Lenox Park

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OPTIMIZING YOUR EMERGING MANAGER PROGRAM:

An Instructional Roadmap for Institutional Investors.

Initial Stage

- Sponsorship & Leadership within Governance & Investments
- Clear Mission & Commitment to Allocating to Emerging Managers
- A High Performance Culture Across the Organization

Institutionalized Stage

- Organizational Diversity in Governance & Workforce
- Explicit Emerging Manager Investment Policy & Measurable Goals
- Regular Reporting & Monitoring of Emerging Manager Program
- Active Outreach Initiatives into Emerging Manager Universe

Optimized Stage

- Occasional Evaluation & Adjustments to Emerging Manager Program
- Staff Member(s) with Direct Accountability for Emerging Manager Program
- Active Emerging Manager Relationship Management System
- Delegated Investment Authority to Investment Staff

Executive Summary

This study was designed to gain a thorough understanding of how an Emerging Manager Program ("EMP") can work best and identify the ways that stakeholders can cultivate that success. We began by contacting 22 pension funds to invite their Board members and/or Investment Staff to collaborate with us on this project by allowing themselves to be interviewed about their EMP experiences. The timely, enthusiastic response we received was encouraging, confirming our belief that EMPs will play an increasingly significant role at pension funds for the foreseeable future. Through these interviews, we were able to determine an idealized course for how EMPs can start with a solid foundation and mature into optimal programs. While there is no perfect EMP and each fund has different resource constraints and political dynamics to consider, everyone can learn from the combined experiences of funds across the country. This report outlines an instructional roadmap for optimizing your EMP, expands upon the importance of certain relationships integral to the EMP and highlights "best practices" for governing bodies and Investment Staff.

Table of Contents:

Study Commissioned by Teacher Retirement System of Texas ("TRS")

Jan 2014

About TRS Texas: The System is responsible for investing funds under its stewardship and for delivering benefits to members as authorized by the Texas Legislature. TRS is a defined benefit plan, with retirement benefits determined by a pre-established formula. The trust fund is sustained principally by three sources – contributions by members during their working careers, contributions by the state, and investment revenues.

TRS is the largest public retirement system in Texas in both membership and assets. The agency serves 1,335,402 participants – 1,003,655 are public and higher education members, and 331,747 are retirement recipients. As of Nov 30, 2013, System net assets totaled $123.3 billion.

About this Study

This Study was commissioned by TRS Texas in collaboration with 18 other U.S. Pension Plans. Most of the Pension Plans are public, and all deemed to play a meaningful role in the Emerging Manager space. *(Please see the final page of this report, **Collaborative Partners**.)*

The objectives of the Study were as follows:

1. Attempt to create an instructional roadmap for Institutional Investors seeking to establish and institutionalize an effective and sustainable Emerging Manager Program, and
2. To determine if any critical observations or best practices in Emerging Manager Programs would arise from conducting in-depth interviews with various stakeholders at Pension Plans

In conducting this Study:

- 22 U.S. Pension Plans were invited to contribute, with 19 ultimately participating
- 9 Pension Plans agreed to contribute to the work within 24 hours; and 17 agreed within 1 week of being invited
- 37 Individuals including Board Members, Trustees, Executive Directors, CIOs and Investment Staff were interviewed, in 13 cities
- Over 100 hours of content was gathered

Our roadmap for EMPs includes three stages: Initial, Institutionalized and Optimized. An EMP in its *Initial Stage* needs strong foundations: support at the leadership level, a clear sense of mission and commitment, and high performance standards. In the *Institutionalized Stage,* the program should promote organizational diversity, create an explicit Emerging Manager policy, require regular reporting on the program and begin to actively engage the Emerging Manager space. In the *Optimized Stage*: an EMP should be occasionally evaluated; a staff member should be given direct responsibility for the program; an active Emerging Manager relationship system should be in place; and, the Board should give the Investment Staff authority over manager selection. Importantly, these stages build upon one another. For example, the Investment Staff cannot expect to be given complete authority to select managers without strong sponsorship from the Board and a system of robust reporting requirements already in place. Note that we did not see any one EMP that proceeded perfectly from one stage to the next. The roadmap is intended to be instructional.

The second aspect of the report includes an elaboration of four key relationships between stakeholders in the Emerging Manager space, the most important of which is between the Pension Plan governance and the Investment Staff. This relationship must be built on mutual trust and clear communication. Foundations we outline in the roadmap will go a long way toward facilitating a healthy, productive relationship between these two entities.

The third section of the report outlines "best practices" for the governing bodies and the Investment Staff. In this section, we make suggestions for how these stakeholders can work to optimize the EMP. In general, the governing bodies need to provide leadership, write an explicit policy to govern the EMP, require regular reporting on the program, delegate investment authority to the staff, advocate for the program, and hire wisely. The Investment Staff should focus on actively reaching out to Emerging Managers, prudently allocating capital and institutionalizing those relationships.

Finally, one of the most important ways that you can nurture your EMP is to draw on the experience of others. As this study demonstrates, we can all learn a lot from one another, whether it is championing a particular manager or implementing a new way of reporting results. Optimizing your EMP requires a high degree of collaboration both within your own fund and across the Emerging Manager universe.

Stages of Emerging Manager Programs ("EMPs")

An EMP in the **INITIAL STAGE** has three foundational elements: strong sponsorship among the governing bodies and Investment Staff; a clear commitment to allocating to Emerging Managers; and, an unambiguous prioritization of high performance standards across the organization.

Sponsorship & Leadership Within Governance & Investments

Our research indicates that strong leadership from the Board and staff is a critical building block for creating a high functioning EMP. All of the well-established EMPs that we examined easily identified at least one champion of the program on the Board or among the staff. Without this high degree of support, the EMP will have a difficult time gaining traction over the long term.

The degree of leadership from the Board may depend on the politics of each unique situation. When an elected official has the power to appoint Board members, they should seek out candidates that will be strong advocates for the program. EMP supporters are likely to include men and women that have a demonstrated commitment to small businesses, women or minority-owned businesses and/or community development. Likewise, selecting investment professionals that are enthusiastic about the possibilities inherent to Emerging Managers will lay a firm foundation for the program.

Clear Mission & Commitment to Allocating to Emerging Managers

Both the Board and the Investment Staff must educate themselves about what a successful EMP would look like, given their unique circumstances. Each fund has its own investment needs and political dynamic that will determine the possibilities for that particular program. It is incumbent on the pension plan to determine the expectations and priorities of relevant Administrations in regards to EMPs and how those expectations affect its potential.

A High Performance Culture Across the Organization

Establishing an EMP also requires that the Organization as a whole have high standards for the fund's performance and is unapologetically prioritizing alpha generation. While the nature of investing with Emerging Managers may seem particularly risky to some participants in the process, a shared commitment to high standards should alleviate these concerns.

In the **INSTITUTIONALIZED STAGE**, the EMP should promote organizational diversity, establish an explicit Emerging Manager policy, require regular reporting on the program and prioritize active engagement in the Emerging Manager space.

High Performance Standards

"With any Emerging Manager Program, you must set high performance standards that are to be met. Not unrealistic standards, of course, but high. The performance metrics used for Emerging Managers should be the same performance metrics used for larger fund managers. Ultimately, performance will dictate an Emerging Manager's chance to be part of, and remain in, the larger core portfolio."

Anyori (AJ) Hernandez, *New York State Common Retirement Fund ("NYSCRF")*

Organizational Diversity in Governance & Workforce

In all of our interviews, we were struck by the correlation between Boards and Investment Staff that were demographically diverse, and the organizational commitment to Emerging Managers. Indeed, it appears that the presence and input of a wide variety of people at the leadership level does generate higher levels of institutional support for EMPs.

However, one particularly interesting finding from our research was that some of the strongest champions of EMPs were not necessarily women or minorities. In most cases, it was clear that personality and experience were excellent predictors of one's commitment to Emerging Managers. When the Board is hiring staff for the EMP, they should of course seek out professionals that have a high investment acumen. Equally as important, however, these individuals should demonstrate an enthusiasm for small businesses and value inclusiveness. Interviews and selection criteria for this position should explicitly attempt to grasp one's enthusiasm to invest in smaller funds and to provide up-and-coming managers a shot at accessing capital.

Explicit Emerging Manager Investment Policy & Measurable Goals

Growing and grounding your Emerging Manager Program requires creating an explicit policy that highlights the importance of the program, gives guidelines on how it should be implemented and includes measurable goals. This policy should be strong but also flexible and open to revision periodically. A tangible, living policy is important for three reasons. First, because the governing bodies of public funds are dynamic by nature, having a clear policy in place mitigates the possibility of major changes with each election. Second, an EMP policy will clarify the goals of the program for the entire organization and give the Investment Staff concrete, consistent guidance when they are working with consultants on manager selection. Third, including goals in the policy strengthens it by clarifying how exactly your particular program defines success. While not all of the pension funds we examined had explicit EMP policies, and not all the EMP policies had set goals in them, most stakeholders agreed that for a program to thrive over the long term, a clear tangible EMP policy with measurable goals is essential.

Regular Reporting & Monitoring of Emerging Manager Program

Accountability for performance should be an integral part of an EMP. The Investment Staff needs to report regularly to the Board on the health of the program. Reports should include information on both allocation to EM's and the performance of these funds. Transparency in this realm is critical for building and maintaining trust between the Board and the Investment Staff. If an EMP has strong support at the leadership level and everyone shares a commitment to high performance, there should be no barrier to presenting the data regularly and making adjustments accordingly.

Active Outreach Initiatives into Emerging Manager Universe

Selecting the best Emerging Managers requires active outreach on behalf of the Investment Staff. Because many pension funds are known for being purposeful about allocating funds to Emerging Managers, managers often aggressively court the fund on their own. However, this reality should not deter Investment Staff from reaching out and being present in the EM world. Accessing Emerging Managers directly has at least three significant advantages. First, you can inform the managers of the details of your particular program (e.g. how you define "Emerging Manager", your fund's target commitment levels). Second, the more you engage in outreach, the better educated you become about the Emerging Manager space. A well-informed Investment Staff will be far more effective in both selecting managers and communicating with the Board about the program. Third, by attending conferences, hosting dinners and networking at industry events, staff can access a bigger pool of talent than they could by relying solely on open door policies.

With the previously noted strong fundamentals in place, an EMP will become suitably institutionalized at the organization and then be able to maximize its potential. In the **OPTIMIZED STAGE**, an EMP should be occasionally evaluated, a staff member should be given direct responsibility for the program, an active Emerging Manager relationship system should be in place and the Board should give the Investment Staff authority over manager selection.

Occasional Evaluation & Adjustments to Emerging Manager Program

Ensuring a high quality EMP that is characterized by great relationships with managers, high performance standards and transparent data requires occasional evaluation and adjustment. Every few years, an outside firm or an internal audit group should conduct a thorough review of the EMP. Because of the natural turnover among Board members and staff, combined with the unpredictable political landscape that affects public funds, holding the program accountable to its mission is an important part of a mature program.

Accountability for Emerging Manager Program

"I believe one of the strongest signals a Pension Plan can send to the market of its commitment to deploying capital to the Emerging Manager space is designating an Investment Professional(s) who's accountable for executing the Plan's stated mission and commitment to allocating to Emerging Managers."

Alex Doñé, *New York City Retirement Systems ("NYCRS")*

Staff Member(s) with Direct Accountability for Emerging Manager Program
Ideally, there would be at least one member of the Investment Staff that oversees the entire EMP. Our review of funds indicates a wide variety of accountability structures in place, largely depending on the resources of the organization. In some cases no one at the organization has any EM responsibilities attached to their role. For funds that are able to insist on more accountability, there are two reasonably well functioning models. The first model appoints one staff member to oversee the EMP across asset classes. A second model puts at least partial responsibility on one person in each asset class. An optimal EMP would have a hybrid structure in place--one person overseeing the program and being held accountable for it while working with advocates in each asset class who are also accountable.

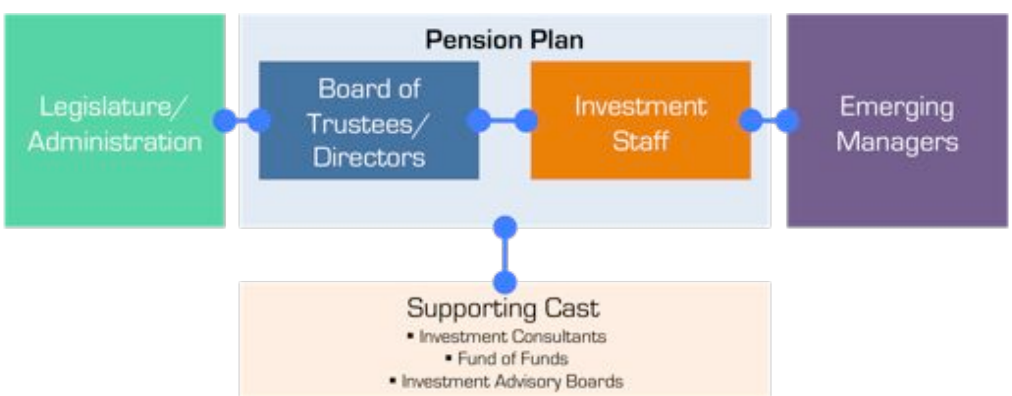
Active Emerging Manager Relationship Management System
Once an EMP has prioritized reaching out proactively to Emerging Managers, maintaining and nurturing those relationships becomes key. Sustaining an EMP over the long term requires managers to have solid relationships with the fund that are not dependent on particular Investment Staff. In order to create an institutional memory of these relationships, you need a durable and dynamic system.

It was resoundingly clear during all of our interviews that funds are moving towards a much better understanding of their relationships with managers. You need an institutionalized process in place to track all of your interactions (meetings, phone calls, emails, conferences, etc). We cannot emphasize enough how important it is to be responsive and respectful of people by returning phone calls or emails, following up on meetings and generally ensuring that managers are given an opportunity to compete for mandates on an even playing field. Given the sheer volume of people that are attempting to access your time and capital, managing these relationships requires a thoughtful and institutionalized approach. While several of the Investment Staff that we spoke to are making reasonable attempts at housing all of this information and creating their own tracking processes (usually Excel spreadsheets), all agreed that the volume and complexity of these relationships require a more robust system.

Delegated Investment Authority to Investment Staff
The capstone of an optimized EMP includes giving the Investment Staff authority to make hiring and firing decisions with regard to Emerging Managers. This is not only a symbol of trust between the Board and the staff, but it signals to the entire organization that Emerging Managers are a priority and systems are in place to select the most qualified managers.

Key Relationships Between Stakeholders

The following diagram shows major stakeholders in the Emerging Manager space. While our study was limited to the perspective of the Pension Plans, patterns seemed to emerge during our work that indicate certain stakeholder relationships could be substantially important in building or sustaining an effective EMP.



Legislature & Pension Plan Governance
This critical relationship varies, depending on the structure of the fund and its particular political dynamic. Regardless of the organizational structure, the Legislature or Administration will directly or indirectly hold the Board and Investment Staff responsible for the health of the pension plan. A beneficial relationship between these two entities requires that the Board have a thorough understanding of any politics underlying the legislature. In some cases an elected legislator may also serve on the Board of the Pension Fund, ensuring an efficient translation of legislative priorities relating to Emerging Managers. In any case, however, the Board should be very clear on the EMP mission and the expectations of the elected Legislators. If all of the

building blocks of a solid EMP are in place, particularly an explicit policy and a regular performance report, managing these politics should become easier.

Pension Plan Governance & Investment Staff

A healthy and productive relationship between the Board and the Staff requires mutual trust and understanding. That trust can only be assured if certain fundamentals are in place. Both groups need a shared commitment to four things: the mission of the EMP, high performance standards, transparency, and regular accountability. If this scaffolding is in place, all parties will feel confident that their input is being considered and their work is valued.

Both the Board and the Investment Staff are responsible for making the most of this relationship. The Staff will need to spend an appropriate amount of time and energy educating the Board on the benefits of allocating to Emerging Managers and the specifics of your EMP. Because the Board naturally experiences turnover and some of its members may not have deep investment experience, the Staff can expect to be regularly educating new Board members. A successful EMP requires a high degree of support from the Board. Ensuring this support will require the Staff to be sure that the Board is as well-informed as possible on the Emerging Manager opportunity set.

Pension Plan & Supporting Cast

One of the more complex relationships in this space is that of the plan and its 'supporting cast': the myriad of consultants, fund of fund managers and investment advisory boards that assist staff and Board members in sourcing, evaluating, selecting and monitoring managers. Depending on the resources of the plan, its reliance on these third parties will vary. In any case, however, when third parties are utilized for key decision-making, they need firm guidance on the plan's EMP expectations for capital allocation, high performance standards and regular reporting. Here, the explicit, tangible policy directing the EMP will prove crucial to both the Investment Staff and their advisors. The 'supporting cast' must be held accountable for their work. A clear policy that includes measurable goals will aid the Investment Staff in promoting this accountability.

Pension Plan Investment Staff & Emerging Managers

A healthy, productive relationship between the Investment Staff and Emerging Managers is paramount to ensuring a successful EMP. Even managers that are smaller, newer or often excluded from competing for mandates may have multiple entry points to a pension plan, through their relationship to Board members, elected officials or status in the community. Emerging Managers also have a significantly greater sense of urgency to their capital raising needs. At times, these two things may lead them to seek alternatives to the traditional investment process at a pension plan. This happens more frequently than anyone is comfortable with - both Managers and Investment Staff. To substantially mitigate this issue, pension plans can (i) proactively educate Emerging Managers about their investment process and the EMP, (ii) prioritize responding to Managers in a timely manner, and (iii) ensure that Emerging Managers are respectfully and carefully evaluated.

While third party advisors can play an important role for the Investment Staff, it is imperative that the Staff avoid outsourcing the *relationship* with their Emerging Managers altogether. The good news is that every plan we met with acknowledged this, and most are already moving toward cultivating more direct relationships. Ultimately, it is important that both managers and Staff foster relationships that will continue even if consultants and Staff change over time. Advocates of Emerging Managers should encourage their organizations to own and institutionalize these relationships. This will allow the fund to rely less on external parties when forming opinions about the Emerging Manager space and advocating for their allocation decisions. In regards to technology, it should always be used to compliment an existing human relationship between the fund and the managers. Websites are ineffective on their own, and if used without active personal communication can signal a defensive approach to Emerging Managers.

Q&A

David Kelly,
TRS Texas Board Chairman

1. Which element of governing at the Board level presents the most challenges as it relates to EMPs?

"There have been studies that detail the superior return opportunities offered by small and emerging managers. Unfortunately, implementing any new initiative takes time, so while the returns may be superior, they are not necessarily instantaneous. Gathering and retaining the will to implement a new initiative and the patience to wait to evaluate the results is a fundamental challenge for any board."

2. What's the next big theme in the EM universe?

"I would like to believe that we'd see a much wider universe from which to source Managers; some standardized performance metrics that clearly identify high-performing Emerging Managers; and, additional resources and collaboration that rewards the best Managers so that they establish themselves faster."

3. What can large institutional allocators like TRS do to make meaningful progress in the EM universe?

"While maintaining a firm commitment to alpha generation, large allocators such as TRS Texas can serve as a catalyst. For example, in the process of designing and implementing an Emerging Manager Program these organizations develop best practices, which can be utilized by others. This makes operations more efficient and effective. Additionally, they can help create the informal and formal relationships and industry forums that enhance the probability of success for the best managers, and accelerates the rate of growth for these top tier Emerging Managers."

Best Practices for Governance & Investment Staff

Our research indicates that optimizing your EMP requires starting with a strong foundation of support at the leadership level and leveraging that support to build systems of accountability and transparency for the program. Leadership and accountability, combined with an engaged staff and active Emerging Manager relationship management will facilitate your EMP's potential.

Where to go from here? Now that we have outlined the roadmap for how a nascent EMP grows into its best self, we need to be clear about how major stakeholders participate in that process. We must emphasize that while organizations will have varying capacities to adopt all these best practices, striving to include as many of them as possible into your EMP will get you closer to an Optimized program.

Governing Bodies "Govern"

- **Foster sponsorship for Emerging Manager Programs on the Board and at the most senior levels of Investment Staff.** Effective sponsors are both vocal and strategic in advocating for Emerging Managers.
- **Adopt a clear, tangible policy to govern the Emerging Manager Program, and then require regular reporting.** A sub-committee of the Board can be effective in drafting and overseeing the policy.
- **If needed, work towards unanimous Board support by continuing to advocate for Emerging Managers.** Exposure to Emerging Managers at conferences or industry events are helpful in making the case.
- **Maintain a diverse Board and Workforce.** Organizations that, at the core, value inclusiveness and a wide range of backgrounds naturally see value in Emerging Managers as part of the asset allocation.
- **Hire appropriate personalities for the relevant roles within the Investment Staff, and work towards delegating as much investment authority to them as possible.** When the right professionals are in place, delegating authority for Manager selection signals trust between the Board and the Investment Staff.
- **Evaluate or assess the Emerging Manager Program.** An optimal program is objectively evaluated with some degree of regularity, then honed and adjusted over time to reflect many variables and nuances.

Investment Staff "Lean In"

- **Engage in as much outreach within the Emerging Manager universe as can be afforded.** An Investment Staff that effectively communicates its Emerging Manager Program, and is engaged in significant outreach is better-equipped to navigate the Emerging Manager universe successfully.
- **Own and institutionalize relationships with Emerging Managers.** While Investment Staff can [and in many cases *should*] leverage third-party resources for various duties within an EMP, all programs see the advantages in establishing and growing Emerging Manager relationships internally. A relationship management process and system is an effective way of achieving this.
- **Only assign Emerging Manager responsibilities to appropriate personalities.** Regardless of resources, individuals charged with Emerging Manager responsibilities should possess a high investment acumen, be collaborative by nature, value an inclusive culture and have a background that demonstrates support for small business.
- **Provide clear guidance on the priorities and expectations of the Pension Plan to any third-party firms.** If using third parties to implement an Emerging Manager Program, it is important that priorities and expectations are understood, and the third parties are held accountable.
- **If possible, work towards a hybrid staffing structure;** with a dedicated resource accountable for the Emerging Manager Program, alongside individuals within the Asset Classes who also have accountability.
- **Collaborate with other Pension Plans regularly.** Although time and budgets make it challenging to share best practices and network with Investment Staff from peer organizations, this is an essential step to keeping a pulse on the Emerging Manager universe.

As of November 30, 2013

TRS Texas Emerging Manager Program At-A-Glance

EMP Commitments: $2.0 billion

EMP Investment Staff

Stuart Bernstein *(Director)*

Andy Cronin

Krista Kerr

Brief History

- Established in 2005 utilizing Fund-of-Funds to manage EM investments, which included only Private Equity
- In 2008, Stuart Bernstein was hired and given responsibility of the $650mm EMP
- In 2010, the Board approved an additional $300mm for the EMP to allocate to Private Equity and Real Assets
- From 2010 – 2011, TRS added Evaluators to assist in their Direct Investment Program, including Long-Oriented Managers and Hedge Funds to the EMP
- At present, the EMP now has 3 full-time staff, managing commitments of $2.0 billion of TRS capital

Definition for Emerging Manager

"Emerging managers can include, but are not limited to, minority, women, and disabled veteran-owned or -controlled organizations. Conversely, not all minority, women, and disabled veteran-owned or -controlled organizations are necessarily considered emerging managers for the purposes of this program. Whether a management firm is an "emerging manager" depends on all of the facts and circumstances. In general, emerging managers are defined as newer, independent private investment management firms that manage less than $2 billion, or have a performance track record as a firm shorter than five years, or both."

**From current Investment Policy Statement.*

Emerging Manager Policy

The following excerpts are from Article 7 of TRS' current Investment Policy Statement, which covers the Emerging Manager Program: *(Please see www.trs.state.tx.us for the complete policy.)*

> "TRS shall make a good faith effort to invest with qualified emerging managers for the External Public Markets Portfolios and the Private Markets Portfolios."
>
> "The Investment Division shall document its efforts to identify and expand its investments with qualified emerging managers for the purpose of board and legislative reporting on the methods and results, including data disaggregated by race, ethnicity, gender, and fund size. All investments under the emerging manager program must be made prudently and in accordance with fiduciary and ethical standards."

Fund-of-Funds ("FOF") & Evaluators ("E")

- **Private Equity** – Grosvenor Capital Management, CFIG (FOF), Hewitt EnnisKnupp (E)
- **Real Assets** – Grosvenor Capital Management, CFIG (FOF), Townsend Group (E)
- **Hedge Funds** – Rock Creek Group (E)
- **Long-Oriented** – Leading Edge (E)

**Evaluators assist in sourcing and due diligence of Emerging Managers, and are included in the presentation of Managers to the TRS Internal Investment Committee.*

TRS Awards

- 2013 Consortium Impact Award
- 2013 NAIC Pacesetter Award
- 2012 Robert Toigo Foundation Innovative Leadership Award
- 2012 Association of Asian American Investment Managers ("AAAIM") Capital Access Award
- 2009 Opal Emerging Mgr. Summit Public Plan of the Year
- 2009 Star Award – Dr. Emmett J. Conrad Leadership Program Service Awards

Noteworthy

- In 2013, the Audit committee of the Board commissioned the first Internal Audit and evaluation of the TRS EMP, the results of which were positive, and very well-received by the Board and Investment Staff in June 2013
- TRS formally reports to the Board of Trustees on the EMP at least annually
- TRS is active in the Emerging Manager universe by hosting and attending conferences, and maintains an open-door policy for Emerging Managers
- TRS EMP is expanding its investment staff to include 1 additional resource in 2014, bringing the total full-time staff to 4

Collaborative Partners in this Study

We would like to express our deepest gratitude to the following individuals for demonstrating a significant commitment to better understanding the Emerging Manager universe by agreeing to contribute their time and experience to this study.

Alex Doñé, New York City Retirement Systems ("NYCRS")

Andrew ("Andy") Cronin, Teacher Retirement System of Texas ("TRS")

Anyori ("AJ") Hernandez, New York State Common Retirement Fund ("NYSCRF")

Brad Bangen, Houston Municipal Employees Pension System

Britt Harris, Teacher Retirement System of Texas ("TRS")

Bryan Lewis, North Carolina Department of State Treasurer

Carmen A. Heredia-Lopez, Chicago Teacher's Pension Fund ("CTPF")

Cheryl Alston, Employees' Retirement Fund of the City of Dallas

Daniel Allen, State Universities Retirement System of Illinois ("SURS")

David E. Kushner, Los Angeles County Employees Retirement Association ("LACERA")

David Kelly, Teacher Retirement System of Texas ("TRS")

Deborah Spalding, Connecticut Retirement Plans and Trust Funds ("CRPTF")

Emanuel Pleitez, Los Angeles Fire and Police Pensions ("LAFPP")

Francis Idehen, Exelon Corporation Pension Plan

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Gregory ("Greg") Brunt, Houston Municipal Employees Pension System

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Tim Legesse, California Public Employees' Retirement System ("CalPERS")

Tom Lopez, Los Angeles Fire and Police Pensions ("LAFPP")

About Lenox Park LLC

Lenox Park is an independent Due Diligence Advisory firm with offices in Westchester, New York and Austin, Texas. The firm's clients include a broad network of Investors including Pension Funds, Family Offices, Endowments, Foundations and Financial Institutions. Lenox Park was established in 2009 to address a growing need in the Investment Management industry for independent, conflict-free Advisory work. The firm has been retained by some of the largest institutions in the U.S. to assist in Emerging Manager Internal Audit, evaluating Investment Managers & Strategies and Derivatives & Regulatory Exposures. The firm also provides technology solutions to its institutional client base through it subsidiary, Lenox Park Solutions LLC.

Jason Lamin, *Co-Founder & Managing Partner*

Jason Lamin is co-founder of Lenox Park LLC and oversees all aspects of the firm's Due Diligence Advisory business. Before founding Lenox Park, Jason was a Director in Merrill Lynch's Fixed Income Structured Credit group in New York. In that role, Jason was instrumental to Manager due diligence for a highly selective Investor base. He began his career in Investment Banking working on M&A transactions for Financial Institutions, then helped launch a start-up group in London focused on deepening Merrill Lynch's most lucrative institutional client relationships. Jason graduated from the University of Texas with a B.A. in Economics. At the University of Texas, he was a member of the prestigious organization, The Texas Cowboys. He is an active member of the United Nations Private Sector Forum, the World Policy Institute, Carnegie Council for Ethics in International Affairs and an active volunteer in his community in New York. In 2008, Jason founded Nyawa Funding Group, a 501(c)(3) not-for-profit organization with a mission to improve living standards in Sierra Leone.