

State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

January 24, 2024

Meeting Minutes

Members Present: Cara Samples, Treasurer Tobias Read, Lorraine Arvin, Pia Wilson-Body, Alline Akintore, Kevin Olineck

Staff Present: Rex Kim, Michael Kaplan, Michael Makale, David Randall, Karl Cheng, Louise Howard, Jamie McCreary, Ben Mahon, Michael Langdon, Philip Larrieu, Eric Messer, Jen Plett, Ahman Dirks, Wil Hiles, Angela Schaffers, Eric Engelson, Chris Ebersole, Kenny Bao, Chuck Christopher, Bryson Pate, Jennifer Kersgaard

Staff Participating Virtually: Aliese Jacobsen, Alli Gordon, Amanda Kingsbury, Andrew Coutu, Anna Totdahl, Annie Gregory, Ashley Daigle, Austin Carmichael, Caitlen Laue, Chris Gonzales, Christine Wilson, Claire Illo, Dana Millican, Debra Day, Ericka Langone, Erinn Cartwright, Faith Sedberry, Gisela Verdeja, Gloria Gil, Ian Huculak, Jaime Alvarez, Jeremy Knowles, Jo Recht, John Lutkehaus, Josh Jones, Julie Hall, Kiara Cruz, Kristi Jenkins, Krystal Korthals, Loren Terry, Mara Kelly, Mark Selfridge, Mary Krehbiel, Mike Mueller, Missy Simpson, Mohammed Quraishi, Paul Koch, Perrin Lim, Peter Rector, Roy Jackson, Sarah Bagdriwicz, Scott Robertson, Sommer May, Tan Cao, Taylor Bowman, Tiffany Zahas, Tim Miller, Tyler Bernstein, Will Hampson, Young Kim

Consultants Present: Allan Emkin, Mika Malone, Eric Larsen, Tom Martin, Raneen Jalajel, Paola Nealon, Ashley Woeste, Sarah Anderson, Hannah Creighton, Brian Ruder, Derrek Ransford, Pete Veravanich

PERS Present: Kevin Olineck

Legal Counsel Present: Steve Marlowe (Department of Justice)

The January 24, 2024, OIC meeting was called to order at 9:05am by Cara Samples, Chair

<u>Time</u>	<u>Tab</u>		<u>Presenter</u>
9:05	1	Review & Approval of Minutes	Cara Samples
		December 6, 2023 Chair Samples asked for approval of the December 6, 2023, OIC regular meeting minutes. Treasurer Read moved approval at 9:05 am, member Arvin seconded the motion which then passed by a 4/0 vote (Member Alline Akintore had not yet arrived).	<i>OIC Chair</i>

Cara Samples
Chair

Lorraine Arvin
Vice-Chair

Pia Wilson-Body
Member

Alline Akintore Kabbatende
Member

Tobias Read
State Treasurer

Kevin Olineck
PERS Director

Rex Kim, CIO, confirmed for the record that INV 1201 and INV 1202 are retired given the OIC approved the new INV 1203, as well as noted the removal of the signature line from INV 1203 and INV 901.

2 **Committee Reports**

Rex Kim
Chief Investment Officer

Private Equity Committee:
None

Real Estate Committee:
None

Opportunity Committee:
None

Alternatives Portfolio Committee:
None

Staff Discretion
None

9:05 – 9:10

3 **OIC Elections**
(Action Item: Chair, Vice Chair)

Cara Samples
OIC Chair

Treasurer Read nominated Chair Samples to continue as OIC Chair at 9:06am. Member Arvin seconded the motion which then passed by a 4/0 vote. Treasurer Read nominated Vice Chair Lorraine Arvin to continue as OIC Vice Chair, Member Wilson-Body seconded the motion which then passed by a 4/0 vote. (Member Alline Akintore had not yet arrived)

9:10 – 9:15

4 **2025 OIC Calendar**

Cara Samples

(Action Item: Meeting Dates) *OIC Chair*
Treasurer Read moved approval of the 2025 OIC Meeting dates at 9:08am. member Arvin seconded the motion which then passed by a 5/0 vote. (Member Alline Akintore was in attendance).

9:15 – 10:00

5 **Private Equity Market Review**

Brian Ruder
Partner, Permira

Brian Ruder, partner at Permira, presented a market overview that touched on inflation and valuations. He discussed capital by sector and region, as well as emerging AI technology in the portfolio, and Climate Transition Opportunities.

--- BREAK ---

10:10 – 11:10

6 **OPERF Private Equity Annual Review**

Michael Langdon
Director of Private Markets
Ahman Dirks, Angela Schaffers, Eric Messer
Investment Officers, Private Equity
Tom Martin

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Head of Private Equity & Real Assets, Aksia
Derrek Ransford, Pete Veravanich
Pathway Capital Management

Michael Langdon, Director of Private Markets, Ahman Dirks, Investment Officer, Angela Schaffers, Investment Officer, Eric Messer, Investment Officer, Tom Martin, Head of Private Equity & Real Assets with Aksia, Derrek Ransford and Pete Veravanich with Pathway Capital Management, presented the OPERF Private Equity Annual Review. The presentation included an economic and market update that discussed 2023 in review, continued market volatility and private equity exposure.

OPERF's Private Equity 2023 returns trails indices -6.5% in the short-term, but outperforms in the long-term, exceeding the benchmarks for the 3-year and 5-year periods by 0.6% and 0.5%, respectively.

--- BREAK ---

11:10 – 12:00 7 **OPERF Public Equity Annual Review**
(Action Item: Updates to INV 603)

Louise Howard
Director of Capital Markets
Wil Hiles
Investment Officer, Public Equity
Philip Larrieu
Investment Officer, Stewardship
Paola Nealon
Managing Principal, Meketa
Raneen Jalajel
Associate Partner, Aon

Louise Howard, Director of Capital Markets, Wil Hiles, Investment Officer, Philip Larrieu, Investment Officer, Paola Nealon, Managing Principal with Meketa, and Raneen Jalajel, Associate Partner with Aon, presented the OPERF Public Equity Annual Review. The presentation included an overview of the strategic role of the portfolio and asset allocation.

OPERF's Public Equity 2023 YTD returns trailed the policy benchmark by -1.3% but are exceeding the benchmark for the 3-year period by 2.0%.

Given Staff's review of the internal equity portfolios and funding needs for IAP, Staff is liquidating the U.S. Risk Premia strategy (59GX) with prior CIO approval. Staff is seeking OIC approval to revise the current investment policy in INV 603 to reflect the removal of the strategy. Moreover, Staff would like to further revise INV 603 to reflect prior liquidations of the International Emerging Markets Risk Premia strategy and the OST Private Equity Stock Distribution Portfolio.

Treasurer Read moved approval at 12:31, Member Wilson-Body seconded the motion which then Passed by a 5/0 vote.

12:00 – 12:20 8 **Audits Review**

Michael Kaplan
Deputy State Treasurer, OST
Michael Makale
Chief Audit Officer, OST
Sarah Anderson

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Audit Manager, Secretary of State
Hannah Creighton
Senior Auditor, Secretary of State

Michael Kaplan, Deputy State Treasurer, Michael Makale, Chief Audit Officer, Sarah Anderon, Audit Manager with the Secretary of State, and Hannah Creighton, Senior Auditor with the Secretary of State, presented the Audit Review. The presentation included an overview of the Internal Audit Team as well as completed and planned investment program audits.

The Secretary of State reported no significant findings or issues from their 2023 audits of the Oregon Short Term Fund, The Oregon Intermediate Term Pool, and the Oregon Local Government Intermediate Fund.

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| 12:20 | 9 | Calendar – Future Agenda Items | Rex Kim |
| 12:25 | 10 | Open Discussion | OIC Members, Staff, Consultants |

Public Comments