

**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 **December 7, 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 7<sup>th</sup> Street, Suite 1700, Austin, Texas, 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  
Howard Berk  
Jay Graham  
Janet Handley  
Jodie L. Jiles  
Janiece Longoria  
Ray Nixon

thus constituting a majority and quorum of the Board. Chairman Weaver called the meeting to order at 9:21 a.m. Employees of the Corporation attending the meeting were Richard Hall, President, CEO and CIO; Joan Moeller, Secretary and Treasurer; Carolina de Onís, General Counsel and Chief Compliance Officer; Alison Rogers-McCoy, Managing Director and Chief Human Resources Officer; and other team members. Other attendees included Jerry Kyle of Orrick, Herrington, & Sutcliffe LLP; Robert Cowley and Adrian Kusuma 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 September 28, 2023. 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 September 28, 2023, be, and are hereby, approved.

## **Corporate Resolutions**

### **Election of Corporate Officer**

Chairman Weaver asked Mr. Hall to present a recommendation for the appointment of Alison Rogers-McCoy to the office of Managing Director of the Corporation. Before introducing Ms. Rogers-McCoy to the Board, Mr. Hall took the opportunity to recognize and thank Ms. Ashley Fleming for her hard work as interim head of Human Resources. Mr. Hall then introduced Ms. Rogers-McCoy to the Board, including highlighting her career prior to joining UTIMCO. Ms. Rogers-McCoy then shared her excitement to join the team. Upon motion duly made and seconded, the following resolution was unanimously approved by the Board:

RESOLVED, that Alison Rogers-McCoy is hereby appointed to the office of Managing Director of the Corporation to serve until the next Annual Meeting of the Corporation or until her resignation or removal.

### **Designation of Plan Administrative Committee Member**

Chairman Weaver recommended that Ms. Rogers-McCoy be designated as a member of the Plan Administrative Committee. Upon motion duly made and seconded, the following resolution was unanimously approved by the Board:

RESOLVED, that Alison Rogers-McCoy, 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.

## **UTIMCO Performance and Market Update**

Chairman Weaver asked Mr. Hall to present the Corporation's performance and market update. Mr. Hall focused his discussion on three main takeaways – the portfolio is performing as expected, there are conflicting signals and forecasts about the direction of the economy, the business cycle, and the markets, and that as a result, the portfolio is neutrally positioned. Mr. Hall began by providing a detailed portfolio update, noting that as of September 30, 2023, the Corporation had approximately \$70 billion of assets under management. Mr. Hall then discussed UTIMCO returns and alpha for 1, 3, 5, and 10-year time horizons, including total net returns and outperformance versus benchmark. Mr. Hall continued by discussing returns and alpha attribution for the Endowments and ITF on a 1 and 3-year basis, as well as the return attribution and alpha attribution by asset class, respectively. He discussed portfolio positioning, including asset allocation over time. Mr. Hall presented a detailed analysis of the Stable Value, Global Equity, and Real Return portfolios, as well as their performance expectations, potential catalysts driving performance, as well as areas for concern. Mr. Hall then turned the conversation to a discussion of the broader markets, and any potential portfolio impacts, including a review of equity outcomes by style and size, the JP Morgan long-term capital market assumptions, the UTIMCO Strategic Partner Outlook, and the potential impact of a recession. Mr. Hall wrapped up his presentation by recognizing the uncertain market outlook, with a meaningful potential for a recession ahead, but highlighted that the portfolio is in a good position, the teams have a playbook for any potential upheavals, and UTIMCO has the liquidity to make distributions. He then answered questions from the Board.

## Report from Audit and Ethics Committee

Chairman Weaver asked Director Jiles to provide a report on behalf of the Audit and Ethics Committee. Director Jiles reported that the Committee met via teleconference on November 30, 2023. At the meeting, the Committee considered four action items: the minutes of its September 21, 2023 meeting were approved as drafted; Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter for the Investment Funds for the fiscal year ended August 31, 2023, were approved; subject to further approval by the Board, the separate annual financial statements and audit reports for the PUF, GEF, PHF, LTF, and ITF for the fiscal years ended August 31, 2023 and August 31, 2022, and the Statement of Investment Performance Statistics for the aforementioned funds for the fiscal year ended August 31, 2023 were approved; subject to further approval by the Board, and the Committee made its recommendations to the Compensation Committee related to the General Counsel and Chief Compliance Officer's Performance Award for the Performance Period ended June 30, 2023.

Director Jiles asked Mr. Robert Cowley, engagement partner from the independent accounting firm of Deloitte & Touche LLP, to provide a brief report to the Board on the audits of the Investment Funds. Mr. Cowley confirmed the completion of the audits of the Funds. Mr. Cowley confirmed that Deloitte & Touche LLP issued unqualified opinions on the Funds' August 31, 2023 Financial Statements and the Statement of Investment Performance Statistics, and that accounting principles utilized by management are of good quality, are acceptable, and have been consistently applied under accounting principles generally accepted in the United States. There were no changes in any of the accounting policies in the last year. Mr. Cowley stated that the Funds' Financial Statements and disclosures were complete in all material respects and there were no material weaknesses regarding internal controls found during their audit procedures. He was very complimentary of the Corporation's employees, indicating that UTIMCO staff was very cooperative and helpful throughout the audit process. Finally, Mr. Cowley noted that this is his tenth year as UTIMCO's audit engagement partner, and under Deloitte rotation policy rules, Mr. Tom Wagner will take over as the Deloitte & Touche, LLP audit engagement partner for the audit of both the Funds and UTIMCO as the management company. After Mr. Cowley's presentation, Director Jiles reported that the Committee also received an update on UTIMCO's compliance, reporting and audit matters, a report on new contracts, and the annual report of all contracts over \$250,000. He requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to the audits of the Investment Funds for Fiscal Year 2023. Upon motion duly made and seconded, the following resolutions were unanimously approved by the Board:

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, 2023, 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, 2023, and August 31, 2022, and the Statement of Investment Performance Statistics for the year ended August 31, 2023, 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 November 30, 2023. The Committee approved the minutes of its September 21, 2023 meeting. The Committee also received a report on compliance matters for the quarter ended August 31, 2023, and a market and portfolio risk update.

### **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 November 30, 2023. The Committee approved the minutes of its September 21, 2023 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 to deliberate individual personnel compensation matters, pursuant to *Texas Government Code* Section 551.074, and to consult with legal counsel regarding legal matters, pursuant to *Texas Government Code* Section 551.071. The date is December 7, 2023, and the time is now 10:22 a.m." With the exception of Mr. Hall, Ms. Moeller, 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 December 7, 2023, and the time is now 10:57 a.m. During the Executive Session, the Board deliberated individual compensation matters, and consulted with legal counsel regarding legal matters, but no action was taken, nor decisions made, and no vote was called for or had by the Board in Executive Session."

### **Report from Compensation Committee**

Chairman Weaver asked Director Nixon to provide a report from the Compensation Committee. Director Nixon stated that the Compensation Committee met via teleconference on November 30, 2023 and again in person on December 7, 2023. At its meeting on November 30, 2023, the Committee approved the minutes of its June 8, 2023 meeting. The Committee also met in Executive Session to discuss Performance Awards for the former CEO and other UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2023, but no action was taken at that meeting.

At its December 7, 2023 meeting, the Committee approved the minutes of its November 30, 2023 meeting, convened in Executive Session to discuss the Performance Awards for the former CEO and other Plan Participants, for the Performance Period ended June 30, 2023, and approved these Performance Awards,

subject to approval by the Board. Director Nixon then recommended two resolutions for approval by the Board. The first resolution related to the Performance Award for the former CEO for the Performance Period ended June 30, 2023, and the second resolution related to the Performance Awards for all other Plan Participants for the Performance Period ended June 30, 2023. Upon motion duly made and seconded, the following resolutions were unanimously approved by the Board:

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 former CEO's Performance Award for the Performance Period ended June 30, 2023, and submitted its recommendation to the Board for approval; and

WHEREAS, the Board has reviewed the Compensation Committee's recommendation of the former CEO's Performance Award for the Performance Period ended June 30, 2023.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the Performance Award for Britt Harris, UTIMCO's former CEO, for the Performance Period ended June 30, 2023, in the amount of \$2,167,359.

And,

WHEREAS, Section 2.0 of the UTIMCO Compensation Program (the "Plan") specifies that an objective of the Plan is to motivate key investment employees to focus on maximizing real, long-term returns for all funds managed by UTIMCO while assuming appropriate levels of risk; and

WHEREAS, Section 5.8(a)(1)(a)(iv) provides that quantitative performance is measured relative to the appropriate benchmark based on three-year historical performance; Section 5.8(a)(2)(c) provides that peer group performance is measured based on three-year historical performance; and Section 5.8(b)(2) provides that qualitative performance is measured as part of each Participant's annual performance appraisal; and

WHEREAS, Section 5.5.(d) of 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, 2023, 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 three-year quantitative Performance Standards and their one-year qualitative Performance Standards for the Performance Period ended June 30, 2023, 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 former CEO) for the Performance Period ended June 30, 2023, in the total aggregate amount of \$15,486,289 and be it

FURTHER RESOLVED, that of the Performance Awards for all Participants (excluding the former CEO) for the Performance Period ended June 30, 2023, 29% (\$4,525,497) will be deferred pursuant to the Plan.

Prior to adjourning, Mr. Hall thanked Joanna Barrett, Cosette Johnson, Margie Verdin, Eric Miller, and Nathan Stewart for their hard work coordinating the logistics of the Board meetings.

Director Longoria expressed her appreciation for Mr. Hall and the smooth transition into the CEO role at UTIMCO.

Chairman Weaver extended his thank you to the Board for their commitment and dedication.

### **Adjourn**

There being no further business to come before the Board, the meeting was adjourned at approximately 11:02 a.m.

Secretary: Joan Moeller  
Joan Moeller

Approved: James C. "Rad" Weaver Date: 3/20/24  
James C. "Rad" Weaver  
Chairman, Board of Directors of  
The University of Texas/Texas A&M Investment Management Company