

**MINUTES OF MEETING  
OF THE BOARD OF DIRECTORS OF  
THE UNIVERSITY OF TEXAS/TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

The Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in an open meeting on **March 22, 2022**, 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 7<sup>th</sup> 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  
Janiece Longoria  
Ray Nixon  
Clifton L. Thomas, Jr.  
James C. "Rad" Weaver

thus constituting a majority and quorum of the Board. Employees of the Corporation attending the meeting were Britt Harris, President and CEO; Rich Hall, Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Carolina de Onís, General Counsel and Chief Compliance Officer; Susan Chen, Senior Managing Director – Public Equity; Courtney Powers, Managing Director – Hedge Funds; Tony Caruso, Senior Director – Hedge Funds; Michael Dean, Managing Director – Human Resources; Ken Reeves, Managing Director – Human Resources; Drury Morris, Senior Director – Public Equity; 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; and Keith Brown of the McCombs School of Business at UT Austin. Chairman Hildebrand called the meeting to order at 9:00 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

**Minutes**

The first item to come before the Board was approval of the Minutes of the Board of Directors Meeting held on December 9, 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 December 9, 2021, be, and are hereby, approved.

## **Corporate Resolutions**

Chairman Hildebrand presented a recommendation that the annual meeting of the Board of Directors of the Corporation be held on June 10, 2022. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the Annual Meeting of the Board of Directors will be held on June 10, 2022.

Chairman Hildebrand recommended that Ken Reeves be appointed as an officer of the Corporation. Managing Directors are considered officers of the Corporation. Mr. Reeves was hired as Managing Director – Human Resources effective December 13, 2021. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that Ken Reeves is hereby appointed to the office of Managing Director of the Corporation to serve until the next Annual Meeting of the Corporation or until his resignation or removal.

FURTHER RESOLVED, that Ken Reeves, Managing Director, be designated as a member of the Plan Administrative Committee, responsible for general administration of both the 403(b) Tax Sheltered Annuity Plan and 457(b) Deferred Compensation Plan of the Corporation.

## **CEO Update**

Prior to Mr. Harris's CEO update, Drury Morris, Senior Director of Public Equity, provided the Board with a brief overview of cryptocurrency and the current digital asset space. He reported on the total market capitalization of digital assets, noting that it is valued at \$1.8 trillion. He then discussed the top tokens and public companies and the attraction of VC funding in 2021. He reported that despite tremendous growth, digital assets remain a small portion of total global assets. Mr. Morris concluded with an ecosystem overview by sector and an overview of institutional counterparties. He then answered questions from the Board. Next, Mr. Harris provided the Board with an update on market super factors as well as details on the San Jacinto Project, a climate and energy transition conference that will focus on developing solutions to provide clean, affordable, and reliable energy globally. He then answered questions from the Board.

## **UTIMCO and Market Update**

Chairman Hildebrand asked Mr. Hall to present the UTIMCO and market update. Mr. Hall provided an update on the Corporation's assets under management and performance results as of December 31, 2021. He reported that the Corporation had around \$69 billion of assets under management; almost \$43 billion in asset growth over 10 years. He reviewed AUM by institution as well as UTIMCO's diversification framework. He then discussed UTIMCO and endowment returns and alpha detail as well as performance relative to peers. Mr. Hall then reported on the market dashboard as well as economic indicators and US Equity market performance. He concluded his presentation with a discussion on inflation and rate hike cycles and answered questions from the Board.

### **Public Equity Presentation**

Chairman Hildebrand invited Susan Chen to present an update on Public Equity. Ms. Chen reported that Public Equity is approximately \$18.2 billion of the total portfolio, roughly 30% of the Endowments and approximately 13% of ITF assets as of December 31, 2021. Ms. Chen discussed market conditions and UTIMCO's performance, noting reasonable absolute, but poor relative returns in calendar 2021. She discussed Public Equities' role in the total portfolio and the market conditions during the 2021 calendar year. She detailed the portfolio performance as well as the developed markets and emerging markets portfolios. Ms. Chen reviewed the 2021 top alpha contributors and detractors and 2022 strategy adjustments. She concluded her presentation by reviewing the team structure, discussing key contributions to UTIMCO's 2021 top accomplishments, and priorities for 2022. Ms. Chen and Mr. Harris answered the Directors' questions.

### **Hedge Funds Presentation**

Chairman Hildebrand asked Courtney Powers and Tony Caruso to present the Hedge Funds Review. Mr. Powers began by sharing the role of Hedge Funds in the UTIMCO diversification framework. He provided an executive summary stating that performance continues to be strong and both Directional and Stable Value portfolios are meeting or exceeding expectations. He provided an update on Directional Hedge Funds before handing the presentation over to Mr. Caruso to discuss the Stable Value portfolio. Mr. Caruso noted that Stable Value has scaled from \$4.4B to \$6.2B in 2021 while preserving attractive return and risk characteristics. He reviewed 2021 results and diversification benefits and discussed 2022 strategic plan accountability. He concluded by sharing the teams' priorities going forward. Mr. Powers and Mr. Caruso then answered questions from the Board.

### **Human Resources Presentation**

Chairman Hildebrand asked Ken Reeves to present the Human Resources Review. Mr. Reeves began with an introduction and complimented the successful transition of HR leadership. He shared that UTIMCO is not experiencing the "Great Resignation" and instead have onboarded approximately 30 new employees in the last year. Mr. Reeves discussed the Organizational Health Check results and noted that UTIMCO scored in the top 1% of firms in the Focus Consulting Group database. Next, he introduced the Human Resources team and turned the presentation over to Mr. Dean to discuss 2021 accomplishments. Mr. Dean shared that talent acquisition, development, and retention has been successful and diversity, equity, and inclusion continues to be a priority. Mr. Reeves concluded the presentation with 2022 priorities moving forward. Mr. Reeves and Mr. Dean 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. Director Handley reported that the Committee met via teleconference on March 3, 2022. All members except for Director Thomas were present. At the meeting, the Committee considered three action items: the minutes of its December 2, 2021 meeting were approved as drafted; Deloitte & Touche LLP's Audit Results and Communications for the Corporation for the fiscal year ended August 31, 2021, were approved, subject to approval by the Board; the audit reports for the Corporation for the fiscal year ended August 31, 2021 and 2020 were approved, subject to approval by the Board. Eric Polonski, Director of Audits of the UT System Audit Office, provided an update on the upcoming audit of UTIMCO's information technology (IT) asset

management program. The Committee also received a report related to quarterly compliance and reviewed the unaudited financial statements for the Funds and the UTIMCO Corporation. The Committee also was provided the Contracts Report. Director Handley requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to approval of Deloitte and Touche LLP's Financial Statement Audit Results and Communications, and the audited financial statements and audit report for the Corporation. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2021, be, and is hereby approved in the form as presented to the Board; and further

RESOLVED, that the annual financial statements and audit report for the Corporation for the fiscal year ended August 31, 2021, and August 31, 2020, be, and are hereby approved in the form as presented to the Board.

#### Report from Investment Risk Committee

Chairman Hildebrand asked Director Weaver to provide a report from the Investment Risk Committee. Director Weaver reported that the Risk Committee met via teleconference on March 3, 2022. At the meeting, the Committee considered one action item: the minutes of its December 2, 2021 meeting. The Committee also received a report on compliance matters for the quarter ended November 30, 2021, and a market and portfolio risk update.


#### Report from Cyber Risk Committee

Chairman Hildebrand asked Director Rothrock to provide a report from the Cyber Risk Committee. Director Rothrock reported that the Cyber Risk Committee met via teleconference on March 3, 2022. The Committee approved the minutes of its December 2, 2021 meeting. The Committee also met in Executive Session to receive an update on the corporation's cyber risk program, including an update on security metrics, the information security program, and other projects.


#### Adjourn

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

Secretary:

  
Joan Moeller

Approved:

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

Date:

3/9/22