

**Iowa Peace Officers' Retirement, Accident and Disability System
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2017**

Purpose

This is the sixth 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 2017 quarterly scrutinized company list is attached. As of June 30, 2017, PORS held one company directly on the quarterly divestment list.

Written Notices

During the fiscal year, Royal Dutch Shell and Eni Spa were held directly by PORS. As per the requirements of the law, PORS sent letters to the scrutinized companies, 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 investment manager has divested of Royal Dutch Shell. The investment manager has 18 months to divest of Eni Spa.

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, 2017**

Purpose

This is the sixth 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 2017 quarterly scrutinized company list is attached. As of June 30, 2017, JRS does not hold, either directly or indirectly, any companies on the list of scrutinized companies.

Written Notices

During the fiscal year, Royal Dutch Shell and Hyundai Motor were held directly by JRS. As per the requirements of the law, JRS sent letters to the scrutinized companies, 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 investment manager has divested of both Royal Dutch Shell and Hyundai Motor.

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 State Operating Fund
Annual Report
On Iran Divestment
For The Fiscal Year Ended June 30, 2017**

Purpose

This is the sixth 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 2017 quarterly scrutinized company list is attached. As of June 30, 2017 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.

Iran Company List

Aban Offshore Ltd.
Alstom SA
Arabian Pipes Co
Biancamano Spa
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 Petroleum & Chemical Corp
China Railway Group Ltd
Chiyoda Corporation
Daelim Industrial
Daewoo Engineering & Construction
Danieli & C - Officine Meccaniche Spa
DNO ASA
Engineers India Ltd.
Eni Spa
F.L.Smith & Co. AS
Gazprom OAO
Glencore plc
Gruppo Waste Italia SpA
Hyundai Engineering & Construction
Hyundai Mobis
Hyundai Motor
Indian Oil Corporation Ltd.
Inpex Corporation
Inter Rao Ues JSC
Japan Drilling Co., Ltd.
Japan Petroleum Exploration Co.,Ltd.
Korea Electric Power
Kuwait Finance House
Maire Tecnimont S.p.A.
Marubeni Corporation
Mitsubishi Materials Corporation
Motor Sich
National Aluminium Co. Ltd.
Oil & Natural Gas Corporation Ltd.
Oil India Ltd
OMV AG
PetroChina Co. Ltd.

PJSC Lukoil
PJSC Tatneft
Polskie Gornictwo Naftowe i Gazownictwo SA
Posco
Posco Daewoo Corp
Power Construction Corporation of China, Ltd.
Poyry Plc
Royal Dutch Shell Plc
Shipping Corporation of India Ltd.
Siemens AG
Stroytransgaz OAO
United Aircraft Corporation
Zio Podolsk Machinery Plant