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Ohio Police and Fire Pension Fund

Stacey Wideman, General Counsel  
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Dear Directors,

Russia is waging a voluntary war of conquest on its sovereign neighbor, the Ukraine. Having met unexpected resistance, Russia is now apparently targeting civilian populations in an attempt to destroy Ukraine's will to fight.

World reaction has been swift. The economic sanctions imposed by the rest of the world may be unprecedented in both nature and scope--cutting Russia off from its supply of raw materials, trade, air space and much of the world's financial system. As a result, Russia's currency is under an existential threat, falling by 30%, with interest rates more than doubling to 20% almost overnight<sup>1</sup>. Its stock market is in free fall, Russia's banks are cut off from the international financial system, some even excluded from SWIFT, and the Central Bank has moved to freeze \$630 billion in Russian foreign reserves.<sup>2</sup>

I write today to request with exceptional urgency that you inventory your Russian equities and move to divest them with all deliberate speed, if you have not already done so. This is a matter of moral imperative, for Russia's aggression must not be supported with Ohio capital--particularly the retirement assets of Ohio public employees, some of whom are of Ukrainian

<sup>1</sup> <https://www.reuters.com/business/finance/russia-hikes-key-rate-20-tells-companies-sell-fx-2022-02-28/>


<sup>2</sup> <https://www.dw.com/en/russias-economy-in-crisis-as-sanctions-bite/a-60943968>

descent. One of Ohio's retirement systems has approximately \$112 million in Russian investments; I'm sure others have significant holdings. Though we may feel powerless to assist Ukraine in this fight, this is something we *can* do.<sup>3</sup> If every state were to equally divest, billions of dollars would be removed from Russia's economy.

Beyond the demands of morality, the pension systems have legal exposure. Russia shows no signs of backing down, and the severe pressure of its economic isolation in a globalized economy will degrade the value of virtually any Russia-based asset. These securities will continue to decline in value as they have over the last week. Widespread bankruptcies seem a likely outcome--an outcome in which our Ohio public pension systems and their members should not share.

The members of the retirement boards bear a fiduciary responsibility to the retirees of the systems. (R.C. §145.11, §3307.15, §3309.15, §742.11, §5505.06) I trust that you are as alarmed by these events, and the risks they pose as I am, and that you have already begun taking action in this direction.

Yours,



Dave Yost

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<sup>3</sup> Fiona Hill, <https://www.politico.com/news/magazine/2022/02/28/world-war-iii-already-there-00012340> (“If Western companies, their pension plans or mutual funds, are invested in Russia they should pull out.”)