



OFFICE OF THE
ARIZONA STATE TREASURER

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Arizona Treasurer Kimberly Yee Statement on BlackRock Divestments

PHOENIX, AZ – Arizona Treasurer Kimberly Yee issued the following statement:

“The Arizona Treasury has received many questions, comments and concerns in the past few months regarding BlackRock, as several states have recently announced they are no longer investing with BlackRock.

“The vast majority of our \$30 billion in investments, 98% to be specific, are managed by our in-house investment management team. We have never had a contract with BlackRock to manage money for the Arizona Treasury, except for money market funds for daily liquidity needs.

“At the beginning of this year, I led in the national divestment effort to remove any exposure we had with BlackRock. In February of 2022, my office divested more than \$543 million from BlackRock money market funds and reduced our direct exposure to BlackRock by 97% this year.

“The divestment was the result of a review by our internal Investment Risk Management Committee (IRMC) that began in the fourth quarter of 2021. Part of the review by IRMC involved reading the annual letters by CEO Larry Fink, which in recent years, began dictating to businesses in the United States to follow his personal political beliefs. In short, BlackRock moved from a traditional asset manager to a political action committee.

“Our internal investment team believed this moved the firm away from its fiduciary duty in general as an asset manager. Once the review was completed, I approved the IRMC proposal to stop using money market funds by BlackRock and reduce Arizona's Treasury exposure to BlackRock in a prudent fashion.

“We will continue to reduce our remaining exposure in BlackRock over time in a phased in approach that takes into consideration safe and prudent investment strategy that protects the taxpayers. Any stock owned by the Permanent Land Endowment Trust Fund that is part of our passive index equity strategy in investing in the top 1,500 American firms will have minimal exposure as it is within the index. If BlackRock were not part of the index, we would otherwise divest the position. At the end of November, our direct exposure to BlackRock was in stock and bonds, or less than 1 tenth of one percent of our total assets under management.

"The benefit of continuing to own the shares of the entire index allows us to vote our shares as an investor in the hopes of joining other like-minded investors to change the political activism of BlackRock. We will continue to fight back against the dangerous path of companies pushing their social issues and wokeism inside of the investment space and return to traditional money management that puts the people first."

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