Names used in this presentation may be a shortened version of the full legal name that is used for ease of communication purposes throughout this document. The formal recommendations to the Board on the last page of this presentation reflect the full legal names of the investments.
Section I

EXECUTIVE SUMMARY
## Manager Recommendation

### Executive Summary

<table>
<thead>
<tr>
<th>Recommended Manager/Fund</th>
<th>Strategy Classification</th>
<th>Recommended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altaris Health Partners Fund V, L.P. (&quot;Altaris V&quot;)</td>
<td>Buy-out</td>
<td>$75 million</td>
</tr>
<tr>
<td>One Rock Capital Partners III, L.P. (&quot;One Rock III&quot;)</td>
<td>Buy-out</td>
<td>$75 million</td>
</tr>
<tr>
<td>Insight Partners XI, L.P. (&quot;Insight XI&quot;)</td>
<td>Growth Equity</td>
<td>$100 million</td>
</tr>
<tr>
<td><strong>Total Approximate Recommended Investments/Commitments</strong></td>
<td></td>
<td><strong>$250 million</strong></td>
</tr>
</tbody>
</table>
Section II

DUE DILIGENCE PROCESS REVIEW
Annual pacing plans are developed in the context of multiple year investment horizons. This is necessary because private capital investments deploy and return capital over time rather than all at once.
The 2020 Private Equity search process has culminated in ~$358 million of closed and/or recommended investments, in line with the $900 mm primary pacing model goal for the year.

Search processes are approved in annual amounts. Progress will be made throughout the year as opposed to all at once.
Section III

PORTFOLIO CONSTRUCTION
Strategy considerations:

2015: Over-weighted special situations early for J-Curve mitigation, efficiency of capital deployment, and tactical opportunities.

2016: Focused on growth opportunity set and continue to add buy-out exposure.

2017: Rounded out buy-out portfolio, and opportunistically added to growth and credit.

2018: Steady state on pacing, selectively added new relationships and European exposure.

2019: Steady state on pacing, selectively added new relationships and Venture and European exposure.

2020: Selectively up-sizing commitments, adding new relationships and Venture/ Growth exposure.
The overall goal remains identifying top quartile performers to partner with.

**Position sizing considerations:**

Continue to reduce the unallocated portion of the private equity portfolio while sensibly balancing the trade-off between diversification and concentration.

**Areas of focus** are enhancing manager diversification, and building strategic relationships where possible/appropriate.
**Private Equity Portfolio Statistics**  
**Geographic Diversification**

*TMRS is focused on taking a measured approach to global geographic diversification.*

The Target Portfolio keeps a conservative stance on international exposure.
Section IV

MANAGER SELECTION AND RECOMMENDATION
Altaris Capital Partners (“Altaris”) is a New York-based investment firm that focuses exclusively on the healthcare industry, specifically pharmaceutical, medical device and diagnostics, provider services, and payors/insurance businesses across North America and Western Europe. Altaris Health Partners V, L.P. (“Fund V”) is targeting $2.5 billion, and will seek opportunities where they can invest between $100 million to $500 million. The Firm is flexible with the transaction type as well, making control and non-control investments into carve-outs, break-ups, corporate partnerships, “take-privates”, and family/founder-owned companies. Post-investment the Firm will leverage their Operating Network to improve and grow the underlying businesses, in addition to pursuing add-on acquisitions. Altaris will continue to execute a strategy similar to those employed in the prior funds.
Top Candidate Characteristics – One Rock III
$75 million Recommendation

One Rock Capital Partners (“One Rock”) is a New York-based buy-out firm founded in 2010 by Tony Lee and Scott Spielvogel that focuses on value-oriented, control stakes in complex, middle-market businesses within sub-sectors of the “old economy”. One Rock Capital Partners III, L.P. ("One Rock III") is targeting $1.5 billion to make equity investments ranging from $50 million to $200 million, where they can improve the operations and strategically reposition their business units while leveraging their Operating Partner network and their strategic partnership with the Mitsubishi Corporation. The Firm will continue to execute the same strategy employed in their prior funds and during their tenure with Ripplewood Holdings.
Insight Partners ("Insight") is a New York-based private equity firm that focuses on small-to-mid cap growth-stage software, software-enabled services, and Internet businesses with the potential for recurring revenue growth. Insight seeks to execute both minority and majority investments alongside the assistance of Insight Onsite, an in-house consulting group comprised of over forty-five dedicated software experts. With over twenty years of industry expertise and consistent returns, Insight has become one of the most tenured software investors in private equity. Insight Partners XI, L.P. ("Insight XI") is targeting $7.25 billion to make equity investments ranging from $10 million to $250 million. The Firm will continue to execute the same strategy employed in their prior funds.
Section V

REQUESTED BOARD ACTION
Recommendation

- TMRS Staff and StepStone Group recommend that the Board of Trustees approve the following funds:

Recommendation:

- Altaris Health Partners Fund V, L.P. $75 million
- One Rock Capital Partners III, L.P. $75 million
- Insight Partners XI, L.P. $100 million
DISCLOSURES

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