

State of Oregon

Office of the State Treasurer

16290 SW Upper Boones Ferry Road

Tigard, Oregon 97224

OREGON INVESTMENT COUNCIL

September 4, 2024

Meeting Minutes

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| Members Present: | Treasurer Tobias Read, Cara Samples, Lorraine Arvin, Pia Wilson-Body, Alline Akintore (virtually), Kevin Olineck |
| Staff Present: | Rex Kim, Dmitri Palmateer, David Randall, Michael Langdon, Karl Cheng, Louise Howard, Gloria Gil, Claire Illo, Ahman Dirks, Jamie McCreary, Ben Mahon, Philip Larrieu, Amy Hsiang-Wei, Tim Kane, Chris Ebersole, Eric Engelson, Tim Sayre, Sebrina Gridley, Bryson Pate, Jennifer Kersgaard |
| Staff Participating Virtually: | Jaime Alvarez, Kenny Bao, Tyler Bernstein, Tan Cao, Austin Carmichael, Andrew Coutu, Kiara Cruz, Bradley Curran, Tara Curran, Debra Day, Alli Gordon, Wil Hiles, Ian Huculak, Roy Jackson, Aliese Jacobsen, Josh Jones, Young Kim, Amanda Kingsbury, Paul Koch, Ericka Langone, Putta Laxmi, Caren Leiva, May Sommer, Tim Miller, Dana Millican, Mike Mueller, Bri Naber, George Naughton, Wendi Nelson, Mohammed Quraishi, Jo Recht, Andrew Robertson, Scott Robertson, Ryan Fitzgerald, Angel Schaffers, Fatih Sedberry, Mark Selfridge, Asia Slaughter, Melissa Sloan, Alli Sorensen, Loren Terry, Anna Totdahl, Andrey Voloshinov, Bryon Williams, Christin Wilson, Josh Woodmansee, Tiffany Zahas |
| Consultants Present: | Mika Malone, Tom Martin, Raneen Jalajel (Virtually), Stephen Kennedy, Anne Heaphy (Virtually) |
| PERS Present: | Kevin Olineck |
| Legal Counsel Present: | Steve Marlowe (Department of Justice) |

The September 4th, 2024, OIC meeting was called to order at 9:00am by Cara Samples, Chair

| <u>Time</u> | <u>Tab</u> | | <u>Presenter</u> |
|-------------|------------|---|--|
| 9:00 – 9:01 | 1 | Review & Approval of Minutes May 29, 2024 Chair Samples asked for approval of the May 29, 2024, OIC regular meeting minutes. Treasurer Read moved approval at 9:01 am, member Arvin seconded the motion which then passed by a 5/0 vote. | Cara Samples <i>OIC Chair</i> |
| 9:01 – 9:02 | 2 | Committee Reports | Rex Kim <i>Chief Investment Officer</i> |

Cara Samples
Chair

Lorraine Arvin
Vice-Chair

Pia Wilson-Body
Member

Alline Akintore Kabbatende
Member

Tobias Read
State Treasurer

Kevin Olineck
PERS Director

OST Investment Committee

OPERF:

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| June 20th | Lotus Infrastructure Fund IV LP | \$150M USD |
| June 20th | Hammes Income & Growth Healthcare Fund, L.P. | \$110M USD |
| July 24th | Harrison Street European Core Fund SCSP SICAV-RAIF | €100M EUR |
| July 24th | Sculptor Real Estate Fund V, L.P. | \$100M USD |

Staff Discretion

OPERF:

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| June 26th | USV 2024 Core Fund \$13M USD | |
| July 16th | Harrison Street Infrastructure Fund Co-Investment Side-Car | \$50M USD |

Common School Fund:

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| July 31st | Sculptor Real Estate Fund V, L.P. | \$10M USD |
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| 9:02 – 9:37 | 3 | OPERF Q2 Performance Review Mika Malone <i>Managing Principal, Meketa</i> Allan Emkin <i>Managing Principal, Meketa</i> Mika Malone, Managing Principal with Meketa, and Allan Emkin, Managing Principal with Meketa, presented the OPERF Q2 Performance Review. The presentation included an economic and market update and discussion of interest rates and inflation. OPERF's Q2 returns trailed indices -1.5% in the short-term, outperformed the 3-year benchmark by .3%, but trailed the 5-year benchmark by -0.3%. | |
| 9:37 – 10:00 | 4 | CSF Performance Review Michael Langdon <i>Director of Private Markets</i> Louise Howard <i>Director of Capital Markets</i> Jamie McCreary <i>Service Model Program Manager</i> Michael Langdon, Director of Private Markets, with Louise Howard, Director of Capital Markets, and Jamie McCreary, Service Model Program Manager, presented the Common School Fund Review. They began with a review of the progress on the asset allocation strategy adopted in November of 2022, and gave a performance update. CSF's YTD performance returns trailed the policy benchmark by -2.1% but are exceeding the benchmark for the 3-year period by .2%. | |
| --- BREAK --- | | | |
| 10:13 – 10:40 | 5 | Policy Changes (Action Item: Approval of Policy Changes) Jamie McCreary, Service Model Program Manager, presented policy updates for INV 303, INV 302, INV 407A, INV 402C, INV 402E, INV 402F, INV 402G, INV 801, INV 802, and INV 218. The board voted to approve the recommendation to approve policy revisions and format changes as outlined. At 10:37 am Treasurer Read moved for approval; member Wilson-Body seconded the motion, which then passed by a vote of 5/0. | Jamie McCreary <i>Service Model Program Manager</i> |

10:40 – 10:48 6 **OSGP Consultant** Jamie McCreary
(Action Item: Approval of Consultant *Service Model Program Manager*
Recommendation) Claire Illo
Investment Officer, Public Equity

Jamie McCreary, Service Model Program Manager, and Claire Illo, Investment Officer, presented the recommendation that OIC pursue a non-discretionary consulting contract with SageView Advisory Group beginning 9/4/2024 (subject to satisfactory negotiation of term and conditions). The Committee further recommends pursuing an initial 3-year contract term with 2 pre-negotiated 2-year extensions, available at the Council's discretion.

At 10:48am Member Wilson-Body moved approval; Vice-Chair Lorraine Arvin seconded the motion which then passed by a 5/0 vote.

--- BREAK ---

11:00 – 11:07 7 **Open Discussion** OIC Members, Staff, Consultants
Chair Samples welcomed 2 new Senior members of the Investment staff: Tim Kane has joined as the SIO of Diversifying Strategies, and Amy Hsiang-Wei has joined as the SIO of Fixed Income.

Kevin Olineck reported that the 2023 actuarial valuation results were reported at the July 2024 PERS meeting. Due to the returns not meeting the assumed rate over the last 2 years, the average contribution rates will go up 4% for the 2025-27 Biennia.

Chair Samples, on behalf of the Council, requested the following for suggested future agenda items:

- 1) For Rex and Staff: Request to put together a presentation regarding what they are already doing as it pertains to ESG and Climate. A) Due Diligence, evaluation of risks of investments B) staff resources: staff tasked with ESG, what are the things they are doing in this realm C) Measurements: what measurements are we doing today on the Portfolio as it pertains to ESG, what metrics are used, are there standardized metrics decided upon, and on what percentage of the portfolio are we capturing, and what asset classes.
- 2) Consultants: We have asked questions in terms of the Treasurer's Climate Plan. The question we didn't ask: separate from the Treasurer's Plan, what are best practices, what would you all recommend we do.
- 3) Legal, DOJ, Steve Marlowe: Can we do this within legal statutes? Is it legal?

11:07 – 11:12 8 **Public Comments**

Meeting adjourned at 11:12