

**Governing Iowa's public
universities and special schools**

University of Iowa
Iowa State University
University of Northern Iowa
Iowa School for the Deaf
Iowa Braille and Sight Saving School
Lakeside Lab Regents Resource Center
Quad-Cities Graduate Center
Southwest Iowa Regents Resource Center
Tri-State Graduate Center



**BOARD OF
REGENTS**
STATE OF IOWA

David W. Miles, President, *West Des Moines*
Jack B. Evans, Pro Tem, *Cedar Rapids*
Bonnie J. Campbell, *Des Moines*
Robert N. Downer, *Iowa City*
Michael G. Gartner, *Des Moines*
Ruth R. Harkin, *Cumming*
Greta A. Johnson, *Le Mars*
Craig A. Lang, *Brooklyn*
Rose A. Vasquez, *Des Moines*

Robert Donley, *Executive Director*

December 17, 2008

Michael E. Marshall
Secretary of the Senate
State Capitol Building
Des Moines IA 50319

Mark Brandsgard
Chief Clerk of the House
State Capitol Building
Des Moines IA 50319

Re: Sudan Divestment – Annual Report

Dear Members of the Iowa General Assembly:

Pursuant to 2007 Iowa Acts, Chapter 39 §12A.5, the enclosed annual report includes information on the scrutinized companies list and related investment information from the Regent institutions. The notice of this report is attached and posted on the Board of Regents website at:

<http://www2.state.ia.us/regents/Reports/AnnualSudanDivestmentReport.pdf>

If there are any questions concerning this report, please do not hesitate to contact us.

Sincerely,

Robert Donley

H:\BF\Legislative\2009 Session\responses\GA_Sudandivest12172008.doc
Attachments

cc: Dwayne Ferguson
Legislative Liaisons
Legislative Log

**Governing Iowa's public
universities and special schools**

University of Iowa
Iowa State University
University of Northern Iowa
Iowa School for the Deaf
Iowa Braille and Sight Saving School
Lakeside Lab Regents Resource Center
Quad-Cities Graduate Center
Southwest Iowa Regents Resource Center
Tri-State Graduate Center



**BOARD OF
REGENTS**
STATE OF IOWA

David W. Miles, President, *West Des Moines*
Jack B. Evans, Pro Tem, *Cedar Rapids*
Bonnie J. Campbell, *Des Moines*
Robert N. Downer, *Iowa City*
Michael G. Gartner, *Des Moines*
Ruth R. Harkin, *Cumming*
Craig A. Lang, *Brooklyn*
Rose A. Vasquez, *Des Moines*

Robert Donley, *Executive Director*

Sudan Investment Restrictions

2007 Iowa Acts, Chapter 39, prohibits the Board of Regents from investing in certain companies doing business in the Sudan. Regents institutions fully comply with this law, which became effective July 1, 2007.

The Board of Regents uses the Sudan Divestment Task Force's Highest Offender List to develop and periodically update a list of prohibited companies for its investments. If Regents institutions hold any investments with companies on the Highest Offender List, a letter will be sent asking them to explain their business operations in the Sudan.

If the companies do not respond within 90 days or do not take corrective action, Regents institutions will not make any new investments in any of the companies. Further, Regents institutions will also divest of any directly held securities issued by these companies within 18 months. If the Regents own an interest in a mutual fund that holds securities (an indirect holding) of a company on the prohibited list, the Board of Regents will decide if divestment is warranted.

The Sudan Divestment Task Force updates the Highest Offender List on a quarterly basis. Regents institutions review investments against the list upon publication of the updated list. A list of scrutinized companies for the most recent quarter is available upon request.

For direct investments in "scrutinized companies" with *inactive* business operations, written notice is sent to each company informing them of the Act and encouraging them to refrain from active business in Sudan. If the company remains on the list, the Regents must annually follow up.

An annual report is due to the General Assembly, the first report due October 1, 2008 and annually each October 1 hereafter. The Annual Report includes (i) list of scrutinized companies, (ii) summary of notices, and (iii) all investments sold, divested, or withdrawn pursuant to the act. The annual report is available upon request.

Board of Regents, State of Iowa

A. Total Universe of Companies Per Sudan Divestment Task Force

B. Summary of all written notices sent

C. Total Positions Divested

As of: June 30, 2008

A. Total Universe of Companies Per Sudan Divestment Task Force

COMPANY	CATEGORY
1 Abb LTD (SWITZERLAND)	Highest Offender
2 Alstom (FRANCE)	Highest Offender
3 Aref Investment Group Co (KUWAIT)	Highest Offender
4 Avichina Industry & Technology Co Ltd (CHINA)	Highest Offender
5 Bharat Heavy Electricals Ltd - bonds (INDIA)	Highest Offender
6 Bongaigaon Refinery & Petrochemicals Ltd (INDIA)	Highest Offender
7 Chennai Petroleum Corporation Limited (INDIA)	Highest Offender
8 China National Petroleum Corp (CHINA)	Highest Offender
9 CNPC Hong Kong Ltd (CHINA)	Highest Offender
10 Dietswell Engineering (FRANCE)	Highest Offender
11 Dongfeng Automobile Co, Ltd. (CHINA)	Highest Offender
12 Electricity Generating PCL, aka EGCO (THAILAND)	Highest Offender
13 Egypt Kuwait Holding Co (KUWAIT)	Highest Offender
14 Hafei Aviation Industry CO (CHINA)	Highest Offender
15 Harbin Dongan Auto Engine Co Ltd (CHINA)	Highest Offender
16 Harbin Power Equipment Co Ltd (CHINA)	Highest Offender
17 Indian Oil Corp Ltd (INDIA)	Highest Offender
18 Jiangxi Changhe Automobile Co, LTD (CHINA)	Highest Offender
19 Jiangxi Hongdu Aviation Industry Co, LTD (CHINA)	Highest Offender
20 Kejuruterann Samudra Timur Bhd, aka KSTB (MALAYSIA)	Highest Offender
21 Kencana Petroleum Bhd (MALAYSIA)	Highest Offender
22 Khanom Electricity Generating Co - Bonds (THAILAND)	Highest Offender
23 KMCOB Capital Berhad - bonds (MALAYSIA)	Highest Offender
24 Kuwait Food Company (KUWAIT)	Highest Offender
25 Lanka IOC Ltd (INDIA)	Highest Offender
26 Lundin International SA (SWEDEN)	Highest Offender
27 Lundin Petroleum AB (SWEDEN)	Highest Offender
28 Malaysia International Shipping Company aka MISC BHD (MALAYSIA)	Highest Offender
29 Mangalore Refinery & Petrochemicals Ltd (INDIA)	Highest Offender
30 Midciti Resources Sdn Berhad - Bonds (MALAYSIA)	Highest Offender
31 Mohammed Abdulmohsin Al-Kharafi & Sons Co (KUWAIT)	Highest Offender
32 Muhibbah Engineering Berhad (MALAYSIA)	Highest Offender
33 Oil & Natural Gas Corp LTD (INDIA)	Highest Offender
34 Optimal Olefins Sdn Berhad - Bonds (MALAYSIA)	Highest Offender
35 PECD Berhad (MALAYSIA)	Highest Offender
36 Petrochina Co Ltd (CHINA)	Highest Offender
37 Petroliam Nasional Berhad (Petronas) (MALAYSIA)	Highest Offender
38 Petronas Assets SDN Berhadd (bonds (MALAYSIA)	Highest Offender
39 Petronas Capital Limited - bonds (MALAYSIA)	Highest Offender
40 Petronas Dagangan Bhd (MALAYSIA)	Highest Offender
41 Petronas Fertilizer - Bonds (MALAYSIA)	Highest Offender
42 Petronas Gas Bhd (MALAYSIA)	Highest Offender
43 Ranhill Berhad (MALAYSIA)	Highest Offender
44 Scomi Engineering Berhad (MALAYSIA)	Highest Offender
45 Scomi Group Berhad (MALAYSIA)	Highest Offender
46 Sinopec Corp (CHINA)	Highest Offender
47 Sinopec Group (CHINA)	Highest Offender
48 Sinopec Kanton Holdings Ltd (CHINA)	Highest Offender
49 Sinopec Shanghai Petrochemical Co Ltd (CHINA)	Highest Offender
50 Warsila Oyj (FINLAND)	Highest Offender
51 Wuhan Boiler Co (FRANCE)	Highest Offender
52 Atlas Copco AB (SWEDEN)	Ongoing Engagement

A. Total Universe of Companies Per Sudan Divestment Task Force

COMPANY	CATEGORY
53 Bharat Electronics Limited (INDIA)	Ongoing Engagement
54 Bollore Group (FRANCE)	Ongoing Engagement
55 Boustead Heavy Industries Corp (MALAYSIA)	Ongoing Engagement
56 Brinkley Mining PLC (UK)	Ongoing Engagement
57 China North Industries Corp aka NORINCO (CHINA)	Ongoing Engagement
58 Concordia Maritime AB (SWEDEN)	Ongoing Engagement
59 KamAZ (RUSSIA)	Ongoing Engagement
60 LA MANCHA RESOURCES INC (CANADA)	Ongoing Engagement
61 Man AG (GERMANY)	Ongoing Engagement
62 Mercator Lines (INDIA)	Ongoing Engagement
63 Mitsui Engineering & Shipbuilding Co, LTD (JAPAN)	Ongoing Engagement
64 Nam Fatt Corp Bhd (MALAYSIA)	Ongoing Engagement
65 Nippon Oil Corporation (JAPAN)	Ongoing Engagement
66 Petrofac Ltd (Jersey, UK)	Ongoing Engagement
67 Reliance Industries Ltd (INDIA)	Ongoing Engagement
68 Saras SPA (ITALY)	Ongoing Engagement
69 Schlumberger Ltd (NETHERLANDS-ANTILLES)	Ongoing Engagement
70 Shanghi Power Transmission and Distribution Company (CHINA)	Ongoing Engagement
71 Sudan Telecommunications Company aka Sudatel (SUDAN)	Ongoing Engagement
72 Suez SA (FRANCE)	Ongoing Engagement
73 Total SA (FRANCE)	Ongoing Engagement

Companies from Sudan Divestment Task Force dated August 31, 2008

B. Summary of all written notices

- July 12, 2007** Board of Regents notified Regent institutions of Sudan Divestment Task Force document valid through May 15, 2007 listing scrutinized companies and asked them to identify any of these companies within their investment holdings. Institutions responded.
- November 30, 2007** Board of Regents notified Regent institutions of Sudan Divestment Task Force document valid for the quarter ended September 30, 2007 listing scrutinized companies and asked them to identify any of these companies within their investment holdings. Institutions responded.
- December 18, 2007** Board of Regents mailed letters to following firm telling them of new legislation enacted pertaining to Sudan. Firm was notified of securities held in portfolio that appeared on the scrutinized companies list determined by the Sudan Divestment Task Force (SDTF).
Firms:
GMO. LLC
- Board of Regents mailed letters to the following firms notifying them of new legislation enacted pertaining to Sudan. These companies are not actively engaged and do not meet the criteria for divestment.
Firms:
Total SA, France
Rolls Royce Group, UK
Suez SA, France
- February 15, 2008** Board of Regents mailed out letters to following firms notifying them of companies in their portfolio appearing of the "scrutinized companies" list from the SDTF.
Firms:
GMO. LLC
- Board of Regents mailed letters to the following firms notifying them of legislation enacted pertaining to Sudan. These companies are not actively engaged and do not meet the criteria for divestment.
Firms:
Total SA, France
Rolls Royce Group, UK
Suez SA, France
- February 29, 2008** Board of Regents notified Regent institutions of Sudan Divestment Task Force document valid for the quarter ended December 31, 2007 listing scrutinized companies and asked them to identify any of these companies within their investment holdings. Institutions responded.
- June 4, 2008** Board of Regents notified Regent institutions of Sudan Divestment Task Force document valid for the quarter ended June 30, 2008 listing scrutinized companies and asked them to identify any of these companies within their investment holdings. Institutions responded.
- June 5th, 2008** Board of Regents mailed out letters to following firms notifying them of companies in their portfolio appearing of the "scrutinized companies" list from the SDTF.
Firms:
GMO. LLC
- Board of Regents mailed letters to the following firms notifying them of legislation enacted pertaining to Sudan. These companies are not actively engaged and do not meet the criteria for divestment.
Firms:
Total SA, France
Rolls Royce Group, UK
Suez SA, France
- Post notice on Regents website that Sudan Divestment quarterly reports have been filed and are available.

