

From: Sayre, Patrice [BOARD]

Sent: Tuesday, September 30, 2008 10:27 AM

To: 'Bonnie Campbell'; 'Craig Lang'; 'David Miles'; 'Jack Evans'; 'Michael Gartner'; 'Robert Downer'; 'Rose Vasquez'; 'Ruth Harkin'

Cc: 'Donley, Robert [BOARD]'

Subject: Annual Sudan Divestment Report

In 2007, the General Assembly passed legislation that seeks to pressure the government of Sudan to end the atrocities occurring in that country. Governor Culver signed the Act into law in April 2007. The first annual report is due to the General Assembly October 1, 2008 and has been sent.

Attached is a notice that will be placed on our website and a copy of the first annual report.

<<Notice.doc>> <<General Assembly Report 10-1-08.xls>>

Please contact me if you have any questions.

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Robert Donley, *Executive Director*

Sudan Investment Restrictions

2007 Iowa Acts, Chapter 39, prohibits the Board of Regents from investing in certain companies doing business in the Sudan. Regents institutions fully comply with this law, which became effective July 1, 2007.

The Board of Regents uses the Sudan Divestment Task Force's Highest Offender List to develop and periodically update a list of prohibited companies for its investments. If Regents institutions hold any investments with companies on the Highest Offender List, a letter will be sent asking them to explain their business operations in the Sudan.

If the companies do not respond within 90 days or do not take corrective action, Regents institutions will not make any new investments in any of the companies. Further, Regents institutions will also divest of any directly held securities issued by these companies within 18 months. If the Regents own an interest in a mutual fund that holds securities (an indirect holding) of a company on the prohibited list, the Board of Regents will decide if divestment is warranted.

The Sudan Divestment Task Force updates the Highest Offender List on a quarterly basis. Regents institutions review investments against the list upon publication of the updated list. A list of scrutinized companies for the most recent quarter is available upon request.

For direct investments in "scrutinized companies" with *inactive* business operations, written notice is sent to each company informing them of the Act and encouraging them to refrain from active business in Sudan. If the company remains on the list, the Regents must annually follow up.

An annual report is due to the General Assembly, the first report due October 1, 2008 and annually each October 1 hereafter. The Annual Report includes (i) list of scrutinized companies, (ii) summary of notices, and (iii) all investments sold, divested, or withdrawn pursuant to the act. The annual report is available upon request.