

TITLE: VPIC Policy on Investments in Terrorist or Genocide Linked Countries

Policy:

Subject to the requirement that investments shall be made in accordance with the standard of care established by the prudent investor rule under 9 V.S.A. Chapter 147, the Vermont Pension Investment Committee (“VPIC”) has established the following policy:

- 1) No investments are permitted in government bonds, notes, or bills of nations identified as State Sponsors of Terrorism by the U.S. State Department (“State Sponsors of Terrorism” listed at <http://www.state.gov/j/ct/list/c14151.htm>)
- 2) Treasurer’s Office staff shall prepare, or cause a third party to provide, research on companies who are deriving revenue within countries identified as State Sponsors of Terrorism by the U.S. State Department.
- 3) This policy does not require exit from an index or commingled investment vehicle.

Procedures:

A) A letter will be sent annually to all investment managers stating VPIC’s Policy on Investments in Terrorist or Genocide Linked Countries. Investment managers will be asked to report on their perspectives about the risk that terrorism and genocide places on our portfolio and what efforts the manager is undertaking to screen for possible terrorist or genocidal connections with securities held on behalf of the VPIC.

B) Quarterly, investment managers shall report to Treasurer’s Office staff on any securities in the VPIC’s portfolio which are prohibited hereunder or which are identified to be issued by a company deriving revenue within a country identified as a State Sponsor of Terrorism by the U.S. State Department. Treasurer’s Office staff will prepare a report for the VPIC to consider at its next meeting. The VPIC may make a determination as to whether a particular security should be held or should be sold.

C) This policy will remain in effect unless amended or abolished by the VPIC.