



Meeting of the PERSI Retirement Board
December 9, 2025 | 8:30 A.M. - 1:30 P.M.
PERSI Office - 607 N. 8th St. Boise, ID 83702
www.persi.idaho.gov

AGENDA

Tuesday, December 9

- | | | |
|----------|---|--------------------------------------|
| 8:30 AM | Call to Order Welcome | Jeff Cilek |
| | I. Approval of Minutes | Jeff Cilek |
| | * A. Draft of October 14, 2025 Minutes | |
| 8:35 AM | II. Operations Administration | Mike Hampton |
| | A. Operations/Administration Update | Mike Hampton |
| | * B. Postretirement Allowance Adjustment - Milliman | Robert Schmidt, Ryan Cook |
| | C. Modeling input for future decision points | Mike Hampton |
| 9:40 AM | Break | |
| 9:55 AM | III. Fiscal Budget | Mike Anderson |
| | A. Fiscal Update/Travel & Expense Reports | |
| | B. Quarterly Financial Statements | |
| | C. Fiscal Audit Reports 2025 | Brad Berls, Abbie Belthoff |
| | D. Annual Comprehensive Financial Report | |
| 10:15 AM | IV. Board | Jeff Cilek |
| | A. 2026 Draft Board Workplan | Amy McDuffee, Natasha Smith |
| | B. Trustee Call for Future Agenda Items | |
| 11:00 AM | V. Investments Portfolio | Richelle Sugiyama, Chris Brechbuhler |
| | A. Callan Quarterly Report | Greg Allen |
| | B. Monthly Portfolio Update | Richelle Sugiyama, Chris Brechbuhler |
| | C. Real Estate Update - AEW | Adam Schwank, Michael Byrne |
| 11:40 AM | Break - Reconvene in 3rd Floor conference room | |
| 12:00 PM | ** Executive Session - Idaho Code § 74-206 (1)(a)(b)(f) | Jeff Cilek |
| 1:30 PM | Adjournment | |

TEAMS LINK:

<https://events.gcc.teams.microsoft.com/event/2c7be603-0d50-43e1-9763-c038e8d4d052@736a4c44-1ef2-4377-9710-9ed330bd67ae>

* Decision / Action of the Board Requested

** For the purpose of entering into Executive Session



December 9, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: 2025 Employer and Member Meetings

Summary:

Since the October Board meeting I have held a number of employer and member meetings.

Key Discussion:

- 1) Employer meetings
 - a. Over three separate weeks I had twelve different employer meetings across the state.
 - b. Primary feedback:
 - i. Contribution rates timing and likelihood of going into effect.
 - ii. School sick leave contribution rate holiday.
 - iii. Return to work sunset(s) and impact to employer.
 - iv. Employer reporting portal update.
 - c. 140+ different employers, 220+ attendees/members, 9 legislators.
- 2) Retiree Townhall
 - a. We held our first Townhall for retirees on November 24th.
 - b. Provided an overview of PAA's:
 - i. Idaho Statute §59-1355 and the different types of PAA's.
 - ii. History of Board actions from 2007 through 2024.
 - iii. The bucket story.
 - iv. Timeline of review, action and approval of PAA's.
 - c. 55+ in person, 230+ online, 80+ via phone.
- 3) Bucket Story
 - a. The bucket story has been very helpful in explaining and visually representing how a pension fund works.
 - b. The story simplifies the myriads of complex actuarial concepts into a simple visual representation of the fund and the key elements.
 - c. It has been very effective with employers, members and legislators.

Action:

No action required. Informational.



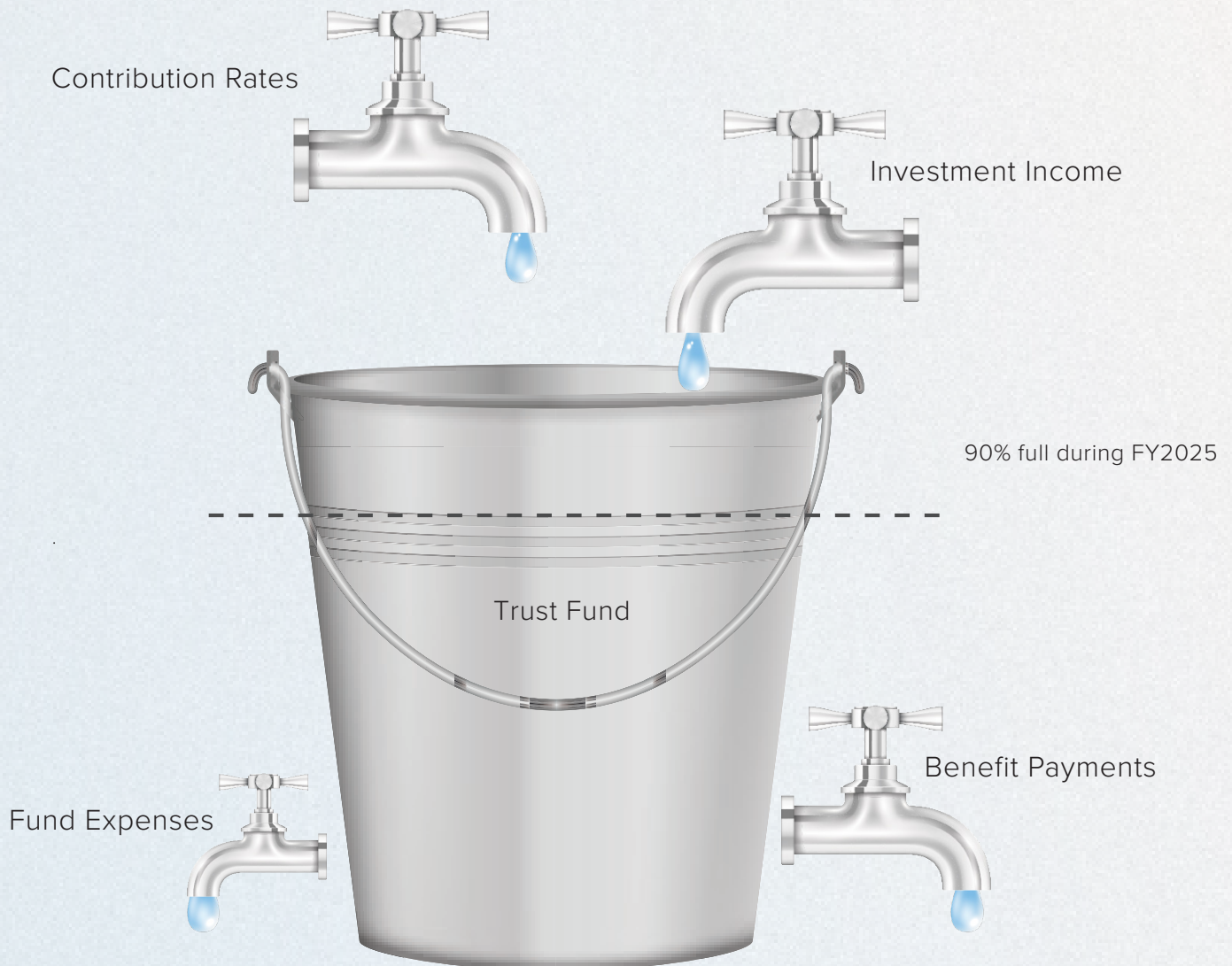
PERSI: The Trust Fund

In 1963, the 37th Legislature created PERSI under Idaho Code §59-1301, and established how to fund a pension system that would provide long-term retirement benefits for Idaho's career public servants. The legislature, in its considered judgment, the public good, and the general welfare of the citizens of the state enacted this measure so that public servants are less likely to rely on public assistance at retirement because of their PERSI benefit.

A pension system has many complex components that must be in balance to maintain a fiscally

sound, long term sustainable fund in order to pay the vested benefits to members and their beneficiaries throughout the remainder of their life. Due to the foresight of the legislature and the conservative management of the fund by the Trustees, PERSI continues to be well funded and sustainable for the lifetime of its members and beneficiaries.

Below is a simple illustration with explanation of how the PERSI trust fund works with the associated inflows and outflows.



THE BUCKET STORY

THE FUND:

Think of the PERSI Trust Fund as a bucket, holding the assets of the trust. Currently, the bucket is actuarially determined to be 90% full.

To adjust the level of funds inside the bucket, there are two faucets that represent the inflows into the bucket and two faucets that represent the outflows out of the bucket.

In a perfect actuarial world, the bucket would be 100% full and the inflows into the bucket would exactly match the outflows out of the bucket to maintain an ongoing 100% funded level.

INFLOWS:

There are two of inflows into the bucket – contributions and investment earnings. Contributions are the consistent, steady inflow into the bucket. Investment earnings are the second inflow into the bucket, but this faucet is not steady or consistent.

Sometimes the investment inflow is larger than expected and fills the bucket at a quicker pace than the outflow from the bucket.

Sometimes the investment inflow is at a trickle or turned completely off due to a down market, thus the level inside the bucket drops.

OUTFLOWS:

There are two outflows out of the bucket – fund expenses and benefit payments. The fund expense outflow is a consistent and steady small outflow, compared to the size of the bucket.

The large outflow faucet is the benefits paid to the members and their beneficiaries. The benefit payments outflow can be turned up to increase the outflows, but there is little to no ability to turn this faucet down.

The outflows can be impacted by demographic

changes (e.g. members and beneficiaries living longer or shorter lives) or through benefit changes (e.g. increases or decreases to current vested benefit calculations).

FUNDED LEVEL:

The PERSI Board of Trustees is fiduciarily responsible for managing the inflows and outflows of the bucket to maintain a strong, sustainable funded level within the bucket.

The Board uses actuarial reasonable assumptions to budget for the inflow needed into the bucket to match or exceed (when the bucket is not full) the outflow projected out of the bucket. If the outflows out of the bucket exceed the inflows the level in the bucket drops.

When a drop in the level of the bucket occurs, for example in a down market, it reduces the ability of the investment return faucet to provide the same long term level of inflow, which ultimately causes the level in the bucket to drop faster.

In the event that level in the bucket is reduced down to zero, the investment earnings faucet can no longer provide the inflow into the bucket, leaving contributions as the only inflow. At that point in time, the outflows out of the bucket can only match the contribution inflow into the bucket.

THE BOARD:

Overall, PERSI's Board of Trustees is tasked with maintaining as full a bucket as possible while balancing the competing interests associated with inflows and outflows.

Through the Board's efforts and with the plan sponsors foresight, the PERSI plan is well funded and sustainable.



December 9, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Postretirement Allowance Adjustment (I.C. 59-1355)

Summary:

Idaho Code 59-1355 Postretirement Allowance Adjustment (PAA) outlines in statute how postretirement benefit adjustments (otherwise referred to as COLA's) are to be applied and the timeframes for implementation. Any ad-hoc PAA proposed above the automatic PAA outlined in Idaho Code, must be communicated by letter to the legislature no later than January 15th.

Key Discussion:

- The automatic PAA is based upon the August-to-August CPI-U. The Bureau of Labor Statistics released the August-to-August CPI-U on September 11th, 2025, with a seasonal adjusted rate of 2.9%.
- Future proposed contribution rate increases of 2.50% (7/1/2027) and 1.25% (7/1/2028) have been delayed but have not been eliminated. Under the most recent valuation, elimination of proposed contribution rates would put the amortization period to 13.9 years.
- Retro PAAs from 2011 through 2019 were proposed by the Board and legislatively approved and applied to retirement benefits in March of 2020.
- A 1% one-time ad-hoc PAA adds \$130 million to the Actuarial Accrued Liability (AAL) of the Fund. A 1% on-going increase in the annual PAA adds \$2.6 billion to the UAAL of the Fund (page 28, July 1, 2025, Actuarial Valuation).

Action:

Options for the Board to consider:

- Take no action and an automatic PAA of 1% will be applied to all retirement benefits in March of 2025.
- Propose an additional ad-hoc retroactive PAA, favoring oldest forward, subject to legislative approval.

2025 PERSI PAA Analysis

Ryan Falls, FSA, EA, MAAA

Ryan Cook, FSA, EA, MAAA

DECEMBER 9, 2025

Agenda

- Background
- Available PAAs this year
- Example PAA scenarios
- Board discussion and decision

Background on Postretirement Allowance Adjustments (PAAs) in PERSI

Idaho Code Section 59-1355

Automatic PAAs

Lesser of 1% and CPI-U (August–August)

Automatic, so requires no Board action

Discretionary PAAs

Up to the difference between CPI-U and the automatic PAA

Max of 5%

Discretionary, so requires a vote of the Board to recommend

Subject to legislative approval

Retro PAAs

Up to the difference between prior years' CPI-U and PAAs

Only applies to members who left active membership prior to the retro year

Discretionary, so requires a vote of the Board to recommend

Subject to legislative approval

All PAAs are effective the following March 1st



Available PAAs for March 2026

If inflation (CPI-U) exceeds 1% then the Board can recommend discretionary PAAs as long as the amortization period remains under 25 years. The amortization period from the 2025 valuation was 8.2 years (reflecting all scheduled rate increases).

CPI-U increased by 2.9% from August 2024 through August 2025.

| PAA Type | Year | Amount | Impact on Amortization Period (years) | Present Value of Cost | Undiscounted Total Cost |
|---------------|------|--------|---------------------------------------|-------------------------------|-------------------------------|
| Automatic | 2025 | 1.0% | Already included in valuation | Already included in valuation | Already included in valuation |
| Retro PAAs | 2021 | 1.7% | +0.5 | \$164 m | \$311 m |
| | 2022 | 7.2% | +2.7 | \$775 m | \$1,496 m |
| | 2023 | 2.7% | +1.2 | \$337 m | \$660 m |
| | 2024 | 1.5% | +0.8 | \$206 m | \$412 m |
| Discretionary | 2025 | 1.9% | +1.0 | \$277 m | \$561 m |
| Total | | 16.9% | +6.2 | \$1,759 m | \$3,440 m |

PAA amount may not foot due to multiplicative effect of Retro PAAs.

Example PAA Scenarios

Following are example PAA decisions. Board options are not limited to those shown on this slide.

The below table shows the amortization periods and minimum returns under three contribution rate scenarios.

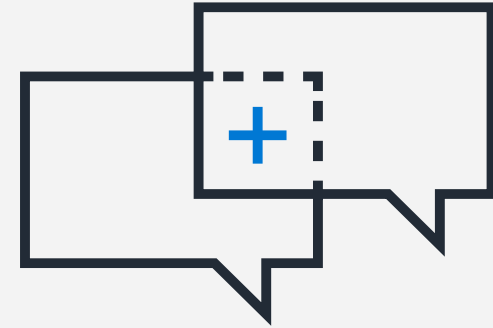
The concept of paying for the Retro PAAs through "excess investment gains" is demonstrated in Appendix A, Slide 10.

| Total 2025 Retro PAA ¹ | Present Value of Cost | <u>With Currently Scheduled Rates</u> | | <u>With 2027's 2.5% Increase Canceled</u> | | <u>With Both Rate Increases Canceled</u> | |
|-----------------------------------|-----------------------|---------------------------------------|--------------------------------------|---|--------------------------------------|--|--------------------------------------|
| | | 7/1/2025 Amort. Period | FYE 2026 Minimum Return ² | 7/1/2025 Amort. Period | FYE 2026 Minimum Return ² | 7/1/2025 Amort. Period | FYE 2026 Minimum Return ² |
| 0.0% | N/A | 8.2 yrs | -12.2% | 11.3 yrs | -3.9% | 13.9 yrs | 0.0% |
| 1.0% | \$96 m | 8.5 yrs | -11.8% | 11.8 yrs | -3.4% | 14.6 yrs | 0.4% |
| 1.3% | \$125 m | 8.6 yrs | -11.7% | 11.9 yrs | -3.3% | 14.8 yrs | 0.6% |
| 1.7% | \$164 m | 8.7 yrs | -11.5% | 12.1 yrs | -3.1% | 15.1 yrs | 0.7% |
| 2.0% | \$195 m | 8.8 yrs | -11.3% | 12.3 yrs | -3.0% | 15.3 yrs | 0.9% |
| 3.0% | \$292 m | 9.1 yrs | -10.9% | 12.8 yrs | -2.6% | 16.0 yrs | 1.3% |

¹ Potential retro PAA that could be recommended by the Board in December 2025, effective March 1, 2026.

² Minimum asset return that would be needed in FYE 2026 to avoid the July 1, 2026, amortization period being above 25.0 years, assuming no other gains or losses.

Board Discussion and Decision



Certification

The purpose of this analysis is to give the PERSI Board insight into the impact of various PAA decisions/policies.

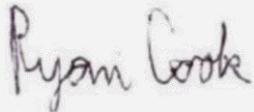
All caveats and limitations from our July 1, 2025, PERSI actuarial valuation report apply to this presentation.

See the Risk Disclosure sections of our July 1, 2025, actuarial valuation report for a summary of risks relevant to the plan.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Ryan Falls, FSA, EA, MAAA
Principal and Consulting Actuary



Ryan J. Cook, FSA, EA, CERA, MAAA
Consulting Actuary



Thank you

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Appendix A

Example PAAs Scenarios – Funding Analysis

| 2025 Retro PAA ¹ | <u>Valuation Impact</u> | | | <u>Analysis of Funding for Retro PAA</u> | | |
|-----------------------------|-------------------------|--------------------------------------|------------------------------------|---|----------------|---|
| | 7/1/2025 Amort. Period | FYE 2026 Minimum Return ² | Present Value of Cost of Retro PAA | Cost Covered by FY2025 Excess Investment Gains ³ | Remaining Cost | Contribution Rate Increase to Cover Remaining Cost over 20 yrs ⁴ |
| 0.0% | 11.3 yrs | -3.9% | N/A | N/A | N/A | N/A |
| 1.0% | 11.8 yrs | -3.4% | \$96m | \$96m | \$0m | 0.00% |
| 1.3% | 11.9 yrs | -3.3% | \$125m | \$125m | \$0m | 0.00% |
| 2.0% | 12.3 yrs | -3.0% | \$195m | \$127m | \$68m | 0.11% |
| 3.0% | 12.8 yrs | -2.6% | \$292m | \$127m | \$165m | 0.27% |
| 4.0% | 13.4 yrs | -2.1% | \$399m | \$127m | \$272m | 0.44% |
| 5.0% | 14.0 yrs | -1.6% | \$506m | \$127m | \$379m | 0.61% |

¹ Potential retro PAA that could be recommended by the Board in December 2025, effective March 1, 2026.

² Minimum asset return that would be needed in FYE 2026 to avoid the July 1, 2026, amortization period being above 25.0 years, assuming no other gains or losses.

³ Based on a definition that 13% of investment gains (i.e., returns above the actuarial assumption) are excess. See discussion below for more details.

⁴ Contribution rate increase that would be needed to pay for the remaining cost of the retro PAA (above that covered by the excess investment gains) over the period ending 20 years from the 7/1/2025 valuation date, assuming the contribution rate increase goes into effect two years after the valuation date.

Discussion of the retro PAA funding analysis

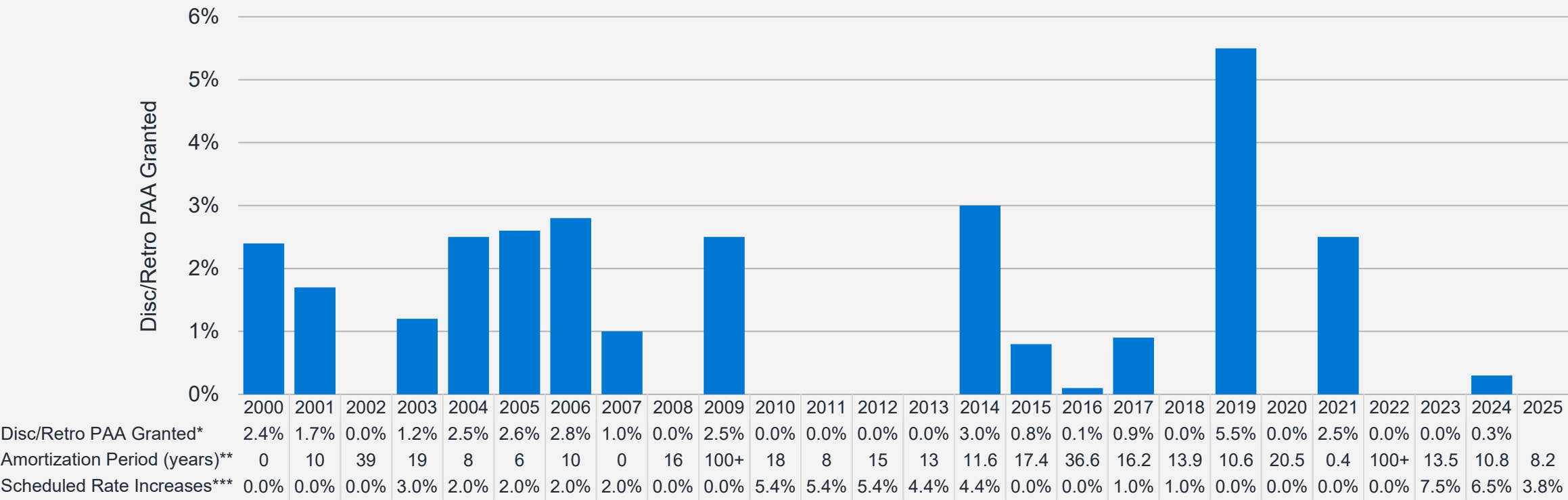
There are two primary sources of funding for retro and discretionary PAAs: excess investment gains and increased contributions. Note that other actuarial gains (e.g., demographic, salary, assumption changes, etc.) could also be used, but those are typically smaller or less frequent and expected to average close to zero over the long-term, so we've focused on investment gains and contributions here.

Investment gains are investment returns above the actuarial assumption (currently 6.55% net of investment expenses or 6.50% net of all expenses). Investments are expected to be volatile from year to year with some years producing investment gains and others, losses. So, much of the investment gains that occur from year to year need to be held in the trust to cover the expected investment losses. However, the Board elected a conservative investment return assumption (6.55% net of investment fees) when compared to the projected 10-year portfolio return of 7.21% from Callan's 12/31/2024 capital market expectations. This conservatism means that investment gains are expected to exceed losses over the long term. Or, said another way, only a portion of the investment gains are necessary to cover the expected investment losses, and the remaining investment gains are considered as "excess investment gains". Specifically, our analysis, based on the Board elected assumption and Callan's 12/31/2024 capital market expectations, showed that investment gains are expected to be 13% larger than expected losses over the long-term, i.e., 13% of investment gains are excess.

For example, in FYE 2025, the plan experienced a \$976 million investment gain. Based on our analysis using Callan 12/31/2024 capital market expectations, 87% of that (\$849 million) will be needed to cover future expected investment losses. The remaining 13%, \$127 million, are excess investment gains and can be used to cover other costs such as retro or discretionary PAAs. Any retro or discretionary PAA costs above \$127 million will need to be funded through future years' excess investment gains or through higher contribution rates. Above we show the hypothetical contribution rate increase needed to fund these additional costs over a 20-year amortization period. These can be thought of as future contribution rate increases that may be needed if the cost of the retro-PAA granted this year exceeds the \$127 million of excess investment gains.

Previously Granted Discretionary / Retro PAAs

Since 2005



*PAA approved by Board in year listed; effective March 1st of the following year.
**Amortization period as of July 1st including contribution rate increases scheduled as of the measurement date.
***Pending contribution rate increases scheduled as of July 1st.

Contribution Rates Historical Practice

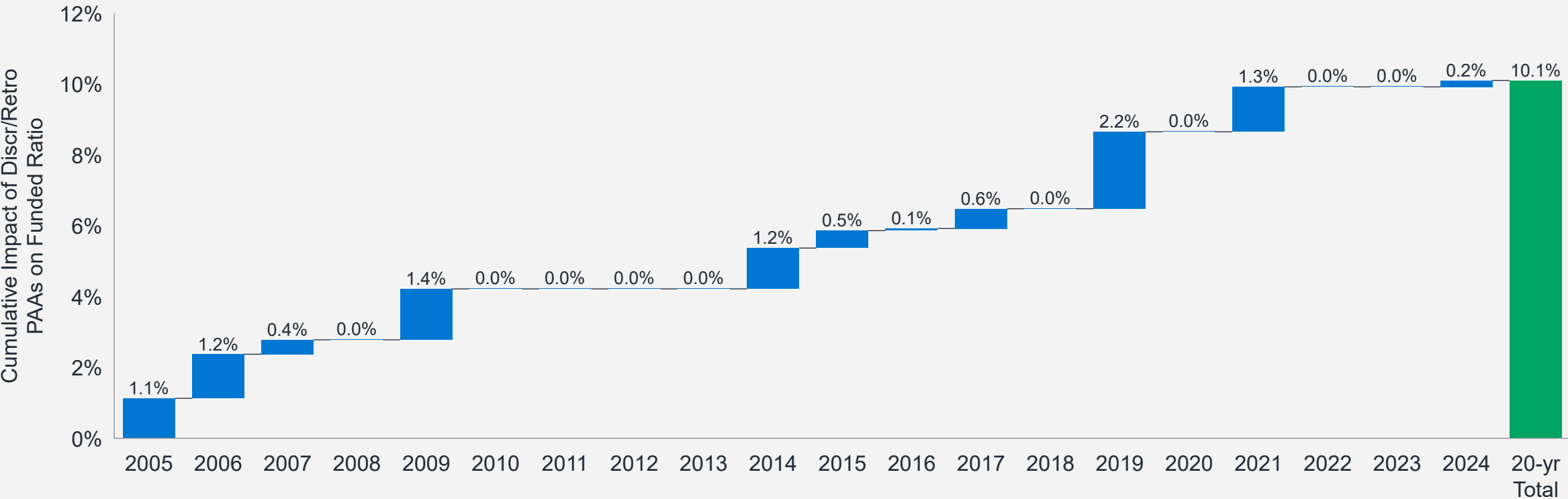
| Key | | | | |
|------------------------------------|------------------------------------|--|--|----------------------|
| Adopted [Effective Date] | Delayed [Effective Date] | Rate Change [Effective Date] | Implemented [Effective Date] | Canceled X |

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------|------|-------|-------|-------|------|------|-------|-------|-------|------|-------|------|------|-------|-------|------|-------|------|-------|------|-------|-------|------|
| Proposed Contribution Rate Increase | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.00% | 07/04 | | 07/04 | | | | | | | | | | | | | | | | | | | | | |
| 1.00% | 07/05 | | 07/06 | 07/07 | 07/08 | X | | | | | | | | | | | | | | | | | | |
| 1.00% | 07/06 | | 07/07 | 07/08 | 07/09 | X | | | | | | | | | | | | | | | | | | |
| 1.50% | | | | | | | | 07/11 | 07/12 | 07/13 | | 07/13 | | | | | | | | | | | | |
| 1.50% | | | | | | | | 07/12 | 07/13 | 07/14 | | 07/15 | X | | | | | | | | | | | |
| 2.28% | | | | | | | | 07/13 | 07/14 | 07/15 | | 07/16 | X | | | | | | | | | | | |
| 1.00% | | | | | | | | | | | | | | | 07/18 | 07/19 | | 07/19 | | | | | | |
| 1.25% | | | | | | | | | | | | | | | | | | | | 07/24 | | 07/24 | | |
| 2.50% | | | | | | | | | | | | | | | | | | | | 07/25 | | 07/26 | 07/27 | |
| 3.75%, reduced to 1.25% | | | | | | | | | | | | | | | | | | | | 07/26 | | 07/27 | 07/28 | |

Cost of 20 years of Discretionary/Retro PAAs

Cumulative Impact on Funded Ratio

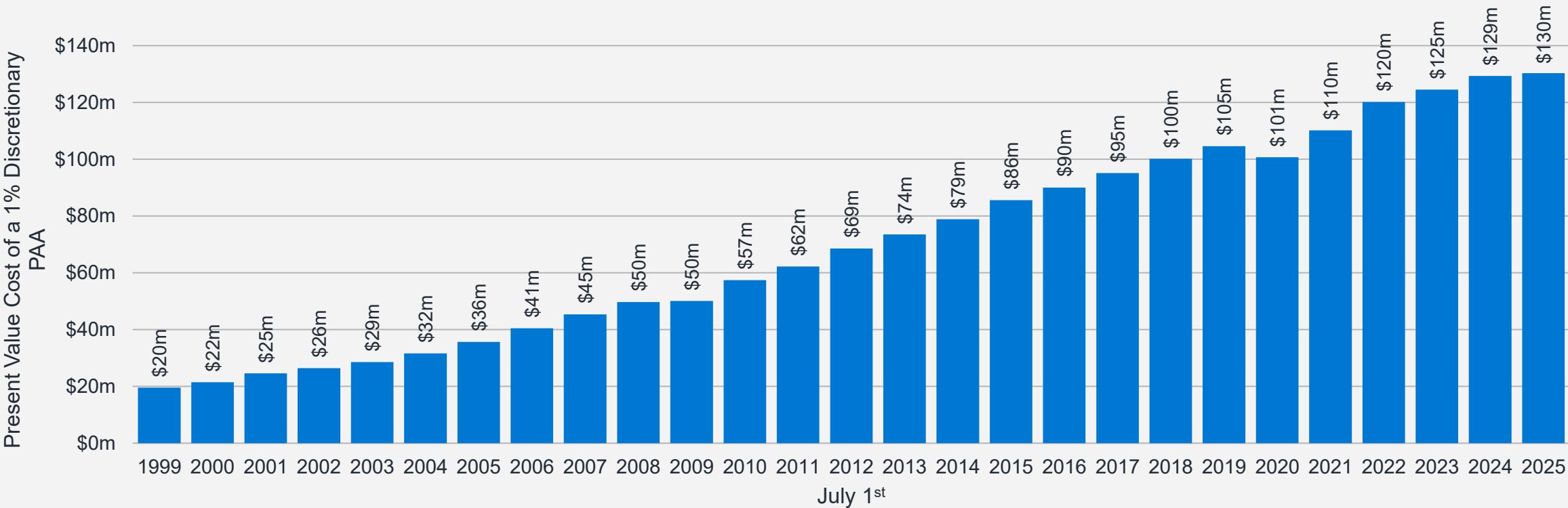
Cumulative
impact on 2025
UAAL = \$2.4b



The value for each year is the estimated impact of the discretionary/retro PAA on the AAL as of July 1st, divided by assets as of July 1st. Accumulating these, as shown above, gives a rough estimate of the cumulative impact on the funded ratio. However, it does not account for how demographic experience gains/losses and assumption changes have affected the costs of the PAAs.

Rising Cost of PAAs

Present Value of Cost



Present value cost of a 1% discretionary PAA is measured as the impact on the July 1st Actuarial Accrued Liability (AAL), prior to any potential retro-PAAs (i.e., on a last-in-first-out basis).

Rising Cost of PAAs

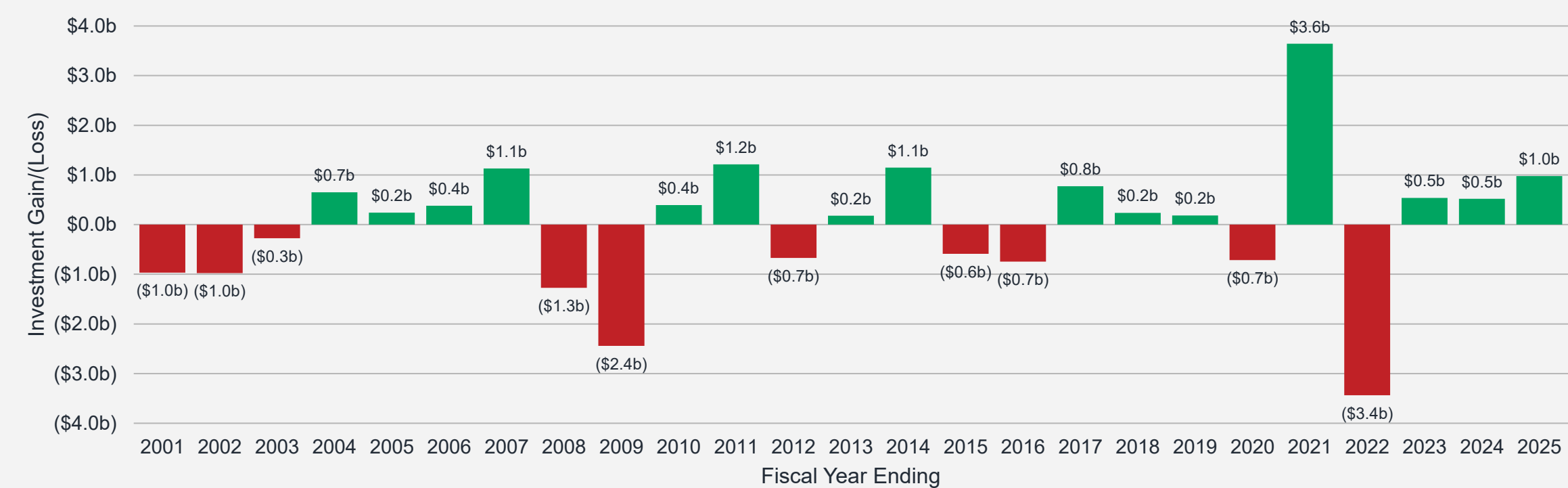
Undiscounted Total Cost



Undiscounted total cost of a 1% discretionary PAA is measured as the sum of the increase in all future projected benefits payments. The measurement is as of July 1st and is prior to any potential retro-PAAs (i.e., on a last-in-first-out basis).

Historical Investment Gains/(Losses)

Compared to Actuarial Assumption



Investment gain/(loss) for the fiscal year ending on June 30th of the year shown as compared to the actuarial assumed investment return for that year.

Appendix B

Sustainability Modeling

Sample PAA models

We made specific assumptions about future discretionary/retro PAAs in our sustainability modeling. We can look at various other assumptions to see how they impact the projections.

Below are three examples of model assumptions. We can analyze additional upon request.

Note that without the scheduled rate increases the July 1, 2025, amortization period is 13.9 years.

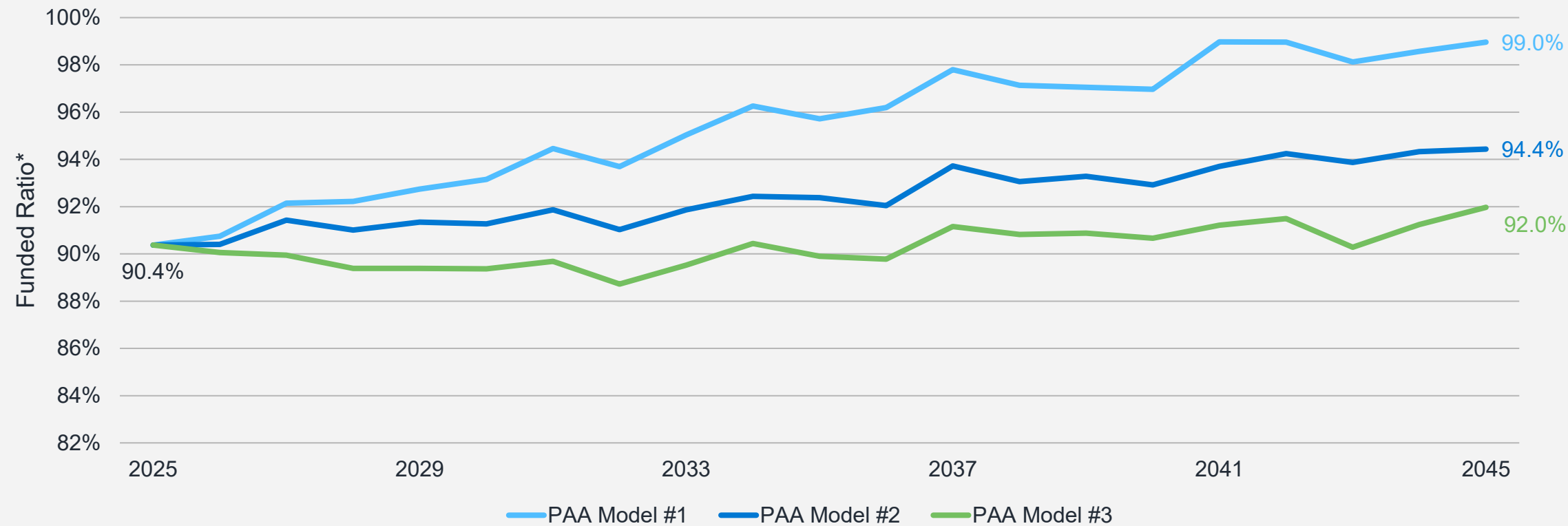
| Discretionary/Retro PAA granted | | | |
|---------------------------------|--------------|---|---------------|
| Amortization Period* | PAA Model #1 | PAA Model #2 (from sustainability modeling presentation) | PAA Model #3 |
| 0.0 years | 3.0% | 6.0% | Max available |
| 0.1–10.0 years | 0.0% | 2.0% | 4.0% |
| 10.1–15.0 years | 0.0% | 1.0% | 2.0% |
| 15.1+ years | 0.0% | 0.0% | 0.0% |

*Amortization period as of the July 1st prior to the effective date of the PAA, based on no scheduled contribution rate changes.

Sustainability Modeling

Funded Ratio under different PAA models

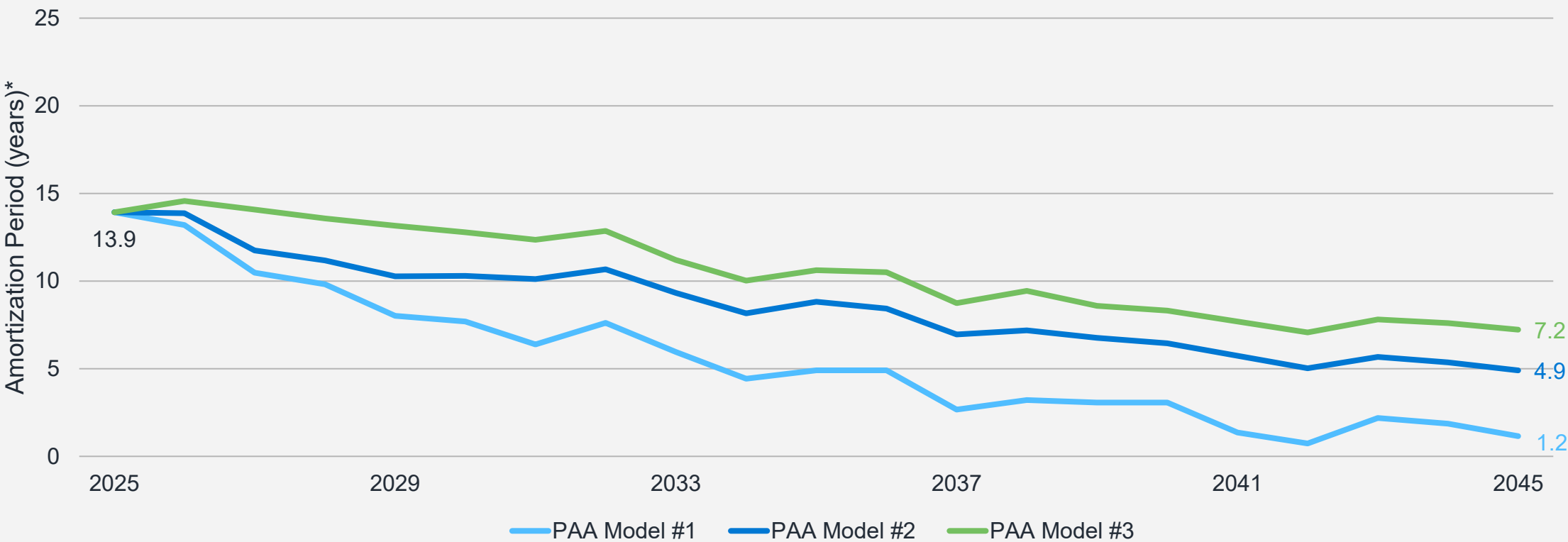
With contribution rates decreasing by 1.25% each year funded ratio above 110%



*Funded ratios shown here are the median projected funded ratios as of July 1st based on the assumptions described on assumptions slide.

Sustainability Modeling

Amortization Period under different PAA models
With contribution rates decreasing by 1.25% each year funded ratio above 110%

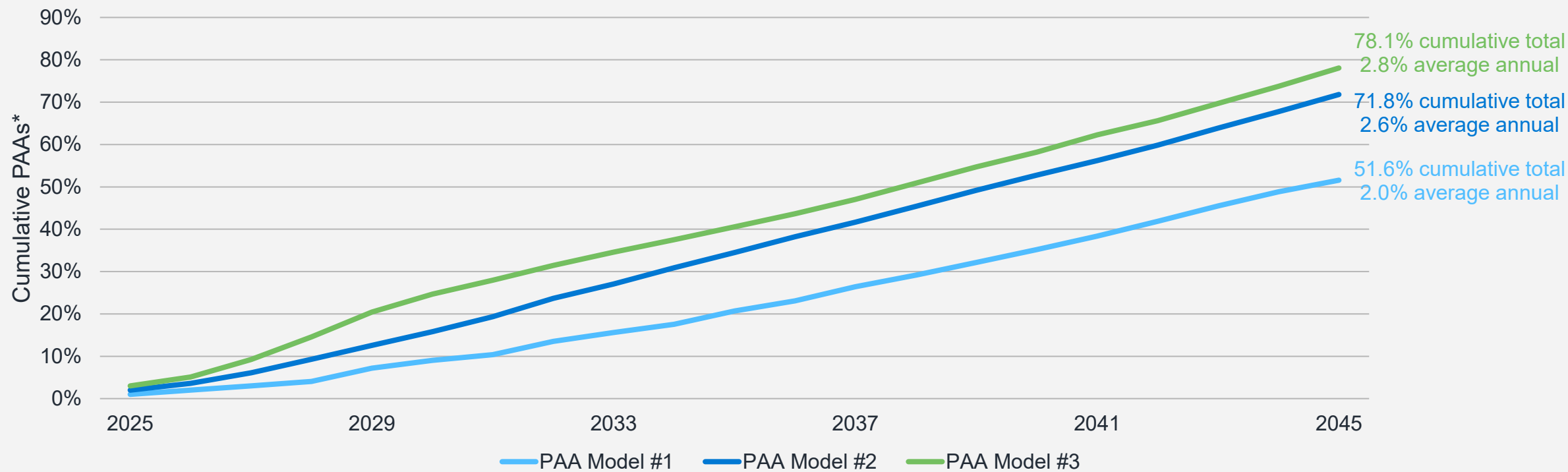


*Amortization periods show here are the median projected amortization period as of July 1st based on no scheduled rate increases and the assumptions described on assumptions slide.

Sustainability Modeling

Cumulative PAAs under different PAA models
With contribution rates decreasing by 1.25% each year funded ratio above 110%

Total benefit increases for a member retired in 2025

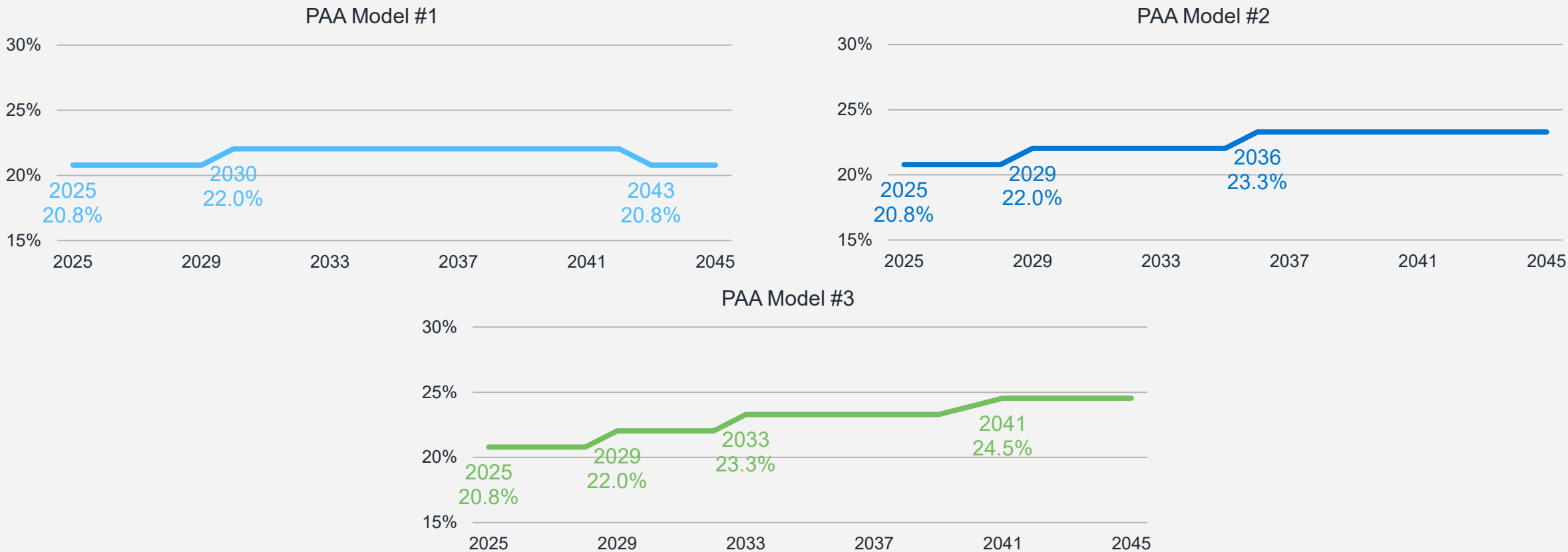


*Shows the median projected cumulative PAAs over the projection period. PAAs are labeled based on the year in which they would be approved by the Board (i.e., the year prior to the March 1st in which they are effective). The average annual PAA shown is the median geometric mean PAA over the projection period. See assumptions slide for more information.

Sustainability Modeling

Contribution Rates under different PAA models

With contribution rates decreasing by 1.25% each year funded ratio above 110%



*Shows total aggregate contribution rate—i.e., the weighted average of the General, Teacher, and Safety employer plus member rates—as of July 1st. Rates shown are the median projected contribution rates based on the assumptions described on the assumptions slide.

Projection Assumptions

- 2,000 random market scenarios were generated using Callan's 2025 capital market assumptions, adjusted for a mean long term investment return (net of investment and administrative expenses) of 6.50% and mean inflation of 2.40%.
- Contribution rates were increased by 1.25% each year the amortization period was above 25-years (1-year lag).
 - Model does not automatically incorporate the scheduled contribution rate increases as of July 1, 2025.
- Contribution rates were decreased by 1.25% each year the funded ratio was above 110% (1-year lag).
- In PAA Model #2, a 6.0% discretionary/retro PAA was granted each year the amortization period was 0 years, 2.0% when below 10 years, 1.0% when below 15 years, and none when the amortization period was above 15 years.
 - Discretionary/retro PAAs are granted on a first-in-first-out basis.
 - Uses August 2024–August 2025 actual CPI-U (2.9%) to determine the PAA available for 2025
 - Grants of discretionary/retro PAAs are capped by the available PAAs due to inflation
- In PAA Model #1, a 3.0% discretionary/retro PAA was granted each year the amortization period was 0 years, and none when the amortization period was above 0 years.
- In PAA Model #3, the max discretionary/retro PAA was granted each year the amortization period was 0 years, 4.0% when below 10 years, 2.0% when below 15 years, and none when the amortization period was above 15 years.
- No changes in valuation assumptions.
- No gain sharing.
- No legislative benefit changes.



December 9, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Modeling Input for Future Decision Points

Summary:

Over the past several board meetings there has been discussion over a few topics that require board action or review in the upcoming months. These include proposed base plan contribution rate increases, school sick leave contribution rate holiday, and sustainability modeling.

Key Discussion:

Base Plan Proposed Contribution Rates:

- Contribution rates on the base plan are currently scheduled to increase 2.50% on July 1, 2027, and an additional 1.25% on July 1, 2028, totaling a 3.75% increase.
- Eliminating the first increase would increase amortization period to 11.3 years and require a minimum investment return of -3.9% in FY2026 to avoid a 25 year amortization period.
- Eliminating both the first and second increase would increase the amortization period to 13.9 years and require a minimum investment return of 0.0% in FY2026 to avoid exceeding a 25 year amortization period.
- The above scenarios are modeled utilizing current practice. Are there other modeling scenarios the Board is interested in (e.g. alternative reduced rates, smoothing, sustainability thresholds).

School Sick Leave Contribution Rate Holiday:

- The holiday for school sick leave contribution rate lapses June 30, 2026.
- Currently 126% funded. Needs an investment return greater than -13.1% in FY2026 to avoid falling below 100% funded.
- An experience study is scheduled for the spring of 2026.
- Interim decision to extend holiday at least one year to provide time for experience study as well as match with budgeting periods.
- Are there other modeling scenarios the Board is interested in (e.g. alternative rates, smoothing, asset mixes).

Action:

No action required. Information gathering with expectation to bring to Board for action in future meetings.



Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

Date: December 9th, 2025
TO: PERSI Retirement Board
FROM: Mike Anderson
Financial Executive Officer

Governor
Brad Little

Retirement Board
Jeff Cilek, Chairman
Joshua Whitworth
Lori Wolff
Park Price
Darin DeAngeli

Executive Director
Michael L. Hampton

SUBJECT: FISCAL UPDATE

- **FY26 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.
 - **Administration:** The report is for FY 2026 expenditures as of the end of October. Personnel expenses are below the target rate of 34.6%. Operating and Capital Outlay expenses are below or at the target rate of 33.3%.
 - **Portfolio:** Our year-to-date expense ratio is 32.3 basis points of projected average net assets compared to the budgeted projection of 32.3 basis points. Both the budget and actual are below the 50-basis point target ratio. The total budgeted for FY 2026 assumed asset growth of 6.5% 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.
- **QUARTERLY FINANCIAL STATEMENTS (UNAUDITED):** The first quarter FY26 unaudited financial statements are in your board packets. Please let me know if you have any questions.
- **ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The FY 2025 ACFR is included in your report. The section layout and the data presented are in the format prescribed by GASB, GFOA, and GAAP. This is the same format that you have seen in the past.

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 8th Street
Boise ID 83702-5518

POCATELLO

Office Location Address
1246 Yellowstone Ave – Ste.A5
Pocatello ID 83201

COEUR D'ALENE

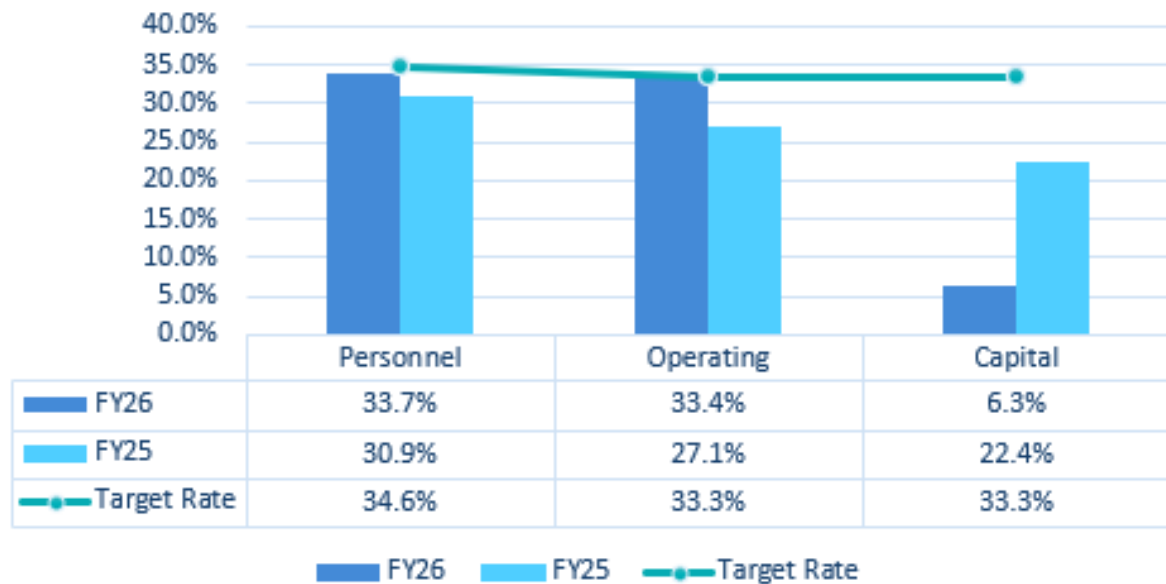
Office Location Address
2005 Ironwood Pkwy #226
Coeur d' Alene ID 83814-2680

Choice Plan Recordkeeper
1-866-437-3774

www.persi.idaho.gov

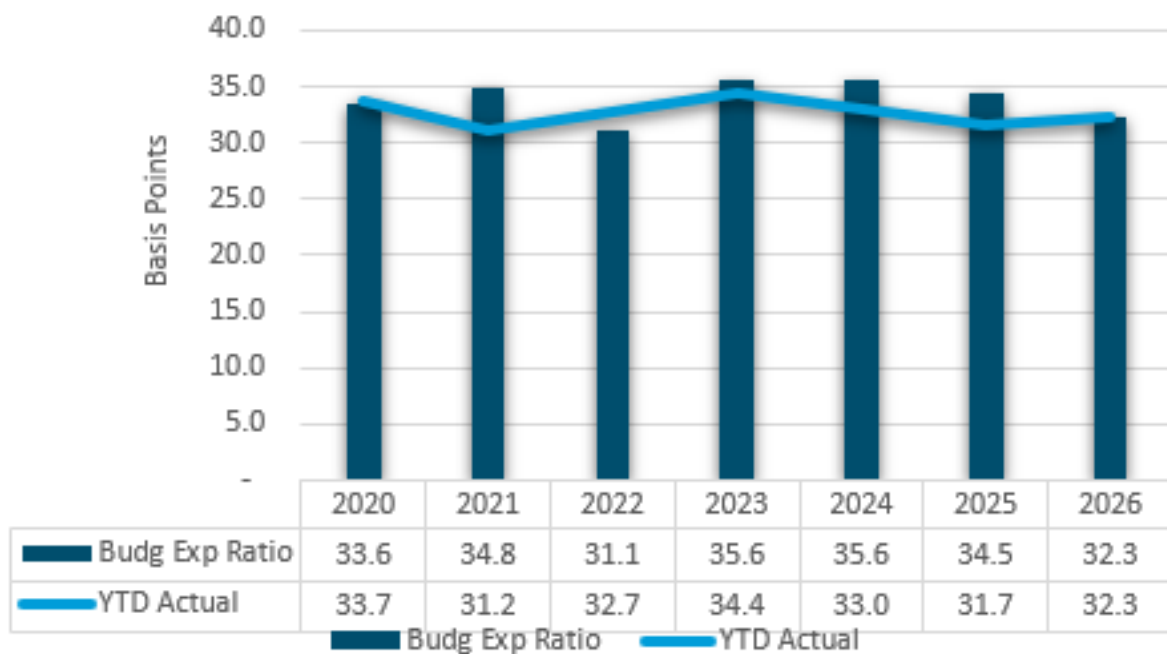
Equal Opportunity Employer

Administration

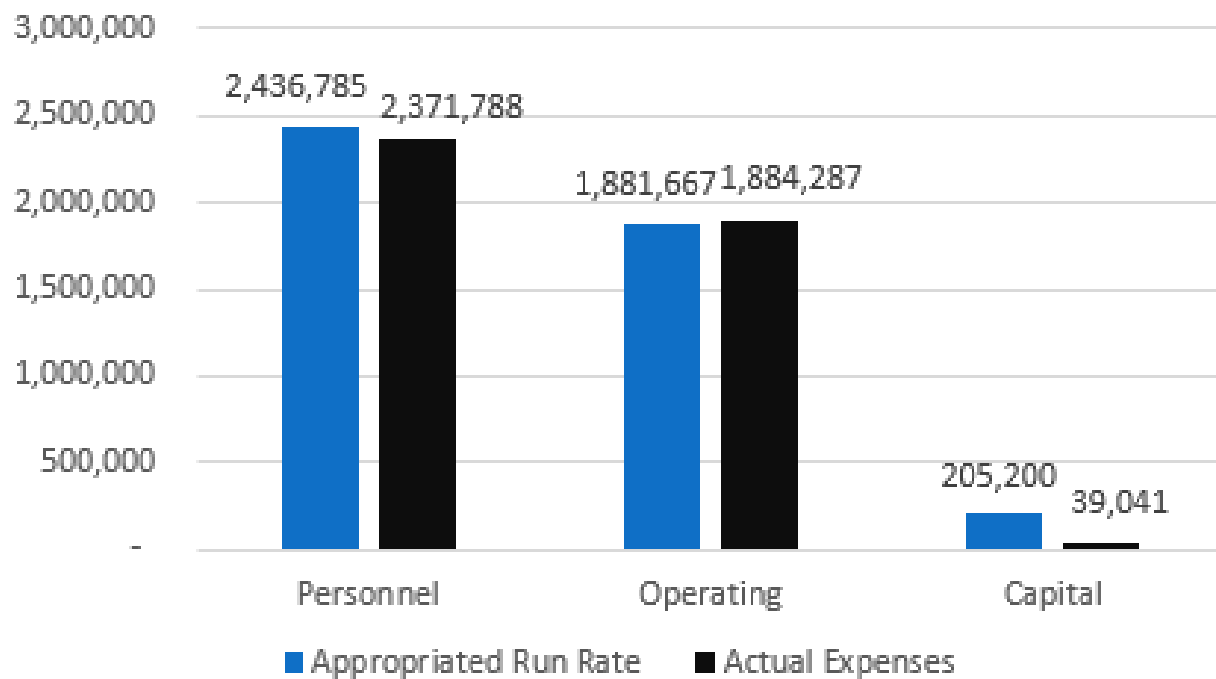


Expense Ratio Comparison

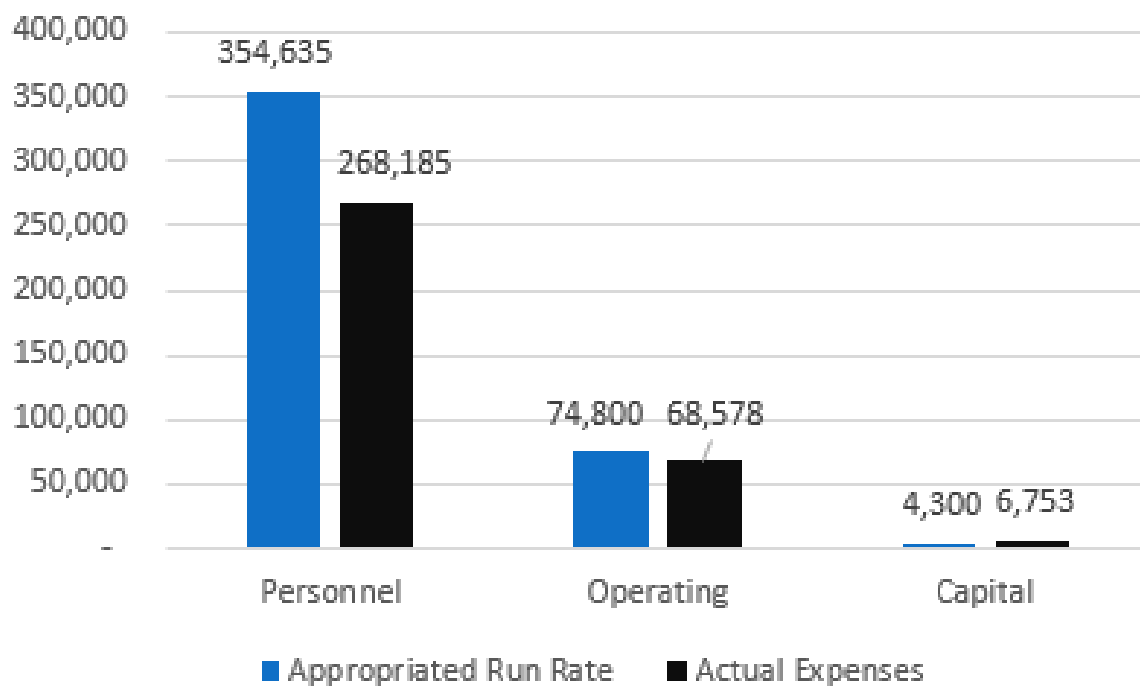
Cash Basis



ADMINISTRATION



PORTFOLIO



| PUBLIC EMPLOYEE RETIREMENT SYSTEM | | | | | | | | | |
|--|---------------------|-------------------|---------------------|-----------------|-----------|-----------|------------------------------|--------------------------------|-----------------------------|
| FY 2026 CASH BASIS ADMINISTRATION EXPENSES | | | | | | | | | |
| SUMMARY REPORT | | | | | | | TARGET: | | 33.3% |
| ADMINISTRATIVE BUDGET | | | | | | | | | |
| OCTOBER 31, 2025 | | | | | | | | | |
| | FY 2025 BUDGETED | FY 2025 ACTUAL | FY 2026 BUDGETED | PRIOR MONTHS | SEPTEMBER | OCTOBER | FY 2026 Total Expenses | Current Spending Balance | Actual as % of Budget |
| PERSONNEL | 6,616,500 | 6,062,804 | 7,039,600 | 1,280,099 | 538,583 | 553,107 | 2,371,788 | 4,667,812 | 33.7% |
| OPERATING | 5,628,600 | 5,607,235 | 5,645,000 | 616,991 | 655,366 | 611,930 | 1,884,287 | 3,760,713 | 33.4% |
| CAPITAL | 345,700 | 343,421 | 615,600 | 1,610 | 37,431 | - | 39,041 | 576,559 | 6.3% |
| TOTAL | 12,590,800 | 12,013,460 | 13,300,200 | 1,898,700 | 1,231,380 | 1,165,036 | 4,295,116 | 9,005,084 | 32.3% |

| PUBLIC EMPLOYEE RETIREMENT SYSTEM | | | | | | | | |
|---------------------------------------|---------------------|-------------------|---------------------|-----------------|--------|--------|-------------------|-------------------|
| FY 2026 CASH BASIS PORTFOLIO EXPENSES | | | | | | | | |
| SUMMARY REPORT - PORTFOLIO | | | | | | | TARGET: | 33.3% |
| OCTOBER 31, 2025 | | | | | | | | |
| DESCRIPTION | FY 2025 BUDGETED | FY 2025 ACTUAL | FY 2026 BUDGETED | PRIOR MONTHS | | JULY | Total Expenses | as % of Budget |
| STAFF EXPENSE | | | | | | | | |
| Personnel | 1,003,200 | 771,064 | 1,024,500 | 148,881 | 59,996 | 59,309 | 268,185 | 26.2% |
| Operations | 218,100 | 142,603 | 224,400 | 50,837 | 784 | 16,956 | 68,578 | 30.6% |
| Capital Outlay | 18,900 | 1,620 | 12,900 | - | - | 6,753 | 6,753 | 52.3% |

SUMMARY REPORT

ADMINISTRATIVE BUDGET

OCTOBER 31, 2025

TARGET: 33.3%

| | FY 2025 BUDGETED | FY 2025 ACTUAL | FY 2026 BUDGETED | PRIOR MONTHS | SEPTEMBER | OCTOBER | FY 2026 Total Expenses | Current Spending Balance | Actual as % of Budget |
|--------------|---------------------|-------------------|---------------------|------------------|------------------|------------------|------------------------------|--------------------------------|-----------------------------|
| PERSONNEL | 6,616,500 | 6,062,804 | 7,039,600 | 1,280,099 | 538,583 | 553,107 | 2,371,788 | 4,667,812 | 33.7% |
| OPERATING | 5,628,600 | 5,607,235 | 5,645,000 | 616,991 | 655,366 | 611,930 | 1,884,287 | 3,760,713 | 33.4% |
| CAPITAL | 345,700 | 343,421 | 615,600 | 1,610 | 37,431 | - | 39,041 | 576,559 | 6.3% |
| TOTAL | 12,590,800 | 12,013,460 | 13,300,200 | 1,898,700 | 1,231,380 | 1,165,036 | 4,295,116 | 9,005,084 | 32.3% |

[illegible]

| ADMINISTRATIVE BUDGET (Cont.) By Cost Center and Account OCTOBER 31, 2025 | | | | | PRIOR MONTHS | | | FY 2026 Total | Current Spending Balance | Actual as % of Budget |
|---|---------------------|-------------------|---------------------|-----------|-----------------|-----------|-----------|------------------|--------------------------------|-----------------------------|
| | FY 2025 BUDGETED | FY 2025 ACTUAL | FY 2026 BUDGETED | | SEPTEMBER | OCTOBER | | | | |
| DISABILITY ASSESSMENT | | | | | | | | | | |
| Personnel | - | - | - | - | - | - | - | - | - | 0.0% |
| Operating | 149,000 | 148,325 | 166,900 | 34,890 | 14,005 | 9,375 | 58,270 | 108,630 | 34.9% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| FIELD SERVICES - CSO | | | | | | | | | | |
| Personnel | 135,100 | 139,071 | 165,000 | 28,635 | 11,916 | 13,549 | 54,100 | 110,900 | 32.8% | |
| Operating | 36,000 | 35,616 | 30,000 | 2,428 | 1,459 | 1,231 | 5,118 | 24,882 | 17.1% | |
| Capital | - | - | - | 356 | - | - | 356 | (356) | 0.0% | |
| FIELD SERVICES - PSO | | | | | | | | | | |
| Personnel | 137,200 | 124,045 | 160,000 | 28,057 | 11,696 | 12,781 | 52,534 | 107,466 | 32.8% | |
| Operating | 67,000 | 66,151 | 70,000 | 21,648 | 1,497 | 1,084 | 24,229 | 45,771 | 34.6% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| PERSI RETIREMENT CENTER | | | | | | | | | | |
| Personnel | 436,100 | 311,850 | 410,000 | 70,833 | 29,734 | 29,866 | 130,432 | 279,568 | 31.8% | |
| Operating | 3,500 | 3,409 | 3,600 | 565 | 273 | 279 | 1,117 | 2,483 | 31.0% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| PERSI ANSWER CENTER | | | | | | | | | | |
| Personnel | 388,800 | 274,270 | 339,600 | 55,286 | 29,170 | 29,950 | 114,406 | 225,194 | 33.7% | |
| Operating | 16,500 | 16,381 | 16,000 | 2,511 | 397 | 668 | 3,577 | 12,423 | 22.4% | |
| Capital | 55,000 | 54,909 | - | - | - | - | - | - | 0.0% | |
| PERSI PROCESSING CENTER | | | | | | | | | | |
| Personnel | 393,400 | 378,840 | 510,000 | 89,553 | 37,189 | 37,725 | 164,468 | 345,533 | 32.2% | |
| Operating | 22,000 | 21,050 | 20,000 | 1,671 | 383 | 316 | 2,371 | 17,629 | 11.9% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| IMAGING | | | | | | | | | | |
| Personnel | 70,200 | 69,840 | 79,000 | 13,891 | 5,794 | 5,798 | 25,484 | 53,516 | 32.3% | |
| Operating | 2,000 | 1,942 | 2,000 | - | - | - | - | 2,000 | 0.0% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| TRAINING | | | | | | | | | | |
| Personnel | 643,400 | 627,070 | 720,000 | 127,303 | 52,831 | 48,907 | 229,042 | 490,958 | 31.8% | |
| Operating | 102,000 | 101,596 | 100,000 | 12,413 | 13,607 | 6,761 | 32,781 | 67,219 | 32.8% | |
| Capital | - | 8,456 | - | 606 | - | - | 606 | (606) | 0.0% | |
| COMMUNICATIONS | | | | | | | | | | |
| Personnel | 104,600 | 99,644 | 112,000 | 19,734 | 8,134 | 8,134 | 36,002 | 75,998 | 32.1% | |
| Operating | 97,000 | 96,678 | 113,000 | 37,319 | 38 | 38 | 37,396 | 75,604 | 33.1% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| DC PLAN ADMINISTRATION | | | | | | | | | | |
| Personnel | 247,500 | 244,370 | 217,000 | 38,427 | 15,869 | 15,880 | 70,176 | 146,824 | 32.3% | |
| Operating | 11,000 | 10,642 | 10,000 | 91 | 589 | 2,319 | 2,999 | 7,001 | 30.0% | |
| Capital | - | - | - | - | - | - | - | - | 0.0% | |
| TOTAL | | | | | | | | | | |
| PERSONNEL | 6,616,500 | 6,062,804 | 7,039,600 | 1,280,099 | 538,583 | 553,107 | 2,371,788 | 4,667,812 | 33.7% | |
| OPERATING | 5,628,600 | 5,607,235 | 5,645,000 | 616,991 | 655,366 | 611,930 | 1,884,287 | 3,760,713 | 33.4% | |
| CAPITAL | 345,700 | 343,421 | 615,600 | 1,610 | 37,431 | - | 39,041 | 576,559 | 6.3% | |
| | 12,590,800 | 12,013,460 | 13,300,200 | 1,898,700 | 1,231,380 | 1,165,036 | 4,295,116 | 9,005,084 | 32.3% | |

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS PORTFOLIO EXPENSES

| | | | | | | | | |
|--|------------------------------------|-------------------|---------------------|-----------------|-----------|-----------|-------------------------------------|------------------------------------|
| SUMMARY REPORT - PORTFOLIO OCTOBER 31, 2025 | | | | | | | TARGET: | 33.3% |
| INVESTMENTS | FY 2025 BUDGETED | FY 2025 ACTUAL | FY 2026 BUDGETED | PRIOR MONTHS | SEPTEMBER | OCTOBER | FY 2026 Total <u>Expenses</u> | Actual as % of <u>Budget</u> |
| MANAGEMENT FEES | 68,558,103 | 63,755,621 | 67,899,737 | 13,667,655 | 3,468,314 | 5,991,947 | 23,127,915 | 34.1% |
| CONSULTANTS | 1,500,000 | 1,230,018 | 1,500,000 | 210,466 | 90,048 | 252,571 | 553,084 | 36.9% |
| CUSTODIAL SERVICES | 3,000,000 | 2,354,427 | 3,000,000 | 353,954 | 180,784 | 194,620 | 729,357 | 24.3% |
| REPORTING SERVICES | | | | | | | | |
| 1. Investment Related | 240,000 | 137,897 | 200,000 | 45,937 | - | 22,245 | 68,182 | 34.1% |
| 2. Non-Investment Related | 710,000 | 592,947 | 760,000 | 86,450 | 52,515 | 78,706 | 217,671 | 28.6% |
| LEGAL | 1,100,000 | 1,101,042 | 1,220,000 | 102,945 | 47,558 | 145,048 | 295,551 | 24.2% |
| STAFF EXPENSE | 1,240,200 | 915,287 | 1,261,800 | 199,718 | 60,780 | 83,018 | 343,516 | 27.2% |
| ENCUMBRANCES* | - | - | - | - | - | - | - | |
| TOTAL EXPENDITURES* | 76,348,303 | 70,087,239 | 75,841,537 | 14,667,125 | 3,899,998 | 6,768,153 | 25,335,276 | 33.4% |
| ADMINISTRATION | 12,590,800 | 12,013,458 | 13,300,200 | 1,898,699 | 1,231,380 | 1,165,036 | 4,295,116 | 32.3% |
| YTD EXPENDITURES INCLUSIVE | 88,939,103 | 82,100,697 | 89,141,737 | 16,565,825 | 5,131,378 | 7,933,189 | 29,630,392 | 33.2% |
| | | FY 2025 Actual | FY 2026 Budgeted | | | | | |
| Investment Related Services | | 69,494,292 | 75,081,537 | | | | | |
| Non-Investement Related Services | | 592,947 | 760,000 | | | | | |
| Judges Retirement Fund | | 453,271 | 472,000 | | | | | |
| PERSI Administration ¹ | | 12,013,458 | 13,300,200 | | | | | |
| 1) TOTAL PERSI COSTS | | 82,553,968 | 89,613,737 | | | | | |
| 2) ESTIMATED NET AVERAGE ASSETS | | 26,032,790,430 | 27,724,921,808 | | | | | |
| 3) RATIO OF COSTS TO NET ASSETS | | 0.317% | 0.323% | | | | | |
| | Investment Expense | 0.267% | 0.271% | | | | | |
| | Non-Investment Contracted Services | 0.002% | 0.003% | | | | | |
| | Judges Retirement Fund | 0.002% | 0.002% | | | | | |
| | PERSI Administration | 0.046% | 0.048% | | | | | |
| 4) BUDGETED EXPENSE RATIO | | | 32.3 | | | | | |
| 5) ACTUAL EXPENSE RATIO ² | | | 32.3 | | | | | |

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
DETAIL REPORT
OCTOBER 31, 2025

| DESCRIPTION | FY 2025 BUDGETED | FY 2025 ACTUAL | FY 2026 BUDGETED | PRIOR MONTHS | SEPTEMBER | OCTOBER | FY 2026 Total <u>Expenses</u> | Actual as % of <u>Budget</u> |
|--|---------------------|-------------------|---------------------|-----------------|-----------|-----------|-------------------------------------|------------------------------------|
| MANAGEMENT FEES | | | | | | | | |
| Equity - Domestic | 11,213,525 | 12,679,440 | 13,503,603 | 3,270,231 | - | 2,014,776 | 5,285,007 | 39.1% |
| Equity - International | 8,155,000 | 8,935,504 | 9,516,312 | 2,389,977 | 261,197 | 653,011 | 3,304,184 | 34.7% |
| Fixed Income | 2,939,577 | 3,007,792 | 3,203,298 | 1,072,606 | 0 | 674,504 | 1,747,110 | 54.5% |
| Real Estate | 17,250,000 | 13,803,639 | 14,700,876 | 570,593 | 2,863,200 | 576,998 | 4,010,791 | 27.3% |
| Idaho Mortgage Program | 4,500,000 | 3,921,185 | 4,176,062 | 669,718 | 336,417 | 337,689 | 1,343,824 | 32.2% |
| Equity Global | 24,500,000 | 21,408,061 | 22,799,585 | 5,694,531 | 7,500 | 1,734,968 | 7,436,999 | 32.6% |
| CONSULTANTS | | | | | | | | |
| Investment Consultants | 760,000 | 624,809 | 760,000 | 136,441 | 22,500 | 158,941 | 317,882 | 41.8% |
| Advisors | 380,000 | 321,642 | 380,000 | 50,000 | 25,000 | 25,000 | 100,000 | 26.3% |
| Other Consultants | 360,000 | 283,566 | 360,000 | 24,025 | 42,548 | 68,629 | 135,202 | 37.6% |
| CUSTODIAL SERVICES | | | | | | | | |
| Trust/Custody | 3,000,000 | 2,155,687 | 3,000,000 | 353,954 | 180,784 | 194,620 | 729,357 | 24.3% |
| Clearwater Analytics, LLC | - | 198,739 | - | - | - | - | - | |
| REPORTING SERVICES | | | | | | | | |
| 1. Auditors Fees | | | | | | | | |
| a. Annual Audit | 160,000 | 37,961 | 160,000 | 32,489 | - | 29,732 | 62,221 | 38.9% |
| 2. Actuarial Fees | | | | | | | | |
| Milliman USA | 350,000 | 388,319 | 400,000 | 37,294 | 19,182 | 32,307 | 88,783 | 22.2% |
| Cavanaugh MacDonald | 200,000 | 166,667 | 200,000 | 16,667 | 33,333 | 16,667 | 66,667 | 33.3% |
| 3. Bloomberg LP & Other | 240,000 | 137,897 | 200,000 | 45,937 | - | 22,245 | 68,182 | 34.1% |
| LEGAL | | | | | | | | |
| 1. Legal Fees | | | | | | | | |
| Legal Advice - Other | 400,000 | 316,120 | 400,000 | 28,847 | 98 | 94,678 | 123,624 | 30.9% |
| Legal Advice - Priv Equity | 600,000 | 667,899 | 680,000 | 47,741 | 42,244 | 50,370 | 140,354 | 20.6% |
| Legal Advice - Fiduciary/Liability | 100,000 | 117,023 | 140,000 | 26,357 | 5,216 | - | 31,573 | 22.6% |
| STAFF EXPENSE | | | | | | | | |
| Personnel | 1,003,200 | 771,064 | 1,024,500 | 148,881 | 59,996 | 59,309 | 268,185 | 26.2% |
| Operations | 218,100 | 142,603 | 224,400 | 50,837 | 784 | 16,956 | 68,578 | 30.6% |
| Capital Outlay | 18,900 | 1,620 | 12,900 | - | - | 6,753 | 6,753 | 52.3% |
| Encumbrances | - | - | - | - | - | - | - | 0.0% |
| Total Monthly Expenditures | 76,348,303 | 70,087,239 | 75,841,537 | 14,667,125 | 3,899,998 | 6,768,153 | 25,335,276 | 33.4% |
| JUDGES RETIREMENT FUND | | | | | | | | |
| Invest, Mgmt, Consulting, Custody, Reporting | 330,000 | 330,466 | 330,000 | 69,616 | 18,215 | 31,421 | 119,252 | 36.1% |
| Accounting, Auditing | 15,000 | 8,377 | 15,000 | 7,473 | - | 5,840 | 13,313 | 88.8% |
| Other Professional Services | - | - | - | - | - | - | - | 0.0% |
| Actuary | 40,000 | 31,690 | 40,000 | 1,208 | - | - | 1,208 | 3.0% |
| Legal | 4,000 | 5,393 | 4,000 | 502 | 232 | 706 | 1,440 | 36.0% |
| Administration | 78,100 | 76,953 | 83,000 | 15,399 | 6,364 | 6,368 | 28,131 | 33.9% |
| Admin Rule | - | 392 | - | - | - | - | - | 0.0% |
| | 467,100 | 453,271 | 472,000 | 94,198 | 24,811 | 44,336 | 163,345 | 34.6% |

Scheduled and Completed Out of State Travel - Staff

| Traveler | Request Created | Fund | Destination City/ State | Description | Dates of Travel | Final Voucher Amount |
|-------------------|-----------------|-------|----------------------------|--|-------------------|----------------------------|
| Elisa Magnuson | | 55001 | San Francisco, CA | Attend Motion | 9/10/25-9/11/25 | 918.84 |
| Dan Gardner | X | 55001 | San Diego, CA | NAGDCA Conference | 9/28/25-10/5/25 | 1,428.65 |
| Diane Kaiser | X | 55001 | San Diego, CA | NAGDCA Conference | 09/28/25-10/01/25 | 1,913.61 |
| Chris Brechbuhler | X | 55002 | Austin, TX | NASIO 2025 | 09/28/25-10/01/25 | 4,353.75 |
| Richelle Sugiyama | X | 55002 | Austin, TX | NASIO 2025 | 09/28/25-10-01/25 | 4,516.37 |
| Mike Anderson | X | 55001 | Phoenix, AZ | P2F2 2025 | 10/26/25-10/29/25 | 1,338.73 |
| Kelly Schlangen | X | 55001 | Phoenix, AZ | P2F2 2025 | 10/26/25-10/29/25 | 303.16 |
| Chris Wester | X | 55001 | Phoenix, AZ | P2F2 2025 | 10/26/25-10/29/25 | 340.89 |
| Sara Todd-Stone | X | 55001 | Salt Lake City, UT | NPEA Conference & Member Education trip region 4 | 10/18/25-10/22/25 | 1,916.84 |
| Ray Mikus | X | 55001 | Salt Lake City, UT | NPEA Conference | 10/18/25-10/22/25 | 2,984.90 |
| Maria Quitugua | X | 55001 | Salt Lake City, UT | NPEA Conference | 10/18/25-10/22/25 | 1,797.26 |
| Richelle Sugiyama | X | 55002 | Salt Lake City, UT | NCTR 2025 Conference | 10/5/25-10/7/25 | 1,700.78 |
| Alex Simpson | X | 55001 | Salt Lake City, UT | NCTR 2025 Conference | 10/4/25-10/7/25 | 1,335.31 |
| Mike Hampton | X | 55001 | Salt Lake City, UT | NCTR 2025 Conference | 10/4/25-10/7/25 | 1,920.30 |
| Chris Brechbuhler | X | 55002 | Sydney, AU | PPI 2025 Executive Seminar and Asia Pacific Roundtable | 10/16/25-10/25/25 | 10,546.74 |
| Richelle Sugiyama | X | 55002 | Sydney, AU | PPI 2025 Executive Seminar and Asia Pacific Roundtable | 10/16/25-10/25/25 | 9,999.58 |
| D DeAngeli | | 55002 | Sydney, AU | PPI 2025 Executive Seminar and Asia Pacific Roundtable | 10/16/25-10/25/25 | 9,494.92 |

UNAUDITED

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO

FINANCIAL STATEMENTS

FOR THE YEAR TO DATE

SEPTEMBER 30, 2025 AND 2024

| | | |
|--------------|--|------------------|
| Prepared by: | <u>Kelly Schlangen</u> | <u>11/4/2025</u> |
| | Kelly Schlangen, Senior Financial Specialist | Date |
| Reviewed by: | <u>Gorji</u> | <u>11/4/2025</u> |
| | Parisa Gorji, Accounting Manager | Date |
| Reviewed by: | <u>Mike Anderson</u> | <u>11/4/2025</u> |
| | Mike Anderson, Financial Executive Officer | Date |

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
FINANCIAL STATEMENTS FOR
SEPTEMBER 30, 2025**

CONTENTS

| | <u>Page #</u> |
|---|----------------------|
| Combining Statement of Plan Net Position | 3 |
| Statement of Changes in Plan Net Position | 4 |
| Notes to the Financial Statements | 5 - 6 |

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
 COMBINING STATEMENT OF PLAN NET ASSETS - PENSION TRUST FUNDS AND OTHER TRUST FUNDS
 FOR THE YEAR TO DATE OF 09/30/2025 WITH COMPARATIVE TOTALS FOR SAME PERIOD PRIOR YEAR TO DATE

UNAUDITED
 Page 3

| | PERSI Pension Funds | | | | | | Totals | |
|--|---------------------|-------------------------|--------------------|--------------------|---|---|----------------------|--------------------|
| | Base Plan | Judges' Retirement Fund | Choice Plan 401(k) | Choice Plan 414(k) | Sick Leave Insurance Reserve Trust Fund - State | Sick Leave Insurance Reserve Trust Fund - Schools | Current Year-To-Date | Prior Year-To-Date |
| CASH AND CASH EQUIVALENTS (Note 1) | \$ 41,116,479 | \$ 844,566 | \$ 3,331,967 | \$ 143,284 | \$ 530,588 | \$ 1,323,134 | \$ 47,290,019 | \$ 44,002,384 |
| INVESTMENTS, at fair value (Note 2) | | | | | | | | |
| Fixed Income Investments | | | | | | | | |
| Domestic | 6,243,717,032 | 32,266,296 | | | 154,605,377 | 214,765,238 | 6,645,353,943 | 6,406,772,694 |
| Idaho Mortgages | 860,602,978 | 4,447,426 | | | | | 865,050,404 | 828,079,533 |
| Short-Term Investments | 361,629,819 | 1,868,831 | 146,732 | | | | 363,645,383 | 292,802,393 |
| Real Estate Equities (Note 3) | 1,012,689,518 | 5,233,379 | | | | | 1,017,922,898 | 1,112,623,321 |
| Equity Securities | | | | | | | | |
| Domestic | 11,994,955,262 | 61,987,558 | | | 132,164,567 | 180,505,079 | 12,369,612,466 | 11,379,682,528 |
| International | 2,992,671,101 | 15,465,533 | | | 36,539,918 | 51,066,184 | 3,095,742,736 | 2,786,432,194 |
| Private Equity | 1,908,027,943 | 9,860,311 | | | | | 1,917,888,254 | 1,760,376,285 |
| Mutual, Collective, Unitized Funds | | | 1,861,493,962 | 61,044,551 | | | 1,922,538,513 | 1,745,203,256 |
| Total Investments | 25,374,293,653 | 131,129,335 | 1,861,640,694 | 61,044,551 | 323,309,862 | 446,336,501 | 28,197,754,596 | 26,311,972,202 |
| RECEIVABLES | | | | | | | | |
| Investments Sold | 41,243,974 | 213,141 | | | | | 41,457,115 | 28,153,748 |
| Contributions | 28,562,579 | 616,333 | 395,122 | | | | 29,574,034 | 35,148,062 |
| Administrative Fee | | | 202,032 | 8,425 | | | 210,457 | 200,788 |
| Interest and Dividends | 83,410,513 | 431,049 | 4,461,540 | 284,944 | | | 88,588,046 | 84,652,405 |
| Total Receivables | 153,217,066 | 1,260,523 | 5,058,694 | 293,369 | - | - | 159,829,651 | 148,155,002 |
| ASSETS USED IN PLAN OPERATIONS (Note 4) | 7,530,866 | | | | | | 7,530,866 | 5,218,938 |
| DUE FROM OTHER FUNDS | 25,000 | | | | | | 25,000 | - |
| PREPAID EXPENDITURES (Note 5) | 109,514,247 | | | | | | 109,514,247 | 105,430,030 |
| TOTAL ASSETS | 25,685,697,311 | 133,234,424 | 1,870,031,354 | 61,481,204 | 323,840,450 | 447,659,634 | 28,521,944,378 | 26,614,778,557 |
| LIABILITIES AND FUND BALANCE | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Investments Purchased (Note 2) | 120,787,038 | 624,204 | | | | | 121,411,241 | 92,356,242 |
| Due to Other Funds | | | | | | 25,000 | 25,000 | - |
| Accrued Liabilities (Note 6) | 20,286,173 | 892,142 | 526,555 | (403) | 19,356 | 29,336 | 21,753,158 | 21,659,688 |
| Benefits and Refunds Payable | 1,200,134 | | | | | | 1,200,134 | 1,144,410 |
| Total Liabilities | 142,273,345 | 1,516,345 | 526,555 | (403) | 19,356 | 54,336 | 144,389,534 | 115,171,341 |
| NET POSITION RESTRICTED FOR PENSIONS AND AMOUNTS HELD IN TRUST | \$ 25,543,423,966 | \$ 131,718,079 | \$ 1,869,504,799 | \$ 61,481,607 | \$ 323,821,094 | \$ 447,605,298 | \$ 28,377,554,845 | \$ 26,499,607,216 |

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
 COMBINING STATEMENT OF CHANGES IN PLAN POSITION - PENSION TRUST AND OTHER TRUST FUNDS
 FOR THE YEAR TO DATE 09/30/2025 WITH COMPARATIVE TOTALS FOR PRIOR YEAR TO DATE

UNAUDITED
 Page 4

| | PERSI Pension Funds | | | | | | Totals | |
|--|---------------------|----------------------------|--------------------|-----------------------|---|--|----------------------|--------------------|
| | Base Plan | Judges' Retirement Fund | Choice Plan 401(k) | Choice Plan 414(k) | Sick Leave Insurance Reserve Trust Fund - State | Sick Leave Insurance Reserve Trust Fund - Schools | Current Year-To-Date | Prior Year-To-Date |
| ADDITIONS: | | | | | | | | |
| Contributions | | | | | | | | |
| Members | \$ 103,371,215 | \$ 284,566 | \$ 22,418,738 | \$ - | \$ - | \$ - | \$ 126,074,518 | \$ 122,446,249 |
| Employers | 161,086,828 | 1,537,932 | 3,047,542 | | 1,839 | | 165,674,142 | 158,517,042 |
| Rollovers In | | | 3,263,959 | | | | 3,263,959 | 4,023,266 |
| | 264,458,043 | 1,822,498 | 28,730,239 | - | 1,839 | - | 295,012,619 | 284,986,556 |
| Investment Income | | | | | | | | |
| Net Appreciation/(Depreciation) in Fair Value of Investments | 862,851,855 | 4,448,898 | 73,741,776 | 2,542,202 | 15,321,967 | 21,154,209 | 980,060,907 | 1,398,503,440 |
| Interest, Dividends and Other Investment Income | 119,475,679 | 611,035 | 7,611,329 | 18,946 | | | 127,716,989 | 120,730,000 |
| Less: Investment Expenses | (18,982,892) | (96,812) | (1,039,146) | (2,126) | (28,943) | (37,084) | (20,187,003) | (16,644,865) |
| Net Investment Income | 963,344,642 | 4,963,121 | 80,313,959 | 2,559,022 | 15,293,024 | 21,117,125 | 1,087,590,893 | 1,502,588,574 |
| Other Revenue, Net | 423,052 | 7,360 | | | 1,366 | 2,887 | 434,664 | 375,974 |
| Total Additions | 1,228,225,737 | 6,792,979 | 109,044,198 | 2,559,022 | 15,296,229 | 21,120,012 | 1,383,038,177 | 1,787,951,104 |
| DEDUCTIONS: | | | | | | | | |
| Benefits and Refunds Paid to Plan Members and Beneficiaries | 358,665,726 | 2,510,378 | 27,366,245 | 757,956 | 1,348,037 | 3,351,878 | 394,000,220 | 373,163,881 |
| Administrative Expenses | 3,042,716 | 29,144 | 622,554 | 57,531 | 15,100 | 20,947 | 3,787,993 | 3,543,722 |
| Total Deductions | 361,708,442 | 2,539,522 | 27,988,799 | 815,488 | 1,363,137 | 3,372,825 | 397,788,213 | 376,707,603 |
| INCREASE (DECREASE) IN NET POSITION | 866,517,295 | 4,253,456 | 81,055,398 | 1,743,535 | 13,933,093 | 17,747,187 | 985,249,966 | 1,411,243,502 |
| NET POSITION, BEGINNING OF YEAR | 24,676,906,671 | 127,464,623 | 1,788,449,401 | 59,738,072 | 309,888,001 | 429,858,111 | 27,392,304,879 | 25,088,363,714 |
| NET POSITION, YEAR-TO-DATE | \$ 25,543,423,966 | \$ 131,718,079 | \$ 1,869,504,799 | \$ 61,481,607 | \$ 323,821,094 | \$ 447,605,298 | \$ 28,377,554,845 | \$ 26,499,607,216 |

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
SEPTEMBER 30, 2025

NOTE 1 Cash and Cash Equivalents

| | |
|---|-------------------|
| Cash held in banking institutions | |
| STO accounts (DB, JRF, State & Schools) | 43,352,651 |
| Empower Bank Account | 216,357 |
| Cushman & Wakefield Building Account | 86,255 |
| US Bank Account | 249,211 |
| US Bank RMD Account | 73,230 |
| Wells Fargo (DB & DC) | 53,420 |
| Mellon 8804 & 8805 Accounts | 3,258,895 |
| Total Cash and Cash Equivalents | <u>47,290,019</u> |

NOTE 2 Portfolio Assets

Portfolio assets are reported at fair value. Investments Sold and Investments Purchased consist of foreign exchange contracts and security purchases and sales that have not yet settled.

NOTE 3 Real Estate Holdings

The amount reported for real estate investments does not reflect some publicly-traded REIT securities that Bank of New York (BNY) classifies as equity securities. Approximately \$823,136,669 of such securities are classified as equity securities as of September 30, 2025.

NOTE 4 Assets Used in Plan Operations

These assets represent computer software development costs and equipment used by PERSI. PERSI adheres to GASB Statement No.67, (an amendment of GASB Statement No. 25) which requires reporting of operating assets at historical cost net of accumulated depreciation. PERSI also follows GASB Statement No. 51, which requires the capitalization of certain software development costs. Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of the assets. The estimated useful life is 30-50 years for the buildings, 10-15 years for the software development costs, and 3-5 years for the equipment.

Assets Used in Plan Operations at September 30, 2025, consist of the following:

| | |
|--|------------------------|
| Buildings and Improvements | \$6,187,349 |
| Less: Accumulated Depreciation | <u>(\$6,134,566)</u> |
| Net Buildings | \$52,783 |
| Computer Software - Arrivos | \$18,591,302 |
| Less: Accumulated Amortization - Arrivos | <u>(\$11,322,527)</u> |
| Net Software Development | \$7,268,775 |
| Equipment | \$597,494 |
| Less: Accumulated Depreciation | <u>(\$388,186)</u> |
| Net Equipment | \$209,308 |
| Assets Used in Plan Operations, Net | <u>\$7,530,866</u> |

Amortization expense for Arrivos for the year to date is \$297,811. Depreciation expense on all equipment for the year to date is \$20,285.

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
SEPTEMBER 30, 2025

NOTE 5 Prepaid Expenditures

Retiree payroll calculated in the current month,
but not paid until the following month
Total Prepaid Expenditures

\$109,514,247

\$109,514,247
NOTE 6 Accrued Liabilities

Accrued Expenses consist of the following:

| | |
|--|--------------|
| Administrative Expenses (DB, DC & JRF Admin Exp Payable) | \$983,294 |
| State Dated Checks Payable (DC checks over 4 months old) | \$536,212 |
| RMD Payable | \$2,423,230 |
| Investment Management Sick Leave - State | \$19,356 |
| Investment Management Sick Leave - School | \$29,336 |
| Investment Management (DB & JRF) | \$17,761,730 |

Total Accrued Liabilities

\$21,753,158
NOTE 7 Benefits and Refunds Paid

Benefits and Refunds Paid to Plan Members and Beneficiaries:

| | |
|--|---------------|
| Payments to Retirees (DB & JRF) | \$341,139,494 |
| Separation Benefits (DB) | \$14,784,190 |
| Death Benefits (DB) | \$5,252,420 |
| Benefits Paid (DC) | \$28,124,201 |
| Medical Insurance Premiums (State & Schools) | \$4,699,915 |

\$394,000,220
NOTE 8 Estimates

PERSI may use certain estimates in interim financial statements when it is more cost effective or timely than computing actual amounts and the difference between the estimates and actuals will not materially impact the financial statements as a whole.



PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO





Executive Briefing as to the Results of the Audit for the Fiscal Year Ended June 30, 2025



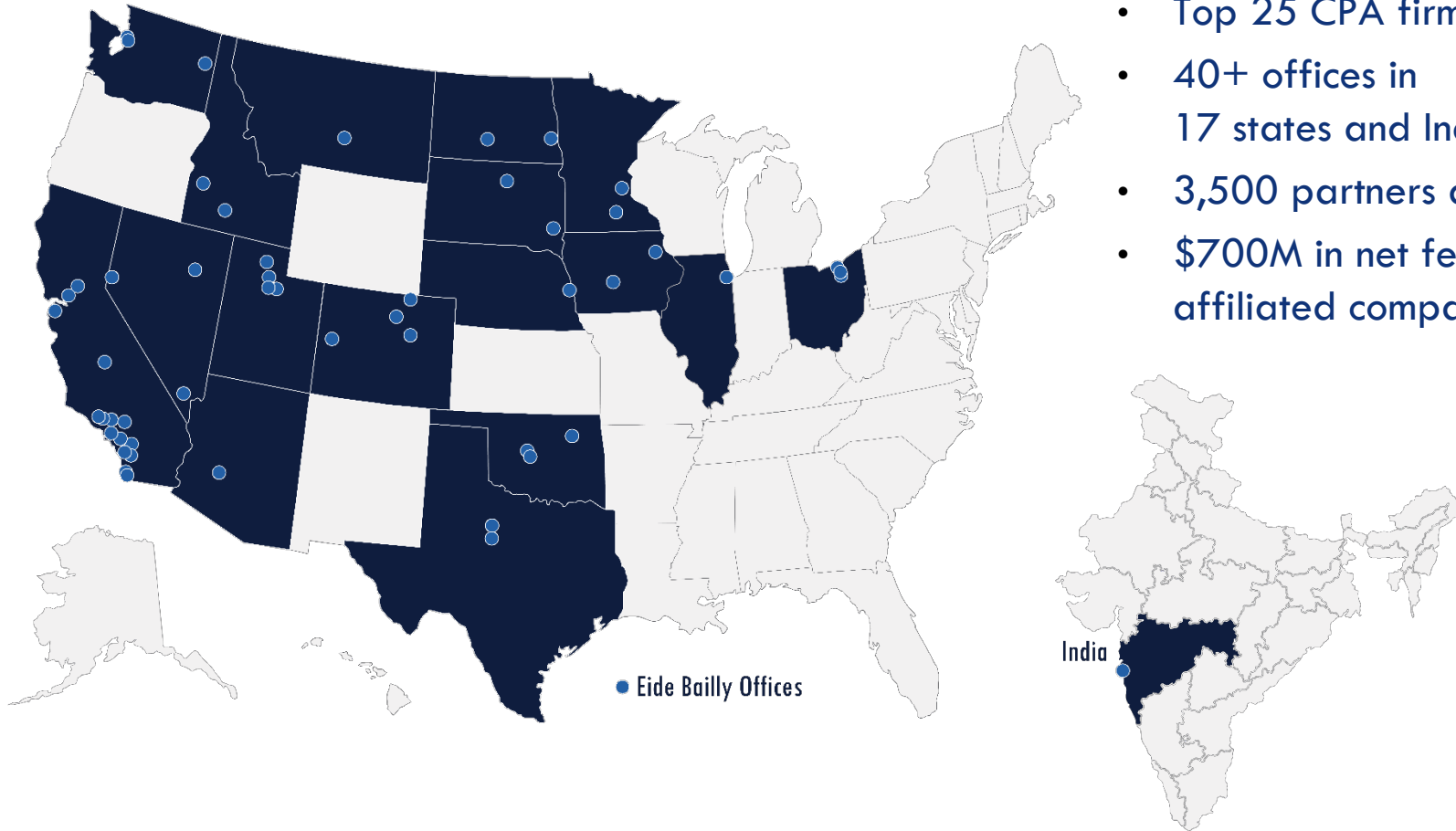
Brad Berls, CPA
Partner



Abbie Belthoff, CPA
Senior Manager

December 9, 2025

EIDE BAILLY TODAY



- Serving clients for more than 100 years
- Top 25 CPA firm in the nation
- 40+ offices in 17 states and India
- 3,500 partners and staff
- \$700M in net fees, including affiliated companies

GOVERNMENT STAFF AND SIMILAR CLIENTS

FIRMWIDE

- 200+ professional staff dedicated to government industry
- State and local governments
 - PERS plans
 - Housing agencies
 - Lotteries
 - College and universities
 - Cities, counties, school districts
 - 500+ government clients
 - 150,000 audit hours

PUBLIC PENSION FUNDS

- Public Employees Retirement System of Idaho
- South Dakota Retirement System
- Municipal Fire and Police Retirement System of Iowa
- Wyoming Retirement System
- Washington State Investment Board
- Public Employees' Retirement System of Mississippi
- Oklahoma Teachers Retirement System
- Oklahoma Public Employee Retirement System
- Fire and Police Pension Association of Colorado
- Utah Retirement System
- Missouri State Employees' Retirement System
- West Virginia Public Employee's Retirement
- Idaho Deferred Compensation Plan
- City of Fort Worth Employees' Retirement System
- Public Employees Retirement Association of New Mexico
- Kentucky Public Pension Authority

RESPONSIBILITIES

Management is responsible for:

- Adopting sound accounting policies
- Fairly presenting the financial statements
- Establishing and maintaining effective internal control over financial reporting
- Identifying and ensuring that PERSI complies with laws and regulations
- Making all financial records and related information available to the auditor
- Providing unrestricted access to personnel within the entity from whom the auditor determines it necessary to obtain audit evidence
- Adjusting the basic financial statements to correct material misstatements
- Providing the auditor with a letter confirming certain representations made during the audit

RESPONSIBILITIES

Eide Bailly is responsible for:

- Forming and expressing an opinion
- Planning and performing the audit with an attitude of professional skepticism
- Conducting the audit in accordance with professional audit standards
- Evaluating internal control over financial reporting as a basis for designing audit procedures
- Communicating to management and the Audit Committee all required information, including significant matters

REQUIRED COMMUNICATION

Internal Control Over Financial Reporting Report as required by *Government Auditing Standards*

- Significant deficiency
 - Reconciliation of system data used for financial reporting

RECAP OF THE RESULTS OF THE AUDIT

- Audit was successful
 - Includes financial statements and ACFR. In addition, a total of 4 allocation reports for allocation of NPL and OPEB
- Audit opinion is **unmodified** with additional notes on:
 - Required supplementary information (RSI)
 - Financial statements taken as a whole are fairly stated
- Journal entries proposed by EB
 - \$95,000 for JRF for taxes payable not recorded at year end.
 - State Sick Leave Funds, entry was booked to decrease accrued liabilities and benefits paid by approximately \$262,000
 - School Sick Leave Funds, entry was booked to decrease accrued liabilities and benefits paid by approximately \$954,000
- No new accounting standard
- Review of IT – No comments

AREAS OF AUDIT EMPHASIS

Significant areas of management judgements and estimates

Net Pension Liability and Net OPEB Liability (Asset)

Reasonableness of assumptions used in estimating the liability (asset)

- Assessed qualifications of the System's actuarial expert
- Evaluated management's methodology and assumptions for compliance with GAAP
- Significant assumptions included, but were not limited to, the investment return, discount rate, mortality rates, and retirement rates
- Reviewed actuarial report and support for the calculations
- Evaluated data utilized by the System's actuarial expert
- Performed testing surrounding the disclosures in the notes to the financial statements and the required supplementary information
- Eide Bailly internal actuary reviewing assumptions for reasonableness

AREAS OF AUDIT EMPHASIS

Significant areas of management judgements and estimates

Commercial Mortgages

Valuation of commercial mortgages

- Assessed qualifications of the valuation specialist
- Evaluated management's methodology and assumptions for compliance with GAAP
- Significant assumptions included, but were not limited to, discounted cash flows and duration of the commercial mortgages segregated into various tranches
- Evaluated data utilized in the calculation
- Performed testing surrounding the valuation and disclosures in the notes to the financial statements

AREAS OF AUDIT EMPHASIS

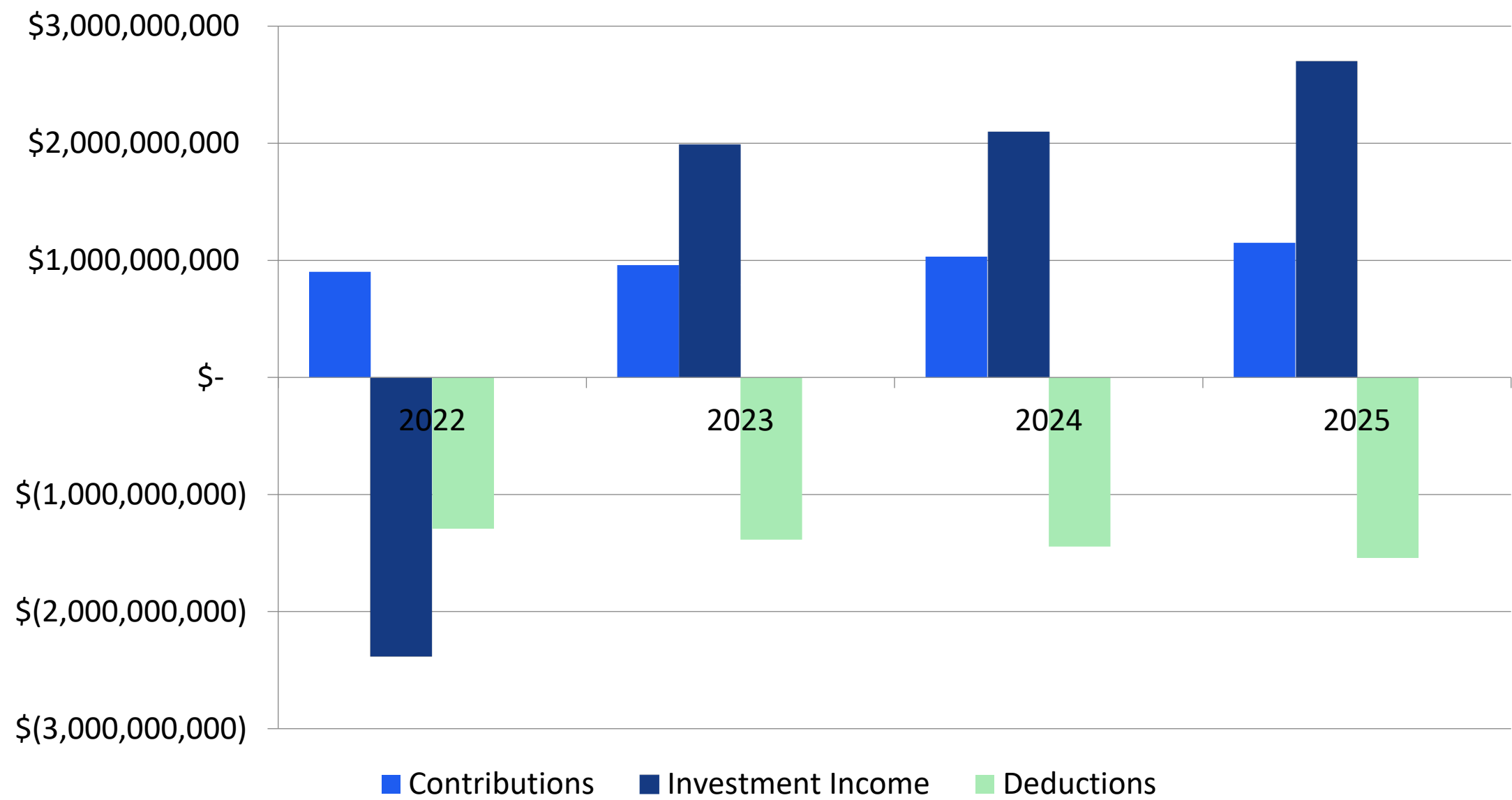
Significant areas of management judgements and estimates

Alternative Investments

Valuation of alternative investments, for which no readily determinable market value is available

- Evaluated management's methodology and process for valuing alternative investments
- Tested design and implementation of controls surrounding alternative investments
- Reviewed support for valuation of alternative investments for potential impairment
- Confirmed alternative investments
- Obtained and examined the underlying agreements related to alternative investments
- Obtained and reviewed the most recent audited financial statements for alternative investments
- Performed substantive analytical and detail testing procedures to test the fair value measurements and recorded appreciation/depreciation from the date of the most recent audited financial statements to the reporting date
- Evaluated required disclosures included in the notes to the financial statements

Analysis of Change in Plan Net Position



Analysis of Net Pension Liability

| PERSI Base Plan | 2025 | 2024 | 2023 | 2022 |
|--|------------------|------------------|------------------|------------------|
| Total Pension Liability | \$26,557,051,324 | \$25,872,407,517 | \$24,686,512,681 | \$23,288,243,222 |
| Plan net position | 24,138,888,873 | 22,131,762,631 | 20,695,842,118 | 19,349,485,162 |
| Net pension liability (asset) | \$2,418,162,451 | \$3,740,644,886 | \$3,990,670,563 | \$3,938,758,060 |
| Plan net position as a percentage of total pension liability (asset) | 90.89 % | 85.54 % | 83.83 % | 83.09 % |
| Judges' Retirement Fund | 2025 | 2024 | 2023 | 2022 |
| Total Pension Liability | \$ 144,849,529 | \$ 135,125,435 | \$ 131,999,508 | \$ 125,836,363 |
| Plan net position | 127,464,623 | 117,794,977 | 111,017,104 | 103,935,720 |
| Net pension liability (asset) | \$ 17,384,906 | \$ 17,330,458 | \$ 20,982,404 | \$ 21,900,643 |
| Plan net position as a percentage of total pension liability (asset) | 88.00 % | 87.17 % | 84.10 % | 82.60 % |

Remaining funds are over 100% funded

LOOKING FORWARD TO 2026 AND BEYOND

| Statement / Project | Effective Date / Projected | Focus Areas |
|--|---|--|
| GASB Statement No. 103 – <i>Financial Reporting Model Improvements</i> | <ul style="list-style-type: none">Periods beginning after June 15, 2025 | <ul style="list-style-type: none">Improves key components of the financial reporting model to enhance its effectiveness in providing information essential for decision making and assessing a government's accountability. Provides clarity regarding what information should be included in Management's Discussion and Analysis (MD&A). |

THANK YOU

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Disclaimer

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PERSI

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

A PENSION AND OPEB TRUST FUND
A COMPONENT UNIT OF THE STATE OF IDAHO

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR

FISCAL YEAR 2025

ENDED JUNE 30, 2025



Public Employee Retirement System of Idaho

A Pension and OPEB Trust Fund, a component unit of the State of Idaho



Public Employee Retirement of Idaho

Annual Comprehensive Financial Report As of and for Fiscal Year Ended June 30, 2025

This Annual Comprehensive Financial Report was prepared by:

| | |
|------------------------|--|
| Financial: | Mike Anderson - Financial Executive Officer Kelly Schlangen - Senior Financial Specialist Chris Wester - Portfolio Accounting Manager Parisa Gorji - Accounting Manager Adel Stacy - Senior Financial Specialist Dan Vizzare - Senior Financial Specialist Joshua Nicholson - Financial Specialist |
| Investments: | Richelle Sugiyama - Chief Investment Officer Chris Brechbuhler - Deputy Chief Investment Officer |
| Administration: | Jenny Flint - Public Information Officer Downi Fish - Administrative Assistant II |

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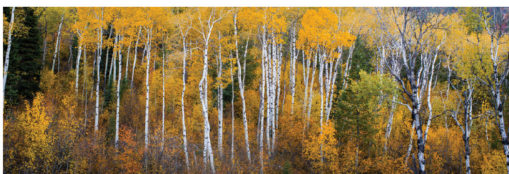
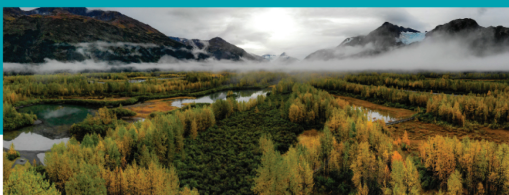
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INTRODUCTORY SECTION

INTRODUCTORY SECTION

PERSI MISSION STATEMENT

PERSI administers, as provided by the Legislature as plan sponsor, retirement related benefits, education, and services to Idaho's public employees.

CORE VALUES



VISION

To be a trusted expert in helping Idaho's public employees build and receive a secure and meaningful retirement benefit.

FIDUCIARY DUTY OF LOYALTY

The primary duty of the Retirement Board and PERSI staff, as fiduciaries, is that of loyalty, or acting with an "eye single" to the interests of the beneficiaries. PERSI is required by law to make all its decisions solely in the interest of the beneficiaries and to avoid, at all costs, serving the interests of any other party not a beneficiary of the system.

INTRODUCTORY SECTION

Brad Little Governor of The State of Idaho

RETIREMENT BOARD



Jeff Cilek — Chairman
Term expires July 1, 2025



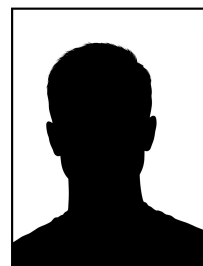
Park Price
Term expires July 1, 2027



Darin DeAngeli
Term expires July 1, 2026



Lori Wolff
Term expires July 1, 2028



Josh Whitworth
Term expires July 1, 2029

PERSI EXECUTIVE ADMINISTRATIVE STAFF

| | |
|--------------------|-----------------------------------|
| Michael L Hampton | Executive Director |
| Alex Simpson | Deputy Director |
| Cheryl George | General Counsel |
| Elisa Magnuson | General Counsel |
| Richelle Sugiyama | Chief Investment Officer |
| Chris Brechbuhler | Deputy Chief Investment Officer |
| Mike Anderson | Financial Executive Officer |
| Catherine Atchison | Quality Assurance Manager |
| Lisa Conn | Member Services Manager |
| Larry Sweat | IT Information Services Manager |
| Kelly Cross | Program Manager |
| Diane Kaiser | Defined Contribution Plan Manager |

INTRODUCTORY SECTION

PROFESSIONAL CONSULTANTS

| | | |
|--|--|--|
| Actuary: | Milliman, Inc | Cavanaugh Macdonald Cons, LLC |
| Auditor: | Eide Bailly, LLP | |
| Internal Auditor | Plante Moran PLLC | |
| Medical: | Managed Medical Review Organization | |
| Investment: | AEW Capital Management, LP Ash Williams Alban Row Investments, LLC Clearwater Analytics, LLC Consensus Economics, Inc Callan, LLC | Garrett A Walls Hamilton Lane Advisors, LLC John R Jenks John Skjervem MSCI, Inc Thomas Lee |
| Legal: | Foster Garvey, PC Klausner, Kaufman, Jensen & Levinson | Jensen & Levinson, Whiteford, Taylor & Preston, LLP |
| Other: | BCA Research, Inc Bloomberg, LP Capital Economics (NA) Ltd CT Corporation Ernst & Young, LLP | Empower Retirement Korn Ferry MRB Partners Yardeni Research, Inc Murray Devine |
| Investment Custodians: | Bank of New York Mellon Asset Servicing Principal Asset Management - Real Estate | |
| Active Investment Managers: | | |
| Adelante Capital Management | | Leonard Green & Partners, LP |
| Advent International, LP | | Lindsay Goldberg, LLC |
| Ascribe Capital, LLC | | Longview Partners (Guernsey) Ltd |
| Apollo Management, LP | | Mellon Investments Corporation |
| Atlanta Capital Management Company, LLC | | Mondrian Investment Partners |
| Blackstone Group, LP | | Mountain Pacific Investment Advisers, Inc |
| BLS Capital | | Nautic Partners, LLC |
| Brandes Investment Partners, LP | | Peregrine Capital Management |
| Bridgepoint Capital Ltd | | Platinum Equity Capital Partners, LP |
| Cerberus Capital Management, LP | | PineStone Asset Management, Inc |
| Clearwater Advisors, LLC | | Providence Equity Partners, LLC |
| C Worldwide Asset Management Fondsmaeglerselskab A/S | | PGIM Inc |
| CVC Capital Partners Advisory Co Ltd | | Pzena Investment Management, LLC |
| D B Fitzpatrick & Co, Inc | | Robert W Baird & Co, Inc |
| Dodge & Cox | | Sanford C Bernstein & Co, LLC |
| Donald Smith & Company | | Silverlake Partners |
| Endeavour Capital Partners, LP | | Sorenson Capital Partners IV |
| Epic Ventures, LLC | | Sprucegrove Investment Management Ltd |
| First Reserve Corporation | | State Street Global Advisors |
| Galen Management, LLC | | State Street Global Markets |
| Hamilton Lane Advisors, LLC | | TPG Capital, LP |
| Hamilton Lane, GP | | The Gores Group, LLC |
| Ida-West Operating Services, Inc | | Veritas Capital, LP |
| Income Research + Management, Inc | | Walter Scott & Partners Ltd |
| JP Morgan Chase Bank NA | | Wasatch Global Investors |
| Kohlberg Kravis Roberts & Co, LP | | WCM Investment Management, LLC |
| Kohlberg & Co | | |

Additional information on the above-mentioned investment professionals can be found on pages 86-91 in the Investment Section of this report. Fees and commissions are found on pages 93-94.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Public Employee Retirement System of Idaho

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2025***

Presented to

Public Employee Retirement System of Idaho

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Robert A. Wylie'. The signature is fluid and cursive, with the first name 'Robert' being more prominent.

Robert A. Wylie
Program Administrator

INTRODUCTORY SECTION

ORGANIZATIONAL CHART (As of June 30, 2025)

Retirement Board

| | | | | |
|--|---|--|---|---|
| Michael L Hampton Executive Director | Alex Simpson Deputy Director | Cheryl George General Counsel | Jon Wald Purchasing Agent | Helen Santana Administrative Assistant II |
| | Jenny Flint Public Information Officer | Elisa Magnuson General Counsel | | |
| Richelle Sugiyama Chief Investment Officer | Chris Brechbuhler Deputy Chief Investment Officer | Rose Marie Sawicki Administrative Assistant | Investment Managers See Investment Section for a list | |
| | | | | |
| Kelly Cross Program Manager | Diane Kaiser Defined Contribution Plan Mgr | Dan Gardner Defined Contribution Asst Mgr | Dara Mykland Training Specialist | Maia Clay Training Specialist |
| | Maria Quitugua Member Education Supervisor | Ray Mikus Training Specialist | Sarah Todd-Stone Training Specialist | |
| Michael Anderson Financial Executive Officer | Parisa Gorji Accounting Manager | Vanessa Sellars Financial Technician Lead | Ellise Fowler Financial Technician | Downi Fish Administrative Assistant II |
| | Chris Wester Portfolio Accounting Manager | Adel Stacy Financial Specialist SR | Dan Vizzare Financial Specialist SR | Josh Nicholson Financial Specialist |
| | Kelly Schlangen Financial Specialist SR | Sharon Simon Financial Support Technician | Jessi Ives Employer Account Specialist | Jennifer West Employer Account Specialist |
| | Michelle Black Employer Account Specialist | Rebecca Howard Employer Account Specialist | | |
| Catherine Atchison Quality Assurance Manager | Trenton Powers Business Analyst | Brett Harper QA Retirement Specialist | Wayne Millar QA Retirement Specialist | Ryan Witt Staff Development Trainer |
| | Jolie Day OP Performance Analyst | Patrick Hall OP Performance Analyst | Oneida de la Bretonne OP Performance Analyst | |
| Larry Sweat IT Info Services Manager | Branden Kennah IT Manager II | Pavel Denisov IT Infrastructure Engineer III | Brian Mickels IT Infrastructure Engineer II | Kris Colt IT Ops & Support SR Tech |
| | Stacy Parr IT Software Engineer III | Mamatha Bellamkonda IT Software Engineer II | Timothy Wolfrum IT Software Engineer I | Vacant IT Software Engineer I |
| Lisa Conn Member Services Manager | Shasta Hinton Mills Member Services Supervisor | Mikayla Ivie Retirement Specialist | Alan Hedquist Lead Retirement Specialist | Pennie Lish Member Services Rep |
| | Tabitha Yarbro Retirement Counselor | Max Augustine Retirement Specialist | Lisa Oglesby Peterson Retirement Benefit Analyst | Tiffany Sheppard Retirement Benefit Analyst |
| | Lauren Light Retirement Specialist | Robert Stevahn Retirement Benefit Analyst | Kurt Owen Member Service Rep | Lloyd Moore Retirement Counselor |
| | Alicia Harry Retirement Counselor | Cathy Andrews Records Retention | TJ Kraus Member Service Rep | Stephen Mytrysak Retirement Benefit Analyst |
| | Duane Random Member Services Supervisor | Michelle Resendes Retirement Benefit Analyst | Shawn Astin Retirement Counselor | Jessica Zazuetta Member Services Rep |
| | Dejah Devereaux Retirement Counselor | Andrew Millar Retirement Specialist | Jensen Mathie Member Services Rep | |

INTRODUCTORY SECTION

PLAN SUMMARY

THE SYSTEM

The Public Employee Retirement System of Idaho (the System) is the administrator of seven fiduciary funds. This includes three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (PERSI Base Plan) the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Plan (JRF), two defined contribution plans, the Public Employee Retirement Fund Choice Plan 401(k) and 414(k) (PERSI Choice Plans), and two Sick Leave Funds – one for state employers and one for school district employers.

The Retirement Board consists of five members, each appointed by the Governor to fulfill a 5 year term. The Board meets monthly to conduct System business, usually on the third Tuesday of each month at 8:30 a.m. at PERSI's headquarters office in downtown Boise.

Administrative expenditures, consisting of the personnel costs, operating expenditures, and capital outlay necessary to operate the System, are limited to those approved and appropriated by the Legislature for that purpose. In Fiscal Year 2025 (FY 2025), these costs totaled \$13,945,381 including \$1,094,864 depreciation and amortization, which are not cash expenditures and, therefore, not appropriated.

The majority of the System's 65 full time staff work in the headquarters office located at 607 North 8th Street, Boise, Idaho. There are three staff members in the Coeur d'Alene office, and five in the Pocatello office. The Executive Director and Investment Officers are exempt positions appointed by the Retirement Board to serve at its pleasure. The Deputy Director and Public Information Officer are exempt positions serving under the Executive Director. All other staff members serve under statutes and personnel rules governing classified state service.

The System staff oversees the investment of the trust corpus and new contributions with professional investment managers and funding agents. The Retirement Board maintains fiduciary responsibility for investment policy, asset allocation, and the selection of individual investment managers as discussed in the Investment Section.

SUMMARY OF PLAN PROVISIONS

DEFINED BENEFIT "BASE PLAN" PROVISIONS

Note: The items in parentheses are the provisions applicable to members designated as either PERSI firefighters or as PERSI police safety officer members for retirement purposes.

MEMBER CONTRIBUTION RATE

The employee contribution rate for employees are set at 60% of the employer rate for general members and school employees, and 72% for police officers and firefighters. As of June 30, 2025, the employee rate was 7.18% for general employees, 8.08% for school employees, and 10.36% for police officers and firefighters.

EMPLOYER CONTRIBUTION RATE

As of June 30, 2025 the employer contribution rate is set by the Retirement Board was 11.96% for general employees, 13.48% for school employees, and 13.98% for police officers and firefighters.

SERVICE RETIREMENT ELIGIBILITY

Five years of service and age 65 (age 60 or between 60 and 65, depending on the ratio of police officer/ firefighter service to total credited service).

INTRODUCTORY SECTION

AMOUNT OF ALLOWANCE

For each year of credited service, the monthly service retirement allowance as of June 30, 2025, was 2% (2.3%) of the monthly average salary of the member's highest 42 consecutive months.

MINIMUM MONTHLY BENEFIT ALLOWANCE

Until February 28, 2025: for each year of service, the monthly minimum benefit allowance was \$30.29 (\$36.35) to a maximum of the member's accrued benefit. Effective March 1, 2025 the monthly minimum benefit allowance is \$30.68 (\$36.82).

DISABILITY TO SERVICE RETIREMENT

The regular retirement allowance for disability changes to service retirement allowance when the member reaches service retirement age. The disabled member completes the normal retirement application, offering the ability to select other retirement options.

OPTIONAL FORMS

Retirees may also choose 50% or 100% contingent annuitant options as well as Social Security "bridge" options. These are actuarial equivalents of the normal form based on the mortality and interest assumptions adopted by the Retirement Board. The allowance is payable for the life of the retiree and designated contingent annuitant.

EARLY RETIREMENT ELIGIBILITY

Five years of service and age 55 (age 50 or between 50 and 55, depending on the ratio of police officer/firefighter service to total credited service).

AMOUNT OF ALLOWANCE

Unreduced accrued service retirement allowance if age plus service, upon separation from employment, total 90 (80, or between 80 and 90, depending on the ratio of police officer/firefighter service to total credited service); otherwise, the accrued service retirement allowance is reduced 3% for each of the first 5 years by which the early retirement date precedes the date the member would be eligible to receive the unreduced benefit, and by 5.75% for each additional year to a maximum of a second 5 years. The unreduced benefit entitlement may be either at the service retirement eligibility date or the date eligible for the rule of 90 (80).

FORMS

Regular retirement allowance; contingent annuitant allowances for the life of the retiree and a designated contingent annuitant; Social Security level income option for the life of the retiree only or for the life of the retiree and designated survivor.

DISABILITY RETIREMENT ELIGIBILITY

Active members must have 5 years of service, be unable to perform work of any kind, and be expected to remain disabled for life. They are eligible from the first day on the job if the disability is due to occupational causes.

AMOUNT OF ALLOWANCE

Projected service retirement allowance based on the highest 42-consecutive month average salary at the time of disability. The benefit is calculated using the accrued service at the time of disability plus the service which would have accrued through service retirement age had the disability not occurred. If a member has less than 360 months of service as of the date they are eligible for disability retirement, they will be given credit for the months of service they would have earned from the date of disability to

INTRODUCTORY SECTION

the date they would have reached service retirement age (65 for general members/62 for police and firefighters) had they not become disabled (360 months of credited service maximum). In other words, PERSI will give members up to 30 years of credit or to service retirement age, whichever comes first. Monthly allowance is payable after all temporary compensation ceases and is offset by the amount payable as income benefit under worker's compensation law, except when offset by Social Security. Effective July 1, 2009, public safety officers who are injured in the line of duty and determined to be permanently disabled under Idaho Code 59-1302(12), may be eligible to receive a one-time, lump-sum payment of \$100,000.

DISABILITY TO SERVICE RETIREMENT

The regular retirement allowance for disability changes to service retirement allowance when the member reaches service retirement age. The disabled member completes the normal retirement application offering them the ability to select other retirement options.

DEATH BENEFITS AFTER RETIREMENT

Under the normal form of the retirement allowance, a Social Security adjustment option, or a disability retirement, the balance, if any, of the member's accumulated contributions and interest at retirement over all payments received is paid to the beneficiary in a lump sum. In the case of a disability retirement, the beneficiary may waive the lump sum if the retiree is married so that the spouse will receive a lifetime monthly allowance, or the beneficiary may take a lump-sum payment of two times the amount in the member's account at the time of disability retirement minus any amount paid. Under the contingent annuitant options, the designated annuitant receives a lifetime monthly benefit following the member's death. If the survivor dies before the balance of the member's accumulated contributions and interest has been paid, the balance will be paid to the beneficiary in a lump sum. If the member's designated contingent annuitant predeceases him/her, the member's allowance will be recalculated to a single life payment.

BEFORE RETIREMENT

1. Non-vested Members:
 - a. Beneficiary receives a lump sum payment of the member's accumulated contributions plus interest.
2. Vested Members:
 - a. Beneficiary receives a lump sum payment of two times the member's accumulated contributions plus interest.
 - b. If the member is married, and the spouse is the sole beneficiary, the spouse may select a lump sum payment or a lifetime monthly benefit.
 - c. If the member is married, but the spouse is not the sole beneficiary, the beneficiary may waive the lump sum, in which case, a lifetime monthly benefit is available to the surviving spouse.
3. A \$100,000 death benefit for duty-related deaths for public safety officer became effective July 1, 2003.

SEPARATION BENEFITS

Accumulated member contributions with regular interest is payable upon becoming an inactive member separated from eligible employment. The Regular Interest Rate in effect for Fiscal Year 2025 was 7.91% from January 1 through June 30, 2025 (8.20% from July 1 through December 31, 2024) compounded monthly per annum.

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POSTRETIREMENT ADJUSTMENTS

An annual postretirement adjustment based on and limited by a cost-of-living factor reflecting the changes in the Consumer Price Index-Urban (CPI-U) is effective in March each year. If the CPI-U change from August of the previous year to August of the second previous year is 1% or more, a 1% mandatory adjustment is made. The Board may authorize additional discretionary adjustments based on the CPI-U increase (up to a total maximum annual PAA of 6% or the CPI-U rate, whichever is lower) if it determines that the System can do so and still maintain an appropriately funded position as required by Idaho Code Section 59-1355(1). When discretionary PAA adjustments in excess of the 1% are authorized by the Board, they are reported to the Legislature. If the Legislature has not acted on the Board adjustment by the 45th day of the legislative session, the discretionary PAA, if any, becomes effective on March 1 of that year.

The Board is also authorized to award postretirement adjustments for prior years in which the actual amount of adjustment was less than the CPI-U for those years. If the CPI-U change is downward, in no event will any benefit be reduced below its initial amount.

The Board approved the mandatory and discretionary PAA of 1.00%, implemented on March 1, 2025. The Board also granted in addition to the PAA, a retro PAA of 0.3% to be included.

INTRODUCTORY SECTION



December 15, 2025

Governor
Brad Little

Retirement Board
Jeff Cilek, Chairman
Park Price
Darin DeAngeli
Lori Wolff
Josh Whitworth
Executive Director
Michael L. Hampton

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 8th Street
Boise ID 83702-5518

POCATELLO
Office Location Address
305 N. 3rd Avenue, Ste. B
Pocatello ID 83201

COEUR D'ALENE
Office Location Address
1250 W. Ironwood Drive, Ste. 316
Coeur d' Alene ID 83814

Choice Plan Recordkeeper
1-866-437-3774

www.persi.idaho.gov
Equal Opportunity Employer

Dear Governor Little, Legislators, and Members of the Retirement System:

We are pleased to present to you the Public Employee Retirement System of Idaho (the System) annual comprehensive financial report, for the fiscal year ended June 30, 2025 (FY2025). This financial report is a historical perspective of benefits, services, and fiscal activities of the System. Included is a summary of our actuarial valuations, an independent auditors' report, an investment summary, and a statistical section.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the independent auditors' report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERSI for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 34th consecutive year PERSI has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

For the 23rd consecutive year, PERSI has been awarded the Public Pension Coordinating Council Standards Award. This award signifies that PERSI complies with the standard benchmarks for public defined benefit systems in the United States. The standards require a high level for the following: comprehensive benefit program, funding adequacy, accepted actuarial and audit practices, investment policy and evaluation, and member communications. This award is given to 50 to 60 public retirement systems each year.

This Letter of Transmittal is intended to serve as an overview of the System and to convey information on the topics that follow.

INTRODUCTORY SECTION

PLAN HISTORY

The Public Employment Retirement System of Idaho (PERSI) was created by the thirty-seventh Legislature, Regular Session of 1963 with funding effective July 1, 1965. It is a tax qualified, defined benefit system to which both the member and the employer contribute. Participation in the System is mandatory for eligible state and school district employees and available to other public employers and their employees on a contractual basis.

When the Teachers Retirement System of Idaho was abolished, members of that system were integrated into PERSI, and all other eligible school district employees became PERSI members effective July 1, 1967.

Legislative amendments since 1965 have made it possible for municipal police officer retirement funds to merge with the System, and two of the five police officer systems have since merged. The other three are being phased out, and police officers hired since 1969 have become PERSI members.

Legislation in 1979 mandated the Firefighters' Retirement Fund be administered by PERSI effective October 1, 1980. Paid firefighters who were members of the original system retained their original benefit entitlement, while paid firefighters hired after October 1, 1980, were entitled to PERSI benefits. An actuarial valuation of the firefighter member benefit entitlement is conducted at least every other year, separate from the annual PERSI valuation.

In January 2001, PERSI implemented a "Gain Sharing" program as a way to distribute \$155 million in excess investment earnings back to our active members, retirees, and employer members. Retirees received their gain sharing as a "13th check." Employers received their share as a contribution "holiday." Some 53,000 eligible active members received their portion as deposits into newly created defined contribution (DC) accounts. This new plan, named the "PERSI Choice 401(k) Plan," supplemented PERSI's traditional Defined Benefit (DB) "Base" Plan. It allowed employees for the first time to actively participate in saving for their retirement.

At the time of inception, the PERSI Choice 401(k) Plan was somewhat unique in the public sector. PERSI obtained permission from the Internal Revenue Service to expand a grandfathered State 401(k) to our members statewide. While some public employees were familiar with 457 or 403(b) plans, a 401(k) was something new to them. Many of our members had never had the opportunity to make such pre-tax voluntary contributions.

PERSI assumed the administration for the Judges' Retirement Fund (JRF) starting July 1, 2014.

SERVICES PROVIDED

The ability of the System to serve both employee and employer members at the local level through the Boise, Pocatello, and Coeur d'Alene offices remains a key factor for efficient administration. The merging of other retirement systems with PERSI, plus statutory amendments over the years, have produced both multiple and diverse member benefit entitlements and administrative requirements. These can best be analyzed and explained to the members through personal contact with knowledgeable System staff members.

In its 60th year of operation, the System continued a wide range of services to both employee and employer members. Members may visit the PERSI website, call, email, or visit one of the three offices for personal information and assistance regarding credited service, account balances, eligibility, benefit options and amounts, and other retirement matters.

Members receive advance notice of service retirement qualification and are provided with estimates of monthly allowances. They also receive information regarding the availability of alternate forms of retirement payments. Retirement applications are processed in a timely fashion, and monthly payments

INTRODUCTORY SECTION

are made promptly. Direct deposit of benefit payments are available to retired members as is withholding for income tax, medical insurance, or other purposes.

System retirees are provided notices whenever their net benefit amount changes. This notice gives retirees a list of their itemized deductions from their gross benefit. Retirees may also access additional account information through the online web portal.

Separation and death benefits are paid in an orderly manner and as rapidly as possible. Employee contributions and earned interest are posted to individual member accounts each month, and an annual statement is provided to each member confirming their average monthly salary, credited service, contributions, and earned interest. In addition, a report of benefits accrued to date is provided along with an estimate of benefits projected ahead to various retirement ages.

PERSI's employer units are responsible for reporting and handling retirement transactions and activities. They are provided regular training and assistance through monthly newsletters, employer training sessions throughout the State, and personal contacts with PERSI staff, as needed.

Upon request, public employers interested in affiliation with the System are counseled and provided with information regarding employee benefits, cost, and procedures associated with joining. Conversely, employers considering withdrawal are provided information and employee benefit projections to enable them to make an informed decision.

Pre-retirement and financial planning workshops, offered on a regular basis throughout the State, cover financial planning, budgeting, investment basics, and Social Security, Medicare, and System benefits.

EMPLOYEE AND EMPLOYER MEMBERSHIP

During Fiscal Year 2025, the number of active PERSI members increased from 78,354 to 78,746. The number of retired members or annuitants receiving monthly allowances increased from 56,084 to 57,473. The number of inactive members who have not been paid a separation benefit increased from 55,054 to 58,055. Of these inactive members, 16,875 have achieved vested eligibility. Total membership in PERSI increased from 189,492 to 194,274 during the fiscal year. There are currently 865 public employers in Idaho who are PERSI members. Participating employers are listed in the Statistical Section of this report.

MANAGEMENT RESPONSIBILITY

The System's management is responsible for the complete and fair presentation of the data and the accompanying disclosures in this report. The financial statements and supplemental schedules included in this report have been prepared in accordance with generally accepted accounting principles for governmental accounting and reporting as pronounced or adopted by the Governmental Accounting Standards Board.

INDEPENDENT AUDIT

The System is audited annually, and for the fiscal year ended June 30, 2025, the audit was conducted by Eide Bailly, LLP, an independent firm of Certified Public Accountants. Refer to the Independent Auditors' Report for their audit opinion.

INTERNAL ACCOUNTING CONTROL

As an agency of the State of Idaho, the System's administrative expenses are subject to the State's budget controls. Management is responsible for maintaining a system of internal accounting controls designed to provide reasonable assurance transactions are executed in accordance with management's general or specific authorization and are recorded as needed to maintain accountability for assets to permit preparation of financial statements. Internal controls have inherent limitations and their costs should not outweigh their benefits. Internal control procedures have been established, and a

INTRODUCTORY SECTION

budget report is prepared for the Board. We believe the internal controls in effect during Fiscal Year 2025 adequately safeguard the assets and provide reasonable assurance regarding the proper recording of financial transactions.

FINANCIAL HIGHLIGHTS

Collection of employer and employee contributions, as well as income and gains from investments, provides the reserves necessary to finance retirement benefits. These income sources totaled \$3,845,339,098 for all pension funds during the fiscal year ended June 30, 2025.

ADDITIONS:

| | |
|---------------------|------------------|
| Contributions | \$ 1,132,880,108 |
| Transfers/Rollovers | 16,191,646 |

INVESTMENT INCOME:

| | |
|--|---------------|
| Net Appreciation (Depreciation) in Fair Value of Investments | 2,266,196,029 |
| Interest, Dividends and Other Investment Income | 499,294,404 |
| Less: Investment Expenses | (70,769,736) |
| Net Investment Income | 2,694,720,697 |

OTHER INCOME

| | |
|-----------------|-------------------------|
| | 1,546,647 |
| Total Additions | <u>\$ 3,845,339,098</u> |

The payment of benefits is the primary expense of a retirement system. The payments, together with the expenses to administer the Plan, constitute the total expenses of the System. Expenses for Fiscal Year 2025 are as follows:

DEDUCTIONS:

| | |
|-------------------------|-------------------------|
| Benefits and Refunds | \$ 1,527,421,029 |
| Administrative Expenses | 13,945,381 |
| Total Deductions | <u>\$ 1,541,366,410</u> |

ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS

Future benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future salary. The actuarial present value of future benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Simply put, it is the amount that would have to be invested on the valuation date so the amount invested plus investment earnings will provide sufficient assets to pay total future benefits when due.

The actuarial present value was calculated as part of an actuarial valuation at July 1, 2025. Significant actuarial assumptions used include: a gross investment return rate of present and future assets of 6.55% compounded annually, (6.50% plus 0.05% for expenses); projected salary increases of 3.05% per year compounded annually, attributable to general wage increases; additional projected salary increases attributable to seniority/merit, up to 6.25% per year, depending on service and employee classification, and; 1.00% per year attributable to postretirement benefit increases.

At June 30, 2025, the Unfunded Actuarial Accrued Liability (UAAL) for the PERSI Base Plan, on a current contribution basis, was \$3,924.2 billion with an amortization period of 8.2 years, which is less than the 25 year maximum allowed by statute. The UAAL differs from the Net Pension Liability (NPL) in that the long-term expected rate of return for the UAAL was 6.50%, 6.55% net of 0.05% for expected

INTRODUCTORY SECTION

administrative expenses. This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and NPL for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.55%.

| | PERSI Base Plan 2025 | FRF 2025 | JRF 2025 |
|---|-------------------------|-------------------------|----------------------|
| Total pension liability | \$26,557,051,324 | \$ 229,634,030 | \$ 144,849,529 |
| Plan fiduciary net position | 24,138,888,873 | 521,563,002 | 127,464,623 |
| Employers' net pension liability (asset) | <u>\$ 2,418,162,451</u> | <u>\$ (291,928,972)</u> | <u>\$ 17,384,906</u> |
| Plan fiduciary net position as a percentage of total pension liability | <u>90.89 %</u> | <u>227.13 %</u> | <u>88.00 %</u> |

ECONOMIC CONSIDERATIONS

The System operates within a dynamic economic environment, as do all investment funds. The objective of the Retirement Board is to minimize the effect of these external influences, where possible, by diversifying among a broad range of asset classes and investment management styles, both domestically and internationally. Such diversification, combined with prudent management by experienced investment professionals, increases the probability the earnings objective will be achieved. The investment return for Fiscal Year 2025 was 11.12% gross, 10.81% net of investment expenses, and 10.76% net of all expenses.

Defined benefit pension systems plan for and make decisions based on the long term (20 to 25 year) nature of pension funding and benefits. PERSI is funded on a sound actuarial basis, which protects future benefits for participants. Over the long term, the Plan's investment assets have exceeded their expected returns. Short term fluctuations in investment performance make good headline news, but are much less important when viewed in the long range context of pension plans. Sound investment strategies that are, in the words of former CIO Bob Maynard, "Simple, Transparent, Focused, and Patient" along with reasonable actuarial assumptions are the key ingredients to a successful, well funded pension plan.

INVESTMENT STRATEGY AND POLICIES

The Retirement Board utilizes and directs agents to provide whatever investment management and custodial functions best achieve the System's investment objectives. The Board establishes asset allocation policy, diversification guidelines, custodial functions including safe-guarding of investments, and investment guidelines and restrictions. Each money manager is generally granted full discretion in making investment decisions within their guidelines. The Board, staff, and consultants monitor and evaluate investment results. The Board, in its administration of this System and management of the investment program, is guided by the fiduciary standards in Section 59-1301 of the Idaho Code and the Idaho Uniform Prudent Investor Act, in Sections 68-501 through 68-514 of the Idaho Code and is empowered in its sole discretion to limit, control, and designate the types, kinds, and amounts of investments.

PERSI's total fund return was 10.76% net of all expenses for Fiscal Year 2025. The policy benchmark return is 6.50% net of all expenses. PERSI continues to rank in the top quartile over the long-term when compared to our peer universe of other statewide public pension funds across the country.

INTRODUCTORY SECTION

The investment mix at fair value as of the end of Fiscal Year 2025 was 61.92% domestic and global equity, 12% international equity, and 26.40% fixed income. The System's investment outlook is long-term, allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category. The portfolio is broadly diversified with additional diversification achieved through domestic and international investing. See the Management's Discussion and Analysis and Investment Section of this report for more detailed analysis and information.

FUNDING STATUS

The funding objective of PERSI is to accumulate sufficient assets to ensure funds will be available to meet current and future benefit obligations to participants on a timely basis. If the level of funding is high, the ratio of assets to the actuarial accrued liability is also greater, which means better investment income potential. Each year an independent actuary engaged by PERSI calculates the amount of the annual contribution the plans must make to fully meet their obligations to their members. As of July 1, 2025, the PERSI Base Plan had an amortization period of 8.2 years and a funding ratio of 90.60% of the present value of the projected benefits earned by employees. The closed Firefighters' Retirement Fund is fully funded as of the July 1, 2025 valuation. The Judges' Retirement Fund had a funding ratio of 87.60% and amortization period of 9.2 years. When the amortization period exceeds the statutory limit of 25 years, the Board reviews contribution rates. The actuarial method for calculating accrued liability for all three plans is Entry Age Normal with the objective of maintaining employer contributions approximately level as a percent of member payroll. For a more in-depth discussion of PERSI's funding, see Management's Discussion and Analysis and the Actuarial Section of this report.

MAJOR INITIATIVES

PERSI's attention to customer service has always been one of its cornerstones, and leadership continues to believe personalized customer service is key to all generations of members. PERSI cannot afford to have any generation ignored and/or be uninformed about its benefits.

PERSI's educational outreach remains focused on making sure members, employers and lawmakers understand and appreciate the value of the PERSI benefit. The training staff continues to work directly with employers, engaging members earlier in their careers, and providing expanded workshops explaining the value of the PERSI benefit.

PERSI is committed to providing workshops for members in every county of Idaho in 2025, and meeting that goal. Technology has enhanced PERSI's outreach, but will not replace its in-person efforts that have proven to be very successful. PERSI continues to evaluate its methods but only utilizes automation if it believes it provides increased value.

PERSI is sincerely grateful to the Idaho Legislature for its wisdom during times of modest market returns. Idaho statute has measures in place that keep required contributions to the fund set at a rate that will sustain the fund during less than stellar market years.

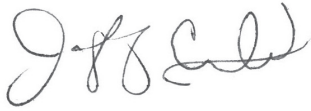
ACKNOWLEDGMENTS

This financial report of the Public Employee Retirement System of Idaho was prepared by staff under the leadership of the Retirement Board. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a method of determining responsible stewardship for the assets contributed by the members and their employers.

INTRODUCTORY SECTION

This report is being sent to the Governor, State Legislators, and other interested parties.

Respectfully submitted,



Jeff Cilek - Chairman



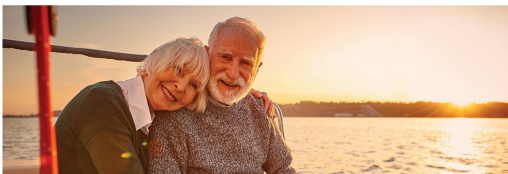
Michael Hampton - Executive Director



Mike Anderson - Financial Executive Officer

INTRODUCTORY SECTION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Retirement Board
Public Employee Retirement System of Idaho
Boise, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the pension and other trust funds of the Public Employee Retirement System of Idaho (the System), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the System, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

FINANCIAL SECTION

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for the reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 21-29 and 61-80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FINANCIAL SECTION

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The other supplementary information on pages 82-84 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Public Employee Retirement System of Idaho's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.



October 17, 2025
Boise, Idaho

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

Management is pleased to provide Management's Discussion and Analysis ("MD&A") of the financial activities of the Public Employee Retirement System of Idaho (the "System" or "PERSI") as of and for the year ended June 30, 2025. The June 30, 2024 amounts are combined and are provided for comparative purposes. This overview and analysis is designed to focus on current known facts and activities and resulting changes.

The System administers seven fiduciary funds. These consist of three defined benefit pension trust funds – the PERSI Base Plan, the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Fund (JRF), two defined contribution pension trust funds – the PERSI Choice Plan 401(k) and 414(k), and two Sick Leave Funds – State and Schools.

Financial Highlights

- The change in net position for all pension and other funds administered by the System increased \$2.3 billion and increased \$1.7 billion in Fiscal Year 2025 and Fiscal Year 2024, respectively. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. Changes in net position for the fiscal years ending June 30, 2025 and 2024, were as follows:

| | 2025 | 2024 |
|--|-------------------------|-------------------------|
| PERSI Base Plan | \$ 2,009,204,473 | \$ 1,436,290,645 |
| FRF | 36,068,911 | 14,059,149 |
| JRF | 9,669,646 | 6,777,873 |
| PERSI Choice Plan 414(k) | 1,255,613 | 767,384 |
| PERSI Choice Plan 401(k) | 192,001,312 | 170,540,476 |
| Sick Leave Fund - State | 25,917,549 | 25,148,588 |
| Sick Leave Fund - Schools | 29,855,184 | 29,187,850 |
| Total increase (decrease) in plan net position | <u>\$ 2,303,972,688</u> | <u>\$ 1,682,771,965</u> |

Assets for the three defined benefit plans, the PERSI Base Plan, FRF and JRF, are pooled for investment purposes. For the fiscal years ended June 30, 2025 and 2024, the rate of return net of investment expenses on the investment assets are detailed below (these are plan-level returns). For the defined contribution plans, the PERSI Choice Plan 401(k) and 414(k), individual participant returns will vary depending on their specific investment choices. Returns for Choice Plan options can be found on the PERSI website under Investments/Choice Plan.

| | 2025 | 2024 |
|-----------------------------|--------|--------|
| PERSI Defined Benefit Plans | 10.81% | 8.84% |
| Sick Leave Fund - State | 11.10% | 12.06% |
| Sick Leave Fund - Schools | 11.06% | 11.80% |

FINANCIAL SECTION

- All of the plans experienced investment gains in Fiscal Year 2025 as a result of positive market performance. Net investment income for all of the funds administered by the System for the fiscal years ending June 30, 2025 and 2024, was \$2.7 billion and \$2.1 billion, respectively.

| | 2025 | 2024 |
|-----------------------------|-------------------------|-------------------------|
| PERSI Base Plan | \$ 2,372,253,578 | \$ 1,823,748,600 |
| FRF | 51,182,400 | 29,728,492 |
| JRF | 12,499,773 | 9,626,807 |
| PERSI Choice Plan 414(k) | 6,085,346 | 5,057,966 |
| PERSI Choice Plan 401(k) | 178,024,373 | 151,211,340 |
| Sick Leave Fund - State | 31,208,253 | 30,855,288 |
| Sick Leave Fund - Schools | 43,466,974 | 42,933,353 |
| Total net investment income | <u>\$ 2,694,720,697</u> | <u>\$ 2,093,161,846</u> |

- As of June 30, 2025 and 2024, the net pension liability (asset) are as follows:

| | PERSI Base Plan 2025 | FRF 2025 | JRF 2025 |
|--|-------------------------|-------------------------|----------------------|
| Total pension liability | \$ 26,557,051,324 | \$ 229,634,030 | \$ 144,849,529 |
| Plan fiduciary net position | 24,138,888,873 | 521,563,002 | 127,464,623 |
| Employers' net pension liability (asset) | <u>\$ 2,418,162,451</u> | <u>\$ (291,928,972)</u> | <u>\$ 17,384,906</u> |
| Plan fiduciary net position as a percentage of total pension liability (asset) | <u>90.89 %</u> | <u>227.13 %</u> | <u>88.00 %</u> |

| | PERSI Base Plan 2024 | FRF 2024 | JRF 2024 |
|--|-------------------------|-------------------------|----------------------|
| Total pension liability | \$ 25,872,407,517 | \$ 233,798,004 | \$ 135,125,435 |
| Plan fiduciary net position | 22,131,762,631 | 485,494,091 | 117,794,977 |
| Employers' net pension liability (asset) | <u>\$ 3,740,644,886</u> | <u>\$ (251,696,087)</u> | <u>\$ 17,330,458</u> |
| Plan fiduciary net position as a percentage of total pension liability (asset) | <u>85.54 %</u> | <u>207.66 %</u> | <u>87.17 %</u> |

The System's funding objective is to meet long-term benefit obligations through contributions and investment income and provide a reserve against market fluctuations. The ratio listed above gives an indication of how well this objective has been met at a specific point in time. The higher the ratio, the better the Plan is funded.

FINANCIAL SECTION

SICK LEAVE FUNDS

State Members

| | 2025 | 2024 |
|---|------------------|------------------|
| Total OPEB liability | \$ 131,858,259 | \$ 124,248,515 |
| Plan fiduciary net position | 309,888,001 | 283,970,452 |
| Employers' net OPEB liability (asset) | \$ (178,029,742) | \$ (159,721,937) |
| Plan fiduciary net position as a percentage of total OPEB liability (asset) | 235.02 % | 228.55 % |

School Members

| | 2025 | 2024 |
|---|-----------------|-----------------|
| Total OPEB liability | \$ 340,018,300 | \$ 310,957,009 |
| Plan fiduciary net position | 429,858,111 | 400,002,927 |
| Employers' net OPEB liability (asset) | \$ (89,839,811) | \$ (89,045,918) |
| Plan fiduciary net position as a percentage of total OPEB liability (asset) | 126.42 % | 128.64 % |

Using the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the System's financial statements. The financial section is comprised of four additional components: (1) fund financial statements, (2) notes to financial statements, (3) required supplementary information, and (4) additional supplementary schedules.

Fund Financial Statements — There are two financial statements presented for the fiduciary funds. The statements of fiduciary net position as of June 30, 2025 and comparable totals for June 30, 2024, indicate the fiduciary net position available to pay future benefits and gives a snapshot at a particular point in time. The statements of changes in fiduciary net position for the year ended June 30, 2025 with comparable 2024 totals provides a view of the current year's activity. It details the additions and deductions to the individual funds and supports the change to the prior year's ending net position on the statements of fiduciary net position. All pension fund statements are presented on a full accrual basis and reflect all trust activities, as incurred.

Notes to Financial Statements — The notes provide additional information essential for a full understanding of the data provided in the fund financial statements.

Required Supplementary Information — The required supplementary information consists of the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability (Asset), Schedule of Net Pension Liability (Asset), Schedule of Contributions, Schedule of Investment Returns and related notes concerning the methods and assumptions used in calculations of actuarially determined contributions. In addition, required supplementary information includes Schedule of Changes in Net Other Post Employment Benefit (OPEB) Liability (Asset), Schedule of Net OPEB Liability (Asset), Schedule of Contributions – OPEB, Schedule of Investment Returns – Sick Leave Funds as well as related notes concerning the methods and assumptions used in the calculation of the OPEB Liability (Asset).

Additional Supplementary Schedules — The additional schedules (Schedule of Investment Expenses and Schedule of Administrative Expenses) are presented for additional analysis.

FINANCIAL SECTION

Comparative Financial Statements

Defined Benefit Pension Trust Funds — The PERSI Base Plan, the Firefighters' Retirement Fund, and the Judges' Retirement Fund are qualified plans under the Internal Revenue Code and provide retirement, disability and death benefits to the employees of affiliated employers. Benefits are funded by member and employer contributions and by earnings on investments. Assets for these plans are pooled only for investment purposes.

Defined Benefit Pension Trust Funds Net Position

| | As of June 30, 2025 | As of June 30, 2024 | \$ Change | % Change |
|--------------------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------|
| Assets: | | | | |
| Cash and cash equivalents | \$ 48,029,598 | \$ 36,325,610 | \$ 11,703,988 | 32.2 % |
| Investments sold receivable | 54,819,881 | 90,075,541 | (35,255,660) | (39.1) |
| Other receivables | 109,556,279 | 108,673,084 | 883,195 | 0.8 |
| Investments - at fair value | 24,639,954,066 | 22,586,839,307 | 2,053,114,759 | 9.1 |
| Prepaid retiree benefits | 107,408,023 | 103,212,426 | 4,195,597 | 4.1 |
| Assets used in plan operation (net) | 7,288,011 | 5,250,221 | 2,037,790 | 38.8 |
| Total assets | <u>24,967,055,858</u> | <u>22,930,376,189</u> | <u>2,036,679,669</u> | <u>8.9</u> |
| Liabilities: | | | | |
| Investment purchased payable | 140,731,684 | 163,140,579 | (22,408,895) | (13.7) |
| Benefits and refunds payable | 1,610,077 | 570,485 | 1,039,592 | 182.2 |
| Other liabilities | 20,342,803 | 17,236,861 | 3,105,942 | 18.0 |
| Total liabilities | <u>162,684,564</u> | <u>180,947,925</u> | <u>(18,263,361)</u> | <u>(10.1)</u> |
| Net Position: | | | | |
| Assets used in plan operation (net) | 7,288,011 | 5,250,221 | 2,037,790 | 38.8 |
| Net position restricted for pensions | <u>24,797,083,283</u> | <u>22,744,178,043</u> | <u>2,052,905,240</u> | <u>9.0</u> |
| Net Position | <u><u>\$24,804,371,294</u></u> | <u><u>\$22,749,428,264</u></u> | <u><u>\$2,054,943,030</u></u> | <u><u>9.0 %</u></u> |

The fair value of investments increased due to the investment return of 10.81% (net of investment expenses). Liabilities for benefits and refunds payable vary at fiscal year end depending on member request and timing. Change in asset values and timing of payments can affect the balance of liabilities at the statements of fiduciary net position date.

The percent change in investments sold receivable and investments purchased payable fluctuates as the volume of trading activity by the System's professional investment managers' changes. The cash balance change was due to normal fluctuations in operating cash requirements and the timing of transfers to investment managers.

FINANCIAL SECTION

Defined Benefit Pension Trust Funds Changes in Net Position

Net Investment Income gain for Fiscal Year 2025 was \$2.4 billion, as compared to Fiscal Year 2024's gain of \$1.9 billion. Fiscal years 2025 and 2024 had changes in gross returns of 11.12% and 9.15%, contributions and other additions totaling \$1,034.3 million and \$925.5 million, total additions including net investment income and contributions totaling \$3.5 billion and \$2.8 billion, respectively.

In Fiscal Year 2025, the net investment gain and other additions resulted in an increase of \$3.5 billion. Total deductions were \$1.4 billion which paid for the benefits and administrative expenses. In Fiscal Year 2024, total additions of \$2.8 billion were greater than the \$1.3 billion paid for benefits and administrative expenses by \$1.5 billion.

For Fiscal Year 2025, benefits and refunds paid increased due to an increase in the number of retirees receiving benefits, as well as from an increase in the annual Post-Retirement Allowance Adjustment (PAA) for benefits paid to retirees. The PAA adjustment for 2025 was 1.30%, compared to 2024's 1.00% increase. The net investment gain resulted in a positive return in Fiscal Year 2025. The net investment gain resulted in a positive return for the Fiscal Year 2024.

| | Year Ended June 30, 2025 | Year Ended June 30, 2024 | \$ Change | % Change |
|---------------------------|-----------------------------|-----------------------------|------------------------|---------------|
| Additions: | | | | |
| Member contributions | \$ 400,571,523 | \$ 360,327,235 | \$ 40,244,288 | 11.2 % |
| Employer contributions | 632,174,443 | 563,839,697 | 68,334,746 | 12.1 |
| Net investment income | 2,435,935,751 | 1,863,103,899 | 572,831,852 | 30.7 |
| Other additions | 1,525,354 | 1,343,514 | 181,840 | 13.5 |
| Total additions | <u>3,470,207,071</u> | <u>2,788,614,345</u> | <u>681,592,726</u> | <u>24.4</u> |
| Deductions: | | | | |
| Benefits and refunds paid | 1,404,121,096 | 1,319,916,140 | 84,204,956 | 6.4 |
| Administrative expenses | 11,142,945 | 11,570,538 | (427,593) | (3.7) |
| Total deductions | <u>1,415,264,041</u> | <u>1,331,486,678</u> | <u>83,777,363</u> | <u>6.3</u> |
| Changes in net position | <u>\$ 2,054,943,030</u> | <u>\$ 1,457,127,667</u> | <u>\$ 597,815,363</u> | <u>41.0 %</u> |
| Ending net position | <u>\$24,804,371,294</u> | <u>\$22,749,428,264</u> | <u>\$2,054,943,030</u> | <u>9.0 %</u> |

Defined Contribution Pension Trust Funds

During Fiscal Year 2025, the System administered two defined contribution plans. The PERSI Choice Plans, qualified plans under Internal Revenue Code, consist of a 401(k) plan and a 414(k) plan and provide another retirement benefit option to members of the Defined Benefit Pension Plans.

The 401(k) Plan consists of employee voluntary contributions, rollover contributions, and some employer matching contributions. The 414(k) Plan represents the gain sharing allocation made to eligible PERSI members during Fiscal Year 2001. The assets of these plans are pooled for investment purposes, but the 414(k) Plan cannot be used to pay the benefits of the 401(k) Plan and vice versa.

FINANCIAL SECTION

Defined Contribution Pension Trust Funds Net Position

| | As of June 30, 2025 | As of June 30, 2024 | \$ Change | % Change |
|-----------------------------|-------------------------|-------------------------|-----------------------|---------------|
| Assets: | | | | |
| Cash | \$ 3,204,718 | \$ 2,838,944 | \$ 365,774 | 12.9 % |
| Short-term investments | 890,892 | 2,634,070 | (1,743,178) | (66.2) |
| Investments - at fair value | 1,838,985,740 | 1,643,494,666 | 195,491,074 | 11.9 |
| Receivables | 5,821,967 | 6,575,747 | (753,780) | (11.5) |
| Total assets | <u>1,848,903,317</u> | <u>1,655,543,427</u> | <u>193,359,890</u> | <u>11.7</u> |
| Liabilities: | | | | |
| Other liabilities | <u>684,321</u> | <u>581,356</u> | <u>102,965</u> | <u>17.7</u> |
| Net Position | <u>\$ 1,848,218,996</u> | <u>\$ 1,654,962,071</u> | <u>\$ 193,256,925</u> | <u>11.7 %</u> |

Net position increased from Fiscal Year 2024 to Fiscal Year 2025. The change reflects a positive return in the investment market. The change in cash is due to the timing of a transfer of funds at the end of the month. Receivables include contributions that are not yet recorded by the record keeper at year end plus accrued interest and dividends. The change in other liabilities consists of amount due to the base plan, administrative expenses payable, and stale dated checks payable.

Defined Contribution Pension Trust Funds Changes in Net Position

| | Year Ended June 30, 2025 | Year Ended June 30, 2024 | \$ Change | % Change |
|---------------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Additions: | | | | |
| Member contributions | \$ 88,277,916 | \$ 83,545,730 | \$ 4,732,186 | 5.7 % |
| Employer contributions | 11,849,897 | 10,736,833 | 1,113,064 | 10.4 |
| Rollovers | 16,191,646 | 13,856,579 | 2,335,067 | 16.9 |
| Net investment income | 184,109,719 | 156,269,306 | 27,840,413 | 17.8 |
| Total additions | <u>300,429,178</u> | <u>264,408,448</u> | <u>36,020,730</u> | <u>13.6</u> |
| Deductions: | | | | |
| Benefits and refunds paid | 104,514,006 | 90,666,100 | 13,847,906 | 15.3 |
| Administrative expenses | 2,658,247 | 2,434,488 | 223,759 | 9.2 |
| Total deductions | <u>107,172,253</u> | <u>93,100,588</u> | <u>14,071,665</u> | <u>15.1</u> |
| Changes in net position | <u>\$ 193,256,925</u> | <u>\$ 171,307,860</u> | <u>\$ 21,949,065</u> | <u>12.8 %</u> |
| Ending net position | <u>\$ 1,848,218,996</u> | <u>\$ 1,654,962,071</u> | <u>\$ 193,256,925</u> | <u>11.7 %</u> |

The current fiscal year saw a higher investment return than the prior fiscal year. Member contributions increased due to an increase in salary deferrals as well as an increase in the number of members actively contributing. Rollovers represent rollovers from other plans. Changes in employer contributions vary up or down according to individual employers' desire to match employee contributions. The increase in benefits and refunds paid is a result of an increase in the number of retirees receiving benefits.

FINANCIAL SECTION

Other Trust Funds

During Fiscal Year 2025, the System administered two Sick Leave Funds. The PERSI Sick Leave Funds provide payment of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The Fund's contributions are financed by state agency and school district employers of the System which make up the two separate trusts.

Sick Leave Funds Net Position

| | As of June 30, 2025 | As of June 30, 2024 | \$ Change | % Change |
|-----------------------------|------------------------|------------------------|----------------------|--------------|
| Assets: | | | | |
| Cash | \$ 1,603,015 | \$ 1,534,704 | \$ 68,311 | 4.5 % |
| Investments - at fair value | 738,190,187 | 682,484,719 | 55,705,468 | 8.2 |
| Total assets | <u>739,793,202</u> | <u>684,019,423</u> | <u>55,773,779</u> | <u>8.2</u> |
| Liabilities: | | | | |
| Other liabilities | <u>47,090</u> | <u>46,044</u> | <u>1,046</u> | <u>2.3</u> |
| Net Position | <u>\$ 739,746,112</u> | <u>\$ 683,973,379</u> | <u>\$ 55,772,733</u> | <u>8.2 %</u> |

The net position increased in Fiscal Year 2025 from Fiscal Year 2024 because of positive investment returns.

Sick Leave Funds Changes in Net Position

| | Year Ended June 30, 2025 | Year Ended June 30, 2024 | \$ Change | % Change |
|---------------------------|-----------------------------|-----------------------------|----------------------|--------------|
| Additions: | | | | |
| Employer contributions | \$ 6,329 | \$ — | \$ 6,329 | 0.0 % |
| Net investment income | 74,675,227 | 73,788,641 | 886,586 | 1.2 |
| Other additions | 21,293 | 26,495 | (5,202) | (19.6) |
| Total additions | <u>74,702,849</u> | <u>73,815,136</u> | <u>887,713</u> | <u>1.2</u> |
| Deductions: | | | | |
| Benefits and refunds paid | 18,785,927 | 19,340,693 | (554,766) | (2.9) |
| Administrative expenses | 144,189 | 138,005 | 6,184 | 4.5 |
| Total deductions | <u>18,930,116</u> | <u>19,478,698</u> | <u>(548,582)</u> | <u>(2.8)</u> |
| Changes in net position | <u>\$ 55,772,733</u> | <u>\$ 54,336,438</u> | <u>\$ 1,436,295</u> | <u>2.6 %</u> |
| Ending net position | <u>\$ 739,746,112</u> | <u>\$ 683,973,379</u> | <u>\$ 55,772,733</u> | <u>8.2 %</u> |

The PERSI Board extended the rate holiday for employer contributions for Schools and State funds to June 30, 2026 and June 30, 2031, respectively. The changes in net position for Fiscal Year 2025 reflect a net investment return of 11.10% and 11.06% for State and Schools Funds, respectively, resulting in \$75 million in net investment income, compared to \$74 million gain for Fiscal Year 2024.

FINANCIAL SECTION

Plan Membership

This table reflects PERSI Base Plan and PERSI Choice Plans membership as of June 30, 2025 and 2024.

| <u>Base Plan</u> | <u>2025</u> | <u>2024</u> |
|-------------------------------|----------------|----------------|
| Active participants | 78,746 | 78,354 |
| Vested - Base Plan | 45,841 | 45,229 |
| Non-vested - Base Plan | 32,905 | 33,125 |
| Retirees and beneficiaries | 57,473 | 56,084 |
| Terminated and vested | 16,875 | 16,546 |
| Terminated and non-vested | 41,180 | 38,508 |
| Total membership | <u>194,274</u> | <u>189,492</u> |
| | | |
| <u>Choice Plan</u> | <u>2025</u> | <u>2024</u> |
| Participants | 45,226 | 44,452 |
| Actively contributing | 21,846 | 21,253 |
| Periodic installment payments | 2,771 | 2,771 |
| Total membership | <u>69,843</u> | <u>68,476</u> |

Retirees and Beneficiaries (Base Plan)

The following table demonstrates the changes in Base Plan retirees and beneficiaries as of June 30 2025 and 2024.

| | <u>2025</u> | <u>2024</u> |
|------------------------------|---------------|---------------|
| Beginning - July 1 | 56,084 | 54,680 |
| New Retirements | 2,644 | 2,613 |
| Death of Retiree/Beneficiary | (1,255) | (1,209) |
| Ending - June 30 | <u>57,473</u> | <u>56,084</u> |

Investment Activities

Long term (20 - 25 year) asset growth is vital to the Defined Benefit Plans' current and continued financial stability. Therefore, trustees have a fiduciary responsibility to act with prudence and discretion when making plan investment decisions. To assist the Board in this area, a comprehensive formal investment policy is updated periodically. As managers are added, specific detailed investment guidelines are developed, adopted, and become part of that manager's agreement.

Portfolio performance is reviewed monthly by the Board and its consultants. Performance is evaluated individually, by money manager style, and collectively by investment type and for the aggregate portfolio. Investment types include both domestic and international equities, domestic and international fixed income, private equity and real estate.

FINANCIAL SECTION

Economic Factors

At July 1, 2025, PERSI's Base Plan had a net pension liability (asset) of \$2.4 billion, a decrease compared to the July 1, 2024 net liability (asset) of \$3.7 billion. The investment return net of all expenses for 2025 was 10.76% compared to the assumed return of 6.50%. The difference between the assumed rate and the actual rate of return resulted in the decrease in the net pension liability. The fund ended the fiscal year to finish at 11.12% gross before expenses investment rate of return. The amortization period of the unfunded liability for Fiscal Year 2025 is 8.2 years which is less than the 25 year maximum allowed by statute.

The funding of the Plan is 70% investment income, 18% employer contributions and 12% member contributions for Fiscal Year 2025. PERSI is viewed as a well-run and conservatively managed pension plan compared to plans nationally. This reputation stems from sound decisions made by the legislature and the Board.

The Board has and will continue to make appropriate choices regarding investments, contributions, and actuarial assumptions with the goal of maintaining the long-term sustainability of the Plan.*

*REQUEST FOR INFORMATION

Any questions regarding the financial statements of PERSI can be requested through our public information request process detailed on our website. Details can be found at:

<https://www.persi.idaho.gov/docs/contact/How-To-Request-Public-Records-From-PERSI.pdf>

FINANCIAL SECTION

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FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

STATEMENTS OF FIDUCIARY NET POSITION

JUNE 30, 2025 WITH COMPARATIVE FINANCIAL INFORMATION FOR JUNE 30, 2024

| | Pension Trust Funds | | |
|--------------------------------------|---------------------|----------------------------------|----------------------------|
| | PERSI Base Plan | Firefighters' Retirement Fund | Judges' Retirement Fund |
| ASSETS | | | |
| Cash and cash equivalents | \$ 46,762,061 | \$ 1,014,835 | \$ 252,702 |
| Investments - at fair value | | | |
| Fixed income investments | | | |
| Domestic | 5,497,945,614 | 119,316,783 | 29,053,978 |
| International | — | — | — |
| Idaho commercial mortgages | 830,025,502 | 18,013,269 | 4,386,283 |
| Short-term investments | 416,928,459 | 9,048,209 | 2,203,265 |
| Real estate equities | 989,599,772 | 21,476,360 | 5,229,555 |
| Equity securities | | | |
| Domestic | 11,598,196,985 | 251,704,846 | 61,290,851 |
| International | 2,812,145,431 | 61,029,368 | 14,860,826 |
| Private equity | 1,847,637,294 | 40,097,548 | 9,763,868 |
| Mutual, collective, unitized funds | — | — | — |
| Total investments | 23,992,479,057 | 520,686,383 | 126,788,626 |
| Receivables | | | |
| Investments sold | 53,288,800 | 1,248,997 | 282,084 |
| Administrative fee | — | — | — |
| Contributions | 20,764,037 | — | 594,240 |
| Interest and dividends | 85,734,693 | 2,009,473 | 453,836 |
| Total receivables | 159,787,530 | 3,258,470 | 1,330,160 |
| Assets used in plan operations | 7,288,011 | — | — |
| Prepaid retiree benefits | 107,408,023 | — | — |
| Total assets | 24,313,724,682 | 524,959,688 | 128,371,488 |
| LIABILITIES | | | |
| Accrued liabilities | 19,819,952 | 340,142 | 182,709 |
| Benefits and refunds payable | 1,575,327 | 34,750 | — |
| Investments purchased | 136,985,734 | 3,021,794 | 724,156 |
| Total liabilities | 158,381,013 | 3,396,686 | 906,865 |
| NET POSITION | | | |
| Net position restricted for OPEB | — | — | — |
| Net position restricted for pensions | 24,155,343,669 | 521,563,002 | 127,464,623 |
| Total net position | \$ 24,155,343,669 | \$ 521,563,002 | \$ 127,464,623 |

See Notes to Financial Statements

FINANCIAL SECTION

| Pension Trust Funds | | Other Trust Funds | | | |
|---------------------|---------------|-------------------|----------------|-------------------|-------------------|
| PERSI Choice Plan | | Sick Leave Funds | | Totals | |
| 401(k) | 414(k) | State | Schools | 2025 | 2024 |
| \$ 3,070,394 | \$ 134,324 | \$ 474,310 | \$ 1,128,705 | \$ 52,837,331 | \$ 40,699,258 |
| — | — | 151,704,837 | 210,736,396 | 6,008,757,608 | 6,112,788,515 |
| — | — | — | — | — | 9,450,432 |
| — | — | — | — | 852,425,054 | 778,688,640 |
| 890,892 | — | — | — | 429,070,825 | 266,190,994 |
| — | — | — | — | 1,016,305,687 | 1,025,950,063 |
| — | — | 123,582,662 | 170,301,228 | 12,205,076,572 | 10,804,918,099 |
| — | — | 34,145,396 | 47,719,668 | 2,969,900,689 | 2,539,660,222 |
| — | — | — | — | 1,897,498,710 | 1,734,311,131 |
| 1,779,528,379 | 59,457,361 | — | — | 1,838,985,740 | 1,643,494,666 |
| 1,780,419,271 | 59,457,361 | 309,432,895 | 428,757,292 | 27,218,020,885 | 24,915,452,762 |
| | | | | 54,819,881 | 90,075,541 |
| 192,322 | 8,103 | — | — | 200,425 | 193,300 |
| 644,570 | — | — | — | 22,002,847 | 29,437,609 |
| 4,830,853 | 146,119 | — | — | 93,174,974 | 85,617,922 |
| 5,667,745 | 154,222 | — | — | 170,198,127 | 205,324,372 |
| — | — | — | — | 7,288,011 | 5,250,221 |
| — | — | — | — | 107,408,023 | 103,212,426 |
| 1,789,157,410 | 59,745,907 | 309,907,205 | 429,885,997 | 27,555,752,377 | 25,269,939,039 |
| 677,761 | 6,560 | 19,204 | 27,886 | 21,074,214 | 17,864,261 |
| — | — | — | — | 1,610,077 | 570,485 |
| — | — | — | — | 140,731,684 | 163,140,579 |
| 677,761 | 6,560 | 19,204 | 27,886 | 163,415,975 | 181,575,325 |
| — | — | 309,888,001 | 429,858,111 | 739,746,112 | 683,973,379 |
| 1,788,479,649 | 59,739,347 | — | — | 26,652,590,290 | 24,404,390,335 |
| \$ 1,788,479,649 | \$ 59,739,347 | \$ 309,888,001 | \$ 429,858,111 | \$ 27,392,336,402 | \$ 25,088,363,714 |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE FINANCIAL INFORMATION FOR JUNE 30, 2024

| | Pension Trust Funds | | |
|--|--------------------------|----------------------------------|----------------------------|
| | PERSI Base Plan | Firefighters' Retirement Fund | Judges' Retirement Fund |
| ADDITIONS | | | |
| Contributions | | | |
| Members | \$ 399,578,459 | \$ — | \$ 993,064 |
| Employers | 621,829,960 | 4,544,128 | 5,800,355 |
| Rollovers | — | — | — |
| Total contributions | 1,021,408,419 | 4,544,128 | 6,793,419 |
| Investment income | | | |
| Net appreciation in fair value of investments | 1,980,614,838 | 42,772,031 | 10,423,393 |
| Interest, dividends and other investment income | 456,553,242 | 9,859,418 | 2,418,060 |
| Less investment expenses | (64,914,502) | (1,449,049) | (341,680) |
| Total investment income - net | 2,372,253,578 | 51,182,400 | 12,499,773 |
| Other-net | 1,500,409 | — | 24,945 |
| Total net additions | 3,395,162,406 | 55,726,528 | 19,318,137 |
| DEDUCTIONS | | | |
| Benefits and refunds paid to members and beneficiaries | 1,374,980,359 | 19,611,416 | 9,529,321 |
| Administrative expenses | 10,977,574 | 46,201 | 119,170 |
| Total deductions | 1,385,957,933 | 19,657,617 | 9,648,491 |
| INCREASE IN NET POSITION | 2,009,204,473 | 36,068,911 | 9,669,646 |
| NET POSITION | | | |
| Beginning of year | 22,146,139,196 | 485,494,091 | 117,794,977 |
| End of year | <u>\$ 24,155,343,669</u> | <u>\$ 521,563,002</u> | <u>\$ 127,464,623</u> |

See Notes to Financial Statements

FINANCIAL SECTION

| Pension Trust Funds | | Other Trust Funds | | | |
|---------------------|---------------|-------------------|----------------|-------------------|-------------------|
| PERSI Choice Plan | | Sick Leave Funds | | Totals | |
| 401(k) | 414(k) | State | Schools | 2025 | 2024 |
| \$ 88,277,916 | \$ — | \$ — | \$ — | \$ 488,849,439 | \$ 443,872,965 |
| 11,849,897 | — | 971 | 5,358 | 644,030,669 | 574,576,530 |
| 16,191,646 | — | — | — | 16,191,646 | 13,856,579 |
| 116,319,459 | — | 971 | 5,358 | 1,149,071,754 | 1,032,306,074 |
| 151,572,580 | 5,892,718 | 31,318,245 | 43,602,224 | 2,266,196,029 | 1,683,819,365 |
| 30,262,000 | 201,684 | — | — | 499,294,404 | 474,739,187 |
| (3,810,207) | (9,056) | (109,992) | (135,250) | (70,769,736) | (65,396,706) |
| 178,024,373 | 6,085,346 | 31,208,253 | 43,466,974 | 2,694,720,697 | 2,093,161,846 |
| — | — | 6,188 | 15,105 | 1,546,647 | 1,370,009 |
| 294,343,832 | 6,085,346 | 31,215,412 | 43,487,437 | 3,845,339,098 | 3,126,837,929 |
| 99,911,449 | 4,602,557 | 5,237,802 | 13,548,125 | 1,527,421,029 | 1,429,922,933 |
| 2,431,071 | 227,176 | 60,061 | 84,128 | 13,945,381 | 14,143,031 |
| 102,342,520 | 4,829,733 | 5,297,863 | 13,632,253 | 1,541,366,410 | 1,444,065,964 |
| 192,001,312 | 1,255,613 | 25,917,549 | 29,855,184 | 2,303,972,688 | 1,682,771,965 |
| 1,596,478,337 | 58,483,734 | 283,970,452 | 400,002,927 | 25,088,363,714 | 23,405,591,749 |
| \$ 1,788,479,649 | \$ 59,739,347 | \$ 309,888,001 | \$ 429,858,111 | \$ 27,392,336,402 | \$ 25,088,363,714 |

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

NOTE 1. GENERAL DESCRIPTION OF THE FUNDS

General — The Public Employee Retirement System of Idaho (the System or PERSI) is the administrator of seven plans including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (PERSI Base Plan), the Firefighters' Retirement Fund (FRF), and the Judges' Retirement Fund (JRF), and two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) (PERSI Choice Plan). PERSI also administers two Sick Leave Funds, which qualify as other post employment benefits plans (OPEB), one for state employers and one for school district employers.

Reporting Entity — The System is a fiduciary component unit of the State of Idaho (the State) and is included in the State of Idaho Annual Comprehensive Financial Report. The basic financial statements of the System include the financial activities of all of the above funds. A five member retirement board (the Board), appointed by the Governor and confirmed by the Idaho Senate, manages the System. State law requires that two members of the Board be active PERSI members with at least ten years of service and three members who are Idaho citizens not members of the System except by reason of having served on the Board. Responsibilities of the Board include selecting the funding agents, establishing funding policy, and setting contribution rates.

Defined Benefit Retirement Plans Administration — The PERSI Base Plan and FRF are both cost - sharing, multiple - employer defined benefit retirement plans that provide benefits based on members' years of service, age, and highest average salary. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries.

Statutes governing the PERSI Base Plan are Title 59, Chapter 13 of the Idaho Code. Statutes governing FRF are Title 72, Chapter 14 of the Idaho Code.

Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

Effective July 1, 2014, by statute, PERSI assumed administration of the Judges' Retirement Fund (JRF). The JRF is a single employer defined benefit plan that provides benefits based on members' years of service, age and annual compensation. Statutes governing the Judges' Retirement Fund are Title 1, Chapter 20 of the Idaho Code.

JRF members, having left office or retired, are eligible for retirement benefits based on age and years of service (a minimum of four years) as specified in statute.

Plans Membership — State agencies, school districts, cities, counties, highway districts, water and sewer districts, and other political subdivisions contribute to the System.

FINANCIAL SECTION

As of June 30, 2025 and 2024, the number of participating employer units in the PERSI Base Plan was:

| | 2025 | 2024 |
|-----------------------------|------------|------------|
| Cities | 163 | 161 |
| School districts | 195 | 194 |
| Highway and water districts | 146 | 145 |
| State subdivisions | 92 | 92 |
| Counties | 44 | 44 |
| Other | 225 | 226 |
| Total | <u>865</u> | <u>862</u> |

As of June 30, 2025 and 2024, the number of benefit recipients and members in the PERSI Base Plan consisted of the following:

| | 2025 | 2024 |
|----------------------------|----------------|----------------|
| Members: | | |
| Active | 78,746 | 78,354 |
| Terminated and vested | 16,875 | 16,546 |
| Retirees and beneficiaries | 57,473 | 56,084 |
| Total | <u>153,094</u> | <u>150,984</u> |

FRF has 22 participating employer units all consisting of fire departments that also participate in PERSI. As of June 30, 2025, there were 409 retired members or beneficiaries, collecting benefits from FRF. The FRF covers a closed group of firefighters who were hired before October 1, 1980, and who receive benefits in addition to those provided under the Base Plan. The cost of these additional benefits is paid by FRF member and employer contributions and receipts from a fire insurance premium tax.

As of June 30, 2025, JRF had 49 active members and 118 retired members or beneficiaries collecting benefits from JRF.

Benefits Provided - The benefit payments for the PERSI Base Plan, FRF and JRF are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum Post-Retirement Allowance Adjustment (PAA) increase per year provided the Consumer Price Index increases 1% or more. The Retirement Board has the authority to provide higher PERSI Base Plan PAA increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The cost of living increase for the FRF retirees is based on the increase in the statewide average firefighter's wage for employer units who belong to the FRF plan.

Adjustments to JRF benefits are made by either the PERSI PAA as described above or by a statutory adjustment which is based on active judge's salaries. Whether the PERSI PAA or the statutory adjustment applies depend on the date the judge first assumed office, on or before July 1, 2012 and/or by whether the judge (if it was an option available) made an irrevocable election to use the PERSI PAA.

FINANCIAL SECTION

Contributions - The PERSI Base Plan and JRF benefits are funded by contributions from members and employers and earnings from investments. The FRF funding is obtained from receipts from a state fire insurance premium tax. Member and employer contributions are paid as a percentage of member compensation. PERSI Base Plan and JRF member contribution rates are determined by the Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due. Contributions are based on actuarial assumptions, the benefit formulas, and employee groups of the System. Costs of administering the fund are financed through the contributions and investment earnings of the System.

Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method for the PERSI Base Plan and JRF. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age.

The PERSI Base Plan and the JRF Plan amortizes any net pension liability based on a level percentage of payroll. The payroll for employees covered by the PERSI Base Plan and JRF Plan was \$4,770,642,002 and \$9,276,115, respectively, for the year ended June 30, 2025.

Net pension liability (asset) for FRF is the difference between the pension liability of the FRF benefits not provided by the Base Plan and the FRF assets. There are no active employees in the FRF Plan since June 30, 2021. Idaho Statute 59-1394(1)(a) requires 50% of the gross receipts by the State of the tax on fire insurance premiums, as provided by Idaho Statute 41-402, is perpetually appropriated for the purpose of partially funding the benefit requirements of Chapter 14, Title 72 of the Idaho Code (Firefighter's Retirement Fund). These receipts are accounted for in employer contributions.

The Base Plan contribution rates for employees are set by statute at 60% of the employer rate for general employees and school employees, and 72% for police and firefighters. As of June 30, 2025, the employee rate was 7.18% for general employees, 8.08% for school employees, and 10.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.96% for general employees, 13.48% for school employees, and 13.98% for police and firefighters. Police and firefighters employee and employer rates for the period from July 1, 2024 through March 31, 2025 were 10.83% and 14.65%, respectively. Effective April, 2025, employee and employer rates were changed to 10.36% and 13.98%, respectively.

The JRF employee contribution rate is 18.50% of the employer contribution rate as set by the Board. As of June 30, 2025, the employee contribution rate was 11.57% and the employer contribution rate was 62.53%. Active employees who have 20 or more years of service are exempt from employee contributions.

Upon termination of employment, PERSI Base Plan participants are entitled to accumulated member contributions plus interest, accrued at 7.91% from January 1, 2025 through June 30, 2025 (8.20% from July 1, 2024 through December 31, 2024) compounded monthly per annum, and are refundable. Withdrawal of such accumulated contributions results in forfeiture of the member's accrued benefit; however, state law does include provisions for reinstatement of forfeited service upon repayment of the accumulated contributions plus interest.

FINANCIAL SECTION

JRF employees with less than four years of service are entitled to a refund of accumulated member contributions plus interest, accrued at 6.50% per annum.

Defined Contribution Retirement Plans - The PERSI Choice Plans are defined contribution retirement plans. The statute governing the PERSI Choice Plans is Idaho Code Title 59, Chapter 13.

The PERSI Choice Plans made up of a qualified 401(k) plan and a 414(k) plan. The assets of the two plans within the PERSI Choice Plans are commingled for investment purposes. Participants can direct their investment mix with some trading frequency restrictions. Participants have fifteen investment options: two balanced funds, four fixed income funds and eight equity funds and one specialty fund. Participants investing in the Total Return Balanced Fund and the PERSI Short-term Investment Portfolio pay investment management fees of 0.27% and 0.11%, respectively. Since inception of the plans, participants have paid investment management fees for all other options.

The 401(k) portion of the PERSI Choice Plans is open to all active PERSI members. Employees can make tax-deferred contributions up to 100% of their gross salary less deductions and subject to the Internal Revenue Service (IRS) annual contribution applicable limit for the age of the employee. The 414(k) portion of the PERSI Choice Plans was established for gain sharing allocations from the PERSI Base Plan. The gain sharing amount (if any) is based on funding levels in the Base Plan and is subject to Board approval. Eligibility for gain sharing requires twelve months of active PERSI Base Plan membership as defined in Idaho statutes and PERSI rules.

Participants may allocate their assets in 1% increments among the investment options; however, if no allocation preference is indicated, a default investment election to the PERSI Total Return Fund (TRF) is made. The TRF is a unitized fund comprised of investment accounts of the PERSI Base Plan.

As of June 30, 2025, there were 45,226 participants with balances in the PERSI Choice Plans. Some of these participants are in both the 401(k) Plan and the 414(k) Plan. As of June 30, 2025, there were 8,601 participants with both Choice Plan 401(k) and 414(k) plans. There were 30,104 participants with only Choice Plan 401(k), and 6,521 participants with only Choice Plan 414(k).

Optional Retirement Plan - Certain community colleges and university employees participate in an optional retirement plan (ORP) in accordance with the provisions of Idaho Code 33-107(A) and (B). For university employees who opted out of PERSI in 1993, the employer by statute pays 1.49% of ORP payroll in lieu of a withdrawal liability payment to PERSI with a payoff date of June 30, 2025. As of July 1, 2025, there will be no more payments.

Sick Leave Funds (OPEB) - PERSI administers the Sick Leave Funds cost sharing, multiple-employer defined benefit OPEB plans that provides payment of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The Sick Leave Funds are classified as trust funds. For state and school employers, unused sick leave benefits are subject to the guidance of Governmental Accounting Standard Board (GASB) Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

The Sick Leave Funds are made up of two trust funds administered by PERSI, a trust for payment of school district employee benefits and a trust for payment of state employee benefits. The statutes governing the Sick Leave Funds are Idaho Code, Sections 67-5333, 33-1216, 59-1365, and 33-1228.

FINANCIAL SECTION

The Sick Leave Funds exist for the payment of unused sick leave benefits in the form of insurance premiums for eligible employees who separate from service by reason of retirement.

The System administers these trusts on behalf of the participating employers. Employers' contributions are a measure of pay collected each pay cycle and are held in trust for future benefits. The school districts and the State are responsible for any unfunded OPEB liability, respectively, through contribution rate adjustments.

Membership in the Sick Leave Funds as of June 30, 2025 valuation.

| | State | Schools |
|----------------------------|---------------|---------------|
| Members: | | |
| Active | 22,587 | 36,306 |
| Retirees and beneficiaries | 7,312 | 8,441 |
| Total | <u>29,899</u> | <u>44,747</u> |

School District Employees - For school district employees, the unused sick leave amount available for benefit is limited to one-half of their eligible sick leave balance and rate of compensation at retirement.

State Employees - State employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program as follows:

| Credited Hours of State Services | Maximum Allowable Sick Leave Hours |
|-------------------------------------|---------------------------------------|
| 0-10,400 (0-5 years) | 420 |
| 10,401-20,800 (5-10 years) | 480 |
| 20,801-31,200 (10-15 years) | 540 |
| 31,201+ (15 years or more) | 600 |

Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement.

The PERSI Board extended the rate holiday for employer contributions for Schools and State Funds to June 30, 2026 and June 30, 2031, respectively. Minimal contributions received were from internal audits for delinquent contributions.

FINANCIAL SECTION

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The System's basic financial statements are prepared utilizing the accrual basis of accounting. Employee and employer contributions are recognized as additions to net position when due and receivable, pursuant to formal commitments and statutory or contractual requirements, investment income is recognized when earned, and benefit payments and refunds and other expenses are recorded when the benefits are due and payable in accordance with the plans' terms. The pension funds are accounted for on a flow of economic resources measurement focus.

Investments - The System's investments are presented at fair value. Purchases and sales are recorded at the trade date. At month end, there may be certain pending trades that were initiated by managers but not confirmed and, therefore, are not included in the fair value of investments. Investments of the PERSI Base Plan, FRF, JRF and the PERSI TRF (an option of the PERSI Choice Plan) are pooled for investment purposes, as is disclosed in Note 3. The Sick Leave Funds for State and Schools are not pooled.

The Board utilizes and directs individual fund managers to provide whatever investment management and custodial functions the Board has determined best achieves the System's investment objectives. Each fund manager is generally granted full discretion in making investment decisions, within asset allocation policy, portfolio investment policy, specific investment guidelines and other special restrictions set by contract with the Board. The Board monitors overall investment performance and periodically evaluates the performance of each fund manager. The Board in its administration of the System and management of the investment program is guided by the Idaho Uniform Prudent Investor Act, Sections 68-501 through 68-514 of the Idaho Code and of fiduciary responsibilities in the Idaho Code, Section 59-1301, and is empowered in its sole discretion to limit, control, and designate the types and amounts of investments. The Board has adopted an investment policy including policy related to deposit and investment risks identified in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The fair value of investments is based on published market prices and quotations from major investment brokers, when available. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments of matching duration. The fair value of real estate investments is based on industry practice. For recent acquisitions, cost closely approximates fair value. The fair value of longer term real estate holdings is estimated based on the System's consultant assessments and/or independent appraisals. Short-term investments are reported at fair value, when published market prices and quotations are available, or at cost plus accrued interest, which approximate fair value. The fair values of private equity limited partnership investments by their nature have no readily ascertainable market prices. Similar to real estate, cost closely approximates fair value for recent acquisitions. Thereafter, the fair values of limited partnership funds are based on the valuations as presented by the general partner, approved by the funds' advisory committee, and reviewed by consultants. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing, and other relevant factors. Because of the lack of published market prices for these investments, the estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual company values, private equity represents 7.80% of total investments. PERSI's real estate and commercial mortgage investments are 4.12% and 3.46%, respectively, of total investments.

Investment expenses presented within the statements of changes in fiduciary net position do not include fees and costs for private equity investments nor does it include fees and commissions

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related to public equity transactions. These fees and costs are presented, for information purposes, within the Investment Section of PERSI's Annual Comprehensive Financial Report in the Schedule of Costs for Private Equity Partnerships and the Schedule of Broker Fees and Commissions. These costs are captured within the net asset value for investments as reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

The System purchases forward currency contracts for certain international investments and United States of America agency-guaranteed collateralized mortgage obligations for the purpose of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure. The System may incur minor recording costs for forward contracts until the settlement date. Potential future obligations for the forward contracts are not recognized until the contract expiration date.

The following are the Board's adopted asset allocation policies for the Pension Trust Funds (DB Plans, adopted November 2019) and for the Sick Leave Funds (Sick Leave, adopted March 2021), as of June 30, 2025:

| <u>Asset Class</u> | 2025 | |
|----------------------|-----------------|-------------------------|
| | DB Plans | Sick Leave Plans |
| Fixed Income | 30.0% | 50.0% |
| US Equity | 55.0% | 39.3% |
| International Equity | 15.0% | 10.7% |
| Cash | 0.0% | 0.0% |
| Total | 100% | 100% |

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such change could materially affect the amounts reported in the financial statements.

Assets Used in Plan Operations – These assets represent buildings, equipment, and computer software development costs used by the System and are recorded at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful life for buildings is 30 - 50 years. The estimated useful life of computer software development costs is 10 - 15 years. Computer and technology equipment has a 3 - 5 year useful life.

Totals – The basic financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's basic financial statements for the year ended June 30, 2024, from which the summarized information was derived.

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NOTE 3. DEPOSITS AND INVESTMENTS

A. Deposits

Cash and cash equivalents are deposited with various financial institutions and are carried at cost plus accrued interest. Cash balances represent operating cash accounts held by various banks and on deposit with the State Treasurer. In accordance with Idaho Code Sections 67-1210 and 67-1210A, the State Treasurer invests cash not needed to meet immediate obligations in the pooled Idle Short-term Fund. Deposits are held by its agent in the State Treasurer's name. Pooled balances are available on demand. Cash deposits in other bank accounts are covered by federal depository insurance up to \$250,000. The System does not have a policy for custodial credit risk related to cash on deposit at local financial institutions.

| | |
|--------------------------------|-----------------------------|
| Cash and cash equivalents | |
| Held by the State Treasurer | \$ 48,698,654 |
| FDIC insured/collateralized | 3,907,573 |
| Uninsured and uncollateralized | <u>231,104</u> |
| Total | <u><u>\$ 52,837,331</u></u> |

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B. Investments

Investments of the pension trust funds are reported at fair value. See Note 2 for more details. The Board maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. This includes policies pertaining to asset allocation and risk described in subsequent sections. Refer to Note 2 for additional asset allocation information. In fulfilling its responsibilities, the Board has contracted with investment managers, a master global custodian, other custodians, and a cash manager. Manager contracts include specific guidelines regarding the PERSI investments under management.

The following investments, risks disclosures and rate of return do not include assets from the Sick Leave Funds or other Choice Plan options (except TRF). Based on the assets that are being excluded, they do not apply to these disclosures thus it is appropriate to exclude:

Derivatives
Mortgage - Backed Securities
TIPS
Custodial Credit Risk
Concentration of Credit Risk

Investments at fair value as of June 30, 2025, are as follows:

| | |
|---|---------------------------------------|
| Domestic fixed income | \$ 5,646,316,375 |
| Commingled domestic fixed income (Sick Leave Funds) | 362,441,233 |
| Idaho commercial mortgages | 852,425,054 |
| Short-term investments | 429,070,825 |
| Real estate | 1,016,305,687 |
| Domestic equities | 11,911,192,682 |
| Commingled domestic equity (Sick Leave Funds) | 293,883,890 |
| International equities | 2,888,035,625 |
| Commingled international equity (Sick Leave Funds) | 81,865,064 |
| Private equity | 1,897,498,710 |
| Mutual, collective, and unitized funds | 1,838,985,740 |
| Total Investments | <u><u>\$27,218,020,885</u></u> |

Concentrations - In line with policy, the System does not have any investments from a single issuer (excluding explicitly guaranteed governments) that represent more than 5% of the System's net position.

Derivatives - Derivatives are financial obligations whose value is derived from underlying debt or equity securities, commodities, or currencies. Any derivative instruments held by PERSI are for investment purposes only and all information is disclosed within the investment footnotes. The derivatives held by PERSI are reported in the US dollar denomination. They are designed, among other things, to help investors protect themselves against the risk of price changes. In accordance with its investment policy, the System, through its external investment managers, holds investments in forward foreign currency contracts. Only a few selected managers are permitted to use derivatives. In every case, the types of derivatives used and limits on their use are defined in manager contracts and are monitored on an ongoing basis.

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Forward Foreign Currency Exchange Contracts are carried at fair value by the System. The System has entered into foreign exchange contracts to purchase or sell currency at various dates in the future at a specific price. Some of the System's international and real estate investment managers use forward contracts to hedge the exposure of investments to fluctuations in foreign currency. Forward foreign exchange contracts are negotiated between two counterparties. The System could sell the forward contract at a loss, or if it were to continue to hold the contract, the System may make a termination payment to the counterparty to cancel its obligation under the contract and then buy the currency on the open market. The System could also incur a loss if its counterparties failed to perform pursuant to the terms of their contractual obligations. Controls are established by the System and the investment managers to monitor the creditworthiness of the counterparties. The System's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. As of June 30, 2025, the System had entered into forward currency contracts to sell foreign currencies with a fair value of \$22,152,687 and had entered into forward currency contracts to buy foreign currencies with a fair value of \$(22,180,425). Forward currency contracts are receivables or payables reported as investments sold or investments purchased. A net unrealized loss of \$(27,738) at June 30, 2025 was recorded, which represent the loss which would occur from executing these forward foreign currency contracts.

Mortgage-Backed Securities - These investments are valued based on the cash flows from interest and principal payments on the underlying mortgages. As a result, they are sensitive to prepayments, which are likely to occur in declining interest rate environments, thereby reducing the value of the securities. Details regarding interest rate risk for these investments are included in the Interest Rate Risk section on page 105.

TIPS - Treasury Inflation Protected Securities (TIPS) are fixed income securities issued by the US Treasury that pay a fixed coupon rate plus an adjustment for subsequent inflation. At June 30, 2025, the System had invested in TIPS with a fair value of \$2,334,284,028. As fixed income securities, TIPS are included in the domestic fixed income total.

C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System's investment policies requires each portfolio manager to maintain a reasonable credit risk level relative to its benchmark and provided 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.

As of June 30, 2025, the System's fixed income assets that are not government guaranteed represented 51.10% of the fixed income portfolio. The System's fixed income assets are shown with current credit ratings in the table below.

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| Credit Quality - S & P Rating Level | PERSI/FRF Plans | JRF Plan | Total Return Fund | Total |
|--|------------------------|----------------------|-----------------------|-------------------------|
| Short-term | | | | |
| A-1+ | \$ 32,600,049 | \$ 168,616 | \$ 1,849,121 | \$ 34,617,786 |
| A-1 | 95,024,280 | 491,491 | 5,389,911 | 100,905,682 |
| A-2 | 68,459,990 | 354,093 | 3,883,147 | 72,697,230 |
| Long-term | | | | |
| AAA | 117,930,188 | 609,966 | 6,689,166 | 125,229,320 |
| AA* | 772,885,411 | 3,997,569 | 43,839,145 | 820,722,125 |
| A | 447,397,550 | 2,314,059 | 25,377,017 | 475,088,626 |
| BBB | 725,388,050 | 3,751,900 | 41,145,028 | 770,284,978 |
| BB** | 17,492,980 | 90,479 | 992,226 | 18,575,685 |
| B* | 783,670 | 4,053 | 44,451 | 832,174 |
| Not rated | 213,419,377 | 1,103,862 | 12,105,447 | 226,628,686 |
| Total Credit Risk Fixed Income Securities | 2,491,381,545 | 12,886,088 | 141,314,659 | 2,645,582,292 |
| US Government | 3,629,982,814 | 18,775,239 | 205,897,721 | 3,854,655,774 |
| Pooled Investments - (unrated) | 113,195,257 | 585,476 | 6,420,594 | 120,201,327 |
| Pooled Investments (Sick Leave Funds-unrated) | — | — | — | 362,441,233 |
| Idaho Mortgages | 848,038,771 | 4,386,284 | 48,101,948 | 900,527,003 |
| Total | \$7,082,598,387 | \$ 36,633,087 | \$ 401,734,922 | \$ 7,883,407,629 |

*Includes US Government Agencies implicitly guaranteed by US Government: FHLB \$158,565,590; FHLMC \$124,852,128; FNMA \$382,515,549

**Active bond managers are allowed to invest a portion of their portfolios in non-investment grade securities. These positions are monitored on a regular basis.

Each portfolio is managed in accordance with operational guidelines that are specific as to expected portfolio characteristics that usually, but not always, include credit quality and exposure levels. The System's investment policy requires managers to 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.

D. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution or bank failure, the System would not be able to recover the value of their deposits and investments that are in the possession of an outside party. The System mitigates custodial credit risk by requiring in policy, to the extent possible, that investments be clearly marked as to PERSI ownership and be registered in the System's name. All securities are required to be delivered to a third-party institution mutually agreed upon by the bank and the System.

The System's cash and deposits are swept daily by the System's custodian and cash manager into short-term investment funds. Clearwater Advisors, LLC is the System's cash manager and invests the bulk of the System's cash, approximately 75.21%, in short-term instruments held at the

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custodian bank. Of the remaining cash and deposits at June 30, 2025 approximately 0.32% or, \$1,454,866, was held by various counterparties not in the System's name. The remainder, approximately 24.47%, is invested in custodial bank-maintained collective investment funds.

E. Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The System's operational guidelines for investments in any corporate entity are stated in each individual manager's specific portfolio guideline.

Per the System's Investment policy, managers will provide expected concentration of credit risk exposures in their portfolio guidelines. If the concentration of credit risk exceeds expectations, managers are 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 exceeds 5% of the System's invested assets.

F. Interest Rate Risk

Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration methodology. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve. All of the System's fixed income portfolios are managed in accordance with operational guidelines which include an expected range of interest rate risk in the portfolio. Per the System's investment 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. The reporting of effective duration found in the tables that follow quantifies the interest rate risk of the System's fixed income assets. Some of the large durations are due to the use of options and forward foreign currency contracts. For line items below reported as "N/A," the duration calculation is not available. A negative duration can occur when floating rate securities trade at a discount.

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Effective duration of domestic fixed income assets by security type:

| Investment | Effective Duration in Years | Fair Value Allocations | | | |
|---|-----------------------------|------------------------|---------------|-------------------|-----------------|
| | | PERSI/FRF DB Plans | Judges' Plan | Total Return Fund | Total |
| Domestic | | | | | |
| Asset - backed Securities | 2.42 | \$ 43,543,794 | \$ 225,220 | \$ 2,469,865 | \$ 46,238,879 |
| Mortgages | 2.55 | 44,505,810 | 230,196 | 2,524,432 | 47,260,438 |
| Mortgages | N/A | 25,892 | 134 | 1,469 | 27,495 |
| Commercial Paper | 0.12 | 214,862,093 | 1,111,324 | 12,187,280 | 228,160,697 |
| Corporate Bonds | 7.08 | 1,126,803,946 | 5,828,130 | 63,913,902 | 1,196,545,978 |
| Corporate Bonds | N/A | 696,481 | 3,602 | 39,505 | 739,588 |
| Government Agencies | 7.63 | 213,856,492 | 1,106,123 | 12,130,240 | 227,092,855 |
| Government Bonds | 7.12 | 1,434,436,565 | 7,419,288 | 81,363,256 | 1,523,219,109 |
| Government Mortgage - backed Securities | 5.54 | 566,156,908 | 2,928,314 | 32,113,215 | 601,198,437 |
| Pooled Investments | — | 113,195,257 | 585,476 | 6,420,594 | 120,201,327 |
| Pooled Investments - Domestic Fixed Income (Sick Leave Funds) | N/A | — | — | — | 362,441,233 |
| Private Placements | 3.82 | 271,446,304 | 1,403,993 | 15,396,815 | 288,247,112 |
| Private Placements | N/A | 6,802,424 | 35,185 | 385,841 | 7,223,450 |
| TIPS | 9.13 | 2,198,227,651 | 11,369,819 | 124,686,558 | 2,334,284,028 |
| Idaho Mortgages | N/A | 848,038,770 | 4,386,283 | 48,101,950 | 900,527,003 |
| Total | | \$7,082,598,387 | \$ 36,633,087 | \$401,734,922 | \$7,883,407,629 |

G. Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings. The System expects the managers of these holdings to maintain adequately diversified portfolios to limit foreign currency risk. Per the System's investment policy, the individual manager guidelines will outline the expected current 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. Currency gains and losses will result from exchange rate fluctuations. The System's exposure to foreign currency risk expressed in US dollars as of June 30, 2025, is shown in the table that follows. Negative fair values related to variable-rate debt instruments are highly sensitive to changes in interest rates.

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| Currency | Short-term Investments | Equity | Fixed Income | Total USD Equivalent Fair Value |
|--|------------------------|------------------|--------------|---------------------------------|
| Australian Dollar | \$ (7,366) | \$ 31,523,722 | \$ — | \$ 31,516,356 |
| Brazil Real | — | 32,956,505 | — | 32,956,505 |
| Canadian Dollar | 165,266 | 25,077,399 | — | 25,242,665 |
| Danish Krone | 2,402,291 | 143,185,643 | — | 145,587,934 |
| Euro Currency Unit | 12,217,707 | 1,288,019,836 | — | 1,300,237,543 |
| Hong Kong Dollar | 17,804 | 156,962,559 | — | 156,980,363 |
| Indonesian Rupiah | — | 9,617,815 | — | 9,617,815 |
| Israeli Shekel | 3,929 | 1,470,421 | — | 1,474,350 |
| Japanese Yen | 575,951 | 378,580,815 | — | 379,156,766 |
| Malaysian Ringgit | 17 | 5,511,566 | — | 5,511,583 |
| Mexican Peso | (1,582) | 13,141,700 | — | 13,140,118 |
| New Taiwan Dollar | 16 | 64,541,946 | — | 64,541,962 |
| New Zealand Dollar | 4,098 | 500,386 | — | 504,484 |
| Norwegian Krone | 64,496 | 1,669,120 | — | 1,733,616 |
| Philippines Peso | — | 10 | — | 10 |
| Polish Zloty | 7,636 | — | — | 7,636 |
| Pound Sterling | 1,256,349 | 655,623,876 | — | 656,880,225 |
| Russian Ruble | — | — | 193,219 | 193,219 |
| Singapore Dollar | 3,414 | 18,848,627 | — | 18,852,041 |
| South Korean Won | — | 59,790,892 | — | 59,790,892 |
| Swedish Krona | 360,884 | 65,168,894 | — | 65,529,778 |
| Swiss Franc | 9,225,780 | 194,170,306 | — | 203,396,086 |
| Thailand Baht | (225) | — | — | (225) |
| Total value of investments subject to foreign currency risk | | | | |
| | \$ 26,296,465 | \$ 3,146,362,038 | \$ 193,219 | \$ 3,172,851,722 |

H. Rate of Return

For the years ended June 30, 2025 and 2024, the annual money - weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.81% and 8.84% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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NOTE 4. FAIR VALUE

GASB Statement No. 72, *Fair Value Measurement and Application*, (Statement 72) specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

Level 1 - Unadjusted quoted prices for identical instruments in active markets, that the reporting entity has the ability to access at the measurement date.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model - derived valuations in which all significant inputs and significant value drivers are directly or indirectly observable. Examples would be matrix pricing, market corroborated pricing and inputs such as yield curves and indices.

Level 3 - Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable and may rely on the reporting entity's own assumptions, but the market participant's assumptions that may be used in pricing the asset or liability.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Plan defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments. In determining the appropriate levels, the Plan performed a detailed analysis of the assets and liabilities that are subject to Statement 72.

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The following table presents fair value measurements as of June 30, 2025:

| Instruments by Fair Value Level | Total | Level 1 | Level 2 | Level 3 |
|--|--------------------------|--------------------------|-------------------------|-------------|
| Fixed Income Securities: | | | | |
| US Government | \$ 3,839,735,834 | \$ 3,803,518,565 | \$ 36,217,269 | \$ — |
| Asset backed - Securitized | 991,471,120 | — | 991,471,120 | — |
| Corporate | 1,052,616,953 | — | 1,052,616,953 | — |
| Idaho Mortgages | 900,527,003 | — | 900,527,003 | — |
| Non-US Government | 81,080,325 | — | 81,080,325 | — |
| Total Fixed Income Securities | 6,865,431,235 | 3,803,518,565 | 3,061,912,670 | — |
| Equities: | | | | |
| Domestic | 8,664,740,484 | 8,664,740,484 | — | — |
| Developed Markets | 3,540,294,183 | 3,540,294,183 | — | — |
| Emerging Markets | 400,837,525 | 400,837,525 | — | — |
| Total Equities | 12,605,872,192 | 12,605,872,192 | — | — |
| Preferred Securities | 6,654,291 | 6,654,291 | — | — |
| Mutual Funds - Defined Contribution Investment Options | 179,363,147 | 179,363,147 | — | — |
| Total Investments By Fair Value Level* | \$ 19,657,320,865 | \$ 16,595,408,195 | \$ 3,061,912,670 | \$ — |

* The Total Return Fund and Short-Term Investment Portfolio are unitized Defined Contribution investment options included with the Equity and Fixed Income totals above and the Private Equity Partnerships and Private Real Estate totals below.

| Investments measured at the net asset value | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice |
|---|----------------|----------------------|----------------------|-------------------|
| Private Equity Partnerships: | | | | |
| Growth Equity | \$ 109,212,489 | \$ 139,258,221 | N/A | N/A |
| Corporate Finance/Buyout | 1,631,751,524 | 960,250,418 | N/A | N/A |
| Distressed Debt | 27,821,057 | 7,286,395 | N/A | N/A |
| Co/Direct Investment | 118,229,932 | 110,137,418 | N/A | N/A |
| Secondaries | 76,417,338 | 105,193,094 | N/A | N/A |
| Venture Capital | 41,141,339 | 48,520,689 | N/A | N/A |
| Private Real Estate: | | | | |
| Prudential-Open Ended Commingled Insurance Company separate account | 81,680,908 | N/A | N/A | N/A |
| Multifamily Properties (Olympic) | 86,752,920 | N/A | N/A | N/A |
| Value Added Apartments | 210,432,996 | N/A | N/A | N/A |
| Value Added Offices | 43,366 | N/A | N/A | N/A |
| Value Added Retail | 75,349,649 | N/A | N/A | N/A |

continued

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| Investments measured at the net asset value | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice |
|--|-------------------------|------------------------|----------------------|-------------------|
| Office/Industrial Properties | 82,352,866 | N/A | N/A | N/A |
| Core Office | 36,070,976 | N/A | N/A | N/A |
| Industrial | 410,176,702 | N/A | N/A | N/A |
| Development Properties | 90,794,962 | N/A | N/A | N/A |
| Collective Funds: | | | | |
| REIT Index Collective Fund | 5,835,960 | N/A | Daily | Daily |
| TIPS Index Collective Fund | 6,327,217 | N/A | Daily | Daily |
| US Large Cap Equity Market Index Collective Fund | 124,835,096 | N/A | Daily | Daily |
| US Bond Market Index Collective Fund | 13,838,643 | N/A | Daily | Daily |
| International Equity Index Collective Fund | 17,499,897 | N/A | Daily | Daily |
| US Small/Midcap Equity Index Collective Fund | 41,248,303 | N/A | Daily | Daily |
| BNYM Mellon DB NSL Emerging Market Stock Index Fund - Non-DC | 883,611,899 | N/A | Daily | 2 days |
| Sprucegrove Investment Management Ltd | 450,742,685 | N/A | Daily | Daily |
| WCM Focused Emerging Markets Fund | 625,000,000 | N/A | Daily | Daily |
| Wasatch Emerging Markets SM | 546,818,633 | N/A | Daily | Daily |
| JPM | 515,253,492 | N/A | Daily | Daily |
| Unitized Fund: | | | | |
| Short-Term Investment Portfolio Account | 50,378,324 | N/A | Daily | Daily |
| Sick Leave Funds: | | | | |
| Russell 3000 Index Fund | 293,883,890 | N/A | Daily | Same day |
| Government Credit Bond Index Fund | 362,441,233 | N/A | Daily | 1 day |
| MSCI ACWI Ex-US Strategy Fund | 81,865,064 | N/A | Daily | 3 days |
| Total Investments Measured At The Net Asset Value (NAV) | 7,097,809,360 | | | |
| Total investments measured at fair value | \$26,755,130,225 | \$1,370,646,235 | | |

| Investment Derivative Instruments By Fair Value | Total | Level 1 | Level 2 | Level 3 |
|---|--------------------|-------------|--------------------|-------------|
| Foreign Exchange Contracts - Receivable | \$ 22,152,687 | \$ — | \$ 22,152,687 | \$ — |
| Foreign Exchange Contracts - Payable | (22,180,425) | — | (22,180,425) | — |
| Total Investment Derivative Instruments | \$ (27,738) | \$ — | \$ (27,738) | \$ — |

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The Plan uses a Fair Value Hierarchy (FVH) report within the custodial reporting system that is based on asset class and utilizing a proprietary matrix. The custodian uses several third party vendors to establish pricing. When possible, secondary vendor pricing is used to check for accuracy against the primary vendor's price. The pricing vendors provide detailed pricing and reference data outlining their inputs, pricing applications, models, and methodologies. FVH reporting is reviewed and researched if inconsistencies are observed.

Short-Term Securities: These items were removed from leveling table due to the nature of securities. These are cash equivalents and highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value.

Equities: Equities at Level 1 are using quoted prices for identical securities in an active market.

Fixed Income: These securities are primarily in Level 1 and 2. Information such as sector groupings, benchmark curves, like security benchmarking, reported trades, broker/dealer quotes and other reference data are all used to assist with pricing of all types of securities. Specifically, these categories used the following methodologies.

US Government Electronic fixed income trade platform and broker feeds are used and reviewed for consistency and outliers.

Asset Backed/Securitized Uses volatility - driven multi-dimensional spread tables and option adjusted spread and prepayment model.

Corporate and Non-US Government Multi - dimensional relational models are used along with option adjusted spread.

Idaho Mortgages - The fair value of the commercial mortgage portfolio is calculated daily. Expected cash flows for loans are discounted with rates that are based on the US Treasury yield curve. The relevant discount rates include a spread above Treasury yields that accounts for credit and liquidity risk.

Mutual Funds: Valued at the daily closing price as reported by the fund and reported as Level 1. Mutual funds held by the Plan are open - end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Private Equity Partnerships: These are reported at the NAV and includes limited partnerships invested in the following strategies: Growth Equity, Corporate Finance/Buyout, Distressed Debt, Co/Direct Investments, Secondaries, and Venture Capital. Fair value is obtained by using a valuation provided by the General Partner, adjusting for interim cash flows and rolling forward to the measurement date of the Plan. A gatekeeper is used to monitor values, cash flows, and provide due diligence for new investments. The fair values presented may differ from actual amounts realized from these investments.

Preferred Securities: These are primarily Level 1 for stocks quoted prices (unadjusted) in an active market for identical assets.

FINANCIAL SECTION

Real Estate: *Real Estate Investment Trusts (REITs)* are publicly traded securities and are included with Equities: Domestic, Level 1, as those securities are traded in an active market.

Private Real Estate are investments owned directly or with other partnership interests and are in several general categories to include Multifamily Properties, Value Added Apartments, Value Added Offices, Value Added Retail, Office/Industrial Properties, Core Office, Industrial and Development Properties and are listed with investments measured at the NAV. Each property in the Portfolio is externally appraised at a minimum every year. Appraisals are completed by third party MAI certified appraisers. For properties not subject to an external appraisal during a quarter, internal valuations are completed by AEW (the Plan's private real estate consultant) (or Pinnacle and reviewed by AEW), based on updated operational performance at the subject property and any relevant sale comparable. A discounted cash flow analysis is utilized to determine asset value. Prior to finalizing the values, Altus (an independent professional advisory with expertise in appraisals) reviews every valuation quarterly and communicates its questions/findings to AEW before approval. The valuation of the Affordable Housing properties is calculated by a third party valuation and accounting specialist in the affordable housing industry once a year at December 31st. Development properties are initially valued at their accumulated cost amounts until completion, upon which an appraisal is done.

Prudential is an open-ended commingled insurance company separate account comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. Fair value is generally determined through an appraisal process that is conducted by independent appraisers within a reasonable amount of time following acquisition and no less frequently than annual thereafter.

Collective Trust Funds: There are collective trust funds offered as investment options in the Defined Contribution Plan, and as part of the Defined Benefit Plan. Collective funds are valued based on the NAV of the underlying investments. Collective Trusts are regulated, but not registered investment vehicles.

Commingled Funds: These are the investment vehicles used for the Plan's Sick Leave Funds where funds are pooled from numerous plans. They are valued at net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Derivatives: *Forward Exchange Contracts* use a market approach with foreign exchange rates. Futures are standardized legal contracts to buy or sell something at a predetermined price at a specified time in the future.

FINANCIAL SECTION

NOTE 5. NET PENSION LIABILITY (ASSET)

The components of the net pension liability (asset) of the participating employers as of June 30, 2025 and 2024, are as follows:

| | PERSI Base Plan 2025 | FRF 2025 | JRF 2025 |
|---|-------------------------|-------------------------|----------------------|
| Total pension liability | \$ 26,557,051,324 | \$ 229,634,030 | \$ 144,849,529 |
| Plan fiduciary net position | 24,138,888,873 | 521,563,002 | 127,464,623 |
| Employers' net pension liability (asset) | <u>\$ 2,418,162,451</u> | <u>\$ (291,928,972)</u> | <u>\$ 17,384,906</u> |
| Plan fiduciary net position as a percentage of total pension liability | <u>90.89 %</u> | <u>227.13 %</u> | <u>88.00 %</u> |

| | PERSI Base Plan 2024 | FRF 2024 | JRF 2024 |
|---|-------------------------|-------------------------|----------------------|
| Total pension liability | \$ 25,872,407,517 | \$ 233,798,004 | \$ 135,125,435 |
| Plan fiduciary net position | 22,131,762,631 | 485,494,091 | 117,794,977 |
| Employers' net pension liability (asset) | <u>\$ 3,740,644,886</u> | <u>\$ (251,696,087)</u> | <u>\$ 17,330,458</u> |
| Plan fiduciary net position as a percentage of total pension liability | <u>85.54 %</u> | <u>207.66 %</u> | <u>87.17 %</u> |

The net pension liability (asset) is calculated using a discount rate of 6.55%, which is the expected rate of return on investments reduced by investment expenses. The unfunded liability as reported in Management's Discussion and Analysis is calculated using 6.55%, which is the expected rate of return on investments reduced by investment and administrative costs. The net pension liability was determined by an actuarial valuation as of July 1, 2025, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Economic assumptions for the Base Plan, FRF, and JRF were studied in the most recent actuarial experience study performed for the period 2020 through 2024. Demographic assumptions, including mortality, for the Base Plan and FRF were studied for the period 2020 through 2024. Demographic assumptions, including mortality, for JRF were studied for the period 2018 through 2023.

Actuarial Assumptions – The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

| Actuarial Assumptions | PERSI Base Plan | FRF | JRF |
|--|-----------------|---------|--------|
| Inflation | 2.40% | 2.40% | 2.40% |
| Salary increases including inflation | 3.15% | 3.15%** | 3.15%* |
| Investment rate of return - net of investment fees | 6.55% | 6.55% | 6.55% |
| PAA adjustments | 1.00%** | *** | *** |

*3.15% percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012 and by whether the judge (if it was an option available) made an irrevocable election to use the PERSI PAA.

**3.15% percent PAA is assumed for the gross benefit paid to members of FRF. A 1.00 percent PAA is assumed for the PERSI benefit offsets used to determine the benefits paid by FRF.

***There is an additional component of assumed salary growth (on top of the 3.15%) that varies for each individual member based on years of service.

FINANCIAL SECTION

Mortality

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2025.

Contributing Members, Service Retirement Members, and Beneficiaries

| | |
|---|--|
| General Employees and All Beneficiaries - Males | Pub-2010 General Tables, increased 11% |
| General Employees and All Beneficiaries - Females | Pub-2010 General Tables, increased 21% |
| Teachers - Males | Pub-2010 Teacher Tables, increased 12% |
| Teachers - Females | Pub-2010 Teacher Tables, increased 21% |
| Fire & Police - Males | Pub-2010 Safety Tables, increased 21% |
| Fire & Police - Females | Pub-2010 Safety Tables, increased 26% |
| | 5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021. |
| Disabled Members - Males | Pub-2010 Disabled Tables, increased 38% |
| Disabled Members - Females | Pub-2010 Disabled Tables, increased 36% |

Judicial Members

| | |
|-----------------------------|--|
| Males - Pre-Commencement | General Pub-2010 Above Median tables for male employees |
| Males - Post-Commencement | General Pub-2010 Above Median tables for male healthy annuitants |
| Females - Pre-Commencement | General Pub-2010 Above Median tables for female employees |
| Females - Post-Commencement | General Pub-2010 Above Median tables for female healthy annuitants |

All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by Social Security Administration from 1959 through 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

FINANCIAL SECTION

Capital Market Assumptions

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|-------------------|--|
| Cash | 0.00% | 0.00% |
| Large Cap | 22.00% | 4.75% |
| Small/Mid Cap | 10.00% | 4.95% |
| International Equity | 11.00% | 4.75% |
| Emerging Markets Equity | 11.00% | 4.95% |
| Domestic Fixed | 20.00% | 2.25% |
| TIPS | 10.00% | 2.05% |
| Real Estate | 8.00% | 3.75% |
| Private Equity | 8.00% | 6.00% |

Discount rate – The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for administrative expense.

Sensitivity of the net pension liability (asset) to changes in the discount rate – The following presents the net pension liability (asset) of PERSI, FRF and JRF employers calculated using the discount rate of 6.55% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease 5.55% | Current Discount Rate 6.55% | 1% Increase 7.55% |
|--|----------------------|-----------------------------------|----------------------|
| Employers' net pension liability (asset) - PERSI | \$5,818,111,348 | \$2,418,162,451 | \$ (359,444,253) |
| Employers' net pension liability (asset) - FRF | (273,559,078) | (291,928,972) | (308,063,976) |
| Employers' net pension liability (asset) - JRF | 31,714,176 | 17,384,906 | 5,112,729 |

FINANCIAL SECTION

NOTE 6. NET OPEB ASSET

The components of the net OPEB asset associated with the Sick Leave Funds of the participating employers as of June 30, 2025 and 2024, is as follows:

State Members

| | 2025 | 2024 |
|---|-------------------------------|-------------------------------|
| Total OPEB liability | \$131,858,259 | \$124,248,515 |
| Plan fiduciary net position | 309,888,001 | 283,970,452 |
| Employers' net OPEB liability (asset) | <u><u>\$(178,029,742)</u></u> | <u><u>\$(159,721,937)</u></u> |
| Plan fiduciary net position as a percentage of total OPEB liability (asset) | <u><u>235.02 %</u></u> | <u><u>228.55 %</u></u> |

School Members

| | 2025 | 2024 |
|---|------------------------------|------------------------------|
| Total OPEB liability | \$340,018,300 | \$310,957,009 |
| Plan fiduciary net position | 429,858,111 | 400,002,927 |
| Employers' net OPEB liability (asset) | <u><u>\$(89,839,811)</u></u> | <u><u>\$(89,045,918)</u></u> |
| Plan fiduciary net position as a percentage of total OPEB liability (asset) | <u><u>126.42 %</u></u> | <u><u>128.64 %</u></u> |

The OPEB asset is calculated using a discount rate of 5.45% which is the expected rate of return on investments reduced by investment expenses. The net OPEB asset was determined by an actuarial valuation as of July 1, 2025. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net OPEB asset are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Board's adopted asset allocation policy for the Sick Leave Funds as of June 30, 2025 was 50% Fixed income, 39.30% US equity, and 10.70% International equity.

Actuarial Assumptions

Sick Leave Funds

| | |
|--|-------|
| Inflation | 2.40% |
| Salary increases including inflation | 3.15% |
| Investment rate of return - net of investment fees | 5.45% |

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

FINANCIAL SECTION

Even though history provides a valuable perspective for setting the investment return assumption, we rely primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets.

The expected nominal rate of return is determined by adding the assumed expected inflation of 2.40% to the expected long-term real return.

| Asset Class | Index | Target Allocation | Expected Real Rate of Return* |
|------------------------|------------------------------|--------------------------|--------------------------------------|
| Broad US Equity | Wilshire 5000 / Russell 3000 | 39.3% | 4.85% |
| Developed ex-US Equity | MSCI World ex USA | 10.7% | 4.95% |
| Core US Fixed | Bloomberg Barclays Aggregate | 50.0% | 2.25% |

*Based on Milliman's Financial Reporting Valuation.

Discount rate – The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate – The following presents the net OPEB liability (asset) calculated using the discount rate of 5.45% as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease 4.45% | Discount Rate 5.45% | 1% Increase 6.45% |
|---|------------------------------|--------------------------------|------------------------------|
| State Members - Net OPEB Liability (Asset) | \$ (166,127,471) | \$ (178,029,742) | \$ (188,634,615) |
| School Members - Net OPEB Liability (Asset) | (63,212,860) | (89,839,811) | (114,232,799) |

FINANCIAL SECTION

NOTE 7. ASSETS USED IN PLAN OPERATIONS

Assets used in plan operations at June 30, 2025 and 2024, consist of the following:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Buildings and improvements | \$ 6,174,420 | \$ 6,133,440 |
| Less accumulated depreciation | (6,133,667) | (6,133,440) |
| Total buildings and improvements | <u>40,753</u> | <u>—</u> |
| Equipment | 597,494 | 727,465 |
| Less accumulated depreciation | (367,902) | (464,509) |
| Total equipment | <u>229,592</u> | <u>262,956</u> |
| Computer software development - Arrivos | 18,042,382 | 14,820,737 |
| Less accumulated amortization | (11,024,716) | (9,833,472) |
| Total computer software development - Arrivos | <u>7,017,666</u> | <u>4,987,265</u> |
| Total assets used in plan operations | <u>\$ 7,288,011</u> | <u>\$ 5,250,221</u> |

Depreciation expense is a component of administrative expense. For the year ended June 30, 2025, depreciation expense on the buildings and improvements was \$228. The equipment had a total depreciation expense of \$91,832 for 2025.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS

The State funds, or partially funds, post employment benefits relating to health, disability, and life insurance. Employees of PERSI participate in the State of Idaho's post employment benefit programs. The State administers the retiree healthcare plan which allows eligible retirees to purchase healthcare insurance coverage for themselves and eligible dependents. The State provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. The State provides basic life and dependent life coverage for disabled employees, generally up to a maximum age of 70. For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage. Benefits costs are paid by PERSI through a rate charged by the State. The primary government (State of Idaho) is reporting the liability for the retiree healthcare and long-term disability benefits. Specific details of these other post employment benefits are available in the Annual Comprehensive Financial Report of the State of Idaho which may be accessed at www.sco.idaho.gov.

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

PERSI Base Plan

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total pension liability changes for the year | | | | | |
| Service cost ⁽¹⁾ | \$ 760,233,915 | \$ 701,894,003 | \$ 637,491,431 | \$ 596,927,904 | \$ 513,205,361 |
| Interest ⁽¹⁾⁽²⁾ | 1,648,218,420 | 1,571,819,788 | 1,480,236,878 | 1,397,434,963 | 1,388,578,112 |
| Effect of plan changes | 39,744,573 | — | 22,917,868 | 274,272,094 | 5,638,304 |
| Effect of economic/demographic gains or losses | 160,779,384 | 202,720,914 | 506,681,792 | 457,371,784 | 26,369,372 |
| Effect of assumptions changes or inputs | (550,294,170) | — | — | — | 1,136,086,143 |
| Benefit payments, including refunds of member contributions | (1,374,038,315) | (1,290,539,869) | (1,249,058,510) | (1,129,444,374) | (1,092,389,237) |
| Net change in total pension liabilities | 684,643,807 | 1,185,894,836 | 1,398,269,459 | 1,596,562,371 | 1,977,488,055 |
| Total pension liability - beginning | 25,872,407,517 | 24,686,512,681 | 23,288,243,222 | 21,691,680,851 | 19,714,192,796 |
| Total pension liability - ending | 26,557,051,324 | 25,872,407,517 | 24,686,512,681 | 23,288,243,222 | 21,691,680,851 |
| Plan net position | | | | | |
| Contributions - employer | 621,829,960 | 554,409,453 | 513,828,265 | 476,416,795 | 450,951,588 |
| Contributions - employee | 399,578,459 | 359,388,202 | 335,646,335 | 315,161,350 | 294,084,814 |
| Net investment income (loss) | 2,370,733,712 | 1,824,049,369 | 1,755,938,036 | (2,073,323,125) | 4,734,923,136 |
| Other | — | — | — | — | — |
| Benefit payments, including refunds of member contributions | (1,374,038,315) | (1,290,539,869) | (1,249,058,510) | (1,129,444,374) | (1,092,389,237) |
| Administrative expense | (10,977,574) | (11,386,642) | (9,997,170) | (9,984,308) | (8,972,053) |
| Net change in plan net position | 2,007,126,242 | 1,435,920,513 | 1,346,356,956 | (2,421,173,662) | 4,378,598,248 |
| Plan net position - beginning | 22,131,762,631 | 20,695,842,118 | 19,349,485,162 | 21,770,658,824 | 17,392,060,576 |
| Plan net position - ending | 24,138,888,873 | 22,131,762,631 | 20,695,842,118 | 19,349,485,162 | 21,770,658,824 |
| Plan net pension liability (asset) - ending | \$2,418,162,451 | \$3,740,644,886 | \$3,990,670,563 | \$3,938,758,060 | \$ (78,977,973) |

(1) Service cost and interest on total pension liability are measured after reflecting the effect of plan changes but before reflecting the assumption changes.

(2) Includes interest on total pension liability, service cost, plan changes, and benefit payments.

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 484,964,767 | \$ 461,646,272 | \$ 437,257,407 | \$ 406,910,895 | \$ 397,283,921 |
| 1,321,253,945 | 1,250,119,942 | 1,202,947,872 | 1,129,286,928 | 1,088,670,726 |
| 372,935,449 | — | 84,200,000 | 12,200,000 | 67,800,000 |
| 166,634,457 | (105,480,176) | (38,113,799) | 273,580,592 | (104,512,779) |
| — | — | 104,724,103 | — | 13,100,000 |
| (1,012,529,440) | (975,200,330) | (909,678,264) | (864,785,159) | (824,524,533) |
| 1,333,259,178 | 631,085,708 | 881,337,319 | 957,193,256 | 637,817,335 |
| 18,380,933,618 | 17,749,847,910 | 16,868,510,591 | 15,911,317,335 | 15,273,500,000 |
| 19,714,192,796 | 18,380,933,618 | 17,749,847,910 | 16,868,510,591 | 15,911,317,335 |
| 430,638,154 | 390,080,902 | 369,139,113 | 356,367,389 | 335,610,100 |
| 280,790,591 | 257,060,511 | 243,950,654 | 237,032,668 | 220,866,936 |
| 463,879,610 | 1,301,966,592 | 1,283,658,926 | 1,692,713,855 | 202,329,942 |
| — | — | — | — | 25,283 |
| (1,012,529,440) | (975,200,330) | (909,678,264) | (864,785,159) | (824,524,533) |
| (10,179,831) | (9,276,642) | (8,922,335) | (8,810,136) | (6,806,655) |
| 152,599,084 | 964,631,033 | 978,148,094 | 1,412,518,617 | (72,498,927) |
| 17,239,461,492 | 16,274,830,459 | 15,296,682,365 | 13,884,163,748 | 13,956,662,675 |
| 17,392,060,576 | 17,239,461,492 | 16,274,830,459 | 15,296,682,365 | 13,884,163,748 |
| <u>\$2,322,132,220</u> | <u>\$1,141,472,126</u> | <u>\$1,475,017,451</u> | <u>\$1,571,828,226</u> | <u>\$2,027,153,587</u> |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

| Firefighters' Retirement Fund | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Total pension liability changes for the year | | | | | |
| Service cost | \$ — | \$ — | \$ — | \$ — | \$ — |
| Interest ⁽¹⁾ | 14,233,093 | 14,315,101 | 14,779,983 | 14,749,137 | 15,415,347 |
| Effect of plan changes | — | — | — | — | — |
| Effect of economic/demographic gains or losses | 2,460,160 | 3,945,792 | (2,630,514) | 4,963,948 | (6,986,802) |
| Effect of assumptions changes or inputs | (1,245,811) | — | — | — | (16,003,571) |
| Benefit payments, including refunds of member contributions | (19,611,416) | (19,495,076) | (19,446,545) | (19,014,750) | (18,828,213) |
| Net change in total pension liabilities | (4,163,974) | (1,234,183) | (7,297,076) | 698,335 | (26,403,239) |
| Total pension liability - beginning | 233,798,004 | 235,032,187 | 242,329,263 | 241,630,928 | 268,034,167 |
| Total pension liability - ending | 229,634,030 | 233,798,004 | 235,032,187 | 242,329,263 | 241,630,928 |
| Plan net position | | | | | |
| Contributions - employer ⁽²⁾ | 4,544,128 | 3,888,153 | 3,346,505 | 2,901,920 | 2,549,471 |
| Contributions - employee | — | — | — | — | — |
| Net investment income (loss) | 51,182,400 | 29,728,492 | 39,961,291 | (48,067,876) | 111,249,774 |
| Benefit payments, including refunds of member contributions | (19,611,416) | (19,495,076) | (19,446,545) | (19,014,750) | (18,828,213) |
| Administrative expense | (46,201) | (62,420) | (46,516) | (56,863) | (46,585) |
| Net change in plan net position | 36,068,911 | 14,059,149 | 23,814,735 | (64,237,569) | 94,924,447 |
| Plan net position - beginning | 485,494,091 | 471,434,942 | 447,620,207 | 511,857,776 | 416,933,329 |
| Plan net position - ending | 521,563,002 | 485,494,091 | 471,434,942 | 447,620,207 | 511,857,776 |
| Plan net pension liability (asset) - ending | <u>\$ (291,928,972)</u> | <u>\$ (251,696,087)</u> | <u>\$ (236,402,755)</u> | <u>\$ (205,290,944)</u> | <u>\$ (270,226,848)</u> |

⁽¹⁾ Includes interest on total pension liability, service cost, benefit payments, and plan changes. Measured before reflecting effect of the assumption changes.

⁽²⁾ Includes Fire Insurance Premium Tax.

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------|-------------------------|-------------------------|------------------------|------------------------|
| \$ — | \$ — | \$ — | \$ — | \$ — |
| 18,555,434 | 19,216,525 | 19,841,800 | 20,041,184 | 20,496,009 |
| — | — | (615,405) | (68,748) | (557,863) |
| (4,019,534) | (9,593,204) | (9,182,411) | (3,116,488) | (7,446,350) |
| — | — | 1,386,562 | — | — |
| (19,073,931) | (18,929,519) | (18,934,403) | (19,294,441) | (19,476,228) |
| (4,538,031) | (9,306,198) | (7,503,857) | (2,438,493) | (6,984,432) |
| 272,572,198 | 281,878,396 | 289,382,253 | 291,820,746 | 298,805,178 |
| 268,034,167 | 272,572,198 | 281,878,396 | 289,382,253 | 291,820,746 |
| 8,660,397 | 3,926,915 | 7,706,226 | 7,452,987 | 7,198,597 |
| 4,503 | 4,540 | 4,368 | 4,385 | 6,329 |
| 11,090,094 | 36,330,366 | 31,124,311 | 41,488,825 | 5,083,454 |
| (19,073,931) | (18,929,519) | (18,934,403) | (19,294,441) | (19,476,228) |
| (73,557) | (55,031) | (29,833) | (43,022) | (58,873) |
| 607,506 | 21,277,271 | 19,870,669 | 29,608,734 | (7,246,721) |
| 416,325,823 | 395,048,552 | 375,177,883 | 345,569,149 | 352,815,870 |
| 416,933,329 | 416,325,823 | 395,048,552 | 375,177,883 | 345,569,149 |
| <u>\$ (148,899,162)</u> | <u>\$ (143,753,625)</u> | <u>\$ (113,170,156)</u> | <u>\$ (85,795,630)</u> | <u>\$ (53,748,403)</u> |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

Judges' Retirement Fund

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
| Total pension liability changes for the year | | | | | |
| Service cost ⁽¹⁾ | \$ 3,726,036 | \$ 3,874,346 | \$ 3,817,043 | \$ 3,834,828 | \$ 3,489,980 |
| Interest ⁽¹⁾⁽²⁾ | 8,519,168 | 8,339,141 | 7,963,806 | 7,728,109 | 8,127,424 |
| Effect of economic/demographic gains or losses | 8,926,487 | 50,716 | 2,993,081 | 551,964 | (106,337) |
| Effect of assumptions changes or inputs | (1,918,276) | 101,521 | — | — | 2,489,739 |
| Benefit payments, including refunds of member contributions | (9,529,321) | (9,239,797) | (8,610,785) | (8,166,744) | (7,679,687) |
| Net change in total pension liabilities | 9,724,094 | 3,125,927 | 6,163,145 | 3,948,157 | 6,321,119 |
| Total pension liability - beginning | 135,125,435 | 131,999,508 | 125,836,363 | 121,888,206 | 115,567,087 |
| Total pension liability - ending | 144,849,529 | 135,125,435 | 131,999,508 | 125,836,363 | 121,888,206 |
| Plan net position | | | | | |
| Contributions - employer | 5,800,355 | 5,542,091 | 5,438,760 | 5,120,089 | 5,066,720 |
| Contributions - employee | 993,064 | 939,033 | 924,368 | 908,857 | 875,812 |
| Net investment income (loss) | 12,524,719 | 9,658,022 | 9,444,602 | (11,161,869) | 25,476,975 |
| Benefit payments, including refunds of member contributions | (9,529,321) | (9,239,797) | (8,610,785) | (8,166,744) | (7,679,687) |
| Administrative expense | (119,171) | (121,476) | (115,561) | (106,053) | (104,054) |
| Net change in plan net position | 9,669,646 | 6,777,873 | 7,081,384 | (13,405,720) | 23,635,766 |
| Plan net position - beginning | 117,794,977 | 111,017,104 | 103,935,720 | 117,341,440 | 93,705,674 |
| Plan net position - ending | 127,464,623 | 117,794,977 | 111,017,104 | 103,935,720 | 117,341,440 |
| Plan net pension liability - ending | <u>\$ 17,384,906</u> | <u>\$ 17,330,458</u> | <u>\$ 20,982,404</u> | <u>\$ 21,900,643</u> | <u>\$ 4,546,766</u> |

⁽¹⁾ Service cost and interest are measured after reflecting the effect of plan changes but before reflecting the effect of assumption changes.

⁽²⁾ Includes interest on total pension liability, service cost, plan changes, assumption changes, and benefit payments.

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 3,343,947 | \$ 3,177,846 | \$ 2,962,939 | \$ 3,179,411 | \$ 3,110,818 |
| 7,930,143 | 7,502,002 | 7,329,407 | 7,055,599 | 6,888,876 |
| (962,452) | 2,627,021 | (400,640) | 265,945 | (1,647,589) |
| — | — | — | — | — |
| (7,639,712) | (7,168,403) | (6,691,558) | (6,173,415) | (5,974,937) |
| 2,671,926 | 6,138,466 | 3,200,148 | 4,327,540 | 2,377,168 |
| 112,895,161 | 106,756,695 | 103,556,547 | 99,229,007 | 96,851,839 |
| 115,567,087 | 112,895,161 | 106,756,695 | 103,556,547 | 99,229,007 |
| 4,878,534 | 4,688,762 | 4,278,996 | 3,946,599 | 3,370,587 |
| 845,925 | 778,864 | 714,804 | 630,392 | 623,754 |
| 2,535,628 | 6,936,823 | 6,938,171 | 9,157,849 | 1,092,130 |
| 12,960 | 13,200 | — | — | 2,571 |
| (7,639,712) | (7,168,403) | (6,691,558) | (6,173,415) | (5,974,937) |
| (127,095) | (121,305) | (104,949) | (74,035) | (133,096) |
| 506,240 | 5,127,941 | 5,135,464 | 7,487,390 | (1,018,991) |
| 93,199,434 | 88,071,493 | 82,936,029 | 75,448,639 | 76,467,630 |
| 93,705,674 | 93,199,434 | 88,071,493 | 82,936,029 | 75,448,639 |
| <u>\$ 21,861,413</u> | <u>\$ 19,695,727</u> | <u>\$ 18,685,202</u> | <u>\$ 20,620,518</u> | <u>\$ 23,780,368</u> |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF NET PENSION LIABILITY (ASSET) FISCAL YEARS ENDED JUNE 30

| PERSI Base Plan | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total Pension Liability | \$26,557,051,324 | \$25,872,407,517 | \$24,686,512,681 | \$23,288,243,222 | \$21,691,680,851 |
| Plan net position | 24,138,888,873 | 22,131,762,631 | 20,695,842,118 | 19,349,485,162 | 21,770,658,824 |
| Net pension liability (asset) | <u>\$2,418,162,451</u> | <u>\$3,740,644,886</u> | <u>\$3,990,670,563</u> | <u>\$3,938,758,060</u> | <u>\$ (78,977,973)</u> |
| Plan net position as a percentage of total pension liability (asset) | 90.89 % | 85.54 % | 83.83 % | 83.09 % | 100.36 % |
| Covered payroll | \$4,770,642,002 | \$4,573,375,234 | \$4,234,635,471 | \$3,926,540,125 | \$3,716,726,113 |
| Net pension liability (asset) as a percentage of covered payroll | 50.69 % | 81.79 % | 94.24 % | 100.31 % | (2.12)% |
| Firefighters' Retirement Fund | | | | | |
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Total Pension Liability | \$ 229,634,030 | \$ 233,798,004 | \$ 235,032,187 | \$ 242,329,263 | \$ 241,630,928 |
| Plan net position | 521,563,002 | 485,494,091 | 471,434,942 | 447,620,207 | 511,857,776 |
| Net pension liability (asset) | <u>\$(291,928,972)</u> | <u>\$(251,696,087)</u> | <u>\$(236,402,755)</u> | <u>\$(205,290,944)</u> | <u>\$(270,226,848)</u> |
| Plan net position as a percentage of total pension liability (asset) | 227.13 % | 207.66 % | 200.58 % | 184.72 % | 211.83 % |
| Covered payroll | \$ 99,971,222 | \$ 92,485,844 | \$ 84,485,207 | \$ 78,865,896 | \$ 85,896,222 |
| Net pension liability (asset) as a percentage of covered payroll | (292.01)% | (272.15)% | (279.82)% | (260.30)% | (314.60)% |
| Judges' Retirement Fund | | | | | |
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| Total Pension Liability | \$ 144,849,529 | \$ 135,125,435 | \$ 131,999,508 | \$ 125,836,363 | \$ 121,888,206 |
| Plan net position | 127,464,623 | 117,794,977 | 111,017,104 | 103,935,720 | 117,341,440 |
| Net pension liability (asset) | <u>\$ 17,384,906</u> | <u>\$ 17,330,458</u> | <u>\$ 20,982,404</u> | <u>\$ 21,900,643</u> | <u>\$ 4,546,766</u> |
| Plan net position as a percentage of total pension liability (asset) | 88.00 % | 87.17 % | 84.10 % | 82.60 % | 96.27 % |
| Covered payroll | \$ 9,276,115 | \$ 8,863,091 | \$ 8,697,841 | \$ 8,188,212 | \$ 8,102,863 |
| Net pension liability (asset) as a percentage covered of payroll | 187.42 % | 195.54 % | 241.24 % | 267.47 % | 56.11 % |

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$19,714,192,796 | \$18,380,933,618 | \$17,749,847,910 | \$16,868,510,591 | \$15,911,317,335 |
| 17,392,060,576 | 17,239,461,492 | 16,274,830,459 | 15,296,682,365 | 13,884,163,748 |
| <u>\$2,322,132,220</u> | <u>\$1,141,472,126</u> | <u>\$1,475,017,451</u> | <u>\$1,571,828,226</u> | <u>\$2,027,153,587</u> |
| 88.22 % | 93.79 % | 91.69 % | 90.68 % | 87.26 % |
| \$3,546,033,069 | \$3,382,051,785 | \$3,200,396,203 | \$3,089,555,264 | \$2,909,277,267 |
| 65.49 % | 33.75 % | 46.09% | 50.88% | 69.98% |

| 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 268,034,167 | \$ 272,572,198 | \$ 281,878,396 | \$ 289,382,253 | \$ 291,820,746 |
| 416,933,329 | 416,325,823 | 395,048,552 | 375,177,883 | 345,569,149 |
| <u>\$(148,899,162)</u> | <u>\$(143,753,625)</u> | <u>\$(113,170,156)</u> | <u>\$ (85,795,630)</u> | <u>\$ (53,748,403)</u> |
| 155.55 % | 152.74 % | 140.15 % | 129.65 % | 118.42 % |
| \$ 78,657,631 | \$ 78,284,032 | \$ 74,848,287 | \$ 70,568,501 | \$ 68,017,833 |
| (189.30)% | (183.63)% | (151.20)% | (121.58)% | (79.02)% |

| 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 115,567,087 | \$ 112,895,161 | \$ 106,756,695 | \$ 103,556,547 | \$ 99,229,007 |
| 93,705,674 | 93,199,434 | 88,071,493 | 82,936,029 | 75,448,639 |
| <u>\$ 21,861,413</u> | <u>\$ 19,695,727</u> | <u>\$ 18,685,202</u> | <u>\$ 20,620,518</u> | <u>\$ 23,780,368</u> |
| 81.08 % | 82.55 % | 82.50 % | 80.09 % | 76.03 % |
| \$ 7,801,909 | \$ 6,731,755 | \$ 6,178,081 | \$ 6,162,190 | \$ 6,097,302 |
| 280.21 % | 292.58 % | 302.44 % | 334.63 % | 390.01 % |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF CONTRIBUTIONS FISCAL YEARS 2016 - 2025

| PERSI Base Plan | | | | | |
|-----------------|-------------------------------------|------------------------------|----------------------------------|-----------------|--|
| Fiscal Year | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll |
| 2016 | \$ 298,662,279 | \$ 335,610,100 | \$ (36,947,821) | \$2,909,277,267 | 11.54% |
| 2017 | 337,212,145 | 356,367,389 | (19,155,244) | 3,089,555,264 | 11.53 |
| 2018 | 388,341,490 | 369,139,113 | 19,202,377 | 3,200,396,203 | 11.53 |
| 2019 | 382,640,388 | 390,080,902 | (7,440,514) | 3,382,051,785 | 11.53 |
| 2020 | 392,340,997 | 430,638,154 | (38,297,157) | 3,546,033,069 | 12.14 |
| 2021 | 394,829,024 | 450,951,588 | (56,122,564) | 3,716,726,113 | 12.13 |
| 2022 | 463,066,559 | 476,416,795 | (13,350,236) | 3,926,540,125 | 12.13 |
| 2023 | 436,757,899 | 513,828,265 | (77,070,366) | 4,234,635,471 | 12.13 |
| 2024 | 650,450,333 | 554,409,453 | 96,040,880 | 4,573,375,234 | 12.12 |
| 2025 | 621,829,960 | 621,829,960 | — | 4,770,642,002 | 13.03 |

| Firefighters' Retirement Fund | | | | | |
|-------------------------------|-------------------------------------|---|----------------------------------|--------------------------------|--|
| Fiscal Year | Actuarially Determined Contribution | Actual Employer Contribution ⁽¹⁾ | Contribution Deficiency (Excess) | Covered Payroll ⁽²⁾ | Contribution as a % of Covered Payroll |
| 2016 | \$ — | \$ 7,198,597 | \$ (7,198,597) | \$ 68,017,833 | 10.58% |
| 2017 | — | 7,452,987 | (7,452,987) | 70,568,501 | 10.56 |
| 2018 | — | 7,706,226 | (7,706,226) | 74,848,287 | 10.30 |
| 2019 | — | 8,247,827 | (8,247,827) | 78,284,032 | 10.54 |
| 2020 | — | 8,660,397 | (8,660,397) | 78,657,631 | 11.01 |
| 2021 | — | 2,549,471 | (2,549,471) | 85,896,222 | 2.97 |
| 2022 | — | 2,901,920 | (2,901,920) | 78,865,896 | 3.68 |
| 2023 | — | 3,346,505 | (3,346,505) | 84,485,207 | 3.96 |
| 2024 | — | 3,888,153 | (3,888,153) | 92,485,844 | 4.20 |
| 2025 | — | 4,544,128 | (4,544,128) | 99,971,222 | 4.55 |

⁽¹⁾ Contribution shown in this column includes the Fire Insurance Premium Tax. Starting in fiscal year 2021, there were no employer contributions other than the Fire Insurance Premium Tax.

⁽²⁾ Covered Payroll for the Firefighters' Retirement Fund is the total annual payroll of all firefighters in the participating fire departments, including firefighters who are not eligible to participate.

See Notes to Required Supplementary Information

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF CONTRIBUTIONS FISCAL YEARS 2016 - 2025

| Judges' Retirement Fund | | | | | | |
|-------------------------|---|------------------------------------|--|--------------------|--|--|
| Fiscal Year | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll | |
| 2016 | \$ 3,463,268 | \$ 3,370,587 | \$ 92,681 | \$ 6,097,302 | 55.28% | |
| 2017 | 3,604,265 | 3,946,599 | (342,334) | 6,162,190 | 64.05 | |
| 2018 | 3,273,147 | 4,278,996 | (1,005,849) | 6,178,081 | 69.26 | |
| 2019 | 3,307,311 | 4,688,762 | (1,381,451) | 6,731,755 | 69.65 | |
| 2020 | 3,897,054 | 4,878,534 | (981,480) | 7,801,909 | 62.53 | |
| 2021 | 4,032,795 | 5,066,720 | (1,033,925) | 8,102,863 | 62.53 | |
| 2022 | 3,367,812 | 5,120,089 | (1,752,277) | 8,188,212 | 62.53 | |
| 2023 | 4,906,452 | 5,438,760 | (532,308) | 8,697,841 | 62.53 | |
| 2024 | 5,542,091 | 5,542,091 | — | 8,863,091 | 62.53 | |
| 2025 | 5,800,355 | 5,800,355 | — | 9,276,115 | 62.53 | |

See Notes to Required Supplementary Information

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND AND JUDGES' RETIREMENT FUND

SCHEDULE OF INVESTMENT RETURNS FISCAL YEARS 2016 - 2025

Investment Returns

| Fiscal Year | Annual money weighted rate of return, net of investment expense |
|--------------------|--|
| 2016 | 1.51% |
| 2017 | 12.38% |
| 2018 | 8.51% |
| 2019 | 8.00% |
| 2020 | 2.79% |
| 2021 | 27.61% |
| 2022 | (9.61)% |
| 2023 | 9.24% |
| 2024 | 8.84% |
| 2025 | 10.81% |

See Notes to Required Supplementary Information

FINANCIAL SECTION

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FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

Sick Leave Fund - State

| | 2025 | 2024 | 2023 | 2022 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Total OPEB liability changes for the year | | | | |
| Service cost ⁽¹⁾ | \$ 5,700,206 | \$ 5,275,345 | \$ 4,562,774 | \$ 4,679,986 |
| Interest ⁽¹⁾⁽²⁾ | 6,941,368 | 6,440,138 | 5,717,047 | 5,789,278 |
| Effect of plan changes | — | — | — | — |
| Effect of economic/demographic gains or losses | (189,528) | 2,506,975 | 3,149,777 | 3,360,108 |
| Effect of assumptions changes or inputs | 395,500 | — | 4,688,300 | (9,572,405) |
| Benefit payments, including refunds of member contributions | (5,237,802) | (5,657,498) | (5,470,465) | (5,459,867) |
| Net change in total OPEB liabilities | 7,609,744 | 8,564,960 | 12,647,433 | (1,202,900) |
| Net OPEB liability - beginning | 124,248,515 | 115,683,555 | 103,036,122 | 104,239,022 |
| Total OPEB liability - ending (a) | <u>\$ 131,858,259</u> | <u>\$ 124,248,515</u> | <u>\$ 115,683,555</u> | <u>\$ 103,036,122</u> |
| Plan net position | | | | |
| Contributions - employer ⁽³⁾ | \$ 971 | \$ — | \$ (833) | \$ (182) |
| Net investment income (loss) | 31,214,441 | 30,862,676 | 19,839,297 | (36,181,966) |
| Benefit payments, including refunds of member contributions | (5,237,802) | (5,657,498) | (5,470,465) | (5,459,867) |
| Administrative expense | (60,061) | (56,590) | (48,921) | (48,539) |
| Net change in plan net position | 25,917,549 | 25,148,588 | 14,319,078 | (41,690,554) |
| Plan net position - beginning | 283,970,452 | 258,821,864 | 244,502,786 | 286,193,340 |
| Plan net position - ending (b) | <u>\$ 309,888,001</u> | <u>\$ 283,970,452</u> | <u>\$ 258,821,864</u> | <u>\$ 244,502,786</u> |
| Net OPEB liability/(asset), ending = (a) - (b) | <u>\$ (178,029,742)</u> | <u>\$ (159,721,937)</u> | <u>\$ (143,138,309)</u> | <u>\$ (141,466,664)</u> |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

⁽¹⁾ Service cost and interest cost are measured after reflecting the changes of benefit terms but before reflecting the changes of assumptions.

⁽²⁾ Includes interest on total OPEB liability, service cost, changes of benefit terms, and benefit payments.

⁽³⁾ Refunds of employer contributions due to participant audits have been previously reported as negative employer contributions. Going forward these refunds will be reported in Administrative expense.

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|
| \$ 4,715,656 | \$ 3,939,068 | \$ 4,326,780 | \$ 4,170,390 | \$ 4,043,479 |
| 5,650,851 | 7,105,202 | 6,592,557 | 6,207,620 | 6,223,171 |
| — | — | — | (5,771,416) | — |
| (2,555,609) | (2,161,468) | 1,415,058 | — | — |
| 8,214,660 | (10,060,579) | — | 186,986 | — |
| (5,083,113) | (4,739,183) | (4,611,044) | (4,671,380) | (5,010,974) |
| 10,942,445 | (5,916,960) | 7,723,351 | 122,200 | 5,255,676 |
| 93,296,577 | 99,213,537 | 91,490,186 | 91,367,986 | 86,112,310 |
| <u>\$ 104,239,022</u> | <u>\$ 93,296,577</u> | <u>\$ 99,213,537</u> | <u>\$ 91,490,186</u> | <u>\$ 91,367,986</u> |
| | | | | |
| \$ (682) | \$ 4,494,217 | \$ 7,497,670 | \$ 7,161,239 | \$ 7,136,693 |
| 56,875,563 | 9,556,026 | 16,085,961 | 17,316,960 | 12,294,424 |
| (5,083,113) | (4,739,183) | (4,611,044) | (4,671,380) | (5,010,974) |
| (47,914) | (47,225) | (47,183) | (44,182) | (41,148) |
| 51,743,854 | 9,263,835 | 18,925,404 | 19,762,637 | 14,378,995 |
| 234,449,486 | 225,185,651 | 206,260,247 | 186,497,610 | 172,118,615 |
| <u>\$ 286,193,340</u> | <u>\$ 234,449,486</u> | <u>\$ 225,185,651</u> | <u>\$ 206,260,247</u> | <u>\$ 186,497,610</u> |
| | | | | |
| <u>\$ (181,954,318)</u> | <u>\$ (141,152,909)</u> | <u>\$ (125,972,114)</u> | <u>\$ (114,770,061)</u> | <u>\$ (95,129,624)</u> |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) FISCAL YEARS ENDING JUNE 30

Sick Leave Fund - Schools

| | 2025 | 2024 | 2023 | 2022 |
|---|------------------------|------------------------|------------------------|------------------------|
| Total OPEB liability changes for the year | | | | |
| Service cost ⁽¹⁾ | \$ 13,646,632 | \$ 12,832,585 | \$ 11,992,603 | \$ 11,701,233 |
| Interest ⁽¹⁾⁽²⁾ | 17,326,609 | 16,586,009 | 15,543,305 | 15,339,907 |
| Effect of plan changes | — | — | — | — |
| Effect of economic/demographic gains or losses | 5,132,591 | (3,027,074) | (1,051,078) | 1,425,881 |
| Effect of assumptions changes or inputs | 6,503,584 | — | 5,283,409 | (12,023,043) |
| Benefit payments, including refunds of member contributions | (13,548,125) | (13,683,195) | (13,274,336) | (12,739,283) |
| Net change in total OPEB liabilities | 29,061,291 | 12,708,325 | 18,493,903 | 3,704,695 |
| Net OPEB liability - beginning | 310,957,009 | 298,248,684 | 279,754,781 | 276,050,086 |
| Total OPEB liability - ending (a) | <u>\$ 340,018,300</u> | <u>\$ 310,957,009</u> | <u>\$ 298,248,684</u> | <u>\$ 279,754,781</u> |
| Plan net position | | | | |
| Contributions - employer ⁽³⁾ | \$ 5,358 | \$ — | \$ (11,621) | \$ (2,109) |
| Net investment income (loss) | 43,482,079 | 42,952,460 | 28,289,903 | (52,576,174) |
| Benefit payments, including refunds of member contributions | (13,548,125) | (13,683,195) | (13,274,336) | (12,739,283) |
| Administrative expense | (84,128) | (81,415) | (70,715) | (71,098) |
| Net change in plan net position | 29,855,184 | 29,187,850 | 14,933,231 | (65,388,664) |
| Plan net position - beginning | 400,002,927 | 370,815,077 | 355,881,846 | 421,270,510 |
| Plan net position - ending (b) | <u>\$ 429,858,111</u> | <u>\$ 400,002,927</u> | <u>\$ 370,815,077</u> | <u>\$ 355,881,846</u> |
| Net OPEB liability/(asset), ending = (a) - (b) | <u>\$ (89,839,811)</u> | <u>\$ (89,045,918)</u> | <u>\$ (72,566,393)</u> | <u>\$ (76,127,065)</u> |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

⁽¹⁾ Service cost and interest cost are measured after reflecting the changes of benefit terms but before reflecting the changes of assumptions.

⁽²⁾ Includes interest on total OPEB liability, service cost, changes of benefit terms, and benefit payments.

⁽³⁾ Refunds of employer contributions due to participant audits have been previously reported as negative employer contributions. Going forward these refunds will be reported in Administrative expense.

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------|-------------------------|------------------------|------------------------|------------------------|
| \$ 10,733,979 | \$ 8,694,499 | \$ 9,108,050 | \$ 8,778,843 | \$ 7,692,471 |
| 13,972,195 | 17,727,484 | 16,607,049 | 15,779,480 | 14,272,064 |
| — | — | — | — | — |
| 11,913,355 | 5,125,806 | 2,499,644 | 10,851,176 | — |
| 18,963,947 | (35,485,232) | — | 486,017 | — |
| (12,412,041) | (11,886,179) | (11,930,829) | (12,186,675) | (13,155,040) |
| 43,171,435 | (15,823,622) | 16,283,914 | 23,708,841 | 8,809,495 |
| 232,878,651 | 248,702,273 | 232,418,359 | 208,709,518 | 199,900,023 |
| <u>\$ 276,050,086</u> | <u>\$ 232,878,651</u> | <u>\$ 248,702,273</u> | <u>\$ 232,418,359</u> | <u>\$ 208,709,518</u> |
| \$ (3,637) | \$ 8,967,109 | \$ 16,432,554 | \$ 15,599,238 | \$ 14,763,323 |
| 77,748,673 | 14,518,013 | 24,690,082 | 26,546,106 | 18,873,664 |
| (12,412,041) | (11,886,179) | (11,930,829) | (12,186,675) | (13,155,040) |
| (71,722) | (72,369) | (72,453) | (67,805) | (63,192) |
| 65,261,273 | 11,526,574 | 29,119,354 | 29,890,864 | 20,418,755 |
| 356,009,237 | 344,482,664 | 315,363,310 | 285,472,446 | 265,053,691 |
| <u>\$ 421,270,510</u> | <u>\$ 356,009,238</u> | <u>\$ 344,482,664</u> | <u>\$ 315,363,310</u> | <u>\$ 285,472,446</u> |
| <u>\$ (145,220,424)</u> | <u>\$ (123,130,586)</u> | <u>\$ (95,780,391)</u> | <u>\$ (82,944,951)</u> | <u>\$ (76,762,928)</u> |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

SCHEDULE OF NET OPEB LIABILITY (ASSET) FISCAL YEARS ENDED JUNE 30

State Members

| | 2025 | 2024 | 2023 | 2022 |
|---|------------------------|------------------------|------------------------|------------------------|
| Total OPEB liability | \$ 131,858,259 | \$ 124,248,515 | \$ 115,683,555 | \$ 103,036,122 |
| Plan fiduciary net position | 309,888,001 | 283,970,452 | 258,821,864 | 244,502,786 |
| Employers' net OPEB liability (asset) | <u>\$(178,029,742)</u> | <u>\$(159,721,937)</u> | <u>\$(143,138,309)</u> | <u>\$(141,466,664)</u> |
| Plan fiduciary net position as a percentage of total plan liability (asset) | <u>235.02 %</u> | <u>228.55 %</u> | <u>223.73 %</u> | <u>237.30 %</u> |
| Covered payroll (in thousands) | \$ 15,686.5 | \$ 15,003.8 | \$ 14,018.6 | \$ 11,806.1 |
| Net OPEB liability (asset) as a percentage of covered payroll | (11.35)% | (10.65)% | (10.21)% | (11.98)% |

School Members

| | 2025 | 2024 | 2023 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Total OPEB liability | \$ 340,018,300 | \$ 310,957,009 | \$ 298,248,684 | \$ 279,754,781 |
| Plan fiduciary net position | 429,858,111 | 400,002,927 | 370,815,077 | 355,881,846 |
| Employers' net OPEB liability (asset) | <u>\$(89,839,811)</u> | <u>\$(89,045,918)</u> | <u>\$(72,566,393)</u> | <u>\$(76,127,065)</u> |
| Plan fiduciary net position as a percentage of total plan liability (asset) | <u>126.42 %</u> | <u>128.64 %</u> | <u>124.33 %</u> | <u>127.21 %</u> |
| Covered payroll (in thousands) | \$ 19,271.3 | \$ 18,602.9 | \$ 17,305.6 | \$ 16,035.2 |
| Net OPEB liability (asset) as a percentage of covered payroll | (4.66)% | (4.79)% | (4.19)% | (4.75)% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

FINANCIAL SECTION

| 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------|------------------------|------------------------|------------------------|-----------------------|
| \$ 104,239,022 | \$ 93,296,577 | \$ 99,213,537 | \$ 91,490,186 | \$ 91,367,986 |
| 286,193,340 | 234,449,486 | 225,185,651 | 206,260,247 | 186,497,610 |
| <u>\$(181,954,318)</u> | <u>\$(141,152,909)</u> | <u>\$(125,972,114)</u> | <u>\$(114,770,061)</u> | <u>\$(95,129,624)</u> |
| <u>275.55 %</u> | <u>251.29 %</u> | <u>226.97 %</u> | <u>225.45 %</u> | <u>201.12 %</u> |
| \$ 11,116.4 | \$ 13,828.4 | \$ 11,534.9 | \$ 11,017.3 | \$ 10,979.5 |
| (16.37)% | (10.20)% | (10.92)% | (10.42)% | (8.66)% |
| 2021 | 2020 | 2019 | 2018 | 2017 |
| \$ 276,050,086 | \$ 232,878,651 | \$ 248,702,273 | \$ 232,418,359 | \$ 208,709,518 |
| 421,270,510 | 356,009,237 | 344,482,664 | 315,363,310 | 285,472,446 |
| <u>\$(145,220,424)</u> | <u>\$(123,130,586)</u> | <u>\$(95,780,391)</u> | <u>\$(82,944,951)</u> | <u>\$(76,762,928)</u> |
| <u>152.61 %</u> | <u>152.87 %</u> | <u>138.51 %</u> | <u>135.69 %</u> | <u>136.78 %</u> |
| \$ 14,971.7 | \$ 15,070.8 | \$ 13,808.9 | \$ 13,108.6 | \$ 12,406.2 |
| (9.70)% | (8.17)% | (6.94)% | (6.33)% | (6.19)% |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

SCHEDULE OF CONTRIBUTIONS - OPEB FISCAL YEARS 2017 - 2025

| Sick Leave Fund - State | | | | | |
|-------------------------|---|------------------------------------|--|--------------------|---|
| Fiscal Year | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll |
| 2017 | \$ 4,282,016 | \$ 7,136,693 | \$ (2,854,677) | \$1,097,952,769 | 0.65% |
| 2018 | 4,186,570 | 7,161,239 | (2,974,669) | 1,101,729,077 | 0.65 |
| 2019 | 4,383,253 | 7,497,670 | (3,114,417) | 1,153,487,692 | 0.65 |
| 2020 | 4,978,210 | 4,494,217 | 483,993 | 1,382,836,000 | 0.33 |
| 2021 | 3,557,248 | (682) | 3,557,930 | 1,111,640,064 | — |
| 2022 | 4,840,519 | (182) | 4,840,701 | 1,180,614,285 | — |
| 2023 | 5,327,068 | (833) | 5,327,901 | 1,401,860,082 | — |
| 2024 | 6,001,532 | (2,996) | 6,004,528 | 1,500,382,889 | — |
| 2025 | 971 | 971 | — | 1,568,647,780 | — |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

| Sick Leave Fund - Schools | | | | | |
|---------------------------|---|------------------------------------|--|--------------------|---|
| Fiscal Year | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll |
| 2017 | \$ 8,064,000 | \$ 14,763,323 | \$ (6,699,323) | \$1,240,615,378 | 1.19% |
| 2018 | 8,913,850 | 15,599,238 | (6,685,388) | 1,310,860,336 | 1.19 |
| 2019 | 9,390,031 | 16,432,554 | (7,042,523) | 1,380,886,891 | 1.19 |
| 2020 | 9,645,294 | 8,967,109 | 678,185 | 1,507,077,143 | 0.60 |
| 2021 | 9,132,736 | (3,637) | 9,136,373 | 1,497,169,775 | — |
| 2022 | 12,186,762 | (2,109) | 12,188,871 | 1,603,521,347 | — |
| 2023 | 12,633,068 | (11,621) | 12,644,689 | 1,730,557,270 | — |
| 2024 | 13,766,134 | (5,143) | 13,771,277 | 1,860,288,328 | — |
| 2025 | 5,358 | 5,358 | — | 1,927,126,645 | — |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SICK LEAVE FUNDS

SCHEDULE OF INVESTMENT RETURNS - SICK LEAVE FUNDS FISCAL YEARS 2017 - 2025

Annual money weighted rate of return, net of investment expenses

| Fiscal Year | State | School |
|--------------------|--------------|---------------|
| 2017 | 13.3% | 13.3% |
| 2018 | 9.4% | 9.4% |
| 2019 | 7.8% | 7.8% |
| 2020 | 4.2% | 4.2% |
| 2021 | 23.2% | 23.2% |
| 2022 | (12.8)% | (12.7)% |
| 2023 | 8.2% | 8.1% |
| 2024 | 12.1% | 11.8% |
| 2025 | 11.1% | 11.1% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Note: Sick Leave Funds began being tracked as two separate funds in 2022.

See Notes to Required Supplementary Information

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT FUND, FIREFIGHTERS' RETIREMENT FUND, JUDGES' RETIREMENT FUND, AND SICK LEAVE FUNDS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2025

Methods and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the employers' contributions are calculated as of June 30, 2025 for PERSI, as of June 30, 2025 for FRF and as of June 30, 2025 for JRF. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

| | PERSI Base Plan | FRF | JRF |
|--|--|----------------------------|--|
| Valuation date | June 30, 2025 | June 30, 2025 | June 30, 2025 |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal |
| Amortization method | Level percentage of projected payroll open | Level dollar amount - open | Level percentage of projected payroll open |
| Remaining amortization period | 8.2 years | N/A | 9.2 years |
| Asset valuation method | Fair Market Value | 3-yr smoothing | Fair Market Value |
| Actuarial assumptions: | | | |
| Investment rate of return * | 6.55% | 6.55% | 6.55% |
| Projected salary increases including inflation | 3.15% | 3.15% | 3.15% |
| Postretirement benefit increase | 1.00% | 1.00% | 1.00% or 3.15% |
| Implied price inflation rate | 2.40% | 2.40% | 2.40% |
| Discount Rate - Actuarial Accrued Liability | 6.55% | 6.55% | 6.55% |

*net of investment expenses

The valuation date for the Sick Leave Funds is as of June 30, 2025.

| Actuarial Assumptions | Sick Leave Funds |
|--------------------------------------|------------------|
| Inflation | 2.40% |
| Salary increases including inflation | 3.15% |
| Investment rate of return * | 5.45% |

*net of investment expenses

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

***ADDITIONAL SUPPLEMENTARY SCHEDULES
JUNE 30, 2025***

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

SCHEDULE OF INVESTMENT EXPENSES YEAR ENDED JUNE 30, 2025

Investment and Related Services:

| | |
|--|-------------------|
| Adelante Capital Management | \$ 2,306,539 |
| AEW Capital Management, LP | 11,642,583 |
| Atlanta Capital Mgt Company LLC | 3,063,763 |
| BCA Research, Inc | 12,950 |
| Bernstein, Sanford C | 3,141,470 |
| Bloomberg, LP | 80,199 |
| BLS Capital | 4,125,914 |
| BNY Mellon Trust | 1,882,995 |
| Brandes Investment Partners, LP | 2,315,367 |
| C Worldwide asset Management Fondsmaeglerselskab A/S | 1,441,828 |
| Capital Economics (NA) Ltd | 16,454 |
| Clearwater Advisors, LLC | 1,135,419 |
| Clearwater Analytics, LLC | 68,118 |
| Consensus Economics, Inc | 694 |
| D.B. Fitzpatrick & Co, Inc | 4,018,306 |
| Dodge & Cox | 166,753 |
| Donald Smith & Company | 3,191,147 |
| Ernst & Young LLP | 3,217 |
| Hamilton Lane Advisors, LLC | 30,000 |
| Income Research + Management Inc | 682,215 |
| JP Morgan Chase Bank NA | 176,765 |
| Longview Partners (Guernsey) Ltd | 3,123,220 |
| Macro Research Board (MRB) | 5,000 |
| Mellon Investments Corporation | 1,114,712 |
| Mondrian Investment Partners | 1,528,722 |
| Mountain Pacific Investment Advisors, Inc | 2,342,205 |
| MSCI, Inc | 10,000 |
| Peregrine Capital Management | 2,819,567 |
| PineStone Asset Management Inc | 3,269,238 |
| Prudential Property Investment Separate Account | (263,322) |
| Pzena Investment Management, LLC | 3,159,301 |
| Robert W. Baird & Co, Inc | 200,983 |
| Sprucegrove Investment Management Ltd | 1,436,944 |
| State Street Global Advisors | 1,239,344 |
| Walter Scott & Partners LTD | 2,940,661 |
| Wasatch Advisors, LP | 2,663,327 |
| WCM Investment Management LLC | 2,378,394 |
| Western Asset | 116,654 |
| With Intelligence, LLC | 5,340 |
| Yardeni Research, Inc | 7,500 |
| Total Investment and Related Services | 67,600,486 |

continued

FINANCIAL SECTION

Consulting and Other Services:

| | |
|--|-----------------------------|
| Alban Row Investments, LLC | \$ 83,818 |
| Bleichmar Fonti & Auld LLP | 21,453 |
| Callan LLC | 538,461 |
| Cavanaugh Macdonald Consulting, LLC | 150,000 |
| Eide Bailly LLP | 88,552 |
| Empower Retirement | 169,968 |
| Foster Garvey PC | 782,070 |
| George Law Offices, PLLC | 198,750 |
| Hamilton Lane Advisors, LLC | 90,000 |
| Jenks, John R | 77,905 |
| Klausner, Kaufman, Jensen & Levinson | 450 |
| Lee, Thomas | 1,200 |
| Milliman, Inc | 387,974 |
| Nossaman | 142,471 |
| Plante Moran PLLC | 274,390 |
| Skjervem, John D | 936 |
| Storer, Robert | 1,515 |
| Walls, Garret A | 79,798 |
| Whiteford, Taylor, & Presto | 3,069 |
| Williams, Ashbel | 76,470 |
| Total Consulting and Other Services | <u>3,169,250</u> |
| TOTAL | <u><u>\$ 70,769,736</u></u> |

FINANCIAL SECTION

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

SCHEDULE OF ADMINISTRATIVE EXPENSES YEAR ENDED JUNE 30, 2025

PORTFOLIO - RELATED EXPENSES:

| | |
|--------------------|----------------|
| Personnel expenses | \$ 778,319 |
| Operating expenses | 173,782 |
| | <u>952,101</u> |

OTHER ADMINISTRATIVE EXPENSES:

| | |
|--------------------------------|-------------------|
| Personnel expenses | 5,886,570 |
| Operating expenses | 2,901,799 |
| Building depreciation expense | 228 |
| Equipment depreciation expense | 91,832 |
| Software amortization expense | 1,191,245 |
| | <u>10,071,674</u> |

| | |
|---|----------------|
| SICK LEAVE FUNDS EXPENSES - Administrative expenses | <u>144,189</u> |
|---|----------------|

| | |
|---|----------------|
| JUDGES' FUND EXPENSES - Administrative expenses | <u>119,170</u> |
|---|----------------|

| | |
|---|------------------|
| DEFINED CONTRIBUTION FUND - Administrative expenses | <u>2,658,247</u> |
|---|------------------|

| | |
|--------------|-----------------------------|
| TOTAL | <u><u>\$ 13,945,381</u></u> |
|--------------|-----------------------------|



INVESTMENT SECTION

INVESTMENT SECTION

OVERVIEW OF FISCAL YEAR 2025

NOTE: The investment section of the Annual Report was compiled using information from the our consultant, Callan Associates, LLC, System's custodial bank, Bank of New York Mellon, and internally generated data. Unless otherwise noted, investment returns are based on investment fair values and made on a time weighted return methodology, gross of investment fees and consistent with Global Investment Performance Standards.



Dear Board Members:

This letter reviews the investment performance of assets under the purview of the Public Employee Retirement System of Idaho (PERSI) Board for the fiscal year ended June 30, 2025.

PERSI employs an investment philosophy described as “simple, transparent, focused, and patient approach following conventional investment principles”. The objective of this approach is to outperform a long-term target of 55% US equity, 15% non-US equity, and 30% US bonds.

2025 Fiscal Year Market Overview

Donald Trump’s election as the 47th president of the United States, along with a Republican sweep in Congress, set the tone for fiscal year 2025. While monetary policy shifts and fiscal uncertainty produced mixed results in late 2024, the year closed strongly as the US markets benefited from a resilient economy, rapid advances in artificial intelligence (AI), and an improving—though increasingly uncertain—outlook for inflation.

Liberation Day marked the start of April 2025 as the President’s executive order imposed a baseline 10% tariff on all imported goods, along with additional reciprocal tariffs targeting specific countries. In response, the S&P 500 plunged, suffering one of its worst two-day declines in 75 years, while long-term US Treasury yields moved higher. However, seven days later, the White House announced a 90-day pause on the reciprocal tariffs, which acted as a catalyst for a strong market rebound. Investors appeared increasingly attuned to the White House’s tendency to pivot on trade policy, as the US Equity market continued to rally and ultimately delivered a strong recovery.

Economic data underscored the more fragile backdrop. Growth slowed with a contraction in 1Q25 as net exports weighed heavily on output, before rebounding in 2Q25 with a 3.3% gain, aided by a sharp decline in imports. The labor market remained on solid footing, with the unemployment rate holding steady at 4.2% in May, roughly the same level as one year ago. The dollar endured one of its weakest starts in decades, spiraling lower as the trade war escalated, marking one of its worst starts to

INVESTMENT SECTION

a year since 1973, when the US left the gold standard. The ICE US Dollar Index, which measures the dollar against a basket of six major currencies, fell roughly 10% through the first half of 2025. Markets recovered strongly into fiscal year-end—underscoring investor resilience despite a highly complex policy environment.

US equity markets closed fiscal year 2025 in positive double-digit territory, extending the strong gains of fiscal year 2024. The Russell 3000 Index, a broad measure of US equities, finished the year up 15.3%. Technology stocks—particularly the “Magnificent 7”—remained the clear leaders as the artificial intelligence race accelerated.

In a reversal from previous years trends, Global ex-US equities outperformed US stocks, supported by a weaker dollar. The MSCI EAFE (Net) Index, a broad benchmark reflecting developed markets outside of the US, climbed 17.8% for the fiscal year. MSCI Emerging Markets (Net) Index finished at 15.3%. The Global Equity index, MSCI All Country World Index (Net), increased 16.2% for the fiscal year.

The Bloomberg US Aggregate Bond Index, the standard measure of investment-grade domestic bonds, finished the fiscal year up 6.1%. Treasury yields shifted notably during the fiscal year. In early September, the yield curve uninverted for the first time since July 2022.

Real estate markets showed signs of recovery. Private real estate, measured by the NFI-ODCE Equal Weight Index, posted a 2.5% gain in fiscal year 2025 after two years of negative returns, suggesting valuations may have bottomed outside of the challenged office and hotel sectors. Publicly traded real estate, as measured by the FTSE NAREIT All Equity Index, outpaced private markets once again, returning 9.2% for the fiscal year.

PERSI’s actual asset class portfolios delivered the following one-year returns through June 30, 2025:

| | |
|-------------------------|--------|
| Domestic Stocks | 12.6 % |
| Global Stocks | 14.8 % |
| Non-US Developed Stocks | 14.9 % |
| Emerging Market Stocks | 13.2 % |
| Fixed Income | 6.4 % |
| Real Assets | 6.1 % |
| Private Equity | 7.6 % |

For the fiscal year ending June 30, 2025, the PERSI total fund had a time-weighted total return of 11.1%. The gross of fee return trailed the strategic policy target return of 11.6% and the median return for Callan’s Public Fund Sponsor database of 11.3%.

Over longer time horizons, PERSI has matched the strategic policy targets. The 5-year annualized return was 9.0% compared to 9.0% for the benchmark. Over 10 years, the total fund delivered an annualized return of 7.9%, exceeding the 10-year target of 7.7%. Since September 1992, PERSI achieved annualized total returns of 8.3%, underperforming the long-term 55/15/30 target of 8.4%.

PERSI also manages the assets for the Unused Sick Leave Benefit Trusts. The Trusts are invested in passively managed strategies, with a target of 50% in public equity and 50% in fixed

INVESTMENT SECTION

income. The fiscal year return was 11.0% matching its target of 11.0%. Over the 5-year period, the Trusts earned 7.7% outperforming the target return of 7.2% and over 10 years the Trusts earned 7.5% versus the target's 7.4%.

Callan LLC (Callan) serves as PERSI's independent general investment consultant and evaluates PERSI's performance in relation to market benchmarks, appropriate manager peer groups and other public pension systems. The performance calculations are made using a methodology broadly similar to the Global Investment Performance Standards. Callan calculates time-weighted performance statistics based primarily on underlying custodial data provided by the Board's custodian, Bank of New York Mellon.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann O'Bradovich", with a long horizontal flourish extending to the right.

Ann O'Bradovich
Senior Vice President

INVESTMENT SECTION

Investment Summary for the Year Ended June 30, 2025

| Types of Investment | Fair Value | Percent of Total Fair Value |
|---------------------------------------|--------------------------------|-----------------------------|
| Short-Term Investments | \$ 429,070,825 | 1.58 % |
| Fixed Income | | |
| Domestic | \$5,646,316,375 | 20.75 % |
| International | — | — |
| Commercial Mortgages | <u>852,425,054</u> | <u>3.13</u> |
| Total Fixed Income | 6,498,741,429 | 23.88 |
| Equity | | |
| Domestic | 11,911,192,682 | 43.76 |
| International | <u>2,888,035,625</u> | <u>10.61</u> |
| Total Equity | 14,799,228,307 | 54.37 |
| Private Equity | 1,897,498,710 | 6.97 |
| Real Estate | <u>1,016,305,687</u> | <u>3.73</u> |
| Total Base Plan Investments | 24,640,844,958 | 90.53 |
| Other Funds: | | |
| Sick Leave Funds | 738,190,187 | 2.71 |
| Choice Plan 414(k) | 59,457,361 | 0.22 |
| Choice Plan 401(k) | <u>1,779,528,379</u> | <u>6.54</u> |
| Total Investments in All Funds | <u><u>\$27,218,020,885</u></u> | <u><u>100 %</u></u> |

INVESTMENT SECTION

Schedule of Investments by Account (including interest and dividends receivable) as of June 30, 2025

Base Plan, Firefighters' Retirement Fund, and Judges' Plan

| | |
|---|----------------|
| Adelante Capital Management | \$ 466,261,189 |
| Advent International, LP | 175,501,060 |
| Apollo Management, LP | 85,475,292 |
| Ascribe Capital LLC | 26,226,951 |
| Atlanta Capital Management Company | 686,501,363 |
| Bernstein - Global Equity | 693,463,780 |
| Blackstone Capital Partners, LP | 185,020,060 |
| BLS Capital | 668,605,081 |
| Brandes Investment Partners | 710,466,765 |
| Bridgepoint Cap Ltd | 115,419,586 |
| C Worldwide Asset Management Fondsmæglerelskab A/S | 413,663,966 |
| Cerberus Investment Partners | 108,036 |
| Chisholm Management, LP | 2,997 |
| Clearwater Advisors, LLC - TBAs | 365,892,723 |
| CVC European Equity | 154,438,751 |
| DB Fitzpatrick & Co - Fixed Income | 161,861,358 |
| DB Fitzpatrick & Co - Idaho Mortgages | 855,558,984 |
| Dodge & Cox | 482,784,256 |
| Donald Smith & Co | 900,870,385 |
| Endeavour Capital | 54,769,590 |
| Epic Venture Fund | 38,943,761 |
| Fiera Capital | 2,790,324 |
| First Reserve Fund XI | 1,051,907 |
| Galen Associates, LP | 3,382,175 |
| Genesis Asset Managers | 101,965 |
| Gores Capital Partners, LLP | 773,291 |
| Green Equity Investors IV, LP | 12,476,693 |
| Hamilton Lane Co-Investment Fund, LP | 109,015,962 |
| Hamilton Lane Secondary Fund, LP | 72,335,480 |
| Ida-West | 3,100,066 |
| IR + M | 479,845,663 |
| JP Morgan Chase Bank NA | 487,731,055 |
| KKR 2006 Fund, LP | 120,515,053 |
| Kohlberg & Co | 143,081,425 |
| Koll Partners, LLP | 938,987,792 |
| Lindsay Goldberg & Bessemer | 61,424,155 |
| Longview Partners | 612,234,913 |
| Mellon Investments Corp - Emerging Market Index | 836,470,589 |
| Mellon Investments Corp - International Stock Index | 273,253,936 |
| Mellon Investments Corp - Mid Cap Completion | 99 |
| Mellon Investments Corp - R1000 | 2,505,637,961 |
| Mellon Investments Corp - R2000 Small Cap | 109,994,291 |

continued

INVESTMENT SECTION

| | | |
|---|---------------|----------------|
| Mellon Investments Corp - REIT Index | 288,275,427 | |
| Mellon Investments Corp - S&P 500 Large Cap | 330 | |
| Mellon Transition Management Services | 148,330 | |
| Mondrian Investment Partners | 497,574,674 | |
| Mountain Pacific Investment Advisors | 724,222,123 | |
| Peregrine Capital Management | 779,567,843 | |
| PERSI Cash in Short-Term Investment Pool | 79,069,316 | |
| Pinestone Asset Management Inc | 617,696,921 | |
| Platinum Equity Partners | 59,326,961 | |
| Providence Equity Partners, LLP | 10,887,269 | |
| Prudential Investments | 77,317,895 | |
| Pzena Investment Management | 654,914,901 | |
| Robert W Baird & Co Inc | 484,739,529 | |
| Silverlake Partners | 122,317,486 | |
| Sorenson Capital | 50,904,408 | |
| Sprucegrove Investment Management Ltd | 426,666,114 | |
| State Street Global Advisors - Fixed Income | 1,530,599,673 | |
| State Street Global Advisors - TIPS | 2,214,801,338 | |
| T3 Partners, LP | 244,035,848 | |
| Transition EAFE | 30,019 | |
| Transition ETF | 1,384,674 | |
| Transition Global | 340,229 | |
| Transition US | 2,951 | |
| Veritas Capital Partners, LP | 46,943,007 | |
| Walter Scott Ltd | 605,012,489 | |
| Wasatch Advisors, LP | 517,610,134 | |
| WCM Investment Management LLC | 591,615,417 | |
| Western Asset Management | 194,221 | |
| Zesiger Capital Group | 11 | |
| | | 24,642,240,267 |

Choice Plan

| | |
|---|-------------|
| Calvert SI Balance Fund | 15,591,205 |
| DFA Em Mkt Core Equity | 1,116,188 |
| Dodge and Cox Income Fund | 17,013,733 |
| Mellon Investment Corp NA Equity Index Fund | 17,499,897 |
| Mellon Investment Corp US Bond Market Index Fund | 13,838,643 |
| Mellon Investment Corp US Large Cap Equity Index Fund | 124,835,095 |
| Mellon Investment Corp US REIT Index Fund | 5,835,960 |
| Mellon Investment Corp US Small/Mid Cap Equity Index Fund | 41,248,303 |
| Mellon Investment Corp US Treasury Inflation-Protected Securities (TIPS) Index Fund | 6,327,217 |
| PERSI Choice Plan Contribution Holding Account | 1,412,946 |
| PERSI Choice Plan Loan Fund | 14,087,600 |

continued

| | |
|---------------------------------------|------------|
| PERSI Short-Term Investment Portfolio | 49,856,272 |
|---------------------------------------|------------|

INVESTMENT SECTION

| | | |
|--|--------------------|---------------------------------|
| Rowe Price Small Cap Fund | 38,980,751 | |
| Total Return Fund | 1,390,550,164 | |
| T Rowe Price Overseas | 945,894 | |
| Vanguard Growth & Income Fund | <u>105,713,737</u> | |
| Total Choice Plan | | 1,844,853,605 |
| <u>Sick Leave Funds</u> | | |
| State Street Global Advisors - Domestic Equity | 293,883,890 | |
| State Street Global Advisors - International Equity | 81,865,064 | |
| State Street Global Advisors - Fixed Income | <u>362,441,233</u> | |
| Total Sick Leave Funds | | 738,190,187 |
| Total Fair Value, Including Investment Receivables and Payables | | 27,225,284,059 |
| Add: Investments Purchased Payable | | 140,731,684 |
| Less: Investments Sold Receivable | | (54,819,881) |
| Less: Interest and Dividends Receivable | | <u>(93,174,977)</u> |
| Total Fair Value, Net of Investment Receivables and Payables | | <u><u>\$ 27,218,020,885</u></u> |

INVESTMENT SECTION

Investment Results for the Year Ended June 30, 2025

| Managers | TOTAL FAIR VALUE (MILLIONS) | % OF TOTAL FUND | Investment Performance for Periods Ending | | | | |
|--|-----------------------------------|-----------------------|---|---------|---------|---------|---------|
| | | | FISCAL | 1 YR | 3 YRS * | 5 YRS * | 10YRS * |
| US Publicly Traded Equity | | | | | | | |
| Mellon Investments Corporation - Mid Cap ⁽¹⁾ | \$ — | — % | 3,753.4 | 3,753.4 | — | — | — |
| Mellon Investments Corporation - R2000 Small Cap | 116.2 | 0.4 | 7.6 | 7.6 | 10.1 | 10.1 | 7.2 |
| Mellon Investments Corporation - S&P 500 LC ⁽¹⁾ | — | 0.1 | 336.3 | 336.3 | — | — | — |
| Mellon Investments Corporation - R1000 | 2,647.0 | 10.2 | 15.6 | 15.6 | — | — | — |
| Mountain Pacific | 765.1 | 2.9 | 7.1 | 7.1 | 13.7 | 12.5 | 11.3 |
| Donald Smith & Co | 951.7 | 3.7 | 23.6 | 23.6 | 36.4 | 30.5 | 15.2 |
| Peregrine | 823.6 | 3.2 | 19.6 | 19.6 | 22.6 | 7.4 | 15.4 |
| Atlanta Capital ** | 725.2 | 2.8 | 6.5 | 6.5 | — | — | — |
| Total US Publicly Traded Equity | \$ 6,028.8 | 23.3 % | 0.2 | 13.9 | 18.6 | 14.3 | 12.2 |
| Benchmark - Russell 3000 | | | 15.3 | 15.3 | 19.1 | 16.0 | 13.0 |
| Private Equity | | | | | | | |
| Ida-West | \$ 3.3 | — % | 12.0 | 12.0 | — | — | — |
| Galen III | 3.6 | — | 22.1 | 22.1 | (31.0) | (20.2) | (7.3) |
| Providence EQ Partners | 11.5 | — | (19.3) | (19.3) | 0.8 | 17.9 | 14.3 |
| T3 Partners II LP | 257.8 | 1.1 | 9.0 | 9.0 | 4.8 | 19.1 | 11.9 |
| Apollo Mgmt LP | 90.3 | 0.3 | 5.2 | 5.2 | 5.0 | 17.4 | 8.4 |
| Green Equity IV LP | 13.2 | 0.1 | 0.4 | 0.4 | (0.1) | 17.3 | 15.7 |
| Gores Capital AD LLC | 0.8 | — | 91.2 | 91.2 | 189.4 | 137.2 | 42.4 |
| Kohlberg & Co | 151.2 | 0.6 | 0.3 | 0.3 | 11.5 | 19.5 | 17.9 |
| Hamilton Secondary | 76.4 | 0.3 | (2.0) | (2.0) | 0.9 | 12.7 | 10.3 |
| CVC European Equity | 163.1 | 0.6 | 18.8 | 18.8 | 13.1 | 19.2 | 21.0 |
| Hamilton Lane Co-Investment Fund | 115.2 | 0.4 | 7.2 | 7.2 | 5.9 | 18.9 | 9.8 |
| Bridgepoint Europe III | 121.9 | 0.5 | 17.9 | 17.9 | 9.5 | 17.5 | 12.8 |
| Blackstone Capital Partners | 195.5 | 0.8 | 10.1 | 10.1 | 9.5 | 21.4 | 11.1 |
| Lindsey, Goldberg, Bessemer | 64.9 | 0.2 | (5.5) | (5.5) | 4.9 | 30.7 | 19.0 |
| KKR 2006 | 127.3 | 0.5 | 16.2 | 16.2 | 7.1 | 20.9 | 16.8 |
| First Reserve Fund XI | 1.1 | — | 32.1 | 32.1 | 7.4 | (11.8) | (20.2) |
| Cerberus Inst Partners | 0.1 | — | (17.1) | (17.1) | 60.7 | 60.0 | 35.3 |
| Epic Venture Fund | 41.1 | 0.2 | 12.6 | 12.6 | 2.9 | 17.1 | 13.8 |
| Advent International | 185.4 | 0.7 | 6.0 | 6.0 | 0.4 | 18.8 | 13.7 |
| Ascribe Capital LLC | 27.7 | 0.1 | 8.0 | 8.0 | 4.8 | (2.0) | (7.5) |
| Veritas Capital Partners | 49.6 | 0.2 | (7.7) | (7.7) | (18.1) | 6.8 | 15.6 |
| Endeavour Capital Partners | 57.9 | 0.2 | 2.3 | 2.3 | 10.3 | 25.6 | 17.7 |
| Silver Lake Partners | 129.2 | 0.5 | 2.7 | 2.7 | 1.8 | 13.6 | — |
| Platinum Equity Cap Partners | 62.7 | 0.2 | 17.7 | | | | |
| Sorenson Capital Partners IV | 53.8 | 0.2 | 12.3 | 12.3 | (0.9) | — | — |
| Total Private Equity | \$ 2,004.6 | 7.7 % | 7.6 | 7.6 | 4.2 | 17.7 | 12.4 |

continued

INVESTMENT SECTION

Investment Results for the Year Ended June 30, 2025

| Managers | TOTAL FAIR VALUE (MILLIONS) | % OF TOTAL FUND | Investment Performance for Periods Ending | | | | |
|---|-----------------------------------|-----------------------|---|--------|---------|---------|---------|
| | | | FISCAL | 1 YR | 3 YRS * | 5 YRS * | 10YRS * |
| Real Estate | | | | | | | |
| Koll Partners | \$ 992.0 | 3.8 % | 4.7 | 4.7 | (3.0) | 5.0 | 8.6 |
| Adelante - Public R/E ⁽²⁾ | 492.5 | 1.9 | 8.5 | 8.5 | 5.9 | 8.6 | 7.6 |
| Mellon Investments Corporation - Reit Index | 304.5 | 1.2 | 8.2 | 8.2 | 4.8 | 8.6 | 5.4 |
| Prudential | 81.7 | 0.3 | 2.8 | 2.8 | (4.0) | 2.8 | 5.6 |
| Total Real Estate | \$ 1,870.7 | 7.2 % | 0.1 | 6.1 | 0.3 | 6.2 | 7.4 |
| Benchmark - NCREIF | | | 2.7 | 2.7 | (2.1) | 3.3 | 5.4 |
| Total US Equity | | | | | | | |
| | \$ 9,904.1 | 38.2 % | 11.6 | 11.6 | 12.2 | 13.4 | 11.7 |
| Benchmark - Russell 3000 | | | 15.3 | 15.3 | 19.1 | 16.0 | 13.0 |
| Global Equity | | | | | | | |
| Brandes Invst Partners | 750.5 | 2.9 | 22.4 | 22.4 | 20.8 | 19.2 | 9.8 |
| Bernstein Global | 732.6 | 2.8 | 18.9 | 18.9 | 16.4 | 14.0 | 6.8 |
| Longview Partners | 646.8 | 2.5 | 6.7 | 6.7 | 13.2 | 13.3 | 9.4 |
| BLS Capital | 706.3 | 2.6 | 22.7 | 22.7 | 13.2 | 13.3 | — |
| Fiera Capital ⁽¹⁾ | 2.9 | -0.1 | 10.9 | 10.9 | 20.2 | 16.6 | — |
| Walter Scott | 639.2 | 2.5 | 7.2 | 7.2 | 14.8 | 11.4 | — |
| PineStone** | 652.6 | 2.5 | 8.0 | 8.0 | — | — | — |
| Pzena** | 691.9 | 2.7 | 18.1 | 18.1 | 0.0 | 0.0 | 0.0 |
| Transition Global | 0.4 | 0.0 | (54.6) | (54.6) | 0.0 | 0.0 | 0.0 |
| Zesiger Global EQ | — | 0.0 | 991.8 | 991.8 | 2,866.0 | 0.0 | 0.0 |
| Total Global Equity | \$ 4,823.2 | 18.4 % | 14.8 | 14.8 | 15.4 | 14.0 | 10.3 |
| Total US/Global Equity | \$ 14,727.3 | 56.6 % | 12.6 | 12.6 | 13.3 | 13.5 | 11.3 |
| Benchmark - Russell 3000 | | | 15.3 | 15.3 | 19.1 | 16.0 | 13.0 |
| International Equity | | | | | | | |
| Genesis Investments ⁽¹⁾ | \$ 0.1 | 0.0 % | 13.8 | 13.8 | 0.0 | 0.0 | 0.0 |
| BNY Asset Management NA Intl Stk Indx | 288.7 | 1.1 | 17.7 | 17.7 | 16.3 | 11.5 | 6.9 |
| Mondrian | 525.7 | 2.0 | 25.1 | 25.1 | 16.7 | 13.8 | 6.9 |
| Bernstein Emerging ⁽¹⁾ | — | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| BNY Asset Management NA Emerging Stk Indx | 883.6 | 3.4 | 15.3 | 15.3 | 9.4 | 6.6 | 4.9 |
| Transition | 1.4 | 0.0 | (22.2) | (22.2) | 0.0 | 0.0 | 0.0 |
| C Worldwide** | 437.1 | 1.7 | 6.4 | 6.4 | 0.0 | 0.0 | 0.0 |
| Sprucegrove** | 450.7 | 1.7 | 11.4 | 11.4 | 0.0 | 0.0 | 0.0 |
| Wasatch** | 546.9 | 2.1 | 9.2 | 9.2 | 0.0 | 0.0 | 0.0 |
| WCM** | 625.0 | 2.4 | 24.5 | 24.5 | 0.0 | 0.0 | 0.0 |
| Transition EAFE | — | 0.0 | (13.2) | (13.2) | 0.0 | 0.0 | 0.0 |
| Total International Equity | \$ 3,759.2 | 14.4 % | 15.0 | 15.0 | 11.7 | 8.8 | 5.4 |
| EAFE Index Net | | | | 17.7 | 16.0 | 11.2 | 6.5 |

continued

INVESTMENT SECTION

Investment Results for the Year Ended June 30, 2025

| <u>Managers</u> | TOTAL FAIR VALUE (MILLIONS) | % OF TOTAL FUND | Investment Performance for Periods Ending | | | | |
|--|-----------------------------------|-----------------------|---|------|---------|---------|---------|
| | | | FISCAL | 1 YR | 3 YRS * | 5 YRS * | 10YRS * |
| Total Equity | 18,486.5 | 71.0 % | 13.1 | 13.1 | 13.0 | 12.6 | 10.1 |
| Benchmark - Russell 3000 | | | 15.3 | 15.3 | 19.1 | 16.0 | 13.0 |
| Fixed Income | | | | | | | |
| DBF & Co - Fixed | \$ 171.0 | 0.7 % | 6.6 | 6.6 | 2.6 | (0.3) | 1.3 |
| DBF & Co - Idaho Mtgs | 903.8 | 3.5 | 8.5 | 8.5 | 4.2 | 0.9 | 3.5 |
| State St Adv - Fixed | 1,617.0 | 6.1 | 6.2 | 6.2 | 2.7 | (0.8) | 2.0 |
| SSGA - TIPS | 2,339.8 | 9.0 | 5.7 | 5.7 | 2.3 | 1.4 | 2.7 |
| Clearwater - TBA | 386.5 | 1.5 | 6.3 | 6.3 | 3.0 | (0.3) | 2.1 |
| Western Asset | 0.2 | — | 78.2 | 78.2 | 22.0 | 9.8 | 7.8 |
| IR+M | 506.9 | 1.9 | 6.3 | 6.3 | 3.2 | (0.2) | — |
| JPM Core Plus** | 515.3 | 2.0 | — | — | — | — | — |
| Baird Aggregate Bond** | 512.1 | 2.0 | — | — | — | — | — |
| Dodge and Cox Cor US** | 510.0 | 2.0 | — | — | — | — | — |
| Total Fixed Income | \$ 7,462.6 | 28.7 % | 6.5 | 6.5 | 2.8 | 0.2 | 2.5 |
| Benchmark - Bloomberg Barclays Aggregate Bonds | | | 6.1 | 6.1 | 2.6 | (0.7) | 1.8 |
| Other | | | | | | | |
| Benchmark-Bloomberg Barclays Aggregate Bonds | \$ 83.5 | 0.3 % | 5.3 | 5.3 | 4.3 | 3.0 | 3.6 |
| MTMS Transition ⁽²⁾ | 0.2 | 0.0 | 21.9 | 21.9 | 7.9 | 15.4 | 8.8 |
| Unallocated Cash | 83.7 | 0.3 % | | | | | |
| Combined Total | \$ 26,032.8 | 100.0 % | 11.1 | 11.1 | 9.9 | 9.0 | 7.9 |
| Benchmark - 55% Russell 3000 | | | 13.0 | 13.0 | 13.7 | 10.3 | 8.8 |
| 30% BC Aggregate Bonds | | | | | | | |
| 15% MSCI EAFE Index | | | | | | | |
| Add: Other PERSI DC Choice Plan Investments ⁽³⁾ | 454.3 | | | | | | |
| Sick Leave Funds Fixed Income Investments | 362.4 | | | | | | |
| Sick Leave Funds Equity Securities | 375.8 | | | | | | |
| Investments Purchased | 140.7 | | | | | | |
| Less: Interest and Dividends Receivable | (93.2) | | | | | | |
| Investments Sold | (54.8) | | | | | | |
| Total Pension Fund Investments | | | | | | | |
| Net of Receivables | <u>\$ 27,218.0</u> | | | | | | |

*Rates of Return are annualized

**Account open less than two years

⁽¹⁾ Terminated/Liquidated accounts

⁽²⁾ Large inflows/outflows/dividends receivable in this account results in widely variable results

⁽³⁾ Total Return Fund/Judges' Retirement Fund included in investment results

Note: Performance is gross of fees

Prepared using a time weighted rate of return per BNY Mellon Global Risk Solutions, a division of BNY Mellon Asset Servicing

INVESTMENT SECTION

Schedule of Investment Income for the Last Six Years

| Year | Interest | Dividends | Gains & Losses* | Total |
|------|----------------|----------------|------------------|------------------|
| 2020 | \$ 111,090,516 | \$ 237,472,565 | \$ 1,120,573,418 | \$ 1,469,136,499 |
| 2021 | 134,838,157 | 207,369,517 | 219,682,503 | 561,890,177 |
| 2022 | 132,632,714 | 211,570,694 | 4,913,946,295 | 5,258,149,703 |
| 2023 | 120,824,577 | 215,500,635 | 1,879,992,910 | 2,216,318,122 |
| 2024 | 140,753,235 | 239,215,548 | 1,621,177,440 | 2,001,146,223 |
| 2025 | 230,052,659 | 226,819,220 | 2,233,698,085 | 2,690,569,964 |

*Includes realized and unrealized gains and losses and other investment income.

Largest Stock Holdings (by Fair Value) June 30, 2025

| | Shares | Stock | Fair Value |
|----|-----------|------------------|----------------|
| 1 | 610,056 | Microsoft Corp | \$ 303,447,955 |
| 2 | 836,290 | Amazon.Com Inc | 183,473,663 |
| 3 | 1,080,213 | Nvidia Corp | 170,662,852 |
| 4 | 944,855 | Alphabet Inc | 166,511,797 |
| 5 | 680,368 | Apple Inc | 139,591,103 |
| 6 | 227,851 | Mastercard Inc | 128,038,591 |
| 7 | 311,491 | Visa Inc | 110,594,880 |
| 8 | 469,465 | Oracle Corp | 102,639,133 |
| 9 | 1,458,011 | Novo Nordisk A/S | 100,843,582 |
| 10 | 195,914 | Moody's Corp | 98,268,503 |

A complete list of portfolio holdings is available upon request.

Largest Bond Holdings (by Fair Value) June 30, 2025

| | Par | Bonds | Description | Fair Value |
|----|------------|--------------------------------------|-------------------------------|---------------|
| 1 | 75,795,539 | US Treasury Inflation Index Security | 2.125% 01/15/2035 DD 01/15/25 | \$ 76,440,638 |
| 2 | 75,152,969 | US Treasury Inflation Index Security | 1.875% 07/15/2034 DD 07/15/24 | 74,886,378 |
| 3 | 83,350,981 | US Treasury Inflation Index Security | 0.125% 01/15/2032 DD 01/15/22 | 73,256,042 |
| 4 | 79,193,554 | US Treasury Inflation Index Security | 0.125% 01/15/2030 DD 01/15/20 | 72,879,920 |
| 5 | 73,146,202 | US Treasury Inflation Index Security | 1.125% 01/15/2033 DD 01/15/23 | 71,548,195 |
| 6 | 69,348,084 | US Treasury Inflation Index Security | 3.875% 04/15/2029 DD 04/15/99 | 70,051,541 |
| 7 | 69,584,757 | US Treasury Inflation Index Security | 1.750% 01/15/2034 DD 01/15/24 | 69,818,871 |
| 8 | 82,188,457 | US Treasury Inflation Index Security | 0.125% 07/15/2031 DD 07/15/21 | 68,477,181 |
| 9 | 67,018,252 | US Treasury Inflation Index Security | 1.375% 07/15/2033 DD 07/15/23 | 68,202,994 |
| 10 | 77,933,090 | US Treasury Inflation Index Security | 0.125% 07/15/2030 DD 07/15/20 | 68,164,896 |

A complete list of portfolio holdings is available upon request.

INVESTMENT SECTION

Schedule of Fees and Commissions for the Year Ended June 30, 2025

| Broker Name | Base Commission | Total Shares Traded | Commission per Share |
|---|---------------------|------------------------|-------------------------|
| State Street Global Markets LLC, Boston | \$ 267,060 | 1,780,313,419 | \$ 0.00015 |
| Abel Noser, New York | 137,484 | 4,826,046 | 0.02849 |
| Piper Jaffray & Co, Jersey City | 130,557 | 4,058,353 | 0.03217 |
| Isi Group Inc, New York | 118,653 | 3,567,328 | 0.03326 |
| State Street Global Markets, Boston | 100,075 | 371,000,000 | 0.00027 |
| Bank Of America Corp, Charlotte | 87,904 | 3,606,557 | 0.02437 |
| Pershing LLC, Jersey City | 76,612 | 4,603,146 | 0.01664 |
| Goldman Sachs & Co, New York | 69,000 | 4,421,943 | 0.01560 |
| Jefferies & Co Inc, New York | 67,106 | 2,921,165 | 0.02297 |
| Morgan Stanley and Co, LLC, New York | 64,337 | 6,055,787 | 0.01062 |
| SG Americas Securities LLC, New York | 62,910 | 3,045,871 | 0.02065 |
| Merrill Lynch Intl London Equities | 58,272 | 6,811,220 | 0.00856 |
| UBS Securities LLC, Stamford | 55,915 | 1,722,226 | 0.03247 |
| Other Brokers Under \$55,000 | 1,299,617 | 326,030,543 | 0.00399 |
| Total Broker Commissions | \$ 2,595,500 | 2,522,983,603 | \$ 0.00103 |

A complete list of broker commissions is available from PERSI upon request. PERSI does not require that investment managers use specific brokers.

Schedule of Fees and Commissions for the Year Ended June 30, 2025

Private Equity Costs By Account

| | |
|--------------------------------------|----------------------|
| Advent International GPE, LP | \$ 1,436,157 |
| Apollo Investment Fund, LP | 1,210,431 |
| Ascribe Capital LLC | 502,631 |
| Blackstone Capital Partners, LP | 1,638,852 |
| Bridgepoint Capital LTD | 2,100,194 |
| CVC European Equity Partners, LP | 1,335,234 |
| Endeavour Capital Fund, LP | 554,041 |
| Epic Ventures Fund LLC | 931,097 |
| Hamilton Lane Co-Investment Fund, LP | 449,662 |
| Hamilton Lane Secondary Funds, LP | 1,921,103 |
| KKR, LP | 446,490 |
| Kohlberg Investors, LP | 830,897 |
| Lindsay Goldberg, LP | 1,318,032 |
| Platinum Equity Capital Partners, LP | 979,044 |
| Providence Equity Partners LP | 22,834 |
| Silver Lake Partners, LP | 1,321,628 |
| Sorenson Capital Partners LP | 841,639 |
| TPG, LP | 2,882,078 |
| Total | \$ 20,722,044 |

⁽¹⁾Upon liquidation of the fund, certain transaction and other fees received that have not been fully utilized are required to reduce management fee, as Return of Excess Fee Offset

INVESTMENT SECTION

Schedule of Fees and Commissions for the Year Ended June 30, 2025

| Investment Fees | Average Assets Under Management | Fees | Basis Points |
|---|--|----------------------|---------------------|
| Investment Manager Fees | | | |
| Equity Managers | \$ 14,653,089,400 | \$ 46,395,535 | 32 |
| Fixed Income Managers | 7,409,640,067 | 7,466,323 | 10 |
| Real Estate Managers | 1,106,834,158 | 11,379,261 | 103 |
| | | | |
| Total Average Assets | \$ 23,169,563,625 | | |
| Total Investment Manager Fees | | 65,241,119 | 28 |
| | | | |
| Other Investment Service Fees | | | |
| Custodian/Record Keeping Fees | | 1,965,656 | |
| Investment Consultant Fees | | 1,629,498 | |
| Legal Fees | | 1,099,513 | |
| Actuary/Audit Service Fees | | 418,740 | |
| | | | |
| Total Investment Service Fees | | 5,113,407 | 2 |
| | | | |
| Total Defined Benefit Plans/Defined Contribution Plans' Fees | | \$ 70,354,526 | 30 |
| | | | |
| Total Defined Contribution Plans' Fees | | \$ 169,968 | |
| Total Other Trust Funds' Fees | | 245,242 | |
| | | | |
| Total Fees | | \$ 70,769,736 | |

Note: Broker Fees and Private Equity Costs are included on a separate schedule

INVESTMENT SECTION

STATEMENT OF INVESTMENT POLICY AND GUIDELINES

I. Introduction

The Retirement Board (Board) of the Public Employee Retirement System of Idaho (PERSI, System) hereby establishes its Statement of Investment Policy for the investment of the trust funds (Trust) in accord with Idaho Code Chapter 13, Title 59.

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

II. Statutory Requirements

The investment of the Trust will be in accord with all applicable laws of the state of Idaho.

A. *Sole Interest of Beneficiaries*

Investments will be solely in the interest of the members and their beneficiaries and for the exclusive purpose of providing benefits to the members and their beneficiaries and defraying reasonable expenses of administration.

B. *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.

C. *Fiduciary Duties*

The Board and its agents, including staff, consultants, and investment managers, will discharge their duties with respect to the Trust assets solely in the interest of the members and their beneficiaries, 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. Purpose

The purpose of the investment of Trust assets is to provide funds to meet the obligations of PERSI while incurring the appropriate amount of risk consistent with attaining that goal. The Board will invest the assets of the Trust and will reduce risk through diversification of the assets of the Trust.

2. Considerations

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

- the purpose of the plan,
- the projected return of the portfolio as it relates to the funding objectives of the plan,
- 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.

INVESTMENT SECTION

B. Specific PERSI 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 System's actuaries.

The expected rate of return will consist of an expected real return and an expected inflation assumption, and will consider relevant factors, including the expected growth of the benefits over the life of the plan including assumptions for salary growth rates (and mortality), inflation, a 1% annual Postretirement Allowance Adjustment (PAA) and the costs of managing the Trust.

The actuary uses an investment return assumption in balancing projected obligations, projected contributions, and projected returns on assets. Assuming all of the actuarial assumptions are accurate, the required return will suffice to: (1) assure the payment of statutorily required benefits, including a 1% PAA; and (2) maintain the reduction of the level of the unfunded liability (if any) on the scheduled amortization (one year at a time). The required return will not be sufficient to fund either discretionary PAAs, retroactive PAAs, accelerate the amortization of the unfunded liability, build a stabilization reserve, or allow for gain-sharing distributions.

2. Investment Risk and Asset Allocation

a. Diversification Among Asset Classes

In controlling the risk level that is appropriate for the Trust, 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 the expected long-term returns of the System will meet expected long-term obligations 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 Trust assets and conduct asset allocation studies to help determine the long-term strategic allocations among desired asset classes so as to meet long-term return objectives with the appropriate level of risk.

c. Content of Asset Allocations

The asset allocation will set out:

- the asset classes to be used,
- the long-term "normal" percentage of assets to be invested in each asset class,
- the ranges that will be considered allowable deviations from the normal 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.

d. Strategic Allocation

In addition to the long-term asset allocation, the Board may adopt strategic allocations. "Strategic allocations" allow investment in asset types that have not been singled out as "asset classes" in the asset allocation process, to overweight particular sectors within an asset class, or to employ particular strategies in the investment of Trust assets. The purposes of the strategic allocations are to either increase the return above the expected return and/or to reduce risk.

INVESTMENT SECTION

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 Responsible

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 and strategic policies;
- adjusting the mix between passive and active managers depending on, among other considerations, near term concerns regarding the US 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 fund 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 Trust,
- Determining the asset classes to be utilized,
- Setting the asset allocation,
- Determining or authorizing strategic policies;
- Hiring agents to implement the asset allocation;
- Hiring agents to implement strategic policies;
- Monitoring the compliance of those agents with the investment policies and allocations; and
- Monitoring the activities of agents through periodic reports from its staff or consultants.

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C. *Agents: Investment Staff, 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 as it considers appropriate who will be generally responsible for the oversight of the investment of Trust 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. Research current market conditions, evaluate new products, and seek out new approaches to improve portfolio return, reduce risk, and reduce costs and fees;
4. Work with the consultants, custodians, investment managers, and other agents in the performance of the assigned duties;
5. Assist the Board with education and other efforts to promote good decision making;
6. Hire and manage investment staff/personnel and outside investment advisors to staff; except in special circumstances will not buy/sell/transact in specific securities; and
7. 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 system among investment managers in accordance with the strategic and tactical 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 (including between passive and active managers) as long as the asset allocation is maintained within the stated strategic 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 System through annual actuarial valuations and (2) setting the 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 years, including updating the projections and assumptions in light of the experience of the System. These studies will be considered in setting the long-term return objectives.

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 System - in total, by each asset class, and for each managed portfolio - with both the investment objectives of the System and with 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 of the asset allocation as conditions warrant; (2) assisting in

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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 Trust.

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 upon 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.

b. *Authorization of Collective Investment Trusts*

Assets of the Trust may be invested in any Collective Investment Trust (CIT), 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 Trust may be commingled with assets of other trusts if invested in any collective investment trust authorized by this policy. The provisions of the CIT trust agreement, as amended by the CIT trustee thereof from time to time, of each collective investment trust in which PERSI Trust assets are invested are by this reference incorporated as a part of the CIT trust comprising the PERSI Trust. The provisions of the collective investment trust will govern any investment of PERSI Trust assets in that CIT trust.

2. Investment Managers

The Board will hire investment managers who will be fiduciaries of the Trust and who will be responsible for the investment of Trust 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 Trust.

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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 System, for the exclusive benefit of the System, 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.

3. Use of Passive and Active Managers

a. Purpose and Use of Active Management

The Board recognizes that passive (index fund) investing has lower costs than active investing, with regard to both management fees and transaction costs. Further, the Board also recognizes that there is uncertainty concerning whether active investing can generally outperform passive investing, particularly in the large, liquid, and efficient portions of the capital markets. Also, the Board has great confidence that a passive investment of assets in an efficient asset allocation will likely meet long term (20 year) obligations.

The Board is concerned that over 1 to 5 year periods the ability to fund PAAs and to keep contribution rates stable are in considerable jeopardy from two sources: (1) expected “normal” market fluctuations are such that annual returns will likely not meet hurdle rates approximately 40% of the time, with actual negative returns to be expected once every six years; and (2) that most of the Trust assets under the asset allocation will be invested in US capital markets, and are thus vulnerable to poor US returns.

One purpose of active management of Trust assets is to address these two concerns. Active managers will be hired for the purpose of providing greater stability of returns, and better returns, than would be achievable under purely passive management over rolling 3 to 5 year periods. Active managers will be responsible for timing of markets and the tactical allocation of assets among and within the capital markets (including between the US and international markets). Some asset classes, such as private investments do not have passive alternatives available.

In addition to providing extra returns, active managers will also be employed to smooth returns, provide higher long-term returns, provide protection in adverse markets, and to add exposure and additional diversification to the portfolio than that achievable solely through investment in passive indices representing the strategic asset allocation and strategic policies.

b. Structure

In using outside managers, a structure using a reasonable number of managers with broad mandates and benchmarks will be employed.

Passive managers will be favored for the core, liquid, efficient markets (such as S&P 500 stocks and US Government/Credit bonds).

Active managers will be favored for relatively inefficient markets.

Global managers will be used to provide flexibility in reacting to near term concerns that may arise concerning any particular region or market, particularly the US capital markets, and to provide an appropriate balance between efficient long-term asset allocations (which favor US assets) and near term allocations (which have a greater preference for international assets) to meet the real (inflation adjusted) return needs of the System.

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Assets under the management of global equity managers will be considered US equity assets for purposes of asset allocation. Consequently, actual allocations to international equities in the overall portfolio from time to time, may be above that in the stated asset allocation due to the activities of the global equity managers.

c. *Balance Between Passive and Active Management*

The balance between active and passive management will be managed by the Chief Investment Officer with the following considerations in mind: concentration of active investment efforts where there is the most potential for excess returns, implementation of views concerning the state of the US, international capital markets, and reduction of fees and other costs.

d. *Monitoring Standards for Investment Managers*

External managers are expected to maintain key personnel, a consistent style, and investment capability to successfully implement their mandate. Past performance is not a predictor of future performance, thus it is just one factor to consider in the overall evaluation of a manager.

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. Active managers will be evaluated based on their ability to generate.

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

V. Asset Class Policies

A. *US Equities*

1. Objective

The overall objective of the US 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. For assets under the management of global equity managers, the objective for near term periods will be to achieve a return after fees that is equal to or exceeds the returns of the MSCI World Index or MSCI All Country World Index (MSCI ACWI 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, and global equity managers may invest in equity securities outside of the MSCI World 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. Manager Styles

Managers for the US equity asset class may include index funds, style managers (such as value, growth, and capitalization), “core” managers, and global managers.

4. Benchmarks

The Russell 3000 index will be the benchmark for the passive index funds, core managers, and global managers. For near term periods (approximately 5 years or less), the MSCI World or MSCI ACWI indexes are the benchmarks for global equity managers. Other style or capitalization indices maintained by a qualified organization may be used as the benchmark for style managers.

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 Europe, Australasia, and Far East (MSCI EAFE) Index (unhedged), or the MSCI ACWI ex US Index, both absolutely and on a risk adjusted basis.

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2. Allowable Investments

Managers may invest in stocks that do not pay dividends. Managers may invest in American Depositary Receipts or American Depositary 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 overhedge their portfolio, although proxy hedging for purposes of liquidity and cost savings is allowed.

3. Manager Styles

Managers for the International Equity asset class may include index funds, general international managers, and regional or specialized managers (such as emerging markets). The Board may from time to time hire a currency overlay manager to hedge the currency exposure in those portfolios where managers do not actively or normally consider hedging their exposure.

4. Benchmarks

The MSCI EAFE Index (unhedged), will be the benchmark for the developed markets passive index fund. Active international developed markets managers may use as their benchmark either the MSCI EAFE index or the MSCI ACWI ex US index (unhedged). The MSCI Emerging Markets (MSCI EMF) index will be the benchmark for the emerging markets managers, both active and passive. Regional or specialized indices (unhedged) maintained by a qualified organization may be used as the benchmark for other active managers.

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 Aggregate Bond Index (Aggregate Bond Index) both absolutely and on a risk adjusted basis.

The Fixed Income Asset Class shall consist of investments in mortgages and in both dollar and non-dollar fixed income securities. Mortgages shall consist of investments in mortgage backed securities, and direct ownership of commercial mortgages through the Idaho Commercial Mortgage Program.

The objective of the non-mortgage fixed income securities other than real return portfolios 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) on a risk adjusted basis. The overall objective of the mortgage securities is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays Mortgage Index (Mortgage Index) on a risk adjusted basis. The overall objective of the real return fixed income is to obtain, over time, a return after fees that equals or exceeds the returns of the Bloomberg Barclays TIPS Index on a risk adjusted basis.

2. Allowable Investments

Managers may invest in debt securities that do not pay interest. Active managers may invest in securities in companies or 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. 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. Manager Styles

Managers in the Fixed Income asset class may include index funds, domestic bond managers, specialized managers, and global managers.

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4. Benchmarks

The Government/Credit Bond Index or Aggregate Bond Index will be the benchmark for all non-mortgage fixed income managers except real return fixed income managers.

The Bloomberg Barclays TIPS index will be the benchmark for real return fixed income managers. The Mortgage Index will be the benchmark for all mortgage managers. The Barclays Capital Aggregate Index will be the benchmark for the asset class.

D. Real Estate

1. Objectives

Equity real estate investments will be considered part of the US Equity asset class. The overall objective of equity real estate investments is to attain a 5% real rate of return overall, over a long term holding period, as long as this objective is consistent with maintaining the safety of principal. The 5% real rate of return includes both income and appreciation, is net of investment management fees, and is net of inflation as measured annually by the Consumer Price Index. Over a short-term basis, the objective is to earn a nominal minimum income yield of 5% on each individual investment, or inflation plus 3%, whichever is greater.

2. Allowable Investments

Allowable equity real estate investments include open-end and closed-end commingled real estate funds, direct real estate investments, publicly traded real estate investment trusts (REITs), passive REIT index funds, and other public real estate companies, private real estate companies and real estate operating venture entities. Allowable investments must be originated and managed by real estate advisors with substantial experience originating and managing similar investments with other institutional investors. The real estate asset sector is not intended to include solely debt investments; in particular, straight mortgage interests are considered part of the fixed income asset class. The real estate asset sector may include equity-oriented debt investments, including mezzanine loans, that conform with the return targets of the sector.

3. Need for Income Component of Return

Upon closing, each real estate investment must have as a goal the expectation of an annual income return and overall holding period return measured primarily by realized return rather than expected capital appreciation. Thus, a significant portion of real estate investments made should be in existing income producing properties with measurable return expectations rather than purely development properties. However, existing properties with potential for physical enhancement, including development or redevelopment, are acceptable investments.

4. Protection of the Trust

Investment vehicles should be chosen that will protect the Trust, including provision for investments that do not contain debt or liability with recourse beyond the Trust commitment to the related business entity, provision for inspection and evaluation of environmental hazards prior to the purchase of any specific property, and the provision of insurance coverage to protect against environmental and natural hazards.

5. Reporting

A comprehensive reporting system for individual investments, entities and funds will be maintained so that primary operational and economic characteristics are continually defined, and underperforming investments can be identified and remediated. Active asset and portfolio management is required for the management of all non-publicly traded real estate investments. Investment managers shall be required to present periodic operational reports within approved formats, including statements of fair market value, audited financial statements and annual business plans.

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6. Benchmarks

The MSCI US REIT, Dow Jones Select REIT, NAREIT all Equity, or Wilshire REIT index will be the benchmark for the passive REIT index fund. The National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index or the Open End Core Equity (NFI-ODCE) Value Weight net will be the benchmarks for the open-end and closed-end funds and private real estate. The asset class in total will be benchmarked against the Russell 3000 index.

7. Asset Allocation

For purposes of asset allocation, real estate investments will be treated as part of the US equity asset class.

E. Alternative Investments

1. Definition and Board Approval

The Board may from time to time authorize the investment of Trust assets in entities or structures that do not fit the asset descriptions listed above. Examples of such investments are venture capital partnerships, private equity, leveraged buy-out funds, private debt, and direct ownership of individual assets such as oil and gas partnerships. These investments shall only be entered into upon the recommendation of a qualified consultant after due diligence and with approval by the Board or a subcommittee appointed by the Board to review the recommendation. Subsequent investments with a previously approved alternative investment manager do not require additional specific approvals by the Board or subcommittee.

2. Objectives and Benchmarks

If the alternative investment is an equity investment, the objective for the investment will be to exceed, over time and after fees, the return achieved by the Russell 3000 Index. If the alternative investment is a debt investment, then the objective will be to exceed, over time and after fees, the returns achieved by the Government/Credit Bond Index plus 3%. It is recognized that these investments may experience greater volatility than the comparable publicly traded securities and indices.

3. Asset Allocation

For purposes of asset allocation, alternative equity investments will be treated as part of the US equity asset class, and alternative debt investments will be treated as part of the fixed income asset class.

VI. Asset Allocation

The tables in Appendix I summarize the asset allocation of the Trust, including the expected net return and risk of each asset class, the normal asset allocation and allowable ranges, and the expected risk and net return of the Trust 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 addresses the monitoring and reporting of those risks.

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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 PERSI 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 portfolios, like PERSI's, that are dominated by equity interests.

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 PERSI.

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, the System 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 System's 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 total PERSI 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 PERSI's 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.

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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. PERSI's currency risk exposures, or exchange rate risk, primarily reside within the international equity investment holdings.

Policy: International investments (equity and fixed income) 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.

INVESTMENT SECTION

APPENDIX I

Long-Term And Strategic Asset Allocation

| Asset Class | Expected Return* | Expected Risk | Normal | Ranges |
|-----------------------|------------------|---------------|------------|-----------------|
| Equities | | | 70% | 66 - 77% |
| Broad Domestic Equity | 8.30 % | 18.30 % | 55 | 50 - 65 |
| International | 8.50 | 19.70 | 15 | 10 - 20 |
| Fixed Income | 3.10 | 3.80 | 30 | 23 - 33 |
| Cash | 2.30 | 0.90 | — | 0 - 5 |

(Expected returns are net of fees and expense)

| Total Fund | Expected Return* | Expected Inflation | Expected Real Return | Expected Risk |
|------------|------------------|--------------------|----------------------|---------------|
| Actuary | 7.00 % | 3.00 % | 4.00 % | N/A |
| Portfolio | 6.39 | 2.25 | 4.14 | 14.16 |

*Expected arithmetic return

Data provided by Callan & Milliman-2018

| Asset Class | Long-Term Allocation Target | Strategic Allocation Target | Ranges | Benchmarks |
|-------------------------|-----------------------------|-----------------------------|----------------|-------------------|
| Equities | 70% | 70% | 66%-77% | R3000 |
| Broad Domestic Equity | 55 | 21 | 50 - 65 | R3000 |
| Global | | 18 | | ACWI/World |
| Real Estate | | 8 | | NAREIT/NFI-ODCE |
| Private Equity | | 8 | | R3000 |
| International Developed | | 6 | 10 - 20 | EAFE |
| International EM | 15 | 9 | | EM |
| Fixed Income | 30 | 30 | 23 - 33 | Aggregate |
| US Fixed | | 20 | | Aggregate |
| US TIPS | | 10 | | US TIPS |
| Cash | | | 0 - 5 | |
| Total Fund | 100% | 100% | | Composite* |

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



ACTUARIAL SECTION



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October 14, 2025

Public Employee Retirement System of Idaho
State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations for the Public Employee Retirement System of Idaho (PERSI) since the System's inception. It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2026. Various benefit increases have occurred since the System was established in 1965. The most recent significant benefit changes were effective July 1, 2000.

Contribution Rates

The financing objective of the System is to establish contribution rates that will tend to remain level as percentages of payroll. From 1993 to 2025, the total contribution rate has been between 15.78% and 20.96%; year by year detail including employer and member rates is shown in the table on the following page.

At July 1, 2002, the combined overall contribution rate was 15.78%. Our July 1, 2002 valuation found that the contribution rates were not sufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date, as required by Section 59-1322, Idaho Code. Therefore, in November 2002, the Board approved three 1% contribution rate increases to take effect on July 1, 2004, July 1, 2005, and July 1, 2006. Effective July 1, 2003, the contribution rate for Fire and Police employers was also increased by 0.1% to offset the cost of the \$100,000 duty related death benefit. The July 1, 2004 contribution rate increase took effect as scheduled. Due to investment gains, the other two increases were deferred and ultimately in October 2007 the Board cancelled the scheduled contribution rate increases.

The July 1, 2009 valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in December 2009, the Board approved three contribution rate increases to take effect: 1.5% on July 1, 2011, 1.5% on July 1, 2012, and 2.28% on July 1, 2013. In December 2010, these scheduled rate increases were each delayed one year. In December 2011, these scheduled rate increases were again each delayed one year. On July 1, 2013, the first contribution rate increase went into effect as scheduled. In October 2013, the remaining two scheduled rate increases were each delayed one year; in September 2014 these increases were cancelled altogether.

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The July 1, 2016 valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in October 2016, the Board approved a 1.0% contribution rate increase to take effect on July 1, 2018. In October 2017, the Board delayed this rate increase until July 1, 2019. On July 1, 2019, this rate increase went into effect.

Effective July 1, 2021, the contribution rate for Fire and Police members was increased by 0.32% to offset the cost of the new benefits for safety officers who become catastrophically disabled while in the line of duty.

The July 1, 2022, valuation found that the contribution rates were insufficient to amortize the unfunded actuarial accrued liability within 25 years of the valuation date. Therefore, in October 2022, the Board approved three contribution rate increases to take effect: 1.25% on July 1, 2024, 2.50% on July 1, 2025, and 3.75% on July 1, 2026. On July 1, 2024, the first of these rate increases went into effect. In October 2024, the remaining two scheduled rate increases were each delayed one year. In May 2025, the 2.50% increase was again delayed one more year, and the 3.75% increase was delayed an additional year and reduced to 1.25%.

Effective July 1, 2023, the contribution rates were adjusted. The goal of this adjustment was to separate the teacher contribution rate from that charged for general members and to make the contribution rate for each class more in line with the cost of benefits for that class; all while limiting the change in the weighted total contribution rate. Details of this change are shown in the table below.

Effective July 1, 2024, the contribution rate for Fire and Police members was temporarily increased by 1.14% for July 1, 2024, to June 30, 2027, to offset the new return to work law for safety members. Effective April 1, 2025, the temporary rate was ended.

The historical changes in contribution rates since 2003 are shown in the table below. This table does not reflect contribution rates that are scheduled to take effect after the valuation date; see Table 11 of July 1, 2025, actuarial valuation report for a summary of the scheduled contribution rate increases. Note that weighted total values may change even if rates by group do not change.

| Year of Change | Total Rate | Weighted Total | | Fire & Police | | General | | Teachers | |
|----------------|------------|----------------|---------------|---------------|---------------|-------------|---------------|-------------|---------------|
| | | Member Rate | Employer Rate | Member Rate | Employer Rate | Member Rate | Employer Rate | Member Rate | Employer Rate |
| 2003 | 15.82% | 6.01% | 9.81% | 7.21% | 10.11% | 5.86% | 9.77% | 5.86% | 9.77% |
| 2004 | 16.84 | 6.41 | 10.43 | 7.65 | 10.73 | 6.23 | 10.39 | 6.23 | 10.39 |
| 2008 | 16.88 | 6.44 | 10.44 | 7.65 | 10.73 | 6.23 | 10.39 | 6.23 | 10.39 |
| 2009 | 16.89 | 6.45 | 10.44 | 7.69 | 10.73 | 6.23 | 10.39 | 6.23 | 10.39 |
| 2013 | 18.39 | 7.03 | 11.36 | 8.36 | 11.66 | 6.79 | 11.32 | 6.79 | 11.32 |
| 2019 | 19.42 | 7.43 | 11.99 | 8.81 | 12.28 | 7.16 | 11.94 | 7.16 | 11.94 |
| 2021 | 19.46 | 7.47 | 11.99 | 9.13 | 12.28 | 7.16 | 11.94 | 7.16 | 11.94 |
| 2023 | 19.47 | 7.49 | 11.98 | 9.83 | 13.26 | 6.71 | 11.18 | 7.62 | 12.69 |
| 2024 | 20.96 | 8.07 | 12.89 | 10.83 | 14.65 | 7.18 | 11.96 | 8.08 | 13.48 |
| 2025 | 20.79 | 8.01 | 12.78 | 10.36 | 13.98 | 7.18 | 11.96 | 8.08 | 13.48 |

Our July 1, 2025 actuarial valuation found that the System's currently scheduled rates are sufficient to pay the System's normal cost rate of 16.23%. As of July 1, 2025, there is an unfunded actuarial liability of \$2,506.5 million. The contribution rates as currently scheduled are projected to take 8.2 years to pay off the \$2,506.5 million Unfunded Actuarial Accrued Liability (UAAL), which is less than the 25-year maximum permitted in Idaho Code.

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Funding Status

Based on the July 1, 2025, actuarial valuation, the unfunded actuarial accrued liability was decreased by \$976.2 million due to an asset gain recognized as of July 1, 2025. Specifically, the System's assets earned a net return after expenses of 10.76%, which is 4.46% above the actuarial assumption of 6.30%. All other actuarial experience gains and losses increased the UAAL by \$114.6 million. Thus, the total experience gain for the year was \$861.6 million.

In addition, the UAAL increased by \$47.6 million due to the scheduled contribution rate changes approved by the Board. The UAAL also increased by \$38.8 million due to the March 1, 2025 retro-Postretirement Allowance Adjustment of 0.30%.

The UAAL also decreased by \$556.1 million due to assumption changes, and the UAAL increased by \$48.1 million because expected contributions plus assumed investment returns were less than the normal cost and the interest on the UAAL.

All of these items resulted in a decrease in UAAL of \$1,283.2 million and a change in funding status from an 85.4% funding ratio on July 1, 2024, to 90.6% on July 1, 2025. The funding ratio is the ratio of the fair value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 67 Liabilities

The long-term annual rate of investment return on assets, net of investment expenses, for the System is assumed to be 6.55%. For purposes of determining the System's funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 6.50%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.35%. Results and further details on these items can be found in our GASB 67 and 68 Report.

Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. The last major experience study, completed in May 2025, covered the period July 1, 2020 through June 30, 2024. We anticipate the next major experience study, to be completed in 2029, will cover the period July 1, 2024 through June 30, 2028.

Other Information

PERSI is a cost-sharing multiple-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. The Actuarially Determined Contribution (ADC) is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years. We believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

Purpose of the Valuation

Actuarial computations presented in this report are for the purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

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Actuarial Assumptions

Actuarial assumptions, including investment return assumption, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

Variability of Results

This report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of plan benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Limited Distribution

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work

ACTUARIAL SECTION

product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

Qualifications and Certifications

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Conclusion

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

| | |
|-----------|--|
| Exhibit 1 | Summary of Actuarial Assumptions and Methods |
| Exhibit 2 | Schedule of Active Member Valuation Data |
| Exhibit 3 | Schedule of Retiree and Beneficiary Valuation Data |
| Exhibit 4 | Schedule of Funding Progress |
| Exhibit 5 | Solvency Test |
| Exhibit 6 | Analysis of Actuarial Gains or Losses |
| Exhibit 7 | Schedule of Contributions from the Employer and All Other Contributing Entities |
| Exhibit 8 | Schedule of Contributions from the Employer Expressed as a Percentage of Payroll |
| Exhibit 9 | Provisions of Governing Law |

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We would like to express our appreciation to Mike Hampton, Executive Director of the System, and to members of PERSI's staff, who gave substantial assistance in supplying the data on which this report is based.

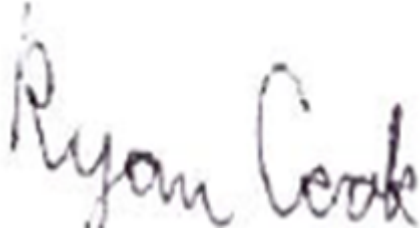
Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Schmidt". The signature is fluid and cursive, with the first name being the most prominent.

Robert L Schmidt, FSA., EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "R. Ryan Falls". The signature is cursive, with the last name "Falls" being quite large and stylized.

Ryan Falls, FSA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "Ryan Cook". The signature is cursive, with the first name "Ryan" being the most prominent.

Ryan J Cook, FSA, EA, CERA, MAAA
Consulting Actuary

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2025

The actuarial assumptions for financial reporting are the same as those used in our funding valuation.

1. Investment Return (Adopted July 1, 2025)

The annual rate of investment return on the assets of the System, net of investment expenses, is assumed to be 6.55%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.50%.

2. Actuarial Value of Assets (Adopted July 1, 1994)

All assets are valued at fair value as of the valuation date.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the System's actual experience.

4. Mortality (Adopted July 1, 2025)

Contributing Members, Service Retirement Members, and Beneficiaries

- ***Teachers***

Males Pub-2010 Teacher Tables, increased 12%.

Females Pub-2010 Teacher Tables, increased 21%.

- ***Fire & Police***

Males Pub-2010 Safety Tables, increased 21%.

Females Pub-2010 Safety Tables, increased 26%.

5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.

- ***General Employees and All Beneficiaries***

Males Pub-2010 General Tables, increased 11%.

Females Pub-2010 General Tables, increased 21%.

- ***Disabled Members***

Males Pub-2010 Disabled Tables, increased 38%.

Females Pub-2010 Disabled Tables, increased 36%.

- ***Mortality Improvement***

All mortality tables are adjusted with generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by Social Security Administration from 1959 through 2019 (blended 50% male, 50% female).

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5. Service Retirement (Adopted July 1, 2025)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

| Age | Fire & Police | | General Employees | | | |
|-----|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| | First Year Eligible | There after | Male | | Female | |
| | | | First Year Eligible | There after | First Year Eligible | There after |
| 55 | 33% | 20% | 48% | N/A | 22% | N/A |
| 60 | 19 | 21 | 27 | 16% | 31 | 15% |
| 65 | 47 | 34 | 32 | 41 | 37 | 44 |
| 70 | * | * | 19 | 25 | 25 | 27 |

| Age | Teachers | | | |
|-----|---------------------|------------|---------------------|------------|
| | Male | | Female | |
| | First Year Eligible | Thereafter | First Year Eligible | Thereafter |
| 55 | 44% | N/A | 43% | N/A |
| 60 | 44 | 37% | 38 | 30% |
| 65 | 28 | 43 | 45 | 50 |
| 70 | * | * | * | * |

* For all ages older than the age indicated, retirement is assumed to occur immediately.

6. Early Retirement (Adopted July 1, 2025)

Annual rates of retirement assumed to occur among persons eligible for a reduced early retirement benefit are illustrated in the following table:

| Age | Fire & Police | General Employees | | Teachers | |
|-----|---------------|-------------------|--------|----------|--------|
| | | Male | Female | Male | Female |
| 50 | 6% | * | * | * | * |
| 55 | 10% | 4% | 5% | 3% | 4% |
| 60 | N/A | 6 | 8 | 11 | 11 |

* Members cannot yet be eligible for early retirement at the age indicated, withdrawal is assumed to occur (see Section 7).

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7. Other Terminations of Employment (Adopted July 1, 2025)

Assumed annual rates of termination are illustrated below. Rates are based only on years of service.

| Years of Service | Fire and Police | General Employees | | Teachers | |
|------------------|-----------------|-------------------|--------|----------|--------|
| | | Male | Female | Male | Female |
| 5 | 7.1% | 9.5% | 10.7% | 6.2% | 7.1% |
| 10 | 4.3 | 5.2 | 6.9 | 3.7 | 4.1 |
| 15 | 2.7 | 3.9 | 4.3 | 1.9 | 2.2 |
| 20 | 1.5 | 2.5 | 3.2 | 1.6 | 1.6 |
| 25 | 1.5 | 1.9 | 2.5 | 0.8 | 0.9 |
| 30 | 1.5 | 1.9 | 2.5 | 0.8 | 0.9 |

8. Disability Retirement (Adopted July 1, 2025)

Annual rates assumed for disability retirement are illustrated in the following table:

| Age | Fire & Police | General Employees | | Teachers | |
|-----|---------------|-------------------|--------|----------|--------|
| | | Male | Female | Male | Female |
| 25 | .01% | —% | .01% | —% | .01% |
| 35 | .02 | .03 | .01 | .01 | .02 |
| 45 | .12 | .06 | .07 | .03 | .07 |
| 55 | .31 | .22 | .19 | .27 | .20 |

25% of Fire and Police active member disabilities are assumed to be duty related. Of these, half are assumed to be catastrophic disabilities. This assumption was adopted July 1, 2021.

9. Future Salaries (Adopted July 1, 2025)

In general, the total annual rates at which salaries are assumed to increase include 3.15% per annum for increase in the general wage level of the membership plus increases due to promotions and longevity. The general wage level increases are due to inflation and increases in productivity. The total ultimate rates assumed are illustrated below.

| Years of Service | Fire and Police | General Employees | | General Employees | |
|------------------|-----------------|-------------------|--------|-------------------|--------|
| | | Male | Female | Male | Female |
| 5 | 6.64% | 5.82% | 6.54% | 7.14% | 7.47% |
| 10 | 5.33 | 4.47 | 5.27 | 6.71 | 6.86 |
| 15 | 4.05 | 4.02 | 4.56 | 4.91 | 5.27 |
| 20 | 4.05 | 3.54 | 4.03 | 4.32 | 4.17 |

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10. Vesting (Adopted July 1, 2025)

The following table illustrates the assumed probability that vested terminating members will elect to receive deferred benefits instead of withdrawing accumulated contributions.

| Age | Fire and Police | General Employees | | Teachers | |
|-----|-----------------|-------------------|--------|----------|--------|
| | | Male | Female | Male | Female |
| 25 | 66% | 71% | 78% | 83% | 81% |
| 35 | 68 | 81 | 81 | 84 | 88 |
| 45 | 80 | 83 | 83 | 84 | 89 |
| 55 | N/A | N/A | N/A | N/A | N/A |

11. Deferred Inactive Member Retirement (Adopted July 1, 2025)

Vested inactive members not currently receiving benefits are assumed to commence their benefits at the later of the member's current age or age 63 (age 57 for fire and police members).

For non-vested inactive members not currently receiving benefits, the present value of benefits is equal to the accumulated member contributions.

12. Form of Payment (Adopted July 1, 2025)

Upon commencement of early, service, or disability retirement members are assumed to elect annuity payment forms at the following rates:

- 30% will elect a 100% Contingent Annuitant Allowance
- 15% will elect a 50% Contingent Annuitant Allowance
- 55% will elect a single life annuity

If death occurs in active or disability retirement status, 20% are assumed to have an eligible surviving spouse that elects an annuity (the spouse is assumed to be two years younger than the male members and two years older than the female members). The remaining 80% are assumed to receive the lump sum payment option (either because they have no eligible spouse or the spouse elected a lump sum).

13. Growth in Membership (Adopted July 1, 2025)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.15% average annual expansion in the payroll of covered members.

14. Interest on Employee Contributions (Adopted July 1, 2025)

The credited interest rate on employee contributions is assumed to be 8.75%.

15. Postretirement Benefit Increases (Postretirement Allowance Adjustments or PAAs)

A nondiscretionary postretirement increase of 1% per year is assumed for the valuation. See Exhibit 3 for total discretionary and nondiscretionary increases granted by the Board for the past ten years

16. Impact of Fire and Police Return to Work

Idaho senate bill 1054, signed into law March 20, 2023, provides fire and police members of PERSI, who are at least age 50, the opportunity to Return To Work (RTW) after retiring and continue receiving retirement benefits through June 30, 2027. During the RTW period, the employer and employee must make contributions and benefit accruals are frozen. We have incorporated this plan provision into our 2025 valuation including the following assumption changes:

- We have assumed that the new law will increase retirement rates for fire and police members as follows:
 - For fiscal years beginning 2024 - 2026, retirement rates for ages 50 - 59 in the first year a member becomes eligible for unreduced retirement are increased by a factor of 1.45 (but no greater than 100%).
 - For fiscal years beginning 2024 - 2026, retirement rates for ages 50 - 59 for the second and later years a member is eligible for unreduced retirement are increased by a factor of 1.15 (but no greater than 100%).
 - These factors are based on the assumption that as soon as active safety members become eligible for unreduced retirement and RTW, they will utilize it at high rates. We assume a drop-off in the rates if they don't take it the first year they meet these criteria. It's also based on the assumption that the younger eligible members are those most likely to use RTW, so we limited the increased retirement rates to members under age 60.
- In addition, we have assumed that members will continue with RTW until the earlier of July 1, 2027, or age 60, at which point they will cease working to continue receiving their retirement benefits.

17. Actuarial Cost Method

The individual entry age actuarial cost method is used, as was adopted by the Board on August 20, 2013. This method is well suited for PERSI's contribution structure of contributing a percentage of pay over employees working lifetimes. The normal cost rates used in this valuation were calculated based on all current active members as of July 1, 2025, for each sex and type of employee in the valuation. The normal costs and projected fiscal year 2026 salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate. We anticipate the normal cost rate will be adopted in October, 2025, in conjunction with the July 1, 2025 actuarial valuation.

The Unfunded Actuarial Accrued Liability (UAAL) created by this method, including gains and losses, is amortized as a level percentage of the System's projected payroll.

18. Experience Studies

The last experience study was completed in 2025 for the period July 1, 2020 through June 30, 2024 and reviewed economic assumptions, mortality and all demographic assumptions. We anticipate these assumptions will be studied again in 2029 for the period from July 1, 2024 through June 30, 2028. Assumptions were adopted as noted.

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19. Recent Changes

The 2025 valuation results reflect the Board's decision to delay the 2.50% contribution rate previously scheduled for July 1, 2025, to July 1, 2027, delay and reduce the 3.75% contribution rate scheduled for July 1, 2026, to a 1.25% increase scheduled for July 1, 2028, and to end, effective April 1, 2025, the temporary 1.14% Safety contribution rate for the 2023 return to work law (previously scheduled to end July 1, 2027).

The 2025 valuation results also reflect the economic and demographic assumption changes adopted by the Board from the 2025 Experience Study.

The 2025 valuation results also reflect the 0.30% retro-PAA granted by the Board effective March 1, 2025.

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

| Valuation Date July 1 | Number | Annual Salaries* | | |
|--------------------------|--------|-----------------------------|-----------------------|-------------------------------------|
| | | Annual Valuation Payroll | Average Annual Pay | % Increase in Average Annual Pay |
| 2016 | 68,517 | \$ 2,833,369,000 | \$ 41,353 | 0.5% |
| 2017 | 70,073 | 3,040,649,000 | 43,393 | 4.9 |
| 2018 | 71,112 | 3,188,316,000 | 44,835 | 3.3 |
| 2019 | 72,502 | 3,356,492,000 | 46,295 | 3.3 |
| 2020 | 73,657 | 3,520,698,000 | 47,799 | 3.2 |
| 2021 | 73,563 | 3,654,378,000 | 49,677 | 3.9 |
| 2022 | 74,409 | 3,890,350,000 | 52,283 | 5.2 |
| 2023 | 76,668 | 4,237,274,000 | 55,268 | 5.7 |
| 2024 | 78,354 | 4,541,818,000 | 57,965 | 4.9 |
| 2025 | 78,746 | 4,751,493,000 | 60,339 | 4.1 |

* Actuarial valuation payroll is computed as the sum of the annualized rate of pay received in the fiscal year ending on the valuation date by all those who were active members as of the valuation date, and differs from the actual payroll shown in the financial section of the annual report.

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Public Employee Retirement System of Idaho

EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA ⁽¹⁾

| Valuation Date July 1 | Number | | | PAA Percentage Increases Granted Previous March 1 |
|--------------------------|--------|-------|---------|---|
| | Total | Added | Removed | |
| 2016 | 44,181 | 2,634 | 1,110 | 0.20% + 0.80% Partial Restoration |
| 2017 | 45,468 | 2,746 | 1,459 | 1.1 |
| 2018 | 46,907 | 2,657 | 1,218 | 1.9 |
| 2019 | 48,120 | 2,572 | 1,359 | 1.0 |
| 2020 | 49,573 | 2,784 | 1,331 | 0.70% + 4.76% Full Restoration |
| 2021 | 50,891 | 2,885 | 1,567 | 1.0 |
| 2022 | 53,190 | 3,752 | 1,453 | 3.5 |
| 2023 | 54,680 | 2,883 | 1,393 | 1.0 |
| 2024 | 56,084 | 2,724 | 1,320 | 1.0 |
| 2025 | 57,473 | 2,725 | 1,336 | 1.00% + 0.30% Partial Restoration |

| Valuation Date July 1 | Annual Benefits | | | | |
|--------------------------|----------------------------|----------------------------------|-----------------------|----------|--------------------------|
| | Total Rolls End of Year | Added to Rolls ⁽²⁾ | Removed from Rolls | Average | % Increase in Average |
| 2016 | \$ 793,277,000 | \$ 52,788,000 | \$ 13,712,000 | \$17,955 | 1.5% |
| 2017 | 836,201,000 | 60,924,000 | 18,000,000 | 18,391 | 2.4 |
| 2018 | 884,827,000 | 64,770,000 | 16,144,000 | 18,863 | 2.6 |
| 2019 | 922,112,000 | 59,048,000 | 21,763,000 | 19,163 | 1.6 |
| 2020 | 999,794,000 | 99,199,000 | 21,517,000 | 20,168 | 5.2 |
| 2021 | 1,043,515,000 | 69,478,000 | 25,757,000 | 20,505 | 1.7 |
| 2022 | 1,140,827,000 | 120,054,000 | 22,742,000 | 21,448 | 4.6 |
| 2023 | 1,191,960,000 | 73,195,000 | 22,062,000 | 21,799 | 1.6 |
| 2024 | 1,243,201,000 | 72,698,000 | 21,457,000 | 22,167 | 1.7 |
| 2025 | 1,300,193,000 | 80,235,000 | 23,243,000 | 22,623 | 2.1 |

⁽¹⁾ Information regarding the number of retirees and beneficiaries added to, and removed from, the rolls was not used in the actuarial valuations.

⁽²⁾ Includes postretirement increases.

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (ALL DOLLAR AMOUNTS IN MILLIONS)

| Actuarial Valuation Date July 1 | Fair Value of Assets | Actuarial Accrued Liabilities (AAL) ⁽¹⁾ | Present Value of Future ORP Contributions | Unfunded Actuarial Accrued Liabilities (UAAL) ⁽²⁾ | Funded Ratio ⁽³⁾ | Covered Payroll ⁽⁴⁾ | UAAL as a Percentage of Covered Payroll |
|--|-------------------------|---|--|--|--------------------------------|-----------------------------------|--|
| 2016 | \$ 13,884.2 | \$16,128.3 | \$ 38.0 | \$ 2,206.1 | 86.3% | \$2,909.3 | 75.8 % |
| 2017 | 15,296.7 | 17,101.0 | 37.7 | 1,766.6 | 89.6 | 3,089.6 | 57.2 |
| 2018 | 16,274.8 | 17,889.0 | 34.1 | 1,580.1 | 91.2 | 3,200.4 | 49.4 |
| 2019 | 17,239.5 | 18,661.7 | 31.0 | 1,391.2 | 92.5 | 3,382.1 | 41.1 |
| 2020 | 17,392.1 | 19,852.3 | 27.0 | 2,433.2 | 87.7 | 3,546.0 | 68.6 |
| 2021 | 21,770.7 | 21,840.7 | 21.0 | 49.0 | 99.8 | 3,716.7 | 1.3 |
| 2022 | 19,349.5 | 23,433.1 | 16.4 | 4,077.2 | 82.6 | 3,927.0 | 103.8 |
| 2023 | 20,695.8 | 24,726.9 | 12.0 | 4,019.1 | 83.7 | 4,234.2 | 94.9 |
| 2024 | 22,131.8 | 25,928.0 | 6.5 | 3,789.7 | 85.4 | 4,573.4 | 82.9 |
| 2025 | 24,138.9 | 26,645.4 | — | 2,506.5 | 90.6 | 4,770.6 | 52.5 |

- (1) Actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.
- (2) Actuarial accrued liabilities less actuarial value of assets and present value of future ORP contributions. Amounts reported in this table do not include the value of any discretionary PAA or Gain Sharing allocations granted after the valuation date. If negative, amount is referred to as a funding reserve.
- (3) Funded Ratio is the ratio of the actuarial value of assets over the actuarial accrued liabilities less the present value of future ORP contributions.
- (4) Covered Payroll includes compensation paid to all active employees on which contributions are calculated during the fiscal year ending on the actuarial valuation date. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is the annualized rate of pay of those members who were active on the actuarial valuation date.

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 5: SOLVENCY TEST
(ALL DOLLAR AMOUNTS IN MILLIONS)

| Actuarial Valuation Date July 1 | Fair Value of Assets | Actuarial Accrued Liabilities For | | | Portion of Actuarial Accrued Liabilities Covered by Assets | | |
|--|----------------------------|--|--------------------------------------|---|--|------|-------|
| | | Active Member Contributions (A) | Retirees and Beneficiaries (B) | Active Members (Employer Financed Portion) (C) | (A) | (B) | (C) |
| 2016 | \$13,884.2 | \$ 3,652.6 | \$ 9,097.0 | \$ 3,378.7 | 100% | 100% | 33.6% |
| 2017 | 15,296.7 | 3,554.1 | 9,609.7 | 3,937.2 | 100 | 100 | 54.2 |
| 2018 | 16,274.8 | 3,611.4 | 10,121.1 | 4,156.5 | 100 | 100 | 61.2 |
| 2019 | 17,239.5 | 3,817.2 | 10,559.3 | 4,285.2 | 100 | 100 | 66.8 |
| 2020 | 17,392.1 | 3,962.7 | 11,413.9 | 4,475.7 | 100 | 100 | 45.0 |
| 2021 | 21,770.7 | 3,985.1 | 12,385.0 | 5,470.6 | 100 | 100 | 98.7 |
| 2022 | 19,349.5 | 4,225.0 | 13,555.9 | 5,632.2 | 100 | 100 | 27.3 |
| 2023 | 20,695.8 | 4,709.5 | 14,189.5 | 5,827.9 | 100 | 100 | 30.8 |
| 2024 | 22,131.8 | 4,737.6 | 14,724.4 | 6,466.0 | 100 | 100 | 41.3 |
| 2025 | 24,138.9 | 5,002.1 | 15,087.2 | 6,556.1 | 100 | 100 | 61.8 |

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES (ALL DOLLAR AMOUNTS IN MILLIONS)

| | Gain (Loss) for Period | | |
|--|------------------------|-----------------|----------------|
| | 2024-2025 | 2023-2024 | 2022-2023 |
| Investment Income | | | |
| Investment income was greater (less) than expected | \$ 976.2 | \$ 520.5 | \$ 539.3 |
| Pay Increases | | | |
| Pay increases were less (greater) than expected | (58.3) | (157.4) | (206.9) |
| Membership Growth | | | |
| New members increased liabilities by less (more) than their contributions increased assets | (3.3) | (0.7) | (1.3) |
| Postretirement Allowance Adjustment (PAA) | | | |
| Different automatic PAA than expected | 0.0 | 0.0 | 0.0 |
| Other Retired Member Experience | | | |
| Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes | (21.9) | (31.7) | (10.7) |
| Other Active and Inactive Member Experience | | | |
| Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes | (31.1) | 30.1 | (207.2) |
| Total Gain (Loss) During the Period From Actuarial Experience | 861.6 | 360.8 | 113.2 |
| Contribution Income | | | |
| Expected contributions and asset returns were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability | (48.1) | (131.8) | (132.4) |
| Non-Recurring Items | | | |
| Changes in actuarial assumptions caused a gain (loss) | 556.1 | None | None |
| Changes in actuarial methods caused a gain (loss) | None | None | None |
| Changes in plan provisions caused a gain (loss) ⁽¹⁾ | (38.8) | None | (22.9) |
| Change in Future Contribution Rates ⁽²⁾ | (47.6) | 0.4 | 100.2 |
| Composite Gain (Loss) During the Period | <u>\$ 1,283.2</u> | <u>\$ 229.4</u> | <u>\$ 58.1</u> |

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the unfunded actuarial accrued liability.

- (1) For 2024-25, this reflects the 0.30% retro-PAA, effective March 1, 2025. For 2022-23, this reflects the Return to Work provision.
- (2) For 2022-23, this reflects the October 2022 Board decision to adopt a 1.25% contribution rate increase effective July 1, 2024, an additional 2.50% increase effective July 1, 2025, and an additional 3.75% rate increase effective July 1, 2026. For 2023-24, this reflects the September 2023 Board decision to, as a response to the new return to work law for safety members, implement a temporary 1.14% increase in Safety contributions rates for July 1, 2024, to June 30, 2027. For 2024-25, this reflects the Board decisions to delay the 2.50% contribution rate previously scheduled for July 1, 2025, to July 1, 2027, delay and reduce the 3.75% contribution rate scheduled for July 1, 2026, to a 1.25% increase scheduled for July 1, 2028, and to end, effective April 1, 2025, the temporary 1.14% Safety contribution rate for the 2023 return to work law (previously scheduled to end July 1, 2027).

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (ALL DOLLAR AMOUNTS IN MILLIONS)

| Fiscal Year Ending | Covered Employee Payroll ⁽¹⁾ | Actual PERSI Employer Contributions Dollar Amount ⁽²⁾ | Actual ORP Contributions Dollar Amount | Total Actual Employer Contributions | Actuarially Determined Contribution (ADC) ⁽³⁾ | Percentage of ADC Dollars Contributed |
|--------------------------|---|--|---|---|---|--|
| 2016 | \$2,909.3 | \$331.1 | \$4.5 | \$335.6 | \$298.7 | 112% |
| 2017 | 3,089.6 | 351.6 | 4.8 | 356.4 | 337.2 | 106 |
| 2018 | 3,200.4 | 364.2 | 4.9 | 369.1 | 388.3 | 95 |
| 2019 | 3,382.1 | 384.9 | 5.2 | 390.1 | 382.6 | 102 |
| 2020 | 3,546.0 | 425.2 | 5.4 | 430.6 | 392.3 | 110 |
| 2021 | 3,716.7 | 445.7 | 5.3 | 451.0 | 394.8 | 114 |
| 2022 | 3,927.0 | 470.8 | 5.6 | 476.4 | 463.1 | 103 |
| 2023 | 4,234.2 | 507.7 | 6.1 | 513.8 | 436.8 | 118 |
| 2024 | 4,573.4 | 547.9 | 6.5 | 554.4 | 650.5 | 85 |
| 2025 | 4,770.6 | 614.9 | 6.9 | 621.8 | 621.8 | 100 |

(1) Computed as the dollar amount of the actual PERSI employer contribution made divided by the PERSI weighted average employer contribution rate expressed as a percentage of payroll.

(2) Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes. Dollar amounts shown exclude additional receipts due to merger of retirement systems.

(3) Prior to fiscal year ending June 30, 2025, the ADC was the contribution rate necessary to fully fund the Unfunded Actuarial Accrued Liability (UAAL) over a period of 25 years based on the valuation result one year prior to the start of the fiscal year. See Table 12 of the relevant year's Actuarial Valuation report for more details on this calculation.

Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years.

The ADC also includes 1.49% of salaries of university members in the ORP prior to July 1, 2025.

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 8: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF PAYROLL

| Fiscal Year Ending | Actual PERSI Employer Contribution % ⁽¹⁾ | Actuarially Determined Contribution (ADC) % ⁽²⁾ | Percentage of ADC Contributed |
|-------------------------------|--|---|--|
| 2016 | 11.38% | 10.11% | 113% |
| 2017 | 11.38 | 10.76 | 106 |
| 2018 | 11.38 | 11.98 | 95 |
| 2019 | 11.38 | 11.16 | 102 |
| 2020 | 11.99 | 10.91 | 110 |
| 2021 | 11.99 | 10.48 | 114 |
| 2022 | 11.99 | 11.65 | 103 |
| 2023 | 11.99 | 10.17 | 118 |
| 2024 | 11.98 | 14.08 | 85 |
| 2025 | 12.89 | 12.89 | 100 |

⁽¹⁾ The actual PERSI employer contributions are expressed as a percentage of payroll. Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. Thus, the actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes. Percentages shown exclude additional receipts due to merger of retirement systems.

⁽²⁾ Prior to fiscal year ending June 30, 2025, the ADC was the contribution rate necessary to fully fund the Unfunded Actuarial Accrued Liability (UAL) over a period of 25 years based on the valuation result one year prior to the start of the fiscal year. See Table 12 of the relevant year's Actuarial Valuation report for more details on this calculation.

Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years.

The ADC also includes 1.49% of salaries of university members in the ORP prior to July 1, 2025.

ACTUARIAL SECTION

Public Employee Retirement System of Idaho

EXHIBIT 9: PROVISIONS OF GOVERNING LAW



All actuarial calculations are based on our understanding of the statutes governing the Public Employee Retirement System of Idaho, as contained in Sections 59-1301 through 59-1399, inclusive, of the Idaho Code, with amendments effective through July 1, 2025. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Idaho Code. This summary does not attempt to cover all the detailed provisions of the law. Only those benefits in effect through July 1, 2025 are considered in this valuation. The items in parentheses are the provisions applicable to firefighters and police officers.

Effective Date

The effective date of the Retirement System was July 1, 1965.

Member Contribution Rate

The member contribution rate effective July 1, 2025 is 7.18% of salary for general members, 8.08% of salary for teachers, and 10.36% of salary for firefighters and police officers.

The member contribution rate is fixed at 60% (72%) of the employer contribution rate. For firefighters and police officers, the 72% adjustment is applied after reducing the employer rate by 0.10% for the 2003 addition of a \$100,000 death benefit for fire and police members who die in the line of duty. After the 72% is applied, the resulting rate is increased by 0.36% for the line of duty disability benefit. Member contributions have been “picked up” on a pre-tax basis by the employer since June 30, 1983 (Sections 59-1331 and 59-1332).

Employer Contribution Rate

The employer contribution rate is set by the Retirement Board (Section 59-1322). The current rates are 11.96% of salary for general members, 13.48% of salary for teachers, and 13.98% for firefighters and police officers.

Service Retirement Allowance

Eligibility

Age 65 (60) with five years of service including six months of membership service (Section 59-1341).

Amount of Allowance

For each year of credited service, the annual service retirement allowance is 2.00% (2.30%) of the highest 42-month average salary (Section 59-1342).

ACTUARIAL SECTION

Service Retirement Allowance (continued)

Minimum Benefit

\$60 (\$72) annual allowance for each year of service. The dollar amounts increase after 1974 according to the PAAs (Section 59-1342).

Maximum Benefit

In no case may a member's regular retirement benefit exceed the highest three-year average salary of the member (Section 59-1342).

Plus Up Benefits (aka late retirement increases)

For each month of service an active member accrues after age 70 with five years of service, the member's benefit is increased by an amount determined by the Board (Section 59-1342(7)). The current administrative rules are to increase benefits by 0.60% per month. This increase is applied after the application of the minimum and maximum benefits.

Normal Form

Straight life retirement allowance plus any death benefit (Section 59-1351).

Optional Form

Members can elect a 100% or 50% Contingent Annuitant Allowance. They may also choose to have their benefit be adjusted such that they receive a reduced amount prior to social security normal retirement age and greater amount after such age, such that the difference in the two amounts is approximately equal to the social security benefit to be payable at such age. The optional forms are calculated to be actuarial equivalent to the normal form under the options available, according to the mortality and interest basis adopted by the Board (Section 59-1351).

Early Retirement Allowance

Eligibility

Age 55 (50) with five years of service, including six months of membership service (contributing members only) (Section 59-1345).

Amount of Allowance

Full accrued service retirement allowance if age plus service equals 90 (80); otherwise, the accrued service retirement allowance, reduced by 3% for each of the first five years by which the early retirement date precedes the date the member would be eligible to receive the full accrued benefit, and by 5.75% for each additional year (Section 59-1346).

Vested Retirement Allowance

Eligibility

Former contributing members with five years of membership service are entitled to receive benefits after attaining age 55 (50) (Section 59-1345).

Amount of Allowance

Same as early retirement allowance (Section 59-1345).

ACTUARIAL SECTION

Disability Retirement Allowance

Eligibility

Five years of membership service. For a police officer or a firefighter hired after July 1, 1993, who is disabled from an occupational cause, there is no service requirement (Section 59-1352).

Amount of Allowance

Projected service retirement allowance based on accrued service plus service projected to age 65 (60) (latter limited to excess of 30 years over accrued service) less any amount payable under workers' compensation law (Section 59-1353).

Normal Form

Temporary annuity to age 65 (60) plus any death benefit. Service retirement allowance becomes payable in the same amount at age 65 (60) (Section 59-1354).

Fire and Police Member Line of Duty Disability Benefit

Fire and Police members who are disabled in the line of duty are eligible for a \$100,000 lump sum benefit, in addition to the annuity benefits discussed above (Section 59-1352A).

Those whose disability is deemed to be "Catastrophic" are instead eligible for a \$500,000 lump sum benefit. In addition, they get an annuity of the greater of the amount described above or \$75,000. The \$75,000 is adjusted every four years per changes in average public safety officer benefits. If the member receives this alternative \$75,000 annuity, their benefit will increase per the indexing described in the prior sentence instead of the regular PERSI PAAs. In addition, a catastrophically disabled member's annuity is paid out as a 100% Contingent Annuitant Allowance without the usual reduction (Section 59-1352B).

Death Benefits

After Retirement

Under the normal form of the retirement allowance, the excess, if any, of the member's accumulated contributions with interest at retirement over all payments received. Otherwise, payable according to the option elected (Section 59-1361).

ACTUARIAL SECTION

Before Retirement

A. If a member with at least five years of service, a lump sum payment is made equal to twice the accumulated contributions with interest.

OR

B. If the member had an eligible spouse at the time of their death, the spouse may elect to forego the lump sum and instead receive an immediate lifetime annuity. The annuity is calculated as the amount the member would have received if they had retired immediately prior to their death and elected the 100% Contingent Annuitant Allowance payment form. If the member was not yet eligible for retirement, then the annuity amount is reduced such to make it actuarially equivalent to an annuity deferred to the earliest eligible retirement age of the member (calculated as if they had separated from service immediately prior to their death) (Section 59-1361). Fire and police members are entitled to an additional \$100,000 payment if death occurs in the line of duty. (Section 59-1361 A).

Withdrawal Benefits Accumulated contributions with interest (Section 59-1358). The interest rate is determined by the Board (Section 59-1301(26)).

Postretirement Increases Postretirement Allowance Adjustments (PAAs) are based on changes in the Consumer Price Index. The measurement period for changes in the CPI-U is August to August. The PAA changes are implemented effective on the March 1 following the measurement period.

If the CPI-U increases by at least 1%, the PAA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

If the CPI-U increases by less than 1% or decreases, the PAA is automatic, based on the change in the CPI. If a negative PAA is applicable, the negative PAA cannot decrease benefits by more than 6%. Additionally, a negative PAA cannot decrease a member's benefit below the amount of the benefit at the initial benefit date.

If a PAA is implemented that is less than the increase in the CPI-U, members' benefits will not retain their full inflation adjusted purchasing power. In such cases, the Board may implement a retro-PAA at a later date to bring those members closer to 100% of inflation adjusted purchasing power. As with a discretionary PAA, a retro-PAA is subject to approval of the Legislature (Section 59-1355).

ACTUARIAL SECTION

Gain Sharing

Beginning in 2000, under Section 59-1309, Idaho Code, the Board may allocate all or a portion of “extraordinary gains” to active and retired members and employers as Gain Sharing.

Extraordinary gains are defined as the excess, if any, at the close of the fiscal year of the Assets over Actuarial Accrued Liabilities plus an amount necessary to absorb a one standard deviation market event without increasing contribution rates, as determined by the Board. Under the Board’s current investment policy, assets in excess of a 113% funded ratio are considered extraordinary gains. The Board has the authority to rescind the Gain Sharing up to the date of distribution.

Return to Work

Under Section 59-1356, Idaho Code, if a retired member is reemployed by a PERSI employer, their retirement benefits cease, contributions (both employer and member) restart, and the member begins accruing a new benefit. Section 59-1356 lays out the following exceptions to this rule.

If a retired member becomes re-employed, at least 6 months after retirement, as a result of being elected to public office (other than an office held prior to retirement) the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member or employer, and the member will not accrue additional benefits.

If a teacher who retired (without a promise of reemployment) after age 60 or a public safety officer is reemployed as a teacher at least 90 days after their retirement and was receiving an unreduced service retirement benefit, the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member (the employer still makes contributions), and the member will not accrue additional benefits.

If a member who retired (without a promise of reemployment) after age 55 and before January 1, 2022, is reemployed at least 90 days after their retirement, the member may elect to continue receiving retirement benefits. In which case, no contributions will be made by the member (the employer still makes contributions), and the member will not accrue additional benefits. This exception expires on July 1, 2026.

Effective July 1, 2023, if a police officer or firefighter who retired (without a promise of reemployment) after age 50, is reemployed at least 30 days after their retirement, the member may elect to continue receiving retirement benefits. In which case, contributions restart (both employer and member) at the fire and police rate (even if re-employed as a teacher or general member), but the member will not accrue additional benefits. This exception expires on July 1, 2027.



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October 14, 2025

Public Employee Retirement System of Idaho State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations of the Idaho Firefighters' Retirement Fund (FRF) from 1981 through 1988 and biennial valuations from July 1, 1990 to July 1, 2000. Starting with the July 1, 2001 valuation, actuarial valuations occurred annually through the July 1, 2007, valuation. From July 1, 2007, through July 1, 2013, the valuations were again biennial. Beginning with the July 1, 2014, valuation they have been performed annually once again. The most recent actuarial valuation was for July 1, 2025; the next is scheduled for July 1, 2026.

Contribution Rates

FRF covers a closed group of firefighters who were hired before October 1, 1980 and who receive benefits in excess of those provided under the Public Employee Retirement System of Idaho (PERSI). The cost of these excess benefits is paid by member contributions, employer contributions, and receipts from a Fire Insurance Premium Tax (FIPT). Employer contributions comprise two elements: 8.65% of the salaries of covered members and an additional rate applied to the salaries of all firefighters of the employer. The additional rate is designed to meet the costs of the Fund not covered by other resources. Idaho Code Section 59-1394 requires the cost of the excess benefits to be retired by the schedule of contributions over a given period of time not to exceed 50 years.

FRF benefits were offset by PERSI benefits effective October 1, 1980. Effective July 1, 1990, all members hired after June 30, 1978 are to receive the same FRF benefits as members hired earlier.

Effective October 1, 1994, the PERSI benefits and contributions were increased. The FRF additional contribution rate to fund the excess benefits was decreased to 15.40% and the total employer contributions for FRF members remained fixed at 35.90% for Class A & B firefighters and 27.25% for Class D firefighters.

The Retirement Board lowered the PERSI contribution rates starting October 31, 1997, and made the reduction permanent as of April 25, 2000. The FRF excess contribution rate was increased to 17.24% since the total employer contributions for FRF members remained fixed at the 35.90% / 27.25% rates.

The Retirement Board raised the PERSI contribution rates, with the first increase effective July 1, 2004, and additional increases effective July 1, 2005, and July 1, 2006, an additional 0.1% contribution was added to provide for a \$100,000 death benefit for duty related deaths. The FRF excess contribution rate was maintained at 17.24%. The July 1, 2004, rate increase took effect as scheduled, but the other two rate increases were delayed by the Board to July 1, 2006, and July 1, 2007.

ACTUARIAL SECTION

After the July 1, 2006, PERSI and FRF valuation reports were completed, the PERSI Board delayed the effective date of the scheduled contribution rate increases to July 1, 2008, and July 1, 2009. In October 2007, the Board cancelled the remaining scheduled contribution rate increases.

After the July 1, 2009, PERSI and FRF valuation reports were completed, the PERSI Board approved three new contribution rate increases scheduled for July 1, 2011, July 1, 2012, and July 1, 2013. These were adopted in December 2009 due to a significant drop in funded status because of investment losses in the year ending June 30, 2009.

Due to the 12.01% investment return in the year ending June 30, 2010, in December 2010, the PERSI Board delayed the scheduled contribution rate increases for July 1, 2011, July 1, 2012, and July 1, 2013, to July 1, 2012, July 1, 2013, and July 1, 2014, respectively.

Due to the 20.25% investment return in the year ending June 30, 2011, in December 2011, the Board delayed the scheduled contribution rate increases for July 1, 2012, July 1, 2013, and July 1, 2014, to July 1, 2013, July 1, 2014, and July 1, 2015, respectively.

On July 1, 2013, the first of three scheduled contribution rate increases went into effect. This raised the member contribution for Class D Firefighters from 7.69% to 8.36%. It also increased the PERSI Rate employer contribution from 10.73% to 11.66% for all firefighter groups.

In December 2013, the Board delayed the scheduled contribution rate increases for July 1, 2014 and July 1, 2015, to July 1, 2015 and July 1, 2016, respectively.

In September 2014, the scheduled contribution rate increases scheduled for July 1, 2015, and July 1, 2016 were cancelled.

On January 1, 2015, the additional employer contribution rate was decreased from 17.24% to 5.00%.

After the July 1, 2016, PERSI and FRF valuation reports were completed, the PERSI Board approved a contribution rate increase scheduled for July 1, 2018. This was adopted in October 2016 due to a drop in funded status because of low investment returns in the fiscal years 2015 and 2016. In 2017, the rate increase was delayed one year: from July 1, 2018, to July 1, 2019.

On July 1, 2019, the member contribution for Class D Firefighters increased from 8.36% to 8.81%. The PERSI Rate employer contribution increased from 11.66% to 12.28% for all firefighter groups.

On July 1, 2020, the additional employer contribution rate was decreased from 5.00% to 0.00%.

As of July 1, 2021, there are no longer any active firefighters covered by the plan. With the additional employer contribution rate of 0%, there are no longer any contributions coming into the plan (other than receipts from the FIPT).

Funding Status

Based on the July 1, 2025, actuarial valuation, there is currently no Unfunded Actuarial Accrued Liability (UAAL) to amortize. This is consistent with the results from the July 1, 2024, valuation. The Fund's original funding goal is to amortize the liabilities by June 30, 2018 (40 years from July 1, 1978). The current amortization period of zero is less than the statutory maximum of 50 years.

The UAAL was decreased by \$7.0 million due to an asset gain partially recognized as of July 1, 2025. Specifically, the Fund's assets earned an annual average net return after expenses of 10.70% for the 2024-25 fiscal year which was more than the actuarial assumption of 6.30%.

ACTUARIAL SECTION

All experience gains and losses (including the asset gain) over the one-year period since the prior valuation resulted in the UAAL being decreased by \$5.1 million. The UAAL decreased by \$4.2 million due to deferred asset gains/losses from prior years which was recognized during the 2024-25 fiscal year.

In addition, the UAAL decreased by \$1.3 million due to assumption changes. The UAAL also decreased by \$19.9 million because assumed contributions plus assumed investment returns were more than the normal cost and the interest on the actuarial accrued liability.

The funding status increased from a 205.0% funding ratio on July 1, 2024, to 220.1% on July 1, 2025. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 67 Liabilities

The long-term expected rate of investment return on assets, net of investment expenses, for the Fund is assumed to be 6.55%. For purposes of determining the Fund's funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 6.50%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.55%

For the July 1, 2025 valuation, 3-year smoothing is used to calculate the actuarial value of plan assets. This is in contrast to the Fiduciary Net Position (FNP) used for purposes of GASB reporting. According to GASB Statement 67, the FNP must be based on the plan's fair value of assets at the valuation date. Therefore, FNP has been determined without any asset smoothing.

Results and further details on these items can be found in our GASB 67 and 68 Report.

Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. The FRF assumptions generally reflect the assumptions used for the PERSI Fire and Police members.

We anticipate the next major PERSI experience study, to be completed in 2029, will cover the period July 1, 2024 through June 30, 2028.

Other Information

The FRF system is a cost-sharing multiple-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. They have chosen to define their Actuarially Determined Contribution as \$0. Because the plan has no members accruing additional benefits and has no funding shortfall, we believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for FRF's contribution structure of contributing a percentage of pay over employees' working lifetimes.

Purpose of the Valuation

Actuarial computations presented in this report are for the purposes of GFOA reporting. Determinations

ACTUARIAL SECTION

for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial Assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

Variability of Results

This report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of plan benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Limited Distribution

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work

ACTUARIAL SECTION

product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

Qualifications and Certifications

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Conclusion

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

| | |
|-----------|---|
| Exhibit 1 | Summary of Actuarial Assumptions and Methods |
| Exhibit 2 | Schedule of Active Member Valuation Data |
| Exhibit 3 | Schedule of Retiree and Beneficiary Valuation Data |
| Exhibit 4 | Schedule of Funding Progress |
| Exhibit 5 | Solvency Test |
| Exhibit 6 | Analysis of Actuarial Gains or Losses |
| Exhibit 7 | Schedule of Contributions from the Employer and All Other Contributing Entities |
| Exhibit 8 | Schedule of Contribution Rates as a Percent of Payroll |
| Exhibit 9 | Provisions of Governing Law |

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We would like to express our appreciation to Mike Hampton, Executive Director of the System, and to members of PERSI's staff, who gave substantial assistance in supplying the data on which this report is based.

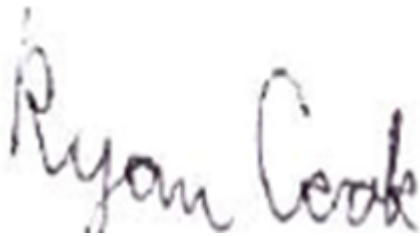
Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Schmidt".

Robert L Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "R. Ryan Falls".

Ryan Falls, FSA. EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "Ryan Cook".

Ryan J Cook, FSA. EA, CERA, MAAA
Consulting Actuary

ACTUARIAL SECTION

Idaho Firefighters' Retirement Fund

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2025

1. Investment Return (Adopted July 1, 2025)

The annual rate of investment return on the assets, net of investment expenses, for the System is assumed to be 6.55%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.50%.

2. Actuarial Value of Assets (Adopted September 2014)

For the July 1, 2014 valuation, all assets are valued at fair value as of the valuation date. Use of 3-year smoothing to calculate the actuarial value of plan assets is being implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations have used a 3-year smoothing.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the PERSI Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the PERSI total fund's actual experience.

4. Service Retirement, Disability Retirement, and Termination

Starting with the July 1, 2021 valuation, there are no longer any actively employed members of FRF, so these assumptions are no longer applicable.

5. Mortality (Adopted July 1, 2025)

- **Healthy Members**

Males Pub-2010 Safety Tables, increased 21%.

Females Pub-2010 Safety Tables, increased 26%.

- **Beneficiaries**

Males Pub-2010 General Tables, increased 11%.

Females Pub-2010 General Tables, increased 21%.

- **Disabled Members**

Males Pub-2010 Disabled Tables, increased 38%.

Females Pub-2010 Disabled Tables, increased 36%.

- **Mortality Improvement**

All mortality tables are adjusted with gender specific, generational projection scales. The projection scales are calculated at each age as the 60-year geometric average of the mortality improvement rates reported by the Social Security Administration from 1959 through 2019 (blended 50% male, 50% female).

6. Future Salaries

Starting with the July 1, 2021 valuation, there are no longer any actively employed members of FRF, so this assumption is no longer applicable.

7. Replacement of Terminated Members

The FRF is a closed group. No new members are permitted. The total number of firefighters in PERSI (including those hired October 1, 1980 and later) is assumed to remain unchanged from year to year.

8. Postretirement Benefit Increases (Adopted July 1, 2025)

FRF benefits are based on paid salary and are assumed to increase at the same rate as the average paid firefighter's salary, or 3.15% per year. For members whose FRF benefits are offset by their PERSI benefits, the PERSI benefits are assumed to have post-retirement benefit increases of 1.00% per year. The assumptions regarding PERSI future post-retirement benefit increases is part of the funding policy for the FRF.

9. Probability of Marriage

It is assumed that there is an 85% probability that the member has an eligible spouse. The spouse's age is assumed to be two years younger than the member's.

10. Fire Insurance Premiums (Adopted July 1, 2004)

The fire insurance premiums received for the plan year ending June 30, 2025, amounted to \$4,544,128 or approximately 4.50% of all firefighters' covered compensation during the same period. Future fire insurance premiums are expected to provide contributions as a decreasing percentage of compensation, due to the assumption that the firefighters' covered compensation (including Class D members) will increase at the rate of 3.15% per year, but future fire insurance premiums are assumed to increase at a rate of only 2.40% per year. The rate for the increase for covered compensation was adopted July 1, 2025. The rate for the increase of fire insurance premiums was adopted July 1, 2025.

Note that the FIPT contribution listed above is only half of the premiums collected. Starting with the plan year ending June 30, 2021, only half the fire insurance premiums are being contributed to the plan due to the additional employer contribution rate being reduced to 0.00%.

11. Actuarial Cost Method (Adopted July 1, 1998)

Costs are determined based on the entry age normal cost method. The actuarial present value of future benefits not provided by PERSI less the present value of future normal costs equals the actuarial accrued liability. The UAAL is equal to the actuarial accrued liability less the actuarial value of the assets. The UAAL is amortized as a level dollar amount over a fixed amortization period. The current amortization period is zero since the UAAL at July 1, 2025 is negative.

The Actuarially Determined Contribution (ADC) is then the total of the normal cost allocated to the current plan year plus the amortization payment on the UAAL. Since both the normal cost and the UAAL are \$0, the ADC is \$0.

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12. Experience Studies

The last experience study for PERSI was completed in 2025 for the period July 1, 2020, through June 30, 2024, and reviewed economic assumptions and mortality. We anticipate these assumptions will be studied again in 2029 for the period from July 1, 2024, through June 30, 2028. The FRF assumptions generally reflect the assumptions used for the PERSI Fire and Police members.

13. Recent Changes

In 2025, a PERSI experience study was completed studying demographic and economic assumptions. This resulted in the adoption of a number of updated assumptions.

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

| Valuation Date July 1 | Number | Annual Salaries | | Annual Increase in Average |
|--------------------------|--------|-----------------|---------|-------------------------------|
| | | Total | Average | |
| 2016 | 2 | (1) | (1) | (1) |
| 2017 | 1 | (1) | (1) | (1) |
| 2018 | 1 | (1) | (1) | (1) |
| 2019 | 1 | (1) | (1) | (1) |
| 2020 | 1 | (1) | (1) | (1) |
| 2021 | — | — | N/A | N/A |
| 2022 | — | — | N/A | N/A |
| 2023 | — | — | N/A | N/A |
| 2024 | — | — | N/A | N/A |
| 2025 | — | — | N/A | N/A |

⁽¹⁾ Salary information is not shown for years in which there are fewer than 5 active members.

ACTUARIAL SECTION

Idaho Firefighters' Retirement Fund

EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA ⁽¹⁾

| Valuation Date July 1 | Number | | | PAA Percentage Increases Granted Previous March 1 |
|--------------------------|--------|-------|---------|---|
| | Total | Added | Removed | |
| 2016 | 524 | 3 | 14 | 1.73% |
| 2017 | 517 | 2 | 9 | 2.85 |
| 2018 | 507 | 1 | 11 | 1.88 |
| 2019 | 486 | 5 | 26 | 3.13 |
| 2020 | 472 | 11 | 25 | 3.92 |
| 2021 | 461 | 6 | 17 | 1.28 |
| 2022 | 448 | 14 | 27 | 5.44 |
| 2023 | 437 | 11 | 22 | 2.52 |
| 2024 | 424 | 6 | 19 | 4.63 |
| 2025 | 409 | 6 | 21 | 4.52 |

| Valuation Date July 1 | Annual Benefits | | | | |
|--------------------------|----------------------|----------------------|------------|----------|----------------------------------|
| | Total ⁽²⁾ | Added ⁽³⁾ | Removed | Average | Annual Increase in Average |
| 2016 | \$ 26,285,792 | \$ 576,922 | \$ 610,160 | \$50,164 | 2.0% |
| 2017 | 26,687,801 | 815,356 | 413,347 | 51,621 | 2.9 |
| 2018 | 26,650,120 | 515,311 | 552,992 | 52,564 | 1.8 |
| 2019 | 26,400,434 | 964,724 | 1,214,411 | 54,322 | 3.3 |
| 2020 | 26,795,398 | 1,699,606 | 1,304,642 | 56,770 | 4.5 |
| 2021 | 26,500,438 | 757,260 | 1,052,220 | 57,485 | 1.3 |
| 2022 | 27,334,865 | 2,273,149 | 1,438,722 | 61,015 | 6.1 |
| 2023 | 27,317,790 | 1,352,370 | 1,369,445 | 62,512 | 2.5 |
| 2024 | 27,758,210 | 1,524,693 | 1,084,273 | 65,467 | 4.7 |
| 2025 | 8,077,833 | 1,635,849 | 1,316,226 | 68,650 | 4.9 |

⁽¹⁾ Information regarding the number of retirees and beneficiaries added to, and removed from, the rolls was not used in the actuarial valuations.

⁽²⁾ Combined annual benefits from FRF and PERSI. The FRF benefits comprised \$20,198,198 of the 2025 total.

⁽³⁾ Includes postretirement increases (or decreases, if applicable) for all retirees and beneficiaries.

ACTUARIAL SECTION

Idaho Firefighters' Retirement Fund

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS

(All Dollar Amounts in Millions)

| Actuarial Valuation Date July 1 | Actuarial Value of Assets ⁽¹⁾ | Actuarial Accrued Liabilities (AAL) ⁽²⁾ | Unfunded Actuarial Accrued Liabilities (UAAL) ⁽³⁾ | Funded Ratio | Covered Payroll ⁽⁴⁾ | UAAL as a Percentage of Covered Payroll |
|--|--|---|--|-----------------|-----------------------------------|--|
| 2016 | \$363.4 | \$294.7 | \$(68.7) | 123.3% | \$68.0 | (101.0)% |
| 2017 | 369.8 | 292.2 | (77.6) | 126.6 | 70.6 | (109.9) |
| 2018 | 385.7 | 283.2 | (102.5) | 136.2 | 74.8 | (137.0) |
| 2019 | 411.5 | 273.9 | (137.6) | 150.2 | 78.3 | (175.7) |
| 2020 | 427.2 | 269.3 | (157.9) | 158.6 | 78.7 | (200.6) |
| 2021 | 460.8 | 242.7 | (218.1) | 189.9 | 85.9 | (253.9) |
| 2022 | 472.4 | 243.3 | (229.1) | 194.2 | 78.9 | (290.4) |
| 2023 | 489.9 | 236.0 | (253.9) | 207.6 | 84.5 | (300.5) |
| 2024 | 481.1 | 234.7 | (246.4) | 205.0 | 92.5 | (266.4) |
| 2025 | 507.4 | 230.5 | (276.9) | 220.1 | 100.0 | (276.9) |

- (1) Use of 3-year smoothing to calculate the actuarial value of plan assets has been implemented prospectively: the July 1, 2015 valuation used a 2-year smoothing; subsequent valuations use a 3-year smoothing.
- (2) The excess of the actuarial present value of future excess benefits less the present value of future normal cost contributions under the entry age cost method.
- (3) Actuarial accrued liabilities less actuarial value of assets.
- (4) Covered Payroll includes compensation paid to all active firefighters for whom contributions to FRF could be charged during the fiscal year ending on the actuarial valuation date. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is an annualized compensation of only those members hired prior to October 1, 1980, who were active on the actuarial valuation date.

ACTUARIAL SECTION

Idaho Firefighters' Retirement Fund

EXHIBIT 5: SOLVENCY TEST
(All Dollar Amounts in Millions)

| Actuarial Liabilities⁽¹⁾ for | | | | | | | |
|--|---|--|---|---|---|------------|------------|
| Actuarial Valuation Date July 1 | Actuarial Value of Assets ⁽²⁾ | (A) | (B) | (C) | Portion of Actuarial Liabilities Covered by Assets | | |
| | | Active Member Contributions | Inactive Members, Retirees and Beneficiaries | Active Members (Employer Financed Portion) | (A) | (B) | (C) |
| 2016 | \$363.4 | \$— | \$294.0 | \$0.7 | 100% | 100% | 100% |
| 2017 | 369.8 | — | 291.7 | 0.5 | 100 | 100 | 100 |
| 2018 | 385.7 | — | 282.7 | 0.5 | 100 | 100 | 100 |
| 2019 | 411.5 | — | 273.4 | 0.5 | 100 | 100 | 100 |
| 2020 | 427.2 | — | 268.8 | 0.5 | 100 | 100 | 100 |
| 2021 | 460.8 | — | 242.7 | — | 100 | 100 | 100 |
| 2022 | 472.4 | — | 243.3 | — | 100 | 100 | 100 |
| 2023 | 489.9 | — | 236.0 | — | 100 | 100 | 100 |
| 2024 | 481.1 | — | 234.7 | — | 100 | 100 | 100 |
| 2025 | 507.4 | — | 230.5 | — | 100 | 100 | 100 |

⁽¹⁾ Computed based on funding policy methods and assumptions.

⁽²⁾ Use of 3-year smoothing to calculate the actuarial value of plan assets has been implemented prospectively: the July 1, 2015, valuation used a 2-year smoothing; subsequent valuations use a 3-year smoothing.

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Idaho Firefighters' Retirement Fund

EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES (All Dollar Amounts in Millions)

| | Gain (Loss) for Period | | |
|--|------------------------|----------------------|----------------------|
| | 2024-2025 | 2023-2024 | 2022-2023 |
| Investment Income | | | |
| Investment income was greater (less) than expected | \$7.0 ⁽¹⁾ | \$0.1 ⁽¹⁾ | \$4.0 ⁽¹⁾ |
| Fire Insurance Premium Tax (FIPT) | | | |
| FIPT contribution was greater (less) than expected | 0.6 | 0.5 | 0.4 |
| Membership Growth | | | |
| No new members since plan was closed in 1980 | None | None | None |
| Postretirement Allowance Adjustment (PAA) and Cost of Living Adjustment (COLA) | | | |
| Different PERSI PAAs and FRF COLAs than expected | (3.9) | (4.5) | 1.6 |
| Other Retired Member Experience | | | |
| Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes | 1.4 | 0.6 | 1.0 |
| Other Active and Inactive Member Experience | | | |
| Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes | None ⁽²⁾ | None ⁽²⁾ | None ⁽²⁾ |
| Total Gain (Loss) During the Period From Actuarial Experience | 5.1 | (3.3) | 7.0 |
| Contribution Income | | | |
| Expected contributions and asset returns were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability | 19.9 | 18.3 | 16.0 |
| Deferred Recognition of Investment Income | | | |
| Due to asset smoothing, one third of the investment gain (loss) from each of the two prior years are recognized in the current period | 4.2 | (22.5) | 1.8 |
| Non-Recurring Items | | | |
| Changes in actuarial assumptions caused a gain (loss) | 1.3 | None | None |
| Changes in actuarial methods caused a gain (loss) | None | None | None |
| Changes in plan provisions caused a gain (loss) | None | None | None |
| Change in Future Contribution Rate Increases | None | None | None |
| Composite Gain (Loss) During the Period | <u>\$ 30.5</u> | <u>\$ (7.5)</u> | <u>\$ 24.8</u> |

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the unfunded actuarial accrued liability.

⁽¹⁾ The investment gains/(losses) were \$21.0, \$0.5, and \$12.2, million for fiscal years 2025, 2024, and 2023, respectively; however, only a portion of these were recognized each year due to the 3-year smoothing.

⁽²⁾ As of the July 1, 2021, Actuarial Valuation there are no active or inactive members remaining in the plan.

ACTUARIAL SECTION

Idaho Firefighters' Retirement Fund

EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES (Actual Dollar Amounts)

| Fiscal Year Ending | Covered Employee Payroll ⁽¹⁾ | Statutory Employer Contributions ⁽²⁾ | Additional Employer Contributions ⁽²⁾ | Insurance Premium Payment from the State | Total Actual Employer Contributions | Actuarially Determined Contribution (ADC) ⁽³⁾ | Percentage of ADC Dollars Contributed |
|--------------------|---|---|--|--|-------------------------------------|--|---------------------------------------|
| 2016 | \$68,017,833 | \$17,723 | \$3,400,892 | \$3,779,982 | \$7,198,597 | \$— | N/A |
| 2017 | 70,568,501 | 12,273 | 3,638,264 | 3,802,450 | 7,452,987 | — | N/A |
| 2018 | 74,848,287 | 12,226 | 3,731,159 | 3,962,841 | 7,706,226 | — | N/A |
| 2019 | 78,284,032 | 12,715 | 3,914,200 | 4,320,912 | 8,247,827 | — | N/A |
| 2020 | 78,657,631 | 12,608 | 3,932,881 | 4,714,908 | 8,660,397 | — | N/A |
| 2021 | 85,896,222 | — | — | 2,549,471 | 2,549,471 | — | N/A |
| 2022 | 78,865,896 | — | — | 2,901,920 | 2,901,920 | — | N/A |
| 2023 | 84,485,207 | — | — | 3,346,505 | 3,346,505 | — | N/A |
| 2024 | 92,485,844 | — | — | 3,888,153 | 3,888,153 | — | N/A |
| 2025 | 99,971,222 | — | — | 4,544,128 | 4,544,128 | — | N/A |

- ⁽¹⁾ Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll. Provided by PERSI in 2021. In 2022, computed as the sum of the annualized pay rate of all Class D members active as of the end of the fiscal year. Provided by PERSI in 2023 and 2024.
- ⁽²⁾ Employer contributions are made as a percentage of actual payroll rather than as a dollar amount. The Statutory Employer FRF contributions in excess of PERSI required contributions are payable only on Class A & B active member payroll. The Additional Employer FRF contributions are payable on Class A & B and Class D active member payrolls.
- ⁽³⁾ Starting July 1, 1996, the ADC, formerly known as the Annual Required Contribution (ARC), is computed as a dollar amount based on the entry age cost method and future payroll contributions from Class A & B members only. The ADC is computed for GASB reporting purposes only. The actual employer contributions as a percentage of payroll varied from those determined by the actuarial valuation based on the funding policy as shown in Table C 6 of the actuarial valuation report. The actual dollar amount of the employer contributions will differ from the dollar amount of the ADC.

ACTUARIAL SECTION

Idaho Firefighters' Retirement Fund

EXHIBIT 8: CONTRIBUTION RATES AS A PERCENT OF PAY

| Year ⁽¹⁾ | State Contributions | Employer Contributions | | | | Total Employer Contributions For Members | |
|---------------------|--|------------------------|-----------------------|---------------------|--------------------|--|--|
| | Fire Insurance Premium Tax ⁽²⁾ | PERSI Rate | Statutory FRF Rate | Additional Rate | Social Security | Hired Before 10/1/80 ⁽³⁾ | Hired After 9/30/80 ⁽⁴⁾ |
| Effective Date: | July 1 | October 1 | January 1 | October 1 | January 1 | October 1 | October 1 |
| 2016 | 5.60% | 11.66% | 8.65% | 5.00% | 7.65% | 25.31% | 24.31% |
| 2017 | 5.20 | 11.66 | 8.65 | 5.00 | 7.65 | 25.31 | 24.31 |
| 2018 | 5.30 | 11.66 | 8.65 | 5.00 | 7.65 | 25.31 | 24.31 |
| 2019 | 5.50 | 12.28 | 8.65 | 5.00 | 7.65 | 25.93 | 24.93 |
| 2020 | 3.00 | 12.28 | 8.65 | 0.00 ⁽⁵⁾ | 7.65 | 20.93 | 19.93 |
| 2021 | 2.97 | 12.28 | 8.65 | 0.00 | 7.65 | 20.93 | 19.93 |
| 2022 | 3.68 | 12.28 | 8.65 | 0.00 | 7.65 | 20.93 | 19.93 |
| 2023 | 3.96 | 13.26 | 8.65 | 0.00 | 7.65 | 21.91 | 20.91 |
| 2024 | 4.20 | 14.65 | 8.65 | 0.00 | 7.65 | 23.30 | 22.30 |
| 2025 | 4.55 | 13.98 | 8.65 | 0.00 | 7.65 | 22.63 | 21.63 |

⁽¹⁾ Rates become effective on dates shown in given year.

⁽²⁾ Actual FIPT premiums received divided by the covered payroll for the prior year.

⁽³⁾ PERSI rate plus Statutory FRF rate plus additional rate.

⁽⁴⁾ PERSI rate plus additional rate plus Social Security (note that the 7.65% Social Security + Medicare tax is paid to the federal government for these members, not contributed to PERSI).

⁽⁵⁾ The Employer additional rate changed to 0.00% on July 1, 2020.

Idaho Firefighters' Retirement Fund

EXHIBIT 9: PROVISIONS OF GOVERNING LAW

This exhibit outlines our understanding of the laws governing the Idaho Firefighters' Retirement Fund (FRF), compared with the provisions that apply to firefighters of the Public Employee Retirement System of Idaho (PERSI), as contained in Sections 59-1301 through 59-1399 for PERSI and Sections 72-1401 through 72-1472 for FRF, inclusive, of the Idaho Code through July 1, 2024. Each currently active firefighter hired before October 1, 1980, is entitled to receive the larger of (a) a benefit based on the FRF provisions, considering all of their service as a firefighter, and (b) a PERSI benefit, based on membership service beginning October 1, 1980, plus prior service rendered before July 1, 1965. Firefighters hired October 1, 1980, and later (Class D members) are not entitled to FRF benefits.

In 1990, the law was changed to provide benefits to all members of FRF equally. Prior to the change, members hired after July 1, 1978, and before October 1, 1980, (Class C members) received a lower level of benefits. Class A members are members hired prior to July 1, 1976, who chose Option 1, where contributions are calculated on the basis of statewide average paid firefighter's salary. Benefits are based on the statewide average salary in effect at the date of retirement. Class B members are all Option 2 members hired prior to July 1, 1978, where contributions are calculated on the basis of the individual's annual average salary, but benefits are based on actual pay.

ACTUARIAL SECTION

Retirement Provisions Affecting Firefighters In Idaho

July 1, 2025

| | <u>Public Employee Retirement System</u> | <u>Firefighters' Retirement Fund</u> |
|-------------------------------------|--|---|
| Service Retirement Allowance | | |
| Eligibility | Age 60 with five years of service, including six months of membership service. | 20 years of service. ⁽¹⁾ |
| Amount of annual Allowance | 2.30% of the highest 3.5-year average salary for the each year of credited service. | 40% of final five-year average salary ⁽²⁾ plus 5.00% of average salary for each year of service in excess of 20 years. |
| Maximum Benefit | 100% highest three-year average salary. | 65% of final five-year average salary. ⁽²⁾ |
| Minimum Benefit | For retirement during or prior to 1974, \$72 annual allowance for each year of service, increasing in subsequent years at the rate of cost-of-living increases in retirement allowances. | None. |
| Normal Form | Payable for member's lifetime. | Payable for firefighter's lifetime, with 100% of benefit continued to eligible surviving spouse or children. |
| Optional Form | Actuarial equivalent of the normal form under the options available according to the mortality and interest basis adopted by the Board. | None. |

⁽¹⁾ Completed years of service. No partial years of service are recognized.

⁽²⁾ For firefighters employed prior to July 1, 1976, who chose Option 1, benefits are based on the statewide average salary in effect at the date of retirement. For firefighters employed prior to July 1, 1976, who chose Option 2, benefits are based on actual pay.

ACTUARIAL SECTION

| | <u>Public Employee Retirement System</u> | <u>Firefighters' Retirement Fund</u> |
|---|--|---|
| Non-Duty Disability Retirement Allowance | | |
| <i>Eligibility</i> | Five years of membership service. | Five years of service. ⁽¹⁾ |
| <i>Amount of Annual Allowance</i> | Projected service retirement allowance based on accrued service plus service projected to age 60 (projected service is limited to excess of 30 years over accrued service), less any amount payable under workers' compensation law. | 2.00% of final five-year average salary ⁽²⁾ times years of service ⁽¹⁾ , or same as service retirement benefit if eligible. |
| <i>Normal Form</i> | Temporary annuity to age 60 plus any death benefit. Service retirement allowance becomes payable in the same amount at age 60. | Payable for firefighter's lifetime, with 100% of benefit continued to eligible surviving spouse or children. |
| Duty Disability Retirement Allowance | | |
| <i>Eligibility</i> | If hired after July 1, 1993, no service requirement. Otherwise same as non-duty disability retirement. | No age or service requirements. |
| <i>Amount of Annual Allowance</i> | Same as non-duty disability retirement for those disabled prior to July 1, 2021. | 65% of final five-year average salary. |
| <i>Normal Form</i> | Same as non-duty disability retirement for those disabled prior to July 1, 2021. | Same as non-duty disability retirement. |
| Special Disability Benefit | | |
| <i>Eligibility</i> | Firefighters hired after October 1, 1980, and prior to July 1, 1993, with less than 10 years of service. | None. |
| <i>Benefit</i> | Same as FRF disability benefit. | None. |

⁽¹⁾ Completed years of service. No partial years of service are recognized.

⁽²⁾ For firefighters employed prior to July 1, 1976, who chose Option 1, benefits are based on the statewide average salary in effect at the date of retirement. For firefighters employed prior to July 1, 1976, who chose Option 2, benefits are based on actual pay.

ACTUARIAL SECTION

| | <u>Public Employee Retirement System</u> | <u>Firefighters' Retirement Fund</u> |
|---|--|---|
| Death Benefits Before Retirement | | |
| <i>Eligibility</i> | Five years of service for surviving spouse's benefit. | Non-duty death: Five years of service. ⁽¹⁾ Duty death: No service requirement. Benefits are payable to surviving spouse or, if no eligible surviving spouse, to unmarried children under 18. |
| <i>Amount of Benefit</i> | 1. Two times accumulated contributions with interest (one times, if less than five years of service), or 2. The surviving spouse of a member with five years of service who dies while: <ul style="list-style-type: none"> i. contributing; ii. noncontributing, but eligible for benefits; or iii. retired for disability receives an automatic joint and survivor option applied to the actuarial equivalent of the member's accrued service retirement allowance. | 100% of the benefit the firefighter would have received as a duty or non-duty disability allowance, depending on cause of his death. |
| Death Benefits After Retirement | | |
| <i>Eligibility</i> | Designated beneficiary or estate. | Surviving spouse or, if no eligible surviving spouse, unmarried children under 18. |
| <i>Amount of Benefit</i> | Under the normal form of the retirement allowance, the excess, if any, of the member's accumulated contributions with interest at retirement over all payments received. Otherwise payable according to the option elected. | 100% of firefighter's retirement allowance. |

⁽¹⁾ Completed years of service. No partial years of service are recognized.

ACTUARIAL SECTION

| | <u>Public Employee Retirement System</u> | <u>Firefighters' Retirement Fund</u> |
|------------------------------------|---|--|
| Early Retirement Allowance | | |
| <i>Eligibility</i> | Age 50 with five years of service including, six months of membership service (contributing members only). | None. |
| <i>Amount of Allowance</i> | Full accrued service retirement allowance if age plus service equals 80; otherwise, the accrued service retirement allowance reduced by 3.00% for each of the first five years by which the early retirement date precedes the date the member would be eligible to receive his full accrued benefit, and by 5.75% for each additional year. | None. |
| Vested Retirement Allowance | | |
| <i>Eligibility</i> | Former contribution members with five years of membership service are entitled to receive benefits after attaining age 50. | Firefighters who terminate after five years of service ⁽¹⁾ are entitled to receive benefits beginning at age 60. |
| <i>Amount of Allowance</i> | Same as early retirement allowance. | 2.00% of final five-year average salary times years of service ⁽¹⁾ . |
| Withdrawal Benefit | Accumulated contributions with interest. | Accumulated contributions with interest. |
| Post-Retirement Increases | | |
| <i>Amount of Adjustment</i> | <p>Postretirement Allowance Adjustments (PAAs) are based on changes in the Consumer Price Index, subject to a maximum total increase or decrease of 6.00% in any year.</p> <p>If the Consumer Price Index increases by at least 1% from August to August, a 1.00% annual postretirement increase is effective the following March. An additional postretirement increase of up to 5.00% each year may be authorized by the Board.</p> <p>If the CPI-U increases by less than 1% or decreases, the PAA is automatically equal to the change in the CPI-U. A decrease cannot be more than 6%. Member benefits cannot decrease below the amount at the initial benefit date.</p> | Benefits increase or decrease by the same percentage by which the average paid firefighter's salary increases or decreases. The change for the year is effective each January. |

⁽¹⁾ Completed years of service. No partial years of service are recognized



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October 14, 2025

Public Employee Retirement System of Idaho State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed annual actuarial valuations of the Judges' Retirement Fund of the State of Idaho (JRF) beginning with the June 30, 2010, actuarial valuation. Until June 30, 2014, the JRF was an independent Fund. Beginning with the July 1, 2014, actuarial valuation, the Fund has been administered by the Public Employee Retirement System of Idaho (PERSI). It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2026.

Contribution Rates

The financing objective of the Fund is to establish contribution rates that will tend to remain level as percentages of payroll. The current total contribution rate is 74.10%: 62.53% employer contribution rate and 11.57% employee contribution rate. Based on the July 1, 2025 valuation assumptions and valuation results, this contribution rate will be sufficient to amortize the Unfunded Actuarial Accrued Liability (UAAL) over the required 25-year period ending July 1, 2050.

Funding Status

Based on the July 1, 2025 actuarial valuation, the UAAL was decreased by \$5.1 million due to an asset gain recognized as of July 1, 2025. Specifically, the Fund's assets earned a net return after accounting for all expenses of 10.66%, which is 4.36% above the actuarial assumption of 6.30%. All other experience gains and losses increased the UAAL by \$7.9 million. Thus, the total experience loss for the year was \$2.8 million.

In addition, the UAAL decreased by \$1.9 million due to assumption changes. The UAAL also decreased by \$0.9 million because actual contributions plus assumed investment returns were more than the normal cost and the interest on the actuarial accrued liability.

The current contribution rates are adequate to amortize the Normal Cost and UAAL balance over the required 25-year period.

The funding status increased from a 86.7% funding ratio on July 1, 2024, to 87.6% on July 1, 2025. The funding ratio is the ratio of the fair value of the assets over the value of the actuarial accrued liability.

ACTUARIAL SECTION

Comparison to GASB Statement No. 67 Liabilities

The long-term expected rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.55%. For purposes of determining the Fund's funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give discount rate of 6.50%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total Pension Liability (TPL) and Net Pension Liability (NPL) for purposes of GASB reporting. According to GASB Statement 67, the discount rate used to calculate TPL and NPL must be net of investment expenses but not administrative expenses. Therefore, TPL and NPL have been determined using a discount rate of 6.55%. Results and further details on these items can be found in our GASB 67 and 68 Report.

Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. A demographic experience study was performed in 2024 which updated the retirement, mortality, and payment form election rates. See our letter dated May 29, 2024 for more details. Economic assumptions generally reflect the assumptions used for the PERSI valuation.

The 2024 experience study covered the period July 1, 2018, through June 30, 2023.

Other Information

JRF is a single-employer defined benefit plan. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. The ADC is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years. We believe that this definition is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for JRF's contribution structure of contributing a percentage of pay over employees' working lifetimes.

Purpose of the Valuation

Actuarial computations presented in this report are for the purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial Assumptions

Actuarial assumptions, including investment return assumption, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

ACTUARIAL SECTION

Variability of Results

This report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Limited Distribution

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

ACTUARIAL SECTION

Qualifications and Certifications

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Conclusion

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

| | |
|-----------|--|
| Exhibit 1 | Summary of Actuarial Assumptions and Methods |
| Exhibit 2 | Schedule of Active Member Valuation Data |
| Exhibit 3 | Schedule of Retiree and Beneficiary Valuation Data |
| Exhibit 4 | Schedule of Funding Progress |
| Exhibit 5 | Solvency Test |
| Exhibit 6 | Analysis of Actuarial Gains or Losses |
| Exhibit 7 | Schedule of Contributions from the Employer and All Other Contributing Entities |
| Exhibit 8 | Schedule of Contributions from the Employer Expressed as a Percentage of Covered Payroll |
| Exhibit 9 | Provisions of Governing Law |

We would like to express our appreciation to Mike Hampton, Executive Director of the System, and to members of PERSI's staff, who gave substantial assistance in supplying the data on which this report is based.

ACTUARIAL SECTION

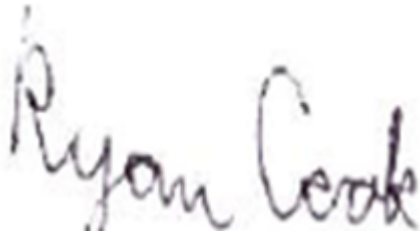
Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Schmidt". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert L Schmidt, FSA, EA,
MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "R. Ryan Falls". The signature is cursive and somewhat stylized.

Ryan Falls, FSA, EA, MAAA
Consulting Actuary

A handwritten signature in black ink, appearing to read "Ryan Cook". The signature is cursive and somewhat stylized.

Ryan J Cook, FSA, EA, CERA,
MAAA
Consulting Actuary

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2024

1. Investment Return (Adopted July 1, 2025)

The annual rate of investment return on the assets, net of investment expenses, for the Fund is assumed to be 6.55%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 6.50%

2. Actuarial Value of Assets

All assets are valued at fair value as of the valuation date.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the PERSI Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the PERSI total fund's actual experience.

4. Service Retirement (Adopted July 1, 2024)

Sample rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

| <u>Age</u> | <u>Rate of Retirement⁽¹⁾</u> |
|------------|---|
| 55 | 13% |
| 60 | 14 |
| 65 | 26 |
| 70 | 29 |
| 71 | 100 |

⁽¹⁾ Eligibility occurs after 20 years of service, attained age 55 with 15 years of service, attained age 60 with 10 years of service, or attained age 65 with 4 years of service.

5. Mortality (Adopted July 1, 2024)

Contributing Members, Service and Disability Retirement Members, and Beneficiaries

- Males
 - Pre-Commencement General Pub-2010 Above Median tables for male employees
 - Post-Commencement General Pub-2010 Above Median tables for male healthy annuitants
- Females
 - Pre-Commencement General Pub-2010 Above Median tables for female employees
 - Post-Commencement General Pub-2010 Above Median tables for female healthy annuitants

All mortality tables are adjusted with generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by the Social Security Administration from 1957 through 2017 (blended 50% male, 50% female).

ACTUARIAL SECTION

6. Disability Retirement

None.

7. Other Terminations of Employment

There are no other employment termination assumptions that are valued.

8. Future Salaries (Adopted July 1, 2025)

The rate of annual salary increase assumed for the purpose of the valuation is 3.15%.

9. Growth in Membership (Adopted July 1, 2025)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.15% average annual expansion in the payroll of covered members.

10. Interest on Employee Contributions

The credited interest rate on employee contributions is assumed to be 6.50%.

11. Postretirement Benefit Increases (Adopted July 1, 2025)

Any member who assumed office prior to July 1, 2012, is assumed to have a postretirement increase of 3.15% per year. However, for members who made an irrevocable election prior to August 1, 2012, to have their postretirement benefit increases based on Idaho Code Section 59-1355, a postretirement increase of 1.00% per year is assumed instead.

Any member who assumed office on or after July 1, 2012, is assumed to have a postretirement increase of 1.00% per year.

12. Probability of Marriage (Adopted July 1, 2021)

The marriage assumption for all members is 100%. Males are assumed to be 2 years older than their spouses.

13. Form of Payment (Adopted July 1, 2024)

There are two normal forms of payment, 50% Contingent Annuitant (CA) for those hired before July 1, 2012, and 30% CA for those hired after June 30, 2012. Upon commencement of retirement, members are assumed to elect annuity payment forms at the following rates:

- 50% elect the normal form of payment
- 50% elect the 100% CA

ACTUARIAL SECTION

14. Retirement under Paragraph (b)

At retirement, 50% of eligible members are assumed to elect to retire under Paragraph (b) of section 1-2001(2) of Idaho code.

15. Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value are not provided for at a valuation date by the sum of (a) the actuarial value of the assets and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL, if positive, is amortized as a level percentage of the projected salaries of present and future members of the Fund during various amortization periods. In effect, this means that UAAL amortization payments are assumed to grow at the same rate as the General Wage increase assumption (currently 3.15%).

The normal cost rates used in this valuation were calculated based on all current active members as of July 1, 2025. The actuarial present values of projected benefits and of projected salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate.

16. Experience Studies

A demographic experience study was performed in 2024 which updated the retirement, mortality, and payment form election rates. See our letter dated May 29, 2024, for more details. The JRF economic assumptions generally reflect the assumptions used for the PERSI valuation.

17. Recent Changes

In 2025, PERSI adopted new economic assumptions. This resulted in the adoption of a number of updated assumptions for JRF.

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

| Valuation Date July 1 | Number | Annual Salaries | | |
|--------------------------|--------|----------------------|-----------|-------------------------------------|
| | | Total ⁽¹⁾ | Average | % Increase in Average Annual Pay |
| 2016 | 53 | \$6,886,500 | \$129,934 | 3.3% |
| 2017 | 50 | 6,690,000 | 133,800 | 3.0 |
| 2018 | 53 | 7,257,000 | 136,928 | 2.3 |
| 2019 | 53 | 7,448,600 | 140,540 | 2.6 |
| 2020 | 55 | 7,870,000 | 143,091 | 1.8 |
| 2021 | 55 | 7,994,000 | 145,345 | 1.6 |
| 2022 | 55 | 8,060,000 | 146,545 | 0.8 |
| 2023 | 56 | 8,575,000 | 153,125 | 4.5 |
| 2024 | 51 | 8,029,000 | 157,431 | 2.8 |
| 2025 | 49 | 8,557,000 | 174,633 | 10.9 |

⁽¹⁾ Annualized average salaries for covered members for the 12-month period commencing on the valuation date.

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 3: SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA

| Valuation Date July 1 | Number | | | Postretirement Increases Granted Previous Year | |
|--------------------------|--------|-------|---------|--|-------|
| | Total | Added | Removed | JRF | PERSI |
| 2016 | 94 | 2 | — | 3.70% ⁽¹⁾ | 0.2% |
| 2017 | 101 | 8 | 1 | 6.59 ⁽¹⁾ | 1.1 |
| 2018 | 102 | 5 | 4 | 3.20 ⁽¹⁾ | 1.9 |
| 2019 | 107 | 7 | 2 | 2.81 ⁽¹⁾ | 1.0 |
| 2020 | 105 | 1 | 3 | 1.87 ⁽¹⁾ | 1.7 |
| 2021 | 106 | 3 | 2 | 1.83 ⁽¹⁾ | 1.0 |
| 2022 | 113 | 10 | 3 | 0.00 ⁽¹⁾ | 3.5 |
| 2023 | 115 | 3 | 1 | 4.72 ⁽¹⁾ | 1.0 |
| 2024 | 117 | 4 | 2 | 2.84 ⁽¹⁾ | 1.0 |
| 2025 | 118 | 4 | 3 | 10.93 ⁽¹⁾ | 1.3 |

Annual Benefits

| Valuation Date July 1 | Total | Added ⁽²⁾ | Removed | Average | % Increases in Average |
|--------------------------|-------------|----------------------|---------|----------|---------------------------|
| 2016 | \$6,124,128 | \$250,942 | \$— | \$65,150 | 2.1% |
| 2017 | 6,740,340 | 690,100 | 73,888 | 66,736 | 2.4 |
| 2018 | 7,004,642 | 507,626 | 243,324 | 68,673 | 2.9 |
| 2019 | 7,572,230 | 654,828 | 87,240 | 70,769 | 3.1 |
| 2020 | 7,672,234 | 270,278 | 170,275 | 73,069 | 3.3 |
| 2021 | 7,955,424 | 373,835 | 90,645 | 75,051 | 2.7 |
| 2022 | 8,479,073 | 805,641 | 281,992 | 75,036 | — |
| 2023 | 8,958,250 | 508,026 | 28,849 | 77,898 | 3.8 |
| 2024 | 9,322,688 | 538,638 | 174,200 | 79,681 | 2.3 |
| 2025 | 10,161,187 | 1,021,736 | 183,237 | 86,112 | 8.1 |

⁽¹⁾ JRF postretirement benefit increases are based on salary increase of position previously held by the retiree. Pay raises vary by position. The raises effective July 1, 2016, ranged from 0.00% to 3.70%. The raises effective July 1, 2017, ranged from 2.49% to 6.59%. The raises effective July 1, 2018, ranged from 2.63% to 3.20%. The raises effective July 1, 2019, ranged from 2.46% to 2.81%. The raises effective July 1, 2020, ranged from 1.64% to 1.87%. The raises effective July 1, 2021, ranged from 1.62% to 1.83%. There were no raises in salaries from July 1, 2021, to July 1, 2022. The raises effective July 1, 2023, ranged from 2.94% to 4.72%. The raises effective July 1, 2024, ranged from 2.55% to 2.84%. The raises effective July 1, 2025, ranged from 9.85% to 10.93%.

⁽²⁾ Includes postretirement increases for all retirees and beneficiaries.

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (All Dollar Amounts in Millions)

| Actuarial Valuation Date July 1 | Fair Value of Assets | Actuarial Accrued Liabilities (AAL) ⁽¹⁾ | Unfunded Actuarial Accrued Liabilities (UAAL) ⁽²⁾ | Funded Ratio | Covered Payroll ⁽³⁾ | UAAL as a Percentage of Covered Payroll |
|---------------------------------------|----------------------------|---|--|-----------------|-----------------------------------|--|
| 2016 | \$75.4 | \$100.2 | \$24.8 | 75.3% | \$6.1 | 406.6% |
| 2017 | 82.9 | 104.5 | 21.6 | 79.3 | 6.2 | 348.4 |
| 2018 | 88.1 | 107.3 | 19.2 | 82.1 | 6.2 | 309.7 |
| 2019 | 93.2 | 113.4 | 20.2 | 82.2 | 6.7 | 301.5 |
| 2020 | 93.7 | 116.1 | 22.4 | 80.7 | 7.8 | 287.2 |
| 2021 | 117.3 | 122.5 | 5.2 | 95.8 | 8.1 | 64.2 |
| 2022 | 103.9 | 126.4 | 22.5 | 82.2 | 8.2 | 274.4 |
| 2023 | 111.0 | 132.6 | 21.6 | 83.7 | 8.7 | 248.3 |
| 2024 | 117.8 | 135.8 | 18.0 | 86.7 | 8.9 | 202.2 |
| 2025 | 127.5 | 145.5 | 18.0 | 87.6 | 9.3 | 193.5 |

⁽¹⁾ Actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

⁽²⁾ Actuarial accrued liabilities less fair value of assets.

⁽³⁾ Covered Payroll includes compensation paid to all active judges for whom contributions were made to JRF. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2, which is an annualized compensation for the upcoming fiscal year for those members who were active on the actuarial valuation date.

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 5: SOLVENCY TEST
(All Dollar Amounts in Millions)

| Actuarial Valuation Date July 1 | Fair Value of Assets | Actuarial Liabilities for | | | Portion of Actuarial Liabilities Covered by Assets | | |
|--|----------------------------|-----------------------------------|---|--|--|-------|------|
| | | (A) | (B) | (C) | | | |
| | | Active Member Contributions | Inactive Members, Retirees and Beneficiaries | Active Member (Employee) Financed Portion) | (A) | (B) | (C) |
| 2016 | \$75.4 | \$3.6 | \$72.3 | \$24.3 | 100% | 99.3% | 0.0% |
| 2017 | 82.9 | 3.0 | 78.5 | 23.0 | 100 | 100 | 6.1 |
| 2018 | 88.1 | 3.7 | 81.7 | 21.9 | 100 | 100 | 12.3 |
| 2019 | 93.2 | 3.8 | 91.2 | 18.4 | 100 | 98.0 | — |
| 2020 | 93.7 | 4.5 | 90.7 | 20.9 | 100 | 98.3 | — |
| 2021 | 117.3 | 5.2 | 94.7 | 22.6 | 100 | 100 | 77.0 |
| 2022 | 103.9 | 4.9 | 100.3 | 21.2 | 100 | 98.7 | — |
| 2023 | 111.0 | 5.4 | 103.0 | 24.2 | 100 | 100 | 10.7 |
| 2024 | 117.8 | 5.7 | 105.0 | 25.1 | 100 | 100 | 28.3 |
| 2025 | 127.5 | 5.9 | 112.9 | 26.7 | 100 | 100 | 32.6 |

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 6: ANALYSIS OF ACTUARIAL GAINS OR LOSSES (All Dollar Amounts in Millions)

| | Gain (Loss) for Period | | |
|---|------------------------|---------------|---------------|
| | 2024-2025 | 2023-2024 | 2022-2023 |
| Investment Income | | | |
| Investment income was greater (less) than expected | \$ 5.1 | \$ 2.6 | \$ 2.9 |
| Pay Increases⁽¹⁾ | | | |
| Pay increases were less (greater) than expected | (6.7) | 0.7 | (1.0) |
| Membership Growth | | | |
| New members increased liabilities by less (more) than their contributions increased assets | 0.0 | 0.0 | 0.01 |
| Postretirement Allowance Adjustment (PAA) | | | |
| Different PERSI PAA than expected | (0.1) | 0.0 | 0.0 |
| Other Retired Member Experience | | | |
| Retirees died younger (lived longer) than expected and miscellaneous retiree gains (and losses) resulting from other causes | 0.1 | 0.2 | (1.4) |
| Other Active and Inactive Member Experience | | | |
| Members retiring at different times than expected and miscellaneous gains (and losses) resulting from other causes | (1.2) | (0.7) | (0.2) |
| Total Gain (Loss) During the Period From Actuarial Experience | (2.8) | 2.8 | 0.4 |
| Contribution Income | | | |
| Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL | 0.9 | 0.9 | 0.5 |
| Non-Recurring Items | | | |
| Changes in actuarial assumptions caused a gain (loss) | 1.9 | (0.1) | None |
| Changes in actuarial methods caused a gain (loss) | None | None | None |
| Changes in plan provisions caused a gain (loss) | None | None | None |
| Change in Future Contribution Rate | None | None | None |
| Composite Gain (Loss) During the Period | <u>\$ 0.0</u> | <u>\$ 3.6</u> | <u>\$ 0.9</u> |

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the unfunded actuarial accrued liability.

⁽¹⁾ This includes the effect of retired members' postretirement benefit increases that are dictated by salary changes.

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 7: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER (Actual Dollar Amounts)

| Fiscal Year Ending | Covered Employee Payroll⁽¹⁾ | Total Actual Employer Contributions⁽²⁾ | Actuarially Determined Contribution (ADC)⁽³⁾ | Percentage of ADC Dollars Contributed |
|---------------------------|---|--|--|--|
| 2016 | \$ 6,097,302 | \$ 3,370,587 | \$ 3,463,268 | 97% |
| 2017 | 6,162,190 | 3,946,599 | 3,604,265 | 109 |
| 2018 | 6,178,081 | 4,278,996 | 3,273,147 | 131 |
| 2019 | 6,731,755 | 4,688,762 | 3,307,311 | 142 |
| 2020 | 7,801,909 | 4,878,534 | 3,897,054 | 125 |
| 2021 | 8,102,963 | 5,066,720 | 4,032,795 | 126 |
| 2022 | 8,188,212 | 5,120,089 | 3,367,812 | 152 |
| 2023 | 8,697,841 | 5,438,760 | 4,906,452 | 111 |
| 2024 | 8,863,091 | 5,542,091 | 5,542,091 | 100 |
| 2025 | 9,276,115 | 5,800,355 | 5,800,355 | 100 |

- ⁽¹⁾ Computed as the dollar amount of the actual employee contribution made divided by the contribution rate, expressed as a percentage of payroll.
- ⁽²⁾ Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC) employer contribution rate for GASB disclosure purposes.
- ⁽³⁾ Prior to fiscal year ending June 30, 2024, the ADC was the contribution rate necessary to fully fund the Unfunded Actuarial Accrued Liability (UAAL) over a period of 25 years based on the valuation result as of the start of the fiscal year. See Table 12 of the relevant year's Actuarial Valuation report for more details on this calculation. Starting with fiscal year ending June 30, 2024, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years.

ACTUARIAL SECTION

Judges' Retirement Fund of the State of Idaho

EXHIBIT 8: SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A PERCENTAGE OF COVERED PAYROLL

| Fiscal Year Ending | Actual JRF Employer Contribution %⁽¹⁾ | Actuarially Determined Contribution (ADC) %⁽²⁾ | Percentage of ADC Contributed |
|-------------------------------|---|--|--|
| 2016 | 55.28% | 56.80% | 97% |
| 2017 | 64.05 | 58.49 | 109 |
| 2018 | 69.26 | 52.98 | 131 |
| 2019 | 69.65 | 49.13 | 142 |
| 2020 | 62.53 | 49.95 | 125 |
| 2021 | 62.53 | 49.77 | 126 |
| 2022 | 62.53 | 41.13 | 152 |
| 2023 | 62.53 | 56.41 | 111 |
| 2024 | 62.53 | 62.53 | 100 |
| 2025 | 62.53 | 62.53 | 100 |

⁽¹⁾ Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by statute and the Board's Funding Policy may differ from the computed ADC employer contribution rate for GASB disclosure purposes.

⁽²⁾ Prior to fiscal year ending June 30, 2024, the ADC was the contribution rate necessary to fully fund the Unfunded Actuarial Accrued Liability (UAAL) over a period of 25 years based on the valuation result as of the start of the fiscal year. See Table 12 of the relevant year's Actuarial Valuation report for more details on this calculation. Starting with fiscal year ending June 30, 2024, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years.

Judges' Retirement Fund of the State of Idaho

EXHIBIT 9: PROVISIONS OF GOVERNING LAW



All actuarial calculations are based on our understanding of the statutes governing the Judges' Retirement Fund of the State of Idaho, as contained in Sections 1-2001 through 1-2012, inclusive, of the Idaho Code, with amendments effective through July 1, 2025. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Idaho Code. This summary does not attempt to cover all the detailed provisions of the law. Members seeking specific plan provisions should consult their member handbook. Only those benefits in effect through July 1, 2025 are considered in this valuation.

Effective Year

The effective date of the Retirement Fund was 1947.

Member Contribution Rate

The member contribution rate effective July 1, 2025 is 11.57% of salary. Members contribute to the plan during the first 20 years of service (Section 1-2004B).

Employer Contribution Rate

The employer contribution rate effective July 1, 2025, 62.53% of salary is contributed by the State, during the first 20 years of service (Section 1-2004A).

Service Retirement Allowance

Eligibility

Age 65 with four years of service, 60 with 10 years of service, 55 with 15 years of service, or any age with 20 years of service (Section 1-2001).

Amount of Allowance

The annual service retirement allowance is 5.0% multiplied by the number of years served as either justice or judge or both, for the first 10 years of credited service plus 2.5% multiplied by the remaining number of years of credited service as either justice or judge or both, but in any event the total shall not be greater than 75%.

For members who assumed office before July 1, 2012, the retirement allowance is multiplied by the current annual compensation of the highest office in which they served.

For members who assumed office on or after July 1, 2012, the initial retirement allowance is multiplied by the annual compensation at the time of retirement of the highest office in which he or she served (Section 1-2001).

ACTUARIAL SECTION

Service Retirement Allowance (continued)

Normal Form

For members who first assumed office before July 1, 2012, monthly payments for life under a fully subsidized 50% Joint and Survivor annuity.

For members who first assumed office on or after July 1, 2012, monthly payments for life under a fully subsidized 30% Joint and Survivor annuity (Section 1-2001, 1-2001b, and 1-2009).

Vested Retirement Allowance

Eligibility

Vested former contributing members are entitled to receive benefits upon reaching the eligibility age requirements in Section 1-2001.

Amount of Allowance

Accrued service retirement allowance (Section 1-2001).

Disability Retirement Allowance

Eligibility

Four years of membership service. (Section 1-2001).

Amount of Allowance

Accrued service retirement allowance. (Section 1-2001).

Normal Form

Same as service retirement.

Death Benefits

After Retirement or Termination

For members who first assumed office before July 1, 2012, 50% of the judge's retirement benefit is continued to the surviving spouse.

For members who first assumed office on or after July 1, 2012, 30% of the judge's retirement benefit is continued to the surviving spouse.

Upon termination or retirement, a member may elect to have 100%, or 50% of their accrued retirement benefit continued to their surviving spouse upon his or her death. Such election results in a reduction of his or her monthly benefit to the actuarial equivalent of their assumed normal retirement benefit, which is a 50% surviving spouse benefit if first assumed office before July 1, 2012, or a 30% surviving spouse benefit if first assumed office on or after July 1, 2012 (Sections 1-2001b and 1-2009).

Before Retirement or Termination

An amount equal to the benefit the judge would have received had they elected a 100% Joint and Survivor benefit before their death (Section 1-2009).

Withdrawal Benefits

Accumulated contributions with credited interest at 6.5% per annum, compounded annually (Section 1-2001).

ACTUARIAL SECTION

Postretirement Increases

For members who first assumed office before July 1, 2012, postretirement benefit increases are in proportion to increases in the salary of the highest office in which the member served (Section 1-2001).

Members who assumed office before July 1, 2012, had until August 1, 2012 to make an irrevocable election to have their postretirement benefit increases based on the Postretirement Adjustment Allowance (PAA) described in Idaho Code Section 59-1355. Those that made this election will instead receive the benefit increases described below.

For members who first assumed office on or after July 1, 2012, postretirement benefit increases are based on PAAs described in the prior paragraph. The measurement period for changes in the CPI-U is from August to August. The PAA changes are implemented effective on the July 1, following the measurement period.

If the CPI-U increases by at least 1%, the PAA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

If the CPI-U increases by less than 1% or decreases, the PAA is automatic, based on the change in the CPI-U. If a negative PAA is applicable, the negative PAA cannot decrease benefits by more than 6%. Additionally, a negative PAA cannot decrease a member's benefit below the amount of the benefit at the initial benefit date.

If a PAA is implemented that is less than the increase in the CPI-U, members' benefits will not retain their full inflation-adjusted purchasing power. In such cases the Board may implement a retro PAA at a later date to bring those members closer to 100% of inflation adjusted purchasing power. As with a discretionary PAA, a retro PAA is subject to approval of the Legislature (Section 59-1355).

Pop-Up Benefit

Section 1-2001b, paragraph (2), provides a judge with a pop-up benefit if the named contingent annuitant predeceases the judge. This benefit equals what they would have received had they not elected the 100% or 50% Contingent Annuitant form of payment.

Retirement Under Paragraph (b)

Section 1-2001(2), paragraph (b), provides any person now serving as justice of the supreme court, a judge of the court of appeals, or a district judge of a district court an additional 2.5% multiplied by 5 years senior judge service, but in any event the total shall not be greater than 75% of the current annual compensation. The five years of senior judge service is required for this benefit. This benefit is not available with the age 55 and 15 years of service retirement for those judges who first took office after July 1, 2012.



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October 14, 2025

Public Employee Retirement System of Idaho State of Idaho
P.O. Box 83720
Boise, ID 83720

Dear Members of the Board:

Milliman has performed actuarial valuations for the Sick Leave of Idaho Retirement Funds (the Funds, Programs, or Plan). The most recent valuation was performed as of July 1, 2025. It is anticipated that future actuarial valuations will be performed every year with the next valuation to be as of July 1, 2026. The benefits provided by the fund are provided under Idaho Code Section 67-5333 for State employees and Section 33-1228 for School employees and administered by the Public Employee Retirement System of Idaho (PERSI).

Contribution Rates

The financing objective of the Funds is to establish contribution rates that will tend to remain level as percentages of payroll. From 1993 to 2025, the total contribution rate has been between 0.00% and 1.26%; year by year detail including employer and member rates is shown in the table on the following page.

At July 1, 1988, the contribution rates were 0.40% and 0.325% for State employers and School employers, respectively. Our July 1, 1988 valuation found that the contribution rates were not sufficient to amortize the unfunded actuarial accrued liability. Therefore, the Board approved contribution rate increases to take effect over the next few years. Effective July 1, 1993, the contribution rate for State employers was set at 0.65%. Contribution rates for School employers were also increased over this time period, settling at 1.15% as of July 1, 1996. Effective July 1, 2006, the contribution rate for School employers was increased again. The rates vary by school location between 1.16% and 1.26% according to the number of days of paid sick leave accruing during the contract year in accordance with Rule 552 of the Idaho Administrative Code. Effective January 1, 2020, the contribution rate for State employers and for School employers were both set at 0.00%. The contribution rates are scheduled to increase to the normal cost rate on July 1, 2031, for State employers and on July 1, 2026, for School employers.

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The historical changes in contribution rates since 2015 are shown in the table below.

| Effective Date ⁽¹⁾ | Actual Rates | | Calculated Employer Rates State | | | | | |
|-------------------------------|---------------------|--------------------------|---------------------------------|--------------------------------------|-------|-------------|--------------------------------------|-------|
| | State | Schools | State | | | Schools | | |
| | | | Normal Cost | Unfunded Actuarial Accrued Liability | Total | Normal Cost | Unfunded Actuarial Accrued Liability | Total |
| 2015 | 0.65% | 1.16/1.26 ⁽²⁾ | 0.35% | N/A | 0.35% | 0.62% | N/A | 0.62% |
| 2016 | 0.65 | 1.16/1.26 ⁽²⁾ | 0.39 | N/A | 0.39 | 0.65 | N/A | 0.65 |
| 2017 | 0.65 | 1.16/1.26 ⁽²⁾ | 0.38 | N/A | 0.38 | 0.68 | N/A | 0.68 |
| 2019 | 0.65 | 1.16/1.26 ⁽²⁾ | 0.36 | N/A | 0.36 | 0.64 | N/A | 0.64 |
| 2020 | 0.00 ⁽³⁾ | 0/0 ^(2&3) | 0.32 | N/A | 0.32 | 0.61 | N/A | 0.61 |
| 2021 | 0.00 ⁽³⁾ | 0/0 ^(2&3) | 0.41 | N/A | 0.41 | 0.76 | N/A | 0.76 |
| 2022 | 0.00 ⁽³⁾ | 0/0 ^(2&3) | 0.38 | N/A | 0.38 | 0.73 | N/A | 0.73 |
| 2023 | 0.00 ⁽³⁾ | 0/0 ^(2&3) | 0.40 | N/A | 0.40 | 0.74 | N/A | 0.74 |
| 2024 | 0.00 ⁽³⁾ | 0/0 ^(2&3) | 0.40 | N/A | 0.40 | 0.73 | N/A | 0.73 |
| 2025 | 0.00 ⁽³⁾ | 0/0 ^(2&3) | 0.40 | N/A | 0.40 | 0.73 | N/A | 0.76 |

- (1) Contribution rates are effective July 1 of the indicated year for the State program, September 1 of the indicated year for the Schools program.
- (2) Contribution rates for School participants vary by school location according to the number of days of paid sick leave accruing during the contract year in accordance with Rule 552 of the Idaho Administrative Code.
- (3) Per the Board decisions in 2019, 2020 and 2021, there are not contributions charged of employers from January 1, 2020 through June 30, 2025.

Funding Status

The most recent valuation was performed as of July 1, 2025. Based on this valuation, there is currently no unfunded actuarial accrued liability to amortize. This is consistent with the July 1, 2024, actuarial valuation. As of July 1, 2025, there is a funding excess (assets exceed actuarial accrued liability) of \$177.5 million for the State program and \$88.6 million for the Schools program.

The Unfunded Actuarial Accrued Liability (UAAL) was decreased by \$16.0 million for the State program and \$22.2 million for the Schools program due to an asset gain recognized as of July 1, 2025. Specifically, the Funds' assets earned a net return after expenses of 11.07% and 11.04%, which is 5.67% and 5.64% above the actuarial assumption of 5.40% (State and Schools Funds, respectively). All other actuarial experience gains and losses decreased the UAAL by \$0.3 million for the State program and increased the UAAL by \$5.1 million for the Schools program. Thus, the total experience gain/loss for the year was a gain of \$16.3 million for the State program and a gain of \$17.1 million for the Schools program.

The UAAL also increased by \$0.4 million for the State program and \$6.5 million for the Schools program due to assumption changes.

In addition, the UAAL for the State program decreased by \$2.4 million because expected contributions plus assumed investment returns were more than the normal cost and the interest on the actuarial accrued liability. The UAAL for the Schools program increased by \$9.8 million because expected contributions plus assumed investment returns were less than the normal cost and the interest on the actuarial accrued liability.

All of these items resulted in a change in funding status for the State program from a 227.6% funding ratio on July 1, 2024, to 234.1% on July 1, 2025. All of these items resulted in a change in funding

ACTUARIAL SECTION

status for the Schools program from a 128.1% funding ratio on July 1, 2024, to 126.0% on July 1, 2025. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

Comparison to GASB Statement No. 74 Liabilities

The long-term expected rate of investment return on the assets, net of investment expenses, for the Funds is assumed to be 5.45%. For purposes of determining the Funds' funding status and UAAL, this is reduced by 0.05% for expected administrative expenses to give a discount rate of 5.40%. The figures shown in this report have been calculated using this discount rate.

This is in contrast to the discount rate used to determine the Total OPEB Liability (TOL) and Net OPEB Liability (NOL) for purposes of GASB reporting. According to GASB Statement 74, the discount rate used to calculate TOL and NOL must be net of investment expenses but not administrative expenses. Therefore, TOL and NOL have been determined using a discount rate of 5.45%. Results and further details on these items can be found in our GASB 74/75 Report.

Assumptions

Exhibit 1 of this report presents summaries of the actuarial assumptions and methods used in the valuation. The last major experience study for PERSI, completed in September 2025, covered the period July 1, 2020, through June 30, 2024. We anticipate the next major experience study, to be completed in 2029, will cover the period July 1, 2024, through June 30, 2029. In 2020, a demographic experience study was performed on the Sick Leave plans, resulting in some assumptions diverging from those used for PERSI.

Other Information

The Sick Leave systems are cost-sharing multiple-employer defined benefit plans. Minimum funding requirements are set by Idaho Statute. The funding policy is established and maintained by the PERSI Board. The ADC is based on the Board scheduled contribution rates as of the start of the fiscal year. We believe that this schedule is reasonable and in compliance with all Actuarial Standards of Practice.

The individual entry age actuarial cost method is used. This method is well suited for the Sick Leave's contribution structure of contributing a percentage of pay over employees' working lifetimes.

Purpose of the Valuation

Actuarial computations presented in this report are for purposes of GFOA reporting. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial Assumptions

Actuarial assumptions, including investment return assumption, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the Plans' funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plans have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plans and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plans and are expected to have no significant bias.

ACTUARIAL SECTION

The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

Variability of Results

This report is only an estimate of the Plans' financial condition as of a single date. It can neither predict the Plans' future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of plans benefits, only the timing of plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the Plans' funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Exhibit 1 of this report.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with data used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Limited Distribution

Milliman's work is prepared solely for the use and benefit of the System. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models employing standard actuarial techniques. The intent of the models was to value OPEB liabilities. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards

ACTUARIAL SECTION

of practice (ASOPs). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Qualifications and Certifications

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Conclusion

The enclosed Exhibits 1 through 9 provide further related information. Milliman is completely responsible for these exhibits. Specifically, they are:

| | |
|-----------|--|
| Exhibit 1 | Summary of Actuarial Assumptions and Methods |
| Exhibit 2 | Schedule of Active Member Valuation Data |
| Exhibit 3 | Schedule of Retiree and Beneficiary Valuation Data |
| Exhibit 4 | Schedule of Funding Progress |
| Exhibit 5 | Solvency Test |
| Exhibit 6 | Analysis of Actuarial Gains or Losses |
| Exhibit 7 | Schedule of Contributions from the Employer and All Other Contributing Entities |
| Exhibit 8 | Schedule of Contributions from the Employer Expressed as a Percentage of Payroll |
| Exhibit 9 | Provisions of Governing Law |

We would like to express our appreciation to Mike Hampton, Executive Director of the System, and to members of PERSI's staff, who gave substantial assistance in supplying the data on which this report is based.

ACTUARIAL SECTION

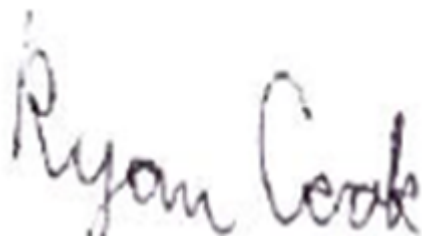
Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Schmidt". The signature is fluid and cursive, with a prominent horizontal line across the middle.

Robert L Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "R. Ryan Falls". The signature is cursive and somewhat stylized, with a large "R" and "F".

Ryan Falls, FSA. EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "Ryan Cook". The signature is cursive and somewhat stylized, with a large "R" and "C".

Ryan J Cook, FSA. EA, CERA, MAAA
Consulting Actuary

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 1: SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS EFFECTIVE JULY 1, 2025

1. Investment Return (Adopted July 1, 2021)

The annual rate of investment return on the assets of the System, net of investment expenses, is assumed to be 5.45%. This is reduced by 0.05% for administrative expenses to give an investment return assumption, net of all expenses, of 5.40%.

2. Actuarial Value of Assets (Adopted July 1, 1994)

All assets are valued at fair value as of the valuation date.

3. Actuarial Assumptions

The actuarial assumptions and methods were adopted by the Board based upon recommendations from the retained actuary. The actuarial assumptions are based on periodic studies of the System's and the Programs' actual experience.

4. Mortality (Adopted July 1, 2025)

Contributing Members, Service Retirement Members, and Beneficiaries

- ***Teachers*** Pub-2010 Male & Female Teacher Tables
- ***Fire & Police*** Pub-2010 Male & Female Safety Tables
- ***General Employees*** Pub-2010 Male & Female General Tables

- ***Mortality Improvement***

All mortality tables are adjusted with generational projection scales. The projection scales are calculated at each age as the 60 year geometric average of the mortality improvement rates reported by the Social Security Administration from 1959 through 2019 (blended 50% male, 50% female).

ACTUARIAL SECTION

5. Service Retirement (Adopted July 1, 2025)

Annual rates of retirement assumed to occur among persons eligible for a service retirement are illustrated in the following table:

| General Employees - Schools | | | | |
|-----------------------------|---------------------|------------|---------------------|------------|
| Age | Male | | Female | |
| | First Year Eligible | Thereafter | First Year Eligible | Thereafter |
| 55 | 25% | N/A | 24% | N/A |
| 60 | 20 | 16% | 26 | 13% |
| 65 | 33 | 31 | 36 | 42 |
| 70 | 15 | 17 | 13 | 23 |

| General Employees - State | | | | |
|---------------------------|---------------------|------------|---------------------|------------|
| Age | Male | | Female | |
| | First Year Eligible | Thereafter | First Year Eligible | Thereafter |
| 55 | 23% | N/A | 20% | N/A |
| 60 | 24 | 13% | 24 | 16% |
| 65 | 30 | 41 | 35 | 43 |
| 70 | 12 | 23 | 15 | 28 |

| Teachers | | | | |
|----------|---------------------|------------|---------------------|------------|
| Age | Male | | Female | |
| | First Year Eligible | Thereafter | First Year Eligible | Thereafter |
| 55 | 44% | N/A | 43% | N/A |
| 60 | 44 | 37% | 38 | 30% |
| 65 | 28 | 43 | 45 | 50 |
| 70 | * | * | * | * |

| Fire and Police | | |
|-----------------|---------------------|------------|
| Age | First Year Eligible | Thereafter |
| 55 | 23% | N/A |
| 60 | 14 | 23% |
| 65 | 28 | 33 |
| 70 | * | * |

* For all ages older than the age indicated, retirement is assumed to occur immediately.

ACTUARIAL SECTION

6. Early Retirement (Adopted July 1, 2025)

Annual rates of retirement assumed to occur among persons eligible for a reduced early retirement benefit are illustrated in the following table:

| Age | General Employees - Schools | | General Employees - State | | Teachers | | Fire and Police |
|-----|-----------------------------|--------|---------------------------|--------|----------|--------|-----------------|
| | Male | Female | Male | Female | Male | Female | |
| 50 | * | * | * | * | * | * | 3% |
| 55 | 2% | 2% | 3% | 3% | 3% | 4% | 5 |
| 60 | 5 | 6 | 6 | 6 | 11 | 11 | N/A |

* Members cannot yet be eligible for early retirement at the age indicated, withdrawal is assumed to occur (see Section 7).

7. Other Terminations of Employment (Adopted July 1, 2025)

Assumed annual rates of termination are illustrated below. Rates are based only on years of service.

| Years of Service | General Employees - Schools | | General Employees - State | | Teachers | | Fire and Police |
|------------------|-----------------------------|--------|---------------------------|--------|----------|--------|-----------------|
| | Male | Female | Male | Female | Male | Female | |
| 5 | 9.0% | 10.8% | 9.0% | 10.8% | 6.2% | 7.1% | 7.9% |
| 10 | 5.6 | 6.8 | 5.4 | 6.6 | 3.7 | 4.1 | 4.7 |
| 15 | 3.7 | 4.2 | 3.7 | 4.1 | 1.9 | 2.2 | 3.1 |
| 20 | 2.7 | 3.3 | 2.6 | 3.0 | 1.6 | 1.6 | 1.7 |
| 25 | 1.6 | 1.9 | 1.3 | 2.2 | 0.8 | 0.9 | 0.7 |
| 30 | 1.6 | 1.9 | 1.3 | 2.2 | 0.8 | 0.9 | 0.7 |

8. Disability Retirement (Adopted July 1, 2025)

Annual rates assumed for disability retirement are illustrated in the following table:

| Age | General Employees | | Teachers | | Fire and Police |
|-----|-------------------|--------|----------|--------|-----------------|
| | Male | Female | Male | Female | |
| 25 | .00% | .01% | .00% | .01% | .01% |
| 35 | .03 | .01 | .01 | .02 | .02 |
| 45 | .06 | .07 | .03 | .07 | .12 |
| 55 | .22 | .19 | .27 | .20 | .31 |

ACTUARIAL SECTION

9. Future Salaries (Adopted July 1, 2025)

In general, the total annual rates at which salaries are assumed to increase include 3.15% per annum for increase in the general wage level of the membership plus increases due to promotions and longevity. The general wage level increases are due to inflation and increases in productivity. The total ultimate rates assumed are illustrated below.

| Years of service | General Employees | | Teachers | | Fire and Police |
|------------------|-------------------|--------|----------|--------|-----------------|
| | Male | Female | Male | Female | |
| 5 | 5.82% | 6.54% | 7.14% | 7.47% | 6.64% |
| 10 | 4.47 | 5.27 | 6.71 | 6.86 | 5.33 |
| 15 | 4.02 | 4.56 | 4.91 | 5.27 | 4.05 |
| 20 | 3.54 | 4.03 | 4.32 | 4.17 | 4.05 |

10. Assumed Rates of Accrual for Sick Leave Hours and Days

The unused sick leave hours and days accumulation assumptions were set based on a study of actual member sick leave hours and days, as of July 1, 2020. The study showed a significant difference between different income levels (for the State program only) and different sexes. The member's current salary was compared against \$60,000 for State members. If the salary was larger than \$60,000, his or her current sick leave hours were projected forward based on the higher accrual rate.

| Group | Annual Accrual Rate |
|---|---------------------|
| State males earning less than \$60,000 per year | 49.7 hours |
| State females earning less than \$60,000 per year | 34.9 hours |
| State males earning more than \$60,000 per year | 61.0 hours |
| State females earning more than \$60,000 per year | 51.0 hours |

| Group | Annual Accrual Rate |
|-----------------|---------------------|
| Schools males | 6.66 days |
| Schools females | 5.00 days |

11. Forfeitures of Sick Leave Balance

3.25%/2.00% (State/Schools) of sick leave benefits (as of the later of retirement or the valuation date) are assumed to be forfeited due to death before benefits are fully spent. Active and inactive liabilities are reduced by this percentage.

12. Payout Percentage

20%/25% (State/Schools) of remaining retiree balances are assumed to be paid out each year.

13. Growth in Membership (Adopted July 1, 2025)

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.15% average annual expansion in the payroll of covered members.

ACTUARIAL SECTION

14. Actuarial Cost Method

The individual entry age actuarial cost method is used. This cost method was adopted as of July 1, 2013, by the Board in order to be consistent with the cost method required by GASB Statements 74 and 75.

The normal cost rates used in the July 1, 2025, valuation were calculated based on all current active members as of July 1, 2025, for each sex and type of employee in the valuation. The normal costs and projected fiscal year 2026 salaries for all active members were calculated. The ratio of the two is the aggregate normal cost rate. We anticipate the normal cost rate was adopted will be adopted in October, 2025, in conjunction with the July 1, 2025 actuarial valuation.

The Unfunded Actuarial Accrued Liability (UAAL) created by this method, including gains and losses, is amortized as a level percentage of the Programs' projected payroll.

15. Experience Studies

In 2020 a Sick Leave demographic experience study was completed studying retirement and termination rates for general and fire & police members, accrual of unused sick leave hours/days, payout period, and forfeitures. The remaining assumptions were studied in the PERSI experience study completed in 2025 for the period July 1, 2020, through June 30, 2024. We anticipate that assumptions will be studied again in 2029 for the period from July 1, 2024, through June 30, 2028. The payout percentage assumption is studied each year as part of the annual valuation.

16. Recent Changes

In 2025, a PERSI experience study was completed studying demographic and economic assumptions. This resulted in the adoption of a number of updated assumptions.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 2: SCHEDULE OF ACTIVE MEMBER VALUATION DATA

| Valuation Date July 1 | State Coverage - ORP | | State Coverage - Other | | Schools Coverage | | Total | |
|-----------------------------|----------------------|------------------------------------|---------------------------|------------------------------------|------------------|------------------------------------|---------|------------------------------------|
| | Members | Annual Salaries In Thousands | Members | Annual Salaries In Thousands | Members | Annual Salaries In Thousands | Members | Annual Salaries In Thousands |
| 2015 | (1) | \$310,128 | 18,159 | \$775,085 | 29,879 | \$1,121,478 | 48,037 | \$2,206,691 |
| 2016 | 3,978 | 242,292 | 18,291 | 779,043 | 30,464 | 1,150,959 | 52,733 | 2,172,294 |
| 2017 | 3,859 | 257,426 | 16,863 | 803,788 | 31,558 | 1,238,143 | 52,280 | 2,299,357 |
| 2019 | 4,127 | 281,937 | 16,932 | 839,989 | 33,114 | 1,380,543 | 54,173 | 2,502,469 |
| 2020 | 4,207 | 298,387 | 17,171 | 877,914 | 33,744 | 1,456,859 | 55,122 | 2,633,160 |
| 2021 | 4,156 | 291,476 | 16,906 | 875,915 | 33,982 | 1,550,208 | 55,044 | 2,717,599 |
| 2022 | 4,266 | 308,820 | 16,653 | 926,561 | 34,775 | 1,663,265 | 55,694 | 2,898,646 |
| 2023 | 4,422 | 337,438 | 17,279 | 1,022,241 | 35,625 | 1,746,770 | 57,326 | 3,106,449 |
| 2024 | 4,519 | 360,891 | 17,544 | 1,085,991 | 36,515 | 1,882,042 | 58,578 | 3,328,924 |
| 2025 | 4,650 | 383,955 | 17,937 | 1,152,028 | 36,306 | 1,945,491 | 58,893 | 3,481,474 |

(1) Detailed individual data for ORP members was not provided before the 2016 valuation.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 3: SCHEDULE OF RETIREE VALUATION DATA

| Valuation Date July 1 | State Coverage | | Schools Coverage | | Total | |
|-----------------------------|--------------------|---|--------------------|---|--------------------|---|
| | Retired Members | Remaining Entitlement Balance in Thousands | Retired Members | Remaining Entitlement Balance in Thousands | Retired Members | Remaining Entitlement Balance in Thousands |
| 2015 | 4,027 | \$16,946 | 5,724 | \$43,602 | 9,751 | \$60,548 |
| 2016 | 4,145 | 17,014 | 5,910 | 44,031 | 10,055 | 61,045 |
| 2017 | 4,301 | 17,635 | 5,946 | 43,418 | 10,247 | 61,053 |
| 2019 | 5,232 | 25,226 | 6,229 | 44,721 | 11,461 | 69,947 |
| 2020 | 5,534 | 27,474 | 6,523 | 47,821 | 12,057 | 75,295 |
| 2021 | 5,835 | 30,390 | 6,850 | 51,886 | 12,685 | 82,276 |
| 2022 | 6,415 | 35,383 | 7,401 | 57,916 | 13,816 | 93,299 |
| 2023 | 6,502 | 37,390 | 7,838 | 63,370 | 14,340 | 100,760 |
| 2024 | 6,998 | 40,564 | 8,147 | 66,032 | 15,145 | 106,596 |
| 2025 | 7,312 | 43,579 | 8,441 | 69,929 | 15,753 | 113,508 |

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Fund Public Employee Retirement System of Idaho

EXHIBIT 4: SCHEDULE OF FUNDING PROGRESS (ALL DOLLAR AMOUNTS IN MILLIONS)

State Sick Leave Program

| Valuation Date July 1 | Actuarial Accrued Liability | Plan Assets | Unfunded Actuarial Liability | Funding Percentage | Covered Payroll | UAAL as a Percent of Cov. Payroll |
|--------------------------|-----------------------------------|----------------|------------------------------------|-----------------------|--------------------|---|
| 2015 | \$91.3 | \$157.7 | \$(66.4) | 173% | \$976.6 | (7)% |
| 2016 | 86.5 | 162.9 | (76.4) | 188 | 1,046.8 | (7) |
| 2017 | 85.9 | 186.5 | (100.6) | 217 | 1,098.0 | (9) |
| 2019 | 99.3 | 225.2 | (125.9) | 227 | 1,153.5 | (11) |
| 2020 | 93.7 | 234.4 | (140.7) | 250 | 1,382.8 | (10) |
| 2021 | 104.6 | 286.2 | (181.6) | 274 | 1,111.6 | (16) |
| 2022 | 103.5 | 244.5 | (141.0) | 236 | 1,180.6 | (12) |
| 2023 | 116.2 | 258.8 | (142.6) | 223 | 1,401.9 | (10) |
| 2024 | 124.8 | 284.0 | (159.2) | 228 | 1,500.4 | (11) |
| 2025 | 132.4 | 309.9 | (177.5) | 234 | 1,568.6 | (11) |

Schools Sick Leave Program

| Valuation Date July 1 | Actuarial Accrued Liability | Plan Assets | Unfunded Actuarial Liability | Funding Percentage | Covered Payroll | UAAL as a Percent of Cov. Payroll |
|--------------------------|-----------------------------------|----------------|------------------------------------|-----------------------|--------------------|---|
| 2015 | \$194.6 | \$246.6 | \$(52.0) | 127% | \$1,136.3 | (5)% |
| 2016 | 200.8 | 250.9 | (50.1) | 125 | 1,174.7 | (4) |
| 2017 | 220.5 | 285.5 | (65.0) | 129 | 1,240.6 | (5) |
| 2019 | 249.3 | 344.5 | (95.2) | 138 | 1,380.9 | (7) |
| 2020 | 233.7 | 356.0 | (122.3) | 152 | 1,507.1 | (8) |
| 2021 | 277.0 | 421.3 | (144.3) | 152 | 1,497.2 | (10) |
| 2022 | 280.8 | 355.9 | (75.1) | 127 | 1,603.5 | (5) |
| 2023 | 299.4 | 370.8 | (71.4) | 124 | 1,730.6 | (4) |
| 2024 | 312.2 | 400.0 | (87.8) | 128 | 1,860.3 | (5) |
| 2025 | 341.3 | 429.9 | (88.6) | 126 | 1,927.1 | (5) |

Notes:

Actuarial accrued liability is the actuarial present value of benefits less actuarial present value of future normal costs based on entry age actuarial cost method.

Funded ratio is the ratio of the actuarial value of assets over the actuarial accrued liabilities.

Covered Payroll includes compensation paid to all active employees on which contributions are calculated during the fiscal year ending on the valuation date. Covered Payroll differs from the Active Member Valuation Payroll shown in Exhibit 2 which is compensation of only those members who were active on the actuarial valuation date.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 5: SOLVENCY TEST (ALL DOLLAR AMOUNTS IN MILLIONS)

State Sick Leave Program

| Valuation Date July 1 | Plan Assets | Actuarial Accrued Liabilities for | | | Portion Covered by Assets (A) | Portion Covered by Assets (B) | Portion Covered by Assets (C) |
|--------------------------|-------------|-----------------------------------|--------------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| | | Active Member Contributions (A) | Retirees and Beneficiaries (B) | Active Members (Employer Financed) (C) | | | |
| 2015 | \$157.7 | \$— | \$16.9 | \$74.4 | 100% | 100% | 100% |
| 2016 | 162.9 | — | 17.0 | 69.5 | 100 | 100 | 100 |
| 2017 | 186.5 | — | 17.6 | 68.3 | 100 | 100 | 100 |
| 2019 | 225.2 | — | 25.2 | 74.1 | 100 | 100 | 100 |
| 2020 | 234.4 | — | 23.4 | 70.3 | 100 | 100 | 100 |
| 2021 | 286.2 | — | 26.6 | 78.0 | 100 | 100 | 100 |
| 2022 | 244.5 | — | 27.8 | 75.7 | 100 | 100 | 100 |
| 2023 | 258.8 | — | 29.3 | 86.9 | 100 | 100 | 100 |
| 2024 | 284.0 | — | 31.8 | 93.0 | 100 | 100 | 100 |
| 2025 | 309.9 | — | 34.1 | 98.3 | 100 | 100 | 100 |

Schools Sick Leave Program

| Valuation Date July 1 | Plan Assets | Actuarial Accrued Liabilities for | | | Portion Covered by Assets (A) | Portion Covered by Assets (B) | Portion Covered by Assets (C) |
|--------------------------|-------------|-----------------------------------|--------------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| | | Active Member Contributions (A) | Retirees and Beneficiaries (B) | Active Members (Employer Financed) (C) | | | |
| 2015 | \$246.6 | \$— | \$43.6 | \$151.0 | 100% | 100% | 100% |
| 2016 | 250.9 | — | 44.0 | 156.8 | 100 | 100 | 100 |
| 2017 | 285.5 | — | 43.4 | 177.1 | 100 | 100 | 100 |
| 2019 | 344.5 | — | 44.7 | 204.6 | 100 | 100 | 100 |
| 2020 | 356.0 | — | 41.2 | 192.5 | 100 | 100 | 100 |
| 2021 | 421.3 | — | 46.0 | 231.0 | 100 | 100 | 100 |
| 2022 | 355.9 | — | 48.0 | 232.8 | 100 | 100 | 100 |
| 2023 | 370.8 | — | 52.6 | 246.8 | 100 | 100 | 100 |
| 2024 | 400.0 | — | 54.8 | 257.4 | 100 | 100 | 100 |
| 2025 | 429.9 | — | 58.0 | 283.3 | 100 | 100 | 100 |

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

**EXHIBIT 6a: STATE PROGRAM
ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(ALL DOLLAR AMOUNTS IN MILLIONS)**

| | Gain (Loss) for Period | | |
|--|-------------------------------|------------------|------------------|
| | 2024-2025 | 2023-2024 | 2022-2023 |
| Investment Income | | | |
| Investment income was greater (less) than expected | \$ 16.0 | \$ 17.0 | \$ 6.7 |
| Pay Increases | | | |
| Pay increases were less (greater) than expected | (0.1) | (1.2) | (2.5) |
| Membership Growth | | | |
| New members increased liabilities by more (less) than their contributions increased assets (includes new hires, rehires, and transfer from non-sick leave eligible employers to sick leave eligible employers) | (2.9) | (1.9) | (2.0) |
| Postretirement Allowance Adjustment (PAA) | | | |
| This plan is not directly affected by the PERSI PAAs | N/A | N/A | N/A |
| Other Retired Member Experience | | | |
| New retirees had lower (higher) sick leave balances than expected and miscellaneous retiree gains (and losses) resulting from other causes | 0.8 | (0.1) | (0.9) |
| Other Active and Inactive Member Experience | | | |
| Members using more (less) sick leave than expected and miscellaneous gains (and losses) resulting from other causes | 2.5 | 0.8 | 2.3 |
| Total Gain (Loss) During the Period From Actuarial Experience | 16.3 | 14.6 | 3.6 |
| Contribution Income | | | |
| Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL | 2.4 | 2.0 | 2.7 |
| Non-Recurring Items | | | |
| Changes in actuarial assumptions caused a gain (loss) | (0.4) | None | (4.7) |
| Changes in actuarial methods caused a gain (loss) | None | None | None |
| Changes in plan provisions caused a gain (loss) | None | None | None |
| Change in Future Contribution Rates | None | None | None |
| Composite Gain (Loss) During the Period | | | |
| Total Gain (Loss) During the Period | \$ 18.3 | \$ 16.6 | \$ 1.6 |

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the unfunded actuarial accrued liability.

ACTUARIAL SECTION

**EXHIBIT 6b: SCHOOLS PROGRAM
ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(ALL DOLLAR AMOUNTS IN MILLIONS)**

| | Gain (Loss) for Period | | |
|--|-------------------------------|------------------|------------------|
| | 2024-2025 | 2023-2024 | 2022-2023 |
| Investment Income | | | |
| Investment income was greater (less) than expected | \$ 22.2 | \$ 23.2 | \$ 9.4 |
| Pay Increases | | | |
| Pay increases were less (greater) than expected | (0.3) | (4.6) | 0.2 |
| Membership Growth | | | |
| New members increased liabilities by more (less) than their contributions increased assets (includes new hires, rehires, and transfer from non-sick leave eligible employers to sick leave eligible employers) | (4.3) | (4.3) | (4.0) |
| Postretirement Allowance Adjustment (PAA) | | | |
| This plan is not directly affected by the PERSI PAAs | N/A | N/A | N/A |
| Other Retired Member Experience | | | |
| New retirees had lower (higher) sick leave balances than expected and miscellaneous retiree gains (and losses) resulting from other causes | 4.6 | 4.1 | 4.2 |
| Other Active and Inactive Member Experience | | | |
| Members using more (less) sick leave than expected and miscellaneous gains (and losses) resulting from other causes | (5.1) | 7.8 | 0.6 |
| Total Gain (Loss) During the Period From Actuarial Experience | 17.1 | 26.2 | 10.4 |
| Contribution Income | | | |
| Expected contributions and asset returns were greater (less) than the normal cost and interest on the UAAL | (9.8) | (9.8) | (8.8) |
| Non-Recurring Items | | | |
| Changes in actuarial assumptions caused a gain (loss) | (6.5) | None | (5.3) |
| Changes in actuarial methods caused a gain (loss) | None | None | None |
| Changes in plan provisions caused a gain (loss) | None | None | None |
| Change in Future Contribution Rates | None | None | None |
| Composite Gain (Loss) During the Period | | | |
| Total Gain (Loss) During the Period | \$ 0.8 | \$ 16.4 | \$ (3.7) |

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 7a: STATE PROGRAM

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND ALL OTHER CONTRIBUTING ENTITIES

(ALL DOLLAR AMOUNTS IN MILLIONS)

| Fiscal Year Ending | Covered Employee Payroll ⁽¹⁾ | Actual Employer Contributions Dollar Amount ⁽²⁾ | Actuarially Determined Contribution (ADC)⁽³⁾ | Percentage of ADC Dollars Contributed |
|-----------------------------------|--|---|--|--|
| 2016 | \$1,046.8 | \$6.8 | \$3.7 | 186% |
| 2017 | 1,098.0 | 7.1 | 4.3 | 167 |
| 2018 | 1,101.7 | 7.2 | 4.2 | 171 |
| 2019 | 1,153.5 | 7.5 | 4.4 | 170 |
| 2020 | 1,382.8 | 4.5 | 5.0 | 90 |
| 2021 | 1,111.6 | — | 3.6 | — |
| 2022 | 1,180.6 | — | 4.8 | — |
| 2023 | 1,401.9 | — | 5.3 | — |
| 2024 | 1,500.4 | — | 6.0 | — |
| 2025 | 1,568.6 | — | — | N/A |

⁽¹⁾ Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the Actual contribution rate expressed as a percentage of payroll. Provided by PERSI starting in 2021.

⁽²⁾ Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

⁽³⁾ Prior to fiscal year ending June 30, 2025, the ADC was based on the normal cost rate from the valuation result as of the start of the fiscal year. Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 7b: SCHOOLS PROGRAM
CONTRIBUTING ENTITIES
(ALL DOLLAR AMOUNTS IN MILLIONS)

| Fiscal Year Ending | Covered Employee Payroll ⁽¹⁾ | Actual Employer Contributions Dollar Amount ⁽²⁾ | Actuarially Determined Contribution (ADC)⁽³⁾ | Percentage of ADC Dollars Contributed |
|-----------------------------------|--|---|--|--|
| 2016 | \$1,174.7 | \$14.0 | \$7.3 | 192% |
| 2017 | 1,240.6 | 14.8 | 8.1 | 183 |
| 2018 | 1,310.9 | 15.6 | 8.9 | 175 |
| 2019 | 1,380.9 | 16.4 | 9.4 | 174 |
| 2020 | 1,507.1 | 9.0 | 9.6 | 94 |
| 2021 | 1,497.2 | — | 9.1 | — |
| 2022 | 1,603.5 | — | 12.2 | — |
| 2023 | 1,730.6 | — | 12.6 | — |
| 2024 | 1,860.3 | — | 13.8 | — |
| 2025 | 1,927.1 | — | — | N/A |

⁽¹⁾ Prior to 2021, computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the Actual contribution rate expressed as a percentage of payroll. Provided by PERSI starting in 2021.

⁽²⁾ Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

⁽³⁾ Prior to fiscal year ending June 30, 2025, the ADC was based on the normal cost rate from the valuation result as of the start of the fiscal year. Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year.

ACTUARIAL SECTION

**EXHIBIT 8a: STATE PROGRAM
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A
PERCENTAGE OF PAYROLL**

| Fiscal Year Ending | Actual PERSI Employer Contribution %⁽¹⁾ | Actuarially Determined Contribution (ADC) %⁽²⁾ | Percentage of ADC Contributed |
|-------------------------------|---|--|--|
| 2016 | 0.65% | 0.37% | 176% |
| 2017 | 0.65 | 0.35 | 186 |
| 2018 | 0.65 | 0.39 | 167 |
| 2019 | 0.65 | 0.38 | 171 |
| 2020 | 0.33 | 0.36 | 92 |
| 2021 | — | 0.32 | — |
| 2022 | — | 0.41 | — |
| 2023 | — | 0.38 | — |
| 2024 | — | 0.40 | — |
| 2025 | — | — | N/A |

⁽¹⁾ Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

⁽²⁾ Prior to fiscal year ending June 30, 2025, the ADC was based on the normal cost rate from the valuation result as of the start of the fiscal year. Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

**EXHIBIT 8b: SCHOOLS PROGRAM
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER EXPRESSED AS A
PERCENTAGE OF PAYROLL**

| Fiscal Year Ending | Actual PERSI Employer Contribution %⁽¹⁾ | Actuarially Determined Contribution (ADC) %⁽²⁾ | Percentage of ADC Contributed |
|-------------------------------|---|--|--|
| 2016 | 1.19% | 0.76% | 157% |
| 2017 | 1.19 | 0.62 | 192 |
| 2018 | 1.19 | 0.65 | 183 |
| 2019 | 1.19 | 0.68 | 175 |
| 2020 | 0.60 | 0.64 | 94 |
| 2021 | — | 0.61 | — |
| 2022 | — | 0.76 | — |
| 2023 | — | 0.73 | — |
| 2024 | — | 0.74 | — |
| 2025 | — | — | N/A |

⁽¹⁾ Employer contributions are made as a percentage of actual payroll in accordance with statute and the Board's Funding Policy. The actual employer contributions set by both statute and the Board's Funding Policy may differ from the computed Actuarially Determined Contribution (ADC), employer contribution rate for GASB disclosure purposes.

⁽²⁾ Prior to fiscal year ending June 30, 2025, the ADC was based on the normal cost rate from the valuation result as of the start of the fiscal year. Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year.

ACTUARIAL SECTION

Sick Leave of Idaho Retirement Funds Public Employee Retirement System of Idaho

EXHIBIT 9: PROVISIONS OF GOVERNING LAW



All actuarial calculations are based on our understanding of the statutes governing the use of unused sick leave benefits administered by the Public Employee Retirement System of Idaho, as contained in Section 67-5333 for State employees and Section 33-1228 for School employees of the Idaho Code. The benefit and contribution provisions of this law are summarized briefly below. The items in parentheses are the provisions applicable to school employees.

Effective Date

The effective date of the Retirement System was July 1, 1976.

Benefits

Upon separation from State (public schools) employment for retirement reasons, a member's unused sick leave earned subsequent to July 1, 1976, is determined and reported to PERSI. The monetary value of one-half of the unused sick leave is transferred from the sick leave account to the member's retirement account (the entitlement balance). The monetary value of the unused sick leave is based upon the rate of pay of the employee at the time of retirement.

Effective July 1, 2001, the maximum amount transferred shall be limited for State covered members only, based on the number of hours of credited State service as follows:

| Years of State Service | Maximum Unused Sick Leave |
|-----------------------------------|--------------------------------------|
| Less than 5* | 420 Hours |
| 5-10 | 480 |
| 10-15 | 540 |
| 15 or more | 600 |

** All members who are eligible for retirement benefits have at least 5 years of service.*

The transferred monies to the member's retirement account are used for the payment of group health, accident, and life insurance premiums under programs maintained by the State (school district). Upon a retired covered member's death, any remaining entitlement balance reverts to the sick leave account.

Contributions

Each State government (public school) employer contributes a percentage of covered members' salaries to the sick leave account maintained by the System. The System's board determines the contribution rate.

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STATISTICAL SECTION

STATISTICAL SECTION

Objectives of the Statistical Section

The objectives of the Statistical Section are to provide additional historical perspective, context, and relevant details to assist readers in using the information in the financial statements, notes to the financial statements, and the required supplementary information in order to understand and assess the System's economic condition. In support of these objectives, the System has implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

The System is the administrator of seven fiduciary funds including three defined benefit retirement plans - the Public Employee Retirement Fund Base Plan (PERSI Base Plan) the Firefighters' Retirement Fund (FRF) and the Judges' Retirement Plan (JRF); two defined contribution plans - the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) (PERSI Choice Plan); and two Sick Leave Funds – one for state employers and one for school district employers. The data in Tables 1 through 4 of this section was provided by the System's actuary and Choice Plan record keeper. The data in the remaining tables was provided by the System's own records.

During Fiscal Year 2025, the number of active PERSI members increased from 78,354 to 78,746. The number of retired members or annuitants receiving monthly allowances increased from 56,084 to 57,473. The number of inactive members who have not been paid a separation benefit increased from 55,054 to 58,055. Of these inactive members, 16,875 have achieved vested eligibility. Total membership in PERSI increased from 189,492 to 194,274 during the fiscal year. Table 1 of this section illustrates the diversity of our employee membership, and Table 2 shows how the membership distribution of active, retired, and inactive members has changed over the years.

As of June 30, 2025 there were 865 public employers in Idaho who were PERSI members. Tables 8 and 9 of this section illustrate the diversity of our employer participation.

STATISTICAL SECTION

Table 1
Distribution of Membership by Group

| | Active Members | | | Inactive Members | | | Retirees | Total |
|-------------|----------------|------------|--------|------------------|------------|--------|----------|---------|
| | Vested | Non-vested | Total | Vested | Non-vested | Total | | |
| Cities | | | | | | | | |
| Female | 1,608 | 1,308 | 2,916 | 820 | 1,363 | 2,183 | 2,005 | 7,104 |
| Male | 3,431 | 2,536 | 5,967 | 1,311 | 2,013 | 3,324 | 3,534 | 12,825 |
| Total | 5,039 | 3,844 | 8,883 | 2,131 | 3,376 | 5,507 | 5,539 | 19,929 |
| Counties | | | | | | | | |
| Female | 2,582 | 1,894 | 4,476 | 989 | 2,086 | 3,075 | 2,814 | 10,365 |
| Male | 2,824 | 2,128 | 4,952 | 776 | 1,751 | 2,527 | 2,544 | 10,023 |
| Total | 5,406 | 4,022 | 9,428 | 1,765 | 3,837 | 5,602 | 5,358 | 20,388 |
| Schools | | | | | | | | |
| Female | 16,335 | 11,455 | 27,790 | 5,371 | 15,032 | 20,403 | 18,827 | 67,020 |
| Male | 5,239 | 3,143 | 8,382 | 1,437 | 3,853 | 5,290 | 6,568 | 20,240 |
| Total | 21,574 | 14,598 | 36,172 | 6,808 | 18,885 | 25,693 | 25,395 | 87,260 |
| State | | | | | | | | |
| Female | 5,312 | 4,109 | 9,421 | 2,810 | 6,920 | 9,730 | 8,973 | 28,124 |
| Male | 5,000 | 3,742 | 8,742 | 2,102 | 5,251 | 7,353 | 7,597 | 23,692 |
| Total | 10,312 | 7,851 | 18,163 | 4,912 | 12,171 | 17,083 | 16,570 | 51,816 |
| All Others | | | | | | | | |
| Female | 1,072 | 989 | 2,061 | 614 | 1,541 | 2,155 | 1,938 | 6,154 |
| Male | 2,438 | 1,601 | 4,039 | 645 | 1,370 | 2,015 | 2,673 | 8,727 |
| Total | 3,510 | 2,590 | 6,100 | 1,259 | 2,911 | 4,170 | 4,611 | 14,881 |
| Grand Total | | | | | | | | |
| Female | 26,909 | 19,755 | 46,664 | 10,604 | 26,942 | 37,546 | 34,557 | 118,767 |
| Male | 18,932 | 13,150 | 32,082 | 6,271 | 14,238 | 20,509 | 22,916 | 75,507 |
| Total | 45,841 | 32,905 | 78,746 | 16,875 | 41,180 | 58,055 | 57,473 | 194,274 |

STATISTICAL SECTION

Table 2
Changes in Membership - PERSI Base Plan

| Fiscal Year Ended | Active Members | | | Retired Members | | Inactive Members |
|-------------------|----------------|-------------|--------------------------|-----------------|-------------|------------------|
| | Number | Average Age | Average Years of Service | Number | Average Age | Number |
| 2016 | 68,517 | 46.8 | 10.1 | 44,181 | 71.8 | 31,862 |
| 2017 | 70,073 | 46.6 | 9.9 | 45,468 | 72.2 | 34,151 |
| 2018 | 71,112 | 46.0 | 9.9 | 46,907 | 72.4 | 37,588 |
| 2019 | 72,502 | 45.9 | 9.8 | 48,120 | 72.7 | 39,867 |
| 2020 | 73,657 | 45.8 | 9.7 | 49,573 | 72.9 | 41,945 |
| 2021 | 73,563 | 45.7 | 9.7 | 50,891 | 73.2 | 45,718 |
| 2022 | 74,409 | 45.5 | 9.5 | 53,190 | 73.2 | 50,203 |
| 2023 | 76,668 | 45.3 | 9.3 | 54,680 | 73.4 | 52,074 |
| 2024 | 78,354 | 45.2 | 9.2 | 56,084 | 73.7 | 55,054 |
| 2025 | 78,746 | 45.2 | 9.2 | 57,473 | 73.9 | 58,055 |

Table 3a
Retired Members by Type of Benefit - PERSI Base Plan

| Amount of Monthly Benefit | Total Number of Retirees | Type of Retirement | | | Option Selected | |
|---------------------------|--------------------------|--------------------|------------|-------------|---------------------------------|------------------------------|
| | | Normal | Disability | Beneficiary | Joint & Survivor ⁽¹⁾ | Straight Life ⁽²⁾ |
| \$0 - 250 | 4,621 | 4,080 | 4 | 537 | 1,302 | 3,319 |
| 251 - 500 | 6,806 | 6,218 | 21 | 567 | 1,853 | 4,953 |
| 501 - 750 | 5,925 | 5,355 | 72 | 498 | 1,708 | 4,217 |
| 751 - 1,000 | 4,798 | 4,279 | 112 | 407 | 1,429 | 3,369 |
| 1,001 - 1,250 | 4,133 | 3,670 | 86 | 377 | 1,336 | 2,797 |
| 1,251 - 1,500 | 3,506 | 3,081 | 116 | 309 | 1,178 | 2,328 |
| 1,501 - 1,750 | 3,078 | 2,664 | 147 | 267 | 1,043 | 2,035 |
| 1,751 - 2,000 | 2,714 | 2,390 | 115 | 209 | 968 | 1,746 |
| Over 2,000 | 21,892 | 20,398 | 661 | 833 | 8,731 | 13,161 |
| Totals | 57,473 | 52,135 | 1,334 | 4,004 | 19,548 | 37,925 |

⁽¹⁾ Joint & Survivor (also known as Contingent Annuitant)

⁽²⁾ Straight Life Options include Straight Life, Cash Refund, Social Security and all other FOPs

STATISTICAL SECTION

Table 3b

Retired Members by Type of Benefit - Firefighters' Retirement Fund

| Amount of Monthly Benefit | Total Number of Retirees | Type of Retirement | | | Option Selected | |
|---------------------------------|--------------------------------|--------------------|-------------------------------------|-------------|------------------------------------|---------------------------------|
| | | Retirees | Disabilities Under & Over NRA | Beneficiary | Joint & Survivor ⁽¹⁾ | Straight Life ⁽²⁾ |
| \$0 - 250 | 1 | 1 | — | — | 1 | — |
| 251 - 500 | 5 | 1 | — | 4 | 1 | 4 |
| 501 - 750 | 5 | 1 | — | 4 | 1 | 4 |
| 751 - 1,000 | 8 | 2 | — | 6 | 2 | 6 |
| 1,001 - 1,250 | 2 | 2 | — | — | 2 | — |
| 1,251 - 1,500 | 9 | 6 | — | 3 | 6 | 3 |
| 1,501 - 1,750 | 11 | 6 | 1 | 4 | 7 | 4 |
| 1,751 - 2,000 | 7 | 5 | — | 2 | 5 | 2 |
| Over 2,000 | 361 | 214 | 24 | 123 | 238 | 123 |
| Totals | 409 | 238 | 25 | 146 | 263 | 146 |

⁽¹⁾ Joint & Survivor (also known as Contingent Annuitant)

⁽²⁾ Straight Life Options include Straight Life, Cash Refund, Social Security and all other FOPs. Monthly benefit refers to the benefit payable by the FRF plan (total benefit less PERSI benefit).

All FRF retirees and disableds are valued with two benefits and two options.

- 1) The benefit payable by the FRF plan is valued using a Straight Life option.
- 2) The total benefit is valued using a Spouse Reversionary option (spouse benefit payable upon the death of the retiree or disabled).

NRA: Normal Retirement Age (disability benefit converts to a retirement benefit)

All FRF beneficiaries are valued using a Straight Life option.

STATISTICAL SECTION

Table 3c

Retired Members by Type of Benefit - Judges' Retirement Fund

| Amount of Monthly Benefit | Total Number of Retirees | Type of Retirement | | | | Option Selected | |
|---------------------------------|--------------------------------|--------------------|--|---|---------------|------------------------------------|------------------|
| | | Normal | Disability Under Normal Retirement Age | Disability Over Normal Retirement Age | Beneficiaries | Joint & Survivor ⁽¹⁾ | Straight Life |
| \$0 - 2,000 | 1 | — | — | — | 1 | — | 1 |
| 2,001 - 2,500 | 3 | 1 | — | — | 2 | 1 | 2 |
| 2,501 - 3,000 | 5 | 2 | — | — | 3 | 2 | 3 |
| 3,001 - 3,500 | 3 | 1 | — | — | 2 | 1 | 2 |
| 3,501 - 4,000 | 5 | 3 | — | — | 2 | 3 | 2 |
| 4,001 - 4,500 | 12 | 5 | — | — | 7 | 4 | 8 |
| 4,501 - 5,000 | 8 | 6 | — | — | 2 | 5 | 3 |
| 5,001 - 5,500 | 3 | 2 | — | — | 1 | 1 | 2 |
| Over 5,500 | 78 | 73 | — | — | 5 | 63 | 15 |
| Totals | 118 | 93 | — | — | 25 | 80 | 38 |

⁽¹⁾ Joint & Survivor (also known as Contingent Annuitant)

Table 3d

Retired Members by Type of Benefit - PERSI Choice Plan

| Amount of Monthly Benefit | Total Number of Retirees | Both 414(k) and 401(k) | 414(k) Only | 401(k) Only |
|---------------------------------|--------------------------------|---------------------------|----------------|----------------|
| \$0 - 250 | 85 | 47 | 11 | 27 |
| 251 - 500 | 108 | 67 | 1 | 40 |
| 501 - 750 | 63 | 37 | — | 26 |
| 751 - 1,000 | 60 | 36 | 1 | 23 |
| 1,001 - 1,250 | 30 | 20 | — | 10 |
| 1,251 - 1,500 | 23 | 15 | — | 8 |
| 1,501 - 1,750 | 9 | 4 | — | 5 |
| 1,751 - 2,000 | 23 | 18 | — | 5 |
| Over 2,000 | 30 | 25 | — | 5 |
| Totals | 431 | 269 | 13 | 149 |

STATISTICAL SECTION

Table 4a

Average Benefit Payments – PERSI Base Plan

| Retirement Effective Dates | Years Credited Service | | | | | | | Beneficiaries |
|------------------------------|------------------------|----------|----------|----------|----------|----------|----------|---------------|
| | 0 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30+ | |
| Period 7/1/2015 to 6/30/2016 | | | | | | | | |
| Average monthly benefit | \$ 118 | \$ 429 | \$ 837 | \$ 1,325 | \$ 1,871 | \$ 2,776 | \$ 3,771 | \$ 1,418 |
| Average final average salary | \$ 1,131 | \$ 2,459 | \$ 3,072 | \$ 3,562 | \$ 3,932 | \$ 4,529 | \$ 5,006 | N/A |
| Number of retired members | 42 | 438 | 369 | 335 | 366 | 389 | 470 | 175 |
| Period 7/1/2016 to 6/30/2017 | | | | | | | | |
| Average monthly benefit | \$ 174 | \$ 442 | \$ 844 | \$ 1,323 | \$ 1,833 | \$ 2,744 | \$ 3,930 | \$ 1,480 |
| Average final average salary | \$ 906 | \$ 2,518 | \$ 3,203 | \$ 3,467 | \$ 3,850 | \$ 4,799 | \$ 5,224 | N/A |
| Number of retired members | 28 | 414 | 398 | 346 | 305 | 415 | 524 | 114 |
| Period 7/1/2017 to 6/30/2018 | | | | | | | | |
| Average monthly benefit | \$ 125 | \$ 450 | \$ 857 | \$ 1,319 | \$ 2,021 | \$ 2,754 | \$ 3,740 | \$ 1,317 |
| Average final average salary | \$ 813 | \$ 2,875 | \$ 3,281 | \$ 3,461 | \$ 4,004 | \$ 4,440 | \$ 5,051 | N/A |
| Number of retired members | 36 | 426 | 371 | 359 | 331 | 444 | 459 | 88 |
| Period 7/1/2018 to 6/30/2019 | | | | | | | | |
| Average monthly benefit | \$ 147 | \$ 434 | \$ 883 | \$ 1,332 | \$ 2,021 | \$ 2,931 | \$ 3,801 | \$ 1,385 |
| Average final average salary | \$ — | \$ 3,967 | \$ 3,012 | \$ 3,464 | \$ 3,264 | \$ 4,036 | \$ 3,289 | N/A |
| Number of retired members | 23 | 417 | 419 | 384 | 339 | 420 | 473 | 63 |
| Period 7/1/2019 to 6/30/2020 | | | | | | | | |
| Average monthly benefit | \$ 103 | \$ 444 | \$ 819 | \$ 1,336 | \$ 1,937 | \$ 2,877 | \$ 3,888 | \$ 1,571 |
| Average final average salary | \$ — | \$ 2,797 | \$ 2,013 | \$ 3,274 | \$ 3,677 | \$ 3,664 | \$ 3,814 | N/A |
| Number of retired members | 33 | 468 | 400 | 407 | 351 | 415 | 476 | 45 |
| Period 7/1/2020 to 6/30/2021 | | | | | | | | |
| Average monthly benefit | \$ 174 | \$ 457 | \$ 869 | \$ 1,399 | \$ 2,041 | \$ 2,854 | \$ 3,913 | \$ 1,374 |
| Average final average salary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of retired members | 20 | 541 | 438 | 401 | 418 | 446 | 555 | 53 |
| Period 7/1/2021 to 6/30/2022 | | | | | | | | |
| Average monthly benefit | \$ 132 | \$ 448 | \$ 860 | \$ 1,457 | \$ 2,070 | \$ 3,049 | \$ 3,925 | \$ 1,382 |
| Average final average salary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of retired members | 18 | 536 | 483 | 470 | 394 | 443 | 583 | 55 |
| Period 7/1/2022 to 6/30/2023 | | | | | | | | |
| Average monthly benefit | \$ 269 | \$ 471 | \$ 886 | \$ 1,424 | \$ 2,036 | \$ 3,128 | \$ 4,216 | \$ 1,346 |
| Average final average salary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of retired members | 21 | 540 | 407 | 432 | 436 | 415 | 499 | 35 |
| Period 7/1/2023 to 6/30/2024 | | | | | | | | |
| Average monthly benefit | \$ 120 | \$ 495 | \$ 1,004 | \$ 1,476 | \$ 2,129 | \$ 3,247 | \$ 4,086 | \$ 1,487 |
| Average final average salary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of retired members | 22 | 514 | 369 | 415 | 324 | 463 | 487 | 31 |
| Period 7/1/2024 to 6/30/2025 | | | | | | | | |
| Average monthly benefit | \$ 239 | \$ 515 | \$ 1,037 | \$ 1,593 | \$ 2,386 | \$ 3,544 | \$ 4,292 | \$ 1,779 |
| Average final average salary | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of retired members | 9 | 471 | 380 | 363 | 347 | 423 | 481 | 10 |

STATISTICAL SECTION

Table 4b

Average Benefit Payments – Firefighters’ Retirement Fund

| Retirement Effective Dates | Years Credited Service | | | | | | | | | | | | | | |
|------------------------------|------------------------|---|-------|---|---------|---|---------|---|---------|---|---------|---|-----|---|---------------|
| | Other | | 5 - 9 | | 10 - 14 | | 15 - 19 | | 20 - 24 | | 25 - 29 | | 30+ | | Beneficiaries |
| Period 7/1/2015 to 6/30/2016 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ 5,229 |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | 4 |
| Period 7/1/2016 to 6/30/2017 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2017 to 6/30/2018 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2018 to 6/30/2019 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2019 to 6/30/2020 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2020 to 6/30/2021 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2021 to 6/30/2022 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2022 to 6/30/2023 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2023 to 6/30/2024 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |
| Period 7/1/2024 to 6/30/2025 | | | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | — |
| Number of retired members | | — | | — | | — | | — | | — | | — | | — | — |

STATISTICAL SECTION

Table 4c

Average Benefit Payments - Judges' Retirement Plan

| Retirement Effective Dates | Years Credited Service | | | | | | | | Beneficiaries | | | | |
|------------------------------|------------------------|-------|------------|----------|----------|----------|----------|----------|---------------|----------|----|-------|---|
| | 0 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30+ | | | | | | |
| Period 7/1/2015 to 6/30/2016 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$10,582 | \$ 9,821 | \$11,154 | \$ | — | \$ | — | | |
| Number of retired members | | — | | — | 1 | 1 | 1 | | — | | — | | |
| Period 7/1/2016 to 6/30/2017 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ 6,680 | \$ 7,054 | \$ 9,447 | \$ | — | \$ 3,808 | \$ | — | \$ | — | |
| Number of retired members | | — | | 2 | 2 | 2 | — | 2 | | — | | — | |
| Period 7/1/2017 to 6/30/2018 | | | | | | | | | | | | | |
| Average monthly benefit | \$ 2,698 | \$ | — | \$ 9,378 | \$ | — | \$ | — | \$ | — | \$ | 5,607 | |
| Number of retired members | | 1 | | — | 1 | — | — | — | | — | | 1 | |
| Period 7/1/2018 to 6/30/2019 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ 6,920 | \$ 8,755 | \$11,336 | \$ 6,880 | \$ | — | \$ | 3,385 | |
| Number of retired members | | — | | — | 3 | 1 | 1 | 1 | | — | | 1 | |
| Period 7/1/2019 to 6/30/2020 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ 7,600 | \$ | — | \$ | — | \$ | — | \$ | — |
| Number of retired members | | | | — | 1 | — | — | — | | — | | — | |
| Period 7/1/2020 to 6/30/2021 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ | — | \$ | — | \$ | — | \$11,849 | \$10,941 | \$ | — | |
| Number of retired members | | — | | — | — | — | — | 1 | | 1 | | — | |
| Period 7/1/2021 to 6/30/2022 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$4,928.00 | \$ 8,775 | \$ 5,939 | \$ 9,492 | \$ | — | \$ | — | \$ | 4,771 | |
| Number of retired members | | — | 3 | 2 | 2 | 1 | | — | | — | | 2 | |
| Period 7/1/2022 to 6/30/2023 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ 5,322 | \$ 7,584 | \$ | — | \$ | — | \$ | — | \$ | 6,614 | |
| Number of retired members | | — | 2 | 1 | — | — | — | — | | — | | 1 | |
| Period 7/1/2023 to 6/30/2024 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ 5,734 | \$ | — | \$ 8,683 | \$ | — | \$10,234 | \$ | — | \$ | — |
| Number of retired members | | — | 2 | — | 1 | — | — | 1 | | — | | — | |
| Period 7/1/2024 to 6/30/2025 | | | | | | | | | | | | | |
| Average monthly benefit | \$ | — | \$ 3,792 | \$ 8,273 | \$10,779 | \$10,968 | \$ | — | \$ | — | \$ | — | |
| Number of retired members | | — | 1 | 1 | 1 | 1 | | — | | — | | — | |

STATISTICAL SECTION

Table 4d

Average Benefit Payments – PERSI Choice Plan

| Retirement Effective Dates | Years of Service | | | | | | |
|----------------------------|------------------|----------|----------|---------|----------|---------|--------|
| | 0 - 4* | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30+ |
| Period 7/1/15 to 6/30/2016 | | | | | | | |
| Average monthly benefit | \$ 318 | \$ 945 | \$ 606 | \$ 585 | \$ 577 | \$ 563 | \$ 499 |
| Number of retired members | 5 | 18 | 37 | 26 | 29 | 29 | 48 |
| Period 7/1/16 to 6/30/2017 | | | | | | | |
| Average monthly benefit | \$ 694 | \$ 844 | \$ 737 | \$ 670 | \$ 494 | \$ 776 | \$ 588 |
| Number of retired members | 21 | 26 | 44 | 41 | 30 | 46 | 60 |
| Period 7/1/17 to 6/30/2018 | | | | | | | |
| Average monthly benefit | \$ 679 | \$ 898 | \$ 534 | \$ 415 | \$ 476 | \$ 488 | \$ 485 |
| Number of retired members | 40 | 30 | 47 | 41 | 32 | 44 | 57 |
| Period 7/1/18 to 6/30/2019 | | | | | | | |
| Average monthly benefit | \$ 483 | \$ 786 | \$ 599 | \$ 611 | \$ 701 | \$ 549 | \$ 604 |
| Number of retired members | 18 | 38 | 58 | 49 | 38 | 47 | 47 |
| Period 7/1/19 to 6/30/2020 | | | | | | | |
| Average monthly benefit | \$ 710 | \$ 1,180 | \$ 1,070 | \$ 859 | \$ 923 | \$ 827 | \$ 965 |
| Number of retired members | 16 | 33 | 48 | 40 | 32 | 35 | 69 |
| Period 7/1/20 to 6/30/2021 | | | | | | | |
| Average monthly benefit | \$ 623 | \$ 485 | \$ 855 | \$ 637 | \$ 855 | \$ 881 | \$ 603 |
| Number of retired members | 17 | 14 | 31 | 30 | 58 | 53 | 124 |
| Period 7/1/21 to 6/30/2022 | | | | | | | |
| Average monthly benefit | \$ 689 | \$ 843 | \$ 823 | \$ 719 | \$ 1,185 | \$ 770 | \$ 856 |
| Number of retired members | 29 | 35 | 50 | 38 | 45 | 41 | 50 |
| Period 7/1/22 to 6/30/2023 | | | | | | | |
| Average monthly benefit | \$ 800 | \$ 772 | \$ 712 | \$ 712 | \$ 1,142 | \$ 716 | \$ 784 |
| Number of retired members | 41 | 55 | 65 | 56 | 60 | 54 | 66 |
| Period 7/1/23 to 6/30/2024 | | | | | | | |
| Average monthly benefit | \$ 1,025 | \$ 745 | \$ 924 | \$ 757 | \$ 987 | \$ 887 | \$ 732 |
| Number of retired members | 15 | 42 | 34 | 56 | 63 | 66 | 144 |
| Period 7/1/24 to 6/30/2025 | | | | | | | |
| Average monthly benefit | \$ 1,144 | \$ 758 | \$ 834 | \$ 778 | \$ 1,092 | \$ 821 | \$ 788 |
| Number of retired members | 10 | 32 | 43 | 60 | 61 | 46 | 146 |

*Average final average salary data not applicable for this defined contribution plan. The average monthly benefit is determined by the retiree and can vary significantly based on the number of months the retiree chooses to receive payments

STATISTICAL SECTION

Table 5a
Schedule of Benefit Expenses by Type - PERSI Base Plan

| Fiscal Year | Age & Service Benefits | | Disabilities | | | Refunds | | Total |
|-------------|------------------------|--------------------------|--------------------------|------------|-----------|------------|------------|---------------|
| | Retirants | Survivors ⁽²⁾ | Retirants ⁽¹⁾ | | Survivors | Death | Separation | |
| | | | Pre-NRA | Post-NRA | | | | |
| 2016 | 712,442,032 | 26,399,499 | 6,350,776 | 24,877,482 | 4,634,146 | 11,622,498 | 31,302,103 | 817,628,535 |
| 2017 | 750,306,810 | 28,129,923 | 6,839,034 | 25,081,119 | 4,937,393 | 13,559,082 | 28,872,581 | 857,725,942 |
| 2018 | 794,478,568 | 29,963,613 | 7,448,181 | 24,737,458 | 5,265,675 | 15,640,370 | 26,823,893 | 904,357,758 |
| 2019 | 839,473,015 | 31,929,111 | 8,154,938 | 25,039,794 | 5,652,037 | 13,883,047 | 27,262,885 | 951,394,827 |
| 2020 | 892,831,798 | 34,467,183 | 8,950,452 | 24,867,522 | 5,886,309 | 16,047,284 | 31,557,305 | 1,014,607,852 |
| 2021 | 959,915,808 | 37,971,518 | 9,740,739 | 25,003,974 | 6,267,251 | 17,901,551 | 27,244,051 | 1,084,044,893 |
| 2022 | 1,018,862,042 | 41,481,333 | 10,545,607 | 23,962,374 | 6,741,743 | 26,508,125 | 30,342,848 | 1,158,444,070 |
| 2023 | 1,085,152,870 | 45,488,480 | 11,261,406 | 23,409,278 | 7,210,136 | 19,996,439 | 41,023,998 | 1,233,542,607 |
| 2024 | 1,131,507,554 | 49,077,168 | 12,270,348 | 22,221,813 | 7,438,604 | 20,334,571 | 45,549,966 | 1,288,400,024 |
| 2025 | 1,184,251,893 | 52,842,845 | 12,668,406 | 21,547,609 | 7,611,324 | 19,127,897 | 55,349,991 | 1,353,399,966 |

Table 5b
Schedule of Benefit Expenses by Type - Firefighter's Retirement Fund

| Fiscal Year | Age & Service Benefits | | Disabilities | | | Refunds | | Total |
|-------------|------------------------|--------------------------|--------------------------|----------|-----------|---------|------------|------------|
| | Retirants | Survivors ⁽²⁾ | Retirants ⁽¹⁾ | | Survivors | Death | Separation | |
| | | | Pre-NRA | Post-NRA | | | | |
| 2016 | 19,376,236 | 4,690,104 | 1,411,035 | 56,204 | 725,505 | — | — | 26,259,084 |
| 2017 | 19,385,969 | 4,832,599 | 1,410,519 | 57,457 | 761,089 | — | — | 26,447,633 |
| 2018 | 19,366,901 | 4,947,225 | 1,406,441 | 58,845 | 775,748 | — | — | 26,555,160 |
| 2019 | 19,221,432 | 5,147,221 | 1,375,034 | 60,275 | 798,775 | — | — | 26,602,737 |
| 2020 | 18,757,322 | 5,536,616 | 1,423,698 | 62,408 | 785,018 | — | — | 26,565,063 |
| 2021 | 18,521,403 | 5,819,587 | 1,464,335 | 64,190 | 807,425 | — | — | 26,676,940 |
| 2022 | 18,014,389 | 6,597,821 | 1,478,997 | 66,132 | 833,567 | — | — | 26,990,905 |
| 2023 | 18,066,289 | 6,872,024 | 1,443,475 | 68,900 | 943,634 | — | — | 27,394,322 |
| 2024 | 17,983,517 | 6,981,297 | 1,466,098 | 71,254 | 1,002,402 | — | — | 27,504,567 |
| 2025 | 18,286,887 | 7,077,733 | 1,475,009 | 74,523 | 1,088,537 | — | — | 28,002,689 |

⁽¹⁾ The split between duty and non-duty disabilities is not available.

⁽²⁾ Benefit amounts are not available. All survivors are included with the Age & Service Benefits survivors.

NRA = Normal Retirement Age. PERSI members with disability benefits convert to age & service retirees at NRA (60 for Fire & Police, 65 for other members).

Schedules are intended to show information for 10 years.

STATISTICAL SECTION

Table 5c

Schedule of Benefit Expenses by Type - Judges' Retirement Plan

| Fiscal Year | Retirants | Survivors | Death | Separation | Total |
|--------------------|------------------|------------------|--------------|-------------------|--------------|
| 2016 | 5,059,316 | 915,621 | — | — | 5,974,937 |
| 2017 | 5,173,494 | 999,921 | — | — | 6,173,415 |
| 2018 | 5,703,094 | 988,464 | — | — | 6,691,558 |
| 2019 | 6,117,401 | 1,051,002 | — | — | 7,168,403 |
| 2020 | 6,554,175 | 1,085,537 | — | — | 7,639,712 |
| 2021 | 6,670,388 | 1,009,299 | — | — | 7,679,687 |
| 2022 | 7,049,399 | 1,117,345 | — | — | 8,166,744 |
| 2023 | 7,408,955 | 1,208,572 | — | — | 8,617,527 |
| 2024 | 7,934,260 | 1,243,829 | — | — | 9,178,089 |
| 2025 | 8,325,466 | 1,203,855 | — | — | 9,529,321 |

Table 5d

Schedule of Benefit Expenses by Type - PERSI Choice Plan

| Fiscal Year | Benefits Paid |
|--------------------|----------------------|
| 2016 | 41,363,965 |
| 2017 | 37,358,429 |
| 2018 | 41,919,856 |
| 2019 | 51,884,409 |
| 2020 | 50,050,809 |
| 2021 | 58,602,751 |
| 2022 | 76,279,978 |
| 2023 | 77,070,556 |
| 2024 | 90,666,100 |
| 2025 | 104,514,006 |

Schedules are intended to show information for 10 years.

Table 5e

Schedule of Benefit Expenses by Type - State Sick Leave Plan

| Fiscal Year | Benefits Paid |
|------------------------|----------------------|
| 2016 | 4,980,235 |
| 2017 | 5,010,974 |
| 2018 | 4,671,380 |
| 2019 | 4,611,044 |
| 2020 | 4,739,183 |
| 2021 | 5,083,113 |
| 2022 | 5,459,867 |
| 2023 | 5,470,465 |
| 2024 | 5,657,498 |
| 2025 | 5,237,802 |

Table 5f

Schedule of Benefit Expenses by Type - Schools Sick Leave Plan

| Fiscal Year | Benefits Paid |
|------------------------|----------------------|
| 2016 | 13,458,676 |
| 2017 | 13,155,040 |
| 2018 | 12,186,675 |
| 2019 | 11,930,829 |
| 2020 | 11,886,179 |
| 2021 | 12,412,041 |
| 2022 | 12,739,283 |
| 2023 | 13,274,336 |
| 2024 | 13,683,195 |
| 2025 | 13,548,125 |

Schedules are intended to show information for 10 years.

STATISTICAL SECTION

Table 6
Post-Retirement Allowance Adjustments

| Year | CPI Rate | PERSI PAA Rate |
|-------------|-----------------|-----------------------|
| 2001 | 3.4 | 3.4 |
| 2002 | 2.7 | 2.7 |
| 2003 | 1.8 | 1 |
| 2004 | 2.2 | 2.2 |
| 2005 | 2.7 | 2.7 |
| 2006 | 3.6 | 3.6 |
| 2007 | 3.8 | 3.8 |
| 2008 | 2 | 2 |
| 2009 | 5.4 | 1 |
| 2010 | (1.48) | 1 |
| 2011 | 1.15 | 1 |
| 2012 | 3.77 | 1 |
| 2013 | 1.69 | 1 |
| 2014 | 1.59 | 1 |
| 2015 | 1.7 | 1.7 |
| 2016 | 0.2 | 0.2 |
| 2017 | 1.1 | 1.1 |
| 2018 | 1.9 | 1.9 |
| 2019 | 1.7 | 1.0 |
| 2020 | 1.3 | 5.5 |
| 2021 | 5.3 | 1.0 |
| 2022 | 8.3 | 3.5 |
| 2023 | 3.7 | 1.0 |
| 2024 | 2.5 | 1.0 |
| 2025 | 2.9 | 1.3 |

STATISTICAL SECTION

Table 7a

Changes in Net Position - Base Plan
(last 10 fiscal years)

| | 2025 | 2024 | 2023 |
|--|-------------------------|-------------------------|-------------------------|
| Additions: | | | |
| Employee Contributions | \$ 399,578,459 | \$ 359,388,202 | \$ 335,646,335 |
| Employer Contributions | 621,829,960 | 554,409,453 | 513,828,265 |
| Investment Income ⁽¹⁾ | 391,638,740 | 376,421,219 | 322,867,773 |
| Gains and Losses | 1,980,614,838 | 1,447,327,382 | 1,432,563,513 |
| Other Income | 1,500,409 | 1,312,299 | 518,724 |
| Total additions to plan net position | 3,395,162,406 | 2,738,858,554 | 2,605,424,610 |
| Deductions: | | | |
| Benefit Payments ⁽²⁾ | 1,315,672,664 | 1,247,268,159 | 1,215,182,360 |
| Refunds | 59,307,695 | 43,913,108 | 34,586,136 |
| Administrative Expenses | 10,977,574 | 11,386,642 | 9,997,170 |
| Total deductions to plan net position | 1,385,957,933 | 1,302,567,909 | 1,259,765,666 |
| Change in net position | \$ 2,009,204,473 | \$ 1,436,290,645 | \$ 1,345,658,944 |

⁽¹⁾ Investment income is reported net of investment expense.

⁽²⁾ Benefit Payment breakdown shown in Table 5a.

STATISTICAL SECTION

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| \$ 315,161,350 | \$ 294,084,814 | \$ 280,790,591 | \$ 257,060,511 | \$ 243,950,654 | \$ 237,032,668 | \$ 220,866,936 |
| 476,416,795 | 450,951,588 | 430,638,154 | 390,080,902 | 369,139,113 | 356,367,389 | 335,610,100 |
| 285,174,801 | 293,398,721 | 289,766,084 | 293,129,527 | 309,314,922 | 284,543,243 | 277,666,987 |
| (2,364,562,304) | 4,448,933,304 | 173,079,424 | 1,009,441,400 | 976,147,101 | 1,411,348,507 | (72,888,917) |
| 407,053 | 383,548 | 421,066 | 329,710 | 38,380 | 29,366 | 25,283 |
| (1,287,402,305) | 5,487,751,975 | 1,174,695,319 | 1,950,042,050 | 1,898,590,170 | 2,289,321,173 | 761,280,389 |
| 1,132,362,367 | 1,069,602,510 | 987,304,234 | 963,881,907 | 885,355,285 | 835,774,004 | 792,705,222 |
| 25,812,562 | 22,816,679 | 25,253,837 | 22,854,217 | 24,357,947 | 29,497,711 | 32,307,543 |
| 9,984,308 | 8,972,053 | 10,179,831 | 9,276,642 | 8,922,335 | 8,810,136 | 6,806,655 |
| 1,168,159,237 | 1,101,391,242 | 1,022,737,902 | 984,509,516 | 918,635,567 | 874,081,851 | 831,819,420 |
| <u>\$(2,455,561,54)</u> | <u>\$4,386,360,733</u> | <u>\$ 151,957,417</u> | <u>\$ 965,532,534</u> | <u>\$ 979,954,603</u> | <u>\$1,415,239,322</u> | <u>\$ (70,539,031)</u> |

STATISTICAL SECTION

Table 7b

Changes in Net Position - FRF Plan
(last 10 fiscal years)

| | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|----------------------|
| Additions: | | | |
| Employee Contributions | \$ — | \$ — | \$ — |
| Employer Contributions | 4,544,128 | 3,888,153 | 3,346,505 |
| Investment Income ⁽¹⁾ | 8,410,369 | 6,139,404 | 7,349,882 |
| Gains and Losses | 42,772,031 | 23,589,088 | 32,611,409 |
| Other Income | — | — | — |
| Total additions to plan net position | 55,726,528 | 33,616,645 | 43,307,796 |
| Deductions: | | | |
| Benefit Payments | 19,611,416 | 19,495,076 | 19,446,545 |
| Refunds | — | — | — |
| Administrative Expenses | 46,201 | 62,420 | 46,516 |
| Total deductions to plan net position | 19,657,617 | 19,557,496 | 19,493,061 |
| Change in net position | \$ 36,068,911 | \$ 14,059,149 | \$ 23,814,735 |

⁽¹⁾ Investment income is reported net of investment expense.

STATISTICAL SECTION

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|-----------------------|
| \$ — | \$ — | \$ 4,503 | \$ 4,540 | \$ 4,368 | \$ 4,385 | \$ 6,329 |
| 2,901,920 | 2,549,471 | 8,660,397 | 8,247,827 | 7,706,226 | 7,452,987 | 7,198,597 |
| 6,592,204 | 6,882,804 | 6,942,993 | 7,203,382 | 7,489,302 | 6,961,648 | 6,892,864 |
| (54,660,080) | 104,366,970 | 4,147,101 | 24,806,072 | 23,635,009 | 34,527,177 | (1,809,410) |
| — | — | — | — | — | — | — |
| (45,165,956) | 113,799,245 | 19,754,994 | 40,261,821 | 38,834,905 | 48,946,197 | 12,288,380 |
| 19,014,750 | 18,828,213 | 19,073,931 | 18,929,519 | 18,934,403 | 19,294,441 | 19,476,228 |
| — | — | — | — | — | — | — |
| 56,863 | 46,585 | 73,557 | 55,031 | 29,833 | 43,022 | 58,873 |
| 19,071,613 | 18,874,798 | 19,147,488 | 18,984,550 | 18,964,236 | 19,337,463 | 19,535,101 |
| \$ (64,237,569) | \$ 94,924,447 | \$ 607,506 | \$ 21,277,270 | \$ 19,870,669 | \$ 29,608,734 | \$ (7,246,721) |

STATISTICAL SECTION

Table 7c

Changes in Net Position - Choice Plan 401(k)
(last 10 fiscal years)

| | 2025 | 2024 | 2023 |
|--|-----------------------|-----------------------|-----------------------|
| Additions: | | | |
| Employee Contributions | \$ 88,277,916 | \$ 83,545,730 | \$ 80,103,170 |
| Employer Contributions | 11,849,897 | 10,736,833 | 9,571,246 |
| Investment Income ⁽¹⁾ | 26,451,793 | 24,909,099 | 20,517,538 |
| Gains and Losses | 151,572,580 | 126,302,241 | 105,602,775 |
| Rollovers | 16,191,646 | 13,856,579 | 11,169,245 |
| Other Income | — | — | — |
| Total additions to plan net position | 294,343,832 | 259,350,482 | 226,963,974 |
| Deductions: | | | |
| Benefit Payments | 99,911,449 | 86,593,530 | 72,472,242 |
| Refunds | — | — | — |
| Administrative Expenses | 2,431,071 | 2,216,476 | 2,171,176 |
| Transfers/Rollovers Out | — | — | — |
| Total deductions to plan net position | 102,342,520 | 88,810,006 | 74,643,418 |
| Change in net position | \$ 192,001,312 | \$ 170,540,476 | \$ 152,320,556 |

⁽¹⁾ Investment income is reported net of investment expense.

STATISTICAL SECTION

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| \$ 76,423,883 | \$ 68,307,119 | \$ 63,949,419 | \$ 59,426,695 | \$ 52,141,131 | \$ 48,333,290 | \$ 45,299,030 |
| 8,511,252 | 7,728,018 | 7,027,305 | 6,517,244 | 5,993,209 | 5,475,485 | 4,778,923 |
| 17,674,756 | 17,334,673 | 16,407,170 | 15,820,380 | 15,624,002 | 13,786,327 | 12,385,370 |
| (164,972,964) | 284,009,584 | 12,034,995 | 54,408,333 | 53,200,084 | 64,650,113 | (3,529,621) |
| 16,230,934 | 17,153,438 | 21,341,826 | 13,948,722 | 14,179,305 | 14,836,646 | 11,868,500 |
| — | — | — | — | — | — | — |
| (46,132,139) | 394,532,832 | 120,760,715 | 150,121,373 | 141,137,731 | 147,081,861 | 70,802,202 |
| 72,056,313 | 55,439,687 | 47,345,691 | 43,319,799 | 38,708,774 | 34,029,074 | 35,985,817 |
| — | — | — | — | — | — | — |
| 2,192,812 | 2,029,774 | 1,845,868 | 1,570,385 | 125,334 | 115,788 | 1,069,543 |
| — | — | — | — | — | — | — |
| 74,249,125 | 57,469,461 | 49,191,559 | 44,890,184 | 38,708,774 | 34,029,074 | 35,985,817 |
| \$ (120,381,264) | \$ 337,063,371 | \$ 71,569,156 | \$ 105,231,189 | \$ 102,428,957 | \$ 113,052,787 | \$ 34,816,385 |

STATISTICAL SECTION

Table 7d

Changes in Net Position - Choice Plan 414(k)
(last 10 fiscal years)

| | 2025 | 2024 | 2023 |
|--|---------------------|-------------------|-------------------|
| Additions: | | | |
| Employee Contributions | \$ — | \$ — | \$ — |
| Investment Income ⁽¹⁾ | 192,628 | 111,302 | 99,650 |
| Gains and Losses | 5,892,718 | 4,946,664 | 5,179,069 |
| Other Income | — | — | — |
| Total additions to plan net position | 6,085,346 | 5,057,966 | 5,278,719 |
| Deductions: | | | |
| Benefit Payments | 4,602,557 | 4,072,570 | 4,598,314 |
| Refunds | — | — | — |
| Administrative Expenses | 227,177 | 218,012 | 280,696 |
| Transfers/Rollovers Out | — | — | — |
| Total deductions to plan net position | 4,829,734 | 4,290,582 | 4,879,010 |
| Change in net position | \$ 1,255,612 | \$ 767,384 | \$ 399,709 |

⁽¹⁾ Investment income is reported net of investment expense.

STATISTICAL SECTION

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|----------------------|-----------------------|-------------------|-------------------|---------------------|-----------------------|
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| 183,241 | 105,134 | 78,391 | 117,688 | 93,272 | (101,457) | 227,137 |
| (6,475,896) | 15,208,511 | 1,508,108 | 4,308,210 | 3,627,429 | 5,758,352 | 639,034 |
| — | — | — | — | — | — | — |
| (6,292,655) | 15,313,645 | 1,586,499 | 4,425,898 | 3,720,701 | 5,656,895 | 866,171 |
| 4,223,665 | 3,163,064 | 3,330,570 | 3,838,437 | 3,211,082 | 3,329,355 | 5,378,148 |
| — | — | — | — | — | — | — |
| 352,550 | 345,101 | 335,552 | 344,469 | 10,196 | 10,491 | 523,170 |
| — | — | — | — | — | — | — |
| 4,576,215 | 3,508,165 | 3,666,122 | 4,182,906 | 3,221,278 | 3,339,846 | 5,901,318 |
| \$ (10,868,870) | \$ 11,805,480 | \$ (2,079,624) | \$ 242,992 | \$ 499,423 | \$ 2,317,049 | \$ (5,035,147) |

STATISTICAL SECTION

Table 7e

Changes in Net Position – Sick Leave Fund – State
(last 10 fiscal years)

| | 2025 | 2024 | 2023 |
|--|----------------------|----------------------|----------------------|
| Additions: | | | |
| Employer Contributions | \$ 971 | \$ — | \$ (833) |
| Net appreciation (depreciation) ⁽¹⁾ | 31,208,253 | 30,855,288 | 19,836,889 |
| Other Income | 6,188 | 7,388 | 2,408 |
| Total additions to plan net position | 31,215,412 | 30,862,676 | 19,838,464 |
| Deductions: | | | |
| Benefit Payments | 5,237,802 | 5,657,498 | 5,470,465 |
| Administrative Expenses | 60,061 | 56,590 | 48,921 |
| Total deductions to plan net position | 5,297,863 | 5,714,088 | 5,519,386 |
| Change in net position | \$ 25,917,549 | \$ 25,148,588 | \$ 14,319,078 |

Table 7f

Changes in Net Position – Sick Leave Fund – Schools
(last 10 fiscal years)

| | 2025 | 2024 | 2023 |
|--|----------------------|----------------------|----------------------|
| Additions: | | | |
| Employer Contributions | \$ 5,358 | \$ — | \$ (11,621) |
| Net appreciation (depreciation) ⁽¹⁾ | 43,466,974 | 42,933,353 | 28,281,879 |
| Other Income | 15,105 | 19,107 | 8,024 |
| Total additions to plan net position | 43,487,437 | 42,952,460 | 28,278,282 |
| Deductions: | | | |
| Benefit Payments | 13,548,125 | 13,683,195 | 13,274,336 |
| Administrative Expenses | 84,128 | 81,415 | 70,715 |
| Total deductions to plan net position | 13,632,253 | 13,764,610 | 13,345,051 |
| Change in net position | \$ 29,855,184 | \$ 29,187,850 | \$ 14,933,231 |

⁽¹⁾ Reported net of investment expense.

STATISTICAL SECTION

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| \$ (182) | \$ (682) | \$ 4,494,217 | \$ 7,497,670 | \$ 7,161,239 | \$ 7,136,693 | \$ 6,804,354 |
| (36,182,352) | 56,874,632 | 9,554,069 | 16,084,184 | 17,315,690 | 21,515,574 | 3,356,390 |
| 386 | 931 | 1,957 | 1,777 | 1,270 | 30 | 889 |
| (36,182,148) | 56,874,881 | 14,050,243 | 23,583,631 | 24,478,199 | 28,652,297 | 10,161,633 |
| 5,459,867 | 5,083,113 | 4,739,183 | 4,611,044 | 4,671,380 | 5,010,974 | 4,980,235 |
| 48,539 | 47,914 | 47,225 | 47,183 | 44,182 | 41,148 | 40,752 |
| 5,508,406 | 5,131,027 | 4,786,408 | 4,658,227 | 4,715,562 | 5,052,122 | 5,020,987 |
| \$ (41,690,554) | \$ 51,743,854 | \$ 9,263,835 | \$ 18,925,404 | \$ 19,762,637 | \$ 23,600,175 | \$ 5,140,646 |

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| \$ (2,109) | \$ (3,637) | \$ 8,967,109 | \$ 16,432,554 | \$ 15,599,238 | \$ 14,763,323 | \$ 13,978,967 |
| (52,577,567) | 77,747,230 | 14,515,013 | 24,687,356 | 26,544,159 | 32,991,024 | 3,919,755 |
| 1,393 | 1,442 | 3,000 | 2,725 | 1,948 | 2,187 | 360 |
| (52,578,283) | 77,745,035 | 23,485,121 | 41,122,635 | 42,145,345 | 47,756,534 | 17,899,082 |
| 12,739,283 | 12,412,041 | 11,886,179 | 11,930,829 | 12,186,675 | 13,155,040 | 13,458,676 |
| 71,098 | 71,722 | 72,369 | 72,453 | 67,806 | 63,192 | 63,588 |
| 12,810,381 | 12,483,763 | 11,958,548 | 12,003,282 | 12,254,481 | 13,218,232 | 13,522,264 |
| \$ (65,388,664) | \$ 65,261,272 | \$ 11,526,573 | \$ 29,119,354 | \$ 29,890,864 | \$ 34,538,302 | \$ 4,376,818 |

STATISTICAL SECTION

Table 7g

Changes in Net Position – JRF Plan
(last 10 fiscal years)

| | 2025 | 2024 | 2023 | 2022 |
|--|---------------------|---------------------|---------------------|------------------------|
| Additions: | | | | |
| Employee Contributions | \$ 993,064 | \$ 939,033 | \$ 924,368 | \$ 908,857 |
| Employer Contributions | 5,800,355 | 5,542,091 | 5,438,760 | 5,120,089 |
| Investment Income ⁽¹⁾ | 2,076,380 | 1,999,860 | 1,734,256 | 1,541,393 |
| Net appreciation (depreciation) | 10,423,393 | 7,626,947 | 7,694,338 | (12,705,655) |
| Other Income | 24,945 | 31,215 | 16,008 | 2,393 |
| Total additions to plan net position | 19,318,137 | 16,139,146 | 15,807,730 | (5,132,923) |
| Deductions: | | | | |
| Benefit Payments | 9,529,321 | 9,239,797 | 8,610,785 | 8,166,744 |
| Administrative Expenses | 119,171 | 121,476 | 115,561 | 106,053 |
| Total deductions to plan net position | 9,648,492 | 9,361,273 | 8,726,346 | 8,272,797 |
| Change in net position | \$ 9,669,645 | \$ 6,777,873 | \$ 7,081,384 | \$ (13,405,720) |

⁽¹⁾ Reported net of investment expense.

STATISTICAL SECTION

| <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-----------------------------|--------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| \$ 875,812 | \$ 845,925 | \$ 778,864 | \$ 714,804 | \$ 630,392 | \$ 623,754 |
| 5,066,720 | 4,878,534 | 4,688,762 | 4,278,996 | 3,946,599 | 3,370,587 |
| 1,579,766 | 1,560,565 | 1,579,702 | 1,668,307 | 1,540,236 | 1,505,550 |
| 23,894,290 | 975,063 | 5,357,121 | 5,261,917 | 7,612,667 | (413,420) |
| 2,918 | 12,960 | 13,200 | 7,947 | 4,946 | 2,571 |
| 31,419,507 | 8,273,046 | 12,417,649 | 11,931,971 | 13,734,840 | 5,089,042 |
| 7,679,687 | 7,639,712 | 7,168,403 | 6,691,558 | 6,173,415 | 5,974,937 |
| 104,054 | 127,095 | 121,305 | 104,949 | 74,035 | 133,096 |
| 7,783,741 | 7,766,807 | 7,289,708 | 6,796,507 | 6,247,450 | 6,108,033 |
| <u>\$ 23,635,766</u> | <u>\$ 506,239</u> | <u>\$ 5,127,941</u> | <u>\$ 5,135,464</u> | <u>\$ 7,487,390</u> | <u>\$ (1,018,991)</u> |

STATISTICAL SECTION

Table 8
Principal Participating Employers
2025

| Participating Employers | Covered Employees | Rank | Percentage of Total System |
|---------------------------------|--------------------------|-------------|-----------------------------------|
| State of Idaho | 18,163 | 1 | 23% |
| West Ada County School District | 4,014 | 2 | 5 |
| Boise Ind School District | 3,001 | 3 | 4 |
| Ada County | 2,014 | 4 | 3 |
| City of Boise | 1,751 | 5 | 2 |
| Bonneville School District | 1,476 | 6 | 2 |
| Pocatello School District | 1,432 | 7 | 2 |
| Nampa School District | 1,260 | 8 | 2 |
| Idaho Falls School District | 1,162 | 9 | 1 |
| Vallivue School District | 1,121 | 10 | 1 |
| All other | 43,352 | | 55 |
| Total 865 employers | 78,746 | | 100% |

2016

| Participating Employers | Covered Employees | Rank | Percentage of Total System |
|---------------------------------|--------------------------|-------------|-----------------------------------|
| State of Idaho | 17,394 | 1 | 25% |
| West Ada County School District | 3,391 | 2 | 5 |
| Boise Ind School District | 3,050 | 3 | 4 |
| Ada County | 1,640 | 4 | 2 |
| City of Boise | 1,347 | 5 | 2 |
| Nampa School District | 1,319 | 6 | 2 |
| Pocatello School District | 1,174 | 7 | 2 |
| Bonneville School District | 1,075 | 8 | 2 |
| Coeur d`Alene School District | 1,029 | 9 | 2 |
| Twin Falls School District | 926 | 10 | 1 |
| All other | 36,172 | | 53 |
| Total 775 employers | 68,517 | | 100% |

STATISTICAL SECTION

Table 9
Public Entities Participating in PERSI

State Agencies

*Administration Dept
*Agriculture Dept
*Attorney General
*Barley Commission
*Bean Commission
*Beef Council
*Board of Education
*Boise State Univ
*Brand Inspector
*Commission For The Blind
*Commission On Hispanic Affairs
*Commerce Dept
*Commission On Aging
*Commission On The Arts
*Commission for Pardons and Paroles
*Controller's Office
*Correction Department
*Correctional Industries
*Dairy Council
*Department of Environmental Quality
*Division of Financial Mgt
*Division of Veteran Services
*Division of Occupational & Professional License
*Division of Human Resources
*Endowment Fund Investment Board
*Finance Dept
*Fish & Game Department
*Forest Products Commission
*Governor's Office
*Health & Welfare Department
*Health District 1
*Health District 2
*Health District 3
*Health District 4
*Health District 5

*Health District 6
*Health District 7
*Historical Society
*House of Representatives
*Idaho Workforce Development Council
*Idaho Public Television
*Idaho Career & Technical Education
*Idaho Grape Growers & Wine Producers Commission
*Idaho Oilseed Commission
*Idaho Rangeland Resources Commission
*Idaho State Police
*Idaho State Univ
*Independent Living Council
*Industrial Commission
*Information Technology Services
*Insurance Department
*Insurance Fund
*Judicial Branch
*Juvenile Corrections
*Labor Department
*Lands Department
*Lava Hot Springs Foundation
*Legislative Services
*Lewis-Clark State College
*Library
*Lieutenant Governor
*Liquor Dispensary
*Lottery
*Military Division
*Office of Administrative Hearings
*Office of Drug Policy
*Office of Energy Resources
*Office of Performance Evaluations
*Office of Health & Social Services Ombudsman

*Office of Species Conservation
*Parks & Recreation
*Potato Commission
*Public Charter School Commission
*Public Employee Retirement System
*Public Utility Commission
*Racing Commission
*STEM Action Center
*Secretary of State
*Senate
*Soil Conservation Commission
*State Appellate Public Defender
*State Bar
*State Public Defender
*Superintendent of Public Instruction
*Tax Appeals Board
*Tax Commission
*Transportation Department
*Treasurer
*University of Idaho
*Vocational Rehab
*Water Resources Department
*Wheat Commission

Counties

Ada County
Adams County
Bannock County
Bear Lake County
Benewah County
Bingham County
Blaine County
Boise County
Bonner County
Bonneville County
Boundary County
Butte County
Camas County
Canyon County
Caribou County

*State Employer Participating in OPEB

STATISTICAL SECTION

Cassia County
 Clark County
 Clearwater County
 Custer County
 Elmore County
 Franklin County
 Fremont County
 Gem County
 Gooding County
 Idaho County
 Jefferson County
 Jerome County
 Kootenai County
 Latah County
 Lemhi County
 Lewis County
 Lincoln County
 Madison County
 Minidoka County
 Nez Perce County
 Oneida County
 Owyhee County
 Payette County
 Power County
 Shoshone County
 Teton County
 Twin Falls County
 Valley County
 Washington County

Cities

City of Aberdeen
 City of Albion
 City of American Falls
 City of Ammon
 City of Arco
 City of Ashton
 City of Athol
 City of Bancroft
 City of Basalt
 City of Bellevue
 City of Blackfoot
 City of Bliss
 City of Bloomington
 City of Boise

City of Bonners Ferry
 City of Bovill
 City of Buhl
 City of Burley
 City of Caldwell
 City of Cambridge
 City of Carey
 City of Cascade
 City of Castleford
 City of Challis
 City of Chubbuck
 City of Clark Fork
 City of Coeur d'Alene
 City of Cottonwood
 City of Council
 City of Craigmont
 City of Culdesac
 City of Dalton Gardens
 City of Deary
 City of Declo
 City of Donnelly
 City of Dover
 City of Downey
 City of Driggs
 City of Dubois
 City of Eagle
 City of East Hope
 City of Elk River
 City of Emmett
 City of Fairfield
 City of Filer
 City of Firth
 City of Franklin
 City of Fruitland
 City of Garden City
 City of Genesee
 City of Georgetown
 City of Glens Ferry
 City of Gooding
 City of Grace
 City of Grangeville
 City of Greenleaf
 City of Hagerman
 City of Hailey

City of Harrison
 City of Hayden
 City of Hayden Lake
 City of Hazelton
 City of Heyburn
 City of Homedale
 City of Hope
 City of Horseshoe Bend
 City of Idaho City
 City of Idaho Falls
 City of Inkom
 City of Iona
 City of Irwin
 City of Island Park
 City of Jerome
 City of Juliaetta
 City of Kamiah
 City of Kellogg
 City of Kendrick
 City of Ketchum
 City of Kimberly
 City of Kooskia
 City of Kootenai
 City of Kuna
 City of Lapwai
 City of Lava Hot Springs
 City of Lewiston
 City of Mackay
 City of Malad
 City of Malta
 City of Marsing
 City of McCall
 City of McCammon
 City of Melba
 City of Menan
 City of Meridian
 City of Middleton
 City of Montpelier
 City of Moscow
 City of Moyie Springs
 City of Mountain Home
 City of Mud Lake
 City of Mullan
 City of Nampa
 City of New Meadows

STATISTICAL SECTION

City of New Plymouth
 City of Newdale
 City of Nezperce
 City of Notus
 City of Oakley
 City of Oldtown
 City of Orofino
 City of Osburn
 City of Paris
 City of Parker
 City of Parma
 City of Paul
 City of Payette
 City of Peck
 City of Pierce
 City of Pinehurst
 City of Plummer
 City of Pocatello
 City of Ponderay
 City of Post Falls
 City of Potlatch
 City of Preston
 City of Priest River
 City of Rathdrum
 City of Rexburg
 City of Richfield
 City of Rigby
 City of Riggins
 City of Ririe
 City of Roberts
 City of Rupert
 City of Salmon
 City of Sandpoint
 City of Shelley
 City of Shoshone
 City of Smelterville
 City of Soda Springs
 City of Spirit Lake
 City of St Anthony
 City of St Charles
 City of St Maries
 City of Stanley
 City of Star
 City of Sugar City
 City of Sun Valley

City of Tensed
 City of Teton
 City of Tetonia
 City of Troy
 City of Twin Falls
 City of Ucon
 City of Victor
 City of Wallace
 City of Weippe
 City of Weiser
 City of Wendell
 City of Weston
 City of Wilder
 City of Winchester
 City of Worley

Water and Sewer Districts

A&B Irrigation District
 Aberdeen-Springfield Canal Co
 Ada County Drainage Dist #2
 American Falls Reservoir
 District #1
 American Falls Reservoir
 District #2
 Avondale Irrigation District
 Bayview Water & Sewer District
 Big Lost River Irrigation
 Big Wood Canal Company
 Bingham Ground Water District
 Black Canyon Irrigation District
 Boise Project Board of Control
 Boise-Kuna Irrigation District
 Burley Irrigation District
 Cabinet Mountains Water
 District
 Caldwell Irrigation Lateral
 District
 Canyon Hill Irrigation District
 Cataldo Water District
 Central Shoshone County
 Water District
 Dalton Gardens Irrigation District
 E Greenacres Irrigation District
 East Shoshone County
 Water District

Emmett Irrigation District
 Falls Irrigation District
 Fish Haven Area
 Recreational Sewer District
 Fremont-Madison Irrigation
 Grandview Mutual Canal
 Company
 Granite Reeder Water & Sewer
 Hayden Lake Recreational
 Water & Sewer District
 Hayden Lake Irrigation District
 Henry's Fork Ground
 Water District
 Hoodoo Water and Sewer District
 Idaho Irrigation District
 Kalispel Bay Water &
 Sewer District
 King Hill Irrigation District
 Kingston Water District
 Kootenai-Ponderay Sewer District
 Lake Irrigation District
 Lewiston Orchard Irrigation District
 Little Wood River Irrigation District
 Milner Low Lift Irrigation District
 Minidoka Irrigation District
 Mtn Home Irrigation District
 Nampa-Meridian Irrigation
 New Sweden Irrigation District
 New York Irrigation District
 North Kootenai Water District
 North Lake Recreational Sewer &
 Water District
 North Snake Ground
 Water District
 Opaline Irrigation District
 Orofino Cr-Whiskey Cr
 Water & Sewer District
 Outlet Bay Water & Sewer District
 Owyhee Project South
 Board of Control
 Payette Lakes Water &
 Sewer District
 Peoples Canal and
 Irrigation Company
 Pinehurst Water District

STATISTICAL SECTION

Pioneer Irrigation District
 Portneuf River Water
 Users District #29
 Progressive Irrigation District
 Riverside Independent
 Water & Sewer
 Riverside Irrigation District
 Riverside Irrigation District LTD
 Roseberry Irrigation District
 Ross Point Water District
 Settlers Irrigation District
 Snake River Valley Irrigation
 District
 Southside Water & Sewer
 District
 Star Sewer & Water District
 Sun Valley Water & Sewer
 Twin Falls Canal Company
 W Bonner Water & Sewer
 District
 Water District #1
 Water District #11
 Water District #31
 Water District #32-C
 Water District #34
 Water District #36A
 Water District #37
 Water District #37N
 Water District #63
 Water District #65
 Water District #67
 Weiser Irrigation District
 Wilder Irrigation District

Highway Districts

Ada County Highway District
 Atlanta Highway District
 Bliss Highway District
 Buhl Highway District
 Burley Highway District
 Canyon Highway District #4
 Central Highway District
 Clarkia Better Roads
 Highway District

Clearwater Highway District
 Cottonwood Highway District
 Deer Creek Highway District
 Dietrich Highway District #5
 Doumecq Highway District
 Downey Swan Lake
 Highway District
 East Side Highway District
 Evergreen Highway District
 Fenn Highway District
 Ferdinand Highway District
 Filer Highway District
 Gem Highway District
 Glenns Ferry Highway District
 Golden Gate Highway District
 Gooding Highway District
 Grangeville Highway District
 Greencreek Highway District
 Hagerman Highway District
 Highway District #1 (Fruitland)
 Hillsdale Highway District
 Homedale Highway District
 Independent Highway District
 Jerome Highway District
 Kamiah Highway District
 Keuterville Highway District
 Kidder-Harris Highway District
 Kimama Highway District
 Lakes Highway District
 Lost River Highway District
 Minidoka County Highway District
 Mountain Home Highway District
 Murtaugh Highway District
 N Latah County Highway District
 Nampa Highway District
 North Highway District
 Notus-Parma Highway District
 Oakley Highway District
 Plummer-Gateway Highway
 District
 Post Falls Highway District
 Prairie Highway District Board
 Raft River Highway District

Richfield Highway District #3
 S Latah County Highway
 District #2
 Shoshone Highway District #2
 Three Creek Highway District
 Twin Falls Highway District
 Union Independent Highway
 District
 Weiser Valley Highway District
 Wendell Highway District #6
 West Point Highway District
 White Bird Highway District
 Winona Highway District
 Worley Highway District

Community Colleges and Public School Districts

**Aberdeen School District
 **Alturas International Academy
 **Alturas Preparatory Academy Inc
 **American Falls School District
 **American Heritage Charter School
 **Anser of Idaho Inc
 **Arbon School District
 **Avery School District
 **Basin School District
 **Bear Lake School District
 **Bingham Academy
 **Blackfoot Charter Community
 Learning Center
 **Blackfoot School District
 **Blaine County School District
 **Bliss School District
 **Boise Independent School District
 **Bonneville School District
 **Boundary County School
 District
 **Bruneau-Grandview School
 District
 **Buhl School District
 **Butte Co School District
 **Caldwell School District
 **Camas County School District

** School Participating in OPEB

STATISTICAL SECTION

| | | |
|---|--|--|
| **Cambridge School District | **Gem Prep: Twin Falls LLC | **Lake Pend Oreille School District |
| **Canyon-Owyhee SD (COSSA) | **Genesee School District | **Lakeland School District |
| **Cardinal Academy Inc | **Glenns Ferry Jt School District | **Lapwai School District |
| **Cascade School District | **Gooding Jt School District | **Legacy Public Charter School |
| **Cassia County School District | **Grace School District | **Lewiston Independent School District |
| **Castleford School District | **Hagerman Jt School District | **Liberty Charter School Inc |
| **Challis Jt School District | **Hansen School District | **Mackay School District |
| **Chief Tahgee Elementary Academy | **Hayden Canyon Charter | **Madison School District |
| **Clark County School District | **Heritage Academy | **Marsh Valley Jt School District |
| **Clearwater/Orofino Jt School District | **Heritage Community Charter School | **Marsing School District |
| **Coeur d'Alene Charter Academy | **Highland Jt School District | **McCall Donnelly School District |
| **Coeur d'Alene School District | **Homedale School District | **Meadows Valley School District |
| **College of Eastern Idaho | **Horseshoe Bend School District | **Melba School District |
| **College of Southern Idaho | **I Succeed Virtual High School | **Meridian Charter High School Inc |
| **College of Western Idaho | **Idaho Bureau of Education Svc for the Deaf and Blind | **Meridian Medical Arts Charter School |
| **Compass Public Charter School | **Idaho High School Activity Assn | **Meridian School District |
| **Cottonwood School District | **Idaho Arts Charter School | **Middleton School District |
| **Council Valley School District | **Idaho College and Career Readiness Academy | **Midvale School District |
| **Culdesac Jt School District | **Idaho Falls School District | **Minidoka County School District |
| **Dietrich School District | **Idaho Home Learning Academy | **Monticello Montessori Charter School |
| **Doral Academy of Idaho | **Idaho Novus Classical Academy | **Mosaics Public School |
| **Elevate Academy East Idaho | **Idaho Science & Technology Charter School | **Moscow Charter School |
| **Elevate Academy Nampa LLC | **Idaho Virtual Academy | **Moscow School District |
| **Elevate Academy North LLC | **Idaho Virtual Education Partners Inc | **Mountain Community School |
| **Elevate Academy Inc | **Inspire Virtual Charter School | **Mountain Home School District |
| **Emmett School District | **Island Park Charter School | **Mountain View School District |
| **Falconridge Charter School | **Jerome School District | **Mullan School District |
| **Fern-Waters Public Charter School | **Kamiah Jt School District | **Murtaugh School District |
| **Filer School District | **Kellogg School District | **Nampa School District |
| **Firth School District | **Kendrick School District | **New Plymouth School District |
| **Forge International School | **Kimberly School District | **NezPerce Jt School District |
| **Fruitland School District | **Kootenai Bridge Academy | **North Gem School District |
| **Future Public School Inc | **Kootenai Classical Academy Inc | **North Idaho College |
| **Garden Valley School District | **Kootenai School District | **North Star Charter School |
| **Gem Prep: Meridian LLC | **Kootenai Technical Education Campus | **North Valley Academy Charter School |
| **Gem Prep: Meridian North LLC | **Kuna Jt School District | **Notus School District |
| **Gem Prep: Meridian South LLC | | **Oneida School District |
| **Gem Prep: Nampa LLC | | **Palouse Prairie Education Organization |
| **Gem Prep: Online, LLC | | |
| **Gem Prep: Pocatello LLC | | |

** School Participating in OPEB

STATISTICAL SECTION

**Parma School District
 **Pathways in Education-Nampa Inc
 **Pathways in Education-West Ada
 **Payette River Regional
 Technical Academy
 **Payette School District
 **Peace Valley Charter
 **Pinecrest Academy of Idaho
 **Pinecrest Academy of Lewiston
 **Pleasant Valley School District
 **Plummer-Worley Jt School
 District
 **Pocatello Community
 Charter School
 **Pocatello School District
 **Post Falls School District
 **Potlatch School District
 **Prairie School District
 **Preston School District
 **Project Impact STEM Academy
 **Promise Academy
 **RISE Charter School Inc
 **Richard McKenna Charter
 High School
 **Richfield School District
 **Rigby School District
 **Ririe School District
 **Rockland School District
 **Rolling Hills Charter School
 **STEM Charter Academy
 **Sage International School
 of Boise
 **Salmon River Jt School District
 **Salmon School District
 **Sandpoint Charter School
 **Shelley Jt School District
 **Shoshone School District
 **Snake River School District
 **Soda Springs School District
 **South Lemhi School District
 **St Anthony School District
 (FremontCoSD)

**St Maries School District
 **Sugar-Salem School District
 **Swan Valley School District
 **Syringa Mountain School
 **Taylors Crossing Public
 Charter School
 **Teton School District
 **The Academy Inc
 **Thomas Jefferson Charter
 School
 **Three Creek School District
 **Treasure Valley Classical
 Academy Inc
 **Troy School District
 **Twin Falls School District
 **Valley School District
 **Vallivue School District
 **Victory Charter School
 **Vision Charter School
 **Wallace School District
 **Weiser School District
 **Wendell School District
 **West Bonner County
 School District
 **West Jefferson School District
 **West Side School District
 **White Pine Charter School
 **Whitepine Jt School District
 **Wilder School District
 **Xavier Charter School

Other

Aberdeen District Library
 Ada County Free Library
 American Falls Housing Authority
 American Falls Free Library
 Ammon Cemetery District
 Association of Idaho Cities
 Bannock Planning Organization
 BC South Fire Protection District
 Bear Lake County Library

Bear Lake County Fire District
 Bear Lake Regional Commission
 Bingham County Senior
 Citizen Center
 Blackfoot Fire Department
 Blaine County Recreation
 District
 Blaine Soil Conservation District
 Boise Basin Library District
 Boise City/Ada County
 Housing Authority
 Boise Fire Department
 Boise River Flood Control
 District #10
 Bonner Soil & Water
 Conservation District
 Bonneville County Library District
 Bonneville County Fire
 District #1
 Boundary County Free Library
 Buhl Fire District
 Buhl Housing Authority
 Burley Fire Department
 Burley Library
 Caldwell Fire Department
 Caldwell Housing Authority
 Canyon County Mosquito
 Abatement District
 Canyon County
 Ambulance District
 Capital City Development
 Corporation
 Caribou Soil
 Conservation District
 Cascade Medical Center
 Cascade Rural Fire & EMS
 Central Fire District
 Central Orchards Sewer District
 Clearwater-Potlatch
 Timber Protection Assn
 Coeur d'Alene Fire Department
 Commission Planning
 Association of SW Idaho

** School Participating in OPEB

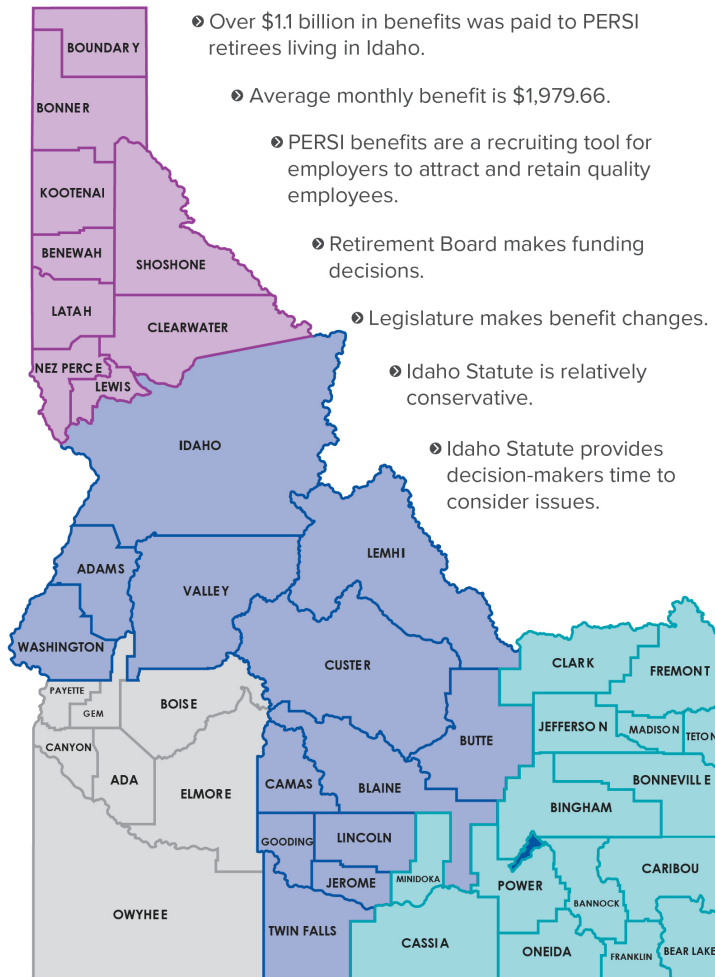
STATISTICAL SECTION

| | | |
|--|--|--|
| Consolidated Free Library District | Grangeville Cemetery Maintenance District | Jerome Recreation District |
| Coolin Sewer District | Greater Middleton Parks & Recreation District | Joplin Cemetery Maintenance District |
| Cottonwood Rural Fire Dept | Greater Swan Valley Fire Protection District | Kingston-Cataldo Sewer District |
| Council Valley Free Library District | Groveland Cemetery Maintenance District | Kootenai County Emergency Medical Services |
| Deary Rural Fire District | Hagerman Cemetery District | Kootenai Shoshone Soil & Water Conservation District |
| Donnelly Rural FPD | Hagerman Fire Protection District | Kootenai County Fire & Rescue P |
| Dry Creek Cemetery District | Hauser Lake Fire Protection District | Kootenai Metropolitan Planning Organization |
| Eagle Fire Protection District | Hayden Area Regional Sewer Board | Kuna Cemetery Maintenance District |
| Eagle Sewer District | Hillcrest Cemetery Maintenance District | Kuna Fire District |
| East Bonner County Library District | Homedale Library District | Kuna Library District |
| Eastern Elmore County Recreation District | Homedale Rural Fire Protection District | Kuna Rural Fire District |
| Eastern Idaho Fair Recreation District | Housing Alliance & Community Partnerships (HACP) | Latah County Library District |
| Eastern Idaho Regional Waste Water Authority | Idaho Association of Counties | Lemhi County Fire Protection District |
| East Side Fire District | Idaho Association of School Administrators | Lemhi County Library District |
| Edwards Mosquito Abatement District | IDAWY Solid Waste District | Lemhi Soil & Water Conservation District |
| Ellisport Bay Sewer District | Idaho County Risk Mgmt Program | Lewis Soil Conservation District |
| Filer Cemetery Maintenance District | Idaho Crop Improvement Association | Lewiston Fire Department |
| Filer Rural Fire Protection District | Idaho Falls Fire Department | Lewiston-Nez Perce County Airport Authority |
| Franklin County Library District | Idaho Digital Learning Academy | Lincoln County Cemetery District |
| Franklin County Fire District | Idaho Education Association | Lincoln County Emergency Services |
| Fremont County District Library | Idaho Heritage Trust | Lincoln County Housing Authority |
| Garden Valley Fire Protection District | Idaho School Boards Association | Local Highway Technical Assistance Council |
| Gem County Mosquito Abatement District | Idaho School District Council | Madison County Library District |
| Gem County Recreation | ID Independent Intergovernmental Authority | Magic Valley Metro Plan Org |
| Gem County Fire Protection District 1 | Iona Bonneville Sewer District | M-A-R Cemetery District |
| Gem Soil & Water Conservation District | Jefferson Free Library District | Marsing-Homedale Cemetery District |
| Gooding Cemetery Maintenance District | Jerome Cemetery Maintenance District | Marsing Rural Fire District |
| Gooding Fire District | Jerome Fire Department | McCall Fire Protection District |
| Gooding Public Library District | | Meadows Valley Rural Fire District |
| Gooding Soil Conservation District | | |

STATISTICAL SECTION

| | | |
|---|---|--|
| Meadows Valley Public Library District | Port of Lewiston | Squaw Creek Soil Conservation District |
| Meridian Cemetery Maintenance District | Portneuf Library District | St Maries Fire Protection District |
| Meridian Library District | Post Falls Urban Renewal Agency | Stanley Community Library District |
| Metro Community Services Inc | Prairie-River Library District | Star Cemetery Maintenance District |
| Mica Kidd Island Fire Protection District | Priest Lake Public Library | Star Joint Fire Protection District |
| Middleton Rural Fire District | Rexburg Cemetery District | Teton County Fire Protection District |
| Minidoka County Fire Protection District | Rexburg-Madison Fire | Timberlake Fire Protection District |
| Minidoka Soil & Water Conservation District | Rock Creek Fire Protection District | Twin Falls County Pest Abatement District |
| Moscow Cemetery District | S Bannock Library District | Twin Falls County Fair |
| Moscow Fire Department | S Idaho Solid Waste District | Twin Falls Fire Department |
| Moscow Rural Fire District | S Idaho Timber Protection Association | Twin Falls Housing Authority |
| N Ada Co Fire/Rescue District | Sagle Fire District | Valley of Tetons Library Board |
| N Bingham County Library District | Salmon River Canal Company Ltd | Valley Recreation District of Hazelton |
| N Fremont Cemetery District | Sandpoint Fire Department | Valley Regional Transit |
| Nampa Fire Protection District | Schweitzer Fire District | Valley Soil & Water Conservation District |
| Nampa Housing Authority | Selkirks-Pend Oreille Transit Authority | W Boise Sewer District |
| Nez Perce County Fair Board | Shelley Cemetery District | Weiser Ambulance District |
| No Lakes Fire Protection District | Shelley-Firth Fire District-Ambulance Unit | Weiser Area Rural Fire District |
| North Bannock Fire District | Shelley-Firth Fire Protection District | Weiser Memorial Hospital |
| North Idaho Fair | Shoshone City & Rural Fire Protection District | Wendell Rural Fire Department |
| Northside Fire District | Shoshone County Fire Department #1 | West Bonner Library District |
| Oneida County Library | Shoshone County Fire Department #2 | West End Cemetery District |
| Oregon Trail Recreation District | Shoshone County FD#2 | West End Fire Protection District |
| Orofino Cemetery District | So Central Regional E911 | Westside Fire District |
| Paradise Valley Fire District | South Bingham Soil Conservation District | Whitney Fire Protection District |
| Paul Cemetery District | South Boundary Fire Protection District | Whitney FPD |
| Payette County Gopher Extermination District | South Fork Coeur d'Alene River Sewer District | Wilder Cemetery District |
| Payette County Recreation District | South Fremont Fire Protection District | Wilderness Ranch Fire Protection District |
| Payette Fire Department | Southern Valley County Recreation District | Wilder Rural Fire Protection District |
| Plummer Gateway Fire Protection District | Spirit Lake Fire Protection District | Wood River Soil & Water Conservation District |
| Pocatello Fire Department | | Worley Fire Protection District |
| Pocatello-Chubbuck Auditorium District | | W Pend Oreille Fire District |

PERSI BENEFITS PAID IN FISCAL YEAR 2025 TO RETIREES LIVING IN IDAHO



| COUNTIES | 2025 in millions | NUMBER OF RETIREES | AVERAGE MONTHLY BENEFIT |
|-------------------------|---------------------|-----------------------|-------------------------------|
| Boundary | 6.11 | 357 | \$1,426.86 |
| Bonner | 22.89 | 1,163 | \$1,639.85 |
| Kootenai | 84.47 | 3,712 | \$1,896.40 |
| Benewah | 6.50 | 339 | \$1,597.67 |
| Shoshone | 9.54 | 525 | \$1,513.79 |
| Latah | 39.46 | 1,567 | \$2,098.41 |
| Clearwater | 10.00 | 492 | \$1,694.43 |
| Nez Perce | 36.57 | 1,462 | \$2,084.42 |
| Lewis | 2.29 | 109 | \$1,751.03 |
| Idaho | 13.20 | 713 | \$1,542.59 |
| Adams | 4.31 | 220 | \$1,631.75 |
| Washington | 9.01 | 477 | \$1,573.94 |
| Valley | 14.48 | 559 | \$2,158.23 |
| Lemhi | 7.08 | 372 | \$1,586.22 |
| Custer | 3.20 | 180 | \$1,483.66 |
| Butte | 1.84 | 108 | \$1,418.42 |
| Camas | 1.65 | 69 | \$1,992.93 |
| Blaine | 14.89 | 529 | \$2,345.11 |
| Gooding | 10.37 | 543 | \$1,592.15 |
| Lincoln | 3.80 | 177 | \$1,791.20 |
| Jerome | 10.40 | 510 | \$1,699.62 |
| Twin Falls | 51.38 | 2,240 | \$1,911.40 |
| Payette | 12.71 | 604 | \$1,753.62 |
| Gem | 13.00 | 647 | \$1,674.50 |
| Boise | 6.50 | 295 | \$1,835.94 |
| Canyon | 115.36 | 5,051 | \$1,903.32 |
| Ada | 363.60 | 13,263 | \$2,284.57 |
| Elmore | 15.27 | 738 | \$1,724.81 |
| Owyhee | 5.12 | 305 | \$1,398.84 |
| Minidoka | 12.90 | 669 | \$1,606.59 |
| Cassia | 14.97 | 745 | \$1,674.73 |
| Oneida | 3.23 | 158 | \$1,702.78 |
| Power | 5.45 | 249 | \$1,822.47 |
| Franklin | 5.23 | 317 | \$1,374.12 |
| Bear Lake | 4.82 | 283 | \$1,419.18 |
| Bannock | 79.40 | 3,042 | \$2,174.98 |
| Caribou | 5.27 | 268 | \$1,637.38 |
| Bingham | 30.91 | 1,434 | \$1,796.39 |
| Bonneville | 69.45 | 2,714 | \$2,132.55 |
| Teton | 3.20 | 165 | \$1,617.18 |
| Madison | 14.84 | 650 | \$1,902.43 |
| Jefferson | 16.75 | 794 | \$1,758.37 |
| Fremont | 11.21 | 542 | \$1,732.61 |
| Clark | 0.74 | 37 | \$1,667.81 |
| TOTALS FOR IDAHO | 1,173 | 49,393 | \$1,979.66 |

CONTACT US AT

Public Employee Retirement System of Idaho
 607 North 8th Street | Boise, Idaho 83702
 208.334.3365 or 1.800.451.8228
www.persi.idaho.gov

STATISTICAL SECTION

Several publications and reports are distributed to members and employers to keep them informed about the status of their membership accounts and PERSI in general, including:

- Annual Comprehensive Financial Report
- Member Handbook
- Annual Membership Account Statement
- Remittance Advice
- Newsletters
- Brochures
- Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. (Form 1099R)
- Pre-Retirement Education Materials
- Reports to Legislature
- Memorandums to Employers

To receive any of these materials, contact PERSI (numbers below). Additional PERSI information can be found on PERSI's website at www.persi.idaho.gov.

PERSI Office Locations:

Boise

Office Location:
607 North 8th Street
Boise, ID 83702

Mailing Address:
P.O. Box 83720
Boise, ID 83720-0078

Coeur d'Alene

Office Location:
1250 W. Ironwood Dr.
Suite 316
Coeur d'Alene, ID 83814

Mailing Address:
P.O. Box 83720
Boise, ID 83720-0078

Pocatello

Office Location:
305 N. 3rd Avenue
Suite B
Pocatello, ID 83201

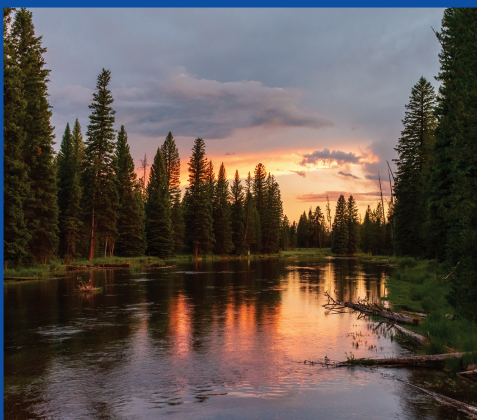
Mailing Address:
P.O. Box 83720
Boise, ID 83720-0078

Telephone:

PERSI Answer Center (208) 334-3365 Toll-free 1-800-451-8228

Employer Service Center (208) 287-9525 Toll-free 1-866-887-9525

PERSI Choice 401(k) Plan Toll-free 1-866-437-3774



Public Employee Retirement System of Idaho

The costs associated with this publication are available from the Public Employee Retirement System of Idaho in accordance with Section 60-202, Idaho Statute.



MOSAIC
Governance Advisors

2026 Board Workplan

A Presentation to the PERSI Board | December 9, 2025

Amy McDuffee | Natasha Smith

Agenda

- Revisit board meeting effectiveness discussion from 2025 Board Continuing Education Retreat
- Review workplan development process
- Review draft 2026 workplan
- Discussion





Overview: Board Meeting Effectiveness

*Key Topics from Sept. 2025
Board Continuing Education Retreat*

Recap: Where Should Public Pension Boards Focus?

Implementation ← → *Future Thinking*

Operations

Oversight

Strategic

Areas of Focus for a Policy Board

At the Board Continuing Education Retreat, trustees expressed a desire to act as a policy board that primarily focuses on strategic items.

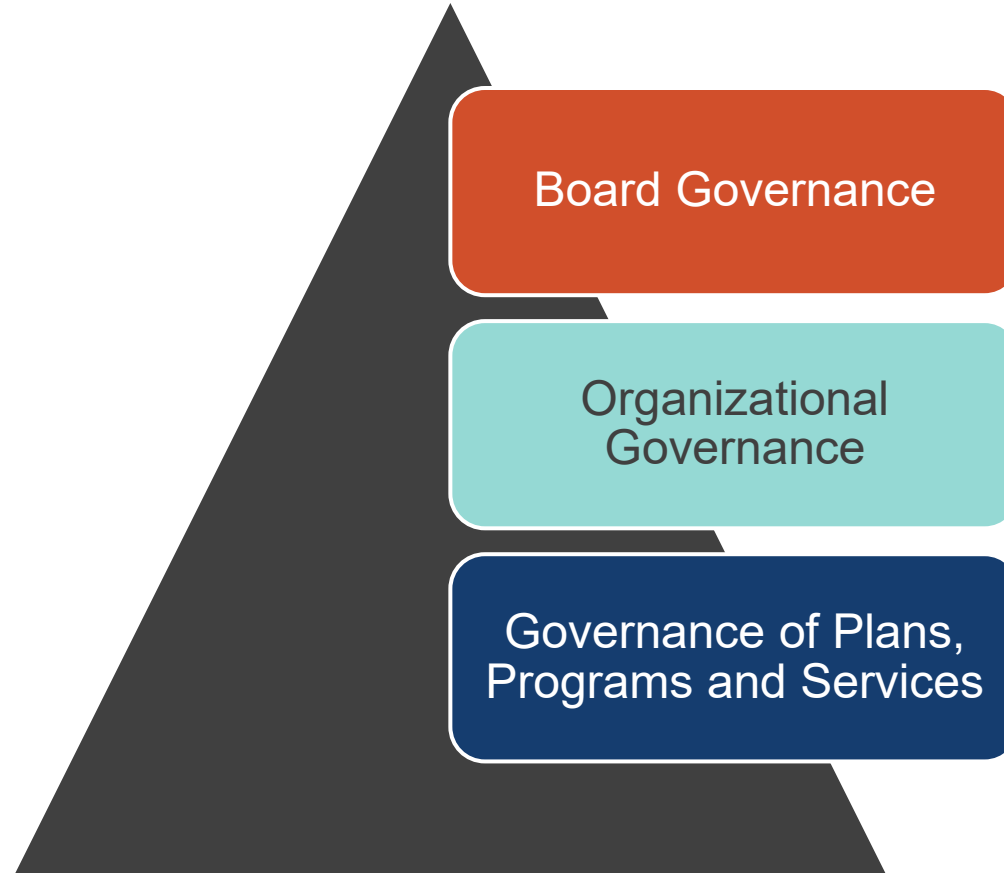


Recap: The Role of a Policy Board

- Shape mission and strategic direction.
- Set appetite on key risks for the system and monitor/mitigate emerging risks.
- Ensure leadership, talent, and resources.
- Monitor and advocate for improved organizational outcomes.



Recap: Common Scope of Board Decision-Making



Applying the Frameworks: Board Workplans

- PERSI identified an opportunity to revisit the cadence and focus of Board meetings to better align with Board responsibilities and engagement preferences.
- At the Board Continuing Education Retreat, trustees and senior staff were asked to allocate 2026 meeting time across Strategy, Risk, Performance & People.
- This information was used to develop a draft 2026 board workplan

The image displays three overlapping document thumbnails representing PERSI frameworks. The top-left thumbnail is titled "PERSI Responsibilities | Board Governance" and lists responsibilities under Strategy, Risk, and Performance categories. The top-right thumbnail is titled "PERSI Responsibilities | Organizational Governance" and lists responsibilities under Strategy, Risk, and Performance categories. The bottom-right thumbnail is titled "Effective Oversight for PERSI | Governance of Plans, Programs and Services" and lists responsibilities under Strategy, Risk, and People categories. Each document includes a "How should time be allocated for 2026?" section at the bottom.

PERSI Responsibilities | Board Governance

Strategy _____%

1. Adopt board meeting calendar and workplan
2. Determine types of committees
3. Identify and deliver
4. Oversee Trustee or
5. Set policies in the C Board's role

Risk _____%

6. Monitor compliance with the Governance Manual; approve charter/policy updates, including delegations of authority

Performance _____%

10. Conduct self-evaluat
11. Self-assess individ Board education ne

PERSI Board Education Retreat

PERSI Responsibilities | Organizational Governance

Strategy _____%

1. Approve organization-wide long-range plan
2. Forward annual Admin operating budget to Governor
3. Approve actions on
4. Initiate legislation, v
5. Set policies in the C pertaining to the Bo organization.

Risk _____%

6. Address succession planning for Ex. Dir.
7. Ensure Ex. Dir. addresses succession for staff
8. Approve organization-wide risk appetite

Performance _____%

15. Monitor and evalu
16. Monitor and evalu
17. Monitor long-range
18. Monitor organizat

PERSI Board Education Retreat

Effective Oversight for PERSI | Governance of Plans, Programs and Services

Strategy _____%

1. Set policies in the Governance Manual pertaining to the Board's oversight of plans, programs and services, including investment policies and funding guidelines
2. Set employer contribution rates
3. Adopt actuarial assumptions, based upon actuarial experience study, asset/liability studies, and periodic actuarial audits
4. Recommend to the Legislature, if determined to be appropriate, ad hoc discretionary and retroactive post-retirement allowances (PAAs)

Risk _____%

5. Oversee investment policy compliance
6. Ensure management administers plans, programs, and services in compliance with applicable law
7. Monitor funding progress, and make recommendations, upon request
8. Review and determine administrative appeals.
9. Ensure management has framework in place to keep member and organizational data secure, address and monitor cyber risk

People _____%

10. Adopt annual actuarial valuations
11. Oversee portfolio performance and expenses
12. Oversee administrative performance and expenses
13. Oversee delegations made to staff
14. Review and determine administrative appeals
15. Monitor system and benefit effectiveness and trends across all programs.

How should time be allocated for 2026?

PERSI Board Education Retreat | September 24, 2025 | © 2025 Mosaic Governance Advisors, LLC. All rights reserved.



What is a Board Workplan?

- Annual planning tool/practice to improve governance effectiveness.
- Reflects the following work in alignment with the Governance Policy Manual:
 - Routine/required work,
 - Periodic significant events,
 - Strategic items.
- Developed by the Board in partnership with the Executive Director and CIO.

Board Effectiveness Practices

- ☐ Use an annual workplan to ensure sufficient coverage of responsibilities.
- ☐ Publish an annual meeting calendar in advance of the year and consistently maintain it.
- ☐ Schedule annual board education retreats to deepen knowledge and increase governance capacity.
- ☐ Evaluate meeting effectiveness and frequency through the annual board self-evaluation.



Board Workplan Benefits

- Aligns Board duties.
- Sets clear expectations – defines focus areas and priorities.
- Supports a Board's strategic policy level focus.
- Balances Board workload across meetings.
- Improves agenda planning.
- Creates a cohesive decision-making rhythm for the Board.
- Serves as a helpful filter to assess and prioritize emerging issues.

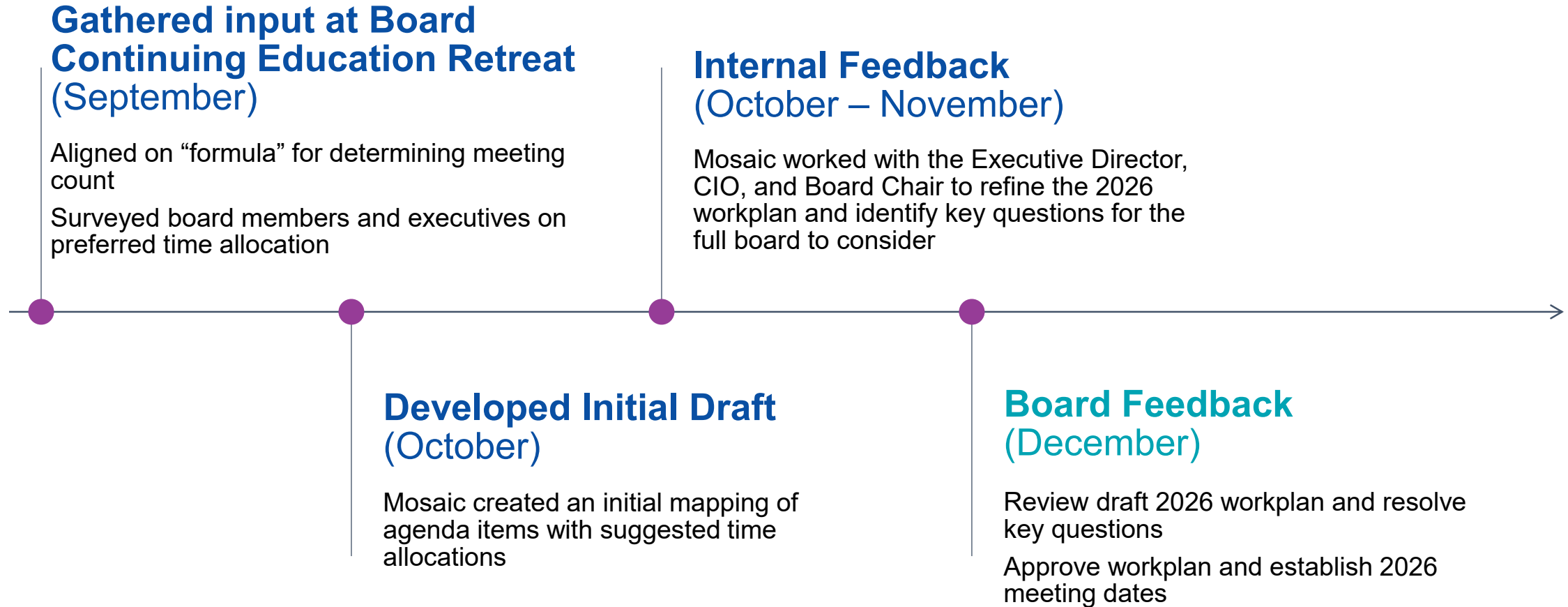




2026 Board Workplan

Draft & Discussion Items

2026 Workplan: Development Process



2026 Workplan: Overview (“5.5 + 1”)

| FEBRUARY | MAY | JUNE | | AUGUST | OCTOBER | DECEMBER |
|-----------------|------------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|
| Regular Meeting | Regular Meeting | Regular Meeting | Board Continuing Education Retreat | Regular Meeting | Regular Meeting | Regular Meeting |
| <i>5 hours</i> | <i>5.5 hours</i> | <i>2 hours</i> | <i>8-10 hours</i> | <i>4 hours</i> | <i>4 hours</i> | <i>4 hours</i> |



2026 Workplan: Allocation Across Board Responsibilities

| Sept. 2025 Survey Results: Trustees & Senior Staff | STRATEGY | RISK | PERFORMANCE | PEOPLE |
|---|------------|------------|-------------|------------|
| <i>Board Governance</i> | 39% | 34% | 14% | 14% |
| <i>Organizational Governance</i> | 36% | 35% | 19% | 11% |
| <i>Plans, Programs & Services</i> | 44% | 24% | 19% | 12% |
| Overall Preference | 40% | 31% | 17% | 12% |
| 2026 Workplan Allocation | 41% | 29% | 17% | 11% |



2026 Workplan: Standing Items

- **Information Agenda Items**

- Executive Director Report
- CIO Report
- General Counsel's Governance Policy Review
- Legislative Update

- **Consent Agenda Items**

- Board Minutes
- CFO Update
- Member Services Update



2026 Workplan: Distinct Items Requiring Board Time

| FEBRUARY | MAY | JUNE | AUGUST | OCTOBER | DECEMBER |
|---|---|---|---|--|---|
| Internal Audit Plan* Investment Manager Selection* Long-range Plan Process Kickoff Capital Markets Assumptions Fiduciary Training (Part II) Board Self-evaluation & Education Needs Assessment | Actuarial Experience Study (Sick Leave)* Executive Director Evaluation* Asset/Liability Study* Annual Operating Budget Preview Draft Contribution Rate Real Estate Review | Contribution Rate Discussion* Executive Director Evaluation Follow-up | Annual Operating Budget* CIO Evaluation* Contribution Rate Draft Actuarial Valuation Draft General Counsel Litigation Update Private Equity Review Investment Manager Market Commentary | Contribution Rate Discussion* Actuarial Valuation* Choice Plan Annual Review* Investment Policy Statements - DB, SL* 2027 Workplan & Meeting Calendar External Auditor Report CIO Evaluation Follow-up Investment Manager Market Commentary | 2027 Workplan & Meeting Calendar* COLA Discussion* Investment Policy Statement – DC* Long-range Plan First Reading Budget Revisions ACFR Board / Consultants / Staff / Staff Advisors Discussion |

**Action Items*



2026 Workplan: Meeting Length Discussion

| FEBRUARY | MAY | JUNE | | AUGUST | OCTOBER | DECEMBER |
|-----------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|
| Regular Meeting | Regular Meeting | Regular Meeting | Board Continuing Education Retreat | Regular Meeting | Regular Meeting | Regular Meeting |
| 5 hours | 5.5 hours | 2 hours | 8-10 hours | 4 hours | 4 hours | 4 hours |



Discussion Topic

These meetings exceed the board's preference for 4-hour meetings. *Should agenda items be removed or rearranged?*



Next Steps

Next Steps

- PERSI staff to coordinate schedules for 2026 board meetings
- Mosaic will facilitate a continued conversation about board meeting effectiveness:
 - Through board self-evaluation process (February 2026)
 - During the board continuing education retreat (June 2026)





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Thank You

Mosaic Governance Advisors, LLC | www.MosaicGovernance.com

| | Regular Meeting 1 Timing | | Regular Meeting 2 Timing | | Board Education Offsite + 1/2 Regular Meeting Timing | | Regular Meeting 3 Timing | | Regular Meeting 4 Timing | | Regular Meeting 5 Timing | | Total Time | |
|------------------------|---|----|--|----|--|----|---|----|---|----|---|----|------------|-----|
| Month | February | | May | | June | | August | | October | | December | | | |
| Time Allocation Target | 240 minutes | | 240 minutes | | 1.5 days (2-hour regular meeting) | | 240 minutes | | 240 minutes | | 240 minutes | | | |
| Strategy | 70 | | 105 | | 360 | | 70 | | 90 | | 130 | | 825 | 41% |
| | Long-Range Plan Process Kickoff | 15 | | | Content TBD (will include Long-Range Plan discussions) | | | | | | Long-Range Plan First Reading | 30 | | |
| | | | | | | | | | Board Workplan/Meeting Calendar* | 0 | 2027 Board Meeting Workplan and Meeting Dates | 10 | | |
| | Legislative Update | 15 | Legislative Update | 15 | | | Legislative Update/Ideas/Rules | 20 | Legislative Update | 15 | Legislative Update | 15 | | |
| | Governance Policy Review* (GC Governance Report) | 15 | Governance Policy Review* (GC Governance Report) | 15 | | | Governance Policy Review* (GC Governance Report) | 15 | Governance Policy Review* (GC Governance Report) | 15 | Governance Policy Review* (GC Governance Report) | 15 | | |
| | | | Annual Operating Budget Preview | 20 | | | Annual Operating Budget (A) | 20 | | | Budget Revisions* | 0 | | |
| | | | Contribution Rate Draft (I) | 15 | Contribution Rate Discussion (A) | 30 | Contribution Rate Draft (I) | 15 | Contribution Rate Discussion (A) | 30 | COLA Discussion (I/A) | 30 | | |
| | Capital Markets Assumptions | 25 | Asset/Liability Study (A) | 40 | | | | | Investment Policy Statements - DB, SL (A) * | 30 | Investment Policy Statement - DC (A) * | 30 | | |
| Risk | 105 | | 60 | | 300 | | 35 | | 85 | | 0 | | 585 | 29% |
| | Fiduciary training Part II | 75 | | | | | | | | | | | | |
| | | | Actuarial Experience Study (Sick Leave) - Economic & Demographic Assumptions (A) | 60 | | | Actuarial Valuation Draft (I) | 20 | Actuarial Valuation (A) | 30 | | | | |
| | | | | | | | General Counsel Litigation Update | 15 | | | | | | |
| | | | | | | | | | Choice Plan Annual Review (including setting admin rates (A) + Callan structure & investment option review) | 45 | | | | |
| | Internal Audit Plan based on Risk Assessment (A), including cybersecurity | 30 | | | | | | | External Auditor, including cybersecurity | 10 | | | | |
| Performance | 50 | | 110 | | 30 | | 70 | | 30 | | 50 | | 340 | 17% |
| | Executive Director Report | 15 | Executive Director Report | 15 | Executive Director Report | 15 | Executive Director Report | 15 | Executive Director Report | 15 | Executive Director Report | 15 | | |
| | CIO Report | 15 | CIO Report | 15 | CIO Report | 15 | CIO Report | 15 | CIO Report | 15 | CIO Report | 15 | | |
| | Callan Quarterly Report** | 20 | Callan Quarterly Report** | 20 | | | Callan Quarterly Report** | 20 | | | Callan Quarterly Report** | 20 | | |
| | | | Real Estate Review - CIO/DCIO, Callan, AEW, DBF | 60 | | | Private Equity Review - CIO/DCIO, Hamilton Lane | 20 | | | | | | |
| | CFO Update/Quarterly Financial Statements* | 0 | CFO Update/Quarterly Financial Statements* | 0 | | | CFO Update/Quarterly Financial Statements* | 0 | CFO Update/Quarterly Financial Statements* | 0 | CFO Update/Quarterly Financial Statements* | 0 | | |
| | | | | | | | | | | | ACFR* | 0 | | |
| | Member Services Quarterly Update* | 0 | Member Services Quarterly Update* | 0 | | | Member Services Quarterly Update* | 0 | Member Services Quarterly Update* | 0 | | | | |
| People | 45 | | 45 | | 15 | | 45 | | 15 | | 60 | | 225 | 11% |
| | Board Self-Evaluation & Trustee Education Needs Assessment | 45 | | | | | | | | | Board/Consultants/Staff/Staff Advisors discussion | 60 | | |
| | | | ED Evaluation (A) + Succession Readiness | 45 | ED Evaluation Follow Up (I) | 15 | CIO Evaluation/Compensation Decision (A) + Succession Readiness | 45 | CIO Evaluation Follow Up (I) | 15 | | | | |
| Other | 15 | | 0 | | 0 | | 10 | | 10 | | 0 | | 35 | 2% |
| | CIO & DCIO - Investment Manager Selection (A) *** | 15 | | | | | Investment Manager Market Commentary | 10 | Investment Manager Market Commentary | 10 | | | | |
| TOTAL MEETING TIME | 285 | | 320 | | 705 | | 230 | | 230 | | 240 | | 2010 | |
| BREAK | 15 | | 15 | | | | 15 | | 15 | | 15 | | | |
| WITH BREAKS | 300 | | 335 | | | | 245 | | 245 | | 255 | | | |

NOTES

(A) Action Item

(I) Information Item

*Likely consent item

**Options: 1) Receive and file quarterly report + semi-annual Callan presentation, 2) move to semi-annual report (requires change to IPS)

*** Investment Manager Selection may be moved to May depending on the timing of the February meeting

This is not in agenda order yet and meeting management techniques have not yet been applied

Content of Board Education Retreat will be determined based on the results of the board self-evaluation and education needs assessment. Board education could include education from investment managers, and should include strategic planning in 2026.

| Board & Executive Staff Preferences for Meeting Time Allocation* | | | | |
|--|------------|------------|-------------|------------|
| Board + Executive Staff | Strategy | Risk | Performance | People |
| Board Governance | 39% | 34% | 14% | 14% |
| Organizational Governance | 36% | 35% | 19% | 11% |
| Plans, Programs & Services | 44% | 24% | 19% | 12% |
| | 40% | 31% | 17% | 12% |

| | | | | |
|-----------------------------------|-----|-----|-----|-----|
| DRAFT Allocation (5.5 + 1) | 41% | 29% | 17% | 11% |
|-----------------------------------|-----|-----|-----|-----|

**From Sept. 2025 Board Education Retreat*

Many of the workplan items are straightforward in their definition. This list provides some definition for those items that may be less straightforward and/or new to the board agenda.

| Agenda Item | Description |
|--|---|
| Board/Consultants/Staff/Staff Advisors discussion | Time for the Board to meet with staff, investment consultants and staff advisors to receive an independent view on investment-related matters. |
| Budget Revisions | Opportunity for Board to discuss any revisions to the budget, if necessary. |
| Callan Quarterly Report | Cadence and presentation focus to be discussed by Board in December 2025 meeting. |
| Capital Markets Assumptions | Provided to the board annually to set expectations of the potential range of portfolio performance outcomes over the next 12 months. |
| CIO & DCIO - Investment Manager Selection | Staff, in conjunction with Investment Consultant, recommends managers to hire; Board approves. |
| CIO Evaluation Follow Up | Opportunity for CIO to clarify or respond to any feedback provided during the CIO evaluation. |
| ED Evaluation Follow Up | Opportunity for the ED to clarify or respond to any feedback provided during the ED evaluation. |
| Governance Policy Review | Led by General Counsel with involvement of subject matter experts as needed (e.g., fiduciary counsel, governance consultant, investment consultant, actuaries, internal staff). |
| Investment Manager Market Commentary | Opportunity for the board to hear an outside perspective on market events, risks, or opportunities that could impact long-term institutional investors like PERSI. |
| Legislative Update | Opportunity for PERSI staff to share any significant updates related to legislative items. |
| Legislative Update/Ideas/Rules | Opportunity for PERSI staff to recap most recent legislative session and provide input on preparations for next legislative session. |
| Private Equity Review - CIO/DCIO, Hamilton Lane | Overview of Private Equity portfolio performance focused on significant performance attribution and forward-looking strategic items related to Private Equity investments. |
| Real Estate Review - CIO/DCIO, Callan, AEW, DBF | Overview of Real Estate portfolio performance focused on significant performance attribution and forward-looking strategic items related to Real Estate assets. |

December 9, 2025



Public Employee Retirement System of Idaho

Third Quarter 2025

Performance Evaluation

Greg Allen
CEO & CRO

Ann O'Bradovich
Senior Vice President

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

Agenda

- Market Overview and Summary
- DB Performance
- DC Performance
- Sick Leave Plan Performance
- Callan Updates

Global Equity Markets Continue to Run in 3Q25

U.S. markets lead developed ex-U.S. markets; emerging markets continue strength from 1Q and 2Q

Big gains for global stocks

- S&P 500 rose 8.1% in 3Q25, while U.S. small caps jumped 12.4%. Global markets are looking past the impact of U.S. tariffs and show confidence in the absence of a recession in the U.S. economy.

Modest 3Q returns for core fixed income

- The Bloomberg Aggregate rose 2.0%, up from 1.2% in 2Q. Long duration rose 3.2% as long rates came down.
- CPI-U rose 3.0% (year-over-year) through September. The core index also rose 3.0%. Both figures are up from June but below economist estimates of 3.1%. There were some signs that tariffs are lifting prices in smaller categories, but modest shelter inflation weighed down the overall index at both the core and headline levels.

Dislocation in economic growth measures

- The job market stopped expanding in April while GDP growth surged 3.8% in 2Q and is on track for another gain in 3Q.
- Consumer spending has surprised on the upside; business spending has paused.

Returns for Periods ended 9/30/25

| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 25 Years |
|------------------------------|---------|--------|---------|---------|----------|----------|
| U.S. Equity | | | | | | |
| Russell 3000 | 8.18 | 17.41 | 24.12 | 15.74 | 14.71 | 8.35 |
| S&P 500 | 8.12 | 17.60 | 24.94 | 16.47 | 15.30 | 8.36 |
| Russell 2000 | 12.39 | 10.76 | 15.21 | 11.56 | 9.77 | 7.80 |
| Global ex-U.S. Equity | | | | | | |
| MSCI World ex USA | 5.33 | 16.03 | 21.60 | 11.60 | 8.41 | 5.18 |
| MSCI Emerging Markets | 10.64 | 17.32 | 18.21 | 7.02 | 7.99 | -- |
| MSCI ACWI ex USA Small Cap | 6.68 | 15.93 | 19.36 | 9.97 | 8.37 | 7.62 |
| Fixed Income | | | | | | |
| Bloomberg Aggregate | 2.03 | 2.88 | 4.93 | -0.45 | 1.84 | 3.90 |
| 90-day T-Bill | 1.08 | 4.38 | 4.77 | 2.98 | 2.08 | 1.86 |
| Bloomberg Long Gov/Credit | 3.16 | -1.28 | 3.96 | -4.57 | 1.88 | 5.25 |
| Bloomberg Global Agg ex-US | -0.59 | 1.87 | 5.75 | -2.54 | 0.48 | 3.12 |
| Real Estate | | | | | | |
| NCREIF Property | 1.19 | 4.65 | -2.55 | 3.79 | 5.03 | 7.39 |
| FTSE Nareit Equity | 4.77 | -1.98 | 10.80 | 9.33 | 6.61 | 9.17 |
| Alternatives | | | | | | |
| Cambridge Private Equity* | 3.86 | 9.29 | 5.02 | 14.24 | 12.80 | 10.45 |
| Cambridge Senior Debt* | 4.20 | 9.74 | 9.42 | 8.97 | 7.92 | 4.88 |
| HFRI Fund Weighted | 5.44 | 11.08 | 9.97 | 8.76 | 6.41 | 5.61 |
| Bloomberg Commodity | 3.65 | 8.88 | 2.76 | 11.53 | 3.96 | 1.73 |
| Gold Spot Price | 17.10 | 45.64 | 32.32 | 15.36 | 13.26 | 11.13 |
| Inflation: CPI-U | 0.69 | 3.01 | 3.05 | 4.53 | 3.16 | 2.54 |

*Cambridge Private Equity and Cambridge Senior Debt data as of 2Q25.

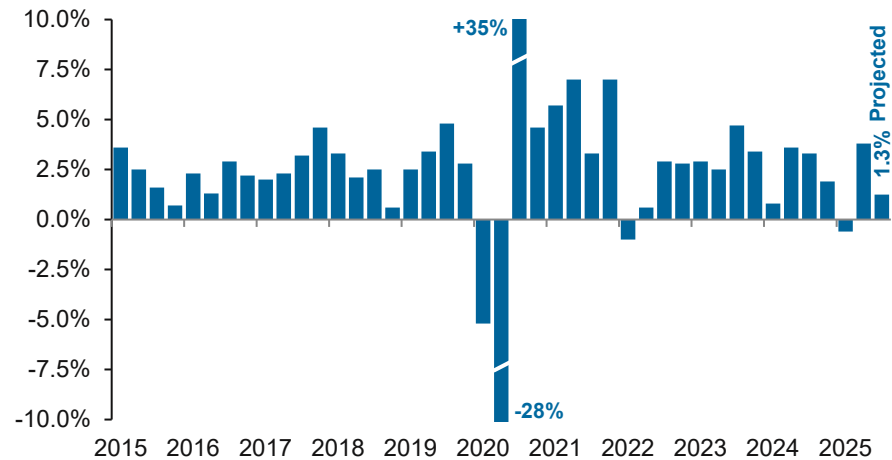
Returns greater than one year are annualized.

Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

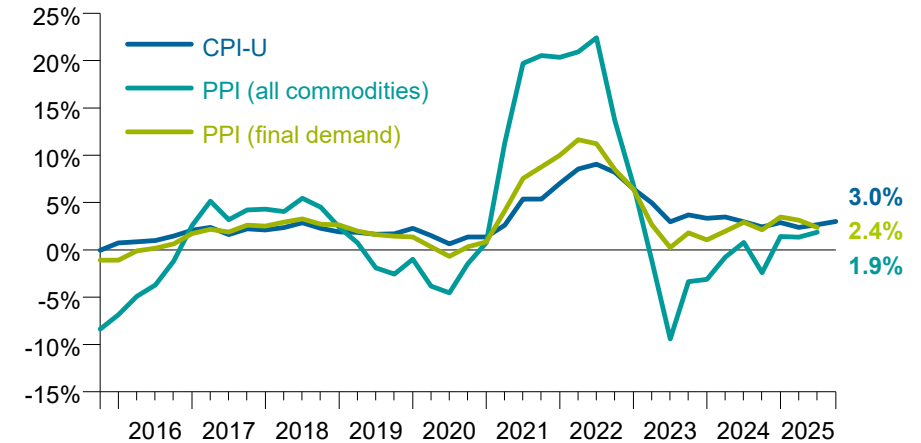
U.S. Economy—Summary

For periods ended 9/30/25

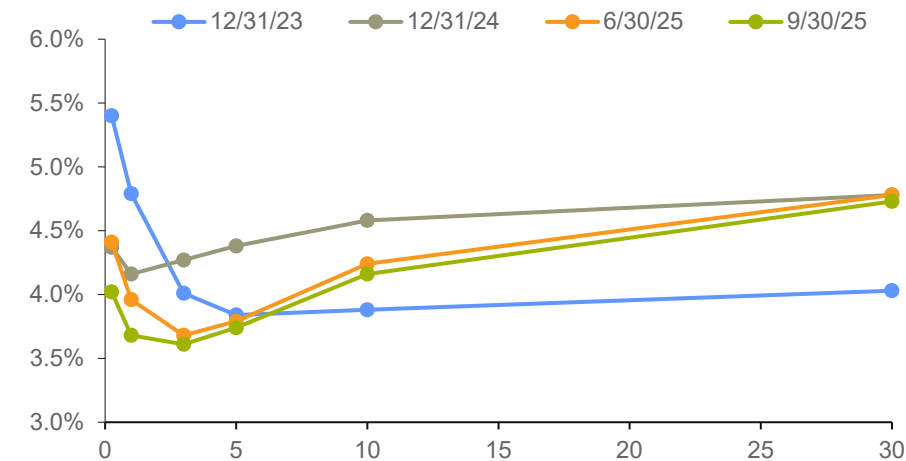
Quarterly Real GDP Growth



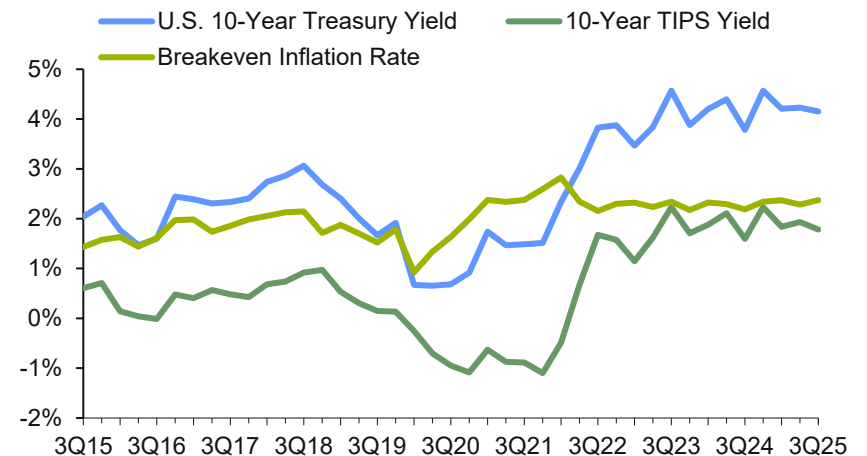
Inflation Year-Over-Year*



U.S. Treasury Yield Curves



Historical 10-Year Yields



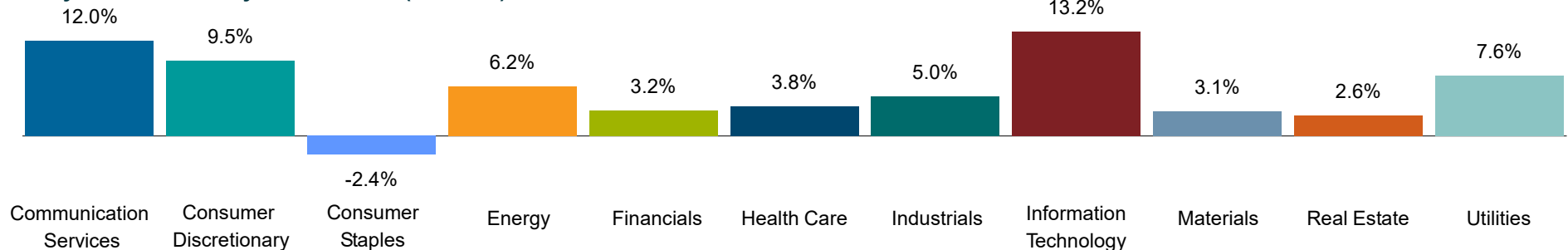
Sources: Bureau of Labor Statistics, Callan, Federal Reserve, Blue Chip consensus for projected GDP; *PPI data for 3Q25 not available.

U.S. Equity Performance: 3Q25

Another strong quarter for U.S. equity, particularly for small cap indices

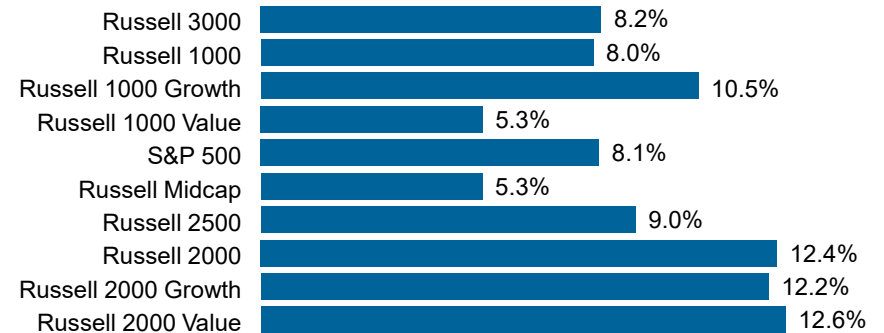
- The S&P 500 Index jumped 8% in 3Q25, supported by strong corporate earnings growth and guidance.
- 10 out of the 11 S&P sectors posted positive returns. Information Technology (+13%), Communication Services (+12%), and Consumer Discretionary (+10%) led the pack, supported by the continued strength of the AI ecosystem. Consumer Staples was down (-2%) after tough July and September results. Its typical defensive posturing, combined with softened consumer spending trends, caused it to struggle in a highly risk-on market environment.
- Small cap indices outperformed large cap indices, a reversal in performance patterns observed during 2Q25.
- Style leadership was mixed. Growth outperformed value in large cap while value slightly outpaced growth in small cap.

Industry Sector Quarterly Performance (S&P 500) as of 9/30/25

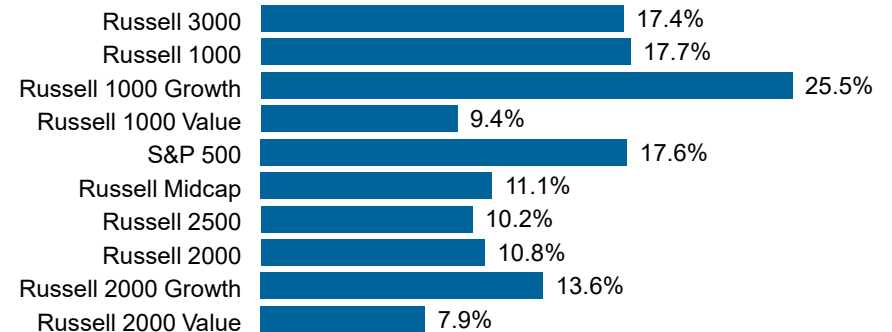


Sources: FTSE Russell, S&P Dow Jones Indices

U.S. Equity: Quarter Ended 9/30/25



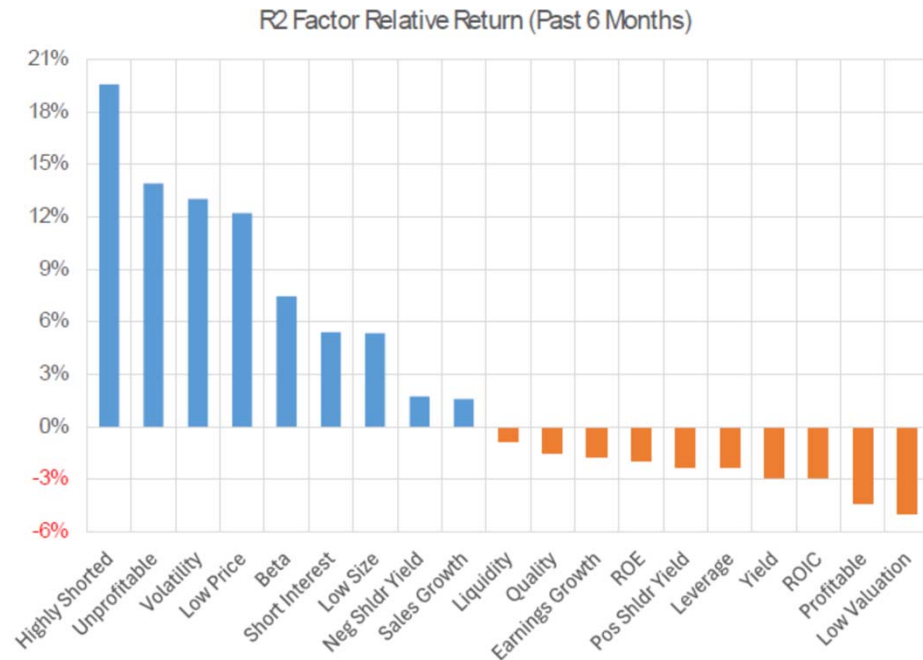
U.S. Equity: One Year Ended 9/30/25



3Q25: A Strong Risk On Rally with a Low Quality/Speculative Overhang

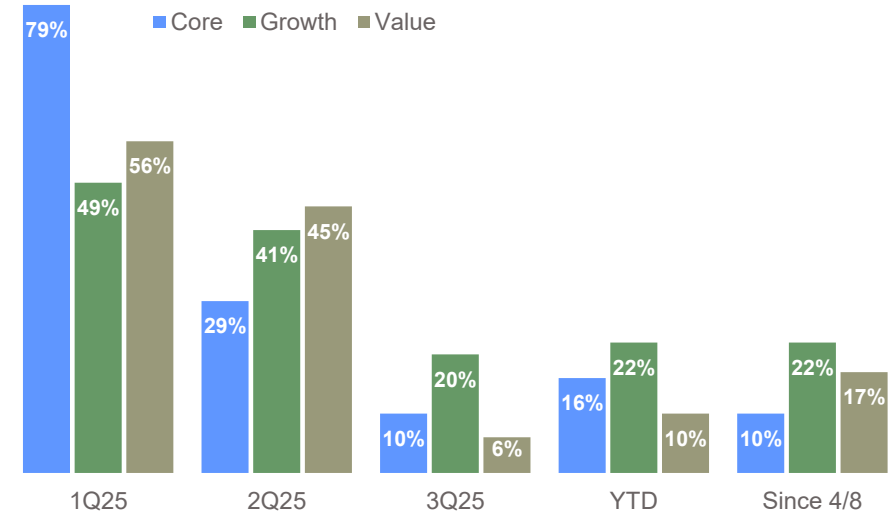
Small/smld cap managers have faced significant performance challenges

'Low Quality' Factors Have Led the Markets Since April 8



Relative Outperformance of Active Managers Fell Throughout 2025

Percent of Small Funds Beating Their R2000 Style Benchmark



- Since the market bottom on April 8, low quality stocks have led the markets. For example: In the Russell 2500 Growth Index, **non-earners were up ~70% from 4/8 to the end of 3Q; during 3Q alone, non-earners were up over 25%**. By comparison, positive earning stocks were up 35% and 8%, respectively.
- Speculative/retail investor momentum favored biopharma, cryptocurrency, and quantum computing stocks. Of the top 50 stocks in the Russell 2000, 37 were biopharma stocks; the balance were a mix of cryptocurrency and quantum computing stocks.
- Many managers have zero exposure or an underweight to biopharma due to reticence around investing in binary outcomes or lack of in-house biopharma expertise. Cryptocurrency and quantum computing are broadly viewed as areas that lack fundamental strength for long-term investing.

Global/Global ex-U.S. Equity Performance: 3Q25

Lagged U.S. stocks in 3Q but maintained YTD lead

Broad market

- Global ex-U.S. equities modestly underperformed the U.S. in 3Q25 but remained ahead year-to-date.
- Emerging markets led developed markets higher.
- Accommodative monetary policy in emerging markets, fiscal support in China, and a U.S.-Japan trade deal supported ex-U.S. performance.
- Global ex-U.S. small caps kept pace with global ex-U.S. large caps while U.S. small caps outpaced their large cap counterparts.
- China was the clear leader, supported by government intervention and easing trade tensions with the U.S.

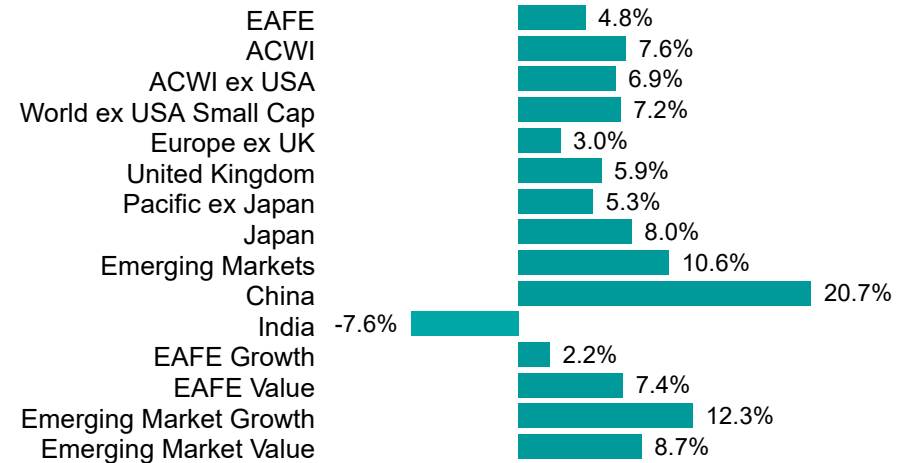
Growth vs. value

- Value outperformed growth in developed ex-U.S. markets while growth outperformed value in emerging markets.
- Technology companies, semiconductors, and European banks led markets while health care stocks were laggards.

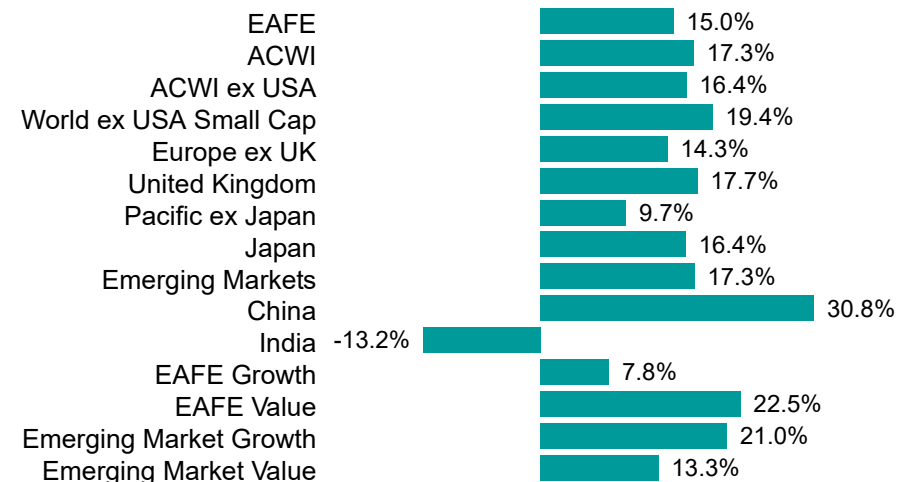
U.S. dollar

- The U.S. dollar stabilized (+0.9%) after a sharp decline in the first half of the year (-10%), reducing the currency tailwind for non-U.S. markets.

Global Equity Returns: Quarter Ended 9/30/25



Global Equity Returns: One Year Ended 9/30/25



Source: MSCI

U.S. Fixed Income Performance: 3Q25

The Fed cut rates; Aggregate gains 2.0%

Macro environment

- The Fed cut rates at the September meeting, with long-end rates moving higher, pricing in the potential for continued upward inflation pressures.
- Despite long-end upward movement post-meeting, yields eventually fell across the curve, amid weakening economic sentiment.
- The yield curve steepened modestly, with the 2s/10s spread widening as much as 65 bps—before ending at 55 bps, up from 52 bps at the end of 2Q.

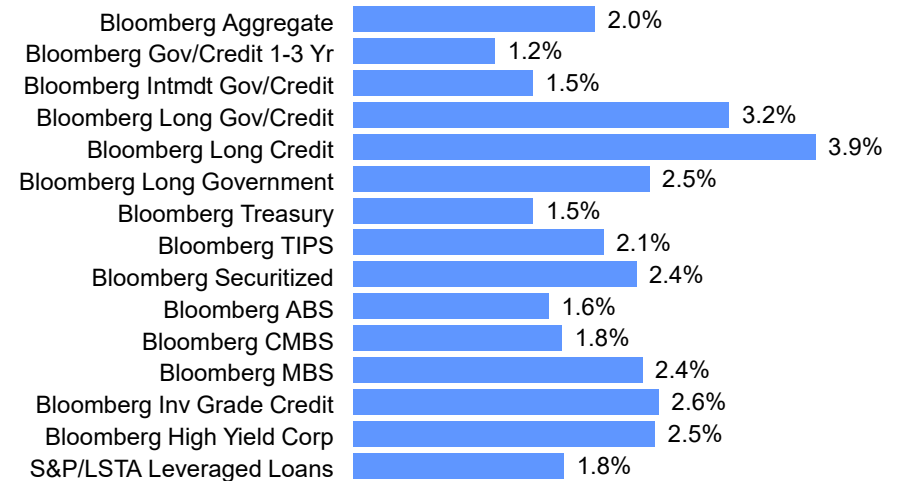
Performance and drivers

- The Bloomberg US Aggregate Bond Index rose 2.0%, supported by declining Treasury yields.
- IG corporates outperformed Treasuries amid continued spread tightening, as did securitized credit.
- High yield outperformed floating rate bank loans as yields declined.

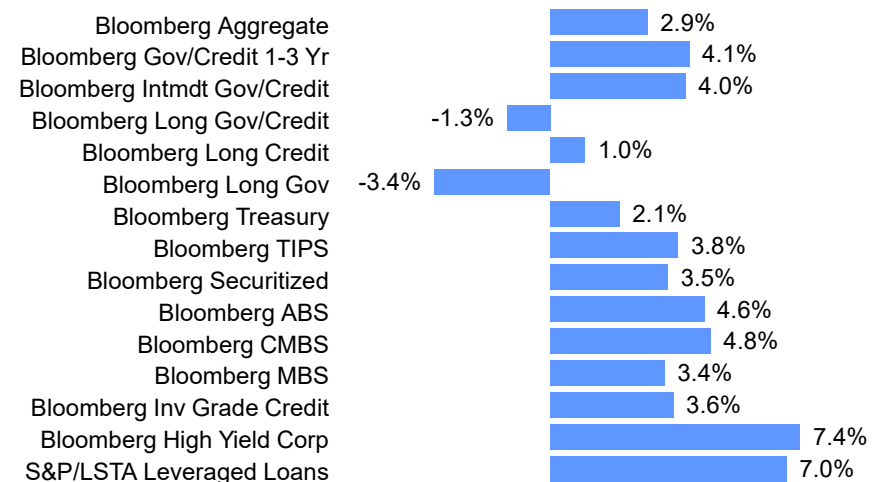
Valuations

- Corporate credit spreads continue to grind tighter amid high demand from market participants.
- New issuance across both IG and HY ticked up in September after the typical summer lull.

U.S. Fixed Income Returns: Quarter Ended 9/30/25

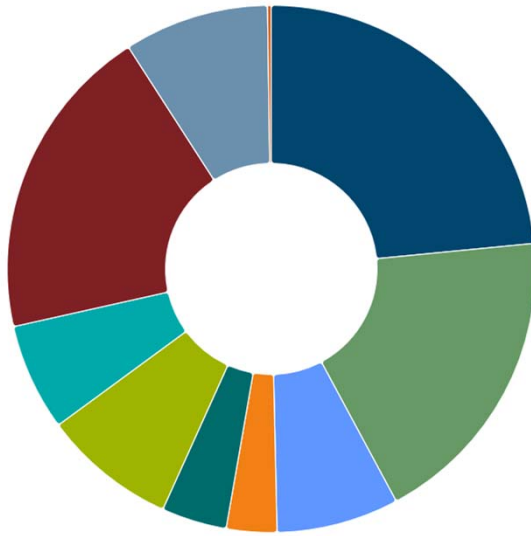


U.S. Fixed Income Returns: One Year Ended 9/30/25



Sources: Bloomberg, Callan, SIFMA Research, S&P Dow Jones Indices, U.S. Treasury

PERSI DB Asset Allocation - Defined Benefit as of September 30, 2025



| Asset Class | Assets | Actual Weight | Target |
|----------------------------|------------------|---------------|--------|
| ■ US Public Equity | \$6,321,554,373 | 23.45% | 21.00% |
| ■ Global Equity | \$5,039,051,435 | 18.70% | 18.00% |
| ■ Private Equity | \$2,023,205,625 | 7.51% | 8.00% |
| ■ REIT Equity | \$833,332,579 | 3.09% | 4.00% |
| ■ Private Real Estate | \$1,075,550,095 | 3.99% | 4.00% |
| ■ Emerging Markets Equity | \$2,202,338,169 | 8.17% | 9.00% |
| ■ Developed Markets Equity | \$1,775,199,029 | 6.59% | 6.00% |
| ■ US Fixed Income | \$5,230,992,687 | 19.41% | 20.00% |
| ■ US TIPS | \$2,389,250,512 | 8.86% | 10.00% |
| ■ Short Term Cash | \$62,982,697 | 0.23% | - |
| Total Fund | \$26,953,457,201 | 100.00% | |

- Target asset allocation reflects strategic policy decisions to invest in Private Equity, Real Estate, Global Equity, and US TIPS relative to the Long-Term Target of 55% US Equity, 15% Non-US Equity, and 30% Bonds.
- The Fund was overweight to US Public Equity, Developed Markets Equity, and Global Equity, and underweight to Emerging Markets Equity, US Fixed Income, US TIPS, REITs, and Private Equity relative to the Strategic Policy Target. Actual weights are within acceptable ranges
- Relative to the median public plan, PERSI has a strategic underweight to US Equity and overweight to Emerging Markets and TIPS.

| Asset Class | Current | Target | Ranges |
|--------------------------------|---------|--------|-----------|
| Equities | 72% | 70% | 66% - 77% |
| Broad Domestic Equity | 57% | 55% | 50% - 65% |
| International Developed Equity | 15% | 15% | 10% - 20% |
| Fixed Income | 28% | 30% | 23% - 33% |
| Cash | 0% | 0% | 0% - 5% |

PERSI DB Asset Distribution as of September 30, 2025

Total Fund ended the 3rd quarter 2025 with \$26.9 B, a net increase of \$0.9 B

- Net withdrawals: - \$0.120 B
- Investment growth: + \$1.040 B

| Portfolio | Ending Assets Sep 30, 2025 | Weight | Net Cash Activity | Investment Gain/Loss | Beginning Assets Jun 30, 2025 | Weight |
|--------------------------|-------------------------------|---------|-------------------|-------------------------|----------------------------------|---------|
| US Public Equity | \$6,321,554,373 | 23.45% | -\$71,052,718 | \$363,777,827 | \$6,028,829,264 | 23.16% |
| Global Equity | \$5,039,051,435 | 18.70% | \$0 | \$215,895,556 | \$4,823,155,879 | 18.53% |
| Private Equity | \$2,023,205,625 | 7.51% | -\$32,500,937 | \$51,155,533 | \$2,004,551,030 | 7.70% |
| Real Assets | \$1,908,882,674 | 7.08% | \$5,832,338 | \$32,280,224 | \$1,870,770,112 | 7.19% |
| Emerging Markets Equity | \$2,202,338,169 | 8.17% | \$133 | \$145,276,637 | \$2,057,061,399 | 7.90% |
| Developed Markets Equity | \$1,775,199,029 | 6.59% | \$0 | \$73,091,689 | \$1,702,107,340 | 6.54% |
| Total Fixed | \$7,620,243,199 | 28.27% | \$901 | \$157,614,764 | \$7,462,627,533 | 28.67% |
| Short Term Cash | \$62,982,697 | 0.23% | -\$21,932,017 | \$1,226,840 | \$83,687,874 | 0.32% |
| Total Fund | \$26,953,457,201 | 100.00% | -\$119,669,047 | \$1,040,335,818 | \$26,032,790,430 | 100.00% |

PERSI DB: 3rd Quarter 2025 Performance Summary*

3Q 2025: PERSI Total Fund earned a return of 4.00%, underperforming the Policy and Long-Term Target returns

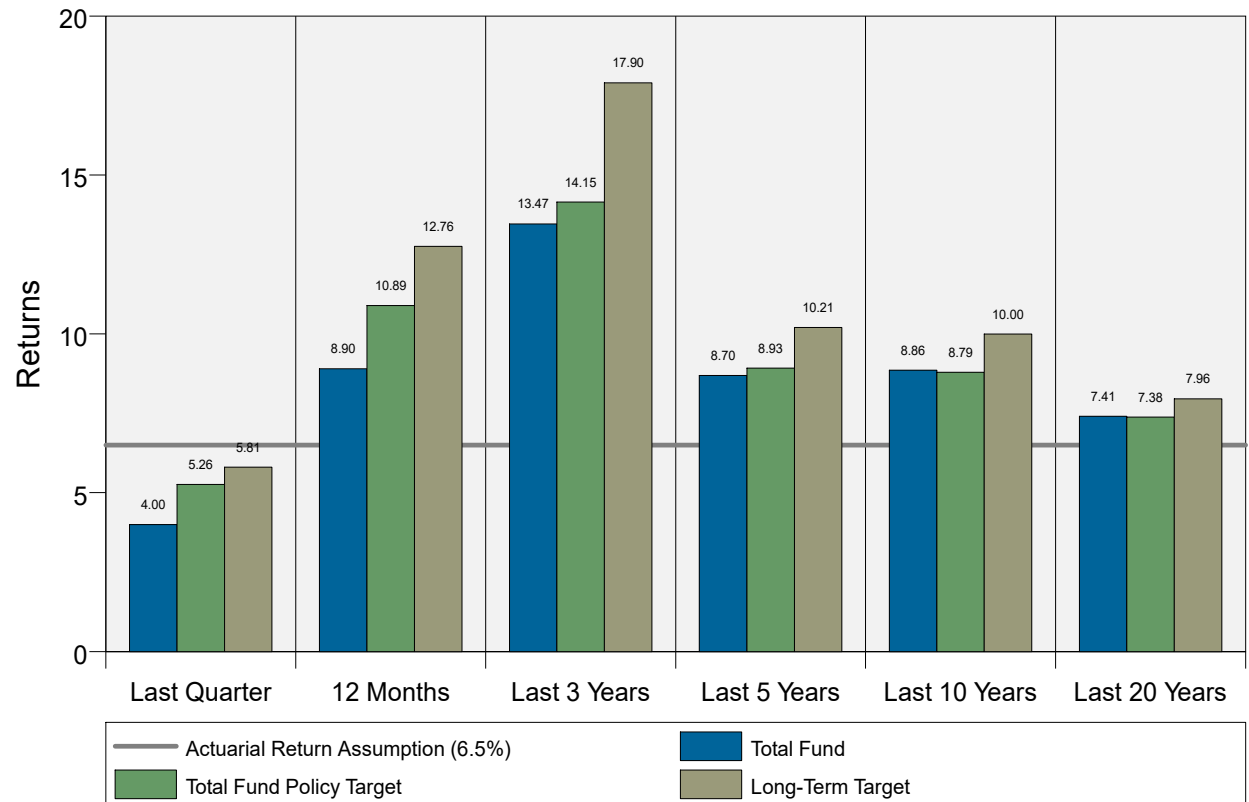
- In aggregate the managers underperformed their benchmarks by 134 bps.
- Variations from policy added 8 bps.

Three years: The Total Fund returned 13.47%, trailing the Policy Target return of 14.15%.

Five years: The Total Fund gained 8.70% vis-à-vis the Policy Target return of 8.93%

Last 20 years: Total Fund has earned an average annual return of 7.41%

Total Fund Returns
Periods Ending September 30, 2025

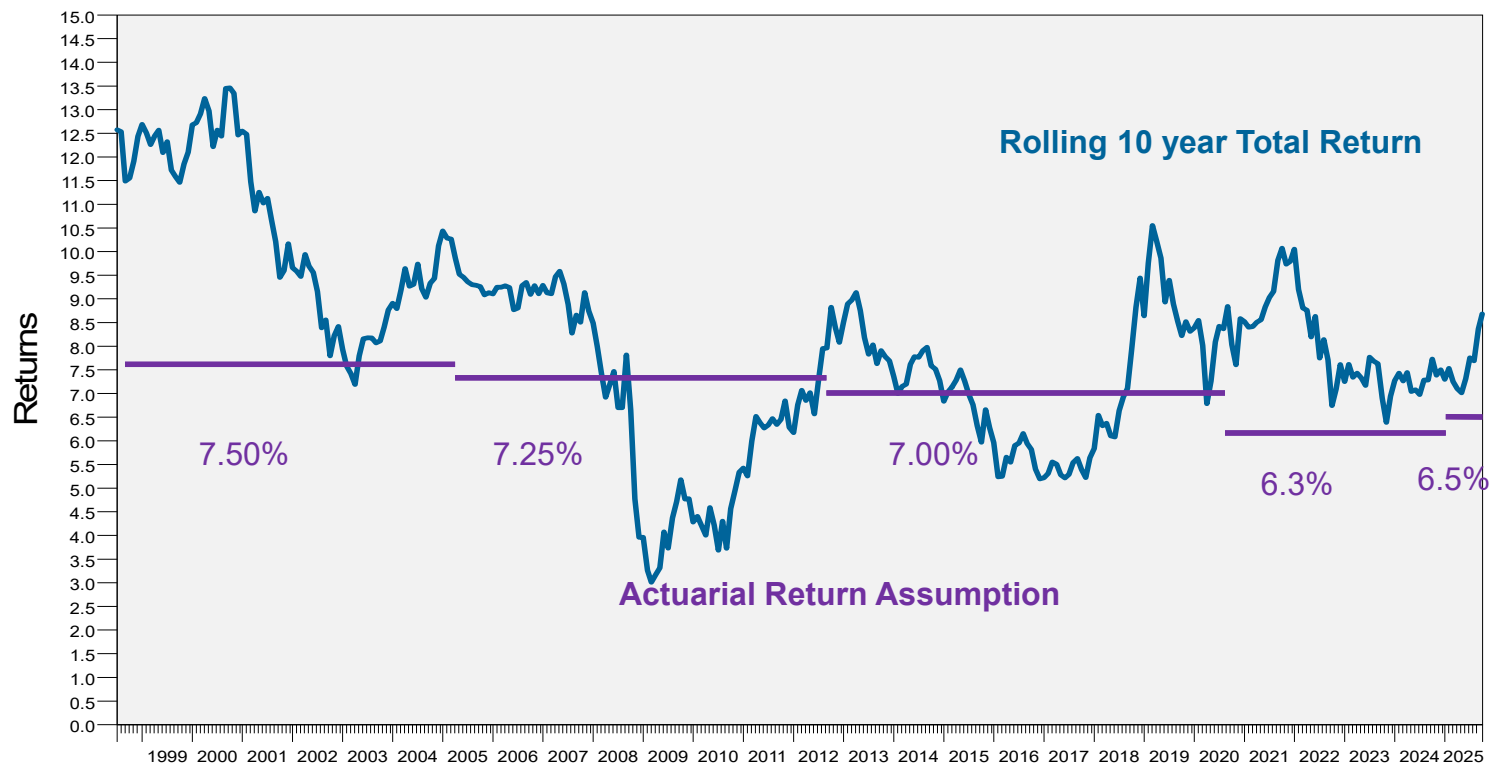


* Total Fund Returns are Gross of Fees

PERSI DB: Historical Actual Returns and Actuarial Return Assumptions

10 year rolling time periods

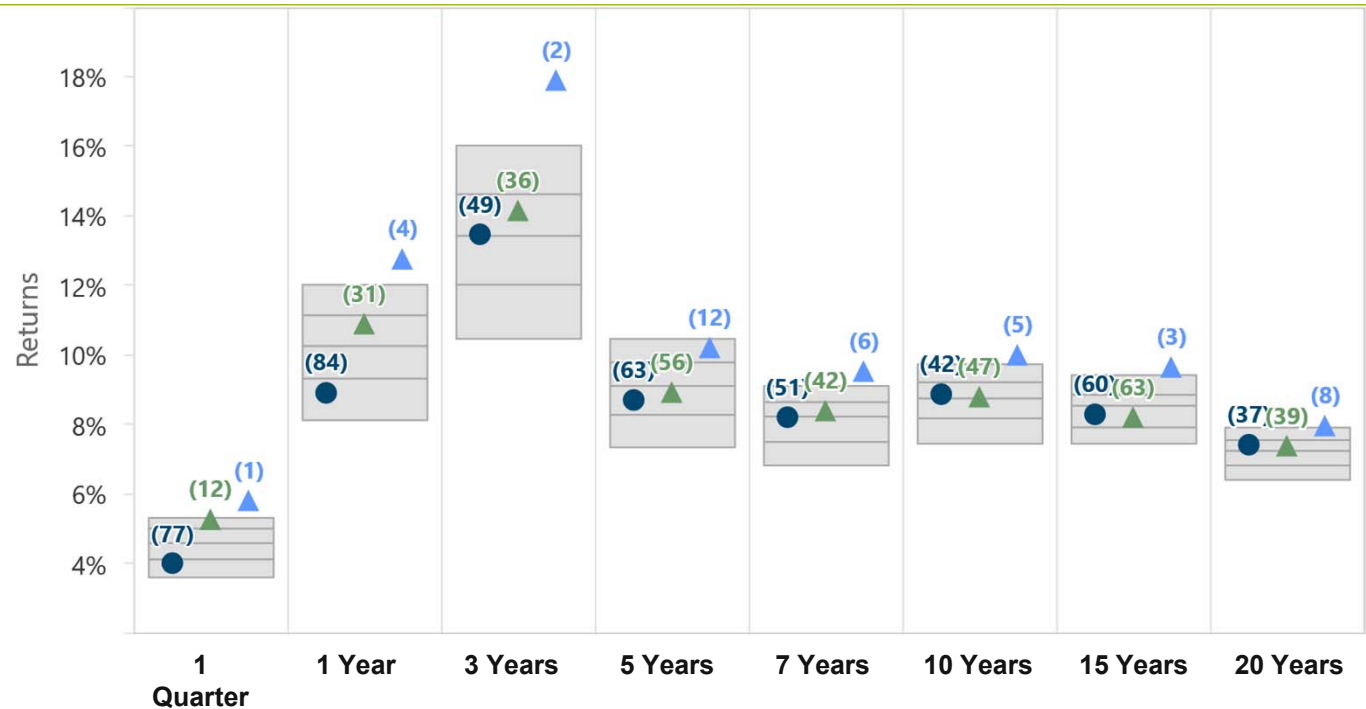
Rolling 120 Month Net of Fee Returns
Since Inception of Total Fund
Ended September 30, 2025



Effective fiscal year 2026, the Actuarial Return Assumption changed to 6.5%

Performance* Comparison - Trailing Time Periods as of September 30, 2025

Performance vs Callan Public Fund Spr DB



* Total Fund Returns are Gross of Fees

(1) Total Fund Policy Target: 21% Russell 3000, 18% MSCI AC World Net Index, 6% MSCI EAFE Net Index, 9% MSCI Emg Mkts Net Index, 8% Private Equity Return, 4% NAREIT All Equity Index, 4% NFI-ODCE Equal-Wt

(2) Total Fund Long Term Target: 55% Russell 3000 Index, 30% Blmbg Aggregate Index and 15% MSCI EAFE Index.

DB Plan Total Fund Attribution*

Quarter ended September 30, 2025

Relative Attribution Effects for Quarter ended September 30, 2025

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|--------------------------|-------------------------|-------------------------|---------------|---------------|----------------|------------------|-----------------------|
| US Public Equity | 23% | 21% | 6.05% | 8.18% | (0.49%) | 0.07% | (0.42%) |
| Developed Markets Equity | 7% | 6% | 4.29% | 4.77% | (0.03%) | (0.00%) | (0.04%) |
| Emerging Markets Equity | 8% | 9% | 7.06% | 10.64% | (0.28%) | (0.06%) | (0.34%) |
| Global Equity | 19% | 18% | 4.48% | 7.62% | (0.58%) | 0.01% | (0.57%) |
| US TIPS | 9% | 10% | 2.11% | 2.10% | 0.00% | 0.03% | 0.03% |
| US Fixed Income | 20% | 20% | 2.11% | 2.03% | 0.02% | 0.01% | 0.03% |
| REIT Equity | 3% | 4% | 4.54% | 2.67% | 0.06% | 0.02% | 0.08% |
| Private Real Estate | 4% | 4% | (0.36%) | 0.46% | (0.03%) | (0.01%) | (0.04%) |
| Private Equity | 8% | 8% | 2.60% | 2.60% | 0.00% | 0.01% | 0.01% |
| Short Term Cash | 0% | 0% | 1.25% | 1.25% | 0.00% | (0.01%) | (0.01%) |

| | | |
|--------------|--|----------------|
| Total | 4.00% = 5.26% + (1.34%) + 0.08% | (1.26%) |
|--------------|--|----------------|

+ Total Fund underperformed the Policy Target by 126 basis points during the past quarter.

- Manager Performance: - 134 bps

+ REITS outperformed

- US Equity, Developed Markets Equity, Emerging Markets Equity, Global Equity, and Private Real Estate underperformed

+ Allocation Impacts: + 8 bps

+ Overweight US Equity

+ Underweight US TIPS

- Underweight Emerging Markets

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

1 Year ended September 30, 2025

One Year Relative Attribution Effects

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|--------------------------|-------------------------|-------------------------|---------------|----------------|------------------|------------------|-----------------------|
| US Public Equity | 23% | 21% | 13.96% | 17.41% | (0.79%) | 0.11% | (0.68%) |
| Developed Markets Equity | 6% | 6% | 10.71% | 14.99% | (0.27%) | 0.04% | (0.23%) |
| Emerging Markets Equity | 8% | 9% | 13.62% | 17.32% | (0.28%) | (0.07%) | (0.35%) |
| Global Equity | 18% | 18% | 11.12% | 17.27% | (1.10%) | 0.00% | (1.09%) |
| US TIPS | 9% | 10% | 3.65% | 3.79% | (0.01%) | 0.06% | 0.04% |
| US Fixed Income | 20% | 20% | 3.58% | 2.88% | 0.15% | (0.01%) | 0.14% |
| REIT Equity | 3% | 4% | (1.28%) | (4.00%) | 0.10% | 0.14% | 0.24% |
| Private Real Estate | 4% | 4% | 2.49% | 3.01% | (0.02%) | (0.01%) | (0.04%) |
| Private Equity | 8% | 8% | 9.15% | 9.15% | 0.00% | (0.02%) | (0.02%) |
| Short Term Cash | 0% | 0% | 4.91% | 4.91% | 0.00% | (0.02%) | (0.02%) |
| Total | | | 8.90% | =10.89% | + (2.22%) | + 0.23% | (1.99%) |

- Total Fund underperformed the Policy Target by 199 basis points during the past year.
- Manager Performance: - 222 bps
 - + US Fixed Income and REITS outperformed
 - US Equity, Developed Markets Equity, Emerging Markets Equity, and Global Equity underperformed
- + Allocation Impacts: + 23 bps
 - + Overweight US Equity
 - + Underweight TIPS and REITS
 - Underweight Emerging Markets Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

5 Years ended September 30, 2025

Five Year Annualized Relative Attribution Effects

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|--------------------------|-------------------------|-------------------------|---------------|----------------|------------------|------------------|-----------------------|
| US Public Equity | 22% | 21% | 14.71% | 15.74% | (0.26%) | 0.01% | (0.25%) |
| Developed Markets Equity | 6% | 6% | 11.41% | 11.15% | 0.01% | (0.00%) | 0.01% |
| Emerging Markets Equity | 8% | 9% | 6.46% | 7.02% | (0.03%) | (0.01%) | (0.04%) |
| Global Equity | 19% | 18% | 13.24% | 13.54% | (0.07%) | 0.03% | (0.04%) |
| US TIPS | 10% | 10% | 1.20% | 1.42% | (0.02%) | 0.05% | 0.02% |
| US Fixed Income | 19% | 20% | (0.16%) | (0.45%) | 0.06% | 0.10% | 0.16% |
| REIT Equity | 4% | 4% | 9.52% | 6.97% | 0.10% | (0.01%) | 0.09% |
| Private Real Estate | 5% | 4% | 4.92% | 2.75% | 0.16% | (0.11%) | 0.05% |
| Private Equity | 7% | 8% | 16.10% | 16.10% | 0.00% | (0.19%) | (0.19%) |
| Short Term Cash | 0% | 0% | 2.88% | 2.88% | 0.00% | (0.04%) | (0.04%) |
| Total | | | 8.70% | = 8.93% | + (0.06%) | + (0.17%) | (0.23%) |

- Total Fund underperformed the Policy Target by 23 basis points for the past 5 years.
- + Manager Performance: - 6 bps
 - + US Fixed Income, REITs, and Private Real Estate outperformed.
 - US Equity, Emerging Markets Equity, and Global Equity underperformed.
- Allocation Impacts: - 17 bps
 - + Overweight Global Equity
 - + Underweight US Fixed Income
 - Overweight Private Real Estate
 - Underweight Private Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

10 Years ended September 30, 2025

Ten Year Annualized Relative Attribution Effects

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|--------------------------|-------------------------|-------------------------|---------------|----------------|----------------|------------------|-----------------------|
| US Public Equity | 24% | 21% | 14.63% | 14.71% | (0.03%) | 0.12% | 0.09% |
| Developed Markets Equity | 6% | 6% | 7.94% | 8.17% | (0.02%) | (0.01%) | (0.03%) |
| Emerging Markets Equity | 8% | 9% | 7.47% | 7.99% | (0.04%) | (0.02%) | (0.06%) |
| Global Equity | 17% | 18% | 11.85% | 11.91% | (0.02%) | (0.03%) | (0.05%) |
| US TIPS | 9% | 10% | 2.95% | 3.01% | (0.01%) | 0.01% | 0.01% |
| US Fixed Income | 18% | 20% | 2.40% | 1.84% | 0.11% | 0.09% | 0.21% |
| REIT Equity | 4% | 4% | 7.05% | 6.79% | (0.00%) | (0.02%) | (0.02%) |
| Private Real Estate | 5% | 4% | 7.57% | 4.41% | 0.17% | (0.07%) | 0.10% |
| Private Equity | 7% | 8% | 12.21% | 12.21% | 0.00% | (0.13%) | (0.13%) |
| Short Term Cash | 0% | 0% | 2.48% | 2.48% | 0.00% | (0.04%) | (0.04%) |
| Total | | | 8.86% | = 8.79% | + 0.17% | + (0.10%) | 0.07% |

+ Total Fund outperformed the Policy Target by 7 basis points for the past 10 years.

+ Manager Performance: + 17 bps

+ US Fixed Income and Private Real Estate outperformed.

- US Equity and Emerging Markets Equity

- Allocation Impacts: - 10 bps

+ Overweight US Equity

+ Underweight US Fixed Income

- Overweight Private Real Estate

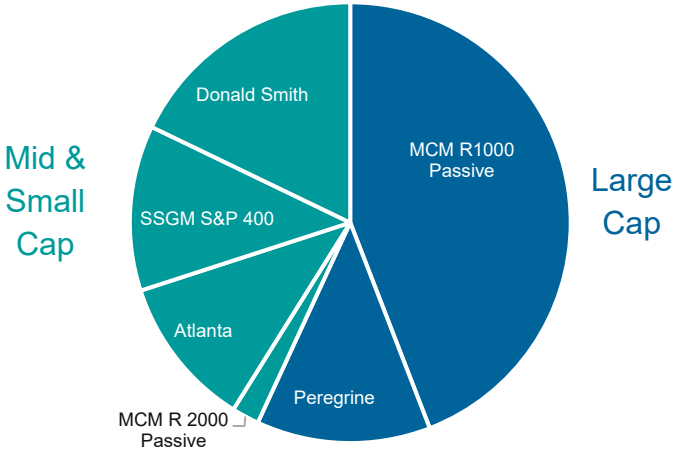
- Underweight Global Equity and Private Equity

* Returns are Gross of Fees

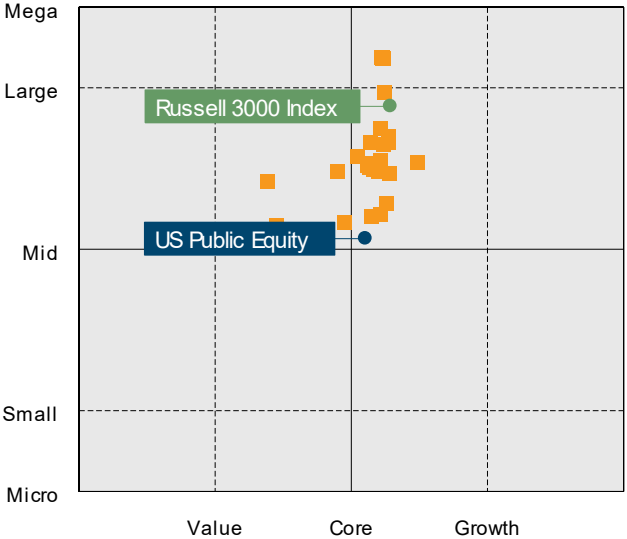
U.S. Equity Portfolio vs. Public Plan Domestic Equity Database

Periods ended September 30, 2025

Manager Structure: 47% Active*

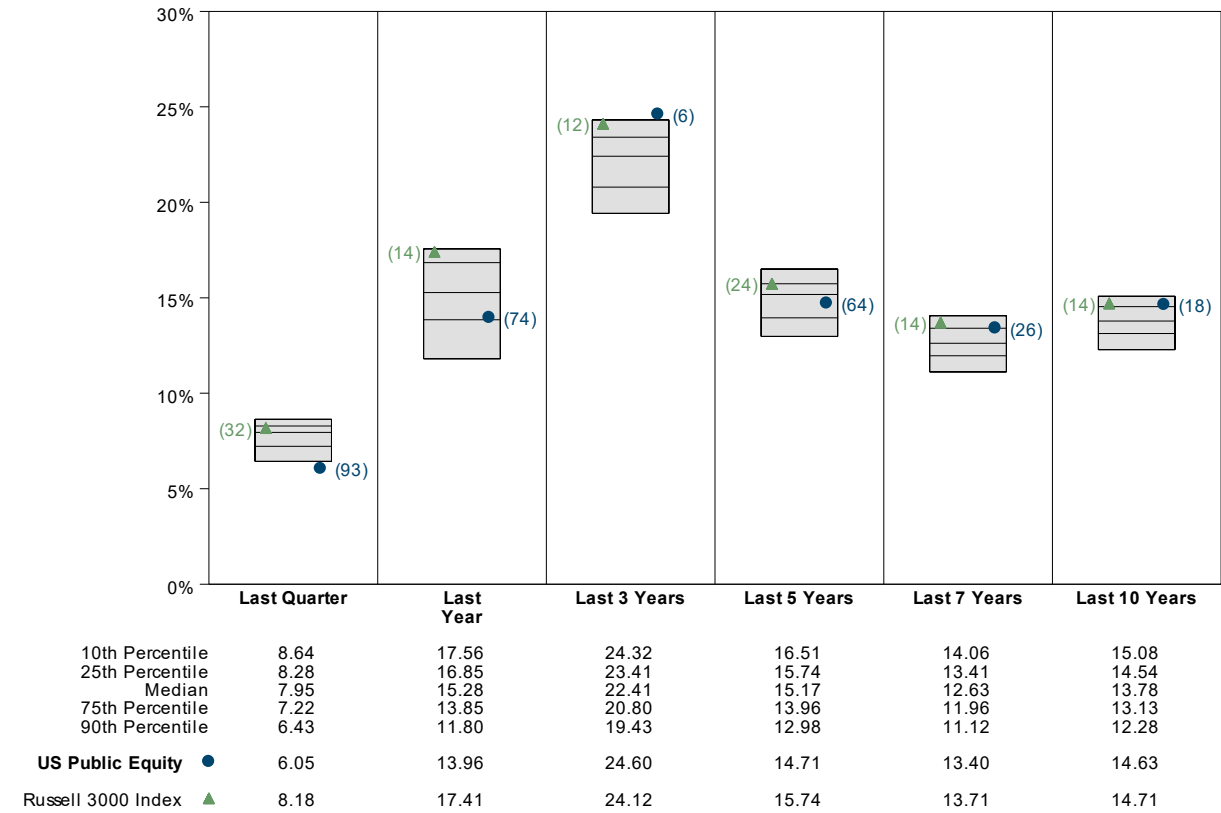


Style Map vs Pub Pln- Dom Equity Holdings as of September 30, 2025



* SSGM S&P 400 is a transition account

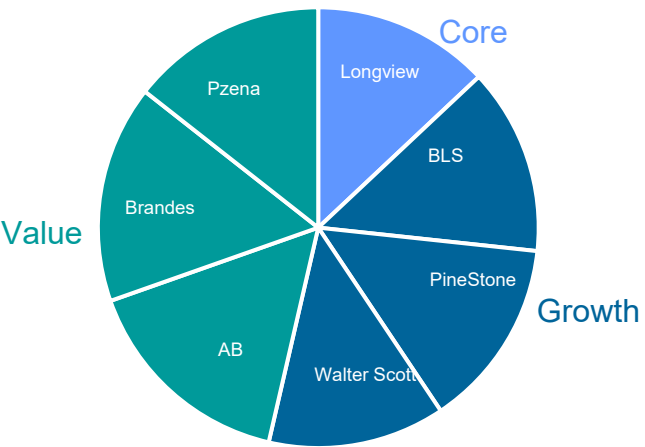
Performance vs Public Fund - Domestic Equity (Gross)



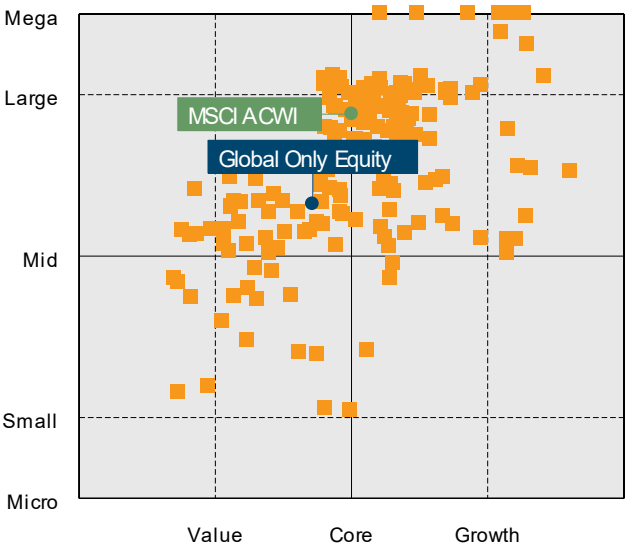
Global Equity Portfolio vs. Global Equity Database

Periods ended September 30, 2025

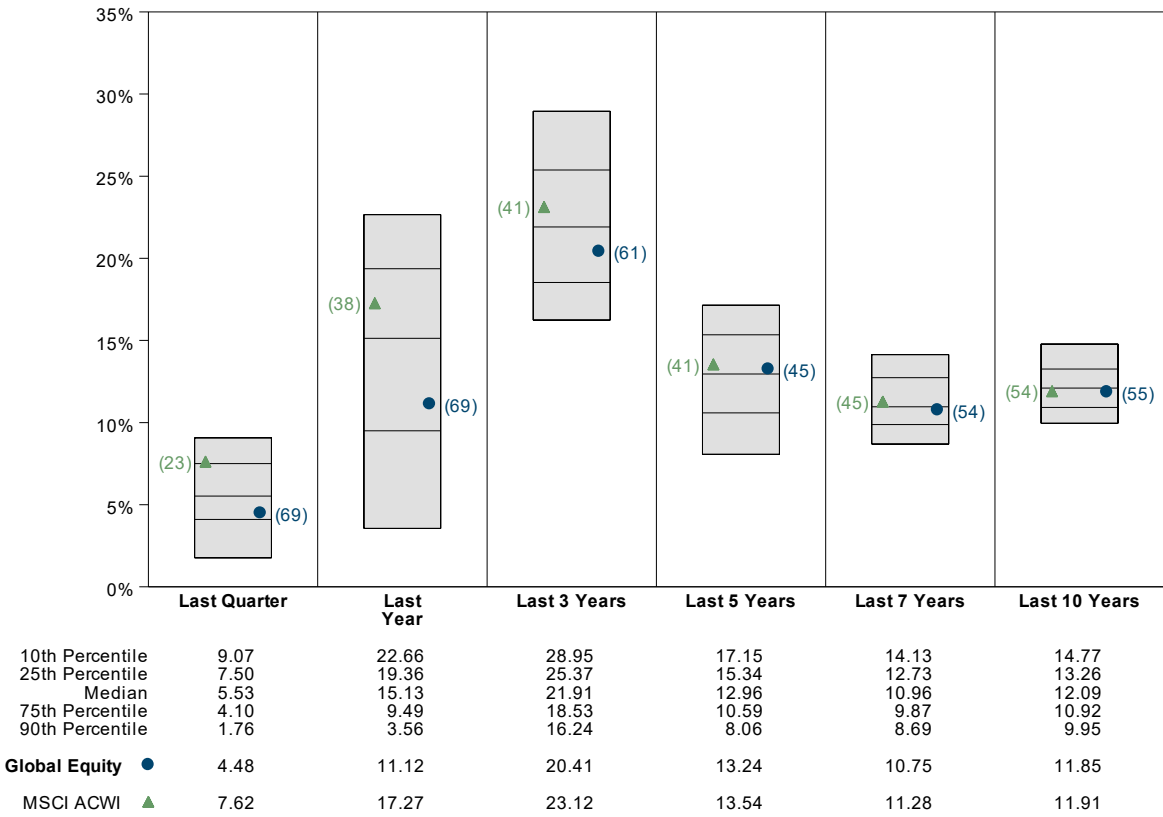
Manager Structure: 100% Active



Style Map vs Callan Global Equity Holdings as of September 30, 2025



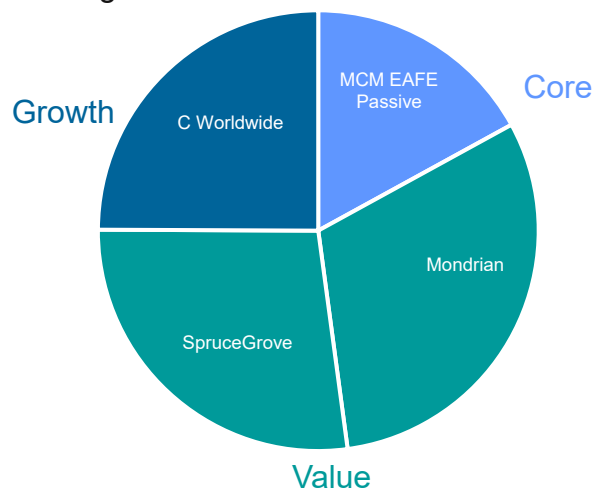
Performance vs Callan Global Equity (Gross)



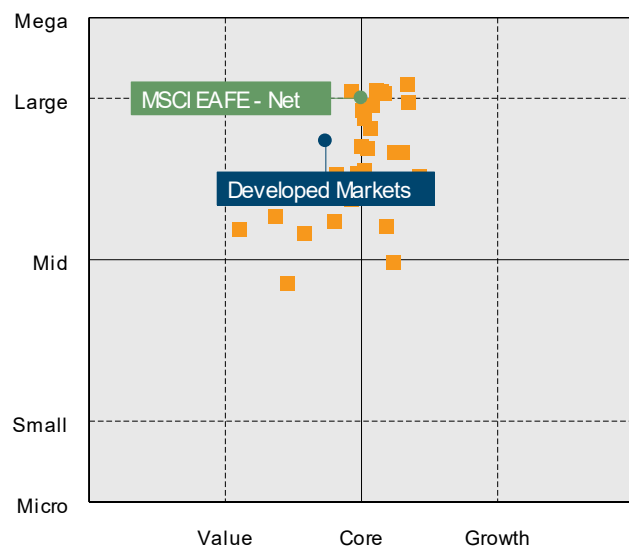
Developed Markets Portfolio vs. Non-US Dev Core Database

Periods ended September 30, 2025

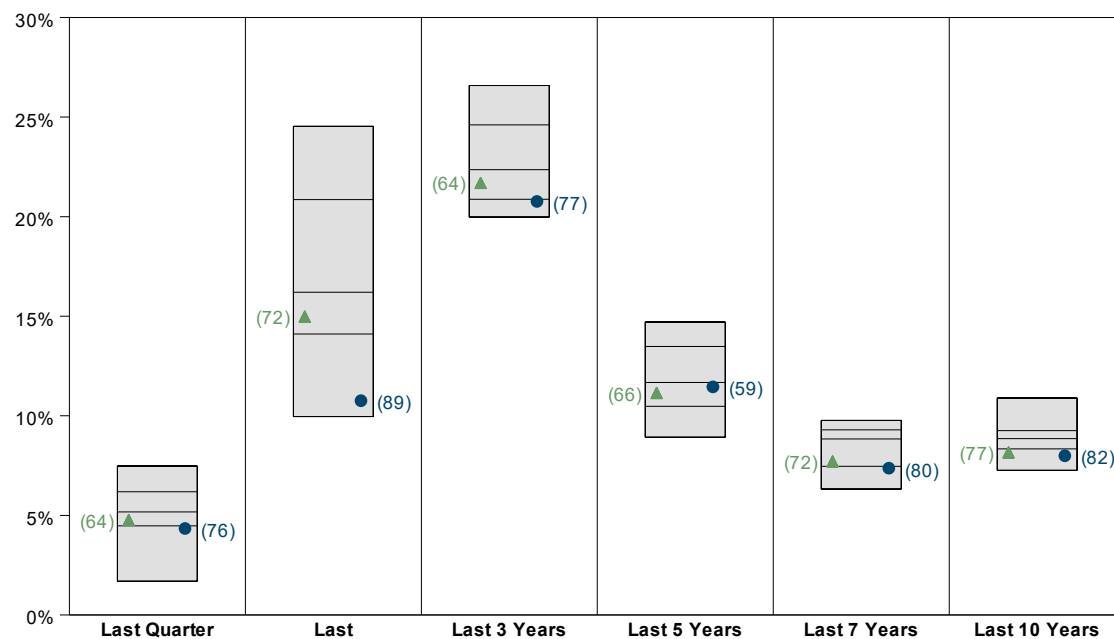
Manager Structure: 83% Active



Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2025



Performance vs Callan Non-US Developed Core Equity (Gross)

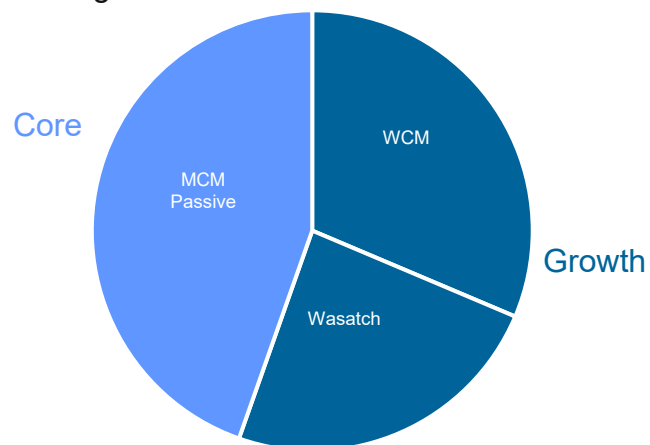


| | | | | | | |
|--------------------------|------|-------|-------|-------|------|-------|
| 10th Percentile | 7.48 | 24.54 | 26.59 | 14.72 | 9.76 | 10.89 |
| 25th Percentile | 6.19 | 20.86 | 24.61 | 13.48 | 9.29 | 9.26 |
| Median | 5.17 | 16.21 | 22.36 | 11.68 | 8.84 | 8.86 |
| 75th Percentile | 4.47 | 14.11 | 20.88 | 10.48 | 7.47 | 8.34 |
| 90th Percentile | 1.70 | 9.96 | 19.99 | 8.93 | 6.33 | 7.26 |
| Developed Markets | 4.29 | 10.71 | 20.72 | 11.41 | 7.32 | 7.94 |
| MSCI EAFE - Net | 4.77 | 14.99 | 21.70 | 11.15 | 7.71 | 8.17 |

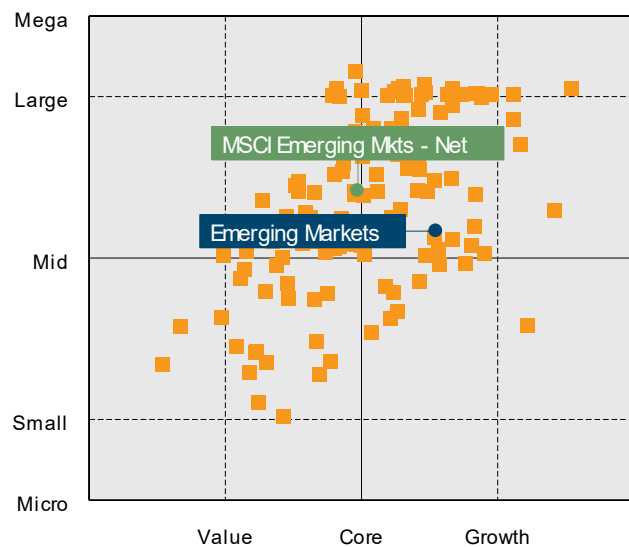
Emerging Markets Portfolio vs. Emerging Broad Database

Periods ended September 30, 2025

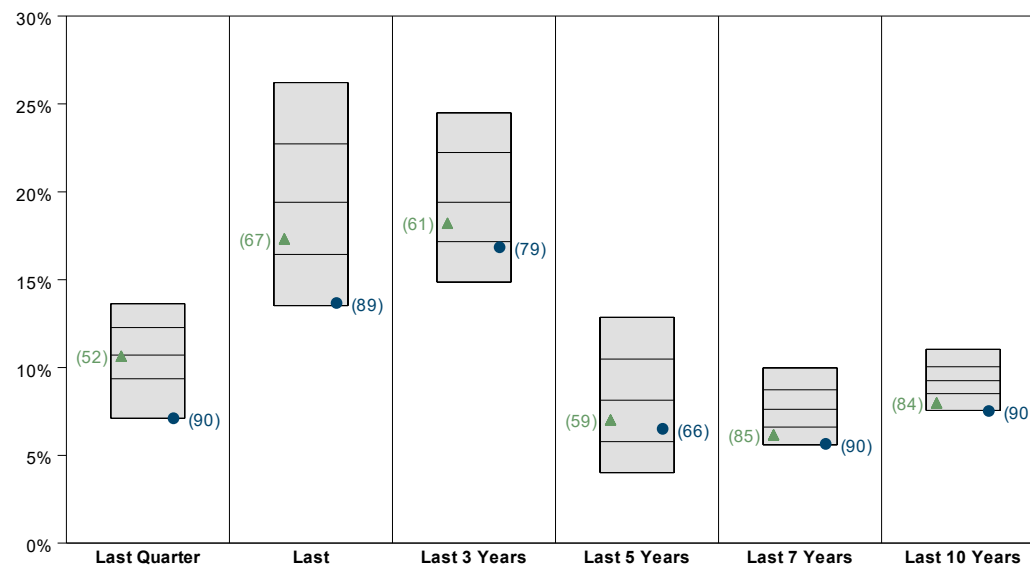
Manager Structure: 55% Active



Style Map vs Callan Emerging Broad Holdings as of September 30, 2025



Performance vs Callan Emerging Broad (Gross)

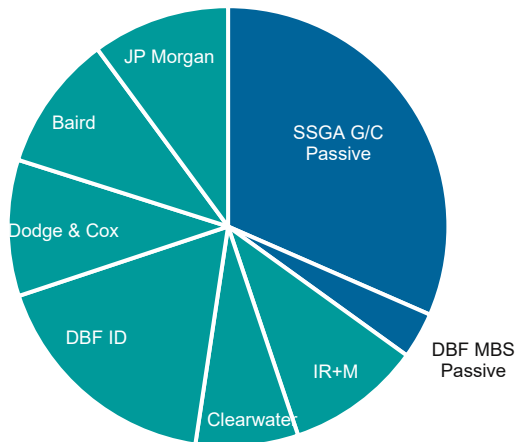


| | | | | | | |
|--------------------------|-------|-------|-------|-------|------|-------|
| 10th Percentile | 13.63 | 26.21 | 24.49 | 12.85 | 9.98 | 11.03 |
| 25th Percentile | 12.27 | 22.73 | 22.24 | 10.48 | 8.74 | 10.04 |
| Median | 10.71 | 19.40 | 19.40 | 8.14 | 7.62 | 9.25 |
| 75th Percentile | 9.36 | 16.44 | 17.17 | 5.78 | 6.61 | 8.51 |
| 90th Percentile | 7.11 | 13.52 | 14.86 | 4.02 | 5.60 | 7.55 |
| Emerging Markets | 7.06 | 13.62 | 16.80 | 6.46 | 5.60 | 7.47 |
| MSCI Emerging Mkts - Net | 10.64 | 17.32 | 18.21 | 7.02 | 6.17 | 7.99 |

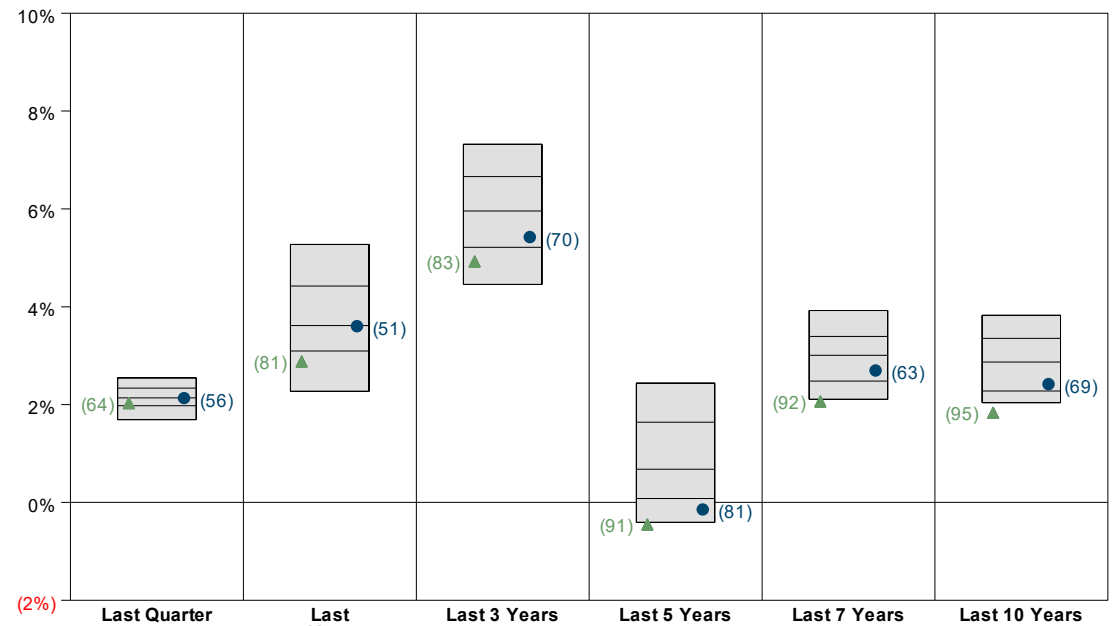
US Fixed Income Portfolio vs. Public Plan Fixed Income Database

Periods ended September 30, 2025

Manager Structure: 65% Active



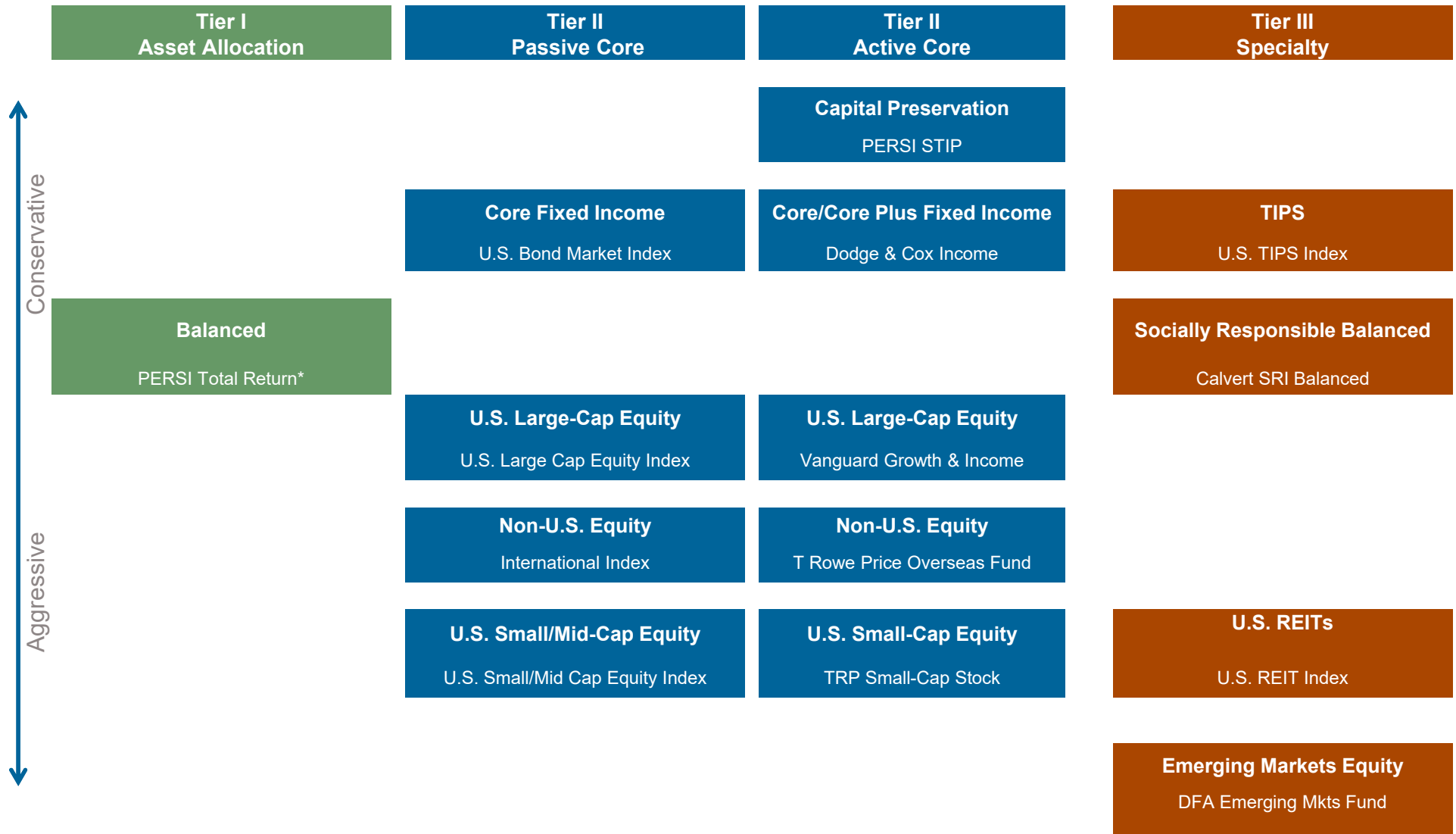
Performance vs Public Fund - Domestic Fixed (Gross)



| | | | | | | |
|------------------------|------|------|------|--------|------|------|
| 10th Percentile | 2.54 | 5.27 | 7.32 | 2.44 | 3.92 | 3.83 |
| 25th Percentile | 2.34 | 4.42 | 6.66 | 1.64 | 3.39 | 3.35 |
| Median | 2.14 | 3.62 | 5.96 | 0.68 | 3.01 | 2.87 |
| 75th Percentile | 1.98 | 3.09 | 5.22 | 0.08 | 2.48 | 2.28 |
| 90th Percentile | 1.69 | 2.27 | 4.46 | (0.41) | 2.11 | 2.04 |
| US Fixed Income | 2.11 | 3.58 | 5.40 | (0.16) | 2.68 | 2.40 |
| Blmbg:Aggregate | 2.03 | 2.88 | 4.93 | (0.45) | 2.06 | 1.84 |

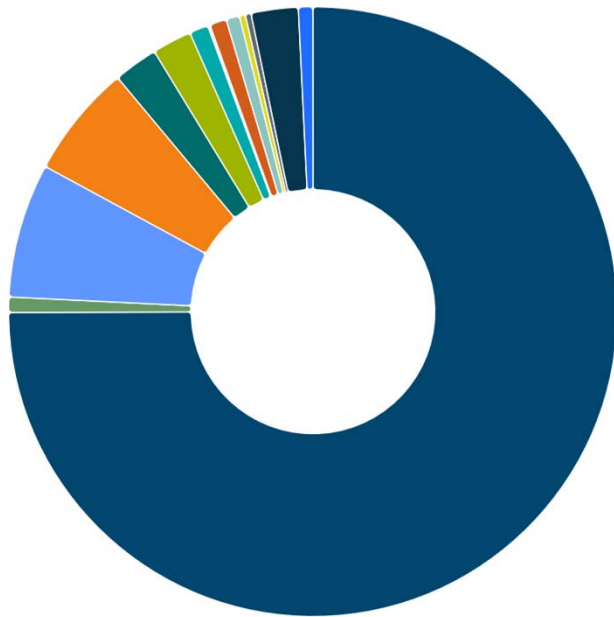
PERSI Choice 401(k) Plan New Investment Structure

Implemented: 3Q 2023



*Total Return Fund is the Default Fund for the plan

PERSI Choice 401(k) Asset Allocation as of September 30, 2025



| Asset Class | Assets | Actual Weight |
|---|-----------------|---------------|
| ■ Total Return Fd | \$1,444,146,562 | 74.95% |
| ■ Calvert SRI Balanced ¹ | \$15,757,456 | 0.82% |
| ■ MCM U.S. Large Cap Equity | \$137,376,037 | 7.13% |
| ■ Vanguard Growth & Income | \$115,955,353 | 6.02% |
| ■ MCM U.S. Small/Mid Cap Equity | \$45,199,352 | 2.35% |
| ■ T. Rowe Price Small Cap | \$40,671,661 | 2.11% |
| ■ MCM Intl Equity | \$19,183,987 | 1.00% |
| ■ T. Rowe Price Overseas Stock ² | \$1,233,309 | 0.06% |
| ■ DFA Emerging Markets Core Equity ³ | \$1,346,741 | 0.07% |
| ■ Dodge & Cox Income Fund ⁴ | \$17,035,484 | 0.88% |
| ■ MCM U.S. Bond | \$13,833,596 | 0.72% |
| ■ MCM U.S. TIPS | \$6,103,335 | 0.32% |
| ■ MCM U.S. REITs | \$6,056,762 | 0.31% |
| ■ PERSI STIP | \$48,098,901 | 2.50% |
| ■ Loan Fund | \$14,750,251 | 0.77% |
| Total Fund | \$1,926,748,786 | 100.00% |

Asset Distribution - Defined Contribution Quarterly as of September 30, 2025

| Portfolio | Ending Assets Sep 30, 2025 | Weight | Net Cash Activity | Investment Gain/Loss | Beginning Assets Jun 30, 2025 | Weight |
|---|-------------------------------|----------------|---------------------|-------------------------|----------------------------------|----------------|
| Domestic Equity | | | | | | |
| MCM U.S. Large Cap Equity | \$137,376,037 | 7.13% | \$2,301,135 | \$10,239,806 | \$124,835,096 | 6.77% |
| Vanguard Growth & Income | \$115,955,353 | 6.02% | \$1,744,346 | \$8,497,270 | \$105,713,737 | 5.73% |
| MCM U.S. Small/Mid Cap Equity | \$45,199,352 | 2.35% | \$275,342 | \$3,675,708 | \$41,248,303 | 2.24% |
| T. Rowe Price Small Cap | \$40,671,661 | 2.11% | -\$869,699 | \$2,560,609 | \$38,980,751 | 2.11% |
| Balanced | | | | | | |
| Total Return Fd | \$1,444,146,562 | 74.95% | -\$1,014,444 | \$54,610,842 | \$1,390,550,164 | 75.43% |
| Calvert SRI Balanced ¹ | \$15,757,456 | 0.82% | -\$526,294 | \$692,545 | \$15,591,205 | 0.85% |
| International Equity | | | | | | |
| MCM Intl Equity | \$19,183,987 | 1.00% | \$765,459 | \$918,630 | \$17,499,897 | 0.95% |
| T. Rowe Price Overseas Stock ² | \$1,233,309 | 0.06% | \$222,983 | \$64,432 | \$945,894 | 0.05% |
| DFA Emerging Markets Core Equity ³ | \$1,346,741 | 0.07% | \$129,435 | \$101,118 | \$1,116,188 | 0.06% |
| Domestic Fixed Income | | | | | | |
| Dodge & Cox Income Fund ⁴ | \$17,035,484 | 0.88% | -\$405,620 | \$427,371 | \$17,013,733 | 0.92% |
| MCM U.S. Bond | \$13,833,596 | 0.72% | -\$288,645 | \$283,598 | \$13,838,643 | 0.75% |
| MCM U.S. TIPS | \$6,103,335 | 0.32% | -\$351,275 | \$127,393 | \$6,327,217 | 0.34% |
| MCM U.S. REITs | \$6,056,762 | 0.31% | -\$66,957 | \$287,759 | \$5,835,960 | 0.32% |
| PERSI STIP | \$48,098,901 | 2.50% | -\$2,279,880 | \$522,511 | \$49,856,270 | 2.70% |
| Loan Fund | \$14,750,251 | 0.77% | \$794,037 | -\$131,386 | \$14,087,600 | 0.76% |
| Total Fund | \$1,926,748,786 | 100.00% | \$429,922 | \$82,878,205 | \$1,843,440,659 | 100.00% |

PERSI Choice 401(k) Plan Performance Overview*

| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|----------------------------------|-----------------|--------------|--------------------|--------------------|---------------------|
| Domestic Equity | | | | | |
| Mellon Large Cap Equity | 8.12% | 17.59% | 24.88% | 16.41% | 15.25% |
| Vanguard Growth and Income | 8.00% | 19.12% | 24.84% | 16.92% | 15.16% |
| S&P 500 Index | 8.12% | 17.60% | 24.94% | 16.47% | 15.30% |
| Mellon Small/MidCap Equity | 8.90% | 16.30% | 19.67% | 11.63% | 11.32% |
| DJ US Completion Total Stock Mkt | 8.86% | 16.42% | 19.49% | 11.29% | 11.19% |
| T. Rowe Price Small Cap Stock | 6.61% | 8.55% | 13.56% | 9.44% | 11.33% |
| Russell 2000 Index | 12.39% | 10.76% | 15.21% | 11.56% | 9.77% |
| Balanced | | | | | |
| Total Return Fund | 3.93% | 8.61% | 13.16% | 8.41% | 8.57% |
| Target Index (1) | 5.28% | 10.97% | 14.14% | 8.95% | 8.87% |
| Calvert SRI Balanced (2) | 4.47% | 10.45% | 16.77% | 9.78% | 9.89% |
| 60%S&P/40% Blmbg Agg | 5.69% | 11.74% | 16.74% | 9.64% | 10.06% |
| International Equity | | | | | |
| Mellon Intl Index | 5.12% | 15.29% | 22.33% | 11.44% | 8.42% |
| T. Rowe Price Overseas Stock (4) | 5.87% | 15.66% | 20.60% | 10.74% | 8.16% |
| MSCI EAFE Index | 4.77% | 14.99% | 21.70% | 11.15% | 8.17% |
| DFA Emerging Markets Core Eq (5) | 8.90% | 15.55% | 19.33% | 10.52% | 8.84% |
| MSCI Emg Mkts | 10.64% | 17.32% | 18.21% | 7.02% | 7.99% |
| Domestic Fixed Income | | | | | |
| Dodge & Cox Income (3) | 2.53% | 3.50% | 6.64% | 1.33% | 3.26% |
| Mellon Blmbg Agg | 2.02% | 2.85% | 4.88% | (0.53%) | 1.74% |
| Blmbg Agg Index | 2.03% | 2.88% | 4.93% | (0.45%) | 1.84% |
| Mellon U.S. TIPS | 2.10% | 3.76% | 4.85% | 1.36% | 2.95% |
| Blmbg US TIPS Index | 2.10% | 3.79% | 4.88% | 1.42% | 3.01% |
| Mellon U.S. REITs | 5.01% | (1.89%) | 10.30% | 9.23% | 5.50% |
| DJ US Select REIT Index | 5.09% | (1.70%) | 10.48% | 9.45% | 5.65% |
| PERSI STIP | 1.10% | 4.42% | 4.77% | 3.01% | 2.22% |
| FTSE Treas 1 Yr | 1.20% | 4.10% | 4.62% | 2.40% | 1.98% |
| TBills + 0.50% | 1.20% | 4.88% | 5.27% | 3.48% | 2.58% |

(1) Target Benchmark consists of 21% Russell 3000, 20% Bloomberg Aggregate, 10% Bloomberg TIPS, 6% MSCI EAFE, 18% MSCI ACWI, 9% MSCI Emerging Markets, 4% NCREIF NFI-ODCE, 4% FTSE NAREIT All Equity Idx, and 8% Private Equity.

(2) Performance represents Calvert Balance I until 04/30/2023 and Calvert Balance R6 thereafter.

(3) Performance represents Dodge & Cox Income I until 04/30/2023 and Dodge & Cox Income X thereafter.

(4) Funded April 2023, performance represents the T. Rowe Price Overseas Stock I Mutual Fund.

(5) Funded April 2023, performance represents the DFA Emerging Markets Core Equity I Mutual Fund.

** Returns are Net of Fee

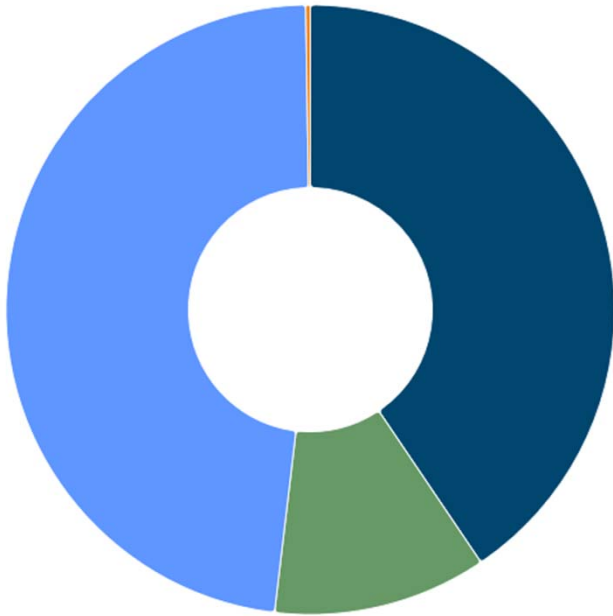
For the Quarter

- Balanced Funds
 - Total Return Fund underperformed the Long-Term Index by 135 bps.
 - Calvert underperformed its benchmark by 122 bps.
- Active Manager performance vs benchmarks:
 - T. Rowe Price Overseas + 110 bps
 - Vanguard G&I - 12 bps
 - DFA Emerging Markets - 174 bps
 - Dodge & Cox + 50 bps
 - T. Rowe Price Small Cap - 579 bps

Long-term Perspective (3- to 10-yr)

- Dodge & Cox has outperformed over longer periods of time
- Vanguard G&I has outperformed its long-term target over the last 5 years
- T. Rowe Price Sm Cap outperformed the Russell 2000 index over the last 10 years
- T. Rowe Price Overseas⁴ has matched the performance of the MSCI EAFE Index for the last 10 years
- DFA Emerging Markets⁵ has outperformed the MSCI Emerging Markets Index for longer periods
- Total Return underperformed its long-term target over the last 3, 5 and 10 years.
- Calvert outperformed its long-term target over the last 3 and 5 years but lagged over the last 10 years
- Passive funds kept pace with their respective benchmarks.

PERSI Sick Leave Asset Allocation as of September 30, 2025



| Asset Class | Assets | Actual Weight | Target | Difference |
|-----------------------------------|---------------|---------------|---------|------------|
| Russell 3000 Fund ¹ | \$312,669,646 | 40.53% | 39.36% | -1.17% |
| MSCI ACWI ex US Fund ² | \$87,606,102 | 11.36% | 10.64% | -0.72% |
| Govt/Credit Bond Fund | \$369,370,615 | 47.88% | 50.00% | 2.12% |
| Treasurer's Office Cash | \$1,853,722 | 0.24% | - | -0.24% |
| Total Sick Leave Funds | \$771,500,085 | 100.00% | 100.00% | - |

| Asset Class | \$000s Actual | Weight Actual | Target | Percent Difference | \$000s Difference |
|-------------------------|---------------|---------------|--------|--------------------|-------------------|
| Russell 3000 Fund | 312,670 | 40.5% | 39.4% | 1.2% | 9,007 |
| MSCI ACWI ex US Fund | 87,606 | 11.4% | 10.6% | 0.7% | 5,518 |
| Govt/Credit Bond Fund | 369,371 | 47.9% | 50.0% | (2.1%) | (16,379) |
| Treasurer's Office Cash | 1,854 | 0.2% | 0.0% | 0.2% | 1,854 |
| Total | 771,500 | 100.0% | 100.0% | | |

* Historical targets:

- Through Nov 2007: 100% Russell 3000
- From Dec 2007 through Aug 2011: 67% Russell 3000 + 33% Bloomberg Gov/Credit.
- From Sep 2011 through Oct 2020: 55% Russell 3000 + 15% MSCI ACWI ex US + 30% Bloomberg Gov/Credit
- Current policy is 50% Equity/50% Fixed Income

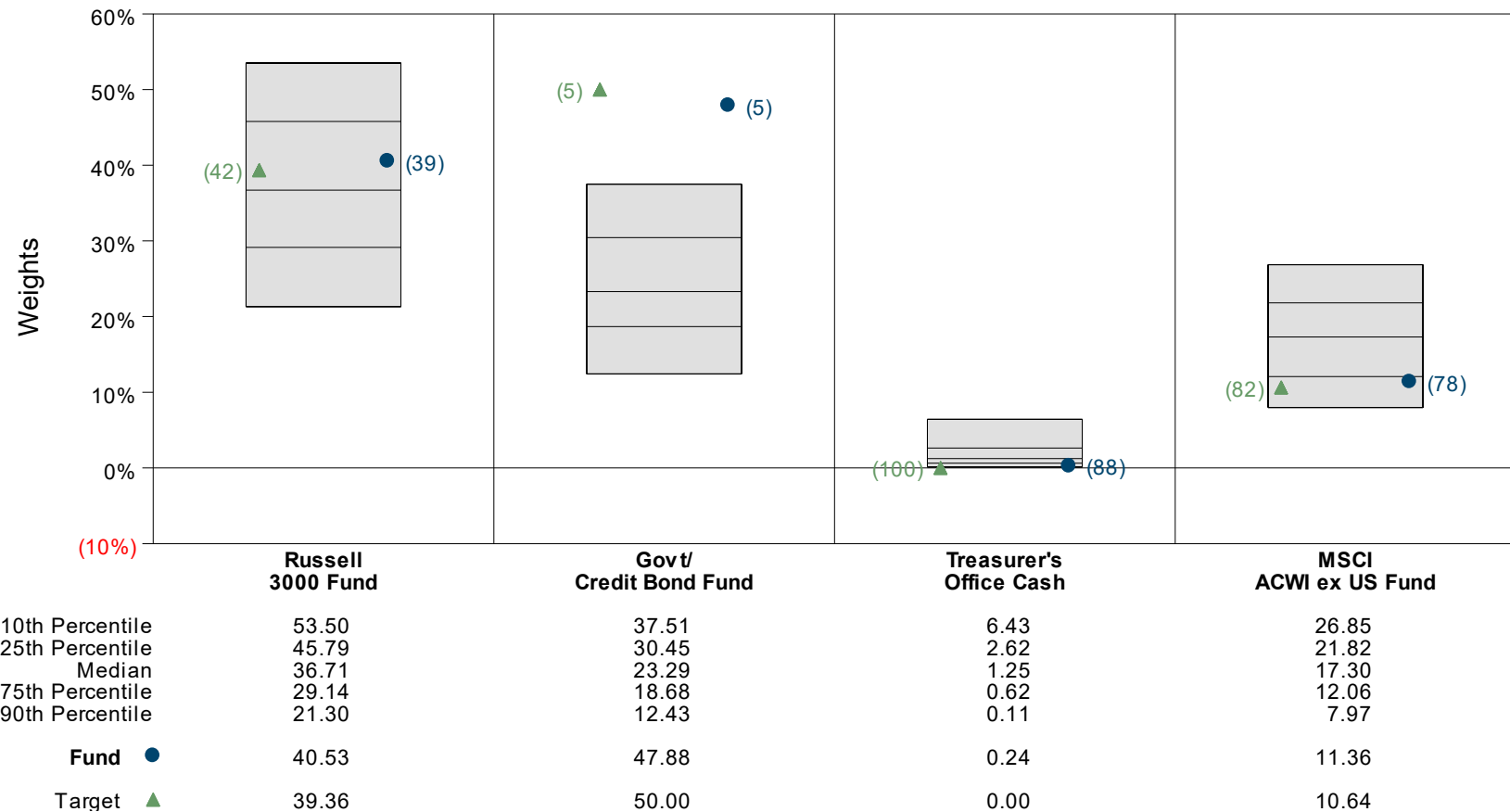
PERSI Sick Leave Total Asset Distribution as of September 30, 2025

| Portfolio | Ending Assets Sep 30, 2025 | Weight | Net Cash Activity | Investment Gain/Loss | Beginning Assets Jun 30, 2025 | Weight |
|-----------------------------------|-------------------------------|----------------|---------------------|-------------------------|----------------------------------|----------------|
| Russell 3000 Fund ¹ | \$312,669,646 | 40.53% | -\$5,020,000 | \$23,805,756 | \$293,883,890 | 39.73% |
| MSCI ACWI ex US Fund ² | \$87,606,102 | 11.36% | \$0 | \$5,741,038 | \$81,865,064 | 11.07% |
| Govt/Credit Bond Fund | \$369,370,615 | 47.88% | \$253 | \$6,929,129 | \$362,441,233 | 48.99% |
| Treasurer's Office Cash | \$1,853,722 | 0.24% | \$246,453 | \$4,253 | \$1,603,015 | 0.22% |
| Total Sick Leave Funds | \$771,500,085 | 100.00% | -\$4,773,294 | \$36,480,176 | \$739,793,202 | 100.00% |

PERSI Sick Leave Funds Asset Allocation vs Other Public Funds

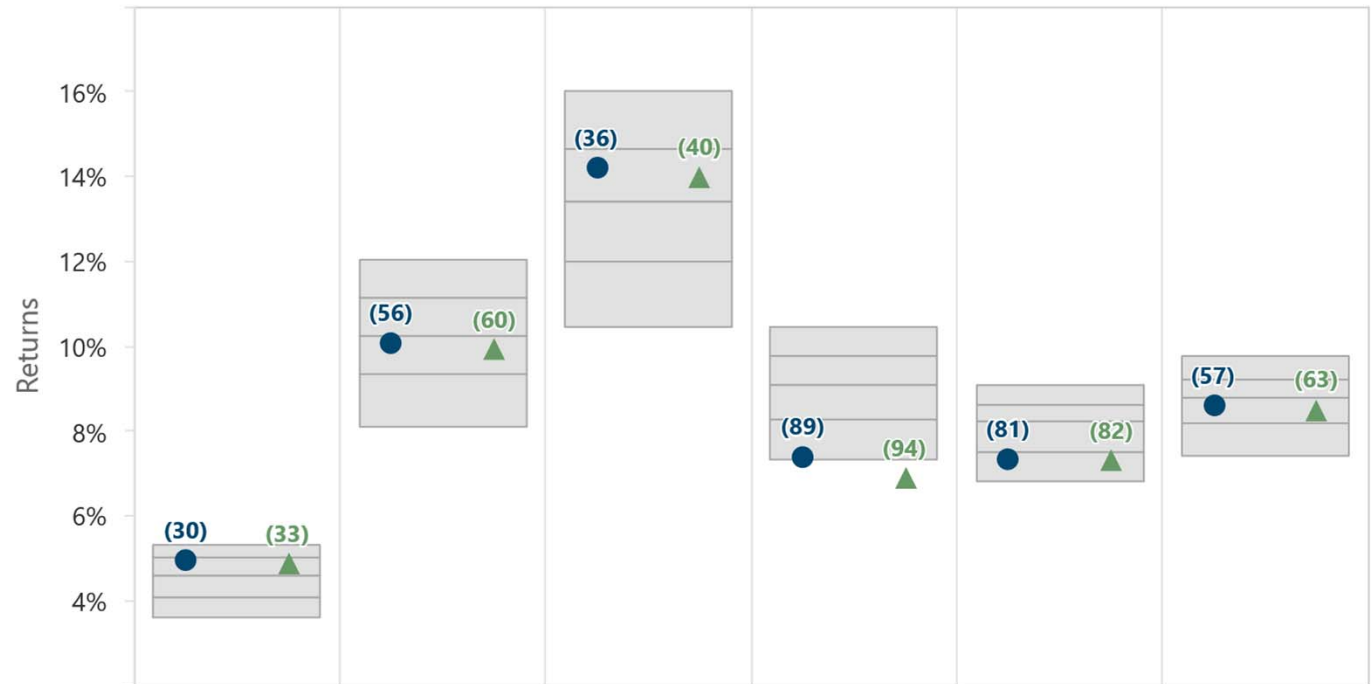
Periods ended September 30, 2025

Asset Class Weights vs Callan Public Fund Sponsor Database



Performance* Comparison - Trailing Time Periods as of September 30, 2025

Performance vs Callan Public Fund Spr DB



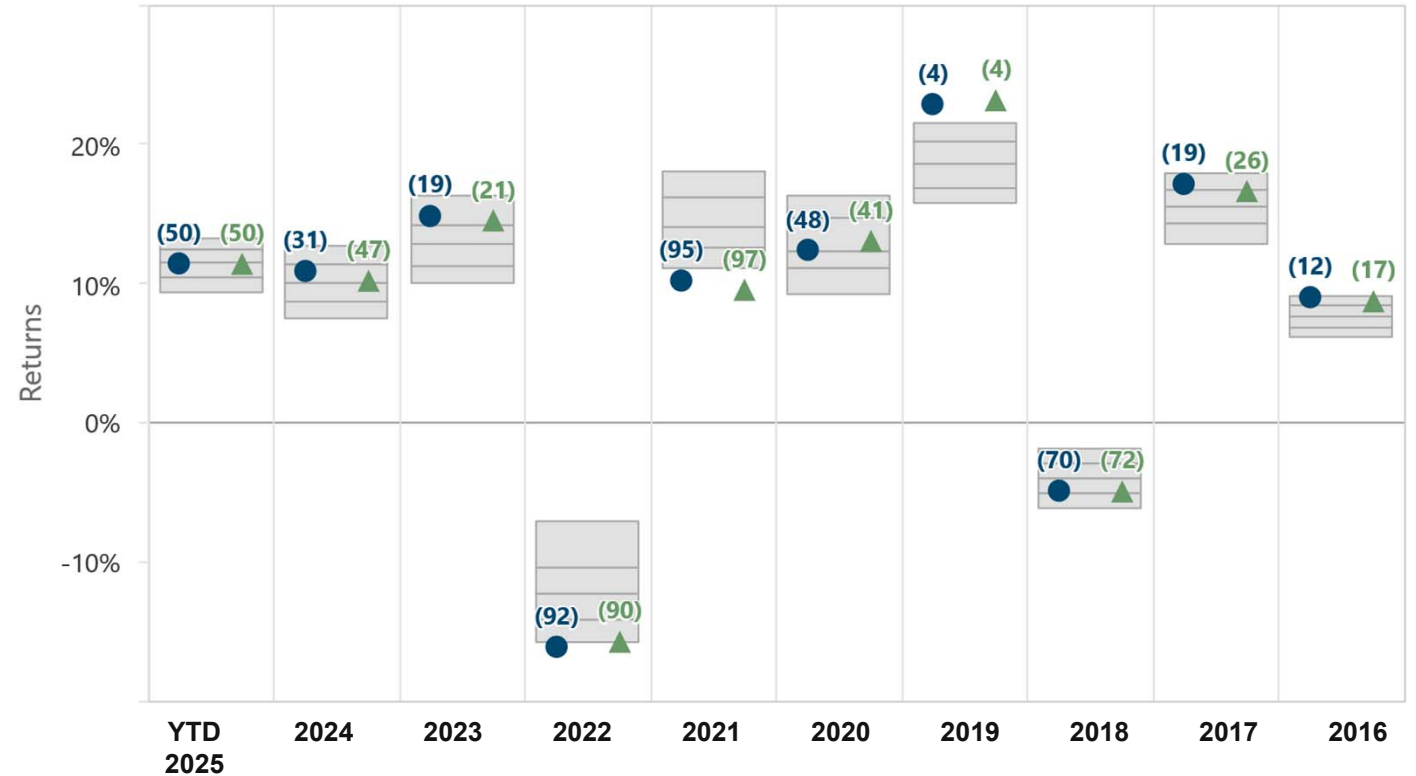
| | 1 Quarter | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|--------------------------|-----------|--------|---------|---------|---------|----------|
| 10th Percentile | 5.31 | 12.01 | 16.01 | 10.46 | 9.09 | 9.75 |
| 25th Percentile | 5.01 | 11.14 | 14.63 | 9.76 | 8.63 | 9.20 |
| Median | 4.58 | 10.23 | 13.39 | 9.09 | 8.21 | 8.76 |
| 75th Percentile | 4.10 | 9.33 | 12.00 | 8.29 | 7.50 | 8.18 |
| 90th Percentile | 3.59 | 8.11 | 10.43 | 7.31 | 6.82 | 7.43 |
| Total Sick Leave Funds ● | 4.96 | 10.07 | 14.20 | 7.38 | 7.33 | 8.60 |
| Long Term Target ▲ | 4.88 | 9.93 | 13.98 | 6.89 | 7.31 | 8.48 |

* Total Sick Leave Funds Returns are Gross of Fees

Current Quarter Target (effective Nov 2020) = 50.0% Blmbg Gov/Credit, 39.4% Russell 3000 Index, 10.6% MSCI ACWI xUS (Net) and 0.0% 3-month Treasury Bill.

Performance* Comparison - Calendar Years as of September 30, 2025

Performance vs Callan Public Fund Spr DB



| | YTD 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------|----------|-------|-------|--------|-------|-------|-------|-------|-------|------|
| 10th Percentile | 13.26 | 12.73 | 16.30 | -7.07 | 18.00 | 16.27 | 21.51 | -1.83 | 17.90 | 9.14 |
| 25th Percentile | 12.47 | 11.30 | 14.21 | -10.49 | 16.12 | 14.63 | 20.18 | -2.97 | 16.73 | 8.44 |
| Median | 11.43 | 10.05 | 12.77 | -12.38 | 14.07 | 12.24 | 18.51 | -4.05 | 15.52 | 7.64 |
| 75th Percentile | 10.35 | 8.70 | 11.26 | -14.16 | 12.55 | 11.05 | 16.85 | -5.10 | 14.27 | 6.79 |
| 90th Percentile | 9.34 | 7.50 | 10.05 | -15.82 | 11.05 | 9.17 | 15.70 | -6.16 | 12.87 | 6.09 |
| Total Sick Leave Funds ● | 11.42 | 10.88 | 14.83 | -16.12 | 10.20 | 12.40 | 22.87 | -4.90 | 17.14 | 9.00 |
| Long Term Target ▲ | 11.40 | 10.19 | 14.52 | -15.75 | 9.53 | 13.04 | 23.15 | -4.96 | 16.63 | 8.71 |

* Total Sick Leave Funds Returns are Gross of Fees

Current Quarter Target (effective Nov 2020) = 50.0% Blmbg Gov/Credit, 39.4% Russell 3000 Index, 10.6% MSCI ACWI xUS (Net) and 0.0% 3-month Treasury Bill.

PERSI Sick Leave Funds Performance Attribution*

3rd Quarter 2025

Relative Attribution Effects for Quarter ended September 30, 2025

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-------------------------|-------------------------|-------------------------|---------------|----------------|----------------|------------------|-----------------------|
| Russell 3000 Fund | 40% | 39% | 8.15% | 8.18% | (0.01%) | 0.02% | 0.01% |
| MSCI ACWI ex US Fund | 11% | 11% | 7.01% | 6.89% | 0.01% | 0.01% | 0.02% |
| Govt/Credit Bond Fund | 49% | 50% | 1.91% | 1.91% | 0.00% | 0.05% | 0.05% |
| Treasurer's Office Cash | 0% | 0% | 0.78% | 0.78% | 0.00% | (0.01%) | (0.01%) |
| Total | | | 4.96% | = 4.88% | + 0.01% | + 0.07% | 0.08% |

- Sick Leave Funds outperformed the Target by 8 bps during the quarter.
- Passive funds performed in line with their benchmarks.
- Variations from target weights detracted 7 bps.

* Returns are Gross of Fees

PERSI Sick Leave Funds Performance Attribution*

14 years since December 2011

Fourteen Year Annualized Relative Attribution Effects

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-------------------------|-------------------------|-------------------------|-------------------------------|---------------|----------------|------------------|-----------------------|
| Russell 3000 Fund | 52% | 50% | 15.31% | 15.28% | 0.01% | 0.08% | 0.09% |
| MSCI ACWI ex US Fund | 13% | 13% | 7.66% | 7.37% | 0.04% | (0.01%) | 0.03% |
| Govt/Credit Bond Fund | 36% | 37% | 2.21% | 2.16% | 0.02% | 0.01% | 0.03% |
| Treasurer's Office Cash | 0% | 0% | 1.37% | 1.37% | 0.00% | (0.00%) | (0.00%) |
| Total | | | 9.29% = 9.13% + 0.07% + 0.08% | | | | 0.15% |

- Sick Leave Funds earned a return of 9.29%, which exceeded the target return of 9.13% by approximately 15 bps.
- Passive funds slightly outperformed, contributing 7 bps of value-added, while rebalancing added another 8 bps.

* Returns are Gross of Fees

Callan Update

Published Research Highlights: 3Q25

Style, Trend, Analysis & Research (STAR) Report: Mid-Year 2025



Research Café: Impact Investing in Fixed Income



New Feature: The Callan Botcast (AI-generated podcasts)



Research Café: Modeling Returns and Managing Market Cap Weights



Recent Blog Posts

What Investors Need to Know about the 2025 Russell Reconstitution

Nicole Wubbena

New Tax on Endowments Will Likely Lead to Portfolio Management Changes

Evan Williams

A Framework for Evaluating Risk-Mitigating Strategies

Sean Lee

Additional Reading

Active vs. Passive quarterly charts

Capital Markets Review quarterly newsletter

Monthly Updates to the Periodic Table

Market Pulse Flipbook quarterly markets update

Market Intelligence (clients-only)

Real Estate Indicators market outlook

Callan Institute Events

Upcoming conferences, workshops, and virtual events

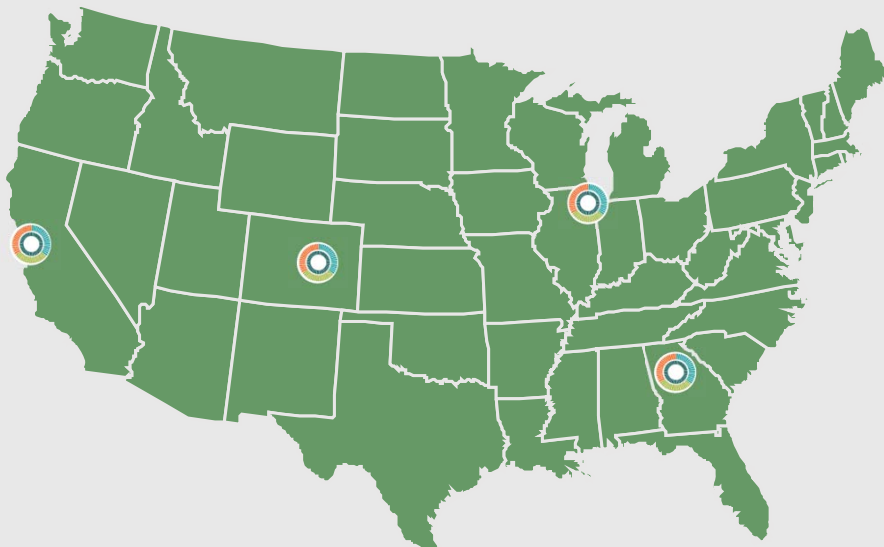
2026 Regional Workshop Dates

Workshop Dates

- ▶ June 16, 2026 – Denver
- ▶ June 18, 2026 – Chicago
- ▶ October 20, 2026 – Atlanta
- ▶ October 22, 2026 – San Francisco

Workshop Agenda

- ▶ 8:00 - 9:00 AM
Continental Breakfast
- ▶ 9:00 - 10:15 AM
Workshop and Q&A
- ▶ 10:15 - 11:00 AM
Roundtable Discussions



Mark Your Calendar

2026 National Conference

April 20-22, 2026 – Scottsdale, Arizona

Watch your email for further details and an invitation.



Upcoming Virtual Events

November 5, 2025

2025 Asset Manager Sustainable Investment Practices
Study Webinar

January 21, 2026

Capital Markets Assumptions Webinar

Introducing CODE: Callan On-Demand Education

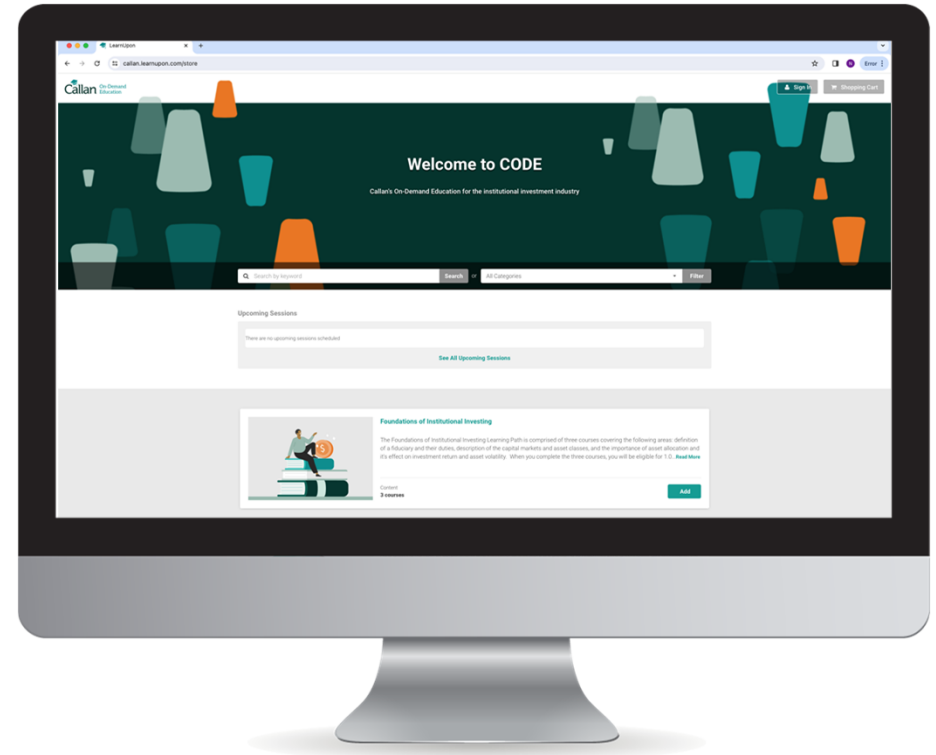


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3 Reasons to Take CODE Courses

- 1 Become a better fiduciary
- 2 Showcase your skills and knowledge
- 3 Learn from Callan's investment experts

Callan Updates

Firm updates by the numbers, as of September 30, 2025

Total Associates: ~205

Company Ownership:

- ▶ 100% employee ownership
- ▶ ~70% of employees are equity owners
- ▶ Well-diversified ownership

Total Investment Consultants: 50+

Total Specialty and Research Consultants: 65+

Total CFA/CAIA/FRMs: 60+

Total Institutional Investor Clients: 475+

Provides advisory services to institutional investor/asset owner clients with more than \$4+ trillion

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- ▶ **Welcome to CallanDNA:** Learn how to get the most out of Callan's proprietary manager database, including deep-dive details about all managers in your portfolio.

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— Uvan Tseng, CFA, SVP, on his promotion to lead Callan's West Coast Consulting team



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Past performance is no guarantee of future results.

PERSI Investment Report

November 28, 2025

Current Mkt Value (MV)
27,372,014,944

Previous Day MV
27,298,661,072

Change from Prev Day
73,353,872

Last FY-end MV
26,032,790,430

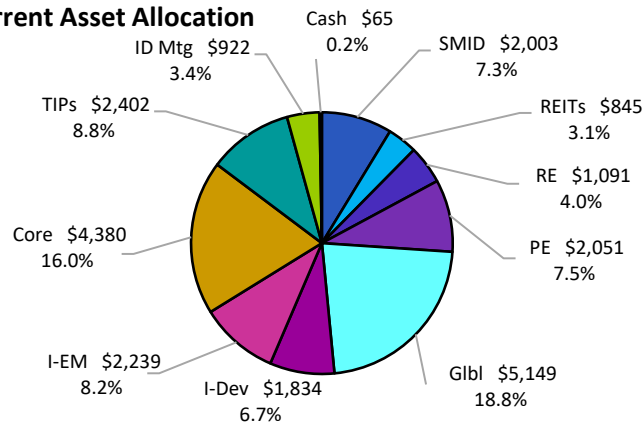
FY Change
1,339,224,514

The Total Fund set a new all-time high in assets on 10/27 at \$27.5 billion and NAV at \$546.40 per unit

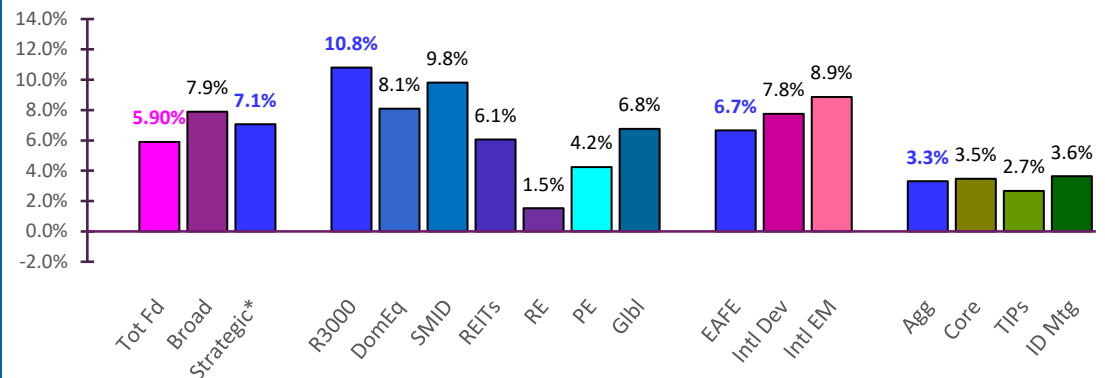
Long-Term Actuarial Investment Return Assumption (2025): 6.5%

| MTD Return | | FYTD Return | | 5-year Return | | 10-year Return | | 20-year Return | |
|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| Total Fund | 1.0% | Total Fund | 5.9% | Total Fund | 7.6% | Total Fund | 8.6% | Total Fund | 7.5% |
| Strategic Policy | 0.1% | Strategic Policy | 6.8% | Strategic Policy | 7.9% | Strategic Policy | 8.6% | Strategic Policy' | 7.0% |
| Broad Policy | 0.4% | Broad Policy | 7.9% | Broad Policy | 9.1% | Broad Policy | 9.6% | Broad Policy* | 7.8% |
| U.S. Equity | 1.6% | U.S. Equity | 6.6% | U.S. Equity | 11.6% | U.S. Equity | 12.0% | U.S. Equity | 9.7% |
| R3000 | 0.3% | R3000 | 10.8% | R3000 | 14.2% | R3000 | 14.1% | R3000 | 10.8% |
| Global Equity | 1.5% | Global Equity | 6.8% | Global Equity | 11.5% | Global Equity | 11.5% | Global Equity | 8.4% |
| MSCI ACWI | 0.0% | MSCI ACWI | 10.0% | MSCI ACWI | 12.0% | MSCI ACWI | 11.4% | MSCI ACWI | 8.3% |
| Int'l Equity | -0.3% | Int'l Equity | 8.4% | Int'l Equity | 6.7% | Int'l Equity | 7.6% | Int'l Equity | 5.9% |
| MSCI EAFE | 0.6% | MSCI EAFE | 6.7% | MSCI EAFE | 9.3% | MSCI EAFE | 7.7% | MSCI EAFE | 5.7% |
| Fixed Income | 0.5% | Fixed Income | 3.2% | Fixed Income | 0.4% | Fixed Income | 2.7% | Fixed Income | 3.9% |
| Aggregate | 0.6% | Aggregate | 3.3% | Aggregate | -0.3% | Aggregate | 2.0% | Aggregate | 3.3% |

Current Asset Allocation



FYTD Actual Returns v Broad Policy (55/15/30) Benchmarks



Performance is unaudited and GROSS of fees

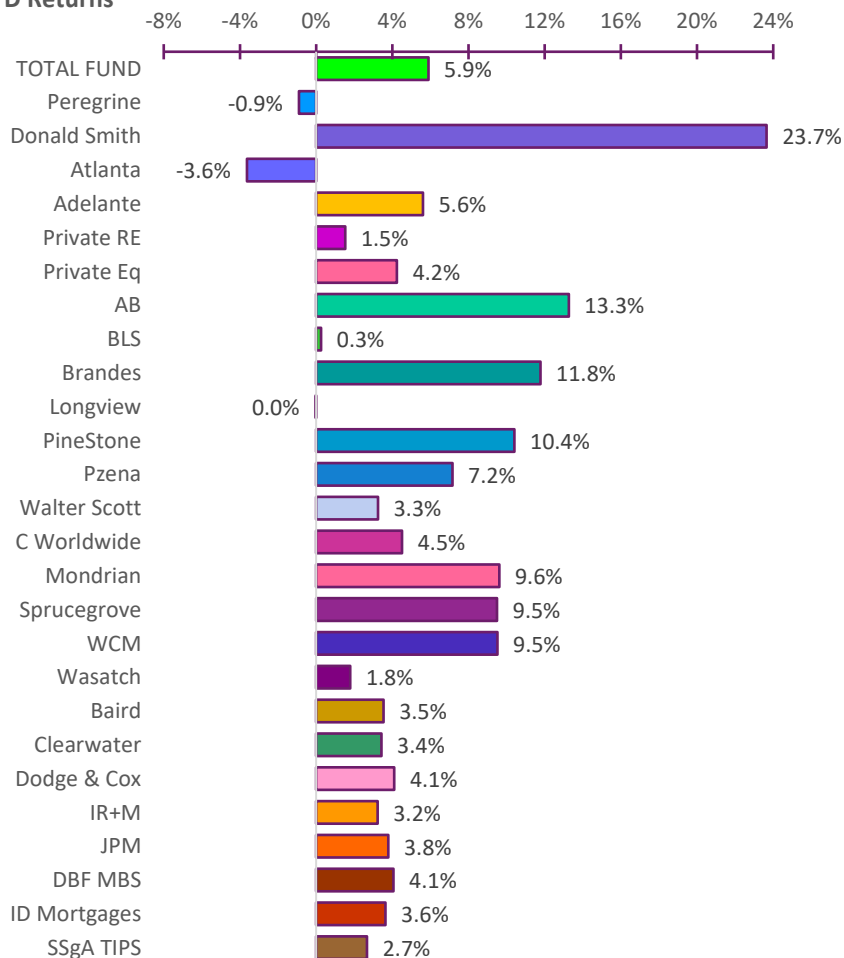
Broad Policy: 55% Russell 3000 / 15% MSCI EAFE Net Dividend / 30% Bloomberg Aggregate

Broad Policy*: internal estimate

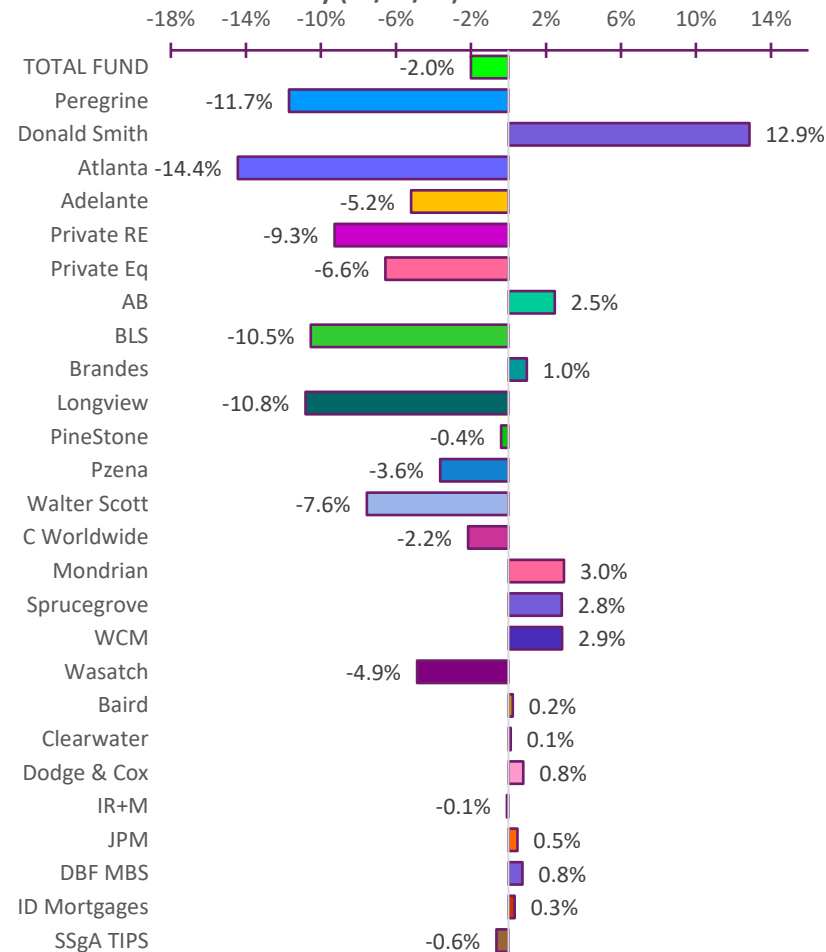
Strategic Policy: 14% Large cap/8% Small cap/4% REITs/4% Private Real Estate/8% Private Equity/15% Global Equity/8% Non-US Developed/9% Non-US Emerging/20% Aggregate/10% TIPs

Strategic Policy': Internal estimate

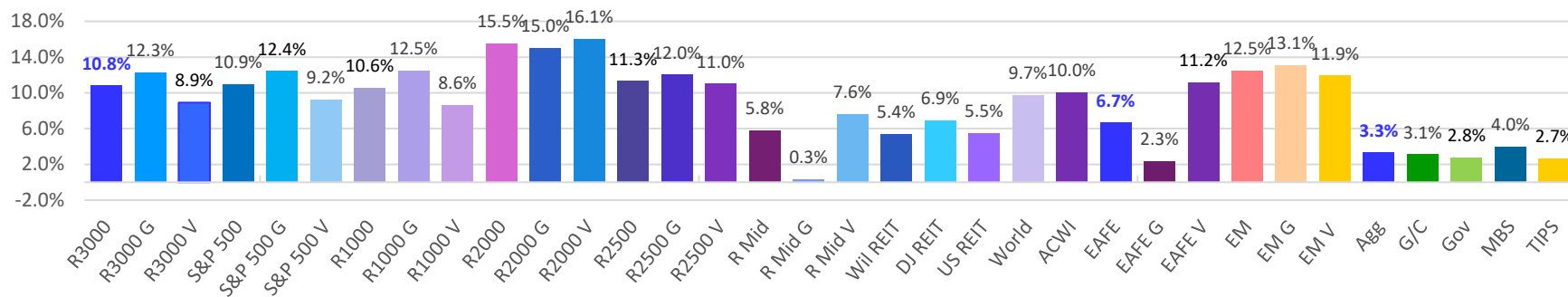
FYTD Returns



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



FYTD Index Returns



Total Fund Summary (Gross Returns)

10/31/2025

Preliminary Performance Summary (blue = outperform by 50 bp; red = underperform by 50 bp

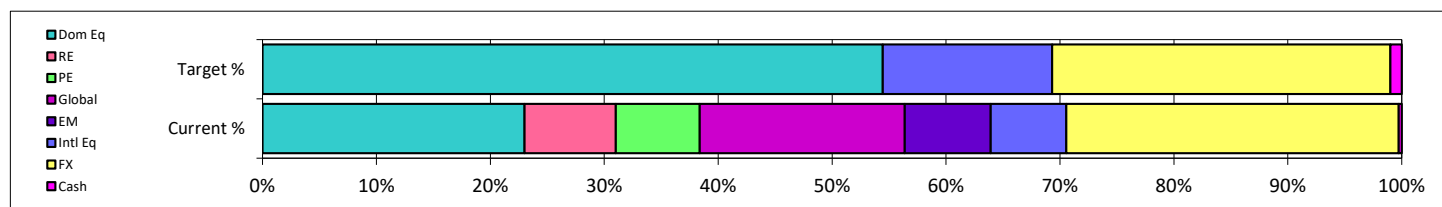
(* Annualized)

| | Last Month | FYTD | Last 3 Years* | Last 5 Years* | Last 10 Years* | Last 20 Years* |
|---|--|--|--|---|--|--|
| Total Fund | 0.8% | 4.9% | 12.6% | 9.2% | 8.5% | 7.6% |
| Strategic Policy [†] | 1.3% | 6.7% | 13.6% | 9.5% | 8.5% | 7.6% |
| Broad Policy (55-15-30) | 1.5% | 7.4% | 16.6% | 11.0% | 9.6% | 8.4% |
| Total Domestic Equity (Russell 3000) | 0.4% | 5.0% | 14.6% | 13.5% | 11.7% | 9.4% |
| Russell 3000 | 2.1% | 10.5% | 21.8% | 16.7% | 14.1% | 11.0% |
| U.S. Equity (Russell 3000) | 0.6% | 6.5% | 19.5% | 14.4% | 12.7% | 10.7% |
| Real Estate (NCREIF) | -0.5% | 1.2% | 0.7% | 6.7% | 6.6% | 5.8% |
| Private Equity (Russell 3000*1.35) | -0.3% | 2.3% | 6.5% | 16.0% | 12.2% | 11.2% |
| Global Equity (Russell 3000) | 0.7% | 5.2% | 17.7% | 14.2% | 11.2% | 8.5% |
| Total International Equity (MSCI EAFE) | 2.8% | 8.7% | 19.6% | 9.4% | 7.2% | 6.2% |
| MSCI EAFE Net | 1.2% | 6.0% | 20.1% | 12.3% | 7.5% | 5.8% |
| Total Fixed Income (BB Aggregate) | 0.6% | 2.7% | 5.6% | 0.5% | 2.7% | 3.9% |
| Bloomberg Aggregate | 0.6% | 2.7% | 5.6% | -0.2% | 1.9% | 3.3% |

Asset Allocation

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

| | | Month-End MV | Current % | Target % |
|----------------------------|----|--------------|-----------|----------|
| U.S. Equity | \$ | 6,306 | 23.2 % | |
| Real Estate | \$ | 1,897 | 7.0 % | |
| Private Equity | \$ | 2,028 | 7.5 % | |
| Global Equity | \$ | 5,072 | 18.7 % | |
| Total Domestic Equity | | \$ 15,303 | 56.4 % | 55.0% |
| Emerging Markets Equity | \$ | 2,278 | 8.4 % | |
| Total International Equity | | \$ 4,087 | 15.1 % | 15.0% |
| Total Fixed Income | | \$ 7,663 | 28.2 % | 29.0% |
| Cash | | \$ 94 | 0.3 % | 1.0% |
| Total Fund | | \$ 27,148 | 100.0 % | 100.0% |



Long-Term Strategic Positions:

US Small/Mid Capitalization Equities, Real Estate Investment Trust Securities (REITs), Private Real Estate, Global Equity, Emerging Market Equity, TIPS - Treasury Inflation Protected Securities, Idaho Commercial Mortgage Program

[†] Strategic Policy Benchmark = 21% R3000, 18% MSCI ACWI, 6% MSCI EAFE, 9% MSCI EM, 8% PE, 4% NAREIT, 4% NFI-ODCE EW, 20% Agg, 10% TIPS

Total Fund Month-End Performance

Oct 2025

Manager (Style Benchmark)

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

(* Annualized)

| | Last Month | FYTD | Last 3 Years* | Last 5 Years* | Last 10 Years* | Last 20 Years* |
|---|---------------|-------------|------------------|------------------|-------------------|-------------------|
| Total Fund | 0.8% | 4.9% | 12.6% | 9.2% | 8.5% | 7.6% |
| Strategic Policy | 1.3% | 6.7% | 13.6% | 9.5% | 8.5% | 7.6% |
| Policy (55-15-30) | 1.5% | 7.4% | 16.6% | 11.0% | 9.6% | 8.4% |
| Total Domestic Equity (Russell 3000) | 0.4% | 5.0% | 14.6% | 13.5% | 11.7% | 9.4% |
| (Includes U.S. Eq, Gbl Eq, RE, PE) | | | | | | |
| U.S. Equity ex RE, PE (Russell 3000) | 0.6% | 6.5% | 19.5% | 14.4% | 12.7% | 10.7% |
| Russell 3000 | 2.1% | 10.5% | 21.8% | 16.7% | 14.1% | 11.0% |
| MCM Index Fund (Russell 3000) | 2.1% | 10.5% | 22.2% | 16.9% | 14.2% | 11.2% |
| MCM Russell 1000 (Russell 1000) | 2.1% | 10.3% | 22.3% | 17.0% | 14.4% | 11.3% |
| Russell 1000 | 2.2% | 10.3% | 22.3% | 17.1% | 14.4% | 11.1% |
| S&P 500 Index | 2.3% | 10.7% | 22.7% | 17.6% | 14.6% | 11.2% |
| MCM Russell 2000 (Russell 2000) | 1.8% | 14.5% | 12.0% | 11.5% | 9.4% | 8.4% |
| Russell 2000 | 1.8% | 14.4% | 11.9% | 11.5% | 9.4% | 8.4% |
| Donald Smith & Co. (Russell 3000) | -2.1% | 16.1% | 34.4% | 33.0% | 17.4% | 12.8% |
| Russell 3000 | 2.1% | 10.5% | 21.8% | 16.7% | 14.1% | 11.0% |
| Peregrine (Russell 1000 Growth) | 3.2% | 1.1% | 20.5% | 6.3% | 14.7% | 11.4% |
| Russell 1000 Growth | 3.6% | 14.5% | 30.7% | 19.2% | 18.3% | 13.6% |
| Atlanta Capital (Russell 2500) | -1.5% | -4.7% | N/A | N/A | N/A | N/A |
| Mountain Pacific (Russell 2500) | 0.2% | 0.9% | 12.6% | 10.6% | 11.1% | 11.0% |
| Russell 2500 | 0.7% | 9.7% | 12.4% | 11.8% | 10.0% | 9.2% |
| Global Equity (Russell 3000) | 0.7% | 5.2% | 17.7% | 14.2% | 11.2% | 8.5% |
| Russell 3000 | 2.1% | 10.5% | 21.8% | 16.7% | 14.1% | 11.0% |
| MSCI World | 2.0% | 9.5% | 22.3% | 16.1% | 12.4% | 9.3% |
| MSCI World net div | 2.0% | 9.4% | 21.7% | 15.6% | 11.8% | 8.8% |
| MSCI AC World | 2.3% | 10.2% | 22.2% | 15.1% | 11.9% | 9.0% |
| BLS (MSCI ACWI) | -1.3% | -3.5% | 13.5% | 11.6% | N/A | N/A |
| Bernstein (MSCI ACWI) | 1.6% | 11.9% | 22.2% | 16.0% | 8.5% | 6.0% |
| Brandes (Russell 3000) | 2.1% | 9.4% | 24.0% | 21.3% | 11.0% | 7.6% |
| Longview (MSCI ACWI) | -1.0% | 0.1% | 12.1% | 12.8% | 9.5% | N/A |
| PineStone (MSCI World) | 2.0% | 9.3% | 19.3% | 14.4% | N/A | N/A |
| Pzena (MSCI ACWI) | 1.0% | 5.8% | N/A | N/A | N/A | N/A |
| Walter Scott (MSCI World net div) | -0.3% | 2.2% | 16.2% | 10.8% | N/A | N/A |
| Private Equity (Russell 3000) | -0.3% | 2.3% | 6.5% | 16.0% | 12.2% | 11.2% |
| Russell 3000 | 2.1% | 10.5% | 21.8% | 16.7% | 14.1% | 11.0% |

Total Fund Month-End Performance

Oct 2025

Manager (Style Benchmark)

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

(* Annualized)

| | Last Month | FYTD | Last 3 Years* | Last 5 Years* | Last 10 Years* | Last 20 Years* |
|--|---------------|-------------|------------------|------------------|-------------------|-------------------|
| Real Estate (NCREIF) | -0.5% | 1.2% | 0.7% | 6.7% | 6.6% | 5.8% |
| MCM REIT (DJ US Select REIT) | -1.4% | 3.6% | 8.4% | 9.7% | 4.9% | N/A |
| Dow Jones U.S. Select REIT | -1.3% | 3.7% | 8.4% | 9.7% | 4.9% | 6.2% |
| Adelante REITs (Wilshire REIT) | -1.0% | 3.1% | 9.4% | 9.8% | 6.9% | 7.4% |
| Wilshire REIT | -1.6% | 3.1% | 9.2% | 9.6% | 5.7% | 6.7% |
| Prudential (NCREIF) | 0.5% | 2.2% | -5.1% | 3.4% | 5.0% | 5.7% |
| Private Real Estate | 0.0% | -0.3% | -4.7% | 4.9% | 7.5% | 4.1% |
| NCREIF Prop 1Q Arrears | 0.4% | 1.6% | -2.7% | 3.7% | 5.2% | 6.6% |
| Int'l Equity (MSCI EAFE) | 2.8% | 8.7% | 19.6% | 9.4% | 7.2% | 6.2% |
| MSCI EAFE | 1.2% | 6.0% | 20.1% | 12.3% | 7.5% | 5.8% |
| MSCI ACWI ex US | 2.0% | 9.2% | 20.9% | 11.7% | 8.2% | 6.4% |
| MCM International (MSCI EAFE) | 1.1% | 5.8% | 20.3% | 12.6% | 7.8% | 6.1% |
| C Worldwide (MSCI ACWI ex US) | 3.5% | 4.8% | N/A | N/A | N/A | N/A |
| Mondrian (MSCI EAFE) | 1.6% | 5.7% | 23.0% | 15.5% | 7.8% | 6.5% |
| Sprucegrove (MSCI EAFE) | 1.3% | 8.6% | N/A | N/A | N/A | N/A |
| MCM Emerging Markets (MSCI EMF) | 4.1% | 15.6% | 21.0% | 7.3% | 7.7% | N/A |
| WCM | 2.2% | 33.6% | N/A | N/A | N/A | N/A |
| Wasatch | 3.8% | 0.4% | N/A | N/A | N/A | N/A |
| MSCI EM | 4.2% | 15.6% | 21.7% | 7.9% | 8.1% | 7.1% |
| Total Fixed Income (BB Aggregate) | 0.6% | 2.7% | 5.6% | 0.5% | 2.7% | 3.9% |
| BB Aggregate | 0.6% | 2.7% | 5.6% | -0.2% | 1.9% | 3.3% |
| Baird (BB Aggregate) | 0.7% | 2.9% | N/A | N/A | N/A | N/A |
| Clearwater (BB Aggregate) - 1/2014 | 0.7% | 2.8% | 6.2% | 0.1% | 2.3% | 3.4% |
| Dodge & Cox (BB Aggregate) | 0.8% | 3.5% | N/A | N/A | N/A | N/A |
| JP Morgan (BB Aggregate) | 0.6% | 3.0% | N/A | N/A | N/A | N/A |
| SSgA Gov/Corp (BB G/C) | 0.6% | 2.5% | 5.6% | -0.3% | 2.1% | 3.5% |
| IR+M (BB G/C) | 0.6% | 2.6% | 6.1% | 0.1% | N/A | N/A |
| Bloomberg Gov/Credit | 0.6% | 2.5% | 5.5% | -0.4% | 2.0% | 3.4% |
| DBF Idaho Mortgages (BB Mortgage) | 0.7% | 2.6% | 6.9% | 1.4% | 3.5% | 5.1% |
| Bloomberg Treasury | 0.6% | 2.1% | 4.3% | -1.0% | 1.3% | 2.8% |
| DBF MBS (BB Mortgage) | 0.9% | 3.4% | 6.0% | 0.3% | 1.5% | 3.0% |
| Bloomberg Mortgage | 0.9% | 3.3% | 5.9% | 0.0% | 1.5% | 3.1% |
| SSgA TIPS (BB TIPS) | 0.4% | 2.5% | 4.6% | 1.4% | 3.0% | 4.1% |
| Bloomberg US TIPS | 0.4% | 2.5% | 4.6% | 1.6% | 3.0% | 3.6% |
| Cash | | | | | | |
| Clearwater: PERSI STIF (90-day LIBOR) | 0.4% | 1.5% | 4.9% | 3.1% | 2.3% | 2.0% |
| ICE BofA 3-mo Treasury Bill Index | 0.3% | 1.4% | 4.9% | 3.1% | 2.1% | 1.7% |

Total Fund
Month-End Performance

Oct 2025

| | <u>Market Value</u> | <u>% of Assets</u> |
|---|----------------------------|--------------------|
| Total Fund | \$27,148,072,234.69 | |
| Total Domestic Equity (Russell 3000) | \$15,303,405,154.56 | 56.4% |
| (Includes U.S. Eq, Gbl Eq, RE, PE) | | |
| U.S. Equity ex RE, PE (Russell 3000) | \$ 7,129,873,811.18 | 26.3% |
| Donald Smith & Co. (Russell 3000) | \$ 1,105,219,571.93 | 4.1% |
| Peregrine (Russell 1000 Growth) | \$ 832,704,142.00 | 3.1% |
| Atlanta Capital (Russell 2500) | \$ 691,322,882.37 | 2.5% |
| US Transition | \$ 763,306,339.74 | 2.8% |
| MCM Russell 1000 (Russell 1000) | \$ 2,787,469,665.22 | 10.3% |
| MCM Russell 2000 (Russell 2000) | \$ 126,304,179.52 | 0.5% |
| Global Equity (Russell 3000) | \$ 5,072,386,783.70 | 18.7% |
| BLS (MSCI ACWI) | \$ 681,648,089.19 | 2.5% |
| Bernstein (MSCI ACWI) | \$ 819,898,068.94 | 3.0% |
| Brandes (Russell 3000) | \$ 821,486,663.23 | 3.0% |
| Longview (MSCI ACWI) | \$ 647,282,347.48 | 2.4% |
| PineStone (MSCI World) | \$ 716,424,921.36 | 2.6% |
| Pzena (MSCI ACWI) | \$ 731,804,005.61 | 2.7% |
| Walter Scott (MSCI World net div) | \$ 653,486,234.55 | 2.4% |
| Private Equity (Russell 3000) | \$ 2,028,156,076.06 | 7.5% |
| Real Estate (NCREIF) | \$ 1,896,503,287.29 | 7.0% |
| MCM REIT (DJ US Select REIT) | \$ 315,505,801.38 | 1.2% |
| Adelante REITs (Wilshire REIT) | \$ 508,041,072.17 | 1.9% |
| Private Real Estate | \$ 1,072,956,413.74 | 4.0% |
| Int'l Equity (MSCI EAFE) | \$4,087,246,913.14 | 15.1% |
| MCM International (MSCI EAFE) | \$ 305,482,243.07 | 1.1% |
| C Worldwide (MSCI ACWI ex US) | \$ 457,953,199.22 | 1.7% |
| Mondrian (MSCI EAFE) | \$ 555,831,553.68 | 2.0% |
| Sprucegrove (MSCI EAFE) | \$ 489,543,313.50 | 1.8% |
| MCM Emerging Markets (MSCI EMF) | \$ 1,021,290,969.30 | 3.8% |
| WCM (MSCI EMF) | \$ 706,000,000.00 | 2.6% |
| Wasatch (MSCI EMF) | \$ 549,268,537.36 | 2.0% |
| Total Fixed Income (BC Aggregate) | \$7,662,902,597.25 | 28.2% |
| Baird (BB Aggregate) | \$ 526,828,224.16 | 1.9% |
| Clearwater (BB Aggregate) - 1/2014 | \$ 397,227,240.40 | 1.5% |
| Dodge & Cox (BB Aggregate) | \$ 527,680,071.61 | 1.9% |
| JP Morgan (BB Aggregate) | \$ 530,545,433.83 | 2.0% |
| SSgA Gov/Corp (BB G/C) | \$ 1,658,070,374.12 | 6.1% |
| IR+M (BB G/C) | \$ 520,013,573.79 | 1.9% |
| DBF Idaho Mortgages (BB Mortgage) | \$ 919,896,217.37 | 3.4% |
| DBF MBS (BB Mortgage) | \$ 184,648,013.45 | 0.7% |
| SSgA TIPS (BB TIPS) | \$ 2,397,794,871.48 | 8.8% |
| Cash | \$94,378,228.23 | 0.3% |
| Clearwater: PERSI STIF (90-day LIBOR) | \$ 94,378,228.23 | 0.3% |

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Adelante (Public RE - REITs)

Domestic Equity: Wilshire REIT Benchmark

| | For the month of: | October | 2025 | | |
|----------------------------------|-------------------|------------------|----------------------|------------------|------------------|
| Manager Performance Calculations | | | * Annualized returns | | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Adelante Total Return | -1.03% | 3.93% | -0.05% | 9.45% | 9.86% |
| Wilshire REIT Index | -1.60% | 3.90% | 0.13% | 9.18% | 9.60% |

Performance Attribution & Strategy Comments

For the month ended October 31, 2025 – The Account outperformed the Wilshire US REIT Index by 57 basis points, gross of fees, as the REIT market declined 1.6%.

- Contributors: the sector allocation to Medical Offices and Laboratories REIT (underweight), Core Industrial REIT (overweight) and Diversified REIT (underweight).
- Detractors: security selection within Medical Offices and Laboratories REIT, Apartment REIT and Shopping Center REIT.
- Best performing holding: ProLogis, Inc., +8.4%.
- Worst performing holding: Alexandria Real Estate Equities, Inc., -30.6%.

For the trailing quarter ended October 31, 2025 – The Account underperformed the Wilshire US REIT Index by 3 basis points, gross of fees, as the REIT market advanced 3.9%.

- Contributors: the sector allocation to Core Industrial REIT (overweight), Specialty Industrial REIT (underweight) and Medical Offices and Laboratories REIT (underweight).
- Detractors: security selection within Shopping Center REIT, Medical Offices and Laboratories REIT and a cash drag.
- Best performing holding: ProLogis, Inc., +17.3%.
- Worst performing holding: Alexandria Real Estate Equities, Inc., -22.9%.

Comments – As investors weighed mixed macro signals, persistent policy uncertainty, and the impact of a month-long government shutdown, the **Wilshire U.S. REIT Index slipped 1.6%**. The **FOMC's 25 bps rate cut met expectations**, though Chair Powell's post-meeting remarks were notably hawkish, emphasizing continued inflation risks and a resilient labor market. The **10-year Treasury yield reached a low of 3.97% on October 22** before rebounding to 4.11% by month-end as markets reduced the probability of a December rate cut to 65%.

Across commercial property markets, performance continued to diverge between well-capitalized platforms and highly leveraged issuers. The Hodes Weill Institutional Real Estate Allocations Monitor (FY25) reported the **first-ever decline in target CRE allocations—down 10 bps to 10.7%** reflecting uncertainty, competitive returns in infrastructure and private credit, and muted three-year performance.

In private markets, the **RCA Commercial Property Price Index rose 0.7% m/m and 2.6% y/y**, led by Office assets, while **transaction volume increased 19% y/y**, signaling improving liquidity. Although regional-bank CRE delinquencies and loan-fraud losses revived credit-quality concerns, overall deal activity remained resilient.

In the public markets, **Industrial REITs led gains, advancing 7.1%**, driven by strong Q3 results from Prologis, Rexford, and First Industrial, which reported record leasing and expanding AI-driven build-to-suit pipelines. Conversely, **the Medical Office and Laboratory segment fell 18.4%**, led by Alexandria Real Estate, which lowered forward guidance amid oversupply and regulatory headwinds from the FDA and NIH.

Dividend momentum strengthened, with Prologis (+10%), Welltower (+5%), and Mid-America (+2%) announcing increases, **lifting the sector's average yield to 3.7%**.

Portfolio adjustments included the exit of Host Hotels and a new position in Hilton Hotels, Inc. Following earnings, a position was also initiated in **SL Green (SLG)**, a leading NYC office REIT. As of October 31, the portfolio's dividend yield stood at 3.6%, with cash holdings representing 0.5% of total assets.

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) | 17.45 | 16.58 | 1.05 | | 1.30 | ok |
| B6b. Beta | 0.96 | 1.00 | 0.96 | 0.70 | 1.30 | ok |
| B6c. Dividend Yield | 3.56 | 3.91 | 0.91 | 0.80 | 2.00 | ok |
| B6d. Expected FFO Growth | 18.71 | 17.60 | 106% | 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: 84% 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: 16% ok

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

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

Qtr 3 \$ 1,511

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): | | | | |

Atlanta Capital

Domestic Equity: Russell 2500 Benchmark

For the month of: **October** **2025**

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> |
|-----------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Atlanta Capital | -1.50% | -4.54% | -7.17% | N/A | N/A |
| Russell 2500 | 0.67% | 7.65% | 11.94% | N/A | N/A |

Portfolio Attributes

| <u>Characteristics</u> | <u>Atlanta</u> | <u>RU 2500</u> | <u>Sector Analysis (Top 2)</u> | | |
|------------------------|----------------|----------------|--------------------------------|----------------|----------------|
| Mkt Value (\$m) | 691.21 | N/A | <u>Over-weight</u> | <u>Atlanta</u> | <u>RU 2500</u> |
| Wtd Cap (\$b) | 12.84 | 9.24 | Industrials | 28.55% | 20.88% |
| P/E | 21.80 | 19.30 | Financials | 20.64% | 16.23% |
| Beta | 0.72 | 1.00 | | | |
| Yield (%) | 0.84 | 1.36 | <u>Under-weight</u> | <u>Atlanta</u> | <u>RU 2500</u> |
| Earnings Growth | 13.50 | 10.00 | Health Care | 4.58% | 12.61% |
| | | | Energy | 0.00% | 3.80% |

Performance Attribution & Strategy Comments

U.S. SMID Cap markets continued to be driven by lower quality factors in October. Stocks in the benchmark with negative earnings outperformed those with positive earnings. Valuation also had a notable influence on results as the most expensive stocks within the benchmark outperformed. The Atlanta SMID Cap portfolio trailed the Russell 2500 U.S. Small/Mid Cap benchmark in October. Overall stock selection detracted from performance and was most pronounced within Technology. As in past months, our holdings in a number of more traditional software, tech equipment, and services names lagged the returns of more speculative AI and quantum computing companies. Stock selection was positive in Consumer Discretionary as one of the portfolio's off-price retail holdings moved higher on positive earnings. Sector allocation was negative for the month and driven by our underweight to Health Care (specifically Biotechnology which gained +13%). Our high-quality investment process typically results in an underweight to Biotech as many of the companies have negative earnings. The continued low-quality rally in SMID cap continues to be a headwind for many active high-quality managers. We continue to focus the portfolio on high quality companies that should protect in volatile periods and participate in rising markets.

Manager Style Summary

Atlanta Capital has been hired to manage a small-to-mid cap quality equity portfolio. Atlanta will invest in a focused portfolio of generally 50-60 companies with 5% max position size. Further, sector limits are limited to 30% absolute. Atlanta evaluates U.S. companies having market capitalizations within the range of companies comprising the Russell 2500 Index. The team excludes companies with volatile earnings streams, short operating histories, high levels of debt, weak cash flow generation, and low returns on capital to create a "focus list" of high-quality companies.

Atlanta Capital

Domestic Equity: Russell 2500 Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | Index | Atlanta | Calc | Min | Max | Compliance |
|--|-------|---------|------|------|---|------------|
| A2. Cash exposure <= 5% | | | | | | Yes |
| B2. Securities, at time of purchase, within the index market cap | | | | | | Yes |
| B3. Security position <= 5% of the account | | | | | | Yes |
| B4. Number of issues | | 54 | | 50 | 60 | ok |
| B5. Sector limits less than 30% | | | | | | Yes |
| B6. Annual turnover | | 10% | | 10% | 20% | ok |
| B7. Normal Global Portfolio Characteristics | | | | | | |
| Capitalization (rel) | 9329 | 12840 | 138% | 100% | 200% | ok |
| Maximum Sector Exposure | | 29% | | 0% | 30% | ok |
| Price/Book Value (rel) | 2.3 | 3.4 | 145% | 100% | 170% | ok |
| Price/Earnings (rel) | 19.3 | 21.8 | 113% | 100% | 200% | ok |
| Dividend Yield (rel) | 1.4 | 0.8 | 62% | 40% | 70% | ok |
| Beta (rel) | | 0.72 | | 0.70 | 1.00 | ok |
| D. No foreign currency denominated securities, derivatives, short sales, commodities, margin or affiliated pooled funds. | | | | | | Yes |
| E1. Brokerage commissions not to exceed \$0.05/share for U.S. equities | | | | | | Yes |
| 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 3 | \$ | 30,461 |
|--|-------|----|--------|

Organizational/Personnel Changes

N/A

Account Turnover

| | | | | | |
|---------|---------------------|---------------------------|---------------------------|----|-----|
| Gained: | Number of Accounts: | 0 | Total Market Value (\$m): | \$ | - |
| Lost: | Number of Accounts: | 1 | Total Market Value (\$m): | \$ | 2.9 |
| | Reason(s): | Client asset reallocation | | | |

Baird Advisors

Core Fixed: BB U.S. Aggregate Bond Index

| | For the month of: | October | 2025 | | |
|----------------------------------|-------------------|---------------|-------------|----------------------|---------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Baird | 0.66% | 3.02% | n/a | n/a | n/a |
| BB Aggregate | 0.62% | 2.94% | n/a | n/a | n/a |

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the benchmark by 3 basis points, gross of fees. Credit positioning modestly contributed to relative performance, driven by subsector/security selection decisions within financials and industrials. Securitized positioning also modestly contributed to relative performance, driven by subsector/security selection decisions within agency RMBS (pass-throughs). Active yield curve positioning and the positive convexity bias did not materially impact relative performance. As always, the portfolio remained duration neutral.

Treasury Yields Lower on Renewed China Trade Tension; Fed Eases but adds Hawkish Perspective:

The 10yr Treasury ended October at 4.08%, down 7 bps for the month. Intra-month it fell to a YTD low of 3.95% on renewed trade tensions with China prior to the face-to-face meeting scheduled between President Trump and President Xi, before rising again on reduced expectations of a December rate cut. The Federal government remained closed all month making it the second longest shutdown after the 35-day closure in 2019. With the governmental economic data disseminations largely ceased, one of the few datapoints available was September's CPI which showed both headline and core inflation readings of 3.0% YoY, below the 3.1% consensus expectation. The Fed cut its policy rate at month-end, as expected, by 25 bps to 3.75-4.0%. Divisions remained within the Fed as two voting members dissented – Kansas City Fed President Schmid preferred no cut while President Trump's recent appointee, Governor Miran, favored a 50 bps cut. The Fed further eased by setting the end of quantitative tightening (QT) for 12/1 when all mortgage principal payment proceeds will be reinvested into T-Bills, ensuring adequate bank reserves and liquidity while fostering demand in this favored issuance tenor of the Treasury. In the press conference that followed the FOMC decision, Chair Powell lamented the lack of "available data" and noted that a December cut is not a "foregone conclusion, far from it." Also, Treasury Secretary Bessent presented President Trump with five candidates for Fed Chair and President Trump traveled to Asia to meet Chinese Premier Xi fostering a de-escalation of the renewed trade tensions.

Most Spreads Modestly Wider in October:

Spreads widened across IG save Agy RMBS (-3 bps). US IG Corporate debt was +4 bps wider amid record issuance for the month of October and closed at +78, just above the +72 tight YTD reached earlier in the month. AI infrastructure borrowing remains robust. Meta issued \$30bn for AI and data-center capex, the largest ever US Corporate bond issue not used for M&A.

Organizational/Personnel Changes

N/A

Manager Style Summary

Baird's investment philosophy is based structuring the portfolio to achieve the return of the benchmark then add incremental value through a bottom-up, risk-controlled process (yield curve positioning, sector allocation, security selection and competitive execution). The result is consistent, competitive performance over complete market cycles.

Baird Advisors

Core Fixed: BB U.S. Aggregate Bond Index

Portfolio Guideline Compliance

| Portfolio Guideline: | Baird | BB AGG | Min | Max | Compliance |
|---|-------|--------|-----|---|-----------------------------|
| B1. Effective Duration: | 6.0 | 6.0 | 5.5 | 6.5 | ok |
| B2. Sector Diversification: | | | | | |
| Government | 31% | 46% | 11% | 81% | ok |
| Treasuries | 31% | 46% | 11% | 81% | ok |
| Agencies | 0% | 1% | 0% | 6% | ok |
| Credit | 36% | 28% | 3% | 53% | ok |
| Financial | 15% | 8% | 0% | 23% | ok |
| Industrial | 19% | 14% | 0% | 29% | ok |
| Utility | 1% | 2% | 0% | 12% | ok |
| Non-Corporate | 0% | 3% | 0% | 13% | ok |
| Securitized | 32% | 26% | 1% | 51% | ok |
| Non-Agency RMBS | 5% | 0% | 0% | 15% | ok |
| Agency RMBS | 20% | 24% | 4% | 44% | ok |
| ABS | 3% | 0% | 0% | 10% | ok |
| Non-Agency CMBS | 4% | 1% | 0% | 11% | ok |
| Agency CMBS | 0% | 1% | 0% | 11% | ok |
| Municipals | 1% | 1% | 0% | 11% | ok |
| B3. Issuer Concentration: <=5% all non US Gov't/Agcy | | | | 6% | ok |
| B4. Number of positions | 208 | | 200 | 400 | ok |
| B. Non-Investment Grade Alloc | 0% | | | 5% | ok |
| F2. Annual Turnover | | | 0% | 50% | 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

\$ 185,550

Account Turnover

Gained: Number of Accounts: 0 Total Mkt Value (\$m): \$ -
 Lost: Number of Accounts: 0 Total Mkt Value (\$m): \$ -
 Reason(s) for loss: Baird Advisors did not gain or lose any accounts in the Aggregate Strategy this month.

Bernstein Global Strategic Value

Global Equity: MSCI ACWI Benchmark

| For the month of: | | October | 2025 | | |
|----------------------------------|---------------|------------------|----------------|----------------------|------------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Bernstein GSV | 1.65% | 10.80% | 30.00% | 22.24% | 15.96% |
| MSCI ACWI | 2.24% | 8.56% | 22.64% | 21.64% | 14.61% |
| Russell 3000 | 2.14% | 8.11% | 20.81% | 21.76% | 16.74% |

Performance Attribution & Strategy Comments

Portfolio Performance: In October, the Portfolio increased in absolute terms but underperformed its Benchmark, the MSCI ACWI, while increasing and outperforming year to date, net of fees. During the month, sector selection detracted from overall performance, while stock selection contributed, gross of fees. An underweight to technology and selection within financials detracted the most, while stock selection within technology and consumer staples contributed, mitigating some losses. US financial technology company Fiserv was the leading detractor for the month. Fiserv's share price was heavily impacted following the release of disappointing 2Q:25 results and FY 2025 revenue guidance, with organic revenue results well below consensus estimates. The banking and digital payment segments, coupled with financial and merchant solutions, experienced significant organic growth deceleration compared to 1Q:25. Among other factors, Fiserv's flagship point-of-sale payments business Clover reported a revenue miss and dismal volume outlook. The company's new CEO also lowered FY 2025 organic revenue guidance to +3.5%–4% from +10%, indicating significantly lower growth than expected. Wireless services provider T-Mobile US detracted from results. Despite reporting strong 3Q:25 results, a CEO change at competitor Verizon has raised investors' concern regarding a potential deterioration of wireless market competitive dynamics. BAE Systems detracted in October as the company saw its stock price decline along with other defense companies, following the announcement of a ceasefire between Israel and Hamas. SanDisk was the leading individual contributor to performance during October. The US computer technology company's share price rose during the month following further indications that improving demand for NAND chips amid weak supply is driving significant price increases. The Trump administration's seemingly concessionary comments on a US tariff deal with China also helped SanDisk, which imports China-made components and co-owns a factory in China. **Outlook:** October was another strong month for stock markets globally, with global and international indices continuing to climb to new all-time highs. In the month, trade tensions between China and the US flared up and then cooled back off, the Fed cut rates but raised doubt about a further cut in December, and third-quarter earnings announcements from technology companies, as well as a flurry of OpenAI partnership announcements, further fueled investor enthusiasm for the AI infrastructure build-out. We enter 4Q:25 with global equity markets continuing to trade at all-time highs while shaking off concerns of tariff uncertainty, fiscal imbalances, low growth and stubborn inflation. US performance was in line, while Europe and Japan were slightly below in dollar terms as the US dollar appreciated by 1.7% against the euro and 4% against the yen in the month. Emerging markets were up 4% in October despite MSCI China down 4%. From a style standpoint, it was another strong month for growth globally—most notably in the US and Japan—leading the broad MSCI ACWI Value to underperform the style-neutral index by 2.1% in October. We believe our Portfolio is well positioned with a collection of underappreciated businesses, as well as businesses undergoing positive changes with overall good growth prospects and profitability characteristics, yet trading at a large discount to the market. We have about a 15% underweight to US mega-cap tech stocks (the Magnificent Seven) compared with the market. We believe this is appropriate, as we feel we can find other strong businesses trading at much more attractive valuations.

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 | | 59.0 | | 25 | 75 | ok |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| United States * | 65% | 47% | | 40% | 90% | ok |
| Europe ex U.K. * | 11% | 15% | | -4% | 26% | ok |
| UK * | 3% | 13% | | -7% | 13% | ok |
| Japan * | 5% | 11% | | -5% | 15% | ok |
| Emerging Markets | | 7% | | 0% | 20% | ok |
| Other | | 6% | | 0% | 20% | ok |
| B6. Normal Global Portfolio Characteristics (MSCI ACWI) | | | | | | |
| Capitalization | 928,249 | 356,494 | 38% | 50% | 100% | check |
| Price/Book Value | 3.7 | 2.5 | 67% | 50% | 100% | ok |
| Price/Earnings (Next 12 mo) | 19.2 | 14.9 | 78% | 50% | 100% | ok |
| Price/Cash Flow | 16.8 | 10.2 | 61% | 50% | 100% | ok |
| Dividend Yield | 1.7 | 1.9 | 113% | 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 | | 46% | | 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.
- B6. Capitalization: Our portfolio average capitalisation weight relative to the benchmark is driven by two factors. We find some smaller cap ideas very attractive.

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

Qtr 3 \$860,063

Organizational/Personnel Changes

Investment decisions for Global Strategic Value are made by the Chief Investment Officer and Director of Research. For the month of October 2025 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): | | | | |

BLS Capital

Global Equity: MSCI ACWI Benchmark

| | For the month of: | October | 2025 | | |
|----------------------------------|-------------------|---------------|-------------|----------------------|---------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| BLS | -1.33% | -0.55% | 6.36% | 13.55% | 11.49% |
| MSCI ACWI | 2.24% | 8.56% | 22.64% | 21.64% | 14.61% |

Performance Attribution & Strategy Comments

In October, the largest relative contributors to performance were LVMH (15% return in USD), DSV (7%), and Anheuser-Busch InBev (2%). Conversely, Novo Nordisk (-10%), Automatic Data Processing (-11%), and AutoZone (-14%) were the largest relative detractors.

More than half of our companies released their earnings reports. We have generally seen solid or good reports which underpins the continued compounding and confirms the fundamental quality of our companies. Several companies announced positive forecast revisions: financial data providers Moody's and S&P Global both upgraded their 2025 guidance, as did Hilton for both its room growth and earnings, while DSV increased its full-year 2025 synergy impact from the Schenker acquisition, and LVMH returned to growth.

Novo Nordisk announced a premature major renewal of its Board of Directors led by its majority shareholder, the Novo Nordisk Foundation (the Foundation). The Foundation has advocated for both a faster and broader strategic adaptation in response to the evolving dynamics of the obesity market. We view the Foundation's willingness to act decisively and refresh the board as a positive step to strengthen commercial execution. Surprisingly, Novo Nordisk announced two acquisitions: Akero Pharmaceuticals and Omeros Corporation, for a combined consideration of USD 5 billion, rising up to USD 7.6 billion if defined milestones are met. Further, Novo Nordisk submitted a competitive bid of USD 10 billion for Metsera, with the main asset being a monthly injectable GLP-1 for obesity.

Anheuser-Busch InBev's (ABI) third-quarter results demonstrated the durable pricing power of its global brand portfolio, a key attractive quality for a fundamental investor. Despite current challenging conditions in China (Budweiser APAC) and Brazil which led to a 3.7% drop in organic volume, the company's "megabrands" helped drive strong price/mix at close to 5%. This allowed ABI to grow organic EBITDA by 3.3% and expand margins by 85 basis points to 37.0%, demonstrating strong pricing and an ability to pass costs on to consumers.

Automatic Data Processing (ADP) started fiscal 2026 with a solid first-quarter performance, delivering 7% growth in both revenue and adjusted diluted EPS. Reflecting a slightly cooler pace in the U.S. labor market, the company made a minor adjustment to the Pays Per Control metric which was revised from 0-1% growth to "approximately flat". However, this adjustment did not impact the broader forecast as ADP reaffirmed its full-year outlook for 5-6% revenue growth and 8-10% adjusted diluted EPS growth, signaling confidence in its overall business momentum. The subsequent share price decline of around 10% seems inconsistent with the continued strong operational performance from ADP.

In October, we increased our holdings in Automatic Data Processing, Otis, and AutoZone, following share price softness. These purchases were funded by reducing our holding in St. James's Place following strong share price performance and valuation re-rating.

Manager Style Summary

BLS is a "bottom-up" manager, whose process is driven by individual security selection. They invest in quality companies which have the best possibility of creating sustainable value and generating attractive risk adjusted returns to investors in the long term. Country and sector exposures are by-products of the security selection process and are unconstrained by index weights. The portfolio consists of roughly 25-30 securities at a time. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

BLS Capital

Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | BLS | Min | Max | Compliance |
|--|--------------|-------|---|-----------------------------|
| B3. No more than 10% of the account shall be invested in any one security @ purchase | | | | Yes |
| B4. Number of issues | 26 | 25 | 30 | ok |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | |
| North America | 40% | 35% | 50% | ok |
| Japan | 0% | 0% | 0% | ok |
| Europe ex UK | 31% | 15% | 35% | ok |
| UK | 22% | 5% | 20% | check |
| Pacific ex Japan | 0% | 0% | 0% | ok |
| Emerging Markets | 7% | 5% | 20% | ok |
| Non-Index Countries | 0% | 0% | 0% | ok |
| Total | 100% | | | |
| B6. Normal Global Portfolio Characteristics | | | | |
| Capitalization (billion USD) | 96 | 90 | 125 | ok |
| Price/Earnings (current) | 19.2 | 17 | 23 | ok |
| Dividend Yield | 2.19% | 1.80% | 2.80% | ok |
| Net Debt/EBITDA | 0.83 | 0.5 | 1.0 | ok |
| ROIC | 45% | 42% | 50% | ok |
| FCF Yield | 5.72% | 3.75% | | ok |
| E2. Brokerage commissions not to exceed \$0.03/share for U.S. equities | | | | Yes |
| E3. Annual turnover | 33% | 30% | 50% | 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. Regional Exposures: We have continued to see more attractive risk-adjusted return potential in our UK listed companies as opposed to Emerging Markets holdings.

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$ 7,526

Organizational/Personnel Changes

There were no changes to the investment team in October 2025.

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: | | October | 2025 | | |
|----------------------------------|---------------|------------------|----------------|----------------------|------------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Brandes | 2.07% | 9.79% | 27.77% | 24.04% | 21.25% |
| Russell 3000 | 2.14% | 8.11% | 20.81% | 21.74% | 16.73% |

Performance Attribution & Strategy Comments

Global equity markets rose again in October, in spite of the U.S. government shutdown, with broad based gains seen globally. The theme of Artificial Intelligence and tech momentum continued to fuel rises particularly in the U.S. and Asia. Against this backdrop the Brandes Global Equity portfolio rose and performed broadly in line with the global index and ahead of the Value index; Value stocks globally generally trailed Growth for the month, but Value did well in Europe. The portfolio's strong stock selection in Information Technology more than offset the underweight position in the index's best performing sector, and our holdings in this sector were the largest relative sector contributor. Strong stock selection also was a positive contributor for our Oil & Gas holdings. On a country basis Emerging Markets Taiwan and Korea were both strong and our exposures there contributed to positive performance, while the U.S. was the largest relative detractor, impacted by weak stock selection. As of 10/31/25, the largest absolute country weightings were in the U.S. - although the portfolio is significantly underweight relative to the index -France and the United Kingdom; the largest sector weightings were in Health Care, Financials and Information Technology. During the month the Global Investment Committee initiated a position in UK utility company National Grid PLC, which we view as an underappreciated compounder weighed down by weak UK macro; we also began building a new position in a UK Paper and Forest Products company. The committee took advantage of market strength in financials and sold out of insurance company American International Group as it reached its estimate of intrinsic value, as well as U.S. consumer finance company OneMain Holdings. The PERSI Global Equity portfolio continues to hold key positions in the economically sensitive financials sector and the more defensive health care sector, while maintaining its largest underweight to technology. While overweight Financials, they have performed well over the past year and we continue to pare our exposure as our holdings have appreciated. Despite the strong rebound this year, global value stocks continue to trade within the least-expensive quartile relative to growth (MSCI World Value vs. MSCI World Growth) since the style indices began. This is evident across various valuation measures, including price/earnings, price/cash flow, and enterprise value/sales. Historically, such discount levels often signaled attractive subsequent relative returns for value stocks during the next three- to five-year plus period. This is encouraging because our strategy, guided by our value philosophy and process, has had the tendency to outperform the value index when that index outperformed the broad benchmark.

We are excited about the long-term prospects of our holdings, which display attractive fundamentals and in aggregate trade at more compelling valuation levels than the benchmark.

| | | | |
|--|-------|----|--------|
| Total Firm Assets Under Management (\$m) as of: | Qtr 3 | \$ | 40,259 |
|--|-------|----|--------|

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 | | 69 | | 40 | 70 | ok |
| B5. Normal Country Exposures: | | | | | | |
| United States & Canada | | 41% | | 30% | 100% | ok |
| Americas ex U.S. | | 6% | | 0% | 40% | ok |
| United Kingdom | | 11% | | 0% | 25% | ok |
| Europe ex U.K. | | 23% | | 0% | 50% | ok |
| Japan | | 1% | | 0% | 45% | ok |
| Pacific ex Japan | | 15% | | 0% | 40% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Cash & Hedges | | 3% | | | | |
| Total | | 100% | | | | |
| B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large") | | | | | | |
| Capitalization | \$151,057 | \$138,188 | 91% | 30% | 125% | ok |
| Price/Book Value | 2.2 | 1.8 | 80% | 50% | 100% | ok |
| Price/Earnings | 17.6 | 17.1 | 97% | 50% | 100% | ok |
| Price/Cash Flow | 11.5 | 8.0 | 69% | 50% | 100% | ok |
| Dividend Yield | 2.6 | 3.1 | 118% | 90% | 150% | ok |
| B7. Normal U.S. Portfolio Characteristics (Russell 3000) | | | | | | |
| Capitalization | \$1,174,713 | \$241,803 | 21% | 30% | 125% | check |
| Price/Book Value | 4.9 | 1.7 | 35% | 50% | 100% | check |
| Price/Earnings | 27.5 | 11.3 | 41% | 50% | 100% | check |
| Price/Cash Flow | 18.8 | 10.2 | 54% | 50% | 100% | ok |
| Dividend Yield | 1.1 | 2.1 | 188% | 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 | | 27% | | | 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. |
| B7. Price/Earnings: | Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range. |

C WorldWide Asset Management

International Equity: MSCI ACWI ex US Benchmark

For the month of:

October

2025

Manager Performance Calculations

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|------------------------|---------------|------------------|----------------|------------------|------------------|
| C WorldWide Asset Mgmt | 3.47% | 6.54% | 12.38% | | |
| MSCI ACWI ex US | 2.02% | 9.36% | 24.93% | | |

Performance Attribution & Strategy Comments

Among the top three contributors to performance for the month were TSMC, Hoya and LVMH. The relentless AI-driven rally propelled TSMC and Hoya to top positions this month, followed by LVMH, which seems to be returning to positive organic growth. Among the top three detractors were Linde, RELX, and Deutsche Boerse. During the month, we initiated positions in Mercado Libre and Tesco and sold our positions in Atlas Copco and Diageo. Mercado Libre is the leading e-commerce and fintech ecosystem in Latin America, and provides the portfolio with a leading play on digital consumption and financial inclusion in Latin America — a region of accelerating structural growth where we have limited exposure. Its key markets, Brazil, Mexico, and Argentina, offer significant untapped potential as e-commerce penetration (14% of retail vs. 44% in China) and access to financial services remain low. Similar to Tencent (via our Prosus holding), MELI functions as a super-app, integrating commerce, payments, credit, logistics, and advertising within a single ecosystem. This provides a powerful data-driven platform, ideally positioned to benefit from AI-enabled personalisation and monetisation. Tesco has navigated a tough decade and is now a very different business. The case for owning it today rests on three points. First, Tesco has repaired itself and re-established leadership. It has regained its place as the clear number one among UK groceries, with almost 29% market share and gains in four out of five years. The industry is no longer opening stores aggressively; competition is more rational, and profits are more stable. Second, Tesco is positioned for today's consumer. Shoppers are trading down as the frugal society becomes more ubiquitous, but that is helping Tesco rather than hurting it. Its value ranges protect it from Aldi and Lidl, while its premium Finest brand captures customers who are trading down from Waitrose or M&S. Private label now makes up about half of sales and is profitable. At the same time, big brands like Nestlé and Unilever are under pressure, and they rely on Tesco to reach customers. They are paying more to fund promotions through Clubcard and to advertise on Tesco's digital platforms. Tesco benefits from both stronger private label and supplier funding — a sweet spot. Third, Tesco is building new growth engines. Its retail media business, where suppliers pay Tesco to advertise across its website, app, and in stores using Clubcard data, is high-margin and capital-light, much like Walmart Connect in the US. If Tesco continues to scale and disclose this clearly, investors will start to value it as more than a low-margin grocer. Combined with a return of >6% to shareholders through dividends and buybacks, Tesco should be viewed as a cash-returning compounder with digital upside. While the premiumization theme remains structurally attractive, Diageo's near-term fundamentals are challenged by high inventory, pricing headwinds, slower volumes, and management turnover, limiting margin visibility. Longer term, Diageo brand strength, global scale, and EM-exposure could re-emerge as a portfolio candidate once momentum improves. Atlas Copco remains a world-class compounder; however, near-term headwinds, including the broader industrial malaise, tariff concerns, FX pressures, and a historically elevated valuation, may leave the stock trading water for some time.

Manager Style Summary

C WorldWide Asset Management will manage an international equity mandate. They utilize a "bottom up" strategy and will hold a maximum of 30 stocks (one in/one out) with a quality and large cap bias. The portfolio will exhibit low turnover and the investment horizon is long term. Global trends and themes assist with portfolio construction from idea generation to execution. The firm is looking for stable and sustainable business models favorably aligned with global and regional themes.

C WorldWide Asset Management

International Equity: MSCI ACWI ex US Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | C World | Min | Max | Compliance |
|---|---------|------------------------------|--|------------|
| A2. Cash exposure <= 5% | | | | Yes |
| B2. Securities with a >=5% weighting, not to collectively exceed 40% of the port | | | | Yes |
| B3. Security position <= 10% of the account | | | | Yes |
| B4. Number of issues | 30.0 | 25 | 30 | ok |
| B5. Normal Regional Exposures (benchmark min/max): | | | | |
| Europe ex U.K. | 44% | 20% | 60% | ok |
| U.K. | 16% | 0% | 30% | ok |
| Pacific | 17% | 0% | 30% | ok |
| Emerging Markets | 14% | 0% | 30% | ok |
| United States | 9% | 0% | 20% | ok |
| Total | 99% | | | |
| B6. Normal Global Portfolio Characteristics relative to benchmark | | | | |
| Capitalization | 145.90% | 50% | 200% | ok |
| Price/Book Value | 201.12% | 50% | - | ok |
| Price/Earnings | 134.06% | 50% | - | ok |
| Price/Cash Flow | 159.31% | 50% | - | ok |
| Dividend Yield | 69.52% | - | 200% | ok |
| D. No derivatives, short sales, commodities, margin or currency hedging. | | | | Yes |
| E2. Brokerage commissions not to exceed \$0.08/share for U.S. equities | | | | No |
| E3. Annual turnover | 15% | 0% | 30% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |

Manager Explanations for Deviations from Portfolio Guidelines

E2. Commissions (US): Due to the high price of Mercado Libre shares, a commission of USD 0.68 per share (0.03%) was charged, in line with standard market rates.

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$ 16,326

Organizational/Personnel Changes

No changes in organization or personnel.

Account Turnover

| | | | | |
|---------|---------------------|---|--------|------------|
| Gained: | Number of Accounts: | 1 | (\$m): | \$ 48.9 |
| Lost: | Number of Accounts: | 3 | (\$m): | \$ 1,267.0 |
| | Reason(s): | All lost accounts due to change in strategy | | |

Clearwater Advisors, LLCCore Fixed: BB Aggregate Benchmark

For the month of: **October** **2025**

Manager Performance Calculations

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|----------------|---------------|------------------|----------------|------------------|------------------|
| Clearwater Agg | 0.64% | 2.96% | 6.26% | 6.21% | 0.08% |
| BB Aggregate | 0.62% | 2.03% | 6.16% | 5.60% | -0.24% |

Performance Attribution & Strategy Comments

Economic reports were mostly absent in October due to the government shutdown. The few reports that we did get continued to show signs that the economy is not falling off a cliff, but also not soaring to new heights by any means. The employment picture continues to be very hard to decipher, and this problem is made worse by the fact that we aren't getting any "official" numbers for the time being.

On the positive side, the services sector continues to show solid growth and weekly total spending numbers continue to come in on target. The US consumer has always been very resilient, but if the government shutdown continues for another month, I have to assume we will start to see reduced consumption on the margin. At some point, when people aren't receiving pay checks, they will simply run out of money to spend.

As expected, right at the end of October, the Fed cut short term interest rates by 25 basis points. The more interesting part is that Chairman Powell said that another cut in December is not set in stone. The market had been fully anticipating a December cut so longer term interest rates spiked up by about 10 basis points in the hours following that statement. Yields had been falling all month in anticipation of that cut but then only ended up lower by 5 to 8 basis points after all the back and forth.

For the second month in a row, the Clearwater portfolio outperformed the benchmark by only 2 basis points. Our net total return was 0.64% for October. It's hard to really attribute that out performance to anything since it is so small. Our portfolio duration is slightly above benchmark at 6.24 years vs. 6.02 and that alone can be the reason for the small excess return. We did not make any material sector or credit rating allocation changes during the month.

Similar to what happened in September, relative performance among our positions was mostly driven by duration. Even though the total rate move was small, the longest bonds generally performed the best, regardless of sector.

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: | 6.2 | 6.0 | 5.5 | 6.5 | ok |
| B3. Sector Diversification: | | | | | |
| Treasuries | 32% | 46% | 31% | 61% | ok |
| Agencies | 2% | 1% | 0% | 16% | ok |
| Supra/Sovereign | 1% | 3% | 0% | 13% | ok |
| Corporates | 31% | 24% | 4% | 44% | ok |
| Industrial | 15% | 13% | 0% | 28% | ok |
| Financial | 14% | 8% | 0% | 23% | ok |
| Utility | 2% | 2% | 0% | 12% | ok |
| MBS | 27% | 24% | 9% | 39% | ok |
| ABS | 2% | 0% | 0% | 5% | ok |
| CMBS | 1% | 1% | 0% | 6% | ok |
| B4. Issuer Concentration: <=5% all corporate issuers | | | | 5% | ok |
| B5. Number of positions | 185 | | 100 | 200 | ok |
| B6. Non-Investment Grade alloc | 0% | | | 10% | ok |
| B7. Out of index sector alloc | 2% | | | 10% | ok |
| B7. TIPS allocation | 0% | | | 20% | ok |
| E2. Annual Turnover (ex TBA rolls) | 26% | | 25% | 65% | 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 3 \$ 4,628

Organizational/Personnel Changes

N/A

Account Turnover

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

Clearwater Advisors - PERSI STIF

Cash: Merrill Lynch 0-3 Month Treasury Bill Benchmark

For the month of: **October** **2025**

Manager Performance Calculations

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|-------------------------|---------------|------------------|----------------|------------------|------------------|
| Clearwater - PERSI STIF | 0.36% | 1.12% | 4.48% | 4.91% | 3.14% |
| ML 0-3 Month T-bill | 0.36% | 1.09% | 4.42% | 4.90% | 3.10% |

Performance Attribution & Strategy Comments

The Fed voted for a 25 basis point rate cut in October, but Chairman Powell tempered expectations for a December cut, saying "a further reduction in the policy rate at the December meeting is not a foregone conclusion, far from it." The Fed also voted to end quantitative tightening starting December 1 in response to evidence of pressure in funding markets. Although the government shutdown persisted and many economic data reports were curtailed, the September inflation report was below expectations despite core goods inflation rising since April. There was a temporary risk-off move in mid-October as tariff and regional bank concerns resurfaced.

The U.S. Treasury curve flattened in October as yields fell across the curve, including the 2- and 30-year yield falling 3 and 8 basis points, respectively. The Fed cutting sent yields on the very short end lower, including the 1- and 3-month yield falling 20 and 12 basis points, respectively. Meanwhile, T-bill issuance and the Fed's declining balance sheet led to rising overnight rates relative to Fed administered rates, including SOFR around 4.20% at month end. Investment grade corporate bond spreads widened 4 basis points.

Portfolio Guideline Compliance

| Portfolio Guideline: | Clearwater | Min | Max | Compliance |
|---|------------|-----|---|-----------------------------|
| B2a. Sector Allocations: | 100% | | | |
| Treasuries | 11% | 0% | 100% | ok |
| Agencies | 14% | 0% | 100% | ok |
| Corporates | 21% | 0% | 100% | ok |
| Mortgage Backed Securities (MBSs) | 0% | 0% | 60% | ok |
| Asset Backed Securities (ABSs) | 14% | 0% | 40% | ok |
| Cash | 3% | 0% | 100% | ok |
| Commercial Paper | 37% | 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 | 2 | | 18 | ok |
| B2d. Number of securities | 47 | 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: **October** **2025****Manager Performance Calculations***** Annualized returns**

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|----------------------------|---------------|------------------|----------------|------------------|------------------|
| Idaho Commercial Mortgages | 0.65% | 2.64% | 7.79% | 6.71% | 1.44% |
| BB Mortgage | 0.86% | 3.73% | 7.32% | 5.85% | 0.04% |

Portfolio Summary

Market Value: \$ 923,020,727

Delinquencies/REOs

| Originations/Payoffs | | | <u>\$ Amt</u> | <u>% of Portfolio</u> |
|-----------------------------|---------------|-----------|---------------|-----------------------|
| | | 30 days | \$ - | 0.00% |
| Month: | \$ 1,115,485 | 60 days | \$ - | 0.00% |
| YTD: | \$ 61,254,226 | 90 days | \$ - | 0.00% |
| | | 120+ days | \$ - | 0.00% |
| Payoffs: | \$ - | REOs | \$ - | 0.00% |

Performance Attribution & Strategy Comments

The PERSI Commercial Mortgage Portfolio returned 7.79% during the last 12 months, outperforming its benchmark by 47 basis points. Looking at longer term performance, PERSI's portfolio has returned 1.44% (annualized) during the last five years, outperforming its benchmark by 140 basis points (annualized). Outperformance during longer periods has been driven by the portfolio's coupon advantage vis-à-vis the benchmark, combined with a low delinquency rate (currently 0.0%).

Activity in the Idaho commercial real estate marketplace is picking up, with both potential buyers and sellers adjusting to the current interest rate environment. Our number of "pre-flight" calls with finance brokers (initial calls to explore whether a potential loan would be a good fit for us and for the borrower) have risen in recent months, with a number leading to full loan applications. Maturing loans have contributed to the bump in activity, with both current borrowers looking to refinance loans and new potential borrowers looking to refinance loans currently sitting with other lenders. To be sure, investment activity remains subdued compared to long-term trends, but the market environment is normalizing. We expect this process to continue in the months ahead.

As the end of 2025 comes into sight, we are forecasting full-year gross loan production to finish near \$75m, representing a solid year for the portfolio. Looking ahead to 2026, the loan pipeline is active with \$16m already set to fund early in the year. Coupon rates on new loans are near or above 6.0%.

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: BB Mortgage Benchmark

For the month of: **October** **2025****Manager Performance Calculations**

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|-------------|---------------|------------------|----------------|------------------|------------------|
| DBF MBS | 0.92% | 3.79% | 7.42% | 5.89% | 0.06% |
| BB Mortgage | 0.86% | 3.73% | 7.32% | 5.85% | 0.04% |

Portfolio Attributes

| <u>Characteristics</u> | <u>DBF</u> | <u>BB Mtg</u> |
|---|------------|---------------|
| Market Value (\$ m) | \$184.65 | N/A |
| Weighted Average <i>Effective</i> Duration (in years) | 5.5 | 5.7 |
| Weighted Average Yield (in %) | 4.6% | 4.7% |
| Weighted Average Coupon (in %) | 3.6% | 3.5% |

Performance Attribution & Strategy Comments

Potential long-term inflationary pressures continue to overhang the bond market, but in October these were overcome by concern that economic activity will slow in the near term. Consequently, U.S. Treasury bond yields fell during the month. The longer end of the yield curve saw the most movement, with the 10-year Treasury yield falling 7 basis points to 4.08% at month-end. The short end of the curve experienced less movement as the U.S. Federal Reserve cut its key policy rate by 25 basis points, as expected.

Agency mortgage-backed securities (MBS) had another strong month in October, with their option-adjusted spreads (OAS) vis-à-vis Treasury bond yields falling again. Bond investors have been attracted to MBS given their yield advantage compared to Treasuries, combined with their generally low prepayment risk in today's interest rate environment. The limited yield offered today in most of the corporate bond market has also bolstered MBS, with some investors looking to lower credit exposure as the economy slows. The relative lack of volatility in Treasury yields during recent weeks has also aided mortgage bonds, with the asset class tending to outperform in such environments.

PERSI's MBS portfolio returned 0.92% in October and has returned 7.42% during the last 12 months, outperforming its benchmark in both periods. The portfolio is slightly up in coupon with a duration a bit lower than that of the benchmark. We are underweight very high coupon MBS as some of these bonds do face significant prepayment risk today, with generally inadequate yield offered as compensation. We see better relative value outside of the highest coupons and have positioned the portfolio accordingly.

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: BB Mortgage Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | | DBF | Min | Max | Compliance | |
|---|---|--------|------|---|-----------------------------|-------|
| B2. | Minimum portfolio size | \$185 | \$50 | | ok | |
| B2a. Security Type: | | | | | | |
| MORTGAGE RELATED | | 96% | 80% | 100% | ok | |
| Generic MBSs | | 96% | 75% | 100% | ok | |
| GNMAs | | 6.5% | | | | |
| FNMA's | | 56.9% | | | | |
| FHLMCs | | 32.2% | | | | |
| CMOs | | 0.0% | 0% | 25% | ok | |
| NON-MORTGAGE RELATED | | 3.8% | 0% | 20% | ok | |
| Treasuries | | 3.8% | 0% | 20% | ok | |
| Agencies | | 0.0% | 0% | 20% | ok | |
| Cash | | 0.7% | 0% | 10% | ok | |
| Attributes: | | BB Mtg | | | | |
| Duration | | 5.7 | 5.5 | 3.7 | 7.7 | ok |
| Coupon | | 3.5% | 3.6% | 2.5% | 4.5% | ok |
| Quality | | AAA+ | AAA+ | AAA | | ok |
| B3. | Individual security excl Treasuries as a % of portfolio | | 0% | 5% | ok | |
| B4. | Number of securities | | 81 | 25 | 50 | check |
| E2. | Annual Turnover | | 5% | 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 3 \$ 1,384

Organizational/Personnel Changes

There were no organizational or personnel changes in October.

Account Turnover

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

Dodge & Cox

Core Fixed: BB U.S. Aggregate Bond Index

| | For the month of: | October | 2025 | | |
|----------------------------------|-------------------|---------------|-------------|----------------------|---------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Dodge & Cox | 0.85% | 3.58% | N/A | N/A | N/A |
| BB Aggregate | 0.62% | 2.94% | 6.80% | 5.60% | -0.24% |

Performance Attribution & Strategy Comments

The Bloomberg U.S. Aggregate Bond Index returned 0.6% in October as U.S. Treasury yields declined. For example, the 10-year yield fell 7 bps to 4.08%, reaching its lowest month-end value in over a year. Investment-grade corporate bonds returned 0.4% in October, underperforming comparable-duration Treasuries by 28 bps. The Bloomberg U.S. Corporate Index ended the month at +78 bps OAS, reflecting a slight widening due to heavy issuance. Meanwhile, Agency MBS returned 0.9%, outperforming comparable-duration Treasuries by 26 bps, driven by strong demand and favorable market conditions.

The portfolio outperformed its benchmark for the month of October. Security selection was positive as the portfolio's Agency MBS pass-through holdings outperformed the MBS in the benchmark. This was partially offset by the underperformance of certain credit issuers, notably Charter Communications. Asset allocation was modestly positive as the portfolio's overweight to Agency MBS pass-throughs contributed to relative returns. The portfolio's yield curve effect modestly contributed to relative returns.

Organizational/Personnel Changes

N/A

Manager Style Summary

Dodge & Cox's investment philosophy relies on fundamental research to construct and manage a diversified portfolio of fixed income securities with the goal of producing above-market returns over a three- to five-year time period. The team rigorously vets analyst-driven research recommendations to reach a collective decision.

Dodge & Cox

Core Fixed: BB U.S. Aggregate Bond Index

Portfolio Guideline Compliance

| Portfolio Guideline: | D&C | BB AGG | Min | Max | Compliance |
|---|------|--------|-----|------------------------------|--|
| B1. Effective Duration: | 6.1 | 6.0 | 4.5 | 7.5 | ok |
| B2. Sector Diversification: | | | | | |
| Treasuries | 17% | 46% | 11% | 81% | ok |
| Government-Related | 4% | 4% | 0% | 39% | ok |
| Agencies | 2% | 1% | 0% | 11% | ok |
| Gov't Guaranteed | 2% | 2% | 0% | 12% | ok |
| Corporate | 27% | 24% | 0% | 54% | ok |
| Financial | 13% | 8% | 0% | 23% | ok |
| Industrial | 13% | 14% | 0% | 34% | ok |
| Utility | 2% | 2% | 0% | 12% | ok |
| Securitized | | | | | |
| MBS Pass-through | 40% | 24% | 4% | 44% | ok |
| ABS | 7% | 0% | 0% | 10% | ok |
| CMBS | 0% | 1% | 0% | 11% | ok |
| Agency CMBS | 0% | 0% | 0% | 5% | ok |
| Local Authorities | 1% | 1% | 0% | 11% | ok |
| B3. Issuer Concentration: <=5% all non US Gov't/Agcy | | | | 3% | ok |
| B4. Number of positions | 124 | | 100 | 400 | ok |
| B. Non-Investment Grade Alloc | 4% | | | 15% | ok |
| G. Current ETF Exposure | 0% | | | | |
| H2. Annual Turnover | 158% | | 0% | 60% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Manager Explanations for Deviations from Portfolio Guidelines

H2. Annual Turnover: The account funded in April in-kind, then traded to target. The Annual Turnover for our Core rep account was 23.18%

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$ 4,604

Account Turnover

Gained: Number of Accounts: 4 Total Mkt Value (\$m): \$ 903.0
Lost: Number of Accounts: 6 Total Mkt Value (\$m): \$ 292.0
Reason(s) for loss: Pension de-risking (1 Client - 5 accounts); Move to OCIO (1 account)

Donald Smith & Co., Inc.

Domestic Equity: Russell 3000 Benchmark

For the month of: **October** **2025****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. | -2.08% | 15.83% | 29.43% | 34.41% | 32.98% |
| Russell 3000 | 2.14% | 8.11% | 20.81% | 21.76% | 16.74% |

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) | 1105.20 | N/A | Materials | 26.75% | 1.54% |
| Wtd Cap (\$b) | 22.11 | 1313.65 | Financials | 29.40% | 11.07% |
| P/E | 9.69 | 27.82 | Cons. Discret. | 18.29% | 14.41% |
| Beta | 0.84 | N/A | | | |
| Yield (%) | 2.10 | 1.15 | | | |
| Earnings Growth | | | <u>Under-weight</u> | <u>DSCO</u> | <u>RU 3000</u> |
| | | | Info Technology | 0.00% | 38.15% |
| | | | Health Care | 0.00% | 9.08% |
| | | | Cons. Staples | 0.00% | 3.56% |

Performance Attribution & Strategy Comments

The account's decline of -2.1% was behind all three indices (Russell 3000 Value +0.4%; Russell 3000 +2.1%; S&P 500 +2.3%). The biggest contributors were the industrial names (AerCap +7.6%; Tutor Perini +2.7%; Global Ship Lease +2.7%; Allegiant Travel +2.3%). AerCap reported Q3 earnings and raised its guidance. General Motors (+13.3%) rallied after posting surprisingly strong results and raised its full year guidance. All three steel holdings rose (Algoma Steel +17.3%; Gerdau +12.6%; Ternium +3.7%) with the Canadian steelmaker Algoma rallying the most on reports that the US and Canada were closing in on a trade deal. On the detracting side were the homebuilders (M/I Homes -13.3%; Taylor Morrison -10.2%; Beazer Homes -8.8%) first as the industry came under criticism by Trump and later with the Fed's comments about the diminished likelihood of further rate cuts going forward. The biggest detractor was the fertilizer company Mosaic (-20.9%) as Q3 phosphate production fell short of expectations. Gold prices began declining in the latter part of the month on profit taking, a stronger USD, reduced safe haven demand as trade talks with China seemed to be improving, and expectations of fewer rate cuts than previously thought. This weighed on most of the gold miner holdings (Eldorado -11.3%; IAMGOLD -10.4%; Equinox -2.2%). We added to Centerra, Gerdau, Harley-Davidson, Mosaic, and RLJ Lodging, while reducing Equinox, IAMGOLD, and Tutor Perini. West Fraser Timber is a new purchase, a lumber and oriented strandboard (OSB) producer with assets primarily in the US and Canada. As its high cost assets come offline and demand for lumber normalizes, we believe that the company can return to mid-cycle earnings with our 2-4 year investment period. Insurance, precious metals, auto, financials, aircraft leasing / airlines, and building / real estate are the largest industry weightings. The portfolio trades at 94% of tangible book value and 6.6x 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 | 35 | | | 15 | 35 | ok |
| B5. Portfolio Characteristics | | | | | | |
| P/B | 0.94 | 4.95 | 19% | 30% | 100% | check |
| P/E (1 Year Forward) | 9.69 | 27.82 | 35% | 50% | 100% | check |
| Dividend Yield | 2.10 | 1.15 | 183% | 50% | 150% | check |
| F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share | | | | | | ok |
| F3. Annual Turnover | 30% | | | 20% | 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

- 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.
- B5. Dividend Yield: We focus on stocks with low price-to-tangible-book-values and low P/Es. Based on normalized earnings, these stocks should generate higher dividend yields over the long-term.

| | | | |
|--|-------|----|-------|
| Total Firm Assets Under Management (\$m) as of: | Qtr 1 | \$ | 5,107 |
|--|-------|----|-------|

Organizational/Personnel Changes

N/A

Account Turnover

| | | | | | |
|---------|---------------------|-----|---------------------------|----|------|
| Gained: | Number of Accounts: | 1 | Total Market Value (\$m): | \$ | 12.5 |
| 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: | October | 2025 | | |
|----------------------------------|-------------------|---------------|-------------|----------------------|---------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| IR+M | 0.56% | 2.71% | 6.10% | 6.10% | 0.10% |
| BB Gov/Credit | 0.55% | 2.70% | 5.75% | 5.50% | -0.38% |

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the Bloomberg Barclays G/C Index, returning 0.56% versus 0.55%. Both asset allocation and security selection detracted from relative performance. Security selection within Industrials contributed to relative performance while the portfolio's underweight to Treasuries and Non-corporates detracted. On the heels of September's rate cut, the Federal Reserve (Fed) delivered another 25bps reduction at its October FOMC meeting, bringing the fed funds target range to 3.75%-4.00%. The cut was intended to protect against downside employment risks; Chair Jerome Powell did not commit to another decrease in December, but investors are pricing in a 68% chance of a cut. The Fed also announced that further reductions in the size of its balance sheet would end on December 1st, with the proceeds from Treasury and agency-backed maturities being reinvested into Treasuries. Inflation remained on an uptrend, although softer than expected, with CPI growing 0.3% in September; the US government shutdown, which began on October 1st, may delay October's CPI release due to data collection issues. The Treasury curve flattened as investors lowered the probability of a December rate cut after Chair Powell's non-committal comments. Leading up to the Fed meeting, the 2-year Treasury yield declined to 3.42% before climbing to 3.58% thereafter, finishing 3bps lower MoM. Investment-grade (IG) and high-yield (HY) corporate spreads widened by 4bps and 14bps to 78bps and 281bps, respectively. Technology and communications were two of the worst performing sectors this month, while the natural gas and banking sectors were relatively insulated from broader market volatility; higher-quality issuers outperformed lower-quality issuers, with BBs outperforming CCCs by 69bps. October saw record IG issuance led by an internet company's \$30 billion deal – the largest IG deal this year – bringing the month's total supply to \$132 billion. HY borrowers, which were rather quiet due to the anticipated rate cut, brought \$18 billion in total supply. Asset-backed securities (ABS) underperformed other securitized sectors amid credit concerns, particularly within the auto ABS sector; ABS spreads widened 6bps to 55bps, while auto ABS underperformed by 13bps.

| | | | |
|--|-------|----|---------|
| Total Firm Assets Under Management (\$m) as of: | Qtr 3 | \$ | 127,750 |
|--|-------|----|---------|

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: | 6.2 | 6.2 | 5.7 | 6.7 | ok |
| B3. Sector Diversification: | | | | | |
| Government | 38% | 63% | 33% | 93% | ok |
| Treasuries | 34% | 62% | 32% | 92% | ok |
| Agencies | 0% | 1% | -4% | 6% | ok |
| Govt Guaranteed | 3% | 0% | -10% | 10% | ok |
| Credit | 41% | 37% | 17% | 57% | ok |
| Financial | 17% | 11% | -4% | 26% | ok |
| Industrial | 19% | 18% | 3% | 33% | ok |
| Utility | 5% | 3% | -7% | 13% | ok |
| Non-Corporate | 0% | 4% | -6% | 14% | ok |
| Securitized | | | | | |
| RMBS | 1% | 0% | -10% | 10% | ok |
| ABS | 9% | 0% | -10% | 10% | ok |
| CMBS | 8% | 0% | -10% | 10% | ok |
| Agency CMBS | 1% | 0% | -5% | 5% | ok |
| Municipals | 1% | 1% | -9% | 11% | ok |
| B4. Issuer Concentration: <=5% all corporate issuers | | | | 5% | ok |
| B5. Number of positions | 338 | | 100 | 175 | check |
| B6. Non-Investment Grade alloc | 0% | | | 5% | ok |
| E2. Annual Turnover | 47% | | 25% | 75% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelin | | | | <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. | | | | |

J.P. Morgan

Core Plus Fixed: BB U.S. Aggregate Bond Index

| | For the month of: | October | 2025 | | |
|----------------------------------|-------------------|---------------|-------------|----------------------|---------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| J.P. Morgan | 0.64% | N/A | N/A | N/A | N/A |
| BB Aggregate | 0.62% | N/A | N/A | N/A | N/A |

Performance Attribution & Strategy Comments

The JPMCB Core Plus Bond Fund outperformed the Bloomberg US Aggregate Index in October, delivering a return of 0.64% versus the benchmark's 0.62%.

Monetary policy was a key focus during the month, as the U.S. experienced its first government shutdown in seven years. This event delayed federal data releases and heightened policy uncertainty. Despite these challenges, economic indicators painted a mixed picture, with labor market data softening and both corporate and consumer conditions remaining K-shaped. Against this backdrop, the Federal Reserve continued its rate-cutting cycle, lowering rates by 25 basis points. The yield on the ten-year Treasury declined by 7 basis points to 4.08%.

The fund's strongest performance came from security selection within the CMBS single-family and multi-family rental sectors. Additional positive contributions were driven by security selection in Emerging Market credit and Investment Grade credit. In contrast, Asset-Backed Securities (ABS) modestly detracted from performance due to idiosyncratic credit events, which led to investor caution and spread widening. Agency mortgages also had a slight negative impact as market volatility continued to decline. Our duration positioning, specifically the 5s30s curve steepener, marginally detracted from performance as the yield curve flattened, with thirty-year Treasuries rallying more than five-year Treasuries.

The labor market has slowed, but corporate America reported strong earnings results in Q3, and GDP tracking for the quarter appears robust, though it is expected to slow in Q4 due to the effects of the government shutdown. Meanwhile, inflation remains above the Fed's 2% target, driven in part by tariffs. Whenever news of economic weakness emerges, rates tend to move lower. As a result, we continue to favor high-quality credit and some duration exposure. Diligent credit analysis remains important, especially as dispersion within the credit markets is increasing.

Organizational/Personnel Changes

There were no organizational/personnel changes.

Manager Style Summary

J.P. Morgan Asset Management's investment philosophy is to deliver portfolio ballast, with a disciplined yield advantage. JPM utilizes a multi-dimensional approach to the "plus" which combines bottom-up security selection and top-down macro positioning.

J.P. Morgan

Core Plus Fixed: BB U.S. Aggregate Bond Index

Portfolio Guideline Compliance

| Portfolio Guideline: | JPM | BB AGG | Min | Max | Compliance |
|---|------|--------|-----|---|-----------------------------|
| Effective Duration: | 6.1 | 5.9 | | | |
| Sector Diversification: | | | | | |
| Government | 32% | 46% | | | |
| Treasuries | 32% | 46% | | | |
| Agencies | 0% | 1% | | | |
| Dev Mkt Gov't | 0% | 0% | | | |
| IG Corporate | 25% | 26% | | | |
| HY Corp Credit | 8% | 0% | | | |
| Securitized | 50% | 26% | | | |
| Agency MBS | 29% | 25% | | | |
| Non-Agency MBS | 4% | 0% | | | |
| CMBS | 8% | 1% | | | |
| ABS | 10% | 0% | | | |
| EMD | 2% | 1% | | | |
| Cash | 4% | 0% | | | |
| Issuer Concentration: <=5% all corporate issuers | | | | 5% | |
| Number of positions | 2578 | | | | |
| Non-Investment Grade Alloc | 17% | | | 25% | ok |
| Sub-Prime MBS Alloc | 0% | | | 10% | ok |
| Annual Turnover | 37% | | 25% | 75% | ok |
| The portfolio is in compliance with all other aspects of the 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 3

\$ 3,950,271

Account Turnover

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



Longview PartnersGlobal Equity: MSCI ACWI Benchmark

For the month of:

October**2025**

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 | -1.03% | 0.58% | 2.38% | 12.06% | 12.80% |
| MSCI ACWI | 2.24% | 8.56% | 22.64% | 21.63% | 14.61% |

Performance Attribution & Strategy Comments

Among the largest contributors to relative performance were Alphabet, LVMH and Thermo Fisher.

Alphabet outperformed in October on continued optimism over the company's positioning in AI, and the release of a strong Q3 earnings report. Revenues grew 16% year-over-year, beating consensus estimates. Search and YouTube both grew 15% year-on-year, helping to dispel disruption concerns whilst Google Cloud accelerated to grow 34% year-on-year and announced a step up in backlog. Alphabet commented that they are having to turn customers away due to capacity and increased their capex guidance for 2025 to \$91-93bn. LVMH outperformed following their Q3 trading statement. The return to positive organic sales growth (+1%) surprised the market, helped by better performance in mainland China, S.E. Asia and the US. The company noted several self-help measures that are starting to take effect with volume the main driver of better than expected numbers. Thermo Fisher reported Q3 results that were roughly in line with consensus expectations but raised their EPS guidance for 2025 on the back of M&A, FX and reduced tariff headwinds. The company also announced the acquisition of Clario, a data solutions provider for nearly \$9bn which was taken positively by the market.

Some of the most significant detractors from relative performance were Fiserv, Marsh & McLennan and Wolters Kluwer.

At their Q3 results Fiserv reported a significant unexpected decline in both revenue growth and operating margins. The company also cut expectations for the Q4 and provided lower than expected guidance for 2026. The CFO of 10 years was also replaced as part of several management and board changes. Both the results and guidance were significantly worse than both Longview and consensus had expected and drove a significant sell-off in the shares. A strategy review by the new CEO has implied that Fiserv's prior management team was too focused on short-term revenue and expense levers and meeting EPS guidance at the detriment of long-term performance, amongst other issues. Management appear to have decided to correct this and doing so has required a significant reset in near-term expectations for the business. We have held two calls with Fiserv and are fully analysing what has happened and whether our Quality or Fundamentals assessment scores should change. Marsh & McLennan underperformed in October following the release of its Q3 results. Whilst results were in-line with consensus at a group level, the Risk & Insurance Services segment reported 3% organic growth and flat margins, missing consensus expectations of 4% with margin improvement. Marsh & McLennan maintained their guidance for the full year. Wolters Kluwer underperformed in October on concerns over the competitive threat from OpenEvidence, an AI native competitor to Wolters' UpToDate (c.10% of Wolters' revenues) clinical decision-making software for doctors. OpenEvidence, which is free to use, has seen significant adoption by US physicians who have been attracted by its conversational interface, a feature which UpToDate only rolled out in October.

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 | 28.0 | 30 | 35 | check |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | |
| United States & Canada | 82% | 35% | 80% | check |
| Europe incl U.K. | 18% | 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) | 95,477 | \$10 | | |
| Price/Earnings (Trailing) | 23.9 | 10 | 17 | check |
| Dividend Yield | 1% | 0.5% | 2.0% | ok |
| Price/Cash Flow (Trailing) | 17.7 | 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 | 27% | 20% | 50% | 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 Issues: Number of issues is not targeted and stood at 28 in October.

B5. Regional Exposures: The output of our investment process is a concentrated, yet diversified, portfolio of typically 30 - 35 names, unconstrained by geography or sector.

B6. Price/Earnings: Price/Earnings is not targeted and stands at 23.9 in October.

B6. Price/Cash Flow: Price/Cash Flow is not targeted and stood at 17.7 in October.

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$ 11,879

Organizational/Personnel Changes

There were no changes to the investment team in October.

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: **October** **2025**

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 | 1.62% | 6.99% | 25.82% | 23.05% | 15.54% |
| MSCI EAFE | 1.18% | 7.51% | 23.03% | 20.06% | 12.33% |

Country Allocation Comparison

| <u>Over-weight</u> | <u>Mondrian</u> | <u>EAFE</u> | <u>Under-weight</u> | <u>Mondrian</u> | <u>EAFE</u> |
|--------------------|-----------------|-------------|---------------------|-----------------|-------------|
| UK | 19.64% | 14.78% | Australia | 1.42% | 6.67% |
| France | 15.29% | 10.89% | Switzerland | 4.74% | 9.26% |
| Italy | 7.23% | 3.20% | Sweden | 0.00% | 3.64% |

Performance Attribution & Strategy Comments

International equity markets moved higher in October as the Federal Reserve lowered interest rates and optimism grew around a potential US-China trade agreement. The IT sector led returns on strong earnings and a positive outlook from semiconductor production equipment providers, driven partly by AI-related demand. The financials sector lagged amid concerns over a series of US private-credit market related bankruptcies and rising credit quality concerns. Most major currencies depreciated against the US dollar.

The portfolio delivered solid absolute and relative returns in the month, driven by strong stock selection in the healthcare sector and the underweight position in the weak financials sector.

Stock selection in healthcare was driven by GSK, the UK pharmaceutical company, which delivered robust earnings helped by better vaccine sales. This was partially offset by weaker stock selection in the communication services sector where WPP, the UK advertising and communications group, downgraded guidance following client losses and a challenging operating environment..

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 | | 20% | | 0% | 45% | ok |
| Europe ex U.K. | | 45% | | 0% | 75% | ok |
| Japan | | 24% | | 0% | 45% | ok |
| Pacific ex Japan | | 10% | | 0% | 40% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Cash | | 1% | | 0% | 5% | ok |
| Total | | 100% | | | | |
| B6. Normal Portfolio Characteristics | | | | | | |
| Capitalization | 102,395 | 69,984 | 68% | 25% | 100% | ok |
| Price/Book Value | 2.2 | 1.5 | 68% | 50% | 125% | ok |
| Price/Earnings (Trailing) | 17.6 | 13.6 | 78% | 50% | 100% | ok |
| Price/Cash Flow | 11.0 | 6.6 | 60% | 50% | 100% | ok |
| Dividend Yield | 2.8 | 3.7 | 134% | 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 | | 27% | | | 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 3 \$ 50,150

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): | | | | |

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **October** **2025**

Manager Performance Calculations

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---------------------|---------------|------------------|----------------|------------------|------------------|
| Peregrine | 3.18% | 0.42% | 19.77% | 20.50% | 6.28% |
| Russell 1000 Growth | 3.63% | 10.36% | 30.52% | 30.69% | 19.24% |

Portfolio Attributes

| Characteristics | Peregrine | RU 1000G | Sector Analysis | | |
|-----------------|-----------|----------|---------------------|------------------|-----------------|
| Mkt Value (\$m) | 832.63 | N/A | Over-weight | Peregrine | RU 1000G |
| Wtd Cap (\$b) | 638.46 | 2181.46 | Financials | 12.78% | 5.80% |
| P/E | 44.49 | 35.18 | Health Care | 13.29% | 6.95% |
| Beta | 1.03 | 1.00 | Cons Disc | 16.14% | 12.98% |
| Yield (%) | 0.23 | 0.48 | | | |
| Earnings Growth | 18.01 | 14.20 | Under-weight | Peregrine | RU 1000G |
| | | | Info Tech | 36.46% | 53.75% |
| | | | Cons Stp | 0.00% | 2.31% |
| | | | Industrials | 4.53% | 5.69% |

Performance Attribution & Strategy Comments

US equities again finished higher in October, setting additional new market highs for a fifth month in a row. The month began with the same concentration witnessed during recent months, but performance broadened in the second half of the month. This allowed Peregrine's Large Cap Growth strategy to significantly close the gap with the benchmarks for the month, modestly trailing the Russell 1000® Growth and exceeding the S&P 500®. Several holdings reported strong September quarter results, pointing to AI as a growing opportunity and not the headwind often cited by fearmongering. US-China trade negotiations concluded with calmer rhetoric but left many important points unanswered for the time being. Several holdings reported strong performance during October: A handful of software holdings (Atlassian, CrowdStrike, Cloudflare, Monday.com, Snowflake) had strong relative contributions either tied to their own solid earnings releases or the read-across from peers reporting earnings. Hyper-scalers Amazon and Google showed strength across their businesses with their September earnings. Intuitive Surgical reported strong earnings, countering a negative narrative about revenue growth risk. Exact Sciences continued its move higher in anticipation of improving fundamentals.

A few of our companies faced idiosyncratic concerns during October: DraftKings and Flutter faced continued pressure due to competitive fears from prediction markets. We think prediction markets in the U.S. will, like they are internationally, become a small part of the total sports betting market. CoStar reported strong third quarter earnings but a larger seasonal deceleration in the Apartments.com bookings value. We think this is noise around a still competitively advantaged business. Duolingo continues to fight a perception of deceleration despite growth in users and engagement.

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 | | | | | | ok |
| B3. Security position <=5% @ purchase, excluding contributions | | | | | | ok |
| B4. Number of issues | | 26 | | 25 | 35 | ok |
| B5. P/B | 5.21 | 10.19 | 2.0 | 1.2 | 2.0 | ok |
| B5. P/E (Projected) | 25.26 | 44.49 | 1.8 | 1.0 | 2.0 | ok |
| B5. Dividend Yield | 1.13 | 0.23 | 0.2 | 0.1 | 0.8 | ok |
| B5. Beta | 1.00 | 1.27 | 1.3 | 1.10 | 1.35 | ok |
| B5. Earnings Growth (5-year) | | 18% | | 11% | 22% | ok |
| F2. Commissions not to exceed \$0.05/share | | | | | | ok |
| F3. Annual Turnover | | 15% | | 15% | 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

There were no deviations.

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

Qtr 3 \$ 4,560

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): | | | | |

PineStone

Global Equity: MSCI World Benchmark

| | For the month of: | October | 2025 | | |
|----------------------------------|-------------------|------------------|----------------|----------------------|------------------|
| Manager Performance Calculations | | | | * Annualized returns | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| PineStone | 1.97% | 9.04% | 16.18% | N/A | N/A |
| MSCI World | 2.00% | 8.03% | 22.02% | N/A | N/A |

Performance Attribution & Strategy Comments

Global equity markets moved higher in October driven by continued excitement surrounding AI. Google, Microsoft Meta, Amazon all raised their expected CAPEX spending plans, now expected to reach \$380B this year, as part of their earnings report. Also helping the market was the rate cut of 25bps announced by the Fed at the end of the month. Information Technology and Health Care were the top performing GICS sectors for the MSCI World Index in the period. The Japanese market also saw strong market returns in the month driven by the announcement of Sanae Takaichi as new prime minister of the country.

The PineStone Global Equity Strategy was positive in absolute returns and underperformed its benchmark – the MSCI World Index. Security selection within Communication services and Financials were the primary positive drivers. This was partially offset by weaker security selection within Information Technology and Consumer Discretionary.

Among the relative detractors held in the strategy in October included AutoZone and Oracle. AutoZone and its competitors saw profit taking in their shares following the announcement of the bankruptcy of one of their suppliers. We do not believe this to be a material issue for AZO and its peers. Oracle was one of the few AI driven stock to be down during October. There was no negative news or fundamental change to affect the company during the period. The stock had outperformed peers since their results during the summer and saw some profit taking during the month.

Among the leading relative contributors were Alphabet and Taiwan Semiconductor. Both companies saw positive stock performance, driven by heightened optimism in the technology and semiconductor sectors—particularly as beneficiaries of advancements in artificial intelligence. Alphabet announced a strategic partnership with Anthropic as well as reported positive quarterly earnings during the month. TSMC also reported quarterly earnings that surpassed expectations in October.

During the period, we did not exit any existing positions nor initiate any new positions.

Manager Style Summary

PineStone is a "bottom-up" manager, whose process is driven by individual security selection. They invest in quality companies and seek to consistently compound shareholder wealth at attractive rates of return over the long term while preserving capital. Country and sector exposures are by-products of the security selection process. The portfolio consists of roughly 30-50 securities at a time. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

PineStone

Global Equity: MSCI World Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | Index | PineStone | Calc | Min | Max | Compliance |
|--|-----------|-----------|-------|------|---|-----------------------------|
| B3. No more than 10% of the account shall be invested in any one security @ purchase | | | | | | Yes |
| B4. Number of issues | | 29 | | 25 | 50 | ok |
| B5. Issuer market capitalization: above \$1 billion @ purchase | | | | | | Yes |
| B6. Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| North America | | 66% | | 30% | 80% | ok |
| Japan | | 3% | | 0% | 30% | ok |
| Europe ex UK | | 15% | | 10% | 50% | ok |
| UK | | 6% | | 0% | 50% | ok |
| Pacific ex Japan | | 0% | | 0% | 30% | ok |
| Emerging Markets | | 11% | | 0% | 20% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Total | | 100% | | | | |
| B7. Normal Global Portfolio Characteristics | | | | | | |
| ROE | 13.0 | 30.0 | 231% | 100% | | ok |
| ROIC | 13.0 | 31.1 | 240% | 100% | | ok |
| Price/Earnings | 22.7 | 27.8 | 122% | 50% | | ok |
| Price/Book Value | 3.8 | 8.1 | 215% | 50% | | ok |
| Price/Cash Flow | 15.7 | 25.0 | 159% | 50% | | ok |
| Dividend Yield | 1.5 | 25.0 | 1612% | 25% | | ok |
| Market Capitalization | 1,090,136 | 913,398 | 84% | 25% | | ok |
| C2. Max value of forwards w/single counterpart | | 0% | | | 30% | ok |
| C3. Cash/cash equiv in non-USD currencies | | 0% | | | 10% | ok |
| F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities | | | | | | Yes |
| F3. Annual turnover | | 7% | | 10% | 20% | 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: The high-conviction, long-term approach has generally resulted in a historical name turnover below 10% on an annual basis.

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

Qtr 3 \$ 60,158

Organizational/Personnel Changes

PineStone hired Joe Nakhle as a Senior Investment Specialist and Chief of Staff. Joe will be sitting alongside the Investment Team and will be a member of the firm's Management Committee.

Account Turnover

Gained: Number of Accounts: 5 Total Market Value (\$m): \$ 80.6
 Lost: Number of Accounts: 1 Total Market Value (\$m): \$ 20.4
 Reason(s): Change of strategy type to Portable Alpha.

Pzena

Global Equity: MSCI ACWI Benchmark

| For the month of: October 2025 | | | | | |
|--|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| 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> |
| Pzena | 0.90% | 7.24% | 17.09% | - | - |
| MSCI ACWI | 2.24% | 8.56% | 22.64% | - | - |

Performance Attribution & Strategy Comments

Please note, the above represents net returns.

Global equities advanced in October as easing U.S.–China trade tensions, a Fed rate cut, and resilient corporate earnings lifted sentiment. U.S. markets gained on continued strength in technology, while Europe reached new highs amid stable inflation and improving economic activity. Asian equities extended their rally, led by South Korea, as trade optimism and policy support bolstered confidence. Emerging markets were mixed but broadly steady in a more constructive global environment. Within the MSCI ACWI Index, the information technology, utilities, and health care sectors rose the most, while real estate, materials, and financials declined over the period.

The Pzena Global Focused Value portfolio rose but underperformed the MSCI ACWI Index.

The consumer discretionary, health care, and industrials sectors detracted from relative performance. Energy, materials, and information technology contributed to relative performance during the period. Medical products company Baxter declined after reporting third-quarter results and lowering its full-year guidance, as lingering hurricane-related disruptions and ongoing infusion-pump challenges weighed on performance. French tire manufacturer Michelin fell after cutting its earnings guidance, as weaker North American demand, tariff-related margin pressure, and low plant utilization weighed on performance. China Overseas Land & Investment, a large partially state-owned homebuilder, declined as renewed home price weakness, soft property sales data, and policy statements prioritizing structural reform over new stimulus weighed on sentiment toward China's housing sector.

Nokia, the Finnish wireless networking equipment company, rose after reporting strong quarterly results and announcing a \$1 billion equity investment from NVIDIA as part of a new strategic partnership to advance AI-driven wireless network infrastructure. Samsung Electronics, the world's largest memory chip and smartphone manufacturer, rose after reporting stronger-than-expected quarterly results and announcing expanded collaboration with NVIDIA on next-generation HBM and AI initiatives, reinforcing optimism around the accelerating AI-driven memory upcycle. TDK Corp., a Japanese small-cell battery and electronic components supplier, advanced after reporting strong first-half results and raising its full-year outlook, supported by robust demand for rechargeable batteries and AI-related storage components.

Manager Style Summary

Pzena will manage a global, focused deep value fund. The firm seeks investments with skewed potential outcomes via a concentrated portfolio of deeply undervalued businesses. A quantitative screen filters for low price-to-normal earnings level and current earnings depressed to historical norms. Fundamental research is performed to determine if the problem is temporary and not permanent, if the company's business is good and assesses the downside risks. It's a bottom-up process that focuses on the cheapest quintile. After an initial review a full research project will be performed. Initial position size is based on valuation, risk, and diversification. The number of holdings is expected to be between 40 - 60.

Pzena

Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | Index | Pzena | Calc | Min | Max | Compliance |
|---|---------------|--------------|------|-----|---|-----------------------------|
| B3. No more than 5% of the account shall be invested in any one security @ purchase | | | | | | Yes |
| B4. Number of issues | | 53 | | 40 | 60 | ok |
| B5. Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| Emerging Markets | 11% | 11% | | 0% | 25% | ok |
| Europe ex UK | 11% | 29% | | 0% | 41% | ok |
| Japan | 5% | 3% | | 0% | 35% | ok |
| North America | 68% | 44% | | 30% | 98% | ok |
| United Kingdom | 3% | 11% | | 0% | 33% | ok |
| Other | 3% | 2% | | 0% | 33% | ok |
| Total | | 100% | | | | |
| B6. Normal Global Portfolio Characteristics | | | | | | |
| Capitalization | 925835 | 73722 | 8% | 10% | 80% | check |
| Price/Book Value | 3.7 | 1.3 | 36% | 20% | 100% | ok |
| Price/Earnings | 22.9 | 14.1 | 62% | 20% | 120% | ok |
| Dividend Yield | 1.7 | 3.3 | 197% | 75% | 200% | ok |
| B7. Price/Normalized Earnings in Q1 | | 79% | | 60% | 100% | ok |
| C2. Max value of forwards w/single counterpart | | 0% | | | 30% | ok |
| C3. Cash/cash equiv in non-USD currencies | | 2% | | | 10% | ok |
| F2. Brokerage commissions not to exceed \$0.035/share for U.S. equities | | | | | | Yes |
| F3. Annual turnover | | 23% | | 20% | 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

B6. Capitalization The portfolio's wgt'd avg market cap is slightly below the 10% minimum guideline as the index is more concentrated in mega caps.

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

Qtr 3 \$ 80,105

Organizational/Personnel Changes

There were no significant organizational or personnel changes in October 2025.

Account Turnover

Gained: Number of Accounts: - Total Market Value (\$m): -

Lost: Number of Accounts: - Total Market Value (\$m): -

Reason(s): Please note that the above reflects September 2025 gains/losses for the strategy. October 2025 information is not yet available.

Sprucegrove

International Equity: MSCI EAFE Benchmark

For the month of:

October

2025

Manager Performance Calculations

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|-------------|---------------|------------------|----------------|------------------|------------------|
| Sprucegrove | 1.27% | 7.54% | 18.52% | - | - |
| MSCI EAFE | 1.18% | 7.51% | 23.03% | - | - |

Performance Attribution & Strategy Comments

April 22, 2024 inception date.

International equity markets remained positive in October, posting a modest return, driven by gains in the Information Technology sector. However, a stronger U.S. dollar reduced the gains. The MSCI EAFE returned 1.18% in U.S. dollars and 3.41% in local currencies in October. European markets were mixed due to weaker economic data and political instability in France.

The Fund performed slightly ahead of the index in October (1.27% vs 1.18%).

An underweight position and stock selection in Financials contributed the most. The sector pulled back in October after strong third-quarter gains. Stock selection in Consumer Discretionary also contributed, on strength in luxury goods holdings.

Stock selection in Industrials and Consumer Staples detracted the most, with no individual holdings having a meaningful impact.

From a country perspective, exposure to Emerging Markets was a meaningful contributor, as technology-related holdings outperformed. Stock selection in Japan detracted the most.

*MSCI EAFE

Manager Style Summary

Sprucegrove will manage an international equity portfolio. The bottom-up process seeks ownership of quality and value with a long-term focus (low turnover). Sprucegrove seeks investments that provide a margin of safety on quality via above average and consistent profitability, sustainable competitive advantages, financial strength, business growth opportunities and capable management. An investment must meet both quality and attractive value characteristics.

Sprucegrove

International Equity: MSCI EAFE Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | Sprucegrv | Min | Max | Compliance |
|---|-----------|-----|---|-----------------------------|
| B2. Security position <= 5% of the account @ purchase | | | | Yes |
| B4. Number of issues | 63.0 | 40 | | ok |
| B6. Largest single industry group exposure (by GICS) | 19% | 0% | 25% | ok |
| B7. Number of sectors in portfolio | 10 | 7 | 11 | ok |
| B8. European country exposure (# of countries) | 12 | 3 | | ok |
| B8. Asia/Pacific country exposure (# of countries) | 4 | 3 | | ok |
| B9. Normal Country Exposures | | | | |
| Japan | 15% | 5% | 50% | ok |
| United Kingdom | 13% | 10% | 50% | ok |
| Canada | 3% | 0% | 10% | ok |
| United States (not permitted) | 0% | 0% | 0% | ok |
| Other MSCI EAFE Individual Country (not listed above) | 10% | 0% | 15% | ok |
| Total non-MSCI EAFE Country, exclude Canada | 14% | 0% | 15% | ok |
| Total non-MSCI EAFE Country, include Canada | 17% | 0% | 20% | ok |
| C3. Maximum value of forward w/single counterparty | 0% | 0% | 30% | ok |
| C4. Foreign Currency (cash or cash equiv) <= 5% of Account value | | | | Yes |
| 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 3 \$ 12,488

Organizational/Personnel Changes

At the end of the 3rd quarter, PM Chris Rankin left Sprucegrove as part of a broader firm-wide restructuring. Under our team model, his departure does not impact our investment capabilities or the services provided to our clients. An investment analyst also departed.

Account Turnover

| | | | | |
|---------|---------------------|------------------|--------|------------|
| Gained: | Number of Accounts: | 0 | (\$m): | \$ - |
| Lost: | Number of Accounts: | 1 | (\$m): | \$ (101.0) |
| | Reason(s): | Underperformance | | |

Walter Scott & Partners Limited

Global Equity: MSCI World Benchmark

| For the month of: | | October | 2025 | | |
|----------------------------------|---------------|------------------|----------------------|------------------|------------------|
| Manager Performance Calculations | | | * Annualized returns | | |
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Walter Scott | -0.28% | 2.76% | 8.02% | 16.32% | 10.88% |
| MSCI World | 2.00% | 8.03% | 22.02% | 21.69% | 15.58% |

Performance Attribution & Strategy Comments

Technology was the standout sector in the benchmark, rising 7%, driven by continued enthusiasm around artificial intelligence. Non-held U.S. names NVIDIA, Apple and Broadcom were key contributors to the sector's strength and were notable detractors from relative performance.

Against this backdrop, the portfolio's technology holdings posted a solid aggregate gain of 4%, though they lagged the benchmark. Texas Instruments, down 11%, was a notable underperformer. The company announced good results, but the market was expecting a faster cyclical recovery. Alphabet (+16%), a non-held communication services name, was the single largest contributor to the index return and another source of relative underperformance. The share price has continued to reflect the benign US antitrust ruling, and the company posted good third-quarter results. Several held positions experienced sharp declines during the month, with Ferrari (-17%), Fastenal (-16%) and O'Reilly Automotive (-12%) the weakest individual performers. Conservative guidance impacted Ferrari, while Fastenal's results, which were good given the tough industrial environment, did not quite meet market expectations. Aftermarket auto parts company O'Reilly announced good top-line growth in its recent results, but there was some softness in the DIY segment. On a positive note, several holdings posted strong positive returns in October, partially offsetting relative losses elsewhere. Intuitive Surgical, LVMH and Mettler Toledo International returned 19%, 16% and 15% respectively. Robotic surgical equipment company Intuitive announced strong third-quarter profit and procedure growth, while LVMH reported a broad-based recovery in its recent trading update. There was no specific news relating to precision weighing and analytical instrument company Mettler Toledo, but management spoke of a buoyant medium-term outlook in its last set of results in August.

Given the strong run in equity markets, with a number of indices at or near new highs, there are a few hurdles that could temper the current ebullience. Fed Chairman Powell's recent comments about equities being "fairly highly valued" may resonate with investors. Markets may increasingly focus on what returns are being achieved relative to the vast sums of money being invested in AI. At the same time, parts of the equity market have seen valuation shrinkage, with sectors, such as healthcare, reflecting near-term concerns rather than solid long-term fundamentals. On the plus side, despite lingering worries about the impact of tariffs, economies have been resilient, and monetary policy is broadly accommodative. Many leading companies have continued to deliver good earnings growth, showing resilience and adaptability in the face of numerous challenges, including the reset of US trade policy.

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 | 3% | | 5% | ok |
| B3. No more than 5% of the account shall be invested in any one security @ purchase | | | | Yes |
| B4. Number of issues | 46 | 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 | 64% | 60% | 75% | ok |
| Japan | 4% | 0% | 9% | ok |
| Europe ex UK | 16% | 8% | 22% | ok |
| UK | 4% | 0% | 12% | ok |
| Pacific ex Japan | 5% | 0% | 12% | ok |
| Emerging Markets | 5% | 0% | 12% | ok |
| Total | 97% | | | |
| B7. Normal Global Portfolio Characteristics | | | | |
| ROE | 27% | 10% | 35% | ok |
| CROCE | 32% | 20% | 40% | ok |
| Operating Margin | 18% | 10% | 25% | ok |
| Relative P/E | 1.1 | 1.0 | 1.5 | ok |
| Price/Book Value | 8 | 3 | 10 | ok |
| Price Earnings | 28 | 20 | 40 | ok |
| Price/Cash Flow | 22 | 13 | 30 | ok |
| Dividend Yield | 1% | 0.5% | 3% | ok |
| E2. Brokerage commissions in bps | 4 | 4 | 13 | ok |
| E3. Annual turnover | 14% | | 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

There were no deviations.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 71,294

Account Turnover

Gained: Number of Accounts: 0 Total Market Value (\$m): -
Lost: Number of Accounts: 4 Total Market Value (\$m): \$ 1,581.1
Reason(s): Relative performance concerns, moving to passive, terminating equity managers in favour of derivative exposure.

Organizational/Personnel Changes

There were no organisational or team changes during the period.

Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **October** **2025**

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> |
|---------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Wasatch | 3.80% | 6.76% | 2.84% | n/a | n/a |
| MSCI EM | 4.18% | 13.06% | 27.91% | n/a | n/a |

Country Allocation Comparison

| <u>Over-weight</u> | <u>Wasatch</u> | <u>EM</u> | <u>Under-weight</u> | <u>Wasatch</u> | <u>EM</u> |
|--------------------|----------------|-----------|---------------------|----------------|-----------|
| India | 30.78% | 15.23% | China | 9.08% | 29.17% |
| United States | 9.82% | 0.00% | South Korea | 2.18% | 12.69% |
| Mexico | 8.85% | 1.89% | South Africa | 0.00% | 3.38% |

Performance Attribution & Strategy Comments

Falling interest rates in the U.S. and a one-year truce in the trade war with China underpinned equities across emerging markets in October. Propelled by advances in Korea, Taiwan and India, the benchmark MSCI Emerging Markets Index rose 4.18% for the month. The Wasatch Emerging Markets Select strategy also posted a solid gain but underperformed its benchmark.

On a geographic basis, underweight positioning in Korea and our holding in Singapore detracted most from relative performance. However, an underweight in China and stock selection in Taiwan contributed to relative results.

At the sector level, holdings in the consumer-discretionary and information-technology sectors detracted most from performance relative to the benchmark. Conversely, positions in the health-care and financials sectors contributed to the strategy's relative performance.

Some of the largest detractors from performance for the month included Sea Ltd. (SE), a digital entertainment and e-commerce company based in Singapore; Grupo Aeroportuario del Pacifico SAB de CV, an operator of airports in Mexico; and MakeMyTrip Ltd. (MMYT), an online travel agent in India.

The largest contributors to performance included Chroma ATE, Inc., a fabless Taiwanese designer of integrated-circuit chips; Asia Vital Components Co. Ltd., a Taiwan-based manufacturer of fan coolers for computer equipment; and Divi's Laboratories Ltd., an Indian manufacturer of active pharmaceutical ingredients.

Manager Style Summary

Wasatch believes that long-term stock prices are driven by earnings growth. The market's short-term bias presents opportunities to purchase high-quality businesses at a discount to their long-term value. They are patient investors in exceptional companies that can compound earnings over time. The Wasatch Emerging Markets Select strategy is a concentrated, yet diversified growth portfolio of high-quality companies. They use a team based, bottom-up, systematic, approach that seeks to identify companies with outstanding long-term growth potential. Attributes of typical investments include high returns on capital, exceptional management teams, sustainable competitive advantages, and reasonable valuations.

Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | Index | Wasatch | Calc | Min | Max | Compliance |
|--|-------|---------|------|-----|---|-----------------------------|
| Security position <= 10% of the account @ purchase | | | | | | Yes |
| Number of issues | | 33 | | 20 | 50 | ok |
| Investments in a single sector will not exceed more than 50% of the portfolio value | | | | | | Yes |
| Investments in a single country will not exceed more than 50% of the portfolio value | | | | | | Yes |
| Normal Regional Exposures (* benchmark +/- min/max): | | | | | | |
| Emerging Markets | 100% | 81% | | 60% | 100% | ok |
| Other | 0% | 19% | | 0% | 40% | ok |
| Total | | 100% | | | | |
| Normal Global Portfolio Characteristics (Relative to the Index) | | | | | | |
| Price/Earnings (fwd) | 13.6 | 26.3 | 193% | 50% | NA | ok |
| ROE | 18.2 | 25.5 | 140% | 50% | NA | ok |
| 3-5 Yr.Est. Growth | 12.9 | 28.2 | 219% | 50% | NA | ok |
| No derivatives, short sales, commodities, margin or currency hedging | | | | | | Yes |
| Annual turnover | | 38% | | 10% | 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

There were no deviations.

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

Qtr 3 \$ 26,074

Organizational/Personnel Changes

None

Account Turnover

| | | | | | |
|---------|---------------------|-----------------------------|---------------------------|----|------|
| Gained: | Number of Accounts: | 1 | Total Market Value (\$m): | \$ | 0.3 |
| Lost: | Number of Accounts: | 7 | Total Market Value (\$m): | \$ | 36.3 |
| | Reason(s): | Changes in asset allocation | | | |

WCM

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **October** **2025****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> |
|-----------------------|----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| WCM | 2.40% | 11.11% | 34.64% | N/A | N/A |
| MSCI Emerging Markets | 4.19% | 13.31% | 28.70% | N/A | N/A |

Country Allocation Comparison

| <u>Over-weight</u> | <u>WCM</u> | <u>EM</u> | <u>Under-weight</u> | <u>WCM</u> | <u>EM</u> |
|--------------------|------------|-----------|---------------------|------------|-----------|
| Peru | 2.47% | 0.21% | China | 21.60% | 27.88% |
| Singapore | 5.15% | 0.02% | India | 10.72% | 15.25% |
| Brazil | 9.49% | 4.17% | Taiwan | 17.60% | 20.50% |

Performance Attribution & Strategy Comments

During October 2025, the portfolio underperformed the MSCI Emerging Markets benchmark by 1.78%, as the portfolio delivered a total return of 2.41% versus the benchmark's 4.19%. The primary driver of this underperformance was negative stock selection of 1.61%, while country allocation detracted by 17 basis points. South Korea was the largest country detractor, reducing relative performance by 1.05%, whereas Canada contributed positively with a total effect of 36 basis points.

The portfolio underperformed the MSCI Emerging Markets benchmark in four out of five weeks, with relative returns of -42 basis points, -84 basis points, -1.06%, -25 basis points, before outperforming by 86 basis points in the final week. In the week ending October 3rd, sector allocation detracted by -27 basis points and stock selection contributed negatively by -14 basis points. For the week ending October 10th, stock selection was the primary detractor at -80 basis points, while sector allocation also detracted by -5 basis points. The week ending October 17th saw continued negative impact from stock selection at -97 basis points and a modest drag from sector allocation of -9 basis points. During the week ending October 24th, stock selection remained negative at -50 basis points, but sector allocation contributed positively by 25 basis points. In the final week, ending October 31st, stock selection reversed to a positive contribution of 96 basis points, partially offset by a sector allocation drag of -10 basis points. Over the period, Information Technology and Communication Services were the largest detractors with -45 basis points and -96 basis points respectively, while Financials and Industrials contributed most positively with 22 basis points and 21 basis points respectively.

Manager Style Summary

WCM will manage an emerging markets equity portfolio. WCM's emerging market philosophy is built on moats, culture, tailwinds, focused and valuation. They focus on bottom-up stock picking with a selection edge. The portfolio will hold approximately 50 stocks. Maximum position size will be around 10% with maximum industry exposure around 30%. Idea generation is followed by rigorous quantitative and fundamental analysis before portfolio construction is undertaken.

WCM

Emerging Markets Equity: MSCI EM Benchmark

Portfolio Guideline Compliance

| Portfolio Guideline: | WCM | | Min | Max | Compliance |
|--|-------|--|-----|------|------------|
| At least 80% in emerging/frontier | 89% | | 80% | 100% | ok |
| Number of countries in the portfolio | 15 | | 3 | N/A | ok |
| Number of global industries | 28 | | 15 | N/A | ok |
| No more than 5% of the outstanding shares of each issuer | | | | | Yes |
| % of outstanding of China traded company shares | 0.01% | | 0 | 4% | ok |
| Single Industry (% MV) | 19% | | | 30% | ok |
| Single Sector (% MV) | 25% | | | 50% | ok |
| Single position (% MV) | 9% | | | 10% | ok |
| Derivatives (% MV) | 0% | | 0% | 0% | ok |

The portfolio is in compliance with all other aspects of the portfolio guidelines

☒ Yes☐ No**Manager Explanations for Deviations from Portfolio Guidelines**

There were no deviations.

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

Qtr 3 \$ 120,397

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): | N/A | | | |

PERSI Choice Plan Summary

Oct 2025

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* |
|---|-------|---------------|------------------|----------------|------------------|------------------|
| Balanced | | | | | | |
| PERSI Total Return Fund ^α | n/a | 0.8% | 4.7% | 11.7% | 12.3% | 8.9% |
| Strategic Policy [☆] | | 1.3% | 5.9% | 14.9% | 13.6% | 9.5% |
| Policy (55% R3000, 15% MSCI EAFE, 30% BCAGG) | | 1.5% | 6.5% | 16.8% | 16.6% | 11.0% |
| Calvert Balanced Fund ^{1**} | CBARX | 1.7% | 4.8% | 13.6% | 16.1% | 10.4% |
| Custom Bench (60% R1000, 40% BCAGG) | | 1.5% | 5.9% | 15.1% | 15.5% | 10.1% |
| Capital Preservation | | | | | | |
| PERSI Short-Term Investment Portfolio [▲] | n/a | 0.4% | 1.1% | 4.4% | 4.8% | 3.0% |
| ICE BofA US 3-month T-bill Index | | 0.3% | 1.1% | 4.4% | 4.9% | 3.1% |
| Bond | | | | | | |
| US Bond Index Fund | n/a | 0.6% | 2.9% | 6.1% | 5.5% | -0.3% |
| Dodge and Cox Fixed Income Fund ⁵ | DOXIX | 0.8% | 3.4% | 7.1% | 7.3% | 1.5% |
| Bloomberg Aggregate | | 0.6% | 2.9% | 6.2% | 5.6% | -0.2% |
| US TIPS Index Fund | n/a | 0.4% | 2.3% | 6.0% | 4.5% | 1.6% |
| Bloomberg US TIPS Index | | 0.4% | 2.3% | 6.1% | 4.6% | 1.6% |
| U.S. Equity | | | | | | |
| Russell 3000 | | 2.1% | 8.1% | 20.8% | 21.8% | 16.7% |
| Large Cap | | | | | | |
| U.S. Large Cap Equity Index Fund | n/a | 2.3% | 8.2% | 21.4% | 22.6% | 17.6% |
| Vanguard Growth & Income Fund ² | VGIAX | 2.8% | 8.0% | 22.7% | 22.6% | 18.1% |
| S&P 500 | | 2.3% | 8.2% | 21.5% | 22.7% | 17.6% |
| Small/Mid Cap | | | | | | |
| U.S. Small/Mid Cap Equity Index Fund ³ | n/a | 1.2% | 7.4% | 17.0% | 16.8% | 11.8% |
| Dow Jones U.S. Completion Total Stock Market Index | | 1.2% | 7.4% | 17.1% | 16.7% | 11.5% |
| Small Cap | | | | | | |
| T. Rowe Price Small Cap Stock Fund ⁴ | TRSSX | -0.2% | 5.9% | 9.5% | 10.4% | 8.6% |
| Russell 2000 | | 1.8% | 12.5% | 14.4% | 11.9% | 11.5% |
| Specialty | | | | | | |
| US REIT Index Fund | n/a | -1.4% | 4.3% | -0.1% | 8.2% | 9.5% |
| Dow Jones U.S. Select REIT | | -1.3% | 4.5% | 0.1% | 8.4% | 9.7% |
| International Equity | | | | | | |
| International Equity Index Fund | n/a | 1.0% | 8.2% | 23.8% | 20.4% | 12.6% |
| T. Rowe Price Overseas Stock | TROIX | 1.3% | 9.1% | 23.7% | N/A | N/A |
| MSCI EAFE net dividend | | 1.2% | 7.5% | 23.0% | 20.1% | 12.3% |
| DFA Emerging Markets Core Equity I | DFCEX | 3.7% | 10.5% | 23.8% | N/A | N/A |
| MSCI EMF | | 4.2% | 13.3% | 28.7% | 21.7% | 7.9% |

** BNYM and Callan have return discrepancies and are reviewing

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

☆ Strategic Policy Benchmark = 21% R3000, 18% MSCI ACWI, 6% MSCI EAFE, 9% MSCI EM, 8% PE, 4% NAREIT, 4% NFI-ODCE EW, 20% Agg, 10% TIPS

α Fund returns reflect fees beginning 05/01/15

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

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

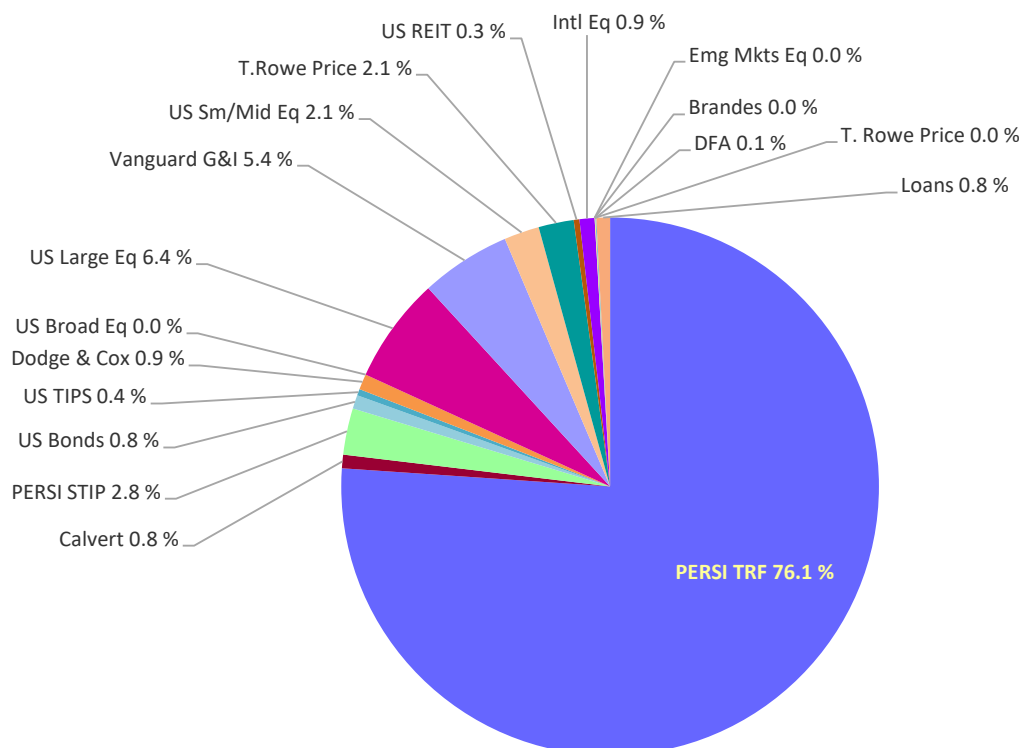
³ US Small/Mid Cap Equity Index Fund managed by MCM performance begins 10/12/07; previous periods reflect Dreyfus Premier Midcap Stock R Fund (DDMRX)

⁴ 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)

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

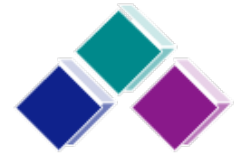
Performance - Net of fees

| | | | Alloc by Fund | Alloc by Asset Class |
|---|----|---------------|-------------------------|-------------------------|
| Balanced | | | | 75.5% |
| PERSI Total Return Fund | \$ | 1,451,516,719 | 74.7 % | |
| Calvert Balanced Fund | \$ | 16,187,744 | 0.8 % | |
| Capital Preservation | | | | 2.6% |
| PERSI Short-Term Investment Portfolio (ML 0-3mo T-bill) | \$ | 49,935,810 | 2.6 % | |
| Bonds | | | | 1.9% |
| U.S. Bond Index Fund (BC Aggregate) | \$ | 13,687,153 | 0.7 % | |
| U.S. TIPS Index Fund (BC US TIPS) | \$ | 6,200,479 | 0.3 % | |
| Dodge and Cox Fixed Income Fund (BC Aggregate) | \$ | 17,186,600 | 0.9 % | |
| U.S. Equity | | | | 18.1 % |
| <i>Large Cap</i> | | | | |
| U.S. Large Cap Equity Index Fund (S&P 500) | \$ | 140,450,135 | 7.2 % | |
| Vanguard Growth & Income Fund (S&P 500) | \$ | 118,638,536 | 6.1 % | |
| <i>Small/Mid Cap</i> | | | | |
| U.S. Small/Mid Cap Equity Index Fund (DJ USTSMI) | \$ | 45,760,675 | 2.4 % | |
| <i>Small Cap</i> | | | | |
| T. Rowe Price Small Cap Stock Fund (R2000) | \$ | 40,067,367 | 2.1 % | |
| <i>Specialty</i> | | | | |
| U.S. REIT Index Fund (DJ US Select REIT) | \$ | 6,026,848 | 0.3 % | |
| International Equity | | | | 1.2 % |
| International Equity Index Fund (MSCI EAFE) | \$ | 19,666,520 | 1.0 % | |
| T. Rowe Price Overseas Stock | \$ | 1,284,440 | 0.1 % | |
| DFA Emerging Markets Core Equity I | \$ | 1,490,866 | 0.1 % | |
| Other | | | | 0.8 % |
| Loans | \$ | 14,714,357 | 0.8 % | |
| Total DC Plan | | | \$ 1,942,814,249 | 100% 100.0 % |



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

Memo



Date: December 9, 2025

To: PERSI Board

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

Re: AEW Real Estate Update

Attached is the material for an update on our commercial real estate program managed by AEW.

The presentation will be provided by Michael Byrne (CIO, Head of Private Equity & Debt) and Adam Schwank (Senior Portfolio Manager). AEW assumed management of the private real estate portfolio in 2013.

Please contact us if you have any questions or concerns.

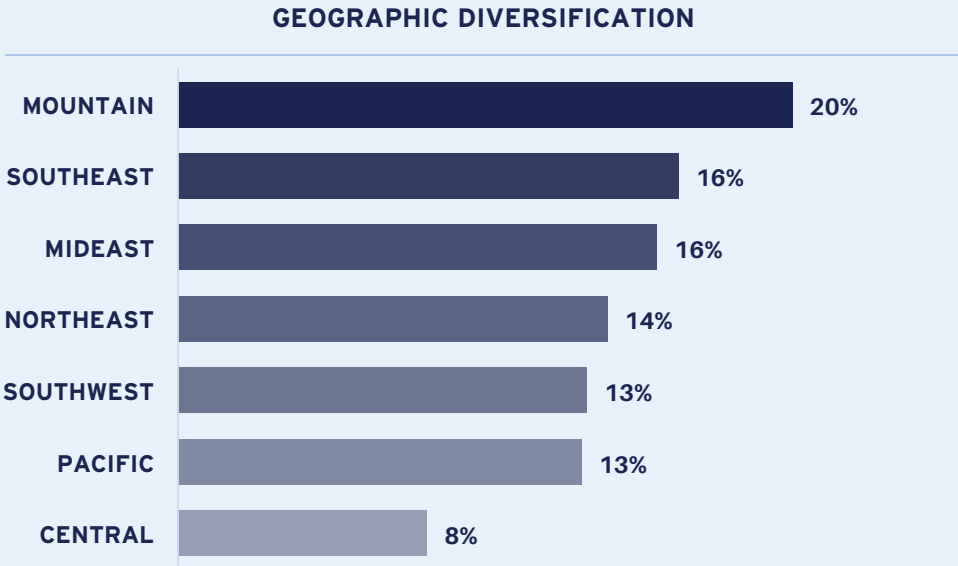
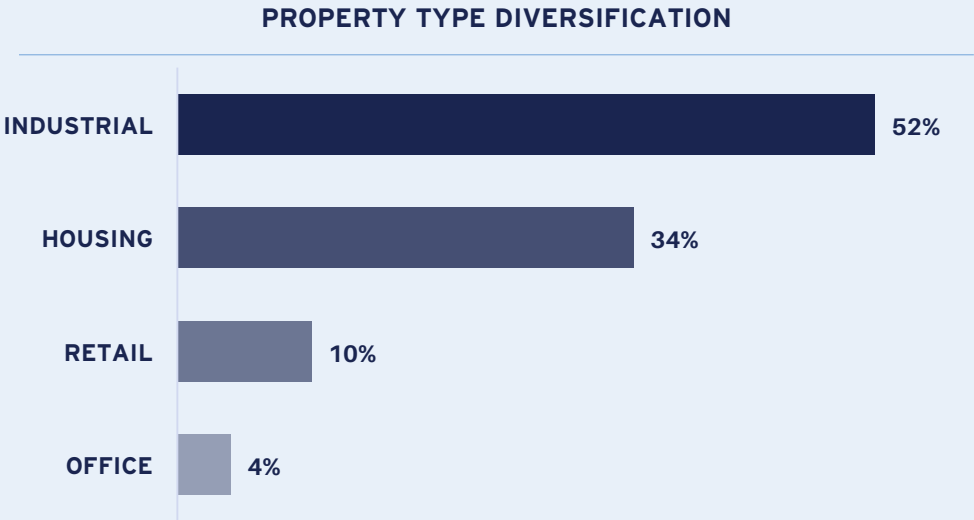
PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO "PERSI"

Real Estate Update

December 2025



Portfolio Overview



PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

Portfolio Performance

| TOTAL GROSS RETURN | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION ¹ |
|--------------------|---------|---------|--------|---------|------------------------------|
| Income | 6.07% | 5.22% | 5.37% | 5.58% | 5.62% |
| Appreciation | (0.06)% | (9.72%) | 0.38% | 2.22% | 2.92% |
| Total Gross | 6.00% | (4.97)% | 5.77% | 7.91% | 8.68% |
| Total Net | 4.79% | (6.05)% | 4.58% | 6.78% | 7.62% |

| | | | | | |
|--------------|---------|---------|---------|---------|---------|
| ODCE Index | 3.19% | (6.15)% | 2.59% | 4.13% | 5.93% |
| Over/(Under) | 160 BPS | 10 BPS | 199 BPS | 265 BPS | 169 BPS |

Total Annualized Return Net-of-Fees



169 BPS

OUTPERFORMANCE SINCE INCEPTION



12 Years

CONSECUTIVE YEARS
INCOME RETURN OUTPERFORMANCE

¹ Inception since January 2013 – September 30, 2025, which includes significant write-downs in 2013 for unanticipated capital needs identified shortly after account transfer.

Property Sector Overviews

PERSI FOOTPRINT

MARKET ENVIRONMENT

RISK CONSIDERATIONS



Logistics

- 5.5 million square feet over 17 properties
- 94% occupancy
- **Top Metro Markets**
 - Phoenix, Chicago, Charlotte, Eastern Pennsylvania, & Los Angeles

- 9.3% availability nationally
- E-commerce demand and U.S. manufacturing reshaping supply chains
- Increased focus by tenants on building quality and power capacity

- Softening rent growth in oversupplied markets
- Monitor tenant credit and lease rollover exposure
- Cost of capital and construction costs remain elevated



Housing

- 1,831 units over 10 properties
- 96% occupancy
- **Top Metro Markets**
 - Fort Lauderdale, Denver, Atlanta, & Boston

- 4.4% vacancy nationally, supply wave has crested
- Widest gap in history between cost of home ownership and renting
- Operating margin pressure (labor, taxes, insurance, etc.)

- Heightened regulatory risk in coastal and urban markets
- Local political shifts affecting rent control and taxes
- Affordability pressures influencing tenant profiles

Property Sector Overviews

PERSI FOOTPRINT

MARKET ENVIRONMENT

RISK CONSIDERATIONS



Retail

- 755K square feet across 4 properties
- 96% occupancy
- **Top Metro Markets**
 - Las Vegas, Raleigh, Boston, & Tampa

- 4.9% availability nationally with limited supply
- Sector has shown resilience in managing recent retailer bankruptcies; leasing momentum strength continues
- Value-oriented and essential retailers faring well, with no changes to expansion plans

- Consumer sentiment may impact discretionary spend
- Evolving tenant formats, shift toward omnichannel and smaller formats
- Construction cost inflation
- Zoning hurdles, local approvals can delay or limit adaptive reuse strategies



Office

- 1.2 million square feet over 5 properties
- 59% occupancy
- **Top Metro Markets**
 - Boston, Seattle, & Orange County

- 19% vacancy nationally, improving as conversions reduce supply
- Flight to quality fueling Class A+ demand
- Medical office show strong absorption

- Remote work adoption still evolving in key tenant sectors
- High op-ex and cap-ex requirements for repositioning
- Leasing velocity uneven across regions

Thank You