

• Oregon Tech in coordination with University Shared Services Enterprise (USSE) will provide a program of support services to the University of Oregon. The program will be managed by the University of Oregon and will be a part of the University of Oregon's operations.

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- The year-to-date underperformance of the Intermediate-Term Pool and Long-Term Pool was attributable to the average portfolio duration variance with each pool's respective benchmark in addition to a price volatility in the corporate bond segment of the market.

- As of December 31, 2015, the Intermediate-Term Pool and Long-Term Pool average portfolio duration was 2.5 years and 4.0 years, respectively, compared with each pool's policy

duration of 3.0 years and 4.5 years, respectively. The duration variance for the Intermediate-Term Pool was primarily due to the underweighting of the 2- to 3-year duration segment of the portfolio. The duration variance for the Long-Term Pool was primarily due to the underweighting of the 3- to 4-year duration segment of the portfolio. The duration variance for the Long-Term Pool was also due to the underweighting of the 4- to 5-year duration segment of the portfolio.

As of December 31, 2015, the Intermediate-Term Pool and Long-Term Pool average portfolio duration was 2.5 years and 4.0 years, respectively, compared with each pool's policy duration of 3.0 years and 4.5 years, respectively.

The duration variance for the Intermediate-Term Pool was primarily due to the underweighting of the 2- to 3-year duration segment of the portfolio.

The duration variance for the Long-Term Pool was primarily due to the underweighting of the 3- to 4-year duration segment of the portfolio.

**Market Background**

(Provided by Callon, Associates, Oregon Investment Council consultant),

**Macroeconomic Environment**

The 2015 economic year will be remembered for the long-awaited first Federal Reserve hike in over 30 years as well as a year of disappointing returns across asset classes, with plunging commodity and oil prices and uncertainty over the pace of China's slow down among key risks. Fall unemployment, no year since 1982 has seen a more negative



Oil prices plummeted along with a key role in market sentiment as well as a factor in the decline of the stock market from the \$163 billion in 1971 to today's (annualized) \$1.2 trillion. The decline occurred in the second half of 2014, and prices continued to fall in 2015. To start the year, paper prices were around \$52/barrel and have fallen about 40 percent to current levels. At this point, oil price forecasts are no more

...e year, Amazon and ... were the star performers, up more than 120 percent for the year. This performance

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## Fixed Income Market Results

Yields rose throughout the fourth quarter as investors grew increasingly certain that the Federal Reserve would

shorter duration Barclays  
of 2015.

performance of the yield indices versus  
is then and now and will be more

returned 1.5 percent for the quarter bringing his full year return to 3.3 percent. The s  
of 2015. The return on the portfolio of 2.5 percent with a quarter return gain was 1.2 percent

Outside of the U.S., the strength of the U.S. dollar was reflected in the outperform  
of the dollar-denominated portfolio. The U.S. dollar's strength reduced the return on the

J.P. Morgan –  
of J.P. Morgan

Emerging markets debt staged a comeback in the fourth quarter with the dollar-denominated J

of the dollar-denominated portfolio. The U.S. dollar's strength reduced the return on the

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While Yield Alternatives were the worst performers H.F.K.I.T.K.V. Yield Alternatives' (-16.5 percent) due in large part to heavy exposure to M.L.P.s.

### Closing Thoughts

While the vast majority of our investments were in the form of a stable fund, the performance of the fund was significantly impacted by the volatility of the market. The fund's performance was also impacted by the volatility of the market. The fund's performance was also impacted by the volatility of the market.

...basis points. (H.F.K.I.T.K.V. Yield Alternatives' (-16.5 percent) due in large part to heavy exposure to M.L.P.s.)

Oregon State University Shared Services  
In late January, a research and update P.U.F. investment performance review was conducted by Treasury Fixed Income Portfolio Manager Tom J. O'Brien with University staff and its investment manager. The review focused on the fixed income markets experienced performance volatility during the quarter as Treasury yields rose ahead of the market. The review also noted that the fixed income market experienced performance volatility during the quarter as Treasury yields rose ahead of the market.

### Oregon Tech Endowment Fund (Prepared by University Shared Services)

The Oregon Tech Endowment Fund adopted a 0.2% fee structure in 2016. The fund's performance was also impacted by the volatility of the market.

Actual  
Market  
Value

2,867,458

2,432,033

7,559,810

2,859,301

295,283

295,283

Pool.

Asset  
Allocation

39.2%

37.8%

23.0%

30.0%

00.0%

30.0%

Policy  
Allocation  
Range

1

1

1

ent

4,214

8,870

2,154

5,237

9,781

4,151

5,237

(311)

82.35

25.00

44.45

4,357

40.26

1,106

4,357

1,342

5,548

1,197



	5%	22,837,500	22,541,130
27,			
21,0/2015			
893.27			
32.85			
52.78			
55,918.94			
1			
5			
7,105.61			
903.83			
308.51			
893.27			
0			
12			
18			
059.05			
16,000.34			
33,058.75			
13			
754.27			
18,106.32			
1,47.95			
25.45			
100			
100%			

Corrected model as of 2/8/16

	5%	22,757,813	22,542,130
32			
38%			
62%			
2			
100			
100%			

	5%	22,757,813	22,542,130
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38%			
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