

**HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM  
STATEMENT OF POLICY  
FOR  
DISCLOSURE OF PLACEMENT AGENT FEES**

**Adopted: August 21, 2009**

This policy is effective immediately upon adoption. This policy is intended to supplement any applicable provisions of state or federal law.

**I. PURPOSE**

The Hollywood Police Officers' Retirement System ("Plan") Investment Policy, adopted by Hollywood Police Officers' Retirement System Board of Trustees ("Board"), sets forth the Plan's overarching investment purposes and objectives with respect to its investment programs.

This Policy sets forth the circumstances under which the Plan shall require the disclosure of payments to Placement Agents in connection with the Plan's investments in or through Investment Counsel. This Policy is intended to apply broadly to all of the types of investment partners with which the Plan does business, including the general partners, managers, investment managers and sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well investment managers retained pursuant to a contract. The Board adopts this Policy to require broad, timely, and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of this Policy is to help ensure that the Board's investment decisions are made solely on the merits of the investment opportunity by those who owe a fiduciary duty to the Plan.

**II. DEFINITIONS**

*Consultant* refers to individuals or firms, and includes key personnel of Consultant firms, who are contractually retained or have been appointed to a pool by the Board to provide investment advice to the Board.

*Investment Counsel* means an investment management firm that is seeking to be, or has been, retained by the Board to manage a portfolio of assets (including securities) for a fee. The Investment Counsel usually has full discretion to manage Plan assets, consistent with investment management guidelines provided by the Plan and consistent with fiduciary responsibility.

*Placement Agent* means any person or entity hired, engaged or retained by or acting on behalf of Investment Counsel or on behalf of another Placement Agent as a finder, solicitor, marketer, consultant, broker, middleman or other intermediary to raise money or investments from or to obtain access to the Plan, directly or indirectly.

### **III. STRATEGIC OBJECTIVES**

- A. Ensure that the Board's investment decisions are consistent with the Plan's Investment Policy.
- B. Supplement the pool of information available to Board Members, staff and Consultants when evaluating an investment opportunity.
- C. Prevent impropriety and the appearance of impropriety and provide transparency and confidence in the Board's investment decision making.

### **IV. APPLICATION**

This Policy applies to all agreements with Investment Counsel that are entered into prior to and after the date this Policy is adopted.

### **V. RESPONSIBILITIES**

- A. Each Investment Counsel is responsible for:
  - 1. Providing the following information (collectively, the "Placement Agent Information Disclosure") to the Board at the time investment discussions are initiated by Investment Counsel. For agreements in existence at the time this policy is adopted, the Placement Agent Information Disclosure shall be made within thirty (30) days after request therefor is made by the Board.
    - a. A statement whether the Investment Counsel, or any of its principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the Investment Counsel) or entity to act as a Placement Agent in connection with any investment by the Plan.
    - b. A resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses and investment and work experience. If any such person is a current or former Board member, employee or Consultant or a member of the immediate family of any such person, this fact shall be specifically noted.
    - c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof. Compensation to Placement Agents shall include compensation to third parties as well as employees of the Investment Counsel who are retained in order to solicit an investment from the Plan or who are paid based upon investment commitments secured by such employees.
    - d. A description of the services to be performed by the Placement Agent and a statement as to whether the Placement Agent is utilized by the Investment Counsel with all prospective clients or only with a subset of the Investment Counsel's prospective clients.

- e. A copy of any and all agreements between the Investment Counsel and the Placement Agent.
  - f. The names of any current or former Board members, employees, or Consultants who suggested the retention of the Placement Agent.
  - g. 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 such registration or explanation of why no registration is required.
  - h. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
2. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement with a continuing obligation to update any such information within five (5) business days of any change in the information.
  3. Providing an update of any changes to any of the information included in the Placement Agent Information Disclosure within five (5) business days of the occurrence of the change in information.
- B. The Board or Board staff is responsible for:
1. Providing Investment Counsel with a copy of this Policy at the time that due diligence in connection with a prospective investment or engagement begins. For agreements in existence at the time this policy is adopted, a copy of this Policy will be provided to Investment Counsel as soon as practicable thereafter.
  2. Confirming that the Placement Agent Disclosure has been received prior to the completion of due diligence and any recommendation to proceed with the engagement of the Investment Counsel or the decision to make any investment.
  3. For new contracts and amendments to contracts existing as of the date of this Policy, confirming that the final written agreement between the Board and the Investment Counsel provides that the Investment Counsel shall be solely responsible for, and the Plan shall not pay (directly or indirectly), any fees, compensation or expenses for any Placement Agent used by the Investment Counsel.
  4. Reviewing the Placement Agent Information Disclosure whenever it is necessary or appropriate under this Policy.
  5. Reviewing periodic reports containing the names and amounts of compensation agreed to be provided to each Placement Agent by each Investment Counsel as reported in the Placement Agent Information Disclosures.

6. Reporting any material violations of this Policy.

C. Investment Counsel shall comply with this Policy and cooperate with Board and Board staff in meeting their obligations under this Policy. If Investment Counsel submits written notice of its intent not to comply with this Policy, staff shall report such refusal to the Board.

D. All parties responsible for implementing, monitoring and complying with this Policy should consider the spirit as well as the literal expression of this Policy. In cases where there is uncertainty whether a disclosure should be made pursuant to this Policy, this Policy shall be interpreted to require disclosure.

- End of Policy -