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New York City Public Pension Pulls Hedge Fund Investments.

NYCERS joins a growing list of public pension funds opting to drop hedge funds

The board of trustees for New York City's biggest public-employee pension fund voted Thursday to pull its investments from hedge funds, joining a growing number of pension funds that have taken this step.

"The trustees believe that this new structure will help the fund construct a responsible portfolio that meets our long-term investment objectives," said New York City Comptroller Scott Stringer, the board's investment adviser, in a statement after the vote.

The resolution authorizes asset managers for the New York City Employees' Retirement System, known as NYCERS, to liquidate its hedge fund investments and not make any future ones.

The trustee board includes Mr. Stringer, a representative for New York City Mayor Bill de Blasio, city Public Advocate Letitia James and others.

NYCERS, which bills itself as the nation's largest pension fund for municipal employees, has about \$55 billion in assets for more than 300,000 individuals. Of that total, about \$1.4 billion is invested in hedge funds. Among the hedge funds that have managed their money are D.E. Shaw & Co. and Fir Tree Partners. They didn't respond to requests for comment on Thursday.

New York City's other four pension funds have been undergoing a review of their asset allocation for several months. Those funds represent teachers, police, firefighters and the board of education.

The move marks a victory for liberal advocates and labor unions that have organized over the past year against hedge funds. A conglomerate of such advocates have operated under the banner the Hedge Clippers, and staged a protest outside a hedge fund-linked political fundraiser in New York, among other things.

Those advocates scored another win earlier this month when New York Gov. Andrew Cuomo signed a \$15 minimum wage into law, backed by labor and liberal activists.

The vote on Thursday came after other large public pension funds in California and Illinois have taken similar steps, and a large pension fund in Ohio recently took testimony on the topic.

The effort to divest from hedge funds is backed by several large labor unions, including the American Federation of Teachers.

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