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Over half of PERS is in private investments, which lack transparency. In private equity or other private investments:

- Investment choices are made by the fund manager, not the Treasury.
- Return on investment is set by the fund manager, not a public stock market.
- What is disclosed? A fund name and the total investment commitment, not the type of investment.
- Under a claim of trade secrets, private funds are exempt from public records requests.

This bill is about fossil fuel investments. But private fossil fuel investments are kept secret, and the Treasury keeps digging the hole deeper. January 25th, the Treasurer acknowledged at an Oregon Investment Council meeting that hundreds of millions of dollars had been invested in the past month in two private funds that “have oil and gas exposure”. This bill will not stop new private investments – except in the fossil fuel industry.

Existing private investments in fossil fuels will be untouched. We will have to wait out the contracts, like the ones just entered into, which typically last a decade.

PERS beneficiaries want to know, and have a right to know, if their funds are invested in the fossil fuel industry. To provide increased transparency AND protect trade secrets, the bill uses aggregated investment information with 3 layers of protection for possible fund trade secrets:

- Use of standard industry codes for various **types** of energy investments.
- No disclosure of the fund name or investment firm.
No disclosure of the fund’s investment mix.
- As a safety valve, if a trade secret is at risk in a specific case, the Treasurer is authorized to reduce disclosure.

Legislative Counsel has found that our bill is consistent with public records exemptions.

How does HB 2601 Provide Increased Transparency AND Protect Funds Trade Secrets?

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