Iowa State Operating Fund

**Annual Report**

**On Iran Divestment**

# For The Fiscal Year Ended June 30, 2013

## **Purpose**

## This is the second 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 2013 quarterly scrutinized company list is attached. As of June 30, 2013 SOF does 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@iowa.gov.

Iowa Peace Officers’ Retirement, Accident and Disability System

**Annual Report**

**On Iran Divestment**

# For The Fiscal Year Ended June 30, 2013

## **Purpose**

## This is the second 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 2013 quarterly scrutinized company list is attached. As of June 30, 2013, PORS has an indirect holding in Gas Natural SDG through an exchange traded fund. PORS did not directly hold any companies on the quarterly divestment list.

**Written Notices**

During the year, PORS had an indirect holding in Gas Natural SDG. As per the requirements of the law, PORS sent a letter to Gas Natural SDG urging them to cease all active business operations in the country of Iran.

A letter was also sent to Vanguard, notifying them that their exchange traded fund had exposure to a scrutinized company (Gas Natural SDG). Vanguard was urged to divest of this company or start a separate fund that PORS could invest in that would be free of any Iran-related investments.

**Divestment**

As PORS did not have any direct holdings of scrutinized companies, no divestment was required. Indirect investments do not require divestment.

**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@iowa.gov.

Iowa Judicial Retirement System

**Annual Report**

**On Iran Divestment**

# For The Fiscal Year Ended June 30, 2013

## **Purpose**

This is the second 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 2013 quarterly scrutinized company list is attached. As of June 30, 2013 JRS does not hold, either directly or indirectly, any companies on the list of scrutinized companies.

**Written Notices**

During the year, JRS had direct holdings in BP Capital Markets and Petroleo Brasileiro, but no indirect holdings. As per the requirements of the law, JRS sent letters to BP Capital Markets and Petroleo Brasileiro in 2012, urging them to cease all active business operations in the country of Iran. If the scrutinized company did not cease business operations, the manager had 18 months to divest, with the final deadline of August 2013.

**Divestment**

During the year Petroleo Brasileiro was removed from the list of scrutinized companies so no divestment was necessary. BP Capital Markets remained on the list of scrutinized companies so the manager divested of the company during 2013.

JRS did not have any indirect holdings as of June 30, 2013.

**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@iowa.gov.

**Iran Company List – June 30, 2013**

Aban Offshore Ltd.

Arabian Pipes Co

Bharat Petroleum Corporation Ltd.

BP plc

Chadormalu Mineral & Ind. Co.

China Nonferrous Metal Industry`s Foreign Eng. and Const. Co. Ltd.

China Oilfield Services

China Petroleum & Chemical Corp

Crompton Greaves Ltd.

Daelim Industrial

Dominion Energy PLC

Doosan Co., Ltd

Doosan Heavy Industries and Construction

Engineers India Ltd.

Exmar SA

Finmeccanica Spa

Gail (India) Ltd.

Gas Natural SDG

GS Engineering & Construction Corp

GS Holdings

Ilyushin Aviation Complex

Ina-Industrija Nafte DD

Indian Oil Corporation Ltd.

KEC International Ltd.

Mangalore Refinery & Petrochemicals Ltd.

Mitsui & Co. Ltd

MMC Corp Bhd

Motor Sich

Nagarjuna Fertilizers & Chemicals Ltd.

Oil & Natural Gas Corporation Ltd.

Oil India Ltd

OMV AG

Outotec Oyj

PetroChina Co. Ltd.

Petrofac

Poyry PLC

PTT Public Company Limited

Sinohydro. Group, Ltd.

SK Networks Co. Ltd.

Technip

Tupolev Oao

UCL Resources Limited

United Aircraft Corporation

Zio Podolsk Machinery Plant