



**OREGON
STATE
TREASURY**

State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

December 9, 2020

Meeting Minutes

Members Present: John Russell, Patricia Moss, Cara Samples, Monica Enand, Tobias Read and Kevin Olineck.

Staff Present: John Hershey, Michael Langdon, David Randall, Karl Cheng, Ben Mahon, Geoff Nolan, Tony Breault, Michael Viteri, John Lutkehaus, Rachel Wray, Rex Kim and May Fanning.

Staff Participating virtually: Andrew Coutu, Taylor Bowman, Anna Totdahl, Roy Jackson, Mark Selfridge, Aliese Jacobsen, Andrey Voloshinov, Robin Kaukonen, Deena Bothello, Andrew Robertson, Steve Kruth, Paul Koch, Faith Sedberry, Dana Millican, Caitlyn Wang, Austin Carmichael, Amanda Kingsbury, Tiffany Zahas, Mike Mueller, Claire Illo, David Elott, Eric Messer, Sommer May, Kenny Bao, Andrew Hillis, Jen Plett, Monique Sadegh, Krystal Korthals, Kristi Jenkins, Sam Spencer, Tan Cao, Jeremy Knowles, Debra Day, Andrew Robertson, Ian Huculak, Perrin Lim, Wil Hiles, Mohammed Quraishi, Jo Recht, Tyler Bernstein, Will Hampson, Monique Sadegh, Sam Spencer, Tiffany ZhuGe, Lisa Pettinati, Ahman Dirks, Angela Schaffers, Robin Kaukonen

Consultants Present: Allan Emkin, David Glickman and Christy Fields (Meketa Investment Group, Inc.); Jim Callahan, Janet Becker-Wold and Uvan Tseng (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, Director of Investments, John Hershey 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 9th, 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 October 28th, 2020 OIC regular meeting minutes. Treasurer Read moved approval at 9:01 am, and Ms. Moss seconded the motion which then passed by a 5/0 vote.

II. 9:02 am Committee Reports and Opening Remarks

Committee Reports: Director of Private Markets, Michael Langdon, gave an update on the following committee actions taken since the October 28, 2020 OIC meeting:



Private Equity Committee:

November 30, 2020 USV 2021, L.P. & USV Climate Fund, L.P. - \$40M

Alternatives Committee:

December 2, 2020 Harrison Street Social Infrastructure Fund - \$200M + \$50M sidecar
Brookfield Super-Core Infrastructure Partners L.P. - \$250M

Opportunity Committee:

None

Real Estate Committee:

None

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

III. 9:05 am Oregon Intermediate Term Pool

Geoff Nolan, Senior Investment Officer, Fixed Income, and John Lutkehaus, Investment Officer, Fixed Income, provided the Council with a presentation on the Oregon Intermediate Term Pool.

Staff then made the recommendation to update INV 404. The modifications would include synchronizing State Agency benchmarks, Investment Policies and Investment Guidelines to enhance portfolio management efficiencies in terms of idea generation and trading purposes as well as cost savings. For accounts that have an ability to take risk beyond the OSTF, funds in excess of short-term cash needs would be invested in the Oregon Intermediate Term Pool (“OITP”) rather than a bespoke blend of individual securities that do not have a benchmark, risk guidelines or consistent liquidity. For the Oregon Public University Fund (“OPUF”), Staff recommend changing the benchmark and guidelines to match those in OITP to the extent possible so that for investment idea generation and trading purposes, they can be treated in a pro-rata manner. These changes will allow the OSTFI team to focus on OSTF and OITP as the two primary active investment strategies rather than a complex web of 8 strategies with slightly varying requirements.

MOTION: Treasurer Read moved approval of the recommended updates to INV 404 at 9:26 am, and Chair Russell seconded the motion which then passed by a 5/0 vote.

IV. 9:26 am Discussion on Value Factor

Michael Viteri, Senior Investment Officer, Public Equity, Introduced and provided a short bio of a distinguished panel who have been invited to deliver an interactive discussion on Value Factor:

Mr. Ted Aaronson, Partner, AJO

Mr. Cliff Asness, Chief Investment Officer, AQR Capital Management, LLC

Mr. Gerard L. O’Reilly, Co-CEO/Chief Investment Officer, Dimensional Fund Advisors

Mr. Hal Reynolds, CIO, Los Angeles Capital Management

V. 11:10 am OPERF Public Equity Program



Michael Viteri and Janet Becker-Wold, Senior Vice President, Callan, provided an annual review of the Oregon Public Employees Retirement Fund (OPERF) Public Equity portfolio.

VI. 12:03 pm OPERF Fixed Income Program

Geoff Nolan, Janet Becker-Wold and James Callahan, President, Callan, presented the Fixed Income Portfolio 2020 Review and 2021 Plan.

VII. 12:29 pm OPERF Risk Parity Program

Karl Cheng, Senior Investment Officer, Portfolio Risk & Research, Janet Becker-Wold and James Callahan, presented the newly initialed portfolio, OPERF Risk Parity 2020 Annual Review.

VIII. 12:43 pm OPERF Q3 Performance

James Callahan, and Janet Becker-Wold, presented the quarterly OPERF investment performance and risk report for the calendar quarter and cumulative period ended September 30, 2020.

At the end of this segment and given the end to Callan's role as the OIC's general consultant, Chair Russell, took the opportunity to thank Callan for all the hard work and outstanding service provided during the past years.

IX. 12:53 pm Asset Allocation & NAV Updates

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

X. 12:55 pm Calendar – Future Agenda Items

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

XI. 12:56 pm Open Discussion

Chair Russell requested the newly appointed General Consultants, Meketa Investment Group, to consider dedicating time during the January OIC meeting, in order to provide their impressions of our program. Chair Russell then went on to address Mr. Viteri, and suggested finding time at some point in the future to have a discussion revolving around ESG and Public Equity.

XII. 12:59 pm Public Comments

None.

Mr. Russell adjourned the meeting at 12:59 pm.

Respectfully submitted,

May Fanning

May Fanning
Executive Support Specialist