



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR16:57  
Dec. 13, 2016

Contact: [Marc Lifsher](mailto:news@sto.ca.gov)  
[news@sto.ca.gov](mailto:news@sto.ca.gov)  
916-653-2995

## Treasurer Chiang Sends Letter to CalPERS Board Calling for Sale of All Investment in Tobacco Companies

*CalPERS Investment Committee Will Meet Dec. 19 to Discuss Tobacco Divestment Policy*

**SACRAMENTO** – State Treasurer John Chiang today sent a letter to a California Public Employees’ Retirement System (CalPERS) board calling for the complete divestment of all indirect and direct investment in tobacco companies.

“I continue to believe that investing in tobacco-related securities is a bad economic decision for CalPERS beneficiaries, for the state in general and for the world as a whole, whether we invest directly or through others,” Chiang wrote in the letter sent to Henry Jones, Chair of the CalPERS’ Investment Committee.

The committee will meet Monday, Dec. 19 to discuss changes in its policy in investing in tobacco firms. CalPERS staff will present the results of a study to the committee and provide members with an economic risk analysis on the tobacco industry and suggested options to consider going forward.

Those options include continuing to divest in tobacco-related securities in CalPERS’ managed funds, expanding divestment to include indirect investment, or removing the restriction on tobacco investments altogether.

“It is time to end the charade that somehow CalPERS stopped investing in tobacco companies more than a decade ago. Our external managers currently have plowed a sizable \$547 million in tobacco-related funds, according to the latest CalPERS staff estimates,” Chiang said. “We need to pull those funds and soon.”

Chiang first voted to divest tobacco company stocks eight years ago when he served as state controller and was a member of the board of the State Teachers’ Retirement System (CalSTRS). The CalSTRS board subsequently voted to continue its tobacco industry divestment policy.

The CalPERS pension fund serves more than 1.7 million members in the CalPERS retirement system and administers benefits for nearly 1.4 million members and their families in its health program, making it the largest defined-benefit public pension in the U.S. CalPERS' total fund market value currently stands at approximately \$289 billion.

*To read the full letter, **click here.***

##