

# Ohio Retirement Systems

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June 7, 2007

The Honorable Jon Husted, Speaker  
Ohio House of Representatives  
77 South High Street  
Columbus OH 43215-6111

Dear Speaker Husted,

On behalf of the more than one million active and retired members of the Ohio Retirement Systems, thank you for meeting with us on June 5, 2007 to discuss Sub. H.B. 151. The Ohio Retirement Systems oppose terrorism and genocide, and share the General Assembly's concerns over the acts of the governments of Iran and Sudan. The systems are long-term investors that need balanced and diversified portfolios to accomplish their financial objectives. Those objectives produce the funds that provide pension and health care benefits. Buying and selling decisions are made through a prudent, deliberative process that takes into account quality, risk, return, and market conditions.

After fully considering our fiduciary duties, we would support legislation that requires the boards of the retirement systems to adopt policies to address divestiture from certain companies doing business in Iran and Sudan. This policy-driven approach would achieve the goals of Sub. H.B. 151 without mandating that the boards take action that would violate their fiduciary responsibility as trustees to act solely in the best interests of the active and retired members when making investment decisions. The systems have demonstrated in the past with S.B. 133 (eff. 9-15-04) their ability to act without mandates to accomplish the legislature's goals.

Based on our meetings with you, the Executive Directors of the Ohio Retirement Systems commit to work with their Retirement Boards to expeditiously develop an investment policy consistent with the boards' fiduciary duties, and with the intent of:

- divesting fifty percent of active, direct holdings in certain non-U.S. publicly traded companies doing business in Iran and Sudan, based on Sub. H.B. 151, by December 31, 2007, and
- with the ultimate goal of full divestiture from such holdings.

The systems will report regularly to the Ohio Retirement Study Council on their progress. We are happy to discuss this issue with you further at your convenience.

Respectfully,



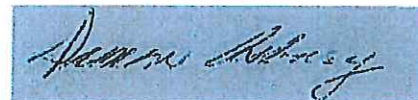
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cc: Members, Ohio House of Representatives