



REPRESENTATION ON ADVISORY COMMITTEES POLICY

PURPOSE

The purpose of this policy is to establish for Sacramento County Employees' Retirement System ("SCERS") trustees or staff serving on Advisory Committees of limited partnership in which SCERS is a participating limited partner.

POLICY

The Chief Investment Officer with approval of the Chief Executive Officer may authorize investment staff participation on no more than four Advisory Committees with any of the limited partnerships in which SCERS invests, so long as:

1. SCERS will reimburse its representative for all reasonable expenses and costs directly related to the representative's attendance and participation at an advisory committee or board meeting.
2. Neither SCERS nor its representative will accept any form of remuneration or reimbursement from the general partnership for serving on an advisory committee or board.
3. The general partner will agree that representative shall not receive, review or otherwise have access to any confidential information that is not readily available to all other Limited Partners.
4. The Private Placement Memorandum, the Offering Memorandum or any similar document (the "Fund Document") shall specify that the general partner and all limited partners waive any claim, including but not limited to subrogation rights, against SCERS or its representative, provided such representative acted in good faith.
5. The Fund Document shall further provide that the general partner and the Partnership will indemnify SCERS and its representative for any claim against the Partnership, the general partner, SCERS or its representative, provided that the representative acted in accordance with the rights of Indemnification and Exculpation as more fully set forth in the Fund Document.
6. Legal Counsel for SCERS shall concur that SCERS participation on an Advisory Committee pursuant to Fund Documents is consistent with this policy.

BACKGROUND

SCERS invests in real estate and alternative investment funds that often use limited partnership arrangements. In these limited partnerships the investment manager is the general partner, and the institutional investors are the limited partners. Many of the general partners invite investment staff or trustees of the limited partner/institutional investors to serve on Advisory Committees.

There are good reasons and many benefits to SCERS in serving on Advisory Committees. Those serving on Advisory Committees learn a great deal about the markets and the particular asset class that the limited partnership is investing in. The Advisory Committee members also get a much closer look and understanding of the investment manager.

There are also concerns with serving on Advisory Committees. These issues include: potential conflicts of interest under the California FPPC rules, especially when the general partner pays for travel and lodging and/or offers other remuneration to the pension fund for a trustee or staff person to participate on the Advisory Committee; the liability of the individual serving on the Advisory Committee and the corresponding liability of the underlying pension fund for decisions made by the Advisory Committee; and, any special access an Advisory Committee member may have confidential information that is not shared with other limited partners or even the individual committee member's parent fund.

RESPONSIBILITIES

Executive Owner: Chief Investment Officer

POLICY HISTORY

Date	Description
08-01-2018	Renumbered from 037
12-20-2017	Board affirmed in revised policy format
10-18-2012	Board amended policy in Resolution 2012-15
01-18-2007	Board approved policy in Resolution 2007-02