



November 18, 2021

To: Board of Trustees

From: David Wescoe, Executive Director

David

Re: Agenda Item 21: Board Education: Role of Specialized Investment Consultant

Pursuant to TMRS' Investment Policy Statement Section IX.B.), the Board hires Specialized Consultants to, among other things, assist in management of the portfolio and provide advice to the Board on specific asset class policies, manager selections, and participate in the due diligence process.

Albourne America is the Board's Specialized Consultant for the Private Equity, Other Public & Private Markets, Real Estate, Hedge Funds, and Private Market Non-Core Fixed Income asset classes. I invited John Claisse, Albourne's CEO, to present an educational overview on the role of specialized investment consultants at the December meeting. His presentation is attached.

ATTACHMENT:

1 – Specialized Consultant Education

Texas Municipal Retirement System ("TMRS") Consulting Services

December 2nd 2021

Dr. John Claisse

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Overview

Albourne is proud to serve the Municipal Employees and Retirees of Texas

Our goal is to empower TMRS to be the best investor it can be

1. We are an **independent, non-discretionary, specialist** Alternatives consultant
2. We provide **Advisory, Research, Fintech** and **Implementation** services
3. We are a **fiduciary** to the **Board** and work as an **extension** of **Staff**

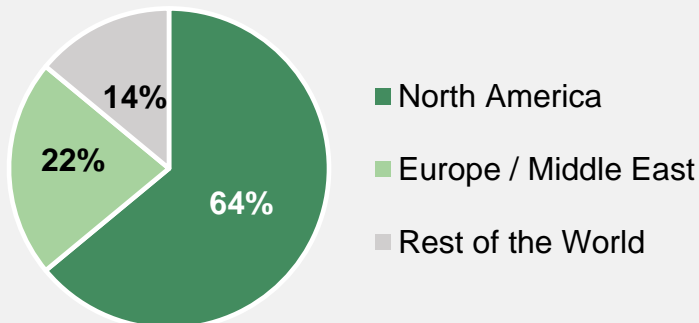
**Our direct engagement with the Board has evolved over time
in-line with the evolution of your investment process**

These changes mirror how we work with your peers

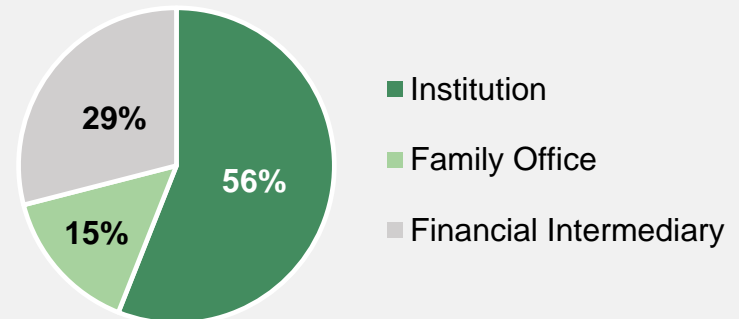
Clients

- >300¹ clients globally
- >\$600bn² in alternatives
- >45 Public Pension Plans
- >20 years advising clients in Texas

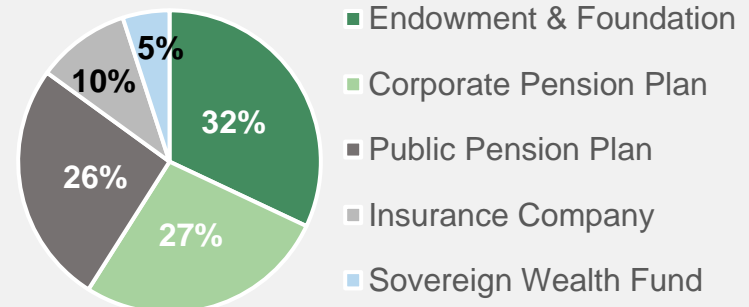
Clients by Region



Clients by Type



Institutions by Type

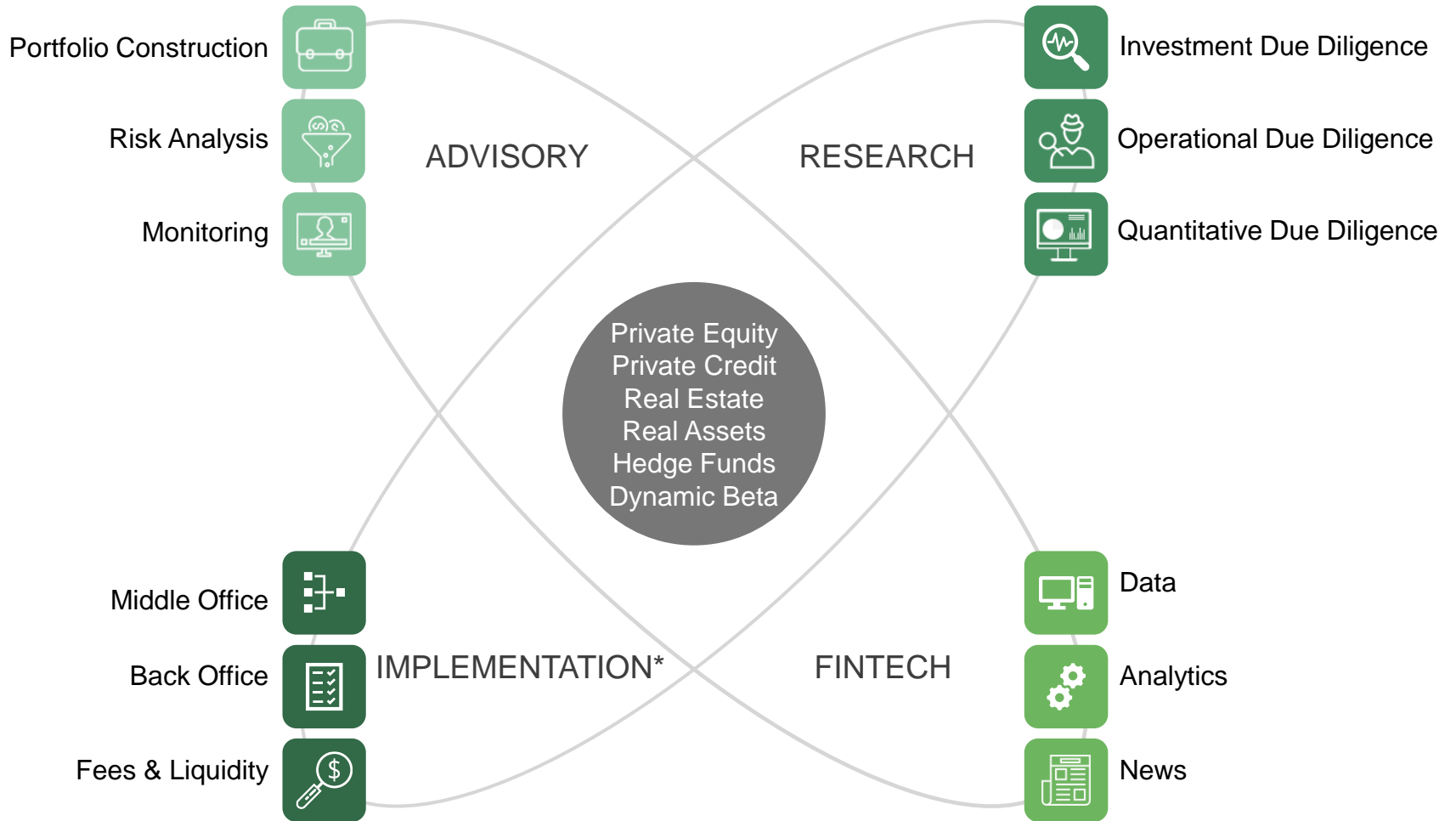


1. The aggregate number of client entities for the Albourne Group worldwide. Clients may be subscribed to multiple services.

2. A conservative aggregation of the estimated investments in alternatives (where known) of Albourne Group clients worldwide, using public sources where possible.

All data as of 1 October 2021

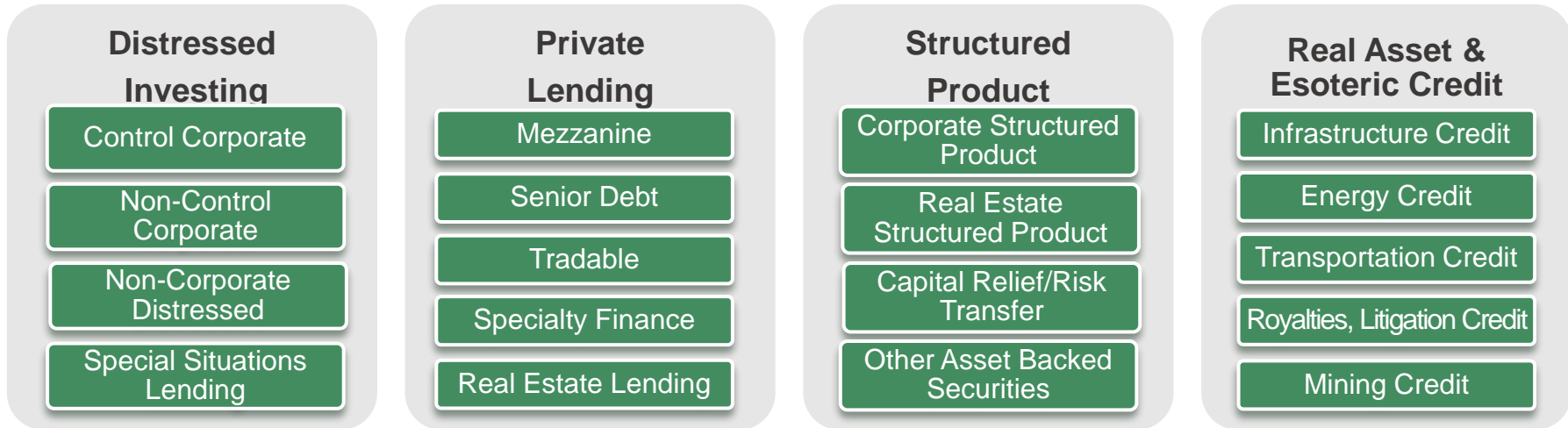
Services



Services: Private Credit Research



Strategy Coverage



Investment Due Diligence

B		4		
Above average		High		
Latest ¹	Previous ²			
B	B			IDD Analyst Assessment
4	3			Conviction
H	H			Expected Alpha
H	N/A			Expected Beta
M	N/A			Expected Risk ³
B	A			Strategy & Investment Process
A	C			Management & Team
B	B			Track Record
B	B			Portfolio
C	B			Terms

Ratings are relative to strategy. ¹Rating date 27 Apr 2015 ²Rating date 5 Jul 2013 ³Expected Risk is a qualitative indicator of the likelihood of long-term principal impairment

Operational Due Diligence

B				
Best or acceptable practices in many areas.				
Latest ¹	Peers ²			
B	B			Manager ODD
B	B			Disclosure
B	B			Manager Organization
A	B			Background Checks
C	B			Compliance Resources & Policy
B	B			Investment Operations
C	B			Infrastructure & Business Continuity

Ratings are relative to industry best practices. ¹Rating date 24 Apr 2020 ²Average rating of 10 managers in the Diversified Asset Manager - Private peer group.

B				
Best or acceptable practices in many areas.				
Latest ⁵	Peers ⁶			
B	B			Fund ODD
B	B			Fund Terms & Governance
C	B			Custody & Counterparties
B	B			Valuation
A	A			Review of Financial Statements

Restricted. Ratings are relative to industry best practices. ⁵Rating date 24 Apr 2020 ⁶Average rating of 81 funds with Global Macro strategy.

Colleagues

519

Total Headcount¹

347

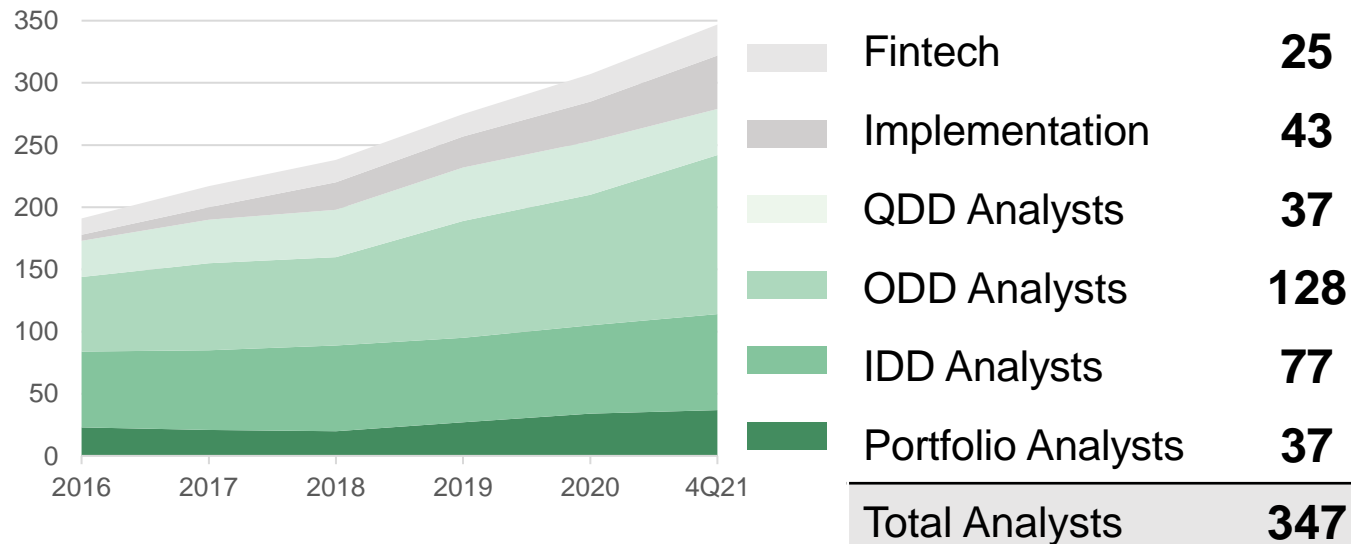
Analysts

11

Offices

48%52%

Female / Male



100%

Owned by Employees²

>60

Share & Option Holders

>115

Partners

>12

Partners' Average Tenure (Years)

Business Model

The core principles of our business have not changed in 27 years

Albourne is committed to:

- Non-discretionary advice
- Fixed-fee pricing
- Independence

We believe in promoting alignment and minimizing conflicts

**Albourne appreciate the opportunity to serve & empower the TMRS Board
to fulfill its fiduciary obligations & achieve its investment objectives**

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