
AGENDA

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT MANAGEMENT COMMITTEE MEETING

DATE: Thursday, February 23, 2023

TIME: 9:30 AM

PLACE: University of Houston Downtown
UHS Science & Technology Building
Fondren Commons, STB 118
315 N. Main Street
Houston, TX 77002

Chair: Beth Madison

Vice Chair: Durga D. Agrawal

Members: Doug H. Brooks
Jack B. Moore
Tilman J. Fertitta, Ex Officio

I. Endowment Management Committee

A. Call to Order

Presenter: Chair Beth Madison

B. Approval of Committee Minutes

- November 30, 2022, Endowment Management Committee Meeting

Action: Approval

C. Report from NEPC regarding the University of Houston System
endowment and non-endowed portfolios 4

Action: Information

*Presenter: Raymond Bartlett, Senior Vice Chancellor for
Administration and Finance*

D. Approval is requested to delegate authority to the Chancellor to negotiate and
execute contracts for the hiring of private investment managers for the University of
Houston System Endowment Fund 80

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

- E. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the hiring of two new domestic equity managers and for the partial redemption of three domestic equity funds for the University of Houston System Endowment Fund 81

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor/Vice President for Administration and Finance

- F. Approval is requested for the FY2023 University Advancement Endowment Assessment Rate 82

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

- G. Approval is requested to modify the UH System Endowment Fund Statement of Investment Objectives and Policies 83

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

- H. Annual review and approval of the UH System Investment Policy for Non-Endowed Funds 112

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

II. **Executive Session**

Presenter: Chair Beth Madison

- A. 1. Consultation with System Attorney Regarding Legal Matters and/or Contemplated Litigation or Settlement Offers.
Texas Gov't Code Section 551.071
2. Deliberations regarding the Purchase, Exchange, Sale or Value of Real Property.
Texas Gov't Code Section 551.072
3. Deliberation Regarding a Prospective Gift
Texas Gov't Code Section 551.073
4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees including but not limited to the Chancellor, President, 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**

Presenter: Chair Beth Madison

IV. **Adjourn**

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

COMMITTEE: Endowment Management Committee

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

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

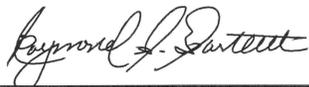
Representatives from NEPC will present to the Committee a report regarding the System's endowment and non-endowed investment portfolios. The report may include such topics as market commentary, asset allocation, portfolio risk analysis, manager performance reporting, current and future investment strategies,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

SUPPORTING DOCUMENTATION: NEPC discussion materials report

FISCAL NOTE: None

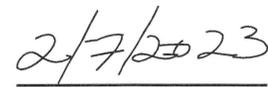
**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE



ENDOWMENT MANAGEMENT COMMITTEE

UNIVERSITY OF HOUSTON SYSTEM

FEBRUARY 23, 2023





MARKET PERSPECTIVE & OUTLOOK



2023 KEY THEMES FOR INVESTORS

NEPC MARKET OUTLOOK



Stagflation Trends

Stagflation trends challenge the investment landscape and are the driving force for market dynamics



Recession Outlook

Changes in unemployment, wages, and service sector inflation will inform the likelihood and potential severity of a U.S. recession



European Energy Transition

Europe is on the clock to secure new sources of natural gas supply or face severe energy shortages



China Reopening

China's reopening will have global implications for growth, trade, and inflation and may drive a consumer resurgence in China

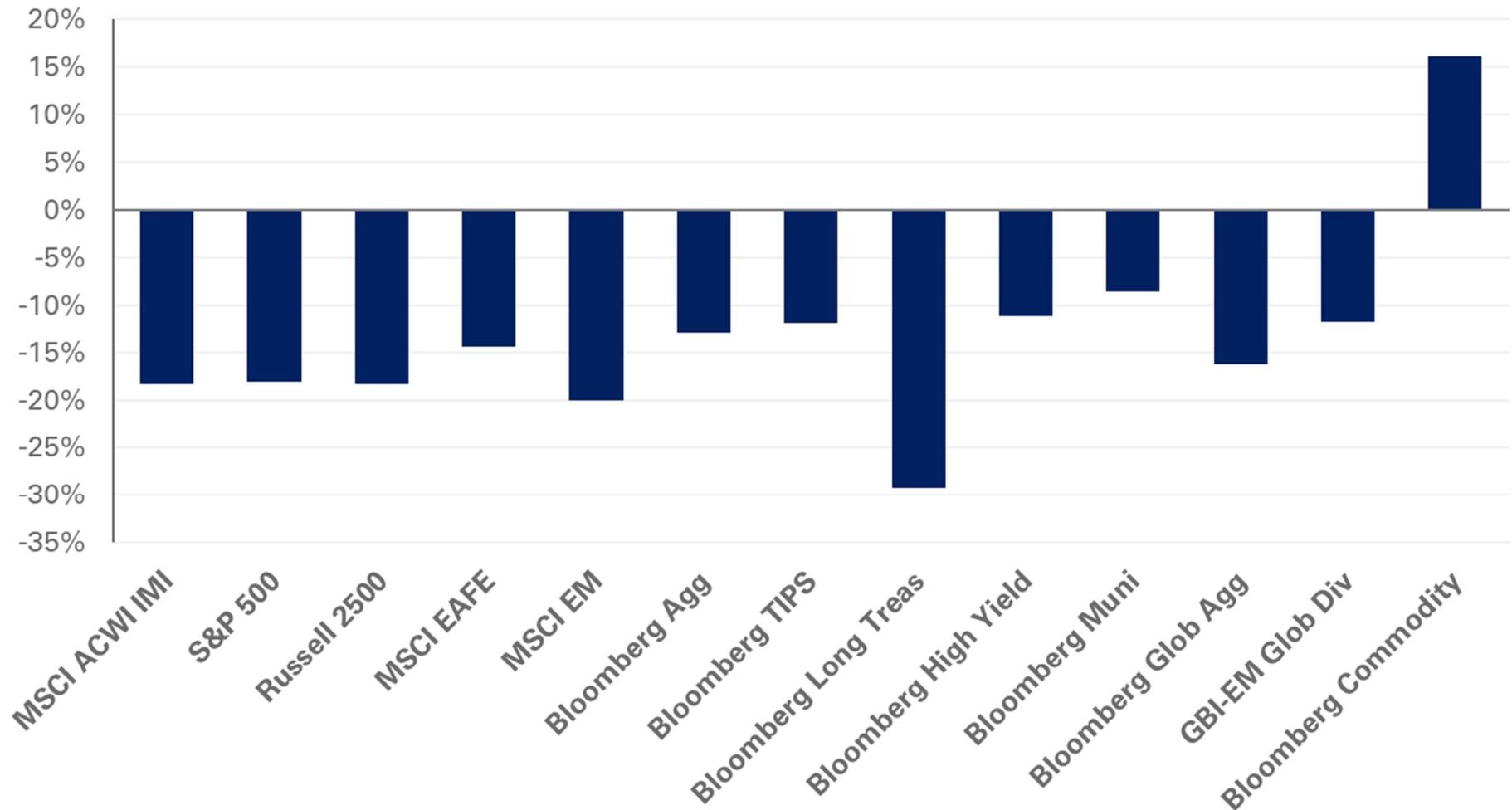


U.S. Dollar Trajectory

U.S. Dollar strength reveals risks in the global financial system and is a tightening of financial conditions

GLOBAL ASSETS BROADLY DECLINED

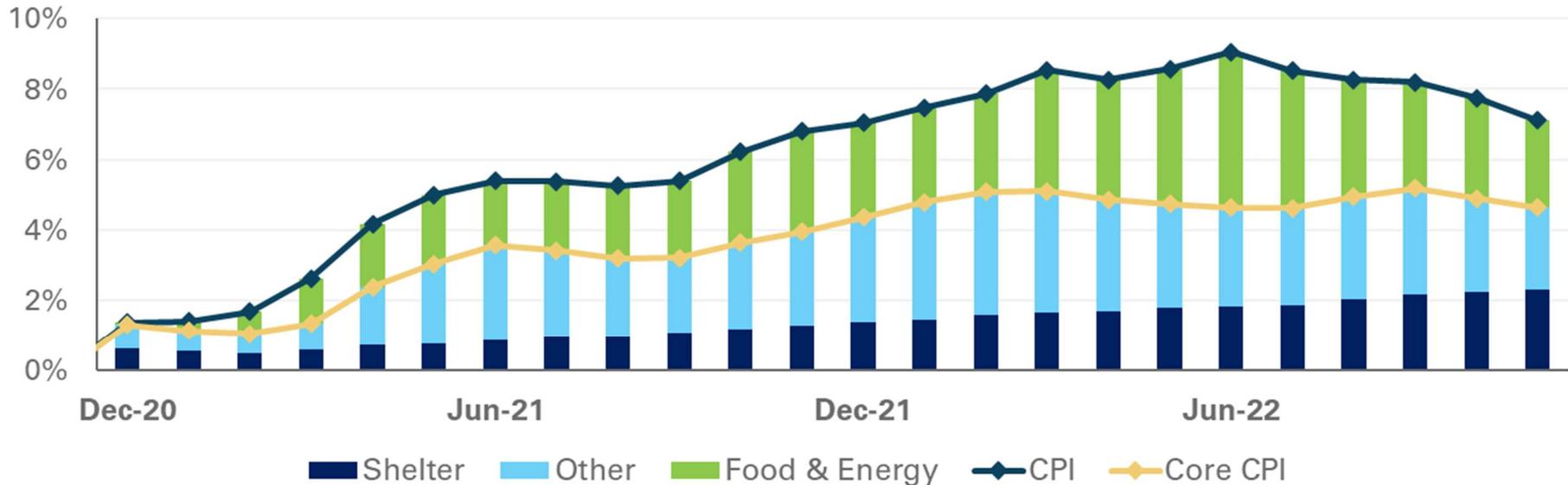
2022 ANNUAL ASSET CLASS RETURNS



Sources: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet

U.S. HEADLINE AND CORE CPI REMAIN ELEVATED

ANNUAL U.S. CPI-U CHANGES



Annual Change in U.S. CPI-U Subcategories



+11.2%
Food



+33.5%
Utilities



+14.7%
Transportation
Services



+19.7%
Motor Fuel



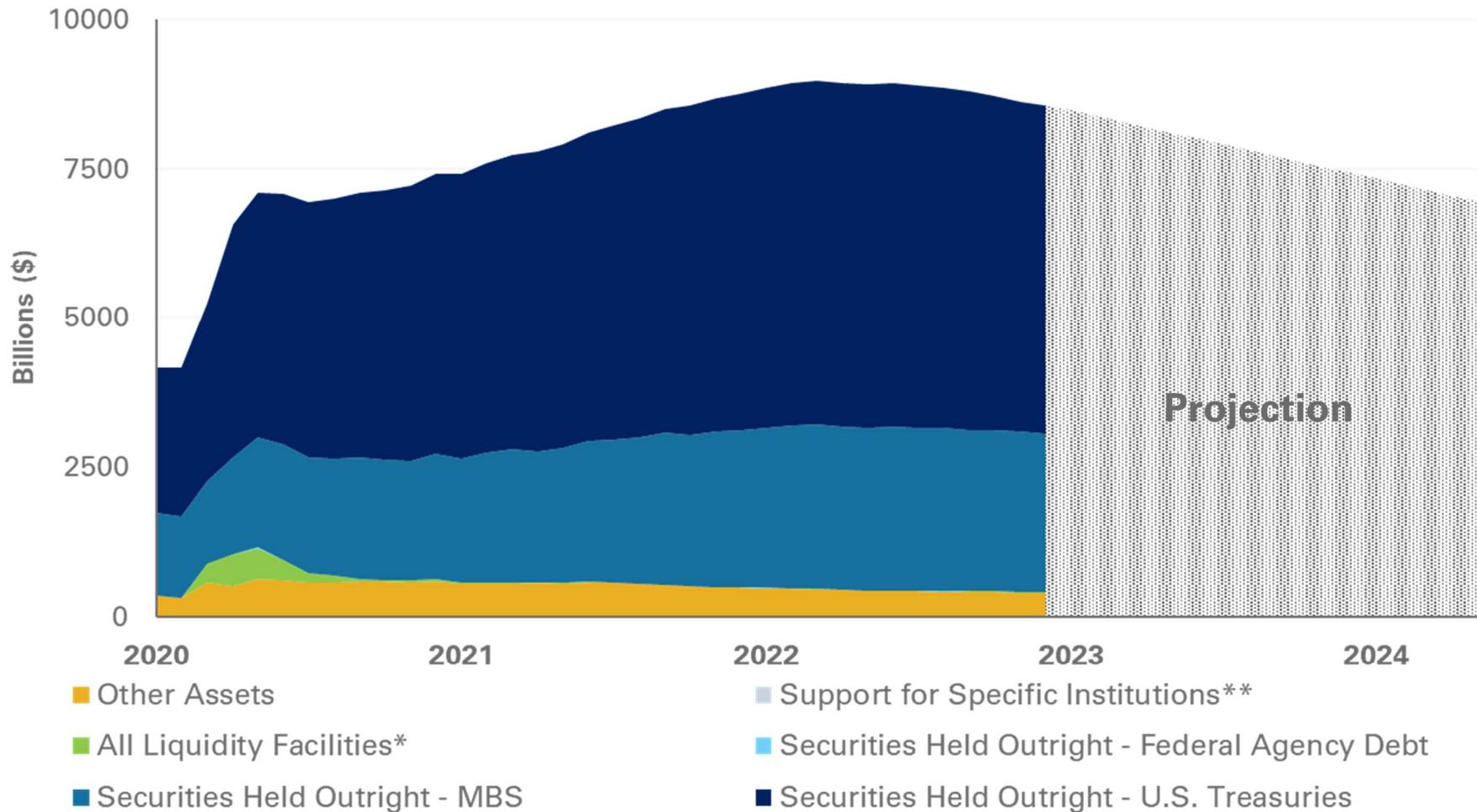
+7.4%
Used Cars
and Trucks



+6.6%
Shelter

FED LIGHTENING BOOKS TO COMBAT INFLATION

FEDERAL RESERVE TOTAL ASSETS



Notes: *All Liquidity Facilities includes term auction credit, primary credit, secondary credit, seasonal credit, Primary Dealer Credit Facility, Asset-Backed Commercial Paper, Money Market Mutual Fund Liquidity Facility, and central bank liquidity swaps

Sources: Federal Reserve, FactSet, NEPC666



STRATEGIC ASSET ALLOCATION

We have transitioned to an investment regime characterized by higher interest rates with **central banks focused on managing inflation not investor sentiment**

The **outlook for investment-grade bonds has improved** and is additive relative to existing strategic allocation targets for safe-haven fixed income exposure

Diversification and portfolio balance are critical and shifts in stock-bond correlation dynamics increase the relative benefit of diversifying asset classes

The **emergence of stagflationary trends** challenges the behavioral biases investors have been conditioned to expect over the last decade



INVESTMENT PERFORMANCE : UHS ENDOWMENT FUND



University of Houston System Endowment Fund

EXECUTIVE SUMMARY

December 31, 2022

Portfolio Market Value

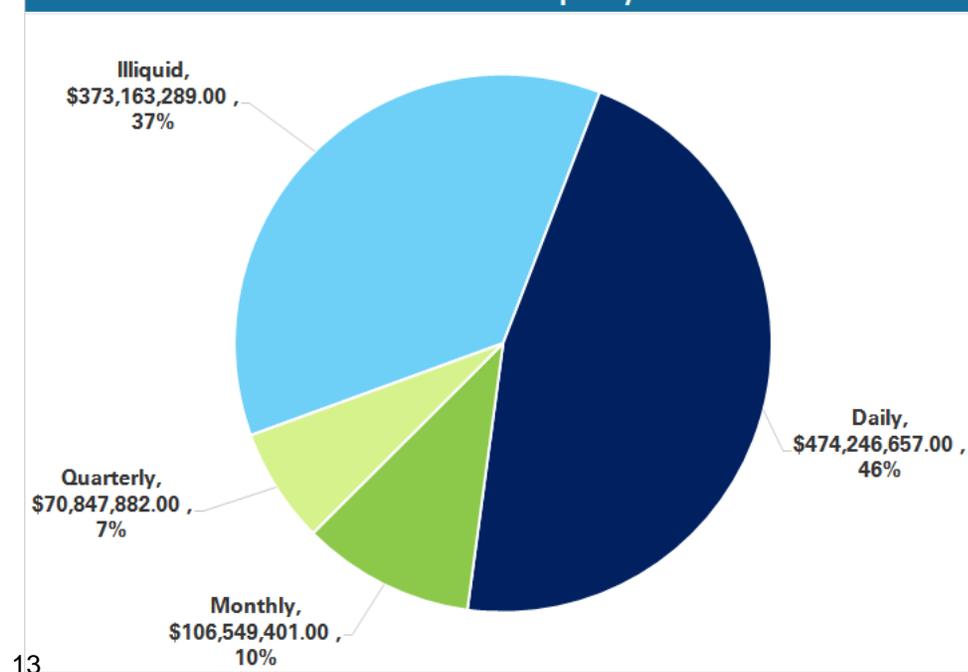


| Asset Allocation vs. Target | | | |
|-----------------------------|--------------|--------------|--------------|
| | Current | Policy | Policy Range |
| Equities | 39.3 | 46.0 | 35.0 - 55.0 |
| Bonds and Cash | 14.4 | 15.0 | 5.0 - 20.0 |
| Hedge Funds | 6.9 | 5.0 | 0.0 - 10.0 |
| Real Assets | 3.0 | 3.0 | 1.0 - 7.0 |
| Private Markets | 36.4 | 31.0 | 21.0 - 41.0 |
| Total | 100.0 | 100.0 | |

| | Market Value (\$) | FYTD (%) | 1Yr (%) | 3Yr (%) | 5Yr (%) |
|--|----------------------|-------------|--------------|------------|------------|
| UHS Endowment Fund | 1,024,807,229 | -1.4 | -10.2 | 8.2 | 7.5 |
| Policy Benchmark | | -1.3 | -8.7 | 6.1 | 6.0 |
| InvMetrics All E&F > \$1B Median | | 0.6 | -11.4 | 3.8 | 4.6 |
| UH Endowment Fund Excl. Private Markets | 651,643,941 | 0.8 | -16.3 | 2.6 | 3.4 |
| Policy Benchmark Excl. Private Markets | | -0.8 | -13.0 | 3.8 | 4.3 |

| | Market Value |
|---|----------------------|
| UHS Endowment Fund | 1,024,807,229 |
| | 1 Yr (%) |
| UHS Endowment Fund | -10.2 |
| <i>Dynamic Benchmark</i> | -9.1 |
| Public Equity | -21.6 |
| <i>MSCI AC World Index (Net)</i> | -18.4 |
| Bonds and Cash | -5.7 |
| <i>Dynamic Bonds and Cash Benchmark</i> | -7.6 |
| Marketable Real Assets | -8.8 |
| <i>Marketable Real Assets Benchmark</i> | -1.1 |
| Hedge Funds | 1.5 |
| <i>HFRI Fund of Funds Composite Index</i> | -5.2 |
| Private Equity | -1.5 |
| <i>CJA Global All PE (Qtr Lag)</i> | -2.9 |
| Private Real Assets | 23.0 |
| <i>Private Real Assets Benchmark</i> | 15.4 |

Endowment Liquidity



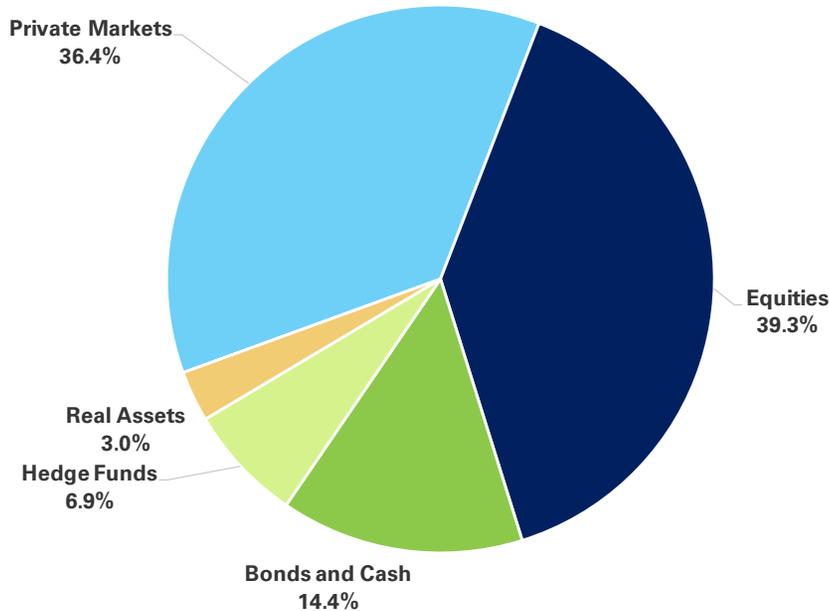
Fiscal Year ends 8/31

EXECUTIVE SUMMARY

Ended December 31, 2022

| | Market Value | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) |
|--|----------------------|------------|--------------|------------|------------|------------|
| UHS Endowment Fund | 1,024,807,229 | 4.7 | -10.2 | 8.2 | 7.5 | 7.2 |
| <i>Dynamic Benchmark</i> | | 4.3 | -9.1 | 5.6 | 5.5 | 6.3 |
| Over/Under | | 0.4 | -1.1 | 2.6 | 2.0 | 0.9 |
| <i>InvMetrics All E&F > \$1B Median</i> | | 4.8 | -11.4 | 3.8 | 4.6 | 6.3 |

Current Allocation



YTD Attribution



- **The Endowment Fund posted a +4.7% return in Q4 2022 and -10.2% for the past year**
 - U.S. Public Equity manager performance a key driver of results
 - UHS portfolio benefitted from market rally in January; portfolio estimated +3.7% for the month
- **UHS outpaced benchmark for 3-, 5- and 10- year periods**
 - Strong fund selection in Private Equity and Private Real Assets
- **Agenda items for today:**
 - New Public Equity Manager Recommendations: DRZ and Granahan
 - Private Equity Commitment Recommendations: TrueBridge and Mercury



UNIVERSITY PEER GROUP

- Peer group comprised of Colleges and Universities with assets of \$750M-2B as of 9/30/2022

| Institution | Asset Allocation (%) | | | | | | | | | | Average Annual Compound Return (%) | | | | |
|--------------------------------|----------------------|-----------|-------------------------|-------------------------|---------|-------------|----------|-------|------|-------|------------------------------------|--------|-------|-------|--------|
| | Global Equity | US Equity | Non-US Developed Equity | Emerging Markets Equity | PE & VC | Hedge Funds | RA & ILB | Bonds | Cash | Other | 9/30/2022 Quarterly | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. |
| 1 | 6.7 | 21.3 | 8.6 | 3.2 | 29.5 | 10.9 | 6.6 | 9.2 | 0.1 | 3.7 | -3.27 | -7.60 | 10.83 | 8.05 | 7.74 |
| 2 | 0.0 | 14.1 | 10.8 | 10.3 | 16.2 | 6.5 | 28.3 | 17.6 | -6.5 | 2.6 | -3.35 | -11.36 | 7.60 | 6.75 | 7.18 |
| 3 | 3.6 | 28.0 | 17.6 | 0.0 | 15.4 | 10.7 | 9.6 | 8.1 | 7.0 | 0.0 | -3.56 | -20.64 | 6.06 | 5.52 | 6.56 |
| 4 | 0.0 | 10.8 | 7.8 | 4.2 | 48.4 | 6.8 | 10.9 | 4.1 | 7.0 | 0.0 | -3.43 | -10.47 | 7.96 | 7.33 | 7.73 |
| 5 | 14.1 | 6.6 | 3.6 | 5.5 | 38.5 | 19.3 | 4.8 | 0.0 | 4.0 | 3.7 | -2.12 | -10.27 | 11.36 | 10.24 | 9.20 |
| 6 | 12.0 | 21.7 | 7.9 | 4.9 | 17.2 | 19.9 | 3.3 | 9.3 | 1.1 | 2.9 | -3.60 | -12.79 | 5.91 | 5.35 | -- |
| 7 | 19.7 | 12.5 | 3.3 | 2.2 | 18.5 | 14.0 | 15.0 | 8.3 | 2.2 | 4.4 | -4.25 | -11.64 | 5.96 | 4.90 | 6.01 |
| 8 | 0.0 | 16.9 | 7.2 | 3.1 | 29.8 | 27.3 | 2.6 | 0.3 | 7.3 | 5.4 | -2.32 | -10.67 | 6.99 | 5.53 | 6.03 |
| 9 | 33.3 | 0.0 | 0.0 | 0.0 | 25.3 | 20.7 | 9.6 | 1.2 | 2.4 | 7.5 | -1.13 | -6.96 | 7.54 | 6.98 | 7.15 |
| 10 | 14.0 | 11.2 | 5.2 | 2.5 | 29.8 | 29.1 | 1.1 | 0.0 | 2.2 | 4.8 | -3.11 | -10.63 | 8.27 | 7.16 | 7.65 |
| 11 | 0.0 | 15.8 | 8.5 | 2.2 | 34.5 | 18.6 | 7.8 | 8.1 | 2.1 | 2.4 | -2.80 | -3.50 | 11.71 | 9.57 | 9.51 |
| 12 | 6.6 | 23.5 | 7.7 | 5.3 | 25.6 | 15.2 | 3.2 | 8.8 | 2.8 | 1.3 | -3.75 | -12.88 | 8.48 | 7.36 | 7.73 |
| 13 | 0.0 | 21.1 | 15.5 | 3.8 | 24.7 | 4.9 | 12.6 | 3.3 | 9.2 | 4.9 | -3.55 | -8.30 | 8.19 | 7.29 | 7.55 |
| 14 | 0.0 | 34.6 | 6.3 | 2.9 | 14.4 | 15.0 | 13.7 | 6.8 | 3.5 | 2.8 | -3.61 | -9.42 | 7.72 | 7.39 | 7.92 |
| 15 | 0.0 | 19.6 | 7.7 | 4.2 | 29.9 | 14.2 | 4.9 | 17.0 | 0.5 | 1.9 | -3.31 | -12.90 | 8.44 | 7.80 | 8.74 |
| Key Peers Mean n=13 | 8.0 | 18.5 | 7.8 | 3.1 | 25.3 | 15.9 | 7.8 | 6.7 | 3.5 | 3.4 | -3.11 | -10.63 | 8.27 | 7.16 | 7.65 |
| C&U Mean n=124 | 7.2 | 17.8 | 8.3 | 4.2 | 24.0 | 15.9 | 8.3 | 8.2 | 3.2 | 2.9 | -3.37 | -11.08 | 7.93 | 6.94 | 7.40 |
| UHS Endowment Fund | 4.2 | 19.8 | 11.2 | 2.2 | 29.7 | 6.9 | 10.6 | 11.6 | 3.7 | - | -4.30 | -9.7 | 8.60 | 7.40 | 6.90 |

**Primary drivers of long-term outperformance vs. peers:
Strong manager selection in Private Equity and Real Assets**

**Primary drivers of recent quarter underperformance vs. peers:
U.S. Equity managers**



Hedge Funds include Long/Short Hedge, Absolute Return, and Distressed strategies

Fixed Income includes Global Bonds, U.S. Bonds, Developed Markets ex. U.S. Bonds, Emerging Markets Bonds, and High Yield Bonds

Real Assets includes Private and Public Real Estate, Commodities, Inflation-Linked Bonds, Private Oil & Gas/Natural Resources, Timber, and Public Energy/Natural Resources
Other includes assets that cannot be categorized in the aforementioned asset classes

Performance is displayed net of fees; Source: CA Associates

ASSET ALLOCATION VS. POLICY TARGETS



| Asset Allocation vs. Target | | | | | | |
|-----------------------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| | Current | Policy | Current | Differences* | Policy Range | Within Range |
| Equities | 402,900,419 | 46.0 | 39.3 | -6.7 | 35.0 - 55.0 | Yes |
| Bonds and Cash | 147,200,324 | 15.0 | 14.4 | -0.6 | 5.0 - 20.0 | Yes |
| Hedge Funds | 70,847,882 | 5.0 | 6.9 | 1.9 | 0.0 - 10.0 | Yes |
| Real Assets | 30,695,315 | 3.0 | 3.0 | 0.0 | 1.0 - 7.0 | Yes |
| Private Markets | 373,163,289 | 31.0 | 36.4 | 5.4 | 21.0 - 41.0 | Yes |
| Total | 1,024,807,229 | 100.0 | 100.0 | 0.0 | | |

*Difference between Policy and Current Allocation

*Private Markets allocation includes Private Equity, Private Debt, and Private Real Assets.

*Interim Policy is shown.



University of Houston System Endowment Fund
PERFORMANCE DETAIL

December 31, 2022

| Ending December 31, 2022 | | | | | | | | | |
|--|----------------------|----------------|-------------|--------------|------------|------------|-------------|---------------|----------------|
| | Market Value (\$) | % of Portfolio | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
| UHS Endowment Fund | 1,024,807,229 | 100.0 | 4.7 | -10.2 | 8.2 | 7.5 | 7.2 | 5.8 | Jan-98 |
| <i>Dynamic Benchmark</i> | | | 4.3 | -9.1 | 5.6 | 5.5 | 6.3 | 5.5 | |
| <i>Policy Benchmark</i> | | | 5.3 | -8.6 | 6.1 | 6.0 | 6.7 | 5.8 | |
| Public Equity | 402,900,419 | 39.3 | 11.7 | -21.6 | 1.9 | 3.9 | 7.3 | 5.6 | Jan-98 |
| <i>MSCI AC World Index (Net)</i> | | | 9.8 | -18.4 | 4.0 | 5.2 | 8.0 | 5.9 | |
| U.S Equity | 205,962,378 | 20.1 | 8.8 | -25.8 | 2.9 | 6.7 | 10.2 | 6.7 | Jan-98 |
| <i>Russell 3000 Index</i> | | | 7.2 | -19.2 | 7.1 | 8.8 | 12.1 | 7.7 | |
| Northern Trust Russell 3000 Index Fund - Lending | 114,703,443 | 11.2 | 7.2 | -19.2 | - | - | - | 1.1 | Feb-21 |
| <i>Russell 3000 Index</i> | | | 7.2 | -19.2 | 7.1 | 8.8 | 12.1 | 1.0 | |
| Northern Trust Russell 1000 Value Fund | 52,336,226 | 5.1 | 12.4 | - | - | - | - | 12.4 | Oct-22 |
| <i>Russell 1000 Value Index</i> | | | 12.4 | -7.5 | 6.0 | 6.7 | 10.3 | 12.4 | |
| Columbia Focused Large Cap Growth | 37,178,619 | 3.6 | 7.9 | -30.8 | 4.4 | 8.2 | 12.1 | 11.7 | May-10 |
| <i>Russell 1000 Growth Index</i> | | | 2.2 | -29.1 | 7.8 | 11.0 | 14.1 | 13.3 | |
| Cougar Investment Fund | 1,744,091 | 0.2 | 10.8 | -12.5 | 5.9 | 6.6 | 9.8 | 7.4 | Jun-05 |
| <i>S&P 500 Index</i> | | | 7.6 | -18.1 | 7.7 | 9.4 | 12.6 | 9.0 | |
| Non-U.S. Developed Equity | 126,770,218 | 12.4 | 15.8 | -17.6 | 0.9 | 1.4 | 5.6 | 7.6 | Apr-03 |
| <i>MSCI EAFE (Net)</i> | | | 17.3 | -14.5 | 0.9 | 1.5 | 4.7 | 7.0 | |
| William Blair International Growth | 44,494,054 | 4.3 | 12.6 | -28.3 | 1.3 | 2.3 | 5.1 | 6.7 | Oct-03 |
| <i>MSCI AC World ex USA (Net)</i> | | | 14.3 | -16.0 | 0.1 | 0.9 | 3.8 | 6.0 | |
| Silchester International Value | 55,825,293 | 5.4 | 18.6 | -6.2 | 1.3 | 0.8 | 6.2 | 7.1 | Aug-09 |
| <i>MSCI EAFE (Net)</i> | | | 17.3 | -14.5 | 0.9 | 1.5 | 4.7 | 5.1 | |
| Global Alpha Int'l Small Cap | 26,450,870 | 2.6 | 15.5 | -19.0 | -0.8 | - | - | 1.6 | May-18 |
| <i>MSCI EAFE Small Cap (Net)</i> | | | 15.8 | -21.4 | -0.9 | 0.0 | 6.2 | -0.4 | |



PERFORMANCE DETAIL

| | Market Value (\$) | % of Portfolio | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--|--------------------|----------------|-------------|--------------|-------------|-------------|------------|---------------|----------------|
| Emerging Markets Equity | 24,273,238 | 2.4 | 13.3 | -15.3 | -3.1 | -2.5 | 0.5 | 3.7 | Feb-10 |
| <i>MSCI Emerging Markets (Net)</i> | | | 9.7 | -20.1 | -2.7 | -1.4 | 1.4 | 2.6 | |
| Oldfield Emerging Markets | 12,073,038 | 1.2 | 12.8 | -22.0 | -5.4 | -2.9 | - | 1.8 | May-14 |
| <i>MSCI Emerging Markets (Net)</i> | | | 9.7 | -20.1 | -2.7 | -1.4 | 1.4 | 2.0 | |
| Edgbaston Asian Equity | 12,200,200 | 1.2 | 13.9 | -2.6 | 1.5 | - | - | 0.6 | Jul-19 |
| <i>MSCI AC Asia Pacific ex Japan (Net)</i> | | | 12.1 | -17.5 | -0.6 | 0.1 | 3.6 | 1.2 | |
| Global Equity | 45,894,586 | 4.5 | 12.8 | - | - | - | - | -8.2 | Apr-22 |
| Arrowstreet Global Equity | 45,894,586 | 4.5 | 12.8 | - | - | - | - | -8.2 | Apr-22 |
| <i>MSCI AC World Index (Net)</i> | | | 9.8 | -18.4 | 4.0 | 5.2 | 8.0 | -13.7 | |
| Fixed Income | 115,033,933 | 11.2 | 1.6 | -8.1 | - | - | - | -4.3 | Jan-21 |
| Core Fixed Income | 56,513,051 | 5.5 | 1.7 | -9.6 | -1.5 | 0.5 | 0.5 | 3.3 | Jan-98 |
| <i>Blmbg. U.S. Aggregate Index</i> | | | 1.9 | -13.0 | -2.7 | 0.0 | 1.1 | 4.0 | |
| Smith Graham Intermediate Aggregate | 45,125,928 | 4.4 | 1.7 | -9.0 | -1.6 | 0.5 | - | 0.8 | Feb-17 |
| <i>Blmbg. U.S. Intermediate Aggregate</i> | | | 1.7 | -9.5 | -1.9 | 0.3 | 1.0 | 0.6 | |
| Loomis Sayles Investment Grade Fixed Income Fund | 11,387,123 | 1.1 | 2.0 | -12.0 | - | - | - | -3.3 | Oct-20 |
| <i>Blmbg. U.S. Gov't/Credit</i> | | | 1.8 | -13.6 | -2.6 | 0.2 | 1.2 | -6.7 | |
| Short-Duration Fixed Income | 42,255,607 | 4.1 | 1.4 | - | - | - | - | 0.2 | Jul-22 |
| Lord Abbett Short Duration Credit | 42,255,607 | 4.1 | 1.4 | - | - | - | - | 0.2 | Jul-22 |
| <i>ICE BofA 1-3 Year U.S. Corporate Index</i> | | | 1.4 | -4.1 | 0.0 | 1.4 | 1.5 | 0.1 | |
| Diversified Fixed Income | 16,265,274 | 1.6 | 1.7 | -6.9 | - | - | - | -2.2 | Nov-20 |
| <i>Blmbg. Global Aggregate</i> | | | 4.5 | -16.2 | -4.5 | -1.7 | -0.4 | -8.6 | |
| PIMCO Dynamic Bond Fund | 16,265,274 | 1.6 | 1.7 | -6.9 | - | - | - | -2.0 | Oct-20 |
| <i>Blmbg. Global Aggregate</i> | | | 4.5 | -16.2 | -4.5 | -1.7 | -0.4 | -8.2 | |
| Cash and Equivalents | 32,166,391 | 3.1 | 0.6 | 1.0 | 0.5 | 1.1 | 0.7 | 1.9 | Jan-98 |
| 90 Day U.S. Treasury Bill | | | 0.8 | 1.5 | 0.7 | 1.3 | 0.8 | 1.9 | |
| Cash | 32,166,391 | 3.1 | 0.6 | 1.0 | 0.5 | 1.2 | 0.7 | 2.0 | Jan-98 |

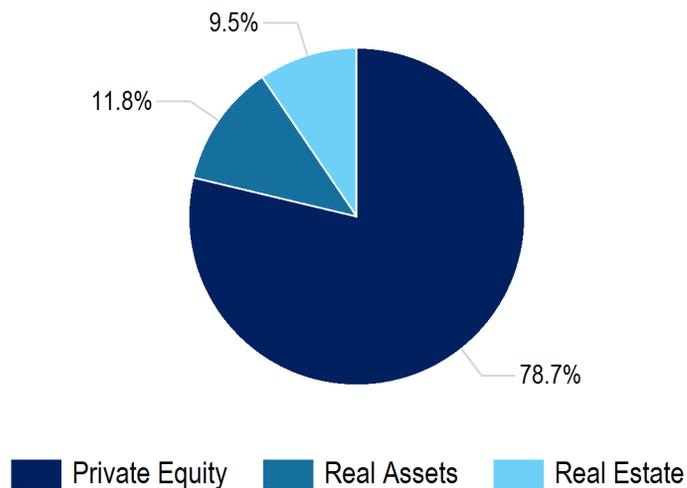
PERFORMANCE DETAIL

| | Market Value (\$) | % of Portfolio | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--|--------------------|----------------|-------------|-------------|-------------|-------------|-------------|---------------|----------------|
| Marketable Real Assets | 30,695,315 | 3.0 | 11.1 | -8.8 | 5.2 | 3.2 | 0.2 | 5.3 | Oct-03 |
| <i>Marketable Real Assets Benchmark</i> | | | 6.6 | -1.1 | 6.6 | 4.9 | - | - | |
| Vanguard Real Estate Index Fund | 11,893,791 | 1.2 | 4.4 | -26.2 | -0.4 | - | - | 4.2 | Oct-18 |
| <i>Real Estate Index</i> | | | 4.4 | -26.2 | -0.4 | - | - | 4.2 | |
| T. Rowe Price New Era Fund | 18,801,525 | 1.8 | 15.9 | 7.4 | 9.6 | - | - | 5.3 | Oct-18 |
| <i>MSCI World Select Natural Resources</i> | | | 17.5 | 21.0 | 11.7 | 5.9 | 4.4 | 6.2 | |
| Hedge Funds | 70,847,882 | 6.9 | 4.9 | 1.5 | 8.5 | 5.9 | 5.3 | 5.3 | Aug-03 |
| <i>HFRI Fund of Funds Composite Index</i> | | | 1.8 | -5.2 | 3.7 | 3.0 | 3.5 | 3.4 | |
| SRS Partners | 17,565,222 | 1.7 | 16.1 | 8.5 | 15.0 | 12.6 | - | 9.9 | Jun-14 |
| Davidson Kempner | 17,701,561 | 1.7 | 1.8 | -0.6 | 4.6 | 4.6 | 5.2 | 6.4 | Aug-03 |
| HBK Offshore | 19,005,855 | 1.9 | 4.2 | 2.6 | 6.3 | 5.1 | 4.6 | 5.0 | Mar-11 |
| 400 Capital Credit Opportunities | 16,507,229 | 1.6 | -1.3 | - | - | - | - | -2.9 | Jun-22 |
| Manager Holdbacks | 68,016 | 0.0 | 2.8 | 20.8 | 4.2 | 3.2 | -2.2 | -4.8 | Jul-12 |
| Private Markets | 373,163,289 | 36.4 | -1.4 | 2.9 | - | - | - | 26.8 | Jan-21 |
| Private Equity | 295,295,712 | 28.8 | -1.3 | -1.5 | 24.8 | 23.1 | 18.9 | 13.5 | Jan-98 |
| <i>CJA Global All PE (Qtr Lag)</i> | | | -1.7 | -2.9 | 18.3 | 15.7 | 14.2 | - | |
| Private Real Assets | 77,867,577 | 7.6 | -1.9 | 23.0 | 13.1 | 9.7 | 9.1 | 7.3 | Nov-03 |
| <i>Private Real Assets Benchmark</i> | | | 0.1 | 15.4 | 10.6 | 8.6 | 8.8 | 10.1 | |

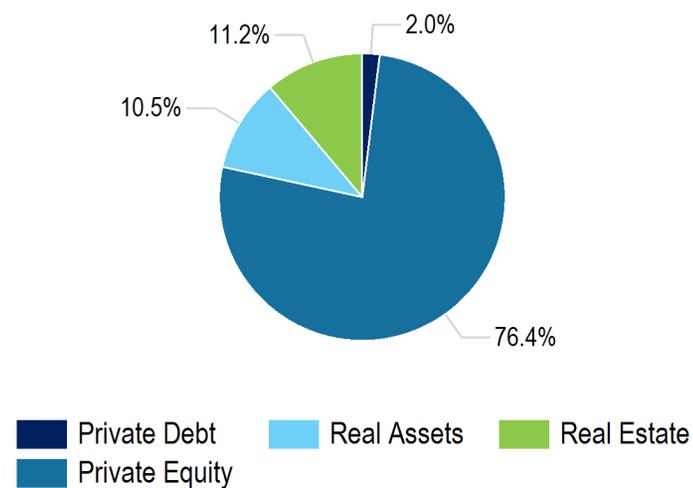
University of Houston System Endowment Fund

EXECUTIVE SUMMARY

Valuation by Asset Class



Fund Exposure by Asset Class



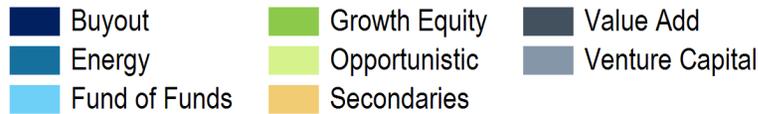
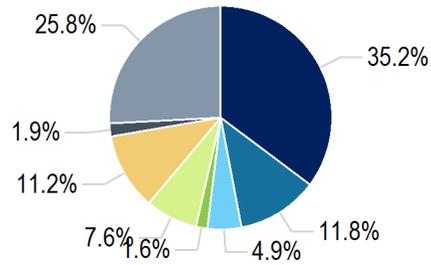
| Asset Class | Investments \$ | | | | Trailing Period Performance (IRR) | | | | | | | Multiples | |
|----------------------|----------------------|--------------------------|----------------------|----------------------|-----------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|-------------|-------------|
| | Commitment | Cumulative Contributions | Unfunded Commitment | Valuation | (QTR) | (YTD) | (1 YR) | (3 YRS) | (5 YRS) | (10 YRS) | SI IRR | DPI | TVPI |
| Total Private Debt | \$10,000,000 | \$0 | \$10,000,000 | | | | | | | | | | |
| Total Private Equity | \$332,131,535 | \$225,372,278 | \$106,759,257 | \$285,162,747 | -1.61% | -8.63% | -2.61% | 26.53% | 24.96% | 21.15% | 19.31% | 0.63 | 1.90 |
| Total Real Assets | \$74,500,000 | \$63,588,788 | \$10,911,262 | \$42,701,077 | -0.23% | 17.30% | 31.78% | 13.96% | 11.82% | 8.99% | 11.11% | 0.71 | 1.38 |
| Total Real Estate | \$77,735,295 | \$54,904,382 | \$22,830,913 | \$34,392,459 | -4.08% | 2.65% | 14.09% | 14.61% | 14.05% | 14.34% | 6.24% | 0.75 | 1.36 |
| Total | \$494,366,830 | \$343,865,448 | \$150,501,431 | \$362,256,283 | -1.69% | -4.97% | 2.24% | 23.22% | 21.46% | 18.14% | 14.37% | 0.66 | 1.71 |



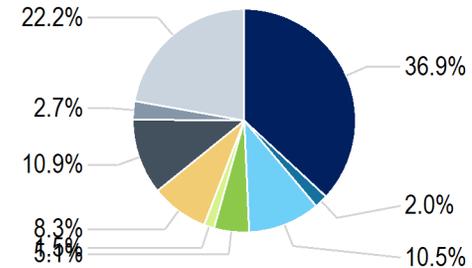
University of Houston System Endowment Fund

ANALYSIS BY STRATEGY

Private Markets Valuation by Strategy



Private Markets Fund Exposure by Strategy



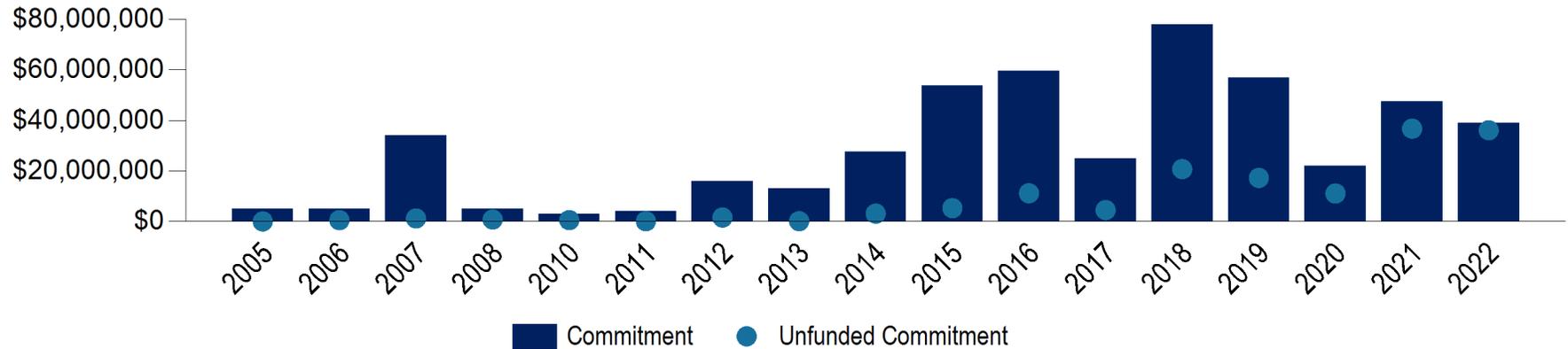
| Investment Strategy | Commitments | | | Contributions & Distributions | | | Valuations | | | | Performance | | |
|----------------------------|----------------------|----------------------|-------------|-------------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| | Commitment | Unfunded Commitment | Call Ratio | Cumulative Contributions | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | Fund Exposure | DPI | TVPI | IRR |
| Total Buyout | \$168,500,000 | \$61,527,705 | 0.63 | \$106,972,295 | \$4,897 | \$61,526,577 | \$127,616,937 | \$189,143,514 | \$82,166,322 | \$189,144,641 | 0.58 | 1.77 | 19.35% |
| Total Credit Opportunities | \$10,000,000 | \$10,000,000 | | \$0 | \$0 | \$0 | | | | \$10,000,000 | | | |
| Total Energy | \$74,500,000 | \$10,911,262 | 0.85 | \$63,588,788 | -\$23,570 | \$45,155,826 | \$42,701,077 | \$87,856,904 | \$24,291,686 | \$53,612,339 | 0.71 | 1.38 | 11.11% |
| Total Fund of Funds | \$34,000,000 | \$8,300,909 | 0.76 | \$25,699,091 | \$0 | \$36,030,349 | \$17,765,983 | \$53,796,332 | \$28,097,240 | \$26,066,892 | 1.40 | 2.09 | 11.13% |
| Total Growth Equity | \$5,000,000 | \$1,659,918 | 0.67 | \$3,340,082 | \$0 | \$1,016,979 | \$5,977,127 | \$6,994,106 | \$3,654,024 | \$7,637,045 | 0.30 | 2.09 | 36.04% |
| Total Opportunistic | \$46,500,000 | \$15,369,249 | 0.67 | \$31,130,751 | \$1,093,956 | \$21,682,726 | \$27,389,523 | \$49,072,249 | \$16,847,542 | \$42,758,772 | 0.67 | 1.52 | 17.92% |
| Total Secondaries | \$54,000,000 | \$15,713,107 | 0.71 | \$38,286,893 | \$254 | \$24,607,576 | \$40,425,687 | \$65,033,263 | \$26,746,116 | \$56,138,794 | 0.64 | 1.70 | 23.51% |
| Total Value Add | \$23,235,295 | \$6,762,132 | 0.71 | \$16,473,163 | \$109,256 | \$11,412,957 | \$6,831,571 | \$18,244,528 | \$1,662,109 | \$13,593,703 | 0.69 | 1.10 | 1.44% |
| Total Venture Capital | \$78,631,535 | \$20,257,150 | 0.74 | \$58,374,385 | -\$6,091 | \$27,803,377 | \$93,548,378 | \$121,351,755 | \$62,983,461 | \$113,805,528 | 0.48 | 2.08 | 21.20% |
| Total | \$494,366,830 | \$150,501,431 | 0.70 | \$343,865,448 | \$1,178,703 | \$229,236,368 | \$362,256,283 | \$591,492,651 | \$246,448,500 | \$512,757,714 | 0.66 | 1.71 | 14.37% |



University of Houston System Endowment Fund

ANALYSIS BY VINTAGE YEAR

Commitments By Vintage Year

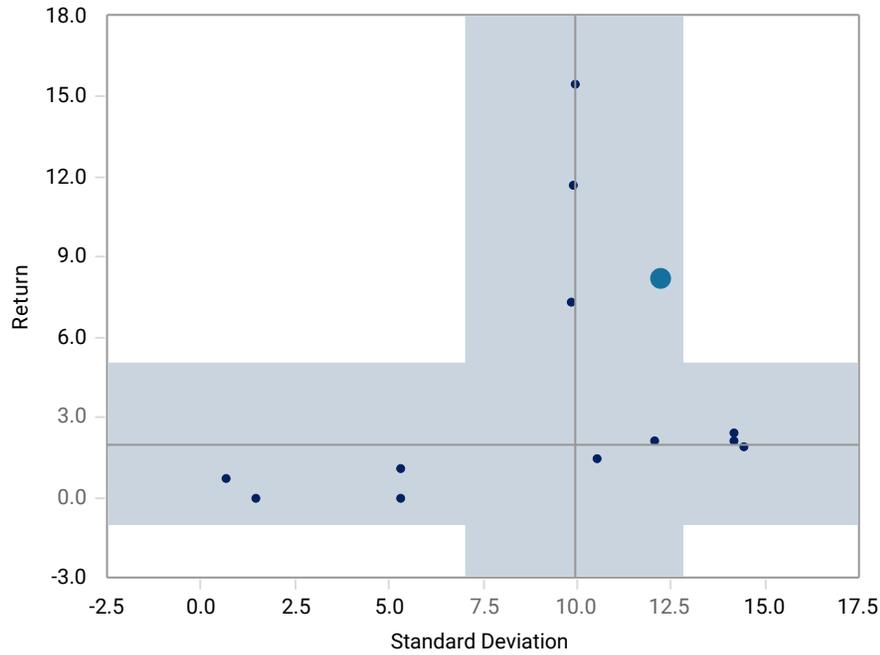


| Investments | Commitments | | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--------------|----------------------|----------------------|-------------|-------------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| Vintage Year | Commitment | Unfunded Commitment | Call Ratio | Cumulative Contributions | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Total 2005 | \$5,000,000 | \$0 | 1.00 | \$5,000,000 | \$0 | \$3,606,519 | \$1,211,627 | \$4,818,146 | -\$181,854 | 0.72 | 0.96 | -0.29% |
| Total 2006 | \$5,000,000 | \$505,441 | 0.90 | \$4,494,559 | \$0 | \$4,577,128 | -\$24,581 | \$4,552,547 | \$57,988 | 1.02 | 1.01 | 0.16% |
| Total 2007 | \$33,985,295 | \$1,186,592 | 0.97 | \$32,798,703 | \$0 | \$49,262,702 | \$3,620,846 | \$52,883,548 | \$20,084,845 | 1.50 | 1.61 | 10.15% |
| Total 2008 | \$5,000,000 | \$755,000 | 0.85 | \$4,245,000 | \$0 | \$7,285,491 | \$727,573 | \$8,013,064 | \$3,768,064 | 1.72 | 1.89 | 9.72% |
| Total 2010 | \$3,000,000 | \$510,000 | 0.83 | \$2,490,000 | \$0 | \$7,766,232 | \$5,192,237 | \$12,958,469 | \$10,468,469 | 3.12 | 5.20 | 21.34% |
| Total 2011 | \$4,000,000 | \$88,560 | 0.98 | \$3,911,440 | \$0 | \$5,037,808 | \$1,980,504 | \$7,018,312 | \$3,106,872 | 1.29 | 1.79 | 11.03% |
| Total 2012 | \$16,000,000 | \$1,555,013 | 0.90 | \$14,444,987 | \$3,431 | \$20,781,849 | \$7,714,847 | \$28,496,696 | \$14,048,277 | 1.44 | 1.97 | 17.95% |
| Total 2013 | \$13,000,000 | \$115,916 | 0.99 | \$12,884,084 | \$0 | \$15,757,146 | \$13,277,835 | \$29,034,981 | \$16,150,897 | 1.22 | 2.25 | 16.43% |
| Total 2014 | \$27,500,000 | \$3,089,340 | 0.89 | \$24,410,660 | \$3,964 | \$20,021,689 | \$24,916,311 | \$44,938,000 | \$20,523,376 | 0.82 | 1.84 | 16.55% |
| Total 2015 | \$53,750,000 | \$5,251,885 | 0.90 | \$48,498,164 | \$541,674 | \$41,750,493 | \$54,847,121 | \$96,597,614 | \$47,557,776 | 0.85 | 1.97 | 18.89% |
| Total 2016 | \$59,631,535 | \$11,150,013 | 0.81 | \$48,481,522 | \$196,287 | \$22,247,140 | \$65,436,554 | \$87,683,694 | \$39,005,884 | 0.46 | 1.80 | 20.62% |
| Total 2017 | \$25,000,000 | \$4,501,443 | 0.82 | \$20,498,557 | -\$6,091 | \$4,325,842 | \$37,797,328 | \$42,123,170 | \$21,630,703 | 0.21 | 2.06 | 32.61% |
| Total 2018 | \$78,000,000 | \$20,710,051 | 0.73 | \$57,289,949 | \$262,468 | \$19,200,663 | \$74,021,953 | \$93,222,616 | \$35,670,199 | 0.33 | 1.62 | 31.34% |
| Total 2019 | \$57,000,000 | \$17,233,294 | 0.70 | \$39,766,706 | \$176,969 | \$7,045,297 | \$47,254,563 | \$54,299,860 | \$14,356,186 | 0.18 | 1.36 | 25.96% |
| Total 2020 | \$22,000,000 | \$11,055,503 | 0.50 | \$10,944,497 | \$0 | \$539,834 | \$10,818,690 | \$11,358,524 | \$414,027 | 0.05 | 1.04 | 3.48% |
| Total 2021 | \$47,500,000 | \$36,711,425 | 0.23 | \$10,788,575 | \$0 | \$30,536 | \$10,710,290 | \$10,740,826 | -\$47,749 | 0.00 | 1.00 | -1.10% |
| Total 2022 | \$39,000,000 | \$36,081,956 | 0.07 | \$2,918,044 | \$0 | \$0 | \$2,752,585 | \$2,752,585 | -\$165,459 | 0.00 | 0.94 | -15.62% |
| Total | \$494,366,830 | \$150,501,431 | 0.70 | \$343,865,448 | \$1,178,703 | \$229,236,368 | \$362,256,283 | \$591,492,651 | \$246,448,500 | 0.66 | 1.71 | 14.37% |



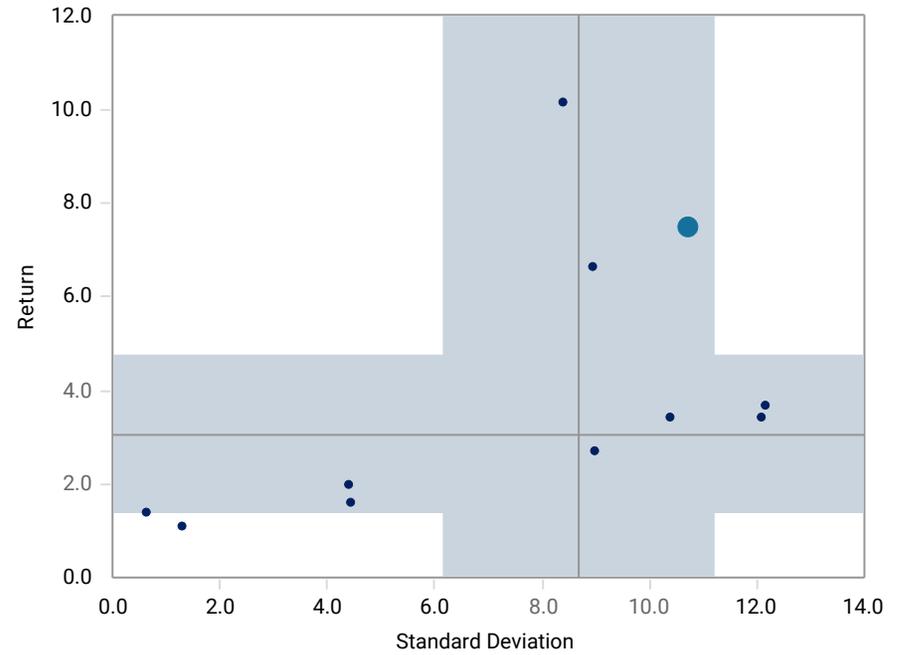
RISK VS. RETURN VS. E&F INSTITUTIONS > \$1B

3 Years Ending December 31, 2022



- All Endowment&Foundation > \$1B-Total Fund
- UHS Endowment Fund

5 Years Ending December 31, 2022



- All Endowment&Foundation > \$1B-Total Fund
- UHS Endowment Fund

3 Years Ending December 31, 2022

| | Return | Standard Deviation | Sharpe Ratio | Sortino Ratio |
|--------------------|--------|--------------------|--------------|---------------|
| UHS Endowment Fund | 8.2 | 12.2 | 0.6 | 0.9 |
| Dynamic Benchmark | 5.6 | 13.4 | 0.4 | 0.6 |

5 Years Ending December 31, 2022

| | Return | Standard Deviation | Sharpe Ratio | Sortino Ratio |
|--------------------|--------|--------------------|--------------|---------------|
| UHS Endowment Fund | 7.5 | 10.7 | 0.6 | 0.9 |
| Dynamic Benchmark | 5.5 | 12.2 | 0.4 | 0.6 |



UHS ENDOWMENT CASH FLOWS BY CATEGORY

| Period | Beginning Market Value (in millions) | Net Cash Flows (in millions) | Net Investment Change (in millions) | Management Fees (in millions) | Ending Market Value (in millions) |
|----------|--------------------------------------|------------------------------|-------------------------------------|-------------------------------|-----------------------------------|
| 2012 | \$486,853 | \$10,962 | \$61,391 | -\$3,798 | \$555,408 |
| 2013 | \$555,408 | -\$42,572 | \$76,384 | -\$3,885 | \$585,336 |
| 2014 | \$585,336 | \$9,127 | \$20,615 | -\$4,495 | \$610,582 |
| 2015 | \$610,582 | -\$24,614 | -\$12,203 | -\$3,678 | \$570,086 |
| 2016 | \$570,086 | -\$16,937 | \$32,186 | -\$4,666 | \$580,670 |
| 2017 | \$580,670 | \$7,757 | \$95,836 | -\$5,011 | \$679,252 |
| 2018 | \$679,252 | \$26,657 | -\$17,775 | -\$4,834 | \$683,300 |
| 2019 | \$683,300 | \$17,003 | \$120,690 | -\$6,372 | \$814,623 |
| 2020 | \$814,624 | -\$37,486 | \$121,586 | -\$6,854 | \$891,870 |
| 2021 | \$891,870 | -\$6,840 | \$225,818 | -\$6,917 | \$1,102,842 |
| 2022 YTD | \$1,102,842 | \$34,534 | -\$105,342 | -\$7,227 | \$1,024,807 |

Net cash flows include transfers in and out of the plan, including but not limited to gifts, annual payouts, and non-management fees such as custodial fees, consulting fees, and performance fees.

Net investment change includes all unrealized and realized gains and losses, dividends, and interest income.

Management fees reflect all investment management fees. Private fund investment management fees reflect estimates. Management fees do not include performance-based fees for hedge funds and private investments.





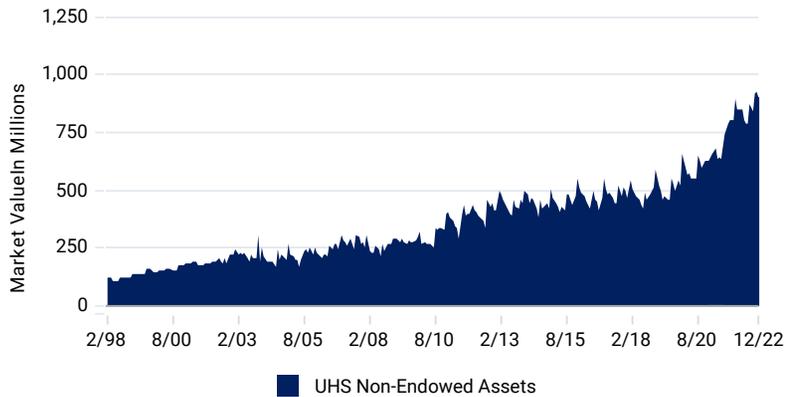
INVESTMENT PERFORMANCE: UHS NON- ENDOWED ASSETS



University of Houston System Endowment Fund PERFORMANCE DETAIL

December 31, 2022

Portfolio Market Value

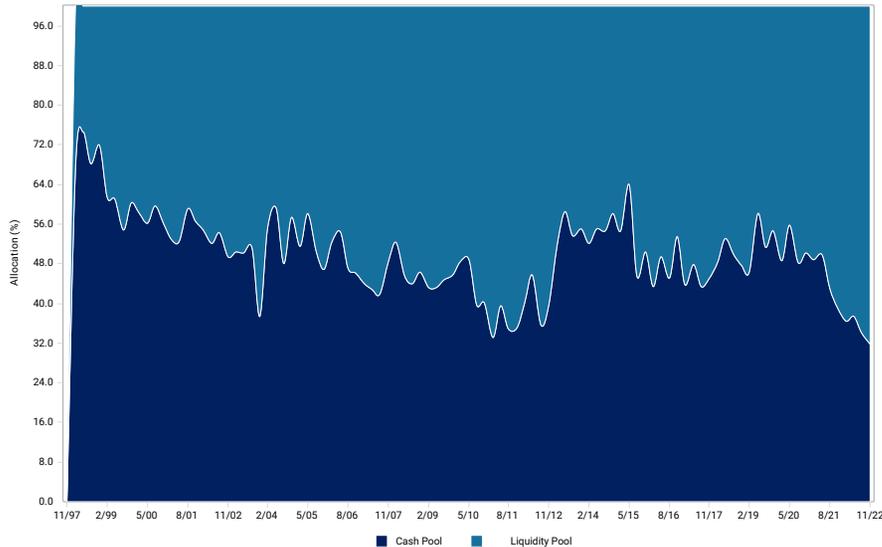


| | FYTD | 1 Yr | 3 Yrs | 5 Yrs |
|------------------------------------|-------------|-------------|-------------|------------|
| UHS Non-Ended Assets | 0.4 | -1.5 | 0.5 | 1.4 |
| Dynamic Benchmark Non-Ended Assets | 0.4 | -2.3 | | |
| Non-Ended Policy Benchmark | 0.2 | -2.1 | 0.0 | 1.0 |
| Cash Pool | 1.0 | 1.4 | 0.5 | 1.1 |
| 90 Day U.S. Treasury Bill | 1.1 | 1.5 | 0.7 | 1.3 |
| Liquidity Pool | -0.8 | -6.4 | -0.3 | 1.0 |
| ICE BofA 1-5 Year U.S. Corp/Govt | -0.7 | -5.6 | -0.7 | 0.9 |

Market Value

| | |
|-----------------------------|----------------------|
| UHS Non-Ended Assets | \$902,141,119 |
|-----------------------------|----------------------|

Asset Allocation History



Portfolio Characteristics

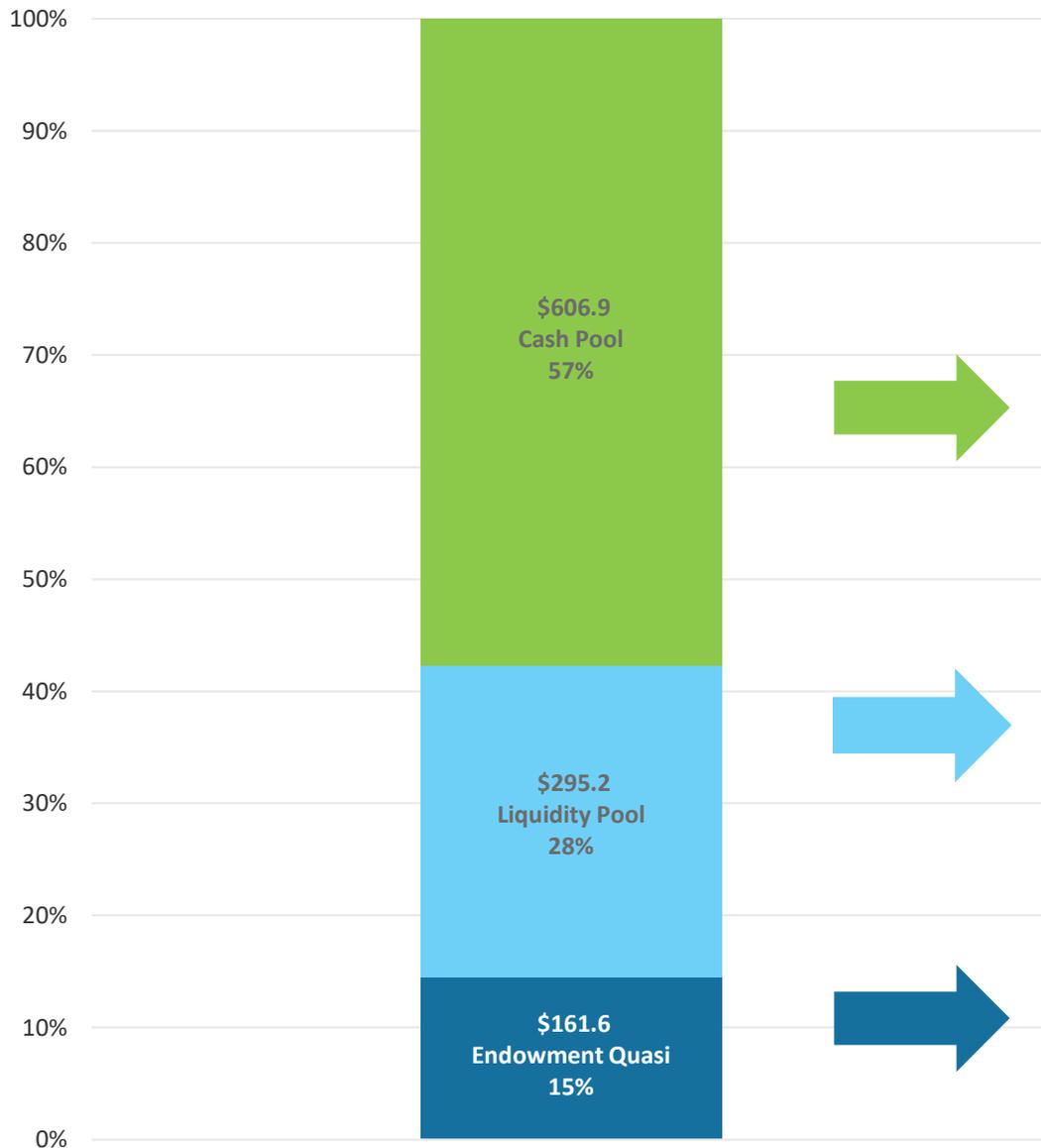


Dynamic Benchmark: Designed to match the actual composition of the portfolio, the Dynamic Benchmark evolves over time with market movements and changes to the portfolio. The Dynamic Benchmark is calculated monthly using the return for each manager's passive index multiplied by that manager's percentage weight within the portfolio at the beginning of the month. Because it evolves to match the way dollars are actually invested, the Dynamic Benchmark is a useful tool for evaluating the impact of manager performance.

Non-Ended Policy Benchmark: The Policy Benchmark changes only infrequently. It is calculated monthly according to a formula specified in the Investment Policy Statement. For each asset class, the return for the passive benchmark for an asset class is multiplied by the target weight outlined in the Policy; the Policy Benchmark is simply the sum of these figures. The Policy Benchmark measures the return for the Policy asset allocation. Currently comprised of comprised of 50% ICE BofA AAA-A US Corp & Govt TR and 50% BofA Merrill Lynch 91-Day T-Bill.



NON-ENDOWED ASSETS COMPOSITION



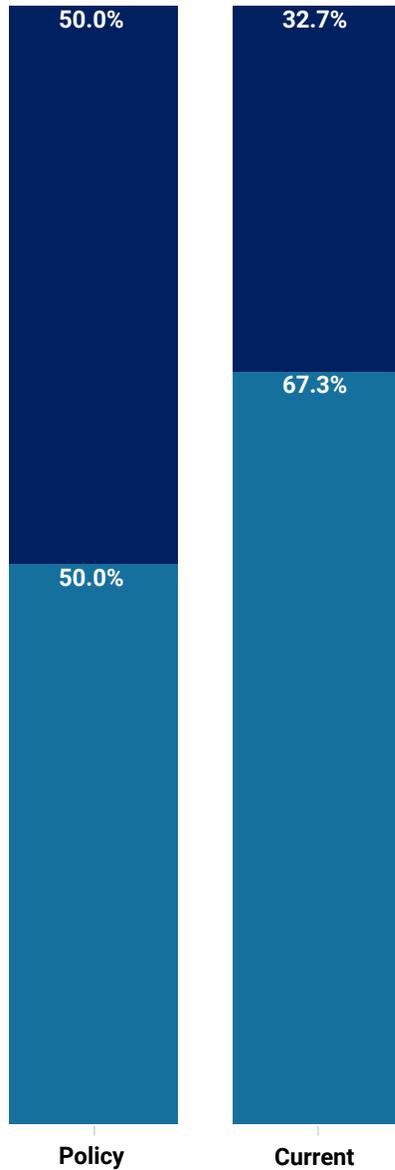
UHS Non-Endowed Assets

- 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
- Managed by J.P. Morgan, PIMCO, Abnett, Loomis Sayles
- Duration 2.6 years

- Deemed to be permanent; invested alongside Endowment portfolio
- Must stay invested for 5 years
- Advised by NEPC
- Long-term expected return of 6.5%

ASSET ALLOCATION VS. POLICY TARGETS

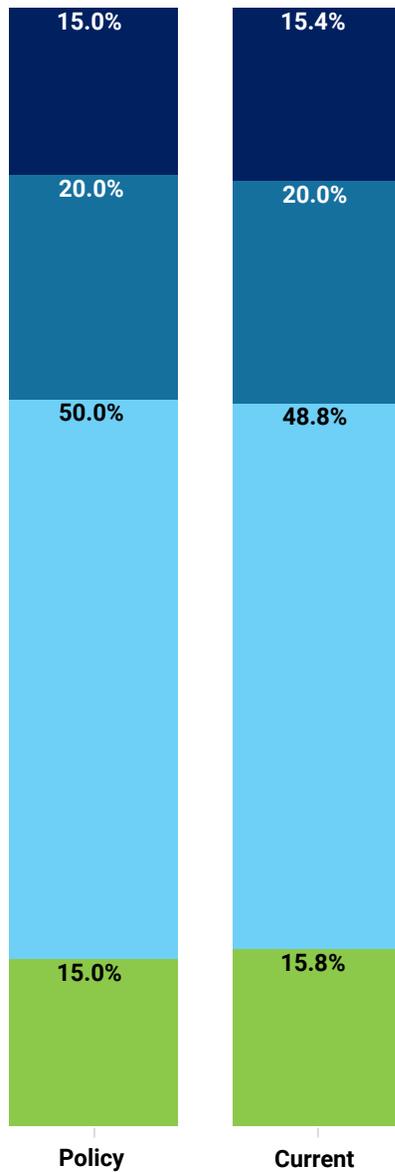


| Asset Allocation vs. Target | | | | | | |
|-----------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|
| | Current | Policy | Current | Differences* | Policy Range | Within Range |
| ■ Fixed Income | 295,227,114 | 50.0 | 32.7 | -17.3 | 0.0 - 70.0 | Yes |
| ■ Cash | 606,914,005 | 50.0 | 67.3 | 17.3 | 30.0 - 100.0 | Yes |
| Total | 902,141,119 | 100.0 | 100.0 | 0.0 | | |

*Difference between Policy and Current Allocation



ASSET ALLOCATION VS. POLICY TARGETS



| Asset Allocation vs. Target | | | | | | |
|-----------------------------|--------------------|--------------|--------------|-------------|--------------|--------------|
| | Current | Policy | Current | Difference* | Policy Range | Within Range |
| ■ Core Plus | 45,408,687 | 15.0 | 15.4 | 0.4 | 0.0 - 25.0 | Yes |
| ■ Short Duration Credit | 59,093,005 | 20.0 | 20.0 | 0.0 | 0.0 - 30.0 | Yes |
| ■ Short Duration Gov/Credit | 144,216,436 | 50.0 | 48.8 | -1.2 | 40.0 - 100.0 | Yes |
| ■ Absolute Return | 46,508,987 | 15.0 | 15.8 | 0.8 | 0.0 - 25.0 | Yes |
| Total | 295,227,114 | 100.0 | 100.0 | 0.0 | | |

*Difference between Policy and Current Allocation



PERFORMANCE DETAIL

| | Ending December 31, 2022 | | | | | | | | |
|--|--------------------------|-------------------|-------------|-------------|--------------|--------------|---------------|------------------|-------------------|
| | Market Value (\$) | % of Portfolio | 3 Mo (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
| UHS Non-Endowed Assets | 902,141,119 | 100.0 | 1.0 | -1.5 | 0.5 | 1.4 | 0.9 | 2.6 | Jan-98 |
| <i>Dynamic Benchmark Non-Endowed Assets</i> | | | 1.1 | -2.3 | - | - | - | - | |
| <i>Non-Endowed Policy Benchmark</i> | | | 1.0 | -2.1 | 0.0 | 1.0 | - | - | |
| Cash Pool | 606,914,005 | 67.3 | 0.8 | 1.4 | 0.5 | 1.1 | 0.6 | 1.9 | Jan-98 |
| <i>90 Day U.S. Treasury Bill</i> | | | 0.8 | 1.5 | 0.7 | 1.3 | 0.8 | 1.9 | |
| Morgan Stanley Instl. Liquid Treasuries- Clear Lake | 45,783,801 | 5.1 | 0.8 | 1.4 | -0.8 | 0.2 | 0.2 | 1.7 | Jan-98 |
| Morgan Stanley Instl. Liquid Treasuries- Downtown | 38,517,280 | 4.3 | 0.8 | 1.4 | -0.8 | 0.2 | 0.2 | 1.7 | Jan-98 |
| Morgan Stanley Instl. Liquid Treasuries- U. of Houston | 440,671,508 | 48.8 | 0.8 | 1.4 | -0.8 | 0.2 | 0.2 | 1.7 | Jan-98 |
| Morgan Stanley Instl. Liquid Treasuries- UofH System | 58,050,471 | 6.4 | 0.8 | 1.4 | -0.8 | 0.2 | 0.2 | 1.7 | Jan-98 |
| Morgan Stanley Instl. Liquid Treasuries- Victoria | 5,343,696 | 0.6 | 0.8 | 1.4 | -0.8 | 0.2 | 0.2 | 1.7 | Jul-98 |
| Blackrock Liquidity Funds T-Fund | 18,547,250 | 2.1 | 0.8 | 1.3 | - | - | - | 0.6 | Dec-20 |
| Liquidity Pool | 295,227,114 | 32.7 | 1.4 | -6.4 | -0.3 | 1.0 | 0.9 | 3.2 | Jan-98 |
| <i>ICE BofA 1-5 Year U.S. Corp/Govt</i> | | | 1.2 | -5.6 | -0.7 | 0.9 | 1.0 | 3.3 | |
| JP Morgan - Univ. of Houston | 144,216,436 | 16.0 | 1.0 | -5.4 | -0.7 | 0.7 | 0.8 | 3.1 | Jan-98 |
| <i>ICE BofAML 1-5 Year AAA-A U.S. Corp. & Gov. Index</i> | | | 1.1 | -5.3 | -0.7 | 0.8 | 0.9 | 3.2 | |
| <i>ICE BofA 1-5 Year U.S. Corp/Govt</i> | | | 1.2 | -5.6 | -0.7 | 0.9 | 1.0 | 3.3 | |
| PIMCO Dynamic Bond Fund | 46,508,987 | 5.2 | 1.7 | -6.9 | -0.5 | - | - | 0.1 | May-19 |
| <i>3-Month Libor Total Return USD</i> | | | 1.2 | 2.7 | 1.1 | 1.6 | 1.1 | 1.3 | |
| Lord Abbett Short Duration Credit | 59,093,005 | 6.6 | 1.4 | - | - | - | - | -0.5 | Apr-22 |
| <i>ICE BofA 1-3 Year U.S. Corporate Index</i> | | | 1.4 | -4.1 | 0.0 | 1.4 | 1.5 | -0.9 | |
| Loomis Sayles Core Plus Full Discretion Strategy | 45,408,687 | 5.0 | 2.0 | -10.7 | 0.0 | - | - | 1.1 | Jun-19 |
| <i>Blmbg. U.S. Gov't/Credit</i> | | | 1.8 | -13.6 | -2.6 | 0.2 | 1.2 | -1.0 | |

PRIVATE MARKETS

Manager Recommendations:

- TrueBridge Capital Partners VIII
- Mercury Fund Ventures V

TRUEBRIDGE CAPITAL PARTNERS VIII

NEPC recommends a \$10 million commitment to TrueBridge Capital Partners VIII

- TrueBridge Capital Partners VIII is a Venture Capital Fund-of-Funds with a focus on early-stage technology and long-standing access to elite VC funds
- Commitment would continue UHS relationship with TrueBridge; prior fund iterations have posted exceptional results
 - UHS history with TrueBridge:

| Fund | Vintage Year | Commitment | DPI | TVPI | IRR |
|--|--------------|--------------|------|------|---------|
| TrueBridge-Kauffman Fellows Endowment Fund II, L.P. | 2010 | \$3,000,000 | 3.12 | 5.2 | 21.34% |
| TrueBridge-Kauffman Fellows Endowment Fund III, L.P. | 2013 | \$3,000,000 | 1.2 | 3.45 | 20.46% |
| TrueBridge-Kauffman Fellows Endowment Fund IV, L.P. | 2015 | \$6,250,000 | 0.78 | 3.71 | 34.55% |
| TrueBridge Capital Partners Fund V, L.P. | 2017 | \$5,000,000 | 0.08 | 2.7 | 43.70% |
| TrueBridge Capital Partners Fund VI (Cayman), L.P. | 2019 | \$3,000,000 | 0 | 1.41 | 35.57% |
| TrueBridge Capital Partners Fund VII, L.P.* | 2021 | \$10,000,000 | 0 | 0.88 | -29.08% |

**Fund VII still in its infancy and early stages of the J-Curve; roughly ¼ of the \$10M commitment has been called to-date*

MERCURY FUND VENTURES V

NEPC recommends a \$5 million commitment to Mercury Fund Ventures V

- **Mercury Fund Ventures V is a Venture Capital fund based in Houston, targeting early-stage enterprise software companies**
- **Commitment represents continuation of local partnership for UHS**
 - Blair Garrou (Mercury Founder and Managing Director) seeks to make Houston an integral part of Mercury’s DNA:
 - Served on the Investment Committee of the Cougar Venture Fund, the student-led venture capital fund of UH’s Bauer College of Business
 - 2022 Houston Innovation Awards “Trailblazer” winner; seeks to nurture a robust venture and technology ecosystem in Houston
- **Prior funds have delivered exceptional results**
 - UHS history with Mercury Capital Partners:

| Fund | Vintage Year | Commitment | DPI | TVPI | IRR |
|--------------------------|--------------|-------------|------|------|-------|
| Mercury Fund Ventures IV | 2017 | \$5,000,000 | 0.28 | 2.55 | 54.2% |

DOMESTIC SMALL CAP EQUITY

Manager Recommendations:

- DePrince, Race, & Zollo Small Cap Value
- Granahan Focused Small Cap Growth

DEPRINCE, RACE, & ZOLLO SMALL CAP VALUE

| Fund | 1 Year* | 3 Years* | 5 Years* | 7 Years* | Since Inception* (7/1995) |
|-------------------------|--------------|-------------|-------------|-------------|---------------------------|
| DePrince, Race, & Zollo | -1.3% | 9.7% | 7.4% | 12.1% | 11.7% |
| Russell 2000 Value | -14.5% | 4.7% | 4.1% | 8.2% | 9.3% |
| <i>Excess Return</i> | 13.2% | 5.0% | 3.3% | 3.9% | 2.4% |

- **DePrince, Race, & Zollo Small Cap Value targets high quality US small cap public companies that have exhibited financial discipline**
 - Focus on strong cash flows and above average dividend yields (minimum 1%); prioritizes returning capital to shareholders
 - Significant and consistent outperformance vs. the Russell 2000 Value Index
 - Historical protection in down markets:
 - Avoided brunt of 2008 GFC drawdown
 - Outpaced Russell 2000 Value by 1300bps in 2022 (-1.3% vs. -14.5%)

- **Recommendation**
 - \$20M investment in DePrince, Race, & Zollo Small Cap Value
 - Funding source: partial redemption from NT Russell 1000V Index (\$15M) and NT Russell 3000 Index (\$5M)



GRANAHAN FOCUSED SMALL CAP GROWTH

| Fund | 1 Year* | 3 Years* | 5 Years* | 7 Years* | Since Inception* (8/2007) |
|-----------------------------------|--------------|-------------|--------------|--------------|---------------------------|
| Granahan Focused Small Cap Growth | -30.7% | 8.0% | 18.6% | 20.6% | 15.7% |
| Russell 2000 Growth | -26.4% | 0.7% | 3.5% | 7.1% | 7.3% |
| <i>Excess Return</i> | -4.3% | 7.3% | 15.1% | 13.5% | 8.4% |

- **Granahan Focused Small Cap Growth builds a concentrated portfolio of high growth US small cap public companies**

- Research-centric focused on competitive advantages, growth potential, and management skill
- Dramatic outperformance vs. Russell 2000 Growth Index across long time periods; significant volatility to be expected
- Envisioned as strong complement to DRZ

- **Recommendation**

- \$20M investment in Granahan Focused Small Cap Growth
- Funding source: partial redemption from NT Russell 3000 Index (\$15M) and Columbia Focused Large Cap Growth (\$5M)





UHS MANAGER WATCH LIST



UHS MANAGER WATCH LIST

▪ Objective:

- The purpose of the Watch List is to highlight managers whose ability to generate long-term excess returns has come into question.

▪ Criteria for Inclusion:

- Underperformance relative to its market-based benchmark
 - Returns lag 300bps or more relative to the funds' benchmark over the trailing 3-year period.
- Receives a rating of "Watch", "Hold", "Client Review", or "Terminate" as a result of analysis by NEPC's Research (not simply performance concerns)
 - Ratings are assigned for numerous reasons, primarily:
 - Organizational Concerns
 - "Key Person" considerations
 - Meaningful deviation from strategy
 - Significant growth/decline in Assets Under Management
 - Changes in firm ownership
 - Other organizational developments

| Key Ratings | |
|----------------------|--|
| Watch | Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues. |
| Hold | Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues. |
| Client Review | Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager. |
| Terminate | We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager. |

UHS MANAGER WATCH LIST

- **“Stoplight” Rating:**

- Red, Yellow, or Green rating accompanies each manager
 - Green: Intended as a “FYI”; often associated with shorter time intervals
 - Yellow: Necessitates closer monitoring
 - Red: Reflects significant concern and may warrant action including possibly termination
- Greater emphasis is given to longer time periods; relative performance for shorter periods may not be meaningful for evaluation

- **Ongoing Monitoring/Process for Removal:**

- Watch List rating and recommendation will be updated on a quarterly basis.
- On an annual basis (at a minimum) we will provide a detailed summary that highlights changes over the prior year that has bettered or worsened our view; a recommendation from NEPC regarding the extension/removal of the manager will then be provided
 - Detailed summary will also be provided on an ad-hoc basis if the situation calls for a more expedited approach; annual, detailed summary in place to incentivize long-term outlook

UHS MANAGER WATCH LIST

| Details | | View | | Trailing Performance | | | |
|--|------------|--------------------|---|----------------------|----------------|-------------|---------------|
| Manager | Allocation | Driver | Rating | 3 Yr | SI | SI Date | Added to List |
| Columbia Focused LC Growth <i>Russell 1000 Growth</i> | US Equity | <i>Performance</i> |  | 4.4% 7.8% | 11.7% 13.3% | August 2009 | Q4 2021 |

- Columbia Focused Large Cap Growth appears on the list as a function of performance (3-year return trails the Russell 1000 Growth benchmark by > 300bps)**
 - Challenging environment for Growth managers; Q4 saw a significant rebound in performance



APPENDIX

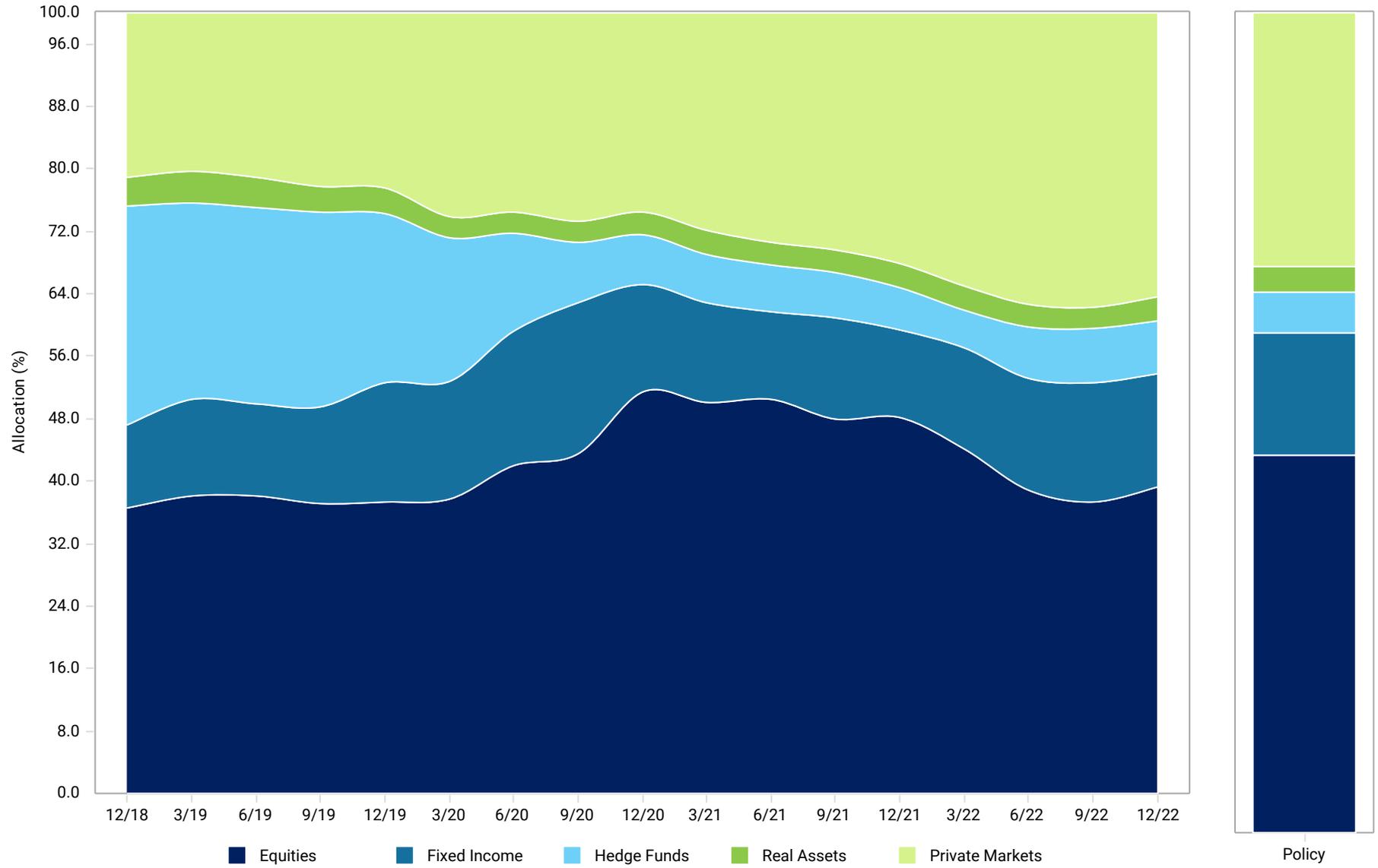


UHS ENDOWMENT SUPPLEMENTAL INFORMATION



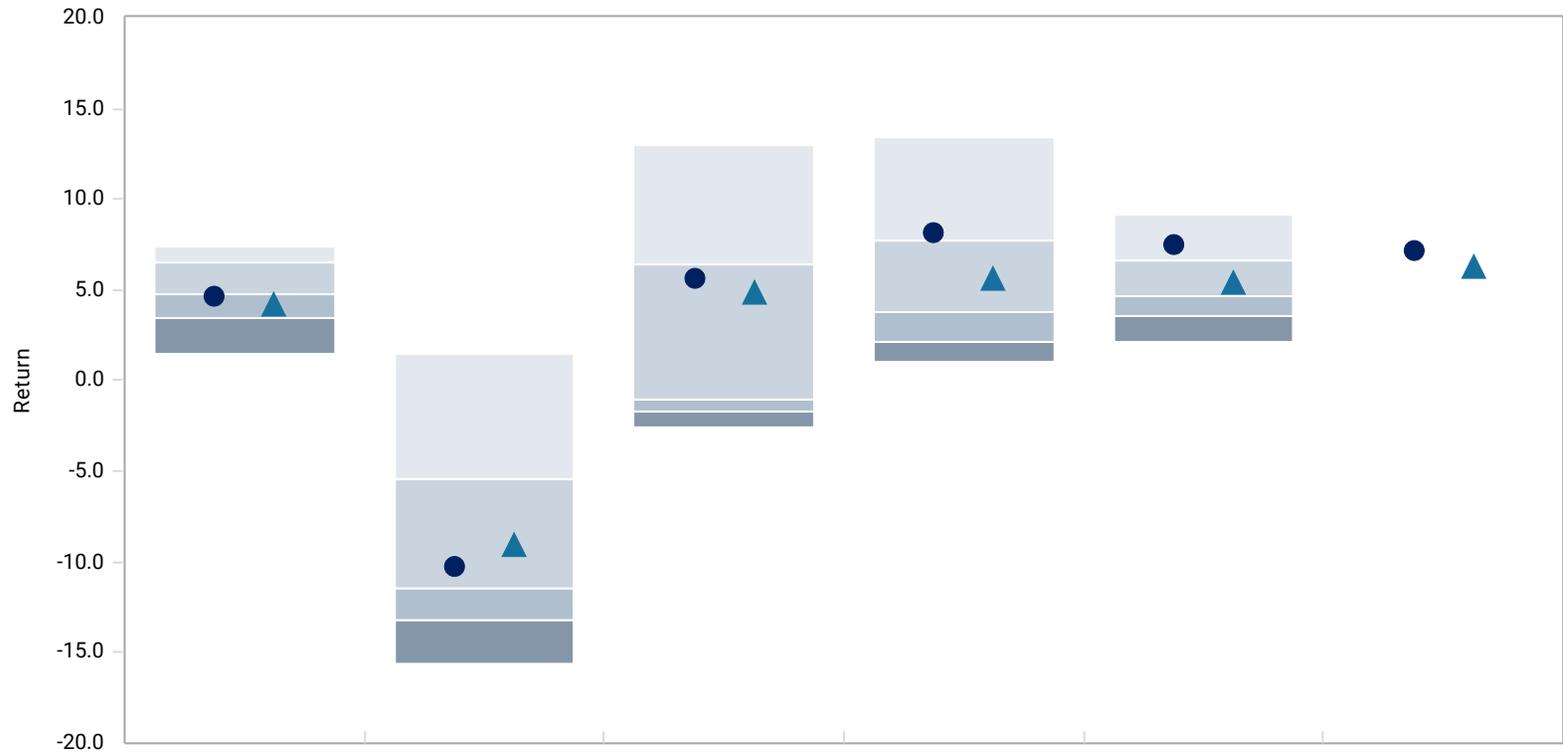
ASSET ALLOCATION HISTORY

Asset Allocation History



RETURN SUMMARY VS. E&F INSTITUTIONS > \$1B

UHS Endowment Fund vs. InvMetrics All E&F > \$1B

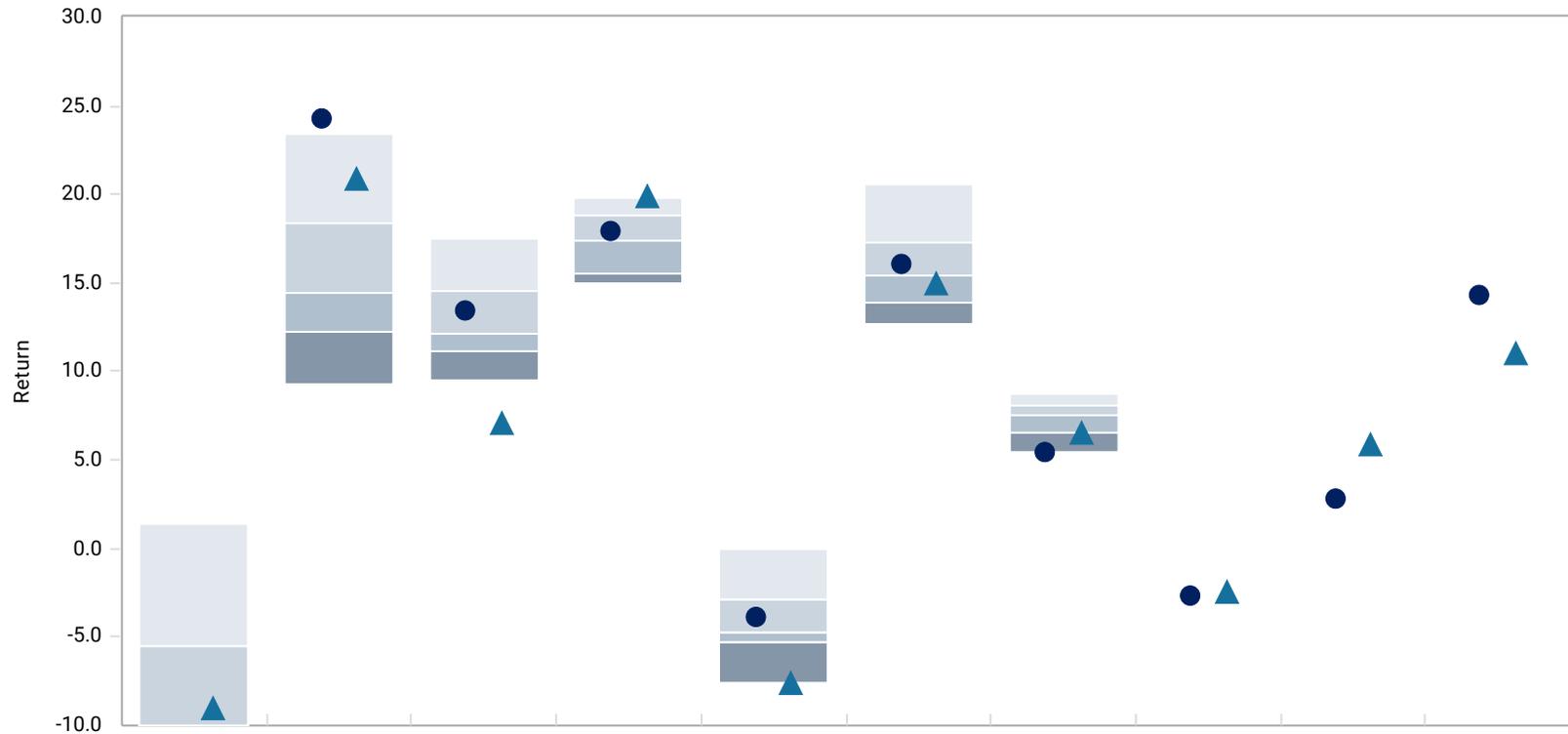


| | 3 Mo | 1 Year | 2 Years | 3 Years | 5 Years | 10 Years |
|----------------------|----------|------------|----------|----------|----------|----------|
| ● UHS Endowment Fund | 4.7 (51) | -10.2 (47) | 5.6 (27) | 8.2 (24) | 7.5 (15) | 7.2 () |
| ▲ Dynamic Benchmark | 4.3 (56) | -9.1 (44) | 4.9 (28) | 5.6 (39) | 5.5 (41) | 6.3 () |
| 5th Percentile | 7.4 | 1.4 | 13.0 | 13.4 | 9.1 | |
| 1st Quartile | 6.5 | -5.5 | 6.4 | 7.8 | 6.7 | |
| Median | 4.8 | -11.4 | -1.1 | 3.8 | 4.6 | |
| 3rd Quartile | 3.4 | -13.2 | -1.7 | 2.1 | 3.5 | |
| 95th Percentile | 1.5 | -15.6 | -2.6 | 1.0 | 2.2 | |
| Population | 13 | 13 | 13 | 12 | 10 | 9 |



RETURN SUMMARY VS. E&F INSTITUTIONS > \$1B

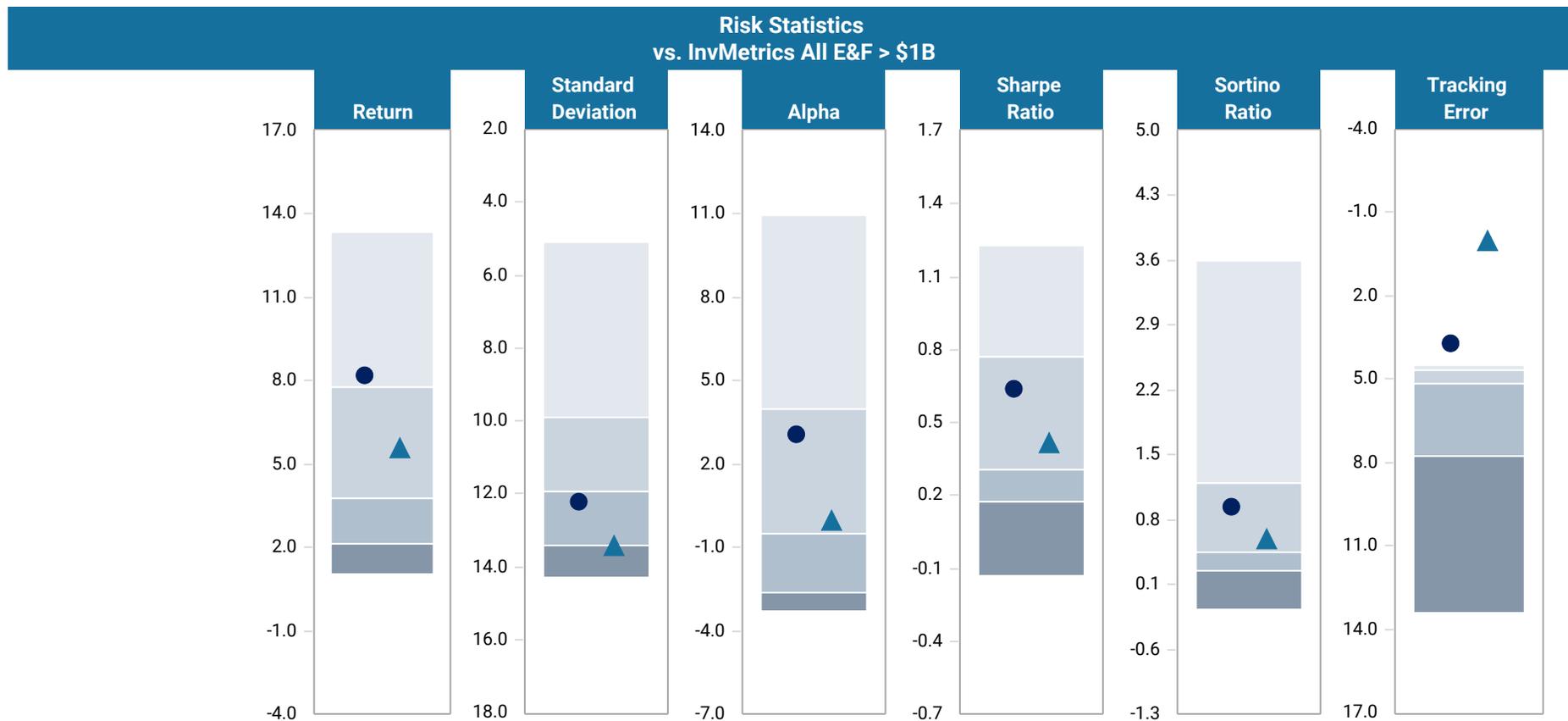
UHS Endowment Fund vs. InvMetrics All E&F > \$1B



| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|----------------------|------------|----------|-----------|-----------|-----------|-----------|----------|----------|---------|----------|
| ● UHS Endowment Fund | -10.2 (47) | 24.3 (5) | 13.4 (30) | 18.0 (37) | -3.9 (34) | 16.1 (45) | 5.4 (96) | -2.6 (0) | 2.8 (0) | 14.3 (0) |
| ▲ Dynamic Benchmark | -9.1 (44) | 20.9 (7) | 7.1 (100) | 19.9 (5) | -7.6 (95) | 15.0 (56) | 6.6 (75) | -2.5 (0) | 5.9 (0) | 11.1 (0) |
| 5th Percentile | 1.4 | 23.4 | 17.5 | 19.8 | 0.0 | 20.6 | 8.8 | | | |
| 1st Quartile | -5.5 | 18.3 | 14.6 | 18.8 | -2.9 | 17.3 | 8.1 | | | |
| Median | -11.4 | 14.4 | 12.2 | 17.4 | -4.8 | 15.4 | 7.5 | | | |
| 3rd Quartile | -13.2 | 12.3 | 11.2 | 15.6 | -5.3 | 13.8 | 6.5 | | | |
| 95th Percentile | -15.6 | 9.3 | 9.5 | 15.0 | -7.6 | 12.7 | 5.5 | | | |
| Population | 13 | 46 | 28 | 20 | 14 | 18 | 11 | 7 | 9 | 9 |



RISK STATISTICS VS. E&F INSTITUTIONS > \$1B

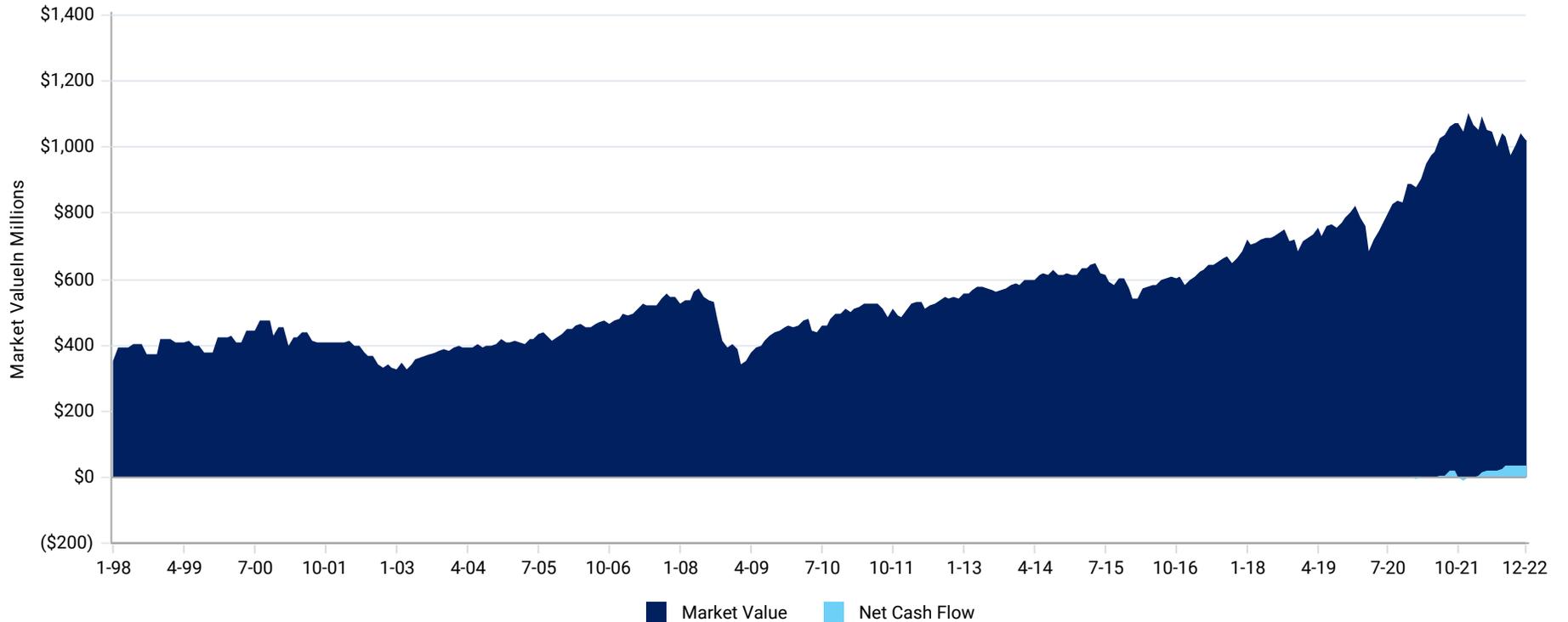


| | 3 Yrs (%) |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| ● UHS Endowment Fund | 8.2 (24) | 12.2 (64) | 3.1 (29) | 0.6 (30) | 0.9 (31) | 3.7 (1) |
| ▲ Dynamic Benchmark | 5.6 (39) | 13.4 (75) | 0.0 (43) | 0.4 (40) | 0.6 (41) | 0.0 (1) |
| 5th Percentile | 13.4 | 5.1 | 11.0 | 1.2 | 3.6 | 4.5 |
| 1st Quartile | 7.8 | 9.9 | 4.0 | 0.8 | 1.2 | 4.7 |
| Median | 3.8 | 11.9 | -0.5 | 0.3 | 0.4 | 5.2 |
| 3rd Quartile | 2.1 | 13.4 | -2.6 | 0.2 | 0.2 | 7.8 |
| 95th Percentile | 1.0 | 14.3 | -3.3 | -0.1 | -0.2 | 13.4 |



ASSET GROWTH SUMMARY

Since Inception Ending December 31, 2022



| | 1 Quarter |
|----------------------------|----------------------|
| Beginning Market Value | 976,956,765 |
| Contributions | 87,578,283 |
| Withdrawals | -84,020,653 |
| Fees | -367,711 |
| Net Cash Flow | 3,557,630 |
| Net Investment Change | 44,292,835 |
| Ending Market Value | 1,024,807,229 |
| Net Change | 47,850,464 |



ASSET GROWTH SUMMARY BY MANAGER

| | Quarter Ending December 31, 2022 | | | |
|--|----------------------------------|----------------|-----------------------|---------------------|
| | Beginning Market Value | Net Cash Flows | Net Investment Change | Ending Market Value |
| Northern Trust Russell 3000 Index Fund - Lending | \$87,225,626 | \$22,000,000 | \$5,477,817 | \$114,703,443 |
| Columbia Focused Large Cap Growth | \$34,400,051 | - | \$2,778,568 | \$37,178,619 |
| Vulcan Value Partners | \$30,475,210 | -\$33,707,509 | \$3,232,299 | - |
| Cougar Investment Fund | \$1,573,884 | - | \$170,207 | \$1,744,091 |
| William Blair International Growth | \$39,512,424 | - | \$4,981,630 | \$44,494,054 |
| Silchester International Value | \$47,056,032 | - | \$8,769,261 | \$55,825,293 |
| Global Alpha Int'l Small Cap | \$22,893,288 | - | \$3,557,583 | \$26,450,870 |
| Oldfield Emerging Markets | \$10,704,034 | - | \$1,369,004 | \$12,073,038 |
| Edgbaston Asian Equity | \$10,714,121 | - | \$1,486,079 | \$12,200,200 |
| Arrowstreet Global Equity | \$40,682,928 | - | \$5,211,657 | \$45,894,586 |
| Smith Graham Intermediate Aggregate | \$44,392,661 | - | \$733,267 | \$45,125,928 |
| Loomis Sayles Investment Grade Fixed Income Fund | \$11,165,897 | - | \$221,226 | \$11,387,123 |
| Lord Abbett Short Duration Credit | \$41,691,312 | - | \$564,295 | \$42,255,607 |
| PIMCO Dynamic Bond Fund | \$15,992,479 | - | \$272,795 | \$16,265,274 |
| Cash | \$35,561,339 | -\$3,576,358 | \$181,410 | \$32,166,391 |
| Cash (Pending) | - | - | - | - |
| Vanguard Real Estate Index Fund | \$11,396,925 | - | \$496,865 | \$11,893,791 |
| T. Rowe Price New Era Fund | \$16,224,974 | - | \$2,576,551 | \$18,801,525 |
| SRS Partners | \$15,135,326 | - | \$2,429,896 | \$17,565,222 |
| Davidson Kempner | \$17,390,036 | - | \$311,525 | \$17,701,561 |
| HBK Offshore | \$18,239,636 | - | \$766,219 | \$19,005,855 |
| 400 Capital Credit Opportunities | \$16,725,703 | - | -\$218,474 | \$16,507,229 |
| Whippoorwill Distressed Opp. Fund NEW | \$66,158 | - | \$1,859 | \$68,016 |
| Commonfund Capital Venture Partners VIII, L.P. | \$1,442,664 | -\$48,141 | -\$68,027 | \$1,326,496 |
| Fisher Lynch Venture Partnership II, L.P. | \$724,248 | -\$3,245 | \$3,325 | \$724,328 |
| CVE-Kauffman Fellows Endowment Fund II, L.P. | \$5,406,481 | -\$202,275 | -\$214,244 | \$4,989,962 |
| LiveOak Venture Partners I, L.P. | \$3,630,886 | - | -\$1,095,305 | \$2,535,581 |
| CVE-Kauffman Fellows Endowment Fund III, L.P. | \$6,439,491 | -\$106,866 | -\$234,218 | \$6,098,407 |
| SV Life Sciences Fund VI, L.P. | \$5,273,528 | - | -\$130,515 | \$5,143,013 |

ASSET GROWTH SUMMARY BY MANAGER

| | Beginning Market Value | Net Cash Flows | Net Investment Change | Ending Market Value |
|--|---------------------------|----------------|--------------------------|------------------------|
| Truebridge-Kauffman Fellows Endowment Fund IV, L.P. | \$17,684,781 | -\$133,677 | -\$1,023,357 | \$16,527,747 |
| Jackson Square Ventures II, L.P. | \$8,600,053 | - | \$514,893 | \$9,114,946 |
| Weathergage Venture Capital IV, L.P. | \$9,816,208 | - | -\$407,773 | \$9,408,435 |
| Binary Capital Fund II, L.P. | \$135,682 | - | -\$2,782 | \$132,900 |
| TrueBridge Capital Partners Fund V, L.P. | \$11,525,840 | \$50,000 | -\$374,272 | \$11,201,568 |
| LiveOak Venture Partners II | \$6,562,395 | \$240,000 | -\$18,500 | \$6,783,895 |
| U.S. Venture Partners XII, L.P. | \$5,289,031 | - | \$586,575 | \$5,875,606 |
| Mercury Fund Ventures IV, LP | \$10,295,239 | - | -\$470,702 | \$9,824,537 |
| Vivo Capital Fund IX, L.P. | \$6,953,062 | -\$131,712 | \$17,573 | \$6,838,923 |
| Clear Ventures II, L.P. | \$2,885,453 | \$330,000 | -\$18,845 | \$3,196,608 |
| Jackson Square Ventures III, L.P. | \$2,473,168 | \$168,919 | \$197,366 | \$2,839,453 |
| TrueBridge Capital Partners Fund VI, L.P. | \$3,865,864 | - | -\$58,315 | \$3,807,549 |
| ACME Fund III, LP | \$5,254,404 | \$153,696 | \$135,970 | \$5,544,070 |
| Truebridge Capital Partners VII | \$2,483,619 | - | -\$20,110 | \$2,463,509 |
| Commonfund Capital International Partners VI, L.P. | \$549,869 | -\$24,300 | -\$50,225 | \$475,344 |
| Commonfund Capital Private Equity Partners VII, L.P. | \$1,487,135 | -\$130,573 | \$733 | \$1,357,295 |
| J.H. Whitney VII, L.P. | \$1,609,497 | -\$6,942 | \$371,007 | \$1,973,562 |
| Silver Lake Partners IV, L.P. | \$6,187,595 | -\$44,091 | -\$389,012 | \$5,754,492 |
| Advent International GPE VII-B, L.P. | \$1,081,247 | - | -\$51,462 | \$1,029,785 |
| Great Hill Equity Partners V, L.P. | \$2,356,460 | - | \$46,746 | \$2,403,206 |
| Insight Equity III L.P. | \$9,613,182 | - | \$284,367 | \$9,897,549 |
| Francisco Partners IV, L.P. | \$4,750,401 | - | -\$105,669 | \$4,644,732 |
| Advent International Global Private Equity VIII-B | \$7,177,621 | - | -\$128,041 | \$7,049,580 |
| Trident VII, L.P. | \$11,465,612 | - | \$332,613 | \$11,798,225 |
| Silver Lake Partners V, L.P. | \$8,111,846 | -\$323,077 | -\$169,577 | \$7,619,192 |
| Great Hill Equity Partners VI, L.P. | \$9,493,641 | - | \$171,777 | \$9,665,418 |
| Francisco Partners V, L.P. | \$6,665,817 | - | -\$60,129 | \$6,605,688 |
| Kelso Investment Associates X, L.P. | \$10,071,968 | \$108,729 | \$533,575 | \$10,714,272 |
| Great Point Partners III, L.P. | \$2,951,544 | \$521,300 | \$122,519 | \$3,595,363 |
| Thoma Bravo Fund XIII-A, L.P.10 | \$7,320,940 | - | -\$296,537 | \$7,024,403 |
| Trident VIII, L.P. | \$8,836,172 | \$68,298 | -\$227,739 | \$8,676,731 |

ASSET GROWTH SUMMARY BY MANAGER

| | Beginning Market Value | Net Cash Flows | Net Investment Change | Ending Market Value |
|--|---------------------------|----------------|--------------------------|------------------------|
| PeakSpan Capital Growth Partners II, L.P. | \$5,597,842 | \$274,379 | \$379,285 | \$6,251,506 |
| Great Hill Equity Partners VII, L.P. | \$5,616,386 | \$864,545 | \$105,240 | \$6,586,171 |
| Advent International GPE IX Limited Partnership | \$9,754,750 | - | -\$910,805 | \$8,843,945 |
| Francisco Partners VI, L.P. | \$2,669,804 | \$1,290,000 | \$11,707 | \$3,971,511 |
| Silver Lake Partners VI, L.P. | \$4,063,448 | \$1 | \$4,453 | \$4,067,902 |
| Thoma Bravo XIV, L.P. | \$4,383,170 | \$232,667 | -\$495,113 | \$4,120,724 |
| Kelso Investment Associates XI | \$504,804 | \$1,100,139 | \$170,161 | \$1,775,104 |
| Frontenac Fund XII | \$986,673 | \$1,216,693 | -\$128,307 | \$2,075,059 |
| WindRose Health Investors VI | \$2,572,769 | - | -\$81,631 | \$2,491,138 |
| Grosvenor Advance, Ltd | \$4,039,647 | \$507,925 | \$169,949 | \$4,717,521 |
| Advent International GPE X | \$315,000 | - | -\$53,553 | \$261,447 |
| Dover Street VIII, L.P. | \$568,807 | -\$60,153 | -\$29,408 | \$479,246 |
| Lexington Capital Partners VIII, L.P. | \$6,904,334 | -\$230,129 | -\$367,986 | \$6,306,219 |
| Dover Street IX, L.P. (Cayman) | \$5,013,648 | -\$182,226 | -\$66,205 | \$4,765,217 |
| Lexington Capital Partners IX, L.P. | \$9,371,973 | \$1,071,555 | -\$493,325 | \$9,950,203 |
| ASF VIII B L.P. | \$4,977,382 | \$80,050 | -\$167,368 | \$4,890,064 |
| Dover Street X Feeder Fund L.P. | \$5,689,412 | -\$1,024 | -\$90,523 | \$5,597,865 |
| BPG Investment Partnership VII, L.P. | \$1,208,509 | - | \$3,118 | \$1,211,627 |
| Newlin Realty Partners II, L.P. | \$180,359 | - | \$15,587 | \$195,946 |
| Blackstone Real Estate Partners VIII, L.P. | \$6,154,947 | -\$36,698 | -\$24,192 | \$6,094,057 |
| Blackstone Real Estate Partners Europe V, L.P. (USD) | \$4,867,448 | -\$66,972 | -\$382,249 | \$4,418,227 |
| Embarcadero Capital Investors V, L.P. | \$3,802,147 | \$394,381 | -\$686,057 | \$3,510,471 |
| Penzance DC Real Estate Fund L.P. | \$2,502,323 | - | \$93,898 | \$2,596,221 |
| Blackstone Real Estate Partners IX.F L.P. | \$10,316,969 | \$33,656 | -\$67,447 | \$10,283,178 |
| BREP Europe VI (Cayman) L.P. (USD) | \$4,130,978 | \$254,278 | -\$346,873 | \$4,038,383 |
| Penzance DC Real Estate Fund II LP | \$102,558 | - | \$78,663 | \$181,221 |
| EnCap Energy Capital Fund VII-B, L.P. | \$67,876 | -\$66,180 | -\$1,696 | - |
| Denham Commodity Partners Fund VI, L.P. | \$2,239,505 | - | -\$105,730 | \$2,133,775 |
| EnCap Flatrock Midstream Fund II, L.P. | \$335,414 | - | \$11,666 | \$347,080 |
| EnCap Flatrock Midstream Fund III, L.P. | \$3,393,486 | -\$25,788 | \$444,196 | \$3,811,894 |
| EnCap Energy Capital Fund X, L.P. | \$4,155,189 | -\$215,641 | -\$135,616 | \$3,803,932 |

ASSET GROWTH SUMMARY BY MANAGER

| | Beginning Market Value | Net Cash Flows | Net Investment Change | Ending Market Value |
|--|---------------------------|--------------------|--------------------------|------------------------|
| EnerVest Energy Institutional Fund XIV | \$4,439,495 | -\$689,796 | - | \$3,749,699 |
| Denham Oil & Gas Fund L.P. | \$6,688,043 | -\$376,838 | -\$232,205 | \$6,079,000 |
| EnCap Energy Capital Fund XI, L.P. | \$9,371,491 | \$676,137 | \$401,581 | \$10,449,209 |
| EnCap Flatrock Midstream Fund IV | \$3,555,764 | \$376,019 | \$115,876 | \$4,047,659 |
| Hastings Equity Fund IV-B, L.P. | \$5,873,721 | - | -\$638,474 | \$5,235,247 |
| Energy Spectrum Partners VIII LP | \$2,683,189 | \$76,972 | \$41,735 | \$2,801,896 |
| Total | \$976,956,765 | \$3,557,630 | \$44,292,835 | \$1,024,807,229 |

University of Houston System Endowment Fund

RETURN SUMMARY

| Investments | | | Trailing Period Returns (IRR) % | | | | | | |
|---|--------------|---------------------|---------------------------------|---------|---------|---------|---------|----------|---------|
| Investment Name | Vintage Year | Commitment | (Qtr) | (YTD) | (1 Yr) | (3 Yrs) | (5 Yrs) | (10 Yrs) | SI IRR |
| Private Debt | | | | | | | | | |
| Kennedy Lewis Capital Partners III | 2022 | \$10,000,000 | | | | | | | |
| Total Private Debt | | \$10,000,000 | | | | | | | |
| Private Equity | | | | | | | | | |
| ACME Fund III, L.P. | 2019 | \$5,000,000 | 2.59% | -29.72% | -19.89% | | | | 10.97% |
| Advent International GPE Fund VII, L.P. | 2012 | \$5,000,000 | -4.80% | -29.46% | -32.35% | 5.16% | 4.77% | 13.80% | 13.66% |
| Advent International GPE IX, L.P. | 2019 | \$7,000,000 | -10.09% | -35.36% | -32.95% | | | | 34.18% |
| Advent International GPE VIII-B, L.P. | 2015 | \$6,000,000 | -1.78% | -15.39% | -19.56% | 21.12% | 18.84% | | 18.49% |
| Advent International GPE X, L.P. | 2022 | \$9,000,000 | | | | | | | |
| ASF VIII B L.P. | 2018 | \$7,500,000 | -3.48% | -7.69% | 2.18% | 29.73% | | | 31.59% |
| Binary Capital Fund II, L.P. | 2016 | \$631,535 | -2.05% | 1.63% | 0.88% | 0.80% | 4.73% | | -1.77% |
| Clear Ventures II, L.P. | 2019 | \$5,000,000 | -0.69% | 7.80% | 22.91% | 15.83% | | | 14.09% |
| Commonfund Capital International Partners VI, L.P. | 2007 | \$5,000,000 | -8.87% | -20.59% | -28.93% | 6.52% | 8.30% | 11.48% | 8.86% |
| Commonfund Capital International Partners VII, L.P. | 2007 | \$5,000,000 | 0.04% | -8.63% | -3.34% | 17.79% | 18.73% | 17.60% | 14.00% |
| Commonfund Capital Venture Partners VIII, L.P. | 2007 | \$2,750,000 | -4.55% | -22.18% | -25.23% | 19.04% | 15.02% | 14.10% | 12.45% |
| Dover Street IX Cayman Fund, L.P. | 2015 | \$7,500,000 | -1.24% | -6.05% | -2.70% | 17.53% | 21.43% | | 24.58% |
| Dover Street VIII, L.P. | 2012 | \$4,000,000 | -4.70% | -9.90% | -15.58% | 10.29% | 11.93% | | 18.96% |
| Dover Street X Feeder Fund, L.P. | 2019 | \$7,500,000 | -1.67% | 3.92% | 15.78% | 42.56% | | | 46.04% |
| Fisher Lynch Buyout Partnership, L.P. | 2008 | \$2,500,000 | | | 3.46% | 13.96% | 13.58% | 13.69% | 9.53% |
| Fisher Lynch Venture Partnership II, L.P. | 2008 | \$2,500,000 | 0.45% | -20.82% | -28.13% | 18.84% | 10.16% | 10.60% | 9.87% |
| Francisco Partners IV, L.P. | 2014 | \$5,000,000 | -2.22% | -37.60% | -39.13% | 25.30% | 33.98% | | 28.11% |
| Francisco Partners V, L.P. | 2017 | \$5,000,000 | -0.90% | 3.97% | 6.06% | 23.84% | | | 21.17% |
| Francisco Partners VI, L.P. | 2020 | \$5,000,000 | 0.44% | 1.33% | 7.73% | | | | 12.25% |
| Frontenac XII, L.P. | 2021 | \$10,000,000 | -11.97% | | | | | | -13.00% |
| GCM Grosvenor Advance Fund, L.P. | 2021 | \$10,000,000 | 4.27% | 11.90% | | | | | 13.24% |
| Great Hill Equity Partners V, L.P. | 2013 | \$4,000,000 | 1.98% | 1.52% | -4.89% | 62.26% | 38.70% | | 24.68% |
| Great Hill Equity Partners VI, L.P. | 2016 | \$7,000,000 | 1.78% | -8.60% | -2.45% | 42.39% | | | 48.76% |
| Great Hill Equity Partners VII, L.P. | 2019 | \$7,000,000 | 2.05% | -6.26% | -1.58% | | | | 85.36% |
| Great Point Partners III, LP | 2018 | \$4,000,000 | 4.74% | 37.00% | 64.16% | 25.90% | | | 33.64% |
| Insight Equity III, L.P. | 2014 | \$7,500,000 | 2.98% | 32.59% | 34.91% | 19.37% | 13.70% | | 8.32% |
| J.H. Whitney VII, L.P. | 2011 | \$4,000,000 | 21.93% | 5.79% | -12.02% | 1.07% | 11.35% | 11.58% | 11.03% |
| Jackson Square Ventures II, L.P. | 2016 | \$7,500,000 | 6.05% | 8.86% | 21.80% | 1.23% | | | 29.55% |
| Jackson Square Ventures III, L.P. | 2019 | \$5,000,000 | 8.04% | 6.18% | 13.30% | | | | 10.27% |



University of Houston System Endowment Fund

RETURN SUMMARY

| Investments | | | Trailing Period Returns (IRR) % | | | | | | |
|--|--------------|----------------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Investment Name | Vintage Year | Commitment | (Qtr) | (YTD) | (1 Yr) | (3 Yrs) | (5 Yrs) | (10 Yrs) | SI IRR |
| Kelso Investment Associates X, L.P. | 2018 | \$7,500,000 | 5.52% | 19.94% | 36.93% | 44.30% | | | 42.40% |
| Kelso Investment Associates XI, LP | 2021 | \$10,000,000 | 45.52% | | | | | | 28.07% |
| Lexington Capital Partners IX, L.P. | 2018 | \$10,000,000 | -5.44% | -6.27% | 8.84% | | | | 44.32% |
| Lexington Capital Partners VIII, L.P. | 2014 | \$10,000,000 | -5.24% | -8.95% | 0.61% | 16.38% | 14.51% | | 17.42% |
| LiveOak Venture Partners I, L.P. | 2013 | \$2,000,000 | -30.17% | -57.84% | -64.60% | 14.80% | 27.06% | | 20.41% |
| LiveOak Venture Partners II, L.P. | 2017 | \$4,000,000 | -0.28% | 0.80% | -1.21% | 44.07% | | | 35.51% |
| Mercury Fund Ventures IV, L.P. | 2017 | \$5,000,000 | -4.65% | 9.46% | 41.11% | 67.98% | | | 54.24% |
| PeakSpan Capital Growth Partners II, L.P. | 2018 | \$5,000,000 | 6.67% | 8.86% | -0.96% | 38.57% | | | 36.04% |
| Silver Lake Partners IV, L.P. | 2012 | \$4,000,000 | -6.18% | -29.41% | -21.55% | 15.45% | 19.03% | | 22.14% |
| Silver Lake Partners V, L.P. | 2016 | \$7,000,000 | -2.09% | -20.22% | -22.03% | 13.02% | | | 13.22% |
| Silver Lake Partners VI, L.P. | 2020 | \$7,000,000 | 0.11% | -16.68% | -16.18% | | | | 0.01% |
| Silver Lake Partners VII, L.P. | 2022 | \$10,000,000 | | | | | | | |
| SV Life Sciences Fund VI, L.P. | 2015 | \$7,500,000 | -2.38% | -13.88% | -11.28% | 23.88% | 24.83% | | 19.94% |
| Thoma Bravo Fund XIII-A, L.P. | 2018 | \$5,000,000 | -4.08% | -6.01% | -4.93% | 39.25% | | | 33.47% |
| Thoma Bravo Fund XIV, L.P. | 2020 | \$5,000,000 | -11.30% | -13.61% | -14.23% | | | | -12.23% |
| Trident Capital VII, L.P. | 2016 | \$7,500,000 | 2.84% | 5.55% | 10.12% | 22.86% | | | 21.53% |
| Trident Capital VIII, L.P. | 2019 | \$7,500,000 | -2.58% | -0.98% | 7.70% | | | | 20.13% |
| TrueBridge Capital Partners Fund V, L.P. | 2017 | \$5,000,000 | -3.25% | -9.20% | 13.06% | 49.08% | | | 43.70% |
| Truebridge Capital Partners Fund VI (Cayman), L.P. | 2019 | \$3,000,000 | -1.62% | -2.03% | 18.09% | | | | 35.57% |
| TrueBridge Capital Partners Fund VII, L.P. | 2021 | \$10,000,000 | -1.29% | -22.09% | | | | | -29.08% |
| TrueBridge-Kauffman Fellows Endowment Fund II, L.P | 2010 | \$3,000,000 | -3.96% | -27.06% | -24.78% | 47.03% | 31.87% | 22.51% | 21.34% |
| TrueBridge-Kauffman Fellows Endowment Fund III, L.P. | 2013 | \$3,000,000 | -3.63% | -18.51% | -7.74% | 28.26% | 28.46% | | 20.46% |
| TrueBridge-Kauffman Fellows Endowment Fund IV, L.P. | 2015 | \$6,250,000 | -5.78% | -17.24% | -2.42% | 41.71% | 38.84% | | 34.55% |
| US Venture Partners XII, L.P. | 2018 | \$5,000,000 | 11.81% | 39.62% | 55.29% | 42.28% | | | 42.28% |
| Vivo Capital Fund IX, L.P. | 2018 | \$5,000,000 | -4.24% | -15.73% | 4.88% | 39.63% | | | 31.58% |
| Weathergage Venture Capital IV, L.P. | 2016 | \$5,000,000 | -4.08% | -10.09% | -4.46% | 32.96% | 28.93% | | 26.87% |
| WindRose Health Investors VI, L.P. | 2022 | \$10,000,000 | -7.89% | | | | | | -10.64% |
| Total Private Equity | | \$332,131,535 | -1.61% | -8.63% | -2.61% | 26.53% | 24.96% | 21.15% | 19.31% |



University of Houston System Endowment Fund

RETURN SUMMARY

| Investments | | | Trailing Period Returns (IRR) % | | | | | | |
|--|--------------|----------------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Investment Name | Vintage Year | Commitment | (Qtr) | (YTD) | (1 Yr) | (3 Yrs) | (5 Yrs) | (10 Yrs) | SI IRR |
| Real Assets | | | | | | | | | |
| Denham Commodity Partners Fund VI, L.P. | 2013 | \$4,000,000 | -4.74% | -5.08% | 3.80% | -7.02% | -5.25% | | -2.61% |
| Denham Oil and Gas Fund, L.P. | 2015 | \$7,500,000 | -3.47% | 17.14% | 18.73% | 11.54% | 8.30% | | 8.69% |
| EnCap Energy Capital Fund VII-B, L.P. | 2007 | \$15,000,000 | -7.55% | 5.32% | 15.57% | 4.57% | 12.38% | -1.28% | 11.63% |
| EnCap Energy Capital Fund X, L.P. | 2015 | \$4,000,000 | -3.16% | 41.43% | 69.96% | 22.01% | 15.47% | | 15.70% |
| EnCap Energy Capital Fund XI, L.P. | 2016 | \$10,000,000 | 4.39% | 40.40% | 63.75% | 27.33% | 19.45% | | 18.79% |
| EnCap Flatrock Midstream Fund II-C, L.P. | 2012 | \$3,000,000 | 3.48% | 13.53% | 2.30% | -8.42% | 1.21% | 21.86% | 21.20% |
| EnCap Flatrock Midstream Fund III, L.P. | 2014 | \$5,000,000 | 12.77% | 18.85% | 21.52% | 5.35% | 7.76% | | 10.00% |
| EnCap Flatrock Midstream Fund IV, L.P. | 2017 | \$6,000,000 | 4.12% | 14.71% | 14.66% | 6.48% | | | 8.61% |
| Energy Spectrum Partners VIII, L.P. | 2018 | \$5,000,000 | 1.75% | 27.20% | 34.55% | 9.59% | | | 6.37% |
| EnerVest Energy Institutional Fund XIV, L.P. | 2015 | \$7,500,000 | 0.00% | 14.54% | 30.86% | 15.03% | 16.80% | | 9.80% |
| Hastings Equity Fund IV-B, L.P. | 2018 | \$7,500,000 | -7.43% | -5.46% | 19.68% | 26.52% | | | 21.24% |
| Total Real Assets | | \$74,500,000 | -0.23% | 17.30% | 31.78% | 13.96% | 11.82% | 8.99% | 11.11% |
| Real Estate | | | | | | | | | |
| Blackstone Real Estate Partners Europe V, L.P. | 2016 | \$7,500,000 | -8.29% | -9.77% | -6.30% | 10.26% | 11.57% | | 12.20% |
| Blackstone Real Estate Partners Europe VI SCSp | 2019 | \$10,000,000 | -9.95% | -7.91% | 18.63% | | | | 16.49% |
| Blackstone Real Estate Partners IX L.P. | 2018 | \$9,000,000 | -0.70% | 12.81% | 32.23% | 34.49% | | | 34.41% |
| Blackstone Real Estate Partners VIII, L.P. | 2015 | \$7,500,000 | -0.39% | 10.91% | 26.29% | 20.16% | 17.07% | | 17.45% |
| BPG Investment Partnership VII, L.P. | 2005 | \$5,000,000 | 0.26% | 1.51% | 1.95% | 0.42% | 4.12% | 8.63% | -0.29% |
| BPG Investment Partnership VIII, L.P. | 2007 | \$3,235,295 | | | | | | | 3.68% |
| Dalfen Last Mile Industrial Fund V, L.P. | 2021 | \$7,500,000 | -2.92% | | | | | | -5.98% |
| Embarcadero Capital Investors V, L.P. | 2016 | \$7,500,000 | -18.04% | -20.18% | -19.22% | -4.43% | 3.32% | | 4.47% |
| Newlin Realty Partners II LP | 2007 | \$3,000,000 | 8.35% | 15.61% | 21.84% | 4.23% | 11.21% | 23.33% | 8.87% |
| Newlin Realty Partners LP | 2006 | \$5,000,000 | | | | | | | 0.16% |
| Penzance DC Real Estate Fund II, L.P. | 2020 | \$5,000,000 | 35.25% | | | | | | |
| Penzance DC Real Estate Fund, L.P. | 2018 | \$7,500,000 | 3.14% | 14.38% | 23.79% | 15.41% | | | 13.16% |
| Total Real Estate | | \$77,735,295 | -4.08% | 2.65% | 14.09% | 14.61% | 14.05% | 14.34% | 6.24% |
| Total | | \$494,366,830 | -1.69% | -4.97% | 2.24% | 23.22% | 21.46% | 18.14% | 14.37% |



University of Houston System Endowment Fund

ANALYSIS BY FUND

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|---|--------------|---------------------|---------------------|-------------------------------|-----------------|--------------------------|-------------|--------------|--------------|-------------|------|---------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Private Debt | | | | | | | | | | | | |
| Kennedy Lewis Capital Partners III | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Total Private Debt | | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Private Equity | | | | | | | | | | | | |
| ACME Fund III, L.P. | 2019 | \$5,000,000 | \$450,440 | \$4,549,560 | \$0 | \$0 | \$5,390,374 | \$5,390,374 | \$840,814 | 0.00 | 1.18 | 10.97% |
| Advent International GPE Fund VII, L.P. | 2012 | \$5,000,000 | \$200,000 | \$4,800,000 | \$0 | \$7,720,713 | \$1,029,785 | \$8,750,498 | \$3,950,498 | 1.61 | 1.82 | 13.66% |
| Advent International GPE IX, L.P. | 2019 | \$7,000,000 | \$909,493 | \$6,090,507 | \$0 | \$559,721 | \$8,843,945 | \$9,403,666 | \$3,313,159 | 0.09 | 1.54 | 34.18% |
| Advent International GPE VIII-B, L.P. | 2015 | \$6,000,000 | \$0 | \$6,000,000 | \$0 | \$4,383,748 | \$7,049,580 | \$11,433,328 | \$5,433,328 | 0.73 | 1.91 | 18.49% |
| Advent International GPE X, L.P. | 2022 | \$9,000,000 | \$8,685,000 | \$315,000 | \$0 | \$0 | \$261,447 | \$261,447 | -\$53,553 | 0.00 | 0.83 | |
| ASF VIII B L.P. | 2018 | \$7,500,000 | \$3,913,712 | \$3,586,288 | -\$3,177 | \$657,117 | \$4,810,014 | \$5,467,131 | \$1,884,020 | 0.18 | 1.53 | 31.59% |
| Binary Capital Fund II, L.P. | 2016 | \$631,535 | \$65,099 | \$566,436 | \$0 | \$397,852 | \$132,900 | \$530,752 | -\$35,684 | 0.70 | 0.94 | -1.77% |
| Clear Ventures II, L.P. | 2019 | \$5,000,000 | \$2,670,000 | \$2,330,000 | \$0 | \$0 | \$2,866,608 | \$2,866,608 | \$536,608 | 0.00 | 1.23 | 14.09% |
| Commonfund Capital International Partners VI, L.P. | 2007 | \$5,000,000 | \$322,500 | \$4,677,500 | \$0 | \$7,015,749 | \$499,644 | \$7,515,393 | \$2,837,893 | 1.50 | 1.61 | 8.86% |
| Commonfund Capital International Partners VII, L.P. | 2007 | \$5,000,000 | \$350,000 | \$4,650,000 | \$0 | \$8,975,612 | \$1,487,868 | \$10,463,480 | \$5,813,480 | 1.93 | 2.25 | 14.00% |
| Commonfund Capital Venture Partners VIII, L.P. | 2007 | \$2,750,000 | \$61,875 | \$2,688,125 | \$0 | \$5,068,180 | \$1,374,637 | \$6,442,817 | \$3,754,692 | 1.89 | 2.40 | 12.45% |
| Dover Street IX Cayman Fund, L.P. | 2015 | \$7,500,000 | \$1,125,000 | \$6,375,000 | \$0 | \$6,330,228 | \$4,947,443 | \$11,277,671 | \$4,902,671 | 0.99 | 1.77 | 24.58% |
| Dover Street VIII, L.P. | 2012 | \$4,000,000 | \$320,000 | \$3,680,000 | \$3,431 | \$5,630,667 | \$539,399 | \$6,170,066 | \$2,486,635 | 1.53 | 1.68 | 18.96% |
| Dover Street X Feeder Fund, L.P. | 2019 | \$7,500,000 | \$2,943,750 | \$4,556,250 | \$0 | \$1,444,009 | \$5,598,889 | \$7,042,898 | \$2,486,648 | 0.32 | 1.55 | 46.04% |
| Fisher Lynch Buyout Partnership, L.P. | 2008 | \$2,500,000 | \$458,750 | \$2,041,250 | \$0 | \$3,628,016 | \$0 | \$3,628,016 | \$1,586,766 | 1.78 | 1.78 | 9.53% |
| Fisher Lynch Venture Partnership II, L.P. | 2008 | \$2,500,000 | \$296,250 | \$2,203,750 | \$0 | \$3,657,475 | \$727,573 | \$4,385,048 | \$2,181,298 | 1.66 | 1.99 | 9.87% |
| Francisco Partners IV, L.P. | 2014 | \$5,000,000 | \$127,500 | \$4,872,500 | \$0 | \$9,606,338 | \$4,644,732 | \$14,251,070 | \$9,378,570 | 1.97 | 2.92 | 28.11% |
| Francisco Partners V, L.P. | 2017 | \$5,000,000 | \$462,500 | \$4,537,500 | \$0 | \$1,435,000 | \$6,605,688 | \$8,040,688 | \$3,503,188 | 0.32 | 1.77 | 21.17% |
| Francisco Partners VI, L.P. | 2020 | \$5,000,000 | \$2,612,500 | \$2,387,500 | \$0 | \$0 | \$2,681,511 | \$2,681,511 | \$294,011 | 0.00 | 1.12 | 12.25% |
| Frontenac XII, L.P. | 2021 | \$10,000,000 | \$9,013,327 | \$986,673 | \$0 | \$0 | \$858,366 | \$858,366 | -\$128,307 | 0.00 | 0.87 | -13.00% |
| GCM Grosvenor Advance Fund, L.P. | 2021 | \$10,000,000 | \$6,178,877 | \$3,821,123 | \$0 | \$30,536 | \$4,209,596 | \$4,240,132 | \$419,009 | 0.01 | 1.11 | 13.24% |
| Great Hill Equity Partners V, L.P. | 2013 | \$4,000,000 | \$0 | \$4,000,000 | \$0 | \$8,294,581 | \$2,403,206 | \$10,697,787 | \$6,697,787 | 2.07 | 2.67 | 24.68% |
| Great Hill Equity Partners VI, L.P. | 2016 | \$7,000,000 | \$387,100 | \$6,612,900 | \$0 | \$7,686,286 | \$9,665,418 | \$17,351,704 | \$10,738,804 | 1.16 | 2.62 | 48.76% |
| Great Hill Equity Partners VII, L.P. | 2019 | \$7,000,000 | \$1,566,520 | \$5,433,480 | \$0 | \$1,933,698 | \$5,721,626 | \$7,655,324 | \$2,221,844 | 0.36 | 1.41 | 85.36% |
| Great Point Partners III, LP | 2018 | \$4,000,000 | \$637,695 | \$3,362,305 | \$0 | \$2,162,520 | \$3,074,063 | \$5,236,583 | \$1,874,278 | 0.64 | 1.56 | 33.64% |
| Insight Equity III, L.P. | 2014 | \$7,500,000 | \$605,829 | \$6,894,171 | \$3,964 | \$201,584 | \$9,897,549 | \$10,099,133 | \$3,200,998 | 0.03 | 1.46 | 8.32% |
| J.H. Whitney VII, L.P. | 2011 | \$4,000,000 | \$88,560 | \$3,911,440 | \$0 | \$5,037,808 | \$1,980,504 | \$7,018,312 | \$3,106,872 | 1.29 | 1.79 | 11.03% |
| Jackson Square Ventures II, L.P. | 2016 | \$7,500,000 | \$1,497,188 | \$6,002,812 | \$0 | \$1,920,100 | \$9,114,946 | \$11,035,046 | \$5,032,234 | 0.32 | 1.84 | 29.55% |
| Jackson Square Ventures III, L.P. | 2019 | \$5,000,000 | \$2,716,215 | \$2,283,785 | \$0 | \$0 | \$2,670,534 | \$2,670,534 | \$386,749 | 0.00 | 1.17 | 10.27% |



University of Houston System Endowment Fund

ANALYSIS BY FUND

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|----------------------|----------------------|-------------------------------|-----------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Kelso Investment Associates X, L.P. | 2018 | \$7,500,000 | \$1,909,320 | \$5,590,680 | \$283 | \$665,598 | \$10,605,543 | \$11,271,141 | \$5,680,178 | 0.12 | 2.02 | 42.40% |
| Kelso Investment Associates XI, LP | 2021 | \$10,000,000 | \$9,444,221 | \$555,779 | \$0 | \$0 | \$674,965 | \$674,965 | \$119,186 | 0.00 | 1.21 | 28.07% |
| Lexington Capital Partners IX, L.P. | 2018 | \$10,000,000 | \$3,772,921 | \$6,227,079 | \$0 | \$1,290,683 | \$8,878,648 | \$10,169,331 | \$3,942,252 | 0.21 | 1.63 | 44.32% |
| Lexington Capital Partners VIII, L.P. | 2014 | \$10,000,000 | \$2,140,536 | \$7,859,464 | \$0 | \$7,334,772 | \$6,536,348 | \$13,871,120 | \$6,011,656 | 0.93 | 1.76 | 17.42% |
| LiveOak Venture Partners I, L.P. | 2013 | \$2,000,000 | \$0 | \$2,000,000 | \$0 | \$2,655,250 | \$2,535,581 | \$5,190,831 | \$3,190,831 | 1.33 | 2.60 | 20.41% |
| LiveOak Venture Partners II, L.P. | 2017 | \$4,000,000 | \$880,000 | \$3,120,000 | \$0 | \$0 | \$6,543,895 | \$6,543,895 | \$3,423,895 | 0.00 | 2.10 | 35.51% |
| Mercury Fund Ventures IV, L.P. | 2017 | \$5,000,000 | \$675,000 | \$4,325,000 | -\$6,091 | \$1,197,895 | \$9,824,537 | \$11,022,432 | \$6,703,523 | 0.28 | 2.55 | 54.24% |
| PeakSpan Capital Growth Partners II, L.P. | 2018 | \$5,000,000 | \$1,659,918 | \$3,340,082 | \$0 | \$1,016,979 | \$5,977,127 | \$6,994,106 | \$3,654,024 | 0.30 | 2.09 | 36.04% |
| Silver Lake Partners IV, L.P. | 2012 | \$4,000,000 | \$117,722 | \$3,882,278 | \$0 | \$4,205,522 | \$5,798,583 | \$10,004,105 | \$6,121,827 | 1.08 | 2.58 | 22.14% |
| Silver Lake Partners V, L.P. | 2016 | \$7,000,000 | \$942,839 | \$6,057,161 | \$670 | \$839,887 | \$7,942,269 | \$8,782,156 | \$2,724,325 | 0.14 | 1.45 | 13.22% |
| Silver Lake Partners VI, L.P. | 2020 | \$7,000,000 | \$2,932,497 | \$4,067,503 | \$0 | \$0 | \$4,067,901 | \$4,067,901 | \$398 | 0.00 | 1.00 | 0.01% |
| Silver Lake Partners VII, L.P. | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| SV Life Sciences Fund VI, L.P. | 2015 | \$7,500,000 | \$1,239,791 | \$6,260,209 | \$0 | \$7,596,001 | \$5,143,013 | \$12,739,014 | \$6,478,805 | 1.21 | 2.03 | 19.94% |
| Thoma Bravo Fund XIII-A, L.P. | 2018 | \$5,000,000 | \$433,107 | \$4,566,893 | -\$20 | \$1,511,100 | \$7,024,403 | \$8,535,503 | \$3,968,630 | 0.33 | 1.87 | 33.47% |
| Thoma Bravo Fund XIV, L.P. | 2020 | \$5,000,000 | \$510,506 | \$4,489,494 | \$0 | \$0 | \$3,888,057 | \$3,888,057 | -\$601,437 | 0.00 | 0.87 | -12.23% |
| Trident Capital VII, L.P. | 2016 | \$7,500,000 | \$1,349,211 | \$6,150,789 | \$0 | \$1,318,106 | \$11,798,225 | \$13,116,331 | \$6,965,542 | 0.21 | 2.13 | 21.53% |
| Trident Capital VIII, L.P. | 2019 | \$7,500,000 | \$736,551 | \$6,763,449 | \$0 | \$336,351 | \$8,608,433 | \$8,944,784 | \$2,181,335 | 0.05 | 1.32 | 20.13% |
| TrueBridge Capital Partners Fund V, L.P. | 2017 | \$5,000,000 | \$755,746 | \$4,244,254 | \$0 | \$319,856 | \$11,151,568 | \$11,471,424 | \$7,227,171 | 0.08 | 2.70 | 43.70% |
| TrueBridge Capital Partners Fund VI (Cayman), L.P. | 2019 | \$3,000,000 | \$300,000 | \$2,700,000 | \$0 | \$0 | \$3,807,549 | \$3,807,549 | \$1,107,549 | 0.00 | 1.41 | 35.57% |
| TrueBridge Capital Partners Fund VII, L.P. | 2021 | \$10,000,000 | \$7,200,000 | \$2,800,000 | \$0 | \$0 | \$2,463,509 | \$2,463,509 | -\$336,491 | 0.00 | 0.88 | -29.08% |
| TrueBridge-Kauffman Fellows Endowment Fund II, L.P | 2010 | \$3,000,000 | \$510,000 | \$2,490,000 | \$0 | \$7,766,232 | \$5,192,237 | \$12,958,469 | \$10,468,469 | 3.12 | 5.20 | 21.34% |
| TrueBridge-Kauffman Fellows Endowment Fund III, L.P. | 2013 | \$3,000,000 | \$240,000 | \$2,760,000 | \$0 | \$3,306,713 | \$6,205,273 | \$9,511,986 | \$6,751,986 | 1.20 | 3.45 | 20.46% |
| TrueBridge-Kauffman Fellows Endowment Fund IV, L.P. | 2015 | \$6,250,000 | \$562,500 | \$5,687,500 | \$0 | \$4,432,376 | \$16,661,424 | \$21,093,800 | \$15,406,300 | 0.78 | 3.71 | 34.55% |
| US Venture Partners XII, L.P. | 2018 | \$5,000,000 | \$775,000 | \$4,225,000 | \$0 | \$971,682 | \$5,875,606 | \$6,847,288 | \$2,622,288 | 0.23 | 1.62 | 42.28% |
| Vivo Capital Fund IX, L.P. | 2018 | \$5,000,000 | \$209,234 | \$4,790,766 | \$0 | \$1,198,841 | \$6,970,635 | \$8,169,476 | \$3,378,710 | 0.25 | 1.71 | 31.58% |
| Weathergag Venture Capital IV, L.P. | 2016 | \$5,000,000 | \$1,400,000 | \$3,600,000 | \$0 | \$307,969 | \$9,408,435 | \$9,716,404 | \$6,116,404 | 0.09 | 2.70 | 26.87% |
| WindRose Health Investors VI, L.P. | 2022 | \$10,000,000 | \$7,396,956 | \$2,603,044 | \$0 | \$0 | \$2,491,138 | \$2,491,138 | -\$111,906 | 0.00 | 0.96 | -10.64% |
| Total Private Equity | | \$332,131,535 | \$106,759,257 | \$225,372,278 | -\$940 | \$142,049,351 | \$285,162,747 | \$427,212,098 | \$201,840,759 | 0.63 | 1.90 | 19.31% |



University of Houston System Endowment Fund

ANALYSIS BY FUND

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|----------------------|----------------------|-------------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Real Assets | | | | | | | | | | | | |
| Denham Commodity Partners Fund VI, L.P. | 2013 | \$4,000,000 | -\$124,084 | \$4,124,084 | \$0 | \$1,500,603 | \$2,133,775 | \$3,634,378 | -\$489,706 | 0.36 | 0.88 | -2.61% |
| Denham Oil and Gas Fund, L.P. | 2015 | \$7,500,000 | \$403,056 | \$7,096,944 | -\$23,570 | \$2,598,760 | \$6,455,838 | \$9,054,598 | \$1,981,224 | 0.37 | 1.28 | 8.69% |
| EnCap Energy Capital Fund VII-B, L.P. | 2007 | \$15,000,000 | \$5,227 | \$14,994,773 | \$0 | \$19,833,626 | \$62,751 | \$19,896,377 | \$4,901,604 | 1.32 | 1.33 | 11.63% |
| EnCap Energy Capital Fund X, L.P. | 2015 | \$4,000,000 | \$209,661 | \$3,790,388 | \$0 | \$3,051,030 | \$4,019,573 | \$7,070,602 | \$3,280,214 | 0.80 | 1.87 | 15.70% |
| EnCap Energy Capital Fund XI, L.P. | 2016 | \$10,000,000 | \$2,646,082 | \$7,353,918 | \$0 | \$924,895 | \$9,773,072 | \$10,697,967 | \$3,344,049 | 0.13 | 1.45 | 18.79% |
| EnCap Flatrock Midstream Fund II-C, L.P. | 2012 | \$3,000,000 | \$917,291 | \$2,082,709 | \$0 | \$3,224,946 | \$347,080 | \$3,572,026 | \$1,489,317 | 1.55 | 1.72 | 21.20% |
| EnCap Flatrock Midstream Fund III, L.P. | 2014 | \$5,000,000 | \$215,475 | \$4,784,525 | \$0 | \$2,878,995 | \$3,837,682 | \$6,716,677 | \$1,932,152 | 0.60 | 1.40 | 10.00% |
| EnCap Flatrock Midstream Fund IV, L.P. | 2017 | \$6,000,000 | \$1,728,196 | \$4,271,804 | \$0 | \$1,373,090 | \$3,671,640 | \$5,044,730 | \$772,926 | 0.32 | 1.18 | 8.61% |
| Energy Spectrum Partners VIII, L.P. | 2018 | \$5,000,000 | \$2,541,874 | \$2,458,126 | \$0 | \$0 | \$2,724,924 | \$2,724,924 | \$266,798 | 0.00 | 1.11 | 6.37% |
| EnerVest Energy Institutional Fund XIV, L.P. | 2015 | \$7,500,000 | \$695,807 | \$6,804,193 | \$0 | \$6,184,359 | \$4,439,495 | \$10,623,854 | \$3,819,661 | 0.91 | 1.56 | 9.80% |
| Hastings Equity Fund IV-B, L.P. | 2018 | \$7,500,000 | \$1,672,675 | \$5,827,325 | \$0 | \$3,585,523 | \$5,235,247 | \$8,820,770 | \$2,993,446 | 0.62 | 1.51 | 21.24% |
| Total Real Assets | | \$74,500,000 | \$10,911,262 | \$63,588,788 | -\$23,570 | \$45,155,826 | \$42,701,077 | \$87,856,904 | \$24,291,686 | 0.71 | 1.38 | 11.11% |
| Real Estate | | | | | | | | | | | | |
| Blackstone Real Estate Partners Europe V, L.P. | 2016 | \$7,500,000 | \$1,228,260 | \$6,271,740 | \$86,361 | \$5,056,762 | \$4,485,199 | \$9,541,961 | \$3,183,860 | 0.80 | 1.50 | 12.20% |
| Blackstone Real Estate Partners Europe VI SCSp | 2019 | \$10,000,000 | \$4,940,325 | \$5,059,675 | \$176,969 | \$2,771,518 | \$3,746,605 | \$6,518,123 | \$1,281,479 | 0.53 | 1.24 | 16.49% |
| Blackstone Real Estate Partners IX L.P. | 2018 | \$9,000,000 | \$657,050 | \$8,342,950 | \$268,875 | \$2,514,154 | \$10,249,522 | \$12,763,676 | \$4,151,851 | 0.29 | 1.48 | 34.41% |
| Blackstone Real Estate Partners VIII, L.P. | 2015 | \$7,500,000 | \$1,016,069 | \$6,483,931 | \$565,244 | \$7,173,992 | \$6,130,755 | \$13,304,747 | \$6,255,573 | 1.02 | 1.89 | 17.45% |
| BPG Investment Partnership VII, L.P. | 2005 | \$5,000,000 | \$0 | \$5,000,000 | \$0 | \$3,606,519 | \$1,211,627 | \$4,818,146 | -\$181,854 | 0.72 | 0.96 | -0.29% |
| BPG Investment Partnership VIII, L.P. | 2007 | \$3,235,295 | \$252,899 | \$2,982,396 | \$0 | \$4,011,156 | \$0 | \$4,011,156 | \$1,028,760 | 1.34 | 1.34 | 3.68% |
| Dalfen Last Mile Industrial Fund V, L.P. | 2021 | \$7,500,000 | \$4,875,000 | \$2,625,000 | \$0 | \$0 | \$2,503,854 | \$2,503,854 | -\$121,146 | 0.00 | 0.95 | -5.98% |
| Embarcadero Capital Investors V, L.P. | 2016 | \$7,500,000 | \$1,634,233 | \$5,865,767 | \$109,256 | \$3,795,282 | \$3,116,090 | \$6,911,372 | \$936,349 | 0.64 | 1.16 | 4.47% |
| Newlin Realty Partners II LP | 2007 | \$3,000,000 | \$194,091 | \$2,805,909 | \$0 | \$4,358,379 | \$195,946 | \$4,554,325 | \$1,748,416 | 1.55 | 1.62 | 8.87% |
| Newlin Realty Partners LP | 2006 | \$5,000,000 | \$505,441 | \$4,494,559 | \$0 | \$4,577,128 | -\$24,581 | \$4,552,547 | \$57,988 | 1.02 | 1.01 | 0.16% |
| Penzance DC Real Estate Fund II, L.P. | 2020 | \$5,000,000 | \$5,000,000 | \$0 | \$0 | \$539,834 | \$181,221 | \$721,055 | \$721,055 | | | |
| Penzance DC Real Estate Fund, L.P. | 2018 | \$7,500,000 | \$2,527,545 | \$4,972,455 | -\$3,493 | \$3,626,466 | \$2,596,221 | \$6,222,687 | \$1,253,725 | 0.73 | 1.25 | 13.16% |
| Total Real Estate | | \$77,735,295 | \$22,830,913 | \$54,904,382 | \$1,203,212 | \$42,031,190 | \$34,392,459 | \$76,423,649 | \$20,316,055 | 0.75 | 1.36 | 6.24% |
| Total | | \$494,366,830 | \$150,501,431 | \$343,865,448 | \$1,178,703 | \$229,236,368 | \$362,256,283 | \$591,492,651 | \$246,448,500 | 0.66 | 1.71 | 14.37% |



University of Houston System Endowment Fund

ANALYSIS BY LIFECYCLE

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|---------------------|---------------------|-------------------------------|-----------------|--------------------------|--------------|--------------|-------------|-------------|------|---------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Fundraising | | | | | | | | | | | | |
| Silver Lake Partners VII, L.P. | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Total Fundraising | | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Investing | | | | | | | | | | | | |
| ACME Fund III, L.P. | 2019 | \$5,000,000 | \$450,440 | \$4,549,560 | \$0 | \$0 | \$5,390,374 | \$5,390,374 | \$840,814 | 0.00 | 1.18 | 10.97% |
| Advent International GPE IX, L.P. | 2019 | \$7,000,000 | \$909,493 | \$6,090,507 | \$0 | \$559,721 | \$8,843,945 | \$9,403,666 | \$3,313,159 | 0.09 | 1.54 | 34.18% |
| Advent International GPE X, L.P. | 2022 | \$9,000,000 | \$8,685,000 | \$315,000 | \$0 | \$0 | \$261,447 | \$261,447 | -\$53,553 | 0.00 | 0.83 | |
| ASF VIII B L.P. | 2018 | \$7,500,000 | \$3,913,712 | \$3,586,288 | -\$3,177 | \$657,117 | \$4,810,014 | \$5,467,131 | \$1,884,020 | 0.18 | 1.53 | 31.59% |
| Binary Capital Fund II, L.P. | 2016 | \$631,535 | \$65,099 | \$566,436 | \$0 | \$397,852 | \$132,900 | \$530,752 | -\$35,684 | 0.70 | 0.94 | -1.77% |
| Blackstone Real Estate Partners Europe V, L.P. | 2016 | \$7,500,000 | \$1,228,260 | \$6,271,740 | \$86,361 | \$5,056,762 | \$4,485,199 | \$9,541,961 | \$3,183,860 | 0.80 | 1.50 | 12.20% |
| Blackstone Real Estate Partners Europe VI SCSp | 2019 | \$10,000,000 | \$4,940,325 | \$5,059,675 | \$176,969 | \$2,771,518 | \$3,746,605 | \$6,518,123 | \$1,281,479 | 0.53 | 1.24 | 16.49% |
| Blackstone Real Estate Partners IX L.P. | 2018 | \$9,000,000 | \$657,050 | \$8,342,950 | \$268,875 | \$2,514,154 | \$10,249,522 | \$12,763,676 | \$4,151,851 | 0.29 | 1.48 | 34.41% |
| Clear Ventures II, L.P. | 2019 | \$5,000,000 | \$2,670,000 | \$2,330,000 | \$0 | \$0 | \$2,866,608 | \$2,866,608 | \$536,608 | 0.00 | 1.23 | 14.09% |
| Dalfen Last Mile Industrial Fund V, L.P. | 2021 | \$7,500,000 | \$4,875,000 | \$2,625,000 | \$0 | \$0 | \$2,503,854 | \$2,503,854 | -\$121,146 | 0.00 | 0.95 | -5.98% |
| Dover Street X Feeder Fund, L.P. | 2019 | \$7,500,000 | \$2,943,750 | \$4,556,250 | \$0 | \$1,444,009 | \$5,598,889 | \$7,042,898 | \$2,486,648 | 0.32 | 1.55 | 46.04% |
| Embarcadero Capital Investors V, L.P. | 2016 | \$7,500,000 | \$1,634,233 | \$5,865,767 | \$109,256 | \$3,795,282 | \$3,116,090 | \$6,911,372 | \$936,349 | 0.64 | 1.16 | 4.47% |
| EnCap Energy Capital Fund XI, L.P. | 2016 | \$10,000,000 | \$2,646,082 | \$7,353,918 | \$0 | \$924,895 | \$9,773,072 | \$10,697,967 | \$3,344,049 | 0.13 | 1.45 | 18.79% |
| EnCap Flatrock Midstream Fund IV, L.P. | 2017 | \$6,000,000 | \$1,728,196 | \$4,271,804 | \$0 | \$1,373,090 | \$3,671,640 | \$5,044,730 | \$772,926 | 0.32 | 1.18 | 8.61% |
| Energy Spectrum Partners VIII, L.P. | 2018 | \$5,000,000 | \$2,541,874 | \$2,458,126 | \$0 | \$0 | \$2,724,924 | \$2,724,924 | \$266,798 | 0.00 | 1.11 | 6.37% |
| Francisco Partners V, L.P. | 2017 | \$5,000,000 | \$462,500 | \$4,537,500 | \$0 | \$1,435,000 | \$6,605,688 | \$8,040,688 | \$3,503,188 | 0.32 | 1.77 | 21.17% |
| Francisco Partners VI, L.P. | 2020 | \$5,000,000 | \$2,612,500 | \$2,387,500 | \$0 | \$0 | \$2,681,511 | \$2,681,511 | \$294,011 | 0.00 | 1.12 | 12.25% |
| Frontenac XII, L.P. | 2021 | \$10,000,000 | \$9,013,327 | \$986,673 | \$0 | \$0 | \$858,366 | \$858,366 | -\$128,307 | 0.00 | 0.87 | -13.00% |
| GCM Grosvenor Advance Fund, L.P. | 2021 | \$10,000,000 | \$6,178,877 | \$3,821,123 | \$0 | \$30,536 | \$4,209,596 | \$4,240,132 | \$419,009 | 0.01 | 1.11 | 13.24% |
| Great Hill Equity Partners VII, L.P. | 2019 | \$7,000,000 | \$1,566,520 | \$5,433,480 | \$0 | \$1,933,698 | \$5,721,626 | \$7,655,324 | \$2,221,844 | 0.36 | 1.41 | 85.36% |
| Great Point Partners III, LP | 2018 | \$4,000,000 | \$637,695 | \$3,362,305 | \$0 | \$2,162,520 | \$3,074,063 | \$5,236,583 | \$1,874,278 | 0.64 | 1.56 | 33.64% |
| Hastings Equity Fund IV-B, L.P. | 2018 | \$7,500,000 | \$1,672,675 | \$5,827,325 | \$0 | \$3,585,523 | \$5,235,247 | \$8,820,770 | \$2,993,446 | 0.62 | 1.51 | 21.24% |
| Jackson Square Ventures II, L.P. | 2016 | \$7,500,000 | \$1,497,188 | \$6,002,812 | \$0 | \$1,920,100 | \$9,114,946 | \$11,035,046 | \$5,032,234 | 0.32 | 1.84 | 29.55% |
| Jackson Square Ventures III, L.P. | 2019 | \$5,000,000 | \$2,716,215 | \$2,283,785 | \$0 | \$0 | \$2,670,534 | \$2,670,534 | \$386,749 | 0.00 | 1.17 | 10.27% |
| Kelso Investment Associates X, L.P. | 2018 | \$7,500,000 | \$1,909,320 | \$5,590,680 | \$283 | \$665,598 | \$10,605,543 | \$11,271,141 | \$5,680,178 | 0.12 | 2.02 | 42.40% |
| Kelso Investment Associates XI, LP | 2021 | \$10,000,000 | \$9,444,221 | \$555,779 | \$0 | \$0 | \$674,965 | \$674,965 | \$119,186 | 0.00 | 1.21 | 28.07% |
| Kennedy Lewis Capital Partners III | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Lexington Capital Partners IX, L.P. | 2018 | \$10,000,000 | \$3,772,921 | \$6,227,079 | \$0 | \$1,290,683 | \$8,878,648 | \$10,169,331 | \$3,942,252 | 0.21 | 1.63 | 44.32% |
| LiveOak Venture Partners II, L.P. | 2017 | \$4,000,000 | \$880,000 | \$3,120,000 | \$0 | \$0 | \$6,543,895 | \$6,543,895 | \$3,423,895 | 0.00 | 2.10 | 35.51% |



University of Houston System Endowment Fund

ANALYSIS BY LIFECYCLE

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|---|--------------|----------------------|----------------------|-------------------------------|------------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Mercury Fund Ventures IV, L.P. | 2017 | \$5,000,000 | \$675,000 | \$4,325,000 | -\$6,091 | \$1,197,895 | \$9,824,537 | \$11,022,432 | \$6,703,523 | 0.28 | 2.55 | 54.24% |
| PeakSpan Capital Growth Partners II, L.P. | 2018 | \$5,000,000 | \$1,659,918 | \$3,340,082 | \$0 | \$1,016,979 | \$5,977,127 | \$6,994,106 | \$3,654,024 | 0.30 | 2.09 | 36.04% |
| Penzance DC Real Estate Fund II, L.P. | 2020 | \$5,000,000 | \$5,000,000 | \$0 | \$0 | \$539,834 | \$181,221 | \$721,055 | \$721,055 | | | |
| Penzance DC Real Estate Fund, L.P. | 2018 | \$7,500,000 | \$2,527,545 | \$4,972,455 | -\$3,493 | \$3,626,466 | \$2,596,221 | \$6,222,687 | \$1,253,725 | 0.73 | 1.25 | 13.16% |
| Silver Lake Partners V, L.P. | 2016 | \$7,000,000 | \$942,839 | \$6,057,161 | \$670 | \$839,887 | \$7,942,269 | \$8,782,156 | \$2,724,325 | 0.14 | 1.45 | 13.22% |
| Silver Lake Partners VI, L.P. | 2020 | \$7,000,000 | \$2,932,497 | \$4,067,503 | \$0 | \$0 | \$4,067,901 | \$4,067,901 | \$398 | 0.00 | 1.00 | 0.01% |
| Thoma Bravo Fund XIII-A, L.P. | 2018 | \$5,000,000 | \$433,107 | \$4,566,893 | -\$20 | \$1,511,100 | \$7,024,403 | \$8,535,503 | \$3,968,630 | 0.33 | 1.87 | 33.47% |
| Thoma Bravo Fund XIV, L.P. | 2020 | \$5,000,000 | \$510,506 | \$4,489,494 | \$0 | \$0 | \$3,888,057 | \$3,888,057 | -\$601,437 | 0.00 | 0.87 | -12.23% |
| Trident Capital VII, L.P. | 2016 | \$7,500,000 | \$1,349,211 | \$6,150,789 | \$0 | \$1,318,106 | \$11,798,225 | \$13,116,331 | \$6,965,542 | 0.21 | 2.13 | 21.53% |
| Trident Capital VIII, L.P. | 2019 | \$7,500,000 | \$736,551 | \$6,763,449 | \$0 | \$336,351 | \$8,608,433 | \$8,944,784 | \$2,181,335 | 0.05 | 1.32 | 20.13% |
| TrueBridge Capital Partners Fund V, L.P. | 2017 | \$5,000,000 | \$755,746 | \$4,244,254 | \$0 | \$319,856 | \$11,151,568 | \$11,471,424 | \$7,227,171 | 0.08 | 2.70 | 43.70% |
| TrueBridge Capital Partners Fund VI (Cayman), L.P. | 2019 | \$3,000,000 | \$300,000 | \$2,700,000 | \$0 | \$0 | \$3,807,549 | \$3,807,549 | \$1,107,549 | 0.00 | 1.41 | 35.57% |
| TrueBridge Capital Partners Fund VII, L.P. | 2021 | \$10,000,000 | \$7,200,000 | \$2,800,000 | \$0 | \$0 | \$2,463,509 | \$2,463,509 | -\$336,491 | 0.00 | 0.88 | -29.08% |
| US Venture Partners XII, L.P. | 2018 | \$5,000,000 | \$775,000 | \$4,225,000 | \$0 | \$971,682 | \$5,875,606 | \$6,847,288 | \$2,622,288 | 0.23 | 1.62 | 42.28% |
| Vivo Capital Fund IX, L.P. | 2018 | \$5,000,000 | \$209,234 | \$4,790,766 | \$0 | \$1,198,841 | \$6,970,635 | \$8,169,476 | \$3,378,710 | 0.25 | 1.71 | 31.58% |
| Weathergage Venture Capital IV, L.P. | 2016 | \$5,000,000 | \$1,400,000 | \$3,600,000 | \$0 | \$307,969 | \$9,408,435 | \$9,716,404 | \$6,116,404 | 0.09 | 2.70 | 26.87% |
| WindRose Health Investors VI, L.P. | 2022 | \$10,000,000 | \$7,396,956 | \$2,603,044 | \$0 | \$0 | \$2,491,138 | \$2,491,138 | -\$111,906 | 0.00 | 0.96 | -10.64% |
| Total Investing | | \$311,131,535 | \$127,056,584 | \$184,074,951 | \$629,634 | \$45,703,026 | \$239,126,545 | \$284,829,571 | \$100,124,986 | 0.25 | 1.54 | 23.66% |
| Harvesting | | | | | | | | | | | | |
| Advent International GPE Fund VII, L.P. | 2012 | \$5,000,000 | \$200,000 | \$4,800,000 | \$0 | \$7,720,713 | \$1,029,785 | \$8,750,498 | \$3,950,498 | 1.61 | 1.82 | 13.66% |
| Advent International GPE VIII-B, L.P. | 2015 | \$6,000,000 | \$0 | \$6,000,000 | \$0 | \$4,383,748 | \$7,049,580 | \$11,433,328 | \$5,433,328 | 0.73 | 1.91 | 18.49% |
| Blackstone Real Estate Partners VIII, L.P. | 2015 | \$7,500,000 | \$1,016,069 | \$6,483,931 | \$565,244 | \$7,173,992 | \$6,130,755 | \$13,304,747 | \$6,255,573 | 1.02 | 1.89 | 17.45% |
| Commonfund Capital International Partners VII, L.P. | 2007 | \$5,000,000 | \$350,000 | \$4,650,000 | \$0 | \$8,975,612 | \$1,487,868 | \$10,463,480 | \$5,813,480 | 1.93 | 2.25 | 14.00% |
| Denham Commodity Partners Fund VI, L.P. | 2013 | \$4,000,000 | -\$124,084 | \$4,124,084 | \$0 | \$1,500,603 | \$2,133,775 | \$3,634,378 | -\$489,706 | 0.36 | 0.88 | -2.61% |
| Denham Oil and Gas Fund, L.P. | 2015 | \$7,500,000 | \$403,056 | \$7,096,944 | -\$23,570 | \$2,598,760 | \$6,455,838 | \$9,054,598 | \$1,981,224 | 0.37 | 1.28 | 8.69% |
| Dover Street IX Cayman Fund, L.P. | 2015 | \$7,500,000 | \$1,125,000 | \$6,375,000 | \$0 | \$6,330,228 | \$4,947,443 | \$11,277,671 | \$4,902,671 | 0.99 | 1.77 | 24.58% |
| Dover Street VIII, L.P. | 2012 | \$4,000,000 | \$320,000 | \$3,680,000 | \$3,431 | \$5,630,667 | \$539,399 | \$6,170,066 | \$2,486,635 | 1.53 | 1.68 | 18.96% |
| EnCap Energy Capital Fund X, L.P. | 2015 | \$4,000,000 | \$209,661 | \$3,790,388 | \$0 | \$3,051,030 | \$4,019,573 | \$7,070,602 | \$3,280,214 | 0.80 | 1.87 | 15.70% |
| EnCap Flatrock Midstream Fund II-C, L.P. | 2012 | \$3,000,000 | \$917,291 | \$2,082,709 | \$0 | \$3,224,946 | \$347,080 | \$3,572,026 | \$1,489,317 | 1.55 | 1.72 | 21.20% |
| EnCap Flatrock Midstream Fund III, L.P. | 2014 | \$5,000,000 | \$215,475 | \$4,784,525 | \$0 | \$2,878,995 | \$3,837,682 | \$6,716,677 | \$1,932,152 | 0.60 | 1.40 | 10.00% |
| EnerVest Energy Institutional Fund XIV, L.P. | 2015 | \$7,500,000 | \$695,807 | \$6,804,193 | \$0 | \$6,184,359 | \$4,439,495 | \$10,623,854 | \$3,819,661 | 0.91 | 1.56 | 9.80% |
| Fisher Lynch Venture Partnership II, L.P. | 2008 | \$2,500,000 | \$296,250 | \$2,203,750 | \$0 | \$3,657,475 | \$727,573 | \$4,385,048 | \$2,181,298 | 1.66 | 1.99 | 9.87% |



University of Houston System Endowment Fund

ANALYSIS BY LIFECYCLE

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|----------------------|----------------------|-------------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Francisco Partners IV, L.P. | 2014 | \$5,000,000 | \$127,500 | \$4,872,500 | \$0 | \$9,606,338 | \$4,644,732 | \$14,251,070 | \$9,378,570 | 1.97 | 2.92 | 28.11% |
| Great Hill Equity Partners V, L.P. | 2013 | \$4,000,000 | \$0 | \$4,000,000 | \$0 | \$8,294,581 | \$2,403,206 | \$10,697,787 | \$6,697,787 | 2.07 | 2.67 | 24.68% |
| Great Hill Equity Partners VI, L.P. | 2016 | \$7,000,000 | \$387,100 | \$6,612,900 | \$0 | \$7,686,286 | \$9,665,418 | \$17,351,704 | \$10,738,804 | 1.16 | 2.62 | 48.76% |
| Insight Equity III, L.P. | 2014 | \$7,500,000 | \$605,829 | \$6,894,171 | \$3,964 | \$201,584 | \$9,897,549 | \$10,099,133 | \$3,200,998 | 0.03 | 1.46 | 8.32% |
| J.H. Whitney VII, L.P. | 2011 | \$4,000,000 | \$88,560 | \$3,911,440 | \$0 | \$5,037,808 | \$1,980,504 | \$7,018,312 | \$3,106,872 | 1.29 | 1.79 | 11.03% |
| Lexington Capital Partners VIII, L.P. | 2014 | \$10,000,000 | \$2,140,536 | \$7,859,464 | \$0 | \$7,334,772 | \$6,536,348 | \$13,871,120 | \$6,011,656 | 0.93 | 1.76 | 17.42% |
| LiveOak Venture Partners I, L.P. | 2013 | \$2,000,000 | \$0 | \$2,000,000 | \$0 | \$2,655,250 | \$2,535,581 | \$5,190,831 | \$3,190,831 | 1.33 | 2.60 | 20.41% |
| Newlin Realty Partners II LP | 2007 | \$3,000,000 | \$194,091 | \$2,805,909 | \$0 | \$4,358,379 | \$195,946 | \$4,554,325 | \$1,748,416 | 1.55 | 1.62 | 8.87% |
| Newlin Realty Partners LP | 2006 | \$5,000,000 | \$505,441 | \$4,494,559 | \$0 | \$4,577,128 | -\$24,581 | \$4,552,547 | \$57,988 | 1.02 | 1.01 | 0.16% |
| Silver Lake Partners IV, L.P. | 2012 | \$4,000,000 | \$117,722 | \$3,882,278 | \$0 | \$4,205,522 | \$5,798,583 | \$10,004,105 | \$6,121,827 | 1.08 | 2.58 | 22.14% |
| SV Life Sciences Fund VI, L.P. | 2015 | \$7,500,000 | \$1,239,791 | \$6,260,209 | \$0 | \$7,596,001 | \$5,143,013 | \$12,739,014 | \$6,478,805 | 1.21 | 2.03 | 19.94% |
| TrueBridge-Kauffman Fellows Endowment Fund III, L.P. | 2013 | \$3,000,000 | \$240,000 | \$2,760,000 | \$0 | \$3,306,713 | \$6,205,273 | \$9,511,986 | \$6,751,986 | 1.20 | 3.45 | 20.46% |
| TrueBridge-Kauffman Fellows Endowment Fund IV, L.P. | 2015 | \$6,250,000 | \$562,500 | \$5,687,500 | \$0 | \$4,432,376 | \$16,661,424 | \$21,093,800 | \$15,406,300 | 0.78 | 3.71 | 34.55% |
| Total Harvesting | | \$136,750,000 | \$11,833,596 | \$124,916,454 | \$549,069 | \$132,603,865 | \$114,788,842 | \$247,392,707 | \$121,927,184 | 1.06 | 1.97 | 14.85% |
| Liquidating | | | | | | | | | | | | |
| BPG Investment Partnership VII, L.P. | 2005 | \$5,000,000 | \$0 | \$5,000,000 | \$0 | \$3,606,519 | \$1,211,627 | \$4,818,146 | -\$181,854 | 0.72 | 0.96 | -0.29% |
| Commonfund Capital International Partners VI, L.P. | 2007 | \$5,000,000 | \$322,500 | \$4,677,500 | \$0 | \$7,015,749 | \$499,644 | \$7,515,393 | \$2,837,893 | 1.50 | 1.61 | 8.86% |
| Commonfund Capital Venture Partners VIII, L.P. | 2007 | \$2,750,000 | \$61,875 | \$2,688,125 | \$0 | \$5,068,180 | \$1,374,637 | \$6,442,817 | \$3,754,692 | 1.89 | 2.40 | 12.45% |
| EnCap Energy Capital Fund VII-B, L.P. | 2007 | \$15,000,000 | \$5,227 | \$14,994,773 | \$0 | \$19,833,626 | \$62,751 | \$19,896,377 | \$4,901,604 | 1.32 | 1.33 | 11.63% |
| Fisher Lynch Buyout Partnership, L.P. | 2008 | \$2,500,000 | \$458,750 | \$2,041,250 | \$0 | \$3,628,016 | \$0 | \$3,628,016 | \$1,586,766 | 1.78 | 1.78 | 9.53% |
| TrueBridge-Kauffman Fellows Endowment Fund II, L.P. | 2010 | \$3,000,000 | \$510,000 | \$2,490,000 | \$0 | \$7,766,232 | \$5,192,237 | \$12,958,469 | \$10,468,469 | 3.12 | 5.20 | 21.34% |
| Total Liquidating | | \$33,250,000 | \$1,358,352 | \$31,891,648 | \$0 | \$46,918,321 | \$8,340,896 | \$55,259,218 | \$23,367,570 | 1.47 | 1.73 | 8.99% |
| Completed | | | | | | | | | | | | |
| BPG Investment Partnership VIII, L.P. | 2007 | \$3,235,295 | \$252,899 | \$2,982,396 | \$0 | \$4,011,156 | \$0 | \$4,011,156 | \$1,028,760 | 1.34 | 1.34 | 3.68% |
| Total Completed | | \$3,235,295 | \$252,899 | \$2,982,396 | \$0 | \$4,011,156 | \$0 | \$4,011,156 | \$1,028,760 | 1.34 | 1.34 | 3.68% |
| Total | | \$494,366,830 | \$150,501,431 | \$343,865,448 | \$1,178,703 | \$229,236,368 | \$362,256,283 | \$591,492,651 | \$246,448,500 | 0.66 | 1.71 | 14.37% |



University of Houston System Endowment Fund

ANALYSIS BY VINTAGE YEAR

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|---|--------------|---------------------|---------------------|-------------------------------|-----------------|--------------------------|--------------------|---------------------|---------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| 2005 | | | | | | | | | | | | |
| BPG Investment Partnership VII, L.P. | 2005 | \$5,000,000 | \$0 | \$5,000,000 | \$0 | \$3,606,519 | \$1,211,627 | \$4,818,146 | -\$181,854 | 0.72 | 0.96 | -0.29% |
| Total 2005 | | \$5,000,000 | \$0 | \$5,000,000 | \$0 | \$3,606,519 | \$1,211,627 | \$4,818,146 | -\$181,854 | 0.72 | 0.96 | -0.29% |
| 2006 | | | | | | | | | | | | |
| Newlin Realty Partners LP | 2006 | \$5,000,000 | \$505,441 | \$4,494,559 | \$0 | \$4,577,128 | -\$24,581 | \$4,552,547 | \$57,988 | 1.02 | 1.01 | 0.16% |
| Total 2006 | | \$5,000,000 | \$505,441 | \$4,494,559 | \$0 | \$4,577,128 | -\$24,581 | \$4,552,547 | \$57,988 | 1.02 | 1.01 | 0.16% |
| 2007 | | | | | | | | | | | | |
| BPG Investment Partnership VIII, L.P. | 2007 | \$3,235,295 | \$252,899 | \$2,982,396 | \$0 | \$4,011,156 | \$0 | \$4,011,156 | \$1,028,760 | 1.34 | 1.34 | 3.68% |
| Commonfund Capital International Partners VI, L.P. | 2007 | \$5,000,000 | \$322,500 | \$4,677,500 | \$0 | \$7,015,749 | \$499,644 | \$7,515,393 | \$2,837,893 | 1.50 | 1.61 | 8.86% |
| Commonfund Capital International Partners VII, L.P. | 2007 | \$5,000,000 | \$350,000 | \$4,650,000 | \$0 | \$8,975,612 | \$1,487,868 | \$10,463,480 | \$5,813,480 | 1.93 | 2.25 | 14.00% |
| Commonfund Capital Venture Partners VIII, L.P. | 2007 | \$2,750,000 | \$61,875 | \$2,688,125 | \$0 | \$5,068,180 | \$1,374,637 | \$6,442,817 | \$3,754,692 | 1.89 | 2.40 | 12.45% |
| EnCap Energy Capital Fund VII-B, L.P. | 2007 | \$15,000,000 | \$5,227 | \$14,994,773 | \$0 | \$19,833,626 | \$62,751 | \$19,896,377 | \$4,901,604 | 1.32 | 1.33 | 11.63% |
| Newlin Realty Partners II LP | 2007 | \$3,000,000 | \$194,091 | \$2,805,909 | \$0 | \$4,358,379 | \$195,946 | \$4,554,325 | \$1,748,416 | 1.55 | 1.62 | 8.87% |
| Total 2007 | | \$33,985,295 | \$1,186,592 | \$32,798,703 | \$0 | \$49,262,702 | \$3,620,846 | \$52,883,548 | \$20,084,845 | 1.50 | 1.61 | 10.15% |
| 2008 | | | | | | | | | | | | |
| Fisher Lynch Buyout Partnership, L.P. | 2008 | \$2,500,000 | \$458,750 | \$2,041,250 | \$0 | \$3,628,016 | \$0 | \$3,628,016 | \$1,586,766 | 1.78 | 1.78 | 9.53% |
| Fisher Lynch Venture Partnership II, L.P. | 2008 | \$2,500,000 | \$296,250 | \$2,203,750 | \$0 | \$3,657,475 | \$727,573 | \$4,385,048 | \$2,181,298 | 1.66 | 1.99 | 9.87% |
| Total 2008 | | \$5,000,000 | \$755,000 | \$4,245,000 | \$0 | \$7,285,491 | \$727,573 | \$8,013,064 | \$3,768,064 | 1.72 | 1.89 | 9.72% |
| 2010 | | | | | | | | | | | | |
| TrueBridge-Kauffman Fellows Endowment Fund II, L.P. | 2010 | \$3,000,000 | \$510,000 | \$2,490,000 | \$0 | \$7,766,232 | \$5,192,237 | \$12,958,469 | \$10,468,469 | 3.12 | 5.20 | 21.34% |
| Total 2010 | | \$3,000,000 | \$510,000 | \$2,490,000 | \$0 | \$7,766,232 | \$5,192,237 | \$12,958,469 | \$10,468,469 | 3.12 | 5.20 | 21.34% |
| 2011 | | | | | | | | | | | | |
| J.H. Whitney VII, L.P. | 2011 | \$4,000,000 | \$88,560 | \$3,911,440 | \$0 | \$5,037,808 | \$1,980,504 | \$7,018,312 | \$3,106,872 | 1.29 | 1.79 | 11.03% |
| Total 2011 | | \$4,000,000 | \$88,560 | \$3,911,440 | \$0 | \$5,037,808 | \$1,980,504 | \$7,018,312 | \$3,106,872 | 1.29 | 1.79 | 11.03% |
| 2012 | | | | | | | | | | | | |
| Advent International GPE Fund VII, L.P. | 2012 | \$5,000,000 | \$200,000 | \$4,800,000 | \$0 | \$7,720,713 | \$1,029,785 | \$8,750,498 | \$3,950,498 | 1.61 | 1.82 | 13.66% |
| Dover Street VIII, L.P. | 2012 | \$4,000,000 | \$320,000 | \$3,680,000 | \$3,431 | \$5,630,667 | \$539,399 | \$6,170,066 | \$2,486,635 | 1.53 | 1.68 | 18.96% |
| EnCap Flatrock Midstream Fund II-C, L.P. | 2012 | \$3,000,000 | \$917,291 | \$2,082,709 | \$0 | \$3,224,946 | \$347,080 | \$3,572,026 | \$1,489,317 | 1.55 | 1.72 | 21.20% |
| Silver Lake Partners IV, L.P. | 2012 | \$4,000,000 | \$117,722 | \$3,882,278 | \$0 | \$4,205,522 | \$5,798,583 | \$10,004,105 | \$6,121,827 | 1.08 | 2.58 | 22.14% |
| Total 2012 | | \$16,000,000 | \$1,555,013 | \$14,444,987 | \$3,431 | \$20,781,849 | \$7,714,847 | \$28,496,696 | \$14,048,277 | 1.44 | 1.97 | 17.95% |



University of Houston System Endowment Fund

ANALYSIS BY VINTAGE YEAR

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|---------------------|---------------------|-------------------------------|------------------|--------------------------|---------------------|---------------------|---------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| 2013 | | | | | | | | | | | | |
| Denham Commodity Partners Fund VI, L.P. | 2013 | \$4,000,000 | -\$124,084 | \$4,124,084 | \$0 | \$1,500,603 | \$2,133,775 | \$3,634,378 | -\$489,706 | 0.36 | 0.88 | -2.61% |
| Great Hill Equity Partners V, L.P. | 2013 | \$4,000,000 | \$0 | \$4,000,000 | \$0 | \$8,294,581 | \$2,403,206 | \$10,697,787 | \$6,697,787 | 2.07 | 2.67 | 24.68% |
| LiveOak Venture Partners I, L.P. | 2013 | \$2,000,000 | \$0 | \$2,000,000 | \$0 | \$2,655,250 | \$2,535,581 | \$5,190,831 | \$3,190,831 | 1.33 | 2.60 | 20.41% |
| TrueBridge-Kauffman Fellows Endowment Fund III, L.P. | 2013 | \$3,000,000 | \$240,000 | \$2,760,000 | \$0 | \$3,306,713 | \$6,205,273 | \$9,511,986 | \$6,751,986 | 1.20 | 3.45 | 20.46% |
| Total 2013 | | \$13,000,000 | \$115,916 | \$12,884,084 | \$0 | \$15,757,146 | \$13,277,835 | \$29,034,981 | \$16,150,897 | 1.22 | 2.25 | 16.43% |
| 2014 | | | | | | | | | | | | |
| EnCap Flatrock Midstream Fund III, L.P. | 2014 | \$5,000,000 | \$215,475 | \$4,784,525 | \$0 | \$2,878,995 | \$3,837,682 | \$6,716,677 | \$1,932,152 | 0.60 | 1.40 | 10.00% |
| Francisco Partners IV, L.P. | 2014 | \$5,000,000 | \$127,500 | \$4,872,500 | \$0 | \$9,606,338 | \$4,644,732 | \$14,251,070 | \$9,378,570 | 1.97 | 2.92 | 28.11% |
| Insight Equity III, L.P. | 2014 | \$7,500,000 | \$605,829 | \$6,894,171 | \$3,964 | \$201,584 | \$9,897,549 | \$10,099,133 | \$3,200,998 | 0.03 | 1.46 | 8.32% |
| Lexington Capital Partners VIII, L.P. | 2014 | \$10,000,000 | \$2,140,536 | \$7,859,464 | \$0 | \$7,334,772 | \$6,536,348 | \$13,871,120 | \$6,011,656 | 0.93 | 1.76 | 17.42% |
| Total 2014 | | \$27,500,000 | \$3,089,340 | \$24,410,660 | \$3,964 | \$20,021,689 | \$24,916,311 | \$44,938,000 | \$20,523,376 | 0.82 | 1.84 | 16.55% |
| 2015 | | | | | | | | | | | | |
| Advent International GPE VIII-B, L.P. | 2015 | \$6,000,000 | \$0 | \$6,000,000 | \$0 | \$4,383,748 | \$7,049,580 | \$11,433,328 | \$5,433,328 | 0.73 | 1.91 | 18.49% |
| Blackstone Real Estate Partners VIII, L.P. | 2015 | \$7,500,000 | \$1,016,069 | \$6,483,931 | \$565,244 | \$7,173,992 | \$6,130,755 | \$13,304,747 | \$6,255,573 | 1.02 | 1.89 | 17.45% |
| Denham Oil and Gas Fund, L.P. | 2015 | \$7,500,000 | \$403,056 | \$7,096,944 | -\$23,570 | \$2,598,760 | \$6,455,838 | \$9,054,598 | \$1,981,224 | 0.37 | 1.28 | 8.69% |
| Dover Street IX Cayman Fund, L.P. | 2015 | \$7,500,000 | \$1,125,000 | \$6,375,000 | \$0 | \$6,330,228 | \$4,947,443 | \$11,277,671 | \$4,902,671 | 0.99 | 1.77 | 24.58% |
| EnCap Energy Capital Fund X, L.P. | 2015 | \$4,000,000 | \$209,661 | \$3,790,388 | \$0 | \$3,051,030 | \$4,019,573 | \$7,070,602 | \$3,280,214 | 0.80 | 1.87 | 15.70% |
| EnerVest Energy Institutional Fund XIV, L.P. | 2015 | \$7,500,000 | \$695,807 | \$6,804,193 | \$0 | \$6,184,359 | \$4,439,495 | \$10,623,854 | \$3,819,661 | 0.91 | 1.56 | 9.80% |
| SV Life Sciences Fund VI, L.P. | 2015 | \$7,500,000 | \$1,239,791 | \$6,260,209 | \$0 | \$7,596,001 | \$5,143,013 | \$12,739,014 | \$6,478,805 | 1.21 | 2.03 | 19.94% |
| TrueBridge-Kauffman Fellows Endowment Fund IV, L.P. | 2015 | \$6,250,000 | \$562,500 | \$5,687,500 | \$0 | \$4,432,376 | \$16,661,424 | \$21,093,800 | \$15,406,300 | 0.78 | 3.71 | 34.55% |
| Total 2015 | | \$53,750,000 | \$5,251,885 | \$48,498,164 | \$541,674 | \$41,750,493 | \$54,847,121 | \$96,597,614 | \$47,557,776 | 0.85 | 1.97 | 18.89% |
| 2016 | | | | | | | | | | | | |
| Binary Capital Fund II, L.P. | 2016 | \$631,535 | \$65,099 | \$566,436 | \$0 | \$397,852 | \$132,900 | \$530,752 | -\$35,684 | 0.70 | 0.94 | -1.77% |
| Blackstone Real Estate Partners Europe V, L.P. | 2016 | \$7,500,000 | \$1,228,260 | \$6,271,740 | \$86,361 | \$5,056,762 | \$4,485,199 | \$9,541,961 | \$3,183,860 | 0.80 | 1.50 | 12.20% |
| Embarcadero Capital Investors V, L.P. | 2016 | \$7,500,000 | \$1,634,233 | \$5,865,767 | \$109,256 | \$3,795,282 | \$3,116,090 | \$6,911,372 | \$936,349 | 0.64 | 1.16 | 4.47% |
| EnCap Energy Capital Fund XI, L.P. | 2016 | \$10,000,000 | \$2,646,082 | \$7,353,918 | \$0 | \$924,895 | \$9,773,072 | \$10,697,967 | \$3,344,049 | 0.13 | 1.45 | 18.79% |
| Great Hill Equity Partners VI, L.P. | 2016 | \$7,000,000 | \$387,100 | \$6,612,900 | \$0 | \$7,686,286 | \$9,665,418 | \$17,351,704 | \$10,738,804 | 1.16 | 2.62 | 48.76% |
| Jackson Square Ventures II, L.P. | 2016 | \$7,500,000 | \$1,497,188 | \$6,002,812 | \$0 | \$1,920,100 | \$9,114,946 | \$11,035,046 | \$5,032,234 | 0.32 | 1.84 | 29.55% |
| Silver Lake Partners V, L.P. | 2016 | \$7,000,000 | \$942,839 | \$6,057,161 | \$670 | \$839,887 | \$7,942,269 | \$8,782,156 | \$2,724,325 | 0.14 | 1.45 | 13.22% |
| Trident Capital VII, L.P. | 2016 | \$7,500,000 | \$1,349,211 | \$6,150,789 | \$0 | \$1,318,106 | \$11,798,225 | \$13,116,331 | \$6,965,542 | 0.21 | 2.13 | 21.53% |
| Weathergag Venture Capital IV, L.P. | 2016 | \$5,000,000 | \$1,400,000 | \$3,600,000 | \$0 | \$307,969 | \$9,408,435 | \$9,716,404 | \$6,116,404 | 0.09 | 2.70 | 26.87% |
| Total 2016 | | \$59,631,535 | \$11,150,013 | \$48,481,522 | \$196,287 | \$22,247,140 | \$65,436,554 | \$87,683,694 | \$39,005,884 | 0.46 | 1.80 | 20.62% |



University of Houston System Endowment Fund

ANALYSIS BY VINTAGE YEAR

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|---------------------|---------------------|-------------------------------|------------------|--------------------------|---------------------|---------------------|---------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| 2017 | | | | | | | | | | | | |
| EnCap Flatrock Midstream Fund IV, L.P. | 2017 | \$6,000,000 | \$1,728,196 | \$4,271,804 | \$0 | \$1,373,090 | \$3,671,640 | \$5,044,730 | \$772,926 | 0.32 | 1.18 | 8.61% |
| Francisco Partners V, L.P. | 2017 | \$5,000,000 | \$462,500 | \$4,537,500 | \$0 | \$1,435,000 | \$6,605,688 | \$8,040,688 | \$3,503,188 | 0.32 | 1.77 | 21.17% |
| LiveOak Venture Partners II, L.P. | 2017 | \$4,000,000 | \$880,000 | \$3,120,000 | \$0 | \$0 | \$6,543,895 | \$6,543,895 | \$3,423,895 | 0.00 | 2.10 | 35.51% |
| Mercury Fund Ventures IV, L.P. | 2017 | \$5,000,000 | \$675,000 | \$4,325,000 | -\$6,091 | \$1,197,895 | \$9,824,537 | \$11,022,432 | \$6,703,523 | 0.28 | 2.55 | 54.24% |
| TrueBridge Capital Partners Fund V, L.P. | 2017 | \$5,000,000 | \$755,746 | \$4,244,254 | \$0 | \$319,856 | \$11,151,568 | \$11,471,424 | \$7,227,171 | 0.08 | 2.70 | 43.70% |
| Total 2017 | | \$25,000,000 | \$4,501,443 | \$20,498,557 | -\$6,091 | \$4,325,842 | \$37,797,328 | \$42,123,170 | \$21,630,703 | 0.21 | 2.06 | 32.61% |
| 2018 | | | | | | | | | | | | |
| ASF VIII B L.P. | 2018 | \$7,500,000 | \$3,913,712 | \$3,586,288 | -\$3,177 | \$657,117 | \$4,810,014 | \$5,467,131 | \$1,884,020 | 0.18 | 1.53 | 31.59% |
| Blackstone Real Estate Partners IX L.P. | 2018 | \$9,000,000 | \$657,050 | \$8,342,950 | \$268,875 | \$2,514,154 | \$10,249,522 | \$12,763,676 | \$4,151,851 | 0.29 | 1.48 | 34.41% |
| Energy Spectrum Partners VIII, L.P. | 2018 | \$5,000,000 | \$2,541,874 | \$2,458,126 | \$0 | \$0 | \$2,724,924 | \$2,724,924 | \$266,798 | 0.00 | 1.11 | 6.37% |
| Great Point Partners III, LP | 2018 | \$4,000,000 | \$637,695 | \$3,362,305 | \$0 | \$2,162,520 | \$3,074,063 | \$5,236,583 | \$1,874,278 | 0.64 | 1.56 | 33.64% |
| Hastings Equity Fund IV-B, L.P. | 2018 | \$7,500,000 | \$1,672,675 | \$5,827,325 | \$0 | \$3,585,523 | \$5,235,247 | \$8,820,770 | \$2,993,446 | 0.62 | 1.51 | 21.24% |
| Kelso Investment Associates X, L.P. | 2018 | \$7,500,000 | \$1,909,320 | \$5,590,680 | \$283 | \$665,598 | \$10,605,543 | \$11,271,141 | \$5,680,178 | 0.12 | 2.02 | 42.40% |
| Lexington Capital Partners IX, L.P. | 2018 | \$10,000,000 | \$3,772,921 | \$6,227,079 | \$0 | \$1,290,683 | \$8,878,648 | \$10,169,331 | \$3,942,252 | 0.21 | 1.63 | 44.32% |
| PeakSpan Capital Growth Partners II, L.P. | 2018 | \$5,000,000 | \$1,659,918 | \$3,340,082 | \$0 | \$1,016,979 | \$5,977,127 | \$6,994,106 | \$3,654,024 | 0.30 | 2.09 | 36.04% |
| Penzance DC Real Estate Fund, L.P. | 2018 | \$7,500,000 | \$2,527,545 | \$4,972,455 | -\$3,493 | \$3,626,466 | \$2,596,221 | \$6,222,687 | \$1,253,725 | 0.73 | 1.25 | 13.16% |
| Thoma Bravo Fund XIII-A, L.P. | 2018 | \$5,000,000 | \$433,107 | \$4,566,893 | -\$20 | \$1,511,100 | \$7,024,403 | \$8,535,503 | \$3,968,630 | 0.33 | 1.87 | 33.47% |
| US Venture Partners XII, L.P. | 2018 | \$5,000,000 | \$775,000 | \$4,225,000 | \$0 | \$971,682 | \$5,875,606 | \$6,847,288 | \$2,622,288 | 0.23 | 1.62 | 42.28% |
| Vivo Capital Fund IX, L.P. | 2018 | \$5,000,000 | \$209,234 | \$4,790,766 | \$0 | \$1,198,841 | \$6,970,635 | \$8,169,476 | \$3,378,710 | 0.25 | 1.71 | 31.58% |
| Total 2018 | | \$78,000,000 | \$20,710,051 | \$57,289,949 | \$262,468 | \$19,200,663 | \$74,021,953 | \$93,222,616 | \$35,670,199 | 0.33 | 1.62 | 31.34% |
| 2019 | | | | | | | | | | | | |
| ACME Fund III, L.P. | 2019 | \$5,000,000 | \$450,440 | \$4,549,560 | \$0 | \$0 | \$5,390,374 | \$5,390,374 | \$840,814 | 0.00 | 1.18 | 10.97% |
| Advent International GPE IX, L.P. | 2019 | \$7,000,000 | \$909,493 | \$6,090,507 | \$0 | \$559,721 | \$8,843,945 | \$9,403,666 | \$3,313,159 | 0.09 | 1.54 | 34.18% |
| Blackstone Real Estate Partners Europe VI SCSp | 2019 | \$10,000,000 | \$4,940,325 | \$5,059,675 | \$176,969 | \$2,771,518 | \$3,746,605 | \$6,518,123 | \$1,281,479 | 0.53 | 1.24 | 16.49% |
| Clear Ventures II, L.P. | 2019 | \$5,000,000 | \$2,670,000 | \$2,330,000 | \$0 | \$0 | \$2,866,608 | \$2,866,608 | \$536,608 | 0.00 | 1.23 | 14.09% |
| Dover Street X Feeder Fund, L.P. | 2019 | \$7,500,000 | \$2,943,750 | \$4,556,250 | \$0 | \$1,444,009 | \$5,598,889 | \$7,042,898 | \$2,486,648 | 0.32 | 1.55 | 46.04% |
| Great Hill Equity Partners VII, L.P. | 2019 | \$7,000,000 | \$1,566,520 | \$5,433,480 | \$0 | \$1,933,698 | \$5,721,626 | \$7,655,324 | \$2,221,844 | 0.36 | 1.41 | 85.36% |
| Jackson Square Ventures III, L.P. | 2019 | \$5,000,000 | \$2,716,215 | \$2,283,785 | \$0 | \$0 | \$2,670,534 | \$2,670,534 | \$386,749 | 0.00 | 1.17 | 10.27% |
| Trident Capital VIII, L.P. | 2019 | \$7,500,000 | \$736,551 | \$6,763,449 | \$0 | \$336,351 | \$8,608,433 | \$8,944,784 | \$2,181,335 | 0.05 | 1.32 | 20.13% |
| Truebridge Capital Partners Fund VI (Cayman), L.P. | 2019 | \$3,000,000 | \$300,000 | \$2,700,000 | \$0 | \$0 | \$3,807,549 | \$3,807,549 | \$1,107,549 | 0.00 | 1.41 | 35.57% |
| Total 2019 | | \$57,000,000 | \$17,233,294 | \$39,766,706 | \$176,969 | \$7,045,297 | \$47,254,563 | \$54,299,860 | \$14,356,186 | 0.18 | 1.36 | 25.96% |



University of Houston System Endowment Fund

ANALYSIS BY VINTAGE YEAR

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|----------------------|----------------------|-------------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|----------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| 2020 | | | | | | | | | | | | |
| Francisco Partners VI, L.P. | 2020 | \$5,000,000 | \$2,612,500 | \$2,387,500 | \$0 | \$0 | \$2,681,511 | \$2,681,511 | \$294,011 | 0.00 | 1.12 | 12.25% |
| Penzance DC Real Estate Fund II, L.P. | 2020 | \$5,000,000 | \$5,000,000 | \$0 | \$0 | \$539,834 | \$181,221 | \$721,055 | \$721,055 | | | |
| Silver Lake Partners VI, L.P. | 2020 | \$7,000,000 | \$2,932,497 | \$4,067,503 | \$0 | \$0 | \$4,067,901 | \$4,067,901 | \$398 | 0.00 | 1.00 | 0.01% |
| Thoma Bravo Fund XIV, L.P. | 2020 | \$5,000,000 | \$510,506 | \$4,489,494 | \$0 | \$0 | \$3,888,057 | \$3,888,057 | -\$601,437 | 0.00 | 0.87 | -12.23% |
| Total 2020 | | \$22,000,000 | \$11,055,503 | \$10,944,497 | \$0 | \$539,834 | \$10,818,690 | \$11,358,524 | \$414,027 | 0.05 | 1.04 | 3.48% |
| 2021 | | | | | | | | | | | | |
| Dalfen Last Mile Industrial Fund V, L.P. | 2021 | \$7,500,000 | \$4,875,000 | \$2,625,000 | \$0 | \$0 | \$2,503,854 | \$2,503,854 | -\$121,146 | 0.00 | 0.95 | -5.98% |
| Frontenac XII, L.P. | 2021 | \$10,000,000 | \$9,013,327 | \$986,673 | \$0 | \$0 | \$858,366 | \$858,366 | -\$128,307 | 0.00 | 0.87 | -13.00% |
| GCM Grosvenor Advance Fund, L.P. | 2021 | \$10,000,000 | \$6,178,877 | \$3,821,123 | \$0 | \$30,536 | \$4,209,596 | \$4,240,132 | \$419,009 | 0.01 | 1.11 | 13.24% |
| Kelso Investment Associates XI, LP | 2021 | \$10,000,000 | \$9,444,221 | \$555,779 | \$0 | \$0 | \$674,965 | \$674,965 | \$119,186 | 0.00 | 1.21 | 28.07% |
| TrueBridge Capital Partners Fund VII, L.P. | 2021 | \$10,000,000 | \$7,200,000 | \$2,800,000 | \$0 | \$0 | \$2,463,509 | \$2,463,509 | -\$336,491 | 0.00 | 0.88 | -29.08% |
| Total 2021 | | \$47,500,000 | \$36,711,425 | \$10,788,575 | \$0 | \$30,536 | \$10,710,290 | \$10,740,826 | -\$47,749 | 0.00 | 1.00 | -1.10% |
| 2022 | | | | | | | | | | | | |
| Advent International GPE X, L.P. | 2022 | \$9,000,000 | \$8,685,000 | \$315,000 | \$0 | \$0 | \$261,447 | \$261,447 | -\$53,553 | 0.00 | 0.83 | |
| Kennedy Lewis Capital Partners III | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Silver Lake Partners VII, L.P. | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| WindRose Health Investors VI, L.P. | 2022 | \$10,000,000 | \$7,396,956 | \$2,603,044 | \$0 | \$0 | \$2,491,138 | \$2,491,138 | -\$111,906 | 0.00 | 0.96 | -10.64% |
| Total 2022 | | \$39,000,000 | \$36,081,956 | \$2,918,044 | \$0 | \$0 | \$2,752,585 | \$2,752,585 | -\$165,459 | 0.00 | 0.94 | -15.62% |
| Total | | \$494,366,830 | \$150,501,431 | \$343,865,448 | \$1,178,703 | \$229,236,368 | \$362,256,283 | \$591,492,651 | \$246,448,500 | 0.66 | 1.71 | 14.37% |



University of Houston System Endowment Fund

ANALYSIS BY INVESTMENT STRATEGY

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|---|--------------|----------------------|---------------------|-------------------------------|-----------------|--------------------------|----------------------|----------------------|---------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Buyout | | | | | | | | | | | | |
| Advent International GPE Fund VII, L.P. | 2012 | \$5,000,000 | \$200,000 | \$4,800,000 | \$0 | \$7,720,713 | \$1,029,785 | \$8,750,498 | \$3,950,498 | 1.61 | 1.82 | 13.66% |
| Advent International GPE IX, L.P. | 2019 | \$7,000,000 | \$909,493 | \$6,090,507 | \$0 | \$559,721 | \$8,843,945 | \$9,403,666 | \$3,313,159 | 0.09 | 1.54 | 34.18% |
| Advent International GPE VIII-B, L.P. | 2015 | \$6,000,000 | \$0 | \$6,000,000 | \$0 | \$4,383,748 | \$7,049,580 | \$11,433,328 | \$5,433,328 | 0.73 | 1.91 | 18.49% |
| Advent International GPE X, L.P. | 2022 | \$9,000,000 | \$8,685,000 | \$315,000 | \$0 | \$0 | \$261,447 | \$261,447 | -\$53,553 | 0.00 | 0.83 | |
| Fisher Lynch Buyout Partnership, L.P. | 2008 | \$2,500,000 | \$458,750 | \$2,041,250 | \$0 | \$3,628,016 | \$0 | \$3,628,016 | \$1,586,766 | 1.78 | 1.78 | 9.53% |
| Francisco Partners IV, L.P. | 2014 | \$5,000,000 | \$127,500 | \$4,872,500 | \$0 | \$9,606,338 | \$4,644,732 | \$14,251,070 | \$9,378,570 | 1.97 | 2.92 | 28.11% |
| Francisco Partners V, L.P. | 2017 | \$5,000,000 | \$462,500 | \$4,537,500 | \$0 | \$1,435,000 | \$6,605,688 | \$8,040,688 | \$3,503,188 | 0.32 | 1.77 | 21.17% |
| Francisco Partners VI, L.P. | 2020 | \$5,000,000 | \$2,612,500 | \$2,387,500 | \$0 | \$0 | \$2,681,511 | \$2,681,511 | \$294,011 | 0.00 | 1.12 | 12.25% |
| Frontenac XII, L.P. | 2021 | \$10,000,000 | \$9,013,327 | \$986,673 | \$0 | \$0 | \$858,366 | \$858,366 | -\$128,307 | 0.00 | 0.87 | -13.00% |
| Great Hill Equity Partners V, L.P. | 2013 | \$4,000,000 | \$0 | \$4,000,000 | \$0 | \$8,294,581 | \$2,403,206 | \$10,697,787 | \$6,697,787 | 2.07 | 2.67 | 24.68% |
| Great Hill Equity Partners VI, L.P. | 2016 | \$7,000,000 | \$387,100 | \$6,612,900 | \$0 | \$7,686,286 | \$9,665,418 | \$17,351,704 | \$10,738,804 | 1.16 | 2.62 | 48.76% |
| Great Hill Equity Partners VII, L.P. | 2019 | \$7,000,000 | \$1,566,520 | \$5,433,480 | \$0 | \$1,933,698 | \$5,721,626 | \$7,655,324 | \$2,221,844 | 0.36 | 1.41 | 85.36% |
| Great Point Partners III, LP | 2018 | \$4,000,000 | \$637,695 | \$3,362,305 | \$0 | \$2,162,520 | \$3,074,063 | \$5,236,583 | \$1,874,278 | 0.64 | 1.56 | 33.64% |
| Insight Equity III, L.P. | 2014 | \$7,500,000 | \$605,829 | \$6,894,171 | \$3,964 | \$201,584 | \$9,897,549 | \$10,099,133 | \$3,200,998 | 0.03 | 1.46 | 8.32% |
| J.H. Whitney VII, L.P. | 2011 | \$4,000,000 | \$88,560 | \$3,911,440 | \$0 | \$5,037,808 | \$1,980,504 | \$7,018,312 | \$3,106,872 | 1.29 | 1.79 | 11.03% |
| Kelso Investment Associates X, L.P. | 2018 | \$7,500,000 | \$1,909,320 | \$5,590,680 | \$283 | \$665,598 | \$10,605,543 | \$11,271,141 | \$5,680,178 | 0.12 | 2.02 | 42.40% |
| Kelso Investment Associates XI, LP | 2021 | \$10,000,000 | \$9,444,221 | \$555,779 | \$0 | \$0 | \$674,965 | \$674,965 | \$119,186 | 0.00 | 1.21 | 28.07% |
| Silver Lake Partners IV, L.P. | 2012 | \$4,000,000 | \$117,722 | \$3,882,278 | \$0 | \$4,205,522 | \$5,798,583 | \$10,004,105 | \$6,121,827 | 1.08 | 2.58 | 22.14% |
| Silver Lake Partners V, L.P. | 2016 | \$7,000,000 | \$942,839 | \$6,057,161 | \$670 | \$839,887 | \$7,942,269 | \$8,782,156 | \$2,724,325 | 0.14 | 1.45 | 13.22% |
| Silver Lake Partners VI, L.P. | 2020 | \$7,000,000 | \$2,932,497 | \$4,067,503 | \$0 | \$0 | \$4,067,901 | \$4,067,901 | \$398 | 0.00 | 1.00 | 0.01% |
| Silver Lake Partners VII, L.P. | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Thoma Bravo Fund XIII-A, L.P. | 2018 | \$5,000,000 | \$433,107 | \$4,566,893 | -\$20 | \$1,511,100 | \$7,024,403 | \$8,535,503 | \$3,968,630 | 0.33 | 1.87 | 33.47% |
| Thoma Bravo Fund XIV, L.P. | 2020 | \$5,000,000 | \$510,506 | \$4,489,494 | \$0 | \$0 | \$3,888,057 | \$3,888,057 | -\$601,437 | 0.00 | 0.87 | -12.23% |
| Trident Capital VII, L.P. | 2016 | \$7,500,000 | \$1,349,211 | \$6,150,789 | \$0 | \$1,318,106 | \$11,798,225 | \$13,116,331 | \$6,965,542 | 0.21 | 2.13 | 21.53% |
| Trident Capital VIII, L.P. | 2019 | \$7,500,000 | \$736,551 | \$6,763,449 | \$0 | \$336,351 | \$8,608,433 | \$8,944,784 | \$2,181,335 | 0.05 | 1.32 | 20.13% |
| WindRose Health Investors VI, L.P. | 2022 | \$10,000,000 | \$7,396,956 | \$2,603,044 | \$0 | \$0 | \$2,491,138 | \$2,491,138 | -\$111,906 | 0.00 | 0.96 | -10.64% |
| Total Buyout | | \$168,500,000 | \$61,527,705 | \$106,972,295 | \$4,897 | \$61,526,577 | \$127,616,937 | \$189,143,514 | \$82,166,322 | 0.58 | 1.77 | 19.35% |
| Credit Opportunities | | | | | | | | | | | | |
| Kennedy Lewis Capital Partners III | 2022 | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |
| Total Credit Opportunities | | \$10,000,000 | \$10,000,000 | \$0 | \$0 | \$0 | | | | | | |



University of Houston System Endowment Fund

ANALYSIS BY INVESTMENT STRATEGY

| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|--|--------------|---------------------|---------------------|-------------------------------|--------------------|--------------------------|---------------------|---------------------|---------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Energy | | | | | | | | | | | | |
| Denham Commodity Partners Fund VI, L.P. | 2013 | \$4,000,000 | -\$124,084 | \$4,124,084 | \$0 | \$1,500,603 | \$2,133,775 | \$3,634,378 | -\$489,706 | 0.36 | 0.88 | -2.61% |
| Denham Oil and Gas Fund, L.P. | 2015 | \$7,500,000 | \$403,056 | \$7,096,944 | -\$23,570 | \$2,598,760 | \$6,455,838 | \$9,054,598 | \$1,981,224 | 0.37 | 1.28 | 8.69% |
| EnCap Energy Capital Fund VII-B, L.P. | 2007 | \$15,000,000 | \$5,227 | \$14,994,773 | \$0 | \$19,833,626 | \$62,751 | \$19,896,377 | \$4,901,604 | 1.32 | 1.33 | 11.63% |
| EnCap Energy Capital Fund X, L.P. | 2015 | \$4,000,000 | \$209,661 | \$3,790,388 | \$0 | \$3,051,030 | \$4,019,573 | \$7,070,602 | \$3,280,214 | 0.80 | 1.87 | 15.70% |
| EnCap Energy Capital Fund XI, L.P. | 2016 | \$10,000,000 | \$2,646,082 | \$7,353,918 | \$0 | \$924,895 | \$9,773,072 | \$10,697,967 | \$3,344,049 | 0.13 | 1.45 | 18.79% |
| EnCap Flatrock Midstream Fund II-C, L.P. | 2012 | \$3,000,000 | \$917,291 | \$2,082,709 | \$0 | \$3,224,946 | \$347,080 | \$3,572,026 | \$1,489,317 | 1.55 | 1.72 | 21.20% |
| EnCap Flatrock Midstream Fund III, L.P. | 2014 | \$5,000,000 | \$215,475 | \$4,784,525 | \$0 | \$2,878,995 | \$3,837,682 | \$6,716,677 | \$1,932,152 | 0.60 | 1.40 | 10.00% |
| EnCap Flatrock Midstream Fund IV, L.P. | 2017 | \$6,000,000 | \$1,728,196 | \$4,271,804 | \$0 | \$1,373,090 | \$3,671,640 | \$5,044,730 | \$772,926 | 0.32 | 1.18 | 8.61% |
| Energy Spectrum Partners VIII, L.P. | 2018 | \$5,000,000 | \$2,541,874 | \$2,458,126 | \$0 | \$0 | \$2,724,924 | \$2,724,924 | \$266,798 | 0.00 | 1.11 | 6.37% |
| EnerVest Energy Institutional Fund XIV, L.P. | 2015 | \$7,500,000 | \$695,807 | \$6,804,193 | \$0 | \$6,184,359 | \$4,439,495 | \$10,623,854 | \$3,819,661 | 0.91 | 1.56 | 9.80% |
| Hastings Equity Fund IV-B, L.P. | 2018 | \$7,500,000 | \$1,672,675 | \$5,827,325 | \$0 | \$3,585,523 | \$5,235,247 | \$8,820,770 | \$2,993,446 | 0.62 | 1.51 | 21.24% |
| Total Energy | | \$74,500,000 | \$10,911,262 | \$63,588,788 | -\$23,570 | \$45,155,826 | \$42,701,077 | \$87,856,904 | \$24,291,686 | 0.71 | 1.38 | 11.11% |
| Fund of Funds | | | | | | | | | | | | |
| Commonfund Capital International Partners VI, L.P. | 2007 | \$5,000,000 | \$322,500 | \$4,677,500 | \$0 | \$7,015,749 | \$499,644 | \$7,515,393 | \$2,837,893 | 1.50 | 1.61 | 8.86% |
| Commonfund Capital International Partners VII, L.P. | 2007 | \$5,000,000 | \$350,000 | \$4,650,000 | \$0 | \$8,975,612 | \$1,487,868 | \$10,463,480 | \$5,813,480 | 1.93 | 2.25 | 14.00% |
| GCM Grosvenor Advance Fund, L.P. | 2021 | \$10,000,000 | \$6,178,877 | \$3,821,123 | \$0 | \$30,536 | \$4,209,596 | \$4,240,132 | \$419,009 | 0.01 | 1.11 | 13.24% |
| Newlin Realty Partners II LP | 2007 | \$3,000,000 | \$194,091 | \$2,805,909 | \$0 | \$4,358,379 | \$195,946 | \$4,554,325 | \$1,748,416 | 1.55 | 1.62 | 8.87% |
| Newlin Realty Partners LP | 2006 | \$5,000,000 | \$505,441 | \$4,494,559 | \$0 | \$4,577,128 | -\$24,581 | \$4,552,547 | \$57,988 | 1.02 | 1.01 | 0.16% |
| TrueBridge-Kauffman Fellows Endowment Fund II, L.P. | 2010 | \$3,000,000 | \$510,000 | \$2,490,000 | \$0 | \$7,766,232 | \$5,192,237 | \$12,958,469 | \$10,468,469 | 3.12 | 5.20 | 21.34% |
| TrueBridge-Kauffman Fellows Endowment Fund III, L.P. | 2013 | \$3,000,000 | \$240,000 | \$2,760,000 | \$0 | \$3,306,713 | \$6,205,273 | \$9,511,986 | \$6,751,986 | 1.20 | 3.45 | 20.46% |
| Total Fund of Funds | | \$34,000,000 | \$8,300,909 | \$25,699,091 | \$0 | \$36,030,349 | \$17,765,983 | \$53,796,332 | \$28,097,240 | 1.40 | 2.09 | 11.13% |
| Growth Equity | | | | | | | | | | | | |
| PeakSpan Capital Growth Partners II, L.P. | 2018 | \$5,000,000 | \$1,659,918 | \$3,340,082 | \$0 | \$1,016,979 | \$5,977,127 | \$6,994,106 | \$3,654,024 | 0.30 | 2.09 | 36.04% |
| Total Growth Equity | | \$5,000,000 | \$1,659,918 | \$3,340,082 | \$0 | \$1,016,979 | \$5,977,127 | \$6,994,106 | \$3,654,024 | 0.30 | 2.09 | 36.04% |
| Opportunistic | | | | | | | | | | | | |
| Blackstone Real Estate Partners Europe V, L.P. | 2016 | \$7,500,000 | \$1,228,260 | \$6,271,740 | \$86,361 | \$5,056,762 | \$4,485,199 | \$9,541,961 | \$3,183,860 | 0.80 | 1.50 | 12.20% |
| Blackstone Real Estate Partners Europe VI SCSP | 2019 | \$10,000,000 | \$4,940,325 | \$5,059,675 | \$176,969 | \$2,771,518 | \$3,746,605 | \$6,518,123 | \$1,281,479 | 0.53 | 1.24 | 16.49% |
| Blackstone Real Estate Partners IX L.P. | 2018 | \$9,000,000 | \$657,050 | \$8,342,950 | \$268,875 | \$2,514,154 | \$10,249,522 | \$12,763,676 | \$4,151,851 | 0.29 | 1.48 | 34.41% |
| Blackstone Real Estate Partners VIII, L.P. | 2015 | \$7,500,000 | \$1,016,069 | \$6,483,931 | \$565,244 | \$7,173,992 | \$6,130,755 | \$13,304,747 | \$6,255,573 | 1.02 | 1.89 | 17.45% |
| Penzance DC Real Estate Fund II, L.P. | 2020 | \$5,000,000 | \$5,000,000 | \$0 | \$0 | \$539,834 | \$181,221 | \$721,055 | \$721,055 | | | |
| Penzance DC Real Estate Fund, L.P. | 2018 | \$7,500,000 | \$2,527,545 | \$4,972,455 | -\$3,493 | \$3,626,466 | \$2,596,621 | \$6,222,687 | \$1,253,725 | 0.73 | 1.25 | 13.16% |
| Total Opportunistic | | \$46,500,000 | \$15,369,249 | \$31,130,751 | \$1,093,956 | \$21,682,726 | \$27,389,523 | \$49,072,249 | \$16,847,542 | 0.67 | 1.52 | 17.92% |



University of Houston System Endowment Fund

ANALYSIS BY INVESTMENT STRATEGY

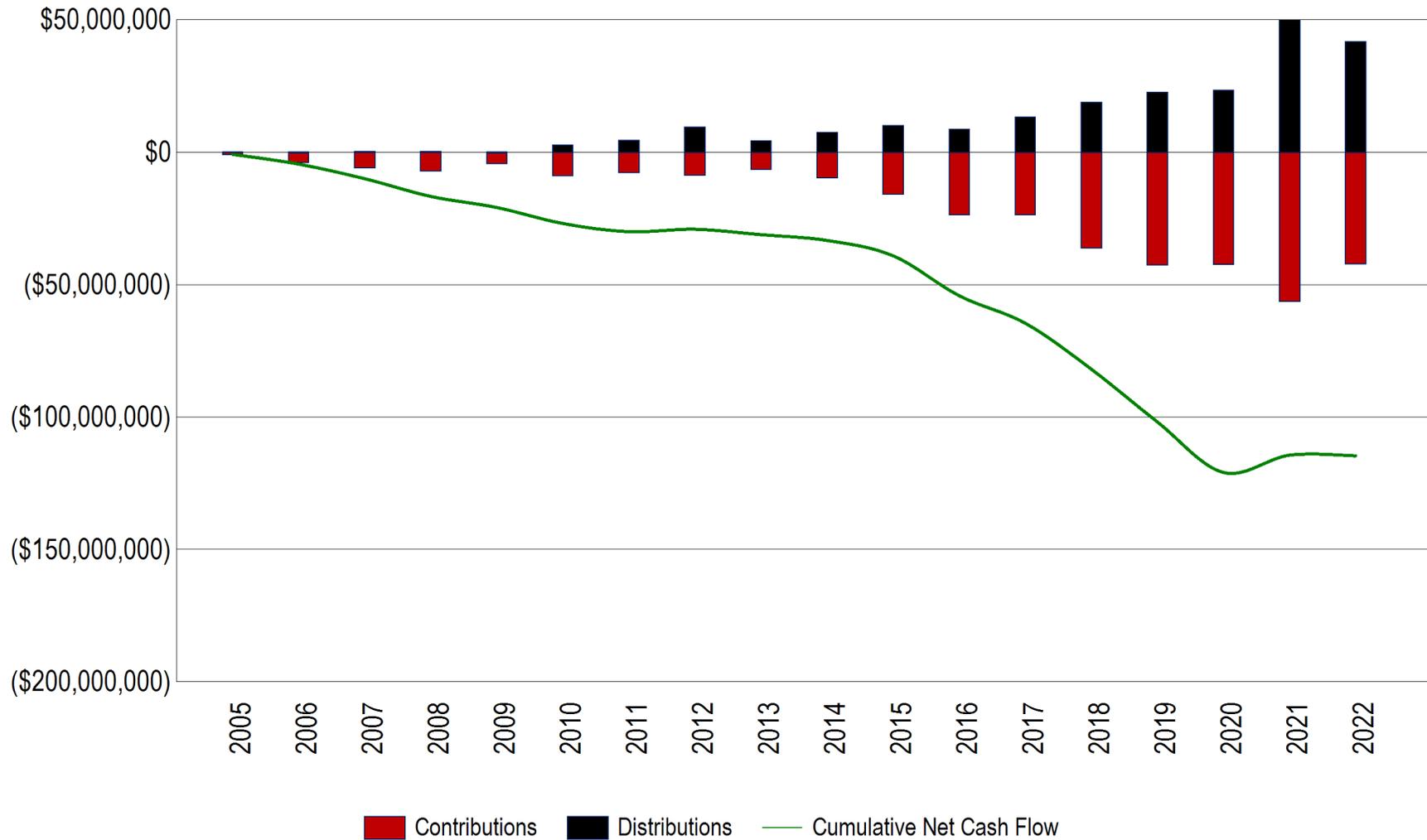
| Investments | | Commitments | | Contributions & Distributions | | | Valuations | | | Performance | | |
|---|--------------|----------------------|----------------------|-------------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|-------------|-------------|---------------|
| Investment Name | Vintage Year | Commitment | Unfunded Commitment | Paid In Capital | Additional Fees | Cumulative Distributions | Valuation | Total Value | Net Benefit | DPI | TVPI | IRR |
| Secondaries | | | | | | | | | | | | |
| ASF VIII B L.P. | 2018 | \$7,500,000 | \$3,913,712 | \$3,586,288 | -\$3,177 | \$657,117 | \$4,810,014 | \$5,467,131 | \$1,884,020 | 0.18 | 1.53 | 31.59% |
| Dover Street IX Cayman Fund, L.P. | 2015 | \$7,500,000 | \$1,125,000 | \$6,375,000 | \$0 | \$6,330,228 | \$4,947,443 | \$11,277,671 | \$4,902,671 | 0.99 | 1.77 | 24.58% |
| Dover Street VIII, L.P. | 2012 | \$4,000,000 | \$320,000 | \$3,680,000 | \$3,431 | \$5,630,667 | \$539,399 | \$6,170,066 | \$2,486,635 | 1.53 | 1.68 | 18.96% |
| Dover Street X Feeder Fund, L.P. | 2019 | \$7,500,000 | \$2,943,750 | \$4,556,250 | \$0 | \$1,444,009 | \$5,598,889 | \$7,042,898 | \$2,486,648 | 0.32 | 1.55 | 46.04% |
| Jackson Square Ventures II, L.P. | 2016 | \$7,500,000 | \$1,497,188 | \$6,002,812 | \$0 | \$1,920,100 | \$9,114,946 | \$11,035,046 | \$5,032,234 | 0.32 | 1.84 | 29.55% |
| Lexington Capital Partners IX, L.P. | 2018 | \$10,000,000 | \$3,772,921 | \$6,227,079 | \$0 | \$1,290,683 | \$8,878,648 | \$10,169,331 | \$3,942,252 | 0.21 | 1.63 | 44.32% |
| Lexington Capital Partners VIII, L.P. | 2014 | \$10,000,000 | \$2,140,536 | \$7,859,464 | \$0 | \$7,334,772 | \$6,536,348 | \$13,871,120 | \$6,011,656 | 0.93 | 1.76 | 17.42% |
| Total Secondaries | | \$54,000,000 | \$15,713,107 | \$38,286,893 | \$254 | \$24,607,576 | \$40,425,687 | \$65,033,263 | \$26,746,116 | 0.64 | 1.70 | 23.51% |
| Value Add | | | | | | | | | | | | |
| BPG Investment Partnership VII, L.P. | 2005 | \$5,000,000 | \$0 | \$5,000,000 | \$0 | \$3,606,519 | \$1,211,627 | \$4,818,146 | -\$181,854 | 0.72 | 0.96 | -0.29% |
| BPG Investment Partnership VIII, L.P. | 2007 | \$3,235,295 | \$252,899 | \$2,982,396 | \$0 | \$4,011,156 | \$0 | \$4,011,156 | \$1,028,760 | 1.34 | 1.34 | 3.68% |
| Dalfen Last Mile Industrial Fund V, L.P. | 2021 | \$7,500,000 | \$4,875,000 | \$2,625,000 | \$0 | \$0 | \$2,503,854 | \$2,503,854 | -\$121,146 | 0.00 | 0.95 | -5.98% |
| Embarcadero Capital Investors V, L.P. | 2016 | \$7,500,000 | \$1,634,233 | \$5,865,767 | \$109,256 | \$3,795,282 | \$3,116,090 | \$6,911,372 | \$936,349 | 0.64 | 1.16 | 4.47% |
| Total Value Add | | \$23,235,295 | \$6,762,132 | \$16,473,163 | \$109,256 | \$11,412,957 | \$6,831,571 | \$18,244,528 | \$1,662,109 | 0.69 | 1.10 | 1.44% |
| Venture Capital | | | | | | | | | | | | |
| ACME Fund III, L.P. | 2019 | \$5,000,000 | \$450,440 | \$4,549,560 | \$0 | \$0 | \$5,390,374 | \$5,390,374 | \$840,814 | 0.00 | 1.18 | 10.97% |
| Binary Capital Fund II, L.P. | 2016 | \$631,535 | \$65,099 | \$566,436 | \$0 | \$397,852 | \$132,900 | \$530,752 | -\$35,684 | 0.70 | 0.94 | -1.77% |
| Clear Ventures II, L.P. | 2019 | \$5,000,000 | \$2,670,000 | \$2,330,000 | \$0 | \$0 | \$2,866,608 | \$2,866,608 | \$536,608 | 0.00 | 1.23 | 14.09% |
| Commonfund Capital Venture Partners VIII, L.P. | 2007 | \$2,750,000 | \$61,875 | \$2,688,125 | \$0 | \$5,068,180 | \$1,374,637 | \$6,442,817 | \$3,754,692 | 1.89 | 2.40 | 12.45% |
| Fisher Lynch Venture Partnership II, L.P. | 2008 | \$2,500,000 | \$296,250 | \$2,203,750 | \$0 | \$3,657,475 | \$727,573 | \$4,385,048 | \$2,181,298 | 1.66 | 1.99 | 9.87% |
| Jackson Square Ventures III, L.P. | 2019 | \$5,000,000 | \$2,716,215 | \$2,283,785 | \$0 | \$0 | \$2,670,534 | \$2,670,534 | \$386,749 | 0.00 | 1.17 | 10.27% |
| LiveOak Venture Partners I, L.P. | 2013 | \$2,000,000 | \$0 | \$2,000,000 | \$0 | \$2,655,250 | \$2,535,581 | \$5,190,831 | \$3,190,831 | 1.33 | 2.60 | 20.41% |
| LiveOak Venture Partners II, L.P. | 2017 | \$4,000,000 | \$880,000 | \$3,120,000 | \$0 | \$0 | \$6,543,895 | \$6,543,895 | \$3,423,895 | 0.00 | 2.10 | 35.51% |
| Mercury Fund Ventures IV, L.P. | 2017 | \$5,000,000 | \$675,000 | \$4,325,000 | -\$6,091 | \$1,197,895 | \$9,824,537 | \$11,022,432 | \$6,703,523 | 0.28 | 2.55 | 54.24% |
| SV Life Sciences Fund VI, L.P. | 2015 | \$7,500,000 | \$1,239,791 | \$6,260,209 | \$0 | \$7,596,001 | \$5,143,013 | \$12,739,014 | \$6,478,805 | 1.21 | 2.03 | 19.94% |
| TrueBridge Capital Partners Fund V, L.P. | 2017 | \$5,000,000 | \$755,746 | \$4,244,254 | \$0 | \$319,856 | \$11,151,568 | \$11,471,424 | \$7,227,171 | 0.08 | 2.70 | 43.70% |
| Truebridge Capital Partners Fund VI (Cayman), L.P. | 2019 | \$3,000,000 | \$300,000 | \$2,700,000 | \$0 | \$0 | \$3,807,549 | \$3,807,549 | \$1,107,549 | 0.00 | 1.41 | 35.57% |
| TrueBridge Capital Partners Fund VII, L.P. | 2021 | \$10,000,000 | \$7,200,000 | \$2,800,000 | \$0 | \$0 | \$2,463,509 | \$2,463,509 | -\$336,491 | 0.00 | 0.88 | -29.08% |
| TrueBridge-Kauffman Fellows Endowment Fund IV, L.P. | 2015 | \$6,250,000 | \$562,500 | \$5,687,500 | \$0 | \$4,432,376 | \$16,661,424 | \$21,093,800 | \$15,406,300 | 0.78 | 3.71 | 34.55% |
| US Venture Partners XII, L.P. | 2018 | \$5,000,000 | \$775,000 | \$4,225,000 | \$0 | \$971,682 | \$5,875,606 | \$6,847,288 | \$2,622,288 | 0.23 | 1.62 | 42.28% |
| Vivo Capital Fund IX, L.P. | 2018 | \$5,000,000 | \$209,234 | \$4,790,766 | \$0 | \$1,198,841 | \$6,970,635 | \$8,169,476 | \$3,378,710 | 0.25 | 1.71 | 31.58% |
| Weathergagge Venture Capital IV, L.P. | 2016 | \$5,000,000 | \$1,400,000 | \$3,600,000 | \$0 | \$307,969 | \$9,408,435 | \$9,716,404 | \$6,116,404 | 0.09 | 2.70 | 26.87% |
| Total Venture Capital | | \$78,631,535 | \$20,257,150 | \$58,374,385 | -\$6,091 | \$27,803,377 | \$93,548,378 | \$121,351,755 | \$62,983,461 | 0.48 | 2.08 | 21.20% |
| Total | | \$494,366,830 | \$150,501,431 | \$343,865,448 | \$1,178,703 | \$229,236,368 | \$362,256,283 | \$591,492,651 | \$246,448,500 | 0.66 | 1.71 | 14.37% |



University of Houston System Endowment Fund

CASH FLOW ANALYSIS

Private Markets Cash Flow Analysis



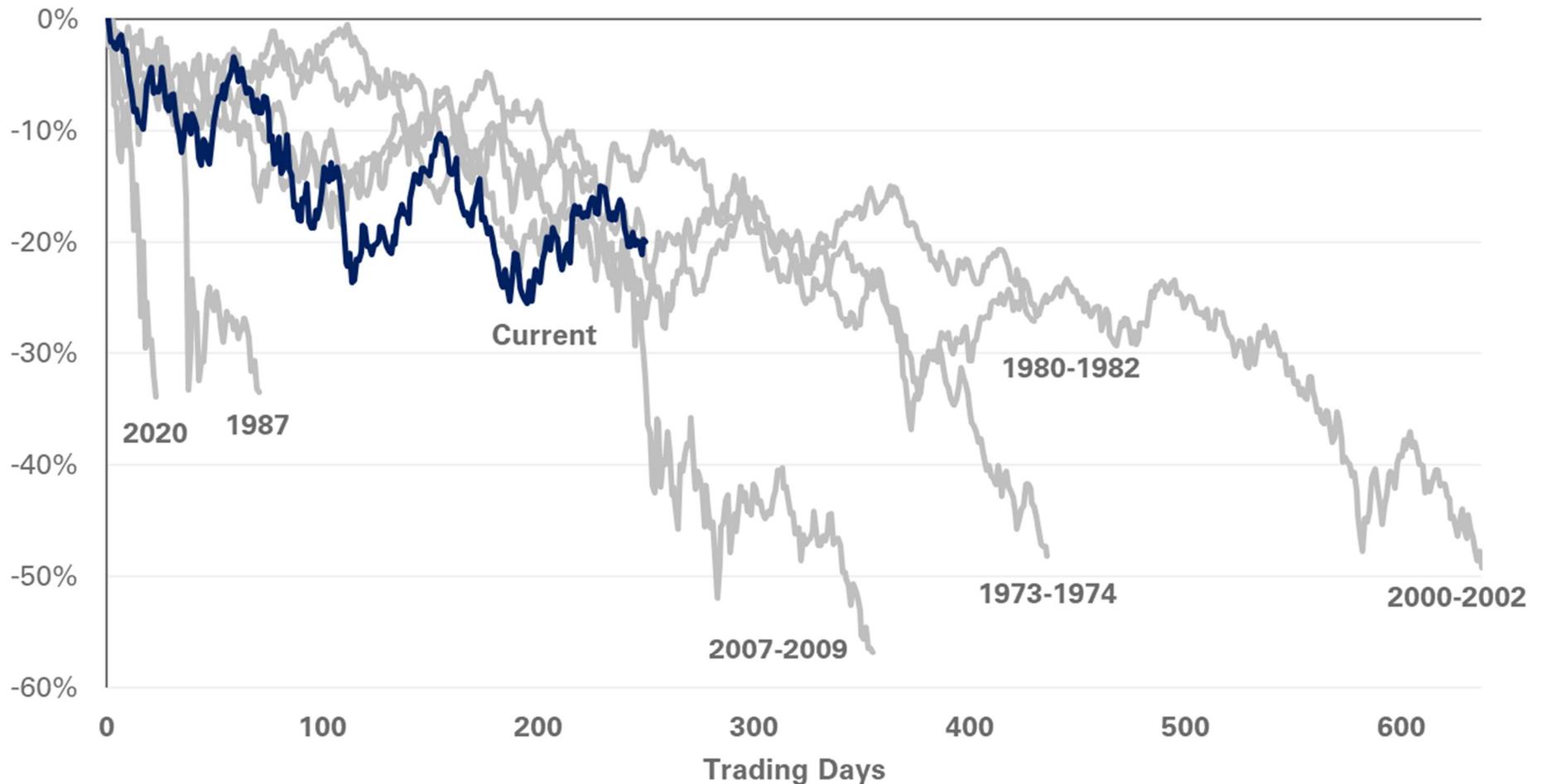


SUPPLEMENTAL MARKET OUTLOOK INFORMATION



BEAR MARKET TRENDING WITH THE PAST

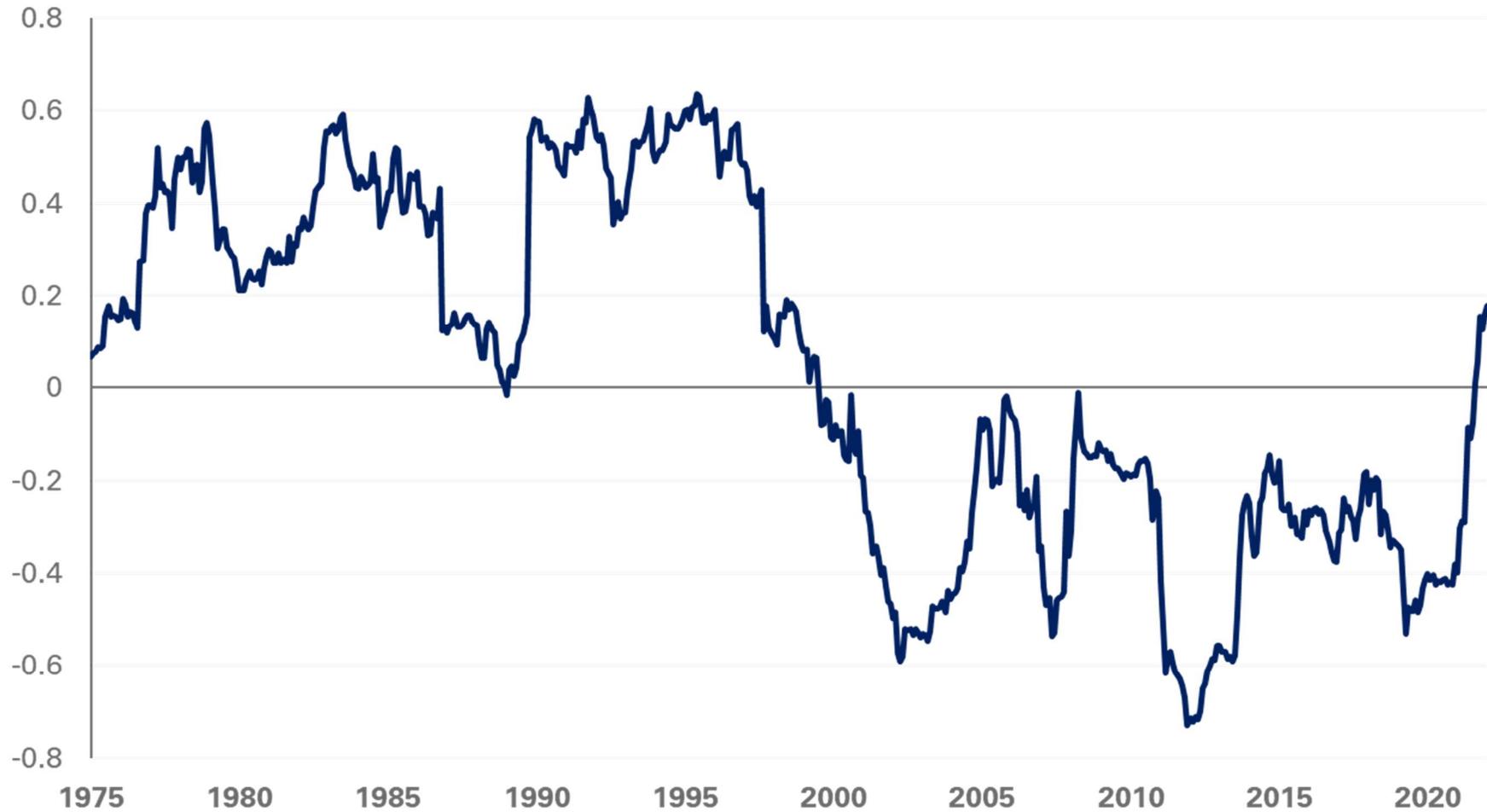
HISTORICAL S&P 500 BEAR MARKET PATHS RELATIVE TO TODAY



Sources: S&P, FactSet, NEPC

SELLOFF NOT CONFINED TO EQUITIES

ROLLING CORRELATION BETWEEN THE S&P 500 AND TREASURIES

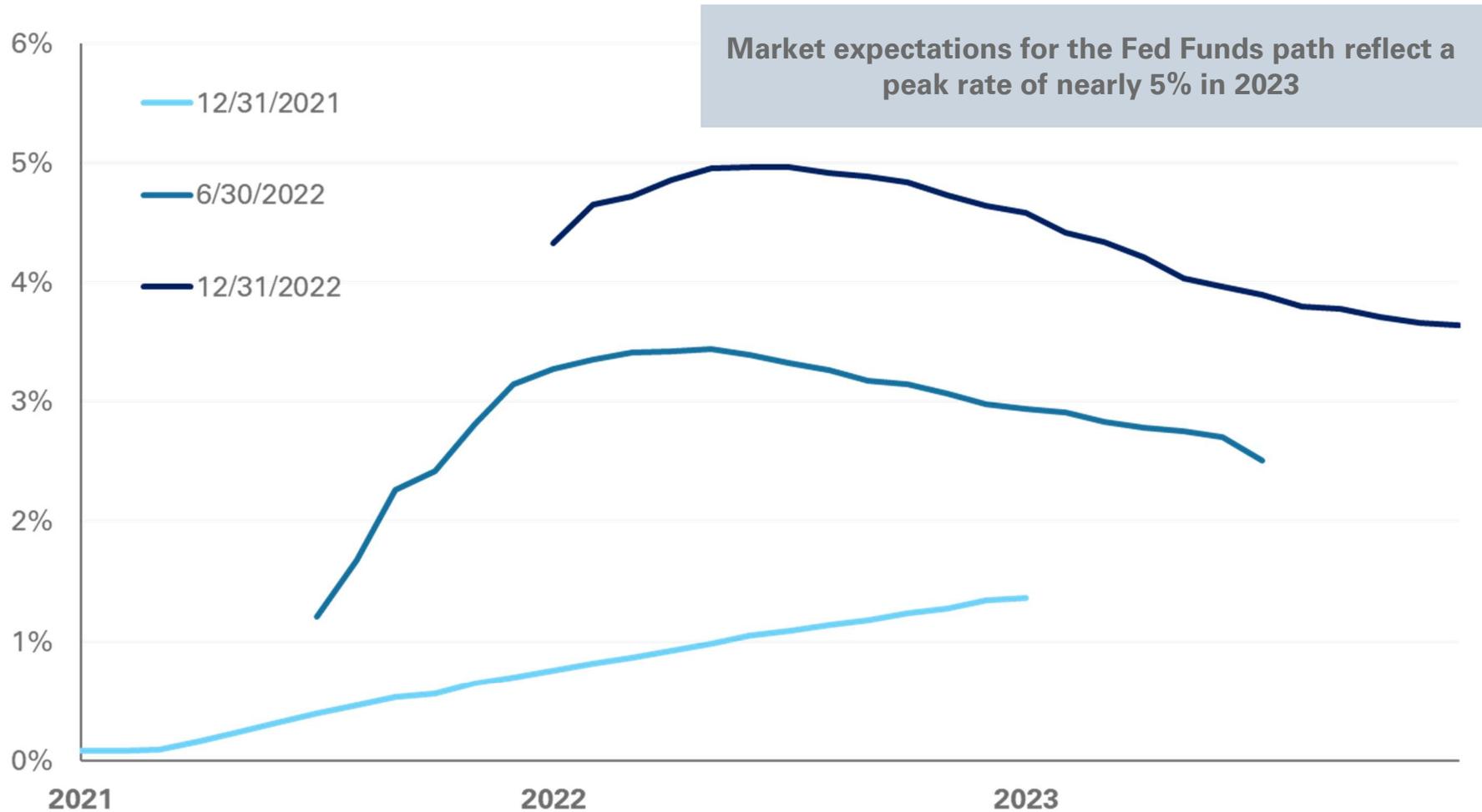


Correlations are calculated based on a rolling 3-year time horizon
Source: S&P, Bloomberg, FactSet



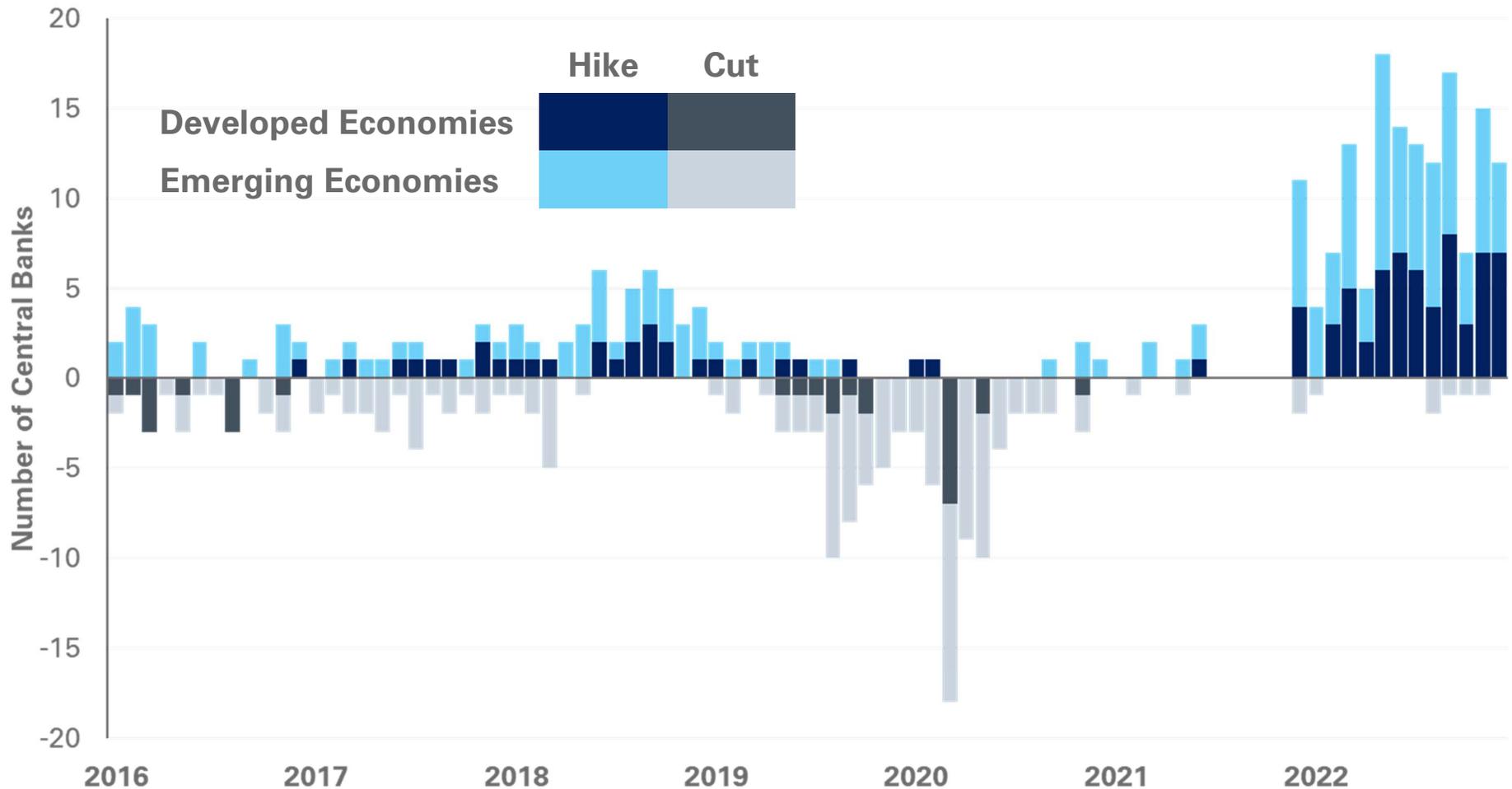
RATE EXPECTATIONS INCREASED DRAMATICALLY

FED FUNDS EXPECTATIONS



MONETARY POLICY GENERALLY WAS TIGHT

INTEREST RATE CHANGES BY GLOBAL CENTRAL BANKS



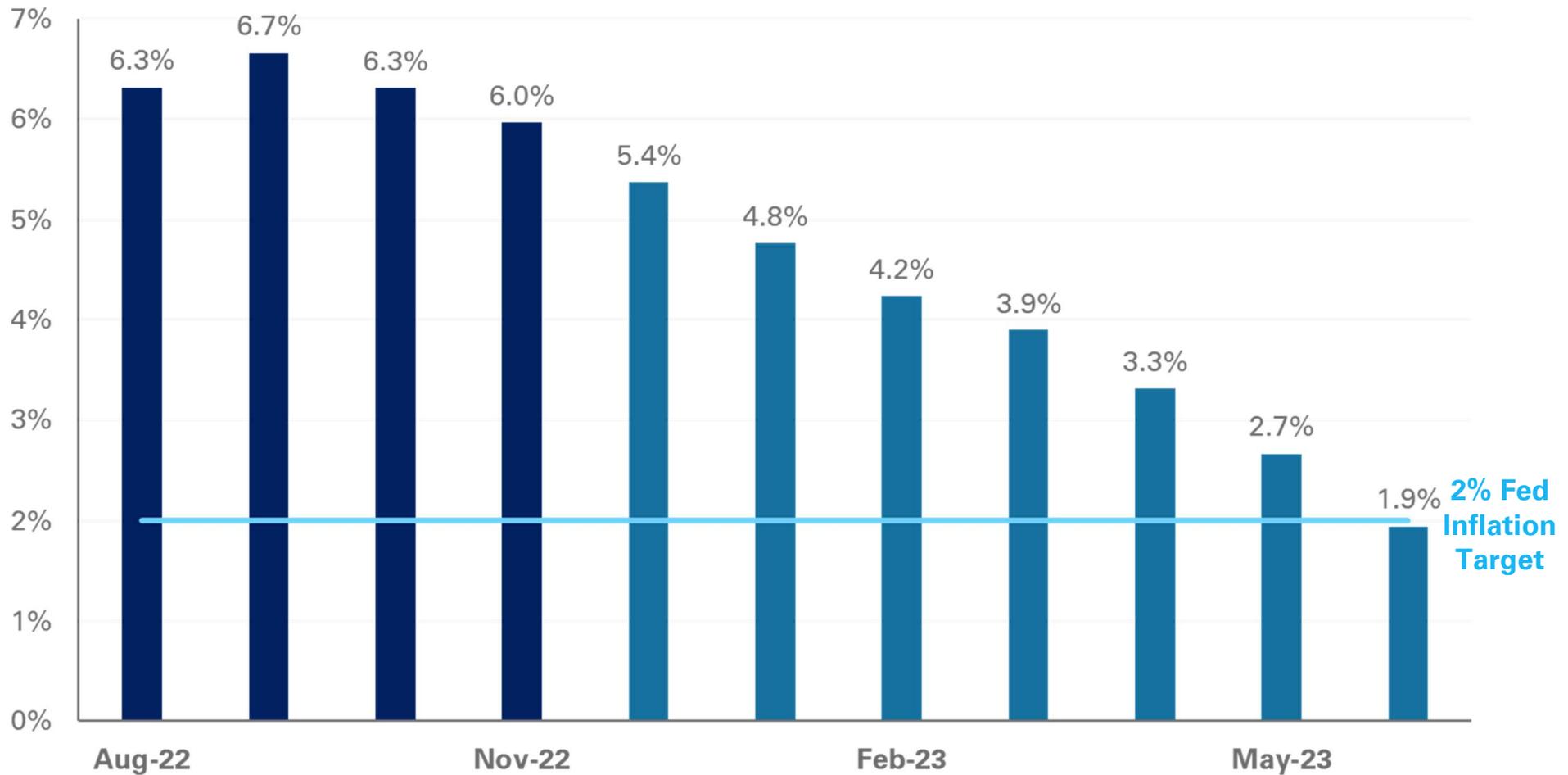
Notes: Developed Economies include Australia, Canada, countries governed by the European Central Bank, Japan, New Zealand, Norway, Sweden, Switzerland, United Kingdom, and the United States. Emerging Economies include Argentina, Brazil, Chile, China, Egypt, Ghana, India, Malaysia, Mexico, Pakistan, Peru, Philippines, South Africa, Thailand, and Turkey.

Source: FactSet



ELEVATED INFLATION LIKELY TO PERSIST

PROJECTED CHANGE IN U.S. CORE CPI WITH 0% MONTHLY CHANGE

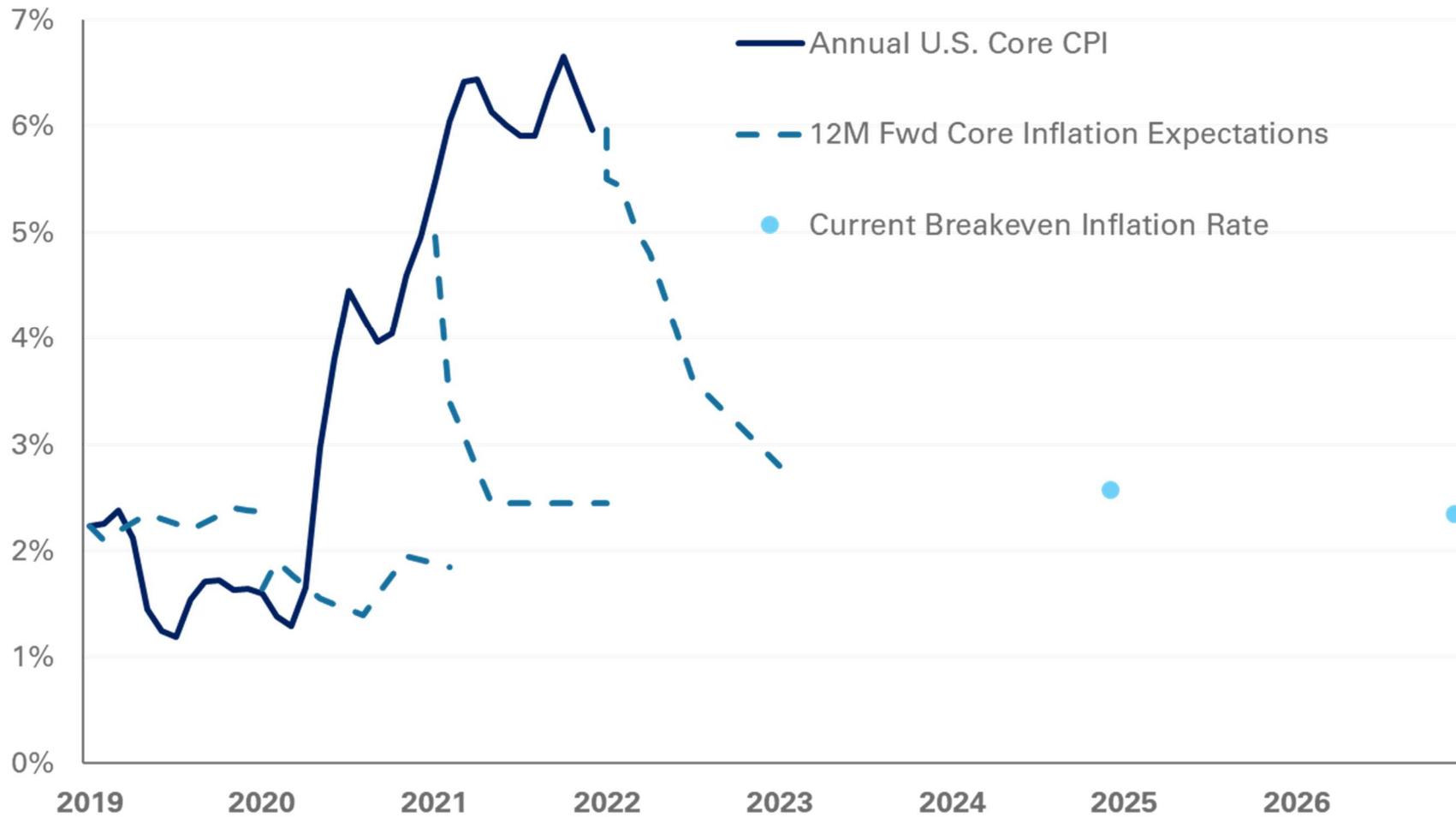


Notes: Figures calculated pulling forward the September index value
Sources: U.S. Department of Labor, FactSet, NEPC



INFLATION MAY NORMALIZE ABOVE EXPECTATIONS

EXPECTATIONS HAVE UNDERSTATED INFLATION LEVELS



THE DOLLAR APPRECIATED SIGNIFICANTLY IN 2022

THE U.S. DOLLAR INDEX



U.S. Dollar Index represents the value of the U.S. Dollar relative to the currencies of major trade partners. The Euro, Japanese Yen, Pound Sterling, and Canadian Dollar represent the largest weights within the Index.

Source: FactSet





DISCLAIMERS & DISCLOSURES



DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

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Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv





**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 contracts for the hiring of private investment managers for the University of Houston System Endowment Fund.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

NEPC will discuss with the Committee their recommendation to commit to two private investment funds: TrueBridge Capital Partners VIII and Mercury Venture Partners V. True Bridge is a venture capital fund-of-funds that focuses on information technology. Mercury Venture Partners is a Houston based venture capital firm that focuses on transformative software firms. The UH System current invests with TrueBridge funds II, III, IV, V, VI, and VII with a total commitment of \$30.25M. The UH System currently invests in Mercury Fund Venturer IV with a \$5 million commitment.

SUPPORTING DOCUMENTATION: NEPC discussion materials report

FISCAL NOTE: TrueBridge \$10M, Mercury \$5M

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

**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 contracts for the hiring of two new domestic equity managers and for the partial redemption of three domestic equity funds for the University of Houston System Endowment Fund.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

NEPC will discuss with the Committee their recommendation to invest in the DePrince, Race, & Zollo's (DRZ) US Small Cap Value Equity Fund and the Granahan Focused Small Cap Growth Equity Fund. The DRZ US Small Cap Value Equity Fund provides protection in down markets through investment in established companies with strong cash flows. The Granahan Focused Small Cap Growth Equity Fund provides high growth potential through investment in younger companies with competitive advantages. The investments would be funded by partial redemptions of the Northern Trust Russell 3000 Index Fund, the Northern Trust Russell 1000 Value Index Fund, and the Columbia Focused Large Cap Growth Equity Fund.

SUPPORTING

DOCUMENTATION: NEPC discussion materials report

FISCAL NOTE: Redemption: \$20M Russell 3000 Index, \$15M Russell 1000 Index, \$5M Columbia Focused Growth; Reinvestment: \$20M DRZ US Small Cap Value; \$20M Granahan Focused Growth

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

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

COMMITTEE: Endowment Management Committee

ITEM: Approval is requested for the FY2023 University Advancement Endowment Assessment Rate

DATE PREVIOUSLY SUBMITTED: February 24, 2022

SUMMARY:

Approval is requested to assess System endowments at a rate of 1.1% for the fiscal year ending 2023 (spendable in FY2024) to fund administrative costs and fundraising activities. This represents a reduction from the prior year rate of 1.2%. University Advancement's operational budget, which is partially supported by the assessment, will not be reduced because of this decrease as the budget was capped at the amount of the FY2022 rate. This helps provide stability in University Advancement's budget. Any excess calculated fee amount above the capped threshold will be placed in reserve to offset potential fluctuations in the fee in future years due to market fluctuations. The plan is to reduce the assessment rate to 1.0% by fiscal year 2025.

SUPPORTING DOCUMENTATION: None

FISCAL NOTE: Estimated \$7.9 million

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

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

COMMITTEE: Endowment Management Committee

ITEM: Approval is requested to modify the UH System Endowment Fund Statement of Objectives and Policies.

DATE PREVIOUSLY SUBMITTED: February 24, 2022

SUMMARY:

Mr. Raymond Bartlett will discuss with the Committee recommended changes to the UH System Endowment Fund Statement of Objectives and Policies. The changes include a modification to the University Advancement Assessment rate and a modification to the allowable range for investment in Private equity.

SUPPORTING

DOCUMENTATION: UH System Endowment Fund Statement of Investment Objectives and Policies – redlined and clean copy

FISCAL NOTE: None

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND
STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES
Approved by the Board of Regents

February 23~~4~~, 2023~~2~~

PREFACE

The University of Houston System Board of Regents is charged with the fiduciary responsibility for preserving and augmenting the value of the endowment, thereby sustaining its ability to generate support for both current and future generations of students. As part of a commitment to long-range financial equilibrium, the Regents have adopted the broad objective of investing endowment assets so as to preserve both their real value and the long-range purchasing power of endowment income so as to keep pace with inflation and evolving university needs, while generally performing above the average of the markets in which the assets are invested. Pursuant to Board Bylaw, the Endowment Management Committee has been established as a standing committee to assist the Board in fulfilling its fiduciary responsibilities.

To achieve its investment objectives the University of Houston System retains independent investment managers each of whom plays a part in meeting the System's goals over a variety of capital market cycles. The Endowment Management Committee shall:

- a) Review and recommend to the Board changes to investment policies;
- b) Review and recommend to the Board the university advancement assessment rate;
- c) Review and recommend to the Board asset allocation long-term targets and ranges;
- d) Review and recommend to the Board external investment consultants;
- e) Monitor, evaluate, hire or terminate external investment managers;
- f) Establish investment manager guidelines;
- g) Monitor the actual allocation of assets through additions and withdrawals of funds among managers and investment media to conform to the long-term targets insofar as practical; and
- h) Oversee the results of the independent managers and report periodically to the Board and the university community.

FORWARD

This policy is intended to be ongoing until the next review is completed. Comprehensive reviews are to be completed every five years.

In addition to complying with the duty of loyalty imposed by Texas state law, each person responsible for making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing System funds shall do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. It is the general practice of the University of Houston System to pool endowment resources. For investment purposes however, the assets are

managed in separate endowment fund accounts. The following statement sets out explicit policies for the pooled endowment but would apply to non-pooled holdings as well. The Regents seek superior investment returns through professional management without assuming imprudent risks. In managing and investing the System's endowment assets, the following factors, if relevant, must be considered:

- a) general economic/capital market conditions;
- b) the possible effect of inflation or deflation;
- c) the expected tax consequences, if any, of investment decisions or strategies;
- d) the role that each investment or course of action plays within the overall investment portfolio;
- e) the expected return based on levels of liquidity and investment risk that are prudent and reasonable under present circumstances, and such circumstances may change over time;
- f) the expected total return from income and the appreciation of investments;
- g) other resources of the institution;
- h) the needs of the institution and the fund to make distributions and to preserve capital; and
- i) an asset's special relationship or special value, if any, to the charitable purposes of the institution.

Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the System endowment's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably aligned with the endowment fund's stated goals and objectives.

FINANCIAL OBJECTIVES

The primary long-term financial objective for the University endowment is to preserve and enhance the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of portfolio management. Costs to manage and administer the endowment assets should be appropriate and reasonable in relation to the assets, the purposes of the endowment, and the skills of investment consultant(s) and investment manager(s) to whom investment management functions are delegated. Performance of the overall endowment against this objective is measured over rolling periods of five years.

INVESTMENT OBJECTIVES

In order to meet the financial objective stated above, the primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus university advancement assessment fee, if any, plus the costs of managing the investment fund, and expressed in real (or inflation-adjusted) terms. Given the current System spending rate of 5.13% (which includes 4% payout and 1.31% university advancement assessment effective FY), the objective of this fund will be to earn a real (inflation adjusted) return of 5.3%1 when measured over rolling periods of at least five years.

It is also understood that due to market conditions there may be five-year periods where this objective is exceeded and purchasing power is enhanced, as well as five-year periods where the objective is not met and purchasing power is diminished. The medium-term objective for the endowment is to outperform each of the capital markets in which assets are invested, measured over rolling periods of three to five years or complete market cycles, with emphasis on whichever measure is longer. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the university's peer group, as measured by the NACUBO Study of Endowments over rolling five-year time periods, as well as comparison annually to a peer group provided by an outside advisor. Thus, the Endowment Management Committee is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both the median performance of other educational endowments and with capital markets generally.

Finally, the total return of the University's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to the Endowment Management Committee's asset allocation targets.

INVESTMENT MANAGERS

In accordance with Board policy, hiring of investment consultants requires approval of the Board. Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Managers of marketable securities are expected to produce a cumulative annualized total return net of fees and commissions that exceeds an appropriate benchmark index over moving three to five-year periods, and should be above a median for active investment managers using similar investment philosophies over the same time periods. At their discretion, managers may hold cash reserves and fixed income securities up to 25% of portfolio market value with the understanding that their benchmark will not be adjusted to reflect cash holdings. Managers who wish to exceed these limits should secure prior approval from the Treasurer. The Treasurer, in turn, shall seek approval from the Senior Vice Chancellor for Administration and Finance or designee.

ENDOWMENT PAYOUT POLICY

The Regents of the University of Houston System have established an endowment payout policy which attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. Payout is derived from interest, dividends and realized gains, net of portfolio management fees. The historical rate of payout has been 4 to 5 percent. Going forward, the endowment will maintain a payout rate of approximately 4% to 5%, with any change to this range to be approved by the Board. The payout rate will be based as a percentage of the fiscal year end market value average over rolling twelve quarter periods. If an endowment has been in existence less than twelve quarters, the average will be based on the number of quarters in existence.

UNIVERSITY ADVANCEMENT ASSESSMENT

The System will annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The Board shall annually review and approve the fee. The fee will be based as a percentage of the fiscal year end market value averaged over rolling twelve quarter periods. If an endowment has been in existence less than twelve quarters, the average will be based on the number of quarters in existence.

APPROPRIATION FOR EXPENDITURE

The endowment payout and the University Advancement Assessment fee constitute the appropriation for annual expenditure. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- a) the duration and preservation of the endowment fund;
- b) the purposes of the institution and the endowment fund;
- c) general economic conditions;
- d) the possible effect of inflation or deflation;
- e) the expected total return from income and the appreciation of investments;
- f) other resources of the institution; and
- g) the investment policy of the institution.

Generally, pursuant to the Uniform Prudent Management of Institutional Funds Act, Chapter 163, Texas Property Code, as amended, subject to the intent of a donor in a gift instrument, the Board of Regents may appropriate for expenditure or accumulate so much of the endowment as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. Notwithstanding the preceding sentence, the Board of Regents may not appropriate for expenditure in any year an amount greater than nine percent (9%) of the endowment, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately

preceding the year in which the appropriation for expenditure was made, so long as the fair market value of the endowment fund is at least \$450 million, otherwise the limit on the appropriation for expenditure in any year is 7%.

EXPENDITURE FROM UNDERWATER ENDOWMENTS

The Board, in managing and investing endowment assets, shall consider the charitable purposes of the institution and the purposes of the endowment fund. Subject to the intent of a donor expressed in an endowment gift instrument, the appropriation for expenditure from an endowment that is underwater in any year shall decrease incrementally and is eventually suspended when the market value of the endowment drops to a designated percentage of the endowment’s historical dollar value. Historical dollar value (HDV) is the aggregate value of contributions made to an endowment over time without regard to increases or decreases because of investment results. The declining spending rate from endowments that are underwater, and not otherwise expressly prohibited by a donor, is as follows:

| Fund Value as a Percent of HDV | Spending rate |
|---|-----------------------------|
| 90 – 99.9% | 75% of normal spending rate |
| 80 – 89.9% | 50% of normal spending rate |
| <80.0% | Suspend distributions |

ASSET SELECTION AND ALLOCATION

It is understood that return enhancement assets (or equities), including both public and private equities, are to be the dominant asset class in the Endowment due to the superior long-term return offered by such assets. As such, equity assets may be thought of as the drivers of long-term Endowment return.

Although the long-term return from equity assets is superior, they have three primary drawbacks that must be addressed by investing in diversifying growth and risk reduction assets. The first is that periods of prolonged economic contraction (deflation) can be catastrophic. Although such periods are rare, the results of such periods are severe enough to warrant holding a portion of the Endowment in assets that are likely to retain value or appreciate in value during such periods. The goal of such holdings would be to provide liquidity to the Endowment and a measure of protection from market drawdowns.

The second drawback to an overreliance on return enhancement assets is the effects of an unexpected rise in the rate of inflation. Such rises have traditionally been problematic for most types of equity assets, and given the System’s stated goal of preserving purchasing power by achieving an attractive inflation adjusted return, some portion of the Endowment may be invested in assets that will appreciate in value during periods of unexpected inflation.

Lastly, equity assets are subject to greater degrees of risk. Risk takes many forms and is usually thought of in terms of volatility of investment returns. Volatile investment returns translate into a level of support for the System's programs that (even with the smoothing effect of the rolling three-year average market value payout rule) is variable over time. In order to control this variability to a tolerable level, some allocation to diversified growth assets that produce attractive returns, but in a more absolute (or less variable) pattern, may be warranted. It is understood that such absolute return assets will often return less than equity assets, but should provide some degree of volatility mitigation over the course of a market cycle.

After providing for the three broad categories noted above, the remainder of the Endowment should be invested in equity assets, broadly defined and broadly diversified. Broad diversification is required not only to further smooth the pattern of returns, but to protect the endowment from the risks associated with undue concentration in any one type of equity asset. Although other forms of diversification may be considered, it is understood that the Endowment's equity assets will be diversified by style (growth versus value), geography (domestic versus foreign), and market capitalization (large-cap versus small).

Current policy targets and ranges for the Endowment can be found in Appendix A.

ALTERNATIVE INVESTMENT RISKS

For the purposes of this section, "alternative investments" refers to investments in Private Equity, Private Debt, and Private Real Assets, as well as other investment types employing leverage, short sales, or illiquidity. The investments are made in the Endowment in order to improve diversification, reduce overall volatility, and enhance return. However, the Endowment Management Committee recognizes that these investments also present additional risks beyond those posed by investments in traditional marketable securities such as stocks and bonds. Among these risks are:

1. *Liquidity Risk*: most alternative investments impose restrictions on redemptions or require multi-year locks.
 - a. This risk is mitigated by imposing restrictions on the amount of the Endowment that may be allocated to alternative investments as detailed

- above. In addition, the Endowment Management Committee will review at least annually the level of portfolio liquidity across all asset classes in order to ensure that there is sufficient liquidity to meet all obligations.
2. *Non-regulation risk:* Historically, alternative managers have been exempt from registration with the SEC, which has allowed them to employ strategies (such as short sales and use of leverage) forbidden by most traditional investment managers, as well as to avoid disclosing specific details of their investment practices or portfolio holdings.
 - a. With the passage of the Dodd-Frank Act of 2010, almost all alternative investment managers will be required to register with the SEC under the Investment Advisers Act of 1940. This Act will require registered managers to file documents with the SEC and for public record describing the nature of the business, fees charged, types of clients, and details on compliance policies. It will also provide to investors a greater level of detail into portfolio strategy and investment.
 - b. Venture capital managers will, however, remain exempt from the Investment Advisers Act and will therefore remain unregistered with the SEC.
 - i. This risk will be mitigated by performing detailed due diligence on these managers and monitoring them regularly as described below, as well as by diversifying manager risk through multiple direct and fund-of-fund investments.
 3. *Transparency Risk:* alternative managers are not required to disclose portfolio holding details to the same extent that traditional marketable managers are, and are often reluctant to do so in order to preserve their perceived advantage over other investors.
 - a. This risk will be mitigated somewhat by the Dodd-Frank Act and the increased transparency provided by the requirement to file Form ADV with the SEC. Beyond that, however, the Endowment Management Committee, staff, and any outside advisors shall emphasize those managers who will provide at least the following level of detail into their investment portfolios:
 - i. Number of short and long positions
 - ii. The use of leverage
 - iii. Net market exposure
 4. *Investment Strategy Risk:* alternatives often employ sophisticated and potentially riskier strategies, and may use leverage.
 - a. This risk will be mitigated by intensive due diligence and monitoring of potential alternative managers described below. An emphasis will be placed on those managers who have extensive experience in employing these strategies, a demonstrated ability to consistently employ them effectively, and an established track record of superior performance.
 5. *Foreign Currency Risk:* changes in exchange rates could adversely affect fair value of the Endowment Fund.
 - a. The Endowment Management Committee recognizes that exposure to foreign currency acts as a hedge against a declining or collapsing dollar. In this way, such investments help to reduce risk in the portfolio. However,

the Committee will review the level of exposure to foreign currencies periodically in order to ensure that there are no unintended risks in the portfolio.

The following principles shall guide the selection of alternative investment managers:

- Diversify across managers to mitigate systematic and organizational risk, but avoid over-diversification.
- Diversify by strategy and geography to decrease correlations within the program.
- Emphasize qualitative evaluation of managers, as a manager's quantitative characteristics may change over time and in different market conditions.
- Discourage the use of significant leverage, and emphasize managers with a demonstrated skill in generating returns on assets as opposed to returns on equity.
- Avoid strategies that are trading oriented, highly complex, or quantitatively driven.

In addition, the investment manager due diligence process shall include the following functions, to be performed by some combination of outside consultants/advisors and internal staff:

- Background checks
 - o Reference checks
 - o News searches
 - o Industry consultation
- Review of vendor relationships
 - o Prime brokers
 - o Auditors
 - o Fund administrators
 - o Legal counsel
- Operational review
 - o On site visits
 - o Procedural
 - o Organizational

Monitoring of the overall program-level and manager-level exposures and investment results shall be administered in accordance with the following schedule by some combination of outside consultants/advisors and internal staff:

Monthly (For Long/Short Equity and Absolute Return Managers)

- Reports of performance and asset allocation.
- Proactive contact with investment managers whose performance falls outside of the expected range.

Quarterly or Semi-Annually

- Calls with investment managers.
- For long/short equity and absolute return managers, detailed performance reports and analysis providing information such as top long positions, net and gross exposures, exposure by strategy and geography, and organizational changes.

Annually

- Diligence meetings with managers and attendance at annual meetings.

The Endowment Management Committee reviews and recommends to the Board the above asset allocation long-term targets and ranges, and the actual allocation of assets will be adjusted through additions and withdrawals of funds among managers and investment media to conform to these targets insofar as practical.

REBALANCING

The Committee recognizes the importance of periodically rebalancing the Endowment's asset allocation, namely to ensure that variation in returns among assets do not create outsized deviations from target allocations that cause Endowment performance to diverge from expected policy performance. To the extent possible, and in order to control transaction costs, the Endowment will utilize naturally occurring cash movement opportunities to rebalance the Endowment portfolio. Such naturally occurring opportunities include:

- The sourcing of cash for spending needs (withdrawals)
- The infusion of cash (contributions) into the existing portfolio
- Manager changes (partial or complete subscriptions or redemptions)
- Other cash transactions (i.e., dividends, interest income, return on capital, etc.)

In recognition that market action may force portfolio allocations outside of their allowable ranges in between Endowment Management Committee meetings, authority is delegated to the Treasurer to rebalance the portfolio in order to bring it back into compliance with the Investment Policy. More generally, the Treasurer, in conjunction with the investment consultant, will closely monitor asset allocation, and will periodically rebalance the portfolio, within allowable ranges, in light of major market movements or material changes in relative asset class valuations, in an effort to control risk and enhance long-term return. Further, with the assistance of the investment consultant, the Treasurer may rebalance up to 2.0% of the Endowment Fund intra-meeting to raise cash for meeting capital calls as well as to invest any cash inflows into the Endowment based on portfolio targets. Any rebalancing must occur across previously approved managers already held within the portfolio.

Any rebalancing actions taken by the Treasurer and investment consultant shall be communicated to the Chair of the Endowment Management Committee and to the Committee by the Senior Vice Chancellor for Administration and Finance or designee in a timely manner, but in any case no later than the next Committee meeting.

The objective of this rebalancing policy is to improve the compound return of the portfolio and to ensure that it is invested in accordance with long-term asset allocation targets. It is not the intention of this policy to force the University to take any action that may endanger the safety or impair the long-term return of the portfolio simply in order to remain in compliance with allowable ranges.

A clear illustration of such a scenario might be a market correction that reduces the value of the portfolio's marketable assets to an extent that forces the private investment allocation (the valuations of which lag those of marketable securities) beyond the allowable limits prescribed above. In order to stay in compliance in such a scenario, the University may be forced to sell interests in its private investment portfolio on the secondary market at a loss, impairing the overall Endowment's ability to recover from a correction of that magnitude.

Therefore, in the event of market action that forces any allocation outside its allowable ranges, the chair of the Endowment Management Committee, in conjunction with the Board chair, with the advice of staff and investment consultant, may temporarily waive the allocation limits imposed above if it is determined that remaining in compliance may cause harm to the long-term return potential of the endowment.

INVESTMENT MANAGEMENT

The endowment of the System will be managed primarily by external investment management organizations. Investment managers have discretion to manage the assets in each portfolio to best achieve the investment objectives, within the policies and requirements set forth in this statement, the investment manager agreement with the System including the guidelines for each investment manager, and subject to the usual standards of fiduciary prudence.

Each active investment manager with whom the System has a separate account will be provided with written statements of investment objectives and guidelines as part of the investment management contract that will govern his or her portfolio. These objectives shall describe the role the investment manager is expected to play within the manager structure, the objectives and comparative benchmarks that will be used to evaluate performance, and the allowable securities that can be used to achieve these objectives. Each manager will report performance quarterly, and if applicable monthly, consistent with these objectives.. These statements will be consistent with the Statement of Investment Objectives and Policies for the overall endowment as set forth herein. Investment managers will be provided with a copy of the Statement of Investment Objectives and Policies.

Additionally, each manager will be expected to use best efforts to realize the best execution price when trading securities, and the settlement of all transactions (except investment pool funds and mutual funds) shall be done on a delivery versus payment basis.

SECURITIES LENDING

Securities owned by the endowment but held in custody by the endowment custodian may be lent to other parties through a contract between the University of Houston System and the custodian pursuant to a written agreement approved by the Board of Regents. Managers may not enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in

commingled vehicles, the Board cannot dictate whether or not the manager will engage in securities lending. Therefore, System and its investment consultant shall make every effort to limit investment to those managers who will not engage in securities lending. The limited partnerships of marketable and non-marketable alternative investments are excluded from this limitation.

PROXY VOTING

The University of Houston System has delegated proxy voting responsibility for separately managed accounts to its investment managers. Such separate account managers are to vote proxies in such a way as to maximize the value of related shares and in a manner consistent with the best interests of the University. It is noted in the case of commingled vehicles, voting rights on underlying company shares do not flow through to the System.

ADVISORY COMMITTEES

The Endowment Management Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the Endowment Management Committee and the staff of the Senior Vice Chancellor for Administration and Finance.

DISCLOSURE AND CONFLICTS OF INTEREST

Investment managers, advisors, and potential managers must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with their respective duties to the System. Investment managers and advisors must, on an annual basis, ensure that such disclosures are prominently set forth, are delivered in plain language, and communicate the relevant information using the Texas State Auditor's Uniform Disclosure Form. Furthermore, investment managers, advisors, and potential managers are investing public funds and are subject to the Texas Open Records Act.

REVIEW PROCEDURES

A. Performance Measurement

The Endowment Management Committee will review quarterly the performance of the endowment and each investment manager's portfolio relative to the objectives and guidelines described herein. The investment performance review will include comparisons with unmanaged market indices. A time-weighted return formula (that minimizes the effect of contributions and withdrawals) will be utilized for the overall endowment, although it is understood that individual managers may be evaluated using a dollar-weighted methodology, where appropriate.

B. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

APPENDIX A

Current Policy Targets, Ranges, and Benchmarks

| Asset Class | LT Target | Range | Benchmark |
|--|------------|--------------------------|--|
| Public Equities | 46% | 42% to 62% | MSCI ACWI |
| <i>U.S. Equity</i> | 21% | 17% to 27% | Russell 3000 |
| <i>Non-U.S. Developed Markets Equity</i> | 15% | 5% to 19% | MSCI EAFE |
| <i>Emerging Markets Equity</i> | 5% | 0% to 10% | MSCI Emerging Markets |
| <i>Global Equity</i> | 5% | 0% to 10% | MSCI ACWI |
| Private Markets | 31% | 21 to 41% | |
| <i>Private Equity</i> ¹ | 22% | 17% to 32 27% | C A Global All PE (Qtr Lag) |
| <i>Private Debt</i> | 3% | 0% to 6% | C A Global Credit (Qtr Lag) |
| <i>Private Real Assets</i> ² | 6% | 3% to 9% | C A Global Real Assets w/ RE (Qtr Lag) |
| Marketable Real Assets | 3% | 1% to 7% | 25% Barclays US TIPS /25% MSCI World Natural Resources /25% MSCI U.S. REIT /25% Bloomberg Commodity TR |
| Diversifying Growth Assets | 5% | 0% to 10% | |
| <i>Hedge Funds</i> ³ | 5% | 0% to 10% | HFRI Fund of Funds Composite |
| Risk Reduction Assets | 15% | 5% to 20% | |
| <i>Bonds and Cash</i> | 15% | 5%-20% | Dynamic Bonds and Cash Benchmark (Bloomberg Barclays Intermediate Aggregate Index and BofA ML 91 Day Treasury Bills) |

¹ Private Equity: Managers to be considered for inclusion in this category include private equity and other related partnership funds with similar return objectives subject to multi-year lock-ups. Unfunded commitments plus NAV of Private Equity investments should not exceed 45% of the Endowment. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

Unfunded commitments plus NAV of all Private Investments (Private Equity, Private Debt, and Private Real Assets) should not exceed 55% of the Endowment total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

² Private Real Assets: Assets included in this category may include private real estate, Energy, Infrastructure, Natural Resources, and Commodities. Unfunded commitments plus NAV of Private Real Assets investments should not exceed 18% of the Endowment total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

³ Hedge Funds: Assets to be considered for inclusion in this category would primarily include Equity-Oriented Long-Short Hedge Funds, Defensive Arbitrage, Global Macro, and Multi-Strategy Hedge Funds. Other more liquid diversifying funds may also be included. Credit strategies may also be held in some circumstances as absolute return vehicles, and in some circumstances a particular real estate manager may be viewed to qualify as such a holding as well.

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND
STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES
Approved by the Board of Regents

February 23, 2023

PREFACE

The University of Houston System Board of Regents is charged with the fiduciary responsibility for preserving and augmenting the value of the endowment, thereby sustaining its ability to generate support for both current and future generations of students. As part of a commitment to long-range financial equilibrium, the Regents have adopted the broad objective of investing endowment assets so as to preserve both their real value and the long-range purchasing power of endowment income so as to keep pace with inflation and evolving university needs, while generally performing above the average of the markets in which the assets are invested. Pursuant to Board Bylaw, the Endowment Management Committee has been established as a standing committee to assist the Board in fulfilling its fiduciary responsibilities.

To achieve its investment objectives the University of Houston System retains independent investment managers each of whom plays a part in meeting the System's goals over a variety of capital market cycles. The Endowment Management Committee shall:

- a) Review and recommend to the Board changes to investment policies;
- b) Review and recommend to the Board the university advancement assessment rate;
- c) Review and recommend to the Board asset allocation long-term targets and ranges;
- d) Review and recommend to the Board external investment consultants;
- e) Monitor, evaluate, hire or terminate external investment managers;
- f) Establish investment manager guidelines;
- g) Monitor the actual allocation of assets through additions and withdrawals of funds among managers and investment media to conform to the long-term targets insofar as practical; and
- h) Oversee the results of the independent managers and report periodically to the Board and the university community.

FORWARD

This policy is intended to be ongoing until the next review is completed. Comprehensive reviews are to be completed every five years.

In addition to complying with the duty of loyalty imposed by Texas state law, each person responsible for making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing System funds shall do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. It is the general practice of the University of Houston System to pool endowment resources. For investment purposes however, the assets are

managed in separate endowment fund accounts. The following statement sets out explicit policies for the pooled endowment but would apply to non-pooled holdings as well. The Regents seek superior investment returns through professional management without assuming imprudent risks. In managing and investing the System's endowment assets, the following factors, if relevant, must be considered:

- a) general economic/capital market conditions;
- b) the possible effect of inflation or deflation;
- c) the expected tax consequences, if any, of investment decisions or strategies;
- d) the role that each investment or course of action plays within the overall investment portfolio;
- e) the expected return based on levels of liquidity and investment risk that are prudent and reasonable under present circumstances, and such circumstances may change over time;
- f) the expected total return from income and the appreciation of investments;
- g) other resources of the institution;
- h) the needs of the institution and the fund to make distributions and to preserve capital; and
- i) an asset's special relationship or special value, if any, to the charitable purposes of the institution.

Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the System endowment's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably aligned with the endowment fund's stated goals and objectives.

FINANCIAL OBJECTIVES

The primary long-term financial objective for the University endowment is to preserve and enhance the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of portfolio management. Costs to manage and administer the endowment assets should be appropriate and reasonable in relation to the assets, the purposes of the endowment, and the skills of investment consultant(s) and investment manager(s) to whom investment management functions are delegated. Performance of the overall endowment against this objective is measured over rolling periods of five years.

INVESTMENT OBJECTIVES

In order to meet the financial objective stated above, the primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus university advancement assessment fee, if any, plus the costs of managing the investment fund, and expressed in real (or inflation-adjusted) terms. Given the current System spending rate of 5.1% (which includes 4% payout and 1.1% university advancement assessment effective FY), the objective of this fund will be to earn a real (inflation adjusted) return of 5.31 when measured over rolling periods of at least five years. It is also understood

that due to market conditions there may be five-year periods where this objective is exceeded and purchasing power is enhanced, as well as five-year periods where the objective is not met and purchasing power is diminished. The medium-term objective for the endowment is to outperform each of the capital markets in which assets are invested, measured over rolling periods of three to five years or complete market cycles, with emphasis on whichever measure is longer. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the university's peer group, as measured by the NACUBO Study of Endowments over rolling five-year time periods, as well as comparison annually to a peer group provided by an outside advisor. Thus, the Endowment Management Committee is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both the median performance of other educational endowments and with capital markets generally.

Finally, the total return of the University's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to the Endowment Management Committee's asset allocation targets.

INVESTMENT MANAGERS

In accordance with Board policy, hiring of investment consultants requires approval of the Board. Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Managers of marketable securities are expected to produce a cumulative annualized total return net of fees and commissions that exceeds an appropriate benchmark index over moving three to five-year periods, and should be above a median for active investment managers using similar investment philosophies over the same time periods. At their discretion, managers may hold cash reserves and fixed income securities up to 25% of portfolio market value with the understanding that their benchmark will not be adjusted to reflect cash holdings. Managers who wish to exceed these limits should secure prior approval from the Treasurer. The Treasurer, in turn, shall seek approval from the Senior Vice Chancellor for Administration and Finance or designee.

ENDOWMENT PAYOUT POLICY

The Regents of the University of Houston System have established an endowment payout policy which attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. Payout is derived from interest, dividends and realized gains, net of portfolio management fees. The historical rate of payout has been 4 to 5 percent. Going forward, the endowment will maintain a payout rate of approximately 4% to 5%, with any change to this range to be approved by the Board. The payout rate will be based as a percentage of the fiscal year end market value average over rolling twelve quarter periods. If an endowment has been in existence less than twelve quarters, the average will be based on the number of quarters in existence.

UNIVERSITY ADVANCEMENT ASSESSMENT

The System will annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The Board shall annually review and approve the fee. The fee will be based as a percentage of the fiscal year end market value averaged over rolling twelve quarter periods. If an endowment has been in existence less than twelve quarters, the average will be based on the number of quarters in existence.

APPROPRIATION FOR EXPENDITURE

The endowment payout and the University Advancement Assessment fee constitute the appropriation for annual expenditure. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- a) the duration and preservation of the endowment fund;
- b) the purposes of the institution and the endowment fund;
- c) general economic conditions;
- d) the possible effect of inflation or deflation;
- e) the expected total return from income and the appreciation of investments;
- f) other resources of the institution; and
- g) the investment policy of the institution.

Generally, pursuant to the Uniform Prudent Management of Institutional Funds Act, Chapter 163, Texas Property Code, as amended, subject to the intent of a donor in a gift instrument, the Board of Regents may appropriate for expenditure or accumulate so much of the endowment as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. Notwithstanding the preceding sentence, the Board of Regents may not appropriate for expenditure in any year an amount greater than nine percent (9%) of the endowment, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately

preceding the year in which the appropriation for expenditure was made, so long as the fair market value of the endowment fund is at least \$450 million, otherwise the limit on the appropriation for expenditure in any year is 7%.

EXPENDITURE FROM UNDERWATER ENDOWMENTS

The Board, in managing and investing endowment assets, shall consider the charitable purposes of the institution and the purposes of the endowment fund. Subject to the intent of a donor expressed in an endowment gift instrument, the appropriation for expenditure from an endowment that is underwater in any year shall decrease incrementally and is eventually suspended when the market value of the endowment drops to a designated percentage of the endowment’s historical dollar value. Historical dollar value (HDV) is the aggregate value of contributions made to an endowment over time without regard to increases or decreases because of investment results. The declining spending rate from endowments that are underwater, and not otherwise expressly prohibited by a donor, is as follows:

| Fund Value as a Percent of HDV | Spending rate |
|---|-----------------------------|
| 90 – 99.9% | 75% of normal spending rate |
| 80 – 89.9% | 50% of normal spending rate |
| <80.0% | Suspend distributions |

ASSET SELECTION AND ALLOCATION

It is understood that return enhancement assets (or equities), including both public and private equities, are to be the dominant asset class in the Endowment due to the superior long-term return offered by such assets. As such, equity assets may be thought of as the drivers of long-term Endowment return.

Although the long-term return from equity assets is superior, they have three primary drawbacks that must be addressed by investing in diversifying growth and risk reduction assets. The first is that periods of prolonged economic contraction (deflation) can be catastrophic. Although such periods are rare, the results of such periods are severe enough to warrant holding a portion of the Endowment in assets that are likely to retain value or appreciate in value during such periods. The goal of such holdings would be to provide liquidity to the Endowment and a measure of protection from market drawdowns.

The second drawback to an overreliance on return enhancement assets is the effects of an unexpected rise in the rate of inflation. Such rises have traditionally been problematic for most types of equity assets, and given the System’s stated goal of preserving purchasing power by achieving an attractive inflation adjusted return, some portion of the Endowment may be invested in assets that will appreciate in value during periods of unexpected inflation.

Lastly, equity assets are subject to greater degrees of risk. Risk takes many forms and is usually thought of in terms of volatility of investment returns. Volatile investment returns translate into a level of support for the System's programs that (even with the smoothing effect of the rolling three-year average market value payout rule) is variable over time. In order to control this variability to a tolerable level, some allocation to diversified growth assets that produce attractive returns, but in a more absolute (or less variable) pattern, may be warranted. It is understood that such absolute return assets will often return less than equity assets, but should provide some degree of volatility mitigation over the course of a market cycle.

After providing for the three broad categories noted above, the remainder of the Endowment should be invested in equity assets, broadly defined and broadly diversified. Broad diversification is required not only to further smooth the pattern of returns, but to protect the endowment from the risks associated with undue concentration in any one type of equity asset. Although other forms of diversification may be considered, it is understood that the Endowment's equity assets will be diversified by style (growth versus value), geography (domestic versus foreign), and market capitalization (large-cap versus small).

Current policy targets and ranges for the Endowment can be found in Appendix A.

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For the purposes of this section, "alternative investments" refers to investments in Private Equity, Private Debt, and Private Real Assets, as well as other investment types employing leverage, short sales, or illiquidity. The investments are made in the Endowment in order to improve diversification, reduce overall volatility, and enhance return. However, the Endowment Management Committee recognizes that these investments also present additional risks beyond those posed by investments in traditional marketable securities such as stocks and bonds. Among these risks are:

1. *Liquidity Risk*: most alternative investments impose restrictions on redemptions or require multi-year locks.
 - a. This risk is mitigated by imposing restrictions on the amount of the Endowment that may be allocated to alternative investments as detailed

- above. In addition, the Endowment Management Committee will review at least annually the level of portfolio liquidity across all asset classes in order to ensure that there is sufficient liquidity to meet all obligations.
2. *Non-regulation risk*: Historically, alternative managers have been exempt from registration with the SEC, which has allowed them to employ strategies (such as short sales and use of leverage) forbidden by most traditional investment managers, as well as to avoid disclosing specific details of their investment practices or portfolio holdings.
 - a. With the passage of the Dodd-Frank Act of 2010, almost all alternative investment managers will be required to register with the SEC under the Investment Advisers Act of 1940. This Act will require registered managers to file documents with the SEC and for public record describing the nature of the business, fees charged, types of clients, and details on compliance policies. It will also provide to investors a greater level of detail into portfolio strategy and investment.
 - b. Venture capital managers will, however, remain exempt from the Investment Advisers Act and will therefore remain unregistered with the SEC.
 - i. This risk will be mitigated by performing detailed due diligence on these managers and monitoring them regularly as described below, as well as by diversifying manager risk through multiple direct and fund-of-fund investments.
 3. *Transparency Risk*: alternative managers are not required to disclose portfolio holding details to the same extent that traditional marketable managers are, and are often reluctant to do so in order to preserve their perceived advantage over other investors.
 - a. This risk will be mitigated somewhat by the Dodd-Frank Act and the increased transparency provided by the requirement to file Form ADV with the SEC. Beyond that, however, the Endowment Management Committee, staff, and any outside advisors shall emphasize those managers who will provide at least the following level of detail into their investment portfolios:
 - i. Number of short and long positions
 - ii. The use of leverage
 - iii. Net market exposure
 4. *Investment Strategy Risk*: alternatives often employ sophisticated and potentially riskier strategies, and may use leverage.
 - a. This risk will be mitigated by intensive due diligence and monitoring of potential alternative managers described below. An emphasis will be placed on those managers who have extensive experience in employing these strategies, a demonstrated ability to consistently employ them effectively, and an established track record of superior performance.
 5. *Foreign Currency Risk*: changes in exchange rates could adversely affect fair value of the Endowment Fund.
 - a. The Endowment Management Committee recognizes that exposure to foreign currency acts as a hedge against a declining or collapsing dollar. In this way, such investments help to reduce risk in the portfolio. However,

the Committee will review the level of exposure to foreign currencies periodically in order to ensure that there are no unintended risks in the portfolio.

The following principles shall guide the selection of alternative investment managers:

- Diversify across managers to mitigate systematic and organizational risk, but avoid over-diversification.
- Diversify by strategy and geography to decrease correlations within the program.
- Emphasize qualitative evaluation of managers, as a manager's quantitative characteristics may change over time and in different market conditions.
- Discourage the use of significant leverage, and emphasize managers with a demonstrated skill in generating returns on assets as opposed to returns on equity.
- Avoid strategies that are trading oriented, highly complex, or quantitatively driven.

In addition, the investment manager due diligence process shall include the following functions, to be performed by some combination of outside consultants/advisors and internal staff:

- Background checks
 - o Reference checks
 - o News searches
 - o Industry consultation
- Review of vendor relationships
 - o Prime brokers
 - o Auditors
 - o Fund administrators
 - o Legal counsel
- Operational review
 - o On site visits
 - o Procedural
 - o Organizational

Monitoring of the overall program-level and manager-level exposures and investment results shall be administered in accordance with the following schedule by some combination of outside consultants/advisors and internal staff:

Monthly (For Long/Short Equity and Absolute Return Managers)

- Reports of performance and asset allocation.
- Proactive contact with investment managers whose performance falls outside of the expected range.

Quarterly or Semi-Annually

- Calls with investment managers.
- For long/short equity and absolute return managers, detailed performance reports and analysis providing information such as top long positions, net and gross exposures, exposure by strategy and geography, and organizational changes.

Annually

- Diligence meetings with managers and attendance at annual meetings.

The Endowment Management Committee reviews and recommends to the Board the above asset allocation long-term targets and ranges, and the actual allocation of assets will be adjusted through additions and withdrawals of funds among managers and investment media to conform to these targets insofar as practical.

REBALANCING

The Committee recognizes the importance of periodically rebalancing the Endowment's asset allocation, namely to ensure that variation in returns among assets do not create outsized deviations from target allocations that cause Endowment performance to diverge from expected policy performance. To the extent possible, and in order to control transaction costs, the Endowment will utilize naturally occurring cash movement opportunities to rebalance the Endowment portfolio. Such naturally occurring opportunities include:

- The sourcing of cash for spending needs (withdrawals)
- The infusion of cash (contributions) into the existing portfolio
- Manager changes (partial or complete subscriptions or redemptions)
- Other cash transactions (i.e., dividends, interest income, return on capital, etc.)

In recognition that market action may force portfolio allocations outside of their allowable ranges in between Endowment Management Committee meetings, authority is delegated to the Treasurer to rebalance the portfolio in order to bring it back into compliance with the Investment Policy. More generally, the Treasurer, in conjunction with the investment consultant, will closely monitor asset allocation, and will periodically rebalance the portfolio, within allowable ranges, in light of major market movements or material changes in relative asset class valuations, in an effort to control risk and enhance long-term return. Further, with the assistance of the investment consultant, the Treasurer may rebalance up to 2.0% of the Endowment Fund intra-meeting to raise cash for meeting capital calls as well as to invest any cash inflows into the Endowment based on portfolio targets. Any rebalancing must occur across previously approved managers already held within the portfolio.

Any rebalancing actions taken by the Treasurer and investment consultant shall be communicated to the Chair of the Endowment Management Committee and to the Committee by the Senior Vice Chancellor for Administration and Finance or designee in a timely manner, but in any case no later than the next Committee meeting.

The objective of this rebalancing policy is to improve the compound return of the portfolio and to ensure that it is invested in accordance with long-term asset allocation targets. It is not the intention of this policy to force the University to take any action that may endanger the safety or impair the long-term return of the portfolio simply in order to remain in compliance with allowable ranges.

A clear illustration of such a scenario might be a market correction that reduces the value of the portfolio's marketable assets to an extent that forces the private investment allocation (the valuations of which lag those of marketable securities) beyond the allowable limits prescribed above. In order to stay in compliance in such a scenario, the University may be forced to sell interests in its private investment portfolio on the secondary market at a loss, impairing the overall Endowment's ability to recover from a correction of that magnitude.

Therefore, in the event of market action that forces any allocation outside its allowable ranges, the chair of the Endowment Management Committee, in conjunction with the Board chair, with the advice of staff and investment consultant, may temporarily waive the allocation limits imposed above if it is determined that remaining in compliance may cause harm to the long-term return potential of the endowment.

INVESTMENT MANAGEMENT

The endowment of the System will be managed primarily by external investment management organizations. Investment managers have discretion to manage the assets in each portfolio to best achieve the investment objectives, within the policies and requirements set forth in this statement, the investment manager agreement with the System including the guidelines for each investment manager, and subject to the usual standards of fiduciary prudence.

Each active investment manager with whom the System has a separate account will be provided with written statements of investment objectives and guidelines as part of the investment management contract that will govern his or her portfolio. These objectives shall describe the role the investment manager is expected to play within the manager structure, the objectives and comparative benchmarks that will be used to evaluate performance, and the allowable securities that can be used to achieve these objectives. Each manager will report performance quarterly, and if applicable monthly, consistent with these objectives.. These statements will be consistent with the Statement of Investment Objectives and Policies for the overall endowment as set forth herein. Investment managers will be provided with a copy of the Statement of Investment Objectives and Policies.

Additionally, each manager will be expected to use best efforts to realize the best execution price when trading securities, and the settlement of all transactions (except investment pool funds and mutual funds) shall be done on a delivery versus payment basis.

SECURITIES LENDING

Securities owned by the endowment but held in custody by the endowment custodian may be lent to other parties through a contract between the University of Houston System and the custodian pursuant to a written agreement approved by the Board of Regents. Managers may not enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in

commingled vehicles, the Board cannot dictate whether or not the manager will engage in securities lending. Therefore, System and its investment consultant shall make every effort to limit investment to those managers who will not engage in securities lending. The limited partnerships of marketable and non-marketable alternative investments are excluded from this limitation.

PROXY VOTING

The University of Houston System has delegated proxy voting responsibility for separately managed accounts to its investment managers. Such separate account managers are to vote proxies in such a way as to maximize the value of related shares and in a manner consistent with the best interests of the University. It is noted in the case of commingled vehicles, voting rights on underlying company shares do not flow through to the System.

ADVISORY COMMITTEES

The Endowment Management Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the Endowment Management Committee and the staff of the Senior Vice Chancellor for Administration and Finance.

DISCLOSURE AND CONFLICTS OF INTEREST

Investment managers, advisors, and potential managers must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with their respective duties to the System. Investment managers and advisors must, on an annual basis, ensure that such disclosures are prominently set forth, are delivered in plain language, and communicate the relevant information using the Texas State Auditor's Uniform Disclosure Form. Furthermore, investment managers, advisors, and potential managers are investing public funds and are subject to the Texas Open Records Act.

REVIEW PROCEDURES

A. Performance Measurement

The Endowment Management Committee will review quarterly the performance of the endowment and each investment manager's portfolio relative to the objectives and guidelines described herein. The investment performance review will include comparisons with unmanaged market indices. A time-weighted return formula (that minimizes the effect of contributions and withdrawals) will be utilized for the overall endowment, although it is understood that individual managers may be evaluated using a dollar-weighted methodology, where appropriate.

B. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

APPENDIX A

Current Policy Targets, Ranges, and Benchmarks

| Asset Class | LT Target | Range | Benchmark |
|--|------------|-------------------|--|
| Public Equities | 46% | 42% to 62% | MSCI ACWI |
| <i>U.S. Equity</i> | 21% | <i>17% to 27%</i> | Russell 3000 |
| <i>Non-U.S. Developed Markets Equity</i> | 15% | <i>5% to 19%</i> | MSCI EAFE |
| <i>Emerging Markets Equity</i> | 5% | <i>0% to 10%</i> | MSCI Emerging Markets |
| <i>Global Equity</i> | 5% | <i>0% to 10%</i> | MSCI ACWI |
| Private Markets | 31% | 21 to 41% | |
| <i>Private Equity</i> ¹ | 22% | <i>17% to 32%</i> | C A Global All PE (Qtr Lag) |
| <i>Private Debt</i> | 3% | <i>0% to 6%</i> | C A Global Credit (Qtr Lag) |
| <i>Private Real Assets</i> ² | 6% | <i>3% to 9%</i> | C A Global Real Assets w/ RE (Qtr Lag) |
| Marketable Real Assets | 3% | 1% to 7% | 25% Barclays US TIPS /25% MSCI World Natural Resources /25% MSCI U.S. REIT /25% Bloomberg Commodity TR |
| Diversifying Growth Assets | 5% | 0% to 10% | |
| <i>Hedge Funds</i> ³ | 5% | 0% to 10% | HFRI Fund of Funds Composite |
| Risk Reduction Assets | 15% | 5% to 20% | |
| <i>Bonds and Cash</i> | 15% | <i>5%-20%</i> | Dynamic Bonds and Cash Benchmark (Bloomberg Barclays Intermediate Aggregate Index and BofA ML 91 Day Treasury Bills) |

¹ Private Equity: Managers to be considered for inclusion in this category include private equity and other related partnership funds with similar return objectives subject to multi-year lock-ups. Unfunded commitments plus NAV of Private Equity investments should not exceed 45% of the Endowment. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

Unfunded commitments plus NAV of all Private Investments (Private Equity, Private Debt, and Private Real Assets) should not exceed 55% of the Endowment total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

² Private Real Assets: Assets included in this category may include private real estate, Energy, Infrastructure, Natural Resources, and Commodities. Unfunded commitments plus NAV of Private Real Assets investments should not exceed 18% of the Endowment total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

³ Hedge Funds: Assets to be considered for inclusion in this category would primarily include Equity-Oriented Long-Short Hedge Funds, Defensive Arbitrage, Global Macro, and Multi-Strategy Hedge Funds. Other more liquid diversifying funds may also be included. Credit strategies may also be held in some circumstances as absolute return vehicles, and in some circumstances a particular real estate manager may be viewed to qualify as such a holding as well.

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

COMMITTEE: Endowment Management Committee

ITEM: Annual review and approval of the UH System Investment Policy for Non-Endowed Funds.

DATE PREVIOUSLY SUBMITTED: February 24, 2022

SUMMARY:

In accordance with Section VI of the UH System Investment Policy for Non-Endowed Funds, the Endowment Management Committee shall review this policy at least once a year. There are no recommended changes to the policy during this review period.

SUPPORTING DOCUMENTATION: UH System Investment Policy for Non-Endowed Funds – redlined copy

FISCAL NOTE: None

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE



CHANCELLOR Renu Khator



DATE

UNIVERSITY OF HOUSTON SYSTEM
INVESTMENT POLICY FOR NON-ENDOWED FUNDS

Approved by the Board of Regents

February 23~~4~~, 202~~32~~

I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

A. General Statement

All non-endowed financial assets of the University of Houston System are to be invested in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the System and conforming to all state statutes governing investment of such funds. This investment policy applies to all non-endowed financial assets of all funds of the UH System at the present time and any funds to be created in the future.

B. Investment Officer

The System Treasurer may invest funds that are not immediately required to pay obligations of the System. The Board shall designate by resolution one or more additional officers or employees as investment officers. The Endowment Management Committee may also hire an Investment Advisor to assist with the managing and monitoring of non-endowed assets, as well as, appoint one or more investment managers to invest the System's funds under the terms of this policy.

If an investment officer has a personal business relationship with an entity or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the System, the investment officer must file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission.

C. Quality and Capability of Investment Management

The System will provide periodic training in investments for the System Investment Officers through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of the System Investment Officers in making investment decisions.

II. INVESTMENT OBJECTIVES

There are several key objectives which govern the investment philosophy and management of the System's non-endowed funds:

A. Safety and Maintenance of Adequate Liquidity

Safety of principal is a primary objective in any investment transaction involving non-endowed financial assets. The System's investment portfolio must be structured in conformance with an asset/liability management plan that provides for liquidity necessary to pay obligations as they become due.

B. Diversification

The System will diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments.

C. Yield

The System seeks to earn the maximum rate of return allowed on its investments within constraints imposed by its safety and liquidity objectives, and state and federal law governing investment of public funds.

D. Maturity

Portfolio maturities will be structured to meet the obligations of the System first and then to achieve the highest return of interest. When the System has funds that will not be needed to meet current-year obligations, maturity restraints will be imposed based upon investment strategy.

III. ASSET ALLOCATION AND IMPLEMENTATION

The non-endowed funds will be allocated into two tiers of liquidity to better reflect the actual liquidity requirements of these assets. The approved liquidity tiers and target allocation to each tier is as follows:

1. 50% allocated to a Cash Pool with an average one-year time horizon; designed to meet the annual operating needs of the system. The benchmark for this pool will be the Merrill Lynch 91-Day T-Bill Index.
2. 50% allocated to a Liquidity Pool with an average horizon of one to five years, designed to serve as a margin of safety in the unlikely event that the cash pool is insufficient to meet spending needs. The benchmark for this pool will be the ICE BofA AAA-A US Govt/Corp Index.

A customized Total Portfolio Benchmark will be employed to measure the overall performance of the portfolio. This benchmark will blend the returns of the two benchmarks specified above, weighted according to the target allocation for each respective tier.

Policy targets and allowable ranges for the Non-Endowed Funds are as follows:

| | Target Allocation | Allowable Range |
|-----------|-------------------|-----------------|
| Cash Pool | 50% | 30%% to 100% |
| Liquidity | 50% | 0% to 70% |

A. Guidelines for the Cash Pool

In order to meet all cash flow requirements for the System, the Cash Pool shall be continuously invested in readily available funds such as money market mutual funds, bank deposits, overnight repurchase agreements or securities with an original maturity not greater than 90 days, to ensure that appropriate liquidity is maintained to meet the University's obligations. Safety and liquidity are the primary objectives of the Cash Pool. The following investments are permitted:

- a. Commercial bank accounts (FDIC insured or in institutions with a long-term rating no lower than A).
- b. Money market mutual funds rated AAA and meeting diversification, quality and maturity requirements of Rule 2a-7 of the Investment Company Act of 1940, or any successor rule. Funds shall be open-ended, no-load funds.
- c. Certificate of deposit issued in the U.S. by a U.S. financial institution rated with a short-term rating no lower than A-1, F-1 or P-1.
- d. U.S. Treasury securities and U.S. Federal Agency securities.
- e. Repurchase and reverse repurchase agreements with a term to maturity of one day, with counterparties having a short-term or counterparty rating of A-1, F-1 or P-1 provided the contract is fully secured by deliverable U.S. Treasury or federal agency obligations, having a market value at all times of at least 102 percent of the amount of the contract, with securities free and clear of any lien and held by an independent third-party custodian acting solely as agent for the University, provided such third party is not the seller under the repurchase agreement. The contract will include a perfected first security interest under the Uniform Commercial Code.

B. Guidelines for the Liquidity Pool

The Liquidity Pool represents non-endowed funds that do not need to be readily available to meet the System's operating needs. Recognizing that this pool will not be accessed on a regular basis and instead serves as a margin of safety in the unlikely event that the cash pool is insufficient to meet spending needs, safety and return are the objectives of this pool. Funds in this pool will be invested in marketable, publicly traded fixed income securities and mutual funds with an average duration of one to five years. In order to achieve the dual goal of protection of principal as well as yield, the Liquidity Pool will be invested with managers who pursue investments across government bonds and corporate credit as well as with managers who pursue absolute return oriented fixed income mandates. In order to appropriately manage risk and return, the following guidelines will be implemented.

| Liquidity Pool | Target Allocation | Allowable Range |
|----------------------------------|--------------------------|------------------------|
| Short-Duration Government Credit | 50% | 40-100% |
| Short-Duration Credit | 20% | 0-30% |
| Core Fixed Income Plus | 15% | 0-25% |
| Absolute Return | 15% | 0-25% |

C. Guidelines for Investment Managers

Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Should the University engage an investment manager to manage a separately managed account for the System, detailed investment management guidelines will be agreed upon and should conform to the guidelines set forth in this document. Although the System cannot dictate investment policy to pooled funds or mutual funds, it is expected that pooled or mutual managers that conform to the investment guidelines found in the Guidelines for the Cash Pool and Liquidity Pool will be selected.

D. Guidelines for Rebalancing

Given the difference in expected return among these two pools, and the regular use of funds from the cash pool for operational purposes, these pools may need to be rebalanced occasionally. The Endowment Management Committee should consider rebalancing a pool when it exceeds a five percent over-or-underweight relative to its allowable ranges.

Between meetings of the Committee, should the exposure for any pool reach a level of 5% or more beyond the uppermost limit or 5% below the lower end of the specified range as measured at the end of the month, the Treasurer shall consult with the System’s Investment Advisor and make a recommendation to the Senior Vice Chancellor for Administration and Finance or designee as to the appropriate rebalancing actions to take. By mutual agreement, those parties may then proceed to take what rebalancing actions they deem to be reasonable and practical. Any rebalancing actions taken shall be communicated to the entire Committee by the Senior Vice Chancellor for Administration and Finance in a timely matter but in any case, no later than the next Committee meeting.

In addition to rebalancing between the Cash and Liquidity Pools, from time to time the System Treasurer, together with the Investment Advisor, may evaluate the aggregate amount of non-endowed funds to determine if there is excess liquidity held across non endowed funds. In the

event that the Treasurer determines excess liquidity exists, some portion of non-endowed funds may be invested alongside the University's endowment or Long-Term Investment Pool (LTIP). Such funds would only be invested in the LTIP if it is determined that such excess liquidity is not needed to meet the short term or intermediate term operating needs of the System. Such investment in the LTIP requires approval by the Endowment Management Committee.

IV. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

Not less than quarterly, the System shall provide to the Endowment Management Committee a written report of the System's investment activity for the preceding reporting period.

V. OTHER INVESTMENT GUIDELINES

A. A Standard of Care

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal; liquidity; and yield. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. The investment of all funds, or funds under the System's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the System.

B. Collateral or Insurance

The System Investment Officer shall ensure that all System funds held as bank deposits are fully collateralized or insured consistent with federal and state law. Acceptable forms of insurance or collateral, as shall be stipulated in the System's Bank Depository Contract, are as follows:

1. United States FDIC insurance coverage; or
2. Obligations of the United States or its agencies and instrumentalities.

C. Safekeeping

All purchased securities shall be held in safekeeping by the System, or a System account in a third-party financial institution, or with the Federal Reserve Bank. All pledged securities as collateral by the Depository Bank shall be held in safekeeping by the System, or a System account in a third-party financial institution, or with a Federal Reserve Bank.

D. Securities Lending

Securities owned by the System and held in custody by the System's custodian may only be lent to other parties through a contract between the System and the custodian pursuant to a written agreement approved by the Board of Regents. Neither custodians nor investment managers may enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in mutual funds, the Board cannot dictate whether or not the fund will engage in securities lending.

Therefore, the System and its Investment Advisor shall make every effort either to avoid mutual funds that participate in securities lending, or to otherwise limit investment to those managers who will not engage in securities lending.

VI. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.