



*State of New Jersey*

DEPARTMENT OF THE TREASURY  
DIVISION OF INVESTMENT  
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TRENTON, NJ 08625-0290

**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. Governor*

**ANDREW P. SIDAMON-ERISTOFF**  
*Acting State Treasurer*

March 1, 2010

Report to the New Jersey Legislature  
pursuant to P.L. 2007, c.250  
(Investments in Iran)

Chapter 250 of the Public Laws of 2007 (the "Act") provides that no assets of any pension and annuity fund under the jurisdiction of the Division of Investment (the "Division") shall be invested in any foreign company that has an equity tie to the government of Iran or its instrumentalities and is engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities. This prohibition shall not apply to the activities of any foreign company providing humanitarian aid to the Iranian 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The Act requires that any investment held in violation of the provisions of the Act must be sold, redeemed, divested or withdrawn no later than January 4, 2011.

The Act requires that the Director of the Division (the "Director") annually file with the Legislature a report on all investments sold, redeemed, divested or withdrawn in compliance with the Act.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.

In accordance with the provisions of the Act, the Director reviewed the recommendations of and consulted with an independent research firm, RiskMetrics Group, which specializes in global security risk for portfolio determinations.

The following summarizes all investments sold in compliance with the Act since our last report and our initial report, as well as the positions held in the portfolio as of January 31, 2010.

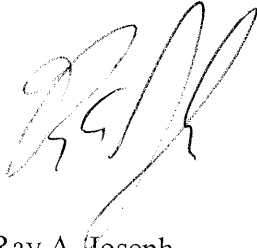
Company	Sales February 1, 2009 through January 31, 2010		Sales March 1, 2008 through January 31, 2010		Owned January 31, 2010	
	Shares	Net Sales Proceeds (000's) (a)	Shares	Net Sales Proceeds (000's) (a)	Shares	Market Value (000's)
ENI Spa	1,000,000	\$ 23,984	2,500,000	\$ 82,571	-	-
Gazprom OAO	95,828	1,747	388,729	7,147	200,900	\$ 4,944
GDF Suez	4,519,534	165,961	6,029,534	236,564	-	-
GS Engineering & Construction	-	-	22,449	3,133	-	-
Lukoil OAO	-	-	92,406	7,309	-	-
Mitsui & Co.	1,000,000	10,450	2,100,000	27,952	-	-
OMV AG	-	-	353,370	26,323	-	-
Petroleo Brasileiro	178,602	8,166	417,026	19,815	173,771	6,270
Sasol LTD.	19,605	636	30,505	1,161	-	-
SNC-Lavalin Group, Inc.	-	-	40,000	2,090	-	-
Statoil Hydro ASA	1,000,000	20,752	2,500,000	75,110	-	-
Total	<u>7,813,569</u>	<u>\$ 231,696</u>	<u>14,474,019</u>	<u>\$ 489,175</u>	<u>374,671</u>	<u>\$ 11,214</u>

(a) After reduction of all commission and regulatory fees

As of the date of this report, the Division has identified the following companies which have equity ties to the government of Iran or its instrumentalities and are engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities which will not be eligible for investment by the pension and annuity fund portfolios: Aker ASA, Alstom, Banco Bilbao Vizcaya Argentaria (BBVA), China Petroleum & Chemical Corp, Costain Group PLC, Daelim Industrial Co, Edison Spa, ENI Spa, Gazprom OAO, GS Holdings Corp., Indian Oil Corporation Ltd, Inpex Holdings Inc, Itochu Corp, JGC Corp, Liquefied Natural Gas Ltd, Lukoil Oao, MISC Berhad, Mitsui & Co., Mitsui Engineering & Shipbuilding Co Ltd, Oil & Natural Gas Corporation Ltd, OMV AG, Petrochina Company Limited, Petroleo Brasileiro, Repsol YPF SA, Rolls Royce Group PLC, Royal Dutch Shell PLC, Saipem, Sasol Ltd, Schlumberger Ltd, SNC-Lavalin Group Inc., Statoil Hydro ASA, Technip and Total SA.

The Division will continue to periodically consult with the independent research firm to identify any additional companies that are identified as having ties which are in violation of the Act. Such companies will be added to the prohibited investment list, and the Division will divest of any pension and annuity fund holdings in those companies accordingly.

In accordance with the Act, the Division will continue to report annually on all investments sold, redeemed, divested or withdrawn in compliance with the Act. Each annual report shall provide a description of the progress that the Division has made since the previous report and since the enactment of the Act in implementing the provisions of the Act.

A handwritten signature in black ink, appearing to read 'R. Joseph', with a stylized flourish extending from the bottom right.

Ray A. Joseph  
Acting Director