

October 1, 2019

Iowa General Assembly  
State Capitol  
Des Moines, IA 50309

Re: Iran Divestment (Iowa Code Chapter 12H)

Dear Iowa General Assembly:

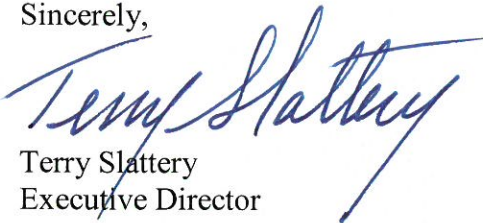
The referenced statute was enacted in 2011 pertaining to the investment of public fund assets in companies doing business in or with the Country of Iran. Specifically, the statutory section provides that the retirement system actively engage with and ultimately may be required to divest its positions from companies which may be complicit in aiding and abetting the ongoing support of international terrorism.

The System is hereby complying with the requirements of the statute, 12H.5:

- 2. Annual report. On October 1, 2012, and each October 1 thereafter, each public fund shall make available to the public, and file with the general assembly, an annual report covering the prior fiscal year that includes the following:*
- a. The scrutinized companies list as of the end of the fiscal year.*
  - b. A summary of all written notices sent as required by section 12H.3 during the fiscal year.*
  - c. All investments sold, redeemed, divested, or withdrawn as provided in section 12H.4 during the fiscal year.*

The Board of Trustees respectfully submits the attached annual report.

Sincerely,



Terry Slattery  
Executive Director

Attachment – October 1, 2019 Report

***MFPRSI***

**Iran Divestment Report**

**A. Total Universe of Companies Per ISS-Ethix**

**B. Summary of all written notices sent**

**C. Total Positions Divested**

**As of:        June 30, 2019**

## A. Total Universe of Companies Per ISS Ethix

	COMPANY	Scrutinized Active/Scrutinized Plan of Substantial Action
1	Aban Offshore Ltd.	Scrutinized Active
2	ABO Wind AG	Scrutinized Active
3	Arabian Pipes Co	Scrutinized Active
4	Bilfinger SE	Scrutinized Active
5	Capital Product Partners LP	Scrutinized Active
6	Chadormalu Mineral & Ind. Co.	Scrutinized Active
7	China Camc Engineering Co. Ltd	Scrutinized Active
8	China Nonferrous Metal Industry's Foreign Eng. And Const. Co. Ltd.	Scrutinized Active
9	China Oilfield Services	Scrutinized Active
10	China Railway Group Ltd	Scrutinized Active
11	Chiyoda Corporation	Scrutinized Active
12	Cnooc Ltd.	Scrutinized Active
13	Danieli & C - Officine Meccaniche Spa	Scrutinized Active
14	DNO ASA	Scrutinized Active
15	F.L.Smidth & Co. AS	Scrutinized Active
16	Gazprom OAO	Scrutinized Active
17	Gruppo Waste Italia SpA	Scrutinized Active
18	Hyundai Corporation	Scrutinized Active
19	Hyundai Engineering & Construction	Scrutinized Active
20	Hyundai Mobis	Scrutinized Active
21	Hyundai Motor	Scrutinized Active
22	Inpex Corporation	Scrutinized Active
23	Inter Rao Ues JSC	Scrutinized Active
24	Japan Drilling Co., Ltd.	Scrutinized Active
25	Japan Petroleum Exploration Co.,Ltd.	Scrutinized Active
26	JGC Corporation	Scrutinized Active
27	Kobe Steel Ltd	Scrutinized Active
28	Korea Electric Power	Scrutinized Active
29	Korea Gas Corporation	Scrutinized Active
30	Maire Tecnimont S.p.A.	Scrutinized Active
31	Man SE	Scrutinized Active
32	Mitsubishi Materials Corporation	Scrutinized Active
33	Motor Sich	Scrutinized Active
34	Norinco Intl Cooperation Ltd	Scrutinized Active
35	Oil & Natural Gas Corporation Ltd.	Scrutinized Active
36	Oil India Ltd	Scrutinized Active
37	PJSC Tatneft	Scrutinized Active
38	Polskie Gornictwo Naftowe i Gazownictwo SA	Scrutinized Active
39	Porsche Automobil Holding SE	Scrutinized Active
40	Posco	Scrutinized Active
41	Posco Daewoo Corp	Scrutinized Active
42	Power Construction Corporation of China, Ltd.	Scrutinized Active
43	Poyry Plc	Scrutinized Active
44	Royal Dutch Shell Plc	Scrutinized Active
45	Shipping Corporation of India Ltd.	Scrutinized Active
46	Siemens AG	Scrutinized Active
47	Sinopec Engineering (Group) Co Ltd	Scrutinized Active
48	Sk Holdings Co. Ltd	Scrutinized Active
49	Tenaris S.A.	Scrutinized Active
50	United Aircraft Corporation	Scrutinized Active
51	Volkswagen AG	Scrutinized Active
52	Zio Podolsk Machinery Plant	Scrutinized Active

## B. Summary of all written notices

### B. Summary of all written notices

#### August 15th, 2018

MFPRSI mailed out letters to all firms below with the quarterly "scrutinized companies" list from the IW Financial with response date of August 31, 2018.

Firms:  
State Street  
DFA  
Bailie Gifford  
Mondrian  
BlackRock  
JP Morgan  
GMO  
Intech  
Dodge & Cox  
Schroders

#### September 5th, 2018

All firms responded to letter with any holdings of securities on "scrutinized companies" list except BlackRock.

#### September 20th, 2018

MFPRSI mailed letters to the following companies that were held indirectly in the portfolio informing them of possible divestment from the company and to respond within 90 days of the date of letter with any other information they were able to provide.

Following up annually with companies that remain on the list

Companies:  
China Oilfield Services  
China Petroleum and Chemical  
Chiyoda Corporation  
Daelim Industrial  
Danieli & C - Officine Meccaniche Spa  
DNO ASA  
F.L. Smidth & Co. AS  
Gazprom  
Hyundai Engineering & Construction  
Hyundai Mobis  
Hyundai Motor  
Indian Oil Corp Ltd  
Inpex Corp.  
Japan Drilling Co. Ltd.  
Japan Petroleum Exploration Co., Ltd.  
Korea Electric Power  
Korea Gas Corporation  
Maire Tecnimont Spa  
Man SE  
Marubeni Corporation  
Mitsubishi Materials  
Oil & Natural Gas Corp Ltd  
OMV Ag  
Outotec Oyj  
PetroChina Co. Ltd.  
Polskie Gornictwo Naftowe i Gazownictwo SA  
Porsche Automobil Holding  
Posco Daewoo Corp  
Royal Dutch Shell Plc  
Shipping Corporation of India Ltd.  
Sojitz Corp  
Total SA  
Volkswagen AG

## B. Summary of all written notices

### October 9th, 2018

MFPRSI mailed out letters to following firms who hold Indirect securities informing them to consider divestment from the companies held.

Firms:  
Schroders  
Mondrian  
SSgA

### November 6th, 2018

MFPRSI mailed out letters to all firms below with the quarterly "scrutinized companies" list from the IW Financial with response date of November 30, 2018.

Firms:  
State Street  
DFA  
Baillie Gifford  
Mondrian  
BlackRock  
JP Morgan  
GMO  
Intech  
Dodge & Cox  
Schroders

### November 29th, 2018

All firms responded to letter with any holdings of securities on "scrutinized companies" list.

### December 12th, 2018

MFPRSI mailed out letters to following firms who hold Indirect securities informing them to consider divestment from the companies held.

Firms:  
MFPRSI mailed out letters to following firms who hold Indirect securities informing them to consider divestment from the companies held.

Firms:  
Schroders  
BlackRock  
JP Morgan  
SSgA

### December 12th, 2018

MFPRSI mailed letters to the following companies that were held indirectly in the portfolio informing them of possible divestment from the company and to respond within 90 days of the date of letter with any other information they were able to provide.

Following up annually with companies that remain on the list

Itochu Corporation  
JGC Corporation  
Kvaerner ASA  
Odfjell Drilling

## B. Summary of all written notices

### February 6th, 2019

MFPRSI mailed out letters to all firms below with the quarterly "scrutinized companies" list from the IW Financial with response date of February 28, 2019.

Firms:  
State Street  
DFA  
Baillie Gifford  
Mondrian  
BlackRock  
JP Morgan  
GMO  
Intech  
Dodge & Cox  
Schroders

### April 3rd, 2019

All firms responded to letter with any holdings of securities on "scrutinized companies" list.

### April 4th, 2019

MFPRSI mailed out letters to following firms who hold Indirect securities informing them to consider divestment from the companies held.

Firms:  
BlackRock  
GMO  
Schroders  
SSgA

### April 4th, 2019

MFPRSI mailed letters to the following companies that were held indirectly in the portfolio informing them of possible divestment from the company and to respond within 90 days of the date of letter with any other information they were able to provide.

Following up annually with companies that remain on the list

Chooc Ltd.  
Inter Rao Ues JSC  
Oil India LTD  
Power Construction Corporation of China, LTD  
Sinopec Engineering (Group) Co Ltd  
Tenaris SA

### May 8th, 2019

MFPRSI mailed out letters to all firms below with the quarterly "scrutinized companies" list from the IW Financial with response date of May 31, 2019.

Firms:  
State Street  
DFA  
Baillie Gifford  
Mondrian  
JP Morgan  
GMO  
Intech  
Dodge & Cox  
Schroders  
BlackRock

### June 4th, 2019

All firms responded to letter with any holdings of securities on "scrutinized companies" list.

**C. Total Positions Divested****FY 2019**

Company	Security	Manager	Category	Active/Inactive	Shares	Prior Qtr Value	Sales Proceeds	Gain/Loss
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No positions were divested in FY 2019