

S.B. 112

RETIREMENT SYSTEM DIVESTMENT

Senator **Curtis S. Bramble** proposes the following amendments:

1. *Page 1, Lines 13 through 20:*

- 13 This bill: _
▶ modifies the definition of direct holdings to exclude holdings that are part of a passive indexing investment strategy;
14 ▶ requires the Utah State Retirement Office to include data designed to explain the
15 extent to which public fund investments in scrutinized companies are being
16 prevented;
17 ▶ requires the Utah State Retirement Office to prevent the {~~investment of public~~
~~funds~~} acquisition of direct holdings
18 in a scrutinized company by adjusting future investment practices within the office
19 and by stipulating in future investment management contracts that no new
20 {~~investments may be made~~} direct holdings be acquired in a scrutinized company; and

2. *Page 2, Lines 47 through 49:*

- 47 (d) (i) "Direct holdings" means all publicly traded equity securities of a company that are
48 held directly by the public fund or in an account or fund in which the public fund owns all
49 shares or interests. _
(ii) "Direct holdings" does not include publicly traded equity securities of a company held as part of a passive indexing investment strategy.

3. *Page 3, Line 83 through Page 4, Line 91:*

- 83 (6) Beginning July 1, 2011, using the most current list assembled under Subsection (2),
84 the office shall prevent the investment of public funds direct holdings in a scrutinized company:
85 (a) for public funds managed within the office, by not investing in direct holdings in a scrutinized
86 company; and
87 (b) for public funds managed by contract by a professional investment manager:
88 (i) for existing contracts, by requesting that no more {~~investments be made~~} direct holdings be
acquired in a
89 scrutinized company; and
90 (ii) for future contracts, by stipulating in the contract that no new {~~investments may be~~
91 ~~made~~} direct holdings be acquired in a scrutinized company.