Alternatives Consultant Request for Proposal Recommendation

December 5-6, 2019



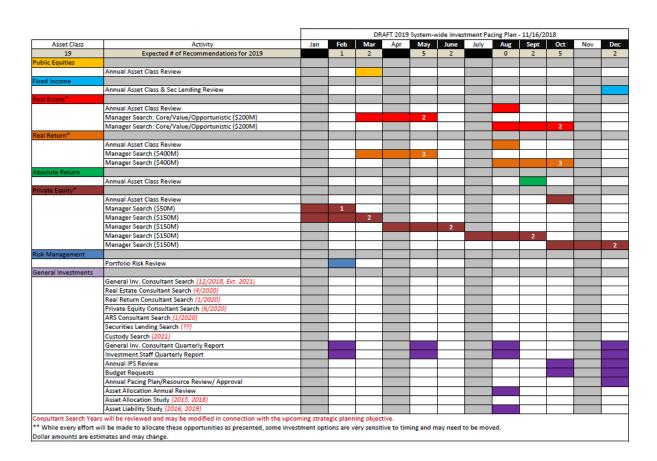
Agenda

- Request for Proposal ("RFP") Process
- Request for Board Action

Section I

REQUEST FOR PROPOSAL ("RFP") PROCESS

RFP Process Approval & Evaluation Team



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

<u>Organizational Categories</u>

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.

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.

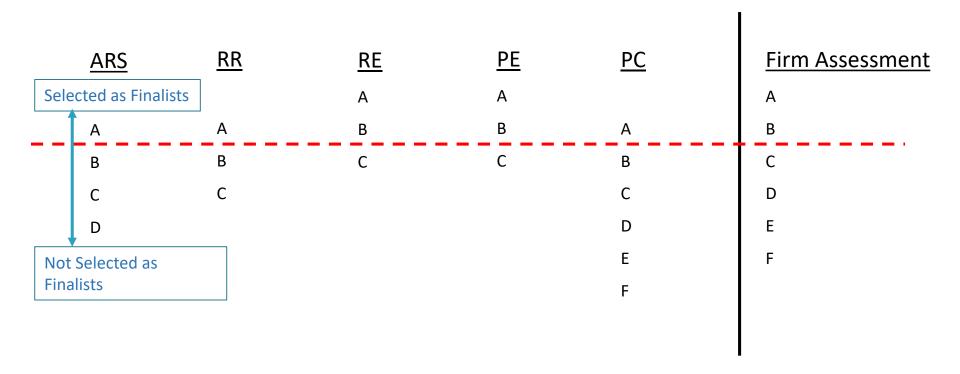
Investment Staff not explicitly on the Evaluation Team were invited to provide input throughout the process.

Respondent Summary

Asset Classes/Services						
Responded to	#1	#2	#3	#4	#5	#6
Absolute Return	Х	Х		Х	Х	
Real Return		Х		Х	Х	
Real Estate		Х		Х		Х
Private Equity		Х		Х		Х
Private Credit	Х	Х	Х	Х	Х	Х

TMRS sent the RFP out to six qualified respondents, receiving responses to the RFP from each*.

Finalists Summary



After progressing through the preliminary due diligence period, finalists were formally selected during Evaluation Team Meeting #2.

Top Candidate Characteristics - Albourne

Albourne is a global, multi-asset class nondiscretionary consultant serving a diverse client base. Albourne has set their business apart from peers by staying true to a nondiscretionary 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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