – Modernize Legacy Applications</p> <ul style="list-style-type: none"> Identify 1 Legacy Application Overhaul 2-3 Applications that Need Re-writes Develop Interface for CRT Database <p>Q4 – Improve Mobile Device Management</p>	<p>Q1 – Refresh Career Path Model for Information Services (HR)</p> <p>Q2 – Manage Office Reconfiguration Project</p> <p>Q2 – Provide Improvements to Project Pipeline and Customer Awareness of Project Status Updates</p> <ul style="list-style-type: none"> New Service Requests Project Governance Workflow <p>Q3 – Provide Efficiencies in Multi Factor Authentication</p> <p>Q3 – Implement Strategic Virtual Desktop</p> <ul style="list-style-type: none"> Current Citrix Solution not Satisfactory <p>Q3 – Teams Enable Media Equipped Conference Rooms</p> <p>Q4 – Define Development Process with Metrics</p> <p>Q4 – Stay Committed to Mission, Vision, Values</p> <p>Q4 – Grow and Nurture the Culture of Servant Leadership</p>
<p>> 99% Reliability</p>	<p>No Data Loss or Business Impact due to Security Event</p>	<p>Supported Business Goals</p>	<p>Improve Employee Experience</p>

Green = Actively Working Blue = Completed

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Legal & Compliance Presentation

Developed By: de Onís

Presented By: de Onís

Type of Item: Information Item

Description: Carolina de Onís will provide an overview of the Legal & Compliance team.

Recommendation: None

Reference: *Legal & Compliance Overview* presentation



Legal & Compliance Overview

Carolina de Onís, General Counsel & Chief Compliance Officer

December 9, 2021



Agenda



Introduction: Cultural Reorientation of L&C



“One Team”



A Month in the Life of L&C



Strategic Priorities for 2022



Cultural Reorientation of L&C

The Year of “One Team”

“One Team” Success

- Increased collaboration, communication and cross-training
- Better understanding of material risks to UTIMCO
- Leveraging law firm expertise when needed, advisable and cost effective

Compliance Redesign

- CCO Transition complete and Head of Compliance hired
- Established Guiding Principles (“**I REAP** what I sow”)
 - **I**ndependent, **R**obust, **E**mbodied, **A**pproachable and **P**reventative
- Focus on material risks, clarity and simplicity in monitoring and reporting

Servant Leadership

- Relentless client focus
 - Relationship building with UTS, Board and internally
- Your agenda is our agenda, “get to yes” if prudent
- Informed, sound and commercial advice





Legal & Compliance

“One Team”: Harmonious, Engaged and Empowered Team



Carolina de Onis
General Counsel & Chief Compliance Officer
BA, Government, University of Texas (“UT”), 1992
JD – UT, 1996
Joined UTIMCO in 2020



Lane Arnold, CAIA
Senior Director
BA Economics, Harvard College, 2003
JD – Southern Methodist University,
2007
Joined UTIMCO in 2021



Lisa Kabler
Senior Analyst
BA, International Studies, University of St.
Thomas 2000
Joined UTIMCO in 2011



Kimberly Davis
Senior Director
BA English and Communications,
Trinity University, 1997
JD – Fordham University, 2002
Joined UTIMCO in 2021



Patrick Dies
Director
BA Economics/Business Economics
UT, 2009
Masters in Professional Accounting
2010, JD – UT, 2013
Joined UTIMCO in 2018



Michele Kraal
Senior Analyst
BA, Communications
Southwest Texas State University 2002
MS Organizational Leadership & Ethics
St. Edward's University, 2012
Joined UTIMCO in 2017



Kati Stephens
Associate
BS Administration of Justice - George
Mason University / A.A.S.
Administration of Justice / Northern
Virginia Community College
Joined UTIMCO in 2017



Kaylie Lopez
Analyst
BS, Political Science, UH 2018
Joined UTIMCO in 2019

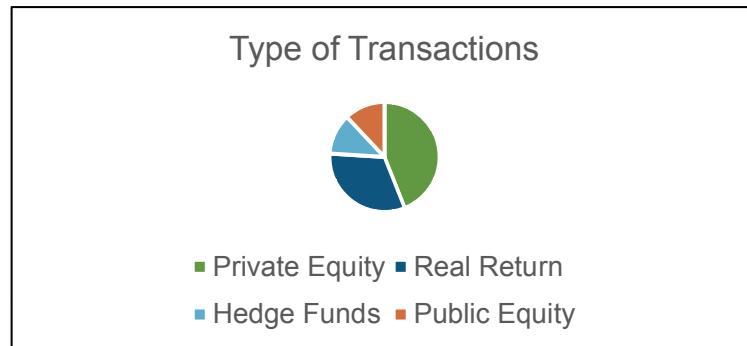


A Month in the Life of L&C

High Volume, High Complexity: Operating as an In-House Law Firm

Legal

- 7 Investment Transactions per month



- 5 Amendments, 4 NDAs, 4 MFNs per month
- 8 Vendor Agreements per month
- Derivatives Contracts and Dodd-Frank Compliance
- Legislative Review
- Litigation
- Board Matters
- Labor and Employment
- General Advisory
- Tax Matters
- 403/457 Plan Issues
- Governance and Policies

Compliance & ERM

- Clean Audit
- 127 Certificates of Compliance per month
- Monthly Delegation of Authority Testing
- Quarterly Review of Key Risks Report
- Review custodian exception reports for compliance with Fund and external manager investment guidelines
 - 100 Rules each day
 - 209 Rules each month
- Monthly review of all Board Policies and Investment Risk Packet
- Monthly compliance training for new employees
- 8 Open Records Requests per month
- 24 Trade Preclearance Requests and Transaction Disclosures per month
- Daily management of the preclearance list and restricted list
- Ethics and Conflict of Interest Matters
 - Financial and other disclosures
 - Employee and Board training
- Regulatory Matters



Strategic Priorities for 2022

“Build It Together”

Legal

- Onboard new external investment counsel
- Process improvements
- Contract Management System
- Focus on governance and policy review

Compliance

- Personal trading/MNPI initiatives
- Top to bottom review, process improvements and automation
- Compliance reporting 2.0

ERM

- Develop framework, governance
- Refresh risk assessments to include strategic risks
- Management buy-in, education and training



Questions?



Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Report from Audit and Ethics Committee: Discussion and Appropriate Action Related to the Deloitte & Touche LLP Financial Statement Audit Results and Communications and the Audited Financial Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Intermediate Term Fund, and the Statement of Investment Performance Statistics for the year ended August 31, 2021

Developed By: Moeller, Hill, de Onís

Presented By: Handley

Type of Item: Action item; Action required by UTIMCO Board related to year end audits; Information item on other items

Description: The Audit and Ethics Committee (“Committee”) met on December 2, 2021. The Committee’s agenda included the following: (1) discussion and appropriate action related to minutes of its September 8, 2021 meeting; (2) discussion and appropriate action related to Deloitte & Touche LLP’s Audit Results and Communications; (3) discussion and appropriate action related to the audit reports of the Permanent University Fund (“PUF”), The University of Texas General Endowment Fund (“GEF”), the Permanent Health Fund (“PHF”), The University of Texas System Long Term Fund (“LTF”), The University of Texas System Intermediate Term Fund (“ITF”), and the Statement of Investment Performance Statistics for the year ended August 31, 2021; and (4) an update on UTIMCO’s compliance, reporting and audit matters.

Discussion: The financial statements were audited by Deloitte & Touche LLP. Robert Cowley, engagement partner, presented to the Committee Deloitte & Touche LLP’s Financial Statement Audit Results and Communications letter (the “Letter”). Included in these Board materials are the Letter and Management’s Representation Letter to Deloitte confirming in writing Management’s responsibilities and representations with regard to these audits. Because of the voluminous nature of the audited financial statements, they are not included in the Board book. However, the complete audited financial statements are available on UTIMCO’s website, www.utimco.org.

The Delegation of Authority Policy (“Policy”) delegates to the CEO the authority to execute on the behalf of UTIMCO all contracts, leases, or other commercial arrangements (except investment management agency contracts, partnership agreements, investment consultant agreements and agreements with independent auditor) for a total obligation of \$1 million or less during the contract term. The Policy requires that new contracts, leases, and other arrangements of \$250,000 or more be reported to the UTIMCO Board at its next scheduled meeting, and, annually, all existing contracts, leases, and other arrangements of \$250,000 or more must be reported to the UTIMCO Board. The report is included in this section and Mrs. de Onís provided an update of the Contract Report to the Committee.

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Recommendation: The Committee will recommend that the UTIMCO Board approve the Deloitte & Touche LLP Financial Statement Audit Results and Communications and the audited financial statements of the PUF, GEF, PHF, LTF, ITF, and the Statement of Investment Performance Statistics for the year ended August 31, 2021

Reference: Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter
Contract Report

**RESOLUTIONS RELATED TO AUDITS OF THE INVESTMENT FUNDS
FOR FISCAL YEAR 2021**

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter on the Investment Funds Under Fiduciary Responsibility of The University of Texas System Board of Regents for the year ended August 31, 2021, be, and is hereby approved in the form as presented to the Board; and

FURTHER RESOLVED, that the separate annual financial statements and audit reports for the Permanent University Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, The University of Texas System General Endowment Fund, and The University of Texas System Intermediate Term Fund each for the fiscal years ended August 31, 2021, and August 31, 2020, and the Statement of Investment Performance Statistics for the year ended August 31, 2021, be, and are hereby approved in the form as presented to the Board.



Deloitte & Touche LLP
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Austin, TX 78701
USA
Tel: +1 512 691 2300
Fax: +1 512 708 1035
www.deloitte.com

October 29, 2021

Mr. Britt Harris
President, CEO and Chief Investment Officer
The University of Texas/Texas A&M Investment Management Company

The Audit, Compliance and Risk Management Committee of
the Board of Regents of The University of Texas System

The Audit and Ethics Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company

210 West 7th Street, Suite 1700
Austin, TX 78701

Dear Mr. Harris, Members of the Audit, Compliance and Risk Management Committee of the Board of Regents of The University of Texas System as well as Members of the Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company (the "Board"):

We have performed audits of the financial statements of the Permanent University Fund, The University of Texas System General Endowment Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, and The University of Texas System Intermediate Term Fund (collectively, the "Funds") as of and for the year ended August 31, 2021 (the "financial statements"), in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our reports thereon dated October 29, 2021.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Funds is responsible.

This report is intended solely for the information and use of the Funds' management, as well as The Audit, Compliance and Risk Management Committee of the Board of Regents of The University of Texas System, and the Audit and Ethics Committee of the Board of The University of Texas/Texas A&M Investment Management Company ("UTIMCO"), and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards has been described in the contract dated June 30, 2016 (Exhibit-A, Section-C) and amended May 29, 2020. As described in Exhibit-A, Section-C, and in line with Exhibit-B, Section-B within the amendment, our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Board are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"). The audits of the financial statements do not relieve management or the Board of their responsibilities. We considered internal control relevant to the Company's preparation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Significant Accounting Policies

The Funds' significant accounting policies are set forth in the notes to the Funds' 2021 financial statements. We are not aware of any significant changes in previously adopted accounting policies or their application during the year ended August 31, 2021.

We have evaluated the significant qualitative aspects of the Funds' accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and consistently applied by management.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Funds' 2021 financial statements include valuation of certain investments which are specifically the Funds' investments in hedge funds, private investments, and private placements whose fair values have been estimated by management using the practical expedient or certain valuations obtained from third-party investment managers.

Management's estimates are based on financial information from the underlying funds provided at various interim dates during the year, other information from the underlying funds, as well as information from other relevant sources. This valuation process is reasonable based on the requirements of generally accepted accounting principles when applying the practical expedient for investments in entities that report a net asset value, or its equivalent. We understand that management has provided you with details regarding the process used in formulating these estimates.

Although management believes the accounting estimates reflected in the Funds' 2021 financial statements are reasonable, there can be no assurances that the Funds could ultimately realize these values. The basis for our conclusions as to the reasonableness of these estimates when considered in the context of the financial statements taken as a whole, as expressed in our auditors' reports on the financial statements, is our understanding and testing of management's process to develop estimates, including the information used in forming these estimates.

Uncorrected Misstatements

Our audits of the financial statements were designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. There were no uncorrected misstatements or disclosure items passed identified during our audits.

Material Corrected Misstatements

Our audits of the financial statements were designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. There were no material misstatements that were brought to the attention of management as a result of our audit procedures.

Other Information in the Annual Report to Shareholders

The audited financial statements include documents containing the following other information:

- Management Discussion & Analysis – **All Funds**
- Supplemental Schedules
 - Schedule of Changes in Cost of Investments and Investment Income – **PUF only**
 - Financial Highlights – **GEF, ITF, LTF, and PHF**

When audited financial statements are included in documents containing other information such as describe above, we read such other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. We have read the other information described above and have compared selected amounts or other items in the other information with such amounts or other items in the financial statements. While reading the other information, we remained alert for indications that (1) a material inconsistency exists between the other information and our knowledge obtained in the audit and (2) a material misstatement of fact exists or the other information is otherwise misleading. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to communicate the matter to you, request that the correction be made, and, if not corrected, describe it in our report. We did not note any uncorrected material misstatements of the other information.

Disagreements with Management

We have not had any disagreements with management related to matters that are material to the Funds' 2021 financial statements.

Our Views about Significant Matters That Were the Subject of Consultation with Other Accountants

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2021.

Significant Findings or Issues Arising From the Audits Discussed, or Subject of Correspondence, with Management

Throughout the year, routine discussions were held, or were the subject of correspondence, with management. In our judgment, such discussions or correspondence did not involve significant findings or issues requiring communication to the Board.

Significant Difficulties Encountered in Performing the Audits

In our judgment, we received the full cooperation of the Funds' management and staff and had unrestricted access to the Funds' senior management in the performance of our audits.

Management's Representations

We have made specific inquiries of the Funds' management about the representations embodied in the financial statements. In addition, we have requested that management provide to us the written representations the Funds are required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Appendix A, a copy of the representation letter we obtained from management.

Emphasis-of-Matter Paragraphs

We included the following emphasis-of-matter in our opinion on the financial statements:

1. As discussed in Note 1, the financial statements of the Funds are intended only to present the net position of the Funds as of August 31, 2021 and 2020, and the changes in its net position for the years then ended in conformity with accounting principles generally accepted in the United States and do not purport to, and do not, present the consolidated net position of The University of Texas System, as of August 31, 2021 or 2020, or the changes in its consolidated net positions for the years then ended –
Applicable to all Funds
2. Also, the financial statements of the PUF includes only the investment related assets and liabilities and changes therein which are being managed by The University of Texas/Texas A&M Investment Management Company and does not include the 2.1 million acres of land discussed in Note 1. – **Applicable to PUF only**

Our opinions are not modified with respect to the above matters.

Other-Matter Paragraphs

We included the following other matter in our opinion on the financial statements for all the Funds:

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as indicated, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

* * * * *

Appendix A – Signed Management Representation Letter



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UTIMCO.org

October 29, 2021

Deloitte & Touche LLP
500 West 2nd Street, Suite 1600
Austin, TX 78701

We are providing this letter in connection with your audits of the financial statements of the entities listed in Appendix A (the "Funds") which comprise the statements of net position as of August 31, 2021 and August 31, 2020, and the related statements of changes in net position for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position and the changes in the net position of the Funds in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

We are also providing this letter in conjunction with your audits of the detailed schedules of investment securities of the Permanent University Fund (the "PUF") as of August 31, 2021 and the statement of investment performance statistics for the Funds for the year ended August 31, 2021.

We confirm that we are responsible for the following:

- a. The preparation and fair presentation in the financial statements of financial position and changes in net position are in accordance with GAAP
- b. The investment performance statistics of the Funds have been computed net of investment management fees using the Modified Dietz Method. The formula for the Modified Dietz Method is shown in Appendix B
- c. The preparation and fair presentation of the supplemental schedules accompanying the basic financial statements that are presented for the purpose of additional analysis of the basic financial statements

THE UNIVERSITY OF TEXAS/TEXAS A&M
INVESTMENT MANAGEMENT COMPANY

d. The design, implementation, and maintenance of internal control:

- Relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- To prevent and detect fraud

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in accordance with GAAP.
2. The Funds have made available to you:
 - a. All relevant information and access as agreed in the terms of the contract entered into by The University of Texas System, dated June 30, 2016 and amended May 29, 2020.
 - b. All financial records and related data
 - c. All minutes of the meetings of directors/trustees and committees of directors/trustees; or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - d. Information relating to the Funds' compliance with all statutes, laws, or regulations that have a direct effect on our financial statements
 - e. All new or revised governance documents and agreements.
3. There have been no communications with regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
4. The Funds have disclosed to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.
5. We have no knowledge of any fraud or suspected fraud affecting the Funds involving:
 - a. Management
 - b. Employees of The University of Texas/Texas A&M Investment Management Company ("UTIMCO"), the Funds' investment manager, who have significant roles in the Funds' internal control
 - c. Others where the fraud could have a material effect on the financial statements.

6. We have no knowledge of any allegations of fraud or suspected fraud affecting the Funds' financial statements communicated by UTIMCO employees, former UTIMCO employees, analysts, regulators, or others.
7. There are no unasserted claims or assessments that we are aware of or that legal counsel has advised us are probable of assertion and must be disclosed in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section C50, *Claims and Judgments*.
8. All investments during the period were made in accordance with the Funds' respective investment policies.
9. The methods, significant assumptions, and the data used by us in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, or disclosure that is in conformity with GAAP.
10. We have complied with all applicable provisions of the Foreign Corrupt Practices Act.

Except for the statement of investment performance statistics and where otherwise stated below, immaterial matters less than the materiality limits indicated in Appendix A for each Fund collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. These amounts are not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

11. There are no transactions that have not been properly recorded and reflected in the financial statements.
12. The Funds have no plans or intentions that may affect the carrying value or classification of assets and liabilities.
13. We have disclosed to you any change in the Funds' internal control over financial reporting that occurred during the Funds' 2021 fiscal year that has materially affected, or is reasonably likely to materially affect, the Funds' internal control over financial reporting.
14. The Funds have identified all derivative instruments as defined by GASB Codification Section D40, *Derivative Instruments*, and appropriately recorded and disclosed such derivatives in accordance with GASB Codification Section D40.
15. With regard to the fair value measurements and disclosures of certain assets and liabilities, we believe that:
 - a. Portfolio securities are stated at fair value as determined in accordance with the valuation method set forth in the Funds' respective investment policies
 - b. The measurement methods, including the related assumptions, used in determining fair value were appropriate, consistent with market participant assumptions where available without undue cost and effort, and were consistently applied in accordance with GAAP
 - c. The completeness and adequacy of the disclosures related to fair values are in accordance with GAAP

- d. No events have occurred subsequent to August 31, 2021 that require adjustment to the fair value measurements and disclosures included in the financial statements.
16. Private investment funds are fair valued by management. The fair values of these investments are estimated by management using the individual private investment fund's capital account balance at the closest available reporting period, as communicated by the investment fund's general partner or investment manager, adjusted for contributions and withdrawals subsequent to the latest available reporting period as well as consideration of any other information which has been provided. In rare cases the private market funds are valued at cost but only when management considers it to be the best approximation of fair value. We have considered any information communicated by an individual investment fund's general partner or investment manager necessary through October 29, 2021, and no adjustments were considered necessary to the valuation reported as of August 31, 2021.
 17. The following, to the extent applicable, have been appropriately identified, properly accounted for, and disclosed in the financial statements:
 - a. Related parties and all the related-party relationships and transactions of which the Funds are aware, including fees, commissions, sales, purchases, loans, transfers, leasing arrangements, side agreements, and guarantees (written or oral)
 - b. Restricted securities that may not be publicly sold without registration under the federal Securities Act of 1933
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line-of-credit, or similar arrangements
 - d. All derivative financial instruments (e.g., futures, options, swaps), including bank loan commitments and other outstanding commitments to purchase or sell securities under forward placement and standby commitments
 - e. Financial instruments with significant individual or group concentration of credit risk, whether from an individual counterparty or group of counterparties
 - f. The amounts receivable from or payable to related parties
 - g. Guarantees, whether written or oral, under which the Funds are contingently liable (e.g., shortfall agreements)
 - h. Financial support that the Funds have provided during the period presented to an investee, whether contractually required to do so or not, as well as financial support that the Funds have not yet provided but is contractually required to provide to an investee.
 18. In preparing the financial statements in accordance with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:

- a. It is reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.
 - b. The effect of the change would be material to the financial statements.
19. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:
 - a. The concentration exists at the date of the financial statements
 - b. The concentration makes the Funds vulnerable to the risk of a near-term severe impact
 - c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.
20. There are no:
 - a. Instances of identified or suspected noncompliance with laws or regulations whose effects should be considered when preparing the financial statements
 - b. Known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and that have not been disclosed to you and accounted for and disclosed in accordance with GAAP
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed under GASB Codification Section C50, *Claims and Judgment*
 - d. Side agreements or other arrangements (either written or oral) that have not been disclosed to you.
21. The Board of Regents, on behalf of the Funds, have satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except for those disclosed in the financial statements.
22. The Board of Regents, on behalf of the Funds, have complied with all aspects of contractual agreements that may affect the financial statements.
23. Regarding the required supplementary information of the Funds, i.e. the Management's Discussion and Analysis (the "MD&A"):
 - a. We confirm that we are responsible for the MD&A
 - b. The MD&A is measured and presented in accordance with GASB
 - c. The methods of presentation of the MD&A have not changed from those used in the prior period.
24. Regarding the required supplemental schedule of the PUF, i.e. the Schedule of Changes in Cost of Investments and Investment Income:

- a. We confirm that we are responsible for the Schedule of Changes in Cost of Investments and Investment Income of the PUF
 - b. The Schedule of Changes in Cost of Investments and Investment Income of the PUF is measured and presented in accordance with Section 66.05 of the Texas Education Code
 - c. The methods of presentation of the Schedule of Changes in Cost of Investments and Investment Income of the PUF have not changed from those used in the prior period
25. Regarding the supplementary information for the Funds, i.e. the Financial Highlights, as applicable:
- a. We are responsible for preparation and fair presentation of the supplementary information
 - b. We believe the supplementary information, including its form and content, is fairly presented
 - c. The methods of presentation of the Financial Highlights, as applicable, have not changed from those used in the prior period.
26. Regarding the required supplemental schedule of the PUF, i.e. the Detail Schedules of Investment Securities:
- a. We confirm that we are responsible for the Detail Schedules of Investment Securities of the PUF
 - b. The Detail Schedules of Investment Securities of the PUF is prepared in accordance with Section 66.05 of the Texas Education Code
 - c. The Detail Schedules of Investment Securities take into consideration the provisions of Government Code Section 552.143(c) which identifies the names of certain direct investments held by the PUF as confidential.
 - d. The methods of presentation of the Detailed Schedules of Investment Securities of the PUF have not changed from those used in the prior period.
27. UTIMCO as investment manager of the Funds under the control and management of the UT Board, entered into a security purchase agreement with the UT Board. The agreement committed the Funds to purchase UT System notes and bonds outstanding up to \$3,821,085,000. The PUF also has an agreement with the Texas A&M University System Board of Regents which commits the PUF to acquire up to \$125,000,000 of Texas A&M System flexible rate notes in the event of a failed remarketing of such notes. No UT System notes and bonds or Texas A&M System flexible rate notes have been or are expected to be purchased by the Funds under their required purchase commitment.
28. None of the entities which have borrowed from the Funds, subject to their securities lending programs, have defaulted during the year ended August 31, 2021.
29. In conjunction with the Funds' investments in the private investment and hedge fund pools, there are no instances where the Funds would be required to assume additional commitment

responsibility should other limited partners or shareholders default on their own commitments.

30. As of August 31, 2021, the Funds do not have any deposits or investments that are exposed to custodial credit risk.
31. No events have occurred after August 31, 2021, but before October 29, 2021, the date the financial statements were available to be issued that require consideration as adjustments to or disclosures in the financial statements.



Britt Harris

President, CEO and Chief Investment Officer



Joan Moeller

Senior Managing Director and Chief Operating Officer



Gary Hill

Managing Director – Operations, Accounting, and Reporting

APPENDIX A

Entity Name	Materiality Limit
Permanent University Fund ("PUF")	\$ 49,000,000
The University of Texas System General Endowment Fund ("GEF")	36,750,000
The University of Texas System Long Term Fund ("LTF")	33,800,000
Permanent Health Fund ("PHF")	3,500,000
The University of Texas System Intermediate Term Fund ("ITF")	19,200,000

FORMULA FOR MODIFIED DIETZ METHOD

The formula for estimating the time-weighted rate of return using the Modified Dietz Method, $R_{DIETZ (net)}$, is:

$$R_{DIETZ (net)} = \frac{\text{Net of Fees}}{MVB + FW}$$
$$R_{DIETZ (net)} = \frac{MVE - MVB - F - FEES}{MVB + FW}$$

where MVB is the fair value at the beginning of the period, including accrued income from the previous period;
 MVE is the fair value at the end of the period, including accrued income for the period;
 F is the sum of the cash flows within the period (contributions to the portfolio are positive flows, and withdrawals or distributions are negative flows);
 FW is the sum of each cash flow, F_i , multiplied by its weight, W_i ; and
 $FEES$ is the sum of investment management fees paid during the period.

W_i is the proportion of the total number of days in the period that the cash flow F_i has been in (or out of) the portfolio.
The formula for W_i is:

$$W_i = \frac{CD - D_i}{CD}$$

where CD is the total number of days in the period; and
 D_i is the number of days since the beginning of the period in which cash flow F_i occurred.

CONTRACT REPORT

New Contracts, Leases, and Other Commercial Arrangements

(Total Obligation per Agreement greater than \$250,000)

August 28, 2021 through November 10, 2021

Agreement	Purpose	Contract Term	Annual Amount
PricewaterhouseCoopers LLP (PwC)	Develop a data classification scheme and implement protection requirements.	11/10/2021; approximately 15 week engagement	\$495,000

Existing Contracts, Leases and Other Commercial Arrangements

(Total Obligation per Agreement greater than \$250,000)

Reported on an annual basis per the Delegation of Authority Policy

November 11, 2020 through November 10, 2021

Agreement	Purpose	Contract Term	Annual Amount
Dynamo Software	Portfolio and relationship management system with full mobile access for travelers; contract amended to lock in current annual price of \$366,000 for three years instead of annually renewing with an escalation in annual costs. Total three year contract \$1,098,000.	11/15/2020 - 11/14/2023	\$366,000
Factset Research Systems	Analytical tool for performance	Renews monthly via invoice	\$530,000
International Fund Services	Risk System	Quarterly invoice – fees increase as underlying accounts are added	\$292,000
Sequel Data Systems	Vmware Enterprise License Agmt/Support (3 yrs) paid monthly	1/18 - 12/21	\$317,875
eFront Financial Solutions (annual renewal)	eFront Financial Solutions is a software provider for the alternative investments and risk management areas of the financial services industry	1/1/2021 - 12/31/2021	\$257,655
PricewaterhouseCoopers LLP (PwC)	Develop a data classification scheme and implement protection requirements.	11/10/2021; approximately 15 week engagement	\$495,000
EY Projects	BCP/DR Design Project (\$590,000) and Cyber Security Program Design Project (\$249,900)	9/1/20 to 5/30/21	\$839,900
MSCI: RiskMetrics and Barra	Two separate contracts have been signed with MSCI. RiskMetrics, with a two year term contract, provides monitoring and manager oversight to the hedge funds. The Barra contract covers the new Risk System and has a two and one-half year contract term. The two products are integrated but can be separated. The estimated cost of both contract lives is \$1,488,000 with additional one-time implementation costs of \$127,500.	4/1/20 - 3/31/22 (RiskMetrics) 9/20 - 3/31/23 (Barra)	\$361,000 \$364,000

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item:	Report from Investment Risk Committee
Developed By:	Moeller, de Onís
Presented By:	Weaver
Type of Item:	Information item
Description:	The Investment Risk Committee (“Committee”) met on December 2, 2021. The Committee’s agenda included (1) discussion and appropriate action related to the approval of minutes of its September 8, 2021 meeting; (2) review and discussion of compliance reporting; and (3) a market and portfolio risk update.
Discussion	Ms. de Onís reviewed the quarterly compliance reporting with the Committee and Dr. Yoeli presented an update on the market and portfolio risk.
Recommendation:	None
Reference:	None

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

Agenda Item: Report from Cyber Risk Committee

Developed By: Moeller

Presented By: Rothrock

Type of Item: Information Item

Description: The Cyber Risk Committee (the “Committee”) met on December 2, 2021. The Committee’s agenda included discussion and appropriate action related to the approval of minutes of September 8, 2021 meeting. The Committee also met in Executive Session to receive an update on computer security assessments related to information resources technology.

Recommendation: None

Reference: None

Agenda Item
UTIMCO Board of Directors Meeting
December 9, 2021

- Agenda Item:** Report from Compensation Committee: Discussion and Appropriate Action Related to the Performance Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2021
- Developed By:** Hall, Moeller
- Presented By:** Nixon
- Type of Item:** Action Item; Action required by the UTIMCO Board
- Description:** The Compensation Committee (the “Committee”) met on December 2, 2021 and will meet on December 9, 2021. At its meeting on December 2, 2021, the Committee’s agenda included (1) discussion and appropriate action related to minutes of its June 17, 2021 meeting. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation and evaluation matters.
- At its December 9th meeting, the Committee will convene in Executive Session for the purpose of deliberating individual personnel compensation and evaluation matters, including Performance Awards for Plan Participants for the Performance Period ended June 30, 2021. The Committee’s agenda will include (1) discussion and appropriate action related to minutes of its December 2, 2021 meeting; and (2) discussion and appropriate action related to Performance Awards for Participants of the UTIMCO Compensation Program (the “Plan”) for the Performance Period ended June 30, 2021.
- Discussion:** The Committee will make its recommendation to the UTIMCO Board related to the Performance Awards for all Plan Participants. Performance Awards for the Performance Period are calculated for each Participant based on the percentage achieved of each Performance Standard, considering the weightings for the Participant’s Quantitative and Qualitative Standards and Performance Award Opportunity. Action is required by the UTIMCO Board related to the Performance Awards.
- Recommendation:** The Committee will recommend the Board approve the Performance Awards for the Participants of the Plan including the Chief Executive Officer for the Performance Period ended June 30, 2021.
- Reference:** Materials provided for Executive Session

**RESOLUTION RELATED TO THE CEO'S PERFORMANCE AWARD
FOR THE PERFORMANCE PERIOD ENDED JUNE 30, 2021**

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each Performance Period, the Board will approve the Performance Award of the CEO based upon a determination of the level of achievement of the CEO with respect to his or her Performance Standards for such Performance Period; and

WHEREAS, the Compensation Committee has reviewed and approved the CEO's Performance Award for the Performance Period ended June 30, 2021, and submitted its recommendation to the Board for approval; and

WHEREAS, the Board has reviewed the Compensation Committee's recommendation of the CEO's Performance Award for the Performance Period ended June 30, 2021.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the CEO's Performance Award for the Performance Period ended June 30, 2021, in the amount of \$_____.

**RESOLUTION RELATED TO PERFORMANCE AWARDS
FOR THE PERFORMANCE PERIOD ENDED JUNE 30, 2021**

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the “Plan”) provides that, at the end of each Performance Period, the Compensation Committee will approve, subject to further approval of the UTIMCO Board, the Performance Award of each Participant based upon a determination of the level of achievement of such Participant against his or her Performance Standards for such Performance Period; and

WHEREAS, in accordance with Section 5.5.(d) of the Plan, the Compensation Committee has determined the level of achievement by each Participant in the Plan during the Performance Period ended June 30, 2021, of his or her Performance Standards for such Performance Period; and

WHEREAS, Sections 5.5.(e) and 5.5.(f) of the Plan provide that, based on the percentage achieved of each Participant’s Performance Standards for a Performance Period, a Performance Award will be calculated for such Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5.(f) of the Plan provides that the Compensation Committee will review all calculations of Performance Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Compensation Committee has reviewed the Performance Awards for all Participants who have met or exceeded their performance benchmarks for the Performance Period ended June 30, 2021, made changes it deemed appropriate, approved such Performance Awards, and recommended that the Board approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the Performance Awards for all Participants (excluding the CEO) for the Performance Period ended June 30, 2021, in the total aggregate amount of \$_____ and be it

FURTHER RESOLVED, that of the Performance Awards for all Participants (excluding the CEO) for the Performance Period ended June 30, 2021, ___% (_____) will be deferred pursuant to the Plan.