

**Minutes of the Meeting of the Investment Committee of the TCRS Board of Trustees
June 21, 2012**

The Investment Committee of the TCRS Board of Trustees ("Investment Committee") met at 3:00 p.m. on June 21, 2012 in the office of The Honorable David H. Lillard, Jr., State Treasurer. A quorum of the Investment committee participated in the meeting which included The Honorable David H. Lillard, Jr., State Treasurer, Mr. David Seivers, and Mr. Greg Elliott. The Honorable Mark Emkes, Commissioner of Finance and Administration, and The Honorable Tre Hargett, Secretary of State, were unable to attend the meeting. Mr. Rick Newton, representing the Department of Finance and Administration, attended in the absence of Commissioner Emkes. Also in attendance were Mr. Bill Abney, Assistant Treasurer, Mr. Michael Brakebill, Chief Investment Officer, Mr. Andrew Palmer, Deputy Chief Investment Officer, Mr. Peter Katseff, Director of Real Estate, Mr. Ken McDowell, Senior Real Estate Portfolio Manager, and Mr. Matthew Haitas, Real Estate Analyst.

Peter Katseff and Ken McDowell were asked to introduce the proposed real estate investments by TCRS in Parmer Business Park in Austin, Texas. The transaction had been proposed by RREEF, a Real Estate Investment Advisor engaged by TCRS.

Mr. Katseff began by giving an overview of Austin, Texas. Austin has experienced strong employment growth since the end of the great recession and continues to add jobs every month with over 18,300 new jobs being added in 2011 or a 2.3% increase from 2010. In particular, Austin is benefitting from strong growth in the technology industry, which is expanding in Austin due to its lower cost of doing business and highly educated labor force. He noted that Apple currently has 3,000 employees in Austin and has announced plans to expand its employee base to 7,000 employees.

Ken McDowell provided an overview of the Northwest submarket where Parmer Business Park is located. He noted that the overall Austin office market experienced 1.8 million square feet of absorption in 2011. The Northwest submarket accounted for 1.2 million square feet of that absorption or over 60% despite accounting for only 38% of its inventory.

Mr. McDowell stated that Parmer Business Park is a 256,737 square foot Class A single-story office park. The property was built in 2000 and 2001 and consists of six buildings on a 28.6 acre site. The property is 100% leased to predominantly credit tenants including Apple, Oracle and Zimmer Spine.

Both Greg Elliot and David Seivers asked questions regarding future occupancy and the likelihood of Apple vacating the space. Mr. Katseff stated that that the TCRS base case assumed an equal likelihood that Apple exercises an early termination as any of the other tenants vacate at the end of their leases. He noted that it is extremely difficult to know the plans of tenants, but tenant interviews during due diligence may help to garner additional information.

Mr. McDowell provided additional insight into the attractiveness of Parmer Business Park to office tenants. He noted that tenants are attracted to Parmer Business Park

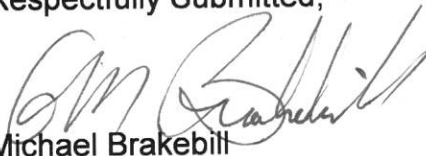
due to its lower rents compared to its competitors and its accessibility to the main transportation thoroughfares including Mopac Expressway and US 183. Further, one of the largest retail centers in Austin, The Domain, is located only two miles from the property and is anchored by a Niemen Marcus. Not only is proximity to the Domain an additional amenity for employees at Parmer Business Park, but it demonstrates that the Parmer Business Park is in a strong location with significant economic activity and continued investment.

David Seivers made a motion to approve the investment by TCRS. The motion was seconded by Greg Elliott and unanimously approved.

Bill Elliott had one final question regarding the parking ratio at Parmer Business Park. He noted that the Investment Summary stated that the parking ratio was 5.0 spaces to 1,000 square feet of rentable office space and asked how that compares to other office buildings. Mr. Katseff stated that Parmer Business Park's ratio is very strong and is one characteristic that attracted him to the property. He noted that some suburban office can have ratios as low as 3.0 to 3.5 spaces per 1,000 square feet of rentable office space. He further noted that low ratios could force landlords to build additional structured parking to accommodate tenants with no additional return on that investment.

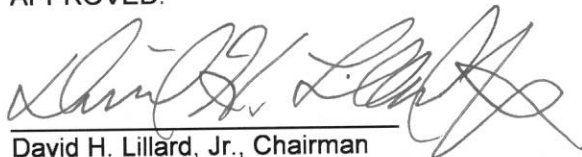
The members of the Investment Committee had no additional questions and the meeting of the Investment Committee was adjourned.

Respectfully Submitted,



Michael Brakebill
Chief Investment Officer

APPROVED:



David H. Lillard, Jr., Chairman
TCRS Board of Trustees