



# SOUTH DAKOTA INVESTMENT COUNCIL

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## MEMORANDUM

TO: South Dakota Investment Council

FROM: Tammy V. Otten, CPA CFA *tvo*  
Assistant Investment Officer Fixed Income/Derivative

Matthew L. Clark, CFA *MLC*  
State Investment Officer

DATE: May 19, 2020

RE: Iran Scrutinized Companies List

The Iran divestment law (SDCL 4-5-48 to 4-5-60) went into effect on July 1, 2010. The Council utilizes a public list provided by Florida to determine the South Dakota list of Iran scrutinized companies.

**Florida has not updated their Iran scrutinized companies list since December 3, 2019. The Council included the changes noted in the last Florida report during the February 6, 2020 Council conference call meeting.**

SDCL 4-5-57 allows SDRS to invest indirectly in companies on the list through pooled funds. SDRS has about 0.5% of total fund assets invested in a pooled fund managed by Dimensional Fund Advisors (DFA) which at times has held companies on the list. DFA has been informed of the law and their response is on file. SDRS is less than 1% of the DFA pooled fund.

Staff continues to monitor changes to the Federal sanctions law, or its application, to determine the effect on the South Dakota Iran scrutinized companies list.

**STAFF RECOMMENDATION:** *Staff recommends no change to the South Dakota Iran scrutinized companies list during the June 4, 2020 Council conference call.*

tvo