



County Employees Retirement System
Brokerage Policy for Trustees and Employees
Approved: March 16, 2022

Statement of Intent

This policy documents the intent of the Investment Committee of the County Employees Retirement System (CERS) related to brokerage direction.

A. Objectives

Brokerage direction shall result from a competitive process, with the objective of achieving the best execution by minimizing commission and market impact costs while maximizing value to KRS. The competitive bids/offers received should be documented on buy/sell orders.

Brokerage shall never be awarded on the basis of repayment for personal advice, favors or political patronage. Any attempts to solicit or direct business based upon these considerations shall be reported to the Investment Committee immediately.

B. Criteria for Selecting Brokers

Investment Directors shall be responsible for selecting brokers to execute their transactions. Investment Directors are also responsible for assuring the financial soundness in order to protect the Systems from failed trades or other liabilities.

Prior to executing the first trade, all of the appropriate documents must be executed and on file with the broker and the investment manager.

It is the desire of the Investment Committee that, whenever it is in the best interest of the Funds, brokerage will be directed within the Commonwealth of Kentucky, or full or partial credit will be assigned to a Kentucky-based broker.

C. Monitoring

Investment Staff shall monitor the brokerage and report findings periodically to the Investment Committee. Investment Directors shall report brokerage information to staff in a format acceptable to CERS.

The Investment Committee shall periodically monitor market impact and commission cost for stock trades versus the trading Universe maintained by a third party vendor.

Signatories

As Adopted by the Investment Committee

Date: 4/2/22

Signature: 

Dr. Merl Hackbart
Chair, Investment Committee

As Adopted by the Board of Directors

Date: 03/16/2022

Signature: 

Ms. Betty Pendergrass
Chair, Board of Trustees