




RETIREMENT BOARD POLICY AND REFERENCE MANUAL

SUBJECT: POLICY CONCERNING INDEPENDENT ADVISORY MEMBER TO THE INVESTMENT COMMITTEE	Section: 2-13 Date Adopted/Revised: 7/15/2009
SYSTEM(S): JOINT	Approved:  Retirement Administrator

PURPOSE

Each Retirement Board is keenly cognizant of its fiduciary duty to manage system assets wisely and to obtain a prudent rate of return. Each Board recognizes that it is appropriate to utilize as many sources of investment experience and expertise as can be properly managed to achieve these goals.

OBJECTIVE OF POLICY CONCERNING INDEPENDENT ADVISORY MEMBER

The objective of this policy is to broaden the investment experience and expertise presently available to the Investment Committee by adding an Independent Advisory Member to the Committee.

SCOPE OF DUTIES OF THE INDEPENDENT ADVISORY MEMBER

The Independent Advisory Member shall be entitled to receive an agenda packet for each Investment Committee meeting and shall be entitled to participate in Committee meetings. The Independent Advisory Member shall not be entitled to vote on matters coming before the Committee.

Upon approval of the chair of the Investment Committee, the Independent Advisory Member may participate in Committee due diligence site visitations to existing investment managers or to investment manager candidates.

The Independent Advisory Member to the Investment Committee is subject to the same strict set of fiduciary obligations and responsibilities as the other members of the Investment Committee which requires the expenditure of ever-increasing amounts of time and energy. It is estimated that the Independent Advisory Member will commit a minimum of 5-7 hours per month on retirement investment business which includes a review of agenda packages and attending Investment Committee meetings.

APPOINTMENT PROCEDURE FOR INDEPENDENT ADVISORY MEMBER

1. Appointment Criteria

The Retirement Boards shall jointly select the Independent Advisory Member. The Boards shall evaluate candidates on the basis of investment-related experience, investment expertise, independence, availability, and related factors.

2. Appointment Procedure

The Investment Committee at a regular or special meeting may recommend an Independent Advisory Member to the Boards for final approval.

TERM OF INDEPENDENT ADVISORY MEMBER

An Independent Advisory Member shall serve at the pleasure of the Retirement Boards and may be removed at any time with or without cause by the Retirement Boards.

WRITTEN AGREEMENT WITH INDEPENDENT ADVISORY MEMBER

An individual shall not commence serving as an Independent Advisory Member until the individual has signed an agreement satisfactory to the Boards. The agreement shall contain an indemnity provision in favor of the Boards, an agreement to receive training in the Political Reform Act, the Brown Act, AB1234 Ethical Principals and Ethics Law and conflict-of-interest rules, an acknowledgment of fiduciary status, an agreement to maintain confidentiality, and related provisions. It shall include a requirement for filing of a Statement of Economic Interest, Form 700, to be filed each year which publicly discloses the filer's personal financial interests.

BUDGET FOR INDEPENDENT ADVISORY MEMBER

1. The Independent Advisory Member shall receive a stipend as fixed by the Boards and subject to such terms and conditions as are set by the Boards.
2. The Independent Advisory Member shall be subject to Board's Continuing Education and Due Diligence Visitations Policy Statement with regards to attending educational seminars or conferences. The Boards shall reimburse the member for reasonable costs of travel, lodging, meals, conference fees, and related costs, upon submission of an expense voucher and receipts from the Independent Advisory Member.

REVIEW OF POLICY

The Investment Committee shall review this policy annually.

-
1. 12/12/2002, Adopted
 2. 7/20/2007, Annual Review, stipend language revised.
 3. 6/18/2008, Annual Review by Committee, no changes.
 4. 7/15/2009, Annual Review, add training for AB1234 Ethics.