



PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
607 North 8th Street, Boise, Idaho 83702

MINUTES OF MEETING OF RETIREMENT BOARD

The Board of the Public Employee Retirement System of Idaho met in-person and via Zoom at 8:30 a.m., April 20, 2021. The following members were present:

Jeff Cilek
Joy Fisher
Celia Gould
Park Price
Darin DeAngeli

Executive Director Don Drum, Deputy Director Michael Hampton, Chief Investment Officer Bob Maynard, Investment Officer Richelle Sugiyama, Financial Executive Officer Alex Simpson, Deputy Attorney General Cheryl George, and Management Assistant Lena Rupp were also in attendance.

Along with members of the general public, other persons attending all or portions of the meeting were:

Ann O'Bradovich	Callan Associates	Michael Acton	AEW Capital Management
Sally Haskins	Callan Associates	Michael Byrne	AEW Capital Management
Jonathan Gould	Callan Associates	Bob Norberg	AEW Capital Management
Robert Schmidt	Milliman		

At 8:30 a.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting.

Approval of the Minutes Trustee Fisher made a motion to approve the minutes of the March 29 and March 30 meetings. Trustee Gould seconded the motion, which passed unanimously.

PORTFOLIO

Monthly Portfolio Update Chief Investment Officer, Bob Maynard, provided the investment update. April so far sees PERSI at all-time highs, with a PERSI monthly gain of +3.4% and a fiscal year-to-date return of +24.2% at \$22.920 billion (with an estimated funding level of the main plan at over 103%). The sick leave fund is up +20.6% at \$695 million. US equities (R3000) are up +5.3% for a FYTD return of +40.2%, international developed markets (MSCI EAFE) have risen +4.2% for a fiscal year gain of +31.5%, global developed market equities (MSCI World) are up +5.1% to +36.1% for the fiscal year, and investment grade bonds (BB Aggregate) are up +0.8% for a fiscal year return of -1.3%. Emerging markets (MSCI Emerging) have gained +2.5% for a fiscal year return of +37.9%, REITs (DJ Select REIT) are up +4.7% for a fiscal year +31.1%, while TIPS have risen +0.9% to change the fiscal year return to +4.1%. Private real estate has a gain of +1.2% and private equity has gains of +35.6% for the fiscal year-to-date. For the fiscal year, Donald Smith has the best absolute return at +61.8% (returns for Donald Smith were misstated last month). Brandes has the highest relative return to benchmark at +47.4%, which is +11.3% above their MSCI World benchmark. Peregrine has the lowest equity return at +22.5% which is also the worst relative return at -13.3% behind their large cap growth domestic equity benchmark. The fund as a whole is

behind the 55-15-30 reference benchmark by -1.2% due to the underperformance of private real estate compared to the public US markets.

Investment Officer, Richelle Sugiyama, provided general comments on market challenges, investments and the economy.

Real Estate Update Sally Haskins, a senior vice president and co-manager of Callan's Real Assets Consulting group, provided a review of the PERSI real estate portfolio. Jonathan Gould, a senior vice president in Callan's Real Assets Consulting group, provided additional comments on the performance of the portfolio and assessment of AEW. Callan's recommendation is that PERSI continue to retain AEW.

Investment Manager Market Commentary Michael Acton, managing Director of AEW Capital Management, gave a general U.S. economic and property market overview including current challenges as well as opportunities. Michael Byrne, AEW Chief Investment Officer, provided additional comments.

EXECUTIVE DIRECTOR

Legislative Update Director Drum stated there are no major updates on legislation from the last meeting. All bills that specifically relate to PERSI have completed the process and have either been signed or are waiting to be signed by the Governor. This includes the PERSI appropriation, S1095 Board compensation and S1096 catastrophic line of duty benefit. Most likely no other bills being monitored by PERSI staff will progress further during this session.

DEPUTY DIRECTOR

Internal Update Deputy Hampton stated that the Wilder Housing Authority has merged with the City of Wilder. The Wilder Housing Authority was formed under Idaho Statute Title 50, Chapter 19. The authority to merge the housing authority is also contained within Idaho Statute Title 50, Chapter 19. Four of the existing seven full time employees at Wilder Housing Authority were merged into the City of Wilder.

In anticipation of the implementation of the long range plan and the understanding of the budget cycle timeframes, Deputy Hampton stated there are two long range projects actively being pursued. The first is to upgrade the internal pension administration system. The second is to continue to foster an engaged and productive staff and advocate for the recognition of PERSI's unique needs and circumstances. This will include evaluating all PERSI positions against state job classifications with the goal of identifying unique needs and circumstances of PERSI staff. This will also include coordinating a career advancement framework, position evaluations and staffing/budget requirements. These goals will need to be part of the budget appropriation cycle.

FISCAL

Update/Expense Reports/Travel Financial Executive Officer, Alex Simpson, gave the fiscal update and presented the expense reports. There are no significant concerns for the administration or portfolio budgets and the budgets are running favorably. There was no out of state travel.

Mr. Simpson stated that audit season has started and will continue through the finalization of the Annual Report in December. Luma testing and training for budget is underway. Budget will be the first to go live in this new system. Payroll will go live approximately January 2023.

BOARD

The Board reviewed the draft agenda for the May. No changes were requested.

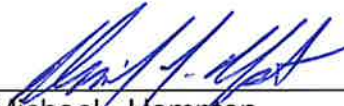
Executive Session: At 10:35 a.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(a)(b).

Trustee Price made a motion to go into executive session in accordance with Idaho Code §74-206(1)(a) to convene in executive session to consider hiring a staff member and §74-206(1)(b) to consider personnel matters. Trustee Fisher seconded the motion and the Board voted via roll call vote. Trustee Gould was not present for the executive session voting.

Upon conclusion of the executive session, Trustee Price made a motion to return to regular session. Trustee Fisher seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 10:55 a.m. Chairman Cilek stated that during executive session no decisions were made.


Adjournment: There being no further business to come before the Board, the meeting adjourned at 11:00 a.m.



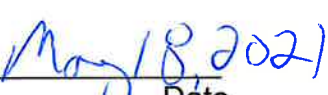
Michael Hampton
Deputy Director



Date



Jeff Cilek
Chairman



Date