Alternatives Consultant Request for Proposal Recommendation
December 5–6, 2019

Presenters: TJ Carlson, Tom Masthay
Agenda

I. Request for Proposal ("RFP") Process
II. Request for Board Action
Section I

REQUEST FOR PROPOSAL ("RFP") PROCESS
The Alternative Investment Consultant RFP Processes were approved by the Board of Trustees in conjunction with the 2019 Investment Pacing Plan. The timing of the RFPs was aligned with the 1Q–2Q 2020 expiry of incumbent consultants’ contracts.

Evaluation Team:

**Absolute Return**: Marc Leavitt, Director, Absolute Return

**Real Return**: Eddie Schultz, Portfolio Manager, Real Assets

**Real Estate**: Tom Masthay, Director, Real Assets

**Private Equity**: Chris Schelling, Director, Private Equity

**Private Credit**: Jason Weiner, Director, Fixed Income
## RFP Questionnaire Design & Scoring Methodology

### Organizational Categories
- Organization & Background (20%)
- Investment Due Diligence/Process (27%)
- Operational Due Diligence (33%)
- Accounting, Performance, Fee Monitoring (10%)
- Clients (10%)

Organizational scoring averaged across all Evaluation Team members.

### Asset Class Categories
- Philosophy (19%)
- Research (27%)
- Performance (17%)
- Manager, Fund, GP Recommendation (25%)
- Private Credit Related Strategies (7%)
- Co-Invest (5%)

Asset Class scoring left to specific Evaluation Team member.

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The Evaluation Team used a pre–set and standardized scoring methodology designed to seek input from all team members in its calibration.
Key Process Dates

Summary of Key Dates:
- **Board Approval of RFP:** December 7-8, 2018
- **RFP Issued:** August 19, 2019
- **RFP Responses Due:** September 13, 2019
- **Internal RFP Scoring Due:** October 2, 2019
- **Evaluation Team Meeting #1:** October 4, 2019
- **Preliminary Due Diligence Period:** October 5 – November 1, 2019
- **Evaluation Team Meeting #2:** November 1, 2019
- **Finalist Diligence Period:** November 2 – December 4, 2019
- **Investment Committee Decision/Approval:** November 8, 2019
- **Board Recommendation:** December 5-6, 2019
- **Incumbent ARS & RR Contracts Expire:** January 31, 2020
- **Incumbent RE Contract Expires:** April 30, 2020
- **Incumbent PE Contract Expires:** June 30, 2020

The Process utilized a structured & transparent schedule with regular team check-ins and decision deadlines.

Investment Staff not explicitly on the Evaluation Team were invited to provide input throughout the process.
TMRS sent the RFP out to six qualified respondents, receiving responses to the RFP from each*.

*The RFP was additionally posted to the TMRS website. One additional response inquiry was received, however, the firm did not ultimately respond.
After progressing through the preliminary due diligence period, finalists were formally selected during Evaluation Team Meeting #2.

Letters in chart above do not correspond with specific firms, rather just the rank order within a given evaluation category.
Albourne is a global, multi-asset class non-discretionary consultant serving a diverse client base. Albourne has set their business apart from peers by staying true to a non-discretionary fixed fee business model, choosing to deploy its marginal resources into developing its business around operational due diligence and back and middle office services rather than discretionary, AUM-fee based services (assets under management). Client service, like most consultants, flows through Investment Due Diligence personnel. Albourne boasts a deep bench of individuals focusing on Investment & Operational Due Diligence, employing over 140 individuals in these specialties globally throughout its offices located in Singapore, Hong Kong, Tokyo, Munich, London, Connecticut, Toronto, and San Francisco.

Albourne America LLC

Dates / Services of Incumbency
Albourne has served as TMRS’ Absolute Return and Real Return Consultant since contract inception date of March 1, 2015.

Key Diligence Dates
10/29/19 (RE)
10/31/19* (PE)
10/31/19* (RE)
11/4/19 (RR)
11/5/19 (All/RE)
11/5/19 (PC)
11/6/19* (RE)
11/12/19 (ARS)
11/20/19 (PE)
11/20/19 (PC)

*Meeting w/ non-Albourne Finalist

Qualified Respondents Reviewed
Absolute Return – 4
Real Return – 3
Real Estate – 3
Private Equity – 3
Private Credit – 6
Section II
REQUESTED BOARD ACTION
Approval of Recommendation

Recommendation:

- Approve Albourne America LLC be contracted with as TMRS’ primary investment consultant for Absolute Return, Real Return, Real Estate, Private Equity, and Private Credit.
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