NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

INVESTMENT MANAGEMENT

September 30, 2020

Joint Legislative Commission on Governmental Operations
North Carolina General Assembly
Raleigh, North Carolina 27601

RE: Report from the State Treasurer to the Joint Legislative Commission on Governmental Operations: Divestments Related to the Divestment From Companies Boycotting Israel Act of 2017

Dear Commission Members:

The North Carolina Department of State Treasurer (the "Department") hereby submits its annual report pursuant to N.C. Gen. Stat. § 147-86.84 of the Divestment from Companies Boycotting Israel Act of 2017 (codified at N.C. Gen. Stat. §§ 147-86.80 to 147-86.84), as amended (the "Act").

In addition to providing the updated list of companies that are subject to the Act's divestment requirements and contract prohibitions, this report provides an update regarding any investments that were sold, redeemed, divested, or withdrawn in compliance with the Act in the current reporting year.

I. Final Divestment and Do-Not-Contract List—Companies Boycotting Israel, as of August 30, 2020

Companies listed because of their own apparent activities related to boycotting Israel may be found on the "Final Divestment and Do-Not-Contract List—Companies Boycotting Israel," which is enclosed with this document. Known parents and subsidiaries of these restricted companies, if any, are also subject to the Act and are included.

II. Summary of Investments Sold, Redeemed, Divested, or Withdrawn

In the current annual reporting cycle, no investments have been sold, redeemed, divested, or withdrawn pursuant to the Act.

Thank you for your attention to this report.

Sincerely,

Dale R. Folwell, C.P.A.
State Treasurer of North Carolina

Enclosures: Final Divestment and Do-Not-Contract List— Companies Boycotting Israel (Compiled as of August 30, 2020)

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FINAL DIVESTMENT AND DO-NOT-CONTRACT LIST— COMPANIES BOYCOTTING ISRAEL

Compiled as of August 30, 2020

Pursuant to N.C. Gen. Stat. § 147-86.81, the State Treasurer has determined that the following companies appear to be engaged in a "boycott of Israel," as that term is defined in the amended North Carolina Divestment From Companies Boycotting Israel Act of 2017 (the "Act"), based on other state lists, federal information, and other credible information. This updated List may be found at the State Treasurer's website: https://www.nctreasurer.com.

The State Treasurer and North Carolina Retirement Systems may not invest funds, and must divest any existing investment, with the restricted companies listed below. N.C. Gen. Stat. § 147-86.81. In addition, the restricted companies listed below are ineligible to contract with the State of North Carolina or any political subdivision of the State if the contract is valued at more than $1,000.00. N.C. Gen. Stat. §§ 147-86.82 and 147-86.83. Any existing contracts with the restricted companies listed below shall be allowed to expire in accordance with their terms. N.C. Gen. Stat. § 147-86.82(d).

"Company" is defined by the Act to include not only restricted companies listed as a result of their own apparent boycott of Israel but also any "wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities." N.C. Gen. Stat. § 147-86.80(2).

The Department of State Treasurer is not responsible for compliance with the Act by other agencies or State political subdivisions. The Department's responsibilities are solely focused on implementing N.C. Gen. Stat. §147-86.81, which relates to the Department's investments, and implementing the Act as it relates to the identification of companies that appear to be engaged in a boycott of Israel (and their affiliates).

Restricted Company	Affiliates (Parents or Subsidiaries)
Betsah Invest SA	n/a
Betsah SA	n/a
Cactus SA	n/a
Co-operative Group Limited	n/a
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	n/a
KLP Kapitalforvaltning AS	n/a
Kommunal Landspensjonskasse	n/a
Pensionskassernes Administration A/S	n/a
Sampension Kp Livsforsikring A/S	n/a