

## **NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

### **CAL. NO. R-2**

**WHEREAS**, the Board of Trustees of the New York City Employees' Retirement System (NYCERS), with over 350,000 active members and pensioners, is concerned over the Russian Federation's unprovoked invasion of the sovereign nation of Ukraine; and

**WHEREAS**, the Board of Trustees of the Fund (Board) has identified Russian companies as those that are headquartered in Russia or have their primary place of business in Russia; and

**WHEREAS**, the United States government has identified the financial institutions that finance the Putin regime, as well as state-owned Russian companies that provide key services crucial to the Kremlin and the Russian military, and is in the process of identifying companies owned by Russian elites who benefit from their connections with the Kremlin, and

**WHEREAS**, the Board has received a comprehensive review of the Fund's public equity and fixed income investments in securities issued by Russian companies from its general consultant, Callan Associates (Callan), and the Bureau of Asset Management (BAM) of the Office of the Comptroller of the City of New York (Comptroller); and

**WHEREAS**, the Board has received a legal analysis from its counsel, the New York City Law Department, regarding possible divestment of the Fund's public equity and fixed income investments in securities issued by Russian companies; and

**WHEREAS**, public equity and fixed income investments in securities issued by Russian companies expose the Fund to undo financial, reputational, legal, and regulatory risks inconsistent with the Fund's risk profile and objectives as Russia is increasingly subject to economic sanctions, poses grave threats to democracy, and commits atrocities and human rights violations against the Ukrainian people; and

**WHEREAS**, the Board, in its role as fiduciary, has examined prudent approaches to addressing the risks of its public equity and fixed income investments in securities issued by Russian companies and has received reports from Callan and BAM concluding that divestment from the Fund's public equity and fixed income investments in Russian companies would pose minimal financial risks to the Fund; and

**WHEREAS**, the foregoing actions have presented the Board with a unique crisis that compels it to immediately act in the best interests of its beneficiaries, therefore be it:

#### **RESOLVED:**

1. The Board directs the Comptroller to carry out the orderly divestment of the System's investments in securities issued by Russian companies, beginning with those identified by the United States government as financing, supporting, or enabling the Putin regime;
2. The scope of such divestment shall extend to all of the System's public equity and public fixed income investments in securities issued by Russian companies and shall include both active and passive products;

3. The Board requires managers of passively managed accounts to reinvest the funds from divested securities pro rata and managers of actively managed accounts to reinvest funds consistent with the investment objectives and strategies of their mandates for the System;
4. Upon completion of the above referenced divestment, Callan and BAM will notify the Board of actions taken to effect this resolution; and
5. The Board herewith bars the purchase of securities issued by Russian companies or public entities for any of our separately managed accounts and directs BAM to notify our managers to this effect and to police compliance with this bar.
6. The Board further directs BAM, with the assistance of its general consultant Callan, to conduct a continual analysis to identify additional Russian companies for potential addition to the System's Excluded Companies List and to notify the Board as additional such securities are identified. Such analysis shall continue until sanctions are lifted by the United States, at which time the Board will further consider the matter.

The foregoing is a true copy of a resolution adopted by the Board of Trustees on March 2, 2022

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*Melanie Whinnery*  
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Executive Director