

## \*Public Agenda Item #12

*Consideration of ERS' Investment Policy – (Action)*

August 25, 2021

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# ERS Investment Policy Overview



The ERS Investment Policy Statement (IPS) is intended to ensure that the Board's investment objectives and constraints are clearly communicated for managing Trust assets.

Staff recommends changes to the Investment Advisory Committee (IAC) and Board and seeks to:

- Align the IPS with new strategic decisions such as asset allocation, asset class benchmarks, and risk limits.
- Reflect changes in business processes and organization of the ERS investment program.
- Develop a more “principles based” policy that is practical and understandable for the reader.

# IPS Proposed Changes



1. **Chapter IV: Asset Allocation; B. Transition of Assets**
  - a) Removal of Opportunistic Credit as an independent asset class and calculation methodology for purposes of Total Fund benchmark calculation.
  - b) Special Situations clarification
  
2. **Chapter VII: Code of Ethics; A. Personal Transactions**
  - Clarifying definition of a security, for pre-clearance for personal transactions, direct investments in digital assets or cryptocurrencies and restricted securities.
  
3. **Addendum V: Insider Trading and Confidentiality Policy**
  - Definition of restricted list - ERS covered persons are prohibited from trading either on behalf of the portfolios or in their personal accounts due to possession of material non-public information and clarification of protocol in determining if a security should be placed on the restricted list.

Proposed changes have been reviewed in collaboration with the Executive Office, Investments, and the Office of the General Counsel.

Questions?  
**Action Item**