

protect the interests of a program or system administered by the retirement system.

SECTION 20. Section 815.301, Government Code, is amended by adding Subsections (g), (h), and (i) to read as follows:

(g) In awarding contracts to private professional investment managers under Subsection (c) or otherwise acquiring private financial services, the board of trustees shall make a good faith effort to award contracts to or acquire services from qualified emerging fund managers.

(h) For purposes of Subsection (g):

(1) "Emerging fund manager" means a private professional investment manager that manages assets of not more than \$2 billion.

(2) "Private financial services" includes pension fund management, consulting, investment advising, brokerage services, hedge fund management, private equity fund management, and real estate investment.

(i) The retirement system shall report to the board of trustees on the methods and results of the system's efforts to hire emerging fund managers, including data disaggregated by race, ethnicity, gender, and fund size.

SECTION 21. Section 815.307, Government Code, as amended by Chapters 1103 (H.B. 2240) and 1111 (H.B. 2359), Acts of the 78th Legislature, Regular Session, 2003, is reenacted to read as follows:

Sec. 815.307. DUTY OF CARE. The assets of the retirement