



## Legislation Text

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**File #:** 15-0917, **Version:** 1

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**DATE:** October 1, 2015

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator

**SUBJECT:**

\*Consideration of COF Contract 2015-0344, an Agreement to Increase the Pension investment with Westwood Global Advisors (10/08/15 Finance Committee)

**Purpose**

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) regarding additional funding in one of the City Pension Plan accounts concerning international stocks.

**Background**

Since 2009, the Employee Pension Plan has had an asset allocation plan that included a small exposure to emerging market equities. The Plan has engaged Westwood Global Investments Fund as the principal manager for our emerging market allocation. However, because WGI is a “closed fund,” we can only increase our holdings when availability occurs. Currently, a portion of the emerging market allocation is being held in a Schwab mutual fund. Westwood has agreed to accept up to \$2.1 million in additional funds on October 31.

Whenever there is an increase in our investment in the Westwood fund, WGI requires an “instrument of accession” from the City. This is due to the structure of the fund and the fund documents. The City has executed a similar document several times, most recently in July 2015, when additional contributions to WGI were made due to rebalancing and availability.

**Financial Impact**

There is no direct financial impact. Funds from the Schwab mutual fund will be transferred to Westwood Global to accomplish the transaction

**Recommendation**

Staff recommends approval of the instrument of accession and authorizing the Mayor to execute the document.