**MINUTES OF MEETING**

 **OF THE BOARD OF DIRECTORS OF**

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

The Board of Directors (the “Board”) of The University of Texas/Texas A&M Investment Management Company (the “Corporation”) convened in an open meeting on **December 10, 2020,** in person and by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation located at 210 West 7th Street, Suite 1700 in Austin, said meeting having been called by the Chairman, Jeffery D. Hildebrand (“Chairman”), with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded and broadcast over the Internet. Participating in the meeting were the following members of the Board:

Jeffery D. Hildebrand

Ray Rothrock

Robert Gauntt

Janet Handley

R. Steven Hicks

Janiece Longoria

Ray Nixon

Clifton L. Thomas, Jr.

James C. “Rad” Weaver

thus constituting a majority and quorum of the Board. Employees of the Corporation attending the meeting were Britt Harris, President, CEO and Chief Investment Officer; Rich Hall, Deputy Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Cecilia Gonzalez, Corporate Counsel and Chief Compliance Officer; Carolina de Onis, General Counsel; Michael Dean, Managing Director – Human Resources; Mike Sjolander, Chief Technology Officer (“CTO”); Uzi Yoeli, Managing Director – Risk Management; Ken Standley, Senior Director – Strategic Partnerships; and other team members. Other attendees were James B. Milliken, Chancellor of The University of Texas (“UT System”) System; Robert Cowley of Deloitte & Touche LLP; Jerry Kyle of Orrick, Herrington, & Sutcliffe LLP; and Keith Brown of the McCombs School of Business at UT Austin. Chairman Hildebrand called the meeting to order at 9:20 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

**Minutes**

The first item to come before the Board was approval of the Minutes of the Board of Directors Meeting held on September 10, 2020. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the minutes of the Meeting of the Board of Directors held onSeptember 10, 2020,be, and are hereby, approved.

**Corporate Resolutions**

Chairman Hildebrand asked Mr. Harris to present a recommendation for the appointment of Kim Bauer, Senior Director - Corporate Accounting, to the Plan Administrative Committee. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

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

**Performance and Market Update**

Chairman Hildebrand asked Mr. Hall to present the Corporation’s performance and market update. Mr. Hall reported that as of September 30, 2020, the Corporation had just shy of $52 billion of assets under management, specifically: $24.4 billion in the Permanent University Fund (“PUF”), $14.4 billion in the Long Term Fund (“LTF”), $1.3 billion in the Permanent Health Fund (“PHF”); $8.8 billion in the Intermediate Term Fund (“ITF”), $2.8 billion in the Short Term Fund (“STF”), and $0.2 billion in Other funds. Mr. Hall discussed diversification framework as well as returns and alpha. He noted there were strong performances from global equity and stable value hedge funds. Next, he discussed Risk and Return over a 3-year period. Mr. Hall provided a market performance and economic forecast update and gave a recap on return dispersions. He then answered questions from the Board.

**CEO Macro Insights Report**

Chairman Hildebrand asked Mr. Harris to present his overview on macro trends. Mr. Harris began his presentation with a summary of events over the past year. He discussed the latest Covid-19 cases and death count, both globally and in the U.S., and the massive monetary and fiscal stimulus. Mr. Harris shared a poem he wrote on his reflections of the pandemic. Next, he discussed a necessity for renewed growth and productivity. He reviewed the path and politics of ESG and inequality, democracy or autocracy, and globalization, trade and resiliency. He also discussed bitcoin, bonds, buildings and business models, and the relationship with humans and machines. Next, he discussed public trust in government and a rise in e-commerce. Mr. Harris concluded his presentation with an overview of returns and portfolio resilience and what the Team can do as an organization to be resilient. He then answered questions from the Board.

**Strategic Asset Allocation Preview**

Chairman Hildebrand asked Uzi Yoeli and Ken Standley to present the Strategic Asset Allocation (“SAA”) Preview Report. Dr. Yoeli began with an overview of the report and discussed the SAA themes and framework and falling forward returns. He next discussed optimizing regime weights and strategies. Dr. Yoeli then turned the presentation over to Mr. Standley who discussed mobilizing internal and external resources. Mr. Standley went over the project plan and timeline and upcoming key Board events. Dr. Yoeli and Mr. Standley answered questions from the Board.

**Strategic Partnerships Presentation**

Chairman Hildebrand asked Mr. Standley to present an update on the Strategic Partnerships. Mr. Standley began by noting a successful launch of two Public Strategic Partnerships with positive alpha. He gave a brief introduction of the team and shared an update on performance and key highlights. He provided a knowledge sharing update, which includes summits, harnessing positions and outlook, research projects and enterprise priorities. Mr. Standley concluded his presentation by noting that the partnership is off to a great start and UTIMCO looks forward to finding ways to service our customers in 2021. He then answered questions from the Board.

**Operations and Information Services & Security Presentation**

Chairman Hildebrand invited Joan Moeller and Mike Sjolander to provide an overview of the Operations and Information Services & Security teams and their responsibilities. Ms. Moeller introduced the Operations team consisting of Operations, Accounting, and Reporting and Corporate Accounting. She discussed the new restructuring and introduced new team members as well as their backgrounds. She reviewed functions of each of the teams and discussed how important their work is to UTIMCO’s success. Mr. Sjolander then introduced the Information Services and Security teams and the strategic imperatives they continue to build on. He also discussed process improvements in place as well as 2020 accomplishments for the team.

**Human Resources Presentation**

Chairman Hildebrand asked Michael Dean to provide an update on Human Resources. Mr. Dean began by highlighting areas of development in 2020. He discussed recruiting and onboarding accomplishments as well as training and development progress. Mr. Dean discussed organizational health and wellness and introduced the “Beat the Virus” initiative. He concluded his presentation with an overview of the servant leadership philosophy.

**Report from Audit and Ethics Committee**

Chairman Hildebrand asked Director Handley to provide a report on behalf of the Audit and Ethics Committee. Director Handley reported that the Committee met via teleconference on December 1, 2020. At the meeting, the Committee considered four action items: the minutes of its September 3, 2020 meeting were approved as drafted; Deloitte & Touche LLP’s Audit Results and Communications for the PUF, The University of Texas General Endowment Fund (“GEF”), PHF, LTF, ITF (collectively, the “Investment Funds”) for the fiscal year ended August 31, 2020, were approved; the audit reports for the Investment Funds and the Statement of Investment Performance Statistics for the fiscal year ended August 31, 2020 were approved; and the Performance Award for the Corporate Counsel and Chief Compliance Officer was approaved. The Committee also convened in Executive Session for the purpose of deliberating individual personnel evaluation matters and individual compensation matters related to the Corporate Counsel and Chief Compliance Officer and made its recommendation to the Compensation Committee related to the Corporate Counsel and Chief Compliance Officer’s Performance Award for the Performance Period ended June 30, 2020.

Director Handley asked Mr. Robert Cowley of Deloitte & Touche LLP to provide a brief report to the Board on the audits of the Investment Funds. After Mr. Cowley’s presentation, Director Handley reported that the Committee also received an update on UTIMCO’s compliance, reporting and audit matters, a report on new contracts, and the annual report of all contracts over $250,000. She requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to the audits of the Investment Funds for Fiscal Year 2020. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that Deloitte & Touche LLP’s Financial Statement Audit Results and Communications on the Investment Funds Under Fiduciary Responsibility of The University of Texas System Board of Regents for the year ended August 31, 2020, be, and is hereby approved in the form as presented to the Board; and

FURTHER RESOLVED, that the separate annual financial statements and audit reports for the Permanent University Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, The University of Texas System General Endowment Fund, and The University of Texas System Intermediate Term Fund each for the fiscal years ended August 31, 2020, and August 31, 2019, and the Statement of Investment Performance Statistics for the year ended August 31, 2020, be, and are hereby approved in the form as presented to the Board.

Director Handley also requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to ratification of the Bloomberg contracts. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

WHEREAS, the Delegation of Authority Policy delegates to the UTIMCO Chief Executive Officer the authority to execute on behalf of UTIMCO all contracts, leases, or other commercial arrangements (except investment management agency contracts, partnership agreements, investment consultant agreements and agreements with independent auditors) for a total of $1 million or less during the contract term; and

WHEREAS, Bloomberg has provided various services to UTIMCO under several different contracts for many years for a combined total cost less than $1 million; and

WHEREAS, upon entering into a contract for new services with Bloomberg, UTIMCO discovered the combined contracts will exceed the delegated authority of $1 million during fiscal year 2020-2021 and reported same to the Audit and Ethics Committee; and

WHEREAS, as directed by the Audit and Ethics Committee, UTIMCO requests the UTIMCO Board ratify the combined contracts with Bloomberg, if the UTIMCO Board deems appropriate.

NOW, THEREFORE, be it:

RESOLVED that the contracts entered into between the Corporation and Bloomberg are hereby ratified, confirmed, approved and adopted.

FURTHER RESOLVED, that the CEO and Chief Investment Officer, President and Deputy CIO, any Managing Director, and the Secretary of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, in the name and on behalf of the Corporation, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolution and to perform the obligations of this Corporation under the Agreement.

**Report from Risk Committee**

Chairman Hildebrand asked Director Gauntt to provide a report from the Risk Committee. Director Gauntt reported that the Risk Committee met via teleconference on December 1, 2020.  The Committee approved the minutes of its September 3, 2020 meeting. The Committee also received a report on compliance matters for the quarter ended August 31, 2020, and a market and portfolio risk update.

**Report from Cyber Risk Committee**

Chairman Hildebrand asked Director Rothrock to provide a report from the Cyber Risk Committee. Director Rothrock reported that the Cyber Risk Committee met via teleconference on December 1, 2020.  Two members of the Cyber Risk Committee participated in the meetings. The Committee approved the minutes of its September 3, 2020 meeting. The Committee also met in Executive Session to receive an update on the corporation’s cyber risk program, including an update on security metrics, the information security program, and other projects.

**Report from Compensation Committee**

Chairman Hildebrand asked Director Rothrock to provide a report from the Compensation Committee. Director Rothrock stated that the Compensation Committee (the “Committee”) met on December 1, 2020 and December 10, 2020.  At its meetings on December 1, 2020, the Committee approved the minutes of its September 3, 2020 meeting and a resolution empowering the chair of the Committee to select a compensation consultant for the Committee for the 2020-2021 Performance Period. The Committee also met in executive session to discuss performance awards for the CEO and other UTIMCO Compensation Program (“Plan”) Participants for the Performance Period ended June 30, 2020, but no action was taken at that meeting.

At its December 10th meeting, the Committee approved the minutes of its December 1, 2020 meeting, convened in executive session to discuss the Performance Awards for Plan Participants, including the CEO, for the Performance Period ended June 30, 2020, and approved these Performance Awards, subject to approval by the Board.

Director Rothrock recommended two resolutions for approval by the Board. The first resolution related to the Performance Award for the CEO for the Performance Period ended June 30, 2020, and the second resolution related to the Performance Awards for all other Plan Participants for the Performance Period ended June 30, 2020. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the “Plan”) provides that, at the end of each Performance Period, the Board will approve the Performance Award of the CEO based upon a determination of the level of achievement of the CEO with respect to his or her Performance Standards for such Performance Period; and

WHEREAS, the Compensation Committee has reviewed and approved the CEO’s Performance Award for the Performance Period ended June 30, 2020, and submitted its recommendation to the Board for approval; and

WHEREAS, the Board has reviewed the Compensation Committee’s recommendation of the CEO’s Performance Award for the Performance Period ended June 30, 2020.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the CEO’s Performance Award for the Performance Period ended June 30, 2020, in the amount of $1,799,635.

And,

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the “Plan”) provides that, at the end of each Performance Period, the Compensation Committee will approve, subject to further approval of the UTIMCO Board, the Performance Award of each Participant based upon a determination of the level of achievement of such Participant against his or her Performance Standards for such Performance Period; and

WHEREAS, in accordance with Section 5.5.(d) of the Plan, the Compensation Committee has determined the level of achievement by each Participant in the Plan during the Performance Period ended June 30, 2020, of his or her Performance Standards for such Performance Period; and

WHEREAS, Sections 5.5.(e) and 5.5.(f) of the Plan provide that, based on the percentage achieved of each Participant’s Performance Standards for a Performance Period, a Performance Award will be calculated for such Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5.(f) of the Plan provides that the Compensation Committee will review all calculations of Performance Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Compensation Committee has reviewed the Performance Awards for all Participants who have met or exceeded their performance benchmarks for the Performance Period ended June 30, 2020, made changes it deemed appropriate, approved such Performance Awards, and recommended that the Board approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the Performance Awards for all Participants (excluding the CEO) for the Performance Period ended June 30, 2020, in the total aggregate amount of $12,088,778 and be it

FURTHER RESOLVED, that of the Performance Awards for all Participants (excluding the CEO) for the Performance Period ended June 30, 2020, 28.4% ($3,435,664) will be deferred pursuant to the Plan.

**Concluding Remarks**

Chairman Hildebrand commended the Compensation Committee and the Team on alignment of the Compensation Program with the mission, vision and values of the organization. Chancellor Milliken expressed his appreciation of the Board and the Team and all they do on behalf of UT System. The Chancellor noted the UT System had a relatively successful fall semester and expects the same for the spring semester; the universities were up in enrollment demonstrating how well things were managed and the desire to be at the universities. The Chancellor noted that three changes will come out of the disruption caused by the pandemic – going forward, remote work will always be a component and online education and telemedicine will be increasing. He concluded by thanking the Board for the work they are doing supporting all the institutions. Chairman Hildebrand concluded by acknowledging the complex work of the Chancellor and thanking him and the Team for a job well done.

**Adjourn**

There being no further business to come before the Board, the meeting was adjourned at approximately 11:38 a.m.

Secretary: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Joan Moeller

Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Jeffery D. Hildebrand

 Chairman, Board of Directors of

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