



# Meeting of the PERSI Retirement Board

April 29, 2024 | 2:00 P.M. - 4:30 P.M.

April 30, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

[www.persi.idaho.gov](http://www.persi.idaho.gov)

## AGENDA

### Monday, April 29

2:00 PM		<b>Call to Order</b>
		<b>Real Estate Program Review</b>
	30	Callan (Sally Haskins, Jonathan Gould)
	40	AEW (Michael Byrne, Patrick McLaughlin)
3:10 PM	10	<b>Break</b>
3:20 PM		<b>Idaho Commercial Mortgage Program Review</b>
	20	Callan (Sally Haskins, Jonathan Gould)
	20	D.B. Fitzpatrick & Co. (Brandon Fitzpatrick, Casey Macomb)
4:00 PM	30	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)(f)*
4:30 PM		<b>Recess</b>
5:00 PM		<b>Reconvene</b>
		Informal Board Dinner with spouses and paid personally
		400 S 4th St, Boise, ID 83702
8:30 PM		<b>Adjournment</b>

### Tuesday, April 30

8:30 AM		<b>Call to Order</b>
	5	Approval of March 19th Board Meeting Minutes*
8:35 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	15	Monthly Portfolio Update
8:50 AM		<b>Governance (Executive Director and Chief Investment Officer)</b>
	10	Investment Policy Statement for the Unused Sick Leave Funds - Adoption*
9:00 AM		<b>Executive Director and Deputy Director</b>
	15	Deputy Director Introduction
	15	External Engagement
	15	Legislative Update
	15	Postretirement Adjustment Allowance
10:00 AM	15	<b>Break</b>
10:15 AM		<b>Chief Financial Officer</b>
	5	Fiscal Update/Travel & Expense Reports
	10	Appropriated Budget v Actual
10:30 AM		<b>Board</b>
	5	Future Draft Agenda Review
	5	Trustee Call for Future Agenda Items*
	5	Signature Authorization Form
10:45 AM	75	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)(f)*
12:00 PM		<b>Adjournment</b>

\*Decision of the Board Requested

\*\*For purposes of entering executive session

2024 Regular Meeting Schedule

May 29

July 16

August 13

September 24

October 29

December 17



PUBLIC EMPLOYEE RETIREMENT SYSTEMS OF IDAHO  
607 North 8<sup>th</sup> Street, Boise, Idaho 83702

RETIREMENT BOARD MEETING MINUTES

The Board of the Public Employee Retirement System of Idaho met in-person at 8:30 a.m., March 19, 2024. The following Trustees were present:

Jeff Cilek  
Joy Fisher  
Park Price  
Darin DeAngeli  
Lori Wolff

Executive Director Michael Hampton, Deputy Attorney General Cheryl George, Chief Investment Officer Richelle Sugiyama, Deputy Chief Investment Officer Chris Brechbuhler, and Management Assistant Eliza Storms were also in attendance.

Presenters in attendance in-person or via Zoom were:

Todd Bailey	Mellon Cap	Ann O'Bradovich	Callan
Stephanie Hill	Mellon Cap	Troy Snyder	Plante Moran
Eric Dellet	Plante Moran	Gabrielle Wafer	Plante Moran
Robert Schimdt	Milliman	Ryan Cook	Milliman
Mike Schmitz	Milliman	Leighton Hunley	Milliman

At 8:31 a.m., Chairman Cilek called the meeting to order.

Approval of the Minutes Trustee Fisher moved to approve the minutes of the February 27<sup>th</sup> meetings. Trustee Wolff seconded the motion. The motion passed unanimously.

## PORTFOLIO

### Monthly Portfolio Update

Chief Investment Officer Richelle Sugiyama presented the performance reports as of March 12<sup>th</sup> and 18<sup>th</sup>, 2024. As of March 18<sup>th</sup>, the Total Fund had a FYTD return of 7.3% and a five-year return of 7.8%. Ms. Sugiyama stated the portfolio is behaving as expected, noting the Fund typically underperforms as equity markets rally. Ms. Sugiyama explained that any bias away from the Russell 3000 hurts performance.

Ms. Sugiyama provided an overview of the FYTD returns, including fund asset class returns, highlighting the REIT, private real estate, and Idaho mortgage portfolio returns. Ms. Sugiyama informed the Board of the upcoming review of the real estate portfolio scheduled for the April Board meeting.

Ms. Sugiyama introduced Todd Bailey and Stehanie Hill with Mellon Capital, one of PERSI's legacy managers, managing most of PERSI's indexed exposure.

#### Investment Manager Market Overview

Todd Bailey, Director with Mellon Capital, provided a quick update on BNY Mellon and status of the organization that included both the investment management side and investment services. He informed the Board how Mellon is a client focused index manager with thirty plus clients invested for over twenty years. Mr. Bailey highlighted Mellon's long-standing relations with PERSI since 1988. Mr. Bailey introduced Stephanie Hill, Managing Director.

Ms. Hill thanked the Board for the past thirty plus years of working together. She continued to provide an overview of the Mellon Index Investment Team of about thirty-two people and how they prepare as a team for the next forty years as index investment professionals. Ms. Hill gave an overview of the PERSI Russell 3000 strategy for account restructuring.

Mr. Bailey provided commentary on the combination of the S&P 500, Russell 2000, and a Mid-Cap Completer account. It was designed to have more efficient exposure to the Russell 3000. He discussed the statistics shown is what was completed on Jan 30, 2024, and explained the process of the replication of the accounts and stated it was part of the rebalancing process. Mr. Bailey highlighted that the transition was very well managed, low-cost, risk controlled, and went very well.

Ms. Hill continued to provide an overview of the trends in institutional money flows they saw in 2023 and are seeing now. She stated they are seeing traction on trading techniques that are now in place that make it easier to trade fixed income. Ms. Hill also provided an update on the trends in index benchmarks as well as emerging markets.

Trustee Price commented on the increased difficulty of active managers to outperform indices and asked if it was an information issue. Ms. Hill stated when speaking of the "Magnificent Seven," it is very difficult for an active manager in the US to compete if you do not hold those names as they were a key driver of performance.

Chairman Cilek asked Mr. Bailey if he is aware of other funds dealing with the foreign adversary or divestment legislation. Mr. Bailey wasn't aware of the specific legislation. Ms. Sugiyama added that while some funds are facing divestment legislation, such as anti-China legislation, other funds see this as an opportunity. Mr. Bailey stated that is correct, he is aware of other states currently dealing with legislation discussions regarding China exposure. There could be forced selling in that area.

Chairman Cilek and the Board thanked Mellon Capital for their loyalty and long-term relationship.

#### GOVERNANCE

##### Investment Policy Statement Adoption

Director Hampton stated, as defined in the Governance Policy Manual, that the manual serves as a guide and resource for the governance and oversight of all aspects of PERSI. As such, governance policy review will be a joint effort between the Board, the Executive Director, and the Chief Investment Officer.

CIO Sugiyama presented the revised Investment Policy Statement (IPS) for the defined benefit plan, reflecting the addition of investment manager termination language, the outsourcing of

class action claims processing from the custodian, and updated language to address the broad array of collective trust vehicles available to governmental, tax-exempt funds. She provided a quick summary of each change and asked that the Board approve and adopt the Investment Policy Statement for the defined benefit plan, as revised. She stated that the Sick Leave policy will be addressed next.

Trustee DeAngeli noted that in the collective vehicle section, there is a reference to "CIT", which should be revised accordingly. CIO Sugiyama thanked Trustee DeAngeli and noted that it will be corrected.

Trustee Price made a motion to adopt the revised Investment Policy Statement for the defined benefit plan as presented, including the revision noted by Trustee DeAngeli. Trustee DeAngeli seconded the motion, which passed unanimously.

### Governance Review Process

Director Hampton provided an explanation of the current process for reviewing the Board Governance Policy manual and proposed a change to an annual review and adoption process of the entire manual that would engage both staff and the Board.

Trustee DeAngeli stated an annual review of the entire governance manual would be beneficial and allow for a better understanding and comprehension of the policies that need to be reviewed.

Trustee Fisher agreed that an annual review would be a better process but would like to still be assured any items that need to be revised or addressed in the meantime will still be brought up in the interim. Director Hampton explained that would not be an issue.

Chairman Cilek would also like to have the governance policies reviewed on an annual basis with the possibility of doing so early in the year.

Trustee Price questioned whether an annual review is practical and manageable. Director Hampton stated the annual review will be manageable and PERSI staff can identify problematic areas as it is being worked on.

Director Hampton asked the Board to send him any concerns or questions regarding any policies they would like to look at and staff will work on an annual schedule to present to the Board.

## OPERATIONS AND ADMINISTRATION

### Executive Summary

#### Deputy Director Recruitment

Director Hampton provided an update on the search for a Deputy Director. He outlined the first round of interviews included four internal candidates and eight external candidates. A second round of interviews commences this week and next. He provided additional information on the interview committee and informed the Board he will keep them updated on the process.

### 2024 & 2025 Legislative Update

Director Hampton informed the Board all PERSI initiated bills have been signed by the Governor and will be effective on July 1, 2024. He provided the Board with an update on proposed legislation that impacts PERSI statute, proposed legislation that impacts governmental entities, and explained PERSI staff continues to closely monitor all the bills.

The Board and Director Hampton held a quick discussion on HB 508 (Police Officer Member Status) and its impact on PERSI. Director Hampton explained it may take years to see the impact.

Director Hampton discussed possible legislative ideas for next year. He provided the Board with a draft of an amendment of Idaho Code 59-1322 to add language that would give the Board authority to create a reserve account that would protect members' benefits in case of insolvency of an employer. Director Hampton introduced Milliman to continue the discussion from an actuarial perspective on creating a reserve account.

Robert Schmidt with Milliman provided an overview of the issues associated with an employer going bankrupt or dissolving and unable to pay the full withdrawal penalty. He further explained there is currently no mechanism in place to cover unpaid penalties so employees' benefits would need to be reduced. He explained Milliman chose a ten-year period for the study to look at the potential size of any withdrawal penalties.

Mr. Schmidt introduced Leighton Hunley, Principal and Financial Consultant, and Mike Schmitz, Consulting Actuary, both with Milliman who both specialize in credit and casualty risk.

Mr. Schmitz provided a summary of the model and explained this could be a low frequency type of risk but could be of high severity and the associated credit risk.

Mr. Hunley discussed the probabilities of bankruptcy within the next ten years based on employer classification and quantity. He explained the steps taken to obtain the results of the probabilities of an employer bankruptcy, probabilities of transitioning to different credit ratings, and determining the default and credit rating.

Ryan Cook provided a quick review of how withdrawal penalties are calculated, penalties for fiscal year 2024, future projections, and simulated unpaid withdrawal penalties.

Director Hampton explained the withdrawal penalty situations that may occur. He discussed how there are a lot of unknowns surrounding these concerns and the risk that exists.

The Board asked that Milliman include other scenarios in their model, such as partial payment of withdrawal penalty, to provide the Board additional information before any determination is made.

PERSI staff and Milliman will continue to work on the possibility of a reserve account and continue discussions with the Board.

#### Internal Audit Update

Troy Snyder, a partner with Plante Moran, introduced himself, manager Gabrielle Wafer and senior staff Eric Dellett. Mr. Snyder informed the Board they will be presenting the risk assessment results, proposed internal audit plans, and the project objective and results.

Mr. Dellett explained they achieved the risk assessment themes and results by surveying PERSI managers and directors and interviewing selected staff. He indicated there were areas of low risk which were excluded but all high-risk areas were addressed and included in the assessment. Mr. Dellett discussed a few of the high-risk areas including politics/legislation, staff acquisition and retention, and staff training and development.

Ms. Wafer commented that the themes provided today were the topics that were consistently raised in the surveys and interviews. She explained these areas may not be the highest risk but were the most common. She also explained they do consider the difference between a risk and an auditable risk. For example, politics/legislation is not an auditable risk. Ms. Wafer discussed the proposed internal audit plan, time frames and areas of focus.

Ms. Wafer informed the board they will finalize the audit plan and continue to provide updates to Director Hampton and Quality Assurance Manager Casey Hartwig. She explained to the board that their goal is to provide recommendations for improvements.

Director Hampton explained the need for the adoption of the proposed audit plan.

Trustee Fisher motioned to adopt the proposed internal audit plan as presented. Trustee Price second the motion. The motion passed unanimously.

The Board thanked Plante Moran for attending.

### FISCAL

#### Fiscal Update/Travel/Expense Report/Quarterly Financial Statements

Chief Financial Officer, Alex Simpson provided the Board with an update on expense reports and financial statements. He provided an update on appropriated budgets and classifications.

Trustee Wolff requested that fiscal provides a report showing measures based on appropriations per category rather than quarterly. CFO Simpson noted the request and informed the Board it would be available at the next Board meeting.

#### Budget Setting Preview

Chief Financial Officer Alex Simpson explained the upcoming budget structure changes. He stated he will be providing additional base, maintenance, and budget line items information to the Board in the upcoming months and indicated the FY26 budget is due in August.

### BOARD

April Agenda: The Board reviewed the April agenda; no additions or changes were made at this time.

Executive Session: At 11:03 a.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(a) and (b).

Trustee Fisher moved to enter executive session in accordance with Idaho Code §74-206(1)(a) to consider hiring a public officer, employee, staff member or individual agent and Idaho Code §74-206(1)(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent. Trustee Wolff seconded the motion and the Board voted unanimously via roll call vote.

Upon conclusion of the executive session, Trustee Fisher moved to return to regular session. Trustee Wolff seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 11:05 a.m.

Trustee Price moved to obtain legal counsel and that the Board grant the Executive Director the authority to engage general counsel for PERSI and enter into an agreement for such legal services deemed appropriate for the system. Trustee Fisher seconded the motion. The Board agreed to the hiring of a general counselor pursuant to Idaho Code §74-206(1)(a).

Adjournment: There being no further business to come before the Board, the meeting adjourned at 11:35 am.

\_\_\_\_\_  
Michael Hampton  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jeff Cilek  
Chairman

\_\_\_\_\_  
Date

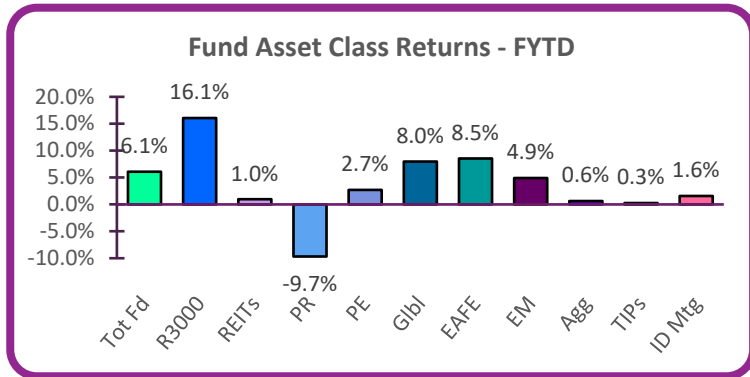
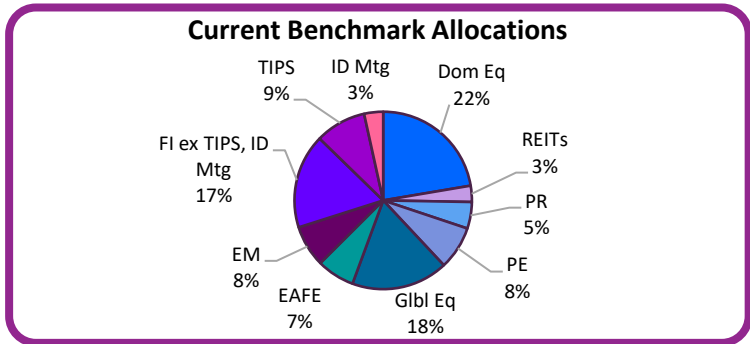


# PERSI Investment Report

April 23, 2024

Current Value of the Fund	<b>23,362,009,826</b>
Previous Day Market Value	<b>23,202,296,890</b>
One Day Change in NAV	<b>159,712,936</b>

MTD Return		FYTD Return		Five-year Return	
<b>Total Fund</b>	<b>-2.5%</b>	<b>Total Fund</b>	<b>6.1%</b>	<b>Total Fund</b>	<b>7.1%</b>
55-15-30	<b>-3.0%</b>	55-15-30	<b>9.7%</b>	55-15-30	<b>8.0%</b>
<b>U.S. Equity</b>	<b>-2.8%</b>	<b>U.S. Equity</b>	<b>9.0%</b>	<b>U.S. Equity</b>	<b>11.5%</b>
R3000	<b>-3.6%</b>	R3000	<b>15.0%</b>	R3000	<b>12.7%</b>
<b>Global Equity</b>	<b>-3.5%</b>	<b>Global Equity</b>	<b>8.0%</b>	<b>Global Equity</b>	<b>10.1%</b>
MSCI World	<b>-3.2%</b>	MSCI World	<b>13.7%</b>	MSCI World	<b>11.2%</b>
<b>Int'l Equity</b>	<b>-2.0%</b>	<b>Int'l Equity</b>	<b>6.5%</b>	<b>Int'l Equity</b>	<b>3.3%</b>
MSCI EAFE	<b>-2.7%</b>	MSCI EAFE	<b>9.3%</b>	MSCI EAFE	<b>6.7%</b>
<b>Fixed Income</b>	<b>-1.8%</b>	<b>Fixed Income</b>	<b>0.6%</b>	<b>Fixed Income</b>	<b>1.1%</b>
Aggregate	<b>-2.1%</b>	Aggregate	<b>0.4%</b>	Aggregate	<b>0.0%</b>



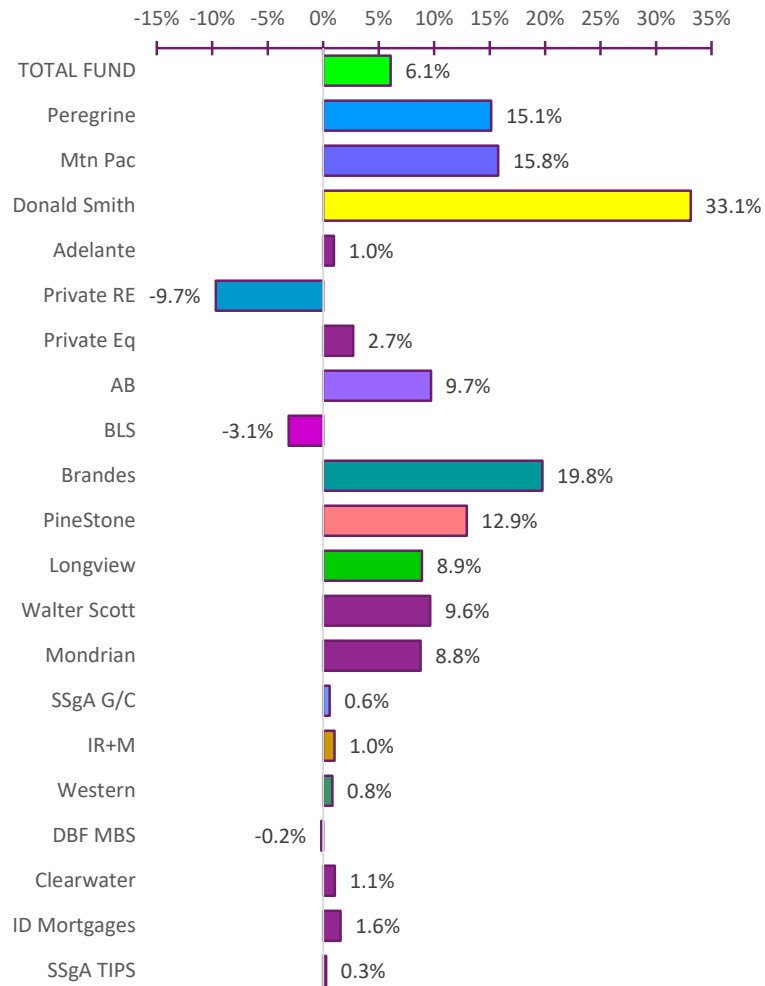
Market concerns over escalating geopolitical risks and higher rates for longer have been offset by earnings optimism. The stock rally continued yesterday, with more quarterly earnings reports this week.

**For the FYTD:**

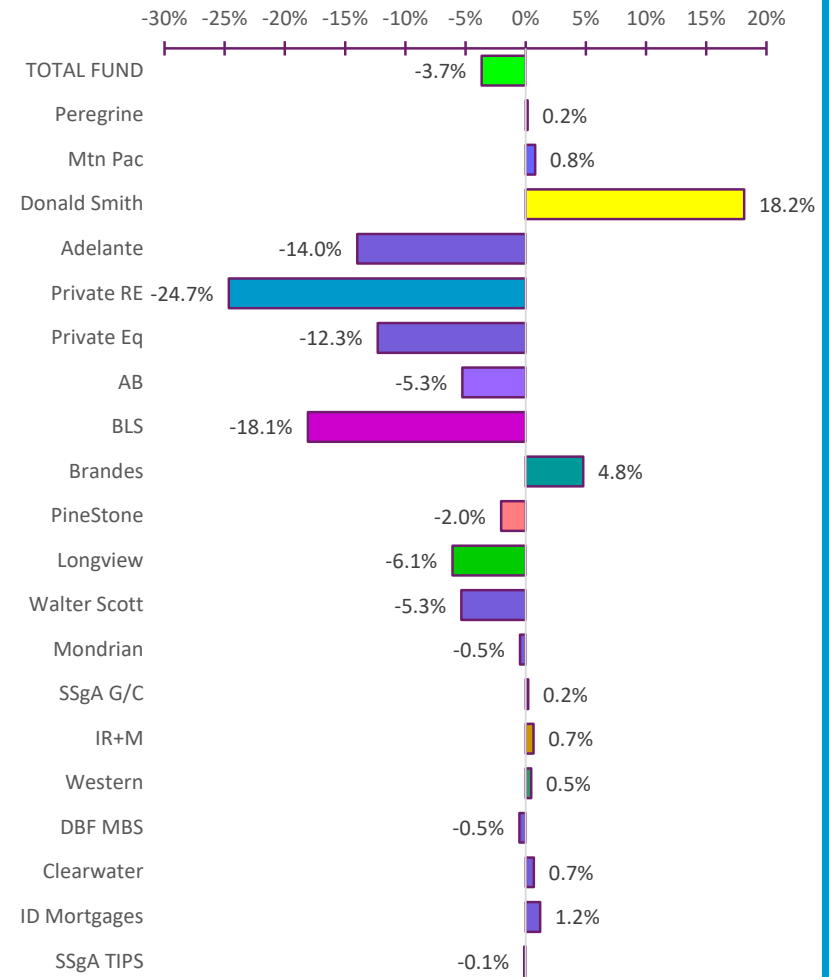
The Total Fund is up +6.1% at \$23.4 billion, underperforming the broad (55/15/30) policy benchmark by 360 basis points. The sick leave funds are up +7.2% at \$656 million. US equities (R000) are up +15.0%, global equities (MSCI World) are up +13.7%, international developed markets (MSCI EAFE) are up +9.3%, and investment grade bonds are up +0.4%. REITs (DJ US Select) are up +0.7%, emerging markets (MSCI EM) are up +5.2%, and TIPS are up +0.4%. Private real estate is down -9.7% and private equity is up +2.7%.

Donald Smith and Brandes continue to have the best absolute and relative returns while private real estate and BLS have the worst. Private real estate, private equity, non-US equity (developed and emerging markets), and TIPS are detracting from performance while Idaho Mortgages are adding value.

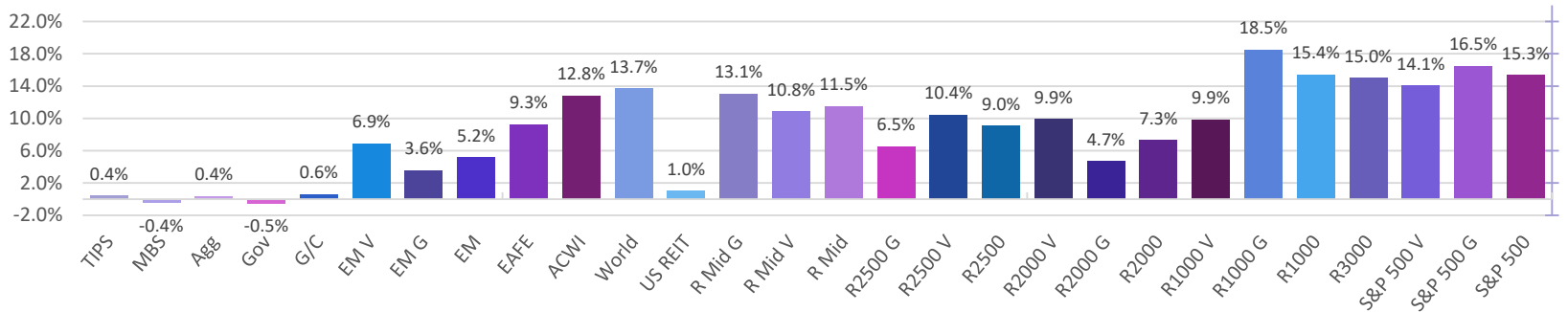
FYTD Returns



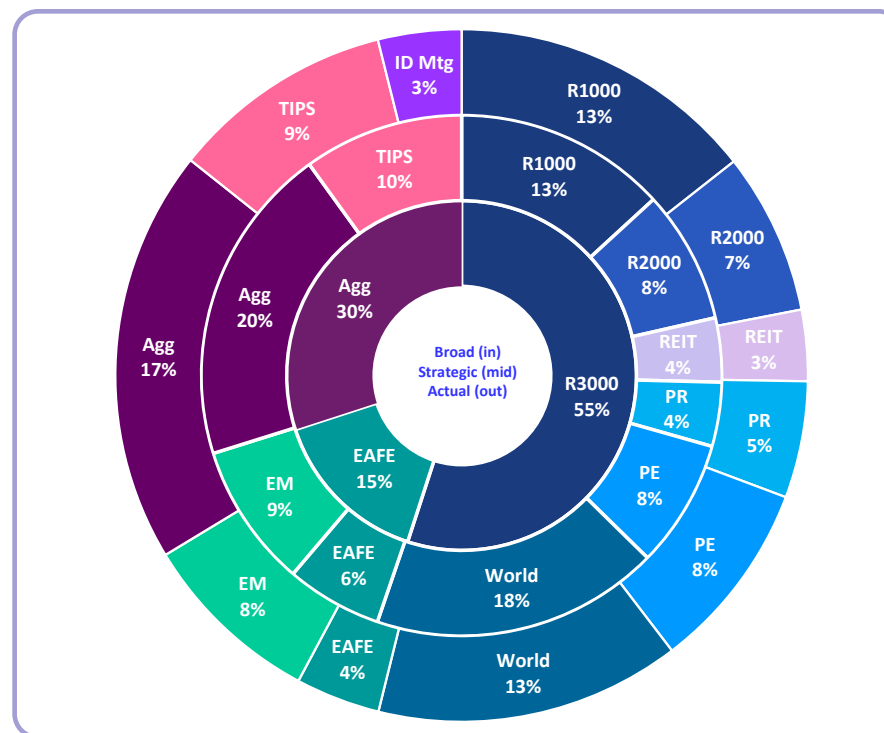
FYTD Returns v. Policy (55/15/30)



FYTD Benchmark Returns



	<u>FYTD</u>	<u>Mkt Value</u>	<u>Allocation %</u>	
<b>TOTAL FUND</b>	<b>6.1%</b>	<b>\$ 23,362,009,826</b>	<b>100.0%</b>	
<b>U.S. EQUITY</b>	<b>9.0%</b>	<b>\$ 8,884,105,749</b>	<b>38.0%</b>	<b>56%</b>
MCM R1000	16.7%	\$ 2,300,087,536	9.8%	
Peregrine	15.1%	\$ 686,878,653	2.9%	
US Transition		\$ 1,140,279	0.0%	
MCM R2000	9.7%	\$ 123,366,111	0.5%	
Atlanta		\$ 663,740,517	2.8%	
Mtn Pac	15.8%	\$ 696,738,315	3.0%	
Donald Smith	33.1%	\$ 746,287,028	3.2%	
Adelante	1.0%	\$ 424,415,585	1.8%	
MCM REIT	0.7%	\$ 264,464,099	1.1%	
Private RE	-9.7%	\$ 1,130,832,997	4.8%	
Private Eq	2.7%	\$ 1,846,154,628	7.9%	
<b>GLOBAL EQUITY</b>	<b>8.0%</b>	<b>\$ 4,112,347,975</b>	<b>17.6%</b>	
AB	9.7%	\$ 591,109,323	2.5%	
BLS	-3.1%	\$ 577,073,855	2.5%	
Brandes	19.8%	\$ 605,911,830	2.6%	
PineStone		\$ 571,116,947	2.4%	
Fiera	12.9%	\$ 2,304,019	0.0%	
Longview	8.9%	\$ 593,934,350	2.5%	
Pzena		\$ 582,909,238	2.5%	
Walter Scott	9.6%	\$ 574,479,623	2.5%	
Global Transition		\$ 13,323,598	0.1%	
<b>INT EQUITY</b>	<b>6.5%</b>	<b>\$ 3,378,992,283</b>	<b>14.5%</b>	<b>14%</b>
MCM EAFE	8.4%	\$ 397,800,347	1.7%	
Mondrian	8.8%	\$ 410,988,277	1.8%	
C Worldwide		\$ 393,009,927	1.7%	
Sprucegrove		\$ 398,689,665	1.7%	
EAFE Transition		\$ 10,636,861	0.0%	
MCM EM	4.4%	\$ 884,785,158	3.8%	
SSgM IEMG ETF	5.4%	\$ 882,987,803	3.8%	



	<u>FYTD</u>	<u>Mkt Value</u>	<u>Allocation %</u>
<b>FIXED INCOME</b>	<b>0.6%</b>	<b>\$ 6,866,497,844</b>	<b>29.4%</b>
SSgA G/C	0.6%	\$ 3,013,621,697	12.9%
IR+M	1.0%	\$ 220,738,025	0.9%
Western	0.8%	\$ 287,625,490	1.2%
DBF MBS	-0.2%	\$ 159,886,132	0.7%
Clearwater	1.1%	\$ 214,178,379	0.9%
ID Mortgages	1.6%	\$ 807,311,083	3.5%
SSgA TIPS	0.3%	\$ 2,163,137,037	9.3%
<b>Cash &amp; Other</b>	<b>3.7%</b>	<b>\$ 120,065,975</b>	<b>0.5%</b>

PERSI Total Fund Returns

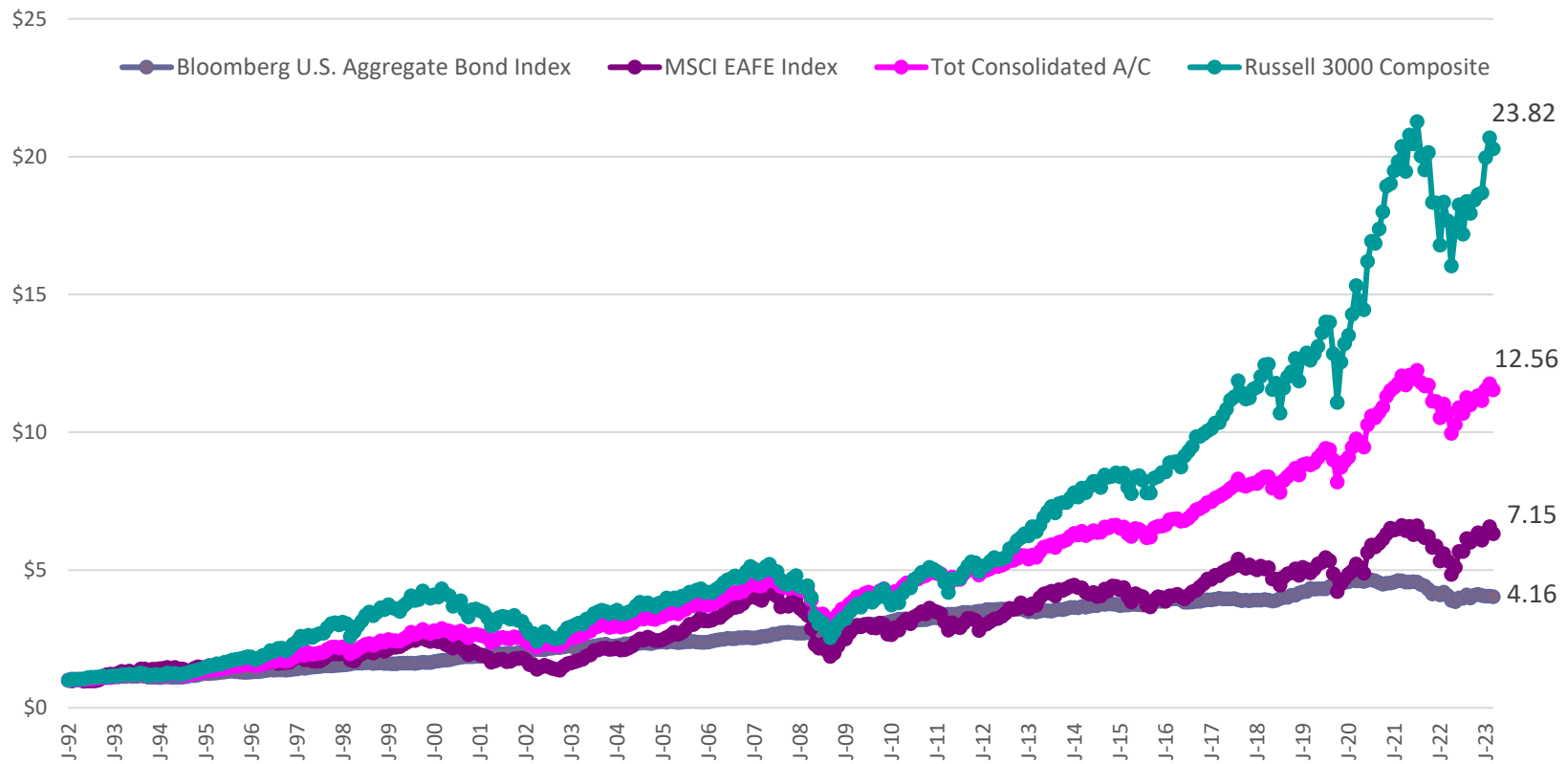
April 23, 2024

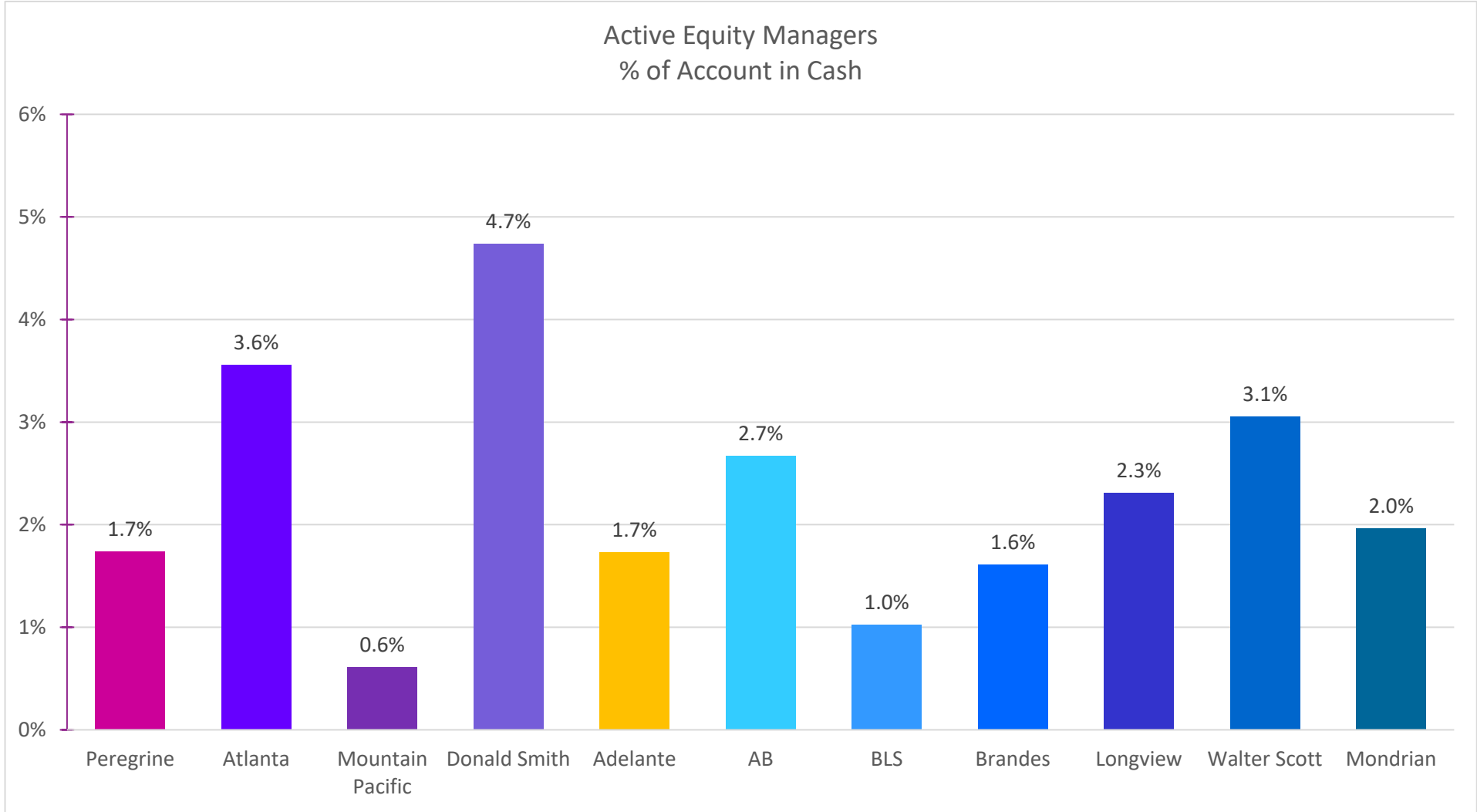
	MTD	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
<b>TOTAL FUND</b>	<b>-2.5%</b>	<b>6.1%</b>	<b>8.6%</b>	<b>4.0%</b>	<b>2.7%</b>	<b>9.5%</b>	<b>7.1%</b>	<b>7.8%</b>	<b>7.3%</b>	<b>9.1%</b>	<b>7.3%</b>
Broad Policy (55/15/30)	-1.0%	1.5%	1.4%	1.0%	-0.6%	1.1%	1.0%	1.2%	1.1%	2.0%	1.8%
<b>US/GLOBAL EQUITY</b>	<b>-3.1%</b>	<b>8.7%</b>	<b>13.4%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>15.3%</b>	<b>11.1%</b>	<b>11.7%</b>	<b>10.9%</b>	<b>12.3%</b>	<b>9.1%</b>
<b>US EQUITY</b>	<b>-4.4%</b>	<b>16.1%</b>	<b>25.7%</b>	<b>9.4%</b>	<b>5.9%</b>	<b>16.8%</b>	<b>11.8%</b>	<b>12.1%</b>	<b>11.5%</b>	<b>14.3%</b>	<b>10.0%</b>
R 3000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>LARGE CAP</b>											
S&P 500	-3.4%	15.3%	24.6%	10.8%	8.3%	17.9%	13.4%	13.6%	12.5%	14.9%	9.9%
<b>MCM R1000</b>	<b>-2.4%</b>	<b>16.7%</b>	<b>26.1%</b>	<b>11.0%</b>	<b>7.6%</b>	<b>18.0%</b>	<b>13.3%</b>	<b>13.5%</b>	<b>12.3%</b>	<b>14.8%</b>	<b>10.1%</b>
R 1000	-3.5%	15.4%	24.7%	10.4%	7.2%	17.8%	13.1%	13.3%	12.3%	14.8%	10.0%
<b>Peregrine</b>	<b>-4.4%</b>	<b>15.1%</b>	<b>30.1%</b>	<b>11.5%</b>	<b>-1.0%</b>	<b>9.5%</b>	<b>11.0%</b>	<b>15.4%</b>	<b>15.7%</b>	<b>16.0%</b>	
R 1000 Growth	-3.8%	18.5%	33.9%	14.5%	8.4%	19.3%	16.6%	17.4%	15.6%	17.1%	
<b>SMALL/MID CAP</b>											
R Midcap	-4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>MCM R2000</b>	<b>-3.6%</b>	<b>9.7%</b>	<b>16.1%</b>	<b>4.5%</b>	<b>-1.7%</b>	15.6%	6.8%	7.3%	7.5%	12.0%	7.9%
R 2000	-5.7%	7.3%	13.5%	3.2%	-2.8%	14.8%	6.2%	6.9%	7.2%	11.7%	7.7%
<b>Mtn Pac</b>	<b>-5.5%</b>	<b>15.8%</b>	<b>26.1%</b>	<b>9.6%</b>	<b>3.9%</b>	<b>16.4%</b>	<b>11.1%</b>	<b>11.4%</b>	<b>11.7%</b>	<b>14.8%</b>	<b>11.0%</b>
<b>Donald Smith</b>	<b>-3.2%</b>	<b>33.1%</b>	<b>44.2%</b>	<b>30.3%</b>	<b>22.9%</b>	<b>37.0%</b>	<b>20.4%</b>	<b>15.7%</b>	<b>11.9%</b>	<b>15.3%</b>	
R 2500	-5.5%	9.0%	15.4%	4.2%	-0.4%	16.4%	8.0%	8.6%	8.4%	12.9%	8.8%
<b>REITS</b>											
<b>MCM REIT</b>	<b>-6.2%</b>	<b>0.7%</b>	<b>4.5%</b>	<b>-10.0%</b>	<b>-0.6%</b>	<b>9.2%</b>	<b>2.0%</b>	<b>2.9%</b>	<b>4.9%</b>		
DJ US Select REIT	-6.2%	0.7%	4.5%	-10.0%	-0.6%	9.2%	2.0%	2.9%	5.0%		
<b>Adelante</b>	<b>-7.4%</b>	<b>1.0%</b>	<b>4.5%</b>	<b>-9.7%</b>	<b>0.7%</b>	<b>8.8%</b>	<b>4.4%</b>	<b>5.6%</b>	<b>7.5%</b>	<b>12.9%</b>	<b>8.7%</b>
MSCI US REIT Index	-6.0%	1.0%	4.4%	-8.9%	-0.2%	9.6%	3.2%	3.7%	5.7%	11.3%	7.8%
<b>PRIVATE EQUITY</b>	<b>0.6%</b>	<b>2.7%</b>	<b>5.7%</b>	<b>1.2%</b>	<b>14.7%</b>	<b>15.9%</b>	<b>15.1%</b>	<b>15.4%</b>	<b>12.6%</b>	<b>13.1%</b>	<b>12.6%</b>
<b>PRIVATE REAL ESTATE</b>	<b>-0.2%</b>	<b>-9.7%</b>	<b>-13.4%</b>	<b>-2.0%</b>	<b>7.5%</b>	<b>6.6%</b>	<b>6.6%</b>	<b>4.6%</b>	<b>6.8%</b>		
R 3000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>GLOBAL EQUITY</b>	<b>-3.5%</b>	<b>8.0%</b>	<b>11.2%</b>	<b>9.2%</b>	<b>5.4%</b>	<b>15.8%</b>	<b>10.1%</b>	<b>11.1%</b>	<b>9.5%</b>	<b>11.7%</b>	<b>8.1%</b>
R 3000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>AB</b>	<b>-2.7%</b>	<b>9.7%</b>	<b>14.3%</b>	<b>6.6%</b>	<b>2.1%</b>	<b>14.2%</b>	<b>6.7%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>8.8%</b>	
<b>BLS</b>	<b>-3.6%</b>	<b>-3.1%</b>	<b>-3.7%</b>	<b>6.1%</b>	<b>2.9%</b>	<b>14.6%</b>	<b>8.8%</b>	<b>12.5%</b>			
<b>Brandes</b>	<b>-2.7%</b>	<b>19.8%</b>	<b>22.3%</b>	<b>14.9%</b>	<b>9.9%</b>	<b>21.1%</b>	<b>11.5%</b>	<b>10.1%</b>	<b>7.8%</b>	<b>10.7%</b>	<b>6.9%</b>
<b>PineStone</b>	<b>-0.1%</b>	<b>12.9%</b>	<b>17.3%</b>	<b>11.0%</b>	<b>7.2%</b>	<b>16.6%</b>	<b>13.0%</b>	<b>14.3%</b>			
<b>Longview</b>	<b>-3.4%</b>	<b>8.9%</b>	<b>14.8%</b>	<b>9.6%</b>	<b>6.8%</b>	<b>16.7%</b>	<b>9.9%</b>	<b>10.6%</b>	<b>10.3%</b>		
<b>Walter Scott</b>	<b>-3.8%</b>	<b>9.6%</b>	<b>14.4%</b>	<b>10.2%</b>	<b>5.5%</b>	<b>14.0%</b>	<b>10.9%</b>	<b>12.8%</b>			
MSCI World	-3.2%	13.7%	20.2%	9.7%	6.2%	16.2%	11.2%	11.2%	9.6%	12.1%	8.5%
MSCI ACWI	-3.1%	12.8%	18.7%	8.7%	4.7%	15.1%	10.0%	10.4%	8.8%	11.4%	

	<u>MTD</u>	<u>FYTD</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>	<u>15 Yr</u>	<u>20 Yr</u>
<b>INT'L EQUITY</b>	<b>-2.0%</b>	<b>6.5%</b>	<b>7.5%</b>	<b>3.1%</b>	<b>-2.2%</b>	<b>9.0%</b>	<b>3.3%</b>	<b>4.7%</b>	<b>3.4%</b>	<b>7.0%</b>	<b>5.9%</b>
MSCI EAFE	-2.7%	9.3%	9.7%	8.1%	3.1%	12.5%	6.7%	6.9%	4.9%	8.2%	6.0%
MSCI EAFE Net Div	-2.8%	8.9%	9.2%	7.5%	2.5%	12.0%	6.2%	6.4%	4.4%	7.7%	0.0%
<b>INT'L - Developed Mkts</b>	<b>-2.4%</b>	<b>8.5%</b>	<b>9.0%</b>	<b>7.3%</b>	<b>3.4%</b>	<b>12.4%</b>	<b>5.9%</b>	<b>6.3%</b>			
<b>MCM EAFE</b>	<b>-3.2%</b>	<b>8.4%</b>	<b>8.8%</b>	<b>7.5%</b>	<b>2.7%</b>	<b>12.1%</b>	<b>6.4%</b>	<b>6.7%</b>	<b>4.7%</b>	<b>8.0%</b>	<b>5.8%</b>
<b>Mondrian</b>	<b>-1.1%</b>	<b>8.8%</b>	<b>9.2%</b>	<b>7.1%</b>	<b>4.2%</b>	<b>12.6%</b>	<b>5.0%</b>	<b>5.7%</b>	<b>4.2%</b>	<b>7.6%</b>	
<b>INT'L - Emerging Mkts</b>	<b>-1.6%</b>	<b>4.9%</b>	<b>6.3%</b>	<b>-0.1%</b>	<b>-6.1%</b>	<b>6.5%</b>	<b>1.3%</b>	<b>3.4%</b>	<b>2.6%</b>	<b>6.4%</b>	<b>7.0%</b>
<b>SSgM IEMG ETF</b>	<b>-1.2%</b>	<b>5.4%</b>	<b>5.8%</b>								
MSCI EM IMI	0.8%	6.2%									
<b>MCM EM</b>	<b>-2.0%</b>	<b>4.4%</b>	<b>5.2%</b>	<b>-0.1%</b>	<b>-6.9%</b>	<b>6.2%</b>	<b>1.3%</b>	<b>3.5%</b>	<b>2.7%</b>		
MSCI EM	-2.2%	5.2%	7.2%	0.5%	-6.3%	6.4%	1.5%	3.7%	3.0%	6.0%	6.8%
<b>FIXED INCOME</b>	<b>-1.8%</b>	<b>0.6%</b>	<b>-0.2%</b>	<b>-1.3%</b>	<b>-2.6%</b>	<b>-1.4%</b>	<b>1.1%</b>	<b>1.5%</b>	<b>1.8%</b>	<b>3.2%</b>	<b>3.7%</b>
B Aggregate	-2.1%	0.4%	-0.3%	-0.8%	-3.5%	-2.6%	0.0%	0.6%	1.3%	2.4%	3.0%
<b>SSgA G/C</b>	<b>-2.0%</b>	<b>0.6%</b>	<b>-0.1%</b>	<b>-0.7%</b>	<b>-3.4%</b>	<b>-2.6%</b>	<b>0.4%</b>	<b>0.9%</b>	<b>1.5%</b>	<b>2.8%</b>	<b>3.2%</b>
B Gov/Credit	-2.1%	0.6%	-0.1%	-0.7%	-3.4%	-2.6%	0.3%	0.8%	1.4%	2.7%	3.1%
<b>DBF MBS</b>	<b>-2.3%</b>	<b>-0.2%</b>	<b>-0.5%</b>	<b>-0.8%</b>	<b>-3.5%</b>	<b>-2.7%</b>	<b>-0.7%</b>	<b>0.1%</b>	<b>0.8%</b>	<b>1.7%</b>	<b>2.6%</b>
B MBS	-2.4%	-0.4%	-0.9%	-1.0%	-3.8%	-2.8%	-0.8%	0.0%	0.8%	1.7%	2.8%
<b>ID Mortgages</b>	<b>-1.9%</b>	<b>1.6%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>-1.6%</b>	<b>-1.5%</b>	<b>1.8%</b>	<b>2.2%</b>	<b>3.0%</b>	<b>3.6%</b>	<b>4.7%</b>
<b>SSgA TIPS</b>	<b>-1.3%</b>	<b>0.3%</b>	<b>-0.8%</b>	<b>-3.0%</b>	<b>-1.6%</b>	<b>0.2%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>3.8%</b>	<b>4.1%</b>
B US TIPS	-1.4%	0.4%	-0.6%	-2.7%	-1.4%	0.4%	2.2%	2.0%	1.9%	3.1%	0.0%
<b>IR+M</b>	<b>-2.0%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>-0.2%</b>	<b>-3.0%</b>	<b>-1.8%</b>	<b>0.9%</b>	<b>1.4%</b>			
<b>Western</b>	<b>-2.5%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>-1.3%</b>	<b>-5.1%</b>	<b>-2.1%</b>	<b>-0.3%</b>	<b>0.7%</b>	<b>2.0%</b>	<b>4.9%</b>	
<b>Clearwater</b>	<b>-2.1%</b>	<b>1.1%</b>	<b>0.7%</b>	<b>-0.3%</b>	<b>-3.2%</b>	<b>-2.1%</b>	<b>0.3%</b>	<b>0.9%</b>	<b>1.6%</b>	<b>2.2%</b>	<b>3.1%</b>
B Aggregate	-2.1%	0.4%	-0.3%	-0.8%	-3.5%	-2.6%	0.0%	0.6%	1.3%	2.4%	3.0%

### PERSI Cumulative Return v. Policy Benchmarks

Growth of \$1 from Jul 1992 - Mar 2024





as of date: 4/23/2024

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## Preliminary Performance Summary

blue = outperform by 50 bp; red = underperform by 50 bp

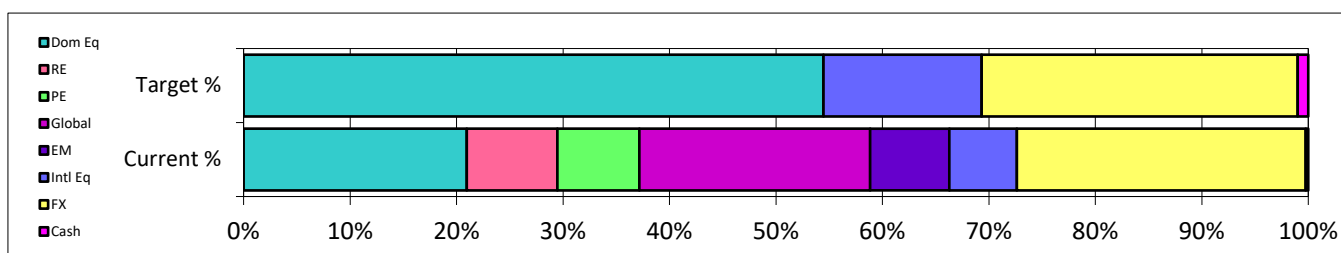
(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Total Fund</b>	<b>2.3%</b>	<b>3.8%</b>	<b>12.0%</b>	<b>4.8%</b>	<b>8.1%</b>
Strategic Policy <sup>☆</sup>	2.2%	4.0%	13.0%	4.5%	7.7%
Policy (55-15-30)	2.6%	6.2%	19.0%	5.4%	9.2%
<b>Total Domestic Equity (Russell 3000)</b>	<b>2.9%</b>	<b>6.0%</b>	<b>17.9%</b>	<b>9.5%</b>	<b>12.3%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
U.S. Equity (Russell 3000)	4.2%	8.9%	31.7%	9.6%	13.4%
Real Estate (NCREIF)	0.9%	-1.7%	-3.6%	6.2%	5.9%
Private Equity (Russell 3000*1.35)	1.0%	1.8%	5.5%	15.9%	15.1%
Global Equity (Russell 3000)	2.7%	6.4%	17.5%	8.5%	11.5%
<b>Total International Equity (MSCI EAFE)</b>	<b>2.8%</b>	<b>3.1%</b>	<b>10.7%</b>	<b>-0.6%</b>	<b>4.3%</b>
MSCI EAFE	3.4%	5.9%	15.9%	5.3%	7.9%
<b>Total Fixed Income (BB Aggregate)</b>	<b>0.8%</b>	<b>-0.4%</b>	<b>1.4%</b>	<b>-1.6%</b>	<b>1.4%</b>
Bloomberg Aggregate	0.9%	-0.8%	1.7%	-2.5%	0.4%

## Asset Allocation

blue = over allowable target range; red = under allowable target range

	Month-End MV	Current %	Target %
U.S. Equity	\$ 5,017	21.0 %	
Real Estate	\$ 2,035	8.5 %	
Private Equity	\$ 1,844	7.7 %	
Global Equity	\$ 5,186	21.7 %	
<b>Total Domestic Equity</b>	<b>\$ 14,082</b>	<b>58.8 %</b>	<b>55.0%</b>
Emerging Markets Equity	\$ 1,783	7.5 %	
<b>Total International Equity</b>	<b>\$ 3,301</b>	<b>13.8 %</b>	<b>15.0%</b>
<b>Total Fixed Income</b>	<b>\$ 6,489</b>	<b>27.1 %</b>	<b>29.0%</b>
Cash	\$ 58	0.2 %	1.0%
<b>Total Fund</b>	<b>\$ 23,930</b>	<b>100.0 %</b>	<b>100.0%</b>



## Performance Commentary:

During the month, the Total Fund outperformed the Strategic Policy benchmark by 10 basis points and underperformed the Broad Policy benchmark by 30 basis points. Over the last one-year period, the Total Fund underperformed the Strategic and Broad Policy benchmarks by 100 and 700 basis points, respectively. Over the last five-year period, the Total Fund outperformed the Strategic Policy benchmark by 40 basis points and underperformed the Broad Policy benchmark by 110 basis points.

<sup>☆</sup> Strategic Policy Benchmark = 8% R2500, 14% S&P500, 4% REIT, 4% PRE, 8% PE, 9% EM, 8% EAFE, 15% World, 15% Agg, 5% ID Mtg, 10% TIPS

# Total Fund Month-End Performance

Mar 2024

Manager (Style Benchmark)

blue = outperform by 50 bp; red = underperform by 50 bp

(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Total Fund</b>	<b>2.3%</b>	<b>3.8%</b>	<b>12.0%</b>	<b>4.8%</b>	<b>8.1%</b>
Strategic Policy	2.2%	4.0%	13.0%	4.5%	7.7%
Policy (55-15-30)	2.6%	6.2%	19.0%	5.4%	9.2%
<b>Total Domestic Equity (Russell 3000)</b> (Includes U.S. Eq, Gbl Eq, RE, PE)	<b>2.9%</b>	<b>6.0%</b>	<b>17.9%</b>	<b>9.5%</b>	<b>12.3%</b>
<b>U.S. Equity ex RE, PE (Russell 3000)</b>	<b>4.2%</b>	<b>8.9%</b>	<b>31.7%</b>	<b>9.6%</b>	<b>13.4%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
MCM Index Fund (Russell 3000)	3.2%	10.0%	29.2%	9.8%	14.3%
MCM Russell 1000 (Russell 1000)	3.2%	10.3%	29.8%	10.5%	14.7%
Russell 1000	3.2%	10.3%	29.9%	10.5%	14.8%
S&P 500 Index	3.2%	10.6%	29.9%	11.5%	15.1%
MCM Russell 2000 (Russell 2000)	3.6%	5.2%	19.7%	0.3%	8.2%
Russell 2000	3.6%	5.2%	5.2%	-0.1%	8.1%
Donald Smith & Co. (Russell 3000)	10.6%	12.3%	51.2%	25.5%	22.0%
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
Peregrine (Russell 1000 Growth)	2.1%	8.1%	37.3%	3.2%	12.9%
Russell 1000 Growth	1.8%	11.4%	39.0%	12.5%	18.5%
Mountain Pacific (Russell 2500)	3.9%	12.2%	31.2%	8.0%	12.9%
Russell 2500	4.1%	6.9%	21.4%	3.0%	9.9%
<b>Global Equity (Russell 3000)</b>	<b>2.7%</b>	<b>6.4%</b>	<b>17.5%</b>	<b>8.5%</b>	<b>11.5%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
Wilshire 5000	3.2%	10.1%	29.4%	9.6%	14.2%
MSCI World	3.3%	9.0%	25.7%	9.1%	12.6%
MSCI World net div	3.2%	8.9%	25.1%	8.6%	12.1%
MSCI AC World	3.2%	8.3%	23.8%	7.5%	11.5%
BLS (MSCI ACWI)	-1.0%	0.0%	2.2%	6.0%	10.6%
Bernstein (MSCI ACWI)	5.3%	6.1%	19.3%	4.4%	7.8%
Brandes (Russell 3000)	6.0%	9.9%	28.0%	11.9%	12.5%
Fiera Capital (MSCI World)	2.7%	7.6%	19.6%	9.6%	13.8%
Longview (MSCI ACWI)	3.3%	8.3%	21.1%	10.0%	10.9%
Walter Scott (MSCI World net div)	2.1%	8.1%	20.9%	8.9%	12.4%
<b>Private Equity (Russell 3000)</b>	<b>1.0%</b>	<b>1.8%</b>	<b>5.5%</b>	<b>15.9%</b>	<b>15.1%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%

# Total Fund Month-End Performance

Mar 2024

Manager (Style Benchmark)

blue = outperform by 50 bp; red = underperform by 50 bp

(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Real Estate (NCREIF)</b>	<b>0.9%</b>	<b>-1.7%</b>	<b>-3.6%</b>	<b>6.2%</b>	<b>5.9%</b>
MCM REIT (DJ US Select REIT)	1.9%	-0.4%	10.4%	3.7%	3.0%
Dow Jones U.S. Select REIT	1.9%	-0.4%	10.5%	3.7%	3.0%
Adelante REITs (Wilshire REIT)	1.1%	0.6%	12.8%	5.6%	5.8%
Wilshire REIT	1.5%	0.0%	12.4%	4.5%	4.4%
Prudential (NCREIF)	0.0%	-4.7%	-11.1%	4.5%	4.3%
Private Real Estate	0.5%	-3.2%	-13.2%	7.6%	6.9%
NCREIF Prop 1Q Arrears	-1.0%	-3.0%	-9.1%	2.9%	3.3%
<b>Int'l Equity (MSCI EAFE)</b>	<b>2.8%</b>	<b>3.1%</b>	<b>10.7%</b>	<b>-0.6%</b>	<b>4.3%</b>
MSCI EAFE	3.4%	5.9%	15.9%	5.3%	7.9%
MCM International (MSCI EAFE)	3.2%	5.8%	15.5%	5.1%	7.7%
Mondrian (MSCI EAFE)	3.3%	2.5%	13.6%	5.4%	5.9%
MCM Emerging Markets (MSCI EMF)	2.2%	2.0%	7.3%	-5.4%	2.3%
MSCI EM	2.5%	2.4%	8.6%	-4.7%	2.6%
IEMG ETF	2.5%	2.0%	6.2%	n/a	n/a
MSCI EM IMI	2.2%	2.2%	10.2%	-3.5%	3.4%
<b>Total Fixed Income (BC Aggregate)</b>	<b>0.8%</b>	<b>-0.4%</b>	<b>1.4%</b>	<b>-1.6%</b>	<b>1.4%</b>
BB Aggregate	0.9%	-0.8%	1.7%	-2.5%	0.4%
Western (BB Aggregate)	0.9%	-1.2%	2.8%	-3.8%	0.2%
Clearwater (BB Aggregate) - 1/2014	1.0%	0.2%	2.8%	-2.1%	0.7%
SSgA Gov/Corp (BB G/C)	0.8%	-0.6%	1.7%	-2.3%	0.7%
IR+M (BB G/C)	0.8%	-0.3%	2.5%	-2.0%	1.3%
Bloomberg Gov/Credit	0.9%	-0.7%	1.7%	-2.4%	0.6%
DBF Idaho Mortgages (BB Mortgage)	0.9%	-0.2%	2.5%	-0.6%	2.1%
Bloomberg Treasury	0.6%	-1.0%	0.1%	-2.7%	-0.1%
DBF MBS (BB Mortgage)	1.0%	-1.0%	1.6%	-2.5%	-0.3%
Bloomberg Mortgage	1.1%	-1.0%	1.4%	-2.8%	-0.4%
SSgA TIPS (BB TIPS)	0.6%	0.0%	0.1%	-0.8%	2.4%
Bloomberg US TIPS	0.8%	-0.1%	0.5%	-0.5%	2.5%
<b>Cash</b>					
Clearwater: PERSI STIF (90-day LIBOR)	0.4%	1.2%	5.3%	2.7%	2.1%
ICE BofA 3-mo Treasury Bill Index	0.5%	1.3%	5.3%	2.6%	2.0%

# Total U.S. Equity Russell 3000 Benchmark

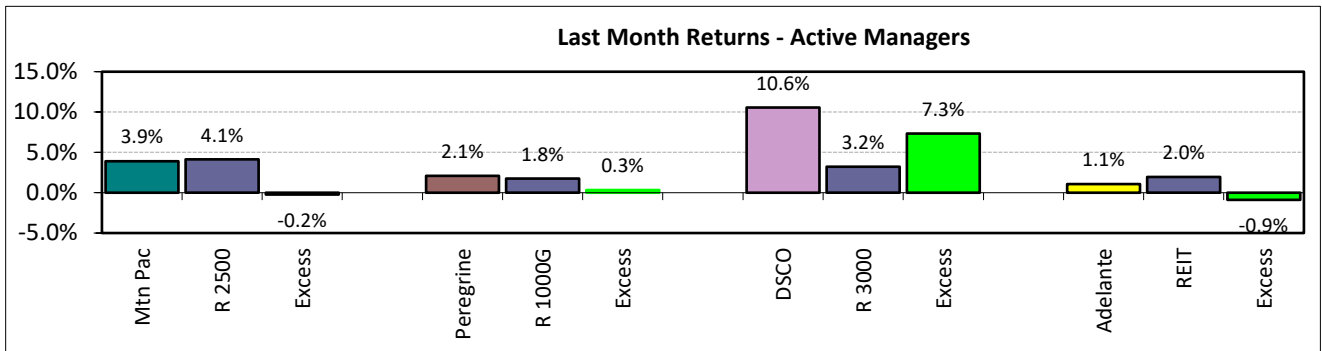
Mar 2024

## Preliminary Performance

blue = outperform by 50 bp; red = underperform by 50 bp

(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Total U.S. Equity ex RE and PE</b>	<b>4.2%</b>	<b>8.9%</b>	<b>31.7%</b>	<b>9.6%</b>	<b>13.4%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
<b>MCM Index (RU 3000)</b>	<b>3.2%</b>	<b>10.0%</b>	<b>29.2%</b>	<b>9.8%</b>	<b>14.3%</b>
<b>Donald Smith &amp; Co. (RU 3000)</b>	<b>10.6%</b>	<b>12.3%</b>	<b>51.2%</b>	<b>25.5%</b>	<b>22.0%</b>
S&P 500	3.2%	10.6%	29.9%	11.5%	15.1%
<b>Peregrine (RU 1000 Growth)</b>	<b>2.1%</b>	<b>8.1%</b>	<b>37.3%</b>	<b>3.2%</b>	<b>12.9%</b>
Russell 1000 Growth	1.8%	11.4%	39.0%	12.5%	18.5%
<b>Mountain Pacific (RU 2500)</b>	<b>3.9%</b>	<b>12.2%</b>	<b>31.2%</b>	<b>8.0%</b>	<b>12.9%</b>
Russell 2500	4.1%	6.9%	21.4%	3.0%	9.9%
<b>Total U.S. Equity incl RE and PE</b>	<b>3.0%</b>	<b>5.7%</b>	<b>18.1%</b>	<b>10.0%</b>	<b>12.7%</b>
<b>MCM REIT Index (DJ US Select REIT)</b>	<b>1.9%</b>	<b>-0.4%</b>	<b>10.4%</b>	<b>3.7%</b>	3.0%
Dow Jones U.S. Select REIT	1.9%	-0.4%	10.5%	3.7%	3.0%
<b>Adelante REITs (Wilshire US REIT)</b>	<b>1.1%</b>	<b>0.6%</b>	<b>12.8%</b>	<b>5.6%</b>	<b>5.8%</b>
Wilshire US REIT	1.5%	0.0%	12.4%	4.5%	4.4%
<b>Private Real Estate</b>	<b>0.5%</b>	<b>-3.2%</b>	<b>-13.2%</b>	<b>7.6%</b>	<b>6.9%</b>
NCREIF	-1.0%	-3.0%	-9.1%	2.9%	3.3%
<b>Total RE (Russell 3000)</b>	<b>0.9%</b>	<b>-1.7%</b>	<b>-3.6%</b>	<b>6.2%</b>	<b>5.9%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
<b>Private Equity</b>	<b>1.0%</b>	<b>1.8%</b>	<b>5.5%</b>	<b>15.9%</b>	<b>15.1%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%



## Performance Commentary:

During the month, the Total U.S. Equity portion of the portfolio excluding Real Estate and Private Equity outperformed the Russell 3000 index by 100 basis points. Donald Smith was the best performing manager, outperforming their Russell 3000 benchmark by 740 basis points. Peregrine outperformed their Russell 1000 Growth benchmark by 30 basis points while Mountain Pacific trailed their Russell 2500 benchmark by 20 basis points. REITs underperformed the Russell 3000; Adelante underperformed their Wilshire REIT benchmark by 40 basis points. Private Real Estate outperformed the NCREIF index, but underperformed the Russell 3000 index by 270 basis points; and Private Equity underperformed the Russell 3000 by 220 basis points.

# Total U.S. Equity Portfolio Analysis

Mar 2024

MCM Russell 3000 Index Fund Characteristics used as Russell 3000 Index Data (RU3000)

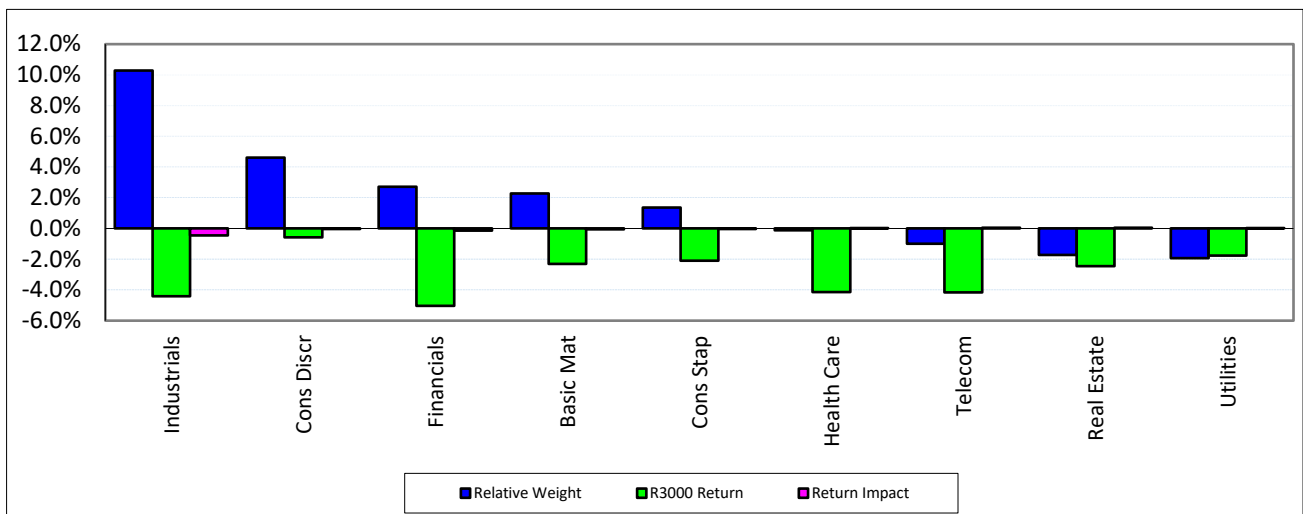
"U.S. Equity (U.S. Eq)" does not include RE or PE; "Domestic Equity (Dom Eq)" includes U.S. allocation of Global Equity Managers

## Portfolio Characteristics

	<u>U.S. Eq</u>	<u>Dom Eq</u>	<u>RU 3000</u>		<u>U.S. Eq</u>	<u>Dom Eq</u>	<u>RU 3000</u>
Wtd Cap (\$ b)	\$ 296.2	\$ 347.4	\$ 720.7	Beta	1.09	1.07	1.09
P/Earnings	27.93	28.97	28.81	Dividend Yield (%)	1.03	1.36	1.34
P/E ex Neg	24.53	25.68	25.83	5 Yr DPS Growth	10.64	9.46	8.36
P/Book Value	3.50	3.45	4.12	ROE	21.77	20.95	23.52
EPS 5Yr Growth	12.36	11.77	14.74	ROA	8.78	8.38	9.57
Debt/Equity	1.08	1.09	1.13				

## Sector Allocations

<u>Sectors</u>	<u>U.S. Eq Alloc</u>	<u>R3000 Alloc</u>	<u>Relative Weight</u>	<u>R3000 Return</u>	<u>Return Impact</u>
Industrials	23.7%	13.5%	10.3%	-4.4%	-0.45%
Cons Discr	18.8%	14.1%	4.6%	-0.6%	-0.03%
Financials	13.6%	10.9%	2.7%	-5.0%	-0.14%
Basic Mat	4.2%	2.0%	2.3%	-2.3%	-0.05%
Cons Stap	5.9%	4.5%	1.4%	-2.1%	-0.03%
Health Care	11.8%	11.9%	-0.1%	-4.1%	0.00%
Telecom	1.0%	2.0%	-1.0%	-4.2%	0.04%
Real Estate	1.0%	2.7%	-1.7%	-2.5%	0.04%
Utilities	0.5%	2.5%	-1.9%	-1.8%	0.03%



# Total Global Equity Russell 3000 Benchmark & MSCI AC World Index

Mar 2024

## Preliminary Performance

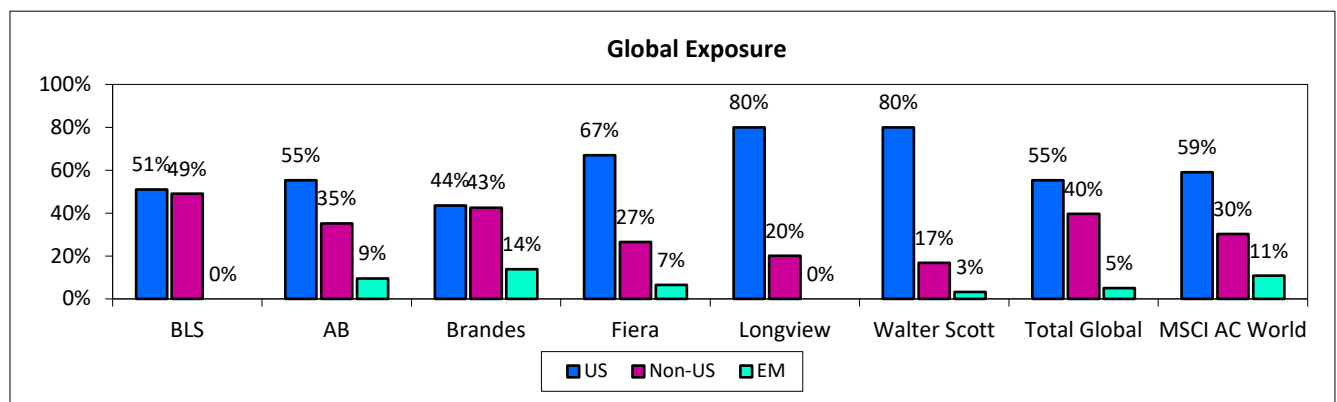
blue = outperform by 50 bp; red = underperform by 50 bp

(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Total Global Equity</b>	<b>2.7%</b>	<b>6.4%</b>	<b>17.5%</b>	<b>8.5%</b>	<b>11.5%</b>
Russell 3000	3.2%	10.0%	29.3%	9.8%	14.3%
Wilshire 5000	3.2%	10.1%	29.4%	9.6%	14.2%
MSCI World	3.3%	9.0%	25.7%	9.1%	12.6%
MSCI World net div	3.2%	8.9%	25.1%	8.6%	12.1%
MSCI AC World (ACWI)	3.2%	8.3%	23.8%	7.5%	11.5%
<b>BLS (MSCI ACWI)</b>	<b>-1.0%</b>	<b>0.0%</b>	<b>2.2%</b>	<b>6.0%</b>	<b>10.6%</b>
<b>AB (MSCI ACWI)</b>	<b>5.3%</b>	<b>6.1%</b>	<b>19.3%</b>	<b>4.4%</b>	<b>7.8%</b>
<b>Brandes (Wil 5000)</b>	<b>6.0%</b>	<b>9.9%</b>	<b>28.0%</b>	<b>11.9%</b>	<b>12.5%</b>
<b>Fiera (MSCI World)</b>	<b>2.7%</b>	<b>7.6%</b>	<b>19.6%</b>	<b>9.6%</b>	<b>13.8%</b>
<b>Longview (MSCI ACWI)</b>	<b>3.3%</b>	<b>8.3%</b>	<b>21.1%</b>	<b>10.0%</b>	<b>10.9%</b>
<b>Walter Scott (MSCI World net div)</b>	<b>2.1%</b>	<b>8.1%</b>	<b>20.9%</b>	<b>8.9%</b>	<b>12.4%</b>

## Country Allocation Summary

Overweight Countries	Total Global	MSCI ACWI	Underweight Countries	Total Global	MSCI ACWI
United States	59.0%	0.1%	Canada	1.1%	32.1%
United Kingdom	8.7%	0.3%	China	0.6%	31.1%
France	5.4%	0.1%	Australia	0.3%	20.4%

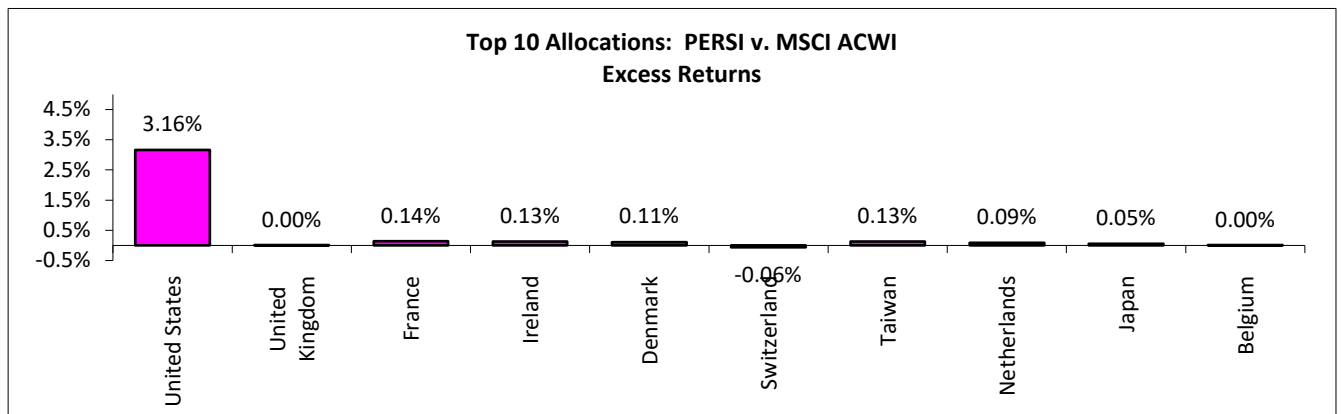
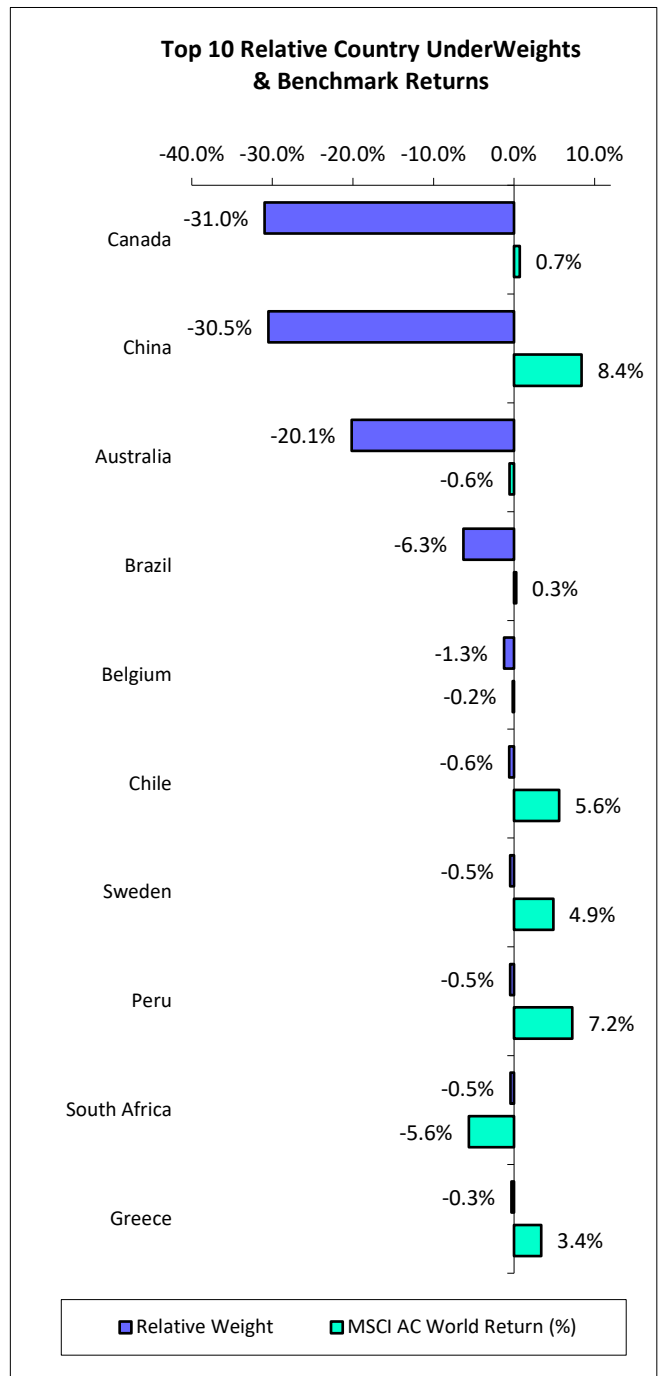
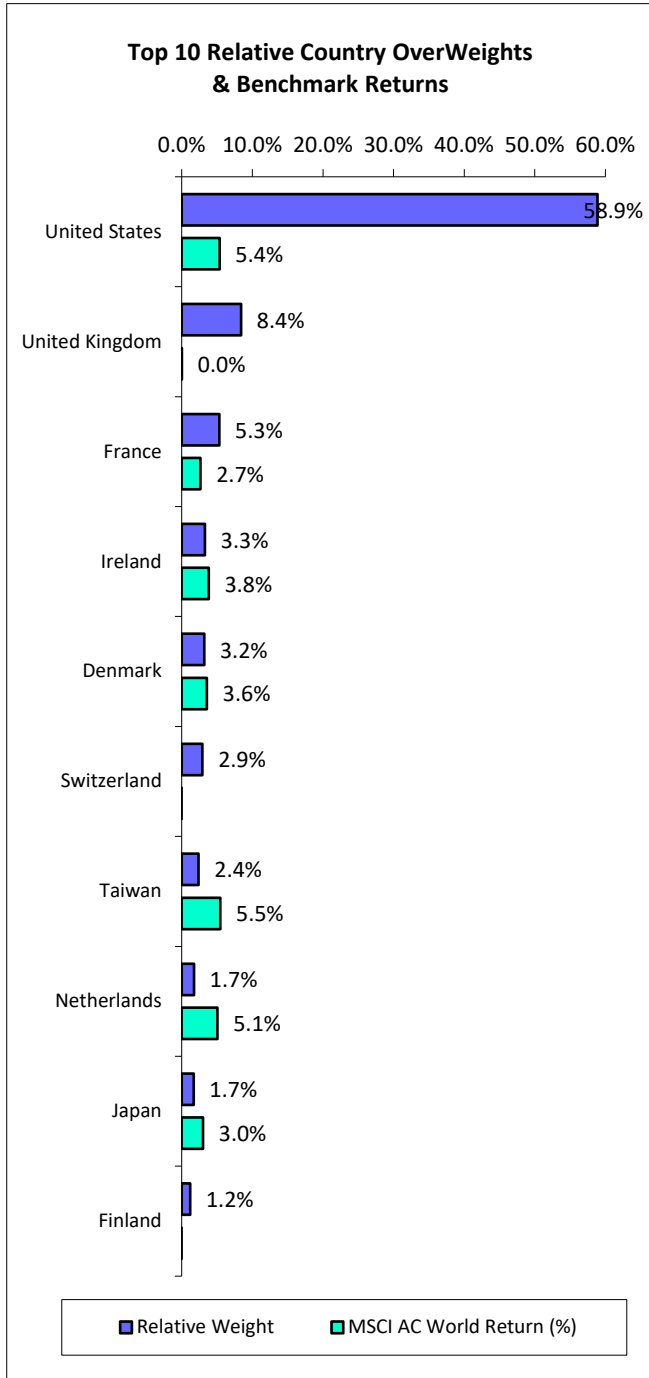


## Performance Commentary:

During the month, the Total Global Equity portion of the portfolio underperformed the Russell 3000 and MSCI ACWI indexes by 50 basis points and the MSCI World index by 60 basis points. Brandes and AB had a great month, outperforming all indexes. Longview kept pace with the MSCI World, outperforming the Russell 3000 and MSCI ACWI indexes while Fiera, Walter Scott, and BLS underperformed all indexes. Over the last one-year period, the Global Equity portfolio is underperforming. Over the last five-year period, the Global Equity portfolio is in line with the MSCI ACWI index, but trailing the MSCI World and Russell 3000 indexes.

# Total Global Equity Country Allocations versus MSCI AC World Index

Mar 2024



# Total International Equity MSCI EAFE Benchmark & MSCI ACWI xUS Index

Mar 2024

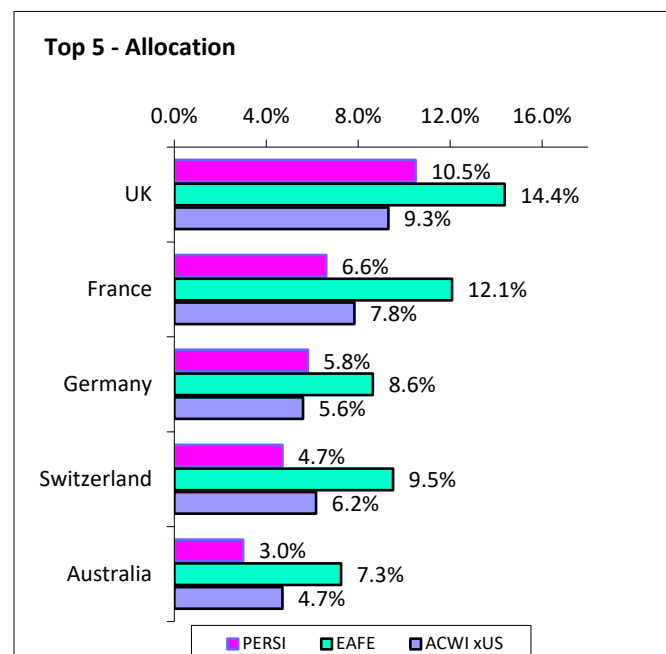
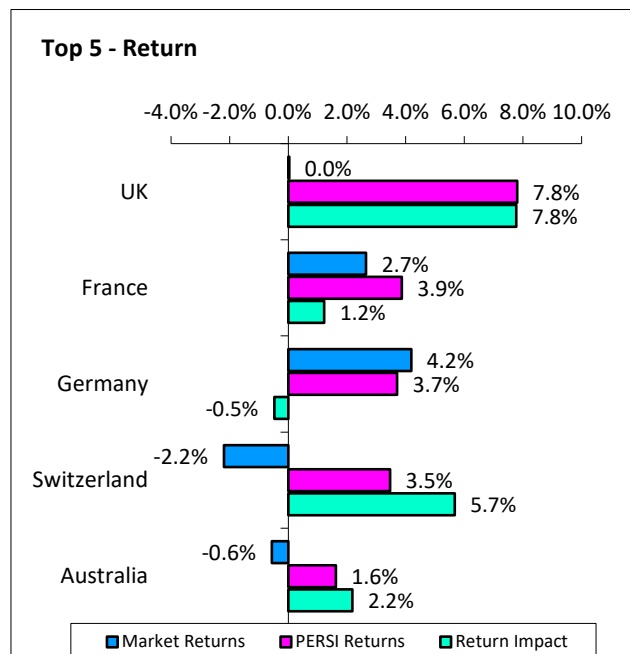
## Preliminary Performance

blue = outperform by 50 bp; red = underperform by 50 bp

(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Total International Equity</b>	<b>2.8%</b>	<b>3.1%</b>	<b>10.7%</b>	<b>-0.6%</b>	<b>4.3%</b>
MSCI EAFE	3.4%	5.9%	15.9%	5.3%	7.9%
MSCI ACWI ex US	3.2%	4.8%	13.8%	2.4%	6.5%
<b>MCM EAFE Index (MSCI EAFE)</b>	<b>3.2%</b>	<b>5.8%</b>	<b>15.5%</b>	<b>5.1%</b>	<b>7.7%</b>
<b>Mondrian (MSCI EAFE)</b>	<b>3.3%</b>	<b>2.5%</b>	<b>13.6%</b>	<b>5.4%</b>	<b>5.9%</b>
<b>MCM Emg Mkts Index (MSCI EMF)</b>	<b>2.2%</b>	<b>2.0%</b>	<b>7.3%</b>	<b>-5.4%</b>	<b>2.3%</b>
MSCI EMF	2.5%	2.4%	8.6%	-4.7%	2.6%
<b>SSgM IEMG ETF</b>	<b>2.5%</b>	<b>2.0%</b>			
MSCI EM IMI	2.2%	2.2%			

## Country Allocation Impact



## Performance Commentary:

The Total International Equity portion of the portfolio underperformed the MSCI EAFE index by approximately 60 basis points during the month. Mondrian, our only active EAFE manager, underperformed the MSCI EAFE index by roughly 10 basis points. Emerging markets underperformed developed markets by 90 basis points, with the IEMG ETF underperforming the MSCI EMF index by 30 basis points. The Total International Equity portfolio is underperforming over the last one- through five-year periods, primarily due to our emerging markets exposure.



# Total Fixed Income Bloomberg Aggregate Benchmark

Mar 2024

## Preliminary Performance

blue = outperform by 10 bp; red = underperform by 10 bp

(\* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Total Fixed Income</b>	<b>0.8%</b>	<b>-0.4%</b>	<b>1.4%</b>	<b>-1.6%</b>	<b>1.4%</b>
Bloomberg Aggregate	0.9%	-0.8%	1.7%	-2.5%	0.4%
<b>SSGA G/C (G/C)</b>	<b>0.8%</b>	<b>-0.6%</b>	<b>1.7%</b>	<b>-2.3%</b>	<b>0.7%</b>
<b>IR+M</b>	<b>0.8%</b>	<b>-0.3%</b>	<b>2.5%</b>	<b>-2.0%</b>	1.3%
Bloomberg Govt/Credit Bond	0.9%	-0.7%	1.7%	-2.4%	0.6%
<b>DBF MBS (Mortgage)</b>	<b>1.0%</b>	<b>-1.0%</b>	<b>1.6%</b>	<b>-2.5%</b>	<b>-0.3%</b>
Bloomberg MBS	1.1%	-1.0%	1.4%	-2.8%	-0.4%
<b>DBF Mortgages (Mortgage)</b>	<b>0.9%</b>	<b>-0.2%</b>	<b>2.5%</b>	<b>-0.6%</b>	<b>2.1%</b>
Bloomberg Treasury	0.6%	-1.0%	0.1%	-2.7%	-0.1%
<b>SSGA TIPS (US TIPS)</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>-0.8%</b>	<b>2.4%</b>
Bloomberg US TIPS	0.8%	-0.1%	0.5%	-0.5%	2.5%
<b>Western Core Full + (Aggregate)</b>	<b>0.9%</b>	<b>-1.2%</b>	<b>2.8%</b>	<b>-3.8%</b>	<b>0.2%</b>
<b>Clearwater Agg (Aggregate)**</b>	<b>1.0%</b>	<b>0.2%</b>	<b>2.8%</b>	<b>-2.1%</b>	<b>0.7%</b>
Bloomberg Aggregate	0.9%	-0.8%	1.7%	-2.5%	0.4%

\*\* Clearwater Agg performance begins 1/2014; previous period returns reflect Clearwater TBA portfolio

## Portfolio Attributes\*\*\* (as reported by Russell/Mellon)

\*\*\* excludes ID Mortgages

	<u>Coupon</u>	<u>Moody Quality</u>	<u>Current Yield</u>	<u>Yield to Maturity</u>	<u>Option Adj Duration</u>	<u>Modified Duration</u>	<u>Effective Convexity</u>	<u># of Holdings</u>
Total Fixed	2.18%	Aa1	2.72%	4.76%	6.56	6.60	0.84	6,520
SSGA G/C	3.22%	Aa2	3.45%	4.80%	6.32	6.33	0.84	4,231
IR+M	4.05%	Aa3	4.21%	5.12%	6.35	6.45	0.87	233
DBF MBS	3.26%	Aaa	3.58%	5.09%	5.54	5.69	0.03	86
SSGA TIPS	0.93%	Aaa	0.96%	4.33%	6.94	6.95	0.95	49
Clearwater TBA	4.62%	Aa3	4.90%	6.33%	6.16	6.31	n/a	121
Western	4.56%	A1	6.23%	6.00%	6.97	7.14	0.59	1,799

## Performance Commentary:

During the month, the Total Fixed Income portion of the portfolio underperformed the Aggregate benchmark by 10 basis points. The SSGA G/C and IR+M portfolios trailed the Bloomberg Govt/Credit index by 10 basis points; the DBF MBS portfolio trailed the MBS index by 10 basis points; the DBF Idaho Commercial Mortgage Portfolio outperformed the Treasury index by 30 basis points, but trailed the MBS index by 20 basis points; the SSGA TIPS portfolio underperformed the US TIPS index by 20 basis points; and the Western Core Full+ portfolio kept pace with the Aggregate benchmark while Clearwater outperformed by 10 basis points. Over the one-year period, the Total Fixed Income portion of the portfolio trails the Aggregate benchmark by 30 basis points and over the five year period, the Total Fixed Income portfolio added 100 basis points over the Aggregate benchmark.

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## Adelante (Public RE - REITs)

### Domestic Equity: Wilshire REIT Benchmark

	For the month of:		March	2024	
<b>Manager Performance Calculations</b>					
	Last	Last	Last	Last	Last
	<u>Month</u>	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years*</u>	<u>5 Years*</u>
Adelante Total Return	1.07%	0.61%	12.98%	5.65%	5.80%
Wilshire REIT Index	1.51%	-0.01%	12.43%	4.53%	4.41%

### Performance Attribution & Strategy Comments

**For the month ended March 31, 2024** – The Account underperformed the Wilshire US REIT Index by 44 basis points, gross of fees, as the REIT market advanced 1.5%.

- Contributors: the sector allocation to Apartments (overweight), Industrial Mixed (overweight) and security selection within Local Retail.
- Detractors: security selection within Healthcare, Manufactured Homes and the sector allocation to Healthcare (underweight).
- Best performing holding: Lamar Advertising Co-A, +9.2%.
- Worst performing holding: Equinix, Inc., -7.1%.

**For the trailing quarter ended March 31, 2024** – The Account outperformed the Wilshire US REIT Index by 62 basis points, gross of fees, as the REIT market declined 0.01%.

- Contributors: security selection within Lodging, Apartments and the sector allocation to Diversified (underweight).
- Detractors: the sector allocation to Manufactured Homes (overweight), Regional Retail (underweight), and security selection within Industrial Mixed.
- Best performing holding: Lamar Advertising Co-A, +13.5%.
- Worst performing holding: Ventas, Inc., -11.7%.

#### Comments – All eyes are focused on Fed policy as the consensus view for the number of interest rate cuts dwindles.

Over the month, the 10-year Treasury Note yield ended First Quarter at 4.2%, down 4 bps for the month.

Annually, we attend the **Citi Global CEO Conference**, where we meet with many portfolio companies and get updates from landlords around the world. Nick Joseph, Citi's lead Real Estate analyst reported, *"The mood was cautiously optimistic, with expectations for a soft landing and lower interest rates... Operating updates and management meetings were generally constructive and likely indicate that initial guidance may prove conservative... on-the-ground trends in many property sectors remain steady. On the positive side, solid demand and leasing continues in residential, retail, industrial, and data centers... risks and challenges remain in terms of supply, office leasing, expense pressures, select tenant health concerns, and a slow transaction market."* One of our take-aways was - **business outlooks for both tenants and landlords depend on rate cuts – only time will tell.** To build more housing and lower the cost of home ownership, **the Biden Administration has now introduced "regulatory risk" factor to large apartment landlords, public and private.** The Administration will begin to pursue anti-trust price-fixing cases and seek greater transparency for upfront fees and leasing charges, due to unfold over the next couple of years, but will more regulation fix the lack of supply and elevated land prices?

Despite weak February retail sales driven by declines for department stores, restaurants, and clothing, the **Regional Mall was the best performing sector, gaining 6.3%** while **Data Centers were the worst performing sector, down 5.0%**, due to a short seller's report targeting Equinix. **At month-end, the portfolio's dividend yield and cash positions stood at 3.5% and 1.3%, respectively.**

### Manager Style Summary

Adelante (formerly Lend Lease Rosen) manages the public real estate portfolio, comprised of publicly-traded real estate companies, primarily real estate investment trusts (REITs). Investments will generally fall into one of three categories as described in the Portfolio Attributes section: Core holdings, Takeover/Privatization candidates, and Trading Opportunities. Typical portfolio characteristics include current pricing at a discount relative to the underlying real estate value, attractive dividend prospects, low multiple valuations (P/FFO), and expert management.

**Adelante (Public RE - REITs)**

Domestic Equity: Wilshire REIT Benchmark

**Portfolio Guideline Compliance**

Portfolio Guideline:	Adelante	Wilshire REIT	Calc	Min	Max	Compliance
B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts						ok
B3. Mkt Cap of Issuers of Securities in the Account				\$250		ok
B4. Single Security Positions <= 30% @ purchase						ok
B6a. P/FFO (12-mo trail)	18.04	16.87	1.07		1.30	ok
B6b. Beta	0.96	1.00	0.96	0.70	1.30	ok
B6c. Dividend Yield	3.42	3.75	0.91	0.80	2.00	ok
B6d. Expected FFO Growth	18.76	17.85	105%	80%	120%	ok
E2. Commissions not to exceed \$0.06/share						ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

There were no deviations.

**Portfolio Attributes**

Portfolio Guidelines section B5

**Core Holdings (40% - 100%)**

Actual: 86% ok

Consists of investments with the following characteristics: premier asset portfolios and management teams, attractive dividend yields, low multiple valuations, real estate property types or regions that are less prone to experience the impact of an economic slowdown.

**Takeover/Privatization Candidates (0% - 15%)**

Actual: 0% ok

Focuses on smaller companies which may be attractive merger candidates or lack the resources to grow the company in the longer-term. Also focuses on companies which may have interest in returning to the private market due to higher private market valuations.

**Trading Arbitrage (0% - 20%)**

Actual: 13% ok

Focuses on high quality companies which may become over-sold as investors seek liquidity.

**Total Firm Assets Under Management (\$m) as of:**

Qtr 1 \$ 1,613

**Organizational/Personnel Changes**

There were no changes during the month.

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

## Bernstein Global Strategic Value

Global Equity: MSCI ACWI Benchmark

	For the month of:	March	2024		
<b>Manager Performance Calculations</b>				* Annualized returns	
	Last	Last	Last	Last	Last
	<u>Month</u>	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years*</u>	<u>5 Years*</u>
Bernstein GSV	5.38%	6.18%	19.54%	4.42%	7.88%
MSCI ACWI	3.14%	8.20%	23.22%	6.96%	10.92%
Russell 3000	3.23%	10.02%	29.29%	9.78%	14.34%

### Performance Attribution & Strategy Comments

**Portfolio Performance:** In March, the Portfolio rose in absolute terms and outperformed its benchmark, the MSCI ACWI, gross and net of fees. Both stock and sector selection contributed to overall relative performance, gross of fees. Stock selection within technology and financials contributed the most, while selection within utilities and communication services detracted, offsetting some of the gains. UK retail commercial bank NatWest Group contributed to results the most. The British government decreased its stake in the bank, ceding the controlling interest that the government has held since the financial crisis in 2008. The government intends to continue its divestment until the bank is fully privatized. Taiwan Semiconductor Manufacturing (TSMC) contributed as the multinational semiconductor manufacturing giant released positive sales results for January and February that pointed to a continued recovery in semiconductor demand. Shares of the company also benefitted from NVIDIA's announcement that TSMC and Synopsys are going into production with NVIDIA's computational lithography platform to accelerate manufacturing for the next generation of advanced semiconductor chips. American computer technology company Oracle reported better-than-expected 3Q earnings, with a 12% increase in revenue from the cloud services and license support segment—its largest business. The CEO commented that they expect to continue receiving large contracts reserving cloud infrastructure capacity, and reaffirmed the company's 2026 sales goals. British sports betting and gaming company Entain was the leading detractor to performance during the month. Despite reporting FY numbers that were ahead of market expectations and in line with previously provided guidance, shares of the company fell on investors' expectations that regulatory measures in the UK and Netherlands will hurt Entain's FY24 profitability. The company expects some compression of online EBITDA margin in 2024 due to those regulatory changes—a decline in profits that it views as a short-term headwind. **Outlook:** Global equities advanced briskly in the first quarter as investors reconciled themselves to a new reality of interest rates staying higher for longer than expected, with markets now anticipating cuts to begin midyear in the US and in Europe. Investors seem to have accepted that relatively high interest rates in fact reflect a stronger economy and have recalibrated expectations accordingly. The market's resilience reflects a potential turning point for equity investors, in our view. After a prolonged period during which concerns about inflation, growth and interest rates dominated return patterns, we think corporate profits are regaining prominence—and growing optimism on the earnings outlook has propelled markets in the first quarter. If this trend continues, we expect equity returns to broaden, following the extreme concentration of markets in the Magnificent Seven—a small group of US mega-cap tech and tech-related stocks—over 2023. During the first quarter, global growth stocks outperformed value stocks, as they did last year, with technology remaining firmly at the top of US and global sector returns. However, diverging returns within the Magnificent Seven emerged in 1Q, reflecting differences in each company's business results, based on reported earnings growth for the full-year 2023. It's too soon to say whether these patterns will persist within the mega-caps or across the broader market. But there seems to be a whiff of change in the air, with earnings growth looking promising, and not just for the mega-caps, in our view. While the Magnificent Seven stocks as a group still boast higher earnings growth potential than the broader market, we believe investors must be very selective in how they access this; the divergence of first-quarter returns within the cohort reinforced this lesson. Beyond the mega-caps, consensus earnings forecasts are picking up. Despite regional differences, we believe investors can find pockets of attractive growth opportunities in Europe and emerging markets, and even in China, despite its struggling economy. We continue to believe that we are positioned well for a more typical market environment, which we will inevitably return to.

### Manager Style Summary

*Bernstein is a research-driven, value-based, "bottom-up" manager, whose process is driven by individual security selection. Country allocations are a by-product of the stock selection process, which drives the portfolio country over and under weights. They invest in companies with long-term earnings power, which are undervalued due to an overreaction by the market. This value bias will result in a portfolio which will tend to have lower P/E and P/B ratios and higher dividend yields, relative to the market. The Global Strategic Value product is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.*

## Bernstein Global Strategic Value

Global Equity: MSCI ACWI Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	Index	Bernstein	Calc	Min	Max	Compliance
B3. Security position <= 10% of the account @ purchase						ok
B4. Number of issues		63.0		25	75	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):						
United States *	64%	58%		39%	89%	ok
Europe ex U.K. *	12%	13%		-3%	27%	ok
UK *	3%	11%		-7%	13%	ok
Japan *	6%	3%		-4%	16%	ok
Emerging Markets		10%		0%	20%	ok
Other		6%		0%	20%	ok
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	495,052	328,104	66%	50%	100%	ok
Price/Book Value	3.1	2.2	73%	50%	100%	ok
Price/Earnings (Next 12 mo)	16.4	12.2	75%	50%	100%	ok
Price/Cash Flow	14.5	8.9	61%	50%	100%	ok
Dividend Yield	1.9	2.0	105%	75%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
Forwards executed with Custodian <= 100% of the total mv of account, given credit check						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover		45%		30%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

F3. Annual Turnover: Turnover will vary throughout market cycles based on the level of volatility in markets and the changing nature of the value opportunity.

Total Firm Assets Under Management (\$m) as of:

Qtr 4 \$725,154

### Organizational/Personnel Changes

Investment decisions for Global Strategic Value are made by the Chief Investment Officer and Director of Research. For the month of March 2024 there were no personnel changes for the GSV portfolio.

### Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

**Brandes Investment Partners, L.P.**

Global Equity: Russell 3000 Benchmark

For the month of: **March** **2024****Manager Performance Calculations**

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Brandes	6.09%	9.89%	27.99%	11.88%	12.53%
Russell 3000	3.23%	10.02%	29.29%	9.77%	14.32%

**Performance Attribution & Strategy Comments**

Global markets continued rising in March against a backdrop of positive economic news, setting aside geopolitical tensions and a strong US dollar, with the S&P 500 reaching an all-time high with market leadership broadening. Europe showed strength in March and Value generally outperformed Growth. The Brandes Global Equity portfolio outpaced the Russell 3000, MSCI World and MSCI World Value. The largest contributors to relative performance on an industry basis were portfolio holdings in Aerospace, led by UK Aerospace company Rolls-Royce and Brazil's Embraer, followed by an overweight position in the strong-performing Banks sector and strong stock selection. The largest industry detractor was exposure to the Textiles, Apparel & Luxury Good industry. The largest relative contributor on a country basis was the U.S., where a sharp underweight position was offset by strong stock selection, and several U.K. positions also rose, contributing to relative returns. Emerging Markets generally lagged Developed Markets and exposure to China and Mexico were relative detractors.

As of 3/31/24, the largest absolute country weightings were in the U.S. - although the portfolio is significantly underweight relative to the index - the United Kingdom and France; the largest sector weightings were Financials, Health Care and Industrials. During the month the Global Investment Committee initiated one new position in Canadian Aerospace and Defense company CAE. There were no full sells but the Committee pared Rolls-Royce and Micron, following their strong gains. We believe the current fundamentals of our holdings bode well for the long term. With the valuation gap between value and growth stocks widening in the past year, we are increasingly optimistic about the return potential for value stocks. Following the performance of the growth index, fueled largely by a few U.S. tech-related companies, value stocks are trading at the largest discount relative to growth stocks (MSCI World Value vs. MSCI World Growth) since the inception of the style indices. This valuation disparity is evident across various metrics, such as price/earnings, price/cash flow and enterprise value/sales. Historically, such valuation differentials have often signaled attractive future returns for value stocks over longer term horizons.

<b>Total Firm Assets Under Management (\$m) as of:</b>	Qtr 1	\$	26,005
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**Organizational/Personnel Changes**

None

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

**Manager Style Summary**

Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.

**Brandes Investment Partners, L.P.**

Global Equity: Russell 3000 Benchmark

**Portfolio Guideline Compliance**

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		67		40	70	ok
B5. Normal Country Exposures:						
United States & Canada		44%		30%	100%	ok
Americas ex U.S.		5%		0%	40%	ok
United Kingdom		16%		0%	25%	ok
Europe ex U.K.		23%		0%	50%	ok
Japan		0%		0%	45%	ok
Pacific ex Japan		11%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		2%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$101,274	\$94,924	94%	30%	125%	ok
Price/Book Value	1.9	1.4	75%	50%	100%	ok
Price/Earnings	15.7	10.8	69%	50%	100%	ok
Price/Cash Flow	10.2	7.6	74%	50%	100%	ok
Dividend Yield	2.9	3.2	111%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$630,810	\$147,300	23%	30%	125%	check
Price/Book Value	4.3	1.7	40%	50%	100%	check
Price/Earnings	25.0	15.2	61%	50%	100%	ok
Price/Cash Flow	16.1	10.6	66%	50%	100%	ok
Dividend Yield	1.3	2.0	151%	90%	150%	check
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		15%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

- B7. Capitalization: Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range.
- B7. Price/Book Value: Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range.
- B7. Dividend Yield: Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range.



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**Clearwater Advisors, LLC**Core Fixed: BB Aggregate Benchmark

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For the month of: **March** **2024**

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**Manager Performance Calculations**

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater Agg	0.99%	-0.56%	2.60%	-2.18%	0.64%
BB Aggregate	0.92%	-0.78%	1.70%	-2.45%	0.36%

**Performance Attribution & Strategy Comments**

Early in the month of March, interest rates fell by 10 to 15 basis points but that move was almost completely reversed in the back half of the month. The 2 year and 3 year rates finished flat on the month but longer rates ended down by about 5 basis points. Rate market volatility continued to decrease in March and reached the lowest level since February of 2022 according to the MOVE index.

Credit spreads tightened even more in March, by about 9 basis points, and are now sitting at the low levels last seen in 2021. The March Fed meeting came and went without any rate change or any surprise. The next meeting isn't until June and the markets are currently split 50/50 on whether they will cut rates or not.

The Clearwater portfolio outperformed the benchmark in March by 7 basis points largely due to our corporate overweights. Due to spread tightening, financials, industrials, and utilities all experienced returns which were above the benchmark average for the month. Our overweight to mortgages was a slight drag on performance in March.

**Manager Style Summary**

Clearwater manages a core Aggregate portfolio which is not expected to deviate significantly from the benchmark, although issuer concentration is expected to be much larger. They seek to add value through sector allocation and security selection rather than duration bets. Prior to January 2014, Clearwater managed a TBA mortgage portfolio. The historical returns through December 2013 reflects the performance of the TBA portfolio while performance beginning January 2014 reflects the Aggregate portfolio.

## Clearwater Advisors, LLC

Core Fixed: BB Aggregate Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	BB Agg	Min	Max	Compliance
A1. The account shall consist of dollar denominated fixed income securities					ok
B2. Duration:	6.3	6.2	5.7	6.7	ok
B3. Sector Diversification:					
Treasuries	27%	42%	27%	57%	ok
Agencies	2%	2%	-13%	17%	ok
Supra/Sovereign	3%	3%	-7%	13%	ok
Corporates	35%	25%	5%	45%	ok
Industrial	15%	15%	0%	30%	ok
Financial	16%	8%	-7%	23%	ok
Utility	4%	2%	-8%	12%	ok
MBS	28%	26%	11%	41%	ok
ABS	1%	1%	-5%	6%	ok
CMBS	3%	2%	-3%	7%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	123		100	200	ok
B6. Non-Investment Grade alloc	0%			10%	ok
B7. Out of index sector alloc	0%			10%	ok
B7. TIPS allocation	1%			20%	ok
E2. Annual Turnover (ex TBA rolls)	44%		80%	120%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

Annual Turnover (ex TBA rolls)      Portfolio turnover has been below expectations. We don't expect it to shift materially higher in the near-term.

Total Firm Assets Under Management (\$m) as of:      Qtr 1      \$      3,972

### Organizational/Personnel Changes

none

### Account Turnover

Gained:      Number of Accounts:      0      Total Mkt Value (\$m):      \$      -  
 Lost:      Number of Accounts:      0      Total Mkt Value (\$m):      \$      -

Reason(s) for loss:

## Clearwater Advisors - PERSI STIF

Cash: Merrill Lynch 0-3 Month Treasury Bill Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.41%	1.19%	5.29%	2.65%	2.12%
ML 0-3 Month T-bill	0.46%	1.32%	5.33%	2.64%	2.01%

### Performance Attribution & Strategy Comments

Yields held up a little better overall in March compared to February's sell off, but the market generally continues to push out rate cuts this year. In the Fed's March meeting, markets were focused on revisions to the dot plot and economic projections. Ultimately, the Fed didn't move its 2024 median dot, still expecting three cuts in 2024. However, it revised 2024 growth and core inflation higher. On the economic front, consumer inflation proves stickier than expected with headline and core still above 3% on a year-over-year basis. Meanwhile, the labor market continued to chug along at the high level adding 275,000 jobs, but that was overshadowed by a large downward revision to prior months and uptick in the unemployment rate.

The U.S. Treasury curve flattened modestly with the 2-year yield unchanged and 30-year yield declining 4 basis points. Yields were mostly unchanged on the very short end of the curve with the 3,6, and 12-month yields -2, -1, and +3 basis points, respectively, with the Fed remaining on hold. Similarly, SOFR was little moved around 5.34%. Investment grade corporate bond spreads narrowed 7 basis points led by financial spreads.

### Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	26%	0%	100%	ok
Agencies	1%	0%	100%	ok
Corporates	18%	0%	100%	ok
Mortgage Backed Securities (MBSs)	0%	0%	60%	ok
Asset Backed Securities (ABSs)	3%	0%	40%	ok
Cash	24%	0%	100%	ok
Commercial Paper	27%	0%	100%	ok
B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase				ok
B2c. Effective Duration <=18 months	3		18	ok
B2d. Number of securities	45	10	50	ok
B3a. Allocation of corporate securities to one issuer	4%		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

### Manager Style Summary

The enhanced cash portfolio was created with the expectation that the portfolio will generate returns similar to, or in slight excess of, the Mellon Short-Term Investment Fund (STIF), while providing PERSI with an increased level of transparency into the cash portfolio.

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## D.B. Fitzpatrick & Co., Inc. - Idaho Commercial Mortgages

Domestic Fixed: BB Mortgage Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.80%	-0.09%	2.64%	-0.27%	2.22%
BB Mortgage	1.06%	-1.04%	1.39%	-2.84%	-0.39%

### Portfolio Summary

Market Value: \$ 831,557,930

#### Delinquencies/REOs

		\$ Amt	% of Portfolio
<b>Originations/Payoffs</b>	30 days	\$ -	0.00%
Month: \$ -	60 days	\$ -	0.00%
YTD: \$ 4,200,000	90 days	\$ -	0.00%
	120+ days	\$ -	0.00%
Payoffs: \$ -	REOs	\$ -	0.00%

### Performance Attribution & Strategy Comments

The Idaho Commercial Mortgage portfolio returned 0.80% in March, underperforming the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index by 26 basis points. The portfolio has outperformed its benchmark by 125 basis points during the last year and 261 basis points (annualized) during the last five years. This outperformance over longer time periods is driven by the portfolio's low delinquency rate (currently 0.0%) and coupon advantage vis-à-vis the benchmark.

High interest rates and economic uncertainty have kept activity in the local commercial real estate market subdued in the early months of 2024. There remains a disconnect between what sellers of commercial real estate are demanding and what buyers are willing to pay. We expect the investment market to eventually pick up as cap rates rise, as loan maturities draw nearer, and as all market participants become more accustomed to higher interest rates. This process will likely take another 12-24 months to more fully play out, however.

In the local market, industrial vacancy has increased with several newly-built properties (some without tenants in place) coming online. Additional industrial properties are scheduled to enter the market in the coming months and we expect industrial vacancy to climb even further. Multifamily, the other great performing sector in the local market during the last 10 years, has also hit a speedbump, with rental growth stagnating and more new supply set to come online.

Despite the issues impacting some commercial real estate sectors, we like the Idaho Commercial Mortgage Portfolio's positioning and have seen no significant signs of stress with any of our loans. Additionally, we are very optimistic regarding the potential for increased loan production in the next several quarters. Many competing lenders are severely constrained and are unlikely to have much appetite to lend on commercial real estate for some time. Indeed, we have already begun to see an increase in our loan pipeline in recent weeks.

### Manager Style Summary

The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.

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**D.B. Fitzpatrick & Co., Inc. - MBS Portfolio**Domestic Fixed: Bloomberg Barclays Mortgage Benchmark

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For the month of:

March

2024

**Manager Performance Calculations**

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
DBF MBS	0.97%	-1.00%	1.74%	-2.87%	-0.49%
BC Mortgage	1.06%	-1.04%	1.39%	-2.84%	-0.39%

**Portfolio Attributes**

<u>Characteristics</u>	<u>DBF</u>	<u>BC Mtg</u>
Market Value (\$ m)	\$160.81	N/A
Weighted Average <i>Effective</i> Duration (in years)	6.1	6.1
Weighted Average Yield (in %)	5.0%	5.0%
Weighted Average Coupon (in %)	3.2%	3.1%

**Performance Attribution & Strategy Comments**

The U.S. Treasury yield curve steepened during the first quarter, with the yield of a 10-year Treasury note up 32 basis points to 4.20%. The yield of a two-year Treasury bond rose 37 basis points to 4.62%, while the very short end of the curve was little changed during the quarter. The rise in longer-term yields was driven by macroeconomic data indicating ongoing resilience, particularly with consumer spending, which is the principal driver of short-term growth. The Treasury yield curve remains inverted, however, indicating that bond investors still expect growth to slow during the next 12 - 24 months.

The bond market is attractive, with enticing yield available across the U.S. Treasury yield curve. For instance, a one-year Treasury bill, which contains virtually no credit risk, offered a yield of 5.03% at quarter-end, making it an attractive option for investors. The longer end of the yield curve may be even more attractive, with the 10-year Treasury note yield significantly above its average of the previous 15 years. Further enhancing the attractiveness of longer duration bonds is the possibility that the broader economy could weaken if U.S. consumer spending finally falters in the face of prolonged elevated interest rates. Additionally, a faltering stock market should benefit longer duration bonds as investors would likely seek the perceived safety of longer-term fixed income securities (especially those with little credit risk) in such an environment.

We are bullish on agency mortgage-backed securities (MBS), whose spreads are near historical averages despite most of the MBS market having very little prepayment risk in today's interest rate environment. Corporate bonds, on the other hand, appear more vulnerable to spread expansion should volatility return to the financial markets in the near-term.

PERSI's agency mortgage-backed security (MBS) portfolio returned 0.97% in March and 1.74% during the last year (ahead of its benchmark by 35 basis points). PERSI's MBS portfolio had a yield-to-maturity of 5.0% at the end of March.

**Manager Style Summary**

*DBF's MBS (Mortgage Backed Security) portfolio is a "core" holding which attempts to generally track the returns of the Barclays Capital Mortgage Index. Excess returns are added through security selection and interest rate bets, although such bets are expected to be limited and relatively low-risk. DBF also manages the Idaho Mortgage Program in conjunction with this portfolio -- the MBS portfolio serves as a "cash reserve" of sorts, to fund mortgages managed through the Idaho Mortgage Program. Consequently, we expect this portfolio to hold traditional MBS instruments and to maintain a reasonably healthy status, with no significant bets which could go significantly awry.*

## D.B. Fitzpatrick & Co., Inc. - MBS Portfolio

Domestic Fixed: Bloomberg Barclays Mortgage Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	DBF	Min	Max	Compliance
B2. Minimum portfolio size	\$161	\$50		ok
B2a. Security Type:				
MORTGAGE RELATED	100%	80%	100%	ok
Generic MBSs	100%	75%	100%	ok
GNMAs	6%			
FNMAs	59%			
FHLMCs	35%			
CMOs	0%	0%	25%	ok
NON-MORTGAGE RELATED	0%	0%	20%	ok
Treasuries	0%	0%	20%	ok
Agencies	0%	0%	20%	ok
Cash	0%	0%	10%	ok
Attributes:	BB Mtg			
Duration	6.1	4.1	8.1	ok
Coupon	3.1%	2.1%	4.1%	ok
Quality	AAA	AAA		ok
B3. Individual security excl Treasuries as a % of portfolio		0%	5%	ok
B4. Number of securities	86	25	50	check
E2. Annual Turnover	13%	0%	25%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

B4. Number of Securities: Number of securities is greater than 50 due to cash flow activity from the commercial mortgage portfolio.

Total Firm Assets Under Management (\$m) as of: Qtr 1 \$ 1,315

### Organizational/Personnel Changes

There were no organizational or personnel changes in March.

### Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			



## Donald Smith & Co., Inc.

Domestic Equity: Russell 3000 Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Donald Smith & Co.	10.56%	12.30%	51.14%	25.56%	22.03%
Russell 3000	3.23%	10.02%	29.29%	9.78%	14.34%

### Portfolio Attributes

<u>Characteristics</u>	<u>DSCO</u>	<u>RU 3000</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
Mkt Value (\$m)	1156.83	N/A	Financials	37.60%	10.91%
Wtd Cap (\$b)	16.15	702.45	Materials	17.74%	1.92%
P/E	8.78	24.63	Industrials	17.74%	13.13%
Beta	1.05	N/A			
Yield (%)	1.80	1.35			
Earnings Growth			<u>Under-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
			Info Technology	0.00%	32.18%
			Health Care	0.00%	11.98%
			Cons. Staples	0.00%	4.51%

### Performance Attribution & Strategy Comments

The account's appreciation of +10.6% was ahead of all three indices (Russell 3000 Value +5.0%; Russell 3000 +3.2%; S&P 500 +3.2%). Markets rose despite expectations for interest rate cuts declining due to persistent inflation. Except for a handful of detractors (US Steel -13.9%; Korea Electric -10.6%; Hooker -2.0%), most stocks in the portfolio rose strongly. Amid the frequent headlines, US Steel has declined as the steel workers union continues to oppose Nippon Steel's plans to acquire the company despite the Japanese steel manufacturer making various proposals to appease the union. Financial stocks and gold miners were the largest contributors. Among the financial group, Jackson Financial (+20.2%), the two mortgage insurers Radian (+14.9%) and MGIC (+12.4%), and Citigroup (+14.0%) were particularly strong. Gold miners rallied (Equinox +48.6%; Eldorado +35.4%; IAMGOLD +28.1%; Kinross +25.1%; Centerra +17.7%) as the entire group finally caught up to the price rally that has seen gold going from around \$1800 / oz in Q4 2023 to well over \$2300 oz at the end of this quarter. Airline and aircraft leasing (JetBlue +14.5%; AerCap +12.6%) stocks were also strong. JetBlue stock rose as a federal judge blocked its proposed merger with Spirit, siding with the DOJ and citing antitrust concerns. We had long been opposed to the transaction as we believed the price JetBlue proposed paying for Spirit to be excessive. Energy holdings (Golar LNG +18.6%; Civitas +10.5%; Chord +9.7%) were also strong. Homebuilders (Taylor Morrison +9.8%; M/I Homes +7.3%; Beazer +4.7%) also ticked up, partly buoyed by prospects of eventual rate cuts. We added to Golar LNG and Corebridge, while reducing AIG, International Seaways and Taylor Morrison. Stonepeak's acquisition of Textainer closed in the quarter so Textainer is no longer held in the portfolio. There were no new purchases. Insurance, financials, precious metals, building / real estate, and airlines / aircraft leasing are the largest industry weightings. The portfolio trades at 96% of tangible book value and 7.1x 2-4 year normalized EPS.

### Manager Style Summary

Donald Smith & Co manages an all-cap portfolio, employing a bottom-up, deep value investment strategy. They invest in stocks with low P/B ratios and which are undervalued given their long-term earnings potential. Consequently, the portfolio will consist of securities with higher dividend yield and lower P/B and P/E ratios relative to the market. This is a concentrated portfolio, consisting of approximately 15-35 issues, and as a result, may experience more volatility than the market.

**Donald Smith & Co., Inc.**

Domestic Equity: Russell 3000 Benchmark

**Portfolio Guideline Compliance**

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	34			15	35	ok
B5. Portfolio Characteristics						
P/B	0.96	4.35	22%	30%	100%	check
P/E (1 Year Forward)	8.78	24.63	36%	50%	100%	check
Dividend Yield	1.80	1.35	133%	50%	150%	ok
F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share						ok
F3. Annual Turnover	17%			20%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

- B5. P/B: Our primary approach is to buy low P/B stocks selling at discounts to tangible book value.
- B5. P/E (1 Yr Forward): We focus on normalized EPS looking out 2-4 years. On this basis, we are significantly below the market.
- F3. Annual Turnover: As we are long-term investors, our turnovers are always on the lower end.

**Total Firm Assets Under Management (\$m) as of:** Qtr 1 \$ 4,460

**Organizational/Personnel Changes**

N/A

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

## Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

	For the month of:		March	2024	
Manager Performance Calculations					
	Last	Last	Last	Last	Last
	Month	3 Months	1 Year	3 Years*	5 Years*
IR+M	0.92%	-0.37%	2.54%	-1.93%	1.30%
BB Gov/Credit	0.88%	-0.72%	1.74%	-2.35%	0.62%

### Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the Bloomberg Barclays G/C Index, returning 0.92% versus 0.88%. The portfolio's asset allocation aided relative performance. More specifically, the portfolio was underweight to Treasuries and overweight to the Finance sector. Equities continued their positive trajectory in March with the S&P reaching another all-time high, its fifth straight month of gains, while credit spreads continued to tighten amid strong economic data. February CPI rose by 3.2% year-over-year, slightly above expectations, and Core PCE, the Federal Reserve (Fed)'s preferred metric, grew by 2.8% year-over-year, in-line with estimates, but above the Fed's 2% target. Healthy US employment gains continued with non-farm payrolls increasing by 275,000 in February, and US consumer sentiment rose significantly at the end of March, led by strong market gains and expectations that inflation will continue to ease. At its March meeting, the Fed voted to keep the fed funds target range unchanged at 5.25% - 5.50%; market expectations now point to less than three rate cuts for the remainder of 2024 following Fed official's hawkish comments that rates should remain restrictive. Treasury rate volatility declined as yields fell marginally across the curve in March; the biggest move was in the 20-year Treasury, which fell by 7bps to 4.45%. Investment-grade issuance continued its record-setting pace, defying expectations of \$130 billion, as over \$142 billion priced in March; \$529 billion priced during the first quarter, 34% higher year-over-year. Despite the heavy issuance, corporate spreads tightened by 6bps to 90bps, and yields fell by 11bps to 5.30%. High-yield issuers piled into the primary market in March amidst tight spreads, a resilient economy, and stable yields; issuers supplied another \$26 billion, bringing first quarter's issuance to more than \$84 billion, a 116% increase year-over-year. High-yield spreads tightened by 13bps to 299bps, the tightest month-end level since December 2021, and yields fell by 20bps to 7.66%. Asset-backed securities (ABS) underperformed other securitized sectors given heavy supply; ABS issuance is approximately 45% higher year-over-year at roughly \$95 billion. Despite an uptick in municipal primary issuance in March, muni/Treasury ratios remained relatively unchanged and at their historical highs, as the market easily absorbed current supply levels.

<b>Total Firm Assets Under Management (\$m) as of:</b>	Qtr 1	\$	98,267
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### Organizational/Personnel Changes

N/A

### Manager Style Summary

IR+M's investment philosophy is based on the belief that careful security selection and active portfolio risk management provide superior returns over the long term. Utilizing a disciplined, bottom-up investment approach, IR+M adds value through security selection by seeking attractive, overlooked, and inefficiently priced issues.

## Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

### Portfolio Guideline Compliance

Portfolio Guideline:	IR+M	BB G/C	Min	Max	Compliance
B2. Effective Duration:	6.3	6.3	5.8	6.8	ok
B3. Sector Diversification:					
Government	39%	60%	30%	90%	ok
Treasuries	36%	59%	29%	89%	ok
Agencies	0%	1%	-4%	6%	ok
Govt Guaranteed	3%	0%	-10%	10%	ok
Credit	40%	39%	19%	59%	ok
Financial	15%	11%	-4%	26%	ok
Industrial	21%	20%	5%	35%	ok
Utility	5%	3%	-7%	13%	ok
Non-Corporate	0%	5%	-5%	15%	ok
Securitized					
RMBS	0%	0%	-10%	10%	ok
ABS	9%	0%	-10%	10%	ok
CMBS	6%	0%	-10%	10%	ok
Agency CMBS	3%	0%	-5%	5%	ok
Municipals	2%	1%	-9%	11%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	232		100	175	check
B6. Non-Investment Grade alloc	0%			5%	ok
E2. Annual Turnover	39%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

B5. Number of Positions: Due to volatility, we positioned the portfolio to take advantage of attractive opportunities.

### Account Turnover

Gained: Number of Accounts: 0 Total Mkt Value (\$m): \$ -  
 Lost: Number of Accounts: 0 Total Mkt Value (\$m): \$ -  
 Reason(s) for loss: IR+M did not gain or lose any accounts in the G/C Strategy this month.

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**Longview Partners**Global Equity: MSCI ACWI Benchmark

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For the month of: **March** **2024**

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**Manager Performance Calculations**

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Longview	3.28%	8.30%	21.15%	9.96%	10.85%
MSCI ACWI	3.14%	8.20%	23.22%	6.95%	10.91%

**Performance Attribution & Strategy Comments**

Some of the largest contributors to relative performance were Oracle, Alphabet and Fidelity National Information Services (FIS). Oracle outperformed following the release of its fiscal third quarter results in March which beat expectations in their cloud business and delivered operating margin improvement. The company also provided a solid outlook for the fourth quarter, strong backlog numbers and reaffirmed their fiscal 2026 targets. This helped to dispel some market concerns over slowing growth in recent quarters. Alphabet's shares performed well on rumours that the company is in talks with Apple to build Google's Gemini artificial intelligence engine into their iPhone software. FIS continued to perform well in March following the release of its fourth quarter 2023 results and guidance for 2024 in late February.

Among the most significant detractors were NIKE, VISA and S&P Global (S&P). NIKE released financial results for the third quarter of their 2024 fiscal year in March which were in line with expectations and they reaffirmed guidance for the full year. However, the company provided initial guidance for the first half of fiscal 2025 which was below consensus expectations. NIKE continues to rebalance the business mix post the pandemic and is reinvesting in innovation and their wholesale partners. Whilst this will lead to a slightly extended period of slower growth, we believe the issues are temporary and we continue to believe NIKE is a high-quality business trading at an attractive price. Visa underperformed in March following the settlement of a long-standing class action litigation with merchants in which they committed to reduce credit card interchange fees over the next five years and enable merchants to charge a surcharge to consumers for more expensive cards. The settlement removes a legal overhang and we believe that it is unlikely to significantly impact Visa's profits. S&P slightly underperformed the Index again in March despite little company specific news.

**Manager Style Summary**

Longview is a "bottom-up" manager, whose process is driven by individual security selection. Country allocations are a by-product of the stock selection process, which drives the portfolio country over and under weights, and is unconstrained by the index weights. The portfolio holds 30-35 securities at a time, and stocks are equally weighted. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

**Longview Partners**

Global Equity: MSCI ACWI Benchmark

**Portfolio Guideline Compliance**

Portfolio Guideline:	Longview	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				Yes
B4. Number of issues	29.0	30	35	check
B5. Normal Regional Exposures (* benchmark +/- min/max):				
United States & Canada	84%	35%	80%	check
Europe incl U.K.	16%	20%	50%	check
Japan	0%	0%	20%	ok
Emerging Markets	0%	0%	15%	ok
Non-Index Countries	0%	0%	10%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics				
Median Mkt Cap (in billions)	94,358	\$10		ok
Price/Earnings (Trailing)	26.5	10	17	check
Dividend Yield	1%	0.5%	2.0%	ok
Price/Cash Flow (Trailing)	17.3	10	14	check
C1. No executed forward w/o a corresponding securities position.				Yes
C2. Foreign Currency (cash or cash equiv) <= 8% of Account value				Yes
F2. Brokerage commissions not to exceed \$0.06/share for U.S. equities				Yes
F3. Annual turnover	22%	25%	50%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**Manager Explanations for Deviations from Portfolio Guidelines**

B4. Number of Issues: Number of issues is not targeted and stood at 29 in March.

B5. Regional Exposures: The output of our investment process is a concentrated, yet diversified, portfolio of typically 35 names, unconstrained by geography or sector.

B6. Price/Earnings: Price/Earnings is not targeted and stood at 26.5 in March.

B6. Price/Cash Flow: Price/Cash Flow is not targeted and stood at 17.3 in March.

F3. Annual Turnover: We do not target a specific level of turnover. Annual turnover is calculated on a rolling 12 month period and includes client flows.

**Total Firm Assets Under Management (\$m) as of:** Qtr 1 \$ 18,740

**Organizational/Personnel Changes**

In March 2024, Natasha Fletcher (Research Associate) retired from Longview.

**Account Turnover**

Gained:	Number of Accounts:	0	(\$m):	\$ -
Lost:	Number of Accounts:	0	(\$m):	\$ -
	Reason(s):			

## Mondrian Investment Partners

International Equity: MSCI EAFE Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Mondrian	3.43%	2.62%	13.78%	5.46%	5.96%
MSCI EAFE	3.29%	5.78%	15.32%	4.78%	7.33%

### Country Allocation Comparison

<u>Over-weight</u>	<u>Mondrian</u>	<u>EAFE</u>	<u>Under-weight</u>	<u>Mondrian</u>	<u>EAFE</u>
UK	23.17%	14.55%	Australia	1.54%	7.26%
Italy	6.50%	2.80%	Switzerland	3.93%	9.38%
Singapore	4.53%	1.31%	France	7.77%	12.14%

### Performance Attribution & Strategy Comments

International equity markets rose further in March, continuing their strong start to the year. Cyclically sensitive sectors led returns supported by economic resilience and growing anticipation of US interest rate cuts over the upcoming quarters. In sharp contrast, higher-than expected Shunto wage negotiations allowed the Bank of Japan to raise its policy rate for the first time in 17 years, thereby exiting its negative interest rate policy (NIRP). The Hong Kong equity market continued to lag on ongoing issues in the property sector and weak macroeconomic data. Most currencies depreciated against the US dollar.

In a strong month for international markets, the portfolio exhibited good upside capture to slightly outperform the market. Returns were supported by holdings within the financials sector and the UK where Lloyds, the UK bank, rebounded as initial fears eased around the Financial Conduct Authority (FCA) investigation into motor finance commissions. The strength was partially offset by weakness at Kering, the French luxury goods company, which is undergoing a brand transformation at its largest design house, Gucci.

### Manager Style Summary

Mondrian (formerly Delaware International) employs a top-down/bottom-up approach, with focus on security selection. The firm identifies attractive investments based on their fundamental, long-term flow of income. Dividend yield and future growth prospects are critical to the decision making process. The portfolio is expected to be fairly concentrated (40-60 securities), with a value bias. As such, we can expect the portfolio characteristics to exhibit low P/B, low P/E and high dividend yield ratios relative to the market.

## Mondrian Investment Partners

International Equity: MSCI EAFE Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	Index	Mondrian	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		50		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		23%		0%	45%	ok
Europe ex U.K.		36%		0%	75%	ok
Japan		26%		0%	45%	ok
Pacific ex Japan		11%		0%	40%	ok
Non-Index Countries		2%		0%	20%	ok
Cash		2%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	98,746	60,541	61%	25%	100%	ok
Price/Book Value	1.9	1.3	65%	50%	125%	ok
Price/Earnings (Trailing)	15.7	12.3	78%	50%	100%	ok
Price/Cash Flow	10.1	6.5	64%	50%	100%	ok
Dividend Yield	2.9	3.9	132%	100%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Annual turnover		16%			40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management (\$m) as of:

Qtr 4 \$ 45,344

### Organizational/Personnel Changes

No Changes.

### Account Turnover

Gained: Number of Accounts: 0

Total Market Value (\$m)

Lost: Number of Accounts: 0

Total Market Value (\$m)

Reason(s):



## Mountain Pacific Investment Advisers

Domestic Equity: Russell 2500 Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	3.90%	12.23%	31.24%	7.96%	12.86%
Russell 2500	4.13%	6.92%	21.43%	2.97%	9.90%

### Portfolio Attributes

Characteristics	Mtn Pac	RU 2500	Sector Analysis		
			Over-weight	Mtn Pac	RU 2500
Mkt Value (\$m)	1129.17	N/A	Capital Goods	55.04%	22.62%
Wtd Cap (\$b)	30.49	8.43	Materials	6.04%	3.75%
P/E	24.06	18.77			
Beta	1.01	1.00			
Yield (%)	0.86	1.42	Under-weight	Mtn Pac	RU 2500
Earnings Growth	10.55	15.04	Cons. Cyclical	1.00%	15.37%
			Real Estate	0.00%	6.52%
			Energy	0.00%	5.31%

### Performance Attribution & Strategy Comments

Cautious optimism on inflation and labor pervaded the market through March with slightly firmer-than-expected CPI and PPI data counterbalanced by promisingly lower core PCE at 0.26% m/m. Worrisome inflation data from January and February are temporarily fading into the distance. Federal Reserve messaging including Powell's post-FOMC press conference generally anticipated three rate cuts in 2024.

The portfolio rose 3.90% during the month, underperforming our benchmark, the RU 2500, by 23 bps. Over the past three months, our portfolio has outperformed the index by 531 bps.

Positive selection contribution from our health care names was more than offset by cumulative smaller drags from selection in communications, tech, and materials and from allocation due to our lack of utilities and energy exposure. Our high quality industrial companies generally underperformed, almost perfectly offsetting positive contribution from allocation.

Vertiv, a provider of power, cooling, and IT solutions to data centers and communication networks, and UFP Technologies, a designer and manufacturer of highly engineered products and sterile packaging for medical and industrial sectors, both put in 20%+ performances. AI-adjacent names continue to show strength. Perficient, a global digital consultant, fell 13%. Investors may be skeptical of the ambitious quarterly earnings ramp outlined by management for 2024 after missing 4Q23 and a soft 1Q24 guide.

While equity multiples do not appear cheap, the broadening of the current rally and the continued favorable macro backdrop may mitigate near-term risk of correction. Resilient labor demand appears to be coinciding with robust labor supply, resulting in economic growth without wage pressure. The fundamental backdrop for the equity market is not unfavorable and even improving, but our enthusiasm is significantly tempered by valuations and the historical impact of similar rate hike cycles.

### Manager Style Summary

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

**Mountain Pacific Investment Advisers**

Domestic Equity: Russell 2500 Benchmark

**Portfolio Guideline Compliance**

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)				\$100.0	\$7,500.0	ok
B3. Wtd Avg Cap	30490	8429	362%	80%	120%	check
B4. Number of issues	42			35	55	ok
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	32.01	27.74	115%	80%	120%	ok
B6b. Beta	1.01	1.00	1.01	0.80	1.20	ok
B6c. Yield	0.86	1.42	61%	80%	120%	check
B6d. Expected Earnings Growth	10.55	15.04	70%	80%	120%	check
E2. Commissions not to exceed \$0.06/share						ok
E3. Annual Turnover	8%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation. The median cap of the portfolio is \$12.2 BN.

B6c. Yield: Our yield is below that of the benchmark as we have been adding companies that reinvest more for growth than pay dividends.

B6d. Earnings Growth: Earnings growth estimates were recently increased for the index.

**Assets Under Management (\$m) as of:** Qtr 1 \$ 2,126

**Organizational/Personnel Changes**

None

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$rn \$	-
Lost:	Number of Accounts:	0	Total Market Value (\$rn \$	-
	Reason(s):	N/A		

## Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Peregrine	2.09%	8.05%	37.29%	3.21%	12.92%
Russell 1000 Growth	1.76%	11.42%	39.00%	12.50%	18.52%

### Portfolio Attributes

<u>Characteristics</u>	<u>Peregrine</u>	<u>RU 1000G</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Mkt Value (\$m)	1191.72	N/A	Health Care	18.73%	10.20%
Wtd Cap (\$b)	402.16	1215.37	Cons Disc	24.93%	18.85%
P/E	35.87	25.14	Financials	7.12%	2.53%
Beta	1.02	1.00			
Yield (%)	0.22	0.69			
Earnings Growth	19.83	25.14	<u>Under-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
			Technology	36.99%	53.18%
			Cons Staples	0.00%	2.58%
			Industrials	8.42%	9.86%

### Performance Attribution & Strategy Comments

The U.S. equity markets continued their climb in March and now the first three months of the year have reported positive returns. The Russell 1000® Growth benchmark was up 1.76% in March, with Peregrine's Large Cap Growth portfolio slightly ahead of the benchmark for the month.

Value outperformed growth in March, a reversal of the trend so far in 2024. However, growth indices up and down the market cap spectrum still reported positive gains for the month. A broadening of performance from just the largest companies is healthy for the market, but it remains historically concentrated. In part due to the Federal Reserve comments, 10-year US Treasury rates fell roughly 20bps during March. That said, rates are still up roughly 40bps from the start of the year. In a change from recent quarters, the year-to-date performance of the equity market has so far not been negatively impacted by higher rates. Signs of caution are difficult to ignore in stretched valuations among some momentum stocks and a still relatively narrow market participation.

While there were idiosyncratic drivers of the performance, all of our health care investments logged positive relative returns. DXCM had a competitor announce weak data on a competing product and EXAS reported strong study results for its Cologuard Plus product. CoStar's residential real estate product received a boost as a settlement was reached with the National Association of Realtors. Mobileye, which was added to the portfolio in March, received a significant vote of confidence in its next generation self-driving product. Several of our Technology names underperformed in the month, though we are unconcerned about their fundamentals. The market reacted negatively when Lululemon reported an inline Q4, but noted that sales in the US were slower than expected.

### Manager Style Summary

*Peregrine manages a large cap growth equity portfolio, utilizing a "bottom up" strategy, and focusing more on the future growth prospects of a firm rather than current earnings. We can expect the P/E and P/B ratios to be slightly higher than that of the market, stock volatility to be slightly higher than the market, and dividend yield to be lower than average. Their style encourages overweight positions in traditional growth sectors such as technology, retail, business services, and financial services. Due to the concentrated nature of the portfolio, it will tend to be more volatile than more diversified portfolios.*

## Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	S&P 500	Peregrine	Calc	Min	Max	Compliance
B2. Security Market Cap > \$1 billion						
B3. Security position <=5% @ purchase, excluding contributions						
B4. Number of issues		27		25	35	ok
B5. P/B	4.53	10.44	2.3	1.2	2.0	check
B5. P/E (Projected)	19.37	35.87	1.9	1.0	2.0	ok
B5. Dividend Yield	1.35	0.22	0.2	0.1	0.8	ok
B5. Beta	1.00	1.09	1.1	1.10	1.35	check
B5. Earnings Growth (5-year)		20%		11%	22%	ok
F2. Commissions not to exceed \$0.05/share						
F3. Annual Turnover		12%		15%	30%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

- B5. P/B: This measure typically is at a premium for faster growing companies earlier in their life-cycle than the more mature mix of companies in the S&P 500®. The Russell 1000® Growth is at a similar premium of 11.7x. We don't expect this measure to come down to below 2x the S&P 500® in the near-term.
- B5. Beta: Beta has oscillated near low end of range this year due in part to the market's focus on macroeconomic drivers. It will likely return to the range shortly.
- F3. Annual Turnover: 2023 turnover was below normal. Our normalized turnover remains approximately 20%. We expect 2024 to be above 15%.

Total Firm Assets Under Management (\$m) as of:

Qtr 4 \$ 4,721

### Organizational/Personnel Changes

There were no organizational or personnel changes during the month.

### Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

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**Walter Scott & Partners Limited**Global Equity: MSCI World Benchmark

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For the month of: **March** **2024**

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**Manager Performance Calculations***\* Annualized returns*

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Walter Scott	1.99%	8.09%	20.98%	8.89%	12.39%
MSCI World	3.21%	8.88%	25.11%	8.60%	12.07%

**Performance Attribution & Strategy Comments**

From a sector perspective, the portfolio's healthcare stocks were strong in absolute terms and, leading their benchmark counterparts, were the biggest relative contributors. Edwards Lifesciences and Lonza were notably strong. The portfolio's financial stocks, most notably AIA Group, were weak in an absolute sense and detracted the most from relative performance. Consumer staples holdings also detracted in an absolute and relative sense. Industrials and technology companies detracted further from relative return.

From a geographical viewpoint, Pacific ex Japan holdings were key absolute and relative detractors. The portfolio's US, Canadian and Japanese stocks lagged their respective indices and were the other relative detractors of note.

The prospect of looser Fed and ECB monetary policy and a continuation of global economic resilience are currently fostering a benign equity environment. There is a risk to this scenario in that the cumulative effects of higher prices and interest rates may yet dampen consumption. Should the stickiness of inflation persist, the pace and extent of cuts in interest rates may disappoint markets, many of which have travelled a long way from Covid-period lows. Valuations have expanded, despite broadly pedestrian corporate earnings growth in 2023. This reflects expectations of improving profit momentum as well as the pursuit of themes such as AI, and investor tolerance of under-delivery of earnings may be tested. Global political tensions have been of little concern to markets of late but remain a potential source of volatility.

**Manager Style Summary**

Walter Scott is a "bottom-up" manager whose process is driven by individual security selection. They invest in companies with high rates of internal wealth generation (IRR > 20%) which translates into total return to the investor over time (real return = 7-10%). Country and sector exposures are by-products of the security selection process. This is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

## Walter Scott & Partners Limited

Global Equity: MSCI World Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	WS	Min	Max	Compliance
A2. Cash balance <= 5% of portfolio market value	2%		5%	ok
B3. No more than 5% of the account shall be invested in any one security @ purchase				Yes
B4. Number of issues	49	40	60	ok
B5. No shares of investment companies or pooled funds sponsored/managed by manager or affiliates				Yes
B6. Normal Regional Exposures (* benchmark +/- min/max):				
North America	62%	52%	64%	ok
Japan	5%	2%	9%	ok
Europe ex UK	20%	18%	30%	ok
UK	4%	0%	12%	ok
Pacific ex Japan	3%	0%	12%	ok
Emerging Markets	4%	0%	12%	ok
Total	98%			
B7. Normal Global Portfolio Characteristics				
ROE	26%	10%	20%	check
CROCE	31%	20%	30%	check
Operating Margin	18%	15%	25%	ok
Portfolio turnover	2%	0%	20%	ok
Relative P/E	1.3	1.0	1.4	ok
Price/Book Value	8	3	5	check
Price Earnings	29	22	34	ok
Price/Cash Flow	23	13	21	check
Dividend Yield	1%	1%	3%	ok
E2. Brokerage commissions in bps	5	4	13	ok
E3. Annual turnover	9%		30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

B7. ROE:	Net income has grown faster than shareholder equity for the portfolio's companies in aggregate.
B7. CROCE:	Net cash from operating activities has grown faster than capital employed for the portfolio's companies in aggregate.
B7. Price/Book:	The price of the portfolio's holdings increased at a faster pace than the most recently reported book values of the portfolio's companies.
B7. Price/Cash Flow:	The price of the portfolio's holdings have increased at a faster pace than the most recently reported cash earnings of the portfolio's companies.

**Total Firm Assets Under Management (\$m) as of:** Qtr 1 \$ 85,946

### Account Turnover

Gained:	Number of Accounts:	2	Total Market Value (\$m):	\$ 210.0
Lost:	Number of Accounts:	1	Total Market Value (\$m):	\$ 178.5
Reason(s): Terminated in March 2024. Short term performance lagged the benchmark.				

### Organizational/Personnel Changes

Amanda Lothian, Compliance Manager joined the firm on 11 March 2024. Colin Wood, Company Secretary, retired from the firm effective 29 March 2024.

## Western Asset Management- Core Full Discretion

Global Fixed: BB Aggregate Benchmark

For the month of: **March** **2024**

### Manager Performance Calculations

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Western	0.95%	-1.29%	2.78%	-3.78%	0.29%
BB Aggregate	0.92%	-0.78%	1.70%	-2.46%	0.36%

### Performance Attribution & Strategy Comments

**Performance Review:** The portfolio outperformed its benchmark in March. The portfolio returned 0.95% while its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, returned 0.92%.

**Outlook Summary:** US Treasury (UST) bond yields rose for a second consecutive month, led by short-dated bonds. This was driven mainly by upside surprises in jobs and inflation data suggesting that the US economy remained resilient, leading markets to moderate expectations for policy-rate cuts. Optimism over US economic activity supported risk assets with credit spreads flat to tighter and the S&P 500 notching another record high. In the US, employment and inflation data generally exceeded expectations, which spurred the market to further reduce the possibility of rate cuts near-term. Job growth was particularly strong, with nonfarm payrolls adding 353,000 jobs, surpassing the expected 185,000, and revisions to the prior two months adding another 126,000. The unemployment rate was unchanged at 3.7%, while average hourly earnings surprised stronger at +0.6% month-over-month (MoM), bringing the year-over-year (YoY) to 4.3%. Inflation data was mixed. Headline and core Consumer Price Index (CPI) increased the most in months, to 0.3% and 0.4% MoM, respectively, exceeding consensus expectations for 0.2% and 0.3%, mainly due to elevated core service prices. In a positive sign later in the month, the Fed's preferred measure of inflation, the core Personal Consumption Expenditures (PCE) price index ticked down to 2.8% YoY, in line with expectations and the slowest annual rate since March 2021. At the end of the month, the first Fed rate cut was fully-priced for July, with three cuts priced by year-end. This corresponds to the median Federal Open Market Committee (FOMC) member forecast published at the latest round of economic projections.

### Manager Style Summary

Western manages a customized portfolio for PERSI, which falls outside of their traditional product offerings. While the product is called, "Core Full Discretion" (one of their traditional products), Western has the flexibility to invest in global inflation-linked bonds and to take bigger bets where they see the opportunity. As such, this portfolio is more volatile than the traditional underlying product. This global mandate allows Western to hold foreign, non-dollar denominated securities, take currency positions, and enter into futures, options and swaps contracts.

## Western Asset Management- Core Full Discretion

Global Fixed: BB Aggregate Benchmark

### Portfolio Guideline Compliance

Portfolio Guideline:	Western	Min	Max	Compliance
C. Weighted average duration including futures positions	6.99	-30.00	30.00	ok
C4 (2): Sector Allocation				
a. Non-dollar denominated securities		0%	40%	ok
Un-hedged non-dollar denominated securities		0%	20%	ok
b. U.S. securities rated below investment grade (BIG)		0%	40%	ok
c. Non-dollar, Non-U.S. securities rated BIG		0%	20%	ok
d. Non-dollar denominated+emerging mkt+high yield		0%	50%	ok
C4 (3): Issuer				
a. Guaranteed by US gov, agencies, gov-sponsored corp or G-7		0%	100%	ok
b. Other national governments - limit per issuer		0%	10%	ok
c. Private MBS/ABS - limit per issuer		0%	10%	ok
If collateral is credit-independent of issuer & security's credit enhancement is generated internally - limit per issuer		0%	25%	ok
d. Obligations of other issuers subject to per issuer limit		0%	5%	ok
C4 (5): Credit				
No more than 40% of portfolio below Baa3 or BBB-/A2 or P2		0%	40%	ok
C4 (7): Derivatives				
Original futures margin and options premiums, exclusive of any in-the-money portion of the premiums		0%	5%	ok
F2. Annual Turnover	70%	100%	200%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

F2. Annual Turnover: The transactions were the intent of the portfolio manager and the account is in line with strategy's expected turnover

Total Firm Assets Under Management (\$m) as of: Qtr 1 \$ 385,435

### Organizational/Personnel Changes

N/A

### Account Turnover

Gained: Number of Accounts: 23 Total Market Value (\$m): \$ 8,123.4  
 Lost: Number of Accounts: 14 Total Market Value (\$m): - \$ 200.1  
 Reason(s): Strategic Liquidation, Change of Strategy/Vehicle



# PERSI Choice Plan Summary

Mar 2024

## Performance - Net of fees

blue = outperform by 50 bp; red = underperform by 50 bp

(\*Annualized)

		Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
<b>Balanced</b>						
<b>PERSI Total Return Fund</b> <sup>▲</sup>	n/a	<b>2.3%</b>	<b>3.7%</b>	<b>11.7%</b>	<b>4.5%</b>	<b>7.8%</b>
Strategic Policy <sup>★</sup>		2.2%	4.0%	13.0%	4.5%	7.7%
Policy (55% R3000, 15% MSCI EAFE, 30% BCAGg)		2.6%	6.2%	19.0%	5.4%	9.2%
<b>Calvert Balanced Fund</b> <sup>1</sup> **	<b>CBARX</b>	<b>2.0%</b>	<b>7.2%</b>	<b>18.8%</b>	<b>5.9%</b>	<b>9.5%</b>
Custom Bench (60% R1000, 40% BCAGg)		2.3%	5.9%	18.6%	5.3%	9.0%
<b>Capital Preservation</b>						
<b>PERSI Short-Term Investment Portfolio</b> <sup>▲</sup>	n/a	<b>0.4%</b>	<b>1.2%</b>	<b>5.2%</b>	<b>2.5%</b>	<b>2.0%</b>
ICE BofA US 3-month T-bill Index		0.5%	1.3%	5.3%	2.6%	2.0%
<b>Bond</b>						
<b>US Bond Index Fund</b>	n/a	<b>0.9%</b>	<b>-0.8%</b>	<b>1.6%</b>	<b>-2.5%</b>	<b>0.3%</b>
<b>Dodge and Cox Fixed Income Fund</b> <sup>5</sup> **	<b>DOXIX</b>	<b>1.1%</b>	<b>-0.3%</b>	<b>4.2%</b>	<b>-0.9%</b>	<b>1.7%</b>
Bloomberg Aggregate		0.9%	-0.8%	1.7%	-2.5%	0.4%
<b>US TIPS Index Fund</b>	n/a	<b>0.7%</b>	<b>-0.2%</b>	<b>0.3%</b>	<b>-0.7%</b>	2.4%
Bloomberg US TIPS Index		0.8%	-0.1%	0.5%	-0.5%	2.5%
<b>U.S. Equity</b>						
Russell 3000		3.2%	10.0%	29.3%	9.8%	14.3%
<b>Large Cap</b>						
<b>U.S. Large Cap Equity Index Fund</b>	n/a	<b>3.1%</b>	<b>10.1%</b>	<b>29.6%</b>	<b>11.4%</b>	<b>15.0%</b>
<b>Vanguard Growth &amp; Income Fund</b> <sup>2</sup>	VGIAX	<b>3.4%</b>	<b>12.4%</b>	<b>31.7%</b>	<b>11.9%</b>	<b>15.2%</b>
S&P 500		3.2%	10.6%	29.9%	11.5%	15.1%
<b>Small/Mid Cap</b>						
<b>U.S. Small/Mid Cap Equity Index Fund</b> <sup>3</sup>	n/a	<b>3.1%</b>	<b>5.4%</b>	<b>26.3%</b>	<b>1.1%</b>	<b>10.2%</b>
Dow Jones U.S. Completion Total Stock Market Index		3.3%	7.0%	26.3%	0.8%	10.0%
<b>Small Cap</b>						
<b>T. Rowe Price Small Cap Stock Fund</b> <sup>4</sup>	TRSSX	<b>3.3%</b>	<b>5.6%</b>	<b>20.0%</b>	<b>0.8%</b>	<b>9.6%</b>
Russell 2000		3.6%	5.2%	19.7%	-0.1%	8.1%
<b>Specialty</b>						
<b>US REIT Index Fund</b>	n/a	<b>0.9%</b>	<b>-2.7%</b>	<b>9.2%</b>	<b>3.2%</b>	2.6%
Dow Jones U.S. Select REIT		1.9%	-0.4%	10.5%	3.7%	3.0%
<b>International Equity</b>						
<b>International Equity Index Fund</b>	n/a	<b>3.4%</b>	<b>5.9%</b>	<b>15.5%</b>	<b>5.0%</b>	7.6%
<b>T. Rowe Price Overseas Stock</b>	<b>TROIX</b>	<b>3.1%</b>	4.2%	n/a	n/a	n/a
MSCI EAFE net dividend		3.3%	5.8%	15.3%	4.8%	7.3%
<b>DFA Emerging Markets Core Equity I</b> <sup>▲</sup>	<b>DFCEX</b>	<b>1.8%</b>	2.4%	n/a	n/a	n/a
MSCI EMF		2.5%	2.4%	8.6%	-4.7%	2.6%

\*\* BNYM and Callan have return discrepancies and are reviewing

\* Performance reported by Custodian and may be preliminary; mutual funds identified by corresponding tickers

<sup>★</sup> Strategic Policy Benchmark = 8% R2500, 13% S&P500, 4% REIT, 4% PRE, 8% PE, 9% EM, 6% EAFE, 18% World, 15% Agg, 5% ID Mtg, 10% TIPS

<sup>▲</sup> Fund returns reflect fees beginning 05/01/15

<sup>1</sup> Calvert Balanced Social Investment (Sudan-Free) Fund performance begins 10/12/07; effective 05/23: share class change from CBAIX to CBARX

<sup>2</sup> Vanguard Growth & Income Admiral Shares (VGIAX) performance begins 08/01/03; previous periods reflect Vanguard Growth & Income Investor Shares (VQNPX)

<sup>3</sup> US Small/Mid Cap Equity Index Fund managed by MCM performance begins 10/12/07; previous periods reflect Dreyfus Premier Midcap Stock R Fund (DDMRX)

<sup>4</sup> T. Rowe Price Small Cap Stock Fund (TRSSX) begins 04/01/2017; (OTCFX) performance begins 8/01/2003; previous periods reflect ING Small Company Fund (AESGX)

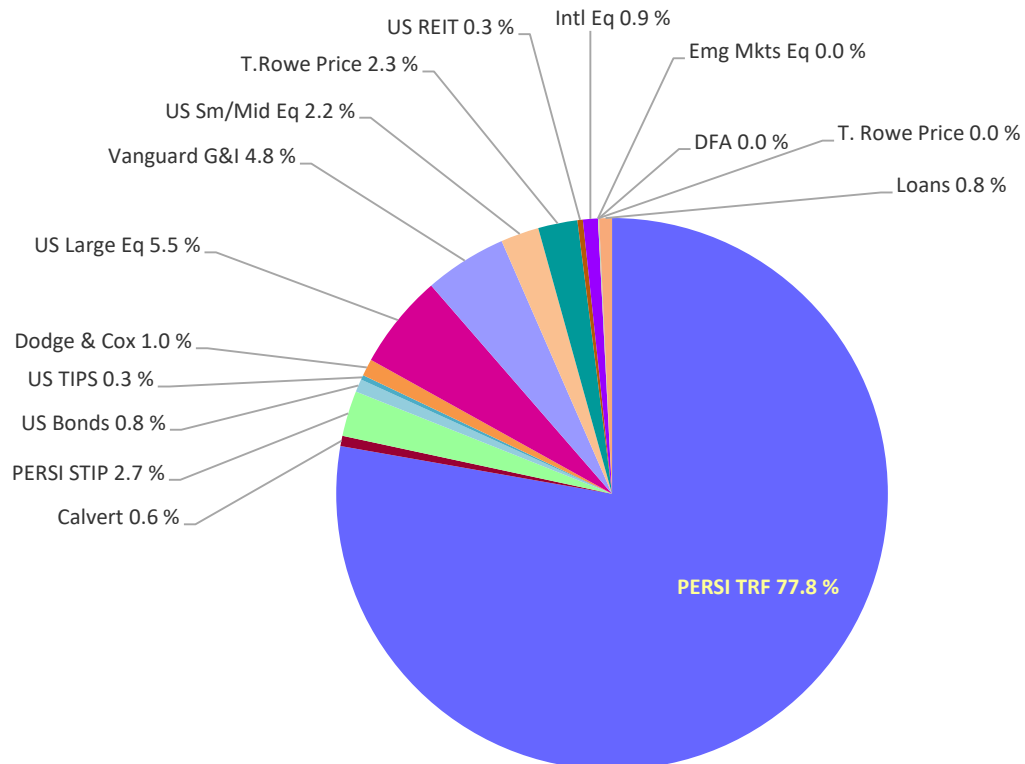
<sup>5</sup> Effective 05/23:share class change from DODIX to DOXIX

# PERSI Choice Plan Summary

Mar 2024

## Performance - Net of fees

		Alloc by Fund	Alloc by Asset Class
<b>Balanced</b>			<b>78.4%</b>
PERSI Total Return Fund	\$ 1,271,705,228	77.8 %	
Calvert Balanced Fund	\$ 9,810,578	0.6 %	
<b>Capital Preservation</b>			<b>2.7%</b>
PERSI Short-Term Investment Portfolio (ML 91-day T-bills)	\$ 43,679,503	2.7 %	
<b>Bonds</b>			<b>2.0%</b>
U.S. Bond Index Fund (BC Aggregate)	\$ 12,354,324	0.8 %	
U.S. TIPS Index Fund (BC US TIPS)	\$ 4,522,888	0.3 %	
Dodge and Cox Fixed Income Fund (BC Aggregate)	\$ 16,260,879	1.0 %	
<b>U.S. Equity</b>			<b>15.2 %</b>
<i>Large Cap</i>			
U.S. Large Cap Equity Index Fund (S&P 500)	\$ 90,709,444	5.5 %	
Vanguard Growth & Income Fund (S&P 500)	\$ 78,935,426	4.8 %	
<i>Small/Mid Cap</i>			
U.S. Small/Mid Cap Equity Index Fund (DJ USTSMI)	\$ 36,633,752	2.2 %	
<i>Small Cap</i>			
T. Rowe Price Small Cap Stock Fund (R2000)	\$ 37,665,978	2.3 %	
<i>Specialty</i>			
U.S. REIT Index Fund (DJ US Select REIT)	\$ 5,215,269	0.3 %	
<b>International Equity</b>			<b>0.9 %</b>
International Equity Index Fund (MSCI EAFE)	\$ 14,298,833	0.9 %	
T. Rowe Price Overseas Stock	\$ 506,487	0.0 %	
Emerging Markets Equity Index Fund (MSCI EMF)	\$ 300	0.0 %	
DFA Emerging Markets Core Equity I	\$ 547,408	0.0 %	
<b>Other</b>			<b>0.8 %</b>
Loans	\$ 12,279,660	0.8 %	
<b>Total DC Plan</b>		<b>\$ 1,635,125,958</b>	<b>100%</b>



\* Performance reported by Custodian; mutual funds identified by corresponding tickers

# Memo



Date: April 5, 2024

To: PERSI Board

From: Richelle A. Sugiyama, Chief Investment Officer  
Chris Brechbuhler, Deputy Chief Investment Officer

Re: Statement of Investment Policy for Unused Sick Leave Funds – Revisions

---

We recommend the Board approve and adopt the Statement of Investment Policy for Unused Sick Leave Funds as revised. Both a red-lined version and a clean draft copy are attached for your review.

In addition to minor grammatical and punctuation revisions, the IPS has been revised to reflect the following: (1) addition of investment manager termination language; (2) the outsourcing of class action claims processing from the custodian; and (3) the broad array of trust products (collective investment vehicles) available to governmental, tax-exempt funds.

1. Add the investment manager termination language approved by the Board at the January meeting:

IPS Section IV.C.1.(a)(3): [The CIO will] seek approval from the Board with respect to termination of managers and agents. If situations arise which require immediate action, the Board has delegated the authority to the CIO to prudently terminate managers and agents, with notification to the Board as soon as reasonably practicable.

2. Reflect the Board's decision to outsource class action claims processing services from the Custodian to a third-party agent:

- a. Section IV.C.1.(a)(5): Revise the responsibilities of the CIO to explicitly exclude oversight of agents responsible for "opt-in" (class action claims), "opt-out" (securities litigation, including lead and co-lead plaintiff securities litigation), and non-securities-based ("anti-trust") litigation.

- b. Section IV.D.1.(a): Revise the responsibilities of the Custodian to reflect the Board's decision to delegate class action claims processing and related services to the Executive Director.

Background:

The last sentence of IPS Section IV.D.1.(a) currently reads, “Unless the Board provides otherwise, the custodian will also be responsible for monitoring class action litigation, filing and collecting claims on PERSI’s behalf...” (full section copied here):

***D. Agents: Custodian and Investment Managers with Delegated Responsibilities***

**1. Custodian**

***(a) Responsibilities***

Custodians and other agents will be fiduciaries of the Trust and will assume full responsibility for the safekeeping and accounting of all assets held on behalf of the Trust. Among other duties, as may be agreed to, the custodian will be responsible for: (a) the receipt, delivery, and safekeeping of securities; (b) the transfer, exchange, or redelivery of securities; (c) the claiming, receipt, and deposit of all dividend, interest, and other corporate actions due the Trust; (d) the daily sweep of all uninvested funds into a cash management account or accounts; and, (e) the provision of reports to PERSI at agreed time intervals that will include all purchases and sales of securities, all dividend declarations on securities held by the Trust, a list of securities held by the Trust, a valuation of those securities, and a cash statement of all transactions for the account of the Trust. Unless the Board provides otherwise, the custodian will also be responsible for monitoring class action litigation, filing and collecting claims on PERSI’s behalf, and reporting to PERSI on such activities.

The proposed language explicitly provides that these services (class action claims processing, securities litigation, and non-securities-based litigation) are delegated to the Executive Director and refers to the PERSI Securities Litigation Policy.

We recommend that this program (class action claims processing and related activities) be documented in the Securities Litigation Policy, including the delegation to a third-party agent, program objectives, roles and responsibilities, deliverables, benchmark, fees, reimbursements, and any other details, including processes and procedures, as it relates to investment operations.

3. Revise Section IV.D.1.(b) – Authorization of Collective Investment Vehicles to broaden the language to accurately reflect the array of trust products available to governmental, tax-exempt funds.

Recognizing that implementation of this IPS requires both the Executive Director and Chief Investment Officer to “acknowledge” and “understand” this policy, the affirmation above the signature lines have been revised accordingly.

It is important to note that there is no change to our investment philosophy or asset allocation.

Staff recommendation:

Approve and adopt the Investment Policy Statement as revised.



~~Investment Policy~~ Statement of Investment  
Policy  
for the  
Unused Sick Leave Funds

~~Adopted March 29, 2021~~

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## **I. Introduction**

The Retirement Board (“Board”) of the Public Employee Retirement Fund of Idaho (“PERSI”), hereby establishes its Statement of Investment Policy for the Unused Sick Leave Funds (“Funds”) in accord with Idaho Code Chapter 13, Title 59. The Funds consist of the assets for the Unused Sick Leave Benefit programs provided under Idaho Code Section 67-5333 for the State Employees (State) and the School Employees (School) Section 33-1228

The Board will review this Investment Policy Statement following actuarial experience studies (that review the economic and market return assumptions for the Funds), which occur at least once every four (4) years, and/or whenever any material change in investment circumstances arise.

## **II. Statutory Requirements**

The investment of the Funds will be in accord with all applicable laws of the state of Idaho. The provisions governing the Funds are contained in Idaho Code sections 67-5333, 33-1228 and 33-2109A and applicable PERSI rules (59-1305).

### ***A. Prudent Investments***

Investments will be made with the judgment and care under the circumstances then prevailing, which people of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable outcome as well as the probable safety of their capital. Investments will be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

### ***B. Fiduciary Duties***

The Board and its agents, including staff, consultants, and investment managers, will discharge their duties with respect to the Funds’ assets solely in the interest of the Funds, and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.



### **III. Investment Goals**

#### **A. General Objective**

##### **1. Considerations**

In determining the investment returns needed by the Funds, the acceptable risk levels, and the allowable investments, the Board will consider:

- \* the purpose of the Funds,
- \* the projected return of the portfolio as it relates to the objectives of the Funds,
- \* the effect of particular investments on the total portfolio,
- \* the diversification of the portfolio, and
- \* the liquidity needs and the current return relative to the anticipated cash flow requirements.

#### **B. Specific return and risk objectives**

##### **1. Investment Returns**

###### **(a) Actuarial Assumptions**

In projecting obligations and the returns needed to meet those obligations, the Board will consider studies performed by the Funds' actuaries.

The long-term expected rate of return will consist of an expected real return and an expected inflation assumption, and will consider relevant factors as determined by the actuary. The actuary uses an investment return assumption in balancing projected obligations, projected contributions, and projected returns on assets.

##### **2. Investment Risk and Asset Allocation**

###### **(a) Diversification Among Asset Classes**

In controlling the risk level that is appropriate for the Funds, assets will be diversified among various asset classes. The specific asset classes to be used will be set in conjunction with the asset allocation.

***(b) Review of Asset Classes and Asset Allocation***

The long-term allocation will focus on the goal that expected long term returns of the Funds will meet the expected long-term obligations of the Funds with the appropriate level of risk sufficient to meet those objectives. Unless circumstances materially change, the long-term allocation will be reviewed at least once every five (5) years to determine the appropriate asset classes for the investment of the Funds' assets and conduct asset allocation studies to help determine the long-term allocations among desired asset classes so as to meet long-term return objectives with the appropriate level of risk. While historically the long-term allocation policy for the State and School has been the same, this may or may not be the case in the future.

***(c) Content of Asset Allocations***

The asset allocation will set out:

- \* the asset classes to be used,
- \* the long-term target percentage of assets to be invested in each asset class,
- \* the ranges that will be considered allowable deviations from the target allocation,
- \* the investment risk and return expectations for each asset class,
- \* the numerical investment return and risk expected to be realized, and
- \* the relation of the expected investment return to the real return and the actuarially assumed investment return.

**IV. Investment Structure**

***A. Overall Structure***

In making specific investment policy decisions, the Board will have as an overall goal a flexible, simplified structure with clear roles and accountability.

***1. Board Responsibilities***

The Board is responsible for all investment activities. In exercising this responsibility, the Board will hire investment staff and agents and may delegate various investment functions to them. Where the Board does not delegate investment powers or duties, the Board will either satisfy itself that it is familiar with such matters, or will retain

persons who are familiar with such matters to consult or assist the Board in the exercise of those responsibilities. Where the Board delegates a responsibility, it will be delegated to a person who is familiar with such matters, and the Board will monitor and review the actions of those to whom responsibilities are delegated.

## **2. General Roles and Responsibilities of Board and Agents**

The Board will favor a structure that accommodates a citizen Board and a small investment staff. The Board and investment staff will concentrate their activities on:

- \* making strategic decisions, primarily concerning asset allocation;
- \* adjusting the mix between passive and active managers depending on, among other considerations, near-term concerns regarding the U.S. and other capital markets;
- \* delegating and monitoring all other activities, including hiring and monitoring investment managers; and
- \* maintaining a reporting system that provides a clear picture of the status of the Funds on a reasonably concurrent basis to both the Board and PERSI's constituencies.

The Board will delegate the implementation of its investment policy to investment staff and external investment managers and other investment agents. This responsibility includes those investment decisions with shorter-term consequences such as the selection of securities, regions, asset types, or asset classes.

### **B. Direct (Non-Delegated) Responsibilities of the Board**

The Board is responsible for:

- \* Approving investment policy;
- \* Determining the investment structure of the Funds;
- \* Determining the asset classes to be utilized;
- \* Setting the asset allocation;

- \* Hiring agents to implement the asset allocation;
- \* Monitoring the compliance of those agents with the investment policies and allocations; and
- \* Monitoring the investments of the Funds through periodic reports from its staff or consultants.

**C. Agents: Chief Investment Officer, Actuaries, Consultants, and Advisors to the Board**

**1. Chief Investment Officer**

**(a) Duties of Chief Investment Officer**

The Board will hire a Chief Investment Officer who will be generally responsible for the oversight of the investment of Funds' assets, and, as part of that overall responsibility, will:

- \*(1) supervise, monitor, and evaluate the performance of the investment managers and other investment agents hired by the Board to assure compliance with investment policy and individual guidelines;
- \*(2) recommend to the Board adjustments to the investment policy, including reviewing and modifying the asset allocation as conditions warrant;
- (3) seek approval from the Board with respect to termination of managers and agents. If situations arise which require immediate action, the Board has delegated the authority to the CIO to prudently terminate managers and agents, with notification to the Board as soon as reasonably practicable;
- \*(4) research current market conditions, evaluate new products, and seek out new approaches to improve portfolio return, reduce risk, and reduce costs and fees;
- \*(5) work with the consultants, custodians, investment managers, and other agents in the performance of the assigned duties, with the exception of "opt-in" (class action claims), "opt-out" (securities litigation, including lead and co-lead) and non-securities-based ("anti-trust") litigation;

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\*(6) assist the Board with education and other efforts to promote good decision making;

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\*(7) hire and manage investment staff/personnel and outside investment advisors to staff;

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\*(8) except in special circumstances, will not buy/sell/transact in specific securities; and

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\*(9) coordinate with the Executive Director staff to implement investment actions/decisions and reporting needs.

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#### ***(b) Allocation of New Net Contributions***

The Chief Investment Officer shall allocate new net contributions to or withdraw net distributions from the Funds among investment managers in accordance with the targets and ranges established in the asset allocation. The Chief Investment Officer shall report to the Board regularly on the allocation of new net contributions or the withdrawal of net distributions.

#### ***(c) Tactical Asset Allocation and Rebalancing***

The Chief Investment Officer may shift assets among managers as long as the asset allocation is maintained within the stated ranges. When possible, net cash flows will be used to efficiently accommodate rebalancing and/or tactical asset shifts.

#### ***(d) Minimum Qualifications of Chief Investment Officer***

The Chief Investment Officer shall at least: (a) have a graduate degree in finance, law, or business administration or (b) be a Chartered Financial Analyst; or (c) have three or more years of experience in the investment of trust assets.

### **2. Actuaries**

The Board will hire an actuary. The actuary will provide studies that will assist in (1) determining the long-term obligations faced by the Funds through annual actuarial valuations and (2) setting the long-term expected investment return objectives or assumptions that will be sufficient to meet those obligations. The actuary will provide reviews of the actuarial valuation process at least once every four (4) years, including updating the projections and assumptions in light of the experience of the Funds. These studies will be considered in setting the expected investment return objective.

### **3. Investment Consultants**

The Board will hire a qualified independent consultant, whose relationship does not impose a conflict of interest with the Board or staff, to provide investment performance measurement at least quarterly with the report available to the Board within two months of the quarter end. The report will at least compare actual investment returns of the Funds -- in total, by each asset class, and for each managed portfolio -- with both the investment objectives of the Funds and a composite benchmark and peer group. Independent investment consultants may be hired to assist the Board in the management of its investment responsibilities, including, but not limited to: (1) performing asset allocation studies, and reviewing and recommending modifications to the asset allocation as conditions warrant; (2) assisting in monitoring the investment managers to assure they are in compliance with the investment policy and their individual guidelines; (3) performing manager evaluations and searches as may be necessary; and (4) assisting in the development and adjustment of investment policy. Except for consultants retained solely for purposes of performance measurement, consultants will be fiduciaries of the Funds.

## **D. Agents: Custodian and Investment Managers with Delegated Responsibilities**

### **1. Custodian**

#### **(a) Responsibilities**

Custodians and other agents will be fiduciaries of the Funds and will assume full responsibility for the safekeeping and accounting of all assets held on behalf of the Funds. Among other duties, as may be agreed to, the custodian will be responsible for: (a) the receipt, delivery, and safekeeping of securities; (b) the transfer, exchange, or redelivery of securities; (c) the claiming, receipt, and deposit of all dividend, interest, and other corporate actions due the Funds; (d) the daily sweep of all uninvested funds into a cash management account or accounts; and, (e) the provision of reports to PERSI at agreed time intervals that will include all purchases and sales of securities, all dividend declarations on securities held by the Funds, a list of securities held by the Funds, a valuation of those securities, and a cash statement of all transactions for the account of the Funds. Unless the Board provides otherwise, the custodian will also be responsible for monitoring class action litigation, filing and collecting claims on PERSI's behalf, and reporting to PERSI on such activities.

The Board provides that the Executive Director shall be responsible for the monitoring of class action litigation, filing and collecting claims on PERSI's behalf, including "opt-in" (class action claims), and recommending whether to "opt-out" (securities litigation) and/or to participate in non-securities-based ("anti-trust") litigation activities and reporting to PERSI on such activities (please refer to PERSI Securities Litigation policy).

#### **(b) Authorization of Collective Investment Funds Vehicles**

Assets of the Funds may be invested in any collective investment Fund (CIT), pooled group trust, or similar collective investment vehicle which at the time of the investment provides for the pooling of the assets of plans described in Section 401(a) of the Internal Revenue Code of 1986, as amended, and which is exempt from Federal income tax. Assets of the Funds may be commingled with assets of other trusts if invested in any such CIT, pooled group trust, or similar collective investment vehicle authorized by this policy. The provisions of the CIT, pooled group trust, or similar collective investment vehicle agreements, as amended by the ~~CIT~~ trustee or fiduciary thereof from time to time, of each ~~CIT~~ collective investment vehicle in which the Funds' assets are invested are by this reference incorporated as a part of the CIT, pooled group trust, or similar collective investment vehicle estate comprising the Funds. The provisions of ~~the any~~ ~~CIT~~ collective investment vehicle will govern any investment of the Funds' assets in that collective investment vehicle ~~CIT~~.

## **2. Investment Managers**

The Board will hire investment managers who will be fiduciaries of the Funds and who will be responsible for the investment of the Funds' assets in specific securities or assets within or among the asset classes.

### ***(a) Minimum Qualifications***

Investment managers shall be registered with the Securities and Exchange Commission (unless they are banks, insurance companies, or other category exempted from such registration requirements), have been in the business of investment management at least two years (or the main personnel of the investment management firm have worked together in the business of investment management for at least two years), and usually have other United States pension fund assets under management.

### ***(b) Guidelines***

Investment managers shall manage assets in accordance with guidelines established by contract and as may be added to or modified from time to time. The guidelines will contain minimum diversification requirements that must be followed by that manager. These guidelines will also set out the investment return expected to be achieved by that manager and shall be linked to a benchmark that represents the passive index fund that would be used to replace the manager's assignment.

### ***(c) Responsibilities and Discretion***

Subject to the restrictions set out in this policy or as may be set out in individual contracts or guidelines, an investment manager shall have full discretionary power to direct the investment, exchange, and liquidation of the assets entrusted to that manager. The manager shall place orders to buy and sell securities and, by notice to the custodian, cause the custodian to deliver and receive securities on behalf of the Funds.

### ***(d) Voting of Proxies***

The Board, unless otherwise stated, will delegate the voting of proxies to the investment managers or custodian. Proxy voting is considered to be a component of the investment decision process, therefore, the investment managers are responsible for voting all proxies in a manner consistent with the best economic interest of the Funds for the exclusive benefit of the Funds, prudent and otherwise consistent with Idaho Code section 59-1301(2), the Idaho Uniform Prudent Investor Act (Title 68, Chapter 5, Idaho Code), and applicable Federal law.

### ***(e) Transactions and Brokerage***

All securities transactions shall be executed by reputable broker/dealers or banks and shall be on a best price and best execution basis.



***(f) Monitoring Standards for Investment Managers***

Passive managers are expected to provide the returns of the assigned benchmark, thus they will be evaluated based on their ability to generate performance that closely tracks their benchmark index.

Other relevant information may be considered in determining whether to retain or terminate managers.

**V. Asset Class Policies**

***A. U.S. Equities***

**1. Objective**

The overall objective of the U.S. equity or Broad Domestic Equity asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Russell 3000 Index, both absolutely and on a risk-adjusted basis.

**2. Allowable Investments**

Managers may invest in stocks that do not pay dividends. Managers may invest in equity securities outside of the Russell 3000 Index, Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio.

**3. Benchmarks**

The Russell 3000 index will be the benchmark for the passive index funds.

***B. International Equities***

**1. Objective**

The overall objective of the International Equity Asset Class is to obtain, over time, a return after fees that equals or exceeds the returns of the MSCI ACWI ex U.S. Index, both absolutely and on a risk-adjusted basis.

**2. Allowable Investments**

Managers may invest in stocks that do not pay dividends. Managers may invest in American Depository Receipts or American Depository Shares. Managers may invest in equity securities of companies or in countries that are not included in the indices. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Managers may, at their discretion, hedge the currency exposure of all or part of their

portfolios. Managers may not over hedge their portfolio, although proxy hedging for purposes of liquidity and cost savings is allowed.

### **3. Benchmarks**

The MSCI All Country World ex U.S. Index (MSCI ACWI ex US), will be the benchmark for the passive index fund.

## **C. Fixed Income**

### **1. Objectives**

The overall objective of the Fixed Income asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Government/Credit Bond Index (Government/Credit Bond Index) both absolutely and on a risk-adjusted basis.

### **2. Allowable Investments**

Managers may invest in debt securities that do not pay interest. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Fixed income managers may, at their discretion and to the extent allowed by their contracts and guidelines, use currency forward or futures markets as may be considered appropriate to implement fixed income strategies.

### **3. Benchmarks**

The Government/Credit Bond Index will be the benchmark for the passive index fund.

## **VI. Asset Allocation**

The tables in Appendix I summarize the asset allocation of the Funds, including the long-term expected net return and risk of each asset class, the target asset allocation and allowable ranges, and the expected risk and net return of the Funds as compared to the actuarial assumptions [see section III.B.1.(a)].

## **VII. Deposit and Investment Risk Policy - GASB 40**

### **A. Purpose**

The Governmental Accounting Standards Board (GASB) has identified that state and local governments have deposits and investments which are exposed to risks that may result in losses. GASB Statement number 40 (GASB 40) is intended to inform users of the financial statements about the risks that could affect the ability of a government entity to meet its obligations. GASB 40 has identified general deposit and investment risks as credit risk, including concentration of credit risk and custodial credit risk,

interest rate risk, and foreign currency risk and requires disclosures of these risks and of policies related to these risks. This portion of the Investment Policy Statement addresses the monitoring and reporting of those risks.

In general, the risks identified in GASB 40, while present, are diminished when the entire portfolio is viewed as whole. For example, interest rate risk experienced by fixed income instruments often react in the exact opposite direction as that experienced by equities. Thus, interest rate exposure as set out in GASB 40 will not reflect the cross-influences of impacts across the broad range of investments that make up the Funds' portfolio. And, in fact, the general underlying measures used in GASB 40 across most of the risks identified (credit, concentration, and interest rate risk in particular) were tools that were developed primarily for portfolios dominated by fixed income investments, and are often only poorly transferred, if at all, to diversified portfolios with allocations to equities and fixed income.

Consequently, it is the policy of PERSI that the risks addressed in GASB 40 are to be monitored and addressed primarily through the guidelines agreed to by those managers, and by regular disclosures in reports by managers of levels of risks that may exceed expected limits for those portfolios.

## ***B. Specific Areas of Risk***

### **1. Credit Risk**

Summary: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Funds.

Policy: Managers will provide PERSI with expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

### **2. Custodial Credit Risk**

Summary: Custodial credit risk is the risk that in the event of a financial institution or bank failure, PERSI would not be able to recover the value of their deposits and investments that are in the possession of an outside party.

Policy: PERSI minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to PERSI ownership and further to the extent possible, be held in the Funds' name.

### **3. Concentration of Credit Risk**

Summary: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue.

Policy: Managers will provide PERSI with expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, Staff will report to the Board at a regular Board meeting if the exposure to a non-US government guaranteed credit instrument exceeds 5% of the Funds' portfolio.

### **4. Interest Rate Risk**

Summary: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk to the Funds' fixed income portfolio is monitored using the effective duration methodology. Effective duration measures the volatility of the price of a bond given a change in interest rates, taking into account the optionality on the underlying bond.

Policy: Managers will provide PERSI with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

### **5. Foreign Currency Risk**

Summary: Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Funds' currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings.

Policy: International investments will have a component of currency risk associated with it. Currency risk and hedging exposures are dependent on the underlying international exposure, which fluctuates over time. The individual manager guidelines will outline the expected currency exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

**ADOPTION:** The Board of Trustees of the Public Employee Retirement System of Idaho (PERSI) adopts this Investment Policy Statement dated ~~March 29, 2021~~ April 2024, which supersedes the Statement adopted ~~December 16, 2008~~ March 29, 2021. We hereby certify that this statement incorporates the full and current text of adopted policies and objectives and do hereby charge the staff, consultants, and investment managers to employ good judgment in exercising the intent expressed within this Statement.

JEFF CILEK, Chairman

JOY FISHER, Trustee

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PARK PRICE, Trustee

DARIN DEANGELI, Trustee

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LORI WOLFF, Trustee

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Acknowledged and Understood by:

MICHAEL L. HAMPTON  
Executive Director

Date

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RICHELLE A. SUGIYAMA  
Chief Investment Officer

Date

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Appendix I: Long Term Asset Allocations  
 (Effective October 23, 2020)

Equities	Target	Range	Benchmark
U.S.	39.3%	35% - 45%	Russell 3000
International	10.7%	5% - 15%	MSCI ACWI ex U.S. Index (unhedged)
Total Equity	50%	45% - 55%	
Fixed Income	50%	45% - 55%	Government/Credit Bond Index
Total Fund	100%		Composite Benchmark*

\*Composite returns are the target weighted returns of the asset class benchmarks

Asset Class	Expected Return**	Expected Risk	Target	Ranges
Broad U.S. Equity	8.53%	18.12%	39.3%	35% - 45%
Global Ex U.S. Equity	9.09%	20.49%	10.7%	5% - 15%
Fixed Income	2.80%	3.75%	50.0%	45% - 55%
Cash Equivalents	2.25%	0.90%	0.0%	0% - 5%

\*\* Expected arithmetic return. Source: Callan's Capital Market Assumptions (10 years 2020 – 2029)

Total Fund	Expected Return	Expected Inflation	Expected Real Return	Expected Risk
Actuary	6.10%	3.00%	3.10%	n/a
Portfolio **	5.73%	2.25%	3.48%	8.97%



**PERSI**

Public Employee Retirement System of Idaho

**Statement of Investment Policy**

**for the**

**Unused Sick Leave Funds**

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## **I. Introduction**

The Retirement Board (“Board”) of the Public Employee Retirement Fund of Idaho (“PERSI”,) hereby establishes its Statement of Investment Policy for the Unused Sick Leave Funds (“Funds”) in accord with Idaho Code Chapter 13, Title 59. The Funds consist of the assets for the Unused Sick Leave Benefit programs provided under Idaho Code Section 67-5333 for the State Employees (State) and the School Employees (School) Section 33-1228

The Board will review this Investment Policy Statement following actuarial experience studies (that review the economic and market return assumptions for the Funds), which occur at least once every four (4) years, and/or whenever any material change in investment circumstances arise.

## **II. Statutory Requirements**

The investment of the Funds will be in accord with all applicable laws of the state of Idaho. The provisions governing the Funds are contained in Idaho Code sections 67-5333, 33-1228 and 33-2109A and applicable PERSI rules (59-1305).

### ***A. Prudent Investments***

Investments will be made with the judgment and care under the circumstances then prevailing, which people of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable outcome as well as the probable safety of their capital. Investments will be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

### ***B. Fiduciary Duties***

The Board and its agents, including staff, consultants, and investment managers, will discharge their duties with respect to the Funds’ assets solely in the interest of the Funds, and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

### **III. Investment Goals**

#### ***A. General Objective***

##### ***1. Considerations***

In determining the investment returns needed by the Funds, the acceptable risk levels, and the allowable investments, the Board will consider:

- \* the purpose of the Funds,
- \* the projected return of the portfolio as it relates to the objectives of the Funds,
- \* the effect of particular investments on the total portfolio,
- \* the diversification of the portfolio, and
- \* the liquidity needs and the current return relative to the anticipated cash flow requirements.

#### ***B. Specific return and risk objectives***

##### ***1. Investment Returns***

###### ***(a) Actuarial Assumptions***

In projecting obligations and the returns needed to meet those obligations, the Board will consider studies performed by the Funds' actuaries.

The long-term expected rate of return will consist of an expected real return and an expected inflation assumption and will consider relevant factors as determined by the actuary. The actuary uses an investment return assumption in balancing projected obligations, projected contributions, and projected returns on assets.

##### ***2. Investment Risk and Asset Allocation***

###### ***(a) Diversification Among Asset Classes***

In controlling the risk level that is appropriate for the Funds, assets will be diversified among various asset classes. The specific asset classes to be used will be set in conjunction with the asset allocation.

### ***(b) Review of Asset Classes and Asset Allocation***

The long-term allocation will focus on the goal that expected long term returns of the Funds will meet the expected long-term obligations of the Funds with the appropriate level of risk sufficient to meet those objectives. Unless circumstances materially change, the long-term allocation will be reviewed at least once every five (5) years to determine the appropriate asset classes for the investment of the Funds' assets and conduct asset allocation studies to help determine the long-term allocations among desired asset classes so as to meet long-term return objectives with the appropriate level of risk. While historically the long-term allocation policy for the State and School has been the same, this may or may not be the case in the future.

### ***(c) Content of Asset Allocations***

The asset allocation will set out:

- \* the asset classes to be used,
- \* the long-term target percentage of assets to be invested in each asset class,
- \* the ranges that will be considered allowable deviations from the target allocation,
- \* the investment risk and return expectations for each asset class,
- \* the numerical investment return and risk expected to be realized, and
- \* the relation of the expected investment return to the real return and the actuarially assumed investment return.

## **IV. Investment Structure**

### ***A. Overall Structure***

In making specific investment policy decisions, the Board will have as an overall goal a flexible, simplified structure with clear roles and accountability.

#### ***1. Board Responsibilities***

The Board is responsible for all investment activities. In exercising this responsibility, the Board will hire investment staff and agents and may delegate various investment functions to them. Where the Board does not delegate investment powers or duties, the Board will either satisfy itself that it is familiar with such matters or will retain

persons who are familiar with such matters to consult or assist the Board in the exercise of those responsibilities. Where the Board delegates a responsibility, it will be delegated to a person who is familiar with such matters, and the Board will monitor and review the actions of those to whom responsibilities are delegated.

## **2. General Roles and Responsibilities of Board and Agents**

The Board will favor a structure that accommodates a citizen Board and a small investment staff. The Board and investment staff will concentrate their activities on:

- \* making strategic decisions, primarily concerning asset allocation;
- \* adjusting the mix between passive and active managers depending on, among other considerations, near-term concerns regarding the U.S. and other capital markets;
- \* delegating and monitoring all other activities, including hiring and monitoring investment managers; and
- \* maintaining a reporting system that provides a clear picture of the status of the Funds on a reasonably concurrent basis to both the Board and PERSI's constituencies.

The Board will delegate the implementation of its investment policy to investment staff and external investment managers and other investment agents. This responsibility includes those investment decisions with shorter-term consequences such as the selection of securities, regions, asset types, or asset classes.

### **B. Direct (Non-Delegated) Responsibilities of the Board**

The Board is responsible for:

- \* Approving investment policy;
- \* Determining the investment structure of the Funds;
- \* Determining the asset classes to be utilized;
- \* Setting the asset allocation;
- \* Hiring agents to implement the asset allocation;

- \* Monitoring the compliance of those agents with the investment policies and allocations; and
- \* Monitoring the investments of the Funds through periodic reports from its staff or consultants.

***C. Agents: Chief Investment Officer, Actuaries, Consultants, and Advisors to the Board***

**1. Chief Investment Officer**

***(a) Duties of Chief Investment Officer***

The Board will hire a Chief Investment Officer who will be generally responsible for the oversight of the investment of Funds' assets, and, as part of that overall responsibility, will:

- (1) supervise, monitor, and evaluate the performance of the investment managers and other investment agents hired by the Board to assure compliance with investment policy and individual guidelines;
- (2) recommend to the Board adjustments to the investment policy, including reviewing and modifying the asset allocation as conditions warrant;
- (3) seek approval from the Board with respect to termination of managers and agents. If situations arise which require immediate action, the Board has delegated the authority to the CIO to prudently terminate managers and agents, with notification to the Board as soon as reasonably practicable;
- (4) research current market conditions, evaluate new products, and seek out new approaches to improve portfolio return, reduce risk, and reduce costs and fees;
- (5) work with the consultants, custodians, investment managers, and other agents in the performance of the assigned duties, with the exception of "opt-in" (class action claims), "opt-out" (securities litigation, including lead and co-lead) and non-securities-based ("anti-trust") litigation;
- (6) assist the Board with education and other efforts to promote good decision making;

- (7) hire and manage investment staff/personnel and outside investment advisors to staff;
- (8) except in special circumstances, will not buy/sell/transact in specific securities; and
- (9) coordinate with the Executive Director staff to implement investment actions/decisions and reporting needs.

***(b) Allocation of New Net Contributions***

The Chief Investment Officer shall allocate new net contributions to or withdraw net distributions from the Funds among investment managers in accordance with the targets and ranges established in the asset allocation. The Chief Investment Officer shall report to the Board regularly on the allocation of new net contributions or the withdrawal of net distributions.

***(c) Tactical Asset Allocation and Rebalancing***

The Chief Investment Officer may shift assets among managers as long as the asset allocation is maintained within the stated ranges. When possible, net cash flows will be used to efficiently accommodate rebalancing and/or tactical asset shifts.

***(d) Minimum Qualifications of Chief Investment Officer***

The Chief Investment Officer shall at least: (a) have a graduate degree in finance, law, or business administration or (b) be a Chartered Financial Analyst; or (c) have three or more years of experience in the investment of trust assets.

**2. Actuaries**

The Board will hire an actuary. The actuary will provide studies that will assist in (1) determining the long-term obligations faced by the Funds through annual actuarial valuations and (2) setting the long-term expected investment return objectives or assumptions that will be sufficient to meet those obligations. The actuary will provide reviews of the actuarial valuation process at least once every four (4) years, including updating the projections and assumptions in light of the experience of the Funds. These studies will be considered in setting the expected investment return objective.

**3. Investment Consultants**

The Board will hire a qualified independent consultant, whose relationship does not impose a conflict of interest with the Board or staff, to provide investment performance measurement at least quarterly with the report available to the Board within two months of the quarter end. The report will at least compare actual investment returns

of the Funds -- in total, by each asset class, and for each managed portfolio -- with both the investment objectives of the Funds and a composite benchmark and peer group. Independent investment consultants may be hired to assist the Board in the management of its investment responsibilities, including, but not limited to: (1) performing asset allocation studies, and reviewing and recommending modifications to the asset allocation as conditions warrant; (2) assisting in monitoring the investment managers to assure they are in compliance with the investment policy and their individual guidelines; (3) performing manager evaluations and searches as may be necessary; and (4) assisting in the development and adjustment of investment policy. Except for consultants retained solely for purposes of performance measurement, consultants will be fiduciaries of the Funds.

#### ***D. Agents: Custodian and Investment Managers with Delegated Responsibilities***

##### **1. Custodian**

###### ***(a) Responsibilities***

Custodians and other agents will be fiduciaries of the Funds and will assume full responsibility for the safekeeping and accounting of all assets held on behalf of the Funds. Among other duties, as may be agreed to, the custodian will be responsible for: (a) the receipt, delivery, and safekeeping of securities; (b) the transfer, exchange, or redelivery of securities; (c) the claiming, receipt, and deposit of all dividend, interest, and other corporate actions due the Funds; (d) the daily sweep of all uninvested funds into a cash management account or accounts; and, (e) the provision of reports to PERSI at agreed time intervals that will include all purchases and sales of securities, all dividend declarations on securities held by the Funds, a list of securities held by the Funds, a valuation of those securities, and a cash statement of all transactions for the account of the Funds. Unless the Board provides otherwise, the custodian will also be responsible for monitoring class action litigation, filing and collecting claims on PERSI's behalf, and reporting to PERSI on such activities.

The Board provides that the Executive Director shall be responsible for the monitoring of class action litigation, filing and collecting claims on PERSI's behalf, including "opt-in" (class action claims), and recommending whether to "opt-out" (securities litigation) and/or to participate in non-securities-based ("anti-trust") litigation activities and reporting to PERSI on such activities (please refer to PERSI Securities Litigation policy).

###### ***(b) Authorization of Collective Investment Vehicles***

Assets of the Funds may be invested in any collective investment Fund (CIT), pooled group trust, or similar collective investment vehicle which at the time of the investment provides for the pooling of the assets of plans described in Section 401(a) of the Internal



Revenue Code of 1986, as amended, and which is exempt from Federal income tax. Assets of the Funds may be commingled with assets of other trusts if invested in any such CIT, pooled group trust, or similar collective investment vehicle authorized by this policy. The provisions of the CIT, pooled group trust, or similar collective investment vehicle agreements, as amended by the trustee or fiduciary thereof from time to time, of each collective investment vehicle in which the Funds' assets are invested are by this reference incorporated as a part of the CIT, pooled group trust, or similar collective investment vehicle estate comprising the Funds. The provisions of any collective investment vehicle will govern any investment of the Funds' assets in that collective investment vehicle.

## **2. Investment Managers**

The Board will hire investment managers who will be fiduciaries of the Funds and who will be responsible for the investment of the Funds' assets in specific securities or assets within or among the asset classes.

### ***(a) Minimum Qualifications***

Investment managers shall be registered with the Securities and Exchange Commission (unless they are banks, insurance companies, or other category exempted from such registration requirements), have been in the business of investment management at least two years (or the main personnel of the investment management firm have worked together in the business of investment management for at least two years), and usually have other United States pension fund assets under management.

### ***(b) Guidelines***

Investment managers shall manage assets in accordance with guidelines established by contract and as may be added to or modified from time to time. The guidelines will contain minimum diversification requirements that must be followed by that manager. These guidelines will also set out the investment return expected to be achieved by that manager and shall be linked to a benchmark that represents the passive index fund that would be used to replace the manager's assignment.

### ***(c) Responsibilities and Discretion***

Subject to the restrictions set out in this policy or as may be set out in individual contracts or guidelines, an investment manager shall have full discretionary power to direct the investment, exchange, and liquidation of the assets entrusted to that manager. The manager shall place orders to buy and sell securities and, by notice to the custodian, cause the custodian to deliver and receive securities on behalf of the Funds.

#### ***(d) Voting of Proxies***

The Board, unless otherwise stated, will delegate the voting of proxies to the investment managers or custodian. Proxy voting is considered to be a component of the investment decision process, therefore, the investment managers are responsible for voting all proxies in a manner consistent with the best economic interest of the Funds for the exclusive benefit of the Funds, prudent and otherwise consistent with Idaho Code section 59-1301(2), the Idaho Uniform Prudent Investor Act (Title 68, Chapter 5, Idaho Code), and applicable Federal law.

#### ***(e) Transactions and Brokerage***

All securities transactions shall be executed by reputable broker/dealers or banks and shall be on a best price and best execution basis.

#### ***(f) Monitoring Standards for Investment Managers***

Passive managers are expected to provide the returns of the assigned benchmark, thus they will be evaluated based on their ability to generate performance that closely tracks their benchmark index.

Other relevant information may be considered in determining whether to retain or terminate managers.

### **V. Asset Class Policies**

#### ***A. U.S. Equities***

##### **1. Objective**

The overall objective of the U.S. equity or Broad Domestic Equity asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Russell 3000 Index, both absolutely and on a risk-adjusted basis.

##### **2. Allowable Investments**

Managers may invest in stocks that do not pay dividends. Managers may invest in equity securities outside of the Russell 3000 Index, Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio.

##### **3. Benchmarks**

The Russell 3000 index will be the benchmark for the passive index funds.

## ***B. International Equities***

### **1. Objective**

The overall objective of the International Equity Asset Class is to obtain, over time, a return after fees that equals or exceeds the returns of the MSCI ACWI ex U.S. Index, both absolutely and on a risk-adjusted basis.

### **2. Allowable Investments**

Managers may invest in stocks that do not pay dividends. Managers may invest in American Depository Receipts or American Depository Shares. Managers may invest in equity securities of companies or in countries that are not included in the indices. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Managers may, at their discretion, hedge the currency exposure of all or part of their portfolios. Managers may not over hedge their portfolio, although proxy hedging for purposes of liquidity and cost savings is allowed.

### **3. Benchmarks**

The MSCI All Country World ex U.S. Index (MSCI ACWI ex US), will be the benchmark for the passive index fund.

## ***C. Fixed Income***

### **1. Objectives**

The overall objective of the Fixed Income asset class is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Government/Credit Bond Index (Government/Credit Bond Index) both absolutely and on a risk-adjusted basis.

### **2. Allowable Investments**

Managers may invest in debt securities that do not pay interest. Managers may use derivative securities for purposes of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure in the portfolio. Fixed income managers may, at their discretion and to the extent allowed by their contracts and guidelines, use currency forward or futures markets as may be considered appropriate to implement fixed income strategies.

### **3. Benchmarks**

The Government/Credit Bond Index will be the benchmark for the passive index fund.

## **VI. Asset Allocation**

The tables in Appendix I summarize the asset allocation of the Funds, including the long-term expected net return and risk of each asset class, the target asset allocation and allowable ranges, and the expected risk and net return of the Funds as compared to the actuarial assumptions [see section III.B.1.(a)].

## **VII. Deposit and Investment Risk Policy - GASB 40**

### ***A. Purpose***

The Governmental Accounting Standards Board (GASB) has identified that state and local governments have deposits and investments which are exposed to risks that may result in losses. GASB Statement number 40 (GASB 40) is intended to inform users of the financial statements about the risks that could affect the ability of a government entity to meet its obligations. GASB 40 has identified general deposit and investment risks as credit risk, including concentration of credit risk and custodial credit risk, interest rate risk, and foreign currency risk and requires disclosures of these risks and of policies related to these risks. This portion of the Investment Policy Statement addresses the monitoring and reporting of those risks.

In general, the risks identified in GASB 40, while present, are diminished when the entire portfolio is viewed as whole. For example, interest rate risk experienced by fixed income instruments often react in the exact opposite direction as that experienced by equities. Thus, interest rate exposure as set out in GASB 40 will not reflect the cross-influences of impacts across the broad range of investments that make up the Funds' portfolio. And, in fact, the general underlying measures used in GASB 40 across most of the risks identified (credit, concentration, and interest rate risk in particular) were tools that were developed primarily for portfolios dominated by fixed income investments, and are often only poorly transferred, if at all, to diversified portfolios with allocations to equities and fixed income.

Consequently, it is the policy of PERSI that the risks addressed in GASB 40 are to be monitored and addressed primarily through the guidelines agreed to by those managers, and by regular disclosures in reports by managers of levels of risks that may exceed expected limits for those portfolios.

### ***B. Specific Areas of Risk***

#### **1. Credit Risk**

Summary: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Funds.

Policy: Managers will provide PERSI with expected credit risk exposures in their portfolio guidelines. If the actual credit risk exposure falls outside of these expectations, managers will be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

## **2. Custodial Credit Risk**

Summary: Custodial credit risk is the risk that in the event of a financial institution or bank failure, PERSI would not be able to recover the value of their deposits and investments that are in the possession of an outside party.

Policy: PERSI minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to PERSI ownership and further to the extent possible, be held in the Funds' name.

## **3. Concentration of Credit Risk**

Summary: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue.

Policy: Managers will provide PERSI with expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board. For the portfolio as a whole, Staff will report to the Board at a regular Board meeting if the exposure to a non-US government guaranteed credit instrument exceeds 5% of the Funds' portfolio.

## **4. Interest Rate Risk**

Summary: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk to the Funds' fixed income portfolio is monitored using the effective duration methodology. Effective duration measures the volatility of the price of a bond given a change in interest rates, taking into account the optionality on the underlying bond.

Policy: Managers will provide PERSI with the expected portfolio duration in their portfolio guidelines. If the duration of the portfolio differs from expectations, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

## **5. Foreign Currency Risk**

Summary: Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Funds' currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings.

Policy: International investments will have a component of currency risk associated with it. Currency risk and hedging exposures are dependent on the underlying international exposure, which fluctuates over time. The individual manager guidelines will outline the expected currency exposures (either specifically or through ranges of security exposures to particular currency areas) of the underlying portfolio and if the actual currency exposure differs from the expected, managers are to be required to report these occurrences to Staff and these disclosures are to be made available to the Board.

DRAFT

**ADOPTION:** The Board of Trustees of the Public Employee Retirement System of Idaho (PERSI) adopts this Investment Policy Statement dated April 2024, which supersedes the Statement adopted March 29, 2021. We hereby certify that this statement incorporates the full and current text of adopted policies and objectives and do hereby charge the staff, consultants, and investment managers to employ good judgment in exercising the intent expressed within this Statement.

\_\_\_\_\_  
JEFF CILEK, Chairman

\_\_\_\_\_  
JOY FISHER, Trustee

\_\_\_\_\_  
PARK PRICE, Trustee

\_\_\_\_\_  
DARIN DEANGELI, Trustee

\_\_\_\_\_  
LORI WOLFF, Trustee

Acknowledged and Understood by:

\_\_\_\_\_  
MICHAEL L. HAMPTON  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
RICHELLE A. SUGIYAMA  
Chief Investment Officer

\_\_\_\_\_  
Date

DRAFT



Appendix I: Long Term Asset Allocations  
(Effective October 23, 2020)

Equities	Target	Range	Benchmark
U.S.	39.3%	35% - 45%	Russell 3000
International	10.7%	5% - 15%	MSCI ACWI ex U.S. Index (unhedged)
Total Equity	50%	45% - 55%	
Fixed Income	50%	45% - 55%	Government/Credit Bond Index
Total Fund	100%		Composite Benchmark*

\*Composite returns are the target weighted returns of the asset class benchmarks

Asset Class	Expected Return**	Expected Risk	Target	Ranges
Broad U.S. Equity	8.53%	18.12%	39.3%	35% - 45%
Global Ex U.S. Equity	9.09%	20.49%	10.7%	5% - 15%
Fixed Income	2.80%	3.75%	50.0%	45% - 55%
Cash Equivalents	2.25%	0.90%	0.0%	0% - 5%

\*\* Expected arithmetic return. Source: Callan's Capital Market Assumptions (10 years 2020 – 2029)

Total Fund	Expected Return	Expected Inflation	Expected Real Return	Expected Risk
Actuary	6.10%	3.00%	3.10%	n/a
Portfolio **	5.73%	2.25%	3.48%	8.97%



April 30, 2024

TO: Retirement Board Trustees  
FROM: Mike Hampton, Executive Director  
SUBJECT: Executive Summary

**Update:**

- Deputy Director Introduction.
- External Engagement / Review and Planning
- Legislative Update / Sine Die and Go Forward
- Postretirement Allowance Adjustment (59-1355)



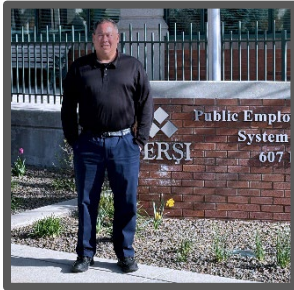
Public Employee Retirement System of Idaho

P. O. Box 83720, Boise, ID 83720-0078

208-334-3365 1-800-451-8228 FAX: 208-334-3805

## PERSI NAMES ALEX SIMPSON ITS NEW DEPUTY DIRECTOR

Boise, Idaho – April 15, 2024



After an extensive and thorough search, Mr. Alex Simpson has been selected to serve as the Deputy Director, effective immediately. Mr. Simpson will be responsible for the management of PERSI's internal operations including the answer center, processing center, information systems, fiscal, the defined contribution plan program and communications. He replaces Michael L. Hampton, who became PERSI's Executive Director in January

"Mr. Simpson has many years of strong public sector leadership, strategic planning, and financial experience that made him uniquely qualified for this position. He will provide the tools, resources, and guidance to all PERSI leadership and staff to ensure operational success." said Michael L. Hampton, Executive Director of PERSI.

Mr. Simpson attended Saginaw Valley State University in Michigan, earning a degree in accounting. Before moving to Idaho, he worked in the Silicon Valley in various accounting roles. He was a controller in the private sector here in Idaho and has called Idaho home for over twenty years while working as a public employee including as the Chief Financial Officer for the West Ada School District and Business Manager in the Kuna School District. In 2016, he joined PERSI as the Chief Financial Officer.

Since 1965, PERSI has served Idaho's public employees by helping them build a secure future in retirement. With over \$20-billion under management, PERSI provides education, services, and retirement benefits for more than 175,000 members throughout Idaho.

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April 30, 2024

TO: Retirement Board Trustees  
FROM: Mike Hampton, Executive Director  
SUBJECT: External Engagement / Feedback / Planning

**Retired Educators of Idaho:**

Presented to Retired Educators Association chapters in Lewiston, Emmett and Twin Falls. Feedback was overwhelmingly positive.

An item that came up multiple times was how safe was the benefit? This provided me an opportunity to have a conversation with the retirees about how the PERSI fund/benefit was formed (by statute, not a plan document) and that changes could only occur through legislative action.

59-1315. AMOUNT, TERMS AND CONDITIONS OF REVISED BENEFITS ARE TO BE PROSPECTIVE ONLY UNLESS OTHERWISE PROVIDED. As the amount, terms and conditions of benefits may be revised from time to time the application of such revisions shall be prospective only and not retrospective or retroactive unless otherwise provided by statute. Accordingly, unless otherwise provided, a member's benefits are determined based upon the terms of the plan on the date of the member's last contribution as an active member.

**Planning:**

Planning and communication for the remainder of this calendar year will be impacted by several items. As a primer for the rest of this calendar year:

- Final year end return on June 30
- JRF experience study
- Scheduled contribution rate adjustments decision(s)
- Return to work contribution rate adjustment review
- Sick leave holiday – school rate holiday scheduled to end 7/1/2026
- Postretirement allowance adjustment
- May primary and November general elections
- Member portal upgrade
- Employer portal upgrade



April 30, 2024

TO: Retirement Board Trustees  
FROM: Mike Hampton, Executive Director  
SUBJECT: Legislative Update

**2024 Legislative Update:**

Attached, the 2024 Legislative Update of PERSI Statute and Rules, as provided to staff.

Since legislature adjourned sine die on April 10<sup>th</sup>, 2024, General Counsel has issued the attached update to all staff, internal training has created and enrolled all staff in 2024 PERSI Legislative Update Awareness course, and I have held two optional and informal drop-in meetings for staff to ask questions and get additional information.

Highlights of additional legislation passed:

**H 626 – Admin Procedure, Scope of Review**

Statement of Purpose: The effect of this bill will be to require courts reviewing Administrative Rules to look to interpret the meaning and effect of the rule de novo (without consideration of previous judicial or agency interpretations). Further, reviewing courts must rule, where an interpretation is in relative doubt, to limit agency power in favor of individual liberty.

(5) When interpreting the provisions of any state law, this chapter, or any rule, as defined in section 67-5201, Idaho Code, the court shall not defer to an agency's interpretation of the law or rule and shall interpret its meaning and effect de novo. In an action brought by or against an agency, after applying all customary tools of interpretation, the court shall exercise any remaining doubt in favor of a reasonable interpretation that limits agency power and maximizes individual liberty.

**H 691 – State Government, Notice of Intent**

Statement of Purpose: This bill requires any state agency, officer, department, division, bureau, board, commission, and institution of the state, including the public utilities commission and any state institution of higher education to give 30 days notice via e-mail to legislators, newspapers, and television stations registered with LSO, and on their own entities website of any agreement they intend to enter in which the transaction is \$25 million or more in actual state obligation or value. RFP proposals, emergency expenditures,

legal settlements, ITD projects which comply with their bid process, and expenditures authorized by the legislature are exempt. Approval of the transaction is void if the notice is not given as required.

(1) Any agency, officer, department, division, bureau, board, commission, and institution of the state, including the public utilities commission and any state institution of higher education, that plans to enter into a contract or agreement with another person or entity in which goods, services, real estate, or other property reasonably valued at more than twenty-five million dollars (\$25,000,000) are acquired, sold, or included in a part of the agreement shall provide a notice of intent in a public disclosure no less than thirty (30) days prior to such agreement being approved. Notice of intent shall be given in a completed form, as provided in subsection (5) of this section.

## **H 746 – Judicial Compensation**

Statement of Purpose: This legislation also provides a retirement bonus incentive for judges and justices who serve through the end of their term before retiring, if they do so in such a way as to allow their positions to be filled by election, rather than appointment. Magistrate judges are also included, although their positions are always filled by appointment. This one-time bonus would be \$25,000.

(8)(a) Effective July 1, 2024, a judge eligible to receive retirement compensation under the judges' retirement fund and pursuant to the provisions of this section shall be entitled to a retirement bonus after retirement of twenty-five thousand dollars (\$25,000) if:

(i) The judge retires at the conclusion of the term of office to which the judge was most recently elected or appointed;

(ii) The judge has given written notice to the supreme court, which shall announce the upcoming retirement to the general public and the legislature in the same manner that judicial vacancies are customarily announced;

(iii) Such announcement is made not less than one (1) year in advance of the retirement; and

(iv) The retiring judge is replaced in office by a judge who is elected, not appointed. This requirement shall not apply if no candidate stands for election to replace the retiring judge.

(b) If the requirements in paragraph (a) of this subsection are not met, then such retiring judge shall not be eligible to receive the retirement bonus provided for in this subsection.

## 2024 LEGISLATIVE UPDATE OF PERSI STATUTE AND RULES

Date: April 10, 2024  
To: PERSI Staff  
From: Cheryl George, Deputy Attorney General

The following summary details statutes and rules approved during the 2023 session that change PERSI statutes/rules or impact PERSI. Effective dates are noted next to each.

### STATUTORY SUMMARY

#### § 59-1363 PURCHASE OF MEMBERSHIP SERVICE

- H 429
  - This bill provides a specific time frame for the purchase of service. A member may purchase up to forty-eight months of membership services within ninety (90) days prior to the date of retirement as defined in section 59-1302(28), Idaho Code.
  - Effective Date: July 1, 2024.

#### § 59-1352 ELIGIBILITY FOR DISABILITY RETIREMENT

- H 430
  - This statute is amended to include school employee member to the list of members who may be eligible for disability.
  - Effective Date: July 1, 2024.

#### § 59-1308(9) SUPPLEMENTAL BENEFIT PLAN – CONTRIBUTIONS AND EXPENSES OF THE SUPPLEMENTAL BENEFIT PLAN -- INDEMNIFICATION

- H 431
  - PERSI Choice plan members do not have access to a qualified after-tax contribution investment option (e.g. Roth IRA) under the current Idaho statutes. To comply with Secure Act 2.0, a qualified after-tax contribution investment option must be available to participate in catch-up contributions. Section 59-1308(9) is updated to allow for this type of investment option as required by Secure Act 2.0.
  - Effective Date: July 1, 2024.

#### § 59-1316 MEMBER'S RETIREMENT RECORDS CONFIDENTIAL – PENALTY FOR DIVULGING INFORMATION

- H 432
  - This bill provides an enforcement mechanism in the event of disclosure of confidential information. Improper disclosure may result in a criminal felony charge.
  - A conviction is punished by a fine of not less than \$100 nor more than \$5000 and by imprisonment for not more than 5 years.

- Upon conviction, the person improperly disclosing information will forfeit their employment or contract and is not eligible to hold any public office in Idaho for a period of 2 years.
- Effective Date: July 1, 2024.

§ 67-1085 AGREEMENTS ENTERED INTO BY STATE OFFICERS OR STATE AGENCIES -- REPORTING

- H 456
  - In 2023, H97 provided that the Controller’s Office will store, maintain, and publish a current list of agreements entered into by state officers and agencies. All state officers, departments, division, bureaus, and agencies of the state are required to report to the state controller any agreement entered into, including any memorandum of agreement or memorandum of understanding within ten (10) days of the state officer, departments, division, bureaus or agencies entering into an agreement. If the agreement is sealed or exempt from disclosure under the public records act, it must still be reported, but may not be publicly disclosed by the state controller’s office.
  - H 456 amends the law passed in 2023 to provide the state controller with the authority to develop a policy to carry out its directive for agreements entered into by state officers and agencies.
  - Effective Date: July 1, 2024.

§ 59-1303

- H 508
  - This bill adds to Police Officer Member Status for supervisory communication officers Idaho state police, county law enforcement and city law enforcement. Also added as Police Officer Member Status were supervisory juvenile detention officers, supervisory juvenile probation officers, supervisory adult misdemeanor probation officers and supervisory emergency communication to county law enforcement. These positions qualify for Rule of 80 retirement status.
  - Also included in this bill is the attempt to close the adding of jobs to the police officer member status. To qualify for police officer member status only jobs where the member is engaged in hazardous duty and jobs where the employee becomes superannuated due to the arduous physical requirements of the job.
  - “Hazardous duty” is defined as duties performed under circumstances that may result in serious injury or death and that involve physical hardship.
  - Stress alone is not a sufficient hardship.
  - Any legislation to add additional classes of employees requires PERSI board recommendation.
  - Effective Date: July 1, 2024.

§ 67-5279 SCOPE OF REVIEW –TYPE OF RELIEF

- H 626
  - This bill will require courts reviewing administrative rules to look to interpret the meaning and effect of the rule de novo (without consideration of previous judicial or agency interpretation). This also requires reviewing court to rule in favor of limiting agency power in favor of individual liberty when the interpretation is in doubt.
  - Effective Date: July 1, 2024.



## § 67-1210C REPORT OF CERTAIN INVESTMENTS

- H 665
  - This bill requires agencies that invest to disclose how many public investment dollars are currently invested in foreign adversaries. The state treasurer is required to compile and prepare a report of the total dollar amount of state moneys in state-managed funds that are invested in any foreign adversary, state-owned enterprise of a foreign adversary, company domiciled within a foreign adversary or company owned or controlled by a foreign adversary, state-owned enterprise of a foreign adversary, company domiciled within a foreign adversary or other entity within a foreign adversary.
  - A state managed fund as defined in the bill includes public retirement funds.
  - A foreign adversary means the People’s Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolas Maduro or the Syrian Arab Republic, or any other deemed by the governor in consultation with the adjutant general.
  - Effective Date: After passage and approval. Signed by the Governor March 26, 2024.

## § 67-5779 NOTICE OF INTENT PRIOR TO AGREEMENT TAKING

- H 691
  - This bill requires any state agency, officer, department, division, bureau, board, commission, and institution of a state (including higher education) to give a 30-day notice by e-mail to legislators, newspapers, and television stations registered with LSO and post on their own entity’s website its intent to enter into an agreement of \$25 million or more in actual state obligation or value. Expenditures authorized by the legislature are exempt.
  - Effective Date: July 1, 2024

## § 33-107A BOARD MAY ESTABLISH AN OPTIONAL RETIREMENT PROGRAM

- S 1246
  - This bill allows employees hired by the Office of the State Board of Education on or after July 1, 2024, and who have credited service in PERSI to make a one-time irrevocable election to remain a member of PERSI rather than being forced into the Optional Retirement Plan.
  - This is only available to new employees with credited service in PERSI prior to their hire date on or after July 1, 2024.
  - Effective Date: July 1, 2024

## § 59-1302 DEFINITIONS

- S 1283
  - Section 59-1302(14)(h) amends the definition of a person occupying a position that does not exceed eight (8) consecutive months in a calendar year to include “soil and water conservation districts” for “invasive species inspection positions.”
  - **Effective Date: Retroactive back to January 1, 2012.**

## IDAPA SUMMARY

Sections 002, 012, 013, 150, 325, 375, 376, 401, 532, 544, 548, and 600 are deleted as unnecessary; Sections 103, 114, and 503 are amended to be more easily read; Section 200 is amended to change statutory reference; Section 308 is amended to delete subsection 03 as unnecessary; Section 404 is amended to delete the last sentence as unnecessary; Section 526 deletes the phrase “will not be considered in determining benefits” as is unnecessary; Sections 532 and 543 are deleted as duplicative; Section 535 is deleted and replaced by Section 539; Section 549 amended to delete the first two sentences as unnecessary and 549.02 deleted because this is addressed in 508; Section 702 is replaced with the language from Subsection 004.01; and Section 508 is amended to comply with federal law, Secure 2.0 Act of 2022 section 107.

## **Rules are effective sine die.**

### 00. LEGAL AUTHORITY.

~~All PERSI rules are adopted under the legal authority of Sections 50-1507, 50-1508, 50-1524, 59-1301, 59-1314, 59- 1372, 59-1383, 59-1392, and 72-1405, Idaho Code.~~

### 02. ~~WRITTEN INTERRETATIONS—AGENCY GUIDELINES.~~

~~Written interpretations of these rules, to the extent they exist, are available from PERSI, at the Boise Office at 607 North Eighth Street, Boise, Idaho 83702.~~

~~————(3-31-22)~~

### 04. DEFINITIONS

The definitions in Section 59-1302, Idaho Code, and the following apply to this chapter:

~~**13. Employer.** Entities that may qualify as political subdivisions include, among others, general purpose governmental entities, such as cities and counties (whether or not incorporated as municipal corporations), and special purpose governmental entities, such as special assessment districts that provide for roads, water, sewer, gas, light, reclamation, drainage, irrigation, levee, school, harbor, port improvements, and other governmental purposes for a State or local governmental unit.~~

### 12. VENUE.

~~Venue under Section 67-5272, Idaho Code, is not applicable on its face. Venue is Ada County, Idaho, per Section 59-1305, Idaho Code.~~

~~————(3-31-22)~~

### 13. ~~OBTAINING COPIES OF IRAP.~~

An official copy of IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General," can be obtained through the Office of the Administrative Rules Coordinator, Division of Financial Management.

~~(3-31-22)~~

~~103. ELECTED AND APPOINTED OFFICIALS — MEMBERS OF PERSI.~~

~~Elected and appointed officials serving on boards, councils, or commissions who receive salary or honorarium for services performed are members of PERSI even though they receive nominal salary and do not normally work twenty (20) hours or more per week.~~

~~01. Hourly Requirement. Elected and appointed officials are not subject to the hourly requirement of Section Section 59-1302(14)(A)(a), Idaho Code.~~

~~02. Salary and Honorarium. Elected and appointed officials serving on boards, councils, or commissions who receive salary or honorarium for services performed are members of PERSI even though they receive nominal salary and do not normally work twenty (20) hours or more per week.~~

114. APPLICATION OF THE FIVE MONTH REQUIREMENT.

An employee working twenty (20) hours or more per week who is hired with the expectation of working less than five (5) consecutive months, becomes retroactively eligible for membership and employee and employer contributions must be immediately withheld whenever it becomes evident the period of employment will be five (5) consecutive months or longer and the employee meets the other requirements of Section 59-1302(14), Idaho Code. Delinquent payments will be paid by the employer within three (3) months. Regular interest will be assessed against the outstanding balance at the rate provided in section 59-1325 Idaho Code.

01. ~~Employee and Employer Contributions. Employee and Employer contributions must be immediately withheld by the state agency, political subdivision or government entity and forwarded when it becomes evident the period of employment will be five (5) consecutive months or more, and the employee meets the other requirements of Section 59-1302(14), Idaho Code. Delinquent employee and employer contributions on all prior months of employment, shall be paid by the state agency, political subdivision or government entity pursuant to Subsection 114.02 of this chapter.~~

~~(3-31-22)~~

~~02. Delinquent Contributions. Employer shall collect and pay delinquent contributions of employer and employee within three (3) months once it becomes evident the period of employment will be five (5) consecutive months or more. If the delinquent contributions are not paid within three (3) months, regular interest will be assessed against the outstanding balance until the delinquent employee contributions are paid in full. (3-31-22)~~

~~150. POLICE OFFICER MEMBERSHIP CERTIFICATION.~~

~~The executive director or the executive director's designee may accept or reject the employer's certification that an employee's primary position with the employer is a police~~

~~officer for retirement purposes as required in Section 59-1303, Idaho Code. Acceptance of the certification shall not limit PERSI's right to review and reclassify the position for retirement purposes based upon an audit or other relevant information presented to PERSI. A position title or occasional assignments to active law enforcement service or hazardous law enforcement duties does not create a condition for designation as a police officer member for retirement purposes. —(3-31-22)~~

200. DETERMINATION OF FIREFIGHTER.

~~A "firefighter" means an employee whose primary occupation with an employer as defined by Section 59-1302(16), Idaho Code, is that of preventing and extinguishing fires. A~~ In addition to Section 29-1302(16), Idaho Code the definition of a firefighter member for retirement purposes is an employee appointed to the position of fire chief by a city council but not eligible to be a "paid firefighter," or the chief fire warden of a timber protective association, or is an employee of either the department of lands or of a timber protective association whose primary position and principal accountability in that position either requires direct supervision of employees engaged in the prevention, presuppression and suppression of wild land fires or requires the performance of those duties as the principal function of the position. A firefighter member for retirement purposes does not include an employee who may be required on occasion to engage in those functions as a secondary requirement of the position. ~~Statutory References: Sections 59-1302(16), 59-1391(f) and 72-1403, Idaho Code.~~

308. CONTRIBUTIONS DUE WHILE MEMBER IS RECEIVING WORKER'S COMPENSATION.

01. Contributions Due and Payable. Contributions are due and payable on whatever percentage of salary is paid while the member is on a leave of absence occasioned by an approved worker's compensation claim and the member will be entitled to a month of membership service credit for each month the member remains eligible.

02. Accruing Service. This means for an employee to continue accruing service the employer must continue to pay salary equal to the lesser of:

- a. The amount necessary to meet the statutory definition of employee (half-time at the pre-injury rate or more), or
- b. The employee's full-time salary less the employee's worker's compensation income benefit.

~~03. — Maintaining Eligibility for Injured Workers. The intent of this rule is to permit employers to maintain eligibility for injured workers without having to pay salary that, when added to the employee's worker's compensation income benefit, would exceed the employee's total salary prior to the injury. Section 122 is inapplicable to the extent it conflicts with this rule. —(3-31-22)~~

~~325. — TRANSFER OF CONTRIBUTIONS TO PERSI.~~

~~Employee and employer contributions shall be calculated and forwarded to PERSI by each employer for each employee that meets the statutory definition of "employee" as defined in~~

~~Section 59-1302 (14), Idaho Code. All Contributions shall be remitted, together with an approved report to PERSI no later than five (5) days after each pay date as provided in Section 59-1325(1), Idaho Code. (3-31-22)~~

351. INTEREST – MEMBER CONTRIBUTIONS.

Regular interest as defined in Section 59-1302(26), Idaho Code, ~~and Section 300 in this subchapter,~~ shall accrue to and be credited monthly to a member's accumulated contributions.

~~375. GENERAL RULE.~~

~~Only members of PERSI with five (5) years of credited service are eligible for disability retirement except as provided in Section 59-1352(2), Idaho Code. (3-31-22)~~

~~376. SERVICE RELATED DISABILITY FOR POLICE, GENERAL MEMBERS, AND FIREFIGHTERS.~~

~~Police, general members, and certain firefighter members are eligible for disability retirement beginning from the first day of employment when the disability is caused by occupational hazards, as provided in Section 59-1352(2), Idaho Code. (3-31-22)~~

~~401. INITIAL APPLICATION REVIEW.~~

~~Applications will first be reviewed to determine whether the applicant meets eligibility requirements. If all eligibility requirements are met, the application will proceed to disability assessment review. If all eligibility requirements are not met, the applicant will be notified in writing. (3-31-22)~~

404 ADMINISTRATIVE REVIEW OF THE RECONSIDERATION DECISION.

A reconsideration decision shall be considered a final decision under Section 59-1314(2), Idaho Code, and may be appealed to the Board for review. In any related administrative hearing, the applicant shall be limited to presenting facts and evidence made available to PERSI in the reconsideration process. No new or additional evidence may be presented at the hearing. If the applicant has additional facts or evidence that were not made available to PERSI during the assessment or reconsideration process, the applicant must submit a new application for disability retirement, proceed again through the assessment process, and pay the costs associated with the second or subsequent assessment process. ~~This rule is intended to promote the efficient use of fund resources by encouraging full and complete disclosure of information during the disability assessment process. (3-31-22)~~

503. METHODS OF REPAYMENT OF SEPARATION BENEFITS.

01. Periodic and Lump-Sum Payments. Where an active member elects to repay a separation benefit to reinstate previous service as provided in Section 59-1360, Idaho Code, the member may request that repayment be made in periodic payments or in a lump-sum payment. No service will be reinstated until the full repayment has been made.

02. Repayments Initiated on or After March 1, 2000. For all repayments initiated on or after March 1, 2000, except as provided in Section 501 of this subchapter, a repayment amount will be determined which shall be the sum of the separation

benefit(s) plus regular interest from the date of the benefit payment(s) until the date of the first payment. The repayment amount will be amortized over the repayment period at the reinstatement rate in effect on the date of the first periodic payment.

03. Repayments Initiated Before March 1, 2000. For all periodic repayments initiated before March 1, 2000, a repayment amount will be determined which shall be the sum of the separation benefit(s) plus regular interest from the date of the benefit payment(s) until the date of the first payment. The repayment amount will be amortized over the repayment period at four point seventy-five percent (4.75%) interest. This is a grandfathered rate based on the rate in effect December 31, 1999, and will apply so long as payments exceed interest charges on a calendar year basis. If payments fail to exceed interest charges in any calendar year, the grandfathered rate will be forfeited and replaced by the reinstatement rate beginning in January immediately after the year in which the failure occurs. For purposes of these rules, a repayment is initiated by signing an agreement and making a payment.
04. Repayments Under Section 59-1331(2), Idaho Code. For (waiting period) payments made pursuant to Section 59-1331(2), Idaho Code, ~~the a~~-repayment amount ~~shall be determined which shall be~~ is the sum of contributions that would have been made plus regular interest from December 31, 1975 until the date of the first payment. The repayment amount will be amortized over the payment period at the reinstatement rate in effect on the date of the first periodic payment.

#### 508. REQUIRED MINIMUM DISTRIBUTIONS.

a. Default Application of Federal Requirements. With respect to distributions under the Base Plan, and except as provided in Subsection 508.06, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the IRS Code in accordance with a good faith interpretation of section 401(a)(9), notwithstanding any provision of the Base Plan to the contrary.

b. Required Beginning Date. Except as otherwise provided in Subsections 508.04 through 508.08, distributions under the Base Plan shall begin not later than April 1 following the later of (a) the commencement year or (b) the year in which the member retires. For purposes of Section 508, the "commencement year" is the calendar year in which the member reaches ~~age seventy-two (72)~~ the applicable age, as defined in Internal Revenue Code section 401(a) as now in effect and thereafter amended.

#### 526. UNUSUAL COMPENSATION PATTERN EFFECT ON RETIREMENT

CALCULATION. Upon application for a retirement benefit, any portion of compensation which represents payments in excess of and inconsistent with the usual compensation pattern, for example, but not limited to lump sum contract payouts, excess vacation paid but not taken, paid sick leave, or a clothing allowance ~~will not be considered in determining benefits.~~

#### ~~532. PAYMENT DATE OF EARLY OR SERVICE RETIREMENT ALLOWANCE -- GENERAL MEMBERS.~~

~~As set forth by Section 59-1344, Idaho Code, a PERSI member's service retirement allowance or early retirement allowance is payable on the first of the month following the~~

month in which the member ceases to be an employee while eligible for either of these forms of retirement.

Statutory References: Section 59-1344 and 59-1356(2), Idaho Code. (3-31-22)

~~531. RESTRICTIONS ON REEMPLOYMENT OF RETIRED MEMBERS.~~

~~There are no restrictions placed upon employment or earnings of retired members except with respect to employment by a state agency, political subdivision or government entity member of PERSI. Unless specified otherwise, the conditions of reemployment outlined in this subchapter apply for employment with any state agency, political subdivision or government entity member of the system.~~

~~Statutory Reference: Section 59-1356, Idaho Code. (3-31-22)~~

536. RETIRED MEMBER BECOMING AN ACTIVE MEMBER.

01. Return to Service. A PERSI retired member employed in a position which involves service of normally twenty (20) hours or more per week for a period of five (5) or more consecutive months or longer will return to the status of an active member. Retirement benefits will suspend on reemployment and employee and employer contributions will resume to provide additional retirement credits. If a retired member is reemployed in a position which involves service of twenty (20) hours or more per week for a period of less than five (5) consecutive months, their monthly retirement benefits will continue to be paid. If the member's reemployment should equal or exceed the five (5) month period for any reason, the member will be required to repay the retirement benefits paid during the five (5) month period which they were reemployed and they will return to the status of an active member. Employee and employer contributions will be due for the five (5) consecutive month period.

Statutory Reference: Section 59-1356, Idaho Code. (3-31-22)

02. Return to School District. A PERSI retired member who qualifies to return to employment with a school district under Section 59-1356(4), Idaho Code, must return in the same job capacity to fulfill the intent of the statute, to fill hard to fill positions. A school teacher must return to work as a school teacher, a qualified bus driver must return to work as a bus driver, an administrator must return to work as an administrator. (3-31-22)

~~543. POST RETIREMENT ALLOWANCE ADJUSTMENTS — PERSI RETIREES.~~

~~The Board shall annually determine the post retirement cost of living adjustment (COLA) for the Public Employee Retirement System of Idaho (PERSI) pursuant to Section 59-1355, Idaho Code. The Board shall have discretion in adopting a yearly discretionary and/or retroactive COLA. The Board shall yearly adopt this COLA no later than the December Board meeting of each year with an effective date of March 1 of the next year.~~

~~Statutory References: Section 59-1355, Idaho Code. (3-31-22)~~

~~544. ACTUARIAL ASSUMPTION TABLES.~~

~~The actuarial tables used for determining optional and early retirement benefits are as follows:~~

**ALL THE TABLES ARE DELETED**

548. COMPENSATION LIMIT.

~~01. — Limit. Except for members of the system prior to July 1, 1996, as provided in Section 59-1302(31)(B), Idaho Code, the annual compensation of each participant taken into account in determining benefit accruals in any plan year beginning after December 31, 2001, shall not exceed two hundred thousand dollars (\$200,000). Annual compensation means compensation during the calendar year (the determination period). In determining benefit accruals for determination periods beginning before January 1, 2002, compensation shall be two hundred thousand dollars (\$200,000).—(3-31-22)~~

~~02. — Limit Adjustment. The two hundred thousand dollars (\$200,000) limit on annual compensation in Subsection 548.01 shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the IRS Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.—(3-31-22)~~

549. DEFINED BENEFIT DOLLAR LIMITATION.

~~The “defined benefit dollar limitation” is one hundred sixty thousand dollars (\$160,000), as adjusted, effective January 1 of each year thereafter, under Section 415(d) of the IRS Code in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under Section 415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies. The “maximum permissible benefit” is the defined benefit dollar limitation (adjusted where required, as provided in Subsection 549.01 and, if applicable, in Subsections 549.02 through 549.04 of these rules).~~

01. Less Than Ten Years of Service. If the participant has fewer than ten (10) years of participation in the plan, the defined benefit dollar limitation shall be multiplied by a fraction: (3-31-22)

a. The numerator of which is the number of years (or part thereof) of participation in the plan; and

b. The denominator of which is ten (10).

~~02. — Benefit Begins Prior to Age Sixty-Two. If the benefit of a participant begins prior to age sixty-two (62), the defined benefit dollar limitation applicable to the participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the defined benefit dollar limitation applicable to the participant at age sixty-two (62) (adjusted under Subsection 549.01, if required). The defined benefit dollar limitation applicable at an age prior to age sixty-two (62) is determined as set forth in IRS regulation under section 415(b)(2) of the IRS Code. This Subsection 549.02 does not apply to participants who have at least fifteen (15) years of credited service for which the member was classified as a police officer or firefighter.—(3-31-22)~~

032. Benefit Begins at Age Sixty-Five. If the benefit of a participant begins after the participant attains age sixty-five (65), the defined benefit dollar limitation applicable to the participant at the later age is the annual benefit payable in the form of a straight life annuity



beginning at the later age that is actuarially equivalent to the defined benefit dollar limitation applicable to the participant at age sixty-five (65) (adjusted under Subsection 549.01, if required). The actuarial equivalent of the defined benefit dollar limitation applicable at an age after age sixty-five (65) is determined as set forth in IRS regulation under section 415(b)(2) of the IRS Code.

043. Transition. Benefit increases resulting from the increase in the limitations of section 415(b) of the IRS Code shall be provided to all current and former participants (with benefits limited by section 415(b)) who have an accrued benefit under the plan immediately prior to the effective date of this Section (other than an accrued benefit resulting from a benefit increase solely as a result of the increases in limitations under section 415(b)).

~~600. PAYMENT DATE OF RETIREMENT ALLOWANCE FOR FRF MEMBERS.~~

~~A paid firefighter who retires under the provisions of Chapter 14, Title 72, Idaho Code, is entitled to a retirement allowance computed from the date following separation from employment, payable at the end of the calendar month following separation from employment. (3-31-22)~~

702. ACTIVE MEMBER.

~~A member participates in the active member allocation only if he is an active member as defined in this subchapter. Whenever a member is placed on leave of absence under circumstances making that member eligible for benefits under USERRA, the employer shall notify PERSI in writing within thirty (30) days and attach a copy of the member's orders. A member participates in the active member allocation only if they are active and have at least twelve (12) months of accrued membership service on the last day of the fiscal year. For purposes of allocating extraordinary gains, active members also include:~~

- ~~a. Seasonal employees who have a pattern of employment that includes at least six (6) months of membership service in each of the preceding three (3) consecutive years; and~~
- ~~b. Employees who are on leave of absence on the last day of the fiscal year and either:
  - ~~i. Return to active service for at least thirty (30) days before December 31 immediately following the end of the fiscal year; or~~~~

~~703. ii. Are entitled to benefits under the Uniformed Services Employment and Re-~~

~~employment Rights Act of 1994 (USERRA). A member participates in the active member allocation only if he is an active member as defined in this subchapter. Whenever a member is placed on leave of absence under circumstances making that member eligible for benefits under USERRA, the employer shall notify PERSI in writing within thirty (30) days and attach a copy of the member's orders. (3-31-22)~~



April 30, 2024

TO: Retirement Board Trustees  
FROM: Mike Hampton, Executive Director  
SUBJECT: Postretirement Allowance Adjustment 59-1355

**PERSI – Postretirement Allowance Adjustment History:**

- Public Employee Retirement System act was enacted by the Idaho Legislature in 1963, with a date of establishment of July 1, 1965.
- Benefit adjustments varied from inception until Idaho Statute was amended in March of 1979, with the enactment of Idaho Code 59-1319A “Postretirement Allowance Adjustments”. This act became effective January 1, 1980.
- Several amendments have been made to the Postretirement Allowance Adjustment, mostly technical in nature. Key amendments were:
  - o 1986 – Added legislative notification and approval requirements
  - o 1990 – restructured statutes, moved to 59-1355 and added retro option
  - o 2009 – cross reference to 59-1322(4)(e)(v) – Calculation of Unfunded actuarial liability
- Since 1980, the basics of the postretirement adjustment allowance have been consistent with minimal changes:
  - o Ratio of consumer price index (CPI-U defined) is not more than 101%, the inflation factor shall be such ratio or 94%, whichever is greater, and shall not be subject to legislative approval. (The index month was changed from October to August, the beginning of the adjustment year was changed from January to March, and legislative approval language was added)
  - o The Board may put into effect a greater factor which is no more than 106% or the CPI-U, whichever is smaller. (At the Board’s sole discretion was removed and replaced with requiring legislative approval)
  - o Discretionary portion can only be recommended if the Board finds value of the actuarial assets of the system to be no less than its actuarial liabilities, including those liabilities created by the increased proposed factor.
  - o The postretirement adjustments shall in no event reduce a benefit payment below its initial amount.
  - o The Board may grant a postretirement allowance adjustment for any previous year or years up to the full amount of the CPI-U, with legislative approval.
- The fund has experienced similar situations in the past:
  - o 1999 – retro allowance adjustment back to 1989 – all retro’s exhausted

- 2005 – retro allowance adjustment back to 2003 – all retro’s exhausted
- 2010 – Negative CPI-U of -1.48%, retro allowance adjustment back to 2008 to offset negative CPI-U.
- 2015 - retro allowance adjustment back to 2009
- 2016 - retro allowance adjustment back to 2011
- 2020 - retro allowance adjustment back to 2011 – all retro’s exhausted
- Costs of a 1%, one-time discretionary postretirement allowance adjustment over \$120 million.
  - Page 29, PERSI Annual valuation risk disclosure: Considering the risk disclosures recommended by ASOP 51, we include the following hypothetical to illustrate the sensitivity of a higher postretirement allowance adjustment assumption. If the annual assumption used in the liabilities and costs calculated in this report were raised from 1.00% to 2.00% per year (i.e., 2% annual postretirement allowance adjustment for the entirety of the Plan’s life), we estimate that it would increase the UAAL as of July 1, 2023, by \$2.4 billion above the \$4.0 billion shown in this report.



Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

Date: April 30, 2024  
TO: PERSI Retirement Board  
FROM: Alex Simpson  
Financial Executive Officer  
SUBJECT: UPDATE ON FISCAL ISSUES

Governor  
Brad Little

Retirement Board  
Jeff Cilek, Chairman  
Joy Fisher  
Park Price  
Darin DeAngeli  
Lori Wolff

Executive Director  
Donald D. Drum

**PHONES**

Answer Center 208-334-3365  
FAX 208-334-3805

**Toll Free**

Answer Center 1-800-451-8228  
Employer Line 1-866-887-9525

**MAILING ADDRESS**

P.O. Box 83720  
Boise ID 83720-0078

**BOISE**

Office Location Address  
607 North 8<sup>th</sup> Street  
Boise ID 83702-5518

**POCATELLO**

Office Location Address  
305 N. 3<sup>rd</sup> Avenue, Ste. B  
Pocatello ID 83201

**COEUR D'ALENE**

Office Location Address  
50 W. Ironwood Drive, Ste. 316  
Coeur d' Alene ID 83814

Choice Plan Recordkeeper  
1-866-437-3774

[www.persi.idaho.gov](http://www.persi.idaho.gov)

Equal Opportunity Employer

- **2024 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.
  - **Administration:** The report is for FY2024 expenditures as of the end of March. There are also prior year expenses that were encumbered from the FY 2023 budget. Personnel, Operating, and Capital Outlay expenses are all below the target rate of 75.0%.
  - **Portfolio:** Our year-to-date expense ratio is 33.5 basis points of projected average net assets compared to the budgeted projection of 35.6 basis points. Both the budget and actual are below the 50-basis point target ratio. The total budgeted for FY 2024 assumed asset growth of 6.3% net. The reports are on a cash basis and, therefore, will vary from the expenses reported in the accrual-based financial statements.
- **MONTHLY OUT OF STATE TRAVEL REPORT:** The monthly travel report is included in the board report. Please let me know if you have any questions.
- **BUDGET SETTING LEGISLATIVE FUNDING:** I will go over the FY 2025 budget setting bills and how the new funding for PERSI's appropriated budgets are calculated.



ADMINISTRATIVE BUDGET (Cont.) By Cost Center and Acco MARCH 31, 2024		FY 2023 BUDGETED	FY 2023 ACTUAL	FY 2024 BUDGETED	PRIOR MONTHS	FEBRUARY	MARCH	FY 2024 Total	Current Spending Balance	Actual as % of Budget
OVERHEAD										
Personnel	-	13,039	90,956	13,484	-	2,709	16,193	74,763	17.8%	
Operating	601,475	611,495	640,605	440,768	(41,048)	55,088	454,808	185,797	71.0%	
Capital	-	4,060	-	98	3,430	(2,874)	654	(654)	0.0%	
IT - ADMINISTRATION										
Personnel	843,581	804,101	900,469	519,398	71,282	109,975	700,655	199,814	77.8%	
Operating	55,800	46,967	52,000	17,230	13,067	4,092	34,389	17,611	66.1%	
Capital	-	-	-	-	-	-	-	-	0.0%	
IT - SYSTEM MAINTENANCE										
Personnel	-	-	-	-	-	-	-	-	0.0%	
Operating	948,765	934,594	965,850	204,824	40,613	41,827	287,263	678,587	29.7%	
Capital	184,000	163,339	200,500	6,185	-	-	6,185	194,315	3.1%	
IT - PROJECTS										
Personnel	-	-	-	-	-	-	-	-	0.0%	
Operating	3,000,000	798,480	3,000,000	641,620	-	354,027	995,647	2,004,353	33.2%	
Capital	-	-	-	-	-	-	-	-	0.0%	
MEMBER SERVICES										
Personnel	345,501	364,037	434,558	131,144	17,415	32,026	180,585	253,973	41.6%	
Operating	17,900	55,817	17,900	13,257	75	20,432	33,764	(15,864)	188.6%	
Capital	-	-	-	-	-	-	-	-	0.0%	
DISABILITY ASSESSMENT										
Personnel	-	-	-	-	-	-	-	-	0.0%	
Operating	227,000	214,448	227,000	100,881	9,780	13,335	123,996	103,004	54.6%	
Capital	-	-	-	-	-	-	-	-	0.0%	
FIELD SERVICES - CSO										
Personnel	121,351	69,141	130,215	73,188	9,437	16,139	98,764	31,451	75.8%	
Operating	23,450	30,897	30,350	25,149	554	1,635	27,338	3,012	90.1%	
Capital	-	-	-	200	-	-	200	(200)	0.0%	
FIELD SERVICES - PSO										
Personnel	121,351	124,115	134,191	74,329	6,809	17,560	98,698	35,493	73.6%	
Operating	36,720	48,125	37,220	29,201	1,959	3,670	34,830	2,390	93.6%	
Capital	-	12,500	-	-	-	-	-	-	0.0%	
PERSI RETIREMENT CENTER										
Personnel	434,791	265,202	471,986	127,156	16,346	2,610	146,113	325,873	31.0%	
Operating	20,450	12,642	35,950	2,403	76	553	3,031	32,919	8.4%	
Capital	-	-	-	-	-	-	-	-	0.0%	
PERSI ANSWER CENTER										
Personnel	449,660	333,778	541,449	199,404	31,691	29,394	260,488	280,961	48.1%	
Operating	36,400	16,254	36,400	2,553	258	650	3,461	32,939	9.5%	
Capital	-	-	-	-	-	-	-	-	0.0%	
PERSI PROCESSING CENTER										
Personnel	171,585	219,233	250,858	211,673	34,341	44,562	290,576	(39,718)	115.8%	
Operating	12,600	12,533	12,600	2,881	350	504	3,736	8,864	29.6%	
Capital	-	-	-	-	-	-	-	-	0.0%	
IMAGING										
Personnel	62,653	63,079	68,196	39,361	5,343	7,466	52,170	16,026	76.5%	
Operating	1,700	1,437	1,700	133	-	237	370	1,330	21.8%	
Capital	-	-	-	-	-	-	-	-	0.0%	
TRAINING										
Personnel	414,602	383,214	628,311	276,224	48,656	70,549	395,430	232,881	62.9%	
Operating	61,420	55,386	62,950	23,205	3,228	15,397	41,830	21,120	66.4%	
Capital	-	-	-	-	-	-	-	-	0.0%	
COMMUNICATIONS										
Personnel	79,959	80,624	86,988	50,462	7,234	10,794	68,489	18,499	78.7%	
Operating	96,900	80,888	91,900	49,724	12,876	19,490	82,091	9,809	89.3%	
Capital	-	-	-	-	-	-	-	-	0.0%	
DC PLAN ADMINISTRATION										
Personnel	161,301	166,543	250,707	100,079	13,588	19,354	133,021	117,686	53.1%	
Operating	14,900	2,294	14,900	1,732	652	52	2,436	12,464	16.3%	
Capital	-	-	-	-	-	-	-	-	0.0%	
<b>TOTAL</b>										
PERSONNEL	5,518,500	4,977,907	6,478,600	3,170,107	474,244	615,316	4,259,668	2,218,932	65.7%	
OPERATING	5,593,400	3,305,061	5,652,900	1,874,247	70,293	538,015	2,482,557	3,170,343	43.9%	
CAPITAL	184,000	200,497	200,500	6,483	3,430	(2,874)	7,039	193,461	3.5%	
	11,295,900	8,483,465	12,332,000	5,050,837	547,968	1,150,457	6,749,263	5,582,737	54.7%	

**PUBLIC EMPLOYEE RETIREMENT SYSTEM  
FY 2024 CASH BASIS PORTFOLIO EXPENSES**

**SUMMARY REPORT - PORTFOLIO  
MARCH 31, 2024**

TARGET: 75.0%

INVESTMENTS	FY 2023 BUDGETED	FY 2023 ACTUAL	FY 2024 BUDGETED	PRIOR MONTHS	FEBRUARY	MARCH	FY 2024 Total <u>Expenses</u>	Actual as % of <u>Budget</u>
MANAGEMENT FEES	58,450,000	59,733,915	62,023,608	33,111,741	6,338,320	3,406,861	42,856,922	69.1%
CONSULTANTS	1,030,000	947,863	1,626,000	1,115,694	92,057	25,000	1,232,750	75.8%
CUSTODIAL SERVICES	3,000,000	2,659,361	3,000,000	1,572,466	148,534	323,400	2,044,400	68.1%
REPORTING SERVICES								
1. Investment Related	115,000	120,002	121,000	83,695	-	-	83,695	69.2%
2. Non-Investment Related	550,000	496,118	550,000	365,318	34,873	30,414	430,606	78.3%
LEGAL	555,000	539,195	805,000	445,513	68,569	61,182	575,263	71.5%
STAFF EXPENSE	1,125,800	740,298	1,220,100	550,882	63,662	98,354	712,899	58.4%
ENCUMBRANCES*	-	-	-	-	-	-	-	
<b>TOTAL MONTHLY EXPENDITURES*</b>	<b>64,825,800</b>	<b>65,236,751</b>	<b>69,345,708</b>	<b>37,245,309</b>	<b>6,746,015</b>	<b>3,945,211</b>	<b>47,936,535</b>	<b>69.1%</b>
ADMINISTRATION	11,295,900	8,483,465	12,346,582	5,050,838	547,968	1,150,457	6,749,263	54.7%
<b>YTD EXPENDITURES INCLUSIVE</b>	<b>76,121,700</b>	<b>73,720,217</b>	<b>81,692,290</b>	<b>42,296,147</b>	<b>7,293,983</b>	<b>5,095,668</b>	<b>54,685,798</b>	<b>66.9%</b>

	FY 2023 Actual	FY 2024 Budgeted
Investment Related Services	64,740,633	68,795,708
Non-Investment Related Services	496,118	550,000
Judges Retirement Fund	431,871	444,900
PERSI Administration <sup>1</sup>	8,483,465	12,346,582
<b>1) TOTAL PERSI COSTS</b>	<b>74,152,088</b>	<b>82,137,190</b>
<b>2) ESTIMATED NET AVERAGE ASSETS</b>	<b>21,353,151,346</b>	<b>23,062,138,738</b>
<b>3) RATIO OF COSTS TO NET ASSETS</b>	<b>0.347%</b>	<b>0.356%</b>
Investment Expense	0.303%	0.298%
Non-Investment Contracted Services	0.002%	0.002%
Judges Retirement Fund	0.002%	0.002%
PERSI Administration	0.040%	0.054%
<b>4) BUDGETED EXPENSE RATIO</b>		<b>35.6</b>
<b>5) ACTUAL EXPENSE RATIO<sup>2</sup></b>		<b>33.5</b>

PUBLIC EMPLOYEE RETIREMENT  
SYSTEM OF IDAHO  
DETAIL REPORT

MARCH 31, 2024

TARGET: 75.0%

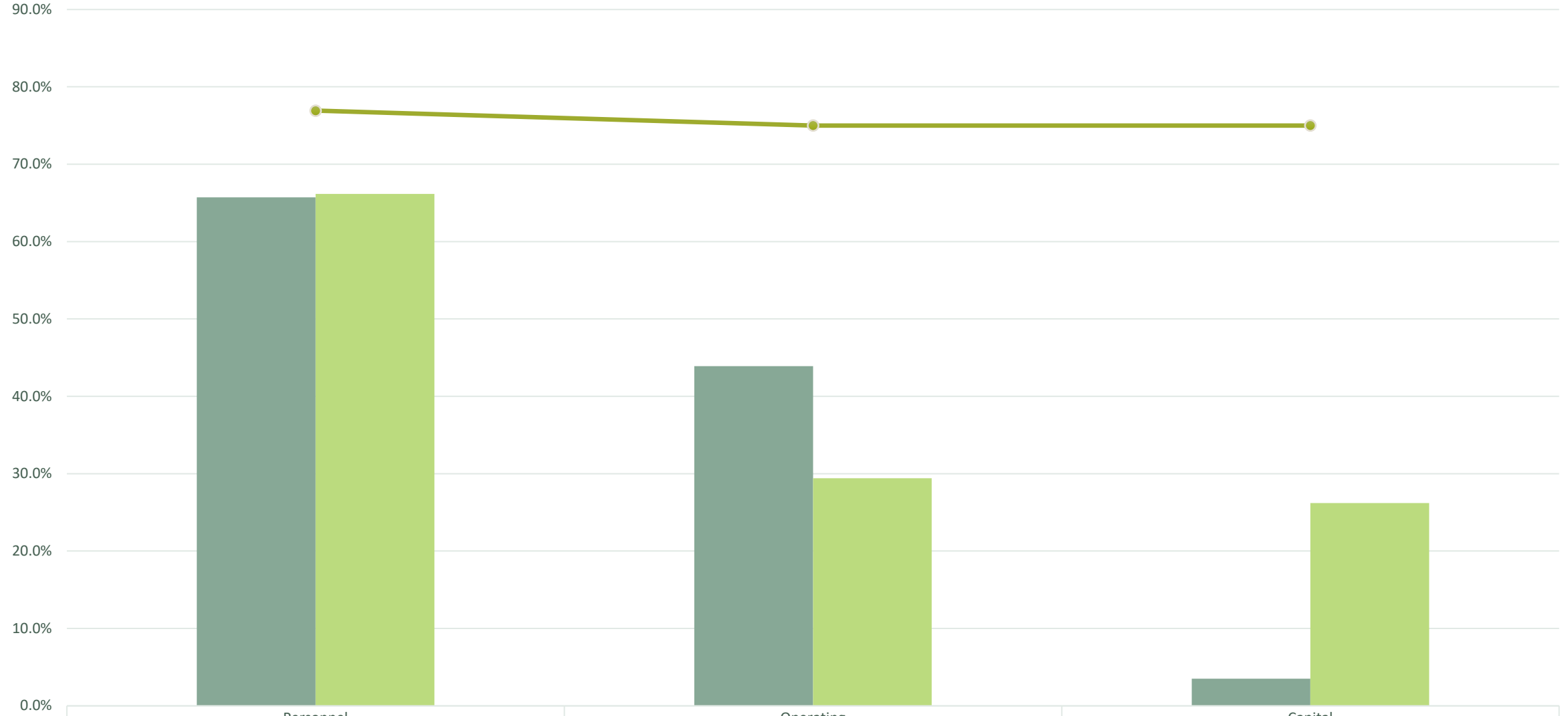
DESCRIPTION	FY 2023 BUDGETED	FY 2023 ACTUAL	FY 2024 BUDGETED	PRIOR MONTHS	FEBRUARY	MARCH	FY 2024 Total Expenses	Actual as % of Budget
<b>MANAGEMENT FEES</b>								
Equity - Domestic	10,000,000	9,208,037	9,788,143	7,512,022	139,853	-	7,651,875	78.2%
Equity - International	8,400,000	7,259,238	7,716,570	1,618,343	682,282	-	2,300,625	29.8%
Fixed Income	2,750,000	2,675,348	2,843,895	1,562,922	499,484	-	2,062,406	72.5%
Real Estate	13,800,000	16,100,854	16,500,000	7,734,030	-	3,089,965	10,823,995	65.6%
Idaho Mortgage Program	3,500,000	3,675,142	3,675,000	2,186,014	316,509	316,896	2,819,419	76.7%
Equity Global	20,000,000	20,815,296	21,500,000	12,498,410	4,700,192	-	17,198,602	80.0%
<b>CONSULTANTS</b>								
Callan LLC	500,000	478,172	500,000	393,859	-	-	393,859	78.8%
Hamilton Lane Advs - Private Equity	210,000	120,000	210,000	45,000	22,500	-	67,500	32.1%
Hamilton Lane Advs - Real Estate	50,000	49,444	-	-	-	-	-	0.0%
Korn Ferry	-	1,866	-	120,000	-	-	120,000	-
Berkadia Commercial Mortgage	-	-	-	-	-	-	-	-
Advisors	250,000	294,414	380,000	211,150	25,936	25,000	262,087	69.0%
Other Consultants	20,000	3,966	20,000	-	-	-	-	0.0%
<b>CUSTODIAL SERVICES</b>								
Trust/Custody	3,000,000	2,348,402	3,000,000	1,572,466	148,534	323,400	2,044,400	68.1%
Cleanwater Analytics, LLC	-	310,959	516,000	345,685	43,620	-	389,305	75.4%
<b>REPORTING SERVICES</b>								
1. Auditors Fees								
a. Annual Audit	100,000	75,450	100,000	60,000	-	-	60,000	60.0%
2. Actuarial Fees								
Milliman USA	250,000	270,668	250,000	188,651	18,207	13,748	220,606	88.2%
Cavanaugh MacDonald	200,000	150,000	200,000	116,667	16,667	16,667	150,000	0.0%
3. Bloomberg LP & Other								
	115,000	120,002	121,000	83,695	-	-	83,695	69.2%
<b>LEGAL</b>								
1. Legal Fees								
Legal Advice - Other	5,000	30,307	5,000	208,781	38,638	29,276	276,695	5533.9%
Legal Advice - Priv Equity	350,000	487,638	600,000	216,932	29,931	31,906	278,768	46.5%
Legal Advice - Fiduciary/Liability	200,000	21,250	200,000	19,800	-	-	19,800	9.9%
<b>STAFF EXPENSE</b>								
Personnel	884,100	602,785	976,600	428,336	65,337	92,684	586,356	60.0%
Operations	220,100	134,365	224,600	104,982	(1,674)	5,670	108,977	48.5%
Capital Outlay	21,600	3,148	18,900	17,565	-	-	17,565	92.9%
Encumbrances	-	-	-	-	-	-	-	0.0%
<b>Total Monthly Expenditures</b>	<b>64,825,800</b>	<b>65,236,751</b>	<b>69,345,708</b>	<b>37,245,309</b>	<b>6,746,015</b>	<b>3,945,211</b>	<b>47,936,535</b>	<b>69.1%</b>
<b>JUDGES RETIREMENT FUND</b>								
Invest, Mgmt, Consulting, Custody, Reporting	325,000	314,645	325,000	177,101	32,407	18,452	227,959	70.1%
Accounting, Auditing	11,000	10,750	11,000	-	-	-	-	0.0%
Other Professional Services	-	-	-	-	-	-	-	0.0%
Actuary	30,000	34,189	30,000	-	-	1,306	1,306	4.4%
Legal	2,000	2,676	2,000	2,199	338	301	2,838	141.9%
Administration	72,300	69,612	76,900	1,689	-	18,756	20,445	26.6%
Publication	-	-	-	-	-	-	-	0.0%
	440,300	431,871	444,900	180,989	32,745	38,815	252,549	56.8%



## Scheduled and Completed Out of State Travel - Staff

Traveler	Request Created	Destination City/ State	Description	Dates of Travel	Final Voucher Amount
Chris Brechbuhler	X	Napa Valley, CA	PPI Winter Roundtable	03/06/24-03/08/24	3,007.17
Richelle Sugiyama	x	Napa Valley, CA	PPI Leadership Lab/Winter Rndtble	03/04/24-03/08/24	3,733.05

# Administration

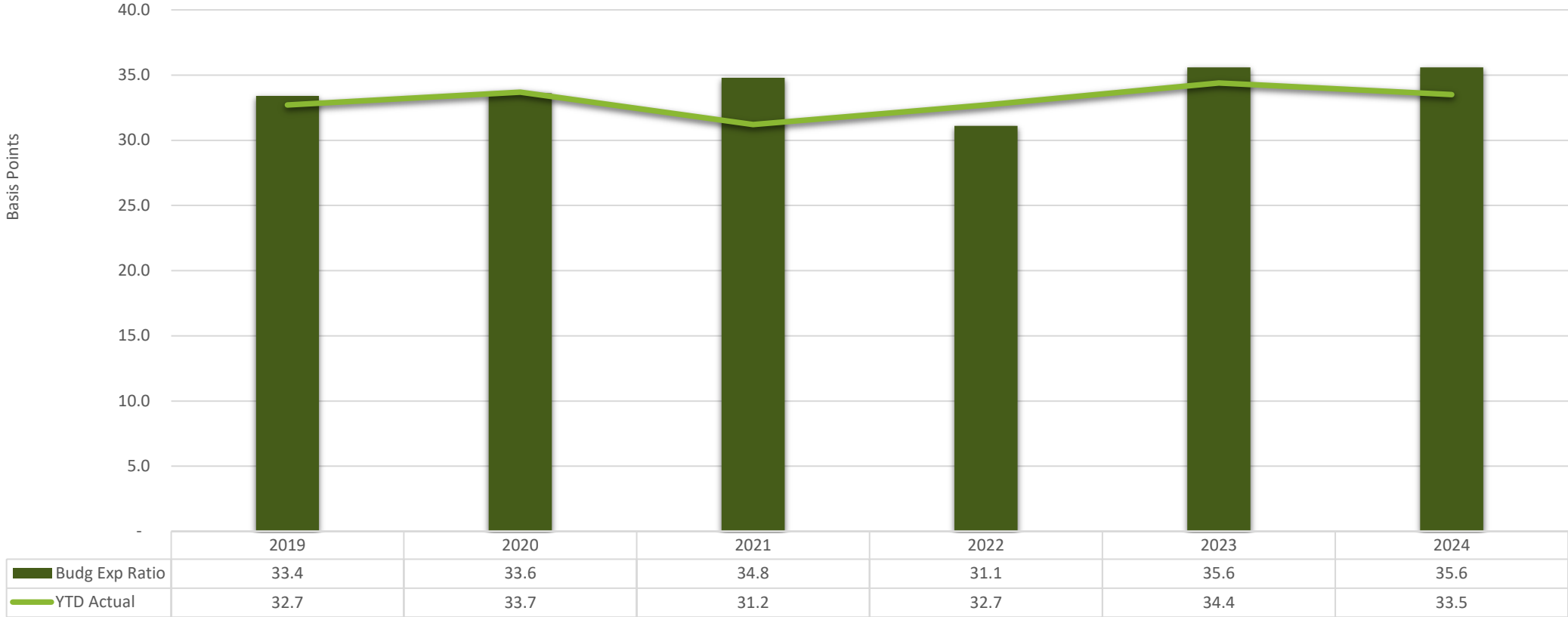


2024	Personnel	65.7%	Operating	43.9%	Capital	3.5%
2023	Personnel	66.2%	Operating	29.4%	Capital	26.2%
Target Rate	Personnel	76.9%	Operating	75.0%	Capital	75.0%

2024 2023 Target Rate

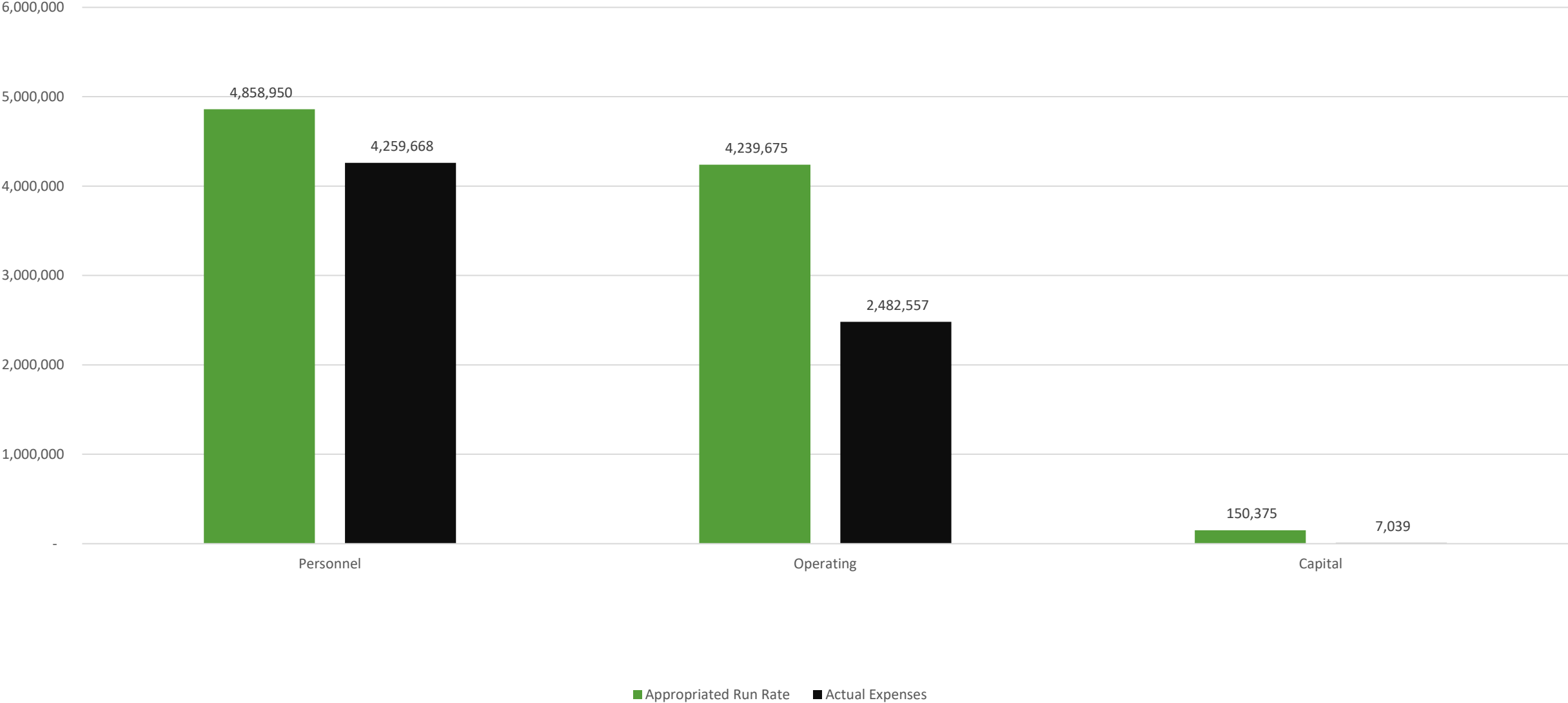
# Expense Ratio Comparison

\*Cash Basis\*

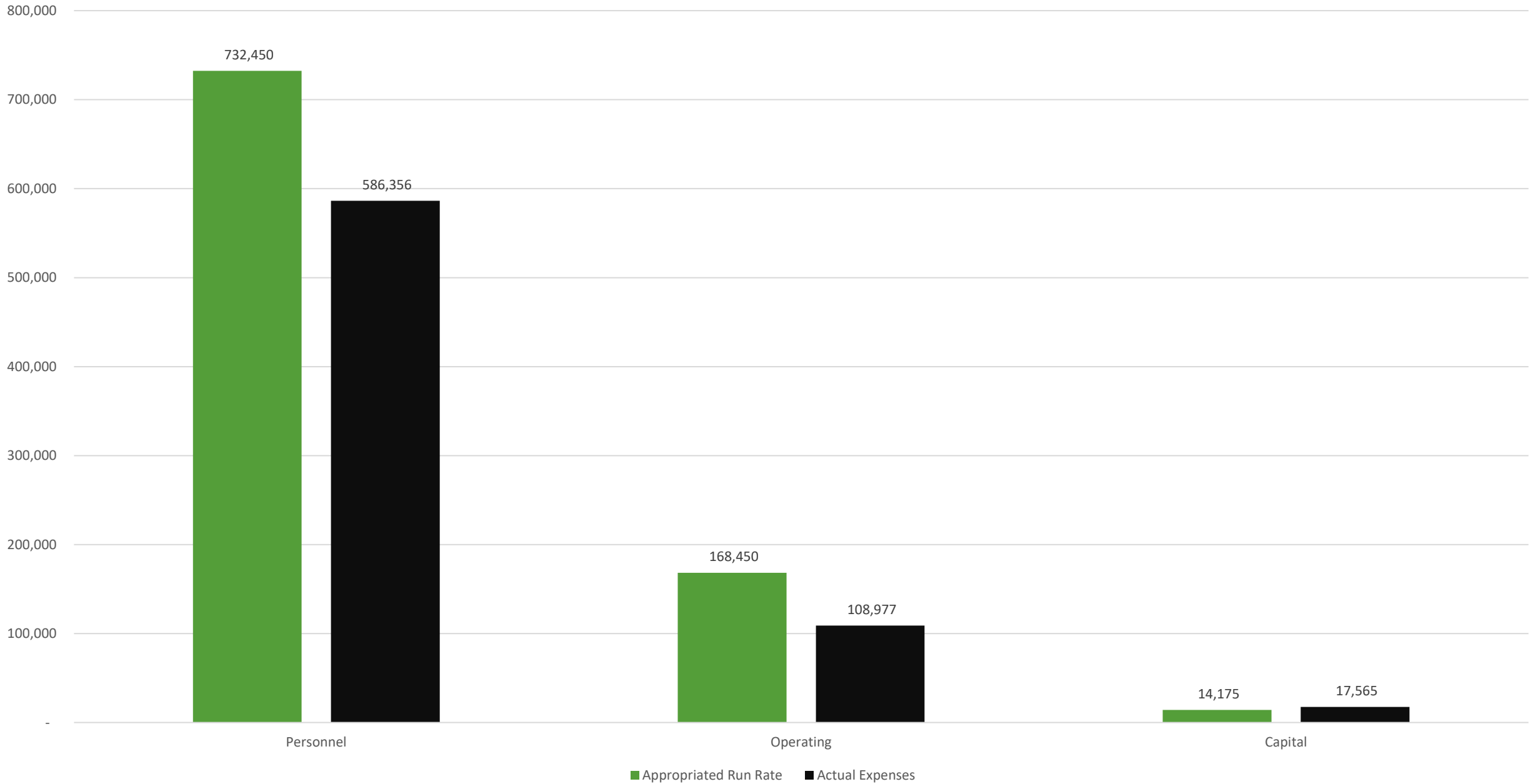


Budg Exp Ratio YTD Actual

# ADMINISTRATION



# PORTFOLIO



Agency Request / Gov Rec							Maintenance Bill HB 459					Enhancement Bill SB 1409					Total Comparison				
		PC	OE	CO	T/B	Total	PC	OE	CO	T/B	Total	PC	OE	CO	T/B	Total	PC	OE	CO	T/B	Total
<b>GVFA - Retirement Admin</b>																					
Admin	0550-01	\$ 6,616,500	\$ 5,628,600	\$ 345,700	\$ -	\$ 12,590,800	\$ 6,507,600	\$ 2,628,600	\$ -	\$ -	\$ 9,136,200	\$ 108,900	\$ 3,000,000	\$ 345,700	\$ -	\$ 3,454,600	\$ 6,616,500	\$ 5,628,600	\$ 345,700	\$ -	\$ 12,590,800
Special	0550-02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judges	0560-00	\$ 77,100	\$ 1,000	\$ -	\$ -	\$ 78,100	\$ 76,000	\$ 1,000	\$ -	\$ -	\$ 77,000	\$ 1,100	\$ -	\$ -	\$ -	\$ 1,100	\$ 77,100	\$ 1,000	\$ -	\$ -	\$ 78,100
<b>Total</b>		<b>\$ 6,693,600</b>	<b>\$ 5,629,600</b>	<b>\$ 345,700</b>	<b>\$ -</b>	<b>\$ 12,668,900</b>	<b>\$ 6,583,600</b>	<b>\$ 2,629,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,213,200</b>	<b>\$ 110,000</b>	<b>\$ 3,000,000</b>	<b>\$ 345,700</b>	<b>\$ -</b>	<b>\$ 3,455,700</b>	<b>\$ 6,693,600</b>	<b>\$ 5,629,600</b>	<b>\$ 345,700</b>	<b>\$ -</b>	<b>\$ 12,668,900</b>
<b>GVFC - Portfolio (Cont)</b>																					
Admin	0550-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special	0550-02	\$ 1,003,200	\$ 218,100	\$ 18,900	\$ -	\$ 1,240,200	\$ 988,800	\$ 218,100	\$ -	\$ -	\$ 1,206,900	\$ 14,400	\$ -	\$ 18,900	\$ -	\$ 33,300	\$ 1,003,200	\$ 218,100	\$ 18,900	\$ -	\$ 1,240,200
Judges	0560-00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ 1,003,200</b>	<b>\$ 218,100</b>	<b>\$ 18,900</b>	<b>\$ -</b>	<b>\$ 1,240,200</b>	<b>\$ 988,800</b>	<b>\$ 218,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,206,900</b>	<b>\$ 14,400</b>	<b>\$ -</b>	<b>\$ 18,900</b>	<b>\$ -</b>	<b>\$ 33,300</b>	<b>\$ 1,003,200</b>	<b>\$ 218,100</b>	<b>\$ 18,900</b>	<b>\$ -</b>	<b>\$ 1,240,200</b>
<b>Grand</b>		<b>\$ 7,696,800</b>	<b>\$ 5,847,700</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 13,909,100</b>	<b>\$ 7,572,400</b>	<b>\$ 2,847,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,420,100</b>	<b>\$ 124,400</b>	<b>\$ 3,000,000</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 3,489,000</b>	<b>\$ 7,696,800</b>	<b>\$ 5,847,700</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 13,909,100</b>

GVFA & GVFC Combo

		Original Agency Request					Gov Rec					LSO Proof				
		PC	OE	CO	T/B	Total	PC	OE	CO	T/B	Total	PC	OE	CO	T/B	Total
<b>DU</b>																
<b>9.00</b>	Base	\$ 7,531,100	\$ 2,878,500	\$ -	\$ -	\$ 10,409,600	\$ 7,531,100	\$ 2,878,500	\$ -	\$ -	\$ 10,409,600	\$ 7,531,100	\$ 2,878,500	\$ -	\$ -	\$ 10,409,600
<b>10.11</b>	Health	\$ 56,700	\$ -	\$ -	\$ -	\$ 56,700	\$ (60,800)	\$ -	\$ -	\$ -	\$ (60,800)	\$ (60,800)	\$ -	\$ -	\$ -	\$ (60,800)
<b>10.12</b>	Variable	\$ 40,400	\$ -	\$ -	\$ -	\$ 40,400	\$ 40,600	\$ -	\$ -	\$ -	\$ 40,600	\$ 40,600	\$ -	\$ -	\$ -	\$ 40,600
<b>10.31</b>	Rep. Items	\$ -	\$ -	\$ 282,600	\$ -	\$ 282,600	\$ -	\$ -	\$ 282,600	\$ -	\$ 282,600	\$ -	\$ -	\$ -	\$ -	\$ -
<b>10.41</b>	Fees	\$ -	\$ (18,700)	\$ -	\$ -	\$ (18,700)	\$ -	\$ (18,700)	\$ -	\$ -	\$ (18,700)	\$ -	\$ (18,700)	\$ -	\$ -	\$ (18,700)
<b>10.45</b>	Fees	\$ -	\$ 5,700	\$ -	\$ -	\$ 5,700	\$ -	\$ 5,700	\$ -	\$ -	\$ 5,700	\$ -	\$ 5,700	\$ -	\$ -	\$ 5,700
<b>10.46</b>	Fees	\$ -	\$ (18,000)	\$ -	\$ -	\$ (18,000)	\$ -	\$ (18,000)	\$ -	\$ -	\$ (18,000)	\$ -	\$ (18,000)	\$ -	\$ -	\$ (18,000)
<b>10.47</b>	Fees	\$ -	\$ 100	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ 100
<b>10.48</b>	Fees	\$ -	\$ 100	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ 100
<b>10.61</b>	1% CEC	\$ 61,500	\$ -	\$ -	\$ -	\$ 61,500	\$ 184,300	\$ -	\$ -	\$ -	\$ 184,300	\$ 61,500	\$ -	\$ -	\$ -	\$ 61,500
<b>10.67</b>	Comp Adj	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ -	\$ -	\$ -	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -
<b>11.00</b>	<b>Total Main</b>	<b>\$ 7,689,700</b>	<b>\$ 2,847,700</b>	<b>\$ 282,600</b>	<b>\$ -</b>	<b>\$ 10,820,000</b>	<b>\$ 7,696,800</b>	<b>\$ 2,847,700</b>	<b>\$ 282,600</b>	<b>\$ -</b>	<b>\$ 10,827,100</b>	<b>\$ 7,572,400</b>	<b>\$ 2,847,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,420,100</b>
<b>12.01</b>	Software	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
<b>12.02</b>	Cubicles	\$ -	\$ -	\$ 82,000	\$ -	\$ 82,000	\$ -	\$ -	\$ 82,000	\$ -	\$ 82,000	\$ -	\$ -	\$ 82,000	\$ -	\$ 82,000
<b>12.55</b>	Rep. Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,600	\$ -	\$ 282,600
<b>12.57</b>	2% CEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,400	\$ -	\$ -	\$ -	\$ 124,400
<b>13.00</b>	<b>Total Enhance.</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>	<b>\$ 82,000</b>	<b>\$ -</b>	<b>\$ 3,082,000</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>	<b>\$ 82,000</b>	<b>\$ -</b>	<b>\$ 3,082,000</b>	<b>\$ 124,400</b>	<b>\$ 3,000,000</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 3,489,000</b>
<b>Grand Total</b>		<b>\$ 7,689,700</b>	<b>\$ 5,847,700</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 13,902,000</b>	<b>\$ 7,696,800</b>	<b>\$ 5,847,700</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 13,909,100</b>	<b>\$ 7,696,800</b>	<b>\$ 5,847,700</b>	<b>\$ 364,600</b>	<b>\$ -</b>	<b>\$ 13,909,100</b>

\* Differences include adjustments to 10.11, 10.12, 10.61

2024 Regular Meeting Schedule

May 29

July 16

August 13

September 24

October 29

December 17



# Meeting of the PERSI Retirement Board

May 29, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

[www.persi.idaho.gov](http://www.persi.idaho.gov)

## AGENDA

### Wednesday, May 29

8:30 AM		<b>Call to Order</b>
	5	Approval of April 29 & 30 Board Meeting Minutes*
8:35 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	25	Callan Quarterly Report (Ann O'Bradovich)
	15	Monthly Portfolio Update
	20	Investment Manager Market Overview (IR +M))
9:35 AM	15	<b>Break</b>
9:50 AM		<b>Executive Director and Deputy Director</b>
	5	Monthly Administrative and Operations Update
	5	Legislative Ideas & Rules
	25	Judge's Retirement Fund Experience Study (Milliman)
	25	Annual Plan Review & Update (Plante Moran)
10:50 AM		<b>Chief Financial Officer</b>
	5	Fiscal Update/Travel & Expense Reports
	5	Quarterly Financial Statements
11:00 AM		<b>Board</b>
	5	Future Draft Agenda Review
	5	Trustee Call For Future Agenda Items*
11:10 AM	50	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)*
12:00 PM		<b>Adjournment</b>

\*Decision of the Board Requested

\*\*For purposes of entering executive session





# Meeting of the PERSI Retirement Board

July 16, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

[www.persi.idaho.gov](http://www.persi.idaho.gov)

## AGENDA

Tuesday, July 16

8:30 AM		<b>Call to Order</b>
	5	Approval of May 29 Board Meeting Minutes*
	5	Selection of Vice Chair*
8:40 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	20	Monthly Portfolio Update
	20	Investment Manager Market Overview (Placeholder)
9:20 AM		<b>Governance (Executive Director and Chief Investment Officer)</b>
	30	Section III - SS 22 - Securities Litigation
9:50 AM	15	<b>Break</b>
10:05 AM		<b>Executive Director and Deputy Director</b>
	20	Monthly Administrative and Operations Update
	20	Return to Work Cost Review (Milliman)
	20	Placeholder
11:05 AM		<b>Chief Financial Officer</b>
	5	Fiscal Update/Travel & Expense Reports
	10	Budget Setting/Preview
11:20 AM		<b>Board</b>
	5	Future Draft Agenda Review
	5	Trustee Call For Future Agenda Items*
11:30 AM	30	<b>Executive Session**</b> Idaho Code § 74-206 (1)(a)(b)*
12:00 PM		Adjournment

\*Decision of the Board Requested

\*\*For purposes of entering executive session



# Meeting of the PERSI Retirement Board

August 12, 2024 | 2:00 P.M. - 4:30 P.M.

August 13, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

[www.persi.idaho.gov](http://www.persi.idaho.gov)

## AGENDA

### Monday, August 12

2:00 PM		<b>Call to Order</b>
		<b>PERSI Choice 401(k) Plan Review</b>
2:00 PM	30	Callan (Ann, Ben)
	30	Empower (Dave Rameriz)
3:00 PM	15	<b>Break</b>
3:15 PM	30	PERSI Choice Plan Document (Diane Kaiser)
	30	Choice Plan Fee Review (Mike Anderson)
4:15 PM	15	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)(f)*
4:30 PM		<b>Recess</b>
5:00 PM		<b>Reconvene</b>
		Informal Board Dinner with spouses and paid personally
		400 S 4th St, Boise, ID 83702
8:30 PM		<b>Adjournment</b>

### Tuesday, August 13

8:30 AM		<b>Call to Order</b>
	5	Approval of July 16 Board Meeting Minutes*
8:35 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	20	Callan Quarterly Report (Ann O'Bradovich)
	15	Monthly Portfolio Update
	20	Investment Manager Market Overview (Placeholder)
9:30 AM	15	<b>Break</b>
9:45 AM		<b>Executive Director and Deputy Director</b>
	15	Monthly Administrative and Operations Update
	30	Contribution Rate Discussion (Cav Mac / Milliman)
	15	Annual Plan Review & Update (Plante Moran)
10:45 AM		<b>Chief Financial Officer</b>
	10	FY2026 Budget Proposal *
	10	Quarterly Financial Statements
	5	Fiscal Update/Travel & Expense Reports
11:10 AM		<b>Board</b>
	5	Future Draft Agenda Review
	5	Trustee Call For Future Agenda Items*
11:20 AM	40	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)*
12:00 PM		<b>Adjournment</b>

\*Decision of the Board Requested

\*\*For purposes of entering executive session



# Meeting of the PERSI Retirement Board

September 24, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

[www.persi.idaho.gov](http://www.persi.idaho.gov)

## AGENDA

### Tuesday, September 24

8:30 AM		<b>Call to Order</b>
	5	Approval of August 12th & 13th Board Meeting Minutes*
8:35 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	20	Monthly Portfolio Update
	20	Investment Manager Market Overview (Placeholder)
9:15 AM	15	<b>Break</b>
9:30 AM		<b>Executive Director and Deputy Director</b>
	10	Monthly Administrative and Operations Update
	30	Annual Actuarial Valuation Draft (Milliman)
	20	Contribution Rate Discussion (CavMac / Milliman)
10:30 AM		<b>Chief Financial Officer</b>
	5	Fiscal Update/Travel & Expense Reports
10:35 AM		<b>Board</b>
	5	Future Draft Agenda Review
	5	Trustee Call For Future Agenda Items*
10:45 AM	75	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)*
12:00 PM		<b>Adjournment</b>

\*Decision of the Board Requested

\*\*For purposes of entering executive session



# Meeting of the PERSI Retirement Board

October 29, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

[www.persi.idaho.gov](http://www.persi.idaho.gov)

## AGENDA

Tuesday, October 29

8:30 AM		<b>Call to Order</b>
	5	Approval of September 24th Board Meeting Minutes*
8:35 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	20	Monthly Portfolio Update
	20	Investment Manager Market Overview (Placeholder)
9:05 AM	15	<b>Break</b>
9:20 AM		<b>Executive Director and Deputy Director</b>
	15	Monthly Administrative and Operations Update
	15	Actuarial Valuations - Adoption* (Milliman)
	15	Contribution Rate Setting* (CavMac / Milliman)
	15	Postretirement Adjustment Allowance Discussion (CavMac/Milliman)
10:20 AM		<b>Chief Financial Officer</b>
	15	FY2023 Financial Audit Results* (Eide Bailly)
	5	Fiscal Update/Travel & Expense Reports
	5	Interest Rates
10:45 AM		<b>Board</b>
	5	Future Draft Agenda Review
	5	Trustee Call For Future Agenda Items*
10:55 AM	65	<b>Executive Session**</b> Idaho Code § 74-206 (1)(a)(b)*
12:00 PM		<b>Adjournment</b>

\*Decision of the Board Requested

\*\*For purposes of entering executive session



# Meeting of the PERSI Retirement Board

December 17, 2024 | 8:30 A.M. - 12:00 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83702

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## AGENDA

### Monday, December 16

2:00 PM		<b>Call to Order</b>
		<b>Private Equity Program Review</b>
	30	Callan (Ann / ?????)
	30	Hamilton Lane (Paul Yett)
3:00 PM	15	<b>Break</b>
3:15 PM		<b>Investment Advisors Program Review</b>
	15	Callan (Ann / ?????)
	45	Investment Advisors
4:15 PM		<b>Recess</b>
5:30 PM		<b>Reconvene</b>
		Informal Board Dinner with spouses and paid personally 400 S 4th St, Boise, ID 83702
8:30 PM		<b>Adjournment</b>

### Tuesday, December 17

8:30 AM		<b>Call to Order</b>
	5	Approval of October 29 Board Meeting Minutes*
8:35 AM		<b>Chief Investment Officer and Deputy Chief Investment Officer</b>
	20	Monthly Portfolio Update
	20	Advisor Comments
9:15 AM	15	<b>Break</b>
9:30 AM		<b>Executive Director and Deputy Director</b>
	20	Monthly Administrative and Operations Update
	20	Postretirement Adjustment Allowance Discussion*
	20	Placeholder
10:30 AM		<b>Chief Financial Officer</b>
	5	Fiscal Update/Travel & Expense Reports
	10	Quarterly Financial Statements
	5	Annual Comprehensive Financial Report *
10:50 AM		<b>Board</b>
	5	2025 Board Meeting Dates
	5	Future Draft Agenda Review
	5	Trustee Call For Future Agenda Items*
11:05 AM	55	<b>Executive Session**</b>
		Idaho Code § 74-206 (1)(a)(b)*
12:00 PM		<b>Adjournment</b>

\*Decision of the Board Requested

\*\*For purposes of entering executive session

# Board Investment Report

4/25/2024

		PERSI Portfolio					Sick Leave	
		Custodian: BNY Mellon					Custodian: State Street	
<b>Total Market Value:</b>		23,286,522,883					653,254,018	
<b>Total No. of Shares/Units</b>		51,760,439						
		DB	TRF	FRF	IFP	JRF	State	Schools
Fund Allocation Rate		92.60%	4.38%	2.27%	0.05%	0.47%	41.48%	58.52%
<b>Assets</b>		21,563,878,367	1,020,212,840	528,986,900	10,695,733	110,050,477	270,968,678	382,285,340
No. of Shares/Units		47,931,408	2,267,692	1,175,813	23,774	244,616		
<b>Returns</b>								
Daily		-0.36%	-0.36%	-0.36%	-0.36%	-0.36%	-0.44%	-0.44%
MTD		-2.88%	-2.88%	-2.88%	-2.88%	-2.88%	-3.21%	-3.19%
FYTD Gross		5.71%	5.71%	5.71%	5.71%	5.71%	6.87%	6.73%
FYTD Net*		5.36%	5.36%	5.36%	5.36%	5.36%	6.81%	6.67%
CYTD		0.79%	0.79%	0.79%	0.79%	0.79%	1.07%	0.98%
<b>Gross NAV</b>		449.8903629	449.8903629	449.8903629	449.8903629	449.8903629	523.524000	523.524000
<b>Net NAV</b>		439.134975						
<b>Asset Allocation of Fund</b>								
Cash		0.62%	0.62%	0.62%	0.62%	0.62%		
Equity		55.52%	55.52%	55.52%	55.52%	55.52%		
Fixed Income		29.34%	29.34%	29.34%	29.34%	29.34%		
Emerging Markets		14.52%	14.52%	14.52%	14.52%	14.52%		
Global Passive Equity/MSCI All Country ex-U.S.							10.69%	10.95%
US Passive Fixed Income/Govt Credit Index				N/A			45.30%	46.43%
US Passive Equity/Russell 3000 Index							44.02%	42.62%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Funding Ratio Net of Fees**</b>		84.0%		208.5%		84.8%	225.9%	123.2%
<b>Amortization Period in Years***</b>		12.4				11.4		

\*FYTD Net of Fees Return for DB, TRF, FRF, IFP, and JRF are based on estimated total fees equal to 35 basis points.

\*\*Funding Ratio Net of Fees is estimated using Milliman modeling templates, which are based upon the most recent completed annual valuation. Estimates are prepared solely for internal informational purposes and are not intended for any other purposes.

\*\*\*Plans with a funding ratio over 100% do not have an amortization period.