The Board of the Public Employee Retirement System of Idaho met at the PERSI Administration Building, 607 North Eighth Street in Boise, Idaho at 8:30 a.m., December 5, 2017. The following members were present:

Jeff Cilek  
Kirk Sullivan  
Joy Fisher  
Celia Gould  
Park Price

Executive Director Don Drum, Chief Investment Officer Bob Maynard, Investment Officer Richelle Sugiyama, Deputy Director Michael Hampton, Financial Executive Officer Alex Simpson, and Deputy Attorney General Cheryl George were also in attendance. Other persons attending all or portions of the meeting were:

- Liz Smith  
  Alliance Bernstein  
  Dwight Churchill  
  PERSI
- Fred McCrea  
  Mellon Capital  
  Bill Raver  
  PERSI
- Paul Yett  
  Hamilton Lane  
  Robert Storer  
  PERSI
- Brandon Fitzpatrick  
  DB Fitzpatrick  
  Lena Rupp  
  PERSI
- Dennis Fitzpatrick  
  DB Fitzpatrick  
  Larry Sweat  
  PERSI
- Robert Schmidt  
  Milliman  
  Kelly Cross  
  PERSI
- Jeff Bradley  
  Milliman  
  Brenda Cronin  
  PERSI
- Jim Brecker  
  Mondrian  
  Kelly Rowlands  
  PERSI
- Chris Brechbuhler  
  Clearwater  
  Andrea Fonnesbeck  
  PERSI
- Richard Lin  
  Clearwater  
  Casey Hartwig  
  PERSI
- Bruce Reeder  
  Mountain Pacific  
  Diane Kaiser  
  PERSI
- Chelsie Wasden  
  Mountain Pacific  
  Cecile McMonigle  
  PERSI
- Bill Palumbo  
  Mountain Pacific  
  Rose Marie Sawicki  
  PERSI
- Matt Lindstrom  
  Mountain Pacific  
  Adel Stacy  
  PERSI
- Chris Anton  
  EFIB  
  Branden Kennah  
  PERSI
- Larry Jonson  
  EFIB  
  Elizabeth Conner  
  PERSI
- Tony Wilkinson  
  BNY Mellon  
  Darrin Turnbull  
  PERSI
- Jack Boren  
  Epic Ventures  
  Kathy Adams  
  PERSI
- Glen Carlson  
  Brandes  
  Carmen Brooks  
  PERSI
- Greg Allen  
  Callan  
  Mike Mitchell  
  PERSI
- Ann Posey  
  Callan  
  John Jenks  
  PERSI
- Michael Torres  
  Adelante  
  Garret Walls  
  PERSI
- Jeung Hyun  
  Adelante  
  Garret Walls  
  PERSI
Chairman Cilek called the meeting to order at 8:30 AM. He welcomed everyone to the meeting.

Executive Session
At 8:32 AM, Chairman Cilek stated the Board intended to move to Executive Session in accordance with Idaho Code 74-206(1)(f), to communicate with the Board’s legal counsel on the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Trustee Price made a motion to go into executive session. Trustee Fisher seconded the motion and the Board voted unanimously via roll call vote.

Upon conclusion of the Executive Session, Trustee Sullivan made a motion to return to regular session. Trustee Gould seconded the motion, which passed unanimously.

REGULAR SESSION
The Board was called back into regular session at 9:03 AM and members of the public were invited into the boardroom. Chairman Cilek stated that during the executive session the Board made no decisions.

Approval of the Minutes
Trustee Fisher made a motion to approve the minutes from the October 17, 2017, Regular Board meeting as well as the minutes of the November 29, 2017, Special Meeting. Trustee Gould seconded the motion, which passed unanimously.

Monthly Portfolio Update
Bob Maynard gave the investment update; the market continues to be stable; returns remain well above the median. The PERSI portfolio is exactly where the Board wants it to be at this time and is well diversified. The current value of the fund is as follows:

<table>
<thead>
<tr>
<th></th>
<th>3/31/2017</th>
<th>9/30/2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT VALUE OF THE FUND</td>
<td>$17,283,423,429</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FISCAL YEAR NET CHANGE IN ASSETS</td>
<td>$899,824,029</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FISCAL YEAR TO DATE RETURNS</td>
<td>6.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MONTH TO DATE RETURNS</td>
<td>1.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Hamilton Lane presentation
Paul Yett of Hamilton Lane began by referring to the Portfolio Snapshot on Page 3:

<table>
<thead>
<tr>
<th>Portfolio Snapshot</th>
<th>$ in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in millions</td>
<td>3/31/2017</td>
</tr>
<tr>
<td>Active Partnerships</td>
<td>60</td>
</tr>
<tr>
<td>Legacy Partnerships</td>
<td>10</td>
</tr>
<tr>
<td>Active GP Relationships</td>
<td>25</td>
</tr>
<tr>
<td>Legacy GP Relationships</td>
<td>5</td>
</tr>
<tr>
<td>Capital Committed</td>
<td>$2,800.3</td>
</tr>
<tr>
<td>Unfunded Commitment</td>
<td>$684.1</td>
</tr>
<tr>
<td>Paid-in Capital</td>
<td>$2,353.6</td>
</tr>
<tr>
<td>Capital Distributed</td>
<td>$2,244.3</td>
</tr>
<tr>
<td>DPI Ratio</td>
<td>0.95x</td>
</tr>
<tr>
<td>Market Value</td>
<td>$1,007.6</td>
</tr>
<tr>
<td>Total Value Multiple</td>
<td>1.38x</td>
</tr>
<tr>
<td>Since Inception IRR</td>
<td>6.22%</td>
</tr>
<tr>
<td>Avg Age of Active Commitments</td>
<td>8.6 years</td>
</tr>
</tbody>
</table>

Trustee Price asked what impact the newly passed Federal tax bill may have on PERSI's portfolio. Mr. Yett responded that if the final approved bill contains only interest rate deductibility; there could
be a negative impact. However, if the final approved bill lowers the corporate tax rate and the interest rate deduction is kept in, there will be a slightly positive impact. If just the lower corporate rate is included, the expectations are that the market would respond positively.

**Callan Presentation**

Greg Allen told the Board that there has been a leadership update at Callan and that he is now CEO, President and Chief Research Officer. The reason for this was to get more executives out in the field with the fund managers.

Mr. Allen then addressed the market performance by reviewing the following:

![Returns ending September 30, 2017](image)

Mr. Allen also said that Callan is conducting a “Callan College” on April 4 and 5, 2018, in Boise and he encourages everyone to attend.

**Investment Advisor Agreements**

Investment Officer Richelle Sugiyama presented the Investment Advisor Agreements and explained to the Board the importance of these documents. She introduced each manager: Dwight Churchill, Bill Raver, John Jenks, Bob Storer, and Garrett Walls. These managers are necessary to maintain business, conduct research and provide an emergency back-up in the event either she or Bob Maynard were unable to do their jobs.

**Approval of Investment Advisor Agreements:** Trustee Gould made the motion to approve the Investment Advisor Agreements as presented. Trustee Fisher seconded the motion and the motion passed unanimously.

**Investment Manager Comments:**

The Investment managers who were present shared their opinions and predictions relative to the general market conditions.

**Executive Director Update**

Executive Director Drum announced that the Pocatello/Chubbuck Auditorium District which has 7 employees, is the newest employer to requesting to join PERSI.

**Approval of New Employer:** Trustee Sullivan made a motion to approve the Pocatello-Chubbuck Auditorium District as the newest member to PERSI. Trustee Price seconded the motion and the motion passed unanimously.
Deputy Director Update
Deputy Director Mike Hampton reviewed the Choice Plan document changes that were given to the Board in their packet. This change will allow for "in-service" distributions as an option for those that are 70.5 or older. These individuals will not be required to take a distribution, but this provides them the choice to do so if they wish.

Approval of Choice Plan changes: Trustee Fisher made the motion to approve the Choice Plan changes as proposed. Trustee Price seconded the motion and the motion passed unanimously.

Disability Request Hearing: Rodney Mason
Deputy Attorney General Cheryl George provided background on Mr. Rodney Mason who was denied PERSI disability by a Hearing Officer in April, 2017. He then petitioned the PERSI Board for an appeal and his case is now before the Board for a decision.

Approval of granting PERSI disability to Rodney Mason: Trustee Gould made the motion to approve PERSI Disability to Rodney Mason. Trustee Fisher seconded the motion and the motion passed unanimously.

Rules on PERSI Contribution Rates
Deputy Attorney General George reviewed the proposed temporary rule to delay the rate increase. After the 2018 Legislative session concludes, the temporary rule can be adopted as presented.

Approval of temporary rule: Trustee Fisher moved to adopt the temporary rule as requested by Deputy Attorney General George. Trustee Sullivan seconded the motion and the motion passed unanimously.

Fiscal
Financial Executive Officer Alex Simpson presented the fiscal update. There were no questions from the Board. Mr. Simpson then presented the annual CAFR to the Board and he thanked all of the PERSI staff who worked diligently to produce this report.

Board Room Dedication and Reception for Retiring Chairman Jody Olson
Chairman Cilek thanked former Chairman Jody Olson for his 30 years of dedication to PERSI and his hard work. Executive Director Drum also thanked former Chairman Olson and gave a presentation on the accomplishments of Mr. Olson during his tenure.

The Board moved to recess at 10:45 AM for a reception for Mr. Olson and will adjourn at 2:00 PM

Don Drum, Executive Director  Date

Jeff Cilek, Chairman  Date

01-16-18