



**OREGON
STATE
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Oregon Investment Council

April 15, 2026

Alline Akintore
Chair

Elizabeth Steiner
State Treasurer

Rex Kim
Chief Investment Officer



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

Agenda

April 15, 2026
9:00 AM

<u>Time</u>	<u>Tab</u>		<u>Presenter</u>
9:00 – 9:05	1	Review & Approval of Minutes March 4, 2026	Alline Akintore <i>OIC Chair</i>
	2	Committee Reports	Rex Kim <i>Chief Investment Officer</i>
9:05 – 9:35	3	OPERF Opportunity Portfolio Annual Review	Mike Mueller <i>Investment Officer, Opportunity Portfolio</i>
9:35 – 10:05	4	Individual Account Program Annual Review	Jamie McCreary <i>Service Model Program Manager</i> Chris Nikolich <i>Head of Glide Path Strategies (US), Alliance Bernstein</i> Elena Wang <i>Portfolio Manager, Alliance Bernstein</i>

--BREAK--

10:15 – 10:45 5 **Oregon Savings Growth Plan Annual Review** Jamie McCreary
(Action Item: Policy Update) *Service Model Program Manager*
Lisa Egly
OSGP Program Manager
Jake O’Shaughnessy
Managing Director, SageView

10:45 – 11:15 6 **OPERF Climate Report** Philip Larrieu
Senior Investment Officer, Stewardship

11:15 – 11:30 7 **Audit Report** George Naughton
Deputy State Treasurer
Michael Makale
Chief Audit Executive
Craig Harner
Partner, Macias Gini & O’Connell LLP
Chai Saechao
Senior Manager, Macias Gini & O’Connell LLP
Yia Yang
Supervisor, Macias Gini & O’Connell LLP

--BREAK--

After conclusion of scheduled agenda items:

8 **Forward Calendar**

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

10 **Public Comments**



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TAB 1

REVIEW AND APPROVAL OF MINUTES

State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

March 4, 2026

Meeting Minutes

Members Present: Treasurer Elizabeth Steiner, Alline Akintore, Pia Wilson-Body, Elmer Huh (attended virtually), Tim Miller, Kevin Olineck

Staff Present: Rex Kim, George Naughton, David Randall, Sybil Ackerman-Munson, Louise Howard, Tad Fergusson, Amy Hsiang-Wei, Jen Plett, Byron Williams, Eric Engelson, Elissa Gavette, Jamie McCreary, Barry Ford, Geoff Hildreth, Tim Sayre, Lisa Pettinati, Ryan Lobdell, Tim Kane, Bryson Pate, Jordan Proudfoot

Staff Participating Virtually: Aaron Schaffer, Mohammed Quraishi, Oyin Ajayi, Jason Service, Andrew Coutu, Roy Jackson, Trey PetersonWood, Ben Mahon, Perrin Lim, Robb Cowie, Amanda Kingsbury, Ian Huculak, Wendi Nelson, Young Kim, Mike Mueller, Shain Corey, Scott Robertson, Alli Gordon, Dana Millican, Ericka Langone, Faith Sedberry, Andrey Voloshinov, Mark Selfridge, Sommer May, Anna Totdahl, Patrick Deptula, Ahman Dirks, Keaton Flannery, Jo Recht, Josh Jones, Tiffany Zahas, Elena Krupinova, Kiara Cruz, Debra Day, Carey Gonzalez, Shannon Ball, Krystal Korthals, Tracy Steckman, Jessica Howell, Asia Slaughter, Paul Koch, Caitlen Laue, Tyler Bernstein, Bri Naber, Eric Messer, Aliese Jacobsen, Angela Schaffers, Sarah Berg, Will Hampson, Loren Terry,

Consultants Present: Allan Emkin(attended virtually), Mika Malone, Raneen Jalajel, Ashley Woeste, Paola Nealon, Colin Bebee, Brandon Patterson, Daniel Van Breene(attended virtually), Stephen Kennedy(attended virtually)

PERS Present: Kevin Olineck

Legal Counsel Present: Steve Marlowe (Department of Justice)

The Oregon Investment Council (OIC) Regular meeting was called to order at 9:01am by Chair Akintore.

Alline Akintore
Chair

Pia Wilson-Body
Vice-Chair

Elmer Huh
Member

Tim Miller
Member

Elizabeth Steiner
State Treasurer

Kevin Olineck
PERS Director

<u>Time</u>	<u>Tab</u>	<u>Presenter</u>
9:01 – 9:02	1	Review & Approval of Minutes January 21, 2026
		Alline Akintore <i>OIC Chair</i>
		Chair Akintore asked for approval of the OIC Regular Meeting minutes from January 21, 2026. Treasurer Steiner moved approval, member Wilson-Body seconded the motion, which then passed by a 5/0 vote at 9:02am Yes votes: Treasurer Elizabeth Steiner, Chair Alline Akintore, Vice-Chair Pia Wilson-Body, Elmer Huh(Attending Virtually), Tim Miller.
	2	Committee Reports
		Rex Kim <i>Chief Investment Officer</i>
		<u>OST Investment Committee</u>
		OPERF:
		January 26 th Lincoln Logistics Fund II, L.P. \$100M USD
		January 28 th Voleon Composition Domestic Fund, LP \$300M USD
		Note: On January 28th, the Committee also approved the updated policy recommendation, INV 1101: OST Investment Committee policy.
		<u>Staff Discretion</u>
		OPERF:
		None.
		CSF:
		January 28 th Voleon Composition Domestic Fund, LP \$7.5M USD
9:04-9:40	3	Energy Transition
		John Goldstein <i>Global Head of Sustainability and Impact Solutions, Asset & Wealth Management, Goldman Sachs</i>
		John Goldstein, Global Head of Sustainability and Impact Solutions, Asset & Wealth Management at Goldman Sachs, presented on Energy Transition Updates. The presentation included commentary on energy transition in the world and how it may affect the market.
9:40– 9:42	4	OIC Chair and Vice Chair Election (Action Item: Vote on Election)
		OIC Members
		Treasurer Steiner moved approval to elect Alline Akintore as OIC Chair at 9:42 am, member Miller seconded the motion which then passed by a 4/0 vote. Yes votes: Treasurer Elizabeth Steiner, Tim Miller, Elmer Huh(Attending Virtually), Pia Wilson-Body.
		Chair Akintore moved approval to elect Pia Wilson-Body as OIC Vice-Chair at 9:42 am, member Miller seconded the motion which then passed by a 4/0 vote. Yes votes: Treasurer Elizabeth Steiner, Chair Alline Akintore, Tim Miller, Elmer Huh(Attending Virtually).



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TAB 2

COMMITTEE REPORTS



TAB 3

OPERF OPPORTUNITY PORTFOLIO ANNUAL REVIEW

April 15, 2026

OPERF Opportunity Portfolio

2025 Annual Review

Mike Mueller

Investment Officer



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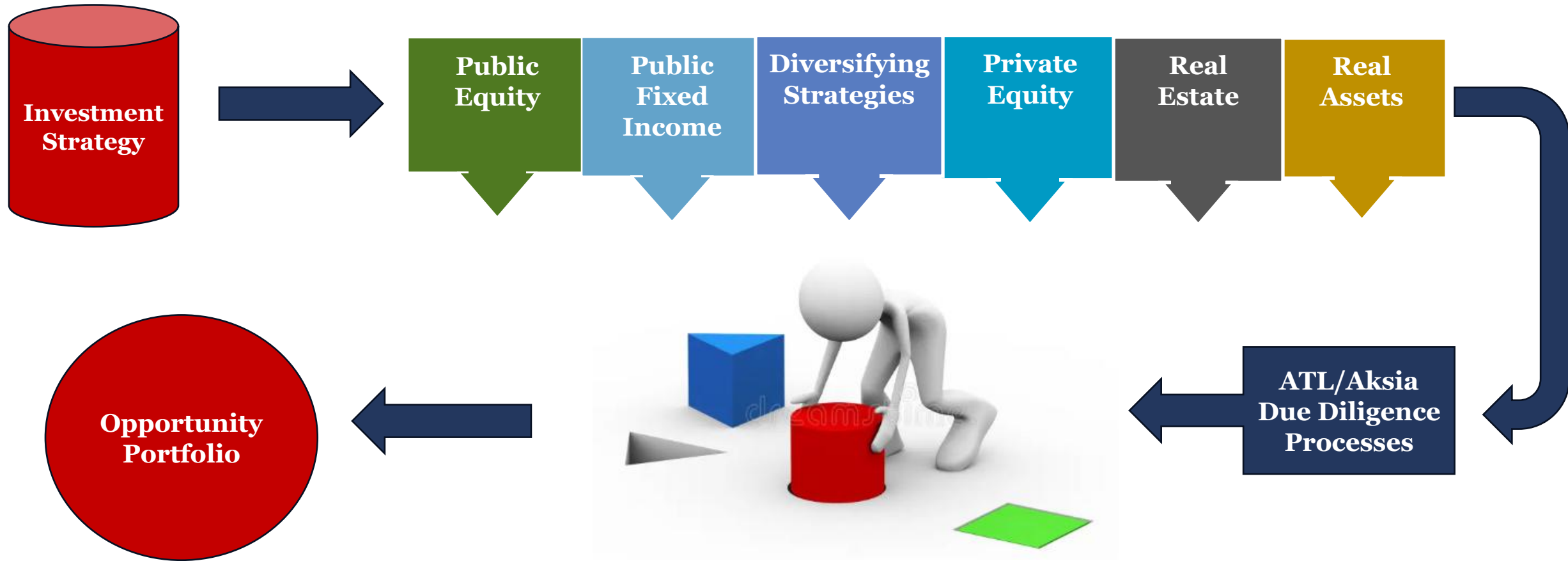
Agenda

		OIC Investment Policy Statement Mapping									
Section	Page(s)	1	2	3	4	5	6	7	8	9	10
Role & Objectives	3-4										
History	5										
Performance	6										
Year in Review	7-8										
Looking Forward	14										
Appendix	15-17										
Biography	19										

- 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
D. The OIC should be innovative and opportunistic in its investment approach.
- 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

Role of the OPERF Opportunity Portfolio

- Enable Staff to consider investments for OPERF that do not conform to the six strategic asset classes



Note: "ATL" stands for Alternative Team Leads, see also Page 17.

Opportunity Portfolio Objectives (INV 1204)

Performance

1

- Exceed OPERF Total Fund Policy Benchmark, over time
- Provide enhanced, risk-adjusted returns and diversification to OPERF (i.e., lower correlation)

Guidelines

2

- No strategic/target allocation; may comprise no more than 5% of total OPERF assets
- Can incubate new strategies or portfolios (e.g., levered bank loans, real assets, private credit)
- May be non-diversified – Staff may concentrate its investments
- Partnership commitments may be highly episodic and inconsistent over time

Strategies

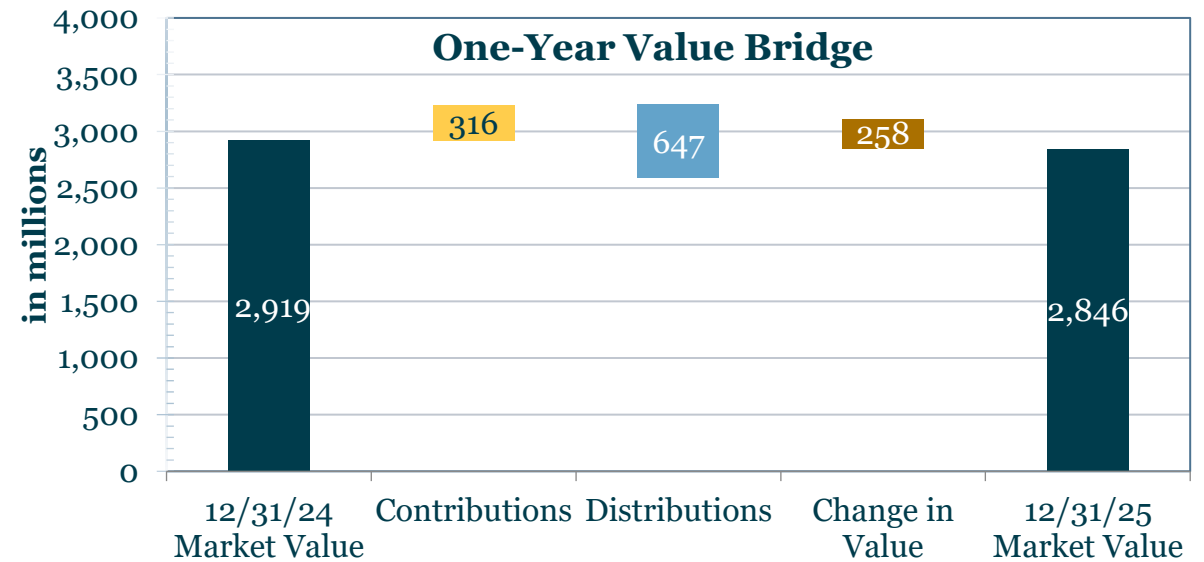
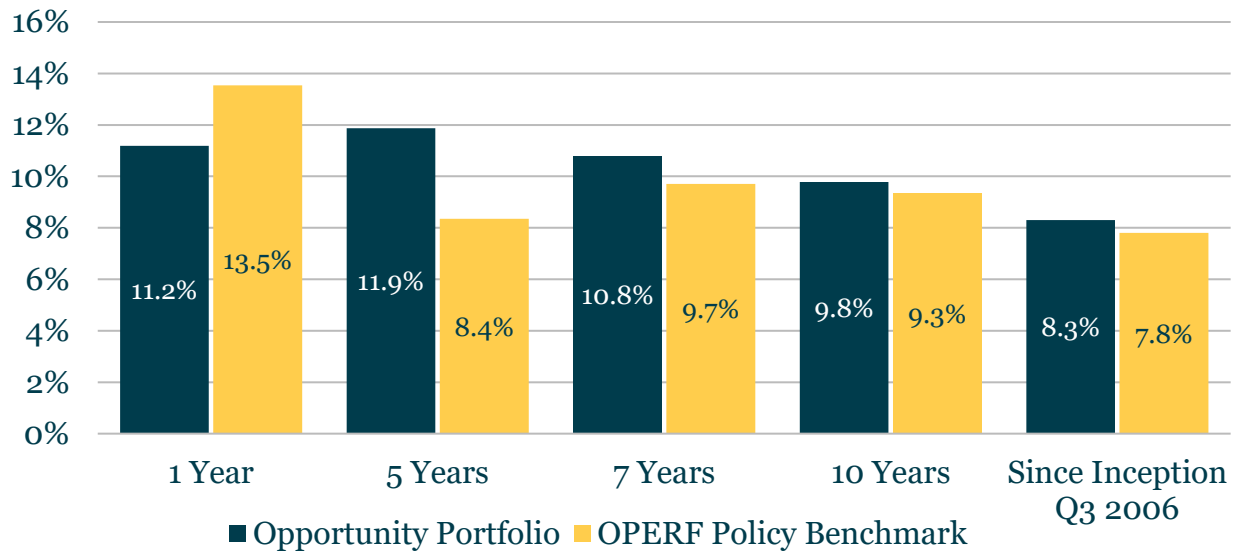
3

1. Niche/unique (e.g., royalties, reinsurance, private credit, sports, multi-asset)
2. Tactical/dislocation (historical examples: GFC, COVID-19)

20-Year History

- 2005 ❖ Opportunity Portfolio inception
- 2006 ❖ First investment commitment
- 2007 ❖ Early market fissures appear
 - OPERF early to levered bank loan dislocation
- 2008 ❖ Global Financial Crisis (GFC)
 - Full-time Opportunity Portfolio Investment Officer hired
 - High-water mark in new commitments (number & dollars)
 - Heavy investment in levered bank loan strategies
- 2009-2010 ❖ Relatively light deployment following significant investment post-GFC
- 2011 ❖ Three funds moved to seed new Alternatives Portfolio (now known as Real Assets Portfolio)
❖ First investment to dedicated private credit (BDC)
- 2012-2014 ❖ Commitments to multi-strategy opportunistic mandates in response to limited staff resources
- 2014 ❖ Senior Opportunity Portfolio Investment Officer promoted to Director of Alternatives Program
- 2015-2018 ❖ Relatively light to stable deployment
- 2019 ❖ Appointment of Investment Officer dedicated to Opportunity Portfolio in Q3 2019
- 2020 ❖ COVID-19 causes widespread market disruption, commitments made to two funds to pursue potential market dislocations
- 2021 ❖ Closed on four new niche investment strategies
- 2022-2025 ❖ Lighter deployment, only with existing managers, in recognition of overall plan-level illiquidity

Performance - Periods Ending December 2025



Measure	12/31/25	12/31/24
FMV + Historical Distributions	\$8,738 M	\$8,164 M
Current FMV	\$2,846 M	\$2,919 M
Unfunded Commitments	\$1,181 M	\$926 M
FMV % of OPERF	2.8%	3.1%
FMV + Unfunded Commitments % of OPERF	4.0%	4.0%
Multiple [(FMV + Distributions)/Drawn]	1.4x	1.4x
IRR Since Inception Q3 2006	8.3%	8.4%

Source: Aksia and State Street. Data as of 12/31/25.

2025 Deal Flow

Sourcing

1

- Broad remit combined with 20-year history of investing
- Unsolicited inbound inquiries (OST’s “open door policy”)
- Referrals from across OST investment teams & consultant

Opportunities

2

- Points of contact (in-person meetings or calls) exceeded 120
- Over 60 unique, prospective opportunities
- Opportunities are vetted through ATL and consultant

Execution

3

- Abundant opportunities to deploy capital
- However, OPERF over target to illiquid asset classes
- Staff deliberately slowed investment pace over the past 4 years (See page 16)

Points of Contact

120+

Prospective Investments

60+

Strategies of Interest

7

Further Due Diligence

2

Approved / Closed

2

2025 Year in Review

Results

1

- Strong 1-year absolute performance of +11.2%.
- Exceeded OPERF Policy Benchmark over extended time periods and since inception.
 - ✓ Best performing private markets portfolio over the past 2 and 3 years.
 - ✓ Second best performing private markets portfolio over 5, 7, and 10 years.
- 0.38 corr. to OPERF, since inception, with less than half the volatility of public equity (7.5%).

Updates

2

- The Portfolio has been net cash flow positive, cumulatively, over the past 5 years, following larger net contributions in 2021-22; including a positive net cash flow of \$330 million in 2025 (see page 9).
- The Portfolio is concentrated among five partners comprising approximately two-thirds of current Portfolio value across 13 different investments (see pages 11, 15).
- One investment wrapped up in 2025, leaving 15 manager relationships in the Portfolio across 25 investments (see page 15).

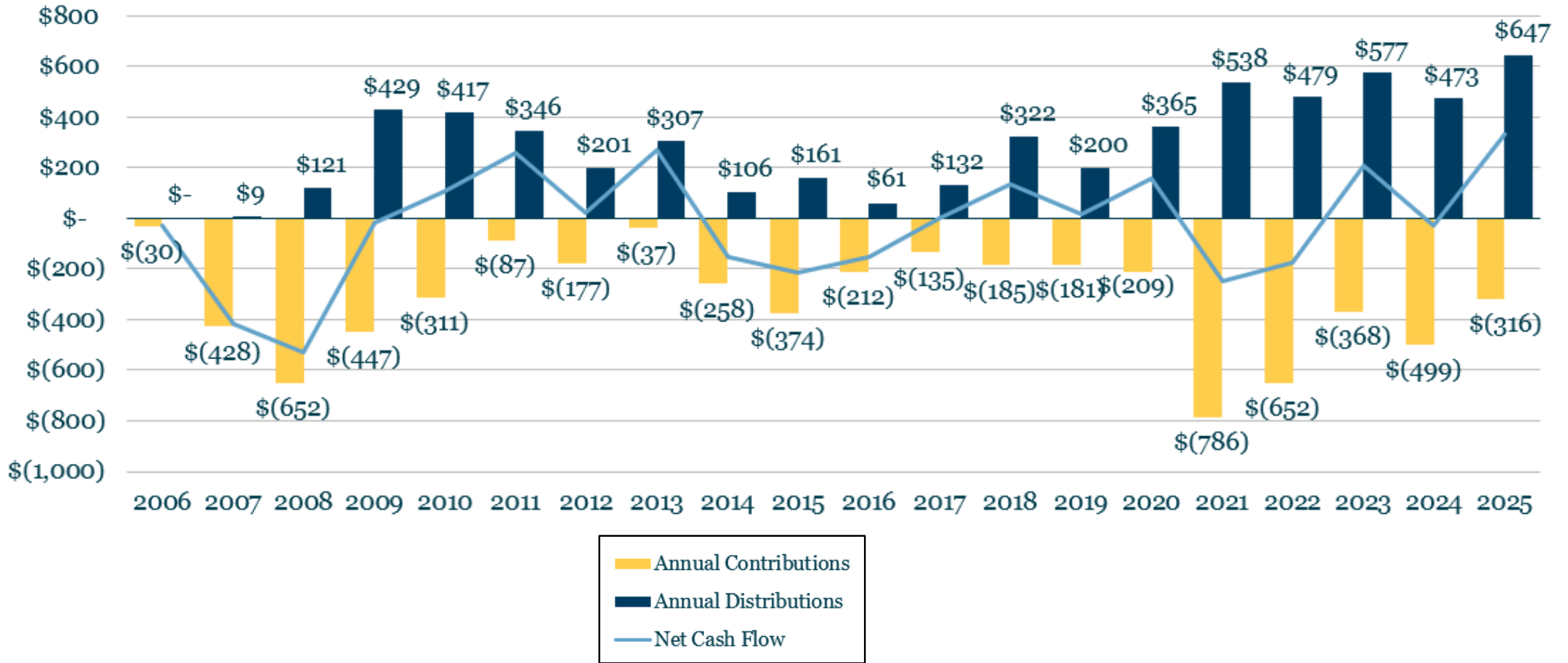
Commitments

3

Investment Name	Strategy	Focus	Commitment Amount
Caspian Inefficient Markets IV	Credit	Dislocation	\$100,000,000
Pathlight Capital IV	Credit	Asset Based Lending	\$100,000,000
2025 Total Approved			\$200,000,000



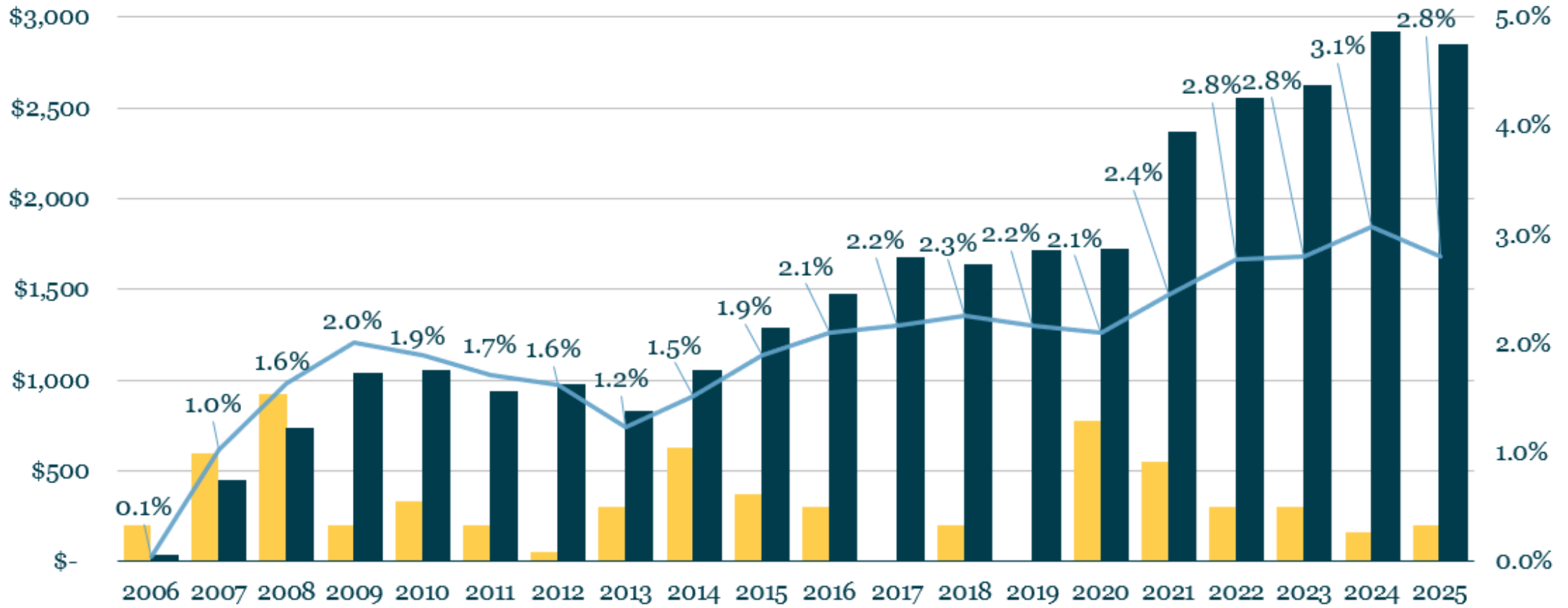
Historical Cash Flows



Source: Aksia. Data as of 12/31/25.



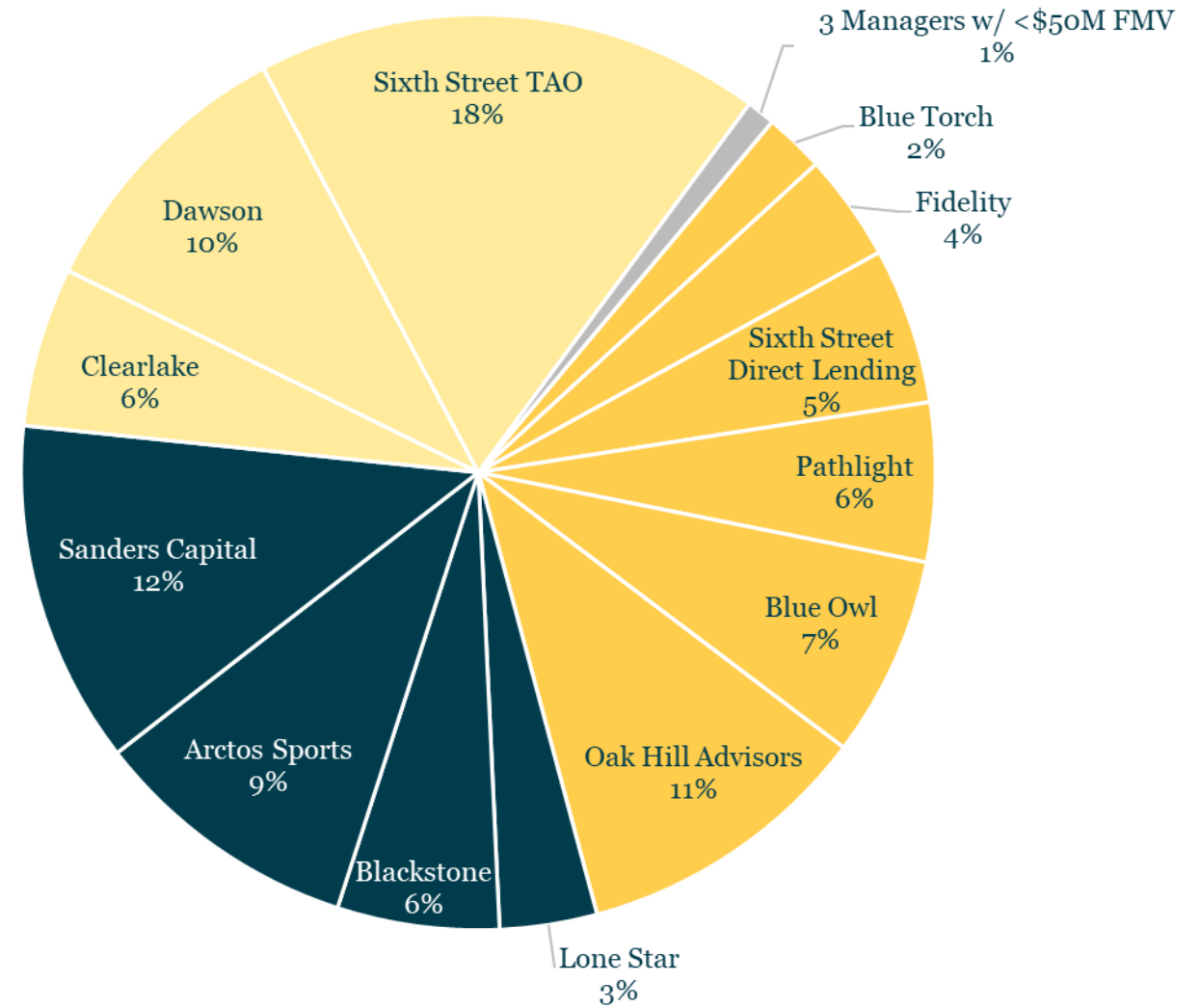
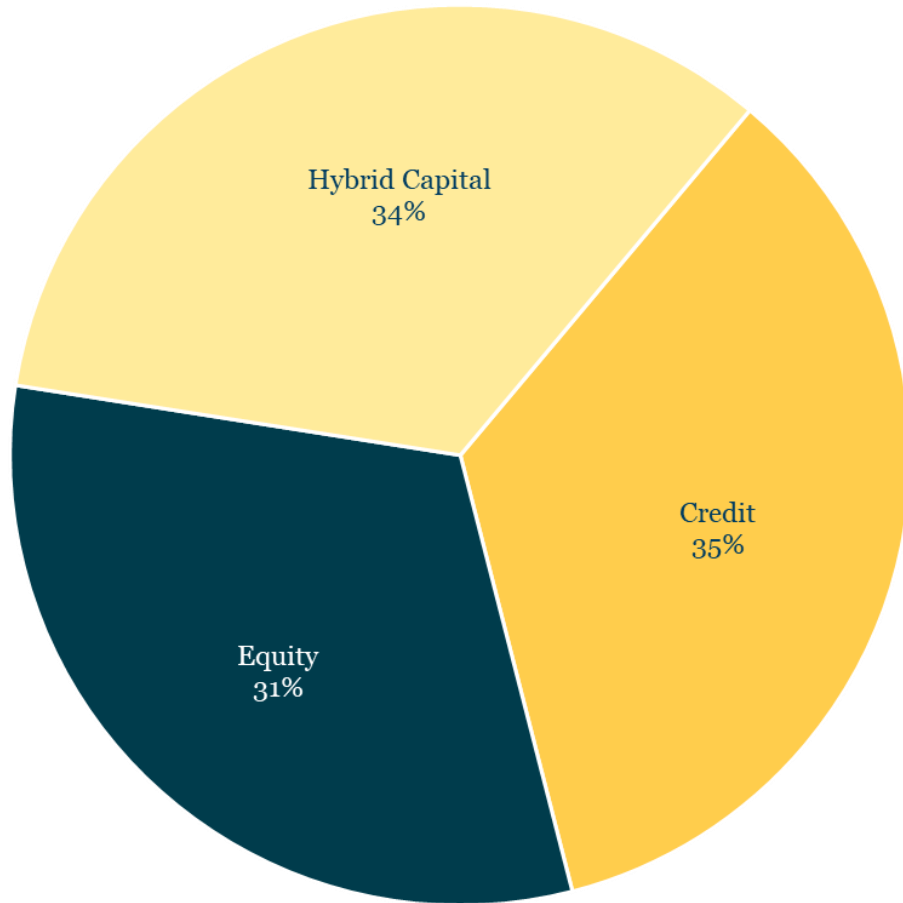
Historical Commitments & Portfolio NAV



Source: State Street and OST Staff. Data as of 12/31/25.



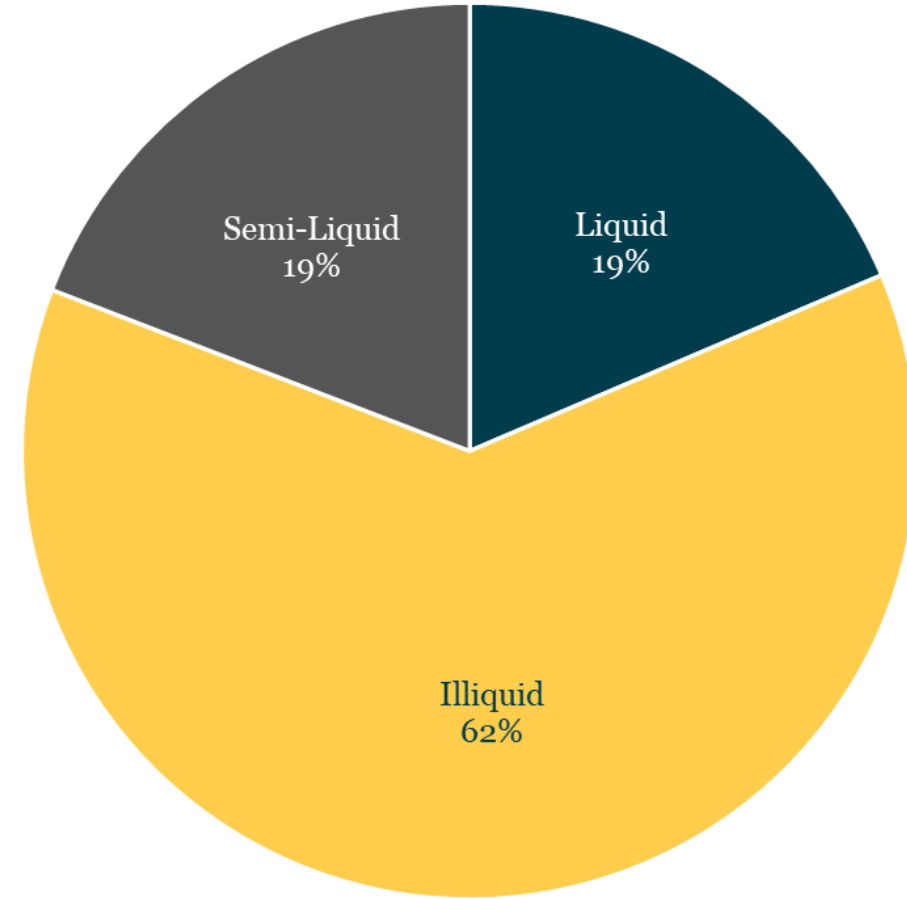
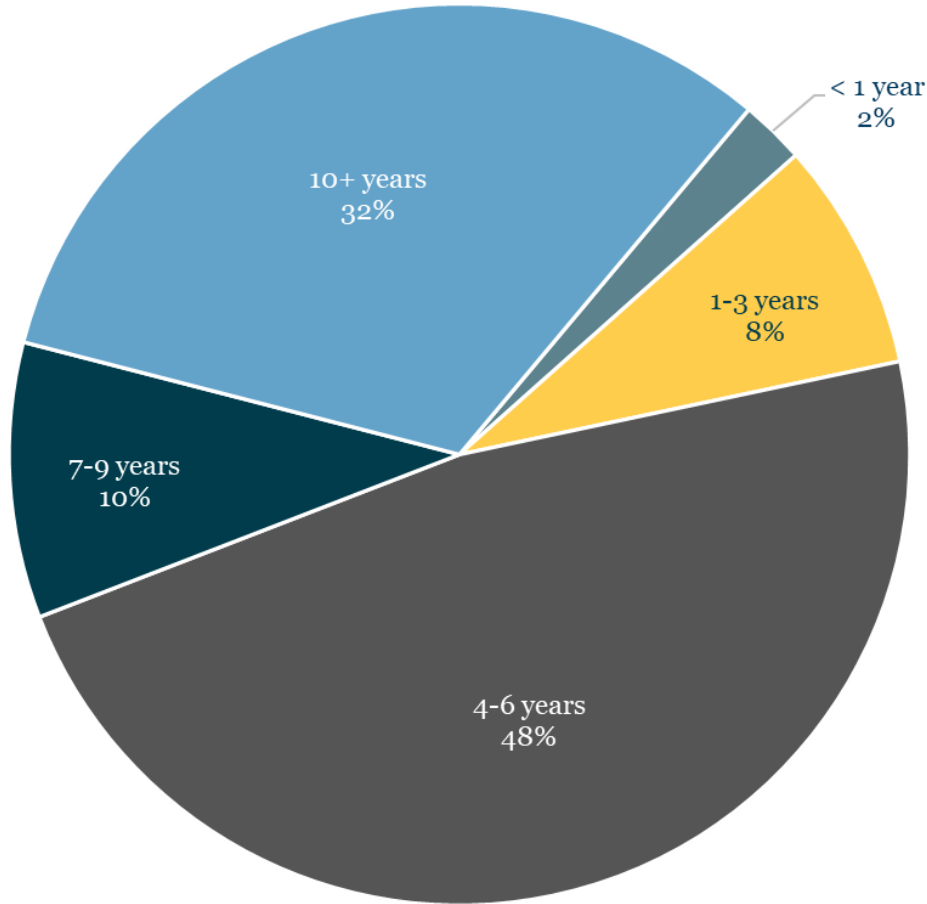
Portfolio Strategy & Manager Snapshots



Source: Aksia and OST Staff, as of 9/30/2025.



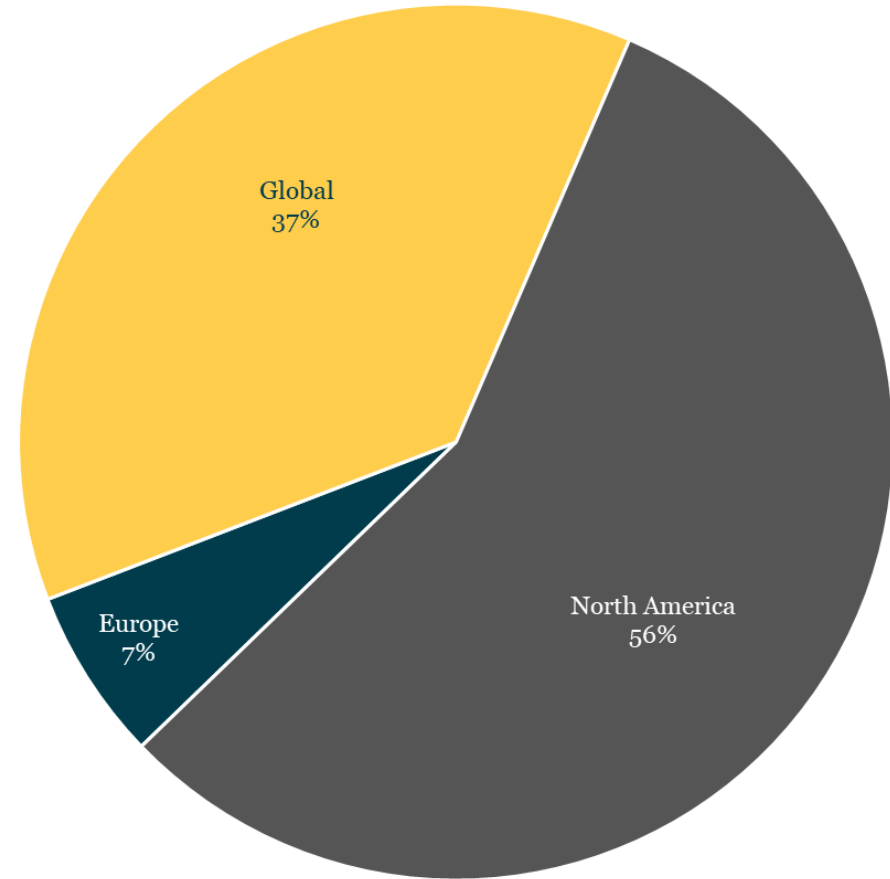
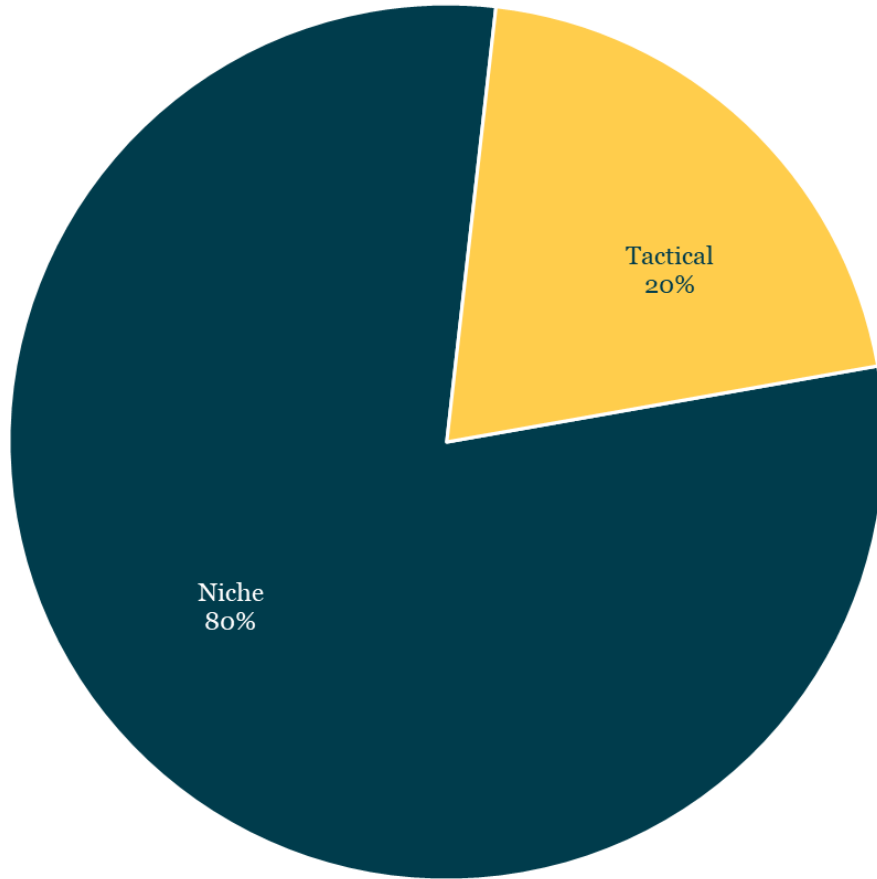
Portfolio Age & Liquidity Snapshots



Source: Aksia and OST Staff, as of 9/30/2025. Based on first capital drawdown.

Note: "Liquid" is 1 Year or less and "Illiquid" is > 5 Years.

Portfolio Role & Geography Snapshots



Source: Aksia and OST Staff, as of 9/30/2025.

Looking Forward

Goals

- Continue providing valuable return and diversification benefits to the total fund, and particularly to the public markets, while providing a vehicle to incubate potential new strategic asset classes for OPERF.
- The Opportunity Portfolio is positioned to deploy capital if market dislocations arise.

Positioning

- The Portfolio continues to have capacity to invest capital before the 5% policy limit is approached.
- Staff remains mindful of OPERF's current excess exposure to illiquid assets across other parts of OPERF (i.e., Private Equity, Real Assets, and Real Estate).

2026 Plan

- Given the foregoing, we do not expect to add new, illiquid relationships to the Portfolio.
- Staff will focus on existing managers (i.e., re-ups) with overall commitments not expected to exceed \$200 million.

Appendix: Active Investments as of September 30, 2025

Fund	Vintage	Status	Strategy	Focus	Role	FMV (\$K)	Unfunded (\$K)	Commitment (\$K)
Fidelity Real Estate Opportunistic Income Fund	2007	Evergreen	Credit	Real Estate	Niche	\$112,626	\$0	\$100,000
Sanders Capital All Asset Value Fund ¹	2010	Evergreen	Equity	Diversified	Niche	\$360,583	\$0	\$200,000
Blackstone Tactical Opportunities - O	2013	Harvest	Equity	Special Situations	Niche	\$44,880	\$58,945	\$460,000
Sixth Street TAO 2.0	2014	Evergreen	Hybrid Capital	Special Situations	Niche	\$218,003	\$97,899	\$250,000
Sixth Street TAO 3.0	2015	Harvest	Hybrid Capital	Special Situations	Niche	\$212,983	\$29,321	\$250,000
OrbiMed Royalty Opportunities Fund II	2015	Liquidation	Royalties	Healthcare	Niche	\$137	\$0	\$35,000
Blue Owl Capital Corporation (NYSE: OBDC) ²	2016	Evergreen	Credit	Direct Lending	Niche	\$211,376	\$0	\$300,000
Lone Star Fund X	2016	Harvest	Equity	Diversified	Niche	\$102,186	\$0	\$150,000
Blackstone Tactical Opportunities II - O	2020	Active	Equity	Special Situations	Niche	\$125,416	\$77,158	\$40,000
Sixth Street TAO Contingent (2018) ³	2020	Harvest	Hybrid Capital	Special Situations	Tactical	\$100,834	\$19,176	\$200,000
Sixth Street SLE II	2020	Harvest	Credit	Direct Lending	Niche	\$87,466	\$64,825	\$125,000
Oak Hill Advisors TIF	2020	Harvest	Credit	Special Situations	Tactical	\$313,496	\$30,011	\$300,000
Clearlake Flagship Plus	2020	Harvest	Hybrid Capital	Special Situations	Tactical	\$167,421	\$54,235	\$200,000
Blue Torch Credit Opportunities Fund II	2021	Harvest	Credit	Special Situations	Niche	\$63,056	\$22,557	\$100,000
Dawson Partners Wickiup ⁴	2021	Active	Hybrid Capital	PE Solutions	Niche	\$295,352	\$186,811	\$525,000
Arctos Sports Partners Fund I	2021	Harvest	Equity	Sports/Media	Niche	\$202,263	\$31,938	\$150,000
Pathlight Capital Fund II	2021	Harvest	Credit	Asset Based Lending	Niche	\$34,853	\$15,106	\$100,000
Pathlight Capital Fund III	2022	Active	Credit	Asset Based Lending	Niche	\$88,191	\$11,405	\$100,000
Nephila (Cassiopeia Fund) ⁵	2023	Liquidation	Hybrid Capital	Insurance	Niche	\$4,498	\$0	\$100,000
Arctos Sports Partners Fund II	2023	Active	Equity	Sports/Media	Niche	\$80,420	\$81,970	\$150,000
Sixth Street Lending Partners	2023	Active	Credit	Direct Lending	Niche	\$76,499	\$75,053	\$150,000
Sixth Street SLE III	2024	Active	Credit	Direct Lending	Niche	\$0	\$164,930	\$165,000
Caspian Inefficient Markets Fund IV	2025	Active	Credit	Dislocation	Tactical	\$25,218	\$75,000	\$100,000
Pathlight Capital Fund IV	2025	Active	Credit	Asset Based Lending	Niche	\$43,687	\$56,945	\$100,000
Total Opportunity Portfolio:						\$2,971,444	\$1,153,287	\$4,350,000

Allocation within OPERF: 3.1%

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

² Blue Owl Capital Corporation III (NYSE: OBDE, 2020) merged with OBDC in January 2025. Includes Blue Owl Capital Diversified Holdings (BOCDH) (2020).

³ The Sixth Street TAO Contingent fund commitment was made in January 2018 and was activated in April 2020.

⁴ Dawson Partners Wickiup consists of OPERF interests in Funds IV, V, and VI. This vehicle is a fund of one.

⁵ Nephila Cassiopeia is a vehicle containing prior OPERF interests in Nephila Juniper and Palmetto funds (2012 vintages).

Source: Aksia and OST Staff.



Appendix: 2020-2024 Commitment Activity

2024 Activity

Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Sixth Street Specialty Lending Europe III	December 2024	December 2025	\$165,000,000
2024 Total Approved			\$165,000,000

2023 Activity

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

2022 Activity

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

2021 Activity

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

2020 Activity

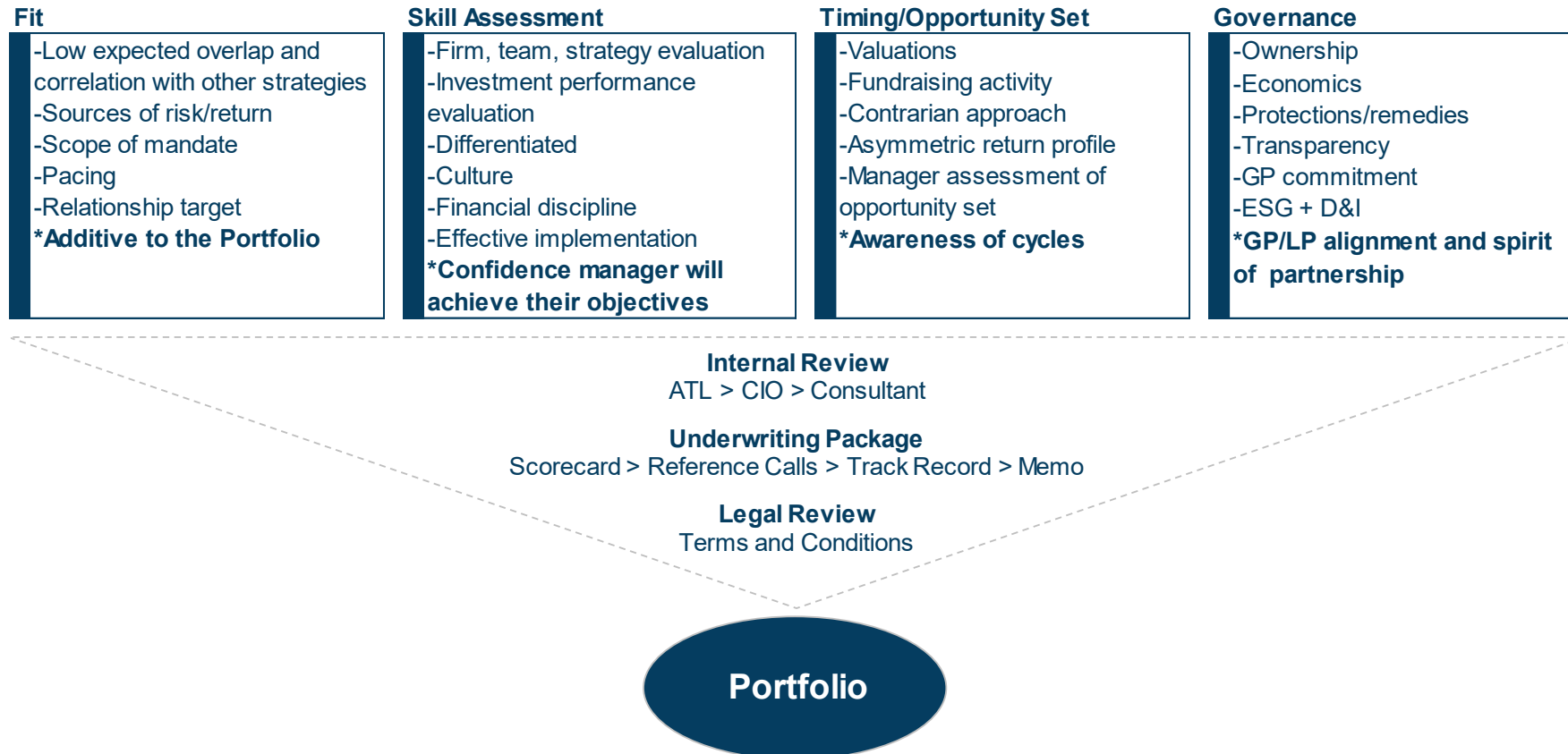
Investment Name	Authorized Date	First OPERF Drawdown	Commitment Amount
Sixth Street Specialty Lending Europe II	June 2020	November 2020	\$125,000,000
OHA Tactical Investment Fund	July 2020	July 2020	\$300,000,000
Owl Rock Capital Corporation III	July 2020	September 2020	\$150,000,000
Clearlake Flagship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

Note: Whitehorse Liquidity Partners now known as Dawson Partners and Owl Rock now known as Blue Owl.



Appendix: Investment Process

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



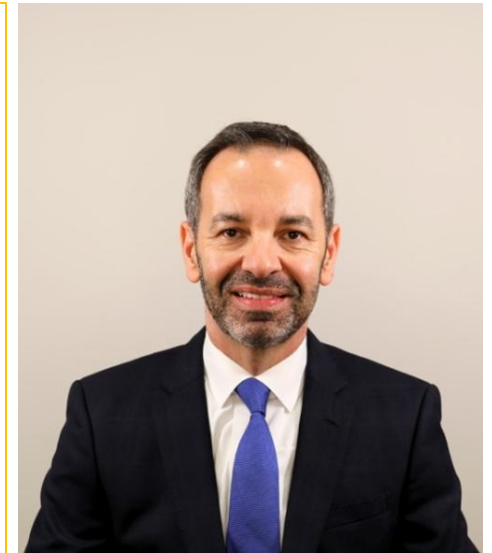
Biography

Mike Mueller, CFA, CPA
Investment Officer, Opportunity Portfolio
Investment Experience: 30 years

Since 2019, Mike has been responsible for managing all aspect of the OPERF Opportunity Portfolio, leveraging his cross-platform experience of serving Treasury as Deputy CIO for 16 years.

- ❖ Serves on over 20 Limited Partnership Advisory Committees (LPACs).
- ❖ Ongoing management of 15 general partner/manager relationships across 25 mandates.
- ❖ Attends meetings with and evaluates prospective managers and strategies.
- ❖ Leads all manager due diligence and portfolio monitoring.
- ❖ Facilitates portfolio redemptions and liquidations.
- ❖ Assists the Real Assets portfolio team on underwriting and monitoring of two private debt managers.
- ❖ Represents the Oregon State Treasury at academic and industry conferences.

Education: BA Economics, BA History, Stanford University





OREGON STATE TREASURY

Elizabeth Steiner, MD
Oregon State Treasurer

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TAB 4

INDIVIDUAL ACCOUNT PROGRAM ANNUAL REVIEW

April 15, 2026

Individual Account Program (IAP)

Annual Review

Jamie McCreary

Service Model Program Manager



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Agenda

Plan Overview

Plan Assets

AllianceBernstein

IAP Custom Target-Date Fund Design

Performance Review

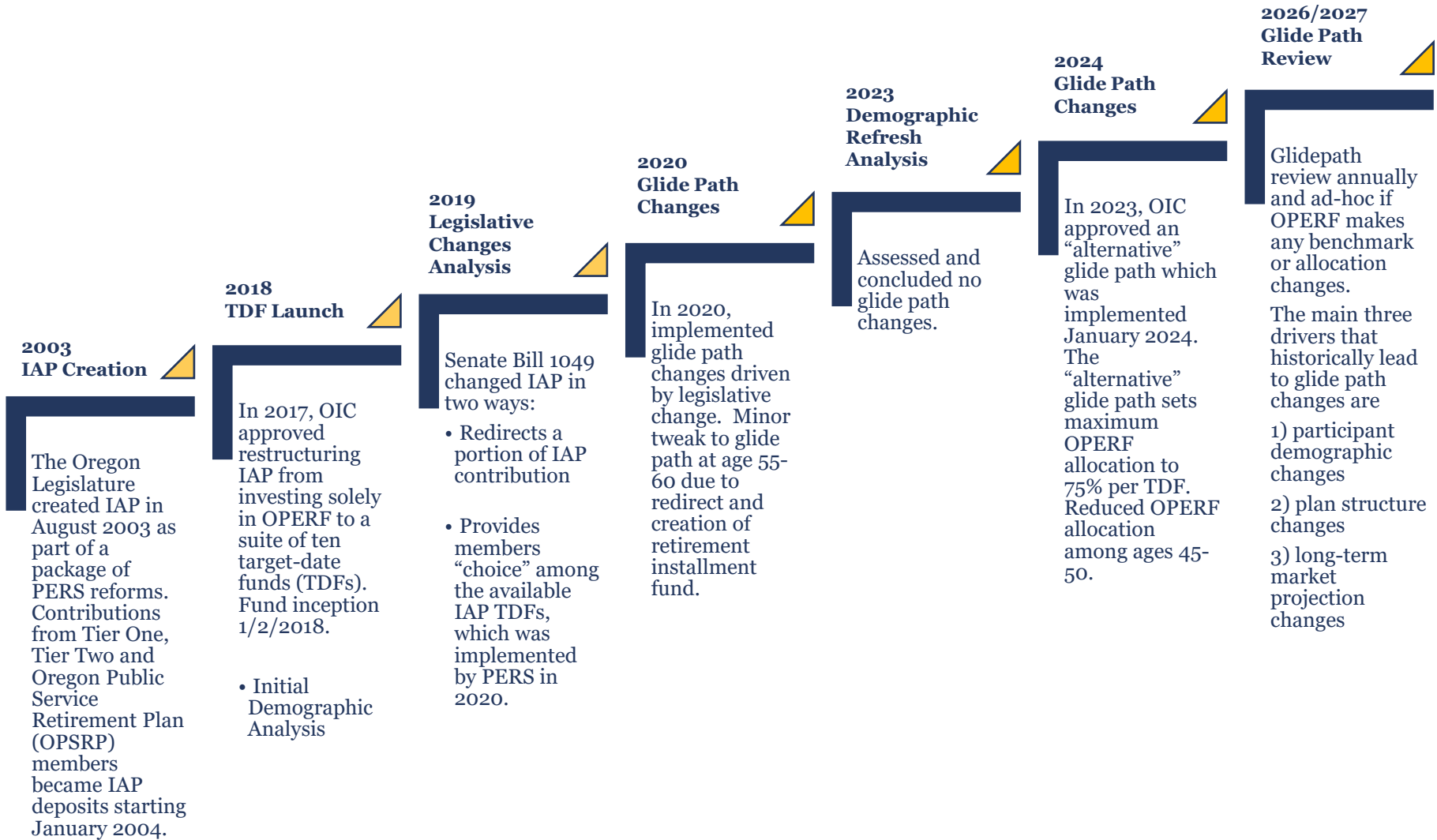
Plan Overview

Oversight, Authority & Administration

The Individual Account Program (IAP) is a Defined Contribution (DC) account-based retirement benefit for members of the Oregon Public Employees Retirement System (PERS)

Individual Account Program (IAP)	
Investment Oversight	OIC and Oregon State Treasury (INV 218)
Administrator	Oregon PERS
Recordkeeper	Voya Financial
Custodian	State Street
Glide Path Manager	AllianceBernstein
Underlying Fund Managers	OST (OPERF) and State Street Investment Management (SSIM Funds)

Plan Evolution

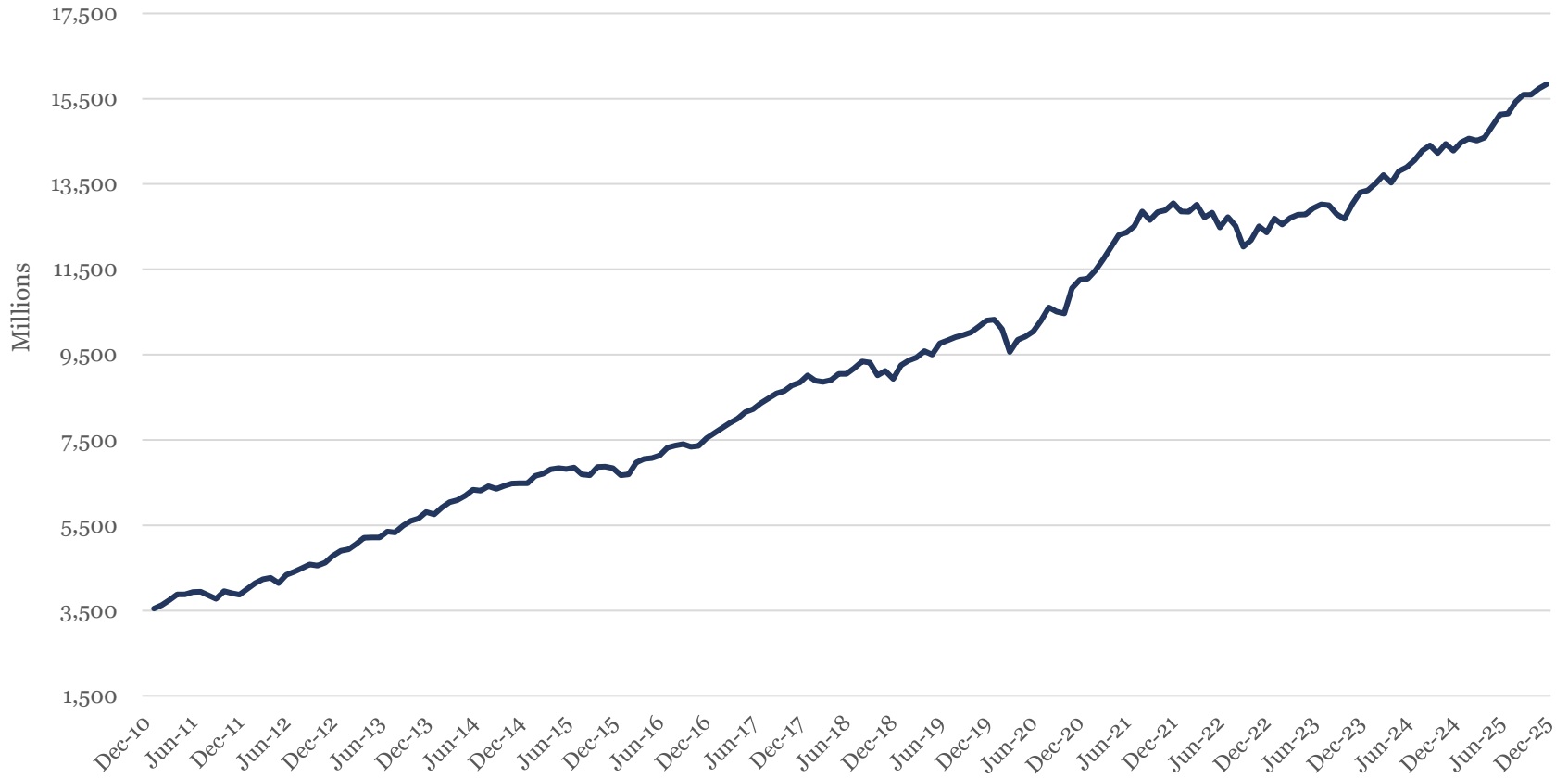


State of Oregon: Custom Target-Date Funds

Target-Date Fund	If the Employee was born...	Total Balance (\$M) As of 12/31/2025
2070	In 2003 or after	\$15
2065	Between 1998 and 2002	\$104
2060	Between 1993 and 1997	\$313
2055	Between 1988 and 1992	\$754
2050	Between 1983 and 1987	\$1,525
2045	Between 1978 and 1982	\$2,499
2040	Between 1973 and 1977	\$3,020
2035	Between 1968 and 1972	\$3,001
2030	Between 1963 and 1967	\$2,115
Retirement Allocation Fund*	1962 or earlier	\$2,495
TOTAL		\$15,842

IAP NAV

15 years ending December 31, 2025
(\$ in Millions)





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State of Oregon Individual Account Program (IAP)

Annual Review

April 15, 2026

Chris Nikolich, Head of Glide Path Strategies (US)—Multi-Asset and Hedge Fund Solutions
Elena Wang, Portfolio Manager—Multi-Asset and Hedge Fund Solutions

Agenda

- IAP Custom Target-Date Fund Design
- Performance Review

IAP Custom Target- Date Fund Design

Key Inputs and Highlights of Target-Date Fund Glide Path Design

Customized Design Tailored to IAP Member Demographics and Plan Structure

Member Demographics

Oregon Public Employees
Retirement Fund (OPERF)

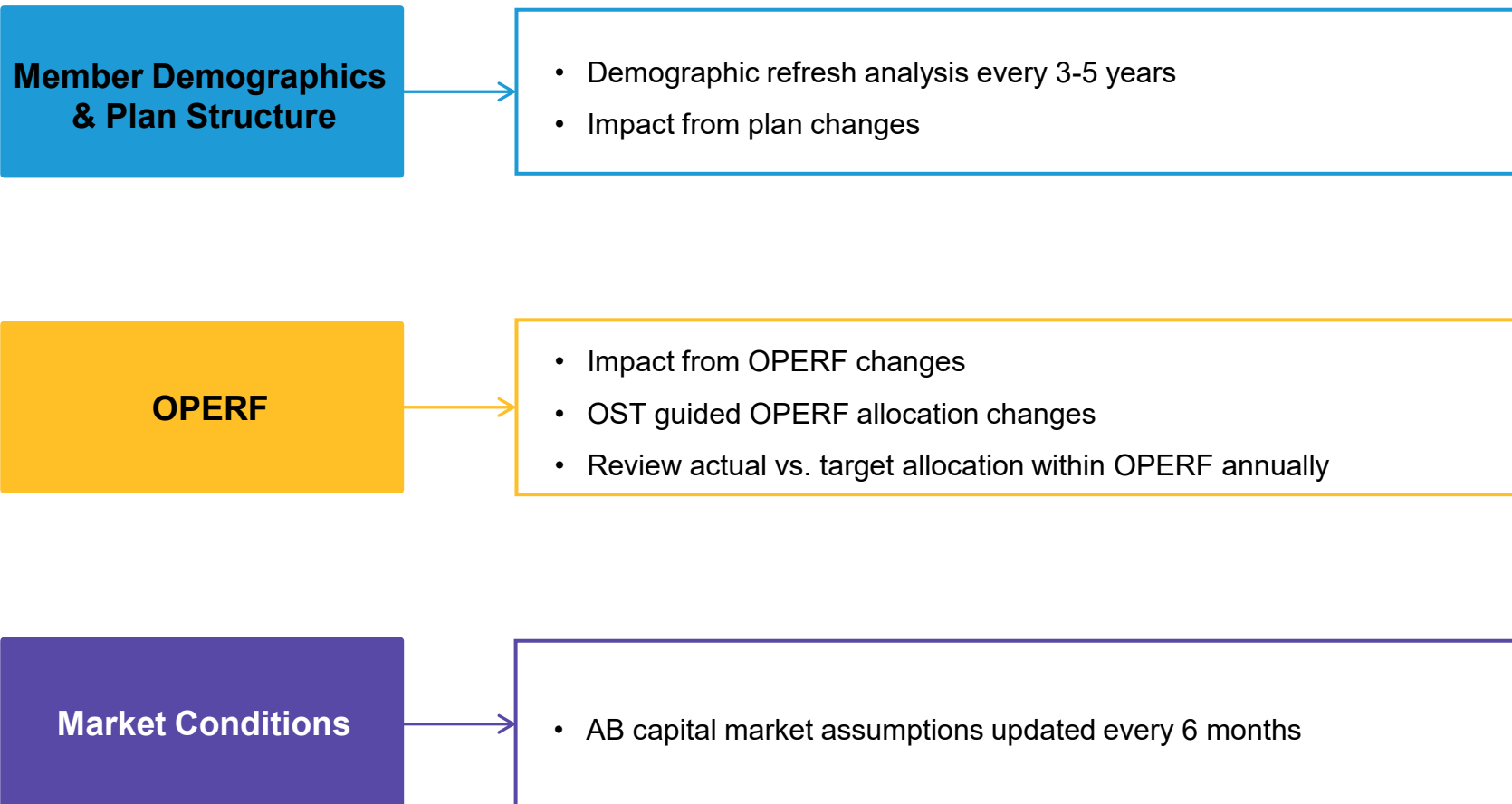
Current Capital Market
Environment



Glide Path Design

- Designed a customized glide path landing at age 65
- Allocation to OPERF is set by the OIC and incorporated into the design
- OPERF is assessed and non-OPERF allocations are designed accordingly
- Modeled passive implementation for all non-OPERF allocations

Custom Design That Evolves With the Plan, Member Demographics, OPERF, and the Market



OPERF's Actual vs. Target Allocation

Current Deviation Doesn't Affect Glide Path Design

- AB assessed the current allocation deviation vs. targets within OPERF
 - Private equity overweight and public equity underweight have an offsetting impact
 - The overall allocation deviation doesn't meaningfully change the growth exposure, equity beta, and risk profile that AB modeled for OPERF, thus does not warrant any glide path changes

Asset Class	Actual With Overlay	Target	Deviation
Private Equity	24.78%	20.00%	4.78%
Fixed Income	23.77%	25.00%	-1.23%
Public Equity	19.29%	27.50%	-8.21%
Real Estate	13.46%	12.50%	0.96%
Real Assets	10.43%	7.50%	2.93%
Diversifying Strategies	5.53%	7.50%	-1.97%
Opportunity Portfolio	2.74%	0.00%	2.74%
Total	100.00%	100.00%	0.00%

AB Modeled OPERF Characteristics	Actual With Overlay	Target	Deviation
Growth Exposure	68%	68%	0%
Equity Beta	0.6	0.6	0.0
Volatility (as % of Public Equity Vol)	61%	63%	-1%

As of March 13, 2026

Source: Russell Investments Oregon Asset Summary Report, AB



AB Capital Market Projections: Latest Update



Key Changes to Forecast

December 2025 vs. December 2024

- **Inflation:** Similar, above normal
- **Global Dev Equity:** Similar, below normal
- **US Core Fixed Income:** Down modestly, above normal
- **US Cash:** Down modestly, above normal

No major capital market assumption changes that would warrant an adjustment to glide path

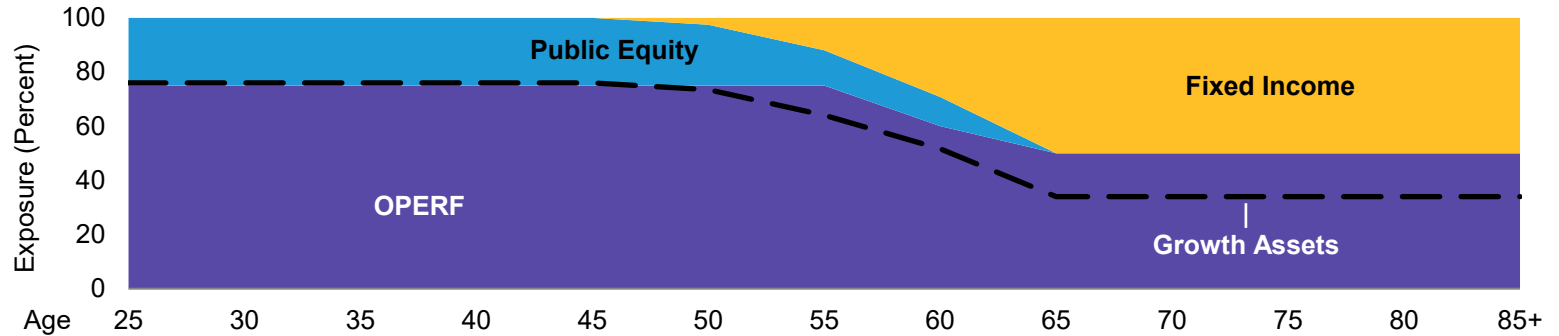
Data does not represent past performance and is not a promise of actual results or a range of future results.

As of December 31, 2025. Source: AB



Glide Path Construction

State of Oregon Individual Account Program (IAP)



	Young Saver					Midlife Saver				New Retiree		Senior Retiree	
	25	30	35	40	45	50	55	60	65	70	75	80	85+
US All Market Equity	15.00	15.00	15.00	15.00	15.00	14.20	8.55	7.35	—	—	—	—	—
ACWI ex US Equity	10.00	10.00	10.00	10.00	10.00	8.30	4.45	3.45	—	—	—	—	—
Core Bond	—	—	—	—	—	2.50	9.00	16.55	18.65	18.65	18.65	18.65	18.65
TIPS	—	—	—	—	—	—	3.00	8.30	12.05	12.05	12.05	12.05	12.05
Short Duration Bond	—	—	—	—	—	—	—	4.35	19.30	19.30	19.30	19.30	19.30
OPERF*	75.00	75.00	75.00	75.00	75.00	75.00	75.00	60.00	50.00	50.00	50.00	50.00	50.00
Public Equity	25.00	25.00	25.00	25.00	25.00	22.50	13.00	10.80	—	—	—	—	—
Fixed Income	—	—	—	—	—	2.50	12.00	29.20	50.00	50.00	50.00	50.00	50.00
OPERF	75.00	75.00	75.00	75.00	75.00	75.00	75.00	60.00	50.00	50.00	50.00	50.00	50.00
Total Growth Assets†	76.00	76.00	76.00	76.00	76.00	73.50	64.00	51.60	34.00	34.00	34.00	34.00	34.00

This chart does not represent any particular target-date fund. It is meant to show how the investment mix of any target-date portfolio changes over a lifetime.

Numbers may not sum due to rounding.

*OPERF is managed by the OST under the direction of the OIC and contains a mix of the following asset classes: public and private equity, fixed income, real estate, real assets, and diversifying strategies

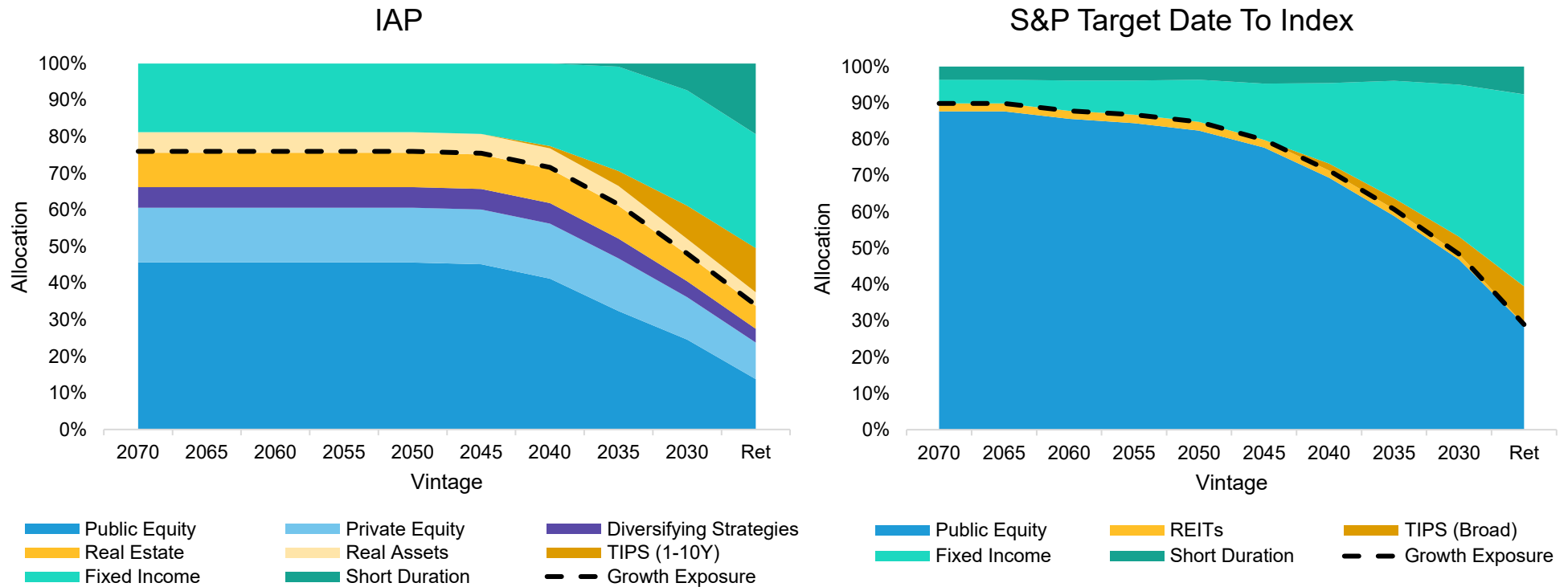
†68% of OPERF allocation is counted as growth assets

Source: Oregon State Treasury and AB

IAP Is Well Positioned For The Expected Challenging Market Environment

Compared with S&P Target Date “To” Index:

- Higher allocation to private assets and diversifying strategies
- Higher and more diversified allocation to inflation sensitive assets
- Prudent underlying component selection, e.g., 1-10Y vs. broad TIPS



As of December 31, 2025
Source: AB, S&P



Selected Custom Innovation Initiatives

Facilitate the incorporation of individualized asset allocation & innovative exposures

Embed Private Exposures into Custom TDFs

- Evolve TDFs into sophisticated multi-asset class portfolios
- Use both unitized DB exposures and daily liquid strategies
- Seek to deliver superior long-term results while simultaneously minimizing short-term risks

Recent Updates

- Significant number of partnership/product announcements
- Many strategies in news and proposed for use in DC are retail/wealth focused funds
- Recent withdrawal requests exceed stated fund liquidity parameters

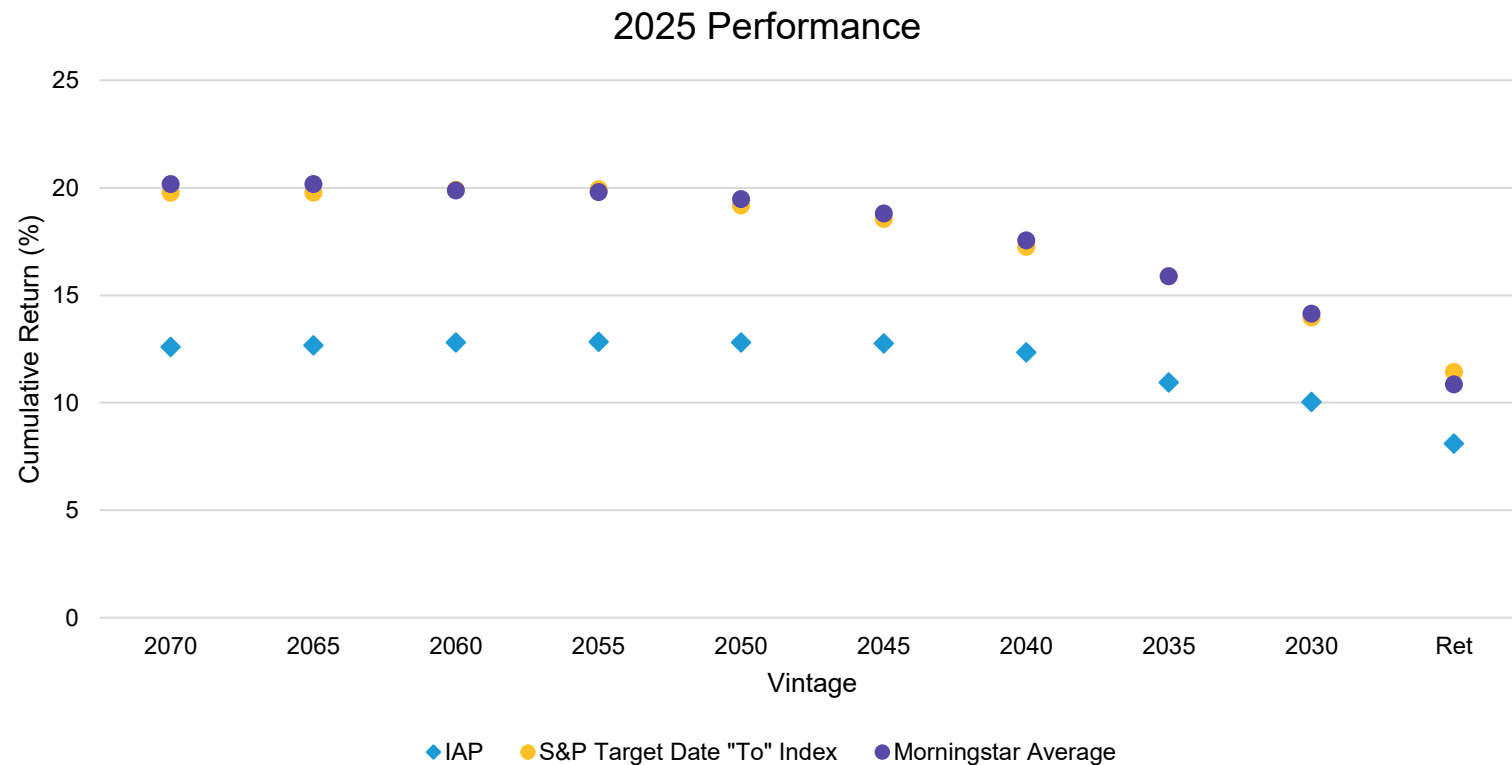
Incorporate Lifetime Income into Custom TDFs

- Transfer longevity risk from participant to insurance companies
- Maintain QDIA status without requiring irrevocable decisions
- Allow for personalization of allocations and insurance coverage

Performance Review

Strong Absolute and Lagged Relative Returns in Strong 2025 Market

- Strong absolute returns ranging from 12.8% to 8.1%
- Key detractors to relative returns: Diversifying OPERF exposure (+9.4%) underperformed Global Equity (+22.3%), higher allocation to Core Bond (via OPERF) vs. peers among longer-dated funds

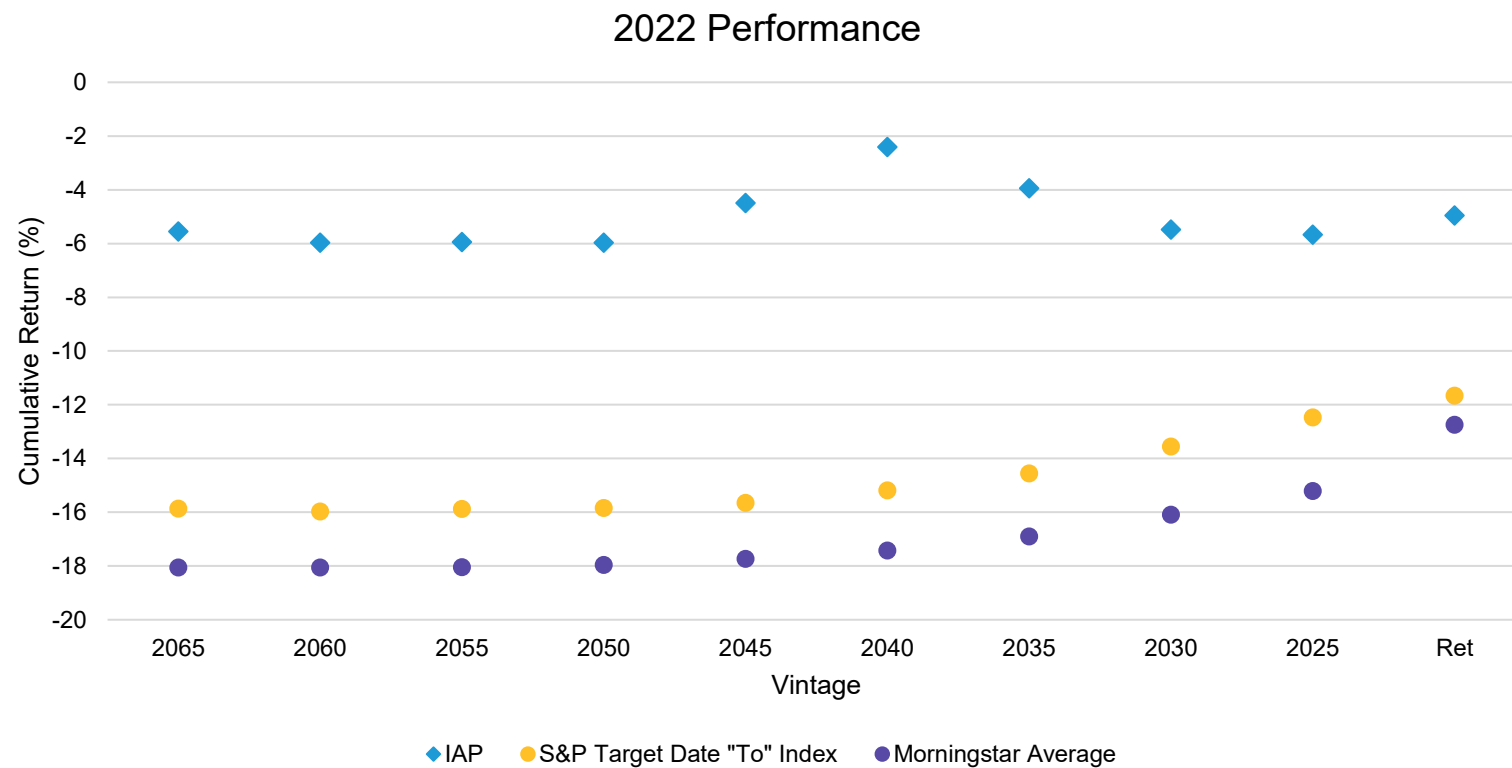


As of December 31, 2025
Source: S&P, Morningstar and AB



Strong Relative Returns in Stressed 2022 Market

- Provide downside protection when members need it most
- Key contributors to relative returns: Diversifying OPERF exposure (-1.8%) outperformed Global Equity (-18.4%) and Core Bond (-13.0%)

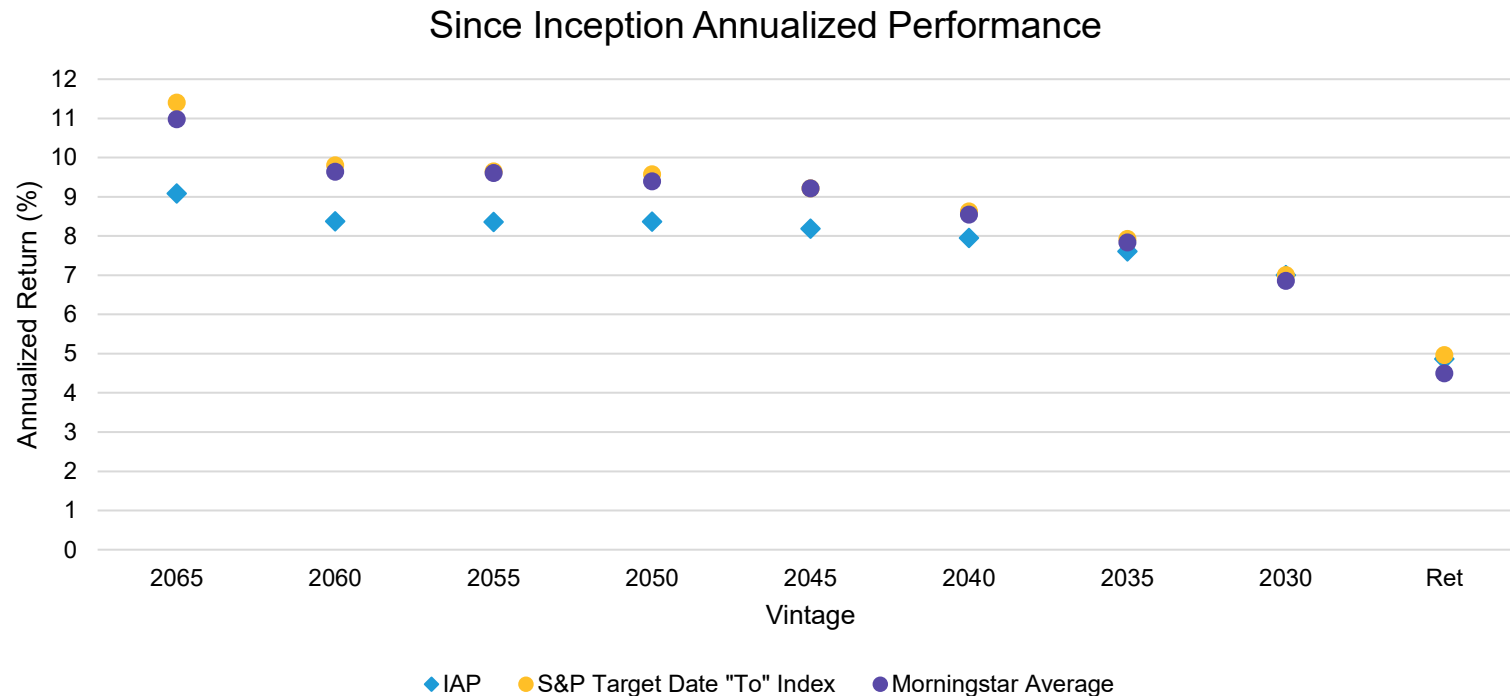


As of December 31, 2025
Source: S&P, Morningstar and AB



Strong Since Inception Performance

- Strong absolute annualized returns ranging from 9.1% to 4.9%
- Compared with the S&P Target Date “To” Index and Morningstar Average:
 - Higher allocation to diversifying assets and fixed income (via OPERF) detracted for young members...
 - ... but contributed to more consistent performance across age groups during recent volatile markets
 - Annualized volatility is approximately half that of the S&P Target Date “To” Index, on average



As of December 31, 2025
Source: S&P, Morningstar and AB



Appendix

AB's Role and Responsibilities

Investments

Customized Glide Path Design

- Tailored to IAP member demographics and plan structure
- Evolves over time:
 - Demographic refresh every 3 to 5 years or when plan changes occur
 - Non-OPERF allocations evolve along with OPERF
 - Incorporate latest AB capital market assumptions

Operations

Ongoing Operational Support

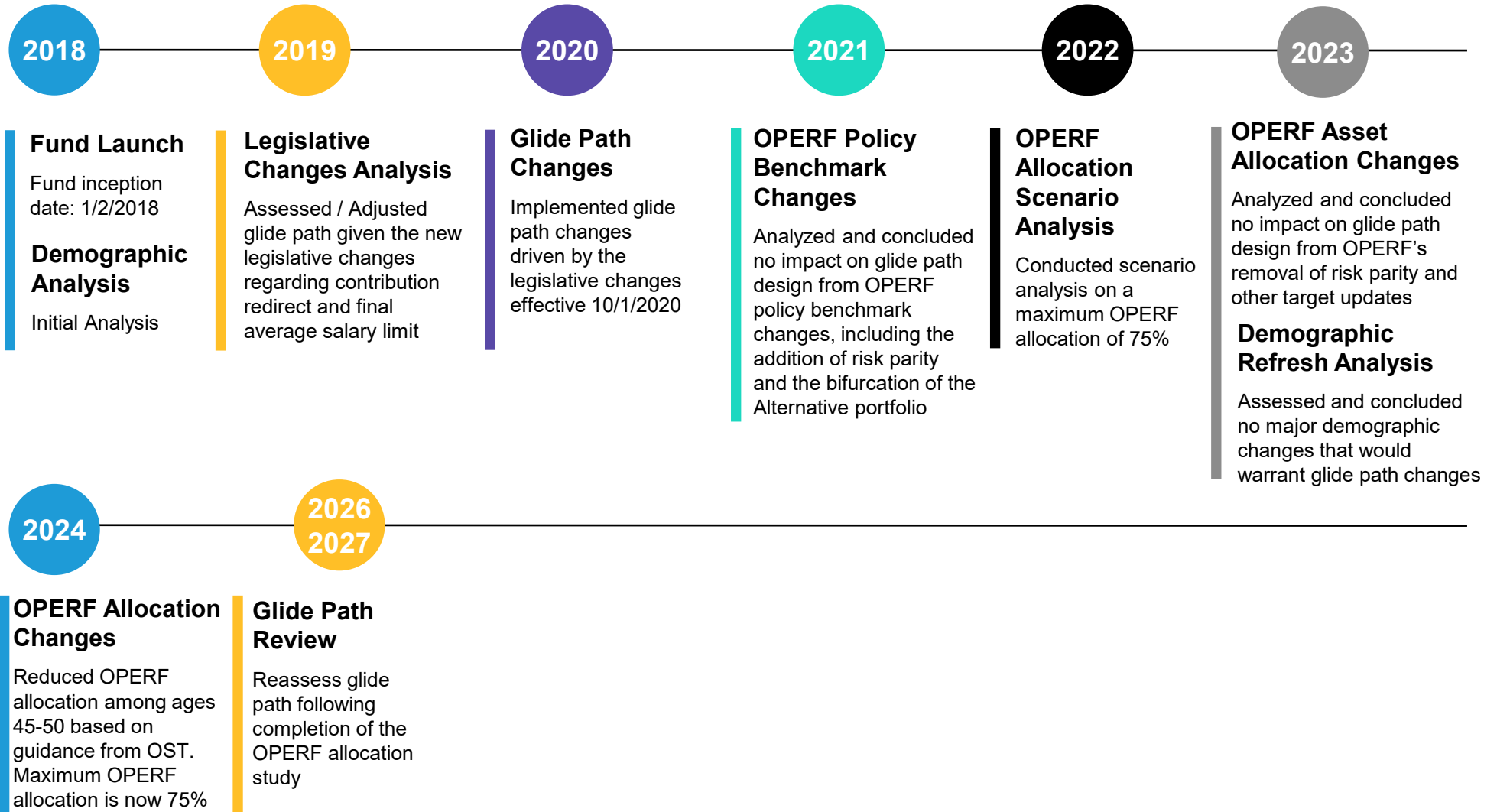
- Developed operational structure
- Support cash flow management and rebalancing
- Interface with:
 - Investment Oversight (OIC and OST)
 - Administrator (PERS)
 - Recordkeeper (Voya Financial)
 - Underlying Managers (SSIM and OST)
 - Custodian (State Street)

Communications & Servicing

Participant Communications Support & Client Service

- Implementation
- Ongoing

IAP Custom Target-Date Fund Glide Path Design Evolution Timeline



AB Capital Market Projections: Changes Over The Past Year

10-Year Projections: Across IAP Building Blocks

Asset Class	10Y Median Growth Rate Dec 2025	Change in 10Y Median Growth Rate Dec 2025 vs. Dec 2024	10Y Annual Equivalent Volatility Dec2025
US All Cap Equities	5.9%	0.1%	15.7%
ACWI ex-US Equities	7.8%	-0.6%	16.5%
Core Fixed Income	4.4%	-0.3%	3.4%
TIPS	4.8%	-0.1%	7.4%
Short Duration Bond	3.9%	-0.2%	4.2%
US Inflation	2.6%	0.1%	6.4%

No major capital market assumption shift that would warrant a glide path change

Data does not represent past performance and is not a promise of actual results or a range of future results.

As of December 31, 2025. Source: AB



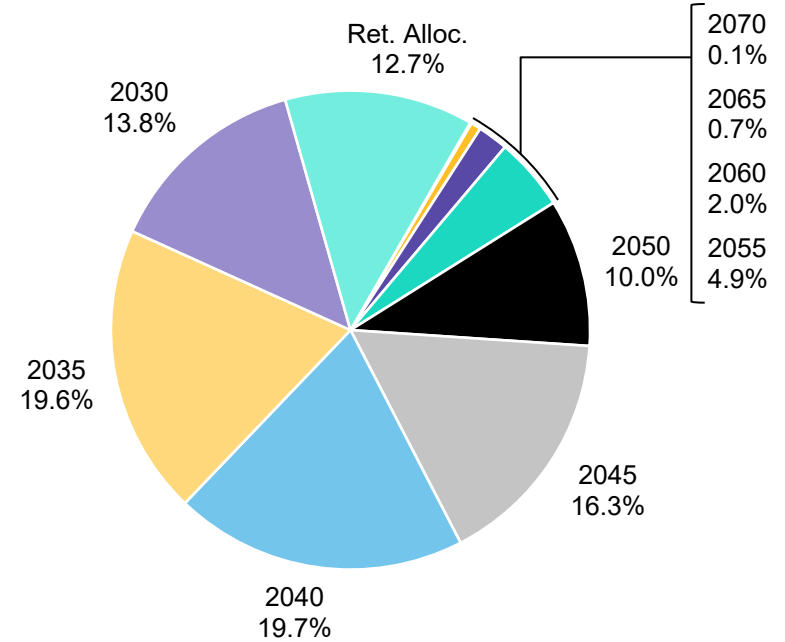
Assets Summary

State of Oregon Individual Account Program (IAP)

Target-Date Funds

- 4Q 2025 Beginning Assets: \$ 15,059,871,062
- 4Q 2025 Net Flows: \$ (90,453,000)
- 4Q 2025 Investment Gain (Loss): \$ 323,770,228
- 4Q 2025 Ending Assets: \$ 15,293,188,290

Distribution by Vintage



As of December 31, 2025

Note: IAP Retirement Installment account excluded from the above

Source: State Street Bank



Additional S&P Target Date Benchmarks Information

State of Oregon Individual Account Program (IAP)

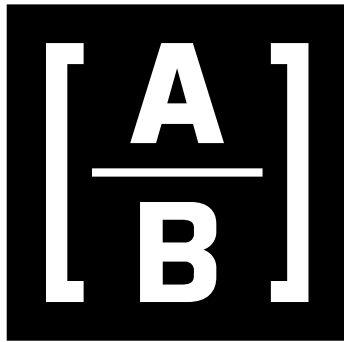
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For more information on these indices, please visit www.SPIndices.com



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**OREGON
STATE
TREASURY**

TAB 5

OREGON SAVINGS GROWTH PLAN ANNUAL REVIEW

April 15, 2026

Oregon Savings Growth Plan

Annual Review

Jamie McCreary

Service Model Program Manager



**OREGON
STATE
TREASURY**



Agenda

Plan Overview

Investment Options

SageView Performance Update

PERS- Plan highlights

IPS Recommendations For Approval

Plan Overview

Background

The Oregon Savings Growth Plan (OSGP) is the State of Oregon's 457 deferred compensation plan that provides Oregon public employees with a convenient way to save for retirement by allowing them to contribute a portion of their salary on a pre- or after-tax (Roth) basis.

Participation

ORS 243 authorizes the state to offer its 457 deferred compensation program to all Oregon public **employers**, including local governments and school districts.

All Oregon state **employees** are eligible to participate, as well as local government and school district employees whose employers have adopted the plan.

Plan Overview

Oversight, Authority & Administration

Oregon Savings Growth Plan (OSGP)	
Investment Oversight	OIC and Oregon State Treasury (INV 801)
Trustee	Oregon PERS Board
Recordkeeper	Voya Financial
Custodian	State Street Bank
Administrative support	Oregon PERS: OSGP Staff
Investment Consultant	SageView Advisory Group
Additional Oversight	OSGP Advisory Committee

Investment Options Overview

Asset Allocation Funds

BlackRock LifePath® Index Funds

Core Funds

Stable Value Option	Stock Index Option	Passive International Stock Option
Active Fixed Income Option	Large Company Growth Stock Option	Active International Stock Option
	Large Company Value Stock Option	
	Small Company Stock Option	

Specialty Funds

Real Return Option

Socially Responsible Investment Option

Self-Directed Brokerage Option- Schwab Personal Choice Retirement Account (PCRA)

Investment Options

Benchmarks	
Stable Value Option	3-Year Constant Maturity U.S. Treasury and 3 Month U.S. Treasury Bill
Active Fixed Income Option	Bloomberg U.S. Aggregate Bond Index
Stock Index Option	Russell 3000 Index
Large Company Value Stock Option	Russell 1000 Value Index
Large Company Growth Stock Option	Russell 1000 Growth Index
Small Company Stock Option	Russell 2000 Index
Passive International Stock Option	MSCI All Country World Excluding U.S. (ACWI ex-U.S.) Index
Active International Stock Option	MSCI All Country World Excluding U.S. (ACWI ex-U.S.) Index
Real Return Option	Real Assets Custom Blended Index and Consumer Price Index (CPI-U) + 4%
Socially Responsible Option	S&P 500 Index

Investment Options

Underlying Investment Options	
Stable Value Option	Galliard Stable Value
Active Fixed Income Option*	BlackRock US Debt Index/ DoubleLine Total Return Bond / Wellington Core Bond Plus
Stock Index Option	BlackRock Russell 3000 Index
Large Company Value Stock Option	BlackRock Russell 1000 Value Index
Large Company Growth Stock Option	BlackRock Russell 1000 Growth Index
Small Company Stock Option*	BlackRock S&P 600 Index / Callan Pleiades Small Cap Equity / DFA U.S. Small Cap Equity
Passive International Stock Option	BlackRock MSCI ACWI ex-U.S. Index
Active International Stock Option*	Acadian ACWI ex-U.S. Value/ Arrowstreet ACWI ex-US / DFA EM Core / Walter Scott EAFE
Real Return Option	State Street Real Asset
Socially Responsible Option	Nuveen Large Cap Responsible Equity



**OREGON
STATE
TREASURY**

Elizabeth Steiner, MD
Oregon State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, OR 97224

oregon.gov/treasury



Plan Investment Review

OREGON SAVINGS GROWTH PLAN

For period ending December 31, 2025



SEE
WHERE
YOU'RE
GOING

Jake O'Shaughnessy, Managing Director, SageView Advisory Group
650 NE Holladay St, Suite 1600, Portland, OR 97232 | T



Asset Allocation by Fund

As of 12/31/2025

Fund	% of Plan Assets	Total Assets
Large Company Growth Stock Option	15.79%	\$713,079,566.00
Stock Index Option	13.01%	\$587,619,394.00
LifePath Index Retirement Fund	10.71%	\$483,483,927.00
Stable Value Option	7.81%	\$352,464,868.00
Large Company Value Stock Option	7.42%	\$334,872,385.00
Small Company Stock Option	6.09%	\$274,850,465.00
Active Fixed Income Option	5.65%	\$254,920,228.00
LifePath Index 2030 Fund	5.05%	\$228,100,295.00
LifePath Index 2035 Fund	4.62%	\$208,375,702.00
LifePath Index 2040 Fund	4.01%	\$180,881,423.00
Active International Stock Option	3.49%	\$157,447,186.00
LifePath Index 2045 Fund	3.11%	\$140,616,754.00
Passive International Stock Option	3.08%	\$139,196,639.00
Self-Directed Brokerage	2.96%	\$133,573,759.00
LifePath Index 2050 Fund	2.44%	\$110,203,615.00
Socially Responsible Investment Option	1.55%	\$69,760,536.00
LifePath Index 2055 Fund	1.37%	\$62,004,192.00
LifePath Index 2060 Fund	0.77%	\$34,922,996.00
Real Return Option	0.75%	\$33,926,629.00
LifePath Index 2065 Fund	0.32%	\$14,669,323.00
Total Market Value:	100.00%	\$4,514,969,882.00

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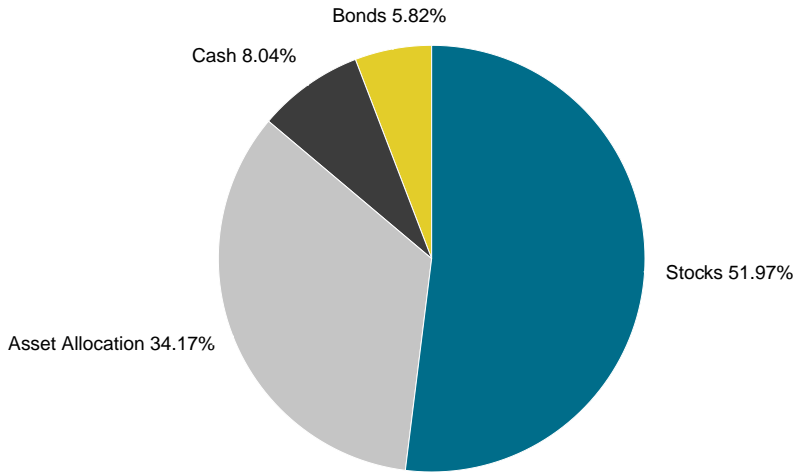
Investment Options Fee Summary

Asset Class and Strategy	Investment Management Fees*	Peer Group Median
Asset Allocation Options		
LifePath Index Retirement, 2030 - 2070 Funds	0.08%	0.64% - 0.68%
Capital Preservation		
Stable Value Option	0.30%	0.55%
Fixed Income		
Active Fixed Income Option	0.18%	0.77%
U.S. Large Cap Equity		
Stock Index Option	0.02%	0.73%
Large Company Value Stock Option	0.018%	0.85%
Large Company Growth Stock Option	0.018%	0.90%
U.S. Small Cap Equity		
Small Company Stock Option	0.32%	0.97%
Active International Equity		
Active International Stock Option	0.56%	0.86%
Passive International Equity		
Passive International Stock Option	0.06%	0.86%
Specialty Options		
Socially Responsible Investment Option	0.17%	0.73%
Real Return Option	0.22%	1.22%

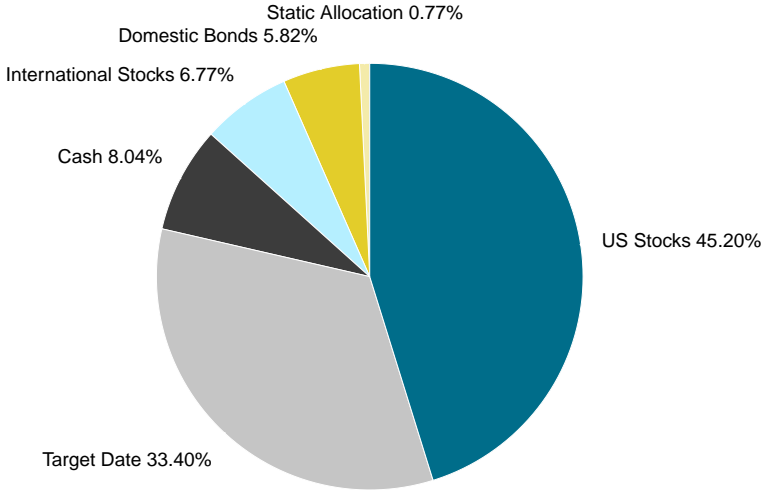
* Fee data provided by OST. The fees are based on assets in the Plan and are subject to change. The investment management fees may include operational and administrative fees, which are capped, vary by fund and are subject to change.

Portfolio Composition

As of 12/31/2025



Cash
 Asset Allocation
 Bonds
 Stocks



Cash
 International Stocks
 Domestic Bonds
 Target Date
 US Stocks
 Static Allocation

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Fund Score Summary

	# of Funds	Average SageView Score
Total Available Standalone Investments	19	24
Core Investments	9	22
Asset Allocation Investments	10	25

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Fund Performance Summary

As of 12/31/2025

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
Stable Value Option	Stable Value	7.81%	0.87	3.40	3.40	3.10	2.54	2.28	0.30	See Attached
ICE BofA US 3M Trsy Bill TR USD*			0.97	4.18	4.18	4.81	3.17	2.18		
Cat: Morningstar US SA Stable Value			0.79	3.23	3.23	3.00	2.19	1.98	0.55	
Active Fixed Income Option	Intermediate Core-Plus Bond	5.65%	1.10	7.47	7.47	5.39	0.07	2.41	0.16	2 ND QUAR
Bloomberg US Agg Bond TR USD*			1.10	7.30	7.30	4.66	-0.36	2.01		
Cat: Morningstar Intermediate Core-Plus Bond			1.05	7.40	7.40	5.38	0.17	2.50	0.77	
Large Company Value Stock Option	Large Value	7.42%	3.81	15.93	15.93	13.90	11.31	10.55	0.01	Pass
Russell 1000 Value TR USD*			3.81	15.91	15.91	13.90	11.33	10.53		
Cat: Morningstar Large Value			3.15	15.00	15.00	13.89	11.65	10.72	0.85	
Socially Responsible Investment Option	Large Blend	1.55%	2.03	16.56	16.56	18.97	11.78	13.53	0.18	3 RD QUAR
S&P 500 TR USD*			2.66	17.88	17.88	23.01	14.42	14.82		
Cat: Morningstar Large Blend			2.22	15.57	15.57	20.12	12.69	13.33	0.73	
Stock Index Option	Large Blend	13.01%	2.41	17.16	17.16	22.28	13.16	14.31	0.01	Pass
Russell 3000 TR USD*			2.40	17.15	17.15	22.25	13.15	14.29		
Cat: Morningstar Large Blend			2.22	15.57	15.57	20.12	12.69	13.33	0.73	
Large Company Growth Stock Option	Large Growth	15.79%	1.11	18.47	18.47	31.09	15.26	18.06	0.01	Pass
Russell 1000 Growth TR USD*			1.12	18.56	18.56	31.15	15.32	18.13		
Cat: Morningstar Large Growth			0.54	16.11	16.11	27.64	11.28	15.23	0.90	
Small Company Stock Option	Small Blend	6.09%	1.61	7.83	7.83	11.80	8.54	10.12	0.32	2 ND QUAR
Russell 2000 TR USD*			2.19	12.81	12.81	13.73	6.09	9.62		
Cat: Morningstar Small Blend			1.53	7.90	7.90	11.83	7.65	9.42	0.97	
Active International Stock Option	Foreign Large Blend	3.49%	4.45	27.34	27.34	17.13	8.56	8.54	0.55	TOP QUAR
MSCI ACWI Ex USA NR USD*			5.05	32.39	32.39	17.33	7.91	8.41		
Cat: Morningstar Foreign Large Blend			4.35	30.38	30.38	16.73	8.11	8.05	0.86	

*Investment Policy Benchmark

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Fund Performance Summary

As of 12/31/2025

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
Passive International Stock Option	Foreign Large Blend	3.08%	4.65	32.96	32.96	NA	NA	NA	0.04	NA
MSCI ACWI Ex USA NR USD*			5.05	32.39	32.39	17.33	7.91	8.41		
Cat: Morningstar Foreign Large Blend			4.35	30.38	30.38	16.73	8.11	8.05	0.86	
Real Return Option	Conservative Allocation	0.75%	3.45	20.34	20.34	8.16	9.03	6.36	0.22	2 ND QUAR
SSgA Real Return Option Blended Benchmark*			3.53	19.77	19.77	8.14	9.53	7.78		
Cat: Morningstar Conservative Allocation			1.41	9.59	9.59	7.45	2.77	3.98	1.22	
LifePath Index Retirement Fund	Target-Date Retirement	10.71%	1.74	12.34	12.34	10.15	4.04	5.93	0.07	TOP QUAR
BlackRock LifePath Index Retirement Custom Benchmark*			1.88	12.55	12.55	10.33	4.08	6.06		
Cat: Morningstar Target-Date Retirement			1.53	10.88	10.88	9.12	3.65	5.08	0.64	
LifePath Index 2030 Fund	Target-Date 2030	5.05%	1.91	14.12	14.12	12.44	5.88	7.88	0.07	3 RD QUAR
BlackRock LifePath Index 2030 Custom Benchmark*			2.06	14.29	14.29	12.64	5.92	7.98		
Cat: Morningstar Target-Date 2030			1.97	14.16	14.16	12.64	6.02	8.01	0.66	
LifePath Index 2035 Fund	Target-Date 2035	4.62%	2.17	15.93	15.93	14.32	7.20	8.94	0.07	2 ND QUAR
BlackRock LifePath Index 2035 Custom Benchmark*			2.32	16.08	16.08	14.49	7.24	9.02		
Cat: Morningstar Target-Date 2035			2.25	15.85	15.85	14.37	7.23	8.91	0.66	
LifePath Index 2040 Fund	Target-Date 2040	4.01%	2.37	17.53	17.53	16.10	8.44	9.91	0.07	2 ND QUAR
BlackRock LifePath Index 2040 Custom Benchmark*			2.53	17.68	17.68	16.25	8.47	9.95		
Cat: Morningstar Target-Date 2040			2.53	17.58	17.58	16.05	8.37	9.70	0.67	
LifePath Index 2045 Fund	Target-Date 2045	3.11%	2.58	19.14	19.14	17.81	9.57	10.72	0.07	2 ND QUAR
BlackRock LifePath Index 2045 Custom Benchmark*			2.75	19.15	19.15	17.88	9.57	10.73		
Cat: Morningstar Target-Date 2045			2.73	18.79	18.79	17.18	9.11	10.23	0.67	
LifePath Index 2050 Fund	Target-Date 2050	2.44%	2.86	20.80	20.80	19.15	10.41	11.24	0.07	TOP DEC
BlackRock LifePath Index 2050 Custom Benchmark*			3.01	20.74	20.74	19.20	10.41	11.25		
Cat: Morningstar Target-Date 2050			2.84	19.46	19.46	17.80	9.48	10.47	0.68	

*Investment Policy Benchmark

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Fund Performance Summary

As of 12/31/2025

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
LifePath Index 2055 Fund	Target-Date 2055	1.37%	3.02	21.62	21.62	19.74	10.76	11.42	0.07	TOP DEC
BlackRock LifePath Index 2055 Custom Benchmark*			3.19	21.59	21.59	19.80	10.76	11.44		
Cat: Morningstar Target-Date 2055			2.89	19.80	19.80	18.05	9.62	10.55	0.68	
LifePath Index 2060 Fund	Target-Date 2060	0.77%	3.06	21.76	21.76	19.80	10.78	11.43	0.07	TOP DEC
BlackRock LifePath Index 2060 Custom Benchmark*			3.23	21.74	21.74	19.87	10.79			
Cat: Morningstar Target-Date 2060			2.91	19.95	19.95	18.17	9.71	10.63	0.68	
LifePath Index 2065 Fund	Target-Date 2065+	0.32%	3.06	21.75	21.75	19.84	10.80	NA	0.07	TOP DEC
BlackRock LifePath Index 2065 Custom Benchmark*			3.23	21.74	21.74	19.87	10.79			
Cat: Morningstar Target-Date 2065+			2.91	20.36	20.36	18.29	9.83	NA	0.66	

*Investment Policy Benchmark

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SageView IPS Historical Ranking

Fund Name	03/2023	06/2023	09/2023	12/2023	03/2024	06/2024	09/2024	12/2024	03/2025	06/2025	09/2025	12/2025
Active Fixed Income Option	NA	NA	NA	NA	NA	NA	TOP QUAR	2 ND QUAR	2 ND QUAR	TOP DEC	2 ND QUAR	2 ND QUAR
Large Company Value Stock Option	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass	Pass
Socially Responsible Investment Option	NA	NA	NA	NA	NA	NA	3 RD QUAR	3 RD QUAR	3 RD QUAR	2 ND QUAR	3 RD QUAR	3 RD QUAR
Stock Index Option	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass	Pass
Large Company Growth Stock Option	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass	Pass
Small Company Stock Option	NA	NA	NA	NA	NA	NA	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	2 ND QUAR
Active International Stock Option	NA	NA	NA	NA	NA	NA	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP QUAR
Passive International Stock Option	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real Return Option	NA	NA	NA	NA	NA	NA	2 ND QUAR	TOP QUAR	3 RD QUAR	2 ND QUAR	2 ND QUAR	2 ND QUAR
LifePath Index Retirement Fund	NA	NA	NA	NA	NA	NA	TOP QUAR	2 ND QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR
LifePath Index 2030 Fund	NA	NA	NA	NA	NA	NA	3 RD QUAR	3 RD QUAR	3 RD QUAR	3 RD QUAR	3 RD QUAR	3 RD QUAR
LifePath Index 2035 Fund	NA	NA	NA	NA	NA	NA	3 RD QUAR	3 RD QUAR	3 RD QUAR	3 RD QUAR	3 RD QUAR	2 ND QUAR
LifePath Index 2040 Fund	NA	NA	NA	NA	NA	NA	2 ND QUAR	2 ND QUAR	2 ND QUAR	2 ND QUAR	2 ND QUAR	2 ND QUAR
LifePath Index 2045 Fund	NA	NA	NA	NA	NA	NA	TOP QUAR	2 ND QUAR	TOP QUAR	2 ND QUAR	2 ND QUAR	2 ND QUAR
LifePath Index 2050 Fund	NA	NA	NA	NA	NA	NA	TOP QUAR	TOP QUAR	TOP QUAR	TOP DEC	TOP DEC	TOP DEC
LifePath Index 2055 Fund	NA	NA	NA	NA	NA	NA	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC
LifePath Index 2060 Fund	NA	NA	NA	NA	NA	NA	TOP DEC	TOP DEC	TOP QUAR	TOP DEC	TOP DEC	TOP DEC
LifePath Index 2065 Fund	NA	NA	NA	NA	NA	NA	TOP DEC	TOP QUAR	TOP QUAR	TOP DEC	TOP DEC	TOP DEC

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2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Small Company Stock Option 26.6%	Active Fixed Income Option 7.8%	Active International Stock Option 20.7%	Small Company Stock Option 38.1%	Stock Index Option 12.6%	Large Company Growth Stock Option 5.2%	Small Company Stock Option 21.4%	Large Company Growth Stock Option 30.2%	Stable Value Option 2.2%	Large Company Growth Stock Option 36.4%	Large Company Growth Stock Option 38.4%	Large Company Growth Stock Option 27.7%	Stable Value Option 1.8%	Large Company Growth Stock Option 42.7%	Large Company Growth Stock Option 33.3%	Passive International Stock Option 33.0%	
Stock Index Option 17.2%	LifePath Retirement 3.8%	Large Company Value Stock Option 18.9%	Large Company Value Stock Option 36.9%	Large Company Value Stock Option 12.2%	Stable Value Option 1.6%	Large Company Value Stock Option 17.2%	Active International Stock Option 27.7%	Active Fixed Income Option 0.5%	Socially Responsible Investment Option 31.4%	Stock Index Option 21.0%	Small Company Stock Option 27.5%	Real Return Option 1.7%	Stock Index Option 26.0%	Stock Index Option 23.8%	Active International Stock Option 27.3%	
LifePath 2050 Portfolio 16.5%	Stable Value Option 1.9%	Small Company Stock Option 16.7%	Large Company Growth Stock Option 34.5%	Large Company Growth Stock Option 11.6%	Active Fixed Income Option 0.8%	Socially Responsible Investment Option 13.4%	Stock Index Option 21.2%	Large Company Growth Stock Option -1.6%	Stock Index Option 31.1%	Socially Responsible Investment Option 20.1%	Socially Responsible Investment Option 26.1%	Large Company Value Stock Option -7.6%	Socially Responsible Investment Option 22.3%	Socially Responsible Investment Option 18.1%	LifePath 2050 Portfolio 20.8%	
Large Company Growth Stock Option 16.0%	Large Company Growth Stock Option 1.7%	LifePath 2050 Portfolio 16.6%	Stock Index Option 33.6%	LifePath 2050 Portfolio 6.4%	Stock Index Option 0.6%	Stock Index Option 12.8%	LifePath 2050 Portfolio 20.9%	LifePath Retirement -3.4%	LifePath 2050 Portfolio 26.7%	LifePath 2050 Portfolio 15.2%	Stock Index Option 25.7%	Active Fixed Income Option -13.5%	LifePath 2050 Portfolio 21.2%	LifePath 2050 Portfolio 15.6%	Real Return Option 20.3%	
Large Company Value Stock Option 13.9%	Stock Index Option 1.0%	Stock Index Portfolio 16.4%	LifePath 2050 Portfolio 20.3%	Active Fixed Income Option 6.1%	LifePath Retirement -1.1%	LifePath 2050 Portfolio 9.3%	Socially Responsible Investment Option 20.7%	LifePath 2025 Portfolio -4.8%	Large Company Value Stock Option 26.7%	Small Company Stock Option 14.1%	Large Company Value Stock Option 25.2%	Active International Stock Option -13.8%	Active International Stock Option 19.2%	Large Company Value Stock Option 14.4%	Large Company Growth Stock Option 18.5%	
LifePath 2025 Portfolio 13.7%	LifePath 2025 Portfolio 0.2%	Large Company Growth Stock Option 16.4%	Active International Stock Option 19.4%	LifePath 2025 Portfolio 5.8%	LifePath 2025 Portfolio -1.4%	LifePath 2025 Portfolio 7.4%	Small Company Stock Option 14.7%	Stock Index Option -5.2%	Small Company Stock Option 24.2%	Active International Stock Option 12.5%	Real Return Option 19.8%	LifePath Retirement -14.7%	Small Company Stock Option 16.0%	Small Company Stock Option 11.7%	Stock Index Option 17.2%	
LifePath Retirement 11.0%	Large Company Value Stock Option -1.1%	LifePath 2025 Portfolio 12.3%	LifePath 2025 Portfolio 12.4%	LifePath Retirement 5.4%	LifePath 2050 Portfolio -2.1%	Large Company Growth Stock Option 7.1%	LifePath 2025 Portfolio 14.0%	Socially Responsible Investment Option -5.6%	Active International Stock Option 20.8%	LifePath 2025 Portfolio 12.1%	LifePath 2050 Portfolio 18.6%	LifePath 2025 Portfolio -15.3%	LifePath 2025 Portfolio 12.0%	LifePath 2030 Portfolio 9.1%	Socially Responsible Investment Option 16.6%	
Active International Stock Option 9.1%	Small Company Stock Option -3.5%	LifePath Retirement 8.9%	LifePath Retirement 6.7%	Small Company Stock Option 4.7%	Active International Stock Option -2.6%	LifePath Retirement 6.2%	Large Company Value Stock Option 13.8%	Real Return Option -6.1%	LifePath 2025 Portfolio 18.7%	LifePath Retirement 11.9%	LifePath 2025 Portfolio 8.9%	Small Company Stock Option -15.4%	Large Company Value Stock Option 11.4%	LifePath Retirement 7.1%	Large Company Value Stock Option 15.9%	
Active Fixed Income Option 8.2%	LifePath 2050 Portfolio -3.9%	Active Fixed Income Option 6.5%	Stable Value Option 1.6%	Stable Value Option 1.4%	Large Company Value Stock Option -3.8%	Real Return Option 5.3%	LifePath Retirement 10.2%	LifePath 2050 Portfolio -8.1%	LifePath Retirement 15.7%	Active Fixed Income Option 7.5%	Active International Stock Option 8.8%	Socially Responsible Investment Option -17.8%	LifePath Retirement 11.1%	Active International Stock Option 5.8%	LifePath 2030 Portfolio 14.1%	
Stable Value Option 2.2%	Active International Stock Option -13.4%	Stable Value Option 1.7%	Active Fixed Income Option -1.6%	Active International Stock Option -5.1%	Small Company Stock Option -4.2%	Active Fixed Income Option 3.5%	Real Return Option 7.5%	Large Company Value Stock Option -8.1%	Real Return Option 10.3%	Large Company Value Stock Option 3.0%	LifePath Retirement 6.9%	LifePath 2050 Portfolio -18.2%	Active Fixed Income Option 6.4%	Passive International Stock Option 5.4%	LifePath Retirement 12.3%	
							Active International Stock Option 3.5%	Active Fixed Income Option 4.5%	Small Company Stock Option -11.8%	Active Fixed Income Option 8.4%	Real Return Option 2.5%	Stable Value Option 1.7%	Stock Index Option -19.3%	Stable Value Option 2.8%	Real Return Option 4.2%	Small Company Stock Option 7.8%
							Stable Value Option 1.8%	Stable Value Option 1.9%	Active International Stock Option -15.6%	Stable Value Option 2.6%	Stable Value Option 2.2%	Active Fixed Income Option -0.9%	Large Company Growth Stock Option -29.3%	Real Return Option 1.0%	Stable Value Option 3.2%	Active Fixed Income Option 7.5%
														Active Fixed Income Option 2.4%	Stable Value Option 3.4%	

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OREGON PERS

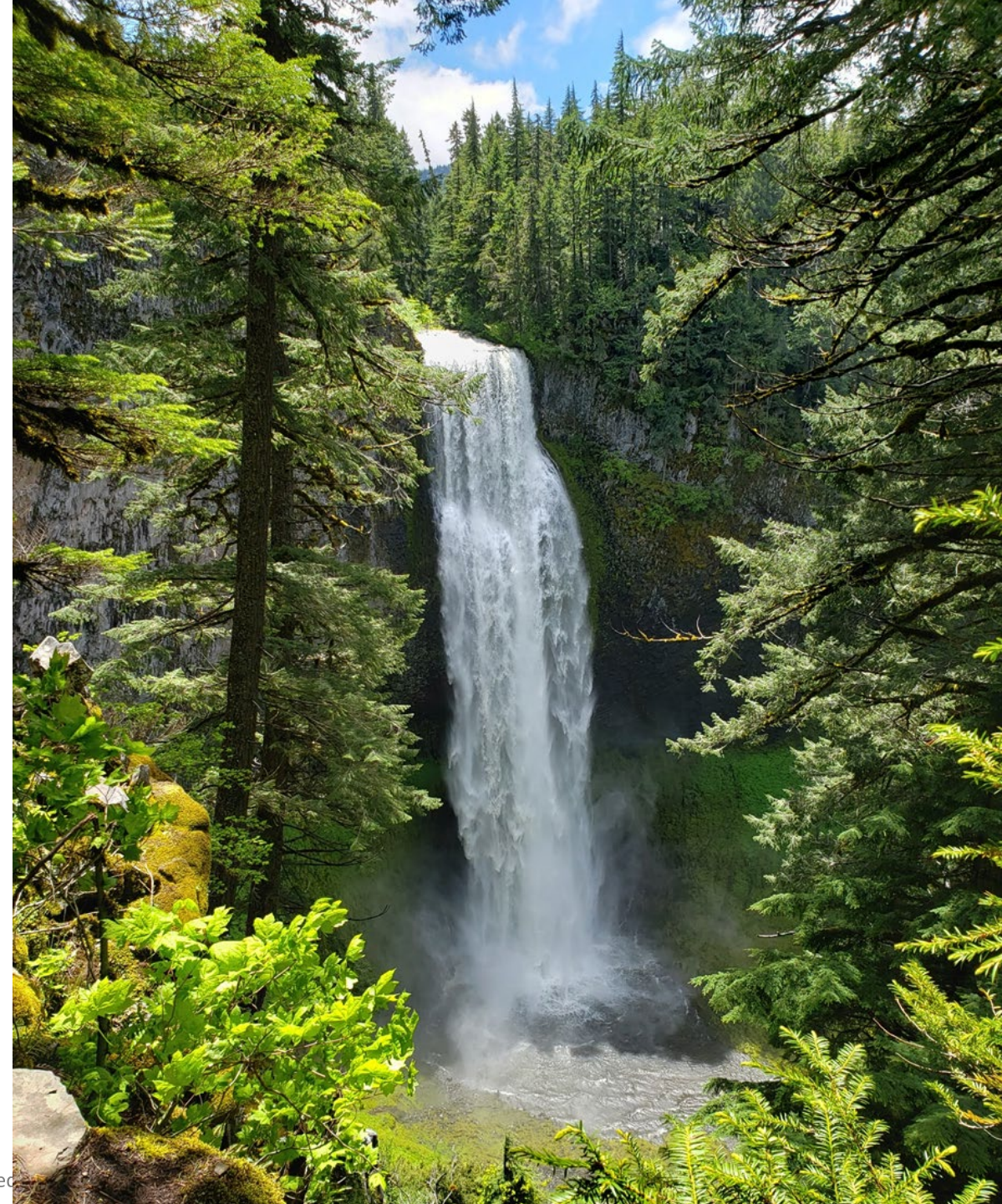
PUBLIC EMPLOYEES RETIREMENT SYSTEM



Oregon Savings Growth Plan Annual Report

Presenter: Lisa Egly

Calendar Year 2025



OSGP governance



OSGP Advisory Committee Members

Jeff Gibbs, Chair – Local Government

Frank Goulard, Vice Chair – Local Government

Kyle Niemeyer – State of Oregon

Zachariah Heck – State of Oregon

Kim Edwards – State of Oregon

Nathan Klinkhammer – State of Oregon

John Koreski – Retired

Oregon State Treasury

Jamie McCreary – Service Model Program Manager

Claire Illo – Investment Officer

Kenny Bao – Investment Officer

Victoria Tan- Investment Analyst

SageView Advisory Group

Jake O’Shaughnessy – Managing Director

Luka Arnerich – Retirement Plan Consultant

Stuart Payment – Retirement Plan Consultant

Oregon Department of Justice

Steven Marlowe – Assistant Attorney General

Nate Carter – Senior Assistant Attorney General

OSGP administrative support



Oregon Savings Growth Plan staff

Lisa Egly — OSGP Program Manager

Jack Schafroth — Outreach Coordinator

Sonya Long — Program Coordinator

Kendra Fernandez — Lead Retirement Counselor 1

Tandy McGuffin — Retirement Counselor 1

Robert A. Jones — Retirement Counselor 1

Silvestre Trujillo — Retirement Counselor 1

Recordkeeper: Voya Financial

Shelley Fredrick – Relationship Manager

Rachael Noonan – Client Relationship Manager

Nichole Cannamela – Client Relationship Consultant

Michelle Stanford – Participant Engagement Consultant

Julie McDevitt – Education Team Manager

Financial activity — State and local governments



Financial Activity	Q1	Q2	Q3	Q4	2025 Totals
Contributions	\$49,053,593	\$51,875,694	\$49,516,120	\$51,378,953	\$201,824,360
Rollovers/Transfers-In	\$17,752,807	\$24,015,730	\$26,936,522	\$21,099,376	\$89,804,435
Loan Repayments	\$1,641,805	\$1,706,162	\$1,731,154	\$1,924,007	\$7,003,128
Money-In Totals	\$68,448,205	\$77,597,586	\$78,183,796	\$74,402,336	\$298,631,923
Distributions	\$70,970,985	\$51,670,077	\$67,365,186	\$90,955,098	\$280,961,346
New Loans	\$1,925,578	\$2,142,851	\$2,604,941	\$2,173,646	\$8,847,016
Money-Out Totals	\$72,896,563	\$53,812,928	\$69,970,127	\$93,128,744	\$289,808,362
Investment Earnings	\$82,517,375	\$316,099,192	\$259,426,404	\$90,696,146	\$748,739,117
Fees	\$480,972	\$512,557	\$555,190	\$587,543	\$2,136,262
Miscellaneous (Net)	\$82,036,403	\$315,586,635	\$258,871,214	\$90,108,603	\$746,602,855
Net Cash Flow	\$77,588,045	\$339,371,293	\$267,084,833	\$71,382,195	\$755,426,366
Plan Assets	\$3,847,797,030	\$4,189,039,965	\$4,458,092,675	\$4,532,035,424	\$4,532,035,424

Plan Participation — State and local governments



State government	Q1	Q2	Q3	Q4
Active participants	31,412	31,897	32,125	34,654
Enrollments	217	194	151	203
Local government	Q1	Q2	Q3	Q4
Active participants	9,460	9,748	9,764	10,350
Enrollments	256	214	243	213

Assets and number of participants by fund — State and Local Governments



Investment Name	12/31/2024		12/31/2025		Difference (+/-)	
	Amount	Participant Count	Amount	Participant Count	Amount	Participant Count
Active Fixed Income Option	\$219,559,482	8,972	\$254,920,228	9,381	\$35,360,746	↑ 409
Active International Stock Option	\$128,401,296	8,238	\$157,447,185	8,022	\$29,045,889	↓ -216
Large Company Growth Stock Option	\$646,259,371	14,926	\$713,079,566	15,474	\$66,820,195	↑ 548
Large Company Value Stock Option	\$292,183,013	12,561	\$334,872,384	13,032	\$42,689,371	↑ 471
LifePath 2030 Fund	189392342	4,073	\$228,100,295	4,114	\$38,707,953	↑ 41
LifePath 2035 Fund	\$163,463,506	4,417	\$208,375,702	4,603	\$44,912,196	↑ 186
LifePath 2040 Fund	\$143,504,260	4,492	\$180,881,423	4,693	\$37,377,163	↑ 201
LifePath 2045 Fund	\$103,375,019	4,391	\$140,616,754	4,669	\$37,241,735	↑ 278
LifePath 2050 Fund	\$80,337,435	3,731	\$110,203,615	4,044	\$29,866,180	↑ 313
LifePath 2055 Fund	\$43,072,479	2,756	\$62,004,191	3,150	\$18,931,712	↑ 394
LifePath 2060 Fund	\$23,858,632	1,807	\$34,922,996	2,109	\$11,064,364	↑ 302
LifePath 2065 Fund	\$8,927,473	756	\$14,669,323	1,036	\$5,741,850	↑ 280
LifePath Retirement Fund	\$457,644,170	6,962	\$483,483,927	6,689	\$25,839,757	↓ -273
Passive International Stock Option	\$93,510,957	3,897	\$139,196,639	4,955	\$45,685,682	↑ 1,058
Real Return Option	\$20,634,131	1,741	\$33,926,629	1,974	\$13,292,498	↑ 233
Schwab PCRA	\$101,861,410	738	\$132,870,233	855	\$31,008,823	↑ 117
Small Company Stock Option	\$278,973,806	10,868	\$274,850,466	11,229	(\$4,123,340)	↑ 361
Socially Responsible Option	\$59,131,669	3,039	\$69,760,536	3,311	\$10,628,867	↑ 272
Stable Value Option	\$345,295,801	8,473	\$352,464,869	8,519	\$7,169,068	↑ 46
Stock Index Option	\$529,250,921	12,836	\$587,619,394	13,363	\$58,368,473	↑ 527
TOTAL ASSETS	\$3,928,637,173	119,674	\$4,532,035,424	125,222	\$585,629,182	↑ 5,548
TOTAL PARTICIPANTS		40,547		42,324		↑ 1,777

Data Resources: PERS Board Asset Report December 2024 and December 2025

OSGP accomplishments



- ❑ We are pleased to announce that our office has moved to the Oregon Department of State Lands building located at 775 Summer Street NE, Suite 200, Salem. PERS members and OSGP participants are welcome to visit during business hours, Monday through Friday. This location is available for walk-ins, to drop off PERS forms, or to schedule an appointment.
- ❑ Calls from OSGP participants to PERS Member Services are now directed to the OSGP/Voya call center. To contact the Salem office team directly, participants can email osgpcustsvc.pers@pers.Oregon.gov.
- ❑ OSGP is continuously updating and expanding its forms library to help participants more easily locate and complete necessary documents. OSGP created a new self-certification form for participants applying for an unforeseen emergency withdrawal that requires supporting documentation when filing IRS federal taxes.
- ❑ Now in its fourth year, OSGP's America Saves Week celebration remains popular, featuring daily live virtual Q&A sessions, quizzes, and attracting hundreds of participants, thereby increasing awareness of OSGP and promoting financial wellness.

Communications, education, and outreach highlights



- ❑ OSGP’s team includes a manager and four local representatives.
- ❑ Several different workshops offered all year:
 - **8,099** attended in-person, virtual workshops, or group meetings.
 - **1,189** overall individual appointments.
 - All workshops recorded and available on the [GrowYourTomorrow.com](https://www.growyourtomorrow.com) website.
- ❑ Virtual question-and-answer (Q&A) sessions were conducted:
 - **4,352** attended a presentation or group meeting session conducted throughout the year.
 - **3,498** attended PERS/OSGP Expo.
 - Session topics included time value of money, basic investing or investment concepts, retirement strategies, Roth versus pretax, and catch-up contributions.
- ❑ Workshops and individual meetings offered both in-person and virtual.
- ❑ Marketing materials encourage participants to engage with representatives and register for virtual and in-person workshops, Q&A sessions, and individual meetings.

OSGP local government outreach update



Description	Q1	Q2	Q3	Q4	Total
Employer Adoptions	3	3	7	5	18
Outreach Letters Sent	30	30	30	30	120
Adoptions in Progress:	10	8	6	4	28
Workshops	11	15	20	20	66
Site visits/Benefit Fairs	20	25	30	16	94
New Enrollments Facilitated	68	54	66	74	262

Looking ahead



- ❑ Encourage greater involvement and contributions by utilizing email campaigns, videos, in-person and virtual meetings, Q&A sessions, presentations, and other approaches.
- ❑ Offer educational resources to both current participants and employees not yet enrolled through the online PERS Expo, America Saves Week, quarterly newsletters, workshops, and targeted email campaigns.
- ❑ Connect with participants early, throughout, and later in their careers through targeted campaigns and interactions. Additionally, maintain engagement with participants during retirement.
- ❑ Regularly update and improve the [GrowYourTomorrow.com](https://www.growyourtomorrow.com) website to keep it informative, user-friendly, and a valuable tool for both participants and employers.

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



Questions?



**Oregon Savings Growth Plan
INV 801 Policy Revisions
Staff Recommendation**

Purpose

To revise INV 801: Deferred Compensation Investment Program: OSGP IPS

Background

The Oregon Savings Growth Plan (OSGP) is the State of Oregon's 457 deferred compensation plan. The Oregon Investment Council (OIC) will maintain a program for the investment of moneys in the Deferred Compensation Fund (the "Deferred Compensation Investment Program" or "Program") providing an array of investment options with varying levels of risk and return for eligible participating employees.

Executive Summary: INV 801- OSGP IPS Updates

- Update structure of the IPS to be similar to layout of other Fund IPS'. Moved majority of language within Program Management section to Roles and Responsibilities section.
- Further defined Roles and Responsibilities.
- Investment option clarification.

Staff Recommendation

Staff recommends revisions to INV 801: Deferred Compensation Investment Program: OSGP IPS as summarized above and provided in the accompanying documents.

OREGON INVESTMENT COUNCIL POLICY

INTRODUCTION & OVERVIEW

Summary Policy Statement

The Oregon Investment Council (“OIC” or the “Council”) will maintain a program for the investment of moneys in the Deferred Compensation Fund (the “Program”) providing an array of investment options with varying levels of risk and return for eligible participating employees.

Purpose and Goals

The goal of this policy is to describe in greater detail the manner of implementing and reporting applicable investment options for eligible participating employees by defining the roles and responsibilities of the OIC, Oregon State Treasury (“Treasury”) staff and the Program's other service providers.

Applicability

Classified represented, management service, unclassified executive service

Authority

ORS Chapters 243 and 293.

POLICY PROVISIONS

Definitions

None.

Policy Statements

ROLES AND RESPONSIBILITIES

Oregon Investment Council

Pursuant to the applicable provisions of ORS 293, the OIC has the authority to set investment policies for the Program. The Oregon Investment Council has a responsibility to ensure that all investments are managed in a manner that is consistent with the policies and objectives of the Program.

The Oregon Investment Council's responsibilities may include but are not limited to:

- Establish and maintain this investment policy statement (“IPS”) for the management of the Program;
- Select Program investment options, including applicable benchmarks. In doing so, the OIC may consider factors including, but not limited to, the population of potential participants and their varying needs, available investment products and strategies. The OIC intends to provide a range of investment options considering participant interests and that are appropriate for this type of retirement savings program, but the Council expects participants to make their own assessment of Program investment options based on personal factors;
- The OIC may change Program investment options, including applicable benchmarks and investment managers at any time. Any change in Program options or investment managers will be reported to the staff of the Oregon Savings Growth Plan (“OSGP”) in advance, whenever practicable; and
- Receipt and review of periodic reports from Treasury staff, consultants, investment managers and other experts.

The OIC may, at its discretion, delegate the execution of the above responsibilities, in full

or in part, to Treasury staff and external parties with appropriate expertise to assist the OIC in discharging its obligations. Other specialists may be employed by the OIC from time to time, on an as-needed basis, to ensure its responsibilities in providing oversight of Program assets are prudently executed.

Oregon State Treasury Staff

Treasury staff manage the Program in accordance with the applicable provisions of ORS 293, including maintaining their fiduciary obligations under ORS 293.726.

The OIC has delegated to Treasury staff the following investment management and implementation decisions subject to the approval from the Chief Investment Officer ("CIO") and quarterly notification to the OIC:

- Manage day-to-day investment activities of the Program;
- Work with the Council-retained investment consultants to compile information on the investment return and performance for the OIC's review. Quarterly reports will include the following information:
 - Program Profile reports will list the value of assets held and the number of participants selecting each Program investment option. These reports will be based on information provided by the plan administrator for the Program ("Plan Administrator"); and
 - Investment Performance reports will list, relative to corresponding benchmark returns and net of all fees, costs, and administrative charges, performance for each Program investment option;
- As Program options will generally be comprised of mutual funds and commingled trusts with daily pricing and liquidity features, Treasury Staff will establish the target percentage of each option that individual mutual funds and commingled trusts may comprise. Over time, the percentages of various Program options comprised by individual mutual funds and commingled trust funds may vary due to investment return differences;
 - At least annually, rebalance the individual mutual funds and commingled trusts back to Program targets;
- Recommend and/or hire investment managers within each asset class. Before recommending and/or making a manager change, Treasury staff will satisfy any Council requests showing that the manager recommendation and/or change is supported by a satisfactory level of analysis and due diligence;
- Terminate investment managers;
- Prepare, negotiate and execute investment manager mandates, guidelines and fee agreements;
- Oversee individual investment managers to ensure their portfolios comply with their respective portfolio mandates and guidelines;
- Provide oversight of the master custodian to ensure that the Program's rights to pursue securities class action litigation are appropriately protected;
- Provide a description of Program investment options to the Public Employees Retirement System Board ("PERSB") via the staff of OSGP, including the applicable benchmark for each option and a description of the characteristics of each benchmark. Treasury staff will undertake a comprehensive review of Program options and managers no less frequently than once every five years; and
- Review this IPS on a biennial basis and report any recommended changes to OIC for approval. Upon OIC's initial approval of this IPS and promptly following any OIC approved amendment, Treasury staff will provide a copy of the updated IPS to the OSGP staff.

In making the above decisions, Treasury staff shall seek as needed the advice, guidance

and recommendations from Council-retained investment consultants, investment managers and other experts and sources as considered prudent by Treasury staff.

Investment Consultants

- The investment consultants support the responsibilities of Treasury staff, as needed and pursuant to the contractual obligations agreed to by the parties.

Investment Professionals

- Investment decisions may be delegated to investment professionals and monitored by Treasury staff in accordance with the applicable provisions of ORS 293.

Custodian

- Custodian has the duties and obligations pursuant to the contract agreed to with Treasury staff.

GENERAL POLICY STATEMENTS

1. **Program Participation.** The Program is open to qualified public employees on a voluntary basis and is offered as a means by which eligible participating employees may augment their retirement savings. Eligible employees choose their own level of participation based, *inter alia*, on their assessment of future retirement needs. The level of assets a participating employee accumulates through Program investment is a direct function of that participant's level of earnings deferral and the investment performance of the Program options selected. There is no guarantee of principal or earnings in the Program, and eligible employees participate at their own risk.
2. **Participant Disclosure Requirements.** Treasury staff will work with OSGP staff and the Plan Administrator to provide necessary information for compliance with participant disclosure requirements as described in ORS 243.450.
3. **Program Information Requests.** Treasury staff will work with the Plan Administrator to provide any other requested Program information.
4. **Program Population Characteristics.** Treasury staff will periodically provide the OIC with Program population characteristics for use in their evaluation of Program options and investment managers. Treasury staff will request such information from the Plan Administrator.
5. **Communication with OSGP and PERSB.** Treasury staff will periodically present the OIC with information for consideration from PERSB (via OSGP staff), regarding the expressed desires of participants related to Program investment options. The duties and powers of PERSB and the OIC concerning the Program, while separate and distinct, are also complementary. This dynamic creates a need for coordination and cooperation between the two bodies. At the OIC's request, Treasury staff will facilitate information flow between the OIC and PERSB (via OSGP staff). Moreover, Treasury staff will also report in advance, whenever practicable, any change in Program investment options or investment managers to PERSB (via OSGP staff) in a timely manner.
6. **Program Review.** Treasury staff will periodically bring current and potential investment options to the OIC for review and consideration, including those requested by the OIC.

INVESTMENT PROGRAM OPTIONS

The Program intends to offer a broad range of investment options with materially different risk and return characteristics. By selecting among the investment options, participants have the opportunity to diversify their balances and construct portfolios consistent with their unique individual circumstances, goals, time horizons, and risk tolerance.

The Program currently offers the following investments options:

- a. **Stable Value Option**
 - i. **Benchmark:** 3-Year Constant Maturity U.S. Treasury Yield and 3 Month U.S. Treasury Bill
- b. **Active Fixed Income Option**
 - i. **Benchmark:** Bloomberg U.S. Aggregate Bond Index
- c. **Large Company Value Stock Option**
 - i. **Benchmark:** Russell 1000 Value Index
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 - i. **Benchmark:** Russell 3000 Index
- e. **Socially Responsible Investment Option**
 - i. **Benchmark:** S&P 500 Index
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- g. **Active International Stock Option**
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- h. **Passive International Stock Option**
 - i. **Benchmark:** MSCI All Country World Excluding U.S. (ACWI ex-U.S.) Index
- i. **Active Small Company Stock Option**
 - i. **Benchmark:** Russell 2000 Index
- j. **Target Date Retirement Funds**
 - i. **Benchmark:** Each target date fund has a separate, custom benchmark based on its asset allocation.
 - ii. **Rebalancing:** The fund manager is responsible for rebalancing each target date fund's asset allocation.
- k. **Self-Directed Brokerage Option**
- l. **Real Return Option**
 - i. **Benchmark:** Real Assets Custom Blended Index

Exceptions

None.

Failure to Comply

Failure to comply with this policy may be cause for disciplinary action up to and including dismissal.

PROCEDURES and FORMS

None.

ADMINISTRATION

Review

Biennial

Feedback

Your comments are extremely important to improving the effectiveness of this policy. If you would like to comment on the provisions of this policy, you may do so by e-mailing the Service Desk from the [Self-Service Portal](#). To ensure your comments are received without delay, *please list the policy number and name in your e-mail's subject*. Your comments will be reviewed during the policy revisions process and may result in changes to the policy.

OREGON INVESTMENT COUNCIL POLICY

INTRODUCTION & OVERVIEW

Summary Policy Statement

The Oregon Investment Council ("OIC" or the "Council") will maintain a program for the investment of moneys in the Deferred Compensation Fund (the "~~Deferred Compensation Investment Program~~" or "Program") providing an array of investment options with varying levels of risk and return for eligible participating employees.

Purpose and Goals

The goal of this policy is to describe in greater detail the manner of implementing and reporting applicable investment options for eligible participating employees by defining the roles and responsibilities of the OIC, Oregon State Treasury ("Treasury") ~~Staff~~ ("~~Staff~~") and the Program's other service providers.

Applicability

Classified represented, management service, unclassified executive service

Authority

ORS Chapters 243 and 293.

POLICY PROVISIONS

Definitions

None.

Policy Statements

ROLES AND RESPONSIBILITIES

Oregon Investment Council

Pursuant to the applicable provisions of ORS 293, the OIC has the authority to set investment policies for the Program.

The Oregon Investment Council has a responsibility to ensure that all investments are managed in a manner that is consistent with the policies and objectives of the Program.

The Oregon Investment Council's responsibilities may include but are not limited to:

- Establish and maintain this investment policy statement ("IPS") for the management of the Program;
- Select Program investment options, including applicable benchmarks. In doing so, the OIC may consider factors including, but not limited to, the population of potential participants and their varying needs, available investment products and strategies. The OIC intends to provide a range of investment options considering participant interests and that are appropriate for this type of retirement savings program, but the Council expects participants to make their own assessment of Program investment options based on personal factors;
- The OIC may change Program investment options, including applicable benchmarks and investment managers at any time. Any change in Program options or investment managers will be reported to the staff of the Oregon Savings Growth Plan ("OSGP") in advance, whenever practicable; and
- Receipt and review of periodic reports from Treasury staff, consultants, investment managers and other experts.

The OIC may, at its discretion, delegate the execution of the above responsibilities, in full or in part, to Treasury staff and external parties with appropriate expertise to assist the OIC in discharging its obligations. Other specialists may be employed by the OIC from time to time, on an as-needed basis, to ensure its responsibilities in providing oversight of Program assets are prudently executed.

Oregon State Treasury Staff

Treasury staff manage the Program in accordance with the applicable provisions of ORS 293, including maintaining their fiduciary obligations under ORS 293.726.

The OIC has delegated to Treasury staff the following investment management and implementation decisions subject to the approval from the Chief Investment Officer ("CIO") and quarterly notification to the OIC:

- Manage day-to-day investment activities of the Program;
- Work with the Council-retained investment consultants to compile information on the investment return and performance for the OIC's review. Quarterly reports will include the following information:
 - Program Profile reports will list the value of assets held and the number of participants selecting each Program investment option. These reports will be based on information provided by the plan administrator for the Program ("Plan Administrator"); and
 - Investment Performance reports will list, relative to corresponding benchmark returns and net of all fees, costs, and administrative charges, performance for each Program investment option;
- As Program options will generally be comprised of mutual funds and commingled trusts with daily pricing and liquidity features, establish the target percentage of each option that individual mutual funds and commingled trusts may comprise. Over time, the percentages of various Program options comprised by individual mutual funds and commingled trust funds may vary due to investment return differences;:
 - At least annually, rebalance the individual mutual funds and commingled trusts back to Program targets;
- Recommend and/or hire investment managers within each asset class. Before recommending and/or making a manager change, Treasury staff will satisfy any Council requests showing that the manager recommendation and/or change is supported by a satisfactory level of analysis and due diligence;
- Terminate investment managers;
- Prepare, negotiate and execute investment manager mandates, guidelines and fee agreements;
- Oversee individual investment managers to ensure their portfolios comply with their respective portfolio mandates and guidelines;
- Provide oversight of the master custodian to ensure that the Program's rights to pursue securities class action litigation are appropriately protected;
- Provide a description of Program investment options to the Public Employees Retirement System Board ("PERSB") via the staff of OSGP, including the applicable benchmark for each option and a description of the characteristics of each benchmark. Treasury staff will undertake a comprehensive review of Program options and managers no less frequently than once every five years; and
- Review this IPS on a biennial basis and report any recommended changes to OIC for approval. Upon OIC's initial approval of this IPS and promptly following any OIC approved amendment, Treasury staff will provide a copy of the updated IPS to the OSGP staff.

In making the above decisions, Treasury staff shall seek as needed the advice, guidance

and recommendations from Council-retained investment consultants, investment managers and other experts and sources as considered prudent by Treasury staff.

Investment Consultants

- The investment consultants support the responsibilities of Treasury staff, as needed and pursuant to the contractual obligations agreed to by the parties.

Investment Professionals

- Investment decisions may be delegated to investment professionals and monitored by Treasury staff in accordance with the applicable provisions of ORS 293.

Custodian

- Custodian has the duties and obligations pursuant to the contract agreed to with Treasury staff.

GENERAL POLICY STATEMENTS

- ~~1. **Investment Option Approval.** The OIC approves Program investment options consistent with ORS 293.721, "to make the moneys as productive as possible" consistent with the "standard of prudence" requirement in ORS 293.726 and other applicable fiduciary standards.~~
- ~~2. **Program Description and Review.** The OIC will provide a description of Program investment options to the Public Employees Retirement System Board ("PERSB") via Oregon Savings Growth Plan (OSGP) Staff, including the applicable benchmark for each option and a description of the characteristics of each benchmark. Staff will undertake a comprehensive review of Program options and managers no less frequently than once every four years.~~
- ~~3. **Changing Program Options.** The OIC may change Program investment options, including applicable benchmarks and investment managers at any time. Any change in Program options or investment managers will be reported to OSGP in advance, whenever practicable.~~
- ~~4.1. **Program Participation.** The Program is open to qualified public employees on a voluntary ~~basis, and~~basis and is offered as a means by which eligible participating employees may augment their retirement savings. Eligible employees choose their own level of participation based, *inter alia*, on their assessment of future retirement needs. The level of assets a participating employee accumulates through Program investment is a direct function of that participant's level of earnings deferral and the investment performance of the Program options selected. There is no guarantee of principal or earnings in the Program, and eligible employees participate at their own risk.~~
- ~~5. **Selection of Program Options.** In selecting Program investment options and Program investment managers, the OIC may consider factors including, but not limited to, the population of potential participants and their varying needs, available investment products and strategies, and the qualifications, experience, performance, and cost of actual and potential investment managers. The OIC intends to provide a range of investment options considering participant interests and appropriate for this type of retirement savings program. The Council expects participants to make their own assessment of Program investment options relative to their unique risk tolerance and return objectives, as well as their other sources of retirement funding. There is no guarantee of principal or earnings in the Program, and eligible employees participate at their own risk.~~
- ~~6. **Program Management.**~~

- a. ~~Program Investments. In order to accommodate daily cash movements and participant option transfers, Program investments will generally be comprised of mutual funds and commingled trusts with daily pricing and liquidity features.~~
- b. ~~Program options will be comprised of one or more investment funds, and the OIC will establish the percentage of each option that individual mutual funds and commingled trusts may comprise.~~
- c. ~~Over time, the percentages of various Program options comprised by individual mutual funds and commingled trust funds may vary due to investment return differences. At least annually, and by direction to his or her staff ("Staff"), the State Treasurer (as the State's designated Investment Officer), will rebalance the individual mutual funds and commingled trusts back to Program targets as specified by the OIC or as otherwise allowed under the Program.~~
- d. ~~Selection of Investment Managers. The selection of Program investment managers is reserved for the OIC, and will be based, inter alia, on the findings of appropriate due diligence as performed by Staff and related, qualified consultants. Staff, on behalf of the State Treasurer, will implement OIC selection decisions.~~
- e. ~~Compensation of Firms. Where applicable, Staff may negotiate investment management or performance-based fees. Staff may also negotiate fees for any additional services. Although Staff will otherwise avoid funds with revenue sharing provisions, revenue sharing rebates (if necessary) will be credited to the net asset value of the applicable Program option.~~
- f. ~~General Oversight of Investment Managers and Investment Performance. Staff will evaluate investment manager status, activity and performance. The OIC or State Treasurer may also engage independent consultants to assist in the investment manager oversight process.~~
- g. ~~Program Monitoring. Staff will monitor plan participant activity in each Program investment option. Staff will prepare quarterly reports concerning the Program that will include the following information:
 - i. ~~Program Profile reports will list the value of assets held and the number of participants selecting each Program investment option. These reports will be based on information provided by the Plan Administrator; and~~
 - ii. ~~Investment Performance reports will list, relative to corresponding benchmark returns and net of all fees, costs, and administrative charges, performance for each Program investment option.~~~~
- h. ~~Staff may delegate some or all of the reporting duties in this policy to a consultant or other, qualified contractor.~~
- i. ~~These reports will be distributed to OIC members and to the Chief Investment Officer.~~
- j. ~~If, after eight (8) consecutive quarters, a Program investment option comprises less than three (3) percent of total plan assets, Staff may evaluate that option for possible termination. For purposes of a termination evaluation, Staff may rely upon Plan Administrator research and share its recommendations with the State Treasurer and OIC.~~

~~Delegation. Where Staff delegates to or otherwise engages subcontractors or other service providers to perform or assist with some or all of the foregoing Program monitoring responsibilities, such subcontractors or other service providers will act in a manner consistent with Program standards, including, but not limited to, the ability of Staff to terminate such delegation or engagement at its discretion.~~
- k. ~~Appointment and Termination of Investment Managers. Staff will act promptly and prudently to effect decisions by the OIC to appoint or terminate Program investment managers.~~

2. Participant Disclosure Requirements. Treasury Sstaff will work with OSGP staff and the Plan Administrator to provide necessary information for compliance with participant disclosure requirements as described in ORS 243.450.

3. **Program Information Requests.** Treasury Sstaff will work with the Plan Administrator to provide any other requested Program information.
4. **Program Population Characteristics.** Treasury Sstaff will periodically provide the OIC with Program population characteristics for use in their evaluation of Program options and investment managers. Treasury Sstaff will request such information from the Plan Administrator.
5. **Communication with OSGP and PERSB.** Treasury Sstaff will periodically present the OIC with information for consideration from PERSB (via OSGP staff) and the OSGP Advisory Committee, via PERSB, regarding the expressed desires of participants related to Program investment options. The duties and powers of PERSB and the OIC concerning the Program, while separate and distinct, are also complementary. This dynamic creates a need for coordination and cooperation between the two bodies. At the OIC's request, Treasury Sstaff will facilitate information flow between the OIC and PERSB (via OSGP staff). Moreover, Treasury Sstaff will also report in advance, whenever practicable, any change in Program investment options or investment managers to PERSB (via OSGP staff) in a timely manner.
- 7.6. **Program Review.** Treasury Sstaff will periodically bring current and potential investment options to the OIC for review and consideration, including those requested by the OIC.

INVESTMENT PROGRAM OPTIONS

~~The Program is open to qualified public employees on a voluntary basis, and basis and is offered as a means by which eligible participating employees may augment their retirement savings. Eligible employees choose their own level of participation based, inter alia, on their assessment of future retirement needs. The level of assets a participating employee accumulates through Program investment is a direct function of that participant's level of earnings deferral and the investment performance of the Program options selected. As such, the appropriate investment strategy for any individual participant to accumulate retirement savings or achieve other savings objectives is a function of multiple personal factors, including but not limited to age, income, time horizon, risk tolerance, return expectations, accumulation objectives, anticipated pension and social security benefits, and other assets held outside of the Program.~~

The Program intends to offer a broad range of investment options with materially different risk and return characteristics. By selecting among the investment options, participants have the opportunity to diversify their balances and construct portfolios consistent with their unique individual circumstances, goals, time horizons, and risk tolerance.

The Program currently offers the following investments options:

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 - i. **Benchmark:** S&P 500 Index
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- i. **Benchmark:** Russell 1000 Growth Index
- g. **Active International Stock Option**
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 - i. **Benchmark:** Russell 2000 Index
- j. **Target Date Retirement Funds**
 - i. **Benchmark:** Each target date fund has a separate, custom benchmark based on its asset allocation.
 - ii. **Rebalancing:** The fund manager is responsible for rebalancing each target date fund's asset allocation.
- k. **Self-Directed Brokerage Option**
- l. **Real Return Option**
 - i. **Benchmark:** ~~SSgA~~ Real Assets Custom Blended Index ~~and Consumer Price Index (CPI-U) + 4%~~

Exceptions

None.

Failure to Comply

Failure to comply with this policy may be cause for disciplinary action up to and including dismissal.

PROCEDURES and FORMS

None.

ADMINISTRATION

Feedback

Your comments are extremely important to improving the effectiveness of this policy. If you would like to comment on the provisions of this policy, you may do so by e-mailing the Service Desk from the [Self-Service Portal](#). To ensure your comments are received without delay, *please list the policy number and name in your e-mail's subject*. Your comments will be reviewed during the policy revisions process and may result in changes to the policy.



**OREGON
STATE
TREASURY**

TAB 6

OPERF CLIMATE REPORT

April 15, 2026

OPERF Climate Report

Philip Larrieu

Senior Investment Officer, Engagement



**OREGON
STATE
TREASURY**



Highlights

- **Recalculated baseline: Provider change to ensure future consistency.**
- **Climate Metrics Overview: review of industry standard climate metrics.**
- **Emissions Intensity (C/R): The portfolio's emissions intensity—calculated as Carbon to Revenue (C/R)—declined by more than 50% between 2022 and 2023.**
 - *Context:* This reduction is primarily driven by the "denominator effect." While absolute emissions rose due to increased data coverage, the Apportioned Revenue of the portfolio companies tripled, driving the ratio down. One year of data and trends should not be extrapolated.
- **Climate-Positive Assets: Holdings in Real Assets doubled from \$1.2 billion (2022) to \$2.4 billion (June 2025).**
- **Fossil Fuel Exposure: Private market fossil fuel holdings peaked in 2023 and have declined year-over-year through mid-2025.**
- **Thermal Coal Exposure has been reduced to a diversifying benchmark weighing.**

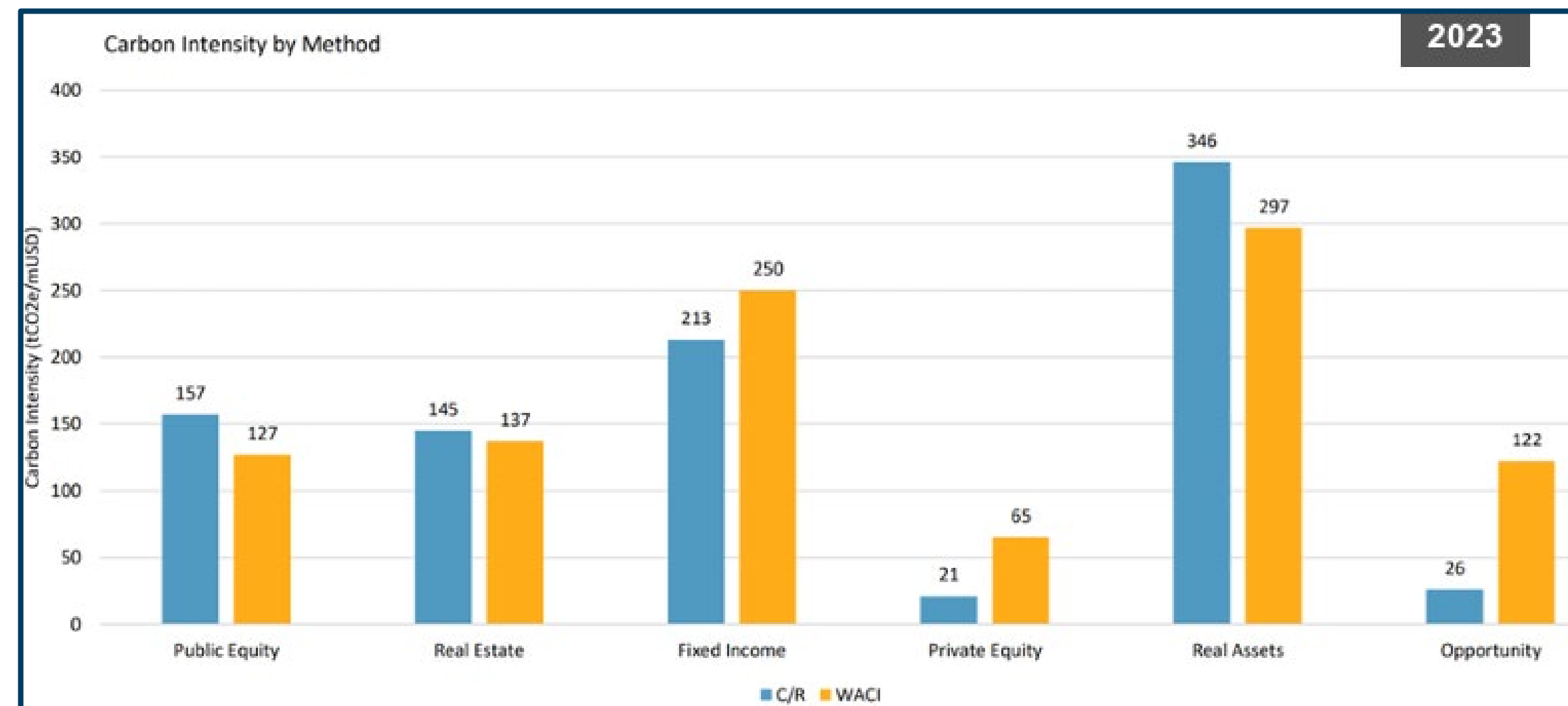
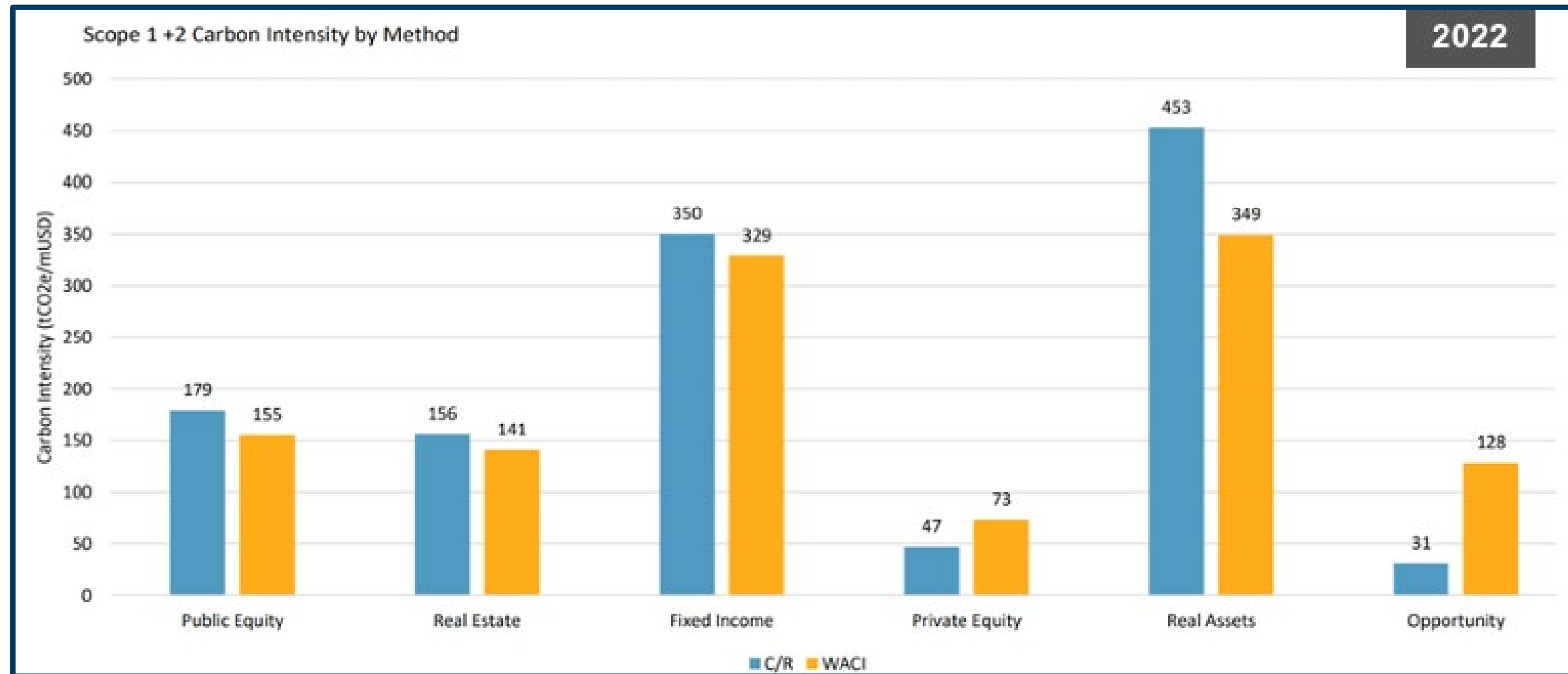


Re-Baselining 2022 - Calibrating for Comparison

- **Switch To S&P As Data provider**
 - Treasury has transitioned from McKinsey & Company (a strategic consultant) to S&P Global (a dedicated data provider). While McKinsey provided valuable initial strategy, their proprietary methodologies created issues with long-term tracking and comparisons.
 - **Apples-to-Apples Comparison:** To accurately measure progress in 2023 and beyond, we needed a baseline that used the exact same methodology as our current reporting.
 - **Standardization:** Our data partner, S&P Global, recalculated the 2022 baseline to conform strictly with the Partnership for Carbon Accounting Financials (PCAF) standards.
 - **Plan Alignment:** This update fulfills the commitment made in the original 2024 Net Zero Plan to "replace estimates with disclosed data or better estimates" as our data capabilities improve.



Carbon Intensity Changes



Methodology – Ways to Measure Carbon

Metric 1: Carbon Footprint

- . **Definition:** Absolute greenhouse gas emissions associated with an investor's ownership stake in its underlying holdings.
- . **Role:** Real world number of the carbon produced by the portfolio.

Metric 2: Carbon to Revenue (C/R)

- . **Definition:** Total Emissions divided by Total Revenue.
- . **Role:** This metric measures the carbon efficiency of the economic activity we own.

Metric 3: Weighted Average Carbon Intensity (WACI)

- . **Definition:** A measure of the portfolio's exposure to carbon-intensive companies, weighted by the percentage of capital invested in each.
- . **Role:** WACI accounts for our specific investment weights, isolating investment risk rather than just total output.



Carbon Measures Scenario

John and Jane Doe

- Jane – A doctor at a nearby hospital
- John – A construction site manger
- Both commute 500 miles a month for work



	2010 Ford F150 Pickup	2020 Prius	1962 Ferrari 250 GT
Value	\$10,000	\$23,000	\$500,000
City MPG	14 MPG	53 MPG	8 MPG
Highway MPG	20 MPG	46 MPG	10 MPG
Purpose	Commute to Construction Sites and Hauls construction materials	Commute to Work at the Hospital	Grandfather's Prized possession that was left to Jane and her brother when he passed (each own half). It is stored in a garage. They drive it 5 miles once a month to a local car show.



Carbon Footprint

Formula: Owned Constituent Greenhouse Gas Emissions (tCO₂e)

$$\text{Owned Emissions}_{i,t,y} = (\text{tCO}_2\text{e})'_{i,t,y} = \left(\frac{\text{Inv}_{i,t}}{\text{EV}_{i,t} * 1,000,000} \right) * \text{tCO}_2\text{e}_{i,y}$$

Purpose: absolute greenhouse gas emissions associated with an investor's ownership stake in its underlying holdings.

Strength: it's a real-world hard number and provides a baseline metric to assess the portfolio's contribution to climate change and its exposure to carbon-related risks

Weakness: the information is not very actionable because it fails to distinguish between a "bad" high-emitter that is aggressively transitioning and a "bad" high-emitter that is structurally obsolete, encouraging a naive divestment strategy that ignores forward-looking valuation.



Carbon Footprint ~ Fuel Consumed

Strength: It is the only metric that correlates with climate impact.

- It doesn't matter how "efficient" the Ferrari is if it's never driven.
- The footprint correctly identifies that the F150 is far more damaging to their climate goals than the Ferrari.

Weakness: It is sensitive to portfolio "bloat" rather than underlying operational changes(i.e. as a portfolio grows the carbon footprint will grow with it).

- If Jane won the lottery and used the money to buy out her brother's 50% stake in the Ferrari, its "Carbon Footprint" would double overnight, even though the car never left the garage and nothing changed in the physical world.

Carbon Intensity

Formula: Carbon Intensity per USD 1 Million of Revenue Generated

$$\frac{\sum_i^n (tCO_2e)'_{i,t,y}}{\sum_i^n (Rev)'_{i,t,y}}$$

$$(Rev)'_{i,t,y} = \left(\frac{Inv_{i,t}}{EV_{i,t} * 1,000,000} \right) * Rev_{i,y}$$

Purpose: Measures the efficiency of assets and can be used to optimize performance by dividing the investor's specific "share" of absolute emissions by their proportional "share" of the underlying companies' total revenue.

Strength: Removes the "Bloat" problem.

- It's an efficiency number that can be used to optimize needed economic emissions and provides a more logical representation of the carbon footprint relative to the economic output "owned" by the investor.

Weakness: the number can be highly sensitive to items outside an investor's control.



Carbon Intensity ~ MPG of the Fleet*

(it's really the inverse of MPG but MPG is more familiar and doesn't change the underlying logic)

Strength: It correctly identifies the Prius as the highest-quality "green" asset, and the Ferrari is the dirtiest asset regardless of how much they are driven.

Weakness: is not necessarily related to real-world impact, is a focused view of efficiency, and It's sensitive to factors outside the investors control.

- It identifies the Ferrari as the dirtiest asset even though its rarely driven and the F150 is producing the vast majority of the emissions.
- Only accounts for efficiency in terms of producing carbon relative to miles – it does not recognize that the F150 is the most efficient of the vehicles for hauling heavy building materials.
- Its sensitive to factors outside of investors control.

Scenario

John drives the F150 to and from work on the freeway.

In July, the freeways are clear, and he gets the highway MPG of 20.

In August they start road construction and there is terrible traffic and he gets the city MPG of 14 (systemic noise).

Result: A 43% spike in Carbon Intensity (reduction of MPG) due entirely to an external factors with no changes in the asset, driver, or route.



WACI~ Gallons used Per Dollar of Investment

Formula: Weighted average carbon intensity (emissions per USD 1 million of revenue generated)

$$\sum_i^n w_{i,t} * \left(\frac{tCO_2 e_{i,y}}{REV_{i,y}} \right)$$

Purpose: measure a portfolio's exposure to carbon-intensive companies.

Strength: allows for a direct comparison between portfolios of different sizes or against a market index, focusing strictly on the carbon efficiency of where capital is allocated.

Weakness: it incentivizes de-risking the spreadsheet rather than de-carbonizing the planet. Because WACI is tied directly to financial weight, it incentivizes the full divestment of high-emitting assets and does not take into account:

- Assets actual carbon contribution
- Economic importance or growth
- Portfolio disruption
 - It exchanges long-term climate risk protection for immediate tracking error, the more common and visible measure of portfolio risk.

WACI Scenarios

Action Taken

Impact on Absolute Footprint

Impact on WACI (Intensity)

Sell 98% of Jane's share of the Ferrari to her brother (Keep 1% stake)

Negligible. (You now own 1% instead of 50% in asset that was barely driven anyway)

MODEST CHANGE. WACI declines 58% but still sees an "investment" in an 8 MPG asset. The 8 MPG engine still accounts for 35% of WACI despite having only 1% stake.

Replace F150 & Prius with Full EV versions

Reduced by ~99% (The bulk of the actual emissions).

NEGLIGIBLE. WACI declines only declines 4%) because the EVs have no "financial weight" relative to the Ferrari.

Full Divestment of the Ferrari

Reduced by < 1% (The car was barely driven anyway).

TOTAL RESET. WACI declines 69% But provides no real-world benefit because the Ferrari was barely driven.



Strategic Applications of Carbon Metrics

Identification of Heavy Emitters: WACI acts as a "Heat Map" to flag high-intensity exposure, while C/R provides size neutrality to ensure large-cap entities are not penalized simply for their scale.

Inter-Industry Benchmarking: WACI is used to normalize emissions across different operational models, while C/R identifies companies that utilize carbon more efficiently relative to direct sector peers.

Transition Monitoring: Tracking the year-over-year delta in WACI identifies operational efficiency gains, while C/R helps isolate "Heavy Emitters" that are aggressively transitioning versus those with obsolete business models.

Risk Assessment Thresholds: WACI needs to justify "Dirty" assets against the Tracking Error Risk of divestment, while C/R benchmarks needs to evaluate if a footprint is a structural economic necessity or a mispriced operational risk.

Strategic Assessment in Portfolio Management

Climate metrics help identify the portfolio's exposure to climate risk, we utilize them to drive active oversight and risk mitigation rather than portfolio construction:

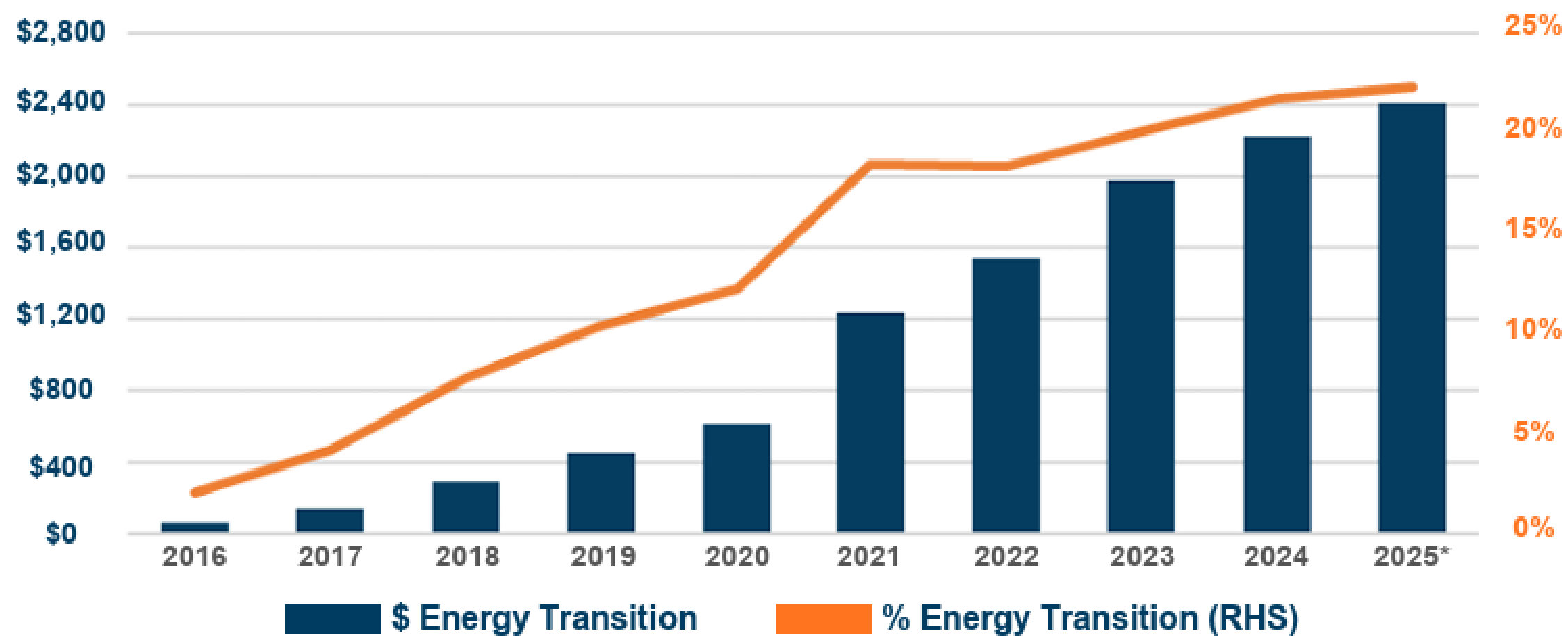
- **Fiduciary Balance:** By avoiding a single-minded focus on intensities, we ensure that we do not inadvertently trade long-term climate resilience for immediate tracking error or loss of economic utility.
- **Systemic "Noise" Mitigation:** Remain cognizant that macro factors—like market volatility, portfolio growth, inflation, etc.—can drown out operational gain
 - We actively report and evaluate short-term changes in carbon intensities but remain committed to the long-term transition trends that will drive real-world operational efficiency and risk mitigation.
- **Manager Accountability:** These metrics force managers to assess the thesis for holding high-intensity assets against their associated carbon risks.
- **Targeted Engagement:** Intensity heat mapping helps us to identify specific engagement focuses, aiming to reduce portfolio risk without sacrificing control over other portfolio metrics.
- **CRIA Mandate Fulfillment:** The analysis allows us to evaluate systemic risks as required by our mandate while maintaining a diversified, high-conviction portfolio.

Climate Positive Investments

Climate-positive holdings in Real Assets have grown to \$2.4 billion

- Renewable Energy holdings comprising 22% of Real Assets portfolio.
- The energy infrastructure sub-strategy group returned 20.2% over the past five years. Roughly half of this sub-strategy is classified as renewable energy
 - Investments include offshore wind construction, grid transmission platforms for renewable integration, and battery material recycling plants.

Chart 4: Growth in Energy Transition Infrastructure Exposure



*2025 Year reflects value and percentage as of June 30, 2025, the most recent data available.



Climate Investments – Active Selection, Market-Driven Growth

1. Strategic Evolution

- We have formally integrated ESG into manager selection since **2018**.
- We select **Energy Generalists** who fully incorporate ESG risks into traditional investment frameworks.

2. The Driver of Growth

- The growth in our climate-positive portfolio is driven by traditional energy managers finding superior value in green investments.
- These managers are not buying assets because they are green; they are buying them because they are **mispriced opportunities** that offer better returns than legacy assets.

3. The Risk/Return Thesis

- **The Generalist Advantage (Optionality):**
 - Broad-based managers apply strict, agnostic return criteria. They have the entire energy spectrum to choose from, so they only select a green investment if it truly competes with or beats a traditional alternative.
 - *Result:* We own "good investments that happen to be green," not "green investments that happen to be available."
- **The Specialist Risk (Constraint):**
 - "Green-only" firms are bound to a small, crowded set of deals.
 - *The Trap:* To fill their specific mandates, they may be forced to "pay up" (overpay) for assets or overlook fundamental business risks because they are chasing a thematic "story."
 - *Our Protection:* By using generalists, we avoid this "greenium" inflation and maintain strict valuation discipline.

Fossil Fuel Exposure

Date	Market Value of Private Market Fossil Fuel Holdings (mUSD)	Year-Over-Year Change (mUSD)
January 1, 2022	\$2,666	
January 1, 2023	\$3,197	+\$531
January 1, 2024	\$3,120	-\$77
January 1, 2025	\$3,091	-\$29
June 30, 2025	\$3,008	-\$83



Proxy Voting – Active Ownership in Public Markets

❖ Volume

- 53,000 votes across 5,245 meetings last year.

❖ We vote custom ESG policies through our proxy

- We vote **AGAINST** Board Chairs at companies lacking Net Zero targets or TCFD-aligned reporting.
- **Linking Pay: We oppose Executive Compensation ("Say-on-Pay") if it is not linked to sustainable business metrics.**

❖ The Results:

- Environmental concerns drove 41% of our votes against directors.
- Voted **AGAINST 31%** of compensation proposals, forcing boards to link pay to climate risk.
- Supported 85% of environmental shareholder proposals.



Thermal Coal

- **Policy: Treasury actively monitors transition of the portfolio away from thermal coal under our CRIA Implementation and continue to provide the transparency under HB 4083 within our CRIA mandate.**
 - ❖ **Definition: Companies deriving 20% or more of their revenue from the mining of thermal coal.**
 - **Trend: A nearly 50% reduction in exposure year-over-year.**
 - **2024: \$28.9 million invested across 21 securities.**
 - **2025: \$15.0 million invested across 12 securities.**



Thermal Coal

➤ Risk Optimization:

- The reduction in coal holdings reflects broader market realities and the structural decline of the sector
 - None of our active managers are currently holding thermal coal.
 - The reduction in our holdings confirms that active managers are naturally moving away from these assets as their long-term value proposition declines.
 - Passive Benchmarking: The remaining exposure is held strictly within passive strategies.
 - A benchmark weight to serve as a diversifier and ensures the portfolio accurately reflects the broad market index, consistent with our tracking error requirements.



Considerations Moving Forward

Consideration 1: Small Sample Size

- . **Issue:** Only 2 years of comparable data (2022-2023)
- . **Mitigation:** Longitudinal tracking starting 2024 using consistent S&P methodology

Consideration 2: Scope 3 Data Quality

- . **Issue:** Scope 3 is 75%+ of real emissions but relies heavily on estimates
- . **Action:** Expanding Scope 3 coverage as standards and reporting improve

Consideration 3: Private Market Visibility

- . **Issue:** PE managers don't publicly report emissions
- . **Mitigation:** We model using public proxies
- . **Action:** Continue to work with the industry managers and other investors to expand coverage and reporting.

Appendix



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Appendix A - WACI Scenario Calculations

Baseline Portfolio Value: \$283,000. Baseline WACI: 10.19 Gals/100mi.

Scenario 1: Partial Sale (Keep 1% Stake)

- **The Action:** Sell 98% of your share of the Ferrari to Jane's brother.
- **New Ferrari Value:** \$5,000 (1% stake in \$500k).
- **New Total Portfolio:** \$38,000
- **Calculation:**
 - **F150:** $(\$10,000 / \$38,000) \times 5.88 = 1.55$
 - **Prius:** $(\$23,000 / \$38,000) \times 2.02 = 1.22$
 - **Ferrari:** $(\$5,000 / \$38,000) \times 11.11 = 1.47$
 - **New WACI:** 4.24 Gals/100mi.
- **Insight:** WACI declines 58% but still sees an "investment" in an 8 MPG asset. The 8 MPG engine still accounts for **35%** of WACI despite having only 1% stake.

Scenario 2: Full EV Transition (F150 & Prius)

- **The Action:** Replace working vehicles with Full EV versions (0 Gals/100mi) while keeping the 50% Ferrari stake.
- **Total Portfolio:** \$283,000 (Values unchanged for calculation).
- **Calculation:**
 - **F150 EV:** $(\$10,000 / \$283,000) \times 0.00 = 0.00$
 - **Prius EV:** $(\$23,000 / \$283,000) \times 0.00 = 0.00$
 - **Ferrari:** $(\$250,000 / \$283,000) \times 11.11 = 9.82$
- **New WACI:** 9.82 Gals/100mi.
- **Insight:** Despite a **99% reduction** in real-world fuel consumption, WACI declines only declines 4%) because the EVs have no "financial weight" relative to the Ferrari.

Scenario 3: Full Divestment of Ferrari

- **The Action:** Sell the entire 50% stake in the Ferrari.
- **New Total Portfolio:** \$33,000 (F150 \$10k + Prius \$23k).
- **Calculation:**
 - **F150:** $(\$10,000 / \$33,000) \times 5.88 = 1.78$
 - **Prius:** $(\$23,000 / \$33,000) \times 2.02 = 1.41$
- **New WACI:** 3.19 Gals/100mi.
- **Insight:** This achieves a **Total Reset** of the WACI outlier. However, this "victory" provides **no real-world benefit** because the Ferrari was barely driven.





OREGON STATE TREASURY

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TAB 7
AUDIT REPORT



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Oregon State Treasury Internal Audit Services

Private Equity

Presented by Craig Harner, CPA, CFE
Partner

April 6, 2026

Overview

Program Overview

- Oregon State Treasury (OST) invests in private equity (non-publicly traded companies) to drive long-term growth and portfolio diversification.
- OST acts as a Limited Partner and provides capital while external General Partners manage day-to-day operations.
- Investments are illiquid, involving multi-year funding commitments.

Audit Objective

- Assess whether internal controls over the Private Equity Program are adequately designed and operating effectively to mitigate operational, compliance, accounting, risk management, reputational, fiduciary, performance measurement, and reporting risks.

Overview (Cont'd)

Audit Scope

- Period July 1, 2023 through June 30, 2025
- Five Key Scope Areas:
 - Governance and Oversight Framework
 - Investment Manager Lifecycle and Due Diligence
 - Legal and Compliance
 - Risk Management, Fiduciary Oversight, and Monitoring
 - Investment Accounting and Operations

Audit Conclusion

- Overall rating: Satisfactory
- 1 medium-level risk finding — control deficiency requiring remediation
- 3 low-level risk areas for process improvements (not findings) — opportunities to improve efficiency, clarity, completeness, or documentation

Methodology

- Risk and Control Matrix (RCM): risk-based audit approach taking into consideration likelihood and impact.
- Five Key Areas Audited:
 - Governance and Oversight Framework— Evaluated the governance and oversight framework, roles and responsibilities, delegation of authority, and policies and procedures.
 - Investment Manager Lifecycle and Due Diligence — Evaluated the initial and ongoing due diligence process, recording of capital calls and distributions, and review of reasonableness of investment management fees.
 - Legal and Compliance — Verified legal reviewed investment management and consultancy contracts and tested management’s compliance monitoring procedures over personal trading disclosures and material non-public information.
 - Risk Management, Fiduciary Oversight, and Monitoring — Verified management monitored the portfolio for alignment with the investment objectives, evaluated system user access controls, and verified the review of audited financial statements and third-party SOC reports.
 - Investment Accounting and Operations — Verified reconciliations between custodian and consultant valuations and capital account statements were reviewed and compiled into investment workbooks for financial reporting.

Summary of 1 Finding and Process Improvements

Finding #1	Risk Rating: Medium	Finding Type: System Access, Controls, and Segregation of Duties; Data Management & Integrity). For three of the four SOC 2 reports selected for testing, management did not obtain and review the SOC 2 reports to identify relevant information concerning internal controls at the service organization
Recommendation	<p>We recommend that management develops a policy to collect and review service organization control (SOC) reports for third-party services the Treasury relies on.</p> <p>Additionally, we recommend developing a standardized SOC Report review template with preparer/review documentation that considers the service auditor's professional competence and independence, assertions and test of controls performed, period covered by the audit or examination, the opinion issued, exceptions identified and their impact on the Oregon State Treasury's internal controls, complementary user entity controls (CUECs), and carve-out subservice organizations.</p>	
Management Response / Corrective Action Plan	<p>Management agrees with the necessity of establishing a formal policy and a comprehensive set of procedural guidelines to govern the procurement and evaluation of Service Organization Control (SOC) reports. OST will adopt an agency-wide solution. SOC reports will be obtained for critical/key systems, and reviewed timely. This collaborative effort will focus on designating a primary process owner, establishing a secure and centralized repository for document custody, and implementing a standardized review methodology. By formalizing these criteria, it will ensure that all third-party SOC reports are analyzed consistently, with particular emphasis on the assessment of CUECs and the remediation of any identified control exceptions.</p>	
	Responsible Individual:	George Naughton, Deputy Treasurer
	Target Date:	12/31/2026

Summary of Finding and Process Improvements (Cont'd)

Process Improvement #1: The current process over reporting of personal trading consists of quarterly email reminders to employees to self-report trade activity. Non-responses are assumed to indicate that the employee has no trades to report, and there is no requirement for an affirmative “no trading activity to report”

Recommendation	We recommend enhancing the current quarterly email process by implementing an affirmative, system-based attestation requiring each covered employee to certify either “traded” (with disclosure) or “no activity,” and use an automated application to send reminders—and escalate—until the filing is completed.	
Management Response / Corrective Action Plan	Management agrees that having an affirmative attestation may be beneficial. However, with the current fully stretched resources, having staff focused on trades that have been reported is a better use of resources and focus on higher risk areas than tracking down no trade attestations. Additionally, Management believes from a cost benefit analysis perspective, the benefit from collecting "No trade" attestation does not outweigh the cost.	
	Responsible Individual:	Deena Bothello, General Counsel
	Target Date:	N/A

Summary of Finding and Process Improvements (Cont'd)

Process Improvement #2: The current initial due-diligence and contracting process for investment managers is generally well-executed; however, it is not supported by a standardized mechanism to verify completeness of the required documentation and information in each stage of the process		
Recommendation	We recommend including a completeness verification check to evidence that all the relevant, core and required information is captured which will also aid knowledge transfer for new staff on what to look for as part of their review during the process.	
Management Response / Corrective Action Plan	<p>Management acknowledges the recommendation.</p> <p>Management believes the comprehensive investment review process (through three gated reviews among not just Private Equity staff but other senior Private Markets investment leadership, review by internal and external counsel, collaboration with the asset class consultant, and review and approval by the Investment Committee) ensures a consistent and thorough due diligence of private equity opportunities. Staff also utilize due diligence templates with standard categories and models for assessment and discussion of quantitative and qualitative due diligence factors resulting in a consistent implementation of the process and areas of due diligence. New staff would participate in this same process and not be independently navigating the due diligence process, ensuring complete implementation of the due diligence process.</p> <p>Staff will work to develop and incorporate a process document that will verify completeness of each stage of a due diligence review.</p>	
	Responsible Individual:	Tad Fergusson, Director of Private Markets
	Target Date:	June 30, 2026

Summary of Finding and Process Improvements (Cont'd)

Process Improvement #3: The Investment Accounting team tracks private-equity managers in an Excel workbook used to evidence review of audited financial statements (including auditor, opinion, accounting method, and valuation). Our review of the December 31, 2023, and December 31, 2024 noted a few instances no audited financial statements had been reviewed.

Recommendation	We recommend updating the policy/procedure to establish risk-based criteria for the number of audited financial statements to obtain and review, and to conduct an annual look-back to identify managers without prior audited financials and, where risk indicators warrant, obtain audited financials in the current period. Additionally, assign and document the responsible reviewer/approver and complete the review within defined timelines to ensure issues disclosed in audited financial statements are promptly detected, escalated, and remediated.	
Management Response / Corrective Action Plan	Management agrees. Management will continue to receive and review the quarterly valuation reports prepared by the consultant which indicate if funds are issuing statements according to fair value. At quarter end December 31, 2023, and 2024 the consultant reported 100% of funds issued statements according to fair value methods. Management will enhance documentation of the review of audited financial statements, by including both date and initials of the investment analyst completing the review in the existing valuation activities guide checklist. The Investment Accounting Manager will also sign off on the completed checklist as evidence of review of the work referenced in the checklist. Receipt and review of the 12/31/25 audited financial statements is currently underway. Management will include a reference to the status of the prior year's audited financial statements in the current year's workbook and prioritize the review of any missing in the prior year. Prior to the issuance of the ACFRs, the related work products will be reviewed and the checklist initialed by the Investment Accounting Manager.	
	Responsible Individual:	Debra Day, Investment Accounting Manager
	Target Date:	October 2026

Questions?



Oregon State Treasury Internal Audit Services

Internal Audit Report

Private Equity

July 1, 2023, through June 30, 2025



Report Date: March 23, 2026

To: OST Treasurer,
OST Audit Committee
OST Oregon Investment Council (OIC)

Executive Summary

Program Overview

The Private Equity Program is a key strategic component of the investment portfolio, designed to generate long-term growth and provide portfolio diversification. Private equity involves investing in companies that are not traded on public stock exchanges. The Oregon State Treasury (OST or Treasury) participates in these investments primarily through a Limited Partnership structure. In this model, the Treasury acts as a Limited Partner, providing the capital, while an external General Partner manages the daily operations of the investment. Because these investments are privately held and governed by long-term legal contracts, they are illiquid in nature. Consequently, the Treasury's role involves managing multi-year funding commitments and overseeing the reporting provided by the General Partners to ensure the value of the private assets are recorded accurately.

Audit Objective, Scope, and Methodology

The objective of this audit was to assess whether internal controls over the Private Equity Program are adequately designed and operating effectively to mitigate strategic, operational, compliance, accounting, risk management, performance measurement, reputational, and reporting risks.

The audit covered private equity investments within the Oregon Public Employees Retirement Fund (OPERF) and the Common School Fund (CSF) for the period July 1, 2023, through June 30, 2025. Within that period, the audit evaluated the design and operating effectiveness of internal controls over the following areas:

1. Governance and Oversight Framework
 - Evaluation of the roles, responsibilities, and formal delegations of authority that govern the investment design-making process; key governance documents (investment policy statements, investment guidelines, legislative mandates, etc.) and adherence to those documents; management oversight; management and consultant reporting; evidence of review.
2. Investment Manager Lifecycle and Due Diligence
 - Evaluation of the initial due diligence and onboarding of investment manager process; relationship management with investment managers and ongoing monitoring; investment manager fees; capital calls, commitments and distributions.
3. Legal and Compliance
 - Evaluation of the legal agreement process; investment manager/consultant contracting process; compliance review & monitoring; regulatory framework; conflicts of interest; material non-public information.
4. Risk Management, Fiduciary Oversight, and Monitoring
 - Evaluation of the risk management processes; annual review of the program; ALM framework; asset class strategies and portfolio structuring; data management & integrity; system access, controls and segregation of duties; ESG & climate-related risk consideration; review of investment valuation; audited investment manager review; portfolio monitoring; staff travel monitoring.
5. Investment Accounting and Operations
 - Evaluation of the investment accounting and financial reporting process; reconciliation of asset valuations; performance monitoring, management fee verification.

The audit was conducted using a risk-based audit plan and was informed by an understanding of the internal control environment developed through interviews with key stakeholders, review of relevant policies and procedures, and consideration of applicable leading practices. The audit procedures focused on documenting and evaluating key processes and controls, performing sample-based testing, and benchmarking select practices against recognized leading practices.

Audit Conclusion and Summary of Finding

The overall rating is **Satisfactory**, which is the highest internal audit report rating. Refer to Appendix A for the reporting rating definitions. The audit identified one medium-level risk finding, which is control deficiency requiring remediation, and three low-level risk areas for process improvements, which are enhancement opportunities that do not constitute a finding but would strengthen efficiency, clarity, completeness or documentation if implemented. Management has agreed to corrective action with a target date for the finding and acknowledged the improvement opportunities. Status will be tracked through the standard follow-up process. The methodology associated with the risk rating of the finding is denoted in the detailed report, and rating of the audit report is shown below in Appendix A. Refer to the Conclusion section of the Report for the detailed finding and areas for process improvement.

Finding - SOC Report Oversight: Treasury uses outsourced service providers but does not maintain a formal policy for obtaining and evaluating Service Organization Control (SOC) reports, which provides important information about internal controls at the service organization. A SOC 2 report is an independent, third-party assessment detailing how a service provider handles sensitive data based on the AICPA’s Trust Services Criteria (security, availability, processing integrity, confidentiality, and privacy). For three of the four SOC 2 reports selected for testing, management did not obtain and review the SOC 2 reports to identify relevant information concerning internal controls at the service organization that could impact the Treasury’s system of internal control.

Appendix A – Private Equity Report Rating

Rating	Definition
1-Satisfactory	Internal controls are operating effectively to safeguard assets and minimize exposure to financial losses. Most internal audit issues identified were rated low.
2-Needs Some Improvement	The internal control framework meets minimum acceptable standards overall but needs improvement because some risks are not adequately mitigated.
3-Needs some significant Improvement	The internal control framework does not meet minimum acceptable standards overall as some risks require significant improvement to ensure all risks are adequately mitigated.
4-Weak	Internal controls are mostly inadequate to safeguard assets or minimize exposure to financial losses. Although some controls are operating, several significant internal audit issues were identified.
5-Unsatisfactory	The internal control system is ineffective to safeguard assets or minimize exposure to financial losses. Systemic control failures were noted which could extend the wider operations of the organization.

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TAB 8

CALENDAR - FUTURE AGENDA ITEMS

2026 OIC Forward Calendar and Planned Agenda Topics

May 27, 2026	Q1 Performance Review: OPERF Fixed Income Portfolio Review: OPERF Diversifying Strategies Portfolio Review Real Assets Portfolio Review
July 15, 2026	TBD
September 2, 2026	Q2 Performance Review: OPERF, CSF OPERF Asset-Liability OIC-PERS Joint Session
October 21, 2026	Operations Annual Review SAIF Review
December 2, 2026	Q3 OPERF Performance OSTF, OITP Annual Review
January 20, 2027	Public Equity Portfolio Review Private Equity Portfolio Review 2028 OIC Calendar Approval
March 3, 2027	2026 Performance Review: OPERF, CSF
April 14, 2027	Real Assets Portfolio Review Real Estate Portfolio Review Individual Account Program (IAP) Review OSGP Annual Review



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TAB 9

OPEN DISCUSSION



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TAB 10

PUBLIC COMMENTS