
DIGEST

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HB 23 Original

2018 Regular Session

Ivey

Abstract: Prohibits the boards of the state and statewide retirement systems from investing greater than 25% of the system's total investment portfolio in alternative investments.

Present law requires each fiduciary and board of trustees of a retirement system to act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims (prudent-man rule). Further requires this standard be applied to investments not in isolation, but in the context of the trust portfolio, and as part of an overall investment strategy and requires the consideration of certain factors in making investment decisions.

Proposed law provides that notwithstanding present law, no board shall invest more than 25% of the total portfolio in alternative investments.

(Adds R.S. 11:263(E))