



## OFFICE OF THE GOVERNOR

February 28, 2022

Theresa Taylor  
Chair, CalPERS  
400 Q St.  
Sacramento, CA 95811

Cecilia Estolano  
Chair, University of California Regents  
1111 Franklin St., 12th Floor  
Oakland, CA 94607

Harry Keiley  
Chair, CalSTRS  
100 Waterfront Pl.  
West Sacramento, CA 95605

Dear Chairs:

Russia's brazen and lawless military assault on Ukraine demands our support for the Ukrainian people and exacting an immediate and severe cost upon the Russian government in response to its continuing aggression. California has a unique and powerful position of influence given the state's substantial global investment portfolio.

Alone, our Public Employees' Retirement System holds roughly \$480 billion in assets. In addition, our Teachers' Retirement System holds \$320 billion in assets, and the University of California's Retirement System another \$170 billion. This combined amount, \$970 billion, is equivalent to 60 percent of Russia's entire gross domestic product last year.

Of these California investments, over \$1.5 billion are held in a variety of financial instruments -- including stock of multinational corporations, private equity and real asset investments, and debt -- that have some nexus or relation to Russia's financial markets.

The California Constitution is explicit in the fiduciary duties that are required of us on behalf of the hundreds of thousands of Californians who have invested in

these systems. These fiduciary obligations and our moral imperative before these atrocities demand that you act to address Russia's aggressions and immediately restrict Russian access to California's capital and investments. Given heightened financial risks, no fund shall purchase Russian debt and no money shall flow from the state of California to Russia. Furthermore, the funds should immediately assess risk to the retirees of our state and ensure that the actions you take protect the interests of your current and future retirees.

In addition to taking these actions, I would appreciate your recommendations of any additional safeguards that can be put in place to protect California's investments as the U.S. and the world continue to implement financial sanctions on Russia. Please advise me of the steps that you are taking in this effort within 10 days.

I stand ready to work with you to further this important effort.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gavin Newsom', with a horizontal line extending to the right.

Gavin Newsom  
Governor of California