



**OREGON
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State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

June 5, 2019

Meeting Minutes

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

Staff Present: John Skjervem, Darren Bond, Perrin Lim, David Randall, Deena Bothello, Karl Cheng, Austin Carmichael, Paul Koch, David Elott, May Fanning, Angela Schaffers, Tony Breault, Jen Plett, Debra Day, Krystal Mclean, Sam Spencer, Ben Mahon, Tom Lofton, Lisa Pettinati, Geoff Nolan, Garrett Cudahey, Amanda Kingsbury, Michael Mueller, Aliese Jacobsen, Eric Messer, Kristel Flores, Steve Kruth, Joe Hutchinson, Michael Viteri, Jennifer Peet, Tyler Bernstein, Ricardo Lopez, Tiffany ZhuGe, Andy Coutu, James Sinks, Dmitri Palmateer, Amy Wojcicki, Kristi Jenkins, Ahman Dirks, Robin Kaukonen, Sommer May, Andrey Voloshinov, Chris Ebersole, Scott Robertson, Ian Huculak, Mark Selfridge and Kim Olson

Consultants Present: Tom Martin (TorreyCove); Allan Emkin, Christy Fields and Brandon Ross (Meketa Investment Group, Inc.); Janet Becker-Wold and Jim Callan (Callan LLC); Tom Marin (TorreyCove Capital Partners)

Legal Counsel Present: Steven Marlowe, Department of Justice

The June 5th, 2019 OIC meeting was called to order at 9:01 am by Rukaiyah Adams, OIC Chair.

I. 9:01 am Review and Approval of Minutes

MOTION: Chair Adams asked for approval of the April 24, 2019 OIC regular meeting minutes. Member Russell moved the motion at 9:02 am, and Mr. Kim seconded the motion which then passed by a 5/0 vote.

II. 9:03 am Committee Reports and CIO Remarks

Committee Reports: Mr. Skjervem gave an update on the following committee actions taken since the April 24th, 2019 OIC meeting:

Private Equity Committee

April 26, 2019	Permira VII, L.P.	€225M
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Alternatives Portfolio Committee

May 22, 2019	Silver Creek Aggregate Reserves Fund I	\$150M
	Taurus Mining Finance Fund No. 2, L.P.	\$150M



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Opportunity Portfolio Committee

None

Real Estate Committee

None

Mr. Skjervem then provided opening remarks which included a preview of the Annual Alternatives Review, Annual Overlay Review, Q1 2019 Performance & Risk Report and the Annual Operations Update. He also introduced new staff member, Ian Huculak, Investment Analyst, Operations, and announced the transfer of Ricardo Lopez from Investment Analyst in Operations to a similar role in Real Estate. Finally, Mr. Skjervem recognized Deputy Treasurer Darren Bond and his upcoming June 30 retirement, thanking him for his guidance and leadership at Treasury as well as his 30 years of dedicated service to the State of Oregon.

III. 9:13 am Alternatives Portfolio Review – OPERF Alternatives Portfolio

Ben Mahon, Senior Investment Officer, Alternatives along with Tom Martin, TorreyCove Capital Partners and Jim Callahan, Callan LLC, presented the Alternatives Portfolio 2018 Annual Review and 2019 Plan. This presentation included a discussion of the Alternatives Portfolio's background and objectives, and a review of the portfolio's 2018 performance and investment activity. Messrs. Mahon, Martin and Callahan also provided the Council with an update on the portfolio's current positioning as well as staff's 2019 investment plan.

10:13 am Overlay Review – OPERF

Karl Cheng, Senior Investment Officer, Portfolio Risk & Research, introduced Russell Investment's Greg Nordquist, Director, Overlay Strategies, and Philip Saucier, Portfolio Manager, Overlay Strategies, who the presented Russell's annual report on the OPERF overlay program and that firm's management thereof.

IV. 10:47 am Q1 2019 Performance & Risk Report – OPERF

Karl Cheng, and Janet Becker-Wold, Senior Vice President, Callan LLC, presented the quarterly OPERF investment performance and risk report for the calendar year and cumulative period ended March 31, 2019.

V. 11:13 am OST Investment Operations Update – OPERF & Other OST-managed Accounts

David Randall, Director of Investment Operations, Debra Day, Investment Reporting Manager and Kristi Jenkins, Investment Operations Manager, provided the Council with an update on Investment Operations that included an executive summary of their group's various activities and accomplishments and an updated OST Investment Division Org Chart.

VI. 11:26 am Asset Allocation & NAV Updates

Mr. Skjervem reviewed asset allocations and NAVs across OST-managed accounts for the period ended April 30, 2019.

VII. 11:26 am Calendar – Future Agenda Items

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

VIII. 11:35 am Joint PERS Board/OIC Discussion

Following the conclusion of the regular OIC meeting, Chair Adams invited members of the Public Employees Retirement System (PERS) Board to participate in a roundtable discussion regarding the Oregon Public Employees Retirement Fund (OPERF). That discussion started with a presentation from PERS actuary Matt Larrabee of Milliman, during which Mr. Larrabee reviewed the PERS Board's objectives as well as the pension



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plan's operating assumptions and governance structure. He also provided a comparison of peer fund's return expectations and shared his firm's projections of Oregon's unfunded pension liability. Following Mr. Larabee's remarks, the Council and PERS Board members engaged in a spirited discussion of future investment returns and the inherent trade-offs embedded in various investment strategies and asset allocation approaches.

12:48 pm Public Comments

None.

Ms. Adams adjourned the meeting at 12:49 pm.

Respectfully submitted,

May Fanning

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Executive Support Specialist