

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



Board Members:

Governor
Mark Dayton

State Auditor
Rebecca Otto

Secretary of State
Mark Ritchie

Attorney General
Lori Swanson

Executive Director:

Mansco Perry

DATE: January 15, 2014

TO: Senator Tom Saxhaug, Chair, Senate Committee on
State Departments and Veterans Division
Senator Roger C. Chamberlain, Senate Committee on State
Departments and Veterans Division

Senator Richard Cohen, Chair, Senate Committee on Finance
Senator Michelle L. Fischbach, Senate Committee on Finance

Representative Michael V. Nelson, Chair, House Committee on
Government Operations

Representative Joyce Peppin, House Committee on Government
Operations

Representative Lyndon Carlson, Sr., Chair, House Committee
on Ways and Means

Representative Mary Liz Holberg, House Committee on Ways
and Means

Representative Mary Murphy, Chair, House Committee on
State Government Finance and Veterans Affairs

Representative Bob Dettmer, House Committee on State
Government Finance and Veterans Affairs

FROM: Mansco Perry III, Executive Director *MP 3*

SUBJECT: Report on Iran Required by *Minnesota Statutes*, Section 11A.244.

Minnesota Statutes, section 11A.244, requires the State Board of Investment (SBI) to submit a report to the chairs of the legislative committees and divisions with jurisdiction over the SBI concerning the SBI's identification of, communication with and discontinuance of investment in certain companies with operations in Iran.

Section 11A.244, subdivision 9 specifies that the SBI include in the report:

1. a list of scrutinized companies;
2. summary of correspondence with companies;
3. a list of investments divested;
4. a list of prohibited investments;
5. a description of any progress in having investment management firms create investment funds that exclude Iran companies.

60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
FAX (651) 296-9572
E-mail:
minn.sbi@state.mn.us
www.sbi.state.mn.us

An Equal Opportunity
Employer

As provided for in Section 11A.244, subdivision 2, the SBI purchases Iran research services regarding companies with business operations in Iran from IW Financial through Glass Lewis.

Attachment 1 is the list of scrutinized companies.

The SBI did not send out any letters to additional companies in 2013.

The law calls for divestment of securities of companies which do not publicly announce substantial action specific to Iran within 90 days of the SBI correspondence. The SBI divested 519,308 shares of stock of five companies in 2013.

Attachment 2 is the list of restricted companies sent to SBI equity and bond managers. The managers are explicitly instructed to refrain from purchasing securities of companies on this list.

Enclosures

ATTACHMENT 1
RESTRICTED IRAN COMPANIES
SECURITIES OF COMPANIES MAY NOT BE PURCHASED FOR PORTFOLIO

COMPANY NAME	COUNTRY
Bharat Petroleum Corporation Ltd.	India
China Petroleum & Chemical Corp	China
Daelim Industrial	South Korea
Gail (India) Ltd.	India
Gazprom	Russia
GS Engineering & Construction Corp	South Korea
GS Holdings	South Korea
Gubre Fabrikalari T.A.S.	Turkey
Ina-Industrija Nafta DD	Croatia
Indian Oil Corporation Ltd.	India
Liquefied Natural Gas Ltd	Australia
Marie Tecnimont S.p.A.	Italy
Mitsui & Co. Ltd	Japan
Nagarjuna Fertilizers & Chemicals Ltd.	India
Oil & Natural Gas Corporation Ltd.	India
PetroChina Co. Ltd.	China
Punj Lloyd Ltd.	India
Toyota Tsusho Corporation	Japan

Effective Date: December 17, 2013

ATTACHMENT 2
RESTRICTED IRAN COMPANIES
SECURITIES OF COMPANIES MAY NOT BE PURCHASED FOR PORTFOLIO

COMPANY NAME	COUNTRY
Bharat Petroleum Corporation Ltd.	India
China Petroleum & Chemical Corp	China
Daelim Industrial	South Korea
Gail (India) Ltd.	India
Gazprom	Russia
GS Engineering & Construction Corp	South Korea
GS Holdings	South Korea
Gubre Fabrikalari T.A.S.	Turkey
Ina-Industrija Nafta DD	Croatia
Indian Oil Corporation Ltd.	India
Liquefied Natural Gas Ltd	Australia
Marie Tecnimont S.p.A.	Italy
Mitsui & Co. Ltd	Japan
Nagarjuna Fertilizers & Chemicals Ltd.	India
Oil & Natural Gas Corporation Ltd.	India
PetroChina Co. Ltd.	China
Punj Lloyd Ltd.	India
Toyota Tsusho Corporation	Japan

Effective Date: December 17, 2013