

Oregon Local Government Intermediate Fund

Oregon State Treasury

Status

- Final contract negotiations with State Street Bank.
- Presentation to Oregon Investment Council (OIC) on March 9, 2016 for approval of the Investment Guidelines.
- Expect fund to open approx. 90 days after.

Fund Description

- Commingled, intermediate term (1-5 year) investment pool.
- Actively managed to maintain a diversified portfolio of investment grade quality fixed income investments.
- Portfolio designed to achieve a total return (i.e., principal and income) greater than the Barclays 1-5 Year Corporate/Government Index.

Expected Returns

- Based upon historical market performance, anticipate higher returns **over extended periods** than investments in shorter maturity alternatives.
- Fund not structured to provide 100% net asset value on each participant's initial investment.
- Investments will fluctuate daily.
- Value of each participant's investment determined on a proportional basis to the net market value of the entire portfolio.
- No distribution of income or capital gains (participants sell shares to withdraw funds).

STATE OF OREGON
SUMMARY OF PERFORMANCE - NET OF FEES
RATES OF RETURN
Periods Ending December 31, 2015

	MKT VAL \$ Thousands	YTD	1 YEAR	3 YEARS	5 YEARS
TOTAL OPERF REGULAR ACCOUNT	68,048,750	2.11	2.11	8.19	8.15
TOTAL OPERF VARIABLE ACCOUNT	655,619	-1.79	-1.79	8.17	6.49
STATE ACCIDENT INSURANCE FUND (SAIF)	4,483,376	-0.45	-0.45	2.73	4.59
COMMON SCHOOL FUND (CSF)	1,424,195	0.46	0.46	8.11	7.39
OREGON SHORT TERM FUND (OSTF)*	15,872,638	0.50	0.50	0.56	0.69
OREGON INTERMEDIATE TERM POOL (OITP)	284,326	0.93	0.93	1.30	2.63
<u>OTHER STATE FUNDS</u>					
SOUTHERN ORE UNIV ENDOWMENT FUND	2,081	-1.83	-1.83	7.44	7.10
DEPARTMENT OF ADMIN SERVICES	147,780	1.14	1.14	0.70	1.08
CONSUMER AND BUSINESS SERVICES	220,284	1.19	1.19	1.22	1.57
ELDERLY HOUSING BOND SINKING FUND	4,513	0.60	0.60	2.16	6.38
HOUSING	15,196	1.08	1.08	0.84	0.93
OREGON LOTTERY - MEGABUCKS	143,136	0.82	0.82	1.68	4.49
OREGON VETS BOND SINKING FUND	89,875	0.52	0.52	0.26	0.51
ODOT	490,914	1.32	1.32	1.16	1.63
PUF LONG TERM FUND	115,591	1.44	1.44	1.50	3.82
<u>TOTAL OF ALL TREASURY FUNDS*</u>	89,577,512				

*Fund balances include OSTF or OITP investments, so total does not foot.

Eligibility

- Participants must have an investment policy reviewed by OSTF Board.
- OLGIF must be listed as an eligible investment in the local government's investment policy.
- Governing body must acknowledge the following in a resolution recorded in meeting minutes:
 - Investments in OLGIF subject to loss
 - Investments/withdrawals subject to restriction by OST
 - They have read and understood the OLGIF Prospectus
- Minimum balance.

Program Rules

- Deposits and withdrawals of participant funds to and from OLGIF processed at month-end using close of day pricing and provided on the first business day of the following month
- Requests for deposits/withdrawals must be received at least 10 business days prior to month-end

Administration

- Online portal for participants
- Accounting management
- Call center to answer questions

Expected Fees

- Fees vary based on total AUM
- Additional fees based on number of calls, frequency of statements, number of deposits/withdrawals
- Best estimates as of today (+/-0.04%)
 - \$100 million AUM → 0.26%
 - \$150 million AUM → 0.17%