

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 97, Page 1, Section
2 A, Line 5, by inserting after all of said section and line the following:

3
4 "105.688. The assets of a system may be invested, reinvested and managed by an
5 investment fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to
6 105.689. An investment fiduciary shall discharge his or her duties in the interest of the participants
7 in the system and their beneficiaries and shall:

8 (1) Act with the same care, skill, prudence, and diligence under the circumstances then
9 prevailing that a prudent person acting in a similar capacity and familiar with those matters would
10 use in the conduct of a similar enterprise with similar aims;

11 (2) Act with due regard for the management, reputation, and stability of the issuer and the
12 character of the particular investments being considered;

13 (3) Make investments for the purposes of providing benefits to participants and participants'
14 beneficiaries, and of defraying reasonable expenses of investing the assets of the system;

15 (4) Give appropriate consideration to those facts and circumstances that the investment
16 fiduciary knows or should know are relevant to the particular investment or investment course of
17 action involved, including the role of the investment or investment course of action plays in that
18 portion of the system's investments for which the investment fiduciary has responsibility. For
19 purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited
20 to a determination by the investment fiduciary that a particular investment or investment course of
21 action is reasonably designed, as part of the investments of the system, to further the purposes of the
22 system, taking into consideration the risk of loss and the opportunity for gain or other return
23 associated with the investment or investment course of action; and consideration of the following
24 factors as they relate to the investment or investment course of action:

25 (a) The diversification of the investments of the system;

26 (b) The liquidity and current return of the investments of the system relative to the
27 anticipated cash flow requirements of the system; and

28 (c) The projected return of the investments of the system relative to the funding objectives
29 of the system;

Action Taken _____ Date _____

1 (5) Give appropriate consideration to investments which would enhance the general welfare
2 of this state and its citizens if those investments offer the safety and rate of return comparable to
3 other investments available to the investment fiduciary at the time the investment decision is made;

4 (6) Not consider environmental, social, or governance characteristics in a manner that would
5 override his or her fiduciary duties as defined in this section;

6 (7) Not be subject to any legislative, regulatory, or other mandates to invest with
7 environmentally, socially, or other noneconomically motivated influence unless they are consistent
8 with the fiduciary's responsibility as provided in this section or as provided in the system's
9 governing statutes with respect to the investment of system assets or other duties imposed by law
10 relating to the investment, management, deposit, or custody of system assets; and

11 (8) Not be subject to any legislative, regulatory, or other mandates for divestment from any
12 indirect holdings in actively or passively managed investment funds or in private assets.

13 105.692. 1. All shares of common stock held directly by a system, as defined under section
14 105.687, shall be voted solely in the economic interest of plan participants. Voting shares for the
15 purposes of furthering noneconomic environmental, social, political, ideological, or other goals is
16 prohibited.

17 2. A system shall vote all proxies associated with its directly held shares of common stock
18 by one of the following methods:

19 (1) By internal system staff; or

20 (2) By an investment manager or proxy voting service provider who has committed in
21 writing to vote the shares pursuant to proxy voting guidelines chosen by the system or has
22 committed in writing to vote the shares in a manner consistent with the obligation to act solely in the
23 economic interest of plan participants."; and

24
25 Further amend said bill by amending the title, enacting clause, and intersectional references
26 accordingly.