

The State Teachers Retirement System of Ohio

2015 Annual Report on Iran/Sudan Divestiture

Market value of holdings with companies with restricted activities, FY 2007¹-Present (in millions):

FY 2007	FY 2015	Change in market value
\$1,617.6	\$186.6	-88.5%

Market value of holdings with companies with restricted activities, FY 2014-2015 (in millions):

FY 2014	FY 2015	Change in market value
\$301.2	\$186.6	-38.0%

Top five holdings (directly or through active funds):

Company	Market Value (in millions)	% of total scrutinized
TOTAL SA Common Stock	\$56.5	30.3%
Schneider Electric SA	\$53.9	28.9%
Gazprom OAO	\$15.1	8.1%
PETROCHINA CO HKD 0.1	\$13.6	7.3%
China Petroleum & Chemical	\$12.4	6.7%

Comments on remaining top five holdings:

- STRS Ohio contacts each company on the restricted company list each year to solicit a formal explanation of the company's operations in Iran and/or Sudan, and to encourage the company to cease these operations.
- STRS Ohio will continue to pursue divestment of restricted companies subject to the Board's fiduciary responsibilities set forth in O.R.C. 3307.15 (A) and when a substitute investment with similar quality, return and safety can be identified.

¹ None of the retirement boards had an active Iran/Sudan divestment policy in 2007. 2007 serves as the baseline to measure changes.

Appendix

Summary of correspondences regarding restricted companies:

Year of Correspondence	% of Restricted Companies Contacted	Summary
2015	100%	Contacted 67 of 67 restricted companies; 11 responses
2014	100%	Contacted 70 of 70 restricted companies; 13 responses
2013	100%	Contacted 65 of 65 restricted companies; 16 responses
2012	100%	Contacted 66 of 66 restricted companies; 17 responses
2011	100%	Contacted 95 of 95 restricted companies; 24 responses
2010	100%	Contacted 84 of 84 restricted companies; 27 responses
2009	100%	Contacted 77 of 77 restricted companies; 26 responses
2008	100%	Contacted 93 of 93 restricted companies; 40 responses

Summary of activity with active managers with holdings in restricted companies (current reporting year):

- STRS Ohio provides a restricted company list to all portfolio managers affected by the Iran and Sudan Divestment Policy and Program on a semi-annual basis
- STRS Ohio requires each portfolio manager affected by the Iran and Sudan Divestment Policy and Program to confirm on a quarterly basis that they have reviewed the restricted company list and attempted to divest from any companies in which they believe a substitute of similar quality, return and safety was available.
- All purchases of securities in any company on the restricted company list must be pre-approved by the STRS Ohio Deputy Executive Director, Investments.

Market value of directly held public securities that are restricted companies (current reporting year):

Company (FY 2015)	Market Value (millions)	
BHARAT HEAVY ELECTRICALS LTD	\$ 0.0	*
CHINA OILFIELD SERVICES H COMMON STOCK CNY1.	\$ 0.5	
CHINA PETROLEUM + CHEMICAL H COMMON STOCK CNY1.	\$ 12.4	
CNOOC Finance (2012)	\$ 2.0	
CNOOC LTD HKD 0.02	\$ 9.5	
Daelim Industrial Co Ltd	\$ 3.1	
ENI SPA EUR 1.00	\$ 12.2	
Gazprom OAO	\$ 15.1	
MALAYSIA INT SHIP MYR1	\$ 1.1	
OIL + NATURAL GAS CORP LTD INR 10.0	\$ 2.6	
PETROCHINA CO HKD 0.1	\$ 10.4	
PETROCHINA CO LTD USD 1.0 ADR	\$ 3.3	
Petronas Capital Ltd.	\$ 1.2	
Pt Pertamina	\$ 2.3	
Schneider Electric SA	\$ 54.0	
Sinopec Engineering Group Co Ltd	\$ 0.2	
TOTAL SA COMMON STOCK EUR2.5	\$ 56.6	

*Ownership in BHARAT HEAVY ELECTRICALS LTD was \$34,280 as of June 30, 2015. This amount rounds to \$0 in the table above.

Summary of sold, redeemed, purchased, withdrawn securities of restricted companies (previous three years)²:

Summary of Activity	FY 2013		FY 2014		FY 2015	
	Company Name	Category	Company Name	Category	Company Name	Category
	CHINA COMMUNICATIONS CONST H COMMON STOCK CNY1.	X			CHINA COMMUNICATIONS CONST H COMMON STOCK CNY1.	W
	CHINA OILFILED SERVICES H COMMON STOCK	P				
			CNOOC FINANCE (2012) LIMITED	X		
	DAELIM INDUSTRIAL CO LTD	P	DAELIM INDUSTRIAL CO LTD	S	DAELIM INDUSTRIAL CO LTD	P
					GAZPROM OAO COMMON STOCK RUB5.0	S
	HYUNDAI HEAVY INDUSTRIES COMMON STOCK KRW5000.	P			HYUNDAI HEAVY INDUSTRIES COMMON STOCK KRW5000.	W
	LS INDUSTRIAL SYSTEMS COMMON STOCK KRW5000.	P	LS INDUSTRIAL SYSTEMS COMMON STOCK KRW5000.	S		
			PETRONAS CAPITAL LIMITED	X		
			PETRONAS CHEMICALS GROUP BHD	P	PETRONAS CHEMICALS GROUP BHD	S
	PT PERTAMINA (PARESO)	X				
					SCHNEIDER ELECTRIC SA	P
			SINOPEC SHANGHAI PETROCHEMICAL CO LTD	P	SINOPEC SHANGHAI PETROCHEMICAL CO LTD	W
					SINOPEC ENGINEERING GROUP CO LTD	X
			STATOIL ASA	P	STATOIL ASA	W
					STATOIL HYDRO ASA NOK 2.5	W
			TOTAL SA	P	TOTAL SA	S

S - Sold

R - Redeemed

P - Purchased

W - Withdrawn

X – Previously owned security added to the restricted list in the current report period

² Sold, redeemed, purchased, withdrawn, or previously owned security added to scrutinized list in current report period activity for specific scrutinized companies is provided starting in 2014. Data from earlier periods notes that one of the activities (sold, redeemed, purchased, withdrawn, previously owned security added to scrutinized list in current report period) was conducted with the specified company.