
AGENDA

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT MANAGEMENT COMMITTEE MEETING

DATE: Thursday, May 21, 2020

TIME: 1:00 PM

PLACE:

Chair: Beth Madison
Vice Chair: Jack B. Moore
Members: Durga D. Agrawal
Alonzo Cantu
John A. McCall, Jr.
Alvaro De La Cruz
Tilman J. Fertitta, Ex Officio

- I. **Endowment Management Committee**
 - A. Call to order
 - B. Report from Cambridge Associates regarding the University of Houston System endowment and non-endowed portfolios - University of Houston System 3
 - C. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the hiring of a private investment manager for the University of Houston System Endowment Fund - University of Houston System 36
 - D. Approval is requested to rebalance the University of Houston Non-Endowed portfolio - University of Houston System 37
- II. **Executive Session**
 - A. Consultation with System Attorney Regarding Legal Matters and/or Contemplated Litigation or Settlement Offers
TEXAS GOV'T CODE SECTION 551.071
- Consultation with General Counsel regarding legal matters
 - B. Deliberations regarding the Purchase, Exchange, Sale or Value of Real Property
TEXAS GOV'T CODE SECTION 551.072
 - C. Deliberations regarding a Prospective Gift
TEXAS GOV'T CODE SECTION 551.073
 - D. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees, including but not limited

to the Chancellor, Presidents, Vice Chancellors, in the Division of Athletics and members of the Board of Regents

TEXAS GOV'T CODE SECTION 551.074

III. **Report and Action from Executive Session**

IV. **Adjourn**

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: Report from Cambridge Associates regarding the University of Houston System endowment and non-endowed portfolios.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Representatives from Cambridge Associates will present to the Committee a report regarding the System's endowment and non-endowed investment portfolios. The report may include, such topics as market commentary, asset allocation, portfolio risk analysis, manager performance reporting, current and future investment strategies, and overall portfolio performance among others.

SUPPORTING DOCUMENTATION: Cambridge Associates discussion materials report

FISCAL NOTE: None

**RECOMMENDATION/
ACTION REQUESTED:** This item is for information only.

COMPONENT: University of Houston System

Jim McShan Approved via email _____ 05-04-2020 _____
SENIOR VICE CHANCELLOR Jim McShan **DATE**

Renu Khator - Approved via email _____ 05/15/2020. _____
CHANCELLOR Renu Khator **DATE**

UNIVERSITY OF HOUSTON SYSTEM

DISCUSSION MATERIALS



UNIVERSITY OF HOUSTON SYSTEM

DISCUSSION MATERIALS

MAY 2020

UNIVERSITY OF HOUSTON SYSTEM

DISCUSSION MATERIALS

MAY 2020

Kerry D. Kirk, CFA
Erin Schuhmacher
Phil Fiske
Kelly Jensen



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- I. Cambridge Associates Report on UH Portfolio (Information Only)
 - a. UH Performance & Asset Allocation (Endowed & Non-Endowed)
- II. Cambridge Associates Recommendations (Action Items)
 - a. Private Investments Update & Recommendations
 - b. Non-Endowed Recommendations
- III. Appendix

EXECUTIVE SUMMARY



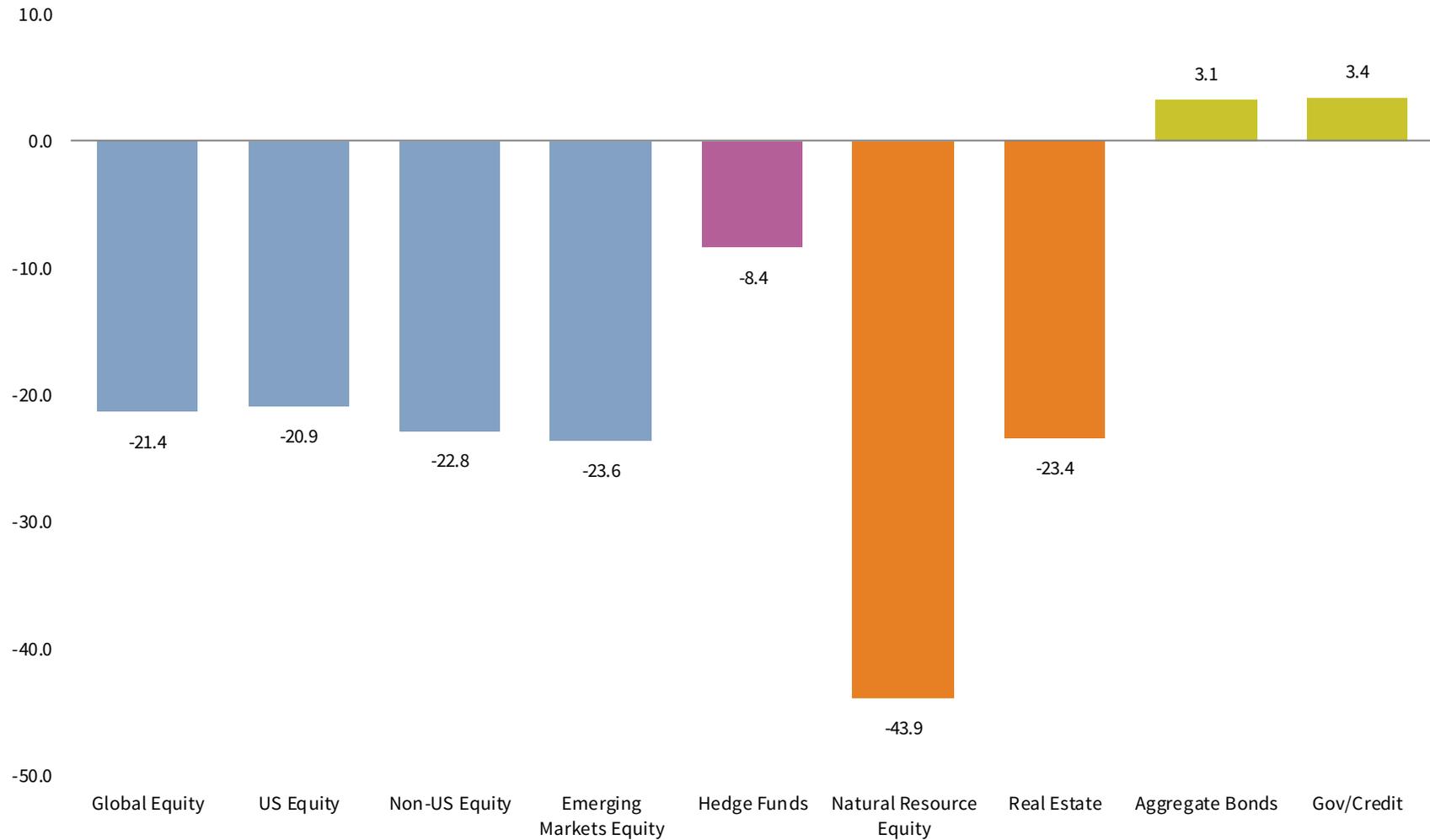
Executive Summary

Key Tabs	Comments
I. Cambridge Associates Report On UH Portfolio (Information Only)	
a. UH Performance & Asset Allocation	<p>In the midst of the fastest bear market decline in history, the UH portfolio declined -12.4% in Q1 2020. In relative terms the total portfolio trailed the policy benchmark by 20 bps, while the total marketable portfolio (-16.1%) underperformed the marketable benchmark by 1.1%.</p> <p>The total portfolio is outperforming the policy benchmark over the trailing 3 and 5 year periods.</p>
II. Cambridge Associates Recommendations (Action Items)	
a. Private Investments Update & Recommendation	<p><u>For Approval:</u></p> <p>We recommend the following new commitments: \$7.0mm to Silver Lake Partners VI.</p>
b. Non-Endowed Pool Recommendations	<p><u>For Approval:</u></p> <p>We recommend the following trades: \$12.0mm redemption from JP Morgan, \$1.5mm redemption from Loomis Sayles, \$8.0mm addition to PIMCO Total Return, \$5.5mm addition to Breckenridge.</p>
III. Appendix	

1Q of 2020 brings a swift and deep bear market on pandemic ramifications.

Equities and real assets sold off viciously in the Q1 of 2020 after COVID-19 fears and public policy response largely shuttered global economic activity.

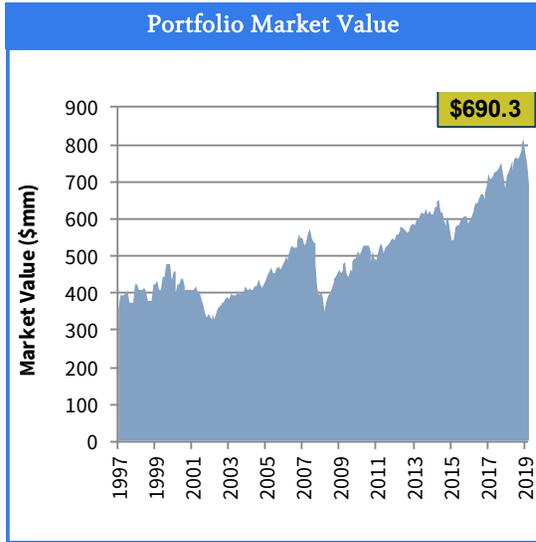
Q1 2020 PERFORMANCE
January 1, 2020 - March 31, 2020



Notes: Indices from left to right are as follows: MSCI All Country World Index (Net), Russell 3000[®] Index, MSCI EAFE Index (Net), MSCI Emerging Markets Index (Net), Hedge Fund Research Fund of Funds Composite Index, S&P North American Natural Resources Sector Index, FTSE[®] NAREIT All Equity REITs Index, Bloomberg Barclays Aggregate Bond Index, Bloomberg Barclays Government/Credit Bond Index.

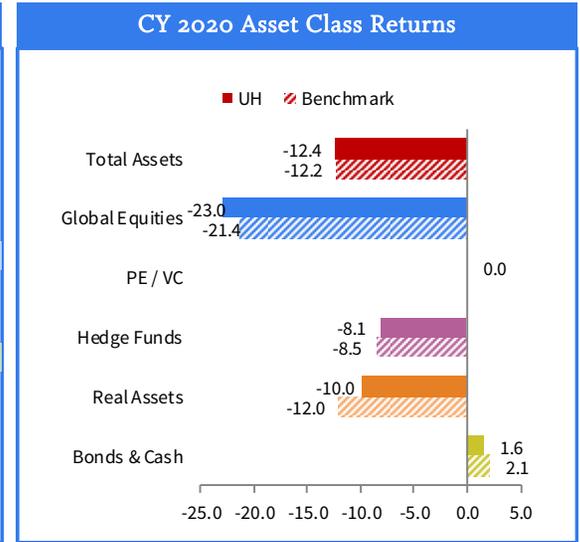
UH portfolio dashboard

UH total portfolio returned -12.4% in Q1 2020, underperforming the policy benchmark by 20 bps. The portfolio is outperforming over the trailing 3 and 5 year periods



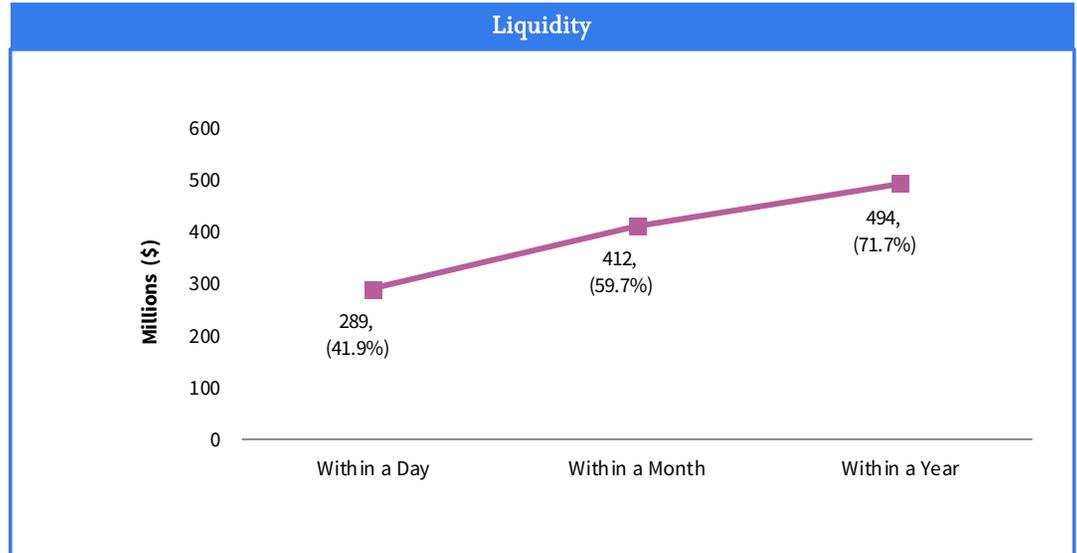
Performance Summary – Total Portfolio

	CY 2019 12/31/2019- 3/31/2020	FY 2020 9/1/2019- 12/31/19	Annualized Trailing 3 Years	Annualized Trailing 5 Years
Total Portfolio	-12.4	-6.7	3.1	2.8
Policy BM	-12.2	-7.0	2.2	2.4
Total Marketable Assets	-16.1	-9.8	0.6	1.1
Marketable Policy BM	-15.0	-9.2	1.1	1.4



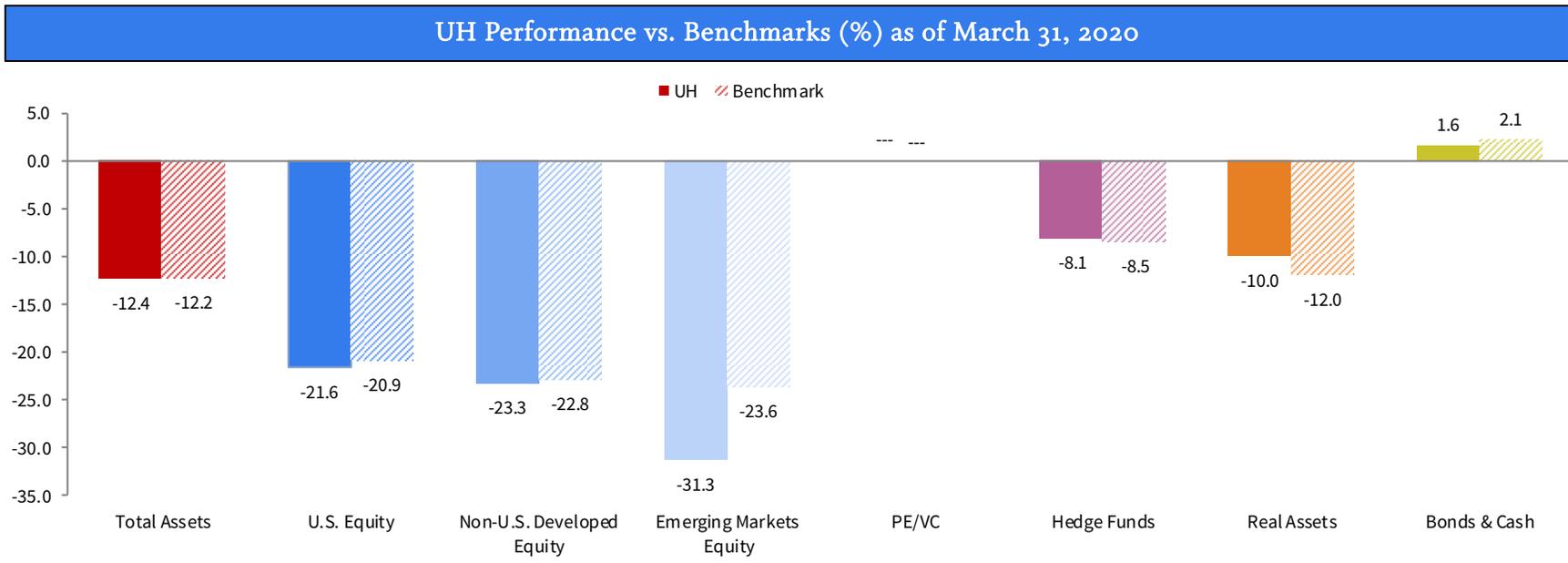
Asset Allocation: Actual, Targets, and Allowable Ranges

	Actual Allocation	Near-Term Targets	Allowable Ranges
Global Equities	41%	42%	30-50%
Hedge Funds	15%	22%	10-30%
Private Equity / Venture Capital	19%	16%	10-30%
Real Assets	10%	10%	5-15%
Bonds and Cash	15%	10%	0-20%



Q1 2020 UH performance & attribution

Hedge funds & fixed income did their job in Q1 2020, protecting the portfolio relative to large negative equity returns; value exposure within the equity allocation hurt on a relative basis



	Absolute Return	Relative To Asset Allocation Benchmark
Calendar Year 2020 Result	-12.4%	-0.2%
Key Contributors	<ul style="list-style-type: none"> Bonds & Cash (Smith Graham) Private Investments Lag 	<ul style="list-style-type: none"> Real Assets (T. Rowe Price)
Key Detractors	<ul style="list-style-type: none"> US Equity (Vulcan, Gotham) Emerging Markets Equity (Oldfield, Edgbaston) 	<ul style="list-style-type: none"> US Equity (Vulcan, Gotham) Emerging Markets Equity (Oldfield, Edgbaston) Fixed Income (Smith Graham)

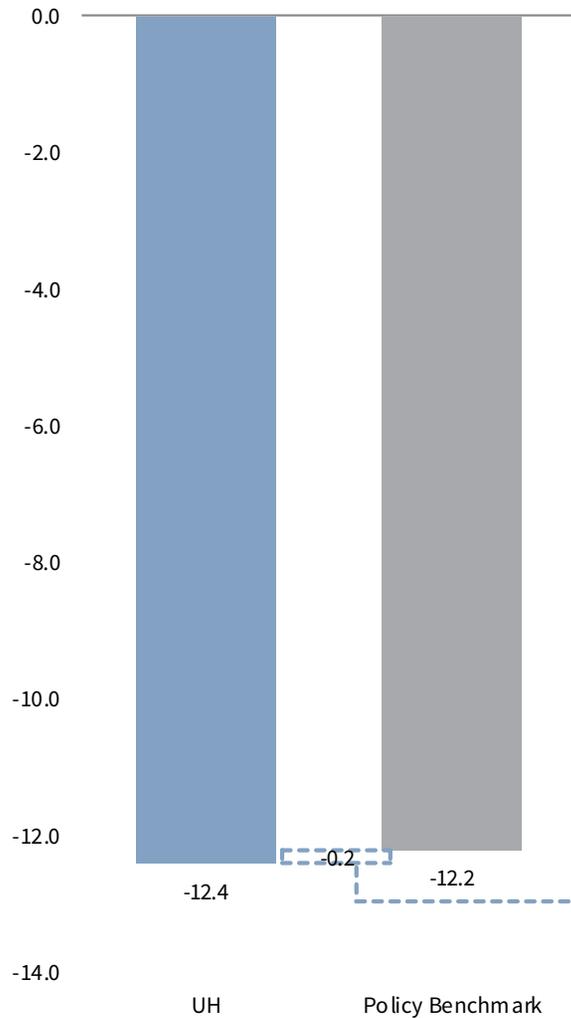
Note: Total Assets represents the University's actual performance versus the Policy Benchmark. Asset class benchmarks: U.S. Equity (Russell 3000), Non-U.S. Developed Equity (MSCI EAFE (Net)), Emerging Markets Equity (MSCI Emerging Markets (Net)), PE/VC (no benchmark), Hedge Funds (HFRI FoF Composite), Real Assets (25% BBG Barc US TIPs, 25% MSCI World Nat Resources, 25% MSCI US REIT, 25% BBG Barc Commodity), Bonds & Cash (Dynamic blend of BBG Barc Agg Intermediate and BofA ML 91 Day T-Bill). Private investment returns as of 12/31/2019.



Q1 2020 attribution analysis

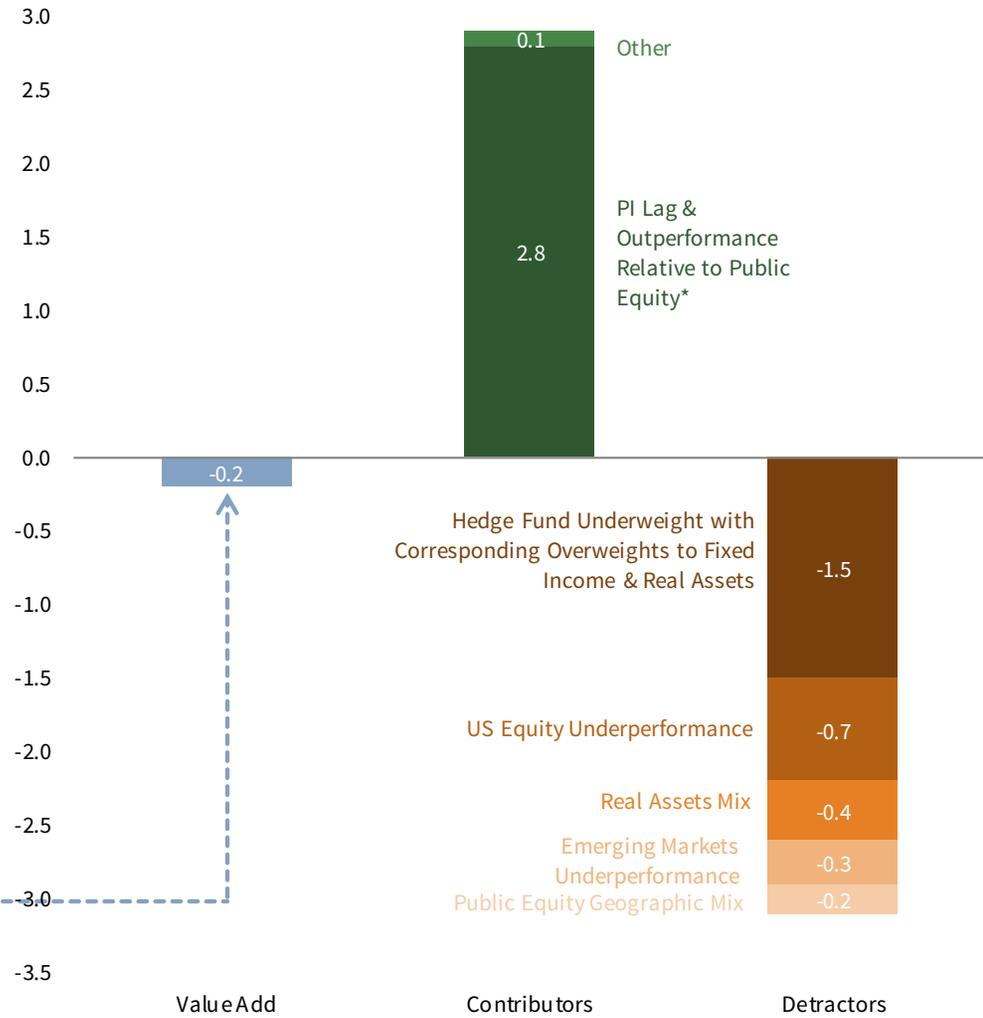
RETURN VS BENCHMARK

January 1, 2020 - March 31, 2020



ATTRIBUTION

January 1, 2020 - March 31, 2020



Note: Other is the aggregation of attribution factors that had less than 10 basis points of individual impact.
 *Includes Private Real Assets.

University of Houston cash flows by category

As of March 31, 2020

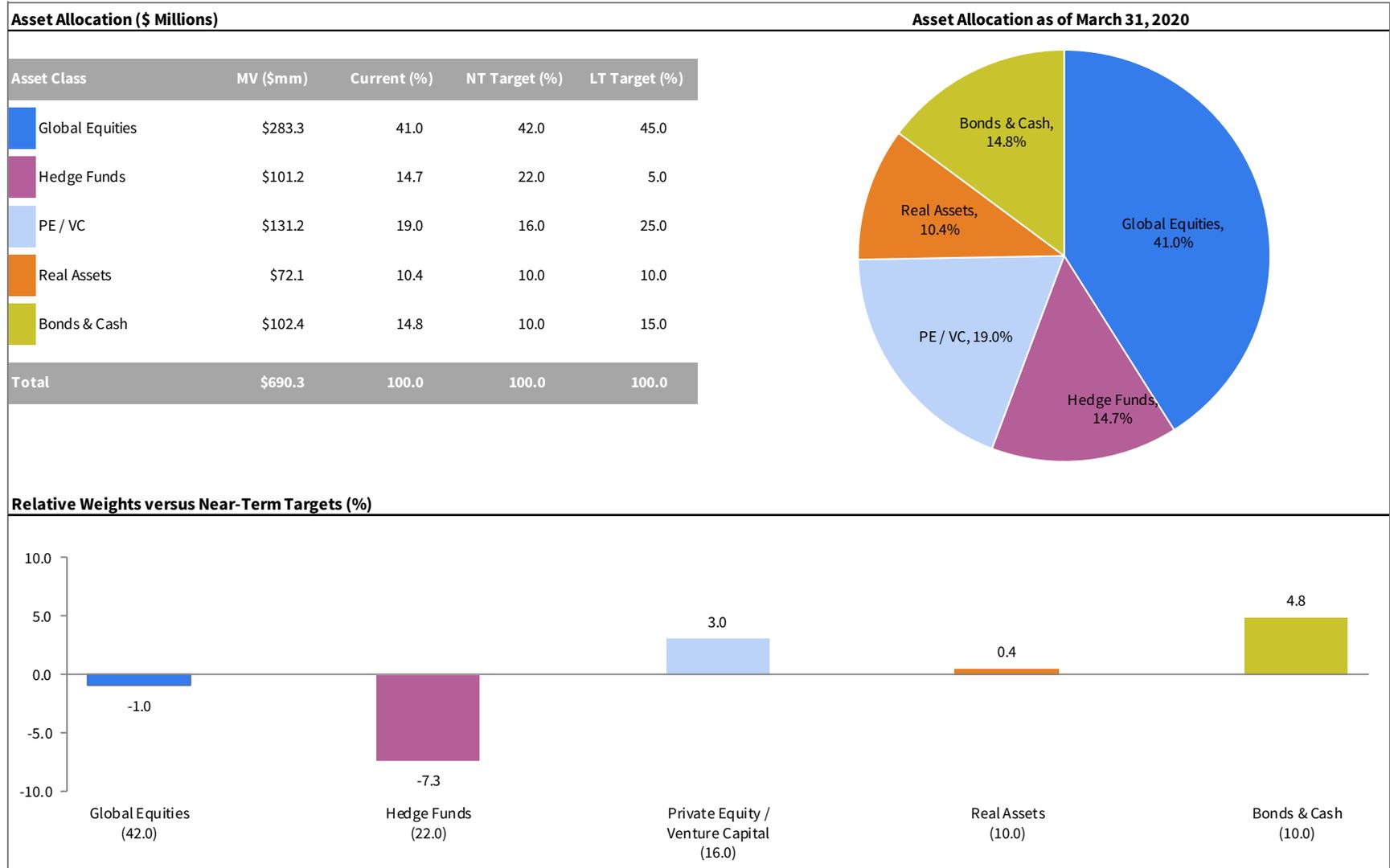
Period	Beginning Market Value	Net Withdrawals	Earned Income	Unrealized Gains/Loss	Management Fees	Ending Market Value
						(\$000)
2012	\$486,853	\$10,962	\$19,227	\$42,164	-\$3,798	\$555,408
2013	\$555,408	-\$42,572	\$35,492	\$40,892	-\$3,885	\$585,336
2014	\$585,336	\$9,127	\$44,772	-\$24,157	-\$4,495	\$610,582
2015	\$610,582	-\$24,614	\$49,433	-\$61,636	-\$3,678	\$570,086
2016	\$570,086	-\$16,937	\$24,526	\$7,660	-\$4,666	\$580,670
2017	\$580,670	\$7,757	\$34,341	\$61,495	-\$5,011	\$679,252
2018	\$679,252	\$26,657	\$32,659	-\$50,434	-\$4,834	\$683,300
2019	\$683,300	\$17,003	\$33,763	\$86,927	-\$6,372	\$814,623
2020	\$814,624	-\$26,928	-\$1,441	-\$89,641	-\$1,643	\$694,979

■ Since 2012 the Endowment has:

- ◆ added \$191 million in new gifts,
- ◆ generated \$273 million in realized/unrealized gains,
- ◆ distributed \$161 million to the beneficiary accounts, and
- ◆ paid \$38 million in portfolio expenses.

Asset allocation summary

The UH portfolio ended Q1 2020 moving toward newly adopted long-term targets



Note: Target allocation in parentheses.

Endowed pool trade summary

- At the Q1 meeting a new long-term hedge fund target in the Endowed Pool was adopted, reducing the policy exposure to 5% from a previous target of 20%.
- It was decided that this reduction would take place over the course of 2020 as liquidity terms allow.
- Below is the summary of approved hedge fund transactions and a summary of timing of the trades:

Manager Type	Manager	Investment Type	Amount	Timing of Initial Redemption	Executed?
Long / Short Equity	Lakewood	Partial Redemption	\$9.0mm	Q2 2020	---
	SRS	Partial Redemption	\$6.0mm	Q2 2020	---
	Coatue	Full Redemption	~\$16.7mm	Q2 2020	---
Multi-Strategy	Davidson Kempner	Partial Redemption	\$5.0mm	Q2 2020	---
	HBK	Partial Redemption	\$3.0mm	Q2 2020	---
	Standard Life GARS	Partial Redemption	\$9.0mm	Q1 2020	March 2020
Global Macro	AQR	Full Redemption	~\$12.5mm	Q1 2020	March 2020
	ISAM	Full Redemption	~\$8.9mm	Q1 2020	March 2020
Distressed/Credit	Anchorage	Full Redemption	~\$10.8mm	Q4 2020	---

Reinvestment of hedge fund proceeds status

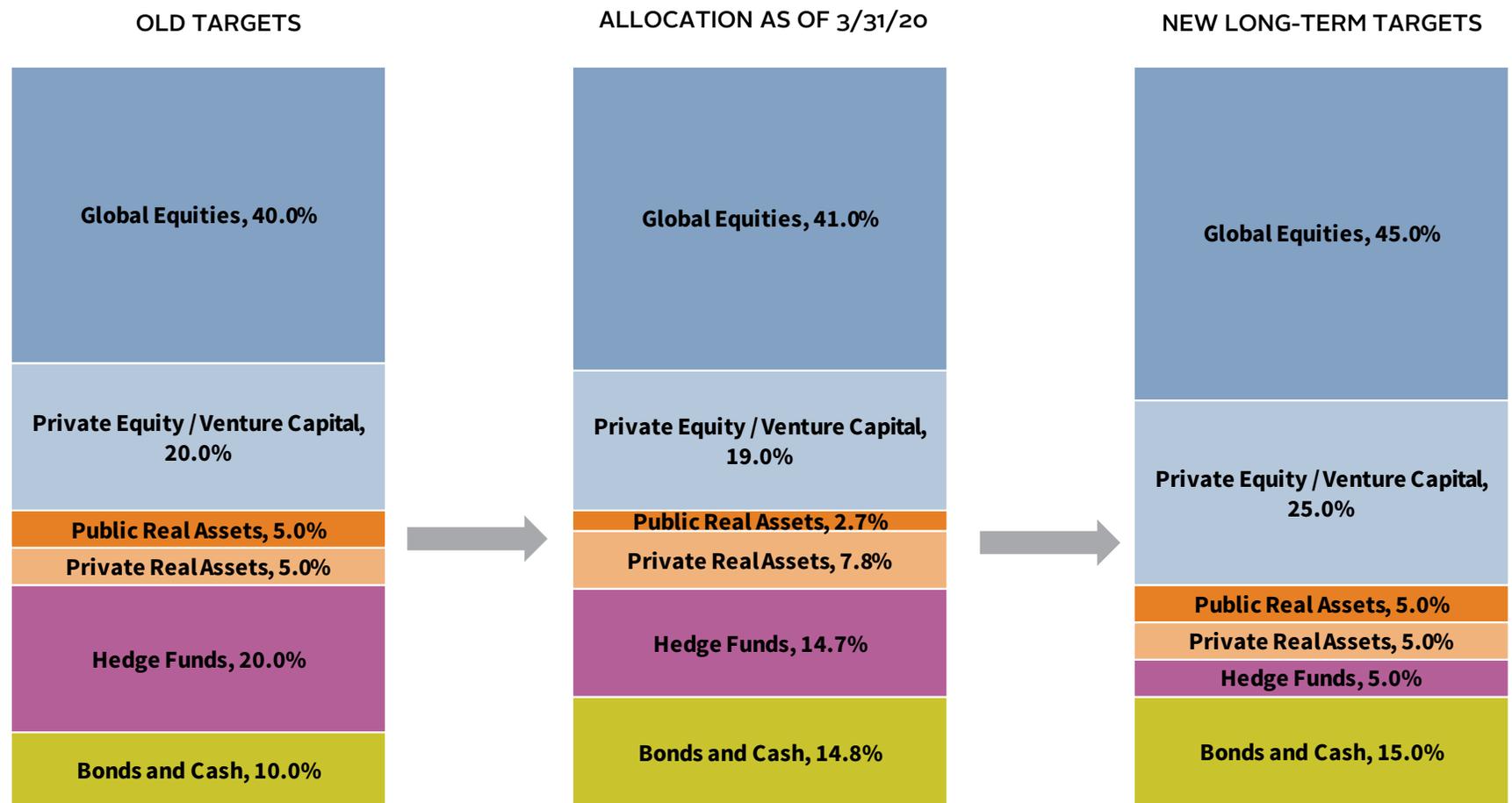
- The following transactions to reinvest the hedge fund proceeds across the portfolio were approved at the Q1 meeting.

Manager Type	Manager	Investment Type	Approved Amount	Amount Invested	Date Invested	Amount Remaining	Date of Future Investment
US Equity	NT Russell 1000 Index	Additional Investment	\$14.0mm	\$10.0mm	March 2020	\$4.0mm	Q3 2020
	Columbia	Additional Investment	\$6.0mm	\$4.0mm	March 2020	\$2.0mm	Q3 2020
	Gotham	Additional Investment	\$6.0mm	---	---	\$6.0mm	Q2 & Q3 2020
	Vulcan	Additional Investment	\$6.0mm	\$4.0mm	March 2020	\$2.0mm	Q3 2020
Non-US Developed Equity	William Blair	Additional Investment	\$4.0mm	\$3.0mm	March 2020	\$1.0mm	Q3 2020
	Global Alpha	Additional Investment	\$4.0mm	---	---	\$4.0mm	Q2 & Q3 2020
Emerging Markets Equity	Oldfield	Additional Investment	\$2.0mm	\$2.0mm	March 2020	---	---
	Somerset	Additional Investment	\$2.0mm	---	---	\$2.0mm	Q2 2020
	Edgbaston	Additional Investment	\$2.0mm	\$2.0mm	March 2020	---	---

- The remaining cash to be allocated based on new targets as we get closer to redemption dates.

Asset allocation update

- The trades made in Q1 have moved us closer to the long-term targets approved at the February meeting.



UH pro forma

	March 31, 2020		Q2 2020			Q3 2020			Interim Target	LT Target	Ranges
	NAV	% of Total	Add	NAV	% of Total	Add	NAV	% of Total	% of Total	% of Total	% of Total
Total Assets	690.3	100.0%	---	690.3	100.0%	---	690.3	100.0%	42.0%	30.0%	
Public Equity	283.3	41.0%	9.0	292.3	42.3%	12.0	304.3	44.1%	42.0%	45.0%	35-55%
US Equity	154.1	22.3%	4.0	158.1	22.9%	10.0	168.1	24.3%			20-35%
NT Russell 1000 Index	52.1	7.5%		52.1	7.5%	4.0	56.1	8.1%			
Columbia	38.3	5.5%		38.3	5.5%	2.0	40.3	5.8%			
Gotham	25.9	3.7%	4.0	29.9	4.3%	2.0	31.9	4.6%			
Vulcan	36.8	5.3%		36.8	5.3%	2.0	38.8	5.6%			
Cougar Investmetn Fund	1.1	0.2%		1.1	0.2%		1.1	0.2%			
Non-US Equity	106.7	15.5%	3.0	109.7	15.9%	2.0	111.7	16.2%			10-20%
Silchester	50.9	7.4%		50.9	7.4%		50.9	7.4%			
William Blair	40.1	5.8%		40.1	5.8%	1.0	41.1	5.9%			
Global Alpha	15.8	2.3%	3.0	18.8	2.7%	1.0	19.8	2.9%			
Emerging Markets Equity	22.5	3.3%	2.0	24.5	3.5%	---	24.5	3.5%			5-15%
Oldfield	7.2	1.0%		7.2	1.0%		7.2	1.0%			
Somerset	7.1	1.0%	2.0	9.1	1.3%		9.1	1.3%			
Edgbaston	8.1	1.2%		8.1	1.2%		8.1	1.2%			
Private Investments	131.2	19.0%	---	131.2	19.0%	---	131.2	19.0%	16.0%	25.0%	10-35%
Total Private Equity/VC	131.2	19.0%		131.2	19.0%		131.2	19.0%			
Hedge Funds	101.2	14.7%	-39.0	62.3	9.0%	---	62.3	9.0%	22.0%	5.0%	0-10%
Real Assets	72.1	10.4%	---	72.1	10.4%	---	72.1	10.4%	10.0%	10.0%	5-15%
Public Real Assets	18.3	2.7%	---	18.3	2.7%	---	18.3	2.7%			2-8%
Vanguard Real Estate	9.1	1.3%		9.1	1.3%		9.1	1.3%			
T. Rowe Price	9.2	1.3%		9.2	1.3%		9.2	1.3%			
Private Real Assets	53.8	7.8%		53.8	7.8%		53.8	7.8%			5-12%
Bonds and Cash	102.4	14.8%	30.0	132.4	19.2%	-12.0	120.4	17.4%	10.0%	15.0%	5-20%
Bonds											
Smith Graham Intermediate Agg	80.3	11.6%		80.3	11.6%		80.3	11.6%			
Cash											
Cash Pending	18.0	2.6%		18.0	2.6%		18.0	2.6%			
Cash	4.1	0.6%	30.0	34.0	4.9%	-12.0	22.0	3.2%			

UH hedge fund pro forma

	March 31, 2020		Q2 2020			Q3 2020			Interim Target	LT Target	Ranges
	NAV	% of Total	Add	NAV	% of Total	Add	NAV	% of Total	% of Total	% of Total	% of Total
Hedge Funds	101.2	14.7%	-39.0	62.3	9.0%	---	62.3	9.0%	22.0%	5.0%	0-10%
Long/Short Equity	46.5	6.7%	-31.0	15.5	2.2%	---	15.5	2.2%			
U.S.											
Lakewood	11.5	1.7%	-9.0	2.5	0.4%		2.5	0.4%			
Global											
SRS Partners	17.9	2.6%	-6.0	11.9	1.7%		11.9	1.7%			
Sector Focused											
Coature	17.0	2.5%	-16.0	1.0	0.2%		1.0	0.2%			
Absolute Return	53.8	7.8%	-8.0	45.8	6.6%	---	45.8	6.6%			
Event Driven/Credit	28.8	4.2%	-5.0	23.8	3.5%	---	23.8	3.5%			
Davidson Kempner	18.8	2.7%	-5.0	13.8	2.0%		13.8	2.0%			
Anchorage	10.0	1.4%		10.0	1.4%		10.0	1.4%			
Multi-Strategy	23.2	3.4%	-3.0	20.2	2.9%	---	20.2	2.9%			
HBK	17.2	2.5%	-3.0	14.2	2.1%		14.2	2.1%			
GARS	6.0	0.9%		6.0	0.9%		6.0	0.9%			
Global Macro	1.8	0.3%	---	1.8	0.3%	---	1.8	0.3%			
ISAM Systematic Trend	1.8	0.3%		1.8	0.3%		1.8	0.3%			
Holdbacks/Sidepockets	0.9	0.1%	---	0.9	0.1%	---	0.9	0.1%			

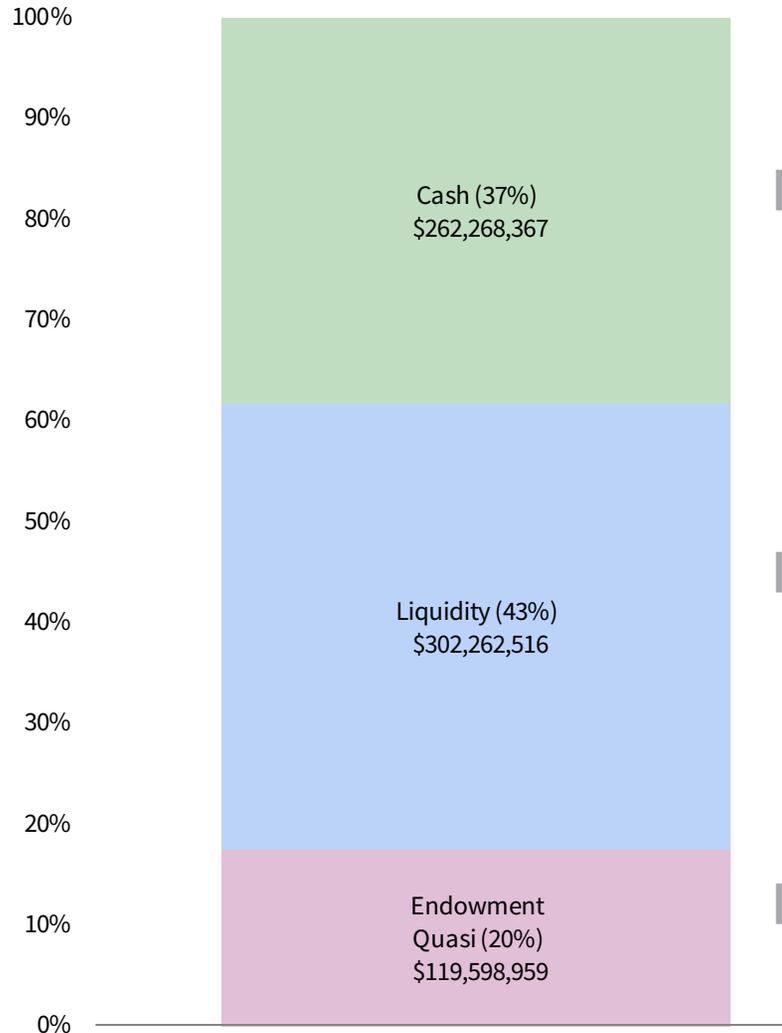
Note: Anchorage will be fully redeemed at the end of Q4.

Non-endowed fund composition

UH's non-endowed fund is diversified across cash & liquidity pools and the endowment

UH NON-ENDOWED ASSETS

As of March 31, 2020



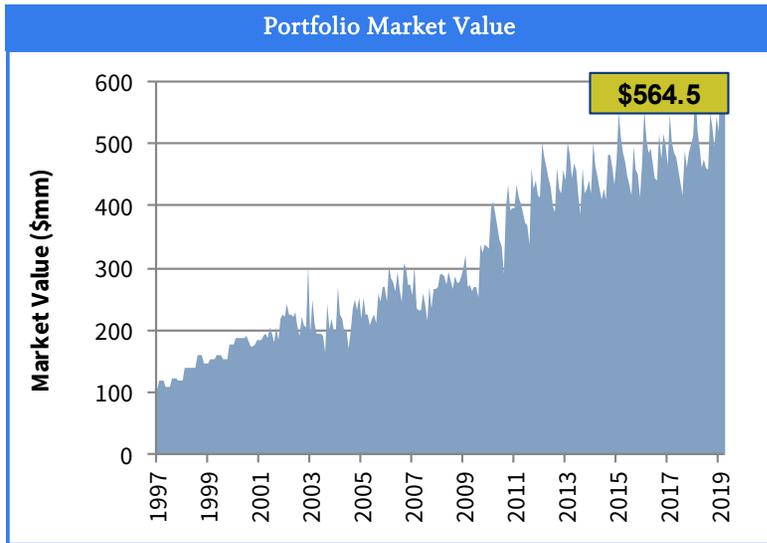
- Used for daily cash needs
- Overnight sweep T-Bills
- Cash rate of return
- Managed by Morgan Stanley
- Duration: 0.0 Years

- Used for excess cash
- Diversified across fixed income spectrum
- Low to mid single-digit rate of return
- Managed by J.P. Morgan, Breckinridge, PIMCO, & Loomis Sayles
- Duration: 3.4 Years

- Non-endowed funds deemed to be permanent
- Must stay invested for 5 years
- Managed by Cambridge Associates
- Perpetual, Long-Term Expected Return: ~6% Real

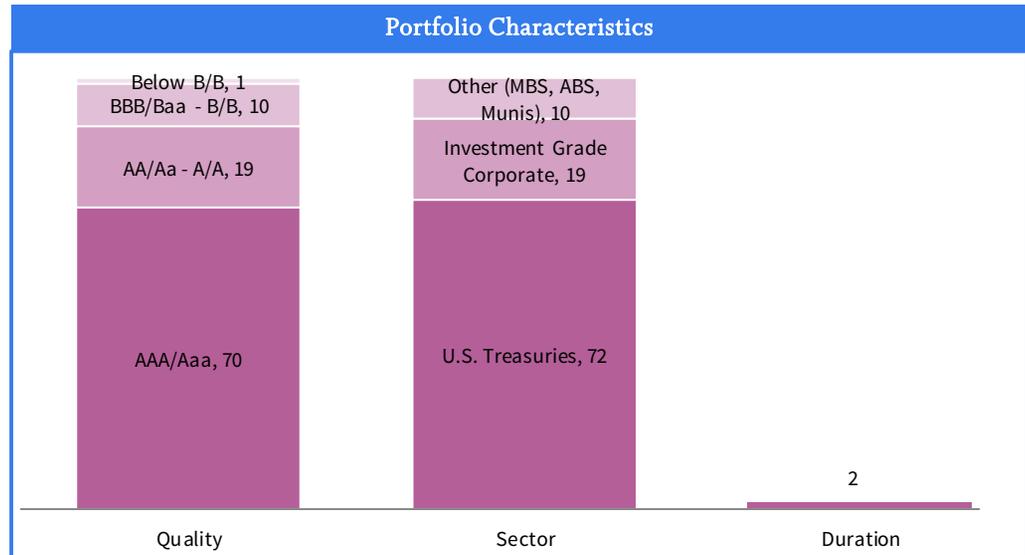
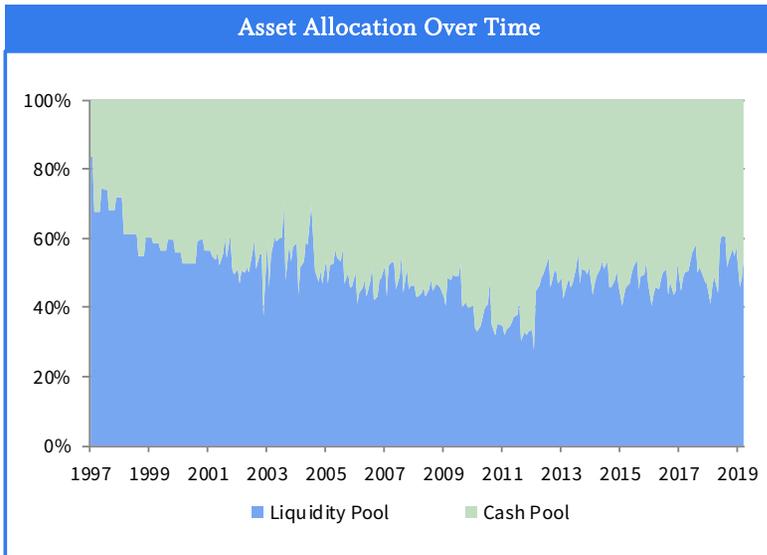
UH non-endowed portfolio dashboard

As of March 31, 2020



Performance Summary – Total Non-Endowed Portfolio

	CY 2020 12/31/19- 3/31/2020	FY 2019 9/1/2019 - 3/31/20	Annualized Trailing 3 Years	Annualized Trailing 5 Years
Total Non-Endowed	0.7	1.3	2.2	1.5
Non-Endowed Policy Benchmark	1.6	2.1	2.5	1.7
Total Cash Pool	0.3	1.1	1.6	1.0
BofA ML 91-Day T Bills	0.6	1.2	1.8	1.2
Total Liquidity Pool	1.3	1.7	2.6	1.9
BofA ML 1-5 Year Gov/Credit AA+	3.5	3.7	3.3	2.3
BofA ML 1-5 Year Gov/Corp Index	2.0	2.3	3.0	2.3



Note: Does not include quasi-endowed funds. Total non-endowed policy benchmark consists of the BofA ML 91-Day T-Bills and a 50/50 blend of the BofA ML 1-5 Year Government/Credit AA+ Index and the BofA MLP 1-5 Year Government/Corporate Bond Index, weighted to each asset class' proportionate share of total assets.

A. PRIVATE INVESTMENTS UPDATE & RECOMMENDATIONS



■ **Cambridge Associates recommends that the University of Houston approve a \$7.0 million commitment to Silver Lake Partners VI, L.P.**

- Silver Lake Partners (SLP) is targeting \$18 billion in commitments for its sixth flagship fund, Silver Lake Partners VI (“SLP VI” or “Fund VI”). SLP has not established a hard cap but does not expect it to be materially larger than the target fund size. The University of Houston previously committed \$4.0 million to SLP IV in 2012 and \$7.0 million to SLP V in 2016.
- As with prior funds, SLP will continue its strategy of investing in global technology and technology-enabled companies in a range of subsectors. SLP will seek to build a portfolio of 15 to 25 companies, ranging from \$400 million to \$1.75 billion in size. Transaction types will include leveraged buyouts, acquisition finance, structured minority, minority, and carveout investments.
- The senior team’s expertise in technology investing is distinctive and a competitive advantage in the large-cap market. Since 1999, SLP has made investments totaling approximately \$33 billion in over 85 technology and technology-enabled investments out of its flagship fund. The team has an impressive network in the technology sector, and its reputation among CEOs, sellers, and bankers in the sector is a clear differentiator.
- SLP has continued to generate strong performance even as its fund sizes have grown. SLP I (1999), III (2006) and IV (2012) had all generated first-quartile performance based on net IRRs and net total value to paid-in multiples, as measured against the Cambridge Associates US Private Equity Benchmark, as of September 30, 2019.
- A commitment to SLP VI represents an opportunity for the University to strengthen its relationship with one of the largest and most experienced teams of technology-focused global investors. The expertise of the team coupled with the firm’s differentiated strategy, which focuses on investing in a wide range of technology enabled companies globally, makes the team well positioned to capture relevant investment opportunities in the next few years.

B. NON-ENDOWED POOL RECOMMENDATIONS



Non-Endowed pool recommendations

- Due to recent market movements, the allocations within the non-endowed liquidity pool have become slightly off target.
- The below recommendations are intended to bring the portfolio back toward the initial allocation amounts across the four managers within the non-endowed pool.

- Recommendations:
 - \$12.0mm redemption from JPMorgan Short Duration Strategy
 - \$1.5mm redemption from Loomis Sayles
 - \$8.0mm addition to PIMCO Total Return
 - \$5.5mm addition to Breckenridge Intermediate Fixed Income

Non-Endowed pool implementation schedule

UH NON-ENDOWED POOL PRO FORMA

As of March 31, 2020

	December 31, 2019		March 31, 2020		Q2 2020			Interim Target	Ranges
	NAV	% of Total	NAV	% of Total	Add	NAV	% of Total	% of Total	% of Total
Non-Endowed Total Assets	518.4	100.0%	564.5	100.0%	---	564.5	100.0%	100.0%	
Cash Pool	220.0	42.4%	262.3	46.5%		262.3	46.5%	50.0%	40-100%
Morgan Stanley - Clear Lake	31.0	6.0%	39.1	6.9%		39.1	6.9%		
Morgan Stanley - Downtown	10.9	2.1%	20.9	3.7%		20.9	3.7%		
Morgan Stanley - UH	135.8	26.2%	161.4	28.6%		161.4	28.6%		
Morgan Stanley - UH System	10.4	2.0%	17.5	3.1%		17.5	3.1%		
Morgan Stanley - Victoria	6.2	1.2%	7.3	1.3%		7.3	1.3%		
Columbia Treasury Reserves	25.7	5.0%	16.1	2.9%		16.1	2.9%		
Liquidity Pool	298.4	57.6%	302.3	53.5%		302.3	53.5%	50.0%	0-60%
JPM - UH	158.2	30.5%	163.0	28.9%	-12.0	151.0	26.7%		
PIMCO Dynamic Bond Fund	39.3	7.6%	37.2	6.6%	8.0	45.2	8.0%		
Breckenridge	54.2	10.5%	55.3	9.8%	5.5	60.8	10.8%		
Loomis Sayles	46.7	9.0%	46.8	8.3%	-1.5	45.3	8.0%		

Comparative asset allocation

Colleges & Universities, \$300m - \$1.5bn with Less Than 20% Endowment Reliance; as of December 31, 2019

Institution	Asset Allocation (%)									AACRs (%)			
	U.S. Equity	Non-U.S. Developed Equity	Emerging Markets Equity	PE & VC	Hedge Funds	Real Assets	Bonds	Cash & Equivalents	Other	1 Year	3 Years	5 Years	10 Years
1	28.3	19.5	4.8	11.0	14.2	9.7	10.5	1.9	—	18.1	8.6	6.1	7.1
2	27.7	15.5	4.4	12.4	12.8	11.2	15.6	0.4	—	15.0	7.5	5.4	7.1
3	20.5	10.7	6.9	19.2	29.6	1.7	6.7	3.6	1.1	13.8	6.6	5.1	6.5
4	25.7	14.0	9.0	18.3	12.0	7.2	15.0	-1.3	—	13.6	8.1	5.8	6.8
5	21.5	13.9	7.5	14.1	15.1	12.9	14.1	1.0	—	15.7	8.8	6.0	7.4
6	10.3	11.4	6.8	31.2	29.9	4.8	—	5.5	—	17.0	11.4	7.7	8.6
7	34.7	16.0	7.8	13.1	15.2	3.6	7.2	2.4	—	19.7	10.2	7.0	7.9
8	28.5	16.0	8.6	14.5	11.0	8.1	11.3	2.0	—	16.2	9.6	6.5	7.7
9	11.7	8.8	8.5	34.1	19.7	9.5	4.5	1.0	2.1	14.4	10.7	7.8	9.3
10	19.9	12.6	3.6	18.9	22.9	9.9	10.2	1.6	0.4	12.3	9.5	7.3	8.3
11	26.3	14.4	6.4	14.7	23.1	4.1	9.6	1.4	—	16.4	8.5	6.4	7.9
12	35.9	25.6	10.0	3.1	11.9	2.9	7.2	3.4	—	20.0	8.4	5.6	7.2
University of Houston System	22.1	16.6	3.2	15.2	20.5	10.0	10.2	2.1	—	16.9	9.3	6.0	6.9
Key Peers Mean <i>n=12</i>	24.3	14.9	7.0	17.1	18.1	7.1	9.3	1.9	0.3	16.0	9.0	6.4	7.6
C&U Mean <i>n=142</i>	22.6	15.3	7.3	15.7	17.8	8.5	9.0	3.1	0.7	16.2	9.0	6.5	7.6
Foundations Mean <i>n=108</i>	23.8	16.5	7.7	13.7	14.3	7.3	12.5	3.5	0.7	16.1	8.8	6.4	7.4
Institutional Mean <i>n=414</i>	23.9	16.4	7.5	12.1	17.6	7.1	11.2	3.6	0.5	16.4	8.7	6.2	7.3

Colleges & Universities \$300M - \$1.5B With Less Than 20% Endowment Reliance

Chapman University	Oberlin College	University of the Pacific
Connecticut College	Tulane University	University Of Vermont & State Agricultural College
Duquesne University	University Of San Diego	Wesleyan University
Northeastern University	University Of St. Thomas	Yeshiva University



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**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management Committee

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for the hiring of a private investment manager for the University of Houston System Endowment.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Cambridge Associates will discuss with the Committee their recommendation to make a \$7 million commitment to Silver Lake Partners VI, LP. UH System previously committed \$4 million to Fund IV (2012) and \$7 million to Fund V (2016). As with prior funds, Silver Lake Partners (SLP) will continue its strategy of investing in global technology and technology-enabled companies in a range of subsectors. SLP will seek to build a portfolio of 15 to 25 companies, ranging from \$400 million to \$1.75 billion in size. Transaction types will include leveraged buyouts, acquisition finance, structured minority, minority, and carve-out investments.

SUPPORTING DOCUMENTATION: Cambridge Associates discussion materials report

FISCAL NOTE: \$7 million

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item
This requires committee approval only

COMPONENT: University of Houston System

Jim McShan Approved via email _____ 05-04-2020 _____
SENIOR VICE CHANCELLOR Jim McShan **DATE**

Renu Khator - Approved via email _____ 05/15/2020 _____
CHANCELLOR Renu Khator **DATE**

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: Approval is requested to rebalance the University of Houston System Non-Endowed Portfolio.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Cambridge Associates will recommend to the Committee rebalancing transactions for the University of Houston System Non-Endowed portfolio.

SUPPORTING DOCUMENTATION: Cambridge Associates discussion materials report.

FISCAL NOTE: None

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item. This item requires committee approval only.

COMPONENT: University of Houston System

Jim McShan Approved via email _____ 05-04-2020 _____
SENIOR VICE CHANCELLOR Jim McShan **DATE**

CHANCELLOR Renu Khator **DATE**