



**OREGON  
STATE  
TREASURY**

# Oregon Investment Council

**September 3, 2025**

**Cara Samples**  
Chair

**Elizabeth Steiner**  
State Treasurer

**Rex Kim**  
Chief Investment Officer



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

## Agenda

September 3, 2025  
9:00 AM

<u>Time</u>	<u>Tab</u>		<u>Presenter</u>
9:00 – 9:05	1	<b>Review &amp; Approval of Minutes</b> May 28, 2025 & July 16, 2025	Cara Samples <i>OIC Chair</i>
	2	<b>Committee Reports</b>	Rex Kim <i>Chief Investment Officer</i>
9:05 – 10:00	3	<b>Market Presentation</b>	Howard Marks <i>Co-Chairman, Oaktree Capital</i>
10:00 – 10:30	4	<b>OPERF Q2 Performance Review</b>	Mika Malone <i>Managing Principal, Meketa</i> Paola Nealon <i>Managing Principal, Meketa</i> Eric Larsen <i>Vice President, Meketa</i>

--BREAK--

10:40 – 11:00    5            **OPERF Risk Survey Overview**

Mika Malone  
*Managing Principal, Meketa*  
Colin Bebee  
*Managing Principal, Meketa*

11:10 – 11:40    6            **OPERF Fixed Income & Internal Fixed Income Review**

Amy Hsiang-Wei  
*Senior Investment Officer, Fixed Income*  
John Lutkehaus  
*Investment Officer, Fixed Income*  
Will Hampson  
*Investment Officer, Fixed Income*  
Andrew Coutu  
*Senior Investment Analyst, Fixed Income*

--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

May 28, 2025

#### Meeting Minutes

Members Present:	Treasurer Elizabeth Steiner (Attended Virtually), Cara Samples, Lorraine Arvin, Pia Wilson-Body (Attended Virtually), Alline Akintore
Staff Present:	Rex Kim, David Randall, Karl Cheng, Barry Ford, Louise Howard, Claire Illo, Jamie McCreary, George Naughton, Gloria Gil, Eric Engelson, Amy Hsiang, Phillip Larrieu, Geoff Hildreth, Kenny Bao, Bryson Pate, Aleshia Slaughter, Asia Slaughter, Jennifer Kersgaard
Staff Participating Virtually:	Oyin Ajayi, Jaime Alvarez, Tyler Bernstein, Tan Cao, Austin Carmichael, Ginger Clark, Shain Corey, Andrew Coutu, Robb Cowie, Kiara Cruz, Bradley Curran, Tara Curran, Debra Day, Patrick Deptula, Keaton Flannery, Brenda Gibson, Alli Gordon, Annie Gregory, Will Hampson, Wil Hiles, Ian Huculak, Roy Jackson, Aliese Jacobsen, Josh Jones, Tim Kane, David Karr, Young Kim, Calvin Kincaid, Amanda Kingsbury, Paul Koch, Elena Krupinova, Perrin Lim, Ben Mahon, Michael Makale, Sommer May, Eric Messer, Tim Miller, Wendi Nelson, Meghan O'Brien, Jen Plett, Mohammed Quraishi, Jo Recht, Scott Robertson, Rich Rowzee, Faith Sedberry, Mark Selfridge Jason Service, Katie Slebodnik, Melissa Sloan, Alli Sorensen, Victoria Tan, Loren Terry, Anna Totdahl, Andrey Voloshinov, Eme Wisniewski, Tiffany Zahas
Consultants Present:	Allan Emkin, Mika Malone, Colin Bebee, Christy Fields, Ashley Woeste, Raneen Jalajel, Paola Nealon, Tom Martin, Stephen Kennedy (Virtual), Ryan Fitzgerald (Virtual), Matt Larrabee, Scott Preppernau, Jardon Jaramillo (Attended Virtually), John Scanlan, Suzanne Linneen, Kristen Connor, Bob, Hestand, Chris Nikolich, Elena Wang, Lisa Egly, Jake O'Shaughnessy,
PERS Present:	Kevin Olineck
Legal Counsel Present:	Steve Marlowe (Department of Justice)

The May 28th, 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 – 9:01	1	<b>Review &amp; Approval of Minutes</b> April 16, 2025 Chair Samples asked for approval of the April 16, 2025, OIC regular meeting minutes. Member Arvin moved approval at 9:01 am, member Akintore seconded the motion which then passed by a 5/0 vote.
Cara Samples Chair	Lorraine Arvin Vice-Chair	Pia Wilson-Body Member
Alline Akintore Kabbatende Member	Elizabeth Steiner State Treasurer	Kevin Olineck PERS Director

**Yes votes: Treasurer Elizabeth Steiner (Attending Virtually, Cara Samples, Lorraine Arvin, Alline Akintore, Pia Wilson-Body (Attending Virtually))**

- |              |   |  |   |
|--------------|---|--|---|
| 9:01 – 9:02  | 2 | <b>Committee Reports</b>   | Rex Kim<br><i>Chief Investment Officer</i>  |
| 9:02 – 9:03  | 3 | <b>OIC Elections</b><br>(Action Item: Vice-Chair Election)<br>Chair Samples asked for approval to elect Alline Akintore as OIC Vice Chair. Member Arvin moved approval at 9:03 am, member Wilson-Body seconded the motion which then passed by a 5/0 vote. <b>Yes votes: Treasurer Elizabeth Steiner (Attending Virtually, Cara Samples, Lorraine Arvin, Alline Akintore, Pia Wilson-Body (Attending Virtually))</b>   | Cara Samples<br><i>OIC Chair</i>  |
| 9:03-9:05    | 4 | <b>Real Estate Consultant Contract</b><br>(Action Item: Approval of Contract)<br><br>Staff proposes that the OIC extend its current contract with Meketa for an additional two-year period beginning July 1, 2025, and ending June 30, 2027, on behalf of the Real Estate Portfolio. Chair Samples moved approval at 9:04 am, member Akintore seconded the motion which then passed by a 5/0 vote. <b>Yes votes: Treasurer Elizabeth Steiner (Attending Virtually, Cara Samples, Lorraine Arvin, Alline Akintore, Pia Wilson-Body (Attending Virtually))</b> | Gloria Gil<br><i>Senior Investment Officer, Real Estate</i>   |
| 9:06 – 9:08  | 5 | <b>SAIF Policy</b><br>(Action Item: Approval of Policy)<br><br>Staff recommends that the OIC approve INV 1002: SAIF Investment Guidelines as submitted. Member Arvin moved approval at 9:07 am, member Akintore seconded the motion which then passed by a 5/0 vote. <b>Yes votes: Treasurer Elizabeth Steiner (Attending Virtually, Cara Samples, Lorraine Arvin, Alline Akintore, Pia Wilson-Body (Attending Virtually))</b>   | Jamie McCreary<br><i>Service Model Program Manager</i>  |
| 9:08 – 10:13 | 6 | <b>OIC-PERS Board Joint Session</b><br><br>Matt Larrabee, Principal with Milliman, Scott Preppernau, Principal with Milliman, Jardon Jaramillo, Board Chair with PERS, John Scanlan, Vice Chair with PERS, Suzanne Linneen PERS, Kristen Connor, PERS, and Bob Hestand PERS, presented the OIC-PERS Board Joint Session. The presentation included investment return outlooks, comparisons to peer systems, and projected benefit payments.  | Matt Larrabee<br><i>Principal, Milliman</i><br>Scott Preppernau<br><i>Principal, Milliman</i><br>Jardon Jaramillo, <i>Board Chair, PERS</i><br>John Scanlan, <i>Vice Chair, PERS</i><br>Suzanne Linneen, <i>PERS</i><br>Kristen Connor, <i>PERS</i><br>Bob Hestand, <i>PERS</i> |

--BREAK--

- 10:21 – 10:58      7      **OPERF Asset Allocation Discussion**
- Karl Cheng  
*Senior Investment Officer, Portfolio Risk & Research*  
Colin Bebee  
*Managing Principal, Meketa*  
Allan Emkin  
*Managing Principal, Meketa*

Karl Cheng, Senior Investment Officer, Colin Bebee, Managing Principal, Meketa, and Allan Emkin, Managing Principal, Meketa, presented the OPERF Asset Allocation Discussion. The presentation included OPERF capital market assumptions from Meketa, Aon, and Staff, as well as risk/return analysis.

- 10:58 – 11:17      8      **OPERF Q1 Performance Review**
- Paola Nealon  
*Managing Principal, Meketa*  
Mika Malone  
*Managing Principal, Meketa*

Paola Nealon, Managing Principal, Meketa, and Mika Malone, Managing Principal, Meketa, presented the OPERF Q1 performance Review. The presentation included a market update and performance review.

OPERF's returns underperformed the 1-Year and 5-Year benchmark by -3.4% and -0.5% respectively.

- 11:17 – 11:43      9      **Individual Account Program**
- Jamie McCreary  
*Service Model Program Manager*  
Chris Nikolich  
*Head of Glide Path Strategies (US)*  
Alliance Bernstein  
Elena Wang  
*Portfolio Manager, Alliance Bernstein*

Jamie McCreary, Service Model Program Manager, and Chris Nikolich, Head of Glide Path Strategies with Alliance Bernstein, and Elena Wang, Portfolio Manager with Alliance Bernstein, presented the Individual Account Program Overview. The presentation included a plan overview and IAP Custom Target-Date Fund Design.

IAP's returns: For the quarter strong relative returns, lagged on the 1 year (2024) and strong since inception performance with returns ranging from 8.2% to 4.6%.

- 11:43 – 12:12      10      **Oregon Savings Growth Plan**
- Jamie McCreary  
*Service Model Program Manager*  
Lisa Egly  
*Deferred Compensation Plan Program Manager, OSGP*  
Jake O'Shaughnessy, CFA

*Managing Director, SageView Advisory Group*

Jamie McCreary, Service Model Program Manager, Lisa Egly, Deferred Compensation Plan Program Manager with OSGP, and Jake O'Shaughnessy, CFA Managing Director with SageView Advisory Group, presented the OSGP Annual Review. The presentation included a plan overview, plan highlights, and Performance Update.

There were 36,798 OSGP participants in 2024, with 32% of plan assets invested in LifePath Index Fund Options.

--BREAK--

12:16 – 12:23      11      **Coal Act**      Philip Larrieu  
*Investment Officer, Stewardship*

Philip Larrieu, Investment Officer, Stewardship, presented the HB 4083 Review. The presentation included the purpose of House Bill 4083, concerning thermal coal investments within the Oregon Public Employees Retirement Fund (OPERF), and Staff analysis and proposed implementation.

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

13      **Public Comments**

The meeting ended at 12:32pm



# State of Oregon

## Office of the State Treasurer

16290 SW Upper Boones Ferry Road

Tigard, Oregon 97224

### OREGON INVESTMENT COUNCIL

July 16, 2025

#### Meeting Minutes

Members Present Virtually:	Treasurer Elizabeth Steiner, Cara Samples, Lorraine Arvin, Pia Wilson-Body, Alline Akintore
Staff Participating Virtually:	Sybil Ackerman-Munson, Jaime Alvarez, Kenny Bao, Tyler Bernstein, Taylor Bowman, Tan Cao, Austin Carmichael, Karl Cheng, Shain Corey, Andrew Coutu, Robb Cowie, Kiara Cruz, Bradley Curran, Tara Curran, Debra Day, Patrick Deptula, Ahman Dirks, Chris Ebersole, Eric Engleson, Keaton Flannery, Barry Ford, Elissa Gavette, Gloria Gil, Alli Gordon Will Hampson, Nick Haskins, Geoff Hildreth, Wil Hiles, Louise Howard, Jessica Howell, Amy Hsiang-Wei, Ian Huculak, Clair Illo, Roy Jackson, Aliese Jacobsen, Josh Jones, Tim Kane, Jennifer Kersgaard, Rex Kim, Amanda Kingsbury, Paul Koch, Krystal Korthals, Kayla Kumm, Philip Larrieu, Carmen Leiva, Perrin Lim, Ben Mahon, Michael Makale, Sommer May, Jamie McCreary, Eric Messer, Dana Millican Mike Mueller, Wendi Nelson, Meghan O'Brien, Bryson Pate, Jen Plett, Mohammed Quraishi, David Randall, Jo Recht, Scott Robertson, Mark Selfridge, Jason Service, Aleshia Slaughter, Tracy Steckmann, Victoria Tan, Loren Terry, Mika Tomizawa, Anna Totdahl, Andrey Voloshinov, Tiffany Zahas
Consultants Present Virtually:	Allan Emkin, Ashley Woeste, Andrew Mikolasy, Christy Fields, Henry McVey, Stephen Kennedy, Tony Hass,
PERS Present Virtually:	Kevin Olineck
Legal Counsel Present Virtually:	Samuel Zeigler (Department of Justice)

The July 16th, 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 – 9:50	1	<b>Speaker</b>
		Atul Lele <i>Senior Researcher, Head of Portfolio Strategist Group, Bridgewater Associates, LP</i> Andrew Mikolasy <i>Partner, Senior Client Advisor-Head of Americas, Bridgewater Associates, LP</i> Atul Lele, Senior Researcher, Head of Portfolio Strategist Group with Bridgewater Associates, presented an informational session centered on evolving strategies in investment and current events that are
Cara Samples Chair	Lorraine Arvin Vice-Chair	Pia Wilson-Body Member
		Alline Akintore Kabbatende Member
		Elizabeth Steiner State Treasurer
		Kevin Olineck PERS Director

changing the investment landscape. Atul Lele was joined by Andrew Mikolasy, Partner, Senior Client Advisor-Head of Americas, Bridgewater Associates

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10:00 – 10:50	2	<b>Speaker</b>	Henry McVey <i>Partner, Head of Global Macro &amp; Asset Allocation, KKR</i> Tony Hass <i>Partner, Global Client Solutions, KKR</i>
			Henry McVey, Partner, Head of Global Macro & Asset Allocation with KKR, presented an informational session centered on evolving strategies in investment and current events that are changing the investment landscape. Henry McVey was joined by Tony Hass, Partner, Global Client Solutions, KKR.

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3	<b>Open Discussion</b>	OIC Members, Staff, Consultants
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The Meeting adjourned at 11:05am



## TAB 2

# COMMITTEE REPORTS



OREGON  
STATE  
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# TAB 3

## MARKET PRESENTATION



## TAB 4

# OPERF Q2 PERFORMANCE REVIEW



# Oregon Public Employees Retirement Fund

September 3, 2025

Second Quarter 2025  
Performance

1. Economic and Market Update as of June 30, 2025
2. Executive Summary
3. Performance Update as of June 30, 2025
4. Disclaimer, Glossary, and Notes

## **Economic and Market Update**

Data as of June 30, 2025



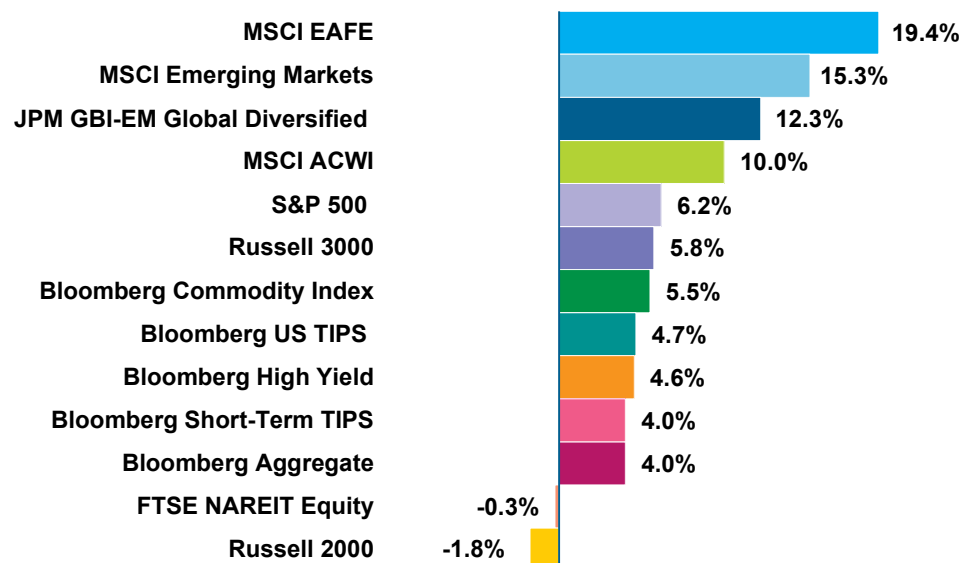
### Commentary

**During the quarter, US trade policy drove market dynamics. Significant volatility in early April after the initial tariff announcement was followed by a recovery in risk assets on their later temporary suspension. In fixed income markets, fiscal policy uncertainty and growing debt levels shaped market sentiment.**

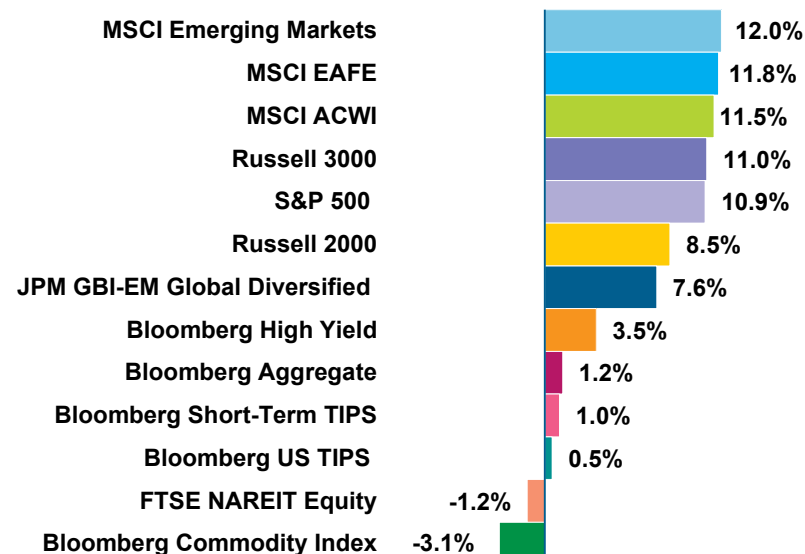
- Domestic equities rose during the quarter (Russell 3000: +11.0%) and growth stocks, particularly technology, led the way.
- Non-US developed-market stocks (MSCI EAFE: +11.8%) beat US markets, extending their outperformance over most asset classes year-to-date by returning +19.4%.
- Emerging market equities were the best performers, returning +12.0% for the quarter, despite a modest +2.0% return in China.
- In mid-June, the Federal Reserve held rates steady (but messaging was perceived as more accommodative by market participants compared to earlier in the year), with inflation, while improving, remaining above target and the unemployment rate still low.
- Outside of longer dated government bonds, most fixed income markets rose for the quarter as yields generally remained stable or declined. The broad Bloomberg Aggregate Index returned +1.2%, while long-term Treasuries fell -1.5%. Riskier bonds did better as risk sentiment improved with emerging market debt increasing +7.6% and high yield bonds gaining +3.5%.
- Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The track of the US deficit, China's economy and relations with the US, as well as concerns over elevated valuations and weakening earnings in the US equity market, will also be important focuses for the rest of this year.

### Index Returns<sup>1</sup>

#### YTD



#### Q2



- After tariff-related market volatility in April, global equity markets rallied in May and June on the general pausing of tariffs. Bond markets performed well with short-term yields declining in the US and intermediate-term yields remaining stable. Growing debt levels remained a key concern for major global economies.
- US equity markets continued to provide strong gains year-to-date, returning to record levels after a weak start to 2025. International equities still lead the way in 2025, particularly developed markets, supported by a weakening US dollar.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

## Domestic Equity Returns<sup>1</sup>

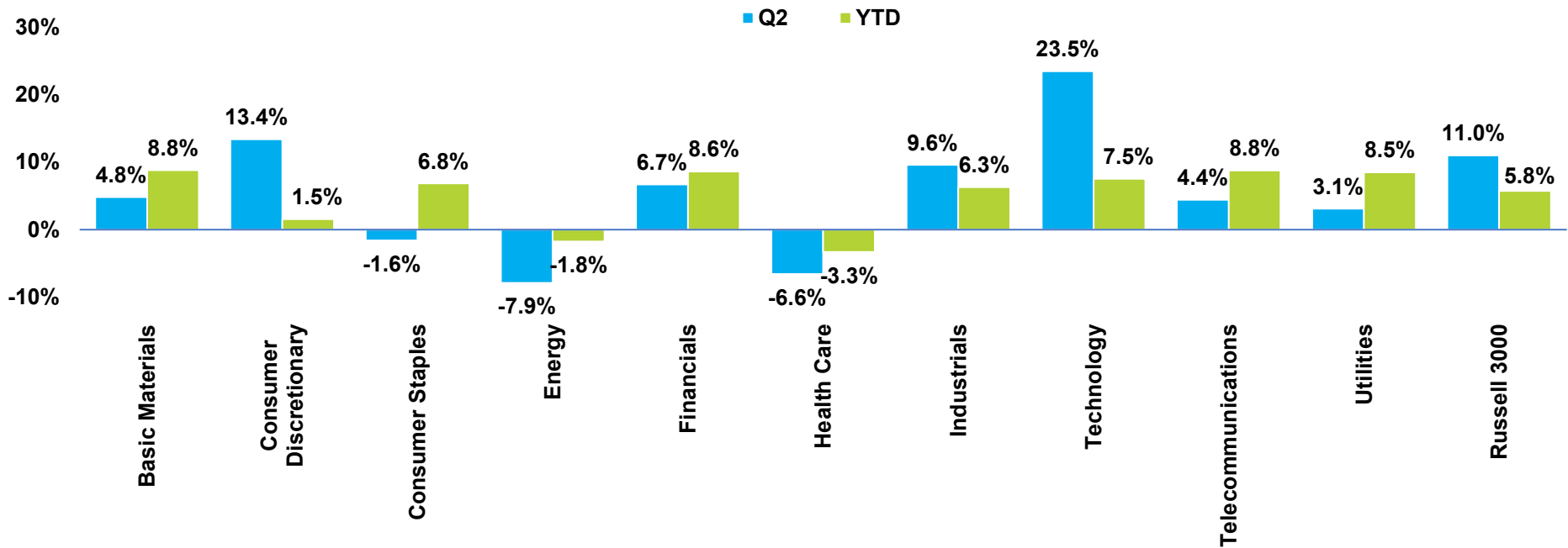
Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	5.1	10.9	6.2	15.2	19.7	16.6	13.6
Russell 3000	5.1	11.0	5.8	15.3	19.1	15.9	12.9
Russell 1000	5.1	11.1	6.1	15.7	19.6	16.3	13.3
Russell 1000 Growth	6.4	17.8	6.1	17.2	25.7	18.1	17.0
Russell 1000 Value	3.4	3.8	6.0	13.7	12.8	13.9	9.2
Russell MidCap	3.7	8.5	4.8	15.2	14.3	13.1	9.9
Russell MidCap Growth	4.4	18.2	9.8	26.5	21.4	12.6	12.1
Russell MidCap Value	3.5	5.3	3.1	11.5	11.3	13.7	8.4
Russell 2000	5.4	8.5	-1.8	7.7	10.0	10.0	7.1
Russell 2000 Growth	5.9	12.0	-0.5	9.7	12.4	7.4	7.1
Russell 2000 Value	4.9	5.0	-3.2	5.5	7.4	12.5	6.7

### US Equities: The Russell 3000 index returned +5.1% in June and +11.0% in the second quarter.

- US stocks rose during the second quarter as tariff concerns stabilized after the early April volatility. Strong corporate earnings, particularly in the technology sector, and a relatively resilient US economy also drove results.
- Growth stocks outpaced value stocks across the market cap spectrum during the quarter, particularly in large cap (+17.8% versus +3.8%) due to strong gains in the large-cap companies focused on AI.
- Small cap stocks (Russell 2000) had strong results (+8.5%) in Q2 but trailed large cap stocks (Russell 1000), which gained +11.1%. Gains in the large cap technology sector, elevated interest rates, and overall uncertainty related to the path of the US economy drove the underperformance.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

### Russell 3000 Sector Returns<sup>1</sup>



- Technology stocks led the way in the second quarter. This sector contributed more than half of the quarter's gains in the Russell 3000 index. AI favorites, including NVIDIA and Broadcom, rebounded amid strong earnings reports.
- Consumer discretionary stocks performed well for the quarter (+13.4%) given the slight easing of tariff concerns.
- Energy (-7.9%) and Health Care (-6.6%) were the largest detractors among sectors for the second quarter. Increased supply and weakening demand and plans by the new administration to lower drug prices, respectively, weighed on the two sectors.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

### Foreign Equity Returns<sup>1</sup>

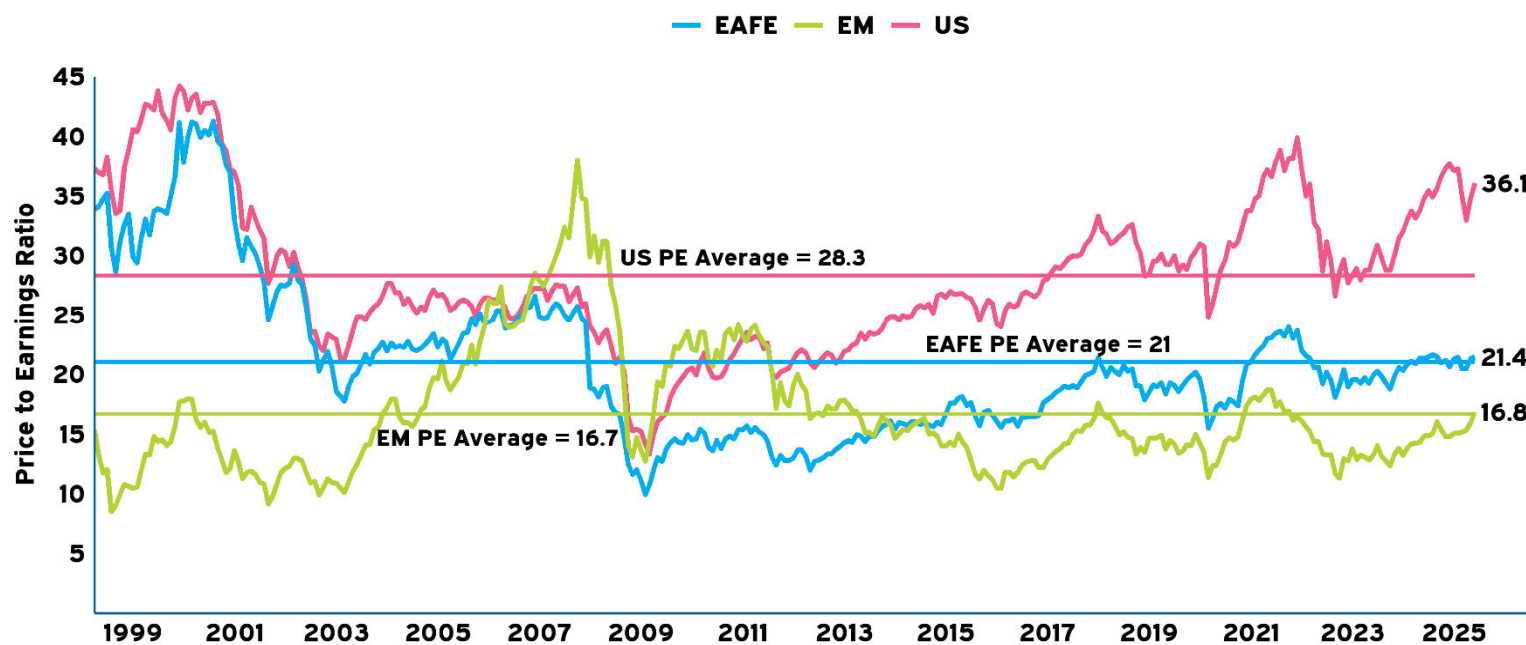
Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.4	12.0	17.9	17.7	14.0	10.1	6.1
MSCI EAFE	2.2	11.8	19.4	17.7	16.0	11.1	6.5
MSCI EAFE (Local Currency)	0.2	4.8	7.8	8.0	13.5	11.6	7.0
MSCI EAFE Small Cap	4.3	16.6	20.9	22.5	13.3	9.3	6.5
MSCI Emerging Markets	6.0	12.0	15.3	15.3	9.7	6.8	4.8
MSCI Emerging Markets (Local Currency)	4.9	7.9	10.8	12.9	10.4	7.9	6.5
MSCI EM ex China	7.0	16.5	14.5	9.4	13.2	11.3	6.2
MSCI China	3.7	2.0	17.3	33.8	3.1	-1.0	2.1

**Foreign Equity: Developed international equities (MSCI EAFE) returned +2.2% in June and +11.8% in the second quarter and emerging market equities (MSCI Emerging Markets) rose +6.0% in June and +12.0% in the second quarter.**

- Developed markets outpaced US peers as continued weakness in the US dollar (USD) acted as a significant tailwind adding +7.0% to local returns. Eurozone equities had strong results, led by real estate and industrials (particularly defense) and benefiting from two rate cuts over the quarter as inflation fell below the ECB target of 2%. Japan also saw strong returns led by growth stocks after initial tariff-related declines.
- Emerging markets ended the quarter slightly ahead of developed peers, also benefiting from the weakening USD. After the pronounced “Liberation Day” selloff, the 90-day tariff pause, and US-China dialogue eased many fears. Korea and Taiwan tech stocks benefited from continued AI optimism. China posted a small gain for the quarter as domestic consumption data continued to weigh on sentiment, and trade uncertainty lingered. India underperformed, as growth expectations were tempered, and valuations remained high.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- After a considerable pullback in April, US stock valuations rallied and finished the quarter above where they started. They continue to trade well above their long-run cyclically adjusted P/E average of 28.3.
- While non-US developed stocks have performed very well this year, at the end of June their valuations remain close to their long-run P/E ratio of 21.
- Emerging market stocks continued to rally this year and are now trading at valuations near their long-run average.

<sup>1</sup> 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 June 2025. 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.

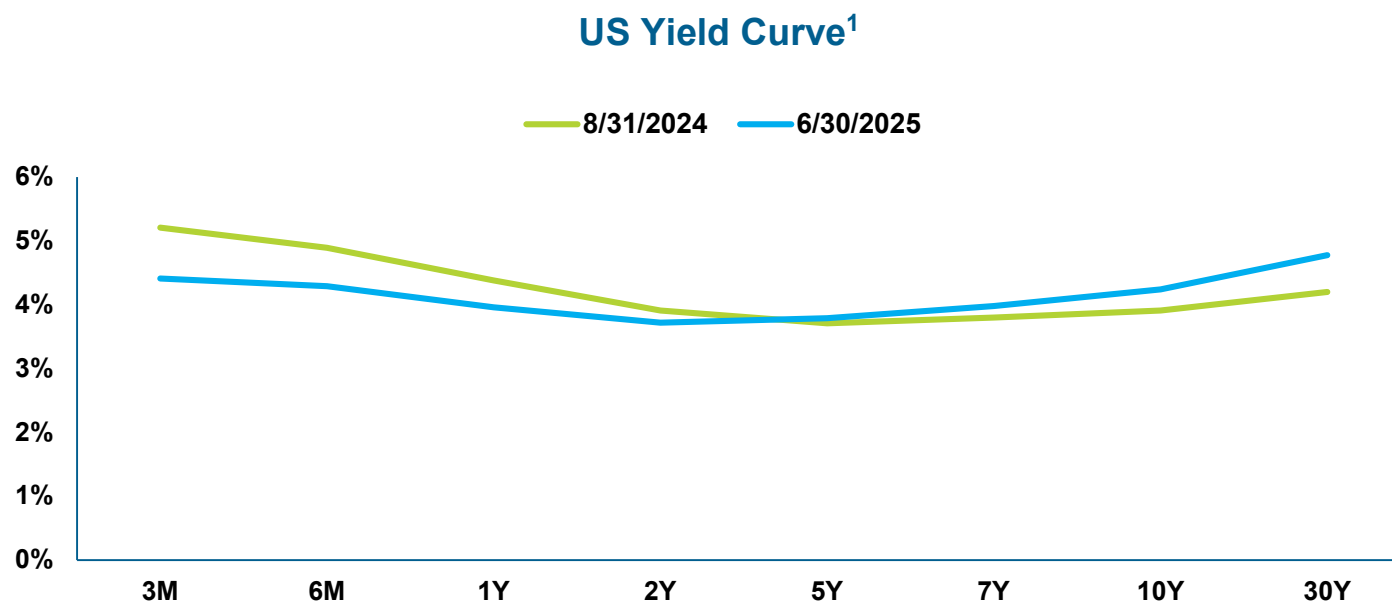
### Fixed Income Returns<sup>1</sup>

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.6	1.4	4.1	6.5	3.3	-0.1	2.1	4.7	5.9
Bloomberg Aggregate	1.5	1.2	4.0	6.1	2.5	-0.7	1.8	4.5	6.1
Bloomberg US TIPS	1.0	0.5	4.7	5.8	2.3	1.6	2.7	4.1	6.5
Bloomberg Short-term TIPS	0.5	1.0	4.0	6.5	3.9	3.8	2.9	3.9	2.4
Bloomberg US Long Treasury	2.5	-1.5	3.1	1.6	-3.7	-8.2	0.1	4.8	14.7
Bloomberg High Yield	1.8	3.5	4.6	10.3	9.9	6.0	5.4	7.1	3.2
JPM GBI-EM Global Diversified (USD)	2.8	7.6	12.3	13.8	8.5	1.9	2.1	--	--

### Fixed Income: The Bloomberg Universal index rose +1.6% in June and +1.4% in the second quarter.

- In the bond market, easing of trade tensions post early-April and rising concerns over expansionary US fiscal policies drove results.
- Outside the long-end of the yield curve, declining or stable Treasury yields supported the broad US bond market, with the Bloomberg Aggregate rising +1.2% for the quarter. Long-term Treasuries (-1.5%) underperformed as fiscal concerns in the US drove rates higher, particularly for 30-year Treasuries (+20 basis points).
- Short (+1.0%) and longer dated (+0.5%) Treasury Inflation-Protected Securities (“TIPS”) also provided positive performance as inflation risks remained.
- Given the improving risk sentiment, emerging market debt (+7.6%) and high yield (+3.5%) led the way for the quarter.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



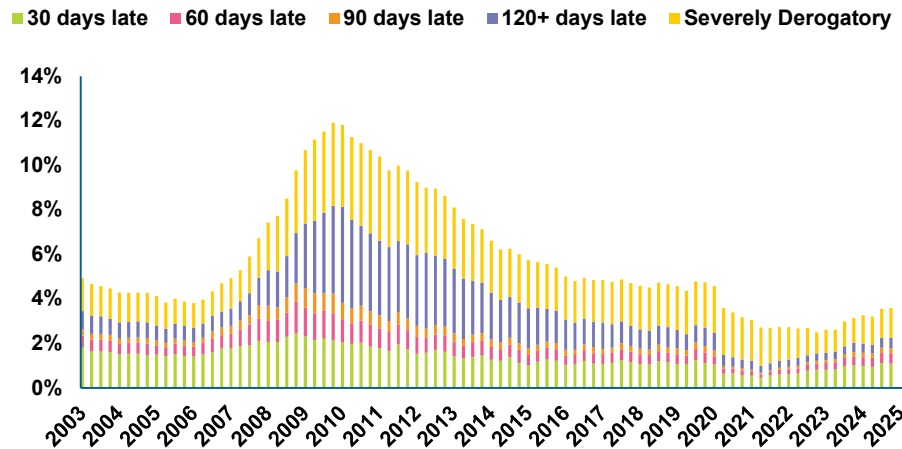
- Fiscal concerns related to a growing US government debt load and interest expense dominated headlines and market participant concerns, as did ongoing inflation-related uncertainty.
- The policy sensitive 2-year nominal Treasury yield was volatile but ultimately declined by 16 basis points to close near 3.7% as market participants factored in a greater likelihood of lower policy rates going forward.
- The 10-year nominal Treasury was also volatile but ended the period largely unchanged (4.2%), while the 30-year nominal Treasury increased by 0.2% over the quarter to 4.8% on growing debt concerns.
- These dynamics led to a continued steepening of the yield curve over the quarter.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

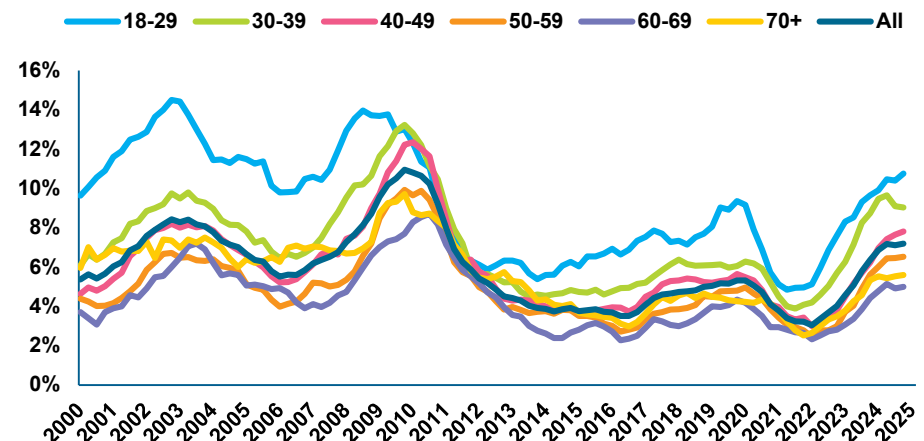


### Stress is Building on US Consumers

Total Balance by Delinquency Status<sup>1</sup>



Transition into Serious Delinquency for Credit Cards by Age<sup>2</sup>

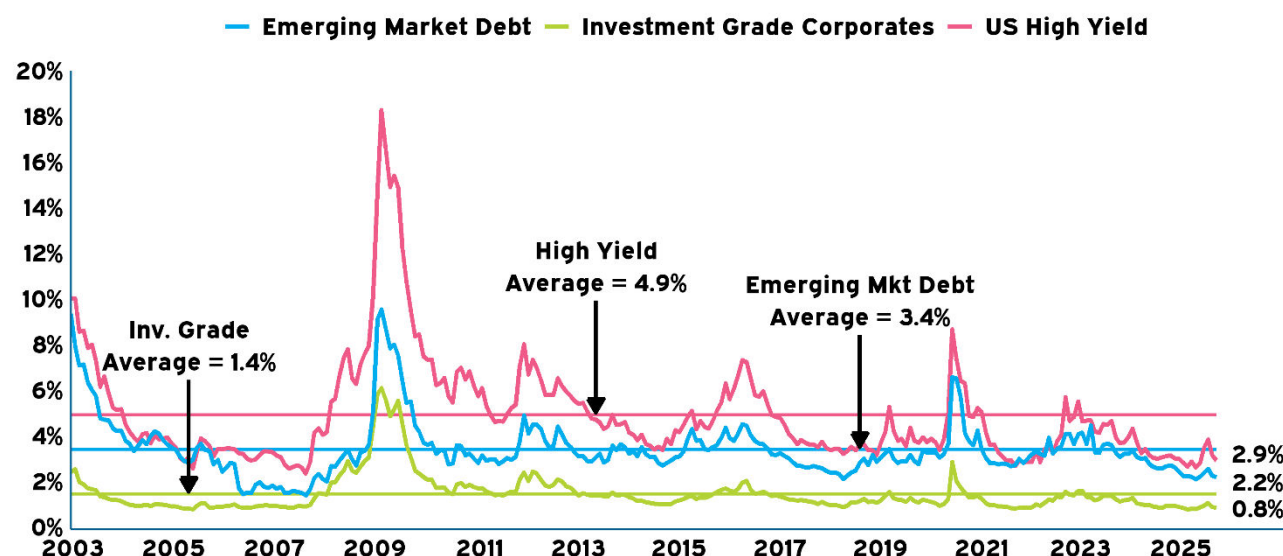


- Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started to increase.
- Parts of the credit card market, particularly for younger cohorts, have begun to show stress as borrowers are subject to variable and higher borrowing costs. Total delinquencies are well below pre-pandemic levels though.
- The restarting of student loan payments and reporting for those in default could add pressures to consumers going forward.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of April 30, 2025.

<sup>2</sup> Source: FRED. Data is as of April 30, 2025.

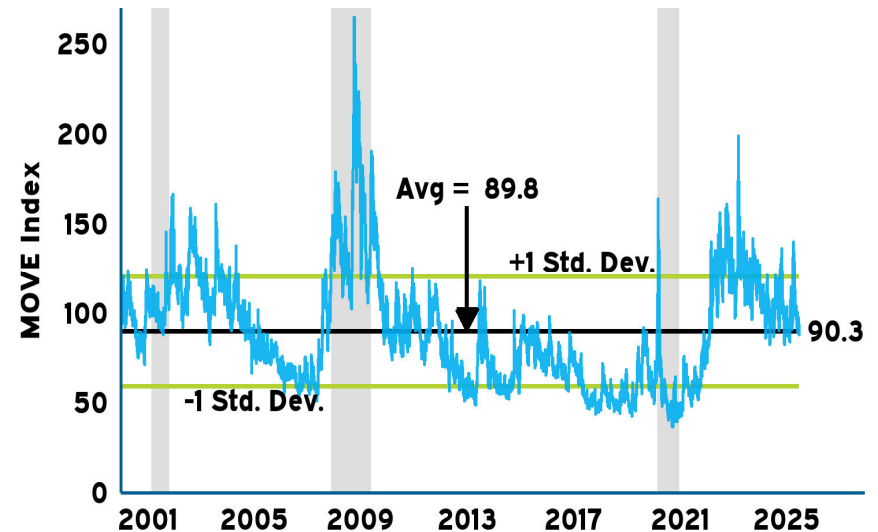
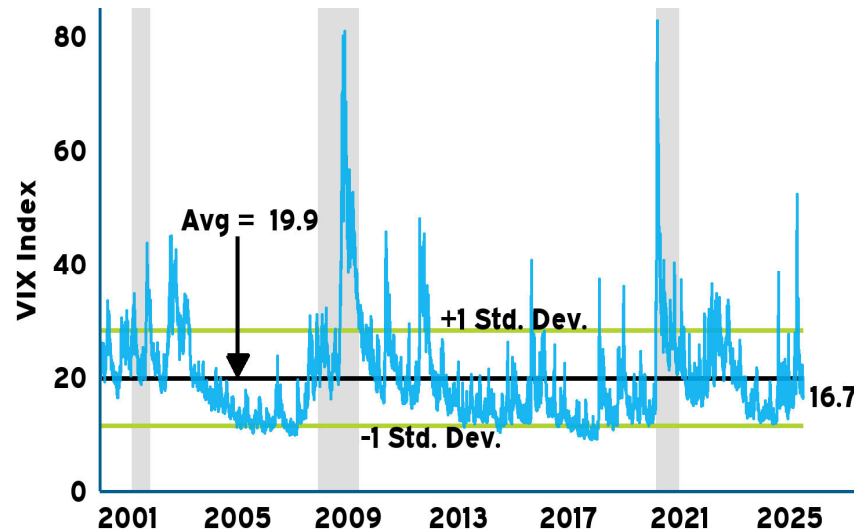
### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Despite considerable uncertainty about the looming impact of tariffs and fiscal policy, credit spreads tightened in the second quarter.
- Investment grade spreads (the difference in yield from a comparable Treasury) spiked in the risk-off environment in April but have since declined to levels below the start of the quarter.
- High yield spreads moved the most (3.5% to 2.9%) over the quarter. At the peak of uncertainty in April, they crossed above 4.5%. Emerging market spreads held steady (2.2%).
- All yield spreads remained below their respective long-run averages, especially high yield (2.9% versus 4.9%).

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025. 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.

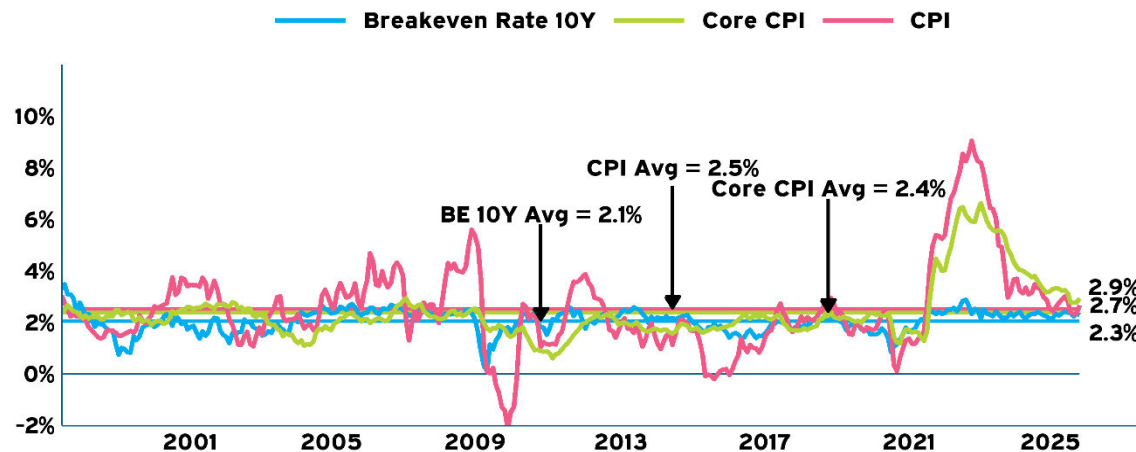
### Equity and Fixed Income Volatility<sup>1</sup>



- Bond and equity volatility spiked in April after the “Liberation Day” tariff announcement. Volatility levels finished the quarter well off highs, though, and below starting levels, as the tariff uncertainty seemed to ease.
- Volatility levels (VIX) in the US stock market finished the quarter below its long-run average while bond market (MOVE) volatility ended the quarter slightly above its long-run average.

<sup>1</sup> 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 June 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and June 2025.

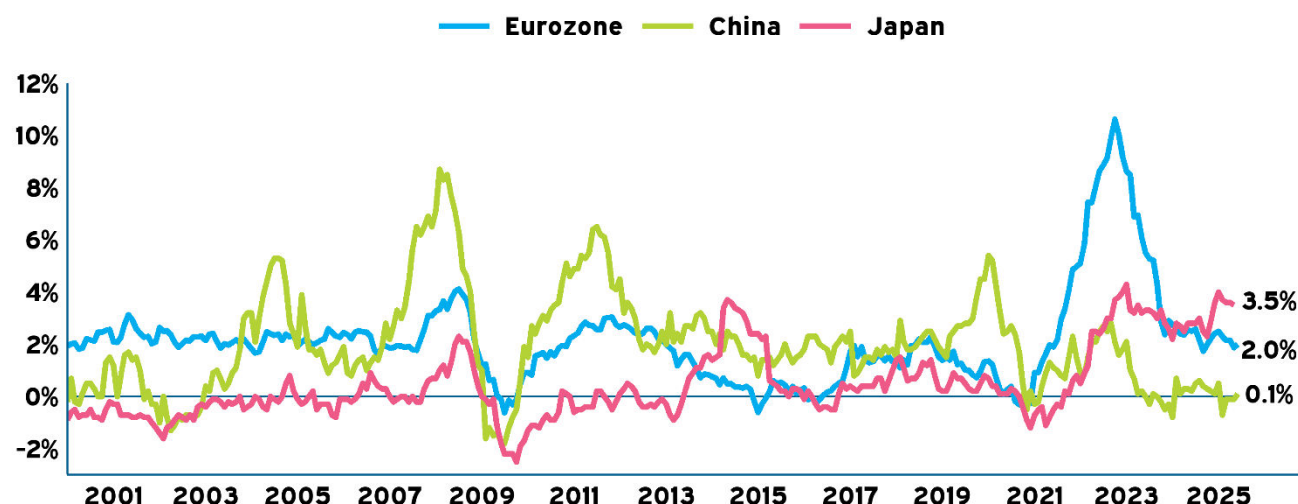
### US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- Inflation has been slow to return to the Fed's 2% average target, with headline twelve-month inflation rising from 2.4% to 2.7% over the quarter. In the June report, goods facing tariffs saw increases in prices, while a measurable decline in auto inflation, easing of cyclical services prices, and continued housing sector disinflation served as counters.
- Core inflation year-over-year also rose over the quarter, reaching 2.9%. For the month it increased 0.2%, and most core sectors outside of new and used cars saw prices increase.
- Market participants continued to highlight the dynamic of what appears to be disinflationary pressures in non-tariff exposed prices driven by weakening growth expectations, versus prices rising for those assets and sectors likely to see tariff policies solidified in the coming weeks.
- Longer-dated inflation expectations (breakevens) declined slightly over the quarter (2.4% to 2.3%) amidst on-going tariff and fiscal policy uncertainty. However, shorter-dated inflation swap pricing and survey-based measures suggest continued upside risk to prices.

<sup>1</sup> Source: FRED. Data is as of June 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

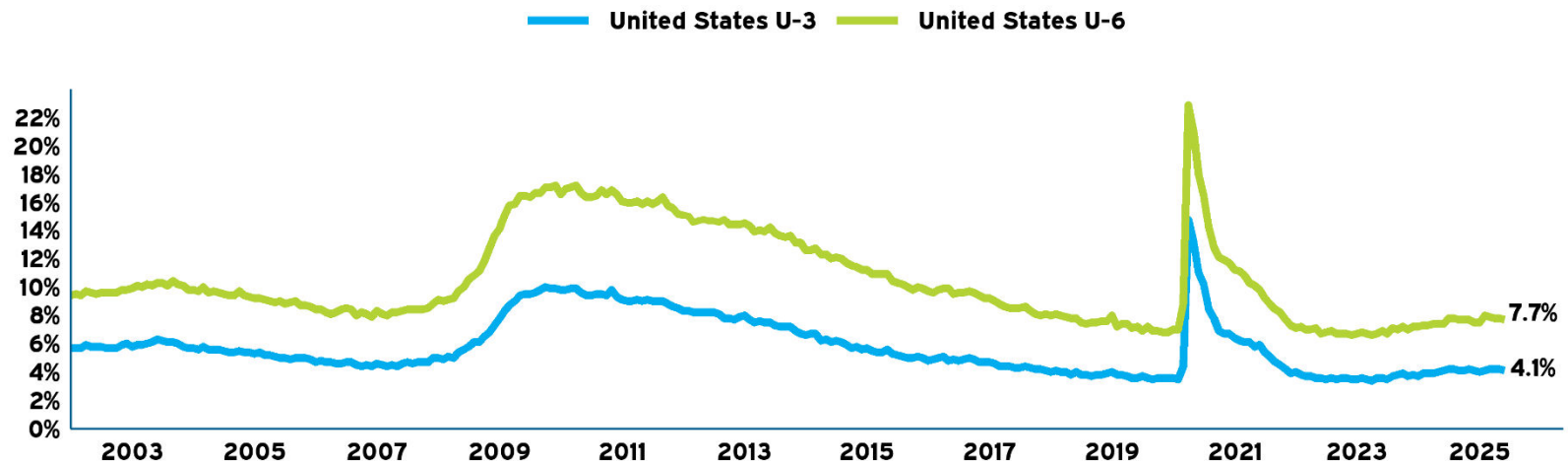
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- After its recent decline, inflation in the eurozone rose to 2% in June. Still, given reduced inflation pressures, many expect the ECB to cut interest rates once more by early next year.
- The potential impact of future tariffs has complicated the inflation outlook for the Bank of Japan. Inflation rose 3.5% in May driven by food prices with the cost of rice up over 100% year-over-year given weak harvests.
- In China, and amidst record policy stimulus, consumer prices rose for the first time since January. Still, some sectors are continuing to see deflationary pressures given the widespread weakness of the economy and ongoing trade uncertainty related to the US.

<sup>1</sup> Source: Bloomberg. Data is as of June 2025, except Japan which is as of May 2025.

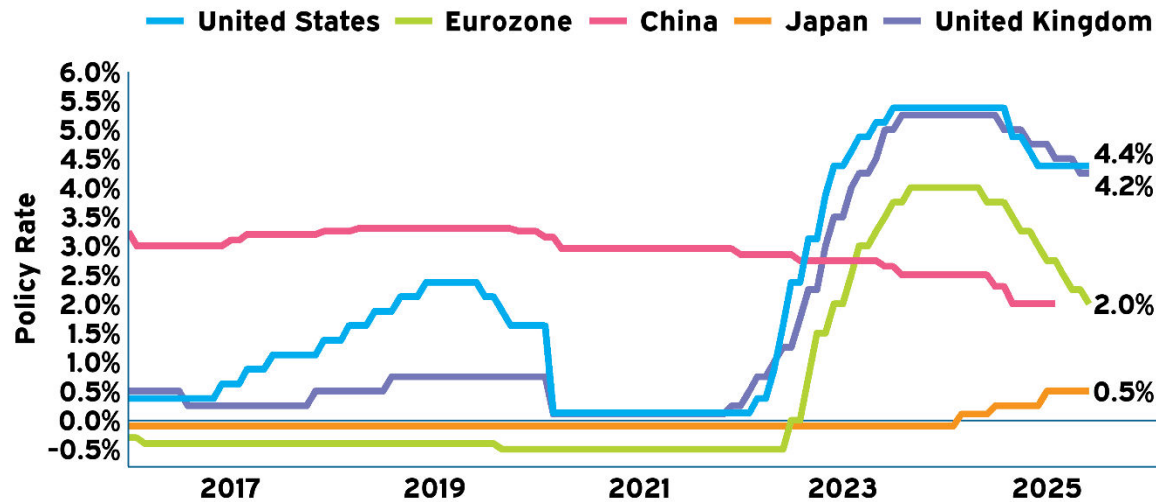
### US Unemployment<sup>1</sup>



- In June, the US added 147,000 jobs in line with the average monthly gain of 146,000 a month over the past year. The unemployment rate of 4.1% remained in the tight range of 4.0% to 4.2% since May 2024.
- Government employment saw the largest job gains (+73,000 jobs) largely driven by education jobs in state government. The federal government lost 7,000 jobs in June bringing the total decline to 69,000 jobs this year.
- Hires (5.6M) outnumbered separations (5.2M) with quits (3.3M) exceeding layoffs (1.6M).
- Initial claims for unemployment remain relatively low and annual wage growth, although trending down, came in at 3.7% year-over-year for June.

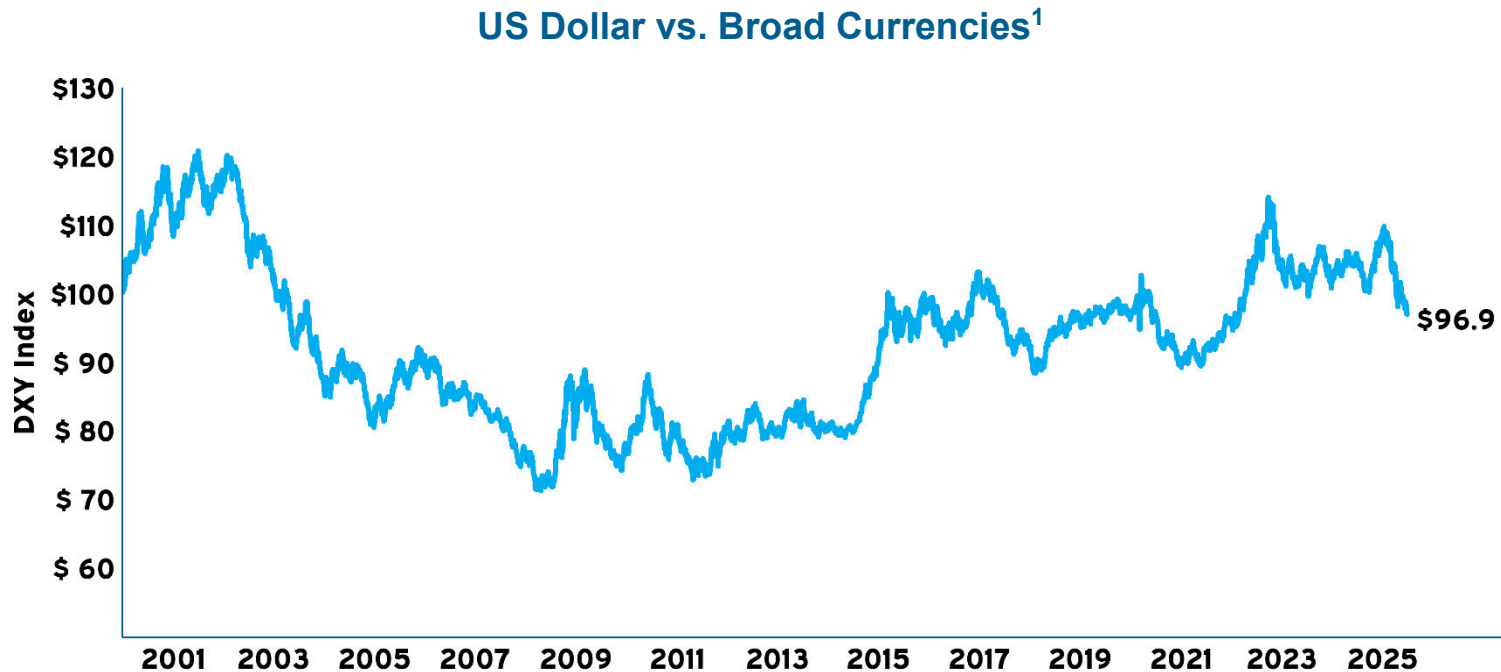
<sup>1</sup> Source: FRED and BLS. Data is as of June 30, 2025.

### Global Policy Rates<sup>1</sup>



- While the Fed remains on hold, other central banks have continued to ease policy rates. Expectations are now for the Fed to cut rates slightly less than two times (1.9 cuts based on futures prices), down from four expected cuts during the heart of growth concerns.
- The ECB cut its policy rate for the 8th time in June, with inflation matching the 2% target supported by a stronger euro. The Bank of England held rates steady in June at +4.25% as inflation reaccelerated to 3.4% in May as regulated energy prices rose. After cutting rates in September of last year, China's PBOC has held rates steady although disinflationary pressures continue to be a concern.
- Japan kept rates at current levels in the face of an uncertain inflationary and trade pressures but voted to slow its purchase of JGBs in a continuing retreat from quantitative easing.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025, except China which is as of February 28, 2025. 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 declined an additional -7% bringing its year-to-date drop to close to -11%.
- Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies, potentially slower growth, non-US investor currency hedging, and fiscal concerns, all led to investors shedding US assets.

<sup>1</sup> Source: Bloomberg. Data as of June 30, 2025.



## Summary

### Key Trends:

- According to the International Monetary Fund's (IMF) April annual report, global growth in 2025 was downgraded from +3.3% to +2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. The US growth forecast saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (+4.6% to +4.0%), while growth in the EU is projected to be slightly higher (+1.3%) in 2025.
- Despite the recent pause and negotiations related to tariffs, many questions remain. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and recent developments with tariffs will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and put continued downward pressure on the dollar.
- Some signs of stress have started to emerge on the US consumer with sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities recovered from losses experienced during the first week of April and ended the quarter at all-time highs. A focus 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 continue to be important.
- Trade tensions between the US and China will remain a key focus. Recently, the two countries agreed on a 90-day truce with the US lowering its maximum tariff rate on Chinese goods from 145% to 30%, with a 10% baseline level. China agreed to lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period. Notably, tariff levels on China remain higher than where they previously were.

## **Executive Summary**

### Q2 2025

**OPERF Executive Summary – Notable Items**

- Global Equity markets rallied in the latter half of the second quarter following a brief volatility spike following the early April tariff announcement and its subsequent suspension. Both Developed Non-US and Emerging Markets equities outperformed US counterparts due to a weakening US Dollar. Fixed Income markets produced modest returns on falling yields as unemployment remained low and inflation fell slightly.
- OPERF returned 3.2% for the quarter, which outperformed the OPERF Policy Benchmark (+3.0%) and underperformed the peer median return of 5.2%.
  - International Small Cap assets (+23.8%) provided the strongest absolute returns within the Public Equity portfolio.
    - Emerging Markets (+16.5%) also provided positive absolute returns to the portfolio.
  - US Small Cap Growth assets (+7.8%) experienced the weakest equity returns for the quarter and trailed the Russell 2000 Growth Index (+12.0%) by 420 basis points.
- Private Equity (+2.2%) overweight and outperformance was the strongest contributor to second quarter benchmark relative returns. The asset class outperformed the Russell 3000 + 300 Bps Qtr Lag benchmark (-4.0%) by 620 basis points.
- The Private Equity portfolio has contributed meaningfully to absolute and relative returns on a year-to-date basis.
  - The portfolio has produced positive returns over intermediate term periods though has lagged its public markets benchmark due to the strength in public equities over the past 5-years.
  - Over longer trailing periods Private Equity has produced double digit returns and has far exceeded the 6.9% actuarial rate of return.
- The Oregon Public Employees Retirement Fund is well diversified across public and private markets asset classes which has protected the Fund during major market downturns.

### Performance Review Summary

Category	Quarterly Results	5 Year Results
Performance vs. OPERF Policy Benchmark	<b>Outperform</b> 3.2% vs. 3.0%	<b>Underperform</b> 9.4% vs. 9.7%
Performance vs. 6.9% Actuarial Rate	NA	<b>Outperform</b> 9.4% vs. 6.9%
Performance vs. InvMetrics All DB > \$5B Net Median	<b>Underperform</b> 3.2% vs. 5.2%	<b>Outperform</b> 9.4% vs. 8.9%
Actively Managed Public Markets <sup>1</sup> vs. Benchmarks	18 of the 27 actively managed stock and bond portfolios outperformed their respective benchmarks (after fees)	14 of the 17 actively managed stock and bond portfolios outperformed their respective benchmarks (after fees)

Category	Quarter-End	Notes
Compliance with Targets	<b>Out of Compliance</b>	<ul style="list-style-type: none"> <li>Public Equity is outside of target range</li> <li>Private Equity is within target range</li> <li>Fixed Income is within target range synthetically</li> </ul>

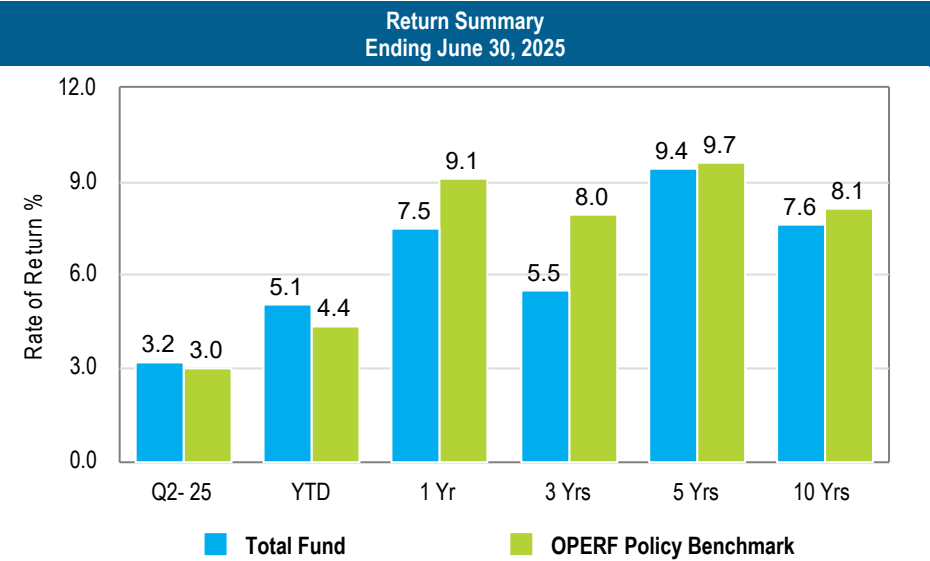
→ Per the Russell Overlay Report<sup>2</sup> dated June 30, 2025 allocations including synthetic positions were as follows.

	Physical	Synthetic	Net	Target	Range
Public Equity	20.6%	-2.7%	17.9%	27.5%	22.5% - 32.5%
Private Equity	26.5%	0.0%	26.5%	20.0%	17.5% - 27.5%
Fixed Income	18.2%	5.2%	23.4%	25.0%	20.0% - 30.0%
Cash	2.5%	-2.4%	0.0%	0.0%	--

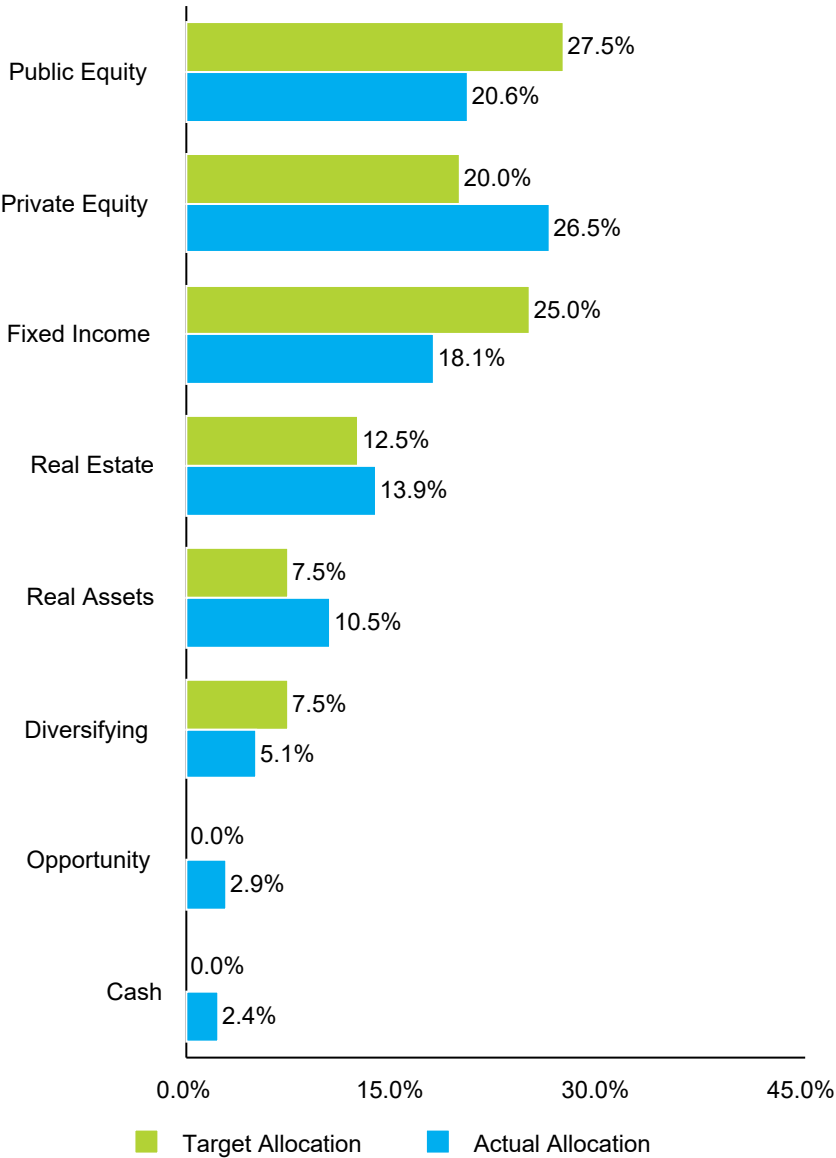
<sup>1</sup> Actively Managed Public Markets (Public Equity, Fixed Income, and REITS) includes managers with at least one quarter of performance. Managers currently being liquidated are excluded. Outperform includes manager who tracked their benchmark on a net of fees basis.

<sup>2</sup> Exposures may not sum evenly due to rounding.

Total Fund | As of June 30, 2025

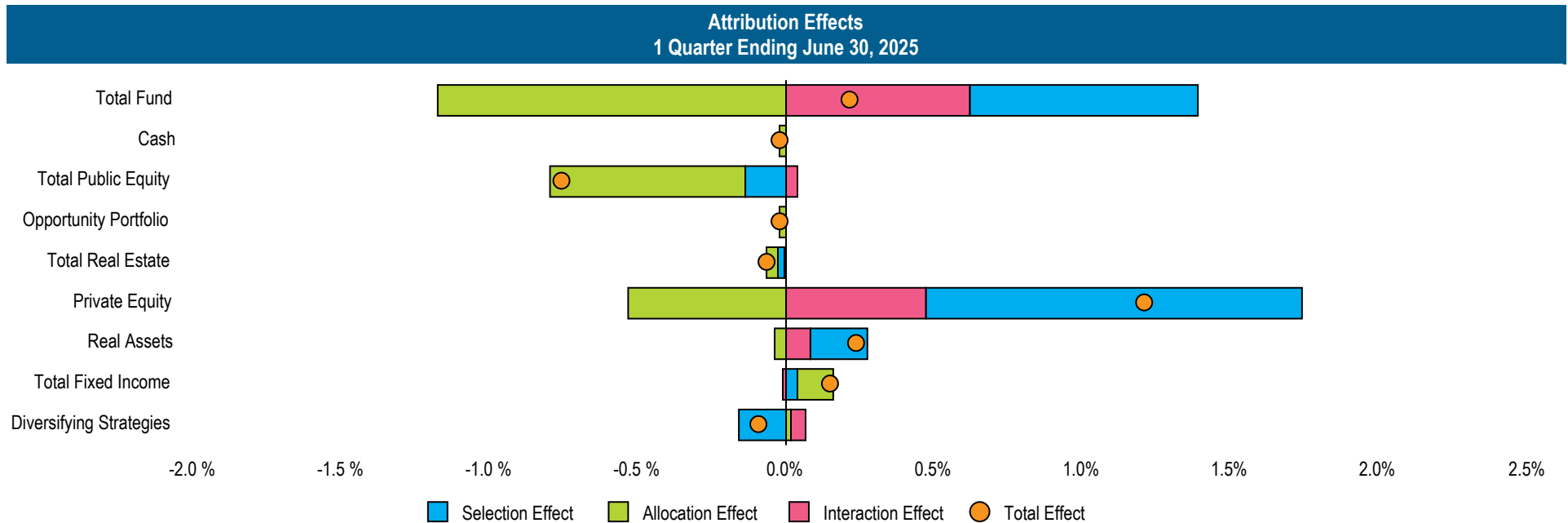


Comparative Performance Summary						
	Q2- 25 (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yr (%)
Total Fund	3.2	5.1	7.5	5.5	9.4	7.6
OPERF Policy Benchmark	3.0	4.4	9.1	8.0	9.7	8.1
Excess Return	0.2	0.7	-1.6	-2.4	-0.2	-0.5
InvMetrics All DB > \$5B Median	5.2	6.0	9.8	8.9	8.9	7.2
Total Fund Rank	89	81	87	86	29	27



The chart on the right reflects physical asset allocation and excludes Overlay impact.

#### Quarterly Commentary



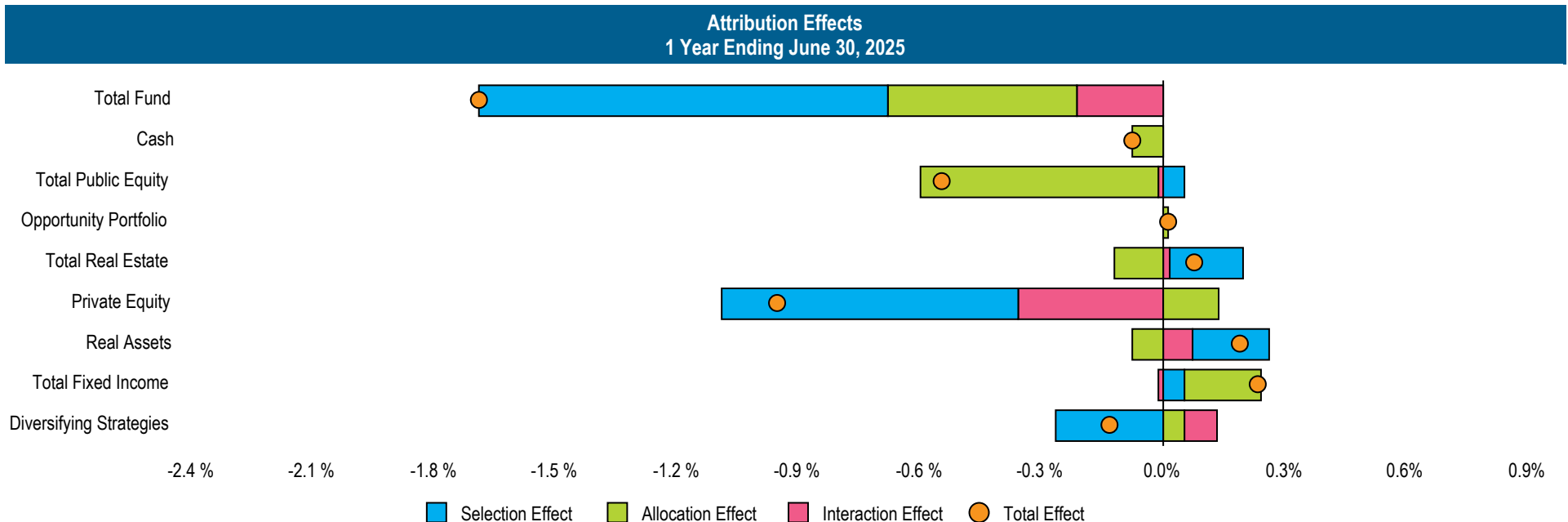
#### → Key Contributors

- Private Equity – Manager selection (performance) contributed to returns. Given positive performance the overweight to this asset class was also a positive contributor during the quarter.

#### → Key Detractors

- Total Public Equity – Underweight to Policy and manager selection (performance) detracted from benchmark relative returns. US Equities and International Growth were the largest detractors to relative performance.

### One Year Commentary



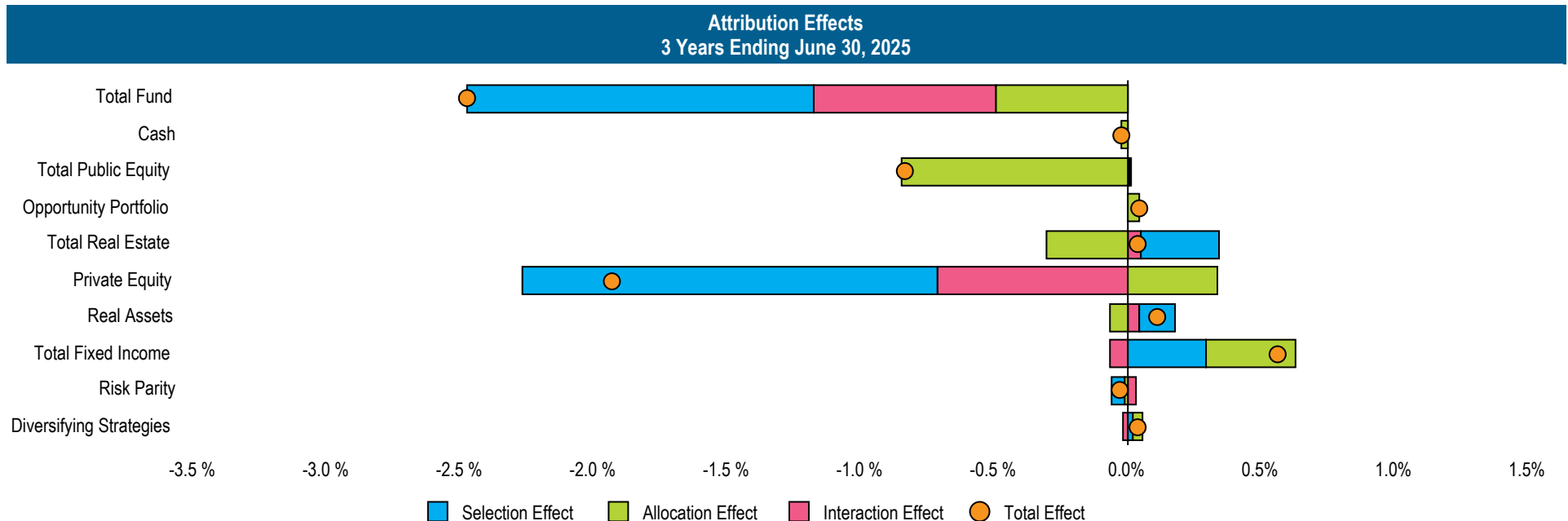
#### → Key Contributors

- Fixed Income – The portfolio underweight to Fixed Income assets contributed to benchmark relative returns. Given the larger weights Core Fixed Income and US Government drive returns for Fixed Income. However, manager selection (outperformance) in Non-Core, Emerging Markets, and Structured Credit have been positive contributors to benchmark relative returns.
- Real Assets – Positive absolute and benchmark relative returns.

#### → Key Detractors

- Private Equity – Manager selection (performance) was a primary detractor. Benchmark is a public markets index lagged one quarter which can lead to short - term volatility versus the index.
- Total Public Equity – Underweight compared to Policy has detracted from 1-year trailing returns.

### Three Year Commentary



#### → Key Contributors

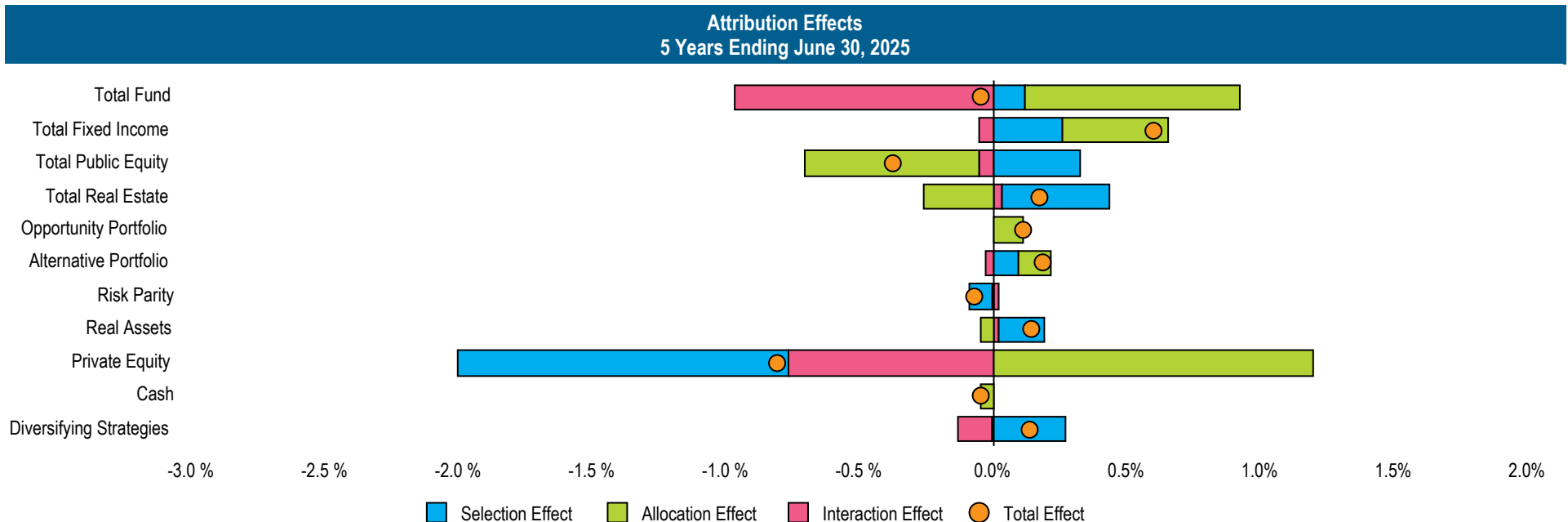
- Fixed Income - Strongest contributor relative to the benchmark. Both the asset class underweight (allocation) and manager selection (performance) contributed meaningfully.
- Real Assets – Strong performance through manager selection and overweight allocation has positively impacted Total Fund returns on an absolute and relative basis.

#### → Key Detractors

- Private Equity – Weak performance relative to benchmark. Benchmark is a public markets index 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.



#### Five Year Commentary



#### → 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 was positive.
- Diversifying Strategies - Outperformance relative to the benchmark due to manager selection.

#### → Key Detractors

- Private Equity – Weakest performance relative to benchmark. Benchmark is a public markets index 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 June 30, 2025						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	7.5	2.6	-1.0	0.7	1.0	1.5
OPERF Policy Benchmark	9.1	3.2	-	1.0	1.3	0.0
3 Years Ending June 30, 2025						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	5.5	3.8	-0.9	0.6	0.3	2.7
OPERF Policy Benchmark	8.0	6.1	-	1.0	0.6	0.0
5 Years Ending June 30, 2025						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	9.4	5.1	-0.1	0.7	1.2	2.9
OPERF Policy Benchmark	9.7	6.3	-	1.0	1.1	0.0
10 Years Ending June 30, 2025						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Fund	7.6	5.2	-0.2	0.8	1.0	2.4
OPERF Policy Benchmark	8.1	6.0	-	1.0	1.0	0.0

## **Performance Update**

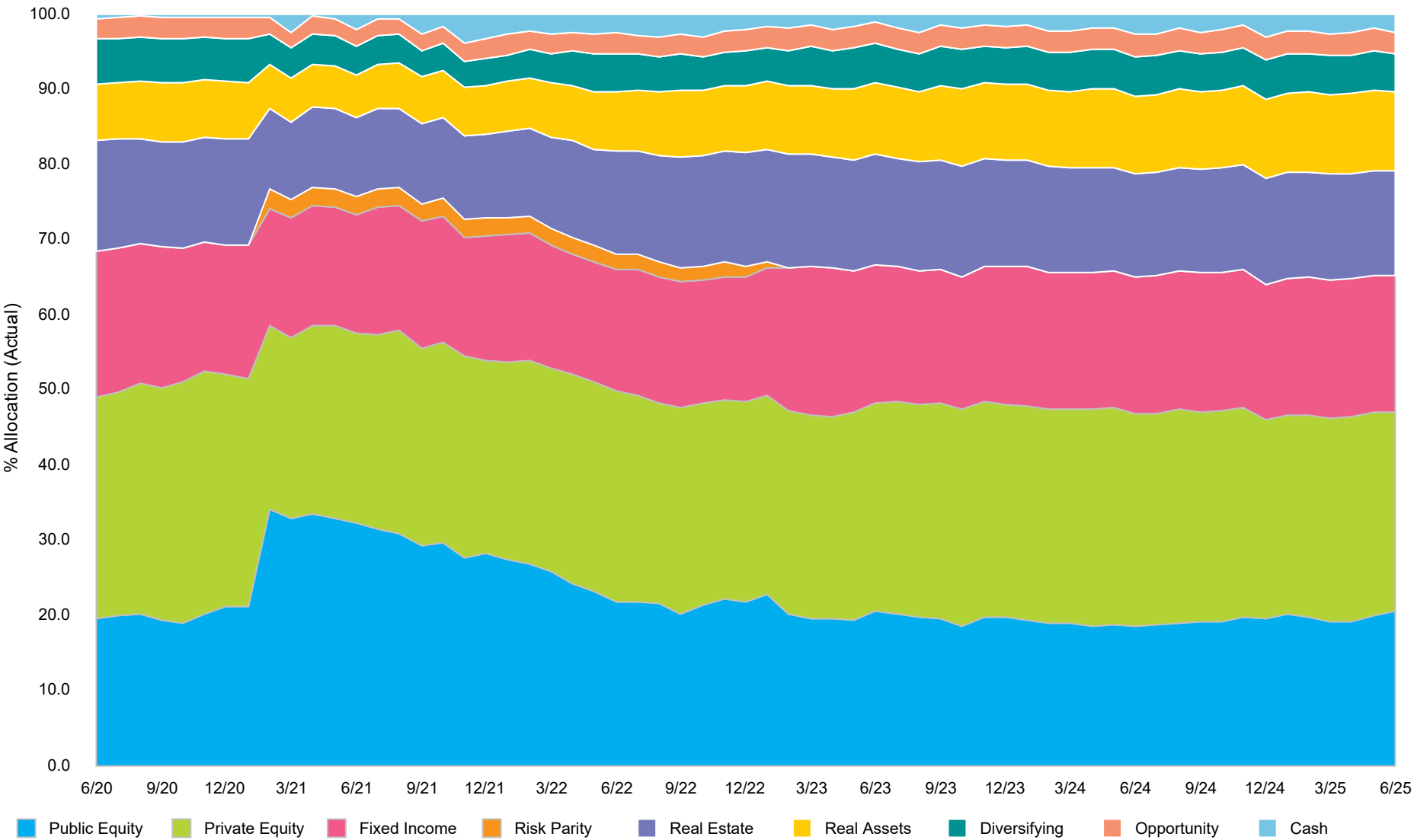
As of June 30, 2025

Asset Allocation vs Target As of June 30, 2025						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Public Equity	20,269,131,208	20.6	27.5	-6.9	22.5 - 32.5	No
Private Equity	26,056,597,456	26.5	20.0	6.5	17.5 - 27.5	Yes
Fixed Income	17,840,465,644	18.1	25.0	-6.9	20.0 - 30.0	No
Real Estate	13,684,877,292	13.9	12.5	1.4	9.0 - 16.5	Yes
Real Assets	10,343,459,104	10.5	7.5	3.0	2.5 - 10.0	No
Diversifying	5,000,434,087	5.1	7.5	-2.4	2.5 - 10.0	Yes
Opportunity	2,897,143,004	2.9	0.0	2.9	0.0 - 5.0	Yes
Cash	2,312,918,158	2.4	0.0	2.4	0.0 - 100.0	Yes
<b>Total</b>	<b>98,405,025,952</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

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.

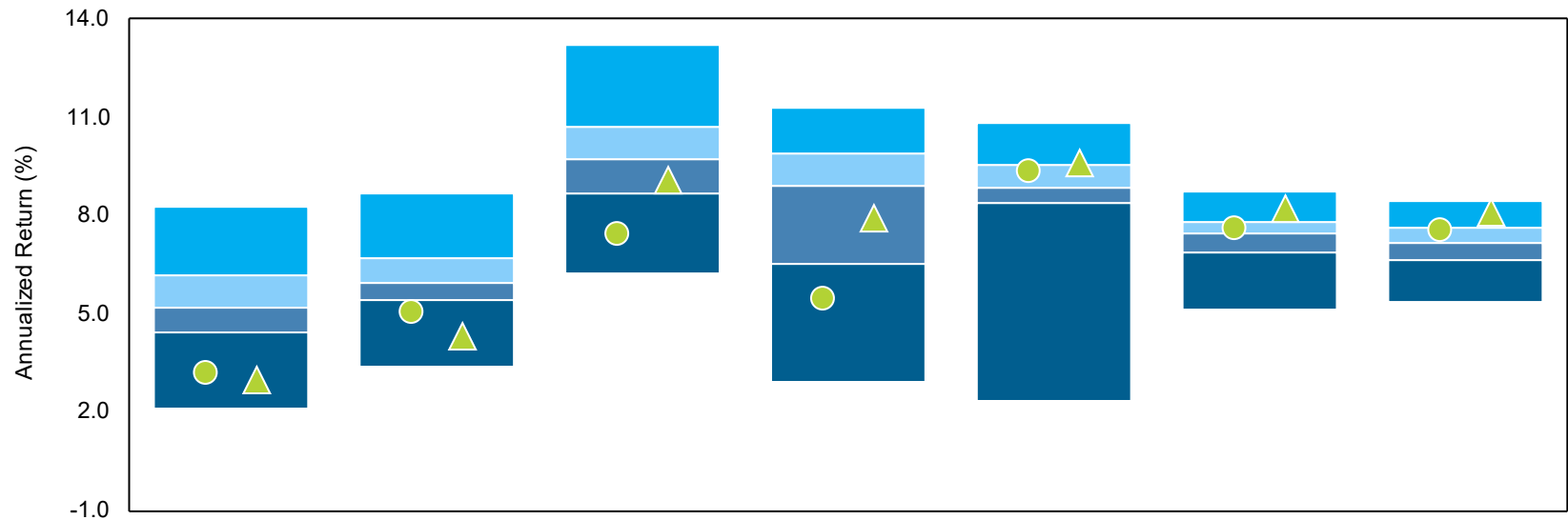
Historical Asset Allocation | 5 Years Ending June 30, 2025

Asset Allocation History  
5 Years Ending June 30, 2025



### Plan Sponsor Peer Group Analysis | As of June 30, 2025

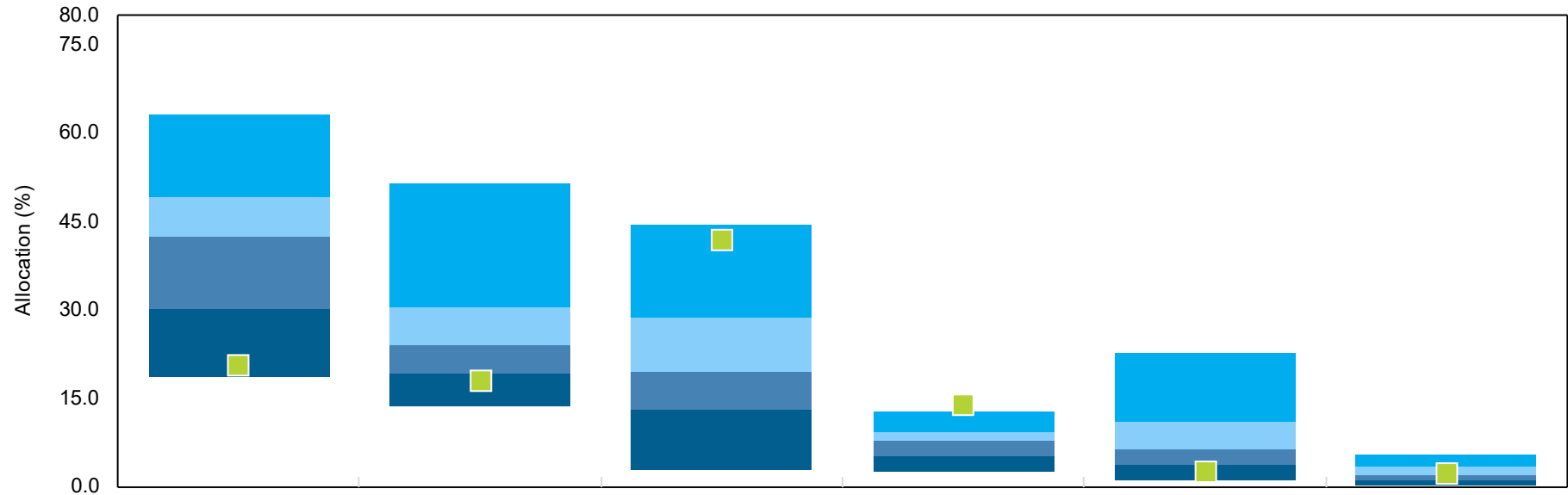
InvMetrics All DB > \$5B Net Return Comparison  
Ending June 30, 2025



	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
● Total Fund	3.2 (89)	5.1 (81)	7.5 (87)	5.5 (86)	9.4 (29)	7.7 (34)	7.6 (27)
▲ OPERF Policy Benchmark	3.0 (91)	4.4 (93)	9.1 (67)	8.0 (66)	9.7 (24)	8.3 (19)	8.1 (15)
5th Percentile	8.3	8.7	13.3	11.3	10.9	8.8	8.5
1st Quartile	6.2	6.7	10.8	9.9	9.6	7.9	7.6
Median	5.2	6.0	9.8	8.9	8.9	7.5	7.2
3rd Quartile	4.4	5.5	8.7	6.6	8.4	6.9	6.7
95th Percentile	2.1	3.4	6.3	2.9	2.4	5.1	5.4
Population	37	37	37	36	33	31	31

Parentheses contain percentile rankings.

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

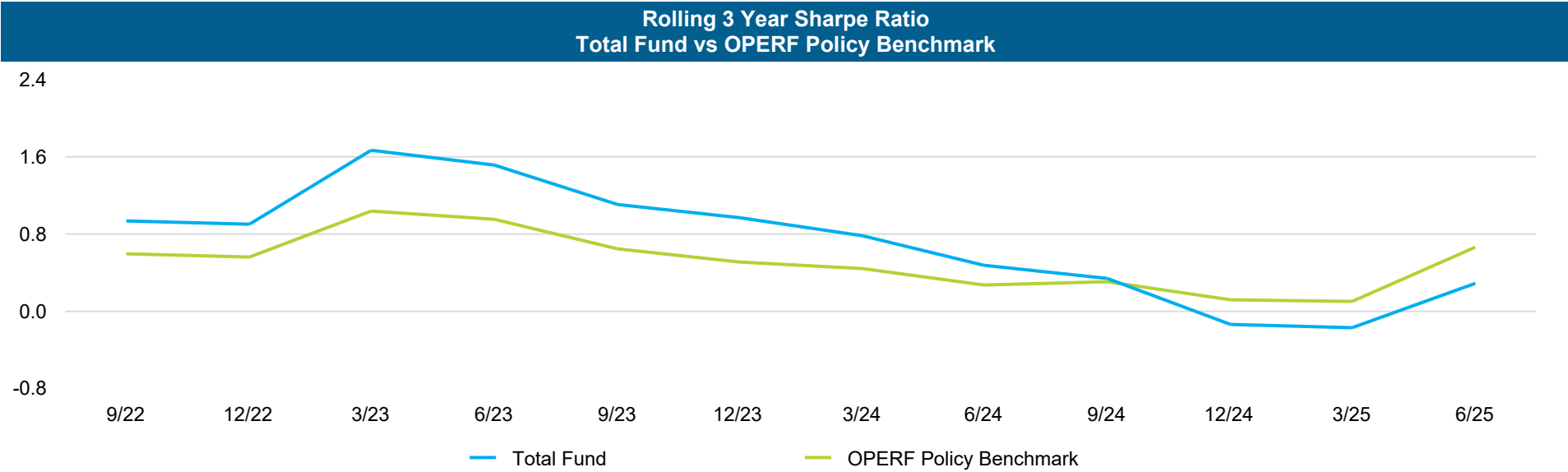
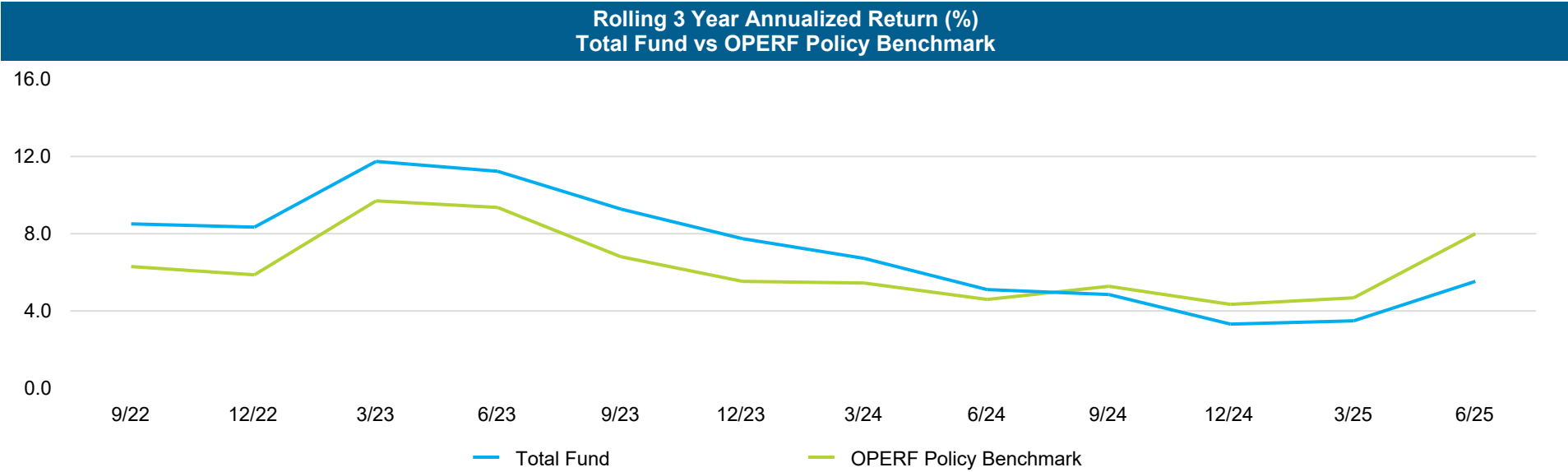


	Total Equity	Total Fixed Income	Alternatives	Total Real Estate	Multi-Asset	Cash & Equivalents
■ Total Fund	20.6 (87)	18.1 (80)	42.1 (8)	13.9 (1)	2.7 (86)	2.4 (43)
5th Percentile	63.3	51.6	44.8	13.0	22.9	5.5
1st Quartile	49.4	30.7	28.8	9.5	11.2	3.4
Median	42.8	24.1	19.5	7.8	6.3	2.0
3rd Quartile	30.3	19.2	13.1	5.2	3.8	1.1
95th Percentile	18.8	13.7	2.8	2.7	1.3	0.3

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 June 30, 2025

	Asset Class Performance Summary								
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception
<b>Total Fund</b>	<b>98,405,025,952</b>	<b>100.0</b>	<b>3.2</b>	<b>5.1</b>	<b>7.5</b>	<b>5.5</b>	<b>9.4</b>	<b>7.6</b>	<b>7.7</b>
<i>OPERF Policy Benchmark</i>			3.0	4.4	9.1	8.0	9.7	8.1	7.7
<i>InvMetrics All DB &gt; \$5B Median</i>			5.2	6.0	9.8	8.9	8.9	7.2	7.1
<i>InvMetrics All DB &gt; \$5B Rank</i>			89	81	87	86	29	27	1
<b>Total Fixed Income</b>	<b>17,840,465,644</b>	<b>18.1</b>	<b>1.4</b>	<b>4.0</b>	<b>6.3</b>	<b>3.8</b>	<b>0.6</b>	<b>2.3</b>	<b>6.4</b>
<i>Oregon Custom FI Benchmark</i>			1.2	4.0	6.1	2.5	-0.5	1.6	--
<b>Core Fixed Income</b>	<b>5,888,786,464</b>	<b>6.0</b>	<b>1.3</b>	<b>4.2</b>	<b>6.2</b>	<b>3.2</b>	<b>-0.3</b>	<b>2.2</b>	<b>4.7</b>
<i>Oregon Custom External FI BM</i>			1.2	4.0	6.1	2.5	-0.7	1.8	4.1
<b>U.S. Government</b>	<b>7,530,540,826</b>	<b>7.7</b>	<b>0.9</b>	<b>3.9</b>	<b>5.4</b>	<b>1.6</b>	<b>-1.5</b>	<b>0.9</b>	<b>0.9</b>
<i>Government Blended Index</i>			0.8	3.8	5.3	1.5	-1.6	0.9	0.9
<b>Non-Core Fixed Income</b>	<b>1,646,605,650</b>	<b>1.7</b>	<b>3.0</b>	<b>3.6</b>	<b>8.6</b>	<b>10.6</b>	<b>8.7</b>	<b>6.0</b>	<b>6.9</b>
<i>Custom Non-Core Fixed Income Index</i>			2.6	3.2	8.0	9.8	7.1	5.2	5.9
<b>Emerging Markets Debt</b>	<b>273,065,550</b>	<b>0.3</b>	<b>3.7</b>	<b>5.6</b>	<b>10.5</b>	<b>9.4</b>	<b>--</b>	<b>--</b>	<b>0.3</b>
<i>JPM EMBI Global Diversified</i>			3.3	5.6	10.0	8.9	--	--	0.8
<b>Structured Credit Products</b>	<b>1,603,872,679</b>	<b>1.6</b>	<b>1.6</b>	<b>4.0</b>	<b>7.4</b>	<b>5.1</b>	<b>--</b>	<b>--</b>	<b>2.0</b>
<i>Oregon Structured Credit Products FI BM</i>			1.4	3.8	7.0	4.6	--	--	1.7
<b>Investment Grade Credit</b>	<b>881,994,615</b>	<b>0.9</b>	<b>1.8</b>	<b>4.4</b>	<b>7.2</b>	<b>5.1</b>	<b>--</b>	<b>--</b>	<b>5.1</b>
<i>Bloomberg US Credit</i>			1.8	4.2	6.8	4.2	--	--	4.2

See appendix for custom Policy Benchmark descriptions.

Total Fund | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception
<b>Total Public Equity</b>	<b>20,272,493,942</b>	<b>20.6</b>	<b>11.1</b>	<b>9.8</b>	<b>16.1</b>	<b>16.9</b>	<b>14.6</b>	<b>10.0</b>	<b>7.9</b>
<i>MSCI ACWI IMI Net (Daily)</i>			<i>11.6</i>	<i>9.8</i>	<i>15.9</i>	<i>16.8</i>	<i>13.4</i>	<i>9.7</i>	<i>7.1</i>
<b>U.S. Equity</b>	<b>10,807,244,906</b>	<b>11.0</b>	<b>10.4</b>	<b>4.8</b>	<b>14.0</b>	<b>17.3</b>	<b>15.6</b>	<b>11.6</b>	<b>--</b>
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>19.1</i>	<i>16.0</i>	<i>13.0</i>	<i>11.3</i>
<b>Small Cap Growth</b>	<b>268,905,294</b>	<b>0.3</b>	<b>7.8</b>	<b>-9.6</b>	<b>2.9</b>	<b>7.6</b>	<b>9.1</b>	<b>8.2</b>	<b>11.8</b>
<i>Russell 2000 Growth Index</i>			<i>12.0</i>	<i>-0.5</i>	<i>9.7</i>	<i>12.4</i>	<i>7.4</i>	<i>7.1</i>	<i>11.0</i>
<b>Market Oriented (CORE)</b>	<b>10,538,339,613</b>	<b>10.7</b>	<b>10.4</b>	<b>5.2</b>	<b>14.3</b>	<b>17.7</b>	<b>15.5</b>	<b>12.1</b>	<b>13.6</b>
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>19.1</i>	<i>16.0</i>	<i>13.0</i>	<i>14.1</i>
<b>Non-U.S. Equity</b>	<b>6,577,490,135</b>	<b>6.7</b>	<b>12.9</b>	<b>18.6</b>	<b>19.4</b>	<b>16.6</b>	<b>13.6</b>	<b>8.2</b>	<b>10.0</b>
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			<i>12.7</i>	<i>17.9</i>	<i>17.8</i>	<i>13.9</i>	<i>10.2</i>	<i>6.2</i>	<i>--</i>
<b>Total International Overlay Accounts</b>	<b>-33,672,760</b>	<b>0.0</b>							
<b>International Market Oriented (Core)</b>	<b>2,830,654,482</b>	<b>2.9</b>	<b>13.8</b>	<b>24.9</b>	<b>28.2</b>	<b>19.1</b>	<b>15.1</b>	<b>9.1</b>	<b>9.1</b>
<i>MSCI World ex U.S. IMI Index (Net)</i>			<i>12.7</i>	<i>19.3</i>	<i>19.3</i>	<i>15.4</i>	<i>11.3</i>	<i>6.6</i>	<i>7.0</i>
<b>International Value</b>	<b>1,358,708,455</b>	<b>1.4</b>	<b>11.9</b>	<b>20.1</b>	<b>25.0</b>	<b>19.7</b>	<b>17.1</b>	<b>8.9</b>	<b>8.1</b>
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>			<i>11.0</i>	<i>19.7</i>	<i>21.1</i>	<i>15.5</i>	<i>13.1</i>	<i>5.8</i>	<i>6.3</i>
<b>International Growth</b>	<b>1,530,091,373</b>	<b>1.6</b>	<b>9.4</b>	<b>9.1</b>	<b>3.7</b>	<b>10.4</b>	<b>6.7</b>	<b>7.3</b>	<b>7.1</b>
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>12.0</i>	<i>19.0</i>	<i>18.7</i>	<i>15.7</i>	<i>11.5</i>	<i>6.7</i>	<i>5.8</i>
<b>International Small Cap</b>	<b>187,146,800</b>	<b>0.2</b>	<b>23.8</b>	<b>17.6</b>	<b>13.9</b>	<b>14.8</b>	<b>13.6</b>	<b>6.7</b>	<b>8.2</b>
<i>MSCI World ex U.S. Small Value (Net)</i>			<i>14.7</i>	<i>21.4</i>	<i>23.7</i>	<i>14.6</i>	<i>12.5</i>	<i>6.5</i>	<i>7.8</i>
<b>Emerging Markets</b>	<b>670,781,447</b>	<b>0.7</b>	<b>16.5</b>	<b>15.8</b>	<b>11.7</b>	<b>15.2</b>	<b>12.2</b>	<b>7.5</b>	<b>7.7</b>
<i>ORE MSCI Emerging Markets IMI (Net)</i>			<i>12.7</i>	<i>14.6</i>	<i>14.3</i>	<i>10.2</i>	<i>7.6</i>	<i>5.0</i>	<i>5.1</i>

See appendix for custom Policy Benchmark descriptions.

## Total Fund | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception
<b>Global Equity</b>	<b>2,887,758,900</b>	<b>2.9</b>	<b>9.8</b>	<b>10.9</b>	<b>16.6</b>	<b>16.7</b>	<b>13.6</b>	<b>9.0</b>	<b>6.0</b>
<i>MSCI ACWI IMI Net (Daily)</i>			<i>11.6</i>	<i>9.8</i>	<i>15.9</i>	<i>16.8</i>	<i>13.4</i>	<i>9.7</i>	<i>7.2</i>
<b>Global Equity Low Volatility</b>	<b>1,320,630,518</b>	<b>1.3</b>	<b>10.1</b>	<b>15.1</b>	<b>20.8</b>	<b>17.3</b>	<b>13.9</b>	<b>--</b>	<b>11.4</b>
<i>MSCI AC World (Daily Const)</i>			<i>11.5</i>	<i>10.0</i>	<i>16.2</i>	<i>17.3</i>	<i>13.7</i>	<i>--</i>	<i>11.5</i>
<b>Other Equity</b>	<b>30,310,026</b>	<b>0.0</b>							
<b>Total Real Estate</b>	<b>13,684,877,292</b>	<b>13.9</b>	<b>0.7</b>	<b>1.8</b>	<b>2.5</b>	<b>-2.9</b>	<b>5.1</b>	<b>6.4</b>	<b>8.9</b>
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.9</i>	<i>1.8</i>	<i>1.2</i>	<i>-5.1</i>	<i>2.0</i>	<i>4.6</i>	<i>7.9</i>
<b>Real Estate excluding REITS</b>	<b>13,371,905,345</b>	<b>13.6</b>	<b>0.7</b>	<b>1.8</b>	<b>2.3</b>	<b>-3.1</b>	<b>5.0</b>	<b>6.8</b>	<b>9.0</b>
<b>Total REITS</b>	<b>312,971,946</b>	<b>0.3</b>	<b>-0.5</b>	<b>3.0</b>	<b>13.5</b>	<b>8.0</b>	<b>9.9</b>	<b>5.5</b>	<b>8.6</b>
<b>Opportunity Portfolio</b>	<b>2,897,143,004</b>	<b>2.9</b>	<b>2.3</b>	<b>4.9</b>	<b>9.6</b>	<b>9.6</b>	<b>13.8</b>	<b>9.1</b>	<b>--</b>
<i>Opportunity Custom Benchmark</i>			<i>3.0</i>	<i>4.4</i>	<i>9.2</i>	<i>9.6</i>	<i>10.8</i>	<i>8.7</i>	<i>7.9</i>
<b>Alternative Portfolio</b>	<b>15,343,893,190</b>	<b>15.6</b>	<b>3.0</b>	<b>3.9</b>	<b>7.3</b>	<b>7.7</b>	<b>10.9</b>	<b>5.4</b>	<b>4.3</b>
<i>CPI +4%</i>			<i>1.9</i>	<i>4.2</i>	<i>6.8</i>	<i>7.0</i>	<i>8.7</i>	<i>7.1</i>	<i>6.7</i>
<b>Diversifying Strategies</b>	<b>5,000,434,087</b>	<b>5.1</b>	<b>0.1</b>	<b>3.4</b>	<b>3.4</b>	<b>5.8</b>	<b>8.4</b>	<b>2.7</b>	<b>3.4</b>
<i>HFRI FOF Conservative Index</i>			<i>2.0</i>	<i>2.8</i>	<i>5.7</i>	<i>5.4</i>	<i>6.2</i>	<i>3.8</i>	<i>4.0</i>
<b>Real Assets</b>	<b>10,343,459,104</b>	<b>10.5</b>	<b>4.4</b>	<b>4.1</b>	<b>9.3</b>	<b>8.7</b>	<b>12.6</b>	<b>7.4</b>	<b>5.3</b>
<i>CPI +4%</i>			<i>1.9</i>	<i>4.2</i>	<i>6.8</i>	<i>7.0</i>	<i>8.7</i>	<i>7.1</i>	<i>6.7</i>
<b>Private Equity</b>	<b>26,056,597,456</b>	<b>26.5</b>	<b>2.2</b>	<b>6.3</b>	<b>6.9</b>	<b>3.7</b>	<b>14.9</b>	<b>12.4</b>	<b>12.2</b>
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			<i>-4.0</i>	<i>-0.8</i>	<i>10.4</i>	<i>11.2</i>	<i>21.6</i>	<i>15.1</i>	<i>13.6</i>
<b>Cash</b>	<b>1,675,022,090</b>	<b>1.7</b>	<b>1.2</b>	<b>2.3</b>	<b>5.1</b>	<b>4.9</b>	<b>2.8</b>	<b>2.3</b>	<b>3.3</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.0</i>	<i>2.1</i>	<i>4.7</i>	<i>4.6</i>	<i>2.8</i>	<i>2.0</i>	<i>2.9</i>

See appendix for custom Policy Benchmark descriptions.

### Trailing Net Performance | As of June 30, 2025

Trailing Net Performance										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Total Fund</b>	<b>98,405,025,952</b>	<b>100.0</b>	<b>3.2</b>	<b>5.1</b>	<b>7.5</b>	<b>5.5</b>	<b>9.4</b>	<b>7.6</b>	<b>7.7</b>	<b>Jul-97</b>
<i>OPERF Policy Benchmark</i>			3.0	4.4	9.1	8.0	9.7	8.1	7.7	
<i>60% MSCI ACWI / 40% Bloomberg Aggregate</i>			7.3	7.7	12.1	11.3	7.9	6.9	6.2	
<i>70% MSCI ACWI/30% Barclays Agg</i>			8.4	8.3	13.2	12.8	9.3	7.7	6.4	
<i>InvMetrics All DB &gt; \$5B Median</i>			5.2	6.0	9.8	8.9	8.9	7.2	7.1	
<i>InvMetrics All DB &gt; \$5B Rank</i>			89	81	87	86	29	27	1	
<b>Total Fixed Income</b>	<b>17,840,465,644</b>	<b>18.1</b>	<b>1.4</b>	<b>4.0</b>	<b>6.3</b>	<b>3.8</b>	<b>0.6</b>	<b>2.3</b>	<b>6.4</b>	<b>Jan-88</b>
<i>Oregon Custom FI Benchmark</i>			1.2	4.0	6.1	2.5	-0.5	1.6	--	
<i>Blmbg. U.S. Aggregate Index</i>			1.2	4.0	6.1	2.5	-0.7	1.8	5.4	
<i>Fixed Income Weighted BM</i>			1.3	3.7	6.0	3.1	-0.2	2.0	--	
<b>Core Fixed Income</b>	<b>5,888,786,464</b>	<b>6.0</b>	<b>1.3</b>	<b>4.2</b>	<b>6.2</b>	<b>3.2</b>	<b>-0.3</b>	<b>2.2</b>	<b>4.7</b>	<b>Apr-00</b>
<i>Oregon Custom External FI BM</i>			1.2	4.0	6.1	2.5	-0.7	1.8	4.1	
Blackrock	1,926,820,629	2.0	1.3	4.1	6.3	3.0	-0.3	2.1	4.2	May-01
<i>Oregon Custom External FI BM</i>			1.2	4.0	6.1	2.5	-0.7	1.8	3.8	
Wellington	1,995,282,260	2.0	1.1	3.9	6.1	3.4	-0.2	2.4	4.7	Apr-00
<i>Oregon Custom External FI BM</i>			1.2	4.0	6.1	2.5	-0.7	1.8	4.1	
Western Asset	1,966,683,575	2.0	1.5	4.6	6.4	3.1	-0.2	2.4	5.1	Apr-00
<i>Oregon Custom External FI BM</i>			1.2	4.0	6.1	2.5	-0.7	1.8	4.1	
<b>U.S. Government</b>	<b>7,530,540,826</b>	<b>7.7</b>	<b>0.9</b>	<b>3.9</b>	<b>5.4</b>	<b>1.6</b>	<b>-1.5</b>	<b>0.9</b>	<b>0.9</b>	<b>Jan-14</b>
<i>Government Blended Index</i>			0.8	3.8	5.3	1.5	-1.6	0.9	0.9	
Government Portfolio	7,530,540,826	7.7	0.9	3.9	5.4	1.6	-1.5	--	1.1	Jun-17
<i>Government Blended Index</i>			0.8	3.8	5.3	1.5	-1.6	--	1.0	
<b>Non-Core Fixed Income</b>	<b>1,646,605,650</b>	<b>1.7</b>	<b>3.0</b>	<b>3.6</b>	<b>8.6</b>	<b>10.6</b>	<b>8.7</b>	<b>6.0</b>	<b>6.9</b>	<b>Aug-08</b>
<i>Custom Non-Core Fixed Income Index</i>			2.6	3.2	8.0	9.8	7.1	5.2	5.9	
Oak Hill	1,208,621,273	1.2	2.6	3.1	8.0	10.8	8.6	6.6	7.0	Jul-09
<i>Oak Hill Custom Lev Loan &amp; Bond Index</i>			2.5	3.1	7.7	9.8	7.3	5.2	6.3	
Beach Point	437,984,377	0.4	4.1	5.0	10.3	--	--	--	9.5	Apr-23
<i>Beachpoint Custom FI Benchmark</i>			3.5	4.6	10.3	--	--	--	10.5	

## Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Emerging Markets Debt</b>	<b>273,065,550</b>	<b>0.3</b>	<b>3.7</b>	<b>5.6</b>	<b>10.5</b>	<b>9.4</b>	--	--	<b>0.3</b>	<b>May-21</b>
<i>JPM EMBI Global Diversified</i>			3.3	5.6	10.0	8.9	--	--	0.8	
Global Evolution EMD	138,662,251	0.1	3.8	5.6	11.0	10.5	--	--	1.3	May-21
<i>JPM EMBI Global Diversified</i>			3.3	5.6	10.0	8.9	--	--	0.8	
PGIM EMD	134,403,299	0.1	3.6	5.7	9.9	9.3	--	--	0.8	May-21
<i>JPM EMBI Global Diversified</i>			3.3	5.6	10.0	8.9	--	--	0.8	
<b>Structured Credit Products</b>	<b>1,603,872,679</b>	<b>1.6</b>	<b>1.6</b>	<b>4.0</b>	<b>7.4</b>	<b>5.1</b>	--	--	<b>2.0</b>	<b>Dec-21</b>
<i>Oregon Structured Credit Products FI BM</i>			1.4	3.8	7.0	4.6	--	--	1.7	
Schroders SCP	934,097,091	0.9	1.6	3.9	6.8	5.6	--	--	2.9	Dec-21
<i>ICE BofA AA-BBB US Asset Backed Sec Idx</i>			1.5	3.5	7.3	5.8	--	--	2.9	
Guggenheim SCP	669,775,589	0.7	1.6	4.1	8.3	6.2	--	--	3.9	Dec-21
<i>ICE BofA AA-BBB US Asset Backed Sec Idx</i>			1.5	3.5	7.3	5.8	--	--	2.9	
<b>Investment Grade Credit</b>	<b>881,994,615</b>	<b>0.9</b>	<b>1.8</b>	<b>4.4</b>	<b>7.2</b>	<b>5.1</b>	--	--	<b>5.1</b>	<b>Jul-22</b>
<i>Bloomberg US Credit</i>			1.8	4.2	6.8	4.2	--	--	4.2	
Fidelity	881,994,615	0.9	1.8	4.4	7.2	5.1	--	--	5.1	Jul-22
<i>Bloomberg US Credit</i>			1.8	4.2	6.8	4.2	--	--	4.2	
<b>Total Public Equity</b>	<b>20,272,493,942</b>	<b>20.6</b>	<b>11.1</b>	<b>9.8</b>	<b>16.1</b>	<b>16.9</b>	<b>14.6</b>	<b>10.0</b>	<b>7.9</b>	<b>Jul-97</b>
<i>MSCI ACWI IMI Net (Daily)</i>			11.6	9.8	15.9	16.8	13.4	9.7	7.1	
<b>U.S. Equity</b>	<b>10,807,244,906</b>	<b>11.0</b>	<b>10.4</b>	<b>4.8</b>	<b>14.0</b>	<b>17.3</b>	<b>15.6</b>	<b>11.6</b>	--	<b>Dec-80</b>
<i>Russell 3000 Index</i>			11.0	5.8	15.3	19.1	16.0	13.0	11.3	
<b>Small Cap Growth</b>	<b>268,905,294</b>	<b>0.3</b>	<b>7.8</b>	<b>-9.6</b>	<b>2.9</b>	<b>7.6</b>	<b>9.1</b>	<b>8.2</b>	<b>11.8</b>	<b>Aug-09</b>
<i>Russell 2000 Growth Index</i>			12.0	-0.5	9.7	12.4	7.4	7.1	11.0	
IMC MicroCap Growth	268,905,294	0.3	7.8	-9.6	2.9	7.6	9.1	8.3	12.5	Jul-09
<i>Russell Microcap Growth Index ( Daily)</i>			20.9	-0.5	20.5	11.5	5.2	4.2	9.5	

### Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Market Oriented (CORE)</b>	<b>10,538,339,613</b>	<b>10.7</b>	<b>10.4</b>	<b>5.2</b>	<b>14.3</b>	<b>17.7</b>	<b>15.5</b>	<b>12.1</b>	<b>13.6</b>	<b>Aug-09</b>
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>19.1</i>	<i>16.0</i>	<i>13.0</i>	<i>14.1</i>	
Russell 2000 Synthetic - OST managed	304,806,798	0.3	4.9	-4.5	4.6	7.7	11.7	7.4	9.9	Apr-10
<i>S&amp;P 600 Custom</i>			<i>4.9</i>	<i>-4.5</i>	<i>4.6</i>	<i>7.6</i>	<i>11.7</i>	<i>7.1</i>	<i>9.4</i>	
S&P 500 - OST managed	4,539,359,176	4.6	10.9	6.2	15.2	19.7	16.6	13.7	14.1	Oct-09
<i>S&amp;P 500 Index (Daily)</i>			<i>10.9</i>	<i>6.2</i>	<i>15.2</i>	<i>19.7</i>	<i>16.6</i>	<i>13.7</i>	<i>14.0</i>	
S&P 400 - OST managed	596,604,140	0.6	6.7	0.2	7.6	12.9	13.4	9.4	11.9	Oct-09
<i>S&amp;P 400 Midcap Index (Daily)</i>			<i>6.7</i>	<i>0.2</i>	<i>7.5</i>	<i>12.8</i>	<i>13.4</i>	<i>9.3</i>	<i>11.7</i>	
BR Russell 3000	3,601,816,632	3.7	11.0	5.8	15.3	--	--	--	17.9	Aug-23
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>17.9</i>	
DFA All Cap Core	1,495,752,867	1.5	10.4	5.1	14.1	--	--	--	18.4	Jul-23
<i>Russell 3000 Index</i>			<i>11.0</i>	<i>5.8</i>	<i>15.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>19.1</i>	
<b>Non-U.S. Equity</b>	<b>6,577,490,135</b>	<b>6.7</b>	<b>12.9</b>	<b>18.6</b>	<b>19.4</b>	<b>16.6</b>	<b>13.6</b>	<b>8.2</b>	<b>10.0</b>	<b>Apr-85</b>
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			<i>12.7</i>	<i>17.9</i>	<i>17.8</i>	<i>13.9</i>	<i>10.2</i>	<i>6.2</i>	<i>--</i>	
<b>Total International Overlay Accounts</b>	<b>-33,672,760</b>	<b>0.0</b>								
PERS-Adrian Lee Active Currency	-14,932,382	0.0								
PERS-P/E Global Active Currency	-18,743,014	0.0								
<b>International Market Oriented (Core)</b>	<b>2,830,654,482</b>	<b>2.9</b>	<b>13.8</b>	<b>24.9</b>	<b>28.2</b>	<b>19.1</b>	<b>15.1</b>	<b>9.1</b>	<b>9.1</b>	<b>Aug-09</b>
<i>MSCI World ex U.S. IMI Index (Net)</i>			<i>12.7</i>	<i>19.3</i>	<i>19.3</i>	<i>15.4</i>	<i>11.3</i>	<i>6.6</i>	<i>7.0</i>	
Arrowstreet Capital	1,012,807,261	1.0	13.9	28.6	31.5	24.1	21.9	13.3	12.9	Nov-02
<i>Oregon MSCI ACWI Ex US IMI (Net)</i>			<i>12.7</i>	<i>17.9</i>	<i>17.8</i>	<i>13.9</i>	<i>10.2</i>	<i>6.2</i>	<i>8.0</i>	
Lazard International CEF	594,743,913	0.6	17.2	20.8	24.2	14.4	9.9	7.6	7.8	Aug-13
<i>Oregon MSCI ACWI Ex US (Net)</i>			<i>12.0</i>	<i>17.9</i>	<i>17.7</i>	<i>14.0</i>	<i>10.1</i>	<i>6.1</i>	<i>6.0</i>	
OST Int'l Risk Premia	1,223,103,308	1.2	12.2	23.7	27.1	18.0	14.4	--	9.5	Jun-17
<i>MSCI World x US Custom Div Multiple-Factor</i>			<i>12.0</i>	<i>23.3</i>	<i>26.7</i>	<i>17.6</i>	<i>14.0</i>	<i>--</i>	<i>9.2</i>	
<i>MSCI World ex USA Net Index</i>			<i>12.0</i>	<i>19.0</i>	<i>18.7</i>	<i>15.7</i>	<i>11.5</i>	<i>--</i>	<i>7.3</i>	

## Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>International Value</b>	<b>1,358,708,455</b>	<b>1.4</b>	<b>11.9</b>	<b>20.1</b>	<b>25.0</b>	<b>19.7</b>	<b>17.1</b>	<b>8.9</b>	<b>8.1</b>	<b>Feb-98</b>
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>			<i>11.0</i>	<i>19.7</i>	<i>21.1</i>	<i>15.5</i>	<i>13.1</i>	<i>5.8</i>	<i>6.3</i>	
Acadian Asset Management	893,591,213	0.9	12.7	19.3	25.0	18.4	16.9	10.0	--	Mar-92
<i>Oregon MSCI ACWI Ex US Value IMI (Net)</i>			<i>11.0</i>	<i>19.7</i>	<i>21.1</i>	<i>15.5</i>	<i>13.1</i>	<i>5.8</i>	<i>--</i>	
Brandes Investment Partners	465,117,241	0.5	10.5	21.7	25.0	20.6	17.2	7.6	7.9	Jan-98
<i>Oregon MSCI ACWI Ex US Value (Net)</i>			<i>10.4</i>	<i>19.9</i>	<i>21.4</i>	<i>15.6</i>	<i>13.1</i>	<i>5.7</i>	<i>6.2</i>	
<b>International Growth</b>	<b>1,530,091,373</b>	<b>1.6</b>	<b>9.4</b>	<b>9.1</b>	<b>3.7</b>	<b>10.4</b>	<b>6.7</b>	<b>7.3</b>	<b>7.1</b>	<b>Jan-05</b>
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>12.0</i>	<i>19.0</i>	<i>18.7</i>	<i>15.7</i>	<i>11.5</i>	<i>6.7</i>	<i>5.8</i>	
Walter Scott Management	874,714,724	0.9	8.6	7.8	2.5	10.0	6.4	7.8	7.7	Dec-04
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>12.0</i>	<i>19.0</i>	<i>18.7</i>	<i>15.7</i>	<i>11.5</i>	<i>6.7</i>	<i>6.0</i>	
MFS International Growth	334,372,008	0.3	11.0	--	--	--	--	--	9.8	Feb-25
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>12.0</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>13.4</i>	
Lazard International Quality	321,004,641	0.3	9.8	--	--	--	--	--	4.4	Feb-25
<i>Oregon MSCI WORLD Ex US (Net)</i>			<i>12.0</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>13.4</i>	
<b>International Small Cap</b>	<b>187,146,800</b>	<b>0.2</b>	<b>23.8</b>	<b>17.6</b>	<b>13.9</b>	<b>14.8</b>	<b>13.6</b>	<b>6.7</b>	<b>8.2</b>	<b>Aug-09</b>
<i>MSCI World ex U.S. Small Value (Net)</i>			<i>14.7</i>	<i>21.4</i>	<i>23.7</i>	<i>14.6</i>	<i>12.5</i>	<i>6.5</i>	<i>7.8</i>	
IMC International Micro Cap	187,146,800	0.2	23.8	17.6	10.9	12.8	11.6	7.8	8.3	May-14
<i>MSCI World ex U.S. Small Value (Net)</i>			<i>14.7</i>	<i>21.4</i>	<i>23.7</i>	<i>14.6</i>	<i>12.5</i>	<i>6.5</i>	<i>5.4</i>	

### Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Emerging Markets</b>	<b>670,781,447</b>	<b>0.7</b>	<b>16.5</b>	<b>15.8</b>	<b>11.7</b>	<b>15.2</b>	<b>12.2</b>	<b>7.5</b>	<b>7.7</b>	<b>Aug-09</b>
<i>ORE MSCI Emerging Markets IMI (Net)</i>			<i>12.7</i>	<i>14.6</i>	<i>14.3</i>	<i>10.2</i>	<i>7.6</i>	<i>5.0</i>	<i>5.1</i>	
Arrowstreet Emerging Markets	317,052,927	0.3	19.3	21.6	19.4	18.9	17.5	9.9	10.3	Sep-06
<i>ORE MSCI Emerging Markets IMI (Net)</i>			<i>12.7</i>	<i>14.6</i>	<i>14.3</i>	<i>10.2</i>	<i>7.6</i>	<i>5.0</i>	<i>5.2</i>	
Westwood Global Investment	155,889,811	0.2	13.4	13.9	4.0	9.0	11.4	6.2	5.4	May-10
<i>MSCI Emerging Markets IMI (Net)</i>			<i>12.7</i>	<i>14.6</i>	<i>14.3</i>	<i>10.2</i>	<i>7.6</i>	<i>4.9</i>	<i>3.9</i>	
William Blair and Company	197,838,709	0.2	14.9	8.8	6.9	7.8	5.1	5.6	6.1	Dec-11
<i>MSCI Emerging Markets Growth (Net)</i>			<i>13.8</i>	<i>15.7</i>	<i>17.7</i>	<i>9.2</i>	<i>4.6</i>	<i>5.5</i>	<i>5.6</i>	
<b>Global Equity</b>	<b>2,887,758,900</b>	<b>2.9</b>	<b>9.8</b>	<b>10.9</b>	<b>16.6</b>	<b>16.7</b>	<b>13.6</b>	<b>9.0</b>	<b>6.0</b>	<b>Mar-07</b>
<i>MSCI ACWI IMI Net (Daily)</i>			<i>11.6</i>	<i>9.8</i>	<i>15.9</i>	<i>16.8</i>	<i>13.4</i>	<i>9.7</i>	<i>7.2</i>	
Cantillion	1,101,219,831	1.1	13.4	10.2	19.2	--	--	--	19.3	Mar-23
<i>MSCI ACWI IMI Net (Daily)</i>			<i>11.6</i>	<i>9.8</i>	<i>15.9</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>18.6</i>	
GQG Global Equity	465,908,551	0.5	1.5	2.2	1.2	--	--	--	16.9	Sep-23
<i>Oregon MSCI ACWI Ex US (Net)</i>			<i>12.0</i>	<i>17.9</i>	<i>17.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>16.5</i>	
<b>Global Equity Low Volatility</b>	<b>1,320,630,518</b>	<b>1.3</b>	<b>10.1</b>	<b>15.1</b>	<b>20.8</b>	<b>17.3</b>	<b>13.9</b>	<b>--</b>	<b>11.4</b>	<b>Jan-17</b>
<i>MSCI AC World (Daily Const)</i>			<i>11.5</i>	<i>10.0</i>	<i>16.2</i>	<i>17.3</i>	<i>13.7</i>	<i>--</i>	<i>11.5</i>	
LACM Global Equity Low Volatility	642,624,921	0.7	9.5	13.6	18.0	15.2	12.1	--	10.8	Dec-16
<i>MSCI AC World (Daily Const)</i>			<i>11.5</i>	<i>10.0</i>	<i>16.2</i>	<i>17.3</i>	<i>13.7</i>	<i>--</i>	<i>11.7</i>	
Arrowstreet Global Low Volatility	678,005,597	0.7	10.7	16.4	23.5	19.4	17.1	--	13.7	May-17
<i>MSCI ACWI IMI Net (Daily)</i>			<i>11.6</i>	<i>9.8</i>	<i>15.9</i>	<i>16.8</i>	<i>13.4</i>	<i>--</i>	<i>10.5</i>	
<b>Other Equity</b>	<b>30,310,026</b>	<b>0.0</b>								
Transitional & Closed Accounts	30,310,026	0.0								
Transition & Closed Accounts II - International Equity	107,577	0.0								

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



### Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Total Real Estate</b>	<b>13,684,877,292</b>	<b>13.9</b>	<b>0.7</b>	<b>1.8</b>	<b>2.5</b>	<b>-2.9</b>	<b>5.1</b>	<b>6.4</b>	<b>8.9</b>	<b>Jul-97</b>
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.9</i>	<i>1.8</i>	<i>1.2</i>	<i>-5.1</i>	<i>2.0</i>	<i>4.6</i>	<i>7.9</i>	
<b>Real Estate excluding REITS</b>	<b>13,371,905,345</b>	<b>13.6</b>	<b>0.7</b>	<b>1.8</b>	<b>2.3</b>	<b>-3.1</b>	<b>5.0</b>	<b>6.8</b>	<b>9.0</b>	<b>Dec-96</b>
<i>NCREIF ODCE (Custom) (Adj.)</i>			<i>0.9</i>	<i>1.8</i>	<i>1.2</i>	<i>-5.1</i>	<i>2.0</i>	<i>4.6</i>	<i>8.0</i>	
<b>Total REITS</b>	<b>312,971,946</b>	<b>0.3</b>	<b>-0.5</b>	<b>3.0</b>	<b>13.5</b>	<b>8.0</b>	<b>9.9</b>	<b>5.5</b>	<b>8.6</b>	<b>Jul-97</b>
ABKB - LaSalle Advisors	312,971,946	0.3	-0.5	3.0	13.5	8.2	10.9	9.6	9.7	Mar-97
<i>FTSE NAREIT All Equity REITs</i>			<i>-0.9</i>	<i>1.8</i>	<i>9.2</i>	<i>3.4</i>	<i>6.7</i>	<i>6.6</i>	<i>8.5</i>	
<b>Opportunity Portfolio</b>	<b>2,897,143,004</b>	<b>2.9</b>	<b>2.3</b>	<b>4.9</b>	<b>9.6</b>	<b>9.6</b>	<b>13.8</b>	<b>9.1</b>	<b>--</b>	<b>Mar-07</b>
<i>Opportunity Custom Benchmark</i>			<i>3.0</i>	<i>4.4</i>	<i>9.2</i>	<i>9.6</i>	<i>10.8</i>	<i>8.7</i>	<i>7.9</i>	
<i>OPERF Policy Benchmark</i>			<i>3.0</i>	<i>4.4</i>	<i>9.1</i>	<i>8.0</i>	<i>9.7</i>	<i>8.1</i>	<i>7.3</i>	
Portfolio Holdings - Opportunity	220,650,000	0.2	0.4	2.0	7.4	18.8	--	--	10.0	Oct-21
<b>Alternative Portfolio</b>	<b>15,343,893,190</b>	<b>15.6</b>	<b>3.0</b>	<b>3.9</b>	<b>7.3</b>	<b>7.7</b>	<b>10.9</b>	<b>5.4</b>	<b>4.3</b>	<b>Jul-11</b>
<i>CPI +4%</i>			<i>1.9</i>	<i>4.2</i>	<i>6.8</i>	<i>7.0</i>	<i>8.7</i>	<i>7.1</i>	<i>6.7</i>	
<b>Diversifying Strategies</b>	<b>5,000,434,087</b>	<b>5.1</b>	<b>0.1</b>	<b>3.4</b>	<b>3.4</b>	<b>5.8</b>	<b>8.4</b>	<b>2.7</b>	<b>3.4</b>	<b>Dec-11</b>
<i>HFRI FOF Conservative Index</i>			<i>2.0</i>	<i>2.8</i>	<i>5.7</i>	<i>5.4</i>	<i>6.2</i>	<i>3.8</i>	<i>4.0</i>	
Diversifying Strategies	5,000,434,087	5.1	0.1	3.4	3.4	5.8	8.4	--	2.7	Nov-16
<i>HFRI FOF Conservative Index</i>			<i>2.0</i>	<i>2.8</i>	<i>5.7</i>	<i>5.4</i>	<i>6.2</i>	<i>--</i>	<i>4.6</i>	
<b>Real Assets</b>	<b>10,343,459,104</b>	<b>10.5</b>	<b>4.4</b>	<b>4.1</b>	<b>9.3</b>	<b>8.7</b>	<b>12.6</b>	<b>7.4</b>	<b>5.3</b>	<b>Jul-11</b>
<i>CPI +4%</i>			<i>1.9</i>	<i>4.2</i>	<i>6.8</i>	<i>7.0</i>	<i>8.7</i>	<i>7.1</i>	<i>6.7</i>	
Infrastructure	7,258,377,462	7.4	4.7	5.4	11.6	8.9	12.2	--	10.7	Jan-19
<i>CPI +4%</i>			<i>1.9</i>	<i>4.2</i>	<i>6.8</i>	<i>7.0</i>	<i>8.7</i>	<i>--</i>	<i>8.0</i>	
Natural Resources	3,085,081,642	3.1	3.8	1.3	4.2	8.2	13.1	--	5.4	Jan-19
<i>CPI +4%</i>			<i>1.9</i>	<i>4.2</i>	<i>6.8</i>	<i>7.0</i>	<i>8.7</i>	<i>--</i>	<i>8.0</i>	
<b>Private Equity</b>	<b>26,056,597,456</b>	<b>26.5</b>	<b>2.2</b>	<b>6.3</b>	<b>6.9</b>	<b>3.7</b>	<b>14.9</b>	<b>12.4</b>	<b>12.2</b>	<b>Jul-97</b>
<i>Russell 3000 + 300 BPS QTR LAG (Adj.)</i>			<i>-4.0</i>	<i>-0.8</i>	<i>10.4</i>	<i>11.2</i>	<i>21.6</i>	<i>15.1</i>	<i>13.6</i>	
<i>MSCI ACWI+3% (1 quarter lagged)</i>			<i>-0.6</i>	<i>-0.8</i>	<i>10.3</i>	<i>10.1</i>	<i>18.6</i>	<i>12.1</i>	<i>--</i>	
<b>Cash</b>	<b>1,675,022,090</b>	<b>1.7</b>	<b>1.2</b>	<b>2.3</b>	<b>5.1</b>	<b>4.9</b>	<b>2.8</b>	<b>2.3</b>	<b>3.3</b>	<b>Dec-89</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>			<i>1.0</i>	<i>2.1</i>	<i>4.7</i>	<i>4.6</i>	<i>2.8</i>	<i>2.0</i>	<i>2.9</i>	
Cash	1,675,022,090	1.7	1.2	2.3	5.1	4.9	--	--	3.7	Oct-21

## Trailing Net Performance | As of June 30, 2025

	Calendar Year Performance									
	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Total Fund</b>	<b>5.7</b>	<b>6.0</b>	<b>-1.5</b>	<b>20.0</b>	<b>7.7</b>	<b>13.6</b>	<b>0.5</b>	<b>15.4</b>	<b>7.1</b>	<b>2.0</b>
<i>OPERF Policy Benchmark</i>	11.7	11.4	-8.6	15.6	12.4	14.0	1.2	15.6	9.0	1.6
<i>60% MSCI ACWI / 40% Bloomberg Aggregate</i>	10.8	15.4	-16.0	10.2	13.5	19.4	-5.5	15.4	5.9	-1.0
<i>70% MSCI ACWI/30% Barclays Agg</i>	12.4	17.1	-16.6	12.2	14.3	21.2	-6.5	17.5	6.4	-1.3
<i>InvMetrics All DB &gt; \$5B Median</i>	8.8	10.8	-10.3	15.6	12.3	17.1	-2.8	16.0	7.7	0.3
<i>InvMetrics All DB &gt; \$5B Rank</i>	88	99	1	8	94	92	9	63	82	12
<b>Total Fixed Income</b>	<b>2.7</b>	<b>7.0</b>	<b>-11.3</b>	<b>-0.9</b>	<b>7.7</b>	<b>8.8</b>	<b>0.3</b>	<b>3.7</b>	<b>2.8</b>	<b>0.6</b>
<i>Oregon Custom FI Benchmark</i>	1.3	5.5	-13.0	-0.9	7.3	8.3	0.3	3.3	2.5	0.2
<b>Core Fixed Income</b>	<b>1.6</b>	<b>6.7</b>	<b>-13.9</b>	<b>-1.1</b>	<b>8.7</b>	<b>9.8</b>	<b>-0.2</b>	<b>4.6</b>	<b>3.4</b>	<b>0.6</b>
<i>Oregon Custom External FI BM</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6
Blackrock	1.8	6.2	-13.2	-1.4	9.1	8.9	0.1	3.8	2.8	0.9
<i>Oregon Custom External FI BM</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6
Wellington	2.5	6.7	-14.3	-0.9	9.6	9.8	-0.4	4.6	4.0	0.8
<i>Oregon Custom External FI BM</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6
Western Asset	0.6	6.9	-14.9	-1.2	9.4	11.6	-0.7	5.6	3.7	0.4
<i>Oregon Custom External FI BM</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.7	0.6
<b>U.S. Government</b>	<b>0.8</b>	<b>4.1</b>	<b>-12.5</b>	<b>-2.3</b>	<b>8.1</b>	<b>6.9</b>	<b>0.9</b>	<b>2.3</b>	<b>-1.6</b>	<b>0.9</b>
<i>Government Blended Index</i>	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9	2.3	-1.3	0.7
Government Portfolio	0.8	4.1	-12.5	-2.3	8.1	6.9	0.9	--	--	--
<i>Government Blended Index</i>	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9	--	--	--
<b>Non-Core Fixed Income</b>	<b>9.8</b>	<b>14.7</b>	<b>0.3</b>	<b>6.4</b>	<b>3.7</b>	<b>10.5</b>	<b>0.1</b>	<b>4.9</b>	<b>10.1</b>	<b>0.2</b>
<i>Custom Non-Core Fixed Income Index</i>	8.8	13.4	-3.3	5.3	3.9	10.1	-0.2	5.0	12.0	-1.7
Oak Hill	10.6	14.8	1.3	5.7	4.9	10.5	0.5	6.3	11.2	0.9
<i>Oak Hill Custom Lev Loan &amp; Bond Index</i>	8.8	13.4	-2.2	5.2	3.6	9.5	0.0	4.6	11.2	-1.3
Beach Point	7.7	--	--	--	--	--	--	--	--	--
<i>Beachpoint Custom FI Benchmark</i>	9.2	--	--	--	--	--	--	--	--	--

## Trailing Net Performance | As of June 30, 2025

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Emerging Markets Debt</b>	<b>7.6</b>	<b>10.5</b>	<b>-18.4</b>	--	--	--	--	--	--	--
<i>JPM EMBI Global Diversified</i>	<i>6.5</i>	<i>11.1</i>	<i>-17.8</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>	--	--	--	--	--	--	--
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>	--	--	--	--	--	--	--
<b>Structured Credit Products</b>	<b>6.1</b>	<b>7.0</b>	<b>-9.3</b>	--	--	--	--	--	--	--
<i>Oregon Structured Credit Products FI BM</i>	<i>5.2</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>	--	--	--	--	--	--	--
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>	--	--	--	--	--	--	--
<b>Investment Grade Credit</b>	<b>2.4</b>	<b>10.6</b>	--	--	--	--	--	--	--	--
<i>Bloomberg US Credit</i>	<i>2.0</i>	<i>8.2</i>	--	--	--	--	--	--	--	--
Fidelity	2.4	10.6	--	--	--	--	--	--	--	--
<i>Bloomberg US Credit</i>	<i>2.0</i>	<i>8.2</i>	--	--	--	--	--	--	--	--
<b>Total Public Equity</b>	<b>17.4</b>	<b>19.8</b>	<b>-14.3</b>	<b>20.0</b>	<b>12.7</b>	<b>25.3</b>	<b>-10.5</b>	<b>24.5</b>	<b>9.8</b>	<b>-1.7</b>
<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>
<b>U.S. Equity</b>	<b>22.8</b>	<b>20.4</b>	<b>-16.0</b>	<b>27.2</b>	<b>13.6</b>	<b>29.0</b>	<b>-7.9</b>	<b>20.3</b>	<b>14.9</b>	<b>-0.8</b>
<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>
<b>Small Cap Growth</b>	<b>26.2</b>	<b>3.6</b>	<b>-23.9</b>	<b>19.6</b>	<b>38.9</b>	<b>33.9</b>	<b>-4.7</b>	<b>26.8</b>	<b>6.3</b>	<b>-5.0</b>
<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>
IMC MicroCap Growth	26.2	3.6	-23.9	19.6	38.9	33.9	-4.7	26.8	6.3	-5.7
<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>

## Trailing Net Performance | As of June 30, 2025

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Market Oriented (CORE)</b>	<b>22.9</b>	<b>21.2</b>	<b>-16.3</b>	<b>26.6</b>	<b>15.2</b>	<b>30.1</b>	<b>-7.1</b>	<b>22.0</b>	<b>14.8</b>	<b>-1.7</b>
<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>
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
<i>S&amp;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>
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
<i>S&amp;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>
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
<i>S&amp;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>
BR Russell 3000	23.8	--	--	--	--	--	--	--	--	--
<i>Russell 3000 Index</i>	<i>23.8</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
DFA All Cap Core	23.1	--	--	--	--	--	--	--	--	--
<i>Russell 3000 Index</i>	<i>23.8</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
<b>Non-U.S. Equity</b>	<b>8.4</b>	<b>19.5</b>	<b>-14.3</b>	<b>12.7</b>	<b>13.5</b>	<b>22.6</b>	<b>-14.9</b>	<b>30.4</b>	<b>4.6</b>	<b>-2.6</b>
<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>
<b>Total International Overlay Accounts</b>										
PERS-Adrian Lee Active Currency										
PERS-P/E Global Active Currency										
<b>International Market Oriented (Core)</b>	<b>12.0</b>	<b>17.5</b>	<b>-13.5</b>	<b>13.1</b>	<b>12.5</b>	<b>23.2</b>	<b>-14.3</b>	<b>31.0</b>	<b>2.5</b>	<b>-1.2</b>
<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>
Arrowstreet Capital	17.4	21.7	-5.5	24.5	9.1	23.2	-10.3	35.4	4.7	0.4
<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>
Lazard International CEF	9.7	10.5	-25.7	4.5	30.2	29.0	-17.2	39.8	0.1	-0.2
<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>
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>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>--</i>	<i>--</i>	<i>--</i>

## Trailing Net Performance | As of June 30, 2025

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>International Value</b>	<b>10.7</b>	<b>23.2</b>	<b>-10.9</b>	<b>18.0</b>	<b>4.9</b>	<b>17.8</b>	<b>-12.4</b>	<b>25.7</b>	<b>9.8</b>	<b>-4.5</b>
<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>
Acadian Asset Management	15.0	16.5	-13.9	21.7	11.5	19.4	-15.4	35.1	11.8	-7.2
<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>
Brandes Investment Partners	3.4	32.3	-7.4	14.1	-1.3	16.4	-9.4	16.3	7.9	-1.6
<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>
<b>International Growth</b>	<b>-0.9</b>	<b>19.2</b>	<b>-21.0</b>	<b>12.4</b>	<b>19.9</b>	<b>28.1</b>	<b>-6.4</b>	<b>27.5</b>	<b>1.3</b>	<b>1.9</b>
<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>
Walter Scott Management	-0.9	19.2	-21.0	12.4	19.9	28.0	-6.3	27.5	6.4	1.2
<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>
<b>International Small Cap</b>	<b>0.3</b>	<b>19.8</b>	<b>-15.0</b>	<b>18.1</b>	<b>9.3</b>	<b>24.1</b>	<b>-24.3</b>	<b>30.2</b>	<b>4.9</b>	<b>6.1</b>
<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>
IMC International Micro Cap	3.7	17.5	-25.2	17.8	38.4	20.3	-33.6	45.3	2.2	23.5
<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>
<b>Emerging Markets</b>	<b>5.7</b>	<b>24.3</b>	<b>-16.9</b>	<b>4.3</b>	<b>23.5</b>	<b>22.1</b>	<b>-17.4</b>	<b>35.7</b>	<b>10.3</b>	<b>-14.5</b>
<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>
Arrowstreet Emerging Markets	9.8	21.3	-10.5	9.6	32.1	23.7	-19.5	35.4	11.2	-15.8
<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>
Westwood Global Investment	-8.3	22.8	-4.1	3.6	10.1	9.8	-9.3	29.5	19.0	-16.1
<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>
William Blair and Company	11.8	10.7	-33.3	4.4	41.4	29.1	-21.6	50.2	1.9	-14.1
<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>

## Trailing Net Performance | As of June 30, 2025

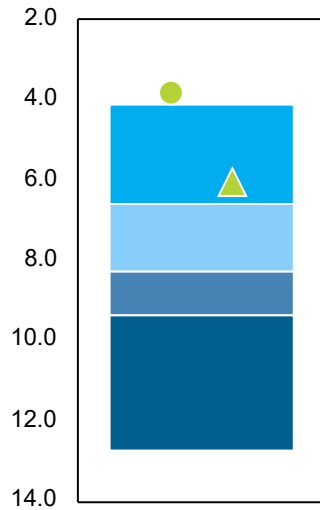
	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Global Equity</b>	<b>17.3</b>	<b>19.3</b>	<b>-9.8</b>	<b>15.5</b>	<b>7.4</b>	<b>21.6</b>	<b>-7.9</b>	<b>22.3</b>	<b>9.4</b>	<b>-3.3</b>
MSCI ACWI IMI Net (Daily)	16.4	21.6	-18.4	18.2	16.3	26.4	-10.1	24.0	8.3	-2.1
Cantillon	16.1	--	--	--	--	--	--	--	--	--
MSCI ACWI IMI Net (Daily)	16.4	--	--	--	--	--	--	--	--	--
GQG Global Equity	22.7	--	--	--	--	--	--	--	--	--
Oregon MSCI ACWI Ex US (Net)	5.5	--	--	--	--	--	--	--	--	--
<b>Global Equity Low Volatility</b>	<b>16.6</b>	<b>17.2</b>	<b>-9.2</b>	<b>15.2</b>	<b>7.9</b>	<b>21.7</b>	<b>-5.5</b>	<b>22.5</b>	<b>--</b>	<b>--</b>
MSCI AC World (Daily Const)	17.5	22.2	-18.4	18.5	16.3	26.6	-9.4	24.0	--	--
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	--	--
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	--	--	--
<b>Other Equity</b>										
Transitional & Closed Accounts										
Transition & Closed Accounts II - International Equity										
<b>Total Real Estate</b>	<b>-4.0</b>	<b>-10.2</b>	<b>20.0</b>	<b>19.0</b>	<b>2.7</b>	<b>7.2</b>	<b>8.0</b>	<b>10.0</b>	<b>7.9</b>	<b>9.9</b>
NCREIF ODCE (Custom) (Adj.)	-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5
<b>Real Estate excluding REITS</b>	<b>-4.3</b>	<b>-10.7</b>	<b>21.6</b>	<b>18.6</b>	<b>3.0</b>	<b>7.3</b>	<b>8.9</b>	<b>11.2</b>	<b>10.0</b>	<b>12.7</b>
NCREIF ODCE (Custom) (Adj.)	-8.0	-12.9	21.0	13.6	0.6	4.7	7.7	6.7	8.9	13.5
<b>Total REITS</b>	<b>11.3</b>	<b>14.4</b>	<b>-16.4</b>	<b>28.2</b>	<b>-0.9</b>	<b>7.2</b>	<b>-2.0</b>	<b>9.8</b>	<b>1.1</b>	<b>2.0</b>
ABKB - LaSalle Advisors	11.1	15.6	-18.6	36.2	3.0	29.9	3.2	7.4	5.4	2.9
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
<b>Opportunity Portfolio</b>	<b>11.2</b>	<b>13.9</b>	<b>1.3</b>	<b>22.7</b>	<b>10.2</b>	<b>6.2</b>	<b>5.8</b>	<b>10.5</b>	<b>6.1</b>	<b>2.1</b>
Opportunity Custom Benchmark	11.7	10.1	11.7	12.4	6.4	7.4	7.0	7.2	7.2	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
Portfolio Holdings - Opportunity	17.2	37.8	-15.5	--	--	--	--	--	--	--

## Trailing Net Performance | As of June 30, 2025

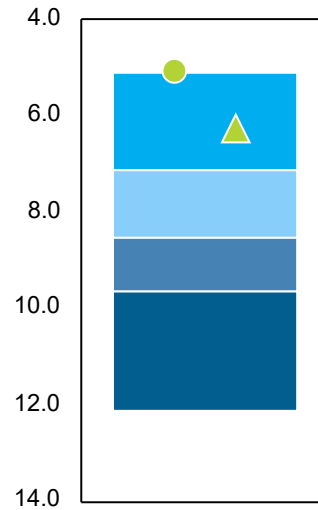
	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Alternative Portfolio</b>	<b>9.3</b>	<b>5.3</b>	<b>19.1</b>	<b>14.8</b>	<b>-6.6</b>	<b>-1.3</b>	<b>-2.4</b>	<b>8.3</b>	<b>6.6</b>	<b>-4.3</b>
<i>CPI +4%</i>	<i>7.0</i>	<i>7.5</i>	<i>10.4</i>	<i>11.3</i>	<i>5.4</i>	<i>6.4</i>	<i>6.0</i>	<i>6.2</i>	<i>6.2</i>	<i>4.8</i>
<b>Diversifying Strategies</b>	<b>7.6</b>	<b>0.8</b>	<b>21.4</b>	<b>8.7</b>	<b>-12.1</b>	<b>-1.0</b>	<b>-11.5</b>	<b>8.0</b>	<b>0.5</b>	<b>6.4</b>
<i>HFRI FOF Conservative Index</i>	<i>6.4</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>
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>6.4</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>--</i>	<i>--</i>
<b>Real Assets</b>	<b>10.1</b>	<b>7.8</b>	<b>18.2</b>	<b>19.0</b>	<b>-2.0</b>	<b>-1.6</b>	<b>4.9</b>	<b>8.4</b>	<b>9.0</b>	<b>-7.9</b>
<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>
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>--</i>	<i>--</i>	<i>--</i>	<i>--</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>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
<b>Private Equity</b>	<b>4.1</b>	<b>6.4</b>	<b>1.2</b>	<b>41.8</b>	<b>12.7</b>	<b>11.1</b>	<b>18.1</b>	<b>17.3</b>	<b>6.3</b>	<b>7.3</b>
<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>MSCI ACWI+3% (1 quarter lagged)</i>	<i>35.6</i>	<i>24.4</i>	<i>-18.2</i>	<i>31.2</i>	<i>13.7</i>	<i>4.4</i>	<i>13.0</i>	<i>22.2</i>	<i>15.3</i>	<i>-3.8</i>
<b>Cash</b>	<b>5.6</b>	<b>5.5</b>	<b>0.5</b>	<b>0.1</b>	<b>1.6</b>	<b>3.3</b>	<b>2.0</b>	<b>1.3</b>	<b>1.2</b>	<b>0.5</b>
<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>

PERS-Russell Overlay Cash Balance

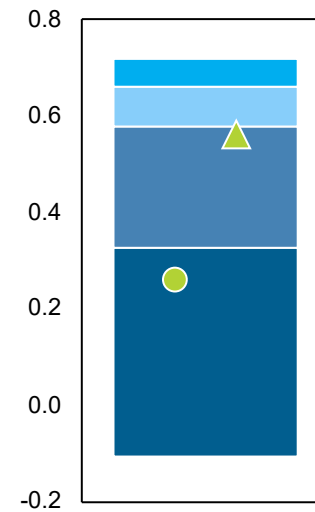
Annualized Standard Deviation  
3 Years Ending June 30, 2025



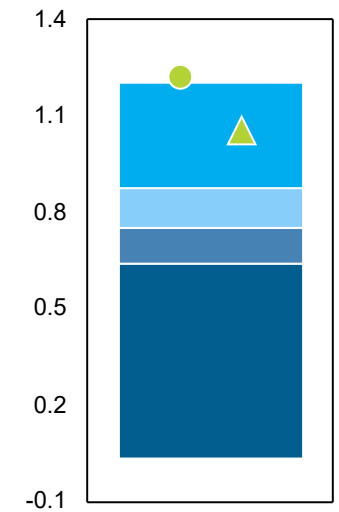
Annualized Standard Deviation  
5 Years Ending June 30, 2025



Sharpe Ratio  
3 Years Ending June 30, 2025



Sharpe Ratio  
5 Years Ending June 30, 2025



Total Fund 3.8 (2)  
OPERF Policy Benchmark 6.1 (18)

5th Percentile 4.2  
1st Quartile 6.6  
Median 8.3  
3rd Quartile 9.4  
95th Percentile 12.7

Population 36

Total Fund 5.1 (1)  
OPERF Policy Benchmark 6.3 (12)

5th Percentile 5.1  
1st Quartile 7.1  
Median 8.5  
3rd Quartile 9.7  
95th Percentile 12.1

Population 33

Total Fund 0.3 (80)  
OPERF Policy Benchmark 0.6 (56)

5th Percentile 0.7  
1st Quartile 0.7  
Median 0.6  
3rd Quartile 0.3  
95th Percentile -0.1

Population 36

Total Fund 1.2 (4)  
OPERF Policy Benchmark 1.1 (10)

5th Percentile 1.2  
1st Quartile 0.9  
Median 0.8  
3rd Quartile 0.6  
95th Percentile 0.0

Population 33



#### Benchmark History

##### OPERF Policy Benchmark

4/1/2023	Present	20% Russell 3000+300 Bps quarter lag, 25% BBG US Agg, 12.50% NCREIF ODCE (Custom), 27.5% MSCI ACWI IMI Net, 7.50% CPI+4% and 7.50% HFRI FOF Conserv Indx.
10/1/2021	3/31/2023	20% Russell 3000+300 Bps quarter lag, 20% BBG US Agg, 12.50% NCREIF ODCE (Custom), 30% MSCI ACWI IMI Net, 7.50% CPI+4%, 7.50% HFRI FOF Conserv Indx and 2.50% S&P Risk Parity - 12% Target Vol.
7/1/2020	3/30/2021	19% Russell 3000+300 Bps quarter lag, 20% Oregon Custom FI Benchmark, 12.5% Oregon Custom Real Estate Benchmark, 33.5% MSCI ACWI IMI Net, 12.50% CPI+4% and 2.50% S&P Risk Parity - 12% Target Vol.
1/1/2019	6/30/2020	19% Russell 3000+300 Bps quarter lag, 21% Oregon Custom FI Benchmark, 12.5% Oregon Custom Real Estate Benchmark, 37.5% MSCI ACWI IMI Net and 10% CPI+4%
4/1/2018	12/31/2018	19% Russell 3000+300 Bps quarter lag, 22% Oregon Custom FI Benchmark, 12.5% Oregon Custom Real Estate Benchmark, 39% MSCI ACWI IMI Net and 7.5% CPI+4%
7/1/2016	3/31/2018	20% Russell 3000+300 Bps quarter lag, 22.5% Oregon Custom FI Benchmark, 12.5% Oregon Custom Real Estate Benchmark, 40% MSCI ACWI IMI Net and 5% CPI+4%
4/1/2016	6/30/2016	20% Russell 3000+300 Bps quarter lag, 23.5% Oregon Custom FI Benchmark, 12.5% Oregon Custom Real Estate Benchmark, 41.5% MSCI AC World Index and 2.5% CPI+4%
10/1/2013	3/31/2016	20% Russell 3000+300 Bps quarter lag, 23.5% Oregon Custom FI Benchmark, 12.5% NCREIF Property Index quarter lag, 41.5% MSCI AC World Index and 2.5% CPI+4%
5/1/2008	3/30/2023	16% Russell 3000+300 Bps quarter lag, 27% Oregon Custom FI Benchmark, 11% NCREIF Property Index quarter lag and 46% MSCI AC World Index
11/1/2007	4/30/2008	25% MSCI AC World Index ex USA, 12% Russell 3000+300 Bps quarter lag, 27% Oregon Custom FI Benchmark, 28% Russell 3000 and 8% NCREIF Property Index quarter lag
7/1/2007	10/31/2007	20% MSCI AC World Index ex USA, 12% Russell 3000+300 Bps quarter lag, 27% Oregon Custom FI Benchmark, 33% Russell 3000 and 8% NCREIF Property Index quarter lag
5/1/2005	6/30/2007	20% MSCI AC World Index ex USA, 10% Russell 3000+300 Bps quarter lag, 27% Oregon Custom FI Benchmark, 35% Russell 3000 and 8% NCREIF Property Index quarter lag

##### S&P 600 Custom

1/1/2019	Present	S&P SM 600 Index
3/1/2010	12/31/2016	Russell 2000 Index

<b>Oregon MSCI ACWI Ex US IMI (Net)</b>		
6/1/2008	Present	MSCI ACWI ex US IMI (Net)
1/1/1999	6/1/2008	MSCI ACWI ex US (Net)
<b>Oregon MSCI ACWI Ex US (Net)</b>		
6/1/2010	Present	MSCI ACWI ex US (Net)
1/1/1970	6/1/2010	MSCI World ex US (Net)
<b>Oregon MSCI WORLD Ex US (Net)</b>		
6/1/2008	Present	MSCI World ex US (Net)
1/1/1970	6/1/2008	MSCI World ex US (Gross)
<b>ORE MSCI Emerging Markets IMI (Net)</b>		
6/1/2008	Present	MSCI Emerging Markets IMI
1/1/1988	6/1/2008	MSCI Emerging Markets Free
<b>MSCI Emerging Markets Growth (Net)</b>		
1/1/2018	Present	Emerging Markets Growth Net
6/1/2008	12/31/2017	MSCI Emerging Markets
1/1/1988	6/1/2008	MSCI Emerging Markets Free
<b>Oregon Custom FI Benchmark</b>		
10/1/2021	Present	Bloomberg US Aggregate
3/1/2016	3/30/2021	46% BBG Aggregate Bond, 37% BBG Treasury, 4% BofAML High Yield Master II, and 13% S&P/LSTA
1/1/2014	2/29/2016	Oregon Custom FI Benchmark (40% Barclays Capital U.S. Aggregate Bond, 40% Barclays Capital U.S. 1-3 Govt/Credit Bond Index, 15% S&P/LSTA Leveraged Loan Index, and 5% BofA ML High Yield Master II Index)
3/1/2011	12/31/2013	Oregon Custom FI Benchmark (60% BC US Universal Index, 20% S&P/LSTA Leveraged Loan Index, 10% JPM EMBI Global Index, and 10% BofA ML High Yield Master II Index)
Inception	2/28/2011	Oregon Custom FI 90/10 Benchmark (90% BC US Universal Index and 10% SSBI Non-US World Gov't Bond Hedged Index)
<b>Oregon Custom External FI BM</b>		
1/1/2014	Present	Oregon Custom External FI Benchmark (100% BBG U.S. Aggregate Bond)
3/1/2011	12/31/2013	Oregon Custom External FI Benchmark (90% BC US Universal Index and 10% JPM EMBI Global Index)
Inception	2/28/2011	Oregon Custom External FI 90/10 Benchmark (90% BC US Universal and 10% SSBI Non-US World Gov't Bond Hedged Index)



### Government Blended Index

3/1/2016	Present	BBG Treasury
Inception	2/29/2016	Barclays 1-3 Year US Govt/Credit

### Custom Non-Core Fixed Income Index

7/1/2009	Present	50% custom blend of Morningstar LSTA US Leveraged (65%) and ICE BofA US High Yield (35%), and 50% custom blend of Morningstar LSTA US Leveraged (85%) and ICE BofA US High Yield (15%)
8/1/2008	6/30/2009	Morningstar LSTA US Leveraged (65%) and ICE BofA US High Yield (35%)

### Oak Hill Custom Lev Loan & Bond Index

7/1/2009	Present	85% S&P-LSTA/15% Merrill HY Master II
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### Beachpoint Custom FI Benchmark

3/1/2024	Present	Bloomberg U.S. Corporate High Yield
Inception	2/29/2024	50% Bloomberg U.S. Corp High Yield and 50% Morningstar LSTA Leveraged Loan

### Oregon Structured Credit Products FI BM

1/1/2021	Present	66.67% ICE BofA AA-BBB US Asset Backed index and 33.33% Bloomberg US Mortgage Backed Securities
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### NCREIF ODCE (Custom) (Adj.)

4/1/2016	Present	NFI-ODCE QTR LAG Net of Fees
1/1/1990	3/31/2016	NCREIF Property Index QTR Lag

### Russell 3000 + 300 BPS QTR LAG (Adj.)

5/1/2005	6/30/2017	R3000+300 bps, Qtr Lag.
1/1/1979	5/1/2005	R3000+500 bps, Qtr Lag

### Opportunity Custom Benchmark

4/1/2023	Present	OPERF Policy benchmark
9/1/2006	3/31/2023	CPI + 5%

## **Disclaimer, Glossary, and Notes**

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SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT, AND IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY OPINIONS OR RECOMMENDATIONS, REPRESENTS OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND IS SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK, AND THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

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

**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  
STATE  
TREASURY**

**Elizabeth Steiner, MD**  
Oregon State Treasurer

**George Naughton**  
Deputy State Treasurer

**To: The Oregon Investment Council**

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

**Re: Second Quarter 2025 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 June 30, 2025, OPERF's estimated return volatility is 12.7%, higher than that of the OIC-approved target allocation using the latest Capital Market Assumptions, reviewed at the May 2025 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.

## **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**

<b>Asset Class</b>	<b>Target Allocation (%)</b>	<b>Rebalancing Range (%)</b>
Public Equity	27.5	22.5 – 32.5
Private Equity	20.0	15.0 – 27.5
<i>Equity</i>	<i>47.5</i>	<i>42.5 – 52.5</i>
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
<b>Total Fund</b>	<b>100.0</b>	

Including the synthetic overlays exposures managed by Russell Investments, Table 1 shows OPERF's current allocation. OPERF Private Markets Allocation – including Private Equity, Real Asset, Real Estate, and Opportunity Portfolios – is 54.3%.

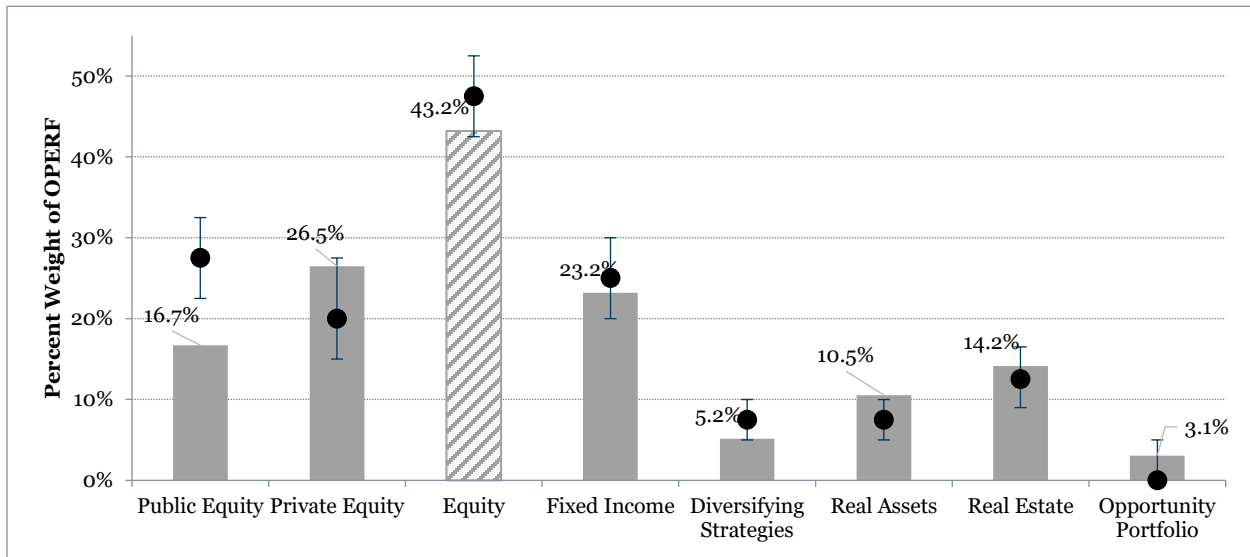


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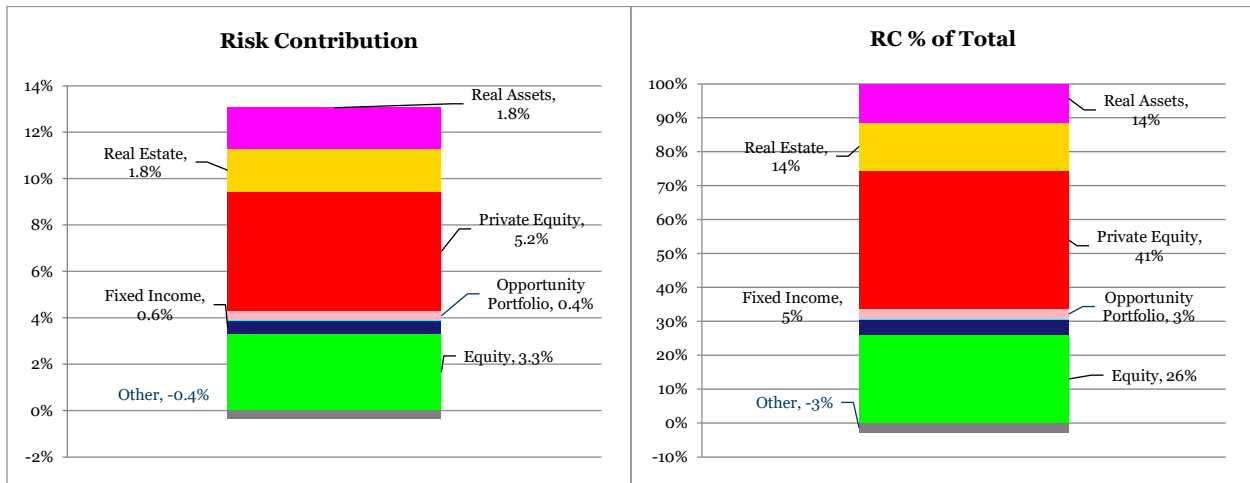
**Figure 1. OPERF Actual Allocation versus Target**



As of June 2025, OPERF held approximately \$2.3 billion in “Other”, which includes \$0.6 billion for collateral and margin purposes in the two synthetic programs (see “OPERF Predicted Risk” below) and \$1.7 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.

### OPERF Predicted Risk

**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 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 long \$5.1 billion of Fixed Income and short \$2.7 billion of Public Equity as of quarter end. This positioning results in a large negative correlation to “Equity”. Similarly,

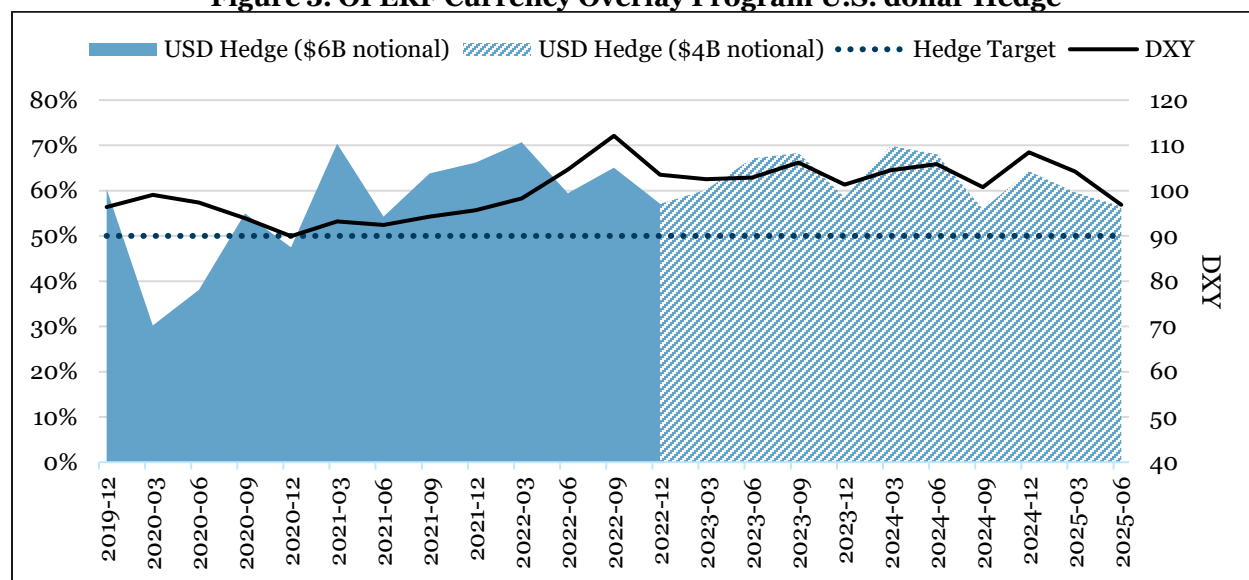
the Currency Overlay Program – long U.S. dollar and short foreign currencies – is also negatively correlated to “Equity”.

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 69% 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.*”

In 2017, the OIC approved the creation of the Currency Overlay Program, which was initiated in January 2018. The objective of this Program is to mitigate the impact of currency movements on the performance of the OPERF Public Equity Portfolio. The rationale is the currency component of the MSCI World ex-U.S. Index, the cap-weighted public equity index of the developed countries, is a source of uncompensated risk. Only one manager was retained to initiate the Program, who managed a mandate targeting 50% hedge of \$2 billion notional of developed market currencies. This Program increased in scale to \$6 billion by 2020 with two additional managers, before scaling back two years ago to \$4 billion notional in reaction to the asset value of the OPERF Public Equity Portfolio.

Figure 3 below shows the percentage of the Program’s notional of foreign currencies hedged back to U.S. dollar (“USD”) over time as well as the level of the U.S. Dollar Index (“DXY”), which was developed by the U.S. Federal Reserve in 1973 that is approximately a “trade weighted” basket of foreign currencies at a specific snapshot in time. Although the DXY has declined by about 11% year-to-date 2025 and back to the same level it last reached in 2019, the Program generated a return of +1.0% annualized over the five-year period and +1.2% annualized since inception. Staff continue to monitor the Program and evaluate its effectiveness.

**Figure 3. OPERF Currency Overlay Program U.S. dollar Hedge**



The total predicted **standard deviation**, or **volatility**, for OPERF is 12.7% as of June 30, 2025. For context, at the May 2025 OIC meeting, Meketa Investment Group (“Meketa”), the Council’s investment consultant, estimated OPERF’s long-term volatility to be 11.4% using target allocations and the 2025 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 June 2025 risk estimates yields a predicted risk of 12.0%. Roughly speaking, compared to the Capital Market Assumptions, the current

market environment added 0.6% (12.0% minus 11.4%) to the estimated risk, while the Fund's misweights added another 0.7% (12.7% minus 12.0%).

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 4 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 has steadily declined over the past 20 years. 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 in the past few years due to increasing correlation between the two component indices.

**Figure 4. OPERF's Beta to MSCI ACWI IMI**

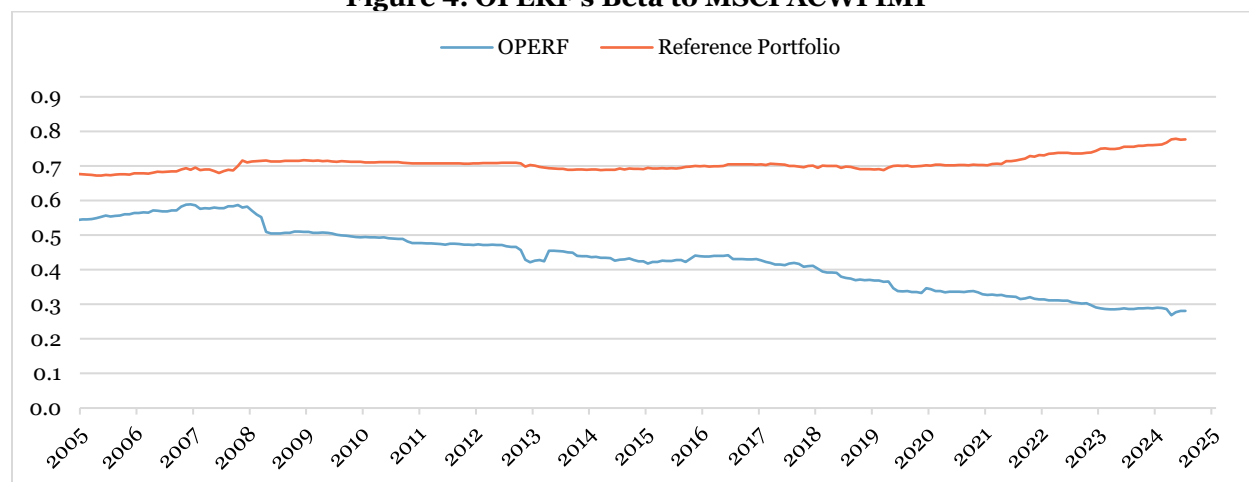
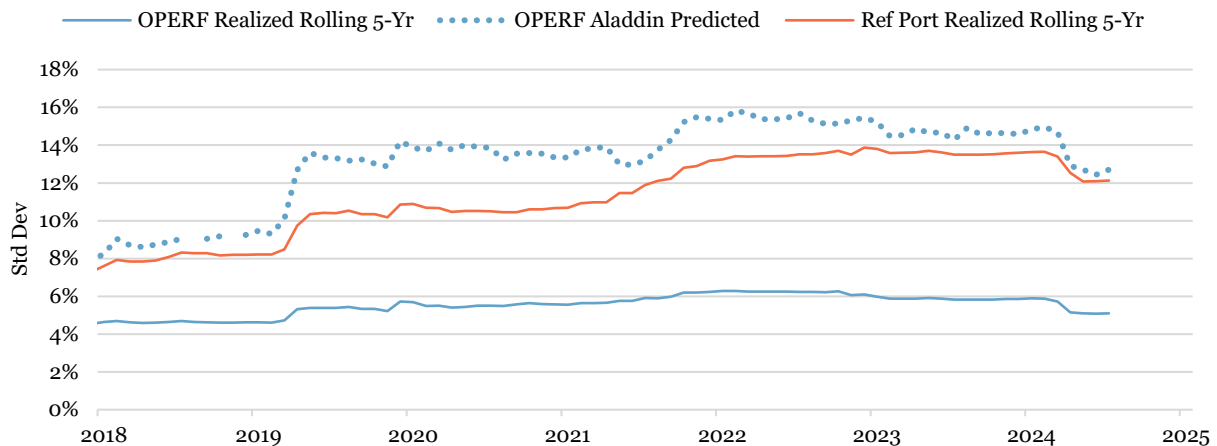


Figure 5 plots OPERF's predicted volatility from Aladdin over the past seven years. Recent estimates are considerably higher than those from five years ago, reflecting both the overweights to private markets and notable changes in the market environment. For comparison, the realized rolling five-year volatility for the Reference Portfolio has also increased over the same period due to the same underlying market environment. However, since the predicted and realized volatilities are based on the trailing five years, the latest estimates are lower than those of the previous quarter due to the volatile returns of Q1 2020 "rolling off" the calculations.

**Figure 5. OPERF's Predicted versus Realized Volatility**

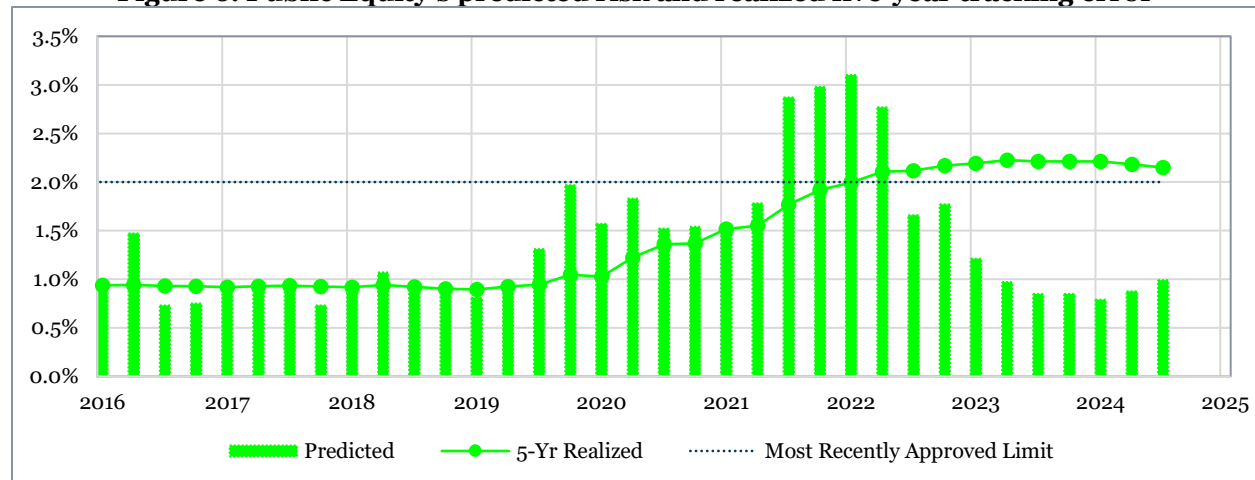


## Capital Markets

### 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 June 30, 2025 is 2.2%, slightly above the approved range. There have been outsized calendar year active returns of approximately -4%, +2%, +4%, and -2% from 2020 to 2023 principally due to the Portfolio's exposures to Value and Size factors. However, Aladdin estimates an *ex ante* active risk of 1.0%, 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.

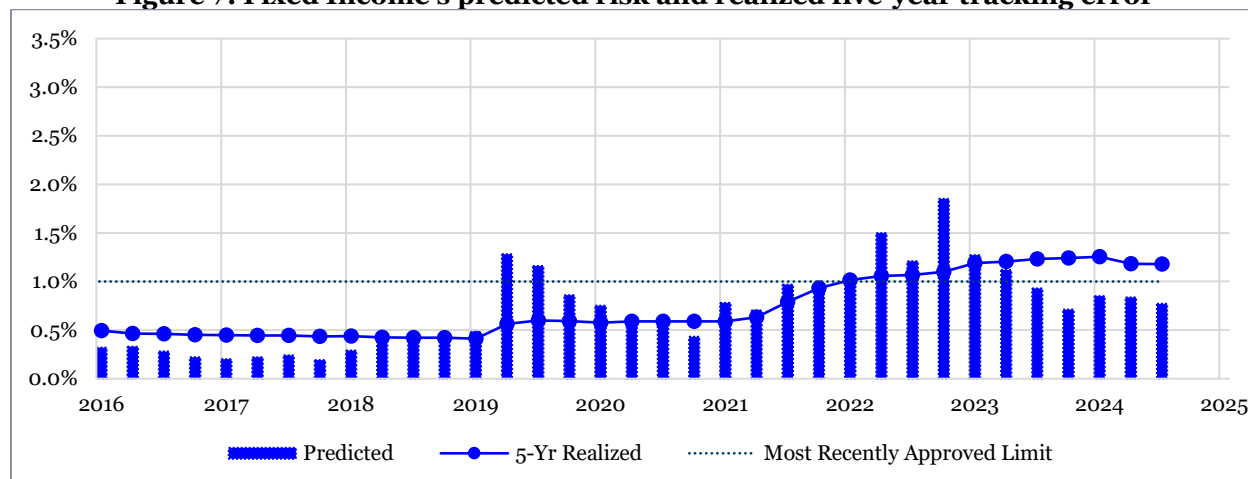
**Figure 6. Public Equity's predicted risk and realized five-year tracking error**



### Fixed Income

The Fixed Income Portfolio, with an OIC-approved **tracking error** of up to 1.0%, has a five-year tracking error of 1.2% through June 30, 2025 based on State Street's monthly data; 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 0.8% is within the approved range.

**Figure 7. 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 2025 and for the previous five years. YTD net cash flow for the OPERF Private Markets Allocation continues to show improvement versus that of 2023.

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

Asset Class	Net Cash Flow (\$M)					
	YTD (2025)	2024	2023	2022	2021	2020
Public Equity	4	1,177	4,536	3,327	4,047	3,436
Fixed Income	29	623	-1,384	-1,544	-2,653	3,154
Diversifying Strategies	75	50	-3	-11	381	-621
Other*	-76	-564	961	663	-227	-2,249
<i>Capital Markets</i>	32	1,286	4,110	2,434	1,548	3,720
Private Equity	615	2,157	-542	464	2,503	50
Real Estate	-1	-696	-930	-883	-396	15
Real Assets	66	351	-804	-706	-572	-509
Opportunity	133	-26	122	-165	-248	86
<i>Private Markets</i>	813	1,786	-2,154	-1,290	1,288	-358
<b>Total Fund</b>	<b>844</b>	<b>3,072</b>	<b>1,956</b>	<b>1,144</b>	<b>2,836</b>	<b>3,362</b>
<i>Net Pension</i>	<i>-1,250</i>	<i>-2,898</i>	<i>-2,742</i>	<i>-2,605</i>	<i>-1,243</i>	<i>-3,041</i>

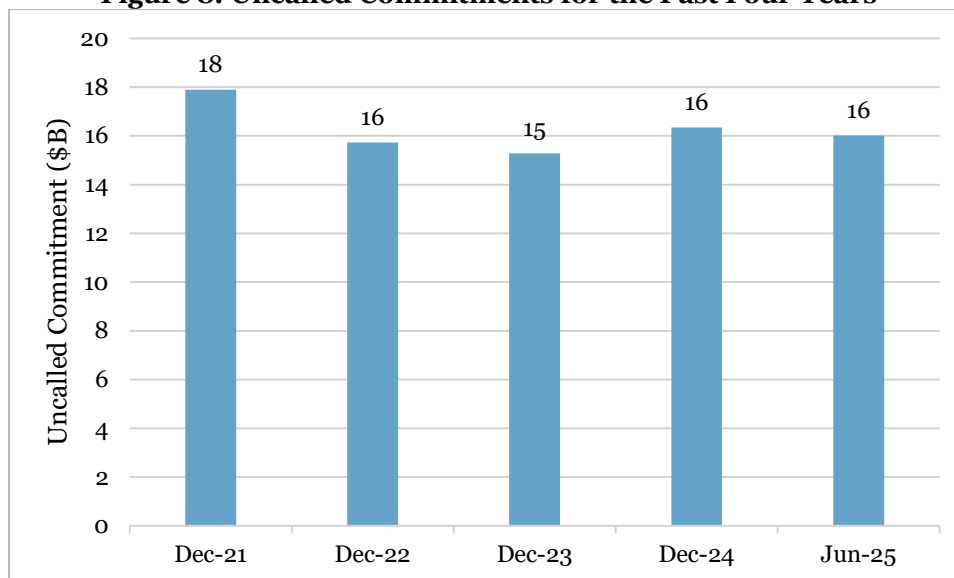
\*Includes cash flows from the Synthetic Overlay Program, the Currency Overlay Program, and the terminated OPERF Risk Parity Portfolio.

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

**Table 3. OPERF Uncalled Commitments**

<b>Asset Class Portfolio</b>	<b>Uncalled Commitment (\$B)</b>	<b>Uncalled % of OPERF</b>
Private Equity	\$7.2	7.4%
Real Assets	\$4.6	4.7%
Real Estate	\$2.5	1.6%
Opportunity	\$1.6	1.6%
<b>Total</b>	<b>\$16.0</b>	<b>16.3%</b>

**Figure 8. Uncalled Commitments for the Past Four Years**





## TAB 5

# OPERF RISK SURVEY OVERVIEW

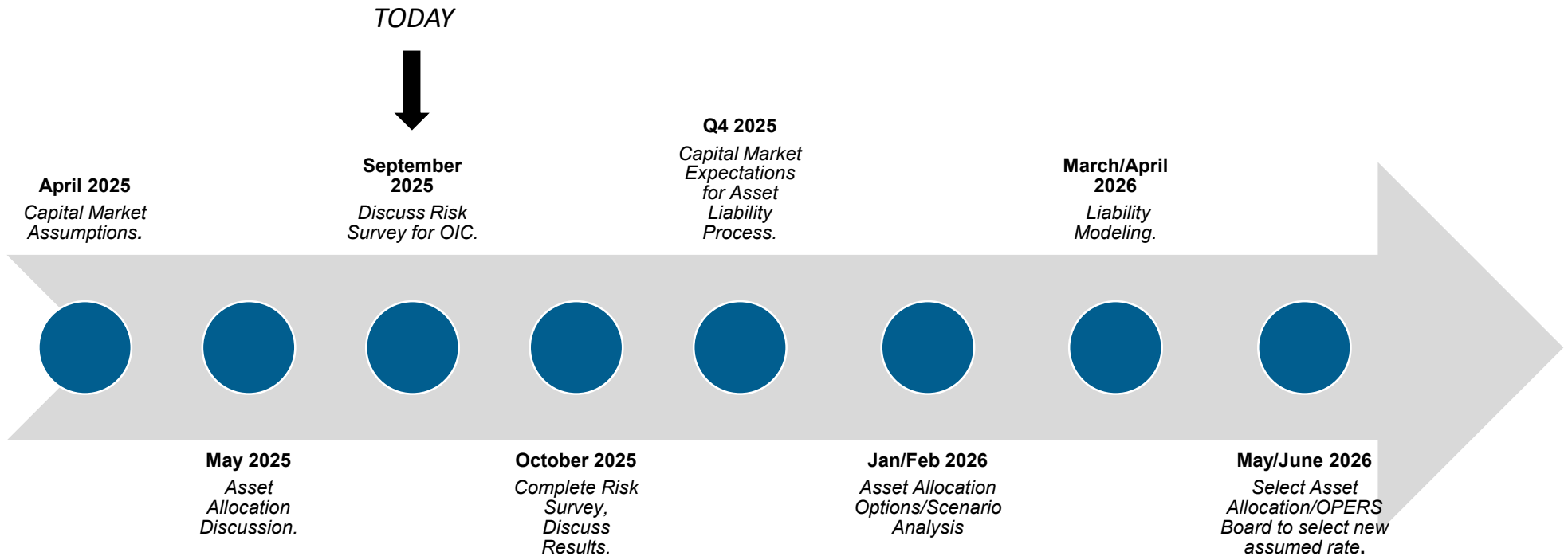


## Oregon Investment Council

September 3, 2025

Risk & Implementation Survey:  
Overview of Questions

## Asset-Liability Study Timeline | April 2025 – June 2026



### Risk and Implementation Survey Overview

- A key component of the 2025/2026 OPERF Asset-Liability Study is a survey that will be completed by the OIC and senior OST Staff.
- This presentation seeks to introduce the survey questions and allows for additional detail/clarification prior to the release of the survey.
- There are four sections to the survey:
  - **Objectives** – In this section, we are trying to determine what individual OIC members believe the top priorities to be, among various important objectives.
  - **Risk Appetite** – These questions explore the respondent's risk tolerance levels.
  - **Risk Mitigation** – These questions focus on specific funding sensitivities, distinct from traditional investment metrics.
  - **Implementation** – This section seeks the perspective on implementing the portfolio allocation over time.
- The survey will be completed in September, including the option for one-on-one sessions with Council Members and Meketa.
- Survey results will be presented to the OIC in October with a focus on areas of consensus/disagreement.

## Risk and Implementation Survey Overview

- For each question, the question will be displayed in a **blue box** with related guidance/clarification provided in an **orange box**.
- For certain questions that are relatively self-explanatory, guidance/clarification may be limited.

### Examples

Question XYZ

Guidance/Clarification

## Survey Questions

## Objectives Section

→ This section consists of one question that asks the OIC to rank the objectives in order of importance.

1. Please rank the following objectives in order of importance with 1 being most important and 5 being least important.

- Achieving a final funding ratio of at least 100% by the end of the funding period (primarily focused on an end goal).
- Maintaining consistent progress towards improving the current funding ratio (primarily focused on an intermediate-term goal).
- Minimizing major total portfolio declines (greater than -15% in a fiscal year).
- Outperform the median public pension fund over periods of 5-to-10 years.
- Limit the need for plan sponsor (i.e., State of Oregon) contribution level increases.

→ Different portfolio constructs (particularly level of return and volatility) will alter the funding progress, range of outcomes, and potential contribution rates.

→ Depending on OIC preferences to the above, Staff and Meketa will explain the impacts of those preferences and how the modeling process will incorporate and examine resulting tradeoffs.

#### Risk Appetite Section

→ This section consists of four questions that seek to ascertain where the OIC stands on their willingness to modify the portfolio's risk posture.

2. To achieve long term goals, should the OIC be taking more, less, or the same amount of investment risk in the OPERF portfolio?

More      Less      Same

→ This question simply gauges the OIC's risk tolerance levels. Risk (across multiple dimensions) will be examined relative to liability implications, peer systems, and reference portfolios (e.g., 62.5% equity / 37.5% bonds).

### Risk Appetite Section

3. In your opinion, what would be considered to be a bad but not necessarily a catastrophic year?

-4% to -8%   -8% to -12%   -12% to -16%   -16% to -20%

- While volatility is a commonly used risk metric, drawdown experiences (particularly over a horizon of one year) tend to be more reflective of an investor's risk appetite.
- This question provides another avenue for the OIC to display their risk tolerance.



## Risk Appetite Section

4. As an OIC member, I am most concerned with which of the following macroeconomic issues (and its impact on OPERF) over the next 2-5 years?

- Poor economic growth
- High inflation
- Rising interest rates
- Geopolitical conflict
- Capital markets liquidity (e.g., private markets)

- Asset-liability studies are inherently focused on long-term horizons (e.g., 10-30 years).
- Investors tend to focus more on near- and intermediate-term challenges.
- Depending on OIC responses, Staff and Meketa will discuss how the portfolio is or is not positioned for such challenges and how similar historical challenges have or have not impacted long-term results.

### Risk Appetite Section

5. Which of the following outcomes is of the greatest concern over the next 10 years?

- A double-digit decline (in returns)
- Not achieving the actuarial rate
- Materially underperforming peers
- A stagnant or declining funded ratio
- Materially underperforming a simple reference portfolio (e.g., 62.5%/37.5% equity/bond mix)

- A 10-year horizon begins to enter the “long-term” from the perspective of an asset-liability study.
  - Moreover, this horizon is of a length where results from major decisions begin to manifest.
- OIC answers to this question will assist in developing the various objective functions that will be utilized in the asset-liability modeling process.
  - Objective function = a mathematical representation that the model will seek to maximize or minimize.

#### Risk Mitigation Section

→ This section consists of four questions that seek to examine specific funding sensitivities, which are distinct from traditional investment metrics.

6. What is the minimum funded ratio that you would be willing to accept in a market crisis scenario (i.e., very rapid deterioration in economic conditions)? Current = ~77% (with side accounts).

55%    60%    65%    70%    75%

→ Funded ratio threshold preferences of the OIC will guide the level of risk within the portfolio as well as the underlying construct (e.g., allocations to non-equity-like assets).

### Risk Mitigation Section

7. The Diversifying Strategies class can provide stability in funded ratio level over time.

Strongly Agree    Agree    Disagree    Strongly Disagree

- Defines how the OIC views/understands the Diversifying Strategies role with respect to funded status.
- Informs future asset allocation decisions
- Informs comfortability/familiarity with non-traditional assets and their impact on funded ratio volatility

### Risk Mitigation Section

8. It is straight-forward to understand what can and cannot be included in the OPERF's Diversifying Strategies class.

Strongly Agree    Agree    Disagree    Strongly Disagree

→ Gauges OIC familiarity with the asset class definition and investment options.

### Risk Mitigation Section

9. The cash-flow position of the Fund (e.g., net positive contributions or net negative benefit payments) is an important consideration when constructing an investment portfolio.

Strongly Agree    Agree    Disagree    Strongly Disagree

- Liquidity is an important consideration when determining asset allocation.
- Certain asset allocation decisions (e.g., private markets) may provide additional liquidity considerations.

### Implementation Section

- This section consists of nine questions that seek to examine the OIC's perspective on managing the OPERF portfolio over time.

10. Opportunistic investments have the potential to add value.

Strongly Agree   Agree   Disagree   Strongly Disagree

- Opportunistic investments are difficult to model in an asset-liability study given their inherent “opportunistic” definition compared to long-term asset class expectations.
- While not directly related to the modeling process, with a 0% target, OPERF currently has (approximately 3% of) assets in an Opportunity bucket.

### Implementation Section

11. It is straight-forward to understand what can and cannot be included in the Opportunity class.

Strongly Agree    Agree    Disagree    Strongly Disagree

- Given its historical usage within OPERF, it is important to gauge the level of understanding.
- Informs potential education needs and policy updates.



### Implementation Section

12. High fee strategies are worthwhile if they produce high net-of-fee returns (e.g., a strategy with a 1% management fee and an 8.5% expected net-of-fee return is preferred to a strategy with a 20 basis point management fee and an 8.3% expected net-of-fee return).

Strongly Agree   Agree   Disagree   Strongly Disagree

- Certain asset classes and implementation styles result in varying levels of management fees.
- Understanding the OIC's perspective on fees and potential results will guide potential asset allocation targets, and subsequently, Staff implementation choices.

### Implementation Section

13. Illiquid strategies typically return more than similar-risk, liquid strategies (e.g., private equity typically returns more than public equity on a risk-adjusted basis).

Strongly Agree    Agree    Disagree    Strongly Disagree

- Private markets classes have historically been a large component of OPERF.
- This question seeks to explore where the current OIC stands on the topic.

#### Implementation Section

14. Producing a return pattern that is different than peers is important (given the same long-term return).

Strongly Agree    Agree    Disagree    Strongly Disagree

- While there are several peers with similar allocations as OPERF, the majority of peers have a modestly different approach to asset allocation.
- What are the OIC's sensitivities to deviating from "the pack"?

### Implementation Section

15. Strategies that are designed to hedge equity risk (e.g., insurance-like long volatility or tail risk strategies, etc.) can enhance the risk/return profile of OPERF.

Strongly Agree    Agree    Disagree    Strongly Disagree

- OPERF does not currently maintain a dedicated allocation to insurance-like strategies.
- These strategies can produce muted or negative returns in times of market strength so understanding how comfortable the OIC is with that “cost” for potential protection can inform asset allocation decisions.

## Implementation Section

16. Rank the following “benchmarks” in order of what you would prefer to not see OPERF “underperform” over a 1-5 year horizon.

- OPERF Policy Benchmark
- Reference Benchmark (e.g., 62.5% MSCI ACWI / 37.5% Bloomberg Aggregate)
- Actuarial Rate
- Peer Pension Systems

- While absolute returns ultimately drive the outcomes of a defined benefit system, benchmarks exist as points of comparison to determine success/shortcomings.
- Different benchmarks measure different areas of success/shortcomings.

### Implementation Section

17. A globally diversified portfolio (e.g., US, non-US developed, and emerging markets) offers a better forward- looking risk-adjusted portfolio than a US-centric portfolio.

Strongly Agree    Agree    Disagree    Strongly Disagree

- US Equity has outperformed International Equity since the 08'/09' GFC (excluding 2025 YTD).
- This question seeks to assess the OIC's views on regional diversification, particularly within the Global Equity portfolio.

### Implementation Section

18. Fixed Income is a broad market category with varying levels of different risks (e.g., interest rates, credit, liquidity, etc.). It would be useful in overseeing the OPERF portfolio for the Fixed Income category to be more segmented at the Asset Allocation level.

Strongly Agree    Agree    Disagree    Strongly Disagree

- Fixed Income assets exist within multiple asset classes in OPERF.
- Currently, assessing OPERF's exposure to "Credit" is somewhat opaque, despite this being a growing market segment.
- Would the creation of a "Credit" class improve the OIC's ability to execute the fiduciary roles of oversight and monitoring?

## Conclusion and Next Steps

- The results of the survey will serve as a foundation for the asset-liability modeling process.
- They begin to frame the inputs (e.g., classes and constraints) and output goals (e.g., key metrics and characteristics) of the process.
- Several questions within the survey relate to similar concepts. Any redundancy is intentional in order to obtain more stable and robust results.
- In addition to the provided questions, the survey will also contain an area for additional written commentary by the OIC.
- The survey will be completed in September, including the option for one-on-one sessions with Meketa.
- Survey results will be presented to the OIC in October with a focus on areas of consensus/disagreement.



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



## TAB 6

# OPERF FIXED INCOME & INTERNAL FIXED INCOME REVIEW



September 3, 2025

# Fixed Income Internal Portfolio Management Annual Review

**Amy Hsiang-Wei**

*Senior Investment Officer, Fixed Income*

**Will Hampson**

*Investment Officer, Fixed Income*

**John Lutkehaus**

*Investment Officer, Fixed Income*



**OREGON  
STATE  
TREASURY**

# Internally-Managed Fixed Income Policy

## **OIC INV 402 – Policy Statement:**

- Internally-managed, publicly-traded investments in debt securities are permitted in the Oregon Investment Council (“OIC”) Statement of Fund Governance, and the strategic role of those investments are delineated in the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund (“OPERF”).

## **OIC INV 402A-G - Overall Policy Objectives and Strategies:**

- Achieve a stable and predictable yield with principal preservation while providing sufficient liquidity to meet agency-related cashflow requirements.
- Investment objectives, constraints, compliance and reporting requirements for individual Agency participants are presented in the form of an Investment Policy Statement and attached to this policy. Oregon State Treasury fixed income investment staff will maintain a well-diversified portfolio, managed to maximize yield or total return as mandated in each Agency’s Investment Policy Statement.

# Fixed Income Team – Internal Management

**Amy Hsiang-Wei, CFA, CAIA**  
Senior Investment Officer  
Team Lead

## Oregon Short Term Fund (OSTF)

**Perrin Lim**  
Investment Officer  
PM/Trader

**Will Hampson, CFA**  
Investment Officer  
PM/Trader

**Tan Cao, CFA**  
Investment Analyst  
Trade Support

**Patrick Deptula, CFA**  
Investment Analyst  
Trade Support

## OPERF Government Portfolio

**John Lutkehaus, CFA**  
Investment Officer,  
PM/Trader

**Will Hampson, CFA**  
Investment Officer  
PM/Trader

## Oregon Intermediate Term Pool (OITP)

**John Lutkehaus, CFA**  
Investment Officer  
PM/Trader

**Will Hampson, CFA**  
Investment Officer  
PM/Trader

**Patrick Deptula, CFA**  
Investment Analyst  
Trade Support

## Public University Fund (PUF)

**John Lutkehaus, CFA**  
Investment Officer,  
PM/Trader

**Will Hampson, CFA**  
Investment Officer  
PM/Trader

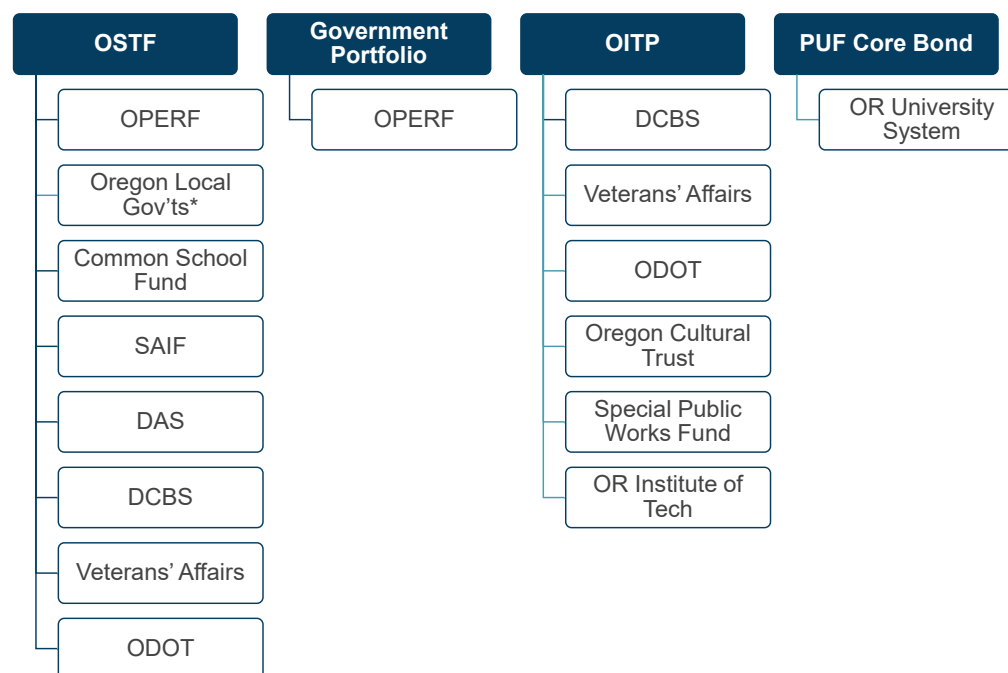
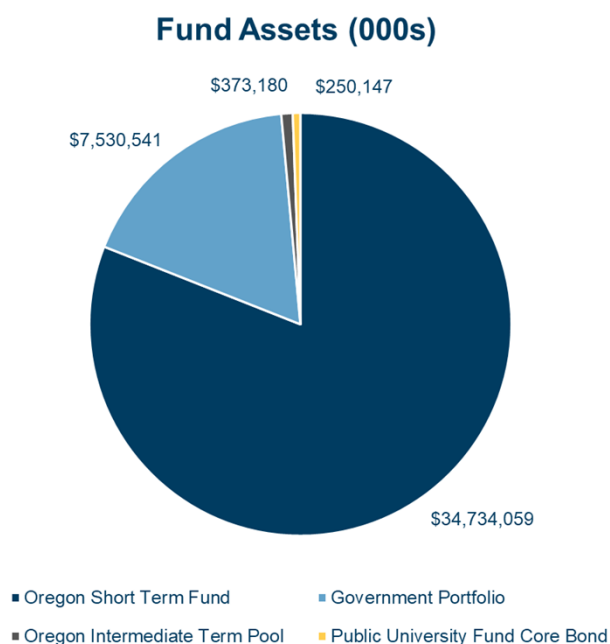
**Patrick Deptula, CFA**  
Investment Analyst  
Trade Support



# Internal Actively Managed Fixed Income

Approximately \$43 billion in internally managed fixed income assets as of June 30, 2025.

Fund	Short Name	Primary Objective	Current Benchmark
Oregon Short Term Fund	OSTF	Capital Preservation	91-Day T-Bill
Government Portfolio	Government Portfolio	Index Replication	BBG US Treasury
Oregon Intermediate Term Pool	OITP	Total Return	BBG US Intermediate US Gov't/Credit
Public University Fund Core Bond	PUF	Total Return	BBG US Intermediate US Gov't/Credit



Source: Bloomberg, State Street, and Aladdin. All data as of June 30<sup>th</sup>, 2025 unless otherwise noted.  
 \* 1,092 Oregon local government participants as of March 31<sup>st</sup> 2025.

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# Oregon Short Term Fund (OSTF)

	Market Value (000s)	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Oregon Short Term Fund	\$34,734,059	0.42%	1.17%	2.34%	5.15%	4.88%	2.85%	2.85%	2.34%
91-Day Treasury Bill		0.33%	1.04%	2.07%	4.68%	4.56%	2.76%	2.54%	1.98%
Excess Return		0.09%	0.13%	0.27%	0.47%	0.32%	0.09%	0.31%	0.36%

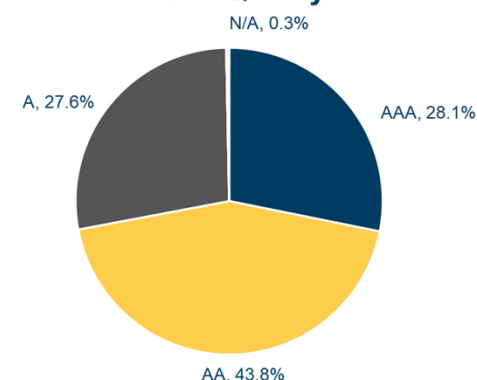
**Objective** – Preservation of principal, maintenance of a sufficient level of liquidity to meet all state agency and local government operating requirements, and attainment of a yield greater than money market and other short-term alternatives through investments in high-quality, U.S. dollar-denominated fixed income securities. The fund serves as a short-term cash investment vehicle for agencies and local government entities in the State of Oregon, including OPERF.

**Strategy** – Invested in a diversified portfolio of a broad range of fixed income investments, including U.S. government securities, securities issued by foreign governments and instrumentalities; certificates of deposit and time deposits in qualified depositories; commercial paper; corporate bonds; asset-backed securities; municipal securities; bankers' acceptances; repurchase agreements; and investments in the Oregon Local Government Intermediate Fund. All securities are denominated in U.S. dollars.

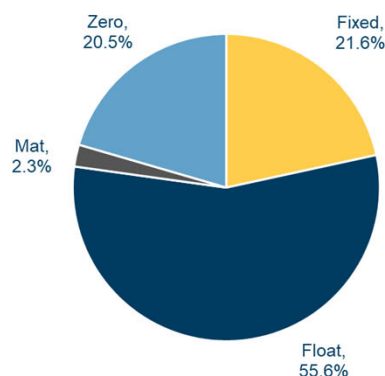
## Fund Characteristics

Net Asset Value (000s)	\$34,734,059
Fund NAV/OSTF Balances	\$1.0083
Wtd. Avg. Credit Quality	AA/Aa2/AA
Book Yield	4.73%
Wtd. Avg. Maturity (days)	75
Duration (years)	0.18
Spread Duration (years)	0.81
Rate Paid (effective 3/12/25)	4.60%

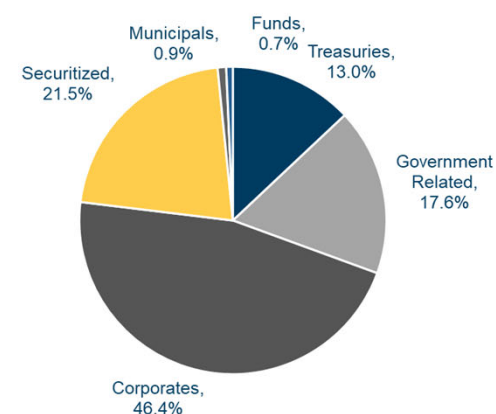
## Credit Quality



## Coupon Type



## Sectors



Source: Bloomberg, State Street, and Aladdin. All data as of June 30<sup>th</sup>, 2025 unless otherwise noted.  
\* 1,092 Oregon local government participants as of March 31<sup>st</sup>, 2025.

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# OPERF Government Portfolio

	Market Value (000s)	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	7 Year
<b>Government Portfolio</b>	<b>\$7,530,541</b>	<b>1.27%</b>	<b>0.89%</b>	<b>3.86%</b>	<b>5.40%</b>	<b>1.57%</b>	<b>-1.53%</b>	<b>1.33%</b>
Government Blended Index		1.25%	0.85%	3.79%	5.30%	1.53%	-1.60%	1.28%
<i>Excess Return</i>		0.02%	0.04%	0.07%	0.10%	0.04%	0.07%	0.05%

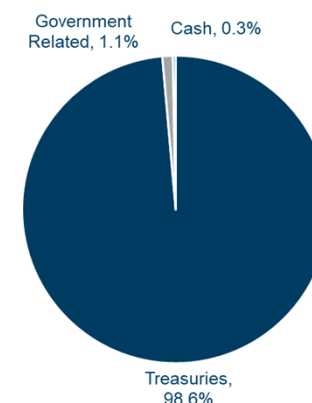
**Objective** – The Government Portfolio's objective is to enhance the diversification benefit of the OPERF fixed income portfolio versus OPERF's otherwise large allocation to risk assets (e.g., Public Equity, Private Equity, Real Estate and Alternatives) and to provide a reliable source of liquidity.

**Strategy** – The Government Portfolio is managed to closely match the benchmark with minimal active risk. To achieve this goal, staff seeks to maintain a key rate duration profile similar to the benchmark while holding fewer positions than the benchmark in order to reduce trading costs.

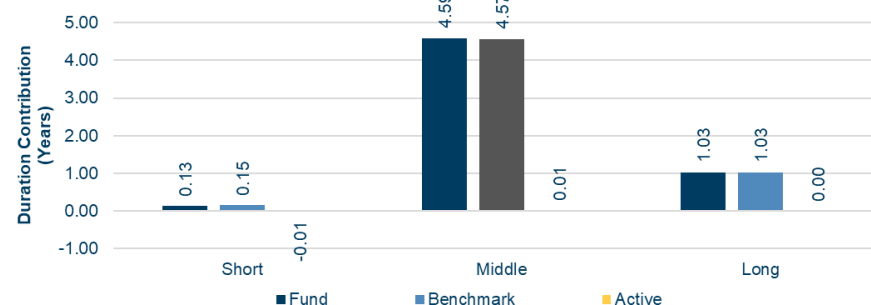
**Benchmark** – Bloomberg Barclays U. S. Treasury Index

Fund Characteristics	
Net Asset Value (000s)	\$7,530,541
Number of Securities	132
Duration (Years)	5.74
Yield-to-Maturity	4.02%
Effective Credit Rating	AA+

**Sectors**



**Key Rate Duration**



Source: Bloomberg, State Street, and Aladdin. All data as of June 30<sup>th</sup>, 2025 unless otherwise noted.

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# Oregon Intermediate Term Pool (OITP)

	Market Value (000s)	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Oregon Intermediate Term Pool	\$373,180	1.20%	1.66%	4.09%	6.66%	3.99%	1.52%	2.76%	2.31%
OITP Custom Benchmark		1.07%	1.67%	4.13%	6.74%	3.57%	0.56%	2.23%	1.88%
Excess Return		0.13%	-0.01%	-0.04%	-0.08%	0.42%	0.96%	0.53%	0.43%

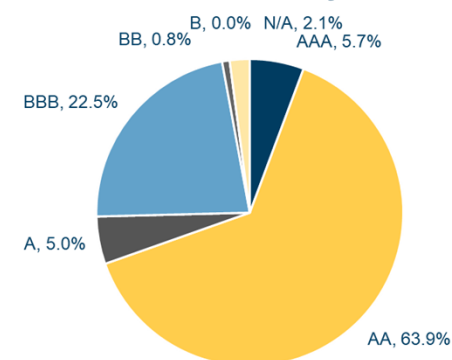
**Objective** – The Oregon Intermediate Term Pool (“OITP”) is a high-quality, intermediate-duration investment pool that is offered to Oregon State Agencies. The OITP investment objective is to maximize total return (i.e., principal and income) within stipulated risk parameters. OITP is not appropriate for funds needed to cover short-term (i.e., less than 1 year) needs. The OITP performance goal is to meet or exceed the total return of the BBG US Intermediate Government/Credit.

**Strategy** – OITP is actively managed and comprises a diversified portfolio of investment grade fixed income investments as prescribed in the portfolio guidelines. OITP may have exposures, subject to diversification requirements, to several types of investment grade public debt market instruments denominated in U.S. dollars.

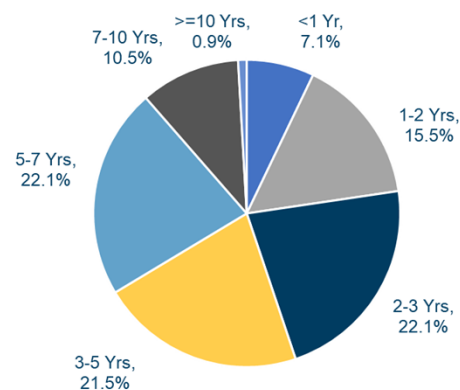
Benchmark – BBG US Intermediate Government/Credit Index

Fund Characteristics	
Net Asset Value (000s)	\$373,180
Number of Securities	91
Duration (Years)	3.79
Yield-to-Maturity	4.53%
Option Adjusted Spread (bps)	56
Effective Credit Rating	AA-

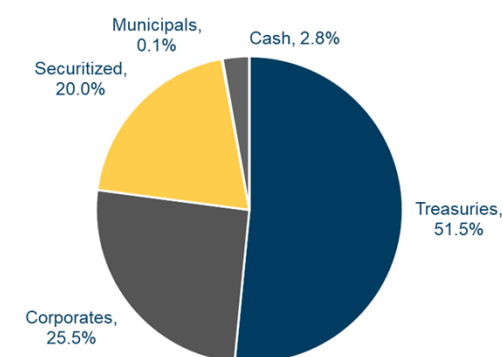
## Credit Quality



## WAL to Worst



## Sectors



Source: Bloomberg, State Street, and Aladdin. All data as of June 30<sup>th</sup>, 2025 unless otherwise noted.



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# Oregon Public University Fund (PUF)

	Market Value (000s)	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	7 Year
Public University Fund Core Bond	\$250,147	1.21%	1.66%	4.08%	6.72%	4.04%	1.53%	2.91%
PUF Custom Benchmark		1.07%	1.67%	4.13%	6.74%	3.57%	0.64%	2.39%
Excess Return		0.14%	-0.01%	-0.05%	-0.02%	0.47%	0.89%	0.52%

**Objective** – The objective for the Public University Fund (“PUF”) is a high-quality fixed income portfolio that maximizes total return over a long-term horizon within stipulated risk parameters while providing adequate liquidity to meet participant cash flow needs. Based on historical market performance, total returns generated over extended periods are anticipated to be greater than returns realized in shorter-maturity strategies.

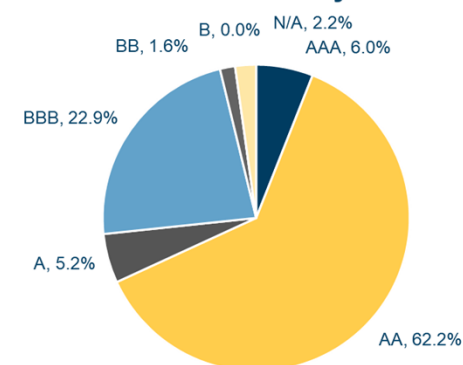
**Strategy** – PUF is actively managed to create a diversified portfolio of investment grade bonds invested over longer horizons than permitted in OSTF.

**Benchmark** – BBG US Intermediate Government/Credit Index

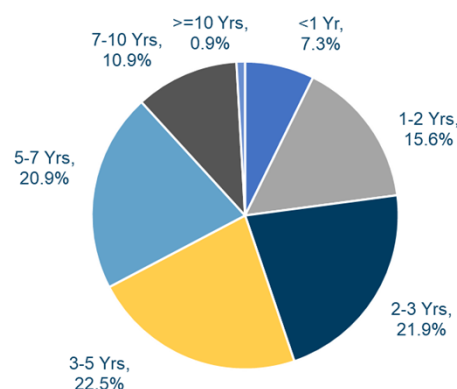
## Fund Characteristics

Net Asset Value (000s)	\$250,147
Number of Securities	100
Duration (Years)	3.72
Yield-to-Maturity	4.55%
Option Adjusted Spread (bps)	60
Effective Credit Rating	AA-

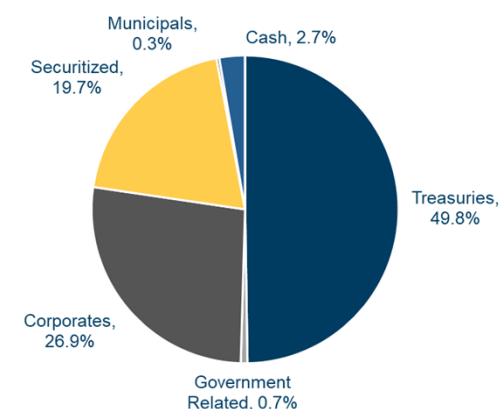
## Credit Quality



## WAL to Worst



## Sectors



Source: Bloomberg, State Street, and Aladdin. All data as of June 30<sup>th</sup>, 2025 unless otherwise noted.



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# OREGON STATE TREASURY

Elizabeth Steiner, MD  
Oregon State Treasurer

867 Hawthorne Ave. SE  
Salem, OR 97301

[oregon.gov/treasury](https://oregon.gov/treasury)



September 3, 2025

# OPERF Fixed Income Portfolio

## Annual Review

**Amy Hsiang-Wei**

*Senior Investment Officer, Fixed Income*

**Andy Coutu**

*Senior Investment Analyst, Fixed Income*



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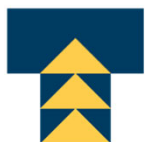
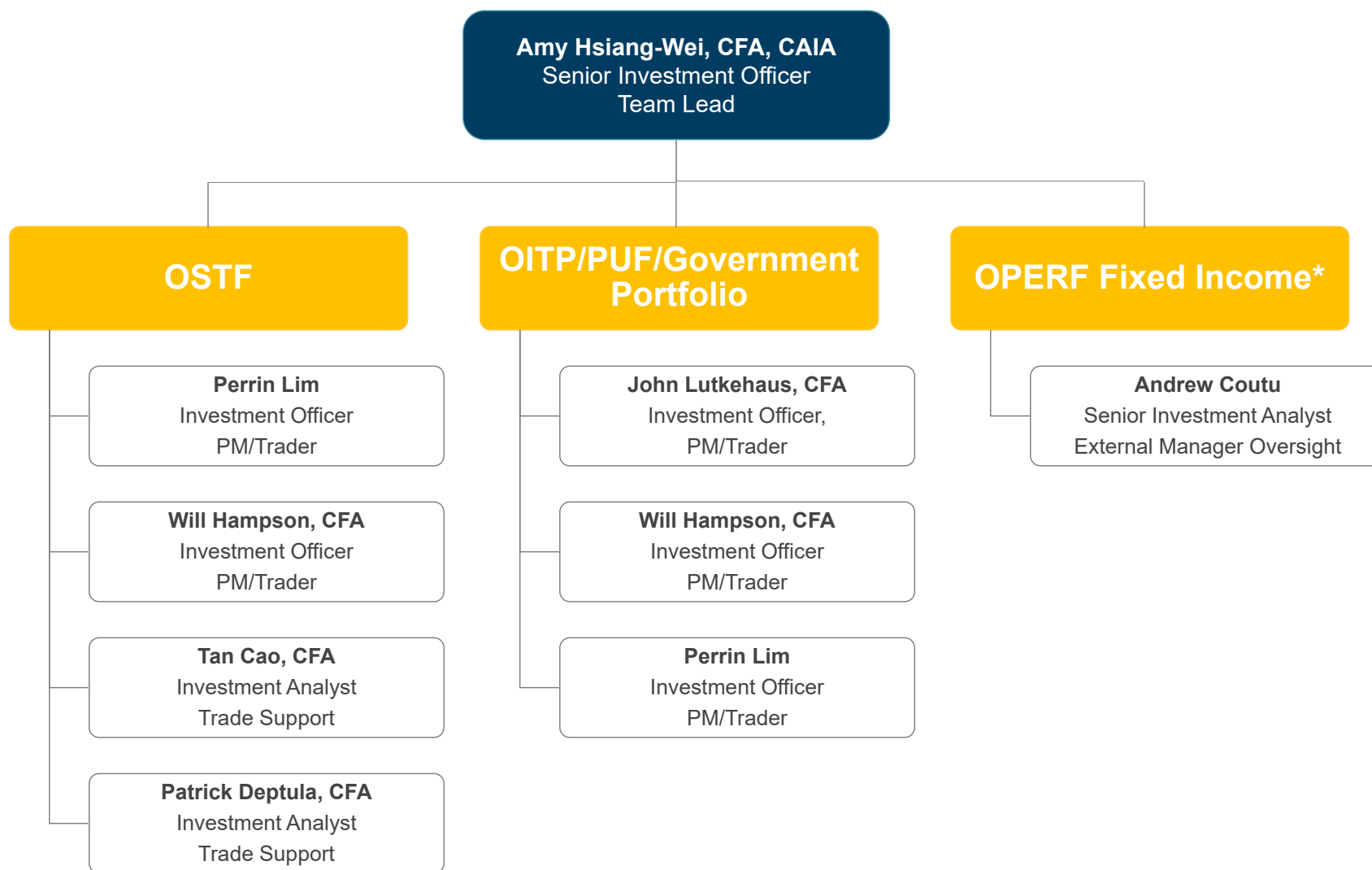
# Agenda

Section	Pages	OIC Investment and Management Beliefs Mapping									
		1	2	3	4	5	6	7	8	9	10
Team Overview	3										
Portfolio Overview	4-9										
Performance & Portfolio Characteristics	10-13										
Market Review	14-21										
Special Sections	22-23										
2026 Plan	24										

- 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

# Team Overview

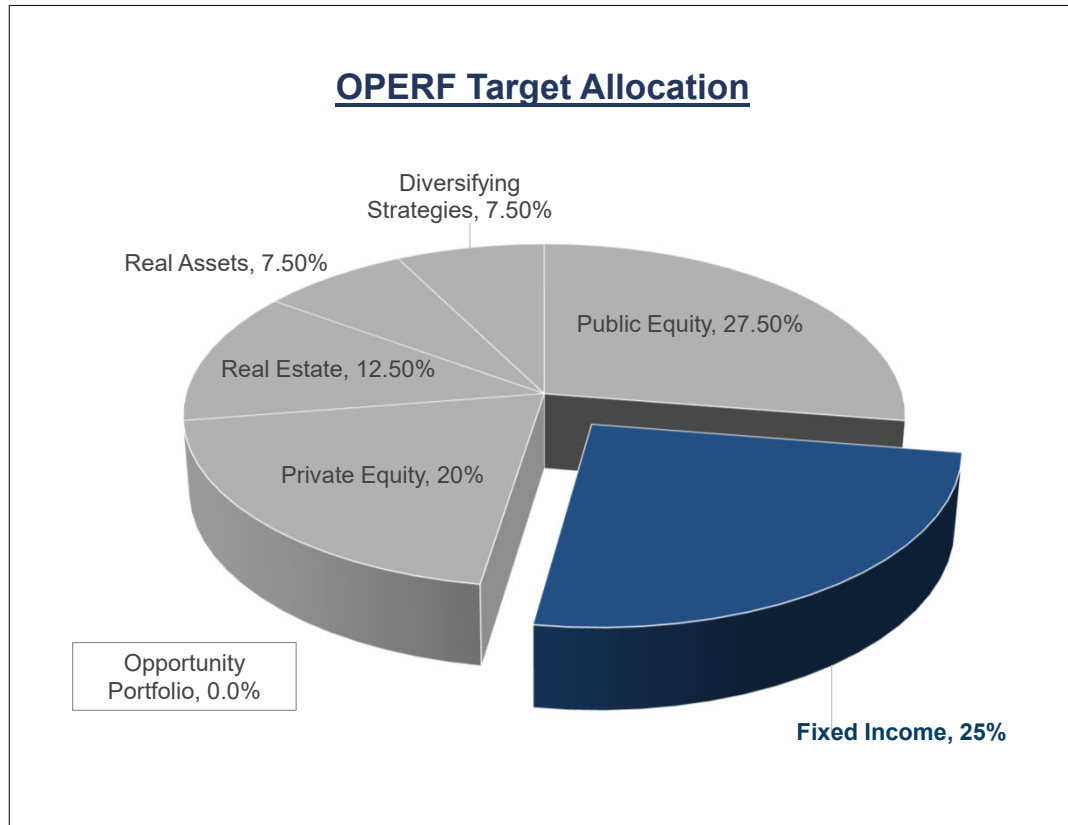
## Fixed Income Team





# Portfolio Overview

## Target Allocation



- As of June 30, 2025, Fixed Income was 18.1% of OPERF.
- The rebalancing range for Fixed Income is 20.0% to 30.0%, with a target of 25%.
- Inclusive of the Treasury futures overlay program, OPERF's Fixed Income exposure is 23.4%.



Source: State Street and Russell Investments, as of June 30, 2025

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# *Portfolio Overview*

## **Strategic Role**

OIC INV 1203 – Investment Policy Statement for OPERF.

The strategic role of fixed income securities is to diversify the Fund in general and its allocation to equity securities in particular. The Fixed Income portfolio provides liquidity necessary to meet its cash distribution obligations. The fixed income allocation shall consist primarily of U.S. investment grade fixed income securities represented within the benchmark index. It may also allow for non-benchmark sectors, including, but not limited to, developed and emerging markets international securities, inflation-linked bonds, as well as below investment grade securities.

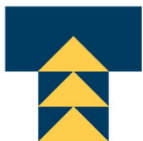
A portion of the fixed income portfolio is internally managed for cost savings and/or value-added performance. Fixed Income Investment Officers may negotiate and execute trades in fixed income securities under the general guidance of the CIO for specific strategies.



## *Portfolio Overview*

# Liquidity to meet OPERF's Cash Flow Needs

- Fixed Income will be a meaningful source of liquidity to pay a portion of the \$3.5 billion annual benefit payment outflow when the public equity market is experiencing a significant drawdown.
- Given current yields, Staff estimates that \$750 million to \$1 billion\* could be generated via income to the portfolio over the next year, which could be used for liquidity.
- Global Equity is the other natural source for liquidity to pay benefits, so every dollar fixed income contributes is one less for equities.



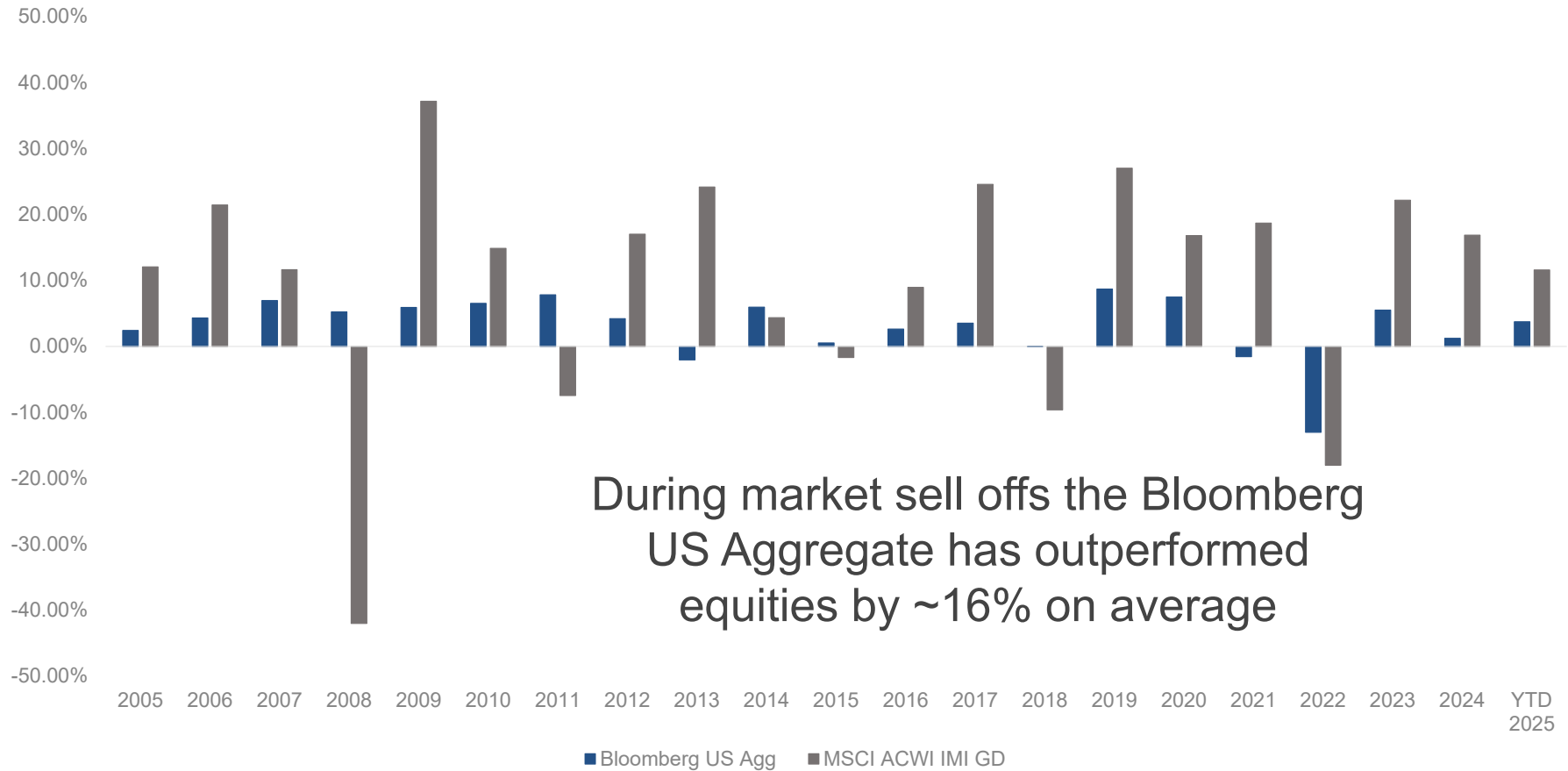
Source: State Street and Russell Investments, as of June 30, 2025

\*Estimate based on income received in 2024 and prospectively based on current yield and market value as of June 30, 2025

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## Portfolio Overview

# Public Fixed Income Downside Protection



Source: eVestment, as of July 31, 2025

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## *Portfolio Overview*

# Portfolio Objectives

Return and risk objectives for Fixed Income portfolio are outlined in the Investment Guidelines for OPERF (INV 1204) as follows:

1. To achieve a return of at least 15 basis points, net of fees, above the policy benchmark which is: 100% Bloomberg U.S. Aggregate Bond Index, over a market cycle of three to five years,
2. Limit portfolio risk, as measured by tracking error<sup>1</sup>, to an annualized target of up to 1.0 percent.

***Annualized 5-year return of 0.56%, outperforming stated benchmark by 1.05%, with ex-ante tracking error of 77 bps.***



<sup>1</sup> Tracking error is measured as the standard deviation of excess returns over time.

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## Portfolio Overview

# Fixed Income Structure

- Fixed income represented 18.1% of OPERF (23.4% including the Russell overlay) as of June 30, 2025, with a stated Policy target of 25.0%.
- Internally-managed portfolios comprise 42.2% of OPERF fixed income assets.

### Fixed Income

\$17.8B | 18.1% of OPERF  
11 Mandates

#### U.S. Government

\$7.5B  
1 Mandate

#### Core Fixed Income

\$8.4B  
6 Mandates

#### Bank Loans / High Yield

\$1.6B  
2 Mandates

#### Emerging Market Debt

\$273mm  
2 Mandates

1 Internally Managed

3 Core Managers

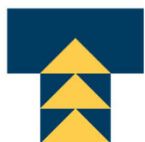
1 Investment Grade Credit  
Manager

2 Structured Credit  
Manager

1 High Yield Manager

1 Bank Loan Manager

2 EMD Managers



Source: State Street, as of June 30, 2025

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# Performance & Risk

## Performance Summary

### Trailing Performance

	Market Value	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
OPERF Fixed Income Portfolio	\$17,840,465,644	1.37%	4.02%	6.26%	3.75%	0.56%	2.29%
Oregon Custom FI Benchmark		1.21%	4.02%	6.08%	2.55%	-0.49%	1.62%
Excess Return		0.17%	0.00%	0.19%	1.20%	1.05%	0.67%

### Risk Statistics

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
OPERF Fixed Income Tracking Error (ex post)	-	-	0.68%	1.27%	1.16%	0.93%
OPERF Fixed Income Information Ratio	-	-	0.28	0.94	0.91	0.74

- **Strong Relative Performance**

- ✓ For the trailing year, the Fixed Income portfolio returned 6.26%, outperforming its benchmark by 19 bps.
- ✓ The Bank Loan/High Yield allocation was the largest contributor to excess return, followed by the Structured Credit allocation.
- ✓ The Portfolio's Treasury exposure detracted from performance.
- ✓ Over extended trailing time periods, the Fixed Income portfolio has exceeded the policy benchmark.

- **Active Risk Management**

- ✓ Over the last 12 months, the portfolio's realized (ex post) tracking error has come down. Three- and five-year tracking error reflects a period of realigning the portfolio with the Bloomberg U.S. Aggregate Index (change effective October 2021).



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Source: State Street, as of June 30, 2025. Excess Return differences due to rounding.

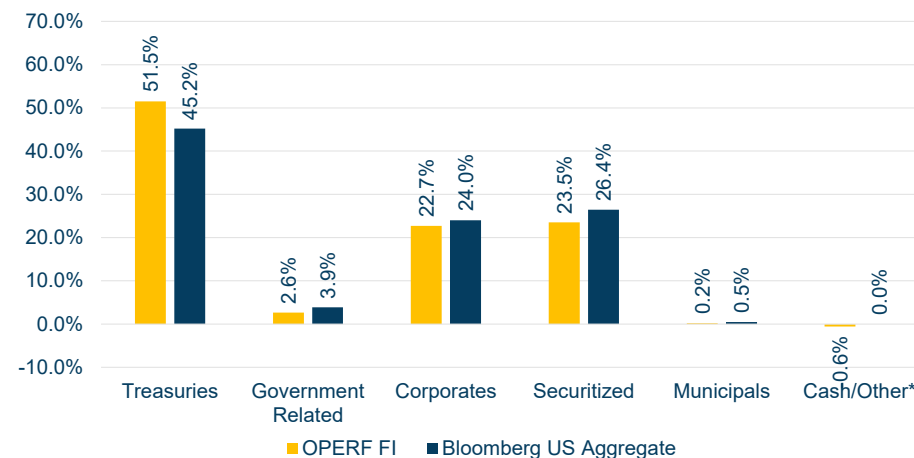
# Performance & Risk

## Fixed Income Dashboard

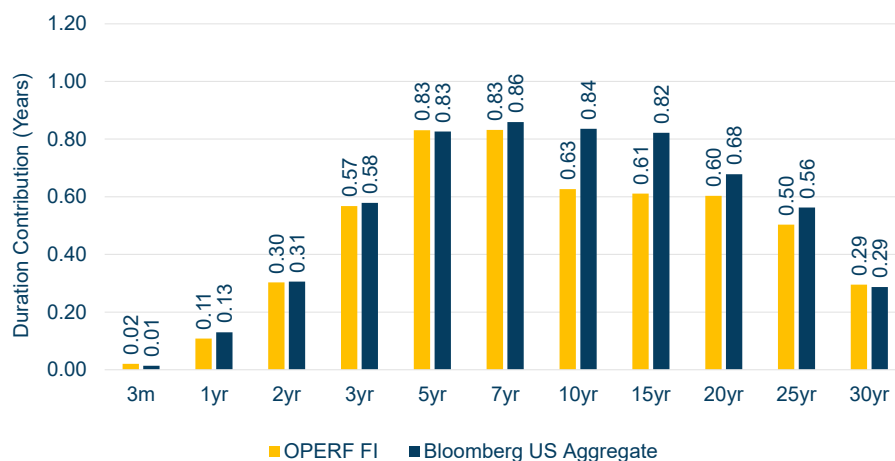
### Manager Roster

Portfolio Name	Market Value (\$)	Market Value (%)
Government Portfolio	\$7,530,540,826	42.2%
Wellington Core Bond	\$1,995,282,260	11.2%
Western Asset Core Bond	\$1,966,683,575	11.0%
BlackRock Core Bond	\$1,926,820,629	10.8%
Oak Hill Bank Loans/High Yield	\$1,208,621,273	6.8%
Schroders Structured Credit	\$934,097,091	5.2%
Fidelity Investment Grade Credit	\$881,994,615	4.9%
Guggenheim Structured Credit	\$669,775,589	3.8%
Beach Point High Yield	\$437,984,377	2.5%
Global Evolution Emerging Markets Debt	\$138,662,251	0.8%
PGIM Emerging Markets Debt	\$134,403,299	0.8%

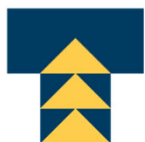
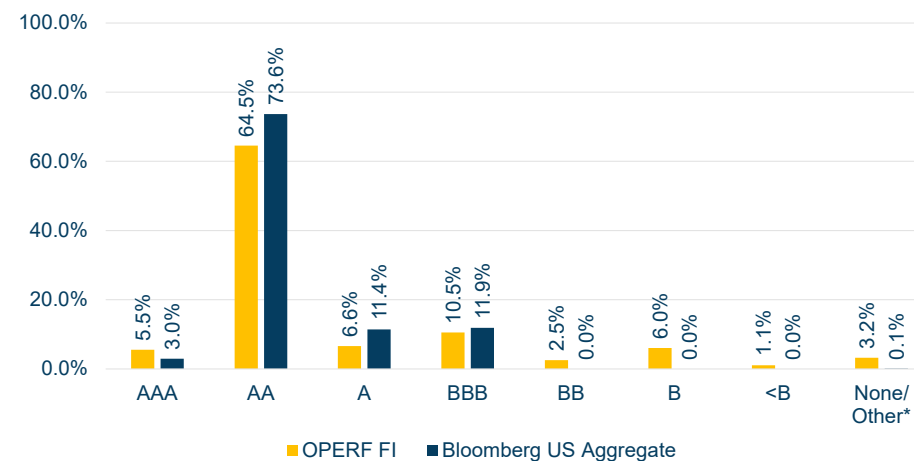
### Sector



### Key Rate Duration



### Effective Credit Quality



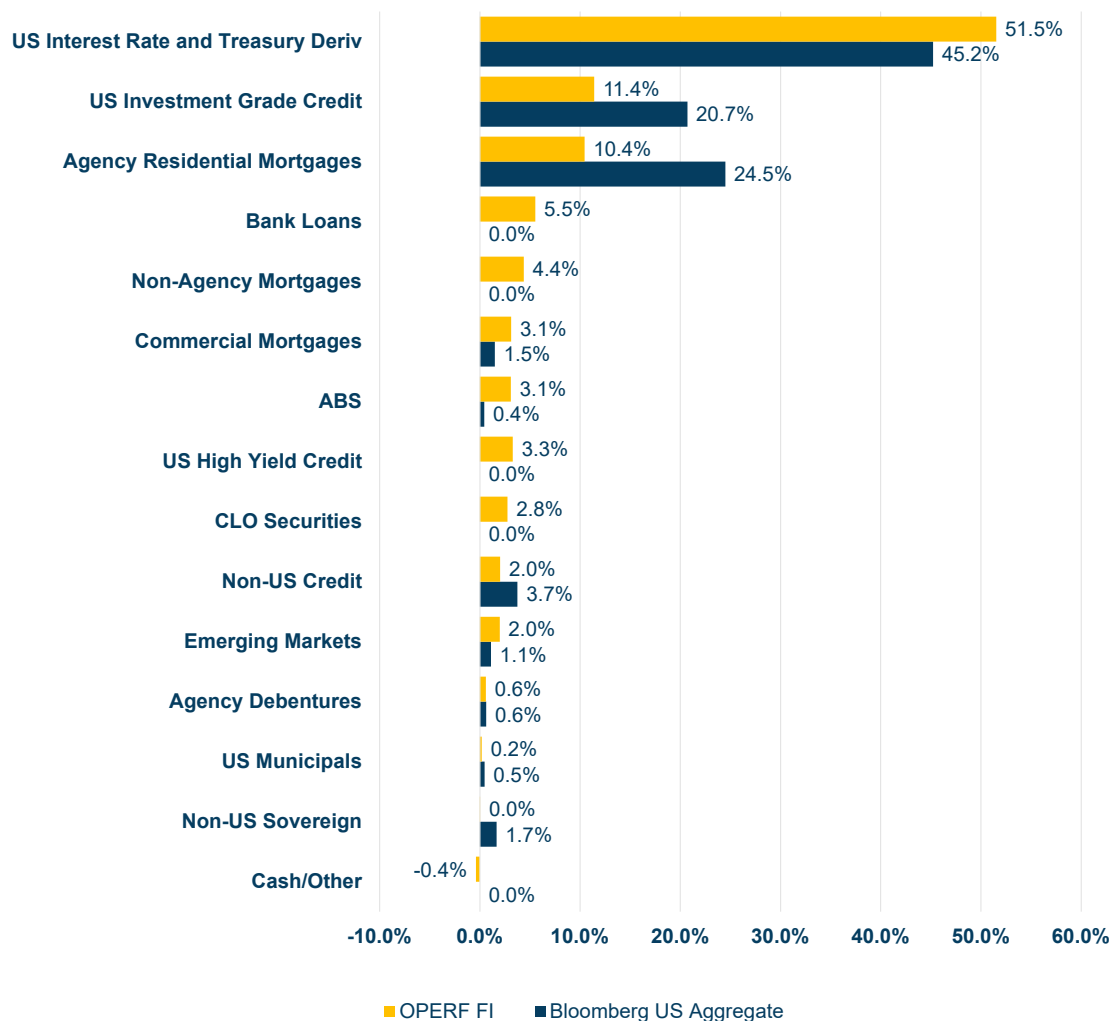
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Source: BlackRock Aladdin and State Street, as of June 30, 2025

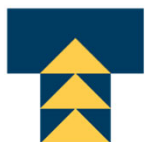
Fixed Income Portfolio Annual Review | September 3, 2025

# Portfolio Overview

## OPERF Portfolio vs Benchmark



- The Bloomberg US Aggregate is an investment grade index.
- It is dominated by Treasuries, Corporates, and Agency Mortgage-Backed Securities (“MBS”).
- Primary portfolio vs. index differences:
  - Overweight Treasuries
  - Underweight Investment Grade Corporates
  - Underweight Agency MBS
  - Overweight sectors with low or no benchmark weight such as Bank Loans, Non-Agency MBS, US High Yield, CLOs, and ABS
- Portfolio effective average credit quality of AA- vs. AA for the index.
- Portfolio effective duration is 5.30 years vs. 5.90 years for the index.



# Performance & Risk Characteristics

	OPRF FI	Bloomberg US Aggregate
Effective Average Credit Quality	AA-	AA
Duration (years)	5.30	5.90
Spread Duration (years)	2.31	3.30
Convexity	0.47	0.49
Yield-to-Worst	4.78%	4.54%
Coupon	3.59%	3.56%
Option Adjusted Spread (bps)	76	34
Standard Deviation (5-Yr)	5.43%	6.37%
Ex-Ante Tracking Error (bps)	77	N/A
Beta vs. S&P 500 Index (5-Yr)	0.20	0.23

- The Portfolio is out-yielding the benchmark by about 24 bps.
- An investment grade credit rating of AA- vs. AA for the benchmark.
- Sufficient liquidity of approximately 54%, as measured by U.S. Treasuries, Government-related, and cash investments that can typically be liquidated within a few trading days.
- 5-year risk, as measured by the standard deviation, is lower than the benchmark.
- Ex-ante tracking error of 77 bps is within the policy limit of 100 bps.
- An equity beta is 0.20, exhibiting a low correlation with equity market movements.



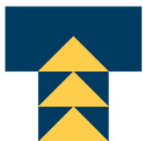


## Market Review

# Inflation is Down from 2022 Peak Levels



*Tariffs are pushing some prices higher but are not yet triggering broad-based inflation.*

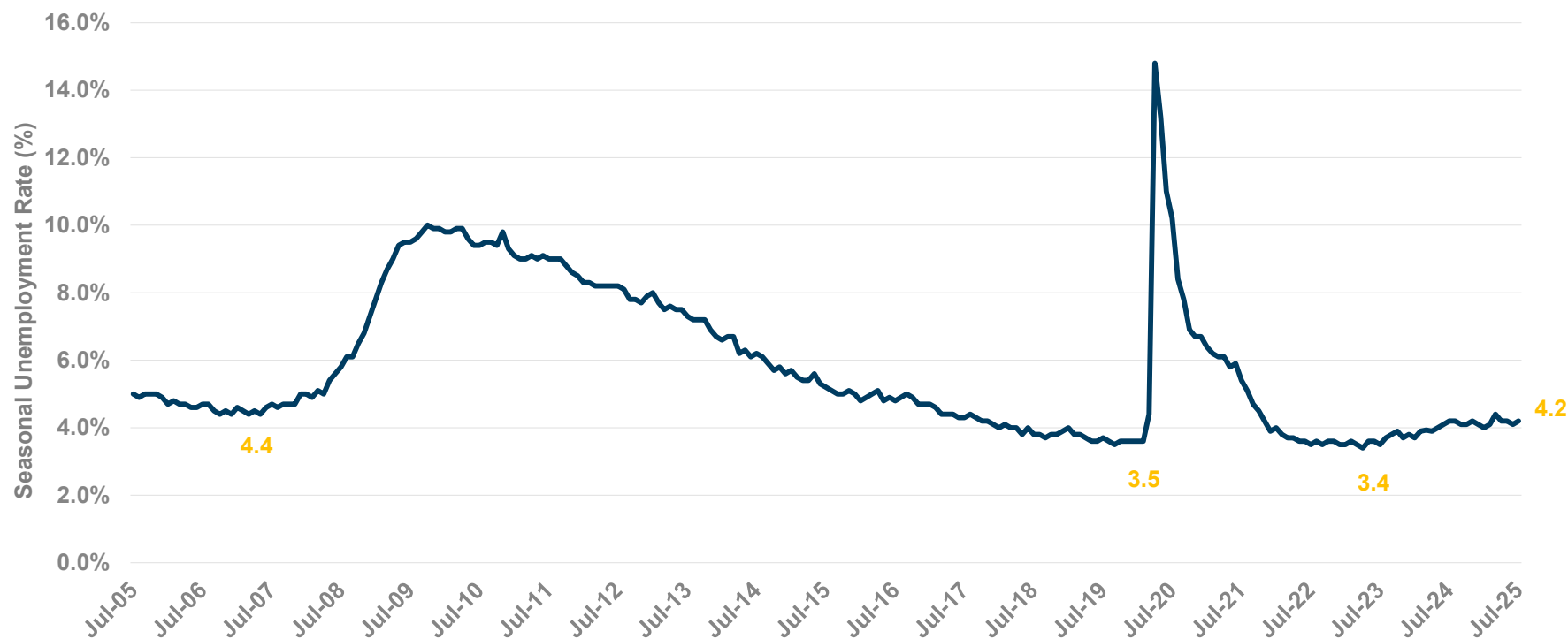


Source: Data from U.S. Bureau of Labor Statistics, July 2005 through July 2025. Consumer Price Index for All Urban Consumers (CPI-U), yoy.

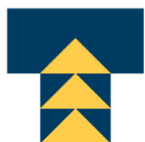
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## Market Review

# Unemployment rate rose slightly



*US labor markets cracks widen as job growths hits stall speed*



Source: Data from U.S. Bureau of Labor Statistics, July 2005 through July 2025. Employment status of the civilian unemployment rate, seasonally adjusted.

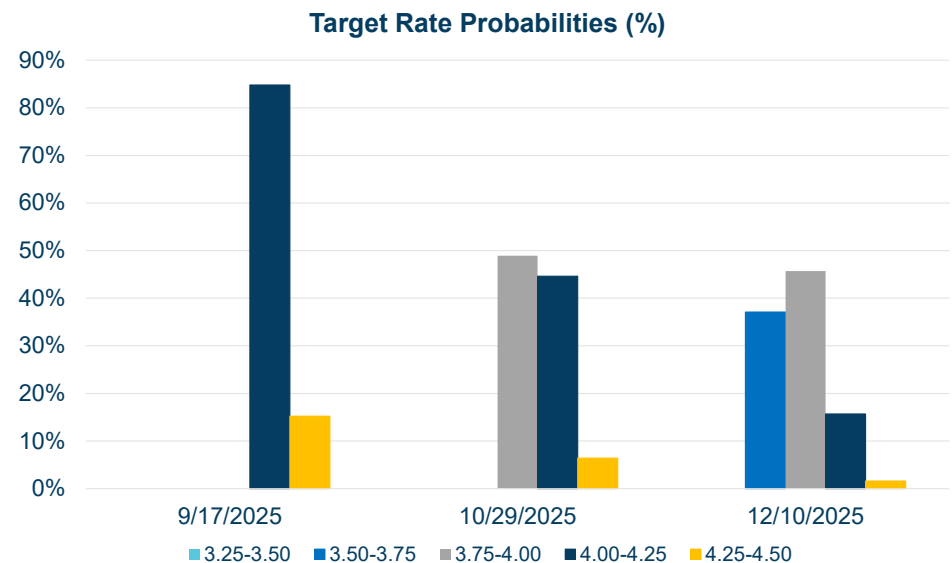
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## Market Review

# Fed Funds Remained Steady, “Moderately Restrictive”

- The Federal Reserve (Fed) cut the Federal Funds rate by 100 basis points (bps) in the second half of 2024.
- First half of the year, the Fed was cautious about further easing as policymakers waited to see how the economy would respond to ongoing trade negotiations and other economic developments.
- Weaker job data may provide enough cover for the Fed to cut interest rates in September.
- Market is currently pricing two cuts this year with the first cut coming in September.

Data	Cut (bps)	Rates	
		Lower End	Upper End
05/01/2024	0	5.25	5.50
06/12/2024	0	5.25	5.50
07/31/2024	0	5.25	5.50
09/18/2024	-50	4.75	5.00
11/07/2024	-25	4.50	4.75
12/18/2024	-25	4.25	4.50
01/29/2025	0	4.25	4.50
03/19/2025	0	4.25	4.50
05/07/2025	0	4.25	4.50
06/18/2025	0	4.25	4.50
07/30/2025	0	4.25	4.50



Source: Bloomberg

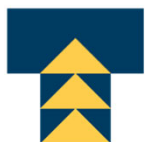
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## Market Review

# U.S. 10-Year Treasury Yield

- 10-year Treasury term premium could see a gradual increase as the fiscal situation deteriorates.

U.S. 10- Year Treasury Yields (Percent)



Source: Bloomberg

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## Market Review

# U.S. Corporate Credit Spreads

- Investment grade spreads rallied strongly, pushing spreads to the tightest level in almost 20 years. Positive rating trends, low defaults resilient economic growth, and strong technical should continue to keep spreads in a tight range.
- U.S. corporate credit spreads continues to be at historically tight levels.

U.S. Aggregate – Corporate Option Adjusted Spread (bps)

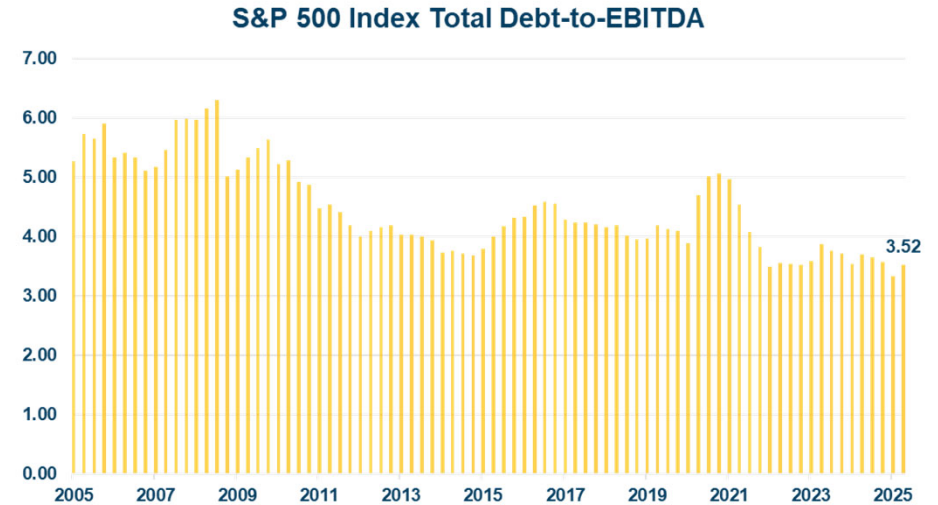
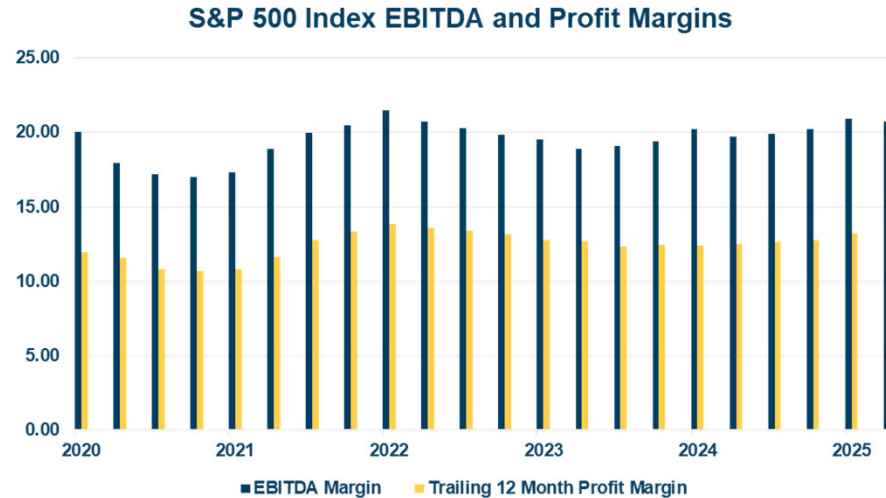


Source: Bloomberg

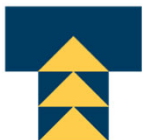
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TREASURY**

# Market Review

## Profitability and Leverage



- Corporate fundamentals remained healthy overall. Corporate profitability was strong with profit margin and EBITDA margin remaining resilient.
- Leverage, as measured by Debt/EBITDA, was stable.
- In the near term, revenue and profit may face headwinds as tariffs, immigration policies, trade tensions, and geopolitical issues alter market dynamics and create disruptions.

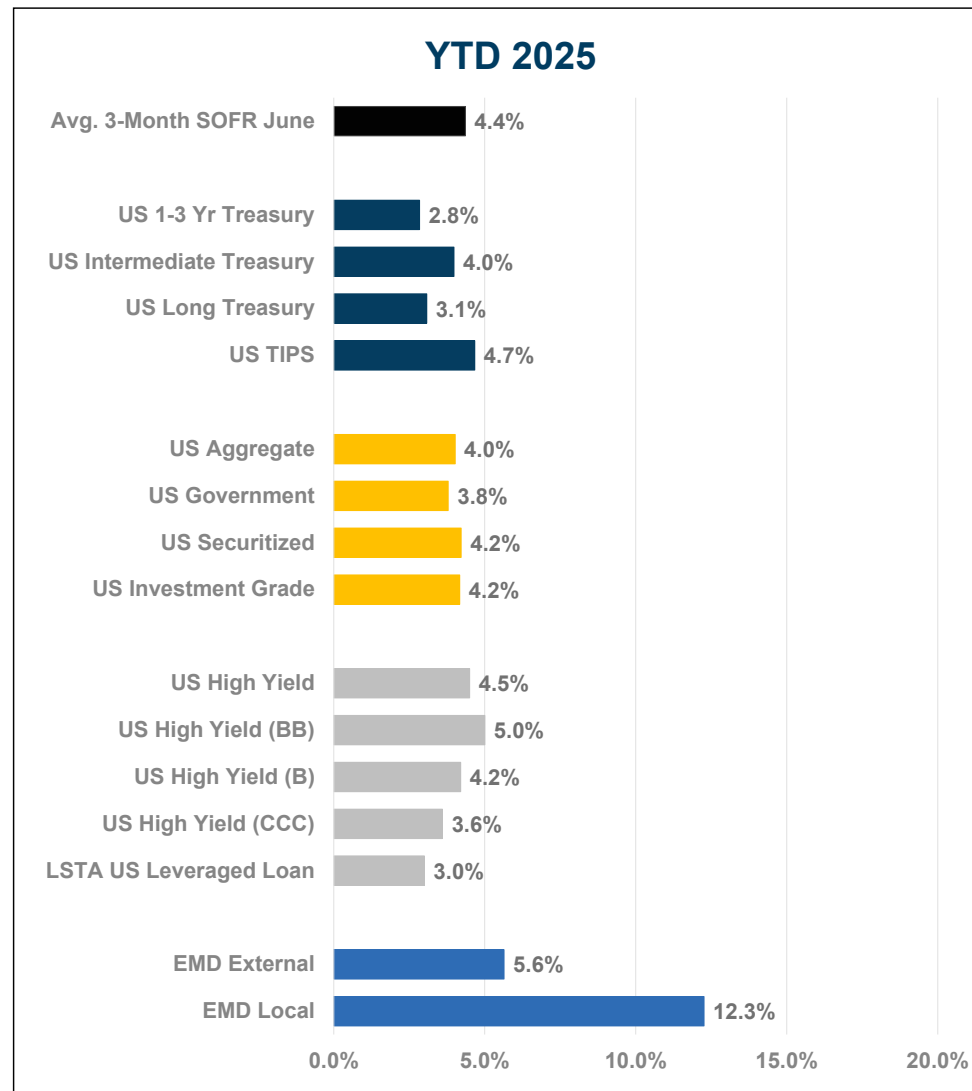
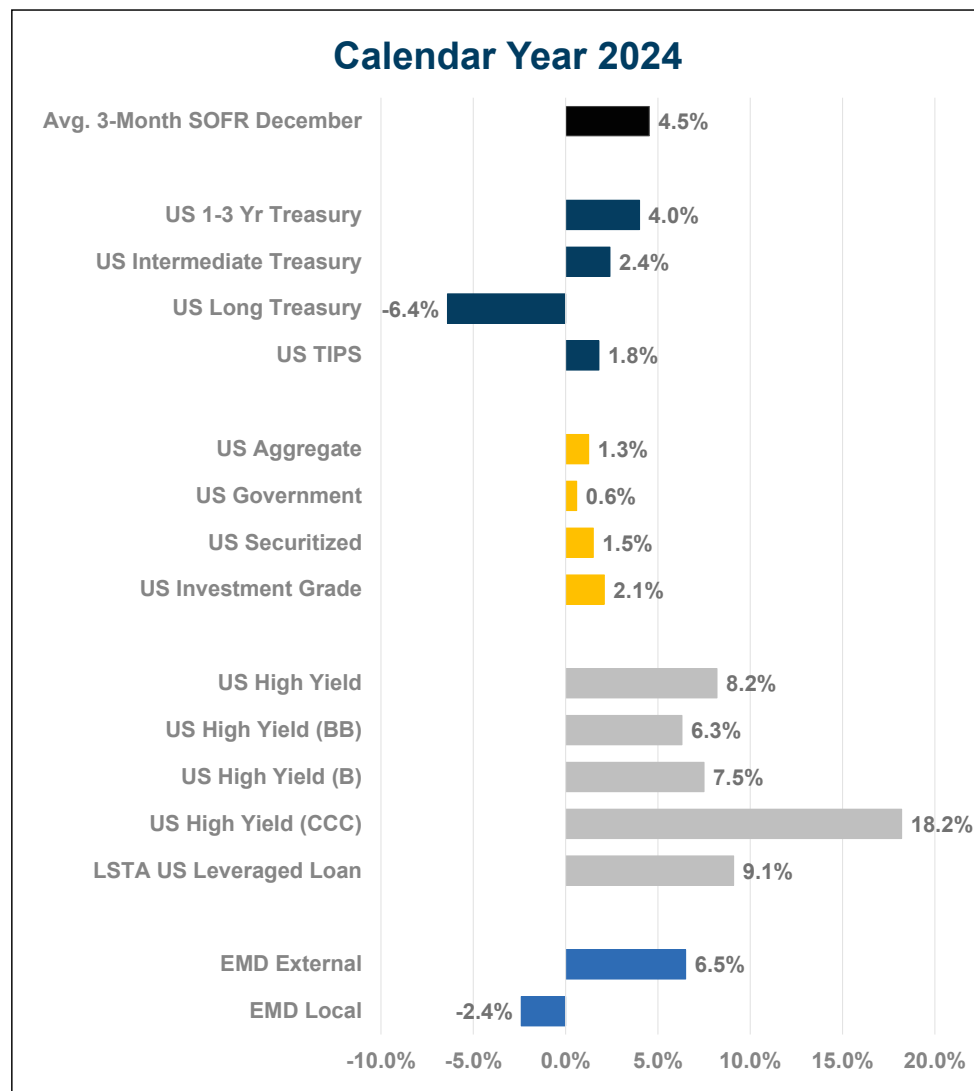


Source: Bloomberg

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# Market Review

## Overall Strong Performance Across Markets



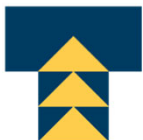
Source: Data from eVestment, Bloomberg, BofA. EMD External represented by JPM EMBI Global Diversified, EMD Local by JPM GBI-EM Global Diversified. Except for the high yield, leveraged loan, emerging market indices, all other indices use the Bloomberg index family.

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# *Market Review*

## Summary

- Uncertainty with tariff impact, above-forecast inflation, and the strengths of the U.S. economy has stayed the Fed's hands thus far in 2025.
- Interest rate volatility has increased as the market evaluates macro-economic data, particularly inflation and employment, and its potential impact on future FOMC policy actions and the forward path of interest rates.
- Lower credit spread levels weigh on future return expectations given less overall carry return. However, current yields of ~5% for IG and ~7% for HY point to decent long-term returns.
- Fixed income continues to offer a good risk-adjusted rate of return relative to U.S. equities given higher yields (i.e., YTW of U.S. Aggregate index as of June 30th, 2025 was 4.5%)



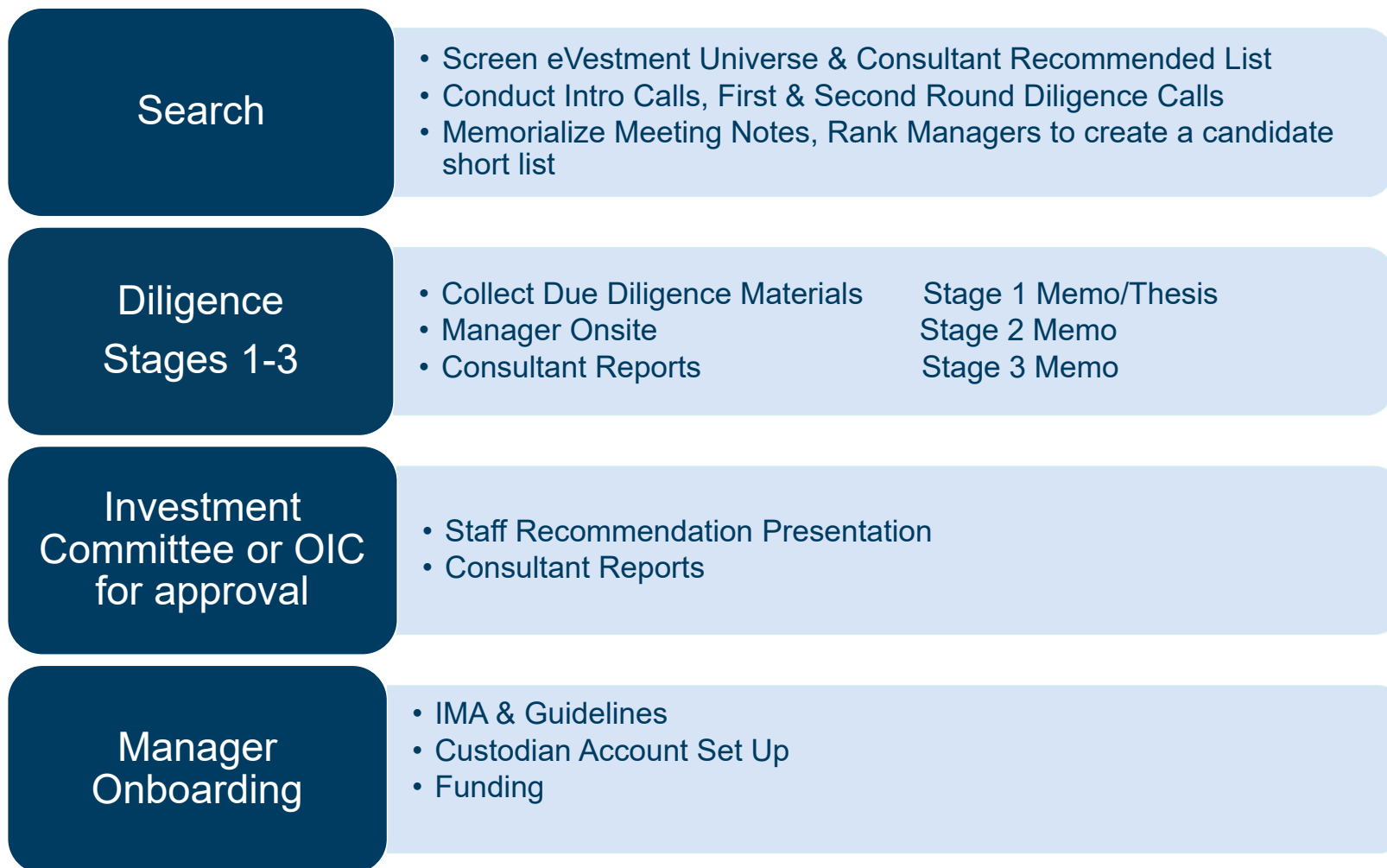
Source: Bloomberg

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## *Special Section*

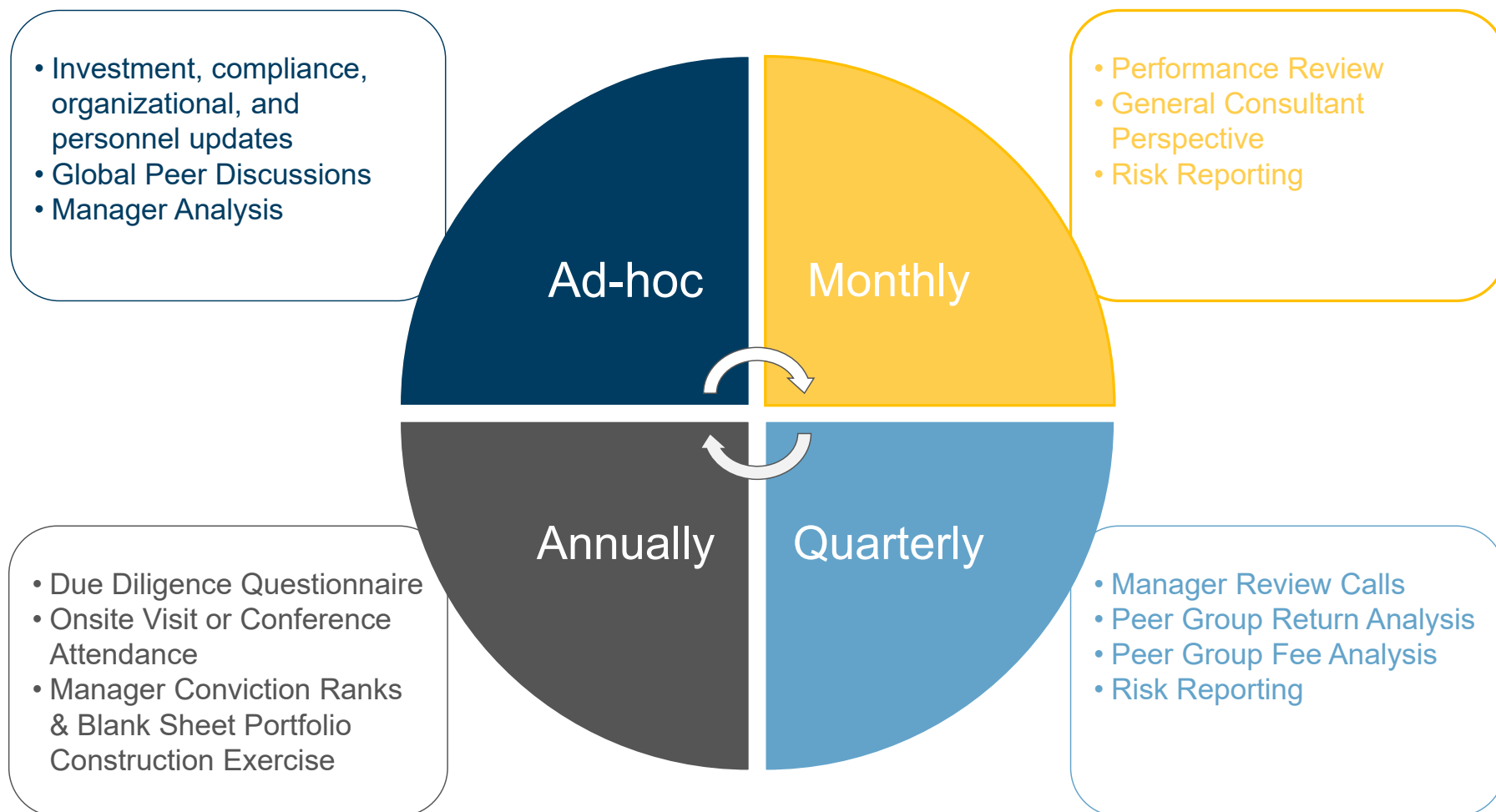
# Investment Manager Search Process



## Special Section

# Ongoing Monitoring Process

➤ Once Staff underwrites managers, they are then monitored in a 360-degree fashion



## *2026 Plan*

# Priorities/Goals

- Continue to meet the strategic role of the asset class – return, risk, and liquidity objectives.
- Continue to refine asset class construction and analysis.
- Continue to improve Fixed Income Risk and Monitoring System.
- Focus on Staff development & continued education.
- Manager Research Agenda:
  - ✓ Review of Core Bond Strategies
  - ✓ Review of mandates and benchmarks for existing managers



# OREGON STATE TREASURY

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# TAB 7

## OPEN DISCUSSION



# TAB 8

## PUBLIC COMMENTS