July 10, 2018

Executive Board
c/o Jason Hancock, Director
Legislative Research Council
500 E. Capitol Ave.
Pierre, SD 57501

SDCL 3-12-117 requires the Investment Council to report semi-annually the actions related to the shareholder activism policy adopted per Legislature resolution. The law states that, "The report shall include an analysis of the success of the policy in accomplishing the goal of promoting compliance with the federal enactments and its impact on all sales of affected companies." The attached policy was adopted by the Council on April 10, 2010 and was reviewed at the January 29, 2018 meeting.

The Investment Council had utilized a list of Sudan scrutinized companies developed by the State of Colorado with supplementary reference to a list developed by the State of Florida. Colorado’s Sudan legislation was sunset in October of 2017 and no longer provides a list of companies with respect to Sudan. The Investment Council undertook a comparative analysis of other state’s Sudan lists. It was determined that utilizing the Florida list, with the addition of the scrutinized companies’ subsidiaries, would be the primary source for the South Dakota Sudan scrutinized companies list. Florida provided a new list dated 6/13/18.

The current South Dakota Sudan scrutinized companies list compared to direct investments held by the South Dakota Retirement System is enclosed. There are no holdings of companies that appear on the list therefore no engagement actions were undertaken. The Council will continue to monitor Federal government changes regarding Sudan.

Sincerely,

Matthew L. Clark
State Investment Officer

MLC/tvo

Enclosures
Cc: South Dakota Investment Council
<table>
<thead>
<tr>
<th>Company</th>
<th>Date Added to SDIC List</th>
<th>Ticker</th>
<th>Shares</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>China National Petroleum Corp (CNPC)</td>
<td>07/01/2010</td>
<td>No holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of Kunlun Co (sub of CNPC)</td>
<td>06/25/2018</td>
<td>No holdings</td>
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<tr>
<td>China Natural Gas Corp Ltd (sub of CNPC)</td>
<td>12/31/2016</td>
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<tr>
<td>China Petroleum Engineering Corp (sub of CNPC)</td>
<td>06/25/2018</td>
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<tr>
<td>CNPC Capital Co Ltd (sub of CNPC)</td>
<td>06/25/2018</td>
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<tr>
<td>CNPC General Capital Ltd (sub of CNPC)</td>
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<tr>
<td>CNPC HK Overseas Capital Ltd (sub of CNPC)</td>
<td>12/31/2011</td>
<td>No holdings</td>
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<tr>
<td>Daqing Huawe Group Co Ltd (sub of CNPC)</td>
<td>07/01/2010</td>
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<td>Kunlun Financial Leasing Co Ltd (sub of CNPC)</td>
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<tr>
<td>PetroChina Co Ltd (sub of CNPC)</td>
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<tr>
<td>China Petroleum &amp; Chemical Corp (CPCC Sinopce)</td>
<td>07/01/2010</td>
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<tr>
<td>China Petrochemical Corp (sub of CPCC Sinopce)</td>
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<td>* SDRS DFA (indirect) 6206084</td>
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<tr>
<td>Sinopce Capital 2013 Ltd (sub of CPCC Sinopce)</td>
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<tr>
<td>Sinopce Engineering Group Co Ltd (sub of CPCC Sinopce)</td>
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<td>* SDRS DFA (indirect) 892NYC9</td>
<td>65,771</td>
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<tr>
<td>Sinopce Kantsons Holdings Ltd (sub of CPCC Sinopce)</td>
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<td>* SDRS DFA (indirect) 6162092</td>
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<tr>
<td>Sinopce Oilfield Equipment (sub of CPCC Sinopce)</td>
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<td>Sinopce Oilfield Service Corp (sub of CPCC Sinopce)</td>
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<td>Sinopce Overseas Development 2012-2016 (sub of CPCC Sinopce)</td>
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<tr>
<td>Sinopce Shanghai Petrochemical (sub of CPCC Sinopce)</td>
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<tr>
<td>Egypt Kuwait Holding Co SA</td>
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<tr>
<td>Energy House Holding Co</td>
<td>06/25/2018</td>
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<tr>
<td>Hartin Electric Co Ltd</td>
<td>03/31/2014</td>
<td>* SDRS DFA (indirect) 6422761</td>
<td>48,072</td>
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<td>Indian Oil Corp Ltd (IOCL)</td>
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<td>Chennai Petroleum Corp Ltd (sub of IOCL)</td>
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<td>* SDRS DFA (indirect) 6121563</td>
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<tr>
<td>Lanka IOC Ltd (sub of IOCL)</td>
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<td>Jiangxi Hongdu Aviation</td>
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<tr>
<td>Kuwait &amp; Gulf Link Transport Co.</td>
<td>06/25/2018</td>
<td>No holdings</td>
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<tr>
<td>Kuwait Finance House</td>
<td>06/25/2018</td>
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<td></td>
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<tr>
<td>Managem SA</td>
<td>09/30/2010</td>
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<tr>
<td>Societe Metalurgique D'imiter (sub of Managem SA)</td>
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<tr>
<td>Societe Nationale d'Investissement (sub of Managem SA)</td>
<td>03/11/2016</td>
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<tr>
<td>Oil &amp; Natural Gas Corp Ltd (ONGC)</td>
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<tr>
<td>Mangalore Refinery &amp; Petrochemicals (sub of ONGC)</td>
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<td>* SDRS DFA (indirect) 6121530</td>
<td>1,566</td>
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<tr>
<td>ONGC Mangalore Petrochemicals Ltd (sub of ONGC)</td>
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<td>ONGC Videsh Ltd (sub of ONGC)</td>
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<tr>
<td>ONGC Videsh Vankornett (sub of ONGC)</td>
<td>12/31/2016</td>
<td>No holdings</td>
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<tr>
<td>Oil India Ltd</td>
<td>05/11/2011</td>
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<tr>
<td>Orca Gold Inc</td>
<td>09/20/2013</td>
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<tr>
<td>Petramiam Nasional Bhd (Petronas)</td>
<td>07/01/2010</td>
<td>No holdings</td>
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<tr>
<td>Engen Botswana (sub of Petronas)</td>
<td>03/31/2014</td>
<td>No holdings</td>
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<tr>
<td>Gas District Cooling Punteraya Sdn Bhd (sub of Petronas)</td>
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<tr>
<td>KLCC Property Holdings Bhd (sub of Petronas)</td>
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<td>KLCCP Stapled Group (sub of Petronas)</td>
<td>03/20/2015</td>
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<td>Malaysia International Shipping Co (sub of Petronas)</td>
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<td>Malaysia Marine &amp; Heavy Engineering Holdings Bhd (sub of Petronas)</td>
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<td>* SDRS DFA (indirect)  B3W5NN7</td>
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<td>MISC Berhad (sub of Petronas)</td>
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<td>No holdings</td>
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<tr>
<td>Petronas Capital Ltd (sub of Petronas)</td>
<td>07/01/2010</td>
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<td>Petronas Chemicals Bhd (sub of Petronas)</td>
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<td>Petronas Dagangan Bhd (sub of Petronas)</td>
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<tr>
<td>Petronas Gas Berhad (sub of Petronas)</td>
<td>07/01/2012</td>
<td>No holdings</td>
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<td>Petronas (Global Sukuk (sub of Petronas)</td>
<td>12/21/2012</td>
<td>No holdings</td>
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<tr>
<td>Putrajaya Holdings Sdn Bhd (sub of Petronas)</td>
<td>12/21/2011</td>
<td>No holdings</td>
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</tr>
</tbody>
</table>

* DFA Note: Holdings are an estimate based on total fair value as of 05/31/18; we are holders of the company indirectly

None
None
None
None