



Peter Franchot
Comptroller

February 28, 2022

TRANSMITTED VIA E-MAIL

Mr. Martin M. Noven
Executive Director
State Retirement Agency and Pension System
120 East Baltimore Street
Baltimore, Maryland 21202

Dear Mr. Noven:

I write today to urge you and the Investment Staff to immediately divest from any and all investments that the State Retirement Agency and Pension System owns in Russian companies or holdings.

Given the justified sanctions that the United States and other nations have imposed on Russia in response to its unjustified violent invasion of Ukraine, it would not only be financially unwise to maintain any assets tied to Russian entities, but it would continue to embolden a brutal dictator and the legion of oligarchs who have turned a blind eye to a regime defined by fear, violence, and anti-democratic values. As the pension system's chief investment officer noted in an e-mail to the Board yesterday, the pension system has holdings in Russian companies that are directly impacted by the sanctions imposed by the United States. Since the Russian invasion of Ukraine last week, the pension system's stocks and holdings in Russian entities have lost 51% of its market value. The risks associated with sanctions and other dynamics coupled with ESG considerations make our investments in Russian entities untenable. So long as the current conflict exists, it is my hope that our fund managers would not make prospective investments in Russian entities.

The State of Maryland, the United States, and the free world stands shoulder-to-shoulder with the people of Ukraine – including the more than 26,000 Ukrainian-Americans who proudly call Maryland home. Our pension system's continued investments in hundreds of millions of dollars in Russian assets are contrary to our values and – as previously noted – are not in the best interest of the financial health of our retirement funds.

Surely, our talented investment staff and fund managers can identify other investment opportunities that align with our values and yield better returns and dividends for the pension funds of our employees and retirees. I sincerely hope they do so immediately.

Sincerely,

PETER FRANCHOT
Comptroller

CC: Members, Board of Trustees
Maryland State Retirement Agency & Pension System