The University of Texas/Texas A&M Investment Management Company

Presentation Materials

Board of Directors Meeting

June 19, 2025

UTIMCO BOARD OF DIRECTORS
ANNUAL MEETING AGENDA
June 19, 2025

UTIMCO
210 West 7th Street, Suite 1700
Austin, Texas 78701

Time: Begin	Time: End	Item #	Agenda Item
			OPEN MEETING:
9:00 a.m.	9:15 a.m.	1	Call to Order/Discussion and Appropriate Action Related to Minutes of March 13, 2025 meeting*
9:15 a.m.	9:25 a.m.	2	Discussion and Appropriate Action Related to Corporate Resolutions: - Election of Corporate Officers* - Committee Assignments*,** - Resolutions of Appreciation*
9:25 a.m.	9:50 a.m.	3	CEO Update
9:50 a.m.	10:20 a.m.	4	Real Return Presentation
10:20 a.m.	10:50 a.m.	5	Private Equity Presentation
10:50 a.m.	11:05 a.m.	6	Report from Policy Committee: - FY2026 Policies Review - Discussion and Appropriate Action Related to Proposed Amendments to: Investment Policy Statements*,** Delegation of Authority Policy*
11:05 a.m.	11:10 a.m.	7	Report from Investment Risk Committee
11:10 a.m.	11:25 a.m.	8	Report from Audit and Ethics Committee: - Discussion and Appropriate Action Related to Engaging Corporate External Auditor* - Discussion and Appropriate Action Related to Selection of Master Custodian*,**
11:25 a.m.	12:15 p.m.	9	**Executive Session** Pursuant to Section 551.074 *Texas Government Code*, the Board of Directors may convene in Executive Session to deliberate individual personnel compensation matters, including the CEO, President and CIO. **Reconvene into Open Session** Report from Compensation Committee: - Discussion and Appropriate Action Related to the: - CEO's Base Salary for 2025-2026 Fiscal Year* - CEO's Qualitative Performance Standards for the UTIMCO Compensation Program for the Performance Period ending June 30, 2026* - Amendment and Restatement of the UTIMCO Compensation Program, effective July 1, 2025*,**
12:15 p.m.	12:30 p.m.	10	Discussion and Appropriate Action Related to UTIMCO 2025-2026 Budget*,**
12:30 p.m.			**Adjourn followed by Lunch**

* 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 Regularly Scheduled Meeting: September 25, 2025

RESOLUTION RELATED TO MINUTES

RESOLVED, that the minutes of the Meeting of the Board of Directors held on **March 13, 2025,** 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 ("UTIMCO" or the "Corporation") convened in an open meeting on **March 13, 2025,** 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, Austin, Texas, said meeting having been called by the Chairman James C. "Rad" Weaver, 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
James B. Milliken
David Baggett
Howard Berk
Janet Handley
Jodie L. Jiles
Janiece Longoria
Ray Nixon

thus constituting a majority and quorum of the Board. Director Graham did not attend the meeting. Because Chairman Weaver joined the meeting virtually, with potentially limited audio-visual capabilities, Chancellor James B. Milliken, Vice Chairman for Policy, chaired the meeting. Chancellor Milliken called the meeting to order at 9:00 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; Susan Chen, Senior Managing Director – Public Equity; Amanda Hopper, Managing Director – Public Equity; Drury Morris, Senior Director – Public Equity, Russ Brown, Senior Director – Public Equity; Ken Standley, Senior Director - Asset Allocation; Ryan Ruebsahm, Senior Managing Director – Hedge Funds; Courtney Powers – Managing Director – Hedge Funds; Tony Caruso, Managing Director – Hedge Funds; Russ Kampfe, Managing Director – Fixed Income; Alison Rogers-McCoy, Managing Director and Chief Human Resources Officer; and other team members. Other attendees were Jerry Kyle of Orrick, Herrington, & Sutcliffe 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 12, 2024. 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 12, 2024, be, and are hereby, approved.

Corporate Resolutions

Chancellor Milliken presented a recommendation that the annual meeting of the Board of Directors of the Corporation be held on June 19, 2025. Upon motion duly made and seconded, the following resolution was unanimously approved by the Board:

> RESOLVED, that the Annual Meeting of the Board of Directors will be held on June 19, 2025.

Chancellor Milliken invited Mr. Hall to read the Resolution of Appreciation honoring Ray Nixon for his Board service. Following the reading of the Resolution, Chairman Weaver and several of the Directors expressed their heartfelt recognition and appreciation to Director Nixon. Upon motion duly made and seconded, the following resolution was unanimously approved:

> **WHEREAS,** in recognition of his substantial background and expertise in business and dedication to higher education in the State of Texas, Ray Nixon was appointed by the Board of Regents of The University of Texas System to the Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company ("UTIMCO") on May 12, 2016; and
>
> **WHEREAS**, during his tenure on the Board of UTIMCO, Mr. Nixon has served as Chair of the Compensation Committee and as a member of the Policy and Investment Risk Committees; and
>
> **WHEREAS**, Mr. Nixon provided invaluable insight and counsel, drawing on his many years of experience in business as an institutional investor with Nixon Capital, where he is the current Chair, and before that at Barrow, Hanley, Mewhinney & Strauss, LLC.; and
>
> **WHEREAS**, Mr. Nixon's commitment and service as a Director of UTIMCO were exemplary, reflecting his deep devotion to higher education, as further evidenced by his service as the Chair of The University of Texas at Austin McCombs School of Business Advisory Council; a member of the UT Southwestern Foundation, the Dallas Seminary Foundation, the Board of Advisers for the Clements Center for National Security; a Trustee of Investment Committee of the UT Southwestern Foundation; as well as by his induction into The University of Texas at Austin McCombs School of Business Hall of Fame; and
>
> **WHEREAS**, Mr. Nixon's extensive and generous philanthropic efforts to The University of Texas at Austin will sustain students and faculty for generations to come, as evidenced by his service on the Steering Committee of the What Starts Here fundraising campaign, as well as serving as a key ambassador and advocate in his role as Committee Co-Chair of that same campaign for the McCombs School of Business, which to date has raised almost $6 billion and over $600 million, respectively; and further evidenced by his and wife Denise Nixon's funding of 15 separate endowments at The University of Texas at Austin, including providing the McCombs School of Business its first Distinguished University Chair and Texas Challenge endowments; and

WHEREAS, Mr. Nixon's unselfish contributions are also evidenced in the civic arena by his service to numerous organizations, including serving as a Board member of the Salvation Army, East West Ministries, Presbyterian Foundation, Dallas Police and Fire Pension System, Susan G. Komen Investments; and INREIT; as well as Chair of the Texas Health Resources Investment Committee, and the CFA Society of DFW Strategic Advisory Board; and

WHEREAS, during Mr. Nixon's tenure on the Board of UTIMCO, UTIMCO managed the Permanent University Fund for the benefit of The University of Texas System and The Texas A&M University System and other investments of The University of Texas System with the highest standards of integrity, professionalism, and competency, earning wide praise and recognition from UTIMCO's investment beneficiaries, namely The University of Texas System and The Texas A&M University System, as well as the alumni and patrons of such Systems, the State's legislative leaders, the national credit rating agencies, capital markets, and investment community generally; and

WHEREAS, during Mr. Nixon's tenure on the Board of UTIMCO, total assets under management by UTIMCO more than doubled, growing from $35.5 billion to $80.1 billion, and $16.6 billion in endowment distributions have been made; and

WHEREAS, Mr. Nixon's leadership, judgment, and commitment to UTIMCO has contributed greatly to UTIMCO's success.

NOW, THEREFORE,

BE IT RESOLVED, that the Directors of UTIMCO, on behalf of the grateful people of the State of Texas, particularly the Boards of Regents and Administrators of The University of Texas System and The Texas A&M University System, do hereby express to Ray Nixon their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Mr. Nixon has made a lasting and fundamental contribution to improve the manner in which public university endowments are invested and managed in the State of Texas, to the benefit of all the citizens of the State, particularly the students and faculty of The University of Texas System and The Texas A&M University System.

PASSED AND ADOPTED this 13th day of March 2025.

Before moving on to the next agenda item, Mr. Nixon expressed his appreciation for his tenure on the UTIMCO Board, his time spent with the Directors and UTIMCO team, and provided a few words of advice.

CEO Update

Chancellor Milliken asked Mr. Hall to provide the CEO Update. Mr. Hall began his presentation by referring to the economic and market outlook he presented at the December 2024 Board meeting, noting that expectations at that time included over 10% U.S. earnings growth in 2025, stable employment, and moderating inflation supporting a neutral Fed stance. Since then, market sentiment has shifted due to the government's unexpected early policy focus. Tariffs, once viewed as temporary, now appear to be more permanent, prompting retaliatory measures and increasing geopolitical uncertainty. As a result, earnings growth projections have softened. While private sector employment remains stable, government employment is declining, and the labor market outlook is clouded by immigration policy impacts and inflation uncertainty. Given these developments, Mr. Hall invited Ms. Chen and Mr. Ruebsahm to provide a brief update on the Public Equities and Hedge Fund portfolios, respectively.

Ms. Chen discussed the performance of the public equity markets and the unwinding of the momentum factor, noting that the trialing 5-day return for momentum was -9%, which is a greater than 4 standard deviation negative event. She noted that this indicates an unwinding of positions, which is expected to normalize soon.

Mr. Ruebsahm reported that the Hedge Fund portfolio had one of its best years in 2024 and performed smoothly across all strategies, with unusually low volatility. He noted that although there has been a momentum spike this year, the Stable Value portfolio is flat for the year, and the Directional Hedge Fund portfolio is up approximately 50 bps.

Mr. Hall highlighted that the portfolio is responding as expected and provided a brief review of the diversification structure. He then discussed UTIMCO's performance, noting that total assets were $78.8 billion as of close of business on March 11, 2025. Mr. Hall concluded his presentation with a detailed discussion of asset allocation, endowment positioning, and portfolio performance. Mr. Hall then answered questions from the Board.

Human Resources Presentation

Chancellor Milliken invited Ms. Rogers-McCoy to present an overview of Human Resources. Ms. Rogers-McCoy began her presentation with a discussion of the team and their responsibilities. She highlighted two key areas of responsibility: HR compliance and reporting, and Human Resource Information Systems. Ms. Rogers-McCoy provided an overview of key HR metrics and employee data, emphasizing the GIL Intern and UTIMCO Scholars Programs, and the Learning Institute, which was developed based on employee Individual Development Plans. In the previous year, 38 programs were offered, with a total of 738 attendees. She also spoke about the Early Career Program implemented in 2024, which selected 12 early career participants for a 9-month program aimed at promoting skill growth in areas such as communication, collaboration, and problem solving. Ms. Rogers-McCoy concluded her presentation with a review of 2024 accomplishments, a discussion of 2025 key priorities, and an overview of the benefits survey results. Ms. Rogers-McCoy then answered questions from the Board.

Hedge Funds Presentation

Chancellor Milliken asked Mr. Ruebsahm, Mr. Powers, Mr. Caruso, and Mr. Kampfe to present the Hedge Funds and Fixed Income Performance update. Mr. Ruebsahm began by introducing the members of the team and their tenure at UTIMCO. Mr. Ruebsahm shared the role of Hedge Funds in the UTIMCO diversification framework, and discussed 1-year, 3-year, and 5-year returns. He noted that the Directional Hedge Fund portfolio is up 15.9% for the year, and the Stable Value portfolio is up 12.5% for the year. Mr. Ruebsahm then presented the team's 2024 contributions and 2025 initiatives.

Mr. Powers reviewed the asset allocation and performance of the Directional Hedge Fund portfolio on a 1-year and 3-year basis by sub-strategy, noting that all three sub-strategies achieved double-digit returns last year. He also provided an overview of the Long/Short Equity strategy.

Mr. Caruso reviewed the asset allocation and performance of the Stable Value Hedge Funds portfolio on a 1-year and 3-year basis, highlighting that the portfolio represents 11% of UTIMCO NAV but contributes only 1% of total risk. He provided a detailed update on the Dockside SMA platform, including platform partnership history, benefits, and build out, highlighting that the buildout is ahead of schedule. Dockside I has grown to $1.8 billion GMV across eight managed accounts, Dockside II launched in Q1 2025, and Dockside III is planned to launch in Q2 2025.

Mr. Kampfe provided an overview of the Fixed Income portfolio, covering objectives, strategies, liquidity profile, and relative performance. Mr. Kampfe noted that the relative performance in 2024 was disappointing. The Long Treasury portfolio experienced one of the poorest years on a relative basis in more than 30 years, primarily due to a significant, poorly timed overweight to US and UK long end duration, select EM bonds, and exposures to currencies that reached generational levels of cheapness against the US dollar. He noted that the Long Treasuries portfolio has made up more than half of last year's underperformance already in calendar year 2025. Mr. Kampfe concluded with a review of 2025 priorities.

Mr. Ruebsahm, Mr. Powers, Mr. Caruso, and Mr. Kampfe answered questions from the Board.

Public Equity Presentation

Chancellor Milliken invited Ms. Chen, Ms. Hopper, Mr. Morris, Mr. Brown and Mr. Standley to present an update on the Public Equity and Asset Allocation portfolios. Ms. Chen began by reviewing 2024 performance, including performance drivers, and outlining key initiatives for 2025. These initiatives include consolidating the Developed Markets and Emerging Markets portfolios, continuing to enhance the portfolio, and improving UTIMCO liquidity tools such as repo, prime broker, and rebalancing. Ms. Chen also highlighted new team members.

Mr. Morris provided an overview of the changes in market structure within the public equity markets, including the continued growth of cap-weighted indices and a continued narrowing of market leadership. He discussed the impact of these changes on active management and explained how the portfolio was repositioned to adapt to these developments. As the market has become increasingly concentrated and competitive, it has become necessary to introduce new portfolio tools to continue to generate alpha for the Endowments. These tools, enabled by policy changes, include factor framework, active extension, and portable alpha strategies.

Ms. Hopper provided a detailed review of the Developed Markets portfolio, highlighting the alpha drivers for 2024 and the top 10 individual stock contributors to the excess return. She also gave a detailed example of an active overweight and active underweight position.

Mr. Brown discussed the planned consolidation of the Developed Markets and Emerging Markets portfolios into a single portfolio. He noted that this change is a result of Governor Greg Abbott's directive to divest from China and Hong Kong. Additionally, the expected return differential between Developed Markets and

Emerging Markets has compressed by approximately 80%. Mr. Brown stated that in June, the team will present a formal policy recommendation for this consolidation, along with a change in the policy benchmark.

Mr. Standley reviewed the Asset Allocation portfolio, highlighting its role in the Endowments. He also discussed portfolio performance and tactical positioning.

Ms. Chen, Ms. Hopper, Mr. Morris, Mr. Brown and Mr. Standley answered questions from the Board.

Report from Policy Committee

Chancellor Milliken asked Director Handley to provide a report on behalf of the Policy Committee. Director Handley reported that the Policy Committee met via teleconference on March 4, 2025. The Committee considered one action item, the approval of the minutes of its June 11, 2024 meeting, and the June 11, 2024, joint meeting of the Policy and Investment Risk Committees. The Committee discussed the results of its self-assessment. Overall, the results of the assessment were positive, with members agreeing that the Committee was performing well and discharging its duties effectively. Certain recommendations were identified and will be discussed at a future Committee meeting. The Committee also discussed a preliminary review of the FY2026 Investment Policies, including small changes to asset allocation and other clarifications.

Report from Audit and Ethics Committee

Chancellor Milliken 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 March 4, 2025. The Committee approved the minutes of its December 4, 2024 meeting. The Committee also approved Deloitte & Touche LLP's Audit Results and Communications for the Corporation for the fiscal year ended August 31, 2024 and the audit reports for the Corporation for the fiscal year ended August 31, 2024 and 2023, subject to further approval by the Board. Director Jiles noted that Deloitte & Touche LLP issued a clean, unqualified opinion. Tom Wagner identified one immaterial issue concerning the statement of cash flow; however, the error did not impact net assets, equity balance, performance during the period, or even the overall statement of cash flow itself. The Committee received a compliance update for the quarter ended December 31, 2024, including the Contracts Report. The Committee received a report on the unaudited financial statements without footnotes for the Funds for the three months ended November 30, 2024, the unaudited financial statements with footnotes for the Corporation for the four months ended December 31, 2024, and the budget versus actual expenses and capital expenses versus actual expenses for the four months ended December 31, 2024. Finally, the Committee met in Executive Session to receive a report from the UT System Audit Office regarding computer security assessments related to information resources technology. Director Jiles 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 approved by the Board:

> RESOLVED, that Deloitte & Touche LLP Financial Statement Audit Results and Communications for the Corporation for the year ended August 31, 2024, 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 years ended August 31, 2024 and August 31, 2023, be, and are hereby approved in the form as presented to the Board.

Report from Investment Risk Committee

Chancellor Milliken 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 4, 2025. In its meeting the Committee approved the minutes of its December 4, 2024, meeting. The Committee discussed the results of its self-assessment. Overall, the results of the assessment were positive, with members agreeing that the Committee was performing well and discharging its duties effectively. Certain recommendations were identified and will be implemented in the future. Routine business included a report on fund compliance matters for the quarter ended December 31, 2024. The Committee also received a market and portfolio risk update.

Report from Cyber Risk Committee

Chancellor Milliken asked Director Baggett to provide a report from the Cyber Risk Committee. Director Baggett reported that the Cyber Risk Committee met via teleconference on March 4, 2025. The Committee approved the minutes of its December 4, 2024, meeting. The Committee also met in Executive Session to receive a report on the Corporation's cyber risk program, including updates on security metrics, the information security program, and other ongoing projects. The Committee also received a report from the UT System Audit Office regarding computer security assessments related to information resources technology.

Compensation Committee's Self-Assessment

Chancellor Milliken asked Director Nixon to provide a report on the findings and conclusions of the Compensation Committee's self-assessment. Director Nixon reported that the Committee participated in a self-assessment focusing on four areas from the Committee charter: (1) scope, composition, and purpose; (2) processes and procedures; (3) functions, duties, and responsibilities; and (4) overall effectiveness of the Committee, as well as any concerns and challenges that may need to be addressed. The overall feedback was very positive, with all Committee members satisfied with the performance and effectiveness of the Committee. Committee member recommendations included (1) an orientation session regarding compensation procedures and policies by the staff for new board members, and (2) a further study to assess the Compensation Program and optimal risk-taking evaluation.

Executive Session

Prior to going into Executive Session, Chancellor Milliken 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. This Executive Session meeting of the Board is authorized by *Texas Government Code* Section 551.074. The date is March 4, 2025, and the time is now 11:02 a.m." With the exception of Mr. Hall, Ms. Rogers-McCoy, and Mr. Kyle, all others left the meeting at this time.

Reconvene in Open Session

The Board reconvened in Open Session and Chancellor Milliken 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 13, 2025, and the time is now 12:06p.m. During the Executive Session, the Board discussed 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 12:06 p.m.

Secretary: ___________________________
Joan Moeller

Approved: _____________________________ Date: ________________
James C. “Rad” Weaver
Chairman, Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item: Discussion and Appropriate Action Related to Corporate Resolutions: (1) Election of Corporate Officers; (2) Committee Assignments; and (3) Resolutions of Appreciation

Developed By: Hall, Moeller, de Onís

Presented By: Graham

Type of Item: Action item; Action required by UTIMCO Board and by the Board of Regents of The University of Texas System ("UT Board") for the Audit & Ethics Committee members

Description: Vice Chairman Graham will present a recommendation for the Corporate Officers. As stated in the Bylaws, a purpose of the Annual Meeting is to elect Officers for the ensuing year. Employees who are designated as Officers by the UTIMCO Board meet the definition of Key Employees in the Corporation's Code of Ethics.

Vice Chairman Graham will propose new Board Committee assignments.

Vice Chairman Graham will present recommendations to the Board to approve resolutions acknowledging the Board service of Jodie L. Jiles and James B. Milliken.

Recommendation: Vice Chairman Graham will recommend approval of the election of Corporate Officers, approval of Committee assignments, and resolutions of appreciation.

Reference: None

RESOLUTION RELATED TO CORPORATE OFFICERS

RESOLVED, that the following persons are hereby appointed to the respective office or offices of the Corporation set forth opposite their names, to serve until the next Annual Meeting of the Corporation or until their resignation or removal.

Name	Office or Offices
________________	Chairman
________________	Vice Chairman
________________	Vice Chairman for Policy
Rich Hall	Chief Executive Officer, President and Chief Investment Officer
Joan Moeller	Senior Managing Director, COO, Treasurer and Secretary
Carolina de Onís	Senior Managing Director, General Counsel and Chief Compliance Officer
Susan Chen	Senior Managing Director
Eddie Lewis	Senior Managing Director
Pat Pace	Senior Managing Director
Ryan Ruebsahm	Senior Managing Director
Tony Caruso	Managing Director
Gus Deering	Managing Director and Chief Technology Officer
Gary Hill	Managing Director
Amanda Hopper	Managing Director
Mukund Joshi	Managing Director
Russ Kampfe	Managing Director
Courtney Powers	Managing Director
Alison Rogers-McCoy	Managing Director and Chief HR Officer
Craig Thomas	Managing Director
Uzi Yoeli	Managing Director

RESOLUTION RELATED TO COMMITTEE ASSIGNMENTS

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Audit and Ethics Committee of the Board of Directors:

David Baggett
Christina Crain
Janet Handley
Jonathan Pruitt

subject to approval by the Board of Regents of The University of Texas System at a future meeting, to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that David Baggett is hereby designated the Chair of the Audit and Ethics Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Compensation Committee of the Board of Directors:

Howard Berk
Janet Handley
Janiece Longoria
Dwight Scott

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Janet Handley is hereby designated the Chair of the Compensation Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Policy Committee of the Board of Directors:

Howard Berk
Jay Graham
Janiece Longoria
Jonathan Pruitt

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Janiece Longoria is hereby designated the Chair of the Policy Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Investment Risk Committee of the Board of Directors:

David Baggett
Howard Berk
Janet Handley
Dwight Scott

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Howard Berk is hereby designated the Chair of the Investment Risk Committee and shall preside at its meetings.

BE IT RESOLVED, that the following Directors of the Corporation are hereby designated as the Cyber Risk Committee of the Board of Directors:

David Baggett
Christina Crain
Jay Graham
Jonathan Pruitt

to serve until the expiration of their term, or until their successor has been chosen and qualified, or until their earlier death, resignation or removal; and

FURTHER RESOLVED, that Jay Graham is hereby designated the Chair of the Cyber Risk Committee and shall preside at its meetings.

RESOLUTION OF APPRECIATION
JODIE LEE JILES

WHEREAS, in recognition of his substantial background, philanthropic efforts, and expertise in business, Jodie Lee Jiles was appointed by Governor Greg Abbott to a term on the Board of Regents of The University of Texas System ("UT System Board of Regents") in April 2019 and to a second term in May 2025; and

WHEREAS, in recognition of his background, expertise and dedication to higher education in the State of Texas, Mr. Jiles was appointed by the UT System Board of Regents to the Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company ("UTIMCO") on April 9, 2021; and

WHEREAS, during his tenure on the Board of UTIMCO, Mr. Jiles has served as Vice Chair for Policy, Chair of the Audit and Ethics Committee, and as a member of the Policy, Investment Risk and Cyber Risk committees; and

WHEREAS, Mr. Jiles provided invaluable insight and counsel, drawing on his many years of experience in business at Transwestern, where he is the Director of Business Development, and before on his 26-year career in investment banking; and

WHEREAS, Mr. Jiles's commitment and service as a Director of UTIMCO were exemplary, reflecting his deep devotion to higher education, as further evidenced by his service as a member of the Development Boards for The University of Texas at Austin and The University of Texas Health Science Center at Houston; as a member of the Board of the Texas Southern University Foundation; as a member of the M.D. Anderson Services Corporation Board; and as a gubernatorial appointee to the Texas Higher Education Coordinating Board; and

WHEREAS, Mr. Jiles's unselfish contributions are also evidenced in the civic and corporate arenas by his service to numerous organizations, including serving as an Emeritus Board member of Baylor College of Medicine and of Texas Children's Hospital; as the Chairman of the Texas Business Leadership Council, where he currently serves on the Executive Committee; as a former Chairman of the Greater Houston Partnership; as a former Board member of The Federal Reserve Bank of Dallas-Houston Branch; as a former Board member of the KIPP Academy; as the current Chairman of Loving Kids; and as a Board member of Wallis Bank; and

WHEREAS, during Mr. Jiles's tenure on the Board of UTIMCO, UTIMCO managed the Permanent University Fund for the benefit of The University of Texas System and The Texas A&M University System and other investments of The University of Texas System with the highest standards of integrity, professionalism, and competency, earning wide praise and recognition from UTIMCO's investment beneficiaries, namely The University of Texas System and The Texas A&M University System, as well as the alumni and patrons of such Systems, the State's legislative leaders, the national credit rating agencies, capital markets, and investment community generally; and

WHEREAS, during Mr. Jiles's tenure on the Board of UTIMCO, total assets under management by UTIMCO grew by $19.2 billion from $60.1 billion to $79.3 billion, and $9.4 billion in endowment distributions have been made; and

WHEREAS, Mr. Jiles's leadership, judgment, and commitment to UTIMCO has contributed greatly to UTIMCO's success.

NOW, THEREFORE,

BE IT RESOLVED, that the Directors of UTIMCO, on behalf of the grateful people of the State of Texas, particularly the Boards of Regents and Administrators of The University of Texas System and The Texas A&M University System, do hereby express to Jodie Lee Jiles their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Mr. Jiles has made a lasting and fundamental contribution to improve the manner in which public university endowments are invested and managed in the State of Texas, to the benefit of all the citizens of the State, particularly the students and faculty of The University of Texas System and The Texas A&M University System.

PASSED AND ADOPTED this 19th day of June 2025.

RESOLUTION OF APPRECIATION
JAMES B. MILLIKEN

WHEREAS, James B. Milliken was appointed by the Board of Regents of The University of Texas System ("UT System Board of Regents") as Chancellor of The University of Texas System ("The UT System") on August 28, 2018 and officially became The UT System's 12th Chancellor on September 17, 2018; and

WHEREAS, in recognition of his background, expertise and role as Chancellor of The UT System, Chancellor Milliken was appointed by The UT System Board of Regents to the Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company ("UTIMCO") on August 25, 2022; and

WHEREAS, during his tenure on the Board of UTIMCO, Chancellor Milliken has served as Vice Chair for Policy, and as a member of the Policy, Audit and Ethics, and Cyber Risk committees; and

WHEREAS, Chancellor Milliken provided invaluable insight and counsel, drawing on over three decades of experience in higher education, including serving as the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership, the former Chancellor for the City University of New York, the former President of the University of Nebraska, and a former Senior Vice President of the University of North Carolina; and

WHEREAS, Chancellor Milliken's commitment and service as a Director of UTIMCO were exemplary, reflecting his deep devotion to higher education, as further evidenced by his initiatives as Chancellor to expand affordability and access for Texas students across all UT System institutions, including covering the full cost of tuition and fees for qualifying students whose families have incomes under $100,000; expanding investments in student mental health and safety; launching Texas Credentials for the Future to provide micro-credentials and certificates to UT System students, faculty, staff and alumni; and expanding UT System's academic and research portfolios, particularly in the areas of manufacturing, public health, cybersecurity, and medicine to address state and national needs; and

WHEREAS, Chancellor Milliken's unselfish contributions are also evidenced by his service to numerous national and global organizations, including serving as a member of the Board of the American Council on Education; as a member of the Association of Public Land-Grant Universities ("APLU"), where he chaired the APLU's Commission on Innovation, Competitiveness and Economic Prosperity; as a member of the Executive Committee of the Council on Competitiveness; as a member of the Council on Foreign Relations; as a gubernatorial appointee of the Texas Economic Development Corporation – CEO Council; as the Founding Chairman of the Robert B. Daugherty Global Water for Food Institute; and as a Fellow of the American Academy of Arts and Sciences; and

WHEREAS, during Chancellor Milliken's tenure on the Board of UTIMCO, UTIMCO managed the Permanent University Fund for the benefit of The University of Texas System and The Texas A&M University System and other investments of The University of Texas System with the highest standards of integrity, professionalism, and competency, earning wide praise and recognition from UTIMCO's investment beneficiaries, namely The University of Texas System and The Texas A&M University System, as well as the alumni and patrons of such Systems, the State's legislative leaders, the national credit rating agencies, capital markets, and investment community generally; and

WHEREAS, during Chancellor Milliken's tenure on the Board of UTIMCO, total assets under management by UTIMCO grew by $13.7 billion from $65.6 billion to $79.3 billion, and $6.6 billion in endowment distributions have been made; and

WHEREAS, Chancellor Milliken's leadership, judgment, and commitment to UTIMCO has contributed greatly to UTIMCO's success.

NOW, THEREFORE,

BE IT RESOLVED, that the Directors of UTIMCO, on behalf of the grateful people of the State of Texas, particularly the Boards of Regents and Administrators of The University of Texas System and The Texas A&M University System, do hereby express to James B. Milliken their sincerest appreciation for his leadership and service that contributed immeasurably to UTIMCO's success; and

BE IT FURTHER RESOLVED, that all persons who read this Resolution should know that Chancellor Milliken has made a lasting and fundamental contribution to improve the manner in which public university endowments are invested and managed in the State of Texas, to the benefit of all the citizens of the State, particularly the students and faculty of The University of Texas System and The Texas A&M University System.

PASSED AND ADOPTED this 19th day of June 2025.

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item: CEO Update

Developed By: Hall

Presented By: Hall

Type of Item: Information Item

Description: Mr. Hall will provide a portfolio update and a market outlook.

Reference: *CEO Update* presentation

Board of Directors Meeting

CEO Update

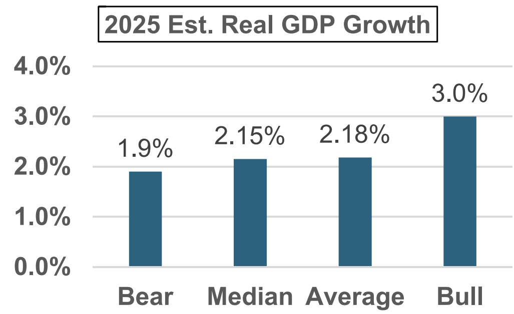
Richard Hall, CEO and Chief Investment Officer

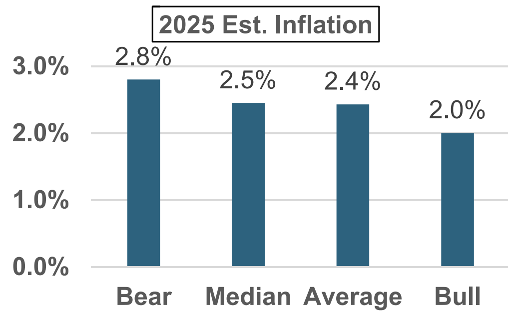
June 19, 2025

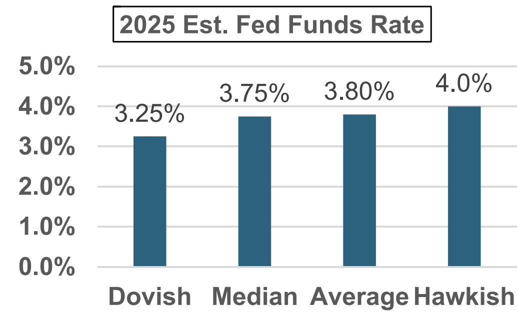
Market Update

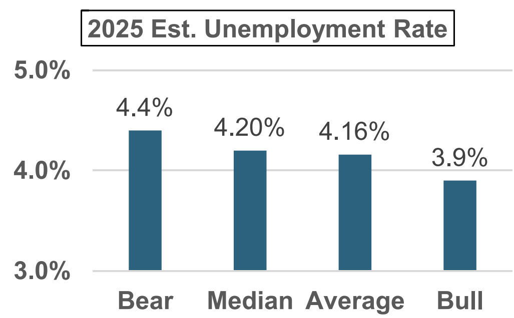
Where We Started

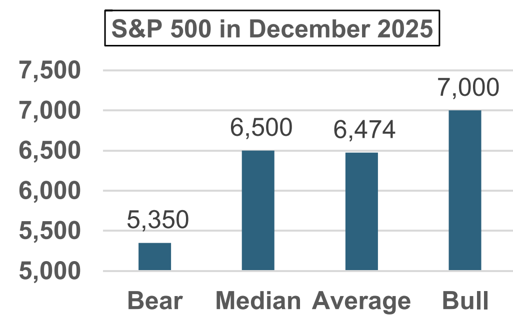
Economic and market outlook for 2025 published in December 2024











3

Things Have Changed

Volatile equity market, significant drawdown around "Liberation Day"

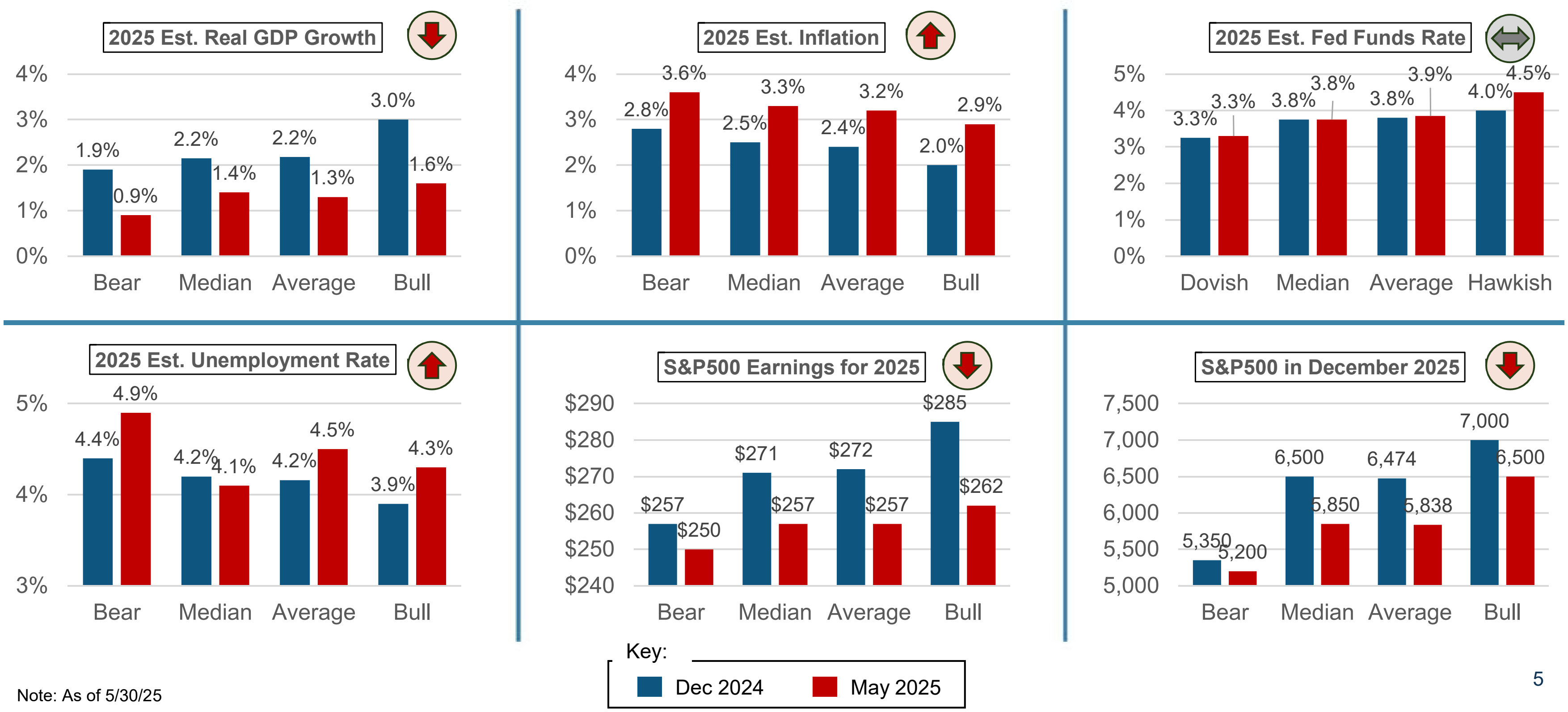
	"Liberation Day" Impact (4/1-4/8)
Mag 7	**-13%**
S&P500	**-12%**
S&P500 ex Mag 7	**-11%**
Russell 2000	**-12%**

4

Source: Bloomberg (as of 6/5/25)

Things Have Changed

Economic and market outlook for 2025 published in December 2024



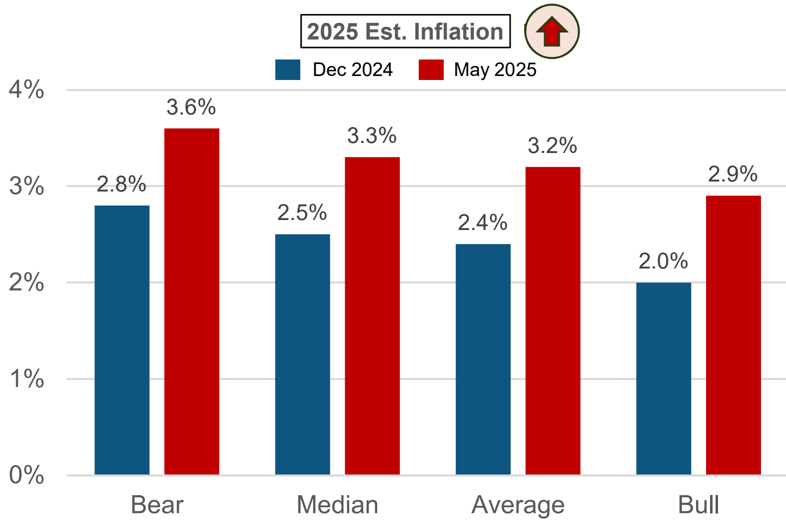
Note: As of 5/30/25

5

Things Have Changed: Inflation

Tariffs expected to drive inflation

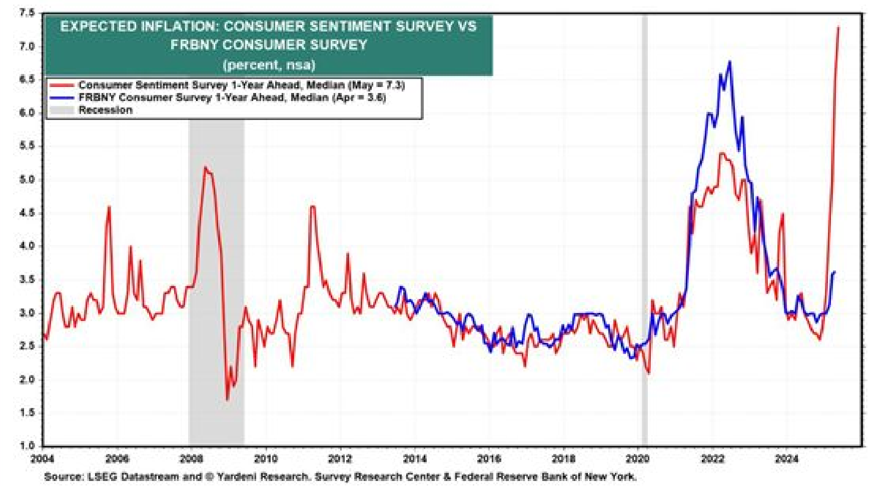
Research Partners increased inflation expectations for ‘25



- Agreement that tariffs will increase inflation by approx. +1%
- Degree of inflation increase depends on final tariff rates, amount absorbed by margins, FX, speed of implementation

Source: Yardeni (consumer sentiment survey)

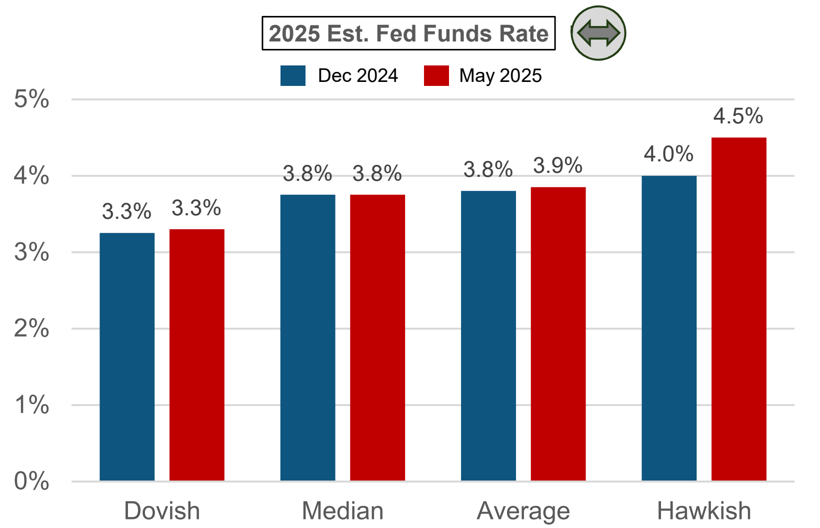
Consumers are also expecting inflation



Things Have Changed: Fed Funds Rate

Minor shifts in expected Fed Funds Rate reflect conundrum that Fed is facing

Limited change in expected Fed Funds Rate for ‘25



- **Hawkish**: BofA and MS see no rate cuts in 2025 as the Fed’s mandate is conflicted by weaker growth and higher inflation

Market is expecting ~2 cuts this year

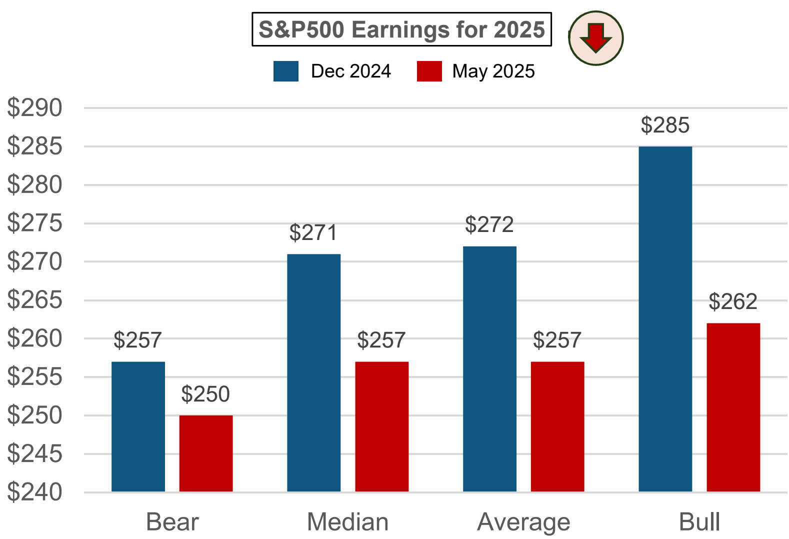
Note: Market Expectations as of 6/4/25 (source: Bloomberg)

7

Things Have Changed: Earnings

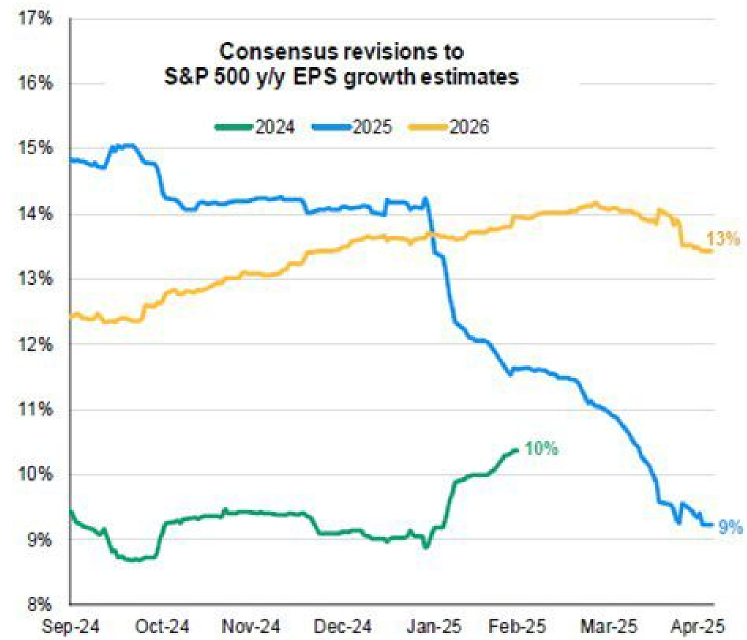
Tariffs expected to impact U.S. Corporate Earnings

Downward revisions on expected EPS



- EPS expectations revised down due to tariffs negatively impacting GDP growth, profit margins, and potential foreign retaliation

Declining expected earnings growth for 2025, flat for 2026



Source: FactSet, JPMAM

Recession Probability

"Recession happens when people wait and see"

This is a Wait-and-See Economy

APOLLO

Americans are stressing more over rising costs and increasingly have a **"wait and see" stance about spending**

USA TODAY

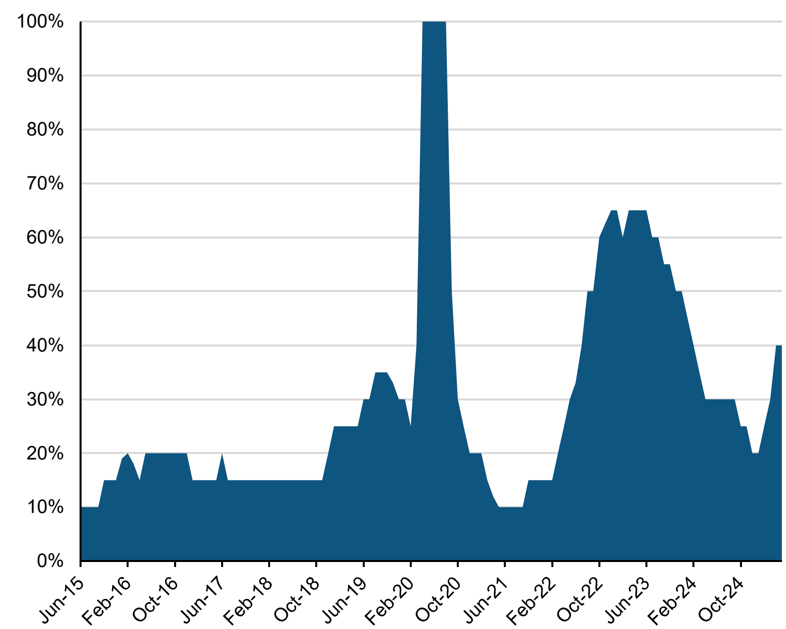
CapEx plans have fallen to the lows last seen during the COVID shock

The Daily Shot

US capex and hiring plans are plunging

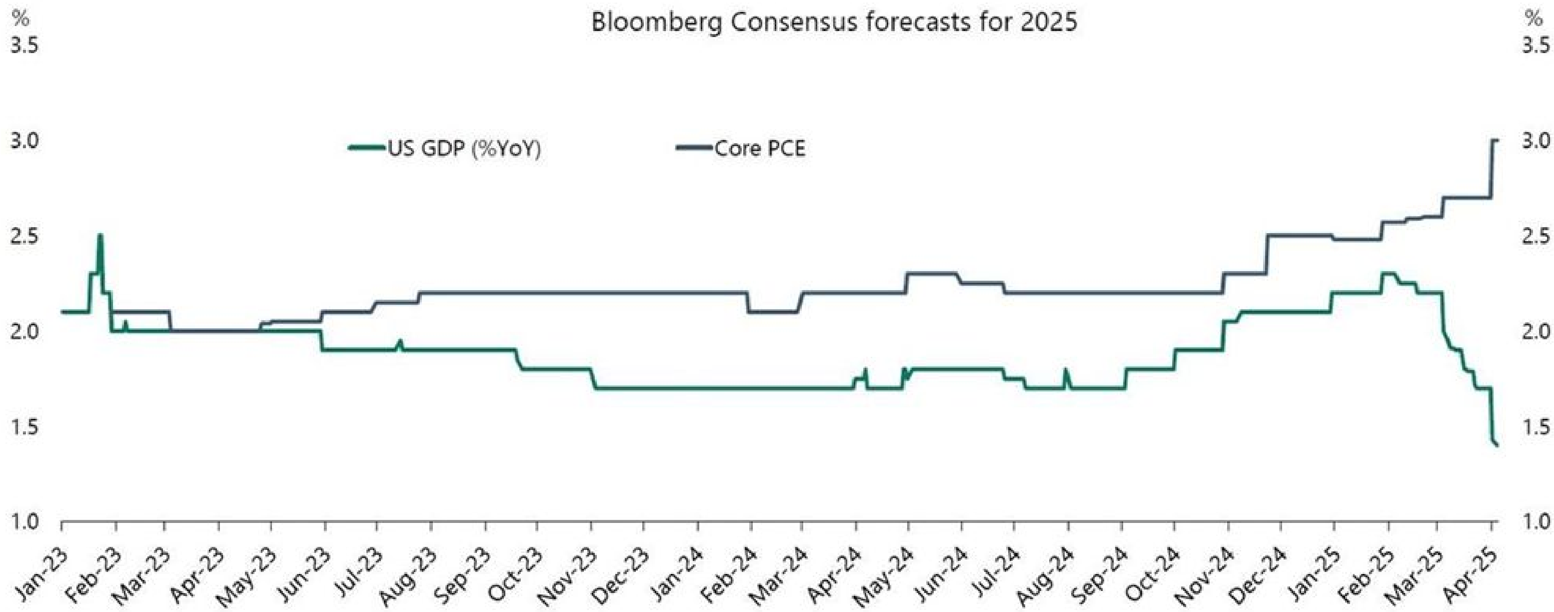
BCA Research

Bloomberg Consensus Recession Probability



Stagflation Probability

Expectations for GDP growth to decline and inflation to increase

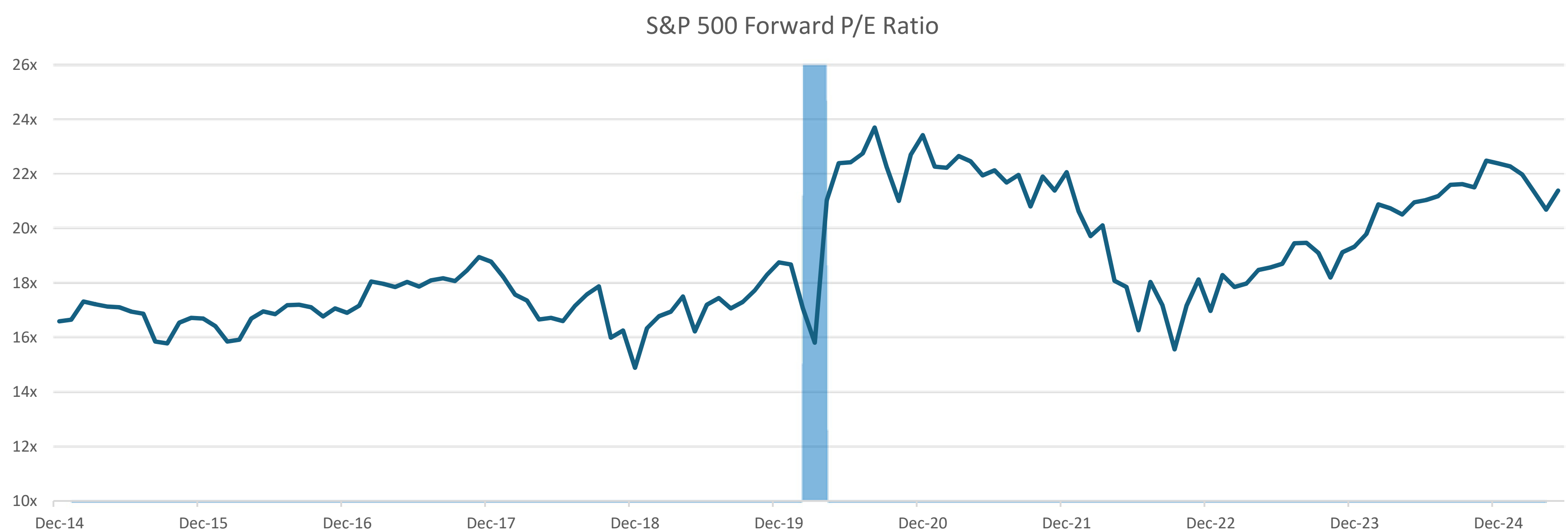


Source: Apollo

10

Equities Repriced

Valuation levels have lowered since Dec 2024

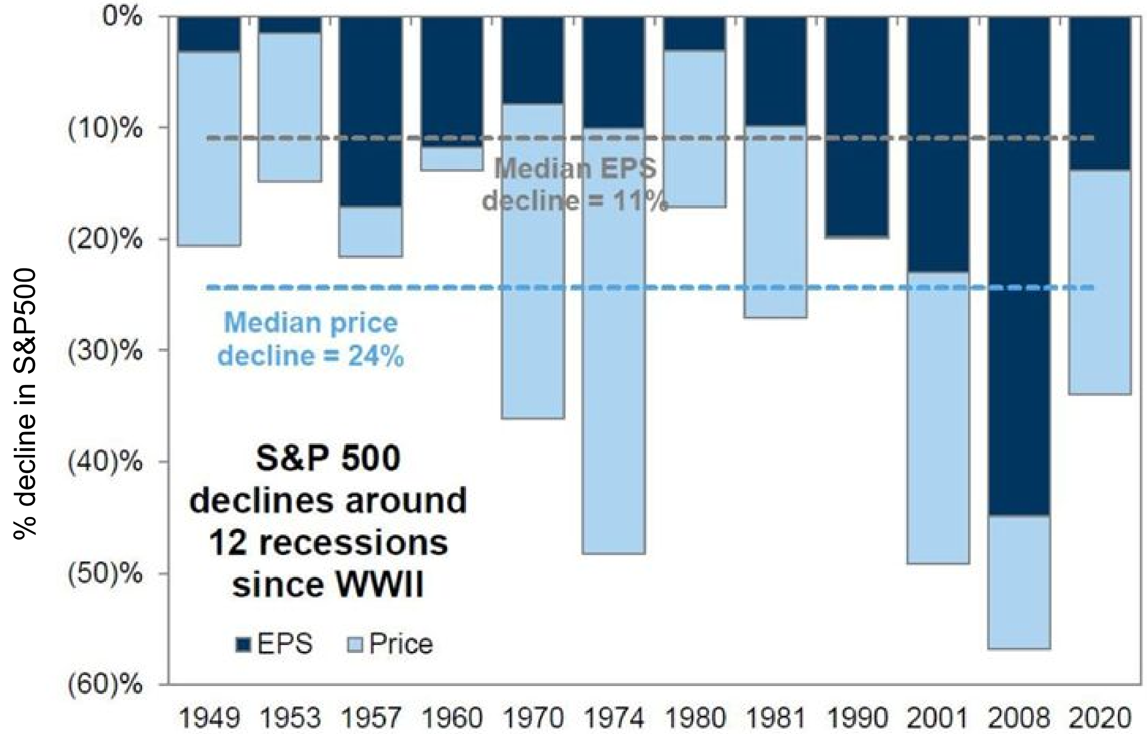


Source: Ned Davis Research

11

Where Could Things Go From Here

Past recessions saw median EPS fall 11% and market fall 24%



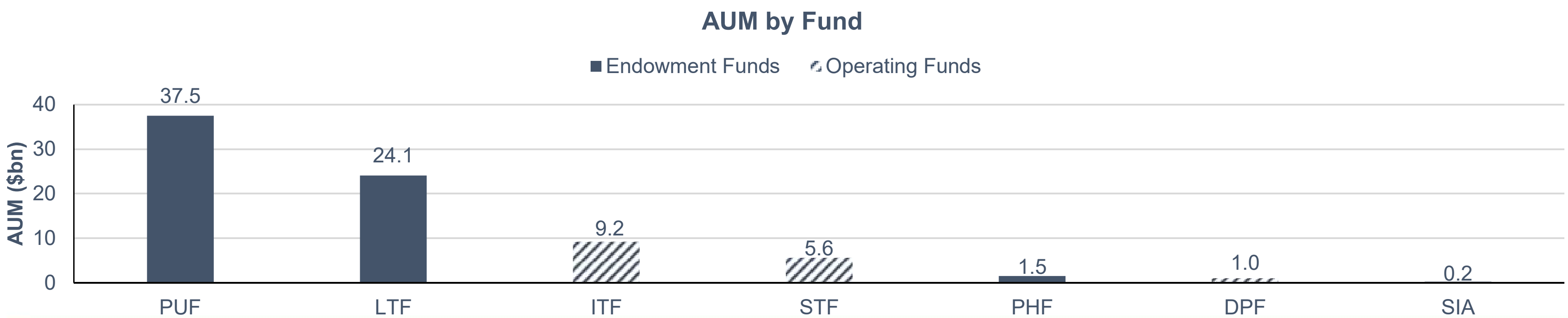
Source: Goldman Sachs

12

UTIMCO Performance

Assets Under Management (AUM)

Total Assets through March 31, 2025



1-Year Change in AUM	$ Billion
Beginning Net Asset Value	**74.6**
Contributions	3.5
Net Investment Income	4.1
Distributions	-3.1
Ending Net Asset Value	**79.1**

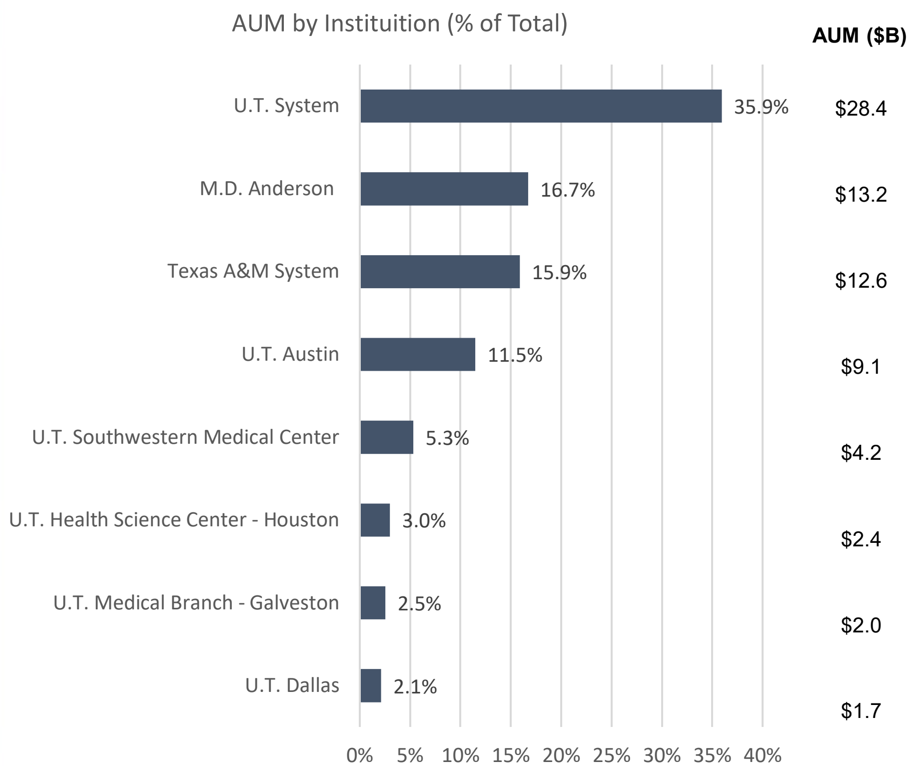
3-Year Change in AUM	$ Billion
Beginning Net Asset Value	**67.8**
Contributions	12.3
Net Investment Income	7.2
Distributions	-8.2
Ending Net Asset Value	**79.1**

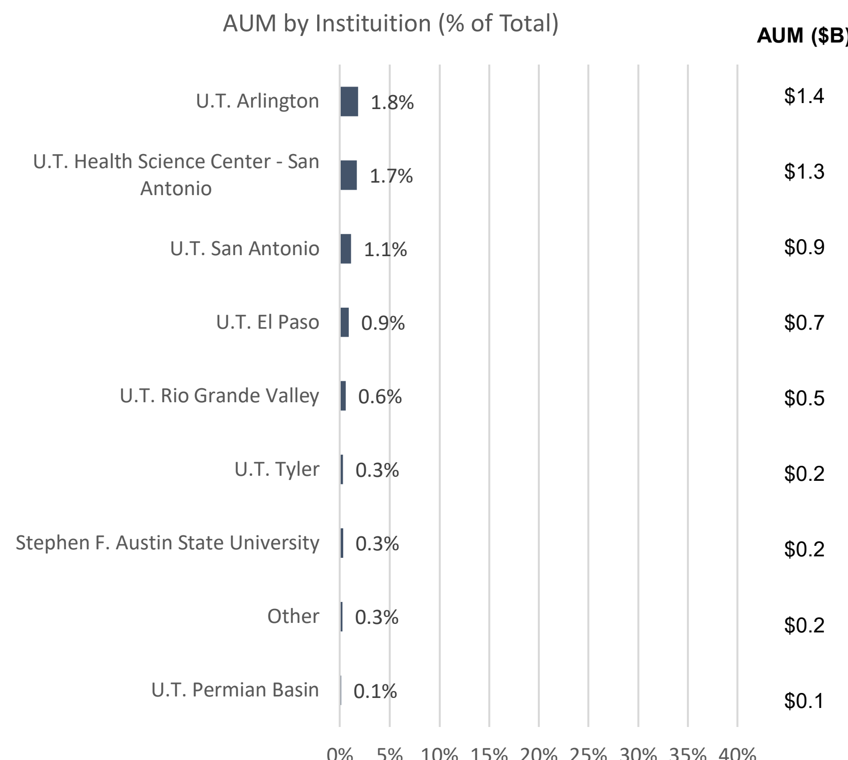
5-Year Change in AUM	$ Billion
Beginning Net Asset Value	**46.1**
Contributions	18.9
Net Investment Income	26.3
Distributions	-12.2
Ending Net Asset Value	**79.1**

AUM Breakdown

As of March 31, 2025

AUM by Institution (% of Total)

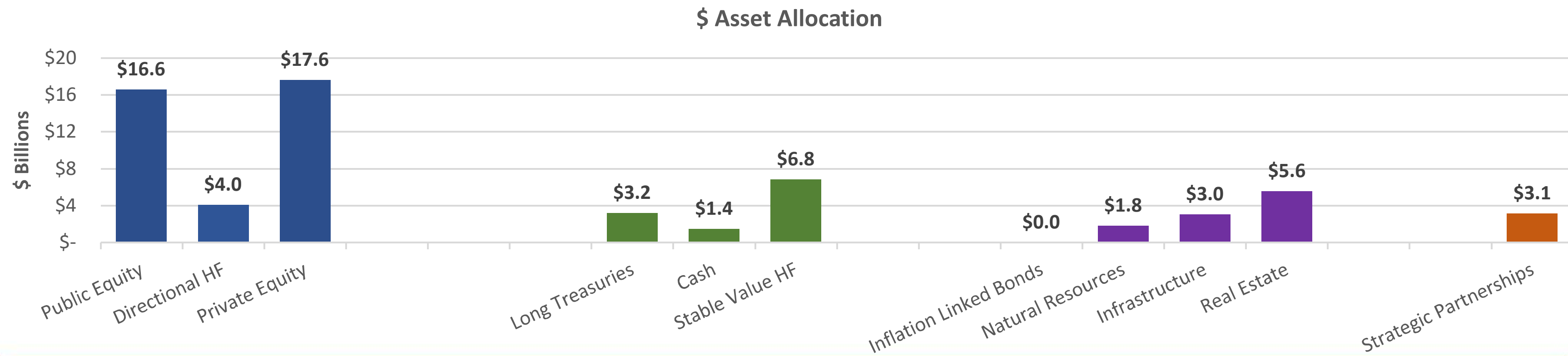


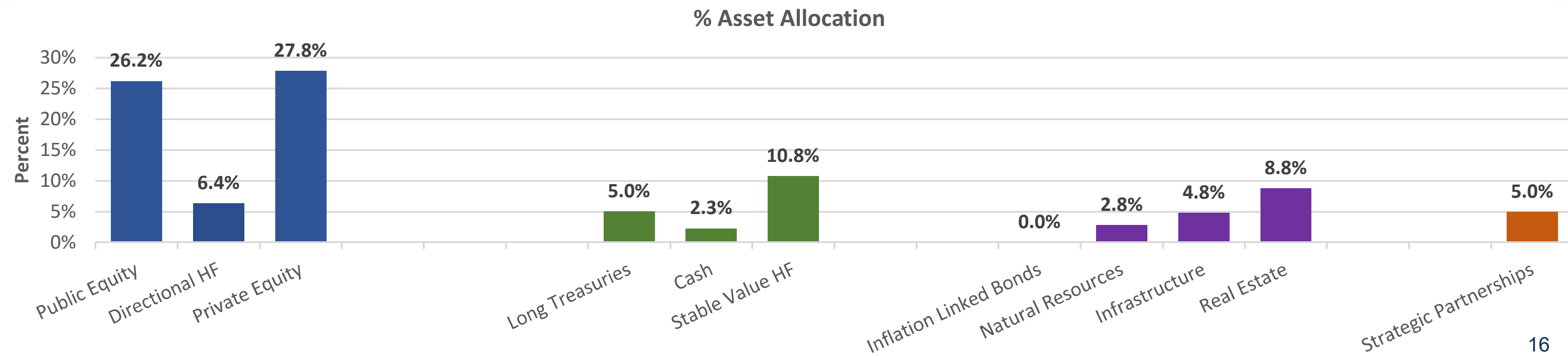


15

Endowment Positioning

Asset allocation as of March 31, 2025

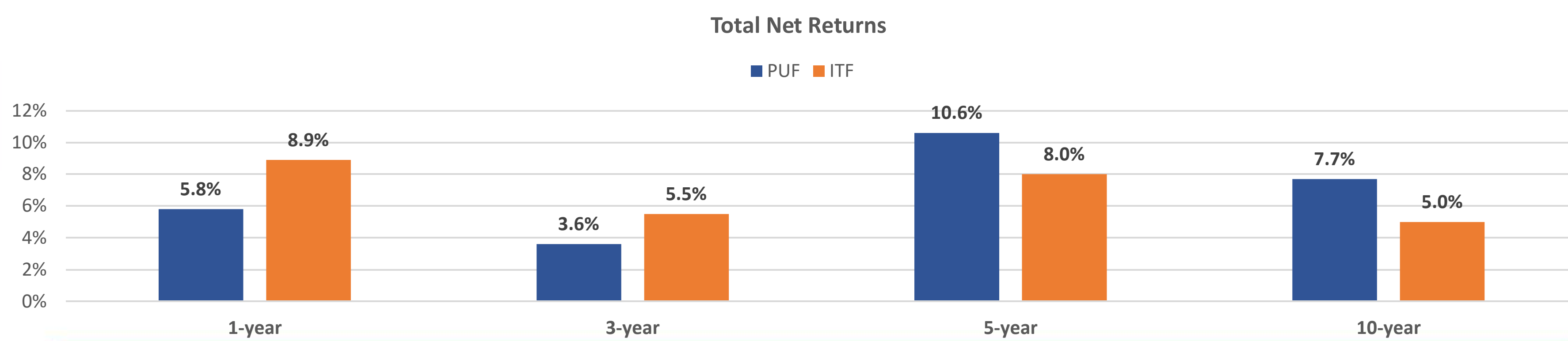


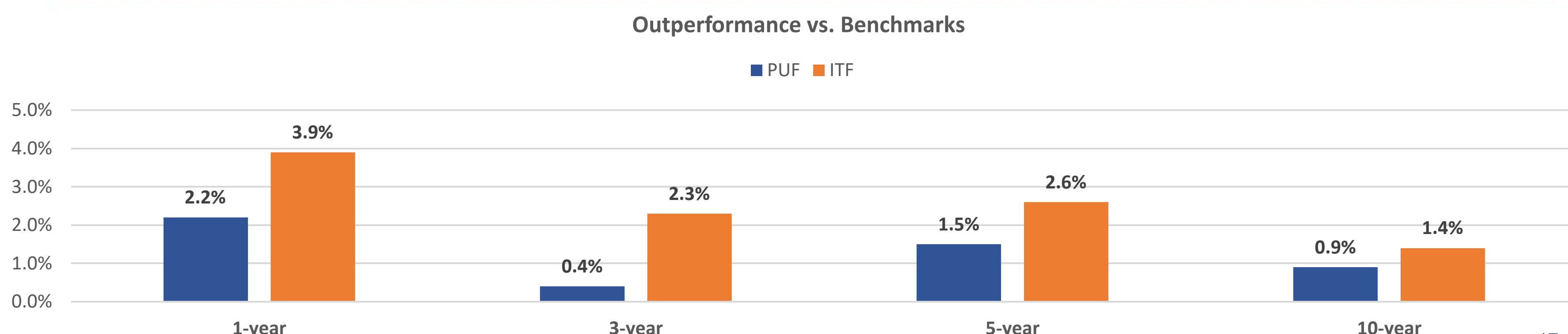


16

Portfolio Performance

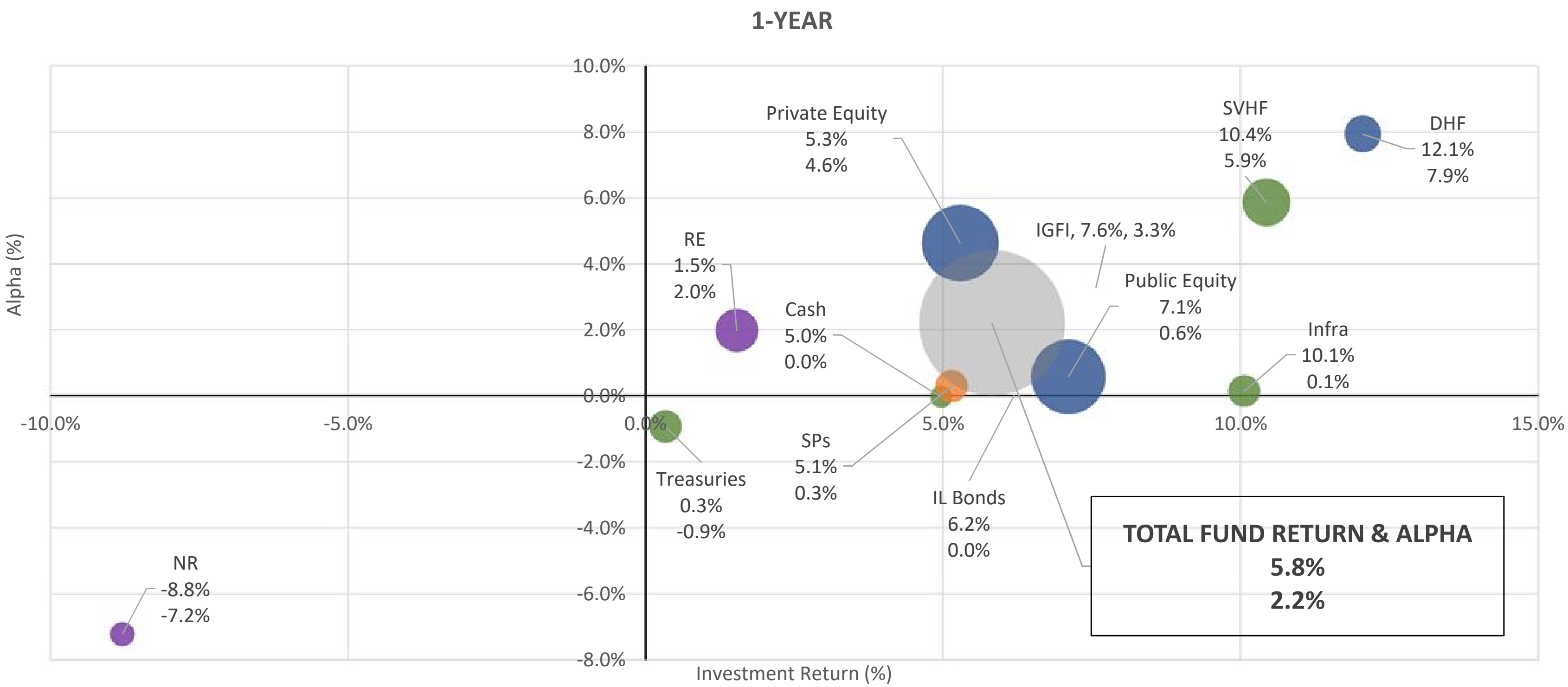
UTIMCO Returns and Alpha as of March 31, 2025





Endowment Performance

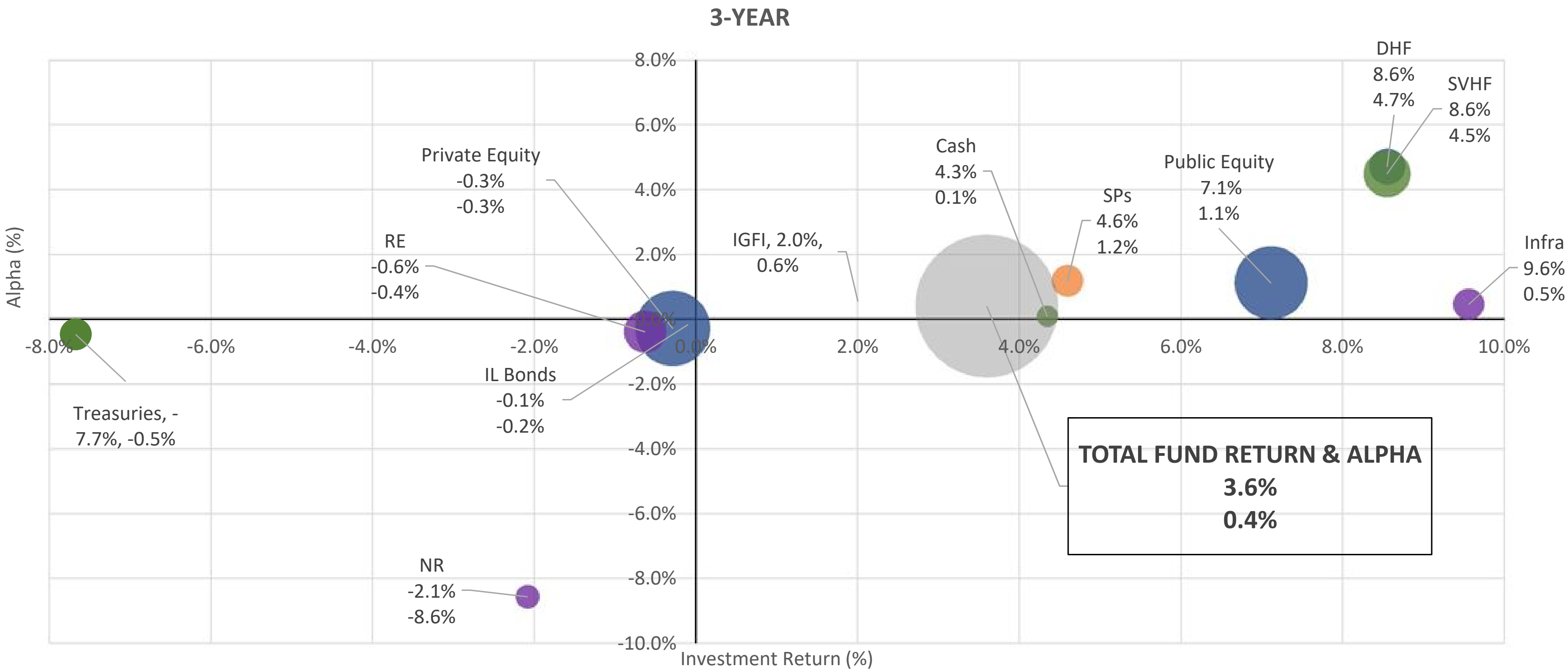
Detailed 1 Year Performance as of March 31, 2025



18

Endowment Performance

Detailed 3 Year Performance as of March 31, 2025

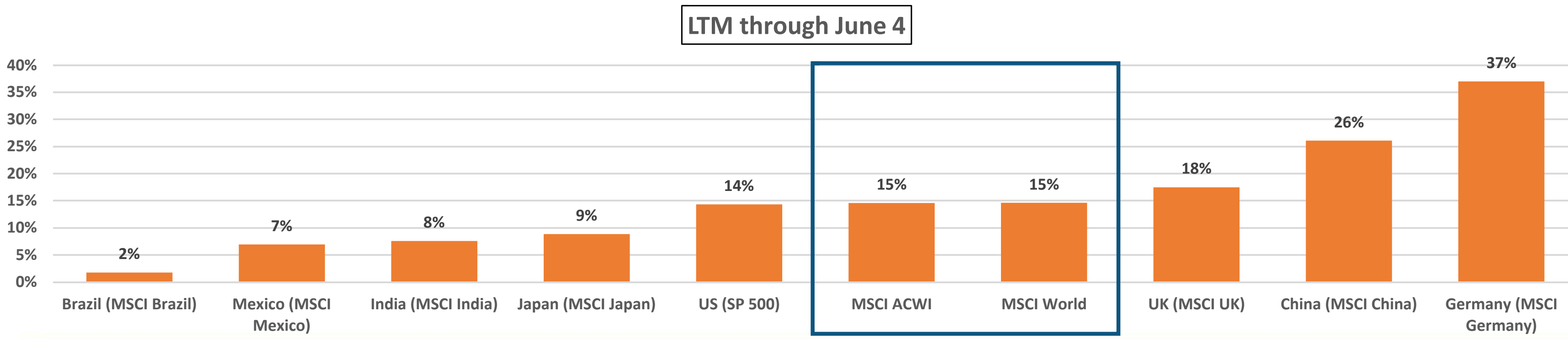


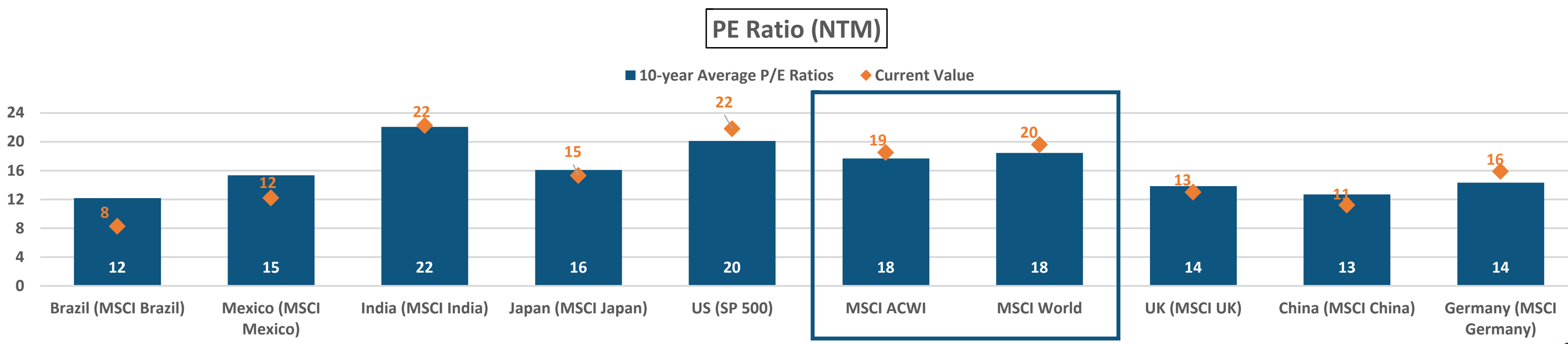
19

Appendix

Market Overview

Country Performance and Valuation

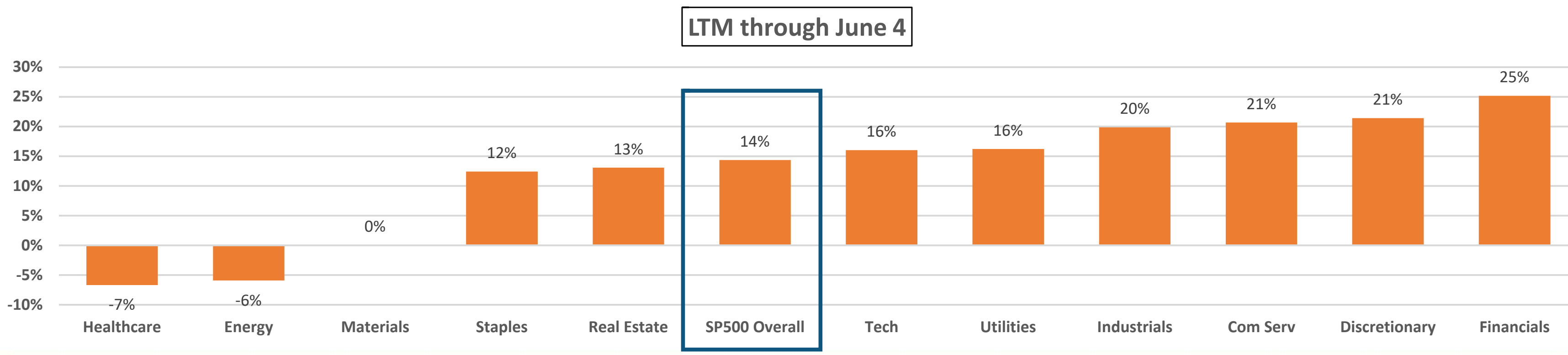


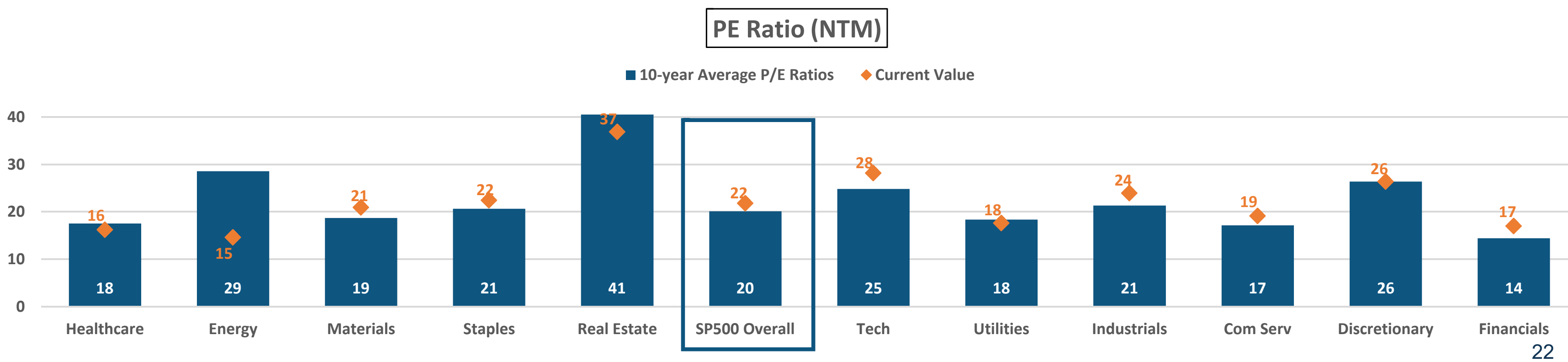


Source: Bloomberg (as of 6/5/25)

Market Overview

Sector Performance and Valuation

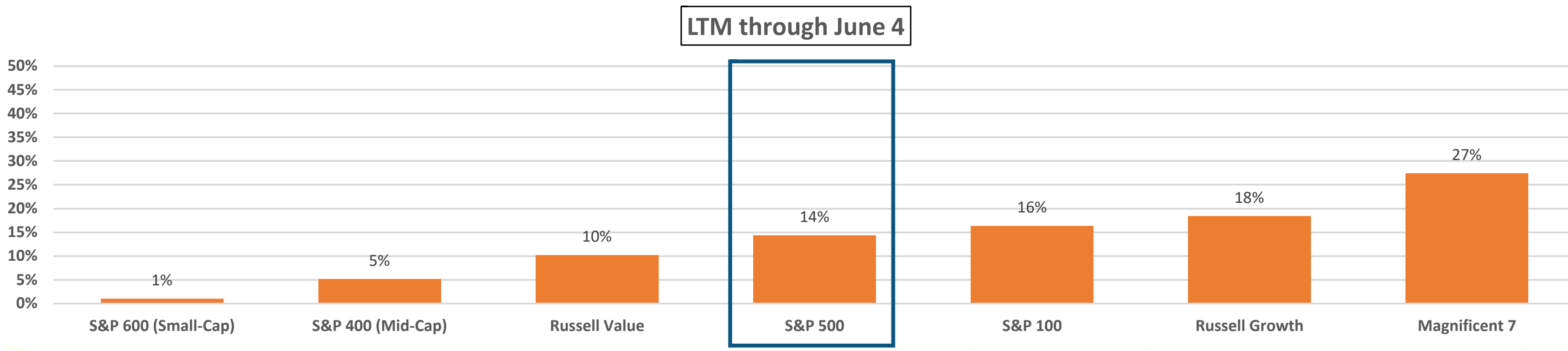


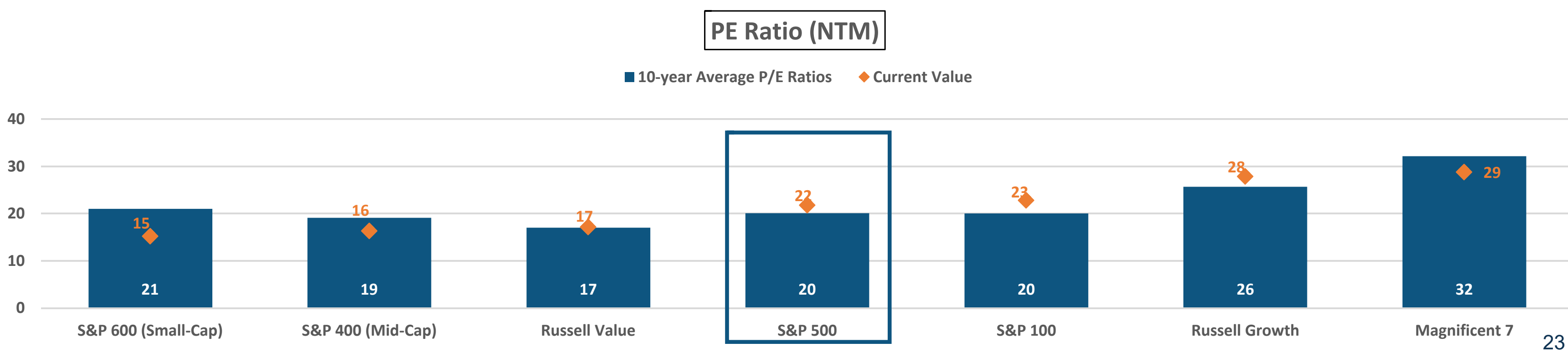


Source: Bloomberg (as of 6/5/25)

Market Recap

Style and size

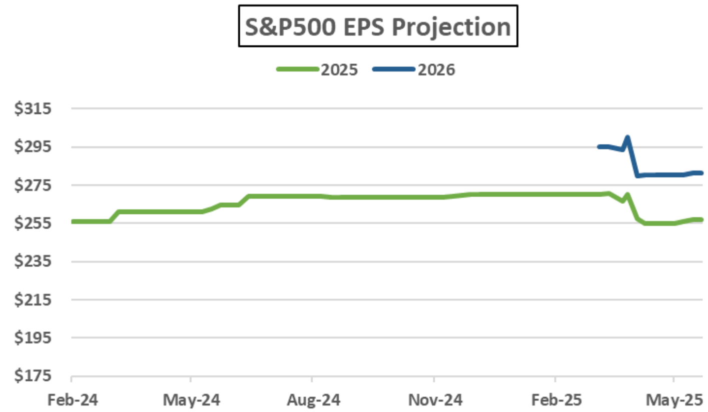


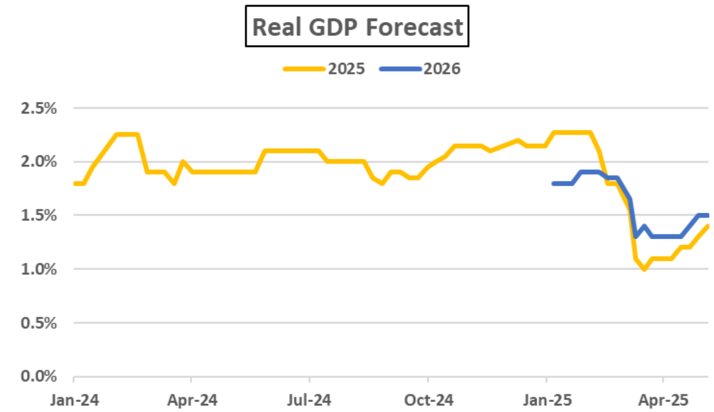


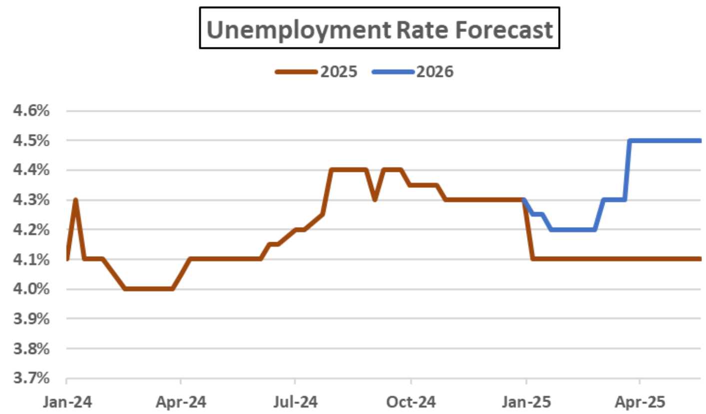
Source: Bloomberg (as of 6/5/25)

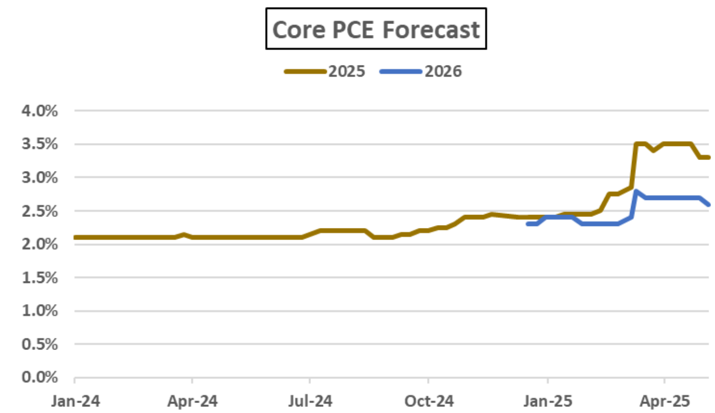
Market dashboard

Market projections





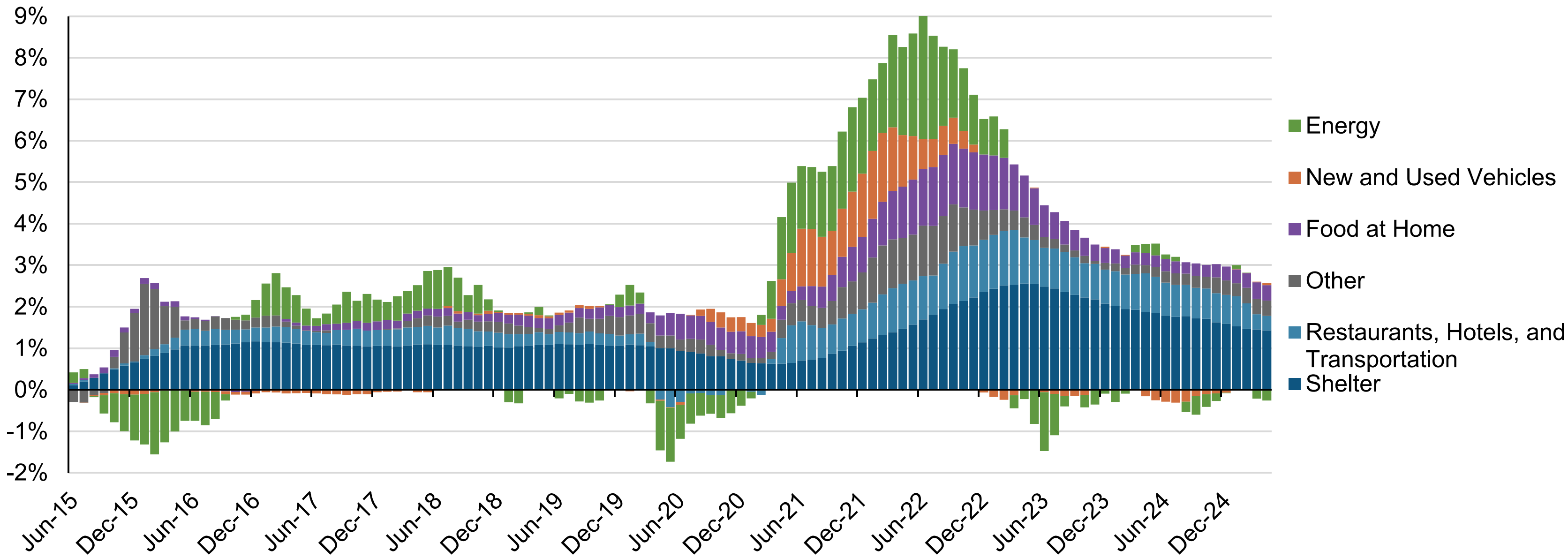




24

YoY% Inflation Contribution Over Time

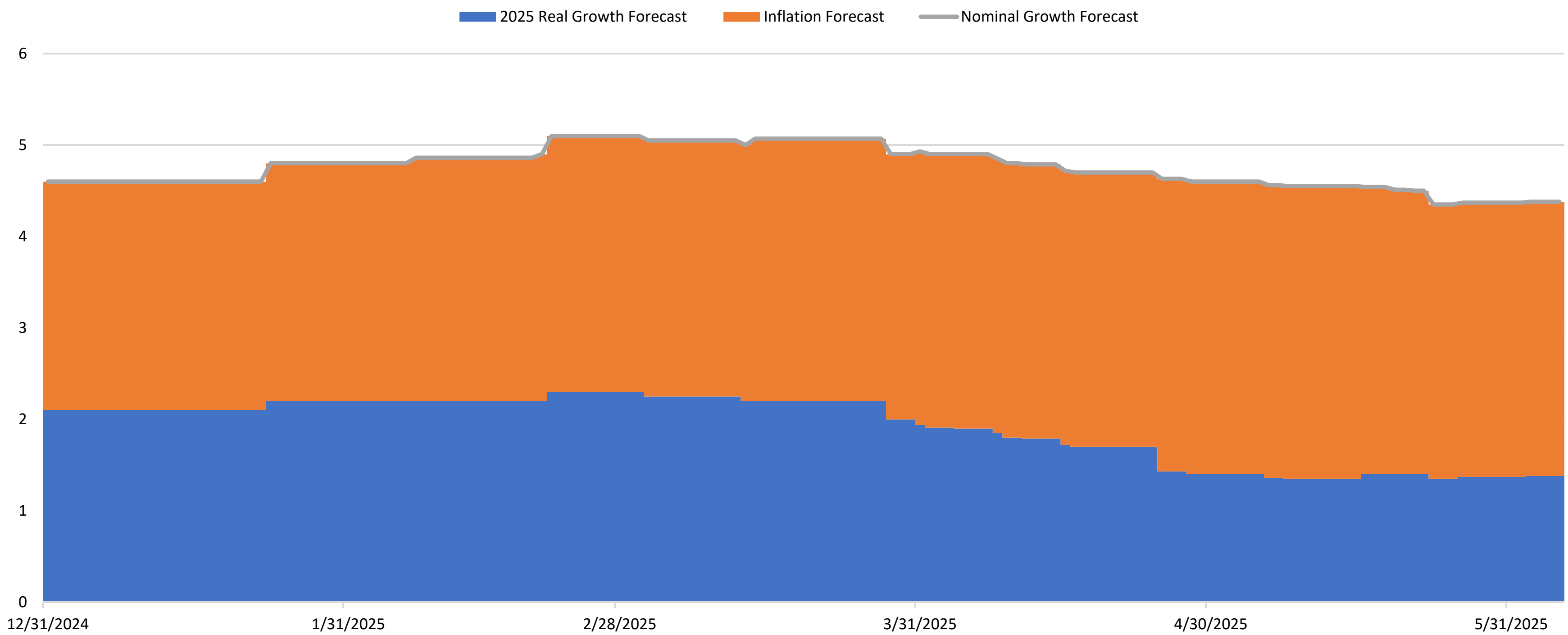
- YoY% inflation has stabilized between 2% and 3%
- L3M CPI/PCE annualized at 1.6% and 3.1%* respectively
- L6M CPI/PCE annualized at 3.0% and 2.9%* respectively



*CPI as of April 30, 2025; PCE as of March 31, 2025

Growth Expectations

2025 Forecast is at 4.4% nominal growth, with 1.4% real growth and 3% inflation



Source: Bloomberg (as of 6/5/25)

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item:	Real Return Presentation
Developed By:	Real Return Team
Presented By:	Lewis, Joshi
Type of Item:	Information Item
Description:	Mr. Lewis and Mr. Joshi will lead the presentation on Real Return investments.
Recommendation:	None
Reference:	*Real Return* presentation

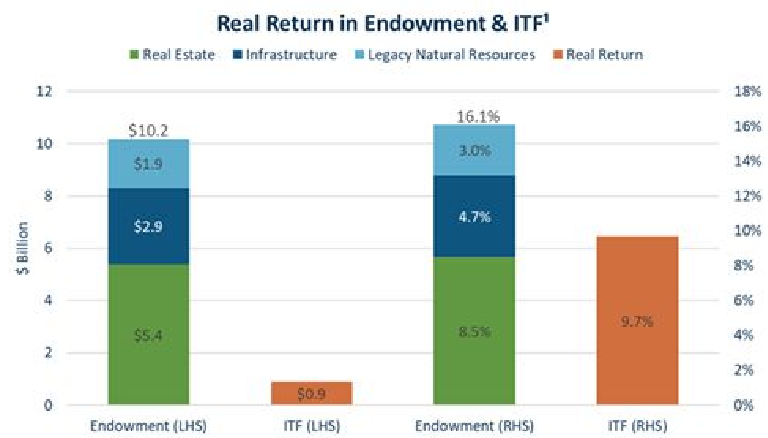
Board of Directors Meeting

Real Return

Edward Lewis, Senior Managing Director
Mukund Joshi, Managing Director

June 19, 2025

Executive Summary



- Real Estate Market Commentary
  - Optimism amongst real estate managers that valuations have bottomed after a multi-year decline
  - Transaction volumes remain depressed, but have stabilized over the past year
  - Net absorption in office has turned positive for the first time since 2019
  - Leasing activity in industrial remains slow given potential tariff impacts

- Infrastructure Market Commentary
  - Midstream demand projected to be strong driven by LNG exports, AI boom, and cross border exports
  - Annualized power growth between 2% and 3% expected for the next decade
  - Data centers continue to attract significant capital given underlying demand drivers
  - Limited partner capital flows into infrastructure remain strong relative to other private markets

(1) Real Return in Endowment & ITF as of 12/31/24
(2) Private Real Return performance includes only Private Real Estate and Private Infrastructure and excludes the Legacy Natural Resources Portfolio

Real Return Team

Stable, 12-person team with average 12.6 years experience and 8 years at UTIMCO

Edward Lewis
Senior Managing Director
MBA, University of Chicago
25 years experience

Mukund Joshi, CFA
Managing Director
MBA, University of Texas, Austin
23 years experience

Mallory Glusband, CFA
Director
BSBA, Washington University in St. Louis
17 years experience

Adam Harrison*
Associate Director
BBA, University of Texas, Austin
9 years experience

Cam Powell
Associate Director
MSc, London School of Economics
7 years experience

Walker Wade*
Senior Analyst
MSF, Texas A&M University
4 years experience

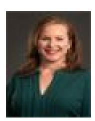
Spencer Branch
Director
MBA, University of Texas, Austin
14 years experience

Matt Saverin
Director
MBA, University of California, Berkeley
12 years experience

Steve Muenzen
Associate Director
MBA, University of Texas, Austin
10 years experience

Tyler Sevcik*
Associate
MSF, Texas A&M University
5 years experience

Andrew Matejka
Analyst
MA, Stanford University
1 year experience



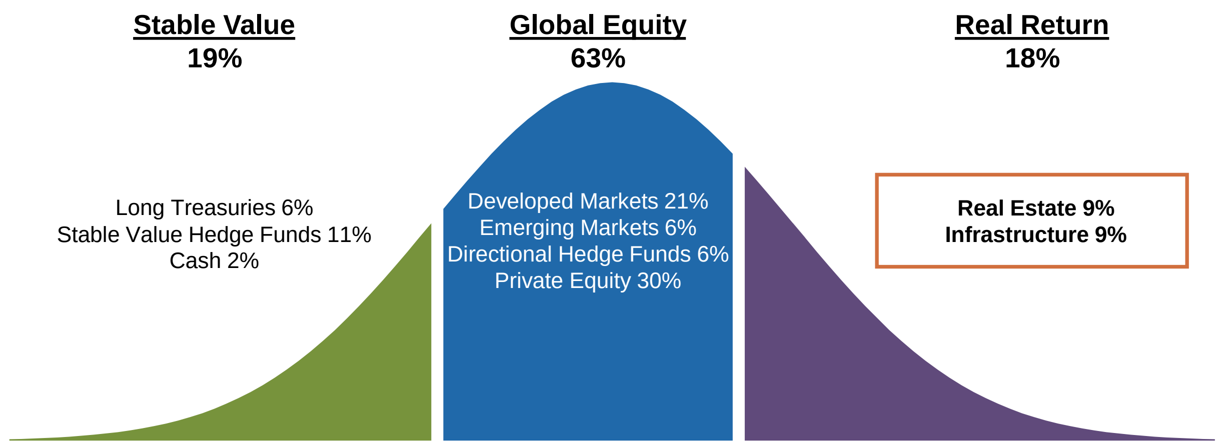
Tara Hamilton
Executive Assistant
BA, Eastern Washington University
25 years experience

*New Team Member; * Former UTIMCO Intern*

3

UTIMCO Diversification Framework

LTSAA Policy Weights



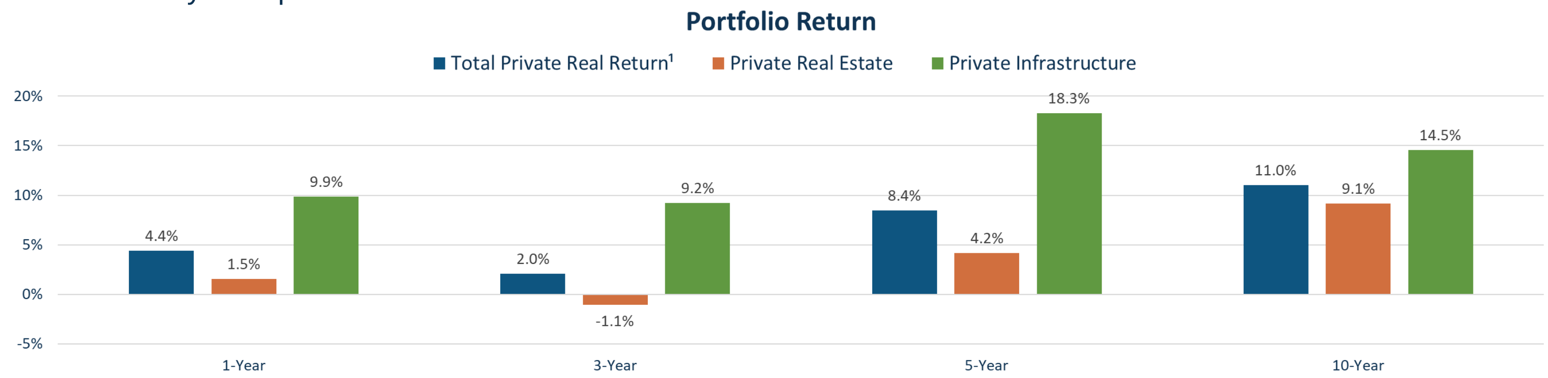
Strategic Partners

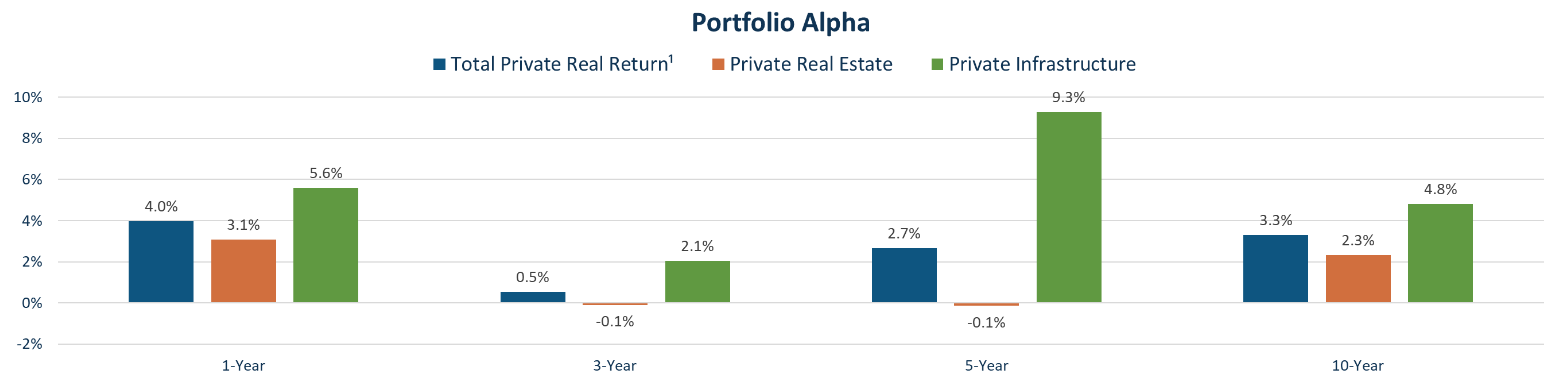
Economic Conditions

GDP surprises are negative Inflation surprisingly low with weak demand Negative earnings surprises Out of line valuations Flight to quality	Positive GDP surprises Inflation surprises not dramatic Positive earnings surprises Reasonable valuations Political stability	Real GDP growth too low Inflation surprises on the high side Real earnings too low Commodity-oriented demand exceeds supply by an above normal margin

Real Return Private Performance

Recent returns have compressed due to the downturn in the real estate markets, yet long-term the portfolio is generating returns in-line with full cycle expectations

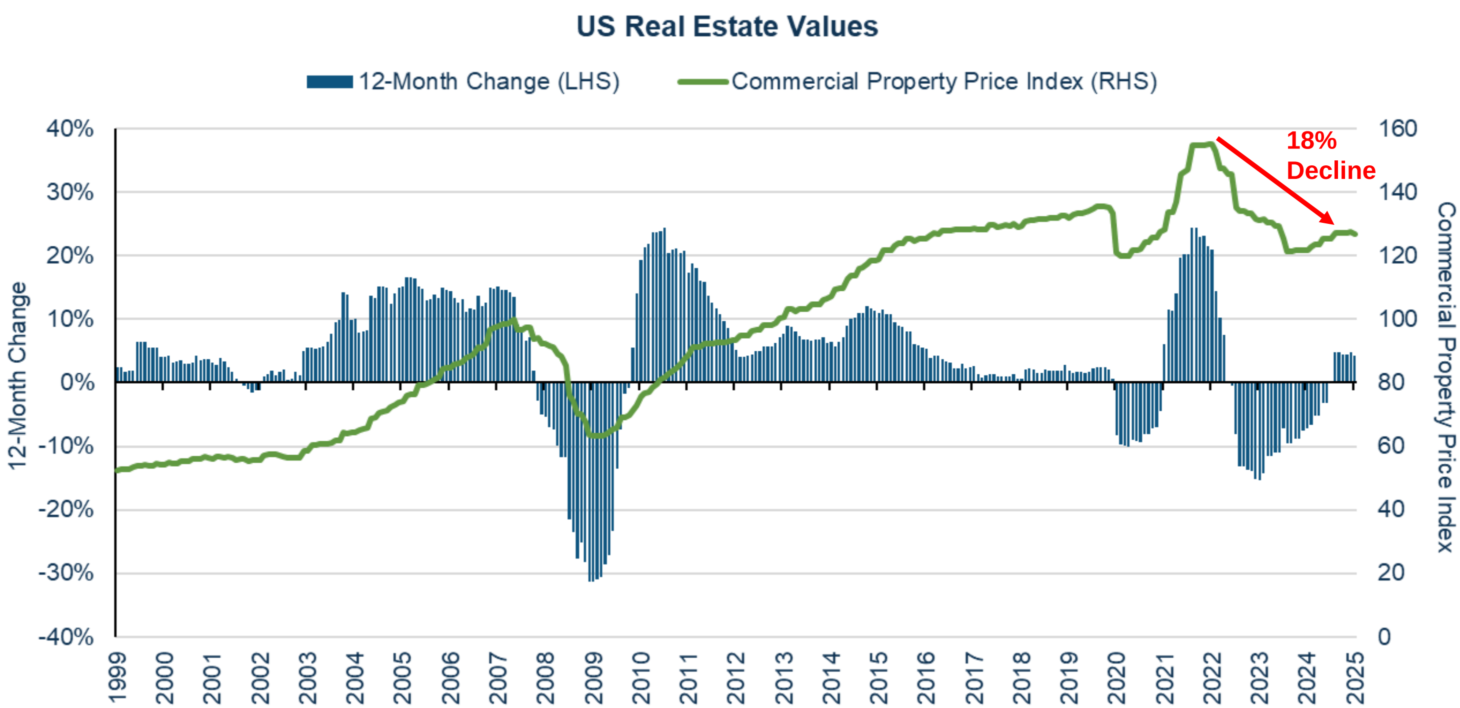




Note: Burgiss returns and Cambridge Associates benchmarks as of 12/31/24
(1) Private Real Return performance includes only Private Real Estate and Private Infrastructure and excludes the Legacy Natural Resources Portfolio

Real Estate Valuations

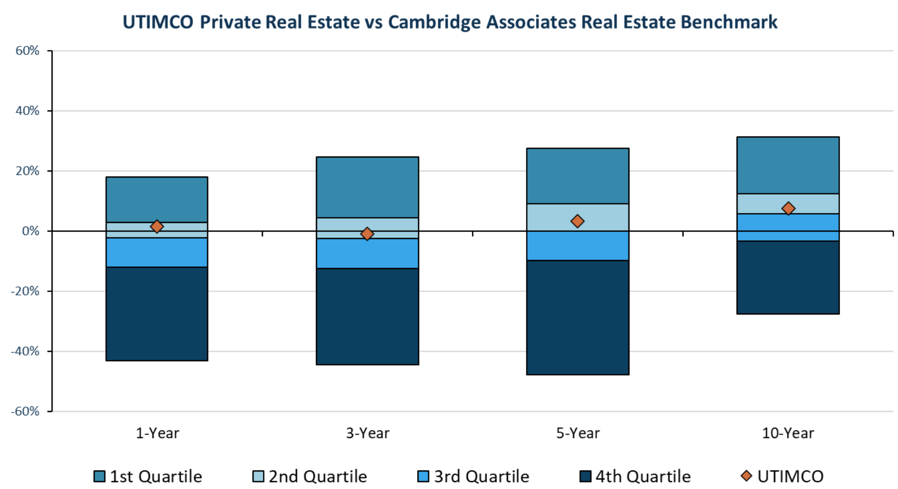
Real estate valuations declined 18% from the peak in 2022; however, 2024 represented a turning point as US valuations increased moderately 5% YoY

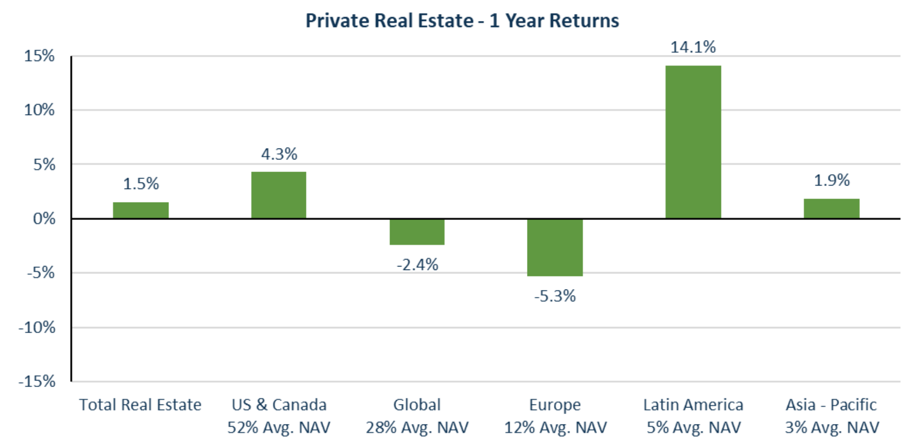


Source: Green Street

Real Estate Portfolio Performance

2nd quartile performance across all time horizons; in 2024, all regions generated positive returns except for Europe, which also impacted Global returns



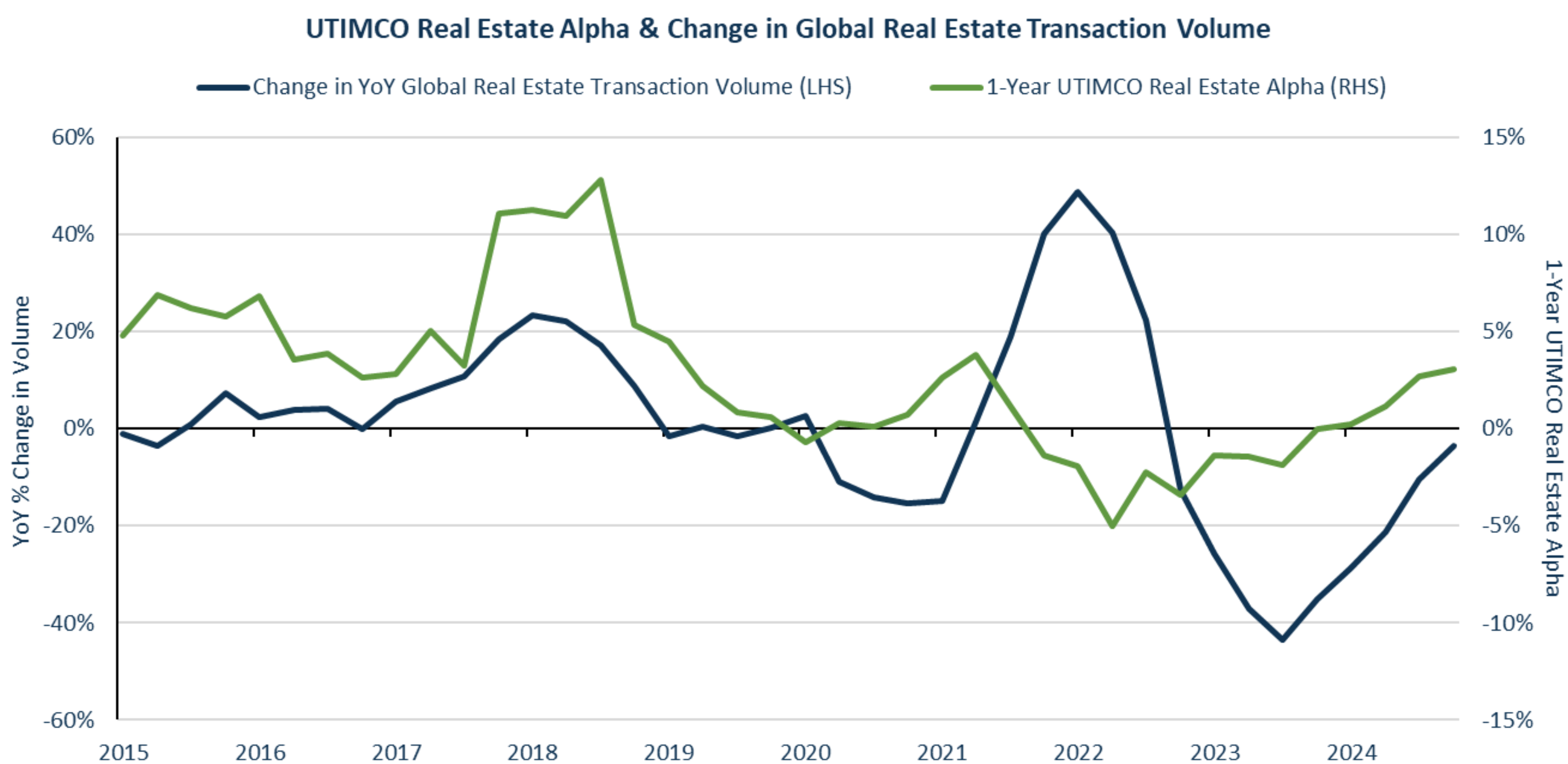


7

Note: Burgiss returns, Burgiss NAVs, and Cambridge Associates benchmark as of 12/31/24

Real Estate Alpha & Transaction Volume

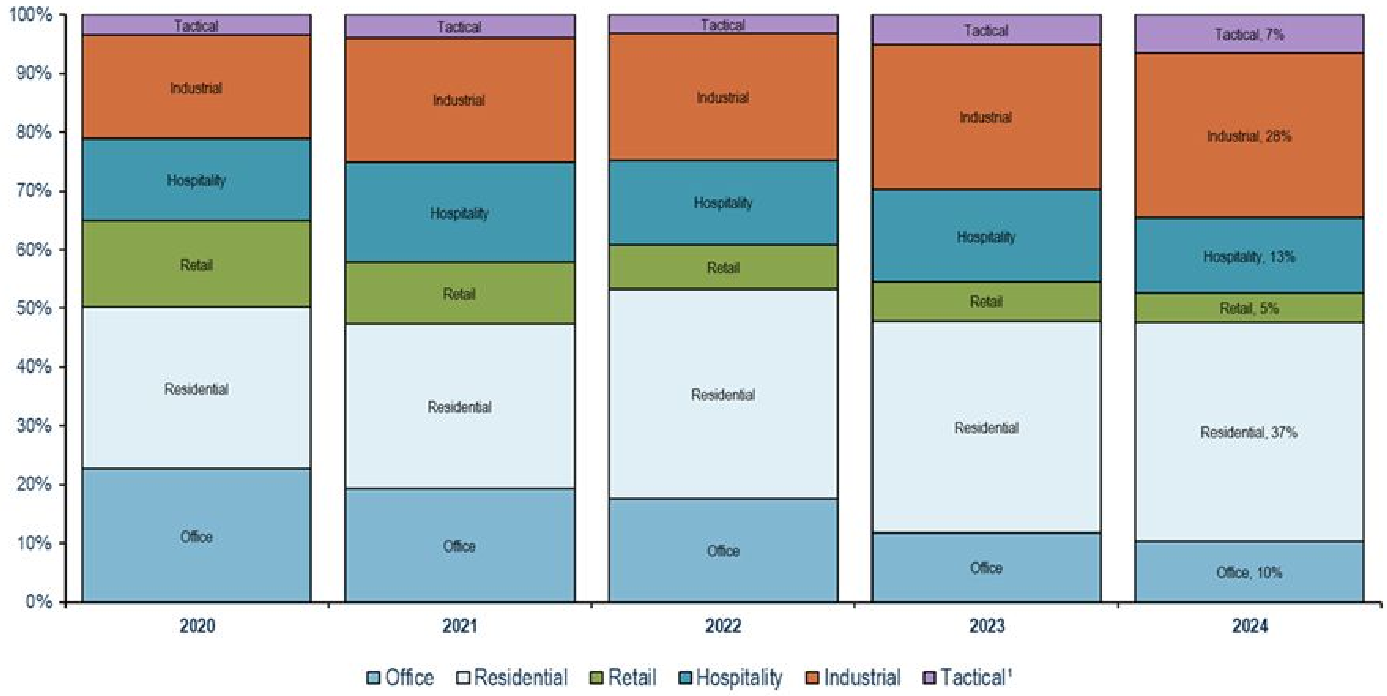
The multi-year reset in valuations has led to more buyer interest and a stabilization in transaction volume, which has historically played a key role in creating a healthy environment for alpha in real estate



Source: RCA

Real Estate Property Type Allocations

Office allocation has declined over the past five years and replaced with Industrial and Tactical investments, while Residential remains a structural overweight



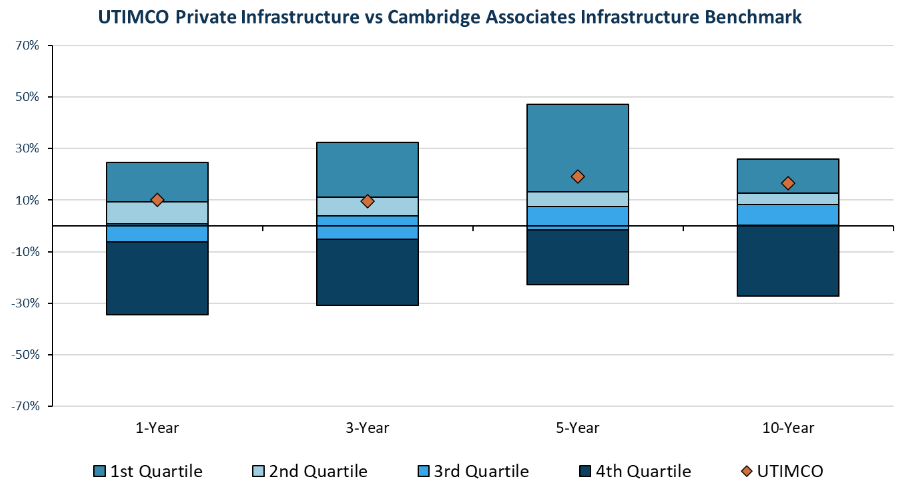
Sources: Burgiss, Manager Quarterly Reports, MSCI

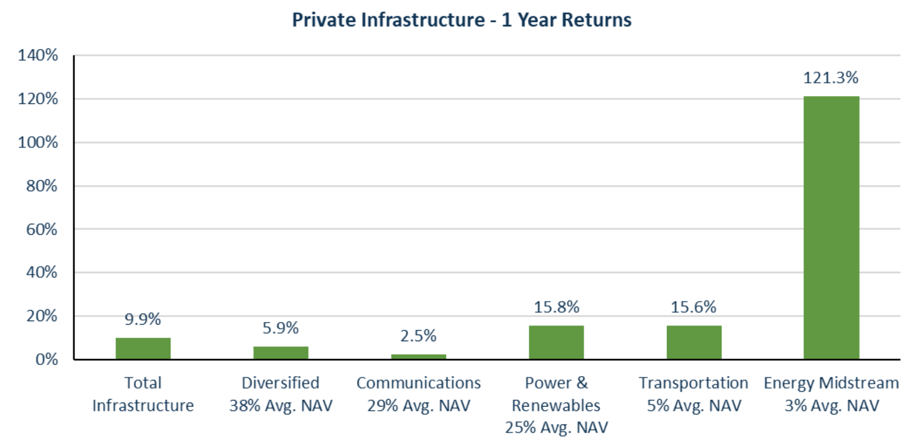
(1) Tactical – Data Centers, Cold Storage, IOS, Self-Storage, Telecom, Private Airports, Health Care Facilities & Land, Diversified Secondary Fund Interests

Note: Valuations as of September 30, 2024

Infrastructure Portfolio Performance

1st or 2nd quartile performance across all investment horizons with all sectors generating positive results over the past year



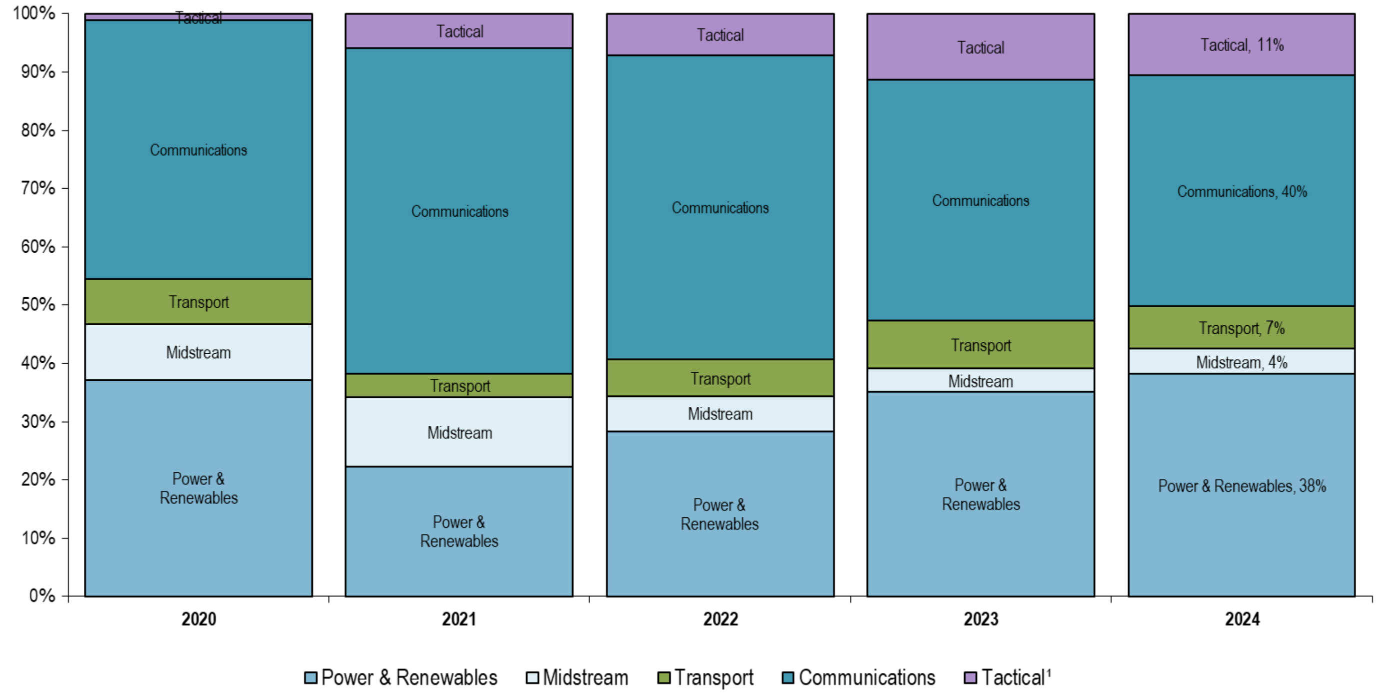


10

Note: Burgiss returns, Burgiss NAVs, and Cambridge Associates benchmark as of 12/31/24

Infrastructure Sector Allocations

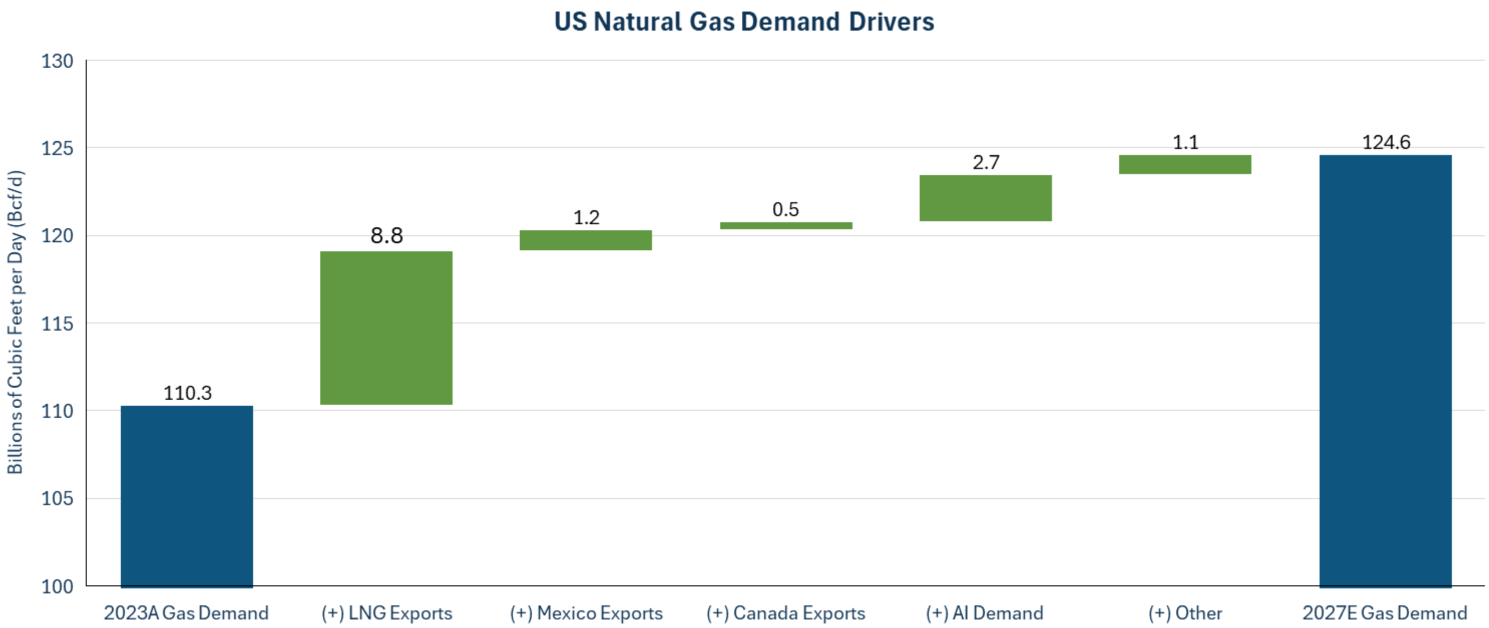
Communications and Power & Renewables overweight positions expected to normalize over time as the portfolio matures with additional investments



Sources: Burgiss, Manager Quarterly Reports, MSCI
(1) Tactical – Includes investments such as Private Airports, Health Care Facilities, Credit, Diversified Infra, Land
Note: Valuations as of September 30, 2024

Infrastructure – Midstream

Even with the AI boom, LNG exports remain the largest demand driver for US natural gas

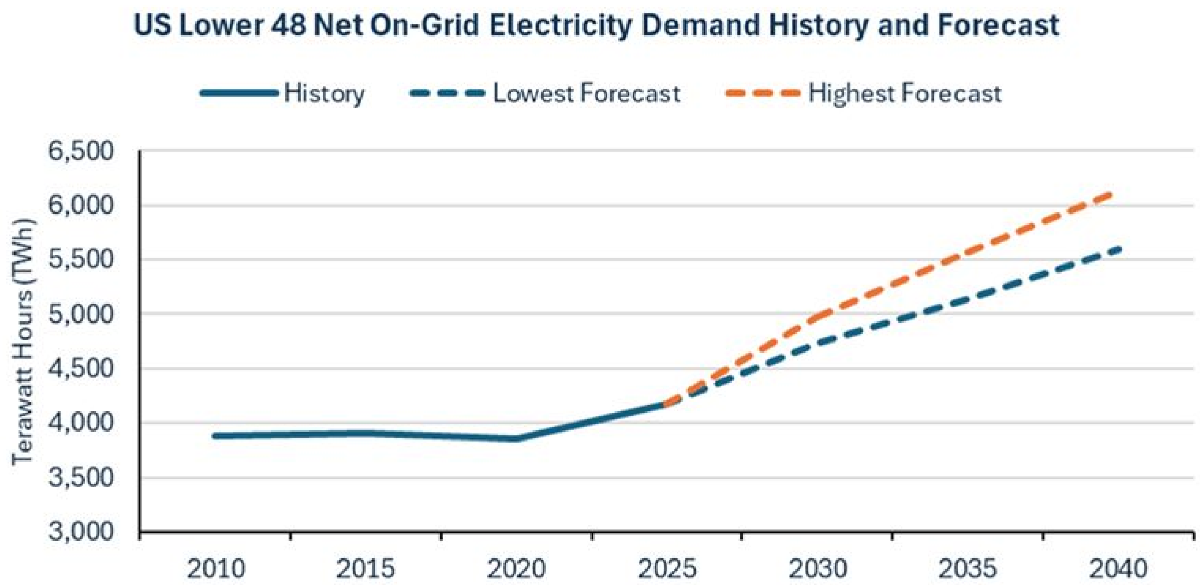


12

Source: East Daley, TPH & Co.

Infrastructure – Power

Driven largely by industrial demands, including data centers, US electricity demand is projected to grow 1.9 - 2.7% annually from 2024 until 2034 after being flat the previous decade



Source: S&P

Summary

Stable team, improved performance, and market tailwinds should benefit Real Return in 2025

- Stable team with no departures in the past 6 years
  - Addition of one new Analyst
  - Average tenure of 8 years
  - No anticipated additions in the next year

- Positive absolute and relative performance over the past year
  - Private Real Return[1]: 4.4% IRR, 4.0% alpha
  - Private Real Estate: 1.5% IRR, 3.1% alpha
  - Private Infrastructure: 9.9% IRR, 5.6% alpha

- Market Tailwinds
  - Real estate valuations appear to have found the bottom after a multi-year decline as interest rate increases have stabilized
  - Real estate transaction volumes remain low but have stabilized over the past year
  - Midstream demand appears strong for the foreseeable future driven by LNG exports, AI boom, and cross border demand
  - Power growth of 2% to 3% expected following years of flat demand

(1) Private Real Return performance includes only Private Real Estate and Private Infrastructure and excludes the Legacy Natural Resources Portfolio

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item:	Private Equity Presentation
Developed By:	Private Equity Team
Presented By:	Pace, Thomas, McCarter
Type of Item:	Information Item
Description:	Dr. Pace, Mr. Thomas and Mr. McCarter will lead the presentation on Private Equity investments.
Recommendation:	None
Reference:	*Private Equity* presentation

Board of Directors Meeting

Private Equity

Patrick Pace, Senior Managing Director

Craig Thomas, Managing Director

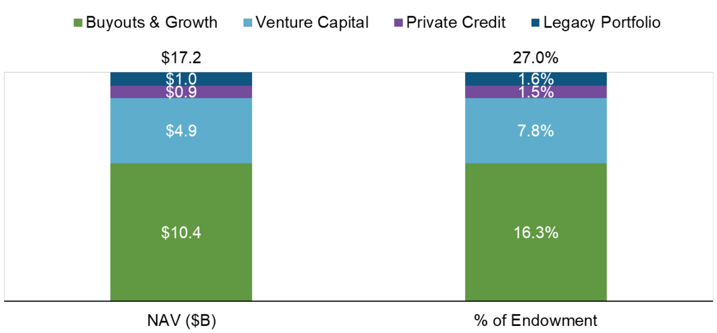
Brad McCarter, Senior Director

June 19, 2025

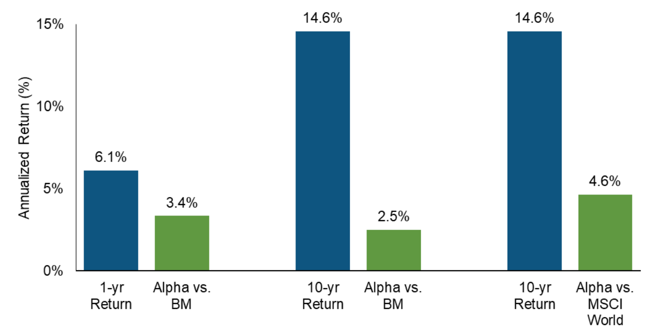
Key Highlights

As of December 31, 2024

Private Equity in the Endowment[1]



Performance Summary



Buyouts & Growth Market Commentary

- Proven, large cap managers continued to see robust fundraising activity, while overall deal activity was largely flat versus 2023
- Industry dry powder levels marginally declined in 2024 but still sit at near record highs, which supported a rebound in deal activity in the second half of the year and higher valuations for high quality assets
- Liquidity reversed its two-year decline but remains near 10-year lows after the peak exit environment in 2021

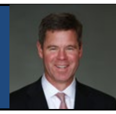
Venture Capital Market Commentary

- Many VC backed companies have struggled to meet post-Covid expectations. However, capital continues to be available for category defining companies at strong valuations
- AI provides a tailwind in venture capital as adoption grows and companies scale at a rapid pace
- In recent years venture capital investments in healthcare have underperformed; however, over longer horizons the industry has still generated attractive returns

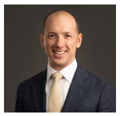
1) *Endowment NAV as of 4/30/2025*
2) *Total Private Equity Performance excludes Legacy Portfolio*

Private Equity Team

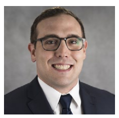
13-person investment team, with average of 12 years of experience and 4 years at UTIMCO



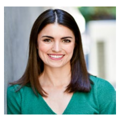
Patrick Pace, MD
Senior Managing Director
MD, University of Texas Medical School at Houston
Prior: EDG Partners, Citadel



Craig Thomas
Managing Director
MBA, Yale University
Prior: Investure

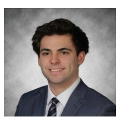


Joe Hurtekant
Director
BBA, University of Notre Dame
Prior: TRS, LGP

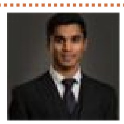


Susan Spears
Associate Director
MSA, University of Notre Dame
Prior: Atento, Argonaut

Colin Bernier
Associate Director
BS, University of South Carolina-Columbia
Prior: RSIC



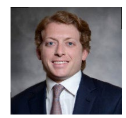
Max Miller
Analyst
BBA, University of North Carolina
Prior: StepStone Group



Sam Gujrathi
Senior Analyst
MS, Columbia University
Prior: Public Equity - UTIMCO

Brad McCarter
Senior Director
BBA, University of San Diego
Prior: Hewlett Foundation

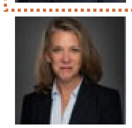
Beth Bruni
Associate Director
MBA, University of Virginia
Prior: Cambridge Associates



Lane Ware
Associate Director
BA, University of Virginia
Prior: First Reserve, Oryx Midstream

Ryan Bissmeyer
Senior Analyst
MSF, University of Texas at Austin
Prior: Duff & Phelps

Fernanda Rice
Senior Analyst
MBA, University of Texas, Permian Basin
Prior: SPTAA - UTIMCO



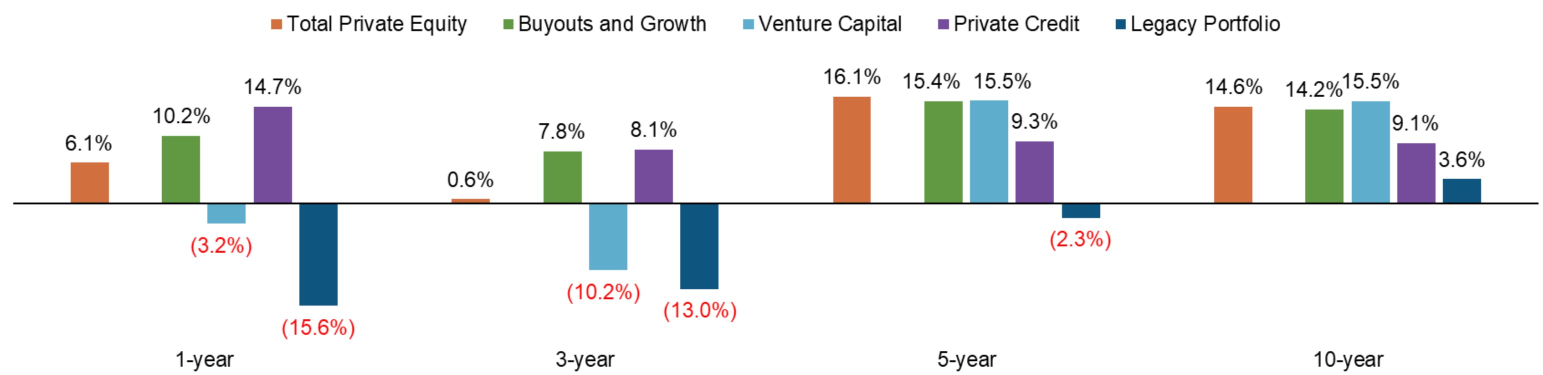
Tracy Stewart
Executive Assistant
MA, University of South Florida
Prior: Sage Advisory

New Team Member

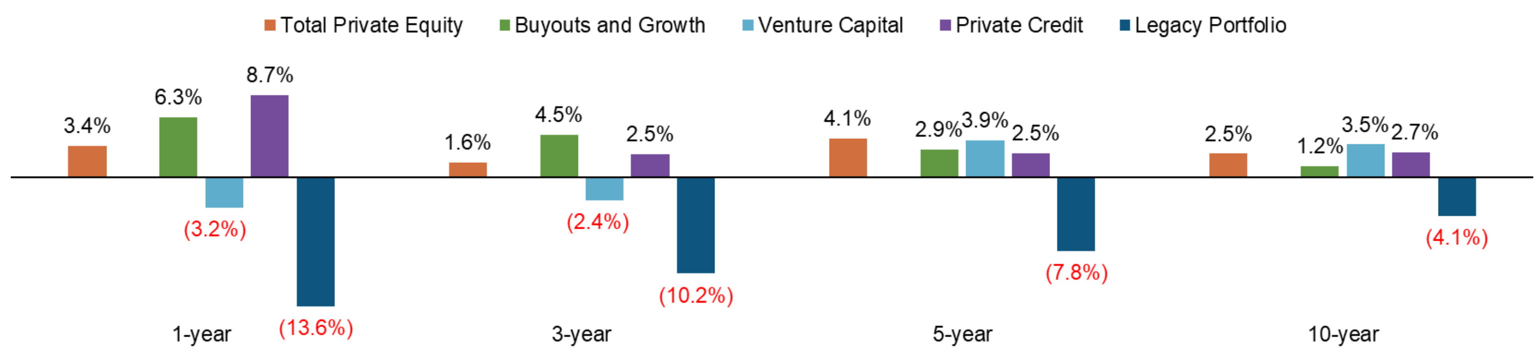
Performance and Key Highlights

Investment Results and Cambridge Associates Indices as of December 31, 2024

Total Net Returns



Alpha vs. Benchmarks[1,2]



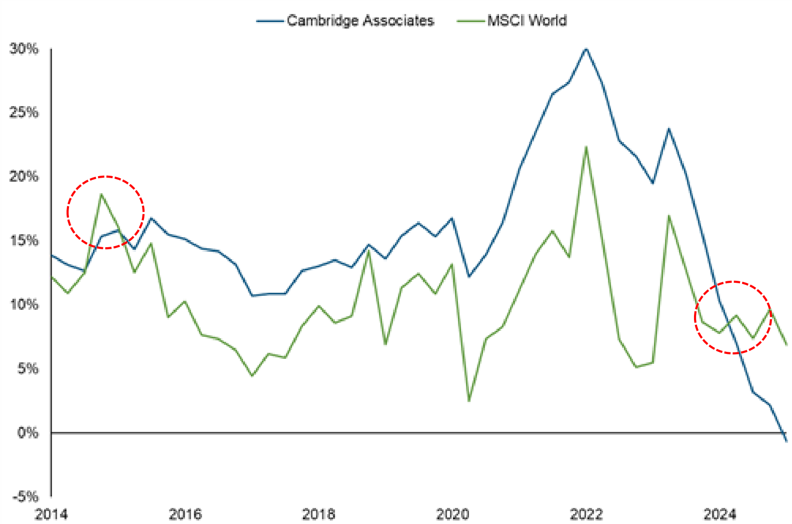
Note: Total Private Equity performance excludes Legacy Emerging Markets portfolio

1) *Sub-asset class alpha benchmarked against policy Cambridge Associates benchmarks*
2) *Total benchmark return is the weighted average return of the sub-asset class specific benchmarks using UTIMCO beginning NAV*

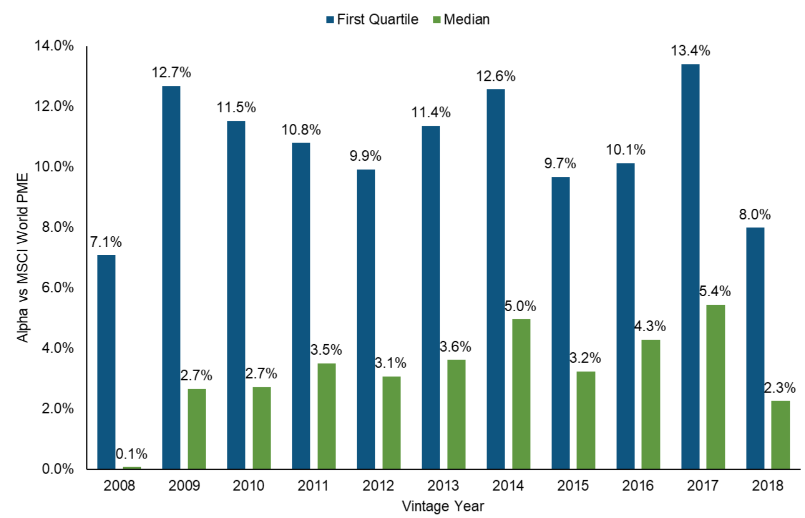
Private Market Dynamics

Private markets consistently outperform public markets over the long-term

3-Year Rolling Public and Private Performance[1]



Cambridge PME Performance by Vintage Year[2]



Sources: Bloomberg; Cambridge Associates

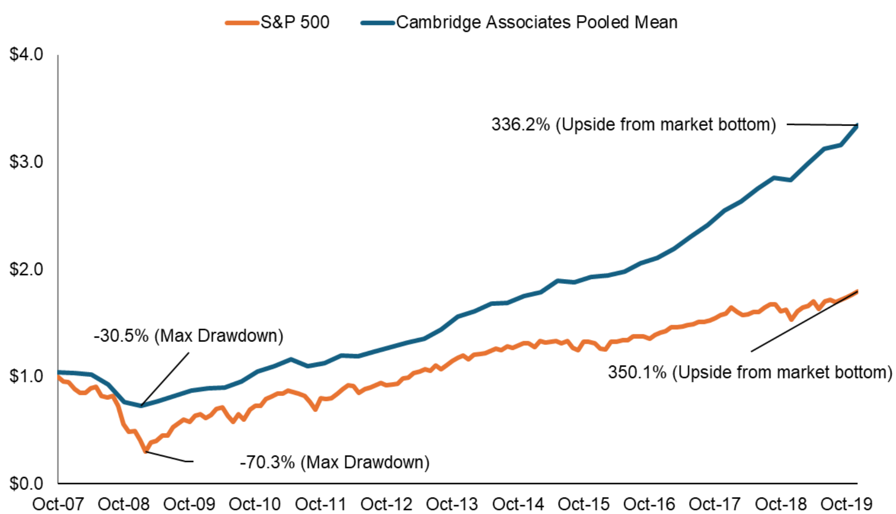
1) *Public performance measured as 3-year rolling MSCI World total return; private performance measured as pooled 3-year rolling point-to-point IRR of the Cambridge Associates Private Equity & Venture Capital benchmark*

2) *Since inception Cambridge Associates Private Equity & Venture Capital benchmark performance vs. MSCI World PME*

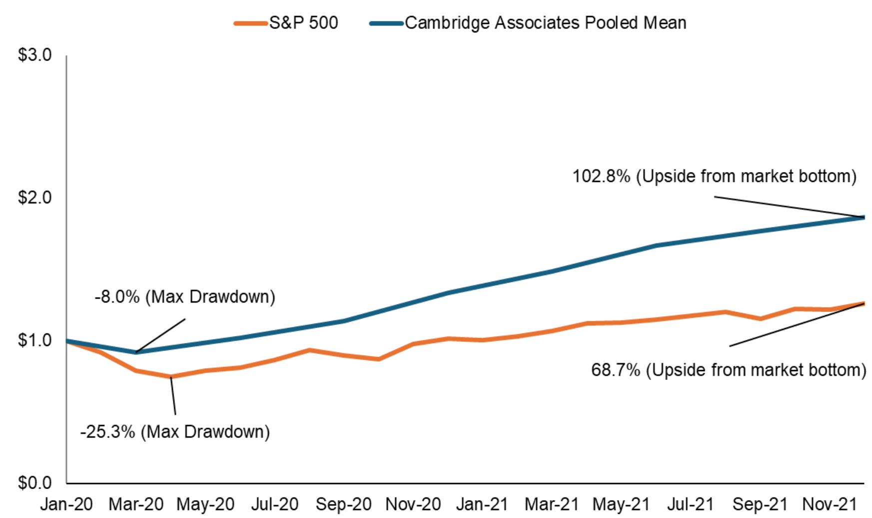
Performance Through Cycles

PE shows smaller drawdowns vs. public equities across cycles and tends to match or exceed public market returns in market recoveries

GFC Cycle



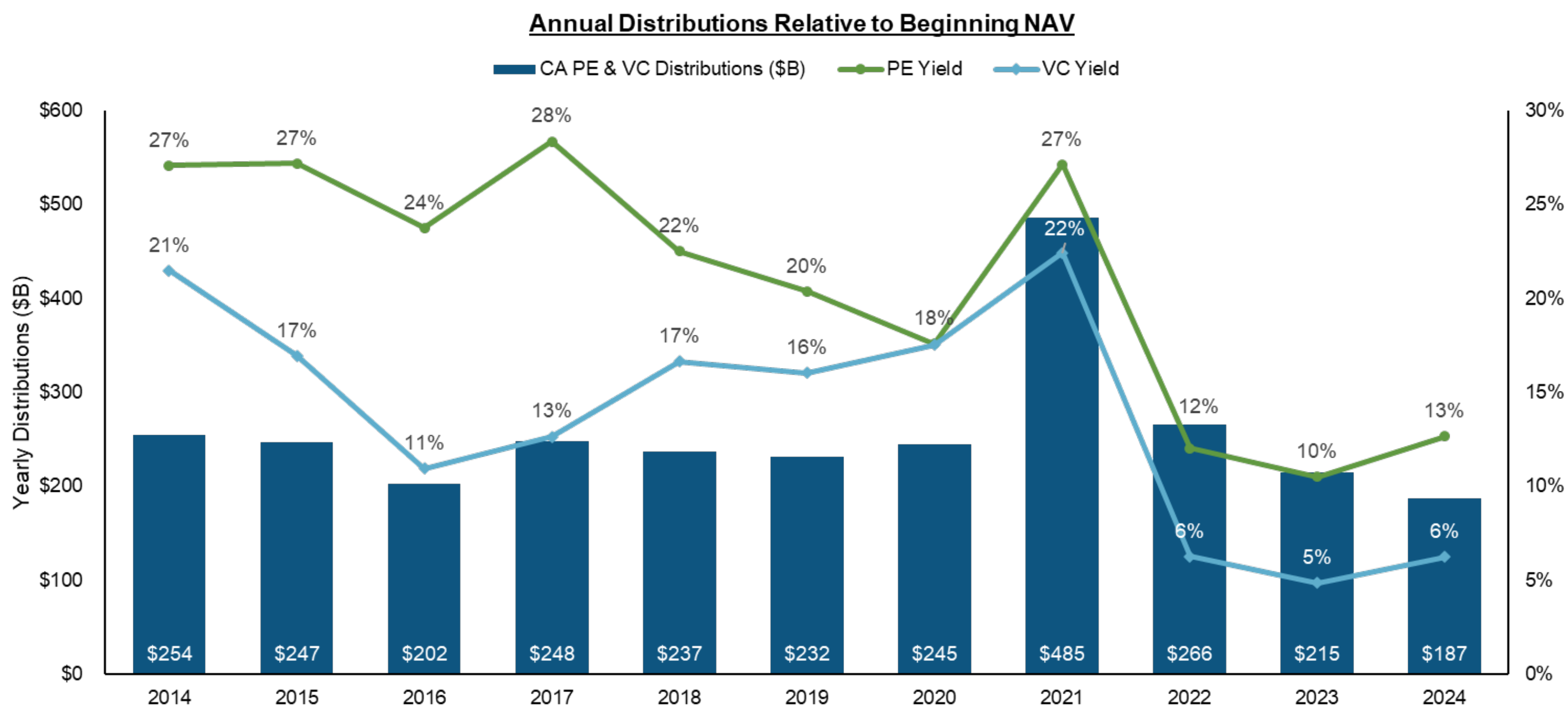
COVID-19 Cycle



Sources: Cambridge Associates; S&P Capital IQ
Note: GFC peak September 30, 2007, trough March 31, 2009; COVID peak December 31, 2019, trough March 31, 2020; Post-COVID 2022 peak December 31,2021.

Private Equity Distributions

Distributions have fallen to a decade-low since 2021, driven by weaker exit activity and valuation adjustments

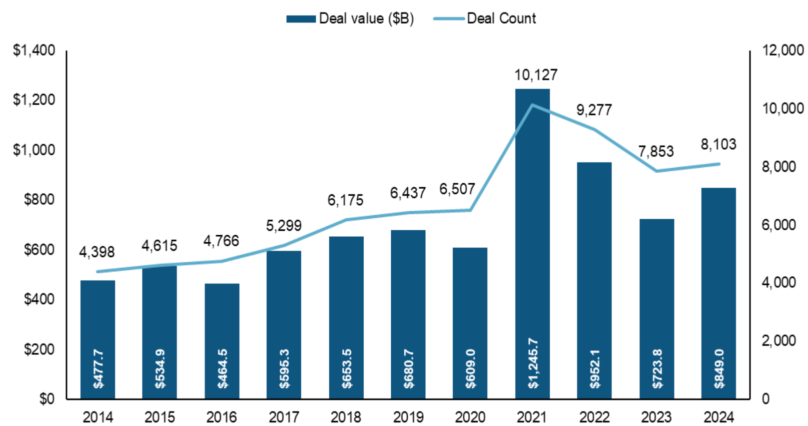


Source: Cambridge Associates
Note: Annual distributions as a percentage of beginning-of-year NAV, based on the Cambridge Associates Global Private Equity & Venture Capital benchmark. PE and VC yield are calculated as total distributions divided by beginning-of-year NAV.

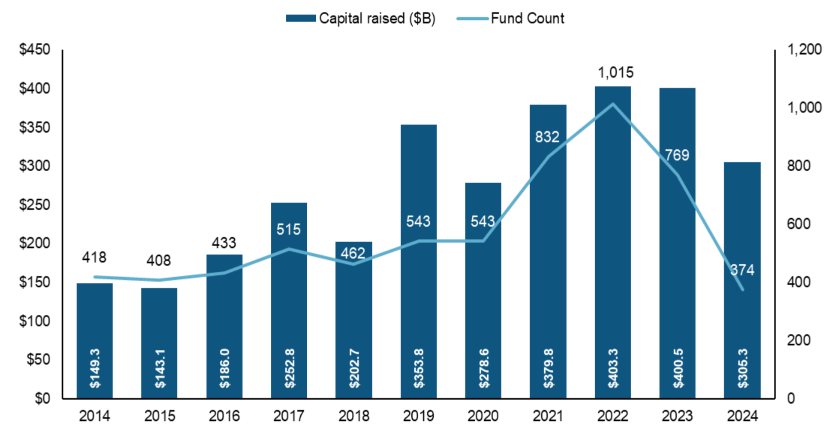
Buyouts & Growth Market Environment

Deal activity rebounded modestly in 2024 while fundraising declined after three record years

US Private Equity Deal Activity ($B)



US Private Equity Fundraising Activity ($B)

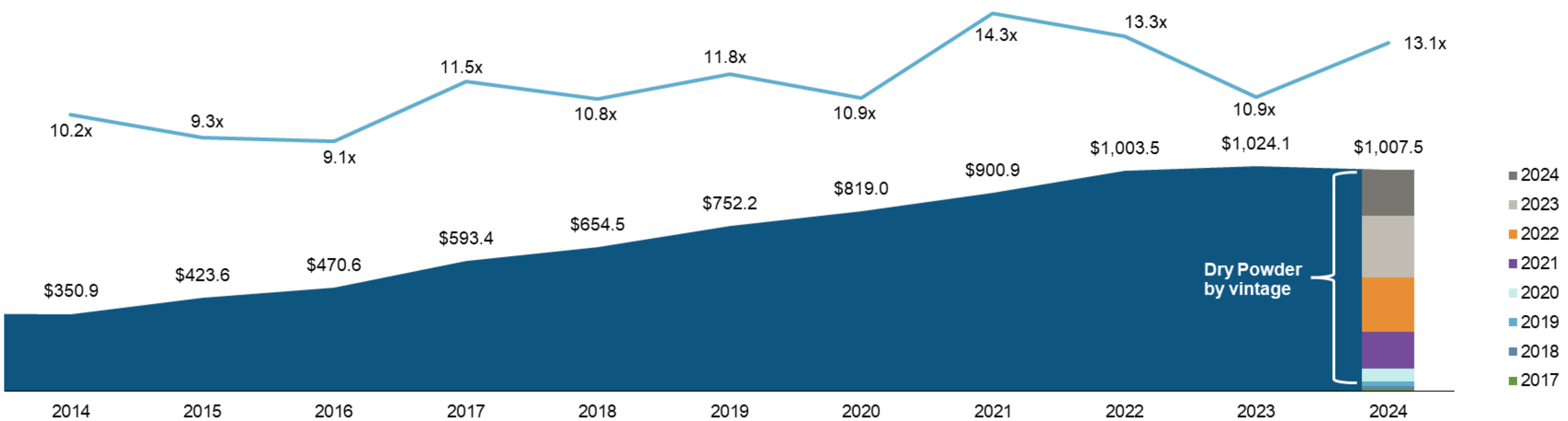


Source: Pitchbook

Buyouts & Growth Market Environment

Private Equity dry powder is near all time highs, resulting in increased valuations for high-quality assets

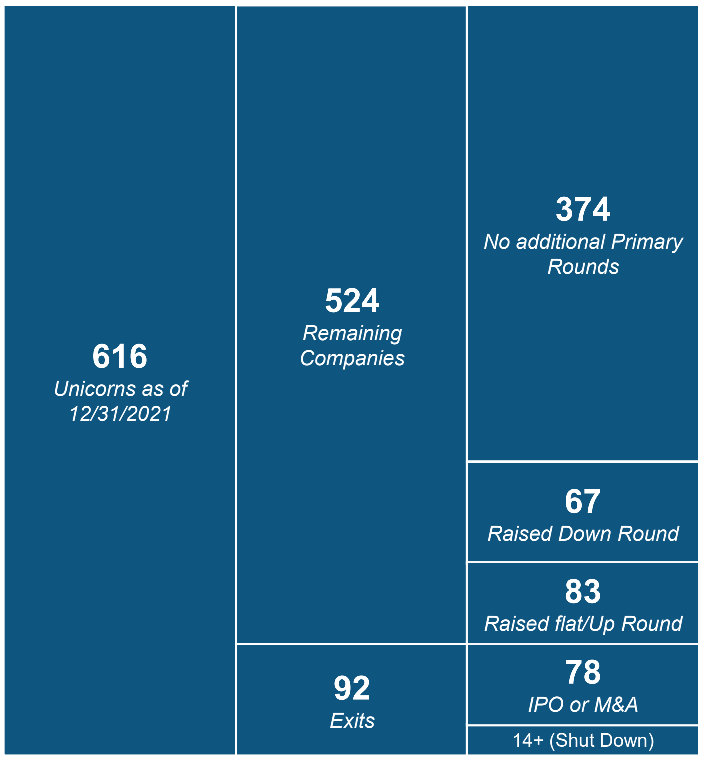
US Private Equity Dry Powder ($B) and EV/EBITDA Multiples



Source: Pitchbook

Venture Capital Market Environment

AI backed companies continue to raise at high valuations – reinforcing the power-law dynamic



Large Venture Backed Companies

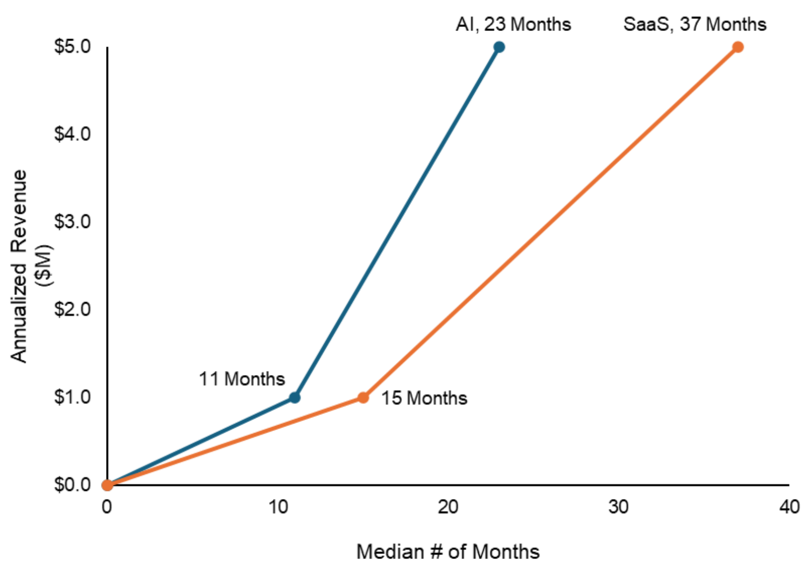
Company	$ Raised in 2024 & 2025	Approx. Valuation
SpaceX	--	$350B
OpenAI	$46B	$300B
stripe	--	$92B
databricks	$10B	$62B
ANTHROPIC	$14B	$62B
xAI	$12B	$45B
Revolut	--	$45B
WAYMO	$6B	$45B
Safe Superintelligence Inc.	$3B	$32B

Source: Pitchbook, Redpoint Ventures
Note: Large Venture Backed companies exclude companies with most recent valuation round prior to 12/31/2022, based on publicly available information
1) Most Recent Round & Post-Money Valuation based on secondary share transaction

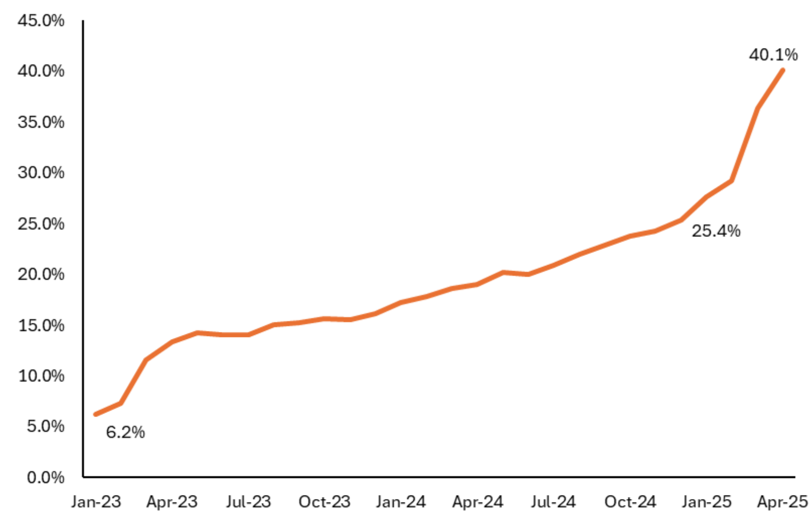
Venture Capital Market Environment

AI companies have hit revenue milestones ahead of traditional SaaS companies

Median Time to Annualized Revenue Milestones



% of U.S. Businesses Adopting AI



Sources: Stripe, Ramp

Conclusions

- The Private Equity Team remains stable and continues to drive efficiency through operational improvements
- The PE portfolio generated a 6.1% return in 2024, outperforming the combined benchmark by 335 bps
- The Buyout portfolio remains focused on diversifying exposure to different value creation levers and concentrating in high quality businesses to perform through market cycles
- The Venture Capital portfolio targets exposure to the most meaningful venture-backed companies by concentrating capital in early-stage technology managers across innovation cycles

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item: Report from Policy Committee: FY2026 Policies Review, and Discussion and Appropriate Action Related to Proposed Amendments to Investment Policy Statements and Delegation of Authority Policy

Developed By: Team

Presented By: Handley, Chen

Type of Item: Action item; Action required by UTIMCO Board and by the Board of Regents of The University of Texas System ("UT Board") for the Investment Policy Statements

Description: The Policy Committee ("Committee") met jointly with the Investment Risk Committee on June 10, 2025. The Joint Committee meeting agenda included discussion and appropriate action related to proposed amendments to the Investment Policy Statement and the Delegation of Authority Policy.

The Investment Management Services Agreement ("IMSA") requires that UTIMCO review the current Investment Polices for each Fund at least annually. The review includes long-term investment return expectations and expected risk levels, strategic asset allocation targets and ranges for each Asset Class and fund, designated performance benchmarks for each Asset Class and such other matters as the UT Board or its staff designees may request. The Delegation of Authority Policy was also reviewed.

Discussion: Ms. Chen will review the *FY2026 Policies Review* presentation and the proposed amendments to the Investment Policy Statements, and the Delegation of Authority Policy.

The **Investment Policy Statements** of the Permanent University Fund (PUF), General Endowment Fund (GEF), Permanent Health Fund (PHF), Long Term Fund (LTF), and Intermediate Term Fund (ITF) are being amended to reflect the proposed changes effective September 1, 2025.

The **PUF Investment Policy Statement** is included in the materials with the proposed tracked changes. These proposed changes will also be made in the **GEF Investment Policy Statement** and are as follows:

- Combine Developed Public Equity and Emerging Markets Public Equity into a single Asset Class called "Public Equity," and apply MSCI ACWI Ex-China Ex-Hong Kong net Total Return USD as its benchmark.
- Clarify the Asset Classes in which portable alpha (defined as "Cross-Asset Strategies") is permitted and clarify that such strategies must target a combined market sensitivity substantially similar to the applicable benchmark.

- Increase the Public Equity "one corporation" concentration limit from 5% to 6% and delete "at cost" in reference to this and other concentration limits.
- In Exhibit A, update Asset Class allocation and policy portfolio targets and downside volatility.
- Other minor drafting points.

Corresponding changes made to Exhibit A of the PUF will be made to Exhibit B of the **PHF and LTF Investment Policy Statements**.

The **ITF Investment Policy Statement** will include the same changes as the PUF, except that target Asset Class allocations remain unchanged.

The recommended change to the **Delegation of Authority Policy** removes the requirement that "Small Co-investments" receive Co-investment Committee approval. The requirement that Small Co-investments receive approval by the Managing Directors and above of an investment portfolio remains.

Recommendation: Director Handley will request the UTIMCO Board to approve the proposed amendments to the (1) Investment Policy Statements for the PUF, GEF, PHF, LTF and ITF, all subject to approval by the UT Board, and (2) the Delegation of Authority Policy.

Reference: *FY2026 Policies Review*
PUF Investment Policy Statement
ITF Investment Policy Statement
Delegation of Authority Policy

RESOLUTION RELATED TO INVESTMENT POLICIES

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund and Intermediate Term Fund, as presented be, and are hereby approved, subject to approval by the Board of Regents of The University of Texas System; and

FURTHER RESOLVED, that amendments to the Delegation of Authority Policy as presented be, and are hereby approved.

Board of Directors Meeting

FY2026 Policies Review

Susan Chen, Senior Managing Director – Public Equity

June 19, 2025

Agenda

1. Executive Summary
2. Recommended FY26 Asset Allocation (“Policy Portfolios”)
   - A. PUF/GEF
   - B. ITF
3. Other Recommended Policy Changes
   - A. Investment Policy Statements (“IPS”)
   - B. Delegation of Authority (“DoA”)

Appendix

Executive Summary

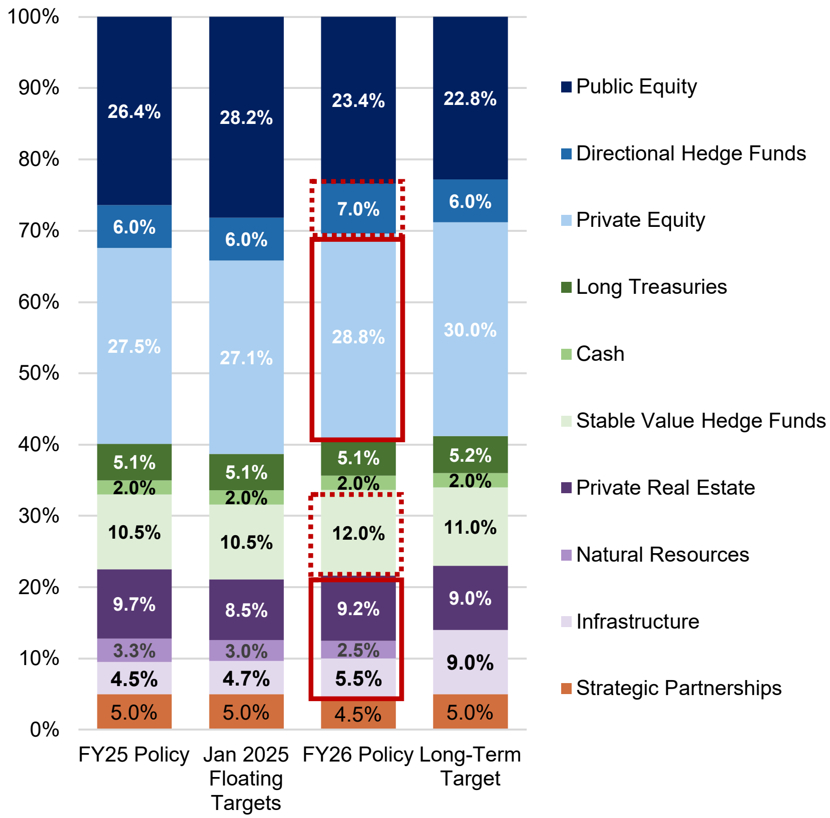
- Requesting approval of:
  - FY 2026 asset allocation recommendations (“Policy Portfolios”) for PUF, GEF and ITF
  - Other Investment Policy Statement (“IPS”) and Delegation of Authority (“DoA”) changes

- **FY 2026 Asset Allocation Recommendations (previewed in March meeting)**
  - **PUF/GEF**
    - Slight increases in Policy weights to Hedge Funds (+2.5%), Private Equity (+1.7%) and Real Return (+1.0%)
    - Reductions in Policy weights to Public Equity (-4.8%) and Strategic Partnerships (-0.5%)
  - **ITF** – no changes from FY 2025

- **Other Recommended Policy Changes (previewed in March meeting unless otherwise indicated)**
  - Substantive IPS
    - Combine Developed Markets and Emerging Markets into single Public Equity portfolio; remove China/HK from benchmark
    - Raise single-security concentration limit in Public Equity from 5% to 6% (not previewed in March meeting)
    - Clarify the asset classes that are permitted to implement portable alpha
  - Minor DoA Change (not previewed in March meeting)
    - Remove requirement to require additional approval by the Co-Investment Committee of “Small Co-Investments” that have already been approved by portfolio SMD / MD
  - Cleanups
    - Clarify benchmark descriptions are “net total return”

Recommended FY26 Asset Allocation

PUF/GEF POLICY PORTFOLIO*



Recommendation

- No changes to Long-Term Target Strategic Asset Allocation
- Minor shifts in asset class targets for FY26:
  - Increase DIRHF by +1.0%
  - Increase SVHF by +1.5%
  - Expected increases in PE of +1.7% and RR of +1.0%
  - Funded from Public Equity and Strategic Partnerships

Rationale

- Strong opportunity set in Hedge Funds
- High public equity valuations
- Projected "glide path" for private asset classes

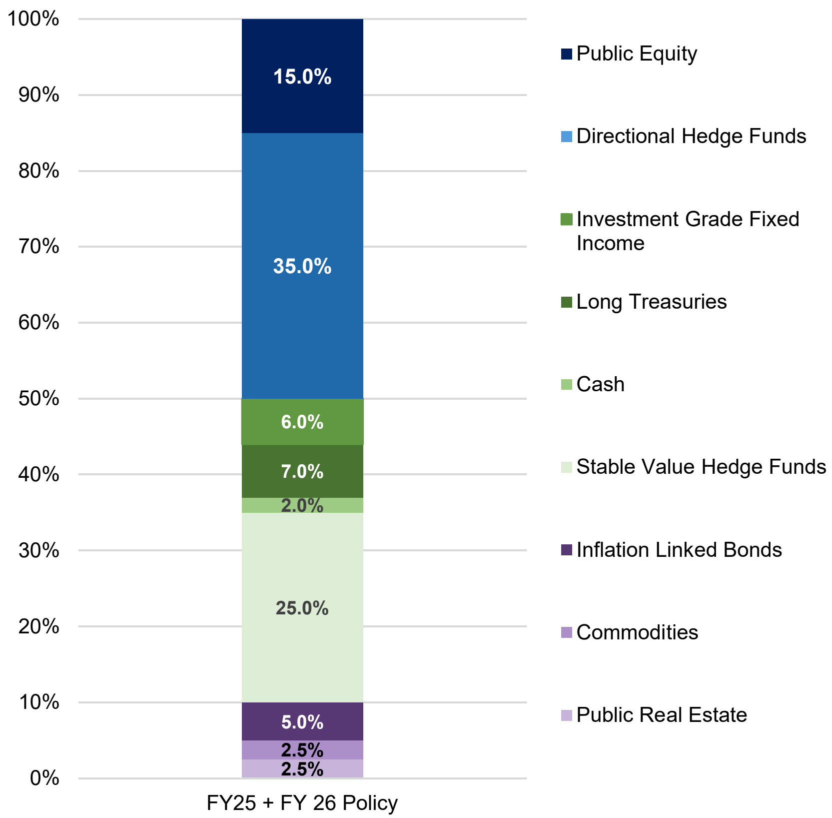
FY26 Policy Portfolio Expected Returns

- 7.3% from Beta + 1.4% from Alpha = 8.7%
- Decline of ~18bps from FY25 due to slight reduction in Beta expectations

* The Public Equity target weight will continue to "float" each month to offset differences in actual Private Equity or Real Return (Real Estate, Natural Resources and Infrastructure) exposures vs. Policy targets.

Recommended FY26 Asset Allocation

ITF POLICY PORTFOLIO



Recommendation

- No changes to Long-Term Target Strategic Asset Allocation
- No changes in asset class weights for FY26

FY26 Policy Portfolio Expected Return

- 4.6% from Beta + 2.3% from Alpha = 6.9%
- Increase of ~21bps from FY25 due to slight reduction in Beta expectations, combined with increase in SVHF alpha expectations

Other Recommended IPS Changes

PUBLIC EQUITY PORTFOLIO CONSOLIDATION

	Current Implementation			Planned Implementation		
Portfolio	PUF Policy Weight	% of Total Public Equity	Benchmark*	Implied PUF Policy Weight	% of Total Public Equity	Benchmark*
Developed Markets	20.0%	76%	MSCI World	21.5%	92%	N/A
Emerging Markets	6.4%	24%	50% MSCI Emerging Markets ex-China + 50% MSCI Emerging Markets with China All Shares	1.9%	8%	N/A
Total Public Equity	**26.4%**	**100%**	**N/A**	**23.4%**	**100%**	**MSCI ACWI ex-China ex-HK**

Recommendation

- Combine Developed Markets and Emerging Markets into single Public Equity portfolio
- Benchmark to the MSCI All-Country World Index ex-China ex-HK ("MSCI ACWI ex-China ex-HK")

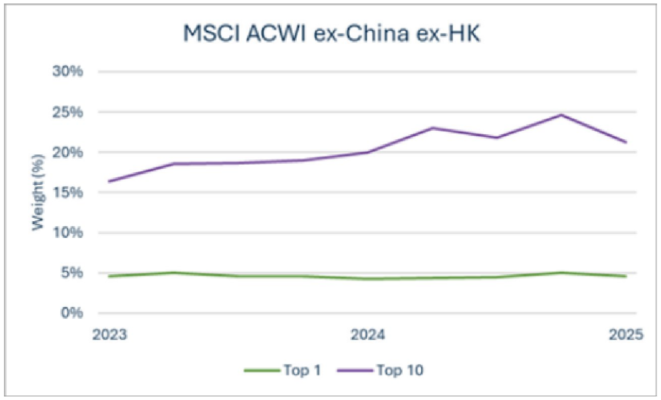
Rationale

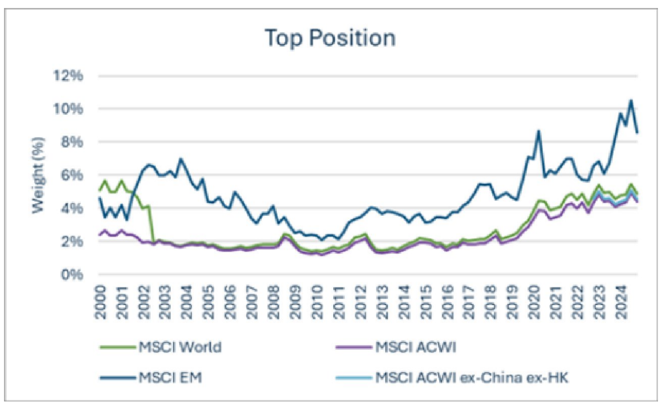
- Expected return (beta) differential between emerging markets and developed markets has compressed by ~80% (from +2.1% to +0.4%) over the past few years
- We are removing China/HK from the benchmark per instruction of Texas Governor
- MSCI ACWI ex-China ex-HK aligns with peers and updated beta and alpha expectations

* Benchmarks are total return with net dividends. The Emerging Markets benchmark was MSCI EM prior to 8/31/23, and 67% MSCI EM with All China shares + 33% MSCI EM ex China from 9/1/23 to 12/31/24.

Other Recommended IPS Changes

SINGLE SECURITY CONCENTRATION LIMIT





Recommendation

- Raise single security concentration limit in the IPS from 5% to 6%

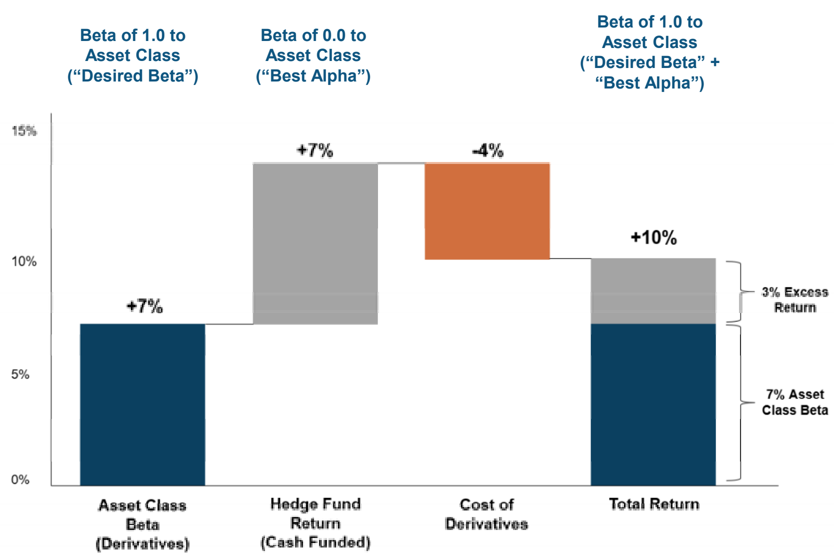
Rationale

- Global equity benchmarks have grown increasingly concentrated
- Top single position now approaches or exceeds ~5% for many indices
  - Developed markets indices: Apple
  - Emerging markets indices: TSMC
- Raising the single-security limit will prevent the IPS from inadvertently requiring an underweight to the largest benchmark position(s)

Other Recommended IPS Changes

PORTABLE ALPHA

Illustrative Portable Alpha Return Expectations



Recommendation

- Allow portable alpha as an investment tool in other liquid asset classes
- Implementation remains subject to guardrails in Investment, Derivatives and Liquidity Policies
- Still not permitted in Private Equity, Natural Resources, Infrastructure or private Real Estate asset classes

Rationale

- Portable alpha enables UTIMCO to combine "best alpha" with desired beta
- Implementation is currently limited to two asset classes: Public Equity and Long Treasuries
- Experience has been positive since program inception (strong alpha, well-controlled risk, operational execution)

Recommended DoA Change

SMALL CO-INVESTMENTS

- Current DoA Policy provides that each Managing Director of an investment portfolio may approve "Small Co-Investments" of up to 0.10% of "Applicable Assets"
  - For public investments: 0.10% of total combined NAV of Endowments and ITF
  - For private investments: 0.10% of total combined NAV of the Endowments
- Current DoA Policy requires that "Small Co-Investments" ***also*** be approved by Co-Investment Committee

Recommendation

- Amend DoA Policy to allow Senior Managing Directors and Managing Directors to execute "Small Co-Investments" without Co-Investment Committee approval
- All Small Co-Investments will still be regularly reported to the Investment Committee
- All co-investments over the 0.10% thresholds will be reviewed by Co-Investment Committee

Rationale

- Accelerates investment team's review and response time, making UTIMCO a more attractive co-investment partner, and helping secure allocation in compelling investments

Appendix

Governance and Policy Framework

SUCCESSIVE LEVELS OF DELEGATION

UT System Board of Regents

- Investment Management Services Agreement ("IMSA")
- BOR retains ultimate fiduciary authority over assets delegated to UTIMCO
- BOR retains policy-setting authority, including over Investment Policy Statements and Code of Ethics
- Appoints UTIMCO as agent and investment manager to make all necessary decisions, subject to limitations in the IMSA

UTIMCO Board of Directors

- Delegation of Authority ("DOA") Policy
- Delineation of responsibilities between the Board and management
- Board is responsible for investment and management oversight
- Board approves:
  - Investment Policy Statements
  - Derivatives Policy
  - Liquidity Policy
  - Other major policies, such as the Code of Ethics

UTIMCO Management

- Granted enumerated powers and subjected to limitations under the IMSA and the DOA
- Responsible for day-to-day management of UTIMCO and delegated assets
- Recommends Board-level policies and implements them if approved
- Promulgates internal policies and procedures consistent with delegated authority

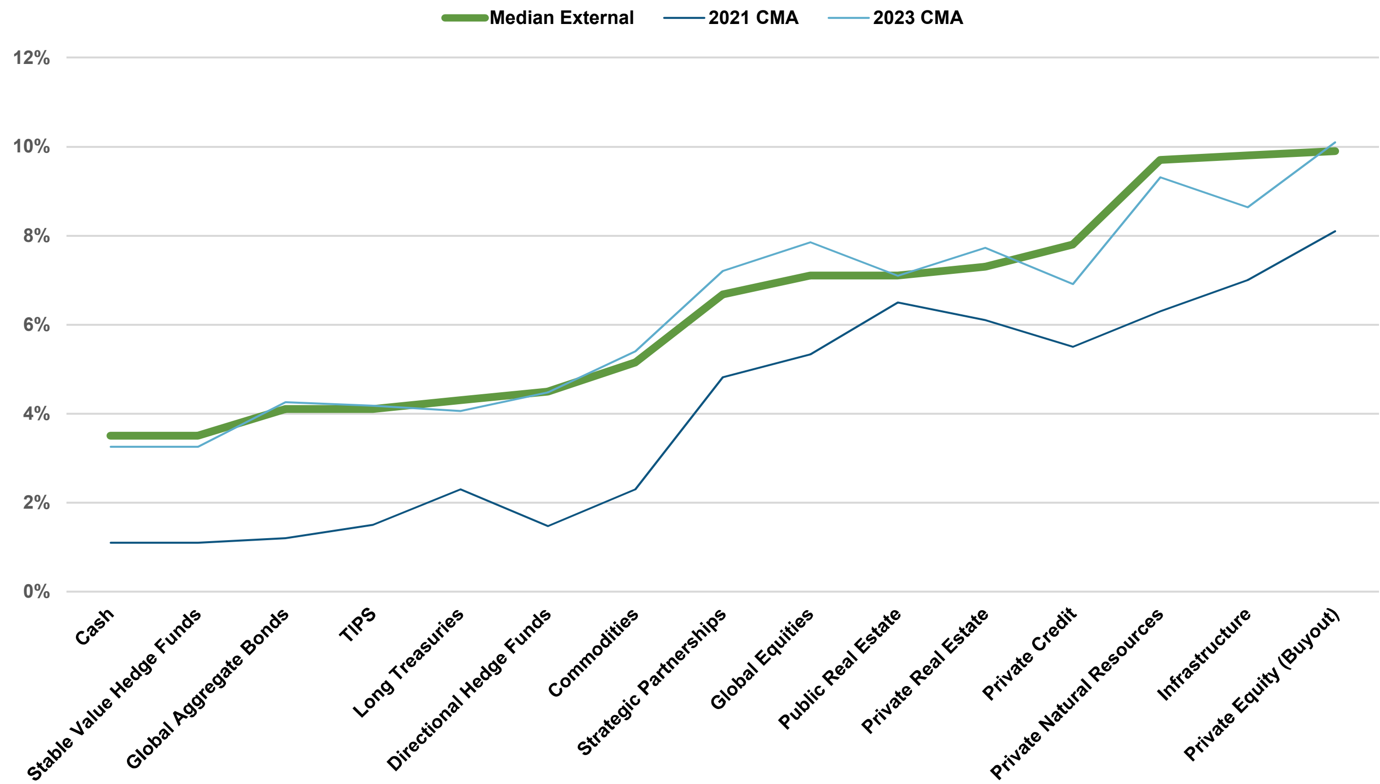
Governance and Policy Framework

POLICY PORTFOLIO PROCESS

Process	Long-Term Strategic Asset Allocation (LTSAA)	Policy Portfolio
Frequency	• **Review every ~5 years** • Occasional interim adjustments	• **Review annually** • Recommended for approval by Board each June
Scope	• **Long-term target allocations** • Asset class **configuration** and **composition**	• Annual target allocations and **baseline for monthly rebalancing** • **"Marches toward" LTSAA** but **reflects current valuations** and **opportunity set**
Inv. Horizon	• **5 to 10+** years	• **1 to 5** years
Inputs	• **Long-term asset class return and risk expectations** (beta and alpha) • **Historical data** for returns, risk and correlations	• Similar to LTSAA • But **also considers 1- to 3-year expectations**
Prior Changes (selected examples)	• Modify allocation **framework** • Increase **Regime allocation** • **Add** asset classes • **Remove** asset classes or **start wind-down** path	• **Incremental shifts** within Regimes
Prior Updates	2023, 2021, 2018	2024

Updated Capital Market Assumptions

Small changes since 2023 SAA, compressing equity risk premium



13

Updated CMAs + PM Team Feedback

Equity Risk Premium Compressing; Policy Exp Returns declines 30 bp to 7.3%

2024 CMA	BLK	JPM	PIMCO	Median External	2021 CMA	2023 CMA	Alpha Assumption
US Large Cap	*7.0%*	*6.7%*	*6.8%*	*6.8%*	*4.9%*	*7.4%*	*1.0%*
EAFE	*7.9%*	*8.1%*	*6.7%*	*7.9%*	*5.8%*	*8.4%*	*1.0%*
Emerging ex China	*8.4%*	*7.2%*	*7.6%*	*7.6%*	*7.3%*	*9.6%*	*1.3%*
Global Equities	7.4%	7.1%	6.8%	7.1%	5.3%	7.9%	1.0%
Directional Hedge Funds	4.7%	4.2%	4.5%	4.5%	1.5%	4.5%	3.0%
Private Equity (Buyout)	10.9%	9.9%	9.9%	9.9%	8.1%	10.1%	1.0%
Private Credit	6.0%	7.8%	9.8%	7.8%	5.5%	6.9%	1.0%
Total Global Equity							
Global Aggregate Bonds	4.1%	3.9%	5.3%	4.1%	1.2%	4.3%	0.5%
Long Treasuries	2.8%	4.3%	7.3%	4.3%	2.3%	4.1%	0.4%
Cash	3.6%	3.1%	3.5%	3.5%	1.1%	3.3%	0.0%
Stable Value Hedge Funds	3.6%	3.1%	3.5%	3.5%	1.1%	3.3%	4.0%
Total Stable Value							
Private Real Estate	4.5%	10.1%		7.3%	6.1%	7.7%	1.0%
Private Natural Resources	-	-	9.7%	9.7%	6.3%	9.3%	-3.0%
Infrastructure	10.5%	8.3%	9.8%	9.8%	7.0%	8.6%	1.0%
TIPS	3.8%	4.1%	5.2%	4.1%	1.5%	4.2%	0.1%
Commodities	-	3.8%	6.5%	5.2%	2.3%	5.4%	0.0%
Public Real Estate	6.8%	8.0%	7.1%	7.1%	6.5%	7.1%	0.0%
Total Real Return							
Strategic Partnerships	6.6%	6.6%	6.9%	6.6%	4.8%	7.2%	1.0%

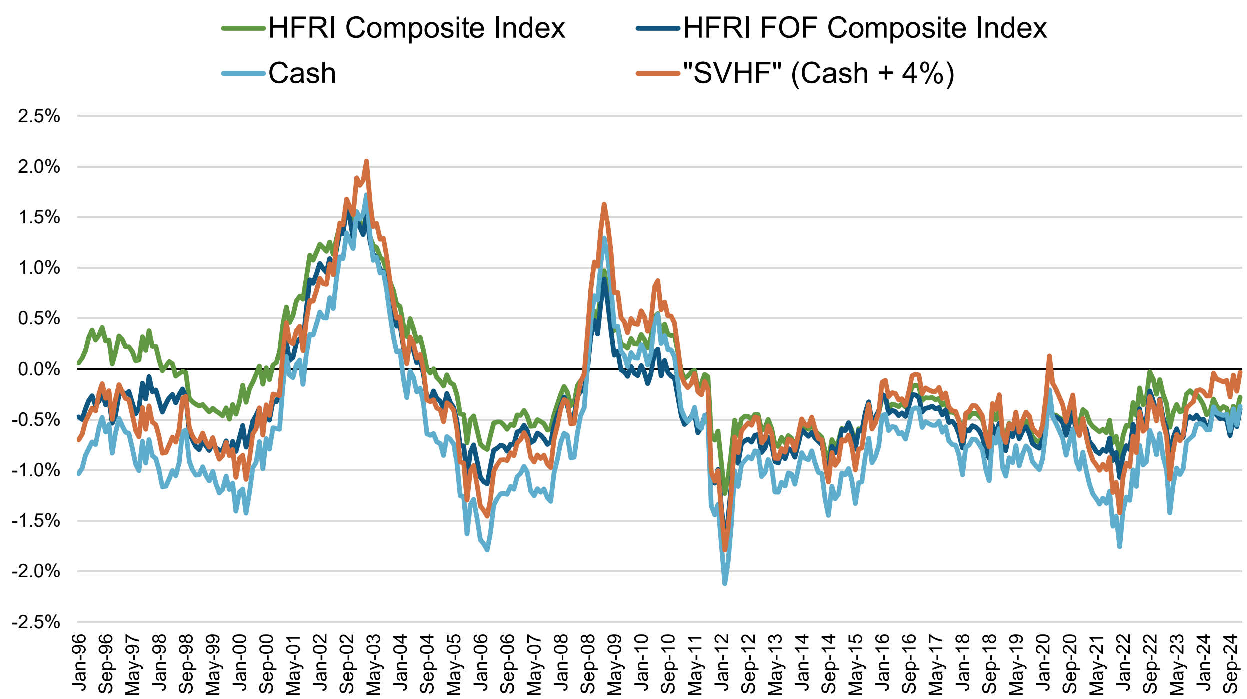
	Median External	2021 CMA	2023 CMA
Equity Risk Premium	3.6%	4.2%	4.6%
Illiquidity Premium	2.8%	2.8%	2.2%

Public Equity Alpha revised lower

SVHF Alpha revised higher

HFs Outperform Equities During Bear Markets

Rolling 3-Year Outperformance vs MSCI ACWI of HF Proxies + Benchmarks



15

2023 SAA Review: Historical Returns by Regime

SVHF Outperform Equities in Stable Value + Real Return Regimes

	Across Regimes			Global Equity - ~66% Frequency				Stable Value - ~16% Frequency				Real Return - ~18% Frequency			
Asset Classes	**Return**	**Vol**	**Sharpe**	**Return**	**Vol**	**Sharpe**	**Beta**	**Return**	**Vol**	**Sharpe**	**Beta**	**Return**	**Vol**	**Sharpe**	**Beta**
US Large Cap	10%	15%	0.39	14%	14%	0.75	1.00	3%	19%	0.04	-0.32	1%	17%	-0.31	0.59
EAFE	8%	19%	0.21	15%	16%	0.70	0.71	-11%	25%	-0.55	-0.39	2%	21%	-0.23	0.64
Emerging	7%	25%	0.17	13%	22%	0.48	0.99	-16%	34%	-0.54	-2.02	6%	23%	0.12	1.22
Directional Hedge Funds	7%	5%	0.67	8%	4%	1.02	0.29	4%	6%	0.23	-0.04	7%	5%	0.11	0.19
Private Equity	14%	10%	1.16	18%	10%	1.59	0.03	4%	10%	0.20	0.46	9%	11%	0.60	0.29
Private Credit	11%	8%	1.08	13%	6%	1.85	0.19	2%	14%	-0.02	-0.33	12%	5%	2.05	-0.59
Total Global Equity															
Global Aggregate Bonds	5%	4%	0.72	5%	3%	0.61	-0.02	9%	3%	2.01	0.31	4%	5%	0.15	0.47
Long Treasuries	6%	11%	0.14	5%	10%	0.09	0.00	17%	13%	1.08	1.41	1%	13%	-0.42	1.11
Cash	4%	2%	0.00	4%	1%	0.00	0.00	3%	1%	0.00	0.07	6%	2%	0.00	0.00
Stable Value Hedge Funds	7%	2%	2.03	7%	1%	2.35	0.00	6%	1%	2.42	0.07	9%	2%	1.66	0.00
Total Stable Value															
Private Real Estate	11%	11%	0.81	14%	10%	1.23	0.02	0%	11%	-0.14	0.41	8%	13%	0.43	-1.09
Natural Resources	12%	12%	0.80	14%	10%	1.16	0.09	-7%	14%	-0.66	-0.32	28%	8%	3.23	4.35
Infrastructure	10%	10%	0.93	12%	9%	1.24	0.21	-3%	13%	-0.27	-0.51	17%	5%	2.80	2.47
TIPS	5%	5%	0.59	5%	4%	0.73	-0.09	4%	7%	0.31	0.09	5%	6%	0.55	-3.68
Commodities	1%	16%	-0.20	3%	13%	-0.07	-0.08	-25%	19%	-1.42	-0.27	16%	20%	0.45	-0.21
Public Real Estate	7%	30%	0.09	12%	25%	0.35	1.14	-6%	35%	-0.24	-0.69	-1%	41%	-0.18	0.54
Total Real Return															

16

Portable Alpha Risks and Mitigants

Risks	Detail	Mitigants
Use of Leverage / Margin Calls	Must post margin in down markets to maintain the desired beta exposure	• Before implementation, Investment and Risk teams work together to model downside scenarios and determine appropriate sizing
Rising Rates	Higher rates increase costs of borrowing / using leverage	• For every 1% increase in financing costs, we expect hedge fund returns to increase by 75-80bps, *i.e.*, a moderate offset
Alpha Risk	If hedge funds generate a negative return, or even a positive return that does not offset the cost of the derivative used to obtain beta exposure, the program will have negative alpha	• Portable alpha hedge funds are chosen for consistent returns, robust risk management approach and low downside risk • As a result, potential losses are expected to be within the potential downside of a typical long only manager in the asset class
Correlation of Beta and Alpha	Alpha generated by low-beta hedge funds (in excess of cash) may be correlated with asset class beta returns	• While any individual year could have both negative beta and alpha, we will generally underwrite portable alpha implementation to a three-year time horizon • Over rolling three-year periods and longer, historical data suggests that portable alpha returns are consistent and additive

THE UNIVERSITY OF TEXAS SYSTEM
PERMANENT UNIVERSITY FUND
INVESTMENT POLICY STATEMENT

Purpose

The Permanent University Fund (the "PUF") is a public endowment contributing to the support of eligible institutions of The University of Texas System and The Texas A&M University System as provided in Article VII, Section 18 of the *Texas Constitution*.

PUF Organization

The PUF was established in the *Texas Constitution* of 1876 through the appropriation of land grants previously given to The University of Texas at Austin plus one million acres. The land grants to the PUF were completed in 1883 with the contribution of an additional one million acres of land. Today, the PUF contains 2,109,190 acres of land (the "PUF Lands") located in 19 counties primarily in West Texas.

The 2.1 million acres comprising the PUF Lands produce two streams of income: a) mineral income, primarily in the form of oil and gas royalties and b) surface income, primarily from surface leases and easements. Under the Texas Constitution, mineral income, as a non-renewable source of income, remains a non-distributable part of PUF corpus, and is invested pursuant to this Policy Statement. Surface income, as a renewable source of income, is distributed to the Available University Fund (the "AUF"), as received. The Constitution also requires that all surface income and investment distributions paid to the AUF be expended for certain authorized purposes.

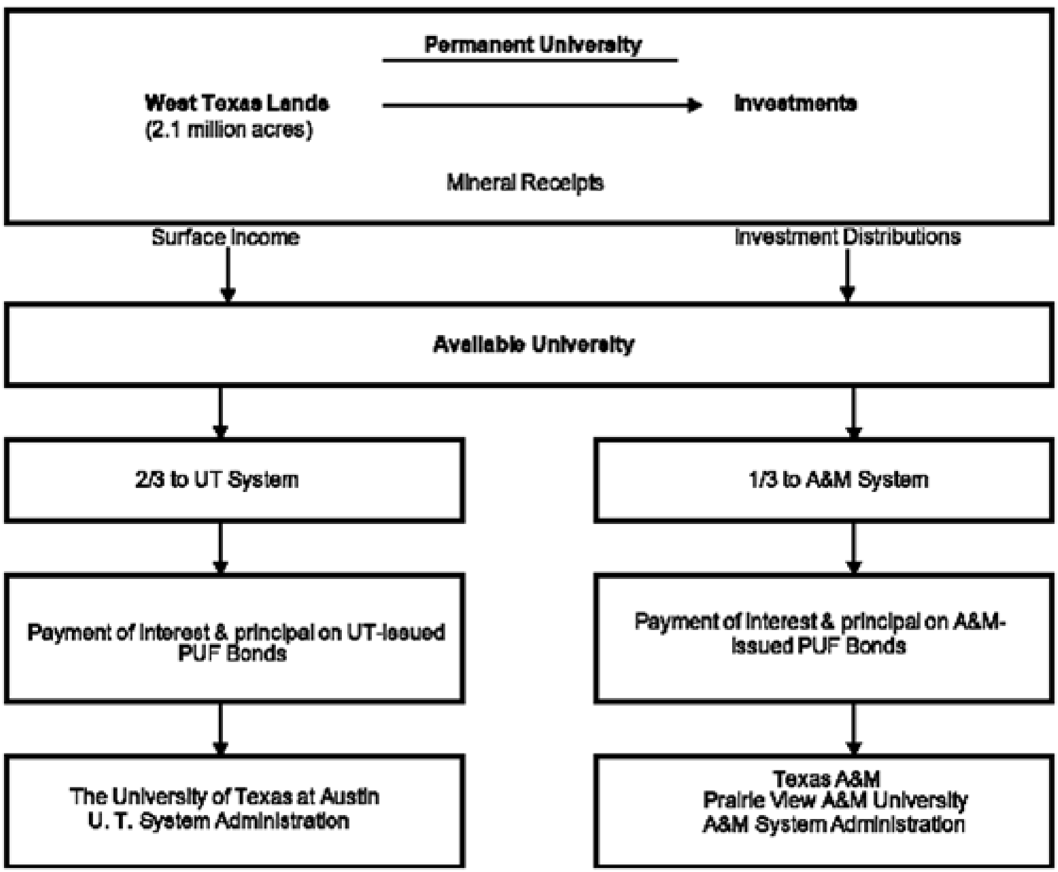
The expenditure of the AUF is subject to a prescribed order of priority:

First, following a 2/3rds and 1/3rd allocation of AUF receipts to the U. T. System and the A&M System, respectively, AUF receipts are expended for debt service on PUF bonds. Article VII of the *Texas Constitution* authorizes the U. T. System Board of Regents (the "Board of Regents") and the Texas A&M University System Board of Regents (the "TAMUS Board") to issue bonds payable from their respective interests in AUF receipts to finance permanent improvements and to refinance outstanding PUF obligations. The Constitution limits the amount of bonds and notes secured by each System's interest in divisible PUF income to 20% and 10% of the book value of PUF investment securities, respectively. Bond resolutions adopted by both Boards also prohibit the issuance of additional PUF parity obligations unless the interest of the related System in AUF receipts during the preceding fiscal year covers projected debt service on all PUF Bonds of that System by at least 1.5 times.

Second, AUF receipts are expended to fund a) excellence programs specifically at U. T. Austin, Texas A&M University and Prairie View A&M University and b) the administration of the university Systems.

The payment of surface income and investment distributions from the PUF to the AUF and the associated expenditures is depicted below in Exhibit 1:

Exhibit 1



PUF Management

Article VII, Section 11b of the *Texas Constitution* assigns fiduciary responsibility for managing and investing the PUF to the Board of Regents. Article VII, Section 11b authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the PUF in any kind of investments and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

Ultimate fiduciary responsibility for the PUF rests with the Board of Regents. Section 66.08 of the *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company ("UTIMCO"), the PUF shall be managed by UTIMCO, which shall a) recommend investment policy for the PUF, b) recommend specific Asset Class allocation targets, ranges and performance benchmarks consistent with PUF objectives, and c) monitor PUF performance against PUF objectives. UTIMCO shall invest the PUF's assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset Class allocation targets, ranges, and performance benchmarks, are subject to approval by the Board of Regents.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Authority Policy approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

PUF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized to provide for responsible separation of duties and adequacy of an audit trail. Custody of PUF assets shall comply with applicable law and be structured to provide essential safekeeping and trading efficiency.

PUF Investment Objectives

The PUF and the General Endowment Fund (the "GEF") are managed similarly for efficient investment purposes. The primary investment objective of the PUF shall be to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate. Investment returns are expressed net of all investment-related expenses. Additional expenses include U.T. System administrative fees charged to the fund.

Investments must be prudently diversified, and within the approved Policy Downside Volatility Bounds, as defined in Exhibit A, and measured at least monthly by UTIMCO's risk model. Liquidity of the PUF will be governed by the Liquidity Policy, overseen by the Investment Risk Committee of the UTIMCO Board.

PUF return, Asset Class allocations, and downside volatility targets are subject to adjustment from time to time by the Board of Regents.

Asset Class Allocation and Policy

Asset Class allocation is the primary determinant of the volatility of investment return and, subject to the Asset Class allocation ranges specified in Exhibit A, is the responsibility of UTIMCO. UTIMCO is responsible for measuring actual Asset Class allocation at least monthly (incorporating the impact of derivative positions covered under the Derivative Investment Policy), and for reporting the actual portfolio Asset Class allocation to the UTIMCO Board and the Board of Regents at least quarterly. While specific Asset Class allocation positions may be changed within the ranges specified in Exhibit A based on the economic and investment outlook from time to time, the range limits cannot be intentionally breached without prior approval of the Board of Regents.

In the event that actual portfolio positions in Asset Classes or the Portfolio Projected Downside Volatility move outside the ranges indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will promptly report this situation to the UTIMCO Board Chair and take steps to rebalance portfolio positions back within the policy ranges in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the PUF asset values could warrant requesting approval of the UTIMCO Board Chair to waive immediate remedial action.

Within the general investment regimes of Global Equity, Stable Value, and Real Return, PUF assets shall be allocated among the following broad Asset Classes based upon their individual return/risk characteristics and relationships to other Asset Classes:

Global Equity:

~~Developed~~ Public Equity – ~~Developed~~ Public Equity invests primarily in the equity securities of companies that are domiciled in the ~~developed~~ countries ~~(including the U.S.)~~ that are part of the ~~MSCI World Index~~Public Equity benchmark listed in Exhibit A. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering ("IPO")) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. ~~Developed~~ Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension strategies may be classified as ~~Developed~~ Public Equity, provided that these strategies target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.

~~Emerging Markets Public Equity – Emerging Markets Public Equity invests primarily in the equity securities of companies that are domiciled in (i) the emerging countries that are part of the MSCI Emerging Markets Index or (ii) countries that have yet to reach MSCI Emerging Markets Index qualification status. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering ("IPO")) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Emerging Markets Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension strategies may be classified as Emerging Markets Public Equity, provided that these strategies target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.~~

Directional Hedge Funds – Directional Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Directional Hedge Funds exhibit moderate market sensitivity as defined by beta to public equities. Strategies may include but are not limited to long/short equity, multi-strategy, event-driven, credit (loans, bonds, asset-backed securities, direct lending and distressed) and global macro.

Private Equity – Private Equity investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in controlling or minority ownership interests in private or publicly-traded companies. These investments are acquired by purchasing publicly-traded or privately-issued common and preferred stocks, convertible securities, warrants, rights, options or debt obligations of private or publicly-traded companies. Private Equity investments often have transfer restrictions and are not as liquid as publicly-traded securities. Private Equity investments are often classified by strategy including: buyouts, venture capital and private credit.

Stable Value:

Investment Grade Fixed Income – Investment Grade Fixed Income represents ownership of fixed income instruments across all maturities, U.S. and non-U.S., that are rated investment grade. These include debt issued by the Sovereign Governments, various government enterprises and agencies, and corporations. The principal securities include bonds, notes, bills, mortgage and asset-backed securities and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Investment Grade Fixed Income.

Long Treasuries – Long Treasuries represents ownership of fixed income instruments across long-dated maturities issued by the U.S. government. The principal securities may include bonds, notes, bills and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Long Treasuries.

Credit-Related Fixed Income – Credit-Related Fixed Income represents ownership of fixed income instruments across all maturities, including real and nominal, U.S. and non-U.S., that are rated below investment grade.

Stable Value Hedge Funds – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to public equities, and have an absolute return orientation. Strategies may include but are not limited to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, direct lending, specialty credit and global macro.

Cash – Cash has the same meaning as given to the term "Cash" in the Liquidity Policy and includes, for example, cash in any currencies and other overnight funds that have not been allocated to a specific Asset Class.

Real Return:

Inflation Linked Bonds – Inflation Linked Bonds include fixed income investments issued by both U.S. and Non-U.S. Governments where the principal value of the bond has been indexed to some rate of inflation, as well as ETFs and derivatives referencing Inflation Linked Bonds or directly linked to inflation rates, including but not limited to inflation swaps. Inflation Linked Bonds are intended to provide some degree of inflation protection.

Commodities – Commodities investments represent ownership of fungible goods such as metals, grains, foods and energy products or any other investment defined by regulators as a commodity. These investments can be made through actual physical ownership of the goods or through financial ownership of the underlying goods achieved through the purchase of derivatives based on commodities or commodities indices.

Natural Resources – Natural Resources investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in a controlling or minority ownership interest in a company involved in the production of natural resources including, but not limited to: energy, precious metals, metals, minerals, agriculture, livestock, and timber. Some Natural Resource investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

Infrastructure – Infrastructure investments are made directly, through private limited partnerships, joint ventures or other special purpose vehicles and result in ownership of companies or assets that provide an essential service that contributes to the economic or social productivity of an organization, community, or society at large with real assets in the water, transportation, energy, communication or social sectors. Investments generally have structure features that include a monopolistic or oligopolistic market position with high barriers to entry; a low elasticity of demand due to their essential functions; stable, predictable, and long-term revenue contracts; or inflation protection through inflation adjustment mechanisms in underlying contracts. Some Infrastructure investments may have transfer restrictions and may not be as liquid as publicly-traded securities.

Real Estate – Real Estate investments may be public, made principally in companies that are part of the MSCI US REIT Gross Total Return Index (RMSG) and that own or manage equity or debt interests in portfolios of real estate. Public Real Estate investments generally trade in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Real Estate investments may also be private. Private Real Estate investments may have transfer restrictions and may not be as liquid as publicly-traded securities. Real Estate investments may be made by purchasing or selling: physical real estate; privately issued securities such as interests in private limited partnerships, joint ventures or other special purpose vehicles (which in each case could result in a controlling or minority ownership interest in a real estate focused company); common or preferred stocks; depositary receipts; exchange traded funds; secured or subordinated debt; mortgage-related investments; real estate investment trusts ("REITs") or any other instrument commonly used by institutional investors and derivatives based on any of the foregoing. Real Estate investments are often classified by strategy including: core, core-plus, value-added, opportunistic and special situations.

Strategic Partnerships:

Strategic Partnerships are multi-asset investment portfolios designed to generate investment returns through a combination of security selection and tactical asset allocation. Strategic Partnerships may invest long or short in equities, fixed income, commodities, currencies, funds, and other global market instruments, including derivatives. Strategies utilized by Strategic Partnerships may involve the use of leverage to enhance the portfolio's risk-adjusted returns.

Cross-Asset Strategies:

Portable alpha strategies are investment strategies within and across regimes and generally involve the use of leverage. Such strategies are permitted in ~~the Developed Public Equity, Emerging Markets Public Equity and the Long Treasuries~~all current Asset Classes other than Private Equity, Cash, Infrastructure, Natural Resources, private Real Estate, and Innovation and

Disruption, provided that such strategies target a combined market sensitivity ~~(defined by beta to the relevant~~substantially similar to the applicable Asset Class's benchmark ~~for the particular Asset Class) of approximately 1.0~~. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

Innovation and Disruption:

The Innovation and Disruption portfolio comprises investments in emerging asset types or industries that are innovative or disruptive. Innovation and Disruption investments have the potential to become large and institutional markets over time. This portfolio provides a nimble and timely means to identify and invest in these opportunities with the primary objectives of developing a deeper understanding of the assets and benefitting from the returns earned by early movers. To manage the risk of this portfolio, UTIMCO will develop and maintain portfolio guidelines that determine the investment selection process and limit the maximum size of the portfolio and the maximum size of individual investments. Over time, UTIMCO will assess if these investments should become larger and more permanent elements of funds managed by UTIMCO, either as part of an existing or a newly defined Asset Class.

All investments will be categorized at inception and on an ongoing basis by Asset Class.

Investment Guidelines

The PUF must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.

- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of PUF assets in such investments.

- No securities may be purchased or held which would jeopardize the PUF's tax-exempt status.

- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.

- No internal investment strategy or program employing short sales may be made unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.

- The PUF's investments in warrants shall not exceed more than 5% of the PUF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.

- The PUF may utilize derivatives only in accordance with the Derivative Investment Policy. The aggregate prorated annual premium of Derivative Investments utilized to reduce exposure to an Asset Class or hedge against risk shall not exceed 75 basis points of PUF value.

Investment Grade and Credit-Related Fixed Income

- Not more than 5% of the market value of fixed income securities may be invested in corporate and municipal bonds of a single issuer.

Public Real Estate and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) ~~at cost~~.

- Not more than ~~5~~6% of the market value of equity securities may be invested in the securities of one corporation ~~at cost~~.

Stable Value

- Not more than 7.5% of the market value of equity and fixed income securities taken together may be invested in one corporation ~~at cost~~.

PUF Distributions

The PUF shall balance the needs and interests of present beneficiaries with those of the future. PUF spending policy objectives shall be to:

- provide a predictable, stable stream of distributions over time;

- ensure that the inflation-adjusted value of distributions is maintained over the long term; and

- ensure that the inflation-adjusted value of PUF assets after distributions is maintained over rolling 10-year periods.

The goal is for the PUF's average spending rate over time not to exceed the PUF's average annual investment return after inflation and expenses in order to preserve the purchasing power of PUF distributions and underlying assets.

Annually, the Board of Regents will approve a distribution amount to the AUF pursuant to Regents' Rule 80303, Section ~~2.2~~3.

Following approval of the distribution amount, distributions from the PUF to the AUF will be made at the discretion of UTIMCO management in consultation with the U. T. System Office of Finance and The Texas A&M University System Office of Treasury Services.

Leverage

The PUF can incur Leverage directly through derivatives and facilities such as repurchase agreements and reverse repurchase agreements, prime broker loans and other funding mechanisms (collectively "Leverage"). The Total Asset Class exposure, including these forms of Leverage, shall not exceed 110% of the net asset value of the PUF. Asset Class exposure will include applicable leverage and must remain within the policy limits provided in Exhibit A. Derivatives and other leverage facilities incurred by external managers operating under limited partnership agreements, through corporations, or through other limited liability entities are not included in any Asset Class exposure.

PUF Accounting

The fiscal year of the PUF shall begin on September 1st and end on August 31st. Market value of the PUF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles ("GAAP"), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO's Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be "other than temporarily impaired" as defined by GAAP shall be written off and reported to UTIMCO's Chief Investment Officer and the UTIMCO Board when material. The PUF's financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all PUF net assets. Valuation of PUF assets shall be based on the books and records of the custodian for the valuation date. The final determination of PUF net assets for a month end close shall normally be completed within seven business days but determination may be longer under certain circumstances.

The fair market value of the PUF's net assets shall include all related receivables and payables of the PUF on the valuation date. Such valuation shall be final and conclusive.

Performance Measurement

The investment performance of the PUF will be measured by the PUF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board and compared against the stated Policy Benchmarks of the PUF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. The Policy Portfolio benchmark will be maintained by UTIMCO and will comprise a blend of Asset Class indices weighted to reflect the PUF's Asset Class allocation policy targets as defined in Exhibit A. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Compliance

Compliance with this Policy will be monitored by UTIMCO's Chief Compliance Officer. UTIMCO's Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO's compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO's Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO's Chief Executive Officer and approved by the Chair of the UTIMCO Board with timelines for bringing the noncompliant activity within this Policy.

Securities Lending

The PUF may participate in a securities lending contract with a bank or nonbank security lending agent for purposes of realizing additional income. Loans of securities by the PUF shall be collateralized by cash, letters of credit or securities issued or guaranteed by the U.S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the lending agent shall be reviewed by UTIMCO staff to ensure compliance with contract provisions.

Investor Responsibility

As a shareholder, the PUF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the PUF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the PUF solely in the interest of the U. T. System and the A&M System, in compliance with the Proxy Voting Policy then in effect, and shall not invest the PUF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend this Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this Policy shall be ~~January~~September 1, 2025.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE ~~JANUARY~~ SEPTEMBER 1, 2025

Asset Class	Min v Target[1]	Target[2][3]	Max v Target[1]	Benchmark
Global Equity:				
~~Developed~~ Public Equity[4]	-5.0%	~~20%~~ 23.4%	+15.0%	~~MSCI World Index with Net Dividends~~ MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
~~Emerging Markets Public Equity~~	~~-5.0%~~	~~6.4%~~	~~+5.0%~~	~~Blended 50% MSCI Emerging Markets with China All Shares and 50% MSCI Emerging Markets ex-China (both net total return)~~
~~*Total Public Equity*~~	~~-5.0%~~	~~26.4%~~	~~+15.0%~~	
Directional Hedge Funds	-5.0%	~~6.0%~~ 7.0%	+5.0%	HFRI Fund of Funds Composite
Private Equity[3]	~~17.5%~~ -10.0%	~~27.5%~~ 28.8%	~~37.5%~~ +10.0%	Blended Median Cambridge Buyouts, Emerging Markets Private Equity and Venture Capital, Credit Opportunities, and Venture Capital
Total Global Equity	-7.0%	~~59.9%~~ 59.2%	+15%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long Treasuries	-5.0%	5.1%	+5.0%	Bloomberg US Treasury: Long Index
Credit-Related Fixed Income	-5.0%	0.0%	+5.0%	Bloomberg Capital Global High Yield Index
Total Fixed Income	-5.0%	5.1%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-Bills
Stable Value Hedge Funds	-5.0%	~~10.5%~~ 12.0%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	~~17.6%~~ 19.1%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	0.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	0.0%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	0.0%	+5.0%	
Natural Resources[3]	~~0%~~ -5.0%	~~3.3%~~ 2.5%	~~8%~~ +5.0%	Blended Median Cambridge PE Energy and Upstream & Royalty (ex Mining), PE Energy (Mining) and Timber
Infrastructure[3]	~~0.0%~~ -5.0%	~~4.5%~~ 5.5%	~~10%~~ +5.0%	Median Cambridge Infrastructure
Real Estate[3]	~~5%~~ -5.0%	~~9.7%~~ 9.2%	~~15%~~ +5.0%	Blended MSCI US REIT Gross Total Return Index (RMSG) and Median Cambridge Total Real Estate
Total Real Return	-6.0%	~~17.5%~~ 17.2%	+6.0%	
Strategic Partnerships	-5.0%	~~5.0%~~ 4.5%	+5.0%	Blended MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD, Bloomberg US Treasury: Long Index, ~~MSCI World Index with Net Dividends, MSCI Emerging Markets ex-China Index with Net Dividends,~~ and HFRI Macro
Innovation & Disruption	~~0%~~ -5.0%	0.0%	~~5.0%~~ +5.0%	Aggregate Policy Portfolio Benchmark before returns from Innovation & Disruption portfolio
Total All Asset Classes		100.0%	110.0%	

POLICY/TARGET RETURN/RISKS[2]	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	~~5.19%~~ 4.89%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	~~6.43%~~ 6.25%
One Year Downside Volatility	~~8.24%~~ 8.38%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) ~~When preceded by a "-" or "+", in relation to the Asset Class Target~~ The "-" or "+" will be vs the original target, with the exception of Public Equity, where the "-" and "+" will be vs the Adjusted target; with the exception of Cash, "Min" will not be below zero.

(2) Asset Class Targets and Policy/Target Return/Risks reset monthly.

(3) The Adjusted Target weight of each of Private Equity, Real Estate, Natural Resources and Infrastructure will be set each month as the average ending actual weight of the combined PUF and GEF from the prior month. The "Min" and "Max" in these Asset Classes wil be relative to the original Target. Any difference in the calculated Private Equity, Real Estate, Natural Resources, and Infrastructure Adjusted Target weights from the original Target weights derived from this table will be offset using 100% ~~Developed~~ Public Equity.

(4) All public equity benchmarks are net total return unless stated otherwise.

THE UNIVERSITY OF TEXAS SYSTEM
INTERMEDIATE TERM FUND
INVESTMENT POLICY STATEMENT

Purpose

The University of Texas System Intermediate Term Fund (the "ITF") was established by the Board of Regents of The University of Texas System (the "Board of Regents") as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by U. T. System institutions and U. T. System Administration.

ITF Organization

The ITF functions as a mutual fund in which each eligible account purchases and redeems ITF units as provided herein. The ownership of ITF assets shall at all times be vested in the Board of Regents. Such assets shall be deemed to be held by the Board of Regents, as a fiduciary, regardless of the name in which the assets may be registered.

ITF Management

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investments and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the ITF.

Ultimate fiduciary responsibility for the ITF rests with the Board of Regents. Section 66.08 of the *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas/Texas A&M Investment Management Company ("UTIMCO"), the ITF shall be managed by UTIMCO, which shall a) recommend investment policy for the ITF, b) recommend specific Asset Class allocation targets, ranges, and performance benchmarks consistent with ITF objectives, and c) monitor ITF performance against ITF objectives. UTIMCO shall invest the ITF assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to Asset Class allocation targets, ranges and performance benchmarks, are subject to approval by the Board of Regents.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Authority Policy approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

ITF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized to provide for responsible separation of duties and adequacy of an audit trail. Custody of ITF assets shall comply with applicable law and be structured to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase ITF Units

No account shall be eligible to purchase units of the ITF unless it is under the sole control, with full discretion as to investments, by the Board of Regents. Any account whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the ITF.

ITF Investment Objectives

The ITF consists of intermediate and long-term funds held by the U. T. System Board of Regents, as a fiduciary, for the benefit of U. T. System institutions, U. T. System Administration, and other affiliated funds. ITF assets are pooled for efficient investment purposes and managed by UTIMCO over the intermediate to longer term.

The primary investment objective of the ITF is to maximize investment returns within the risk parameters specified in this Policy Statement without regard to the distribution rate.

The secondary investment objective is to preserve the purchasing power of ITF assets by earning a compound annualized return over rolling five-year periods, net of all direct and allocated expenses, of at least inflation as measured by the Consumer Price Index (CPI-U) plus 3% and to generate average annual returns net of all investment-related expenses, in excess of the approved Policy Portfolio over rolling five-year periods. Investment returns are expressed net of all investment-related expenses. Additional expenses include U. T. System administrative fees charged to the fund.

Investments must be prudently diversified, and within the approved Policy Downside Volatility Bounds, as defined in Exhibit A, and measured at least monthly by UTIMCO's risk model. Liquidity of the ITF will be governed by the Liquidity Policy, overseen by the Investment Risk Committee of the UTIMCO Board.

ITF return, Asset Class allocations, and downside volatility targets are subject to adjustment from time to time by the Board of Regents.

Asset Class Allocation and Policy

Asset Class allocation is the primary determinant of the volatility of investment return and, subject to the Asset Class allocation ranges specified in Exhibit A, is the responsibility of UTIMCO. The Asset Class allocation is designed to accommodate the intermediate investment horizon of the ITF assets with enhanced returns at moderate managed risk levels. UTIMCO is responsible for measuring actual Asset Class allocation at least monthly (incorporating the impact of derivative positions covered under the Derivative Investment Policy), and for reporting the actual portfolio Asset Class allocation to the UTIMCO Board and the Board of Regents at least quarterly. While specific Asset Class allocation positions may be changed within the ranges specified in Exhibit A based on the economic and investment outlook from time to time, the range limits cannot be intentionally breached without prior approval of the Board of Regents.

In the event that actual portfolio positions in Asset Classes or the Portfolio Projected Downside Volatility move outside the ranges indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will promptly report this situation to the UTIMCO Board Chair and take steps to rebalance portfolio positions back within the policy ranges in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the ITF asset values could warrant requesting approval of the UTIMCO Board Chair to waive remedial action.

Within the general investment regimes of Global Equity, Stable Value, and Real Return, ITF assets shall be allocated among the following broad Asset Classes based upon their individual return/risk characteristics and relationships to other Asset Classes:

Global Equity:

~~Developed~~ Public Equity – ~~Developed~~ Public Equity invests primarily in the equity securities of companies that are domiciled in the ~~developed~~ countries ~~(including the U.S.)~~ that are part of the ~~MSCI World~~Public Equity index listed in Exhibit A. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering ("IPO")) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. ~~Developed~~ Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension strategies may be classified as ~~Developed~~ Public Equity, provided that these strategies target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.

~~Emerging Markets Public Equity – Emerging Markets Public Equity invests primarily in the equity securities of companies that are domiciled in (i) the emerging countries that are part of the MSCI Emerging Markets Index or (ii) countries that have yet to reach MSCI Emerging Markets Index qualification status. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering ("IPO")) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Emerging Markets Public Equity includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures). Active extension strategies involve the use of leverage and include offsetting long and short exposures, often targeting 100% net long exposure. Active extension strategies may be classified as Emerging Markets Public Equity, provided that these strategies target a combined market sensitivity, defined by beta to the relevant benchmark, of approximately 1.0.~~

<u>Directional Hedge Funds</u> – Directional Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Directional Hedge Funds exhibit moderate market sensitivity as defined by beta to public equities. Strategies may include but are not limited to long/short equity, multi-strategy, event-driven, credit (loans, bonds, asset-backed securities, direct lending and distressed) and global macro.

<u>Stable Value</u>:

<u>Investment Grade Fixed Income</u> – Investment Grade Fixed Income represents ownership of fixed income instruments across all maturities, U.S. and non-U.S., that are rated investment grade. These include debt issued by the Sovereign Governments, various government enterprises and agencies, and corporations. The principal securities include bonds, notes, bills, mortgage and asset-backed securities and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Investment Grade Fixed Income.

<u>Long Treasuries</u> – Long Treasuries represents ownership of fixed income instruments across long-dated maturities issued by the U.S. government. The principal securities may include bonds, notes, bills and ETFs. In addition, derivative applications that serve as a fixed income substitute may be classified as Long Treasuries.

<u>Stable Value Hedge Funds</u> – Stable Value Hedge Funds invest long and short in equities, fixed income, commodities, currencies and other global market instruments including derivatives. Stable Value Hedge Fund investments exhibit little to no market sensitivity, as defined by beta to public equities, and have an

absolute return orientation. Strategies may include but are not limited to market-neutral equity, multi-strategy, re-insurance, risk premia, relative value, trend following, direct lending, specialty credit and global macro.

Cash – Cash has the same meaning as given to the term "Cash" in the Liquidity Policy and includes, for example, cash in any currencies and other overnight funds that have not been allocated to a specific Asset Class.

Real Return:

Inflation Linked Bonds – Inflation Linked Bonds include fixed income investments issued by both U.S. and Non-U.S. Governments where the principal value of the bond has been indexed to some rate of inflation, as well as ETFs and derivatives referencing Inflation Linked Bonds or directly linked to inflation rates, including but not limited to inflation swaps. Inflation Linked Bonds are intended to provide some degree of inflation protection.

Commodities – Commodities investments represent ownership of fungible goods such as metals, grains, foods and energy products or any other investment defined by regulators as a commodity. These investments can be made through actual physical ownership of the goods, or through financial ownership of the underlying goods achieved through the purchase of derivatives based on commodities or commodities indices.

Public Real Estate – Public Real Estate invests principally in companies that are part of the MSCI US REIT Gross Total Return Index (RMSG) and that own or manage equity or debt interests in portfolios of real estate or real assets. These securities are traded in public markets (on an exchange, over the counter, or issued in an underwritten initial public offering) or are restricted but expected to become public or otherwise freely marketable within three years after the initial investment. Public Real Estate includes common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures).

Cross-Asset Strategies:

Portable alpha strategies are investment strategies within and across regimes and generally involve the use of leverage. Such strategies are permitted in ~~the Developed Public Equity, Emerging Markets Public Equity and the Long Treasuries~~all current Asset Classes other than Cash, provided that such strategies target a combined market sensitivity ~~(defined by beta to the relevant~~substantially similar to the applicable Asset Class's benchmark ~~for the particular Asset Class) of approximately 1.0~~. For example, portable alpha strategies may include, but are not limited to, the use of fixed income or hedge fund overlays within an equity portfolio to target a combined market sensitivity of approximately 1.0.

All investments will be categorized at inception and on an ongoing basis by Asset Class.

Investment Guidelines

The ITF must be invested at all times in strict compliance with applicable law. Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, limited partnerships, and corporate vehicles managed externally shall be governed by the terms and conditions of the respective investment management contracts, partnership agreements or corporate documents.
- Investment guidelines of all other externally managed accounts as well as internally invested funds must be reviewed and approved by UTIMCO's Chief Investment Officer prior to investment of ITF assets in such investments.
- No securities may be purchased or held which would jeopardize the ITF's tax-exempt status.
- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- No internal investment strategy or program employing short sales may be made unless specifically authorized in the Delegation of Authority Policy, the Derivative Investment Policy or by the UTIMCO Board.
- The ITF's investments in warrants shall not exceed more than 5% of the ITF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The ITF may utilize derivatives only in accordance with the Derivative Investment Policy. The aggregate prorated annual premium of Derivative Investments utilized to reduce exposure to an Asset Class or hedge against risk shall not exceed 50 basis points of ITF value.

Investment Grade Fixed Income

- Not more than 5% of the market value of fixed income securities may be invested in corporate and municipal bonds of a single issuer.

Public Real Estate and Public Equity

- Not more than 25% of the market value of equity securities may be invested in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources)~~ at cost~~.

- Not more than ~~5~~6% of the market value of equity securities may be invested in the securities of one corporation~~ at cost~~.

Stable Value

- Not more than 7.5% of the market value of equity and fixed income securities taken together may be invested in one corporation~~ at cost~~.

Leverage

The ITF can incur Leverage directly through derivatives and facilities such as repurchase agreements and reverse repurchase agreements, prime broker loans and other funding mechanisms (collectively "Leverage"). The Total Asset Class exposure, including these forms of Leverage, shall not exceed 105% of the net asset value of the ITF. Asset Class exposure will include applicable leverage and must remain within the policy limits provided in Exhibit A. Derivatives and other leverage facilities incurred by external managers operating under limited partnership agreements, through corporations, or through other limited liability entities are not included in any Asset Class exposure.

ITF Accounting

The fiscal year of the ITF shall begin on September 1st and end on August 31st. Market value of the ITF shall be maintained on an accrual basis in compliance with Generally Accepted Accounting Principles ("GAAP"), Governmental Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO's Chief Investment Officer and reported to the UTIMCO Board. Assets deemed to be "other than temporarily impaired" as defined by GAAP shall be written off and reported to UTIMCO's Chief Investment Officer and the UTIMCO Board when material. The ITF's financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of ITF Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all ITF net assets and the net asset value per unit of the ITF. Valuation of ITF assets shall be based on the books and records of the custodian for the valuation date. The final determination of ITF net assets for a month end close shall normally be completed within seven business days but determination may be longer under certain circumstances.

The fair market value of the ITF's net assets shall include all related receivables and payables of the ITF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Performance Measurement

The investment performance of the ITF will be measured by the ITF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board and compared against the stated Policy Benchmarks of the ITF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. The Policy Portfolio benchmark will be maintained by UTIMCO and will comprise a blend of Asset Class indices weighted to reflect the ITF's Asset Class allocation policy targets as defined in Exhibit A. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Compliance

Compliance with this Policy will be monitored by UTIMCO's Chief Compliance Officer. UTIMCO's Chief Executive Officer, the UTIMCO Board, and the UTIMCO Audit & Ethics Committee will receive regular reports on UTIMCO's compliance with this Policy. All material instances of noncompliance, as determined by UTIMCO's Chief Compliance Officer and the Chair of the UTIMCO Audit & Ethics Committee, will require an action plan proposed by UTIMCO's Chief Executive Officer and approved by the Chair of the UTIMCO Board with timelines for bringing the noncompliant activity within this Policy.

ITF Distributions

The ITF shall provide monthly distributions to the unit holders. The Board of Regents will approve an annual distribution amount. Distributions from the ITF to the unit holders shall be made monthly on the first business day of each month. To calculate the monthly distribution, the distribution rate (% divided by 12) will be multiplied by each unit holder's account, determined as follows:

- Net asset value of each unit holder's account on the last business day of the second prior month;
- Plus value of each unit holder's net purchase/redemption amount on the first business day of the prior month;
- Less the distribution amount paid to each unit holder's account on the first business day of the prior month.

Purchase and Redemption of ITF Units

The ITF participants may purchase units on the first business day of each month upon payment of cash or reinvestment of distributions to the ITF, at the net asset value per unit of the ITF as of the prior month ending valuation date. Such purchase commitments are binding. The ITF participants may redeem ITF units on a monthly basis. The unit redemption shall be paid in cash as soon as practicable after the month end valuation date of the ITF. Redemptions from the ITF shall be at the market price per unit determined at the time of the redemption. Such redemption commitments are binding.

Participants of the ITF are required to provide notification of purchases and redemptions based on specific notification requirements as set forth in The University of Texas System Allocation Policy for Non-Endowment Funds.

Securities Lending

The ITF may participate in a securities lending contract with a bank or nonbank security lending agent for purposes of realizing additional income. Loans of securities by the ITF shall be collateralized by cash, letters of credit, or securities issued or guaranteed by the U.S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the lending agent shall be reviewed by UTIMCO staff to ensure compliance with contract provisions.

Investor Responsibility

As a shareholder, the ITF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the ITF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the ITF solely in the interest of ITF unitholders, in compliance with the Proxy Voting Policy then in effect, and shall not invest the ITF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend this Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this Policy shall be ~~January~~September 1, 2025.

EXHIBIT A
ASSET CLASS TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE ~~JANUARY~~ SEPTEMBER 1, 2025

Asset Class	Min v Target(1)	Target(2)	Max v Target(1)	Benchmark
Global Equity:				
~~Developed~~ Public Equity(3)	-5.0%	~~11.5%~~ 15.0%	+10.0%	~~MSCI World Index with Net Dividends~~ MSCI ACWI Ex-China Ex-Hong Kong Net Total Return USD
~~Emerging Markets Public Equity~~	~~-5.0%~~	~~3.5%~~	~~+5.0%~~	~~Blended 50% MSCI Emerging Markets with China All Shares and 50% MSCI Emerging Markets ex-China (both net total return)~~
~~*Total Public Equity*~~	~~-5.0%~~	~~15.0%~~	~~+10.0%~~	
Directional Hedge Funds	-5.0%	35.0%	+5.0%	HFRI Fund of Funds Composite
Total Global Equity	-7.0%	50.0%	+10.0%	
Stable Value:				
Investment Grade Fixed Income	-5.0%	6.0%	+5.0%	Bloomberg Global Aggregate Index x-CNY - Hedged
Long Treasuries	-5.0%	7.0%	+5.0%	Bloomberg US Treasury: Long Index
Total Fixed Income	-5.0%	13.0%	+5.0%	
Cash	-5.0%	2.0%	+5.0%	3 month T-bills
Stable Value Hedge Funds	-5.0%	25.0%	+5.0%	HFRI Fund of Funds Conservative
Total Stable Value	-10.0%	40.0%	+6.0%	
Real Return:				
Inflation Linked Bonds	-5.0%	5.0%	+5.0%	Bloomberg Global Inflation-Linked: U.S. TIPS Index
Gold	-5.0%	0.0%	+5.0%	Gold Spot Price (XAU)
Commodities	-5.0%	2.5%	+5.0%	Bloomberg Commodity TRI
Total Commodities	-5.0%	2.5%	+5.0%	
Public Real Estate	-5.0%	2.5%	+5.0%	MSCI US REIT Gross Total Return Index (RMSG)
Total Real Return	-6.0%	10.0%	+6.0%	
Total All Asset Classes		100.0%	105.0%	

POLICY/TARGET RETURN/RISKS(2)	
Expected 10-Year Annual Real Return (Policy Portfolio Beta)	~~2.3%~~ 2.24%
Expected 10-Year Annual Real Return (Policy Portfolio Total Return)	~~4.3%~~ 4.51%
One Year Downside Volatility	~~3.8%~~ 3.74%
Risk Bounds	
Lower: 1 Year Downside Volatility	75.00%
Upper: 1 Year Downside Volatility	115.00%

(1) In relation to the Asset Class Target; with the exception of Cash, "Min" will not be below zero.
(2) Asset Class Targets and Policy/Target Return/Risks reset monthly.
(3) All public equity benchmarks are net total return unless stated otherwise.

The University of Texas/Texas A&M Investment Management Company
Delegation of Authority Policy

Effective Date of Policy: June ~~20~~19, ~~2024~~2025
Date Approved by UTIMCO Board: June ~~20~~19, ~~2024~~2025
Supersedes: Delegation of Authority Policy effective June ~~10~~20, ~~2022~~2024

Purpose:
The purpose of the Delegation of Authority Policy is to provide a clear delineation of responsibilities of the UTIMCO Board of Directors and the UTIMCO employees. Section 66.08 of the *Texas Education Code* provides that UTIMCO's duties to the U. T. System Board of Regents with respect to the management of investment funds shall be governed by a contract between the two parties. UTIMCO provides various investment management services to the U. T. System Board as more fully described in the Investment Management Services Agreement by and between the U. T. System Board and UTIMCO. The UTIMCO Board is responsible for management and investment oversight of UTIMCO. The UTIMCO Board recommends amendments to the Investment Policies for approval by the U. T. System Board. The UTIMCO Board is responsible for overseeing the investment process to execute the established Investment Policies. However, to enhance the competitiveness of the investment process, improve management and operational efficiency, and define and concentrate accountability for performance, certain duties and responsibilities are delegated by the UTIMCO Board to UTIMCO Management. This Policy defines the delegation of authority in the two primary areas of UTIMCO operations:

(1) Management, Operations, and Finance; and
(2) Investments.

Objective:
By clearly defining the scope of delegated authority to UTIMCO Management, this Policy enhances operational efficiency and timeliness in decision making, thereby enhancing competitiveness.

Scope:
This Policy applies to all matters under UTIMCO control. The only delegations of authority granted by the UTIMCO Board are enumerated in this Policy, and any authority not specifically granted in this Policy is retained by the UTIMCO Board acting as agent for the U. T. System Board, provided that nothing contained in this Policy is intended to, or shall, limit any delegation of authority otherwise set forth in the UTIMCO Bylaws, the Investment Management Services Agreement, any Committee Charter, any Investment Policy, or any formal policy adopted by the UTIMCO Board.

Authority Delegated to UTIMCO Management:
The primary functions of the UTIMCO Board are to formulate, revise, oversee, implement, and conduct ongoing oversight of the policies it has established for UTIMCO. The duties and responsibilities of the UTIMCO Board are enumerated in the UTIMCO Bylaws, Articles of Incorporation, Committee Charters, Investment Management Services Agreement, and UTIMCO policies. To execute its responsibilities more efficiently, the UTIMCO Board has

delegated the authority to implement UTIMCO policies to UTIMCO Management in two primary areas: (i) Management, Operational, and Financial Authority; and (ii) Investment Authority.

Management, Operational, and Financial Authority: Final authority for the functions listed below rests with the UTIMCO Board:

- Administration, Accounting and Financial Management;
- Systems Technology Management;
- Personnel Management;
- Legal and Compliance;
- Client Relations and Reporting; and
- Public Relations.

However, the UTIMCO Board hereby delegates authority to UTIMCO Management in each functional area as specified below:

Administration, Accounting, and Financial Management: All day-to-day operational decisions to UTIMCO Management. This delegation includes, but is not limited to, all administrative decisions regarding the management of endowment and operating funds as well as all administrative and financial decisions associated with the operation of UTIMCO. This delegation includes the authority to execute all contracts and agreements, subject to the limitations defined below.

Systems Technology Management: All decisions regarding the operation and management of all systems technology assets to UTIMCO Management. This delegation includes the authority to execute all contracts and agreements, subject to the limitations defined below.

Personnel Management: To the UTIMCO Chief Executive Officer, all personnel management decisions regarding positions included in approved UTIMCO operating budgets, and grants authority to the Chief Executive Officer to add non-budgeted personnel as necessary, subject to review in the following budget cycle, provided that the addition of any non-budgeted personnel shall be promptly reported to the UTIMCO Board. All compensation decisions for officers of UTIMCO are excluded from this delegation.

Legal and Compliance: Except as provided in the Investment Management Services Agreement, all legal and compliance operations to UTIMCO Management, while retaining all oversight functions as specified in UTIMCO policies.

Client Relations and Reporting: All client relations and reporting decisions to UTIMCO Management.

Public Relations: To the UTIMCO Chief Executive Officer, in conjunction with The University of Texas System Office of Media Relations and Communications and the University of Texas

System Office of Governmental Relations, all decisions regarding public relations matters, except for those matters that are reserved to the UTIMCO Vice Chair for Policy.

In addition, to facilitate the execution of the authority granted above, the UTIMCO Board hereby delegates the following specific duties and responsibilities to UTIMCO Management:

- *Contracts:* To the UTIMCO Chief Executive Officer the authority to execute on the behalf of UTIMCO all contracts, leases, or other commercial arrangements (except investment management agency contracts; partnership, subscription or other investment agreements; investment consultant agreements and agreements with independent auditors) for a total obligation of $2 million or less during the contract term; provided that, for purposes of this delegation any contract that does not have a fixed term shall be deemed to have a term of one year; provided further, that notice of any such new contracts, leases, or other commercial arrangements of $500,000 or more shall be reported to the UTIMCO Board at its next regularly scheduled meeting, and annually, all existing contracts, leases, or other commercial arrangements of $500,000 or more shall be reported to the UTIMCO Board.

- *Fiduciary Counsel: Management of UTIMCO's Fiduciary Counsel:* To the UTIMCO Chief Executive Officer and the UTIMCO General Counsel, the authority to direct the day-to-day work product of the UTIMCO Fiduciary Counsel, provided that the UTIMCO Fiduciary Counsel shall continue to have primary reporting responsibility to the UTIMCO Board.

Investment Authority: The UTIMCO Board hereby delegates the following specific duties and responsibilities to UTIMCO Management:

- *Tactical Asset Allocation:* Without limitations of timing, procedures, or vehicles utilized, decisions regarding tactical asset allocation within the ranges established in Investment Policies including rebalancing portfolio weights to Policy Target Weights or actively deviating from Policy Weights as market conditions dictate, are hereby delegated to the UTIMCO Chief Executive Officer, as long as any decisions do not violate established Investment Policies. Short sales of securities (including exchange traded funds, and individual common stocks and bonds) and equity indices or short positions established through Delegated Derivative Investments as defined in the Derivative Investment Policy may also be utilized in tactical asset allocation. Prior to implementation of any short security sale strategy and throughout the duration of the strategy, risk analyses shall be performed to verify the expected risk reducing impact of the proposed strategy and that the strategy does not result in the risk position of the total Funds being outside the policy risk range.
- *Risk Management:* The UTIMCO Board hereby delegates all decisions regarding the design and operation of any risk management system to UTIMCO Management.

- *Allocation of Investment Funds to New Managers and Mandates:* The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer the authority to negotiate and execute agency, partnership, subscription or other agreements and to commit UT System funds as follows:
  - New Fund Investments to a new external manager: 1.0% of Applicable Assets.
  - New Mandates with existing external managers: 1.0% of Applicable Assets.
  - Internal Mandates other than passive exposures: 1.0% of Applicable Assets.
  - New Co-investments to a direct public or private investment alongside an external manager: 0.66% of Applicable Assets.
  - The limitations described herein are subject to the Terms Applicable to All Internal and External Managers and to the Maximum Manager Mandates.
  - If the investment or mandate exceeds any of these thresholds, any Director may require a complete review by the UTIMCO Board of the investment prior to the execution of the investment.
- *Increasing Allocations of Investment Funds to Existing Managers and Mandates:* The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer the authority to negotiate and execute agency, partnership, subscription or other agreements and to commit additional UT System funds after the Six-Month Period as follows:
  - Each Subsequent Fund Investment with existing external managers: 1.0% of Applicable Assets.
  - Additions to Internal Mandates other than passive exposures: 1.0% of Applicable Assets.
  - Each Subsequent Co-investment to a direct public or private investment alongside an existing external manager: 0.66% of Applicable Assets.
  - The limitations described herein are subject to the Terms Applicable to All Internal and External Managers and to the Maximum Manager Mandates.
  - If the investment or mandate exceeds any of these thresholds, any Director may require a complete review by the UTIMCO Board of the investment prior to the execution of the investment.
- *Small Co-investments:* Notwithstanding the foregoing, the UTIMCO Board hereby delegates to each Managing Director and above of an investment portfolio the authority to negotiate and execute agency, partnership, subscription or other agreements and to commit UT System funds as follows:
  - New Small Co-investment to a direct public or private investment alongside an existing manager: 0.10% of Applicable Assets.
  - Each Subsequent Co-investment to a direct public or private investment alongside an existing manager after the Six-Month Period: 0.10% of Applicable Assets.

- ~~Prior to committing to such a Co-investment, the Managing Director will present the Co-investment to the internal Co-investment Committee for approval. All Co-investments made pursuant to this section must be reported to the Internal Investment Committee at a regular meeting.~~

- *Terms Applicable to All Internal and External Managers:*
  - Any Director may require a complete review by the UTIMCO Board of an investment prior to the execution of the investment if, as a result of the investment:
    - UTIMCO Exposure managed by the external manager would exceed 50% of the total assets managed by the manager in that investment strategy;
    - UTIMCO Exposure managed by the internal or external manager would exceed 3.0% of Applicable Assets in any one of the Global Equity, Stable Value, or Real Return portfolios (6.0% for managers limited to Fixed Income mandates); or
    - UTIMCO Exposure managed by the internal or external manager would exceed 6.0% of Applicable Assets in the aggregate for all public and private investments (the "Maximum Manager Mandate"). For purposes of the Maximum Manager Mandate, if UTIMCO Exposure managed by the internal or external manager includes an allocation to private investments and public investments, Applicable Assets will include the total combined NAV of the Endowments plus the ITF.
  - If any UTIMCO Director requires a complete review of the investment prior to the execution of the investment, the UTIMCO Director will submit a written request to the UTIMCO Chief Executive Officer, and the UTIMCO Chief Executive Officer shall make a presentation to highlight the attributes and risks of the proposed investment at the next UTIMCO Board meeting. Subsequent to hearing the presentation, the UTIMCO Board shall vote whether to approve such investment.
  - "Applicable Assets" is defined as follows:
    - For public investments: Total combined NAV of the Endowments and ITF determined as of the most recent quarter-end close of books; and
    - For private investments: Total combined NAV of the Endowments determined as of the most recent quarter-end close of books.
  - "Fund Investments" is defined as any allocation of UT System funds to an external manager.
  - "Six-Month Period" is defined as follows:

- Six months following the closing of the investment for New Fund Investments to a new external manager, New Mandates with existing external managers, and New Co-investments and New Small Co-investments to a direct public or private investment alongside an existing external manager.
- Six months after the commencement of the funding of the Internal Mandate.

  - "UTIMCO Exposure" is defined as UTIMCO NAV and unfunded commitments.
  - Passive exposure, either by an individual internal or external manager, is limited only as required to maintain the Policy Portfolio within the Asset Class ranges.
  - The UTIMCO Chief Executive Officer will periodically report to the UTIMCO Board regarding all decisions made under this delegated authority.

- *Manager Monitoring and Termination:* The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer all decisions regarding monitoring and termination of existing internal or external investment managers.
- *Maximum Manager Mandates:* The Maximum Manager Mandate shall be tested on at least a quarterly basis. Any exposures (excluding passive exposures) or new investments causing the Maximum Manager Mandate to be exceeded will be reported to the Investment Risk Committee at its next meeting. The UTIMCO Chief Executive Officer shall make a presentation and prepare a recommendation to the Investment Risk Committee regarding an appropriate course of action. Such presentation and recommendation will include information regarding the manager mandate, including original amount of investment, historical performance, market and economic outlook, and appropriate sizing, with timelines for completion of any recommended action. After discussion and review by the Investment Risk Committee, the Investment Risk Committee may approve the recommendation of the UTIMCO Chief Executive Officer, determine a different appropriate level of exposure or request additional information to be presented at a subsequent meeting before action may be taken by the UTIMCO Chief Executive Officer. The UTIMCO Chief Executive Officer will be responsible for implementing any Investment Risk Committee approved action.
- *Investment in Derivative Investments:* The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer, the Deputy CIO, the Managing Director – Risk Management, the Senior Managing Director – Public Equity and the Senior Managing Director – Hedge Funds the authority to enter into the Derivative Investments of the types set forth in Exhibit B of the Derivative Investment Policy and as authorized by the Funds' Investment Policy Statements, provided that the Managing Director – Risk Management, the Senior Managing Director – Public Equity and the Senior Managing Director – Hedge Funds may not enter into any Derivative Investment he or she has recommended. Any Director may

require a complete review of certain Derivative Investments as provided in the Derivative Investment Policy.

- *Use of Prime Brokers:* A prime broker is a large financial institution that provides cash management services, custodial services, securities lending and borrowing, and facilitates short sales and the purchase of securities on margin. The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer the authority to use one or more prime brokers for such purposes within applicable limitations provided by UTIMCO's investment policies. The selection of prime brokers is subject to any applicable approvals of Custodians as defined by the Investment Management Services Agreement.
- *Internal Investment Management*: The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer all decisions associated with the direct management of assets by UTIMCO employees subject to the same limitations applicable to Co-investments to a direct public or private investment , excepting Fixed Income Investments.
- *Management of the UTIMCO Board's External Investment Consultant(s):* The UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer the authority to direct the day-to-day work product of the UTIMCO Board's external investment consultant(s), provided that the UTIMCO Board's external investment consultant(s) shall continue to have primary reporting responsibility to the UTIMCO Board.
- All investment authority delegated to the Chief Executive Officer under this section shall also be delegated to the Chief Investment Officer.

Documentation, Controls, and Reporting:
All UTIMCO Management decisions made under this Delegation of Authority Policy will be monitored by UTIMCO's Chief Compliance Officer. Any exceptions to this Policy will be reported to UTIMCO's Chief Executive Officer promptly. The UTIMCO Chief Executive Officer will develop a remedy to the exception, if possible, and report the exception and the remedy to the UTIMCO Chair promptly. Additionally, the UTIMCO Chief Executive Officer will report any exceptions to this Policy to the UTIMCO Board at its next regularly scheduled meeting, unless the UTIMCO Chair instructs otherwise.

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item: Report from Investment Risk Committee

Developed By: de Onís, Moeller

Presented By: Longoria

Type of Item: Information item

Description: The Investment Risk Committee ("Committee") met jointly with the Policy Committee and separately on June 10, 2025. The Committee's agenda for the joint meeting included a discussion and appropriate action related to proposed amendments to the Investment Policy Statements and the Delegation of Authority Policy. Its separate meeting included (1) discussion and appropriate action related to the approval of minutes of its March 4, 2025, meeting; (2) review and discussion of compliance reporting; and (3) a market and portfolio risk update.

Discussion The Committee had a joint meeting with the Policy Committee to discuss UTIMCO's recommended amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund and Intermediate Term Fund. The Committees also discussed UTIMCO's recommended amendments to the Delegation of Authority Policy. The discussion of the investment policies is covered in the Report from the Policy Committee in Tab 6.

At its separate meeting, 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
June 19, 2025

Agenda Item: Report from Audit and Ethics Committee: Discussion and Appropriate Action Related to (1) Engaging Corporate External Auditor; and (2) Selection of Master Custodian

Developed By: Moeller, de Onís, Hill

Presented By: Berk, Moeller, Hill

Type of Item: Action item; Action required by UTIMCO Board related to Engaging Corporate External Auditor and Selection of Master Custodian; further action by the Board of Regents of The University of Texas System ("UT Board")

Description: The Audit and Ethics Committee (the "Committee") met on June 10, 2025. The Committee's agenda included (1) approval of minutes of its March 4, 2025 meeting; (2) discussion and appropriate action related to engaging Corporate External Auditor; (3) discussion and appropriate action related to Master Custodian; (4) report from UT System Audit Office; (5) an update on UTIMCO's compliance, reporting, and audit matters; (6) a presentation of unaudited financial statements for the Investment Funds and the Corporation; and (7) discussion and appropriate action related to the base salary for the General Counsel and Chief Compliance Officer for the 2025-2026 Fiscal Year. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation and evaluation matters.

Discussion: The Committee will report on its action related to the hiring of Deloitte & Touche LLP as the corporate auditor and request that the Board take appropriate action related to hiring Deloitte & Touche LLP as the corporate auditor. If approved by the Board, FY 2025 will be the 19th year that Deloitte serves as the Corporation's independent auditor. The fees for UTIMCO's FY2025 audit services are expected to be $50,000 plus out of pocket costs, which is a $400 decrease over the FY2024 fee.

The Committee will report on its action related to the selection of the master custodian for the investment funds under the fiduciary care of the UT Board. The master custodian provides a wide range of services, including custody, accounting, performance, analytics, securities lending, and compliance support. Global custody services, multi-currency reporting, data transmission, and robust on-line reporting are requirements for the master custodian. The master custodian is deeply involved in the accounting and operations of the investment assets under the fiduciary care of the UT Board and is an extension of the back office for UTIMCO. The current master custodian is the Bank of New York Mellon ("BNY"). BNY has served as the master custodian for the investment assets under the fiduciary care of the UT Board since September 1, 1995. The last master custodian review was conducted in 2019. Ms. Moeller and Mr. Hill reviewed the selection process with the Committee and the recommendation of Northern Trust as the custodian for the investment assets.

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

J. Michael Peppers, Chief Audit Executive and Moshmee Kalamkar, Director Audits of the UT System Audit Office, reviewed the Chief Administrator Travel and Entertainment Expense Audit. In addition, Mr. Pepper discussed an upcoming audit engagement and the FY 2026 internal audit work plan.

The Committee reviewed the unaudited financial statements for the Funds and UTIMCO Corporation and the quarterly compliance reports. In addition to the routine update on compliance, reporting, and audit issues, Ms. de Onís reported on the annual disclosure statements filed by outside financial advisors and service providers that were filed with the State Auditor's Office on April 15th and the annual report on Director Private Investments. The Master Investment Management Services Agreement between UTIMCO and the UT Board requires UTIMCO to maintain a log of (1) all agreements or transactions between UTIMCO or a "UTIMCO entity" and a "Director entity" or an "Employee entity", and (2) all investments in the private investments of a business entity in which a "Director" or "Employee" then owns a private investment, or is then co-investing, in the same business entity that must be reviewed annually by the UTIMCO Board of Directors and reported to the UT Board.

In accordance with the Delegation of Authority Policy, UTIMCO reports any new contracts, leases, or other commercial arrangements of $500,000 or more to the UTIMCO Board at its next regularly scheduled meeting, and annually, all existing contracts, leases, or other commercial arrangements of $500,000 or more. The report is included in this section.

Recommendation: Director Berk will request the UTIMCO Board to take appropriate action related to (1) engagement of Deloitte & Touche LLP as the corporate external auditor for the fiscal year ending August 31, 2025, and (2) the selection of Northern Trust as the master custodian for the investment assets under the fiduciary care of the UT Board and directing the Team to execute a contract with Northern Trust. Further approval of the master custodian is required by the UT Board.

Reference: Deloitte & Touche LLP Engagement Letter
Master Custodian Review presentation
Private Investment Log as of June 10, 2025
Contracts Report

RESOLUTION RELATED TO INDEPENDENT AUDITOR FOR THE CORPORATION

RESOLVED, that the firm of Deloitte & Touche LLP be, and is hereby, engaged as the independent auditor of the Corporation for the year ended August 31, 2025.

RESOLUTION RELATED TO MASTER CUSTODIAN

RESOLVED, that the Board approves the selection of Northern Trust as the master custodian for the investment assets under the fiduciary care of Board of Regents of The University of Texas System, subject to approval of the Board of Regents of The University of Texas System; and

FURTHER RESOLVED, that UTIMCO is directed to execute a contract with Northern Trust following such approvals.

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

USA
Tel: +1 512 691 2300
Fax: +1 512 708 10
www.deloitte.com

Deloitte.

May 28, 2025

Ms. Joan Moeller
Senior Managing Director
The University of Texas/Texas A&M Investment Management Company
210 West 7th Street, Suite 1700
Austin, TX 78701

Dear Ms. Moeller:

Deloitte & Touche LLP ("D&T" or "we" or "us") is pleased to serve as independent auditors for The University of Texas/Texas A&M Investment Management Company ("UTIMCO") (the "Company" or "you" or "your"). Mr. Thomas Wagner, will be responsible for the services that we perform for the Company hereunder.

In addition to the audit services we are engaged to provide under this engagement letter, we would also be pleased to assist the Company on issues as they arise throughout the year. Hence, we hope that you will call Mr. Wagner whenever you believe D&T can be of assistance.

The services to be performed by D&T pursuant to this engagement are subject to the terms and conditions set forth herein and in the accompanying appendices. Such terms and conditions shall be effective as of the date of the commencement of such services.

Audit of Financial Statements

Our engagement is to perform an audit in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards"). The objective of an audit conducted in accordance with generally accepted auditing standards is to express an opinion on whether the Company's financial statements for the year ending August 31, 2025 (the "financial statements"), are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

Appendix A contains a description of the auditor's responsibilities and the scope of an audit in accordance with generally accepted auditing standards.

D&T Reports

We expect to issue a written report upon the completion of our audit. Our ability to express an opinion or to issue any report as a result of this engagement and the wording thereof will, of course, be dependent on the facts and circumstances at the date of our report. If, for any reason, we are unable to complete our audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue any report as a result of this engagement. If we are unable to complete our audit, or if any report to be issued by D&T as a result of this engagement requires modification, the reasons for this will be discussed with the Audit and Ethics Committee of the UTIMCO Board of Directors (the “Audit and Ethics Committee”) and the Company’s management.

Management’s Responsibilities

Appendix B describes management’s responsibilities.

Communications with the Audit and Ethics Committee

Appendix C describes various matters that we are required by generally accepted auditing standards to communicate with the Audit and Ethics Committee and management.

Fees

We estimate that our fees for this engagement will be $50,000, plus expenses. Based on the anticipated timing of the work, our fees will be billed approximately as follows:

Invoice Date	Amount
October 2025	$30,000
December 2025	$20,000

We anticipate sending invoices according to the above schedule, and payments are due 30 days from the date of the invoice. Engagement-related expenses, such as travel, lodging, transportation, meals, telephone, and typing, and technology- and administrative-related charges will be billed in addition to the fees and will be stated separately on the invoices.
Our continued service on this engagement is dependent upon payment of our invoices in accordance with these terms. Our estimated fees are based on certain assumptions, including (1) timely and accurate completion of the requested entity participation schedules and additional supporting information, (2) no inefficiencies during the audit process or changes in scope caused by events that are beyond our control, (3) the effectiveness of internal control over financial reporting throughout the period under audit, (4) a minimal level of audit adjustments (recorded or unrecorded), and (5) no changes to the timing or extent of our work plans. We will notify you promptly of any circumstances we encounter that could significantly affect our estimate and discuss with you any additional fees, as necessary.

Inclusion of D&T Reports or References to D&T in Other Documents or Electronic Sites

If the Company intends to publish or otherwise reproduce in any document any report issued as a result of this engagement, or otherwise make reference to D&T in a document that contains other information in addition to the audited financial statements (e.g., in a periodic filing with a regulator, in an annual report, in a debt or equity offering circular, or in a private placement memorandum), thereby associating D&T with such document, the Company agrees that its management will provide D&T with a draft of the document to read and obtain our approval for the inclusion or incorporation by reference of any of our reports, or the reference to D&T, in such document before the document is printed and distributed. The inclusion or incorporation by reference of any of our reports in any such document would constitute the reissuance of such reports. The Company also agrees that its management will notify us and obtain our approval prior to including any of our reports on an electronic site.

Our engagement to perform the services described herein does not constitute our agreement to be associated with any such documents published or reproduced by or on behalf of the Company. Any request by the Company to reissue any report issued as a result of this engagement, to consent to any such report's inclusion or incorporation by reference in an offering or other document, or to agree to any such report's inclusion on an electronic site will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any procedures that would need to be performed in connection with any such request. Should D&T agree to perform such procedures, fees for such procedures would be subject to the mutual agreement of the Company and D&T.

* * * * *

The parties acknowledge and agree that D&T is being engaged under this engagement letter to provide only the services described herein. Should the Company or the Audit and Ethics Committee request, and should D&T agree to provide, services (including audit services) beyond those described herein, such services will constitute a separate engagement and will be governed by a separate engagement letter.

This engagement letter, including Appendices A through E attached hereto and made a part hereof, constitutes the entire agreement between the parties with respect to this engagement and supersedes any other prior or contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable and the services described are in accordance with your understanding, please sign the copy of this engagement letter in the space provided and return it to us.

Yours truly,

Deloitte & Touche LLP

Accepted and agreed to by The University of Texas/Texas A&M Investment Management Company:

By: ______________________________________

Title: ______________________________________

Date: ______________________________________

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

APPENDIX A

AUDITOR'S RESPONSIBILITIES AND SCOPE OF AN AUDIT IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

This Appendix A is part of the engagement letter dated May 28, 2025, between Deloitte & Touche LLP and The University of Texas/Texas A&M Investment Management Company.

Auditor's Responsibilities

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 Audit and Ethics Committee are presented fairly, in all material respects, in accordance with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Audit and Ethics Committee of their responsibilities.

Scope of an Audit

Generally accepted auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
An audit performed in accordance with generally accepted auditing standards, includes the following:

- Exercising professional judgment and maintaining professional skepticism throughout the audit.

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, and designing and performing audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding amounts and disclosures in the financial statements.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion will be expressed.

- Evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

- Concluding whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with generally accepted auditing standards. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether due to fraud or error, that are not material to the financial statements as a whole are detected.

APPENDIX B

MANAGEMENT'S RESPONSIBILITIES

This Appendix B is part of the engagement letter dated May 28, 2025, between Deloitte & Touche LLP and The University of Texas/Texas A&M Investment Management Company.

Financial Statements

Management is responsible for the preparation, fair presentation, and overall accuracy of the financial statements, including disclosures, in accordance with generally accepted accounting principles. In this regard, management has the responsibility for, among other things:

- Selecting and applying the accounting policies
- Designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Identifying and ensuring that the Company complies with the laws and regulations applicable to its activities and informing us of all instances of identified or suspected noncompliance with such laws or regulations
- Evaluating whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern
- Providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, (2) additional information that we may request from management for the purpose of our audit, and (3) unrestricted access to personnel within the Company from whom we determine it necessary to obtain audit evidence

Management's Representations

We will make specific inquiries of the Company's management about the representations embodied in the financial statements. In addition, we will request that management provide us with the written representations the Company is required to provide to its independent auditors under generally accepted auditing standards. The responses to those inquiries and the written representations of management are part of the evidential matter that D&T will rely on in forming its opinion on the Company's financial statements. Because of the importance of management's representations, the Company agrees to release and indemnify D&T, its subcontractors, and their respective personnel from all claims, liabilities, and expenses relating to our services under this engagement letter attributable to any misrepresentation by management.

Independence

For purposes of the subsections within this section entitled "Independence," "D&T" shall mean Deloitte & Touche LLP and its subsidiaries; Deloitte Touche Tohmatsu Limited, its member firms, the affiliates of Deloitte & Touche LLP, Deloitte Touche Tohmatsu Limited and its member firms; and, in all cases, any successor or assignee.

Independence Matters

In connection with our engagement, D&T, management, and the Audit and Ethics Committee will assume certain roles and responsibilities in an effort to assist D&T in maintaining independence. D&T will communicate to its partners, principals, and employees that the Company is an attest client. Management of the Company will ensure that the Company, together with its subsidiaries and other entities that comprise the Company for purposes of the consolidated financial statements, has policies and procedures in place for the purpose of ensuring that neither the Company nor any such subsidiary or other entity will act to engage D&T or accept from D&T any service that under American Institute of Certified Public Accountants (AICPA) or other applicable rules would impair D&T's independence. All potential services are to be discussed with Mr. Wagner.

In connection with the foregoing paragraph, the Company agrees to furnish to D&T and keep D&T updated with respect to a corporate tree that identifies the legal names of the Company's affiliates, as defined in AICPA *Code of Professional Conduct* (e.g., parents, subsidiaries, investors, or investees) ("Company Affiliates"), together with the ownership relationship among such entities. Such information will be maintained in a database accessible by D&T in connection with their compliance with AICPA or other applicable independence rules.

Management will coordinate with D&T to ensure that D&T's independence is not impaired by hiring former or current D&T partners, principals, or professional employees in a key position, as defined in the AICPA *Code of Professional Conduct*. Management of the Company will ensure that the Company, together with its subsidiaries and other entities that comprise the Company for purposes of the consolidated financial statements, also has policies and procedures in place for purposes of ensuring that D&T's independence will not be impaired by hiring a former or current D&T partner, principal, or professional employee in a key position that would cause a violation of the AICPA *Code of Professional Conduct* or other applicable independence rules. Any employment opportunities with the Company for a former or current D&T partner, principal, or professional employee should be discussed with Mr. Wagner before entering into substantive employment conversations with the former or current D&T partner, principal, or professional employee.

APPENDIX C

COMMUNICATIONS WITH THE AUDIT AND ETHICS COMMITTEE

This Appendix C is part of the engagement letter dated May 28, 2025, between Deloitte & Touche LLP and The University of Texas/Texas A&M Investment Management Company.

We are responsible for communicating with the Audit and Ethics Committee significant matters related to the audit that are, in our professional judgment, relevant to the responsibilities of the Audit and Ethics Committee in overseeing the financial reporting process.

In connection with the foregoing, we will communicate to the Audit and Ethics Committee any fraud we identify or suspect that involves (1) management, (2) employees of the Company who have significant roles in internal control, or (3) other employees of the Company when the fraud results in a material misstatement of the financial statements. In addition, we will communicate with the Audit and Ethics Committee any other matters related to fraud that are, in our professional judgment, relevant to their responsibilities. We will communicate to management any fraud perpetrated by lower-level employees of which we become aware that does not result in a material misstatement of the financial statements; however, we will not communicate such matters to the Audit and Ethics Committee, unless otherwise directed by the Audit and Ethics Committee.

We will also communicate to the Audit and Ethics Committee matters involving the Company's noncompliance with laws and regulations that have come to our attention during the course of our audit, other than when such matters are clearly inconsequential.

We will also communicate in writing to management and the Audit and Ethics Committee any significant deficiencies or material weaknesses in internal control (as defined in generally accepted auditing standards) that we have identified during the audit, including those that were remediated during the audit.

Generally accepted auditing standards do not require us to design procedures for the purpose of identifying other matters to communicate with the Audit and Ethics Committee. However, we will communicate to the Audit and Ethics Committee matters required by AICPA AU-C 260, *The Auditor's Communication with Those Charged with Governance*.

Texas State Auditor's Office

D&T agrees that the Texas State Auditor's Office or any authorized regulatory representative of the State of Texas (the "State") shall at any time have access to and the rights to examine and audit any pertinent books, documents, working papers, and records of D&T relating to this engagement letter, and to excerpt and transcribe any pertinent books, documents, working papers, and records of D&T.

If photocopies of pertinent books, documents, working papers, and records of D&T are requested, D&T will send a letter to the Texas State Auditor's Office or regulatory representative of the State similar (but not identical) in form to that in the American Institute of Certified Public Accountants AU-C Section 9230, and such letter will be acknowledged by the Texas State

Auditor's Office or regulatory representative of the State prior to the provision of any photocopies by D&T. Any photocopies of pertinent books, documents, working papers, and records of D&T will be identified as “confidential treatment requested by Deloitte & Touche LLP.”

D&T understands that the Texas State Auditor's Office may opt to rely on the work of D&T to support the Texas State Auditor's Office's opinion on the Comprehensive Annual Financial Report for the State of Texas, and D&T agrees to cooperate with the Texas State Auditor's Office in a joint effort to comply with American Institute of Certified Public Accountants standard AU-C 600, Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors). D&T acknowledges that the Texas State Auditor's Office has informed it that it is serving in the capacity of the group engagement auditor. As a component auditor, information D&T agrees to provide to the Texas State Auditor's Office includes information necessary to facilitate determinations regarding D&T’s understanding and compliance with ethical requirements and professional competence.

APPENDIX D

GENERAL BUSINESS TERMS

This Appendix D is part of the engagement letter to which these terms are attached (the engagement letter, including its appendices, the "engagement letter") dated May 28, 2025, between Deloitte & Touche LLP and The University of Texas/Texas A&M Investment Management Company.

1. Independent Contractor. D&T is an independent contractor and D&T is not, and will not be considered to be, an agent, partner, fiduciary, or representative of the Company or the Audit and Ethics Committee.
2. Survival. The agreements and undertakings of the Company contained in the engagement letter will survive the completion or termination of this engagement.
3. Assignment and Subcontracting. Except as provided below, no party may assign any of its rights or obligations (including, without limitation, interests or claims) relating to this engagement without the prior written consent of the other parties. The Company hereby consents to D&T subcontracting a portion of its services under this engagement to any affiliate or related entity, whether located within or outside of the United States. Professional services performed hereunder by any of D&T's affiliates or related entities shall be invoiced as professional fees, and any related expenses shall be invoiced as expenses, unless otherwise agreed.
4. Severability. If any term of the engagement letter is unenforceable, such term shall not affect the other terms, but such unenforceable term shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.
5. Force Majeure. No party shall be deemed to be in breach of the engagement letter as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.
6. Confidentiality. To the extent that, in connection with this engagement, D&T comes into possession of any confidential information of the Company, D&T shall not disclose such information to any third party without the Company's consent, using at least the same degree of care as it employs in maintaining in confidence its own confidential information of a similar nature, but in no event less than a reasonable degree of care. The Company hereby consents to D&T disclosing such information (1) as may be required by law or regulation, or to respond to governmental inquiries, or in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining hereto; (2) to the extent such information (i) is or becomes publicly available other than as the result of a disclosure in breach hereof, (ii) becomes available to D&T on a nonconfidential basis from a source that D&T believes is not prohibited from disclosing such information to D&T, (iii) is already known by D&T without any obligation of confidentiality with respect thereto, or (iv) is developed by D&T independently of any disclosures made to D&T hereunder; or (3) to contractors providing administrative, infrastructure, and other support services to D&T, subcontractors providing services in connection with this engagement and Deloitte Entities and their contractors to develop and enhance tools and services of Deloitte Entities, in each case, whether located within or outside of the United States, provided they have agreed to be bound by confidentiality obligations similar to those in this paragraph. Deloitte Entities

may also use or disclose any information to provide services or client offerings to current or prospective clients provided that information is not used or disclosed in a way that would permit the Company to be identified by third parties, without the Company's consent. "Deloitte Entities" shall mean any member firm of Deloitte Touche Tohmatsu Limited and its affiliates bound by confidentiality terms similar to the paragraph above.

7. Data Privacy

(a) For purposes of these terms, the following definitions apply:

"Personal Information" means any information received from, or on behalf of, the Company by D&T in its performance of services under the engagement letter (the "services") that is capable of individually identifying a natural person or is otherwise defined as "personal information" under applicable privacy laws.

"Personal Information Breach" means D&T's confirmation of unauthorized access to, or unauthorized use or disclosure of, Personal Information under D&T's possession or control that compromises the security, confidentiality or integrity of such Personal Information.

"Processing" means any operation or set of operations performed on Personal Information, such as accessing, obtaining, storing, retaining, selling, sharing, combining, transmitting, using, maintaining, disclosing or disposing of Personal Information.

(b) D&T shall comply with the privacy laws applicable to it in connection with the performance of the services. D&T shall only Process Personal Information in connection with its performance of the services, or as otherwise permitted under the engagement letter or these terms or as required by applicable law or professional standards. Taking into account the nature of the Personal Information being Processed, D&T shall have in place reasonable technical and organizational measures designed to (i) provide a level of security appropriate to the risks, and (ii) assist the Company in responding to consumer rights requests. Upon written request, D&T shall make available information with respect to D&T's Processing of Personal Information to: (i) demonstrate D&T's compliance with its obligations in this paragraph, which may take the form of an independent third-party certificate or audit report, or other relevant documentary information; and (ii) reasonably cooperate with the Company in fulfilling its obligations under applicable privacy laws, such as responding to Personal Information requests of individuals, maintaining the security of Personal Information, conducting privacy impact assessments, and consulting with applicable regulatory authorities. Unless otherwise required in connection with the services, D&T agrees that it will not re-identify any de-identified data it receives from or on behalf of the Company. D&T agrees that, upon written notice, the Company may take reasonable and appropriate steps to stop and remediate D&T's unauthorized use of Personal Information. D&T will notify the Company, to the extent required by law, if D&T makes a determination that it can no longer meet its obligations with respect to Personal Information under applicable privacy laws. To the extent required by applicable privacy laws, D&T certifies that it understands and agrees to comply with its privacy obligations set forth herein.

(c) In the event of a Personal Information Breach, D&T shall promptly and within any timeframe governing D&T's notification obligation under applicable law inform the Company's primary business contact for the services of such Personal Information Breach and shall provide to the Company additional information relating to the

Personal Information Breach reasonably requested by the Company, to the extent then known by D&T, including information required for the Company to provide any notices required by applicable law.

(d) D&T shall require that its personnel and subprocessors which Process Personal Information are subject to duties of confidentiality consistent with these terms. D&T may not use subprocessors to Process Personal Information without the prior written consent of the Company. The Company hereby consents to the Processing of Personal Information by the following subprocessors: (i) subcontractors authorized to provide services under the engagement letter in order to perform the services, and (ii) contractors to the extent necessary, in connection with providing administrative, infrastructure, and other support services to D&T. D&T shall enter into a written contract with each of its subprocessors consistent with the privacy obligations in this paragraph.

(e) Upon the Company's written request, D&T shall delete or return Personal Information that it maintains. Notwithstanding the foregoing, D&T shall have the right to retain copies of such Personal Information to the extent required by applicable law or professional standards, provided that D&T complies with the privacy obligations in this paragraph.

(f) Description of Processing attached hereto as Appendix D: Exhibit 1 sets forth certain details regarding D&T's Processing of Personal Information in connection with this engagement.

8. Dispute Resolution. Any controversy or claim between the parties arising out of or relating to the engagement letter or this engagement (a "Dispute") shall be resolved by mediation or binding arbitration as set forth in the Dispute Resolution Provision attached hereto as Appendix E and made a part hereof.

9. Governing Law. This engagement letter, together with the appendices, and all of the rights and obligations of the parties hereto and all of the terms and conditions hereof shall be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.

APPENDIX D: EXHIBIT 1

DESCRIPTION OF PROCESSING

Categories of individuals whose Personal Information is Processed:

- ☒ Employees
- ☒ Clients and customers
- ☒ Vendors or suppliers
- ☒ Dependents, beneficiaries, spouses, and/or domestic partners of employees
- ☒ Board of directors, audit committee, or those charged with governance
- ☐ Other:

Categories of Personal Information Processed:

- ☒ Name
- ☒ Contact information such as telephone number, physical address, email address
- ☒ Employment information such as position, title, job description or personnel number
- ☒ Education information
- ☒ Compensation and tax-related Personal Information
- ☒ Banking and financial account information
- ☒ Date of birth
- ☒ Internet log and tracking information, including cookies, beacons, IP addresses, and web browser and device information
- ☒ Online identifiers such as login and account information, including screen name, password and unique user ID
- ☒ Gender
- ☒ Photos and videos
- ☒ Government-issued unique identifiers
- ☐ Precise geolocation data
- ☐ Immigration status
- ☐ Citizenship information
- ☐ Information from children under 13 years old
- ☐ Other:

Categories of sensitive Personal Information Processed which reveals an individual's:

- ☒ Health or medical-related Personal Information
- ☒ Racial or ethnic origin
- ☒ Criminal convictions and offenses
- ☒ Political opinions
- ☐ Religious or philosophical beliefs
- ☐ Trade union membership
- ☐ Genetic or biometric (such as a facial scan, fingerprint, voice print or iris scan) Personal Information
- ☐ Sex life or sexual orientation

Nature and purpose(s) of the Processing: D&T Processes Personal Information in the context of providing the services. Duration of Processing: While performing the services and as required by applicable laws and professional standards.

APPENDIX E

DISPUTE RESOLUTION PROVISION

This Appendix E is part of the engagement letter dated May 28, 2025, between Deloitte & Touche LLP and The University of Texas/Texas A&M Investment Management Company.
This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to the resolution of Disputes and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise.
Mediation: All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR"), at the written request of a party, shall designate a mediator.
Arbitration Procedures: If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held in Austin, Texas. The arbitration shall be solely between the parties and shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the "Rules").
The arbitration shall be conducted before a panel of three arbitrators. Each of the Company and Deloitte & Touche LLP shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter (including its appendices) to which this Dispute Resolution Provision is attached and to abide by the terms of this Dispute Resolution Provision. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the State of Texas (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators shall have no power to award punitive, exemplary or other damages not based on a party's actual damages (and the parties expressly waive their right to receive such damages). The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Discovery shall be conducted in accordance with the Rules.
All aspects of the arbitration shall be treated as confidential, as provided in the Rules. Before making any disclosure permitted by the Rules, a party shall give written notice to all other parties and afford such parties a reasonable opportunity to protect their interests. Further, judgment on the arbitrators' award may be entered in any court having jurisdiction.
Costs: Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

Board of Directors Meeting

Master Custodian Review

Joan Moeller, COO

Gary Hill, Managing Director - OAR

June 19, 2025

Executive Summary

- Requesting approval of Master Custodian for the Investment Funds
- Why perform a review of the Master Custodian?
  - Best practice to periodically review the evolution of services and technology and understand what is “state-of-the-art”
  - Search for an innovative partner whose services and systems can be leveraged to meet the evolving needs of the UTIMCO team as assets under management continue to grow
  - Confirm UTIMCO is optimizing cost, scope, and quality of custodian services
- The Investment Funds utilize many services of the Master Custodian other than the standard safekeeping of assets, settlement of security purchases and sales, and income collection
- Team conducted extensive due diligence of four Master Custodians, reviewing their services and qualifications

Purpose of the Review

- 30+ year relationship with current Master Custodian, Bank of New York Mellon Corporation ("BNY")
- Best practice to periodically review these services to keep abreast of changes in platforms and services offered
- Last review was conducted in 2019
- Explore capabilities across providers for opportunities to consolidate existing vendor relationships and eliminate internally built applications including:
  - Flexible and integrated systems that are comprehensive and customizable for use by investment and support and control teams
  - Expanded and more efficient performance measurement, analytics and attribution systems
  - Client Relationship Management and Document retrieval, tagging, storage and scrubbing
  - Technological capabilities
    - Security and compliance
    - Systems integration
    - Data architecture
    - Client facing portals/Available reporting

Services

- Investment Funds use a wide range of services including:
  - Safekeeping of assets
  - Settlement of security purchases and sales
  - Income collection
  - Accounting – Official book of record for Investment Funds
  - Performance measurement, analytics, and attribution
  - Derivatives trade full life cycle support
  - Margin and collateral management
  - Securities lending
  - Compliance monitoring
- The Master Custodian relationship is viewed as an extension of the Operations, Accounting and Reporting (OAR) team
- Main data source for internal data platform

Due Diligence and Selection Process

- Internal Review Committee (IRC) formed
- Request for Proposal (RFP) issued February 2025
- RFP was sent to four global custodians, with all four responding:
  - BNY
  - Northern Trust
  - JP Morgan
  - State Street
- Each custodian presented their capabilities to provide the service requirements outlined in the RFP
- IRC members made on-site visits to respondents' offices to observe systems and processes and visit with team members that would service the accounts

Due Diligence and Selection Process (cont.)

IRC reviewed and rated responses based on criteria outlined in RFP including:

- Quality of Organization
- Client Service and Administration
- Accounting Platforms and Available Reporting
- Performance Measurement/Portfolio Analytics Platforms
- Valuation Processes
- Compliance Monitoring Processes
- Alternative Investment Support and Data Management
- Cash Management
- Global Securities Processing
- Corporate Actions and Tax Reclaims Processing
- Audit Controls
- On-line Systems and Technology
- Fees

Recommendation

- The IRC’s recommendation is to transition from BNY to Northern Trust

Director Private Investment Log Report

Private Investment Log as of June 10, 2025

Disclosures pursuant to IMSA Section 3(h)(x)

Prior to joining the UTIMCO Board, Director Scott invested in certain private Blackstone real estate and infrastructure funds and a private GTCR fund. Director Scott's fund investments are related to, and invest alongside of, certain private funds in which UTIMCO is invested. Director Scott does not have a 5% pecuniary interest (as defined by Texas Education Code § 66.08(k) and UTIMCO's Code of Ethics) in any of these private fund investments. Director Scott's investments are in different business entities than UTIMCO's investments; nevertheless, these investments are disclosed here in an abundance of caution.

Contracts Report

Contracts $500K or more

Disclosure pursuant to Delegation of Authority Policy

New Contracts, Leases, and Other Commercial Arrangements

(Total Obligation per Agreement greater than $500,000)

February 19, 2025 through May 27, 2025

Agreement	Purpose	Contract Term	Annual Amount
LP Analyst	LP Analyst is a cloud-based private asset portfolio management analytics platform for institutional investors. They provide managed data collection, monitoring and reporting, benchmarking, and analytics. The total obligation is $1,463,424 over a three-year term between 1/1/25-12/31/27.	1/1/2025-12/31/2025	$462,100
Dell - Azure	Dell bills us for a number of Azure services monthly based on usage. This includes our Azure storage, virtual machines and networking, and synapse analytics. Dell will also roll certain subscriptions into the monthly Azure billing that integrate with our Azure services, including Nerdio, Databricks, and OpenAI. The combined monthly subscription obligations under the Azure umbrella total an estimated $600,000 annually with an expected increase to $800,000 in FY26.	Variety of contract terms	$600,000

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item: Report from Compensation Committee: Discussion and Appropriate Action Related to the: (1) CEO's Base Salary for 2025-2026 Fiscal Year; (2) CEO's Qualitative Performance Standards for the UTIMCO Compensation Program for the Performance Period ending June 30, 2026; and (3) Amendment and Restatement of the UTIMCO Compensation Program, effective July 1, 2025

Developed By: Hall, Moeller, de Onís

Presented By: Handley, Hall

Type of Item: Action item; Action required by UTIMCO Board and by the Board of Regents of The University of Texas System ("UT Board") for the UTIMCO Compensation Program

Description: The Compensation Committee (the Committee) met on June 10, 2025. The Committee's agenda at its June 10, 2025 meeting included the following (1) approval of minutes of its December 12, 2024 meeting; (2) discussion and appropriate action related to base salaries for the UTIMCO officers and other UTIMCO Compensation Program (Plan) Participants for 2025-2026 Fiscal Year; (3) discussion and appropriate action related to the CEO's Qualitative Performance Standards for the Plan for the Performance Period ending June 30, 2026; and (4) discussion and appropriate action related to the amendment and restatement of the UTIMCO Compensation Program, effective July 1, 2025. The Committee also met in Executive Session for the purpose of deliberating individual personnel compensation matters.

Discussion: ***(1) Base Salaries.*** The Committee will report on its action related to the base salaries for all UTIMCO officers and Plan Participants (other than the CEO) for the 2025-2026 Fiscal Year. The Committee will report on its recommendation and request that the Board take appropriate action related to the CEO's base salary.

(2) CEO Qualitative Performance Standards. Section 5.4(b) of the Plan states that the CEO's Qualitative Performance Standards will be determined and approved by the Board. The Committee presents and recommends the approval of the CEO's Qualitative Performance Standards to the UTIMCO Board. The two categories of Performance Standards are Quantitative Performance and Qualitative Performance.

(3) Plan. The Plan consists of two elements: base salary and an annual performance plan. The UTIMCO Board has the discretion to interpret, adopt such rules and regulations it deems necessary to carry out the Plan, and amend the Plan. Mr. Hall will review the recommended changes to the Plan.

The proposed changes to the Plan are as follows:

- Section 5.8(a)(2)d, Appendix A, and Table 2 have been revised to reflect the new recommended Peer Group Performance methodology. The current methodology determines the percentage rank for the performance of the Total Endowment Assets ("TEA") relative to the Peer Group based on linear interpolation of the threshold and maximum performance standards of 50th percentile and 25th percentile. The new recommended methodology no longer utilizes the percentile ranks and replaces it with the Peer Group's Median Return and 25th Percentile Return as the threshold and maximum performance standards, respectively, which is determined annually by Cambridge Associates. The TEA's investment return will be measured against the Peer Group's Median Return and 25th Percentile Return.

- Table 2 has also been changed to adjust the maximum performance standards from 250 bps to 1,000 bps for Natural Resources and Private Equity Emerging Markets.

- Section 1 has been changed to reflect a new effective date of July 1, 2025.

- Appendix A has also been updated to clarify the Asset Class example in Step 9.

Recommendation: The Committee will recommend the Board (1) approve the CEO's Base Salary for the 2025-2026 Fiscal Year; (2) approve the CEO's Qualitative Performance Standards for the Plan for the Performance Period ending June 30, 2026; and (3) approve the proposed changes to the UTIMCO Compensation Program, Amended and Restated effective July 1, 2025, subject to approval by the UT Board.

Reference: UTIMCO Compensation Program, Amended and Restated Effective July 1, 2025

RESOLUTION REGARDING CEO'S BASE SALARY

RESOLVED, that the Board of Directors of UTIMCO hereby approves the Base Salary of the Corporation's CEO, effective September 1, 2025.

RESOLUTION RELATED TO THE CEO'S QUALITATIVE PERFORMANCE STANDARDS FOR PERFORMANCE PERIOD ENDING JUNE 30, 2026

WHEREAS, Section 5.4(b) of the UTIMCO Compensation Program (the "Plan") provides that the Board will determine the Performance Standards of the CEO for each Performance Period; and

WHEREAS, the Board has reviewed the CEO's Qualitative Performance Standards for the Performance Period ending June 30, 2026, as prepared by the CEO, and recommended by the Compensation Committee and set forth in the document presented to the Board.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the Qualitative Performance Standards for the CEO for the Performance Period ending June 30, 2026, as set forth in the document presented to the Board.

RESOLUTION RELATED TO AMENDMENTS TO THE UTIMCO COMPENSATION PROGRAM

WHEREAS, Section 7.2 of the UTIMCO Compensation Program (the “Plan”) provides that UTIMCO, by action of its Board of Directors (the “Board”), has the right in its discretion to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Compensation Committee of the Board (the “Committee”) has reviewed the proposed amendments to the Plan incorporated into an Amended and Restated Plan, effective July 1, 2025 (the “Amended and Restated Plan”), in the form previously provided to the Board; and

WHEREAS, the Board has reviewed the Amended and Restated Plan.

NOW, THEREFORE, be it:

RESOLVED, that the Board hereby approves and adopts the Amended and Restated Plan, effective as of July 1, 2025, subject to the approval of the Board of Regents of The University of Texas System.

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

UTIMCO
COMPENSATION PROGRAM

Amended and Restated
Effective July 1, 20254

TABLE OF CONTENTS

1. COMPENSATION PROGRAM STRUCTURE AND EFFECTIVE DATE

The UTIMCO Compensation Program (“Compensation Program” or “Plan”) consists of two elements**:** base salary and an annual performance plan (the “Performance Plan”):

Base Salary	+	Performance	=	Total Compensation

The base salary portion of the Compensation Program sets forth a structure and guidelines for establishing and adjusting the salaries of key investment and operations employees. The Performance Plan portion of the Compensation Program sets forth the criteria for calculating and receiving annual performance awards for key investment and operations employees who are eligible Participants in the Performance Plan. Provisions of the Compensation Program relating solely to the base salary portion of the Compensation Program are described in Section 4. Provisions of the Compensation Program relating solely to the Performance Plan portion of the Compensation Program are described in Section 5. Sections 1, 2, 3, 6, 7, and 8 of the Compensation Program relate to both the base salary portion and the Performance Plan portion except where otherwise specified in any such Section.

Effective Date: Except as provided in Section 7.9, this document, with an “Effective Date” of July 1, 2025~~4~~, supersedes the UTIMCO Compensation Program that was effective July 1, 2024~~0~~.

2. COMPENSATION PROGRAM OBJECTIVES

UTIMCO’s Compensation Program serves a number of objectives:

- To attract and retain key investment and operations employees of outstanding competence and ability.
- To encourage key investment employees to develop a strong commitment to the performance of the assets for which UTIMCO has been delegated investment responsibility.
- 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.
- To facilitate teamwork so that members of UTIMCO operate as a cohesive group.

3. TOTAL COMPENSATION PROGRAM PHILOSOPHY[1]

UTIMCO aspires to attract and retain high caliber employees from nationally recognized peer institutions and the investment management community in general. UTIMCO strives to provide a total compensation program that is competitive nationally, with the elements of compensation evaluated relative to comparably sized university endowments, foundations, and for-profit investment management firms with a similar investment philosophy (e.g., externally managed funds).

UTIMCO's total Compensation Program is positioned against the competitive market as follows:

- Base salaries are targeted at the market median (e.g., 50th percentile).
- Target total compensation (salary plus target Award Opportunity) is positioned at the market median.
- Maximum total compensation (salary plus maximum Award Opportunity) is targeted at the market 75th percentile if individual performance is outstanding.

Although base salaries, as well as target and maximum total compensation, have a targeted positioning relative to market, an individual employee's actual total compensation may vary from the targeted positioning based on the individual's experience, education, knowledge, skills, and performance as well as UTIMCO's investment performance as described in this document. Except as provided in Sections 5.8 and 5.9 for purposes of determining the length of historical performance, base salaries and Award Opportunities (as well as the actual Performance Awards) are not determined based on seniority at UTIMCO.

4. BASE SALARY ADMINISTRATION

4.1. Salary Structure

(a) Base salaries are administered through a Salary Structure as set forth in this Section 4.1. Each employment position has its own salary range, with the midpoint set approximately equal to the market median base salary for employment positions with similar job content and level of responsibility.

(b) The salary range midpoints will be determined by the Compensation Committee based on consultation with an outside compensation consultant and with UTIMCO management. Salary range midpoints for key management, investment, and operations positions will be updated at least every three years based on a salary benchmarking study conducted by a qualified compensation consultant selected by the Compensation Committee. In years in which the Compensation Committee does not commission a formal salary survey, the

[1] This explanation of UTIMCO's "Total Compensation Program Philosophy" is not intended to modify any of the substantive provisions of this document.

base salary midpoints may be adjusted at the Compensation Committee's discretion based on expected annual salary structure adjustments as reported in one or more published compensation planning surveys.

4.2. Salary Adjustments

(a) The base salary of the CEO is determined by the Board. The base salary of the Chief Compliance Officer ("CCO") will be determined by the Compensation Committee based on the joint recommendation of the Audit and Ethics Committee and the CEO and the base salaries of the other key investment and operations employees are determined by the Compensation Committee**.** Base salaries will be set within the salary range for each employment position. An individual's base salary within the range may be higher or lower than the salary range midpoint based on his or her level of experience, education, knowledge, skills, and performance. On an exception basis, the Board may set individual base salaries outside of the salary range if an individual either substantially exceeds or does not meet all of the market criteria for a particular position.

(b) Individuals may receive an annual adjustment (increase or decrease) of their base salaries at the discretion of the Compensation Committee or, in the case of the CEO, at the discretion of the Board. Base salary adjustments, if any, will be determined based on each individual employee's experience, education, knowledge, skills, and performance; provided that, in the case of the CCO, any such adjustment shall be based on the joint recommendation of the Audit and Ethics Committee and the CEO. Employees are not guaranteed an annual salary increase.

5. PERFORMANCE PLAN

5.1. Purpose of the Performance Plan

The purpose of the Performance Plan is to provide annual Performance Awards to eligible Participants based on specific objective criteria relative to UTIMCO's and each Participant's performance. The primary objectives of the Performance Plan are outlined in Section 2.

5.2. Performance Period

(a) For purposes of the Performance Plan, the "Performance Period" begins on July 1 of each year and ends the following June 30.

(b) Except as otherwise provided under Sections 5.8 and 5.9, performance for each year in the historical performance period will be measured between July 1 and the following June 30 of the applicable year for gauging achievement of the Quantitative Performance Standard.

5.3. ***Eligibility and Participation***

(a) As further described in (b), each employee of UTIMCO who holds an "Eligible Position" will be a "Participant" in the Performance Plan for a Performance Period. "Eligible Positions" for a Performance Period include senior management, investment employees, and other key positions as designated by the CEO and approved by the Board as Eligible Positions for that Performance Period. An employment position that is an Eligible Position in one Performance Period is not automatically an Eligible Position in any subsequent Performance Period. The Board in its discretion may also designate the employment position of a newly hired or promoted employee as an "Eligible Position" during a Performance Period**.** A list of Eligible Positions for each Performance Period is set forth in Table 1. Table 1 will be revised and attached each Performance Period when necessary to set forth the Eligible Positions for that Performance Period.

(b) An employee in an Eligible Position will become a Participant on the later of (i) the date he or she is employed in an Eligible Position or (ii) the first day of the Performance Period if the employee is employed on that date. The preceding notwithstanding, an employee may not commence participation in the Performance Plan and first become a Participant during the last six months of any Performance Period.

(c) An employee will cease to be a Participant in the Performance Plan on the earliest to occur of: (i) the date such employee is no longer employed in an Eligible Position; (ii) the date immediately following the last day of such employee's employment with UTIMCO due to a Termination of employment for any reason (including Voluntary Termination and Involuntary Termination, death, and Disability); (iii) the date of termination of the Performance Plan; (iv) the date such employee commences a leave of absence; or (v) the date such employee begins participation in any other UTIMCO performance program.

(d) Except as provided in Sections 5.10(b) and (c), only individuals who are Participants on the last day of a Performance Period are eligible to receive Performance Awards under the Performance Plan for that Performance Period.

5.4. Performance Standards

(a) There are two categories of Performance Standards:

(1) Quantitative Performance (measured as described in Section 5.8(a))

(2) Qualitative Performance (measured as described in Section 5.8(b))

Except for the CEO and CCO, Qualitative Performance Standards will be defined jointly by each Participant and his or her supervisor, subject to approval by the CEO. If the position of the CCO is determined to be an Eligible Position, the Qualitative Performance Standards of the employee holding the position of CCO will be determined jointly by the Chairman of the Audit and Ethics Committee and the CEO. References to the CCO hereafter assume that the position of CCO has been determined to be an Eligible Position and the employee holding the position of CCO has been determined to be a Participant in the Performance Incentive Plan for the Performance Period. If the position of CCO has not been determined to be an Eligible Position for the Performance Period the provisions hereafter specific to the CCO have no force and effect.

(b) The CEO's Performance Standards will be determined and approved by the Board.

(c) Each Performance Standard for each Eligible Position is assigned a weight for the Performance Period. The Chairman of the Audit and Ethics Committee and the CEO will jointly recommend to the Compensation Committee the weightings of the Performance Standards for the CCO. The weightings for each Eligible Position are set forth in Table 1. Table 1 will be revised and attached each Performance Period when necessary to set forth the weightings for the Eligible Positions for that Performance Period as soon as administratively practicable after such weightings are approved by the Compensation Committee for such Performance Period. The weightings for the Performance Standards for each Performance Period are subject to approval by the Board.

5.5. Award Opportunity Levels and Performance Awards

(a) Each Eligible Position is assigned an "Award Opportunity" for each Performance Standard for the Participants in that Eligible Position and each Award Opportunity is expressed as a percentage of base salary earned during the Performance Period. The Award Opportunities include a threshold and maximum award for achieving commensurate levels of performance of the respective Performance Standard.

(b) Award Opportunities for each Performance Period are set forth in Table 1. Table 1 will be revised and attached each Performance Period when necessary to set forth the Award Opportunities for that Performance Period as soon as administratively practicable after approval of the Award Opportunities by the Board for such Performance Period.

(c) Actual "Performance Awards" are the amounts that are actually awarded to Participants for the respective Performance Period. Actual Performance Awards will range from zero (if a Participant performs at or below threshold on all Performance Standards) to the maximum Award Opportunity (if a Participant performs at or above maximum on all Performance Standards) depending on performance relative to objectives. Awards are capped at maximum levels regardless of whether a Participant exceeds the stated maximum Performance Standards.

(d) Following the end of each Performance Period, the Compensation Committee will review the actual performance of each Participant against the Performance Standards of the respective Participant and determine the Participant's level of achievement of his or her Performance Standards. The Compensation Committee may seek and rely on the independent confirmation of the level of Performance Standard achievement from an external investment consultant to evaluate Entity Performance, Asset Class Performance, and Peer Group Performance. The CEO will submit a written report to the Compensation Committee, which documents the Participant's performance relative to the Participant's Performance Standards set at the beginning of the Performance Period, and upon which the Compensation Committee may rely in evaluating the Participant's performance. The Audit and Ethics Committee and the CEO will jointly determine the CCO's level of achievement relative to the CCO's Performance Standards. The Board will determine the CEO's level of achievement relative to the CEO's Performance Standards.

(e) Performance Awards will be calculated for each Participant based on the percentage achieved of each Performance Standard, taking into account the weightings for the Participant's Quantitative Performance and Qualitative Performance Standards and each Participant's Award Opportunity. The methodology for calculating Award Opportunities and Performance Awards is presented on Appendix A. Performance Awards will be interpolated in a linear fashion between threshold and maximum.

(f) Within 180 days following the end of a Performance Period, and after review by the external auditor, the Compensation Committee will review all Performance Award calculations, and make any changes it deems appropriate. The Compensation Committee will submit its recommendations to the Board for approval. Subject to the provisions of Section 7.1, the Board will approve Performance Awards.

(g) Following the approval of a Performance Award by the Board, each Participant will be notified as to the amount, if any, of his or her Performance Award as well as the terms, provisions, conditions, and limitations of the Nonvested Deferred Award portion of such Performance Award.

5.6. Form and Timing of Payouts of Performance Awards

Except as provided in Sections 5.11, 5.12, and 5.13, approved Performance Awards will be paid as follows:

(a) Subject to the Applicable Deferral Percentage of an Eligible Position as documented in Table 1, the Performance Award will be paid to the Participant ("Paid Performance Award") within 180 days of the completion of the Performance Period on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which the Performance Period ends, and

(b) An amount of the Performance Award for an Eligible Position equal to the Applicable Deferral Percentage set forth on Table 1 will be treated as a "Nonvested Deferred Award" subject to the terms of Section 5.7 and paid in accordance with that Section. Table 1 will be revised and attached, as necessary, for each Performance Period to set forth any Applicable Deferral Percentage for each Eligible Position as soon as administratively practicable after approval of the deferral percentages by the Board for such Performance Period.

5.7. Nonvested Deferred Awards

(a) For each Performance Period, a hypothetical account on UTIMCO's books ("Nonvested Deferred Award Account") will be established for each Participant. As of the date that the corresponding Paid Performance Award is paid to the Participant, each Participant's Nonvested Deferred Award for a Performance Period will be credited to his or her Nonvested Deferred Award Account established for that Performance Period; provided, however, that, in the case of any Participant whose Nonvested Deferred Award has been forfeited pursuant to Section 5.10(a) or Section 5.13 on the date such Nonvested Deferred Award would be so credited to his or her Nonvested Deferred Award Account, such Nonvested Deferred Award will not be credited to such Participant's Nonvested Deferred Award Account. The Nonvested Deferred Award Accounts will be credited (or debited) monthly with an amount equal to the net investment returns of the Total Endowment Assets ("Net Returns") for the month multiplied by the balance of the respective Participant's Nonvested Deferred Award Account(s) as of the last day of the month. When the Nonvested Deferred Award is initially credited to the Nonvested Deferred Award Account, the Nonvested Deferred Award Account will be credited (or debited) with Net Returns for the month of the initial credit of a Nonvested Deferred Award, but the Net Returns will be prorated to reflect the number of days of the month during which the amounts were credited to the Nonvested Deferred Award Account. Participants are not entitled to their Nonvested Deferred Award Accounts unless and until they become vested in those accounts in accordance with Section 5.7(b).

(b) Unless a Participant's Nonvested Deferred Award has been forfeited pursuant to Section 5.10(a) or Section 5.13, such Participant will become vested in, and entitled to payment of, his or her Nonvested Deferred Award Account for each respective Performance Period according to the following schedule:

(1) On the first anniversary of the last day of the Performance Period for which the Nonvested Deferred Award was earned, one half of the amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(2) On the second anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, the remaining amount

then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(3) Nonvested Deferred Award Accounts payable under the above paragraphs of this Section 5.7(b) will be paid on a date selected in the discretion of UTIMCO after the applicable portion of any such Nonvested Deferred Award Account becomes vested and in no event later than the last day of the calendar year in which the applicable portion of such Nonvested Deferred Award Account becomes vested.

5.8. Performance Measurement Standards

(a) Quantitative Performance is comprised of two categories: (i) performance measured against predetermined benchmarks and applicable excess return targets ("Benchmark Performance"), and (ii) performance measured against a predetermined Peer Group ("Peer Group Performance"). Due to the delay in availability of final performance data for private assets, calculation and payment of Performance Awards will be delayed until after such time that performance measurement for these investment areas are available.

(1) Benchmark Performance is comprised of Entity Performance and Asset Class Performance:

a. Entity Performance will be measured based on three-year historical performance.

b. For the Performance Periods beginning on or after July 1, 2024, subject to the phase-in calculation as described in Section 5.9(a), Entity Performance for purposes of the Performance Plan is determined based on the performance of the TEA and ITF relative to the Asset Classes' Benchmarks and Performance Standards in Table 2.

i. The performance of the TEA is measured by calculating each Asset Class Performance (as determined by section 5.8(a)(1)(c)) and weighing such calculated performance by the asset class's average NAV in proportion to the total average NAV of the TEA. The weighted contribution of each asset class's performance (measured as a positive or negative percentage of the maximum level) is summed to determine the level of attainment of the maximum TEA award for each Eligible Position in Table 1. Threshold level is 0% and the maximum level is 100% for the TEA performance for the Performance Period (with interpolation for levels of attainment between threshold and maximum).

ii. The performance of the ITF is measured by calculating each Asset Class Performance (as determined by section 5.8(a)(1)(c)) and weighing such calculated performance by the asset class's average NAV in proportion to the total average NAV of the ITF. The weighted contribution of each asset class's performance (measured as a positive or negative percentage of the maximum level) is summed to determine the level of attainment of the maximum ITF award for each Eligible Position in Table 1. Threshold level is 0% and the maximum level is 100% for the ITF performance for the Performance Period (with interpolation for levels of attainment between threshold and maximum).

iii. Performance of the TEA and ITF is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the TEA and ITF.

c. Asset Class Performance is the performance of specific asset classes within the TEA and the ITF (such as U.S. public equity, private equity, etc.). Except as provided in Section 5.9, Asset Class Performance will be measured relative to the appropriate benchmark based on three-year historical performance. When calculating the performance of a subset of asset class pursuant to Section 5.9, the appropriate benchmark for such subset shall be determined based on the applicable components of the blended benchmark for such asset class based on three-year historical performance (except as otherwise provided in Sections 5.9(c) and (d)), adjusted in proportion to the applicable subset(s) of the asset class being measured and excluding any inapplicable subset(s). Performance standards for each asset class will vary depending on the ability to outperform the respective benchmark. Subject to Section 5.9(b), the benchmarks for each asset class, as well as threshold and maximum performance standards applicable to the three-year historical period, culminating with the current Performance Period, are set forth on Table 2. Table 2 will be revised and attached, as necessary, for subsequent Performance Periods to reflect new benchmarks, as well as threshold and maximum performance standards, applicable to the three-year historical period, culminating with the subsequent Performance Period, in which event, such revised Table 2 will be attached as soon as administratively practicable after the change in such benchmarks and standards necessitating such change are set.

(2) Peer Group Performance:

a. The Peer Group will be as defined in Section 8.24.

b. Peer Group performance will be measured based on the TEA's performance relative to the Peer Group.

c. Peer Group performance will be measured based on one-year and three-year historical performance. One-year and three-year historical performance will each account for 50% of the Peer Group performance measurement and are counted independently of each other. For example, if the Peer Group performance on a one-year basis meets or exceeds the maximum performance standards identified in Table 2, but the Peer Group performance on a three-year basis does not meet or exceed the minimum threshold performance standards identified in Table 2, then applicable Participants would have achieved a combined total of 50% for the Peer Group component of the Performance Standards (calculated as (i) 50% for the one-year performance (100% achievement multiplied by 50% weight of one-year performance), plus (ii) 0% for the three-year performance (0% achievement multiplied by the 50% weight of the three-year performance), equaling a combined total of 50%).

d. Cambridge Associates will determine the performance of the Peer Group annually for the Performance Period. Cambridge Associates will calculate the Median ~~a~~ Return and 25th ~~P~~percentile Return~~rank~~ ~~for the performance of the TEA relative to~~ of the Peer Group~~, with the 1st percentile representing the highest rank and the 100th percentile representing the lowest rank~~.

(b) Qualitative Performance

(1) The level of a Participant's Qualitative Performance will be measured by the CEO (in the case of the CCO, jointly by the Audit and Ethics Committee and the CEO), subject to approval by the Compensation Committee, based on the level of attainment (below threshold, threshold or maximum) of the Participant's Qualitative Performance Standards for the Performance Period. In the case of the CEO, the level of the CEO's Qualitative Performance will be measured by the Compensation Committee subject to review and approval by the Board.

(2) The Qualitative Performance Standard will be measured systematically as part of each Participant's annual performance appraisal process aimed at evaluating, using predetermined standard criteria established before the beginning of each Performance Period, each Participant's adherence to UTIMCO's cultural values, and may include multi-rater feedback regarding a variety of contributions and behaviors needed for organizational success such as interpersonal relationship skills, accountability, effective teamwork, etc.

(3) For purposes of determining the level of attainment of each Participant's Qualitative Performance Standard for the Performance Period, the Participant will receive 0% (threshold level) if he or she fails to complete any of his or her Qualitative Performance Standards for that Performance Period and the maximum level if he or she successfully completes 100% of his or her Qualitative Performance

Standards for that Performance Period (with interpolation for levels of attainment between threshold and maximum).

5.9. *Modifications of Measurement Period for Measuring Entity and Asset Class Performance*

(a) For the Performance Period ending June 30, 2025, two years (July 1, 2022 through June 30, 2024) of the Entity Performance is determined based on the performance of the TEA and the ITF as provided by the terms the of Performance Plan then in effect for such years (i.e., the applicable provisions of the UTIMCO Compensation Program, Amended and Restated effective July 1, 2020, including any applicable tables), which performance is proportionately combined with the remaining one year (July 1, 2024 through June 30, 2025) of Entity Performance as determined under current Section 5.8(a)(1)(b). Similarly, for the Performance Period ending June 30, 2026, one year (July 1, 2023 through June 30, 2024) of the Entity Performance is determined based on the performance of the TEA and the ITF as provided by the terms of the Performance Plan then in effect for such year (i.e., the applicable provisions of the UTIMCO Compensation Program, Amended and Restated effective July 1, 2020, including any applicable tables), which performance is proportionately combined with the remaining two years (July 1, 2024 through June 30, 2026) of Entity Performance as determined under current Section 5.8(a)(1)(b).

(b) For the Performance Period ending June 30, 2025, two years (July 1, 2022 through June 30, 2024) of the Asset Class Performance is determined based on the benchmarks and performance standards as provided by the terms the Performance Plan then in effect for such years (i.e., the applicable provisions of the UTIMCO Compensation Program, Amended and Restated effective July 1, 2020, including any applicable tables), and the remaining one year (July 1, 2024 through June 30, 2025) of the Asset Class Performance is determined based on the benchmarks and performance standards set forth in current Table 2. For the Performance Period ending June 30, 2026, one year (July 1, 2023 through June 30, 2024) of the Asset Class Performance is determined based on the benchmarks and performance standards as provided by the terms of the Performance Plan then in effect for such year (i.e., the applicable provisions of the UTIMCO Compensation Program, Amended and Restated effective July 1, 2020, including any applicable tables), and the remaining two years (July 1, 2024 through June 30, 2026) of the Asset Class Performance is determined based on the benchmarks and performance standards set forth in the then-current Table 2.

(c) For purposes of measuring Quantitative Performance, the three-year historical performance cycle will not be utilized for any specific asset class (or subset of an asset class) until that asset class (or subset of that asset class) has three years of historical performance as part of the Performance Plan and, until that time, the actual years (full and partial) of historical performance of that asset class (or subset of that asset class) while part of the Performance Plan will be used as the measurement period.

(d) For purposes of measuring Quantitative Performance of an asset class (or subset of an asset class) that is removed from the Performance Plan prior to completion of the then in-progress three-year historical performance cycle, the three-year historical performance cycle will not be utilized for that removed asset class (or subset of an asset class), but instead the actual number of full months that the removed asset class was part of the Performance Plan during the then in-progress three-year historical performance cycle will be used as the measurement period.

(e) For purposes of measuring Asset Class Performance for a particular Participant of an asset class (or subset of an asset class) that is added to the Participant's responsibility during the then in-progress three-year historical performance cycle, the full three-year historical performance cycle will be utilized for that added asset class (or subset of an asset class). For purposes of measuring Asset Class Performance for a particular Participant of an asset class (or subset of an asset class) that is removed from the Participant's responsibility during the then in-progress three-year historical performance cycle, no portion of the three-year historical performance cycle will be utilized for that removed asset class (or subset of an asset class). This Section 5.9(e) shall be applied in accordance with UTIMCO's internal records reflecting when an asset class (or a subset of an asset class) has been added to or removed from a Participant's responsibility.

5.10. Termination Provisions

(a) Except as otherwise provided in this Section 5.10, any Participant who ceases to be a Participant (either because of Termination of employment with UTIMCO or for any other reason stated in Section 5.3(c)) prior to the end of a Performance Period will not be eligible to receive payment of any Performance Award for that or any subsequent Performance Periods. In addition, a Participant will forfeit any Nonvested Deferred Awards at such Participant's Voluntary Termination or Involuntary Termination for Cause. Further, upon Involuntary Termination for reasons other than Cause, the amount in the Nonvested Deferred Award Accounts of such terminated individual will vest immediately and be paid on a date selected by UTIMCO and in no event later than the last day of the calendar year in which such Termination occurs.

(b) If a Participant ceases to be a Participant in the Performance Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment position is no longer an Eligible Position (but such employee continues to be employed with UTIMCO), such Participant's Performance Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date the Participant ceases to be in an Eligible Position, and such individual will not be entitled to any Performance Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards of such individual continue to vest and be paid subject to the provisions of Section 5.7(b).

(c) If a Participant ceases to be a Participant in the Performance Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment with UTIMCO terminates due to death or Disability, the Participant's Performance Award for the Performance Period in which Termination occurs, in lieu of any other Performance Award under the Performance Plan, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date of the Participant's death or Disability, and such individual will not be entitled to any Performance Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Award Accounts of such terminated individual will vest immediately and be paid on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which such termination occurs. Payments under this provision will be made to the estate or designated beneficiaries of the deceased Participant or to the disabled Participant, as applicable.

(d) If a Participant ceases to be a Participant in the Performance Plan under Section 5.3(c) prior to the end of a Performance Period because he or she commences a leave of absence, such Participant's Performance Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or coinciding with the date the Participant commences such leave of absence, and such individual will not be entitled to any Performance Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards of such individual continue to vest and be paid subject to the provisions of Section 5.7(b).

(e) In the case of any Participant who ceases to be a Participant in the Performance Plan prior to the end of Performance Period and is entitled to a Performance Award or a prorated Performance Award under this Section 5.10, such Performance Award will be calculated at the time and in the manner provided in Section 5.5 and Appendix A and paid in accordance with Section 5.6 and will not be calculated or paid prior to such time.

5.11. Eligibility for Retirement

A participant is eligible for retirement on the last day of the month in which the sum of the Participant's age and years of service, including months of age and months of service credit, equals or exceeds the number 75.

In the case of any Participant who is eligible for retirement, any Performance Incentive Award to which the Participant becomes entitled, as well as any remaining Nonvested Deferred Award, will vest immediately and be includible in the Participant's gross income for Federal income tax purposes in the calendar year in which vesting occurs without regard to when payment is made to the Participant. The vested Performance Incentive Award and any remaining Nonvested Deferred Award will be paid to the participant on a date selected by UTIMCO and in no event later than the last day of the calendar year unless the Participant has agreed to a Voluntary Deferral of all or a portion of his Performance Incentive Award that would otherwise have been deferred had the Participant not been eligible for retirement ("Amount Voluntarily Deferred"). If the Participant has agreed to a Voluntary Deferral of such amount of his Performance Incentive Award,

(a) the Amount Voluntarily Deferred (1) will be credited to a hypothetical account established in the Participant's name on UTIMCO's books ("Amount Voluntarily Deferred Account") and (2) will be credited (or debited) monthly with an amount equal to the Net Returns for the month multiplied by the balance in the Participant's Amount Voluntarily Deferred Account as of the last day of the month, provided that when the Amount Voluntarily Deferred is initially credited to the Participant's Amount Voluntarily Deferred Account, the Participant's Amount Voluntarily Deferred Account will be credited (or debited) with Net Returns for the month of the initial credit, but the Net Returns will be prorated to reflect the number of days of the month during which the amounts were credited to the Participant's Amount Voluntarily Deferred Account;

(b) except as provided in clause (c) below, the amount credited to the Participant's Amount Voluntarily Deferred Account shall be paid to the Participant only on the following dates and in the following amounts:

    (1) On the first anniversary of the last day of the Performance Period for which the Amount Voluntarily Deferred was earned, one half of the amount then credited to the Participant's Amount Voluntarily Deferred Account for that Performance Period will be paid to the Participant;

    (2) On the second anniversary of the end of the Performance Period for which the Amount Voluntarily Deferred was earned, the remaining amount then credited to the Participant's Amount Voluntarily Deferred Account for that Performance Period will be paid to the Participant;

    (3) Amount Voluntarily Deferred Accounts payable under the above paragraphs of this Section 5.11(b) will be paid on a date selected in the discretion of UTIMCO and in no event later than the last day of the calendar year in which the applicable portion of such Amount Voluntarily Deferred Account becomes due and payable; and

(c) any net credits or debits to the Participant's Amount Voluntarily Deferred Account pursuant to clause (a)(2) above will be includible in the Participant's gross income and taxable to the Participant as ordinary income for Federal income tax purposes, and will be subject to Federal employment taxes and wage withholding during the year in which such amounts are paid pursuant to clauses (a) or (b) above.

5.12. Extraordinary Circumstances

Notwithstanding anything in this Plan to the contrary, the timing and amount of Performance Awards of each Participant holding an Eligible Position listed on Table 3 (each, an "Affected Participant"), are subject to automatic adjustment as follows:

(a) If the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Awards are being determined are negative at the end of such Performance Period, (i) an amount otherwise equal to the Paid Performance Award attributable to such Performance Period for each Affected Participant will be treated as an "Extraordinary Nonvested Deferral Award" for such Affected Participant that is subject to forfeiture in the same manner and for the same reasons as Nonvested Deferral Awards pursuant to Section 5.10(a), (ii) a separate hypothetical account for such Affected Participant will be established on UTIMCO's books ("Extraordinary Nonvested Deferral Award Account"), which will be (1) credited with such Affected Participant's Extraordinary Nonvested Deferral Award and (2) credited (or debited) monthly with Net Returns of the Total Endowment Assets on the same dates and in the same manner as applies to Nonvested Deferral Award Accounts pursuant to Section 5.7(a), and (iii) unless such Affected Participant's Extraordinary Nonvested Deferral Award has been forfeited pursuant to Section 5.10(a) or Section 5.13, such Affected Participant will become vested in, and entitled to payment of, the amount of his or her Extraordinary Nonvested Deferral Award Account on the first anniversary of the last day of such Performance Period; provided that upon the death, Disability or Involuntary Termination of an Affected Participant for reasons other than Cause, the amount in the Extraordinary Nonvested Deferral Award Account of such Affected Participant will vest immediately and be paid (to the Affected Participant or, in the case of death, to the estate or designated beneficiaries of the deceased Affected Participant) on a date selected by UTIMCO and in no event later than the last day of the calendar year in which such Termination occurs; provided, further, that nothing in this clause (a) shall affect the vesting and payment of Nonvested Deferral Awards to any Affected Participant nor shall it affect the vesting and payment of Performance Awards to a Participant that has satisfied the requirements for Eligibility for Retirement;

(b) Table 3 will be revised and attached, as necessary, for each Performance Period to identify the Eligible Positions whose Performance Awards are subject to automatic adjustment as to timing and amount pursuant to clause (a) above as soon as administratively practicable after approval by the Board.

5.13. Recovery of Performance Awards

Notwithstanding anything in this Plan to the contrary, if the Board (in its sole discretion, but acting in good faith) determines (a) that a Participant has engaged in willful misconduct that materially disrupts, damages, impairs or interferes with the business, reputation or employee relations of UTIMCO or The University of Texas System, such Participant will not be entitled to any Performance Awards for the Performance Periods during which the Board determines such misconduct occurred, or (b) that a Participant has engaged in fraudulent misconduct that caused or contributed to a restatement of the investment results upon which such Participant's Performance Awards were determined by knowingly falsifying any financial or other certification, knowingly providing false information relied upon by others in a financial or other certification, or engaging in other fraudulent activity, or knowingly failing to report any such fraudulent misconduct by others in accordance with UTIMCO's Employee Handbook, such Participant will not be entitled to any Performance Awards for the Performance Periods for which investment results were so restated. To the extent a Participant has been awarded Performance Awards to which he or she is not entitled as a result of clause (a) or (b) above, Performance Awards shall be recovered by UTIMCO pursuant to the following remedies in the order listed: first, such Participant's Nonvested Deferred Awards and Extraordinary Nonvested Deferred Awards will be automatically forfeited; second, any Paid Performance Award not then paid to such Participant will be withheld and automatically forfeited; and third, such Participant must return to UTIMCO the remaining excess amount. Recovery of Performance Awards to which a Participant is not entitled pursuant to this Section 5.13 does not constitute a settlement of other claims that UTIMCO may have against such Participant, including as a result of the conduct giving rise to such recovery. Further, the remedies set forth above are in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

6. COMPENSATION PROGRAM AUTHORITY AND RESPONSIBILITY

6.1. Board as Plan Administrator

Except as otherwise specifically provided in this Compensation Program with respect to powers, duties, and obligations of the Compensation Committee, the Compensation Program will be administered by the Board.

6.2. Powers of Board

The Board has all powers specifically vested herein and all powers necessary or advisable to administer the Compensation Program as it determines in its discretion, including, without limitation, the authority to:

(1) Establish the conditions for the determination and payment of compensation by establishing the provisions of the Performance Plan.

(2) Determine the Eligible Positions in the Performance Plan.

(3) Delegate to any other person, committee, or entity any of its ministerial powers and/or duties under the Compensation Program as long as any such delegation is in writing and complies with the UTIMCO Bylaws.

7. COMPENSATION PROGRAM INTERPRETATION

7.1. Board Discretion

(a) Consistent with the provisions of the Compensation Program, the Board has the discretion to interpret the Compensation Program and may from time to time adopt such rules and regulations that it may deem advisable to carry out the Compensation Program. All decisions made by the Board in selecting the Participants approved to receive Performance Awards, including the amount thereof, and in construing the provisions of the Compensation Program, including without limitation the terms of any Performance Awards, are final and binding on all Participants.

(b) Notwithstanding any provision of the Compensation Program to the contrary and subject to the requirement that the approval of Performance Awards that will result in an increase of 5% or more in the maximum Award Opportunity calculated using the methodology set out on Appendix A must have the prior approval of the U. T. System Board of Regents, the Board has the discretion and authority to make changes in the terms of the Compensation Program in determining a Participant's eligibility for, or amount of, a Performance Award for any Performance Period whenever it considers that circumstances have occurred during the Performance Period so as to make such changes appropriate in the opinion of the Board, provided, however, that any such change will not deprive or eliminate an award of a Participant after it has become vested and that such circumstances are recorded in the minutes of a meeting of the Board.

7.2. Duration, Amendment, and Termination

The Board has the right in its discretion to amend the Compensation Program or any portion thereof from time to time, to suspend it for a specified period, or to terminate it entirely or any portion thereof. However, if the Performance Plan is suspended or terminated during a Performance Period, Participants will receive a prorated Performance Award based on performance achieved and base salary earned through the Performance Measurement Date immediately preceding such suspension or termination. The Compensation Program will be in effect until suspension or termination by the Board; provided, however, that if the Board so determines at the time of any suspension or termination of the Performance Plan, Nonvested Deferred Awards credited to Participants' Nonvested Deferred Award Account(s) as of the effective date of such suspension or termination will continue to be administered under the terms of the Performance Plan after any suspension or termination, except as the Board otherwise determines in its discretion at the time of such suspension or termination.

7.3. Recordkeeping and Reporting

(a) All records for the Compensation Program will be maintained by the Senior Managing Director and Chief Operating Officer. Relative performance data and calculations will be reviewed by UTIMCO's external auditor before Performance Awards are finalized and approved by the Board.

(b) UTIMCO will provide all Participants with a comprehensive report of the current value of their respective Nonvested Deferred Award and Extraordinary Nonvested Deferred Award Account balances, including a complete vesting status of those balances, on at least a quarterly basis.

7.4. Continued Employment

Nothing in the adoption of the Compensation Program or the awarding of Performance Awards will confer on any employee the right to continued employment with UTIMCO or affect in any way the right of UTIMCO to terminate his or her employment at any time.

7.5. Non-transferability of Awards

Except for the rights of the estate or designated beneficiaries of Participants to receive payments, as set forth herein, Performance Awards under the Performance Plan, including both the Paid Performance Award portion and the Nonvested Deferred Award portion, are non-assignable and non-transferable and are not subject to anticipation, adjustment, alienation, encumbrance, garnishment, attachment, or levy of any kind. The preceding notwithstanding, the Compensation Program will pay any portion of a Performance Award that is or becomes vested in accordance with an order that meets the requirements of a "qualified domestic relations order" as set forth in Section 414(p) of the *Internal Revenue Code* and Section 206(d) of ERISA.

7.6. Unfunded Liability

(a) Neither the establishment of the Compensation Program, the award of any Performance Awards, nor the creation of Nonvested Deferred Awards Accounts will be deemed to create a trust. The Compensation Program will constitute an unfunded, unsecured liability of UTIMCO to make payments in accordance with the provisions of the Compensation Program. Any amounts set aside by UTIMCO to assist it in the payment of Performance Awards or other benefits under the Compensation Program, including without limitation, amounts set aside to pay for Nonvested Deferred Awards, will be the assets of UTIMCO, and no Participant will have any security or other interest in any assets of UTIMCO or the U. T. System Board of Regents by reason of the Compensation Program.

(b) Nothing contained in the Compensation Program will be deemed to give any Participant, or any personal representative or beneficiary, any interest or title to any specific property of UTIMCO or any right against UTIMCO other than as set forth in the Compensation Program.

7.7. Compliance with State and Federal Law

No portion of the Compensation Program will be effective at any time when such portion violates an applicable state or federal law, regulation, or governmental order or directive.

7.8. Federal, State, and Local Tax and Other Deductions

All Performance Awards under the Compensation Program will be subject to any deductions (1) for tax and withholding required by federal, state, or local law at the time such tax and withholding is due (irrespective of whether such Performance Award is deferred and not payable at such time) and (2) for any and all amounts owed by the Participant to UTIMCO at the time of payment of the Performance Award. UTIMCO will not be obligated to advise an employee of the existence of the tax or the amount that UTIMCO will be required to withhold.

7.9. Prior Plan

(a) Except as provided in the following paragraphs of this Section 7.9 or as expressly provided in Section 5.8 and Section 5.9, this Compensation Program supersedes any prior version of the Compensation Program (“Prior Plan”).

(b) All nonvested deferred awards under a Prior Plan will retain the vesting schedule in effect under the Prior Plan at the time such awards were allocated to the respective Participant’s account. In all other respects, as of the Effective Date, those nonvested deferred amounts will (1) be credited or debited with the Net Returns over the remaining deferral period in accordance with Section 5.7(a), and (2) be subject to the terms and conditions for Nonvested Deferred Awards under the Performance Plan as set forth in this restated document.

8. DEFINITION OF TERMS

8.1. **Affected Participant** is defined in Section 5.12.

8.2. **Applicable Deferral Percentage** means, as to each Eligible Position, the percentage set forth opposite such Eligible Position under the heading "Percentage of Award Deferred" on Table 1.

8.3. **Asset Class Performance** is the performance of specific asset classes within the Total Endowment Assets and the Intermediate Term Fund (such as U.S. public equity, private equity, etc.).

8.4. **Award Opportunity** is defined in Section 5.5(a).

8.5. **Board** is the UTIMCO Board of Directors.

8.6. **Cause** means, as to any employee, that such employee has committed (as determined by UTIMCO in its sole discretion) any of the following: (1) a violation of any securities law or any other law, rule or regulation; (2) willful conduct that reflects negatively on the public image of UTIMCO or the U. T. System; or (3) a breach of UTIMCO's Code of Ethics.

8.7. **Compensation Committee** is the Compensation Committee of the UTIMCO Board of Directors.

8.8. **Compensation Program** is defined in Section 1.

8.9. **Disability** means a condition whereby a Participant either (i) is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected either to result in death or to last for a continuous period of not less than 12 months or (ii) is, by reason of a medically determinable physical or mental impairment that is expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a disability plan maintained or contributed to by UTIMCO for the benefit of eligible employees.

8.10. **Effective Date** is defined in Section 1.

8.11. **Eligible for Retirement** is defined in Section 5.11.

8.12. **Eligible Position** is defined in Section 5.3(a).

8.13. **Entity Performance** represents the performance of the Total Endowment Assets and the Intermediate Term Fund (based on the measurement standards set forth in Section 5.8(a)).

8.14. **Extraordinary Nonvested Deferral Award** is defined in Section 5.12.

8.15. **Extraordinary Nonvested Deferral Award Account** is defined in Section 5.12.

8.16. **Intermediate Term Fund or ITF** is The University of Texas System ("U. T. System") Intermediate Term Fund established by the U. T. System Board of Regents as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by the U. T. System institutions and U. T. System Administration. Performance of the Intermediate Term Fund is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Intermediate Term Fund.

8.17. **Involuntary Termination** means, as to any person the Termination of such person's employment with UTIMCO wholly initiated by UTIMCO and not due to such person's implicit or explicit request, at a time when such person is otherwise willing and able to continue to perform services for UTIMCO.

8.18. **Net Asset Value ("NAV")** is the value of the TEA or ITF or an individual asset class's net value of its investments less its liabilities.

8.19. **Net Returns** is the investment performance return of the Total Endowment Assets, net of fees. Net of fees factors in all administrative and other fees for managing the Total Endowment Assets. The net investment return will be calculated as follows:

$$\frac{\text{Permanent University Fund Beginning Net Asset Value}}{\text{Total Endowment Beginning Net Asset Value}} \times \text{Permanent University Fund Net Investment Return}$$

Plus

$$\frac{\text{General Endowment Fund Beginning Net Asset Value}}{\text{Total Endowment Beginning Net Asset Value}} \times \text{General Endowment Fund Net Investment Return}$$

8.20. **Nonvested Deferred Award** is defined in Section 5.6(b).

8.21. **Nonvested Deferred Award Account** is defined in Section 5.7(a).

8.22. **Paid Performance Award** is defined in Section 5.6(a).

8.23. **Participant** is defined in Section 5.3(a).

8.24. **Peer Group** is a peer group of endowment funds that is comprised of the top 20 largest endowment funds by market value, as of the last day of the Performance Period as determined by Cambridge Associates; provided, however, that the Total Endowment Assets are excluded from the Peer Group and further provided, that if Cambridge Associates is unable to obtain peer performance for a top 20 largest endowment fund(s) by October 31st following the end of the Performance Period, that endowment fund(s) shall be excluded from the Peer Group for the Performance Period.

8.25. **Performance Standards** are defined in Section 5.4.

8.26. **Performance Award** is the component of a Participant's total compensation that is based on specific performance standards and awarded as current income or deferred at the end of a Performance Period in accordance with Section 5 and Appendix A.

8.27. **Performance Plan** is as defined in Section 1 and described more fully in Section 5.

8.28. Performance Measurement Date is the close of the last business day of the month.

8.29. Performance Period is defined in Section 5.2.

8.30. Prior Plan is defined in Section 7.9.

8.31. Salary Structure is described in Section 4.1.

8.32. Termination means, as to any person, a complete severance of the relationship of employer and employee between UTIMCO and such person.

8.33. Total Endowment Assets or TEA means the combination of the Permanent University Fund and the General Endowment Fund, but does not include any other endowment funds monitored by UTIMCO such as the Separately Invested Fund. Performance of the Total Endowment Assets is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Total Endowment Assets.

8.34. Voluntary Terminations means, as to any person, the Termination of such person's employment with UTIMCO not resulting from an Involuntary Termination or by reason of Death or disability.

Appendix A

Performance Award Methodology
(for Performance Periods beginning on or after July 1, 2025~~4~~)

I. Determine "Award Opportunities" for Each Participant[2]

Step 1. Identify the weights to be allocated to each of the two Performance Standards for each Participant's Eligible Position. The weights vary for each Eligible Position and are set forth in Table 1 for the applicable Performance Period. The total of the weights ascribed to the two Performance Standards (Quantitative and Qualitative) must add up to 100% for each Participant. For example, Table 1 may reflect for a Performance Period for the Managing Director – Investments ("MD") that the weight allocated to the Quantitative Performance Standard is 75%, and the weight allocated to the Qualitative Performance Standard is 25%.

Step 2. Identify the weights to be allocated to the various components of Quantitative Performance for each Participant's Eligible Position as set forth on Table 1: Benchmark Performance, i.e., Entity and Asset Class Performance, and Peer Performance. Entity Performance consists of both TEA and ITF Performance. For example, Table 1 may reflect for a Performance Period for the MD that the weight allocated to the TEA Performance is 33.6%, the weight allocated to ITF Performance is 8.4%, the weight allocated to Asset Class Performance is 18.0%, and the weight allocated to Peer Performance is 15.0%.

Step 3. Identify the percentage of base salary for the Participant's Eligible Position that determines the Performance Award for achievement of the Threshold and Maximum levels of the Performance Standards. The percentages vary for each Eligible Position and are set forth in Table 1 for the applicable Performance Period. For example, Table 1 may show that for a Performance Period the applicable percentages for determining the Performance Award for the MD are 0% of his or her base salary for achievement of Threshold level performance of both Performance Standards and 325% of his or her base salary for achievement of Maximum level performance of both Performance Standards.

Step 4. Calculate the dollar amount of the potential Threshold and Maximum awards (the "Award Opportunities") for each Participant by multiplying the Participant's base salary for the Performance Period by the applicable percentage (from Step #2 above). For example, assuming the MD has a base salary of $400,000 for a Performance Period, based on the assumed percentages set forth in Step #2 above, the MD will be eligible for a total

[2] These Award Opportunities represent amounts that each Participant will be awarded if he or she achieves his or her Performance Standards at varying levels and are calculated at the beginning of each Performance Period or, if later, the date such Participant commences participation in the Performance Plan.

award of $0 if he or she achieves Threshold level performance of both Performance Standards and $1,300,000 (325% of his or her base salary) if he or she achieves Maximum level performance of both Performance Standards.

Step 5. Because a Participant may achieve different levels of performance for the various components of the different Performance Standards and be eligible for different levels of awards for that achievement (e.g., he or she may achieve Threshold performance in the TEA Performance Standard and be eligible to receive a Threshold award for that Standard and achieve Maximum performance in the Qualitative Performance Standard and be eligible to receive a Maximum award for that Performance Standard), it is necessary to determine the Award Opportunity of the Threshold and Maximum award for each of the various components of the Performance Standards**.** This is done by multiplying the dollar amount of the Threshold and Maximum awards for the performance of the various components of the Performance Standards calculated in Step #3 above for the Participant by the weight allocated for that Participant to the particular component of the Performance Standard.

Step 6. After Steps #4 and #5 above are performed for each of the two levels of performance for each of the components of the Performance Standards, there will be up to 12 different Award Opportunities for each Participant. For example, for the MD (based on an assumed base salary of $400,000, the assumed weights for the Performance Standards set forth in Step #1 above, and the assumed percentages of base salary for the awards set forth in Step #2 above), the 12 different Award Opportunities for achievement of the Performance Standards for the Performance Period are as follows:

Award Opportunities for MD-Investments
(based on assumed base salary of $400,000)

Performance Standard	**Weight**	**Threshold Level Award**	**Maximum Level Award**
Entity (TEA v. TEA Policy Portfolio Return)	33.6%	$0	$436,800
Entity (ITF v. ITF Policy Portfolio Return)	8.4%	$0	$109,200
Asset Class	18.0%	$0	$234,000
Peer Group – One Y~~y~~ear Performance	7.5%	$0	$97,500
Peer Group – Three-Y~~y~~ear Performance	7.5%	$0	$97,500
Qualitative	25.0%	$0	$325,000
Total	100%	$0 (0% of salary)	$1,300,000 (325% of salary)

II. Calculate Performance Award for Each Participant

Step 7. Identify the achievement percentiles or achieved basis points that divide the Threshold and Maximum levels for each Performance Standard. These divisions for the level of achievement of the Asset Class and Peer Group components of the Quantitative Performance Standard are set forth in Table 2 for the applicable Performance Period. The level of achievement (i.e., Threshold or Maximum) for the TEA and ITF Entity Performance is based on the proportional weighted contribution of each Asset Class's performance achievement relative to the Performance Standards set forth in Table 2, measured as a percentage. The measurement for the level of achievement (i.e., Threshold or Maximum) for the Qualitative Performance Standard is initially determined each Performance Period by the CEO, (in the case of the CCO, jointly by the Audit and Ethics Committee and the CEO),~~ ~~and then is approved (or adjusted) by the Compensation Committee as it deems appropriate in its discretion. The Compensation Committee will determine the CEO's level of achievement relative to the CEO's Performance Standards and make its recommendation to the Board, which is then approved (or adjusted) by the Board as it deems appropriate in its discretion.

Step 8. Determine the percentile or basis points achieved for each component of the Performance Standards for each Participant using the standards set forth in Sections 5.5 and 5.8 of the Compensation Program, as modified in Section 5.9.

Step 9. Calculate the amount of each Participant's award attributable to each component of the Performance Standards by identifying the Award Opportunity amount for each component of the Performance Standards (e.g., as assumed and set forth for the MD in the table in Step #6 above) commensurate with the Participant's level of achievement for that component of the Performance Standard (determined in Steps #7 and #8 above). An award for achievement ~~percentiles~~ in between the stated Threshold and Maximum levels is determined by linear interpolation**.**

For example, to calculate the Participant's award attributable to TEA Entity Performance, the level of achievement is 0% for threshold and 100% for maximum as determined in accordance with Section 5.8 of the Plan. If the level of achievement of TEA Performance is 75%, the Maximum Award is calculated by multiplying the Maximum Award Level of the MD of $436,800 by the level achieved of 75% to determine the actual award earned of $327,600 ($436,800 x 0.75). If the level of achievement exceeds 100%, the maximum award in the table in Step #6 above is earned for TEA Performance in the amount of $436,800.

For example, to calculate the Participant's award attributable to Asset Class Performance, if +120 bps of the Asset Class benchmark portion of the Asset Class Hedge Funds portion of the Asset Class Performance Standard has been achieved, that +120 bps is between the Threshold (+0 bps) and the

Maximum (+250 bps) levels, so to determine the amount of the award attributable to +120 bps of achievement of the Asset Class Hedge Funds benchmark of the Asset Class Performance Standard, perform the following steps: (i) divide 120 (the attained level of achievement) by 250 (the Maximum level) to determine the percentage actually achieved (120/250 = 0.48); and (ii) multiply the percentage of achievement in the preceding Step (i) by the Maximum Award Level of the MD of $234,000 as assumed in the above table in Step 6 to calculate the actual award earned of $112,320 ($234,000 x 0.48) for the Asset Class Performance Standard.

For example, to calculate the Participant's award attributable to Peer Group - Three-year Performance, if the TEA's Three-Year Net Return is 2.29%, and the Peer Group – Three-Year Median Return is 1.94% and the Peer Group – Three-Year 25th Percentile Return is 2.92%, the level of achievement of the Peer Group – Three-Year Performance is determined by performing the following steps: (i) subtract the Peer Group – Three-Year Median Return from the TEA's Three-Year Net Return (2.29% - 1.94% = .35%); (ii) subtract the Peer Group – Three-Year Median Return from the Peer Group – Three-Year 25th Percentile Return (2.92% - 1.94% = .98%); (iii) divide .35% determined in the preceding step (i) by .98% determined in the preceding step (ii) (.35%/.98% = 35.71%) to calculate the level achieved of 35.71%; and (iv) multiply the Maximum Award Level of $97,500 by the level achieved of 35.71% to calculate the actual award earned of $34,817.25 ($97,500 x 35.71%) for the Peer Group – Three-Year Performance Standard.

Step 10. No award is given for an achievement percentile at or below Threshold, and no award above the Maximum award is given for an achievement percentile above the Maximum level.

Step 11. Subject to any applicable adjustment in Step #12 below, add the awards determined in Step #9 above for each component of the Performance Standards (as modified by Step #10) together to determine the total amount of the Participant's Performance Award for the Performance Period.

Step 12. In the case of any Participant who becomes a Participant in the Performance Plan after the first day of the applicable Performance Period but within the first six months, such Participant's Performance Award will be prorated to reflect the actual portion of the Performance Period in which he or she was a Participant. In the case of a Participant who ceases to be a Participant prior to the end of a Performance Period, his or her entitlement to any Performance Award is determined under Section 5.10 and, in the case of such entitlement, such Participant's Performance Award, if any, will be prorated and adjusted as provided in Section 5.10.

TABLE 1

Eligible Positions, Award Opportunities, Weightings, and Percentage of Award Deferred for each Eligible Position

(For Performance Periods beginning on or after July 1, 2024)

					Quantitative Weightings				
	Award Opportunity (% of Base Salary)		Weighting		Benchmark Performance				Percentage of Award Deferred
					Entity				
Eligible Position	**Threshold**	**Maximum**	**Quantitative**	**Qualitative**	**TEA**	**ITF**	**Asset Class**	**Peer Group**	
Investment Professionals									
CEO, Chief Investment Officer & President	0%	450%	75%	25%	48.0%	12.0%	0.0%	15.0%	50%
Chief Investment Officer	0%	450%	75%	25%	48.0%	12.0%	0.0%	15.0%	50%
Deputy Chief Investment Officer	0%	450%	75%	25%	48.0%	12.0%	0.0%	15.0%	50%
Senior Managing Director - Investments	0%	375%	75%	25%	33.6%	8.4%	18.0%	15.0%	45%
Managing Director - Investments	0%	325%	75%	25%	33.6%	8.4%	18.0%	15.0%	40%
Managing Director - Risk	0%	250%	75%	25%	48.0%	12.0%	0.0%	15.0%	40%
Senior Director - Investments	0%	200%	70%	30%	31.4%	7.8%	16.8%	14.0%	35%
Senior Director - Risk/TAA/COS	0%	200%	70%	30%	44.8%	11.2%	0.0%	14.0%	35%
Director - Investments	0%	185%	65%	35%	29.1%	7.3%	15.6%	13.0%	30%
Director - Risk/TAA/COS	0%	185%	65%	35%	41.6%	10.4%	0.0%	13.0%	30%
Associate Director - Investments	0%	155%	55%	45%	24.6%	6.2%	13.2%	11.0%	20%
Associate Director - Risk/TAA/COS	0%	155%	55%	45%	35.2%	8.8%	0.0%	11.0%	20%
Associate - Investments	0%	145%	35%	65%	15.7%	3.9%	8.4%	7.0%	15%
Associate - Risk/TAA/COS	0%	145%	35%	65%	22.4%	5.6%	0.0%	7.0%	15%
Senior Analyst - Investments	0%	125%	25%	75%	11.2%	2.8%	6.0%	5.0%	0%
Senior Analyst - Risk/TAA/COS	0%	125%	25%	75%	16.0%	4.0%	0.0%	5.0%	0%
Analyst - Investments	0%	75%	25%	75%	11.2%	2.8%	6.0%	5.0%	0%
Analyst - Risk/TAA	0%	75%	25%	75%	16.0%	4.0%	0.0%	5.0%	0%
Support and Control Professionals									
Chief Operating Officer	0%	200%	35%	65%	22.4%	5.6%	0.0%	7.0%	40%
General Counsel and Chief Compliance Officer	0%	140%	35%	65%	22.4%	5.6%	0.0%	7.0%	30%
Chief Technology Officer	0%	125%	35%	65%	22.4%	5.6%	0.0%	7.0%	30%
Chief Human Resources Officer	0%	125%	35%	65%	22.4%	5.6%	0.0%	7.0%	30%
Managing Director	0%	125%	35%	65%	22.4%	5.6%	0.0%	7.0%	30%
Senior Director	0%	80%	35%	65%	22.4%	5.6%	0.0%	7.0%	25%
Director	0%	70%	35%	65%	22.4%	5.6%	0.0%	7.0%	25%

TABLE 2

Benchmarks for Entity and Asset Class and Threshold and Maximum Performance Standards

(For Performance Periods beginning on or after July 1, 2025~~4~~)

Entity and Asset Class	Benchmark	Performance Standards (2) Threshold	Maximum
Entity: Peer Group (Total Endowment Funds)	Peer Group	50th %ile	25th %ile
Public Equity	(1)	+0 bps	+100 bps
Hedge Funds	(1)	+0 bps	+250 bps
Private Equity (excluding Emerging Markets)	(1)	+0 bps	+1,000 bps
Private Equity Emerging Markets	(1)	+0 bps	+250 bps
Investment Grade Fixed Income	(1)	+0 bps	+50 bps
Long Treasuries	(1)	+0 bps	+30 bps
Natural Resources	(1)	+0 bps	+250 bps
Real Estate and Infrastructure	(1)	+0 bps	+800 bps
Strategic Partnerships	(1)	+0 bps	+100 bps

(1) Benchmark will be based on the appropriate benchmark in the respective Investment Policy Statement(s) in effect during each Performance Period.

(2) Any Asset Class that is not listed in the Table but appers in the respective Investment Policy Statement(s) shall have maximum Performance Standards of 0 bps and shall be counted in proportion to its average weight for purposes of Entity Performance in the TEA and ITF.

Entity and Asset Class	Benchmark	Performance Standards (3) ~~(2)~~ Threshold	Maximum
Entity: Peer Group (Total Endowment Assets~~Funds~~)	Peer Group (1)	Median Return ~~50th %ile~~	25th %ile Return
Public Equity	(2) ~~(1)~~	+0 bps	+100 bps
Hedge Funds	(2) ~~(1)~~	+0 bps	+250 bps
Private Equity (excluding Emerging Markets)	(2) ~~(1)~~	+0 bps	+1,000 bps
Private Equity Emerging Markets	(2) ~~(1)~~	+0 bps	+1,000~~+250~~ bps
Investment Grade Fixed Income	(2) ~~(1)~~	+0 bps	+50 bps
Long Treasuries	(2) ~~(1)~~	+0 bps	+30 bps
Natural Resources	(2) ~~(1)~~	+0 bps	+1,000~~+250~~ bps
Real Estate and Infrastructure	(2) ~~(1)~~	+0 bps	+800 bps
Strategic Partnerships	(2) ~~(1)~~	+0 bps	+100 bps

(1) The Median Return and 25th%ile Return are derived by the returns earned by the Peer Group.

(2) ~~(1)~~ Benchmark will be based on the appropriate benchmark in the respective Investment Policy Statement(s) in effect during each Performance Period.

(3) ~~(2)~~ Any Asset Class that is not listed in the Table but appers in the respective Investment Policy Statement(s) shall have maximum Performance Standards of 0 bps and shall be counted in proportion to its average weight for purposes of Entity Performance in the TEA and ITF.

TABLE 3

Eligible Positions of Affected Participants

(For Performance Periods beginning on or after July 1, 2024)

Eligible Positions of Affected Participants
Investment Professionals
CEO, Chief Investment Officer & President
Chief Investment Officer
Deputy Chief Investment Officer
Senior Managing Director
Managing Director
Senior Director
Director
Associate Director
Support and Control Professionals
Chief Operating Officer
General Counsel and Chief Compliance Officer
Chief Technology Officer
Chief Human Resources Officer
Managing Director
Senior Director
Director

Agenda Item
UTIMCO Board of Directors Meeting
June 19, 2025

Agenda Item: Discussion and Appropriate Action Related to UTIMCO 2025-2026 Budget

Developed By: Hall, Moeller, Bauer

Presented By: Hall, Moeller

Type of Item: Action Item; Action required by UTIMCO Board; further action required by Board of Regents of The University of Texas System ("UT Board")

Description: The Master Investment Management Services Agreement with UTIMCO ("IMSA") sets forth the annual budget and management fee requirements. The annual budget includes all estimated expenses associated with the management of the Investment Funds. The annual budget also includes an annual UTIMCO management fee which includes all operating expenses associated with the general management of the Funds, including, without limitation, reasonable salaries, benefits and performance compensation of portfolio management and support personnel, expenses for consulting services, office space lease expenses, office furniture and equipment expenses, professional, legal, payroll, and other general services, travel, insurance, capital expenditures, and other miscellaneous expenses incurred by UTIMCO in connection with the performance of its obligations under the IMSA. At the same time UTIMCO submits its annual budget, it submits to the UT Board an allocation formula for charging the annual budget to the Investment Funds. In addition to the annual budget, UTIMCO submits its capital expenditures budget.

During the preparation of the annual budget, a reserve analysis is also prepared. Within 90 days after the end of each fiscal year, in the event that there is a surplus, UTIMCO distributes that portion of the cash reserves as may be directed by the UT Board back to the Funds that generated the surplus. UTIMCO team projects UTIMCO's available cash reserves to be $14 million as documented on page 6 of the presentation, and UTIMCO is recommending that $14 million be distributed back to the Funds. Mr. Hull of the UT System Office of Finance concurs with the recommendation.

Discussion: Mr. Hall and Ms. Moeller will present UTIMCO's proposed 2025-2026 budget.

Recommendation: Mr. Hall recommends that the UTIMCO Proposed 2025-2026 Annual Budget, Management Fee Request, and Allocation Schedule be approved as presented.

Reference: *FY2026 Budget* presentation

RESOLUTION RELATED TO BUDGET

RESOLVED, that the UTIMCO Management Fee of $86,983,116 and the Other Direct Fund Costs of $9,864,517 resulting in Total Fees of $96,847,633, Capital Budget of $400,000 and the Allocation Schedule; as provided to the Board for the period beginning September 1, 2025, through August 31, 2026, be, and are hereby, approved, subject to approval by the Board of Regents of The University of Texas System.

Board of Directors Meeting

FY2026 Budget

Richard Hall, CEO and Chief Investment Officer
Joan Moeller, COO

June 19, 2025

Executive Summary

- $79 billion managed by 133 FTE ($1.4B average AUM per each of 56 investors)
- 4.8% annualized return and .8% alpha earned by endowments over last three years ending April 30, 2025
- $10.0 billion increase in endowment assets over the last three years ending April 30, 2025
- Proposed FY26 budget below Strategic Plan
  - Proposing 140 FTEs
  - $67.4M proposed total personnel costs are $3.0M below Strategic Plan
  - $96.8 proposed total budget is $2.2M below Strategic Plan
- FY26 budget projected to be 11.53 bps of AUM, at low end of peer range

FY26 Summary Budget

	FY 2025	FY 2026			FY 2026 Proposed Budget v FY 2025 Budget		FY 2026 Proposed Budget v FY 2026 Budget Projected in 2025 Strategic Plan	
	Budget	Proposed Budget	% of Total Budget	Projected in 2025 Strategic Plan	$	%	$	%
UTIMCO Personnel Costs:								
Salaries	27,248,025	30,035,756	**31%**	29,951,987	2,787,731	10.2%	83,769	0.3%
Performance Compensation	25,942,695	28,945,287	**30%**	31,210,892	3,002,592	11.6%	(2,265,605)	-7.3%
Benefits & Taxes	8,387,046	8,453,082	**9%**	9,238,907	66,036	0.8%	(785,825)	-8.5%
Total UTIMCO Personnel Costs (1)	**$ 61,577,766**	**$ 67,434,125**	**70%**	**$ 70,401,786**	**$ 5,856,359**	9.5%	**$ (2,967,661)**	**-4.2%**
Other UTIMCO Costs:								
Data & Subscriptions (2)	7,493,040	7,905,672	**8%**	8,331,529	412,632	5.5%	(425,857)	-5.1%
Travel	1,500,000	1,586,650	**2%**	1,650,000	86,650	5.8%	(63,350)	-3.8%
Lease Expense & Lease Asset Amortization	3,403,990	3,436,960	**4%**	3,451,239	32,970	1.0%	(14,279)	-0.4%
Depreciation (3)	1,825,000	1,575,000	**2%**	1,825,000	(250,000)	-13.7%	(250,000)	-13.7%
Other Costs (4)	4,489,604	5,044,709	**5%**	3,913,716	555,105	12.4%	1,130,993	28.9%
Total Other UTIMCO Costs:	**$ 18,711,634**	**$ 19,548,991**	**20%**	**$ 19,171,483**	**$ 837,357**	4.5%	**$ 377,508**	**2.0%**
Total UTIMCO Services Costs:	**$ 80,289,400**	**$ 86,983,116**	**90%**	**$ 89,573,269**	**$ 6,693,716**	**8.3%**	**$ (2,590,153)**	**-2.9%**
Bps of AUM	**10.12**	**10.36**		**10.67**				
Direct Fund Costs:								
Custodian Fees	5,409,000	6,216,250	**6%**	5,679,450	807,250	14.9%	536,800	9.5%
Other (5)	3,623,234	3,648,267	**4%**	3,833,363	25,033	0.7%	(185,096)	-4.8%
Total Direct Fund Costs	**$ 9,032,234**	**$ 9,864,517**	**10%**	**$ 9,512,813**	**$ 832,283**	9.2%	**$ 351,704**	**3.7%**
Bps of AUM	1.14	1.17		1.13				
Grand Total UTIMCO Budget:	**$ 89,321,634**	**$ 96,847,633**		**$ 99,086,082**	**$ 7,525,999**	**8.4%**	**$ (2,238,449)**	**-2.3%**
Bps of AUM	**11.26**	**11.53**		**11.81**				
AUM projected ($ billion)	$79	$84		$84				
UTIMCO Headcount	133	140		138				

NOTES:

1) FY26 Budgeted Total Personnel Costs increased by $5.9M or 9.5% from the FY25 Budget as the result of an increase in headcount (7 FTE), normal merit raises, market catch-up raises, and promotions but are $3.0M less than projected in the 2025 Strategic Plan.

2) FY26 Budgeted Data & Subscriptions increased by $.4M from the FY25 Budget primarily due to the addition of new data services and subscriptions ($209k) and inflation-related increases for other current services ($204k). FY26 Budgeted Data & Subscriptions are $.4M less than projected in the 2025 Strategic Plan due to more efficient utilization of services.

3) FY26 Budgeted Depreciation Expense decreased by $.25M from the FY25 Budget and from what was projected in the 2025 Strategic Plan because some server equipment and furniture & fixtures will be fully depreciated, and the capital purchases budget is less than expected.

4) Other costs include Recruiting, Relocation, Other HR Services/ Consultants ($620k), IT Consultants ($2.5M), IT Services and Maintenance Agreements ($296k), Other Office and Meetings ($559k), Professional Services & Corporate Insurance ($1.0M).

5) Other Direct Fund Costs include Fund Auditors/Accounting Fees ($972k), Legal Fees ($1.6M), Tax Consultants ($490k), Background Searches ($233k), and Consultants ($301k).

FY26 Capital Budget

($ in thousands)	FY 2025		FY 2026	FY 2026 Budget v FY 2025 Budget		
	Budget	Forecast	Budget	$	%	Description
Server Room/Telecom/AV & Other Equipment	$ 520	$ 520	$ 25	$ (495)	-95.2%	Conference Rooms
Computer Equipment	125	125	125	-	0.0%	Laptops; Monitors
Leasehold Improvements/Furniture & Fixtures	-	-	250	250	0.0%	Server Room Reconfiguration; Workstations
Total Capital Budget	**$ 645**	**$ 645**	**$ 400**	**$ (245)**	**-38.0%**	

Annual Fee and Allocation Schedule

UTIMCO Management Fee and Direct Budgeted Investment Expenses
Annual Fee and Allocation Schedule
For the fiscal year ending August 31, 2026

Proposed Budget	PUF	PHF	LTF	GEF	ITF	STF	Separate Funds	Debt Proceeds	Total
	Fund Name								
Market Value 4/30/25 ($ millions)	**37,834**			**25,695**	**9,292**	**5,440**	**220**	**777**	**79,258**
UTIMCO Management Fee									
Dollars	45,191,898			30,692,124	11,099,094				**86,983,116**
Basis Points	11.9			11.9	11.9				**11.0**
Direct Expenses to the Fund, Excluding UT System Direct Expenses to the Fund									
Dollars	5,002,310	28,422	31,422	3,465,930	1,336,433				**9,864,517**
Basis Points	1.3	0.2	0.0	1.3	1.4				**1.2**

Cash Reserves

Projected Cash Reserves at August 31, 2025:			
Cash		$	58,000,000
Prepaid Expenses			1,500,000
Less: Accounts Payable, Accrued Liabilities			(24,605,000)
Expected Cash Reserves at August 31, 2025		**$**	**34,895,000**
2026 Proposed Operating Budget	86,983,116		
Applicable Percentage	25%		21,745,779
Capital Budget Expenditures			400,000
Depreciation Expense			(1,575,000)
Required Cash Reserves at August 31, 2025		**$**	**20,570,779**
Balance Available for Rebate		**$**	**14,324,221**

Conclusion: Rebate $14M back to the Investment Funds (PUF, GEF, ITF)

- UTIMCO maintains a cash reserve of 25% of the annual operating budget and any excess amounts are returned to the funds
- Conclusion: Rebate $14 million back to the Investment Funds (PUF, GEF, ITF)

Appendix

5-Year Strategic Plan Starting FY25

	5-Year Strategic Plan					
	Projected Budget (to be approved annually by Board)					CAGR
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	2025-29
UTIMCO Personnel Costs:						
Base Salary	27,248,025	29,951,987	32,399,406	34,184,439	34,753,216	*6%*
Performance Comp	25,942,695	31,210,892	33,820,582	35,284,583	36,294,946	*9%*
Benefits and Taxes	8,387,046	9,238,906	9,843,341	10,241,394	10,573,443	*6%*
Total UTIMCO Personnel Costs	**$ 61,577,766**	**$ 70,401,786**	**$ 76,063,329**	**$ 79,710,416**	**$ 81,621,606**	*7%*
Other UTIMCO Costs:						
Data & Subscriptions	7,493,040	8,331,529	9,061,695	9,867,531	10,764,006	*9%*
Travel & Meetings	1,661,940	1,819,622	1,992,707	2,182,720	2,391,336	*10%*
Lease & Lease Asset Amortization	3,403,990	3,451,239	3,476,637	3,412,327	3,532,467	*1%*
Depreciation	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	*0%*
Other Costs	4,327,664	3,744,094	3,672,422	4,266,153	4,148,935	*-1%*
- Contract Svcs & Maint	2,626,128	2,086,874	2,026,162	2,066,178	1,950,196	*-7%*
- Hiring, Relo, Mercer Comp	634,524	592,088	530,372	1,029,387	969,162	*11%*
- Legal	405,000	370,000	385,000	401,000	418,000	*1%*
- Other / Miscellaneous	662,012	695,131	730,889	769,588	811,577	*5%*
Total Other UTIMCO Costs	18,711,634	19,171,483	20,028,462	21,553,732	22,661,745	*5%*
Y-O-Y Increase (%)	*9%*	*2%*	*4%*	*8%*	*5%*	
Total UTIMCO Costs	**$ 80,289,400**	**$ 89,573,269**	**$ 96,091,791**	**$ 101,264,148**	**$ 104,283,350**	*7%*
Y-O-Y Increase (%)	*12%*	*12%*	*7%*	*5%*	*3%*	
Bps of AUM	10.12	10.67	10.82	10.77	10.48	
Direct Fund Costs						
Custodian Fees	5,409,000	5,679,450	5,963,423	6,261,594	6,574,673	*5%*
Other	3,623,234	3,833,363	4,056,698	4,294,366	4,547,500	*6%*
Total Fund Costs	**$ 9,032,234**	**$ 9,512,813**	**$ 10,020,120**	**$ 10,555,959**	**$ 11,122,174**	*5%*
Y-O-Y Increase (%)	*9%*	*5%*	*5%*	*5%*	*5%*	
Bps of AUM	1.14	1.13	1.13	1.12	1.12	
Grand Total UTIMCO Budget	**$ 89,321,634**	**$ 99,086,082**	**$ 106,111,911**	**$ 111,820,107**	**$ 115,405,524**	*7%*
Y-O-Y Increase (%)	*12%*	*11%*	*7%*	*5%*	*3%*	
Bps of AUM	11.26	11.81	11.95	11.90	11.60	
Projected AUM ($B)	**$79**	**$84**	**$89**	**$94**	**$100**	

FY26 Budget vs. FY25 Budget

Reconciliation of FY26 to FY25 budgets

- Total Budget increase of $7.5M or 8.4%.
- Total Personnel Costs of $67.4M vs. $61.5M, an increase of $5.9M or 9.5% (includes salaries, performance compensation, payroll & excise taxes, and employee benefits)
  - Promotions (25) – an increase of $.6M in salaries and $1.0M in performance compensation
  - Market Adjustments and Merit Raises – an increase of $1.1M in salaries and $1.6M in performance compensation
  - New hires and vacancies – an increase of $1.1M in salaries and $.4M in performance compensation
  - Increase in employee benefits and payroll taxes of $.4M and a decrease in excise taxes of ($.3M)

- Data & Subscriptions increased by $.4Mk or 5.5%
  - Additional licenses for team members to have access to various financial data services - $193k
  - Reduction in Bloomberg licenses - ($112k)
  - New ISS-related data services - $128k
  - Inflation-related increases to existing services - $204k

FY26 Budget vs. FY25 Budget (continued)

Reconciliation of FY26 to FY25 budgets

- Other Total UTIMCO Costs increased by $.4M
  - Increase in IT Consulting and other related costs - $419k
  - Decrease in Depreciation Expense due to fixed assets becoming fully depreciated - ($250k)
  - Decrease in Professional Fees - ($150k)
  - Increase in Travel, Meetings, and related expenses - $232k
  - Increase in Corporate Insurance and Lease Expense - $85k
  - Increase in Other Office Expenses - $89k
- Direct Funds Costs increased by $.8Mk or 9.2%
  - Increase in Custodian Fees - $807k
  - Increase in Tax and other Consultants - $105k
  - Increase in Accounting Fees - $45k
  - Decrease in Background Searches - ($125k)