



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
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JON S. CORZINE
Governor

BRADLEY I. ABELOW
State Treasurer

August 28, 2007

Report to the New Jersey Legislature
pursuant to P.L. 2005, c.162
(Investments in Sudan)

Chapter 162 of the Public Laws of 2005 (the "Act") provides that no assets of any pension or annuity fund under the jurisdiction of the Division of Investment (the "Division") shall be invested in any foreign company with an equity tie to the government of Sudan or its instrumentalities and is engaged in business in or with the same. The provisions shall not apply to the activities of any foreign company providing humanitarian aid to the Sudanese people through either a governmental or non-governmental organization. The Act requires that any investment held in violation of the provisions of the Act must be sold, redeemed, divested or withdrawn no later than August 1, 2008.

The Act requires that the Director of the Division annually file with the Legislature a report on all investments sold, redeemed, divested or withdrawn in compliance with the Act. Each annual report shall provide a description of the progress which the Division has made since the previous report and since the enactment of the Act in implementing the provisions of the Act.

As summarized in our report dated August 4, 2006 to the Legislature, the Division had divested all of the holdings that had been identified at that time as being in violation of the provisions of the Act, well ahead of the three year timeline required by the Act.

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We reported on August 4, 2006 that we had received a commitment from Diageo PLC that they would be terminating their business activities in Sudan. The company has confirmed to us that they have terminated these activities. ABB Ltd. also reported to us that they have suspended their business activities in Sudan. Both companies are once again eligible for investment.

In accordance with the provisions of the Act, the State Investment Council and the Director of the Division continue to review the recommendations of, and consult with, an independent research firm that specializes in global security risk for portfolio determinations. Since our last report, there have been additional companies which have been identified as having equity ties to the government of Sudan or its instrumentalities and engaged in business in or with the same. Divestment was not required under the Act since no assets of the pension or annuity funds were invested in these companies. The companies have been added to the list of companies not eligible for investment by the pension and annuity funds.


On July 17, 2006, the State Investment Council expanded the Division's ability to invest in a greater number of emerging market countries. As a result, the Division expanded the list of companies which are not eligible for investment by the pension or annuity fund portfolios pursuant to the Act.

As of the date of this report, the Division has identified the following companies which have equity ties to the government of Sudan or its instrumentalities and are engaged in business in or with the same which will not be eligible for investment by the pension and annuity fund portfolios: Abu Dhabi Islamic Bank, Advance Synergy Bhd, Alcatel SA, Alstom SA, Amlak Finance, Animal Resources Bank, AREF Investment Group Co, AREVA, Bank of Khartoum, Bharat Heavy Electricals Ltd., Blue Nile Insurance, Bollore, Byblos Bank, Chc Helicopter Corp., China Petroleum & Chemical Corp, China National Petroleum Corp, Daihatsu Motor, Deutsche Lufthansa AG, Deutsche Post SG, Dongfeng Motor Group Company Ltd., Electricity Generating Public Co Ltd, Emirates Telecommunications Corp., Ericsson, Faisal Islamic Bank of Egypt, Harbin Power Equipment Co. Ltd, Indian Oil Corporation, INVESTCOM LLC, Ivory Bank, Kencana Petroleum Bhd, Kenya Airways Ltd, Lafarge SA, La Mancha Resources Inc., Lundin Petroleum, MISC Berhad, MMC Corporation Bhd, Mobile Telecommunications Co, Nam Fatt Corporation Berhad, National Reinsurance Co, Nestle SA, Novartis AG, Oil & Natural Gas Corporation Ltd, Omdurman National Bank, PECD Bhd, Petrochina Company Limited, Petrofac Ltd, Royal Dutch Shell, Sarawak Energy Bhd, Saudi Sudanese Bank, Schlumberger Ltd., SCOMI Group Bhd, SGS SA, Siemens AG, Sojitz Holdings Corp, Sony Corp., Sudan Telecom Co Ltd, Sudanese Free Zones and Markets Co, Sudanese French Bank, Sudanese Insurance & Reinsurance, Sudanese Islamic Bank, Sumatec Resources B, Sumitomo Corp, Syngenta AG, Tadamon Islamic Bank, Total SA,

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Videocon Industries Ltd, Warsila Oyj, Watania Co-operative Insurance, Workers National Bank, Weir Group PLC and White Nile.

Please be assured that the Division will continue to vigorously implement the Act by working to identify any additional companies that have equity ties to the government of Sudan or its instrumentalities and are engaged in business in or with the same. Such companies will be added to the prohibited investment list, and the Division will divest any pension or annuity fund holdings in those companies.

A handwritten signature in black ink, appearing to read "William G. Clark". The signature is written in a cursive style with a large, prominent initial "W".

William G. Clark
Director