

MEMORANDUM

March 8, 2013

TO: Board of Mayor and Aldermen

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

SUBJECT: Instrument of Accession for Westwood Global Investment Fund

Purpose

The Instrument of Accession with the Westwood Global Investment Fund (WGI) covers an additional investment of \$400,000 in an emerging markets fund for the City of Franklin Employee Pension Plan.

Background and Financial Implications

Since 2009, the Employee Pension Plan has an asset allocation plan that has included a five-percent commitment to emerging market equities. At the February meeting of the Pension Committee meeting, the asset allocation plan was reviewed and, with the recommendation of our financial advisor, the allocation to emerging markets was increased to ten percent. That means additional funds need to be placed with the appropriate money managers.

The Plan has engaged with Westwood Global Investment fund as the principal manager for our emerging market allocation. Whenever an increase in our investment to this fund is recommended, WGI requires an "instrument of accession" from the City. This is due to the structure of the fund and the fund documents. The City most recently executed a similar document in 2011, when additional contributions to WGI were made due to rebalancing.

Recommendation

Staff recommends that we approve the instrument of accession in order to execute the asset allocation decision of the Pension Committee.

WGI EMERGING MARKETS FUND, LLC

Instrument of Accession to Subscription Agreement

The undersigned, CITY OF FRANKLIN EMPLOYEE PENSION PLAN (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 MARCH 26, 2013, 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\$ 400,000 (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:

CITY OF FRANKLIN EMPLOYEE PENSION PLAN

By: _____

Name: ERIC S. STUCKEY

Title: CITY ADMINISTRATOR

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: _____