



**OREGON
STATE
TREASURY**

Origination: 01/2014
Last Approved: 05/2019
Last Revised: 05/2019
Next Review: 05/2020
Owner: *Geoff Nolan: Senior Investment Officer*
Policy Area: *Investments*
References:

INV 404: Intermediate Term Pool Investments

INTRODUCTION & OVERVIEW

Summary Policy Statement

The Oregon Intermediate Term Pool ("OITP") is a pooled investment vehicle for state agency funds. Eligibility of state agency funds for discreet (i.e., separate account) investment management in pooled vehicles is subject to the discretion of Oregon State Treasury ("OST"). Internally managed fixed income investments are subject to the policies approved by the Oregon Investment Council ("OIC") and the applicable guidelines established by OST.

Purpose and Goals

The purpose of this policy is to define the investment objectives and compliance procedures for OITP.

Applicability

Classified represented, management service, unclassified executive service.

Authority

ORS Chapters 293 and 294.

POLICY PROVISIONS

Policy Statements

- A. **POLICY.** OITP is expected to provide a total return consistent with an investment grade quality, intermediate duration diversified fixed income portfolio.
1. While not guaranteed, based upon historical market performance, expected returns in the OITP are anticipated to be greater over time than the returns provided by shorter maturity alternatives such as the OSTF portfolio.
 2. OITP is not structured to provide 100% net asset value (NAV) on each participants' initial investments therein. Accordingly, OITP participants may experience gains or losses on their OITP investments due to changes in market conditions. For consistency with the OITP's total return objective, the value of each participant's individual investment will be determined proportional to the

NAV of the entire OITP portfolio.

- B. **OBJECTIVE.** The objective of OITP is to maximize total return (i.e., principal *and* income) within the stipulated risk parameters and subject to the approved securities holdings prescribed in the OITP investment guidelines.
- C. **COMPLIANCE.** OST's Compliance program will facilitate the following: 1) monitor and evaluate portfolios, asset classes, and other investment funds to determine compliance with OST policies, guidelines, and contractual obligations; 2) identify instances of non-compliance and develop appropriate resolution strategies; 3) provide relevant compliance information and reports to OST management and the OIC, as appropriate; and 4) verify resolution by the appropriate individual or manager within the appropriate time frame.
- D. **CORRECTION OF NON-COMPLIANCE.** If OITP is found to be out of compliance with any of the adopted investment guidelines or is being managed inconsistently with its policy and objectives, investment staff shall bring the OITP portfolio into compliance as soon as is prudently feasible. Actions to bring the portfolio back into compliance and justification for such actions, including documentation of proposed and actual resolution strategies, will be coordinated under the OST investment Compliance program with OST Compliance staff.

Exceptions

None.

Failure to Comply

Failure to comply with this policy may be cause for disciplinary action up to and including dismissal.

PROCEDURES and FORMS

- A. Portfolio Guidelines for the Oregon Intermediate Term Pool

ADMINISTRATION

Review

Annually.

Feedback

Your comments are extremely important to improving the effectiveness of this policy. If you would like to comment on the provisions of this policy, you may do so by e-mailing the Policy Analyst. To ensure your comments are received without delay, *please list the policy number and name in your e-mail's subject*. Your comments will be reviewed during the policy revisions process and may result in changes to the policy.

Attachments:

[INV 404 Appendix A - Portfolio Guidelines for OITP.docx](#)

Approval Signatures

Step Description	Approver	Date
OIC	John Skjervem: Chief Investment Officer	05/2019
	Perrin Lim: Director of Capital Markets	04/2019
	Deena Bothello: General Counsel	04/2019
PolicyStat Admin	Carmen Leiva: Operations Analyst	03/2019
	Geoff Nolan: Senior Investment Officer	03/2019

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