SCERS
SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

PLACEMENT AGENT POLICY

PURPOSE

The purpose of this policy regarding Placement Agent activities by Sacramento County Employees' Retirement System ("SCERS") Investment Managers ('Placement Agent Policy') is to enhance the transparency of the investment decision-making process by requiring broad, timely and updated disclosure of the existence of any relationships between SCERS' investment managers and individuals or entities serving as a compensated representative of the investment manager for the purpose of securing an investment by SCERS ('Placement Agents'). The goal of the Placement Agent Policy is to help ensure that SCERS' investment decisions are made solely on the merits of the investment opportunity, are reasonably prudent from a fiduciary perspective, and are consistent with SCERS' Investment Policy and Objectives.

POLICY

All SCERS staff, investment managers, and manager candidates will follow the following guidelines, as described herein below in the Application section, for reporting Placement Agents activities.

APPLICATION

The Placement Agent Policy shall apply to all current SCERS investment managers and all investment managers being considered by SCERS for an investment management engagement ('Investment Managers and Manager Candidates')

A. Investment Managers and Manager Candidates shall:

1. Provide the following information to SCERS promptly upon request:

    a. Whether the Investment Manager of Manager Candidate or any of their principals, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any Placement Agents in connection with any investment or proposed investment by SCERS.

    b. A resume for each officer, partner, or principal of the Placement Agents detailing the education, professional designations, regulatory licenses and investment and work experience. It should be specifically noted if any such individual is a current of former SCERS Board Member, employee or consultant, or a member of the immediate family of any such person.

c. A description of any and all compensation of any kind provided or agreed to be provided to the Placement Agents, including the nature, timing, and value thereof.

d. A description of the services to be performed by the Placement Agents.

e. A statement as to whether the Placement Agents is utilized by the Investment Manager of Manager Candidate with all clients or prospective clients or with only a subset of clients or prospective clients.

f. Whether any current of former SCERS Board Member, employee or consultant suggested the retention of the Placement Agents.

g. Whether the Placement Agents or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agency in a country other than the United States, the details of such registration, or an explanation of why no registration is required.

h. Whether the Placement Agents or any of its affiliates is registered as a lobbyist with any state or national government.

2. Provide an update of any changes to the information required above (collectively, Placement Agents Disclosure Information') within thirty (30) days of the occurrence of the change in information.

3. Agree to incorporate compliance with the Placement Agent Policy in the investment management engagement with SCERS.

4. Require any Placement Agents acting on its behalf in connection with any investment, or potential investment, by SCERS to disclose to SCERS' Staff any campaign contribution or gift made by the Placement Agents to any member or former member of the SCERS' Board, SCERS' Staff or SCERS' consultant during the prior twenty-four (24) month period or while continuing to receive any compensation in connection with a SCERS investment.

5. Fully cooperate with SCERS Staff in monitoring and assuring compliance with the Placement Agent Policy.

B. SCERS Staff shall:

1. Assure that an agreement to comply with the Placement Agent Policy is incorporated in all current and future investment management engagements.

2. Assure that all existing Investment Managers complete and submit the Placement Agents Disclosure Form to SCERS in a timely manner. SCERS has developed a Placement Agent Disclosure Form (Form) to supplement this policy that is designed to capture the data and information described in this section. The Form is presented to all Investment Managers and Manager

Candidates; completion of which is a requirement for SCERS to enter into any formal investment agreement.

3. Confirm that the Investment Manager or Manager Candidate is solely responsible for any fees, compensation or expenses for any Placement Agents, and that SCERS will not pay any such items either directly or indirectly.

4. Provide the SCERS Board with the Placement Agent's information prior to any investment decision by SCERS with respect to the Investment Manager or Manager Candidate.

5. Promptly advise the SCERS Board of any material violation of the Placement Agents Disclosure Policy.

6. Compile a quarterly report regarding the names of Placement Agents by each Investment Manager

C. Sanctions:

Sanctions in the event of a material omission or inaccuracy in the Placement Agents Disclosure Information, or any other material violation of the Placement Agent Policy can include, but are not limited to:

1. The reimbursement to SCERS of any management or investment advisory fees for one (1) year, or an amount equal to the amounts paid or promised to be paid to the Placement Agents, whichever is greater.

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.

3. A prohibition on the Investment Manager, Manger-Candidate or Placement Agents from soliciting new investments from SCERS for twenty-four (24) months.

4. The SCERS Board shall determine which sanction(s) will apply in a given case based on the nature of the violation of the Placement Agent Policy and any other relevant legal parameters.

D. All Parties are Responsible

All parties responsible for implementing, monitoring and complying with the Placement Agent 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 pursuant to the Placement Agent Policy, the Policy should be interpreted to require disclosure.

DEFINITIONS

For purposes of this Policy, and pursuant to Government Code section 7513.8, a Placement Agent is defined as follows: Any person or entity hired, engaged by, or acting on behalf of an investment manager, or on behalf of another Placement Agent, as a finder, solicitor, placement agent, marketer, consultant, broker or other intermediary to raise money or solicit investment funding from or to obtain access to SCERS, either directly or indirectly. This definition does not include employees, officers, directors, partners or members that spend more than one third of their time managing the securities or assets.

BACKGROUND

California Government Code Section 7513.85 and 7513.9 require a board of any public retirement system to adopt and implement a policy that requires minimum disclosure requirements with respect to the use of placement agents by Investment Managers and Manager Candidates. In addition SCERS' Board members, employees and consultants are subject to numerous legal requirements intended to ensure their ethical conduct, their compliance with their fiduciary responsibilities, and to prevent conflicts of interest.

RESPONSIBILITIES

Executive Owner: General Counsel

POLICY HISTORY

Date	Description
05-19-2021	*Board to reaffirm with minor corrections*
08-01-2018	Renumbered from 045
12-20-2017	Board affirmed in revised policy format
07-20-2016	Board amended policy
06-17-2010	Board amended policy
06-18-2009	Board approved policy