



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Revenue**  
COMMISSIONER'S OFFICE

State Office Building  
333 Willoughby Avenue, 11<sup>th</sup> Floor  
PO Box 110400  
Juneau, Alaska 99811-0400  
Main: 907.465.2300  
Fax: 907.465.2389

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As a result of the ongoing conflict between Russia and Ukraine, the Department of Revenue has received information requests on Russian investments in the portfolios managed on behalf of the State, the Alaska Retirement Management Board (ARMB), and the participant-directed defined contribution plans.

The conflict between Russia and Ukraine is a major geopolitical event and a tragedy on many levels. The global response has been swift and is without precedent. The Department is closely monitoring the situation along with the ARMB, investment managers, banking partners, and other advisors.

Like most institutional investors, the Department has broadly diversified portfolios and is invested in most public equity markets including Russia. Russia is a relatively small part of the capital markets, representing less than 1% of all global equities. As of January 31, 2022, the Department's exposure to Russian equities was approximately 0.23% of the total invested assets or roughly \$115 million of the total \$50.6 billion in investments managed.

The Moscow stock exchange is now closed with no announced re-opening date. As a result, owners of Russian-listed securities cannot sell them at this time. The limited trading that has occurred for those Russian securities listed on global exchanges has been at levels that were roughly 1/10<sup>th</sup> their value at the start of the year. Due to extremely low valuations and limited, if any, ability to transact, the prudent course is to continue to monitor the Russian exchanges and divest, when and if appropriate.

This is clearly a dynamic and fluid situation. The Department will continue to monitor the situation closely and will work with our investment managers, the ARMB, and our advisors to respond appropriately.