

October 14, 2025

# Common School Fund Annual Review

**Louise Howard**  
Director of Capital Markets

**Jamie McCreary**  
Service Model Program Manager



# Agenda

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# Fund Objectives

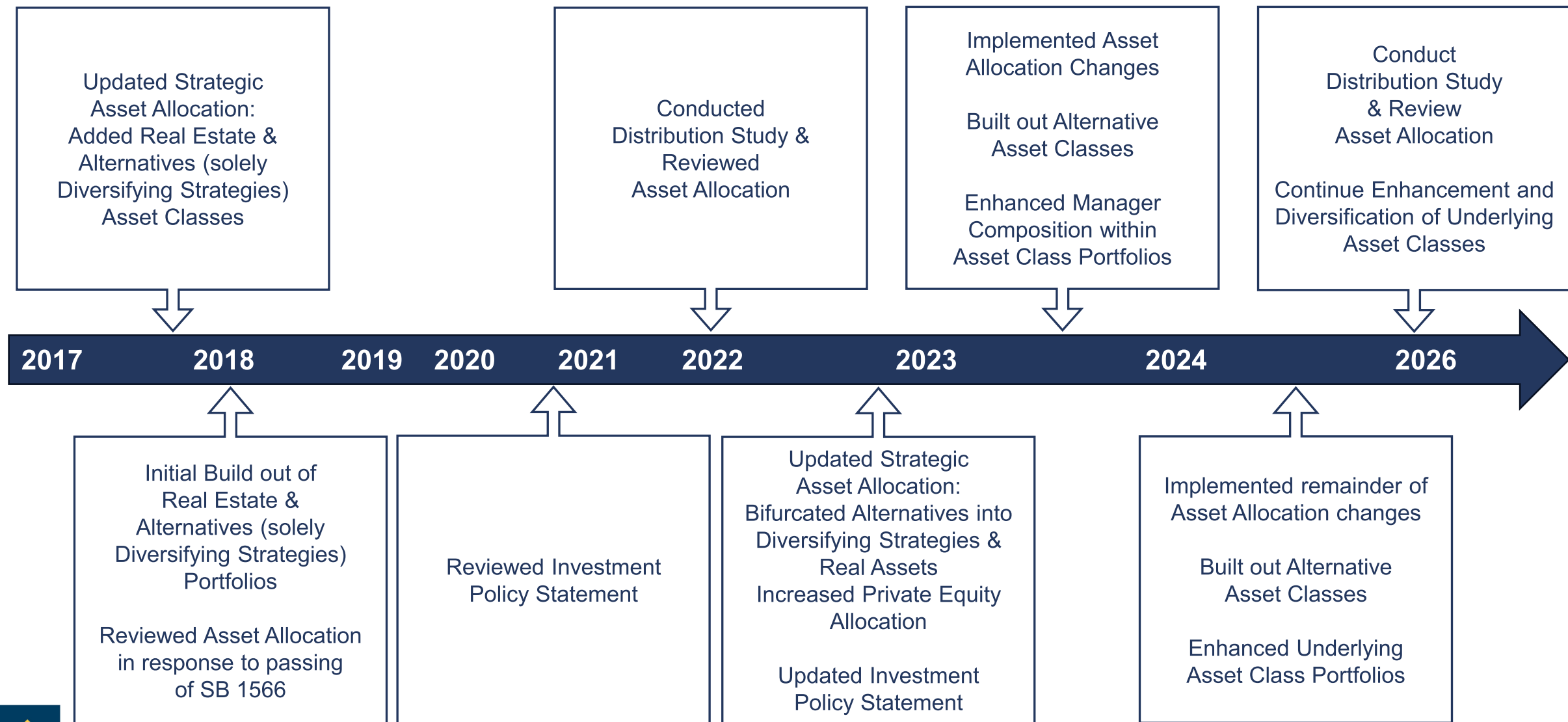
## Investment Policy

- The Oregon Investment Council (OIC) formulates policies for the investment of funds under the control and administration of the Department of State Lands, known as the Common School Fund (the Fund)
- Investment policy provides guidance to Oregon State Treasury staff and investment consultants regarding approved asset classes, asset allocation, and reporting requirements
- The primary objective of the Common School Fund is to generate a real (inflation-adjusted) rate of return that is sufficient to support the mission of the Fund and its spending needs into perpetuity

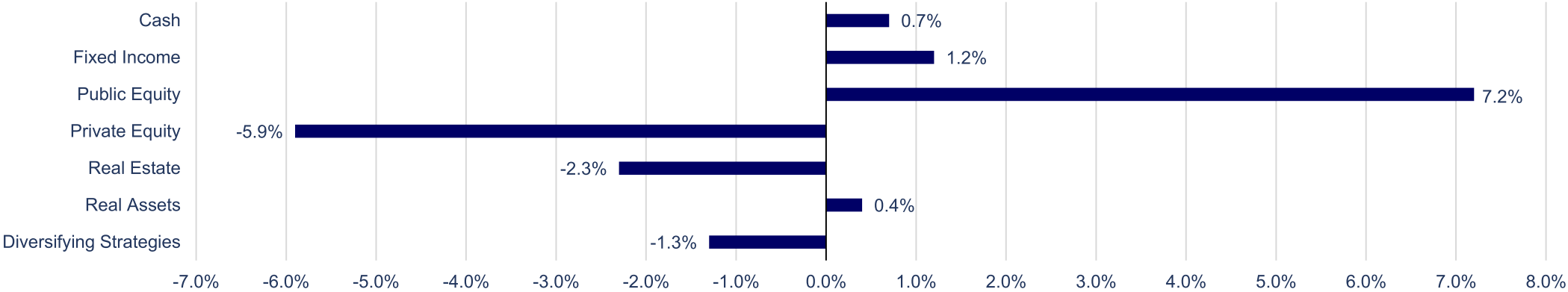
## Distribution Policy

- On an annual basis, the Common School Fund distributes 3.5% of the Fund's trailing three-year average market value to the Department of Education to support the State's K-12 education programs
- In addition, with the passage of SB 1566, certain funds (subject to a formula) are distributed to the School Districts Unfunded Liability Fund

# Fund Evolution



# Total Fund Asset Allocation



Asset Class	Market Value	Current Allocation	Interim Target	Long-Term Target	Active Weight	Approved Range
Cash	\$19.5M	0.7%	0.0%	0.0%	0.7%	0%- 3%
Fixed Income	\$623.7M	23.7%	22.5%	20.0%	1.2%	15%- 25%
Public Equity	\$1.4B	54.7%	47.5%	45.0%	7.2%	40%- 50%
Private Equity	\$173.8M	6.6%	12.5%	15.0%	-5.9%	10%- 20%
Real Estate	\$201.5M	7.7%	10.0%	10.0%	-2.3%	5%- 15%
Real Assets	\$75M	2.9%	2.5%	5.0%	0.4%	0%- 10%
Diversifying Strategies	\$98M	3.7%	5.0%	5.0%	-1.3%	0%- 10%
Total Fund	\$2.6B	100%				

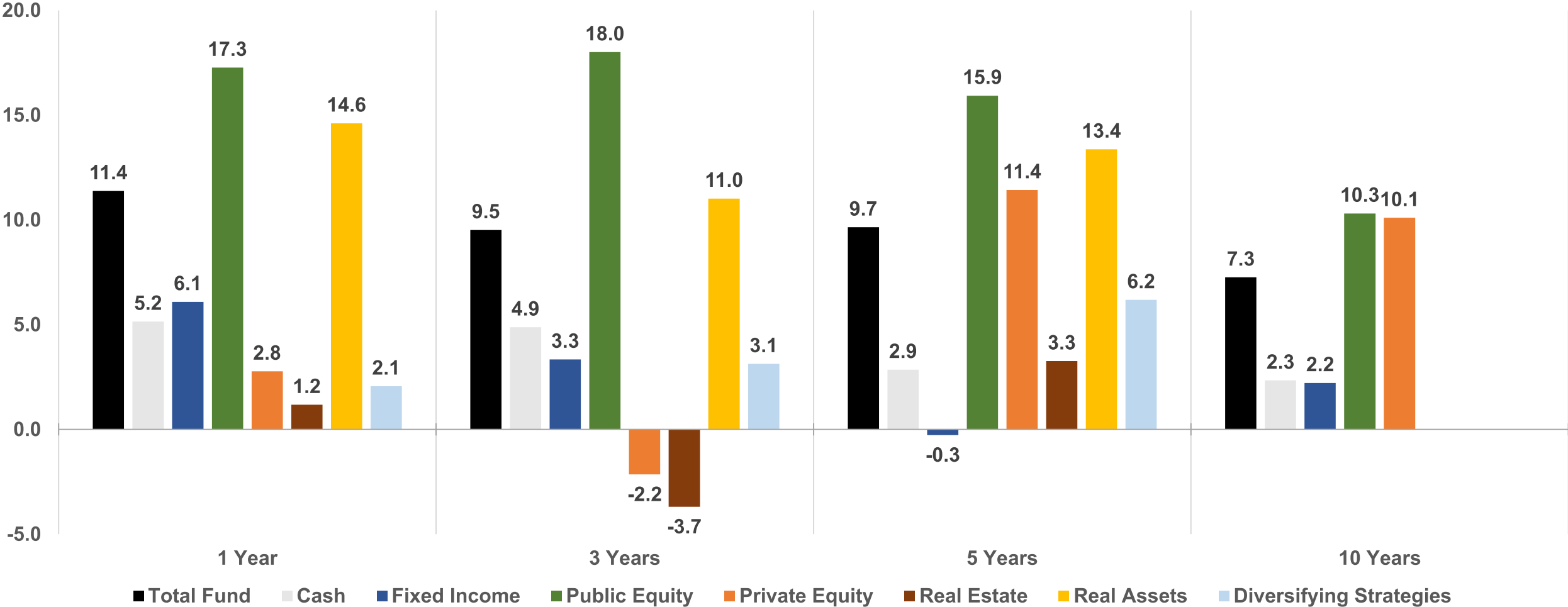
# Performance – Total Fund

- For the year, the Common School Fund returned 11.4%, outperforming its benchmark and mixed for trailing time frames
- All asset classes generated positive returns and majority of them outperformed their benchmarks for the 1 year

	Market Value	3 Months	1 Year	3 Years	5 Years	10 Years
Total Fund	\$2.6B	6.9%	11.4%	9.5%	9.7%	7.3%
Policy Benchmark		5.4%	10.8%	10.1%	9.2%	7.6%
Excess Return		1.5%	0.5%	-0.6%	0.5%	-0.4%

Total Fund	Long-Term Target
10-Year Expected Nominal Return	7.1%
10-Year Expected Standard Deviation	12.5%

# Net Annualized Performance (%)

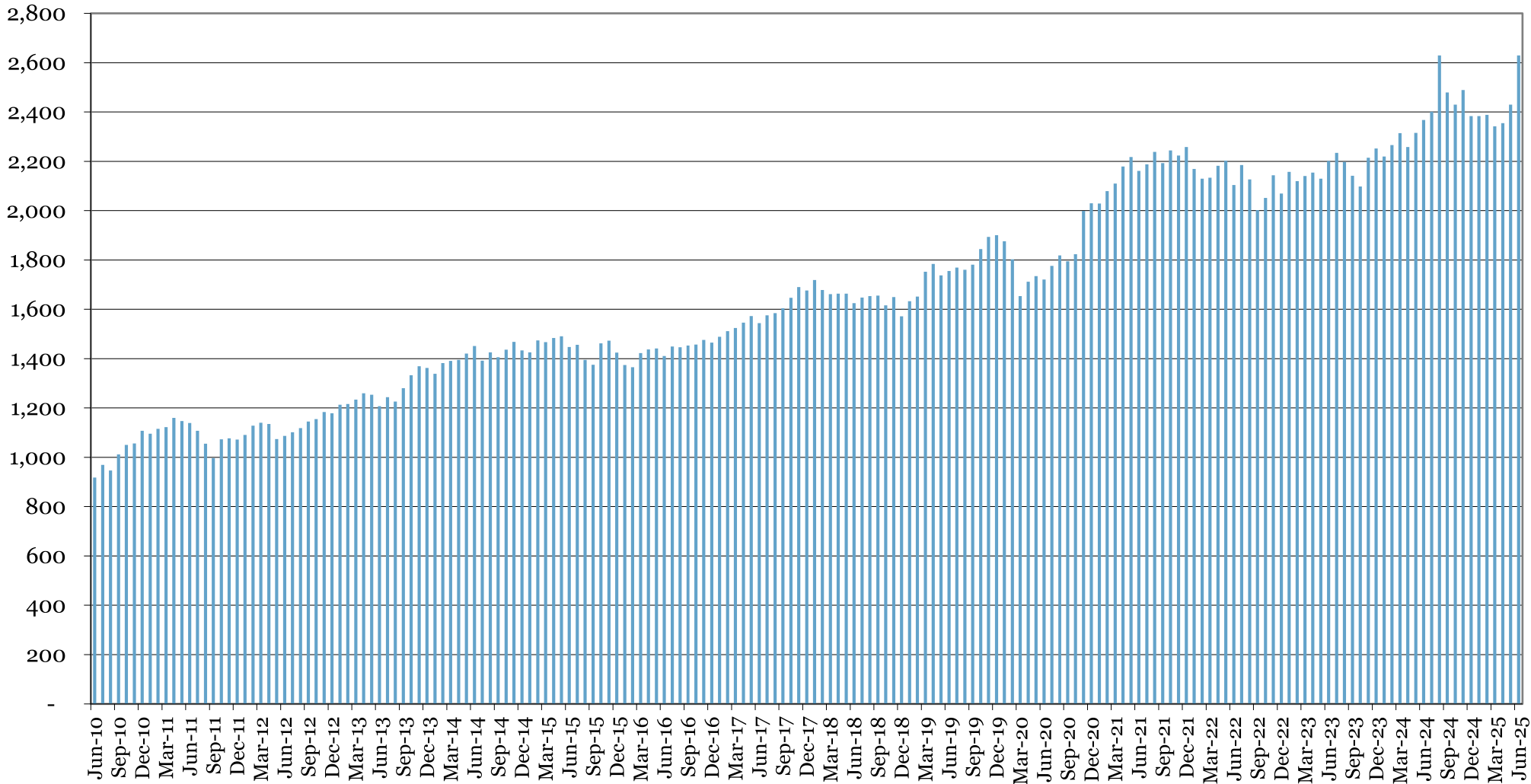


# Accomplishments and Strategic Priorities

- Annual PERS distribution 1/2025 (~\$77M)
- Unclaimed Property contribution 5/2025 (~\$164M)
- Department of Education distributions 12/2024 and 6/2025, totaling (~\$76M)
- Finalized Investment Guidelines in 2025
- Asset Allocation study in 2026
- Continue implementing new asset allocation (approved by the OIC in 2022) - notably funding up Real Estate, Real Assets and Private Equity, while reducing Public Equity and Fixed Income
- Working with asset class teams and committees to review portfolio construction and refine investment manager composition



**CSF NAV**  
**15 years ending June 30, 2025**  
**(\$ in Millions)**



# Appendix: Asset Class Performance



	Market Value	Current Allocation	3 Months	1 Year	3 Years	5 Years	10 Years
Cash	\$19.5M	0.7%	1.2%	5.2%	4.9%	2.9%	2.3%
91 Day T-Bills			1.0%	4.7%	4.6%	2.8%	2.0%
Excess Return			0.1%	0.5%	0.3%	0.1%	0.4%
Fixed Income	\$623.7M	23.7%	1.2%	6.1%	3.3%	-0.3%	2.2%
BBG US Aggregate			1.2%	6.1%	2.6%	-0.7%	1.7%
Excess Return			0.0%	0.0%	0.8%	0.5%	0.5%
Public Equity	\$1.4B	54.7%	11.7%	17.3%	18.0%	15.9%	10.3%
MSCI ACWI IMI (Net)			11.6%	15.9%	16.8%	13.4%	9.7%
Excess Return			0.1%	1.4%	1.2%	2.5%	0.6%
Private Equity	\$173.8M	6.6%	1.7%	2.8%	-2.2%	11.4%	10.1%
Russell 3000 +300bps (Qtr Lag)			-4.0%	10.4%	11.3%	21.6%	15.1%
Excess Return			5.7%	-7.7%	-13.4%	-10.1%	-5.0%
Real Estate	\$201.5M	7.7%	1.2%	1.2%	-3.7%	3.3%	N/A
NCREIF ODCE (Custom) (Adj.)			0.9%	1.2%	-5.1%	2.0%	N/A
Excess Return			0.4%	0.0%	1.4%	1.3%	N/A
Real Assets	\$75M	2.9%	6.9%	14.6%	11.0%	13.4%	N/A
CPI +4%			1.9%	6.8%	6.9%	8.7%	N/A
Excess Return			5.1%	7.8%	4.1%	4.7%	N/A
Diversifying Strategies	\$98M	3.7%	0.8%	2.1%	3.1%	6.2%	N/A
HFRI FOF- Conservative Index			2.0%	5.7%	5.4%	6.2%	N/A
Excess Return			-1.2%	-3.6%	-2.3%	0.0%	N/A

# Oregon State Treasury Team



**Louise Howard**  
Director of Capital Markets  
Tenure: 2022

As the Director of Capital Markets, Louise oversees multiple asset class teams and their respective OPERF portfolios, including Public Equity, Fixed Income, and Diversifying Strategies. She also Co-leads the Common School Fund, SAIF and Oregon Savings Growth Plan.

- ❖ Chairs Capital Markets Leadership Committee
- ❖ Leads monitoring and evaluation efforts for external investment managers
- ❖ Evaluates portfolio structure and makes recommendations to improve risk-adjusted returns
- ❖ Responsible for managing and coordinating the liquidity needs of OPERF
- ❖ Participates in private market Committee Meetings (Real Estate, Private Equity, Alternative, and Opportunistic)
- ❖ Leads the oversight of Public Equity programs, including internal and external investment strategies

**Education & Certifications:** BA University of New Orleans, MBA University of New Orleans, CFA Charterholder, CAIA Charterholder



**Jamie McCreary**  
Service Model Program Manager  
Tenure: 2023

As the Service Model Program manager, Jamie is responsible for creating and/or maintaining centralized services model standards and manages all aspects of client account relationships with various state managed programs.

- ❖ Ongoing monitoring and oversight of state managed programs and investment portfolios
- ❖ Supports the application of industry and fiduciary best practice standards across all areas of the Investment Program
- ❖ Investment Policy Statement Review

**Education:** BS Southern Oregon University, CERTIFIED FINANCIAL PLANNER™ professional



**Wil Hiles**  
Investment Officer  
Tenure: 2016

As Investment Officer, Wil supports the Public Equity team's day-to-day activities surrounding OPERF. Wil also Co-Leads the Oregon Common School Fund.

- ❖ Monitors and evaluates current and prospective investment managers
- ❖ Evaluates portfolio structure and makes recommendations to improve risk-adjusted returns
- ❖ Coordinates new account fundings, terminations, portfolio transitions, and cash raise activity
- ❖ Serves as internal equity portfolio manager and trader
- ❖ Conducts market research and analysis

**Education:** BA in Finance from Linfield College; Master of Science in Finance (MSF) from Pacific University



# Endnotes

- Source: State Street. Performance is net of investment management fees and annualized for periods longer than one year. Reminder alternative data is typically lagging 1-3 months.
- Oregon CSF Policy Index:
  - From February 1, 2012 to June 30, 2016, policy benchmark was 30% Russell 3000, 30% MSCI ACWI ex US Net, 30% BC Universal Index, and 10% Russell 3000+300 bps QTR lag. From July 1, 2016 to December 31, 2017, policy benchmark was 30% Russell 3000, 30% MSCI ACWI ex US Net, 30% BC US Aggregate, and 10% Russell 3000+300 bps QTR lag. From January 1, 2018 to December 31, 2022 policy benchmark was dynamically weighted and uses each asset class' value relative to the total market value as its percentage of the total policy benchmark.
  - From January 1, 2023 to present, policy benchmark is 47.5% MSCI ACWI IMI Net (Daily), 12.5% Russell 3000+300 bps quarter lag, 22.5% BBG US Agg, 10% NCREIF ODCE (Custom) (Adj.), 2.5% CPI +4%, and 5% HFRI FOF: Conservative Index.
- Oregon CSF FI Index:
  - Prior to November 1, 2005, index is BC Aggregate. From November 1, 2015 to June 30, 2016 the benchmark was BC Universal Index.
  - From July 1, 2016 to present the benchmark is BBG Aggregate
- Real Estate policy index- NCREIF ODCE (Custom) (Adj.):
  - From January 1, 1990 to March 31, 2016, the NCREIF ODCE (Custom) was weighted 100% NCREIF Property Index QTR Lag. From April 1, 2016 to present, the benchmark is weighted 100% - NFI-ODCE QTR LAG Net of Fees. Starting July 1, 2017, methodology for monthly return is calculated by geometrically linking prior months returns and then deriving the monthly returns by calculating the geometric average. Returns are not actual monthly, but rather equivalent for all intra-quarter months, in order to match the actual quarterly return.
- Private Equity policy index- Russell 3000 + BPS QRT LAG (Adj.)
  - Prior to May 1, 2005, index is R3000+500 bps, Qtr Lag. Until June 30, 2017 the index is R3000+300 bps, Qtr Lag. From July 1, 2017, the monthly return is calculated as the geometrically linked monthly portion of the quarterly return. Returns are not actual monthly, but rather equivalent for all intra-quarter months, in order to match the actual quarterly return.
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