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## DIGEST

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HB 34 Original

2018 Regular Session

Pearson

**Abstract:** Requires a state or statewide retirement system with investments in international markets to allocate a portion of their investments to a terror-free fund, rather than a terror-free index fund. Allows a system to sell screened securities

Present law requires each state or statewide retirement system with an investment strategy including allocation to international markets to establish an international index fund that identifies and excludes from the fund companies having facilities or employees in a prohibited nation (terror-free index fund). As part of managing such fund, an investment manager shall replace any equity with facilities or employees in a prohibited nation (screened equities) with comparable equities or adjust the weighting of remaining equities held in a system's portfolio. Each such system shall allocate a portion of its international investments to such terror-free index fund.

Proposed law requires that such systems invest in an international fund or separately managed account which identifies and excludes equities in companies having facilities or employees located in a prohibited nation; removes requirement for the use of an index fund. Further gives the investment manager the option to either replace screened equities with comparable *terror-free* equities or adjust the weighting of remaining equities held in a system's portfolio and provides the additional option to sell the screened equities.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:316)