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**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 ("UTIMCO" or the "Corporation") convened in an open meeting on **March 30, 2023**, 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, James C. "Rad" Weaver ("Chairman"), with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was electronically recorded and broadcast over the internet. Participating in the meeting were the following members of the Board:

James C. "Rad" Weaver
Ray Rothrock
James B. Milliken
Robert Gauntt
Janet Handley
Jodie L. Jiles
Janiece Longoria
Ray Nixon
Clifton L. Thomas, Jr.

thus constituting a majority and quorum of the Board. Chairman Weaver called the meeting to order at 9:02 a.m. Employees of the Corporation attending the meeting were Britt Harris, CEO and President; Rich Hall, Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Lane Arnold, Senior Director – Legal & Compliance; Susan Chen, Senior Managing Director – Public Equity; Amanda Hopper, Managing Director – Public Equity; Courtney Powers, Managing Director – Hedge Funds; Tony Caruso, Managing Director – Hedge Funds; Ken Standley, Senior Director – Strategic Partnerships; Ashley Fleming, Director – Human Resources; and other team members. Other attendees were Jerry Kyle of Orrick, Herrington, & Sutcliffe LLP; Robert Cowley and Trinh Huyen Tran of Deloitte & Touche LLP; and Keith Brown of the McCombs School of Business at UT Austin. 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, 2022. Upon motion duly made and seconded, the following resolution was unanimously approved by the Board:

RESOLVED, that the minutes of the Meeting of the Board of Directors held on December 9, 2022, be, and are hereby, approved.

CEO Update

Chairman Weaver asked Britt Harris to provide the Board with the CEO update. Mr. Harris began by reflecting on what he believes are the keys to long-term investing: markets go through long regimes, valuations vary

based on economic conditions, down markets occur regularly, the U.S. remains dominant, debt levels are now a concern, demographics and values are shifting, and change is expected to accelerate. Mr. Harris continued with an analysis of regime returns, comparing March 1999-February 2009 and March 2009-February 2023, noting that the former decade consisted of two major bubble bursts, while the latter has no major bubble bursts and was the longest market expansion in history. Mr. Harris also provided an analysis of the economy and valuations across the same time regimes. Lastly, Mr. Harris touched on the future factors that will impact markets, including China, the energy transition, technological advancements, investment concentration, and societal demographics. Mr. Harris then answered questions from the Board.

UTIMCO and Market Update

Chairman Weaver asked Rich Hall to present the Corporation's performance and provide an update on the financial markets. Mr. Hall began by presenting a 2022 recap, noting that the portfolio performed as expected in an inflationary environment, and was down 8.4% overall. Mr. Hall explained that the 2022 markets were defined by persistent inflation and the Fed's response to that inflation, which led to the fastest rate hike in 60 years. As a result, rising rates were a big headwind in the equity and bond markets. Mr. Hall continued by presenting a 2023 market outlook. Mr. Hall then discussed portfolio performance. As of December 31, 2022, the Corporation had approximately \$66 billion of assets under management, specifically: \$31.5 billion in the Permanent University Fund ("PUF"), \$20.0 billion in the Long Term Fund ("LTF"), \$1.5 billion in the Permanent Health Fund ("PHF"); \$8.7 billion in the Intermediate Term Fund ("ITF"), \$2.7 billion in the Short Term Fund ("STF"), \$1.5 billion in the Permanent Health Fund ("PHF"), and \$0.2 billion in other funds. Over the last three years, the Endowments have grown by \$16 billion, net of \$6 billion in distributions. He discussed the diversification framework within the PUF and GEF ("Endowments") and presented a performance comparison both in terms of alpha and relative to peers, noting that UTIMCO's performance relative to peers in the Trust Universe Comparison Service ("TUCS") exceeded the median by 573 basis points on a one-year basis and 171 basis points on the ten-year basis. Mr. Hall wrapped up his presentation by presenting the TUCS risk and return comparison, noting that the UTIMCO portfolio falls in the bottom decile of risk relative to peers, while also being in the highest decile of returns relative to peers.

Strategic Asset Allocation Update

Chairman Weaver invited Mr. Hall to introduce the Strategic Asset Allocation study. Mr. Hall noted that this is the third study completed in the last five years. Mr. Hall reminded the Board that this study helps set the long-term view of where to deploy capital and introduces and facilitates dialogues on key topics relevant to market performance. Mr. Hall then turned the presentation over to Ken Standley to provide an update on the emerging themes related to revising the Strategic Asset Allocation. Mr. Standley noted that when reviewing the Strategic Asset Allocation policy, the team looks at three key items: the total portfolio risk level, allocations across regimes, and allocations within regimes. Mr. Standley discussed the team's next steps, which include evaluating the impact of maintaining or decreasing current risk levels, identifying optimal sources and uses of funding for an increased Real Return allocation, considering the costs and benefits of holding more cash and liquidity, and continuing other ongoing research projects. Mr. Standley wrapped up by presenting early thoughts and areas for further research. Mr. Hall then answered questions from the Board.

Public Equity Presentation

Chairman Weaver invited Susan Chen and Amanda Hopper to present an update on the Public Equity portfolio. Ms. Chen reported that Public Equity assets are approximately \$16 billion, approximately 28% of

the Endowments and approximately 14% of ITF assets as of December 31, 2022. Ms. Chen discussed market conditions, noting the poor macro backdrop for Global Equity assets in 2022, including low GDP growth, inflation, and rising rates. As a result, equity returns were broadly negative, with developed markets declining 18% and emerging markets declining 20%. Ms. Chen detailed the proactive strategy adjustments made in 2022 including a new risk management approach and an increased volume of capital activity. Ms. Chen then turned the presentation over to Ms. Hopper. Ms. Hopper detailed the one-year performance for developed and emerging markets, as well as performance attribution. Ms. Hopper further detailed strategy adjustments including initiating over \$2 billion in redemptions and adding almost \$4 billion to active managers, an increased focus on risk budgeting, implementing a factor framework, and launching a new portable alpha program. Ms. Chen wrapped up her presentation with a preview of 2023 priorities. Ms. Chen and Ms. Hopper answered questions from the Board.

Hedge Funds Presentation

Chairman Weaver 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, noting that the Hedge Funds portfolio has been in place for over 20 years and has returned profits of approximately \$10 billion to the Endowments during that time. Mr. Powers also shared that the team has reached the end of the five-year strategic plan to build out a Stable Value Hedge Fund portfolio. He provided an executive summary stating that performance has been strong in both the Directional and Stable Value portfolios, meeting, or exceeding expectations. Mr. Powers continued by highlighting the upgraded risk system, which has significantly improved the ability to understand and manage risk more effectively and efficiently. Mr. Powers then turned the presentation over to Mr. Caruso to discuss the Stable Value Hedge Fund portfolio. Mr. Caruso noted that Stable Value is designed to be uncorrelated to the rest of the Endowment. Mr. Caruso noted that Stable Value represents 9% of the Endowment NAV, but only contributes 1.2% of total risk. The portfolio has grown to \$6.5B in 2022 and is on track to be 25% of the ITF by the end of the fiscal year. He concluded by sharing the team's priorities going forward, including a focus on optimizing performance and alpha generation in both portfolios, and determining and executing new Strategic Asset Allocation targets. Mr. Powers and Mr. Caruso then answered questions from the Board.

Human Resources Presentation

Chairman Weaver asked Ashley Fleming to present an update on the Human Resources team. Ms. Fleming began with an introduction to UTIMCO's culture, highlighting UTIMCO's Mission, Vision, and Values, the development of a personal effectiveness growth pyramid, and the development of an empowerment formula. Ms. Fleming discussed the Organizational Health Check results. Next, Ms. Fleming discussed 2022 accomplishments including talent acquisition, development, retention, and expansion. Ms. Fleming concluded the presentation with 2023 priorities and initiatives. Ms. Fleming answered questions from the Board.

Report from Audit and Ethics Committee

Chairman Weaver 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 23, 2023. All members except for Director Jiles were present. The Committee approved the minutes of its December 1, 2022 meeting. The Committee also approved Deloitte & Touche LLP's Audit Results and Communications for the

Corporation for the fiscal year ended August 31, 2022 and the audit reports for the Corporation for the fiscal year ended August 31, 2022 and 2021. The Committee received a quarterly compliance update as well as an update on the revised Enterprise Risk Management Program. The Committee was also provided the Contracts Report. Finally, the Committee received a report on the unaudited financial statements without footnotes for the Funds for the three months ended November 30, 2022, the unaudited financial statements with footnotes for the Corporation for the four months ended December 31, 2022, and the budget versus actual expenses and capital expenses versus actual expenses for the four months ended December 31, 2022. 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 Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2022, 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, 2022, and August 31, 2021, be, and are hereby approved in the form as presented to the Board.

Report from Investment Risk Committee

Chairman Weaver asked Director Longoria to provide a report from the Investment Risk Committee. Director Longoria reported that the Investment Risk Committee met via teleconference on March 23, 2023. All members except for Director Rothrock were present. The Committee approved the minutes of its December 1, 2022, meeting. The Committee also received a report on compliance matters for the quarter ended November 30, 2022, and a market and portfolio risk update, and had a discussion of banking sector volatility.

Report from Cyber Risk Committee

Chairman Weaver 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 23, 2023. All members except for Director Gauntt were present. The Committee approved the minutes of its December 1, 2022, meeting. The Committee also met in Executive Session to receive an update on computer security assessments related to information resources technology.

Executive Session

Prior to going into executive session, Chairman Weaver 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 of the Board, for the purpose of deliberating individual personnel matters, including the CEO and President. This Executive Session meeting of the Board is authorized by *Texas Government Code* Section 551.074. The date is March 30, 2023, and the time is now 11:24 a.m." With the

exception of Mr. Harris, Ms. Moeller, Mr. Arnold, Dr. Brown, and Mr. Kyle, all others left the meeting at this time.

Reconvene in Open Session

The Board reconvened in open session and Chairman Weaver announced that, "The Open Session of the Board of Directors of The University of Texas/Texas A&M Investment Management Company is now reconvened. The date is March 30, 2023, and the time is now 11:41 a.m. During the Executive Session, the Board discussed individual personnel matters, including the CEO and President, but no action was taken, nor decisions made, and no vote was called for or had by the Board in Executive Session."

Corporate Resolutions

Chairman Weaver presented a recommendation that the annual meeting of the Board of Directors of the Corporation be held on June 27, 2023. 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 27, 2023.

Chairman Weaver invited Britt Harris to make an announcement. Mr. Harris announced his resignation from UTIMCO, effective June 30, 2023. Mr. Harris thanked the Board for the opportunity to serve, thanked the UTIMCO team for their dedication and professionalism, and noted his unwavering confidence in UTIMCO's continued success under the direction of Rich Hall. Chairman Weaver thanked Britt Harris, on behalf of the Board, for his immeasurable impact. Chairman Weaver read and recommended for approval a resolution of resignation for Mr. Harris and the appointment of Mr. Hall as Chief Executive Officer, President and CIO for the Corporation. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

WHEREAS, Britt Harris has resigned his position as Chief Executive Officer and President of the University of Texas/Texas A&M Investment Management Company ("UTIMCO"), effective June 30, 2023; and

WHEREAS, Rich Hall was appointed Chief Investment Officer ("CIO") of UTIMCO, effective January 1, 2022, and will continue to serve in his role as CIO until the next Annual Meeting of the Board of Directors or his earlier resignation or removal.


NOW THEREFORE, BE IT RESOLVED that Rich Hall be appointed Chief Executive Officer, President and CIO of UTIMCO, effective July 1, 2023; and


BE IT FURTHER RESOLVED that Britt Harris shall continue to serve as Chief Executive Officer and President of UTIMCO until Rich Hall assumes the office of Chief Executive Officer, President and CIO of UTIMCO.

Chairman Weaver and the Board congratulated Rich Hall on his appointment as Chief Executive Officer, President and CIO of UTIMCO, effective July 1, 2023.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 11:48 a.m.

Secretary: 
Joan Moeller

Approved:  Date: 6/15/23
James C. "Rad" Weaver
Chairman, Board of Directors of
The University of Texas/Texas A&M Investment Management Company