Texas Permanent School Fund CORPORATION

BOARD MEETING RECAP

AUGUST 20, 2026

SUMMARY

- The Texas PSF Corporation Board of Directors met Thursday, August 20, 2026, in person and by videoconference at the Innovation Tower Building (1300 Red River St., Suite 700, Austin).
- A recorded webcast of this and previous archived meetings can be viewed here.

NEXT BOARD MEETING

- The next regular board meeting is set for December 10, 2026. The meeting location and agenda will be posted to the Texas PSF Corporation website in advance. www.texaspsf.org/meetings

MEETING HIGHLIGHTS

REPORT FROM THE CEO

CEO/CIO Bob Borden provided updates on investment performance and current market conditions. He noted that one-year return as of June 30, 2026 was **11.4%**, significantly above its long-term expected rate of return of slightly under 6.5%. Strong corporate earnings and investments in artificial intelligence (AI) have buoyed the markets, although inflation remains a concern.

The Corporation continues to pursue its Texas First strategy, with **$26.7 billion** invested with firms with a significant presence in Texas. Mr. Borden noted that one of Texas PSF's largest strategic partners, Apollo Global Management, has announced the creation of a second headquarters in Austin, signaling the state's growing strength as a financial center.

Other operating highlights from the last quarter include improved collaboration with the Texas Education Agency; the successful conclusion of the Corporation's largest-ever intern class; continued expansion of AI usage in operations; and the launch of supervisory training for mid-level managers.

REPORTS FROM NEPC / TEXAS PSF PRIVATE EQUITY TEAM

Representatives of NEPC, Texas PSF's investment consultant, and Erin Wedepohl, Andrew Bunker and Chris Eckerman of Texas PSF, presented an overview of the Private Equity (PE) program to the Board.

NEPC stated that PE fundraising has declined from its 2021-22 peak, a potentially healthy development for the market as it reduces competition and should lead to improved valuations in the long-term.

Texas PSF staff discussed the Fund's approach of strategic investment manager selection while leveraging the PSF significant capital to drive attractive deals and co-investment opportunities. Ms. Wedepohl noted that the Buyout & Growth segment has outperformed its benchmark over 3, 5 and 10-year periods, while Venture Capital (VC) has historically underperformed. Mr. Bunker outlined the PSF's participation in initial public offerings (IPOs), using its institutional advantages to capture discounted pricing. Mr. Eckerman described the development of the PSF's internal co-investment strategies as an overlay across all asset classes.

Looking forward, Texas PSF is repositioning its VC program to exploit new opportunities, continuing to scale internal co-investment, and further developing strong relationships with high-conviction managers.

AVAILABLE SCHOOL FUND (ASF) 5(g) DISTRIBUTIONS

Jared Stout, Deputy Chief Investment Officer, discussed the 5(g) distribution from the PSF to the ASF. Given strong mineral revenues in 2026 from PSF lands managed by the General Land Office, Texas PSF staff recommended the Board approve the Constitutional maximum 5(g) distribution of $600 million per year in the 2028-29 biennium.

The Board unanimously approved a 5(g) distribution of $600 million in each year of the 2028-29 biennium.

2028-29 LEGISLATIVE APPROPRIATIONS REQUEST (LAR)

Mike Meyer, Chief Financial Officer, presented Texas PSF's appropriations requests to the Texas Legislature and Governor. He laid out a request for 2028-29 biennial appropriations of **$128.8 million**., which includes a cap of 115 full-time equivalent (FTE) positions in FY2028 and 120 in FY2029. This represents a **$4.5 million, or 3.6% increase**, relative to the 2026-27 baseline. The additional funds comprise three requests: to sustain 2028-29 funding at the FY2027 level; support to continue the robust internship program; and salary and operational support for five additional FTEs.

The Board unanimously approved the presented LAR framework for submission to the Governor and LBB.

REAPPOINTMENT OF FIDUCIARY COUNSEL

The Board considered renewal of the 2-year contract of the current fiduciary counsel, Chuck Campbell of Jackson Walker, LLP. CEO/CIO Borden recommended his reappointment.

The Board unanimously approved the reappointment of Chuck Campbell of Jackson Walker as Fiduciary Counsel.

DRAFT COMMITTEE CHARTERS AND BOARD TRAINING

Lane Arnold, General Counsel, outlined a proposal to reorganize Board committees. The Budget & Compensation and Strategic Planning & Policy committees would be combined into a new Administration committee, and a new Portfolio Risk committee would be created. This will be an action item at the December meeting. Mr. Arnold also discussed the implementation of a robust Board education and training program. Areas would include: governance, endowment oversight, administration and history/context.

PROPOSED BOARD MEETING DATES FOR 2027

Mr. Borden proposed a slight shift in the fall meeting date in 2027, moving from late August to mid-September.