Minutes of the Texas Permanent School Fund Corporation

Board of Directors

November 17, 2022

The Board of Directors of the Texas Permanent School Fund (PSF) Corporation met at 9:05 a.m. on Thursday, November 17, 2022, in Room #1-104 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas.

Present: Tom Maynard, Lawrence A. Allen, Jr., Keven Ellis; Patricia Hardy; Marisa Perez-Diaz; Todd Williams; Brad Wright

Public Testimony
The Board of Directors received no presentations of public testimony.

Tom Maynard, Chair of the Texas Permanent School Fund Corporation Board of Directors, confirmed attendance. It was determined that the number of board members present constituted a quorum of the board.

ACTION ITEMS

1. Approval of Minutes, Meeting of the Board of Directors, September 1, 2022 (Discussion and Possible Action)

MOTION AND VOTE: *It was moved by Mr. Wright, seconded by Ms. Hardy, and carried without objection to approve the minutes from the of the September 1, 2022, meeting of the Texas Permanent School Fund Corporation (Corporation) Board, as printed.*

2. Approval of PSF Corporation Ethics Policy (Discussion and Possible Action)

Holland Timmins, chief executive officer, introduced Chuck Campbell, Fiduciary Counsel, Jackson Walker LLP, and John Wright, PSF general counsel, and called on them to review the changes to policy language since the policy draft was presented at the September board meeting.

Mr. Campbell noted the addition of the Placement Agent Policy as Appendix A to the policy.

MOTION AND VOTE: *It was moved by Mr. Wright, seconded by Ms. Hardy, and carried without objection to adopt the Texas Permanent School Fund Corporation Ethics Policy as written and authorize the Chief Executive Officer to take any necessary action to implement such policy.*

3. Approval of Investment Policy (Discussion and Possible Action)

Mr. Timmins stated that approval of only the core Investment Policy Statement was being requested today. However, staff would also offer comments addressing the initial drafts of two ancillary policies. The final version of these two ancillary policies will be presented at the January 2023 board meeting.

Mr. Timmins introduced Katie Reissman, managing director of fixed income, and Andrew Bunker, director of public equities, to present the final draft of the Investment Policy Statement, and first drafts of the Securities Lending Policy and Proxy Voting Policy.

Ms. Reissman reviewed the addition of the real estate asset class benchmark to the Investment Policy Statement. Ms. Reissman then provided an overview of the background, benefits, and initial draft of the Securities Lending Policy. Mr. Bunker provided information on the purpose and nature of proxy voting and a high-level overview of the draft Proxy Voting Policy.

MOTION AND VOTE: *It was moved by Mr. Wright, seconded by Ms. Hardy, and carried without objection to adopt the Texas Permanent School Fund Corporation Investment Policy Statement, as presented.*

4. **Approval of the Date to Transfer Management of the Permanent School Fund to the Texas PSF Corporation as contemplated in SB1232 (Discussion and Possible Action)**

Mr. Timmins provided an overview of the approval process, recommended timeline, and requirements of the Joint Resolution document to transfer the management and assets of the Permanent School Fund to the Corporation pursuant to SB 1232.

Mr. Timmins called on Mr. Campbell and Mr. John Wright to provide additional detail related to the Joint Resolution document.

Mr. Wright reviewed the collaborative process utilized between the State Board of Education, Corporation, Texas Education Agency, and the School Land Board teams to develop the proposed agreement. Mr. Campbell addressed the document design and contents.

MOTION AND VOTE: *It was moved by Mr. Wright and seconded by Ms. Hardy and carried without objection to approve January 1, 2023, as the agreed upon transfer date of the management and investment of the Permanent School Fund and transfer of related assets as contemplated and described in Article 2 of SB 1232 and further set forth in the Joint Resolution of the State Board of Education and the Texas Permanent School Fund Corporation as presented.*

DISCUSSION ITEM

5. **Report of the CEO (Discussion Only)**

Mr. Timmins provided an update on the transition plan and the successful completion of required actions to date.

The meeting of the Board of Directors of the Texas PSF Corporation adjourned at 9:43 a.m.