



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Statement from Treasurer John Chiang on British Vote to Leave European Union

Treasurer's Investment Funds Remain Safe and Liquid

SACRAMENTO – State Treasurer John Chiang today stressed that uncertainty roiling world markets in the wake of Britain's planned departure from the European Union is not expected to substantially impact investments managed by his office or the state's outstanding debt.

About two-thirds of the \$75 billion Pooled Money Investment Account is invested in low risk and liquid U.S. government securities. The balance is in prime-rated capital market investments. The account includes \$22.5 billion in local government agency funds.

In addition, the state's outstanding, general obligation debt portfolio is conservative, with 95% in fixed-rate bonds and just 5% in variable-rate bonds. Today's events will have no impact on the state's fixed-rate bonds. There have been only minimal changes to interest rates on variable-rate bonds.

"Market volatility could be sharp until many questions surrounding Brexit can be resolved over the coming two years," said Chiang. "Californians can be assured, however, that my office is monitoring developments closely and will take appropriate actions to safeguard the state's financial integrity.

"Our \$75 billion investment portfolio and another \$75 billion in outstanding general obligation debt are in strong positions to weather the uncertainty as Great Britain and the European Union embark on a complex and unprecedented separation."

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