



Investment Manager Principles

1. Investment managers must be registered as an investment adviser with the SEC, exempt from registration with the SEC, or registered with a foreign regulatory agency.
2. Investment managers must agree to act as fiduciaries and to a standard of care that prohibits placing their or their affiliates' interests ahead of those of TMRS' investment vehicle. Investment manager contracts may not include indemnification or exculpation for breach of fiduciary duty.
3. Texas law must govern issues related to Texas law and regulation, including sovereign immunity and litigation involving only TMRS, and venue must be in Texas for any litigation involving only TMRS.
4. Investment managers must maintain liability and fiduciary insurance coverage.
5. Investment managers must permit communications among investors, subject to reasonable limitations.
6. Investment managers and their affiliates cannot vote on non-ministerial matters, such as self-interested transactions or an increase in fees payable to the manager.
7. Investment managers must agree to TMRS' language regarding compliance with Texas statutes that require public disclosure of certain information pertaining to TMRS investments and access to TMRS' board meetings.
8. Investment managers must agree to provisions permitting TMRS to comply with legislative and regulatory oversight.