

California Public Employees' Retirement System

2017 California Divest from Iran Act and Sudan Act

Legislative Report

Prepared: November 30, 2017

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Executive Summary

This report is provided by the California Public Employees' Retirement System (CalPERS) pursuant to the requirements of California Government Code (G.C.) § 7513.6, also known as the Sudan Act, and §7513.7, also known as the "California Public Divest from Iran Act."

The Acts require the CalPERS Board of Administration (Board), consistent with its fiduciary responsibilities, to identify, engage, and potentially divest from companies meeting the conditions specified in the Acts. Further, the Acts require ongoing annual reporting by CalPERS to the California Legislature until the respective sunset provisions have been satisfied.

For the 2017 reporting period:

1. The Public Employees' Retirement Fund has been screened for companies potentially meeting the criteria for consideration under the Acts
 - a. Several new companies held within the public asset class portfolios have been identified for further review.
 - b. It has been confirmed there are no related holdings within the private equity portfolios.
2. No new companies have been proposed for divestment.

Background Information – Inception of the Acts

In 2007, Assembly Bill 221 (California Public Divest from Iran Act) and Assembly Bill 2941 (the Sudan Act) were enacted to prohibit CalPERS and CalSTRS from investing in companies with specified business activities in Iran and Sudan, respectively, subject to the fiduciary duties of the Board as described in Section 17 of Article XVI of the California Constitution. In October 2011, Assembly Bill 1151 was passed, amending AB 221 to its current form.

CalPERS Compliance with the Acts

Among other things, the Acts require CalPERS to utilize publicly available information to identify portfolio companies that may be subject to the Acts and to make a good faith effort to identify potential private equity exposures.

CalPERS reviews a variety of information sources to identify the companies in its portfolio that may potentially meet the threshold criteria for divestment. There may be instances in which CalPERS has not engaged a company that was identified by other agencies, such as the California Department of General Services (DGS) or the California State Teachers' Retirement System (CalSTRS) as potentially satisfying the criteria specified in the Acts. Reasons for this may include, but are not limited to:

- Portfolio holdings – Companies identified by DGS or CalSTRS may not be held in the CalPERS Public Employees' Retirement Fund (PERF) during the reporting period. It has been CalPERS' general policy to engage only where the System has holdings.
- Timing – CalPERS coordinates its engagement efforts with CalSTRS; however difference may occur due to the timing of each respective organization's engagement with individual companies.

Additional information on CalPERS compliance with the reporting requirements of the respective Acts is included in the sections below.

CalPERS 2017 Report – G.C. 7513.6 (Sudan Act)

In consideration of the requirements of the Act, the potentially lengthy discovery and confirmation process, and ease of presentation, CalPERS will group companies into several categories:

1. **Divested/Restricted** – These are companies that were determined to have satisfied the threshold criteria for divestment defined by §7513.6, and as to which the CalPERS Board determined divestment would be consistent with its fiduciary obligations.
 - This category addresses requirements §7513.6(i)(3) and (i)(4) should liquidation of a company be in progress with restrictions on new purchases
2. **Under Review** – These are companies that have been identified as possibly subject to the Act and that are undergoing the engagement and communication cycle specified by the Act, or that are being considered for divestment in accordance with CalPERS policies.
 - This category addresses requirements §7513.6(i)(1) and (2)
3. **Monitoring** – These are companies that were initially identified for possible consideration under the Act, but then confirmed as *not*, in fact, meeting the threshold criteria for consideration under §7513.6, which CalPERS continues to monitor for possible changes in status relevant to the Act.
 - This category addresses requirements §7513.6(i)(5)
 - **Note:** Two companies that were previously identified as in the “monitoring” category, where CalPERS had no exposure and had therefore not undergone the engagement and review process, have been removed from this report. These companies were Kunlun Energy and Petroleum Nasional Bhd (aka “Petronas”). Staff will continue to monitor the portfolios and will commence engagement activities should CalPERS acquire an exposure.
4. **Exempted** – These are companies that were identified, and confirmed as meeting the threshold criteria for divestment, but that the CalPERS Board has elected to exempt from divestment.
 - This category addresses the requirements of §7513.6(i)(4) for companies exempted from divestment on fiduciary grounds, and of §7513.6(i)(6) where the “Sudan-free” alternative fund or account has been deemed not financially equivalent to an unconstrained fund/account such that the Board elected not to transfer assets therein (component §7513.6(f)(2)).

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This category also addresses §7513.6(i)(6), component §7513.6 (f)(3), should the Board elect not to divest from a private equity exposure in a company confirmed to have met the threshold criteria for divestment.

5. **Other** – This category is used to capture other required reporting components not captured in the other four categories.
 - §7513.6(f), as part of §7513.6(i)(6), in which an economically equivalent alternative fund or account was established with PERF assets transferred therein.
 - §7513.6(j) any investments in a company with business operations in Sudan (as defined in the Act), that the board voluntarily sold or transferred.

These elements are included in Tables 1 through 5, by category, on the following pages. All holdings information is as of October 31, 2017 unless otherwise noted. Additionally, “market value” may include both public equity and debt assets.

Table 1 – Divested/Restricted Companies (\$7513.6)

Table 1: Divested/Restricted Companies Sudan					
Ref #	Company	Summary of Ties to Sudan	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	Dongfeng Motor Group Company Ltd.	The company has reportedly supplied military vehicles to the Sudanese government. CalPERS Investment Committee approved divestment from the company in May 2011.	No change	0	\$0
2.	El Sewedy Electric Company	The company reportedly provides support to Sudan's electricity generating infrastructure, including ownership and operations of a power transmission cable production plant in Sudan. CalPERS Investment Committee approved divestment from the company in May 2011.	No change	0	\$0
3.	Oil & Natural Gas Company (India)	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	No change	0	\$0
4.	Mangalore Refinery & Petrochemical Ltd. (India)	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	Previously listed as "monitoring" status, changed to reflect updated format reporting "restricted" companies with "divested" companies.	0	\$0
5.	Bharat Heavy Electrical Limited	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment	Previously listed as "monitoring" status, changed to reflect updated format reporting	0	\$0

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Table 1: Divested/Restricted Companies Sudan					
Ref #	Company	Summary of Ties to Sudan	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
		Committee took action to restrict future investments in the company.	"restricted" companies with "divested" companies.		
6.	PECD Bhd.	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	Previously listed as "monitoring" status, changed to reflect updated format reporting "restricted" companies with "divested" companies.	0	\$0
7.	PetroChina	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	Previously listed as "monitoring" status, changed to reflect updated format reporting "restricted" companies with "divested" companies.	0	\$0
8.	Sudan Telecom (aka "Sudatel")	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	Previously listed as "monitoring" status, changed to reflect updated format reporting "restricted" companies with "divested" companies.	0	\$0
9.	China Petroleum and Chemical Corp (aka "Sinopec Corp")	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	Previously listed as "monitoring" status, changed to reflect updated format reporting "restricted" companies with "divested" companies.	0	\$0

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Table 1: Divested/Restricted Companies Sudan					
Ref #	Company	Summary of Ties to Sudan	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
10.	Nam Fatt Co Bhd	In March of 2006 the company was identified by the UC Regents as potentially providing monetary or military support to the Sudanese government. In May of 2006, having no holdings to divest, CalPERS' Investment Committee took action to restrict future investments in the company.	Previously listed as "monitoring" status, changed to reflect updated format reporting "restricted" companies with "divested" companies.	0	\$0
Category Total					\$0

Table 2 – Companies Under Review (\$7513.6)

Table 2: Companies Under Review Sudan					
Ref #	Company	Summary of Possible Ties to Sudan	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	Shanghai Electric Group	The company has been reported as potentially having several contracts relating to power transmission in Sudan.	The review process continues to proceed.	6,429,034	\$2,917,119
2.	Petronas Chemicals Group	The company is a majority owned subsidiary of Petroliam Nasional Berhad (aka "Petronas"). Petronas has been identified as potentially having interests in oil fields in Sudan.	CalPERS has commenced the review process to confirm subsidiary/parent disposition relevant to the Act.	1,256,900	\$2,188,107
3.	Andritz AG	The company has been identified as potentially providing industrial machinery in Sudan.	CalPERS has commenced the review process.	179,375	\$10,143,058
4.	Ascom AG	Ascom Mining has been identified as potentially having an office in Sudan.	CalPERS has commenced the review process.	93,062	\$2,133,293
5.	Commercial Bank QSC	The company was identified as potentially providing banking services in Sudan.	CalPERS has commenced the review process.	401,432	\$2,910,885
6.	CRRC Corp	The company was identified as potentially providing locomotives to entities associated with the government of Sudan.	CalPERS has commenced the review process.	7,237,175	\$7,133,466

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Table 2: Companies Under Review Sudan					
Ref #	Company	Summary of Possible Ties to Sudan	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
7.	Dubai Islamic Bank	The company was identified as potentially providing banking services in Sudan.	CalPERS has commenced the review process.	2,640,981	\$4,400,856
8.	ENGIE SA	The company was identified as potentially providing services in Sudan.	CalPERS has commenced the review process.	6,482,503	\$93,046,884
9.	ICICI Bank	The company was identified as potentially providing banking services in Sudan.	CalPERS has commenced the review process.	3,873,651	\$30,845,615
10.	M1 Ltd.	The company was identified as potentially providing telecommunication services in Sudan.	CalPERS has commenced the review process.	1,004,438	\$1,327,061
11.	Old Mutual PLC	The company was identified a potentially providing investment services in Sudan.	CalPERS has commenced the review process.	12,728,316	\$32,283,921
12.	Qatar Islamic Bank	The company was identified as potentially providing banking services in Sudan.	CalPERS has commenced the review process.	117,103	\$3,119,959
				Category Total	\$192,450,226

Table 3 – Monitored Companies (§7513.6)

Table 3: Monitored Companies Sudan					
Ref #	Company	Monitored Companies	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	MISC Berhad	<p>In correspondence dated December 8, 2016, the company stated it had a subsidiary in Sudan, MISC International Ltd, with a joint venture with Sudan Shipping Lines to carry on business of ship owning, ship operations, and shipping related activities in Sudan. The company also stated the joint venture company had been wound up and was currently going through liquidation. In 2016 CalPERS determined MISC Berhad did not meet the threshold criteria to make it subject to the Act.</p> <p>Further, in correspondence dated November 8, 2017, MISC Berhad confirmed it has ceased all business and dealings involving Sudan, and that it has no future business plan involving Sudan.</p>	No change.	741,800	\$1,217,789
				Category Total	\$1,217,789

Table 4 – Exempted Companies (§7513.6)

Table 4: Exempted Companies Sudan					
Ref #	Company	Exempted	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	No items to report	CalPERS has not exempted any companies confirmed as meeting the threshold criteria for divestment consideration under the act as noted in §7513.6(i)(4) and §7513.6(i)(6).	No change	0	\$0
Category Total					\$0

Table 5 – Other (§7513.6)

Table 5: Other Sudan					
Ref #	Component	Exempted	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	§7513.6(i)(6) and §7513.6(j)	CalPERS has not items to report per <ul style="list-style-type: none"> • §7513.6(f), as part of §7513.6(i)(6), in which an economically equivalent alternative fund or account was established with PERF assets transferred therein; and/or • §7513.6(j) any investments in a company with business operations in Sudan (as defined in the Act), that the board voluntarily sold or transferred 	No change	N/A	N/A
Category Total					\$0

CalPERS 2017 Report – G.C. 7513.7 (California Public Divest From Iran Act)

Similarly to the reporting for G.C. §7513.6(i), CalPERS will group companies into several categories for G.C. §7513.7(i):

1. **Divested/Restricted** – These are companies that were determined to have satisfied the threshold criteria for divestment defined by §7513.7 as to which the CalPERS Board determined divestment would be consistent with its fiduciary obligations.
 - This category addresses requirements §7513.7(i)(1),(2),(3), and (4) should liquidation of a company be in progress with restrictions on new purchases
2. **Under Review** – These are companies that have been identified as possibly subject to the Act that are undergoing the engagement and communication cycle specified by the Act, or are being considered for divestment in accordance with CalPERS policies.
 - This category addresses requirements §7513.7(i)(1), (2), and (5)
3. **Monitoring** – This category has been split into two portions:
 - “Monitoring with Holdings” are companies that were initially identified, then confirmed as not meeting the threshold criteria for consideration under §7513.7, but that CalPERS continues to monitor for possible changes in status relevant to the Act.
 - “Monitoring – No Holdings” are companies that have previously been identified as potentially meeting threshold criteria for consideration under the Act in which CalPERS has no holdings. An absence of holdings could be due to several factors, including benchmark constituents, or a restriction on the company due to another divestment mandate.
 - This category addresses requirements §7513.7(i)(1),(2), and (5)
4. **Exempted** – These are companies that were identified, confirmed as meeting the threshold criteria for divestment, and ultimately exempted from divestment by the CalPERS Board
 - This category addresses requirements §7513.7(i)(4) should the company have been exempted from divestment on fiduciary grounds, and §7513.7(i)(6) should the “Iran-free” alternative fund or account have been deemed not financially equivalent to an unconstrained fund/account (component §7513.7(f)(2)). This category also addresses §7513.7(i)(6) component deriving from §7513.7 (f)(3), should the Board elect not to divest from a private equity exposure in a company confirmed to have met the threshold criteria for divestment.

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5. **Other** – This category is used to capture other required reporting components not captured in the other four categories.
- §7513.7(f), as part of §7513.7(i)(6), in which an economically equivalent alternative fund or account was established with PERF assets transferred therein
 - §7513.7(j) any investments in a company with business operations in Iran (as defined in the Act), that the board voluntarily sold or transferred
 - §7513.7(i)(7) the annual economic impact of the divestment mandate on the PERF

These elements are included in Tables 6 through 10, by category, on the following pages. All holdings information is as of October 31, 2017 unless otherwise noted. Additionally the “market value of CalPERS exposure” column may include both public equity and debt assets.

Table 6 – Divested/Restricted Companies (\$7513.7)

Table 6: Divested/Restricted Companies Iran					
Ref #	Company	Summary of Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	China BlueChemical Ltd.	<p>The company was identified as a subsidiary of China National Offshore Oil Corporation (CNOOC). The parent company, CNOOC, has made statements that it and its affiliates and subsidiaries may be involved in countries under U.S. sanctions. Further, CNOOC has been identified as having drilling and other related operations in Iran.</p> <p>In May of 2011 the CalPERS Investment Committee approved divestment from the company.</p>	No change	0	\$0
2.	China Oilfield Services Ltd.	<p>The company was identified as having drilling operations in Iran and as a subsidiary of CNOOC. The parent company has made statements that the company is involved in drilling and other related services in Iran. The parent company has made statements that it and its affiliates and subsidiaries may be involved in countries under U.S. sanctions.</p> <p>In November of 2015 the CalPERS Investment Committee approved divestment from the company.</p>	No change	0	\$0
3.	CNOOC Ltd.	<p>The company was identified as a subsidiary of China National Offshore Oil Corporation (CNOOC). The company and its parent company have made statements that it and its affiliates and subsidiaries may be involved in countries under U.S. sanctions. Further, CNOOC has been identified as having drilling and other related operations in Iran.</p> <p>In May of 2011 the CalPERS Investment Committee approved divestment from the company.</p>	No change	0	\$0

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Table 6: Divested/Restricted Companies Iran					
Ref #	Company	Summary of Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
4.	Daelim Industrial Co.	Beginning in 2009 the company was identified as having involvement with natural gas-related projects in Iran. In May of 2011 the CalPERS Investment Committee approved divestment from the company.	No change	0	\$0
5.	Doosan Corporation	In 2014 the company was identified as supplying automotive products to companies in Iran. In November of 2015 the CalPERS Investment Committee approved divestment from the company.	No change	0	\$0
6.	India Oil Corporation	The company was identified as having ties to the energy sector of Iran, with further exposure through a majority-stake in an Iranian company with possible links to the Iranian Revolutionary Guard Corps, an entity subject to U.S. sanctions. In November of 2015 the CalPERS Investment Committee approved divestment from the company.	No change	0	\$0
7.	Oil India Limited	In 2009 through 2010 the company was identified as having oil exploration contracts and oilfield interests in Iran. In October 2012 the CalPERS Investment Committee approved divestment from the company.	No change	0	\$0
Category Total					\$0

Table 7 – Companies Under Review (§7513.7)

Table 7: Companies Under Review Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	Doosan Heavy Industry	The company has been identified as potentially having exposure to Iran through a parent company, Doosan Corp.	CalPERS has commenced the review process to confirm subsidiary/parent disposition relevant to the Act.	292,615	\$4,570,681
2.	Doosan Bobcat Corporation	The company has been identified as potentially having exposure to Iran through a parent company, Doosan Corp.	CalPERS has commenced the review process to confirm subsidiary/parent disposition relevant to the Act.	56,852	\$1,839,501
3.	Total SA (France)	The company has been identified as proceeding with energy-related business opportunities in Iran.	CalPERS has commenced the review process.	7,054,526	\$393,403,774
4.	Petronas Chemical Group	The company is a majority owned subsidiary of Petroliaam Nasional Berhad (aka “Petronas”). Petronas has been identified as potentially having interests in oil fields in Iran.	CalPERS has commenced the review process to confirm subsidiary/parent disposition relevant to the Act.	1,256,900	\$2,188,107
5.	Sinopec Oilfield Services	The company has been identified as having acquired Sinopec Yizheng Chemical Fibre Company (Yizheng Company) in a reverse merger. The Yizheng Company was previously identified by CalPERS as potentially having ties to Iran through a parent company.	CalPERS has commenced the review process to confirm subsidiary/parent disposition relevant to the Act.	4,778,000	\$820,647
6.	Aker Solutions	The company has been identified as potentially being involved in “state-of-the-art” technology transfers with Iran.	CalPERS has commenced the review	662,814	\$3,630,859

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Table 7: Companies Under Review Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
			process.		
7.	Bilfinger SE	The company has been identified as potentially contracting with an Iran-based company for the supply of process control technology and safety systems related to a state-owned oil refinery upgrade.	CalPERS has commenced the review process.	126,170	\$5,076,749
8.	BT Group	The company has been identified as potentially contracting with a state-owned Iranian telecommunications company	CalPERS has commenced the review process.	22,451,957	\$77,608,685
9.	China Railway Group	The company has been identified as potentially engaging in an investment venture including construction projects for power generation and smelting operations.	CalPERS has commenced the review process.	7,715,210	\$6,200,411
10.	Hindustan Petroleum	The company has been identified as potentially contracting for Iranian oil procurement.	CalPERS has commenced the review process.	3,469,444	\$23,951,396
11.	Honeywell International	The company has been identified as potentially having subsidiaries that have contracted to sell gas meters and absorbents for end use in the Iranian petrochemical industry.	CalPERS has commenced the review process to confirm subsidiary/parent disposition relevant to the Act.	2,488,106	\$364,438,761
12.	Japan Drilling Co. Ltd.	The company has been identified as potentially operating in Iran with ties to the Iranian government.	CalPERS has commenced the review process.	14,500	\$276,014
13.	Linde AG	The company has been identified as potentially investing in petrochemical projects in Iran.	CalPERS has commenced the review process.	502,319	\$108,460,135
14.	MMC Corp	The company has been identified as possibly providing consulting projects on Iranian energy projects.	CalPERS has commenced the review process.	2,189,300	\$1,029,103
15.	Raiffeisen Bank International	The company has been identified as potentially seeking to establish physical offices in Iran.	CalPERS has commenced the review	652,577	\$22,738,166

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Table 7: Companies Under Review Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
			process.		
16.	S and P Global	The company has been identified as potentially having sold energy-related information and informational materials to Iran-linked subscribers that are subject to U.S. sanctions with links to the Iranian government.	CalPERS has commenced the review process.	802,043	\$170,571,208
17.	Hyundai Heavy Industries	The company has been identified as potentially having entered into a contract to build ships for an Iranian state-owned shipping company.	CalPERS has commenced the review process.	78,621	\$10,982,449
18.	General Electric Co.	Affiliates of the company have been identified as potentially having entered into contracts for the sale of goods related to the development of petroleum resources.	CalPERS has commenced the review process.	22,561,189	\$581,609,772
				Category Total	\$1,779,396,418

Table 8 – Monitored Companies (\$7513.7)

Table 8a: Monitored Companies With Holdings Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.		There are no items to report for 2017.			
				Category Total	\$0

Table 8b: Monitored Companies No Holdings Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	Sinopec Yizheng	The company was previously identified as potentially	No change. CalPERS	0	\$0

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Table 8b: Monitored Companies No Holdings Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
	Chemical Company Limited	having exposure to Iran through a parent company, the Sinopec Corporation. Sinopec Corp is currently restricted by CalPERS on the basis of CA G.C. §7513.6	has no holdings in the company		
2.	Sinopec Corporation	The company was previously identified as potentially having exposure to Iran through oil exploration contracts and interests. Sinopec Corp is currently restricted by CalPERS on the basis of CA G.C. §7513.6	No change. CalPERS has no holdings in the company.	0	\$0
3.	PetroChina Ltd.	As of 2009 and 2011 the company has been identified as potentially having oil-field projects in Iran. The company is currently restricted by CalPERS on the basis of CA G.C. §7513.6.	No change. CalPERS has no holdings in the company.	0	\$0
4.	Petroliam Nasional Berhad (aka "Petronas")	In 2010 the company was identified as having gas field operations in Iran.	No change. CalPERS has no holdings in the company	0	\$0
5.	Kunlun Energy	The company was previously identified as potentially having exposure to Iran through a parent company, the Sinopec Corporation. Sinopec Corp is currently restricted by CalPERS on the basis of CA G.C. §7513.6	No change. CalPERS has no holdings in the company.	0	\$0
				Category Total	\$0

Table 9 – Exempted Companies (§7513.7)

Table 9: Companies Exempted Iran					
Ref #	Company	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Shares held by CalPERS	Market Value of CalPERS Exposure
1.	No items to report	CalPERS has not exempted any companies confirmed as meeting the threshold criteria for divestment consideration under the act as noted in §7513.7(i)(4) and §7513.7(i)(6).	No change	N/A	N/A
				Category Total	\$0

Table 10 – Other (§7513.7)

Table 10: Other Iran					
Ref #	Component	Summary of Possible Ties to Iran	Summary of Status Changes from 2016 Report	Public Equity Shares held by CalPERS	Market Value of CalPERS Exposure
1.	§7513.7(i)(6) and §7513.7 (j)	<p>CalPERS has not items to report per</p> <ul style="list-style-type: none"> • §7513.7(f), as part of §7513.7(i)(6), in which an economically equivalent alternative fund or account was established with PERF assets transferred therein; and/or • §7513.7(j) any investments in a company with business operations in Iran (as defined in the Act), that the board voluntarily sold or transferred 	No change	N/A	N/A
2.	§7513.7(i)(7)	<p>§7513.7(i)(7) requires reporting of the economic impact to the PERF of the Act. The Board’s general pension consultant, Wilshire Associates, provides an annual estimate of the historical impact of Iran- and Sudan-related divestment activities on the PERF. At this time, the analysis does not separate the impact of the respective divestment mandates. In Wilshire Associates’ December 2017 report to the CalPERS Investment Committee, the Iran- and Sudan-related divestments were estimated to have had an additive effect, \$355 million in present value, for the PERF since inception of the divestment mandates through June 30, 2017.</p>	N/A	N/A	N/A
Category Total					\$0