



TEXAS PENSION REVIEW BOARD

INVESTMENT COMMITTEE MEETING

MAY 2, 2024

TEXAS PENSION REVIEW BOARD

P.O. BOX 13498

AUSTIN, TX 78711-3498

(512) 463-1736

WWW.PRB.TEXAS.GOV



**TEXAS PENSION REVIEW BOARD
INVESTMENT COMMITTEE MEETING AGENDA**

Thursday, May 2, 2024 – 10:00 AM

Capitol Extension, Committee Room E2.030

1100 N. Congress Avenue, Austin, TX, 78701

Committee members may attend this meeting by videoconference pursuant to Texas Government Code §551.127. One or more committee members, including the presiding officer, will be physically present at the physical location of the meeting listed above. The meeting will be accessible to the public at the physical location listed above. The public may access the meeting virtually by joining via the Zoom link: <https://us02web.zoom.us/j/83725414203>. A livestream of this meeting, agenda materials of the meeting, and a recording of the meeting will be made available at www.prb.texas.gov.

1. Meeting called to order
2. Roll call of committee members
3. Consideration and possible action to approve November 21, 2023, meeting minutes
4. Invitation for public comment
5. Revised investment data report
6. Status report on Investment Practices and Performance Evaluations and PRB Investment Performance Report
7. Investment policy statement guidelines, guidance, and tools
 - a. Stakeholder feedback
 - b. Staff recommendations
8. Preliminary proposed revision of 40 T.A.C. Chapter 609, Public Retirement System Investment Expense Reporting rules
9. Future meetings: Agenda items, dates, locations, and related matters
10. Adjournment

NOTE: The committee may go into closed session concerning any item on this agenda as authorized under the Texas Open Meetings Act, Government Code, Chapter 551. Persons with disabilities who plan to attend this meeting and who may need special assistance are requested to contact Lindsay Seymour at (512) 463-1736 as far in advance as possible, but no less than three business days prior to the meeting date so that appropriate arrangements can be made.

How to provide public comment: Members of the public who wish to provide public comment to the committee may attend the meeting in person at the address above or register for the meeting using the Zoom link provided above. If you wish to provide comment remotely by Zoom, you must contact Lindsay Seymour (lindsay.seymour@prb.texas.gov) no later than Wednesday, May 1, 2024. Note that public comments will be limited to no more than three minutes.

Item 3: November 21, 2023, meeting minutes





**Investment Committee Meeting Minutes
November 21, 2023**

1. Meeting called to order (0:21)

The Pension Review Board Investment Committee was called to order Tuesday, November 21, 2023, at 2:00 p.m. in the William P. Clements building, room 402, 300 W. 15th Street, Austin, Texas, 78701.

2. Roll call of committee members (0:33)

Board members present:

Christopher Zook, Chair
Rob Ries

Board members absent:

Chris Gonzales

A quorum being present, the meeting was called to order by Chair Zook.

3. Administrative matters (0:48)

a. Consideration and possible action to approve July 14, 2022, meeting minutes

Chair Zook entertained a motion to suspend reading the minutes of the July 14, 2022, committee meeting and approve them as provided.

The motion was made by Mr. Ries and seconded by Mr. Zook.

The motion passed unanimously.

4. Public comment (1:09)

There were no public comments.

5. Investment data report draft (1:30)

Robert Munter explained that data used for the report was compiled of systems' investment returns and previously reported investment expenses, combined with new SB 322 (86R) investment expense reporting. Mr. Munter noted that there is no current requirement that systems report quarterly investment data. The draft investment data report tables included:

- Investment data returns and expenses report
- Investment data asset class and expenses report
- Investment data services report

Mr. Munter and the committee discussed how systems report profit-sharing for alternative investment returns. The committee discussed how the data could be presented in future reports.

6. Investment Policy Statements (22:03)

Mr. Munter reminded the committee that staff had been tasked to develop guidelines on investment matters as laid out under Section 802.109, Texas Government Code. He stated that staff analyzed and compiled best practices and discussed the following items.

a. Guidelines

- Use a combination of Government Finance Officers Association and Chartered Financial Analyst Institute best practices
- Take into consideration funding policy, investment practices, and benefits policies
- Combine information from best practices, expert recommendations found in Investment Practice and Performance Evaluation reports, and governing statutes

b. Guidance

- Elaborates on identified industry best practices
- Serves as a resource for constructing policies

c. Tools and Templates

- Tool is useful for evaluating current investment policy statement documents periodically
- Example policy provides a starting point in drafting a document specific to a system's needs

Mr. Munter and the committee discussed how the PRB collected data and best practices for evaluating an investment policy statement. Mr. Munter explained that the PRB planned to provide continuing education on these topics once finalized, but currently staff is accepting feedback from stakeholders until January 19, 2024.

7. Future meetings: agenda items, dates, locations, and other arrangements (43:45)

Chair Zook announced that the next Investment Committee meeting will be held in April 25, 2024, at 10 a.m. with the location to be decided. The next full board meeting will be held March 6, 2024, at 10 a.m. with the location to be decided.

8. Adjournment (44:25)

The meeting was adjourned at 2:44 p.m.

Members of the public in attendance:

John Posey- Legislative Budget Board

PRB staff in attendance:

Amy Cardona	David Fee	Mariah Miller	Noah Jones
Ashley Rendon	Robert Munter	Wes Allen	Jasmin Loomis
Bryan Burnham	Tamara Aronstein	Lindsay Seymour	

Christopher Zook, Chair

Item 5: Revised investment data report draft

Robert Munter



Revised Investment Data Report Draft

- Updates requested in previous meetings:
 1. Adjust table order based on one or two key metrics
 - ✓ Completed
 2. Add color coding for important metrics
 - ✓ Completed
 3. Graphs-split Texas average fees into management fees and all-in fees
 - Plan to deploy to data center by summer
 4. Add other metrics (liquidity, quarterly data, etc.)
 - In progress



Investment Data Accessibility

- Investment expense graphs targeting June/July deployment to data center
 - Individual investment expenses
 - Peer group investment expenses
 - Texas aggregate investments
- Data center updates to access investment expense data and other requested data



Future Updates

- Investment priorities:

- Data Center:**

- 1. Make all reported investment data available.
 2. Update investment graphs.

- Reporting:**

- 1. Implement tracking of new investment metrics in report.
 2. Include analysis and trends with investment data report.



Investment Data Returns and Expenses Report
May 2, 2024
(Dollars in Millions) (Fees as Percent of Net Total Assets)

System	Fiscal Year End	Net Total Assets	Funded Ratio	Investment Return Assumption	1-Year Net Return	3-Year Net Return	10-Year Net Return	SB 322 Total Direct & Indirect Expenses	SB 322 Total Investment Expense	Annual Audit Investment Expense	10YR Return Vs Assumption
Nacogdoches County Hospital District	6/30/2021	\$51	82.50%	4.99%	22.63%	10.44%	8.87%	N/A	N/A	0.00%	3.88%
Law Enforcement & Custodial Off Sup. Ret. Fund	8/31/2022	\$1,042	43.38%	7.00%	-1.59%	9.66%	8.30%	0.85%	0.86%	0.15%	3.85%
Judicial Retirement System of Texas Plan Two	8/31/2022	\$566	78.65%	7.00%	-1.59%	9.66%	8.30%	0.85%	0.86%	0.13%	2.53%
Houston Municipal Employees Pension System	6/30/2023	\$4,072	71.46%	7.00%	6.00%	15.52%	9.27%	1.08%	1.16%	0.24%	2.27%
Amarillo Firemen's Relief & Retirement Fund	12/31/2022	\$218	90.80%	7.50%	-14.66%	6.93%	9.28%	0.28%	0.32%	0.32%	1.78%
Harris County Hospital District Pension Plan	12/31/2022	\$821	70.46%	5.75%	-16.58%	3.23%	7.35%	0.24%	0.30%	0.00%	1.60%
Guadalupe Regional Medical Center	12/31/2022	\$94	90.31%	6.75%	-15.09%	3.48%	8.12%	0.19%	0.23%	0.08%	1.37%
Sweeny Community Hospital	12/31/2022	\$3	82.96%	5.75%	-16.69%	1.72%	7.08%	0.19%	0.23%	0.09%	1.33%
Houston Police Officers' Pension System	6/30/2023	\$7,208	91.34%	7.00%	7.80%	12.00%	8.30%	2.20%	2.21%	0.11%	1.30%
Teacher Retirement System of Texas	8/31/2022	\$184,186	75.62%	7.00%	-6.72%	7.73%	8.14%	1.25%	1.34%	0.14%	1.14%
Citizens Medical Center	2/28/2023	\$140	108.49%	6.75%	-6.75%	7.21%	7.81%	0.17%	0.21%	0.08%	1.06%
Denton Firemen's Relief & Retirement Fund	12/31/2022	\$137	89.80%	6.75%	-4.62%	7.88%	7.76%	0.14%	0.32%	0.26%	1.01%
Employees Retirement System of Texas	8/31/2023	\$34,050	70.95%	7.00%	6.72%	9.63%	7.99%	0.66%	0.68%	0.11%	0.99%
University Health System Pension Plan	12/31/2022	\$527	71.60%	7.00%	-11.99%	5.65%	7.92%	0.49%	0.58%	0.29%	0.92%
Texas County & District Retirement System	12/31/2022	\$41,969	N/A	7.50%	-5.80%	8.29%	8.27%	0.79%	0.82%	0.12%	0.77%
City of El Paso Employees Retirement Trust	8/31/2022	\$908	81.20%	7.25%	-5.27%	9.10%	7.91%	0.55%	0.60%	0.27%	0.66%
Houston Firefighters' Relief & Retirement Fund	6/30/2023	\$5,109	98.87%	7.25%	4.11%	11.61%	7.86%	0.98%	1.16%	0.18%	0.61%
Plano Retirement Security Plan	12/31/2022	\$186	92.83%	6.75%	-15.19%	3.90%	7.29%	0.34%	0.40%	0.22%	0.54%
San Antonio Metropolitan Transit Retirement Plan	9/30/2023	\$338	65.96%	7.00%	10.10%	4.74%	7.48%	0.44%	0.47%	0.46%	0.48%
Galveston Wharves Pension Plan	12/31/2022	\$13	79.84%	7.25%	-17.44%	2.54%	7.72%	0.81%	0.81%	0.52%	0.47%
Dallas Co. Hospital Dist. Retirement Income Plan	12/31/2022	\$1,427	66.11%	6.00%	-13.90%	2.97%	6.39%	0.38%	0.42%	0.24%	0.39%
Travis County ESD #6 FRRF	12/31/2022	\$40	81.90%	6.50%	-14.83%	3.22%	6.81%	0.49%	0.73%	0.33%	0.31%
Austin Fire Fighters Relief & Retirement Fund	12/31/2022	\$1,116	80.00%	7.30%	-10.78%	5.80%	7.57%	0.60%	0.63%	0.31%	0.27%
Capital MTA Admin Employees	12/31/2022	\$48	72.42%	6.75%	-14.86%	3.32%	7.02%	0.35%	0.62%	0.09%	0.27%
JPS - Tarrant County Hospital District	9/30/2022	\$370	86.20%	6.75%	-16.41%	2.94%	7.01%	0.33%	0.38%	0.10%	0.26%
Employees of Brownsville Navigation District	12/31/2022	\$9	87.76%	6.00%	-12.80%	3.94%	6.24%	1.02%	1.02%	1.02%	0.24%
CPS Energy Pension Plan	12/31/2022	\$1,919	81.62%	7.00%	-10.51%	4.19%	7.24%	0.63%	0.66%	0.31%	0.24%
Northwest Texas Healthcare System Retirement Plan	9/30/2022	\$19	86.85%	6.00%	-12.61%	4.79%	5.95%	0.19%	0.28%	0.28%	-0.05%
Denison Firemen's Relief & Retirement Fund	12/31/2022	\$20	73.50%	7.50%	-17.61%	2.20%	7.41%	0.22%	0.72%	0.50%	-0.09%
DFW Airport Board DPS	12/31/2022	\$254	82.19%	7.00%	-6.20%	5.60%	6.90%	0.70%	0.70%	0.65%	-0.10%
DFW Airport Board	12/31/2022	\$587	80.11%	7.00%	-6.30%	5.60%	6.90%	0.66%	0.66%	0.66%	-0.10%
El Paso Firemen's Pension Fund	12/31/2022	\$684	75.76%	7.75%	-10.32%	5.01%	7.45%	0.61%	0.65%	0.28%	-0.30%
El Paso Police Pension Fund	12/31/2022	\$979	75.18%	7.75%	-10.32%	5.01%	7.45%	0.61%	0.65%	0.26%	-0.30%
Colorado River Municipal Water Dist.	12/31/2022	\$6	64.81%	5.75%	-15.82%	0.70%	5.44%	0.78%	1.45%	0.00%	-0.31%
Port of Houston Authority Retirement Plan	7/31/2023	\$201	91.84%	6.00%	7.01%	5.87%	5.64%	0.50%	0.66%	0.22%	-0.36%
Irving Firemen's Relief & Retirement Fund	12/31/2022	\$242	82.90%	7.00%	-9.90%	2.80%	6.60%	0.36%	0.46%	0.14%	-0.40%

System	Fiscal Year End	Net Total Assets	Funded Ratio	Investment Return Assumption	1-Year Net Return	3-Year Net Return	10-Year Net Return	SB 322 Total Direct & Indirect Expenses	SB 322 Total Investment Expense	Annual Audit Investment Expense	10YR Return Vs Assumption
DART Employees	9/30/2022	\$183	75.59%	6.64%	-12.01%	4.97%	6.17%	0.29%	0.53%	0.37%	-0.47%
Dallas Employees' Retirement Fund	12/31/2022	\$3,516	54.07%	7.25%	-8.38%	3.92%	6.65%	0.54%	0.56%	0.55%	-0.60%
San Antonio Fire & Police Pension Fund	12/31/2022	\$3,586	80.08%	7.25%	-10.60%	4.60%	6.60%	1.19%	1.22%	0.41%	-0.65%
Houston MTA Workers Union Pension Plan	12/31/2022	\$291	64.26%	6.25%	-14.10%	2.40%	5.60%	0.26%	0.37%	0.29%	-0.65%
Fort Worth Employees' Retirement Fund	9/30/2022	\$2,504	49.69%	7.00%	-8.80%	5.41%	6.35%	1.00%	1.08%	0.23%	-0.65%
Fort Worth Employees' Retirement Fund Staff Plan	9/30/2022	\$8	69.41%	7.00%	-8.67%	5.41%	6.35%	1.00%	1.08%	0.22%	-0.65%
Lubbock Fire Pension Fund	12/31/2022	\$240	68.90%	7.50%	-4.72%	7.10%	6.79%	0.72%	0.78%	0.07%	-0.71%
Austin Employees' Retirement System	12/31/2022	\$2,960	50.30%	6.75%	-15.58%	1.86%	6.02%	0.28%	0.31%	0.19%	-0.73%
Corpus Christi Regional Transportation Authority	12/31/2022	\$43	79.41%	7.00%	-14.71%	3.26%	6.26%	0.59%	0.59%	0.00%	-0.74%
Texas Municipal Retirement System	12/31/2022	\$35,600	N/A	6.75%	-7.35%	4.02%	5.93%	1.31%	1.33%	0.08%	-0.82%
Houston MTA Non-Union Pension Plan	12/31/2022	\$177	56.49%	6.25%	-14.00%	2.30%	5.40%	0.28%	0.31%	0.31%	-0.85%
Texas Emergency Services Retirement System	8/31/2022	\$124	75.20%	7.50%	-13.21%	4.75%	6.62%	0.62%	0.75%	0.42%	-0.88%
Beaumont Firemen's Relief & Retirement Fund	12/31/2022	\$104	40.65%	7.50%	-15.56%	3.69%	6.60%	0.67%	0.78%	0.62%	-0.90%
Wichita Falls Firemen's Relief & Retirement Fund	12/31/2022	\$51	41.46%	7.50%	-14.21%	4.10%	6.59%	0.92%	0.97%	0.84%	-0.91%
Austin Police Retirement System	12/31/2022	\$933	55.21%	7.25%	-11.54%	5.14%	6.27%	0.83%	0.88%	0.21%	-0.98%
Brazos River Authority Retirement Plan	2/28/2023	\$22	70.34%	6.50%	-6.33%	6.55%	5.51%	0.49%	0.65%	0.00%	-0.99%
Guadalupe-Blanco River Authority	12/31/2022	\$32	79.60%	6.25%	-16.19%	2.32%	5.24%	0.15%	0.26%	0.00%	-1.01%
Tyler Firefighters' Relief & Retirement Fund	12/31/2022	\$75	64.05%	7.00%	-14.35%	3.03%	5.90%	0.54%	0.76%	0.76%	-1.10%
Irving Supplemental Benefit Plan	12/31/2022	\$99	90.18%	6.75%	-13.93%	3.39%	5.49%	0.45%	0.53%	0.40%	-1.26%
Texarkana Firemen's Relief & Retirement Fund	12/31/2022	\$37	75.50%	7.50%	-12.81%	3.89%	6.07%	0.57%	0.66%	0.57%	-1.43%
Port Arthur Firemen's Relief & Retirement Fund	12/31/2022	\$49	65.10%	7.25%	-16.85%	1.01%	5.81%	0.55%	0.71%	0.71%	-1.44%
Corpus Christi Fire Fighters' Retirement System	12/31/2022	\$166	55.30%	7.25%	-14.20%	2.20%	5.78%	0.54%	0.64%	0.29%	-1.47%
Cleburne Firemen's Relief & Retirement Fund	12/31/2022	\$23	55.21%	7.35%	-10.83%	4.22%	5.86%	0.22%	0.78%	0.54%	-1.49%
Corsicana Firemen's Relief & Retirement Fund	12/31/2022	\$11	55.40%	7.00%	-15.16%	5.52%	5.41%	0.46%	0.46%	0.46%	-1.59%
Galveston Employees' Retirement Fund	12/31/2022	\$59	70.08%	7.25%	-16.71%	1.81%	5.65%	0.40%	0.46%	0.18%	-1.60%
Anson General Hospital	6/30/2023	\$1	93.75%	6.00%	4.44%	-0.47%	4.31%	0.17%	0.21%	0.06%	-1.69%
Lower Colorado River Authority Retirement Plan	12/31/2022	\$426	66.40%	7.00%	-14.40%	3.40%	5.10%	0.43%	0.43%	0.43%	-1.90%
Big Spring Firemen's Relief & Retirement Fund	12/31/2022	\$14	57.10%	7.75%	-15.56%	2.49%	5.80%	0.70%	0.96%	0.21%	-1.95%
Harlingen Firemen's Relief & Retirement Fund	9/30/2022	\$34	56.00%	7.75%	-14.50%	2.90%	5.80%	0.90%	1.01%	0.58%	-1.95%
Conroe Fire Fighters' Retirement Fund	12/31/2022	\$37	53.60%	7.25%	-13.46%	3.83%	5.28%	0.54%	0.59%	0.59%	-1.97%
Greenville Firemen's Relief & Retirement Fund	12/31/2022	\$14	37.20%	7.25%	-14.82%	1.56%	5.23%	0.41%	0.69%	0.69%	-2.02%
San Angelo Firemen's Relief & Retirement Fund	12/31/2022	\$69	46.96%	7.80%	-14.39%	1.42%	5.73%	0.55%	0.73%	0.40%	-2.07%
Temple Firemen's Relief & Retirement Fund	9/30/2022	\$47	64.55%	7.75%	-14.21%	4.37%	5.67%	0.85%	1.01%	0.19%	-2.08%
Marshall Firemen's Relief & Retirement Fund	12/31/2022	\$8	33.69%	7.25%	-15.28%	1.09%	5.12%	0.81%	0.81%	0.81%	-2.13%
Lufkin Firemen's Relief & Retirement Fund	12/31/2022	\$21	46.80%	7.25%	-15.03%	1.47%	5.07%	0.43%	0.68%	0.51%	-2.18%
Refugio County Memorial Hospital	10/31/2022	\$2	88.11%	6.00%	-14.91%	3.93%	3.82%	0.56%	1.12%	0.00%	-2.18%
Galveston Employees' Retirement Plan for Police	12/31/2022	\$23	38.58%	7.00%	-14.06%	1.72%	4.81%	0.40%	0.40%	0.26%	-2.19%
Atlanta Firemen's Relief & Retirement Fund	12/31/2022	\$4	66.32%	7.00%	-15.18%	1.10%	4.79%	0.65%	0.87%	0.66%	-2.21%

System	Fiscal Year End	Net Total Assets	Funded Ratio	Investment Return Assumption	1-Year Net Return	3-Year Net Return	10-Year Net Return	SB 322 Total Direct & Indirect Expenses	SB 322 Total Investment Expense	Annual Audit Investment Expense	10YR Return Vs Assumption
Laredo Firefighters Retirement System	9/30/2022	\$180	54.60%	7.40%	-16.13%	3.32%	5.18%	0.71%	0.79%	0.21%	-2.22%
Galveston Firefighter's Relief & Retirement Fund	12/31/2022	\$49	58.50%	7.50%	-15.12%	1.98%	5.25%	0.40%	0.76%	0.54%	-2.25%
Killeen Firemen's Relief & Retirement Fund	9/30/2022	\$54	66.22%	7.25%	-14.98%	3.54%	4.98%	0.86%	0.96%	0.26%	-2.27%
University Park Firemen's Relief & Retirement Fund	12/31/2022	\$11	39.40%	7.25%	-15.08%	1.25%	4.97%	0.50%	0.79%	0.79%	-2.28%
Orange Firemen's Relief & Retirement Fund	12/31/2022	\$8	48.26%	7.75%	-17.19%	2.27%	5.41%	0.53%	0.91%	0.00%	-2.34%
Weslaco Firemen's Relief & Retirement Fund	9/30/2022	\$15	70.20%	7.25%	-12.01%	3.16%	4.88%	0.08%	0.64%	0.60%	-2.37%
Waxahachie Firemen's Relief & Retirement Fund	9/30/2022	\$19	63.00%	7.00%	-23.49%	-0.05%	4.48%	0.80%	0.93%	0.21%	-2.52%
Brownwood Firemen's Relief & Retirement Fund	12/31/2022	\$5	39.14%	7.00%	-18.92%	0.70%	4.45%	1.22%	2.12%	0.90%	-2.55%
Sweetwater Firemen's Relief & Retirement Fund	12/31/2022	\$8	35.06%	7.50%	-15.61%	1.03%	4.88%	0.47%	0.87%	0.63%	-2.62%
Odessa Firemen's Relief & Retirement Fund	12/31/2022	\$44	33.97%	7.00%	-12.84%	5.55%	4.36%	1.35%	1.50%	1.20%	-2.64%
Longview Firemen's Relief & Retirement Fund	12/31/2022	\$86	59.85%	7.50%	-11.80%	3.95%	4.79%	0.58%	0.68%	0.58%	-2.71%
McAllen Firemen's Relief & Retirement Fund	9/30/2022	\$53	59.50%	7.50%	-18.14%	1.51%	4.79%	1.56%	1.96%	0.72%	-2.71%
Midland Firemen's Relief & Retirement Fund	12/31/2022	\$81	26.89%	7.00%	-10.79%	2.20%	4.29%	N/A	N/A	0.62%	-2.71%
San Benito Firemen Relief & Retirement Fund	9/30/2022	\$4	59.20%	7.50%	-12.85%	2.24%	4.72%	0.79%	1.29%	1.05%	-2.78%
Plainview Firemen's Relief & Retirement Fund	12/31/2022	\$7	37.69%	7.50%	-16.22%	0.96%	4.71%	0.46%	1.08%	0.88%	-2.79%
Texas City Firemen's Relief & Retirement Fund	12/31/2022	\$15	38.36%	7.25%	-15.49%	1.04%	4.32%	0.39%	0.67%	0.45%	-2.93%
Capital MTA Bargaining	12/31/2022	\$34	53.77%	6.50%	-18.39%	2.05%	3.55%	0.26%	0.51%	0.37%	-2.95%
Arlington Employees Deferred Income Plan	6/30/2023	\$3	99.66%	5.00%	1.74%	-1.00%	1.93%	0.79%	0.79%	0.00%	-3.07%
Abilene Firemen's Relief & Retirement Fund	9/30/2022	\$52	40.51%	7.50%	-16.63%	1.57%	4.36%	0.48%	0.69%	0.41%	-3.14%
Paris Firefighters' Relief & Retirement Fund	12/31/2022	\$16	101.39%	7.25%	-16.02%	1.04%	3.57%	0.23%	0.31%	0.31%	-3.68%
Dallas Police & Fire Pension System-Combined Plan	12/31/2022	\$1,807	34.38%	6.50%	-2.20%	1.50%	2.00%	0.64%	0.80%	0.48%	-4.50%
Dallas Police & Fire Pension System-Supplemental	12/31/2022	\$17	38.64%	6.50%	-2.20%	1.50%	2.00%	0.65%	0.81%	0.48%	-4.50%
The Woodlands Firefighters' Retirement System	12/31/2022	\$56	102.05%	7.00%	-15.43%	4.50%	N/A	0.34%	0.45%	0.28%	N/A
El Paso Firemen & Policemen's Pension Staff Plan	12/31/2022	\$1	110.63%	7.75%	-10.32%	5.01%	N/A	0.62%	0.66%	0.19%	N/A
Lower Neches Valley	12/31/2022	\$12	60.47%	6.50%	-16.22%	3.00%	N/A	0.31%	0.31%	0.27%	N/A
Supplemental Retirement Plan of University Medical Center	8/31/2023	\$5	77.25%	4.00%	1.31%	N/A	N/A	0.00%	0.24%	0.24%	N/A

Summary Investment Returns and Expenses Report
May 2, 2024

Summary of Key Statistics

10YR Return Vs Assumption

	Current Report	
	5/2/2024	Cummulative
>2%	4	4
>1%, <2%	8	12
>0%, <1%	15	27
<0%, >-1%	25	52
<-1%, >-2%	14	66
<-2%	30	96
N/A	4	100
Total Plans Registered	100	100

Investment Return Assumption Rates

	Current Report	
	5/2/2024	Cummulative
> 7.50%, < 8.00%	8	8
7.50%	15	23
> 7.00%, < 7.50%	21	44
7.00%	23	67
> 6.50%, < 7.00%	10	77
<= 6.50%	23	100
Total Plans Registered	100	100

SB 322 Total Investment Expense

	Current Report	
	5/2/2024	Cummulative
>2%	2	2
>1.25%, <2%	6	8
>1%, <1.25%	10	18
>0.75%, <1%	24	42
>0.5%, <0.75%	31	73
<0.5%	25	98
Total Plans Registered	100	98

Investment Data Services Report

May 2, 2024

(Dollars in Millions) (Fees as Percent of Net Total Assets)

System	Fiscal Year End	Net Total Assets	Investment Consultant	Custodial	Legal	Research	Other	Total	
Abilene Firemen's Relief & Retirement Fund	9/30/2023	\$54	0.09%	0.03%	0.01%	0.00%	0.00%	0.12%	
Amarillo Firemen's Relief & Retirement Fund	12/31/2022	\$218	0.01%	0.03%	0.00%	0.00%	0.00%	0.04%	
Arlington Employees Deferred Income Plan	6/30/2023	\$3	Not Reported						
Atlanta Firemen's Relief & Retirement Fund	12/31/2022	\$4	0.13%	0.10%	0.00%	0.00%	0.00%	0.22%	
Austin Employees' Retirement System	12/31/2022	\$2,960	0.01%	0.01%	0.00%	0.00%	0.01%	0.03%	
Austin Fire Fighters Relief & Retirement Fund	12/31/2022	\$1,116	0.02%	0.01%	0.00%	0.00%	0.00%	0.03%	
Austin Police Retirement System	12/31/2022	\$933	0.02%	0.02%	0.00%	0.00%	0.00%	0.05%	
Beaumont Firemen's Relief & Retirement Fund	12/31/2022	\$104	0.08%	0.03%	0.00%	0.00%	0.00%	0.11%	
Big Spring Firemen's Relief & Retirement Fund	12/31/2022	\$14	0.21%	0.05%	0.00%	0.00%	0.00%	0.26%	
Brazos River Authority Retirement Plan	2/28/2023	\$22	0.16%	0.00%	0.00%	0.00%	0.00%	0.16%	
Brownwood Firemen's Relief & Retirement Fund	12/31/2022	\$5	0.90%	0.00%	0.00%	0.00%	0.00%	0.90%	
Capital MTA Admin Employees	12/31/2022	\$48	0.10%	0.17%	0.00%	0.00%	0.00%	0.28%	
Capital MTA Bargaining	12/31/2022	\$34	0.25%	0.00%	0.00%	0.00%	0.00%	0.25%	
City of El Paso Employees Retirement Trust	8/31/2023	\$914	0.08%	0.03%	0.00%	0.00%	0.00%	0.11%	
Cleburne Firemen's Relief & Retirement Fund	12/31/2022	\$23	0.56%	0.00%	0.00%	0.00%	0.00%	0.56%	
Colorado River Municipal Water Dist.	12/31/2022	\$6	0.00%	0.59%	0.00%	0.08%	0.00%	0.67%	
Conroe Fire Fighters' Retirement Fund	12/31/2022	\$37	0.05%	0.00%	0.00%	0.00%	0.00%	0.05%	
Corpus Christi Fire Fighters' Retirement System	12/31/2022	\$166	0.05%	0.04%	0.00%	0.00%	0.00%	0.09%	
Corpus Christi Regional Transportation Authority	12/31/2022	\$43	Not Reported						
Corsicana Firemen's Relief & Retirement Fund	12/31/2022	\$11	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CPS Energy Pension Plan	12/31/2022	\$1,919	0.01%	0.01%	0.01%	0.00%	0.01%	0.04%	
Dallas Co. Hospital Dist. Retirement Income Plan	12/31/2022	\$1,427	0.01%	0.02%	0.00%	0.00%	0.00%	0.03%	
Dallas Employees' Retirement Fund	12/31/2022	\$3,516	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	
Dallas Police & Fire Pension System-Combined Plan	12/31/2022	\$1,807	0.02%	0.01%	0.06%	0.00%	0.07%	0.16%	
Dallas Police & Fire Pension System-Supplemental	12/31/2022	\$17	0.02%	0.01%	0.06%	0.00%	0.07%	0.16%	
DFW Airport Board DPS	12/31/2022	\$254	Not Reported						
DFW Airport Board	12/31/2022	\$587	Not Reported						
DART Employees	9/30/2022	\$183	0.22%	0.03%	0.00%	0.00%	0.00%	0.24%	
Denison Firemen's Relief & Retirement Fund	12/31/2022	\$20	0.50%	0.00%	0.00%	0.00%	0.00%	0.50%	
Denton Firemen's Relief & Retirement Fund	12/31/2022	\$137	0.15%	0.03%	0.00%	0.00%	0.00%	0.18%	
El Paso Firemen & Policemen's Pension Staff Plan	12/31/2022	\$1	0.03%	0.01%	0.01%	0.00%	0.00%	0.04%	
El Paso Firemen's Pension Fund	12/31/2022	\$684	0.03%	0.01%	0.01%	0.00%	0.00%	0.04%	
El Paso Police Pension Fund	12/31/2022	\$979	0.03%	0.01%	0.01%	0.00%	0.00%	0.04%	
Employees Retirement System of Texas	8/31/2023	\$34,050	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	
Fort Worth Employees' Retirement Fund	9/30/2022	\$2,504	0.05%	0.03%	0.01%	0.00%	0.00%	0.08%	
Fort Worth Employees' Retirement Fund Staff Plan	9/30/2022	\$8	0.05%	0.03%	0.01%	0.00%	0.00%	0.08%	
Galveston Employees' Retirement Fund	12/31/2022	\$59	0.00%	0.06%	0.00%	0.00%	0.00%	0.06%	
Galveston Employees' Retirement Plan for Police	12/31/2022	\$23	Not Reported						
Galveston Firefighter's Relief & Retirement Fund	12/31/2022	\$49	0.34%	0.02%	0.00%	0.00%	0.00%	0.36%	
Galveston Wharves Pension Plan	12/31/2022	\$13	Not Reported						
Greenville Firemen's Relief & Retirement Fund	12/31/2022	\$14	0.18%	0.10%	0.00%	0.00%	0.00%	0.28%	
Guadalupe-Blanco River Authority	12/31/2022	\$32	0.11%	0.00%	0.00%	0.00%	0.00%	0.11%	
Harlingen Firemen's Relief & Retirement Fund	9/30/2022	\$34	0.09%	0.00%	0.03%	0.00%	0.00%	0.11%	
Harris County Hospital District Pension Plan	12/31/2022	\$821	0.01%	0.04%	0.00%	0.00%	0.00%	0.06%	
Houston Firefighters' Relief & Retirement Fund	6/30/2023	\$5,109	0.01%	0.00%	0.01%	0.00%	0.15%	0.18%	
Houston MTA Non-Union Pension Plan	12/31/2022	\$177	0.03%	0.00%	0.00%	0.00%	0.00%	0.03%	
Houston MTA Workers Union Pension Plan	12/31/2022	\$291	0.03%	0.09%	0.00%	0.00%	0.00%	0.11%	
Houston Municipal Employees Pension System	6/30/2023	\$4,072	0.02%	0.02%	0.00%	0.00%	0.03%	0.07%	
Houston Police Officers' Pension System	6/30/2023	\$7,208	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%	
Irving Firemen's Relief & Retirement Fund	12/31/2022	\$242	0.08%	0.00%	0.02%	0.00%	0.00%	0.10%	
Irving Supplemental Benefit Plan	12/31/2022	\$99	0.06%	0.03%	0.00%	0.00%	0.00%	0.09%	
JPS - Tarrant County Hospital District	9/30/2022	\$370	0.04%	0.02%	0.00%	0.00%	0.00%	0.05%	

System	Fiscal Year End	Net Total Assets	Investment Consultant	Custodial	Legal	Research	Other	Total
Judicial Retirement System of Texas Plan Two	8/31/2022	\$566	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%
Killeen Firemen's Relief & Retirement Fund	9/30/2022	\$54	0.08%	0.02%	0.00%	0.00%	0.00%	0.09%
Laredo Firefighters Retirement System	9/30/2022	\$180	0.05%	0.02%	0.00%	0.00%	0.00%	0.07%
Law Enforcement & Custodial Off Sup. Ret. Fund	8/31/2022	\$1,042	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%
Longview Firemen's Relief & Retirement Fund	12/31/2022	\$86	0.11%	0.00%	0.00%	0.00%	0.00%	0.11%
Lower Colorado River Authority Retirement Plan	12/31/2022	\$426	Not Reported					
Lower Neches Valley	12/31/2022	\$12	Not Reported					
Lubbock Fire Pension Fund	12/31/2022	\$240	0.03%	0.02%	0.01%	0.00%	0.00%	0.06%
Lufkin Firemen's Relief & Retirement Fund	12/31/2022	\$21	0.16%	0.10%	0.00%	0.00%	0.00%	0.26%
Marshall Firemen's Relief & Retirement Fund	12/31/2022	\$8	Not Reported					
McAllen Firemen's Relief & Retirement Fund	9/30/2022	\$53	0.22%	0.16%	0.03%	0.00%	0.00%	0.40%
Midland Firemen's Relief & Retirement Fund	12/31/2022	\$81	Not Reported					
Nacogdoches County Hospital District	6/30/2021	\$51	Not Reported					
Northwest Texas Healthcare System Retirement Plan	9/30/2022	\$19	0.09%	0.00%	0.00%	0.00%	0.00%	0.09%
Odessa Firemen's Relief & Retirement Fund	12/31/2022	\$44	0.12%	0.03%	0.00%	0.00%	0.00%	0.15%
Orange Firemen's Relief & Retirement Fund	12/31/2022	\$8	0.30%	0.08%	0.00%	0.00%	0.00%	0.37%
Paris Firefighters' Relief & Retirement Fund	12/31/2022	\$16	0.05%	0.03%	0.00%	0.00%	0.00%	0.08%
Plainview Firemen's Relief & Retirement Fund	12/31/2022	\$7	0.62%	0.00%	0.00%	0.00%	0.00%	0.62%
Plano Retirement Security Plan	12/31/2022	\$186	0.04%	0.02%	0.00%	0.00%	0.00%	0.06%
Port Arthur Firemen's Relief & Retirement Fund	12/31/2022	\$49	0.15%	0.02%	0.00%	0.00%	0.00%	0.17%
Port of Houston Authority Retirement Plan	7/31/2023	\$201	0.04%	0.05%	0.00%	0.04%	0.02%	0.16%
Refugio County Memorial Hospital	10/31/2022	\$2	0.56%	0.00%	0.00%	0.00%	0.00%	0.56%
Anson General Hospital	6/30/2023	\$1	0.03%	0.02%	0.00%	0.00%	0.00%	0.04%
Citizens Medical Center	2/28/2023	\$140	0.02%	0.01%	0.00%	0.00%	0.00%	0.04%
Employees of Brownsville Navigation District	12/31/2022	\$9	Not Reported					
Guadalupe Regional Medical Center	12/31/2022	\$94	0.03%	0.01%	0.00%	0.00%	0.00%	0.04%
Sweeny Community Hospital	12/31/2022	\$3	0.03%	0.01%	0.00%	0.00%	0.00%	0.04%
San Angelo Firemen's Relief & Retirement Fund	12/31/2022	\$69	0.06%	0.07%	0.00%	0.05%	0.00%	0.18%
San Antonio Fire & Police Pension Fund	12/31/2022	\$3,586	0.02%	0.01%	0.00%	0.00%	0.00%	0.03%
San Antonio Metropolitan Transit Retirement Plan	9/30/2023	\$338	0.03%	0.01%	0.00%	0.00%	0.00%	0.03%
San Benito Firemen Relief & Retirement Fund	9/30/2022	\$4	0.22%	0.28%	0.00%	0.00%	0.00%	0.49%
Supplemental Retirement Plan of University Medical Center	8/31/2023	\$5	0.00%	0.24%	0.00%	0.00%	0.00%	0.24%
Sweetwater Firemen's Relief & Retirement Fund	12/31/2022	\$8	0.18%	0.22%	0.00%	0.00%	0.00%	0.40%
Teacher Retirement System of Texas	8/31/2023	\$187,171	0.00%	0.01%	0.00%	0.00%	0.03%	0.05%
Temple Firemen's Relief & Retirement Fund	9/30/2022	\$47	0.11%	0.05%	0.00%	0.00%	0.00%	0.16%
Texarkana Firemen's Relief & Retirement Fund	12/31/2022	\$37	0.05%	0.04%	0.00%	0.00%	0.00%	0.09%
Texas City Firemen's Relief & Retirement Fund	12/31/2022	\$15	0.18%	0.10%	0.00%	0.00%	0.00%	0.28%
Texas County & District Retirement System	12/31/2022	\$41,969	0.01%	0.00%	0.00%	0.00%	0.02%	0.03%
Texas Emergency Services Retirement System	8/31/2023	\$127	0.07%	0.03%	0.00%	0.00%	0.00%	0.10%
Texas Municipal Retirement System	12/31/2022	\$35,600	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%
The Woodlands Firefighters' Retirement System	12/31/2022	\$56	0.07%	0.04%	0.00%	0.00%	0.00%	0.11%
Travis County ESD #6 FRRF	12/31/2022	\$40	0.15%	0.09%	0.00%	0.00%	0.00%	0.24%
Tyler Firefighters' Relief & Retirement Fund	12/31/2022	\$75	0.13%	0.09%	0.00%	0.00%	0.00%	0.22%
University Health System Pension Plan	12/31/2022	\$527	0.07%	0.01%	0.00%	0.00%	0.00%	0.09%
University Park Firemen's Relief & Retirement Fund	12/31/2022	\$11	0.18%	0.12%	0.00%	0.00%	0.00%	0.29%
Waxahachie Firemen's Relief & Retirement Fund	9/30/2023	\$22	0.00%	0.04%	0.00%	0.00%	0.00%	0.04%
Weslaco Firemen's Relief & Retirement Fund	9/30/2022	\$15	0.56%	0.00%	0.00%	0.00%	0.00%	0.56%
Wichita Falls Firemen's Relief & Retirement Fund	12/31/2022	\$51	0.05%	0.00%	0.00%	0.00%	0.00%	0.05%

Investment Data Asset Class and Expenses Report
May 2, 2024
(Dollars in Millions) (Fees as Percent of Net Total Assets)

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Abilene Firemen's Relief & Retirement Fund	9/30/2023	Real Assets	\$54	9.26%	0.00%	0.14%	0.00%	0.00%	0.14%
		Fixed Income	\$54	18.99%	0.00%	0.10%	0.00%	0.00%	0.10%
		Equities	\$54	65.55%	0.06%	0.15%	0.00%	0.00%	0.20%
		Cash	\$54	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$54	5.63%	0.00%	0.03%	0.00%	0.00%	0.03%
Amarillo Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$218	20.33%	0.05%	0.00%	0.00%	0.00%	0.05%
		Equities	\$218	75.21%	0.21%	0.00%	0.00%	0.00%	0.21%
		Cash	\$218	4.46%	0.01%	0.00%	0.00%	0.00%	0.01%
Arlington Employees Deferred Income Plan	6/30/2023	Fixed Income	\$3	76.73%	0.41%	0.19%	0.00%	0.00%	0.60%
		Equities	\$3	20.02%	0.11%	0.06%	0.00%	0.00%	0.17%
		Cash	\$3	3.23%	0.01%	0.00%	0.00%	0.00%	0.02%
Atlanta Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$4	31.07%	0.12%	0.06%	0.00%	0.00%	0.18%
		Equities	\$4	50.29%	0.21%	0.06%	0.00%	0.00%	0.27%
		Cash	\$4	4.57%	0.02%	0.00%	0.00%	0.00%	0.02%
		Alternative Investments	\$4	0.00%	0.11%	0.07%	0.00%	0.00%	0.18%
Austin Employees' Retirement System	12/31/2022	Real Assets	\$2,960	10.64%	0.01%	0.07%	0.00%	0.00%	0.08%
		Fixed Income	\$2,960	18.91%	0.02%	0.01%	0.00%	0.00%	0.03%
		Equities	\$2,960	53.38%	0.13%	0.03%	0.01%	0.00%	0.16%
		Cash	\$2,960	6.86%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$2,960	9.91%	0.00%	0.00%	0.00%	0.00%	0.00%
Austin Fire Fighters Relief & Retirement Fund	12/31/2022	Real Assets	\$1,116	10.05%	0.00%	0.11%	0.00%	0.00%	0.11%
		Fixed Income	\$1,116	27.85%	0.05%	0.01%	0.00%	0.00%	0.06%
		Equities	\$1,116	38.51%	0.13%	0.13%	0.02%	0.00%	0.27%
		Alternative Investments	\$1,116	22.96%	0.00%	0.16%	0.00%	0.00%	0.16%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Austin Police Retirement System	12/31/2022	Real Assets	\$933	15.89%	0.00%	0.16%	0.00%	0.21%	0.37%
		Fixed Income	\$933	11.24%	0.01%	0.04%	0.00%	0.00%	0.05%
		Equities	\$933	66.08%	0.15%	0.09%	0.01%	0.00%	0.25%
		Cash	\$933	0.77%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$933	5.96%	0.00%	0.12%	0.00%	0.04%	0.16%
Beaumont Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$104	6.60%	0.14%	0.00%	0.00%	0.00%	0.14%
		Fixed Income	\$104	22.38%	0.19%	0.07%	0.00%	0.00%	0.26%
		Equities	\$104	58.00%	0.15%	0.12%	0.00%	0.00%	0.27%
		Alternative Investments	\$104	10.52%	0.00%	0.00%	0.00%	0.00%	0.00%
Big Spring Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$14	3.75%	0.01%	0.02%	0.00%	0.00%	0.02%
		Fixed Income	\$14	23.83%	0.00%	0.13%	0.00%	0.00%	0.13%
		Equities	\$14	51.46%	0.13%	0.37%	0.00%	0.00%	0.50%
		Cash	\$14	1.77%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$14	18.16%	0.00%	0.04%	0.00%	0.00%	0.04%
Brazos River Authority Retirement Plan	2/28/2023	Real Assets	\$22	4.44%	0.00%	0.11%	0.00%	0.00%	0.11%
		Fixed Income	\$22	21.62%	0.00%	0.20%	0.00%	0.00%	0.20%
		Equities	\$22	54.99%	0.00%	0.12%	0.00%	0.00%	0.12%
		Alternative Investments	\$22	18.10%	0.00%	0.05%	0.00%	0.00%	0.05%
Brownwood Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$5	5.45%	0.00%	0.06%	0.00%	0.00%	0.06%
		Fixed Income	\$5	7.62%	0.00%	0.31%	0.00%	0.00%	0.31%
		Equities	\$5	79.77%	0.00%	0.75%	0.00%	0.00%	0.75%
		Cash	\$5	2.23%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$5	4.96%	0.00%	0.11%	0.00%	0.00%	0.11%
Capital MTA Admin Employees	12/31/2022	Real Assets	\$48	0.00%	0.00%	0.03%	0.00%	0.00%	0.03%
		Fixed Income	\$48	33.92%	0.00%	0.07%	0.00%	0.00%	0.07%
		Equities	\$48	65.14%	0.00%	0.25%	0.00%	0.00%	0.25%
		Cash	\$48	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Capital MTA Bargaining	12/31/2022	Real Assets	\$34	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%
		Fixed Income	\$34	23.99%	0.06%	0.00%	0.00%	0.00%	0.06%
		Equities	\$34	73.69%	0.02%	0.16%	0.00%	0.00%	0.18%
		Cash	\$34	2.14%	0.00%	0.00%	0.00%	0.00%	0.00%
City of El Paso Employees Retirement Trust	8/31/2023	Real Assets	\$914	10.12%	0.03%	0.06%	0.00%	0.00%	0.09%
		Fixed Income	\$914	15.57%	0.02%	0.00%	0.00%	0.00%	0.02%
		Equities	\$914	57.75%	0.12%	0.08%	0.00%	0.00%	0.20%
		Cash	\$914	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$914	15.28%	0.13%	0.03%	0.00%	0.02%	0.18%
Cleburne Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$23	5.43%	0.00%	0.01%	0.00%	0.00%	0.01%
		Fixed Income	\$23	35.96%	0.00%	0.06%	0.00%	0.00%	0.06%
		Equities	\$23	54.99%	0.00%	0.15%	0.00%	0.00%	0.15%
		Cash	\$23	3.37%	0.00%	0.00%	0.00%	0.00%	0.00%
Colorado River Municipal Water Dist.	12/31/2022	Real Assets	\$6	0.00%	0.03%	0.00%	0.00%	0.08%	0.12%
		Fixed Income	\$6	38.40%	0.08%	0.00%	0.00%	0.20%	0.28%
		Equities	\$6	51.68%	0.11%	0.00%	0.00%	0.27%	0.38%
Conroe Fire Fighters' Retirement Fund	12/31/2022	Real Assets	\$37	1.26%	0.02%	0.00%	0.00%	0.00%	0.02%
		Fixed Income	\$37	27.79%	0.14%	0.00%	0.00%	0.00%	0.14%
		Equities	\$37	69.92%	0.36%	0.00%	0.00%	0.00%	0.36%
		Cash	\$37	0.47%	0.02%	0.00%	0.00%	0.00%	0.02%
Corpus Christi Fire Fighters' Retirement System	12/31/2022	Fixed Income	\$166	33.78%	0.10%	0.00%	0.00%	0.00%	0.10%
		Equities	\$166	53.67%	0.44%	0.00%	0.00%	0.00%	0.44%
Corpus Christi Regional Transportation Authority	12/31/2022	Real Assets	\$43	2.53%	0.01%	0.03%	0.00%	0.00%	0.04%
		Fixed Income	\$43	37.61%	0.11%	0.09%	0.00%	0.00%	0.20%
		Equities	\$43	55.42%	0.16%	0.17%	0.00%	0.00%	0.33%
		Cash	\$43	2.01%	0.01%	0.00%	0.00%	0.00%	0.01%
Corsicana Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$11	26.82%	0.10%	0.00%	0.00%	0.00%	0.10%
		Equities	\$11	69.90%	0.32%	0.00%	0.00%	0.00%	0.32%
		Cash	\$11	2.82%	0.03%	0.00%	0.00%	0.00%	0.03%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
CPS Energy Pension Plan	12/31/2022	Real Assets	\$1,919	8.22%	0.03%	0.04%	0.00%	0.02%	0.09%
		Fixed Income	\$1,919	20.32%	0.05%	0.03%	0.00%	0.00%	0.07%
		Equities	\$1,919	54.03%	0.04%	0.07%	0.00%	0.00%	0.11%
		Cash	\$1,919	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$1,919	16.31%	0.00%	0.20%	0.00%	0.16%	0.35%
Dallas Co. Hospital Dist. Retirement Income Plan	12/31/2022	Real Assets	\$1,427	12.53%	0.11%	0.00%	0.00%	0.00%	0.11%
		Fixed Income	\$1,427	28.38%	0.04%	0.03%	0.00%	0.00%	0.06%
		Equities	\$1,427	57.82%	0.09%	0.12%	0.00%	0.00%	0.21%
		Cash	\$1,427	1.38%	0.00%	0.00%	0.00%	0.00%	0.00%
Dallas Employees' Retirement Fund	12/31/2022	Real Assets	\$3,516	9.85%	0.00%	0.07%	0.00%	0.00%	0.07%
		Fixed Income	\$3,516	25.44%	0.00%	0.05%	0.00%	0.00%	0.05%
		Equities	\$3,516	51.30%	0.00%	0.30%	0.00%	0.00%	0.30%
		Cash	\$3,516	3.12%	0.00%	0.00%	0.01%	0.00%	0.01%
		Alternative Investments	\$3,516	10.86%	0.00%	0.10%	0.00%	0.00%	0.10%
Dallas Police & Fire Pension System-Combined Plan	12/31/2022	Real Assets	\$1,807	19.08%	0.11%	0.06%	0.02%	0.00%	0.19%
		Fixed Income	\$1,807	18.44%	0.03%	0.04%	0.00%	0.00%	0.07%
		Equities	\$1,807	45.36%	0.18%	0.12%	0.02%	0.00%	0.31%
		Cash	\$1,807	4.13%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$1,807	12.02%	0.00%	0.00%	0.00%	0.07%	0.07%
Dallas Police & Fire Pension System-Supplemental	12/31/2022	Real Assets	\$17	19.12%	0.12%	0.06%	0.02%	0.00%	0.19%
		Fixed Income	\$17	18.48%	0.03%	0.04%	0.00%	0.00%	0.07%
		Equities	\$17	45.46%	0.18%	0.12%	0.02%	0.00%	0.32%
		Cash	\$17	4.14%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$17	12.05%	0.00%	0.00%	0.00%	0.07%	0.07%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
DFW Airport Board DPS	12/31/2022	Real Assets	\$254	7.60%	0.15%	0.00%	0.00%	0.05%	0.20%
		Fixed Income	\$254	25.66%	0.12%	0.00%	0.00%	0.01%	0.13%
		Equities	\$254	38.27%	0.14%	0.00%	0.00%	0.00%	0.14%
		Cash	\$254	3.04%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$254	25.41%	0.19%	0.00%	0.00%	0.04%	0.24%
DFW Airport Board	12/31/2022	Real Assets	\$587	7.60%	0.15%	0.00%	0.00%	0.04%	0.19%
		Fixed Income	\$587	25.66%	0.11%	0.00%	0.00%	0.01%	0.12%
		Equities	\$587	38.27%	0.13%	0.00%	0.00%	0.00%	0.13%
		Cash	\$587	3.04%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$587	25.41%	0.18%	0.00%	0.00%	0.04%	0.22%
DART Employees	9/30/2022	Real Assets	\$183	15.88%	0.00%	0.05%	0.00%	0.00%	0.05%
		Fixed Income	\$183	37.67%	0.00%	0.05%	0.00%	0.00%	0.05%
		Equities	\$183	43.40%	0.08%	0.10%	0.00%	0.00%	0.18%
		Cash	\$183	2.42%	0.01%	0.00%	0.00%	0.00%	0.01%
Denison Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$20	4.69%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$20	11.68%	0.00%	0.22%	0.00%	0.00%	0.22%
		Equities	\$20	73.07%	0.00%	0.00%	0.00%	0.00%	0.00%
		Cash	\$20	5.46%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$20	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Denton Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$137	11.01%	0.03%	0.00%	0.00%	0.00%	0.03%
		Fixed Income	\$137	14.57%	0.03%	0.02%	0.00%	0.00%	0.04%
		Equities	\$137	59.95%	0.05%	0.01%	0.00%	0.00%	0.06%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
El Paso Firemen & Policemen's Pension Staff Plan	12/31/2022	Real Assets	\$1	9.20%	0.01%	0.10%	0.00%	0.00%	0.11%
		Fixed Income	\$1	18.45%	0.03%	0.05%	0.01%	0.00%	0.09%
		Equities	\$1	51.15%	0.18%	0.03%	0.01%	0.00%	0.22%
		Cash	\$1	2.56%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$1	18.66%	0.12%	0.08%	0.00%	0.00%	0.20%
El Paso Firemen's Pension Fund	12/31/2022	Real Assets	\$684	9.52%	0.01%	0.09%	0.00%	0.00%	0.11%
		Fixed Income	\$684	19.08%	0.03%	0.04%	0.01%	0.00%	0.08%
		Equities	\$684	52.92%	0.18%	0.03%	0.01%	0.00%	0.22%
		Alternative Investments	\$684	19.31%	0.12%	0.08%	0.00%	0.00%	0.20%
El Paso Police Pension Fund	12/31/2022	Real Assets	\$979	9.52%	0.01%	0.09%	0.00%	0.00%	0.11%
		Fixed Income	\$979	19.37%	0.03%	0.04%	0.01%	0.00%	0.08%
		Equities	\$979	53.73%	0.18%	0.03%	0.01%	0.00%	0.22%
		Alternative Investments	\$979	19.60%	0.12%	0.08%	0.00%	0.00%	0.20%
Employees Retirement System of Texas	8/31/2023	Real Assets	\$34,050	0.00%	0.15%	0.00%	0.00%	0.06%	0.21%
		Fixed Income	\$34,050	17.23%	0.01%	0.00%	0.00%	0.00%	0.01%
		Equities	\$34,050	32.32%	0.00%	0.02%	0.03%	0.01%	0.06%
		Cash	\$34,050	2.64%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$34,050	46.65%	0.24%	0.00%	0.00%	0.14%	0.38%
Fort Worth Employees' Retirement Fund	9/30/2022	Real Assets	\$2,504	15.23%	0.05%	0.01%	0.00%	0.00%	0.07%
		Fixed Income	\$2,504	33.10%	0.05%	0.00%	0.00%	0.00%	0.05%
		Equities	\$2,504	41.91%	0.09%	0.02%	0.01%	0.01%	0.13%
		Alternative Investments	\$2,504	22.03%	0.01%	0.21%	0.00%	0.54%	0.75%
Fort Worth Employees' Retirement Fund Staff Plan	9/30/2022	Real Assets	\$8	15.16%	0.05%	0.01%	0.00%	0.00%	0.07%
		Fixed Income	\$8	32.95%	0.05%	0.00%	0.00%	0.00%	0.05%
		Equities	\$8	41.71%	0.09%	0.02%	0.01%	0.01%	0.13%
		Cash	\$8	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$8	21.93%	0.01%	0.21%	0.00%	0.54%	0.75%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Galveston Employees' Retirement Fund	12/31/2022	Fixed Income	\$59	23.39%	0.13%	0.04%	0.00%	0.00%	0.16%
		Equities	\$59	64.61%	0.08%	0.10%	0.00%	0.00%	0.18%
		Alternative Investments	\$59	10.41%	0.06%	0.00%	0.00%	0.00%	0.06%
Galveston Employees' Retirement Plan for Police	12/31/2022	Fixed Income	\$23	29.32%	0.07%	0.04%	0.00%	0.00%	0.11%
		Equities	\$23	59.70%	0.14%	0.04%	0.00%	0.00%	0.19%
		Cash	\$23	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$23	5.77%	0.02%	0.09%	0.00%	0.00%	0.10%
Galveston Firefighter's Relief & Retirement Fund	12/31/2022	Real Assets	\$49	2.69%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$49	19.48%	0.02%	0.00%	0.00%	0.00%	0.02%
		Equities	\$49	61.05%	0.16%	0.04%	0.00%	0.00%	0.20%
		Cash	\$49	5.93%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$49	10.73%	0.00%	0.18%	0.00%	0.00%	0.18%
Galveston Wharves Pension Plan	12/31/2022	Fixed Income	\$13	19.38%	0.10%	0.00%	0.00%	0.00%	0.10%
		Equities	\$13	79.18%	0.40%	0.29%	0.00%	0.00%	0.69%
		Cash	\$13	0.62%	0.02%	0.00%	0.00%	0.00%	0.02%
Greenville Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$14	32.04%	0.06%	0.06%	0.00%	0.00%	0.12%
		Equities	\$14	48.90%	0.10%	0.06%	0.00%	0.00%	0.15%
		Cash	\$14	3.66%	0.01%	0.00%	0.00%	0.00%	0.01%
		Alternative Investments	\$14	15.50%	0.05%	0.08%	0.00%	0.00%	0.13%
Guadalupe-Blanco River Authority	12/31/2022	Fixed Income	\$32	0.00%	0.05%	0.00%	0.00%	0.00%	0.05%
		Equities	\$32	13.01%	0.06%	0.00%	0.00%	0.00%	0.06%
		Cash	\$32	6.52%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$32	80.44%	0.04%	0.00%	0.00%	0.00%	0.04%
Harlingen Firemen's Relief & Retirement Fund	9/30/2022	Real Assets	\$34	14.11%	0.17%	0.00%	0.00%	0.00%	0.17%
		Fixed Income	\$34	22.37%	0.00%	0.11%	0.00%	0.00%	0.11%
		Equities	\$34	60.45%	0.32%	0.30%	0.00%	0.00%	0.62%
		Cash	\$34	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$34	2.95%	0.00%	0.00%	0.00%	0.00%	0.00%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses	
Harris County Hospital District Pension Plan	12/31/2022	Real Assets	\$821	5.23%	0.02%	0.00%	0.00%	0.00%	0.02%	
		Fixed Income	\$821	30.75%	0.04%	0.00%	0.00%	0.00%	0.04%	
		Equities	\$821	58.75%	0.18%	0.00%	0.00%	0.00%	0.00%	0.18%
		Cash	\$821	4.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$821	4.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Houston Firefighters' Relief & Retirement Fund	6/30/2023	Real Assets	\$5,109	7.75%	0.00%	0.13%	0.00%	0.02%	0.15%	
		Fixed Income	\$5,109	18.25%	0.03%	0.02%	0.00%	0.00%	0.05%	
		Equities	\$5,109	27.39%	0.07%	0.00%	0.00%	0.00%	0.00%	0.07%
		Cash	\$5,109	2.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$5,109	44.17%	0.01%	0.59%	0.00%	0.12%	0.71%	
Houston MTA Non-Union Pension Plan	12/31/2022	Real Assets	\$177	17.08%	0.00%	0.16%	0.00%	0.00%	0.16%	
		Fixed Income	\$177	25.94%	0.00%	0.04%	0.00%	0.00%	0.04%	
		Equities	\$177	55.57%	0.00%	0.08%	0.00%	0.00%	0.08%	
		Cash	\$177	1.47%	0.00%	0.00%	0.00%	0.00%	0.00%	
Houston MTA Workers Union Pension Plan	12/31/2022	Real Assets	\$291	16.47%	0.00%	0.15%	0.00%	0.00%	0.15%	
		Fixed Income	\$291	25.33%	0.00%	0.04%	0.00%	0.00%	0.04%	
		Equities	\$291	57.47%	0.00%	0.07%	0.00%	0.00%	0.07%	
		Cash	\$291	0.79%	0.00%	0.00%	0.00%	0.00%	0.00%	
Houston Municipal Employees Pension System	6/30/2023	Real Assets	\$4,072	9.99%	0.01%	0.12%	0.00%	-0.21%	-0.08%	
		Fixed Income	\$4,072	28.79%	0.01%	0.24%	0.00%	0.22%	0.47%	
		Equities	\$4,072	28.39%	0.09%	0.00%	0.01%	0.00%	0.10%	
		Cash	\$4,072	1.12%	0.00%	0.01%	0.00%	0.00%	0.01%	
		Alternative Investments	\$4,072	31.55%	0.06%	0.29%	0.00%	0.23%	0.58%	
Houston Police Officers' Pension System	6/30/2023	Real Assets	\$7,208	10.67%	0.00%	0.01%	0.00%	0.81%	0.81%	
		Fixed Income	\$7,208	24.17%	0.03%	0.00%	0.00%	0.00%	0.03%	
		Equities	\$7,208	32.01%	0.02%	0.00%	0.01%	0.00%	0.03%	
		Cash	\$7,208	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	
		Alternative Investments	\$7,208	32.69%	0.00%	0.15%	0.00%	1.17%	1.32%	

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Irving Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$242	10.59%	0.02%	0.08%	0.00%	0.00%	0.10%
		Fixed Income	\$242	39.23%	0.00%	0.03%	0.00%	0.00%	0.03%
		Equities	\$242	47.27%	0.13%	0.06%	0.01%	0.00%	0.20%
		Cash	\$242	1.37%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$242	1.47%	0.00%	0.01%	0.00%	0.01%	0.02%
Irving Supplemental Benefit Plan	12/31/2022	Real Assets	\$99	6.22%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$99	32.29%	0.07%	0.04%	0.00%	0.00%	0.12%
		Equities	\$99	51.94%	0.18%	0.05%	0.00%	0.00%	0.23%
		Cash	\$99	2.09%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$99	5.37%	0.00%	0.10%	0.00%	0.00%	0.10%
JPS - Tarrant County Hospital District	9/30/2022	Fixed Income	\$370	25.38%	0.00%	0.01%	0.00%	0.00%	0.01%
		Equities	\$370	70.37%	0.13%	0.19%	0.00%	0.00%	0.32%
		Cash	\$370	4.25%	0.00%	0.00%	0.00%	0.00%	0.00%
Judicial Retirement System of Texas Plan Two	8/31/2022	Real Assets	\$566	0.00%	0.16%	0.00%	0.00%	0.11%	0.27%
		Fixed Income	\$566	17.28%	0.02%	0.00%	0.00%	0.00%	0.02%
		Equities	\$566	33.32%	0.00%	0.04%	0.01%	0.01%	0.06%
		Cash	\$566	2.14%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$566	46.38%	0.16%	0.00%	0.00%	0.33%	0.50%
Killeen Firemen's Relief & Retirement Fund	9/30/2022	Real Assets	\$54	7.64%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$54	27.94%	0.43%	0.14%	0.00%	0.00%	0.57%
		Equities	\$54	49.63%	0.00%	0.13%	0.00%	0.00%	0.13%
		Cash	\$54	9.65%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$54	4.93%	0.16%	0.00%	0.00%	0.01%	0.17%
Laredo Firefighters Retirement System	9/30/2022	Real Assets	\$180	0.00%	0.00%	0.08%	0.00%	0.00%	0.08%
		Fixed Income	\$180	17.15%	0.00%	0.08%	0.00%	0.00%	0.08%
		Equities	\$180	63.68%	0.15%	0.16%	0.02%	0.02%	0.35%
		Cash	\$180	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$180	18.94%	0.00%	0.20%	0.00%	0.00%	0.20%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Law Enforcement & Custodial Off Sup. Ret. Fund	8/31/2022	Real Assets	\$1,042	0.00%	0.16%	0.00%	0.00%	0.11%	0.27%
		Fixed Income	\$1,042	17.33%	0.02%	0.00%	0.00%	0.00%	0.02%
		Equities	\$1,042	33.43%	0.00%	0.04%	0.01%	0.01%	0.06%
		Cash	\$1,042	2.11%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$1,042	46.52%	0.16%	0.00%	0.00%	0.33%	0.50%
Longview Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$86	32.54%	0.00%	0.16%	0.00%	0.00%	0.16%
		Equities	\$86	59.68%	0.00%	0.32%	0.00%	0.00%	0.32%
		Cash	\$86	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$86	7.69%	0.09%	0.00%	0.00%	0.00%	0.09%
Lower Colorado River Authority Retirement Plan	12/31/2022	Real Assets	\$426	7.57%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$426	26.87%	0.05%	0.00%	0.00%	0.00%	0.05%
		Equities	\$426	58.98%	0.11%	0.00%	0.00%	0.00%	0.11%
		Cash	\$426	1.41%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$426	6.10%	0.00%	0.28%	0.00%	0.00%	0.28%
Lower Neches Valley	12/31/2022	Fixed Income	\$12	28.10%	0.03%	0.01%	0.00%	0.00%	0.04%
		Equities	\$12	71.81%	0.24%	0.04%	0.00%	0.00%	0.27%
		Cash	\$12	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%
Lubbock Fire Pension Fund	12/31/2022	Real Assets	\$240	15.76%	0.00%	0.16%	0.00%	0.00%	0.16%
		Fixed Income	\$240	19.02%	0.00%	0.11%	0.00%	0.00%	0.11%
		Equities	\$240	50.83%	0.00%	0.28%	0.00%	0.00%	0.28%
		Cash	\$240	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$240	13.65%	0.03%	0.13%	0.00%	0.00%	0.16%
Lufkin Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$21	31.12%	0.08%	0.06%	0.00%	0.00%	0.14%
		Equities	\$21	49.47%	0.13%	0.05%	0.00%	0.00%	0.18%
		Cash	\$21	3.83%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$21	15.70%	0.07%	0.04%	0.00%	0.00%	0.11%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Marshall Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$8	26.17%	0.16%	0.06%	0.00%	0.00%	0.22%
		Equities	\$8	45.59%	0.28%	0.06%	0.00%	0.00%	0.34%
		Cash	\$8	3.73%	0.02%	0.00%	0.00%	0.00%	0.02%
		Alternative Investments	\$8	23.57%	0.15%	0.08%	0.00%	0.00%	0.23%
McAllen Firemen's Relief & Retirement Fund	9/30/2022	Real Assets	\$53	0.00%	0.00%	0.19%	0.00%	0.19%	0.38%
		Fixed Income	\$53	8.11%	0.02%	0.06%	0.00%	0.00%	0.09%
		Equities	\$53	54.26%	0.28%	0.09%	0.00%	0.00%	0.37%
		Cash	\$53	3.04%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$53	34.45%	0.00%	0.31%	0.00%	0.41%	0.72%
Midland Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$81	14.12%	Not Reported				
		Fixed Income	\$81	11.74%	Not Reported				
		Equities	\$81	36.24%	Not Reported				
		Cash	\$81	16.87%	Not Reported				
		Alternative Investments	\$81	22.70%	Not Reported				
Nacogdoches County Hospital District Retirement Plan	6/30/2021	Fixed Income	\$51	40.06%	Not Reported				
		Equities	\$51	54.05%	Not Reported				
		Real Assets	\$51	5.89%	Not Reported				
Northwest Texas Healthcare System Retirement Plan	9/30/2022	Fixed Income	\$19	42.01%	0.07%	0.00%	0.01%	0.00%	0.08%
		Equities	\$19	52.75%	0.09%	0.00%	0.01%	0.00%	0.10%
		Cash	\$19	4.21%	0.01%	0.00%	0.00%	0.00%	0.01%
Odessa Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$44	29.73%	0.00%	1.05%	0.00%	0.00%	1.05%
		Fixed Income	\$44	10.87%	0.00%	0.04%	0.00%	0.00%	0.04%
		Equities	\$44	55.85%	0.00%	0.27%	0.00%	0.00%	0.27%
		Cash	\$44	2.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Orange Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$8	14.05%	0.00%	0.15%	0.00%	0.00%	0.15%
		Fixed Income	\$8	19.07%	0.00%	0.06%	0.00%	0.00%	0.06%
		Equities	\$8	66.87%	0.08%	0.23%	0.00%	0.00%	0.31%
		Cash	\$8	1.68%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$8	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%
Paris Firefighters' Relief & Retirement Fund	12/31/2022	Fixed Income	\$16	24.25%	0.04%	0.02%	0.00%	0.00%	0.05%
		Equities	\$16	57.36%	0.06%	0.06%	0.00%	0.00%	0.12%
		Cash	\$16	2.37%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$16	15.76%	0.03%	0.02%	0.00%	0.00%	0.05%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Plainview Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$7	25.92%	0.05%	0.09%	0.00%	0.00%	0.14%
		Equities	\$7	62.49%	0.17%	0.10%	0.00%	0.00%	0.27%
		Cash	\$7	5.19%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$7	6.39%	0.00%	0.06%	0.00%	0.00%	0.06%
Plano Retirement Security Plan	12/31/2022	Real Assets	\$186	11.01%	0.00%	0.12%	0.00%	0.00%	0.12%
		Fixed Income	\$186	23.45%	0.00%	0.04%	0.00%	0.00%	0.04%
		Equities	\$186	65.36%	0.00%	0.13%	0.00%	0.00%	0.13%
		Cash	\$186	0.19%	0.03%	0.00%	0.00%	0.00%	0.03%
		Alternative Investments	\$186	0.00%	0.00%	0.03%	0.00%	0.00%	0.03%
Port Arthur Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$49	3.08%	0.00%	0.01%	0.00%	0.00%	0.01%
		Fixed Income	\$49	33.67%	0.00%	0.17%	0.00%	0.00%	0.17%
		Equities	\$49	61.97%	0.00%	0.33%	0.00%	0.00%	0.33%
		Cash	\$49	1.03%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$49	0.00%	0.00%	0.03%	0.00%	0.00%	0.03%
Port of Houston Authority Retirement Plan	7/31/2023	Fixed Income	\$201	39.66%	0.06%	0.13%	0.01%	0.00%	0.20%
		Equities	\$201	59.21%	0.18%	0.12%	0.01%	0.00%	0.30%
		Cash	\$201	0.97%	0.00%	0.00%	0.00%	0.00%	0.00%
Refugio County Memorial Hospital	10/31/2022	Real Assets	\$2	2.55%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$2	17.83%	0.00%	0.21%	0.00%	0.00%	0.21%
		Equities	\$2	63.41%	0.00%	0.26%	0.00%	0.00%	0.26%
		Cash	\$2	16.09%	0.00%	0.09%	0.00%	0.00%	0.09%
Anson General Hospital	6/30/2023	Fixed Income	\$1	57.84%	0.00%	0.00%	0.00%	0.00%	0.00%
		Equities	\$1	40.61%	0.06%	0.11%	0.00%	0.00%	0.16%
		Cash	\$1	1.09%	0.00%	0.00%	0.00%	0.00%	0.00%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Citizens Medical Center	2/28/2023	Fixed Income	\$140	24.26%	0.00%	0.00%	0.00%	0.00%	0.00%
		Equities	\$140	73.99%	0.06%	0.11%	0.00%	0.00%	0.17%
		Cash	\$140	1.02%	0.00%	0.00%	0.00%	0.00%	0.00%
Employees of Brownsville Navigation District	12/31/2022	Fixed Income	\$9	16.82%	0.18%	0.00%	0.00%	0.00%	0.18%
		Equities	\$9	68.50%	0.74%	0.00%	0.00%	0.00%	0.74%
		Cash	\$9	14.68%	0.10%	0.00%	0.00%	0.00%	0.10%
Guadalupe Regional Medical Center	12/31/2022	Fixed Income	\$94	24.22%	0.00%	0.07%	0.00%	0.00%	0.07%
		Equities	\$94	74.74%	0.06%	0.06%	0.00%	0.00%	0.12%
		Cash	\$94	1.03%	0.00%	0.00%	0.00%	0.00%	0.00%
Sweeny Community Hospital	12/31/2022	Fixed Income	\$3	24.22%	0.00%	0.07%	0.00%	0.00%	0.07%
		Equities	\$3	74.74%	0.06%	0.06%	0.00%	0.00%	0.12%
		Cash	\$3	1.03%	0.00%	0.00%	0.00%	0.00%	0.00%
San Angelo Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$69	16.80%	0.00%	0.05%	0.00%	0.00%	0.05%
		Equities	\$69	63.37%	0.26%	0.22%	0.00%	0.00%	0.48%
		Cash	\$69	19.83%	0.00%	0.02%	0.00%	0.00%	0.02%
San Antonio Fire & Police Pension Fund	12/31/2022	Real Assets	\$3,586	9.12%	0.00%	0.12%	0.00%	0.15%	0.27%
		Fixed Income	\$3,586	31.53%	0.00%	0.20%	0.02%	0.14%	0.36%
		Equities	\$3,586	43.26%	0.00%	0.20%	0.00%	0.00%	0.21%
		Cash	\$3,586	1.74%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$3,586	14.56%	0.00%	0.16%	0.01%	0.18%	0.35%
San Antonio Metropolitan Transit Retirement Plan	9/30/2023	Real Assets	\$338	11.24%	0.12%	0.00%	0.00%	0.00%	0.12%
		Fixed Income	\$338	27.49%	0.08%	0.00%	0.00%	0.00%	0.08%
		Equities	\$338	60.13%	0.23%	0.00%	0.01%	0.00%	0.24%
		Cash	\$338	1.63%	0.00%	0.00%	0.00%	0.00%	0.00%
San Benito Firemen Relief & Retirement Fund	9/30/2022	Fixed Income	\$4	27.55%	0.00%	0.00%	0.00%	0.00%	0.00%
		Equities	\$4	59.02%	0.00%	0.00%	0.00%	0.00%	0.00%
		Cash	\$4	5.30%	0.79%	0.00%	0.00%	0.00%	0.79%
Supplemental Retirement Plan of University Medical Center	8/31/2023	Fixed Income	\$5	99.71%	0.00%	0.00%	0.00%	0.00%	0.00%
Sweetwater Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$8	42.64%	0.07%	0.06%	0.00%	0.00%	0.13%
		Equities	\$8	48.61%	0.10%	0.09%	0.00%	0.00%	0.19%
		Cash	\$8	3.57%	0.01%	0.00%	0.00%	0.00%	0.01%
		Alternative Investments	\$8	6.13%	0.09%	0.05%	0.00%	0.00%	0.14%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Teacher Retirement System of Texas	8/31/2023	Real Assets	\$187,171	0.00%	0.00%	0.16%	0.00%	0.08%	0.23%
		Fixed Income	\$187,171	19.84%	0.00%	0.00%	0.00%	0.00%	0.00%
		Equities	\$187,171	33.42%	0.02%	0.06%	0.03%	0.13%	0.24%
		Cash	\$187,171	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$187,171	55.36%	0.00%	0.20%	0.00%	0.22%	0.43%
Temple Firemen's Relief & Retirement Fund	9/30/2022	Real Assets	\$47	4.22%	0.04%	0.00%	0.00%	0.00%	0.04%
		Fixed Income	\$47	20.10%	0.00%	0.19%	0.00%	0.00%	0.19%
		Equities	\$47	61.57%	0.00%	0.50%	0.00%	0.00%	0.50%
		Cash	\$47	1.12%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$47	12.71%	0.00%	0.12%	0.00%	0.00%	0.12%
Texarkana Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$37	4.60%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$37	25.53%	0.08%	0.00%	0.00%	0.00%	0.08%
		Equities	\$37	34.09%	0.25%	0.14%	0.00%	0.00%	0.38%
		Cash	\$37	3.41%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$37	32.31%	0.11%	0.00%	0.00%	0.00%	0.11%
Texas City Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$15	32.19%	0.05%	0.06%	0.00%	0.00%	0.11%
		Equities	\$15	49.39%	0.09%	0.06%	0.00%	0.00%	0.15%
		Cash	\$15	3.11%	0.01%	0.00%	0.00%	0.00%	0.01%
		Alternative Investments	\$15	15.40%	0.04%	0.08%	0.00%	0.00%	0.12%
Texas County & District Retirement System	12/31/2022	Real Assets	\$41,969	1.82%	0.01%	0.00%	0.00%	0.00%	0.01%
		Fixed Income	\$41,969	2.18%	0.00%	0.00%	0.00%	0.00%	0.00%
		Equities	\$41,969	24.66%	0.02%	0.00%	0.02%	0.00%	0.03%
		Cash	\$41,969	2.53%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$41,969	68.58%	0.04%	0.86%	0.00%	-0.16%	0.75%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Managment Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
Texas Emergency Services Retirement System	8/31/2022	Real Assets	\$124	11.84%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$124	21.12%	0.06%	0.00%	0.00%	0.00%	0.06%
		Equities	\$124	54.26%	0.19%	0.32%	0.01%	0.00%	0.51%
		Cash	\$124	2.54%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$124	8.59%	0.05%	0.00%	0.00%	0.00%	0.05%
Texas Municipal Retirement System	12/31/2022	Real Assets	\$35,600	13.45%	0.00%	0.13%	0.00%	0.17%	0.31%
		Fixed Income	\$35,600	24.99%	0.01%	0.12%	0.00%	0.05%	0.18%
		Equities	\$35,600	37.55%	0.04%	0.00%	0.01%	0.00%	0.05%
		Cash	\$35,600	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$35,600	23.72%	0.00%	0.40%	0.00%	0.37%	0.77%
The Woodlands Firefighters' Retirement System	12/31/2022	Fixed Income	\$56	18.46%	0.04%	0.02%	0.00%	0.00%	0.06%
		Equities	\$56	65.98%	0.00%	0.16%	0.00%	0.00%	0.16%
		Cash	\$56	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$56	14.74%	0.12%	0.00%	0.00%	0.00%	0.12%
Travis County ESD #6 Firefighter's Relief & Retirement Fund	12/31/2022	Real Assets	\$40	0.03%	0.00%	0.03%	0.00%	0.00%	0.03%
		Fixed Income	\$40	31.84%	0.07%	0.09%	0.00%	0.00%	0.16%
		Equities	\$40	66.66%	0.03%	0.28%	0.00%	0.00%	0.30%
		Cash	\$40	0.99%	0.00%	0.00%	0.00%	0.00%	0.00%
Tyler Firefighters' Relief & Retirement Fund	12/31/2022	Real Assets	\$75	2.72%	0.00%	0.01%	0.00%	0.00%	0.01%
		Fixed Income	\$75	31.67%	0.00%	0.17%	0.00%	0.00%	0.17%
		Equities	\$75	63.51%	0.00%	0.34%	0.00%	0.00%	0.34%
		Cash	\$75	1.79%	0.00%	0.01%	0.00%	0.00%	0.01%
University Health System Pension Plan	12/31/2022	Real Assets	\$527	7.73%	0.07%	0.02%	0.00%	0.00%	0.09%
		Fixed Income	\$527	21.19%	0.03%	0.05%	0.00%	0.00%	0.08%
		Equities	\$527	42.79%	0.13%	0.14%	0.00%	0.00%	0.27%
		Cash	\$527	2.83%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$527	25.55%	0.00%	0.05%	0.00%	0.00%	0.05%

System	Fiscal Year End Date	Asset Class	Net Total Assets	Asset Allocation	Management Fees Paid From Trust	Management Fees Netted From Returns	Brokerage Fees and Commissions	Profit Share Carried Interest	Total Asset Class Expenses
University Park Firemen's Relief & Retirement Fund	12/31/2022	Fixed Income	\$11	32.36%	0.08%	0.06%	0.00%	0.00%	0.15%
		Equities	\$11	49.27%	0.14%	0.06%	0.00%	0.00%	0.20%
		Cash	\$11	3.04%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$11	15.46%	0.08%	0.08%	0.00%	0.00%	0.15%
Waxahachie Firemen's Relief & Retirement Fund	9/30/2023	Real Assets	\$22	6.41%	0.00%	0.05%	0.00%	0.00%	0.05%
		Fixed Income	\$22	28.37%	0.00%	0.13%	0.00%	0.00%	0.13%
		Equities	\$22	53.75%	0.06%	0.41%	0.00%	0.00%	0.47%
		Cash	\$22	4.07%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$22	6.96%	0.00%	0.00%	0.00%	0.00%	0.00%
Weslaco Firemen's Relief & Retirement Fund	9/30/2022	Real Assets	\$15	3.68%	0.00%	0.00%	0.00%	0.00%	0.00%
		Fixed Income	\$15	24.98%	0.00%	0.00%	0.00%	0.00%	0.00%
		Equities	\$15	68.16%	0.02%	0.00%	0.04%	0.00%	0.06%
		Cash	\$15	3.18%	0.02%	0.00%	0.00%	0.00%	0.02%
Wichita Falls Firemen's Relief & Retirement Fund	12/31/2022	Real Assets	\$51	11.43%	0.01%	0.20%	0.00%	0.07%	0.27%
		Fixed Income	\$51	23.52%	0.16%	0.01%	0.00%	0.01%	0.18%
		Equities	\$51	58.69%	0.37%	0.07%	0.00%	0.00%	0.44%
		Cash	\$51	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Alternative Investments	\$51	6.39%	0.01%	0.03%	0.00%	0.00%	0.03%

Item 6: Investment Practices and Performance Evaluation (IPPE) and Investment Performance Report (IPR) Status

Robert Munter



IPPE Status Update

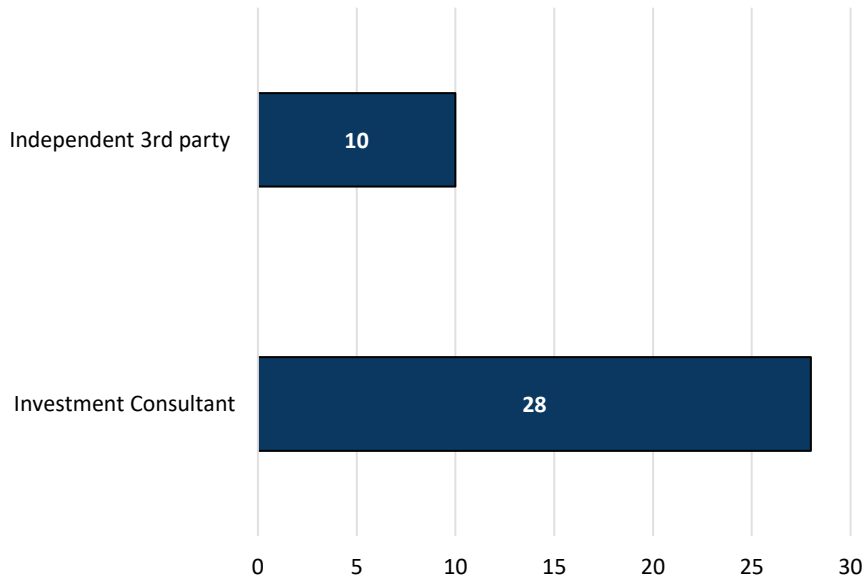
- Investment Practices and Performance Evaluations due to the PRB **June 1, 2024**.
- Based on FY 2022 audits, 38 reports are expected to cover 42 systems that have greater than \$100 million in assets.
- As of April, the PRB has received 19 reports covering 20 systems.



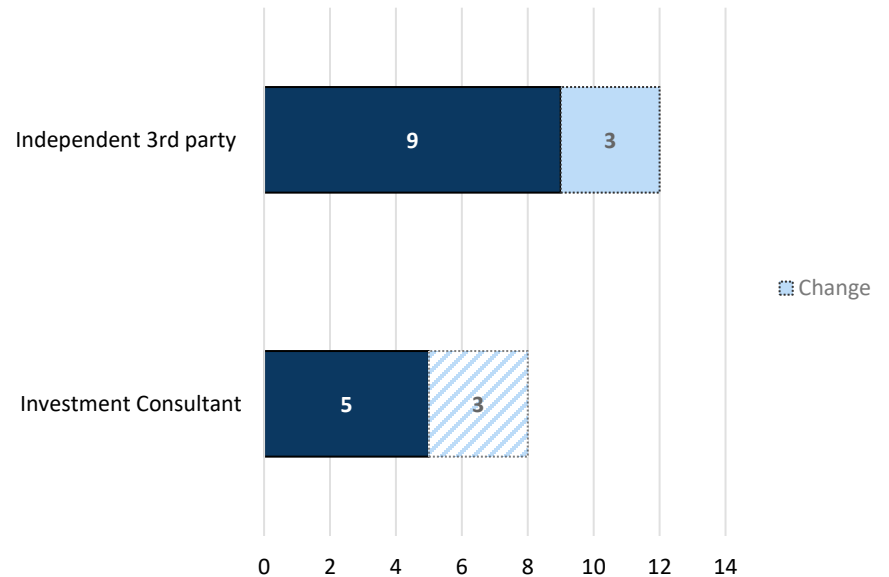
IPPE Early Findings

- Increase in the number of independent third party evaluators compared to past evaluations
- So far, 12 systems have used an independent third party, three of which previously had used their investment consultant

2020 Evaluator Relationship



2024 Evaluator Relationship



IPPE Early Findings

- Some evaluations are extremely similar to 2020 evaluation.
- Some evaluators used this report to also discuss how the previous evaluation and recommendations were implemented and the outcomes.
- Some systems commented to evaluators that the previous recommendations created very beneficial changes in governance.



IPPE Potential Legislative Updates

- Clarify and cleanup language around evaluation timelines.
 - Conducted every three years with report due in the fourth year.
 - Consider creating cycles to help simplify reporting schedule with systems at asset breakpoints.
- Clarify asset criteria for determining applicability of IPPE requirement.
- Combination of statutory changes and rules may be needed.



IPPE Next Steps

- PRB staff working on processing all evaluations and confirming compliance with statute.
- PRB evaluation summaries and all submitted reports are planned to be completed and available online by July.
- PRB 2024 Investment Performance Report expected to be included in November biennial report.



Item 7: Investment policy statement guidelines, guidance, and tools

Robert Munter



IPS Documents Draft Updates

- PRB received feedback from five systems
 - Comments focused on approximately seven core suggested improvements that staff agreed with and adjusted documents
- Updated redline draft documents are available on the PRB website for review
- Updated drafts provided to systems that provided feedback in March to confirm changes made by staff were consistent with comments



Draft Feedback Summary

Summarized Feedback	PRB Changes
Add language allowing IPS to reference external documents	Added language to multiple sections
Adjust specifics of example language in guidance and template document	Adjusted specific language and added suggested language clarifying specifics are examples and not mandatory
Add language for benchmarks that SAMURAI mnemonic may not apply to alternative investments	Added a note that alternative investments may require more customized benchmarks
Adjust proxy voting language example	Adjusted language to reference in best fiduciary interest of plan and adjusted language to reporting requirement
Investment expense reporting requirement example can be costly or overly complex	Added language to take into account complexity and potentially cost prohibitive nature of investments
Add language that allows or discusses other investment monitoring practices instead of a watch list policy	Added language that other alternatives to a watch list policy are allowed such as active monitoring
Adjust language in fund mission or goals sections to not consider system sponsors but instead acknowledge their involvement in contributions.	Adjusted language as suggested



Draft Feedback Summary

Summarized Feedback	No action
Fund mission should not be in the IPS	No changes as the policy is for fund mission or goals
Roles and responsibilities example language that describe evaluation metrics, who will evaluate, and evaluation timeline will clutter the IPS	No changes as the language is an example of what should generally be found in the section, but the IPS should be customized to each plan's needs
Suggested adding additional examples or sections covering additional topics	No additions at this time to keep documents as concise as possible



Changes to Draft Guidelines

1. Adjusted language for proxy voting to state “that the system expects investment managers to vote proxies in the best fiduciary interest of the respective fund and beneficiaries.”



Changes to Draft Guidance and Template Documents

Overview Section

1. Added to overview language: “Specific descriptions included below (including defined roles and responsibilities, defined percentages, etc.) are not intended to be prescriptive but to help inform users about the types of elements that should be included in an Investment Policy.”

Fund Mission or Goals

2. Adjusted fund mission or goals section language to acknowledge major parties.



Changes to Draft Guidance and Template Documents

Roles and Responsibilities

3. Added language flexibility for more active monitoring of service providers and competitive procurement process.

Investment Objectives

4. Added 10- and 20-year periods to example language:
“The investment assets nominal net of fee return should meet or exceed the return assumption of 7 percent over a rolling five-year, 10-year, and 20-year period.”



Changes to Draft Guidance and Template Documents

Liquidity

5. Added language for referencing external documents.

Risk tolerance

6. Added language flexibility for referencing external documents and studies such as asset allocation and asset liability studies.



Changes to Draft Guidance and Template Documents

Investment Assets

7. Added language flexibility for referencing external documents for alternative investments.
8. Added language flexibility for studies to be performed after consultation with consultant and actuary but still referencing 3-5 years as a generally accepted time period.

Proxy Voting

9. Adjusted language for voting proxies in the best fiduciary interest of the fund and beneficiaries.
10. Adjusted language so that proxy vote records should at least be available upon request by the board.



Changes to Draft Guidance and Template Documents

Performance Evaluation

11. Added note clarifying SAMURAI benchmark acronym may not apply to alternative investments.
12. Added language that investment expense monitoring is only required to follow current Texas statutes for reporting in a way that is not cost prohibitive.

Investment Manager Selection and Monitoring

13. Added language for an active monitoring option instead of a watch list policy.
14. Added reference to Texas Government Code Section 802.206 that discusses the requirement for pensions to monitor investments.



Changes to Draft Guidance and Template Documents

Ethics

15. Added language flexibility for referencing external documents.

Next Steps and Timeline

- All submitted comments anonymized can be found in packet.
- Next updated draft for final comment will be sent out late May.
- Feedback on updated draft due to the PRB by **June 21**.
- Final draft will be presented to the full board on **July 25** for possible approval.





TEXAS PENSION REVIEW BOARD

Investment Policy Statement Guidelines

State law requires Texas public retirement system governing bodies in management of their investments to develop and adopt a written investment policy. This policy must be maintained for public review and filed with the Pension Review Board (PRB).¹

The PRB provides these guidelines to assist systems in developing and maintaining a complete, well-developed investment policy statement (IPS) consistent with various industry best practices. They offer a high-level overview and minimum framework but also allow flexibility for systems and their investment consultants, advisors, and/or investment staff to construct an IPS that fits their needs. A complete, well-developed IPS forms the foundation of any well-managed investment program and establishes clear goals and direction. The IPS aids trustees in understanding the expectations of various roles involved in investing a system's assets. Clearly articulated roles and responsibilities in the IPS also ensure continuity between outgoing and newly appointed trustees.

An IPS may contain sections and language that are very similar among Texas retirement systems. However, each system will naturally have some differences based on their unique needs and decisions and need to tailor their IPS to reflect those differences. The following recommended policy categories reflect accepted industry best practices established by the Chartered Financial Analyst Institute and the Government Finance Officers Association as well as investment expert reports analyzing Texas retirement system investment practices and performance summarized in the PRB's [2020 Investment Performance Report](#). References are listed at the end of this document.

A thorough investment policy statement should contain the policies listed below.

1. Fund mission or goals
2. Roles and responsibilities
3. Investment objective
4. Liquidity
5. Risk tolerance
6. Investment assets
7. Proxy voting²
8. Performance evaluation
9. Cost management

¹ [Sec. 802.202, Texas Government Code](#)

² While not all systems pursue investments that have proxy voting rights, every system should have a [default](#) policy in place acknowledging ~~its approach to proxy voting, even if the investment practice is to not invest in assets with proxy voting rights~~ [that the system expects investment managers to vote proxies in the best fiduciary interest of the respective fund and beneficiaries.](#)

10. Investment manager selection and monitoring

11. Ethics

Governance procedures based on best practices and state law

1. The system’s board should periodically review the IPS and related governing documents at least every two years if not annually and should re-adopt them at least every five years. By statute, changes to an IPS are required to be filed with the PRB not later than 90 days after the change is adopted.³
2. The board should acknowledge and consider both the individual system’s pension funding constraints and benefit payment requirements when creating the IPS.
3. The IPS should document existing practices for future trustees’ benefit and overall investment program continuity.
4. The system is required by statute to make the IPS available on a publicly available website and make a physical copy available at a system’s main office.⁴

DRAFT

³ [Sec. 802.202, Texas Government Code](#)

⁴ [Sec. 802.202](#)

Reference Materials

Bailey, J & Richards, T (2017). *A Primer for Investment Trustees: Understanding Investment Committee Responsibilities*

Chambers, D, Black, K & Lacey, N (2018). *Alternative Investments: A Primer for Investment Professionals*

Drew, M & Walk, A (2019). *Investment Governance for Fiduciaries*

Stewart, Scott (2013). *Manager Selection*

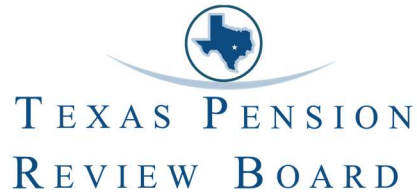
Government Finance Officers Association (GFOA), *Adopting Financial Policies*, accessed November 5, 2023, <https://www.gfoa.org/materials/adopting-financial-policies>

GFOA, *Investment Policies for Defined Benefit Plans*, accessed November 5, 2023, <https://www.gfoa.org/materials/investment-policies-for-defined-benefit-plans>

GFOA, *Investment Fee Guidelines*, accessed November 5, 2023, <https://www.gfoa.org/materials/investment-fee-guidelines>

GFOA, *Alternative Investments Checklist*, accessed November 5, 2023, https://gfoaorg.cdn.prismic.io/gfoaorg/7f4e42b6-8b46-4124-b62d-93d76fd9fe24_Alternative_Investments_Checklist.pdf

GFOA, *GFOA Sample Investment Policy*, accessed November 5, 2023, https://gfoaorg.cdn.prismic.io/gfoaorg/76b137b8-17e3-42bd-ae9f-7f7be8be50bd_GFOA_sample_investment_policy.pdf



Guidance for Developing Investment Policy Statements

This guidance is intended to provide more in-depth descriptions of the high-level policies identified and recommended in the Guidelines for Investment Policy Statements. Some of the policies described below may not be necessary for all systems and are for unique situations, such as systems with specific governing laws or those with more complex investments. These types of policies are distinguished by the designation “(if appropriate).” Specific descriptions included below (including defined roles and responsibilities, defined percentages, etc.) are not intended to be prescriptive but to help inform users about the types of elements that should be included in an Investment Policy. Similar to the Guidelines for Investment Policy Statements, this guidance reflects accepted industry best practices established by the Chartered Financial Analyst Institute and the Government Finance Officers Association as well as investment expert reports analyzing retirement system investment practices and performance summarized in the PRB’s [2020 Investment Performance Report](#). Examples of these policies and a glossary of common terms can be found in the PRB Investment Policy Statement Example document.

Description of each type of recommended policy:

1. **Fund mission or goal:** This section states the foundational beliefs, purpose of the fund, and any laws that govern the fund.
 - a. State fund mission that acknowledges all relevant parties – This section at its core can appear obvious; however, a holistic view of the defined benefit fund is encouraged. A holistic view ~~considers~~ acknowledges all major parties involved including active members, retired members, and the system’s sponsor. It should also define the goals related to the benefits being provided, such as providing benefits that are both equitable and serve as an employer retention tool. This section should reference the system’s funding policy and recognize the sponsor as an integral part of meeting the fund’s mission to pay benefits.
 - b. State investment program purpose – This section should also focus on the specific purpose of the investment program.
 - c. (If appropriate) Reference relevant governing statutes.

Fiduciary Responsibility

In making and supervising investments of the reserve fund of a public retirement system, an investment manager or the governing body shall discharge its duties solely in the interest of the participants and beneficiaries:

- Providing benefits to participants and their beneficiaries; and
- Defraying reasonable expenses of administering the system

2. **Roles and responsibilities:** This section specifies the parties involved in the investment program and describes each party’s responsibilities.

- a. Identify fiduciary standards and related requirements – Various roles will follow certain fiduciary responsibilities and prudent investor standards consistent with applicable

statute, as described in the textbox.¹

- b. List the important roles and define corresponding responsibilities – This policy should thoroughly cover the responsibilities of all major parties such as the board trustees, investment consultants, investment managers, custodians, and others. It should also define their levels of authority and reporting requirements and include clear descriptions for monitoring and accountability of the assigned responsibilities. With these important roles clearly defined, the IPS helps provide continuity of the investment program by ensuring this important information can be passed on to future trustees.
- c. Describe how a role is reviewed – Role policies should include a description of how roles will be reviewed including what metrics will be used, how frequently they will be reviewed, and who is responsible for reviewing the results.

Example: “The consultant will use the IPS-specified performance metrics to review investment managers quarterly and present to the board for review.”

- d. Document the frequency of competitive procurement – For third-party consultants and other relevant service providers, the policy should provide for a regular competitive procurement process, typically every 3-5 years. Regular re-procurement helps ensure quality services for a competitive cost.
 - i. With sufficient expertise and procedures in place, systems can instead constantly monitor third-parties and have triggers in place for ad-hoc RFPs if not meeting performance expectations.

3. **Investment objective:** This policy defines the focus of the investment program using objective goals that can be measured and monitored. These objectives can be both short-term and long-term in nature and should be used to evaluate the overall success of the investment program. Examples of investment objectives are listed in the textbox, *Example Investment Objectives*.

- a. Document the investment objective – The goal or goals should be actionable, attainable, unambiguous, and specified in advance. See examples in the textbox.

4. **Liquidity:** Liquidity policies can influence different aspects of a pension fund depending on the specific funding situation. For example, mature plans will require more cash flow liquidity to make benefit payments. A liquidity policy can be a subsection to a larger policy—such as risk tolerance or investment assets—but may be a significant enough factor to merit a dedicated policy section.

- a. Liquidity as a standalone policy – This section should include procedures for staff or the system to notify investment managers of expected future distribution needs, fund liquidity level requirements, illiquid investment restrictions, and notification policies or actions that the fund will take in the case of insufficient liquid assets.

Example Investment Objectives
<ul style="list-style-type: none">• Achieve a long-term rate of return that exceeds the assumed actuarial rate of return.• The fund’s nominal net of fee return should meet or exceed the investment return assumption of 7 percent over a rolling five-year, <u>10-year, and 20-year</u> period.• The actively managed investments performance should net return 1 percent alpha (excess return over a benchmark).

¹ [Sec. 802.203, Texas Government Code](#)

b. Liquidity as a relevant subsection to another policy – Since the term liquidity can have different meanings in investments and in terms of pension funds, subsections can sometimes be a better option.

b.c. Liquidity policies and procedures might also exist in another external document manual used by staff or the fund that contains higher levels of detail. In these situations, a policy can provide an overview of liquidity goals and reference the additional resource documents.

5. **Risk tolerance:** This policy defines the risks that the fund accepts in exchange for investment returns. Identifying acceptable risk can be done in several ways, which may include risk budgeting, statements accepting market volatility in exchange for believed higher returns over the long term, risk measures or metrics, and diversification goals. The identification of fund risks can be done routinely during asset allocation and asset liability studies, these processes can be referenced. Additionally, identified risk metrics should not be overly prescriptive as changes in market environments or goals can require different views. The goal of this section is to identify the risk factors that could impede success and how the system will ensure the risk is monitored and managed. This policy should:
- a. Identify risk factors – Examples can include market risk, economic risk, interest rate risk, inflation risk, and credit risk.²
 - b. Define risk metrics – Examples can include standard deviation, expected volatility, value-at-risk (VaR), and drawdown risk.
 - c. (If appropriate) Liquidity – Depending on the funding level or cashflow requirements to meet benefit payments, adequate liquidity levels might be a significant risk that requires detailed policies and monitoring.
6. **Investment assets:** This policy describes the asset classes considered investable by the fund and determines what percentage the fund will invest in each asset class, also known as the asset allocation. Refer to the example IPS document for more information and an example asset allocation. Assets can be grouped in different ways by various distinctions. However, the most common asset classes include equities, fixed income, real assets, alternatives, and cash. The policy should:
- a. Establish investable asset classes – Specify asset class allocation targets and rebalancing ranges.
 - b. Specify portfolio process – Establish portfolio asset allocation target determination process and frequency of review.
 - c. (If appropriate) Define expected volatility and risk levels, including expected volatility and risk levels in any asset allocation target tables.
 - d. (If appropriate) Specify how often an asset liability study is to be performed or reconsidered after consultation with the investment consultant and actuary. ~~with e~~ Every three to five years as-is generally identified as industry best practice.
 - e. (If appropriate) If investing in alternative assets, document additional policies, such as legal reviews, valuation methodologies, liquidity, and others. These documents can be external to the IPS and referenced for brevity.
 - f. (If appropriate) Document any cash flow or liquidity concerns or needs that would impact the

² PRB, *MET Investments Course*, accessed November 5, 2023, <https://education.prb.texas.gov/course/investments/>

investment options or allocation.

7. **Proxy voting:** Systems that have investment proxy voting rights should include this policy in the IPS. A proxy policy should state which party is responsible for voting, define guidelines or limitations that must be followed, and specify notification/reporting procedures to the board on votes placed such as having vote records available upon request by the board. If a system chooses not to have investments with proxy voting rights and therefore has no related guidelines or procedures, the IPS should still include this section to state this fact have a default statement that investment managers to vote proxies in the best fiduciary interest of the fund and beneficiaries.
8. **Performance evaluation:** This section describes how the system’s board will assess the success of the investment program and use that information to improve future decision making. The evaluation of performance can be delegated to a third party such as an investment consultant, who can consolidate, validate, analyze, and present the findings to the system’s board.
- a. Specify metrics – Time-weighted, or internal rate of returns (TWR, IRR). Net of fee returns should always be provided, and gross returns are optional.
 - b. Identify benchmarks – An acronym to use when identifying benchmarks is SAMURAI. See the textbox, *SAMURAI*, for a description of each aspect of benchmarks meeting this standard. Note: Alternative investments may not always have investable assets such as private equity. Therefore, benchmarks may not always comply with SAMURAI and may require a different approach.
 - c. Cost management – This section can be written as a standalone section or as subsection to the performance evaluation policy. In any case, it should require that that both direct and indirect fees be monitored and specify frequency of review. The policy should include:
 - i. Reporting requirements of investment expenses, both net and gross of fees.
 - ii. Statutory reporting requirements – Texas retirement systems are required to report investment expenses in their annual financial reports. As a result, a fee policy should be tailored to capture and use the required information. This policy should require that both direct and indirect fees be evaluated and indicate the party responsible for providing this information using the reporting requirement as a guide.³

<u>SAMURAI</u>
<ul style="list-style-type: none">• Specified in advance – The benchmark should be specified prior to evaluation.• Appropriate – The benchmark should be a good proxy for the investment and its characteristics.• Measurable – The benchmark should be easily calculable and available.• Unambiguous – The benchmark should be clearly understood by all parties involved.• Reflective of current investment opinion – The benchmark should match the investment style deployed by the fund.• Accountable – The benchmark should be accepted as appropriate by the party who is ultimately accountable for the investment’s performance.• Investable – The benchmark should be purchasable or able to passively replicate.

³ [Sec. 802.103, Texas Government Code, 40 TAC, §609.105\(9\)](#)

- d. (If appropriate) Performance attribution – This policy would specify if performance attribution should be required with performance evaluations. These additional details can be extremely useful for a board to understand investment performance while making it easier to engage investment staff or consultants on potential actions.
 - e. (If appropriate) Performance appraisal and active vs. passive – This policy would focus on evaluating investment managers’ ability to deliver alpha using metrics and excess return analysis. The policy could include procedures to review active managed investments vs. passive investment alternatives.
9. **Investment manager selection and monitoring:**⁴ Investment managers are those who manage a portion of the system’s assets. As such, the IPS should include policies to specify the due diligence necessary to ensure those assets are invested in the best interest of fund. As conducting investment manager due diligence is a skilled practice, it is highly encouraged that systems that lack internal expertise rely on a third-party consultant with relevant expertise to create or provide policies and guidance to govern the process.⁵
- a. Selection criteria – Include qualitative, quantitative, or other factors.
 - b. Procedure and metrics used for monitoring – Use benchmarks established in the performance evaluation section. Performance should be reviewed at least quarterly.
 - c. Compliance – Review compliance with all applicable laws, fund guidelines, and monitoring policies.
 - d. ~~Watch list~~Monitoring policy – One option is to include a watch list process in the policy as part of the monitoring process for investment managers. This type of policy allows a system to notify managers of their watch list status, which occurs when performance deficiencies or other issues arise that can lead to termination and withdrawal of assets. This process may include:
 - i. A notification to the investment manager of their placement on the watch list and the reason for the decision.
 - ii. A request for the manager to respond or provide any qualitative or quantitative analysis regarding the underlying issue.
 - iii. A contingency to research alternative investment opportunities if the investment manager is terminated.
 - iv. A requirement to review watch list managers every year to decide on removing, maintaining watch list status, or terminating.
 - e. (If appropriate) Alternative active monitoring policy – Instead of using a watch list policy an alternative that requires a high level of investment expertise and policies is an active monitoring approach. This requires a proactive approach to identify and address performance deficiencies before they would normally meet a watchlist’s criteria.
10. **Ethics:** A section can be created to outline the core ethical principles that all parties should follow. Alternatively, this section may reference an ~~additional-external~~ document the system maintains, such

⁴ Secs. 802.206, Texas Government Code directs the governing body of a retirement system to monitor investments in no specific means and as such the options listed are reflections of general best practices and not all inclusive.

⁵ Secs. 802.204-802.207, Texas Government Code

as a code of conduct or broader ethics policy. These types of policies help clarify acceptable practices and document the core ethical beliefs trustees and other third parties will follow.

DRAFT



TEXAS PENSION REVIEW BOARD

Investment Policy Statement Example

Overview

The Guidance for Developing an Investment Policy Statement, adopted by the Pension Review Board (PRB), provides a description of policies and sections that systems are encouraged to include in their investment policy statement (IPS), as applicable. This IPS example is an additional reference tool provided by the PRB to demonstrate what each type of policy might look like in an IPS. Specific requirements included below (including defined roles and responsibilities, defined percentages, etc.) are not intended to be prescriptive but to help inform users about the types of elements that should be included in an Investment Policy. In addition, this document is not intended to be a fully functioning IPS since certain policy sections have been shortened for brevity and each IPS should be tailored to each system's needs. Furthermore, this IPS example is not intended to replace any system's existing IPS, but systems may use it as a starting point of a new IPS or to develop new policy language to update an existing policy.

This document contains example language from industry entities such as the Government Finance Officers Association (GFOA) and the Chartered Financial Analyst Institute (CFAI). Specific references are provided at the end of this document. The PRB also used policy language from actual IPS documents adopted by several Texas public retirement systems including, but not limited to, the Texas Municipal Retirement System (TMRS), Texas County and District Retirement System (TCDRS), Teacher Retirement System of Texas (TRS), City of Austin Employees' Retirement System (COAERS), Irving Firemen's Relief and Retirement Fund, Fort Worth Employees' Retirement Fund, City of El Paso Employees Retirement Trust, and Abilene Firemen's Relief and Retirement Fund, among others. In addition, a glossary of common terms used in IPS documents can be found at the end of this example IPS as an additional resource.

Example Language

I. Fund Mission

The investment policy statement (IPS) governs the pension system investment program and is established to provide a framework for management of those assets to conform with governing legislation and other legal requirements. This IPS outlines the foundational beliefs, purpose, objectives, benchmarks, restrictions, risks, and responsibilities of the board, staff, investment managers, service providers, sponsoring entity, members, and other stakeholders in how they impact the investment program.

The board has a fiduciary duty to the members and beneficiaries of the system to prudently allocate contributions from the sponsoring governmental entity and system members in accordance with the IPS to pay future benefits. The investment program relies on incoming funds in accordance with the established funding policy to meet a reasonable investment return assumption that matches future benefits.

II. Roles and Responsibilities

All parties involved in the investment program will act responsibly in accordance with their fiduciary duty and standards of care.¹

Prudence: The standard of prudence to be used by investment officials shall be the Uniform Prudent Investor Act standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures, this investment policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Trustees and investment officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the system.

1. The **board of trustees** is ultimately responsible for the administration of the system and its investment program assets following governing statute and applicable law. The board establishes investment objectives and policy, contracts with experts for advice and expertise, oversees the distribution of benefit payments, actively monitors investment performance, and as part of its fiduciary duty, ensures any delegated authority of investment assets are invested in accordance with the Prudent Investor Act. The board's fiduciary duty can be delegated to service providers but the board is ultimately responsible for monitoring the investment program. The board:
 - a. Establishes the fund mission, investment objectives, and investment philosophy consistent with the funding policy.
 - b. Creates and maintains a written IPS consistent with the identified mission and objectives and applicable laws.
 - c. Approves an investment asset allocation that diversifies the assets to reduce risk of loss.
 - d. Monitors and evaluates the system's investment performance and compliance with provisions outlined in the IPS or manager contracts and all applicable state or federal laws.
 - e. Efficiently manages the costs associated with implementation of its investment program.
 - f. Periodically reviews the performance of all service providers that directly report to the board including investment staff, investment managers, investment consultants, and custodians.
2. The **investment consultant** is hired by, and reports to, the board. The consultant provides advice and expertise on all investment-related matters, including:
 - a. Developing investment objectives and relevant policies.

¹ [Sec. 802.203, Texas Government Code](#)

- b. Determining optimal asset allocation targets and investment strategies.
 - c. Leading investment manager searches, selection process, monitoring, and termination following the policies outlined in the IPS.
 - d. Providing monthly investment performance reports net of fees and liquidity status.
 - e. Providing quarterly reviews of investment fees incurred.
 - f. Providing the board with educational opportunities to improve trustees' investment knowledge.
 - g. Reviewing the IPS annually and providing the board any suggestions for improvement.
3. The **investment managers** are retained by the board to manage or advise on specific strategies and asset classes, through a manager search process and according to specific criteria as set forth in this IPS. The manager must be registered under the Investment Advisers Act of 1940 and remain in good standing with all applicable laws. Investment managers:
- a. Manage allocated assets in accordance with the policy guidelines and objectives as set forth in the investment management agreement between the manager and the board.
 - b. On a quarterly basis, provide a written report affirming compliance with the policy guidelines and any separate written agreement with the board.
 - c. On a quarterly basis, provide a report detailing the performance of allocated assets, a forecast of the market and economy, and portfolio analysis of invested assets.
 - d. Provide immediate written notice to the system of any significant market related or non-market related event that has impacted or may impact investment objectives.
4. The **custodian bank** serves as the master custodian of the system's assets and is responsible for maintaining the official book of record under the supervision of the board, calculating investment performance, and using the system's assets in accordance with the terms of a separate agreement.

III. Investment Objectives

The investment objective is to maximize the probability of achieving the actuarial return assumption without exceeding the risk tolerance specified by the board. The actuarial consultant's recommended return assumption for the system should be created after consulting with the system's investment consultant to determine appropriate expectations surrounding long-term investment returns for a well-diversified investment portfolio considering system future liabilities.

1. The investment assets nominal net of fee return should meet or exceed the return assumption of 7 percent over a rolling five-year, 10-year, and 20-year period. The total fund portfolio performance will be compared using the relative benchmarks and asset weights specified in the IPS.
2. The actively managed investment performance should net return 1 percent alpha (excess return over the specified benchmark).

IV. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

The investment consultant is responsible for monitoring and providing a liquidity report monthly to the board. As liquidity can vary by asset class and investment vehicle, the board shall limit portfolio asset investments based on redemption periods. The consultant will provide notice of known distribution liquidity needs to the investment managers in advance.

1. No more than 60 percent of the portfolio can be invested in vehicles that provide liquidity on a greater than annual basis.
2. No more than 20 percent of the portfolio can be invested in vehicles that provide liquidity on a greater than three-year lock-up period.

V. Risk Tolerance

The investment consultant will establish a framework for measuring the total fund portfolio and specifically the policy benchmarks for asset classes and investment managers. At a minimum, this framework must include a quantitative risk assessment for downside risk (e.g., value-at-risk (VaR), estimated shortfall, or various parametric and non-parametric statistics).

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate market risk, credit risk, inflation risk, and interest rate risk. These risk factors are further evaluated and discussed in the routinely conducted asset allocation and asset liability studies.

1. Market Risk

The system will minimize market risk, which is the risk that prices for stocks, bonds, and other assets may fall, by:

- Limiting investments to the types of securities listed in Section VI of this investment policy.
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which the system will do business in accordance with Section VI.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

2. Credit Risk

The system will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VI of this investment policy.
- Pre-qualifying and conducting ongoing due diligence of the financial institutions,

broker/dealers, intermediaries, and advisers with which the system will do business in accordance with Section VI.

- Requiring a minimum credit quality for certain investments and counterparties in accordance with Section VI.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

3. Interest Rate Risk

The system will minimize interest rate risk, which is the risk that rising or falling interest rates will reduce the value of the system’s assets, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity of the portfolio in accordance with this policy.

VI. Investment Assets

The board recognizes that the asset allocation decision will be the single most important factor determining the long-term performance of the fund. The board therefore wishes to retain complete discretion with respect to the asset allocation decision. Investment managers are expected to manage the funds for which they have been allocated at their discretion within the constraints of their mandates.

The current needs of the fund require a diversified portfolio, and the asset allocation percentages specified in this section are determined by the board as the optimal allocation for the fund. The determination of the optimal allocation is reviewed annually and is based on the advice of the investment consultant and available asset-liability studies. ~~that~~This should be performed generally every 3-5 years or after consulting with the actuary and investment consultant for appropriateness. The fund’s time horizon is long-term, and the allocation considers the various preferences, risk tolerances, return objective, and the desired diversification from this IPS.

Strategic Asset Allocation

Asset Class	Minimum Range	Strategic Target	Maximum Range
Public Equity	40%	50%	60%
Fixed Income	15%	30%	40%
Real Assets	5%	10%	15%
Alternative Investments	5%	10%	15%
Cash	0%	0%	5%

Rebalancing Policy

The goal of the rebalancing policy is to maintain the board-approved strategic allocation and its risk-to-return profile. The board has delegated rebalancing to the investment consultant which will review allocation levels for rebalancing at least quarterly.

Authorized Investments

1. Public Equity

- a. Investments in public equity securities must be traded on a national exchange or electronic network.
- b. No more than 5 percent of the system's total assets may be invested in the common stock, capital stock or convertible stock of any single issuing company. Additionally, the aggregate investment in any single company shall not exceed 5 percent of the outstanding capital stock of that company.
- c. Investable options:
 - i. Index fund, mutual fund, common stocks, exchange traded funds (ETFs), preferred stocks, or broad market benchmarks
 - ii. Active and passive commingled funds
 - iii. Separately managed accounts for actively managed, rules-based, passively managed, or custom strategies.
 - iv. Other equity instruments including exchange-traded futures, options, or other derivatives are permitted only with approval from the board.

2. Fixed Income

- a. Domestic and Yankee Bonds, mortgages and mortgage-backed securities, asset-backed securities, global corporate bonds, global sovereign debt, fixed income futures, interest rate futures.
- b. No more than 5 percent of the fund's total assets may be invested in the securities of any single corporate issuer.
- c. All securities must be rated at least B- or equivalent.
- d. Competitive bids shall be obtained from at least three brokers or financial institutions on all purchases and sales of investment instruments transacted on the secondary market if possible.

3. Real Assets

- a. Inflation-linked securities, commodities, REITS, real estate, listed infrastructure, natural resources.

4. Alternative Investments

- a. Private equity, hedge funds, private real estate

5. Cash

- a. Custodian bank STIF vehicles, AAA rated money market mutual funds, US Treasuries with maturity less than 365 days.

Alternative Investment Legal Requirements

Due to the unique nature of alternative investments, all investment entry documents, and any accompanying side letters will be reviewed by the system's contracted legal counsel to determine if the documents are sufficient for the system's legal requirements and needs. An alternative investment may not be made if certain legal requirements cannot be satisfied and the system is not willing to assume the legal exposure.

Alternative Valuation Policy

Due to certain alternative investment pricing limitations and complexities, the board will delegate to the investment consultant confirmation of compliance with industry best practice valuation procedures on an annual basis.

For all real estate investments, the investment consultant will confirm compliance with industry best practices. These investments should preferably have quarterly valuations, but valuations must be conducted no less than semi-annually. Exceptions to this policy can be approved by the board, such as for non-stabilized properties which include but are not limited to those under construction or renovation as well as land held for future expansion or entitlement. Because of the complexity and uniqueness of each alternative investment, the policies below are not all inclusive and the investment consultant may identify additional policies according to their expertise that will be maintained as an external document to the IPS available to the board.

1. Valuation Requirements – The scope must be sufficient to demonstrate that the value of each property held has been appropriately determined. The scope should include, but not be limited, to the following:
 - a. Must have and follow their own written valuation policies.
 - b. Must notify the system in writing if the internal valuation policy is changed.
 - c. Must be appropriate, established valuation techniques.
 - d. Valuation process oversight, review, and approval must be independent of the portfolio manager with approval so documented.
 - e. Sufficient documentation for real estate auditors to recompute the calculations during audit.
 - f. Reconciliation of any significant variance from the previous appraisal.

VII. Proxy Voting

The board by default does not intend to invest in investment vehicles that provide proxy voting rights; however, when applicable, the investment manager is granted the authority to represent the system and shall vote shares in the best interest of the fund and its beneficiaries. A listing of all proxy votes showing the date each proxy was voted, the issue as to which each proxy was voted, and how each proxy was voted shall be provided to the board upon request within a reasonable timeframe at least annually. If a proxy was not voted, the investment manager will provide a written statement indicating the reason that a particular proxy was not voted to the board as soon as reasonably practicable.

VIII. Performance Evaluation

Performance measurement will be based on total rate of return and will be monitored over a sufficient period to reflect the investment expertise of the manager(s) over one full market cycle, or five years, whichever is less. Performance results and evaluation relative to objectives will be reported to the board on a quarterly basis. A time-weighted return formula (which minimizes the effect of contributions and withdrawals) will be utilized in performance calculations. For alternatives, time-weighted returns will be used for consolidated reporting; however, internal rates of return and comparison to relevant peer groups and vintages will be used for evaluation of managers.

Asset Class Benchmarks

Asset Class	Policy Benchmark	Asset Class Goal	Strategic Target
Public Equity	MSCI ACWI IMI (Net)	Benchmark	50%

Investment Policy Statement Example

Fixed Income	Bloomberg Barclays US Aggregate Bond Index	Benchmark	30%
Real Assets	Real Estate – (NCREIF-ODCE Index) Real Assets – (Rollup of underlying manager benchmarks)	Real Estate – (CPI+5%) Real Assets – (CPI+4%)	10%
Alternative Investments	Hedge Funds – (HFRI FoF) Private Equity – (Rollup of underlying manager benchmarks)	Russel 3000 + 3%	10%
Cash	30-Day T-Bill	Benchmark	0%

Marking to Market

The market value of the portfolio shall be calculated at least quarterly [or monthly] and a statement of the market value of the portfolio shall be issued at least quarterly [or monthly]. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

Quarterly Report

Each quarter, the investment consultant will prepare a report that compares the performance of the total investment fund against the benchmarks for the preceding quarter, fiscal year-to-date and annualized periods. The report shall provide the current allocation to each strategy and asset class. The report will also provide a synopsis of the performance of each active manager and a list of currently scheduled commitments or redemptions, if any, as well as any activity for the preceding quarter. Performance attribution analysis shall be provided that will show the impact of any asset class divergences over the past quarter and year as well as the performance of active managers.

The investment consultant should provide the report to the board and any investment committee. The report will include the following:

1. Listing of individual securities held at the end of the reporting period including type, acquisition cost, book cost, and market value.
2. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
3. Average weighted return on investments as compared to applicable benchmarks.
4. Percentage of the total portfolio which each type of investment represents.
5. A statement that the investment portfolio is compliant with the investment policy and is meeting the investment policy objectives.

Investment Expenses

Each quarter, the investment consultant will prepare a report that reviews both the direct and indirect expenses against relevant benchmarks and peers for the preceding quarter, fiscal year-to-date and one-year. Total fund expenses compared to peers will be reviewed annually with recommendations for

improvements or confirmation of reasonable expenses.

The report must show each investment's expenses, both direct and indirect, accrued or estimated for the applicable period if available and not cost prohibitive. Alternative investments will show the most recent incurred expenses. Investments are allowed to be aggregated into asset classes if approved by the board. The expenses incurred must be aggregated based on the type of fee incurred (e.g., management fee paid from trust, management fee netted from returns, commission/brokerage fees, and profit share carried interest) and by asset class. The investment consultant should raise any concerns about fee tracking, complexity, and any cost prohibitive concerns with the board so that performance and expenses are adequately tracked in a cost effective manner.

IX. Investment Manager Selection and Monitoring

To better ensure that managers will successfully manage to the system's objectives for their specific mandates, the board supports disciplined processes for manager selection, monitoring, watch list, and termination. In addition, the manager selection process is intended to protect against unethical behavior including bribery and corruption and contact between the board and managers during the search process that is related to the pending selection and intended to influence the search outcome. Contact will be limited during the search process and directed through the investment consultant or third-party provider assisting in the investment manager search. Direct inquiries by managers to individual board members regarding the investment program will be referred to the investment consultant. As the investment needs of the system are ever-changing, so are the criteria appropriate for the selection of investment managers. Additional criteria and/or amendments to these criteria may be made by the board when appropriate.

Investment Manager Selection Criteria

1. Manager candidates should have a real-time performance record of five years or more for the specific investment product that the system is seeking. However, recognizing that past performance is not indicative of future results and the fact that attractive opportunities may be available without this target, qualitative exceptions to this rule may be adopted by the board.
2. Manager candidates must have demonstrated a long-term record of superior performance.
3. Manager candidates must have registered with the U.S. Securities and Exchange Commission (SEC) as investment advisors or be exempt from registration.
4. Manager candidates should have a material amount of assets under management for that specific investment product unless a waiver is authorized by the board.

Alternative Investment Manager Selection Criteria

1. The general partners or sponsors of alternative investment funds must possess the management skill and industry knowledge to exercise influence or have an impact on the portfolio companies that the funds invest.
2. The contract terms must not grossly favor the general partners over the limited partners (investors).
3. Capital commitment by the general partners should be significant.

Watch List

A manager retention decision is very important to the continued success of a pension system's investment strategy. The Watch List Policy applies to managers in the following asset classes: public equities, fixed income, and real assets. The watch list may not necessarily lead to any needed action but rather is intended to place a manager under increased scrutiny based on failure to meet quantitative or qualitative standards.

Quantitative Factors Resulting in Watch List Additions

Several factors may contribute to a manager's over- or under-performance at any given time, such as: market dynamics, investment skill, and/or pure chance. Given this uncertainty, it is unwise to mandate termination purely for lagging performance at any specific point. The following represent guidelines to be used in making a recommendation to the Board with regards to placing a traditional asset class manager on the watch list:

- Test 1 If the manager's rolling, five-year return (net of fees) falls below the rolling, five-year benchmark return for three consecutive quarters.
- Test 2 If the manager's rolling, five-year return (net of fees) for three consecutive quarters ranks in the bottom third of the investment consultant's peer group universe.

At the discretion of the board, a manager may be included on the watch list based on these criteria. The board may place the manager on the watch list at any time. Once a manager is placed on the watch list for performance reasons, performance will be closely monitored and scrutinized. All the qualitative criteria should be reviewed along with an explanation of the underperformance from the manager. Additional actions could include meetings with the manager and a formal re-interview of the manager by the board.

The manager will continue to be closely monitored during the watch list period and will remain under scrutiny until the board and investment consultant agree that the quantitative and qualitative criteria for removal from the watch list have been satisfied. Generally, one period of a rolling, five-year return above the benchmark or above the bottom third of the investment consultant's peer group universe following placement on the watch list will be required for a manager's removal from the watch list for performance reasons. The observation process will at this point begin again.

Qualitative Factors Resulting in Watch List Additions

A significant and potentially adverse event related, but not limited, to any of the following qualitative issues or events, will be considered a reason to add the manager to the watch list. Examples include, but are not limited to, these events:

- Violation of investment guidelines
- Deviation from stated investment style and/or shifts in the firm's philosophy or process
- Turnover of one or more key personnel
- Change in firm ownership or structure
- Significant loss of clients and/or assets under management

- Significant and persistent lack of responsiveness to client requests
- Litigation
- Failure to disclose significant information, including potential conflicts of interest
- Chronic violations of the system's investment policy
- Any other issue or situation of which the board, the investment consultant and/or trustees become aware that is deemed material

Should any of these events occur, the recommended courses of action are similar to those contained in the preceding subsection (Quantitative Factors Resulting in Watch List Additions). After an assessment of the nature of the problem or potential problem, the investment consultant should then make a recommendation as to the appropriate course of action at the meeting after notification for the board to make a final determination of any action to take.

Because of the subjective nature of qualitative analysis, both additions and removals to and from the list should be handled by the investment consultant and the board on a case-by-case basis.

Active Monitoring Approach

The board in consultation with the investment consultant will review periodically on the investment monitoring approach using a watch list vs. other potential options such as active monitoring.

X. Ethics

The board recognizes the responsibility and fiduciary duty it has to the members and beneficiaries of the system and requires all trustees, service providers, and fiduciaries to the system to always act ethically in accordance with the system's external Ethics Policy.

XI. Glossary And Resources

Active Management – A process employed by the system to produce better returns than those of passively managed indexed funds by use of, for example, investment managers, investment advisors, ETFs, or TAA, which typically rely on analytical research, quantitative models, forecast, regime analysis, judgment and experience in making investment decisions.

Asset Liability Management Study (ALM Study) – A comprehensive periodic study commissioned by the board to examine various aspects of the system’s assets and liabilities including, but not limited to, asset allocation and investment strategies along with key asset and liability risk exposures.

Cash (Cash and Cash Equivalents) – An asset class characterized by liquidity of one year or less and described in greater detail in Section VI of this IPS as an investment category.

Commingled Fund – An investment fund consisting of assets from several accounts, which may include non-system accounts, that are blended so investors may benefit from economies of scale, lower trading cost, and diversification. Commingled funds are not publicly traded.

Exchange-Traded Fund (ETF) – A marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund, and can be traded like a common stock on an exchange.

Fiscal Year (FY) – The period unique to the system for annual reports.

Investment Management Agreement (IMA) – A formal agreement between an investment manager and the system stipulating the terms under which the investment manager is authorized to act on behalf of the system to manage the assets listed in the agreement. The agreement establishes the extent to which the investment manager may act in a discretionary capacity to make investment decisions based on a prescribed strategy.

Investment Manager – An entity that manages system assets, usually in a separately managed account, with discretionary authority to invest within the confines of a system-mandated investment strategy or similar system directive, and where the account holdings are typically maintained in the custody of the fund’s custodian bank.

Investment Policy Statement (IPS) – The investment policy statement of the system as approved by the board/investment committee that provides for the system’s general investment goals and objectives.

Investment Program (IP) – A system for the investment and administration of the system’s assets as outlined in the system’s IPS and all applicable laws and regulations.

Internal Rate of Return (IRR) – The annual rate of growth for an investment that nets all expected future cash flows to zero. Often used in alternative investments that have large cash outflows during the beginning of the investment cycle with expected return distributions experienced in the future.

Market-Based Strategies – Investment strategies which are traded on public markets and are based on publicly traded securities. Market based strategies are highly liquid and valued daily.

Net Asset Value (NAV) – Market value per unit of the investment vehicle. For public markets, market value is determined daily. For private investments, market value is estimated periodically.

Passive Management (Indexing) – The process of buying and holding a well-diversified portfolio designed to produce substantially the same returns as a specified market index.

Peer Group – A set of investors (funds or managers) whose returns are used for a comparison with those of a given fund to determine how the given fund ranks among similar funds.

Performance Appraisal – The part of the performance evaluation process that attempts to determine whether the investment returns over an evaluation period have been achieved by skill or luck.

Performance Attribution – The part of the performance evaluation process that identifies sources of returns for a portfolio relative to a designated benchmark over an evaluation period.

Performance Evaluation – A component of the investment process involving periodic analysis of how a portfolio performed in terms of both returns earned and risks incurred.

Performance Measurement – The part of the performance evaluation process that calculates a portfolio's rate of return over an evaluation period.

Policy Benchmark – The specific standards against which the performance of securities held by the fund in certain asset classes can be measured. The specific benchmarks are detailed under Section VI - Investment Assets.

Private Investment – Strategies in which the system invests (typically through an interest in a limited partnership, limited liability company, or through some other binding agreement) in private equity, debt, real assets, or other assets not listed on a public exchange.

Risk Appetite – The amount of risk that the system is willing to take to meet its strategic objectives.

Risk Factors – Underlying characteristics of the portfolio that define risk, return and correlation.

Risk Tolerance – The degree of variability of investment returns relative to the assigned benchmark that the system is willing to accept.

Sharpe ratio – A risk-adjusted measure of portfolio performance in which risk is measured by the standard deviation of the portfolio's returns. It is the annualized ratio of the excess return (the actual return less the risk-free return) of the portfolio divided by the portfolio's standard deviation over a specified period.

Strategic Asset Allocation (SAA) – A portfolio strategy that sets long term target allocations for various asset classes and includes periodic rebalancing to maintain these allocations.

Tactical Asset Allocation (TAA) – A portfolio strategy that shifts, for a short period of time, the percentage of assets held in various allocation categories to capitalize or manage risk on market or economic environments.

Time Weighted Return (TWR) – A method for calculating investment returns such as an annualized return using the geometric mean of returns each year over a specified period.

Tracking Error – A measure of deviation between a portfolio's return and the benchmark or index it was meant to mimic or beat.

Reference Materials

Chartered Financial Analyst Institute (CFAI) Materials

J Bailey and T Richards,. *A Primer for Investment Trustees: Understanding Investment Committee Responsibilities* (2017).

D Chambers, K Black, and N Lacey, *Alternative Investments: A Primer for Investment Professionals* (2018).

M Drew and A Walk, *Investment Governance for Fiduciaries* (2019).

Scott Stewart, *Manager Selection* (2013).

Government Financial Officers Association (GFOA) Materials

GFOA Best Practice, *Adopting Financial Policies* (Sept. 30, 2015).

<https://www.gfoa.org/materials/adopting-financial-policies>

- [GFOA Best Practice, *Investment Policies for Defined Benefit Plans* \(Sept. 30, 2017\).](https://www.gfoa.org/materials/investment-policies-for-defined-benefit-plans)
<https://www.gfoa.org/materials/investment-policies-for-defined-benefit-plans>
- GFOA Best Practice, *Investment Fee Guidelines for External Management of Defined Benefit Plans* (Sept. 28, 2018). <https://www.gfoa.org/materials/investment-fee-guidelines>
- GFOA [Alternative Investments Checklist](#)
- GFOA [Sample Investment Policy](#)

DRAFT

Item 8: Preliminary proposed revision of 40 T.A.C. Chapter 609, Public Retirement System Investment Expense Reporting Rules

Tamara Aronstein





Overview



- Timeline
- Recommended rule revisions
- Next steps

Timeline

- September 21, 2023 – Presented on notice of intent to review rules (40 T.A.C. Chapters 601-609)
- September-October 2023 – Requested informal input from stakeholders on current investment expense reporting rules.
- October 6, 2023 – Notice of rule review published in Texas Register
- November 7, 2023 – 30-day comment period ended. No formal comments received.
- **May 2, 2024** – Present proposed revisions to Investment Committee
- May 2024 – Send draft rules to stakeholders for informal stakeholder input
- May-June 2024 – Revise draft proposed rules based on feedback from Investment Committee and stakeholders
- July 25, 2024 – Chapter 607 and 609 proposed rules to full board
- September 25, 2024 – Potential final adoption of Chapter 607 and 609 rules



Rule Recommendations – Sections 609.101, 609.103, 609.107

- No changes proposed for the following sections:
 - Section 609.101 – Pertains to authority to adopt the rules.
 - Section 609.103 – Outlines the purpose of the rules.
 - Section 609.107 – Provides the applicability of the rules.



Rule Recommendations – Section 609.105

- Section 609.105 includes definitions used throughout the rules.
- PRB staff recommends changes to increase the clarity, consistency, and accuracy of investment expense reports:
 - Clarify the definition of “direct and indirect fees and commissions” to include fees netted from returns.
 - Specify that “investment service” includes service provided by in-house investment staff.



Rule Recommendations – Section 609.109

- Consists entirely of provisions pertaining to the first investment expense reporting period.
- The rules specify that these provisions expired April 1, 2022.
- Recommend striking this section to remove obsolete language.



Rule Recommendations – Section 609.111

- Pertains to the investment expense reporting structure.
- Modify the rules to clarify that investment expenses must be reported by type of fees and commissions, to include:
 - Amounts paid to investment managers for managing assets.
 - Commissions paid to brokers for trading securities on a per share basis.
 - Profit share as defined by state law.
 - Fees netted from returns.
- Specify that the supplemental schedule containing the investment expense report may be unaudited, addressing a frequent question from systems and reflecting current practice.
- Note: These recommended changes provide clarity while reflecting current practices – there should be no impact to systems from these recommended revisions.



Overview of Recommended Rule Changes

Section	Subject	Recommended Action
609.101	Authority	No changes
609.103	Purpose	No changes
609.105	Definitions	Clarify “direct and indirect fees and commissions” includes fees netted from returns; Clarify “investment service” includes in-house investment staff.
609.107	Applicability	No changes
609.109	Investment expense reporting (for first reporting period)	Strike entire section
609.111	Investment expense reporting structure	Clarify that investment expenses must be reported by type of fees and commissions; and specify the information may be provided in an unaudited supplemental schedule.



Next Steps

- Modify draft proposed rules, if needed, based on committee and stakeholder feedback.
- Present proposed draft rules at July board meeting for potential action, kicking off the standard rulemaking process.



40 T.A.C. Chapter 609 – Draft Proposed Rule Amendments**§609.101 Authority**

These rules are promulgated under the authority of Texas Government Code, §801.201, relating to rulemaking, and §802.103, relating to an annual financial report and the Board's authority to adopt rules necessary to implement that section.

§609.103 Purpose

(a) The governing body of a public retirement system, as mandated by §802.103 of the Texas Government Code, is required to publish an annual financial report showing the financial condition of the system as of the last day of the fiscal year covered in the report.

(b) Texas Government Code §802.103(a)(3) requires within the annual financial report, a listing, by asset class, of all direct and indirect commissions and fees paid by the retirement system during the system's previous fiscal year for the sale, purchase or management of system assets.

(c) This chapter implements these reporting requirements to help ensure consistency in investment expense reporting by public retirement systems, which will benefit those systems, the Board, policymakers, and the public, through the ability to make enhanced comparisons and allow for the better analysis, policymaking, and understanding of investment expenses paid by public retirement systems.

(d) This chapter is not intended to contradict generally accepted auditing standards, governmental accounting standards, or widely recommended best practices for financial reporting by governmental entities. It is also not intended to prevent systems from making additional disclosures beyond those listed in this chapter.

§609.105 Definitions

The following words and terms, for the purposes of this chapter, shall have the following meanings, unless the rule indicates otherwise.

- (1) "Annual financial report" means as defined by §802.103 of the Texas Government Code.
- (2) "Asset class" means a group of securities that share similar characteristics, perform comparably in the marketplace, and are generally governed by the same laws and regulations.
- (3) "Board" means the State Pension Review Board.
- (4) "Direct and indirect fees and commissions" means amounts paid to investment managers for managing assets; commissions paid to brokers for trading securities on a per share basis; ~~and~~ profit share as defined by §815.3015(a)(2) of the Texas Government Code; and fees netted from returns.
- (5) "Fees netted from returns" means an amount that an investment manager collects or retains from earned investment returns rather than from the pension trust fund.
- (6) "Governing body of a public retirement system" means as provided by Texas Government Code §802.001(2).

(7) "Investment expense" means direct and indirect fees and commissions and amounts retained or paid for investment services.

(8) "Investment manager" means as defined by §802.204 of the Texas Government Code.

(9) "Investment service" means a service provided to a public retirement system for general purposes of administering its investment program such as custodial, investment consulting, investment-related legal services, ~~and research, and in-house investment staff.~~

(10) "Public retirement system" means as defined by §801.001(2) and §802.001(3) of the Texas Government Code, but shall not include defined contribution plans as defined by Texas Government Code, §802.001(1-a) or retirement systems consisting exclusively of volunteers organized under the Texas Local Fire Fighters' Retirement Act as defined by Texas Government Code, §802.002(d).

§609.107 Applicability

This chapter applies to every public retirement system.

§609.109 Investment Expense Reporting

For the first reporting period:

~~(1) A public retirement system with 180 days or more remaining in its current fiscal year as of the effective date of this section shall include the required investment expense disclosures per this chapter in its annual financial report that covers that fiscal year.~~

~~(2) A public retirement system with fewer than 180 days remaining in its current fiscal year as of the effective date of this section shall include the required investment expense disclosures per this chapter during the first fiscal year that begins after the effective date of this chapter, as part of its regularly scheduled annual financial report.~~

~~(3) The provisions of this section shall expire on April 1, 2022.~~

§609.111 Investment Expense Reporting Structure

(a) Public retirement systems shall:

(1) report direct and indirect fees and commissions:

(A) in the fiscal year they are incurred;

(B) by asset class;

(C) by type of fees and commissions, specifically:

(1) amounts paid to investment managers for managing assets;

(2) commissions paid to brokers for trading securities on a per share basis;

(3) profit share as defined by §815.3015(a)(2) of the Texas Government Code; and

(4) fees netted from returns.

(DC) in a supplemental schedule, which may be unaudited, as part of the system's annual financial report; ~~and~~

~~(2) identify amounts netted from returns separately from those paid from the trust.~~

(b) Investment services provided to the system shall be reported in a supplemental schedule contained in the notes to the financial statements that are part of a public retirement system's annual financial report.

(c) A retirement system shall report expenses incurred for investment services by type of service provided, even if multiple investment services are provided by a single firm. Those expenses should not be reported by asset class.

(d) The asset classes are:

- (1) Cash;
- (2) Public Equity;
- (3) Fixed Income;
- (4) Real Assets;
- (5) Alternative/Other.

(e) The Board hereby adopts by reference the 2020 Asset Class Categorization Guide (2020 ACC Guide) to assist in categorizing items by asset class.

(f) The Asset Class Categorization Guide is available to all public retirement systems. A public retirement system may obtain the most current version of the Asset Class Categorization Guide from the offices of the State Pension Review Board and from its website at <http://www.prb.texas.gov>.

(g) For an investment product containing investments in more than one asset class, a public retirement system shall report fees according to the corresponding asset class.

(h) For a fund of funds, reported fees must include the top-layer management fees charged by the fund-of-fund manager and the fees charged by all subsidiary fund managers, and all profit share, reported as a single amount.

(i) A public retirement system must list the types of investment included in the "Alternative/Other" asset class as described in the 2020 ACC Guide.