



Michael L. Fitzgerald  
Treasurer of State

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

September 21, 2021

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 2021 investment activity related to Iowa Code 12F – Restrictions on Sudan-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 black ink that reads "Michael L. Fitzgerald". The signature is written in a cursive, flowing style.

Michael L. Fitzgerald  
Treasurer of State

Enclosures

**Iowa State Operating Fund  
Annual Report  
On Sudan Divestment  
For The Fiscal Year Ended June 30, 2021**

**Purpose**

This is the fourteenth annual report required by Iowa Code Chapter 12F regarding restrictions on Sudan-related investments by the Iowa State Operating Fund (SOF). In response to the ongoing human rights situation in the Darfur region of the country of Sudan, the General Assembly passed SF361, which places restrictions on investments in certain companies that have active business operations there. Effective beginning July 1, 2007, 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 Sudan.

Chapter 12F 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 Sudan. 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 July 1, 2007, 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 Sudan-related holdings.

**Scrutinized Companies List**

SOF's final FY 2021 quarterly scrutinized company list is attached. As of June 30, 2021, SOF did not hold, either directly or indirectly, any companies on the list of scrutinized companies.

**Written Notices**

During the fiscal year, Nissan was held directly by SOF. As per the requirements of the law, SOF sent a letter to the scrutinized company in November 2019, urging them to cease all business operations in the country of Sudan. A letter was also sent to the investment manager to inform them that investment must be divested no sooner than ninety days, but no later than eighteen months, following the first written notice sent to the scrutinized company.

**Divestment**

The position in Nissan was fully divested by February 2021.

**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](mailto:patrick.mccormick@tos.iowa.gov).

**Iowa Judicial Retirement System**  
**Annual Report**  
**On Sudan Divestment**  
For The Fiscal Year Ended June 30, 2021

**Purpose**

This is the fourteenth annual report required by Iowa Code Chapter 12F regarding restrictions on Sudan-related investments by the Iowa Judicial Retirement System (JRS). In response to the ongoing human rights situation in the Darfur region of the country of Sudan, the General Assembly passed SF361, which places restrictions on investments in certain companies that have active business operations there. Effective beginning July 1, 2007, 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 Sudan.

Chapter 12F 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 Sudan. 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 July 1, 2007, 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 Sudan-related holdings.

**Scrutinized Companies List**

JRS' FY 2021 quarterly scrutinized company list is attached. As of June 30, 2021, JRS indirectly held two companies (GE and Baker Hughes) that are on the quarterly divestment list.

**Written Notices**

During the fiscal year, GE and Baker Hughes were held indirectly by JRS. GE and Baker Hughes became scrutinized during fiscal year 2019. As per the requirements of the law, JRS sent a letter to the scrutinized companies in fiscal year 2019, urging them to cease all business operations in the country of Sudan. All direct holdings have been divested but JRS continues to have indirect holdings of the companies through funds.

**Divestment**

Since the companies are owned indirectly through funds, no divestment is 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](mailto:patrick.mccormick@tos.iowa.gov).

**Iowa Peace Officers' Retirement, Accident and Disability System**  
**Annual Report**  
**On Sudan Divestment**  
For The Fiscal Year Ended June 30, 2021

**Purpose**

This is the fourteenth annual report required by Iowa Code Chapter 12F regarding restrictions on Sudan-related investments by the Iowa Peace Officers' Retirement, Accident and Disability System (PORS). In response to the ongoing human rights situation in the Darfur region of the country of Sudan, the General Assembly passed SF361, which places restrictions on investments in certain companies that have active business operations there. Effective beginning July 1, 2007, 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 Sudan.

Chapter 12F 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 Sudan. 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 July 1, 2007, 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 Sudan-related holdings.

**Scrutinized Companies List**

PORS' FY 2021 quarterly scrutinized company list is attached. As of June 30, 2021, PORS indirectly held two companies (GE and Baker Hughes) that are on the quarterly divestment list.

**Written Notices**

During the fiscal year, GE and Baker Hughes were held indirectly by PORS. GE and Baker Hughes became scrutinized during fiscal year 2019. As per the requirements of the law, PORS sent a letter to the scrutinized companies in fiscal year 2019, urging them to cease all business operations in the country of Sudan. All direct holdings have been divested but PORS continues to have indirect holdings of the companies through funds.

**Divestment**

Since the companies are owned indirectly through funds, no divestment is 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](mailto:patrick.mccormick@tos.iowa.gov).

## **Sudan Company List**

Anton Oilfield Services Group  
ASEC Co. for Mining  
Baker Hughes Company  
BYD Company Limited  
China Energy Engineering Corp. Ltd.  
China Petroleum & Chemical Corporation  
China Yangtze Power Co., Ltd.  
Dongfeng Motor Group Co., Ltd.  
Elsewedy Electric Co.  
Energy House Holding Co.  
Gas To Liquid PJSC  
General Electric Company  
Harbin Electric Co. Ltd.  
Hyundai Motor Co., Ltd.  
Indian Oil Corp. Ltd.  
KAMAZ PTC  
Kuwait Finance House KSC  
Managem SA  
Nissan Motor Co., Ltd.  
Oil & Natural Gas Corp. Ltd.  
Oil India Limited  
Orca Gold, Inc.  
PetroChina Company Limited  
Qalaa Holdings  
Resolute Mining Limited  
Shanghai Electric Group Co., Ltd.  
Siemens Energy AG  
Volkswagen AG