



## Business Meeting Item: October 11, 2022

### 2022 Resolutions Committee Recommendation:

Amend Principles and Positions: Investment Authority and Corporate Governance

#### Investment Authority and Corporate Governance

##### **Principles:**

All pension plan assets must be invested for the exclusive benefit of the plan beneficiaries and members. NCTR believes that this standard is clear and non-negotiable and must serve as the guiding principle for the prudent and equitable administration of all public employee retirement systems. State and local retirement system trustees and administrators must be allowed to perform their fiduciary duties without political influence and should vigorously oppose any mandate that would require them to violate their duties and responsibilities.

As institutional investors and as shareowners, NCTR members should take an active role in protecting plan assets and should adopt corporate governance policies appropriate to each plan.

##### **Positions**

Public plan fiduciaries must maintain the authority to make investment decisions that serve the exclusive benefit of plan participants. NCTR therefore vigorously opposes any mandate that requires state and local pension plan administrators and trustees to make investment decisions that violate their fiduciary duties and responsibilities.

~~NCTR urges its members to act as responsible corporate investors by exercising their ownership rights and responsibilities in accordance with their established investment and corporate governance policies.~~

**Trustees and staff are stewards of plan assets. Prudent stewardship decisions help ensure long term sustainability of plan assets to pay retirement benefits. Prudent stewardship requires consideration of a pension plan's established investment and corporate governance policies, and evolving risks and opportunities.**

NCTR supports public policies that encourage corporate accountability, transparency, and fiscal responsibility. NCTR understands and supports the significance of independent oversight through non-affiliated parties and the critical role played by independent auditors in the full and impartial disclosure of corporate conditions.