



Michael L. Fitzgerald
Treasurer of State

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

September 23, 2020

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 2020 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,

Michael L. Fitzgerald

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Treasurer of State

Enclosures

**Iowa State Operating Fund
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2020**

Purpose

This is the ninth 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 2020 quarterly scrutinized company list is attached. As of June 30, 2020, 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 515-281-5644 or patrick.mccormick@tos.iowa.gov.

**Iowa Judicial Retirement System
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2020**

Purpose

This is the ninth 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 2020 quarterly scrutinized company list is attached. As of June 30, 2020, 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 515-281-5644 or patrick.mccormick@tos.iowa.gov.

**Iowa Peace Officers' Retirement, Accident and Disability System
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2020**

Purpose

This is the ninth 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 2020 quarterly scrutinized company list is attached. As of June 30, 2020, PORS 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 PORS.

Divestment

As PORS 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 515-281-5644 or patrick.mccormick@tos.iowa.gov.

Iran Company List

Aban Offshore Limited
ABO Wind AG
AF Poyry AB
Arabian Pipes Co.
Bilfinger SE
Capital Product Partners LP
Chadormalu Mining & Industrial Co. (PJS)
China CAMC Engineering Co., Ltd.
China Nonferrous Metal Industry's Foreign Eng. & Constr.
China Oilfield Services Limited
China Railway Group Limited
Danieli & C. Officine Meccaniche SpA
FLSmidth & Co. A/S
Gazprom PJSC
HYUNDAI Corp.
HYUNDAI ENGINEERING & CONSTRUCTION CO., LTD.
Hyundai Mobis Co., Ltd.
Hyundai Motor Co., Ltd.
INPEX Corp.
Japan Petroleum Exploration Co., Ltd.
Kangwon Co., Ltd.
Korea Electric Power Corp.
Korea Gas Corp.
MAN SE
Mitsubishi Materials Corp.
Motor Sich JSC
Norinco International Cooperation Ltd.
Oil & Natural Gas Corp. Ltd.
Oil India Limited
Porsche Automobil Holding SE
POSCO
POSCO INTERNATIONAL Corp.
Power Construction Corporation of China, Ltd.
Siemens AG
SINOPEC Engineering (Group) Co., Ltd.
Tatneft PJSC
The Shipping Corp. of India Ltd.
United Aircraft Corp. PJSC
Volkswagen AG