



# News Release

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## **EMERGING MANAGER CONFERENCE DRAWS RECORD CROWD OF INVESTORS**

### ***TRS announces new \$1.3B commitment to the emerging manager space***

AUSTIN – A record-breaking 1,000-plus investors turned out for the 2016 Emerging Manager Conference on Wednesday in Austin. The event was sponsored by the Teacher Retirement System of Texas (TRS), the Employees Retirement System of Texas (ERS), GCM Grosvenor and Rock Creek. The conference has grown from just over 100 attendees in 2012 to become the largest emerging manager conference of its kind in the nation. It also marked the 10<sup>th</sup> anniversary of TRS' Emerging Manager Program.

The objective of the 2016 Emerging Manager Conference was to introduce best practices and provide industry-leading insight and advice for emerging managers. The conference provided attendees with an excellent opportunity to learn more about the emerging manager space and to network with peers, institutional investors and consultants.

TRS Board Chairman R. David Kelly led off the conference by welcoming investors from across the nation. He then announced: "In recognition of the continued evolution and ever expanding opportunity in the emerging manager market, TRS is committing an incremental \$1.3 billion (over the next three years) to emerging managers." Kelly added that this capital will be invested with new managers to the TRS program as well as with existing managers in the program who have proven to be deserving of additional and increased support.

Kelly then revealed that, for all private market activities, TRS will enhance its relationship with GCM Grosvenor. "We hope to leverage Grosvenor's market coverage to source managers, their robust analytical capabilities and their comprehensive due diligence, so TRS can concentrate its efforts on selecting managers that provide the greatest return given our strategy," Kelly explained. "We believe this will be a more streamlined process, reduce the churn of going back and forth, and provide us with an ability to commit larger dollars and grow with proven managers." Kelly said that TRS intends to structure a platform where it will direct, review, approve, or veto all recommendations put forth once Grosvenor has executed the other stages of the investment process.

Richard Fisher, president and chief executive officer of the Federal Reserve Bank of Dallas from 2005 – 2015, followed Kelly as the conference keynote speaker. TRS Chief Investment Officer Britt Harris, ERS Chief Investment Officer Tom Hull and a number of prominent investors also spoke at the conference. Conference moderators included TRS Managing Director Eric Lang, Private Markets; Robert Smith, founder, chairman and CEO of Vista Equity Partners; Afsaneh Beschloss, chief executive officer of the Rock Creek Group; Kelly Williams, senior advisor of GCM Grosvenor; Siddarth Suddhir, managing director of the Rock Creek Group; Peter Braffman, managing director of the GCM Customized Fund Investment Group; and Meredith Jones, AON HEK.

The TRS Board of Trustees created the Emerging Manager Program to ensure that emerging managers who met TRS' investment standards could receive a capital allocation. In 2011, trustees established a December 2018 target fund level goal of \$1.65 billion NAV, and the fund is on track to meet that target.

Under the direction of TRS Deputy Chief Investment Officer Jerry Albright, the program was expanded to include the major asset classes: private equity, real estate, energy and natural resources, as well as public equity (long only and hedge funds). In addition, TRS formed a dedicated and cohesive team of talented investment professionals to focus solely on the success of the TRS Emerging Manager Program. Sylvia Bell, managing director of the Emerging Manager Program for TRS, and her team coordinated the conference.

"We are pleased with our success in finding good managers to help the program grow," said Bell. "We have a commitment to transitioning managers from their first allocation through a bridge allocation to core manager status and 'Master Trust level' allocations. To date, over \$1.4 billion in core allocations are managed by firms that started in our Emerging Manager Program and who have demonstrated proven and continued success."

TRS' program has been recognized by the Robert Toigo Foundation, the Association of Asian American Investment Managers, and numerous others for its leadership and accomplishments.

TRS delivers retirement and related benefits that have been authorized by the Texas Legislature, and manages an approximately \$125.3 billion trust fund established to finance member benefits. More than 1.4 million public education and higher education employees and retirees participate in the system.

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