

## OPERS

### 2015 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 2014	Change in market value
\$659	\$19	-97.1%

*Market value of holdings with companies with scrutinized activities, FY 2013-2014 (in millions):*

FY 2013	FY 2014	Change in market value
\$47	\$19	-59.6%

*Top five holdings (through active funds):*

Company	Market Value (in millions)	% of total scrutinized
Gazprom	\$13	68.4%
Schneider Electric	\$6	31.6%

*Comments on remaining top five holdings:*

- Schneider Electric
  - Diverse revenue base given strong market presence in U.S., Europe, and Emerging Asia.
  - Continues to deliver strong cash flows.
  - No other competitors in the space have the portfolio of assets that Schneider does.
- Gazprom
  - Controls largest gas reserves, globally.
  - Credit matrix of Gazprom is akin to AA rated credit fundamentals.
  - Unable to identify exact alternative comparable investments to Gazprom.

<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

### *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
    - Diverse revenue base given strong market presence in U.S., Europe, and Emerging Asia.
    - Continues to deliver strong cash flows.
    - No other competitors in the space have the portfolio of assets that Schneider does.
  - Gazprom
    - Controls largest gas reserves, globally.
    - Credit matrix of Gazprom is akin to AA rated credit fundamentals.
    - Unable to identify exact alternative comparable investments to Gazprom.

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

Company	Market value (in millions)
Gazprom	\$12.6
Schneider Electric	\$6.0

11/23/2015  
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*Summary of sold, redeemed, purchased, withdrawn securities of scrutinized companies (2013-present)<sup>3</sup>*

Summary of Activity	2013	2014	2015
	China National Offshore Oil Co, (S)	China National Offshore Oil Co, (P, S)	China National Offshore Oil Co, (S)
	Eni SpA, (P, S)	China National Petroleum Corp, (P, S)	China National Petroleum Corp, (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)	
	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.