Good morning -

In the 2007 legislative session, the Iowa Code was amended to prohibit public funds from being invested in certain companies doing business in Sudan. Using the expertise of the Sudan Divestment Task Force, Regents institutions scrutinize investment holdings on a quarterly basis and take action as proscribed by code. The attachment serves as notice of that review for the quarter ended December 31, 2007. No holdings required divestment.

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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.