

Ted Wheeler
State Treasurer
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Contact: James Sinks
503-508-0737 (cell)
James.Sinks@state.or.us

Oregon Common School Fund rebounds strongly under Treasury guidance, value again exceeds \$1 billion

One-year returns were 44.4 percent and beat industry benchmarks for period ending March 31

SALEM – The Oregon Common School Fund is rebounding strongly under the guidance of the State Treasury investment division.

The latest figures show that the trust fund, which receives the proceeds from economic activity on state-owned lands, posted returns of 44.4 percent over the 12-month period that ended March 31. That performance exceeded the comparison industry benchmark, which was 41.6 percent, according to statistics presented to the Oregon Investment Council today.

As of March 31, the value of the Common School Fund had a value of \$1.015 billion. Strong investment performance and inflows from state lands translated into more than \$295 million in gains for the 12-month period, after \$40 million was distributed to schools during the same span.

“Oregon’s investment officers are doing their research and beating the markets, and Oregon’s schoolchildren are the beneficiaries,” said State Treasurer Wheeler. “The wise investment of the Common School Fund is one of the ways the State Treasury is helping Oregon to a brighter future.”

The Common School Fund is a trust fund established at the time of statehood and it provides a lump payment every six months, based on the fund’s performance, to help pay for public education in Oregon. Like most investments, it was buffeted during the market turmoil of 2008 and 2009. At the end of March 2009, the value had fallen to \$720 million. The stock markets climbed rapidly since.

The recent outperformance of the fund comes after changes in how the Common School Fund is invested. The Oregon Investment Council in 2008, based on a recommendation from Treasury staff and a private consultant, created a more diversified portfolio of public and private equity managers, using many of the same managers as the Oregon Public Employees Retirement Fund.

The Common School Fund is controlled by the State Land Board, made up of the Governor, Secretary of State and the State Treasurer. The fund receives the proceeds from economic activity on state-owned lands and waterways. In recent years, the State Land Board has paid hundreds of millions of dollars into Oregon's public schools, including the \$40 million in 2009 alone.

The Oregon State Treasury protects public assets and saves Oregonians money through its investment, banking, and debt management functions. The office also promotes public outreach and education to help Oregonians learn strategies to save money, invest for college and make smart financial choices.

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