State of New Jersey

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August 1, 2014

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The Act requires that any investment held in violation of the provisions of the Act must be sold, redeemed, divested or withdrawn.

As previously reported, based upon advice of the Office of the Attorney General received in May 2011, the Division implements the Act in a way that is consistent with and does not conflict with the Sudan Accountability and Divestment Act of 2007 ("SADA"). More specifically, the Division limits divestment to companies engaged in business in the industry specific categories (power production activities, mineral extraction activities, oil-related activities, and the production of military equipment) stated in SADA, with further exceptions also contained in SADA.

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Director of the Division annually file with the Legislature a report on all investments sold, redeemed, divested or withdrawn in compliance with the Act.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

The following chart summarizes all investments sold in compliance with the Act since our last report and our initial report. The pension and annuity funds did not hold securities of any companies on the prohibited list as of the date of this report.

Report to the New Jersey Legislature
Pursuant to P.L. 2005, c.162
August 1, 2014

| | Sales July 1, 2013 through June 30, 2014 (a) | | Sales August 1, 2005 through June 30, 2014 (a) | |
|---|---|---|---|---|
| Company | Shares/Par | Sales Proceeds (000's) | Shares/Par | Sales Proceeds (000's) |
| ABB Ltd. (b) | | | 2,000,000 | $ 27,078 |
| Alcatel-Lucent (debt) (b) | | | 600,000 | 429 |
| AstraZeneca PLC (b) | | | 2,475,000 | 130,575 |
| Bouygues SA | 160,031 | $ 4,289 | 160,031 | 4,289 |
| China Petroleum & Chemical Corp | 17,525,630 | 17,655 | 17,525,630 | 17,655 |
| Daihatsu Motor (b) | | | 2,500,000 | 26,191 |
| Deutsche Lufthansa AG (b) | | | 4,000,000 | 72,212 |
| Diageo PLC (b) | | | 13,000,000 | 212,274 |
| Ericsson (b) | | | 61,500,000 | 268,366 |
| Novartis AG (b) | | | 3,500,000 | 198,160 |
| Nestle SA (b) | | | 700,000 | 204,282 |
| PetroChina Co. Ltd. | 87,329 | 9,545 | 87,329 | 9,545 |
| Roche Holdings Ltd (b) | | | 1,050,000 | 162,152 |
| Royal Dutch Shell (b) | | | 2,936,665 | 94,858 |
| Schlumberger Ltd. | | | 3,876,200 | 284,569 |
| SGS SA (b) | | | 97,952 | 89,723 |
| Schneider Electric | | | 174,566 | 9,248 |
| Siemens AG (b) | | | 800,000 | 73,661 |
| Sony Corp. (b) | | | 1,283,400 | 58,881 |
| Sumitomo Corp (b) | | | 1,700,000 | 24,545 |
| Syngenta AG (b) | | | 1,000,000 | 70,623 |
| Total SA (b) | | | 591,324 | 164,414 |
| | 17,772,990 | $ 31,489 | 121,558,097 | $ 2,203,730 |

(a) This chart only includes sales occurring while the Company was on the prohibited list
(b) Company is not on the prohibited list as of the date of this report

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 (currently IW Financial) that specializes in global security risk for portfolio determinations. Since our last report, the list of companies identified as being ineligible for investment has been revised based upon research updates received from the independent research firm.

As of the date of this report, the Division, in conjunction with its independent research firm, has identified the following companies that will not be eligible for investment by the pension and annuity fund portfolios: Alstom S.A.; Arzamas Machine Building Plant OJSC; ASEC Company for Mining; Bauer AG; Bharat Heavy Electricals Ltd.; Bouygues SA; China Gezhouba Group Company Ltd.; China Petroleum & Chemical Corp.; Citadel Capital Col. S.A.E.; Dongfeng Motor Group Company Limited; Drake & Scull International PJSC; Dubai Investments; Egypt Kuwait Holding Co; Electricity Generating Public Co Ltd.; Elsewedy Electric Co.; Emperor Oil Ltd.; Energy House Holding Company KSCC.; Harbin Electric Company, Ltd; Independent Petroleum Group Co.; Indian Oil Corporation Ltd.; Jiangxi Hongdu Aviation Industry Corp., Ltd.; Kuwait Finance House K.S.C.; Larsen & Toubro Ltd.; LS Industrial Systems Co., Ltd.; Managem S.A.; OAO Gaz; Oil & Natural Gas Corporation Ltd.; Oil India Ltd.; PetroChina Co., Ltd.; Petrofac Ltd; SapuraKencana Petroleum Bhd.; Schlumberger Ltd.; Schneider Electric SA; SCOMI Group Bhd; Shanghai Electric Group Company Ltd.; Sinohydro Group Ltd and Waertsilae Oyj.

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 or annuity fund holdings in those companies accordingly.

Christopher McDonough
Director