



**OREGON
STATE
TREASURY**

State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

September 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, Kenny Bao, Amy Bates, Tyler Bernstein, Anthony Breault, Tan Cao, Austin Carmichael, Karl Cheng, Chuck Christopher, Andrew Coutu, Debra Day, Ahman Dirks, Christopher Ebersole, David Elott, Alli Gordon, John Hershey, William Hiles, Andrew Hillis, Ian Huculak, Claire Illo, Roy Jackson, Aliese Jacobsen, Kristi Jenkins, Josh Jones, Robin Kaukonen, Amanda Kingsbury, Paul Koch, Steve Kruth, Craig Leets, Perrin Lim, WeiKeat Lui, Sommer May, Eric Messer, Tim Miller, Dana Millican, Mike Mueller, Dimitri Palmateer, Lisa Pettinati, Jen Plett, Mohammed Quraishi, Jo Recht, Andrew Robertson, Scott Robertson, Aaron Schaffer, Angela Schaffers, Faith Sedberry, Mark Selfridge, Sam Spencer, Anna Totdahl, Andrew Voloshinov, Jerry Walker, Rachael Ray, Tiffany Zahas
- Consultants Present: Allan Emkin, Christy Fields, Mika Malone, David Glickman, Paola Nealon, and Colin Bebee (Meketa Investment Group, Inc.); Stephen Cummings, Kristen Doyle, Raneen Jalajel (Aon Investments); Tom Martin and Dan Fann (Aksia/TorreyCove Capital Partners LLC); Janjaap Weeda and Mike Heale (CEM Benchmarking); Lukasz Pmorski, Alec Magdaleno and Richard Lipman (AQR Capital)
- PERS Present: Michiru Farney, Heather Case and Kevin Olineck (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 September 8, 2021 OIC meeting was called to order at 9:01 am by John Russell, OIC Chair.

I. 9:00 am Review and Approval of Minutes

MOTION: Chair Russell asked for approval of the June 2nd, 2021 OIC regular meeting minutes. Mr. Wilhoite moved approval at 9:01 am, and Treasurer Read seconded the motion which then passed by a 5/0 vote.



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II. 9:03 am Committee Reports

Private Equity Committee:

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|---------|-----------------------------|--------|
| July 20 | Advent Global Technology II | \$150M |
| July 20 | Alpine Investors VIII | \$100M |

Real Estate Committee:

| | | |
|-------------|----------------------------|--------|
| September 7 | AEW Essential Housing Fund | \$250M |
|-------------|----------------------------|--------|

Opportunity Committee:

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|----------|-----------------------------|--------|
| August 3 | Arctos Sports Partners Fund | \$150M |
|----------|-----------------------------|--------|

Alternatives Portfolio Committee:

| | | |
|-----------|---|--------|
| June 18 | NGP Royalty Partners Co-Invest Sidecar | \$50M |
| June 23 | Cube Infrastructure Fund III & Co-Invest Sidecar | \$250M |
| June 23 | Stonepeak Global Renewables Fund | \$150M |
| August 30 | Sprott Private Resource Streaming and Royal Fund & Co-Invest Sidecar | \$150M |

III. 9:04 am OPERF Fixed Income Recommendations

Geoff Nolan, Senior Investment Officer, Fixed Income, requested the Council’s approval to hire Fidelity Institutional Asset Management (Investment Grade) up to \$500MM, as well as Beach Point Capital Management (Non-Investment Grade) up to \$250MM.

MOTION: Charles Wilhoite moved approval at 9:07am to hire both Managers, and Treasurer Read seconded the motion which then passed by a 5/0 vote.

IV. 9:08 am Responsible Investing: Choices and Consequences

Lukasz Pomorski, Ph.D, Managing Director, AQR Investments was introduced to the Board by Karl Cheng. Mr. Pomorski then proceeded to provide the Council with a presentation on what ESG means for an investor and the various ways ESG may be incorporated into investment processes. Mr. Pomorski also discussed how ESG may improve financial outcomes, and how it may be a non-financial consideration.

V. 10:11am ESG Update

Karl Cheng, Senior Investment Officer, Anna Totdahl, Investment Officer, and Michael Langdon, Director of Private Markets provided the Council with an update on ESG initiatives, including the latest steps in Treasury’s work to better understand climate risks to portfolio and formalize ESG factors into our investment decision-making.

VI. 11:13 am CEM Benchmarking

Mike Heale, Principal, CEM Benchmarking was introduced to the Council by David Randall, Chief Investment Operating Officer. Mr. Heale provided the investment cost effectiveness analysis results for 2020. It was noted that the 5-year net total return was 8.6%, and the 5-year policy return was 8.8%.



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VII. 11:42 am Q2 OPERF Performance

Allan Emkin and Mika Malone with Meketa Investment Group presented the quarterly OPERF investment performance and risk report for the calendar quarter and cumulative period ended June 30, 2021.

VIII. 12:10 pm Asset Allocation & NAV Updates

Mr. Kim reviewed asset allocations and NAV's across OST-managed accounts for periods ended July 31, 2021.

IX. 12:12 pm Calendar – Future Agenda Items

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

X. 12:14 pm Open Discussion

Kevin Olineck, PERS Board, noted that following the joint meeting on June 2, 2021, the PERS Board met in July to talk about their assumed rate of return that they will be using on valuations going forward, and on a preliminary basis they put the assumed rate of return is 6.9%, which is made up of the real rate of return of 5.4% and inflation of 2.5% (per Social Security Administration).

Treasurer Read thanked the Treasury team for the impressive work on ESG, and noted he would like to gather opinions from the Board on an individual basis to see where Treasury will go next.

XI. 12:21 pm Public Comments

Chair Russell, Treasurer Read and Cara Samples read written statements, which are added to these minutes.

Mr. Russell adjourned the meeting at 12:28 pm.

Respectfully submitted,

Kristi Jenkins
Investment Operations Manager