

Report to Colorado
PERA Board of
Trustees

From Investment
Staff

Regarding the
Colorado PERA
Iran-Related
Investment Policy

June 20, 2008



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SECTION 1

Executive Summary

Since the last Board Meeting on March 21, 2008, Colorado PERA has continued to work diligently to implement the requirements of the *Colorado PERA Iran-Related Investment Policy* (PERA's policy). Specifically, our efforts have focused on the following areas:

- Sending letters to companies identified as meeting the criteria in PERA's policy and to companies identified as requiring further research and analyzing the responses
- Monitoring compliance with the moratorium on direct public investments enacted by the Board
- Obtaining and analyzing information about companies identified as requiring further research in the previous report
- Working with internal and external investment professionals to begin developing a framework for implementing Phase IV of PERA's policy

Research

Since the last report on PERA's policy, PERA has dedicated one full-time investment analyst to scrutinize and independently corroborate research provided by both an external research provider and the Jewish Community Relations Council (JCRC). In the previous report, 20 companies were identified as requiring further research. PERA staff took the following steps to determine if these companies met the criteria specified in PERA's policy:

- Made various detailed inquiries of the research provider
- Requested additional information from the JCRC
- Attempted to obtain all relevant publicly available information for each of the 20 companies

PERA staff read and analyzed all information gathered. Based on this analysis, five of the 20 companies were identified as meeting PERA's policy criteria. Of the five companies, PERA owns direct public securities issued by one of the companies. As of June 20, 2008, PERA will enact a moratorium on direct public investments in the four companies of the five that PERA does not currently own. In addition, as of June 20, 2008, PERA does not currently own direct public securities issued by one company for which PERA did own direct public securities as of March 21, 2008. Accordingly, PERA will also enact a moratorium on direct public investments in this company. PERA investment managers will be notified of this moratorium on or before June 20, 2008.

In total, there are 16 companies that meet the criteria specified in PERA's policy. Of the 16 companies, PERA owns direct public securities issued by eight of the companies. As of June 20, 2008, PERA will have enacted a moratorium in direct public investments in the eight companies of the 16 that PERA does not currently own.

Engagement

PERA's policy requires that companies meeting the policy criteria must be engaged within 30 days after being identified. On March 21, 2008, PERA mailed engagement letters to the 11 companies identified as meeting PERA's criteria as of March 21, 2008. On March 21, 2008, PERA also mailed engagement letters to the 20 companies identified as requiring further research. As of June 20, 2008, PERA has received responses from 12 companies. Several of the company responses described the individual company's policies relating to investing in

foreign countries. Several companies also provided some information regarding the materiality of the company's Iranian operations related to the company's operations as a whole. Certain companies indicated that they would be willing to discuss these matters with us. PERA will consider whether further engagement is likely to be productive.

Investment Staff Evaluation

Phase IV of PERA's policy requires PERA staff to analyze (1) the available strategies for addressing the risk presented, (2) the materiality of the companies' Iranian operations in relation to their overall operations, and (3) the availability of alternative direct public investments providing similar diversity and return expectations. PERA staff, including internal equity and fixed income personnel, have begun to develop a framework for implementation of this phase.

Reporting

Staff is providing this *Colorado PERA Iran-Related Investment Policy* Report as of June 20, 2008. This report will be placed on the PERA Web site and forwarded to the Governor and the General Assembly on June 20, 2008.

SECTION 2

Colorado PERA Iran-Related Investment Policy

Adopted January 18, 2008

PERA will initiate a phased strategy to address PERA's direct public investments in foreign companies doing business in the Islamic Republic of Iran. The strategy will address and will include a number of actions, up to and including possible divestment. PERA recognizes the federal government has sole responsibility for the conduct of American foreign policy. PERA is acting out of a fiduciary concern for the welfare of its members' assets which requires a broad horizon and sensitivity to the potential risks posed by investment in Iran.

The United States prohibits loans from U.S. financial institutions and direct investment in the Iranian energy and defense sectors. The U.S. government can also impose economic sanctions on foreign companies investing in Iran's petroleum and natural gas sector. It is widely reported that Iran supports terrorism, supplies explosively formed penetrators for use against our troops in Iraq, continues to develop the infrastructure to support advanced nuclear technology, and that its president publicly calls for the destruction of the State of Israel.

PERA must be managed for the benefit of the members, retirees and beneficiaries, and this policy is developed to address the potential for risk presented by pension fund investments in companies doing business in Iran.

Accordingly, the PERA Board of Trustees adopts a policy consisting of the following phases:

- Phase I: Commencing immediately, staff shall undertake research to identify a list of public companies doing business in Iran which meet the following criteria: (This list will be developed through staff research of publicly available information that may include the retention of external third party researchers and/or other information provided by other public funds, pension systems, and investor organizations.)
 1. That have made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20,000,000 or more, in Iran's energy sector; or
 2. Are engaged in business with any Iranian organization labeled by the U.S. government as a terrorist organization; or
 3. Are engaged in any business that facilitates Iranian acquisition of nuclear, chemical, or biological weapons technology or military equipment.
- Phase II: Upon a company being included on the list that meets the criteria set forth under Phase I in which PERA holds a direct public investment, staff shall within 30 days after identifying such a company, engage such company and ask them to:
 1. Provide a detailed description of the nature, extent, duration, and full history of the companies' business activities in Iran;
 2. Provide an explanation as to how these activities are consistent with a sound and prudent long-term investment strategy;
 3. Report how they are engaging the government of Iran regarding its conduct and how they are mitigating investment risks posed by doing business in Iran;
 4. Report whether substantial action has been taken to affect the policies and practices of the government of the Islamic Republic of Iran; and

5. Additionally, staff shall, where practical, confer and work with other pension systems and investor organizations regarding information stemming from their engagement with such companies and potentially cooperate in taking joint action in engaging such companies.
- Phase III: Upon a company being included on the list that meets the criteria set forth under Phase I, the Board enacts a moratorium on direct public investments in companies in which PERA currently holds no interest. The moratorium shall apply upon the date that staff determines such a company meets the criteria. The Board shall give 90-days' advance notice before the effective date of any amendment or repeal of this moratorium to the public, the General Assembly, and the Governor.
 - Phase IV: Within 90 days after engaging such a company, staff shall evaluate the companies' responses and determine if they have taken sufficient steps to minimize risk to PERA and/or whether additional time is required to effectively engage such company. If not, staff shall analyze:
 1. The available strategies for addressing the risk presented;
 2. The viability of working with other interested parties and investors to affect the policies and practices of companies with business operations in Iran;
 3. The materiality of the company's Iranian operations in regards to their overall operations; and
 4. The availability of alternative direct public investments providing similar diversity and return expectations.
 - Phase V: Staff shall report to the Board its findings, actions, and recommendations concerning individual companies on the list at every regularly scheduled Board meeting. This report shall be made available to the public and forwarded to the General Assembly and the Governor; provided, however, the first public report shall be made no later than March 21, 2008. Should adequate mitigation of risk not be possible, the PERA Board of Trustees, consistent with its fiduciary obligations and responsibilities, will thereafter direct staff to:
 1. Withhold additional or new direct public investments in non-complying companies; and/or
 2. Divest current direct public investments in the companies.

Section 3

Review of Staff Activities

January 18 – March 21, 2008

- Made initial contact with two independent research providers (January 25)
- Discussed product offering with first research provider (January 29)
 - What could they provide
 - Current clients they are serving with similar needs
 - What would it cost
 - What research is currently available
 - How much customization would be required to meet PERA's criteria
 - How long would it take to obtain a list customized to PERA's criteria
 - Agreed to send PERA a proposal and agreement
- Discussed product offering with second research provider (January 29)
 - What could they provide
 - Current clients they are serving with similar needs
 - What would it cost
 - How much customization would be required to meet PERA's criteria
 - How long would it take to obtain a list customized to PERA's criteria
 - Research provider indicated that it would be about three months, or perhaps sooner, to provide a list that met PERA's criteria
- Received proposal from first research provider interviewed that included a sample report and a draft of an agreement for research services (January 30)
- Forwarded job description for Investment Analyst to Human Resources (January 29)
- Posted job announcement in *Denver Post* and on CFA Web site (beginning February 3)
- Conducted first interviews (February 14, 15, 19, 26, 29, and March 6). Conducted second interviews week of March 10
- Held follow-up conversation with research provider regarding criteria wording (February 7). Also discussed inclusion of subsidiaries and nuclear power plants on the list – agreed to create a watch list for companies that do not have involvement in Iran
- Signed contract with research provider (February 13)
- Received initial set of reports from research provider (February 15). Prepared detailed list of questions related to criteria wording, questions on specific companies on the list and also companies excluded from the list (February 25). Held conversation regarding questions and definition of “investing in Iran” (February 26)
- Compared JCRC list (initially received in 2007) to research provider list (February 19)

- Evaluated exposure (domestic equity and fixed income) to companies on both the JCRC list and the research provider list as of December 31, 2007 (February 25). Considered needs for creating security identifiers for relevant companies and report description needs
- Conducted conference calls with two large public pension plans to discuss what each fund has done to date (February 13)
- Received updated JCRC list (February 25)
- Received new research provider report (March 3)
- Updated comparison of JCRC list and research provider list (March 7)
- Contacted JCRC to request information regarding JCRC list criteria (March 7)
- PERA contacted by JCRC. JCRC will request AIPAC to follow up on PERA request (March 9)
- Completed initial review of research provider's report and list (March 14)
- Prepared Iran-Related Investment Policy Report for Board of Trustees (March 14 – March 20)

March 21 – June 20, 2008

- Sent letters to all 31 companies identified in the March 21, 2008 report as part of Phase II of the *Colorado PERA Iran-Related Investment Policy* (March 21)
- Enacted a moratorium on three companies identified in the March 21, 2008 report as part of Phase III of the *Colorado PERA Iran-Related Investment Policy* (March 21)
- Updated the portfolio accounting system to identify securities issued by the three companies meeting the policy criteria with a purchase moratorium in effect (March 21)
- Sent letters to all portfolio managers (internal and external) of actively managed separate account portfolios notifying the managers of the moratorium (March 21)
- Hired Investment Analyst (March 24)
- Conducted conference call with AIPAC regarding their methodology in selecting companies for divestment (March 31)
- Reviewed security holdings and transactions to verify compliance with moratorium (April 1)
- Received new research provider report (April 1). Prepared and sent a detailed list of questions to research provider regarding the findings in their April 1 report (April 8). Received response from research provider (April 10)
- Conducted conference call with research provider to further discuss their research (April 11). Received follow-up answers from research provider in response to additional questions

posed during April 11 conference call (April 14). Sent research provider further questions on their findings (April 15). Received response from research provider (April 16). Received another response from research provider regarding unresolved questions remaining from our April 11 conference call (April 17)

- Compared JCRC research (received February 2008) and provider research (April 1) for each company on a project by project basis in an effort to corroborate findings and determine if cited companies meet PERA's policy (April 14 - 16)
- Used Bloomberg research to determine if each cited company had publicly traded debt or equity (April 17)
- Searched the following Web sites for company activities in Iran in an effort to independently corroborate provided research: U.S. Department of Energy, U.S. Department of State, Congressional Research Service, Library of Congress, Reuters, Bloomberg, and brokerage research sites in addition to the individual Web sites of each cited company (April 18 - 22)
- Retrieved the annual reports and Forms 20-F (Form filed with the SEC by non-U.S. companies with securities that trade on a U.S. exchange) for each subject company for the years that company was believed to have conducted operations in Iran (April 22)
- Examined annual reports and other SEC filings in order to identify and calculate the value of subject companies' Iran investments (April 24 - 30)
- Reviewed security holdings and transactions to verify compliance with moratorium (May 1)
- Received new research provider report (May 1). Prepared and sent a detailed list of questions to research provider regarding the findings in their May 1 report (May 2). Received response from research provider (May 5)
- Prepared and sent a detailed list of questions to AIPAC regarding their research findings; also requested an updated research report (if one was available) (May 5)
- Sent e-mails directly to the investor relations departments of those remaining companies that had not yet replied to PERA's engagement letter sent on March 21st (May 6 - 8)
- Met with PERA's equity and fixed income teams to outline steps necessary to develop a framework for implementing Phase IV of the Iran-Related Investment Policy (May 16 and 21)
- Reviewed security holdings and transactions to verify compliance with moratorium (June 2)
- Received new research provider report (June 2)
- Prepared Iran-Related Investment Policy Report for Board of Trustees (May 29 - June 11)

Section 4

Company Response Letters

In compliance with Phase II of the *Colorado PERA Iran-Related Investment Policy*, on March 21, 2008, PERA sent letters to 31 companies. The letters requested information relating to the criteria specified in Phase I, asked the companies to provide and report on the items specified in Phase II, and also requested information on their business activities within Iran. Between May 6 and May 8, 2008, PERA staff sent e-mails directly to the investor relations departments of the companies who had not yet responded. As of June 20, 2008, PERA has received responses from the following 12 companies:

China National Offshore Oil Corp. (CNOOC)

ENAP

ENI S.p.A. ¹

INPEX ¹

Linde AG

OMV AG

Petroleo Brasileiro S.A. (Petrobras) ¹

Repsol YPF, S.A.

Royal Dutch Shell Plc ¹

StatoilHydro ASA ¹

The Siam Cement PCL

Total S.A. ¹

¹ Indicates a company that is listed in Section 5 of this report and is identified as meeting the criteria in PERA's policy.

Section 5

Iran-Related Companies Meeting Criteria as of June 20, 2008

1. Bow Valley Energy Ltd.

Bow Valley Energy Ltd. is a Canadian natural resources company. According to the company's 2007 Annual Information Filing "since its inception in 1996, Bow Valley has been focused principally on sourcing, evaluating, and acquiring international oil and natural gas properties with exploration and exploitation potential...Bow Valley owns oil and natural gas assets in the United Kingdom and Alaska. Bow Valley is engaged in a full-cycle exploration and production program that entails land acquisition, seismic purchase and interpretation, drilling, facilities and pipeline construction, and the production of oil and natural gas."

Bow Valley Energy Ltd meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran's energy sector.

2. China Petroleum & Chemical Corporation (Sinopec)

China Petroleum & Chemical Corporation (aka Sinopec) is a Chinese energy and chemical company. "China Petroleum & Chemical Corporation is an energy and chemical company, which through its subsidiaries, engages in integrated oil and gas, and chemical operations in the People's Republic of China. Oil and gas operations consist of exploring for, developing and producing crude oil and natural gas; transporting crude oil, natural gas and products by pipelines; refining crude oil into finished petroleum products, and marketing crude oil, natural gas and refined petroleum products. Chemical operations include the manufacture and marketing of a range of chemicals for industrial uses."¹

China Petroleum & Chemical Corporation meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran's energy sector.

3. ENI S.p.A.

"ENI S.p.A. is an Italy-based company producing, supplying and distributing petroleum and natural gas, as well as producing electricity and offering engineering, construction and petrochemical services. The Company operates in three segments: Exploration and Production, which is involved in the exploration and production of hydrocarbons; Gas and Power, which is involved in all phases of the gas business and electricity generation activities, and Refining and Marketing, which is involved in the refining and marketing of petroleum products."¹

ENI S.p.A. meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran's energy sector.

4. GAIL (India) Limited

GAIL (India) Limited is a natural gas company in India. "The Company operates through its business segments, which include gas transmission, petrochemicals, liquid hydrocarbons, LNG, LPG transmission and marketing, exploration and production (E&P), and coal bed methane (CBM)."¹

¹ Company description information sourced from Reuters.

² Company description information sourced from Company Web site.

GAIL meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

5. Gazprom OAO

Gazprom OAO is a Russian oil and gas company. “Gazprom OAO and its subsidiaries operate a gas pipeline system. The Company provides production of oil and oil products. It is also an exporter of gas to European countries. Its principal activities include exploration and production of gas; transportation of gas; domestic and export sale of gas; production of crude oil and gas condensate, and processing of oil, gas condensate and other hydrocarbons and sales of refined products. Other activities primarily comprise banking, construction and media. The Company operates through six segments: production of gas, transport, distribution, production of crude oil and gas condensate, refining and other.”¹

Gazprom OAO meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

6. GS Engineering & Construction Corp.

“GS Engineering & Construction Corp., formerly LG Engineering & Construction Co., Ltd., is a Korean company involved in civil, architectural, and environmental engineering. The Company specializes in the construction of oil, gas, and petrochemical plants, and power and electrical plants; the construction of environmental facilities; the construction of commercial and residential buildings, and the provision of remodeling services. It is also engaged in feasibility studies; the gathering, analysis and evaluation of data on proposed projects; consulting services; the operation and maintenance of completed plants; design engineering services, including concept design, reserve design, basic design, detailed design, and production design; procurement services, and facilities-commissioning and start-up services.”¹

GS Engineering & Construction meets criteria (1) - a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

7. INPEX

“INPEX Corporation, headquartered in Tokyo, Japan, is a supplier of oil and natural gas. The Company primarily is engaged in the exploration for, and the development, supply and shipping of natural resources such as petroleum and natural gas. The Company has major exploration projects in Indonesia, Australia, the Timor Sea Joint Petroleum Development Area (JPDA), the Caspian Sea area, the Middle East and South America.”¹

INPEX meets criteria (1) - a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

8. Liquefied Natural Gas Ltd. (LNGL)

“Liquefied Natural Gas Limited is engaged in the development of liquefied natural gas (LNG) production plants to facilitate the production and sale of LNG in Australia.”¹

LNGL meets criteria (1) - a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

¹ Company description information sourced from Reuters.

² Company description information sourced from Company Web site.

9. Lukoil OAO

“Lukoil is a vertically integrated Russian oil and gas company. The main activities of the Company are exploration and production of oil and gas, production of petroleum products and petrochemicals, and marketing of these outputs. Most of the Company’s exploration and production activity is located in Russia, and its main resource base is in Western Siberia. Lukoil owns modern refineries, gas processing and petrochemical plants located in Russia, Eastern Europe and near-abroad countries. Most of the Company’s production is sold on the international market. Lukoil petroleum products are sold in Russia, Eastern and Western Europe, near-abroad countries and the USA. Lukoil is carrying out international exploration and production projects in Kazakhstan, Egypt, Azerbaijan, Uzbekistan, Saudi Arabia, Iran, Colombia, Venezuela, Cote d’Ivoire, and Iraq.”²

Lukoil meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

10. Petroleo Brasileiro (Petrobras)

“Petroleo Brasileiro S.A. (Petrobras) is a wholly owned enterprise of the Brazilian Government, which is responsible for all hydrocarbon activities in Brazil. The Company is engaged in a range of oil and gas activities. Petrobras operates in six segments: exploration and production, supply, distribution, gas and power, international and corporate. Its exploration and production segment encompasses exploration, development and production activities in Brazil. The supply segment encompasses refining, logistics, transportation, exportation and the purchase of crude oil, as well as the purchase and sale of oil products and fuel alcohol. In addition, this segment includes the petrochemical and fertilizers division, which includes investments in domestic petrochemical companies and its two domestic fertilizer plants. Its distribution segment represents the oil product and fuel alcohol distribution activities conducted by its wholly owned subsidiary, Petrobras Distribuidora S.A. - BR in Brazil. The gas and power segment encompasses the purchase, sale, transportation and distribution of natural gas produced in or imported into Brazil. In addition, this segment includes the Company’s participation in domestic electricity production, including investments in domestic natural gas transportation companies, state-owned natural gas distributors and gas-fired power companies. Its international segment encompasses exploration and production, supply, distribution and gas and power activities conducted in Argentina, Angola, Bolivia, Colombia, Ecuador, Equatorial Guinea, Iran, Libya, Mexico, Mozambique, Nigeria, Paraguay, Peru, the United States, Tanzania, Turkey, Uruguay, and Venezuela. Its corporate segment includes the financial results and those activities not attributable to other segments.”¹

Petroleo Brasileiro meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

11. Petroliaam Nasional (Petronas)

Petroliaam Nasional is the Malaysian national oil company. “Petronas’ business has grown to encompass the full spectrum of oil and gas operations, both locally and globally, in the areas of upstream oil and gas exploration and production (E&P) to downstream oil refining; marketing and distribution of petroleum products; trading; gas processing and liquefaction; gas transmission pipeline network operations; marketing of liquefied natural gas (LNG); petrochemical manufacturing and marketing; shipping; and property investment. According to Bloomberg the company is also involved in upstream and downstream ventures in Vietnam,

¹ Company description information sourced from Reuters.

² Company description information sourced from Company Web site.

China, Pakistan, the Philippines, and the Middle East, and has interests in Australia and Argentina.”²

Petroliam Nasional meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

12. Royal Dutch Shell Plc

Royal Dutch Shell Plc is an oil and gas company headquartered in the Netherlands. “Royal Dutch Shell Plc (Shell) is engaged in all principal aspects of the oil and natural gas industry, and also has interests in chemicals and additional interests in power generation and renewable energy (mainly in wind and advanced solar energy). The Company operates in five segments: Exploration & Production, which searches for and recovers oil and natural gas around the world and is active in 38 countries; Gas & Power, which liquefies and transports natural gas, and develops natural gas markets and related infrastructure; Oil Products, which include all of the activities necessary to transform crude oil into petroleum products and deliver these to customers worldwide; Chemicals, which produces and sells petrochemicals to industrial customers globally, and Other Industry Segments and Corporate, which include Renewables and Hydrogen.”¹

Royal Dutch Shell Plc meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

13. Sasol Ltd.

“Sasol Limited is an integrated oil and gas company with substantial chemical interests. Sasol mines coal in South Africa. The Company also has chemical manufacturing and marketing operations in Europe, Asia, and the Americas. Its larger chemical portfolios include monomers, polymers, solvents, olefins, surfactants, surfactant intermediates, comonomers, waxes, phenolics, and nitrogenous products.”¹

Sasol Ltd. meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

14. StatoilHydro ASA

Statoil and NorskHydro ASA merged to become StatoilHydro ASA, a Norwegian oil and gas company, in October 2007. “StatoilHydro ASA is an integrated oil and gas company. The Company’s focus is on exploration, development and production of oil and natural gas from the Norwegian Continental Shelf.”¹

StatoilHydro ASA meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

15. Total S.A.

Total S.A. is an oil company headquartered in France. “Total S.A. together with its subsidiaries and affiliates, is an integrated oil and gas company. With operations in more than 130 countries, Total engages in all aspects of the petroleum industry, including upstream operations (oil and gas exploration, development and production, liquefied natural gas) and downstream operations (refining, marketing, and the trading and shipping of crude oil and petroleum products). Total

¹ Company description information sourced from Reuters.

² Company description information sourced from Company Web site.

also produces base chemicals (petrochemicals and fertilizers), chlorochemicals, intermediates, performance polymers, and specialty chemicals for the industrial and consumer markets.”¹

Total S.A. meets criteria (1) – a company that has made an investment on or after August 5, 1996, or in any combination in any 12-month period, of \$20 million or more, in Iran’s energy sector.

16. Ulan-Ude Aviation Plant JSC

“Ulan-Ude Aviation Plant JSC is a Russian company specializing in the production of military and civilian helicopters and airplanes.”²

Ulan-Ude meets criteria (3) – a company that is engaged in any business that facilitates Iranian acquisition of nuclear, chemical, or biological weapons technology or military equipment.

¹ Company description information sourced from Reuters.

² Company description information sourced from Company Web site.

SECTION 6

PERA Holdings of Iran-Related Companies Meeting Criteria as of June 20, 2008

To develop the following information, PERA used an identification date of June 6, 2008. The following table indicates which companies are (a) on the list meeting the policy criteria, and (b) are or are not held by PERA in separate account portfolios. Newly identified companies meeting the criteria and not held by PERA will have a moratorium effective date of June 20, 2008. Relevant PERA investment managers will be notified of this moratorium on or before June 20.

Company Name	Date Added to PERA List	Market Value
Bow Valley Energy Ltd.	March 21	–
China Petroleum & Chemical Corporation (Sinopec)	March 21	–
ENI S.p.A.	March 21	\$ 4,326,960
GAIL (India) Ltd.	June 20	–
Gazprom OAO	March 21	\$ 53,622,414
GS Engineering & Construction Corp.	March 21	–
INPEX	June 20	–
Liquefied Natural Gas Ltd. (LNG)	June 20	–
Lukoil OAO	March 21	\$ 9,881,410
Petroleo Brasileiro S.A. (Petrobras)	March 21	\$ 66,879,485
Petrolia Nasional (Petronas)	March 21	–
Royal Dutch Shell Plc	March 21	\$ 50,871,705
Sasol Ltd.	June 20	\$ 12,953,632
StatoilHydro ASA	March 21	\$ 60,886,138
Total S.A.	March 21	\$ 59,437,049
Ulan-Ude Aviation Plant JSC	June 20	–

Section 7

Iran-Related Companies Meeting Criteria as of June 20, 2008, With Purchase Moratorium in Effect

Company Name	Date Moratorium Enacted
Bow Valley Energy Ltd.	March 21
China Petroleum and Chemical Corporation (Sinopec)	June 20
GAIL (India) Ltd.	June 20
GS Engineering & Construction Corp.	March 21
INPEX	June 20
Liquefied Natural Gas Ltd. (LNGL)	June 20
Petroliam Nasional (Petronas)	March 21
Ulan-Ude Aviation Plant JSC	June 20