



**OREGON SHORT TERM FUND
BOARD MEETING
Thursday, October 11, 2012
Meeting Minutes**

OSTF Location: Orrick, Herrington & Sutcliffe LLP
1120 NW Couch Street, Suite 200
Portland, Oregon 97209

Board Attendees: Douglas Goe
Darren Bond
Laurie Steele (via phone)
Stewart Taylor (via phone)
Pat Clancy
Deanne Woodring
Wayne Lowry

Attendees (Staff): Perrin Lim
Heidi Rawe
Norma Harvey (via phone)

Attendees (Other): Todd Blickenstaff, US Bank
Jason Link, Klamath County
Vicki Coleman, US Bank

i. Opening Remarks – Douglas Goe

Douglas Goe welcomed all to the Oregon Short Term Fund (OSTF) Board meeting and roll was taken.

ii. Review and Approval of Meeting Minutes

a. July 12, 2012

MOTION: Darren Bond moved approval of the July 12, 2012 OSTF Board Meeting Minutes, the motion was seconded by Pat Clancy, and passed unanimously by the board.

iii. LGP/OSTF Investment Policy Reviews

a. Klamath County

Perrin Lim presented Klamath County's Investment Policy to the Board.

Comments from the Board were:

- Members of the Board and Treasury Staff agreed that the policy was solid and well written.
- It was noted that the 35% maximum corporate exposure is larger than the recommended exposure in the OST Sample Policy.
- The OST Sample Policy language prohibiting mortgage-backed securities is not included in Klamath County's policy. Ms. Woodring noted that mortgage-backed securities have longer stated final maturities and the new policy has a maximum issue constraint of three-years. Mr. Blickenstaff explained that Klamath County would not be purchasing mortgage-backed securities beyond three-years.
- Consider modifying page 17 of the revised policy "the maximum percent of callable securities in the portfolio shall be 5%." 5% is somewhat restrictive.
- It was noted by Mr. Blickenstaff that the difference between Investment Advisers and Bank Investment Managers is that Investment Advisers are regulated by the SEC (Securities Exchange Commission) and Bank Investment Managers are regulated by the OCC (Office of the Comptroller of the Currency). US Bank is regulated by the OCC, which has a higher fiduciary standard.

Mr. Goe thanked Klamath County and complimented the work done on this policy.

iv. OSTF/Market Review - Perrin Lim

Mr. Lim provided a market review to the Board. Following his review, he introduced the idea of using the Intermediate Term Pool as an eligible investment for the Oregon Short Term Fund. Discussion and questions ensued.

v. Market Participants Perspective – Deanne Woodring

Ms. Woodring shared a market participant's perspective on the current investment markets.

vi. Closing Remarks

- a. OACTFO have requested that a presentation be made by staff at their Fall 2013 Conference. The conference is scheduled for the week of September 16, 2013 in Burns.
- b. Date of next OSTF Board meeting January 10, 2013.

The Meeting was adjourned at approximately 11:05 am

Respectfully Submitted by,

Heidi C. Rawe
Executive Assistant to the Deputy State Treasurer