

## INVESTMENT MANAGEMENT AGREEMENT

This Agreement is made and entered into this 4<sup>th</sup> day of February, 2019, by and between The Texas A&M University System ("Client"), an agency of the State of Texas having its principal offices at 301 Tarrow, 5<sup>th</sup> Floor, College Station, Texas 77840, and Western Asset Management Company, LLC ("Investment Manager"), a California Limited Liability Company presently having its principal offices at 385 East Colorado Boulevard, Pasadena, California 91101.

WHEREAS, Client desires to employ Investment Manager as its investment adviser with respect to the following accounts: WA 4352 – The Texas A&M University System Cash Concentration Pool; WA 4353 – The Texas A&M University System Endowment Fund (Core Full) hereinafter collectively referred to as the "Accounts"), and, Investment Manager desires to provide investment management services to Client on the following terms and conditions.

NOW, THEREFORE in consideration of the mutual covenants hereinafter contained, the parties hereto mutually agree as follows:

1. **Appointment and Acceptance.** Client, being duly authorized, hereby employs and appoints Investment Manager as investment adviser for the Accounts. By execution of this Agreement, Investment Manager accepts the appointment as investment adviser and agrees to supervise and direct (or make recommendations with respect to) the investments of the Accounts in accordance with the investment objectives and Letter of Instruction of Client, attached hereto as Exhibit A, and as may be amended and delivered in writing from time to time by Client to Investment Manager (the "Letter of Instruction"), such Letter of Instruction to be considered an integral part of this Agreement and are incorporated herein.

2. **Authority.** Investment Manager shall have sole power and discretionary authority with respect to the Account from the effective date hereof. Such power and discretionary authority shall include the following, to the extent permitted in the Letter of Instruction:

a. The Investment Manager, as agent and attorney-in-fact with respect to the Accounts, shall have full power to supervise and direct the investment and reinvestment of the assets in the Accounts, and to engage in such transactions on behalf of the Accounts as the Investment Manager may deem appropriate, in its absolute discretion. The Investment Manager may buy, sell, convert, hold or otherwise trade in any fixed income securities, including, without limitation, bonds, non-convertible preferred stocks, money market instruments and other securities as permitted under the Letter of Instruction. The Manager shall also have the power to engage in currency forwards and treasury futures market to the extent provided by the Letter of Instruction.

b. The Investment Manager may invest or reinvest any or all of the assets of the Accounts in registered investment companies or other commingled vehicles for which

Investment Manager or its affiliates serves as investment advisor.

c. The Investment Manager may place orders for the execution of securities transactions with or through such brokers, dealers or issuers as Investment Manager may select.

d. Investment Manager may execute on behalf of the Client certain agreements, instruments and documents in connection with the services performed by it under this Agreement. These may include, without limitation, brokerage agreements, clearing agreements, account documentation, treasury futures and currency forward agreements, other investment related agreements and any other agreements, documents or instruments the Investment Manager believes are appropriate or desirable in performing its duties under this Agreement.

e. The Investment Manager may appoint one or more of its affiliates as its agent and may delegate the exercise of all or any of the Investment Manager's powers, discretion and duties in relation to the management of the portfolio to such affiliate(s). The Investment Manager agrees to be responsible for all actions or omissions of such affiliate(s) as if the Investment Manager had acted (or failed to act) itself.

f. The Investment Manager may take such other action as it may deem necessary or desirable to carry out the purposes and intents of this Agreement.

3. **Obligations and Duty of Care of Investment Manager.** Investment Manager shall render to Client at least monthly a written inventory of the investments of the Accounts. Investment Manager shall also provide Client with a report of the status of the Accounts as agreed to by the Client and the Investment Manager at reasonable intervals. It is agreed that the sole standard of care imposed upon Investment Manager under this Agreement shall be that Investment Manager is required to act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. It is agreed that Investment Manager, in the maintenance of its records, does not assume responsibility for the accuracy of information furnished by Client or any other party. Except for gross negligence or malfeasance, or violation of applicable law, neither Investment Manager nor any of its officers, directors or employees shall be liable hereunder for any action performed or omitted to be performed or for any errors of judgment in managing the Accounts. The Federal and State Securities Laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which Client may have under any Federal or State Securities Laws.

4. **Representations by Client.** Client represents and confirms that the employment of Investment Manager is authorized by due corporate or other authorization and that the terms hereof do not violate any obligation by which Client is bound, whether arising by contract, operation of law or otherwise, and, if Client is a corporation or trust, that (a) this Agreement has been duly authorized by appropriate action and when executed and delivered will be binding upon Client in accordance with its terms, and (b) Client will deliver to Investment Manager such

evidence of such authority as Investment Manager may reasonably require, whether by way of a certified resolution or otherwise.

Client represents and warrants that either it is not an employee benefit plan as that term is defined under the Employee Retirement Income Security Act of 1974 ("ERISA") or that under the provision of the instrument governing the Accounts it is a plan (fiduciary) with respect to the Accounts as that term is defined under ERISA. If the Accounts are subject to ERISA, Client represents that it will maintain any bond required in connection with the Accounts under the provisions of ERISA or other applicable law and will include within its coverage Investment Manager and any of its personnel as may be required. Client represents that it will promptly provide Investment Manager with appropriate documents evidencing such coverage upon request.

Client represents and warrants that it is a "qualified institutional buyer" as that term is defined in the Securities Act of 1933, as amended. Client represents that it is a Qualified Eligible Person, as defined in Rule 4.7 promulgated by the Commodities Futures Trading Commission, and that it consents to being treated as a Qualified Eligible Person by the Investment Manager in relation to the trading of futures, options and other derivatives under this Agreement. Client further represents that it is either properly registered with the National Futures Association or that it is not required to be so registered.

Client agrees to notify Investment Manager immediately if any of the foregoing representations and warranties become untrue or are no longer correct.

**5. Representations by Investment Manager.** By execution of this Agreement, Investment Manager represents and confirms that it is registered as an investment adviser under the Investment Advisers Act of 1940 and that with respect to the performance of its duties hereunder with respect to the Accounts (if it is a covered employee benefit plan) Investment Manager is a "fiduciary" as that term is defined under ERISA.

**6. Information Concerning Investment Manager.** Client acknowledges that prior to its execution and delivery of this Agreement it received a copy of Part II of Investment Manager's Form ADV or a brochure meeting the requirements of Rule 204-3 under the 1940 Act which describes the services provided by the Investment Manager and certain additional information about the Investment Manager. If such form or brochure was not received at least 48 hours prior to execution of this Agreement, client shall be entitled to terminate this Agreement without obligation within five business days of execution.

**7. Transaction Procedures.** All transactions will be consummated by payment to, or delivery by Client, or such other party as Client may designate in writing (the "Custodian"), of all cash and/or securities due to or from the Accounts. Investment Manager shall not act as Custodian for the Accounts, but may issue such instructions to the Custodian as may be appropriate in connection with the settlement of transactions initiated by Investment Manager pursuant to Paragraph 2 hereof. Instructions of Investment Manager to Client and/or the Custodian shall be made in writing, which may include electronic communication, or, at the

option of Investment Manager, orally and confirmed in writing as soon as practicable thereafter, and Investment Manager shall instruct all brokers and dealers executing transactions on behalf of the Accounts to forward to Client and/or the Custodian copies of all confirmations promptly after execution of those transactions. Investment Manager shall not be responsible for any loss incurred by reason of any act or omission of any broker or dealer or the Custodian.

8. **Reports to Investment Manager.** Client will provide, or instruct the Custodian to provide, Investment Manager with such periodic reports concerning the status of the Accounts as Investment Manager may reasonably request.

9. **Confidential Relationship.** All information furnished by either party to the other hereunder, including their respective agents and employees, shall be treated as confidential, and shall not be disclosed to third parties except as required by applicable law.

By execution of this agreement, Client hereby grants consent to Investment Manager and permits the disclosure of Client's identity on Investment Manager's representative list of clients.

10. **Service to Other Clients.** It is understood that Investment Manager performs investment advisory services for various clients including investment companies as well as to fiduciary and other managed accounts and Client acknowledges and agrees that Investment Manager will not devote its full time to Client under this Agreement, and nothing herein shall be deemed to limit or restrict the right of Investment Manager or any of its affiliates to engage in and devote time and attention to other businesses or to render services of whatever kind or nature. Client agrees that Investment Manager may continue to provide advice and take action with respect to any of its other clients which may differ from advice given or the time or nature of action taken with respect to the Accounts. It is understood that Investment Manager shall not have any obligation to purchase or sell, or to recommend for purchase or sale, for the Accounts any security which Investment Manager, its principals, affiliates or employees may purchase or sell for its or their own accounts or for the account of any other client. Nothing herein contained shall be construed to prevent the Investment Manager, or any of its officers, directors affiliates and/or employees, in any way from purchasing or selling any securities for its or their own account prior to, simultaneously with, or subsequent to any recommendation to the Accounts.

11. **Allocation of Brokerage.** Where Investment Manager places orders for the execution of transactions for the Accounts, Investment Manager may allocate such transactions to such brokers and dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of Investment Manager will be in the best interest of the Accounts, taking into consideration in the selection of such brokers and dealers not only the available prices and rates of brokerage commissions, but also other relevant factors (such as, without limitation, execution capabilities, research and other services provided by such brokers or dealers which are expected to enhance the general portfolio management capabilities of Investment Manager) without having to demonstrate that such factors are of a direct benefit to the Accounts. Accordingly, the Investment Manager shall seek best execution in transactions, but shall have no obligation to seek the lowest commission cost to the Accounts.

12. **Inside Information.** Investment Manager shall have no obligation to seek to obtain any material non-public ("inside") information about any issuer of securities, or to purchase or sell, or to recommend for purchase or sale, for the Accounts the securities of any issuer on the basis of any such information as may come into its possession.

13. **Fees.** The compensation to Investment Manager for its services under this Agreement shall be calculated and paid in accordance with the Schedule of Fees attached hereto as Exhibit B.

14. **Valuation.** In computing the market value of any investment of the Accounts, each security shall be valued in a manner determined in good faith by Investment Manager to reflect its fair market value and consistent with generally accepted principles of valuation utilized in the investment management industry.

15. **Investment Objectives and Restrictions; Securities Lending.** It will be Client's responsibility to advise Investment Manager of the investment objectives of the Accounts and of any changes or modifications therein as well as any specific investment restrictions applicable thereto and to give Investment Manager prompt written notice if Client deems any investments recommended or made for the Accounts to be in violation of such objectives or restrictions.

To the extent Client, through the Custodian or other third party agent, participates in a securities lending program, the Investment Manager shall not be responsible for losses or liabilities, including, without limitation, overdraft fees, loss of opportunity to participate in corporate actions or exchanges or other trade failure, resulting from Client's participation in such securities lending program, unless such losses are due solely to the gross negligence, willful misconduct or bad faith of the Investment Manager.

16. **Term.** This Agreement shall commence as of the date hereof, and shall renew automatically thereafter for successive annual periods ending on the anniversary date of the effective date.

17. **Termination; Assignment.** This Agreement may be terminated immediately at any time by either party's receipt of written notice from the other. Fees paid in advance hereunder will be prorated to the date of termination specified in the notice of termination, and any unearned portion thereof will be refunded to Client. No assignment, as that term is defined in the Investment Advisers Act of 1940, of this Agreement shall be made by Investment Manager without the written consent of Client.

18. **Notices.** Any notice, instruction, request, consent, demand, or other communication required or contemplated by this Agreement, other than routine transactions, shall be in writing and shall be given or made or communicated by email, fax or by United States registered or certified mail, postage pre-paid, return receipt requested addressed as follows:

If to Client: The Texas A&M University System  
301 Tarrow, 5th Floor  
College Station, Texas 77840-7896

Email: mrobinson@tamus.edu and  
ewelch@tamus.edu

If to Investment Manager: [Client Service Executive Name]  
Western Asset Management Company, LLC  
385 E. Colorado Blvd.  
Pasadena, CA 91101

Email:

with a copy to: General Counsel  
Western Asset Management Company, LLC  
385 E. Colorado Blvd.  
Pasadena, CA 91101  
FAX: (626) 844-9450  
Email:

**19. Miscellaneous.**

a. This Agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations and agreements, whether written or oral.

b. Should any portion of this Agreement be judicially determined to be illegal or unenforceable, the remainder of the Agreement shall continue in full force and effect and either party may renegotiate the terms affected by the severance.

c. The validity of this agreement and all matters pertaining thereto, including but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the Constitution and the laws of the State of Texas, to the extent not preempted by the federal securities laws, the federal tax code or ERISA. The Courts of the State of Texas shall have jurisdiction over this Agreement and the parties, and the venue shall be any suitable state or federal court located in the State of Texas.

d. The dispute resolution process provided in Chapter 2260, Texas Government Code, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by the Client and Investment Manager to attempt to resolve any claim for breach of contract made by the Investment Manager that cannot be resolved in the ordinary course of business. Investment Manager shall submit written notice of a claim of breach of contract under this Chapter to the Chief Investment Officer and Treasurer for the Texas A&M University System, who shall examine the Investment

**Manager's claim and any counterclaim and negotiate with the Investment Manager in an effort to resolve the claim.**

**e. Neither party shall be liable for failure to perform under this Agreement if such failure to perform arises out of causes beyond the control and without the fault or negligence of the nonperforming party. Such causes may include, but are not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine restrictions, freight embargos, unusually severe weather and acts of terrorism. This provision shall not be effective unless the failure to perform is beyond the control and without the fault or negligence of the nonperforming party.**

**f. The waiver of any breach of any term or condition in this Agreement shall not be deemed a waiver of any prior or subsequent breach.**

**g. Subject to all the terms and provisions hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.**

**h. No amendment to this Agreement shall be effective unless it is in writing and executed by all parties.**

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

IN WITNESS WHEREOF, the parties have agreed to the foregoing as of the date first above written.

**WESTERN ASSET MANAGEMENT COMPANY,  
LLC**



By: Marco Bernardi  
Its: Director of Global Client Service and Marketing

**THE TEXAS A&M UNIVERSITY SYSTEM**



By: Maria L. Robinson  
Its: Chief Investment Officer and Treasurer



**Exhibit B**  
**Schedule of Fees**

In consideration for its services under this Agreement the Investment Manager will be entitled to receive from the Client a Management Fee.

**1. Annual Fee Rate.**

The Management Fee shall be calculated using the base currency of the portfolio.

- 2. Timing.** Management Fees will be calculated quarterly in arrears. The "Fee Calculation Dates" will be the calendar quarter ends; March 31, June 30, September 30 and December 31.
- 3. Account Valuation.** The account values used to calculate fee will be the month end values of the Account as prepared by the Custodian.
- 4. Billing Methodology.** The Management Fee will be one quarter of Annual Fee Rate multiplied by the average of the Account Valuations in the quarter to which fees apply.
- 5. Account Valuation Aggregation:** Average Account Valuations for Client portfolios managed in substantially the same manner will be aggregated for fee calculation purposes.
- 6. Partial Periods.** If the account funds on a date other than the beginning of the quarter or terminates on a date other than the end of the quarter, the Investment Manager will be entitled to charge a proportionate part of the fee for the quarter.
- 7. Contributions and Withdrawals.** Contributions and Withdrawals will be prorated to adjust the Account Valuation for the period held in the account.
- 8. Payment Due Date.** Payment for Management Fees is due no later than 30 days after the Client's receipt of a properly prepared and submitted invoice, provided that the Client does not submit a written objection to the Fees to the Investment Manager within 10 days of Client's receipt of the invoice.