



**OREGON
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Oregon Investment Council

March 5, 2025

Cara Samples
Chair

Elizabeth Steiner
State Treasurer

Rex Kim
Chief Investment Officer



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Oregon State Treasury
Investment Division
16290 SW Upper Boones Ferry Road
Tigard, OR 97224

Agenda

March 5, 2025
9:00 AM

<u>Time</u>	<u>Tab</u>		<u>Presenter</u>
9:00 – 9:05	1	Review & Approval of Minutes January 22, 2025	Cara Samples <i>OIC Chair</i>
9:05 – 9:10	2	Committee Reports	Rex Kim <i>Chief Investment Officer</i>
9:10 – 9:40	3	Opportunity Portfolio Review	Mike Mueller <i>Investment Officer, Alternatives</i>
9:40 – 10:20	4	OPERF 2024 Performance Review	Paola Nealon <i>Managing Principal, Meketa</i> Eric Larsen <i>Investment Analyst, Meketa</i>
--BREAK--			

Cara Samples
Chair

Lorraine Arvin
Vice-Chair

Pia Wilson-Body
Member

Alline Akintore Kabbatende
Member

Elizabeth Steiner
State Treasurer

Kevin Olineck
PERS Director

OIC Meeting Agenda
March 5, 2025

10:30 – 10:50 5 **CSF 2024 Performance Review**

Jamie McCreary
Service Model Program Manager
Raneen Jalajel
Associate Partner, Aon
Eric Larsen
Investment Analyst, Meketa

10:50 – 11:30 6 **Fiduciary Training**

Mika Malone
Managing Principal, Meketa
Allan Emkin
Managing Principal, Meketa

--BREAK--

After conclusion of scheduled agenda items:

7 **Open Discussion**

OIC Members, Staff, Consultants

8 **Public Comments**



TAB 1

REVIEW & APPROVAL OF MINUTES

State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road

Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

January 22, 2025

Meeting Minutes

Members Present:	Treasurer Elizabeth Steiner, Cara Samples, Lorraine Arvin, Pia Wilson-Body, Alline Akintore (Attended first hour Virtually)
Staff Present:	Rex Kim, David Randall, Michael Langdon, Karl Cheng, Louise Howard, Michael Langdon, Sybil Akerman-Munson, Barry Ford, Jamie McCreary, Tim Kane, George Naughton, Ahman Dirks, Claire Illo, Wil Hiles, Angela Schaffers, Philip Larrieu, Dana Milican, Eric Messer, Victoria Tan, Jenn Plett, Eric Engelson, Tim Sayre, Bryson Pate, Aleshia Slaughter, Jennifer Kersgaard
Staff Participating Virtually:	Oyin Ajayi, Jamie Alvarez, Arleen Jacobius, Tyler Bernstein, Taylor Bowman, Tan Cao, Austin Carmichael, Karl Cheng, Andrew Coutu, Robb Cowie, Kiara Cruz, Bradley Curran, Tara Curran, Ashley Daigle, Debra Day, Tim Dunayevich, Chris Ebersole, Barry Ford, Gloria Gil, Alli Gordon, Will Hampson, Amy Hsiang-Wei, Ian Huculak, Roy Jackson, Aliese Jacobsen, Young Kim, Calvin Kincaid, Amanda Kingsbury, Paul Koch, Krystal Korthals, Ericka Langone, Carmen Leiva, Perrin Lim, Ben Mahon, Michael Makale, Sommer May, Tim Miller, Mike Mueller, Wendi Nelson, Savannah Oliveira, Jen Plett, Mohammed Quraishi, Jo Recht, Scott Robertson, Aaron Schaffer, Faith Sedberry, Mark Selfridge, Jason Service, Missy Simpson, Asia Slaughter, Melissa Sloan, Matt Smith, Alli Sorensen, Loren Terry, Andrey Voloshinov, Eme Wisniewski, Tiffany Zahas
Consultants Present:	Allan Emkin, Mika Malone, Ashley Woeste, Colin Bebee, Raneen Jalajel (virtual) Tom Martin, Pete Veravanich, Derrick Ransford
PERS Present:	Kevin Olineck
Legal Counsel Present:	Steve Marlowe (Department of Justice)

The January 22nd, 2025, OIC meeting was called to order at 9:00am by Cara Samples, Chair

<u>Time</u>	<u>Tab</u>		<u>Presenter</u>
9:00 – 9:05	1	Review & Approval of Minutes December 4, 2024 Chair Samples asked for approval of the December 4, 2024, OIC regular meeting minutes. Member Arvin Read moved approval at 9:04 am, member Wilson-Body seconded the motion which then passed by a 5/0 vote. (Yes votes: Treasurer Elizabeth Steiner, Cara Samples, Lorraine Arvin, Pia Wilson-Body, Alline Akintore)	Cara Samples <i>OIC Chair</i>

Cara Samples Chair	Lorraine Arvin Vice-Chair	Pia Wilson-Body Member	Alline Akintore Kabbatende Member	Elizabeth Steiner State Treasurer	Kevin Olineck PERS Director
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OIC Meeting Agenda
January 22, 2025

9:05 – 9:06	2	<div><div>Committee Reports</div><div><div><div>*Note: The Opportunity Portfolio is above the 3% threshold at which I am to report that to the OIC.</div><div><div><div>OST Investment Committee OPERF:</div><div><div><div>December 13th</div><div>Advent Latin American Private Equity Fund VIII SCSp</div><div>\$150M USD</div></div><div><div>December 13th</div><div>GTCR Strategic Growth Fund II LP</div><div>\$75M USD</div></div><div><div>December 13th</div><div>KKR North America Fund XIV, SCSp</div><div>\$350M USD</div></div><div><div>December 13th</div><div>Sixth Street Specialty Lending Europe III, L.P.</div><div>\$165M USD</div></div></div></div><div><div>Staff Discretion OPERF:</div><div><div><div>December 30th</div><div>LS Power V Clearlight Energy Co-Investment</div><div>\$25M USD</div></div></div></div><div><div>Common School Fund:</div><div><div><div>December 19th</div><div>KKR North America Fund XIV, SCSp</div><div>\$15M USD</div></div><div><div>December 20th</div><div>GTCR Strategic Growth Fund II LP</div><div>\$15M USD</div></div></div></div></div></div></div></div>	Rex Kim Chief Investment Officer
9:06 – 9:08	3	<div><div>2026 OIC Calendar Approval</div><div><div>(Action Item: Vote on Calendar Dates)</div><div>Chair Samples asked for approval of the 2026 OIC meeting calendar. Member Arvin moved approval at 9:07 am, Chair Samples seconded the motion which then passed by a 5/0 vote.</div></div></div>	Cara Samples OIC Chair
	4	<div><div>OIC Elections -</div><div>Moved to March 5th Meeting</div></div>	Cara Samples OIC Chair
9:08 – 9:22	5	<div><div>CSF, SAIF Guidelines</div><div><div>(Action Item: Approval of new Guidelines Document)</div><div><div>Jamie McCreary, Service Model Program Manager, and Ashley Woeste, Associate Partner with Aon, presented new guidelines for CSF and SAIF.</div><div>The board voted to approve the recommendation to approve new guidelines as presented. At 9:22 am Member Wilson-Body moved for approval; member Arvin seconded the motion, which then passed by a vote of 5/0.</div></div></div></div>	Jamie McCreary Service Model Program Manager Ashley Woeste Associate Partner, Aon
9:22 – 10:54	6	<div><div>Private Equity Annual Review</div></div>	Michael Langdon Director of Private Markets Ahman Dirks Investment Officer, Private Equity Eric Messer Investment Officer, Private Equity Angela Schaffers Investment Officer, Private Equity Tom Martin

OIC Meeting Agenda
January 22, 2025

Head of Private Equity & Real Assets, Aksia
Pete Veravanich
Pathway Capital Management
Derrek Ransford
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 2024 in review, allocation, commitments, and private equity exposure.

OPERF's Private Equity 2024 returns trailed 32.0% in the short-term and underperformed the benchmarks for the 3-year and 5-year periods by -10.8% and -6.3%, respectively.

--- BREAK ---

11:05 – 12:00 7 **Public Equity Annual Review**

Louise Howard
Director of Capital Markets
Wil Hiles
Investment Officer, Public Equity
Claire Illo
Investment Officer, Public Equity
Philip Larrieu
Investment Officer, Stewardship

Louise Howard, Director of Capital Markets, Wil Hiles, Investment Officer, Claire Illo, Investment Officer, Philip Larrieu, Investment Officer, stewardship, presented the OPERF Public Equity Annual Review. The presentation included a market review, an overview of the strategic role of the portfolio, and the internal portfolio management activity.

OPERF's Public Equity 2024 YTD returns outperformed the policy benchmark by .41% and exceeded the benchmark for the 3-year period by 1.26%.

--- BREAK ---

After conclusion of scheduled agenda items:

8 **Open Discussion** OIC Members, Staff, Consultants

9 **Public Comments**

The meeting adjourned at 12:45pm



TAB 2

COMMITTEE REPORTS



TAB 3

OPPORTUNITY

PORTFOLIO REVIEW

March 5, 2025

OPERF Opportunity Portfolio 2024 Annual Review

Mike Mueller, Investment Officer



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Agenda

		OIC Investment Policy Statement Mapping									
Section	Page(s)	1	2	3	4	5	6	7	8	9	10
Agenda	2										
Overview	3										
History	4										
Performance	5										
Year in Review	6-8										
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Portfolio Role & Geography Snapshot	14										
Portfolio Liquidity Snapshot	15										
Looking Forward	16										
Appendix	17-20										

LEGEND: OIC INVESTMENT POLICY STATEMENT (Revised April 2024)

- 1 **THE OIC IS A POLICY-SETTING COUNCIL**
 - A. The OIC sets strategic policy which includes, but is not limited to, Asset Allocation, Portfolio Construction, Risk Measurement and Performance Monitoring, and selecting Investment Consultants to the Council.
 - B. The OIC's purview also includes establishing and defining the Statement of Investment and Management Beliefs.
 - C. The OIC tasks OST staff, external managers, consultants and other service providers with policy implementation.
- 2 **INVESTMENT MANAGEMENT IS DICHOTOMOUS—PART ART AND PART SCIENCE**
 - A. To calibrate both governance and daily operating activities with the appropriate balance between art and science, the Beliefs will be anchored where and whenever possible to industry best practices.
- 3 **OPERF HAS A LONG-TERM INVESTMENT HORIZON**
 - A. Long-term horizon requires the OIC to consider the impact of its actions on future generations of members and the State.
 - B. The OIC shall weigh the short-term risk of principal loss against the long-term risk of failing to meet return expectations.
 - C. The OIC shall prepare for and accept periods of volatility and/or related market dislocations.
 - D. **The OIC should be innovative and opportunistic in its investment approach.**
- 4 **ASSET ALLOCATION DRIVES RISK AND RETURN**
 - A. Asset allocation is the OIC's primary policy tool for managing the investment program's long-term risk/return profile.
 - B. Portfolio construction, including diversification and correlation considerations, is essential to maximizing risk-adjusted returns.
- 5 **THE EQUITY RISK PREMIUM SHOULD BE REWARDED**
 - A. Over the long-term, equity-oriented investments provide return premiums relative to risk-free investments.
- 6 **PRIVATE MARKET INVESTMENTS CAN ADD SIGNIFICANT VALUE**
 - A. The OIC has the potential to capitalize on its status as a true, long-term investor by making meaningful allocations to illiquid, private market investments.
 - B. Dispersion in private market investment returns is wide.
- 7 **CAPITAL MARKETS HAVE INEFFICIENCIES THAT CAN BE EXPLOITED**
 - A. Inefficiencies that have the potential to be exploited by active management may exist in certain segments of the capital markets.
- 8 **COSTS DIRECTLY IMPACT INVESTMENT RETURNS AND SHALL BE MONITORED AND MANAGED CAREFULLY**
 - A. All fees, expenses, commissions, and transaction costs should be diligently monitored and managed to maximize net investment returns.
 - B. External incentive structures should be carefully evaluated to ensure proper alignment with investment program objectives.
- 9 **THE INTEGRATION OF SYSTEMS TO EVALUATE AND MONITOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS, INCLUDING PROXY VOTING, SIMILAR TO OTHER INVESTMENT RISKS HAVE THE POTENTIAL TO HAVE A BENEFICIAL IMPACT ON THE ECONOMIC OUTCOME OF AN INVESTMENT AND AID IN THE ASSESSMENT OF THAT INVESTMENT.**
- 10 **DIVERSITY, IN ALL ASPECTS, IS ACCRETIVE TO MEETING OIC OBJECTIVES**
 - A. By embracing and enhancing diversity of talent (including a broad range of education, experience, perspectives and skills) at all levels (board, staff, external managers, corporate boards) is important, the OIC ensures that the investment program will be exposed to and informed by a wide range of perspectives, ideas and opinions.



Opportunity Portfolio Overview

➤ Role of the Opportunity Portfolio

- Enable Staff to consider investments for OPERF that do not conform to the six strategic asset classes
- Provide enhanced, risk-adjusted returns and diversification to OPERF
- No strategic/target allocation; may comprise no more than 5% of total OPERF assets

➤ Policy Objectives (INV 1204)

- Exceed OPERF Total Fund Policy Benchmark
- A low correlation between OPERF and the Portfolio is expected over time (0.38 since inception)
- Incubate potential new strategies or portfolios (e.g., levered bank loans & infrastructure)
- Investments are expected to comprise both longer- and shorter-term holdings
- May be non-diversified – meaning that Staff may concentrate its investments
- Given the truly opportunistic nature and objectives of the Portfolio, Staff expects its investments and partnership commitments may be highly episodic and inconsistent over time

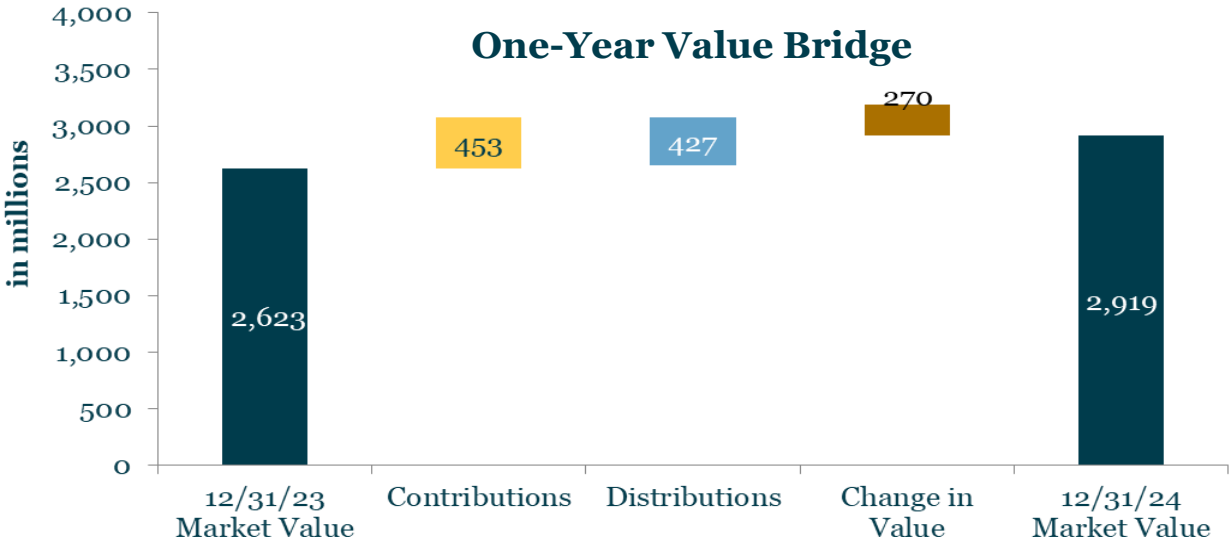
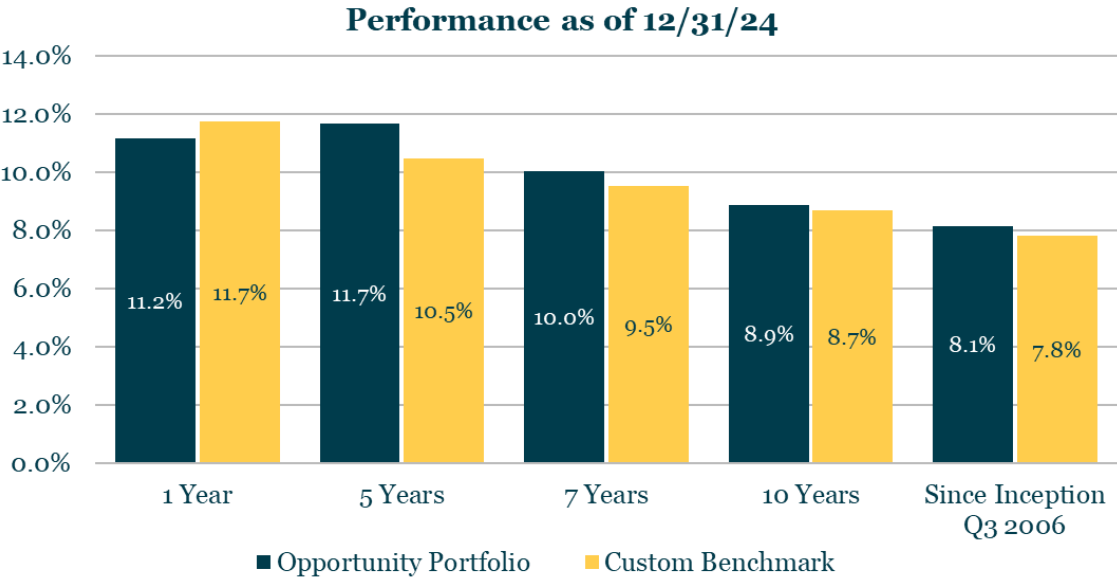
➤ Strategies Types

- Niche / innovation oriented (e.g., royalties, reinsurance, intellectual property, private credit, multi-asset)
- Tactical / dislocation oriented (historical examples: GFC, COVID-19)

19-Year History

2005	❖ Opportunity Portfolio inception
2006	❖ Opportunity Portfolio first investment
2007	❖ Early market fissures appear <ul style="list-style-type: none"> • OPERF early to levered bank loan dislocation
2008	❖ Global Financial Crisis (GFC) <ul style="list-style-type: none"> • Full-time Opportunity Portfolio Investment Officer hired • High-water mark in new commitments (number & dollars) • Heavy investment in levered bank loan strategies
2009-2010	❖ Relatively light deployment following significant investment post-GFC
2011	❖ Three funds moved to seed new Alternatives Portfolio (now known as Real Assets Portfolio)
2012-2014	❖ Commitments to multi-strategy opportunistic mandates in response to limited staff resources
2014	❖ Senior Opportunity Portfolio Investment Officer promoted to Director of Alternatives Program
2015-2018	❖ Relatively light to stable deployment
2019	❖ Appointment of Investment Officer dedicated to Opportunity Portfolio in Q3 2019
2020	❖ COVID-19 causes widespread market disruption, commitments made to two funds to pursue potential investment opportunities
2021	❖ Closed on four new niche investment strategies
2022-2024	❖ Lighter deployment only with existing managers in recognition of overall plan-level illiquidity

Performance



Measure	12/31/24	12/31/23
FMV + Historical Distributions	\$8,037 M	\$7,314 M
Current FMV	\$2,919 M	\$2,623 M
Unfunded Commitments	\$951 M	\$1,300 M
FMV % of OPERF	3.1%	2.8%
FMV + Unfunded Commitments % of OPERF	4.1%	4.2%
Multiple [(FMV + Distributions)/Drawn]	1.3x	1.3x
IRR Since Inception Q3 2006	8.0%	8.1%

Source: Aksia and State Street. Data as of 12/31/24.

2024 Year in Review

- The Opportunity Portfolio's \$2.9 billion market value increased to approximately 3% of OPERF over the past year, well within the 5% OIC Policy limit. Approximately 20% of the Portfolio was liquid, as of 9/30/24 (page 15).
- **The Opportunity Portfolio was the best performing portfolio across OPERF's private markets returning 11.2% for the year ended December 2024. Across OPERF, only Public Equity had a higher return, for the second consecutive year (see page 5).**
- **For the 10-years ended December 2024, the Portfolio returned 8.9% with only the Public and Private Equity portfolios reporting higher returns, across OPERF, with less than half the risk of public equity (see page 5).**
- Because OPERF does not have a strategic allocation to private credit, Staff expects that private credit will continue to comprise a meaningful portion of the Portfolio. Globally, private credit is now the second largest private capital asset class after private equity, measured by dry powder and total assets under management (see pages 12, 17-19).
- The Portfolio is concentrated among five partners comprising approximately two-thirds of current Portfolio value across 12 different investments (see pages 9, 11).
- During 2024, staff authorized one commitment to an existing manager. Details of the commitments over the past five years can be found on page 7.
- Approximately \$102 million was redeemed from holdings across the Portfolio in 2024.
- The Portfolio has been net cash flow positive the past two years, following larger contributions in 2021-22 (see page 10).
- Two investments wrapped up in 2024, leaving 14 manager relationships in the Portfolio across 24 investments.

2024 Year in Review (cont.)

2024 Activity

Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Sixth Street Specialty Lending Europe III	December 2024	N/A	\$165,000,000
2024 Total Approved			\$165,000,000

2023 Activity

Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Arctos Sports Partners Fund II	June 2023	July 2023	\$150,000,000
Sixth Street Lending Partners	December 2023	March 2024	\$150,000,000
2023 Total Approved			\$300,000,000

2022 Activity

Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Whitehorse Liquidity Partners Fund V	April 2022	May 2022	\$200,000,000
Pathlight Capital Fund III	September 2022	December 2022	\$100,000,000
2022 Total Approved			\$300,000,000

2021 Activity

Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Whitehorse Liquidity Partners Fund IV	March 2021	March 2021	\$200,000,000
Blue Torch Credit Opportunities Fund II	March 2021	April 2021	\$100,000,000
Arctos Sports Partners Fund I	August 2021	October 2021	\$150,000,000
Pathlight Capital Fund II	October 2021	December 2021	\$100,000,000
2021 Total Approved			\$550,000,000

2020 Activity

Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Sixth Street Specialty Lending Europe II	June 2020	November 2020	\$125,000,000
OHA Tactical Investment Fund	July 2020	July 2020	\$300,000,000
Owl Rock Capital Corporation III	July 2020	September 2020	\$150,000,000
Clearlake Flagship Plus Partners	October 2020	November 2020	\$200,000,000
2020 Total Approved			\$775,000,000



2024 Year in Review (cont.)

2024 Opportunity Portfolio Deal Flow

- Scale, brand, existing relationships and open-door policy leveraged to foster solid deal flow
- Broad opportunity set has helped to maintain inquiries; referrals from across OST teams and unsolicited inbound inquiries
- Points of contact (in-person or calls) exceeded 55, including roughly 30 related to prospective investments
- While there were opportunities to deploy capital, Staff was cognizant of the current illiquid profile of OPERF and therefore deliberately slowed the pace of investment



Active Investments as of September 30, 2024

Fund	Vintage	Status	Strategy	Focus	Role	FMV (\$K)	Unfunded (\$K)	Commitment (\$K)
Fidelity Real Estate Opportunistic Income Fund	2007	Evergreen	Credit	Real Estate	Niche	\$113,037	\$0	\$100,000
Sanders Capital All Asset Value Fund ¹	2010	Evergreen	Equity	Diversified	Niche	\$337,528	\$0	\$200,000
Nephila (Cassiopeia Fund) ²	2012	Liquidation	Insurance	P&C	Niche	\$5,513	\$0	\$100,000
Blackstone Tactical Opportunities - O	2013	Harvest	Hybrid Capital	Special Situations	Niche	\$62,794	\$58,766	\$460,000
Lone Star Residential Mortgage Fund I	2014	Harvest	Credit	Real Estate	Niche	\$657	\$0	\$43,223
Sixth Street TAO 2.0	2014	Evergreen	Hybrid Capital	Special Situations	Niche	\$222,614	\$85,536	\$250,000
OrbiMed Royalty Opportunities Fund II	2015	Liquidation	Royalties	Healthcare	Niche	\$650	\$0	\$35,000
Sixth Street TAO 3.0	2015	Harvest	Hybrid Capital	Special Situations	Niche	\$220,280	\$77,297	\$250,000
Blue Owl Capital Corporation (NYSE: OBDC)	2016	Evergreen	Credit	Direct Lending	Niche	\$72,850	\$0	\$150,000
Lone Star Fund X	2016	Harvest	Equity	Diversified	Niche	\$83,196	\$0	\$150,000
Blackstone Tactical Opportunities II - O	2020	Active	Hybrid Capital	Special Situations	Niche	\$145,098	\$56,424	\$40,000
Blue Owl Capital Corporation III (NYSE: OBDE) ³	2020	Evergreen	Credit	Direct Lending	Niche	\$186,869	\$0	\$150,000
Clearlake Flagship Plus	2020	Harvest	Hybrid Capital	Special Situations	Tactical	\$166,181	\$54,235	\$200,000
Oak Hill Advisors TIF	2020	Active	Hybrid Capital	Special Situations	Tactical	\$337,943	\$30,011	\$300,000
Sixth Street SLE II	2020	Active	Credit	Direct Lending	Niche	\$75,889	\$70,310	\$125,000
Sixth Street TAO Contingent ⁴	2020	Harvest	Hybrid Capital	Special Situations	Tactical	\$119,625	\$34,094	\$200,000
Arctos Sports Partners Fund I	2021	Active	Equity	Sports/Media	Niche	\$178,633	\$31,013	\$150,000
Blue Torch Credit Opportunities Fund II	2021	Harvest	Credit	Special Situations	Niche	\$65,645	\$25,406	\$100,000
Dawson Partners Wickiup ⁵	2021	Active	Preferred	Diversified	Niche	\$273,334	\$189,060	\$509,000
Pathlight Capital Fund II	2021	Active	Credit	Asset Based Finance	Niche	\$83,427	\$18,264	\$100,000
Pathlight Capital Fund III	2022	Active	Credit	Asset Based Finance	Niche	\$64,638	\$35,775	\$100,000
Arctos Sports Partners Fund II	2023	Active	Equity	Sports/Media	Niche	\$35,289	\$123,625	\$150,000
Sixth Street Lending Partners	2023	Active	Credit	Direct Lending	Niche	\$76,524	\$80,116	\$150,000
Total Opportunity Portfolio:						\$2,928,216	\$969,933	\$4,012,223
Allocation within OPERF:						3.0%		

¹ The Sanders Capital All Asset Value Fund mandate allows multi-asset holdings; however, the portfolio is currently, predominantly, in equity securities.

² Nephila Cassiopeia is a new vehicle containing prior OPERF interests in Nephila Juniper and Palmetto funds (2012 vintages).

³ Includes Blue Owl Capital Diversified Holdings (BOCDH) (2020).

⁴ The Sixth Street TAO Contingent fund commitment was made in January 2018 and was activated in April 2020.

⁵ Dawson Partners Wickiup (FKA Whitehorse Liquidity Partners) consists of OPERF interests in Funds IV, V, and VI. This vehicle is a fund of one.

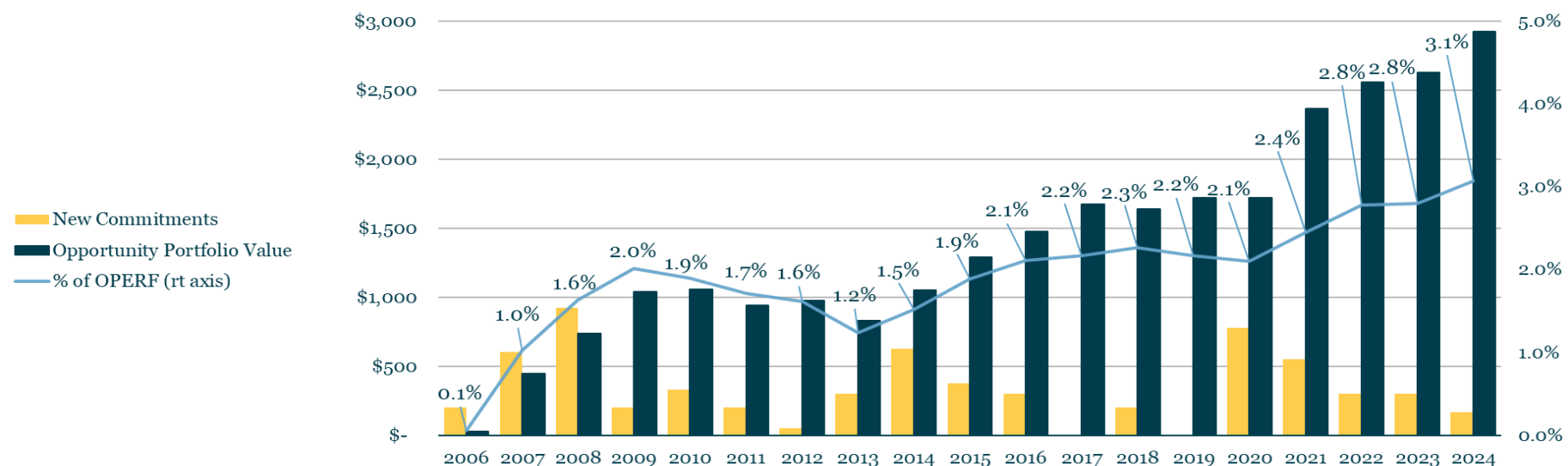
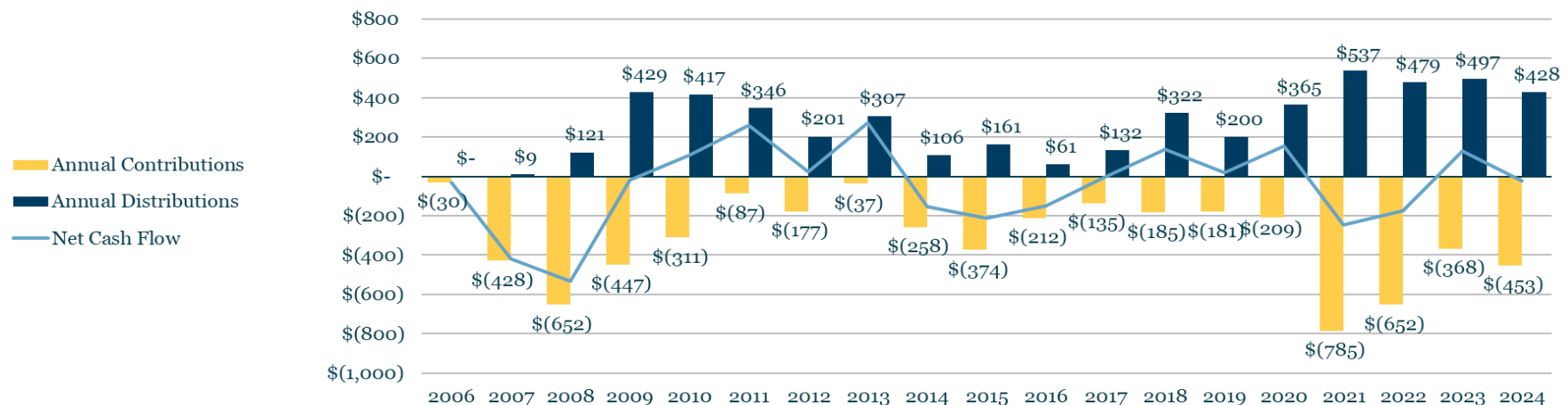
Source: Aksia and OST Staff.



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2024 Opportunity Portfolio Annual Review | March 5, 2025

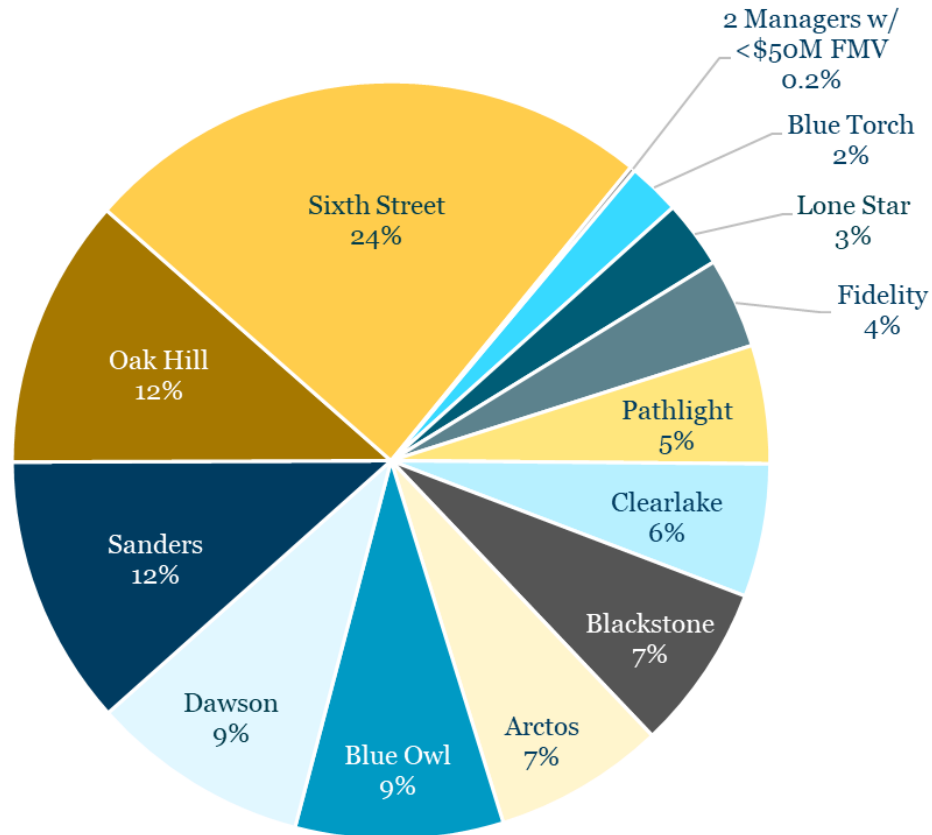
Historical Cash Flows & Commitments



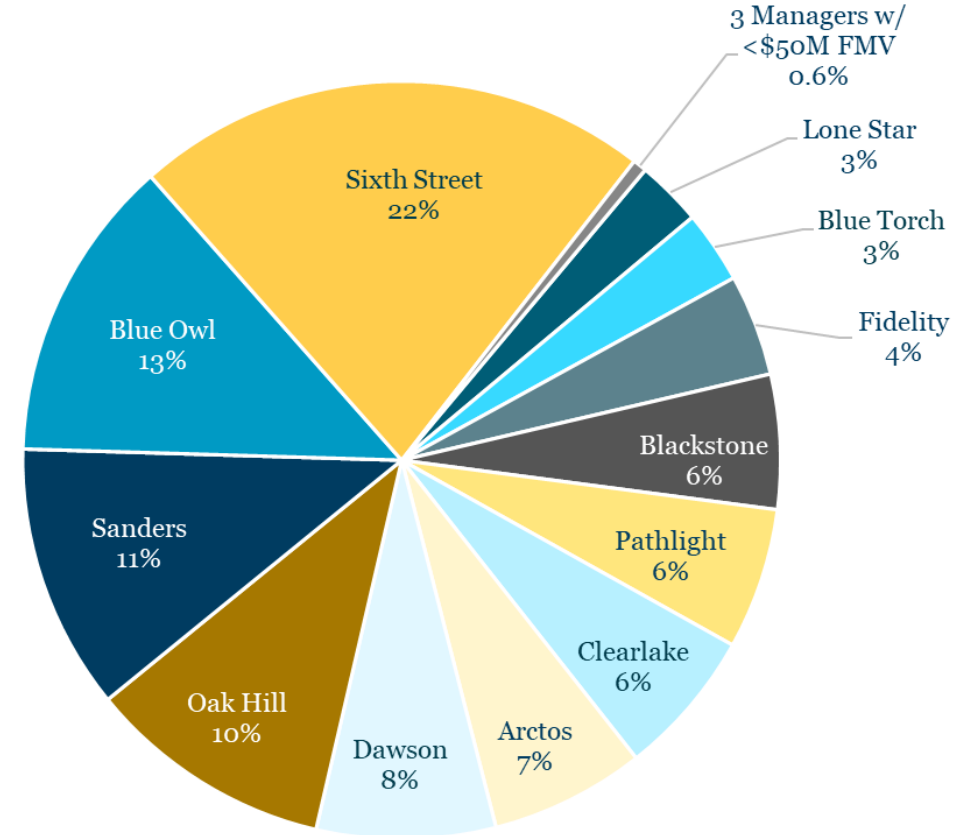
Source: Aksia and State Street. Data as of 12/31/24.

Portfolio Manager Snapshot

9/30/24
FMV \$2.9 B



9/30/23
FMV \$2.7 B



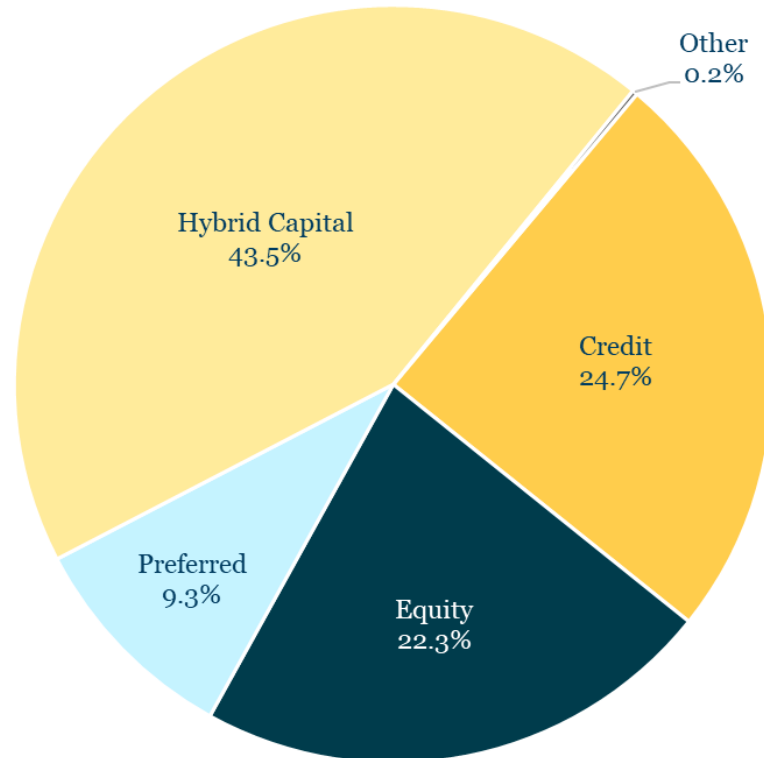
Source: Aksia and OST Staff.



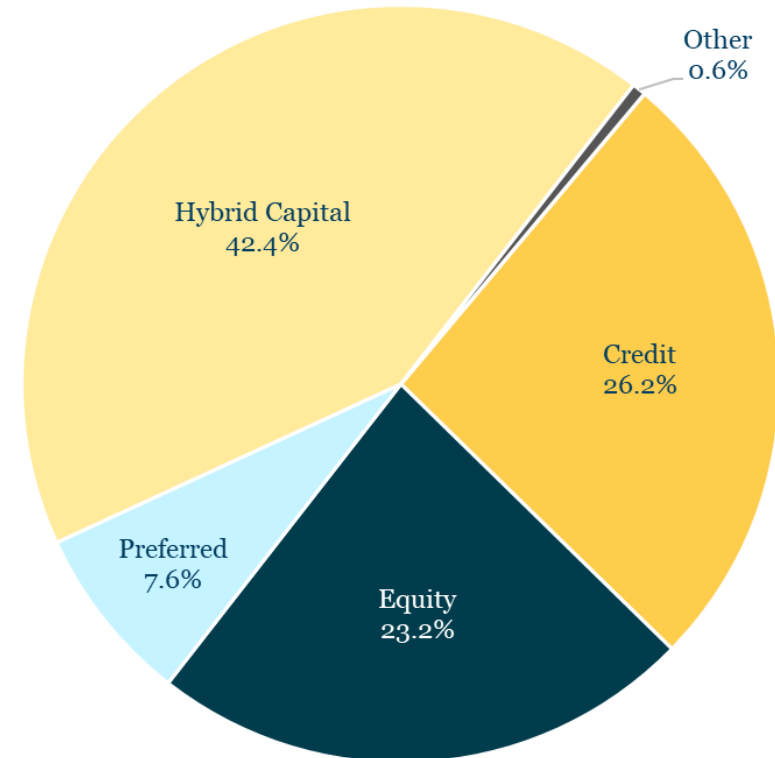
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Portfolio Strategy Snapshot

9/30/24
FMV \$2.9 B



9/30/23
FMV \$2.7 B

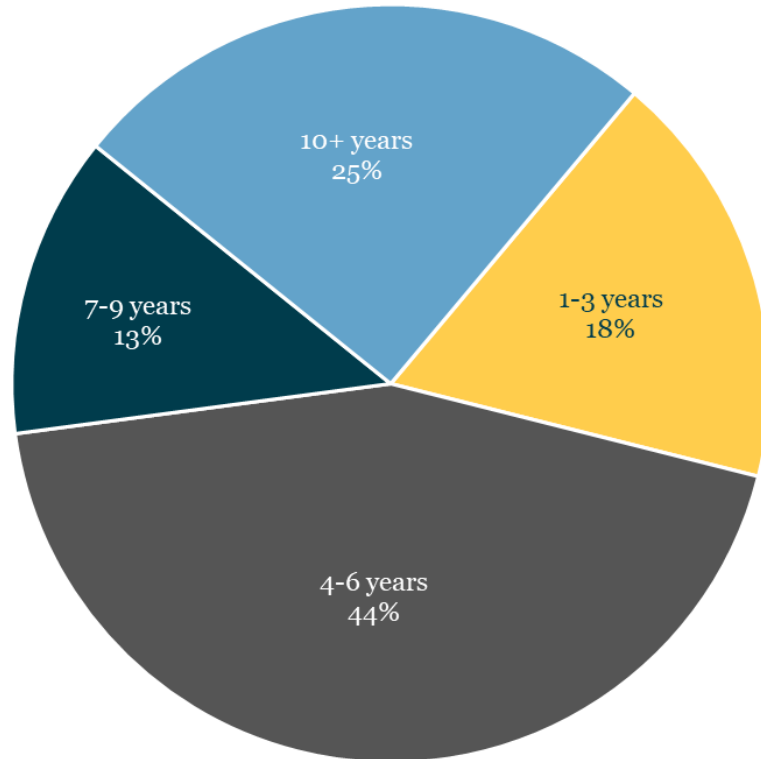


Source: OST Staff.

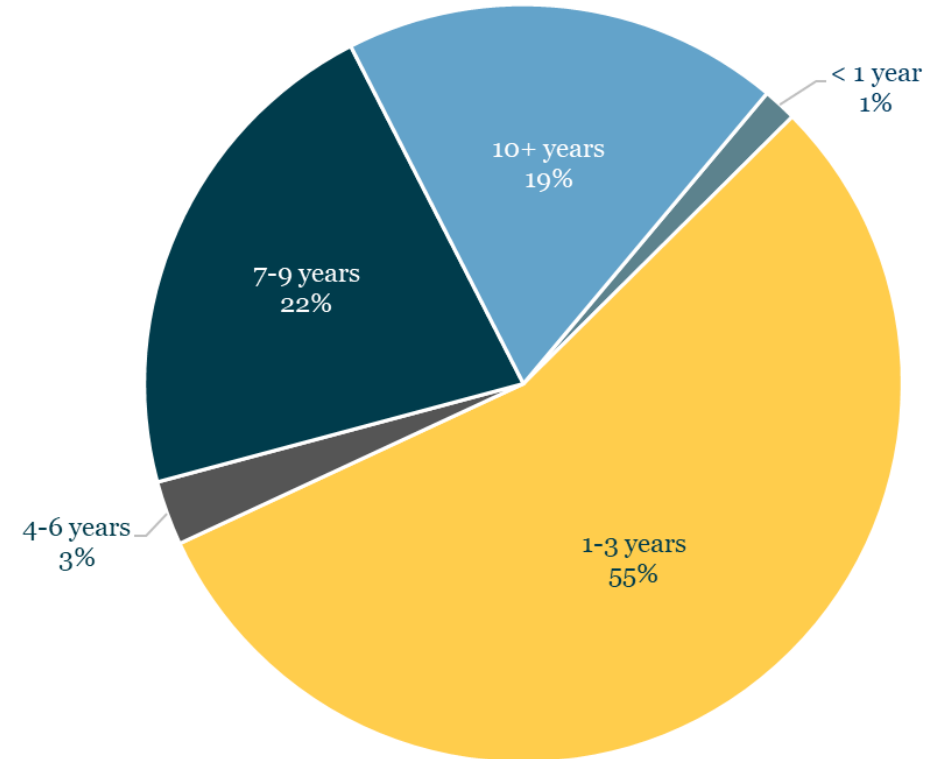
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Portfolio Age Snapshot

9/30/24
FMV \$2.9 B



9/30/23
FMV \$2.7 B



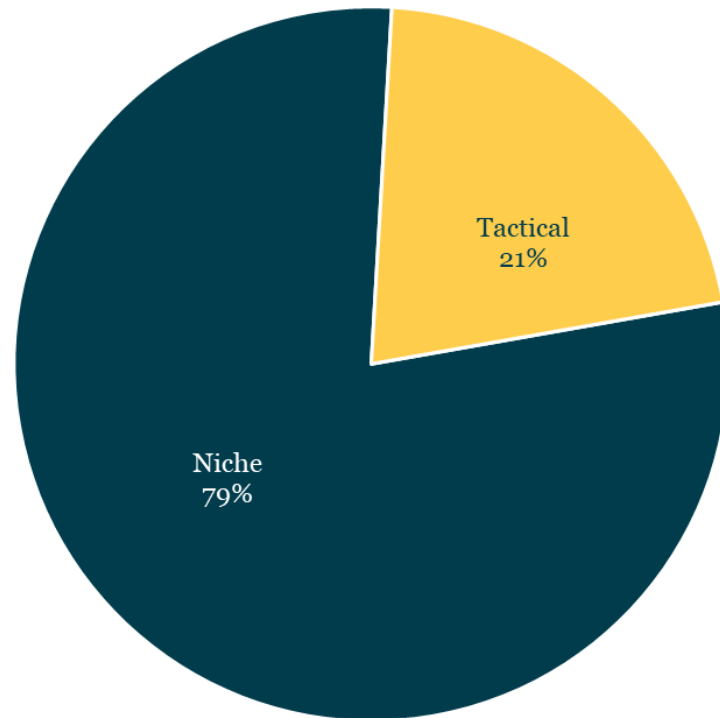
Source: Aksia and OST Staff. Based on first capital drawdown.



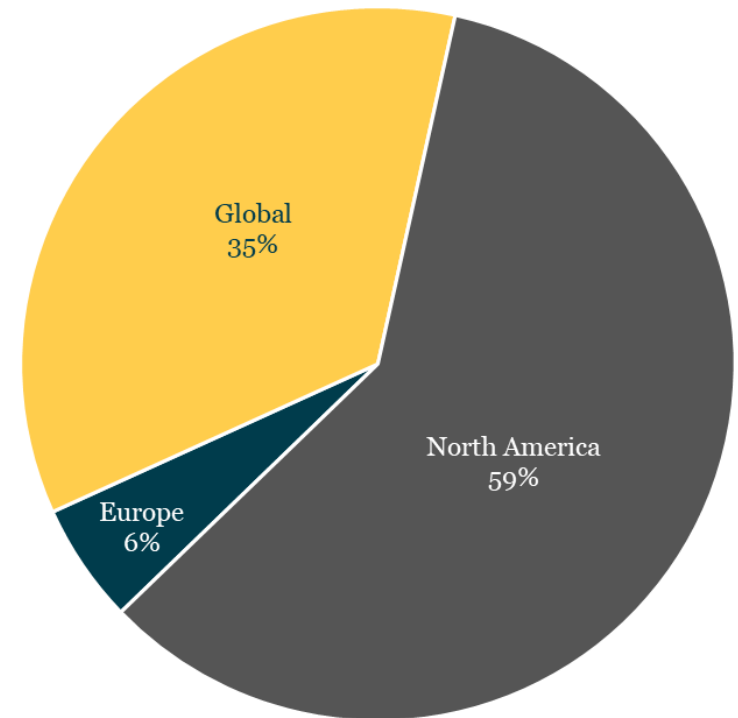
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Portfolio Role & Geography Snapshot

Role
9/30/24
FMV \$2.9 B



Geography
9/30/24
FMV \$2.9 B

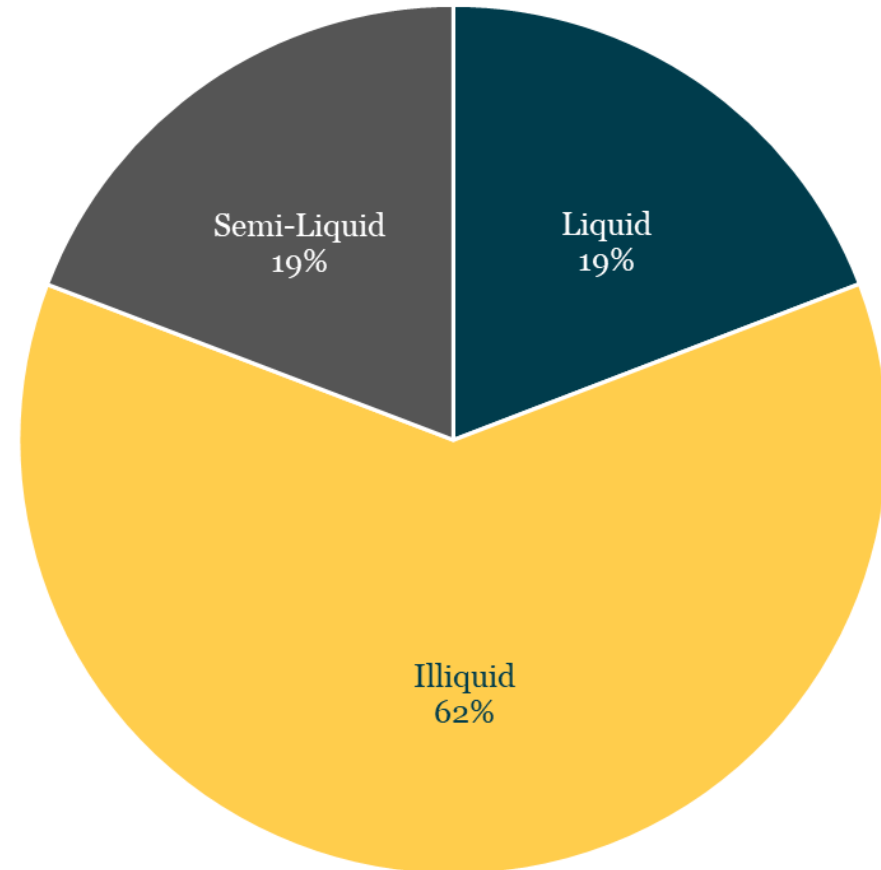


Source: Aksia and OST Staff.

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Portfolio Liquidity Snapshot

- Liquid – Primarily publicly-traded securities (<1 month).
- Semi-Liquid – Investments with quarterly or semi-annual redemption rights (1-3 years).
- Illiquid – Traditional private equity-like investment structures (>3 years).



Source: OST Staff. Data as of 9/30/24

OREGON
STATE
TREASURY

Looking Forward

- The Opportunity Portfolio is positioned to continue to deploy capital if market dislocations arise. The Portfolio continues to have capacity to invest capital before the 5% policy limit would be exceeded, but we remain mindful of OPERF's current excess exposure to illiquid assets across private markets (private equity, real estate, and real assets).
- Given the foregoing, for calendar year 2025, we do not expect to add new, illiquid relationships to the Portfolio but will focus on existing managers that are returning to market with overall commitments not expected to exceed \$200 million.
- The Portfolio continues to provide valuable diversification benefits across the total fund, and particularly to the public markets:

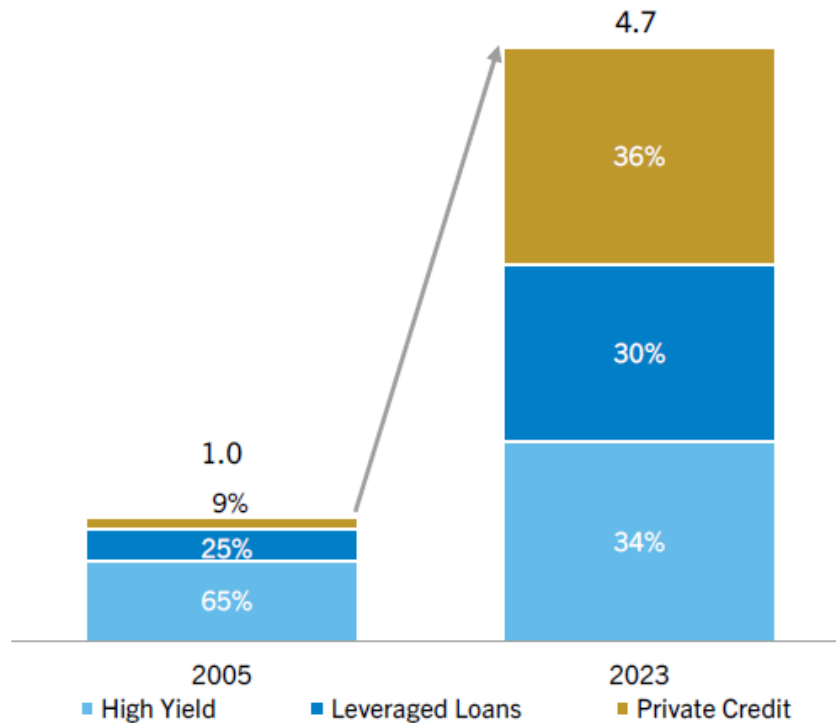
Correlation (5 years ended 12/2024)	Opp Port	OPERF	Public Equity
Opportunity Portfolio	1.00		
OPERF Regular Account	0.40	1.00	
OPERF Public Equity	0.18	0.88	1.00
OPERF Fixed Income	0.09	0.50	0.61

Appendix: Growth of Private Credit

Private credit has grown quickly and in parallel with private equity as private equity sponsors turn increasingly to private lenders for their debt capital solutions.

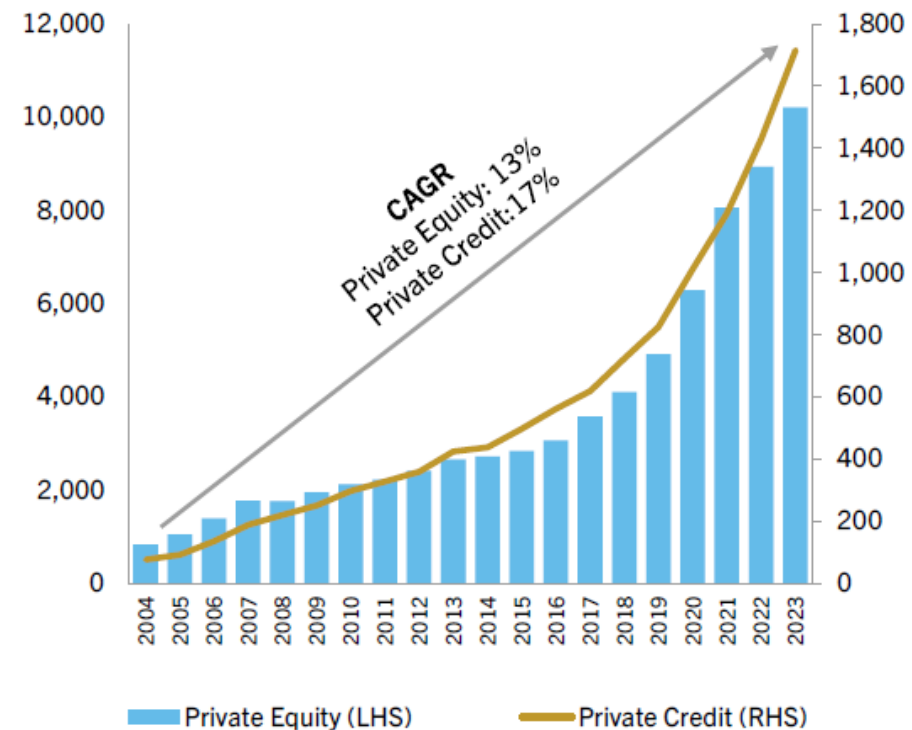
Growth of Private Credit¹

\$ Trillion



Private Equity vs. Private Credit AUM²

\$ Billion

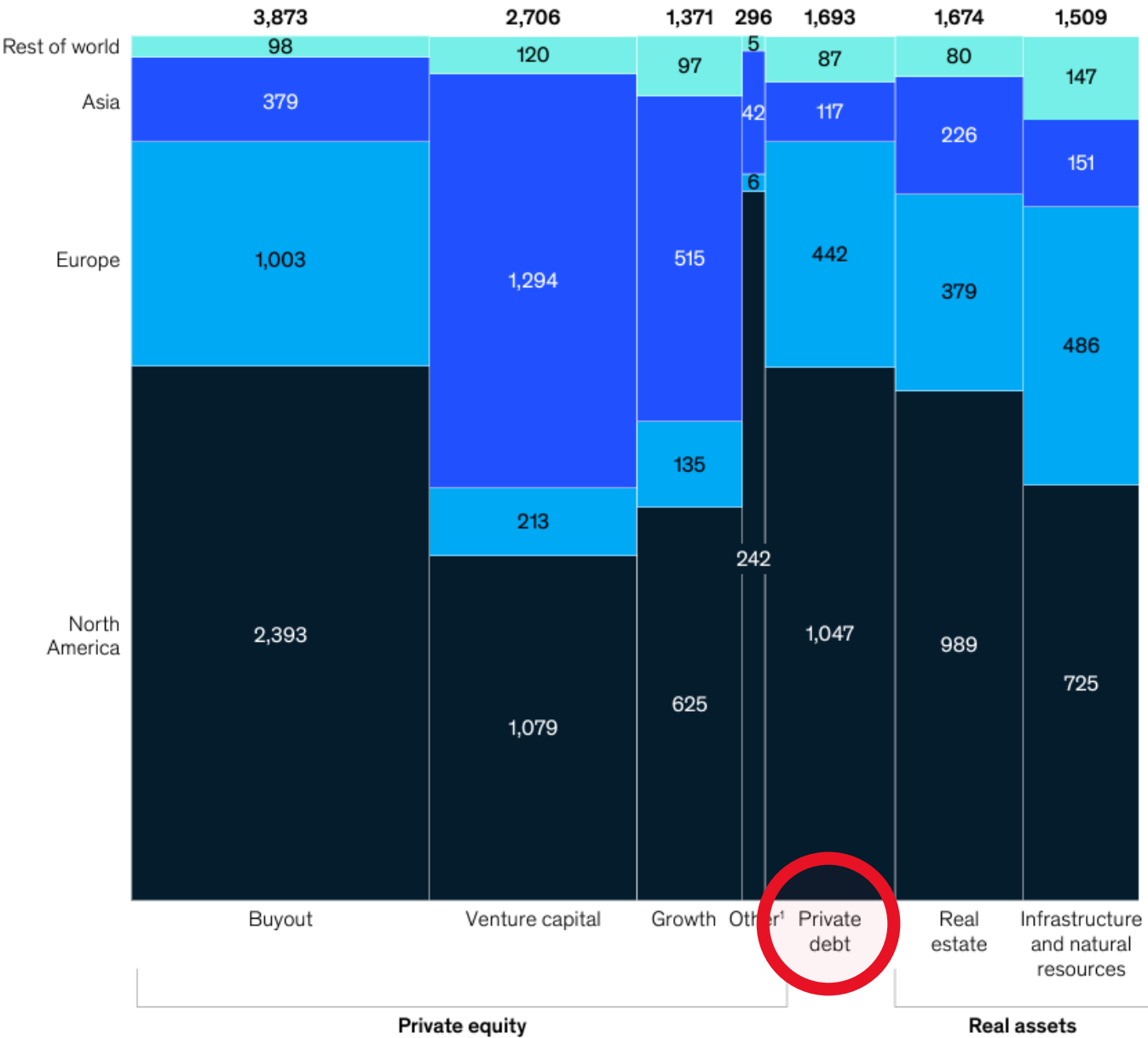


1. Source: Pitchbook LCD. High Yield: Reflects par amount outstanding for high yield bonds. Leveraged Loans reflects par amount outstanding of the Morningstar LSTA US Leveraged Loan Index. Private Credit reflects private debt funds assets under management.

2. Source: Preqin. As of December 31, 2023.

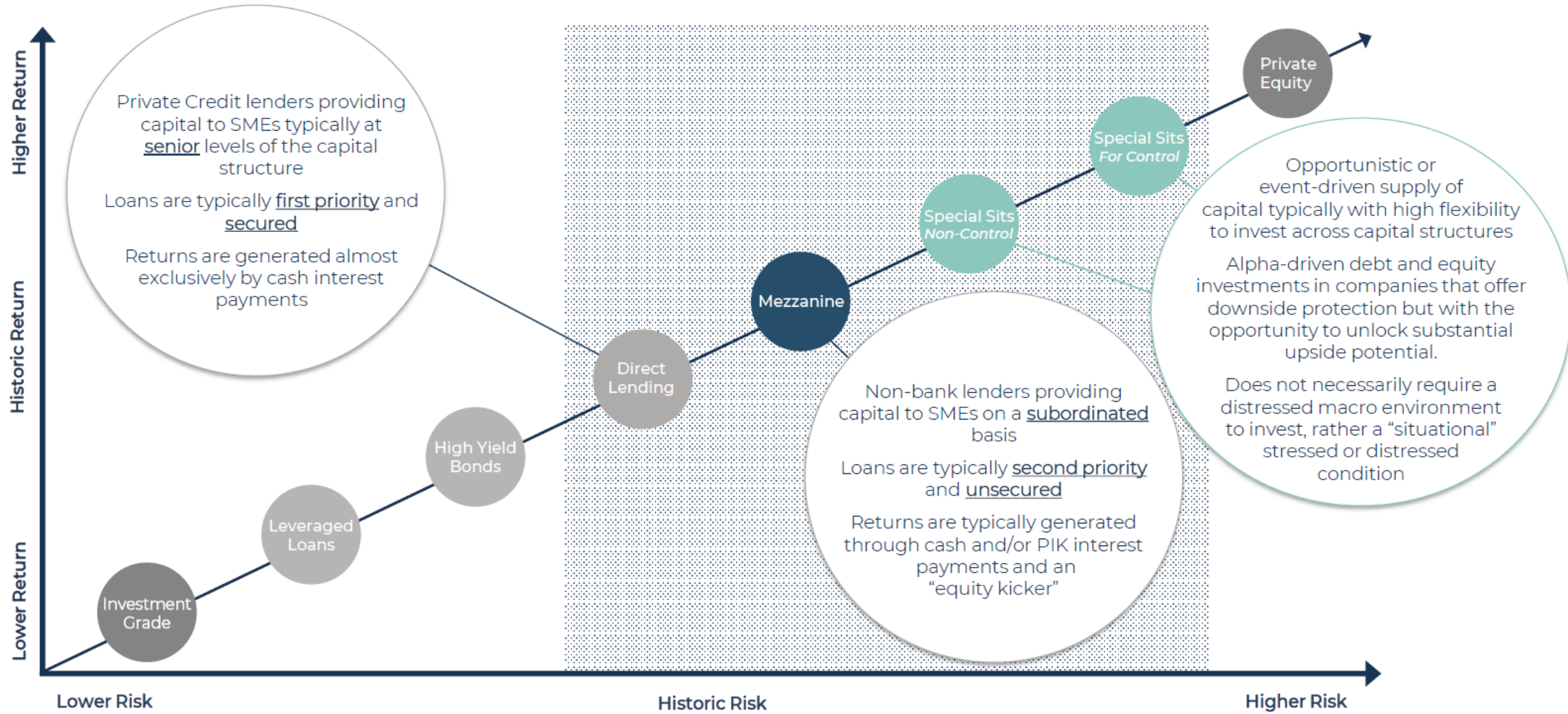
Source: Golub Capital Perspectives, January 2025

Appendix: Global Private Market AUM, H1 2023 (\$13.1 trillion)



Source: McKinsey Global Private Markets Review 2024

Appendix: Private Credit – Risk vs. Return Spectrum

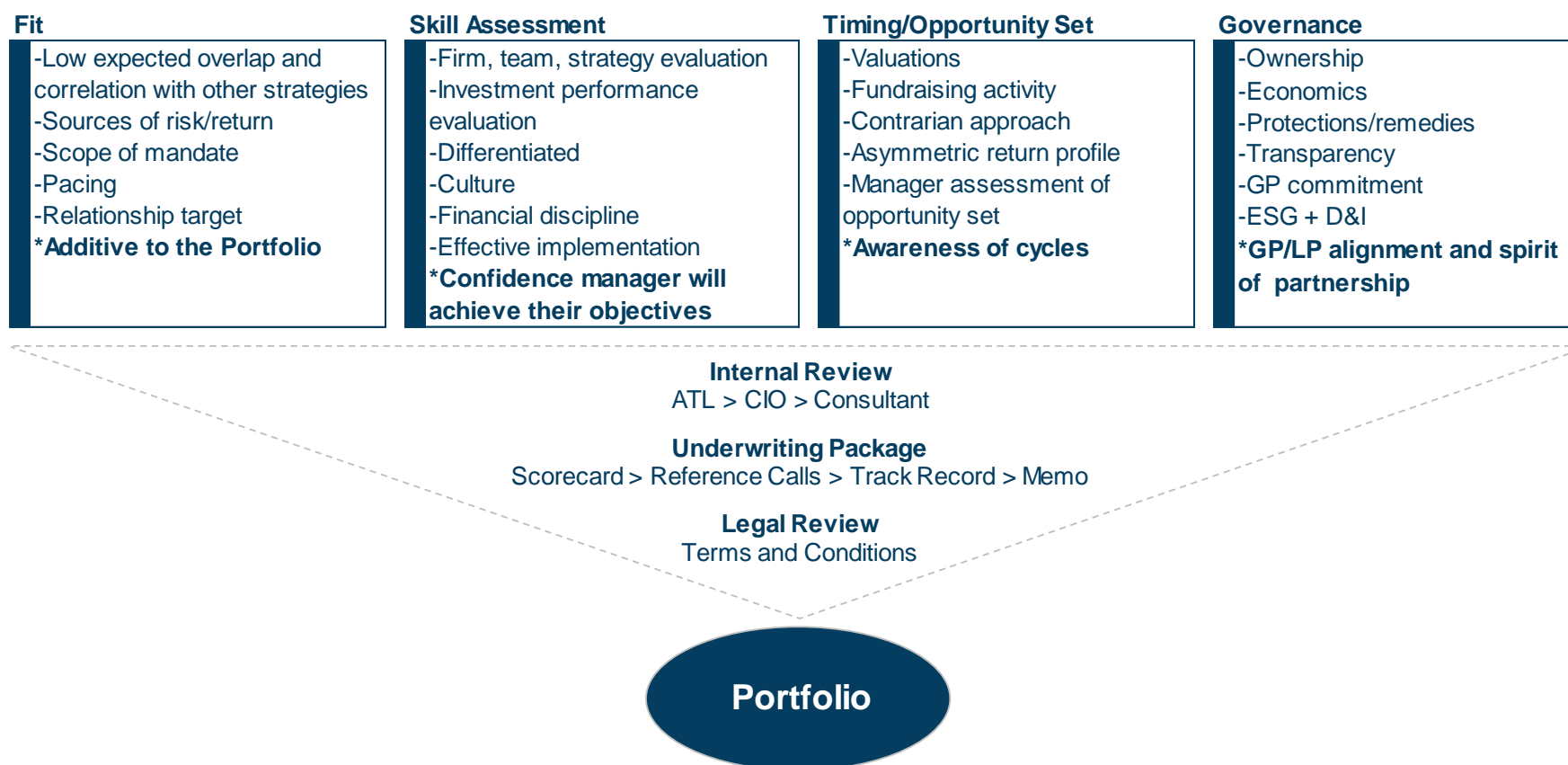


Source: First Avenue Partners LLP. For illustrative purposes only.

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Appendix: Investment Process

- Evaluation framework
 - Very high-level framework summary illustrated below.
 - In practice, a non-linear process with many more variables and numerous feedback channels.





OREGON STATE TREASURY

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Oregon State Treasurer

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TAB 4

OPERF 2024

PORTFOLIO REVIEW



Oregon Public Employees Retirement Fund

As of December 31, 2024

Q4 Performance Update

1. Economic and Market Update as of December 31, 2024
2. Executive Summary
3. Performance Update as of December 31, 2024
4. Disclaimer, Glossary, and Notes

Economic and Market Update

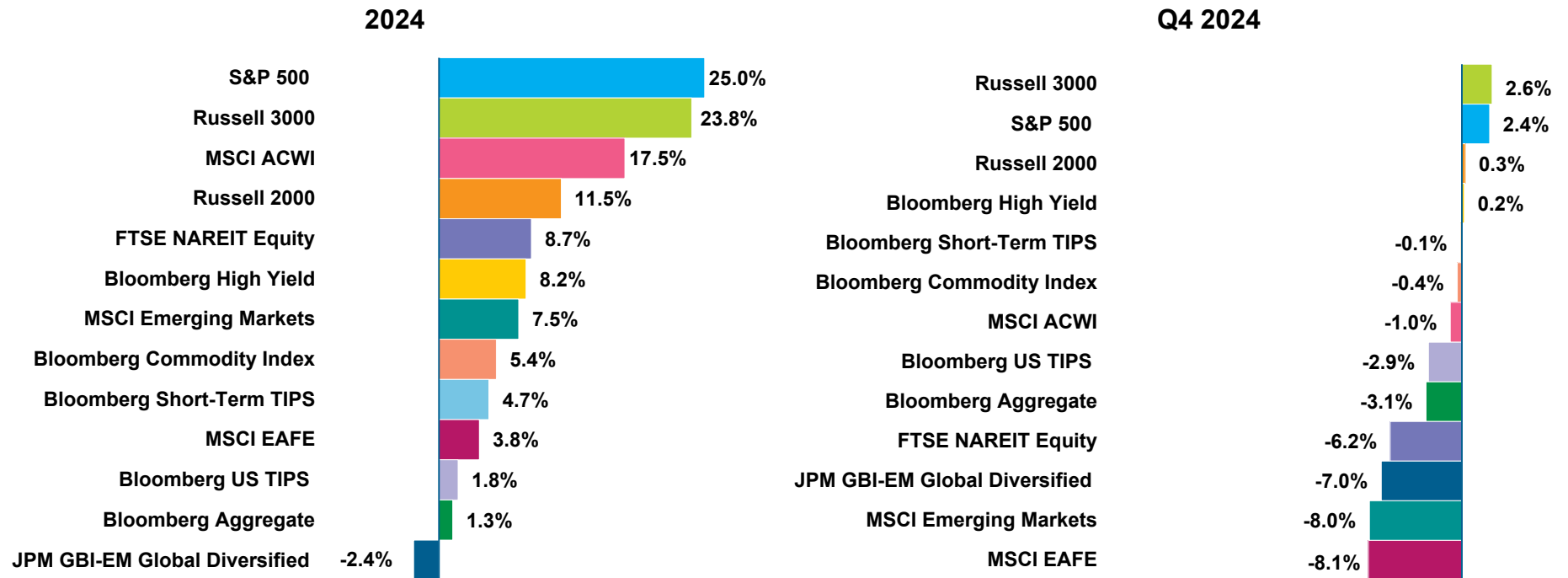
Data as of December 31, 2024

Commentary

Although most major markets finished 2024 in positive territory, in the fourth quarter, with the exception of US stocks, the majority of markets declined.

- Trump's victory along with a now Republican controlled Congress, supported US equity markets in the fourth quarter on anticipation of pro-growth policies. Domestic equity markets (Russell 3000) posted a return of 2.6% in the quarter and an impressive 23.8% for the year driven by large cap technology stocks.
- Non-US developed stocks sold-off in the fourth quarter (MSCI EAFE: -8.1%) largely driven by the strength of the US dollar, as well as slowing growth in Europe and the potential for trade wars. For the year, they trailed US equities by a wide 20% margin (3.8% versus 23.8%).
- Emerging market stocks also fell (MSCI Emerging Markets: -8.0%) in the fourth quarter, again driven by the strong dollar and concerns about US tariffs. In 2024, emerging markets beat developed international markets (7.5% versus 3.8%) but significantly trailed the US.
- The Federal Reserve cut its policy rate another 0.25% in December, but its Summary of Economic Projections and hawkish comments provoked a repricing of future rate cuts and their timing.
- Most fixed income markets fell for the quarter with interest rates rising given fears of inflation from the proposed policies of the incoming US administration. The broad US bond market (Bloomberg Aggregate) declined 3.1% for the quarter, reducing its 2024 gain to 1.3%. For the year, most major bond markets delivered positive returns on cooling global inflation.
- Looking ahead, uncertainty related to the policies of the new Trump Administration and its impact on the economy, inflation, and Fed policy will be key. The path of China's economy and concerns over elevated valuations and technology driven concentration in the US equity market will also be important focuses of 2025.

Index Returns¹



- In 2024, most major assets classes posted gains, led by the S&P 500's 25.0% return.
- Markets had mixed returns in the fourth quarter. US equities rose on optimism over potential pro-growth policies from the incoming administration while inflation concerns and a strong dollar, respectively, weighed on bonds and international equities.

¹ Source: Bloomberg. Data is as of December 31, 2024.

Domestic Equity Returns¹

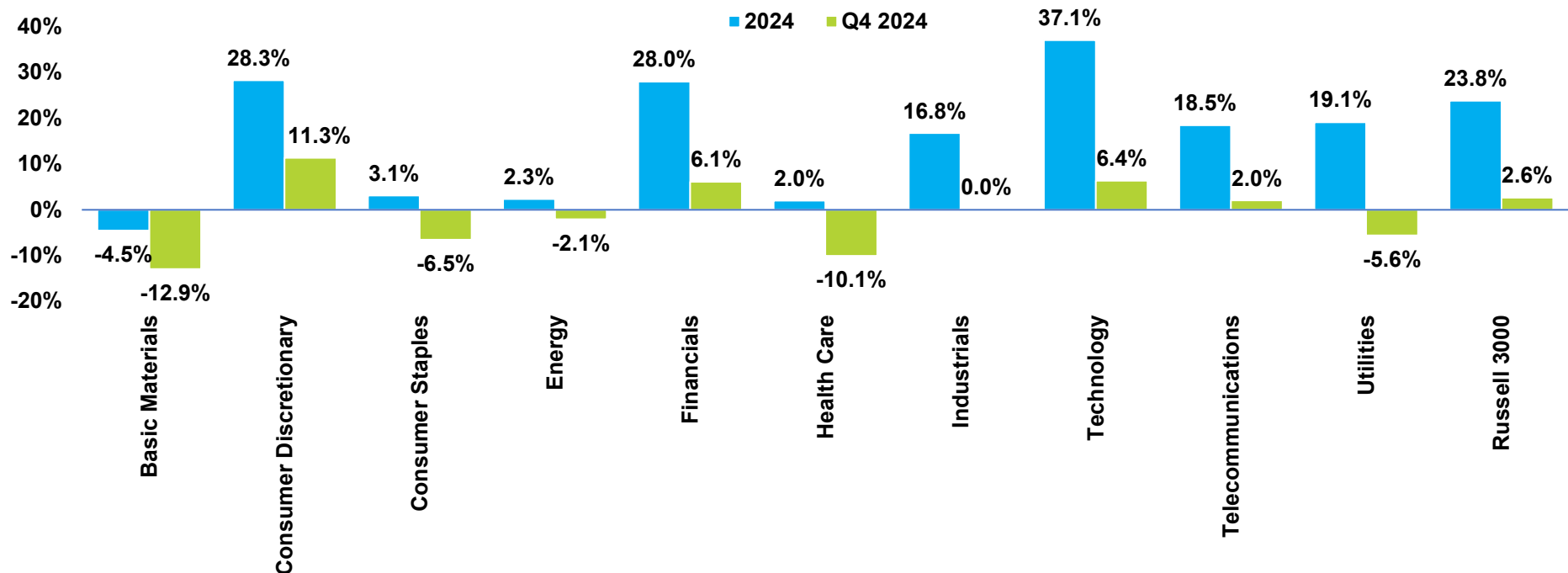
Domestic Equity	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-2.4	2.4	25.0	8.9	14.5	13.1
Russell 3000	-3.1	2.6	23.8	8.0	13.9	12.5
Russell 1000	-2.8	2.7	24.5	8.4	14.3	12.9
Russell 1000 Growth	0.9	7.1	33.4	10.5	19.0	16.8
Russell 1000 Value	-6.8	-2.0	14.4	5.6	8.7	8.5
Russell MidCap	-7.0	0.6	15.3	3.8	9.9	9.6
Russell MidCap Growth	-6.2	8.1	22.1	4.0	11.5	11.5
Russell MidCap Value	-7.3	-1.7	13.1	3.9	8.6	8.1
Russell 2000	-8.3	0.3	11.5	1.2	7.4	7.8
Russell 2000 Growth	-8.2	1.7	15.2	0.2	6.9	8.1
Russell 2000 Value	-8.3	-1.1	8.1	1.9	7.3	7.1

US Equities: The Russell 3000 rose 2.6% in the fourth quarter, bringing the year-to-date results to +23.8%.

- US stocks rose broadly in the fourth quarter on a post-election rally. However, value stocks did not participate and ended the quarter lower. In the large cap space, the Russell 1000 Value index's omission of several "Magnificent 7" stocks, such as NVIDIA, Amazon, and Tesla, drove much of the divergence.
- For the full year, US equities gained 23.8%. NVIDIA was the leading contributor among all stocks in the Russell 3000 index. The stock appreciated 171% during the year and was responsible for 20% of total index gains. The "Magnificent 7" stocks contributed just under 50% of the 2024 index gains.
- Growth stocks outperformed value stocks across the market cap spectrum in 2024, which was more pronounced in the large cap space. Larger companies (Russell 1000) produced more than double the returns of smaller companies (Russell 2000) for the year.

¹ Source: Bloomberg. Data is as of December 31, 2024.

Russell 3000 Sector Returns¹



- US equity sectors experienced mixed results in the final quarter of the year but all sectors except materials, experienced gains in 2024.
- Technology stocks rose 37.1% last year, which led all sectors. Within technology, NVIDIA and Broadcom accounted for more than half of the sector's contribution to overall index gains.
- After technology, consumer discretionary (+28.3%) and financials (+28.0%) were next driven by Amazon and Tesla and a steepening yield curve/strong economy, respectively.

¹ Source: Bloomberg. Data is as of December 31, 2024.

Foreign Equity Returns¹

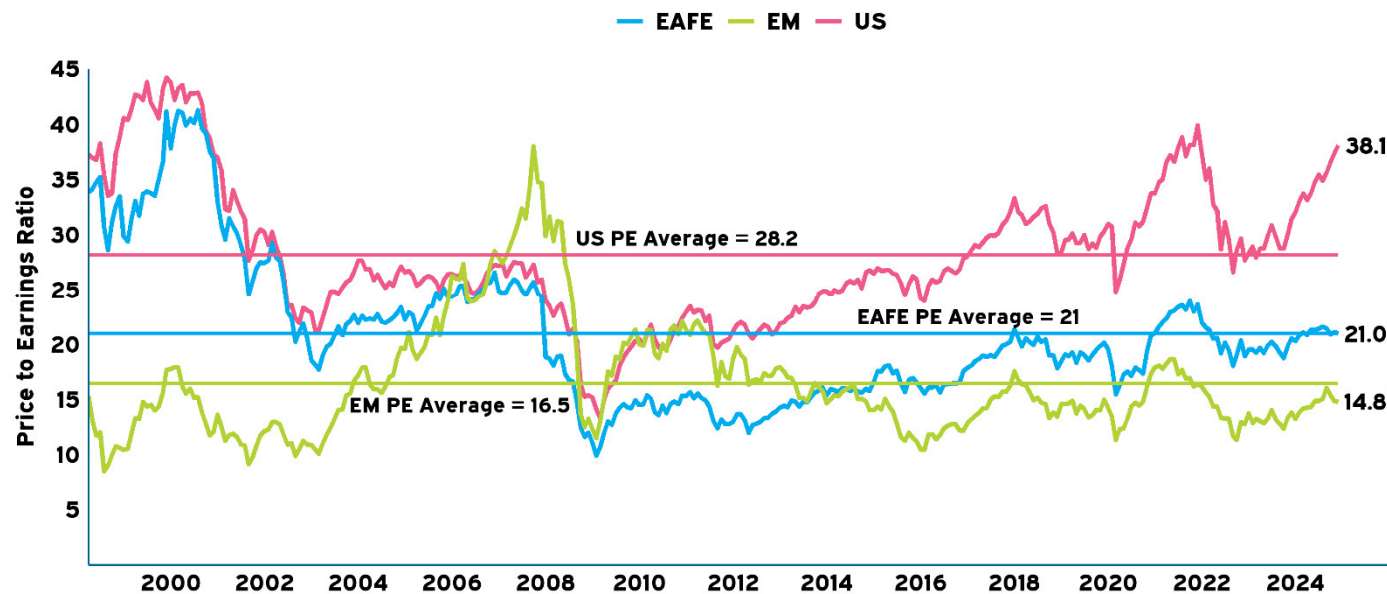
Foreign Equity	December (%)	Q4 2024 (%)	2024 (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-1.9	-7.6	5.5	0.8	4.1	4.8
MSCI EAFE	-2.3	-8.1	3.8	1.6	4.7	5.2
MSCI EAFE (Local Currency)	0.4	-0.6	11.3	6.3	7.5	7.1
MSCI EAFE Small Cap	-2.3	-8.4	1.8	-3.2	2.3	5.5
MSCI Emerging Markets	-0.1	-8.0	7.5	-1.9	1.7	3.6
MSCI Emerging Markets (Local Currency)	1.2	-4.4	13.1	1.6	4.5	6.0
MSCI EM ex China	-1.2	-8.1	3.6	0.1	4.4	4.7
MSCI China	2.7	-7.7	19.4	-6.1	-3.4	1.9

Foreign Equity: Developed international equities (MSCI EAFE) fell -8.1% in the fourth quarter but rose 3.8% for the year, while emerging market equities (MSCI Emerging Markets) fell -8.0% in the quarter but returned 7.5% for the year.

- Continued strength in the US dollar weighed on developed market shares, with declines in local terms significantly lower (-0.6% versus -8.1%). An unstable political environment, potential tariffs from the US, and weak growth all weighed on eurozone equities. Japan was a bright spot, outperforming the US for the quarter, with renewed yen weakness boosting the outlook for exporters.
- Emerging markets reacted poorly to Mr. Trump's win in the fourth quarter, due largely to tariff fears and the Fed's decreased likelihood of reducing rates in 2025. A strong dollar also weighed on results but not as much as in developed markets. China declined less than the broader index for the quarter (-7.7% versus -8.0%).
- Over the full 2024 calendar year, international equities significantly trailed US equities.

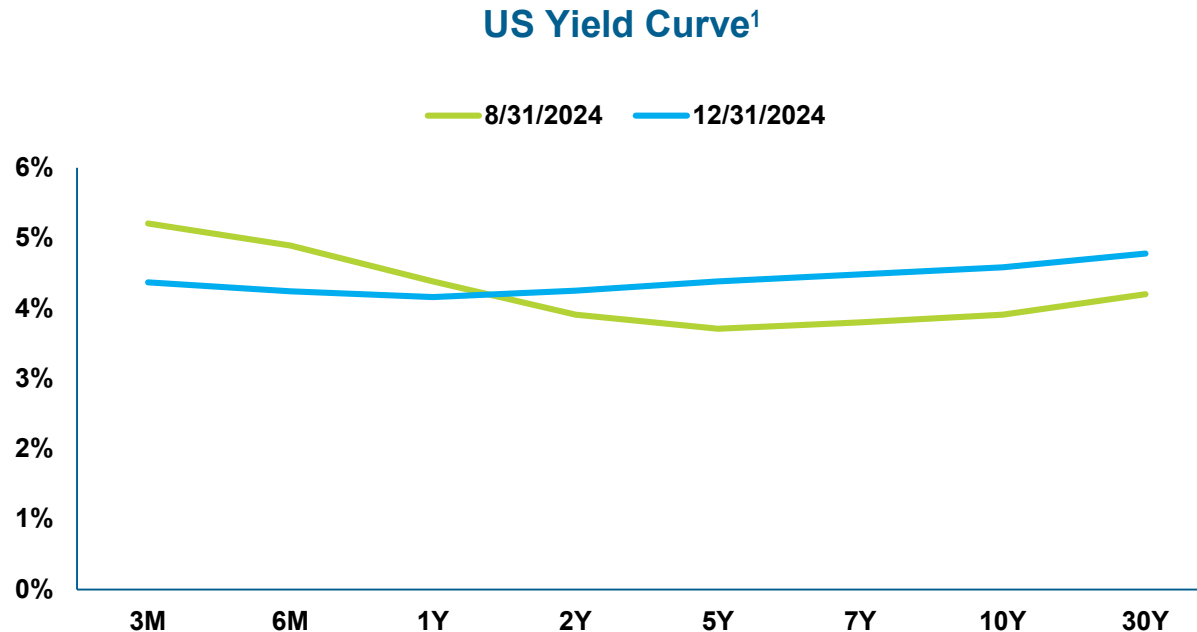
¹ Source: Bloomberg. Data is as of December 31, 2024.

Equity Cyclically Adjusted P/E Ratios¹



- Valuations in US stocks continued to move higher over the quarter while valuations for international equities fell.
- US stocks, priced at 38.1 times earnings, continue to trade well above their long-run PE average of 28.2.
- Non-US developed market valuations are trading at their long-term average. Emerging market stock valuations declined the most over the quarter (16.1 to 14.8) and remain below their long-term average.

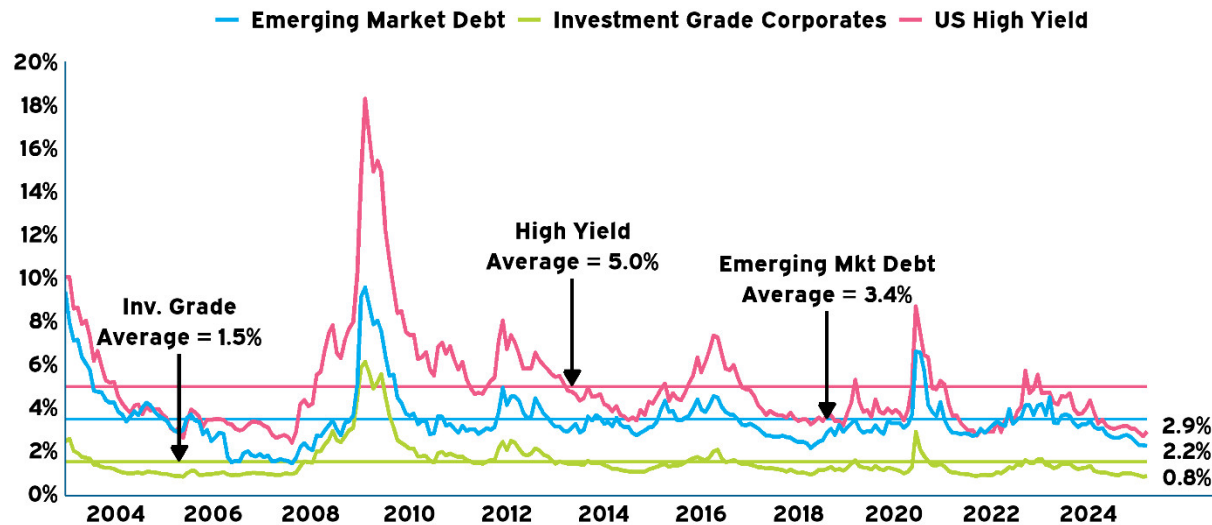
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.



- With the exception of the very shortest maturities, US Treasury yields rose in the fourth quarter driven by resilient growth and increased inflation expectations. Term premium (a measure of interest rate uncertainty) spiking over the quarter was a key driver of higher rates.
- Over the quarter, the more policy sensitive 2-year Treasury yield rose from 3.64% to 4.24%, while the 10-year Treasury yield rose from 3.78% to 4.57%.
- The yield curve was no longer inverted (short-term interest rates higher than long-term interest rates) at year-end given expectations for the Fed to continue to reduce rates and resilient economic growth and persistent inflation.

¹ Source: Bloomberg. Data is as of December 31, 2024. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

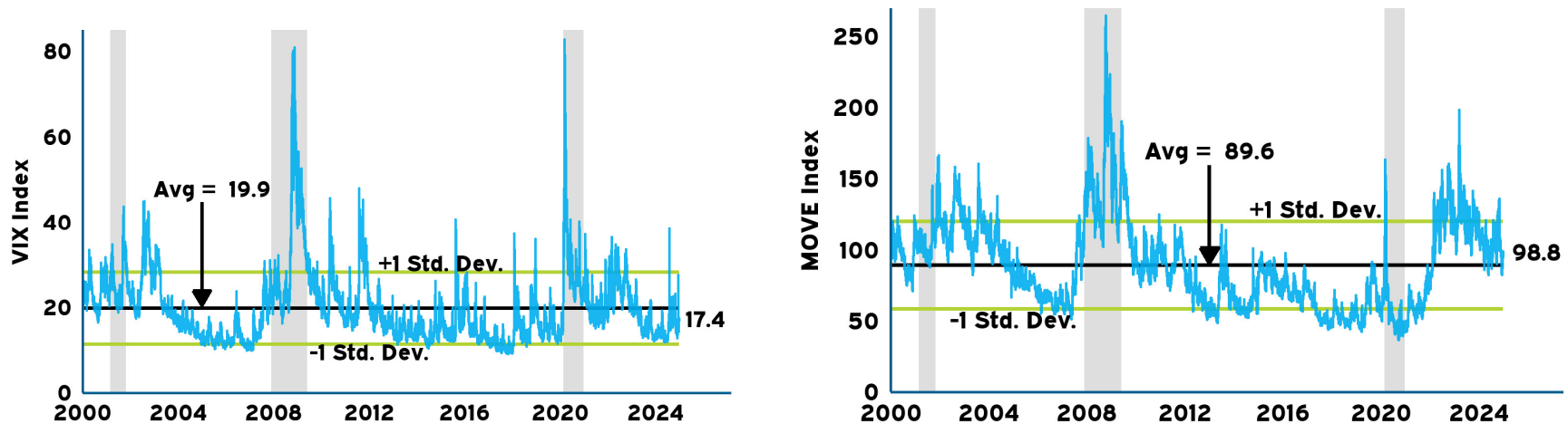
Credit Spreads vs. US Treasury Bonds¹



- Spreads (the yield above a comparable maturity Treasury) all continued to tighten over the quarter.
- All yield spreads remained below their respective long-run averages, particularly high yield (2.9% versus 5.0%).
- Although spreads are tight, absolute yields remain at above-average levels compared to the last two decades.

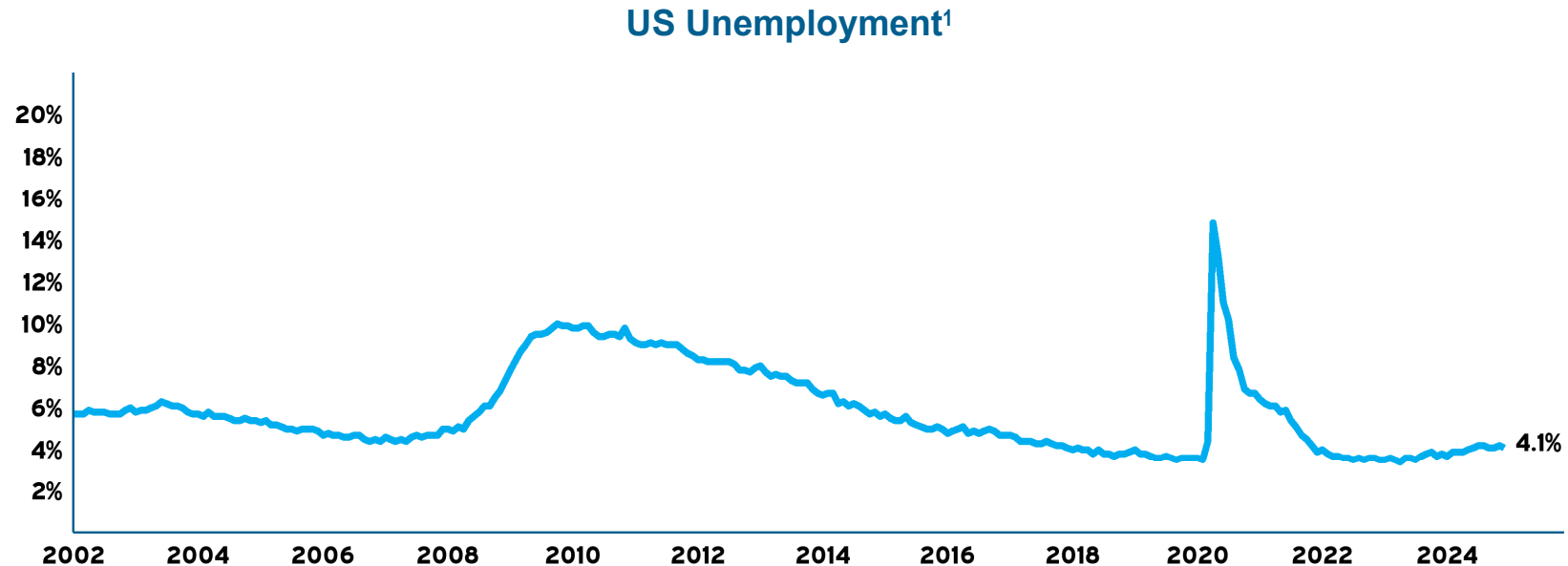
¹ Source: Bloomberg. Data is as December 31, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility¹



- Bond and equity volatility experienced several spikes over the quarter ahead of the election but finished lower after the clear results.
- Volatility levels (VIX) in the US stock market finished the quarter below its long-run average, while volatility in the bond market (MOVE) ended December above its long-run average.

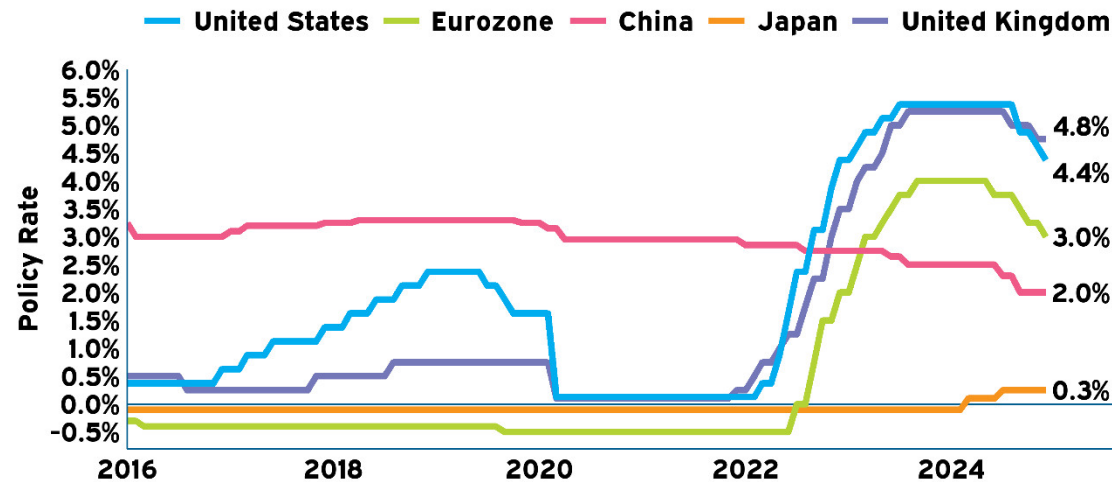
¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 31, 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and December 2024.



- The unemployment rate stayed stable over the quarter at 4.1% with close to 500k jobs added to the economy since the end of September.
- In December, the health care (+46K), retail (+43K), and government (+33K) sectors added jobs, while retail – which lost jobs in November – rebounded (+43K) jobs.
- Job openings (8.1M) rose over last month's openings (7.7M) but are well below pandemic highs (>12M); the number of openings exceeds the number of unemployed workers looking for work (6.9M).
- Separations (5.1M) and hires (5.3M) remain steady and average hourly wages continue to grow at approximately 3.9% a year.

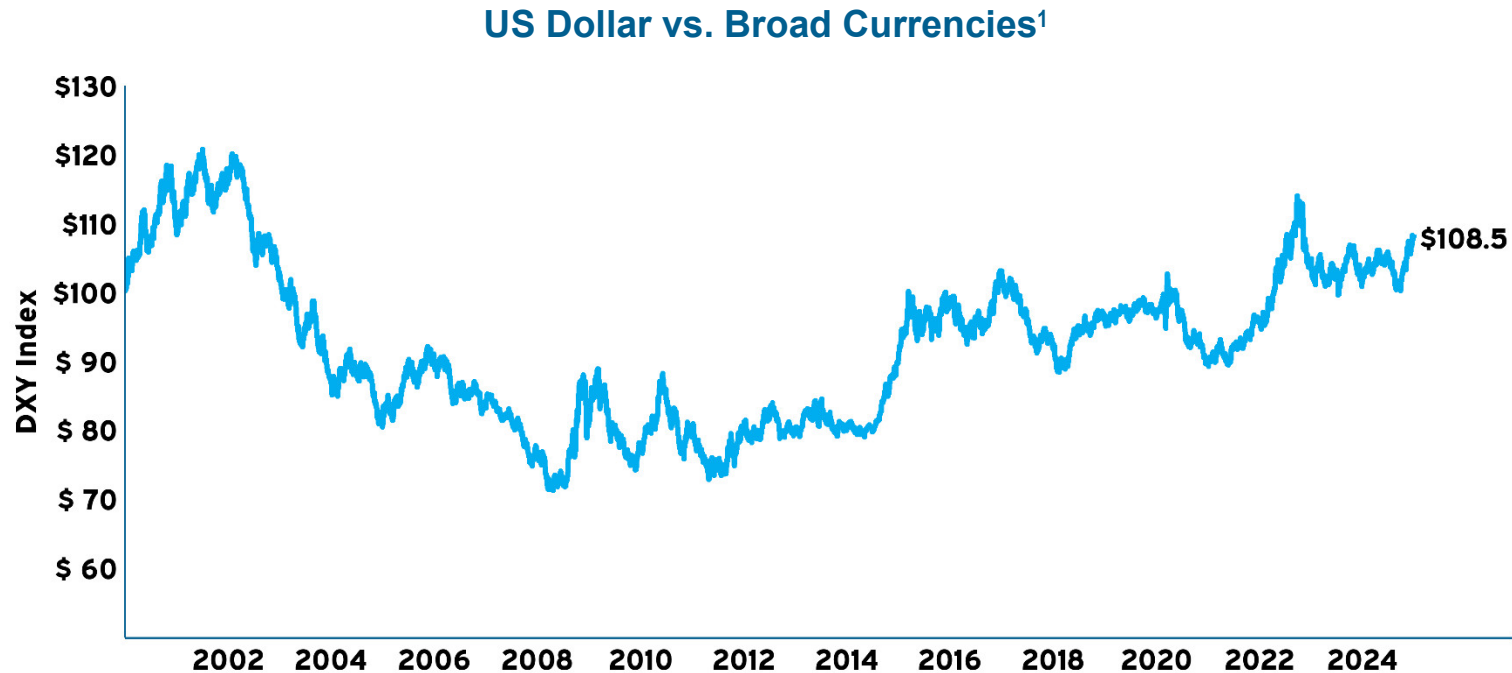
¹ Source: FRED and BLS. Data is as of December 31, 2024.

Policy Rates¹



- In the US, the Fed reduced interest rates by 0.25% twice over the quarter to a range of 4.25% to 4.50%, in moves largely expected by investors. Going forward, questions remain about the timing and amount of additional cuts given the strength of the economy and persistent above-target inflation.
- The Bank of England left rates unchanged in December after their November 0.25% cut, while the European Central Bank cut rates by another 0.25% in early December.
- After exiting negative interest rates in 2024 and making several rate increases, rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

¹ Source: Bloomberg. Data is as of December 31, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.



- Over the quarter, the US dollar sharply strengthened (+8.0%) versus other currencies.
- A rise in interest rates driven by potential inflationary impacts of proposed higher tariffs, lower taxes, and immigration policies from candidate, and now president-elect Trump, drove the dollar's gains.

¹ Source: Bloomberg. Data as of December 31, 2024.

Summary

Key Trends:

- According to the International Monetary Fund's (IMF) October report, global growth in 2025 is expected to be similar to 2024 at around 3.2% with most major economies predicted to avoid a recession.
- Questions remain about what policies will be implemented by the new administration in the US. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay elevated, and the job market may weaken further.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- We have started to see divergences in monetary policy. Some central banks, such as the Fed, European Central Bank, and the Bank of England, have started to cut interest rates and others, like the Bank of Japan, have increased interest rates. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a suite of fiscal and financial policy stimulus measures. Thus far, these efforts have not increased weak consumer spending or helped the lingering trouble in the real estate sector. It is still not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

Executive Summary

Q4 2024

OPERF Executive Summary – Notable Items

- Markets were mixed during the fourth quarter. US equity markets gained while non-US developed and emerging markets were largely negative. Fixed Income assets also experienced a challenging quarter as yields rose.
- OPERF returned -0.4% which lagged its benchmark (+0.5%) but outperformed the peer median return of -0.8%.
 - US Equity Small Cap Growth (+5.3%) provided the strongest absolute returns within the Public Equity portfolio.
 - US Market Oriented (Core) (+2.2%) also provided positive absolute returns to the portfolio.
 - International Growth (-10.3%) experienced the weakest returns for the quarter and lagged the broader MSCI World ex US index (-7.4%) by 290 basis points.
 - Diversifying Strategies (+2.2%) contributed positively to returns in the fourth quarter.
 - Real Assets were also positive for the fourth quarter and returned 2.5%.
- The overweight to Private Equity has been a headwind for the portfolio. Recent underperformance from the asset class compared to the benchmark (Russell 3000+300bps Qtr Lag Adj.) has detracted from Total Fund relative performance.
- Despite benchmark relative challenges, performance versus peers remains strong over the longer 3-, 5-, and 10-year periods.

Performance Review Summary

Category	Quarterly Results	5 Year Results
Performance vs. OPERF Policy Benchmark	Underperform -0.4% vs. 0.5%	Underperform 7.3% vs. 8.1%
Performance vs. 6.9% Actuarial Rate	NA	Outperform 7.3% vs. 6.9%
Performance vs. InvMetrics All DB > \$5B Net Median	Outperform -0.4% vs. -0.8%	Outperform 7.3% vs. 6.8%
Actively Managed Public Markets ¹ vs. Benchmarks	13 of the 27 actively managed stock and bond portfolios outperformed their respective benchmarks (after fees)	16 of the 18 actively managed stock and bond portfolios outperformed their respective benchmarks (after fees)

Category	Quarter-End	Notes
Compliance with Targets ²	Out of Compliance	Private Equity remains well above target, while public equity and fixed income are underweight. Real Assets are also overweight.

→ Per the Russell Overlay Report³ dated December 31, 2024 allocations including synthetic positions were as follows.

	Physical	Synthetic	Net	Target	Range
Public Equity	19.3%	-2.0%	17.3%	27.5%	22.5% - 32.5%
Private Equity	26.5%	0.0%	26.5%	20.0%	17.5% - 27.5%
Fixed Income	18.0%	5.2%	23.3%	25.0%	20.0% - 30.0%
Cash	3.2%	-3.2%	0.0%	0.0%	--

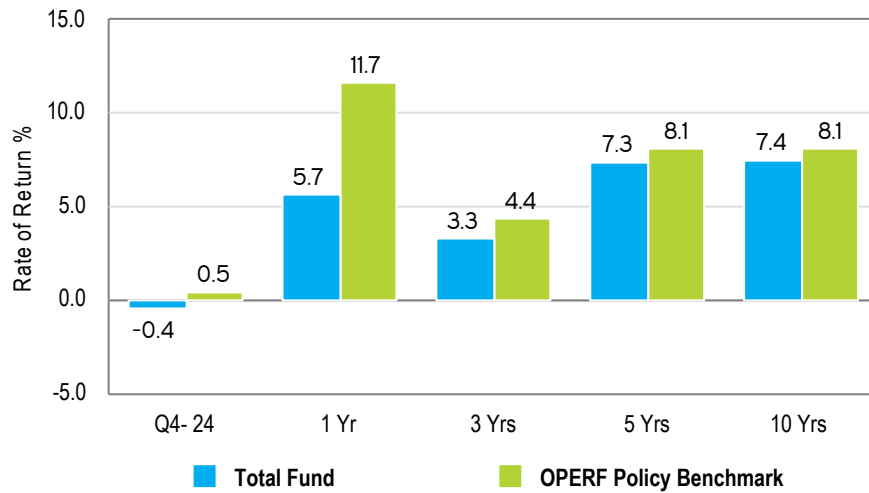
¹ Actively Managed Public Markets (Public Equity, Fixed Income, and REITS) includes managers with at least one quarter of performance. Managers currently being liquidated are excluded.

² Compliance with Targets reflects physical allocation not inclusive of overlay positions.

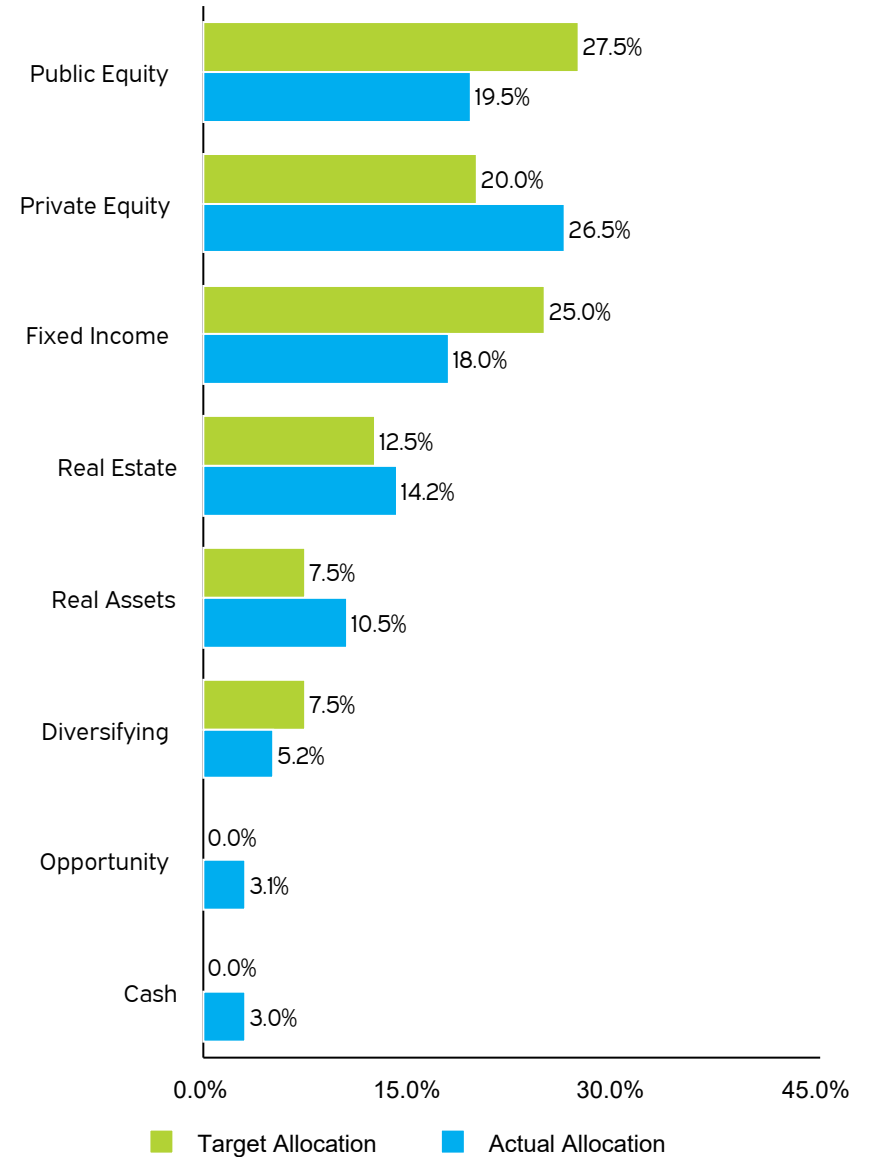
³ Exposures may not sum evenly due to rounding.

Total Fund | As of December 31, 2024

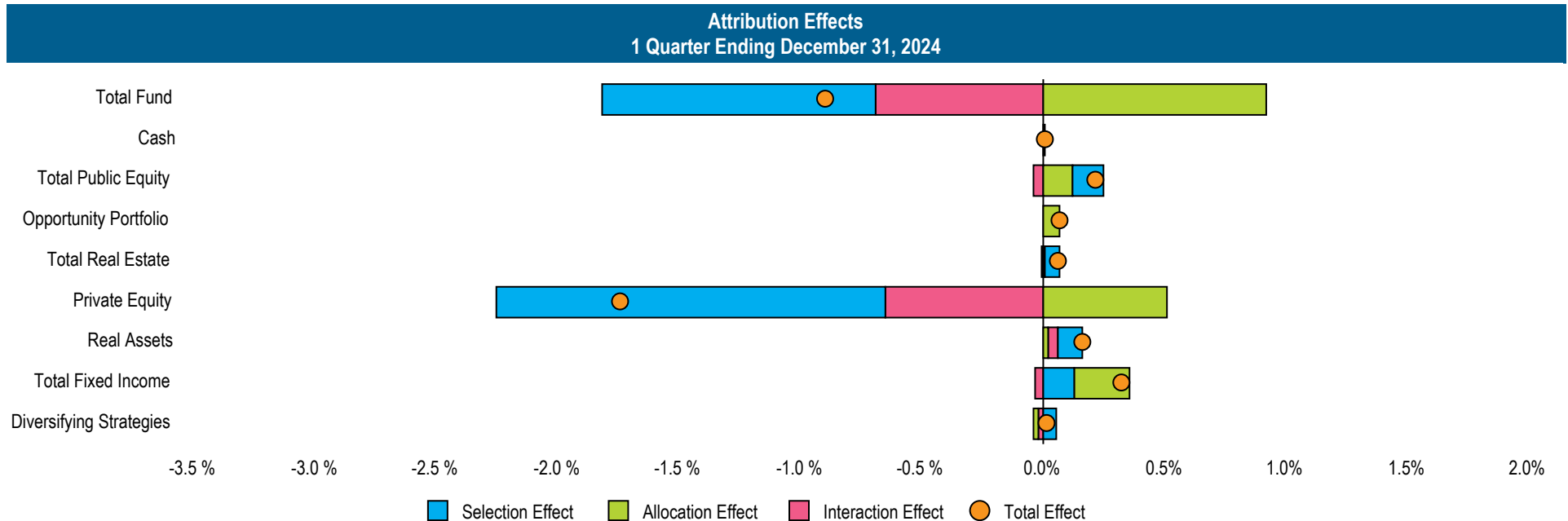
Return Summary Ending December 31, 2024



	Q4- 24 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	-0.4	5.7	3.3	7.3	7.4
<i>OPERF Policy Benchmark</i>	<i>0.5</i>	<i>11.7</i>	<i>4.4</i>	<i>8.1</i>	<i>8.1</i>
Excess Return	-0.9	-6.0	-1.1	-0.8	-0.7
<i>InvMetrics All DB > \$5B Median</i>	<i>-0.8</i>	<i>8.5</i>	<i>2.9</i>	<i>6.8</i>	<i>7.0</i>
Total Fund Rank	32	85	36	34	29



Quarterly Commentary



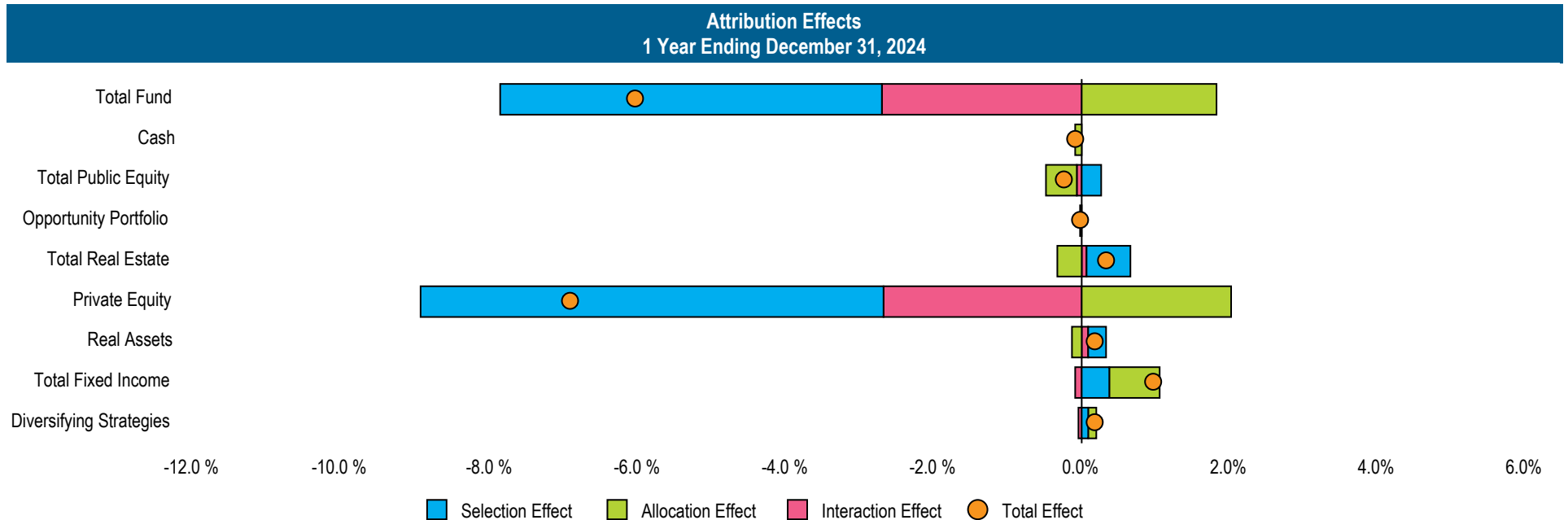
→ Key Contributors

- Total Fixed Income – Underweight to Policy and manager selection (performance) contributed to returns. Non-Core Fixed Income and Structured Credit Products were the strongest performing sub-asset classes.
- Total Public Equity – Underweight to Policy and manager selection (performance) contributed to returns. US Small Cap Growth and US Market Oriented (Core) produced positive returns in line with US equity market returns for the fourth quarter versus an otherwise negative quarter for global equity markets (MSCI ACWI IMI -1.2%)

→ Key Detractors

- Private Equity – Manager selection (performance) was primary detractor. Benchmark is a public market equivalent lagged one quarter which can lead to short-term volatility versus the index. This is especially prevalent during a period of strong public equity market returns.

One Year Commentary



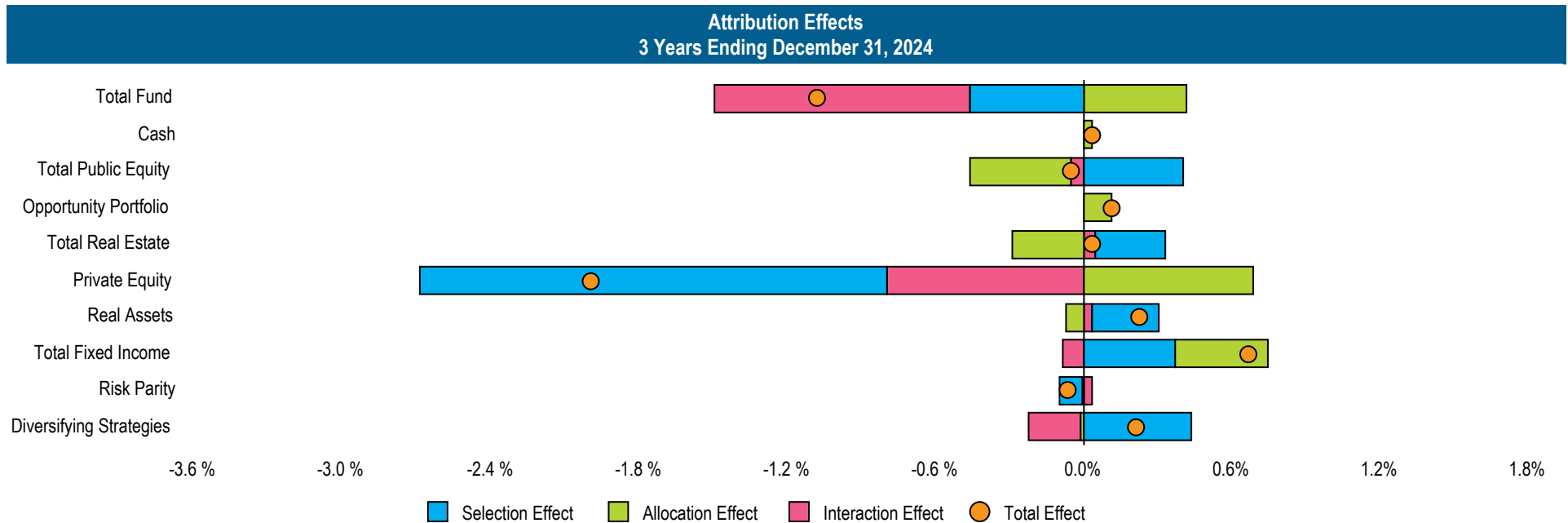
→ Key Contributors

- Fixed Income – The portfolio underweight to Fixed Income assets contributed to benchmark relative returns. Manager selection (performance) within Core and Non-Core Fixed Income contributed marginally to relative returns.

→ Key Detractors

- Private Equity – Manager selection (performance) was a primary detractor. Benchmark is a public market equivalent lagged one quarter which can lead to short-term volatility versus the index. This is especially prevalent during a period of strong public equity market returns.
- Public Equity – Positive absolute and benchmark relative returns, specifically within the U.S. Equity portfolio. Underweight vs. Policy (due to Private Equity overweight) detracted from benchmark relative returns.

Three Year Commentary



→ Key Contributors

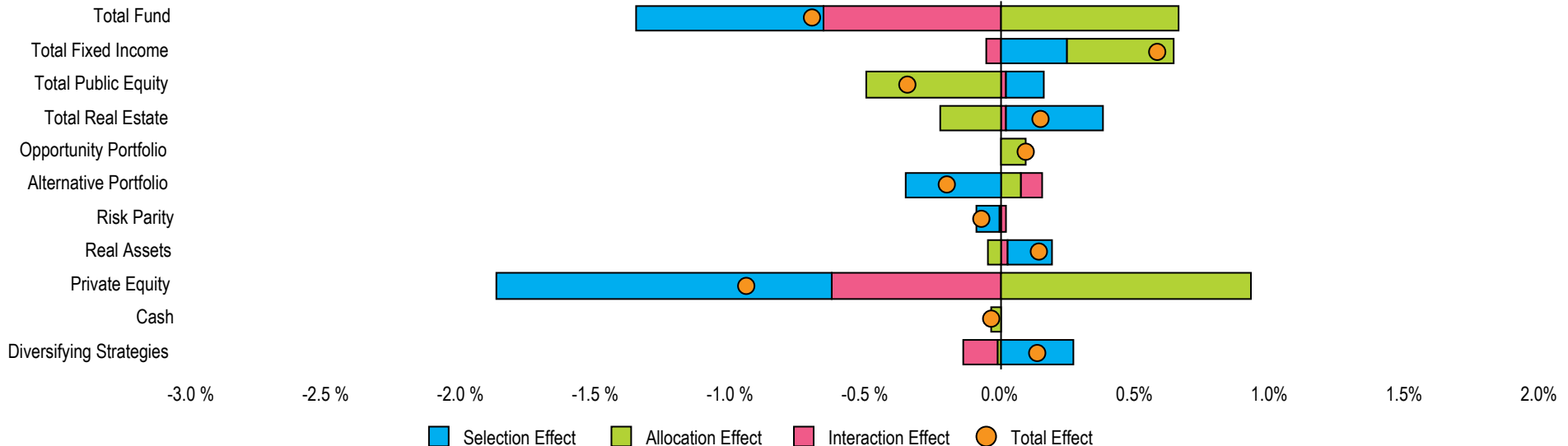
- Fixed Income - Strongest contributor relative to the benchmark. Both the asset class underweight (allocation) and manager selection (performance) contributed meaningfully, Core and Non-Core Fixed Income primarily drove relative outperformance.
- Diversifying Strategies – Strong performance through manager selection has positively impacted Total Fund returns on an absolute and relative basis.

→ Key Detractors

- Private Equity – Weakest performance relative to benchmark. Benchmark is a public market equivalent lagged one quarter. The negative selection attribution was partially offset by the overweight allocation vs target. However, the underperformance combined with the overweight negatively impacted returns.
- Public Equity - Positive absolute returns. Underweight vs. Policy detracted from benchmark relative returns. Manager selection (performance) was positive relative to benchmark returns and has been strong enough to almost offset all of the negative allocation effects.

Five Year Commentary

Attribution Effects 5 Years Ending December 31, 2024



→ Key Contributors

- Total Fixed Income – The portfolio underweight was a contributor to benchmark relative returns. Additionally, selection (performance) within the Core and Non-Core Fixed Income portfolios provided additional tailwinds.
- Diversifying Strategies - Outperformance relative to the benchmark due to manager selection.
- Total Real Estate – Manager selection (outperformance) has driven net positive contribution to returns. Overweight to Policy has detracted marginally from returns.

→ Key Detractors

- Private Equity – Weakest performance relative to benchmark. Benchmark is a public market equivalent lagged one quarter. The negative selection attribution was partially offset by the overweight allocation vs target.
- Public Equity - Positive absolute returns. Underweight vs. Policy detracted from benchmark relative returns. Manager selection (performance) provided marginal relative return contribution.

1 Year Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	5.7	2.9	-5.2	0.8	0.2	1.1
OPERF Policy Benchmark	11.7	3.6	-	1.0	1.7	0.0

3 Years Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	3.3	4.4	-0.4	0.6	-0.1	3.0
OPERF Policy Benchmark	4.4	6.7	-	1.0	0.1	0.0

5 Years Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	7.3	5.8	-0.3	0.8	0.8	3.0
OPERF Policy Benchmark	8.1	6.9	-	1.0	0.8	0.0

10 Years Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	7.4	5.2	-0.3	0.8	1.0	2.3
OPERF Policy Benchmark	8.1	6.0	-	1.0	1.0	0.0

Performance Update

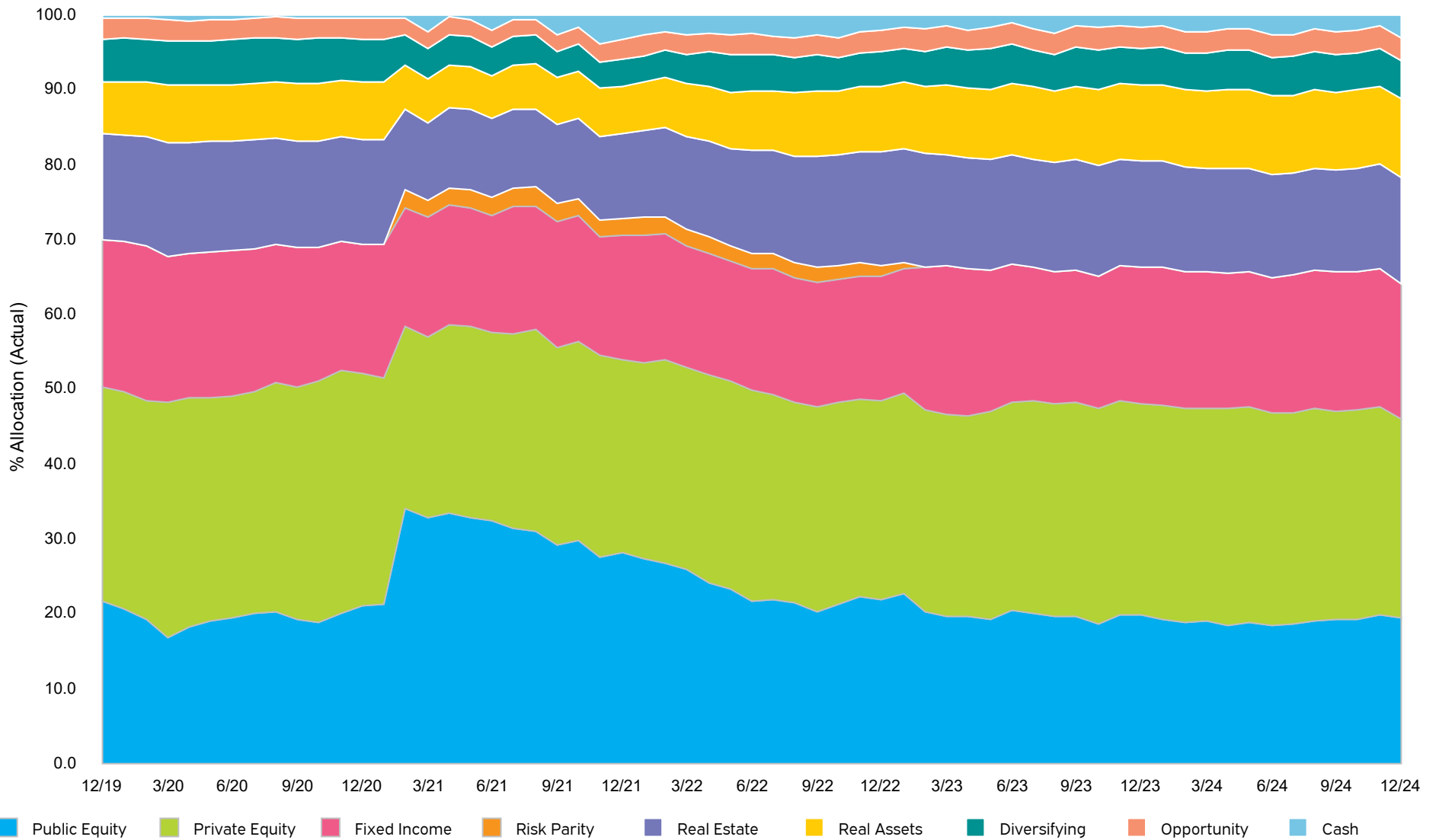
As of December 31, 2024

Asset Allocation vs Target As of December 31, 2024						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Public Equity	18,573,604,893	19.5	27.5	-8.0	22.5 - 32.5	No
Private Equity	25,185,381,849	26.5	20.0	6.5	17.5 - 27.5	Yes
Fixed Income	17,151,186,682	18.0	25.0	-7.0	20.0 - 30.0	No
Real Estate	13,456,145,153	14.2	12.5	1.7	9.0 - 16.5	Yes
Real Assets	10,024,110,920	10.5	7.5	3.0	2.5 - 10.0	No
Diversifying	4,904,513,146	5.2	7.5	-2.3	2.5 - 10.0	Yes
Opportunity	2,919,042,446	3.1	0.0	3.1	0.0 - 5.0	Yes
Cash	2,859,585,179	3.0	0.0	3.0	0.0 - 100.0	Yes
Total	95,073,570,268	100.0	100.0	0.0		

The table above reflects physical asset allocation and excludes Overlay impact.
 Total Public Equity includes Other Equity and Cash includes Russell Overlay Cash Balance for allocation purposes.
 The target allocation was revised effective April 1, 2023. Plan rebalancing is currently underway.

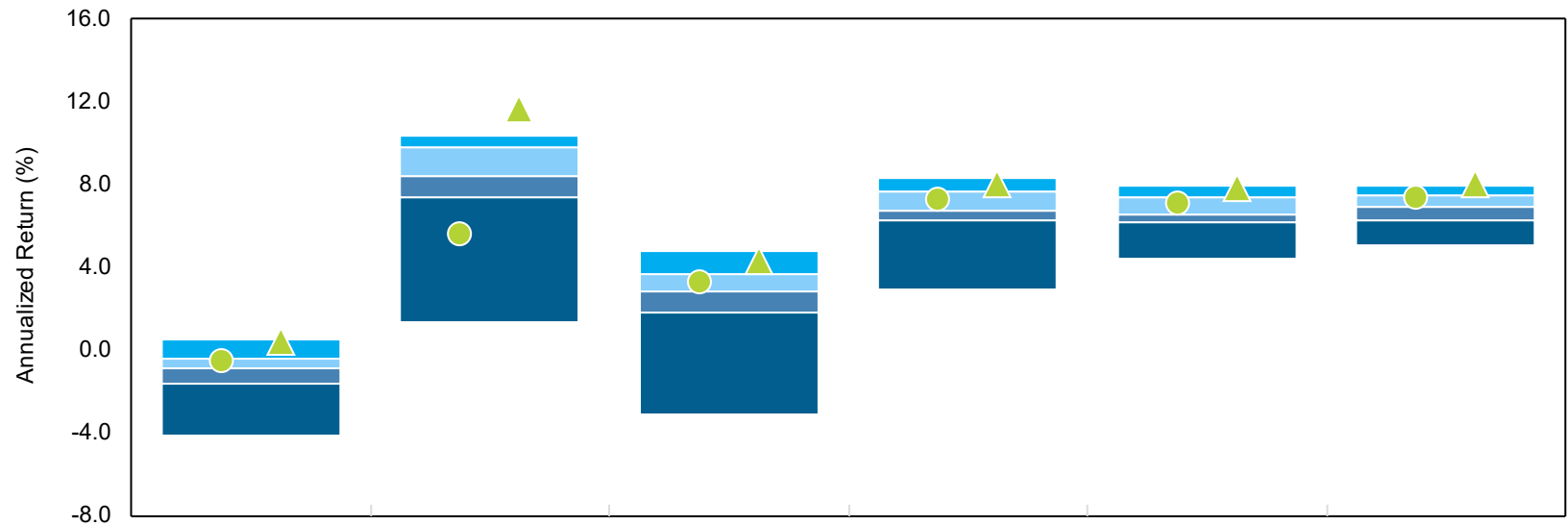
Historical Asset Allocation | 5 Years Ending December 31, 2024

Asset Allocation History
5 Years Ending December 31, 2024



Plan Sponsor Peer Group Analysis | As of December 31, 2024

InvMetrics All DB > \$5B Net Return Comparison
Ending December 31, 2024

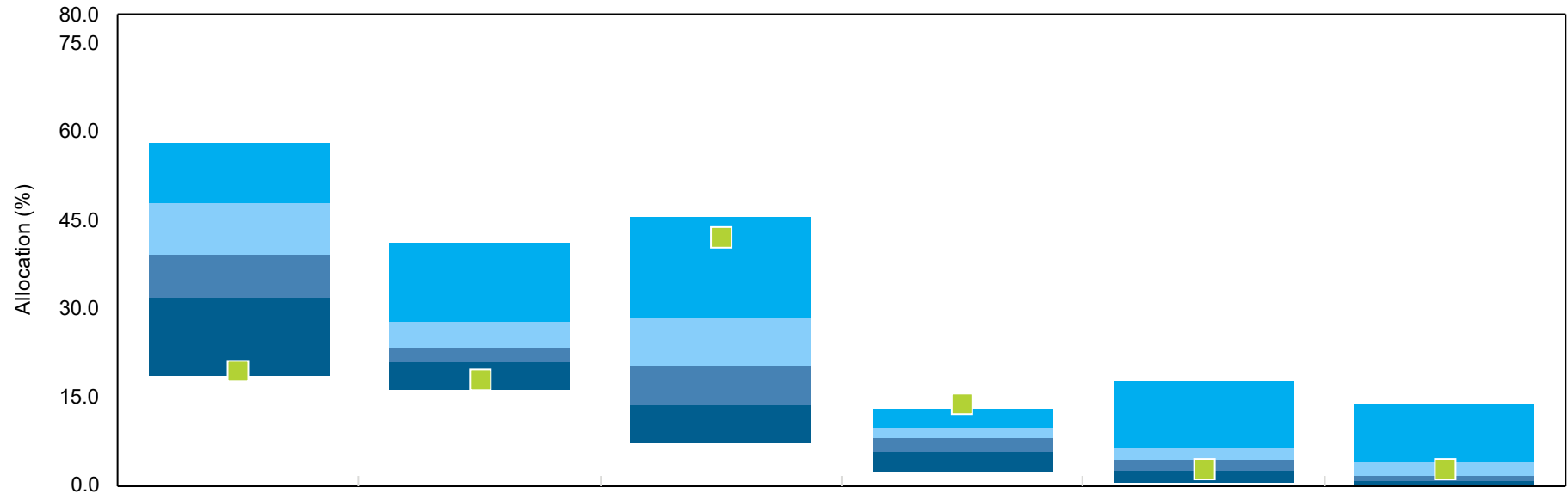


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
● Total Fund	-0.4 (32)	5.7 (85)	3.3 (36)	7.3 (34)	7.2 (32)	7.4 (29)
▲ OPERF Policy Benchmark	0.5 (8)	11.7 (1)	4.4 (14)	8.1 (10)	7.9 (9)	8.1 (4)
5th Percentile	0.6	10.4	4.8	8.4	8.0	8.0
1st Quartile	-0.3	9.8	3.8	7.7	7.5	7.5
Median	-0.8	8.5	2.9	6.8	6.6	7.0
3rd Quartile	-1.6	7.4	1.9	6.3	6.2	6.3
95th Percentile	-4.1	1.4	-3.1	3.0	4.4	5.2
Population	58	58	55	54	52	51

Parentheses contain percentile rankings.

Plan Sponsor TF Asset Allocation | As of December 31, 2024

Total Plan Allocation vs. InvMetrics All DB > \$5B



	Total Equity	Total Fixed Income	Alternatives	Total Real Estate	Multi-Asset	Cash & Equivalents
■ Total Fund	19.5 (91)	18.0 (93)	42.2 (7)	14.2 (4)	2.9 (69)	3.0 (33)
5th Percentile	58.3	41.6	46.0	13.2	17.9	13.9
1st Quartile	48.3	28.0	28.6	10.0	6.5	4.1
Median	39.5	23.7	20.6	8.2	4.5	1.7
3rd Quartile	32.1	21.2	13.6	5.9	2.5	1.0
95th Percentile	18.7	16.4	7.2	2.4	0.5	0.4

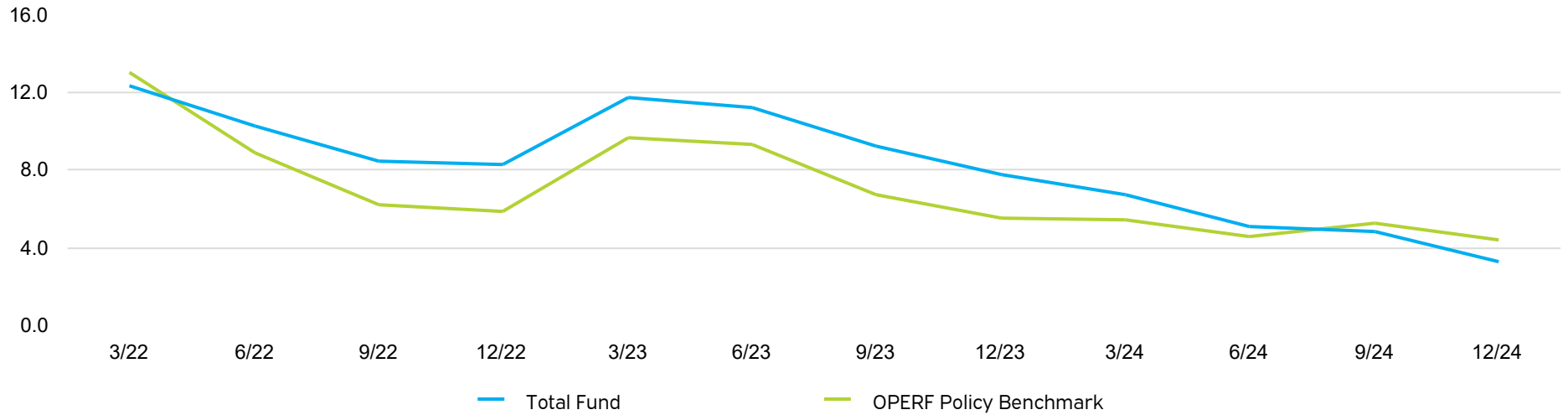
Parentheses contain percentile rankings.

Alternatives is classified to contain the following sub-asset classes: Hedge Funds, Venture Capital, Private Equity, Real Assets, and Commodities.

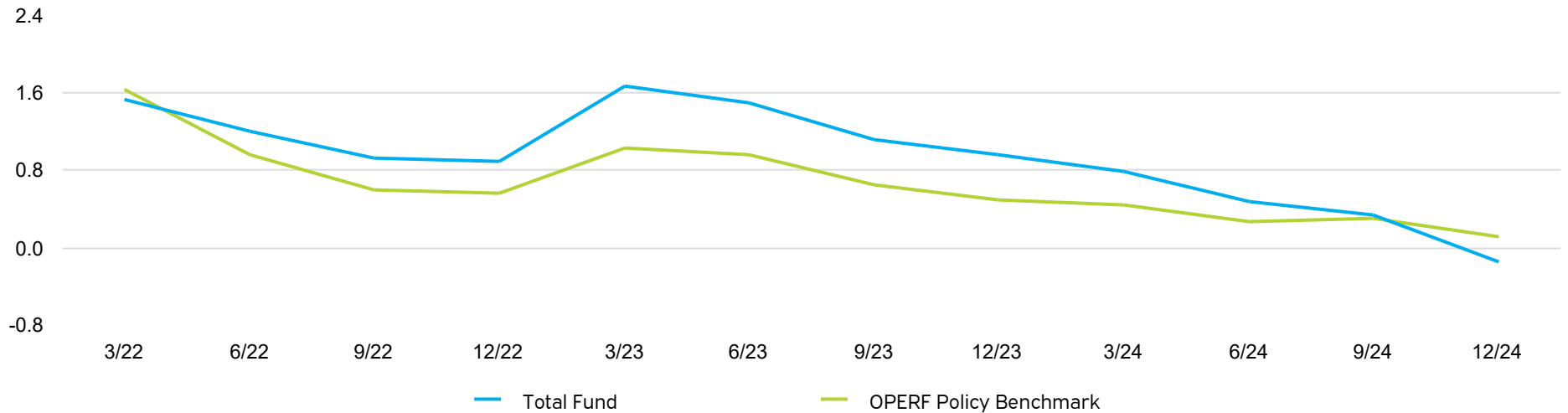
Multi-Asset is classified to contain the following sub-asset classes: Balanced, Tactical Asset Allocation, and Other.

Total Fund | As of December 31, 2024

Rolling 3 Year Annualized Return (%)
Total Fund vs OPERF Policy Benchmark



Rolling 3 Year Sharpe Ratio
Total Fund vs OPERF Policy Benchmark



Total Fund | As of December 31, 2024

Asset Class Performance Summary							
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	95,073,570,268	100.0	-0.4	5.7	3.3	7.3	7.4
<i>OPERF Policy Benchmark</i>			0.5	11.7	4.4	8.1	8.1
<i>InvMetrics All DB > \$5B Median</i>			-0.8	8.5	2.9	6.8	7.0
<i>InvMetrics All DB > \$5B Rank</i>			32	85	36	34	29
Total Fixed Income	17,151,186,682	18.0	-2.6	2.7	-0.8	0.8	2.0
<i>Oregon Custom FI Benchmark</i>			-3.1	1.2	-2.4	-0.2	1.3
Core Fixed Income	5,651,072,597	5.9	-3.2	1.6	-2.3	0.1	1.8
<i>Oregon Custom External FI BM</i>			-3.1	1.2	-2.4	-0.3	1.4
U.S. Government	7,250,658,969	7.6	-3.1	0.8	-2.8	-0.6	0.6
<i>Government Blended Index</i>			-3.1	0.6	-2.9	-0.7	0.6
Non-Core Fixed Income	1,589,443,666	1.7	0.7	9.8	8.1	6.9	6.0
<i>Custom Non-Core Fixed Income Index</i>			1.7	8.8	6.1	5.5	5.2
Emerging Markets Debt	258,507,433	0.3	-1.6	7.6	-1.0	--	--
<i>JPM EMBI Global Diversified</i>			-1.9	6.5	-0.9	0.1	3.1
Structured Credit Products	1,542,139,746	1.6	-0.2	6.1	1.0	--	--
<i>Oregon Structured Credit Products FI BM</i>			-5.2	0.8	-0.6	--	--
Investment Grade Credit	845,021,692	0.9	-3.5	2.4	--	--	--
<i>Bloomberg US Credit</i>			-3.0	2.0	-2.2	0.2	2.3

See appendix for custom Policy Benchmark descriptions.

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Public Equity	18,573,604,893	19.5	-0.8	17.4	6.4	10.3	9.4
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
U.S. Equity	10,412,920,297	11.0	2.3	22.8	7.5	12.4	11.3
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>
Small Cap Growth	297,546,413	0.3	5.3	26.2	-0.2	10.6	10.5
<i>Russell 2000 Growth Index</i>			<i>1.7</i>	<i>15.2</i>	<i>0.2</i>	<i>6.9</i>	<i>8.1</i>
Market Oriented (CORE)	10,115,373,884	10.6	2.2	22.9	7.6	12.7	11.7
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>
Non-U.S. Equity	5,544,213,972	5.8	-6.2	8.4	3.6	7.3	7.0
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			<i>-7.6</i>	<i>5.2</i>	<i>0.5</i>	<i>4.1</i>	<i>4.9</i>
Total International Overlay Accounts	95,906,401	0.1					
International Market Oriented (Core)	2,618,859,512	2.8	-5.0	12.0	4.4	7.7	7.3
<i>MSCI World ex U.S. IMI Index (Net)</i>			<i>-7.5</i>	<i>4.4</i>	<i>1.2</i>	<i>4.8</i>	<i>5.3</i>
International Value	1,131,199,473	1.2	-4.7	10.7	6.8	8.5	7.4
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>			<i>-7.4</i>	<i>5.7</i>	<i>4.0</i>	<i>4.5</i>	<i>4.3</i>
International Growth	811,105,340	0.9	-10.3	-0.9	-2.3	4.7	7.1
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>-7.4</i>	<i>4.7</i>	<i>1.9</i>	<i>5.1</i>	<i>5.3</i>
International Small Cap	307,655,923	0.3	-8.9	0.3	0.7	5.7	6.0
<i>MSCI World ex U.S. Small Value (Net)</i>			<i>-8.1</i>	<i>3.0</i>	<i>0.5</i>	<i>3.4</i>	<i>5.1</i>
Emerging Markets	579,487,324	0.6	-6.2	5.7	3.0	7.1	6.1
<i>ORE MSCI Emerging Markets IMI (Net)</i>			<i>-7.9</i>	<i>7.1</i>	<i>-1.4</i>	<i>2.5</i>	<i>3.9</i>

See appendix for custom Policy Benchmark descriptions.

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Global Equity	2,602,884,969	2.7	-0.9	17.3	8.1	9.4	8.5
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
Global Equity Low Volatility	1,147,731,784	1.2	0.0	16.6	7.5	9.1	--
<i>MSCI AC World (Daily Const)</i>			<i>-1.0</i>	<i>17.5</i>	<i>5.4</i>	<i>10.1</i>	<i>9.2</i>
Other Equity	13,585,655	0.0					
Total Real Estate	13,456,145,153	14.2	0.5	-4.0	1.1	4.8	6.7
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Real Estate excluding REITS	13,146,272,474	13.8	0.7	-4.3	1.3	4.9	7.4
Total REITS	309,872,679	0.3	-6.9	11.3	2.1	6.2	4.9
Opportunity Portfolio	2,919,042,446	3.1	2.6	11.2	8.6	11.6	8.8
<i>Opportunity Custom Benchmark</i>			<i>0.5</i>	<i>11.7</i>	<i>11.2</i>	<i>10.4</i>	<i>8.7</i>
Alternative Portfolio	14,928,624,066	15.7	2.4	9.3	11.1	8.0	4.6
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Diversifying Strategies	4,904,513,146	5.2	2.2	7.6	9.6	4.7	2.4
<i>HFRI FOF Conservative Index</i>			<i>1.5</i>	<i>6.6</i>	<i>4.0</i>	<i>5.2</i>	<i>3.8</i>
Real Assets	10,024,110,920	10.5	2.5	10.1	11.9	10.3	6.3
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Private Equity	25,185,381,849	26.5	-1.2	4.1	3.9	12.4	12.1
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			<i>7.0</i>	<i>38.4</i>	<i>13.4</i>	<i>18.6</i>	<i>16.1</i>
Cash	2,155,021,194	2.3	1.2	5.6	3.8	2.6	2.1
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.2</i>	<i>5.3</i>	<i>3.9</i>	<i>2.5</i>	<i>1.8</i>

See appendix for custom Policy Benchmark descriptions.

Asset Allocation & Performance | As of December 31, 2024

Trailing Net Performance							
	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	95,073,570,268	100.0	-0.4	5.7	3.3	7.3	7.4
<i>OPERF Policy Benchmark</i>			0.5	11.7	4.4	8.1	8.1
<i>60% MSCI ACWI / 40% Bloomberg Aggregate</i>			-1.8	10.8	2.4	6.1	6.2
<i>70% MSCI ACWI/30% Barclays Agg</i>			-1.6	12.4	3.2	7.1	7.0
<i>InvMetrics All DB > \$5B Median</i>			-0.8	8.5	2.9	6.8	7.0
<i>InvMetrics All DB > \$5B Rank</i>			32	85	36	34	29
Total Fixed Income	17,151,186,682	18.0	-2.6	2.7	-0.8	0.8	2.0
<i>Oregon Custom FI Benchmark</i>			-3.1	1.2	-2.4	-0.2	1.3
<i>Blmbg. U.S. Aggregate Index</i>			-3.1	1.3	-2.4	-0.3	1.3
<i>Fixed Income Weighted BM</i>			-2.3	2.0	-1.5	0.2	1.6
Core Fixed Income	5,651,072,597	5.9	-3.2	1.6	-2.3	0.1	1.8
<i>Oregon Custom External FI BM</i>			-3.1	1.2	-2.4	-0.3	1.4
Blackrock	1,850,446,712	1.9	-3.0	1.8	-2.1	0.2	1.7
<i>Oregon Custom External FI BM</i>			-3.1	1.2	-2.4	-0.3	1.4
Wellington	1,920,997,197	2.0	-3.0	2.5	-2.1	0.4	2.0
<i>Oregon Custom External FI BM</i>			-3.1	1.2	-2.4	-0.3	1.4
Western Asset	1,879,628,688	2.0	-3.7	0.6	-2.9	-0.2	1.9
<i>Oregon Custom External FI BM</i>			-3.1	1.2	-2.4	-0.3	1.4
U.S. Government	7,250,658,969	7.6	-3.1	0.8	-2.8	-0.6	0.6
<i>Government Blended Index</i>			-3.1	0.6	-2.9	-0.7	0.6
Government Portfolio	7,250,658,969	7.6	-3.1	0.8	-2.8	-0.6	--
<i>Government Blended Index</i>			-3.1	0.6	-2.9	-0.7	0.6
Non-Core Fixed Income	1,589,443,666	1.7	0.7	9.8	8.1	6.9	6.0
<i>Custom Non-Core Fixed Income Index</i>			1.7	8.8	6.1	5.5	5.2
Oak Hill	1,172,179,442	1.2	0.7	10.6	8.8	7.4	6.6
<i>Oak Hill Custom Lev Loan & Bond Index</i>			2.0	8.8	6.5	5.6	5.2
Beach Point	417,264,224	0.4	0.6	7.7	--	--	--
<i>Beachpoint Custom FI Benchmark</i>			0.2	9.2	--	--	--

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Emerging Markets Debt	258,507,433	0.3	-1.6	7.6	-1.0	--	--
<i>JPM EMBI Global Diversified</i>			<i>-1.9</i>	<i>6.5</i>	<i>-0.9</i>	<i>0.1</i>	<i>3.1</i>
Global Evolution EMD	131,314,408	0.1	-1.3	8.1	0.3	--	--
<i>JPM EMBI Global Diversified</i>			<i>-1.9</i>	<i>6.5</i>	<i>-0.9</i>	<i>0.1</i>	<i>3.1</i>
PGIM EMD	127,193,026	0.1	-2.0	7.0	-0.9	--	--
<i>JPM EMBI Global Diversified</i>			<i>-1.9</i>	<i>6.5</i>	<i>-0.9</i>	<i>0.1</i>	<i>3.1</i>
Structured Credit Products	1,542,139,746	1.6	-0.2	6.1	1.0	--	--
<i>Oregon Structured Credit Products FI BM</i>			<i>-5.2</i>	<i>0.8</i>	<i>-0.6</i>	<i>--</i>	<i>--</i>
Schroders SCP	898,893,275	0.9	-0.4	5.3	2.1	--	--
<i>ICE BofA AA-BBB US Asset Backed Sec Idx</i>			<i>0.1</i>	<i>7.2</i>	<i>2.4</i>	<i>2.6</i>	<i>3.1</i>
Guggenheim SCP	643,246,472	0.7	0.1	7.3	3.3	--	--
<i>ICE BofA AA-BBB US Asset Backed Sec Idx</i>			<i>0.1</i>	<i>7.2</i>	<i>2.4</i>	<i>2.6</i>	<i>3.1</i>
Investment Grade Credit	845,021,692	0.9	-3.5	2.4	--	--	--
<i>Bloomberg US Credit</i>			<i>-3.0</i>	<i>2.0</i>	<i>-2.2</i>	<i>0.2</i>	<i>2.3</i>
Fidelity	845,021,692	0.9	-3.5	2.4	--	--	--
<i>Bloomberg US Credit</i>			<i>-3.0</i>	<i>2.0</i>	<i>-2.2</i>	<i>0.2</i>	<i>2.3</i>
Total Public Equity	18,573,604,893	19.5	-0.8	17.4	6.4	10.3	9.4
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
U.S. Equity	10,412,920,297	11.0	2.3	22.8	7.5	12.4	11.3
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>
Small Cap Growth	297,546,413	0.3	5.3	26.2	-0.2	10.6	10.5
<i>Russell 2000 Growth Index</i>			<i>1.7</i>	<i>15.2</i>	<i>0.2</i>	<i>6.9</i>	<i>8.1</i>
EAM MicroCap Growth	297,546,413	0.3	5.3	26.2	-0.2	10.6	10.4
<i>Russell Microcap Growth Index (Daily)</i>			<i>11.6</i>	<i>21.9</i>	<i>-2.2</i>	<i>5.7</i>	<i>5.3</i>

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Market Oriented (CORE)	10,115,373,884	10.6	2.2	22.9	7.6	12.7	11.7
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>
Russell 2000 Synthetic - OST managed	319,008,377	0.3	-0.6	8.8	1.9	8.5	8.4
<i>S&P 600 Custom</i>			<i>-0.6</i>	<i>8.7</i>	<i>1.9</i>	<i>8.4</i>	<i>8.1</i>
S&P 500 - OST managed	4,274,204,237	4.5	2.4	25.0	8.9	14.5	13.1
<i>S&P 500 Index (Daily)</i>			<i>2.4</i>	<i>25.0</i>	<i>8.9</i>	<i>14.5</i>	<i>13.1</i>
S&P 400 - OST managed	595,295,713	0.6	0.4	13.9	4.9	10.3	9.8
<i>S&P 400 Midcap Index (Daily)</i>			<i>0.3</i>	<i>13.9</i>	<i>4.9</i>	<i>10.3</i>	<i>9.7</i>
BR Russell 3000	3,405,732,602	3.6	2.6	23.8	--	--	--
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>
DFA All Cap Core	1,521,132,955	1.6	2.3	23.1	--	--	--
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>
Non-U.S. Equity	5,544,213,972	5.8	-6.2	8.4	3.6	7.3	7.0
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			<i>-7.6</i>	<i>5.2</i>	<i>0.5</i>	<i>4.1</i>	<i>4.9</i>
Total International Overlay Accounts	95,906,401	0.1					
PERS-Adrian Lee Active Currency	61,447,016	0.1					
PERS-P/E Global Active Currency	34,430,028	0.0					
International Market Oriented (Core)	2,618,859,512	2.8	-5.0	12.0	4.4	7.7	7.3
<i>MSCI World ex U.S. IMI Index (Net)</i>			<i>-7.5</i>	<i>4.4</i>	<i>1.2</i>	<i>4.8</i>	<i>5.3</i>
Arrowstreet Capital	785,551,576	0.8	-2.1	17.4	10.5	12.9	11.2
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			<i>-7.6</i>	<i>5.2</i>	<i>0.5</i>	<i>4.1</i>	<i>4.9</i>
Lazard International CEF	492,448,579	0.5	-6.2	9.7	-3.4	4.1	6.2
<i>Oregon MSCI ACWI Ex US (Net)</i>			<i>-7.6</i>	<i>5.5</i>	<i>0.8</i>	<i>4.1</i>	<i>4.8</i>
OST Int'l Risk Premia	1,340,859,357	1.4	-6.3	10.2	5.3	7.8	--
<i>MSCI World x US Custom Div Multiple-Factor</i>			<i>-6.3</i>	<i>10.0</i>	<i>5.0</i>	<i>7.4</i>	<i>--</i>
<i>MSCI World ex USA Net Index</i>			<i>-7.4</i>	<i>4.7</i>	<i>1.9</i>	<i>5.1</i>	<i>5.3</i>

Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
International Value	1,131,199,473	1.2	-4.7	10.7	6.8	8.5	7.4
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>			<i>-7.4</i>	<i>5.7</i>	<i>4.0</i>	<i>4.5</i>	<i>4.3</i>
Acadian Asset Management	749,039,458	0.8	-2.6	15.0	4.9	9.4	8.3
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>			<i>-7.4</i>	<i>5.7</i>	<i>4.0</i>	<i>4.5</i>	<i>4.3</i>
Brandes Investment Partners	382,160,014	0.4	-8.7	3.4	8.2	7.4	6.4
<i>Oregon MSCI ACWI Ex US Value (Net)</i>			<i>-7.3</i>	<i>6.0</i>	<i>4.4</i>	<i>4.5</i>	<i>4.1</i>
International Growth	811,105,340	0.9	-10.3	-0.9	-2.3	4.7	7.1
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>-7.4</i>	<i>4.7</i>	<i>1.9</i>	<i>5.1</i>	<i>5.3</i>
Walter Scott Management	811,105,340	0.9	-10.3	-0.9	-2.3	4.7	7.6
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>-7.4</i>	<i>4.7</i>	<i>1.9</i>	<i>5.1</i>	<i>5.3</i>
International Small Cap	307,655,923	0.3	-8.9	0.3	0.7	5.7	6.0
<i>MSCI World ex U.S. Small Value (Net)</i>			<i>-8.1</i>	<i>3.0</i>	<i>0.5</i>	<i>3.4</i>	<i>5.1</i>
Harris Associates	148,524,030	0.2	-11.2	-2.2	0.6	5.1	6.0
<i>MSCI AC World ex USA Small Value (Net)</i>			<i>-8.1</i>	<i>3.6</i>	<i>1.6</i>	<i>4.6</i>	<i>5.5</i>
EAM International Micro Cap	159,131,894	0.2	-6.6	3.7	-3.0	8.2	8.1
<i>Oregon FTSE Global Ex US Micro Cap</i>			<i>-7.1</i>	<i>3.9</i>	<i>-2.1</i>	<i>7.2</i>	<i>6.6</i>
Emerging Markets	579,487,324	0.6	-6.2	5.7	3.0	7.1	6.1
<i>ORE MSCI Emerging Markets IMI (Net)</i>			<i>-7.9</i>	<i>7.1</i>	<i>-1.4</i>	<i>2.5</i>	<i>3.9</i>
Arrowstreet Emerging Markets	260,668,491	0.3	-5.0	9.8	6.0	11.5	8.1
<i>ORE MSCI Emerging Markets IMI (Net)</i>			<i>-7.9</i>	<i>7.1</i>	<i>-1.4</i>	<i>2.5</i>	<i>3.9</i>
Westwood Global Investment	136,902,252	0.1	-10.6	-8.3	2.6	4.2	4.7
<i>MSCI Emerging Markets IMI (Net)</i>			<i>-7.9</i>	<i>7.1</i>	<i>-1.4</i>	<i>2.5</i>	<i>3.9</i>
William Blair and Company	181,916,581	0.2	-4.2	11.8	-6.2	4.0	4.9
<i>MSCI Emerging Markets Growth (Net)</i>			<i>-6.9</i>	<i>10.3</i>	<i>-3.9</i>	<i>1.3</i>	<i>4.3</i>

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	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Global Equity	2,602,884,969	2.7	-0.9	17.3	8.1	9.4	8.5
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
Cantillion	999,394,404	1.1	-1.4	16.1	--	--	--
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
GQG Global Equity	455,758,782	0.5	-1.9	22.7	--	--	--
<i>Oregon MSCI ACWI Ex US (Net)</i>			<i>-7.6</i>	<i>5.5</i>	<i>0.8</i>	<i>4.1</i>	<i>4.8</i>
Global Equity Low Volatility	1,147,731,784	1.2	0.0	16.6	7.5	9.1	--
<i>MSCI AC World (Daily Const)</i>			<i>-1.0</i>	<i>17.5</i>	<i>5.4</i>	<i>10.1</i>	<i>9.2</i>
LACM Global Equity Low Volatility	565,466,137	0.6	-2.6	14.6	4.1	8.4	--
<i>MSCI AC World (Daily Const)</i>			<i>-1.0</i>	<i>17.5</i>	<i>5.4</i>	<i>10.1</i>	<i>9.2</i>
Arrowstreet Global Low Volatility	582,265,646	0.6	2.7	18.6	11.5	12.4	--
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
Other Equity	13,585,655	0.0					
Transitional & Closed Accounts	13,472,801	0.0					
Transition & Closed Accounts II - International Equity	112,854	0.0					
Total Real Estate	13,456,145,153	14.2	0.5	-4.0	1.1	4.8	6.7
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Real Estate excluding REITS	13,146,272,474	13.8	0.7	-4.3	1.3	4.9	7.4
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Total REITS	309,872,679	0.3	-6.9	11.3	2.1	6.2	4.9
ABKB - LaSalle Advisors	309,872,679	0.3	-6.9	11.1	1.5	8.0	8.6
<i>FTSE NAREIT All Equity REITs</i>			<i>-8.2</i>	<i>4.9</i>	<i>-4.3</i>	<i>3.3</i>	<i>5.8</i>
Opportunity Portfolio	2,919,042,446	3.1	2.6	11.2	8.6	11.6	8.8
<i>Opportunity Custom Benchmark</i>			<i>0.5</i>	<i>11.7</i>	<i>11.2</i>	<i>10.4</i>	<i>8.7</i>
<i>OPERF Policy Benchmark</i>			<i>0.5</i>	<i>11.7</i>	<i>4.4</i>	<i>8.1</i>	<i>8.1</i>
Portfolio Holdings - Opportunity	208,015,172	0.2	6.9	17.2	10.9	--	--

The Opportunity Portfolio benchmark changed from CPI +5% to OPERF Policy Benchmark beginning April 1, 2023.

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	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Alternative Portfolio	14,928,624,066	15.7	2.4	9.3	11.1	8.0	4.6
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Diversifying Strategies	4,904,513,146	5.2	2.2	7.6	9.6	4.7	2.4
<i>HFRI FOF Conservative Index</i>			<i>1.5</i>	<i>6.6</i>	<i>4.0</i>	<i>5.2</i>	<i>3.8</i>
Diversifying Strategies	4,904,513,146	5.2	2.2	7.6	9.6	4.7	--
<i>HFRI FOF Conservative Index</i>			<i>1.5</i>	<i>6.6</i>	<i>4.0</i>	<i>5.2</i>	<i>3.8</i>
Real Assets	10,024,110,920	10.5	2.5	10.1	11.9	10.3	6.3
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Infrastructure	6,910,458,578	7.3	3.4	10.7	11.0	11.0	--
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Natural Resources	3,113,652,342	3.3	0.5	8.8	13.7	9.7	--
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Private Equity	25,185,381,849	26.5	-1.2	4.1	3.9	12.4	12.1
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			<i>7.0</i>	<i>38.4</i>	<i>13.4</i>	<i>18.6</i>	<i>16.1</i>
<i>MSCI ACWI+3% (1 quarter lagged)</i>			<i>7.4</i>	<i>35.7</i>	<i>11.3</i>	<i>15.6</i>	<i>12.7</i>
Cash	2,155,021,194	2.3	1.2	5.6	3.8	2.6	2.1
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.2</i>	<i>5.3</i>	<i>3.9</i>	<i>2.5</i>	<i>1.8</i>
PERS-Russell Overlay Cash Balance	704,563,985	0.7					

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	Calendar Year Performance										
	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Total Fund	5.7	6.0	-1.5	20.0	7.7	13.6	0.5	15.4	7.1	2.0	7.3
OPERF Policy Benchmark	11.7	11.4	-8.6	15.6	12.4	14.0	1.2	15.6	9.0	1.6	8.2
60% MSCI ACWI / 40% Bloomberg Aggregate	10.8	15.4	-16.0	10.2	13.5	19.4	-5.5	15.4	5.9	-1.0	5.0
70% MSCI ACWI/30% Barclays Agg	12.4	17.1	-16.6	12.2	14.3	21.2	-6.5	17.5	6.4	-1.3	4.8
InvMetrics All DB > \$5B Median	8.5	10.8	-10.3	15.7	12.3	17.1	-2.8	16.1	7.8	0.3	6.5
InvMetrics All DB > \$5B Rank	85	99	1	9	95	92	9	66	84	12	32
Total Fixed Income	2.7	7.0	-11.3	-0.9	7.7	8.8	0.3	3.7	2.8	0.6	3.5
Oregon Custom FI Benchmark	1.2	5.5	-13.0	-0.9	7.3	8.3	0.3	3.3	2.5	0.2	3.0
Core Fixed Income	1.6	6.7	-13.9	-1.1	8.7	9.8	-0.2	4.6	3.4	0.6	6.9
Oregon Custom External FI BM	1.2	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6	6.0
Blackrock	1.8	6.2	-13.2	-1.4	9.1	8.9	0.1	3.8	2.8	0.9	6.7
Oregon Custom External FI BM	1.2	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6	6.0
Wellington	2.5	6.7	-14.3	-0.9	9.6	9.8	-0.4	4.6	4.0	0.8	6.5
Oregon Custom External FI BM	1.2	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6	6.0
Western Asset	0.6	6.9	-14.9	-1.2	9.4	11.6	-0.7	5.6	3.7	0.4	7.0
Oregon Custom External FI BM	1.2	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6	6.0
U.S. Government	0.8	4.1	-12.5	-2.3	8.1	6.9	0.9	2.3	-1.6	0.9	1.0
Government Blended Index	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9	2.3	-1.3	0.7	0.8
Government Portfolio	0.8	4.1	-12.5	-2.3	8.1	6.9	0.9	--	--	--	--
Government Blended Index	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9	2.3	-1.3	0.7	0.8
Non-Core Fixed Income	9.8	14.7	0.3	6.4	3.7	10.5	0.1	4.9	10.1	0.2	2.4
Custom Non-Core Fixed Income Index	8.8	13.4	-3.3	5.3	3.9	10.1	-0.2	5.0	12.0	-1.7	1.8
Oak Hill	10.6	14.8	1.3	5.7	4.9	10.5	0.5	6.3	11.2	0.9	2.2
Oak Hill Custom Lev Loan & Bond Index	8.8	13.4	-2.2	5.2	3.6	9.5	0.0	4.6	11.2	-1.3	1.7
Beach Point	7.7	--	--	--	--	--	--	--	--	--	--
Beachpoint Custom FI Benchmark	9.2	--	--	--	--	--	--	--	--	--	--

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	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Emerging Markets Debt	7.6	10.5	-18.4	--	--	--	--	--	--	--	--
<i>JPM EMBI Global Diversified</i>	<i>6.5</i>	<i>11.1</i>	<i>-17.8</i>	<i>-1.8</i>	<i>5.3</i>	<i>15.0</i>	<i>-4.3</i>	<i>10.3</i>	<i>10.2</i>	<i>1.2</i>	<i>7.4</i>
Global Evolution EMD	8.1	11.8	-16.6	--	--	--	--	--	--	--	--
<i>JPM EMBI Global Diversified</i>	<i>6.5</i>	<i>11.1</i>	<i>-17.8</i>	<i>-1.8</i>	<i>5.3</i>	<i>15.0</i>	<i>-4.3</i>	<i>10.3</i>	<i>10.2</i>	<i>1.2</i>	<i>7.4</i>
PGIM EMD	7.0	10.5	-17.6	--	--	--	--	--	--	--	--
<i>JPM EMBI Global Diversified</i>	<i>6.5</i>	<i>11.1</i>	<i>-17.8</i>	<i>-1.8</i>	<i>5.3</i>	<i>15.0</i>	<i>-4.3</i>	<i>10.3</i>	<i>10.2</i>	<i>1.2</i>	<i>7.4</i>
Structured Credit Products	6.1	7.0	-9.3	--	--	--	--	--	--	--	--
<i>Oregon Structured Credit Products FI BM</i>	<i>0.8</i>	<i>7.3</i>	<i>-9.0</i>	--	--	--	--	--	--	--	--
Schroders SCP	5.3	8.1	-6.5	--	--	--	--	--	--	--	--
<i>ICE BofA AA-BBB US Asset Backed Sec Idx</i>	<i>7.2</i>	<i>8.3</i>	<i>-7.6</i>	<i>1.7</i>	<i>4.2</i>	<i>5.2</i>	<i>3.0</i>	<i>4.2</i>	<i>3.4</i>	<i>2.0</i>	<i>3.2</i>
Guggenheim SCP	7.3	9.2	-5.9	--	--	--	--	--	--	--	--
<i>ICE BofA AA-BBB US Asset Backed Sec Idx</i>	<i>7.2</i>	<i>8.3</i>	<i>-7.6</i>	<i>1.7</i>	<i>4.2</i>	<i>5.2</i>	<i>3.0</i>	<i>4.2</i>	<i>3.4</i>	<i>2.0</i>	<i>3.2</i>
Investment Grade Credit	2.4	10.6	--	--	--	--	--	--	--	--	--
<i>Bloomberg US Credit</i>	<i>2.0</i>	<i>8.2</i>	<i>-15.3</i>	<i>-1.1</i>	<i>9.4</i>	<i>13.8</i>	<i>-2.1</i>	<i>6.2</i>	<i>5.6</i>	<i>-0.8</i>	<i>7.5</i>
Fidelity	2.4	10.6	--	--	--	--	--	--	--	--	--
<i>Bloomberg US Credit</i>	<i>2.0</i>	<i>8.2</i>	<i>-15.3</i>	<i>-1.1</i>	<i>9.4</i>	<i>13.8</i>	<i>-2.1</i>	<i>6.2</i>	<i>5.6</i>	<i>-0.8</i>	<i>7.5</i>
Total Public Equity	17.4	19.8	-14.3	20.0	12.7	25.3	-10.5	24.5	9.8	-1.7	3.3
<i>MSCI ACWI IMI Net (Daily)</i>	<i>16.4</i>	<i>21.6</i>	<i>-18.4</i>	<i>18.2</i>	<i>16.3</i>	<i>26.4</i>	<i>-10.1</i>	<i>24.0</i>	<i>8.3</i>	<i>-2.1</i>	<i>3.8</i>
U.S. Equity	22.8	20.4	-16.0	27.2	13.6	29.0	-7.9	20.3	14.9	-0.8	9.8
<i>Russell 3000 Index</i>	<i>23.8</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>	<i>21.1</i>	<i>12.7</i>	<i>0.5</i>	<i>12.6</i>
Small Cap Growth	26.2	3.6	-23.9	19.6	38.9	33.9	-4.7	26.8	6.3	-5.0	-3.6
<i>Russell 2000 Growth Index</i>	<i>15.2</i>	<i>18.7</i>	<i>-26.4</i>	<i>2.8</i>	<i>34.6</i>	<i>28.5</i>	<i>-9.3</i>	<i>22.2</i>	<i>11.3</i>	<i>-1.4</i>	<i>5.6</i>
EAM MicroCap Growth	26.2	3.6	-23.9	19.6	38.9	33.9	-4.7	26.8	6.3	-5.7	1.8
<i>Russell Microcap Growth Index (Daily)</i>	<i>21.9</i>	<i>9.1</i>	<i>-29.8</i>	<i>0.9</i>	<i>40.1</i>	<i>23.3</i>	<i>-14.2</i>	<i>16.7</i>	<i>6.9</i>	<i>-3.9</i>	<i>4.3</i>

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	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Market Oriented (CORE)	22.9	21.2	-16.3	26.6	15.2	30.1	-7.1	22.0	14.8	-1.7	11.1
<i>Russell 3000 Index</i>	<i>23.8</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>	<i>21.1</i>	<i>12.7</i>	<i>0.5</i>	<i>12.6</i>
Russell 2000 Synthetic - OST managed	8.8	16.2	-16.2	27.1	11.8	23.4	-11.3	14.5	23.4	-3.6	5.8
<i>S&P 600 Custom</i>	<i>8.7</i>	<i>16.1</i>	<i>-16.1</i>	<i>26.8</i>	<i>11.3</i>	<i>22.8</i>	<i>-11.0</i>	<i>14.7</i>	<i>21.3</i>	<i>-4.4</i>	<i>4.9</i>
S&P 500 - OST managed	25.0	26.3	-18.2	28.7	18.4	31.7	-4.4	21.8	12.0	1.5	13.7
<i>S&P 500 Index (Daily)</i>	<i>25.0</i>	<i>26.3</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>-4.4</i>	<i>21.8</i>	<i>12.0</i>	<i>1.4</i>	<i>13.7</i>
S&P 400 - OST managed	13.9	16.5	-13.0	24.6	13.5	26.6	-10.9	16.7	21.1	-2.0	10.0
<i>S&P 400 Midcap Index (Daily)</i>	<i>13.9</i>	<i>16.4</i>	<i>-13.1</i>	<i>24.8</i>	<i>13.7</i>	<i>26.2</i>	<i>-11.1</i>	<i>16.3</i>	<i>20.7</i>	<i>-2.2</i>	<i>9.8</i>
BR Russell 3000	23.8	--	--	--	--	--	--	--	--	--	--
<i>Russell 3000 Index</i>	<i>23.8</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>	<i>21.1</i>	<i>12.7</i>	<i>0.5</i>	<i>12.6</i>
DFA All Cap Core	23.1	--	--	--	--	--	--	--	--	--	--
<i>Russell 3000 Index</i>	<i>23.8</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>	<i>21.1</i>	<i>12.7</i>	<i>0.5</i>	<i>12.6</i>
Non-U.S. Equity	8.4	19.5	-14.3	12.7	13.5	22.6	-14.9	30.4	4.6	-2.6	-2.9
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>	<i>5.2</i>	<i>15.6</i>	<i>-16.6</i>	<i>8.5</i>	<i>11.1</i>	<i>21.6</i>	<i>-14.8</i>	<i>27.8</i>	<i>4.4</i>	<i>-4.6</i>	<i>-3.9</i>
Total International Overlay Accounts											
PERS-Adrian Lee Active Currency											
PERS-P/E Global Active Currency											
International Market Oriented (Core)	12.0	17.5	-13.5	13.1	12.5	23.2	-14.3	31.0	2.5	-1.2	-2.6
<i>MSCI World ex U.S. IMI Index (Net)</i>	<i>4.4</i>	<i>17.2</i>	<i>-15.3</i>	<i>12.4</i>	<i>8.3</i>	<i>22.9</i>	<i>-14.7</i>	<i>25.2</i>	<i>3.0</i>	<i>-2.0</i>	<i>-4.5</i>
Arrowstreet Capital	17.4	21.7	-5.5	24.5	9.1	23.2	-10.3	35.4	4.7	0.4	0.8
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>	<i>5.2</i>	<i>15.6</i>	<i>-16.6</i>	<i>8.5</i>	<i>11.1</i>	<i>21.6</i>	<i>-14.8</i>	<i>27.8</i>	<i>4.4</i>	<i>-4.6</i>	<i>-3.9</i>
Lazard International CEF	9.7	10.5	-25.7	4.5	30.2	29.0	-17.2	39.8	0.1	-0.2	0.6
<i>Oregon MSCI ACWI Ex US (Net)</i>	<i>5.5</i>	<i>15.6</i>	<i>-16.0</i>	<i>7.8</i>	<i>10.7</i>	<i>21.5</i>	<i>-14.2</i>	<i>27.2</i>	<i>4.5</i>	<i>-5.5</i>	<i>-3.9</i>
OST Int'l Risk Premia	10.2	19.8	-11.5	15.6	7.7	22.8	-12.0	--	--	--	--
<i>MSCI World x US Custom Div Multiple-Factor</i>	<i>10.0</i>	<i>19.3</i>	<i>-11.8</i>	<i>15.0</i>	<i>7.3</i>	<i>22.4</i>	<i>-12.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
<i>MSCI World ex USA Net Index</i>	<i>4.7</i>	<i>17.9</i>	<i>-14.3</i>	<i>12.6</i>	<i>7.6</i>	<i>22.5</i>	<i>-14.1</i>	<i>24.2</i>	<i>2.8</i>	<i>-3.0</i>	<i>-4.3</i>

Asset Allocation & Performance | As of December 31, 2024

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
International Value	10.7	23.2	-10.9	18.0	4.9	17.8	-12.4	25.7	9.8	-4.5	-4.3
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>	<i>5.7</i>	<i>17.3</i>	<i>-9.3</i>	<i>11.0</i>	<i>-0.1</i>	<i>16.3</i>	<i>-14.6</i>	<i>23.6</i>	<i>8.8</i>	<i>-8.9</i>	<i>-5.0</i>
Acadian Asset Management	15.0	16.5	-13.9	21.7	11.5	19.4	-15.4	35.1	11.8	-7.2	-3.7
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>	<i>5.7</i>	<i>17.3</i>	<i>-9.3</i>	<i>11.0</i>	<i>-0.1</i>	<i>16.3</i>	<i>-14.6</i>	<i>23.6</i>	<i>8.8</i>	<i>-8.9</i>	<i>-5.0</i>
Brandes Investment Partners	3.4	32.3	-7.4	14.1	-1.3	16.4	-9.4	16.3	7.9	-1.6	-5.0
<i>Oregon MSCI ACWI Ex US Value (Net)</i>	<i>6.0</i>	<i>17.3</i>	<i>-8.6</i>	<i>10.5</i>	<i>-0.8</i>	<i>15.7</i>	<i>-14.0</i>	<i>22.7</i>	<i>8.9</i>	<i>-10.1</i>	<i>-5.1</i>
International Growth	-0.9	19.2	-21.0	12.4	19.9	28.1	-6.4	27.5	1.3	1.9	-4.3
<i>Oregon MSCI WORLD Ex US (Net)</i>	<i>4.7</i>	<i>17.9</i>	<i>-14.3</i>	<i>12.6</i>	<i>7.6</i>	<i>22.5</i>	<i>-14.1</i>	<i>24.2</i>	<i>2.8</i>	<i>-3.0</i>	<i>-4.3</i>
Walter Scott Management	-0.9	19.2	-21.0	12.4	19.9	28.0	-6.3	27.5	6.4	1.2	-3.1
<i>Oregon MSCI WORLD Ex US (Net)</i>	<i>4.7</i>	<i>17.9</i>	<i>-14.3</i>	<i>12.6</i>	<i>7.6</i>	<i>22.5</i>	<i>-14.1</i>	<i>24.2</i>	<i>2.8</i>	<i>-3.0</i>	<i>-4.3</i>
International Small Cap	0.3	19.8	-15.0	18.1	9.3	24.1	-24.3	30.2	4.9	6.1	-6.5
<i>MSCI World ex U.S. Small Value (Net)</i>	<i>3.0</i>	<i>14.7</i>	<i>-14.0</i>	<i>13.3</i>	<i>2.6</i>	<i>22.8</i>	<i>-18.4</i>	<i>27.9</i>	<i>7.9</i>	<i>1.1</i>	<i>-5.9</i>
Harris Associates	-2.2	20.7	-13.8	20.1	5.0	33.4	-24.1	27.2	7.1	1.0	-6.7
<i>MSCI AC World ex USA Small Value (Net)</i>	<i>3.6</i>	<i>17.2</i>	<i>-13.6</i>	<i>14.2</i>	<i>4.7</i>	<i>20.3</i>	<i>-18.2</i>	<i>29.7</i>	<i>8.2</i>	<i>-1.3</i>	<i>-4.5</i>
EAM International Micro Cap	3.7	17.5	-25.2	17.8	38.4	20.3	-33.6	45.3	2.2	23.5	--
<i>Oregon FTSE Global Ex US Micro Cap</i>	<i>3.9</i>	<i>14.5</i>	<i>-21.1</i>	<i>18.0</i>	<i>27.9</i>	<i>16.6</i>	<i>-20.0</i>	<i>31.4</i>	<i>6.0</i>	<i>2.9</i>	<i>--</i>
Emerging Markets	5.7	24.3	-16.9	4.3	23.5	22.1	-17.4	35.7	10.3	-14.5	1.2
<i>ORE MSCI Emerging Markets IMI (Net)</i>	<i>7.1</i>	<i>11.7</i>	<i>-19.8</i>	<i>-0.3</i>	<i>18.4</i>	<i>17.6</i>	<i>-15.0</i>	<i>37.0</i>	<i>9.9</i>	<i>-13.9</i>	<i>-1.8</i>
Arrowstreet Emerging Markets	9.8	21.3	-10.5	9.6	32.1	23.7	-19.5	35.4	11.2	-15.8	1.1
<i>ORE MSCI Emerging Markets IMI (Net)</i>	<i>7.1</i>	<i>11.7</i>	<i>-19.8</i>	<i>-0.3</i>	<i>18.4</i>	<i>17.6</i>	<i>-15.0</i>	<i>37.0</i>	<i>9.9</i>	<i>-13.9</i>	<i>-1.8</i>
Westwood Global Investment	-8.3	22.8	-4.1	3.6	10.1	9.8	-9.3	29.5	19.0	-16.1	0.2
<i>MSCI Emerging Markets IMI (Net)</i>	<i>7.1</i>	<i>11.7</i>	<i>-19.8</i>	<i>-0.3</i>	<i>18.4</i>	<i>17.7</i>	<i>-15.0</i>	<i>36.8</i>	<i>9.9</i>	<i>-13.9</i>	<i>-1.8</i>
William Blair and Company	11.8	10.7	-33.3	4.4	41.4	29.1	-21.6	50.2	1.9	-14.1	5.7
<i>MSCI Emerging Markets Growth (Net)</i>	<i>10.3</i>	<i>5.8</i>	<i>-24.0</i>	<i>-8.4</i>	<i>31.3</i>	<i>25.1</i>	<i>-18.3</i>	<i>46.8</i>	<i>7.6</i>	<i>-11.3</i>	<i>-0.3</i>

Asset Allocation & Performance | As of December 31, 2024

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Global Equity	17.3	19.3	-9.8	15.5	7.4	21.6	-7.9	22.3	9.4	-3.3	6.9
MSCI ACWI IMI Net (Daily)	16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	24.0	8.3	-2.1	3.8
Cantillion	16.1	--	--	--	--	--	--	--	--	--	--
MSCI ACWI IMI Net (Daily)	16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	24.0	8.3	-2.1	3.8
GQG Global Equity	22.7	--	--	--	--	--	--	--	--	--	--
Oregon MSCI ACWI Ex US (Net)	5.5	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.5	-3.9
Global Equity Low Volatility	16.6	17.2	-9.2	15.2	7.9	21.7	-5.5	22.5	--	--	--
MSCI AC World (Daily Const)	17.5	22.2	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2
LACM Global Equity Low Volatility	14.6	15.8	-14.9	15.4	15.0	23.1	-6.6	22.7	--	--	--
MSCI AC World (Daily Const)	17.5	22.2	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2
Arrowstreet Global Low Volatility	18.6	20.0	-2.7	15.1	12.6	22.3	-2.7	--	--	--	--
MSCI ACWI IMI Net (Daily)	16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	24.0	8.3	-2.1	3.8
Other Equity											
Transitional & Closed Accounts											
Transition & Closed Accounts II - International Equity											
Total Real Estate	-4.0	-10.2	20.0	19.0	2.7	7.2	8.0	10.0	7.9	9.9	14.2
NCREIF ODCE (Custom) (Adj.)	-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5	11.3
Real Estate excluding REITS	-4.3	-10.7	21.6	18.6	3.0	7.3	8.9	11.2	10.0	12.7	12.0
NCREIF ODCE (Custom) (Adj.)	-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5	11.3
Total REITS	11.3	14.4	-16.4	28.2	-0.9	7.2	-2.0	9.8	1.1	2.0	22.2
ABKB - LaSalle Advisors	11.1	15.6	-18.6	36.2	3.0	29.9	3.2	7.4	5.4	2.9	32.1
FTSE NAREIT All Equity REITs	4.9	11.4	-24.9	41.3	-5.1	28.7	-4.0	8.7	8.6	2.8	28.0
Opportunity Portfolio	11.2	13.9	1.3	22.7	10.2	6.2	5.8	10.5	6.1	2.1	8.8
Opportunity Custom Benchmark	11.7	10.1	11.7	12.4	6.4	7.4	7.0	7.2	7.2	5.8	5.8
OPERF Policy Benchmark	11.7	11.4	-8.6	15.6	12.4	14.0	1.2	15.6	9.0	1.6	8.2
Portfolio Holdings - Opportunity	17.2	37.8	-15.5	--	--	--	--	--	--	--	--

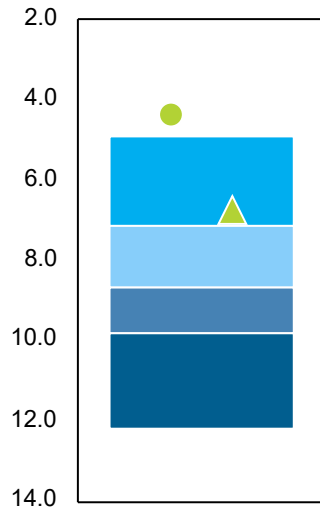
Asset Allocation & Performance | As of December 31, 2024

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Alternative Portfolio	9.3	5.3	19.1	14.8	-6.6	-1.3	-2.4	8.3	6.6	-4.3	4.4
<i>CPI +4%</i>	<i>7.0</i>	<i>7.5</i>	<i>10.4</i>	<i>11.3</i>	<i>5.4</i>	<i>6.4</i>	<i>6.0</i>	<i>6.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>
Diversifying Strategies	7.6	0.8	21.4	8.7	-12.1	-1.0	-11.5	8.0	0.5	6.4	9.0
<i>HFRI FOF Conservative Index</i>	<i>6.6</i>	<i>5.5</i>	<i>0.1</i>	<i>7.6</i>	<i>6.5</i>	<i>6.3</i>	<i>-0.9</i>	<i>4.1</i>	<i>1.9</i>	<i>0.4</i>	<i>3.1</i>
Diversifying Strategies	7.6	0.8	21.4	8.7	-12.1	-1.0	-11.5	8.0	--	--	--
<i>HFRI FOF Conservative Index</i>	<i>6.6</i>	<i>5.5</i>	<i>0.1</i>	<i>7.6</i>	<i>6.5</i>	<i>6.3</i>	<i>-0.9</i>	<i>4.1</i>	<i>1.9</i>	<i>0.4</i>	<i>3.1</i>
Real Assets	10.1	7.8	18.2	19.0	-2.0	-1.6	4.9	8.4	9.0	-7.9	3.1
<i>CPI +4%</i>	<i>7.0</i>	<i>7.5</i>	<i>10.4</i>	<i>11.3</i>	<i>5.4</i>	<i>6.4</i>	<i>6.0</i>	<i>6.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>
Infrastructure	10.7	8.6	13.9	16.6	5.6	8.9	--	--	--	--	--
<i>CPI +4%</i>	<i>7.0</i>	<i>7.5</i>	<i>10.4</i>	<i>11.3</i>	<i>5.4</i>	<i>6.4</i>	<i>6.0</i>	<i>6.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>
Natural Resources	8.8	5.9	27.7	23.9	-12.8	-12.5	--	--	--	--	--
<i>CPI +4%</i>	<i>7.0</i>	<i>7.5</i>	<i>10.4</i>	<i>11.3</i>	<i>5.4</i>	<i>6.4</i>	<i>6.0</i>	<i>6.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>
Private Equity	4.1	6.4	1.2	41.8	12.7	11.1	18.1	17.3	6.3	7.3	15.9
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>	<i>38.4</i>	<i>24.0</i>	<i>-15.1</i>	<i>35.7</i>	<i>18.4</i>	<i>6.0</i>	<i>21.1</i>	<i>22.2</i>	<i>18.4</i>	<i>2.5</i>	<i>21.2</i>
<i>MSCI ACWI+3% (1 quarter lagged)</i>	<i>35.7</i>	<i>24.4</i>	<i>-18.3</i>	<i>31.3</i>	<i>13.8</i>	<i>4.4</i>	<i>13.1</i>	<i>22.2</i>	<i>15.3</i>	<i>-3.9</i>	<i>14.7</i>
Cash	5.6	5.5	0.5	0.1	1.6	3.3	2.0	1.3	1.2	0.5	0.5
<i>ICE BofA 3 Month U.S. T-Bill</i>	<i>5.3</i>	<i>5.0</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>	<i>0.9</i>	<i>0.3</i>	<i>0.1</i>	<i>0.0</i>

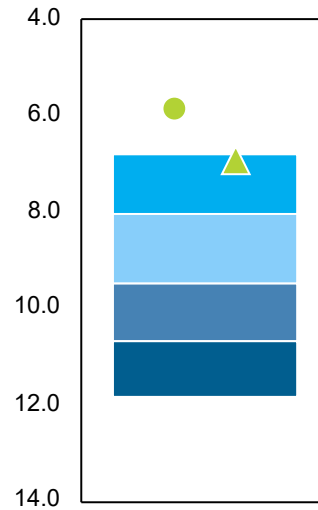
PERS-Russell Overlay Cash Balance

Total Fund | As of December 31, 2024

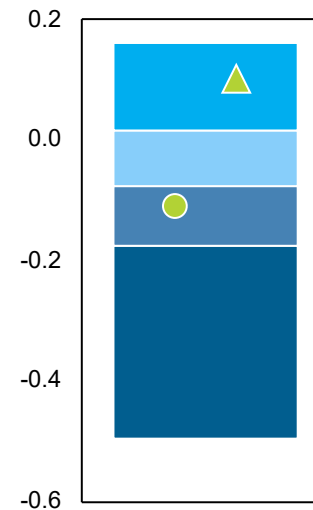
Annualized Standard Deviation
3 Years Ending December 31, 2024



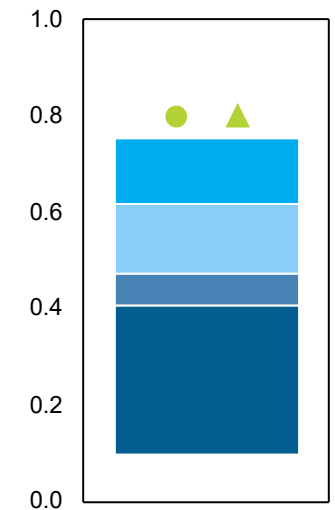
Annualized Standard Deviation
5 Years Ending December 31, 2024



Sharpe Ratio
3 Years Ending December 31, 2024



Sharpe Ratio
5 Years Ending December 31, 2024



Total Fund 4.4 (1)
OPERF Policy Benchmark 6.7 (17)

5th Percentile 4.9
1st Quartile 7.2
Median 8.7
3rd Quartile 9.9
95th Percentile 12.2

Population 55

Total Fund 5.8 (1)
OPERF Policy Benchmark 6.9 (6)

5th Percentile 6.8
1st Quartile 8.0
Median 9.5
3rd Quartile 10.7
95th Percentile 11.9

Population 54

Total Fund -0.1 (56)
OPERF Policy Benchmark 0.1 (14)

5th Percentile 0.2
1st Quartile 0.0
Median -0.1
3rd Quartile -0.2
95th Percentile -0.5

Population 55

Total Fund 0.8 (2)
OPERF Policy Benchmark 0.8 (2)

5th Percentile 0.8
1st Quartile 0.6
Median 0.5
3rd Quartile 0.4
95th Percentile 0.1

Population 54

Parentheses contain percentile rankings.

Benchmark History

Total Fixed Income

10/01/2021	Present	100.0% Blmbg. U.S. Aggregate Index
03/01/2016	10/01/2021	46.0% Blmbg. U.S. Aggregate Index, 37.0% Blmbg. U.S. Treasury Index, 4.0% ICE BofA U.S. High Yield Index, 13.0% Morningstar LSTA U.S. Leveraged Loan

Total Public Equity

07/01/1997	Present	MSCI ACWI IMI Net (Daily)
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Total Real Estate

07/01/1997	Present	NCREIF ODCE (Custom) (Adj.)
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Opportunity Portfolio

04/01/2023	Present	100.0% OPERF Policy Benchmark
09/01/2006	04/01/2023	100.0% CPI + 5%

Diversifying Strategies

12/31/2010	Present	100.0% HFRI FOF: Conservative Index
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Real Assets

07/01/2011	Present	CPI +4%
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Private Equity

07/01/1997	Present	Russell 3000 + 300 BPS QTR LAG (Adj.)
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Cash

12/01/1989	Present	ICE BofA 3 Month U.S. T-Bill
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Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.

Oregon Investment Council

March 5, 2025

Risk and Return Opportunities for
OPERF

Overview

- Pension plans can best serve the interests of their beneficiaries by adjusting their long-term investment strategies to incorporate all material risks.
- Two of those risks include:
 - **Global Escalation of Physical Climate Risks**
 - **Global Energy Transition to Multiple Sources of Energy**
- No one knows what strategies will perform well or poorly; the process is critical
 - Given uncertainty, Climate-related risks should be identified and managed alongside all other investment risks and opportunities.

ESG Regulatory and Policy Changes

There are many areas where Investment Staff already assess and act on these risks and opportunities within the OPERF portfolio.

Meketa views the following as some of the best practices we observe:

1. Investment Policy

- Tool to guide all investments and inclusive of risk.

2. Investment Strategy

- The OIC has spent considerable time updating its policies with the assistance of its staff and consultants over the last two years.
- Continue to improve coordination across teams internally

3. Asset Allocation

- Asset allocation is the primary tool by which the OIC assesses the risk and return profile of OPERF.
- Already scheduled: asset allocation in 2025, and then a full Asset-Liability Study in 2026.
- Climate risks can now be incorporated into the Asset-Liability process. We recommend that the Council request these outputs as part of its oversight.

4. Manager Selection

- Continue to use Committee structure to discuss Staff process for integrating climate risks, and request continued evolution of process

High-Level Climate Strategy Recommendations

5. Stewardship and Engagement

- Potential to influence.
 - a) Because of recent announcements by the SEC and the Trump administration, we believe related market developments should be watched and considered for potential adjustments to OPERF's stewardship policy and efforts.
 - b) Concentrate on voting proxies and implementing an engagement strategy that seeks to improve the long-term risk-adjusted returns of the portfolio and maximize value from OPERF resources.
 - c) OPERF has staff that focus on proxy voting and stewardship and is actively refining its strategy efforts in these areas.

6. Portfolio and Manager Monitoring

- A key element of integrating climate risks and opportunities into the OPERF overall investment strategy can look like enhancement of OPERF's quantitative monitoring of investment risks.
 - a) Assess each asset class with look-through analysis to the security level.
 - b) Reliable, consistent, decision-useful climate data continues to develop.

High-Level Climate Strategy Recommendations (continued)

7. Reporting

- Continue to emphasize need for strong reporting on these themes. Replicate strong processes already in place

8. Resources

- Consider what additional resources/different use of current resources may be needed to integrate these risks

Specific Areas worth focusing on?

A. Public Markets

- Passive Equity. Consider/Continue exploring passive equity strategies that incorporate energy transition risks and opportunities,
- Active Equity. Interesting opportunities in both broad and thematic managers.

B. Private Markets

- Private market asset classes, including real assets (infrastructure and natural resources) and private equity exhibit growing investment opportunities in funds that incorporate energy transition themes.
- Be cognizant of the long-term structure of OPERF's private markets portfolio. OPERF's real assets and private equity portfolios are invested in meaningful transition related assets.

Summary

Addressing impact of Climate Change can and should be integrated into broader, fiduciary portfolio oversight process

- There is no consensus on the best role investors can play.
- No one-size-fits-all approach exists for evaluating portfolio risk, including climate-related risks and opportunities
- Portfolio decarbonization is not equivalent to decarbonizing the economy.
- The dislocations and inefficiencies that may come from decarbonizing the global economy could present OPERF with the opportunity to generate strong risk-adjusted returns.
- Active investors have the potential to generate excess returns

Next Steps

Like other asset owners, the OIC is seeking to understand and manage policy related to climate-related risks and opportunities, while carefully balancing OPERF's approach alongside its stated goals such as liquidity, diversification, risk and return. We recommend the Council consider focusing on three basic steps as it embarks on this process:

1. Education: Continue ongoing education to understand the different types of climate-related risks and opportunities and consider the pros / cons of different management approaches.
2. Management through Measurement
 - i. Provide clear direction to Staff to ensure they have the tools necessary to both assess these risks in their portfolio, and to report back to the Council on them.
 - ii. Integrate Climate risk into the asset liability process
3. Continue to encourage staff to consider strategies which have a holistic focus on risk, some of which were outlined in this memorandum.

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MEMORANDUM

TO: Council Members, Oregon Investment Council ("OIC")
FROM: Meketa Investment Group ("Meketa")
DATE: March 5, 2025
RE: Comprehensive Risk and Return Investment Strategy Recommendations for OPERF

The investment outcomes over the last twenty-five years highlight that pension plans can best serve the interests of their beneficiaries by ensuring their long-term investment strategies incorporate all material risks. This memo concentrates on two fundamental investment trends that have emerged and are likely to be enduring as we head into the next twenty-five years, and on ways that industry best practices can be considered by the Council when providing direction to the OPERF portfolio for the future.

Global Escalation of Physical Climate Risks: Physical climate risks and their costs and consequences continue to escalate. An International Chamber of Commerce commissioned report, estimated that climate-related extreme weather events, such as flooding, hurricanes, and fires cost the global economy more than \$2 trillion between 2014 and 2023. The estimated cost of climate risks in 2024, based on "billion-dollar weather and climate disaster" events in the United States alone was \$183 billion with 27 confirmed events causing damages exceeding \$1 billion each. In 2025, fires that were escalated by extreme winds in California's Los Angeles and Ventura Counties have the potential to be one of the costliest natural disasters in US history.

The 10 years ended December 31, 2024, were the warmest on record. Earth's average surface temperature in 2024 was the warmest on record since recordkeeping began in 1880 (source: NASA/GISS). The potential for an increasing number of catastrophic events is widely held in the scientific community.

Global Energy Transition to Multiple Sources of Energy: The 20th Century witnessed a transition from biomass being over 50% of the global energy mix in 1900 to fossil fuels (coal, then oil and gas) as the predominant source of global energy. The global economy is in the midst of an energy transition that even with population and energy growth, over time is expected to reduce the reliance on fossil fuel energy, while increasing alternatives, including renewables and nuclear energy that emit fewer greenhouse gases (Vaclav Smil, 2017; BP Statistical Review of World Energy). The current energy transition is powered by investors' belief that avoiding catastrophic climate changes requires a reduction in greenhouse gas emissions. In 2024, global energy transition investments surpassed \$2 trillion for the first time (Source: BNEF). These investments crossed all industries, all major economies and major asset classes.

While it is very difficult to predict which investment strategies will perform well given these, and other investment risks, we believe that OPERF will be well served by assessing and reflecting these trends through its investment strategy. OPERF is effectively a perpetual entity, and as such, understanding what potential impacts and risks certain investments may exhibit over such a horizon is aligned with the fiduciary duty of the OIC. This approach is different than overlaying a climate or net-zero strategy on OPERF's existing investment strategy. Instead, climate-related risks should be consistently identified and managed alongside all other investment risks and opportunities. How OPERF chooses to manage climate-related investment risks and opportunities along with all other material risks and opportunities is integral to meeting its fiduciary duty and goal to maximize the likelihood of achieving its objectives over the long-term. Staff implements the investment portfolio, while the OIC sets Policy, Benchmarks, and long-term strategic objectives. This is important when considering the direction the portfolio may travel in the future.

A well-conceived investment strategy that recognizes and seeks to manage all risks increases the probability of achieving the best risk adjusted rate of return over the long term. *There are many areas where Investment Staff already assesses and acts on these risks and opportunities within the OPERF portfolio.* For example, the OPERF Real Assets and Private Equity investment portfolios respectively now include energy transition investments representing approximately 20% of each asset class. Staff implements a proxy voting policy that includes attention to material climate risks to companies and has begun engaging with managers and developing a strategy to engage with portfolio companies on climate risks and opportunities. When reviewing existing and potential managers for OPERF, Staff can review the managers' associated policies and procedures for assessing such risks (and opportunities) and directly incorporated into the due diligence process.

High-Level Climate Strategy Recommendations

Meketa has the benefit of working with a broad array of public fund clients across the country, as well as many of the country's endowments and foundations. From this vantage point, we provide some context around emerging best practices in this area, or notable potential strategies that we believe are worth considering for the Council as it relates to OPERF. We view the following as some of the best practices we observe:

- 1) **Investment policy.** Good governance begins with sound policy. Reviewing policy adjustments that should be considered in the development and implementation of a comprehensive and inclusive risk strategy is one of the primary tools used by investors in the area of managing portfolio and climate risks.
- 2) **Investment Strategy.** Developing a comprehensive and inclusive investment strategy serves the goal of maximizing long-term risk-adjusted returns of the portfolio. The OIC has spent considerable time updating its policies with the assistance of its staff and consultants over the last two years.

A central goal of the strategy should be to aim to improve coordination across the portfolio in integrating material climate risks and opportunities that are appropriate for each asset class and take advantage of potential synergies across asset classes. Consistent strategies and implementation should encompass how energy transition and physical climate risks and opportunities are considered throughout each element of the investment process: asset allocation, manager selection, stewardship, portfolio and manager monitoring, reporting, and the internal and external resources required to efficiently implement a strategy. Ensuring a cohesive framework across asset class teams helps avoid instances where investments in one area may offset or increase the risks in separate asset classes.

- 3) **Asset Allocation.** Asset Allocation is the primary tool by which the OIC assesses and sets the risk and return profile of OPERF over the next ten to twenty years. We will be undertaking a comprehensive review of the asset allocation in 2025, and then a full Asset-Liability Study will be conducted in 2026. Climate risks can now be incorporated into the Asset Liability process, and we recommend that the Council request and review these outputs as part of its oversight. Like all modeling exercises, it is important for investors to understand that the outputs are more indicative than they are precise, but the explicit incorporation of potential climate risks offers the benefit of view potential investment implications of said risks in the context of the overall portfolio.

4) Manager Selection. Staff is responsible for selecting managers within the OPERF portfolio, within policy limits set by the Council. The Council could request that Staff highlight through the Committee meeting structure, its evaluation and sourcing of investment managers that, as part of their investment process, are skilled at identifying, balancing and timing climate risks (regulatory, physical, product, etc.) alongside other investment risks and actively engage with its investment managers and portfolio companies. Each asset class should be reviewed to assess how it might improve its comprehensive risk management strategy.

5) Stewardship and Engagement. In our opinion, appropriate stewardship and engagement with managers and underlying portfolio companies regarding material climate investment risks and opportunities have the potential to improve the long-term risk adjusted returns of the OPERF portfolio. Because of recent announcements by the SEC on active ownership, and by the current administration on DEI, we believe related market developments should be watched and considered for potential adjustments to OPERF's stewardship policy and efforts, including how best to use OPERF resources. With this backdrop, managers and proxy service providers are making significant adjustments to their services for asset owners. For example, the two largest US proxy service providers, ISS and Glass Lewis recently announced changes in how they will be accounting for DEI. Due to a recent SEC ruling, BlackRock, the world's largest investment manager has paused all engagements with companies. These actions by governments and institutional investment market participants require rethinking of how and when asset owners engage with their investment managers.

Within this context of change, for all risk issues, including climate-related, OPERF should concentrate on voting proxies and implementing an engagement strategy that seeks to improve the long-term risk - adjusted returns of the portfolio and maximize value from OPERF resources.

OPERF has staff that focus on proxy voting and stewardship and is actively refining its strategic efforts in this area.

6) Portfolio and Manager Monitoring. A key element of integrating a climate investment strategy into the OPERF overall investment strategy will likely be implementing a corresponding enhancement of OPERF's quantitative monitoring of investment risks.

- Portfolio climate risk and opportunity data continue to develop, as evident in the MSCI climate data, which the OST currently has access to. Reliable, comparable, consistent data over time is still developing even for publicly listed companies. Voluntary coalition efforts to gather consistent, decision-useful climate data for private asset classes can be leveraged to further enhance OPERF's ongoing analysis of its portfolio.
- Because climate-related investment risks and opportunities may be found within investment funds with broad investment mandates and within mandates that are climate specific, in our opinion, OPERF will best manage its exposure to climate risks and opportunities by assessing each asset class with look-through analysis to the security level. An example of this approach is the currently used assessment of climate strategies within the OPERF Real Assets portfolio.

7) Reporting. OPERF incorporates insightful reporting to the OIC on energy transition investments; for example, the OPERF Real Assets Portfolio Annual Review and Forward Plan. As OPERF climate - related investments change, it will be important to continue and where needed increase reporting across asset classes on these issues and how they are expected to affect OPERF's long - term risk adjusted returns.

8) Resources. Best practice dictates developing an appropriate implementation plan that clearly identifies staff and external resources needed, including any additional resources that may be required for successful implementation.

- OST staff have allocated resources to climate change-related portfolio implementation, including two FTE.
- Both internal and supplementary external resources should be considered to enhance efficient outcomes. For example, OPERF might consider using an external provider for broad engagement, thus allowing staff to focus on targeted engagement efforts where there is the potential to improve the long-term risk adjusted return of a manager or portfolio company. There are now engagement offerings by external providers that engage with corporations across a broad set of holdings. OPERF may find efficiencies in retaining an appropriate service that focuses on engagements geared toward enhancing long-term risk adjusted returns across a broad range of companies, while staff identifies select companies for targeted engagement efforts, within the context of all related government regulations and laws.
- Several US public pension plans that are integrating climate investment risks and opportunities added dedicated internal resources in climate investment related areas. Implementation approaches range from incremental increases to extensive and expensive.

In Meketa's opinion, the following areas represent elements of OPERF's investment portfolio where there is potential investor opportunity, and may be worth pursuing to reduce risk in the OPERF portfolio:

A) Public Equity

- Passive equity – There are a growing number of passive equity strategies that incorporate energy transition risks and opportunities. These passive equity strategies often use forward-looking energy transition indicators to weight more heavily companies across all industries that are incorporating energy transition opportunities into their long-term business strategies. Such strategies typically include higher weightings to companies in a sector that are seeking energy transition improvements relative to their industry peers that the companies view as value added to their long-term profitability.
- Active equity – In manager selection, we recommend that selection of broad and thematic managers include an assessment of the manager's ability to incorporate all risks in their portfolio. For example, a large cap equity manager that is incorporating energy transition risks and opportunities may invest in companies that are moving forward on energy transition plans in hard to abate industries, even when their overall portfolio includes a wide range of investments that are determined by factors other than energy transition. Thematic funds can offer deep expertise in a thematic exposure such as energy transition. The manager's knowledge and expertise can reduce the risk of a more concentrated portfolio. Aligned with their fiduciary duty, such investment decisions are grounded in improving the overall risk/return expectation of the underlying holdings compared to alternatives.

- B) Private markets – Private markets asset classes, including real assets (Infrastructure and Natural Resources), and private equity exhibit growing investment opportunities in funds that incorporate energy transition themes. OPERF uses a look-through method to appropriately determine OPERF's full exposure to energy transition themes. We believe such a look-through analysis is valuable to assess exposures to climate-related investment opportunities and risks.
- C) For private markets, where OPERF investments are typically made through closed-end, time-bound funds (often 10-12 years) maintaining OPERF'S exposure across time to private markets is embedded in its long-term expected returns. Divesting existing funds or reducing OPERF's investible universe to only energy transition funds would be costly and could significantly increase the risk (across multiple facets, including sector/strategy diversification, vintage diversification, etc.) in OPERF's private markets portfolio. Currently, OPERF's real assets and private equity portfolios are invested meaningfully in energy transition related assets.
- D) Investment opportunity examples in infrastructure include the current boom in database investments and the concomitant power demand needs that are spurring investments in non-fossil fuel infrastructure projects. Many of these investment opportunities are in broad-based investment funds, and in infrastructure funds that are not labeled anything related to the energy transition, in addition to more targeted funds. In natural resources, the growing electrification of everything is generating both supply chain disruptions and growth opportunities in minerals that are critical to battery storage, for example. In Real Estate, key issues are how investment managers are controlling risks in project and company investments regarding the attention to build/rebuild structures that can last for the next 100 years – buildings appropriate to withstand weather events; planning for availability of water; incorporation of energy efficiency and energy transition; and addressing location risk to avoid areas expected to bear the most expensive physical climate risks.

Summary

There is considerable investment momentum and evidence that evaluating the impacts of climate change is an important consideration in managing investment risk and opportunity. The size and scale of potential impacts elevates such factors to the level of explicit consideration from a risk/reward perspective. The current political and legal backdrop may influence how some of these risks are considered.

- There is no consensus on the best role investors can play.
- No one-size-fits-all approach exists for evaluating portfolio risk, and this includes climate-related investment risks and opportunities in areas such as energy transition, physical impacts, and biodiversity losses.
- Portfolio decarbonization is not equivalent to decarbonizing the economy. Having exposure to companies with lower carbon emissions is not equivalent to reducing the portfolio's exposure to climate risk and/or increasing exposure to climate investment opportunities. Whether a company has higher or lower benchmark or peer-relative carbon emissions tells very little about how resilient or vulnerable their business model will be to climate-related, physical and/or transition risks and opportunities.
- The dislocations and inefficiencies that may come from decarbonizing the global economy could present OPERF with the opportunity to generate strong risk-adjusted returns. It is important for OPERF to assess its allocation to climate positive investments within its existing asset class allocation and measure performance against traditional benchmarks.

- Active investors have the potential to generate excess returns if they skillfully use information about market risks, including climate-related costs and opportunities as part of their overall investment process, balancing climate-related factors with other risks and opportunities. Such strategies may include investments in carbon-intensive securities (brown to green) and climate solutions (green) where active managers consider the physical and transition risks from climate change. It can also manifest itself in traditional financial analysis tools, such as higher discount rates (i.e., required returns) for investments that may lack a comprehensive framework or trajectory associated with such risks.

Next Steps

Like other asset owners, the OIC is seeking to understand and manage policy related to climate-related risks and opportunities, while carefully balancing OPERF's approach alongside its stated goals such as liquidity, diversification, risk and return. We recommend the Council consider focusing on three basic steps as it embarks on this process:

1. Education: Continue ongoing education to understand the different types of climate-related risks and opportunities and consider the pros / cons of different management approaches.
2. Management through Measurement
 - i. Provide clear direction to Staff to ensure they have the tools necessary to both assess these risks in their portfolio, and to report back to the Council on them.
 - ii. Integrate climate risk into the asset liability process
3. Continue to encourage staff to consider strategies which have a holistic focus on risk, some of which were outlined in this memorandum.

MM/SB/AE/PN/mn



To: The Oregon Investment Council

From: Karl Cheng, Senior Investment Officer, Portfolio Risk & Research

Re: Fourth Quarter 2024 Risk Report for the Oregon Public Employees Retirement Fund

Executive Summary

This memo summarizes OPERF's predicted volatility, as estimated by Aladdin, Treasury's end-to-end investment analytics platform built by BlackRock. As of December 31, 2024, OPERF's estimated return volatility is 14.8%, higher than that of the OIC-approved target allocation presented by Meketa Investment Group ("Meketa") at the December 2022 meeting. This elevated volatility is primarily driven by the overallocations to private market asset classes relative to the OIC-approved targets.

The predicted active risks for the Public Equity and Fixed Income Portfolios remain within the respective OIC-approved guideline limits. Moreover, the predicted risks for both Portfolios have declined significantly compared to approximately two years ago, a change attributable to staff-directed portfolio rebalancing and decline in factor volatilities, such as interest rates, value, and size.

OPERF Asset Allocation

One of the Council's Investment Beliefs is "*Asset Allocation Drives Risk and Return*". The table below shows OPERF's target allocations approved by the Council at the December 2022 meeting.

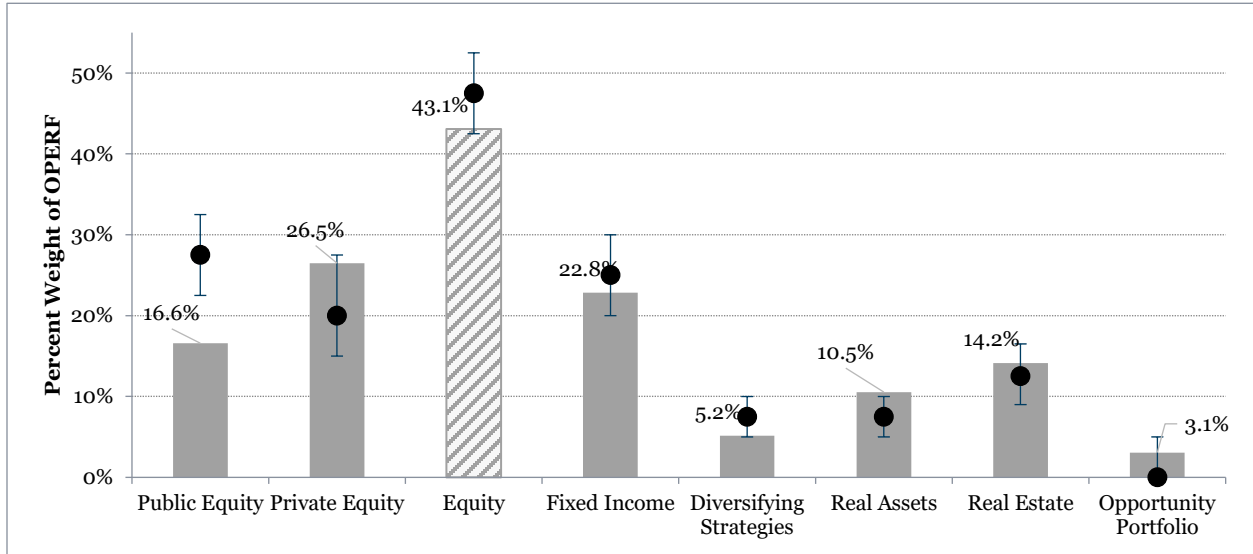
Table 1. OPERF Target Asset Allocation

Asset Class	Target Allocation (%)	Rebalancing Range (%)
Public Equity	27.5	22.5 – 32.5
Private Equity	20.0	15.0 – 27.5
Equity	47.5	42.5 – 52.5
Fixed Income	25.0	20.0 – 30.0
Real Estate	12.5	9.0 – 16.5
Real Assets	7.5	5.0 – 10.0
Diversifying Strategies	7.5	5.0 – 10.0
Total Fund	100.0	

Including the synthetic overlays exposures managed by Russell Investments, Figure 1 shows OPERF's current allocation. OPERF Private Markets Allocation – including Private Equity, Real Asset, Real Estate, and Opportunity Portfolios – is 54.3%, lower than the 55.2% allocation as of December 31, 2023. This adjustment occurred during the same period that the Public Equity Portfolio gained over 16%. Although private market cash flow was net positive in 2024 (see "OPERF Cash Flow" below), \$1.8 billion was also raised from OPERF Capital Markets Allocation to meet net pension benefit payment.



Figure 1. OPERF Actual Allocation versus Target

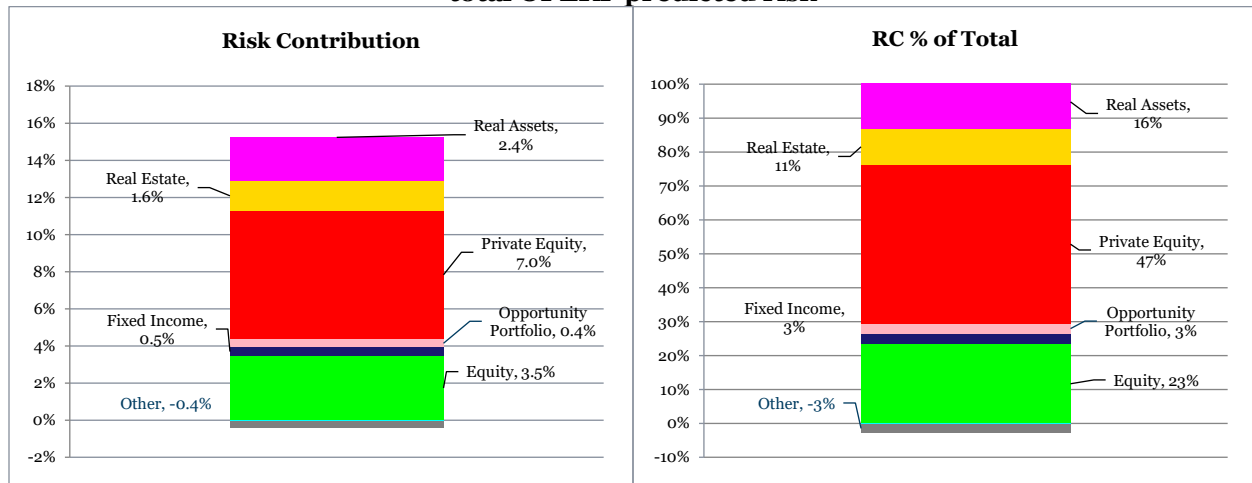


As of the end of 2024, OPERF held approximately \$2.9 billion in “Other”, which includes \$789 million for collateral and margin purposes in the two synthetic programs (see “OPERF Predicted Risk” below) and \$2.1 billion in Cash, held in the Oregon Short Term Fund. Staff targets to hold approximately 1.5% to 2.0% of OPERF in Cash to meet near-term pension payments and ad hoc capital calls from private market investments. Cash was above typical levels due to substantial year-end inflows from OPERF Private Markets Allocation.

OPERF Predicted Risk

The risk estimates are shown in the charts below.

Figure 2. OPERF Risk Contribution by Asset Class and Risk Contribution as a percent of total OPERF predicted risk



In Figure 2, the negative risk contribution under “Other” are mainly due to the Synthetic and Currency Overlay Programs, with contributions of -0.3% and -0.1%, respectively. OPERF continues to be overallocated to “Equity” (the combined total of Public and Private) and underallocated to Fixed Income in its physical investments. The Synthetic Overlay Program, which uses liquid exchange-traded futures to systematically rebalance OPERF back to target allocations, was, as of quarter-end, long \$4.5 billion of Fixed Income and short \$2.7 billion of Public Equity. This positioning results in a large negative correlation to “Equity”. Similarly, by design, the Currency Overlay Program – long U.S. dollar and short foreign currencies –also contributes a negative correlation to “Equity”.

Another noteworthy point from Figure 2 is that “equity” risk, predicted risk contributions from the Public Equity and Private Equity Portfolios, accounts for an estimated 70% of OPERF’s overall predicted risk, making it the largest risk contributor. This aligns with the OIC’s Investment Belief that “*Over the long-term, equity-oriented investments provide return premiums relative to risk-free investments.*”

The total predicted **standard deviation, or volatility**, for OPERF is 14.8% as of December 31, 2024. For context, Meketa, the OIC’s investment consultant, estimated OPERF’s long-term volatility at 11.4% using 2022 Capital Market Assumptions, which are a blend of 10- to 20-year assumptions from staff, Meketa, and Aon Investments, the Council’s secondary investment consultant. Because Aladdin’s model uses a medium-term, five-year lookback period, differences between the estimates are expected. OPERF’s current “excess” volatility relative to the Capital Market Assumptions arises from two sources: elevated estimated market volatilities relative to the long-term assumptions and an overallocation to private market asset classes. Modeling a “what if” portfolio using the Strategic Asset Allocation and the December 2024 risk estimates yields a predicted risk of 13.5%. Roughly speaking, compared to the Capital Market Assumptions, the current market environment added 2.1% (13.5% minus 11.4%) to the estimated risk, while the Fund’s misweights have added another 1.3% (14.8% minus 13.5%).

The OIC-approved changes to asset allocation, primarily lowering the allocation to Public Equity and increasing allocations to Real Assets and Diversifying Strategies, have reduced OPERF’s realized volatility.

Figure 3 plots OPERF's rolling 20-quarter realized beta to MSCI ACWI IMI, a global public equity index, as well as that of the "Reference Portfolio", which is a blend of 67.5% MSCI ACWI IMI & 32.5% Bloomberg U.S. Aggregate Index, a U.S. fixed income index. OPERF's realized beta was around +0.60 earlier in the analysis period but has steadily declined. A significant contributor to this decline is the increasing allocation to illiquid investments, which smooth performance and enhance diversification.

It is worth noting that the 20-quarter beta of the Reference Portfolio increased over the past few years due to increasing correlation between the two component indices.

Figure 3. OPERF's Beta to MSCI ACWI IMI

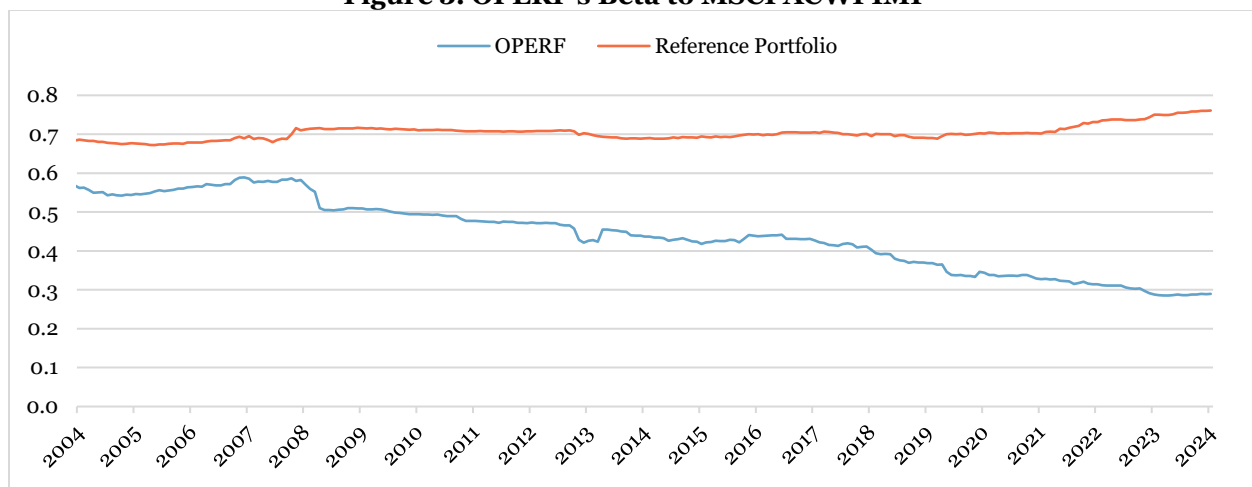
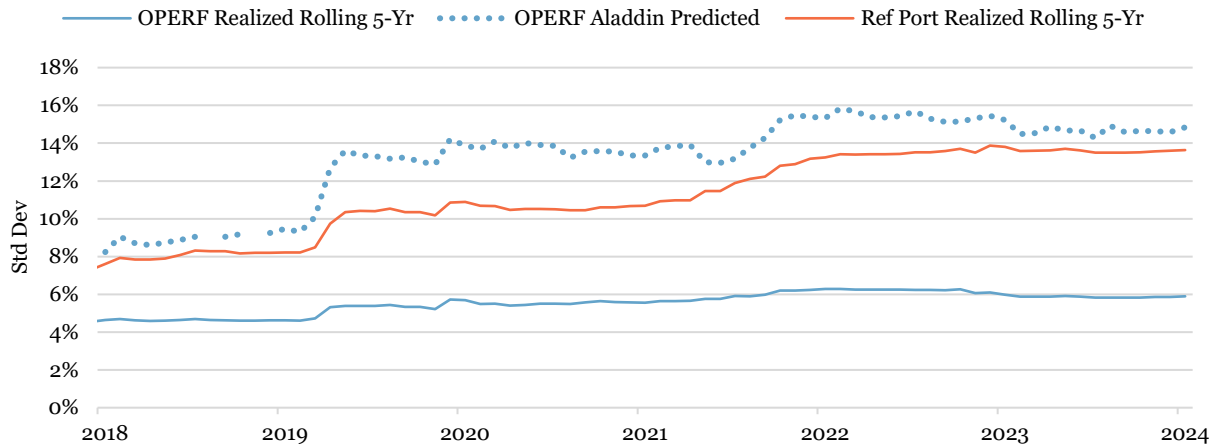


Figure 4 plots OPERF's predicted volatility from Aladdin over the past six years. Recent estimates are considerably higher than those from five years ago, reflecting both the overweights to private markets and notable changes in the market environment. For comparison, the realized rolling five-year volatility for the Reference Portfolio has also increased over the same period.

Figure 4. OPERF's Predicted versus Realized Volatility

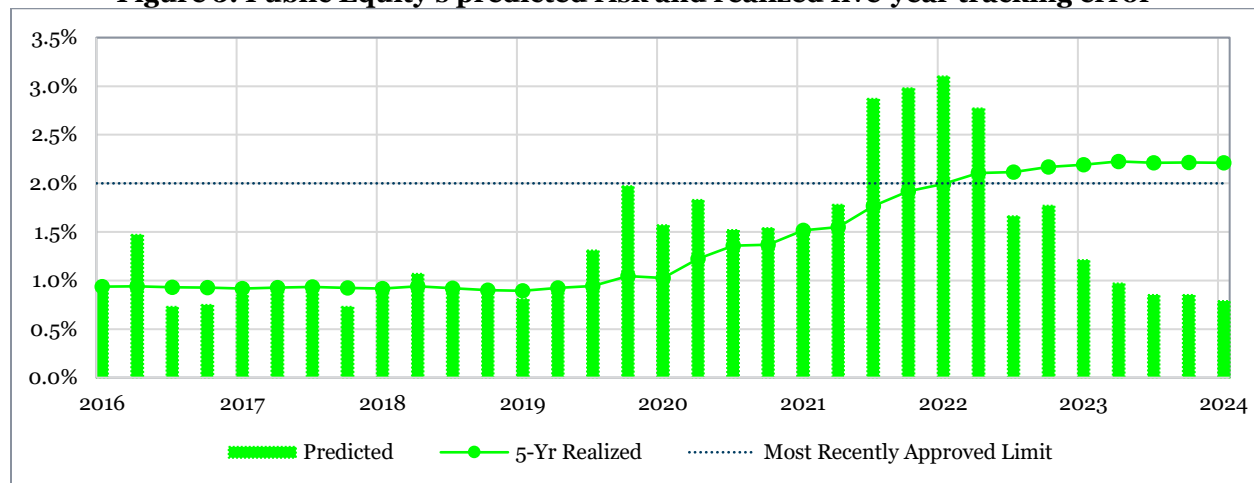


Capital Markets

Public Equity

The Public Equity Portfolio has an OIC-approved **tracking error** range of 0.75% to 2.00%. Based on monthly performance data from State Street, the custodian bank, the five-year *ex post* tracking error for the Portfolio through December, 31 2024 is 2.2%, slightly above the approved range. There have been outsized active returns of approximately -4%, +2%, +4%, and -2% in the previous four calendar years. However, Aladdin estimates an *ex ante* active risk of 0.8%, substantially lower than the peak of 3.1% reached on December 31, 2022. The Public Equity team's rebalancing efforts, coupled with moderated factor correlations, have contributed to the reduced predicted active risk.

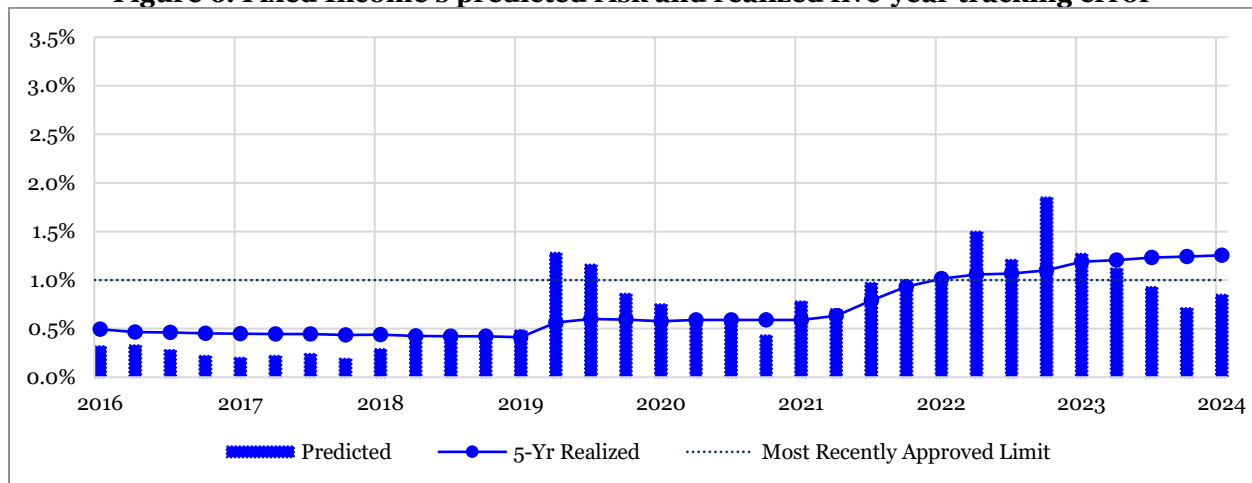
Figure 5. Public Equity's predicted risk and realized five-year tracking error



Fixed Income

The Fixed Income Portfolio, with an OIC-approved **tracking error** of up to 1.0%, has a five-year tracking error of 1.3% through December 31, 2024 based on State Street's monthly data; again, slightly above the approved range. This is due to the Portfolio's strong active returns of +1.4%, +1.7%, and +1.5% in the past three calendar years driven by the Portfolio's short duration exposure relative to its benchmark. Nonetheless, its predicted active risk is 0.9% is within the approved range.

Figure 6. Fixed Income's predicted risk and realized five-year tracking error



OPERF Cash Flow

Table 2 summarizes the approximate net investment and pension cash flow for Year-to-Date 2024 and for the previous five years. YTD net cash flow for the OPERF Private Markets Allocation has improved significantly compared to 2023. Specifically, Table 2 reports a net inflow to OPERF of \$1.8 billion from private markets in 2024, compared to a net *outflow* of \$2.2 billion in 2023.

Table 2. OPERF Net Cash Flow by Portfolio by Time Period

Asset Class	Net Cash Flow (\$M)					
	YTD (2024)	2023	2022	2021	2020	2019
Public Equity	1,177	4,536	3,327	4,047	3,436	2,813
Fixed Income	623	-1,384	-1,544	-2,653	3,154	327
Diversifying Strategies	50	-3	-11	381	-621	-490
Other*	-564	961	663	-227	-2,249	283
<i>Capital Markets</i>	1,286	4,110	2,434	1,548	3,720	2,933
Private Equity	2,157	-542	464	2,503	50	285
Real Estate	-696	-930	-883	-396	15	-48
Real Assets	351	-804	-706	-572	-509	-578
Opportunity	-26	122	-165	-248	86	26

<i>Private Markets</i>	1,786	-2,154	-1,290	1,288	-358	-316
Total Fund	3,072	1,956	1,144	2,836	3,362	2,617
Net Pension	-2,898	-2,742	-2,605	-1,743	-3,041	-2,659

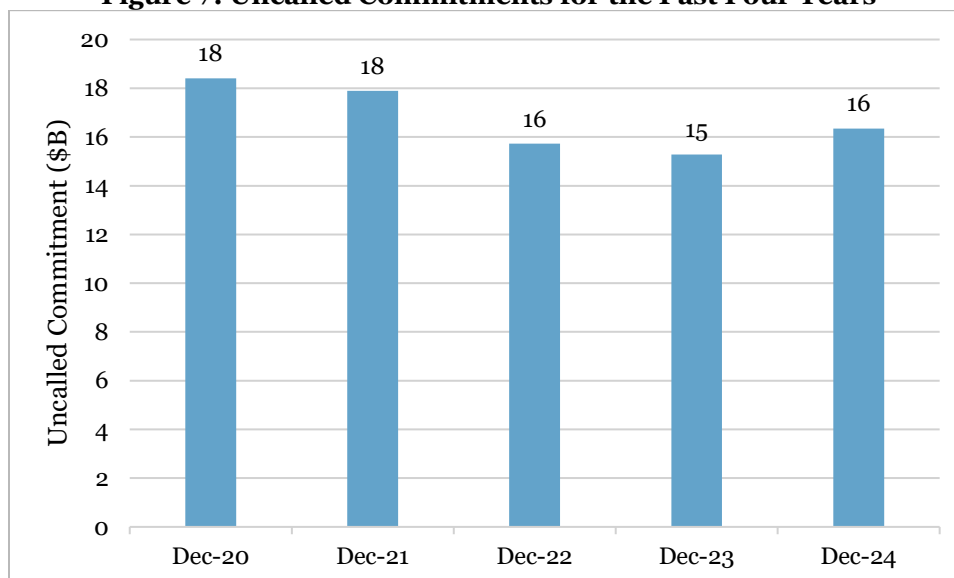
**Includes cash flows from the Synthetic Overlay Program, the Currency Overlay Program, and the terminated OPERF Risk Parity Portfolio.*

Finally, the estimated uncalled commitments for the private market portfolios are tabulated below.

Table 3. OPERF Uncalled Commitments

Asset Class Portfolio	Uncalled Commitment (\$B)	Uncalled % of OPERF
Private Equity	\$7.6	8.0%
Real Assets	\$4.7	4.9%
Real Estate	\$2.6	1.5%
Opportunity	\$1.4	2.8%
Total	\$16.3	17.2%

Figure 7. Uncalled Commitments for the Past Four Years





TAB 5

CSF 2024

PERFORMANCE REVIEW

March 5, 2025

Common School Fund Annual Review 2024

Jamie McCreary

Service Model Program Manager

Raneen Jalajel

Aon- Associate Partner

Eric Larsen

Meketa- Vice President, Senior Investment Analyst



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TREASURY



Agenda

Section	Pages	OIC Investment and Management Beliefs Mapping									
		1	2	3	4	5	6	7	8	9	10
Fund Objectives	3	X				X	X	X			
Fund Evolution	4		X				X	X			
Strategic Priorities	5					X	X	X			
Asset Allocation	6		X		X	X	X	X			
Portfolio Structure	7		X			X	X	X	X	X	
Performance (Meketa Q4 report)		X			X	X	X	X			

- 1) THE OIC IS A POLICY-SETTING COUNCIL
- 2) INVESTMENT MANAGEMENT IS DICHOTOMOUS—PART ART AND PART SCIENCE
- 3) OPERF HAS A LONG-TERM INVESTMENT HORIZON
- 4) ASSET ALLOCATION DRIVES RISK AND RETURN
- 5) THE EQUITY RISK PREMIUM SHOULD BE REWARDED
- 6) PRIVATE MARKET INVESTMENTS CAN ADD SIGNIFICANT VALUE
- 7) CAPITAL MARKETS HAVE INEFFICIENCIES THAT CAN BE EXPLOITED
- 8) COSTS DIRECTLY IMPACT INVESTMENT RETURNS AND SHALL BE MONITORED AND MANAGED CAREFULLY
- 9) THE INTEGRATION OF SYSTEMS TO EVALUATE AND MONITOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS, INCLUDING PROXY VOTING, SIMILAR TO OTHER INVESTMENT RISKS HAVE THE POTENTIAL TO HAVE A BENEFICIAL IMPACT ON THE ECONOMIC OUTCOME OF AN INVESTMENT AND AID IN THE ASSESSMENT OF THAT INVESTMENT.
- 10) DIVERSITY, IN ALL ASPECTS, IS ACCRETIVE TO MEETING OIC OBJECTIVES

Fund Objectives

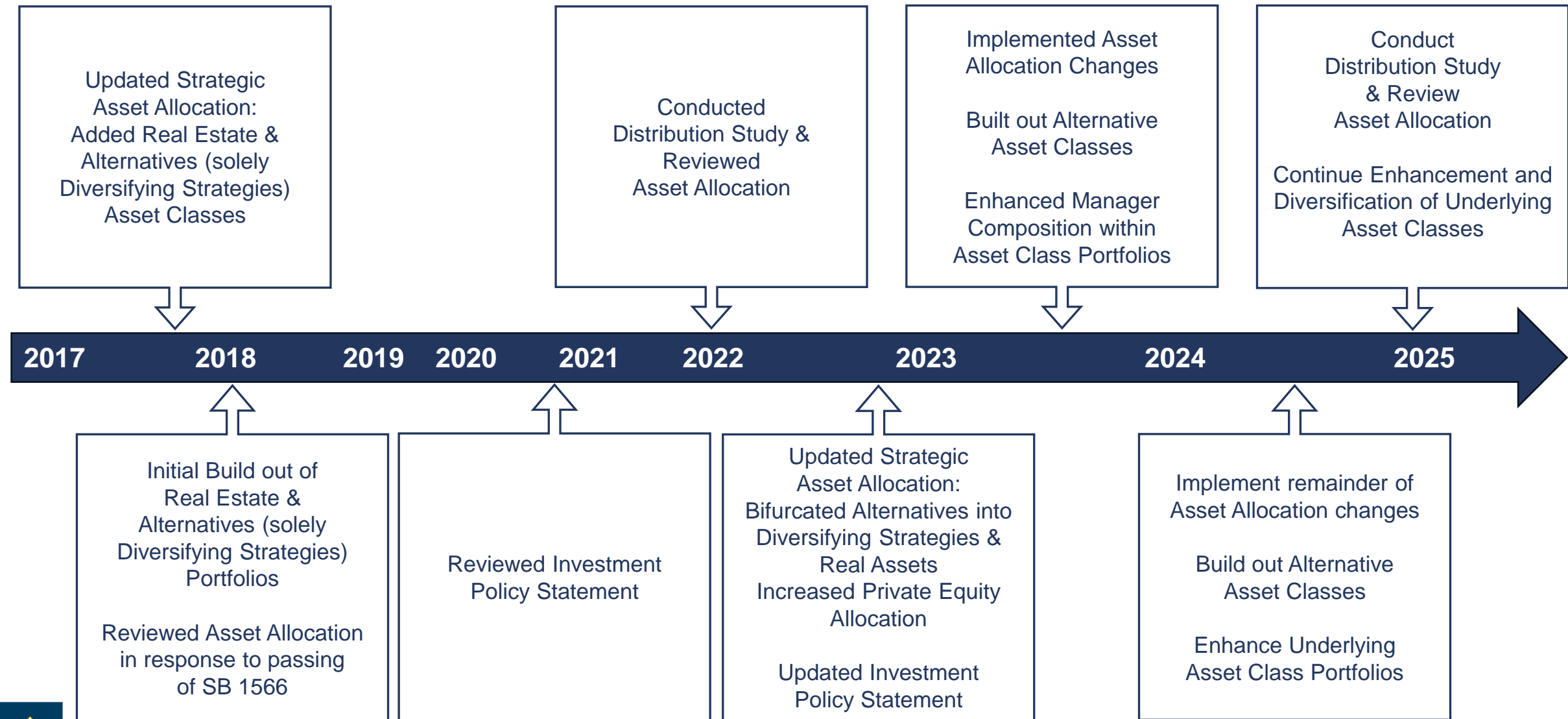
Investment Policy (INV 901) and Asset Class Investment Guidelines (INV 902)

- The Oregon Investment Council (OIC) formulates policies for the investment of funds under the control and administration of the Department of State Lands, known as the Common School Fund (the Fund)
- Investment policy provides guidance to Oregon State Treasury staff and investment consultants regarding approved asset classes, asset allocation, investment guidelines, and reporting requirements
- The primary objective of the Common School Fund is to generate a real (inflation-adjusted) rate of return that is sufficient to support the mission of the Fund and its spending needs into perpetuity

Distribution Policy

- On an annual basis, the Common School Fund distributes 3.5% of the Fund's trailing three-year average market value to the Department of Education to support the State's K-12 education programs
- In addition, with the passage of SB 1566, certain funds (subject to a formula) are distributed to the School Districts Unfunded Liability Fund to help pay down some of the PERS unfunded liability for those local school districts

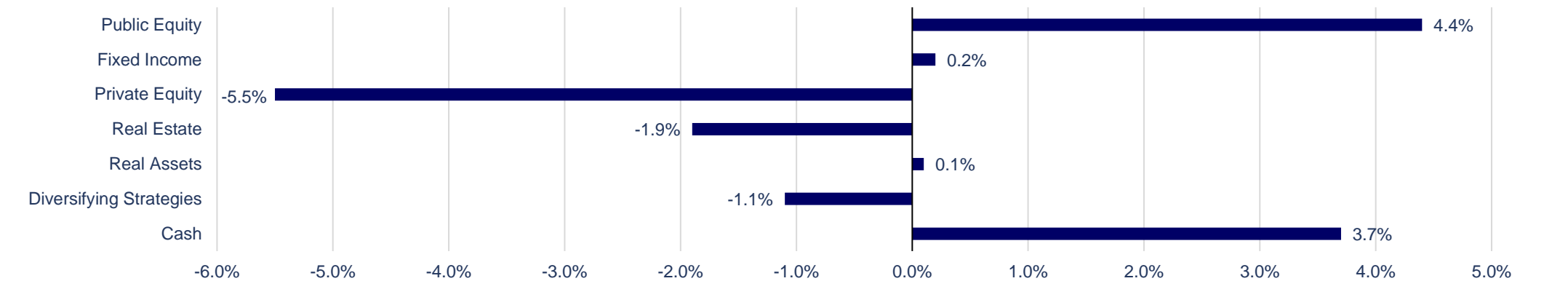
Fund Evolution



Accomplishments and Strategic Priorities

- State Land Board annual presentation December 2024
- Unclaimed Property contribution- June ~\$64M
- Department of Education distribution- 2024 total ~\$74M
- Annual PERS distribution- 1/2025 ~\$77M
- Finalized Investment Guidelines
- Asset Allocation study in 2025/2026
- Continue Implementing new asset allocation (approved by the OIC in 2022) – notably funding up Real Assets and Private Equity, while reducing Public Equity and Fixed Income
- Working with asset class teams and committees to review portfolio construction and refine investment manager composition

Total Fund Asset Allocation (as of 12/31/2024)



Asset Class	Market Value	Current Allocation	Interim Target	Long-Term Target	Active Weight	Approved Range
Public Equity	\$1.3B	51.9%	47.5%	45.0%	4.4%	40%- 50%
Fixed Income	\$548.4M	22.7%	22.5%	20.0%	0.2%	15%- 25%
Private Equity	\$169.9M	7.0%	12.5%	15.0%	-5.5%	10%- 20%
Real Estate	\$194.8M	8.1%	10.0%	10.0%	-1.9%	5%- 15%
Real Assets	\$62.5M	2.6%	2.5%	5.0%	0.1%	0%- 10%
Diversifying Strategies	\$94.8M	3.9%	5.0%	5.0%	-1.1%	0%- 10%
Cash	\$88.5M	3.7%	0.0%	0.0%	3.7%	0%- 3%
Total Fund	\$2.4B	100%				

Portfolio Structure

Public Equity

Exposures

62.6% U.S. / 37.4% International

of Strategies: 9

Portfolio Updates:

- Restructure Complete
- Funding source for private equity

Fixed Income

Exposures

Primarily U.S. investment grade fixed income securities in Blmbg. US Agg Bond

of Strategies: 2

Portfolio Updates:

- Primary liquidity source
- Funding source for real assets portfolio

Private Equity **Uncalled Capital: 30%**

Strategy	NAV	Committed	Target Range
Corp. Finance	59%	67%	65% - 90%
Growth/VC	26%	16%	5% - 20%
Other	15%	18%	0% - 10%

of Strategies: 24 Funds/16 GPs

Portfolio Updates: While current exposure is out of compliance, commitments are in line with target ranges

Real Estate **Uncalled Capital: 15%**

Strategy	NAV	Committed	Target Range
Core/Core Plus	94%	79%	25% - 75%
Non-Core	6%	21%	25% - 75%

of Strategies: 7

Portfolio Updates: Non-core initial funding in 2023 and will take time to build to 50/50 target split

Real Assets **Uncalled Capital: 63%**

Strategy	NAV	Committed	Target Range
Infrastructure	90%	86%	50% - 100%
Natural Resources	10%	14%	0% - 50%

of Strategies: 10

Portfolio Updates: Initial funding 2018 and per pacing study would expect to reach target around 2026-2027

Diversifying Strategies

Strategy	Actual	Target Range
Equity L/S	3%	5% - 25%
Event Driven	10%	5% - 25%
Relative Value	30%	25% - 45%
Directional	57%	25% - 45%

of Strategies: 10

Portfolio Updates: Continue to reduce Directional strategy while building out other three

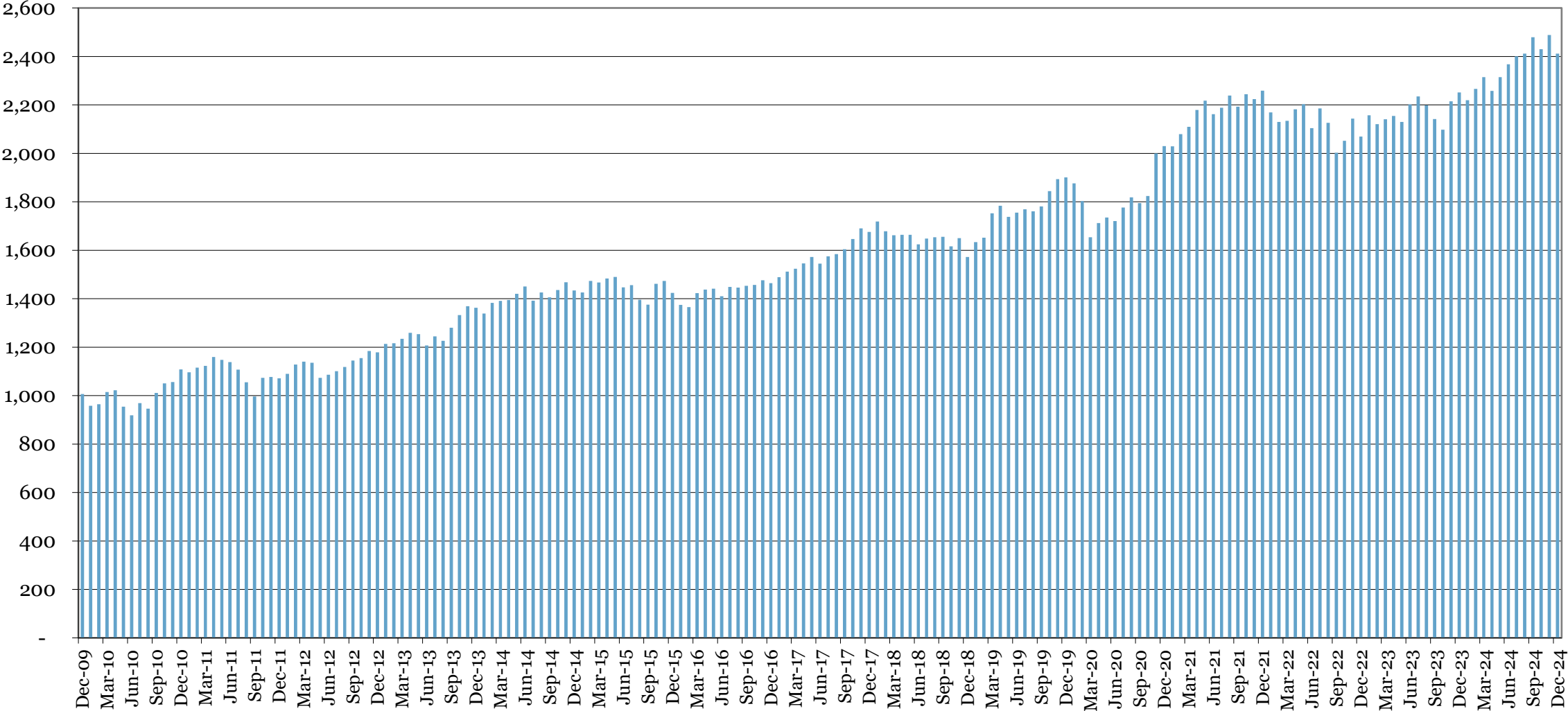


Appendix



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CSF NAV
15 years ending December 31, 2024
(\$ in Millions)



Definitions

Equity Long/Short

Equity L/S strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of gross and net exposure, amount of leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.

Event Driven

Event driven strategies maintain positions in securities affected by extraordinary transactions or events. Events may be of a wide variety including, but not limited to, mergers, restructurings, financial distress/bankruptcy, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities.

Event driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment insights are typically based on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

Relative Value

Relative Value strategies seek to generate returns by capitalizing on the mispricing of related securities or financial instruments. Generally, these managers avoid taking a directional bias with regard to the price movement of markets.

Directional

Directional strategies typically trade a broad range of markets in which the investment positioning is based on recent price movements or views on underlying economic variables and the impact they may have on markets. Managers may employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up disciplines, quantitative and fundamental approaches, and long or short term holding periods. While individual positions may be directional in nature, over the long-term, this group of strategies is expected to have low correlation to traditional asset class returns.

Infrastructure

Infrastructure assets provide services and products essential for the functioning of a modern society, and include sub-sectors such as transportation, communication, power, energy, utilities, and social.

Natural Resources

Natural resource assets involve the production, processing, and distribution of commodities or globally traded goods coming from these resources. Sub-sectors may include investments in energy, agriculture, timberland, metals and mining, and other real assets.

Definitions cont.

Corporate Finance

Capital is typically invested in more established companies, meaning those further along the business life cycle, having relatively predictable cash flows and the ability to raise capital throughout the entire capital structure.

Growth Equity and Venture Capital

Growth Equity capital is typically invested in maturing operating companies with proven business models. These companies are at an inflection point where capital can fuel substantial revenue and profitability growth.

These are typically not controlling interests. The investments have minimal or no funded debt. Exposure can be obtained through stand-alone growth equity funds or buyout funds that incorporate this strategy.

Venture capital equity is targeted at companies in the earliest phases of a business lifecycle. Companies may be classified as seed, early, middle or late stage and are characterized by their inability to access public equity or debt. These companies: have uncertain revenues, need cash to build their businesses, and are subject to high failure rates.

Private Equity- Other

Many private equity opportunities have unique characteristics that require a separate classification beyond that of buyouts, growth equity or venture capital. These investments may include distressed debt, turnaround, and opportunistic partnerships.

Core Real Estate

Equity investments in real properties. Typical Core properties will exhibit "institutional" qualities such as good locations within local and regional markets with high quality design and construction. In general, Core properties will be well occupied, though a limited allocation may be invested in properties undergoing redevelopment, new construction or significant re-leasing. Core properties are expected to generate the majority of its returns through income.

Non-Core Real Estate

Portfolio is comprised of Non-Core investments in real properties through commingled funds only. The Non-Core portfolio may include office, retail, industrial and apartment properties, but may also target structured investments in alternative property types such as hotels, student housing, senior housing, debt, specialized retail uses, operating companies, non performing loans, speculative developments, land, etc. Non-Core real estate may exhibit "institutional" qualities such as good locations within local and regional markets with high quality design and construction, but may need redevelopment or significant leasing to achieve stabilized investment value. Non-Core investments may include development opportunities with balanced risk/return profiles.



**OREGON
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Elizabeth Steiner, MD
Oregon State Treasurer

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Tigard, OR 97224

oregon.gov/treasury



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Common School Fund

As of December 31, 2024

Q4 Performance Update

1. Executive Summary
2. Performance Update as of December 31, 2024
3. Disclaimer

Executive Summary

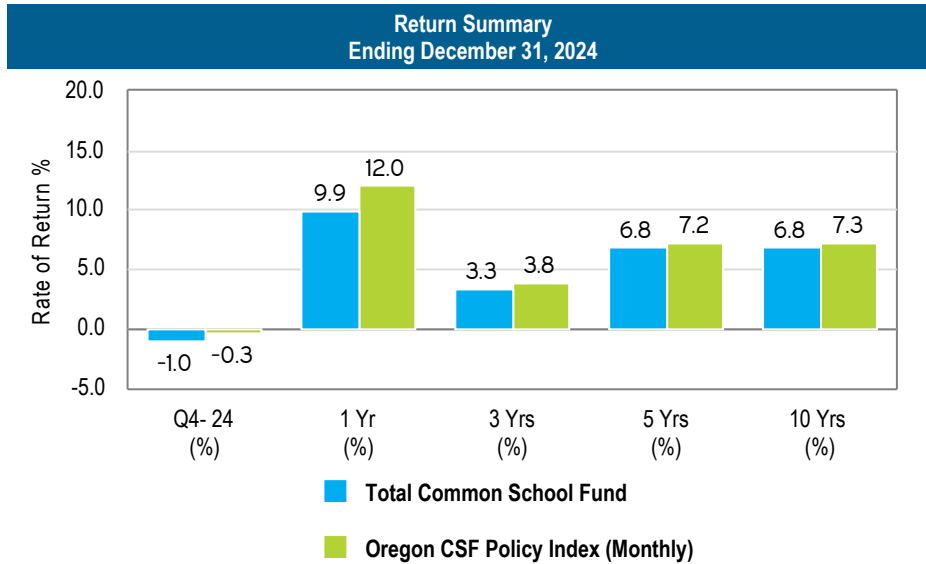
Q4 2024

CSF Executive Summary

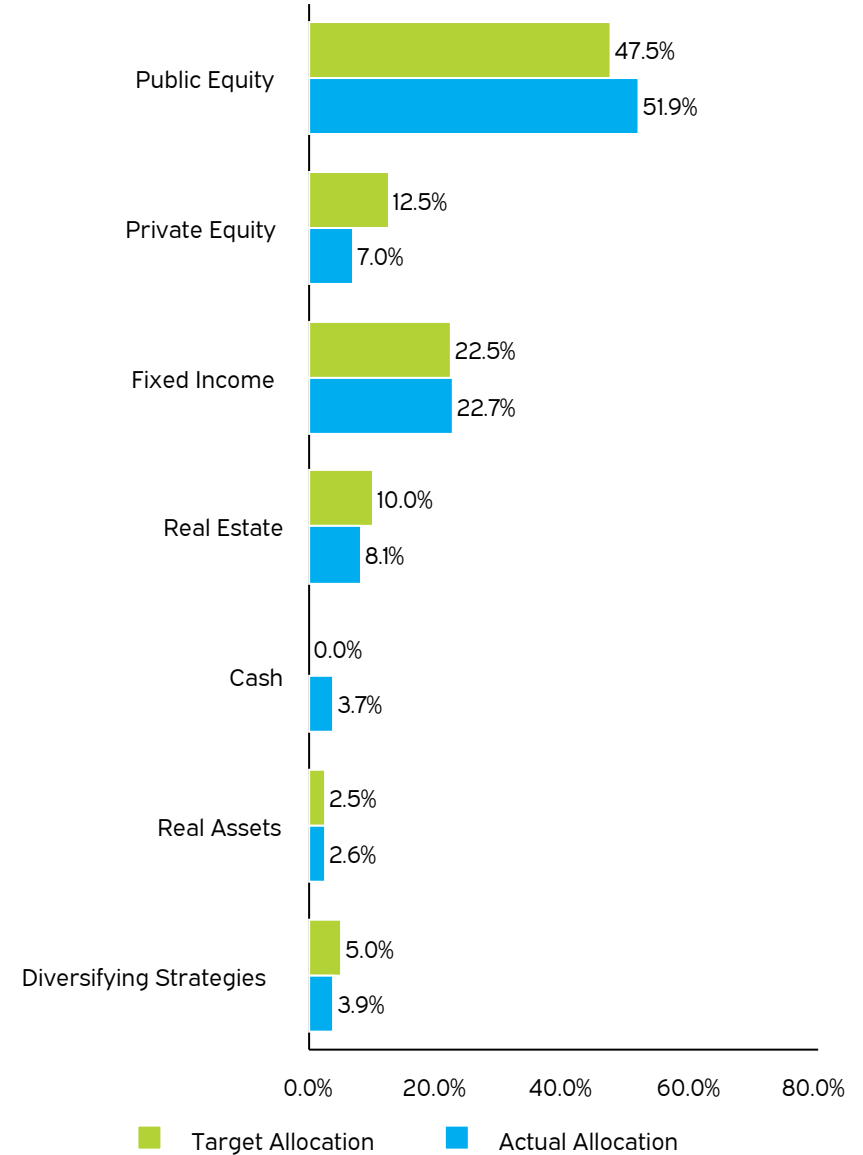
- The Common School Fund (the Fund) ended the fourth quarter with a market value of \$2.4 billion, down \$67.5 million from the end of the previous quarter.
 - The change in assets represents roughly \$44.4 million in net outflows from the Fund and investment losses of \$23.1 million.
- The Fund returned -1.0% in the fourth quarter and trailed the Oregon CSF Policy Index (-0.3%) by 70 basis points.
 - Underperformance for the quarter was largely driven by underperformance within the Private Equity (-0.6%) portfolio which is benchmarked to a public markets index plus a premium. The Russell 3000+300bps Qtr Lag benchmark returned 7.0% over the same period.
 - The Total Public Equity (-0.5%) portfolio outperformed the MSCI ACWI IMI Index (-1.2%) due to positive absolute returns from the Domestic Equity portfolio and strong manager selection (outperformance) within the International Equity portfolio.
 - Total Fixed Income (-3.1%) tracked the Bloomberg US Aggregate Index for the quarter.
- The Common School Fund is currently following an interim asset allocation policy while it transitions to long term targets. As a result of the interim policy targets, asset classes may fall outside of the long term policy ranges periodically.

Performance Update
As of December 31, 2024

Total Fund | As of December 31, 2024



	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Common School Fund	-1.0	9.9	3.3	6.8	6.8
<i>Oregon CSF Policy Index (Monthly)</i>	<i>-0.3</i>	<i>12.0</i>	<i>3.8</i>	<i>7.2</i>	<i>7.3</i>
<i>Excess Return</i>	<i>-0.7</i>	<i>-2.1</i>	<i>-0.5</i>	<i>-0.4</i>	<i>-0.5</i>
<i>InvMetrics Private Foundation > \$50mm Median</i>	<i>0.0</i>	<i>11.2</i>	<i>3.3</i>	<i>7.8</i>	<i>7.1</i>
<i>InvMetrics Private Foundation > \$50mm Rank</i>	<i>80</i>	<i>70</i>	<i>48</i>	<i>71</i>	<i>62</i>



Asset Allocation Compliance | As of December 31, 2024

Asset Allocation vs Target As of December 31, 2024						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Public Equity	1,252,729,771	51.9	47.5	4.4	40.0 - 50.0	No
Private Equity	169,944,092	7.0	12.5	-5.5	10.0 - 20.0	No
Fixed Income	548,428,896	22.7	22.5	0.2	15.0 - 25.0	Yes
Real Estate	194,794,199	8.1	10.0	-1.9	5.0 - 15.0	Yes
Cash	88,548,114	3.7	0.0	3.7	0.0 - 3.0	No
Real Assets	62,454,317	2.6	2.5	0.1	0.0 - 10.0	Yes
Diversifying Strategies	94,776,159	3.9	5.0	-1.1	0.0 - 10.0	Yes
Total	2,411,675,549	100.0	100.0	0.0		

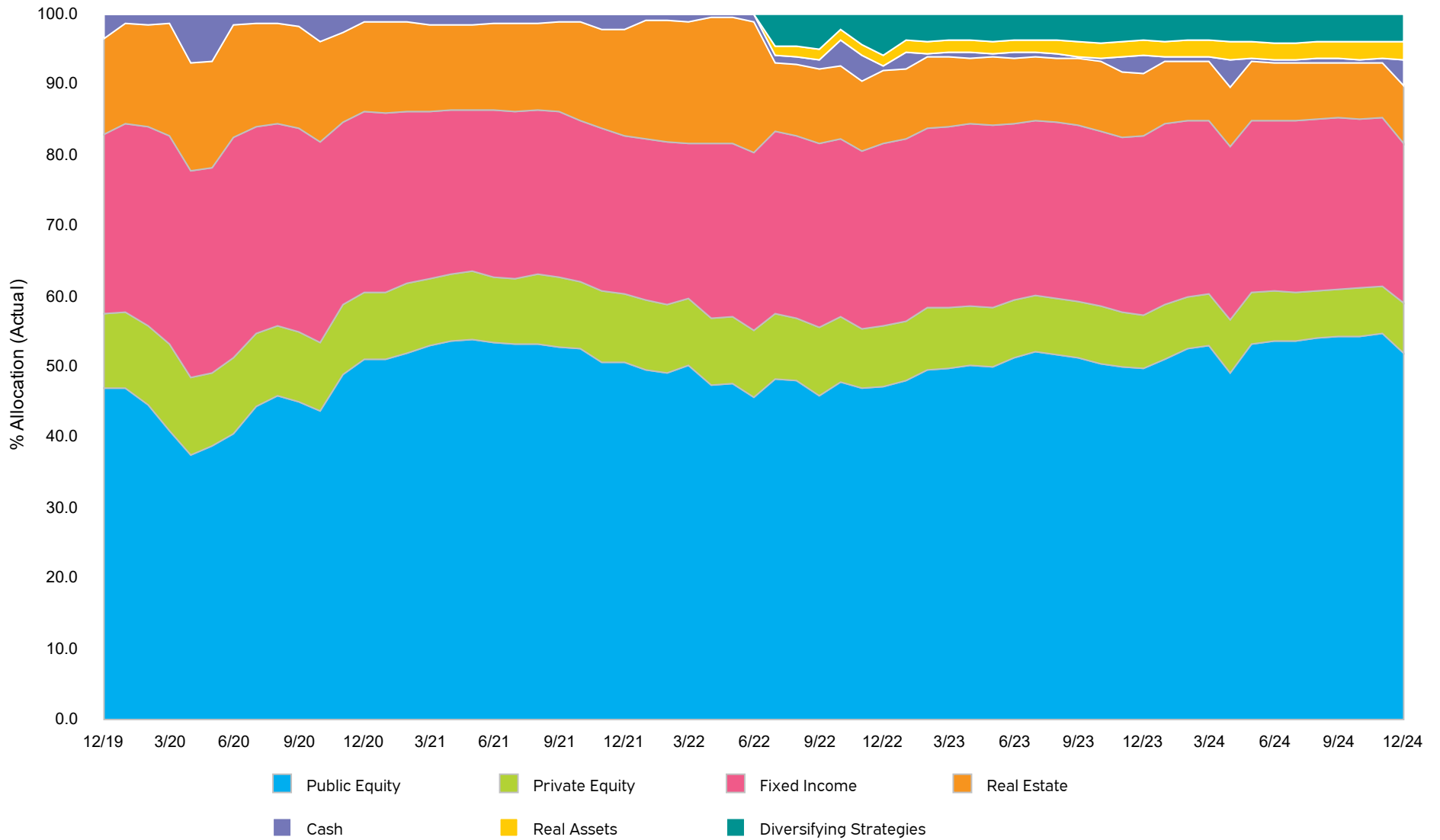
- The Common School Fund is currently managed to interim Policy targets, and as such, may deviate from approved Policy ranges.
- Note, that Public Equity and Private Equity currently sit outside their respective approved ranges, however the total equity exposure remains within the stated bounds.
- Cash is currently outside of Policy Range, due to cash raise in December for January PERS distribution.
- Long-Term Policy Targets are presented below.

Asset Class	Long-Term Target
Public Equity	45.0%
Fixed Income	20.0%
Private Equity	15.0%
Real Estate	10.0%
Real Assets	5.0%
Diversifying Strategies	5.0%
Cash	0.0%

Asset Allocation Targets represent CSF Interim Targets.

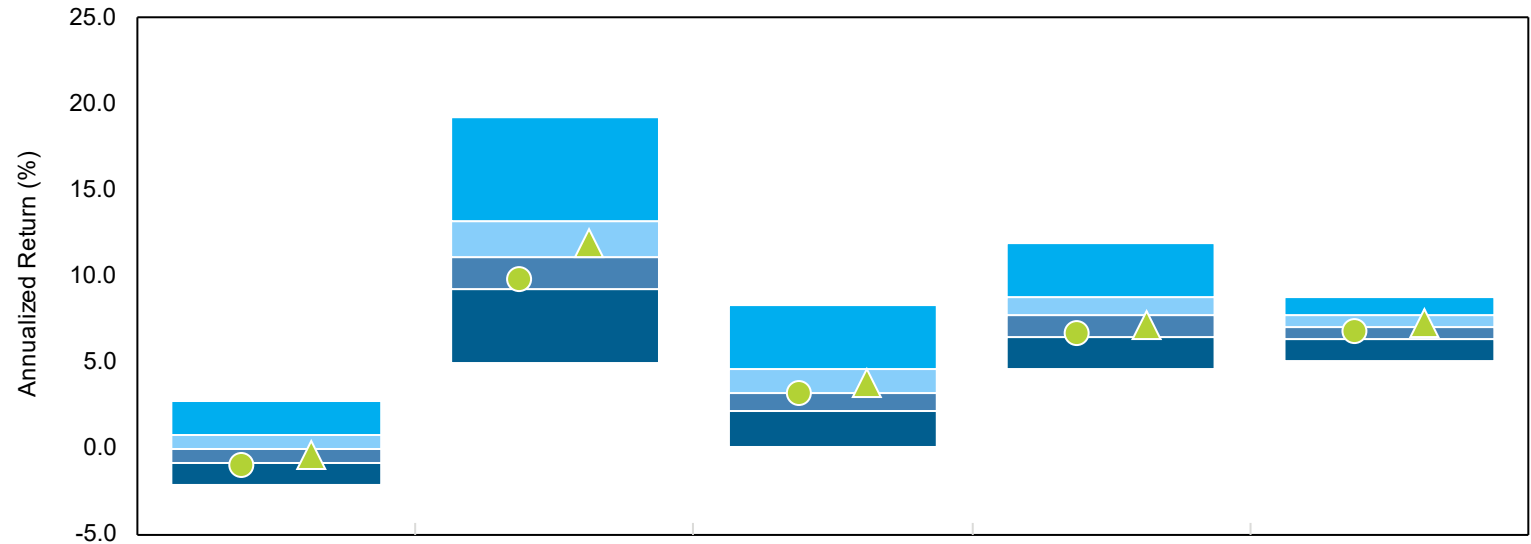
Historical Asset Allocation | 5 Years Ending December 31, 2024

Asset Allocation History
5 Years Ending December 31, 2024



Plan Sponsor Peer Group Analysis | As of December 31, 2024

InvMetrics Private Foundation > \$50mm Net Return Comparison
Ending December 31, 2024

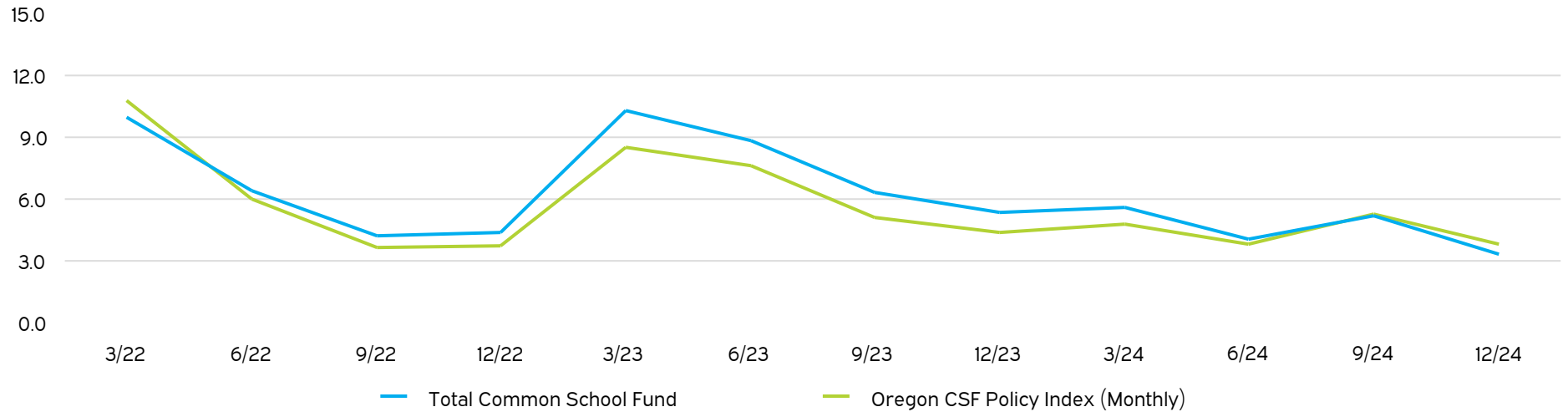


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● Total Common School Fund	-1.0 (80)	9.9 (70)	3.3 (48)	6.8 (71)	6.8 (62)
▲ Oregon CSF Policy Index (Monthly)	-0.3 (62)	12.0 (38)	3.8 (42)	7.2 (64)	7.3 (46)
5th Percentile	2.8	19.3	8.3	11.9	8.9
1st Quartile	0.9	13.3	4.6	8.8	7.8
Median	0.0	11.2	3.3	7.8	7.1
3rd Quartile	-0.8	9.3	2.2	6.6	6.4
95th Percentile	-2.1	5.0	0.1	4.7	5.1
Population	121	121	121	106	77

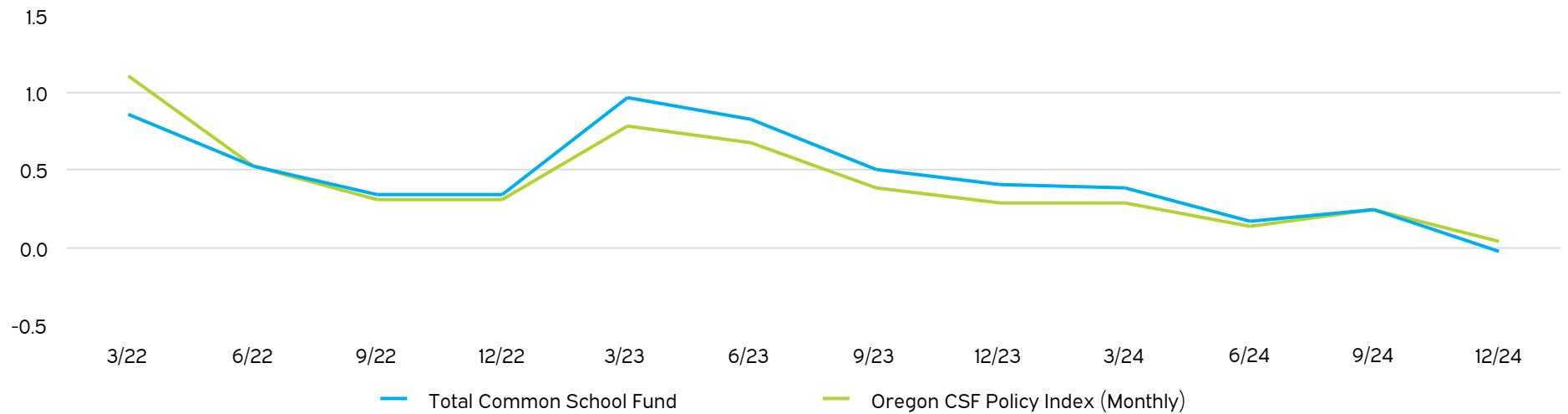
Parentheses contain percentile rankings.

Total Fund | As of December 31, 2024

Rolling 3 Year Annualized Return (%)
Total Fund vs CSF Policy Benchmark



Rolling 3 Year Sharpe Ratio
Total Fund vs CSF Policy Benchmark



Total Fund | As of December 31, 2024

Asset Class Trailing Net Performance							
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Common School Fund	2,411,675,549	100.0	-1.0	9.9	3.3	6.8	6.8
<i>Oregon CSF Policy Index (Monthly)</i>			-0.3	12.0	3.8	7.2	7.3
<i>InvMetrics Private Foundation > \$50mm Median</i>			0.0	11.2	3.3	7.8	7.1
<i>InvMetrics Private Foundation > \$50mm Rank</i>			80	70	48	71	62
Total Public Equity	1,252,729,771	51.9	-0.5	18.5	7.1	11.1	9.6
<i>MSCI ACWI IMI Net (Daily)</i>			-1.2	16.4	4.9	9.7	9.0
Total Domestic Equity	675,950,615	28.0	2.5	23.6	9.1	13.6	12.0
<i>Russell 3000 Index</i>			2.6	23.8	8.0	13.9	12.5
Total International Equity	576,779,156	23.9	-3.6	13.3	5.1	8.4	7.2
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			-7.6	5.2	0.5	4.1	4.9
Developed Ex-U.S. Markets	364,700,221	15.1	-4.3	11.7	5.3	10.0	7.9
<i>MSCI World ex U.S. IMI Index (Net)</i>			-7.5	4.4	1.2	4.8	5.3
Emerging Markets	39,183,094	1.6	-7.6	4.4	-4.2	-0.9	2.6
<i>MSCI Emerging Markets (Net)</i>			-8.0	7.5	-1.9	1.7	3.6
Total Global Equity	172,877,064	7.2	-1.3	18.0	5.6	10.2	--
<i>MSCI AC World IMI Index (Net)</i>			-1.2	16.4	4.9	9.7	9.0
Total Fixed Income	548,428,896	22.7	-3.1	1.8	-2.3	0.0	1.8
<i>BC US Aggregate</i>			-3.1	1.3	-2.4	-0.3	1.4
Private Equity	169,944,092	7.0	-0.6	2.4	-1.7	9.5	10.4
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			7.0	38.4	13.4	18.6	16.1
Total Real Estate	194,794,199	8.1	-0.1	-6.0	0.7	3.4	--
<i>NCREIF ODCE (Custom) (Adj.)</i>			0.0	-8.0	-1.0	2.1	5.1

The current policy benchmark is 47.5% MSCI ACWI IMI Net (Daily), 12.5% Russell 3000+300 bps quarter lag, 22.5% BBG US Agg, 10% NCREIF ODCE (Custom) (Adj.), 2.5% CPI +4%, and 5% HFRI FOF: Conservative Index. The Oregon Reference Portfolio is comprised of 70% MSCI ACWI IMI Net and 30% Bloomberg US Aggregate.

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Diversifying Strategies	94,776,159	3.9	0.5	4.9	4.4	0.8	--
<i>HFRI FOF Conservative Index</i>			<i>1.5</i>	<i>6.6</i>	<i>4.0</i>	<i>5.2</i>	<i>3.8</i>
Real Assets	62,454,317	2.6	2.6	10.1	10.8	11.8	--
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Cash	88,548,114	3.7	1.2	5.6	3.8	2.6	2.1
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.2</i>	<i>5.3</i>	<i>3.9</i>	<i>2.5</i>	<i>1.8</i>

Total Fund | As of December 31, 2024

	Trailing Net Performance						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Common School Fund	2,411,675,549	100.0	-1.0	9.9	3.3	6.8	6.8
<i>Oregon CSF Policy Index (Monthly)</i>			-0.3	12.0	3.8	7.2	7.3
<i>InvMetrics Private Foundation > \$50mm Median</i>			0.0	11.2	3.3	7.8	7.1
<i>InvMetrics Private Foundation > \$50mm Rank</i>			80	70	48	71	62
Total Public Equity	1,252,729,771	51.9	-0.5	18.5	7.1	11.1	9.6
<i>MSCI ACWI IMI Net (Daily)</i>			-1.2	16.4	4.9	9.7	9.0
Total Domestic Equity	675,950,615	28.0	2.5	23.6	9.1	13.6	12.0
<i>Russell 3000 Index</i>			2.6	23.8	8.0	13.9	12.5
BlackRock S&P 500	288,773,614	12.0	2.4	25.1	9.0	14.6	13.2
<i>S&P 500 Index (Daily)</i>			2.4	25.0	8.9	14.5	13.1
DFA All Cap Core	96,674,944	4.0	2.2	22.9	--	--	--
<i>Russell 1000 (Daily)</i>			2.7	24.5	8.4	14.3	12.9
BlackRock Russell 3000	290,502,058	12.0	2.6	--	--	--	--
<i>Russell 3000 Index</i>			2.6	23.8	8.0	13.9	12.5
Total International Equity	576,779,156	23.9	-3.6	13.3	5.1	8.4	7.2
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			-7.6	5.2	0.5	4.1	4.9
Developed Ex-U.S. Markets	364,700,221	15.1	-4.3	11.7	5.3	10.0	7.9
<i>MSCI World ex U.S. IMI Index (Net)</i>			-7.5	4.4	1.2	4.8	5.3
Lazard Intl CEF	58,518,420	2.4	-6.2	11.7	-3.0	--	--
<i>Oregon MSCI ACWI Ex US (Net)</i>			-7.6	5.5	0.8	4.1	4.8
Arrowstreet	156,438,796	6.5	-2.1	13.1	8.7	12.3	9.8
<i>Oregon CSF MSCI ex US IMI Net</i>			-7.6	5.2	0.5	4.1	4.8
Acadian	79,016,177	3.3	-1.4	--	--	--	--
<i>MSCI AC World ex USA Value (Net)</i>			-7.3	6.0	4.4	4.5	4.1
Walter Scott	70,726,828	2.9	-10.5	--	--	--	--
<i>MSCI World ex U.S. (Net)</i>			-7.4	4.7	1.9	5.1	5.3

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Emerging Markets	39,183,094	1.6	-7.6	4.4	-4.2	-0.9	2.6
<i>MSCI Emerging Markets (Net)</i>			<i>-8.0</i>	<i>7.5</i>	<i>-1.9</i>	<i>1.7</i>	<i>3.6</i>
William Blair Emerging Markets Growth	39,183,086	1.6					
<i>MSCI Emerging Markets Growth (Net)</i>			<i>-6.9</i>	<i>10.3</i>	<i>-3.9</i>	<i>1.3</i>	<i>4.3</i>
Total Global Equity	172,877,064	7.2	-1.3	18.0	5.6	10.2	--
<i>MSCI AC World IMI Index (Net)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
BlackRock ACWI IMI	90,014,739	3.7	-1.2	16.5	5.1	9.9	--
<i>MSCI ACWI IMI Net (Daily)</i>			<i>-1.2</i>	<i>16.4</i>	<i>4.9</i>	<i>9.7</i>	<i>9.0</i>
Cantillon Global Core	82,862,325	3.4	-1.5	--	--	--	--
<i>MSCI AC World Index (Net)</i>			<i>-1.0</i>	<i>17.5</i>	<i>5.4</i>	<i>10.1</i>	<i>9.2</i>
Total Fixed Income	548,428,896	22.7	-3.1	1.8	-2.3	0.0	1.8
<i>BC US Aggregate</i>			<i>-3.1</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.4</i>
Wellington	291,298,799	12.1	-3.0	2.4	-2.1	0.2	1.7
<i>BC US Aggregate</i>			<i>-3.1</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.4</i>
Western Asset	257,130,097	10.7	-3.3	1.1	-2.4	-0.2	1.9
<i>BC US Aggregate</i>			<i>-3.1</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>1.4</i>
Total Real Estate	194,794,199	8.1	-0.1	-6.0	0.7	3.4	--
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Value Add	4,231,516	0.2	1.0	-26.6	--	--	--
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Core Real Estate	181,868,549	7.5	-0.1	-6.1	0.7	3.3	--
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Opportunistic Real Estate	8,694,135	0.4	1.2	14.0	--	--	--
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.1</i>
Private Equity	169,944,092	7.0	-0.6	2.4	-1.7	9.5	10.4
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			<i>7.0</i>	<i>38.4</i>	<i>13.4</i>	<i>18.6</i>	<i>16.1</i>
CSF - Private Equity	169,944,092	7.0	-0.6	2.4	-1.7	9.5	10.4
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			<i>7.0</i>	<i>38.4</i>	<i>13.4</i>	<i>18.6</i>	<i>16.1</i>

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Real Assets	62,454,317	2.6	2.6	10.1	10.8	11.8	--
<i>CPI +4%</i>			<i>1.1</i>	<i>7.0</i>	<i>8.3</i>	<i>8.3</i>	<i>7.1</i>
Diversifying Strategies	94,776,159	3.9	0.5	4.9	4.4	0.8	--
<i>HFRI FOF Conservative Index</i>			<i>1.5</i>	<i>6.6</i>	<i>4.0</i>	<i>5.2</i>	<i>3.8</i>
Diversifying Strategies	94,776,159	3.9	0.5	4.9	--	--	--
<i>HFRI FOF Conservative Index</i>			<i>1.5</i>	<i>6.6</i>	<i>4.0</i>	<i>5.2</i>	<i>3.8</i>
Cash	88,548,114	3.7	1.2	5.6	3.8	2.6	2.1
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.2</i>	<i>5.3</i>	<i>3.9</i>	<i>2.5</i>	<i>1.8</i>
Cash	88,545,273	3.7					
SSB Transition	2,842	0.0	0.0	0.0	0.0	0.0	--

Diversifying Strategies is a compilation of managers.

Total Fund | As of December 31, 2024

	Calendar Year Performance												
	Market Value (\$)	% of Portfolio	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Total Common School Fund	2,411,675,549	100.0	9.9	11.0	-9.7	16.8	8.0	16.0	-3.9	17.2	6.1	0.5	6.7
<i>Oregon CSF Policy Index (Monthly)</i>			12.0	13.4	-11.9	13.8	11.2	15.2	-1.4	17.5	8.0	-0.9	6.3
<i>InvMetrics Private Foundation > \$50mm Median</i>			11.2	13.6	-12.4	14.6	12.4	17.6	-4.5	14.6	5.8	-0.4	5.3
<i>InvMetrics Private Foundation > \$50mm Rank</i>			70	71	33	36	85	71	44	23	46	31	35
Total Public Equity	1,252,729,771	51.9	18.5	21.2	-14.6	21.8	13.2	26.3	-11.3	24.9	6.8	-0.6	4.7
<i>MSCI ACWI IMI Net (Daily)</i>			16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	24.0	8.3	-2.1	3.8
Total Domestic Equity	675,950,615	28.0	23.6	22.7	-14.3	28.1	13.9	29.4	-7.7	23.7	9.2	1.5	11.2
<i>Russell 3000 Index</i>			23.8	26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6
BlackRock S&P 500	288,773,614	12.0	25.1	26.4	-18.1	28.7	18.7	31.5	-4.5	21.9	12.0	1.4	13.7
<i>S&P 500 Index (Daily)</i>			25.0	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4	13.7
DFA All Cap Core	96,674,944	4.0	22.9	--	--	--	--	--	--	--	--	--	--
<i>Russell 1000 (Daily)</i>			24.5	26.5	-19.1	26.5	21.0	31.4	-4.8	21.7	12.1	0.9	13.2
BlackRock Russell 3000	290,502,058	12.0											
<i>Russell 3000 Index</i>			23.8	26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6
Total International Equity	576,779,156	23.9	13.3	19.0	-13.9	15.7	11.5	22.8	-14.7	26.2	3.8	-2.2	-1.9
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			5.2	15.6	-16.6	8.5	11.1	21.6	-14.8	27.8	4.4	-4.6	-3.9
Developed Ex-U.S. Markets	364,700,221	15.1	11.7	19.9	-12.8	19.2	15.5	21.6	-14.3	24.4	2.4	0.7	-2.2
<i>MSCI World ex U.S. IMI Index (Net)</i>			4.4	17.2	-15.3	12.4	8.3	22.9	-14.7	25.2	3.0	-2.0	-4.5
Arrowstreet	156,438,796	6.5	13.1	22.7	-7.5	26.6	10.0	19.6	-12.9	26.5	5.8	2.6	-0.3
<i>Oregon CSF MSCI ex US IMI Net</i>			5.2	15.6	-16.6	8.5	11.1	21.3	-14.7	25.2	3.0	-2.0	-4.5
Lazard Intl CEF	58,518,420	2.4	11.7	10.5	-26.0	3.8	--	--	--	--	--	--	--
<i>Oregon MSCI ACWI Ex US (Net)</i>			5.5	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.5	-3.9
Acadian	79,016,177	3.3											
<i>MSCI AC World ex USA Value (Net)</i>			6.0	17.3	-8.6	10.5	-0.8	15.7	-14.0	22.7	8.9	-10.1	-5.1
Walter Scott	70,726,828	2.9											
<i>MSCI World ex U.S. (Net)</i>			4.7	17.9	-14.3	12.6	7.6	22.5	-14.1	24.2	2.7	-3.0	-4.3

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Emerging Markets	39,183,094	1.6	4.4	10.9	-24.2	-7.3	17.3	29.3	-17.3	34.2	10.8	-14.6	-0.5
MSCI Emerging Markets (Net)			7.5	9.8	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9	-2.2
William Blair Emerging Markets Growth	39,183,086	1.6											
MSCI Emerging Markets Growth (Net)			10.3	5.8	-24.0	-8.4	31.3	25.1	-18.3	46.8	7.6	-11.3	-0.3
Total Global Equity	172,877,064	7.2	18.0	21.9	-18.2	18.4	16.6	--	--	--	--	--	--
MSCI AC World IMI Index (Net)			16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	23.9	8.4	-2.2	3.8
BlackRock ACWI IMI	90,014,739	3.7	16.5	21.9	-18.2	18.4	16.6	--	--	--	--	--	--
MSCI ACWI IMI Net (Daily)			16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	24.0	8.3	-2.1	3.8
Cantillon Global Core	82,862,325	3.4											
MSCI AC World Index (Net)			17.5	22.2	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2
Total Fixed Income	548,428,896	22.7	1.8	7.1	-14.4	-1.4	8.8	10.6	-0.7	4.9	4.1	0.0	6.2
BC US Aggregate			1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	3.0	0.4	5.6
Wellington	291,298,799	12.1	2.4	7.0	-14.5	-1.5	9.3	9.5	-0.4	4.3	3.1	0.2	5.9
BC US Aggregate			1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	3.0	0.4	5.6
Western Asset	257,130,097	10.7	1.1	7.2	-14.3	-1.4	8.2	11.6	-1.0	5.5	5.0	-0.2	6.4
BC US Aggregate			1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	3.0	0.4	5.6
Total Real Estate	194,794,199	8.1	-6.0	-11.0	22.0	13.8	1.5	6.7	--	--	--	--	--
NCREIF ODCE (Custom) (Adj.)			-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5	11.3
Value Add	4,231,516	0.2	-26.6	-8.1	--	--	--	--	--	--	--	--	--
NCREIF ODCE (Custom) (Adj.)			-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5	11.3
Core Real Estate	181,868,549	7.5	-6.1	-11.1	22.2	13.8	1.5	6.7	--	--	--	--	--
NCREIF ODCE (Custom) (Adj.)			-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5	11.3
Opportunistic Real Estate	8,694,135	0.4	14.0	-3.7	--	--	--	--	--	--	--	--	--
NCREIF ODCE (Custom) (Adj.)			-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5	11.3
Private Equity	169,944,092	7.0	2.4	0.8	-7.9	48.5	11.8	11.1	15.2	15.3	8.0	7.4	21.0
Russell 3000 + 300 BPS QTR LAG (Adj.)			38.4	24.0	-15.1	35.7	18.4	6.0	21.1	22.2	18.4	2.5	21.2
CSF - Private Equity	169,944,092	7.0	2.4	0.8	-7.9	48.5	11.8	11.1	15.2	15.3	8.0	7.4	21.0
Russell 3000 + 300 BPS QTR LAG (Adj.)			38.4	24.0	-15.1	35.7	18.4	6.0	21.1	22.2	18.4	2.5	21.2

Total Fund | As of December 31, 2024

	Market Value (\$)	% of Portfolio	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
Diversifying Strategies	94,776,159	3.9	4.9	4.0	4.2	13.5	-19.6	-1.5	-10.6	--	--	--	--
<i>HFRI FOF Conservative Index</i>			<i>6.6</i>	<i>5.5</i>	<i>0.1</i>	<i>7.6</i>	<i>6.5</i>	<i>6.3</i>	<i>-0.9</i>	<i>4.1</i>	<i>1.9</i>	<i>0.4</i>	<i>3.1</i>
Diversifying Strategies	94,776,159	3.9	4.9	4.0	--	--	--	--	--	--	--	--	--
<i>HFRI FOF Conservative Index</i>			<i>6.6</i>	<i>5.5</i>	<i>0.1</i>	<i>7.6</i>	<i>6.5</i>	<i>6.3</i>	<i>-0.9</i>	<i>4.1</i>	<i>1.9</i>	<i>0.4</i>	<i>3.1</i>
Real Assets	62,454,317	2.6	10.1	10.3	11.9	18.5	8.6	--	--	--	--	--	--
<i>CPI +4%</i>			<i>7.0</i>	<i>7.5</i>	<i>10.4</i>	<i>11.3</i>	<i>5.4</i>	<i>6.4</i>	<i>6.0</i>	<i>6.2</i>	<i>6.2</i>	<i>4.8</i>	<i>4.8</i>
Cash	88,548,114	3.7	5.6	5.5	0.5	0.1	1.6	3.3	2.0	1.3	1.2	0.5	0.5
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>5.3</i>	<i>5.0</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>	<i>0.9</i>	<i>0.3</i>	<i>0.1</i>	<i>0.0</i>
Cash	88,545,273	3.7											
SSB Transition	2,842	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--	--	--	--	--

Statistics Summary | As of December 31, 2024

1 Year Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Common School Fund	9.9	5.7	-2.9	1.1	0.8	0.6
Oregon CSF Policy Index (Monthly)	12.0	5.3	-	1.0	1.2	0.0

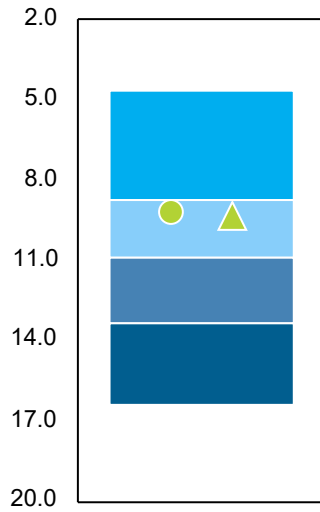
3 Years Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Common School Fund	3.3	9.2	-0.3	1.0	0.0	1.6
Oregon CSF Policy Index (Monthly)	3.8	9.4	-	1.0	0.0	0.0

5 Years Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Common School Fund	6.8	9.6	-0.2	1.0	0.5	1.9
Oregon CSF Policy Index (Monthly)	7.2	9.2	-	1.0	0.5	0.0

10 Years Ending December 31, 2024						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Common School Fund	6.8	8.1	-0.3	1.0	0.6	1.6
Oregon CSF Policy Index (Monthly)	7.3	7.9	-	1.0	0.7	0.0

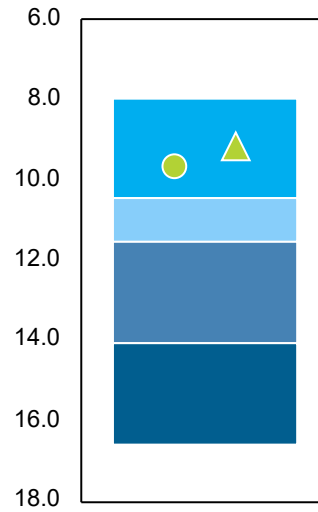
Total Fund | As of December 31, 2024

Annualized Standard Deviation
3 Years Ending December 31, 2024



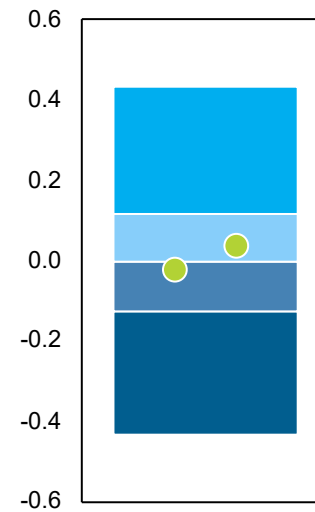
Total Common School Fund	9.2 (28)
Oregon CSF Policy Index (Monthly)	9.4 (30)
5th Percentile	4.7
1st Quartile	8.8
Median	10.9
3rd Quartile	13.4
95th Percentile	16.4
Population	121

Annualized Standard Deviation
5 Years Ending December 31, 2024



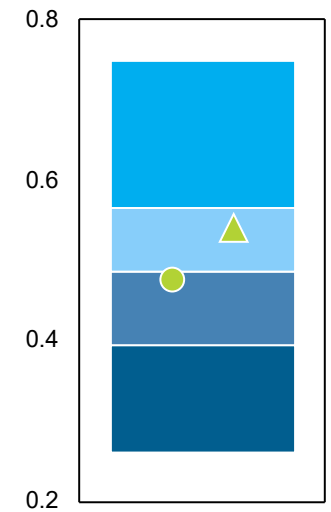
Total Common School Fund	9.6 (15)
Oregon CSF Policy Index (Monthly)	9.2 (10)
5th Percentile	8.0
1st Quartile	10.4
Median	11.5
3rd Quartile	14.1
95th Percentile	16.6
Population	106

Sharpe Ratio
3 Years Ending December 31, 2024



Total Common School Fund	0.0 (54)
Oregon CSF Policy Index (Monthly)	0.0 (43)
5th Percentile	0.4
1st Quartile	0.1
Median	0.0
3rd Quartile	-0.1
95th Percentile	-0.4
Population	121

Sharpe Ratio
5 Years Ending December 31, 2024



Total Common School Fund	0.5 (52)
Oregon CSF Policy Index (Monthly)	0.5 (33)
5th Percentile	0.7
1st Quartile	0.6
Median	0.5
3rd Quartile	0.4
95th Percentile	0.3
Population	106

Parentheses contain percentile rankings.

Benchmark History | As of December 31, 2024

Benchmark History

Total Common School Fund

06/01/1995 Present Oregon CSF Policy Index (Monthly)

Total Public Equity

01/01/1995 Present MSCI ACWI IMI Net (Daily)

Total Domestic Equity

01/01/1995 Present Russell 3000 Index

Total International Equity

03/01/1997 Present Oregon MSCI ACWI Ex US IMI (Net)

Total Fixed Income

06/01/1995 Present BC US Aggregate

Private Equity

11/01/2007 Present Russell 3000 + 300 BPS QTR LAG (Adj.)

Diversifying Strategies

01/01/2018 Present HFRI FOF Conservative Index

Real Assets

10/01/2019 Present CPI +4%

Total Real Estate

04/01/2018 Present NCREIF ODCE (Custom) (Adj.)

Cash

12/01/1989 Present ICE BofA 3 Month U.S. T-Bill

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To: The Oregon Investment Council

From: Jen Plett, Investment Officer, Portfolio Risk & Research

Re: Fourth Quarter 2024 Risk Report for the Common School Fund (CSF)

Executive Summary

This memo summarizes CSF's predicted volatility, as estimated by Aladdin, Treasury's end-to-end investment analytics platform built by BlackRock. As of December 31, 2024, Aladdin estimated a return volatility of 13.2% for CSF, in-line with staff's expectation. Therefore, staff recommends no additional action at this point.

CSF Asset Allocation

INV 901: Common School Fund states: "Given the perpetual nature of the CSF, asset allocation will be the most important determinant of long-term success. The target allocation balances the need to satisfy the long-term return objective and to minimize total investment risk." CSF's current Target Strategic Asset Allocation (SAA) was approved at the OIC meeting on July 20, 2022, shown in the table below.

Applying Aon's 10-Year Capital Market Assumptions to CSF's current target allocations produces an estimated return volatility of 12.5%. A "Reference Portfolio" can be constructed with 70% in the MSCI ACWI IMI and 30% in the Bloomberg U.S. Aggregate Bond Index that would reach a similar level of estimated volatility.

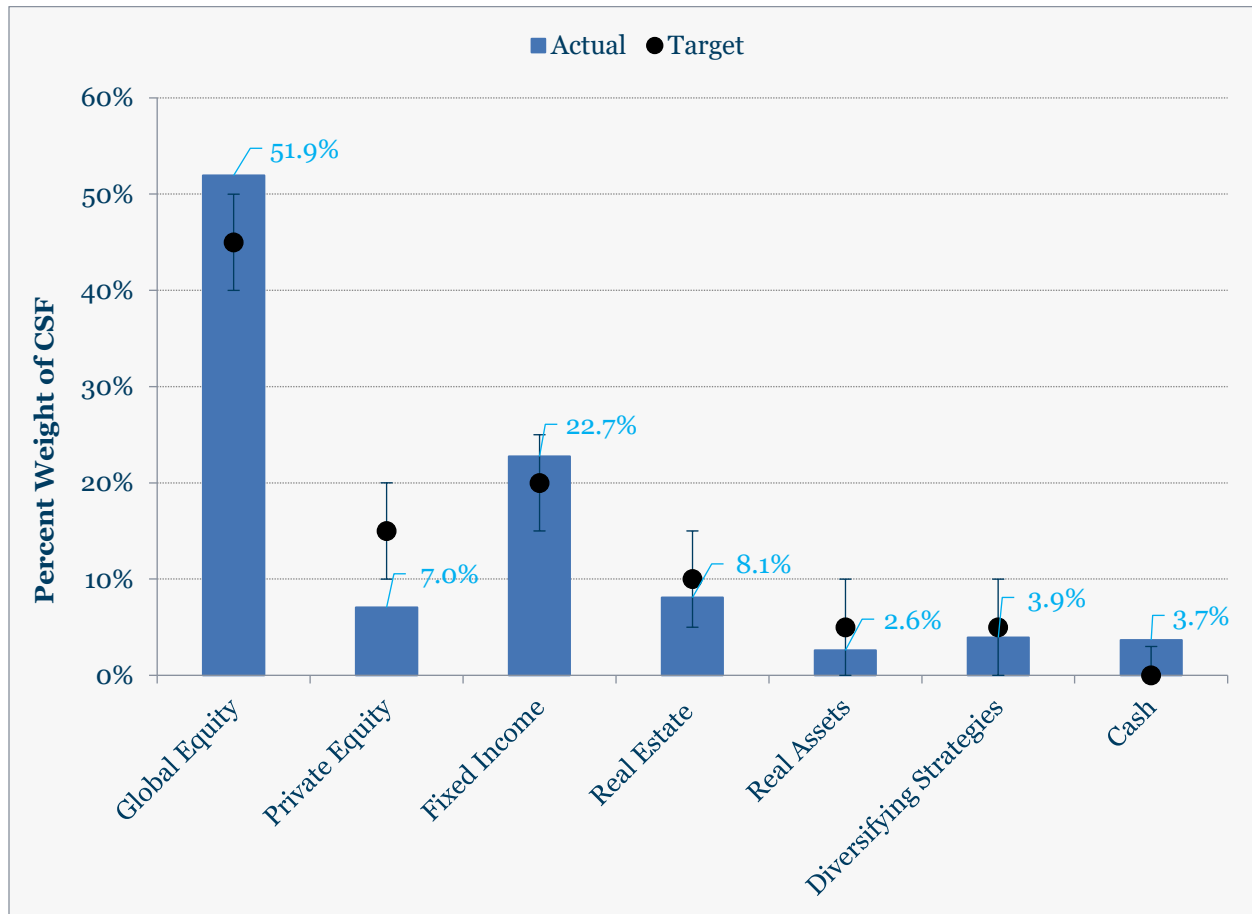
Table 1. CSF Target Asset Allocation

Asset Class	Target Allocation (%)	Interim Target (%)	Rebalancing Range (%)
Global Equity	45	47.5	40 - 50
Private Equity	15	12.5	10 - 20
Fixed Income	20	22.5	15 - 25
Real Estate	10	10.0	5 - 15
Real Assets	5	2.5	0 - 10
Diversifying Strategies	5	5.0	0 - 10
Cash	0	0	0 - 3
Total Fund	100	100.0	

Figure 1 below shows CSF's actual allocation as of December 31, 2024.



Figure 1. CSF Actual Allocation versus Target as of December 31, 2024



As of December 31, 2024, actual CSF asset allocations were within the policy tolerances relative to the established targets, except for Global Equity, Private Equity and Cash. CSF's cash balance was elevated from its typical level of around 1% to near 4% at the year end in 2024 to fund its required PERS distribution in January 2025. Table 2 shows little progress has been made to the Target Allocation for Private Equity increased by the OIC in July 2022 as it has been a slow deal market.

Table 2. CSF Current Actual Asset Allocation vs. the Allocation as of July 2022

Asset Class	Market Value in \$mil		Actual Allocation %		Target Allocation (%)
	7/31/22	12/31/24	7/31/22	12/31/24	
Global Equity	1,055	1,253	48%	52%	45%
Private Equity	202	170	9%	7%	15%
Fixed Income	565	548	26%	23%	20%
Real Estate	213	195	10%	8%	10%
Real Assets	30	62	1%	3%	5%
Diversifying Strategies	97	95	4%	4%	5%
Cash	24	89	1%	4%	0%
Total Fund	2,185	2,412	100%	100%	100%

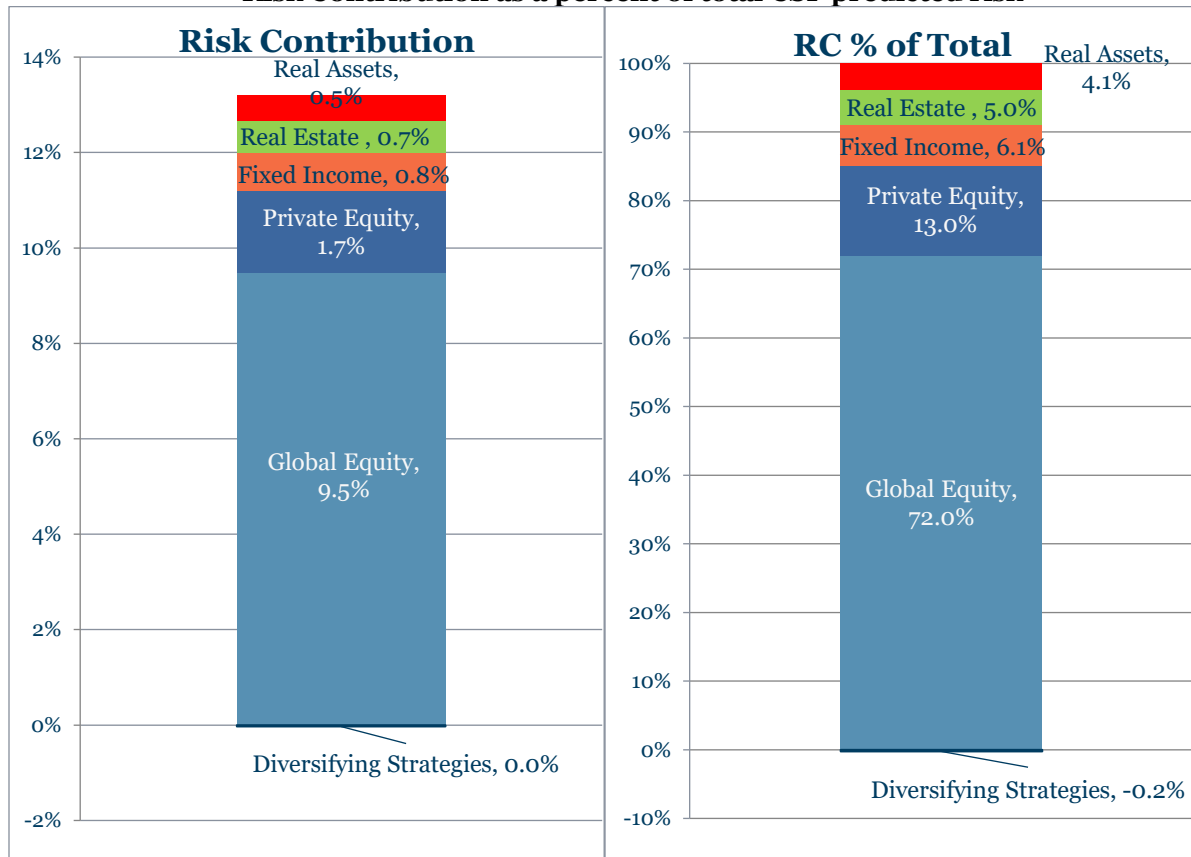
As of 12/31/2024	
Asset Class Portfolio	Uncalled Commitment (\$M)
Private Equity	\$104
Real Assets	\$67
Real Estate	\$18
Total	\$189

Source: eFront Insight

CSF Predicted Risk

The risk estimates are shown in the charts below.

Figure 2. CSF Risk Contribution by Asset Class and Risk Contribution as a percent of total CSF predicted risk



The total predicted **standard deviation**, or **volatility**, for CSF is 13.2% as of December 31, 2024. Aladdin's risk model uses a medium-term, five-year lookback.

Another item of note from Figure 2 is that "equity" risk, that is the predicted risk contributions from Global Equity and Private Equity, is estimated to be 85% of CSF's predicted risk. Equity risk has always been the largest risk contributor to CSF. INV 901: Common School Fund outlines: *"The strategic role of publicly traded equity securities is to serve as the Fund's primary return-seeking investments to generate long-term asset growth... The strategic role of private equity investments is to enhance return and diversification opportunities for the Fund."* However, equity investments are much more volatile than investment grade fixed income and U.S. Treasuries.

Over time the OIC-approved asset allocation changes have reduced CSF's volatility. Figure 3 below plots CSF's rolling 20-quarter realized beta to MSCI ACWI IMI as well as that of the Reference Portfolio of 70% MSCI ACWI IMI and 30% Bloomberg U.S. Aggregate Bond Index. CSF's realized beta was elevated during the Great Financial Crisis from 2007 to 2009 before steadily trending down. Part of that decline is due to

an increasing allocation to illiquid investments, which have smoothed performances, but the other cause is the improved diversification.

Figure 3. CSF's Beta to MSCI ACWI IMI

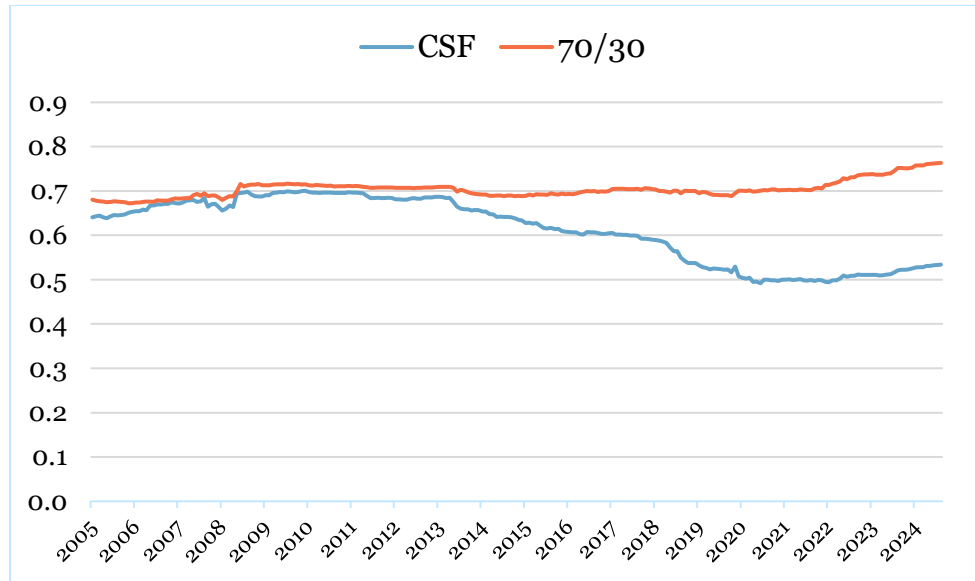
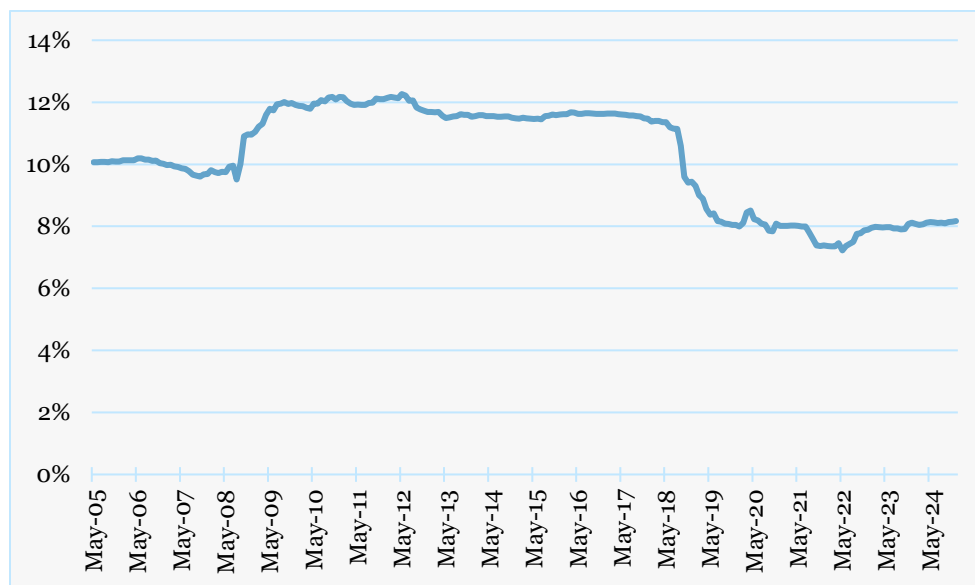


Figure 4. CSF's Rolling 10-Year Realized Volatility





TAB 6

FIDUCIARY

TRAINING

Oregon Investment Council

March 5, 2025

Board Fiduciary Training

Agenda

1. Introduction
2. Board Governance Models
3. Roles and Responsibilities
4. Fiduciary Definition and Obligations
5. Investment Concepts
6. Appendix

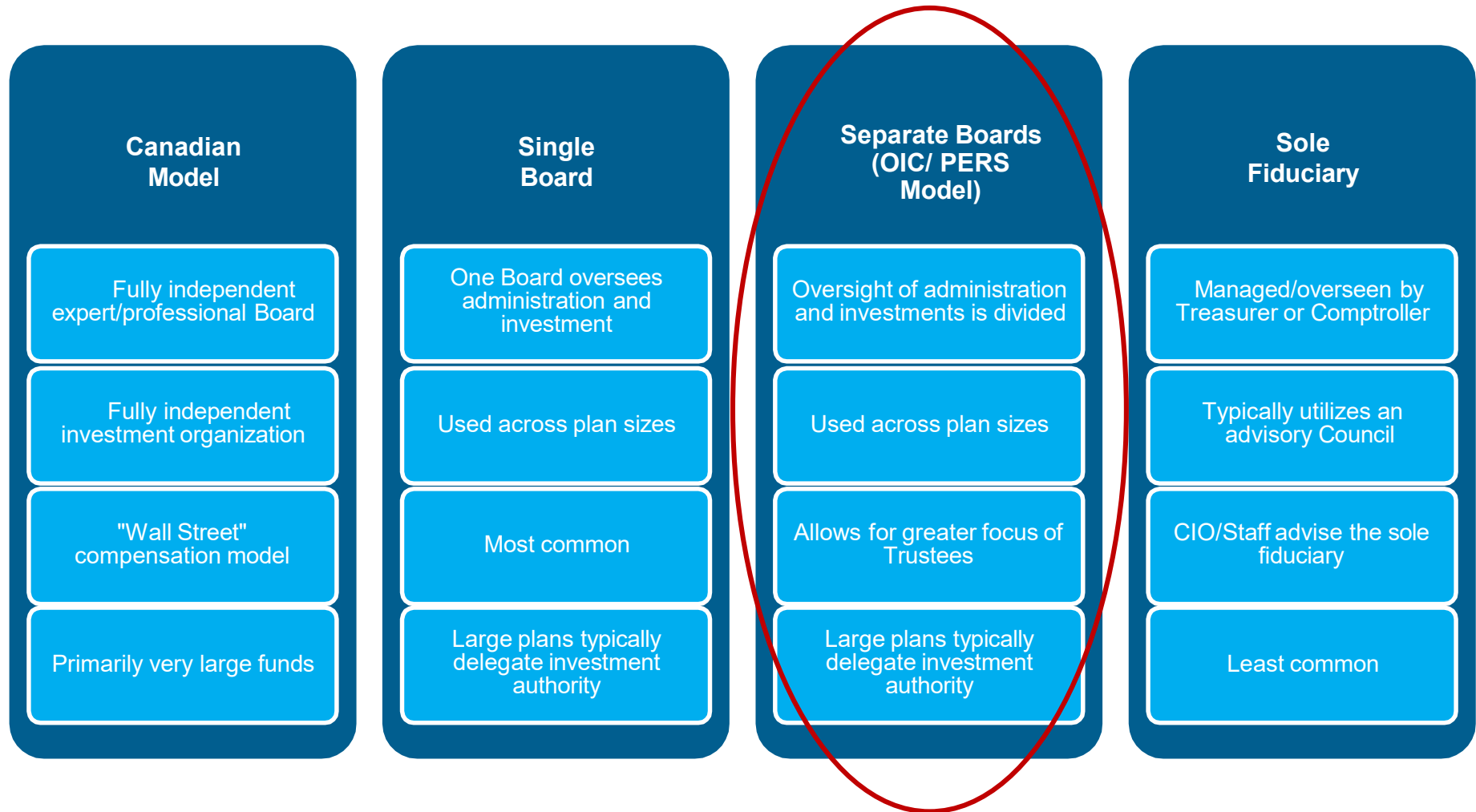
Introduction

Investment Program

- Fiduciary Education is critical to ensure appropriate governance of the various investment portfolios the OIC oversees
- Reviewing these concepts at regular intervals assist with the Council's Fiduciary obligations and understanding
- Today's presentation will focus on the current role of the Council with respect to the governance model the OIC operates within, then walk through Fiduciary obligations, and investment concepts.
- The goal of this presentation is education- please feel free to ask questions!

Governance Model

Public Pension Fund Governance Models



Roles and Responsibilities

The Oregon Investment Council (“OIC”) has the following Responsibilities

- Set Investment Policy
- Define Beliefs
- Set Asset Allocation
- Select Benchmarks for Asset Classes and Total Fund
- Oversee Consultants, Service Providers, and Staff

Investment Duties of OIC

The following areas fall under the purview of the OIC's responsibilities:

OPERF Portfolio:

Asset Class	Role	Policy Target
Public Equity	Enhanced returns, diversification	27.5
Private Equity	Enhanced returns, diversification	20
Fixed Income	Diversification, liquidity	25
Real Estate	Returns, diversification	12.5
Real Assets	Real return over inflation, diversification	7.5
Diversifying Strategies	Returns, diversification	7.5
Opportunity Portfolio	Enhanced returns and/or diversification	0
		100

Oversight of investment performance and selection of benchmarks: While the OIC sets strategic policy which includes risk measurement and performance monitoring, much of the day-to-day policy implementation decisions lie with Staff/ SIO's with the approval of the CIO.

Additionally, the operations team provides reconciliation and verification of performance

Investment Duties of OIC (continued)

Investment Program (continued), involvement of additional parties:

OIC's role and role of Treasury staff: The Oregon State Treasurer, through the Investment Division of the Office of the State Treasure ("OST"), provides staff support for the Council and, as the Council's statutorily designated "investment officer", invests and manages financial assets in accordance with Council policy.

Role of Investment Staff: The OIC tasks OST Staff (as well as external managers, consultants and other service providers) with policy implementation. Investment staff roles are delineated by asset classes. Investment management activities are largely designated to the OST Staff, as well as external fiduciaries.

OST-Investment Division consists of highly skilled, and seasoned staff. Led by asset class heads, investment staff perform the day-to-day investment activities under the direction of the council. This includes identifying, retaining, managing and disposing of investment funds as well as re-balancing discretion where appropriate.

Risk Management: An area that has evolved over the last decade, and grown in size and importance through investing in systems and people. Team monitors risk levels across OPERF plan and asset classes and reports findings to the Council on an on-going basis.

Investment Duties of OIC (continued)

→ **Role of Consultants:**

- General Consultant: Capital Markets manager research, Asset Allocation, governance, policy work
- Secondary Consultant: Asset Allocation collaboration, governance, policy work
- Specialty Consultant(s): Substantial Due diligence on investment opportunities within the respective asset classes: Real Estate, Private Equity, Alternatives

→ **Role of Custody Bank (State Street)** consists primarily of 1)being tasked with the performance reporting calculations and 2) the safekeeping of OPERF assets

→ **Other Investment Program Service Providers:**

1. BlackRock's Alladdin: Risk Analytics
2. Glass Lewis: Proxy Voting
3. Russell Investments: Overlay Manager retained to align the actual Fund portfolio with the approved policy mix, primarily through futures contracts
4. Commission Recapture Program: Commissions Rebate Program

Elements of an Investment Policy Statement

→ An investment policy statement includes sections to address:

- Purpose and scope.
 - Definition of duties (roles and responsibilities).
 - Broad objectives.
 - Investment Menu framework.
 - Permitted program investments.
 - Excluded investments.
 - Objectives and parameters of specific portfolios.
 - Sets forth operational guidelines and rules for monitoring and reviewing the portfolios and underlying funds.
 - Outlasts the longevity of the current administration and other involved parties.
- Dynamic process.
- Identified weaknesses and gaps between actual and best practices and between expectations and reality.
 - Resulting in a document that is easily understood and requires somewhat infrequent changes.

A clearly articulated investment policy statement is central to communicating a Board's governance structure and investment decision making practices.

Fiduciary Definition and Obligations

Being a Fiduciary

What is a Fiduciary?

- Any individual or entity with discretionary authority over a plan's administration or investments.

What is a Fiduciary Responsible for?

- Acting solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them;
- Carrying out their duties prudently;
- Following the plan documents;
- Diversifying plan investments; and
- Paying only reasonable plan expenses.

5 General Action Items for a Fiduciary

- Determine investment goals and objectives
- Establish an explicit, written investment policy consistent with the goals and objectives
- Approve appropriate money managers, mutual funds, other "prudent experts" to implement the investment policy, at a "reasonable" cost
- Monitor the activities of the overall investment program and compliance with the investment policy
- Avoid conflicts of interest and prohibited transactions



Fiduciaries Come in Many Flavors

OIC Members

Investment
Managers

Consultants

CIO / Staff

Service
Providers

Best Practice is an Evolution

- We believe that one of the primary components of a successful investment program is proper governance.
- In recent years, the OIC's Consultants and OPERF Staff on behalf of the OIC and with its approval, have made several improvements towards this end:
 - **Statement of Investment Beliefs** – After initial discussions with the OIC in 2020, Meketa developed a survey to poll the Board on third-party investment related topics related to risk and return. These results aided in the Asset Allocation Study completed in 2022 and in the adoption and confirmation of a set of Investment Beliefs that reflected the Board's collective thinking.
 - **Policy Work** – Meketa made suggested revisions to OPERF's full set of Board Policies to better streamline and remove redundancies with the overall objective of making clear the fiduciary duties of all parties involved – not just the OIC, but Staff and third party involvement in managing the OPERF portfolio.
 - **Roles and Responsibilities** – Meketa worked with staff and AON to recommend the roles and responsibilities as it relates to investment oversight and implementation.
 - **Committee Structures to Aid in the Delegation of Authority**

The Council's Primary Duties: Fiduciaries are Held to a High Standard of Conduct

Duty of Care

Act solely in the best interest of the Plan's account owners and beneficiaries by making informed and prudent decisions.

Requires thorough research, seeking expert advice, and continuously monitoring investment performance.



Duty of Prudence

Act with same care, skill and caution that a prudent person would exercise in similar circumstances.

This includes diversifying investments to minimize risk.



Duty to Delegate

Prudent delegation allowed to other qualified individuals or entities.

Due diligence must be exercised in this process.

Responsibilities cannot be abdicated.



Duty of Loyalty

Prioritize the Plan's interest ahead of other interests.

Avoid conflicts of interest and ensure that decisions benefit the stakeholders.



Duty of Obedience

Adhere to governing documents and the entity's mission.

Comply with relevant laws and regulations.



Duty of Disclose

Full transparency is required regarding potential conflicts of interest and any information that might affect investment decisions.

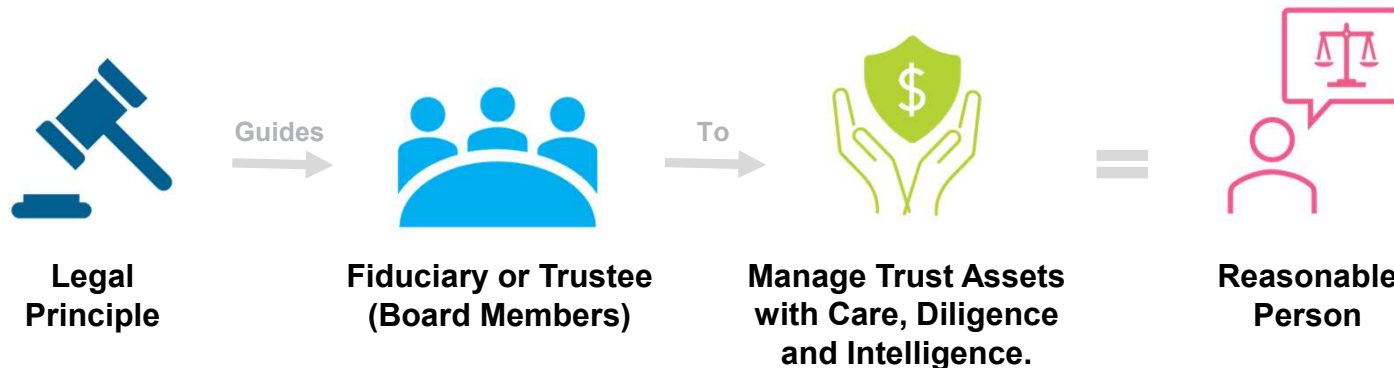


PRUDENT PERSON RULE

Oregon Investment Council

Board Fiduciary Training

- Fiduciaries must discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the situation.



- Procedural prudence is the focus and goes to the decision-making process—process, not result, is the key.
- The prudent person standard does not make the Board a guarantor of positive investment results.
- The Board is not responsible for the outcome provided it engaged in a deliberate and diligent analysis in making its investment decisions.
- Process is not just a “check the box” item; it is a tool for making prudent decisions.

Board/Council members are exposed to fiduciary liability.



A breach of fiduciary duty occurs when a fiduciary, who is entrusted to act in the best interests of another party, fails to fulfill their legal obligations and responsibilities.



Key points about a breach of fiduciary duty:



Violation of Duties: It involves the fiduciary acting in a way that contradicts their duties of care, loyalty, or obedience. This could mean making decisions that benefit themselves at the expense of the party they are supposed to protect.



Legal Consequences: Breaching fiduciary duties can lead to serious legal implications, including financial liability for any damages caused

Investment Decisions and Considerations

Investment Selection and Monitoring

→ Best Practices:

- **Ensure** an understanding of your investment portfolio's purpose and objective, with a clear definition of success.
- **Adopt** an investment strategy with expectations for both risk and return, including selecting a default fund in a participant-directed DC plan.
- **Create** a well-defined process for hiring, evaluating, and terminating investment managers.
- **Adhere** to an Investment Policy Statement (IPS).

Investment Monitoring

- The duty of prudence includes an ongoing duty to review selected investments or services periodically to determine whether the selections remain prudent.
- Best Practice: have a process in place that can be repeated and measured.
 - Establish objective criteria to effectively measure investment performance.
 - Evaluating the manager's team and organization.
 - Understanding the philosophy that guides the manager's firm.
 - Understanding the firm's process and its consistency over time.
 - Analyzing performance over time in light of the firm's philosophy and process.
 - Identify criteria that may be used in considering whether to replace an investment vehicle, including:
 - Receive and review regular reports describing the performance of the investments
 - Performance in comparison to benchmarks and peers;
 - Any deviation from initial objectives;
 - Organizational changes; and
 - Issue spotting (e.g., declining AUM, unusual asset allocation approach).
- Fiduciaries should have a strong understanding of process for investment additions/terminations

Risk Defined

- Risk is any uncertainty with respect to investments that has the potential to negatively impact financial outcomes.
- The level of risk associated with a particular investment or asset class typically correlates with the level of return the investment might achieve. The rationale behind this relationship is that investors willing to take on risky investments and potentially lose money should be rewarded for their risk.
- Investment Risk cannot be eliminated, but asset allocation and diversification help manage both systemic risk (risk affecting the economy as a whole) and non-systemic risk (risks that affect a small part of the economy, or even a single company).
 - A comprehensive asset allocation and asset liability process assists the Council in ensuring that the risks of the OPERF portfolio are measured,
 - A detailed risk monitoring process ensures that Staff undertakes appropriate care to manage the portfolio through time with appropriate risk.

Fee Considerations

- Fiduciaries, when selecting and monitoring service providers and plan investments, have a duty to act prudently and solely in interest of the plan's participants and beneficiaries.
 - They must ensure that arrangements with their service providers are “reasonable,” and that only “reasonable” compensation is paid for services.
- There is no one right answer on what is appropriate, but it is prudent for fiduciaries to have a repeatable, documented process for evaluating plan-related fees.
- Best Practices:
 - Minimize fees and expenses where possible.
 - Benchmark fees periodically.

Investment Concepts

What is a Benchmark?

- A benchmark is a standard measure that can be used to analyze the allocation, risk and return of a portfolio or mutual fund.
- In investing, benchmarks typically come in two flavors:

Index	Peer Universe
<ul style="list-style-type: none"> → Indexes include multiple securities, assets, or other instruments which represent the investable universe for a specific style of investing. 	<ul style="list-style-type: none"> → Provides a funds comparative standings (or rank) within an appropriate peer group of fund with similar mandates and objectives.
<ul style="list-style-type: none"> → Provides context in understanding a portfolio's absolute performance. 	<ul style="list-style-type: none"> → Helps gauge the effectiveness of a fund's management team versus similar funds especially in periods when absolute results are outside of historical norms.
<ul style="list-style-type: none"> → Indexes represent a portfolio of unmanaged securities that represent a designated market segment. <ul style="list-style-type: none"> • Index providers create and calculate market indices and then license their products. • Each follow their own standardized methodology. 	<ul style="list-style-type: none"> → Peer groups can be broad in nature as well as broken down into segments based on portfolio characteristics. → There are a variety of databases for the institutional and the mutual fund market. <ul style="list-style-type: none"> • Morningstar and Lipper are top providers for mutual fund peer universes.

- There are benchmarks for every type of investment and strategy. Many are used to monitor and manage the OPERF, CSF and SAIF portfolios

Active versus Passive Investing

Active Management

- Active management refers to a portfolio management strategy where the manager makes specific investments with the goal of outperforming a benchmark index.
 - If Manager A returns 10% and the S&P 500 Index returns 8%, Manager A has outperformed the benchmark index by 2%.
- An active management strategy involves making calculated decisions regarding stocks, sectors, countries, etc.

Passive Management

- Passive management refers to a portfolio management strategy where the manager makes specific investments with the goal of mimicking the structure and performance of a benchmark index.
- Investors may choose passive management because it provides broad market exposure, with minimal operating costs and fees.

ECONOMINIC INDICATORS

Oregon Investment Council

Board Fiduciary Training



"The crystal ball says to buy and the 8-Ball says to sell."

Board Fiduciary Training

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Emerging Equity 18.2%	US Equity 32.4%	Private Equity 13.8%	Real Estate 13.3%	High Yield 17.1%	Emerging Equity 37.3%	Private Equity 12.4%	US Equity 31.5%	Private Equity 29.2%	Private Equity 42.0%	Commodities 16.1%	US Equity 26.3%	US Equity 25.0%
EAFE Equity 17.3%	Private Equity 23.5%	US Equity 13.7%	Private Equity 10.3%	Private Equity 12.3%	EAFE Equity 25.0%	Real Estate 6.7%	EAFE Equity 22.0%	US Equity 18.4%	US Equity 28.7%	Real Estate 5.5%	EAFE Equity 18.2%	Hedge Funds 9.8%
Emerging Markets Debt 17.2%	EAFE Equity 22.8%	Real Estate 11.8%	US Equity 1.4%	US Equity 12.0%	US Equity 21.8%	Cash 1.9%	Private Equity 18.6%	Emerging Equity 18.3%	Commodities 27.1%	Cash 1.5%	High Yield 13.4%	High Yield 8.2%
US Equity 16.0%	Real Estate 11.0%	Bonds 6.0%	Bonds 0.5%	Commodities 11.8%	Private Equity 20.5%	Bonds 0.0%	Emerging Equity 18.4%	Hedge Funds 11.8%	Real Estate 17.7%	Hedge Funds -4.1%	Emerging Markets Debt 11.9%	Emerging Equity 7.5%
High Yield 15.8%	Hedge Funds 9.1%	TIPS 3.6%	Cash 0.0%	Emerging Equity 11.2%	Emerging Markets Debt 12.7%	TIPS -1.3%	High Yield 14.3%	TIPS 11.0%	EAFE Equity 11.3%	Private Equity -4.2%	Emerging Equity 9.8%	Private Equity 6.1%
Private Equity 14.6%	High Yield 7.4%	Hedge Funds 3.0%	EAFE Equity -0.8%	Emerging Markets Debt 10.2%	Hedge Funds 8.6%	High Yield -2.1%	Emerging Markets Debt 14.3%	EAFE Equity 7.8%	Hedge Funds 10.2%	High Yield -11.2%	Private Equity 9.3%	Commodities 5.4%
Real Estate 10.5%	Cash 0.0%	High Yield 2.5%	Hedge Funds -1.1%	Real Estate 8.0%	High Yield 7.5%	US Equity -4.4%	Hedge Funds 10.4%	Bonds 7.5%	TIPS 6.0%	TIPS -11.8%	Hedge Funds 8.1%	Cash 5.3%
TIPS 7.0%	Bonds -2.0%	Emerging Markets Debt 0.7%	TIPS -1.4%	Hedge Funds 5.4%	Real Estate 7.0%	Hedge Funds -4.7%	Bonds 8.7%	High Yield 7.1%	High Yield 5.3%	Bonds -13.0%	Bonds 5.5%	EAFE Equity 3.8%
Hedge Funds 6.4%	Emerging Equity -2.6%	Cash 0.0%	High Yield -4.5%	TIPS 4.7%	Bonds 3.5%	Emerging Markets Debt -5.2%	TIPS 8.4%	Emerging Markets Debt 4.0%	Cash 0.0%	EAFE Equity -14.5%	Cash 5.0%	Emerging Markets Debt 2.0%
Bonds 4.2%	Emerging Markets Debt -7.1%	Emerging Equity -2.2%	Emerging Markets Debt -7.1%	Bonds 2.6%	TIPS 3.0%	Commodities -11.2%	Commodities 7.7%	Real Estate 1.6%	Bonds -1.5%	Emerging Markets Debt -14.8%	TIPS 3.9%	TIPS 1.8%
Cash 0.1%	TIPS -8.6%	EAFE Equity -4.9%	Emerging Equity -14.9%	EAFE Equity 1.0%	Commodities 1.7%	EAFE Equity -13.8%	Real Estate 6.4%	Cash 0.5%	Emerging Equity -2.5%	US Equity -18.1%	Real Estate -7.9%	Bonds 1.3%
Commodities -1.1%	Commodities -9.5%	Commodities -17.0%	Commodities -24.7%	Cash 0.3%	Cash 0.9%	Emerging Equity -14.6%	Cash 2.1%	Commodities -3.1%	Emerging Markets Debt -5.3%	Emerging Equity -20.1%	Commodities -7.9%	Real Estate 0.4%

GDP Construction Spending
Retail Sales Wage Growth
PPI Consumer Spending
Home Building
New Jobs Unemployment
Consumer Savings CPI
Inflation Home Sales
Industrial Production
Manufacturing Demand
PCE Interest Rates

TOP US ECONOMIC INDICATORS

Oregon Investment Council

Board Fiduciary Training

1 | GDP

- Provides the overall value of the goods and services that the economy produces
- Indicates if the economy is growing or slowing

2 | Unemployment

- Measures the percentage of the nations labor force that is unemployed
- High unemployment leads to lower consumer spending and economic output

3 | Inflation

- Measures the change in the price of goods and services in the economy
- CPI (Consumer Price Index) is the most commonly used inflation index

4 | Interest Rates

- Cost of borrowing money set by the Feder Reserve
- Lower rates encourage spending and investment, which can boost GDP and reduce unemployment

Asset Allocation and Diversification

What's the difference?

Asset Allocation

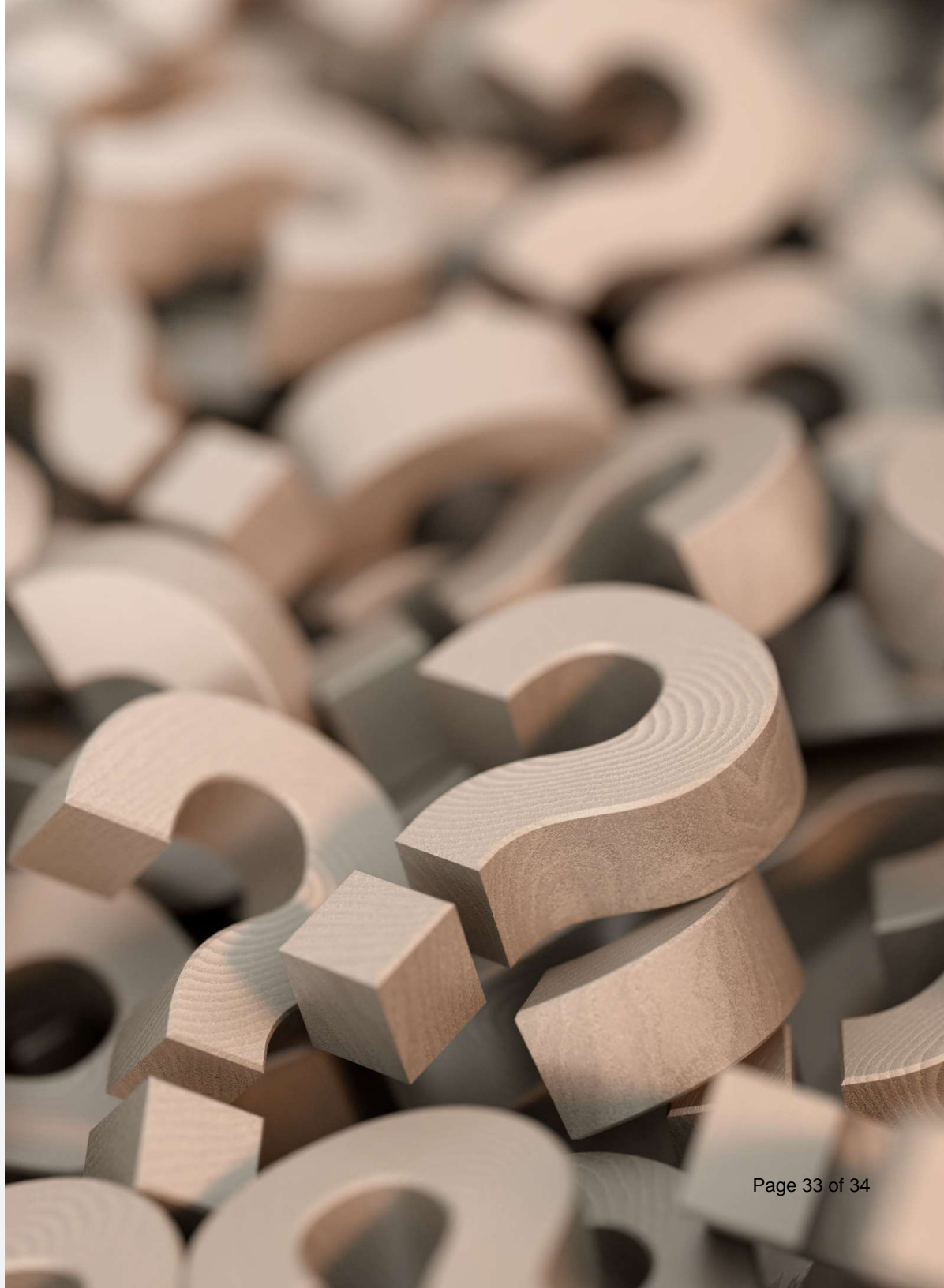
The portion, or percentage, of each asset class that an investor has in their portfolio. For example, 60% stocks and 40% bonds.

Diversification

A risk management practice to reduce the impact of any one investment, by investing in a mix of assets that move up and down under different market conditions.

Different, but related.

Questions



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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



TAB 7

CALENDAR – FUTURE

AGENDA ITEMS

2025 OIC Forward Calendar and Planned Agenda Topics

April 16, 2025	Individual Account Program (IAP) Review OSGP Annual Review Real Assets Portfolio Review Real Estate Portfolio Review OPERF Capital Markets Assumptions
May 28, 2025	OIC-PERS Joint Session Q1 Performance Review: OPERF Fixed Income Portfolio Review: OPERF Diversifying Strategies Portfolio Review
July 16, 2025	CANCELLED
September 3, 2025	Q2 Performance Review: OPERF, CSF
October 22, 2025	Operations Annual Review
December 3, 2025	Q3 OPERF Performance OSTF, OITP Annual Review
January 21, 2026	Public Equity Portfolio Review Private Equity Portfolio Review 2027 OIC Calendar Approval
March 4, 2026	2025 Performance Review: OPERF, CSF, SAIF Opportunity Portfolio Review



TAB 8

OPEN DISCUSSION



TAB 9

PUBLIC COMMENTS

Public comments can now be found at the OIC website at:

<https://www.oregon.gov/treasury/invested-for-oregon/pages/oregon-investment-council.aspx>