



## State of New Jersey

CHRIS CHRISTIE  
*Governor*

DEPARTMENT OF THE TREASURY  
DIVISION OF INVESTMENT  
P.O. BOX 290  
TRENTON, NJ 08625-0290

KIM GUADAGNO  
*Lt. Governor*

ANDREW P. SIDAMON-ERISTOFF  
*State Treasurer*

September 1, 2011

Report to the New Jersey Legislature  
pursuant to P.L. 2005, c.162  
(Investments in Sudan)

Chapter 162 of the Public Laws of 2005 (the "Act") provides that no assets of any pension or annuity fund under the jurisdiction of the Division of Investment (the "Division") shall be invested in any foreign company with an equity tie to the government of Sudan or its instrumentalities and is engaged in business in or with the same. The provisions shall not apply to the activities of any foreign company providing humanitarian aid to the Sudanese people through either a governmental or non-governmental organization. The Act requires that any investment held in violation of the provisions of the Act must be sold, redeemed, divested or withdrawn no later than August 1, 2008.

The Act requires that the Director of the Division annually file with the Legislature a report on all investments sold, redeemed, divested or withdrawn in compliance with the Act. The Act requires that each annual report provide a description of the progress made by the Division since the previous report and since the enactment of the Act in implementing the provisions of the Act.

As summarized in our previous reports to the Legislature, the Division had divested all of the holdings that had been identified as being in violation of the provisions of the Act.


Based upon advice of the Office of the Attorney General received in May 2011, the Division has begun to implement the Act in a way that is consistent with and does not conflict with the Sudan Accountability and Divestment Act of 2007 ("SADA"). Specifically, the Division now limits divestment to companies engaged in business in the industry specific categories (power production activities, mineral extraction activities, oil-related activities, and the production of military equipment) stated in SADA, with further exceptions also contained in SADA. There

are currently fewer companies on the list which are in violation of the provisions of the Act, using the more restrictive interpretation of the Act consistent with SADA.

In accordance with the provisions of the Act, the State Investment Council and the Director of the Division continue to review the recommendations of, and consult with, an independent research firm that specializes in global security risk for portfolio determinations. Since our last report, the list of companies identified as being ineligible for investment has been revised based upon research updates received from the independent research firm.

As of the date of this report, the Division, in conjunction with its independent research firm, has identified the following companies that will not be eligible for investment by the pension and annuity fund portfolios: Alstom S.A.; AREF Energy Holding Company KSCC; AREF Investment group S.A.K.; AREVA SA; Arzamas Machine Building; ASEC Company for Mining; Atlas Copco AB; AviChina Industry & Technology Company Limited; Bharat Heavy Electricals Ltd.; China Petroleum & Chemical Corp; Citadel Capital S.A.E.; Dongfeng Automobile Co., Ltd.; Dongfeng Motor Group Company Limited; Egypt Kuwait Holding Co; Electricity Generating Public Co Ltd; El Sewedy Cables Co.; Harbin Power Equipment Co. Ltd; Indian Oil Corporation Ltd.; Jiangxi Hongdu Aviation Industry Co., Ltd.; KepCO Plant Service & Engineering Co. Ltd.; Korea Electric Power Corporation(KEPCO); La Mancha Resources Inc.; LS Industrial Systems Co. Ltd.; Managem S.A.; Mangalore Refinery & Petrochemicals Ltd.; Nam Fatt Corporation Berhad; OAO Kamaz; Oil India Ltd.; Oil & Natural Gas Corporation Ltd; Otkrytoe aktsionernoe obshchestvo (OAO Gaz); Petrofac Ltd; Ranhill Bhd; Schlumberger Ltd.; SCOMI Group Bhd; SGS SA; Total SA; Waertsilae Oyj Abp.

Please be assured that the Division will continue to vigorously implement the Act by working to identify any additional companies that are ineligible for investment under the Act, as currently applied. Such companies will be added to the prohibited investment list, and the Division will divest any pension or annuity fund holdings in those companies.



Timothy M. Walsh  
Director