

This chart shows private equity isn't the golden egg Treasury claims

Rank by Size	Pension Fund Name	Largest 15 Pension Funds by Net Assets (6/30/2021)*	Overall 5-year investment return (highest to lowest)	Overall 10-year investment return	Private Equity Percentage of Portfolio Actual	Private Equity Percentage of Portfolio Target
7	Georgia Teachers	\$102,146,688.00	12.3%	9.8%	0.1%	0.0%
10	Ohio Teachers	\$89,379,040.00	12.2%	10.0%	0.0%	0.0%
4	Florida RS	\$202,082,176.00	12.0%	9.3%	8.7%	10.8%
6	New York State Teachers	\$148,148,464.00	11.9%	10.1%	10.9%	9.0%
2	California Teachers	\$310,293,440.00	11.8%	9.7%	12.0%	10.0%
11	New York City ERS	\$85,906,208.00	11.8%	9.3%	7.6%	8.0%
13	New York City Teachers	\$78,347,296.00	11.6%	9.3%	11.4%	6.2%
9	University of California	\$91,826,000.00	11.6%	8.9%	8.0%	10.0%
3	NY State & Local ERS	\$220,580,576.00	11.2%	9.2%	11.4%	10.0%
5	Texas Teachers	\$201,807,008.00	11.2%	9.0%	16.6%	13.2%
14	LA County ERS	\$73,012,024.00	10.8%	8.6%	12.9%	10.0%
8	Virginia RS	\$98,880,864.00	10.7%	8.8%	15.6%	14.0%
12	Oregon PERS	\$84,331,320.00	10.5%	8.8%	26.4%	17.5%
1	California PERF	\$477,322,752.00	10.3%	8.5%	8.2%	8.0%
15	Pennsylvania School Employees	\$71,967,352.00	10.1%	8.0%	15.8%	10.9%
		Average of ALL funds	11.2%	8.9%	10.2%	9.1%
		Average of top 15 funds	11.3%	9.2%	11.0%	9.2%

* The [Public Plans Database](#) is developed and maintained through a collaboration of the Center for Retirement Research at Boston College, the Mission Square Research Institute, the National Association of State Retirement Administrators, and the Government Finance Officers Association.

Data from a highly respected nonpartisan database shows many public pension funds performing better than Oregon with far less private equity than Oregon.

HB 2501 presents no danger of killing the goose that laid the golden egg. Oregon should not be afraid to assert important needs for transparency while still protecting private equity's trade secrets.

The Treasurer presents private equity as a much higher than normal performing asset, But Treasury's Director of Private Markets tells a different story to the Oregon Investment Council (OIC). Bear in mind that OIC Investment Policy 1203 requires private equity investments to be managed and assessed "over very long time horizons, typically rolling, consecutive 10-year periods"

The chart below shows what Treasury's Director of Private Markets reported to the OIC in January 2022. He said OPERF private equity investments performed worse than standard stock market index funds over the past 1 and 10 years, and fell below a mixture of key performance benchmarks over the past 1, 5 and 10 year rolling averages.

9/30/2021	IRR 1 year	IRR 3 year	IRR 5 year	IRR 10 year
OPERF Private Equity	41.8%	21.3%	19.3%	15.2%
Russell 3000 + 3%	36.3%	19.5%	20.3%	20.6%
Value-Added	5.4%	1.8%	-1.0%	-5.4%
Russell 3000	32.6%	16.2%	16.9%	17.3%
Value-Added	9.1%	5.1%	2.3%	-2.0%
Russell 2000 + 3%	53.6%	14.2%	17.1%	19.1%
Value-Added	-11.9%	7.2%	2.2%	-3.8%
Russell 2000	49.6%	11.0%	13.8%	15.8%
Value-Added	-7.8%	10.4%	5.5%	-0.6%

And it's not just about returns – it's also about risk. This slide below shows what Treasury's chief risk official reported to the Oregon Investment Council: OPERF's private equity, while one quarter of OPERF's portfolio, generates half the risk in the portfolio. You can see the risk percentage shown in red.

We need to know what OPERF's private equity is doing with our money. We needn't be afraid to find out. That's basic to any good public policy.

