

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Fund of Funds/Manager of Managers Policy Implementation

DATE: May 20, 2014

The Public Employee Retirement Administration Commission (PERAC) policy with respect to Fund of Funds/Manager of Managers is now in effect. Attached is a copy of that policy. In addition the Memo outlining that policy can be accessed at PERAC's Website: www.mass.gov/perac.

Over the course of its existence the Commission has sought to accommodate investment strategies that evolve in the marketplace with the legislative and statutory framework governing the investment activities of the retirement boards. This policy is consistent with that long term approach.

The Commission wishes to thank all those whose views, whether pro or con, were submitted for consideration relative to this matter. In addition, we would like to once again remind the pension community that, to some extent this policy as it is applied, will be a work in progress and we look forward to working with various parties as we go forward. Please note the following provision of the policy addressing a willingness to consider variations on the approach set forth in that document as we go forward:

The Commission will accept any of these three arrangements as meeting the provisions of Section 23B relative to the mandatory contractual terms regarding disclosure, indemnification, and fiduciary status. Other structures will be assessed on a case by case basis to determine if these provisions are met.

Please contact the Investment Unit if you have any questions.

Att.

