



**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

December 8, 2021

Meeting Minutes

Members Present: John Russell, Cara Samples, Monica Enand, Charles Wilhoite, Tobias Read and Kevin Olineck

Staff Present: Rex Kim, John Hershey, Michael Langdon, David Randall, Karl Cheng, Ben Mahon, Tony Breault, Geoff Nolan

Staff Participating virtually: Caleb Aldridge, Kristi Jenkins, Krystal Korthals, Perrin Lim, Aadrial Phillips, Tim Powers, Kenny Bao, Tyler Bernstein, Tan Cao, Austin Carmichael, Andrew Coutu, Debra Day, Chris Ebersole, David Elott, Alli Gordon, William Hiles, Andrew Hillis, Ian Huculak, Claire Illo, Roy Jackson, Aliese Jacobsen, Josh Jones, Robin Kaukonen, Amanda Kingsbury, Paul Koch, Krystal Korthals, Steve Kruth, Perrin Lim, Ryan Mann, Eric Messer, Tim Miller, Dana Millican, Mike Mueller, Lisa Pettinati, Jen Plett, Mohammed Quraishi, Jo Recht, Andrew Robertson, Scott Robertson, Faith Sedberry, Mark Selfridge, Sam Spencer, Andrey Voloshinov, Rachel Wray, Tiffany Zahas

Consultants Present: Allan Emkin, Christy Fields, Mika Malone, David Glickman, Colin Bebee, Paola Nealon(Meketa Investment Group, Inc.); Raneen Jalajel, Stephen Cummings (Aon Investments); Tom Martin, David Fann (Aksia/TorreyCove Capital Partners LLC); Paul Britton, Rishabh Bhandari, Ryan Donovan, Thomas Leake (Capstone Investment Advisors)

PERS Present: Heather Case (PERS Board)

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 December 8, 2021 OIC meeting was called to order at 9:01 am by John Russell, OIC Chair.

I. 9:01 am Review and Approval of Minutes

MOTION: Chair Russell asked for approval of the October 27, 2021 OIC regular meeting minutes. Treasurer Read moved approval at 9:01 am, and Member Samples seconded the motion which then passed by a 5/0 vote.



II. 9:02 am Committee Reports

Private Equity Committee:

November 15	A&M Capital Partners III	\$200M
November 15	GTCR Strategic Growth	≤\$75M
November 15	TSG Consumer Partners ⁹	\$250M

Real Estate Committee:

None

Opportunity Committee:

None

Alternatives Portfolio Committee:

None

III. 9:03 am OPERF Tail Risk Hedging Education

Karl Cheng, Senior Investment Officer, Portfolio Risk & Research introduced tail risk hedging, then turned the presentation over to Capstone Investment Advisors, LLC.

Paul Britton, Chief Executive Officer, presented an overview of Capstone in general and discussed why the OIC might consider tail hedging as an investment strategy.

Rishabh Bhandari, Senior Portfolio Manager, presented an overview of the current market environment.

Thomas Leake, Head of Solutions, discussed OPERF's portfolio and the risk that Capstone has projected based on asset allocation. He then discussed observations Capstone has made about tail hedging strategies pension plans are using in relation to their risk profiles. Finally, he presented some approximate projections for the OPERF portfolio if incorporating tail hedging strategies, with the caveat that the study was not comprehensive and based on assumptions that may be different from actual experience.

IV. 10:13 am OPERF Benchmarking Discussion

Mika Malone, Managing Principal/Consultant, and Allan Emkin, Management Principal/Consultant, from Meketa Investment Group presented Phase 1 of the OPERF Benchmarking Review. The focus for Phase 1 was what is important to benchmarking the overall plan.

OIC Members and consultants discussed what makes a good benchmark, and approaches to creating plan-level benchmarks.

V. 10:41 am Common School Fund Policies Review

John Hershey, Director of Investments, gave an overview of an investment policy review currently underway, including problems identified, goals for the review, and the project process. There are currently 48 policies and 26 appendices under review.



Raneen Jalajel, Associate Partner, and Kristen Doyle, Partner, with Aon gave an update on the project. It is currently focused on the Common School Fund policies, and will move to OPERF, SAIF, and Asset Class Guidelines in the future.

VI. 11:05 am OPERF Q3 Performance Review

Allan Emkin, Management Principal/Consultant, from Meketa Investment Group gave an overview of the Q3 OPERF performance report.

VII. 11:18 am OPERF Public Equity Annual Review

Karl Cheng, Senior Investment Officer, Portfolio Risk & Research and Paola Nealon, Management Principal/Consultant from Meketa Investment Group gave a retrospective on the portfolio's five-year performance and background on its construction.

Paola Nealon and Colin Bebee, Managing Principal/Consultant, from Meketa Investment Group then discussed insights for the Public Equity Program.

Karl Cheng presented to policy change recommendations for INV 601 and INV 603 for the OIC's review and approval.

MOTION: Chair Russell asked for approval of changes to policies INV 601 and INV 603. Council Member Enand moved approval at 12:14 pm, and Treasurer Read seconded the motion, which then passed by a 5/0 vote.

VIII. 12:15 pm OPERF Fixed Income Annual Review

Geoff Nolan, Senior Investment Officer, Fixed Income, gave the annual review of the OPERF Fixed Income Portfolio, including 2021 performance and 2022 goals.

Perrin Lim, Investment Officer, Fixed Income, gave a review of the Oregon Short Term Fund.

Mika Malone, Managing Principal/Consultant from Meketa Investment Group discussed insights from the Fixed Income Program.

IX. 12:48 pm Special Election

Chair Russell explained that today was the final meeting during which he is allowed to serve as Chair, per OIC policy. Therefore, a special election is necessary to elect new Chair and Vice-Chair.

MOTION: Chair Russell asked for a motion to elect a new Chair. Treasurer Read moved that Cara Samples become the new Chair and that John Russell become the new Vice-Chair. The motion was seconded by Member Enand. The motion passed by a vote of 5/0.

X. 12:49 pm Calendar – Future Agenda Items

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

XI. 12:49 pm Open Discussion

The OIC members discussed investment in Oregon companies.

XII. 12:50 pm Public Comments

Chair Russell made note of approximately 250-300 pages of written public comments received, and approximately 1,500 phone calls to Treasury staff on the issue of investment or divestment from fossil fuels.



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Mr. Russell adjourned the meeting at 12:51 pm.

Respectfully submitted,
Aadrial Phillips
Executive Support Specialist