

## OPERS

### 2017 Annual Report on Iran/Sudan Divestiture

*Market value of holdings with companies with scrutinized activities, FY 2007<sup>1</sup>-Present (in millions):<sup>2</sup>*

| FY 2007 | FY 2016 | Change in market value |
|---------|---------|------------------------|
| \$659   | \$9     | -98.63%                |

*Market value of holdings with companies with scrutinized activities, FY 2015-2016 (in millions):*

| FY 2015 | FY 2016 | Change in market value |
|---------|---------|------------------------|
| \$23    | \$9     | -60.87%                |

*Top five holdings (through active funds):*

| Company            | Market Value (in millions) | % of total scrutinized |
|--------------------|----------------------------|------------------------|
| Gazprom            | \$2                        | 22.22%                 |
| Schneider Electric | \$7                        | 77.78%                 |

*Comments on remaining top five holdings:*

- Schneider Electric
  - Continues to offer the most compelling upside amongst the European Industrials, with a significant discount to peers in the broader Capital goods space, and a tremendous opportunity for growth into the future.
  - Global leader with a diversified revenue base across end markets and regions.
- Gazprom
  - Controls largest gas reserves, globally.
  - The company has a unique asset base with demand for their output underpinned by nearby European markets that are dependent on imported resources for their energy needs.

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

<sup>2</sup> Holdings are as of 6/30 for the subsequent year reported.

## Appendix

### *Summary of correspondences regarding scrutinized companies*

| Year of Correspondence | % of Scrutinized Companies Contacted | Summary  |
|------------------------|--------------------------------------|--|
| 2008                   | 100%                                 | Contacted 81 of 81 scrutinized companies; 25 responses |
| 2009                   | 100%                                 | Contacted 98 of 98 scrutinized companies; 21 responses |
| 2010                   | 100%                                 | Contacted 90 of 90 scrutinized companies; 18 responses |
| 2011                   | 100%                                 | Contacted 87 of 87 scrutinized companies; 9 responses  |
| 2012                   | 100%                                 | Contacted 77 of 77 scrutinized companies; 21 responses |
| 2013                   | 100%                                 | Contacted 62 of 62 scrutinized companies; 7 responses  |
| 2014                   | 100%                                 | Contacted 69 of 69 scrutinized companies; 10 responses |
| 2015                   | 100%                                 | Contacted 60 of 60 scrutinized companies; 12 responses |
| 2016                   | 100%                                 | Contacted 65 of 65 scrutinized companies; 14 responses |
| 2017                   | 100%                                 | Contacted 67 of 67 scrutinized companies; 15 responses |

### *Summary of activity with active managers with holdings in scrutinized companies (current reporting year)*

- All Active External Managers provide Exposure Rationale to OPERS twice a year.
- Summary of Responses:
  - Schneider Electric
    - Continues to offer the most compelling upside amongst the European Industrials, with a significant discount to peers in the broader Capital goods space, and a tremendous opportunity for growth into the future.
    - Global leader with a diversified revenue base across end markets and regions.
  - Gazprom
    - Controls largest gas reserves, globally.
    - The company has a unique asset base with demand for their output underpinned by nearby European markets that are dependent on imported resources for their energy needs.

### *Market value of directly held public securities held in active funds that are scrutinized companies (current reporting year)*

| Company            | Market value (in millions) |
|--------------------|----------------------------|
| Gazprom            | \$2.2                      |
| Schneider Electric | \$6.8                      |

11/30/2017

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*Summary of sold, redeemed, purchased, withdrawn securities of scrutinized companies (2013-present)<sup>3</sup>*

|                     |  | 2013                                  | 2014                                   | 2015                                | 2016                | 2017                |
|---------------------|--|---------------------------------------|--|-------------------------------------|---------------------|---------------------|
| Summary of Activity |  | China National Offshore Oil Co, (S)   | China National Offshore Oil Co, (P, S) | China National Offshore Oil Co, (S) | Gazprom PAO, (P, S) | Gazprom PAO, (P, S) |
|                     |  | Eni SpA, (P, S)                       | China National Petroleum Corp, (P, S)  | China National Petroleum Corp, (S)  |                     | Cnooc Ltd, (P, S)   |
|                     |  | Gazprom PAO, (P, S)                   | Gazprom PAO, (P, S)                    | Gazprom PAO, (P, S)                 |                     |                     |
|                     |  | China National Petroleum Corp, (P, S) | JX Holdings Inc, (P)                   | JX Holdings Inc, (S)                |                     |                     |
|                     |  | JX Holdings Inc, (S)                  | Oil India Ltd, (P)                     | Schneider Electric SE, (S)          |                     |                     |
|                     |  | Petroliam Nasional Bhd, (S)           | Schneider Electric SE, (P)             | Oil India, Ltd. (S)                 |                     |                     |
|                     |  | Schneider Electric SE, (P, S)         |  |                                     |                     |                     |
|                     |  | Statoil ASA, (P, S)                   |  |                                     |                     |                     |
|                     |  | TOTAL SA, (P, S)                      |  |                                     |                     |                     |

\* Ultimate parent of the company for capital structure purposes was used to group issuers. Bloomberg Field DZ030

S – Sold

R- Redeemed

P- Purchased

W-Withdrawn

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

<sup>3</sup> Transactions recorded from July 1st of prior year to June 30th of reporting year listed.