

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

SERVICE PROVIDER DISCLOSURES
ADOPTED: February 7, 2020

**Per section 1.21 of the PFRS Combined Plan, Component I, made part of the Plan of Adjustment (“POA”) and Exhibit B of the State Contribution Agreement (Governance Term Sheet), Investment Committee members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflict with the provisions set forth in the Governance Term Sheet.

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I. PURPOSE

The Trustees of the PFRS, both individually and collectively, have a fiduciary duty to the Police and Fire Retirement System of the City of Detroit (“PFRS”). They must maintain the highest morals and standard of fiduciary care and loyalty to avoid erosion of the trust of PFRS members and the public at large.

In addition to the statutory obligations set forth in the Michigan Public Employee Retirement System Investment Act, 1965 PA 314, as amended (PA 314), this Service Providers Disclosure Policy (“Policy”), in conjunction with the all of the Board's Policies, provide guidelines for PFRS Trustees in conducting themselves with the utmost integrity and accountability required of a PFRS Board Member. Additionally, this Policy sets forth the obligations of the PFRS and its service providers as set forth in PA 314 and addresses the reporting/and compliance requirements of the POA and State Contribution Agreement.

**Per section 1.21 of the PFRS Combined Plan, Component I, made part of the POA and Exhibit B of the State Contribution Agreement (Governance Term Sheet), Investment Committee members shall comply with all Board governance policies and procedures, including the Ethics and Code of Conduct Policies, unless such compliance would violate the member's fiduciary duties or conflict with the provisions set forth in the Governance Term Sheet.

Definitions

“Board” or “Board of Trustees” shall mean the Board of Trustees of the Police and Fire Retirement System of the City of Detroit.

“Board member” shall mean any member of the PFRS Board Trustees.

“PFRS or Retirement System” shall mean the Police and Fire Retirement System of the City of Detroit.

“PFRS Staff” or “Staff” shall mean the Executive Director, the Assistant Executive Director, Chief Investment Officer, Recording Secretary, and all other employees of the PFRS as well as independent contractors who are not designated as employees.

“Service provider” shall mean any consultant, manager, advisor, custodian or other individual or entity providing professional services to the Board and/or PFRS.

II. GENERAL PROVISIONS

The Board recognizes that it is subject to the provisions of PA 314. The Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered. In light of its fiduciary responsibility, the Board recognizes that it is in the best interests of the Retirement System and its participants and beneficiaries to retain the services of qualified professional service providers, including, but not limited to: investment consultants, investment managers, investment banks/brokers, custodians, actuaries, auditors, attorneys, administrators, and physicians to assist in and oversee the investments and administration of the Retirement System

PA 314 sets forth certain requirements and restrictions on its current and prospective service providers under the provisions of Act 314 and applicable federal law. In certain circumstances, the Board is required to withhold payment from service providers who violate the disclosure provisions of Act 314 and applicable federal law, and

The term “service provider” is defined in Act 314 as “a person retained to provide services to a system and includes investment advisers, consultants, custodians, accountants, auditors, attorneys, actuaries, administrators, and physicians. Service provider includes an investment service provider as defined in Section 13(7). Service provider does not include a regulated investment adviser”, and

The term “investment service provider” is defined under Act 314 as “any individual, third-party agent or consultant, or other entity that received direct or indirect compensation for consulting, investment management, brokerage, or custody services related to the system’s assets.

III. POLICY REQUIREMENTS

Every year on or about January 15th, the Board shall require each of its current “investment service providers” to disclose in writing all fees or other compensation associated with its relationship with the Retirement System for the previous calendar year, as required under Section 13(7) of Act 314 [MCL 38.1133(7)], by submission of the attached Fee Disclosure Form. Prior to the transfer of any Retirement System assets to a prospective “investment service provider”, the prospective “investment service provider” shall be required to disclose all fees or other compensation to be associated with its relationship to the Retirement System through completion and submission of the Compensation Disclosure Form to the Board.

Every year on or about January 15th, the Board shall require all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.1133e] and/or Rule 206(4)-5 under the Investment Advisers Act of 1940 in the case of a regulated investment adviser. Any service provider who fails or refuses to complete and submit either of the Retirement System’s disclosure forms within 30 days of receipt shall be deemed a violation of the requirements of Act 314 and this Policy, and this violation shall result in appropriate action by the Board, including the possible suspension of payment for services rendered and/or termination of the service provider’s relationship with the Retirement System, and further

All services providers shall have an ongoing requirement to monitor all political contributions and, upon becoming aware of a violation, immediately disclose to the Board any and all political contributions that violate the restrictions of Section 13e of Act 314 and/or Rule 206(4)-5 under the Investment Advisers Act of 1940 in the case of a regulated investment adviser, including the date of the contribution, the name of the contributor, the name of the recipient, and the amount of the contribution

IV. POLICY REVIEW

The Board shall review this Policy at least every three years to assure its efficacy and relevance. This Policy may be amended from time to time by majority vote of the Board.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

**Ally Detroit Center
500 Woodward Avenue, Suite 3000 Detroit, MI 48226**

COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

**This form must be submitted to the Police and Fire Retirement System
no later than 30 days following its receipt by the Investment Service Provider.**

I. Investment Service Provider Information

Company Name: _____
Address: _____
City: _____ State: _____ Zip: _____

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Signature Date

Printed Name Title

II. Reporting Period

From: _____ To: _____

III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

A. Direct Compensation (Compensation paid directly from the Plan)

Amount: _____ Manner of receipt (invoice, direct deduction, etc.): _____

B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: _____
Payer: _____
Manner of receipt: _____
Services to which such compensation relates: _____

C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: _____
Payer: _____
Recipient: _____

D. Total

Amount: _____

* Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

Ally Detroit Center
500 Woodward Avenue, Suite 3000
Detroit, MI 48226

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e
**This form must be submitted to the Police and Fire Retirement System
no later than 30 days following its receipt by the Service Provider.**

I. Service Provider Information

Company Name: _____
Address: _____
City: _____ State: _____ Zip: _____

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: _____ To: _____

III. Compliance Certification

The aforementioned Service Provider **IS NOT** a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

YES **NO**

Signature Date

Printed Name Title

The aforementioned Service Provider **IS** a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

YES **NO**

Signature Date

Printed Name Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)