Minutes of the Texas Permanent School Fund Corporation

Board of Directors

August 21, 2025

The Board of Directors of the Texas Permanent School Fund Corporation ("Texas PSF") met at 10:02 a.m. on Thursday, August 21, 2025, in the Executive Board Room, Room #756 of the Innovation Tower, 1300 Red River, Suite 700, Austin, Texas.

Present: Tom Maynard; Brad Wright; Aaron Kinsey; Jennifer Jones for Dawn Buckingham; Keven Ellis; Will Hickman; Marisa Pérez-Diaz; Jim Stanislaus; Cliff Thomas

Public Testimony

The Board of Directors received no presentations of public testimony.

ACTION ITEMS

1. **Discussion and Appropriate Action Related to the Minutes of May 22, 2025, Meeting (Discussion and Possible Action)**

   MOTION AND ACTION: *It was moved by Brad Wright, and seconded by Aaron Kinsey, and carried without objection to approve the minutes of the May 22nd, 2025, meeting of the Texas PSF Corporation Board of Directors, as written.*

2. **Report of the Chief Executive Officer Regarding Matters Relating to the Management of the Texas PSF (Discussion Only)**

   Robert Borden shared progress on the Corporation's Strategic Plan, highlighting improvements in asset allocation, cost savings, and portfolio implementation. He noted that the internal team has enhanced risk modeling and confirmed compliance with key distribution requirements. Notable operational achievements include significant investment activity, new leadership appointments, specifically Lane Arnold as General Counsel and Nheedi Vasavada as Chief Operating Officer, and a successful internship program. Mr. Borden noted that communications and governance have been strengthened through expanded outreach and ongoing policy work, while internal audits are underway. Finally, he emphasized that the Fund's recent performance has outpaced benchmarks and shown marked improvement compared to peers.

3. **Report of the Investment Consultant (Discussion Only)**

   Rhett Humphries shared a general market outlook, highlighting ongoing economic uncertainty and the potential for interest rate changes. Mr. Humphries advised that the Fund maintains its balance between safe investments and liquidity, while also considering opportunities in global equities. Mr. Humphries emphasized the importance of portfolio diversification, especially given the concentration of major companies in the market. Mr. Humphries concluded by suggesting that the Fund continue to review its asset allocation in the coming months.

4. **Discussion on the Private Equity Asset Class (Discussion Only)**

Erin Wedepohl provided an overview of the Fund's private equity portfolio, emphasizing its long-term value and strong relative performance. Ms. Wedepohl highlighted the private equity team and overall portfolio strategies. She emphasized the portfolio's long-term benefits; its strong performance compared to peers and highlighted the market trends. Finally, Ms. Wedepohl noted that looking ahead, industry trends point to favorable opportunities, and the Fund may consider increasing its allocation to private equity to better align with peer institutions.

5. Discussion and Possible Action Related to Proposed Amendments to the Ethics Policy (Discussion and Possible Action)

MOTION AND ACTION: *Brad Wright moved, and Marisa Perez-Diaz seconded, that the Board adopt the Ethics Policy as presented with Options A. The motion moved into discussion.*

Will Hickman moved, and Keven Ellis seconded, to adopt Option B for section numbers 2.02, 2.03, 3.02, 5.01, and 5.02 of the Ethics Policy. The motion moved into discussion. Mr. Hickman moved to withdraw the motion; with no objection the motion was withdrawn.

Aaron Kinsey moved, and Keven Ellis seconded, to amend Section 5 of the Ethics Policy by adding additional language specifying that the effective date, for 'Section 2.05 Director Referrals,' would be January 1, 2025. Mr. Kinsey then restated his motion, updating the effective date to be effective immediately, August 21, 2025. Will Hickman offered a secondary amendment to clarify that the effective date for the entire Ethics Policy would be effective immediately as of August 21, 2025. The secondary amended motion carried unanimously without objection.

The main motion, as amended, carried without objection.

6. Discussion and Action Relating to Personnel Matters Regarding the Chief Executive Officer (Discussion and Action)

Mr. Maynard announced that the Board of Directors of the Texas Permanent School Fund Corporation would meet in executive session to discuss personnel matters regarding the Chief Executive Officer. Without objection, the Board of Directors agreed to meet in Room 755 to discuss personnel matters under Texas Government Code 551.074 and convened into an executive session at 12:24 p.m. The Board of Directors returned from executive session at 1:46 p.m. No action was taken by the Board in closed session.

MOTION AND ACTION*: Brad Wright moved, and Marisa Perez-Diaz seconded, to approve the recommendation of the Budget and Compensation Committee regarding Robert Borden. The motion carried unanimously without objection.*

7. Review of Upcoming Agenda and Calendar (Discussion Only)

Melissa Dix provided an overview of the Projected Committee Calendar, outlining key agenda items scheduled for upcoming Board meetings.

COMMITTEE REPORTS

8. Report from Budget and Compensation Committee Chair, including a Recommendation Related to the Chief Executive Officer (Discussion Only)

Brad Wright noted that the Budget and Compensation Committee was convened on August 20, 2025. The Committee heard remarks from the PSF team, received a compensation update, and reviewed the quarterly budget.

9. Report from Strategic Planning and Policy Committee Chair (Discussion Only)

Aaron Kinsey noted that the Strategic Planning and Policy Committee was convened on August 20, 2025. The Committee heard remarks from Robert Borden, reviewed the Ethics Policy, discussed the distribution to the Available School Fund (ASF), and received a Strategic Plan update. Finally, the Committee reviewed the agenda for the December Board meeting and made no changes to the proposed agenda.

10. Report from Audit and Ethics Committee Chair (Discussion Only)

Keven Ellis was absent and did not present the Audit and Ethics Committee report; however, it was noted that the Committee met on August 20, 2025 and that the topics previously discussed by the Board were also addressed during this Committee meeting.

The meeting of the Board of Directors of the Texas PSF Corporation adjourned at 1:50 p.m.