Real Estate Recommendation
May 24–25, 2018

Presenters: Tom Masthay, Eddie Schultz, Tom Hester (Courtland, a Stepstone Company)
I. Executive Summary
II. Portfolio Construction
III. Manager Selection & Recommendation
IV. Requested Board Action

Names used in this presentation are a shortened version that is used for ease of communication purposes throughout this document. The formal recommendation to the Board on the last page of this presentation reflects the full legal name of the investment.
Section I

EXECUTIVE SUMMARY
Manager Recommendation

Executive Summary

<table>
<thead>
<tr>
<th>Recommended Manager/Fund</th>
<th>Strategy Classification</th>
<th>Target Return</th>
<th>Recommended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abacus Multi-Family Partners IV, LP</td>
<td>Value-Add Real Estate</td>
<td>11%+ Net IRR</td>
<td>Up to $75 million</td>
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<tr>
<td>(<strong>Abacus</strong>)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Approximate Recommended Investment/Commitment</td>
<td></td>
<td></td>
<td>Up to $75 million</td>
</tr>
</tbody>
</table>

Inclusive of the recommendation noted above, total real estate allocation activity for 2018 is $75 million, on pace to be within the range of targeted pacing of $200 – $400 million.
Section II

PORTFOLIO CONSTRUCTION
The TMRS portfolio is tracking within policy statement goals for strategy allocation levels. The newly proposed investment keeps TMRS in-line with all IPS objectives.
Section III

MANAGER SELECTION & RECOMMENDATION
Abacus, formed in 2004 by Chief Executive Benjamin Friedman, is a real estate investment management company focused exclusively on multi-family residential housing transactions.

Abacus is currently targeting a raise of $500mm to invest in value-add multi-family transactions focused on relative affordability in markets and sub-markets showing favorable multi-family housing demand trends. Abacus’ business plans will range from bringing occupancy and rents up at complexes which have historically faced operational challenges and/or underinvestment by prior owners, to ground up development where market dynamics are favorable.

Top Candidate Characteristics – Abacus
$75 million Recommendation (re-up)

Abacus Capital
AMFP IV
($75mm)

Date of First TMRS Meeting
2011

Dates of Subsequent Meetings*
12/8/16; 2/3/17;
2/6/17; 4/19/17;
5/10/17; 6/6/17;
1/9/18; 5/7/18
*Fund IV Diligence only

Dates of Diligence Advancement
‘B’ Rating – 5/13/2017
‘A’ Rating – 3/2/2018

Date of Consultant Report
May, 2018

Legal Negotiation Initiated
March 14, 2018

Comparable Strategies Reviewed
32 - Multi-Family Equity
11 - Affordable Housing
14 – Alternative Housing
Section IV

REQUESTED BOARD ACTION
Approval of Recommendation

- TMRS Staff and Courtland recommend that the Board of Trustees approve the selection of the following fund as detailed in the Board Communication Memo:

  **Recommendation:**
  - Abacus Multi-Family Partners IV, LP Up to $75 million
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