



Placement Agent Information Disclosure

I. Purpose

- A. To describe the circumstances under which the San Joaquin County Employees' Retirement Association (SJCERA) shall require the disclosure of payments to Placement Agents in connection with SJCERA investments in or through External Managers.
- B. To help ensure that SJCERA's investment decisions are made solely on the merits of the investment opportunity, are reasonable and prudent from a fiduciary perspective, and are consistent with SJCERA's investment policy objectives.

II. Definitions

- A. The terms "External Manager," "Gifts" and "Placement Agent" shall have the meanings given in Government Code sections 7513.8 and 82028. Unless otherwise defined within this policy, all other defined terms in this policy shall have the meanings given in Government Code sections 7513.8 and 82028.
- B. "Consultant" means a person or firm, including key personnel of such firm(s), who are contractually retained by SJCERA to provide advice to SJCERA on investments, External Manager selection and monitoring, and other services.

III. Application

- A. This Policy shall apply to all types of investment partners with whom SJCERA conducts business including, but not limited to, current investment managers and all investment managers being considered by SJCERA for an investment management engagement.

IV. Responsibilities

- A. Each External Manager is responsible for:
 - 1. Providing the following information (collectively, the "Placement Agent Disclosure Form") to Staff promptly upon request.
 - a. A statement whether the External Manager, or any of its principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the External Manager) or entity to act as a Placement Agent in connection with any investment by SJCERA.

- b. A resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses, and investment and work experience. If any such person is a current or former SJCERA Board member, employee or Consultant, or a member of the immediate family of any such person, this fact shall be specifically noted.
- c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the general structure and timing of such compensation.
- d. A description of the services to be performed by the Placement Agent.
- e. A copy of any and all agreements between the External Manager and any third-party (non-employee) Placement Agent(s).
- f. A statement as to whether the Placement Agent is utilized by the External Manager with all clients or prospective clients or with only a subset of clients or prospective clients.
- g. Whether any current or former SJCERA Board Member, employee or Consultant suggested retention of the Placement Agent.
- h. A statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government, or with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.
- i. Representing to SJCERA that the External Manager is solely responsible for any fees, compensation or expenses for any Placement Agent and that SJCERA will not pay any such items.
- j. A statement that the External Manager agrees and understands that, for two years after leaving their position, former board members or administrators shall not receive compensation for appearing before or communicating with a SJCERA Board member or staff for the purpose of influencing the Board to take certain actions regarding investments.
- k. Representing to SJCERA that the External Manager understands and agrees that all of the information provided to SJCERA pursuant to this Policy is public information and subject to disclosure under the Public Records Act.

2. Providing an update of any changes to any of the information included in the Placement Agent Disclosure Form within 30 days of the occurrence of the change in information.
3. Causing its engaged Placement Agent, prior to acting as a Placement Agent with regard to SJCERA, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the SJCERA Board or Staff or Consultant during the prior 24-month period.
4. Causing its engaged Placement Agent, during the time it is receiving compensation in connection with a SJCERA investment, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the SJCERA Board or Staff or Consultant, during such period.

B. Staff is responsible for all of the following:

1. Assure that an agreement to comply with this Policy is incorporated in all current and future investment manager agreements.
2. Assure that all existing External Managers complete and submit the Placement Agent Information Disclosure to SJCERA in a timely manner.
3. Assure that an External Manager candidate completes and submits the disclosure information to SJCERA before consideration by the Board for an investment management engagement.
4. Provide the Board with the disclosure information before any investment decision by the SJCERA Board with respect to that manager.
5. Promptly advise the Board of any material violation of this Policy.

C. Sanctions in the event of a material omission or inaccuracy in the Disclosure can include, but are not limited to:

1. A penalty, for failure to disclose a third-party Placement Agent relationship, equal to the amount paid or promised to be paid to that Placement Agent in connection with any investment committed by SJCERA.
2. Immediate termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle, or suspension of any further capital contributions (and any fees on these re-called commitments) to limited partnership, limited liability company, or other investment vehicle.
3. A prohibition on the External Manager or Placement Agent from soliciting new investment from SJCERA for five (5) years. This prohibition may be reduced by a majority vote of the Board upon a showing of good cause.

4. The SJCERA Board shall determine which, if any, sanctions will apply in a given case based on the nature of the violation and any other relevant legal parameters.

D. All parties responsible for implementing, monitoring, and complying with this Policy should consider the spirit as well as the literal expression of the Policy. In cases where there is uncertainty whether a disclosure should be made, the Policy should be interpreted to require such disclosure.


V. Policy Review

A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

VI. History

05/21/2010	Adopted
01/28/2011	Revised
01/27/2012	Revised
07/05/2018	Staff reviewed, no changes required; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/10/2020	Rewritten
07/14/2023	Clarified Placement Agency violation sanctions and other non-substantive changes.

Certification of Board Adoption

	07/14/2023
Clerk of the Board	Date