

TRS' London office – a 'clear win' in accessing new financial markets for our members



The Teacher Retirement Investment Company of Texas Ltd. (TRICOT) opened its doors in late 2015 after receiving Board of Trustees' approval to operate in the U.K. as a wholly-owned subsidiary and blended component unit of the TRS of Texas Pension Trust Fund.



Why London?

Developing TRS' first overseas office—a first for a U.S. pension fund—is aimed at **increasing the size and number of investment opportunities** for the TRS portfolio while building the System's brand as a leading, global institutional investor.

Being more quickly able to perform due diligence on investments in Europe as well as **developing trusted, local relationships** with investment managers that the London team can share with TRS' Austin investment staff has led to the success of the office. There is a focus on private equity and real estate investments originating out of TRICOT. Final investment decisions and negotiations are still made in Austin following the System's Investment Policy and Procedures.

What about Brexit?

The U.K. remains a central access point to broader international markets including other European nations, Africa and Asia. Having personnel in London allows TRS to control risk through familiarity with and access to timely market information.

We continue to enhance our credibility by being in London. We're basically around the block from 80% of our UK partners.

—TRS CIO Jerry Albright

TRICOT Numbers to Know

- 5** investment personnel
- 17** investments in which TRICOT directly participated during 2018 totaling **\$675 million**
- 212** potential deals identified totaling **\$22.6 billion** in equity since inception
- \$1.17** initial office set-up costs for each TRS member

TRICOT Facts: Measuring Success

- TRS' London office has produced **significant fee savings** by having people in Europe able to identify lower expense investment (co-investment) opportunities.
- The chart at right shows **Deal Flow** (investment opportunities TRICOT personnel have sourced by asset class) since the office opened in late 2015

(*Figures in millions of \$USD, converted as of 12/31/2018 and subject to change due to future currency fluctuations)

Asset Class	# of Deals		*Estimated Equity to TRS	
	2018	Inception	2018	Inception
Real Estate	43	126	\$5,921	\$13,822
Private Equity	17	61	1,308	6,071
ENRI	3	11	190	780
Special Opportunities	0	7	0	951
Alpha Opportunities	3	7	327	933
TOTAL	66	212	\$7,746	\$22,557