



HISTORIC
FRANKLIN
TENNESSEE

ITEM #9
WRKS 08/28/2012

MEMORANDUM

August 22, 2012

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator
Russ Truell, Assistant City Administrator

SUBJECT: Consideration of Accession Agreement with WGI Emerging Markets Fund

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider the Instrument of Accession agreement for the WGI Emerging Markets Fund.

Background

On August 20, 2012, the City's Employee Pension Committee voted unanimously to approve the addition of \$500,000 to our existing position in the Westwood Global Emerging markets (WGI) investment fund. The pension plan originally invested in this fund in 2009, assigning a 5% allocation to this category. Among our existing money managers, WGI has been the most successful investment relative to its performance index.

As our pension assets have grown, we have been unable to add to the WGI fund because it is a "closed" investment fund. In July, however, WGI notified the City that they would accept additional contributions through the end of August.

In order to add the additional funds, the Instrument of Accession agreement is required by WGI.

Financial Impact

Approval of the agreement will allow the pension fund to move \$500,000 from cash into the WGI investment. The City would remain within the designation of a 5% allocation to this category of investment.

Options

Approve the agreement, subject to final approval of the language in the document by the City Administrator, City Attorney and Pension counsel, or keep the funds in cash.

Recommendation

Approval of the Accession Agreement with WGI to provide for additional investment of \$500,000 is recommended.

WGI EMERGING MARKETS FUND, LLC
Instrument of Accession to Subscription Agreement

The undersigned, _____ (the "Subscriber"), hereby agrees, pursuant to and subject to all of the terms and conditions set forth in that certain Subscription Agreement (the "Agreement") dated and effective as of _____, 20____, by and among the Subscriber and WGI Emerging Markets Fund, LLC, a Delaware limited liability company (the "Fund"), to subscribe for an additional Membership Interest in the Fund for a total purchase price in the amount of US\$_____ (the "New Subscription").

The Subscriber represents and agrees as follows:

1. For all purposes under the Agreement, the term "Subscription" shall be deemed to include, as an addition thereto, the accepted amount of the New Subscription.
2. Each of the representations and warranties made by the Purchaser in Section 7 of the Agreement, and all of the information provided by Subscriber in its Investor Suitability Questionnaire are complete, accurate, true and correct at and as of the date hereof, or have been updated in a writing to the Fund delivered contemporaneously herewith.
3. Any New Subscription accepted after the initial closing of investments into the Fund shall be subject to the Processing Fee provided in Section 9 of the Agreement, as applicable.

This Instrument of Accession shall take effect and shall become an integral part of the Agreement as of the date of approval set forth below.

IN WITNESS WHEREOF, the parties hereto have caused this Instrument of Accession to be executed and effective as of the date of acceptance set forth below.

Subscriber:

By: _____

Name: _____

Title: _____

ACCEPTED BY:

WGI EMERGING MARKETS FUND, LLC

By: Westwood Global Investments, LLC

Its Manager

By _____

A Duly Authorized Representative

\$ _____
Amount of Subscriber's New Subscription
Accepted by the Manager

Date: _____