The Board of the Public Employee Retirement System of Idaho met at the PERSI Administration Building, 607 North 8th Street in Boise, Idaho. The following trustees were present:

Celia Gould
Jeff Cilek
Kirk Sullivan
Joy Fisher
Park Price

Executive Director Don Drum, Chief Investment Officer Bob Maynard, 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:

Jeff Bradley  Milliman  Milliman  Mark Olleman  Milliman
Mark Olleman  Milliman  Kathy Adams  PERSI
Brandon Fitzpatrick  DBF Fitzpatrick  Carmen Brooks  PERSI
Tyler Jaglowski  DBF Fitzpatrick  Elizabeth Conner  PERSI
Michael Iacobuni  Milliman  Kelly Cross  PERSI
Brent Nye  Boise Schools  Brenda Cronin  PERSI
Phil Hainschild  IFF  Jenny Flint  PERSI
Chris Brechbuhler  Clearwater  Andrea Fonnesbeck  PERSI
Tim Dunn  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
Robert Schmidt  Milliman  Adel Stacy  PERSI
Brett Linton  Milliman  Larry Sweat  PERSI
Tom Ripke  Idaho Courts  Kelly Rowlands  PERSI
Charlene Ripke
Andrea Patterson
Chairman Cilek called the meeting to order at 8:30 AM and welcomed the group to the September 19, 2017 PERSI Board meeting. He announced he was appointed Chairman by Governor Otter and he thanked his predecessor, Jody Olsen, for his vision and leadership for PERSI and Trustee Gould who was acting chair for 10 weeks.

Approval of the Minutes: Trustee Fisher made a motion to approve the minutes of the August 15, 2017, regular meeting, as presented. Trustee Gould seconded the motion and the motion passed unanimously.

Chairman Cilek introduced Paul Yett of Hamilton Lane. Mr. Yett presented the following information:

<table>
<thead>
<tr>
<th>Portfolio Snapshot</th>
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<tbody>
<tr>
<td>$ in millions</td>
</tr>
<tr>
<td>6/30/2016</td>
</tr>
<tr>
<td>3/31/2017</td>
</tr>
<tr>
<td>Change</td>
</tr>
<tr>
<td>Active Partnerships</td>
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<tr>
<td>Legacy Partnerships</td>
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<tr>
<td>Active GP Relationships</td>
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<tr>
<td>Legacy GP Relationships</td>
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<tr>
<td>Capital Committed$</td>
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<tr>
<td>Unfunded Commitment</td>
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<tr>
<td>Paid-in Capital</td>
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<tr>
<td>Capital Distributed</td>
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<tr>
<td>D/P Ratio</td>
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<tr>
<td>Market Value</td>
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<tr>
<td>Total Value Multiple</td>
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<tr>
<td>Since Inception IRR</td>
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<td>Avg Age of Active Commitments</td>
</tr>
</tbody>
</table>

Mr. Yett's market overview shows that the fundraising for private equity is at an all-time high shown in this chart:

[Graph: Global Annual Private Equity Fundraising]

Monthly Portfolio Update
Chairman Cilek then asked Bob Maynard to present the monthly portfolio update. Mr. Maynard reported that the current value of the fund is $16,890,609,643; the fiscal year net change is assets is $507,010,244; fiscal year to date returns is at 3.4% and the month to date return is .08%.
Investment Manager Comments:
Investment managers offered their comments on the current market. Bruce Reeder (Mountain Pacific) said that each of the world's largest 40 economies are showing growth this year and for projections next year. Bill Palumbo (Mountain Pacific) said that prior bear markets included tech and housing bubbles that eventually burst. However, this time there doesn't appear to be a main driver of the bull market and the Federal reserve isn't tightening monetary policies. Earnings have kept pace with the price of stocks which indicates stability. Chris Brechbuhler (Clearwater) believes that the markets will bump higher unless there are major changes in policy or unforeseen events.

Milliman
Chairman Cilek called for a brief break and then called the meeting back to order at 9:40 AM. Chairman Cilek introduced Jeff Bradly of Milliman to discuss the preliminary 2017 Actuarial Valuation results. This includes the PERSI Base Plan; General Employees, Teachers, Fire and Police and the March 1, 2018, Potential discretionary Cola and what this may look like. In addition they will present finding on the Firefighter Retirement fund and the Judges Retirement Fund.

Mr. Bradly explained what went into an actuarial evaluation of a pension fund and he thanked the staff of PERSI for their assistance with this process.

Trustee Gould asked about how they determine the inflation numbers in their assessment, specifically the 3.25% identified in the current presentation. Mr. Bradly explained they determine the inflation rates through various processes. Previously, the inflation assumption was 3.50% and the PERSI board lowered it to 3.25%. Mr. Bradley explained that when they have presented alternatives to the current inflation percentage the Board has opted to stay with the 3.25%. Trustee Price said he has concerns of using the 3.25% and would like to look at inflation assumptions with the bases of 2% inflation rates. Mr. Bradly said Milliman would be happy to craft a study with alternate inflation numbers and come back to the Board later this fall. Mr. Olleman said there would be changes to the Gross Investment Earnings and Net investment earnings as well so those numbers need to be adjusted.

Trustee Sullivan said that he agrees with Trustee Price and would like to see new analysis. Mr. Olleman also asked the Board to reevaluate the current PERSI schedule for Milliman which was for them to report in the spring of each year.

Mr. Drum informed the board they must set the rate yearly in October. Historically, when rate assumptions are made the evaluations are conducted in spring. Discussion was held by the board about scheduling. The Board agreed to look at the calendar and then provide Milliman with the desired timeline.

Executive Director Status Update:
Mr. Drum presented his update and said he has attended to date, 14 employers meetings so far. They have all been well attended. He reports that employers are very happy with PERSI.
Trustee Gould thanked Mr. Drum and his staff for putting together the Board retreat the day before the Board Meeting and it was very beneficial

New Employers
Director Drum presented the Kuna Library District information to the Board.
Approval of new PERSI members: Trustee Fisher moved to accept the Kuna Library District as presented. Trustee Sullivan seconded the motion, the motion passed unanimously.

Deputy Director Status Update:
Deputy Director Mike Hampton presented his update to the group. September was a busy month with 801 retirees being added. Trustee Fisher asked if PERSI has seen new employees coming on as well and Executive Director Drum said has there has been an increase in new employees which has been very helpful. Employers now are filling vacant positions and adding new positions.

Fiscal Update
CFO Alex Simpson presented the Fiscal Update.

Legal Update
Cheryl George received a request from a disability petitioner who has requested a time extension. There was no discussion.

Approval of Time Extension: Trustee Sullivan moved to accept the Request for Time Extension as presented. Trustee Fisher seconded the motion, the motion passed unanimously.

Executive Session
Chairman Cilek stated at this time on the agenda had been scheduled for an executive session accordance with Idaho Code § 67-2345 (1) (b).

Motion to go into Executive Session: Trustee Fisher made the motion for the PERSI board to go into Executive Session pursuant to Idaho Code § 67-2345 (1) (b). Trustee Sullivan seconded the motion and the motion passed unanimously.

There was a roll call vote called by Chairman Cilek:

<table>
<thead>
<tr>
<th>Trustee</th>
<th>Aye</th>
</tr>
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<tbody>
<tr>
<td>Trustee Gould</td>
<td>Aye</td>
</tr>
<tr>
<td>Trustee Fisher</td>
<td>Aye</td>
</tr>
<tr>
<td>Trustee Price</td>
<td>Aye</td>
</tr>
</tbody>
</table>

The Board went into executive session at 10:50 AM

The Board returned to Regular session at 11:20 AM. They thanked Mr. Maynard for his hard work and dedication.

Trustee Sullivan made the motion to increase Maynard's salary by 3.5%. Trustee Fisher seconded the motion and it passed unanimously.

The board held a brief discussion regarding the Board's schedule for the remainder of the year. Executive Director Drum mentioned that the day before the December 5th meeting is the PERSI All Staff training event that they are welcome to attend. There was also a discussion regarding timing of when to review the additional models from Milliman and when the board would like to see these different models. No scheduling decisions were made at this time.
Motion to Adjourn: Trustee Fisher made the motion to adjourn the meeting at 11:45 PM. Trustee Price seconded the motion and the motion passed unanimously.

Don Drum, Executive Director  Date  Jeff Cilek, Chairman  Date