

**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 social hospitality 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, entertainment, lodging, and incidentals 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) any Benefit used solely to defray the expenses that accrue in the performance of duties or activities of the Fiduciary that are not reimbursable by the Fund; (vi) admission to an event in which the Fiduciary is participating in connection with official duties; (vii) participation in charitable or civic activities and events unsolicited by the Fiduciary and attendance is appropriate to the performance of duties of Fiduciary; or (ix) 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 an entity through which business for profit is conducted or which provides financial management, legal, actuarial, custodial, investment or consulting services, including, among others, 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, executive administrator, chief financial officer, chief executive officer, and the chief investment officer of the Fund.
- E. “Family Member” includes spouse and child(ren) of a Fiduciary.
- F. “Fiduciary” refers to any “Trustee” and “Executive Officer” of the Fund.
- G. “Person” means an individual or a Business Entity.
- H. "Spouse" means the current spouse of a Fiduciary.
- I. “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 unless such solicitations are previously disclosed to Board. To the extent such solicitations result in contributions, the Fiduciary shall disclose such contributions.

The Board may grant an exception/waiver to any prohibition upon full disclosure of all relevant information at a public hearing with due notice.

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 adequate 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. In the conduct of all decision-making regarding the Fund, it is understood that at times Persons will consult with Trustees in order to impact decisions of the Board. However, communications between Trustees and Persons seeking to influence the decisions of the Board shall be minimized to the extent reasonably 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. To the extent a Fiduciary receives a campaign contribution from a Business Entity engaged by the Fund, such contribution should be disclosed to the Board at the end of each month. 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 .

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, entertainment, lodging and related expenses 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, 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".

* * * * *

The foregoing Standards were adopted by the Board of Trustees of the Fire and Police Pension Fund, San Antonio at its meeting of October 26, 2010.

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. If the entry is for a spouse, please so note by using the "S" before the entry.

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.

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

20__

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.

AUDITOR

BDO

INVESTMENT CONSULTANT

Albourne America

NEPC

The Townsend Group

DOMESTIC EQUITY

Cornerstone Investment Partners

C.S. McKee Investment Managers

Cooke & Bieler

Rothschild Asset Management

Northpointe Capital

Seizert Capital Partners

South Texas Money Management

Suffolk Capital Management

INTERNATIONAL EQUITY

First Eagle Investment Management

PIMCO / Research Affiliates

LSV Asset Management

Acadian Asset Management LLC

Lazard Emerging Market

EAM Investors

Strategic Global Advisors

Thomas White International

HEDGE FUNDS

HBK Capital Management

Davidson Kempner

Carlson Capital LP

Luxor Capital Partners

Partner Fund Management

Samlyn Capital, LLC

Southpoint Capital Management

Winton Capital Management Ltd

Brevan Howard GP Limited

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

REAL ESTATE

Invesco Real Estate

Legacy Partners / Steelwave

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

Intercontinental Real Estate Corp.

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

DOMESTIC BONDS

Golden Tree Asset Management

MacKay Shields

PineBridge Investments

Goldman Sachs

GLOBAL BONDS

Wellington Trust Company, NA

Ashmore Investment Management

Brandywine Global Investment

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

RISK PARITY

AQR Capital Management

I, _____, with the Fire and Police Pension Fund, San Antonio ("Fund"), do hereby state that I, or my spouse, do ____ do not ____ (check one) have a relation with any of the aforesaid 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