

VENTURA COUNTY EMPLOYEES RETIREMENT ASSOCIATION
POLICY REGARDING PLACEMENT AGENT DISCLOSURE INFORMATION

PURPOSE

The Investment Policy Manual adopted July 2009 sets forth the framework for the management and oversight of the assets of the Ventura County Employees' Retirement Association (VCERA).

This Policy sets forth the criteria under which the VCERA shall require disclosure of payments to Placement Agents in connection with VCERA investments in or through External Investment Managers. This Policy shall apply to all categories of VCERA External Investment Managers including, but not limited to, private equity funds, currency manager funds, real estate funds, infrastructure funds, hedge funds and all other investment managers retained under contract. VCERA adopts this Policy to require broad, timely and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of the Policy is to ensure VCERA investment decisions are accomplished entirely on the merits of the investment opportunity by individuals who owe a fiduciary duty to VCERA.

APPLICATION

This Policy applies to all agreements with External Investment Managers that are entered into after the date this Policy is adopted. This Policy also applies to existing agreements with External Investment Managers if, after the date this Policy is adopted, the agreement is amended in any way (including by vote, consent or waiver by the limited partners/investors or a subset of the limited partners/investors or separate side agreement or amendment to side agreement) to continue, terminate, or extend the term of the agreement or the investment period, increase the commitment of funds by VCERA or increase or accelerate the fees or compensation payable to the External Investment Manager (referred to hereafter as "Amendment"). In case of an Amendment, the disclosure provisions of the External Investment Manager shall apply to the Amendment and not the original agreement.

RESPONSIBILITIES

Each External Investment Manager is responsible for:

1. Providing the following information (collectively, the Placement Agent Information Disclosure) to VCERA staff and investment consultant upon request:

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- a. A statement whether the External Investment 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 Investment Manager) or entity to act as a Placement Agent in connection with any investment by VCERA.
 - b. A resume for each Placement Agent detailing the individual's education, professional designations, regulatory licenses and investment work and experience. If any such person is a current or former VCERA Board Member, employee, Consultant, or 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.
 - d. A description of the services to be performed by the Placement Agent.
 - e. A written copy of any and all agreements between the External Investment Manager and the Placement Agent.
 - f. The names of any current or former VCERA Board Members, employees or Consultants who suggested the retention of the Placement Agent.
 - g. A statement that the Placement Agent (or any affiliates) is registered with the Securities and Exchange Commission, the Financial Industry Regulatory Association or Commodity Futures Trading Commission and the details of such registration or why such registration is not required.
 - h. A statement whether the Placement Agent (or any affiliates) is registered as a lobbyist with any state or national government.
2. Providing an update of any changes to any information included in the Placement Agent Information Disclosure to VCERA staff and investment consultant within ten business days of the change in information.
 3. 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 the information within ten business days of any change in information.
 4. Requiring each Placement Agent, prior to acting as a Placement Agent for any VCERA investment opportunity, disclose to VCERA staff and investment consultant any campaign contribution, gift or other item of value made to VCERA Board Members, staff or investment consultant during the prior 24 month period.

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5. Requiring each Placement Agent, receiving compensation in connection with a VCERA investment opportunity, to disclose to VCERA staff any campaign contribution, gift or other item of value made to VCERA Board Members, staff or investment consultant during such period.
6. Complying with this Policy and cooperating with VCERA Staff and Investment Consultant in meeting their obligations under this Policy.

VCERA Staff and Investment Consultant are responsible for:

1. Providing External Investment Managers with a copy of this Policy at the time that discussions begin with respect to a prospective investment.
2. Confirming that the Placement Agent Disclosure has been received prior to the selection of any External Investment Manager.
3. Confirming that all existing External Investment Managers complete and submit the Placement Agent Information Disclosure timely.
4. Promptly advising the VCERA Board of any material violation of the Placement Agent Information Disclosure.
5. Compiling a quarterly report regarding the names and amount of compensation paid to Placement Agents by each External Investment Manager, when applicable.
6. Implementing sanctions in the event of a material omission or inaccuracy in the Placement Agent Information Disclosure including, but not limited to:
 - a. The reimbursement to VCERA of management/investment advisory fees for one year, or an amount paid or promised to be paid to a Placement Agent, whichever is greater.
 - b. Immediate termination of the investment management relationship without penalty or withdrawal without penalty from a limited partnership, limited liability company or any other investment vehicle. Suspension of further capital commitments to a limited partnership, limited liability company or any other investment vehicle may also occur.
 - c. The prohibition of the External Investment Manager and Placement Agent from soliciting new business from VCERA for thirty six (36) months.
 - d. VCERA's Board shall determine which sanction(s) will apply given the nature of the violation.

GLOSSARY

External Investment Manager

An asset management firm, partnership, general partner, limited liability company or any other investment vehicle seeking to be retained, or already retained, by VCERA to manage a portfolio of assets for a fee.

Placement Agent

Person(s) or firm(s) hired, retained or engaged by or acting on behalf of an External Investment Manager, including an External Investment Manager's own marketing personnel*, as a finder, solicitor, marketer, consultant, broker or other intermediary to raise money or investments or to obtain access to VCERA, directly or indirectly, or as defined by statutes of the State of California.

* External Investment Manager marketing personnel who spend at least 1/3 of annual work time managing assets will be exempt from this definition of "Placement Agent" pursuant to AB 1743.

Investment Consultant

Individual(s) or firm(s), including all key personnel of firm(s), who are contractually retained by VCERA to provide investment advice.

Adopted: May 17, 2010.

Amended: December 20, 2010.

By:



Tracy Towner, VCERA Chairman



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Investment Section – Placement Agent Form

Prior to VCERA entering into any investment transaction or investment management contract, the VCERA Board of Retirement (Board) requires that any person or entity who would be a party to that investment transaction or investment management contract shall disclose to the Board, in writing, additional due diligence from all third party "Placement Agent" relationships with persons or entities that assisted the party with either the solicitation of VCERA as a potential client or the retention of VCERA as an existing client and any fees paid or payable to the third party as a result of such relationship.

The term "Placement Agent" includes any person or entity hired, engaged, or retained by, or acting on behalf of, an external manager, or on behalf of another placement agent as a finder, solicitor, marketer, consultant, broker or other intermediary to raise money or investment from, or to obtain access to, a public retirement system in California, directly or indirectly, without limitation, through an investment vehicle.

Please complete the form below:

Prospective/New Investment

Amendment to an Existing Investment

Investment Transaction/Management Contract (Firm): _____

Contact Person: _____ Company: _____

Name of Placement Agent Firm: _____

Primary Contact (Individual): _____

Please disclose your compensation agreement with this firm, including amounts paid, payable and term:

[Empty dotted box for compensation agreement details]

Please disclose the services that will be performed by the Placement Agent, which includes whether the Placement Agent is utilized by you for all prospective clients or by a subset of your prospective clients.

[Empty dotted box for services performed by the Placement Agent]

Signature: _____ Date: _____