



Michael L. Fitzgerald
Treasurer of State

Capitol Building
1007 E Grand Ave.
Des Moines, IA 50319

September 16, 2019

Honorable W. Charles Smithson,
Secretary of the Senate
Honorable Meghan Nelson,
Chief Clerk of the House
General Assembly of the State of Iowa
State Capitol Building
Des Moines, IA 50319

Dear Mr. Smithson and Ms. Nelson:

I respectfully submit to you the annual reports from the Treasurer of State regarding fiscal year 2019 investment activity related to Iowa Code 12H – Restrictions on Iran-Related Investments. Attached are reports for the State Operating Fund, the Iowa Judicial Retirement System, and the Iowa Peace Officers' Retirement, Accident and Disability System.

Respectfully Yours,

A handwritten signature in cursive script that reads "Michael L. Fitzgerald".

Michael L. Fitzgerald
Treasurer of State

Enclosures

**Iowa State Operating Fund
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2019**

Purpose

This is the eighth annual report required by Iowa Code Chapter 12H regarding restrictions on Iran-related investments by the Iowa State Operating Fund (SOF). In response to the support that Iran has provided for acts of international terrorism, the General Assembly passed HF484, which places restrictions on investments in certain companies that have active business operations in Iran. Effective beginning March 1, 2012, this law intends for state funds not to be invested in companies that provide power production-related services, mineral extraction activities, oil-related activities, or military equipment to the government of Iran.

Chapter 12H applies to SOF in the following ways:

The system must identify and make available to the public a quarterly updated list of scrutinized companies, which have active or inactive business operations in Iran. SOF uses the research services of IW Financial, Inc. to assist in developing the list of scrutinized companies to comply with this requirement.

SOF is prohibited from directly investing in scrutinized companies with active business operations listed on the most current quarterly list. The fund was required to divest from any company with active business operations that were directly held by the fund as of March 1, 2012, after sending written notification to the company.

Any company owned indirectly through a fund is not subject to divestment, but still requires that SOF send written notification. Further, SOF is required to send written correspondence to the investment managers of funds with scrutinized company holdings urging the managers to divest of the scrutinized companies or start a separate fund free of Iran-related holdings.

Scrutinized Companies List

SOF's FY 2019 quarterly scrutinized company list is attached. As of June 30, 2019 SOF did not hold, either directly or indirectly, any companies on the list of scrutinized companies.

Written Notices

During the fiscal year, no companies on the scrutinized company list were held either directly or indirectly by SOF.

Divestment

As SOF did not have any direct or indirect holdings of scrutinized companies, no divestment was required.

Report Availability

This report, along with any other quarterly scrutinized company list can be obtained by contacting the Treasurer's office at 515-281-8478 or jina.bresson@tos.iowa.gov.

**Iowa Judicial Retirement System
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2019**

Purpose

This is the eighth annual report required by Iowa Code Chapter 12H regarding restrictions on Iran-related investments by the Iowa Judicial Retirement System (JRS). In response to the support that Iran has provided for acts of international terrorism, the General Assembly passed HF484, which places restrictions on investments in certain companies that have active business operations in Iran. Effective beginning March 1, 2012, this law intends for state funds not to be invested in companies that provide power production-related services, mineral extraction activities, oil-related activities, or military equipment to the government of Iran.

Chapter 12H applies to JRS in the following ways:

The system must identify and make available to the public a quarterly updated list of scrutinized companies, which have active or inactive business operations in Iran. JRS uses the research services of IW Financial, Inc. to assist in developing the list of scrutinized companies to comply with this requirement.

JRS is prohibited from directly investing in scrutinized companies with active business operations listed on the most current quarterly list. The fund was required to divest from any company with active business operations that were directly held by the fund as of March 1, 2012, after sending written notification to the company.

Any company owned indirectly through a fund is not subject to divestment, but still requires that JRS send written notification. Further, JRS is required to send written correspondence to the investment managers of funds with scrutinized company holdings urging the managers to divest of the scrutinized companies or start a separate fund free of Iran-related holdings.

Scrutinized Companies List

JRS' FY 2019 quarterly scrutinized company list is attached. As of June 30, 2019, JRS did not hold, either directly or indirectly, any companies on the list of scrutinized companies.

Written Notices

During the fiscal year, no companies on the scrutinized company list were held either directly or indirectly by JRS.

Divestment

As JRS did not have any direct or indirect holdings of scrutinized companies, no divestment was required.

Report Availability

This report, along with any other quarterly scrutinized company list can be obtained by contacting the Treasurer's office at 515-281-8478 or jina.bresson@tos.iowa.gov.

**Iowa Peace Officers' Retirement, Accident and Disability System
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2019**

Purpose

This is the eighth annual report required by Iowa Code Chapter 12H regarding restrictions on Iran-related investments by the Iowa Peace Officers' Retirement, Accident and Disability System (PORS). In response to the support that Iran has provided for acts of international terrorism, the General Assembly passed HF484, which places restrictions on investments in certain companies that have active business operations in Iran. Effective beginning March 1, 2012, this law intends for state funds not to be invested in companies that provide power production-related services, mineral extraction activities, oil-related activities, or military equipment to the government of Iran.

Chapter 12H applies to PORS in the following ways:

The system must identify and make available to the public a quarterly updated list of scrutinized companies, which have active or inactive business operations in Iran. PORS uses the research services of IW Financial, Inc. to assist in developing the list of scrutinized companies to comply with this requirement.

PORS is prohibited from directly investing in scrutinized companies with active business operations listed on the most current quarterly list. The fund was required to divest from any company with active business operations that were directly held by the fund as of March 1, 2012, after sending written notification to the company.

Any company owned indirectly through a fund is not subject to divestment, but still requires that PORS send written notification. Further, PORS is required to send written correspondence to the investment managers of funds with scrutinized company holdings urging the managers to divest of the scrutinized companies or start a separate fund free of Iran-related holdings.

Scrutinized Companies List

PORS' FY 2019 quarterly scrutinized company list is attached. As of June 30, 2019, PORS did not hold, either directly or indirectly, any companies on the list of scrutinized companies.

Written Notices

During the fiscal year, Royal Dutch Shell was held directly by PORS. Royal Dutch was notified that they were a scrutinized company on April 27, 2017, and the investment manager had 18 months to divest of the scrutinized company.

Divestment

The investment manager divested of Royal Dutch Shell by October 27, 2018, in accordance with the 18 month policy.

Report Availability

This report, along with any other quarterly scrutinized company list can be obtained by contacting the Treasurer's office at 515-281-8478 or jina.bresson@tos.iowa.gov.

Iran Company List

Aban Offshore Ltd.
ABO Wind AG
Arabian Pipes Co
Bilfinger SE
Capital Product Partners LP
Chadormalu Mineral & Ind. Co.
China Camc Engineering Co. Ltd
China Nonferrous Metal Industry's Foreign Eng. And Const. Co. Ltd.
China Oilfield Services
China Railway Group Ltd
Chiyoda Corporation
Cnooc Ltd.
Danieli & C - Officine Meccaniche Spa
DNO ASA
F.L.Smidth & Co. AS
Gazprom OAO
Gruppo Waste Italia SpA
Hyundai Corporation
Hyundai Engineering & Construction
Hyundai Mobis
Hyundai Motor
Inpex Corporation
Inter Rao Ues JSC
Japan Drilling Co., Ltd.
Japan Petroleum Exploration Co.,Ltd.
JGC Corporation
Kobe Steel Ltd
Korea Electric Power
Korea Gas Corporation
Maire Tecnimont S.p.A.
Man SE
Mitsubishi Materials Corporation
Motor Sich
Norinco Intl Cooperation Ltd
Oil & Natural Gas Corporation Ltd.
Oil India Ltd
PJSC Tatneft
Porsche Automobil Holding SE
Posco
Posco Daewoo Corp
Power Construction Corporation of China, Ltd.

Poyry Plc
Royal Dutch Shell Plc
Shipping Corporation of India Ltd.
Siemens AG
Sinopec Engineering (Group) Co Ltd
Sk Holdings Co. Ltd
United Aircraft Corporation
Volkswagen AG
Welcron Kangwon Co Ltd
Zio Podolsk Machinery Plant