

FY2020 Q1 Investment Reports

BACKGROUND

The Oregon State University (university) investment reports for the first quarter (Q1) of fiscal year (FY) 2020 are presented in the following four sections:

- **FY2020 Q1 Public University Fund Investment Report** – This section includes a report on the investments of the Public University Fund (PUF) for the first quarter of FY2020. 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 holds assets of the following participating Oregon public universities: Eastern Oregon University, Oregon Institute of Technology, Oregon State University, Portland State University, Southern Oregon University, and Western Oregon University.
- **FY2020 Q1 Oregon State University Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in the PUF, 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 the PUF.
- **FY2020 Q1 Oregon State University Report on Unspent General Revenue Bond Proceeds** – This section provides a summary of unspent revenue bond proceeds as of September 30, 2019.
- **FY2020 Q1 Market Background** – This section provides a general discussion of the investment markets and related performance information during the first quarter of FY2019 (i.e., July 1 – September 30, 2019).

FY2020 Q1 PUBLIC UNIVERSITY FUND INVESTMENT REPORT

(Prepared by the Public University Fund Administrator)

Performance

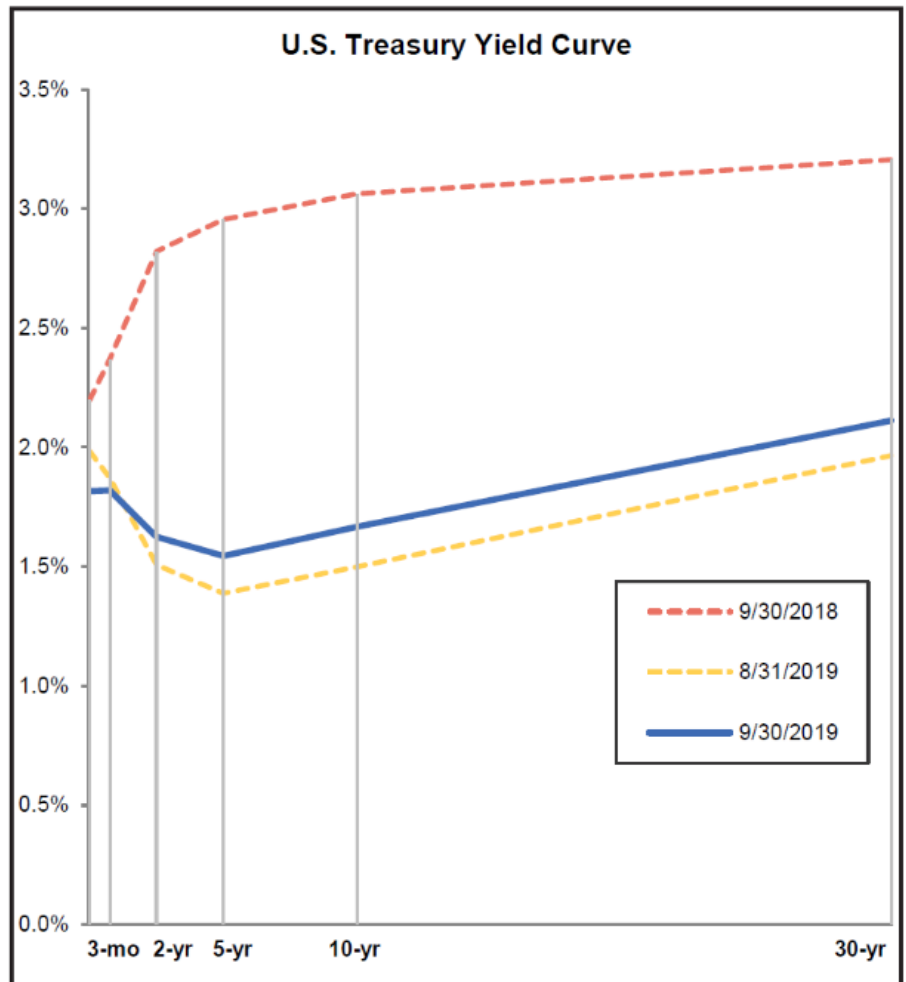
The PUF gained 1.0% for the quarter. The PUF’s three-year and five-year average returns were 2.4% and 2.2%, respectively.

The Oregon Short-Term Fund (OSTF) returned 0.7% for the quarter, outperforming its benchmark by 10 basis points. The Core Bond Fund returned 1.2% for the quarter, underperforming its benchmark by 10 basis points. The investment yield on the PUF portfolio was 0.9% for the quarter.

In November, Oregon State Treasury fixed income portfolio manager, Tom Lofton, conducted a quarterly performance review with university staff. The fixed income market rally continued, during the quarter, as interest rates declined across the yield curve. Foreign investor demand for U.S. credit was strong, driving bond prices higher. Additionally, investor concerns about slowing economic growth and low inflation drove rates lower. To mitigate risk in the portfolio, Mr. Lofton continues to diversify the issuers held in the portfolio and maintain an underweight to corporate credit compared to the benchmark.

Segments of the yield curve remain inverted for a fourth consecutive quarter, particularly the 6-month to 5-year maturities.

As depicted by the blue line in the graph (right), the yield on the 3-month Treasury bill (1.82%) was higher than the 5-year Treasury note (1.55%).



Public University Fund Performance

	Quarter Ended 9-30-19	Current Fiscal YTD	Prior Fiscal YTD	3-Year Avg.	5-Year Avg.	Market Value	Asset Allocation	Policy
Oregon Short-Term Fund	0.7%	0.7%	0.6%	1.9%	1.4%	\$279,778,949	47.3%	\$100 million target ¹
<i>Benchmark - 91 day T-Bill</i>	0.6%	0.6%	0.5%	1.5%	1.0%			
PUF Core Bond Fund	1.2%	1.2%	0.1%	N/A	N/A	311,979,795	52.7%	
<i>Blended Benchmark ²</i>	1.3%	1.3%	0.1%	2.1%	3.1%			
PUF Total Return	1.0%	1.0%	0.3%	2.4%	2.2%	\$591,758,744	100.0%	
<i>PUF Investment Yield</i>	0.9%	0.9%	0.6%	2.4%	2.0%			

¹ The PUF policy guidelines define investment allocation targets based upon total participant dollars committed. Core balances in excess of liquidity requirements for the participants are available for investment in the Core Bond Fund. Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year.

² The Blended Benchmark comprises the Bloomberg Barclay's Aggregate 3-5 Years Index (75%) and the Bloomberg Barclay's Aggregate 5-7 Years Index (25%).

A description of each investment pool's portfolio characteristics and market exposures is included in Appendix A of this report.

Investment Income and Participant Ownership

During the quarter, investment earnings distributed to the participants totaled \$5,245,853.

	Earnings Distribution ¹	Market Value as of 9/30/19	% Ownership
Oregon State University ²	\$ 2,362,573	\$ 262,031,160	44.3%
Portland State University	1,934,062	220,222,696	37.2%
Western Oregon University	384,506	41,260,450	7.0%
Oregon Institute of Technology	175,621	24,486,640	4.1%
Southern Oregon University	199,019	22,794,909	3.9%
Eastern Oregon University	190,072	20,962,889	3.5%
Grand Total	\$ 5,245,853	\$ 591,758,744	100.0%

¹The earnings available for distribution to participants were earned during the months of June 2019 through August 2019 and distributed to participants in September 2019. Earnings are distributed to participants based upon average cash and investment balances on deposit during the same period, which differs from the total market value at the end of the quarter.

²As of September 30, 2019, Oregon State University's total PUF market value consisted of operating assets, valued at \$261,700,756, and the land grant endowment, valued at \$330,404

FY2020 Q1 OREGON STATE UNIVERSITY INVESTMENT REPORT

The schedule of Oregon State University's investments is shown in the following investment summary.

Public University Fund Performance

Oregon State University's operating assets and the land grant endowment are invested in the Public University Fund (PUF). The report on the investment performance of the PUF, provided in the separate section above, shows the PUF gained 1.0 % for the first quarter.

OSU Endowment Asset Performance

The OSU Endowment Assets, including those managed by the OSU Foundation, declined by 0.1% during the quarter. The three-year average total return was 8.9%. The total market value of the OSU endowment assets as of September 30, 2019, was \$54,402,203.

The OSU Foundation, pursuant to an investment management contract, is managing the majority of the university's endowment assets. The OSU Foundation's Endowment Pool declined by 0.1% during the quarter, underperforming its benchmark by 10 basis points. The three-year average return was 8.6%, outperforming its benchmark by 40 basis points.

Oregon State University
Investment Summary
as of September 30, 2019
(Net of Fees)

	Quarter Ended 9/30/2019	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Range
OSU Operating Assets									
Assets Invested in the Public University Fund									
Oregon Short - Term Fund	0.7%	0.7%	0.6%	1.9%	1.4%	1.0%	\$ 123,730,090	47.3%	1
Benchmark - 91 day T-Bill	0.6%	0.6%	0.5%	1.5%	1.0%	0.5%			
PUF Core Bond Fund	1.2%	1.2%	0.1%	N/A	N/A	N/A	137,970,666	52.7%	1
Blended Benchmark ²	1.3%	1.3%	0.1%	2.1%	3.1%	N/A			
Public University Fund Total Return	1.0%	1.0%	0.3%	2.4%	2.2%		261,700,756	100.0%	
Public University Fund Investment Yield	0.9%	0.9%	0.6%	2.4%	2.0%				
OSU Unspent Bond Proceeds									
Oregon Short - Term Fund	0.7%	0.7%	N/A				\$ 120,900,743		
Benchmark - 91 day T-Bill	0.6%	0.6%	N/A						
Total Operating Assets							<u>\$ 382,601,499</u>		
OSU Endowment Assets									
OSU Endowment Assets Invested in the OSUF Endowment Pool									
Total Global Equity	-0.6%	-0.6%	2.2%				\$ 25,398,617	53.4%	50.0%
Benchmark - MSCI All Country World Index	0.0%	0.0%	4.3%						
Total Global Fixed Income	0.7%	0.7%	0.0%				3,816,224	8.0%	5.0%
Benchmark - Bloomberg Barclays Global Agg. Bond Index	0.7%	0.7%	-0.9%						
Total Absolute Return	-2.5%	-2.5%	0.3%				5,235,993	11.0%	10.0%
Benchmark - HFRI Fund of Funds Index	-0.9%	-0.9%	0.3%						
Total Real Assets	-0.5%	-0.5%	0.3%				4,807,204	10.1%	10.0%
Benchmark - Real Assets Custom ³	1.5%	1.5%	-1.0%						
Total Private Capital	4.2%	4.2%	7.4%				7,489,519	15.7%	25.0%
Benchmark - No benchmark provided									
Total Cash	0.0%	0.0%	0.0%				895,693	1.8%	0.0%
Total OSU Endowment Assets Invested in OSUF Endow. Pool ⁴	-0.1%	-0.1%	2.1%	8.6%			47,643,250	100.0%	100.0%
Benchmark-80% MSCI ACWI/20% BBG Barclays Global Agg. ⁵	0.1%	0.1%	3.2%	8.2%					
Other OSU Endowment Assets									
Land Held as Separately Invested Endowment Funds ⁶	0.0%	0.0%	0.0%	11.1%			6,428,549		
Other Endowment Assets Invested in the PUF	1.0%	1.0%	0.3%	2.3%			330,404		
Total Other OSU Endowment Assets							<u>6,758,953</u>		
Total OSU Endowment Assets	-0.1%	-0.1%	1.8%	8.9%			<u>\$ 54,402,203</u>		

(continued on next page)

Oregon State University**Investment Summary
as of September 30, 2019**

- ¹ The Public University Fund (PUF) policy guidelines define investment allocation targets based upon total participant dollars committed. Core balances in excess of liquidity requirements for the participants are available for investment in the Core Bond Fund. Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year.
- ² Blended Benchmark Composition: 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.
- ³ Real Assets Custom Benchmark: 1/3 Financial Times Stock Exchange European Public Real Estate Association/National Association Real Estate Investment Trust Developed Index, 1/3 Bloomberg Commodity Index, 1/3 Bloomberg Barclays U.S. Treasury Inflation Protected Securities.
- ⁴ Investment returns are reported net of investment manager fees; gross of the Foundation's administrative fees.
- ⁵ The Endowed Pool benchmark consists of 80% of the MSCI ACWI and 20% 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.
- ⁶ 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. 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.
- Note: Outlined returns underperformed their benchmark.

FY2020 Q1 OREGON STATE UNIVERSITY REPORT ON UNSPENT GENERAL REVENUE BOND PROCEEDS

The schedule of Oregon State University's unspent revenue bond proceeds as of September 30, 2019, is shown in the summary below.

Unspent Revenue Bond Proceeds

Issuance Year	2015 ¹	2016 ²	2017 ³	2019 ⁴	Total
Unspent Revenue Bond Proceeds	\$666,540	\$3,756,624	\$54,900,155	\$119,822,037	\$179,145,356
<i>Allocated</i> ⁵	\$666,540	\$3,756,624	\$54,900,155	\$59,716,685	\$119,040,004
<i>Unallocated</i> ⁶	\$ -	\$ -	\$ -	\$60,105,352	\$ 60,105,352

¹ Space Improvement Projects are forecasted to be fully expended in FY2020.

² Primarily taxable funds allocated to IT Systems Infrastructure project (Link Oregon).

³ Proceeds use approved June 2017.

⁴ Balance represents Unspent 2019 Revenue Bond proceeds as of September 30, 2019, less adjustments for operating account reimbursements due as of the end of the period (\$1,078,706)

⁵ Allocated proceeds are proceeds committed to specific projects that have Stage Gate 2 approval by the Board.

⁶ Unallocated proceeds have not yet been committed to specific capital projects approved by the Board.

FY2020 Q1 MARKET BACKGROUND

(Prepared by Callan Associates, consultants to the Oregon Investment Council)

Macroeconomic Environment

The U.S. economy continued to perform reasonably well in the third calendar quarter, with several September data points surpassing expectations. That said, global growth continued to languish, especially in manufacturing where trade wars have taken a toll. Inflation also remained stubbornly low. Against that backdrop, the U.S. dollar was a star performer, up 3.4% versus a basket of trade partner currencies and up 4.3% versus the beleaguered euro. U.S. fixed income also posted another solid quarter, with the Bloomberg Barclays US Aggregate Bond Index up 2.3%. The S&P 500 Index eked out a modest gain of 1.7% and the Morgan Stanley Capital Indices (MSCI) All Countries World Index (ACWI) ex-USA lost 1.8%. The worst-performing sector was emerging market equity, which lost over 4%.

Gross domestic product (GDP) across the 19-country euro zone grew 1.2% (annualized) in the second calendar quarter, but its largest country, Germany, is now widely thought to be in recession; its second calendar quarter GDP contracted modestly from the previous quarter. The European Central Bank (ECB) has lowered its forecast to 1.1% in calendar year 2019 and 1.2% in calendar year 2020. Japan revised its second calendar quarter GDP down from 1.8% to 1.3% (annualized). In China, industrial output growth was an annualized 4.4% in August, its lowest monthly gain in 17 years. Euro zone Purchasing Managers Index, a measure of manufacturing health, fell to 45.6, the lowest in 17 years. Germany saw its manufacturing data decline to the worst level in more than 10 years. Gyration in trade talks continued throughout the third calendar quarter. While the U.S. and China imposed and threatened tariffs on one another, the countries agreed to a 13th round of trade talks in October, thus easing concerns somewhat going into quarter-end.

In an effort to spur growth, central banks around the world in both developed and emerging markets cut rates in the third calendar quarter. The ECB reduced its deposit rate from -0.4% to -0.5% and announced a new bond purchase program at a rate of €20 billion a month, beginning in November. Australia and New Zealand cut their benchmark interest rates to record lows of 0.75% and 1.0%, respectively. And negative-yielding debt ended the quarter at roughly \$17 trillion, leaving investors to grapple with the dire implications of paltry yields and reduced return expectations for both stocks and bonds.

Against this rather gloomy backdrop, the U.S. economy continued to hum along. The consumer continued to be a bright spot, bolstering services sectors, while manufacturing dampened growth. Unemployment remains low (3.7%) and average hourly earnings ticked up (3.2% year over year). The Citi Economic Surprise Index was up sharply in August, surpassing expectations. Consumer confidence remains elevated, though the expectations component ticked down in September. GDP growth in the U.S. was 2.0% for the second calendar quarter (annualized) and 2.3% year over year. Current estimates from the Atlanta and the New York Federal Reserve (Fed) for third calendar quarter GDP growth are just over 2.0%. However, worries over the impact of tariffs and concerns about growth overseas have led to rate cuts here as well. The Federal Open Market Committee cut the Fed Funds rate by 25 basis points at its September meeting, bringing the range to 1.75%-2.00%. Commentary around the rate cut cited it as being a “mid-cycle adjustment,” but Fed Chair Jerome Powell also recently said that it is his objective to “sustain the expansion.” It is notable that two members voted against a cut and one voted for a 50 basis points (bps) cut. The broad Fed view does not show another cut until after calendar 2020, but expectations are mixed among the members. Market expectations are more dovish.

Headline Consumer Price Index in August was 1.7% (Core: 2.4%) and the Fed’s favored indicator, the Core Personal Consumption Expenditure Index, was +1.8% (annualized), below its 2% target. Monetary stimulus has not been able to spur inflation or growth, and thus talks of potential fiscal stimulus packages are beginning to surface in the U.S. and abroad. While this may be politically attractive, it should be noted that the U.S. federal budget deficit hit over \$1 trillion for the first 11 months of federal fiscal year 2019, the highest in seven years, and roughly 5% of GDP. This has not posed a problem in recent years given sufficient overseas buyers of U.S. Treasuries, but it is an important data point to acknowledge.

Economic data along with striking political headlines in the U.S., British Exit (Brexit) uncertainty, Iran/Saudi tensions, civil unrest in Hong Kong, and ongoing trade talks leave much room for uncertainty in the fourth calendar quarter.

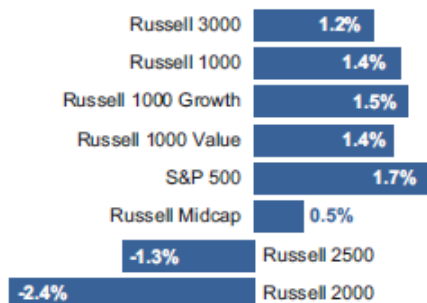
Equity Markets Results

The S&P 500 gained 1.7% in the third calendar quarter, and 20.6% for the calendar year-to-date. However, returns were mixed across sectors. Real Estate (+7.7%) and Utilities (+9.3%) both benefited from lower interest rates. Returns for both sectors are approaching 30% on a calendar year-to-date basis. Energy, hurt by falling oil prices, lost 6.3% and is up only 6.0% for the calendar year. Health Care was another poor performer, down 2.2% for the quarter and up 5.6% calendar year-to-date.

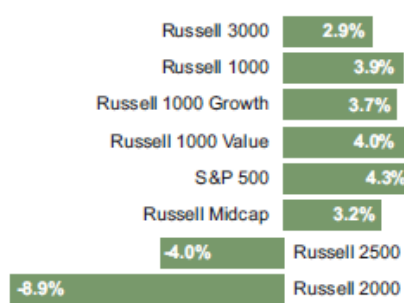
From a style perspective, value mounted a comeback late in the quarter, but over the full quarter returns across styles were similar (Russell 1000: +1.4%; Russell 1000 Growth: +1.5%; Russell 1000 Value: +1.4%). Small caps underperformed (Russell 2000: -2.4% vs Russell 1000:

+1.4%) and, notably, small cap value outperformed small cap growth by a significant margin (Russell 2000 Value: -0.6% vs. Russell 2000 Growth: -4.2%).

U.S. Equity: Quarterly Returns

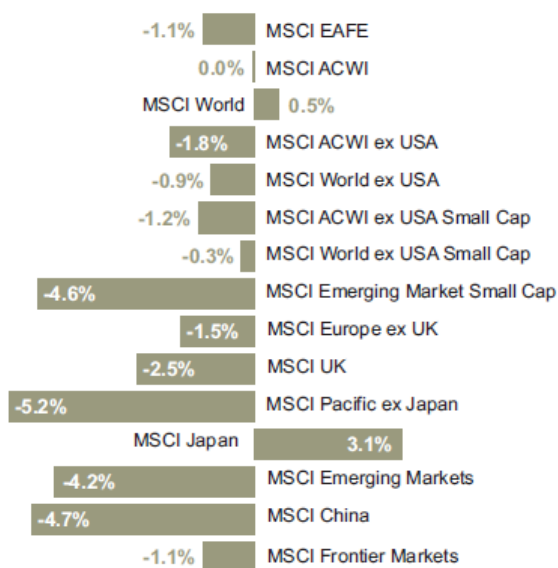


U.S. Equity: One-Year Returns

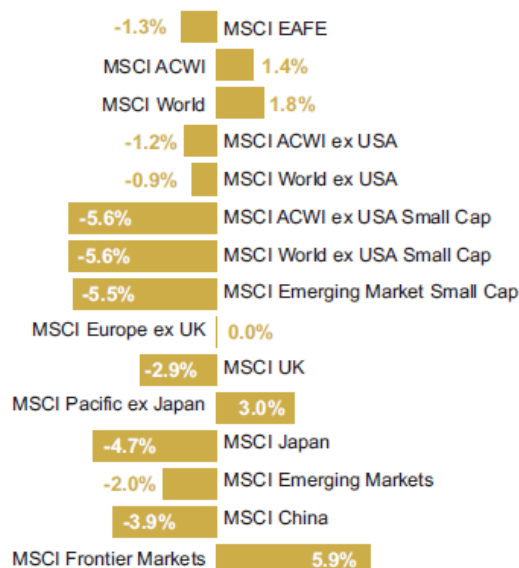


Overseas, the strong U.S. dollar hurt results. The MSCI ACWI ex-USA Index fell 1.8%, with emerging markets (MSCI Emerging Markets: -4.2%) underperforming developed (MSCI Europe Australasia and the Far East: -1.1%). The U.K. sank 2.5% due solely to performance of its currency, which lost just over 3% versus the U.S. dollar on Brexit-related woes. Japan (+3.1%) was one of the few countries to post a positive return, but the yen was also relatively flat vs the U.S. dollar. Emerging market countries were generally down, with Brazil, India, and China falling about 5% and Russia down a more modest 1.4%. Political uncertainty in Argentina caused its market to lose half its value in August (-47%); that said, Argentina just entered the Index in May 2019 and accounts for a very small slice (less than 1%). Value underperformed growth in both developed and emerging markets for the quarter, widening the spread on a calendar year-to-date basis. From a sector standpoint, Technology (MSCI ACWI ex-USA Technology: +2.2%) was up the most while Materials (-6.5%) and Energy (-4.6%) performed the worst.

Non-U.S. Equity: Quarterly Returns



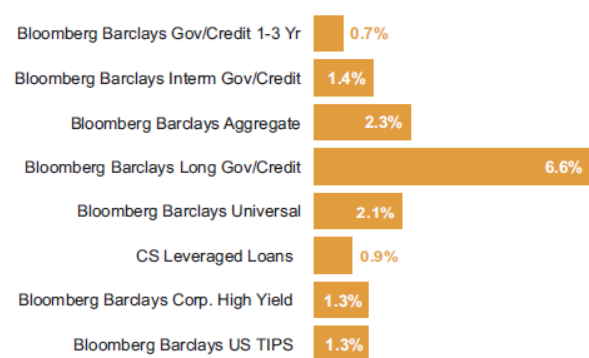
Non-U.S. Equity: One-Year Returns



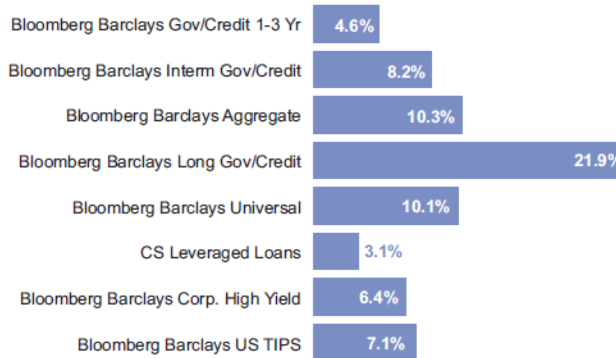
Fixed Income Markets Results

Ten-year U.S. Treasury yields were volatile in the third calendar quarter, especially in September, hitting a calendar year 2019 low of 1.40% on Sept. 4, soaring to 1.90% mid-month and closing the quarter at 1.68%, down 32 bps from June 30. U.S. Treasuries thus posted strong results (Bloomberg Barclays US Treasury Index: +2.4%). Long U.S. Treasuries soared (Bloomberg Barclays Long US Treasury Index: +7.9%; +19.8% calendar year-to-date) in the falling rate environment. The Bloomberg Barclays Aggregate rose 2.3%, bringing its calendar year-to-date result to +8.5%. High yield was up just over 1% (+11.4% calendar year-to-date) but, notably, lower quality credits significantly underperformed (CCC: -1.8% vs BB: +2.0%, and +12.8% vs +5.6% calendar year-to-date) representing some concern about deteriorating quality at the lower end of the spectrum. Treasury Inflation Protected Securities (TIPS) (Bloomberg Barclays TIPS: +1.3%) underperformed as inflation expectations waned; 10-year breakeven spreads were 1.53% as of quarter-end, down from 1.69% as of June 30. The 10-year real yield dipped briefly into negative territory in early September. Municipal bonds performed well, but did not keep pace with U.S. Treasuries (Bloomberg Barclays Muni: +1.6%; +6.7% calendar year-to-date). The shorter duration Bloomberg Barclays Muni 1-10 Year lagged with returns of +0.8% for the quarter and +4.7% calendar year-to-date.

U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



Rates fell overseas as well, but the U.S. dollar appreciated versus most currencies. The Bloomberg Barclays Global Aggregate ex-US fell 0.6% (unhedged) while the hedged version was up 2.8% for the quarter. Emerging market returns were roughly flat (JP Morgan Emerging Market Bond Global Diversified Index: +1.5%; JP Morgan Global Bond Emerging Markets Diversified Index: -0.8%) but both are up sharply calendar year-to-date (+7.9%; +13.0%) respectively. Within the dollar-denominated benchmark, Argentina (-42%) and Venezuela (-51%) were among the few to post negative returns. Conversely, returns in the local debt benchmark were more mixed with Turkey (+19%) and Argentina (-60%) being outliers.

Other Assets Results

Given the declining rate environment witnessed during the third calendar quarter, several real asset categories performed well, notably both the listed Real Estate (Financial Times Stock Exchange: National Association of Real Estate Investment Trusts Equity Index +7.8%; +27.0% calendar year-to-date) and Infrastructure (Dow Jones Brookfield: Global Infrastructure +2.5%; +23.8% calendar year-to-date) sectors. But while the Master Limited Partnerships (MLP) category also generally benefits from declining rate environments, volatile and falling oil prices weighed more heavily on the space in the quarter (Alerian MLP Index: -5.0%; +11.0% calendar year-to-date). Oil prices slid from \$58.47 to \$54.07 (West Texas Intermediate) during the quarter and the energy-heavy Goldman Sachs Commodity Index was off 4.2%, while Gold (S&P Gold spot price: +4.25; +15.0% calendar year-to-date) benefitted from its safe haven status. Looking

across the rest of the Commodity complex, Agriculture Commodities finished in negative territory (Bloomberg Commodity: Agriculture Sub index: -6.2%), weighed down by Coffee, Corn and Cotton in particular, while Nickel (+35.5%) almost single-handedly lifted the Industrial Metals Sub index (+2.4%) into positive territory for the quarter.

Closing Thoughts

Markets were subdued as the quarter ended in spite of an unexpected impeachment inquiry into the President of the U.S., an imminent Brexit outcome that poses the threat of a harsh no-deal departure, violence in Hong Kong, and other assorted challenges. Trade negotiations are slated to continue, but uncertainty remains. Returns across capital markets have been outsized in calendar 2019, especially in the U.S., where stock markets have rewarded investors with 20% results and fixed income is up nearly 10%. There appears to be ample fuel for lowered expectations going forward, but we continue to guide investors to adhere to a disciplined process that includes an appropriate and well-defined long-term asset allocation policy.

RECOMMENDATION

Staff recommend the Finance & Administration Committee accept the FY2020 Q1 Public University Fund Investment Report and the FY2020 Q1 Oregon State University Investment Report.

Oregon Short Term Fund

September 30, 2019

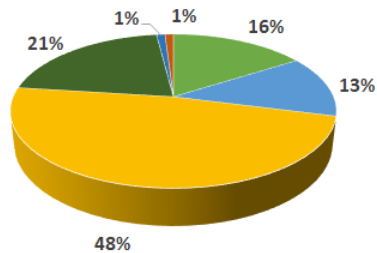
Portfolio Characteristics

Market Value 9/30/2019	\$ 279,778,949
Weighted Average Credit Quality	AA
Book Yield (%)	2.53
Weighted Average Maturity (years)	1.22
Duration (years)	0.52
Spread Duration (rate)	0.94

Top 10 Issuers

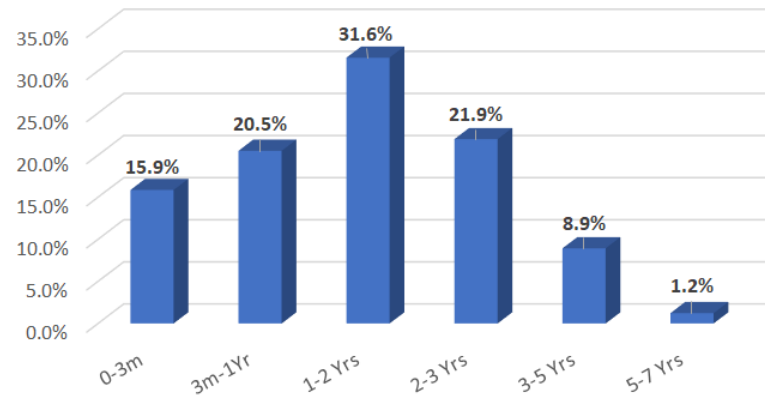
United States Treasury	16.0%
Wells Fargo & Company	3.9%
Federal Farm Credit Banks Funding Corporation	2.6%
Citigroup Incorporated	2.5%
American Express Credit Account Master Trust	2.4%
JP Morgan Chase & Company	2.4%
Federal Home Loan Banks	2.2%
Goldman Sachs Group Incorporated (The)	2.1%
Caterpillar Incorporated	2.0%
Barclays Plc	1.9%
Total	38.0%

Sector Allocations

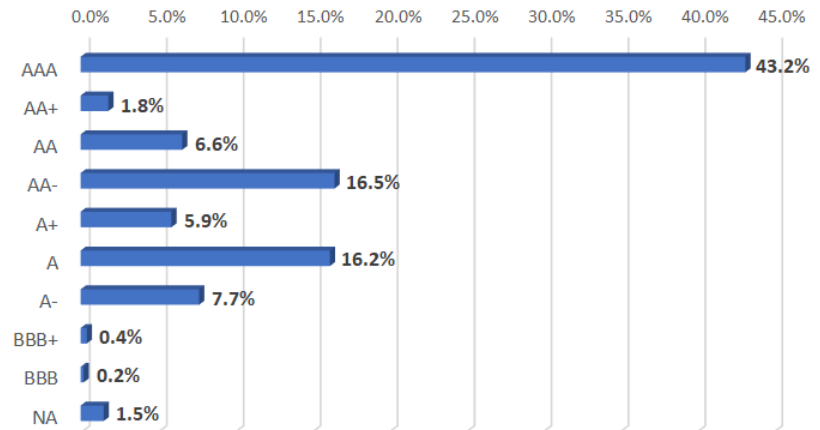


■ Treasuries ■ Government Related ■ Corporates ■ Securitized ■ Funds ■ Cash Securities

Maturity Breakdown



Credit Quality Distribution



Source: Oregon State Treasury

Core Bond Fund

September 30, 2019

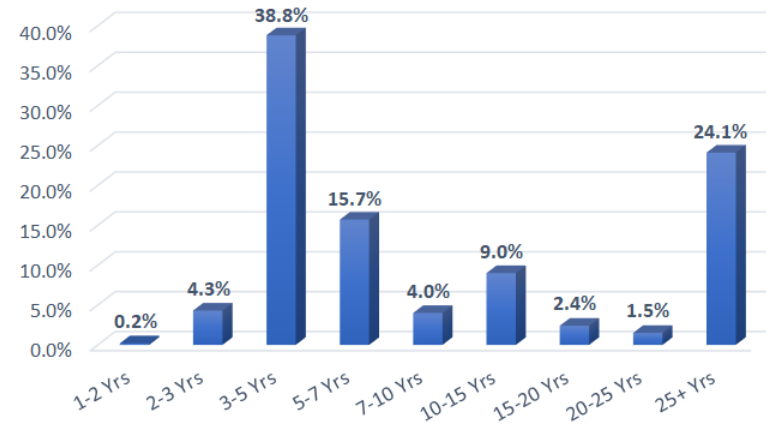
Portfolio Characteristics

Market Value 9/30/19	\$ 311,979,795
Weighted Average Credit Quality	AA+
Book Yield (%)	2.53
Weighted Average Maturity (years)	4.25
Duration (years)	3.14
Spread Duration (rate)	2.49

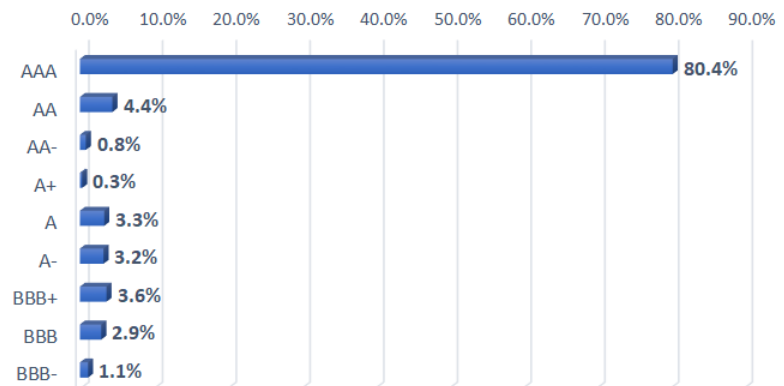
Top 10 Issuers

United States Treasury	45.4%
Federal National Mortgage Association	17.3%
Federal Home Loan Mortgage Corporation	7.3%
Oregon State Treasury (Oregon Short-Term Fund)	3.7%
European Investment Bank	1.9%
Celgene Corporation	0.9%
Freddie Mac FHLMC Trust 4664	0.8%
Ryder Systems Incorporated	0.7%
Freddie Mac FHLMC Trust 4625	0.7%
Walmart Incorporated	0.7%
Total	79.4%

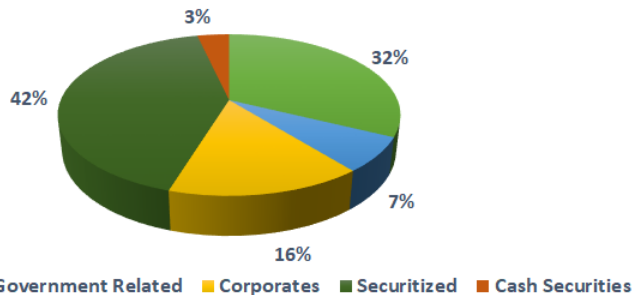
Maturity Breakdown



Credit Quality Distribution



Sector Allocations



Source: Oregon State Treasury