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Colorado PERA Releases 2021 Investment Stewardship Report

Report details PERA's efforts to invest members' dollars wisely

DENVER—Colorado PERA has released its 2021 Investment Stewardship Report, an annual look into how PERA prioritizes the financial sustainability of the fund in its investment program. In particular, the report outlines PERA's efforts to keep costs low, advocate for strong and fair markets, and incorporate relevant factors into its investment decisions.

Highlights of the 2021 report include:

- **A revision of the PERA Board's *Proxy Voting Policy (Policy)*.** One of the ways PERA acts as good stewards is through proxy voting. The goal of PERA's proxy voting activities is to encourage the alignment of corporate interests with long-term investor interests. The Board updates its *Policy* periodically and the most recent revisions made in February 2021 include:
 - **New philosophy statement about environmental, social, and governance (ESG) considerations.** The PERA Board articulated their philosophy on the integration of financially material ESG considerations. That statement reiterates PERA's fiduciary duty and focus on long-term financial stability in its investment decisions. That includes consideration of how ESG risks and opportunities may affect a company's long-term profitability and shareholder value.
 - **Increased transparency into PERA's proxy voting activities and modernization of the covered ballot topics.** The revised *Policy* includes a link to PERA's proxy voting record and an expansion of existing language pertaining to disclosure of financially material environmental and social risks and opportunities. For instance, PERA will generally support proposals pertaining to material disclosure of greenhouse gas emissions, climate change risk management, human capital management, and corporate political spending.
- **Implementation of new strategies to improve returns.** PERA expanded internal management of its public market portfolios in 2020 by bringing the full defined benefit

fixed income portfolio in-house. PERA now manages 63% of the total fund in-house at a cost about 0.04% of those assets.

PERA also implemented new strategies aimed at improving investment returns, including establishing an Asset-Backed Securities portfolio and initiating the use of To-Be-Announced securities within the Mortgage-Backed Securities portfolio.

Read the full [*Investment Stewardship Report*](#)

Read the [*Investment Stewardship Report Executive Summary*](#)

View the [*Investment Stewardship Report Infographic*](#)

View the [*Stewardship: Proxy Voting video*](#)

Colorado PERA provides retirement and other benefits to more than 630,000 current and former teachers, State Troopers, corrections officers, snow plow drivers, and other public employees who provide valuable service to all of Colorado. PERA is a vital and stable contributor to Colorado's economy, distributing more than \$4.2 billion in 2020 to more than 107,000 retirees who live in Colorado.

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