State of Oregon
Office of the State Treasurer
16290 SW Upper Boones Ferry Road
Tigard, Oregon 97224
OREGON INVESTMENT COUNCIL
January 28, 2021
Meeting Minutes

Members Present: John Russell, Patricia Moss, Cara Samples, Monica Enand, Tobias Read and Kevin Olineck.

Staff Present: Rex Kim, John Hershey, Michael Langdon, David Randall, Karl Cheng, Ben Mahon, Geoff Nolan, Tony Breault, Michael Viteri, Mike Mueller, Rachel Wray and May Fanning.


Consultants Present: Allan Emkin, Mika Malone, David Glickman and Christy Fields (Meketa Investment Group, Inc.); Stephen Cummings, Kristen Doyle and Raneen Jalajel (Aon Investments); Tom Martin and David Fann, (Aksia, TorreyCove Capital Partners LLC)

Legal Counsel Present: Steven Marlowe, Department of Justice

Before proceeding with the OIC meeting, Chief Investment Officer, Rex Kim provided a disclosure pertaining to the virtual setup of this OIC meeting, informing those in attendance (virtual and in person) of the guidelines in which this meeting will proceed.

The January 28th, 2021 OIC meeting was called to order at 9:00 am by John Russell, OIC Chair.

I. 9:00 am—Review and Approval of Minutes, Vice-Chair Election

MOTION: Chair Russell asked for approval of the December 9th, 2020 OIC regular meeting minutes. Vice Chair, Moss moved approval at 9:01 am, and Ms. Enand seconded the motion which then passed by a 5/0 vote.

Treasurer Read, nominated Ms. Cara Samples as the new Vice-Chair.

MOTION: Treasurer Read, moved approval at 9:02 am, and Ms. Moss seconded the motion which then passed by a 5/0 vote.

Chair Russell then thanked Ms. Moss for her valuable contribution and service to the Council.
II. 9:02 am OIC Calendar Approval and Committee Reports:
Rex Kim, requested Council approval for a proposed list of 2022 OIC meeting dates.

MOTION: Treasurer Read moved approval at 9:03 am, and Ms. Enand seconded the motion which then passed by a 5/0 vote.

Committee Reports: Mr. Kim, then gave an update on the following committee actions taken since the December 9, 2020 OIC meeting:

Real Estate Committee:
December 11, 2020 Harrison Street Real Estate Partners Fund VIII, L.P. $150M
HS-OR Life Science Partners $200M

Alternatives Portfolio Committee:
Staff Authority Approval:
December 11, 2020 Brookfield Infrastructure Co-Investment Side-Car, L.P. $50M
Per INV 702, Chief Investment Officer approved this investment based on the recommendation of both the Director of Private Markets and Aksia/TorreyCove, the OIC’s consultant.

Private Equity Committee:
December 7, 2020 ClearVue OPERF $50M
Per INV 701, Chief Investment Officer approved this investment based on the recommendation of both the Director of Private Markets and Aksia/TorreyCove, the OIC’s consultant.

January 22, 2021 Hellman & Friedman Capital Partners X, L.P. $350M
Luminate Capital Partners III, L.P. $150M
Roark Capital Partners VI, L.P. $250M

Opportunity Committee:
None

III. 9:05 am Oregon Short Term Fund Policy Revision
Geoff Nolan, Senior Investment Officer, Fixed Income, walked the Council through the proposed OSTF INV 303 Policy Updates, detailed below:

Staff propose the following changes to improve risk mitigation and language clarity:
1. More Conservative Counterparty Requirements:
   a. Limit counterparties to Primary Dealers as recognized by the Federal Reserve Bank of New York. Primary Dealers are amongst the largest and most heavily regulated financial institutions.
2. More Conservative Collateral Management:
   a. Collateral to be held at a tri-party custodian. Tri-party arrangement minimizes counterparty risk.
   b. Custodian acts as the intermediary between the parties in administering the transaction:
      i. Daily collateral allocation, marking positions to market, collateral substitution, margin top ups.
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3. Broaden Eligible Collateral from just Treasuries & Agencies:
   a. Enhances investment opportunities for OSTF given broader eligibility is more attractive to counterparties.
   b. OSTF staff sets collateral eligibility standards.
4. Eliminate Unnecessary Counterparty Language:
   a. Removes $100MM “net capital” requirement as counterparties are Primary Dealers who rank among the largest & strongest financial institutions in the world.
   b. Removes “2%” cap of counterparty liabilities as it is superfluous.
      i. More conservative counterparty exposure limit of 5% would be would be triggered first.

MOTION: Ms. Samples moved approval of the recommended updates to INV 303 at 9:11 am, and Treasurer Read seconded the motion which then passed by a 5/0 vote.

IV. 9:11 am Evolution of Private Equity
Chair Russell, Introduced Mr. Jim Coulter, Co-Founder and Co-CEO, TPG, who provided an interactive presentation on the evolution of private equity.

V. 10:18 am OPERF Private Equity Program
Michael Langdon, Director of Private Markets, and Tom Martin, Head of PE & RA Research, Aksia/TorreyCove, joined by Pathway Capital representatives, Karen Jokobi, Senior Managing Director, Derrek Ransford, Managing Director and Pete Veravanich, Managing Director, provided the Council with the OPERF Private Equity Annual Review and 2021 Plan.

VI. 11:50 am OPERF Opportunity Program
Mike Mueller, Investment Officer, Opportunity Portfolio delivered the OPERF Opportunity Portfolio 2020 Annual Review that comprised of an overview, performance, history and year in review.

VII. 12:14 pm Annual Placement Agent Report
John Hershey, Director of 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 Treasury investment staff. Consistent with that policy, Mr. Hershey provided the Council with a summary of all placement agent contact that occurred in calendar year 2020, a summary that will also be made available to the public on the Treasury website.

VIII. 12:16 pm General Consultant
Kristen Doyle, Partner, Aon Investments, Raneen Jalajel, Senior Consultant, Aon Investments and Stephen Cummings, Global Head of Aon Investments gave the Council and attendees a brief introduction of their work experience and their new role as General Consultants. Then, Allan Emkin, Managing Principal, Meketa Investment Group, and Mika Malone, Managing Principal/Consultant, Meketa Investment Group began by thanking the Council for extending the long-standing relation with Meketa. They then went on to provide a presentation highlighting the ongoing 2021 projects that included but not limited to, Investment Related Policy Statements, Meeting with OIC members, Asset Allocation & Asset liability Modeling and Performance Reporting.
IX. **12:27 pm Asset Allocation & NAV Updates**
Mr. Kim reviewed asset allocations and NAVs across OST-managed accounts for periods ended December 31, 2020.

X. **12:29 pm Calendar – Future Agenda Items**
A calendar listing of future OIC meetings and scheduled agenda topics was included in the Council’s meeting material.

XI. **12:32 pm Open Discussion**
None

XII. **12:32 pm Public Comments**
None.

Mr. Russell adjourned the meeting at 12:32 pm.

Respectfully submitted,

May Fanning
Executive Support Specialist