

Private Markets The Texas Way

January 2022

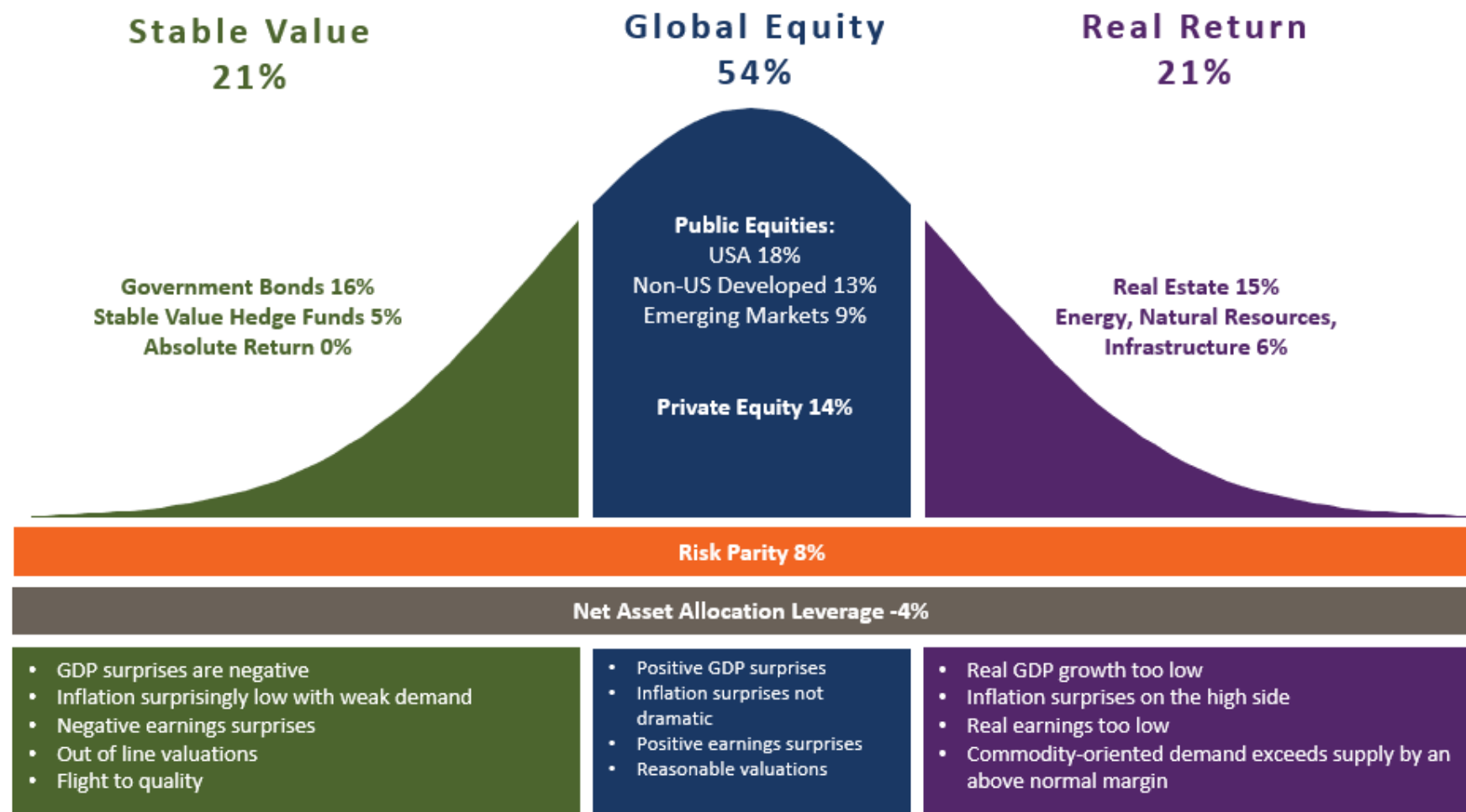


Overview of TRS: History & Mission

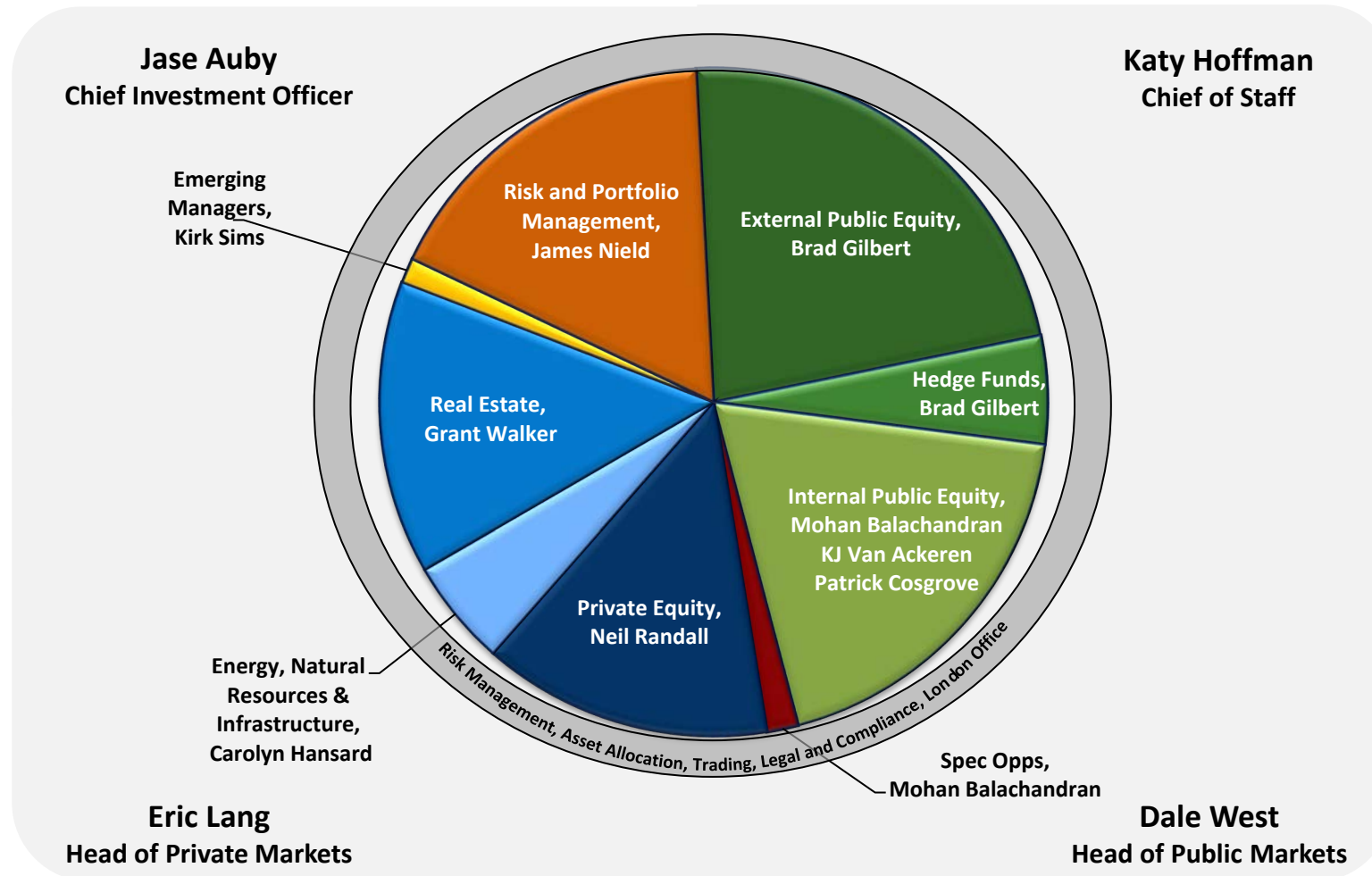
- History
 - Established by State Constitution in 1937
 - Paid out nearly \$11.7 billion of pension benefits in FY 2021
- Mission
 - Improving the retirement security of Texas educators by prudently investing and managing trust assets and delivering benefits that make a positive difference in members' lives
 - Provides retirement and health benefits to over 1.8 million participants
 - One out of every 20 Texans is a member of TRS
- Size
 - Trust Value: \$205 billion as of December 31, 2021
- Return Targets
 - Actuarial target returns of 7.25 % per annum

Overview of TRS: TRS Investment Diversification Framework

The Trust is allocated across the following groups:

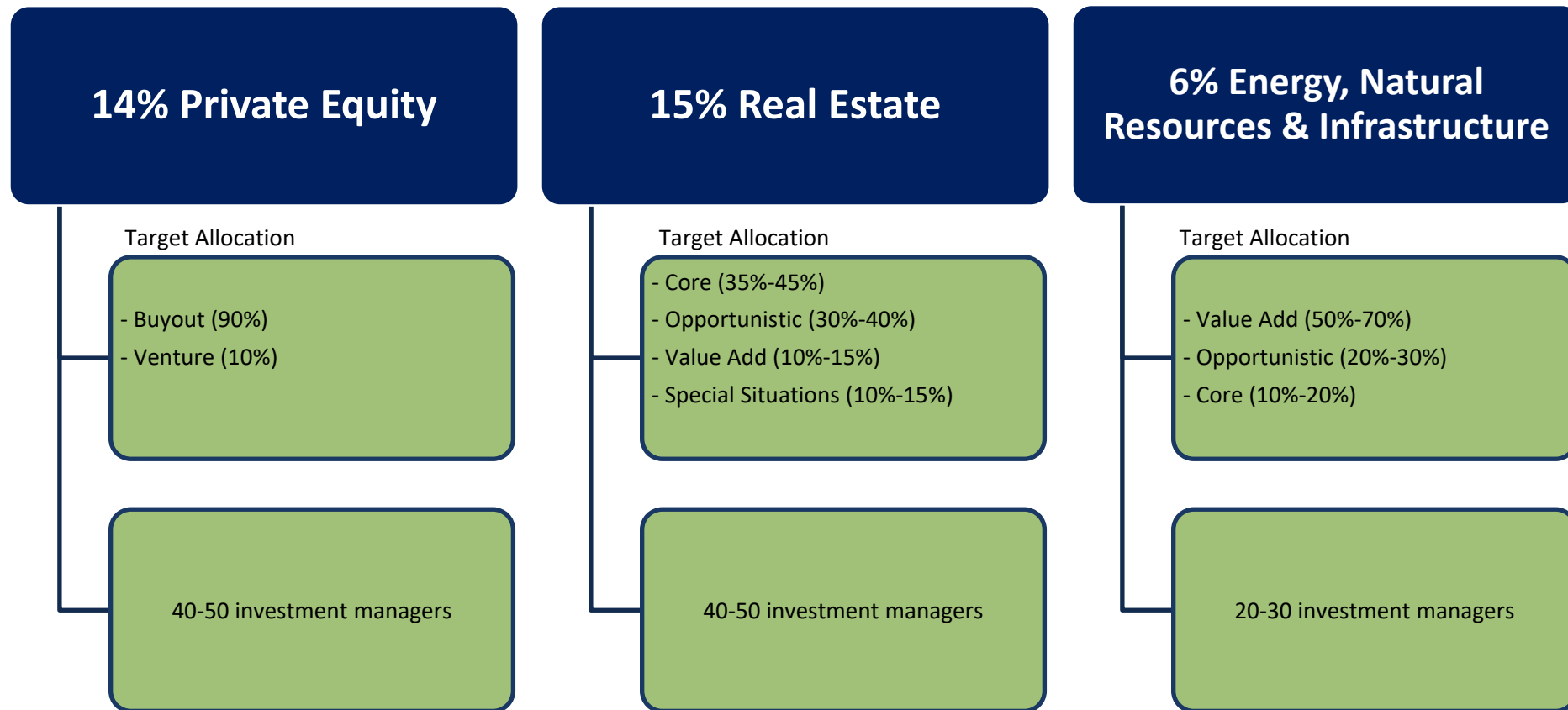


Overview of TRS: Investment Management Division



Private Markets Introduction

Private Equity, Real Estate and Energy, Natural Resources & Infrastructure combined target allocation is 35% of the overall Trust:



Private Markets Philosophy

- **Culture and Team:** Demonstrating the TRS IMD culture through collaboration, openness, candor and meritocracy of ideas. Hire and retain great investors for internal capabilities and work across the Trust
- **World Class Investors through Partnership:** Being the partner of choice for our managers using speed, consistency, predictability, and our people
- **Transparency:** Using improved transparency through reporting and communication both internally and externally
- **Innovate:** Utilizing unique partnership and investment structures. Focus on technology and data. Always evolving
- **Value Driven:** Finding value where others are not looking
- **Industry Leadership:** Maintaining industry leadership roles across all private asset classes

TRICOT

Teacher Retirement Investment Company of Texas (TRICOT London)

TRS opened its London Office in November 2015. The London office demonstrates TRS commitment to the U.K. and European markets and provides:



Vision

To be the preferred destination for all attractive investment opportunities with our partners in Europe



Focus on the European market, not just the UK



Replicate the TRS culture and values, and integrate into the broader Trust



Source and execute accretive investments, and monitor / manage them actively



Mission

To provide alpha, diversification and deep, local market knowledge to the Trust through investing in European markets



Develop strong, meaningful relationships with all market participants

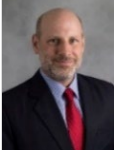

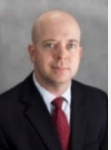





Develop local market knowledge to develop proactive viewpoints and manage risks appropriately










Communicate effectively with Austin HQ and develop a strong feedback loop










Organizational Structure: EPM Leadership, TRICOT, and Data Analytics

<div>  Private Markets 35% of Trust Benchmark Eric Lang Senior Managing Director <i>BBA, UT Austin</i> <i>MBA, University of Houston</i> </div>				
<div>  Private Equity 14% of Trust Benchmark Neil Randall Managing Director <i>BBA, Texas A&M</i> <i>MS, Texas A&M</i> </div>	<div>  Real Estate 15% of Trust Benchmark Grant Walker Senior Director <i>BBA, Baylor</i> <i>MBA, St. Edwards</i> </div>	<div>  ENRI 6% of Trust Benchmark Carolyn Hansard Senior Director <i>BS, UT Austin</i> <i>MBA, UT Austin</i> </div>	<div>  Private Markets Analytics Tim Koek Director <i>BA, Griffith University</i> <i>LLB, Griffith University</i> </div>	<div>  Portfolio Initiatives LeAnn Gola, CPA Portfolio Initiatives Manager <i>BBA, Texas State University</i> <i>MAcy, Texas State University</i> </div>

TRICOT – TRS LONDON

 Kimberly Carey TRICOT Lead Director, RE <i>BBA, Texas A&M</i>	 Justin Wang Investment Manager, PE <i>BBA, UT Austin</i>
 Emerson Halstead Investment Manager, ENRI <i>BS, UT Austin</i> <i>MBA, Indiana University</i> <i>MA, Harvard University</i>	 Mikhael Rawls, CFA Investment Manager <i>BA, Harvard University</i>
 Edward Stroud Associate <i>BA, Washington & Lee University</i>	 Chase Lewis Sr. Analyst <i>BBA, UT Austin</i>
	 Sara Shan Contractor <i>LLB, Middlesex University</i>

PRIVATE MARKETS ANALYTICS AND SUPPORT

 Barbara Woodard, CPA Sr. Associate <i>BBA, Texas A&M</i>	 Jeff Stafford Sr. Associate <i>BS, Pepperdine University, Canberra</i>	 Nikhil Mothukuri Contractor <i>B-Tech, JNTU, India</i> <i>MS, University of Hartford</i>
 Sam Zedan Sr. Analyst <i>BA, University of Illinois</i>	 Alex Huang Analyst <i>BS, New York University</i>	 Roxie Tong Sr. Analyst <i>BS, University of California</i> <i>MS, University of California</i>
 Melissa Kleihege Analyst <i>BS, Texas A&M</i>	 Tyler Kniskern Sr. Analyst <i>BBA, New Mexico State University</i>	 Sienna Hilton Contractor

Organizational Structure: Private Equity



Neil Randall*
Head of Private Equity
Managing Director
BBA/MS, Texas A&M

FUNDS



Scott Ramsower*
Head of Funds
Director
BBA, Texas A&M



Courtney Villalta
Director
BA, St. Edward's



Kaitlin Miles
Investment Manager
BBA, University of Richmond



Caitlyn Macdonald
Investment Manager
BA, Williams College

Layne Johnson
Investment Manager
BA, Yale University

PRINCIPAL INVESTMENTS



Michael Lazorik*
Head of Technology
Director
BBA, UT Austin



Tamara Polewik*
Head of Consumer/ Internet
Director
BA, Dartmouth College
MBA, University of Chicago



Will Carpenter, CFA*
Head of Industrials
Director
BBA, Texas A&M
MS, Texas A&M



Thomas Albright, CFA
Head of Financials
Investment Manager
BA, Dartmouth College

TRICOT (PRIVATE EQUITY)



Justin Wang
Investment Manager
BBA, UT Austin



Mikhael Rawls, CFA
Investment Manager
BA, Harvard University



Travis Gauntt
Sr. Associate
BBA, Texas Christian University
MBA, UT Austin



Heidi Piper
Sr. Associate
BA/BS, McGill University
MBA, NYU Stern
MS, DePaul University

Offer Accepted
Sr. Associate



D'Oncee Brockington
Associate
BBA, UT Austin

Benjamin Bayles
Associate
BA, Washington & Lee University

Stephen Kim
Associate
AB, Brown University



Jake Melville
Sr. Analyst
BA, Denison University

Alexandra Wildeson
Sr. Analyst
BBA, Southern Methodist University



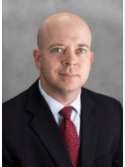




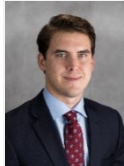



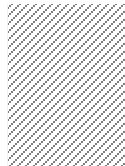
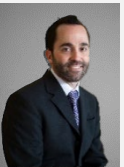




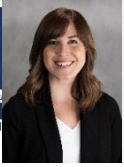
Edward Stroud
Associate
BA, Washington & Lee University

Team members work across Funds & Principal Investments





Beth Booker
Assistant
BA, Ursuline College
MLIS, Kent State University

Organizational Structure: Real Estate

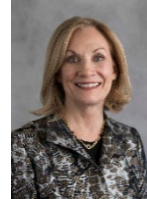
	Grant Walker* Senior Director <i>BBA, Baylor</i> <i>MBA, St. Edwards</i>		Matt Halstead* Director <i>BBA, UT Austin</i> <i>MPA, UT Austin</i>
	Jennifer Wenzel* Director <i>BBA, UT Austin</i>		Elliott Fry, CFA Investment Manager <i>BBA, University of Georgia</i> <i>MBA, Columbia</i>
	Jared Morris, CFA* Director <i>BBA, Texas A&M</i> <i>MS, Texas A&M</i>		Luke Luttrell Associate <i>BBA, Abilene Christian</i> <i>JD/MBA, Texas Tech</i>
	Lucas McNulty Senior Associate <i>BA, Bates College</i> <i>MS, New York University</i>		Ellory Tippen Analyst <i>BA, UT Austin</i>
	Thomas Maguire Senior Analyst <i>BBA, University of Wisconsin - Madison</i>		
	Claudia Harkins Analyst <i>BBA, University of Wisconsin-Madison</i>		
	Craig Rochette, CFA, CAIA* Director <i>BS, University of Arizona</i>		
	Brendan Cooper* Director <i>BA, Carleton College</i> <i>MS, University of Minnesota</i>		
	Catherine Beaudoin Investment Manager <i>BBA, Duke</i>		
	Tucker McCrabb Associate <i>BBA, Babson College</i>		
	Rodney Herenton Analyst <i>BA, Stanford</i>		
	Gracie Marsh Analyst <i>BA, UC Davis</i>		

TRICOT (REAL ESTATE)

	Kimberly Carey Director, TRICOT Lead <i>BA, Texas A&M</i>
	Chase Lewis Senior Analyst <i>BBA, UT Austin</i>

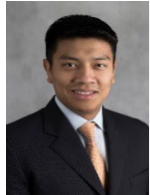
* Real Estate Investment Committee (REIC) members; REIC also includes Eric Lang

Organizational Structure: ENRI



Carolyn Hansard*
Sr. Director
*BS, UT Austin
MBA, UT Austin*

TRICOT (ENRI)



Eric Chang*
Director
BBA, UT Austin



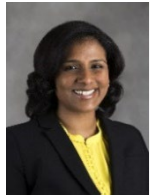
Daniel Judd, CFA*
Director
*BBus, Griffith University
MBA, Bond University*



Ryan Zafereo*
Director
BBA, UT Austin



Emerson Halstead, CFA
Investment Manager
*BS, UT Austin
MBA, Indiana University
Bloomington
MA, Harvard University*

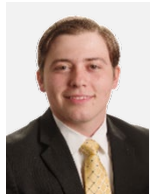


Maddie Kurapati, CFA
Investment Manager
*BS, Osmania University,
India
MS, Stanford University
MBA, UT Austin*



Matt Lenz, CFA
Associate
BBA, UT Austin

**To be announced
Associate**



Emiliano De Leon
Analyst
BBA, UT San Antonio



Andrew Cox
Analyst
*BA, Emory University
MIF, HEC Paris*

**To be announced
Analyst**



Susan White
Junior Analyst
BS, Penn State University

Principal Investment Program

Opportunity for TRS to invest additional capital into individual investments alongside of existing TRS General Partners.

- Fundamental Premises for Principal Investments:
 - Gain in-depth insights into GPs
 - Higher returns than LP commitments to funds
 - Obtain real-time market intelligence
 - Create ability to invest in tactical opportunities
 - Low-cost investment structures

TRS Emerging Manager Program Team



Kirk Sims, CFA
Program Director
Emerging Manager
Program

EM Program Team

Key Partners

Private Markets

Public Markets



Tommy Heitz, CAIA
Associate
Emerging Manager
Program



Olivia Dwan
Admin - Contractor
Emerging Manager
Program / Talent
Management



GROSVENOR

Rock Creek



Charles Phippen
Dedicated GCM Seconded
(Onsite at TRS in Austin)

EM Program Advisors



Jase Auby, CFA
Chief Investment Officer



Scott Ramsower
Director
Private Equity



Carolyn Hansard
Sr. Director
Energy, Infrastructure,
& Natural Resources



Matt Halstead
Director
Real Estate



Michael Ijeh, CAIA
Associate
Public Markets

Emerging Manager Program

Emerging Manager Definition

TRS typically defines emerging managers as those with:

- Assets Under Management
 - › Firms that manage **less than \$3 billion**
- Target Fund Size
 - › **Preference for Funds less than \$1 billion**
- Generation
 - › **Fourth generation** or earlier institutional funds

Asset Classes

The EM Program currently targets the following asset classes:

- Private Equity
- Real Estate
- Energy, Natural Resources, and Infrastructure
- Hedge Funds
- Long Only

Manager Criteria

The EM Program targets managers with, but not limited to, the following attributes:

- Attributable track record within target strategy
- Investment teams with history of working together
- Principals known in the investment community and are positively referenceable
- Availability of co-investment opportunities
- Strategic alignment of interests

Private Markets Investment Focus

- The EM program includes the following types of investments:
 - › Fund commitments
 - › Co-investments
 - › Fundless sponsors
 - › Joint ventures
 - › Seeding arrangements
 - › Secondaries
- Primarily U.S. based investment strategies

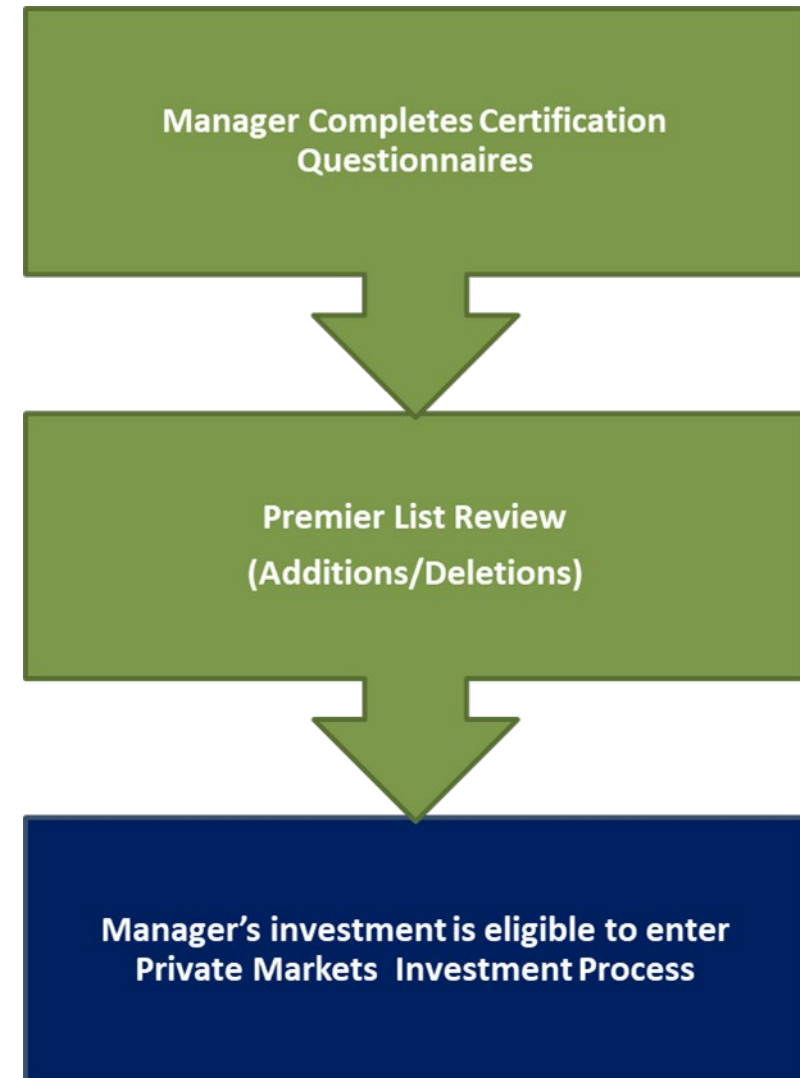
Learn More EmergingManagers@trs.texas.gov

https://www.trs.texas.gov/Pages/investment_team_emerging_managers.aspx

*Emerging Manager definition is applied at the aggregate ownership level.
Fund size and generation apply to private market investments.*

Premier List Process

- Private Markets reviews the Premier List semi-annually
 - Criteria to be considered for the Premier List:
 - Best-in-class manager in terms of performance, partnership quality, openness and transparency
 - Each Premier List manager is analyzed on several categories, subcategories and on additional quantitative and qualitative criteria
 - Manager composition is appropriately aligned to achieve long-term allocation targets by strategy and geography
- TRS may remove a GP from the Premier List for any reason, including the following:
 - Poor performance
 - Bad behavior or bad acts
 - Portfolio change by TRS or strategy change by the GP
 - Succession issues



Private Markets: TRS' Legal Non-Negotiable Items

TRS will not commit to any investment fund which does not adhere to the following legal items:

- Conflicts Regarding TRS Persons: GP must represent and disclose certain conflicts with TRS Persons including with respect to personal or private relationships or interests in the Fund.
- Sovereign Immunity/Indemnification: TRS maintains all the protections of a State of Texas sovereign entity (cannot waive any rights of protections of the State) and maintains its immunity from suit and unlimited liability (except for the obligation to contribute capital). TRS cannot directly indemnify any other party.
- Restricted Securities: TRS is restricted from directly holding certain securities and must report direct and indirect holdings of such securities.
- Ex parte Communications; Political Contributions: GP must make certain representations regarding it or the Fund's lobbying activities or political contribution to Texas elected officials.
- Placement Agent; Placement Fees; Improper Influence Policy: GP must complete the questionnaire and comply with the Policy and the remedies that occur if the GP or its Placement Agent violates the Policy.
- Benefits and Bribery: TRS must comply with state law requirements that prohibits TRS persons from receiving certain benefits or gifts. TRS must also comply with Texas anti-bribery statutes.
- Public Information Act: TRS must comply with state law requirements and its process for addressing public information requests.