Chair Grayber and members of the committee, my name is Jenifer Schramm and I am the co-lead, with Susan Palmiter, of the Divest Oregon coalition representing 100 statewide organizations. I speak for myself and Chris Abbruzzese, who has years of experience in risk advisory support, including for pension funds.

When a fiduciary says "trust me" with regards to the soundness of investment decisions in a portfolio you should grab your wallet and run… in the opposite direction… as fast as you can.

Fiduciaries, by definition, must be able to substantiate their decisions through <u>deliberate, well documented and transparent means</u>.

For a fiduciary to point to past performance as evidence of their acumen or proof that current portfolio bets will pay off is antithetical to their duty. The proof must be evidenced in their *process* and, with a public pension fund like OPERF, that process should be available for all the world to see.

A “secret sauce” rationale has no place in a relationship with beneficiaries or those in an oversight role, who are owed the highest duty of full disclosure.

The Treasury’s secrecy should should have us asking:

- why has the Treasury not produced an investment audit since 2018 when it is required by state statute to do so at least every four years?

- why is the Treasury increasing risk exposures, like fossil fuels and illiquidity, in the very part of its portfolio that is secret?

- why is the Treasury sowing fear about risk-reducing exits from fossil fuels? Many of the world’s largest pension funds, who are highly sophisticated fiduciaries, have determined such exits will result in a net neutral or positive returns. What could possibly be in the OPERF portfolio that warrants such fears?

We have the right to know. HB2601 makes that possible. The Treasury's "trust me" just doesn't cut it.