Texas PSF Corporation
Board Meeting Recap
April 11, 2024

SUMMARY

- The Texas PSF Corporation Board of Directors met Thursday, April 11 in-person at the William B. Travis Building.
- A recorded webcast of this can be viewed here: adminmonitor.com/tx/tea

NEXT BOARD MEETING

- The next regular board meeting is set for June 12, 2024. The meeting location and agenda will be posted to the Texas PSF Corporation website in advance. www.texaspsf.org

MEETING HIGHLIGHTS

Item: Congratulatory Resolution, Bond Guarantee Program 40th Anniversary

Board action: By unanimous consent, the board of directors adopted a resolution recognizing the 40th anniversary of the Texas Bond Guarantee Program.

Item: Report of the Chief Executive Officer Regarding Matters Relating to the Management of Texas PSF.

- Chief Executive Officer Robert Borden reported on the current state of the financial markets and the Texas PSF investment performance. He noted the fund had grown around 8.7% versus its benchmark of 7.5%, more than one hundred basis points of outperformance.
- Mr. Borden reported on the progress of objectives contained in the Texas PSF Strategic Plan, including implementing the new asset allocation, building a performance and compensation plan, and searching for a Chief Audit Officer and Chief Financial Officer. He also gave an update on the new office facility, noting that move-in is expected around the end of the calendar year.

Board action: None, discussion only.

Item: Overview on Private Equity, Real Estate and Private Credit Asset Classes

- Mr. Borden introduced the next item, noting that the presentations to follow were responsive to the board's request for additional information on private credit.
- Senior managing directors Erin Wedepohl and Nick Tramontana provided comprehensive overviews of the private equity and real estate asset classes, respectively, including historical background at Texas PSF, current investment guidelines, and portfolio performance.
- Ms. Wedepohl and Mr. Tramontana also discussed private credit currently held within the private equity and real estate portfolios.
- John Newell, senior managing director of private credit and acting director of fixed income, presented an overview of the new private credit program and asset allocation target. He also detailed the plans for building out the diversified private credit allocation.

Board action: None, discussion only.

Item: Transition Funding Update

- Jared Stout, managing director of risk and performance, reviewed the prior Texas PSF asset allocation and the new asset allocation targets approved by the Board at their February 1, 2024 meeting.
- He provided a progress update on the ongoing transition of assets toward the new allocation targets, noting that with the changes, the PSF and NEPC estimated higher expected return and decreased risk for the total fund.

Board action: None, discussion only.