Real Return Recommendations
February 14–15, 2019

Presenters: Tom Masthay, Eddie Schultz, Yvonne Huang, Mark White (Albourne)
I. Executive Summary
II. Portfolio Construction & Manager Recommendations
III. 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

Inclusive of the recommendations noted above, total real return allocation activity for 2019 is $200 million, on pace to be within the approved range of targeted pacing of $400 – $800 million.

<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>Harrison Street Social Infrastructure Fund, L.P. (HSSI)</td>
<td>Private Real Return</td>
<td>8-11% gross IRR</td>
<td>Up to $200mm</td>
</tr>
<tr>
<td>Total Approximate Recommended Investments/Commitments</td>
<td></td>
<td></td>
<td>Up to $200 million</td>
</tr>
</tbody>
</table>
Section II

PORTFOLIO CONSTRUCTION & MANAGER RECOMMENDATIONS
Private investment strategy commitments will begin to draw down real return public markets exposure going forward.

*Public Markets investments account for approximately 83% of real return portfolio value as of 1/29/19.*
Harrison Street is a privately-owned, Chicago based investment management firm with a historical, exclusive focus in Education, Healthcare and Storage real estate, but is now expanding efforts into infrastructure. The strategy of Harrison Street Social Infrastructure Fund (“Fund”, “HSSI”) is to assemble through development and acquisition, a portfolio of high-quality social infrastructure investments, which serve the education, healthcare, government and utility sectors. The Fund is one of very few open-ended infrastructure funds in the market and even more unique in its market positioning by focusing exclusively on their target sectors. HSSI will be focusing on sourcing transactions from universities and municipalities for individual transactions often less than $150mm, which may be considered middle market to lower middle market in the infrastructure universe.
Section III

REQUESTED BOARD ACTION
Approval of Recommendation

TMRS Staff and Albourne recommend that the Board of Trustees approve the selection of the following fund:

**Recommendation:**

- Harrison St. Social Infrastructure Fund Up to $200 million
DISCLOSURES

TMRS periodically discloses public information that is not excepted from disclosure under Section 552.0225(b) of the Texas Public Information Act. Information provided by a manager, a Managing General Partner (GP), any of its Associates or other data provider to TMRS or a TMRS service provider, and contained in these materials (i) may have been independently produced or modified by TMRS or the TMRS service provider; (ii) has not been reviewed or approved by the manager, Managing GP or any of its Associates; and (iii) may not reflect the historical performance or asset value reflected in the manager’s, Managing GP’s or any of its Associates’ records and, therefore, should not be used for comparative purposes.