

**MINUTES OF JOINT MEETING
OF THE POLICY AND INVESTMENT RISK COMMITTEES OF THE
BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS/TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

A joint meeting of the Policy and Investment Risk Committees (the "Committees") of The University of Texas/Texas A&M Investment Management Company ("UTIMCO" or the "Corporation") convened in open session on **June 8, 2023**, by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 1700, 210 West 7th Street, Austin, Texas, said meeting having been called by the Policy Committee Chair, James C. "Rad" Weaver ("Chair"), and the Investment Risk Committee Chair, Janiece Longoria ("Investment Risk Chair"), with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was electronically recorded and broadcast over the internet. Participating in the meeting were the following members of the Committee:

James C. "Rad" Weaver, Chair, Policy Committee
Janiece Longoria, Chair, Investment Risk Committee
Janet Handley, Investment Risk Committee
Jodie L. Jiles, Policy Committee
Ray Nixon, Policy Committee

Also attending the meeting were Directors Howard Berk, Jay Graham, and James B. Milliken, thus constituting a majority and quorum of each of the Committees and the Board. Director Ray Rothrock, Investment Risk Committee member, was not in attendance. Chair Weaver called the meeting to order at 10:00 a.m. Employees of the Corporation attending the meeting were Britt Harris, President and CEO; Rich Hall, Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Carolina de Onís, General Counsel and Chief Compliance Officer; Uzi Yoeli, Managing Director – Risk Management; Ken Standley, Senior Director - Strategic Partnerships; and other employees. Other attendees were Jerry Kyle and Taylor Raymond of Orrick, Herrington & Sutcliffe LLP. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Proposed Amendments to the Investment Policy Statements and Liquidity Policy

Chair Weaver asked Mr. Hall, Dr. Yoeli, and Mr. Standley to present the *2023 SAA Summary* presentation and proposed amendments to the Investment Policy Statements for the Permanent University Fund, General Endowment Fund (the "Endowments") and the Intermediate Term Fund (the "ITF"), and the Liquidity Policy. Mr. Hall began with an overview of the scope and purpose of the review. Mr. Hall then presented the key conclusions that led to the proposed amendments, including SAA recommendations, policy changes needed to implement the Endowment SAA recommendations, and benchmark recommendations.

Mr. Hall discussed several changes to the Investment Policy Statements for the Endowments, which included an increase in Private Investments from 42% to 48%, a reduction in Public Equity from 35% to 27%, an increase in Private Equity from 25% to 30%, an expansion of Portable Alpha strategies in Public Equities, an increase in Stable Value Assets from 16% to 19%, and a shift in the Real Return Portfolio composition to focus on Real Estate and Infrastructure. Mr. Hall noted that the transition to target weights in Fixed Income, Cash, and Hedge Funds would be largely completed in the next year, Developed Equities as a funding source for an increased Privates allocation would reach target in the next five years, and the remaining transitions across Private Markets Investments will play out over a longer time horizon. Mr. Hall noted that there were no changes proposed to the ITF policy portfolio.

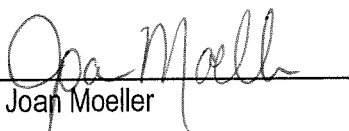
Mr. Hall then turned the presentation over to Dr. Yoeli and Mr. Standley to provide a detailed discussion of current and proposed liquidity and leverage policies. Mr. Hall then discuss the specific Liquidity Policy recommendations including raising the maximum permitted illiquidity by 5%, from 70% to 75% in the Endowment Funds and from 55% to 60% in the ITF. Unfunded Commitments as a percent of the highest total Net Asset Value of the Endowment Funds over a trailing 24-month period would be increased from 30% to 35%. Mr. Hall also presented the proposed leverage policy recommendation to facilitate the expansion of Portable Alpha strategies, which includes an increase from 105% to 110% (leverage of 10%) for the Endowments. The ITF permissible Asset Class exposure would likewise increase from 100% to 105% (leverage of 5%) to allow for an expansion of Portable Alpha strategies in the ITF.

Finally, Mr. Hall recommended benchmark changes to the Investment Policy Statement for the Endowments and ITF. The MSCI Emerging Markets Index with Net Dividends is to be replaced with a blended 67% MSCI Emerging Markets with China All Shares and 33% MSCI Emerging Markets ex-China, and the Natural Resources benchmark will be NAV-weighted by component to eliminate the asset allocation mismatch between the benchmark components and the UTIMCO portfolio. Mr. Hall, Dr. Yoeli, and Mr. Standley answered questions from the Committees. Upon motion duly made and seconded, the following resolution was unanimously approved by the Committee:

RESOLVED, that amendments to the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Intermediate Term Fund, Permanent Health Fund, and Long Term Fund; and amendments to the Liquidity Policy, as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

Adjourn

There being no further business to come before the Committees, the meeting was adjourned at approximately 11:06 a.m.

Secretary: 
Joan Moeller

Approved:  Date: 6/20/24
Janet Handley, Chair
Policy Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Approved:  Date: 7/11/2024
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Janiece Longoria, Chair
Investment Risk Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company