From:	bbenbaruch@ashlandhome.net
To:	GORDON Alli
Cc:	OIC Public Comments
Subject:	A human rights screen for Oregon investments
Date:	Monday, January 16, 2023 3:26:04 PM

This email is from a party external to Treasury. Use care with links and attachments.

I am asking the OIC to establish a human rights screen for Oregon investments. And I am writing in support of SB 541.

SB 541 directs Oregon Investment Council (OIC) to develop, publish and implement policy to incorporate hu[1]man rights analyses into investment decisions and to consider results of human rights analyses when making investment decisions.

The OIC is investing in the future of Oregon's citizens, especially pensioners. That future is not only secured by a healthy pension fund but also by a future that reflects our values -- a future where human rights are protected and guaranteed. Investments should be consistent with our values. As fiduciaries you have a positive fiduciary responsibility to not only act in a way that tries to secure solid financial returns over time but also in a way that is consistent with Oregon's values and the kind of future we envision for ourselves.

We have seen what happens when the OIC ignores human rights issues and the implications of its investment decisions on human rights. The OIC made a large investment in Novalpina, the fund that owned the Israeli spyware company NSO group – and lost a great deal of money by investing in this company that sells spyware to authoritarian governments. The OIC not only lost money with this investment but it implicated Oregonians in the crimes of the NSO Group.

Incorporating our values into our investment decisions is the wise way to invest. Incorporating a human rights analysis into investment decisions is the right thing to do.

Benjamin Ben-Baruch
[redacted]

From: Andrew Bogrand
To: OIC Public Comments
Subject: Public Comment
Date: Wednesday, December 7, 2022 1:11:01 PM
Attachments: Bogrand_OIC_Public_Comment_Dec2022.pdf

This email is from a party external to Treasury. Use care with links and attachments.

Good afternoon -

Today I provided the attached public comment for consideration by the OIC. I am attaching it here for the record.

Thank you for facilitating this process!

Sincerely,

Andrew

--
Andrew Bogrand
andrewbogrand@[redacted]

Good morning Chair Samples, Treasurer Read, and other members of the Oregon Investment Council.

Thank you all for the opportunity to provide this testimony. My name is Andrew Bogrand and I am here today as the volunteer communications director for Divest Oregon. I am a member of SEIU local 500 and, in my professional career, work as a policy advisor in the humanitarian sector where I provide guidance on human rights due diligence, investment risk, and climate change.

I am a proud Oregonian and, as a climate champion, I am also proud that our state has been a national leader in combatting the climate crisis, including in our Treasury.

I am here today, however, to stress the immediacy of this crisis and urge further action from the Treasury.

In November, the Treasury released a framework to review its carbon-intensive holdings, which Divest Oregon publicly welcomed. This decarbonization plan, along with the Treasurer's public support for ESG investing, aligns with the increasingly normative financial view that addressing climate change, among a suite of other environmental, social, and governance factors, is part and parcel of fiduciary duty and responsibility.

Unfortunately, the Treasury's decarbonization timeline is too long: the details will not be unveiled to the OIC until 2024 and the plan will not be completed until 2050. The decarbonization plan also risks being short on action: there is no moratorium on new oil, gas, and coal investments nor a clear way for removing the worst emitters. These issues must be addressed.

I'd urge Treasury and the OIC to consider the following three areas as you develop this decarbonization plan further:

First, recognize the limits of shareholder engagement, and that exiting and engaging are simply tools in the toolbox. Despite decades of advocacy and the declining cost of clean energy, most fossil fuel companies are not changing their core model of business. Despite net-zero pledges, these companies are increasingly taking riskier, higher-debt bets on bottom-barrel projects, sometimes in extremely volatile markets. Having a clear way to remove the riskiest offenders and worst emitters is essential for protecting plan holders in Oregon.

Second, recognize that these companies are already defined or can be screened through ESG metrics. Exiting from the Carbon Underground 200 would be a real and compelling step toward decarbonization. The Economist has argued that the "E" in "ESG" should stand for "emissions" and become a primary focus. While this might be an overly simple perspective, the point still stands: companies with high emissions are not compatible with portfolios that effectively integrate ESG policies.

Third, recognize that governments bodies have a fundamental obligation to protect against human rights abuses, including from ever-widening environmental damages. In 2021, the UN human rights council formally recognized the right to a clean and safe environment. The same year, the intergovernmental International Energy Agency announced that there could be no new investments in fossil fuels from the beginning of 2022 if governments were to be serious about the climate crisis. Companies, governments, and financial institutions that knowingly invest in the sector now face serious and compounding litigation risks. A moratorium on these investments will reduce this exposure, respond to the immediacy of this crisis, and align with the human rights agenda to phase out fossil fuels.

On a personal note, I've worked with communities from Uganda to Myanmar and Peru navigating environmental collapse and human rights abuses in the shadow of major oil and gas projects. As an Oregonian, I know we can do better by frontline communities – and, in doing so, protect the long-term financial interests of our state's plan holders.

Thank you, again, for the opportunity to present this testimony and for the continued dialogue on how we can achieve a climate-safe future for all Oregonians.

From: Susan Evans
To: OIC Public Comments
Subject: Commnets to OIC
Date: Wednesday, January 18, 2023 10:25:27 AM

This email is from a party external to Treasury. Use care with links and attachments.

Comments for the Oregon Investment Council, January 25, 2023

Susan Evans [redacted] susanwenatchee@gmail.com

My name is Susan Evans. Thank you for listening and thank you also for your service to the people of Oregon. I moved to Oregon 2 years ago to be near my extended family. My home prior to this move was Wenatchee, WA. which is a small agricultural community in the center of Washington State. It is sometimes called the Apple Capital of the World and orchardists there grow wonderful fruit. I want to tell you a true story of a friend there. Phillip is a scientist and loved to study the health of soils. He opened the first organic agriculture supply business in the region in the late 1980s. This was the time of the Alar pesticide scare, congressional testimony by Meryl Streep and others opposing the use of this and other toxic sprays. In rural America the reactions were vitriolic, and the food and chemical industries tried to outlaw criticizing agriculture. Phillip was ridiculed, ignored, sidelined and verbally attacked. He persevered and eventually found one orchardist who switched to organic production of fruit. More followed. Very soon organic growers were making an excellent profit while traditional pesticide intensive growers were struggling. This change happened rapidly and organics are today hugely profitable.

You have the power to instigate rapid change in how the Oregon Treasury invests. Indeed you have already begun by using the Carbon Underground 200 list in managing the Public University Fund. You could recommend and support an immediate moratorium on all new carbon intensive investments as HB 2601: Treasury Investment and Climate Protection Act does.

It is hard to lead the way. It requires tremendous courage. Your ability to limit climate chaos is quite substantial and with it your burden. None of us can escape this time in history. We need an immediate moratorium on carbon intensive investments. We need a specific and immediate PLAN for exiting carbon intensive investments. If you lead the way I suspect you may experience a backlash as did Phillip. You may also look back someday and be proud you lead Oregon investments in the right direction- toward life.

From:	Barbara Krupnik-Goldman
To:	OIC Public Comments
Subject:	Divest PERS, HB 2601
Date:	Thursday, January 12, 2023 9:51:47 AM

I am an Oregon PERS retiree since 2018, following a career as a speech language pathologist in Portland Public Schools.

I am writing to urge support of HB 2601, the Treasury Investment and Climate Protection Act. I am appalled that my retirement is funding climate devastation through investment in fossil fuels!

It is well established that climate change is contributed to by oil and gas development and combustion. Further expansion of fossil fuels will be catastrophic for climate change. The permafrost is melting and the sea levels are rising. There are increasing fires, famines, floods and droughts. Heatwaves are killing people. Species are going extinct at an alarming rate. People's homes are being destroyed and made unlivable around the world.

It is hard to make changes, to do things differently. But we are **running out of time** to make deliberate changes. Soon the devastating effects of the climate disturbance will force changes upon us all. At this point in time it is immoral to invest in fossil fuels of any kind when exactly the opposite needs to be happening - decreasing output and use of fossil fuels. Although it is too late to escape significant negative impacts of the heating climate, we can still avoid the worst, if rational thinking and urgent action can replace greed.

HB-2601 offers a clear outline for removing public investments, including my pension fund, from fossil fuels. Please do everything you can to make this happen!

Thank-you,

Barbara Krupnik-Goldman

From:	Kristin Edmark
To:	OIC Public Comments
Subject:	Public Comment to the OIC Board Meeting January 25th 2023
Date:	Thursday, January 5, 2023 3:09:45 PM
Attachments:	2023 January OIC comment.docx

This email is from a party external to Treasury. Use care with links and attachments.

Please accept my Public Comment to the 1/25/2023 OIC meeting. Kristin Edmark

Comment to the January 2023 OIC meeting. Kristin Edmark, concerned citizen
First, thank you for your service to the State of Oregon.
Oregon still holds billions of dollars of fossil fuel investments which have been losing money or lagging the market and are only expected to get much worse as a transition to clean energy accelerates.
Fiduciary Responsibility Necessitates Divestment from Fossil Fuels.

Oregon Legislation Helps Accelerate a Clean Energy Transition but will Harm Fossil Fuel Investments
Legislation which helps our climate hastens losses in fossil fuel investments. Legislation reflects the climate concerns or people in Oregon. Some Oregon Climate legislation/regulations include:
2021 100% Clean Energy for All The bill requires electricity producers including PGE and Pacific Power to submit plans to reduce emissions by 80% from a baseline amount by 2030, 90% by 2035, and completely eliminate emissions by 2040.
2021 House Bill 2165 The bill would expand access to electric vehicles and charging infrastructure.
Oregon Clean Fuel Standard The Clean Fuels Standard requires out-of-state oil companies to gradually reduce the carbon pollution from their gasoline and diesel by 10% over ten years (beginning in 2016)
Alternative Vehicle Acquisition and Fuel Use Requirements
Clean Transportation Fuel Standards Oregon DEQ
Electric Vehicle Adoption Support
Medium- and Heavy-Duty Zero Emission Vehicle (ZEV) Requirement
2021-2022 Study by Joint Task Force on Resilient Efficient Buildings
City of Ashland, City of Corvallis, City of Eugene, City of Portland, Bend, Beaverton, Multnomah County and Jackson County have developed **Climate Action Plans** in response to citizens, many OPERS members. Portland, like many others, has a **moratorium on new fossil fuel infrastructure**.

Oregon invests in fossil fuels and is making new investments which promote fossil fuels
Approximately 2.1.% of OPERF is invested in fossil fuel production, support and fossil fuel utilities and an additional 2.7% is invested in companies with obvious fossil fuel interests and actions (together over $4.35 billion in OPERF) as of 6/30/2021 according to an analysis by Third Rail and Stand Earth.
https://climatesafepensions.org/wp-content/uploads/2021/12/CSPN-The-
In 2022, Oregon made new investments in Private Equity highly invested in fossil fuels including the long-term, illiquid, private equity investments in:
6/27/2022 $250 million   Stonepeak Core Fund
6/27/0222 $200 million with a sidecar $50 million Blackstone Energy Partners IV
Oregon has no control over projects added to the funds over long periods. Companies highly invested in fossil fuels are taking risks inappropriate for Oregon.

IEEFA Study Explains that Fossil Fuel Energy Investments Have Lost Their Financial Rationale
The Institute of Energy Economics and Financial Analysis released a report October 2022 entitled Two Economies Collide Competition, Conflict, The Financial Case for Fossil Fuel Divestment. (ieefa.org/resources/two-economies-collide-competition-conflict-and-financial-case-fossil-fuel-divestment) written by Tom Sanzillo, who has 17 years of experience with the City and the State of New York in senior financial and policy management positions, Dan Cohn, Connor Chung.

The following are quotes from the report. According to the report

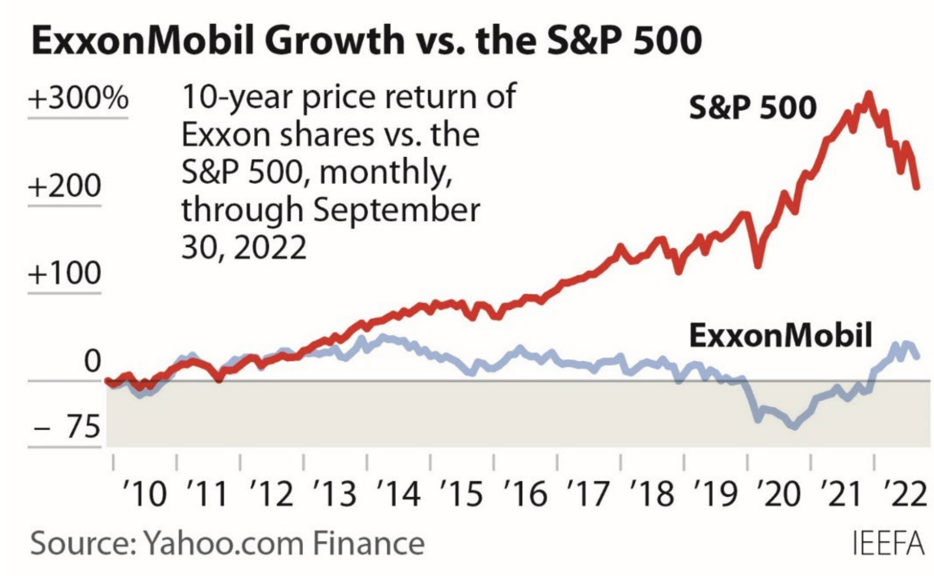
"The coal, oil and gas sectors have lost their financial rationale. Competitive forces inside and outside the industry have undermined this once mighty economic force. Politics now drives oil and gas prices, with the war in Ukraine serving as a vivid reminder of this stark reality. Market forces now favor fossil fuel competitors; cost efficiencies, innovation and public opinion are converging to move trillions of dollars to sustainable alternatives…Investors should move away from fossil fuels because the coal, oil and gas sectors are confronted with competitive pressures that they are ill-prepared to navigate…Competitors are mapping a sustainable way forward. From 2010 through the COVID-19 pandemic that began in early 2020, the energy sector faltered—lagging the Standard & Poor's 500-stock index in eight of those years and placing last of all sectors in five… Worldwide competition across the oil and gas industry's traditional markets in power, transportation and petrochemicals have taken market share….

Faced with this new robust competition, the strategies and tactics of the fossil fuel sector are now largely political, since the industry has lost its financial rationale…Weak economic performance and an unstable future for fossil fuels have made it clear that divestment can be achieved without financial harm to any individual investment fund. Divestment is a defensive tool employed to protect investors from the loss of value—losses as certain as climate change's global reach…

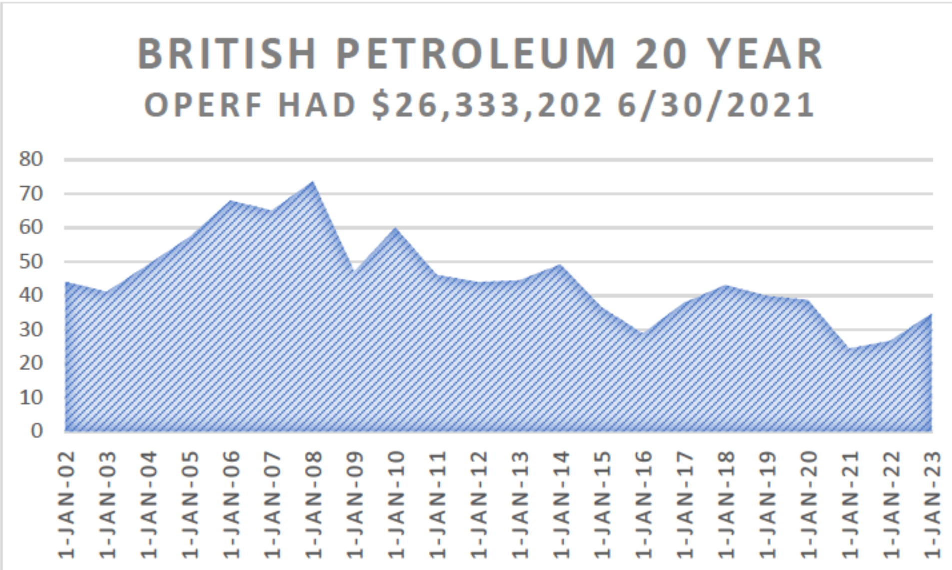
As the driver of the global economy, fossil fuel companies also led the stock market. In the 1980s, for example, seven of the top 10 companies in the Standard and Poor's 500-stock index were oil companies. By 2020, there were no fossil fuel companies in the S&P 500's top 10. In September 2022, ExxonMobil regained entry into the top 10."

Oregon Fossil Fuel Investments Continue to Lose Value or Lag the Market

Some might say that ExxonMobil and Chevron have done great since the beginning of the war in Ukraine and the international price manipulations of the last 2 years. But, if one looks at their stock relative to the broader market or the S&P 500, it becomes clear that even with the recent spike in profit the investments were less profitable. 6/30/2021 OPERS had $43,573,795 invested in ExxonMobil and $40,926,429 invested in Chevron. The following 12-year chart is from the IEEFA report. The 20-year graph similarly show lower profits than the S&P 500. in Exxon Mobil 6/30/21. 2000 to 2022 Exxon Mobil has seen a 269% return which is less than the S&P 500 which had a return 2000 to 2022 of about 302.51%. [S&P 500 Returns since 2000 (officialdata.org)]



Other fossil fuel companies and fossil fuel promoting companies have not fared as well and show losses during this transition to clean energy.
For example, British Petroleum shows a loss over the last 5,10,15 and 20 years. (Values obtained from Yahoo Finance)



The transition to clean energy is here and will be accelerating. There is no financial justification for retaining fossil fuel promoting investments. **Fiduciary Responsibility Necessitates Divestment from Fossil Fuels.**

From: Anita Owen
To: OIC Public Comments
Subject: Get rid of all NSO investments
Date: Tuesday, January 17, 2023 2:02:10 PM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

Please get rid of all NSO investments now and be more careful on future investments.

The Public Broadcasting Company's Frontline program recently aired a two-part documentary on the Israeli spyware company, NSO Group, detailing how its Pegasus spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

Anita [redacted]

From: Carolynn Kohout
To: OIC Public Comments
Subject: HB 2601, Treasury Investment and Climate Bill
Date: Friday, January 13, 2023 5:13:38 PM

Dear Readers;

I invest in Oregon Saves (and other institutions) and have an interest in the investment wellbeing of the State of Oregon.

I recognize change is hard...

Note: Currently 60% of PERS investments are privately invested (using aggregated data) and can be transparently reported while respecting public records statute.

I consider it bad investing to retain products which contribute to the degradation of the earth and the peoples' future economic growth. To correct this, the below is necessary:

1. A moratorium on new public and private carbon-intensive investment
by ending investments in fossil fuels as soon as is allowed by fiduciary duty and statute by:
2. Investing in products providing equal or better returns than current ones are - how:
Within the next two years: exiting from carbon-intensive private investments, using the Carbon Underground 200 list of companies, across all publicly traded OST funds.
Within the next two years: exiting from existing public investments in the largest identified coal, oil, and natural gas producers and developers using GOGEL and GCEL lists of companies;
There are already plenty of companies generating green products. Invest in their successful ventures.
3. Establish a portfolio-wide Climate Resilience Plan with an environmental justice framework; and
4. Yearly the public and legislature are transparently are reported to.
By 2035:

Anything less will degrade the portfolio and make it subject to horrifying/catastrophic losses to the State of Oregon in the near future.

In 2021: The International Energy Agency: All exploitation and development of new oil and gas fields must stop immediately.

See through oil ... industry double-talk:
The Chair of the House Oversight Committee: "Even though Big Oil CEOs admitted to my Committee that their products are causing a climate emergency, today's documents reveal that the industry has no real plans to clean up its act and is barreling ahead with plans to pump more dirty fuels for decades to come."

Do not be considered stool-pigeons of Big Oil!

Sincerely,

Carolynn F. Kohout
SEIU Local 503/99 member
One of Many Hats

From:	annie
To:	OIC Public Comments
Subject:	HB 2601: Treasury Investment and Climate Protection Act.
Date:	Monday, January 16, 2023 7:17:32 PM

This email is from a party external to Treasury. Use care with links and attachments.

Hello:

ever since i learned about private equity, i have been horrified about how it undermines our public investments in the Oregon Treasury. I believe politicians should be transparent, accountable and SERVE THE PUBLIC INTEREST. But private equity statutes are making all that impossible, at least the way they are being interpreted by the current treasurer.

which brings me to HB 2601, which would reveal the dangerous private equity that dominates our public investments (among other things). I strongly support this bill.

times are changing; the energy markets are changing. we can't be held back by old ideas or practices. we have to adapt and change our investment strategies. fossil fuels are dying and we need to divest from them before they take all our investment profits to the grave with them.

annie capestany

[redacted]

From:	Thor Hinckley
To:	OIC Public Comments
Subject:	My 12.07.2022 Testimony To the OIC
Date:	Thursday, December 8, 2022 7:44:14 AM

This email is from a party external to Treasury. Use care with links and attachments.

Hi,

Here's the text of the testimony I delivered yesterday morning at the OIC meeting:

Thor Hinckley - Testimony to OIC

12/07/22

Good morning, Council Members and Treasurer Tobias Reed:

As a Fellow Oregonian and PERs beneficiary I am happy to speak with you this morning. I am an energy professional with over 20 years' experience with renewable energy, smart grid technologies and electric vehicles.

From my perspective, we are at the confluence of two enormous societal and economic forces. First is the overwhelming scientific evidence that we need to immediately move towards eliminating the use of fossil fuels in our society, to ensure we have livable planet.

There is no longer any scientific doubt that we need to immediately decarbonize our energy systems, this will be challenging but doable

Second are the unprecedented economic opportunities that come with the decarbonization of our energy systems. Already we see renewables including wind and solar as the lowest cost form of energy. Similarly, the price of Li-Ion batteries used in EV's has dropped more than 80% in the last ten years.

The economic activity from growth and expansion of these innovative technologies as well as others such as precision fermented proteins and increased electrification positions the smart investor for enormous economic returns. Thank you.

Thor Hinckley
Nationally recognized leader - e-mobility, renewables and climate-tech

From:	Mike Beilstein
To:	OIC Public Comments
Subject:	Investment in Novalpina Capital Fund and NSO Group
Date:	Tuesday, January 17, 2023 12:05:51 AM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

The NSO Group,'s Pegasus spyware is used to spy on journalists, human rights activists, political dissidents, and government officials. The Oregon State Treasury committed $233 million to the Novalpina Capital Fund, which had a controlling 90 percent stake in the NSO Group. This is a clear failure of due diligence. NSO Group's involvement in human rights violations are well known. If the Treasury was using ESG standards and a human rights screen for its investments, this investment should never have happened. Now Oregon pensioners are faced with the prospect of financial loss in a bankrupt company that has been blacklisted by the U.S. Commerce Department.

The Oregon Treasury has a responsibility to ensure the best possible return on its investments but only within the framework of the law and social responsibility, which includes human rights. Pegasus spyware is a total invasion of an individual's right to privacy, and its use in connection with incidents like the murder of Saudi-American journalist Jamal Khashoggi is a travesty.

We need a process for screening companies for human rights violations and a well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners have a right to know how their pension fund is being invested. Investments like this should never happen.

Mike Beilstein
[redacted]

From: Alan Journet
To: OIC Public Comments
Subject: Testimony on behalf on SOCAN of HB2601
Date: Tuesday, January 17, 2023 2:06:23 PM
Attachments: HB2601 Written testimony.pdf

This email is from a party external to Treasury. Use care with links and attachments.

Please find attached. I hope to offer oral testimony as a summary of this.

Alan

Alan Journet Ph.D.
Co-facilitator
Southern Oregon Climate Action Now (SOCAN)
https://socan.eco
http://socanmcp.eco/ SOCAN's Master Climate Protector - A Primer for Action

[redacted]

[redacted]

Southern Oregon Climate Action Now
SOCAN
Confronting Climate Change
https://socan.eco

Alan R.P. Journet Ph.D.
Cofacilitator
Southern Oregon Climate Action Now
alan@ssocan.eco
[redacted]
January 17th 2022

Oregon Investment Council

Chair Samples and members of the Oregon Investment Council:

I write as cofacilitator of Southern Oregon Climate Action Now, an organization of over 2000 Southern Oregonians and friends who are concerned about the climate crisis and wish to encourage statewide action to address it. For over ten years, we have been engaged with the statewide climate coalition and sympathetic legislators who share our concern and interest in establishing state programs that will reduce greenhouse gas emissions and promote carbon sequestration in natural and working lands. I write today in connection with HB2601, The Treasury Investment and Climate Protection Act.

Climate concerned Oregonians throughout the state have been encouraged by agency responses to Governor Brown's Executive Order 20-04 and the passage of bills in previous legislative sessions that move the state forward in doing our part to address this existential global crisis. We are, however, aware of one glaring loophole in the state' effort. That loophole, it will not surprise you to read, is in the investment of Oregon Treasury funds. Over several election cycles, none more so than 2022, Oregonians have demonstrated endorsement of efforts by the legislature and state agencies to address the climate crisis. It is only reasonable, therefore, to conclude that a majority of Oregonians would prefer that their tax and retirement investments do not undermine the state's overall effort to address the climate crisis. Those of us in rural Oregon consider ourselves to be on the frontline of the climate crisis with increasing drought and associated wildfire risk. We think that state funds should not be invested in activities that increase our risk. Rather, we feel strongly that these funds should be invested in activities that counter the root cause of these threats.

As a result of these concerns, we urge closing this glaring loophole in Treasury investments. The steps we urge are:

1) An immediate moratorium on new public and private investments in carbon-intensive entities as indicated below;
2) Withdrawal within six months of all publicly traded state funds from carbon-intensive investments using as a criterion the Carbon Underground 200 list;

3) Withdrawal within two years of investments in major fossil fuel (coal, oil and natural gas) producers and developers using the Global Oil & Gas Exit List (GOGEL) and Global Coal Exit List (GCEL);
4) Withdrawal by 2035 from all private investments that are carbon intensive;
5) Develop a plan for investments of state funds that reflects climate resilient principles and promotes social justice;
6) Develop a plan that allows public scrutiny of the investment behavior of the Treasury with respect to public funds.

On behalf of SOCAN, I further urge you to consider favorably the principles embodied in HB2601 and support the bill.

Respectfully Submitted

Alan Journet

From:	deborah lev
To:	OIC Public Comments
Subject:	Public Comment Dec 7, 2022 meeting
Date:	Wednesday, November 30, 2022 3:51:02 PM

To: Members of the Oregon Investment Council

As a PERS retiree I was thrilled to see Treasurer Reads's November 16 announcement of the intent to decarbonize our State pension fund. While I would like to see a faster move away from the riskiest, most damaging industries, I do understand that divestment takes time and requires careful planning and additional staffing.

For several years now, I have been whittling down my personal investments in fossil fuels. I have a simple portfolio yet still found complications and I needed the help of a trusted financial planner to assist in identifying these holdings amid my market index funds. One thing was not complicated, however. Even before starting my analysis and planning, it was very easy to just say no to any new such investments. Wouldn't a moratorium on new OPERF investments in the riskiest, most polluting sectors, at least while the plan is underway, be the best first step if, indeed, we are serious about decarbonization. We know that less risky investment opportunities can match the expected returns; let's stop digging a deeper hole while we figure out how to climb out.

Deborah Lev

PERS Retiree

From: Gene Robbins
To: OIC Public Comments
Date: Monday, January 16, 2023 5:33:13 PM

This email is from a party external to Treasury. Use care with links and attachments.

I am writing in support of SB541. It makes sense for OIC to use a human rights screen for OR investments.

Eugene Robbins

[redacted]

From: John Munson
To: GORDON Alli
Subject: No to Novalpina Capital Fund
Date: Monday, January 16, 2023 5:51:31 PM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

PBC's Frontline program recently aired a two-part documentary on the Israeli spyware company, **NSO Group**, detailing how its **Pegasus** spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

In 2019 the Oregon State Treasury committed $233 million to the **Novalpina Capital Fund**, which had a controlling 90 percent stake in the **NSO Group**, is a clear failure of due diligence. Reports of NSO Group's involvement in human rights violations were published as early as 2016. If the Treasury was using ESG standards and a human rights screen for its investments, this investment should never have happened. Now Oregon pensioners are faced with the prospect of financial loss in a bankrupt company that has been blacklisted by the U.S. Commerce Department.

As U.S. Senator Ron Wyden of Oregon told Frontline, the NSO Group was selling spyware "to tyrants." The Biden administration accused the NSO Group of engaging in "transnational repression" and threatening U.S. national security.

The Oregon Treasury has a fiscal responsibility to ensure the best possible return on its investments but only within the framework of the law and social responsibility, *which includes human rights*. Pegasus spyware is a total invasion of an individual's right to privacy, and its use in connection with incidents like the murder of Saudi-American journalist Jamal Kashoggi is a travesty.

Just as serious as the **Novalpina** investment was the Treasury's 2014 investment in Francisco Partners, another private equity firm that at the time had a 70 percent stake in NSO. Clearly, this raises the question of whether Treasury was familiar with the spyware industry and its human rights implications. The founders of NSO came out of the Israeli spy Unit 8200, which used its surveillance techniques to blackmail Palestinians and help perpetuate an illegal occupation.

Everyone involved in Oregon's pension fund investments should watch the Frontline program and educate themselves about the spyware industry. But just as important is the need for a process in which screening companies for human rights violations becomes a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners have a right to know how their pension fund is being invested.

John B. Munson
[redacted]

“Oppression in the extreme appears terrible, but oppression in more refined appearances remains oppression, and where the smallest degree of it is cherished it grows stronger and more extensive.” Without social justice, there is no peace.

John Woolman
1720 - 1772

They who lead many to justice will shine like the stars forever. Daniel 12:3

From:	Stephanie Hampton
To:	GORDON Alli; OIC Public Comments
Subject:	Oregon"s pension fund public comment
Date:	Tuesday, January 17, 2023 9:15:22 AM

This email is from a party external to Treasury. Use care with links and attachments.

My husband retired from working at OSU and is a beneficiary of the pension fund. We are vitally interested in how our pension fund is managed. We object to the following "investment".

"The Public Broadcasting Company's Frontline program recently aired a two-part documentary on the Israeli spyware company, NSO Group, detailing how its Pegasus spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

In 2019 the Oregon State Treasury committed $233 million to the Novalpina Capital Fund, which had a controlling 90 percent stake in the NSO Group, is a clear failure of due diligence. Reports of NSO Group's involvement in human rights violations were published as early as 2016."

Oregonians want due diligence when it comes to investment decisions! No to Pegasus!

Respectfully,

Stephanie W. Hampton
Allan V. Hampton

From: andyseles
To: OIC Public Comments
Subject: Please Support SB 541
Date: Monday, January 16, 2023 11:34:38 PM

Dear members of the Oregon Investment Council,

I am asking the OIC to establish a human rights screen for Oregon investments. And I am writing in support of SB 541.

SB 541 directs Oregon Investment Council (OIC) to develop, publish and implement policy to incorporate hu[1]man rights analyses into investment decisions and to consider results of human rights analyses when making investment decisions.

The OIC is investing in the future of Oregon's citizens, especially pensioners. That future is not only secured by a healthy pension fund but also by a future that reflects our values -- a future where human rights are protected and guaranteed. Investments should be consistent with our values. As fiduciaries you have a positive fiduciary responsibility to not only act in a way that tries to secure solid financial returns over time but also in a way that is consistent with Oregon's values and the kind of future we envision for ourselves.

We have seen what happens when the OIC ignores human rights issues and the implications of its investment decisions on human rights. The OIC made a large investment in Novalpina, the fund that owned the Israeli spyware company NSO group – and lost a great deal of money by investing in this company that sells spyware to authoritarian governments. The OIC not only lost money with this investment but it implicated Oregonians in the crimes of the NSO Group.

Incorporating our values into our investment decisions is the wise way to invest. Incorporating a human rights analysis into investment decisions is the right thing to do.

The Public Broadcasting Company's Frontline program recently aired a two-part documentary on the Israeli spyware company, NSO Group, detailing how its Pegasus spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

In 2019 the Oregon State Treasury committed $233 million to the Novalpina Capital Fund, which had a controlling 90 percent stake in the NSO Group, is a clear failure of due diligence. Reports of NSO Group's involvement in human rights violations were published as early as 2016. If the Treasury was using ESG standards and a human rights screen for its investments, this investment should never have happened. Now Oregon pensioners are faced with the prospect of financial loss in a bankrupt company that has been blacklisted by the U.S. Commerce Department.

As U.S. Senator Ron Wyden of Oregon told Frontline, the NSO Group was selling spyware “to tyrants.” The Biden administration accused the NSO Group of engaging in “transnational repression” and threatening U.S. national security.

The Oregon Treasury has a fiscal responsibility to ensure the best possible return on its investments but only within the framework of the law and social responsibility, which includes human rights. Pegasus spyware is a total invasion of an individual’s right to privacy, and its use in connection with incidents like the murder of Saudi-American journalist Jamal Kashoggi is a travesty.

Just as serious as the Novalpina investment was the Treasury’s 2014 investment in Francisco Partners, another private equity firm that at the time had a 70 percent stake in NSO. Clearly, this raises the question of whether Treasury was familiar with the spyware industry and its human rights implications. The founders of NSO came out of the Israeli spy Unit 8200, which used its surveillance techniques to blackmail Palestinians and help perpetuate an illegal occupation.

Everyone involved in Oregon’s pension fund investments should watch the Frontline program and educate themselves about the spyware industry. But just as important is the need for a process in which screening companies for human rights violations becomes a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon’s public employee pensioners have a right to know how their pension fund is being invested. Oregon needs a human rights screening process and monitor to ensure that failed investments like this never happen again.

https://www.youtube.com/watch?v=6ZVj1_SE4Mo

https://www.youtube.com/watch?v=xYMWTXIkANM

The Public Broadcasting System’s two-part Frontline documentary on the NSO Group and its Pegasus spyware, along with even more detailed reports in The New York Times, Washington Post, and The Guardian. The Biden administration has blacklisted the NSO Group due to its role in “transnational repression” and the threat its spyware poses to U.S. national security. U.S. technology companies are prohibited from working with it. Several U.S. technology companies, including Apple, Microsoft, and Facebook are suing NSO Group for its hacking malware. Oregon’s Public Employee Retirement Fund stands to lose its $233 million investment in NSO due to the possible bankruptcy of the company in light of its blacklisting and the lawsuits it faces. US. Senator Ron Wyden has urged the Oregon State Treasury to divest from NSO. Israel’s spyware industry is founded on the mass surveillance of Palestinians living under an illegal occupation for the purpose of blackmailing Palestinians and curbing resistance to the occupation. Numerous international, Palestinian, and Israeli human rights organizations, including Amnesty International, Human Rights Watch, B’Tselem, and Al-Haq, have determined that Israel is an apartheid state and violates the United Nations Convention on Apartheid.

From:	Rick Pope
To:	OIC Public Comments
Subject:	Santa is disappointed
Date:	Wednesday, December 7, 2022 12:33:19 PM
Attachments:	Pages from Risky Business - Oregon Treasury"s Fossil Fuel Problem 4-20-2022.pdf

Dear OIC members, Meketa, Aon and Treasury staff:

I know it's hard to believe, but every year around this time I check in with Santa Claus, who is the great-uncle of my old college roommate. For some reason, over the past decade or so he has been obsessing over the North Pole melting.

This year he has an additional concern. Of course, he knows when you're asleep and when you're awake. That is why he was chagrined to learn at your last meeting that you prepared your exhaustive OPERF investment reallocation analyses without giving *any consideration at all* to the impact of climate risk on the PERS retirement portfolio.

Like Santa, I was hopeful when I heard Chair Samples introduce this project as an enormous work designed to select long term investment policy for OPERF. My hopes raised higher when Chair Samples said that was probably the most important decision you make as a council. My hopes raised even higher when she said there was a great deal of concern and heartburn in it.

Then I watched Meketa go through 51 asset/liability analysis slides based on 10,000 simulations –without a single consideration of climate risk. After that I watched Aon go through 73 liquidity analysis slides – without a single consideration of climate risk. **One hundred twenty-four slides – 10,000 simulations – and zero consideration of anything raised by Treasury's 2021 climate risk assessment. Zero consideration of the documented (in April 2022, attached) and unrefuted financial drag on OPERF caused by its public fossil fuel investments**. No one on the OIC raised the slightest question about this glaring omission. There was just . . . emptiness.

Meketa knows better. Meketa and 11 other consulting firms last year founded a Net Zero Investment Consultants Initiative. They put out a press release with a solemn pledge to integrate advice on net zero alignment into their consulting services as soon as practically possible. They pledged to work with their institutional clients to identify investment risks from climate change. They even pledged to help their clients prioritize emissions reductions in the economy. This was necessary, Meketa said, "given the urgency with which climate change must be tackled."

Two weeks after Meketa's climate-ignoring presentation, the Treasurer put out his own press release. It expressed his great climate concern and his firm intent to act vaguely at some point.

So although Santa still loves you, he asked me to relay a message to you all: If you do stockings, don't expect any oranges, candy canes or Fitbits in them this year. Santa already knows what he is bringing you.

Rick Pope

2022

Divest Oregon

Risky Business

Oregon Treasury's Fossil Fuel Problem

This report was published by Divest Oregon in partnership with:

350 STAND.earth

PRIVATE EQUITY STAKEHOLDER PROJECT

ENVIRONMENT OREGON

ECUMENICAL MINISTRIES of OREGON

OREGON PSR PHYSICIANS FOR SOCIAL RESPONSIBILITY

Looking Back: Underperformance of Fossil Fuel Investments

Over the past decade, fossil fuel public equities have underperformed compared with whole-market indices.[64, 65] Consequently, market indices[66, 67] and ETFs[68] that exclude fossil fuels have outperformed the market as a whole (see Figure 4).[69] The energy sector's role in major indices is diminishing, to the extent that even ExxonMobil, a member of the Dow Jones since 1928, was removed from the Dow Jones in August 2020.[70]

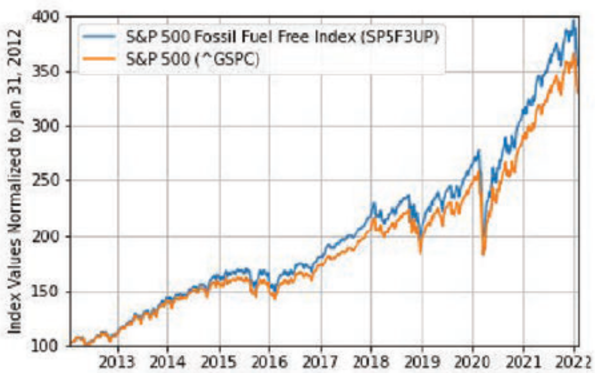


Figure 4: Fossil Fuel Free Index vs Total Market Index Values[71, 72]

Looking back at OST's investments over the same past decade, we estimate that OST's fossil fuel holdings underperformed in comparison to fossil fuel free indices by at least $4 billion. This $4 billion estimate is a low estimate of the underperformance because the analysis includes only some of the known fossil fuel holdings. (As pointed out earlier in this report, not all of OST's fossil fuel holdings are known.) This estimate assumes that the OST's 200 largest individual public equity fossil fuel holdings were held continuously between January 2012 and January 2022. The estimated January 2022 value of these holdings is compared against their value if they had been invested instead

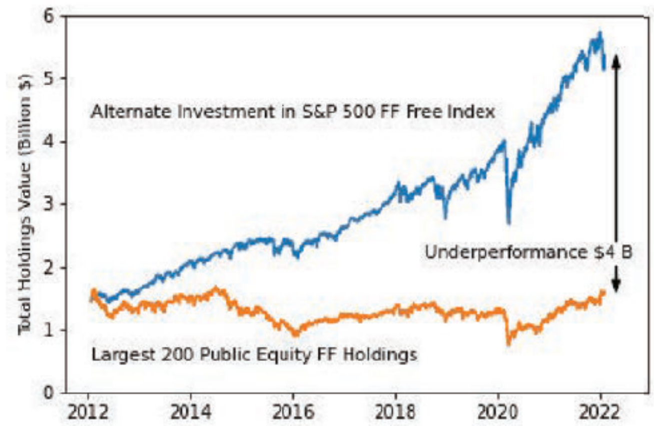


Figure 5: Estimate of underperformance of 200 largest public equity OST holdings (with available data) over the past decade as compared with S&P 500 Fossil Fuel Free Index (see Appendix B).

in the S&P 500 Fossil Fuel Free Index over the past decade (Figure 5). Details of this analysis can be found in Appendix B.

If we broaden the scope of the analysis to all OST holdings included in fossil fuel production, support, and utilities, then the potential underperformance rises from $4 billion to $10 billion. This alternate estimation method models historical behavior with an energy sector index instead of individual fund prices, so it could lead to a larger range of plausible underperformance estimates. See Appendix B for more details.

Russia's 2022 invasion of Ukraine has increased oil and gas prices, and has produced a short-term increase in the value in fossil fuel companies' stocks. This is a dubious basis for long-term investment decisions of a pension fund. There is strong and real financial incentive to divest from fossil fuels and reinvest in sustainable, less volatile alternatives that are not despoiling our state.

The market has shown what is otherwise self-evident: a polluting, climate-disrupting, volatile industry subject to uncontrollable political forces has no place in a contemporary investment portfolio.

"As other states and asset managers have realized, no notion of fiduciary duty requires asset managers to continue to invest in underperforming assets, particularly ones whose very existence is incompatible with a habitable planet. It is beyond time for the Oregon Investment Council to catch up and to take action to make Oregon divest from these toxic assets."

NATHAN KARMAN, PERS MEMBER

Types of Fossil Fuel Holdings[160]

- **Production (Group 1):** Oil and gas producers and explorers, coal companies, and some diversified companies with large hydrocarbon reserves, especially those appearing on the Global Climate Exit List,[1œ1] representing 90% of the world's thermal coal production and the world's coal-fired capacity, or Carbon Underground 200 which is the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.[1œ2] Vertically integrated oil/gas companies, meaning companies with oil/gas reserves as well as midstream or refining operations, are typically flagged as production.

- **Support (Group 2):** Oilfield services/equipment companies, refiners, pipeline and other midstream companies.

- **Utility (Group 3):** Fossil fuel power producers, electric and gas utilities. Utilities with an obvious focus on renewable energy production are not flagged.

- **More Fossil Fuels (Group 4):** Holdings in companies with obvious fossil fuel interests and actions not fitting easily into the first three groups. Holdings in fossil fuel energy private equity funds are assigned here.

- **Broad Market Funds (Group 5):** Holdings in broad market funds, including index funds, that would be forced to hold oil/coal/gas investments, generally to the same degree these companies appear in the underlying index. These funds such as banks and insurance companies were not included in the analysis of fossil fuel holdings.

Appendix B: Oregon State Treasury Fossil Fuel Investment Performance Analysis

Summary

Investing in fossil fuel companies carries significant financial risk, but quantifying that risk is difficult and uncertain. Predicting when fossil fuel investments will become stranded assets depends on forecasting years into the future. However, fossil fuel investments have already begun to underperform compared with whole-market indices,[163, 164] and if these trends continue, or accelerate, fossil fuel investments may prove not to be in the best financial interests of institutional investors. As of June 30, 2021, the Oregon State Treasury (OST) had over $5 billion dollars invested in fossil-fuel-related stocks and funds, and these funds support the retirement of over 380,000 members of the Public Employees Retirement System (PERS).

The performance of the OST's fossil fuel investments was evaluated between January 2012 and January 2022. The OST does not regularly disclose all of its investments, so this analysis approximates the historical performance of its fossil fuel investments by assuming that the inventory from June 30, 2021 was held continuously over this analysis period. The resulting historical value of fossil fuel holdings was compared against their value if they had instead been invested in a fossil fuel free index beginning in 2012. Two methods were used in an effort to reflect the uncertainty in estimating the underperformance by fossil fuel investments, but these estimates should not be considered upper or lower bounds. A lower estimation method considered a limited set of 200 specific fossil fuel holdings, while an upper estimation method included a broader set of three categories of fossil fuel related investments. These two methods yielded estimates of $4 billion and $10 billion over the past decade. The wide range reflects the exclusivity and inclusivity of the two methods. The large magnitude of both estimates suggests that the underperformance of fossil fuel investments should not be neglected when considering calls for divesting the Oregon Treasury from fossil fuels. These lost opportunities would have gone a long way to reduce the unfunded actuarial liability in PERS, reported by OST to be at nearly $20 billion as of December 2021.[165]

Methods

The OST is not required to regularly publish an inventory of its holdings, so it is not possible for the public (even PERS members) to directly evaluate the historical value of its fossil fuel holdings. However, the OST responded to a recent public records request by providing a list of its holdings and their market values as of June 30, 2021. As permitted under Oregon Statute, contents of private equity holding investments are shielded from disclosure and thus were unable to be analyzed for this report. The advocacy group that made the public records request, Divest Oregon, subsequently commissioned Third Rail Economy to analyze all the OST's reported holdings for exposure to fossil fuel companies and assets. Third Rail Economy categorized the holdings into discrete types of Fossil Fuel holdings (identified as Groups 1-5) indicating their relationship to fossil fuels as described in Appendix A. This comparison of investment performance considers the combined holdings in PERS and the Oregon Short Term Fund (ORSTF) together.

In order to evaluate the performance of the OST's investments in fossil fuels, portions of the June 2021 inventory were assumed to have been held continuously over the period beginning on January 31, 2012 through January 31, 2022. Their value was estimated using daily historical price data downloaded through the Yahoo! Finance Application Program Interface (API). The value of each holding was fixed on June 30, 2021 based on data from OST, and the value before and after changed proportionally with the price. Daily values were estimated using the adjusted closing price,[166] which accounts for stock splits and reinvestment of dividends, adhering to Center for Research in Security Prices (CRSP) standards.[167]

Two portions of the OST's June 30, 2021 fossil fuel holdings were modeled to estimate the number of stocks and total market value back to January 31, 2012. These portions were used to make comparisons of the performance that are referred to below as the lower and upper estimates:

1. Lower estimate: The largest 200 public equity holdings in Groups 1 through 4 with dividend and split-adjusted price data available over the analysis period were analyzed. Tickers were determined individually by searching for the closest match to the text description of each holding, if any suitable match existed. Each holding was modeled according to its history of adjusted closing price, and the results were summed to show the aggregate behavior of this group of holdings. Some holdings had data available from the Yahoo! Finance API for only a portion of the analysis period, and those without prices at the start, end, and on June 30, 2021 were omitted. Omitting them from the analysis introduces survivorship bias. However, the total value of these 57 omitted holdings in June 2021 was $0.2 billion, a minor component compared with the 200 holdings included that were worth $1.5 billion in June 2021.

2. Upper estimate: The total value of holdings in Groups 1 through 3 were modeled assuming that they behaved as the S&P 500 Energy Sector Index[1]œ€(SPN). The assumption is that holdings in Groups 1 through 3 (Production, Support, and Utility) behaved most similarly to the energy sector. Group 4 holdings were excluded from this analysis due to lower confidence that their historical performance would be well represented by the energy sector index, especially due to lack of knowledge about the specific investments within private equity funds.

Both approaches used the same method to estimate the value of a fossil fuel free alternative. Once the historical price and dividend data had been used to estimate the number of stocks and total market value on January 31, 2012, that initial estimated value of fossil fuel stocks was then modeled as being invested instead in the S&P 500 Fossil Fuel Free Index[1]œ¤ (SP5F3UP). Data for that index were readily available beginning on January 31, 2012, which is why that date was chosen as the early limit of this analysis. Similar indices[170] and investment products[171] continue to appear and could be used in subsequent analysis. The S&P 500 Fossil Fuel Free index was used here because the price data were readily available. The S&P 500 Fossil Fuel Free Index consistently outperformed the S&P 500 index over the analysis period (Figure 8).

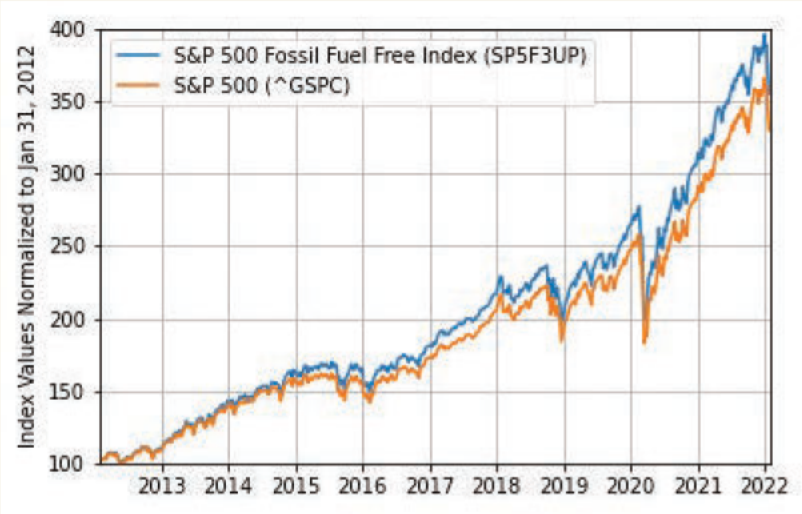


Figure 8: Comparison of S&P 500 Fossil Fuel Free Index against the S&P 500 overall.
Values are plotted weekly to facili-tate comparison.

Note: Components of investment operations that were neglected in this analysis include costs of management, purchasing, and sale of stocks.

Results

Lower estimate

As described in the Methods section, the lower estimate was constructed by modeling the largest 200 individual holdings backward in time using adjusted price data available over the analysis period. The June 2021 value of all these 200 holdings together was $1.5 billion, and the estimated value rose by January 2022 to $1.6 billion (rounded to only 2 significant figures to reflect the precision appropriate to the method). Projecting back in time from the known value in 2021, the estimated January 2012 value was approximately $1.5 billion, as shown in Figure 9.

The historical performance was then evaluated by simulating reinvestment of the estimated 2012 total value in the S&P 500 Fossil Fuel Free Index. The modeled value of this alternate investment on January 31, 2022 was $5.4 billion suggesting that fossil fuel free investments would have outperformed the fossil fuel investments by $3.8 billion (Figure 9).

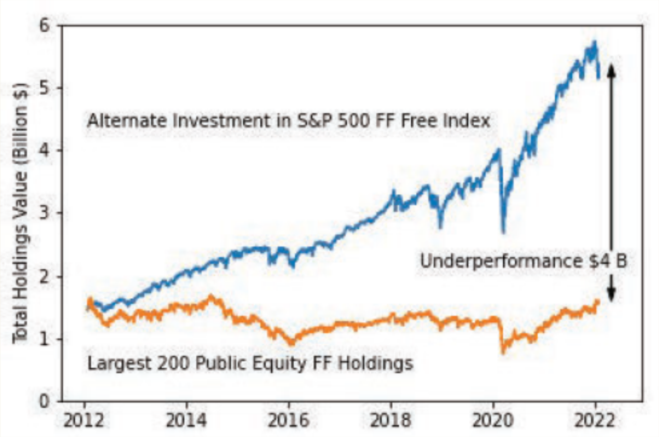


Figure 9: Time series supporting lower estimate of fossil fuel underperformance.
Lower line (orange): Total value of the largest 200 individual fossil fuel holdings with available data modeled backward in time from the June 2021 value.
Upper line (blue): Modeled reinvestment of the January 2012 estimated value in the S&P 500 Fossil Fuel Free Index.

Upper estimate

As described in the Methods section, the upper estimate was constructed by modeling the total value of holdings in Groups 1 through 3 backward in time using the S&P 500 Energy Sector Index. The June 30, 2021 value of the holdings in these groups was $2.7 billion. The estimated value on January 31, 2022 was $3.3 billion, and the estimated January 2012 value was $3.5 billion. Investing that initial estimated value in the S&P 500 Fossil Fuel Free Index would have yielded a value of $12.9 billion on January 31, 2022, which would have outperformed the fossil fuel investments by $9.6 billion (Figure 10).

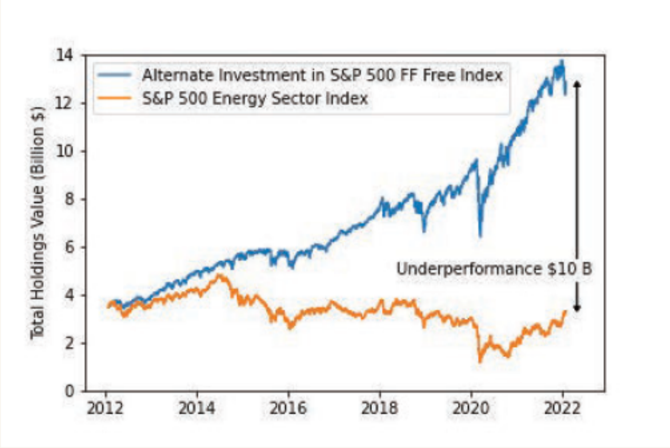


Figure 10: Time series supporting upper estimate of fossil fuel underperformance.
Lower line (orange): Total value of holdings in fossil fuel production, service, and utilities modeled backward in time from the June 2021 value using the S&P 500 Energy Sector Index.
Upper line (blue): Modeled reinvestment of the January 2012 estimated value in the S&P 500 Fossil Fuel Free Index.

Discussion

Two evaluations of the Oregon State Treasury's investments in fossil fuel stocks between January 2012 and January 2022 suggest that they underperformed compared with a fossil fuel free alternative. A method with more limited scope and higher precision found underperformance by $4 billion, while a method with broader scope and lower precision found $10 billion of underperformance. Both estimates assumed that fossil fuel holdings were held continuously over the analysis period with dividends reinvested, and they both modeled investment of the estimated 2012 value of the assets into the S&P 500 Fossil Fuel Free Index as an alternative to fossil fuel investment. The actual historical content of these investments may have varied due to active management, but without regular disclosure of the OST's holdings, the best assumption available to the public is to assume that investments were held continuously.

The lower of these two estimates considered only a limited subset of publicly traded holdings disclosed for June 2021. These were the largest 200 holdings with readily-discernible tickers and historical price and dividends data available over the analysis period. These holdings represent only public equity holdings, while all other asset classes (see Appendix A) are not represented. Together, these were only 200 holdings of the 807 categorized fossil fuel holdings and representing less than 28% of the total June 2021 value of fossil fuel holdings (about $1.5 billion of at least $5.3 billion). The fact that holdings existed at all in 2021 reflects survivorship bias in this analysis, where some fossil fuel investments held in 2012 may have performed even worse and been dropped. Considering the general underperformance of the energy sector compared with the S&P 500 and its fossil fuel free index over the analysis period, the survivorship bias and limitations on the size of this subset almost certainly caused this method to underestimate the additional money that could have been made by investing free of fossil fuels.

The upper of these estimates considered three broad categories of fossil fuel production, support, and utility (worth roughly $2.7 billion in June 2021) and assumed that they behaved similarly to the S&P 500 Energy Sector Index. While there is significant uncertainty about how well the S&P 500 Energy Sector Index can be used to model the historical behavior of these investment categories, it serves as a more plausible analog than broad indices of the stock market as a whole. The uncertainty also suggests that historical performance of the OST fossil fuel holdings could have been worse than estimated with this more inclusive method, such that it is referred to as an upper estimate and not an upper bound. Increased transparency from the OST about historical investments would enable better refined evaluations of their performance.

The underperformance of the OST's fossil fuel investments is most likely larger than that presented here because private equity holdings were not evaluated. The specific investments in these funds are unavailable via public records request because of state laws prohibiting their release. Thus, the performance of their fossil fuel components cannot be evaluated by the public.

Endnotes

1 Dalton, M.M. & E. Fleishman, editors. (2021). (pp. 1–93). *Fifth Oregon Climate Change Research Institute,* Oregon State University, Corvallis, Oregon. Retrieved April 12, 2022 from https://blogs.oregonstate.edu/occri/oregon-climate-assessments/

2 OLCV. (2021). *Climate stories.* Oregon League of Conservation Voters. Retrieved February 17, 2022 from https://www.olcv.org/climate-stories/

3 Dalton, M.M. & E. Fleishman, editors. (2021). *Fifth Oregon Climate Assessment.* (p. 171). Oregon Climate Change Research Institute, Oregon State University, Corvallis, Oregon. Retrieved April 12, 2022 from https://blogs.oregonstate.edu/occri/oregon-climate-assessments/

4 Nunez, C. (2019, April 2). *Fossil fuels, explained.* National Geographic. Retrieved March 25, 2022 from https://www.nationalgeographic.com/environment/article/fossil-fuels

5 Sources of Greenhouse Gas Emissions. EPA. Retrieved March 19, 2022 from https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions

6 Stand.earth and 350.org, *Global Fossil Fuel Commitments Database.* Retrieved March 19, 2022 from https://-divestmentdatabase.org/

From: Rod Such
To: GORDON Alli
Subject: Public Comment for OIC"s January meeting
Date: Monday, January 16, 2023 2:44:01 PM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

The Public Broadcasting Company's Frontline program recently aired a two-part documentary on the Israeli spyware company, NSO Group, detailing how its Pegasus spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

In 2019 the Oregon State Treasury committed $233 million to the Novalpina Capital Fund, which had a controlling 90 percent stake in the NSO Group, is a clear failure of due diligence. Reports of NSO Group's involvement in human rights violations were published as early as 2016. If the Treasury was using ESG standards and a human rights screen for its investments, this investment should never have happened. Now Oregon pensioners are faced with the prospect of financial loss in a bankrupt company that has been blacklisted by the U.S. Commerce Department.

As U.S. Senator Ron Wyden of Oregon told Frontline, the NSO Group was selling spyware "to tyrants." The Biden administration accused the NSO Group of engaging in "transnational repression" and threatening U.S. national security.

The Oregon Treasury has a fiscal responsibility to ensure the best possible return on its investments but only within the framework of the law and social responsibility, which includes human rights. Pegasus spyware is a total invasion of an individual's right to privacy, and its use in connection with incidents like the murder of Saudi-American journalist Jamal Kashoggi is a travesty.

Just as serious as the Novalpina investment was the Treasury's 2014 investment in Francisco Partners, another private equity firm that at the time had a 70 percent stake in NSO. Clearly, this raises the question of whether Treasury was familiar with the spyware industry and its human rights implications. The founders of NSO came out of the Israeli spy Unit 8200, which used its surveillance techniques to blackmail Palestinians and help perpetuate an illegal occupation.

Everyone involved in Oregon's pension fund investments should watch the Frontline program and educate themselves about the spyware industry. But just as important is the need for a process in which screening companies for human rights violations becomes a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners have a right to know how their pension fund is being invested.

https://www.youtube.com/watch?v=6ZVj1_SE4Mo

https://www.youtube.com/watch?v=xYMWTXIkANM

From:	Rachel Seltz
To:	OIC Public Comments
Subject:	Public comment for Oregon Investment Council meeting 1/25
Date:	Wednesday, January 18, 2023 8:01:26 AM

To the members of the Oregon Investment Council:

I am writing in support of Divest Oregon's efforts to encourage the OIC to reinvest in a fossil-free future. Divest Oregon's work on HB 2601, the Treasury Investment and Climate Protection Act, is vital to help move Oregon towards a clean and just future where everyone can prosper.

I am a public librarian and a member of PERS. The library where I work frequently serves as an emergency shelter during severe weather events, which have become alarmingly common due to fossil fuels driving climate change. I will never forget the heat dome incident of June 2021 when our library extended open hours so that we could provide shelter to our community. I was horrified to later learn that almost one hundred Oregonians were unable to access shelter and died in that extreme heat wave. I have no desire to benefit from fossil fuel related retirement funds that have brought such awful suffering to other people.

In addition to harming people, fossil fuel funds pose many financial hazards. As the world moves rapidly towards clean energy, fossil fuel investments have become volatile and are underperforming. Fossil fuel funds will end up as stranded assets, and Oregon should divest now to avoid financial losses. Green energy provides numerous investment opportunities that will promote robust funding of PERS. The Treasury must fulfill its fiduciary duty and protect PERS by choosing investments that are equal to or better than current fossil fuel investments.

I hope that the Treasury and the OIC will recognize the importance of HB 2601, the Treasury Investment and Climate Protection Act. HB 2601 would end new investments in fossil fuels immediately, require a complete phase-out of carbon intensive investments by 2035, and reveal private PERS investments using aggregated data while respecting public records statute. This legislation would ensure that the Treasury is transparent in its reporting to the public and to the legislature, and I believe transparency is a value that benefits everyone involved.

Thank you,
Rachel Seltz
PERS member

From: Valori George
To: GORDON Alli; OIC Public Comments
Subject: Public Comment regarding Treasury"s need for human rights screening in public investments
Date: Tuesday, January 17, 2023 7:07:51 PM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

I'm writing to this council because in 2019 the Oregon State Treasury committed $233 million to the Novalpina Capital Fund, which had a controlling 90 percent stake in the NSO Group, maker of the notorious Pegasus spyware. Reports of NSO Group's involvement in human rights violations and transnational repression, as well as the threat its spyware poses to U.S. national security, were published as early as 2016.

Oregon's Public Employee Retirement Fund stands to lose its $233 million investment in NSO Group due to the possible bankruptcy of the company in light of its blacklisting by the U.S. Commerce Department and the lawsuits it faces from multiple tech giants, including Apple and Microsoft.

Clearly a process is needed, such as is laid out SB 541, in which screening companies for human rights violations becomes a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners have a right to know how their pension fund is being invested.

Oregon needs a human rights screening process and monitor to ensure that failed investments like this never happen again.

Thank you,

Valori George
[redacted]

From:	cynthia gilliam
To:	GORDON Alli
Subject:	Testimony for OIC consideration of divesting from NSO
Date:	Monday, January 16, 2023 3:27:34 PM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

The Public Broadcasting Company's Frontline program recently aired a two-part documentary on the Israeli spyware company, NSO Group, detailing how its Pegasus spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

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Everyone involved in Oregon's pension fund investments should watch the Frontline program and educate themselves about the spyware industry. But just as important is the need for a process in which screening companies for human rights violations becomes a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners have a right to know how their pension fund is being invested.

Cynthia Gilliam

From: Emily Platt
To: OIC Public Comments
Subject: HB 2601 Treasury Investment and Climate Protection Act
Date: Wednesday, January 18, 2023 10:56:06 AM

To the Oregon Investment Council,

I am writing to state my unequivocal support for HB 2601, Treasury Investment and Climate Protection Act. I am a PERS retiree who is deeply concerned about the worsening climate emergency that is impossible to ignore. I also wish to have stable pension funding for my retirement that does not rely on risky fossil fuel investments. Treasurer Read's "plan for a plan" does not meet the extreme urgency of this moment. According to the International Energy Agency, all exploitation and development of new oil and gas fields must stop immediately. Fossil fuel interests are not going to do this willingly, and they have operated in bad faith for decades – ironically, Exxon scientists made remarkably accurate climate predictions in the 70's and 80's yet Exxon continued business as usual, all for the sake of profit. We must stop investing in these financially risky, polluting and amoral companies. There are plenty of companies generating green products that provide better and more stable returns. The passage of HB 2601 will boldly address climate and investment risk by providing a mandate for divestment, a reasonable timeline, and a fiduciary safety valve. Moreover, HB 2601 will ensure Treasury transparency so that PERS members and the public at large will know that the Treasury is meeting stipulated benchmarks. It is not **if** climate risk requires change, but **how** and **when** fossil fuel investments are phased out. HB 2601 will insure an orderly and timely divestment that will protect our investments as well as our climate.

I thank you for the opportunity to submit my testimony.

Sincerely,

Emily Platt
[redacted]