



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Statement from Treasurer John Chiang On CalPERS Tobacco Investment Policy

Pension fund urged to reverse earlier vote to study re-investing in tobacco companies

SACRAMENTO – State Treasurer John Chiang today asked a committee of the California Public Employees' Retirement System (CalPERS) board to reverse its decision to spend up to two years studying whether the pension fund should lift a 2001 ban on investing in companies that sell cigarettes and tobacco products.

"Investing in tobacco companies is harmful to public health and to our fiscal bottom line," said Chiang. "Smoking causes addiction, disease and death. No public pension fund should associate itself with an industry that is a magnet for costly litigation, reputational disdain, and government regulators around the globe."

At the CalPERS Board of Administration's Investment Committee meeting on Monday, the treasurer moved to continue the board's tobacco divestment policy and to not move forward with a 12- to 24-month study to reconsider tobacco investment. The motion narrowly failed by a single vote and the committee subsequently voted to proceed with the study.

At the Board of Administration's meeting today, the treasurer successfully requested the Investment Committee chair include the tobacco divestment item for reconsideration at its May meeting.

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.

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