

**STANDARDS OF CONDUCT, FINANCIAL DISCLOSURE  
AND CONFLICTS DISCLOSURES  
FIRE AND POLICE PENSION FUND, SAN ANTONIO  
(THE “FUND”)**

The Board of Trustees of the Fund is obligated to administer its pension fund for the exclusive benefit of fire fighters and police officers of the City of San Antonio, Texas, their qualified survivors and dependents. In performance of this obligation, the Board of Trustees is required to administer the Fund in accordance with Article 6243o, Vernon’s Texas Civil Statutes, and other applicable state and federal laws and regulations. In furtherance of these obligations, the Board of Trustees hereby adopts the following Standards of Conduct, Financial Disclosure, and Conflict Disclosure (“Standards”):

**I. Overview**

Under Texas statutes and applicable federal law and regulations, the Fund is a trust fund to be administered solely in the interests of the participants and beneficiaries thereof, for the exclusive purpose of providing retirement, survivor and disability benefits to participants and beneficiaries and to defray reasonable expenses of the trust. In performance of these duties, all Fiduciaries (as herein defined) shall exercise their duties with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent investor acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims. Further, all Fiduciaries of the Fund shall maintain high ethical and moral character, both professionally and personally, such that the conduct of all Fiduciaries shall not reflect negatively upon the Fund. A Fiduciary shall not knowingly and willingly breach a duty imposed by these Standards. Words of any gender used in these Standards shall be held and construed to include any other gender and

words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

## **II. Definitions**

For the purposes of these Standards, the following words have specific definitions:

- A. “Benefit” means any gift, payment, fee, favor or service reasonably regarded as pecuniary gain or pecuniary advantage with a value in excess of Fifty and No/100’s Dollars (\$50.00). Benefit excludes: (i) ordinary or customary expenses related to educational or investment activities of the Fund; (ii) a gift relating to a special occasion (wedding, anniversary, birth, death, holiday, etc.) provided that the gift is commensurate with the occasion; (iii) reimbursement of reasonable expenses for travel and lodging in connection with educational opportunities or client conferences approved by the Board; (iv) admission to a widely attended event, such as a convention, conference, forum, dinner, reception or similar event, offered by the sponsor and unsolicited by the Fiduciary, if attendance is appropriate to the performance of the duties of the Fiduciary; (v) admission to an event in which the Fiduciary is participating in connection with official duties; (vi) participation in charitable or civic activities and events unsolicited by the Fiduciary and attendance is appropriate to the performance of the duties of the Fiduciary; or (vii) campaign contribution made pursuant to Texas Election Code and ordinances of City of San Antonio. Placement fees, referral fees, and similar types of payments are strictly prohibited and fall within the definition of Benefit without exception.
- B. “Board” refers to the Board of Trustees of the Fund.

- C. “Business Entity” means a sole proprietorship, partnership, firm, corporation, holding company, unincorporated association, joint stock company, receivership, trust, or any other entity recognized by law.
- D. “Executive Officer” refers to the executive director, deputy director, executive administrator, chief financial officer, chief executive officer, chief investment officer, and general counsel of the Fund.
- E. “Family Member” means the spouse and the natural and adoptive child(ren) of a Fiduciary and the natural and adoptive children of the Fiduciary’s spouse.
- F. “Fiduciary” refers to any “Trustee”, “Executive Officer” and “Staff Fiduciary” of the Fund.
- G. “Person” means an individual or a Business Entity.
- H. "Spouse" means the current spouse of a Fiduciary.
- I. “Staff Fiduciary” refers to any Investment Analyst of the Fund.
- J. “Trustee” means:
  1. The Mayor of the City of San Antonio (or qualified mayoral designee) or a City Councilperson appointed by the City Council of San Antonio to the Board of Trustees of the Fund; and
  2. An individual who is elected to the Board of Trustees of the Fund pursuant to the provisions of Article 6243o, Section 2.01, V.T.C.S.

### **III. Prohibitions**

- A. No Fiduciary, or Spouse, either directly or through a Business Entity, shall receive any Benefit.
- B. No Fiduciary of the Fund shall participate in a decision or action involving any

asset of the Fund or Benefit for his or her own interest, except legislative changes that affect the membership of the Fund generally.

- C. No Fiduciary, or Spouse, either directly or through a Business Entity, shall engage in the purchase, sale, exchange, or leasing of property with the Fund if that Fiduciary or Spouse holds an interest in the property.
- D. No Fiduciary, or Spouse, either directly or through a Business Entity, shall engage in the purchase, sale, or exchange of any investment with the Fund if that Fiduciary, or Spouse, holds an interest in the investment.
- E. No Fiduciary, or Spouse, of the Fund shall participate in the lending of money or furnishing of other credit by the Fund if the Fiduciary, or Spouse, has an interest in the loan or credit.
- F. Any goods, services, or facilities furnished by the Fund to any Person shall be used for the exclusive benefit of the Fund unless reasonable consideration is received by the Fund for the use of the goods, services, or facilities.
- G. No Fiduciary, or Spouse, shall make personal investments that could reasonably be expected to create a substantial conflict between the Fiduciary's private investments and the investments of the Fund.
- H. No Fiduciary shall disclose confidential information which he has gained by reason of his service to the Fund to further his personal interests.
- I. No Fiduciary of the Fund shall cause the Fund to engage in any of the prohibited transactions listed above with (1) any Family Member or business associate of the Fiduciary; (2) any other custodian or counsel to the Fund; (3) any other Fiduciary

of the Fund; (4) any Person providing services to the Fund; (5) any employee organization whose members are covered by the Fund; or (6) the City of San Antonio or any of its elected officials and employees.

- J. The Fund shall not engage, or continue the engagement of, a consultant, advisor or manager who employs a former Fiduciary or Family Member of the Fund, within one (1) year of service as a Fiduciary, as an employee, agent, or marketer of such consultant, advisor, or manager.
- K. The Fund shall not employ a Family Member of any Fiduciary.
- L. No Fiduciary shall use his position with the Fund to solicit for civic or charitable events, causes, or entities.

The Board may grant an exception/waiver to any prohibition upon full disclosure of all relevant information at a public hearing with due notice when it is in the best interests of the members and beneficiaries to grant such an exception/waiver and the exception/waiver is not otherwise prohibited by law.

#### **IV. Exercise of Fiduciary Duties**

- A. In making or participating in decisions, the Fiduciaries of the Fund shall give appropriate consideration to those facts and circumstances that the Fiduciary knows, or should know, are relevant to the particular decision, and shall refrain from using facts or circumstances which are not relevant to the decision.
- B. In making decisions, the Fiduciaries shall make a determination that the particular investment or course of action is reasonably designed, as part of the portfolio, to further the purposes of the Fund, taking into consideration the risk of loss and the

opportunity for gain or other return.

- C. The Fiduciaries of the Fund shall keep detailed records of all investment decisions sufficient to provide documentation for those decisions for future reference.
- D. If a Fiduciary is present at any time a decision is being made concerning any investment or other action in which the Fiduciary has an interest, the Fiduciary shall disclose the interest and refrain from participating in the decision or discussion concerning the action, including abstention from voting regarding such action.
- E. Fiduciaries shall never act when there may be a conflict of interest or appearance of a conflict of interest. A conflict of interest is understood to be a situation when a relationship exists that could reasonably be expected to diminish independence of judgment in performance of official duties.
- F. Conflict of interest affidavits shall be completed annually and a record of voting abstentions shall be maintained outlining the basis for such abstention.
- G. No Fiduciary of the Fund shall participate in the breach of fiduciary duty of another Fiduciary of the Fund, participate in concealing such breach, or knowingly or negligently permit such breach to occur.
- H. Communications between Trustees and Persons seeking to influence the decisions of the Board shall be minimized to the extent reasonably possible, given that the Board operates as a whole, and Persons should be referred to Fund staff and/or the relevant Consultant whenever possible.
- I. Once a list of final or interview candidates for a service provider to the Fund is selected by the Board, all contacts between prospective service providers on such

list and Trustees shall be prohibited (except site visits and posted meetings with the Fund). All contacts shall be referred to Executive Director.

- J. A Fiduciary who receives a campaign contribution from a Business Entity engaged by the Fund shall disclose such contribution to the Board at the end of each month. Any such contributions must be in compliance with SEC regulations and any other applicable law or regulation. The Fund shall also require any potential service provider that responds to a search or request for proposal to disclose all campaign contributions made to any Fiduciary within twenty-four (24) months prior to the date of such response and to affirm that such contributions are in compliance with SEC regulations as well as any other applicable law or regulation.

#### **V. Travel and Related Expenses**

It shall be the policy of the Fund that, except as provided below, the Fund shall pay the expenses of travel, lodging, meals, and incidentals for its Fiduciaries and employees traveling on official business or educational activities on behalf of the Fund. This policy shall apply to all travel related to any business meeting, educational seminar, conference, or convention attended by any Fiduciary of the Board. If the interests of the Fund are served by accepting travel and lodging from another source to attend any conference, convention, seminar, event, activity, dinner or other meeting, then the acceptance of the expense by any Fiduciary is authorized, with notification to the Board and provided no Benefit is received.

#### **VI. Responsibilities Of Investment Managers and Consultants**

Each investment advisor and consultant retained by the Fund for investments shall be notified in writing of these Standards. All investment professionals shall strictly conform to these

Standards. Any suggestions or offer to deviate from these provisions made by a Fiduciary shall be reported by the advisor or consultant, in writing, to legal counsel for the Fund.

## **VII. Other Laws**

Nothing in this policy shall excuse any Fiduciary from complying with any other restrictions of state or federal law concerning conflicts of interest and fiduciary duties.

## **VIII. Disclosure Statements**

To further the objectives of these Standards, all Fiduciaries of the Fund shall annually complete and submit to the Fund a Financial Disclosure Statement in the form attached hereto as Exhibit "A" and Conflict Disclosure Statement to the Fund in the form attached as Exhibit "B".

## **IX. Enforcement**

- A. The Board will enforce this policy. The Board will directly oversee reports of alleged violations by Trustees or the Executive Director. The Board has delegated authority to oversee reports of alleged violations by Executive Officers (other than the Executive Director) and Staff Fiduciaries to the Executive Director.
- B. A complaint or allegation of a Fiduciary's potential violation must be in writing and submitted to the Executive Director. The Executive Director will promptly notify the chair of the alleged violation, unless the alleged violation involves the chair, in which case the Executive Director will notify the vice-chair or secretary or other Board Trustee, as applicable. Complaints or allegations involving the Executive Director should be submitted to the chair. No retaliatory action will be taken against the reporting person for any such report made in good faith.
- C. The Executive Director, in consultation with legal counsel, shall conduct a



preliminary review of the complaint to determine if the conduct as alleged constitutes a violation of this policy.

- D. The chair shall be advised of the determination. If the determination is made that the conduct as alleged does not constitute a violation of this policy, the matter shall be closed. If the determination is made that the conduct as alleged could constitute a violation of this policy, the Board shall be advised, and the Board shall direct that the complaint be investigated. Such investigation may be handled by the Fund's General Counsel, outside counsel, or other individual or entity, as the Board directs.
- E. The findings of the investigation shall be provided to the Board for its review and action (if any). If the investigation concludes that a violation of this policy occurred, the accused individual shall have the opportunity to address the Board prior to the Board taking any action.
- F. The Board has final decision-making authority with respect to violations of this policy by Trustees and the Executive Director. A Trustee who is a subject of the alleged violation may not deliberate or vote on any Board action involving the complaint. Trustees or the Executive Director who are found to have violated the policy will be subject to resolutions of reprimand, censure or other appropriate measures, including requests for resignation.
- G. The Executive Director has final decision-making authority with respect to violations of the policy by Executive Officers (other than the Executive Director) and Staff Fiduciaries. Executive Officers (other than the Executive Director) and Staff Fiduciaries who are found to have violated this policy will be subject to the

full range of disciplinary sanctions, up to and including termination of employment.

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The foregoing updated Standards were adopted by the Board of Trustees of the Fire and Police Pension Fund, San Antonio at its meeting of July 31, 2019.

Exhibits:

- "A" - Financial Disclosure Statement
- "B" - Conflict Disclosure Statement

**EXHIBIT "A"**  
**FIRE AND POLICE PENSION FUND, SAN ANTONIO**  
**FINANCIAL DISCLOSURE STATEMENT**

NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

REPORTING PERIOD: Calendar Year 20 \_\_\_\_\_

Article 6243o, Vernon's Texas Civil Statutes (the "Fund Law"), provides for the adoption of Standards of Conduct, Financial Disclosure and Conflict Disclosures ("Standards") for Fiduciaries of the Fund. This Financial Disclosure Statement is part of these Standards. Copies of the Standards and of this form are available from the Executive Director. Any questions with regard to completing this form may be addressed to the Executive Director or legal advisor of the Fund. All defined terms in this statement have the same meaning as set out in the Standards.

The Financial Disclosure Statement for each year is required to be filed on or before March 31 for any information required to be disclosed at any time during the preceding calendar year from January 1 to December 31. The report must be filed with the Executive Director of the Fund. A person who becomes a Fiduciary has sixty (60) days from the date of appointment or election to complete and submit a Financial Disclosure Statement.

In this Financial Disclosure Statement, the information to be reported is for the Fiduciary and for his or her spouse.<sup>1</sup> If the entry is for a spouse, please so note by using the "S" before the entry. The Fiduciary should provide a response for each category. In the event the Fiduciary has no entries for a given category, the Fiduciary's response should be "None".

**INCOME:**

Please identify, by source, all income of \$10,000 or more, including, but not limited to, occupational income; investment income; income from interest, dividends, royalties or rents; and trust income.

**ASSETS:**

Please list all assets of \$10,000 or more at the fair market value, including, but not limited to, investments, bonds, notes, other commercial paper, securities, and real property.

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<sup>1</sup> In the event of divorce, the Fiduciary should include information related to the spouse if the parties were married at any time during the Reporting Period.

**LOANS:**

Please identify each person or financial institution to whom a note, lease, guaranty, or other document evidencing the obligations to pay funds creating a financial liability of \$5,000 or more.

**DIRECTORSHIPS AND EXECUTIVE POSITIONS:**

Please list all Boards of Directors and executive positions held in any Business Entity, including the name of the entity and the position held.

**BUSINESS ENTITY:**

Please list any partnerships, joint ventures, or other Business Entity in which an interest representing ten percent (10%) or more is owned or controlled.

**CONFLICTS:**

Please list any conflict with the proper discharge of your duties as a Fiduciary, including any relationships involving any Family Member.

**EMPLOYERS:**

Please identify all employers of any Family Member that may be employed in the financial services or investment industry.

**CERTIFICATION**

I certify that the information provided above is correct and complete to the best of my actual knowledge.

\_\_\_\_\_
Date

\_\_\_\_\_
Printed Name

\_\_\_\_\_
Signature

**EXHIBIT "B"**  
**CONFLICT DISCLOSURE STATEMENT**

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This Conflict Disclosure Statement is part of the Standards of the Fire and Police Pension Fund Board of Trustees of San Antonio, Texas (the "Fund"). This Fund is currently doing business, or is intending to do business, with the following entities:

**ACTUARY**

The Segal Company

**CUSTODIAL BANK**

The Northern Trust Company

**LEGAL COUNSEL**

Martin & Drought, P.C.  
Berman Tabacco  
Bernstein Litowitz Berger &  
Grossman, LLP  
Bleichmar Fonti & Auld LLP  
Cohen Milstein Sellers & Toll PLLC  
Robbins Geller Rudman & Dowd LLP

**AUDITOR**

BDO

**INVESTMENT CONSULTANT**

Albourne America  
NEPC  
The Townsend Group Attucks  
Asset Management

**DOMESTIC EQUITY**

Cornerstone Investment Partners  
Cooke & Bieler  
Rothschild Asset Management  
Seizert Capital Partners  
The London Company  
William Blair

**INTERNATIONAL EQUITY**

First Eagle Investment Management  
PIMCO / Research Affiliates  
WCM Investment Management  
Acadian Asset Management LLC  
Lazard Emerging Market  
EAM Investors  
Strategic Global Advisors  
Thomas White International  
Global Alpha Capital Management  
Victory Capital Management

**HEDGE FUNDS**

HBK Capital Management  
Davidson KempnerCarlson  
Capital LP Luxor Capital  
Partners  
Samlyn Capital, LLC Southpoint  
Capital Management  
Winton Capital Management Ltd Indus  
Capital  
Pacific Alliance Group DaVinci  
Reinsurance Ltd BFAM Partners  
Altum Capital Management  
Alyeska Investment Group Pharo  
Management

**PRIVATE EQUITY**

Western Technology Investment  
Apollo Management, LP  
GCP Capital Partners  
Siguler Guff  
Invient Equity  
Neuberger Berman Group LLC  
Landmark Equity Partners  
ZM Capital Comvest  
Partners  
Exponent Private Equity  
Ocean Avenue Capital Partners  
HarbourVest Partners

**REAL ESTATE**

Invesco Real Estate  
AEW Capital Management, LP L&B  
Realty Advisors Townsend Group  
USAA Real Estate Company JP  
Morgan  
Exeter Property Group, LLC  
Covenant Capital Group DSF  
Group  
Rockpoint Group  
Black Creek Group  
Paladin Realty Partners

**REAL ASSETS**

Apollo Management,  
LP KKR & Co. LP  
Highstar Capital / Oaktree Capital

W.R. Huff Asset  
Management Co. Hancock  
Timber Resource Group  
Merit Energy  
EnCap Flatrock  
Energy & Minerals Group  
Kayne Anderson Capital  
Advisors BTG Pactual  
Ullico Investment Advisors  
CarVal Investors

**DOMESTIC BONDS**

Golden Tree Asset  
Management MacKay  
Shields  
PineBridge Investments  
Garcia Hamilton & Associates

**GLOBAL BONDS**

Wellington Trust Company,  
NA Ashmore Investment  
Management Brandywine  
Global Investment  
Payden & Rygel Investment  
Management

**PRIVATE DEBT**

Levine Leichtman Capital  
Partners Golden Tree Asset  
Management Medley Capital  
Kayne Anderson Capital  
Advisors Hayfin Capital  
Management LLP Pine River  
Capital Management, LP  
Shoreline Capital  
Babson Capital  
Management LLC Adamas  
Asset Management  
VSS  
CapitalSpring  
Bloomfield  
Capital Angelo  
Gordon  
MGG Investment Group  
Charlesbank Partners  
Beach Point Capital Management

I, \_\_\_\_\_, with the Fire and Police Pension Fund, San Antonio ("Fund"), do hereby state that I, or my spouse,<sup>2</sup> do \_\_\_ do not \_\_\_ (check one) have a relation with any of the aforelisted organizations. I further state that I have no knowledge of a Family Member having a relation with any such entity.

Further, if during this year, (i) I, or my spouse, engage in a relation with any of the aforementioned entities, (ii) I become aware of a Family Member having a relationship with any of these entities, or (iii) I become aware that the Fund is considering the engagement of a consultant or manager with which I, my spouse, or a Family Member may have a relation, then I will hereby inform the Board immediately and will keep the Board of Trustees apprised of same.

Note:

If you checked the box which indicates a material business relation, please list with specificity the nature of the relation that you have with the respective organization(s).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

<sup>2</sup> In the event of divorce, the Fiduciary should include information related to the spouse if the parties were married at any time during the Reporting Period.