

EXHIBIT A1 – HFRRF’s Code of Ethics¹

Houston Firefighters' Relief and Retirement
Fund

Request For Proposals
Private Equity / Real Estate Consultant

¹ Taken from HFRRF’s Policies & Procedures Manual (version 2013-03-21)

*Houston Firefighters'
Relief and Retirement Fund*



*Investing for Firefighters
and Their Families*

*Policies & Procedures
Manual*

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Section III

Code of Ethics

Section III. CODE OF ETHICS

I. Fiduciary Duties

- A. In making or participating in decisions, fiduciaries shall consider those facts and circumstances that the fiduciary knows or should know, are relevant to the particular decision, and shall refrain from using irrelevant facts or circumstances.
- B. In making decisions, fiduciaries shall determine 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. Employer-selected trustees do not represent the party that appointed them; rather, their duty to the trust beneficiaries must be paramount.
- C. Fiduciaries of the Fund shall keep adequate records of all investment and benefit decisions sufficient to document those decisions.
- D. If a fiduciary is present at any time a decision is being made concerning any investment, benefit 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. A Financial Disclosure statement and/or Conflict-of-interest affidavits relating to compliance with the Fund's Code of Ethics shall be completed annually. These documents shall be signed and appropriately notarized and submitted to the Chief Legal Officer by each Board member and each employee of the Fund no later than the 30th day of April of each year to reflect the preceding calendar year's financial information and compliance with the Fund's Code of Ethics. It is the Chief Legal Officer's responsibility to review all financial disclosures and report results to the Budget and Audit Committee. Failure to file these documents by April 30th shall be prominently noted in the minutes of the next following Board meeting, and each Board meeting thereafter until such documents are filed. Furthermore, a Board member who fails to file any of these documents by April 30th shall have all Fund-related travel suspended until such documents are filed.

A record of voting abstentions shall be maintained outlining the basis for such abstention.

- F. No fiduciary 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.
- G. It is understood that at times individuals will consult with trustees to affect decisions of the Board. However, "ex-parte" communications by trustees with individuals seeking to influence the decisions of the Board is strongly discouraged. All trustees shall make a written report of all such "ex-parte" communications, including the date, name and firm of the person(s) involved.

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II. Prohibited Transactions

A. Certain transactions by fiduciaries of the Fund are strictly prohibited, specifically:

1. Compensation from any person in connection with any action involving assets of the Fund.
2. Participation in a decision or action involving any asset or benefit for personal interest.
3. The purchase, sale, exchange or leasing of property with the Fund if that fiduciary holds an interest in the property.
4. The purchase, sale or exchange of any direct investment with the Fund if that fiduciary holds an interest in the investment.
5. The lending of money or furnishing of other credit by the Fund if the fiduciary has a direct or indirect interest in the loan or credit unless such loan or credit is generally available to members of the Fund, generates a reasonable return, provides adequate security, and is made in accordance with specific provisions of the plan.
6. Causing the Fund to engage in any of the prohibited transactions described herein with any immediate relative or business associate of the fiduciary, any other trustee, employee, custodian, or counsel to the Fund, any other fiduciary of the Fund, any person providing services to the Fund, any employee organization whose members are covered by the Fund, or the City of Houston and its officers, officials and employees.

B. In addition, 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.

C.

1. For purposes of this subsection, "Investment Entity" means an investment firm, partnership, fund, advisor, consultant, placement agent or owner of property that is being considered for purchase.
2. The Chief Investment Officer shall maintain and periodically update as appropriate a list (the "Black-out List") of Investment Entities that meet any of the following criteria:
 - a. The Investment Entity is among the final group of entities under consideration by the Investments Department for a recommendation to the Board of Trustees or the Board's Investment Committee on a mandate, commitment, increased allocation or any retention for investment-related services (exclusive of cash flow management);
 - b. The Investment Entity is under consideration by the Investments Department for a recommendation to the Board of Trustees or the Board's Investment Committee to decrease the allocation to the Investment Entity (exclusive of a cash flow management) or to discontinue use of the Investment Entity; or
 - c. The Investment Entity is in negotiations with the Fund for contractual terms after a conditional selection has been made.

3. During the first half of each month, the Chief Investment Officer shall supply the current Black-out List to Trustees and any employees that, in the Chief Investment Officer's opinion, might potentially be affected by this section. Additionally, prior to departure for Fund-related travel, Fund Trustees and employees shall be issued the most current Black-out List.
4. Notwithstanding any other Fund policies, including those in this Code of Ethics concerning gifts, while an Investment Entity's name appears on the Black-out List:
 - a. Fund Trustees and employees and their immediate relatives shall not accept payment, reimbursement, complimentary admission or similar extension or subsidy for food, lodging, travel or entertainment from any person or entity identified or affiliated with said Investment Entity (an "Investment Entity Representative"), except for
 - (i) food and beverages that would be typically or conventionally provided by a business host in connection with a business meeting and that are provided by the host at its place of business during a Fund due diligence visit;
 - (ii) food and beverages provided at regularly scheduled Investment Entity annual meetings or advisory committee meetings; and
 - (iii) food and beverages provided at educational conferences where such food and beverages may be sponsored by an Investment Entity, but are available to all conference attendees.
 - b. Fund Trustees shall not reciprocate communications from an Investment Entity Representative about the Investment Entity outside of Fund committee or board meetings ("*ex-parte* communications").

III. Gifts

- A. A gift shall mean anything of tangible value given without consideration and includes any payment of cash or receipt of goods or services or other benefit. Meals, refreshments and entertainment shall be considered as intangibles but shall clearly be subject to the restrictions contained in this code.
- B. The policy of the Board is that all trustees and employees of the pension fund are discouraged from soliciting gifts from current or prospective investment managers or service providers of the pension fund.
- C. Under circumstances where not prohibited by this Code of Ethics or any state or federal law, a trustee or employee of the pension fund may accept a gift with value of less than \$50, excluding cash or negotiable instrument.
- D. It is not prohibited by this Code of Ethics for a trustee or employee to accept food, lodging, transportation, or entertainment as a guest under the following conditions:
 - (1) The individual donor, or if a company or any other association, its significant official representative, is present, and
 - (2) If the trustee or employee is required by law to report those items, the items are reported in accordance with that law

Solicitation or encouragement by a trustee or employee of the Fund of expensive meals, refreshments or entertainment is prohibited.

- E. Ongoing acceptance of meals, refreshments or entertainment shall be strongly discouraged.
- F. Intangibles: Any "favor" or complimentary work or analysis offered or performed by a current or prospective investment manager or service provider of the pension fund, intended to benefit personally the involved trustee or employee, is prohibited.
- G. Return of gifts: Any gift that cannot be received under this policy shall be returned to its source. If the source is unidentified or cannot be located, the gift shall be donated to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes or to a governmental entity that has the authority to accept the gift.
- H. Gifts through intermediaries: No trustee or employee shall receive any gift through an intermediary if the person knows or has reason to know that the gift originated from another source.
- I. Anonymous gifts: No gifts shall be accepted if the source is not identified.
- J. Relatives prohibited acceptance of gifts includes acceptance by immediate dependents or relatives of a trustee or employee of the Fund.

IV. Detecting Potential Political Influence in Investment Decisions; Certain Compliance Representations

- A. The Fund's Trustees, Chief Investment Officer, Senior Investment Officer and Investment analyst(s) shall submit a written report (an "Influence Report") describing any request or direction such person receives (directly or indirectly) from an elected or appointed State of Texas or City of Houston official, or from a City management employee (i) to advocate or vote for or against the hiring or discontinuation of a particular investment firm, partnership, fund, advisor, consultant, placement agent or owner of property that is being considered for purchase (each an "Investment Entity") or (ii) to give preferential treatment to such an Investment Entity.

An Influence Report must be submitted to the Chair of the Budget and Audit Committee and to the Executive Director within thirty (30) calendar days from the date the request or direction is received or, if any earlier deliberation is posted or known to be scheduled for the Investment Committee or Board, then prior to the next meeting in which the Investment Committee or Board will consider such Investment Entity.

The Chair of the Budget and Audit Committee and the Executive Director shall discuss an Influence Report received by them either at the Investment Committee or Board meeting that will consider the relevant Investment Entity, or at the next meeting of the Budget and Audit Committee for which an item on the subject can be posted, whichever is sooner.

- B. Prior to entering into any original agreement with the Fund, an Investment Entity must disclose to the Fund whether during the prior twenty-four (24) months that Investment Entity (or any of its principals, senior management employees, management team for the Fund's business, or their immediate family members) has given, directly or indirectly:

- a. contributions in a cumulative amount in value of one hundred and fifty dollars (\$150) or more, or,
- b. if the contributor entity is a natural person eligible to cast a vote for the candidate, a contribution or contributions in a cumulative amount in value of three hundred and fifty dollars (\$350) or more,

to the City of Houston Mayor, Mayor-elect, or Chair of the Council Committee that monitors or evaluates financial and budget matters (“Finance Chair”), or to any entity organized for the purpose of electing or re-electing the City of Houston Mayor, Mayor-elect or Finance Chair to any public elected office (a “Contribution Disclosure”).

The Investment Entity shall thereafter make a Contribution Disclosure on an annual basis for each subsequent twelve (12) month period during which the Investment Firm is doing business with the Fund.

The Chief Investment Officer shall develop and employ appropriate notice procedures so that Investment Entities and similarly affected entities and persons have timely knowledge of the requirements concerning Contribution Disclosures.

- C. For purposes of this Section IV, “contribution” shall mean any medium of exchange or anything of value that could be used either for the personal benefit of or in connection with an electoral campaign of the City of Houston Mayor, Mayor-elect or Finance Chair.
- D. In an acknowledgment and reporting affidavit, the Fund’s fiduciary investment managers shall make an annual representation to the Fund that said manager has been in compliance for the previous twelve (12) month period (or since its last such report) with all applicable United States and Texas securities laws and regulations. If a fiduciary investment manager has been out of compliance, said manager shall provide a written explanation of all instances where a regulatory authority has made such a determination. Additionally, the fiduciary investment manager shall provide a written explanation of all instances in which regulators have expressly questioned compliance or in which there has been any regulatory investigation tending to call the manager’s compliance into question. Nothing in this policy shall limit the questions the Fund may pose to, or representations it may request of, its fiduciary investment managers in connection with an annual acknowledgment and reporting affidavit.

V. Hiring of Employees and Vendors Who Are Fund Members or Relatives of Trustees

- A. No member of the Fund may be hired for any contractual services without prior approval of the Board. However a member of the Fund may be hired as an employee of the Fund, subject to paragraphs B and C of this section V.
- B. Fund hiring of relatives of Trustees is prohibited as follows:
 - (1) Neither the Board nor any employee of the Fund may employ or retain the services of an individual for work that is to be compensated from assets of the Fund if:
 - a. The individual is related to any Fund Trustee within the third degree by consanguinity (blood relation) as shown in the consanguinity kinship chart which is part of an Exhibit to this Code of Ethics Section V, labeled as such and comprising for all purposes the final page of this Code of Ethics; or

- b. The individual is related to any Fund Trustee within the second degree by affinity (blood relation) as shown in the affinity kinship chart which is part of an Exhibit to this Code of Ethics Section V, labeled as such and comprising for all purposes the final page of this Code of Ethics.
 - (2) The employment or retention of an individual for work who is described under subparagraph 1 of this paragraph is prohibited under all circumstances, even though each Trustee to whom the individual is related abstains from voting and discussion on the employment or retention of the individual and does not exert any influence over such employment or retention. No payment shall issue to any individual hired or retained for services in violation of this paragraph B.
 - (3) If the Fund's statute authorizes any officer of the Board or any Trustee to receive compensation upon a determination by the Board, a Trustee shall not be considered "related" to himself or herself for purposes of this paragraph B.
 - (4) For purposes of this paragraph B, "individual" means any natural person who may be under consideration for employment or provision of services as a full-time or part-time employee, as an independent contractor, as a sole proprietor of a business, or as an owner of partnership interest in a business.
 - (5) This paragraph B does not prohibit or otherwise affect the hiring for services of another governmental entity (as through inter-local contract) or the hiring for services of a corporate entity, even though a relative of a Trustee otherwise described by subparagraph 1, above, is an employee of that governmental or corporate entity.
- C. If the Fund's statute authorizes any officer of the Board or any Trustee to receive compensation upon determination by the board, that Trustee must abstain from the vote and any related deliberations if he or she might receive compensation for the officer position or Trustee position he or she holds at the time of any such vote or deliberation.

VI. Method for receiving official request from the City of Houston

- 1) Requests from the City of Houston to the Board of Trustees to consider adoption of particular actuarial practices or methodologies or to consider adoption of annual actuarial valuations for the purpose of setting a City of Houston contribution rate can be considered by the Board of Trustees only if placed in writing and signed by the Mayor.
- 2) No Trustee shall be considered to act as messenger or any type of bargaining agent for the City of Houston with regard to actuarial matters or the City of Houston's contribution rate due to the Fund. As with all matters concerning vital Fund interests, any Trustee making a proposal to the Board of Trustees regarding actuarial matters must make the proposal solely in his or her capacity as a fiduciary HFRRF Trustee.

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VII. GOVERNING STYLE (Board's Role)

The Board of Trustees shall create and maintain an atmosphere that encourages candid and collegial discussions at all Board and Committee meetings amongst themselves and between Board and Management Team. The Board strives to achieve a governing style that emphasizes:

- 1) Outward vision instead of internal preoccupation.
- 2) Strategic leadership.
- 3) Encouragement of diversity in viewpoints.
- 4) The present and the future rather than past.
- 5) Collective rather than individual decisions.
- 6) Encouragement of collegiality, including promoting an environment which supports the Fund's Core Values

In order to ensure the Fund operates in an effective and efficient business-like manner, the Board of Trustees has established the following practices:

A. Decision Making

The Board of Trustees shall do all that is necessary to ensure that the members of the Board remain mindful of their obligations to the Board in order to allow it to govern in accordance with the policies it has established. This includes:

- 1) Considering the Fund's best interest at all times in all decisions, disregarding personal position and the influence of their immediate constituencies.
- 2) Reserving final judgment on issues before the Board or any committee until all members have had an opportunity to discuss and express their positions.
- 3) Representing accurately and supporting the decisions of the Board, regardless of their personal position or vote on a specific action.
- 4) Remaining accountable to the membership and the legislature for the accomplishment of Fund obligations under its statute. No Trustee shall hinder the Board's fulfillment of this commitment.
- 5) Regularly evaluating its own performance during the annual performance review process. Board performance will be assessed against the criteria established in certain sections of the Policies and Procedures Manual, including the Code of Ethics, Board and Committee Procedures, etc. This will include an assessment of its compliance with the Board policies and an assessment of the effectiveness of the policies.

B. Agenda Items

Trustees shall bring issues for consideration by the entire Board, or by a specific committee of the Board, to the Chairman for placement on the appropriate agendas.

C. Office Operations

Trustees shall:

- 1) Allow the Management Team to manage the day-to-day operations of the Fund without interference.
- 2) Bring requests for specific staff actions, work projects, correspondence, or concerns about the prioritization of the staff's work directly to the appropriate members of the Management Team.

D. Communication

The Board of Trustees recognizes the need for its members to communicate with their constituencies and represent their positions. When expressing an opinion or position that dissents from or is at variance with the formal Board opinion or position, Trustees must be careful to represent it in such a way that it is not construed as the position or policy of the Board or the Fund. Trustees shall:

- 1) Support and demonstrate unity for all Board decisions and actions, regardless of personal positions or votes.
- 2) Communicate the decisions of the Board objectively, without personal bias, and with respect for all members' positions on issues.
- 3) Relay the facts regarding decisions of the Board objectively without personal bias or personal interpretation.
- 4) When approached, report to the public the public record of the meetings. The Public is defined as anyone other than Trustee and staff.
- 5) Keep confidential the executive session discussions of the Board.
- 6) Refer questions about the positions held by other members to the individual Trustee in question.
- 7) Refer all inquiries regarding the benefits of an individual member of the Fund to the appropriate staff member, specifically:
 - a. Benefits questions shall be referred to the Deputy Director of Member Services.
 - b. Investment inquiries shall be referred to the Chief Investment Officer.
 - c. Legal inquiries shall be referred to the Chief Legal Officer.
 - d. Finance and Operations inquiries shall be referred to the Director of Finance and Administration.
 - e. All other inquiries shall be referred to the Executive Director.

E. Trustee Development

Each Trustee shall be responsible for preparing himself or herself to undertake the responsibilities and carry out the duties of the office, as more fully described by the following:

- 1) Each Trustee will acquire the level of knowledge necessary to enable him or her to perform the duties of the office in an informed and competent manner and to meet his or her fiduciary obligations.
- 2) Any new member of the Board of Trustees will participate in an internal orientation which shall include a thorough review and briefing of the policy-making role of the Board and its role in the oversight and governance of the Fund, among other things.

F. Board Responsibilities

- 1) The primary duties of the Board of Trustees include the following:
 - a. Approve the Fund's strategic plan and budget
 - b. Ensure the effectiveness of the Fund's governance framework; and

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- c. Make sure the Board, its committees and Management, comply with the established Code of Ethics.

2) The Board can and does delegate:

- a. Key policy and oversight functions to six Board committees; and
- b. Day-to-day administration of the Fund and management of its assets to the Fund's Management Team.

G. Chair Responsibilities

The Chair of the Board of Trustees provides strategic leadership for the Fund by working with the Board of Trustees and the Executive Management Team to establish goals, strategies, plans and policies ensuring that the Board fulfills its obligations as trustees of the Fund. Through regular contact with the Management Team, the Chair of the Board of Trustees ensures that the quality of the Board's work is maintained and exercised in accordance with the Fund's statute, policies and procedures.

H. Management Responsibilities

Management is authorized to make such decisions and make such actions as are necessary or desirable to properly fulfill its duty and responsibility to administer and manage all aspects of the day-to-day administration of the Fund and management of its assets. Management is required to:

- 1) Provide the Board with full, timely and clear disclosure of the information necessary to enable Board members to properly fulfill their responsibilities;
- 2) Maintain a culture of integrity throughout the Fund;
- 3) Perform the duties and responsibilities established by the Board.

VIII. TRUSTEE BREACH OF FUND'S POLICIES AND PROCEDURES

The following process will be followed by Trustees to clarify instances of a breach of Fund policy and to take action when there has been a breach of policy:

- 1) Trustees shall bring the perceived breach of the policy to the individual Trustee whose conduct is in question for clarification.
- 2) If resolution is not reached, a Trustee shall bring the perceived breach of the policy to the Chair. If issue is regarding the Chair, the matter may be taken to another officer (e.g. Vice Chair, Secretary)
- 3) The Chair, or any Trustee, may raise the issue of a perceived breach for discussion among members at a Board meeting.
- 4) The Trustees may make a determination, supported by evidence, of whether or not there has been a breach of policy.
- 5) If there is a determination of a breach and other resolution is not reached, the Chair or any Trustee may call for a vote during a Board Meeting to do one or more of the following (taking into account the nature and seriousness of the breach).

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- a. Issue a letter of instruction from the Chair or Vice Chair not to repeat the breach;
- b. Issue formal reprimand;
- c. Remove from serving as committee chair;
- d. Request resignation as an officer;
- e. Vote of no confidence of the member in question and/or request for board member's resignation at a public meeting of the Board of Trustees.

IX. Requests by Individual Trustees for Confidential Information

A. Under this Section of the Code of Ethics, confidential information may be

(1) non-public information relating to investments, Fund members or beneficiaries, litigation, or other matters in which the Fund has a responsibility (which may be determined by the Board with appropriate advice) to protect the information from disclosure under statute, contract, regulation, Fund policy, governmental order or other obligation; or

(2) other non-public information the release or provision of which the Board determines it is not in the best interest of the Fund members and survivors to release.

B. All requests by Trustees for disclosure of or access to confidential information shall be considered by the Board, which is responsible for making a determination as to the request.

C. In considering whether to release or make available confidential information in any form or by any means to any Trustee who requests such information, the Board shall balance said Trustee's need to access the particular information in the interest of the Fund for a Fund purpose with the need to protect such confidential information.

D. In making its determination according to the balancing described in (C) above, the Board may consider, as it deems appropriate under the circumstances and without limitation, the following factors:

1. Whether the Fund regularly or traditionally provides the requested confidential information to Trustees;

2. An assessment of the Trustee's stated purposes for requesting the information, including, but not limited to, whether the request is tailored to the stated purposes or objectives of the request and whether the stated purposes are specific or general;

3. The potential liability or damage to the Fund and to Trustees, including, but not limited to, official capacity liability of Trustees, that may result, directly or indirectly, from unauthorized, negligent or inappropriate use, handling or (further) disclosure of the information;

4. An assessment of whether it is likely or possible that the information requested, if combined together with other available non-Fund information, might impair the interests of the members and beneficiaries of the Fund in confidentiality and/or privacy, or might impair the interests of the Fund's investment program or portfolio;

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5. An assessment of stated purposes and objectives of the requesting Trustee, if any, that the Trustee is attempting to accomplish through acquisition of the confidential information, together with an assessment of whether alternative measures or Fund resources that do not include the release of confidential information, would adequately satisfy the Trustee's stated purposes, and objectives regarding the request;
6. Costs and expenses that would be incurred by the Fund in responding to the Trustee's request, including, but not limited to, an assessment of whether the information requested already exists as requested and/or whether the request involves acquisition, creation or synthesis of information, analysis, computation or programming that would not otherwise be performed but for the request; and
7. An assessment of any possibility that the request for confidential information relates in whole or in part, or directly or indirectly, either:
 - a) to the requesting Trustee's self-interest as distinct from that of the Fund members and beneficiaries and/or,
 - b) to the requesting Trustee's duties or loyalties to any person, entity or political or corporate official or body other than the Fund.
- E. A Board determination to disclose or otherwise make available confidential information to a Trustee in response to a Trustee's request may include within its terms any conditions of time, place, medium and form of disclosure or availability deemed appropriately protective or prudent under the circumstances as determined by the Board in its discretion.
- F. A Board determination to disclose or otherwise make available confidential information to a Trustee in response to a Trustee's request shall not waive any confidentiality rights of the Fund or its members or beneficiaries and shall not be deemed or construed to be a waiver of confidentiality or consent to any subsequent use, transfer or disclosure of such information to any other party, including but not limited to, any individual, entity or political or corporate official or body other than the Fund.
- G. Unauthorized use by a Trustee of confidential information made available to such Trustee under this section of the Code of Ethics shall constitute an unpermitted appropriation of Fund information and a violation of the Code of Ethics. The Board in its discretion may take any legal action to secure or vindicate its rights in Fund information that is the subject of suspected or alleged unauthorized use.
- H. Nothing in this section shall be construed to contravene the requirements of the Texas Public Information Act, as applicable to Fund information.
- I. Nothing in this section shall be construed to limit the Board's ability to require that the Fund staff provide information to the Board.

**X. Undue Influence and Representation:
Trustee Communications with Investment Staff and Others Regarding Investment Transactions**

A. Communications with Investment Staff

1. To avoid undue influence and the appearance of undue influence, Trustees will refrain from communications with staff, outside a Board or committee meeting, wherein the Trustee advocates for, or directs staff regarding, a specified action, decision or course of conduct with respect to any existing or prospective investment transaction or any existing or prospective contract. Simple referrals of contacts or contact information with any description of the contact to the Chief Investment Officer or the Chief Investment Officer's designee for that purpose are not discouraged as they are considered normal practice and shall not be regarded as advocacy.

2. Subject to Paragraph E of this Policy, except for during a Board or Investment Committee meeting, Trustees should direct any proposals, questions or other communications regarding a prospective or existing investment transaction or contract to the Chief Investment Officer or to the Chief Investment Officer's designee in his or her absence.

3. Trustees shall not engage in any contact concerning prospective or existing Fund investments with employees of the Fund working in the Investments Department in which the Trustee or the Trustee's immediate family members, with knowledge of the Trustee, have a financial interest that such contact might reasonably affect. "Immediate family members" for purposes of this Paragraph A(3) shall mean any individual related to the Trustee within the second degree of blood or marriage as shown in the charts which are an Exhibit to this Code of Ethics Section V.

4. A Trustee or Trustees, outside of a Board or Investment Committee meeting in open session, shall not make any suggestion to any Fund employee that works in the Investments Department that such employee shall either reap any employment advancement, benefit or favor or suffer any adverse consequence in the employment relationship for providing or not providing support to any particular investment suggestion or preference, including those relating to strategy or allocation, of any Trustee or Trustees. Notwithstanding the foregoing sentence, however, employees of the Fund that work in the Investments Department are expected to act to advance the decisions and directions of the Investment Committee as expressed in votes of the Investment Committee, to the extent such actions are within the employees' job responsibilities.

B. Communications with Third Parties

1. Individual Trustees do not represent the Fund or the Board with respect to investment recommendations, decisions, agreements or understandings and have no authority to bind or commit the Fund to any agreements, transactions, memoranda of understanding or similar matters unless specifically authorized to do so by the Board or the Investment Committee and with the actual knowledge of the Chief Investment Officer.

2. While not conducting a Board or Investment Committee meeting, individual Trustees have no general or typical obligation to meet with or communicate with non-employee investment advisors, managers, consultants, contractors or vendors. The Chief Investment Officer may nonetheless recommend such contacts as he or she deems necessary or appropriate, and the Investment Committee may direct such contacts in a posted meeting as it deems appropriate.

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3. Contacts and communications between individual Trustees and non-employee advisors, managers, consultants, contractors and vendors that go beyond introduction and common pleasantries and that occur outside of Board or Investment Committee meetings shall be reported, along with the substance of such contact or communication, to either the Investment Committee in a posted meeting or to the Chief Investment Officer or the Chief Investment Officer's designee in his or her absence within sixty (60) days of such contact or communication. The foregoing sentence shall not apply, however, if the contact and communication is solely attendance of a session scheduled in an educational conference in which the Trustee is not addressed personally.

4. Individual Trustees who are approached by potential or existing investment advisors, managers, consultants, contractors or vendors with a suggestion of obtaining or expanding that third party's business with the Fund shall refrain from making any representations concerning future Board or Investment Committee action on the suggestion. An individual Trustee may (a) inform such third party that the Trustee will present a business card of the third party to the Investments Department for consideration without further representation, *or* (b) inform the third party that it may contact the Investments Department by e-mail with its information.

C. Reporting of Violations of Undue Influence and Representation Policy

1. A Fund employee that works in the Investment Department and that believes a Trustee or Trustees have violated subparagraph A(4) of these Fund policies regarding Undue Influence and Representation shall inform the Chief Investment Officer by making a spoken or written report of the circumstances of the matter, whereupon the Chief Investment Officer must note the date and approximate time of the report and shall:

- (a) communicate with the Trustee or Trustees involved to ascertain their understanding and intent with respect to the matter; or
- (b) have the matter placed on the agenda of an Investments Committee meeting to be held within sixty (60) calendar days of the report to the Chief Investment Officer of the violation or violations for explanation to the Committee and any action; or
- (c) do both (a) and (b).

If the Chief Investment Officer experiences a Trustee action that he believes to be in violation of subparagraph A(4) of these Fund policies regarding Undue Influence and Representation shall proceed as described in the manner described in this subparagraph C(1)(a-c), above.

2. After receiving a report of a violation, or assessing a possible violation directly experienced by the Chief Investment Officer, if the Chief Investment Officer is not reasonably convinced that:

- (a) there has either *not* been a violation, or that
- (b) the matter has already been resolved by pointing out the error to the Trustee or Trustees involved and obtaining sufficient assurances of correction of the matter or actual correction if possible,

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then, the Chief Investment Officer shall have the matter placed on an agenda of an Investment Committee meeting to be held within sixty (60) days of the report to the Chief Investment Officer, and no Trustee shall obstruct the placement of such matter on the Committee agenda or presentation of the matter by the Chief Investment Officer. The Investment Committee, in consultation with legal counsel as to procedure, liability, or other relevant matters, shall decide on the conduct of an investigation or review of the matter.

3. The Chief Investment Officer shall report back to the original reporting employee as to the Chief Investment Officer's decision under Paragraph C(2), above.

D. Prohibition on Retaliation For Reporting by Employee or Action by Chief Investment Officer

1. The Board, either itself or through any of its Committees or by action of any Trustee, the Chief Investment Officer, or other employee, shall not engage in or permit a Fund employee to be terminated, reprimanded or subject to any other adverse employment action in retaliation for making what a reasonable person would believe to be a good faith report under Paragraph C of these policies regarding Undue Influence and Representation, or taking any other connected action similarly in good faith, pursuant to Paragraph C.

2. For purposes of this Paragraph D, "any other connected action" shall include providing information in connection with a report, assisting in posting agenda items, presenting a matter to the Investments Committee or performing or assisting with investigations or reviews, consulting or advising concerning remediation or similar activity specifically taken in carrying out of Paragraph C.

3. For purposes of this Paragraph D, "any other adverse employment action" includes an action that adversely affects a Fund employee's compensation, promotion, transfer, work assignment, or performance evaluation.

E. Certain Ordinary Communications

Notwithstanding the foregoing provisions of this Undue Influence and Representation Policy, Trustees may (a) communicate concerning a prospective investment amongst themselves if such communication is not in violation of the Texas Open Meetings Act or a Fund policy other than this one (b) address predominantly legal questions concerning a prospective or existing investment transaction or contract to the Chief Legal Officer and (c) in the case of the Chair executing an agreement, the Chair may make inquiry of any employees with relevant knowledge of the agreement or transaction. Further, nothing in this Undue Influence and Representation Policy shall be construed to limit the Board of Trustees or its Investment Committee in directing, requiring or requesting the attendance at a posted meeting of any existing investment manager, investment firm, investment advisor or other investment entity that has a contractual or other responsibility to the Fund, whether direct or indirect, in order to provide the Board or Committee with a report or to answer questions or concerns of Trustees.

F. Education Concerning Undue Influence and Representation Policy

This policy shall be specifically covered, jointly or singly, by the CLO and CIO with particularity during the orientation of new Trustees (see Code of Ethics Section VII E.2) and at least once annually during a Board Workshop or similar educational session.

G. Improper Revisions of Policy in Avoidance of Implementation

Revisions of this policy in order to avoid its application or consequences as to particular conditions or occurrences violative of this Undue Influence and Representation Policy and known to have been alleged or to exist, including, but not limited to, through a report by an employee working in the Investments Department, are an improper method of addressing violations or implementation of this policy.

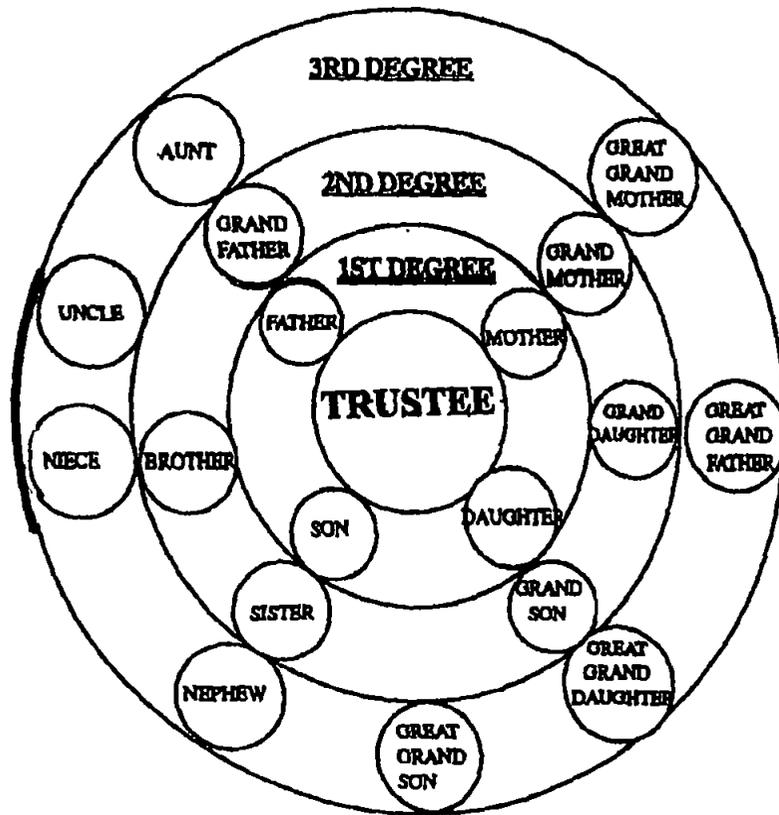
H. Supplement to Other Code of Ethics Policies

This Undue Influence and Representation Policy supplements the other policies set forth in this Code of Ethics and does not replace them so as to avoid their application.

- XI. Nothing in this policy shall excuse any trustee or employee from any other restrictions of state or federal law concerning conflicts of interest and fiduciary duties.

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Consanguinity Kinship Chart
(Relationship by Blood)



Affinity Kinship Chart
(Relationship by Marriage)

