

Oregon Short Term Fund Board
MINUTES - TELECONFERENCE

May 27, 2008

- Location:** Oregon State Treasurer's Office
Columbia Conference Room
350 Winter Street NE, Ste 100
Salem, OR 97301
- OSTFB Members Present:** Linda Haglund, Office of the State Treasurer
Gary Wallis, City of Wilsonville
Michelle Hawkins, Linn County Treasurer
Deanne Woodring, Davidson Fixed Income Management
Wayne Lowry, Sherwood School District
Harvey Rogers, K & L Gates
- OST Staff Present:** Perrin Lim, Sr. Fixed Income Investment Officer
Ellen Hanby, Fixed Income Investment Officer
Darren Bond, Director of Finance
Heidi Rawe, Executive Support Specialist

I. Opening Remarks

Harvey Rogers welcomed all to the meeting and turned the time over to Perrin Lim to present the proposed revisions to OSTF Portfolio Rules (04.02.03) to the board.

II. Revision #1 – Eliminate Section VI (A)(3)(A)(i) and (ii) on page 5 of 4.02.03

The Oregon Short Term Fund will continue to be constrained by the maximum 50% in corporate indebtedness. Elimination of (i) and (ii) would simply allow the OSTF to purchase greater than 25% in publicly traded corporate securities, which can provide a small but important edge over many, but not all, of the large universe of short-term cash and money market funds.

All agreed that this was a sound change which made sense as well as improved quality.

Linda Haglund moved approval of this revision; the motion was seconded by Gary Wallis and passed unanimously by the board.

III. Revision #2 – Amend Section VII (A)(1) on page 8 of 4.02.03

The second revision was presented to the board by Perrin Lim. The amendment changed the percentage of reinvestment of cash collateral to a maximum of 15% (formerly 25%) in asset backed securities rated AAA/Aaa, limited to auto loan and credit card issues with an average life of three (formerly five) years or less.

Discussion took place regarding the verbiage of this revision, and the possibility of misinterpretation. Perrin Lim agreed to look at the language and send changes to Harvey Rogers for his review.

Despite the language changes, all agreed that the revision should be approved.

NOTE: Although Deanne Woodring had to leave the conference call before the discussion was finished, she voiced her approval of this revision (see attached e-mail).

Meeting adjourned at 11:27am.

Respectfully Submitted,

Heidi C. Rawe
Executive Support Specialist

From: Deanne Woodring

Sent: Tuesday, May 27, 2008 9:03 AM

To: RAWE, Heidi; HONEYMAN, Adele; Bob Woodruff; Gary Wallis; Harvey Rogers; HAGLUND, Linda M; Michelle Hawkins; Wayne Lowry

Cc: LIM, Perrin; HANBY, Ellen T; BOND, Darren Q

Subject: RE: Confirmed Date for OSTF Teleconference

I will be on the call at 11:00 but have to board a plane that departs at 11:40 so if I jump off that is what happened.

In regards to the revisions:

Revision #1: I believe this change actually results in higher quality since the corporate indebtedness is secured debt while the Commercial paper is an unsecured promissory note. I support the change.

Revision #2: I support the change in reducing and protecting the lending program from unwanted ABS exposure and reduced maturity structure.

Deanne