

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
John W. McCormack Building, Room 1101
One Ashburton Place, Boston, MA 02108
(617) 727-9380

M E M O R A N D U M

TO: All Retirement Boards

FROM: Robert F. Stalnaker, Executive Director

RE: Pooled Fund Investments/Tobacco Statute

DATE: January 30, 1998

PERAC recently sent Memo #48 to all retirement boards with regard to the implementation of the Tobacco Statute. Section #4 of this memo states "In applying the statute to pooled funds, PERAC will assess the 15% rule against the entire pool as the board is purchasing shares in the pool not the individual holdings of the pool. Thus a pooled fund, if in violation of this standard, will be included on the PERAC List".

Please be advised that PERAC defines pooled funds for the purpose of the Tobacco Statute as commingled investments in investment vehicles such as mutual funds, group trusts, real estate funds, limited partnership funds, and venture capital funds. Funds that invest only for one retirement system, commonly referred to as "segregated funds" or "separate accounts", are not considered pooled fund investments by PERAC and therefore must comply with Chapter 119 accordingly.

PERAC has sent (copy attached) each pooled fund manager a Tobacco Statute Compliance Report. This report must be completed by each pooled fund manager and submitted to PERAC.

If you have any questions in this regard, please call Robert Shaw, Director of the Pension Investment Advisory Unit at 727-9380 ext. 637.

TOBACCO STATUTE COMPLIANCE REPORT

NAME OF POOLED FUND: _____

PORTFOLIO REVIEW DATE: _____

SECTION #1	SECTION #2
Securities on PERAC Tobacco Company List	Percentage of Holdings
(please attach additional pages, if necessary)	
	SECTION #3

Section #1	List any holding in the pooled fund portfolio that is included in the PERAC Tobacco Company List.
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Section #2 For each holding in Section #1, list the percentage of the holding to the total market value of the fund.

Section #3 Add the percentage figures in Section #2. This figure should represent the percentage of total assets of holdings which are included in the PERAC Tobacco Company List.

PRINT NAME: _____

SIGNATURE: _____

DATE: _____