This policy is intended to supersede any existing policy provisions that are inconsistent with this policy, and to comply with any applicable provisions of state or federal law, which shall govern in the event of any inconsistency.

I. PURPOSE

The purpose of this policy is to promote and require transparency in the use of Placement Agents and the presence of campaign contributions or gifts in connection with SDCERA’s investment decisions consistent with sections 7513.85 and 7513.9 of the Government Code, as it is currently enacted and as it may be amended, from time to time. This policy will support SDCERA’s existing practice of making investment decisions solely on the merits of the investment and in a manner consistent with the fiduciary duties of SDCERA’s Board. This policy applies to all investments in or through External Managers that are entered into after the effective date. This policy and its attached forms are to be uniformly utilized in all transactions, and their terms cannot be separately negotiated or changed for any transaction.

A. Disclosure of Placement Agent, Campaign Contributions and Gifts. The use of all Placement Agents and campaign contributions made to members of the Board of Retirement and gifts given to members of the Board or any SDCERA staff or Consultant by Placement Agents will be disclosed to the Board as provided herein before the investment is approved by the Board.

B. Board Information. The External Manager will provide either an External Manager’s Placement Agent, Contribution and Gift Disclaimer (Form A) or an External Manager’s Disclosure of Placement Agent, Contribution or Gift (Form B) to the Board as a part of the Board’s consideration of any investment in or through an External Manager. A Placement Agent, if used, will provide a Placement Agent’s Disclosure of Placement Agent Information, Contribution or Gift (Form C) to the Board as part of the Board’s consideration of any investment in or through an External Manager.

C. Content of Disclosure of Placement Agent, Campaign Contributions and Gifts (Forms B and C). The provisions of the Disclosure are governed by the Government Code and include, as applicable:

1. The use of a Placement Agent in connection with a pending investment decision with the following information;
   a) Description of the relationship between an External Manager and a Placement Agent;
   b) A resume for each officer, partner, or principal of the Placement Agent detailing the person’s education, professional designations, regulatory licenses, and investment and work experience;
   c) A description of any and all compensation of any kind provided, or agreed to be provided, to a Placement Agent;
   d) A description of the services to be performed by the Placement Agent;
   e) A statement whether the Placement Agent, 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, and the details of that registration or explanation as to why no registration is required;

f) A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any local, state or national government;

2. All campaign contributions made by the Placement Agent to any member of the Board during the prior 24-month period; and

3. All gifts given by the Placement Agent to any member of the Board, any SDCERA staff, or any Consultant, during the prior 24-month period.

D. Subsequent Reporting. If, after approval of an SDCERA investment but during the time the Placement Agent is receiving compensation in connection with such investment, a Placement Agent makes any campaign contribution to a member of the Board or makes a gift to any member of the Board, or SDCERA staff, or any Consultant, the Placement Agent must, within 15 days of such contribution or gift, disclose such information on a Placement Agent’s Subsequent Disclosure of Contribution or Gift (Form D).

E. Compliance with Policy. SDCERA will not make any investment in or through any External Manager or make an investment involving a Placement Agent unless both the External Manager and, if applicable, the Placement Agent agree in writing to comply with this policy.

F. Violations of Policy. The Board will review all violations reported by SDCERA staff promptly at a public session.

1. Non-Solicitation Period. Any External Manager or Placement Agent that violates this policy shall not solicit new investments from SDCERA for five (5) years after the violation was committed.

2. Good Cause Reduction of Violation. The Board may determine whether each violation is material and whether to prohibit an External Manager and/or Placement Agent from soliciting new investments from SDCERA for the entire period. The Board may only reduce the five (5) year period by a majority vote of the Board at a public session, upon a showing of good cause.

G. Definitions.

1. The terms “External Manager,” “Gifts” and “Placement Agent” shall have the meanings given in sections 7513.8 and 82028 of the Government Code. Unless otherwise defined within this policy, all other defined terms in this policy shall have the meanings given in sections 7513.8 and 82028 of the Government Code.

2. “Consultant” means a person or firm, including key personnel of such firm(s), who are contractually retained by SDCERA to provide advice to SDCERA on investments, External Manager selection and monitoring, and other services.
REVIEW

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

HISTORY

June 17, 2010 Adopted, effectively immediately
May 5, 2011 Revised
January 20, 2012 Revised
June 5, 2014 Revised, effective immediately
July 20, 2017 Reviewed
External Manager’s Placement Agent, Contribution and Gift Disclaimer
(Form A)

The undersigned External Manager acknowledges receipt and review of the SDCERA Placement Agent Policy (June 5, 2014 version), agrees to comply with its provisions and by signature below incorporates the policy into each of its agreements with SDCERA.

No Placement Agent, Contributions or Gifts. The External Manager represents that it has not used a Placement Agent in connection with its relationship with SDCERA in connection with the pending investment described below. Therefore, the External Manager represents that no Placement Agent, representing the External Manager, has made any campaign contributions to any member of the Board during the prior 24 months, nor has made any gifts to any member of the Board, any SDCERA staff, or any Consultant, during the prior 24 months.

Pending Investment: ________________________________

The undersigned certifies that this information is complete and accurate.

Name of External Manager: ________________________________

By: ________________________________
   Name: ________________________________
   Title: ________________________________

Date: ________________________________
External Manager’s Disclosure of Placement Agent, Contribution or Gift
(Form B)

The undersigned External Manager acknowledges receipt and review of the SDCERA Placement Agent Policy (June 5, 2014 version), agrees to comply with its provisions and by signature below incorporates the policy into each of its agreements with SDCERA.

[The External Manager should supply any attachments and label them as indicated within the Form below.]

1. **Placement Agents.** ____________ (initials) A list of all such Placement Agents used in connection with the pending investment described below is attached to this Disclosure as Attachment 1.

   If the External Manager is disclosing the existence of a Placement Agent in connection with a pending investment, External Manager must also provide the following attachments:

   a) Description of the relationship between the External Manager and the Placement Agent (Attachment 1.1);

   b) A resume for each officer, partner, or principal of the Placement Agent detailing the person’s education, professional designations, regulatory licenses, and investment and work experience (Attachment 1.2);

   c) A description of any and all compensation of any kind provided, or agreed to be provided, to a Placement Agent (Attachment 1.3);

   d) A description of the services to be performed by the Placement Agent (Attachment 1.4);

   e) A statement whether the Placement Agent, 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, and the details of that registration or explanation as to why no registration is required (Attachment 1.5); and

   f) A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any local, state or national government (Attachment 1.6).

2. **Contributions.** _____ (initials) The External Manager represents that, based on the External Manager’s information and belief and inquiry of the Placement Agent, no Placement Agent, representing the External Manager, has made any campaign contributions to any member of the Board during the prior 24-months; OR

   _____ (initials) a description of all such campaign contributions are attached to this Disclosure as Attachment 2.

3. **Gifts.** _____ (initials) The External Manager represents that, based on the External Manager’s information and belief and inquiry of the Placement Agent, no Placement Agent, representing
External Manager’s Disclosure of Placement Agent, Contribution or Gift
(Form B) continued

the External Manager, has made any gifts to any member of the Board, any SDCERA staff, or any Consultant, during the prior 24-months; OR

____ (initials) a description of all such gifts are attached to this Disclosure as Attachment 3.

Pending Investment: ____________________________________________________________

The undersigned certifies that this information is complete and accurate.

Name of External Manager: ______________________________________________________

By: __________________________________
    Name: ____________________________
    Title: _____________________________

Date: ______________________________
Placement Agent’s Disclosure of Placement Agent Information, Contribution or Gift
(Form C)

The undersigned Placement Agent acknowledges receipt and review of the SDCERA Placement Agent Policy (June 5, 2014 version), agrees to comply with its provisions and by signature below incorporates the policy into each of its agreements with SDCERA.

[The Placement Agent should supply any attachments and label them as indicated within the Form below.]

1. **Placement Agent Information.** ___ (initials) The undersigned has acted as a Placement Agent with respect to the pending investment described below.

   The Placement Agent must provide the following attachments:

   a) Description of the relationship between the External Manager and the Placement Agent (Attachment 1.1);

   b) A resume for each officer, partner, or principal of the Placement Agent detailing the person’s education, professional designations, regulatory licenses, and investment and work experience (Attachment 1.2);

   c) A description of any and all compensation of any kind provided, or agreed to be provided, to a Placement Agent (Attachment 1.3);

   d) A description of the services to be performed by the Placement Agent (Attachment 1.4);

   e) A statement whether the Placement Agent, 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, and the details of that registration or explanation as to why no registration is required (Attachment 1.5); and

   f) A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any local, state or national government (Attachment 1.6).

2. **Contributions.** ___ (initials) The Placement Agent has not made any campaign contributions to any member of the Board during the prior 24-months; OR

   ____ (initials) a description of all such campaign contributions are attached to this Disclosure as Attachment 2.

3. **Gifts.** ____ (initials) The Placement Agent has not made any gifts to any member of the Board, any SDCERA staff, or any Consultant, during the prior 24-months; OR

   ____ (initials) a description of all such gifts are attached to this Disclosure as Attachment 3.

Pending Investment: ____________________________________________
Placement Agent’s Disclosure of Placement Agent Information, Contribution or Gift
(Form C) continued

The undersigned certifies that this information is complete and accurate.

Name of Placement Agent: ________________________________

By: ____________________________________________________________________________ Date __________________________
    Name:
    Title:
Placement Agent’s Subsequent Disclosure of Contribution or Gift  
(Form D)

The undersigned Placement Agent acknowledges receipt and review of the SDCERA Placement Agent Policy (June 5, 2014 version), agrees to comply with its provisions and by signature below incorporates the policy into each of its agreements with SDCERA.

[The Placement Agent should supply any attachments and label them as indicated within the Form below.]

The Placement Agent supplements its prior disclosures to the Board in connection with the investment described below by:

1. **Contributions**. _____ (initials) Since approval of the investment by SDCERA’s Board of Retirement, the Placement Agent has made campaign contributions to members of the Board as described in Attachment 1 to this Disclosure.

2. **Gifts**. _____ (initials) Since approval of the investment by SDCERA’s Board of Retirement, the Placement Agent has made gifts to any member of the Board, any SDCERA staff, or any Consultant, as described in Attachment 2 to this Disclosure.

Investment: ___________________________________________________________________

The undersigned certifies that this information is complete and accurate.

Name of Placement Agent: ___________________________________________________________________

By: ________________________________
   Name: ________________________________
   Title: ________________________________

Date: ________________________________