February 25, 2014

Dear Mayor Gray and Councilmembers Alexander, Barry, Bonds, Bowser, Catania, Cheh, Evans, Graham, Grosso, McDuffie, Mendelson, Orange and Wells:

This letter is being sent to you pursuant to the reporting requirements set forth in the “Prohibition of the Investment of Public Funds in Certain Companies Doing Business with the Government of Iran and Sudan Divestment Conformity Act of 2008” (the “Act” DC Law 17-337 codified at DC Official Code §§1-336.01 -1-336.06), which became District of Columbia law on March 21, 2009. Specifically, Section 1-335.04(b) of the Act requires that the District of Columbia Retirement Board (the “Board”) send you an annual report describing certain activities undertaken by the Board in compliance with the terms of the Act. Therefore, please find below a description of such activities immediately following the applicable statutory reporting requirement:

(1) All investments sold, redeemed, divested, or withdrawn in compliance with Section 1-336.03(a).

The Board was not required to sell, redeem, divest, or withdraw any investment in order to comply with Section 1-336.03(a).

(2) All prohibited investments under Section 1-336.03(b).

The Board’s portfolio held a small position in Gazprom. The Board’s external research provider recently removed Gazprom from the Scrutinized Companies List. Since the security has matured, it is no longer in the portfolio.
(3) Any progress made under Section 1-336.03 [c].

In accordance with Section 1-336.03[c], the Board submitted letters to the managers of actively-managed investment funds with indirect holdings of securities of companies on the Scrutinized Companies List requesting that they consider either removing such securities from the investment fund or creating a similar actively-managed investment fund with indirect holdings devoid of such securities. Despite the Board's requests, the managers of these investment funds have neither removed those securities from the funds nor created similar actively-managed funds absent such securities.

(4) A list of all publicly-traded securities held directly by the public fund.

Please refer to Exhibit A, which is a current listing of the Board's direct holdings in publicly-traded securities.

(5) A list of any investments held by the Public Fund that would have been divested under Section 1-336.03(a), but for Section 1-336.03(d), including a statement of reasons why a sale or transfer of the investments is inconsistent with the fiduciary responsibilities of the District of Columbia Retirement Board and the circumstances under which the District of Columbia Retirement Board anticipates that it will sell, transfer, or reduce the investment.

The Board does not hold any investments that would have been divested under Section 1-336.03(a) but for Section 1-336.03(d).

Please let us know if you have any questions regarding the above.

Sincerely,

Joseph Bress
Chairman

cc: Board of Trustees
    Eric Stanchfield, Executive Director
    Jeffrey Feltman, U.S. Department of State