

Document 0204

[20204001]

The nation 's largest pension fund , which oversees \$ 80 billion for college employees , plans to offer two new investment options to its 1.2 million participants .

[20204002]

The Teachers Insurance and Annuity Association-College Retirement Equities Fund said it will introduce a stock and bond fund that will invest in " socially responsible " companies , and a bond fund .

[20204003]

Both funds are expected to begin operation around March 1 , subject to Securities and Exchange Commission approval .

[20204004]

For its employees to sign up for the options , a college also must approve the plan .

[20204005]

Some 4,300 institutions are part of the pension fund .

[20204006]

The new options carry out part of an agreement that the pension fund , under pressure to relax its strict participation rules and to provide more investment options , reached with the SEC in December .

[20204007]

The new " social choice " fund will shun securities of companies linked to South Africa , nuclear power and in some cases , Northern Ireland .

[20204008]

Also excluded will be investments in companies with " significant " business stemming from weapons manufacture , alcoholic beverages or tobacco .

[20204009]

Sixty percent of the fund will be invested in stocks , with the rest going into bonds or short-term investments .

[20204010]

The bond fund will invest in high-grade or medium-grade bonds , mortgages or asset-backed securities , including as much as 15 % in foreign securities .

[20204011]

The fund also might buy and sell futures and options contracts , subject to approval by the New York State Insurance Department .

[20204012]

Under two new features , participants will be able to transfer money from the new funds to other investment funds or , if their jobs are terminated , receive cash from the funds .

[20204013]

The investment choices offered by the pension fund currently are limited to a stock fund , an annuity and a money-market fund .