



NEW YORK CITY FIRE PENSION FUND
ONE BATTERY PARK PLAZA, 9TH FLOOR
NEW YORK, NY 10004
(929) 436-0099

Patrick M. Dunn
Executive Director

**New York City Fire Pension Fund
Board of Trustees Resolution**

March 2022

Divestment from Russian Securities

WHEREAS, the New York City Fire Pension Fund ("Fund"), one the Nation's largest fire pension funds with over 35,000 active members and retirees, is concerned over the Russian Federation's unprovoked invasion of the sovereign nation of Ukraine; and

WHEREAS, the Office of the Comptroller of the City of New York 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 of Trustees of the Fund ("Board") has received preliminary review of the System's current public equity and fixed income investments in securities issued by Russian companies from its general consultant, NEPC. ("NEPC"), and 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, the Board, acting in the best interest of the System, concludes after careful consideration that public equity and fixed income investments in securities issued by Russian companies may expose the Fund to undo financial, reputational, legal, and regulatory risks inconsistent with the Fund's risk profile and Policy 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 NEPC and Comptroller concluding that divestment



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from the System's public equity and fixed income investments in Russian companies would pose minimal financial risks to the System; and

WHEREAS, the foregoing, has presented the Board with a unique crisis that it is compelled to act in the best interests of its beneficiaries;

THEREFORE, BE IT RESOLVED that:

1. The Board directs the Comptroller to work with the Fund's existing investment managers with remaining exposure to Russian companies to evaluate the liquidity of the remaining securities and develop a plan to carry out the orderly divestment of the System's investments in securities issued by Russian companies.
2. The scope of such divestment shall extend to all of the Fund's current public equity and public fixed income investments in securities issued by Russian companies and shall include both active and passive products; those securities shall be added to the existing Excluded Companies List, effective immediately.
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 Fund; and
4. Upon completion of the above referenced divestment, the Comptroller will notify the Board of actions taken to effect this resolution; and
5. The Board directs the Comptroller's Office, with the assistance of its general consultant, to conduct a regularly updated analysis to identify other Russian companies, with public securities not owned by the Fund, for potential addition to the Fund's Excluded Companies List, and to notify the Trustees if such analysis shows any securities issued by Russian companies in the portfolio, and provide recommendations for potential divestment of such securities. Such analysis shall continue until sanctions are lifted by the United States.

The foregoing is a true copy of a resolution adopted by the Board of Trustees on March 24, 2022

A handwritten signature of Patrick M. Dunn in black ink, written over a horizontal line.

Patrick M. Dunn
Executive Director