



**OREGON
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State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

October 28, 2020

Meeting Minutes

Members Present:	John Russell, Patricia Moss, Cara Samples, Monica Enand, Tobias Read and Kevin Olineck.
Staff Present:	Rex Kim, David Randall, John Hershey, Michael Langdon, Karl Cheng, Ben Mahon, Geoff Nolan, Tony Breault, Michael Viteri, Jen Plett, Faith Sedberry, Wil Hiles, Claire Ilo, May Fanning.
Staff Participating virtually:	Mike Mueller, Anna Totdahl, Amanda Kingsbury, Paul Koch, Julie Hall, Ian Huculak, Chris Ebersole, Austin Carmichael, Dana Millican, Amy Bates, Aliese Jacobsen, Monique Sadegh, Mark Selfridge, Tiffany Zahas, Debra Day, Kenny Bao, Jo Recht, Andy Coutu, Will Hampson, Jeremy Knowles, Eric Messer, Mohammed Quraishi, Caitlyn Wang, John Lutkehaus, Kristi Jenkins, Fawn Hubbard, Andrew Robertson, David Elott, Scott Robertson, Krystal Korthals, Michael Kaplan, Deena Bothello, Roy Jackson, Ahman Dirks, Robin Kaukonen and Michael Makale.
Consultants Present:	Allan Emkin, David Glickman and Christy Fields (Meketa Investment Group, Inc.); Jim Callahan, Janet Becker-Wold, Uvan Tseng and Anne Heaphy (Callan LLC); Tom Martin and David Fann, (Aksia, TorreyCove Capital Partners LLC)
Legal Counsel Present:	Steven Marlowe, Department of Justice

Before proceeding with the OIC meeting, Chief Investment Officer, Rex Kim provided a disclosure pertaining to the virtual set-up of this OIC meeting, informing those in attendance (virtual and in person) of the guidelines in which this meeting will proceed.

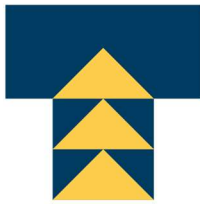
The October 28th, 2020 OIC meeting was called to order at 9:00 am by John Russell, OIC Chair.

I. 9:00 am Review and Approval of Minutes

MOTION: Chair Russell asked for approval of the September 9th, 2020 OIC regular meeting minutes. Treasurer Read moved approval at 9:02 am, and Ms. Enand seconded the motion which then passed by a 5/0 vote.

II. 9:02 am Committee Reports and Opening Remarks

Committee Reports: Mr. Kim, gave an update on the following committee actions taken since the September 9, 2020 OIC meeting:



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Private Equity Committee:

September 25, 2020	Centerbridge Capital Partners IV, L.P.	\$250M
	GGV Capital VII L.P., GGV Capital VII Plus L.P., GGV Discovery III, L.P.	\$150M
	GTCR Fund XII, L.P.	\$250M
	Pathway Private Equity Fund C-III, L.P. Follow-On	\$350M

Opportunity Committee:

October 15, 2020	Clearlake Flagship Plus Partners, L.P.	\$200M
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Real Estate Committee:

October 16, 2020	Waterton Residential Property Venture Fund XIV, L.P.	\$150M
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Alternatives Committee:

None

Mr. Kim also provided opening remarks with an overview of the meeting agenda.

III. 9:04 am Consultant Recommendations

John Hershey, Director of Investments, walked the Council through the three staff recommendations, starting with the two new consulting contracts, 1) General Consultant and 2) Diversifying Strategies Consultant, as well as an extension to an existing contract for the Opportunity Portfolio Consultant. Mr. Hershey then provided some context and background about the contracts and search committees. Based on that, Mr. Hershey provided the recommendations as follows:

General Consultant: The Committee recommends that the OIC select Meketa to provide primary non-discretionary General Consulting services and Aon to provide secondary General Consulting services. The Committee further recommends pursuing an initial three-year contract term for each consultant with two, pre-negotiated two-year extensions, available at the Council's discretion.

MOTION #1: Treasurer Read, moved approval of the recommendation, at 9:07 am, and Ms. Moss seconded the motion which then passed by a 5/0 vote.

Diversifying Strategies Consultant: The Committee recommends that the OIC select Albourne to provide DSP Consulting services. The Committee further recommends pursuing an initial three-year contract term with two pre-negotiated two-year extensions, available at the Council's discretion.

MOTION #2: Treasurer Read, moved approval of the recommendation, at 9:08 am, and Chair Russell seconded the motion which then passed by a 5/0 vote.

Opportunity Portfolio Consultant: The recent business combination of TorreyCove and Aksia has demonstrated additional capabilities and resources relevant to the Opportunity Portfolio, and a continuation of the relationship will provide ongoing reporting synergies with other components of the private market portfolio. As a result, Staff proposes that the OIC extend its current contract subject to the existing terms and conditions, for a final two-year period beginning January 1, 2021 and ending December 31, 2022, on behalf of the Opportunity Portfolio.



MOTION #3: Treasurer Read, moved approval of the recommendation, at 9:09 am, and Ms. Moss seconded the motion which then passed by a 5/0 vote.

After the motions concluded, Chair Russell wished to recognize the role, Julie Hall, Chief Procurement Officer, Administrative Services, played in this process, her hard work and rigor was a main contributor to the overall success of this assignment. Although we will continue seeing Callan LLC work on The Oregon Savings Growth Plan, Chair Russell wished to acknowledge and thank them for all the work done in their role as consultants throughout the years. Member Samples, chimed in to agree with all that was said since she had been part of the Search Committee.

IV. 9:09 am EQT Infrastructure Fund V Recommendation

Ben Mahon, Senior Investment Officer, Alternatives, Faith Sedberry, Investment Officer, Alternatives, and Aksia TorreyCove recommend (i) a commitment of up to \$350 million to EQT Infrastructure V (No. 2) USD SCSp and (ii) an initial \$50 million commitment to a co-investment sidecar vehicle that will invest alongside the Fund for the OPERF Alternatives Portfolio, subject to the satisfactory negotiation of terms and conditions with Staff working in concert with legal counsel. This proposed commitment represents the continuation of a relationship on behalf of the OPERF Alternatives Portfolio.

EQT AB is a global alternative asset manager formed in 1994. The Firm was established to combine the industrial heritage of Sweden's Wallenberg family with financial expertise to drive investment value through operational improvements. Since inception, EQT has raised approximately €62 billion of capital commitments for 33 funds across three platforms: private capital, real assets, and credit.

The infrastructure platform was launched in 2007 and is the primary component of EQT's real assets investment strategy. EQT Infra has raised four funds to-date and is now raising EQT Infra V, which will be a continuation of the investment strategy.

OPERF's history with EQT dates back to 2016 and includes commitments to two mandates:

- EQT Infrastructure III ("Fund III" or "EQT Infra III") – €150 million committed in 2016
- EQT Infrastructure IV ("Fund IV" or "EQT Infra IV") – \$290 million committed in 2018

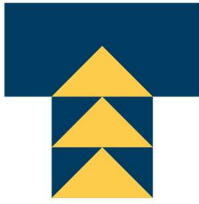
EQT is seeking €12.5 billion of capital commitments for the Fund, with a €15 billion hard cap. The Firm is planning to hold the initial close in the fourth quarter of 2020. EQT will target a mid-teens gross internal rate of return for the Fund.

MOTION: Treasurer Read, moved approval of the commitment of up to \$350 million to EQT Infrastructure V (No. 2) USD SCSp and an initial \$50 million commitment to a co-investment sidecar vehicle that will invest alongside the Fund for the OPERF Alternatives Portfolio at 9:26 am, and Ms. Moss seconded the motion which then passed by a 5/0 vote.

V. 9:26 am Proxy Voting Policy Recommendations

Michael Viteri, Senior Investment Officer, Public Equity and Staff recommend approval of the updated Oregon Investment Council policy: INV 605- Exercise of Voting Rights Accompanying Equity Securities.

MOTION: Treasurer Read, moved approval with a request to adjust some of the language without changing the content of the updates, at 9:33 am, and Ms. Enand seconded the motion which then passed by a 5/0 vote.



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VI. 9:33 am OPERF Currency Hedging Program Policy Update

Karl Cheng, Senior Investment Officer, Portfolio Risk & Research, and Jen Plett, Investment Officer, Portfolio Risk & Research, seeks the Oregon Investment Council's approval for revisions and updates to Policy INV 217: OPERF Foreign Currency Risk Policy. The amendment would expand the policy to include Emerging Market (EM) currency hedging activities.

Ms. Plett then provided an introductory presentation of the Emerging Market Currency Management.

MOTION: Ms. Enand, moved approval of the revision and amendments to Policy INV 217: OPERF Foreign Currency Risk Policy at 9:38 am, and Treasurer Read seconded the motion which then passed by a 5/0 vote.

VII. 9:38 am SAIF Annual Review

Geoff Nolan, Senior Investment Officer, Fixed Income, introduced the SAIF Annual Update and presenters Kerry Barnett, President & CEO, SAIF and Gina Manley, Vice President of Finance & Chief Financial Officer, SAIF. This presentation covered an annual investment performance as well as an update on SAIF's business activity and operating trends.

VIII. 10:19 am OSGP Annual Review

Mr. Viteri introduced, Wil Hiles, Investment Officer, Public Equity and Claire Illo, Investment Analyst, Public Equity, and along with Uvan Tseng, Senior Vice President, Callan, LLC, and Anne Heaphy, Senior Vice President, Callan, LLC, provided the Council an annual review of the Oregon Savings Growth Plan.

Staff then proposed the following recommendations:

1. The use of the 3-Year Constant Maturity Treasury as the primary benchmark and the 3-Month Treasury Bill (T-Bill) as the secondary benchmark. Additionally, since the Stable Value Option is now serving as the Plan's sole capital preservation investment option, the 3-Month Treasury Bill also serves as an appropriate benchmark. The 3-Month Treasury Bill is a common industry benchmark for government security money market funds and provides an appropriate comparison for purposes of capital preservation and safety of principal. Therefore, Staff and Callan also recommend utilizing the 3-Month Treasury Bill as a secondary benchmark for the Stable Value Option.

MOTION #1: Treasurer Read moved approval of the recommendation to use the 3-Year Constant Maturity Treasury as the primary benchmark and the 3-Month Treasury Bill as the secondary benchmark, and utilizing the 3-Month Treasury Bill as a secondary benchmark for the Stable Value Option, at 10:50 am, and Ms. Moss seconded the motion which then passed by a 5/0 vote.

2. Revision of INV 801: Deferred Compensation Investment Program: Statement of Objectives and INV 802: Deferred Compensation Investment Program: Selecting, Managing, Reporting, and Terminating Program Firms.

Member, Olineck interjected prior to the motion being moved, to suggest making minor edits to INV 801 by adding "and OSGP Advisory Committee" after "OSGP Staff", to reflect the important role both have interchangeably in this process. These edits would be added under bullet points, 2 (twice), and 3 (once). Chair Russell asked for comments, Staff agreed with the suggested addition.

MOTION #2: Treasurer Read moved approval of the revision and amendments to INV 801: Deferred Compensation Investment Program: Statement of Objectives and to incorporate references to the OSGP Advisory Committee as part of the reviewing process prior to being presented to the OIC, and INV 802: Deferred Compensation Investment Program:



Selecting, Managing, Reporting, and Terminating Program Firms at 10:54 am, and Chair Russell seconded the motion which then passed by a 5/0 vote.

IX. 10:54 am CEM Benchmarking Annual Review

Chief Investment Operating Officer, David Randall, introduced Mike Heale, Principal, CEM Benchmarking, Inc. who then provided the Council with a presentation focusing on the Pension Fund Assets, for a 5-year review period ending December 31, 2019.

X. 11:15 am Asset Allocation & NAV Updates

Mr. Kim reviewed asset allocations and NAVs across OST-managed accounts for periods ended August 31, 2020.

XI. 11:16 am Calendar – Future Agenda Items

A calendar listing of future OIC meetings and scheduled agenda topics was included in the Council's meeting material.

XII. 11:19 am Open Discussion

During the open discussion, Chair Russell brought up a technology related struggle that he feels is creating somewhat of a challenge. He said, that while being able to hear the speakers he does not have the capability of viewing them on screen. Other Council members agreed and expressed the same concern, which lead to an open conversation of shared thoughts and ideas. Chair Russell then asked IT staff to look into other possibilities that may allow the implementation of multiple screen sharing during the live OIC meeting.

XIII. 11:25 am Public Comments

None.

Mr. Russell adjourned the meeting at 11:25 am.

Respectfully submitted,

May Fanning

May Fanning
Executive Support Specialist