

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

A meeting of the Audit and Ethics Committee (the "Committee") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in open session on **March 23, 2023**, by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 1700, 210 West 7th Street, Austin, Texas, said meeting having been called by the Committee Chair, Janet Handley ("Chair"), 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 Committee:

Janet Handley, Chair
Janiece Longoria
James B. Milliken

thus constituting a majority and quorum of the Committee. Director Jiles did not attend the meeting. Chair Handley called the meeting to order at 9:01 a.m. Employees of the Corporation attending the meeting were Britt Harris, CEO and President; Rich Hall, Chief Investment Officer; Joan Moeller, Treasurer and Secretary; Carolina de Onís, General Counsel and Chief Compliance Officer; Gary Hill, Managing Director - Operations, Accounting and Reporting; and other employees. Other attendees were Jerry Kyle of Orrick, Herrington & Sutcliffe LLP; Eric Polonski and Terry Hull of The University of Texas System ("UT System") Administration; and Robert Cowley and Trinh Huyen Tran of Deloitte & Touche LLP. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Approval of Minutes

The first matter to come before the Committee was the approval of the minutes of the Audit and Ethics Committee meeting held on December 1, 2022. Upon motion duly made and seconded, the following resolution was unanimously approved by the Committee:

RESOLVED, that the minutes of the Meeting of the Audit and Ethics Committee of the Board of Directors held on December 1, 2022 be, and are hereby, approved.

Audit Results and Communications and Audited Financial Statements for the Corporation

Chair Handley asked Mr. Robert Cowley, engagement partner from the independent accounting firm of Deloitte & Touche LLP, to present the audit results and communications for the August 31, 2022 and 2021 audits of the Corporation's Financial Statements. Mr. Cowley confirmed the completion of the audits and reviewed with the Committee the Audit Results and Communications Letter covering required communications. Mr. Cowley confirmed that Deloitte & Touche LLP issued a clean, unqualified opinion on the Financial Statements, and that accounting principles utilized by management are of good quality, and are acceptable. Mr. Cowley noted that there was one new change to accounting policies this year called Government Auditing Standards Board (GASB) Statement No. 87, *Leases*. He also stated they had no uncorrected or material corrected misstatements to report. Mr. Cowley then answered questions from the Committee. Chair Handley called for approval of the audit results and communications on the Corporation

for the fiscal year ended August 31, 2022, and the audited financial statements and audit report for the Corporation for the fiscal years ended August 31, 2022 and 2021. Upon motion duly made and seconded, the following resolutions were unanimously approved by the Committee:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter on the Corporation for the year ended August 31, 2022, be, and is hereby approved in the form as presented to the Audit and Ethics Committee, subject to approval by the Corporation's Board.

And

RESOLVED, that the annual financial statements and audit report for the Corporation for the years ended August 31, 2022, and 2021 be, and are hereby approved in the form as presented to the Audit and Ethics Committee, subject to approval by the Corporation's Board.

Update on Compliance, Reporting and Audit Matters

Chair Handley asked Ms. de Onís to provide an update on compliance and reporting matters. Ms. de Onís reported that there were no compliance issues, and no personal trading violations for the quarter ended November 30, 2022. Ms. de Onís noted that the annual financial disclosures and Compliance certifications were due from Directors and employees no later than April 30, 2023. She went on to report that every year external managers subject to agency agreements are required to certify that they are in compliance with the investment guidelines in their agency agreements. All compliance statements were received in a timely manner. Ms. de Onís also reported on the Information Security team's work to implement the Governor's order on prohibited technologies. Ms. de Onís noted that the UT System internal audit on the securities lending program will begin soon. Ms. de Onís then presented an update on the revised Enterprise Risk Management Program, including program evolution, current status, and key accomplishments to date. Lastly, Ms. de Onís presented the report on existing contracts, leases, or other commercial arrangements of \$250,000 or more for the prior reporting end date of November 30, 2022, through March 14, 2023. Ms. de Onís then answered the Committee Members' questions.

Presentation of Unaudited Financial Statements

Chair Handley asked Mr. Hill to present the Unaudited Financial Statements for the Permanent University Fund ("PUF"), General Endowment Fund ("GEF"), Permanent Health Fund ("PHF"), Long Term Fund ("LTF"), and the Intermediate Term Fund ("ITF"), each for the quarter ended November 30, 2022. As a prelude to Mr. Hill's report, Mr. Hill took a moment to update the Committee on the recent volatility in the banking sector. Mr. Hill then turned the presentation over to Mr. Hill, who provided highlights of the statements, with no new items or significant changes to report. Ms. Moeller then discussed the Corporation's unaudited financial statements for the four months ended December 31, 2022. She reviewed actual versus budget expenses as well as capital budget versus actual. Ms. Moeller and Mr. Hill then answered the Committee members' questions.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:45 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Janet Handley
Janet Handley, Chair
Audit and Ethics Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Date: 6/15/2023