**Section 1650.3015 Emerging Investment Managers**

a) The System's Emerging Manager Program is broadly available across all asset classes. The program is open to any firm meeting the definition of "emerging investment manager" as defined in Section 1-109.1(4) of the Illinois Pension Code and to any other younger, growing investment firms with smaller asset bases and developing track records. Any firm interested in participating in the Emerging Manager Program may submit the appropriate questionnaire provided on the TRS website (https://www.trsil.org). All responses are reviewed by staff and included in the System's emerging manager database.

b) Staff screens the System's database for emerging manager candidates across all asset classes and actively pursues other potential candidates not included within the database through industry participation and other networking channels.

c) Based on review of the database and submitted questionnaires, staff meets to identify managers that appear to have the highest probability of success over the next three to five years and the potential for graduation from the Emerging Manager Program into the main portfolio.

d) Staff and the consultant conduct in-person interviews of managers at the System's offices or an alternate location agreed upon by the System and the manager.

e) Following favorable results of the in-person interviews, staff identifies finalist firms for on-site due diligence at the candidate firm's offices. On-site visits and finalist recommendations must be approved by the applicable Oversight Committee.

f) After on-site due diligence is completed, staff initiates fee and contract negotiations with the finalist firms. All contracts and related documentation relative to hiring an investment manager, including any open items relating to fee or contract terms, must be disclosed and negotiated in final form prior to final commitment.

g) Any finalist firm that successfully passes staff due diligence review (including approval of the applicable Oversight Committee) and fee and contract negotiations is eligible for final commitment from staff and may be invited to present to the Investment Committee.

(Source: Amended at 42 Ill. Reg. 13666, effective June 29, 2018)