



PLACEMENT AGENT DISCLOSURE POLICIES AND PROCEDURES

9/23/2009

Board of Trustees of the Fort Worth Employees' Retirement Fund



PLACEMENT AGENT DISCLOSURE POLICIES AND PROCEDURES

In order to preserve the independence and integrity of the Fort Worth Employees' Retirement Fund ("Fund"), the Board has determined that it is in the best interest of the Fund to require the disclosure by an investment manager¹ ("Investment Manager"). The disclosure is needed to let the Fund know if that Investment Manager is using the services of a placement agent, registered lobbyist or other third-party intermediary (collectively, "Placement Agent") to assist the Investment Manager in obtaining investments by the Fund, or otherwise doing business with the Fund. The disclosure will be required regardless of whether the Placement Agent is compensated on a flat fee, a contingent fee, or any other basis. This policy is designed to prevent conflicts of interest, or the appearance of conflicts of interest, in Fund's investment decision-making process, and to ensure that investment decisions are made for the sole benefit of Fund's participants and beneficiaries and to ensure the integrity of the Fund decision-making process.

It is the policy of the Board that all potential Investment Managers have open access to the Fund investment staff. As such, it is not necessary for an Investment Manager to use a Placement Agent to gain access to the Fund staff, and the use of a Placement Agent is not part of the investment decision-making process of the Board or its staff.

I. Managers That Must Provide Disclosure

- A. The following entities must provide the appropriate disclosure as outlined in Section II below:
 - i. Investment Managers that have a direct contractual investment-management relationship with Fund or with an investment vehicle in which the Fund is invested ("Direct Investments" and "Direct Investment Managers").
 - ii. Investment Managers that have an indirect contractual investment management relationship with Fund ("Indirect Investments" and "Indirect Investment Managers") through an investment vehicle that invests in funds or other pooled investment vehicles or other assets ("Underlying Investments") and for which the Fund has the right to decline investments recommended by the Investment Manager or can otherwise exercise discretion with respect to investments.
- B. The investments referenced in subsections (i) and (ii) of Section I above will collectively be referred to as "Investment Transactions."

II. Form of Disclosure

- A. The Investment Manager shall provide disclosure in the form of a letter ("Placement Agent Disclosure Letter") addressing all requirements specified in Exhibits A-1 and A-2.

¹ For purposes of this policy, the term "Investment Manager" also includes General Partners of Limited Partnerships.

III. Disclosure Review Process

- A. The Executive Director (“Director”) or his or her designee will review such disclosures and will determine whether a disclosure is sufficient. Any questions regarding the sufficiency of the disclosure will be referred to General Counsel.
- B. Fund staff will notify the Director if a party acting in what appears to be the role of a Placement Agent contacts the Fund regarding an Investment Transaction.

IV. Failure to Comply with Placement Agent Disclosure Letter Requirement

- A. In the event that the Investment Manager fails to comply with the Placement Agent Disclosure Letter requirement, or makes a material misstatement or omission in such Letter, the Fund shall have the option, in its sole discretion, to terminate its investment relationship with the Investment Manager in accordance with the contract terms between the Investment Manager and the Fund.

In each case, termination of the relationship shall occur either immediately or on such date as Fund shall, in its sole discretion, specify. All contracts entered into by Fund will contain language providing for such termination.

- B. The Fund will have the sole right to determine whether a misstatement or omission by an Investment Manager is material.
- C. Any management or other agreement between the Fund and an Investment Manager will permit termination by the Fund pursuant to this policy without penalty to the Fund.

V. Notification

- A. Fund staff or the Investment Adviser will provide the Investment Manager with these Placement Agent Disclosure requirements when the staff begins full due-diligence review of any potential Investment Managers.
- B. The Fund staff will send written notice (“Notice”) in the form of a letter (paper, fax or electronic message) to the Investment Manager during the Fund’s screening process requesting a Placement Agent Disclosure Letter. If a copy of this Policy and Procedure has not already been provided to the Investment Manager, then this Policy and Procedure will be made available to the Investment Manager prior to or at the time Notice is given to the Investment Manager.

VI. Submission of Placement Agent Disclosure Letter

- A. The Investment Manager will be required to submit the Placement Agent Disclosure Letter to the Fund for the screening process and as reasonably requested by the Fund staff. In no event shall the Fund close an Investment Transaction without the Placement Agent Disclosure Letter. In the event of an accelerated closing where the timing requirements cannot be met, the Director may waive the minimum timing requirements so long as the Placement Agent Disclosure Letter is delivered prior to closing of the Investment Transaction.

- B. As part of the closing, the Investment Manager will be required to restate the previously submitted Placement Agent Disclosure Letter and confirm the Investment Manager's agreement to the provisions contained in Exhibits A-1 and A-2.
- C. The Placement Agent Disclosure Letter will be included as an essential part of the closing record in the file with other documents.

Exhibit A-1

Placement Agent Disclosure Letter Requirements (Investment Managers):

The term "Investor" refers to the Fort Worth Employees' Retirement Fund.

The term "Benefit" refers to any money, thing of value, or economic benefit conferred on or received by a person or business for the purposes specified in this policy. The term does not include meals or other things of insignificant value.

The Investment Manager shall have delivered a written document to the Investor (the "Placement Agent Disclosure Letter") which contains a representation that:

(1) if the services of a placement agent were not used:

(a) a representation the Investment Manager did not use the services of a placement agent, registered lobbyist or other intermediary to assist the Investment Manager in obtaining investments by the Fund, or otherwise doing business with the Fund, whether compensated on a flat fee, a contingent fee or any other basis; and

(b) a representation that no Benefit has been paid, given or promised to any of the Investor's consultants or advisors (including any person reasonably believed to be an officer, director or employee of the fund) for the purpose, or with the effect, of obtaining (1) an introduction to the Investor or any officer or employee of the Fund, or other assistance in obtaining business from the Investor, or (2) a favorable recommendation with respect to the Investment Transaction.

(2) if the services of a placement agent were used:

(a) a representation that a Benefit has been paid for to assist the Investment Manager in obtaining investments by the Fund, or otherwise doing business with the Fund. The Investment Manager shall also disclose: (i) a description of the transaction and the reason for the engagement of the Placement Agent; (ii) the purpose for the Benefit; and (iii) the amount of the Benefit or the nature of the Benefit; and

(3) a representation that all information contained in such Letter is true, correct and complete in all material respects.

B. All disclosures shall be restated at closing.

C. Notwithstanding anything to the contrary contained in the investment management agreement, the Investment Manager understands that the Investor may be required under the Texas Public Information Act to disclose the information contained in the Placement Agent Disclosure Letter to the public.

D. In the event that the Investor does not receive the Placement Agent Disclosure Letter prior to closing, the Investor has the option, in its sole discretion, to not to execute the investment management agreement. If the Investor determines that the Placement Agent Disclosure Letter contains a material inaccuracy or omission, the Investor shall have the option, in its sole discretion and without liability to the Investment Manager or any third party, to terminate the investment

management agreement and to pursue all remedies that may otherwise be available to the Investor without incurring any penalty under any agreement to which it is a party.

Exhibit A-2

Placement Agent Disclosure Letter Requirements (Limited Partnerships):

The term "Investor" refers to the Fort Worth Employees' Retirement Fund.

The term "Benefit" refers to any money, thing of value, or economic benefit conferred on or received by a person or business for the purposes specified in this policy. The term does not include meals or other things of insignificant value.

The General Partner of the Limited Partnership shall have delivered a written document to the Investor (the "Placement Agent Disclosure Letter") which contains a representation that:

(1) if the services of a Placement Agent were not used:

(a) a representation the General Partner did not use the services of a Placement Agent, registered lobbyist or other intermediary to assist the General Partner in obtaining investments by the Fund, or otherwise doing business with the Fund, whether compensated on a flat fee, a contingent fee or any other basis; and

(2) a representation that no Benefit has been paid, given or promised to any of the Investor's consultants or advisors (including any person reasonably believed to be an officer, director or employee of the fund) for the purpose, or with the effect, of obtaining (1) an introduction to the Investor or any officer or employee of the Fund, or other assistance in obtaining business from the Investor, or (2) a favorable recommendation with respect to the Investment Transaction.

(2) if the services of a Placement Agent were used:

(a) a representation that a Benefit has been paid for to assist the General Partner in obtaining investments by the Fund, or otherwise doing business with the Fund. The General Partner shall also disclose: (1) a description of the transaction and the reason for the engagement of the Placement Agent, (2) the purpose for the Benefit; and (3) the amount of the Benefit or the nature of the Benefit; and

(3) a representation that all information contained in such Letter is true, correct and complete in all material respects.

B. All disclosures shall be restated at closing

C. The General Partner may omit from the Placement Agent Disclosure Letter fees and expenses paid to its legal counsel and accountants in connection with the organization of any Partnership and the offering of limited partner interests therein, provided that such legal counsel and accountants have not also represented the Investor in connection with its investment in the Partnership and have not been involved in any form of solicitation relating to the Investor. The General Partner understands that the Investor may be required under the Texas Public Information Act to disclose the information contained in the Placement Agent Disclosure Letter to the public

D. In the event that the Investor does not receive the Placement Agent Disclosure Letter within the time period specified above, has the option, in its sole discretion, not to close the Investment

Transaction. If the Investor determines that the Placement Agent Disclosure Letter contains a material inaccuracy or omission, the Investor shall have the option, in its sole discretion and without liability to the Partnership, General Partner, any Limited Partner or any third party, to cease making further Capital Contributions, Contributions and/or Direct Payments to the Partnership and to pursue all remedies that may otherwise be available to the Investor without being deemed to be a defaulting Limited Partner under the Partnership Agreement and without incurring any other penalty under any agreement to which it is a party.