SCERS
SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 11A

MEETING DATE: **August 19, 2026**

SUBJECT: **Placement Agent Policy**

SUBMITTED FOR: **_X__ Action** **___ Information**

RECOMMENDATION

Approve amendments to the Placement Agent Policy.

PURPOSE/STRATEGIC PRIORITY

This item complies with Government Code sections 7513.8-7513.95 concerning development and implementation of a policy requiring the disclosure of payments to placement agents in connection with SCERS' investments with external managers.

DISCUSSION

The Board adopted its Placement Agency Policy in 2009, the same year the State enacted Assembly Bill 1584 imposing new requirements on public pension plans using placement agents in connection with its investment activities. The policy has been amended several times since then, most recently in June 2023, usually either to accommodate changes to the law or make minor updates to reflect SCERS' administrative requirements.

Pursuant to SCERS' practice of reviewing and refreshing policies every three years, Staff has re-evaluated this policy to consider whether any amendments are necessary due to legal changes or practical experience. While there have been no changes to the law, Staff is recommending stylistic and non-substantive amendments to update the form to reflect SCERS' current templates.

ATTACHMENTS

- Board Order
- Redlined version of policy with proposed amendments
- Clean version of policy with proposed amendments

Prepared by:

/S/

Jason R. Morrish
General Counsel

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
August 19, 2026

AGENDA ITEM:

Placement Agent Policy

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to approve amendments to the Placement Agent Policy.

I HEREBY CERTIFY that the above order was passed and adopted on August 19, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

____
Chris Giboney
Board President

____
Eric Stern
Chief Executive Officer and
Board Secretary

SCERS
SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

PLACEMENT AGENT POLICY

PURPOSE

The purpose of this policy is to establish the ~~regarding~~ Placement Agent Policy for the ~~activities by~~ Sacramento County Employees' Retirement System (~~"~~SCERS~~"~~) as required by California Government Code Sections 7513.8–7513.95~~Investment Managers ('Placement Agent Policy') is to enhance the transparency of the investment decision-making process by requiring broad, timely and updated disclosure of the existence of any relationships between SCERS' investment managers and individuals or entities serving as a compensated representative of the investment manager for the purpose of securing an investment by SCERS ('Placement Agents'). The goal of the Placement Agent Policy is to help ensure that SCERS' investment decisions are made solely on the merits of the investment opportunity, are reasonably prudent from a fiduciary perspective, and are consistent with SCERS' Investment Policy and Objectives~~.

POLICY

In furtherance of its fiduciary duties and Master Investment Policy Statement, SCERS has a responsibility to enhance the transparency of its Investment Program and ensure that its investment decisions are made solely on the merits and reasonable prudence of each investment opportunity. All SCERS staff, consultants, and external investment ~~investment~~ managers~~,~~ and manager candidates ~~and manager candidates~~ will comply with ~~follow~~ the ~~following~~ disclosure
guidelines and requirements set forth herein regarding placement agent ~~, as described herein below in the Application section, for reporting Placement Agents~~ activities.

APPLICATION

Th~~is pe Placement Agent P~~olicy shall apply to all placement agents, current SCERS investment managers and ~~all~~ investment managers being considered by SCERS for an investment management engagement, *i.e.*, any "placement agent" or "external manager" for an "investment fund" or "investment vehicle" as those terms are defined in the Government Code. ~~('Investment Managers and Manager Candidates')~~

A. External ~~Investment~~ Managers ~~and Manager Candidates~~ shall:

1. Provide the following information to SCERS promptly upon request:

   a. Whether the external ~~Investment~~ m~~M~~anager ~~of Manager Candidate~~ or any of their principals, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any ~~P~~placement ~~A~~agent(s) in connection with any investment or proposed investment by SCERS.

b. A resume for each officer, partner, or principal of the ~~P~~placement ~~A~~agent(s) detailing their education, professional designations, regulatory licenses and investment and work experience. It should be specifically noted if any such individual is a current o~~f~~r former SCERS Board Member, employee or consultant, or a member of the immediate family of any such person.

c. A description of any and all compensation of any kind provided or agreed to be provided to the ~~P~~placement a~~A~~gent(s), including the nature, timing, and value thereof.

d. A description of the services to be performed by the p~~P~~lacement a~~A~~gent(s)~~s~~.

e. A statement as to whether the p~~P~~lacement a~~A~~gent(s) are~~is~~ utilized by the external ~~Investment~~ m~~M~~anager ~~of Manager Candidate~~ with all clients or prospective clients or with only a subset of clients or prospective clients.

f. Whether any current of former SCERS Board Member, employee or consultant suggested the retention of the p~~P~~lacement a~~A~~gent(s).

g. Whether the ~~P~~placement a~~A~~gent(s) or any of their~~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, the details of such registration, or an explanation of why no registration is required.

h. Whether the ~~P~~placement a~~A~~gent(s) or any of their~~its~~ affiliates are~~is~~ registered as a lobbyist with any state or national government.

2. Provide an update of any changes to the information required above (collectively, Placement Agent~~s~~ Disclosure Information~~'~~) within thirty (30) days of the occurrence of the change in information.

3. Agree to incorporate compliance with the Placement Agent Policy in the investment management engagement with SCERS.

4. Require any ~~P~~placement a~~A~~gent(s) acting on their~~its~~ behalf in connection with any investment~~,~~ or potential investment~~,~~ by SCERS to disclose to SCERS~~'~~ ~~Staff~~ any campaign contribution or gift made by the ~~P~~placement a~~A~~gent(s) to any member or former member of the SCERS~~'~~ Board, SCERS~~'~~ Staff or any SCERS~~'~~ consultant during the prior twenty-four (24) month period or while continuing to receive any compensation in connection with a SCERS investment.

5. Fully cooperate with SCERS Staff in monitoring and assuring compliance with the Placement Agent Policy.

B. SCERS' Staff and consultants shall:

1. Assure that an agreement to comply with the Placement Agent Policy is incorporated in all current and future investment management engagements.

2. En~~As~~sure that all externa~~listing Investment~~ m~~M~~anagers complete and submit the Placement Agent~~s~~ Disclosure Form to SCERS in a timely manner. SCERS has developed a Placement Agent Disclosure Form (Form) to supplement this policy that is designed to capture the data and information described in this section. The Form must be~~is~~ presented to all external~~Investment M~~managers, and ~~and Manager Candidates;~~ completion ~~of which~~ is a requirement for SCERS to enter into any formal investment agreement.

3. Confirm that the external m~~Investment M~~anager ~~or Manager Candidate~~ is solely responsible for any fees, compensation or expenses for any ~~P~~placement a~~A~~gent(s)~~s~~, and that SCERS will not pay any such items either directly or indirectly.

4. Provide the SCERS Board with the Placement Agent Disclosure I~~'s i~~nformation prior to any investment decision by SCERS with respect to the external m~~Investment M~~anager~~ or Manager Candidate~~.

5. Promptly advise the SCERS Board of any material violation of the Placement Agent~~s Disclosure~~ Policy.

6. Compile an annual report regarding the names of ~~P~~placement a~~A~~gent(s) by each external m~~Investment M~~anager.

~~C.~~ **Sanctions** ~~:~~

C. ~~Sanctions~~ in the event of a material omission or inaccuracy in the Placement Agent ~~s~~ Disclosure Information, or any other material violation of the Placement Agent Policy, may~~can~~ include~~,~~ but not be ~~are not~~ limited to:

1. The reimbursement to SCERS of any management or investment advisory fees for one (1) year, or an amount equal to the amounts paid or promised to be paid to the ~~P~~placement a~~A~~gents, whichever is greater.

2. Immediate termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle.

3. A prohibition against ~~on~~ the placement agent(s) or external ~~Investment Manager,~~manager~~ Manger-Candidate or Placement Agents~~ from soliciting new investments from SCERS for up to twenty-four (24) months.

4. The SCERS Board shall determine which sanction(s) will apply in a given case based on the nature of the violation of the ~~Placement Agent P~~policy and any other relevant legal parameters.

~~D. All Parties are Responsible~~

D. All parties are responsible for implementing, monitoring and complying with this~~e Placement Agent P~~policy and should consider its intention and ~~the~~ spirit as well as ~~the~~ literal expression~~ of the Policy~~. In cases where there is any ambiguity or uncertainty as to whether a disclosure should be made pursuant to the p~~ Placement Agent P~~olicy, ~~the Policy should be interpreted to require~~ disclosure is required.

AUTHORITY

California Government Code Sections 7513.8–7513.95

~~DEFINITIONS~~

~~For purposes of this Policy, and pursuant to Government Code section 7513.8, a Placement Agent is defined as follows: Any person or entity hired, engaged by, or acting on behalf of an investment manager, or on behalf of another Placement Agent, as a finder, solicitor, placement agent, marketer, consultant, broker or other intermediary to raise money or solicit investment funding from or to obtain access to SCERS, either directly or indirectly. This definition does not include employees, officers, directors, partners or members that spend more than one third of their time managing the securities or assets.~~

~~BACKGROUND~~

~~California Government Code Section 7513.85 and 7513.9 require a board of any public retirement system to adopt and implement a policy that requires minimum disclosure requirements with respect to the use of placement agents by Investment Managers and Manager Candidates. In addition SCERS' Board members, employees and consultants are subject to numerous legal requirements intended to ensure their ethical conduct, their compliance with their fiduciary responsibilities, and to prevent conflicts of interest.~~

RESPONSIBILITIES

Executive Owner: General Counsel

POLICY HISTORY

Date	Description
08-19-2026	Board amended policy
06-21-2023	Board amended policy
05-19-2021	Board reaffirmed policy with minor corrections
08-01-2018	Renumbered from 045
12-20-2017	Board affirmed in revised policy format
07-20-2016	Board amended policy

06-17-2010	Board amended policy
06-18-2009	Board approved policy

PLACEMENT AGENT POLICY

PURPOSE

The purpose of this policy is to establish the Placement Agent Policy for the Sacramento County Employees' Retirement System (SCERS) as required by California Government Code Sections 7513.8–7513.95.

POLICY

In furtherance of its fiduciary duties and Master Investment Policy Statement, SCERS has a responsibility to enhance the transparency of its Investment Program and ensure that its investment decisions are made solely on the merits and reasonable prudence of each investment opportunity. All SCERS staff, consultants, and external investment managers and manager candidates will comply with the disclosure guidelines and requirements set forth herein regarding placement agent activities.

APPLICATION

This policy shall apply to all placement agents, current SCERS investment managers and investment managers being considered by SCERS for an investment management engagement, *i.e.*, any "placement agent" or "external manager" for an "investment fund" or "investment vehicle" as those terms are defined in the Government Code.

A. External Managers shall:

1. Provide the following information to SCERS promptly upon request:

   a. Whether the external manager or any of their principals, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any placement agent(s) in connection with any investment or proposed investment by SCERS.

   b. A resume for each officer, partner, or principal of the placement agent(s) detailing their education, professional designations, regulatory licenses and investment and work experience. It should be specifically noted if any such individual is a current or former SCERS Board Member, employee or consultant, or a member of the immediate family of any such person.

   c. A description of any and all compensation of any kind provided or agreed to be provided to the placement agent(s), including the nature, timing, and value thereof.

d. A description of the services to be performed by the placement agent(s).

e. A statement as to whether the placement agent(s) are utilized by the external manager with all clients or prospective clients or with only a subset of clients or prospective clients.

f. Whether any current of former SCERS Board Member, employee or consultant suggested the retention of the placement agent(s).

g. Whether the placement agent(s) or any of their 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, the details of such registration, or an explanation of why no registration is required.

h. Whether the placement agent(s) or any of their affiliates are registered as a lobbyist with any state or national government.

2. Provide an update of any changes to the information required above (collectively, Placement Agent Disclosure Information) within thirty (30) days of the occurrence of the change in information.

3. Agree to incorporate compliance with the Placement Agent Policy in the investment management engagement with SCERS.

4. Require any placement agent(s) acting on their behalf in connection with any investment or potential investment by SCERS to disclose to SCERS any campaign contribution or gift made by the placement agent(s) to any member or former member of the SCERS Board, SCERS Staff or any SCERS consultant during the prior twenty-four (24) month period or while continuing to receive any compensation in connection with a SCERS investment.

5. Fully cooperate with SCERS Staff in monitoring and assuring compliance with the Placement Agent Policy.

B. SCERS' Staff and consultants shall:

1. Assure that an agreement to comply with the Placement Agent Policy is incorporated in all current and future investment management engagements.

2. Ensure that all external managers complete and submit the Placement Agent Disclosure Form to SCERS in a timely manner. SCERS has developed a Placement Agent Disclosure Form (Form) to supplement this policy that is designed to capture the data and information described in this section. The Form must be presented to all external managers, and completion is a requirement for SCERS to enter into any formal investment agreement.

3. Confirm that the external manager is solely responsible for any fees, compensation or expenses for any placement agent(s), and that SCERS will not pay any such items either directly or indirectly.

4. Provide the SCERS Board with the Placement Agent Disclosure Information prior to any investment decision by SCERS with respect to the external manager.

5. Promptly advise the SCERS Board of any material violation of the Placement Agent Policy.

6. Compile an annual report regarding the names of placement agent(s) by each external manager.

C. Sanctions in the event of a material omission or inaccuracy in the Placement Agent Disclosure Information, or any other material violation of the Placement Agent Policy, may include but not be limited to:

1. The reimbursement to SCERS of any management or investment advisory fees for one (1) year, or an amount equal to the amounts paid or promised to be paid to the placement agents, whichever is greater.

2. Immediate termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle.

3. A prohibition against the placement agent(s) or external manager from soliciting new investments from SCERS for up to twenty-four (24) months.

4. The SCERS Board shall determine which sanction(s) will apply in a given case based on the nature of the violation of the policy and any other relevant legal parameters.

D. All parties are responsible for implementing, monitoring and complying with this policy and should consider its intention and spirit as well as literal expression. In cases where there is any ambiguity or uncertainty as to whether a disclosure should be made pursuant to the policy, disclosure is required.

AUTHORITY

California Government Code Sections 7513.8–7513.95

RESPONSIBILITIES

Executive Owner: General Counsel

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