

CITY OF HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM

**STATEMENT OF POLICY REGARDING
CONTRACTUAL PROVISIONS FOR INVESTMENT MANAGERS**

WHEREAS, the Board of Trustees ("Board") of the City of Hollywood Police Officers' Retirement System ("Plan") enters into contracts with various Investment Managers;

WHEREAS, to ensure a level of consistency with the contractual agreements and the provisions contained in them, the Board developed this Policy, as follows:

1. This policy covers contracts for Investment Managers, including commingled investment trusts, partnerships, and other commingled products for the Plan. Mutual Funds purchased on the open market are not generally subject to this policy, except where specifically mentioned.

2. All contracts for Investment Management services, excluding Mutual Funds, will contain a provision acknowledging a fiduciary relationship to the Plan under Florida Statutes 112.656, 518.11 and 518.112 as applicable. Mutual Funds that the Plan invests in are expected to contain a provision that the Manager has a fiduciary relationship to the Mutual Fund itself.

a. Investment Managers should be an Investment Manager as defined in the Employee Retirement Income Security Act of 1974 (also known as ERISA) as incorporated in Florida Statutes 112.661:

- i. who has the power to manage, acquire, or dispose of any asset of a plan;
- ii. who is registered as an investment adviser under the

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Investment Advisers Act of 1940; is a bank, as defined in that Act; or is an insurance company qualified to invest under the laws of more than one State;

- iii. has acknowledged in writing that it is a fiduciary with respect to the plan; and
- iv. has acknowledged that the Plan is a governmental plan but the Investment Manager will accept this responsibility even if the assets are not "plan assets" as defined in ERISA.

- b. Investment Manager should be authorized to do business in the State of Florida.
- c. The Manager will provide the Form ADV and any updates in a timely manner.

3. The Board will seek a most favored nations clause with terms equal to investors of equal or smaller size as a provision of every Investment Manager agreement.

4. No agreement for an investment will contain a provision for indemnification for another party's acts. The Board may agree to fulfill their capital commitments but not to add additional assets for the purpose of indemnification.

5. Agreements entered into by the Board cannot waive any sovereign immunity defense.

6. The Investment Manager agreements will be supplemented by the

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Investment Policy Guidelines of the Board. For commingled investments with their own investment guidelines, the Plan will seek to have the option to avoid prohibited investments in commingled vehicles. At a minimum, the Investment Managers will be informed of the scrutinized company provisions of Florida Statutes §215.473 and the Valuation of Illiquid investments of §112.661(17).

7. All agreements will contain the requirements of Florida law:
 - a. Florida Statutes §119.0701 - requiring contractor compliance with the public records law.
 - b. Florida Statutes §286.011 - requiring all meetings to be held in public.
 - c. Florida Statutes §287.133 - prohibiting the hiring of or consideration of a proposal or bid for hiring of a business that has been placed on the convicted vendor list.
 - d. Florida Statutes §448.095 - requiring contractors of public employers to register and use the E-verify system beginning January 1, 2021.
8. Agreements will be subject to interpretation under Florida law and venue will be in Broward County.
9. Fees will be payable in arrears.
10. Each Investment Manager will agree to:
 - a. Vote Proxies;
 - b. Execute trades on a best execution basis; and

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- c. Direct brokerage arrangements, provided best execution can be achieved.
- d. Provide reports at least quarterly which will:
 - i. Show returns both gross and net of all fees and transaction costs and shall be time weighted or IRR basis;
 - ii. Outline the overall position of the portfolio with a complete listing of each security showing the cost, market value and yield at the close of the reporting period;
 - iii. Include all portfolio transactions during the preceding quarter.
 - iv. Include a listing of all trades, broker utilized and the cost of the trade;
 - v. When applicable, include a listing of the votes on all proxies showing the date each proxy was voted, the issue as to which each proxy was voted, and how each proxy was voted. If a proxy was not voted, the Investment Manager will provide a written statement indicating the reason that a particular proxy was not voted.

11. Investment Manager agreements will provide that the Manager will notify the Plan as soon as reasonably possible but within 10 days of:

- a. Changes in personnel reasonably likely to materially impact

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management of the investment, the company, or the fund;

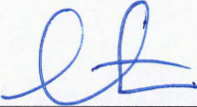
- b. Any civil, criminal, Securities and Exchange Commission ("SEC"), U.S. Department of Labor (the "Department") or other governmental investigation (which does not include routine examinations, audits or reviews), disciplinary proceeding, or administrative action finding a material violation by Investment Manager, General Partner or an Affiliate thereof of a violation of an investment related statute or regulation;
- c. Any civil, criminal, SEC, Department or other governmental investigation, disciplinary proceeding, report or administrative action related to or involving the Board's investment in the Fund;
- d. Any order or finding by a court of a violation by Investment Manager, General Partner or an Affiliate thereof of an investment related statute or regulation;
- e. The decision to delay or suspend valuation of interests or a previously reported valuation is adjusted.


12. Any individual provision of an Agreement may be contrary to this policy based on the Board's business judgment weighing the offered variation of the policy from the Investment Manager with the value of that particular investment.

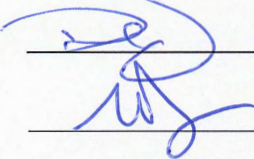
13. This policy will be reviewed by the Board at least every three years.

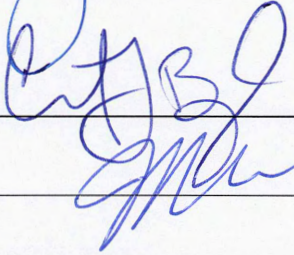
IN WITNESS WHEREOF the Board of Trustees has adopted this STATEMENT
OF POLICY REGARDING CONTRACTUAL PROVISIONS FOR INVESTMENT
MANAGERS this 26th day of March, 2021.

TRUSTEES

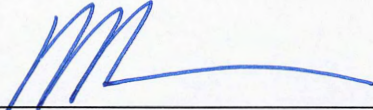








Witnessed by:



DAVID M WILLIAMS