

Endowment Management Committee  
Meeting  
Thursday, August 26, 2021 9:00 AM

Hilton University of Houston Hotel, Conrad  
Hilton Ballroom, Second Floor  
4800 Calhoun Rd  
Houston, TX 77204

## **Agenda**

### I. **Endowment Management Committee**

#### A. Call to Order

*Presenter: Chair Steve Chazen*

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

**Action:** Information

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

#### C. Approval is requested to make a full redemption from two hedge fund managers - University of Houston System

**Action:** Approval

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

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

**Action:** Approval

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

### II. **Executive Session**

*Presenter: Chair Steve Chazen*

#### 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 Steve Chazen*

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

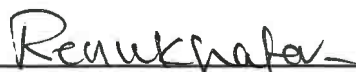


SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator



DATE



# ENDOWMENT MANAGEMENT COMMITTEE

UNIVERSITY OF HOUSTON SYSTEM

AUGUST 26, 2021



PROPRIETARY & CONFIDENTIAL



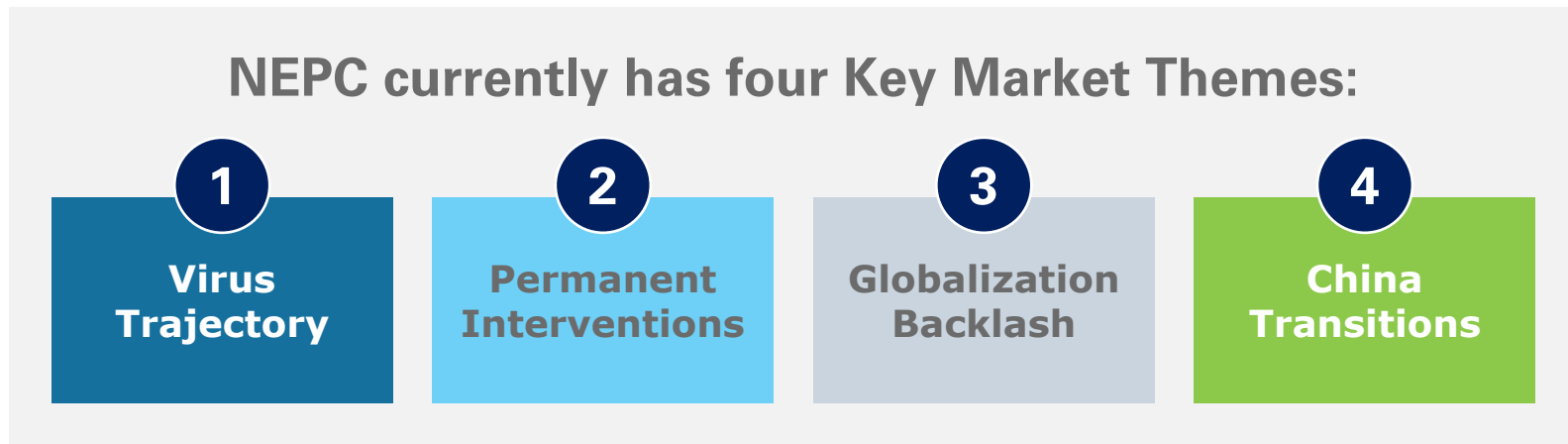
# MARKET PERSPECTIVE & OUTLOOK



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# NEPC KEY MARKET THEMES

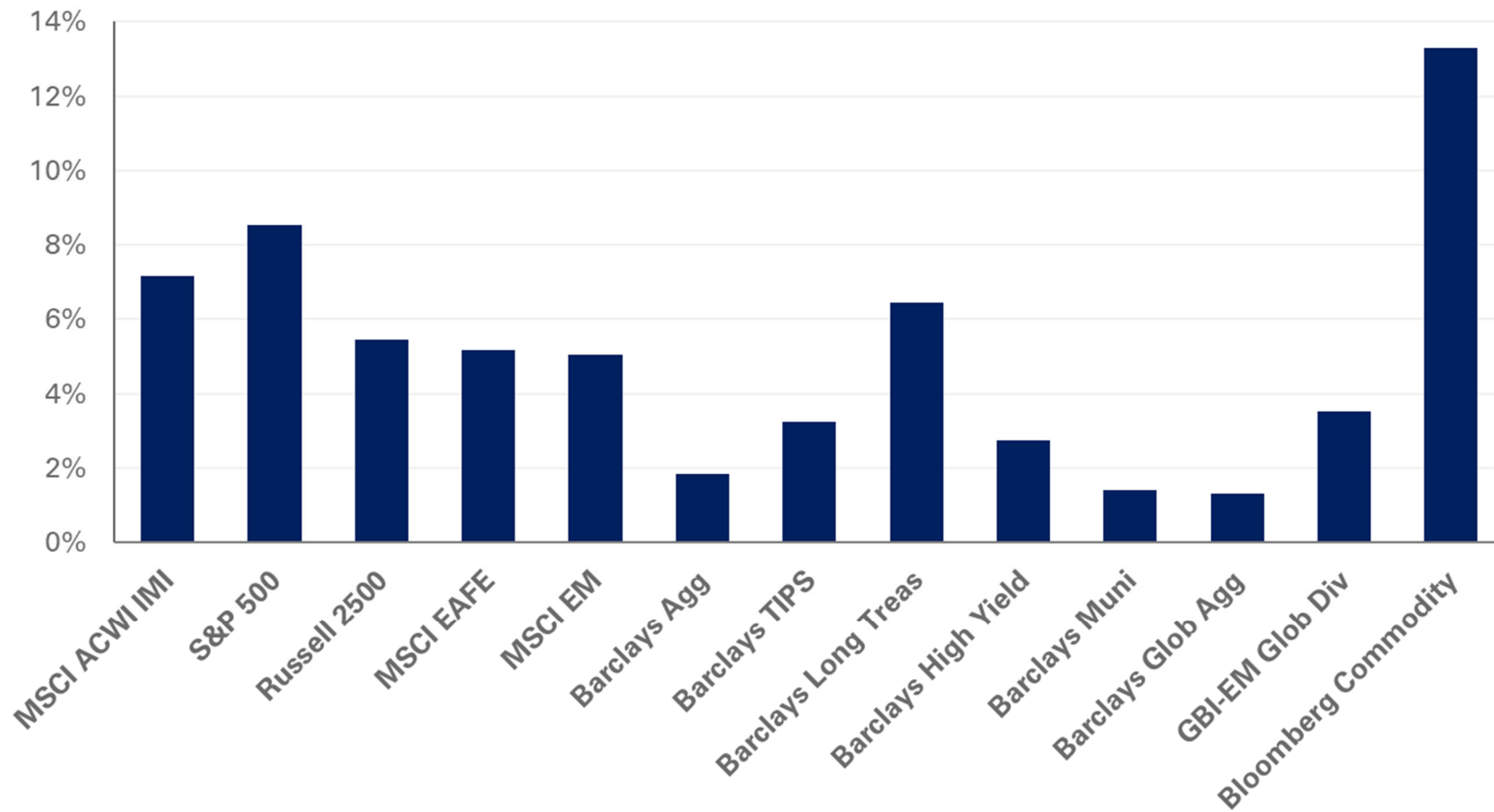
- Key Market Themes influence global markets and may remain relevant for an extended period with significant implications for capital markets
- Themes can be disrupted and incite market volatility
- The conclusion of a theme alters market dynamics and NEPC's outlook





# MARKET REVIEW: Q2 2021

## QUARTERLY RETURN



# INVESTMENT PERFORMANCE SUMMARY: UHS ENDOWMENT FUND

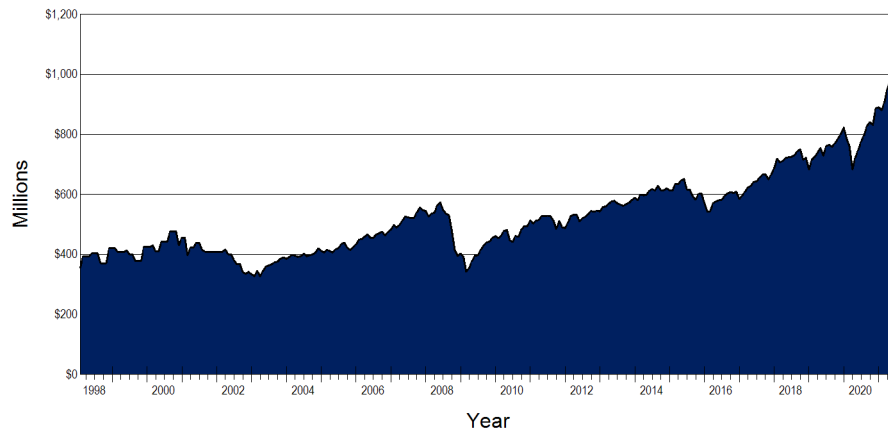


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# University of Houston System Endowment Fund

## TOTAL FUND PERFORMANCE DETAIL

### Portfolio Market Value



### Market Value (\$)

**UHS Endowment Fund** 1,028,406,394

### 1 Yr (%)

<b>UHS Endowment Fund</b>	<b>34.3</b>
<i>Dynamic Benchmark</i>	27.0
<b>Public Equity</b>	<b>42.6</b>
<i>MSCI ACWI</i>	39.3
<b>Bonds and Cash</b>	<b>1.4</b>
<i>Dynamic Bonds and Cash Benchmark</i>	0.0
<b>Marketable Real Assets</b>	<b>39.9</b>
<i>Marketable Real Assets Benchmark</i>	33.5
<b>Hedge Funds</b>	<b>16.9</b>
<i>HFRI Fund of Funds Composite Index</i>	18.2
<b>Private Equity</b>	<b>51.7</b>
<i>C A Global All PE (Qtr Lag)</i>	52.5
<b>Private Real Assets</b>	<b>16.7</b>
<i>Private Real Assets Benchmark</i>	16.0

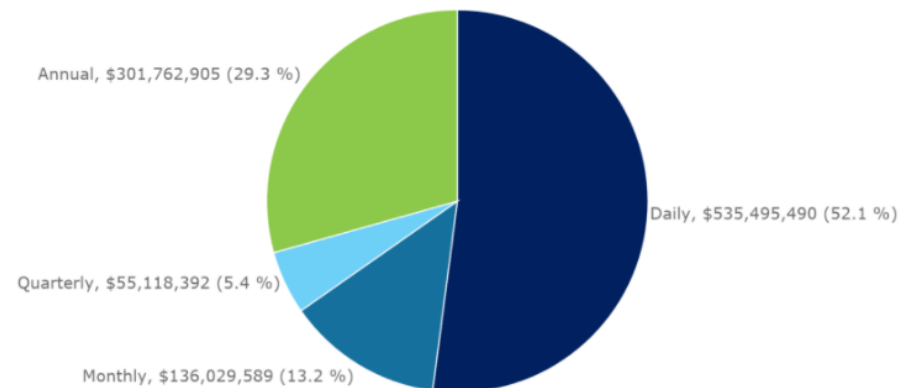
### Allocation vs. Targets and Policy

	Current Allocation	Policy	Policy Range
Equities	50.5%	45.0%	35.0% - 55.0%
Bonds and Cash	11.2%	15.0%	5.0% - 20.0%
Private Equity	23.3%	25.0%	10.0% - 35.0%
Hedge Funds	6.0%	5.0%	0.0% - 10.0%
Real Assets	9.0%	10.0%	5.0% - 15.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

	Fiscal YTD (%)	2020 (%)	3 Yrs (%)	5 Yrs (%)
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<b>UHS Endowment Fund</b>	<b>26.4</b>	<b>13.4</b>	<b>13.4</b>	<b>12.3</b>
<i>Policy Benchmark</i>	20.5	7.7	10.6	10.3
<i>InvMetrics All E&amp;F &gt; \$500mm Net Median</i>	20.9	11.8	11.3	10.9
<b>UH Endowment Fund Excl. Private Markets</b>	<b>20.9</b>	<b>14.0</b>	<b>11.3</b>	<b>10.7</b>
<i>Policy Benchmark Excl. Private Markets</i>	18.7	12.3	10.8	10.1

### Liquidity

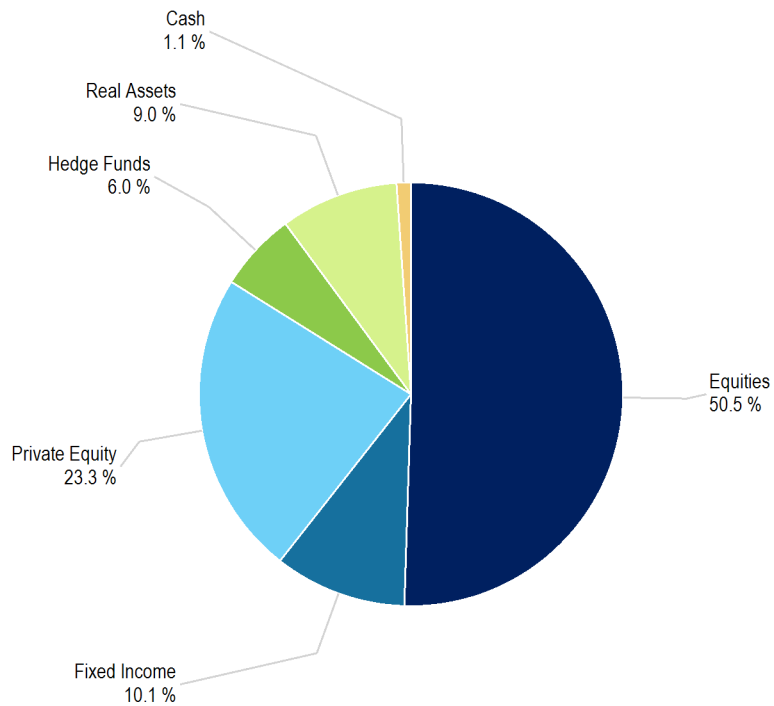


# University of Houston System Endowment Fund

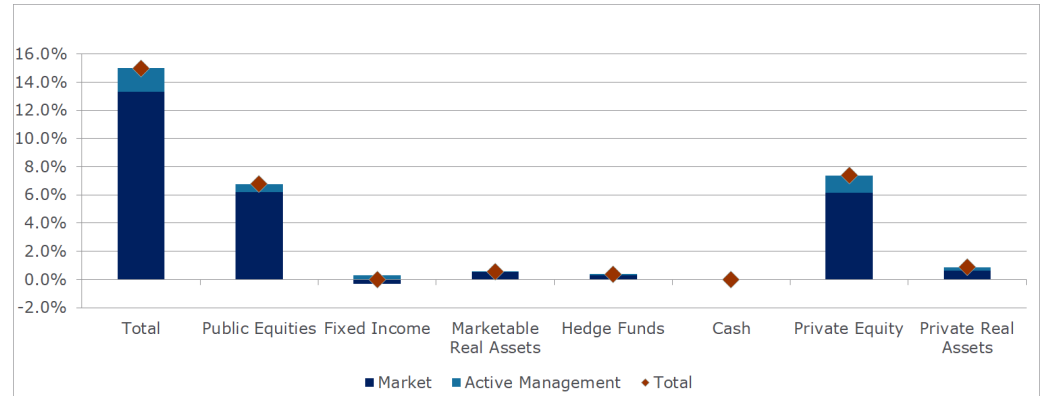
## PERFORMANCE SUMMARY

	Market Value (\$)	3 Mo (%)	Rank	YTD (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>UHS Endowment Fund</b>	<b>1,028,406,394</b>	<b>8.0</b>	<b>6</b>	<b>15.0</b>	<b>2</b>	<b>26.4</b>	<b>6</b>	<b>34.3</b>	<b>9</b>	<b>13.4</b>	<b>11</b>	<b>12.3</b>	<b>15</b>	<b>8.0</b>	<b>52</b>
<i>Dynamic Benchmark</i>		<u>6.4</u>	17	<u>12.5</u>	9	<u>19.7</u>	60	<u>27.0</u>	70	<u>9.9</u>	78	<u>9.9</u>	77	<u>7.1</u>	86
Over/Under		1.6		2.5		6.7		7.3		3.5		2.4		0.9	
<i>InvMetrics All E&amp;F &gt; \$500mm Net Median</i>		5.3		9.1		20.9		28.6		11.3		10.9		8.0	

Current Allocation



Trailing 6-Month Attribution

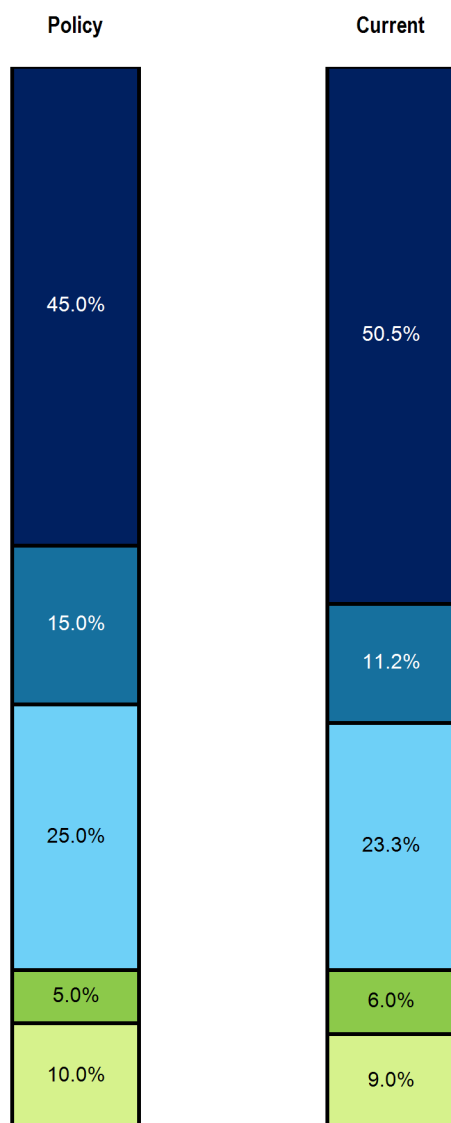


Attribution for individual asset classes is cumulative.



# University of Houston System Endowment Fund

## ASSET ALLOCATION VS. POLICY TARGETS



Asset Allocation vs. Target						
	Current	Policy	Current	Difference*	Policy Range	Within Range
Equities	\$519,611,819	45.0%	50.5%	5.5%	35.0% - 55.0%	Yes
Bonds and Cash	\$115,329,400	15.0%	11.2%	-3.8%	5.0% - 20.0%	Yes
Private Equity	\$239,367,257	25.0%	23.3%	-1.7%	10.0% - 35.0%	Yes
Hedge Funds	\$61,666,408	5.0%	6.0%	1.0%	0.0% - 10.0%	Yes
Real Assets	\$92,431,510	10.0%	9.0%	-1.0%	5.0% - 15.0%	Yes
<b>Total</b>	<b>\$1,028,406,394</b>	<b>100.0%</b>	<b>100.0%</b>			

\*Difference between Policy and Current Allocation

Unfunded commitments plus NAV of Private Equity/Venture Capital investments should not exceed 45% of the Endowment total market value as of the period measured. Unfunded commitments plus NAV of all Private Investments (Private Real Assets, Private Equity, and Venture Capital) should not exceed 55% of the Endowment total market value as of the period measured. If these limits are reached, they will be evaluated by the Board to determine if the limit remains appropriate. The UHS Endowment is currently in compliance with these requirements.



# University of Houston System Endowment Fund

## PERFORMANCE DETAIL

			Ending June 30, 2021								
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>UHS Endowment Fund</b>	<b>1,028,406,394</b>	<b>100.0</b>	<b>8.0</b>	<b>15.0</b>	<b>26.4</b>	<b>34.3</b>	<b>13.4</b>	<b>12.3</b>	<b>8.0</b>	<b>6.3</b>	<b>Jan-98</b>
<i>Dynamic Benchmark</i>			6.4	12.5	19.7	27.0	9.9	9.9	7.1	5.9	Jan-98
<i>Policy Benchmark</i>			6.9	13.3	20.5	28.2	10.6	10.3	7.3	6.2	Jan-98
<b>Public Equity</b>	<b>519,611,819</b>	<b>50.5</b>	<b>9.0</b>	<b>13.4</b>	<b>27.4</b>	<b>42.6</b>	<b>14.8</b>	<b>15.1</b>	<b>10.5</b>	<b>6.9</b>	<b>Jan-98</b>
<i>MSCI ACWI</i>			7.4	12.3	24.6	39.3	14.6	14.6	9.9	7.0	Jan-98
<b>U.S Equity</b>	<b>295,642,762</b>	<b>28.7</b>	<b>10.9</b>	<b>15.4</b>	<b>27.0</b>	<b>44.4</b>	<b>19.3</b>	<b>18.5</b>	<b>13.8</b>	<b>8.3</b>	<b>Jan-98</b>
<i>Russell 3000</i>			8.2	15.1	27.2	44.2	18.7	17.9	14.7	8.8	Jan-98
Northern Trust Russell 3000 Index Fund - Lending	133,931,231	13.0	8.2	--	--	--	--	--	--	15.6	Feb-21
<i>Russell 3000</i>			8.2	15.1	27.2	44.2	18.7	17.9	14.7	15.6	Feb-21
Columbia Focused Large Cap Growth	78,030,347	7.6	14.5	11.6	25.4	47.2	25.0	23.9	16.4	17.3	May-10
<i>Russell 1000 Growth</i>			11.9	13.0	19.9	42.5	25.1	23.7	17.9	17.6	May-10
Vulcan Value Partners	81,819,811	8.0	12.4	20.4	33.2	50.6	19.5	18.5	--	13.7	Aug-15
<i>Russell 1000 Value</i>			5.2	17.0	32.7	43.7	12.4	11.9	11.6	10.4	Aug-15
Cougar Investment Fund	1,861,373	0.2	5.1	13.9	26.9	40.9	14.3	14.2	10.8	8.6	Jun-05
<i>S&amp;P 500</i>			8.5	15.3	24.3	40.8	18.7	17.6	14.8	10.5	Jun-05
<b>Non-U.S. Developed Equity</b>	<b>181,234,282</b>	<b>17.6</b>	<b>6.9</b>	<b>11.1</b>	<b>26.9</b>	<b>39.4</b>	<b>10.4</b>	<b>12.1</b>	<b>8.2</b>	<b>9.4</b>	<b>Apr-03</b>
<i>MSCI EAFE</i>			5.2	8.8	23.0	32.3	8.3	10.3	5.9	8.4	Apr-03
William Blair International Growth	73,112,141	7.1	9.8	8.5	25.1	42.7	16.4	15.2	9.1	9.3	Oct-03
<i>MSCI ACWI ex USA</i>			5.5	9.2	24.6	35.7	9.4	11.1	5.4	7.6	Oct-03
Silchester International Value	75,313,844	7.3	3.9	12.9	26.4	34.1	5.5	9.2	7.4	8.7	Aug-09
<i>MSCI EAFE</i>			5.2	8.8	23.0	32.3	8.3	10.3	5.9	7.0	Aug-09
Global Alpha Int'l Small Cap	32,808,297	3.2	7.6	13.3	32.5	45.1	11.1	--	--	9.5	May-18
<i>MSCI EAFE Small Cap</i>			4.3	9.0	26.9	41.0	8.4	12.0	8.4	7.0	May-18
<b>Emerging Markets Equity</b>	<b>42,734,775</b>	<b>4.2</b>	<b>5.6</b>	<b>9.6</b>	<b>31.6</b>	<b>44.0</b>	<b>6.0</b>	<b>7.9</b>	<b>3.7</b>	<b>6.2</b>	<b>Feb-10</b>
<i>MSCI Emerging Markets</i>			5.0	7.4	26.5	40.9	11.3	13.0	4.3	5.9	Feb-10
Oldfield Emerging Markets	15,441,980	1.5	6.4	12.3	36.5	50.1	4.9	7.7	--	5.7	May-14
<i>MSCI Emerging Markets</i>			5.0	7.4	26.5	40.9	11.3	13.0	4.3	7.1	May-14
Somerset Global Emerging Markets	14,827,327	1.4	5.4	4.2	25.1	40.0	10.6	11.0	--	6.1	Jun-14
<i>MSCI Emerging Markets</i>			5.0	7.4	26.5	40.9	11.3	13.0	4.3	6.7	Jun-14
Edgbaston Asian Equity	12,465,468	1.2	5.0	13.4	33.9	41.6	--	--	--	2.2	Jul-19
<i>MSCI AC Asia Pacific ex Japan</i>			4.0	6.8	24.4	39.3	11.9	13.9	6.7	17.8	Jul-19



# University of Houston System Endowment Fund

## PERFORMANCE DETAIL

			Ending June 30, 2021								
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Fixed Income</b>	<b>104,303,290</b>	<b>10.1</b>	<b>1.2</b>	<b>-0.1</b>	<b>1.2</b>	<b>1.7</b>	<b>5.1</b>	<b>2.4</b>	<b>2.2</b>	<b>-0.1</b>	<b>Jan-21</b>
<b>Core Fixed Income</b>	<b>86,691,417</b>	<b>8.4</b>	<b>1.4</b>	<b>-0.4</b>	<b>0.7</b>	<b>1.2</b>	<b>4.9</b>	<b>0.5</b>	<b>2.2</b>	<b>4.0</b>	<b>Jan-98</b>
<i>BBgBarc US Aggregate TR</i>			1.8	-1.6	-1.0	-0.3	5.3	3.0	3.4	4.8	Jan-98
Smith Graham Intermediate Aggregate	68,973,709	6.7	1.2	-0.5	-0.2	0.3	4.6	--	--	3.3	Feb-17
<i>BBgBarc US Int TR</i>			0.8	-0.8	-0.5	0.0	4.4	2.5	2.7	3.2	Feb-17
Loomis Sayles Investment Grade Fixed Income Fund	17,717,707	1.7	2.6	0.1	--	--	--	--	--	4.5	Oct-20
<i>BBgBarc US Govt/Credit TR</i>			2.4	-2.0	-1.2	-0.4	5.9	3.3	3.7	-1.2	Oct-20
<b>Diversified Fixed Income</b>	<b>17,611,873</b>	<b>1.7</b>	<b>0.3</b>	<b>1.1</b>	<b>3.6</b>	<b>3.6</b>	<b>1.2</b>	<b>1.5</b>	<b>-0.4</b>	<b>3.1</b>	<b>Nov-20</b>
<i>BBgBarc Global Aggregate TR</i>			1.3	-3.2	-0.4	2.6	4.2	2.3	2.1	-0.1	Nov-20
PIMCO Dynamic Bond Fund	17,611,873	1.7	0.3	1.1	--	--	--	--	--	3.6	Oct-20
<i>3-Month Libor Total Return USD</i>			0.0	0.1	0.2	0.2	1.4	1.4	0.9	0.1	Oct-20
<b>Cash and Equivalents</b>	<b>11,026,110</b>	<b>1.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>1.3</b>	<b>1.1</b>	<b>0.6</b>	<b>2.0</b>	<b>Jan-98</b>
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.1	1.3	1.2	0.6	2.0	Jan-98
Cash	11,026,110	1.1	0.0	0.0	0.1	0.1	1.4	1.2	0.7	2.1	Jan-98
<b>Marketable Real Assets</b>	<b>30,092,255</b>	<b>2.9</b>	<b>7.9</b>	<b>18.4</b>	<b>31.2</b>	<b>39.9</b>	<b>4.7</b>	<b>4.9</b>	<b>-0.5</b>	<b>5.7</b>	<b>Oct-03</b>
<i>Marketable Real Assets Benchmark</i>			9.1	17.8	25.9	33.5	5.4	4.8	--	--	Oct-03
Vanguard Real Estate Index Fund	13,925,007	1.4	11.7	21.4	29.1	34.4	--	--	--	12.9	Oct-18
<i>Real Estate Index</i>			11.7	21.4	29.2	34.5	--	--	--	13.0	Oct-18
T. Rowe Price New Era Fund	16,167,248	1.6	4.9	15.9	33.2	45.0	--	--	--	2.5	Oct-18
<i>MSCI World Select Natural Resources</i>			7.9	25.2	41.3	48.1	0.7	5.5	1.0	0.7	Oct-18
<b>Hedge Funds</b>	<b>61,666,408</b>	<b>6.0</b>	<b>2.1</b>	<b>6.5</b>	<b>13.0</b>	<b>16.9</b>	<b>6.7</b>	<b>6.2</b>	<b>4.6</b>	<b>5.2</b>	<b>Aug-03</b>
<i>HFRI Fund of Funds Composite Index</i>			2.8	4.9	13.2	18.2	6.3	6.1	3.8	3.9	Aug-03
<b>Long/Short Equity</b>	<b>19,110,596</b>	<b>1.9</b>	<b>2.2</b>	<b>11.9</b>	<b>20.3</b>	<b>31.0</b>	<b>10.5</b>	<b>9.8</b>	<b>6.3</b>	<b>6.0</b>	<b>Jan-05</b>
SRS Partners	13,581,992	1.3	0.8	8.0	13.9	25.5	8.3	10.4	--	7.4	Jun-14
Lakewood Capital Offshore	5,528,605	0.5	5.9	22.8	39.6	46.8	--	--	--	8.4	Oct-18
<b>Diversifiers</b>	<b>41,933,671</b>	<b>4.1</b>	<b>2.1</b>	<b>4.3</b>	<b>10.3</b>	<b>12.3</b>	<b>5.0</b>	<b>3.9</b>	<b>3.6</b>	<b>4.8</b>	<b>Aug-03</b>
Davidson Kempner	17,816,320	1.7	3.2	7.1	13.5	17.8	7.3	6.9	5.8	7.0	Aug-03
HBK Offshore	17,625,738	1.7	1.6	4.0	8.9	10.9	5.3	5.3	4.8	5.0	Mar-11
Standard Life GARs	6,491,613	0.6	0.4	-1.7	1.4	5.9	4.0	2.7	--	1.4	Aug-15
<b>Manager Holdbacks</b>	<b>622,141</b>	<b>0.1</b>	<b>-0.6</b>	<b>0.5</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-1.9</b>	<b>-0.1</b>	<b>--</b>	<b>-7.6</b>	<b>Jul-12</b>



# University of Houston System Endowment Fund

## PERFORMANCE DETAIL

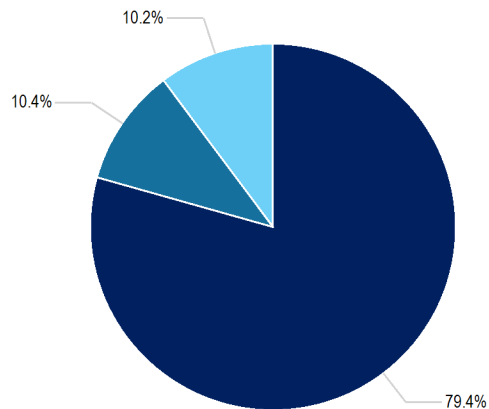
			Ending June 30, 2021									
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Private Markets</b>	<b>301,706,512</b>	<b>29.3</b>	<b>10.4</b>	<b>27.7</b>	<b>43.3</b>	<b>43.3</b>	<b>20.5</b>	<b>18.3</b>	<b>13.9</b>	<b>27.7</b>	<b>Jan-21</b>	
<b>Private Equity</b>	<b>239,367,257</b>	<b>23.3</b>	<b>11.5</b>	<b>31.7</b>	<b>51.7</b>	<b>51.7</b>	<b>27.8</b>	<b>23.4</b>	<b>17.4</b>	<b>13.4</b>	<b>Jan-98</b>	
<i>CJA Global All PE (Qtr Lag)</i>			9.6	26.5	52.5	52.5	19.2	17.6	14.0	--	<i>Jan-98</i>	
<b>Private Real Assets</b>	<b>62,339,255</b>	<b>6.1</b>	<b>6.1</b>	<b>14.2</b>	<b>16.7</b>	<b>16.7</b>	<b>2.7</b>	<b>5.8</b>	<b>6.4</b>	<b>5.8</b>	<b>Nov-03</b>	
<i>Private Real Assets Benchmark</i>			4.5	10.0	16.0	16.0	3.6	6.9	7.2	9.5	<i>Nov-03</i>	



# University of Houston System Endowment Fund

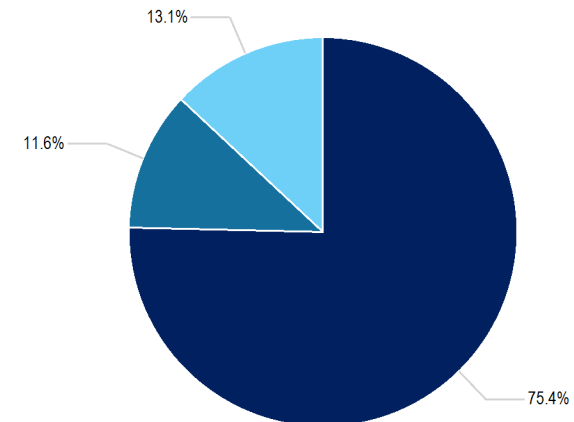
## PRIVATE INVESTMENTS SUMMARY

Valuation by Asset Class



Private Equity Real Assets Real Estate

Fund Exposure by Asset Class



Private Equity Real Assets Real Estate

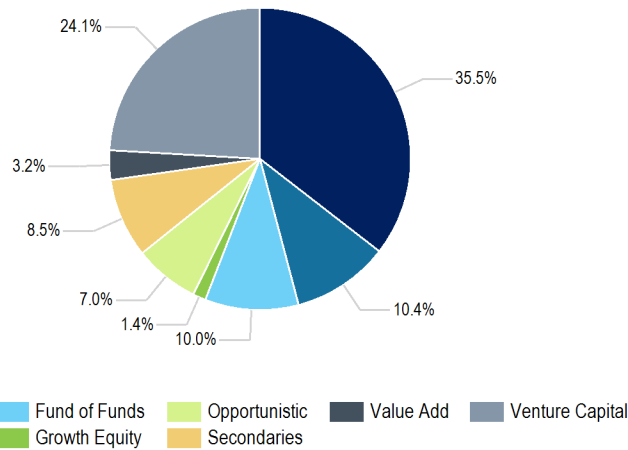
Asset Class	Investments \$				Trailing Period Performance (IRR)							Multiples	
	Commitment	Cumulative Contributions	Unfunded Commitment	Valuation	(QTR)	(YTD)	(1 YR)	(3 YRS)	(5 YRS)	(10 YRS)	SI IRR	DPI	TVPI
Total Private Equity	\$263,131,535	\$160,618,035	\$102,513,500	\$233,375,542	13.11%	13.11%	70.60%	32.43%	26.73%	21.82%	20.54%	0.50	1.95
Total Real Assets	\$74,500,000	\$53,485,839	\$21,014,161	\$30,594,076	9.98%	9.98%	13.87%	-1.00%	3.79%	4.72%	6.38%	0.58	1.15
Total Real Estate	\$70,235,295	\$42,106,789	\$28,128,506	\$30,077,195	1.38%	1.38%	13.35%	10.45%	11.43%	12.40%	4.51%	0.56	1.26
<b>Total</b>	<b>\$407,866,830</b>	<b>\$256,210,663</b>	<b>\$151,656,167</b>	<b>\$294,046,813</b>	<b>11.50%</b>	<b>11.50%</b>	<b>54.93%</b>	<b>24.38%</b>	<b>21.29%</b>	<b>17.86%</b>	<b>13.99%</b>	<b>0.52</b>	<b>1.67</b>



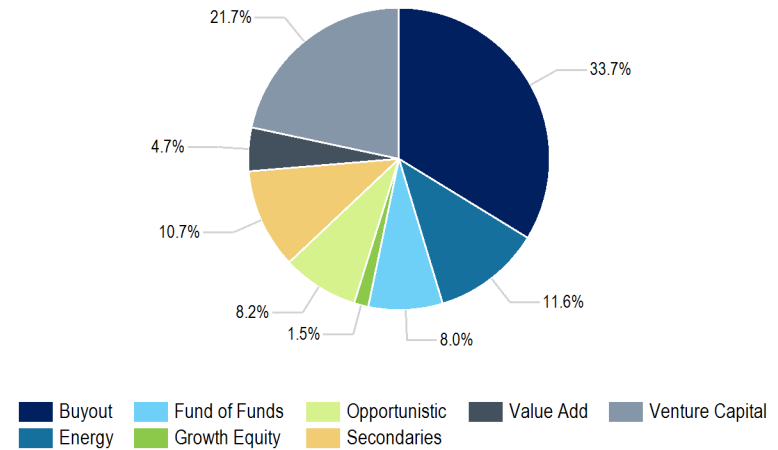
# University of Houston System Endowment Fund

## PRIVATE INVESTMENTS BY STRATEGY

Private Markets Valuation by Strategy



Private Markets Fund Exposure by Strategy



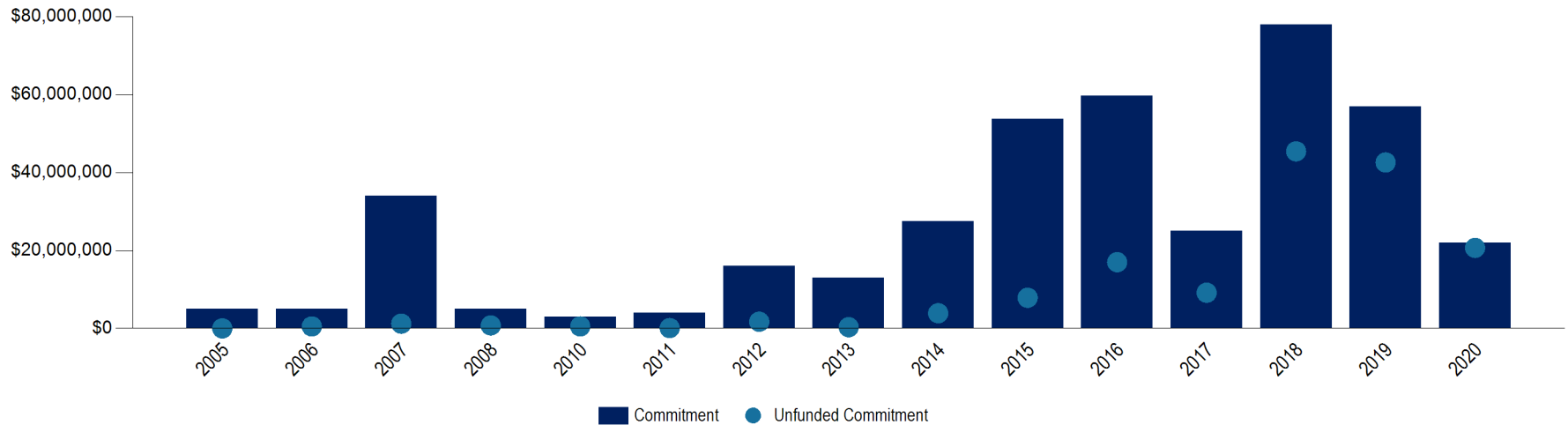
Investment Strategy	Commitments			Contributions & Distributions			Valuations				Performance		
	Commitment	Unfunded Commitment	Call Ratio	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Fund Exposure	DPI	TVPI	IRR
Total Buyout	\$119,500,000	\$46,072,651	0.61	\$73,427,349	\$4,897	\$33,842,633	\$104,315,652	\$138,158,286	\$64,726,040	\$150,388,304	0.46	1.88	21.82%
Total Energy	\$74,500,000	\$21,014,161	0.72	\$53,485,839	-\$23,570	\$30,983,027	\$30,594,076	\$61,577,103	\$8,114,834	\$51,608,236	0.58	1.15	6.38%
Total Fund of Funds	\$32,000,000	\$5,982,643	0.81	\$26,017,357	\$0	\$27,710,646	\$29,480,680	\$57,191,326	\$31,173,969	\$35,463,323	1.07	2.20	12.12%
Total Growth Equity	\$5,000,000	\$2,766,399	0.45	\$2,233,601	\$0	\$0	\$4,093,843	\$4,093,843	\$1,860,242	\$6,860,242	0.00	1.83	53.95%
Total Opportunistic	\$34,000,000	\$15,930,904	0.53	\$18,069,096	\$817,613	\$4,888,221	\$20,525,932	\$25,414,153	\$6,527,444	\$36,456,836	0.26	1.35	13.83%
Total Secondaries	\$46,500,000	\$22,695,257	0.51	\$23,804,743	-\$3,177	\$13,825,066	\$24,923,237	\$38,748,303	\$14,946,737	\$47,618,494	0.58	1.63	24.46%
Total Value Add	\$28,235,295	\$11,497,459	0.59	\$16,737,836	\$105,763	\$10,241,689	\$9,283,636	\$19,525,325	\$2,681,726	\$20,781,095	0.61	1.16	2.27%
Total Venture Capital	\$68,131,535	\$25,696,693	0.62	\$42,434,842	-\$6,091	\$13,052,840	\$70,829,757	\$83,882,597	\$41,453,845	\$96,526,450	0.31	1.98	21.96%
<b>Total</b>	<b>\$407,866,830</b>	<b>\$151,656,167</b>	<b>0.63</b>	<b>\$256,210,663</b>	<b>\$895,435</b>	<b>\$134,544,121</b>	<b>\$294,046,813</b>	<b>\$428,590,934</b>	<b>\$171,484,836</b>	<b>\$445,702,980</b>	<b>0.52</b>	<b>1.67</b>	<b>13.99%</b>



# University of Houston System Endowment Fund

## PRIVATE INVESTMENTS BY VINTAGE YEAR

Commitments By Vintage Year



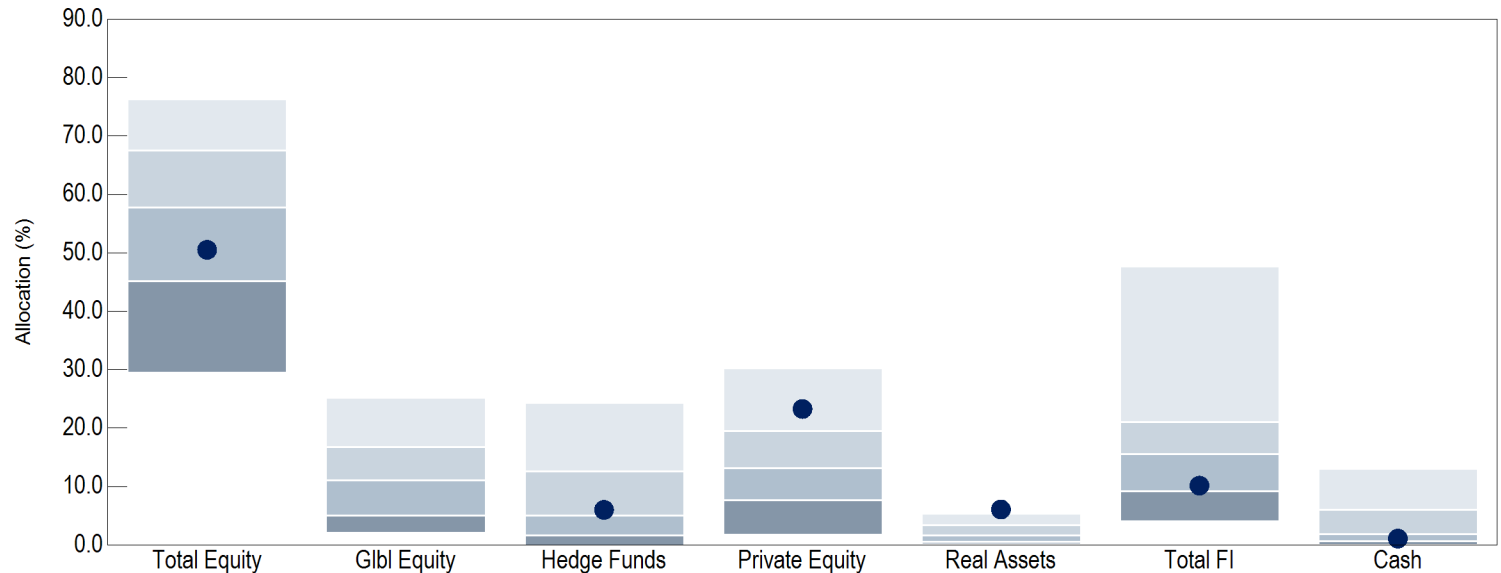
Investments	Commitments			Contributions & Distributions			Valuations			Performance		
Vintage Year	Commitment	Unfunded Commitment	Call Ratio	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	IRR
Total 2005	\$5,000,000	\$0	1.00	\$5,000,000	\$0	\$3,014,108	\$1,918,056	\$4,932,164	-\$67,836	0.60	0.99	-0.11%
Total 2006	\$5,000,000	\$505,553	0.90	\$4,494,447	\$0	\$4,517,219	\$52,145	\$4,569,364	\$74,917	1.01	1.02	0.21%
Total 2007	\$33,985,295	\$1,207,716	0.96	\$32,777,579	\$0	\$45,803,818	\$6,664,518	\$52,468,336	\$19,690,757	1.40	1.60	10.24%
Total 2008	\$5,000,000	\$755,000	0.85	\$4,245,000	\$0	\$5,965,837	\$2,475,765	\$8,441,602	\$4,196,602	1.41	1.99	10.59%
Total 2010	\$3,000,000	\$510,000	0.83	\$2,490,000	\$0	\$3,608,881	\$9,535,258	\$13,144,139	\$10,654,139	1.45	5.28	23.37%
Total 2011	\$4,000,000	\$88,560	0.98	\$3,911,440	\$0	\$3,889,331	\$4,151,768	\$8,041,099	\$4,129,659	0.99	2.06	14.38%
Total 2012	\$16,000,000	\$1,706,677	0.89	\$14,293,323	\$0	\$16,609,661	\$12,271,606	\$28,881,267	\$14,587,944	1.16	2.02	20.08%
Total 2013	\$13,000,000	\$299,739	0.98	\$12,700,261	\$0	\$9,905,442	\$18,162,441	\$28,067,883	\$15,367,622	0.78	2.21	18.31%
Total 2014	\$27,500,000	\$3,888,443	0.86	\$23,611,557	\$3,964	\$12,224,360	\$28,210,932	\$40,435,292	\$16,819,770	0.52	1.71	18.25%
Total 2015	\$53,750,000	\$7,854,926	0.85	\$45,895,074	\$490,481	\$20,373,921	\$59,708,517	\$80,082,438	\$33,696,884	0.44	1.73	19.19%
Total 2016	\$59,631,535	\$16,988,993	0.72	\$42,642,542	\$143,894	\$6,258,035	\$59,551,076	\$65,809,111	\$23,022,675	0.15	1.54	21.81%
Total 2017	\$25,000,000	\$9,159,549	0.63	\$15,840,451	-\$6,091	\$96,485	\$24,664,480	\$24,760,964	\$8,926,604	0.01	1.56	33.11%
Total 2018	\$78,000,000	\$45,440,364	0.42	\$32,559,636	\$161,218	\$1,767,935	\$45,407,502	\$47,175,437	\$14,454,583	0.05	1.44	40.18%
Total 2019	\$57,000,000	\$42,588,906	0.25	\$14,411,094	\$101,969	\$509,088	\$19,851,419	\$20,360,508	\$5,847,445	0.04	1.40	54.48%
Total 2020	\$22,000,000	\$20,661,741	0.06	\$1,338,259	\$0	\$0	\$1,421,329	\$1,421,329	\$83,070	0.00	1.06	20.53%
<b>Total</b>	<b>\$407,866,830</b>	<b>\$151,656,167</b>	<b>0.63</b>	<b>\$256,210,663</b>	<b>\$895,435</b>	<b>\$134,544,121</b>	<b>\$294,046,813</b>	<b>\$428,590,934</b>	<b>\$171,484,836</b>	<b>0.52</b>	<b>1.67</b>	<b>13.99%</b>



# University of Houston System Endowment Fund

## ASSET ALLOCATION VS. PEERS

Total Plan Allocation vs. InvMetrics All E&F > \$500mm Net  
As of June 30, 2021



### Allocation (Rank)

5th Percentile	76.3	25.2	24.3	30.3	5.4	47.7	13.0	
25th Percentile	67.6	16.9	12.7	19.6	3.4	21.1	6.1	
Median	57.9	11.2	5.2	13.3	1.7	15.7	2.0	
75th Percentile	45.3	5.1	1.7	7.8	0.6	9.3	0.7	
95th Percentile	29.6	2.1	0.0	1.8	0.2	4.1	0.0	
# of Portfolios	42	20	25	38	18	42	43	
● UHS Endowment Fund	50.5 (63)	--	--	6.0 (41)	23.3 (15)	6.1 (3)	10.1 (71)	1.1 (65)

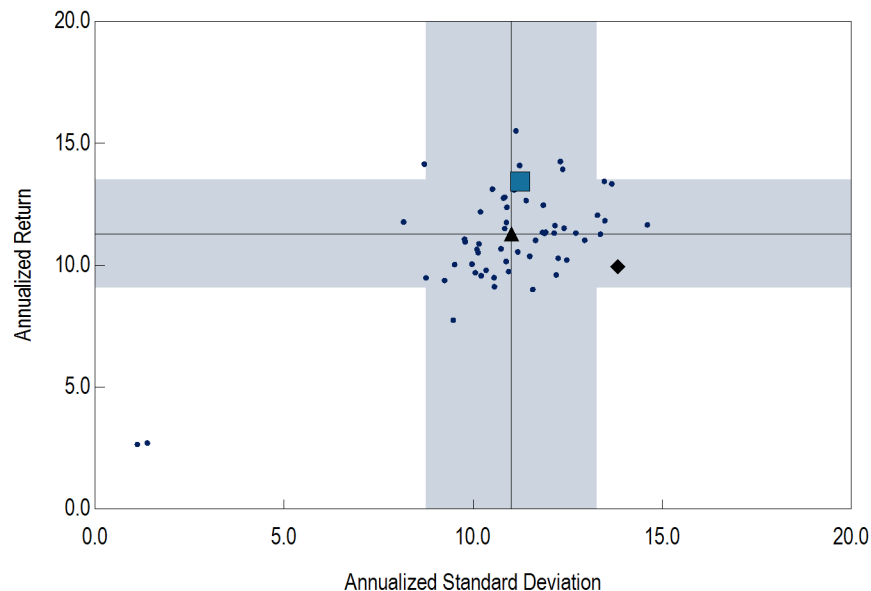
\*Real Assets reflect only Private Real Assets investments.



# University of Houston System Endowment Fund

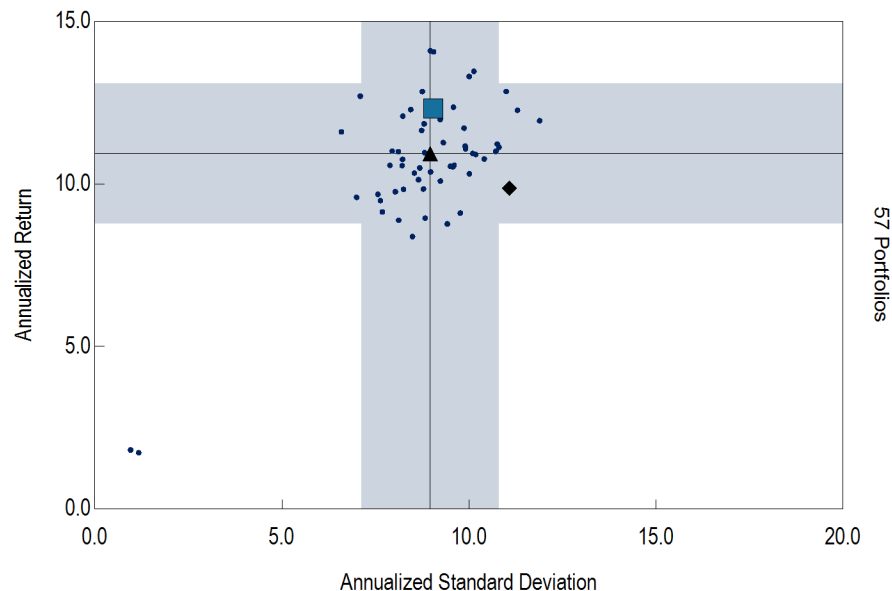
## RISK/RETURN VS. PEERS

3 Years Ended June 30, 2021



- UHS Endowment Fund
- ◆ Dynamic Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F > \$500mm Net

5 Years Ended June 30, 2021



- UHS Endowment Fund
- ◆ Dynamic Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F > \$500mm Net

3 Years Ended June 30, 2021								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
UHS Endowment Fund	13.4%	11	11.2%	59	1.1	12	1.3	18
Dynamic Benchmark	9.9%	78	13.8%	99	0.6	99	0.8	99

5 Years Ended June 30, 2021								
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
UHS Endowment Fund	12.3%	15	9.0%	57	1.2	16	1.3	25
Dynamic Benchmark	9.9%	77	11.1%	97	0.8	97	0.9	99



# UHS ENDOWMENT CASH FLOWS BY CATEGORY

Period	Beginning Market Value (in millions)	Net Cash Flows (in millions)	Net Investment Change (in millions)	Management Fees (in millions)	Ending Market Value (in millions)
2012	\$486,853	\$10,962	\$61,391	-\$3,798	\$555,408
2013	\$555,408	-\$42,572	\$76,384	-\$3,885	\$585,336
2014	\$585,336	\$9,127	\$20,615	-\$4,495	\$610,582
2015	\$610,582	-\$24,614	-\$12,203	-\$3,678	\$570,086
2016	\$570,086	-\$16,937	\$32,186	-\$4,666	\$580,670
2017	\$580,670	\$7,757	\$95,836	-\$5,011	\$679,252
2018	\$679,252	\$26,657	-\$17,775	-\$4,834	\$683,300
2019	\$683,300	\$17,003	\$120,690	-\$6,372	\$814,623
2020	\$814,624	-\$37,486	\$121,586	-\$6,854	\$891,870
YTD 2021	\$891,870	\$8,208	\$137,842	-\$4,757	\$1,028,406

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 SUMMARY: UHS NON-ENDOWED ASSETS

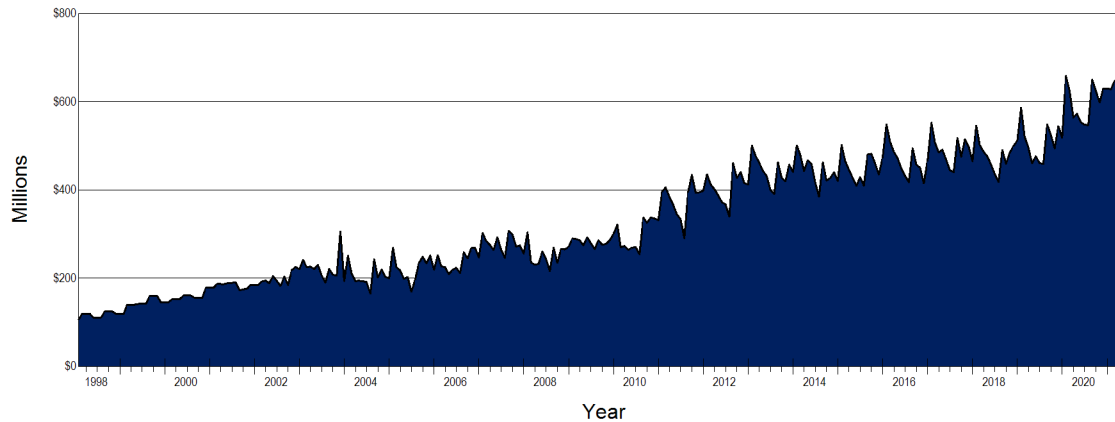


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# University of Houston System Non-Endowed Assets

## TOTAL FUND PERFORMANCE DETAIL

Portfolio Market Value

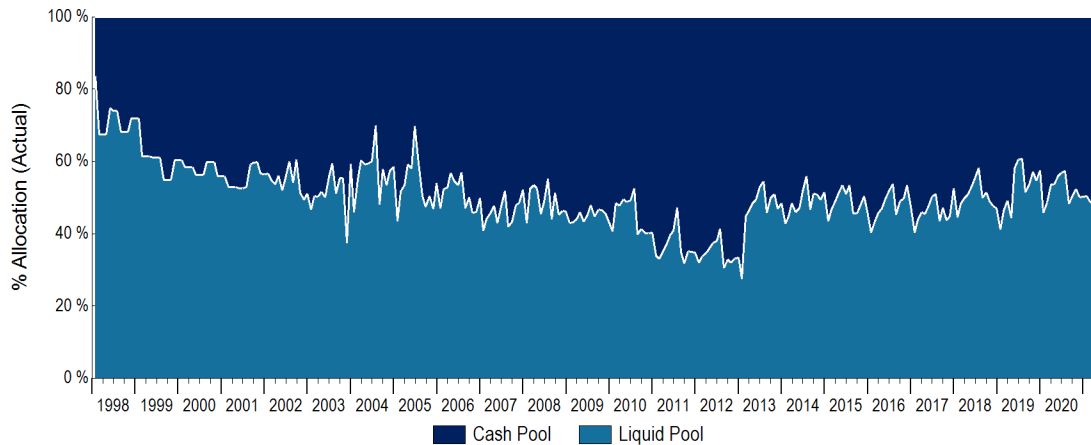


	YTD	1 Yr	3 Yrs	5 Yrs
<b>UHS Non-Endowed Assets</b>	<b>-0.4%</b>	<b>0.7%</b>	<b>2.7%</b>	<b>1.7%</b>
<i>Dynamic Benchmark</i>	-0.3%	--	--	--
<i>Non-Endowed Policy Benchmark</i>	-0.1%	0.2%	2.5%	1.6%
<b>Cash Pool</b>	<b>-0.6%</b>	<b>-0.5%</b>	<b>0.9%</b>	<b>0.9%</b>
<i>ICE BofA 91 Days T-Bills TR</i>	0.0%	0.1%	1.3%	1.2%
<b>Liquidity Pool</b>	<b>-0.2%</b>	<b>1.7%</b>	<b>4.2%</b>	<b>2.4%</b>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>	-0.2%	0.6%	3.7%	2.2%

Market Value

**UHS Non-Endowed Assets** **\$644,241,351**

Asset Allocation History



Portfolio Characteristics

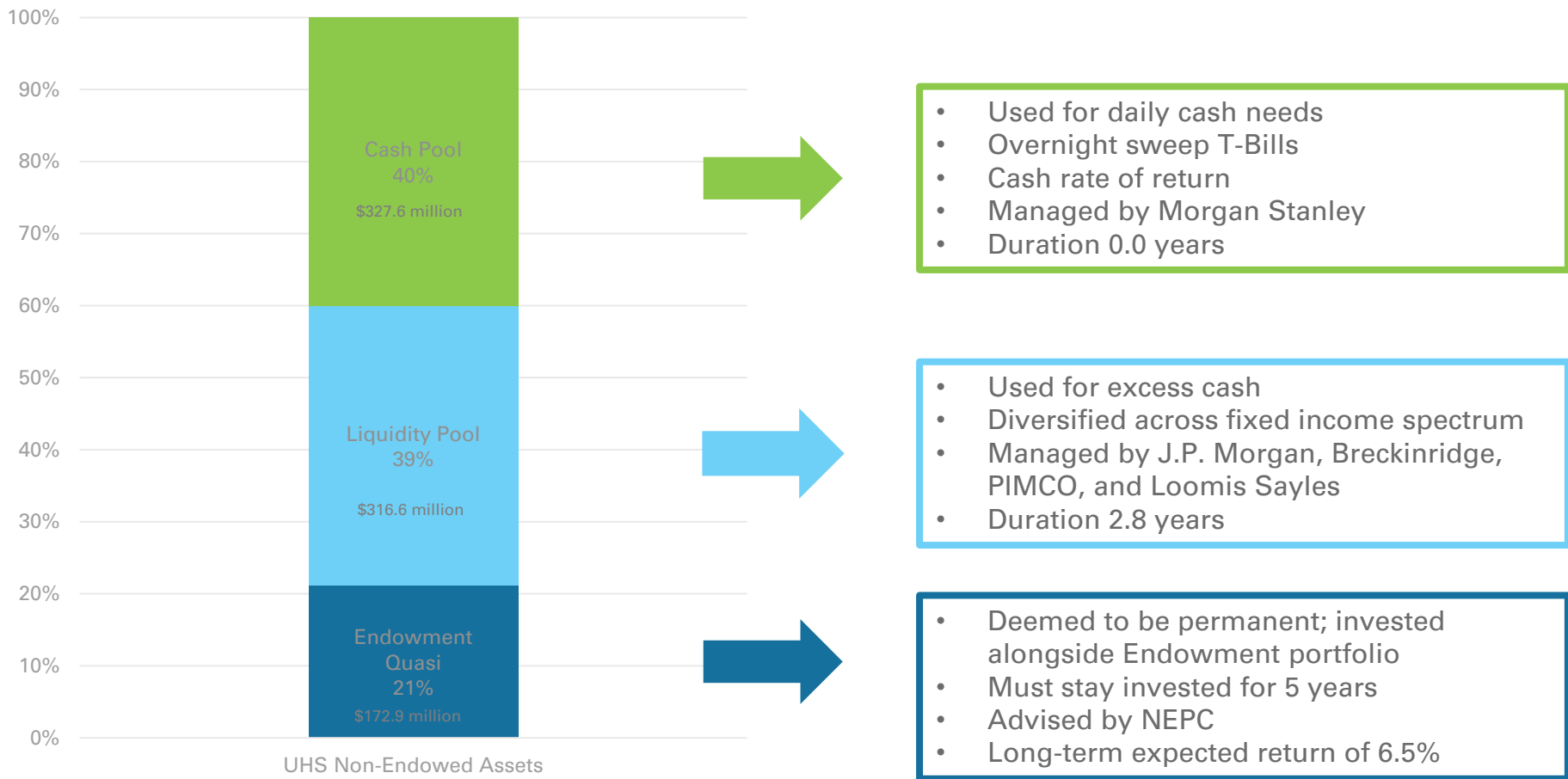


**Dynamic Benchmark:** Designed to match the actual composition of the portfolio, the Dynamic Benchmark evolves over time with market movements and changes to the portfolio. The Dynamic Benchmark is calculated monthly using the return for each manager's passive index multiplied by that manager's percentage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

**Non-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.

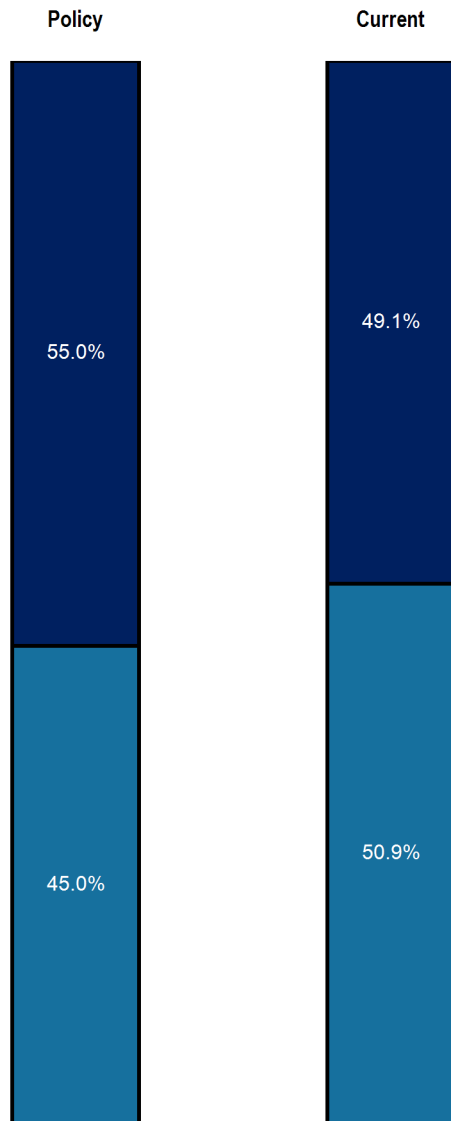


# NON-ENDOWED ASSETS COMPOSITION



# University of Houston System Non-Endowed Assets

## ACTUAL ASSET ALLOCATION VS. POLICY TARGETS



	Asset Allocation vs. Target				Policy Range	Within Range
	Current	Policy	Current Difference*			
Fixed Income	\$316,603,756	55.0%	49.1%	-5.9%	0.0% - 70.0%	Yes
Cash	\$327,637,595	45.0%	50.9%	5.9%	30.0% - 100.0%	Yes
<b>Total</b>	<b>\$644,241,351</b>	<b>100.0%</b>	<b>100.0%</b>			

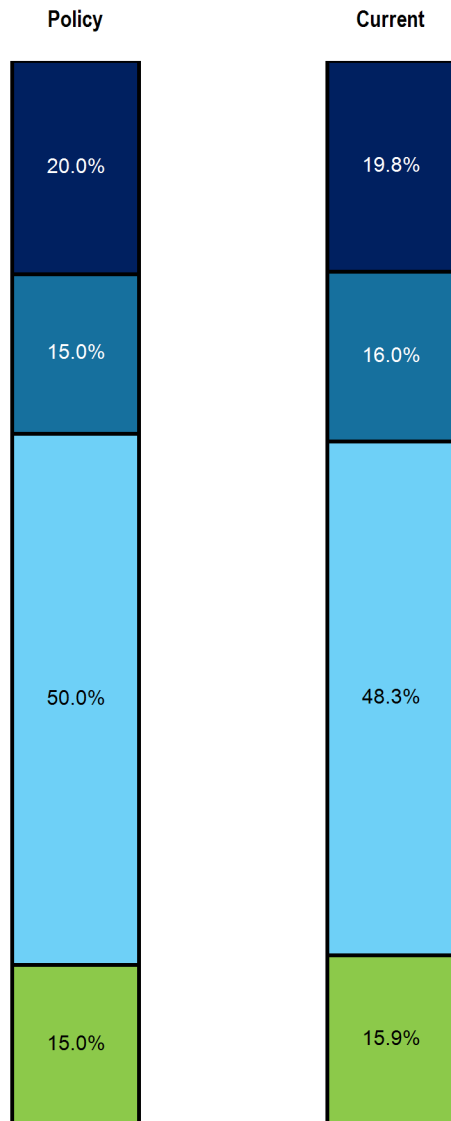
\*Difference between Policy and Current Allocation

Policy narrative indicates an allocation of 50% to the Cash Pool and 50% to the Liquidity Pool. This will be corrected during the next policy review.



# University of Houston System Non-Endowed Assets

## FIXED INCOME ASSET ALLOCATION VS. POLICY TARGETS



	Asset Allocation vs. Target				Policy Range	Within Range
	Current	Policy	Current Difference*			
Core Fixed Income	\$62,551,822	20.0%	19.8%	-0.2%	0.0% - 30.0%	Yes
Core Plus	\$50,675,687	15.0%	16.0%	1.0%	0.0% - 25.0%	Yes
Gov/Credit	\$153,016,790	50.0%	48.3%	-1.7%	40.0% - 100.0%	Yes
Absolute Return	\$50,359,456	15.0%	15.9%	0.9%	0.0% - 25.0%	Yes
<b>Total</b>	<b>\$316,603,756</b>	<b>100.0%</b>	<b>100.0%</b>			

\*Difference between Policy and Current Allocation



# University of Houston System Non-Endowed Assets

## PERFORMANCE SUMMARY

	Market Value (\$)	% of Portfolio	Ending June 30, 2021							Inception (%)	Inception Date
			3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)			
<b>UHS Non-Endowed Assets</b>	<b>644,241,351</b>	<b>100.0</b>	<b>0.4</b>	<b>-0.4</b>	<b>0.7</b>	<b>2.7</b>	<b>1.7</b>	<b>1.2</b>	<b>2.8</b>	<b>Jan-98</b>	
<i>Dynamic Benchmark</i>			0.3	-0.3	--	--	--	--	--	Jan-98	
<i>Non-Endowed Policy Benchmark</i>			0.2	-0.1	0.2	2.5	1.6	--	--	Jan-98	
<b>Cash Pool</b>	<b>327,637,595</b>	<b>50.9</b>	<b>0.1</b>	<b>-0.6</b>	<b>-0.5</b>	<b>0.9</b>	<b>0.9</b>	<b>0.5</b>	<b>2.0</b>	<b>Jan-98</b>	
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	1.3	1.2	0.6	2.0	Jan-98	
Morgan Stanley Instl. Liquid Treasuries- Clear Lake	35,144,284	5.5	0.0	0.0	0.0	-0.3	0.1	0.0	1.8	Jan-98	
Morgan Stanley Instl. Liquid Treasuries- Downtown	27,916,048	4.3	0.0	0.0	0.0	-0.3	0.1	0.0	1.8	Jan-98	
Morgan Stanley Instl. Liquid Treasuries- U. of Houston	227,909,307	35.4	0.0	0.0	0.0	-0.3	0.1	0.0	1.8	Jan-98	
Morgan Stanley Instl. Liquid Treasuries- UoffH System	19,468,391	3.0	0.0	0.0	0.0	-0.3	0.1	0.0	1.8	Jan-98	
Morgan Stanley Instl. Liquid Treasuries- Victoria	4,251,101	0.7	0.0	0.0	0.0	-0.3	0.1	0.0	1.7	Jul-98	
Columbia Treasury Reserves	12,948,465	2.0	1.7	-2.7	-3.5	4.3	2.4	1.3	1.0	Sep-08	
<b>Liquidity Pool</b>	<b>316,603,756</b>	<b>49.1</b>	<b>0.7</b>	<b>-0.2</b>	<b>1.7</b>	<b>4.2</b>	<b>2.4</b>	<b>2.0</b>	<b>3.7</b>	<b>Jan-98</b>	
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>			0.3	-0.2	0.6	3.7	2.2	2.0	3.8	Jan-98	
JP Morgan - Univ. of Houston	153,016,790	23.8	0.2	-0.2	0.0	3.4	1.9	1.7	3.6	Jan-98	
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>			0.2	-0.3	0.1	3.5	2.0	1.8	3.6	Jan-98	
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>			0.3	-0.2	0.6	3.7	2.2	2.0	3.8	Jan-98	
PIMCO Dynamic Bond Fund	50,359,456	7.8	0.3	1.1	5.7	--	--	--	4.0	May-19	
<i>3-Month Libor Total Return USD</i>			0.0	0.1	0.2	1.4	1.4	0.9	1.0	May-19	
Breckinridge Core Intermediate Government Credit Strategy	62,551,822	9.7	1.1	-0.8	0.6	--	--	--	4.8	May-19	
<i>BBgBarc US Govt/Credit Int TR</i>			1.0	-0.9	0.2	4.7	2.6	2.8	4.4	May-19	
Loomis Sayles Core Plus Full Discretion Strategy	50,675,687	7.9	2.3	-0.6	4.3	--	--	--	7.5	Jun-19	
<i>BBgBarc US Govt/Credit TR</i>			2.4	-2.0	-0.4	5.9	3.3	3.7	5.2	Jun-19	





## HEDGE FUNDS

Recommendations:

- Terminate Lakewood Capital Offshore
- Terminate Standard Life GARs

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# HEDGE FUNDS: REDUCE TO POLICY TARGET

To reduce Hedge Fund investments to the 5% target specified in the UHS Investment Policy Statement, NEPC recommends full redemption from Lakewood Capital Offshore and Standard Life GARs

	Market Value (\$ Millions)	% of Portfolio	Policy Target
<b>Hedge Funds</b>	\$61.7	6.0%	5.0%
<b>Long/Short Equity</b>	\$19.1	1.9%	
SRS Partners	\$13.6	1.3%	
Lakewood Capital Offshore	\$5.5	0.5%	
<b>Diversifiers</b>	\$41.9	4.1%	
Davidson Kempner	\$17.8	1.7%	
HBK Offshore	\$17.6	1.7%	
Standard Life GARs	\$6.5	0.6%	
<b>Manager Holdbacks</b>	\$0.6	0.1%	

- **Lakewood Capital and Standard Life GARs are small positions (0.5% and 0.6%); their potential impact on the portfolio is minimal**
  - Standard Life GARS is liquid; proceeds can be used to partially fund the December endowment payout for UHS spending needs
  - Lakewood Capital Offshore has quarterly liquidity; UHS had previously redeemed half of its money invested in the fund. NEPC will recommend redeployment of proceeds in advance of receipt in early 2021



# PRIVATE MARKETS

Recommendations for:

Truebridge Capital Partners  
Fund VII

Kelso Investment Associates  
XI

Frontenac XII

PROPRIETARY & CONFIDENTIAL

# TRUEBRIDGE CAPITAL PARTNERS FUND VII

**NEPC recommends a \$10.0 million commitment to Truebridge Capital Partners VII**

- **TrueBridge Capital is a Venture Capital fund-of-funds with meaningful access to top-tier VC funds and a focus on Information Technology**
  - Target raise: \$625 million; anticipated deployment: 14 underlying funds
  - Return target: 20% IRR, 2.5x return multiple (TVPI)
  - Geographic focus will be US, with some non-US exposure (prior funds had 80/20 split)
- **Truebridge has demonstrated ability to generate strong returns**
  - Fund IV: 39.7% IRR, 2.9x TVPI
  - Fund V: 53.4% IRR, 1.8x TVPI
- **Commitment would continue UHS relationship with Truebridge**
  - Funds of funds approach provides diversified access to elite firms across the venture spectrum
  - UHS commitment history with TrueBridge:

Fund	Vintage Year	Commitment
TrueBridge-Kauffman Fellows Endowment Fund II	2010	\$3.0 million
TrueBridge-Kauffman Fellows Endowment Fund III	2013	\$3.0 million
TrueBridge-Kauffman Fellows Endowment Fund IV	2015	\$6.25 million
TrueBridge Capital Partners Fund V	2017	\$5.0 million
Truebridge Capital Partners Fund VI	2019	\$3.0 million



# KELSO INVESTMENT ASSOCIATES XI

**NEPC recommends a \$10.0 million commitment to Kelso Investment Associates XI**

- **Kelso is a middle market buyout fund focused on Financial Services, Business Services, Healthcare Services, and the Consumer sector.**
  - Target raise: \$3.0 Billion; anticipated deployment: 10-15 holdings
  - Return target: 20% IRR, 2.5x return multiple (TVPI)
  - Fund will comprise direct investments with some co-investment opportunities
  - Geographic focus will be on the US and Canada
- **Performance has been stable after leadership transition in 2015**
  - Fund IX: 20.1% IRR, 1.7x TVPI
  - Fund X: 36.2% IRRs, 1.3x TVPI
- **A commitment would build on recently established relationship with successful firm**
  - UHS commitment history with Kelso:

Fund	Vintage Year	Commitment
Kelso Investment Associates X	2018	\$7.5 million



# FRONTENAC XII

## NEPC recommends a \$10.0 million commitment to Frontenac XII

- **Frontenac is a lower middle market buyout fund focused on family/founder-owned companies in Industrial, Consumer and Services sectors. The firm has long followed its “CEO 1<sup>st</sup>” philosophy and believes that the skill and insights of successful CEOs are key drivers of Frontenac’s success.**
  - Target raise: \$425 million; anticipated deployment: 10-12 holdings
  - Return target: 20% IRR, 2.0x return multiple (TVPI)
  - Geographic focus on North North America
- **Frontenac has generated strong returns in the most recent vintages:**
  - Fund X: 36.7% IRR, 2.5x TVPI
  - Fund XI: 43.0% IRR, 1.8x TVPI
- **Frontenac would provide valuable new exposure otherwise absent from the UHS portfolio**
  - Sector focus allows Frontenac to maintain a deep knowledge of each vertical and identify profitable opportunities to invest in small businesses
  - Operations capabilities and expertise network of successful business leaders who can run companies and provide essential guidance is critical to ability to profitably operate companies



# DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

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

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

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

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

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

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





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UNIVERSITY OF HOUSTON SYSTEM  
BOARD OF REGENTS AGENDA

**COMMITTEE:** Endowment Management Committee

**ITEM:** Approval is requested to make a full redemption from two hedge fund managers.

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

The Committee will receive a report from the System's investment Consultant, NEPC, regarding their recommendation to make a full redemption from Standard Life GARS (0.6% of the portfolio) and Lakewood Capital Offshore (0.5% of the portfolio) to bring the hedge fund allocation to the 5% policy target. Notification to Standard Life GARS is due one day prior to the redemption. Notification to Lakewood Capital Offshore is due sixty days prior to the redemption. The proceeds will be used to support the annual payout from the endowment to the System universities.

**SUPPORTING**

**DOCUMENTATION:** NEPC discussion materials report

**FISCAL NOTE:** \$6.5 million redemption from Standard Life GARS and \$5.5 million redemption from Lakewood Capital Offshore.

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


**COMPONENT:** University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett

DATE



CHANCELLOR

Renu Khator

DATE

08/13/2021

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

**COMMITTEE:** Endowment Management Committee

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

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

NEPC will discuss with the Committee their recommendation to make commitments to three private investment funds, Truebridge Capital Partners VII, Kelso Investment Associates XI, and Frontenac XII. Truebridge Capital is a venture capital fund focusing on information technology; Kelso is a middle market buyout fund focusing on financial, business, and healthcare services and the consumer sector; and Frontenac is a buyout investor fund focusing on family and founder owned companies in the industrial, consumer, and services sectors. The UH System currently invests with Truebridge Funds II, III, IV, V, and VI with a total commitment of \$22.25 million; and with Kelso Fund X with a total commitment of \$7.5 million. The UH System currently does not invest with Frontenac.

**SUPPORTING DOCUMENTATION:** NEPC discussion materials report

**FISCAL NOTE:** \$10M to Truebridge, \$10M to Kelso and \$10M to Frontenac.

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

**COMPONENT:** University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator

08/13/2021

DATE