



GOVERNOR GREG ABBOTT

November 21, 2024

Dear Chairmen and Executive Directors:

Security of Texas and Texans is of utmost importance. That includes the financial security of Texas state investments. Threats to that security can come from foreign adversaries, including the Chinese Communist Party (CCP), whose belligerent actions across the Southeastern Pacific region and the world have increased instability and financial risk to the State holding investments in China. As Chinese aggression against the United States and its allies seems likely to continue, the financial risk associated with holding investments in China will also rise. Therefore, all investments of state funds in China must be evaluated and immediately addressed.

This is not the first time I have raised concerns about this looming threat. In 2023, I encouraged Vanguard to create new emerging market funds isolated from the risk posed by the CCP so that Texas would have an option to protect our citizens from exposure to the CCP without jeopardizing our financial returns. Also, this year, I instructed The University of Texas/Texas A&M Investment Management Company (UTIMCO) to divest from China.

To further this goal, I direct Texas investing entities that you are prohibited from making any new investments of state funds in China. To the extent you have any current investments in China, you are required to divest at the first available opportunity.

Texas will defend and safeguard itself and our public treasury from any potential threat, including those posed by the CCP.

If you have any questions, please reach out to your assigned Budget and Policy Advisor.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott".

Greg Abbott  
Governor