Oregon Investment Council

State of Oregon
Office of the State Treasurer
16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224
OREGON INVESTMENT COUNCIL
JANUARY 31, 2019
Meeting Minutes

Members Present: Rukaiyah Adams, John Russell, Tobias Read, Rex Kim, Patricia Moss and Kevin Olineck


Consultants Present: Tom Martin (TorreyCove); Allan Emkin, David Glickman and Brandon Ross (PCA); Janet Becker-Wold and Uvan Tseng (Callan)

Legal Counsel Present: Steven Marlowe, Department of Justice

The January 31st, 2019 OIC meeting was called to order at 9:00 am by Rukaiyah Adams, OIC Chair.

I. 9:00 am Review and Approval of Minutes
MOTION: Chair Adams asked for approval of the December 12, 2018 OIC regular meeting minutes. Member Russell moved the motion at 9:01 am, and Mr. Kim seconded the motion which then passed by a 4/0 vote.

As Ms. Moss was appointed to the Council after the December OIC meeting, she abstained from voting. Treasurer Read along with the rest of the Council, welcomed Ms. Moss to the OIC.

Mr. Olineck, Director of PERS, introduced the new PERS Board Chair, Ms. Sadhana Shenoy, who joined the PERS Board effective October 2018.

II. 9:01 am Proposed 2020 OIC Meeting Dates
Mr. Skjervem requested Council approval for a proposed list of 2020 OIC meeting dates.

MOTION: Treasurer Read moved approval at 9:03 am, and Mr. Kim seconded the motion which then passed by a 5/0 vote.
III. 9:03 am Committee Reports and CIO Update

Committee Reports: Mr. Skjervem gave an update on the following committee actions taken since the December 12th, 2018 OIC meeting:

Private Equity Committee
December 14, 2018 Pathway Private Equity Fund C-III $250M

Alternatives Portfolio Committee
None

Opportunity Portfolio Committee
None

Real Estate Committee
None

Mr. Skjervem then provided opening remarks which included context for the agenda’s Private Equity and Alternatives Portfolio investment recommendations as well as an explanation for staff’s proposed Policy Updates. He also previewed staff’s annual Private Equity review and 2019 plan presentation.

IV. 9:09 am Blackstone Capital Partners VIII, L.P. – OPERF Private Equity Portfolio

Michael Langdon, Senior Investment Officer, Private Equity, recommended an up to $500 million commitment to Blackstone Capital Partners VIII, L.P. for the OPERF Private Equity Portfolio. This proposed commitment represents the continuation of a relationship on behalf of OPERF with The Blackstone Group L.P. which includes previous private equity commitments totaling $850 million across three partnerships since 2011.

Mr. Langdon then introduced Mr. Joseph Baratta, Blackstone’s Global Head of Private Equity, who provided the Council with an update on his firm and described the investment opportunity represented by Blackstone Capital Partners VIII, L.P.

MOTION: Mr. Russell moved approval of the recommendation at 9:55 am, and Mr. Kim seconded the motion which then passed by a 5/0 vote.

V. 9:55 am Annual Placement Agent Report

John Hershey, Director of Alternative Investments, provided the Council with the Annual Placement Agent Disclosure report. This report was made in accordance with Policy COM 201: Conflict of Interest and Code of Conduct, which stipulates that OST shall disclose, in all investment recommendations to the Oregon Investment Council, any Placement Agent used by the investment firm that has had any contact with Treasury investment staff. This policy further stipulates that staff shall present to the OIC an annual summary of any and all placement agent contacts, and make such summary available to the public on the Treasury website.

VI. 9:57 am Investment Policy Updates – Oregon Public Universities

Jennifer Peet, Corporate Governance Director, and Tom Lofton, Fixed Income Investment Officer, Capital Markets, sought approval to revise and expand the Council’s existing policy framework for the investment of Oregon public university moneys.

MOTION: Treasurer Read moved approval of the recommendation at 10:10 am, and Mr. Kim seconded the motion which then passed by a 5/0 vote.
VII. **10:10 am  Investment Beliefs Update and Discussion – OPERF**

Allan Emkin, Managing Director, Pension Consulting Alliance, provided the Council with a revised draft of the OIC’s Statement of Investment and Management Beliefs. This Statement of Investment and Management Beliefs enumerates fundamental investment and management principles that guide the Oregon Investment Council in performing its fiduciary and statutory obligations.

Staff’s recommendation to the Council is to revise the OIC’s Investment Beliefs by adding specific language describing the Council’s diversity and inclusion objectives.

**MOTION:** Treasurer Read moved approval of the recommendation at 10:20 am, and Mr. Russell seconded the motion which then passed by a 5/0 vote.

VIII. **10:34 am  Brookfield Infrastructure Fund IV, L.P. – OPERF Alternatives Portfolio**

Paul Koch, Alternatives Investment Officer, recommend a $400 million commitment to Brookfield Infrastructure Fund IV, L.P. for the OPERF Alternatives Portfolio, subject to the satisfactory negotiation of terms and conditions with staff working in concert with legal counsel. This proposed commitment represents the continuation of a relationship on behalf of the OPERF Alternatives Portfolio.

Mr. Koch then introduced Mr. Sam Pollock, Senior Managing Partner, Brookfield Asset Management, who provided the Council with an update on his firm, its investment strategy and performance record. He also described in detail the investment opportunity represented by Brookfield Infrastructure Fund IV, L.P.

**MOTION:** Treasurer Read moved approval of the recommendation at 11:22 am, and Mr. Russell seconded the motion which then passed by a 5/0 vote.

IX. **11:22 am  Private Equity Annual Review and 2019 Plan – OPERF Private Equity Portfolio**

Michael Langdon, Ahman Dirks, Investment Officer, Private Equity, Tiffany ZhuGe, Investment Officer, Private Equity, along with Tom Martin of TorreyCove presented the annual Private Equity Review and 2019 Plan. This presentation included a review of OPERF private equity activity in 2018, updated portfolio performance and a summary of staff’s 2019 private equity pacing goals.

X. **12:31 pm  Asset Allocation & NAV Updates**

Mr. Skjervem reviewed asset allocations and NAVs across OST-managed accounts for the period ended December 31, 2018.

XI. **12:33 pm  Calendar – Future Agenda Items**

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

XII. **12:33 pm  Open Discussion**

None.

**12:33 pm  Public Comments**

None.

Ms. Adams adjourned the meeting at 12:33 pm.

Respectfully submitted,

May Fanning
Executive Support Specialist