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December 9, 2019

Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, Ohio 43215
Attn: Ms. Bethany Rhodes, Director

Regarding: Iran/Sudan Divestment

Dear Ms. Rhodes:

Enclosed is OP&F's statutorily required annual update on the current market value of holdings in companies that have been identified as having ties to Iran and Sudan under criteria in OP&F's Iran and Sudan Divestment Policy. We have compiled OP&F's holdings as of October 31, 2019 using our list of scrutinized companies and compared those to our previous holdings: The October 31, 2019 holdings have a market value of \$815,095 compared to the June 2008 market value of \$251,452,918.87, which is a reduction of 99.68%.

For your review, the Ohio Legislature required OP&F to adopt an Iran and Sudan Divestment Policy. The original policy was effective September 24, 2008 and attempted to honor the legislative directive to seek divestment. The updated policy as modified on June 1, 2011 notes that the Board concluded after years of monitoring that it is "solely in the interest OP&F beneficiaries and participants to fully divest investments in these two countries by attrition." The policy provides guidance and clarity to staff and external investment managers seeking to implement the directive to seek divestment.

Legislation further required that the Fund shall file a report annually, which shall be made available to the public, to the President of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, the Ohio Retirement Study Council, and the Workers Compensation Council (please note this body is no longer in existence), and that we send a copy of that report to the United States Presidential Special Envoy to Sudan and the United States Presidential Special Envoy to Iran, or an appropriate designee or successor. The report includes:

- (a) A summary of correspondence with companies engaged by the Fund pursuant to this section;
- (b) All investments sold, redeemed, divested, or withdrawn pursuant to this section;

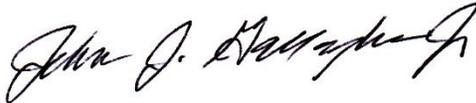
(c) Any progress made under division (B) (4) (d) of this section; (which asks managers of actively managed investment funds to consider removing the companies from holdings or to create a similar actively managed fund devoid of such companies.)

(d) A list of all publicly traded securities held directly by the Fund.

We have also attached a copy of the divestment policy, and the referenced market value comparison.

Please contact me with any questions on the foregoing. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Gallagher, Jr.", written in a cursive style.

John J. Gallagher, Jr.
Executive Director

Cc: Senator Larry Obhof, President of the Ohio Senate
Senator Kenny Yuko, Minority Leader of the Senate
Rep. Larry Householder, Speaker of the House
Rep. Emelia Strong Sykes, Minority Leader of the House
Office of the President's Special Envoy to Iran
Office of the President's Special Envoy to Sudan

Appendix A:

A summary of correspondence with companies engaged by the Fund pursuant to this section

3-6-09 Staff sent 71 e-mails to officers of the 21 companies on the list of scrutinized companies that were then held by OP&F. Letters requested explanation of activities in Sudan & Iran by 4-3-09.

3-12-09 Staff followed up by sending eight letters via mail to officers of the three companies on the list of scrutinized companies whose e-mail systems refused/returned our e-mails. Letters requested explanation of activities in Sudan & Iran by 4-3-09.

4-16-09 Staff sent PDF copies of the six timely responses from companies on the Iran and Sudan screening lists; to RMG-ESG to request a review to confirm they should be kept on or dropped from those lists.

- ABB
- BHEL
- GDF Suez
- Inpex
- Petro China
- Total

5-5-09 RMG-ESG provided a confirmation that the responding companies should be kept on or dropped from those lists.

- ABB: Should be kept on the list for Sudan.
- BHEL: Should be kept on the list for Sudan.
- GDF Suez: Was previously on the Iran list, but removed in March.
 - *(note that this company has been on and off the lists repeatedly)*
- Inpex: Should be kept on the list for Iran.
- Petro China: Should be kept on the list for Sudan and for Iran.
- Total: Should be kept on the list for Iran.

MSCI-RMG-ESG remains in contact with all listed companies to ensure they should be kept on or dropped from the listing. Part of their normal communication is a request for cessation, or explanation. The listing is provided in an updated format to OP&F monthly.

8-15-13 OAO (JSC) Gazprom NEFT outside counsel challenged their inclusion in the OP&F scrutinized companies listing of companies doing business in Iran. OP&F researched then confirmed with MSCI-ESG analytics that we both agreed that OAO Gazprom NEFT is a subsidiary which is majority owned by Gazprom OAO which does have operations inside Iran. OP&F informed (counsel for) OAO Gazprom NEFT of our review and that we would continue to list the company on our Scrutinized companies listing on 9-4-13. We have had no further questions from the company or their counsel.

6-22-18 Daelim Industrial Co. Ltd (“Daelim”) sent a request for de-listing to OP&F to remove the company from the “Scrutinized company list”. The request noted Daelim had taken substantial steps over the last several years to wind down and cease its business projects in Iran, and the company was committed to complying with U.S. sanction laws. Staff researched the company’s request and also referred the firm to MSCI – ESG for further assessment. Daelim was subsequently removed from the list in April 2019.

Appendix B:

All investments sold, redeemed, divested, or withdrawn pursuant to this section

	Bought	Did not Buy/comparable	Sold/comparable
8/26/2009		SnamRete	
9/14/2009	China Petroleum & Chemical		
9/23/2009	PetroChina		
10/28/2009	PetroChina		
11/24/2009	OMV		
11/24/2009	Statoil		
11/30/2009			ABB
12/4/2009	Electricity Generating Public company		
1/5/2010	Lukoil Holdings		
1/11/2010	Alstom (B0DJ8Q)		
2/25/2010	Lukoil Holdings		
3/25/2010	Gazprom		
4/15/2010	Harbin Power		
4/30/2010	China Petroleum & Chemical Corp		
4/30/2010	Gazprom OAO		
4/30/2010	Lukoil OAO		
5/27/2010	Hyundai Heavy Industries		
5/27/2010		Air Liquide	
6/23/2010		Royal Dutch Shell	
6/23/2010		Air Liquide	
6/23/2010			Alstom
6/23/2010			Statoil
6/23/2010			Royal Dutch Shell
7/1/2010	Gazprom OAO		
7/2/2010	JGC Corp.		
7/20/2010	Technip		
7/29/2010	Gazprom OAO		
8/3/2010	Wartsila		
8/11/2010	OMV		
8/16/2010	JGC Corp.		
8/27/2010	China Petroleum & Chemical Corp		
9/30/2010	Harbin Power		
10/25/2010	China Petroleum		
10/25/2010	OMV		
	Bought	Did not Buy/comparable	Sold/comparable

10/28/2010	Hyundai Heavy Industries Co. Ltd		
11/26/2010	CNOOC Ltd.		
12/1/2010	OMV		
12/10/2010	OMV		
12/10/2010	China Petroleum		
12/21/2010	OMV		
12/21/2010	China Petroleum		
1/28/2011	Harbin Power		
2/25/2011	CNOOC Ltd.		
3/7/2011	Wartsila		
3/18/2011	Air Liquide SA		
3/21/2011	China Petroleum		
3/21/2011	Total Eur		
3/31/2011	Petrochina Co. Ltd		
3/31/2011	Total Eur		
4/12/2011	Total Eur		
4/25/2011	Total Eur		
5/10/2011	Total Eur		
5/24/2011	China Petroleum		
7/31/2011			ABB Ltd.
7/31/2011			GAZPROM O A O SPON ADR
7/31/2011			GS HOLDINGS CORP
7/31/2011			HARBIN POWER EQUIPMENT H
7/31/2011			Inpex Holdings Inc
7/31/2011			Petrofac Ltd.
7/31/2011			Sasol Ltd.
8/31/2011			Saipem
8/31/2011			Wartsila OYJ-B Shares
11/30/11			CNOCC
1/31/12			China Petroleum
1/31/12			Total SA
2/29/12			Oil & Natural Gas Co.
5/31/12			China Communications Construction
10/31/12			CNOCC
6/30/14			China Communications Const
9/30/14			Schneider Electric SA
	Bought	Did not Buy/comparable	Sold/comparable
2/11/15	China Petroleum & Chemical-H		
11/19/15	China Petroleum & Chemical-H		

2/4/16			OAO Gazprom-Spon
5/13/16			Petrochina Co Ltd - ADR
6/8/16			China Petroleum & Chemical-H
7/27/16			Total Capital SA
8/10/16			CNOOC Finance 2015 AU
11/28/18	BG Energy Capital PLC		

Appendix C

Any progress made under division (B) (4) (d) of this section; (which asks managers of actively managed investment funds to consider removing the companies from holdings or to create a similar actively managed fund devoid of such companies.)

Ohio Police & Fire Pension Fund is invested in two active funds, which make up a portion of an existing International equity ACWI ex US mandate. Those managers have declined to set up separate similar actively managed funds devoid of such companies. However, the managers have agreed to monitoring companies on the scrutinized companies listing to try to find comparable securities.

Appendix D

A list of all publicly traded securities held by the Fund (and Market values)

June 30, 2008			October 31, 2019		
Company	Market		Company	Market Value	
China Petroleum & Chem-ADR	\$ 1,216,859.00	Both	China Petroleum & Chem-ADR	\$ 607,832.41	Both
CNOOC Ltd	\$ 8,438,589.47	Iran	BG Energy Capital PLC	\$ 207,262.78	Iran
CNPC (HONG KONG) LTD	\$ 564,103.60	Both			
DAELIM INDUSTRIAL CO	\$ 425,543.19	Iran			
Eni Spa	\$ 20,913,311.19	Iran			
GS HOLDINGS CORP	\$ 543.87	Iran			
Inpex Holdings Inc	\$ 2,440,040.92	Iran			
Itochu Corp	\$ 853,665.23	Iran			
Linde AG	\$ 3,165,973.10	Iran			
LUKOIL OIL CO SPONS ADR	\$ 33,808,905.24	Iran			
Mitsui & Co Ltd	\$ 3,031,087.09	Iran			
OAD Gazprom-Spon	\$ 35,065,672.94	Iran			
Oil & Natural Gas Corp Ltd	\$ 960,558.10	Both			
OMV Ag	\$ 876,306.75	Iran			
Petrofac Ltd	\$ 445,852.85	Sudan			
Petroleo Brasileiro	\$ 12,697,931.02	Iran			
RELIANCE INDU LTD(DEMAT)	\$ 1,738,833.21	Sudan			
Repsol YPF SA	\$ 2,883,045.33	Iran			
Royal Dutch Shell	\$ 16,286,222.89	Iran			
Royal Dutch Shell PLC A Shs	\$ 31,793,790.03	Iran			
Saipem	\$ 1,598,105.38	Iran			
SASOL LTD SPON ADR	\$ 1,275,485.78	Iran			
Schlumberger Ltd	\$ 50,485,564.84	Both			
SNC-Lavalin Inc	\$ 994,143.76	Iran			
StatoilHydro ASA	\$ 1,383,681.28	Iran			
Technip	\$ 13,360,702.55	Iran			
Total SA	\$ 4,748,400.26	Iran			
6-30-08 Market Value	\$ 251,452,918.87		Current Market Value	\$ 815,095.19	
% of holdings (6-30-08 #)	100.00%		% of holdings compared to 6-30-08		0.32%

	Country breakdown		Country breakdown
In Both	4	In Both	1
Sudan	2	Sudan	0
Iran	21	Iran	1
Total	27	Total	2

	Market Value
TOTALS:	June 30, 2008
	\$ 251,452,918.87
TOTALS:	October 31, 2019
	\$ 815,095.19
CHANGE	(\$250,637,823.68)
CHANGE %	-99.68%
REMAINING % (compared to June 08)	0.32%

M. Abankwah