



STATE OF OREGON  
OFFICE OF THE STATE TREASURER  
350 WINTER STREET NE, SUITE 100  
SALEM, OREGON 97301-3896

OREGON INVESTMENT COUNCIL  
JANUARY 23, 2013  
MEETING SUMMARY

Members Present: Paul Cleary, Harry Demorest, Katy Durant, Keith Larson, Dick Solomon, Ted Wheeler

Staff Present: Darren Bond, Tony Breault, Karl Cheng, Jay Fewel, Sam Green, Andy Hayes, John Hershey, Julie Jackson, Mary Krehbiel, Perrin Lim, Tom Lofton, Mike Mueller, Tom Rinehart, Michael Selvaggio, James Sinks, John Skjervem, Michael Viteri, Byron Williams

Consultants Present: David Fann and Kenn Lee (TorreyCove); John Meier and Deb Gallegos (SIS); Alan Emkin and Mike Moy (PCA)

Legal Counsel Present: Dee Carlson, Oregon Department of Justice  
Deena Bothello, Oregon Department of Justice

The January, 2013 OIC meeting was called to order at 9:00am by Keith Larson, Chair.

Time      Agenda Item

9:00 am	1	REVIEW AND APPROVAL OF MINUTES <b>MOTION:</b> The December 5, 2012 meeting minutes were approved by a vote of 5/0.  John Skjervem, CIO updated council members on committee actions taken since the last OIC meeting:  <u>Private Equity Committee</u> December 13, 2012      CVC Fund V, LP      \$75 million commitment approval
9:01 am	2	RIVERSIDE CAPITAL APPRECIATION FUND VI, L.P. – <i>OPERF PRIVATE EQUITY PORTFOLIO</i> Staff recommended a \$75 million commitment to Riverside Capital Appreciation Fund VI, L.P., subject to staff working in concert with the Department of Justice in support of successful legal document negotiations.  <b>MOTION:</b> Ms. Durant moved approval of the staff recommendation. Treasurer Wheeler seconded the motion. The motion was passed by a vote of 5/0.
9:55 am	3	PUBLIC EQUITY MANDATE/MANAGER RECOMMENDATIONS Staff recommended a) funding DFA's proposed Micro Cap Value strategy with an initial commitment of \$150 million and the option to increase this mandate by an additional \$150 million subject to CIO approval, and b) amending OIC policy 04-05-01 accordingly.

**MOTION:** Mr. Solomon moved approval of the staff recommendation. Treasurer Wheeler seconded the motion. The motion was passed by a vote of 5/0.

- 10:47 am 4 OST/OIC INVESTMENT BELIEFS PROJECT: INTRODUCTION  
Allan Emkin of PCA introduced the OST/OIC Investment Beliefs Project. He presented background for both the project in general as well as his firm's role in particular, and provided a timeline and projected list of project milestones.
- 11:07 am 5 OIC CONSULTANT DISCUSSION AND RECOMMENDATION  
Staff proposed contract extensions for Strategic Investment Solutions and PCA (Emkin) through December 31, 2013, given both firms' current work in connection with the OPERS asset-liability study and OST/OIC Investment Beliefs project. A new general consultancy RFP process will be initiated by staff once the asset-liability study and Investment Beliefs project have been completed.
- Staff also recommended an update to the real estate consultant search focusing on the firms previously selected as finalists in 2011 with the expectation that said search would be concluded for OIC action prior to June 30, 2013.
- MOTION:** Mr. Solomon moved approval of the staff recommendation. Treasurer Wheeler seconded the motion. The motion was passed by a vote of 5/0.
- 11:10 am 6 OIC INVESTMENT FUNDS AND OPERATIONAL REVIEW  
Darren Bond, Deputy State Treasurer and Byron William, Senior Internal Auditor presented the OIC with a copy of the most recent Operational Review Report released by Internal Audit Services on January 22, 2012.
- 11:20 am 7 ANNUAL PLACEMENT AGENT REPORT  
Per OST policy, Mr. Skjervem reported on a list of placement agents with whom staff had contact during calendar year 2012.
- 11:23 am 8 ASSET ALLOCATIONS AND NAV UPDATES  
Mr. Skjervem reviewed asset allocations and NAVs across OST-managed accounts for the period ended December 31, 2012.
- 11:26 am 9 CALENDAR – FUTURE AGENDA ITEMS  
Mr. Skjervem presented a revised schedule of future agenda topics.
- 11:29 am 10 OTHER BUSINESS  
None
- 11:45 am PUBLIC COMMENTS  
The OIC received comments from nine members of the public.

The meeting adjourned at 12:18 pm.