

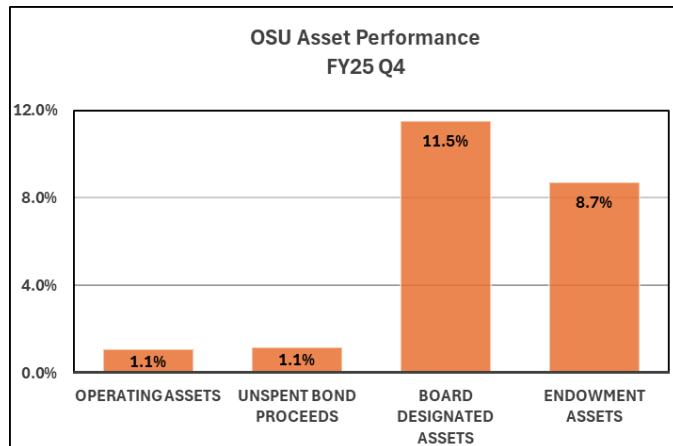
## Fiscal Year 2025 Q4 Investment Report

### PERFORMANCE SUMMARY

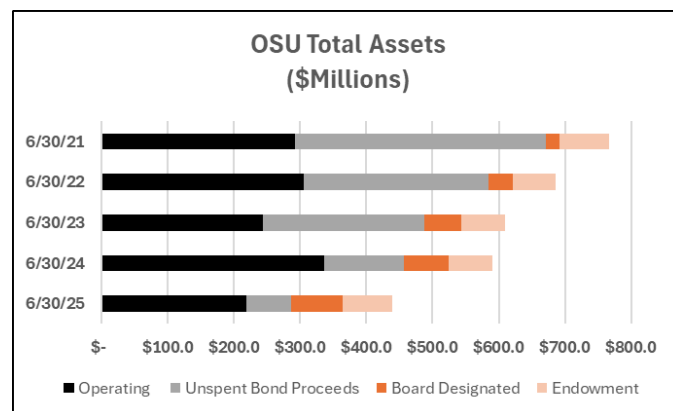
OSU's investments performed well for the fourth quarter of fiscal year 2025, as global equities and fixed income markets recorded positive performance returns. The investment performance is available in **Attachment 1**, reflecting the university's operating assets and general revenue bond proceeds, board-designated assets, the university's endowment and quasi-endowment assets managed by the Oregon State University Foundation, land held as separately invested endowments, and the land grant endowment. **Attachment 2** includes a summary of university general revenue bond proceeds as of June 30, 2025. **Attachment 3** provides additional background information about the quarterly investment report.

**Market Highlights:** U.S. equities rallied as the S&P 500 increased 10.9% for the quarter, supported by better than expected economic data and company earnings announcements. The S&P 500 gained 15.2% for the fiscal year. International equities outperformed U.S. stocks during the quarter as the Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) index rose 11.8%. The EAFE index gained 17.7% for the year. The U.S. bond market, represented by the Bloomberg U.S. Aggregate index, gained 1.2% for the period and 6.1% for the fiscal year.

**OSU Operating Assets:** OSU's operating assets are primarily invested in the Oregon Short-Term Fund (OSTF) and the Public University Fund (PUF). The OSTF increased 1.1% for the quarter and 4.9% for the fiscal year, slightly outperforming its benchmark. The PUF gained 1.7% for the quarter and 6.7% for the fiscal year, performing in line with its benchmark. As of June 30, 2025, OSU had \$73.4M of operating assets on deposit in the OSTF and \$80.0M invested in the PUF. Additionally, OSU had \$54.8M on deposit in multiple bank accounts for short-term operations.



**OSU Bond Proceeds:** The unspent bond proceeds invested in the OSTF gained 1.1% for the period. The short duration portfolio, managed by RBC Global Asset Management, increased 1.2% during the period, outperforming its benchmark by 20 basis points. The total market value of the unspent bond proceeds, as of June 30, 2025, was \$68.0M.



**OSU Board Designated Assets:** The Bond Repayment Investment and Long-Term Equity portfolios increased 11.5%

and 11.6%, respectively, for the period, and 14.5% and 14.4%, respectively, for the fiscal year. U.S. equities rose for the quarter and fiscal year, led by the technology sector. International equities posted strong returns, increasing 11.8% for the quarter and 17.7% for the fiscal year supporting a stellar 20.2% increase for the Putnam International Capital Opportunities Fund for the period and 28.6% for the fiscal year. The Neuberger Berman Genesis Small Cap Fund rose 1.4% for the year, underperforming its benchmark by 630 basis points due to an underweight in low quality and speculative stocks that drove the benchmark's relative performance. As of June 30, 2025, the total market value of the Bond Repayment Investment and Long-Term Equity portfolios were \$57.8M and \$19.5M, respectively.

**OSU Endowment Assets:** OSU's endowment assets, including those managed by the OSU Foundation, increased 8.7% for the quarter and 13.5% for the fiscal year. The total market value of the OSU endowment assets as of June 30, 2025, was \$75.2M.

The OSU Foundation (OSUF) manages the majority of the university's endowment assets. OSUF's endowment pool increased 6.9% for the period and 12.0% for the fiscal year, underperforming its benchmark by 260 basis points for the year as private equity and real assets underperformed public equity performance.

**Public University Fund (PUF):** The Public University Fund Core Bond Fund (PUF) increased 1.7% for the quarter and rose 6.7% for the year, matching its benchmark for the quarter and fiscal year periods. The PUF's investment yield was 1.1% for the quarter and 4.5% for the year. As of June 30, 2025, the PUF's market value was \$250.1M, including all participant assets.

## **RECOMMENDATION**

Staff recommend that the Finance & Administration Committee accept the FY25 Q4 Investment Report.

**OREGON STATE UNIVERSITY INVESTMENT REPORT**

Oregon State University Investment Summary as of June 30, 2025 (Net of Fees)									
	Quarter Ended 6/30/2025	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation <sup>1</sup>	Policy Allocation Range
<b>OSU Operating Assets<sup>1</sup></b>									
OSU Cash ( <i>Liquidity</i> ) <sup>2</sup>							\$ 54,753,506	26.3%	
Oregon Short - Term Fund ( <i>Liquidity</i> )	1.1%	4.9%	4.9%	4.2%	2.8%	2.2%	73,404,996	35.3%	
Benchmark - 91 day T-Bill	1.0%	4.7%	5.4%	4.6%	2.8%	2.0%			
PUF Core Bond Fund ( <i>Intermediate-Term Fixed Income</i> )	1.7%	6.7%	5.1%	4.0%	1.5%	N/A	79,994,010	38.4%	
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index <sup>3</sup>	1.7%	6.7%	4.2%	3.6%	0.6%	2.1%			
Investment Yield <sup>4</sup>	1.1%	4.5%	4.8%	4.3%	3.7%	N/A			
Total Operating Cash and Investments							208,152,511	100.0%	
<b>OSU Unspent Bond Proceeds</b>									
Oregon Short - Term Fund ( <i>Liquidity</i> )	1.1%	4.9%	4.9%	4.2%	2.8%	2.2%	67,287,979	99.0%	
Benchmark - 91 day T-Bill	1.0%	4.7%	5.4%	4.6%	2.8%	2.0%			
RBC Short-Duration Fixed Income Portfolio ( <i>Short-Term Fixed Income</i> )	1.2%	5.6%	5.7%	4.5%	N/A	N/A	678,074	1.0%	
Benchmark - 91 day T-Bill <sup>5</sup>	1.0%	4.7%	4.8%	3.3%	1.6%	1.9%			
Total Unspent Bond Proceeds							67,966,053	100.0%	
<b>OSU PERS SLGRP<sup>6</sup></b>	0.0%	5.3%	-1.7%	7.4%	N/A	N/A	10,217,586		
<b>Total OSU Operating Assets</b>							<b>\$ 286,336,150</b>		

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**Oregon State University  
Investment Summary  
as of June 30, 2025  
(Net of Fees)**

	Quarter Ended 6/30/2025	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Range
<b>OSU Board Designated Assets</b>									
<b>Bond Repayment Investment</b>									
Calvert US Large Cap Core Responsible Index Fund ( <i>Domestic Equity</i> )	11.3%	13.9%	23.6%	19.1%	N/A	N/A	\$ 33,745,527	58.4%	0% - 100%
Benchmark - Russell 1000 Index <sup>7</sup>	11.1%	15.7%	23.9%	19.6%	16.3%	13.4%			
Calvert International Responsible Index Fund ( <i>Intl Equity</i> )	13.6%	18.7%	11.9%	16.0%	N/A	N/A	14,626,353	25.3%	0% - 35%
Benchmark - MSCI World ex USA Index <sup>7</sup>	12.1%	18.8%	11.2%	15.7%	11.5%	6.7%			
Neuberger Berman Genesis ( <i>Small Cap Equity</i> )	4.1%	0.5%	7.1%	N/A	N/A	N/A	6,270,506	10.9%	0% - 20%
Benchmark - Russell 2000 Index <sup>7</sup>	8.5%	7.7%	10.1%	10.0%	10.0%	7.1%			
Putnam International Capital Opportunities Fund ( <i>Intl Small Cap Equity</i> ) <sup>8</sup>	20.2%	28.6%	N/A	N/A	N/A	N/A	3,125,557	5.4%	0% - 35%
Benchmark - MSCI AC World ex USA Smid Cap Index (Net) <sup>7</sup>	16.2%	20.7%	10.3%	13.9%	10.2%	6.3%			
<b>Total Bond Repayment Investment</b>	11.5%	14.1%	17.4%	16.6%	N/A	N/A	57,767,943	100.0%	
<b>Long-Term Equity</b>									
Calvert US Large Cap Core Responsible Index Fund ( <i>Domestic Equity</i> )	11.3%	13.9%	23.6%	19.1%	N/A	N/A	11,269,615	57.8%	0% - 100%
Benchmark - Russell 1000 Index <sup>7</sup>	11.1%	15.7%	23.9%	19.6%	16.3%	13.4%			
Calvert International Responsible Index Fund ( <i>Intl Equity</i> )	13.6%	18.7%	11.9%	16.0%	N/A	N/A	5,135,418	26.4%	0% - 35%
Benchmark - MSCI World ex USA Index <sup>7</sup>	12.1%	18.7%	11.2%	15.7%	11.5%	6.7%			
Neuberger Berman Genesis ( <i>Small Cap Equity</i> )	4.1%	0.5%	7.0%	N/A	N/A	N/A	1,953,995	10.0%	0% - 20%
Benchmark - Russell 2000 Index <sup>7</sup>	8.5%	7.7%	10.1%	10.0%	10.0%	7.1%			
Putnam International Capital Opportunities Fund ( <i>Intl Small Cap Equity</i> ) <sup>8</sup>	20.2%	28.6%	N/A	N/A	N/A	N/A	1,125,842	5.8%	0% - 35%
Benchmark - MSCI AC World ex USA Smid Cap Index (Net) <sup>7</sup>	16.2%	20.7%	10.3%	13.9%	10.2%	6.3%			
<b>Total Long-Term Equity</b>	11.6%	14.3%	17.6%	17.9%	N/A	N/A	19,484,870	100.0%	
<b>Total OSU Board Designated Assets</b>	11.5%	14.2%	17.4%	16.9%	N/A	N/A	\$ 77,252,813		

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Oregon State University  
Investment Summary  
as of June 30, 2025  
(Net of Fees)

	Quarter Ended 6/30/2025	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg <sup>9</sup>	Market Value	Actual Asset Allocation	Policy Allocation Target
<b>OSU Endowment Assets</b>									
<b>OSU Foundation Endowment Pool</b>									
Total Global Equity	10.5%	15.2%	17.4%	16.9%	12.5%	N/A	\$ 31,906,306	47.8%	45.0%
Benchmark - MSCI All Country World Index	11.5%	16.2%	19.4%	17.3%	13.7%	N/A			
Total Global Fixed Income	4.5%	8.5%	1.4%	3.4%	0.7%	N/A	5,181,024	7.8%	7.5%
Benchmark - Bloomberg Barclays Global Agg. Bond Index	4.5%	8.9%	0.9%	2.7%	-1.2%	N/A			
Total Absolute Return	4.6%	12.6%	11.1%	9.5%	9.5%	N/A	6,514,621	9.8%	10.0%
Benchmark - HFRI Fund of Funds Index	3.3%	7.2%	8.5%	6.5%	6.2%	N/A			
Total Real Assets	2.7%	7.5%	3.4%	4.4%	9.5%	N/A	6,194,558	9.3%	12.5%
Benchmark - Real Assets Custom <sup>10</sup>	0.7%	8.3%	4.9%	2.7%	7.2%	N/A			
Total Private Capital <sup>11</sup>	3.8%	10.0%	5.1%	5.4%	16.7%	N/A	15,303,025	23.0%	25.0%
Benchmark - No benchmark provided									
Total Cash	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	1,580,312	2.3%	0.0%
Total OSU Endowment Assets Invested in OSUF Endow. Pool <sup>12</sup>	6.9%	12.0%	10.4%	10.6%	11.1%	8.5%	66,679,846	100.0%	100.0%
Benchmark - 77.5% MSCI ACWI/22.5% Bloomberg Global Agg. <sup>13</sup>	10.0%	14.6%	15.0%	14.1%	10.5%	8.1%			
<b>Other OSU Endowment Assets</b>									
Land Held as Separately Invested Endowment Funds <sup>14</sup>	26.7%	26.7%	-29.2%	-6.5%	3.8%	5.3%	8,240,020	96.2%	
Other Endowment Assets <sup>15</sup>							324,265	3.8%	
Total Other OSU Endowment Assets							8,564,285	100.0%	
<b>Total OSU Endowment Assets</b>	<b>8.7%</b>	<b>13.5%</b>	<b>3.1%</b>	<b>8.1%</b>	<b>10.2%</b>	<b>8.0%</b>	<b>\$ 75,244,131</b>		

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**Oregon State University**  
**Investment Summary**  
**as of June 30, 2025**  
 (Net of Fees)

- 1** University operating asset allocations based upon liquidity needs as determined by rolling 14-month cash flow forecasts. Operating assets in excess of liquidity requirements are available for investment in the PUF Core Bond Fund and other long-term investments.
- 2** OSU Cash includes bank account balances held for operations.
- 3** 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was comprised of 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.
- 4** The reported investment yields for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.
- 5** 100% 91 day T-Bill Index as of September 1, 2023. From August 17, 2020 to August 31, 2023, the benchmark was ICE BofA 1-3 year US Corporate & Government Index.
- 6** During fiscal year 2021, the university funded a PERS Side Account totaling \$10,000,000 which represented approximately 2.2% of the university's unfunded actuarial liability as of June 30, 2021. PERS contributed \$2,225,203 matching contributions to the Side Account. The Side Account represents a pre-payment of OSU's future contributions. Including earnings and amortization, the account balance as of December 31, 2023 was \$10.2 million.
- 7** A benchmark index measures the performance of all investable securities as defined by its referenced universe. OSU's investment portfolios limit/exclude exposure to fossil-fuel related securities, per investment policy, and performance of OSU's investment portfolios may differ from their stated benchmark.
- 8** The Putnam International Capital Opportunity Fund initial investments in the Bond Repayment and Long-Term Equity Funds of \$2.4M and \$0.8M, respectively, were funded on 4/26/2024. Performance reporting began on May 1, 2024.
- 9** The OSU Foundation investment advisor, Cerity Partners, does not provide a 10-year benchmark for the individual asset classes. The 10-year benchmark is provided at the total pool level only.
- 10** Real Assets Custom Benchmark: 1/3 FTSE EPRA/NAREIT Developed Index, 1/3 Bloomberg Commodity Index, 1/3 Bloomberg U.S. TIPS
- 11** To meet financial period and reporting deadlines, private capital market value and performance figures presented may differ from actual results.
- 12** Investment returns are reported net of investment manager fees; gross of the Foundation's administrative fees.
- 13** The Endowed Pool benchmark consists of 77.5% of the MSCI ACWI and 22.5% of the Barclays Global Aggregate. During the portfolio transition period (July 2016), as agreed with OSUF, the benchmark return was equal to the actual return of the portfolio. Prior to 7/1/16, the benchmark consisted of 15% S&P 500 / 4% Russell 1000 Growth / 17% MSCI EAFE / 6% MSCI Emerging Markets / 6.5% Barclays Aggregate / 6.5% Citi WGBI / 3% Principal Diversified Real Assets Custom Blend / 18% HFRI Fund of Funds Composite Index / 3% S&P North American Natural Resources Sector Index / 3% Alerian MLP Index / 5% NCREIF Townsend Blended Index / 10% Burgiss Global Private Equity Index / 2% 91 Day T-Bills / 1% Mercer Illiquid Natural Resources Index.
- 14** Physical appraisals completed every five years. Valuations in interim years provided by faculty. Investment returns updated annually during the fiscal fourth quarter. Land held as separately invested endowments may not be sold, with the exception of the Matteson property, beginning 2/25/2035, and the Roth property. Land use is restricted to teaching and research. Partial harvests, consistent with good forestry management practices are allowed, with specified uses for ongoing funding for scholarships and an endowed chair.
- 15** Funds provided by the State which are restricted to certain bond investments.

Note: Outlined returns underperformed their benchmark.

**OREGON STATE UNIVERSITY REPORT ON UNSPENT GENERAL REVENUE BOND PROCEEDS**

Unspent Bond Proceed data as of June 30, 2025 is under review and was unavailable at time of publishing.

**PUBLIC UNIVERSITY FUND INVESTMENT REPORT**

**Public University Fund Performance**

	<b>Quarter Ended 6/30/2025</b>	<b>Current Fiscal Year</b>	<b>Prior Fiscal Year</b>	<b>3-Year Avg.</b>	<b>5-Year Avg.</b>	<b>Market Value</b>
<b>PUF Core Bond Fund</b>	1.7%	6.7%	5.1%	4.0%	1.5%	\$ 250,146,574
<i>Benchmark</i> <sup>1</sup>	1.7%	6.7%	4.2%	3.6%	0.6%	
<i>PUF Investment Yield</i>	1.1%	4.5%	4.8%	4.3%	3.7%	

<sup>1</sup> Benchmark is 100% Bloomberg Barclay's Intermediate U.S. Gov't/Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

A description of the PUF's portfolio characteristics and market exposures is included in Attachment 2 of this report.

**Participant Ownership**

	<b>Market Value as of 6/30/2025</b>	<b>% Ownership</b>
Portland State University	\$131,984,330	52.8%
Oregon State University <sup>1</sup>	80,156,736	32.0%
Oregon Institute of Technology	20,609,313	8.2%
Eastern Oregon University	12,905,189	5.2%
Western Oregon University	4,491,006	1.8%
<b>Grand Total</b>	<b>\$250,146,574</b>	<b>100.0%</b>

<sup>1</sup> As of June 30, 2025, Oregon State University's total PUF market value consisted of operating assets, valued at \$79,994,010 and land grant endowment assets, valued at \$162,726.

## **FY2025 Q4 MARKET COMMENTARY**

*(Prepared by Meketa Investment Group, consultants to the Oregon Investment Council)*

### **Report on Investments – as of June 30, 2025**

#### **Economic and Market Update**

In the second calendar quarter of 2025, U.S. trade policy drove market dynamics. Significant volatility in early April after the initial tariff announcement was followed by a recovery in risk assets on their later temporary suspension. In fixed income markets, fiscal policy uncertainty and growing debt levels shaped market sentiment.

- Domestic equities rose in the second quarter with the (S&P 500) rising (+10.9%) with growth stocks, particularly technology, leading the way.
- Non-U.S. developed market stocks (Morgan Stanley Capital Indices (MSCI) Europe Australasia Far-East (EAFE)) gains of 11.8% beat U.S. markets, extending their outperformance over most asset classes year-to-date by returning +19.4%.
- Emerging market stocks were the best performers, returning +12.0% for the quarter, despite a modest +2.0% return in China.
- In mid-June, the Federal Reserve held rates steady (but the messaging was perceived as more accommodative by market participants compared to earlier in the year), with inflation, while improving, remaining above target and the unemployment rate still low.
- Outside of longer dated government bonds, most fixed income markets rose for the quarter as yields remained stable or declined. The broad Bloomberg Aggregate Index returned +1.2%, while long-term Treasuries fell -1.5%. Riskier bonds performed better as risk sentiment improved with emerging market debt increasing +7.6% and high yield bonds gaining +3.5%.
- Looking ahead, continued uncertainty related to the U.S. administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The track of the U.S. deficit, China's economy and relations with the U.S., as well as concerns over elevated valuations and weakening earnings in the U.S. equity market, will also be important focuses for the rest of this year.

Market Returns<sup>1</sup>  
June 30, 2025

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	5.1%	10.9%	6.2%	15.2%	19.7%	16.6%	14.4%	13.6%
MSCI EAFE-ND	2.2%	11.8%	19.4%	17.7%	16.0%	11.2%	7.2%	6.5%
MSCI EM-ND	6.0%	12.0%	15.3%	15.3%	9.7%	6.8%	4.5%	4.8%
MSCI China-ND	3.7%	2.0%	17.3%	33.8%	3.1%	-1.0%	0.1%	2.1%
Bloomberg US Aggregate	1.5%	1.2%	4.0%	6.1%	2.5%	-0.7%	1.8%	1.8%
Bloomberg US TIPS	1.0%	0.5%	4.7%	5.8%	2.3%	1.6%	3.0%	2.7%
Bloomberg US Corporate High Yield	1.8%	3.5%	4.6%	10.3%	9.9%	6.0%	5.3%	5.4%
ICE BofAML US 3-Month Treasury Bill	0.3%	1.0%	2.1%	4.7%	4.6%	2.8%	2.5%	2.0%
ICE BofAML 1-3 Year US Treasury	0.6%	1.2%	2.8%	5.7%	3.4%	1.4%	2.1%	1.6%
ICE BofAML 10+ Year US Treasury	2.5%	-1.4%	3.4%	1.8%	-3.5%	-7.8%	-1.0%	0.3%

<sup>1</sup>Source: Oregon State Treasury

**U.S. Equities:** U.S. stocks rose during the second calendar quarter as tariff concerns stabilized after the early April volatility. Strong corporate earnings, particularly in the technology sector, and a relatively resilient U.S. economy also drove results.

Growth stocks outpaced value stocks across the market capitalization spectrum during the quarter, particularly in large cap (+17.8% versus +3.8%) due to strong gains in the large-cap companies focused on artificial intelligence (AI).

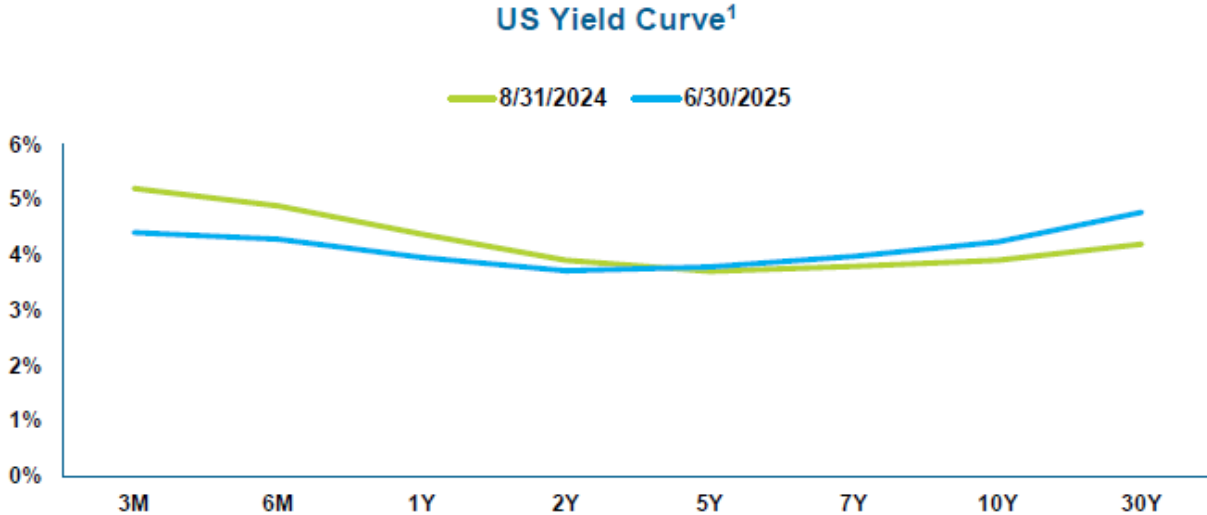
Small cap stocks (Russell 2000) had strong results (+8.5%) in Q2 but trailed large cap stocks (Russell 1000), which gained +11.1%. Gains in the large cap technology sector, elevated interest rates, and overall uncertainty related to the path of the U.S. economy drove the underperformance.

**Foreign Equity:** Developed markets outpaced U.S. peers as continued weakness in the U.S. dollar (USD) acted as a significant tailwind adding +7.0% to local returns. Eurozone equities had strong results, led by real estate and industrials (particularly defense) and benefited from two rate cuts over the quarter as inflation fell below the European Central Bank target of 2%. Japan also saw strong returns led by growth stocks after initial tariff-related declines.

Emerging markets ended the quarter slightly ahead of developed peers, also benefiting from the weakening USD. After the pronounced “Liberation Day” selloff, the 90-day tariff pause, and U.S.-China dialogue eased many fears. Korea and Taiwan tech stocks benefited from continued AI optimism. China posted a small gain for the quarter as domestic consumption data continued to weigh on sentiment, and trade uncertainty lingered. India underperformed, as growth expectations were tempered, and valuations remained high.

After a considerable pullback in April, U.S. stock valuations rallied and finished the quarter above where they started. They continue to trade well above their long-run cyclically adjusted P/E average of 28.3. While non-U.S. developed stocks have performed very well this year, at the end of June their valuations remain close to their long-run P/E ratio of 21. Emerging market stocks continued to rally this year and are now trading at valuations near their long-run average.

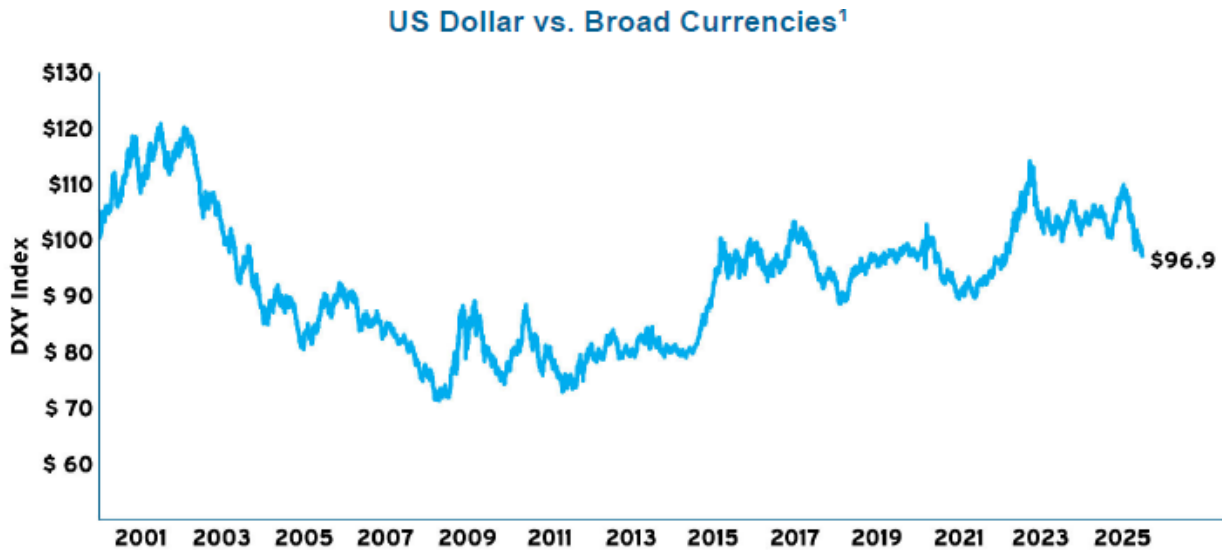
**Fixed Income:** The broad U.S. bond market (Bloomberg Aggregate) rose 1.2% with both short (+1.0) and longer dated (+0.5%) Treasury Inflation Protected Securities outperforming as inflation risks rose modestly. Long-term Treasuries (-1.5%) underperformed as fiscal concerns



<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2025.

Fiscal concerns related to a growing U.S. government debt load and interest expense dominated headlines and market participant concerns, as did ongoing inflation-related uncertainty. The policy sensitive 2-year nominal Treasury yield was volatile but ultimately declined by 16 basis points to close near 3.7% as market participants factored in a greater likelihood of lower policy rates going forward. The 10-year nominal Treasury was also volatile but ended the period largely unchanged (4.2%), while the 30-year nominal Treasury increased by 0.2% over the quarter to 4.8% on growing debt concerns. These dynamics led to a continued steepening of the yield curve over the quarter.

Inflation has been slow to return to the Fed’s 2% average target, with headline twelve-month inflation rising from 2.4% to 2.7% over the quarter. In the June report, goods facing tariffs saw increases in prices, while a measurable decline in auto inflation, easing of cyclical services prices, and continued housing sector disinflation served as counters. Core inflation year-over-year also rose over the quarter, reaching 2.9%. For the month it increased 0.2%, and most core sectors outside of new and used cars saw prices increase. Market participants continued to highlight the dynamic of what appears to be disinflationary pressures in non-tariff exposed prices driven by weakening growth expectations, versus prices rising for those assets and sectors likely to see tariff polices solidified in the coming weeks.



<sup>1</sup> Source: Bloomberg. Data as of June 30, 2025

Over the quarter, the U.S. dollar declined an additional -7% bringing its year-to-date drop to close to -11%. Typically, higher interest rates support the U.S. dollar but recent concerns over changing U.S. administration policies, potentially slower growth, non-U.S. investor currency hedging, and fiscal concerns, all led to investors shedding U.S. assets.

### Summary-Key Trends:

- According to the International Monetary Fund's April annual report, global growth in 2025 was downgraded from +3.3% to +2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. The U.S. growth forecast saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (+4.6% to +4.0%), while growth in the European Union is projected to be slightly higher (+1.3%) in 2025.
- Despite the recent pause and negotiations related to tariffs, many questions remain. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and recent developments with tariffs will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the U.S. and the potential for slower growth could support a continued rotation out of U.S. assets and put sustained downward pressure on the dollar.
- Some signs of stress have started to emerge on the U.S. consumer with sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, the risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- U.S. equities recovered from losses experienced during the first week of April and ended the quarter at all-time highs. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.

- Trade tensions between the U.S. and China will remain a key focus. Recently, the two countries agreed on a 90-day truce with the U.S. lowering its maximum tariff rate on Chinese goods from 145% to 30%, with a 10% baseline level. China agreed to lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period. Notably, tariff levels on China remain higher than where they previously were.

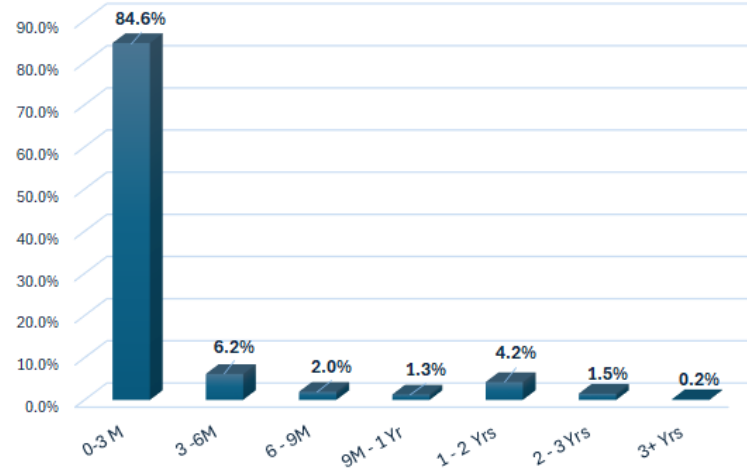
# Oregon Short-Term Fund

June 30, 2025

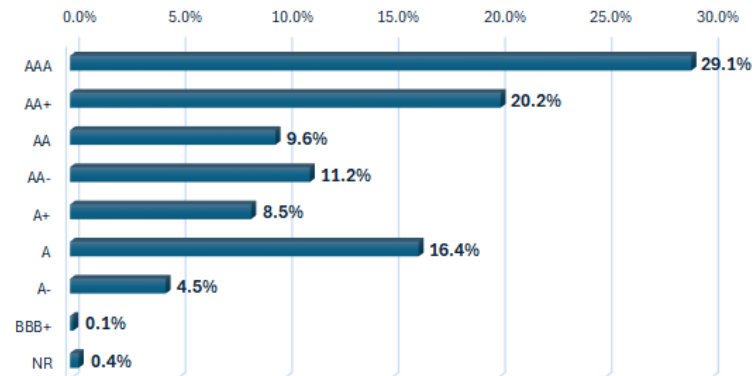
<b>Portfolio Characteristics</b>	
Net Asset Value 6/30/2025	\$ 34,734,058,739
Weighted Average Credit Quality	AA
Book Yield (%)	4.73%
Weighted Average Maturity (days)	75 days
Duration (years)	0.18
Spread Duration (years)	0.81

<b>Top 10 Issuers</b>	
United States Treasury	13.0%
Federal Farm Credit Banks	4.2%
Canada Pension Plan Investment Board Capital Incorporated	3.1%
National Rural Utilities Cooperative Finance Corporation	2.4%
American Honda Finance Corporation	1.9%
Toyota Motor Credit Corporation	1.9%
Royal Bank of Canada	1.8%
The Toronto-Dominion Bank	1.6%
New York Life Global Funding	1.6%
National Securities Clearing Corporation	1.3%
<b>Total</b>	<b>32.8%</b>

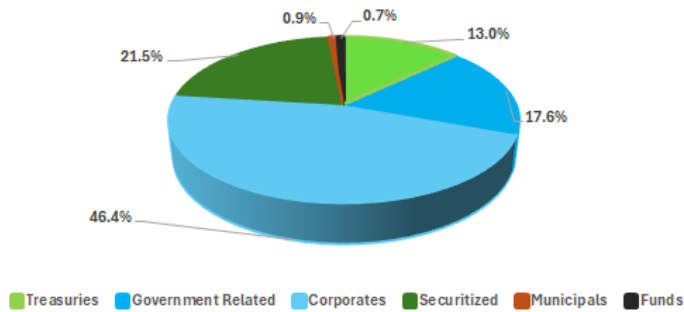
**Maturity Breakdown**



**Credit Quality Distribution**



**Sector Allocations**



Source: Oregon State Treasury

# Core Bond Fund

June 30, 2025

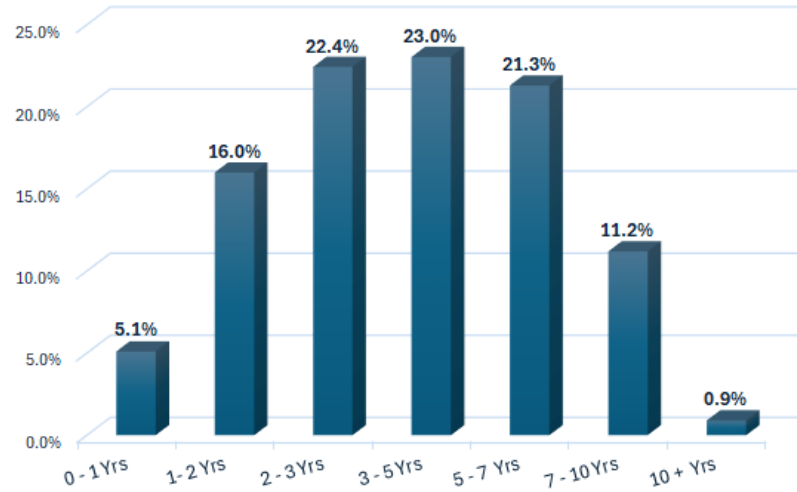
## Portfolio Characteristics

Market Value 6/30/2025	\$ 250,146,574
Weighted Average Credit Quality	AA-
Book Yield (%)	4.74%
Weighted Average Maturity (years)	4.42
Duration (years)	3.81
Spread Duration (rate)	1.81

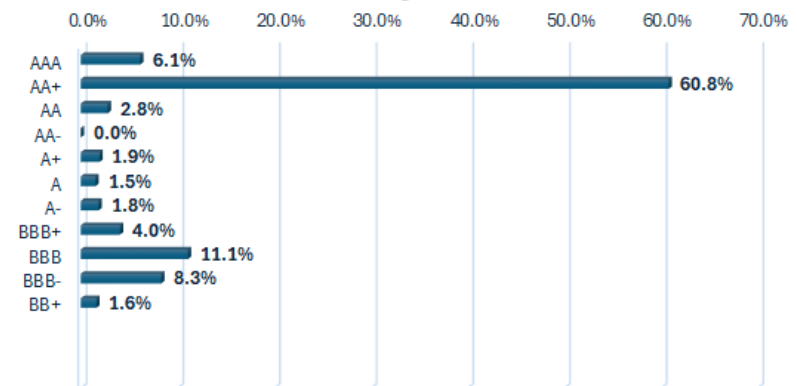
## Top 10 Issuers

United States Treasury	51.5%
Federal National Mortgage Association	4.0%
Federal Home Loan Mortgage Corporation	3.9%
Agree Realty Corporation	2.7%
Ford Credit Trust 22-C	2.5%
Rexford Industrial Realty Incorporated	2.1%
Charles Schwab Corporation (The)	2.0%
Wheels Fleet Lease Funding LLC 24-2	2.0%
Gracie Point International	1.6%
DLLMT LLC Trust 24-1	1.5%
<b>Total</b>	<b>73.8%</b>

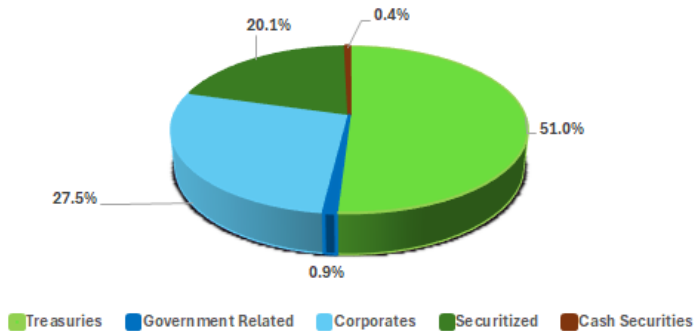
## Maturity Breakdown



## Credit Quality Distribution



## Sector Allocations



Source: Oregon State Treasury

October 22 – 23, 2025, Board of Trustees Meetings

## INVESTMENT REPORT BACKGROUND

The quarterly investment report is provided to ensure that the university's investment strategies align with the board-approved investment policies risk/return profile. A summary of investment returns of OSU Operating Assets, OSU Board Designated Assets, and OSU Endowment Assets reflects the impacts of the university's asset allocation approach.

The Board of Trustees has responsibilities related to monitoring, distribution, administration and investment of OSU property such as operating and endowment assets. Additionally, trustees have fiduciary responsibilities for investments in the Public University Fund (PUF), due to OSU's role as Designated University for this commingled investment vehicle. The following details provide background information about the various reports included in this docket.

- **Oregon State University Investment Report** –This report reflects the performance of the university's operating assets and general revenue bond proceeds invested with multiple managers, board-designated assets, the university's endowment, and quasi-endowment investments managed by the Oregon State University Foundation, the land held as separately invested endowments, and the land grant endowment that is invested in fixed income investments.
- **Oregon State University Report on Investments of General Revenue Bond Proceeds** – This section provides a summary of unspent revenue bond proceeds as of the report date.
- **Public University Fund Investment Report** –The PUF is an investment pool that is administered by the university on behalf of all Oregon public university participants, pursuant to legislation adopted by the 2014 Legislature. The PUF invests in intermediate-term fixed income securities. The following universities participate in the PUF: Eastern Oregon University, Oregon Institute of Technology, Oregon State University, Portland State University and Western Oregon University. This report reflects the performance of all participants' assets held in the PUF.
- **Market Background** – This section provides a general discussion of the investment markets and related performance information for the reporting period available in Attachment 1.
- **Portfolio Characteristics** – Portfolio characteristics for university assets invested in the Oregon Short-Term Fund and the PUF Core Bond Fund are included in Attachment 2.