The January 30th, 2020 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 11, 2019 OIC regular meeting minutes. Mr. Russell moved approval at 9:00 am, and Mr. Kim seconded the motion which then passed by a 5/0 vote.

II. **9:00 am  Proposed 2021 OIC Meeting Dates**

John Skjervem, Chief Investment Officer, requested Council approval for a proposed list of 2021 OIC meeting dates.

**MOTION:** Treasurer Read moved approval at 9:01 am, and Mr. Kim seconded the motion which then passed by a 5/0 vote.
III. 9:01 am  Committee Reports and CIO Remarks

Committee Reports: Mr. Skjervem, gave an update on the following committee actions taken since the December 11, 2019 OIC meeting:

**Private Equity Committee**
December 11, 2019  Clearlake Capital Partners VI, L.P.  $200M

**Alternatives Portfolio Committee**
December 18, 2019  Bridgewater Optimal Portfolio Top-Off  $250M
GMO Systematic Global Macro Fund Top-off  $250M

**Real Estate Committee**
None

**Opportunity Portfolio Committee**
None

Mr. Skjervem then provided opening remarks which included context for the Private Equity Annual Plan and Portfolio Update, and staff’s Risk Parity manager recommendations. Mr. Skjervem then introduced new OST staff members, Claire Illo, Investment Analyst, Public Equity and Monique Sadegh, Investment Analyst, Operations. He also announced Aliese Jacobsen’s promotion from Investment Analyst 1, Operations to Investment Analyst 2, Operations, and the departure of Garrett Cudahey, Investment Officer, Fixed Income, Ricardo Lopez, Investment Analyst, Real Estate, Tom Lofton, Investment Officer, Fixed Income and Kristel Flores, Executive Support Specialist.

IV. 9:12 am  Risk Parity Manager Recommendation – OPERF Risk Parity Portfolio

Karl Cheng, Senior Investment Officer, Portfolio Risk & Research, Janet Becker-Wold, Senior Vice President, Callan LLC and Kevin Machiz, Vice President, Capital Markets Research Group, Callan LLC recommended approval of a $650 million investment to Bridgewater Associates, LP All Weather Portfolio.

At current OPERF NAV, the target allocation to the Risk Parity portfolio translates to $2.0 billion. At its December 2019 meeting, the OIC approved investments in two other risk parity strategies. If Bridgewater All Weather is approved, this additional $650 million commitment, combined with the prior two risk parity strategies, would collectively bring OPERF’s Risk Parity Portfolio up to its target allocation.

With approximately $168 billion in assets under management (AUM) as of December 31, 2019, Bridgewater Associates, LP was established by Ray Dalio in 1975, and has grown to become the largest hedge fund manager in the world. Three co-CIOs (Mr. Dalio, alongside Bob Prince and Greg Jensen) oversee the Firm’s investment management process, and monitor the performance of all its portfolios and investment systems. Bridgewater functions under a one-team approach, with all products designed and managed by the same investment group. The Firm’s “Investment Engine,” consisting of research, account management, and trading functions, marshals the investment process from generating views to constructing portfolios to executing trades. A key aspect of the process is systemization, with all elements explicitly codified in order to preserve and compound insights and learnings.

Mr. Cheng then introduced James L. Haskel, Senior Portfolio Strategist, Bridgewater Associates, LP and Joel Whidden, Global Head of Sales, Bridgewater Associate, LP, who provided a brief overview of the firm and discussed specific elements of Bridgewater’s All Weather risk parity strategy.
MOTION: Treasurer Read moved approval at 9:56 am for a $650 million commitment to the Bridgewater Associates, LP All Weather Portfolio. Mr. Kim seconded the motion which then passed by a 5/0 vote.

V. 9:56 am Opportunity Portfolio Policy Update – OPERF
Mike Mueller, Investment Officer, Alternatives, sought Oregon Investment Council approval for revisions and updates to Policy INV 703: OPERF Opportunity Portfolio Standards and Procedures.

During the annual review of the OPERF Opportunity Portfolio on October 31, 2019, Staff suggested, and the OIC requested, a proposed policy change that would allow for an increase in OPERF’s total exposure to the Opportunity Portfolio during distressed market conditions and/or a discreet market dislocation event. The proposed policy change would allow Staff to flex the capacity of the Opportunity Portfolio to five percent, once a market dislocation (as defined) was triggered. Using the same example of a 10% decline in OPERF, ceteris paribus, up to $1.7 billion could be invested before the Opportunity Portfolio would breach a five percent total fund value.

MOTION: Ms. Moss moved approval at 10:11 am of moving the allocation of the Opportunity Portfolio from 0% to 5% with notice that an exposure over 3% will trigger required reporting to the Council. Treasurer Read seconded the motion which then passed by a 5/0 vote.

10:11 am Policy Updates – OIC and OPERF
Chair Adams noted that this particular agenda item would be moved to a subsequent OIC meeting for discussion and approval.

10:11 am Special Officer Election
Treasurer Read spoke on behalf of the Council and Staff to express appreciation for Chair Adams several years of dedicated OIC service and recognized the hard work and many keen insights she contributed during her Council tenure. Vice Chair Russell gave commending remarks by describing Ms. Adams as a star not only in her role as OIC Chair but also in her many other service roles within Oregon and the greater Portland community. “Her stardom carries down to all of us here,” he added. Member Kim then stated that Ms. Adams will forever be his favorite OIC Chair.

Chair Adams began by acknowledging the major changes that had occurred since Mr. Skjervem joined OST, a time period that closely overlapped with her own Council tenure. She specifically cited the investment program’s improvements in terms of AUM growth, execution sophistication and cost effectiveness, but also noted important progress in terms of staff quality, diversity and commitment. She went on to thank the PERS board and DOJ for their respective support, and expressed confidence that investment staff and her Council peers would continue to advance the state’s investment brand for the benefit of all Oregonians in general and the program’s many thousand beneficiaries in particular.

Ms. Adams then ask for a motion to nominate a new Chair to assume Council leadership responsibilities.

MOTION: At 10:21 am, Treasurer Read nominated Member Russell as Chair and Member Kim as Vice Chair, and mentioned that all current committee assignments would be reviewed and revised if necessary. Chair Adams seconded the motion which then passed by a 4/0 vote.

Ms. Adams left the meeting at 10:21 am.
VI. 10:35 am  **Annual Placement Agent Report**  
John Hershey, Director of Alternatives 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 states that OST shall disclose, in all investment recommendations to the Oregon Investment Council, any Placement Agent used by an investment firm that has had any contact with one or more members of Treasury’s investment staff. Consistent with that policy, Mr. Hershey provided the Council with a summary of all placement agent contact that occurred in calendar year 2019, a summary that will also be made available to the public on the Treasury website.

VII. 10:35 am  **Private Equity Annual Review and 2020 Plan – OPERF Private Equity Portfolio**  
Michael Langdon, Senior Investment Officer, Private Equity, Ahman Dirks, Investment Officer, Private Equity, Tiffany ZhuGe, Investment Officer, Private Equity, Eric Messer, Investment Officer, Private Equity along with Tom Martin, Managing Director, TorreyCove Capital Partners, presented the Annual Private Equity Review and 2020 Plan. This presentation included a review of OPERF private equity activity in 2019, updated portfolio performance and a summary of staff’s 2020 private equity pacing goals.

VIII. 11:30 am  **Annual PUF Update – Public Universities Fund**  
Responding to a request previously made by Chair Adams, Geoff Nolan, Senior Investment Officer, Fixed Income, provided an update on the Public University Fund.

IX. 11:32 am  **IAP Update – OPERF**  
Jennifer Peet, Corporate Governance Director and Christopher Nikolich, Head of Glide Path Strategies (U.S.) for AllianceBernstein provided the Council with the annual update on the Individual Account Program, which included a status update, investment performance summary and glide path review.

X. 12:02 pm  **Asset Allocation & NAV Updates**  
Mr. Skjervem reviewed asset allocations and NAVs across OST-managed accounts for periods ended December 31, 2019.

XI. 12:02 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. 12:03 pm  **Open Discussion**  
Member Olineck mentioned that during the upcoming 1.31.2020 PERS Board meeting, one of the agenda items would be a preliminary PERS funding status estimate, and in connection therewith, he acknowledged the efforts of investment staff for contributing to the strong returns OPERF realized in 2019. He also mentioned that the system’s unfunded actuarial liability had dropped by approximately $3 billion to $24.1 billion, resulting in a commensurate improvement from 69% to 73% in the system’s funded status. When considering side accounts, Member Olineck said the system’s funded status improved to 79%. He concluded his remarks by thanking, on behalf of the PERS Board, his Council peers and investment staff for their combined efforts.

12:03 pm  **Public Comments**  
None

Mr. Russell adjourned the meeting at 12:03 pm.

Respectfully submitted,

May Fanning  
Executive Support Specialist