FUTURE UNION

# The Rubicon Report

## Executive Summary

The Institutional Investors & Funds financing the rise of technology innovation in China and other adversarial autocracies.

*December 2023*

Cover: The artwork is an artificial-intelligence generated image, created by Future Union's university interns on Dall-E2. The prompt was a compilation of "democratic-capitalism", "democracy", and "emerging technology" and Dall-E2 generated the image, which was then edited in Adobe Photoshop. Source: openai.com/product/dall-e-2.

December 2023.



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# FUTURE UNION

Future Union is a bipartisan organization designed to galvanize the private sector and forward thinking leaders to address a new wave of emerging technology and security challenges facing the United States and its allies. Our goal is to combine private sector innovation and democratic capitalism to ensure democracy perseveres in upcoming clashes between democracies and autocracies.

Future Union was founded on the belief that the next generation of technology and investing will be among the most critical determinants of the new geopolitical ordering. We are dedicated to furthering technology innovation and strengthening the United States private sector and our global allies to take on global foes. Our aim is to forge a private and public sector compact, improving policies and magnifying the impact of the private sector and capitalism in preparation for global conflicts ahead.

FUTURE UNION

# The Rubicon Report

*Institutional Investors & Funds financing China and other adversarial states.*

## EXECUTIVE SUMMARY

Andrew King, Executive Director

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# FOREWORD

At Future Union, we are a forward-thinking, bipartisan team focused on securing the future of democracy against rising autocratic forces. Our journey began in 2021 with the aim of bringing transparency to often-opaque practices of private sector entities, whose economic decisions exert significant influence over foreign policy. We are focused on reinforcing confidence and restoring trust in our capital markets. The recent misuse of free and fair markets by adversaries of the U.S. has heightened the importance of the work needed to safeguard democratic capitalism.

Future Union is focused on catalyzing technology policy and encouraging changes in the grey areas of investing and throughout the private sector. We believe these are the greatest weapons to ensure democracy prevails in the clash between principled ideologies. In this report, we are highlighting the importance of the capital markets, including key capital allocators (Institutional Investors) such as U.S. pension funds, university endowments, non-profit organizations, and U.S. foundations. Our focus also includes the private equity and venture capital firms that fuel innovation through the principles of free and fair markets.

This *Rubicon Report* initiative is designed with a single goal in mind: to catalyze and ensure that Institutional Investors, funds and leaders champion free and fair markets that uphold democratic values. Given technology's essential place in a global civilization, Future Union believes that there is a direct connection between the startup companies driving innovation and countries who prevail in the reordering of the geopolitical landscape.

Anti-democratic forces pose an existential threat. Attempting to usurp and supplant the core values of accountability and rule of law, these regimes seek to undermine the core of global accountability and a thriving world order.

The *Report* offers a baseline assessment of accountability for corporate leaders, shareholders, and citizens as we work to build a better and fairer economic future. As much of the world has recognized, China poses a unique threat as both a "near-peer" technologist and one of the fastest growing economies. Thus, China and the Chinese Communist Party (CCP) are prominently featured, but this report also highlights other autocratic threats, as the data reveals. This report also explicitly calls attention to the historical misuse of private capital that has flowed through our capital markets. We aim to fortify the defense of democratic values and principles. We believe that private sector innovation offers the best chance to clear the field of corrupt, rogue dictators.

The *Report* establishes a foundational reference point – and an indisputable marker – utilizing all accessible publicly and privately available data to construct a holistic and objective evaluation. We created the *Report* in partnership with outside consultants with expertise in financial analysis, economics, accounting, strategy, governance, geopolitics, and international affairs. Our findings are driven by data that offer a transparent, compelling analysis of the risks posed by aberrant Institutional Investors and other entities who directly impact the capital markets. We compared the timelines of investment, recognizing that the conduct of autocratic China has been well known and documented for years, particularly in the preceding 36-month period. Thus, we selected a 36-month period as a minimum threshold, a relatively recent and conservative timeline intended to obviate claims of plausible deniability of the misconduct of China and other autocratic states. We focused our analyses on data from publicly available datasets in tandem with private databases for specific deals. As these datasets evolve in time, we will continue to update the *Report*, both to provide greater clarity on the progress and to recognize the changemakers safeguarding democratic capitalism.

# THE RUBICON REPORT

### Overview.

The *Report* looks at the flows of private market capital from three vantage points: outbound investment, inbound investment, and entanglements between both. While the amount of funding to China (and Hong Kong) from the U.S. has declined in 2023, yet as noted in 2022 (in Chart 1), the amount of funding is significant, especially given heightened U.S.-China geopolitical tensions. This reality underscores a critical point: that many U.S. investors continue to see China as an opportunity to earn a significant return, rather than as the threat China poses.

***Chart 1. Funding to China-based Funds, with U.S. Investor-based Participation.***

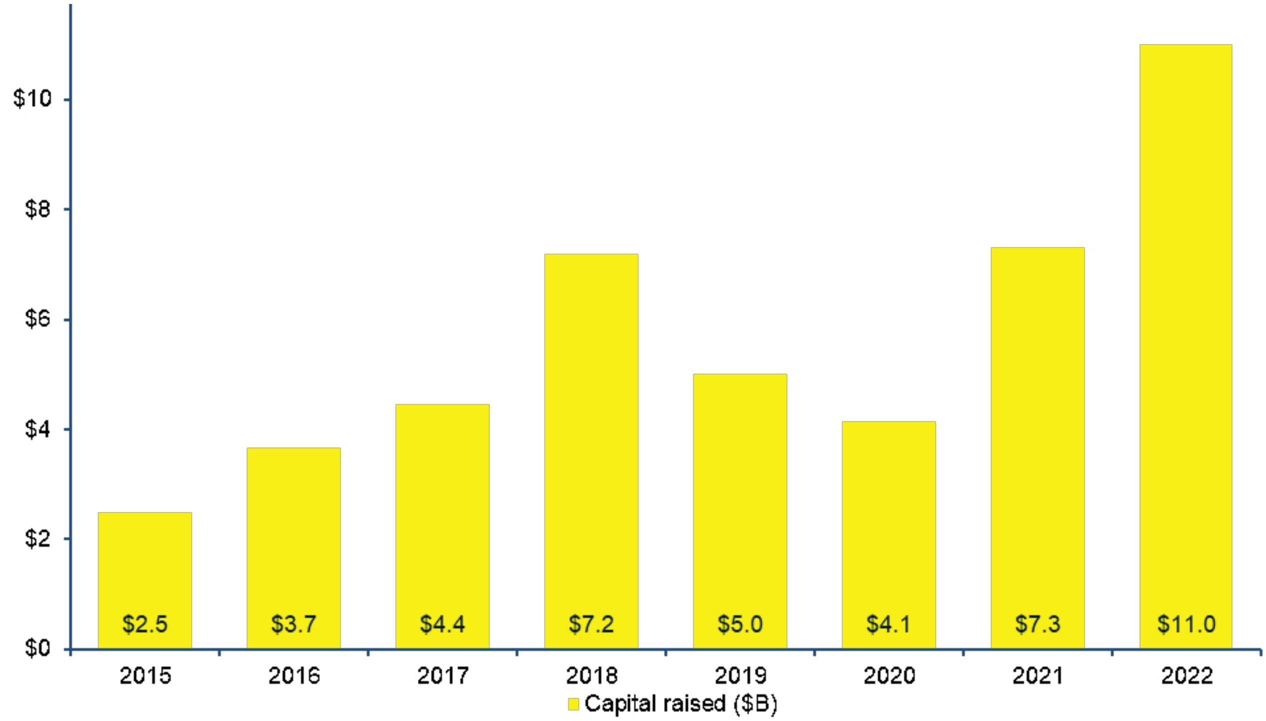



*Chart 1: Funding to Chinese-based Funds with U.S. Investor Participation.*
*Source: Pitchbook data, as of July 12, 2023, includes firms with headquarters or secondary offices in China and Hong Kong.*

Funding has declined significantly in 2023 corresponding with reduced deal volume. However, the amount of capital raised by Chinese funds from U.S. investors was the highest on record in 2022, totaling $11.0 billion, a significant portion of which coincided with large funding rounds by Sequoia Capital China/HongShan, which included numerous U.S. investors, according to data.

Additionally, the White House's Executive Order released on August 9, 2023, establishing an Outbound Investment Program which was intended to reduce the U.S. funding going to critical emerging technologies in China, underscoring the importance of the moment and further solidifying the role of the *Report*. Despite this order being limited to only three narrow sectors related to a) Semiconductors and microelectronics, b) Quantum computing, and c) some Artificial Intelligence, the order faces challenges, including a private financial sector intent on reducing its impact. As this Executive Order evinces, we cannot rely solely on pure governmental policy or voluntary industry action to ensure there is a withdrawal of funds supporting China's innovation ecosystem. After the order, what became evident was the financial sector's interest in reducing the impact, taking immediate steps to curtail and reduce even the limited scope of the order during the subsequent "comment period."

China has adeptly maneuvered the private markets with the use of capital to pressure companies, gaining access, information, and influence as well as extracting otherwise unthinkable concessions. It has enabled forced technology transfers, surreptitious joint ventures, and outright theft of critical intellectual property from companies and startups in the U.S.–all as a pretense of being permitted to conduct business in China. The financial community's feigned ignorance has enabled the CCP to establish points of access across the U.S. technology ecosystem—including proprietary data and process know-how—along with influence in technology hotbeds of Silicon Valley, Boston, and New York, as well as across the global financial system.

Regardless of aggregate funding amounts, the mere existence of this funding permits the use of capital to gain access and further non-pecuniary interests that pose unpredictable and unforeseen risks to the system. Members of the U.S. House of Representatives' China Select Committee have similarly concluded that this access and influence is multifaceted. It is not just direct information from startups' information, clauses in financing agreements, and board of director-level pressure from board seats. Even the collection of seemingly innocuous data from disparate sources can be assembled to triangulate techniques, technological know-how, and gain competitive market advantages. If China's public company history of using such pressure tactics and techniques offers any indication of the degree of their coercive activities of private companies the CCP's proxy investors will go to any lengths, and use any and all opportunities to their advantage, including using limited partnership stakes in funds as a core anchor for access. The stakes are an access point that can be levered to exert unprecedented influence on startups and extract the know-how to continue to build their rival technology ecosystems.

## The Role of Private Equity and Venture Capital in Access, Influence and Intellectual Property Theft.

For the past decade, both U.S. private equity and venture capital firms have played a significant role in financing businesses in China and other autocratic nations. Since the early days of private equity in the 1980s, the combined asset classes eclipsed records, achieving exponential growth. Given the opportunity for above market returns, the asset class has seen an influx of interest, despite the heightened risk associated. In 2002, private equity and venture capital funds held $580 billion in assets under management, by 2022 that had surged to $7.7 trillion. And, venture capital and private equity receive their capital pools to deploy from a range of investors, from Institutional Investors like public pensions and university endowments and fund-of-fund private equity investors, as well as high net worth individuals and corporations. One of the largest investors is U.S. public pensions. As pensions have chased returns, their exposure to alternative assets has increased dramatically, while only 10% of pensions funds had more than 20% exposure in 2021, by 2023 that figure had reached. 80% of pensions had more than such exposure, according to research. Thus, the burgeoning industry and interest in private equity and venture capital has increased the influence of finance professionals beyond mere money.

These activities serve as a key mechanism and gateway in which China has risen to the present, "near-peer" technological equivalent status. Chinese businesses, in particular, are adept at disguising their true intent, masquerading as return-oriented, when in fact, the intent is to use capital as a veritable "trojan horse" for intellectual property theft and other pressure-related influence, both of which have been critical to China's rise. China has systematically extracted the most cutting edge technology, using methods like cyberhacking and theft, "forced technology transfers" and fictitious joint ventures (where access is required and the auspices of a Chinese "partner" are required to enter into the Chinese market). The success of such operations provides the technology data that underpins virtually all advanced technological developments that Chinese businesses have achieved, the majority of which would have been impossible through local development alone.

The Committee on Foreign Investment in the U.S. (CFIUS) is the typical oversight panel for all private sector transactions involving foreign entities. Historically, the committee's work was limited to control transactions (in which the acquirer gained full ownership). This scope has since been modified to minority ownership control and investments in certain sectors and connections of particular Chinese entities that are known affiliates of the military industrial complex. However, private, limited partner investments, also known as passive investments, still have not been subject to review by CFIUS. The CCP has exploited this weakness to invest in more lightly regulated private equity and venture capital funds to secure access to technology and cultivate tremendous influence.

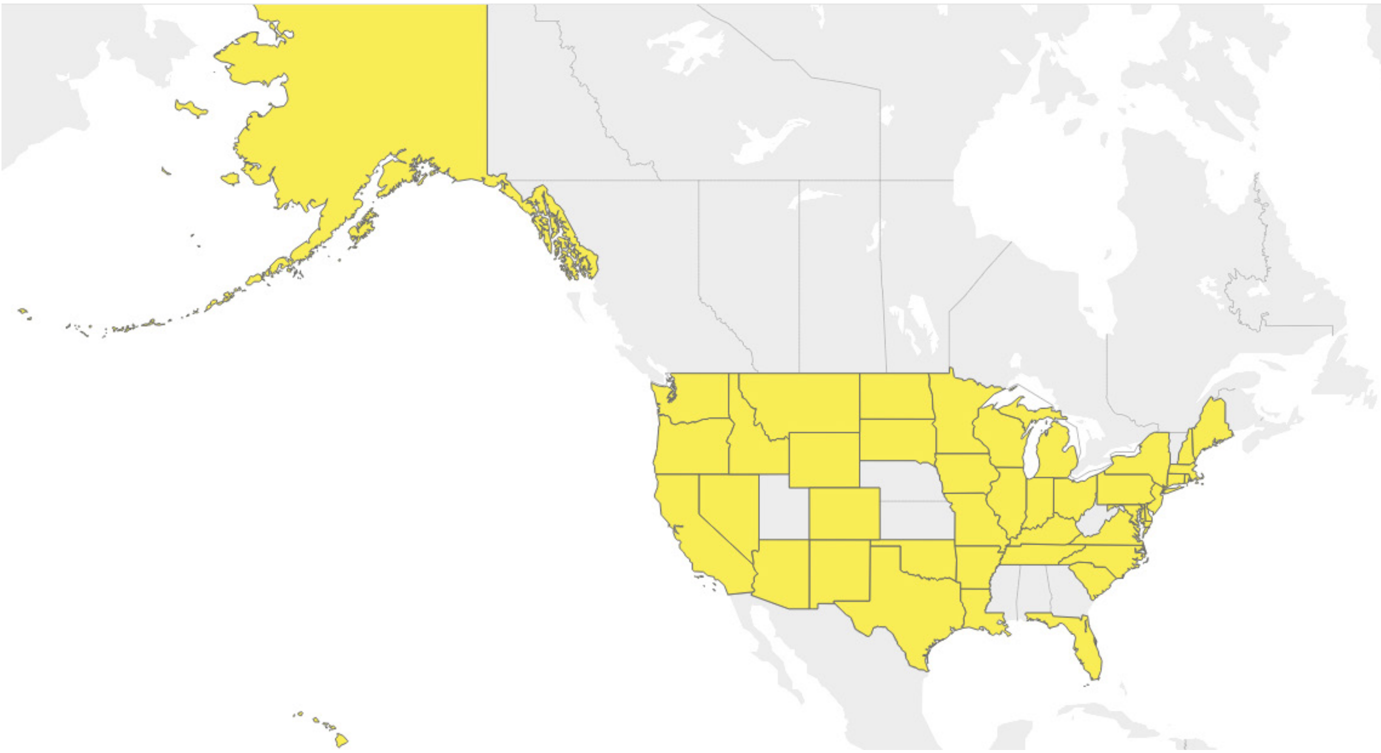
The *Report* reviews the investments in alternative assets of private equity and venture capital, which offers China an advantage with minimal reporting requirements and limited regulation in despite the direct connection to the most critical technologies, proprietary processes, and latest research and development achievements, as they simultaneously buy access to the top fund managers (as illustrated below in Table 1). Conversely, this access has been longstanding and lucrative, as such funds were willing to compromise principled adherence to the rule of law in pursuit of access to the Chinese technology market and greater returns.

Thus, the threat of China continuing to receive capital from the U.S. – in combination with Chinese capital coming into the U.S. – still looms over the three broad sectors constituting the chief capital providers in the U.S., collectively referred to as the U.S. institutional investors: public pensions, university endowments, and foundations.

These three types of U.S. institutional investors make up the lion's share of capital allocated to U.S. venture and private equity funds, with public pension funds comprising 67% of all private equity's limited partner capital. All three are motivated generate returns beyond inflation and that of the broader market, which is one reason that alternative assets have been so appealing. These investors collaborate with private equity and venture capital funds, utilizing Limited Partnership Agreements (LPAs) to define the fund's lifespan and investments. Typically, these LPAs establish a five-year investment cycle, with a ten-year life cycle, with the possibility of extensions for one or two years, as specified in the LPA.

## A. U.S. PUBLIC PENSIONS.

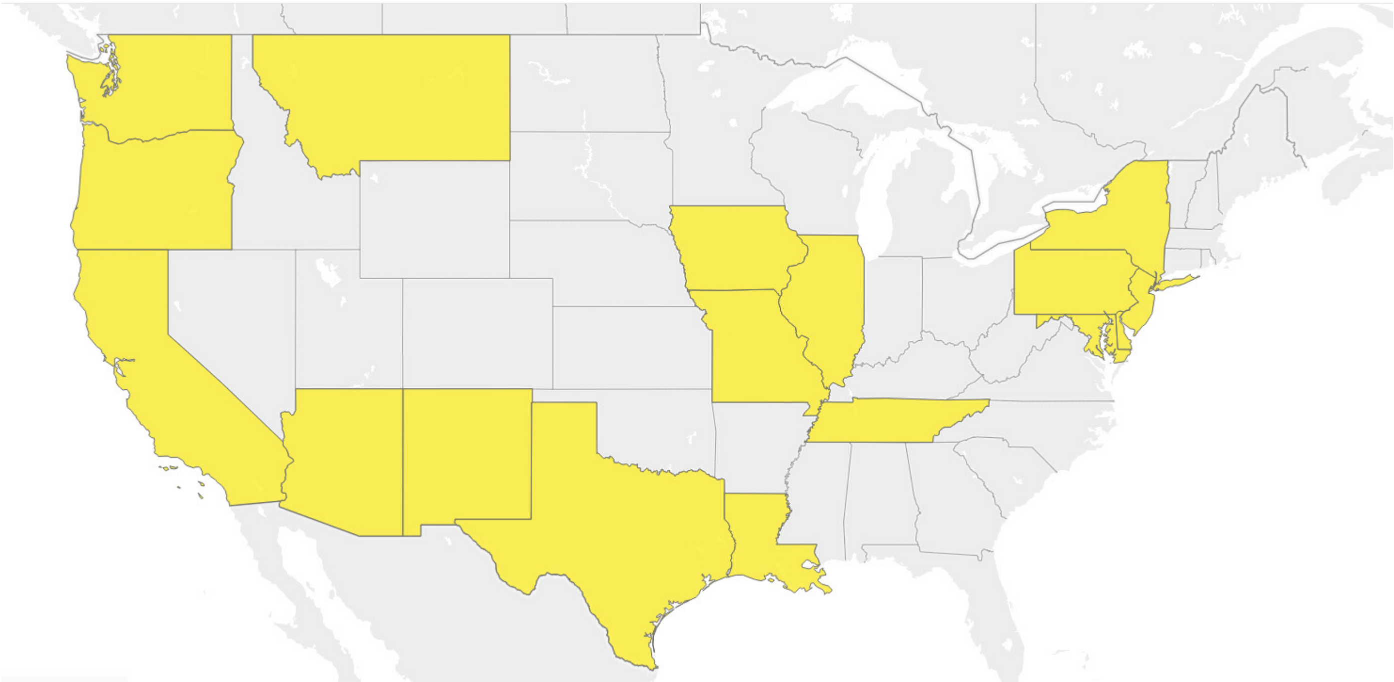
### *Map 1. States with at least one Public Pension investing in China and Hong Kong.*



*Map 1. States with Public Pensions that have Invested in China and Hong Kong.*
*Source: Public and private databases as of June 30, 2023.*

After evaluating the largest U.S. Pension Funds, the data indicated that the majority of large Public Pensions across the U.S. have invested in China in the past. Of the 74 largest U.S. Pension Funds reviewed, 29 of the 74 have made investments in the past 12 months (39%), and 56 of the 74 public pension funds with previous investments have made follow-up investments in the past 36 months. This is a staggering 75% renewal rate by pension portfolio managers entrusted to responsibly manage the retirement wealth of the U.S. pensioners, despite the geopolitical implications and the obvious benefit to a foe's innovation ecosystem.

***Map 2. States with at least one Pension investing more than 2% of their AUM in China or Hong Kong.***



*Map 2. States in which one or more pensions have committed more than 2% of their total AUM to China/Hong Kong.*
*Source: Public and private databases as of June 30, 2023.*

Over the past 36 months, U.S. public pensions have invested more than $68 billion in China. Our research indicates, 4 of the largest U.S. Public Pensions have invested in China in the last few months. In the past 12 months, 24 investments alone have been made, which should be acknowledged as support for the technological advancement of China. California Public Employees Retirement System (CalPERS) has invested more than $1.8 billion into China in the last 36 months, amounting to an astonishing 24% of the total of CalPERS $7.8 billion in aggregate invested in China over the years. The latest investment in a China-based fund was in 2023, a mere few months ago. Similarly, the California State Teachers Retirement System (CalSTRS) has a shown little compunction to funding the Chinese startup ecosystem with more than $5.6 billion invested in China-based or China-focused funds, $1.3 billion of which was invested in the last 36 months (24% of the aggregate all-time total investment).

While investing less overall, the New York State Teachers' Retirement System (NYSTERS) has aggregate investments of $3.1 billion committed to China funds with 25%, or more than $775 million, committed in the past 36 months. The New York State Common Retirement Fund (NYSCRF) has committed more than $8.3 billion to China-led funds, with 42% committed in the past 36 months, or $3.5 billion. The Teachers Retirement System of Texas (TXTRST) has invested more than $2.7 billion of assets to China funds, but the last 36 months have witnessed commitments amounting to 23% of its total allocation, or $625 million of aggregate investments, the latest in the past 12 months, though recent public statements state an intention to reduce future commitments by, at most, half.

The Washington State Investment Board (WASIB) has committed more than $5.0 billion to China, at least a fifth of which occurred in the past 36 months.

The Minnesota State Board of Investment (MNSBI) has been a notable Chinese investor having committed more than $1.3 billion since 2008, with a nearly 70% of the allocation in the past 36 months, or more than $900 million.

The investing conduct of the U.S. Public Pensions has been remarkable for the range, consistency and the depth of the investments. Only a single large Public Pension fund that we have tracked has voluntarily agreed to halve the already quite significant investments made in China (TXTRST), leaving hundreds of public pension funds silent on the issue.

## The Largest Public Pensions investing in Adversarial Countries.

The following are the largest U.S. Public Pensions investing in China/Hong Kong:

***Table 1. U.S. Public Pensions Summary.***

| U.S. Public Pension | Number of Investments | Total Amount of Investment ($mm) | Date of Latest Inv. Commitment |
|---|---|---|---|
| California Public Employees Retirement System (CalPERS) | 80 | $7,866 | 2023 |
| San Francisco Employees' Retirement System (SFERS) | 80 | $3,381 | 2022 |
| New York State Common Retirement Fund (NYSCRF) | 72 | $8,392 | 2022 |
| California State Teachers Retirements System (CalSTRS) | 58 | $5,559 | 2022 |
| Texas County & District Retirement System (TXCDRS) | 44 | $1,605 | 2022 |
| Maryland State Retirement and Pension System (MASRPS) | 34 | $3,050 | 2023 |
| Teachers' Retirement System of the State of Illinois (ILTRS) | 34 | $2,012 | 2022 |
| State of Michigan Retirement Systems (MISMRS) | 32 | $975 | 2021 |
| Pennsylvania Public School Employees Retirement System (PAPSERS) | 31 | $3,220 | 2021 |
| New York State Teachers' Retirement System (NYSTRS) | 30 | $3,142 | 2022 |
| Oregon Public Employees Retirement System (ORPERS) | 26 | $2,925 | 2021 |
| Washington State Investment Board (WASIB) | 24 | $5,025 | 2022 |
| Teacher Retirement System of Texas (TXRS) | 24 | $2,775 | 2022 |
| New Jersey Division of Investment (NJDI) | 20 | $1,812 | 2020 |
| Employees Retirement System of Texas (TXERS) | 18 | $1,368 | 2022 |
| Oregon State Treasury (ORST) | 17 | $2,080 | 2018 |
| Florida Retirement System Pension Plan (FRSPP) | 15 | $1,664 | 2022 |
| Minnesota State Board of Investment (MNSBI) | 15 | $1,316 | 2022 |
| Virginia Retirement System (VARS) | 11 | $1,450 | 2022 |
| ...** | | | |
| Aggregate Totals | 1,126 | $73.286 billion | |

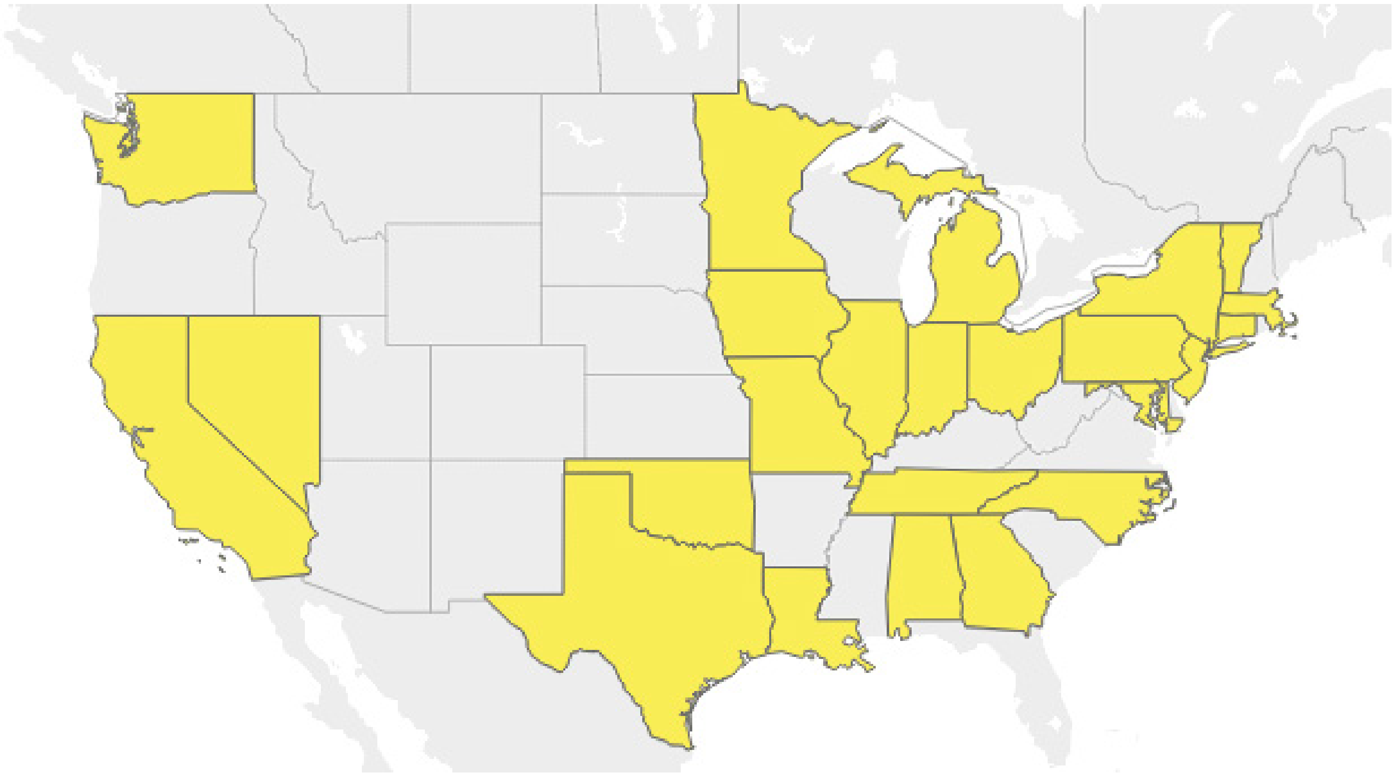
*Source: The disclosed information is the publicly discoverable reported information and private databases.*
***Note: List is truncated for conciseness, and further funds are included in the totals.*

## B. UNIVERSITY ENDOWMENTS.

U.S. University Endowments, both private and public, maintain a broad portfolio of investments. Alternative assets are among the most crucial, and often highest returning asset class, yet both types are subject to limited oversight, often with mere voluntary disclosures (which they elect against). And even public universities widely employ techniques to circumvent the limited, mandatory disclosures to shield investment information from their university-peers and the public at large.

The following map indicates select university endowments that have invested in China. However, this severely underreports the level of the participation in China. Many of the largest alternative endowments do not disclose any information on their investment portfolios and are consequently not featured in the visual representation.

***Map 3. States with at least one University Endowment investing in China and Hong Kong.***

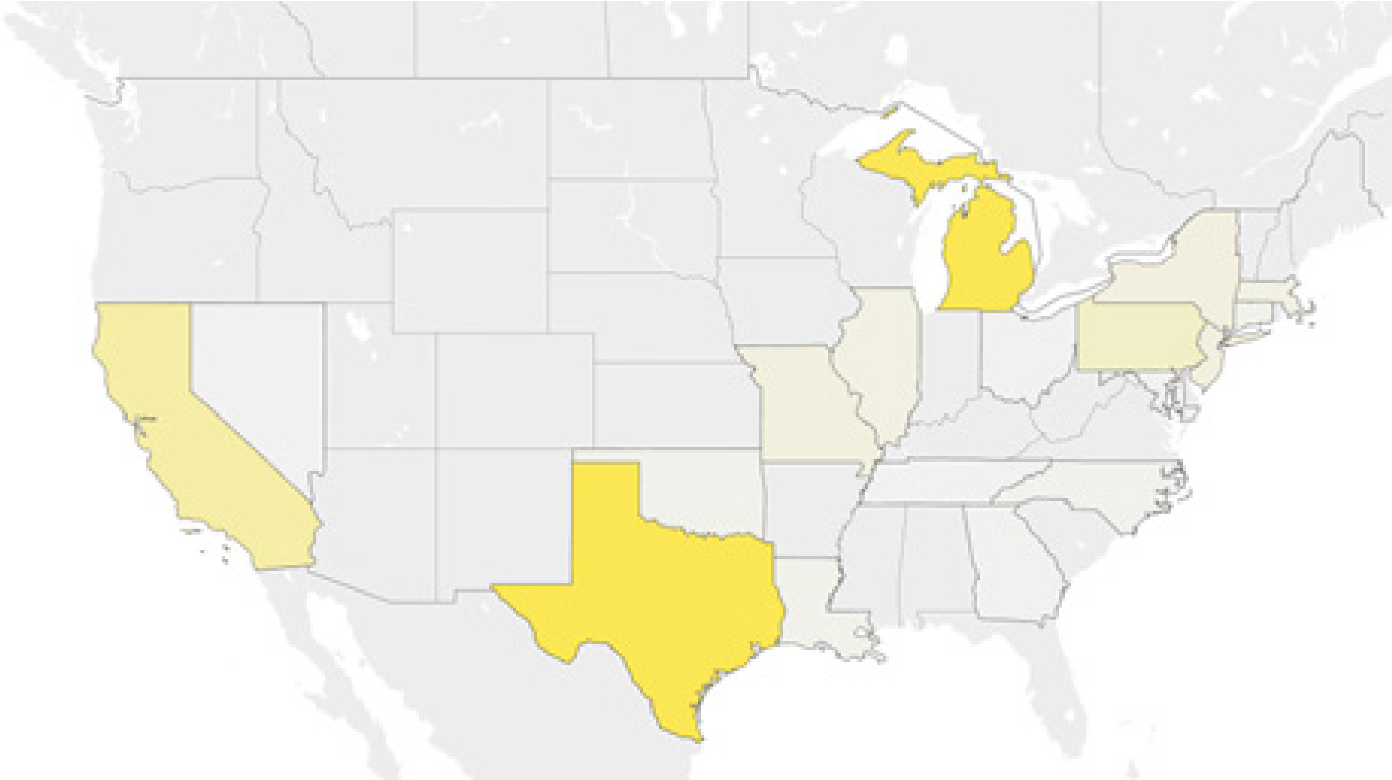


*Map 3. Endowment Investing in China. This map represents the states with universities that can be connected to investments in China and Hong Kong .*
*Source: Public and private databases as of June 30, 2023.*

Numerous endowments, both public and private, are taking advantage of the opportunities to continue to invest in China. While the public pension information is striking, the choices by the university systems is equally regrettable given the message that higher education typically presents to students.

The vast majority of our largest and most well-funded schools continue to invest into the competing Chinese technology ecosystem. As depicted in Map 3, these are states with schools that have information tying their investments to China. As mentioned previously, the reality is much more objectionable than depicted, as private universities are largely exempt from disclosing investments. Simultaneously, many of the U.S. public universities have shielded such investments from public review and disclosure, ironically defending such decisions by claiming that greater scrutiny would result in greater antagonism for unpopular positions.

***Map 4. University Endowments with the largest concentrations of investments in China.***



*Map 4. Universities with the greatest concentration of investment in China. This map reflects the universities that have made the most significant investments in China, according to available information.**
*Source: Public and private databases as of June 30, 2023.*

**As noted, this data is derived from publicly available sources and both public and private universities go to great lengths to obscure their investments. This categorically underreports the size, number, and level of investment in China and Hong Kong.*

Some of our most well-known universities, such as the University of Michigan, continue to make significant investments in China. The University of Michigan has invested $1.6 billion across 83 investments, the latest being just a few months ago. The University of Texas has invested $1.6 billion across 29 investments, with nearly $419 million allocated in the last 36 months, while the University of California has invested $1.5 billion across 22 investments, with 54% allocated in the last 36 months. It is also well-known that alternative asset investors are the private universities with the largest endowments, namely Harvard, Massachusetts Institute of Technology (MIT), University of Pennsylvania (UPenn), Stanford, and Yale, all of whom have taken the most aggressive steps to keep private their investment decisions.

## The University Endowments investing in Adversarial Countries.

The following are the largest U.S. University Endowments investing in China/Hong Kong:

***Table 2. University Endowments Summary.***

| University Endowments* | Number of Investments | Total Amount of Investment ($mm) | Date of Latest Inv. Commitment |
|---|---|---|---|
| Univ. of Michigan Endowment (MI) (Public) | 83 | $1,570 | 2023 |
| Texas Permanent School Fund (TX) (Public) | 39 | $1,971 | 2022 |
| Univ. of Texas System Endowment (TX) (Public) | 29 | $1,607 | 2022 |
| Regents of Univ. of California (CA) (Public) | 22 | $1,556 | 2022 |
| Stanford Management Company (CA) (Private) | 12 | $80 | 2014 |
| Princeton Univ. (NJ) (Private) | 12 | $155 | 2020 |
| Univ. of Washington (WA) (Public) | 11 | $89 | 2022 |
| Univ. of Oklahoma Foundation (OK) (Public) | 10 | N/A | 2011 |
| Univ. of Pittsburgh Endowment (PA) (Public) | 10 | $43 | 2020 |
| Univ. of Missouri System Endowment (MO) (Public) | 9 | $153 | 2022 |
| Texas A&M Univ. System Endowment (TX) (Public) | 9 | $50 | 2021 |
| Texas Tech Univ. System Endowment (TX) (Public) | 8 | $42 | 2021 |
| Carnegie Mellon Univ. Endowment (PA) (Private) | 7 | $10 | 2020 |
| Univ. of Chicago Endowment (IL) (Private) | 7 | N/A | 2015 |
| Harvard Management Company (MA) (Private) | 7 | N/A | 2011 |
| MITIMCo/Basic Retirement Plan (MA) (Private) | 7 | N/A | N/A |
| Duke University/The Duke Management Company (NC) (Private) | 7 | $20 | 2020 |
| Massachusetts Institute of Technology (MA) (Private) | 6 | $22 | 2016 |

| | | | |
|---|---|---|---|
| Yale Univ. Endowment (CT) (Private) | 6 | $50 | 2015 |
| Oklahoma State Regents for Higher Education (OK) (Public) | 5 | $14 | 2022 |
| Columbia University Endowment (NY) (Private) | 5 | N/A | 2015 |
| …** | | | |
| Aggregate Totals | 385 investments | $7.684 billion | |

** The disclosed information is the publicly discoverable reported information and, as noted, it likely underestimates the total number of investments/total amount of the investments, often by a significant margin.*
***Note: List is truncated for conciseness, and further funds are included in the totals.*

## C. NONPROFITS AND U.S. FOUNDATIONS.

The nonprofit and charitable giving sector is one of the largest and most powerful collective segments of U.S. funding attempts to create a more equitable society. The tax code gives special privileges to such entities to encourage risk taking and reinvestment. In the context of tax rates, the U.S. tax code offers significant opportunities for wealthy individuals to maintain generous giving preferences and shield wealth from taxes under nonprofit and foundations' legal tax-status exemptions. As such, the broad Nonprofit and U.S. Foundation sector can be a harbinger of the best of the U.S. system: a benevolent and significantly impactful group contributing to alleviation of admirable inequities. Yet, conversely, as our data illustrates, it can also betray the interests of the country, instead opting to invest capital that benefits competing, autocratic innovation ecosystems. These actions damage U.S. innovation and deprive it of the risk capital upon which it is reliant.

Notable foundations, have also been vigorously involved in China-investment funding, including the MacArthur Foundation (20th largest) with 41 investments, the Rockefeller Foundation (30th) with 38 investments, Carnegie Foundation (42nd) with 30 investments (the latest in the past few months), Andrew W. Mellon Foundation (21st) with 26 investments, J. Getty Trust (23rd) with 24 investments, have invested in China. Many of them have done so recently. For example, The Robert Wood Johnson Foundation, the eleventh largest nonprofit foundation in America and namesake and founder of Johnson & Johnson healthcare, made investments as recently as the last few months and has shown a strong proclivity for investing in China, totaling more than 55 total investments in Chinese-based funds, though recently agreeing to cease further investing.

According to our public research sources, Nonprofit and U.S. Foundations have overall made more than 620 commitments to China, including the Sherman Fairchild Foundation (301st) with 23 investments, the Richard King Mellon Foundation (57th) with 20 investments, the Mayo Clinic (14th) with 7 investments, Heinz Endowment (83rd) with 6 investments, the Peter G. Peterson Foundation (249th) with 6 investments, the Hall Family Foundation (258th) with 6 investments (the latest in the past few months), the Pritzker Foundation (453rd) with 5 investments, Ewing Marion Kauffman Foundation (9st) with 3 investments, the Ford Family Foundation (222nd) with 3 investments (the latest being in the past few months), the Frist Foundation (380th) with 3 investments (the latest being in the past few months), and the Bush family Foundation (101st) with 14 investments (the last one being in 2019), reportedly.

# CONCLUSION

We have long known that one critical element to China's rise was the economic benefits that they have accrued from free and fair capital markets. However, we neglected to demand and enforce the fidelity of such engagements sufficient to ensure adherence to the rule of law in such markets.

By doing so, investors and Institutional Investors permitted, even supported, the continued exploitation and subversion of rule of law principles in many markets with a the sole goal of profit. As this report shows, economic markets remain the vital linkage and element to restoring, preserving, and accelerating our own means of surpassing foreign adversaries. Innovation cannot take a backseat in our capital markets. But to ensure that those competing and leading technologies have the opportunity to excel, capital is a critical element. As such, we need to return to a level of accountability and fidelity to the rule of law that made our capital markets and private sector the envy of the global markets.

To reestablish trust in capitalism and attract the most discerning investors, the present moment necessitates a higher level of commitment. Our Institutional Investors, companies, foundations, and individuals must actively create a division between those who accept the implicit pact to uphold the rule of law, and those who defy this unspoken contract. In doing so, it extends beyond a mere moral obligation; companies share a mutual interest in upholding and protecting intellectual property rights. This is essential because, at its core, these rights underpin the fundamental elements required for a robust, self-reliant, and dependable digital economy of the future.

We can no longer tolerate the propagation and continued violation of the rights of companies, customers, and users, who, in the age of globalization, are now hostage to the norms of national governments and market manipulators. As the foregoing research indicates, this current state is equally tragic and real. Our hope is that companies which continue to operate in sanctioned countries reconsider and commit to international principles, refuting the inherent complicity which undermines the fabric of free and fair market principles, in letter and spirit. While certain nations will continue to support the devaluation of rights and disregard the concept of an equitable system of governance, a greater commitment to intellectual property and democratic market policing by the private sector may be the only way to ensure principled progress. A collective effort from the private corporate sector, and our Institutional Investors and funds dedicated to bringing global leaders together in the name of preserving intellectual property, upholding the rule of law, and protecting human rights, is both necessary and overdue.

Leadership in this moment demands more than pursuit of absolute profit when dealing with sanctioned countries and countries of concern, all of whom represent an existential threat to the principles of economic growth. As solely fixating on profit without accounting for the continued erosion and undermining the rule-based pillars of free and fair economic dealing is no longer acceptable, as these pillars are what our system of democratic capitalism was founded.

Future Union's goal is to encourage companies and leaders to champion democratic ideals, as well as hold companies, Institutional Investors, and funds accountable when they renege on the implied contract of maintaining and preserving the free markets and abdicate the duty to stand up for democracy.

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