



## **PLACEMENT AGENT POLICY**

### **PURPOSE**

This Policy sets for the circumstances under which the Kern County Employees' Retirement Association ("KCERA") shall require the disclosure of payments to Placement Agents in connection with KCERA investments in and through its Investment Managers. KCERA 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 bring transparency to Placement Agent activity in connection with KCERA's investments and to help ensure that all investment decisions are made solely on the merits and in a manner consistent with the Board of Retirement's fiduciary duties.

This policy is intended to supplement any applicable provisions of state or federal law, which shall govern in the event of any inconsistency.

### **DEFINITIONS**

As used in this Policy, the following terms are defined as follows:

1. "Placement Agent" as used in this policy is defined in Government Code section 7513.8. (See attached Exhibit A.)
2. "External Manager" as used in this policy is defined in Government Code section 7513.8. (See attached Exhibit A.)
3. "Board" means the Board of Retirement of the Kern County Employees' Retirement Association, including elected alternates.

### **APPLICATION**

This Policy applies to all agreements with External Managers that are entered into after the date this Policy is adopted. This Policy also applies to existing agreements with External Managers if, after the date this Policy is adopted, the agreement is amended in any way. In the case of an amendment, the disclosure provisions of this Policy shall apply to the amendment and not to the original agreement.

### **DISCLOSURE REGARDING PLACEMENT AGENT RELATIONSHIP**

Each External Manager is responsible for providing, in a form acceptable to the KCERA's Chief Executive Officer and its legal counsel, a statement that the External Manager has

not used a Placement Agent in connection with KCERA's investment, or if the External Manager has used a Placement Agent, a statement disclosing the following:

1. Whether the External Manager, 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 External Manager) or entity to act as a Placement Agent in connection with any investment by KCERA;
2. A resume for each partner, officer, 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 KCERA Board member, employee or Consultant or a member of the immediate family of any such person, this fact shall be specifically noted;
3. A description of any and all compensation of any kind provided, or agreed to be provided, to the Placement Agent including the nature, timing and value thereof;
4. 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 External Manager with all prospective clients or only with a subset of the External Manager's prospective clients;
5. A representation that the fee is the sole obligation of the External Manager and not of KCERA, the investment vehicle, or any investor(s) in the investment vehicle;
6. The name(s) of current or former KCERA Board members, employees, or consultants or member(s) of the immediate family of any such person that are employed or receiving compensation of any kind provided, or agreed to be provided, directly or indirectly, from the Placement Agent;
7. The name(s) of any current or former KCERA Board members, employees or consultants who suggested the retention of the Placement Agent;
8. 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 state regulatory agency, 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;
9. A statement whether the Placement Agent, or any of its affiliates, is registered (or is required to be registered as of a date certain) as a lobbyist with any state or national government; and
10. A copy of any and all agreements between the External Manager and the Placement Agent that relate to any activities affecting KCERA.

The External Manager shall represent and warrant the accuracy of the information disclosed to KCERA and has an on-going obligation to update any such information within ten (10) business days of the change in information.

### **DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS**

Each Placement Agent shall, prior to acting as a Placement Agent, disclose to KCERA (1) all campaign contributions made by the Placement Agent to any elected KCERA Board member during the prior 24- month period and the date on which such contribution was made and (2) all gifts, as defined in Government Code section 82028, given by the Placement Agent to any KCERA Board member, employees or consultants or immediate family members of any such person during the prior 24-month period and the date on which such gift was given. Additionally, any subsequent campaign contribution or gift made by the Placement Agent to any KCERA Board member, employee or consultant during the time the Placement Agent is receiving compensation in connection with a KCERA investment shall also be disclosed. The External Manager shall be responsible for communicating this disclosure requirement to its Placement Agent.

### **ENFORCEMENT OF POLICY**

Any External Manager or Placement Agent that violates this Policy shall not solicit new investments from KCERA for five (5) years after the violation was committed. However, this prohibition may be reduced by a majority vote of the KCERA Board of Retirement at a public session upon a showing of good cause.

KCERA shall not enter into any agreement with an External Manager that does not agree in writing to comply with this Policy.

In the event a Placement Agent is expected to receive compensation in connection with KCERA's investment with an External Manager, the Chief Executive Officer, or his/her designee, will so notify the Board in a written memorandum prior to execution of an agreement with the External Manager. If an External Manager breaches this Policy, the Chief Executive Officer, or his/her designee, will notify the Board in a timely manner.

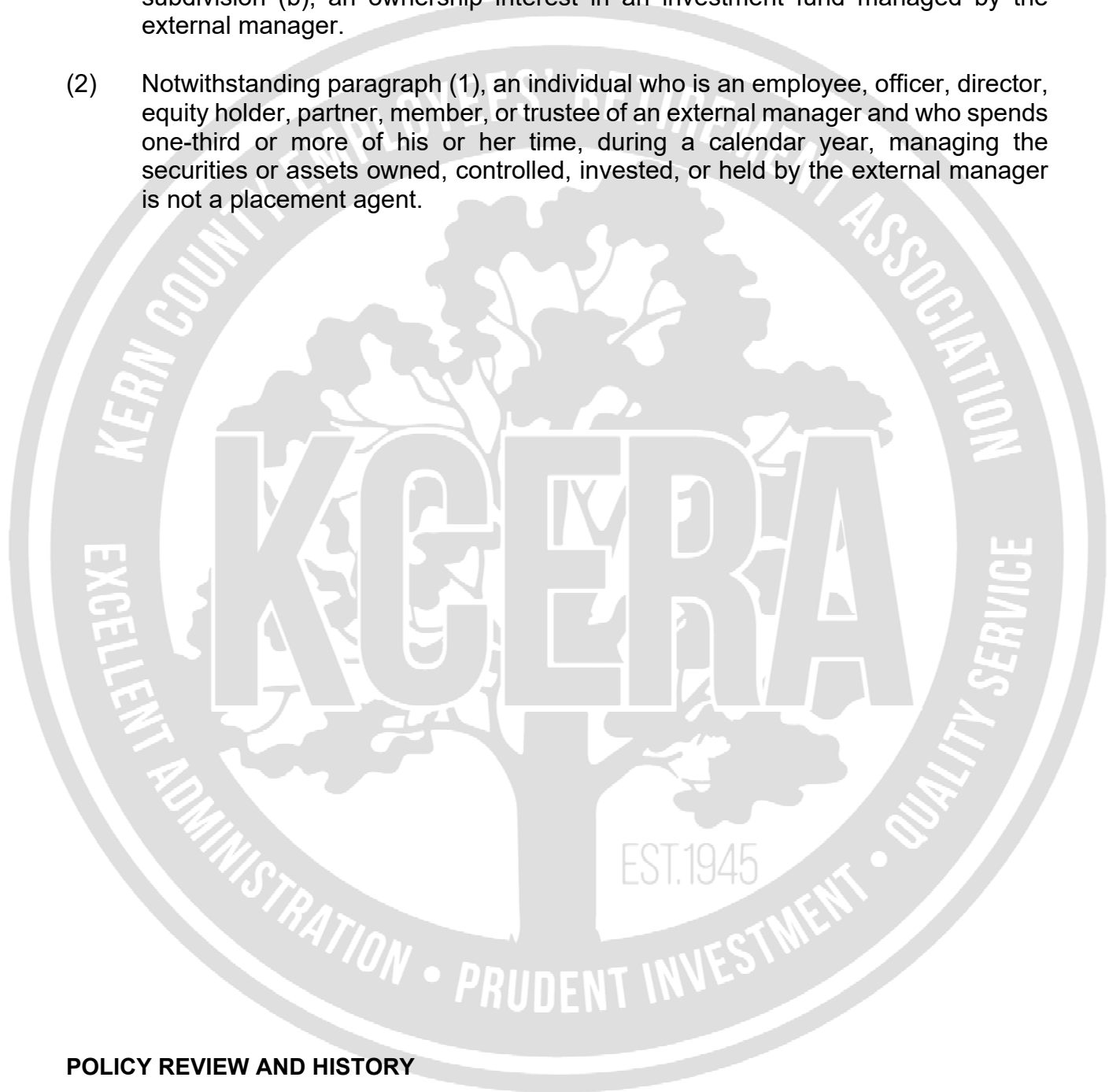
## EXHIBIT A

### Government Code section 7513.8. Definitions

As used in this section and Sections 7513.85, 7513.86, 7513.87, 7513.9, and 7513.95:

- (a) "Board" means the retirement board of a public pension or retirement system, as defined in subdivision (h) of Section 17 of Article XVI of the California Constitution.
- (b) "External manager" means either of the following:
  - (1) A person who is seeking to be, or is, retained by a board or an investment vehicle to manage a portfolio of securities or other assets for compensation.
  - (2) A person who manages an investment fund and who offers or sells, or has offered or sold, an ownership interest in the investment fund to a board or an investment vehicle.
- (c)(1) "Investment fund" means a private equity fund, public equity fund, venture capital fund, hedge fund, fixed income fund, real estate fund, infrastructure fund, or similar pooled investment entity that is, or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, holding, or trading securities or other assets.
- (2) Notwithstanding paragraph (1), an investment company that is registered with the Securities Exchange Commission pursuant to the Investment Company Act of 1940 (15 U.S.C Sec. 80a-1 et seq.) and that makes a public offering of its securities is not an investment fund.
- (d) "Investment vehicle" means a corporation, partnership, limited partnership, limited liability company, association, or other entity, either domestic or foreign, managed by an external manager in which a board is the majority investor and that is organized in order to invest with, or retain the investment management services of, other external managers.
- (e) "Person" means an individual, corporation, partnership, limited partnership, limited liability company, or association, either domestic or foreign.
- (f)(1) "Placement agent" means any person directly or indirectly hired, engaged, or retained by, or serving for the benefit of or on behalf of, an external manager, or an investment fund managed by an external manager, and who acts or has acted for compensation as a finder, solicitor, marketer, consultant, broker, or other intermediary in connection with the offer or sale to a board or an investment vehicle, either of the following:

- (A) In the case of an external manager within the meaning of paragraph (1) of subdivision (b), the investment management services of the external manager.
- (B) In the case of an external manager within the meaning of paragraph (2) of subdivision (b), an ownership interest in an investment fund managed by the external manager.
- (2) Notwithstanding paragraph (1), an individual who is an employee, officer, director, equity holder, partner, member, or trustee of an external manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the external manager is not a placement agent.



#### **POLICY REVIEW AND HISTORY**

- 1) This policy shall be reviewed at least every five (5) years.
- 2) This policy was:
  - a) Adopted by the Board on March 9, 2016.
  - b) Reviewed and amended by the Board on March 13, 2019 and June 8, 2022.

## **KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION DISCLOSURE STATEMENT REGARDING USE OF PLACEMENT AGENTS**

The undersigned is a current or proposed "External Manager" for the Kern County Employees' Retirement Association ("KCERA"), as defined under KCERA's Placement Agent Policy, adopted March 9, 2016 ("Policy"). We have received a copy of the Policy from KCERA. We hereby disclose to KCERA the following information, which we represent and warrant to be true and correct as of the date hereof:

1. Neither we nor any of our principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by us) or entity to act as a Placement Agent (as defined in the Policy) in connection with any investment by KCERA, **except as disclosed on Attachment 1 to this Disclosure Statement.**

**[IF THERE IS NOTHING TO DISCLOSE IN ATTACHMENT 1, ITEMS 2-7 DO NOT APPLY.]**

2. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 2 to this Disclosure Statement 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, and whether any such person is a current or former KCERA Board member, employee or Consultant or a member of the immediate family of any such person.
3. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 3 to this Disclosure Statement a description of any and all compensation of any kind we have provided or have agreed to provide to a Placement Agent, including the nature, timing and value thereof.
4. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 4 to this Disclosure Statement a description of the services to be performed by the Placement Agent.
5. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 5 to this Disclosure Statement a copy of any and all agreements between us and the Placement Agent.
6. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 6 to this Disclosure Statement the names of any current or former KCERA Board members, employees, or Consultants who suggested the retention of the Placement Agent.
7. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 7 to this Disclosure Statement 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 agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

We further represent and warrant as follows:

- A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within ten (10) business days of the occurrence of the change in information.
- B. We shall use our best efforts to cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to KCERA, to disclose to KCERA in writing any campaign contribution, gift or other item of value made or given to any member of the KCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.
- C. We shall use our best efforts to cause our engaged Placement Agent, during the time it is receiving compensation in connection with an KCERA' investment, to disclose to KCERA any campaign contribution, gift or other item of value made or given to any member of the KCERA Board or Staff, or Consultant, during such period.

Dated: \_\_\_\_\_

EXTERNAL MANAGER

Name of Entity

By: \_\_\_\_\_  
Authorized Signatory

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_