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# AGENDA

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## UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT MANAGEMENT COMMITTEE MEETING

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**DATE:** Thursday, March 12, 2026  
**TIME:** 9:00 AM  
**PLACE:** Hilton University of Houston Hotel  
Conrad Hilton Ballroom, Second Floor  
4450 University Drive  
Houston, Texas 77204

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**Chair:** Bryan Clark  
**Vice Chair:** Ricky Raven  
**Members:** Beth Madison  
Gregory C. King  
Patrick Fertitta  
Thomas Lucas  
**Ex Officio:** Jack B. Moore

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### I. Endowment Management Committee

A. Call to Order  
*Presenter: Chair Bryan F. Clark*

B. Approval of Committee Minutes

- November 20, 2025, Endowment Management Committee Meeting

**Action:** Approval

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

**Action:** Information

D. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the hiring of a private credit manager for the University of Houston System Endowment Fund

**Action:** Approval

- E. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the investment in two Money Market Funds for the University of Houston System Non-Endowed Investment Fund

**Action:** Approval

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

**Action:** Approval

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

- G. Approval is requested to modify the UH System Investment Policy for Non-Endowed Funds

**Action:** Approval

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

II. **Executive Session**

*Presenter: Chair Bryan Clark*

- 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 Bryan Clark*

- A. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for an investment advisor for the University of Houston System Endowment and Non-Endowed Investments

**Action:** Approval

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

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

**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

2/24/2026  
\_\_\_\_\_  
**DATE**

  
\_\_\_\_\_  
**CHANCELLOR** Renu Khator

3/10/2026  
\_\_\_\_\_  
**DATE**



# ENDOWMENT MANAGEMENT COMMITTEE

UNIVERSITY OF HOUSTON SYSTEM

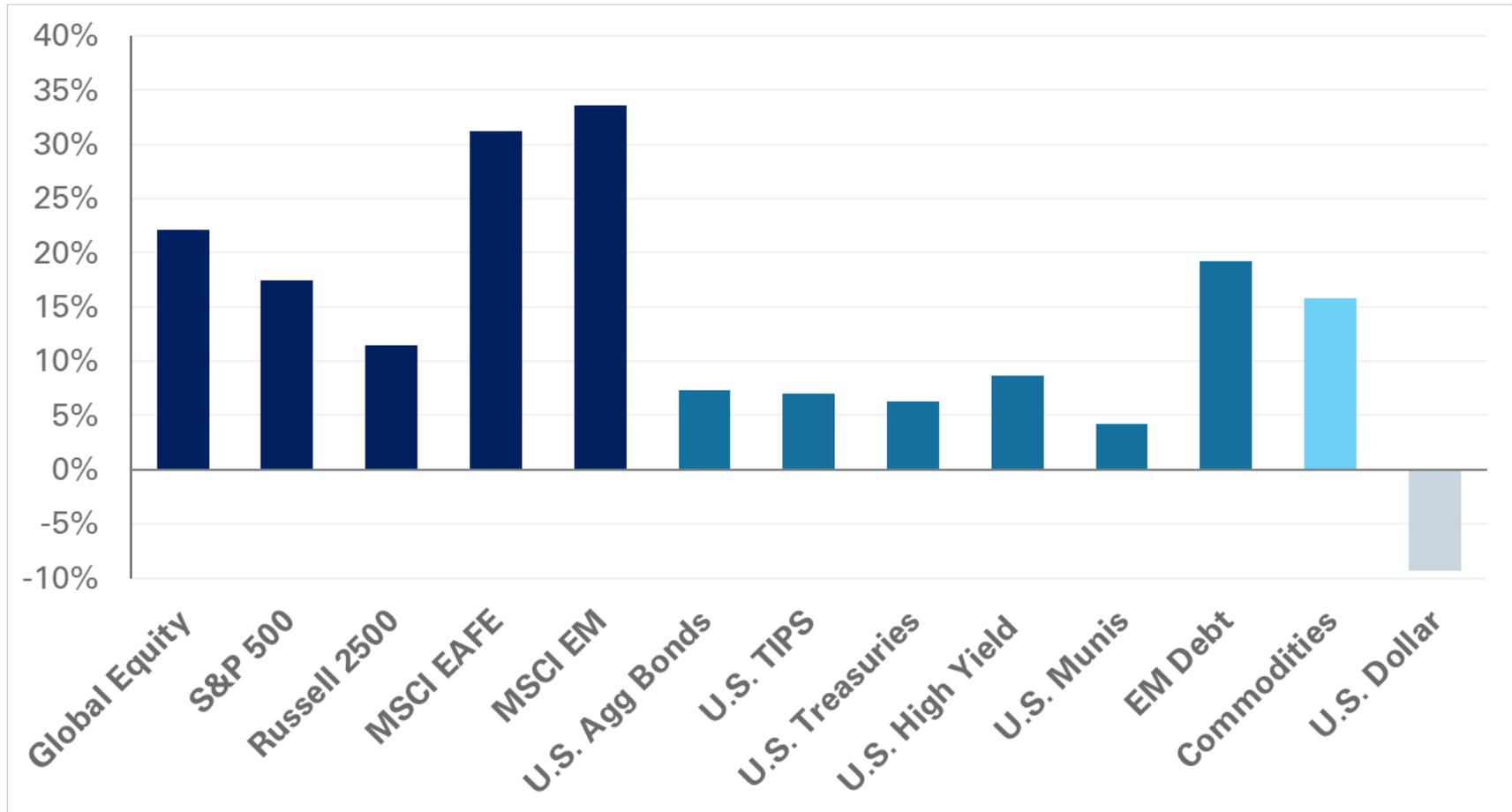
MARCH 12, 2026

# MARKET PERSPECTIVE & OUTLOOK



# 2025: A GOOD YEAR FOR CAPITAL MARKETS

## 2025 ANNUAL TOTAL RETURNS



# 2025 CAPITAL MARKETS REVIEW

**The U.S. economy remained steady in the face of heightened policy uncertainty** as AI-related spending and a resilient consumer supported economic growth

**Labor market dynamics and tariff-related inflation uncertainties delayed rate cuts relative to expectations** forcing investors to recalibrate pricing for monetary policy

**Despite weak sentiment, risk asset returns were robust** with the mega-cap names in the U.S. able to deliver on lofty revenue and earnings growth expectations

**Non-U.S. equity markets outperformed** as investor flows shifted overseas while U.S. Dollar weakness supported returns

**2025 was a favorable environment for real assets** amid resilient global economic growth and heightened geopolitical uncertainty that supported prices

# 2026 MARKET THEMES

## NEPC MARKET OUTLOOK

**At the start of each year, we identify the market themes that we believe will most impact the investment landscape**

### 2026 Market Themes

**Navigating the AI  
Froth**

**Look to the US  
Economy**

**Do Not Fear the U.S.  
Dollar**

**Labor Market  
Dynamics**

# INVESTMENT PERFORMANCE : UHS ENDOWMENT FUND

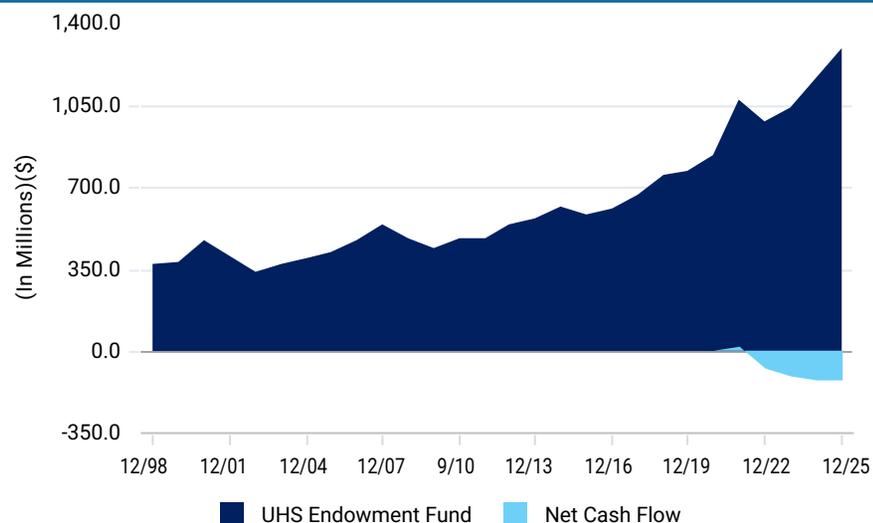


# UHS Endowment Fund

## EXECUTIVE SUMMARY

December 31, 2025

### Portfolio Market Value



Market Value (\$)	
<b>UHS Endowment Fund</b>	<b>1,336,746,070</b>
1Yr (%)	
<b>UHS Endowment Fund</b>	<b>12.3</b>
Dynamic Benchmark	14.5
<b>Public Equity</b>	<b>17.6</b>
MSCI AC World Index (Net)	22.3
<b>Bonds and Cash</b>	<b>6.9</b>
Dynamic Bonds and Cash Benchmark	6.6
<b>Hedge Funds</b>	<b>13.4</b>
HFRI Fund of Funds Composite Index	10.4
<b>Private Equity</b>	<b>7.3</b>
C A Global All PE (Qtr Lag)	9.7
<b>Private Debt</b>	<b>12.7</b>
C A Global Credit (Qtr Lag)	5.6
<b>Private Real Assets</b>	<b>0.8</b>
Private Real Assets Benchmark	4.8

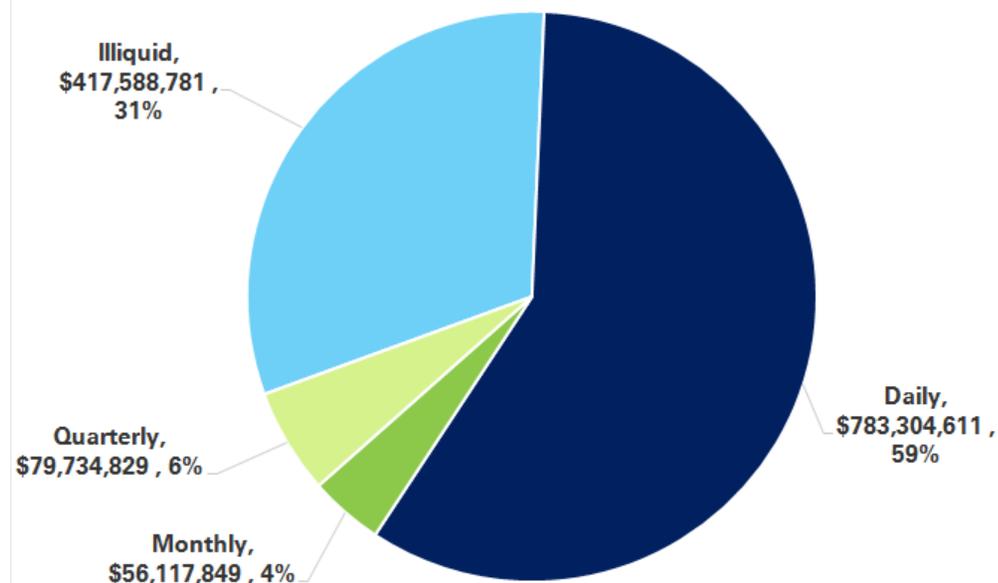
Fiscal Year ends 8/31

### Asset Allocation vs. Target

	Current	Policy	Current	Differences*	Policy Range
Equities	650,919,470	45.0	48.7	3.7	38.0 - 60.0
Fixed Income	188,502,991	10.0	14.1	4.1	5.0 - 15.0
Private Markets	417,588,781	39.0	31.2	-7.8	25.0 - 45.0
Hedge Funds	79,734,829	6.0	6.0	0.0	0.0 - 10.0
<b>Total</b>	<b>1,336,746,070</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	

	Market Value (\$)	FYTD (%)	1Yr (%)	3Yr (%)	5Yr (%)
<b>UHS Endowment Fund</b>	<b>1,336,746,070</b>	<b>4.4</b>	<b>12.3</b>	<b>10.6</b>	<b>8.5</b>
Policy Benchmark		6.0	15.6	12.8	9.8
InvMetrics All E&F > \$1B Median		4.3	13.7	11.4	7.6
<b>UH Endowment Fund Excl. Private Markets</b>	<b>877,463,656</b>	<b>4.4</b>	<b>15.5</b>	<b>13.8</b>	<b>6.9</b>
Policy Benchmark Excl. Private Markets		5.3	16.8	15.0	8.7

### Endowment Liquidity



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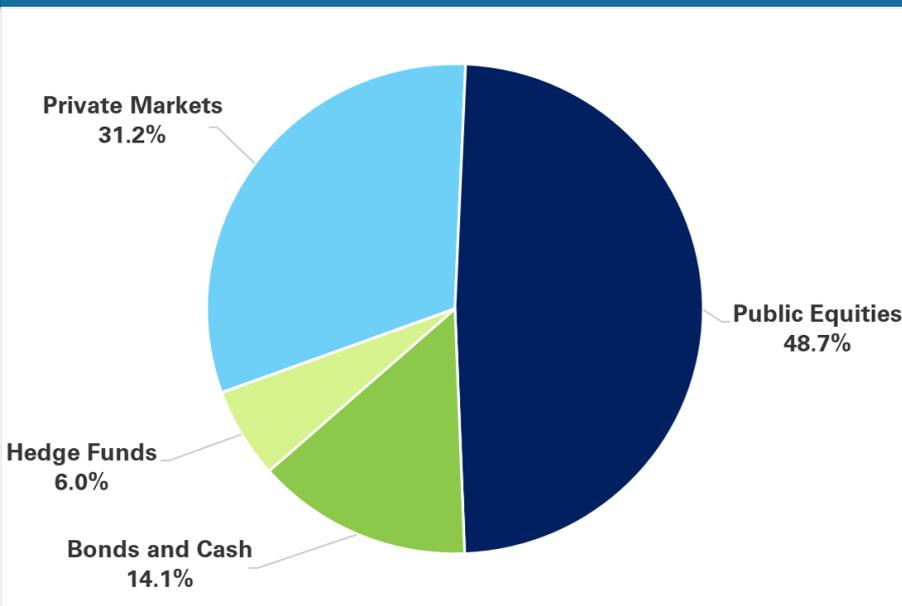


# EXECUTIVE SUMMARY

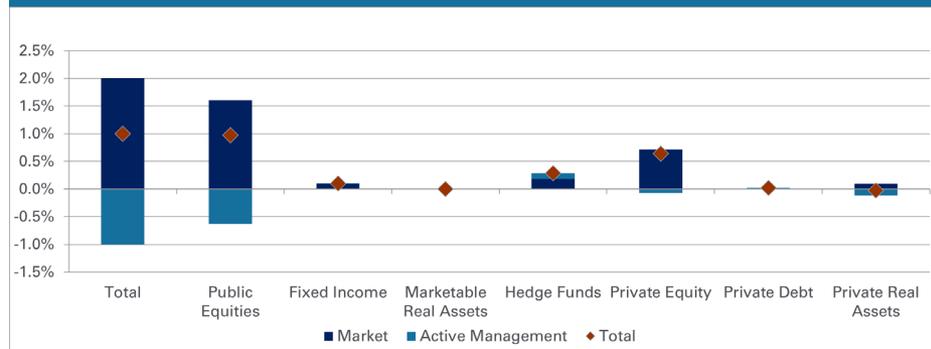
Ending December 31, 2025

	Market Value	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>UHS Endowment Fund</b>	<b>1,336,746,070</b>	<b>2.1</b>	<b>12.3</b>	<b>10.6</b>	<b>8.5</b>	<b>9.0</b>
<i>Dynamic Benchmark</i>		2.9	14.5	11.8	9.0	8.4
Over/Under		-0.8	-2.2	-1.2	-0.5	0.6
<i>InvMetrics All E&amp;F &gt; \$1B Median</i>		2.3	13.7	11.4	7.6	8.6

## Current Allocation



## YTD Attribution



- **The Endowment Fund returned +12.3% in 2025 and has now returned +8.5% annualized for the past five years**
- **Public Equity managers combined for a +17.6% return in 2025**
  - Non-US Equity managers excelled (+25.9% for the year)
  - However, 2025 proved to be a challenging year for active managers within Public Equity with a Growth bias
- **Agenda items for today:**
  - Private Debt Fund Recommendation
  - Non-Endowed Pool Money Market Funds Recommendation
  - Recommended Endowment Policy change (EM target at 0%)

# UNIVERSITY TOTAL PEER GROUP

- Peer group comprised of Colleges and Universities with assets of \$750M-\$2B as of 9/30/2025

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	9/30/2025 Quarterly	1 Yr.	3 Yr.	5 Yr.	10 Yr.
1	13.7	24.3	5.9	3.9	16.3	17.7	2.5	12.4	0.4	2.9	3.04	7.98	11.79	8.58	7.99
2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3	0.0	39.2	7.9	1.2	15.8	15.0	9.2	6.8	2.8	2.1	4.61	11.44	13.65	11.08	10.03
4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5	0.0	25.7	24.6	2.0	20.3	5.5	10.2	2.9	2.9	5.8	4.10	11.77	11.97	11.16	9.01
6	6.5	27.6	9.8	5.0	23.4	17.8	1.4	4.3	2.7	1.5	4.47	11.32	14.11	11.18	9.94
7	15.0	13.7	7.0	2.1	27.4	23.0	0.4	1.4	0.7	9.2	3.82	10.83	11.91	11.73	10.17
8	0.0	9.5	9.5	5.4	32.4	22.4	4.2	0.0	12.6	4.1	2.44	6.15	8.08	6.57	6.69
9	0.0	22.3	11.2	6.1	27.5	10.3	2.0	10.5	6.7	3.3	3.68	11.46	11.86	10.21	9.59
10	13.0	28.6	12.3	0.0	11.6	10.8	7.8	11.0	3.9	0.8	4.67	12.57	14.71	11.08	8.60
11	3.3	31.5	13.5	3.3	21.6	8.6	4.1	9.4	0.1	4.5	3.55	10.36	12.58	12.44	9.76
12	0.0	21.1	10.8	2.3	34.8	12.2	6.5	7.8	2.5	1.8	3.30	9.63	9.58	11.01	9.72
13	5.4	9.3	3.2	0.5	49.0	9.5	8.4	6.2	8.5	0.0	2.34	8.68	8.92	12.59	10.03
14	16.0	8.4	4.9	9.5	29.0	17.4	3.1	1.3	7.7	2.7	5.50	12.59	11.33	11.57	10.32
15	30.3	11.9	5.4	1.5	18.6	14.0	7.1	6.3	2.2	2.6	3.83	9.95	13.04	10.50	7.89
Key Peers Mean n=13	7.9	21.0	9.7	3.3	25.2	14.2	5.1	6.2	4.1	3.2	3.80	10.36	11.81	10.75	9.21
C&U Mean n=119	9.6	20.6	8.9	3.9	22.1	15.6	5.5	7.9	3.0	2.8	3.96	10.99	12.39	10.26	9.03
<b>UHS Endowment Fund</b>	<b>13.8</b>	<b>23.3</b>	<b>10.5</b>	<b>1.3</b>	<b>25.4</b>	<b>6.3</b>	<b>6.1</b>	<b>7.9</b>	<b>4.5</b>	<b>0.8</b>	<b>4.27</b>	<b>10.24</b>	<b>11.50</b>	<b>9.85</b>	<b>8.92</b>

*The UHS Endowment outperformed peers for the quarter.  
Recent trajectory shows that UHS continues to improve versus peers.*

*Historically, the UHS Endowment had a more conservative profile than peers (lower allocation to Public Equity, Private Equity, and Hedge Funds).*



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

# UNIVERSITY PEER GROUP BREAKOUT

- Peer group comprised of Colleges and Universities with assets of \$750M-2B as of 9/30/2025

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	9/30/2024 Quarterly	1 Yr.	3 Yr.	5 Yr.	10 Yr.
1	0.0	39.2	7.9	1.2	15.8	15.0	9.2	6.8	2.8	2.1	4.61	11.44	13.65	11.08	10.03
2	0.0	21.1	10.8	2.3	34.8	12.2	6.5	7.8	2.5	1.8	3.30	9.63	9.58	11.01	9.72
3	3.3	31.5	13.5	3.3	21.6	8.6	4.1	9.4	0.1	4.5	3.55	10.36	12.58	12.44	9.76
4	6.5	27.6	9.8	5.0	23.4	17.8	1.4	4.3	2.7	1.5	4.47	11.32	14.11	11.18	9.94
5	5.4	9.3	3.2	0.5	49.0	9.5	8.4	6.2	8.5	0.0	2.34	8.68	8.92	12.59	10.03
<b>Peer Group 1 Mean</b>	<b>3.0</b>	<b>25.7</b>	<b>9.0</b>	<b>2.5</b>	<b>28.9</b>	<b>12.6</b>	<b>5.9</b>	<b>6.9</b>	<b>3.3</b>	<b>2.0</b>	<b>3.65</b>	<b>10.29</b>	<b>11.77</b>	<b>11.66</b>	<b>9.90</b>
1	0.0	25.7	24.6	2.0	20.3	5.5	10.2	2.9	2.9	5.8	4.10	11.77	11.97	11.16	9.01
2	13.0	28.6	12.3	0.0	11.6	10.8	7.8	11.0	3.9	0.8	4.67	12.57	14.71	11.08	8.60
3	0.0	22.3	11.2	6.1	27.5	10.3	2.0	10.5	6.7	3.3	3.68	11.46	11.86	10.21	9.59
4	13.7	24.3	5.9	3.9	16.3	17.7	2.5	12.4	0.4	2.9	3.04	7.98	11.79	8.58	7.99
5	0.0	9.5	9.5	5.4	32.4	22.4	4.2	0.0	12.6	4.1	2.44	6.15	8.08	6.57	6.69
6	16.0	8.4	4.9	9.5	29.0	17.4	3.1	1.3	7.7	2.7	5.50	12.59	11.33	11.57	10.32
7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8	15.0	13.7	7.0	2.1	27.4	23.0	0.4	1.4	0.7	9.2	3.82	10.83	11.91	11.73	10.17
9	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
10	30.3	11.9	5.4	1.5	18.6	14.0	7.1	6.3	2.2	2.6	3.83	9.95	13.04	10.50	7.89
<b>Peer Group 2 Mean</b>	<b>11.0</b>	<b>18.1</b>	<b>10.1</b>	<b>3.8</b>	<b>22.9</b>	<b>15.1</b>	<b>4.7</b>	<b>5.7</b>	<b>4.6</b>	<b>3.9</b>	<b>3.88</b>	<b>10.41</b>	<b>11.84</b>	<b>10.18</b>	<b>8.78</b>
C&U Mean n=119	9.6	20.6	8.9	3.9	22.1	15.6	5.5	7.9	3.0	2.8	3.96	10.99	12.39	10.26	9.03
<b>UHS Endowment Fund</b>	<b>13.8</b>	<b>23.3</b>	<b>10.5</b>	<b>1.3</b>	<b>25.4</b>	<b>6.3</b>	<b>6.1</b>	<b>7.9</b>	<b>4.5</b>	<b>0.8</b>	<b>4.27</b>	<b>10.24</b>	<b>11.50</b>	<b>9.85</b>	<b>8.92</b>

*The UHS Endowment outperformed peers for the quarter.  
Recent trajectory shows that UHS continues to improve versus peers.*

*Historically, the UHS Endowment had a more conservative profile than peers (lower allocation to Public Equity, Private Equity, and Hedge Funds).*



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	650,919,470	45.0	48.7	3.7	38.0 - 60.0	Yes
Fixed Income	188,502,991	10.0	14.1	4.1	5.0 - 15.0	Yes
Private Markets	417,588,781	39.0	31.2	-7.8	25.0 - 45.0	Yes
Hedge Funds	79,734,829	6.0	6.0	0.0	0.0 - 10.0	Yes
<b>Total</b>	<b>1,336,746,070</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

\*Difference between Policy and Current Allocation



University of Houston System Endowment Fund  
**PERFORMANCE DETAIL**

December 31, 2025

	Ending December 31, 2025									
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>UHS Endowment Fund</b>	<b>1,336,746,070</b>	<b>100.0</b>	<b>2.1</b>	<b>12.3</b>	<b>10.6</b>	<b>8.5</b>	<b>9.0</b>	<b>6.3</b>	<b>Jan-98</b>	
<i>Dynamic Benchmark</i>			2.9	14.5	11.8	9.0	8.4	6.1		
<i>Policy Benchmark</i>			2.8	15.6	12.8	9.8	8.9	6.5		
<b>Public Equity</b>	<b>650,919,470</b>	<b>48.7</b>	<b>2.0</b>	<b>17.6</b>	<b>16.9</b>	<b>7.6</b>	<b>10.1</b>	<b>6.7</b>	<b>Jan-98</b>	
<i>MSCI AC World Index (Net)</i>			3.3	22.3	20.7	11.2	11.7	7.4		
<b>U.S Equity</b>	<b>297,079,639</b>	<b>22.2</b>	<b>1.2</b>	<b>13.9</b>	<b>18.8</b>	<b>8.3</b>	<b>11.7</b>	<b>7.9</b>	<b>Jan-98</b>	
<i>Russell 3000 Index</i>			2.4	17.1	22.2	13.1	14.3	9.2		
Northern Trust Russell 3000 Index Fund - Lending	212,385,392	15.9	2.4	17.1	22.2	-	-	13.5	Feb-21	
<i>Russell 3000 Index</i>			2.4	17.1	22.2	-	-	13.5		
Northern Trust Russell 1000 Value Fund	35,176,001	2.6	3.8	15.9	14.0	-	-	17.0	Oct-22	
<i>Russell 1000 Value Index</i>			3.8	15.9	13.9	-	-	16.9		
Deprince, Race, & Zollo Small Cap Value	22,895,720	1.7	1.8	-1.3	-	-	-	5.1	May-23	
<i>Russell 2000 Value Index</i>			3.3	12.6	-	-	-	14.7		
Granahan Focused Small Cap Growth	23,823,816	1.8	-10.3	2.7	-	-	-	14.2	May-23	
<i>Russell 2000 Growth Index</i>			1.2	13.0	-	-	-	15.6		
Cougar Investment Fund	2,798,710	0.2	3.3	9.7	17.1	11.4	11.2	8.8	Jun-05	
<i>S&amp;P 500 Index</i>			2.7	17.9	23.0	14.4	14.8	11.0		
<b>Non-U.S. Developed Equity</b>	<b>174,788,497</b>	<b>13.1</b>	<b>5.5</b>	<b>25.9</b>	<b>13.5</b>	<b>5.9</b>	<b>7.5</b>	<b>8.3</b>	<b>Apr-03</b>	
<i>MSCI EAFE (Net)</i>			4.9	31.2	17.2	8.9	8.2	8.3		
William Blair International Growth	50,665,315	3.8	1.9	18.0	11.7	1.8	7.0	7.4	Oct-03	
<i>MSCI AC World ex USA (Net)</i>			5.1	32.4	17.3	7.9	8.4	7.4		
Silchester International Value	56,117,849	4.2	7.0	30.6	16.4	10.5	8.4	8.8	Aug-09	
<i>MSCI EAFE (Net)</i>			4.9	31.2	17.2	8.9	8.2	7.3		
Acadian Non-US All Cap Equity	68,005,333	5.1	7.3	-	-	-	-	22.0	May-25	
<i>MSCI EAFE US Dollar Hedged Index (Net)</i>			6.7	-	-	-	-	19.1		



# PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Global Equity</b>	<b>179,051,334</b>	<b>13.4</b>	<b>0.0</b>	<b>17.8</b>	<b>20.2</b>	-	-	<b>13.2</b>	<b>Apr-22</b>
Arrowstreet Global Equity	98,308,556	7.4	3.8	29.9	23.5	-	-	15.7	Apr-22
<i>MSCI AC World Index (Net)</i>			3.3	22.3	20.7	-	-	11.7	
Jennison Global Opportunity Fund	80,742,778	6.0	-4.3	4.9	-	-	-	11.0	May-24
<i>MSCI AC World Index (Net)</i>			3.3	22.3	-	-	-	21.0	
<b>Fixed Income</b>	<b>94,216,534</b>	<b>7.0</b>	<b>1.5</b>	<b>7.9</b>	<b>7.2</b>	<b>2.9</b>	-	<b>2.9</b>	<b>Jan-21</b>
<b>Core Fixed Income</b>	<b>36,938,638</b>	<b>2.8</b>	<b>1.4</b>	<b>7.9</b>	<b>5.8</b>	<b>1.3</b>	<b>2.4</b>	<b>3.6</b>	<b>Jan-98</b>
<i>Blmbg. U.S. Aggregate Index</i>			1.1	7.3	4.7	-0.4	2.0	4.0	
Loop Capital	36,938,638	2.8	1.4	7.9	5.8	1.3	-	2.5	Feb-17
<i>Blmbg. U.S. Intermediate Aggregate</i>			1.4	7.5	5.0	0.7	-	2.1	
<b>Short-Duration Fixed Income</b>	<b>15,727,215</b>	<b>1.2</b>	<b>1.5</b>	<b>6.8</b>	<b>6.3</b>	-	-	<b>5.4</b>	<b>Jul-22</b>
Lord Abbett Short Duration Credit	15,727,215	1.2	1.5	6.8	6.3	-	-	5.4	Jul-22
<i>ICE BofA 1-3 Year U.S. Corporate Index</i>			1.2	5.9	5.6	-	-	4.8	
<b>Diversified Fixed Income</b>	<b>20,465,078</b>	<b>1.5</b>	<b>2.2</b>	<b>9.3</b>	<b>7.9</b>	<b>3.3</b>	-	<b>3.5</b>	<b>Nov-20</b>
<i>Blmbg. Global Aggregate</i>			0.2	8.2	4.0	-2.1	-	-1.5	
PIMCO Dynamic Bond Fund	20,465,078	1.5	2.2	9.3	7.9	3.3	-	3.6	Oct-20
<i>SOFR 90 Day</i>			1.0	4.4	5.0	3.5	-	3.4	
<b>High Yield Fixed Income</b>	<b>21,085,603</b>	<b>1.6</b>	<b>1.4</b>	<b>8.4</b>	-	-	-	<b>11.7</b>	<b>Nov-23</b>
<i>Blmbg. U.S. Corp: High Yield Index</i>			1.3	8.6	-	-	-	11.8	
Barings US High Yield Fund LLC	21,085,603	1.6	1.4	8.4	-	-	-	11.7	Nov-23
<i>Blmbg. U.S. Corp: High Yield Index</i>			1.3	8.6	-	-	-	11.8	
<b>Cash and Equivalents</b>	<b>94,286,457</b>	<b>7.1</b>	<b>0.9</b>	<b>3.7</b>	<b>4.0</b>	<b>2.6</b>	<b>1.8</b>	<b>2.2</b>	<b>Jan-98</b>
<i>90 Day U.S. Treasury Bill</i>			1.0	4.2	4.8	3.2	2.2	2.2	
Cash	94,286,457	7.1	0.9	3.7	4.0	2.6	1.9	2.2	Jan-98

University of Houston System Endowment Fund  
**PERFORMANCE DETAIL**

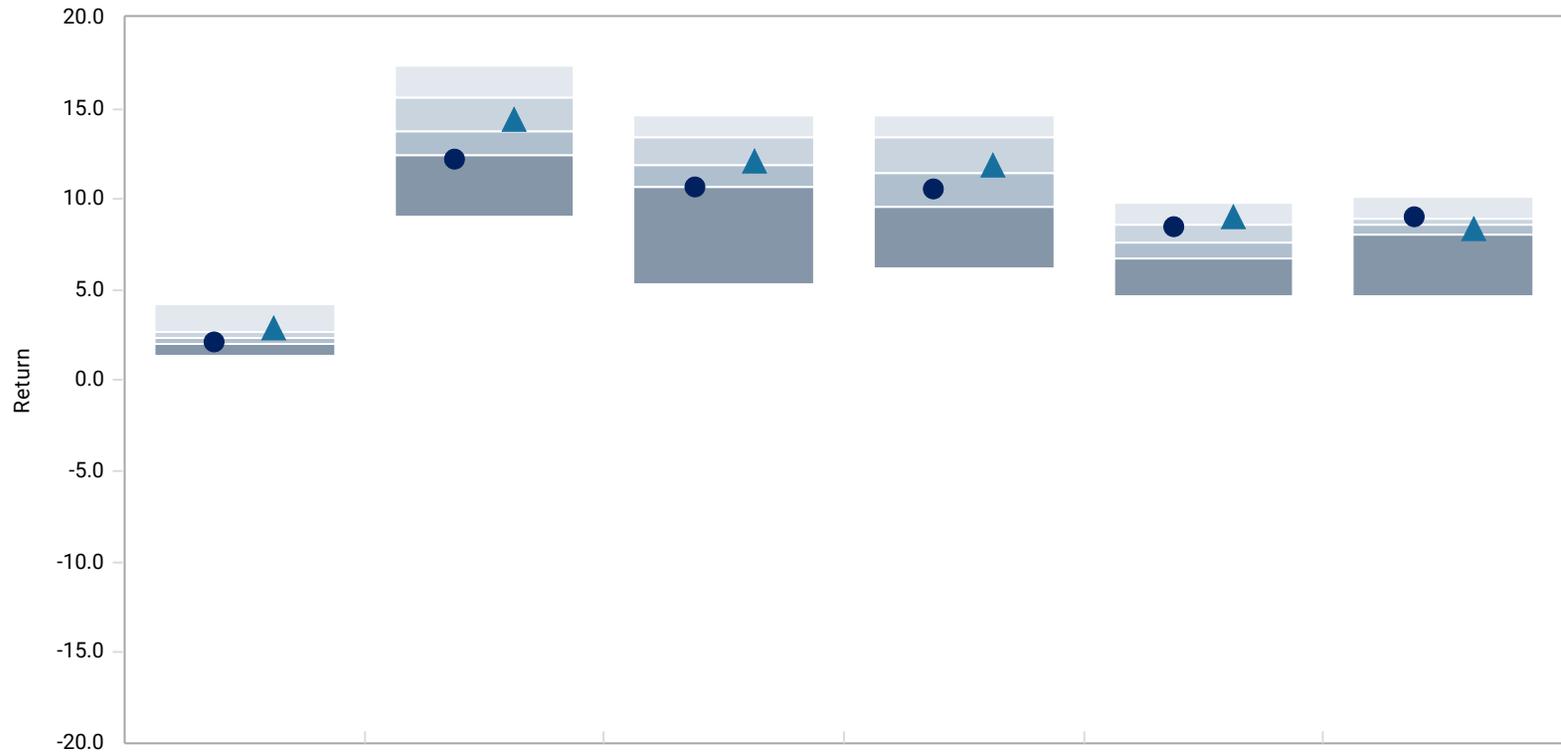
December 31, 2025

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Hedge Funds</b>	<b>79,734,829</b>	<b>6.0</b>	<b>4.9</b>	<b>13.4</b>	<b>10.8</b>	<b>9.6</b>	<b>6.9</b>	<b>6.0</b>	<b>Aug-03</b>
<i>HFRI Fund of Funds Composite Index</i>			3.1	10.4	8.5	5.1	4.8	4.1	
SRS Partners	14,209,666	1.1	10.4	26.3	13.3	16.3	11.3	10.8	Jun-14
HBK Offshore	6,116,672	0.5	1.6	8.7	8.6	7.5	6.5	5.8	Mar-11
400 Capital Credit Opportunities	21,921,860	1.6	3.0	8.8	9.9	-	-	7.4	Jun-22
Broad Reach Fund Limited	24,218,673	1.8	6.1	12.1	-	-	-	17.8	Nov-24
Evanston Capital Alpha Strategies	13,205,559	1.0	3.2	-	-	-	-	5.6	Sep-25
<b>Manager Holdbacks</b>	<b>62,398</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>2.1</b>	<b>0.7</b>	<b>-4.4</b>	<b>Jul-12</b>
<b>Private Markets</b>	<b>417,588,781</b>	<b>31.2</b>	<b>2.0</b>	<b>6.1</b>	<b>5.0</b>	<b>13.2</b>	<b>-</b>	<b>13.2</b>	<b>Jan-21</b>
<b>Private Equity</b>	<b>328,921,917</b>	<b>24.6</b>	<b>2.6</b>	<b>7.3</b>	<b>4.9</b>	<b>13.1</b>	<b>15.2</b>	<b>12.5</b>	<b>Jan-98</b>
<i>CJA Global All PE (Qtr Lag)</i>			2.9	9.7	7.2	12.1	12.4	-	
<b>Private Debt</b>	<b>10,506,818</b>	<b>0.8</b>	<b>3.2</b>	<b>12.7</b>	<b>12.6</b>	<b>-</b>	<b>-</b>	<b>11.9</b>	<b>Nov-22</b>
<i>CJA Global Credit (Qtr Lag)</i>			1.3	5.6	7.1	-	-	6.6	
<b>Private Real Assets</b>	<b>78,160,046</b>	<b>5.8</b>	<b>-0.4</b>	<b>0.8</b>	<b>4.3</b>	<b>13.0</b>	<b>8.1</b>	<b>6.9</b>	<b>Nov-03</b>
<i>Private Real Assets Benchmark</i>			1.6	4.8	4.7	10.0	7.6	9.3	



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

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

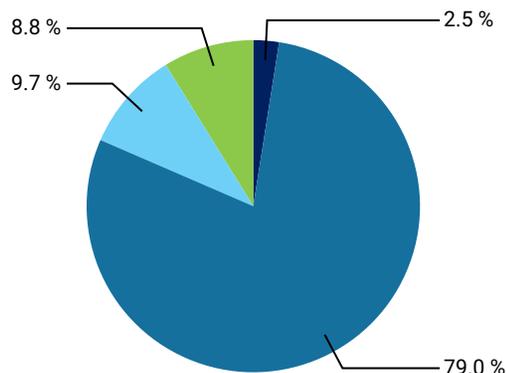


	3 Mo	1 Year	2 Years	3 Years	5 Years	10 Years
● UHS Endowment Fund	2.1 (68)	12.3 (79)	10.7 (73)	10.6 (69)	8.5 (29)	9.0 (23)
▲ Dynamic Benchmark	2.9 (19)	14.5 (34)	12.2 (47)	11.8 (48)	9.0 (14)	8.4 (55)
5th Percentile	4.2	17.4	14.6	14.7	9.9	10.2
1st Quartile	2.7	15.6	13.4	13.5	8.6	9.0
Median	2.3	13.7	11.9	11.4	7.6	8.6
3rd Quartile	2.0	12.5	10.7	9.6	6.8	8.1
95th Percentile	1.3	9.0	5.3	6.2	4.7	4.7
Population	38	38	37	36	36	32



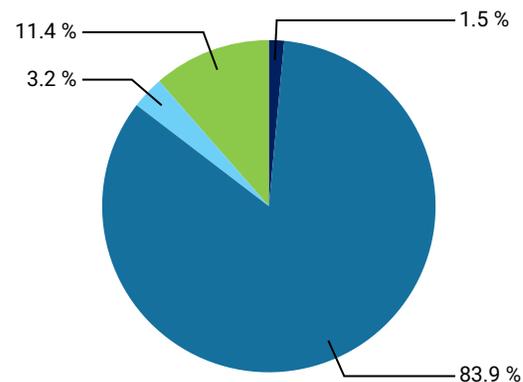
# EXECUTIVE SUMMARY

Valuation by Asset Class



Private Debt Private Equity Real Assets Real Estate

Unfunded Commitment by Asset Class

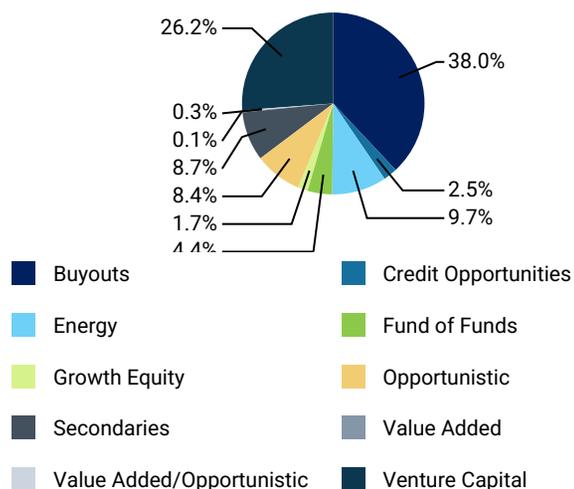


Private Debt Private Equity Real Assets Real Estate

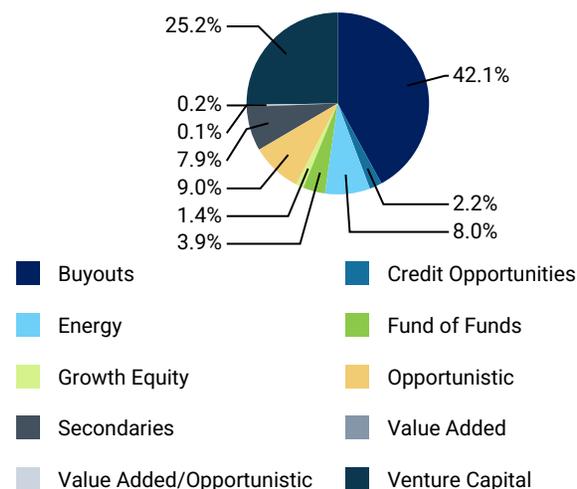
Asset Class	Commitment	Unfunded Commitment	Cumulative Contributions	Valuation	Performance								
					(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR	DPI	TVPI
Private Debt	\$10,000,000	\$2,203,145	\$7,796,855	\$10,506,818	3.17	10.30	13.08				14.28	0.00	1.34
Private Equity	\$424,131,535	\$125,271,588	\$298,859,947	\$335,166,760	1.82	6.25	7.12	4.88	13.04	15.89	15.16	0.71	1.83
Real Assets	\$74,500,000	\$4,712,342	\$69,787,658	\$40,986,795	1.54	0.92	7.50	14.84	25.69	11.61	11.97	1.02	1.61
Real Estate	\$85,235,295	\$17,048,544	\$68,186,751	\$37,352,452	-2.73	-2.43	-6.44	-6.81	1.66	6.26	3.38	0.64	1.17
<b>Total</b>	<b>\$593,866,830</b>	<b>\$149,235,620</b>	<b>\$444,631,210</b>	<b>\$424,012,825</b>	<b>1.40</b>	<b>4.95</b>	<b>5.96</b>	<b>4.90</b>	<b>13.22</b>	<b>14.12</b>	<b>12.04</b>	<b>0.74</b>	<b>1.68</b>

# ANALYSIS BY STRATEGY

Valuation by Strategy



Fund Exposure by Strategy

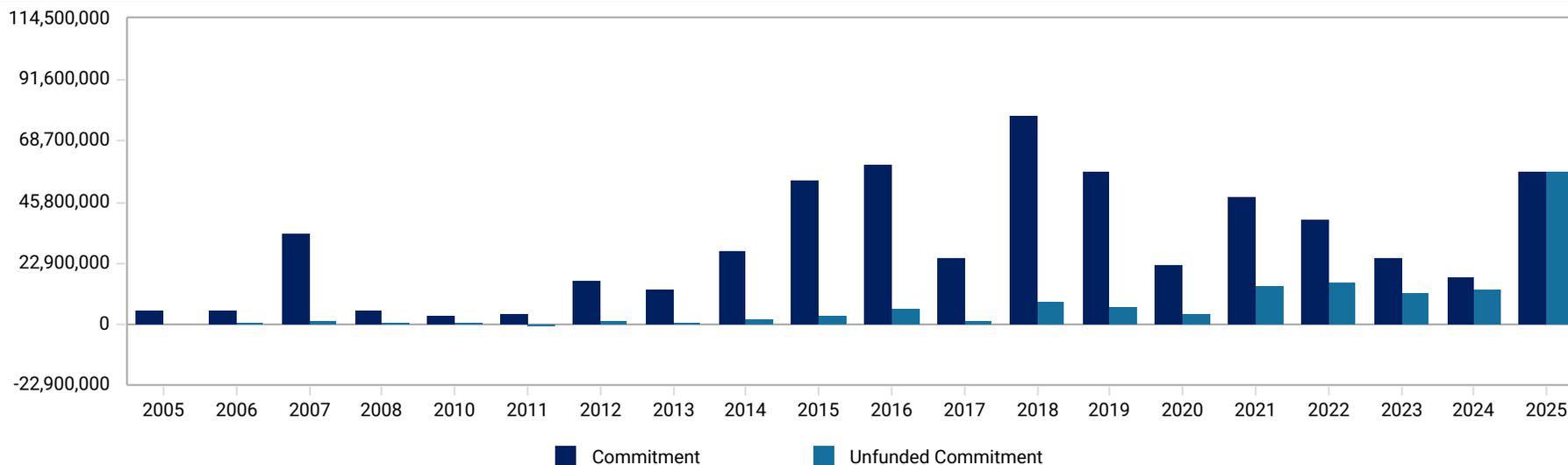


Investment Strategy	Commitments		Contributions & Distributions				Valuations				Performance		
	Commitment	Unfunded Commitment	Call Ratio	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Fund Exposure	DPI	TVPI	SI IRR
Buyouts	\$223,500,000	\$79,868,198	0.64	\$143,631,802	\$119,323	\$104,699,938	\$161,282,117	\$265,982,055	\$122,230,931	\$241,150,315	0.73	1.85	16.14
Credit Opportunities	\$10,000,000	\$2,203,145	0.79	\$7,796,855	\$61,518	\$0	\$10,506,818	\$10,506,818	\$2,648,445	\$12,709,963	0.00	1.34	14.28
Energy	\$74,500,000	\$4,712,342	0.94	\$69,787,658	\$336,448	\$71,840,982	\$40,986,795	\$112,827,826	\$42,703,671	\$45,699,137	1.02	1.61	11.97
Fund of Funds	\$34,000,000	\$3,932,014	0.89	\$30,067,986	\$47,561	\$41,591,168	\$18,513,928	\$60,105,096	\$29,989,549	\$22,445,942	1.38	2.00	10.48
Growth Equity	\$5,000,000	\$529,376	0.89	\$4,470,624	\$0	\$1,681,247	\$7,359,921	\$9,041,168	\$4,570,544	\$7,889,297	0.38	2.02	18.52
Opportunistic	\$61,500,000	\$15,757,543	0.77	\$45,742,457	\$1,732,669	\$24,277,307	\$35,721,237	\$59,998,544	\$12,523,418	\$51,478,780	0.51	1.26	7.75
Secondaries	\$54,000,000	\$8,098,227	0.85	\$45,901,773	\$848	\$34,549,249	\$36,998,809	\$71,548,058	\$25,645,437	\$45,097,036	0.75	1.56	14.16
Value Added	\$7,500,000	\$338,987	0.97	\$7,161,013	\$109,256	\$3,795,282	\$439,381	\$4,234,663	-\$3,035,606	\$778,368	0.52	0.58	-30.55
Value Added/Oppportunistic	\$8,235,295	\$252,899	0.97	\$7,982,396	\$0	\$7,772,220	\$1,152,239	\$8,924,459	\$942,063	\$1,405,138	0.97	1.12	1.00
Venture Capital	\$115,631,535	\$33,542,888	0.71	\$82,088,647	\$73,909	\$38,510,268	\$111,051,580	\$149,561,848	\$67,399,291	\$144,594,468	0.47	1.82	14.60
<b>Total</b>	<b>\$593,866,830</b>	<b>\$149,235,620</b>	<b>0.75</b>	<b>\$444,631,210</b>	<b>\$2,481,532</b>	<b>\$328,717,661</b>	<b>\$424,012,825</b>	<b>\$752,730,536</b>	<b>\$305,617,744</b>	<b>\$573,248,445</b>	<b>0.74</b>	<b>1.68</b>	<b>12.04</b>



# ANALYSIS BY VINTAGE YEAR

Commitments by Vintage Year



Vintage Year	Commitments		Contributions & Distributions				Valuations			Performance		
	Commitment	Unfunded Commitment	Call Ratio	Cumulative Contributions	Cumulative Distributions	Additional Fees	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
2005	\$5,000,000	\$0	1.00	\$5,000,000	\$3,761,064	\$0	\$1,152,239	\$4,913,303	-\$86,697	0.75	0.98	-0.13
2006	\$5,000,000	\$505,441	0.90	\$4,494,559	\$4,577,128	\$0	\$0	\$4,577,128	\$82,569	1.02	1.02	0.23
2007	\$33,985,295	\$1,118,675	0.97	\$32,866,620	\$51,007,804	\$0	\$1,166,739	\$52,174,543	\$19,307,924	1.55	1.59	9.86
2008	\$5,000,000	\$755,000	0.85	\$4,245,000	\$7,550,582	\$0	\$355,644	\$7,906,226	\$3,661,226	1.78	1.86	9.40
2010	\$3,000,000	\$510,000	0.83	\$2,490,000	\$9,180,158	\$0	\$4,736,170	\$13,916,328	\$11,426,328	3.69	5.59	20.10
2011	\$4,000,000	\$88,560	0.98	\$3,911,440	\$7,954,082	\$0	\$1,365,549	\$9,319,631	\$5,408,191	2.03	2.38	13.77
2012	\$16,000,000	\$1,546,389	0.91	\$14,453,611	\$25,686,694	\$39,442	\$5,189,909	\$30,876,603	\$16,383,551	1.77	2.13	17.42
2013	\$13,000,000	\$337,310	0.97	\$12,662,690	\$17,677,299	\$0	\$10,072,437	\$27,749,736	\$15,087,046	1.40	2.19	13.40
2014	\$27,500,000	\$2,264,562	0.92	\$25,235,438	\$28,941,258	\$104,818	\$14,992,114	\$43,933,373	\$18,593,117	1.14	1.73	11.95
2015	\$53,750,000	\$3,413,849	0.95	\$50,336,151	\$60,490,021	\$828,860	\$43,155,953	\$103,646,023	\$52,480,963	1.18	2.03	15.07
2016	\$59,631,535	\$5,638,880	0.91	\$53,992,655	\$48,323,187	\$372,037	\$53,962,732	\$102,285,919	\$47,921,227	0.89	1.88	14.73
2017	\$25,000,000	\$1,227,530	0.95	\$23,772,470	\$10,819,427	-\$5,164	\$39,809,520	\$50,628,947	\$26,861,641	0.46	2.13	18.05
2018	\$78,000,000	\$8,623,338	0.90	\$69,376,662	\$33,168,168	\$647,848	\$80,026,361	\$113,194,529	\$43,170,019	0.47	1.62	14.98
2019	\$57,000,000	\$6,711,038	0.89	\$50,288,962	\$16,326,613	\$454,999	\$56,694,012	\$73,020,626	\$22,276,665	0.32	1.44	11.38
2020	\$22,000,000	\$4,197,057	0.81	\$17,802,943	\$1,667,687	-\$94	\$23,183,784	\$24,851,471	\$7,048,622	0.09	1.40	10.56
2021	\$47,500,000	\$14,412,175	0.70	\$33,087,825	\$1,290,492	\$10,340	\$36,884,641	\$38,175,133	\$5,076,968	0.04	1.15	6.76
2022	\$39,000,000	\$15,766,351	0.60	\$23,233,649	\$295,997	\$43,185	\$30,893,059	\$31,189,056	\$7,912,222	0.01	1.34	16.08
2023	\$25,000,000	\$11,774,000	0.53	\$13,226,000	\$0	\$0	\$15,978,223	\$15,978,223	\$2,752,223	0.00	1.21	16.73
2024	\$17,500,000	\$13,345,465	0.24	\$4,154,535	\$0	-\$14,739	\$4,393,737	\$4,393,737	\$253,941	0.00	1.06	7.91
2025	\$57,000,000	\$57,000,000	0.00	\$0	\$0	\$0	\$0	\$0	\$0	0.00	0.00	0.00
<b>Total</b>	<b>\$593,866,830</b>	<b>\$149,235,620</b>	<b>0.75</b>	<b>\$444,631,210</b>	<b>\$328,717,661</b>	<b>\$2,481,532</b>	<b>\$424,012,825</b>	<b>\$752,730,536</b>	<b>\$305,617,744</b>	<b>0.74</b>	<b>1.68</b>	<b>12.04</b>



# UHS ENDOWMENT CASH FLOWS BY CATEGORY

Period	Beginning Market Value (in \$000s)	Net Cash Flows (in \$000s)	Net Investment Change (in \$000s)	Management Fees (in \$000s)	Ending Market Value (in \$000s)
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	\$1,102,842	\$34,534	-\$105,342	-\$7,227	\$1,024,789
2023	\$1,024,789	-\$28,349	\$103,443	-\$3,351	\$1,099,883
2024	\$1,100,013	-\$32,501	\$99,227	-\$4,545	\$1,166,739
2025	\$1,166,895	\$25,098	\$144,752	-\$1,350	\$1,336,746

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

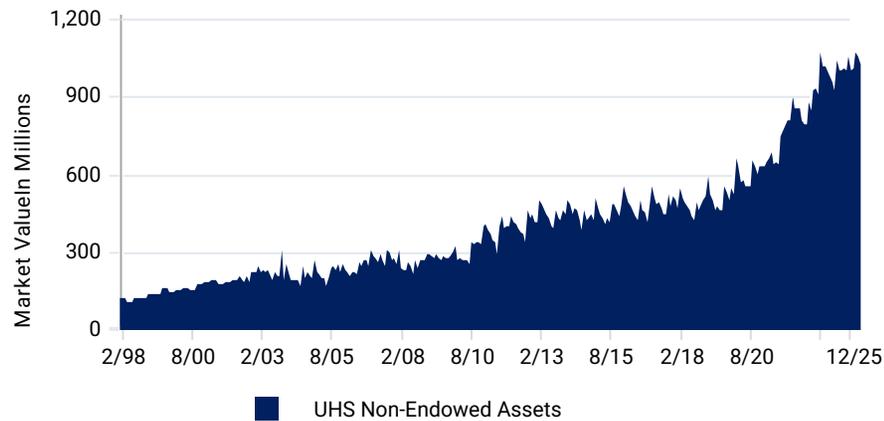


# UHS Non-Endowed Assets

## EXECUTIVE SUMMARY

December 31, 2025

Portfolio Market Value

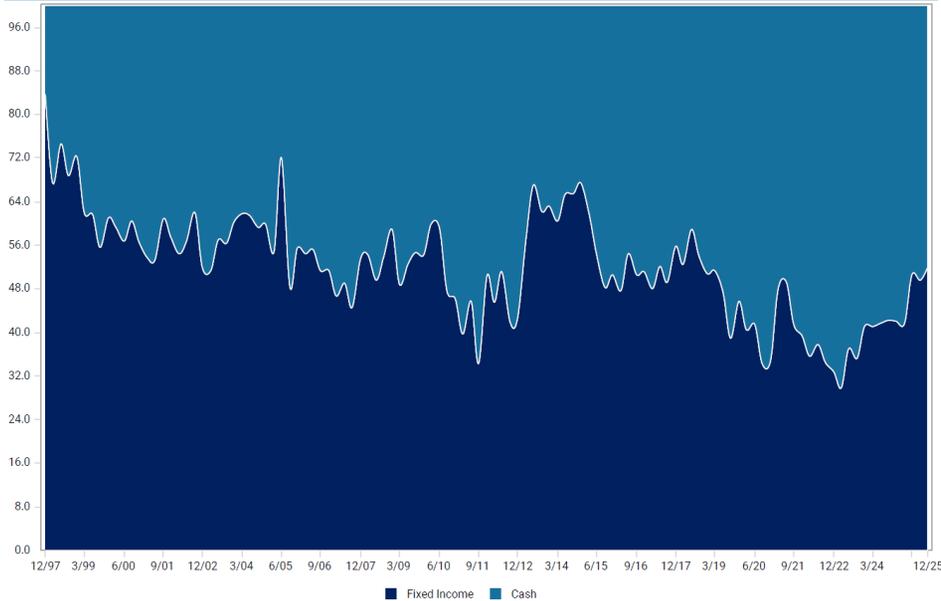


	FYTD (%)	1Yr (%)	3Yr (%)	5Yr (%)
<b>UHS Non-Endowed Assets</b>	<b>1.6</b>	<b>5.2</b>	<b>5.2</b>	<b>2.6</b>
Dynamic Benchmark Non-Endowed Assets	1.4	5.2	4.9	-
Non-Endowed Policy Benchmark	1.4	5.2	4.9	2.4
<b>Cash Pool</b>	<b>1.3</b>	<b>4.1</b>	<b>4.7</b>	<b>3.0</b>
90 Day U.S. Treasury Bill	1.3	4.2	4.8	3.2
<b>Liquidity Pool</b>	<b>1.9</b>	<b>6.7</b>	<b>5.7</b>	<b>1.9</b>
ICE BofA 1-5 Year U.S. Corp/Govt	1.4	6.1	5.0	1.6

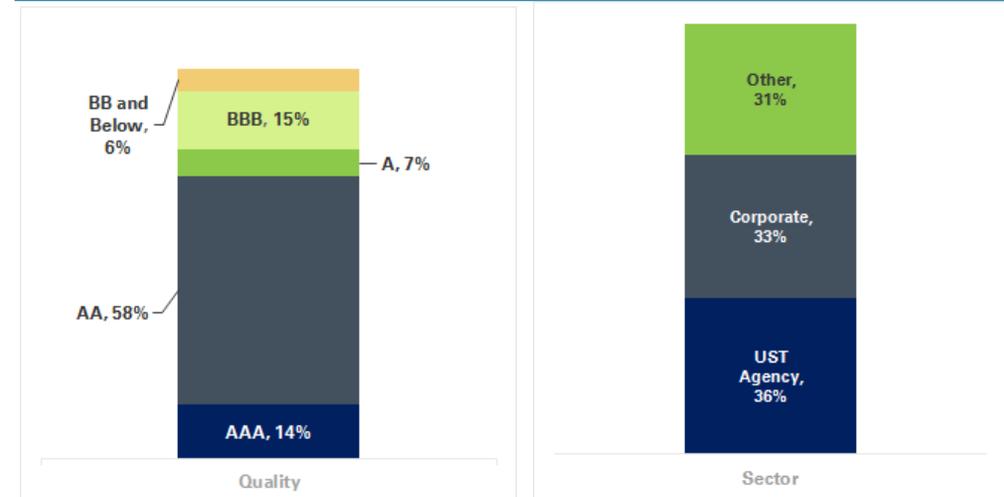
Market Value

**UHS Non-Endowed Assets** 1,185,843,691

Asset Allocation History



Portfolio Characteristics



Duration: 3.1

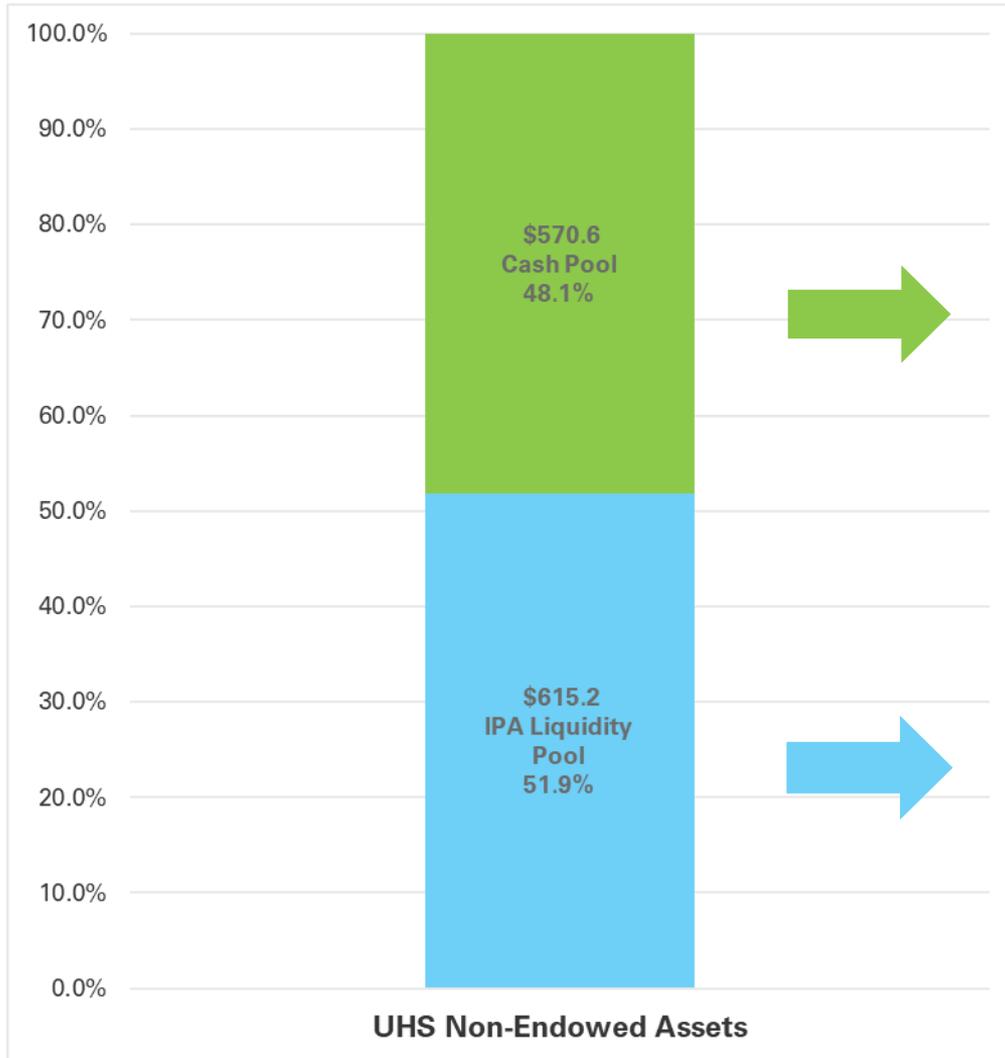
**Dynamic Benchmark:** Designed to match the actual composition of the portfolio, the Dynamic Benchmark evolves over time with market movements and changes to the portfolio. The Dynamic Benchmark is calculated monthly using the return for each manager's passive index multiplied by that manager's percentage 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-Endowed 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.



Fiscal Year ends 8/31

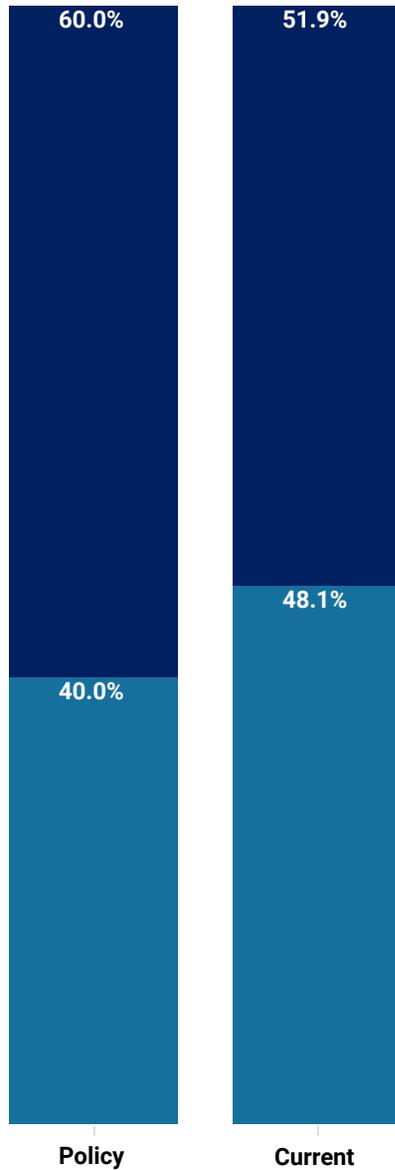
# NON-ENDOWED ASSETS COMPOSITION



- 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, Lord Abbett, PIMCO, and Loomis Sayles
- Effective Duration 3.1 years

# ASSET ALLOCATION VS. POLICY TARGETS

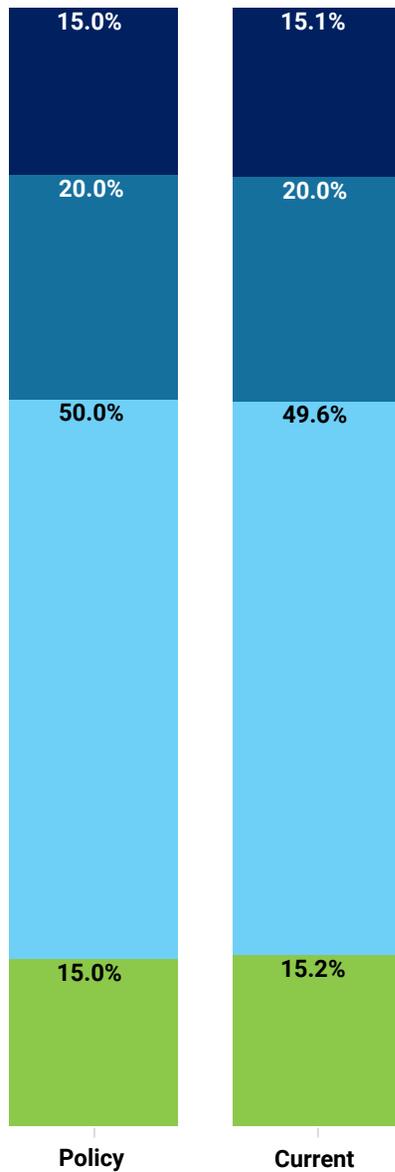


Asset Allocation vs. Target						
	Current	Policy	Current	Differences*	Policy Range	Within Range
■ Fixed Income	615,204,947	60.0	51.9	-8.1	0.0 - 70.0	Yes
■ Cash	570,638,744	40.0	48.1	8.1	30.0 - 100.0	Yes
<b>Total</b>	<b>1,185,843,691</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

\*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	92,884,614	15.0	15.1	0.1	0.0 - 25.0	Yes
■ Short Duration Credit	123,262,116	20.0	20.0	0.0	0.0 - 30.0	Yes
■ Gov/Credit	305,433,515	50.0	49.6	-0.4	40.0 - 100.0	Yes
■ Absolute Return	93,624,702	15.0	15.2	0.2	0.0 - 25.0	Yes
<b>Total</b>	<b>615,204,947</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

\*Difference between Policy and Current Allocation



# PERFORMANCE DETAIL

	Ending December 31, 2025								
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>UHS Non-Endowed Assets</b>	<b>1,185,843,691</b>	<b>100.0</b>	<b>1.1</b>	<b>5.2</b>	<b>5.2</b>	<b>2.6</b>	<b>2.3</b>	<b>2.9</b>	<b>Jan-98</b>
<i>Dynamic Benchmark Non-Endowed Assets</i>			1.0	5.2	4.9	-	-	-	
<i>Non-Endowed Policy Benchmark</i>			1.1	5.2	4.9	2.4	2.1	-	
<b>Cash Pool</b>	<b>570,638,744</b>	<b>48.1</b>	<b>1.0</b>	<b>4.1</b>	<b>4.7</b>	<b>3.0</b>	<b>2.0</b>	<b>2.2</b>	<b>Jan-98</b>
<i>90 Day U.S. Treasury Bill</i>			1.0	4.2	4.8	3.2	2.2	2.2	
Morgan Stanley Instl. Liquid Treasuries- Clear Lake	11,143,928	0.9	0.9	4.0	4.7	3.1	1.5	2.0	Jan-98
Morgan Stanley Instl. Liquid Treasuries- Downtown	25,440,043	2.1	0.9	4.1	4.7	3.1	1.6	2.0	Jan-98
Morgan Stanley Instl. Liquid Treasuries- U. of Houston	516,644,218	43.6	1.0	4.1	4.7	3.1	1.6	2.1	Jan-98
Morgan Stanley Instl. Liquid Treasuries- UofH System	17,233,738	1.5	0.9	3.9	4.5	3.0	1.5	2.0	Jan-98
Morgan Stanley Instl. Liquid Treasuries- Victoria	176,817	0.0	1.0	4.0	4.5	3.0	1.5	2.0	Jul-98
<b>Liquidity Pool</b>	<b>615,204,947</b>	<b>51.9</b>	<b>1.3</b>	<b>6.7</b>	<b>5.7</b>	<b>1.9</b>	<b>2.4</b>	<b>3.4</b>	<b>Jan-98</b>
<i>ICE BofA 1-5 Year U.S. Corp/Govt</i>			1.1	6.1	5.0	1.6	2.2	3.5	
JP Morgan - Univ. of Houston	305,433,515	25.8	1.1	5.9	4.7	1.5	2.0	3.3	Jan-98
<i>ICE BofAML 1-5 Year AAA-A U.S. Corp. &amp; Gov. Index</i>			1.1	5.9	4.7	1.5	2.0	3.3	
<i>ICE BofA 1-5 Year U.S. Corp/Govt</i>			1.1	6.1	5.0	1.6	2.2	3.5	
PIMCO Dynamic Bond Fund	93,624,702	7.9	2.0	8.5	7.7	3.1	-	3.4	May-19
<i>SOFR 90 Day</i>			1.0	4.4	5.0	3.5	2.5	3.0	
Lord Abbett Short Duration Credit	123,262,116	10.4	1.3	6.1	6.0	-	-	4.6	Apr-22
<i>ICE BofA 1-3 Year U.S. Corporate Index</i>			1.2	5.9	5.6	2.5	2.8	4.2	
Loomis Sayles Core Plus Full Discretion Strategy	92,884,614	7.8	1.3	8.5	6.5	1.5	-	3.5	Jun-19
<i>Blmbg. U.S. Gov't/Credit</i>			0.9	6.9	4.6	-0.6	2.2	1.5	

# ENDOWMENT PORTFOLIO:

Private Debt  
Fund Recommendation



# VWH PARTNERS FUND IV

## NEPC recommends a \$15 million commitment to VWH Partners Fund IV

- **VWH’s fund focuses on acquiring U.S. residential non-performing loans**
  - VWH is a Texas-based firm with deep expertise in the mortgage market
  - Target investments include non-performing, sub-performing, re-performing, and newly originated US residential and credit-linked assets
  - Loans acquired primarily through public auctions by GSEs (Fannie Mae, Freddie Mac, etc.)
- **UHS is currently well below 3% Private Debt target**
  - The Fund’s focus on mortgage debt should complement the Endowment’s fixed income holdings, which are mostly Corporate debt
- **Prior VWH funds exhibit solid returns and exceptional distribution timeline**

### Prior Fund Track Record

Fund Name	Vintage	Commitments	Invested Capital	Reported Value	Distributions	Total Value	Net TVPI	Net DPI	Net IRR
VWH Master Fund, LP	2018	\$488.0	\$480.0	\$115.0	\$492.0	\$607.0	1.27x	1.03x	8.5%
VWH Series II Master Fund, LP	2019	\$255.0	\$235.0	\$75.0	\$244.0	\$300.0	1.28x	1.04x	9.6%
VWH Master Fund III, LP	2022	\$1,245.8	\$998.0	\$478.0	\$792.0	\$1,270.0	1.29x	0.80x	14.9%

Note: \$ in millions. All data as of September 30, 2025



# NON-ENDOWED FUNDS:

Money Market Funds  
Recommendation



# MONEY MARKET FUND DIVERSIFICATION

- **The System’s Non-Endowed assets are split between Liquidity and Cash Pools**
  - Liquidity Pool (60% target) is invested in bonds with a 1-5 year maturity; UHS does not expect to spend these funds in the near term
  - Cash Pool (40% target) is invested in a government money market fund; UHS uses this money to support daily cash needs at all System campuses
  
- **NEPC believes that holding several money market funds will prudently diversify risk for this important source of funding for UHS**
  - Current implementation: Morgan Stanley’s Institutional Liquid Treasuries
  - We recommend adding two additional funds:
    - JP Morgan US Treasury Plus Money Market Fund (JTCXX)
    - Dreyfus Government Cash Management (DGCXX)
  - All three are 2a7 government money market funds

Fund	1Mo	3Mo	1Yr	3Yr	5Yr	10Yr
JP Morgan US Treasury Plus Money Market Fund	0.32%	0.97%	4.19%	4.78%	3.15%	2.08%
Dreyfus Government Cash Management	0.31%	0.98%	4.19%	4.79%	3.17%	2.10%
Morgan Stanley Inst’l Liquid Treasuries (Current)	0.31%	0.96%	4.10%	4.68%	2.97%	1.99%

# 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	
<b>Watch</b>	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.
<b>Hold</b>	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.
<b>Client Review</b>	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.
<b>Terminate</b>	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
<b>William Blair Int'l Growth</b> <i>MSCI AC World ex USA</i>	Non-US Developed Equity	<i>Performance</i>		11.7% 17.3%	7.4% 7.4%	October 2003	Q3 2023

- William Blair International Growth has faced recent headwinds that have affected most, if not all, Growth managers**
  - Long term performance remains solid. NEPC will continue to monitor the fund moving forward.

# DUE DILIGENCE MONITOR

Investment Strategy	Plan Name	Manager Changes/ Announcements	DD Event Date	NEPC Due Diligence Committee Recommendations
<b>TrueBridge Capital Partners</b> <i>Private Equity</i>	UHS Endowment Fund	Edwin Poston transition to senior advisor announcement	10/10/2025	No Action
<b>Blackstone Real Estate</b> <i>Private Real Estate</i>	UHS Endowment Fund	Kathleen McCarthy to depart Blackstone	11/11/25	No Action
<b>Barings US High Yield</b> <i>High Yield Fixed Income</i>	UHS Endowment Fund	MassMutual sells minority stake in Barings	11/18/2025	No Action

# DUE DILIGENCE MONITOR

Investment Strategy	Commentary	NEPC Rating
<p><b>TrueBridge Capital Partners</b> <i>Private Equity</i></p>	<p>TrueBridge Capital Partners ("TrueBridge" or "the Firm") has informed NEPC that Edwin Poston, one of the two Co-Founders and General Partners of TrueBridge, has decided to step back from day to day leadership of the Firm and transition to a Senior Advisor role for the next two years. As part of the transition to Senior Advisor, Mr. Poston will spend two days a week on Firm related activities and transition his responsibilities to the broader team. He will continue to directly invest in and participate economically in future TrueBridge funds. Before this announcement, Mr. Poston was leading the Firm alongside Mel Williams, Co-Founder and General Partner. The Firm will now be led solely by Mr. Williams, who recently signed a long term employment agreement ensuring that the Firm will continue to be led by at least one of the Co-Founders.</p> <p>NEPC is disappointed by the timing of Mr. Poston's decision to step back from the Firm. TrueBridge recently announced the departure of Kate Simpson, a Partner who had spent eleven years with the Firm. During conversations with TrueBridge regarding Ms. Simpson's departure, NEPC expressed concerns regarding the Firm's long term succession planning. NEPC reaffirmed those concerns in a call with TrueBridge regarding Mr. Poston's decision, as there has been significant senior investment team turnover over the last two and a half years. NEPC remains confident in Mel Williams' ability to lead TrueBridge. The Firm's edge lies within its propensity to identify and access high quality, capacity constrained managers throughout the venture ecosystem. Since its inception in 2007, TrueBridge has developed strong relationships with some of the top managers within venture capital. These relationships are long term in nature and lie with the Firm rather than one individual. As Mr. Poston transitions to a Senior Advisor role over the next two years, investors with the Firm will still benefit from the network and relationships he developed during his career as an investor. Additionally, the Firm's flagship fund-of-funds product is focused on primary commitments, which are primarily passive investments once an allocation is made. Given that there is minimal expected turnover in the manager roster from the prior vintage, the strategy should maintain its continuity in the near term. However, NEPC will continue to have dialogue with the Firm and closely monitor succession planning over future fund cycles.</p> <p>Mr. Poston's decision to step back from the Firm does not trigger a Key Person event in any of the funds across the TrueBridge platform.</p> <p>NEPC recommends <b>No Action</b>.</p>	<p>1</p>



# DUE DILIGENCE MONITOR

Investment Strategy	Commentary	NEPC Rating
<p><b>Blackstone Real Estate</b> <i>Private Real Estate</i></p>	<p>Blackstone has announced that Kathleen McCarthy, Global Co-Head of Real Estate, will be leaving the Firm at the end of the year. Nadeem Meghji, currently the other co-head alongside Kathleen, will assume sole leadership following Kathleen's departure. Blackstone indicated that this was a personal decision driven by Kathleen's desire to spend more time with family and that no further changes are expected at this time. Kathleen joined Blackstone in 2010 and became the Chief Operating Officer of the real estate group in 2012 before later being tapped for the Global Co-Head role. Nadeem Meghji joined Blackstone in 2008 and had been Global Co-Head alongside Kathleen for about two years, after Ken Caplan (who formerly served as co-head alongside Kathleen) was promoted to Global Co-Chief Investment Officer of Blackstone. Prior to his current role Nadeem had been the Head of Real Estate Americas.</p> <p>NEPC recommends <b>No Action</b>.</p>	<p>1</p>
<p><b>Barings US High Yield</b> <i>High Yield Fixed Income</i></p>	<p>Barings announced on 11/17/2025 that its parent, MassMutual, will be selling an 18% stake to MS&amp;AD Insurance Group Holdings via its subsidiary Mitsui Sumitomo Insurance Co., Ltd., a Japanese insurance company. Barings indicated that MS&amp;AD was a client of Barings already, and as they looked to pursue growth overseas, an investment with Barings was an easy place to start given the familiarity.</p> <p>Barings indicates it is the largest dividend contributor to MassMutual currently. MassMutual will lose a portion of its revenues from Barings as a result of the minority sale, but they will be receiving ~\$1.4 billion in cash proceeds. MassMutual will also retain its majority/controlling stake in Barings and there is no indication that they are looking to divest. The potential need for the short term cash influx was unclear, but the indication is that the overall goal is to see increasing benefits from their investment in Barings, which should in turn benefit from the new partnership with MS&amp;AD.</p> <p>One member of MS&amp;AD's leadership team is expected to join the Barings Board of Managers. Apart from that there are no other personnel changes expected. NEPC Research does not anticipate any impact to the 1-rated U.S. High Yield Bonds strategy as a result of these changes.</p> <p>NEPC recommends <b>No Action</b>.</p>	<p>1</p>

# APPENDIX

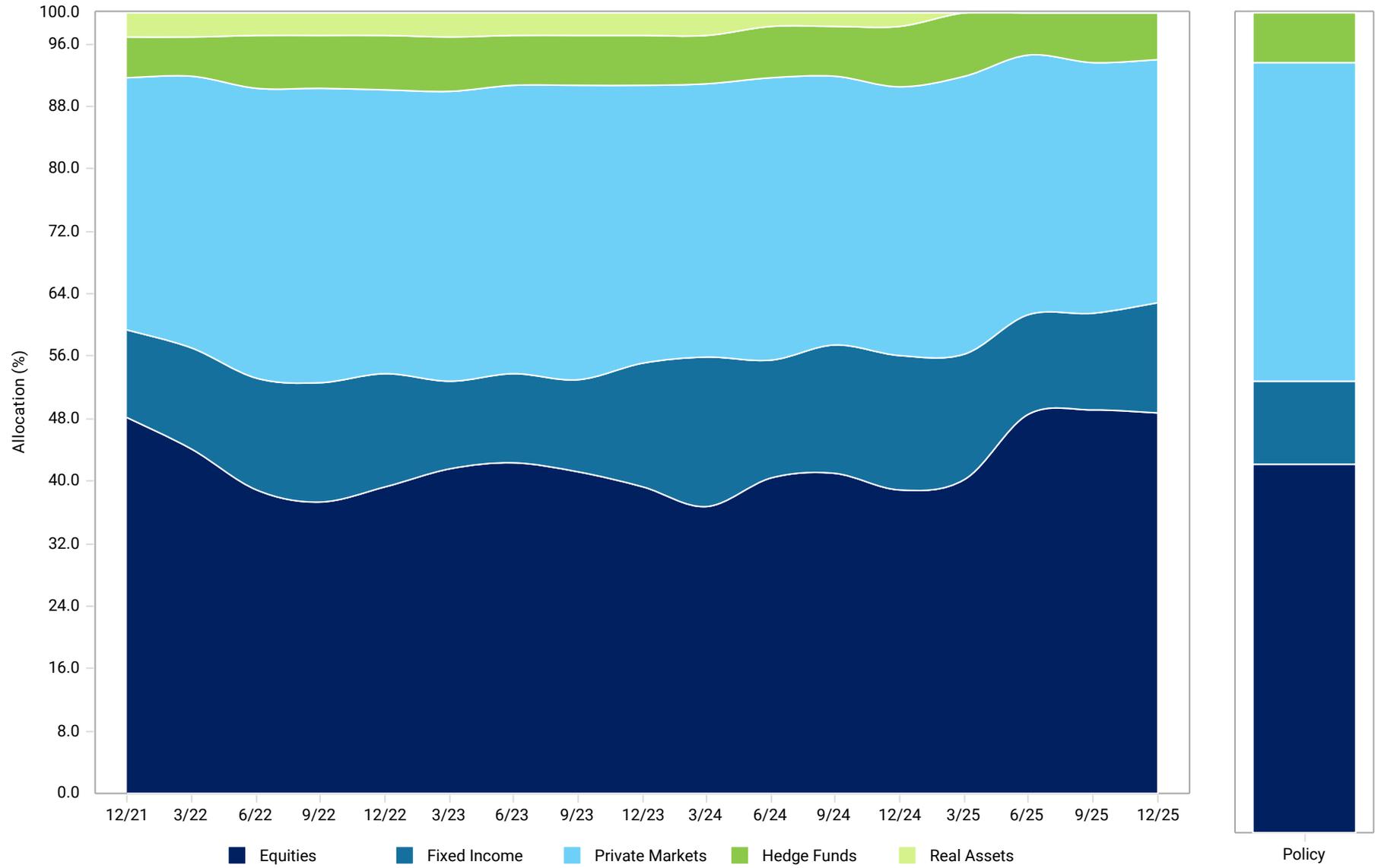


# UHS ENDOWMENT SUPPLEMENTAL INFORMATION



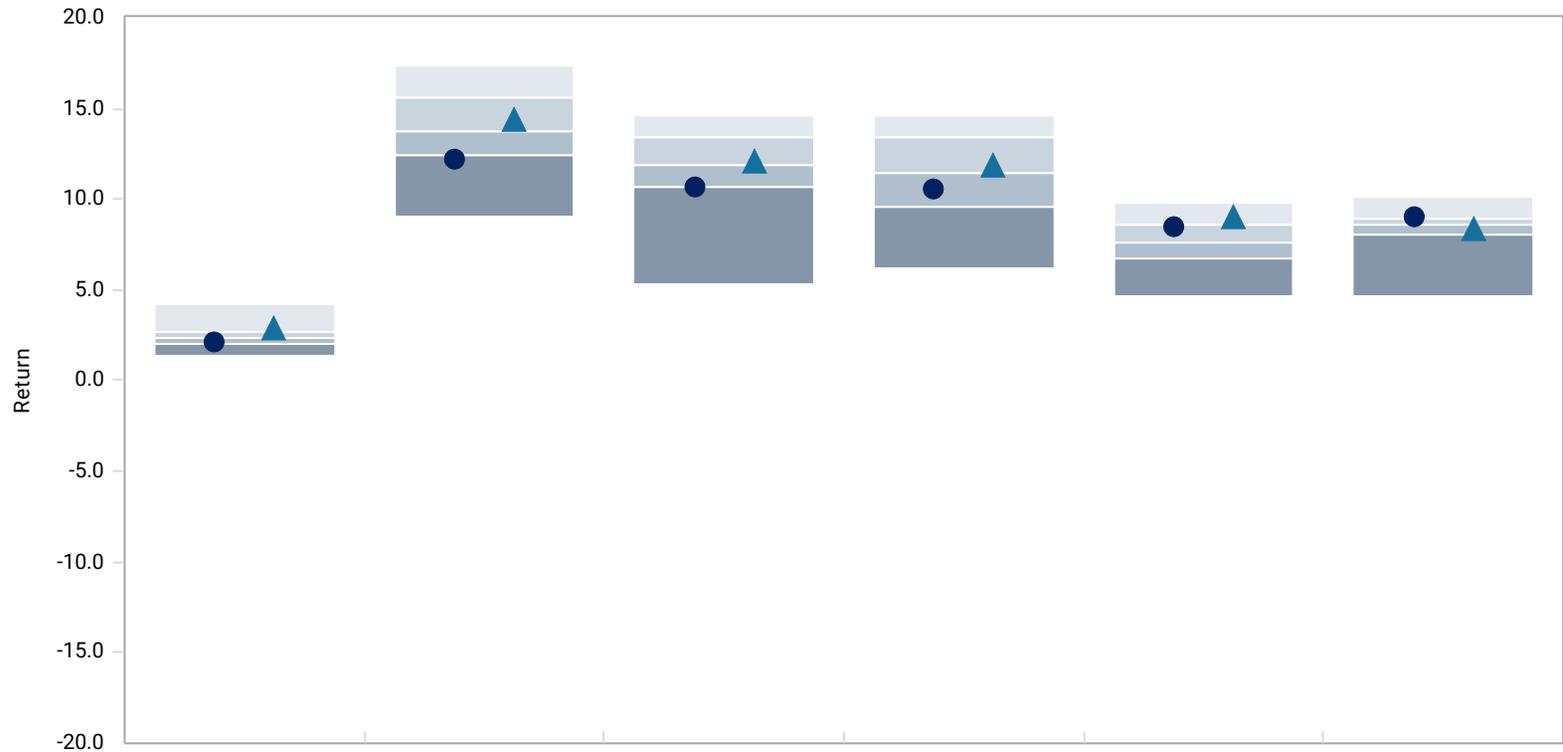
# ASSET ALLOCATION HISTORY

## Asset Allocation History



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

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

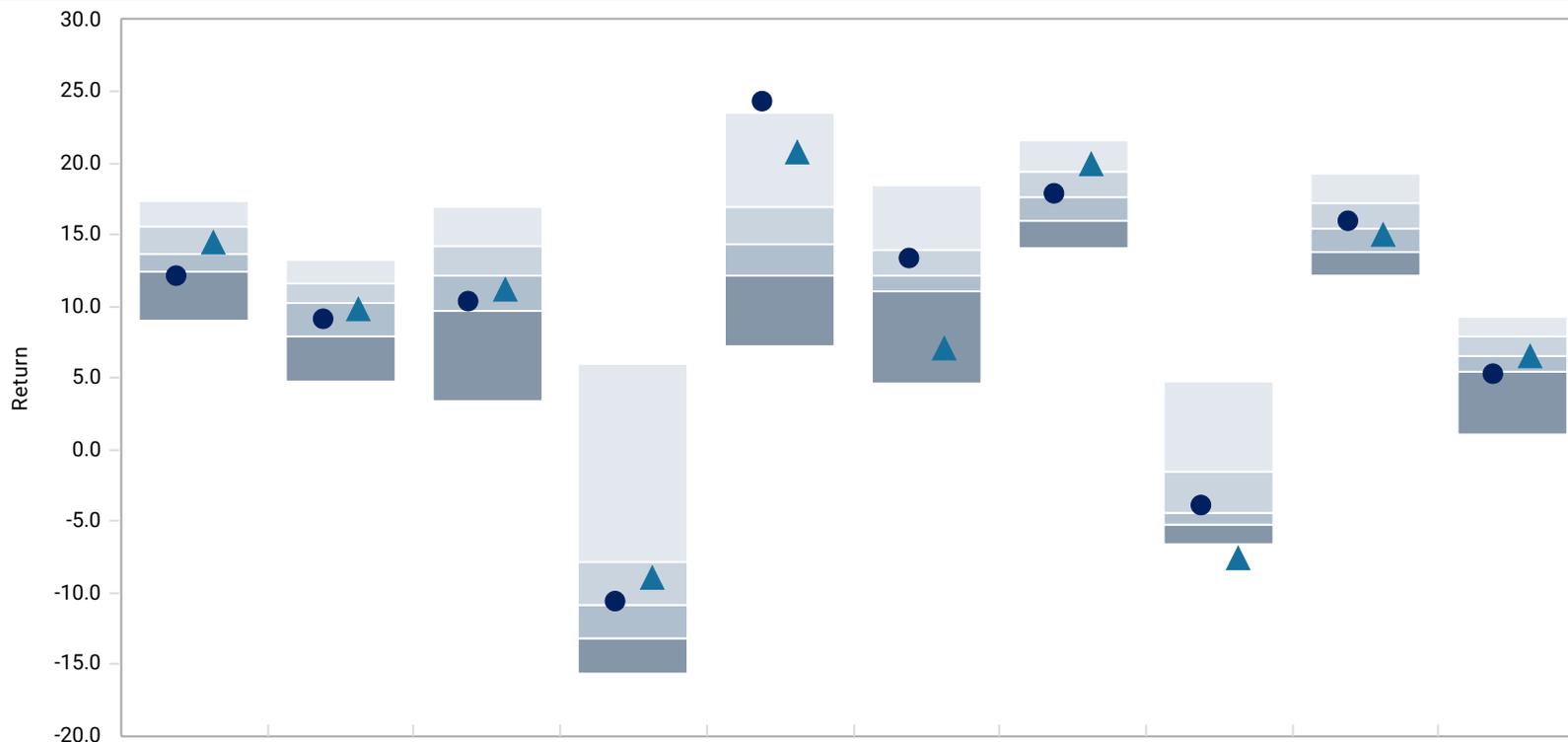


	3 Mo	1 Year	2 Years	3 Years	5 Years	10 Years
● UHS Endowment Fund	2.1 (68)	12.3 (79)	10.7 (73)	10.6 (69)	8.5 (29)	9.0 (23)
▲ Dynamic Benchmark	2.9 (19)	14.5 (34)	12.2 (47)	11.8 (48)	9.0 (14)	8.4 (55)
5th Percentile	4.2	17.4	14.6	14.7	9.9	10.2
1st Quartile	2.7	15.6	13.4	13.5	8.6	9.0
Median	2.3	13.7	11.9	11.4	7.6	8.6
3rd Quartile	2.0	12.5	10.7	9.6	6.8	8.1
95th Percentile	1.3	9.0	5.3	6.2	4.7	4.7
Population	38	38	37	36	36	32



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

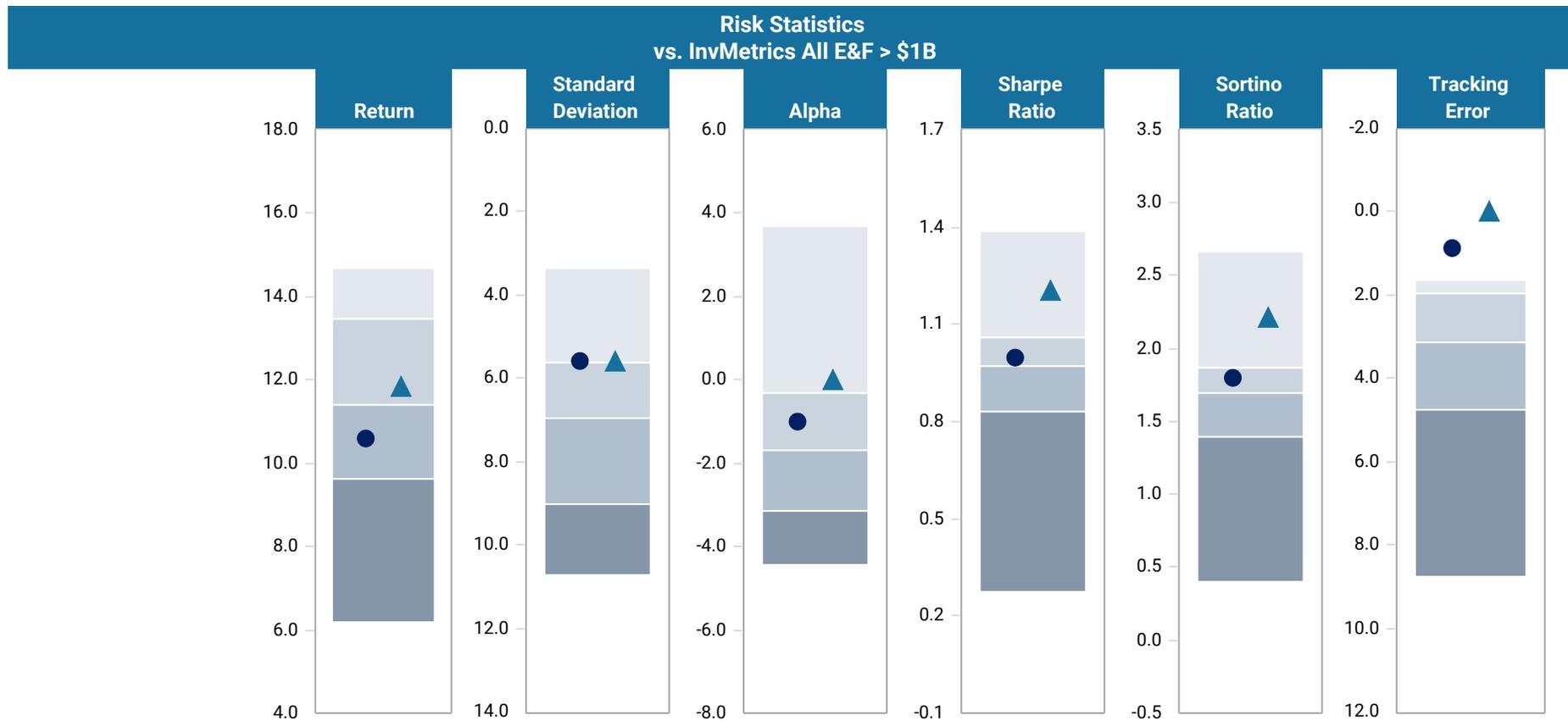
UHS Endowment Fund vs. InvMetrics All E&F > \$1B



	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
● UHS Endowment Fund	12.3 (79)	9.2 (60)	10.4 (69)	-10.5 (44)	24.3 (4)	13.4 (27)	18.0 (47)	-3.9 (45)	16.1 (45)	5.4 (77)
▲ Dynamic Benchmark	14.5 (34)	9.9 (53)	11.2 (59)	-8.9 (34)	20.8 (8)	7.1 (90)	19.9 (20)	-7.6 (99)	15.0 (60)	6.6 (51)
5th Percentile	17.4	13.3	16.9	6.0	23.5	18.5	21.6	4.8	19.3	9.4
1st Quartile	15.6	11.7	14.2	-7.8	17.0	13.9	19.5	-1.6	17.2	7.9
Median	13.7	10.2	12.1	-10.8	14.4	12.1	17.7	-4.4	15.4	6.6
3rd Quartile	12.5	8.0	9.7	-13.1	12.2	11.1	16.1	-5.3	13.8	5.5
95th Percentile	9.0	4.7	3.4	-15.7	7.2	4.7	14.0	-6.6	12.2	1.1
Population	38	70	77	68	93	69	56	44	50	40



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



	3 Yrs (%)					
● UHS Endowment Fund	10.6 (69)	5.6 (22)	-1.0 (35)	1.0 (43)	1.8 (38)	0.9 (1)
▲ Dynamic Benchmark	11.8 (48)	5.6 (22)	0.0 (20)	1.2 (9)	2.2 (13)	0.0 (1)
5th Percentile	14.7	3.4	3.7	1.4	2.7	1.7
1st Quartile	13.5	5.6	-0.3	1.1	1.9	2.0
Median	11.4	7.0	-1.7	1.0	1.7	3.2
3rd Quartile	9.6	9.0	-3.1	0.8	1.4	4.7
95th Percentile	6.2	10.7	-4.4	0.3	0.4	8.8



# RETURN SUMMARY

Investment Name	Vintage Year	Commitment	(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR
<b>Private Debt</b>									
Kennedy Lewis Capital Partners III	2022	\$10,000,000	3.17	10.30	13.08				14.28
<b>Sub Total</b>		<b>\$10,000,000</b>	<b>3.17</b>	<b>10.30</b>	<b>13.08</b>				<b>14.28</b>



# RETURN SUMMARY

Investment Name	Vintage Year	Commitment	(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR
<b>Private Equity</b>									
Commonfund Capital Venture Partners VIII, L.P.	2007	\$2,750,000	-29.45	-25.49	-25.51	-11.46	0.74	6.69	11.52
Fisher Lynch Venture Partnership II, L.P.	2008	\$2,500,000	18.26	13.16	12.15	-5.97	3.10	3.99	9.29
TrueBridge-Kauffman Fellows Endowment Fund II, L.P.	2010	\$3,000,000	6.30	34.21	33.79	6.64	26.10	19.85	20.10
LiveOak Venture Partners I, L.P.	2013	\$2,000,000	50.19	21.46	-20.21	-27.85	-9.62	11.55	11.92
TrueBridge-Kauffman Fellows Endowment Fund III, L.P.	2013	\$3,000,000	11.39	19.54	19.10	0.54	16.77	17.79	16.65
SV Life Sciences Fund VI, L.P.	2015	\$7,500,000	-2.07	-7.45	-13.42	-14.29	-1.43		13.65
TrueBridge-Kauffman Fellows Endowment Fund IV, L.P.	2015	\$6,250,000	7.96	23.29	22.99	3.68	23.70		24.36
Jackson Square Ventures II, L.P.	2016	\$7,500,000	-0.17	-0.44	14.93	-9.92	7.22		7.72
Weathergage Venture Capital IV, L.P.	2016	\$5,000,000	5.76	4.22	4.20	-3.14	11.01		14.07
Binary Capital Fund II, L.P.	2016	\$631,535	-1.43	-28.73	-29.68	-17.30	-6.88		-4.38
TrueBridge Capital Partners Fund V, L.P.	2017	\$5,000,000	4.24	13.09	12.99	0.52	20.67		20.17
LiveOak Venture Partners II, L.P.	2017	\$4,000,000	0.82	3.34	-12.19	-8.24	10.28		8.95
US Venture Partners XII, L.P.	2018	\$5,000,000	2.19	-10.58	-10.36	-4.41	10.08		10.16
Mercury Fund Ventures IV, L.P.	2017	\$5,000,000	3.75	10.97	14.10	8.05	32.23		27.65
Vivo Capital Fund IX, L.P.	2018	\$5,000,000	0.88	52.41	27.10	-2.67	16.49		17.95
Clear Ventures II, L.P.	2019	\$5,000,000	2.90	-0.90	-1.17	7.88	11.72		9.66
Jackson Square Ventures III, L.P.	2019	\$5,000,000	-3.79	-4.32	6.11	1.96	5.05		4.24
Truebridge Capital Partners Fund VI (Cayman), L.P.	2019	\$3,000,000	5.49	16.76	16.65	2.48	10.67		10.51
ACME Fund III, L.P.	2019	\$5,000,000	1.22	14.87	31.29	-0.49	3.54		3.44
TrueBridge Capital Partners Fund VII, L.P.	2021	\$10,000,000	12.32	30.17	31.11	14.59			10.73
Truebridge Capital Partners Fund VIII, L.P.	2023	\$10,000,000	5.86	9.84	11.20				-4.89
Mercury Fund Ventures V, L.P.	2023	\$5,000,000	4.10	19.29	38.47				24.92
Khosla Ventures Seed, L.P.	2023	\$1,000,000	0.00	-4.66	0.76				10.04
Khosla Ventures VIII, L.P.	2023	\$5,000,000	0.00	12.20	20.40				17.35
Khosla Ventures Opportunity II, L.P.	2023	\$4,000,000	0.00	6.26	8.58				6.28
Commonfund Capital International Partners VI, L.P.	2007	\$5,000,000	-1.38	-2.16	-15.65	-15.66	-5.20	11.79	8.57
Fisher Lynch Buyout Partnership, L.P.	2008	\$2,500,000							9.53
Commonfund Capital International Partners VII, L.P.	2007	\$5,000,000	-19.72	-18.65	-19.75	-5.94	12.12	15.90	13.54
J.H. Whitney VII, L.P.	2011	\$4,000,000	59.59	76.46	56.72	68.41	7.79	16.20	13.77
Silver Lake Partners IV, L.P.	2012	\$4,000,000	6.09	7.08	8.05	15.04	11.36	19.44	20.84
Advent International GPE Fund VII, L.P.	2012	\$5,000,000	1.17	8.85	-0.43	-2.45	-0.70	14.32	13.14
Great Hill Equity Partners V, L.P.	2013	\$4,000,000	-7.05	4.27	2.35	10.60	19.68	26.24	23.53
Insight Equity III, L.P.	2014	\$7,500,000	-10.76	-16.01	-27.55	-11.78	1.28	0.98	0.31

# RETURN SUMMARY

Investment Name	Vintage Year	Commitment	(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR
Francisco Partners IV, L.P.	2014	\$5,000,000	-8.04	-10.73	-15.91	3.66	-2.63	26.80	25.40
Advent International GPE VIII-B, L.P.	2015	\$6,000,000	-2.09	-1.26	-2.14	6.25	12.08		15.46
Trident Capital VII, L.P.	2016	\$7,500,000	0.00	5.70	10.51	12.42	19.25		18.08
Silver Lake Partners V, L.P.	2016	\$7,000,000	-7.88	2.71	0.84	7.30	3.05		10.69
Great Hill Equity Partners VI, L.P.	2016	\$7,000,000	3.78	1.70	11.40	18.60	33.08		40.15
Francisco Partners V, L.P.	2017	\$5,000,000	3.69	6.37	7.34	13.71	20.03		18.06
Kelso Investment Associates X, L.P.	2018	\$7,500,000	0.00	2.58	2.57	3.53	19.49		18.71
Great Point Partners III, LP	2018	\$4,000,000	-0.52	0.14	-5.98	-2.10	12.37		12.88
Thoma Bravo Fund XIII-A, L.P.	2018	\$5,000,000	-0.44	2.28	3.79	10.24	9.55		22.28
Trident Capital VIII, L.P.	2019	\$7,500,000	0.00	0.79	4.96	7.98	12.12		12.17
PeakSpan Capital Growth Partners II, L.P.	2018	\$5,000,000	2.08	0.34	4.67	4.51	18.90		18.52
Great Hill Equity Partners VII, L.P.	2019	\$7,000,000	-0.07	5.51	5.20	12.44			25.09
Advent International GPE IX, L.P.	2019	\$7,000,000	-1.63	6.17	1.92	3.47	11.93		13.59
Francisco Partners VI, L.P.	2020	\$5,000,000	3.59	7.44	10.72	14.69			14.26
Silver Lake Partners VI, L.P.	2020	\$7,000,000	2.94	7.36	8.65	11.63			9.06
Thoma Bravo Fund XIV, L.P.	2020	\$5,000,000	-0.46	-0.51	0.92	14.86			6.70
Kelso Investment Associates XI, LP	2021	\$10,000,000	0.00	2.08	2.12	8.59			10.02
Frontenac XII, L.P.	2021	\$10,000,000	2.35	3.64	2.92	9.20			7.95
Silver Lake Partners VII, L.P.	2022	\$10,000,000	7.28	13.89	26.98				22.30
WindRose Health Investors VI, L.P.	2022	\$10,000,000	2.05	8.63	15.14	16.09			14.36
GCM Grosvenor Advance Fund, L.P.	2021	\$10,000,000	0.77	2.73	5.05	6.37			7.79
Advent International GPE X, L.P.	2022	\$9,000,000	4.77	21.63	16.52	20.70			19.80
Warren Equity Partners ELIDO Fund II, L.P.	2024	\$10,000,000	4.83	13.53	31.76				19.41
Dover Street VIII, L.P.	2012	\$4,000,000	-2.00	-3.74	-3.68	-7.11	7.53	11.22	18.33
Lexington Capital Partners VIII, L.P.	2014	\$10,000,000	0.28	0.23	-1.50	0.17	12.03	11.96	13.78
Dover Street IX Cayman Fund, L.P.	2015	\$7,500,000	-0.67	-17.75	-4.92	-3.85	8.62		17.12
Lexington Capital Partners IX, L.P.	2018	\$10,000,000	2.03	3.52	5.27	2.96	12.20		15.05
ASF VIII B L.P.	2018	\$7,500,000	-1.59	0.21	1.04	2.95	11.04		12.45
Dover Street X Feeder Fund, L.P.	2019	\$7,500,000	0.54	0.31	0.31	3.30	12.99		14.96
Warren Equity Partners Fund V-A, L.P.	2025	\$15,000,000							
Windrose Health Investors VII, L.P.	2025	\$15,000,000							
Advent International GPE XI-C SCSP, L.P.	2025	\$15,000,000							
Khosla Ventures Seed G, L.P.	2025	\$2,400,000							
Khosla Ventures Opportunity III, L.P.	2025	\$4,560,000							

# RETURN SUMMARY

Investment Name	Vintage Year	Commitment	(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR
Khosla Ventures IX, L.P.	2025	\$5,040,000							
<b>Sub Total</b>		<b>\$424,131,535</b>	<b>1.82</b>	<b>6.25</b>	<b>7.12</b>	<b>4.88</b>	<b>13.04</b>	<b>15.89</b>	<b>15.16</b>
<b>Real Assets</b>									
EnCap Energy Capital Fund VII-B, L.P.	2007	\$15,000,000							11.64
Denham Commodity Partners Fund VI, L.P.	2013	\$4,000,000	-5.84	-18.42	-31.29	-12.76	-5.56	-4.53	-4.10
EnCap Flatrock Midstream Fund II-C, L.P.	2012	\$3,000,000	12.19	2.86	13.19	9.39	10.66	24.43	20.84
EnCap Flatrock Midstream Fund III, L.P.	2014	\$5,000,000	2.89	6.93	5.99	8.01	14.12	9.94	9.56
EnCap Energy Capital Fund X, L.P.	2015	\$4,000,000	3.56	7.13	10.27	18.53	50.53	16.54	16.16
EnerVest Energy Institutional Fund XIV, L.P.	2015	\$7,500,000	0.00	0.00	0.00	14.11	66.48	10.47	10.46
Denham Oil and Gas Fund, L.P.	2015	\$7,500,000	3.59	14.74	15.95	13.15	21.92		10.39
EnCap Energy Capital Fund XI, L.P.	2016	\$10,000,000	7.07	4.03	22.59	24.71	36.81		21.49
EnCap Flatrock Midstream Fund IV, L.P.	2017	\$6,000,000	11.10	16.24	18.29	10.55	11.26		9.55
Hastings Equity Fund IV-B, L.P.	2018	\$7,500,000	-5.31	-13.58	0.17	16.84	20.66		19.16
Energy Spectrum Partners VIII, L.P.	2018	\$5,000,000	0.00	0.00	0.00	11.89	13.16		9.79
<b>Sub Total</b>		<b>\$74,500,000</b>	<b>1.54</b>	<b>0.92</b>	<b>7.50</b>	<b>14.84</b>	<b>25.69</b>	<b>11.61</b>	<b>11.97</b>
<b>Real Estate</b>									
Newlin Realty Partners LP	2006	\$5,000,000							0.23
BPG Investment Partnership VII, L.P.	2005	\$5,000,000	-0.31	-0.44	-0.44	2.78	0.75	6.31	-0.13
Newlin Realty Partners II LP	2007	\$3,000,000	-7.93	-47.60	-47.60	-37.44	-12.73	15.34	8.53
BPG Investment Partnership VIII, L.P.	2007	\$3,235,295							3.68
Blackstone Real Estate Partners VIII, L.P.	2015	\$7,500,000	-0.69	-2.09	-13.02	-8.47	9.30	11.65	11.77
Blackstone Real Estate Partners Europe V, L.P.	2016	\$7,500,000	-4.26	10.68	5.62	-6.51	1.90		6.91
Embarcadero Capital Investors V, L.P.	2016	\$7,500,000	0.00	0.00	0.00	-55.78	-47.83		-30.55
Penzance DC Real Estate Fund, L.P.	2018	\$7,500,000	-1.98	-15.17	-5.12	-6.26	6.50		4.51
Blackstone Real Estate Partners IX L.P.	2018	\$9,000,000	-1.90	-2.98	-9.11	-5.09	7.32		7.90
Blackstone Real Estate Partners Europe VI SCSp	2019	\$10,000,000	-6.36	-0.52	-7.20	2.35	7.24		7.00
Penzance DC Real Estate Fund II, L.P.	2020	\$5,000,000	-1.16	6.10	7.54	10.35	35.04		28.24
Dalfen Last Mile Industrial Fund V, L.P.	2021	\$7,500,000	-0.50	-7.28	-8.96	-2.37			-3.03
Penzance DC Real Estate Fund III, L.P.	2024	\$7,500,000	-5.44	-18.27	-28.24				-32.80
<b>Sub Total</b>		<b>\$85,235,295</b>	<b>-2.73</b>	<b>-2.43</b>	<b>-6.44</b>	<b>-6.81</b>	<b>1.66</b>	<b>6.26</b>	<b>3.38</b>
<b>Total</b>		<b>\$593,866,830</b>	<b>1.40</b>	<b>4.95</b>	<b>5.96</b>	<b>4.90</b>	<b>13.22</b>	<b>14.12</b>	<b>12.04</b>

# ANALYSIS BY FUND

Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid in Capital	Additional Fees	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
<b>Private Debt</b>											
Kennedy Lewis Capital Partners III	2022	\$10,000,000	\$2,203,145	\$7,796,855	\$61,518	\$10,506,818	\$10,506,818	\$2,648,445	0.00	1.34	14.28
<b>Sub Total</b>		<b>\$10,000,000</b>	<b>\$2,203,145</b>	<b>\$7,796,855</b>	<b>\$61,518</b>	<b>\$10,506,818</b>	<b>\$10,506,818</b>	<b>\$2,648,445</b>	<b>0.00</b>	<b>1.34</b>	<b>14.28</b>



# ANALYSIS BY FUND

Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid in Capital	Additional Fees	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
<b>Private Equity</b>											
Commonfund Capital Venture Partners VIII, L.P.	2007	\$2,750,000	\$61,875	\$2,688,125	\$0	\$646,488	\$6,092,468	\$3,404,343	2.03	2.27	11.52
Fisher Lynch Venture Partnership II, L.P.	2008	\$2,500,000	\$296,250	\$2,203,750	\$0	\$355,644	\$4,278,210	\$2,074,460	1.78	1.94	9.29
TrueBridge-Kauffman Fellows Endowment Fund II, L.P.	2010	\$3,000,000	\$510,000	\$2,490,000	\$0	\$4,736,170	\$13,916,328	\$11,426,328	3.69	5.59	20.10
LiveOak Venture Partners I, L.P.	2013	\$2,000,000	\$0	\$2,000,000	\$0	\$832,590	\$3,614,536	\$1,614,536	1.39	1.81	11.92
TrueBridge-Kauffman Fellows Endowment Fund III, L.P.	2013	\$3,000,000	\$240,000	\$2,760,000	\$0	\$4,508,364	\$9,601,632	\$6,841,632	1.85	3.48	16.65
SV Life Sciences Fund VI, L.P.	2015	\$7,500,000	\$569,603	\$6,930,397	\$0	\$2,756,009	\$11,581,994	\$4,651,597	1.27	1.67	13.65
TrueBridge-Kauffman Fellows Endowment Fund IV, L.P.	2015	\$6,250,000	\$760,182	\$5,489,818	\$0	\$15,726,516	\$22,696,415	\$17,206,597	1.27	4.13	24.36
Jackson Square Ventures II, L.P.	2016	\$7,500,000	\$576,587	\$6,923,413	\$0	\$7,382,814	\$9,408,916	\$2,485,503	0.29	1.36	7.72
Weathergage Venture Capital IV, L.P.	2016	\$5,000,000	\$1,400,000	\$3,600,000	\$0	\$7,587,053	\$8,891,473	\$5,291,473	0.36	2.47	14.07
Binary Capital Fund II, L.P.	2016	\$631,535	\$65,099	\$566,436	\$0	\$75,136	\$472,988	-\$93,448	0.70	0.84	-4.38
TrueBridge Capital Partners Fund V, L.P.	2017	\$5,000,000	\$604,471	\$4,395,529	\$0	\$10,359,393	\$11,794,478	\$7,398,949	0.33	2.68	20.17
LiveOak Venture Partners II, L.P.	2017	\$4,000,000	\$0	\$4,000,000	\$0	\$5,163,560	\$5,871,694	\$1,871,694	0.18	1.47	8.95
US Venture Partners XII, L.P.	2018	\$5,000,000	\$297,500	\$4,702,500	\$0	\$5,588,944	\$6,560,626	\$1,858,126	0.21	1.40	10.16
Mercury Fund Ventures IV, L.P.	2017	\$5,000,000	\$0	\$5,000,000	-\$6,091	\$13,179,538	\$14,377,433	\$9,383,524	0.24	2.88	27.65
Vivo Capital Fund IX, L.P.	2018	\$5,000,000	\$152,286	\$4,847,714	\$0	\$5,602,126	\$8,757,019	\$3,909,305	0.65	1.81	17.95
Clear Ventures II, L.P.	2019	\$5,000,000	\$1,215,000	\$3,785,000	\$80,000	\$5,364,054	\$5,364,054	\$1,499,054	0.00	1.39	9.66
Jackson Square Ventures III, L.P.	2019	\$5,000,000	\$1,371,621	\$3,628,379	\$0	\$4,230,997	\$4,230,997	\$602,618	0.00	1.17	4.24
TrueBridge Capital Partners Fund VI (Cayman), L.P.	2019	\$3,000,000	\$75,000	\$2,925,000	\$0	\$4,211,988	\$4,331,988	\$1,406,988	0.04	1.48	10.51
ACME Fund III, L.P.	2019	\$5,000,000	\$0	\$5,000,000	\$0	\$4,489,253	\$5,763,184	\$763,184	0.25	1.15	3.44
TrueBridge Capital Partners Fund VII, L.P.	2021	\$10,000,000	\$2,900,000	\$7,100,000	\$0	\$8,904,068	\$8,904,068	\$1,804,068	0.00	1.25	10.73
Truebridge Capital Partners Fund VIII, L.P.	2023	\$10,000,000	\$8,100,000	\$1,900,000	\$0	\$1,821,334	\$1,821,334	-\$78,666	0.00	0.96	-4.89
Mercury Fund Ventures V, L.P.	2023	\$5,000,000	\$750,000	\$4,250,000	\$0	\$6,199,795	\$6,199,795	\$1,949,795	0.00	1.46	24.92
Khosla Ventures Seed, L.P.	2023	\$1,000,000	\$340,000	\$660,000	\$0	\$748,305	\$748,305	\$88,305	0.00	1.13	10.04
Khosla Ventures VIII, L.P.	2023	\$5,000,000	\$1,700,000	\$3,300,000	\$0	\$3,918,657	\$3,918,657	\$618,657	0.00	1.19	17.35
Khosla Ventures Opportunity II, L.P.	2023	\$4,000,000	\$884,000	\$3,116,000	\$0	\$3,290,132	\$3,290,132	\$174,132	0.00	1.06	6.28
Commonfund Capital International Partners VI, L.P.	2007	\$5,000,000	\$322,500	\$4,677,500	\$0	\$10,287	\$7,385,187	\$2,707,687	1.58	1.58	8.57
Fisher Lynch Buyout Partnership, L.P.	2008	\$2,500,000	\$458,750	\$2,041,250	\$0	\$0	\$3,628,016	\$1,586,766	1.78	1.78	9.53
Commonfund Capital International Partners VII, L.P.	2007	\$5,000,000	\$282,500	\$4,717,500	\$0	\$470,369	\$10,361,156	\$5,643,656	2.10	2.20	13.54
J.H. Whitney VII, L.P.	2011	\$4,000,000	\$88,560	\$3,911,440	\$0	\$1,365,549	\$9,319,631	\$5,408,191	2.03	2.38	13.77
Silver Lake Partners IV, L.P.	2012	\$4,000,000	\$109,098	\$3,890,902	\$35,417	\$4,601,235	\$12,422,673	\$8,496,354	1.99	3.16	20.84
Advent International GPE Fund VII, L.P.	2012	\$5,000,000	\$200,000	\$4,800,000	\$0	\$401,483	\$8,697,196	\$3,897,196	1.73	1.81	13.14
Great Hill Equity Partners V, L.P.	2013	\$4,000,000	\$0	\$4,000,000	\$0	\$3,244,084	\$11,545,566	\$7,545,566	2.08	2.89	23.53
Insight Equity III, L.P.	2014	\$7,500,000	\$111,018	\$7,388,982	\$97,789	\$6,781,935	\$7,645,920	\$159,149	0.12	1.02	0.31
Francisco Partners IV, L.P.	2014	\$5,000,000	\$127,500	\$4,872,500	\$0	\$2,824,478	\$14,701,020	\$9,828,520	2.44	3.02	25.40

## ANALYSIS BY FUND

Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid in Capital	Additional Fees	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Advent International GPE VIII-B, L.P.	2015	\$6,000,000	\$0	\$6,000,000	\$0	\$3,684,373	\$12,468,752	\$6,468,752	1.46	2.08	15.46
Trident Capital VII, L.P.	2016	\$7,500,000	\$413,796	\$7,086,204	\$0	\$11,579,163	\$18,308,679	\$11,222,475	0.95	2.58	18.08
Silver Lake Partners V, L.P.	2016	\$7,000,000	\$838,155	\$6,161,845	\$17,941	\$7,305,647	\$10,447,989	\$4,268,203	0.51	1.69	10.69
Great Hill Equity Partners VI, L.P.	2016	\$7,000,000	\$387,100	\$6,612,900	\$0	\$8,898,236	\$22,200,859	\$15,587,959	2.01	3.36	40.15
Francisco Partners V, L.P.	2017	\$5,000,000	\$147,500	\$4,852,500	\$0	\$6,567,266	\$11,076,953	\$6,224,453	0.93	2.28	18.06
Kelso Investment Associates X, L.P.	2018	\$7,500,000	\$921,055	\$6,578,945	\$38,363	\$11,084,273	\$13,443,981	\$6,826,673	0.36	2.03	18.71
Great Point Partners III, LP	2018	\$4,000,000	\$121,395	\$3,878,605	\$0	\$3,764,158	\$5,526,678	\$1,648,073	0.45	1.42	12.88
Thoma Bravo Fund XIII-A, L.P.	2018	\$5,000,000	\$402,970	\$4,597,030	-\$20	\$5,923,992	\$10,573,108	\$5,976,098	1.01	2.30	22.28
Trident Capital VIII, L.P.	2019	\$7,500,000	\$810,546	\$6,689,454	\$0	\$9,127,793	\$11,010,959	\$4,321,505	0.28	1.65	12.17
PeakSpan Capital Growth Partners II, L.P.	2018	\$5,000,000	\$529,376	\$4,470,624	\$0	\$7,359,921	\$9,041,168	\$4,570,544	0.38	2.02	18.52
Great Hill Equity Partners VII, L.P.	2019	\$7,000,000	\$0	\$7,000,000	\$0	\$6,368,402	\$11,599,333	\$4,599,333	0.75	1.66	25.09
Advent International GPE IX, L.P.	2019	\$7,000,000	\$315,006	\$6,684,994	\$0	\$8,773,057	\$10,945,173	\$4,260,179	0.32	1.64	13.59
Francisco Partners VI, L.P.	2020	\$5,000,000	\$122,500	\$4,877,500	\$0	\$6,504,822	\$7,339,405	\$2,461,905	0.17	1.50	14.26
Silver Lake Partners VI, L.P.	2020	\$7,000,000	\$413,404	\$6,586,596	\$126	\$8,902,992	\$8,902,992	\$2,316,270	0.00	1.35	9.06
Thoma Bravo Fund XIV, L.P.	2020	\$5,000,000	\$1,152,419	\$3,847,581	\$0	\$4,895,174	\$5,188,444	\$1,340,863	0.08	1.35	6.70
Kelso Investment Associates XI, LP	2021	\$10,000,000	\$5,486,923	\$4,513,077	-\$37,221	\$5,399,369	\$5,408,097	\$932,241	0.00	1.21	10.02
Frontenac XII, L.P.	2021	\$10,000,000	\$1,897,353	\$8,102,647	\$0	\$9,185,062	\$9,185,062	\$1,082,415	0.00	1.13	7.95
Silver Lake Partners VII, L.P.	2022	\$10,000,000	\$6,522,572	\$3,477,428	-\$914	\$4,515,195	\$4,518,751	\$1,042,237	0.00	1.30	22.30
WindRose Health Investors VI, L.P.	2022	\$10,000,000	\$2,969,039	\$7,030,961	-\$17,419	\$9,038,364	\$9,330,805	\$2,317,263	0.04	1.33	14.36
GCM Grosvenor Advance Fund, L.P.	2021	\$10,000,000	\$1,877,899	\$8,122,101	\$47,561	\$8,749,143	\$9,838,894	\$1,669,232	0.13	1.20	7.79
Advent International GPE X, L.P.	2022	\$9,000,000	\$4,071,595	\$4,928,405	\$0	\$6,832,682	\$6,832,682	\$1,904,277	0.00	1.39	19.80
Warren Equity Partners ELIDO Fund II, L.P.	2024	\$10,000,000	\$6,779,944	\$3,220,056	-\$14,739	\$3,713,332	\$3,713,332	\$508,015	0.00	1.16	19.41
Dover Street VIII, L.P.	2012	\$4,000,000	\$320,000	\$3,680,000	\$4,025	\$160,453	\$6,101,439	\$2,417,414	1.61	1.66	18.33
Lexington Capital Partners VIII, L.P.	2014	\$10,000,000	\$1,859,330	\$8,140,670	\$0	\$4,088,383	\$14,180,364	\$6,039,694	1.24	1.74	13.78
Dover Street IX Cayman Fund, L.P.	2015	\$7,500,000	\$675,000	\$6,825,000	\$0	\$3,137,393	\$11,240,962	\$4,415,962	1.19	1.65	17.12
Lexington Capital Partners IX, L.P.	2018	\$10,000,000	\$1,723,642	\$8,276,358	\$0	\$9,728,655	\$13,104,658	\$4,828,300	0.41	1.58	15.05
ASF VIII B L.P.	2018	\$7,500,000	\$1,518,668	\$5,981,332	-\$3,177	\$5,825,198	\$8,343,437	\$2,365,282	0.42	1.40	12.45
Dover Street X Feeder Fund, L.P.	2019	\$7,500,000	\$1,425,000	\$6,075,000	\$0	\$6,675,913	\$9,168,282	\$3,093,282	0.41	1.51	14.96
Warren Equity Partners Fund V-A, L.P.	2025	\$15,000,000	\$15,000,000	\$0	\$0	\$0	\$0	\$0	0.00	0.00	
Windrose Health Investors VII, L.P.	2025	\$15,000,000	\$15,000,000	\$0	\$0	\$0	\$0	\$0	0.00	0.00	
Advent International GPE XI-C SCSP, L.P.	2025	\$15,000,000	\$15,000,000	\$0	\$0	\$0	\$0	\$0	0.00	0.00	
Khosla Ventures Seed G, L.P.	2025	\$2,400,000	\$2,400,000	\$0	\$0	\$0	\$0	\$0	0.00	0.00	
Khosla Ventures Opportunity III, L.P.	2025	\$4,560,000	\$4,560,000	\$0	\$0	\$0	\$0	\$0	0.00	0.00	
Khosla Ventures IX, L.P.	2025	\$5,040,000	\$5,040,000	\$0	\$0	\$0	\$0	\$0	0.00	0.00	
<b>Sub Total</b>		<b>\$424,131,535</b>	<b>\$125,271,588</b>	<b>\$298,859,947</b>	<b>\$241,641</b>	<b>\$335,166,760</b>	<b>\$547,236,327</b>	<b>\$248,134,738</b>	<b>0.71</b>	<b>1.83</b>	<b>15.16</b>

# ANALYSIS BY FUND

Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid in Capital	Additional Fees	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
<b>Real Assets</b>											
EnCap Energy Capital Fund VII-B, L.P.	2007	\$15,000,000	\$5,227	\$14,994,773	\$0	\$0	\$19,899,805	\$4,905,033	1.33	1.33	11.64
Denham Commodity Partners Fund VI, L.P.	2013	\$4,000,000	\$97,310	\$3,902,690	\$0	\$1,487,399	\$2,988,002	-\$914,688	0.38	0.77	-4.10
EnCap Flatrock Midstream Fund II-C, L.P.	2012	\$3,000,000	\$917,291	\$2,082,709	\$0	\$26,738	\$3,655,295	\$1,572,586	1.74	1.76	20.84
EnCap Flatrock Midstream Fund III, L.P.	2014	\$5,000,000	\$166,714	\$4,833,286	\$7,029	\$1,297,318	\$7,406,069	\$2,565,754	1.26	1.53	9.56
EnCap Energy Capital Fund X, L.P.	2015	\$4,000,000	\$154,874	\$3,845,126	\$153,487	\$1,931,524	\$8,658,907	\$4,660,246	1.68	2.17	16.16
EnerVest Energy Institutional Fund XIV, L.P.	2015	\$7,500,000	\$610,818	\$6,889,182	\$18,373	\$4,043,871	\$12,342,562	\$5,435,007	1.20	1.79	10.46
Denham Oil and Gas Fund, L.P.	2015	\$7,500,000	\$31,975	\$7,468,025	-\$23,570	\$7,608,595	\$12,221,481	\$4,777,026	0.62	1.64	10.39
EnCap Energy Capital Fund XI, L.P.	2016	\$10,000,000	\$860,385	\$9,139,615	\$0	\$6,643,984	\$19,008,720	\$9,869,104	1.35	2.08	21.49
EnCap Flatrock Midstream Fund IV, L.P.	2017	\$6,000,000	\$475,559	\$5,524,441	\$927	\$4,539,763	\$7,508,389	\$1,983,021	0.54	1.36	9.55
Hastings Equity Fund IV-B, L.P.	2018	\$7,500,000	\$499,705	\$7,000,295	\$180,202	\$10,138,187	\$13,723,710	\$6,543,213	0.50	1.91	19.16
Energy Spectrum Partners VIII, L.P.	2018	\$5,000,000	\$892,483	\$4,107,517	\$0	\$3,269,414	\$5,414,885	\$1,307,368	0.52	1.32	9.79
<b>Sub Total</b>		<b>\$74,500,000</b>	<b>\$4,712,342</b>	<b>\$69,787,658</b>	<b>\$336,448</b>	<b>\$40,986,795</b>	<b>\$112,827,826</b>	<b>\$42,703,671</b>	<b>1.02</b>	<b>1.61</b>	<b>11.97</b>
<b>Real Estate</b>											
Newlin Realty Partners LP	2006	\$5,000,000	\$505,441	\$4,494,559	\$0	\$0	\$4,577,128	\$82,569	1.02	1.02	0.23
BPG Investment Partnership VII, L.P.	2005	\$5,000,000	\$0	\$5,000,000	\$0	\$1,152,239	\$4,913,303	-\$86,697	0.75	0.98	-0.13
Newlin Realty Partners II LP	2007	\$3,000,000	\$193,674	\$2,806,326	\$0	\$39,595	\$4,424,771	\$1,618,445	1.56	1.58	8.53
BPG Investment Partnership VIII, L.P.	2007	\$3,235,295	\$252,899	\$2,982,396	\$0	\$0	\$4,011,156	\$1,028,760	1.34	1.34	3.68
Blackstone Real Estate Partners VIII, L.P.	2015	\$7,500,000	\$611,396	\$6,888,604	\$680,570	\$4,267,671	\$12,434,949	\$4,865,775	1.08	1.64	11.77
Blackstone Real Estate Partners Europe V, L.P.	2016	\$7,500,000	\$758,771	\$6,741,229	\$244,840	\$4,051,318	\$9,311,633	\$2,325,564	0.75	1.33	6.91
Embarcadero Capital Investors V, L.P.	2016	\$7,500,000	\$338,987	\$7,161,013	\$109,256	\$439,381	\$4,234,663	-\$3,035,606	0.52	0.58	-30.55
Penzance DC Real Estate Fund, L.P.	2018	\$7,500,000	\$1,515,939	\$5,984,061	-\$3,493	\$2,936,627	\$6,686,610	\$706,041	0.63	1.12	4.51
Blackstone Real Estate Partners IX L.P.	2018	\$9,000,000	\$48,319	\$8,951,681	\$435,973	\$8,804,866	\$12,018,649	\$2,630,995	0.34	1.28	7.90
Blackstone Real Estate Partners Europe VI SCSp	2019	\$10,000,000	\$1,498,864	\$8,501,136	\$374,999	\$7,452,555	\$10,606,656	\$1,730,521	0.36	1.19	7.00
Penzance DC Real Estate Fund II, L.P.	2020	\$5,000,000	\$2,508,734	\$2,491,266	-\$220	\$2,880,796	\$3,420,630	\$929,583	0.22	1.37	28.24
Dalfen Last Mile Industrial Fund V, L.P.	2021	\$7,500,000	\$2,250,000	\$5,250,000	\$0	\$4,646,999	\$4,839,012	-\$410,988	0.04	0.92	-3.03
Penzance DC Real Estate Fund III, L.P.	2024	\$7,500,000	\$6,565,521	\$934,479	\$0	\$680,405	\$680,405	-\$254,074	0.00	0.73	-32.80
<b>Sub Total</b>		<b>\$85,235,295</b>	<b>\$17,048,544</b>	<b>\$68,186,751</b>	<b>\$1,841,925</b>	<b>\$37,352,452</b>	<b>\$82,159,565</b>	<b>\$12,130,889</b>	<b>0.64</b>	<b>1.17</b>	<b>3.38</b>
<b>Total</b>		<b>\$593,866,830</b>	<b>\$149,235,620</b>	<b>\$444,631,210</b>	<b>\$2,481,532</b>	<b>\$424,012,825</b>	<b>\$752,730,536</b>	<b>\$305,617,744</b>	<b>0.74</b>	<b>1.68</b>	<b>12.04</b>

# UHS NON- ENDOWED FUNDS SUPPLEMENTAL INFORMATION



# UNIVERSITY OF HOUSTON SYSTEM NON- ENDOWED FUNDS

## OTHER FUNDS REPORT

As of Date:	12/31/2025		Other Non Endowed	
Type	Bank	Notes	Cash Balance	Investment FMV
Operating Total	JP Morgan Chase/Bank of America	1, 2, 3, 4	\$ 24,340,262	\$ -
Other Total	US Bank		\$ 4,768	\$ -
Capitalized Interest Total	ComputerShare		\$ -	\$ 3,926,547
Cost of Issuance Total	TexPool/ComputerShare		\$ -	\$ 1,107,576
Debt Service Total	TexPool/ComputerShare		\$ -	\$ 24,940
Bond Proceeds Total			\$ -	\$ 480,440,654
<b>Grand Total</b>			<b>\$ 24,345,030</b>	<b>\$ 485,499,717</b>

### Notes:

- The banking structure provides multiple accounts for tracking that are all swept to/from the Operating Bank account on a continual basis
  - UHSA: Disbursement, Payroll Direct Deposit, Payroll Check
  - UH: Disbursement, Credit Card Clearing, Advancement, Division of Research, and Campus Solutions
  - UHCL: Disbursement, Credit Card Clearing
  - UHD: Disbursement, Credit Card Clearing
- Operating bank accounts reflect funds that are invested overnight in US Treasury and US Government securities. Funds at Bank of America are invested overnight in the Blackrock Liquidity T Fund; funds at JP Morgan Chase are invested overnight in the JPMC Government Money Market Fund.
- Depository: Core cash-management operations have been successfully migrated from Bank of America to J.P. Morgan Chase and are now operating normally. Only UH Main campus has a small number of vendors still sending funds to bank of America and the System continues to work with them to complete the transition. Merchant Services has successfully migrated 100% to JP Morgan Chase.
- UH has depository accounts where contractually required for the College of Medicine's agreement with Athena Health for processing of payments and for the University's agreement with ESCI for managing collection of Perkins Loans. Funds are swept to UH's Operating Bank daily.

# 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.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

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 a private credit manager for the University of Houston System Endowment Fund

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

NEPC will discuss with the Committee their recommendation to make a \$15M commitment to VWH Partners Fund IV, an opportunistic private credit strategy focusing on U.S. Residential Loans being sold by government sponsored enterprises. The UH System endowment fund does not currently invest with VWH Partners.

**SUPPORTING DOCUMENTATION:** NEPC discussion materials report

**FISCAL NOTE:** \$15M VWH Partners Fund IV

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

**COMPONENT:** University of Houston System

  
\_\_\_\_\_  
**SENIOR VICE CHANCELLOR** Raymond S. Bartlett

2/24/2026  
\_\_\_\_\_  
**DATE**

  
\_\_\_\_\_  
**CHANCELLOR** Renu Khator

3/10/2026  
\_\_\_\_\_  
**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 investment in two Money Market Funds for the University of Houston System Non-Endowed Investment Fund

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

NEPC will discuss with the Committee their recommendation to add two Money Market Funds to the University of Houston System Non-Endowed Investment Fund: JP Morgan US Treasury Plus Money Market Fund and Dreyfus Government Cash Management Money Market Fund. The System currently invests the cash portion of the Non-Endowed Fund in the Morgan Stanley US Treasury Plus Money Market Fund.

**SUPPORTING DOCUMENTATION:** NEPC discussion materials report

**FISCAL NOTE:** Approximately 1/3 allocation to JP Morgan, Dreyfus, and Morgan Stanley (average approx. \$500M total)

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

**COMPONENT:** University of Houston System

  
\_\_\_\_\_  
**SENIOR VICE CHANCELLOR** Raymond S. Bartlett

2/24/2026  
\_\_\_\_\_  
**DATE**

  
\_\_\_\_\_  
**CHANCELLOR** Renu Khator

3/10/2026  
\_\_\_\_\_  
**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:** May 14, 2025

**SUMMARY:**

Mr. Raymond Bartlett will discuss with the Committee recommended changes to the UH System Endowment Fund Statement of Objectives and Policies as indicated in the redlined version of the policy provided as supporting documentation to this item.

**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

2/24/2026



\_\_\_\_\_  
CHANCELLOR

Renu Khator

\_\_\_\_\_  
DATE

3/10/2026

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

~~May 14~~March 12, 20265

**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 (“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 Committee shall:

- a) Review and recommend to the Board changes to investment policies;
- b) Review and recommend to the Board any change to 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 [consultant advisors](#);
- 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 advisor\(s\)](#) 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 long-term System spending rate of 5.0% (which includes 4% payout and 1.0% university advancement assessment), the objective of this fund will be to earn a real (inflation adjusted) return of at least 5% 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 investment advisor. Thus, the 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 Committee's asset allocation targets.

### **INVESTMENT MANAGERS**

In accordance with Board policy, hiring of investment [consultant advisors](#) requires approval of the Board. Hiring of investment managers requires Committee approval except, when on the recommendation of the committee staff and the investment [consultant advisor](#), the chair of the Committee and the chair of the Finance, Facilities, 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 Committee will have the staff immediately report any such action taken to the members of the 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 and cash equivalents 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 System universities. The Board shall review and approve changes to the fee rate. 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:

<b>Fund Value as a Percent of HDV</b>	<b>Spending rate</b>
<b>90 – 99.9%</b>	75% of normal spending rate
<b>80 – 89.9%</b>	50% of normal spending rate
<b>&lt;80.0%</b>	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-cap).

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 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.

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 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 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 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, but not necessarily limited to, the following functions, to be performed by some combination of outside [consultantadvisors/advisors](#) and internal staff:

- Background checks
  - Reference checks
  - News searches
  - Industry consultation
- Review of vendor relationships
  - Prime brokers
  - Auditors
  - Fund administrators
  - Legal counsel
- Operational review
  - On site visits
  - Procedural
  - 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 Committee reviews and recommends to the Board the asset allocation long-term targets and ranges provided in Appendix A, 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.)

The Treasurer, in conjunction with the investment [consultant advisor](#) and Senior Vice Chancellor for Administration and Finance, will closely monitor asset allocation, and will periodically rebalance the portfolio, within allowable ranges set forth in this policy in an effort to control risk and enhance long-term return. Any rebalancing must occur across previously approved managers already held within the portfolio.

Any rebalancing actions taken between meetings of the Committee shall be communicated 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 System 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 System 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 threatens to force any allocation outside its allowable ranges, the chair of the Committee, in conjunction with the Board chair, with the advice of staff and investment [consultant advisor](#), 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~~ The investment advisor for the System will be provided with this investment policy as part of the investment advisory contract. The advisory contract shall describe the role of the investment advisor and the objectives and comparative benchmarks that will be used to evaluate performance. ~~investment advisor manager with whom for 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 advisor 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~~ The advisor 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 advisors managers will be provided with a copy of the Statement of Investment Objectives and Policies.~~

This investment policy will be provided to each manager of all separate accounts as a contract addendum. Managers will receive copies of policy updates when policy changes affect separately managed accounts. Additionally, each manager of separate accounts 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 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 advisor 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 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 System. 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 Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the 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 and the Securities and Exchange Commission Form ADV if applicable to the firm. 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 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 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
<b>Public Equities</b>	<b>45%</b>	<b>38% to 60%</b>	<b>MSCI ACWI</b>
<i>U.S. Equity</i>	22%	15% to 30%	Russell 3000
<i>Non-U.S. Developed Markets Equity</i>	<del>13</del> 0%	<del>85</del> 5% to <del>185</del> 5%	MSCI EAFE
<i>Emerging Markets Equity</i>	<del>03</del> 0%	0% to <del>57</del> 5%	MSCI Emerging Markets
<i>Global Equity</i>	10%	0% to 20%	MSCI ACWI
<b>Private Markets</b>	<b>39%</b>	<b>25% to 45%</b>	
<i>Private Equity</i> <sup>1</sup>	30%	20% to 40%	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> <sup>2</sup>	6%	3% to 9%	C A Global Real Assets w/ RE (Qtr Lag)
<b>Diversifying Growth Assets</b>	<b>6%</b>	<b>0% to 10%</b>	
<i>Hedge Funds</i> <sup>3</sup>	6%	0% to 10%	HFRI Fund of Funds Composite
<b>Risk Reduction Assets</b>	<b>10%</b>	<b>5% to 15%</b>	
<i>Bonds and Cash</i>	10%	5%-15%	Dynamic Bonds and Cash Benchmark (Bloomberg Barclays Intermediate Aggregate Index and BofA ML 91 Day Treasury Bills)

<sup>1</sup> 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.

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.

<sup>2</sup> 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.

<sup>3</sup> 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 March 12, 2026**

**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 (“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 Committee shall:

- a) Review and recommend to the Board changes to investment policies;
- b) Review and recommend to the Board any change to 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 advisors;
- 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 advisor(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 long-term System spending rate of 5.0% (which includes 4% payout and 1.0% university advancement assessment), the objective of this fund will be to earn a real (inflation adjusted) return of at least 5% 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 investment advisor. Thus, the 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 Committee's asset allocation targets.

### **INVESTMENT MANAGERS**

In accordance with Board policy, hiring of investment advisors requires approval of the Board. Hiring of investment managers requires Committee approval except, when on the recommendation of the committee staff and the investment advisor, the chair of the Committee and the chair of the Finance, Facilities, 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 Committee will have the staff immediately report any such action taken to the members of the 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 and cash equivalents 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 System universities. The Board shall review and approve changes to the fee rate. 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:

<b>Fund Value as a Percent of HDV</b>	<b>Spending rate</b>
<b>90 – 99.9%</b>	75% of normal spending rate
<b>80 – 89.9%</b>	50% of normal spending rate
<b>&lt;80.0%</b>	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-cap).

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 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.

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 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 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 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, but not necessarily limited to, the following functions, to be performed by some combination of outside advisors and internal staff:

- Background checks
  - Reference checks
  - News searches
  - Industry consultation
- Review of vendor relationships
  - Prime brokers
  - Auditors
  - Fund administrators
  - Legal counsel
- Operational review
  - On site visits
  - Procedural
  - 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 advisors and internal staff:

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- Diligence meetings with managers and attendance at annual meetings.

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## **REBALANCING**

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- 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.)

The Treasurer, in conjunction with the investment advisor and Senior Vice Chancellor for Administration and Finance, will closely monitor asset allocation, and will periodically rebalance the portfolio, within allowable ranges set forth in this policy in an effort to control risk and enhance long-term return. Any rebalancing must occur across previously approved managers already held within the portfolio.

Any rebalancing actions taken between meetings of the Committee shall be communicated 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 System 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 System 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 threatens to force any allocation outside its allowable ranges, the chair of the Committee, in conjunction with the Board chair, with the advice of staff and investment advisor, 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.

The investment advisor for the System will be provided with this investment policy as part of the investment advisory contract. The advisory contract shall describe the role of the investment advisor and the objectives and comparative benchmarks that will be used to evaluate performance. The advisor 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.

This investment policy will be provided to each manager of all separate accounts as a contract addendum. Managers will receive copies of policy updates when policy changes affect separately managed accounts. Additionally, each manager of separate accounts 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 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 advisor 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 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 System. 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 Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the 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 and the Securities and Exchange Commission Form ADV if applicable to the firm. 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 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 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
<b>Public Equities</b>	<b>45%</b>	<b>38% to 60%</b>	<b>MSCI ACWI</b>
<i>U.S. Equity</i>	22%	<i>15% to 30%</i>	Russell 3000
<i>Non-U.S. Developed Markets Equity</i>	13%	<i>8% to 18%</i>	MSCI EAFE
<i>Emerging Markets Equity</i>	0%	<i>0% to 5%</i>	MSCI Emerging Markets
<i>Global Equity</i>	10%	<i>0% to 20%</i>	MSCI ACWI
<b>Private Markets</b>	<b>39%</b>	<b>25% to 45%</b>	
<i>Private Equity</i> <sup>1</sup>	30%	<i>20% to 40%</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> <sup>2</sup>	6%	<i>3% to 9%</i>	C A Global Real Assets w/ RE (Qtr Lag)
<b>Diversifying Growth Assets</b>	<b>6%</b>	<b>0% to 10%</b>	
Hedge Funds <sup>3</sup>	6%	0% to 10%	HFRI Fund of Funds Composite
<b>Risk Reduction Assets</b>	<b>10%</b>	<b>5% to 15%</b>	
<i>Bonds and Cash</i>	10%	<i>5%-15%</i>	Dynamic Bonds and Cash Benchmark (Bloomberg Barclays Intermediate Aggregate Index and BofA ML 91 Day Treasury Bills)

<sup>1</sup> 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.

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.

<sup>2</sup> 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.

<sup>3</sup> 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:** Approval is requested to modify the UH System Investment Policy for Non-Endowed Funds

**DATE PREVIOUSLY SUBMITTED:** May 14, 2025

**SUMMARY:**

Mr. Raymond Bartlett will discuss with the Committee recommended changes to the UH System Investment Policy for Non-Endowed Funds as indicated in the redlined version of the policy provided as supporting documentation to this item.

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

2/24/2026  
\_\_\_\_\_  
**DATE**

  
\_\_\_\_\_  
**CHANCELLOR** Renu Khator

3/10/2026  
\_\_\_\_\_  
**DATE**

# UNIVERSITY OF HOUSTON SYSTEM INVESTMENT POLICY

## FOR NON-ENDOWED FUNDS

Approved by the Board of Regents

~~May 14, 2025~~ March 12, 2026

### 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 primarily emphasize safety of principal and liquidity and secondarily provide an investment return consistent with applicable state law regarding investment of such funds. This investment policy applies to all non-endowed financial assets of the UH System.

#### B. Investment Officer

The 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 (“Committee”) may also review and recommend to the Board the hiring of 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 follow state law and System policies concerning ethics and conflicts of interest.

#### C. Quality and Capability of Investment Management

The System will provide periodic training in investments for the System Investment Officers to ensure 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

Preservation and 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 marketability and 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 overconcentration 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 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 rate of return within constraints of this policy. 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. 40% 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 BofAML 91- Day T-Bill Index.
2. 60% 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 1-5 Year AAA-AA US Corporate and Government 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:

	<b>Target Allocation</b>	<b>Allowable Range</b>
Cash Pool	40%	30% to 100%
Liquidity	60%	0% to 70%

**A. Guidelines for the Cash Pool**

Safety and liquidity are the primary objectives of the Cash Pool. To meet all cash flow requirements for the System, the Cash Pool shall be continuously invested in readily available, marketable funds consistent with prudent person standards considering the objectives of the Cash Pool and guidance provided by state law.

**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. 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. To appropriately manage risk and return, the following guidelines will be implemented for assets held in the Liquidity Pool:

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 Committee approval except, when on the recommendation of staff and the investment ~~consultant~~ advisor, the chair of the Committee and the chair of the Finance, Facilities, 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 Committee will have the Senior Vice Chancellor for Administration and Finance immediately report any such action taken to the members of the 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 fund managers will be selected that conform to the investment guidelines found in the Guidelines for the Cash Pool and Liquidity Pool.~~

~~The non-endowed funds 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~~ The investment advisor for the System will be provided with this investment policy written statements of investment objectives and guidelines as part of the investment management advisory contract. These objectives ~~The advisory contract shall describe the role of the investment advisor manager is expected to play within the manager structure, and the objectives and~~

comparative benchmarks that will be used to evaluate performance., and the allowable securities that can be used to achieve these objectives. Investment advisors will be provided with a copy of the Investment Policy for Non-Endowed Funds.

This investment policy will be provided to each manager of all separate accounts as a contract addendum. Managers will receive copies of policy updates when policy changes affect separately managed accounts. Additionally, each manager of separate accounts 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.

#### **D. Guidelines for Rebalancing**

Given the difference in expected return among the Cash Pool and the Liquidity Pool, and the regular use of funds from the Cash Pool for operational purposes, these pools may need to be rebalanced occasionally to remain consistent with the allocation guidelines of this policy and enhance ~~long-term~~long-term return.

The Treasurer and the System's Investment Advisor will closely monitor asset allocation and make a recommendation to the Senior Vice Chancellor for Administration and Finance as to the appropriate rebalancing actions to take within allowable ranges set forth in this policy. By mutual agreement, those parties may then proceed to take what rebalancing actions they deem to be reasonable and practical. Any rebalancing must occur across previously approved managers held within the portfolio. 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 Treasurer, together with the Investment Advisor, may evaluate the aggregate amount of non-endowed funds to determine if there is excess, longer-term liquidity held across the non--endowed funds. In the event that such longer-term liquidity exists, the Treasurer shall make a recommendation to the Senior Vice Chancellor for Administration and Finance to invest a portion of non-endowed funds alongside the University's endowment. Such funds would only be invested in the endowment if it is determined that such excess liquidity is not needed to meet the short term or intermediate term operating needs of the System. The Liquidity Pool may invest a range of 10% to 30% of the total Non-Endowed Funds' value in the System Endowment Fund, with a long-term target of 20%. Such investment in the System Endowment Fund requires approval by the Committee.

#### **IV. INVESTMENT REPORTING AND PERFORMANCE EVALUATION**

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

#### **V. OTHER INVESTMENT GUIDELINES**

##### **A. Standard of Care**

Each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, not for speculation, but for investment, considering the probable safety of capital and the probable return 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 has 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. 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 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 and the Securities and Exchange Commission Form ADV if applicable to the firm. Furthermore, investment managers, advisors, and potential managers are investing public funds and are subject to the Texas Open Records Act.

### **B.C. 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.D. 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.E. 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 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 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.

# UNIVERSITY OF HOUSTON SYSTEM INVESTMENT POLICY

FOR NON-ENDOWED FUNDS  
Approved by the Board of Regents

March 12, 2026

## 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 primarily emphasize safety of principal and liquidity and secondarily provide an investment return consistent with applicable state law regarding investment of such funds. This investment policy applies to all non-endowed financial assets of the UH System.

### B. Investment Officer

The 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 (“Committee”) may also review and recommend to the Board the hiring of 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 follow state law and System policies concerning ethics and conflicts of interest.

### C. Quality and Capability of Investment Management

The System will provide periodic training in investments for the System Investment Officers to ensure 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

Preservation and 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 marketability and 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 overconcentration 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 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 rate of return within constraints of this policy. 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. 40% 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 BofAML 91- Day T-Bill Index.
2. 60% 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 1-5 Year AAA-AA US Corporate and Government 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:

	<b>Target Allocation</b>	<b>Allowable Range</b>
Cash Pool	40%	30% to 100%
Liquidity	60%	0% to 70%

**A. Guidelines for the Cash Pool**

Safety and liquidity are the primary objectives of the Cash Pool. To meet all cash flow requirements for the System, the Cash Pool shall be continuously invested in readily available, marketable funds consistent with prudent person standards considering the objectives of the Cash Pool and guidance provided by state law.

**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. 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. To appropriately manage risk and return, the following guidelines will be implemented for assets held in the Liquidity Pool:

<b>Liquidity Pool</b>	<b>Target Allocation</b>	<b>Allowable Range</b>
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 Committee approval except, when on the recommendation of staff and the investment advisor, the chair of the Committee and the chair of the Finance, Facilities, 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 Committee will have the Senior Vice Chancellor for Administration and Finance immediately report any such action taken to the members of the Committee and the Chairman of the Board of Regents after such action is taken.

The non-endowed funds 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, and subject to the usual standards of fiduciary prudence.

The investment advisor for the System will be provided with this investment policy as part of the investment advisory contract. The advisory contract shall describe the role of the investment advisor and the objectives and comparative benchmarks that will be used to evaluate performance.

This investment policy will be provided to each manager of all separate accounts as a contract addendum. Managers will receive copies of policy updates when policy changes affect separately managed accounts. Additionally, each manager of separate accounts 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.

**D. Guidelines for Rebalancing**

Given the difference in expected return among the Cash Pool and the Liquidity Pool, and the regular use of funds from the Cash Pool for operational purposes, these pools may need to be

rebalanced occasionally to remain consistent with the allocation guidelines of this policy and enhance long-term return.

The Treasurer and the System's Investment Advisor will closely monitor asset allocation and make a recommendation to the Senior Vice Chancellor for Administration and Finance as to the appropriate rebalancing actions to take within allowable ranges set forth in this policy. By mutual agreement, those parties may then proceed to take what rebalancing actions they deem to be reasonable and practical. Any rebalancing must occur across previously approved managers held within the portfolio. 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 Treasurer, together with the Investment Advisor, may evaluate the aggregate amount of non-endowed funds to determine if there is excess, longer-term liquidity held across the non-endowed funds. In the event that such longer-term liquidity exists, the Treasurer shall make a recommendation to the Senior Vice Chancellor for Administration and Finance to invest a portion of non-endowed funds alongside the University's endowment. Such funds would only be invested in the endowment if it is determined that such excess liquidity is not needed to meet the short term or intermediate term operating needs of the System. The Liquidity Pool may invest a range of 10% to 30% of the total Non-Endowed Funds' value in the System Endowment Fund, with a long-term target of 20%. Such investment in the System Endowment Fund requires approval by the Committee.

#### **IV. INVESTMENT REPORTING AND PERFORMANCE EVALUATION**

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

#### **V. OTHER INVESTMENT GUIDELINES**

##### **A. Standard of Care**

Each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, not for speculation, but for investment, considering the probable safety of capital and the probable return 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 has 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. 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 and the Securities and Exchange Commission Form ADV if applicable to the firm. Furthermore, investment managers, advisors, and potential managers are investing public funds and are subject to the Texas Open Records Act.

### **C. 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.

### **D. 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.

### **E. 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 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 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.

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

**COMMITTEE:** Endowment Management Committee

**ITEM:** Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for an investment advisor for the University of Houston System Endowment and Non-Endowed Investments

**DATE PREVIOUSLY SUBMITTED:** NA

**SUMMARY:**

The System seeks approval to enter into a contract with an investment advisor to advise and assist the Committee and the System on all investment and related matters for the University of Houston System endowed and non-endowed assts. A request for proposal was issued for investment advisory services in May of 2025. An evaluation team comprised of System personnel independently evaluated the seven proposals received. Four firms were selected as finalist candidates based on the scoring. The finalist candidate firms provided virtual presentations, and the evaluation committee evaluated each firm, including client reference checks. Mr. Raymond Bartlett will discuss with the Committee the procurement process and recommended Investment Advisor.

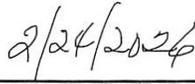
**SUPPORTING DOCUMENTATION:** none

**FISCAL NOTE:** \$2.4M for the five year term

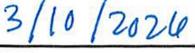
**RECOMMENDATION/  
ACTION REQUESTED:** Administration recommends approval of this item

**COMPONENT:** University of Houston System

  
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**SENIOR VICE CHANCELLOR** Raymond S. Bartlett

  
\_\_\_\_\_  
**DATE**

  
\_\_\_\_\_  
**CHANCELLOR** Renu Khator

  
\_\_\_\_\_  
**DATE**