

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

COMMITTEE: Endowment Management Committee

ITEM: Approval is requested to rebalance the portfolio of the University of Houston System Endowment Fund to align with policy targets which will include the hiring and partial redemption of managers and to make changes to the University of Houston System Endowment Fund Statement of Objectives and Policies

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

NEPC will discuss with the Committee their recommendation to rebalance the portfolio of the University of Houston System Endowment Fund to align with new policy targets established by the Board at the November 2024 meeting. Changes will include:

New Investment: \$30M to Independent Franchise Partners, who invests in global public equities that exhibit strong fundamentals and business franchises trading at compelling valuations.

New Investment: \$30M to Acadian Non-US All Cap Hedged, who invests in non-US public equity across all market caps through a multifactor quantitative model.

These new investments, plus a \$30M increase in the existing Northern Trust Russell 3000 Index, will be funded by the partial liquidation of three fixed income managers: the Barings U.S. High Yield Fund (\$23M), the Lord Abbett Short Duration Credit Fund (\$20M), and Loop Capital (\$10M) as well as the use of \$37M in cash in the Endowment Cash Fund.

NEPC will also 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: NEPC discussion materials report; UH System Endowment Fund Statement of Investment Objectives and Policies – redlined/clean copy

FISCAL NOTE: Sources: \$23M Barings, \$20M Lord Abbett, \$10M Loop Capital, \$37M Cash. Uses: \$30M Independent Franchise Partners, \$30M Acadian, \$30M Northern Trust

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

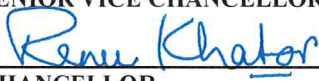
COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett

2/10/25

DATE



CHANCELLOR Renu Khator

2/14/25

DATE