

**Texas County & District Retirement System
Minutes of the Board of Trustees' Meeting
September 12, 2024**

The Board of Trustees of the Texas County & District Retirement System (TCDRS) met on September 12, 2024 in Austin, Texas, with the following trustees present: Chair Mary Louise Nicholson, Vice-chair Deborah Hunt, Chris Davis, Sammy Farias, Susan Fletcher, Ronnie Keister, Chris Taylor and Holly Williamson.

Staff present included: Executive Director Amy Bishop, Chief Investment Officer Casey Wolf, Deputy Executive Director Karen Correa, Deputy Investment Officer Sandra Bragg, Deputy Investment Officer Jon Shoen, General Counsel Ann McGeehan, Director of Finance Nathan Joiner, Director of Actuarial Services Chris Bucknall, Chief Experience Officer Kathy Thrift, Director of Government and External Relations Jay Dyer, Executive Office Coordinator Colleen Clemens, Staff Attorney Natalia Ashley and Systems Administrator Chad Estes.

The consultants present included: Matt Larrabee, Milliman, Inc.; James Fielder, Cliffwater, LLC; Chuck Campbell, Jackson Walker, and Alyca Riley Garrison, Jackson Walker.

1. Call meeting to order

Chair Nicholson called the meeting to order at 8:31 a.m.

2. Receive report of executive director

Amy Bishop, Executive Director, presented the executive director report, which highlighted the successful TCDRS Annual Conference held July 18-19, progress on the digital transformation project including rollout of the ability for members to add representatives to their accounts, and the strategic planning process.

3. Receive report of fiduciary counsel

Chuck Campbell of Jackson Walker had no report for this meeting.

4. Public comment

No members of the public provided public comments.

5. Consider consent agenda items

Karen Correa, Deputy Executive Director, presented four consent agenda items for approval.

5a. June 2024 regular meeting minutes.

5b. Quarterly financial statements as of June 30, 2024.

5c. Participation of nine (9) new districts to join the system: Bexar County Emergency Services District No. 4, Caldwell County Emergency Services District #5, Cameron County Drainage District No. 6, Hamilton County Hospital District, Houston-Galveston Area Council, Parker County Emergency Services District #6, San Benito Housing Authority, West Cedar Creek Municipal Utility District, and Lower Brushy Creek Water Control & Improvement District.

5d. Special service provision for Bexar County Emergency Services District No. 4.

Motion: Trustee Fletcher made a motion to approve the consent agenda items. Trustee Farias seconded. Motion carried.

6. Consider executive director’s monitoring report

Amy Bishop presented the executive director’s monitoring report, which included a review of performance against the Ends Policy (EI) and compliance with Executive Limitation 5 – Financial Activities (EL5). As required by the Board of Trustees’ Policy, Ms. Bishop reported compliance with the executive limitation.

Motion: Trustee Hunt made a motion to approve the executive director’s monitoring report. Trustee Williamson seconded. Motion carried.

7. Consider chief investment officer’s monitoring report

Casey Wolf, Chief Investment Officer, presented the chief investment officer’s monitoring report, which included the annual Ends Policy (EI) report and the quarterly monitoring reports on Executive Limitation 5 – Financial Activities (EL5) and Executive Limitation 11-Investment Policies (EL11). Mr. Wolf discussed each monitoring report and reported compliance with the executive limitations as required by the Board of Trustees’ Policy Manual.

Motion: After discussion, Trustee Davis made a motion to approve the chief investment officer’s monitoring report. Trustee Farias seconded. Motion carried.

8. Receive investment performance measurement and investment consultant reports

Casey Wolf and Cliffwater representative, James Fielder, presented the investment performance measurement and investment consultant reports for the period which ended June 30, 2024.

9. Consider hedge funds, distressed debt, private real estate, strategic credit, direct lending and private equity investments

The report on hedge funds, distressed debt, private real estate, strategic credit, direct lending and private equity investments was combined with agenda item #8 above.

Motion: Trustee Farias made a motion to adopt the *Board Resolution for Approval of Investments* as provided by staff. Vice-chair Hunt seconded the motion. Motion passed.

Board Resolution for Approval of Investments

WHEREAS, the Board has reviewed the Investment Officer's Investment Recommendations to use TCDRS assets to acquire equity interests (collectively, the "Investments") in those certain private equity, distressed debt, direct lending, strategic credit, real estate, and hedge funds (each, a "Fund" and collectively, the "Funds") named on Schedule 1 attached hereto; and

NOW, THEREFORE, BE IT RESOLVED, that the terms and provisions of the proposed Investments as described in those certain Investment Recommendations dated September 12, 2024, for the Funds be approved; and be it further

RESOLVED, that the Investment Officer be, and he hereby is, authorized to make such further revisions to the terms and provisions of each of the proposed Investments as may be necessary or in the best interests of TCDRS; and be it further

RESOLVED, that for private equity, distressed debt, and real estate funds approved in this and prior Board resolutions, the Investment Officer is authorized to invest an amount in each such approved fund equal to the maximum amount listed below that corresponds to such fund's category of investment:

Buyout	\$300 million	Distressed Debt commingled funds	\$200 million or equivalent in EUR or GBP
Venture Capital	\$150 million	Real Estate	\$175 million or equivalent in EUR or GBP
Real Assets	\$200 million	Direct Lending commingled funds	\$300 million or equivalent in EUR or GBP
Non-U.S.	\$250 million or equivalent in EUR or GBP		

RESOLVED, that for hedge funds approved in this and prior Board resolutions, the Investment Officer is authorized to invest amounts in such approved funds consistent with the investment objectives, guidelines, and style targets described in Section 14 of the TCDRS Investment Policy and the allocation bands in Table 1 of the TCDRS Investment Policy.

RESOLVED, that for all strategic credit funds, distressed debt funds-of-one, and direct lending funds-of-one approved in this and prior Board resolutions, the Investment Officer is authorized to invest amounts in such approved funds consistent with the investment objectives and guidelines described in Section 13 of the TCDRS Investment Policy and the allocation bands in Table 1 of the TCDRS Investment Policy.

RESOLVED, that, from the date the Board adopts this resolution until the date of the next regularly scheduled Board meeting (the "Interim Period"), the Investment Officer be, and he hereby is, authorized to use TCDRS assets to acquire (or commit to acquire) an equity interest in a Fund that is not named on Schedule 1 attached hereto or in a prior Board resolution (a "Non-Scheduled Fund"), provided that (A) no more than \$500 million may be used during the Interim Period to acquire (or commit to acquire) Non-Scheduled Funds, (B) such acquisition or commitment is otherwise in compliance with the TCDRS Investment Policy

and applicable law, and (C) the Investment Officer promptly notifies the Board of any acquisition of (or commitment to acquire) a Non-Scheduled Fund that occurs during the Interim Period, and be it further

RESOLVED, that during the Interim Period, the Investment Officer be, and he hereby is, authorized to transfer assets from any previously Board-approved private markets fund, as well as commit additional assets, to a continuation vehicle managed by the existing general partner, even though such investments are not named on Schedule 1 attached hereto or in a prior Board resolution, provided that the Investment Officer notifies the Board of the continuation fund investment at the next regularly scheduled meeting of the Board, and be it further

RESOLVED, that during the Interim Period, the Investment Officer be, and he hereby is, authorized to use TCDRS assets to acquire (or commit to acquire) a direct interest in companies or other entities through co-investments with an existing general partner in a private markets fund, even though such investments are not named on Schedule 1 attached hereto or in a prior Board resolution, provided that (A) no more than \$100 million may be used during the Interim Period for co-investments (or commitments for co-investments), (B) such co-investments are otherwise in compliance with the TCDRS Investment Policy and applicable law, and (C) the Investment Officer notifies the Board of co-investments that occur during the Interim Period prior to or at the next regularly scheduled meeting of the Board, and be it further

RESOLVED, that the Investment Officer be, and he hereby is, authorized and empowered to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all notices and certificates required or permitted to be given or made under the terms of the Investments), in the name and on behalf of TCDRS, or otherwise, as the Investment Officer may deem necessary, advisable, or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of TCDRS under the Investments and the instruments referred to therein.

SCHEDULE 1

Direct Lending

CapitalSpring Investment Partners VII

Distressed Debt

* Monarch Capital Partners VI

Private Equity & Co-Investments

* Blue Star Innovation Partners III – Buyout

* Pearl Energy Investments IV – Real Assets

Quantum Strategic Partners – Real Assets

NEA Co-Invest 1 – Venture

* Sante Health Ventures V – Venture

TCG LABS II (The Column Group) – Venture

TCG LABS Opp I (The Column Group) – Venture

The Column Group Fund VI – Venture

The Column Group Opportunity IV – Venture

* Tusk Venture Partners IV – Venture

Strategic Credit

Chorus Capital Credit Fund VI

* potential new manager relationship

Note: *The Resolution for Approval of Investments is essentially a forward calendar of possible investments that may be made by the Chief Investment Officer following successful due diligence. There is no assurance that any of the authorized investments will ultimately result in commitments by TCDRS. Actual commitments are reported as they close on the [Investments](#) page on the TCDRS website.*

10. Consider amendment(s) and update(s) to investment policy

Casey Wolf and Chuck Campbell discussed a proposed change to the investment policy. See [investment policy](#).

Motion: Trustee Keister made a motion to adopt the update to the investment policy as provided by staff. Trustee Davis seconded the motion. Motion passed.

I 1. Receive report of consulting actuary

Matt Larrabee, Milliman, had no report for this meeting.

I 2. Receive report in customer feedback

Kathy Thrift, Chief Experience Officer, presented the annual assessment of customer feedback including employer feedback gathered from the linkage survey and surveys conducted after services; and member feedback collected via the web and surveys. She highlighted the positive results with over 98% of employers indicating satisfaction. Ms. Thrift covered TCDRS' strengths and opportunities for potential improvements and enhanced services based on the feedback.

I 3. Receive 2025 – 2028 TCDRS Strategic Plan

Amy Bishop presented the 2025-2028 Strategic Plan. Some of the key initiatives include making plan administration easier for employers, providing exceptional member experiences, ensuring members are prepared for retirement, protecting sensitive information and ensuring the TCDRS team is prepared for the future.

I 4. Receive report on information security

Karen Correa, Deputy Executive Director, presented the report on information security. Ms. Correa discussed TCDRS' security program framework and highlighted the next steps to improve security maturity.

I 5. Receive report of director of governmental and external relations

Jay Dyer, Director of Governmental and External Relations, had no report for this meeting.

I 6. Review governance policy and consider amendments to board's governance policies

Amy Bishop presented *GP7 – Trustee Conduct*, *GP8 – Board Committee Principles*, *GP9 – Board Committee Structure* and *BSR5 – Monitoring Director & Investment Officer Performance* for board review. No amendments were made.

I 7. Receive report of legal counsel

Ann McGeehan, General Counsel, presented the legal counsel report. She provided an update on the status and a timeline for the review of TCDRS Administrative Rules.

Ms. McGeehan presented a report on the TCDRS building. She reported that other than the former TCDRS space on the 3rd floor, the building is fully leased, and she discussed building improvements scheduled for 2024.

I 8. Consider 2025 trustee meeting dates

The board discussed dates for the 2025 trustee meeting dates.

Motion: After discussion, Trustee Williamson made a motion that the first through fourth regular meetings for 2025 be held on March 20, June 12, September 11, and December 11. Trustee Farias seconded. Motion carried.

19. Receive report of chair

Chair Nicholson reported on the successful annual conference and encouraged attendance at future conferences.

20. Consider compliance at this meeting with the board's governance policies

The board discussed and determined its compliance during this meeting as required by governance policy *GP5 – Agenda Planning*.

21. Adjournment

There being no further business to come before the board, Chair Nicholson adjourned the meeting at 12:18 p.m.

APPROVED BY THE TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM BOARD OF TRUSTEES ON THE 12TH DAY OF DECEMBER 2024.

ATTESTED BY:



12/12/2024

Amy Bishop
Executive Director & Secretary to the
TCDRS Board of Trustees

Date