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OREGON INVESTMENT COUNCIL  
MARCH 4, 2015  
MEETING SUMMARY

Members Present: Rukaiyah Adams, Katy Durant, Keith Larson, Steve Rodeman, Dick Solomon, Ted Wheeler

Staff Present: Darren Bond, Tony Breault, Austin Carmichael, Karl Cheng, Michael Cox, Garrett Cudahey, Sam Green, Scott Harra, John Hershey, Julie Jackson, Perrin Lim, Tom Lofton, Ben Mahon, Mike Mueller, Kim Olson, Priyanka Shukla, John Skjervem, Michael Viteri, Byron Williams

Consultants Present: David Fann (TorreyCove); Allan Emkin and David Glickman (PCA); Janet Becker-Wold, Jim Callahan, Jason Ellement, Gene Podkaminer and Uvan Tseng (Callan)

Legal Counsel Present: Dee Carlson and Deena Bothello, Oregon Department of Justice

The March 4, 2015 OIC meeting was called to order at 9:00 am by Katy Durant, Vice-Chair.

**I. 9:00 am Review and Approval of Minutes**

**MOTION:** Treasurer Wheeler moved approval of the February 4, 2015 meeting minutes. Mr. Larson seconded the motion, which then passed by a 5/0 vote.

**COMMITTEE REPORTS**

John Skjervem, OST Chief Investment Officer gave an update on the following committee actions taken since the February 4, 2015 OIC meeting:

**Private Equity Committee:**

February 9, 2015	EnCap Energy Capital Fund X, L.P.	\$150 million
February 9, 2015	GGV Capital Select, L.P.	\$50 million
February 9, 2015	RRJ Capital Master Fund III, L.P.	\$150 million

**Alternatives Committee:**

NONE

**Opportunity Portfolio Committee:**

February 20, 2015	TPG Specialty Lending Europe Fund I, L.P.	\$100 million
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**Real Estate Committee:**

NONE

Consistent with OST Policy 4.04.01, which requires a report on all staff-authorized investment activity, Mr. Skjervem concluded his committee remarks by noting a \$17.4 million co-investment staff initiated alongside existing OPERF real estate manager Waterton Residential.

**II. 9:03 am OIC Board Elections**

As described in OIC Policy 04.00.02, the Council is comprised of the State Treasurer and four members appointed by the Governor. The Director of the Public Employees Retirement System is also a Council member, but may not vote. Voting Council members biennially elect both a Chair and Vice Chair from among the four gubernatorial appointees. The Vice Chair functions as the Chair in the event the Chair resigns or is unable to fulfill the Chair's duties.

**MOTION:** Treasurer Wheeler moved approval for Katy Durant to assume the role of Council Chair and for Rukaiyah Adams to assume the role of Council Vice Chair. Mr. Larson seconded the motion which then passed on a 5/0 vote.

**III. 9:05 am OPERF Asset/Liability Study & Strategic Asset Allocation Recommendation**

Jim Callahan, Janet Becker-Wold, Jason Ellement, and Gene Podkaminer from Callan Associates presented the OPERF Asset/Liability Study & Strategic Asset Allocation Recommendation.

**IV. 11:00 am HiED Endowment Review and Update**

Mike Mueller, Deputy Chief Investment Officer gave an update and review of the HiED Endowment Fund. Staff is seeking OIC approval for the following contingency:

Staff may revise and adjust the current HiED asset class policy targets and/or manager allocations such that any remaining OST/OIC managed accounts would conform to the following asset allocation:

Global Equities 70%  
Fixed Income 30%

**MOTION:** Mr. Solomon moved approval of the staff recommendation. Ms. Adams seconded the motion, which passed by a vote of 5/0.

**V. 11:03 am Opportunity Portfolio Procedure Clarification**

John Hershey, Director of Alternative Investments described that the Policies and Procedures documents for OPERF's Private Equity, Alternatives and Real Estate programs contain an "OST Staff Authority" section. In contrast, the Policies and Procedures document governing OPERF's Opportunity Portfolio contains no such section, an omission staff recommends rectifying so that the Policies and Procedures document for the Opportunity Portfolio is consistent with the documents governing OPERF's Private Equity, Alternatives and Real Estate programs.

Mr. Hershey indicated that staff would normally propose this policy change during the annual OPERF policies and procedures update exercise; however, staff is currently negotiating the sale of a small LP interest in the Opportunity Portfolio, a transaction that necessitates seeking Council approval for this change now.

**MOTION:** Mr. Solomon moved approval of the staff recommendation. Mr. Larson seconded the motion, which then passed by a 5/0 vote.

**VI. 11:04 am Real Estate Portfolio Policy Waiver Request**

Staff is seeking OIC approval for a variance request regarding the Real Estate Committee's \$250 million commitment limitation to accommodate a first close commitment to LSREF IV. With such an approval, Staff will convene the Real Estate Committee in March in order to secure a full subscription commitment and preferred "first close" economic terms. Note this variance request applies only to the currently contemplated investment in LSREF IV.

**MOTION:** Mr. Solomon moved approval of the staff recommendation. Treasurer Wheeler seconded the motion which passed by a vote of 5/0.

**VII. 11:05 am OPERF Q4 Performance & Risk Report**

Janet Becker-Wold from Callan Associates gave a fourth quarter investment performance update on the OPERF portfolio.

**VIII. 11:20 am Black Rock Solutions Update**

Darren Bond, Deputy State Treasurer gave an update on Blackrock Solutions project implementation and Investment Modernization Act (IMA) status.

**IX. 11:30 am Asset Allocation & NAV Updates**

Mr. Skjervem reviewed asset allocations and NAVs across OST-managed accounts for the period ended January 31, 2015.

**X. 11:30 am Calendar-Future Agenda Items**

Mr. Skjervem presented a revised schedule of future OIC meetings and associated agenda topics.

**XI. 11:33 am Other Items**

None

**11:34 am Public Comments**

Unite Here's Elliott Mullen provided commentary from his organization on recent developments at OPERF manager Lonestar. Evan Demma and Patrick Di Iorio, both servers at the Hotel Burnam in Chicago, then urged Council members to contact Lonestar in connection with the firm's Hotel Burnam ownership and unionization efforts underway by that hotel's employees.

Ms. Durant adjourned the meeting at 11:45 am.

Respectfully submitted,



Julie Jackson  
Executive Support Specialist