Callan

May 20, 2025

# Public Employee Retirement System of Idaho

First Quarter 2025

Performance Evaluation

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Senior Vice President

# Agenda

- Market Overview and Summary
- DB Performance
  - DB Historical Actual Returns and Actuarial Return Assumptions
- DC Performance
- Sick Leave Plan Performance
- Callan Updates

# U.S. Equity Markets Down Sharply in 1Q25

## Non-U.S. markets are up for 1Q, showing diversification

S&P 500 fell 4.3% in 1Q25
- U.S. small cap fell further by 9.5% as markets were spooked by tariff policy uncertainty: timing, size, countries, sectors.

Stronger 1Q for core fixed income
- The Bloomberg Aggregate rose 2.8%. Long duration saw an even greater increase in a nascent flight to quality.
- Interest rates remain volatile as the markets assess how the Fed will continue with easing.
- CPI-U came in at 2.4% (year-over-year) through March, down 50 bps from 4Q, although the core figure rose 3.8%. Energy pulled down the total headline number.

Solid economic growth in 2024
- The job market expanded and real incomes grew. 4Q GDP came in at 2.4%, and 2.8% for the year, but fell 0.3% in 1Q25.

**Returns for Periods ended 3/31/25**

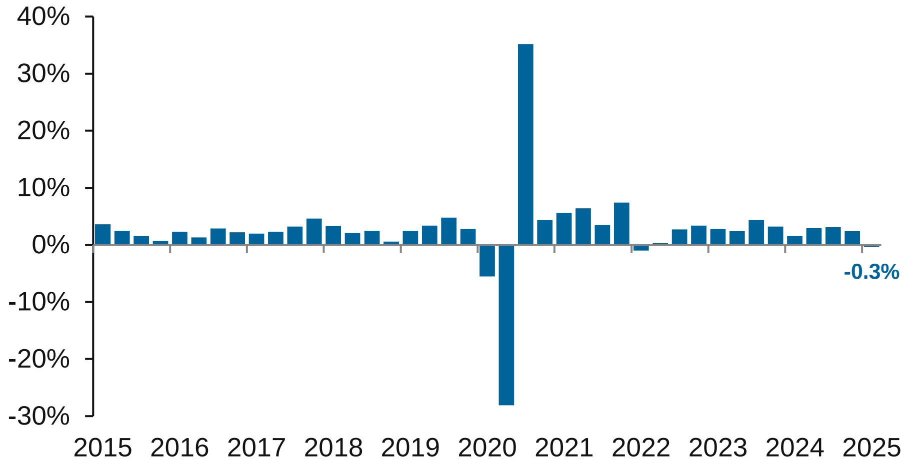
| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 25 Years |
|---|---|---|---|---|---|---|
| **U.S. Equity** | | | | | | |
| Russell 3000 | -4.72 | 7.22 | 8.22 | 18.18 | 11.80 | 7.44 |
| S&P 500 | -4.27 | 8.25 | 9.06 | 18.59 | 12.50 | 7.41 |
| Russell 2000 | -9.48 | -4.01 | 0.52 | 13.27 | 6.30 | 6.83 |
| **Global ex-U.S. Equity** | | | | | | |
| MSCI World ex USA | 6.20 | 5.30 | 5.70 | 12.16 | 5.50 | 4.01 |
| MSCI Emerging Markets | 2.93 | 8.09 | 1.44 | 7.94 | 3.71 | -- |
| MSCI ACWI ex USA Small Cap | 0.64 | 1.87 | 0.99 | 11.84 | 5.32 | 6.09 |
| **Fixed Income** | | | | | | |
| Bloomberg Aggregate | 2.78 | 4.88 | 0.52 | -0.40 | 1.46 | 3.96 |
| 90-day T-Bill | 1.02 | 4.97 | 4.23 | 2.56 | 1.87 | 1.90 |
| Bloomberg Long Gov/Credit | 3.57 | 1.72 | -4.51 | -3.74 | 1.01 | 5.28 |
| Bloomberg Global Agg ex-US | 2.53 | 1.46 | -3.47 | -2.35 | -0.18 | 2.62 |
| **Real Estate** | | | | | | |
| NCREIF Property Index | 1.28 | 2.72 | -2.11 | 3.25 | 5.42 | 7.54 |
| FTSE Nareit Equity | 0.91 | 9.94 | -0.61 | 11.34 | 5.33 | 9.78 |
| **Alternatives** | | | | | | |
| Cambridge Private Equity* | 2.68 | 7.93 | 2.75 | 14.27 | 13.40 | 12.39 |
| Cambridge Senior Debt* | 3.35 | 10.18 | 7.08 | 7.89 | 7.31 | 4.59 |
| HFRI Fund Weighted | -0.49 | 4.57 | 4.56 | 9.53 | 4.97 | 5.23 |
| Bloomberg Commodity | 8.88 | 12.28 | -0.77 | 14.51 | 2.77 | 2.17 |
| Gold Spot Price | 19.28 | 40.74 | 17.26 | 14.56 | 10.29 | 10.14 |
| **Inflation: CPI-U** | 1.33 | 2.39 | 3.61 | 4.38 | 3.08 | 2.53 |

*Cambridge Private Equity and Cambridge Senior Debt data as of 9/30/24. Returns greater than one year are annualized.
Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

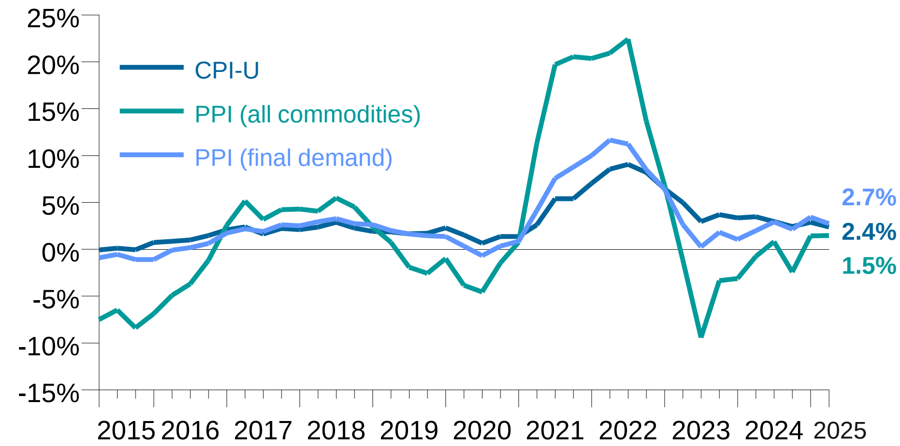
# U.S. Economy—Summary

## For periods ended 3/31/25

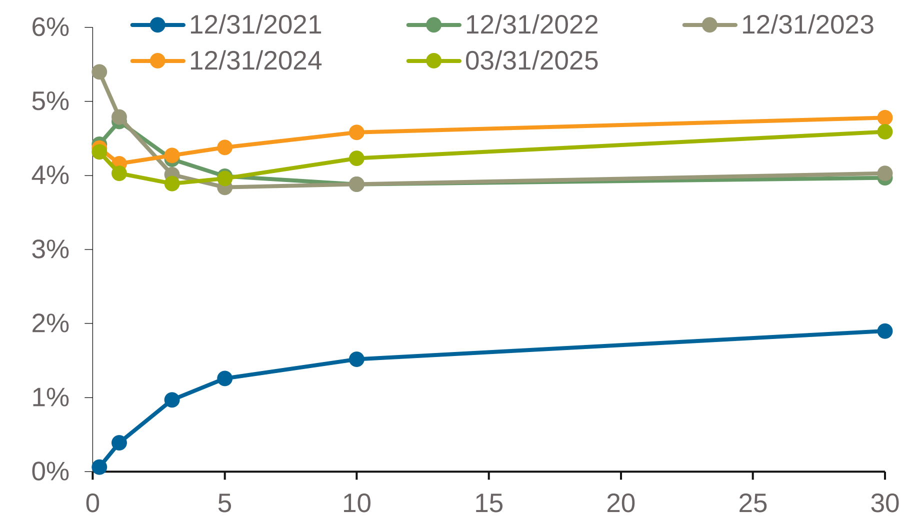
### Quarterly Real GDP Growth



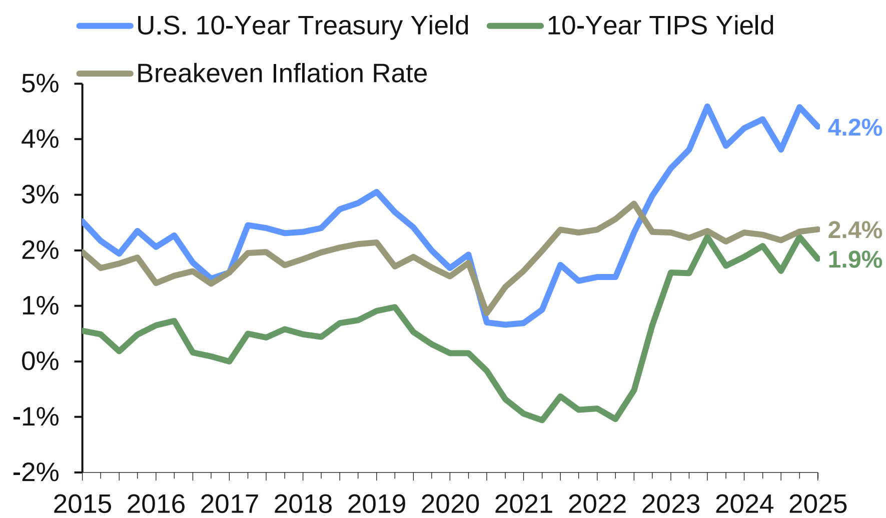

### Inflation Year-Over-Year




### U.S. Treasury Yield Curves




### Historical 10-Year Yields



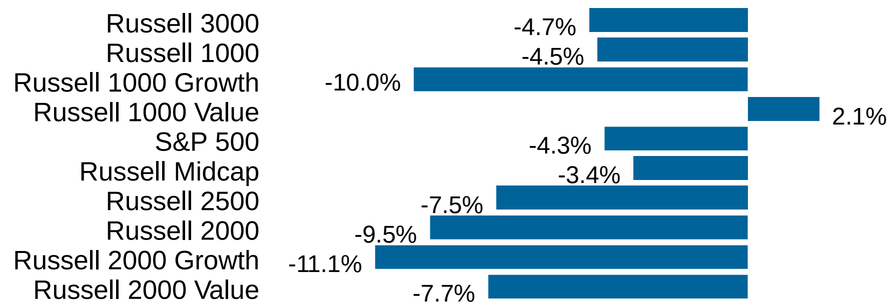

Sources: Bureau of Labor Statistics, Callan, Federal Reserve

# U.S. Equity Performance: 1Q25

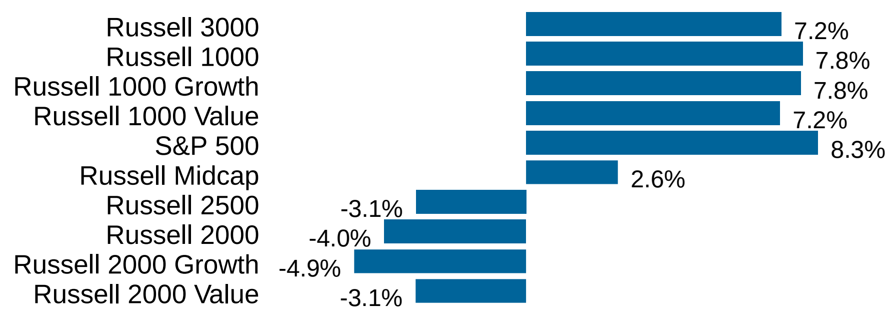
## Choppy start to the new year

- The U.S. equity market gave back some of its 2024 gains in 1Q25. The S&P 500 Index fell by 4.3%, partially driven by escalating trade tensions and the potential negative impact from the emergence of China-based AI company DeepSeek as a rival to U.S.-based AI leaders.
- Mega-cap growth stocks, particularly the Magnificent 7, lagged the broad index. Market leadership broadened out during the quarter.
- From a sector perspective, Consumer Discretionary and Technology were the two worst-performing sectors, while Energy and Health Care performed the best.
- During 1Q, mid cap stocks performed the best followed by large cap stocks. Small cap stocks continue to underperform as elevated interest rates and fear of tariffs weighed on smaller, more leveraged business models.
- Value outperformed growth across the market cap spectrum, reversing the long-term trend of growth outperformance.

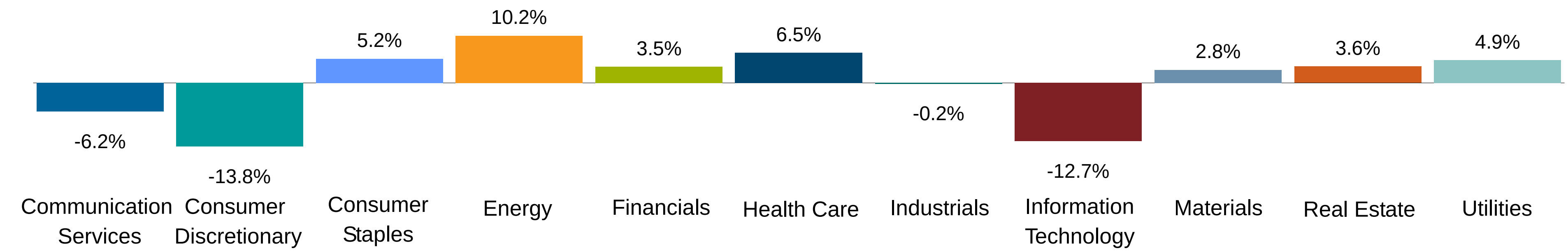
**U.S. Equity: Quarter Ended 3/31/25**




**U.S. Equity: One Year Ended 3/31/25**

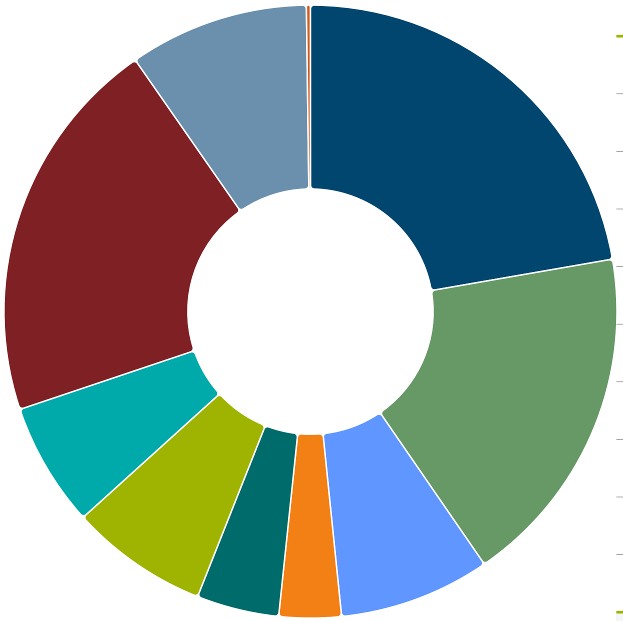



**Industry Sector Quarterly Performance (S&P 500) as of 3/31/25**




Sources: FTSE Russell, S&P Dow Jones Indices

# PERSI DB Asset Allocation - Defined Benefit as of March 31, 2025



| | Asset Class | Assets | Actual Weight | Target |
|---|---|---|---|---|
| ■ | US Public Equity | $5,483,581,196 | 22.26% | 21.00% |
| ■ | Global Equity | $4,469,311,342 | 18.14% | 18.00% |
| ■ | Private Equity | $1,966,912,438 | 7.98% | 8.00% |
| ■ | REIT Equity | $805,436,059 | 3.27% | 4.00% |
| ■ | Private Real Estate | $1,072,054,737 | 4.35% | 4.00% |
| ■ | Emerging Markets Equity | $1,792,834,584 | 7.28% | 9.00% |
| ■ | Developed Markets Equity | $1,612,188,263 | 6.54% | 6.00% |
| ■ | US Fixed Income | $5,048,647,164 | 20.49% | 20.00% |
| ■ | US TIPS | $2,331,084,036 | 9.46% | 10.00% |
| ■ | Short Term Cash | $52,655,330 | 0.21% | - |
| | Total Fund | $24,634,705,148 | 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 US Fixed Income, and underweight to Emerging Markets Equity, US TIPS, and REITs 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 | 70% | 70% | 66% - 77% |
| Broad Domestic Equity | 56% | 55% | 50% - 65% |
| International Developed Equity | 14% | 15% | 10% - 20% |
| Fixed Income | 30% | 30% | 23% - 33% |
| Cash | 0% | 0% | 0% - 5% |

# PERSI DB Asset Distribution as of March 31, 2025

Total Fund ended the 1st quarter 2025 with $24.6 B, a net increase of $0.1 B

- Net withdrawals: - $0.138 B
- Investment growth: + $0.231 B

| Portfolio | Ending Assets Mar 31, 2025 | Weight | Net Cash Activity | Investment Gain/Loss | Beginning Assets Dec 31, 2024 | Weight |
|---|---|---|---|---|---|---|
| **US Public Equity** | **$5,483,581,196** | **22.26%** | **-$48,600,000** | **-$273,728,985** | **$5,805,910,181** | **23.66%** |
| **Global Equity** | **$4,469,311,342** | **18.14%** | **$0** | **$93,699,662** | **$4,375,611,680** | **17.83%** |
| **Private Equity** | **$1,966,912,438** | **7.98%** | **$6,791,777** | **$50,200,771** | **$1,909,919,891** | **7.78%** |
| **Real Assets** | **$1,877,490,796** | **7.62%** | **-$58,722,156** | **$28,965,859** | **$1,907,247,093** | **7.77%** |
| **Emerging Markets Equity** | **$1,792,834,584** | **7.28%** | **$0** | **$7,353,526** | **$1,785,481,057** | **7.28%** |
| **Developed Markets Equity** | **$1,612,188,263** | **6.54%** | **$0** | **$89,905,760** | **$1,522,282,503** | **6.20%** |
| **Total Fixed** | **$7,379,731,200** | **29.96%** | **$0** | **$233,101,538** | **$7,146,629,663** | **29.12%** |
| **Short Term Cash** | **$52,655,330** | **0.21%** | **-$37,285,855** | **$1,026,935** | **$88,914,250** | **0.36%** |
| **Total Fund** | **$24,634,705,148** | **100.00%** | **-$137,928,655** | **$230,637,487** | **$24,541,996,317** | **100.00%** |

# PERSI DB: 1st Quarter 2025 Performance Summary*

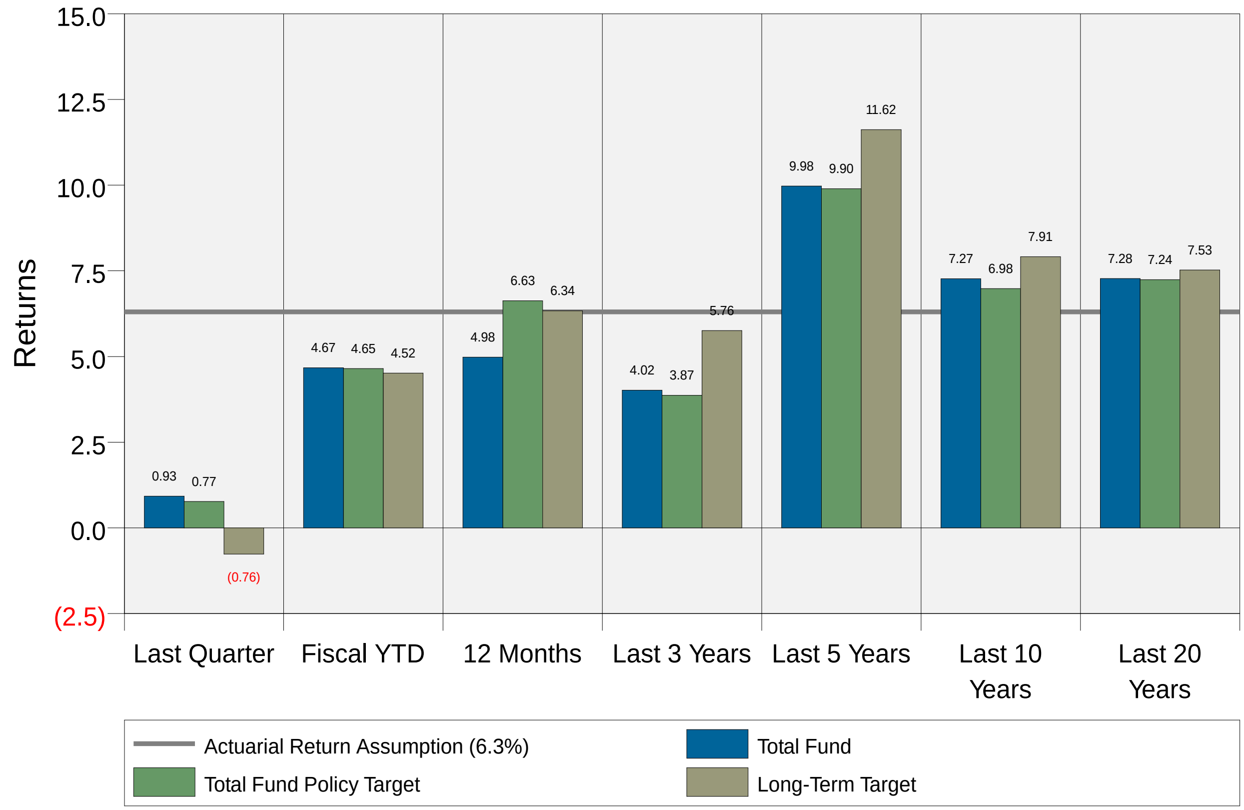
1Q 2025: PERSI Total Fund earned a return of 0.93%, outperforming the Policy and Long-Term Target returns

- In aggregate the managers outperformed their benchmarks by 39 bps.
- Variations from policy detracted 24 bps.

Over the last three years, the Total Fund returned 4.02%, exceeding the Policy Target return of 3.87%. Over the last five years, the Total Fund gained 9.98% vis-à-vis the Policy Target return of 9.90%

Last 20 years: Total Fund has earned an average annual return of 7.28%

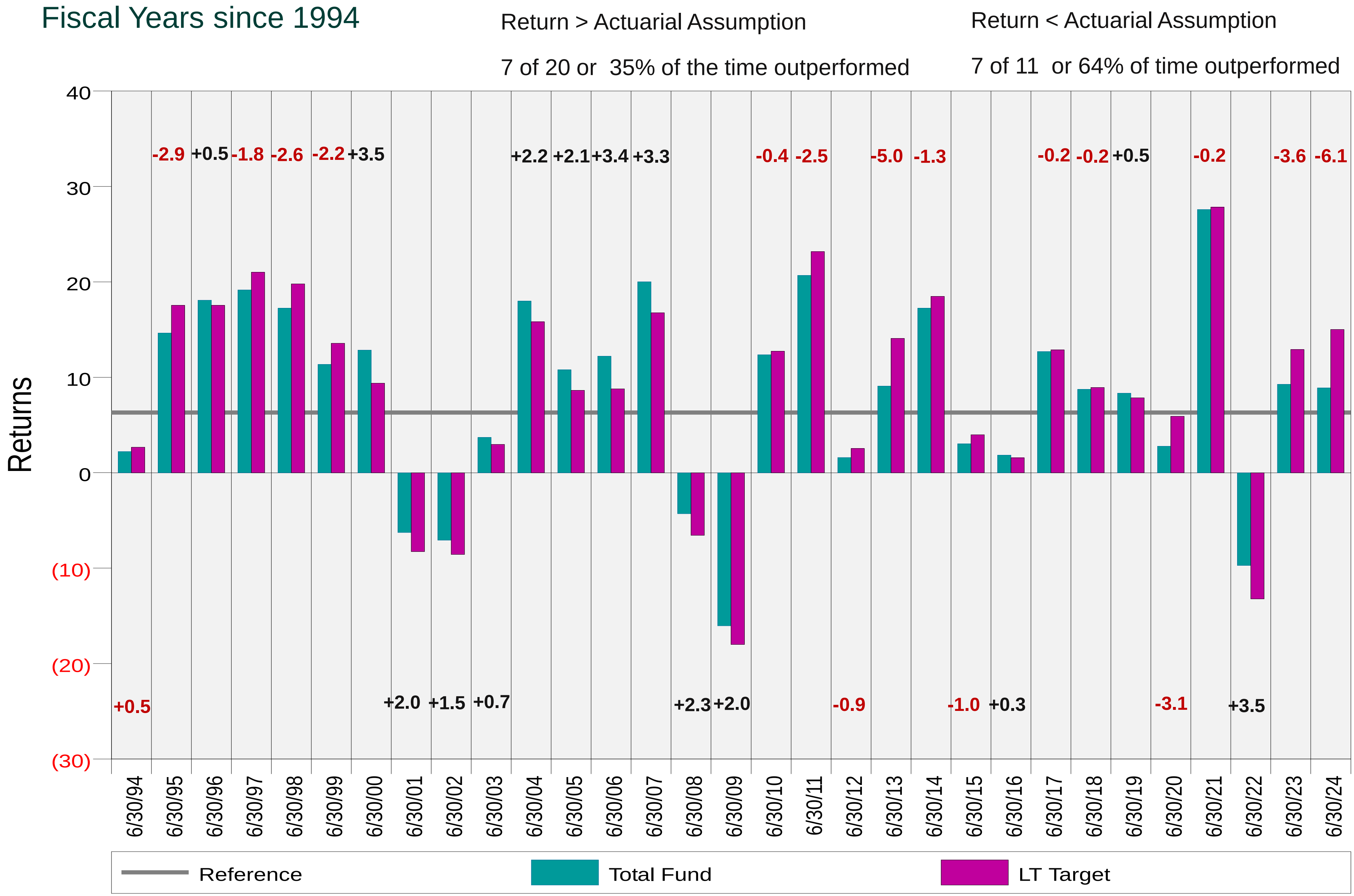
Total Fund Returns
Periods Ending March 31, 2025




* Total Fund Returns are Gross of Fees

# PERSI DB: Actual vs Long Term Target (55/15/30)

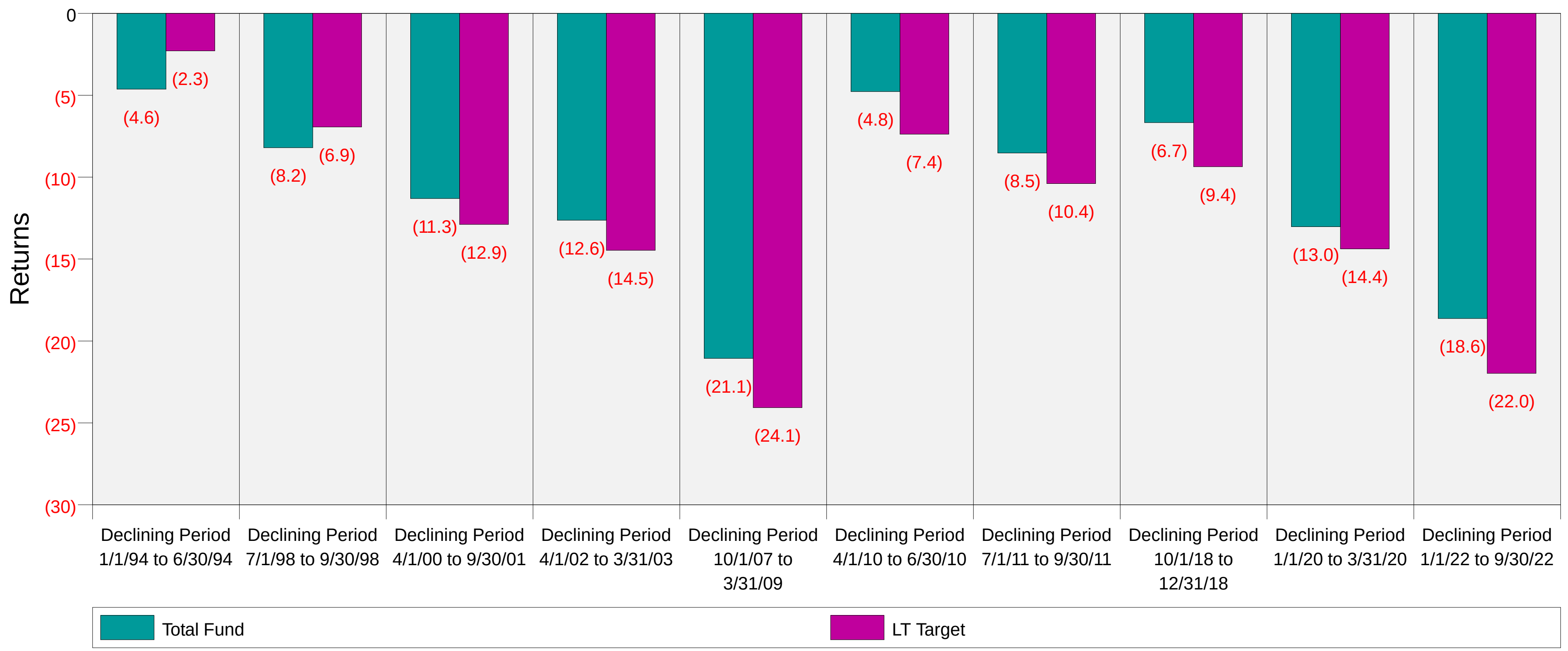
## Fiscal Years since 1994



# PERSI DB: Actual vs Long Term Target (55/15/30)

## Total Fund Returns were down less than Target in 8 of 10 Down Markets

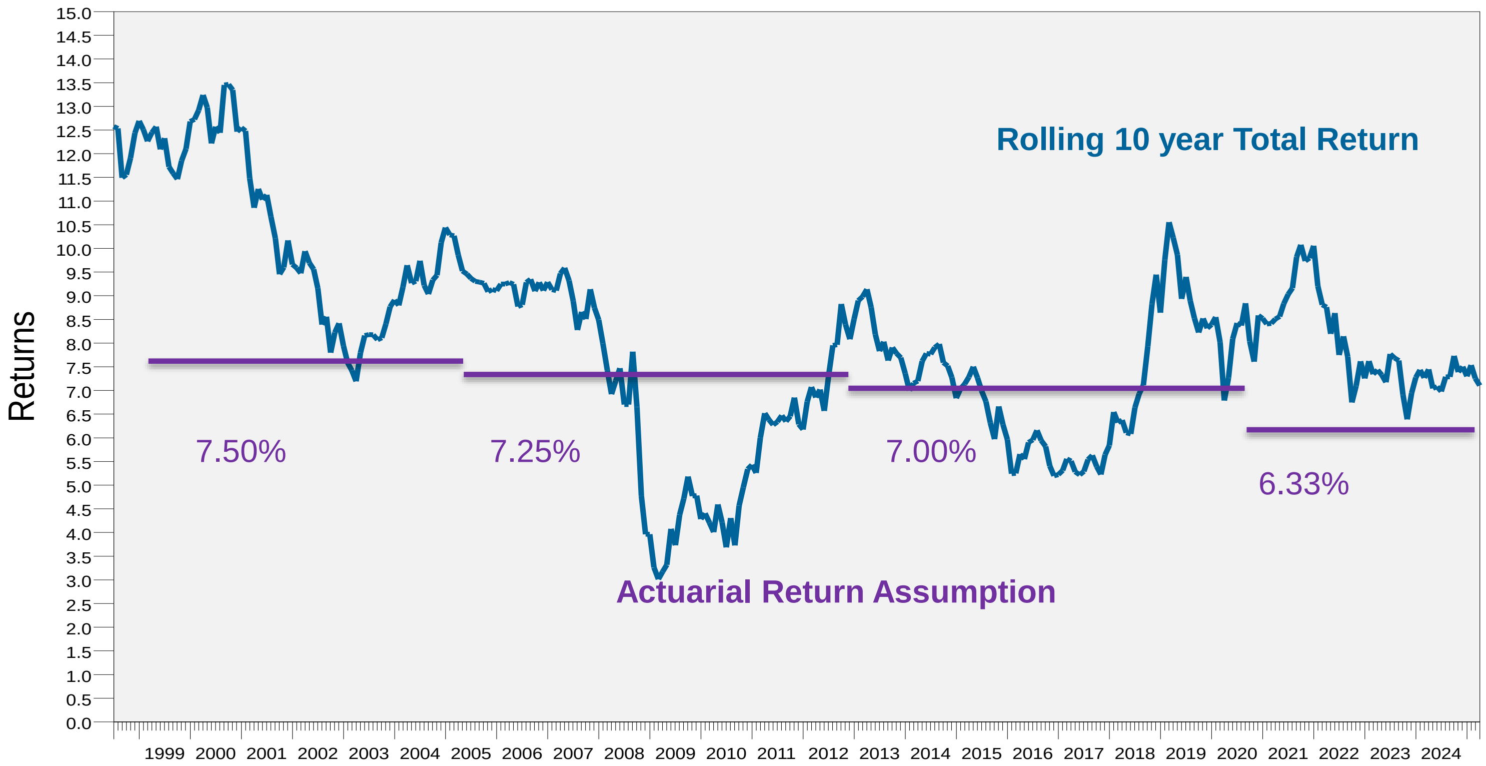
Returns
Domestic Equity Declining Periods
Since 1993



# PERSI DB:  Historical Actual Returns and Actuarial Return Assumptions

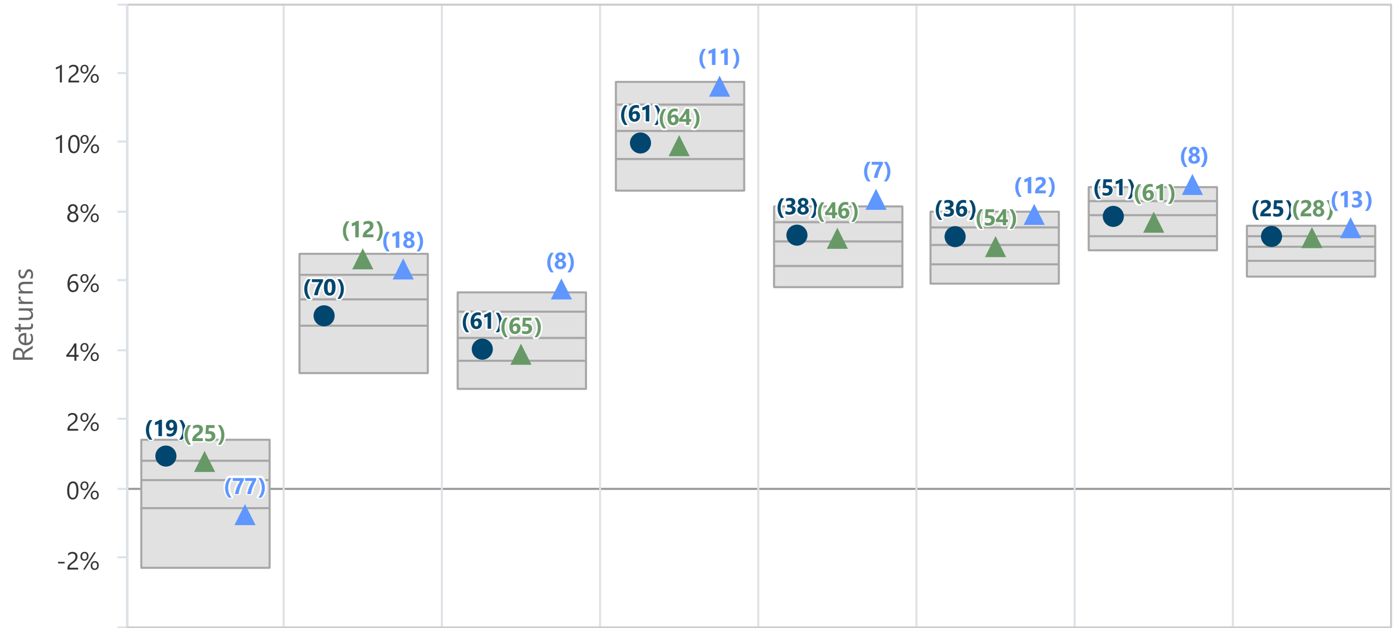
10 year rolling time periods

Rolling 120 Month Net of Fee Returns
Since Inception of Total Fund
Ended March 31, 2025



# Performance* Comparison - Trailing Time Periods as of March 31, 2025

Performance vs Callan Public Fund Spr DB




| | 1 Quarter | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | 15 Years | 20 Years |
|---|---|---|---|---|---|---|---|---|
| 10th Percentile | 1.38 | 6.76 | 5.66 | 11.73 | 8.15 | 7.98 | 8.68 | 7.58 |
| 25th Percentile | 0.78 | 6.17 | 5.10 | 11.08 | 7.71 | 7.51 | 8.27 | 7.29 |
| Median | 0.22 | 5.45 | 4.36 | 10.32 | 7.11 | 7.02 | 7.87 | 6.97 |
| 75th Percentile | -0.59 | 4.69 | 3.68 | 9.52 | 6.43 | 6.45 | 7.29 | 6.58 |
| 90th Percentile | -2.28 | 3.34 | 2.89 | 8.59 | 5.82 | 5.90 | 6.90 | 6.09 |
| Total Fund ● | 0.93 | 4.98 | 4.02 | 9.98 | 7.31 | 7.27 | 7.86 | 7.28 |
| Total Fund Policy Target[1] ▲ | 0.77 | 6.63 | 3.87 | 9.90 | 7.22 | 6.98 | 7.69 | 7.24 |
| Total Fund Long Term Target[2] ▲ | -0.76 | 6.34 | 5.76 | 11.62 | 8.35 | 7.91 | 8.78 | 7.53 |

* 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 March 31, 2025

### Relative Attribution Effects for Quarter ended March 31, 2025

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|---|---|---|---|---|---|---|---|
| US Public Equity | 24% | 21% | (4.72%) | (4.72%) | (0.00%) | (0.14%) | (0.14%) |
| Developed Markets Equity | 6% | 6% | 5.91% | 6.86% | (0.06%) | 0.02% | (0.04%) |
| Emerging Markets Equity | 7% | 9% | 0.41% | 2.93% | (0.18%) | (0.04%) | (0.22%) |
| Global Equity | 18% | 18% | 2.14% | (1.32%) | 0.63% | (0.01%) | 0.62% |
| US TIPS | 9% | 10% | 4.22% | 4.17% | 0.00% | (0.03%) | (0.02%) |
| US Fixed Income | 20% | 20% | 2.83% | 2.78% | 0.01% | (0.00%) | 0.01% |
| REIT Equity | 3% | 4% | 0.55% | 2.75% | (0.07%) | (0.02%) | (0.09%) |
| Private Real Estate | 4% | 4% | 2.30% | 0.84% | 0.06% | (0.00%) | 0.06% |
| Private Equity | 8% | 8% | 2.62% | 2.62% | 0.00% | (0.01%) | (0.01%) |
| Short Term Cash | 0% | 0% | 1.14% | 1.14% | 0.00% | (0.00%) | (0.00%) |
| **Total** | | | **0.93%** = | **0.77%** + | **0.39%** + | **(0.24%)** | **0.16%** |

+ Total Fund outperformed the Policy Target by 16 basis points during the past quarter.
+ Manager Performance: + 39 bps
  + Global Equity and Private RE outperformed
  - Developed Markets Equity, Emerging Markets, and REITs underperformed
- Allocation Impacts: - 24 bps
  - Overweight US Equity
  - Underweight Emerging Markets, US TIPS, and REITs

* Returns are Gross of Fees

# DB Plan Total Fund Attribution*

Fiscal Year to Date ending March 31, 2025

## Three Quarters Relative Attribution Effects - Fiscal Year to Date

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|---|---|---|---|---|---|---|---|
| US Public Equity | 24% | 21% | 3.45% | 3.88% | (0.10%) | (0.04%) | (0.14%) |
| Developed Markets Equity | 6% | 6% | 4.35% | 5.32% | (0.06%) | (0.01%) | (0.07%) |
| Emerging Markets Equity | 7% | 9% | 0.54% | 2.95% | (0.19%) | 0.02% | (0.17%) |
| Global Equity | 18% | 18% | 6.38% | 4.16% | 0.40% | (0.02%) | 0.38% |
| US TIPS | 9% | 10% | 5.35% | 5.34% | 0.00% | (0.01%) | (0.01%) |
| US Fixed Income | 20% | 20% | 5.05% | 4.81% | 0.05% | (0.01%) | 0.04% |
| REIT Equity | 3% | 4% | 9.51% | 10.22% | (0.02%) | (0.07%) | (0.09%) |
| Private Real Estate | 4% | 4% | 3.66% | 1.62% | 0.09% | (0.02%) | 0.07% |
| Private Equity | 8% | 8% | 4.74% | 4.74% | 0.00% | (0.00%) | (0.00%) |
| Short Term Cash | 0% | 0% | 3.89% | 3.89% | 0.00% | (0.01%) | (0.01%) |
| **Total** | | | **4.67% =** | **4.65% +** | **0.17% +** | **(0.15%)** | **0.02%** |

+ Total Fund underperformed the Policy Target by 2 basis points during the past 9 months.

+ Manager Performance: 17 bps
  + Global Equity, US Fixed Income and Private Real Estate outperformed
  - US Equity, Developed Markets and Emerging Markets underperformed

- Allocation Impacts: - 15 bps
  - Overweight US Equity
  + Underweight Emerging Markets and REITs

* Returns are Gross of Fees

## DB Plan Total Fund Attribution*

5 Years ended March 31, 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% | 18.01% | 18.18% | (0.07%) | 0.05% | (0.02%) |
| Developed Markets Equity | 6% | 6% | 11.74% | 11.77% | (0.00%) | (0.01%) | (0.01%) |
| Emerging Markets Equity | 8% | 9% | 7.56% | 7.94% | (0.02%) | 0.01% | (0.01%) |
| Global Equity | 19% | 18% | 15.55% | 15.18% | 0.07% | (0.02%) | 0.05% |
| US TIPS | 10% | 10% | 2.20% | 2.36% | (0.02%) | 0.04% | 0.02% |
| US Fixed Income | 19% | 20% | (0.02%) | (0.40%) | 0.08% | 0.13% | 0.20% |
| REIT Equity | 4% | 4% | 11.02% | 9.55% | 0.06% | (0.03%) | 0.02% |
| Private Real Estate | 5% | 4% | 5.24% | 2.26% | 0.20% | (0.16%) | 0.05% |
| Private Equity | 7% | 8% | 14.21% | 14.21% | 0.00% | (0.15%) | (0.15%) |
| Short Term Cash | 0% | 0% | 2.52% | 2.52% | 0.00% | (0.07%) | (0.07%) |
| **Total** | | | **9.98% =** | **9.90% +** | **0.29% +** | **(0.22%)** | **0.08%** |

- Total Fund outperformed the Policy Target by 8 basis points for the past 5 years.
  - + Manager Performance: + 29 bps
    - + Global Equity, US Fixed Income, Private RE, and REITs outperformed.
    - - US Equity underperformed.
  - - Allocation Impacts: - 27 bps
    - + Overweight US Equity
    - + Underweight Emerging Markets and US Fixed Income
    - - Overweight Global Equity and Private RE
    - - Underweight Private Equity

* Returns are Gross of Fees

## DB Plan Total Fund Attribution*

10 Years ended March 31, 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% | 12.05% | 11.80% | 0.05% | 0.08% | 0.13% |
| Developed Markets Equity | 6% | 6% | 5.38% | 5.40% | (0.00%) | (0.02%) | (0.02%) |
| Emerging Markets Equity | 8% | 9% | 3.53% | 3.71% | (0.01%) | 0.00% | (0.01%) |
| Global Equity | 17% | 18% | 9.62% | 8.84% | 0.13% | (0.02%) | 0.11% |
| US TIPS | 10% | 10% | 2.43% | 2.51% | (0.01%) | 0.01% | (0.00%) |
| US Fixed Income | 18% | 20% | 2.01% | 1.46% | 0.11% | 0.07% | 0.18% |
| REIT Equity | 4% | 4% | 5.98% | 5.70% | 0.00% | (0.03%) | (0.03%) |
| Private Real Estate | 5% | 4% | 8.41% | 5.00% | 0.18% | (0.07%) | 0.11% |
| Private Equity | 7% | 8% | 12.39% | 12.39% | 0.00% | (0.15%) | (0.15%) |
| Short Term Cash | 0% | 0% | 2.35% | 2.35% | 0.00% | (0.04%) | (0.04%) |
| **Total** | | | **7.27% =** | **6.98% +** | **0.45% +** | **(0.16%)** | **0.29%** |

+ Total Fund outperformed the Policy Target by 29 basis points for the past 10 years.
+ Manager Performance: + 45 bps
  + US Equity, Global Equity, US Fixed Income, and Private RE outperformed.

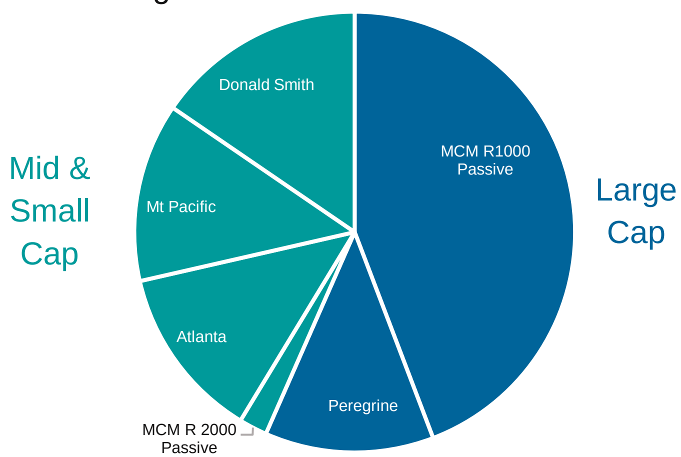
- Allocation Impacts: -16 bps
  + Overweight US Equity
  + Underweight US Fixed Income
  - Overweight Private RE
  - Underweight Global Equity and Private Equity

* Returns are Gross of Fees

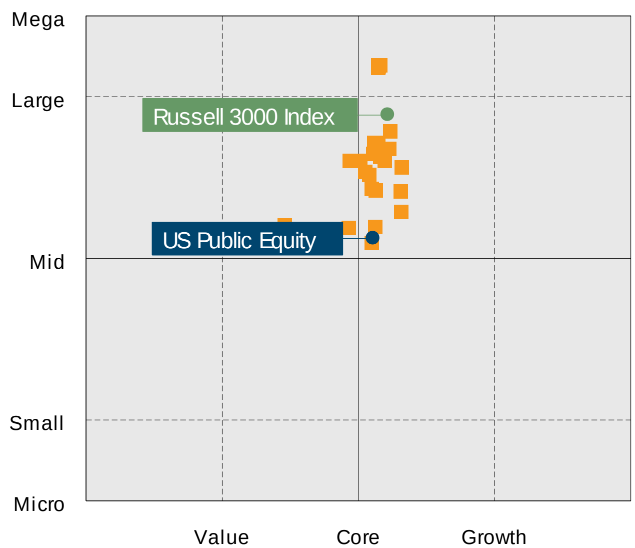
# U.S. Equity Portfolio vs. Public Plan Domestic Equity Database

## Periods ended March 31, 2025

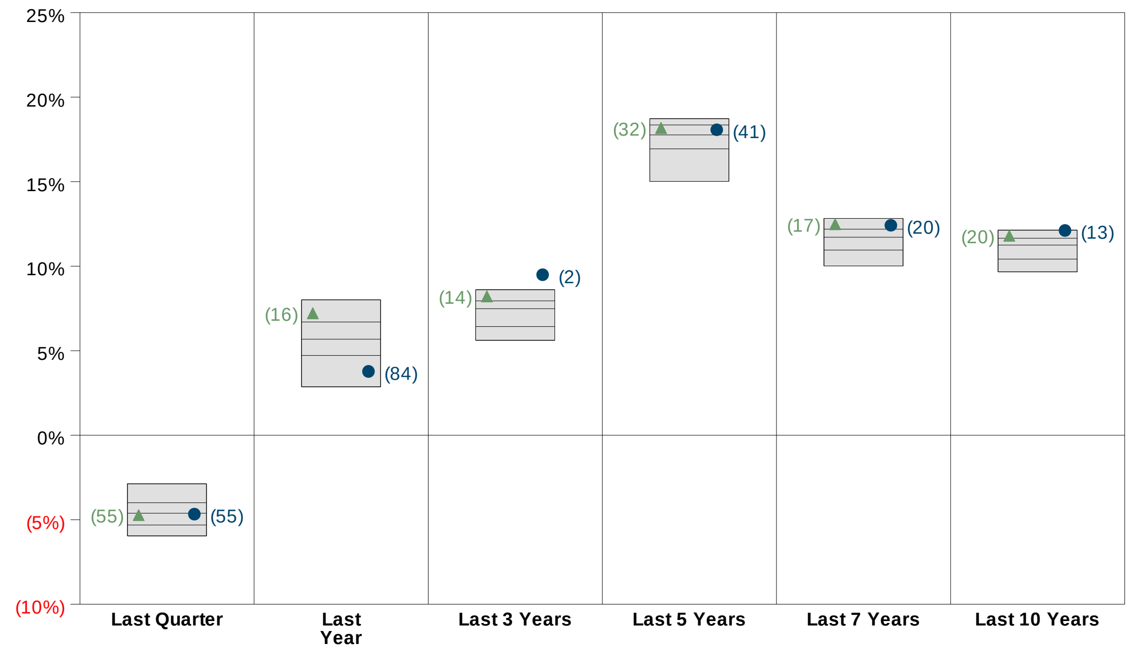
Manager Structure: 54% Active




Style Map vs Pub Pln- Dom Equity
Holdings as of March 31, 2025




Performance vs Public Fund - Domestic Equity (Gross)

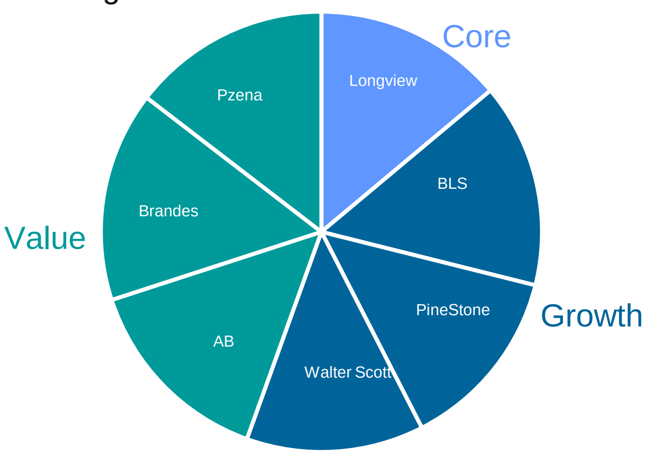



| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| 10th Percentile | (2.87) | 8.01 | 8.61 | 18.73 | 12.83 | 12.14 |
| 25th Percentile | (3.99) | 6.70 | 7.95 | 18.35 | 12.19 | 11.65 |
| Median | (4.62) | 5.68 | 7.48 | 17.76 | 11.71 | 11.25 |
| 75th Percentile | (5.32) | 4.72 | 6.43 | 16.94 | 10.95 | 10.42 |
| 90th Percentile | (5.96) | 2.86 | 5.61 | 15.01 | 10.02 | 9.66 |
| **US Public Equity** ● | (4.72) | 3.71 | 9.44 | 18.01 | 12.36 | 12.05 |
| Russell 3000 Index ▲ | (4.72) | 7.22 | 8.22 | 18.18 | 12.49 | 11.80 |

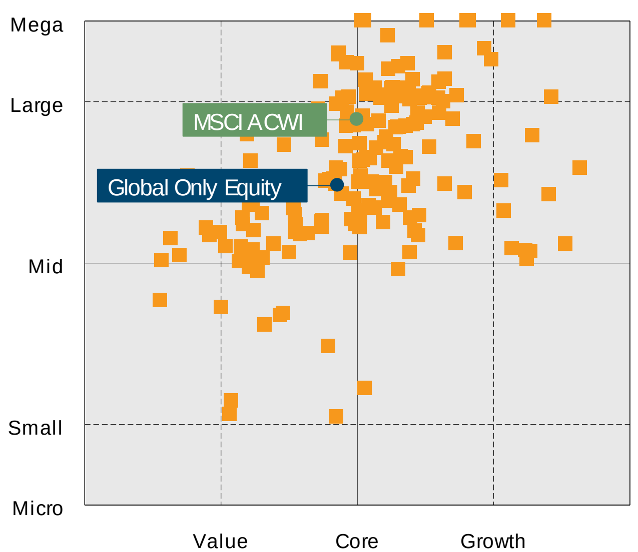
# Global Equity Portfolio vs. Global Equity Database

## Periods ended March 31, 2025

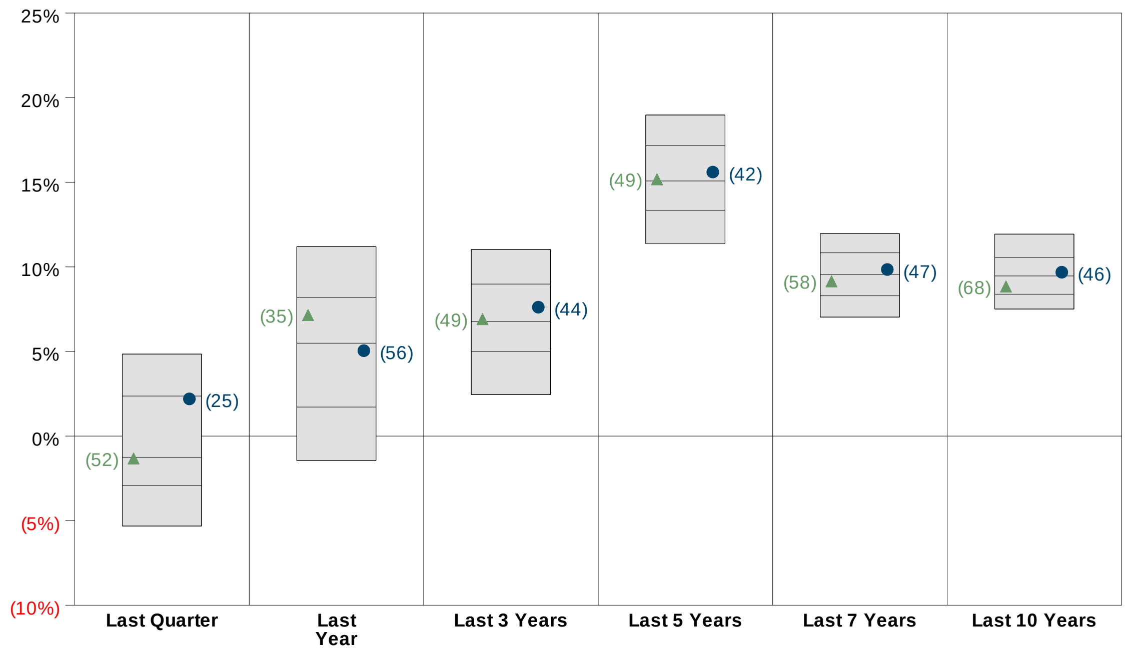
Manager Structure: 100% Active




**Style Map vs Callan Global Equity**
**Holdings as of March 31, 2025**




**Performance vs Callan Global Equity (Gross)**

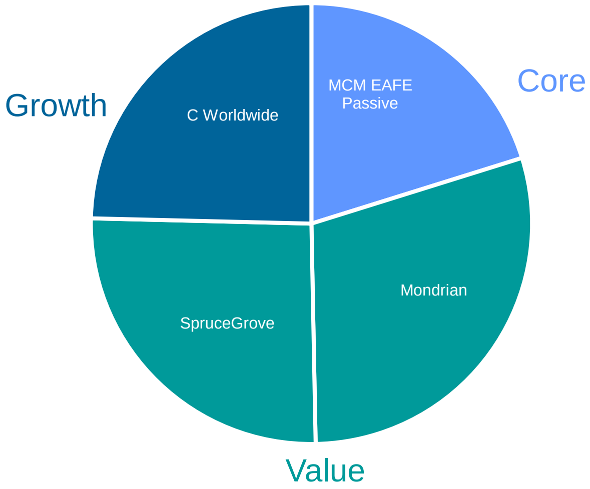



| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| 10th Percentile | 4.84 | 11.19 | 11.02 | 18.98 | 11.96 | 11.93 |
| 25th Percentile | 2.37 | 8.19 | 8.98 | 17.16 | 10.83 | 10.55 |
| Median | (1.25) | 5.49 | 6.78 | 15.08 | 9.55 | 9.46 |
| 75th Percentile | (2.92) | 1.72 | 5.00 | 13.34 | 8.29 | 8.38 |
| 90th Percentile | (5.32) | (1.45) | 2.45 | 11.37 | 7.03 | 7.51 |
| **Global Equity** ● | 2.14 | 4.99 | 7.56 | 15.55 | 9.79 | 9.62 |
| MSCI ACWI ▲ | (1.32) | 7.15 | 6.91 | 15.18 | 9.15 | 8.84 |

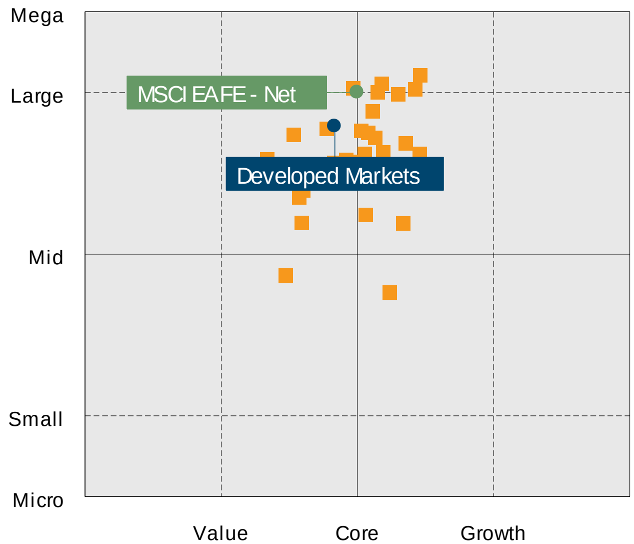
# Developed Markets Portfolio vs. Non-US Dev Core Database

## Periods ended March 31, 2025

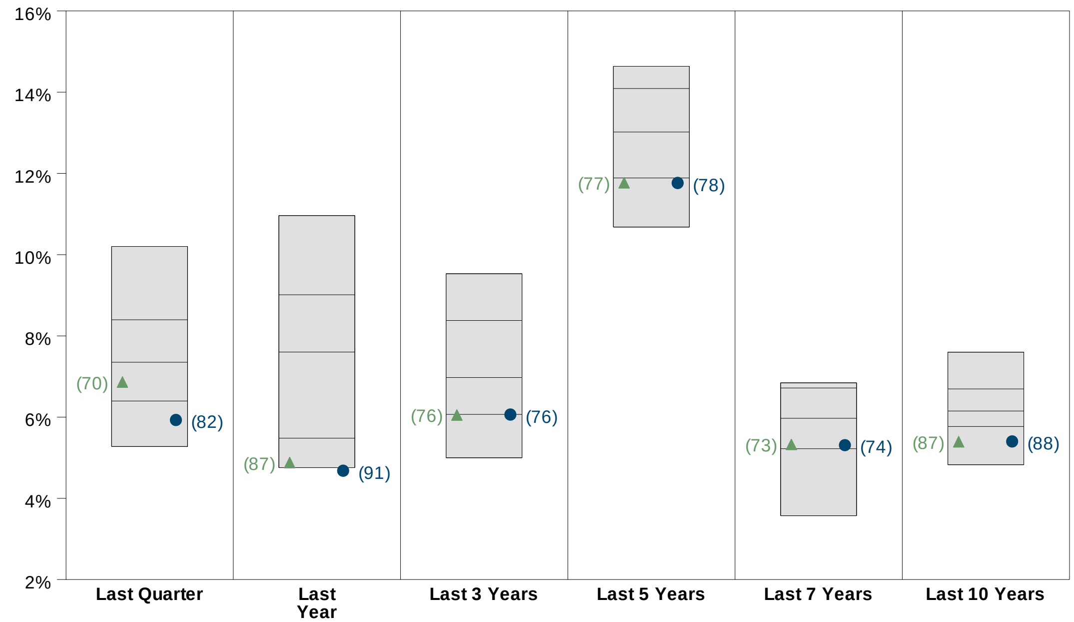
Manager Structure: 80% Active




**Style Map vs Callan NonUS Dev Core Eq Holdings as of March 31, 2025**




**Performance vs Callan Non-US Developed Core Equity (Gross)**

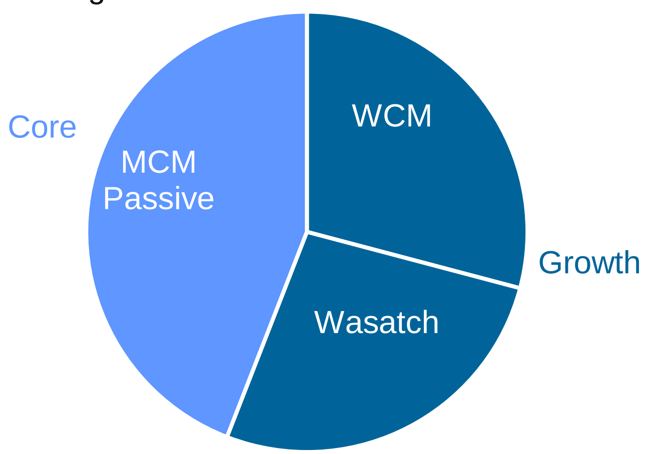



| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| 10th Percentile | 10.20 | 10.96 | 9.53 | 14.64 | 6.84 | 7.60 |
| 25th Percentile | 8.40 | 9.01 | 8.38 | 14.09 | 6.72 | 6.69 |
| Median | 7.35 | 7.60 | 6.97 | 13.02 | 5.97 | 6.15 |
| 75th Percentile | 6.40 | 5.48 | 6.07 | 11.89 | 5.22 | 5.77 |
| 90th Percentile | 5.28 | 4.76 | 5.00 | 10.68 | 3.57 | 4.83 |
| **Developed Markets** ● | 5.91 | 4.66 | 6.04 | 11.74 | 5.29 | 5.38 |
| MSCI EAFE - Net ▲ | 6.86 | 4.88 | 6.05 | 11.77 | 5.33 | 5.40 |

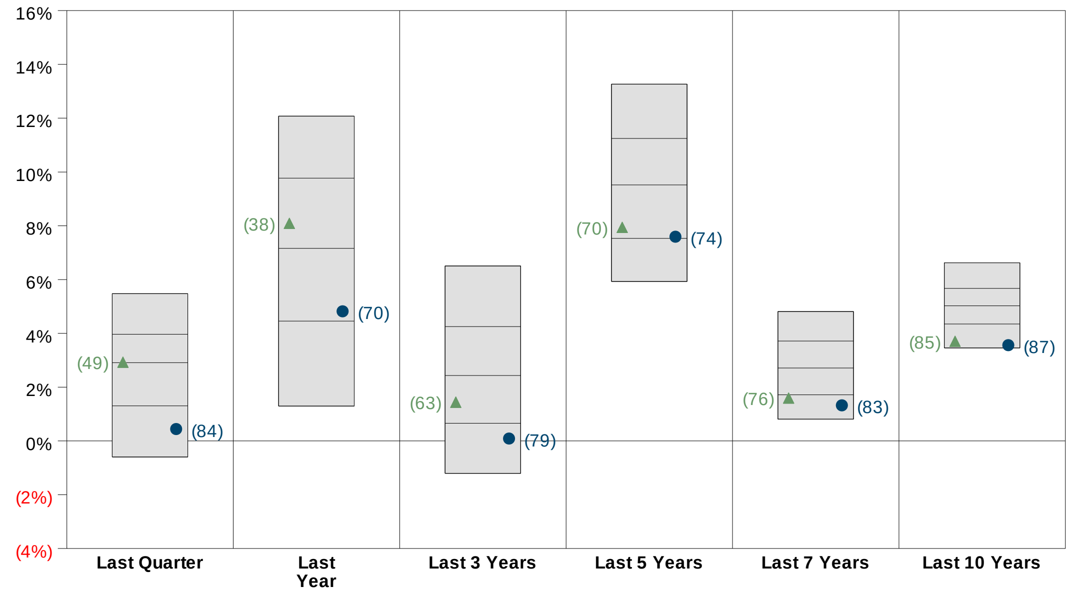
# Emerging Markets Portfolio vs. Emerging Broad Database

## Periods ended March 31, 2025

Manager Structure: 56% Active

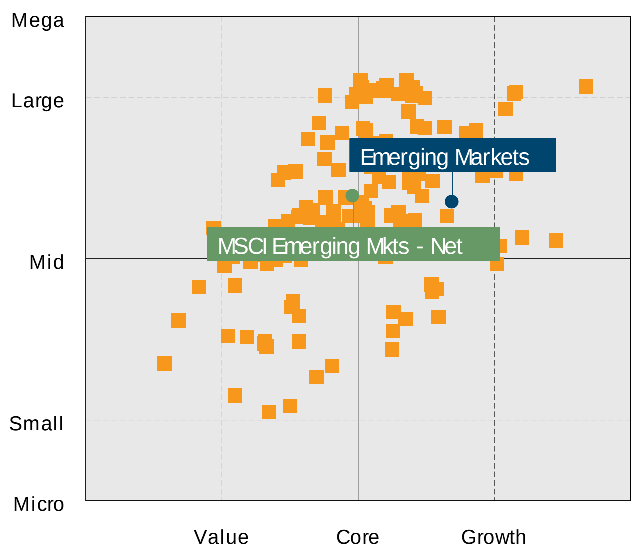



**Performance vs Callan Emerging Broad (Gross)**




| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| 10th Percentile | 5.48 | 12.08 | 6.51 | 13.27 | 4.81 | 6.63 |
| 25th Percentile | 3.97 | 9.77 | 4.25 | 11.25 | 3.72 | 5.67 |
| Median | 2.91 | 7.16 | 2.43 | 9.52 | 2.71 | 5.03 |
| 75th Percentile | 1.31 | 4.46 | 0.66 | 7.53 | 1.72 | 4.35 |
| 90th Percentile | (0.60) | 1.30 | (1.21) | 5.93 | 0.81 | 3.46 |
| **Emerging Markets** ● | 0.41 | 4.79 | 0.06 | 7.56 | 1.29 | 3.53 |
| MSCI Emerging Mkts - Net ▲ | 2.93 | 8.09 | 1.44 | 7.94 | 1.59 | 3.71 |

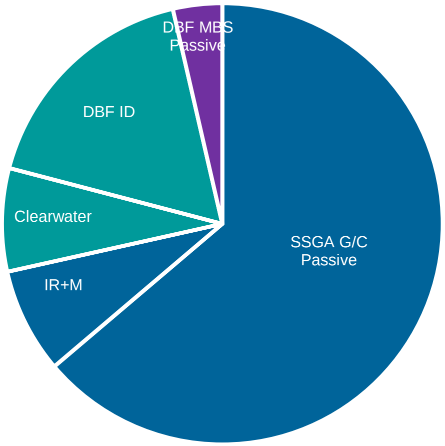
**Style Map vs Callan Emerging Broad**
**Holdings as of March 31, 2025**



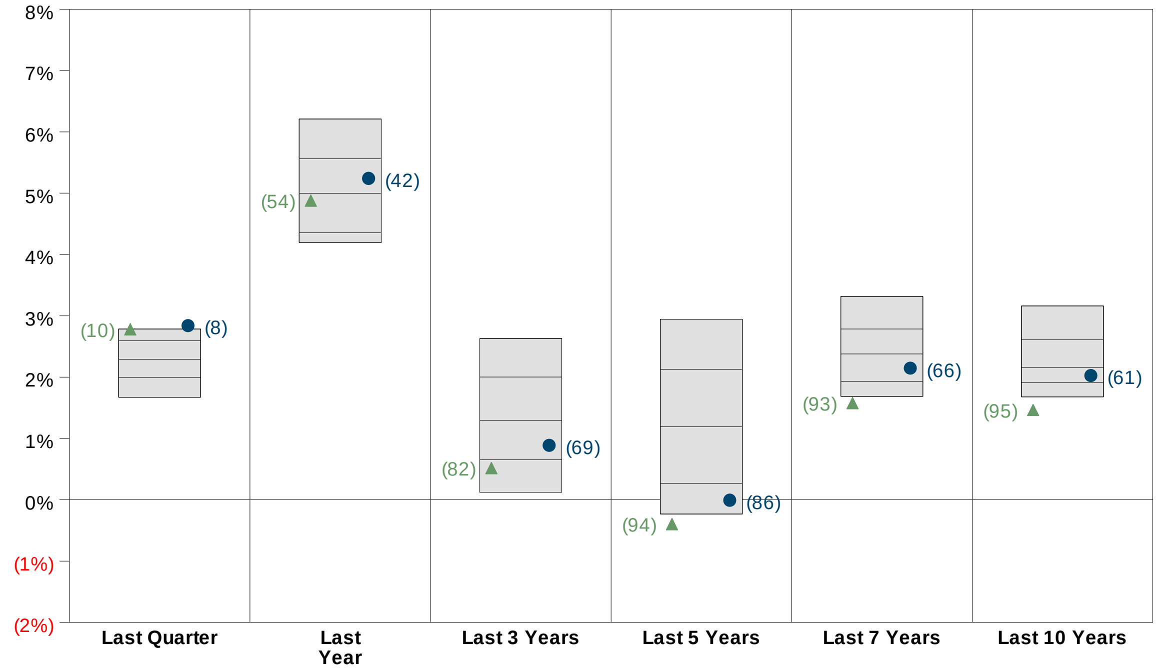
# US Fixed Income Portfolio vs. Public Plan Fixed Income Database

## Periods ended March 31, 2025

Manager Structure: 33% Active




**Performance vs Public Fund - Domestic Fixed (Gross)**




| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| 10th Percentile | 2.78 | 6.21 | 2.63 | 2.94 | 3.32 | 3.16 |
| 25th Percentile | 2.59 | 5.56 | 2.00 | 2.13 | 2.78 | 2.61 |
| Median | 2.29 | 5.00 | 1.29 | 1.19 | 2.38 | 2.16 |
| 75th Percentile | 1.99 | 4.36 | 0.65 | 0.27 | 1.93 | 1.91 |
| 90th Percentile | 1.67 | 4.19 | 0.12 | (0.23) | 1.69 | 1.68 |
| **US Fixed Income** ● | 2.83 | 5.23 | 0.87 | (0.02) | 2.13 | 2.01 |
| Blmbg:Aggregate ▲ | 2.78 | 4.88 | 0.52 | (0.40) | 1.58 | 1.46 |

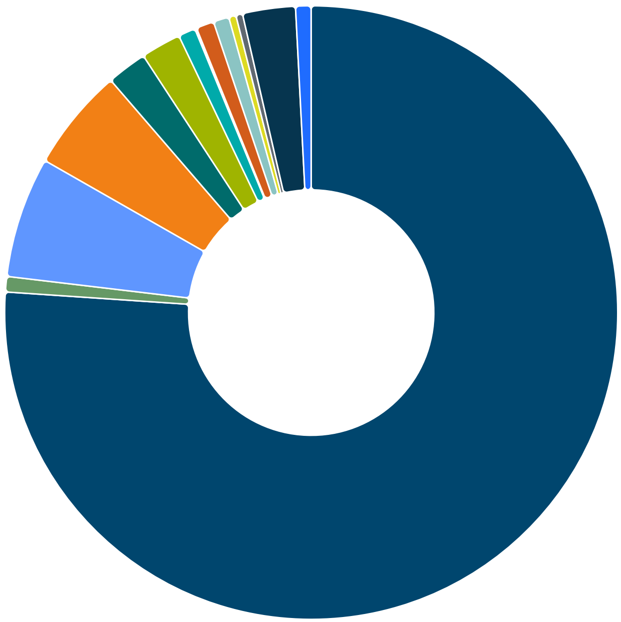
# PERSI Choice 401(k) Plan New Investment Structure

## Implemented: 3Q 2023

| | Tier I<br>Asset Allocation | Tier II<br>Passive Core | Tier II<br>Active Core | Tier III<br>Specialty |
|---|---|---|---|---|
| | | | **Capital Preservation**<br>PERSI STIP | |
| Conservative | | **Core Fixed Income**<br>U.S. Bond Market Index | **Core/Core Plus Fixed Income**<br>Dodge & Cox Income | **TIPS**<br>U.S. TIPS Index |
| | **Balanced**<br>PERSI Total Return* | | | **Socially Responsible Balanced**<br>Calvert SRI Balanced |
| | | **U.S. Large-Cap Equity**<br>U.S. Large Cap Equity Index | **U.S. Large-Cap Equity**<br>Vanguard Growth & Income | |
| Aggressive | | **Non-U.S. Equity**<br>International Index | **Non-U.S. Equity**<br>T Rowe Price Overseas Fund | |
| | | **U.S. Small/Mid-Cap Equity**<br>U.S. Small/Mid Cap Equity Index | **U.S. Small-Cap Equity**<br>TRP Small-Cap Stock | **U.S. REITs**<br>U.S. REIT Index |
| | | | | **Emerging Markets Equity**<br>DFA Emerging Mkts Fund |

*Total Return Fund is the Default Fund for the plan

# PERSI Choice 401(k) Asset Allocation as of March 31, 2025



| Asset Class | Assets | Actual Weight |
|---|---|---|
| Total Return Fd | $1,310,083,235 | 76.08% |
| Calvert SRI Balanced | $14,014,229 | 0.81% |
| MCM U.S. Large Cap Equity | $109,498,126 | 6.36% |
| Vanguard Growth & Income | $93,268,938 | 5.42% |
| MCM U.S. Small/Mid Cap Equity | $36,474,789 | 2.12% |
| T. Rowe Price Small Cap | $36,449,007 | 2.12% |
| MCM Intl Equity | $15,539,378 | 0.90% |
| T. Rowe Price Overseas Stock | $728,631 | 0.04% |
| DFA Emerging Markets Core Equity | $1,017,987 | 0.06% |
| Dodge & Cox Income Fund | $16,068,224 | 0.93% |
| MCM U.S. Bond | $14,175,668 | 0.82% |
| MCM U.S. TIPS | $6,662,387 | 0.39% |
| MCM U.S. REITs | $5,913,504 | 0.34% |
| PERSI STIP | $48,074,469 | 2.79% |
| Loan Fund | $14,099,554 | 0.82% |
| Total Fund | $1,722,068,126 | 100.00% |

# PERSI Choice 401(k) Asset Distribution as of March 31, 2025

| Portfolio | Ending Assets Mar 31, 2025 | Weight | Net Cash Activity | Investment Gain/Loss | Beginning Assets Dec 31, 2024 | Weight |
|---|---|---|---|---|---|---|
| **Domestic Equity** | | | | | | |
| MCM U.S. Large Cap Equity | $109,498,126 | 6.36% | $2,336,561 | -$4,931,191 | $112,092,756 | 6.50% |
| Vanguard Growth & Income | $93,268,938 | 5.42% | $2,699,532 | -$5,466,201 | $96,035,608 | 5.57% |
| MCM U.S. Small/Mid Cap Equity | $36,474,789 | 2.12% | -$1,061,508 | -$3,599,305 | $41,135,602 | 2.38% |
| T. Rowe Price Small Cap | $36,449,007 | 2.12% | -$926,605 | -$2,279,024 | $39,654,636 | 2.30% |
| **Balanced** | | | | | | |
| Total Return Fd | $1,310,083,235 | 76.08% | -$9,600,103 | $11,350,800 | $1,308,332,539 | 75.84% |
| Calvert SRI Balanced | $14,014,229 | 0.81% | $1,282,061 | -$398,613 | $13,130,781 | 0.76% |
| **International Equity** | | | | | | |
| MCM Intl Equity | $15,539,378 | 0.90% | -$13,530 | $1,143,180 | $14,409,728 | 0.84% |
| T. Rowe Price Overseas Stock | $728,631 | 0.04% | $102,757 | $37,475 | $588,400 | 0.03% |
| DFA Emerging Markets Core Equity | $1,017,987 | 0.06% | $158,877 | $8,023 | $851,087 | 0.05% |
| **Domestic Fixed Income** | | | | | | |
| Dodge & Cox Income Fund | $16,068,224 | 0.93% | -$659,636 | $455,910 | $16,271,949 | 0.94% |
| MCM U.S. Bond | $14,175,668 | 0.82% | $370,870 | $372,124 | $13,432,675 | 0.78% |
| MCM U.S. TIPS | $6,662,387 | 0.39% | $1,038,348 | $243,594 | $5,380,446 | 0.31% |
| **MCM U.S. REITs** | **$5,913,504** | **0.34%** | **$168,833** | **$64,190** | **$5,680,481** | **0.33%** |
| **PERSI STIP** | **$48,074,469** | **2.79%** | **$3,067,676** | **$474,069** | **$44,532,724** | **2.58%** |
| **Loan Fund** | **$14,099,554** | **0.82%** | **$736,923** | **-$332,790** | **$13,695,421** | **0.79%** |
| **Total Fund** | **$1,722,068,126** | **100.00%** | **-$298,944** | **-$2,857,761** | **$1,725,224,832** | **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 | (4.27%) | 8.35% | 9.00% | 18.53% | 12.45% |
| Vanguard Growth and Income | (5.48%) | 6.15% | 8.70% | 18.77% | 12.23% |
| S&P 500 Index | (4.27%) | 8.25% | 9.06% | 18.59% | 12.50% |
| Mellon Small/MidCap Equity | (8.95%) | (0.23%) | 2.72% | 15.36% | 7.85% |
| DJ US Completion Total Stock Mkt | (8.95%) | (0.48%) | 2.53% | 15.05% | 7.73% |
| T. Rowe Price Small Cap Stock | (5.87%) | (0.38%) | 2.24% | 13.42% | 8.65% |
| Russell 2000 Index | (9.48%) | (4.01%) | 0.52% | 13.27% | 6.30% |
| **Balanced** | | | | | |
| Total Return Fund | 0.86% | 4.70% | 3.74% | 9.68% | 6.98% |
| Target Index (1) | (0.73%) | 6.38% | 5.78% | 11.66% | 7.98% |
| Calvert SRI Balanced (2) | (2.63%) | 8.38% | 6.57% | 11.77% | 7.92% |
| 60%S&P/40% Blmbg Agg | (1.45%) | 7.02% | 5.79% | 10.92% | 8.29% |
| **International Equity** | | | | | |
| Mellon Intl Index | 7.93% | 5.63% | 6.78% | 12.41% | 5.73% |
| T. Rowe Price Overseas Stock (4) | 6.54% | 5.22% | 4.92% | 12.06% | - |
| MSCI EAFE Index | 6.86% | 4.88% | 6.05% | 11.77% | 5.40% |
| DFA Emerging Markets Core Eq (5) | 1.09% | 5.96% | 2.85% | 11.97% | 4.75% |
| MSCI Emg Mkts | 2.93% | 8.09% | 1.44% | 7.94% | 3.71% |
| **Domestic Fixed Income** | | | | | |
| Dodge & Cox Income (3) | 2.89% | 5.62% | 2.18% | 2.01% | 2.64% |
| Mellon Blmbg Agg | 2.77% | 4.85% | 0.44% | (0.49%) | 1.36% |
| Blmbg Agg Index | 2.78% | 4.88% | 0.52% | (0.40%) | 1.46% |
| Mellon U.S. TIPS | 4.15% | 6.31% | 0.01% | 2.29% | 2.46% |
| Blmbg US TIPS Index | 4.17% | 6.17% | 0.06% | 2.36% | 2.51% |
| Mellon U.S. REITs | 1.17% | 10.77% | (1.51%) | 10.67% | 4.35% |
| DJ US Select REIT Index | 1.17% | 9.79% | (1.41%) | 10.84% | 4.53% |
| PERSI STIP | 1.07% | 5.09% | 4.34% | 2.75% | 2.12% |
| FTSE Treas 1 Yr | 1.12% | 5.13% | 3.56% | 1.99% | 1.78% |
| TBills + 0.50% | 1.14% | 5.47% | 4.73% | 3.06% | 2.37% |

(1) Target Benchmark consists of 55% Russell 3000, 30% Bloomberg Capital Aggregate, and 15% MSCI EAFE.
(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

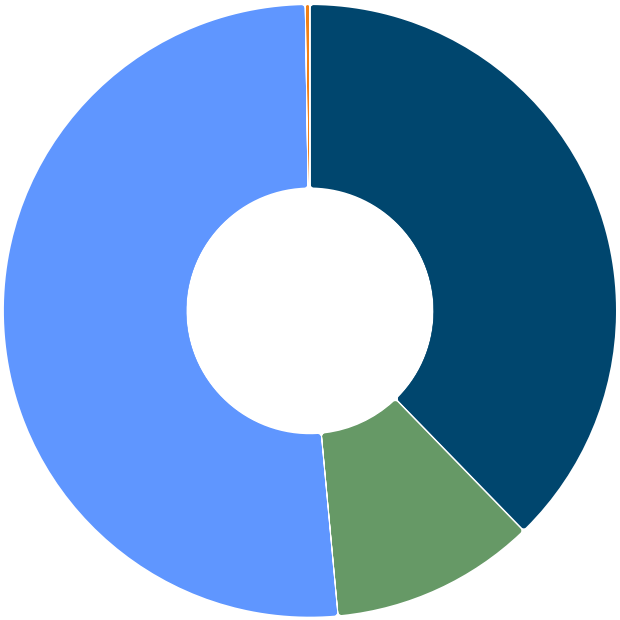
## For the Quarter

- Balanced Funds
  - Total Return Fund outperformed the Long-Term Index by 159 bps.
  - Calvert underperformed its benchmark by 118 bps.
- Active Manager performance vs benchmarks:
  - T. Rowe Price Overseas - 32 bps
  - Vanguard G&I - 121 bps
  - DFA Emerging Markets - 184 bps
  - Dodge & Cox + 11 bps
  - T. Rowe Price Small Cap + 361 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 3, 5, and 10 years
- T. Rowe Price Overseas[4] has outperformed the MSCI EAFE Index for the last 5 years
- DFA Emerging Markets[5] 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 March 31, 2025



| Asset Class | Assets | Actual Weight | Target | Difference |
|---|---|---|---|---|
| Russell 3000 Fund | $264,836,056 | 37.73% | 39.36% | 1.63% |
| MSCI ACWI ex US Fund | $75,898,517 | 10.81% | 10.64% | -0.17% |
| Govt/Credit Bond Fund | $359,470,969 | 51.21% | 50.00% | -1.21% |
| Treasurer's Office Cash | $1,704,061 | 0.24% | - | -0.24% |
| Total Sick Leave Funds | $701,909,602 | 100.00% | 100.00% | - |

| Asset Class | $000s Actual | Weight Actual | Target | Percent Difference | $000s Difference |
|---|---|---|---|---|---|
| Russell 3000 Fund | 264,836 | 37.7% | 39.4% | (1.6%) | (11,436) |
| MSCI ACWI ex US Fund | 75,899 | 10.8% | 10.6% | 0.2% | 1,215 |
| Govt/Credit Bond Fund | 359,471 | 51.2% | 50.0% | 1.2% | 8,516 |
| Treasurer's Office Cash | 1,704 | 0.2% | 0.0% | 0.2% | 1,704 |
| Total | 701,910 | 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

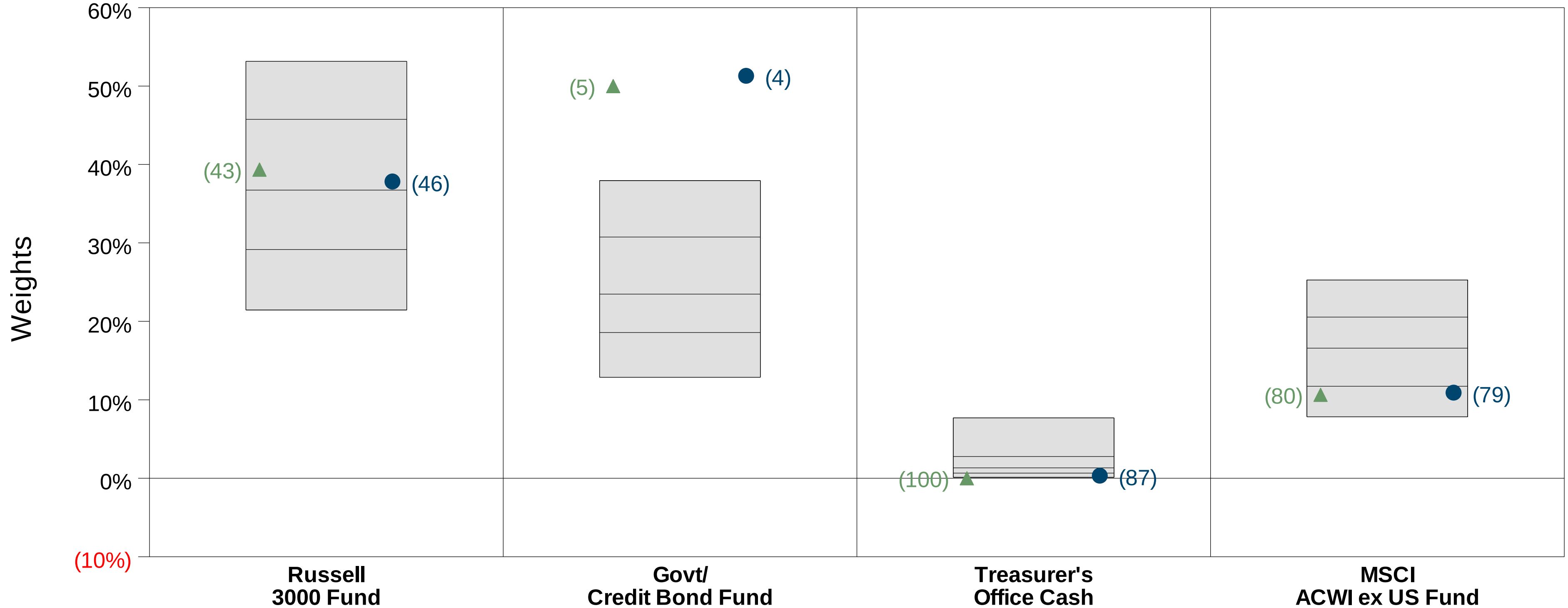
# PERSI Sick Leave Total Asset Distribution as of March 31, 2025

| Portfolio | Ending Assets Mar 31, 2025 | Weight | Net Cash Activity | Investment Gain/Loss | Beginning Assets Dec 31, 2024 | Weight |
|---|---|---|---|---|---|---|
| Russell 3000 Fund | $264,836,056 | 37.73% | -$3,405,000 | -$12,975,545 | $281,216,601 | 39.81% |
| MSCI ACWI ex US Fund | $75,898,517 | 10.81% | -$1,520,000 | $4,109,769 | $73,308,747 | 10.38% |
| Govt/Credit Bond Fund | $359,470,969 | 51.21% | $200 | $9,429,857 | $350,040,911 | 49.56% |
| Treasurer's Office Cash | $1,704,061 | 0.24% | -$84,782 | $4,450 | $1,784,393 | 0.25% |
| Total Sick Leave Funds | $701,909,602 | 100.00% | -$5,009,582 | $568,532 | $706,350,652 | 100.00% |

# PERSI Sick Leave Funds Asset Allocation vs Other Public Funds

Periods ended March 31, 2025

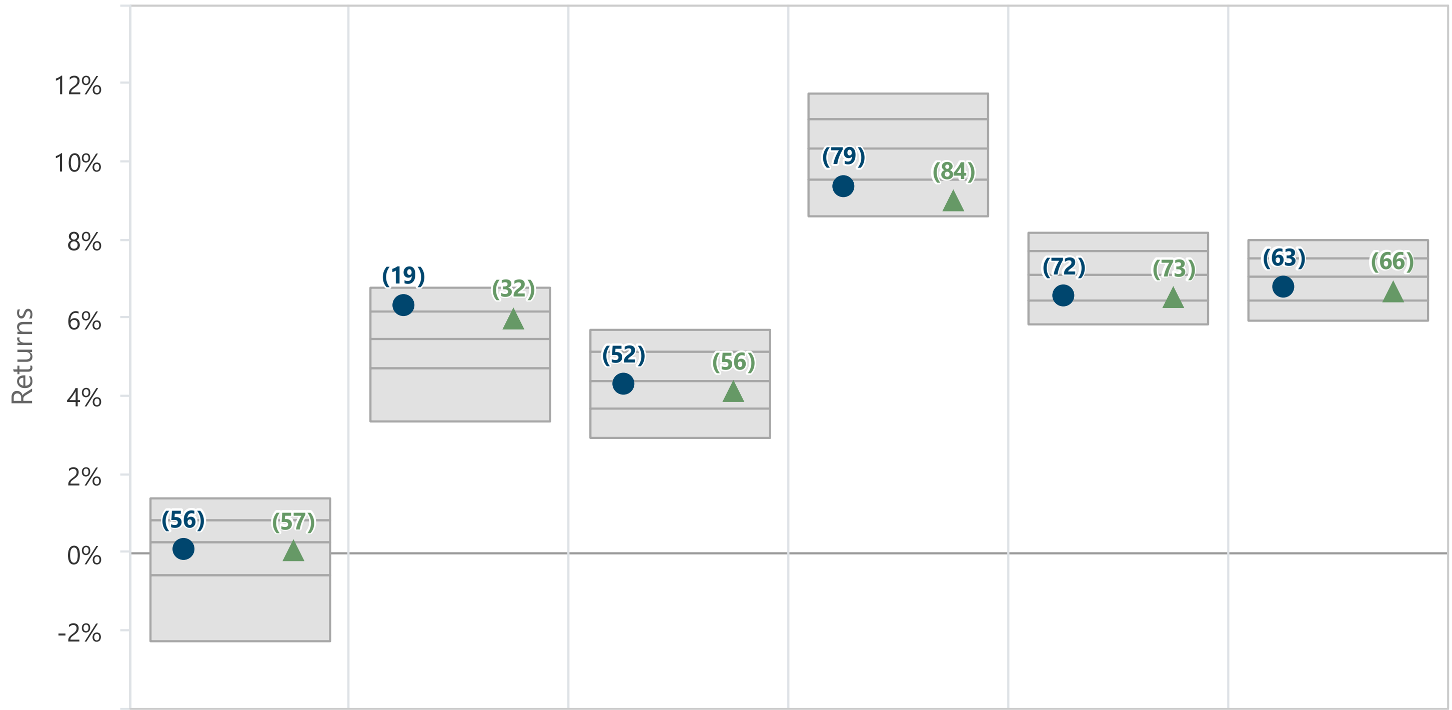
## Asset Class Weights vs Callan Public Fund Sponsor Database




| | Russell 3000 Fund | Govt/ Credit Bond Fund | Treasurer's Office Cash | MSCI ACWI ex US Fund |
|---|---|---|---|---|
| 10th Percentile | 53.16 | 37.93 | 7.68 | 25.29 |
| 25th Percentile | 45.76 | 30.74 | 2.77 | 20.55 |
| Median | 36.73 | 23.47 | 1.33 | 16.58 |
| 75th Percentile | 29.17 | 18.57 | 0.65 | 11.73 |
| 90th Percentile | 21.44 | 12.86 | 0.11 | 7.84 |
| **Fund** ● | 37.73 | 51.21 | 0.24 | 10.81 |
| Target ▲ | 39.36 | 50.00 | 0.00 | 10.64 |

# Performance* Comparison - Trailing Time Periods as of March 31, 2025

Performance vs Callan Public Fund Spr DB



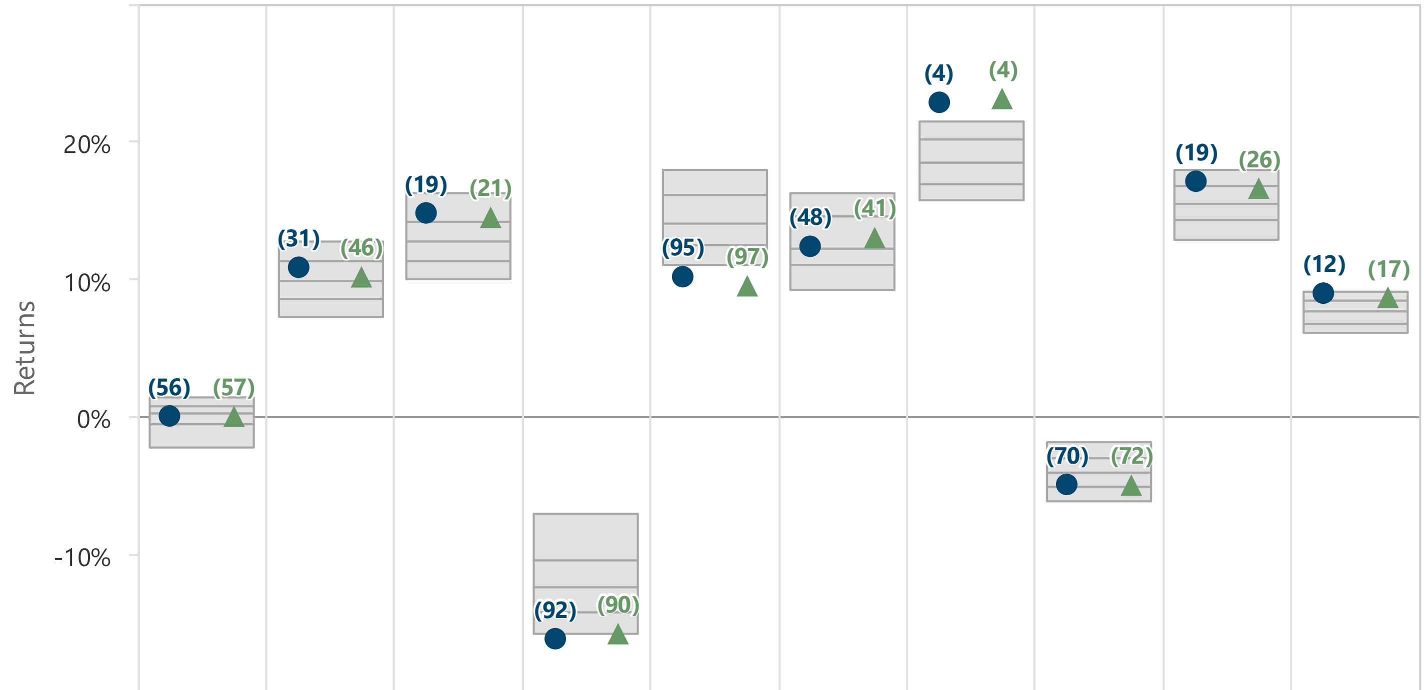

| | 1 Quarter | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|
| 10th Percentile | 1.38 | 6.76 | 5.66 | 11.73 | 8.15 | 7.98 |
| 25th Percentile | 0.78 | 6.17 | 5.10 | 11.08 | 7.71 | 7.51 |
| Median | 0.22 | 5.45 | 4.36 | 10.32 | 7.11 | 7.02 |
| 75th Percentile | -0.59 | 4.69 | 3.68 | 9.52 | 6.43 | 6.45 |
| 90th Percentile | -2.28 | 3.34 | 2.89 | 8.59 | 5.82 | 5.90 |
| Total Sick Leave Funds ● | 0.07 | 6.31 | 4.30 | 9.36 | 6.56 | 6.79 |
| Long Term Target ▲ | 0.04 | 5.97 | 4.12 | 9.00 | 6.52 | 6.67 |

* 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 March 31, 2025

## Performance vs Callan Public Fund Spr DB




| | YTD 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| 10th Percentile | 1.38 | 12.80 | 16.30 | -7.07 | 18.00 | 16.27 | 21.51 | -1.83 | 17.90 | 9.14 |
| 25th Percentile | 0.78 | 11.32 | 14.24 | -10.49 | 16.12 | 14.63 | 20.18 | -2.97 | 16.73 | 8.44 |
| Median | 0.22 | 9.93 | 12.77 | -12.38 | 14.07 | 12.24 | 18.51 | -4.05 | 15.52 | 7.64 |
| 75th Percentile | -0.59 | 8.58 | 11.26 | -14.16 | 12.55 | 11.05 | 16.85 | -5.10 | 14.27 | 6.79 |
| 90th Percentile | -2.28 | 7.29 | 10.05 | -15.82 | 11.05 | 9.17 | 15.70 | -6.16 | 12.87 | 6.09 |
| Total Sick Leave Funds ● | 0.07 | 10.88 | 14.83 | -16.12 | 10.20 | 12.40 | 22.87 | -4.90 | 17.14 | 9.00 |
| Long Term Target ▲ | 0.04 | 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*

1st Quarter 2025

### Relative Attribution Effects for Quarter ended March 31, 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% | (4.71%) | | (4.72%) | | 0.01% | | 0.00% | 0.01% |
| MSCI ACWI ex US Fund | 11% | 11% | 5.55% | | 5.23% | | 0.03% | | (0.00%) | 0.03% |
| Govt/Credit Bond Fund | 50% | 50% | 2.69% | | 2.70% | | (0.00%) | | (0.01%) | (0.01%) |
| Treasurer's Office Cash | 0% | 0% | 0.51% | | 1.02% | | (0.00%) | | 0.00% | 0.00% |
| **Total** | | | **0.07%** | **=** | **0.04%** | **+** | **0.03%** | **+** | **(0.00%)** | **0.03%** |

- Sick Leave Funds exceeded the Target by 3 bps during the quarter.
- Passive funds outperformed their benchmarks by 3 bps.
- Variations from target weights were flat.

* Returns are Gross of Fees

# PERSI Sick Leave Funds Performance Attribution*

13 years since December 2011

### Thirteen and One-Half 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% | 14.36% | 14.33% | 0.02% | 0.08% | 0.10% |
| MSCI ACWI ex US Fund | 13% | 14% | 6.52% | 6.22% | 0.04% | (0.01%) | 0.03% |
| Govt/Credit Bond Fund | 35% | 37% | 2.06% | 2.01% | 0.02% | 0.01% | 0.03% |
| Treasurer's Office Cash | 0% | 0% | 1.28% | 1.42% | (0.00%) | (0.00%) | (0.00%) |
| **Total** | | | **8.78% =** | **8.62% +** | **0.08% +** | **0.08%** | **0.16%** |

- Sick Leave Funds earned a return of 8.78%, which exceeded the target return of 8.62% by 16 bps.
- Passive funds slightly outperformed, contributing 8 bps of value-added, while rebalancing added another 8 bps.

* Returns are Gross of Fees

## Callan Update

# Published Research Highlights: 1Q25

**Private Equity Secondary Funds: Key Issues**

**NAV Loans: What Investors and Managers Should Know**

**Callan's 2025-2034 Capital Markets Assumptions**

**The Callan Periodic Table Collection: Year-End 2024**

## Recent Blog Posts

**Five Major Trends Driving Hedge Funds in 2025**

Joe McGuane

**Digital Assets in Institutional Portfolios: Where Are We Now?**

Ashley Kahn

**What's Behind the Capping Changes to the Russell Indices?**

Nicole Wubbena

### 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 webinars

### 2025 June Workshop

**Navigating the New Landscape for Real Assets Investing**

The landscape of institutional real assets investing is undergoing profound transformation. Join us this June for an exclusive workshop designed to provide consultant relations professionals and institutional investors with deep insights into this new environment. Led by experts from Callan's real assets and infrastructure teams, this session will explore how institutional investors structure their portfolios, navigate emerging trends, and identify key opportunities. This workshop will also equip you with the insights needed to better understand the evolving landscape, capitalize on emerging opportunities, and maintain a competitive edge in institutional investing.

**Workshop Dates**

- June 3, 2025 – Denver
- June 5, 2025 – New York

**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

**2025 October Workshops**

October 28, 2025 – Chicago

October 30, 2025 – San Francisco

*Watch your email for further details and an invitation.*

### Upcoming Webinars

**June 26, 2025**

Research Café: NAV Loans

**July 25, 2025**

Market Intelligence Report and Webinar

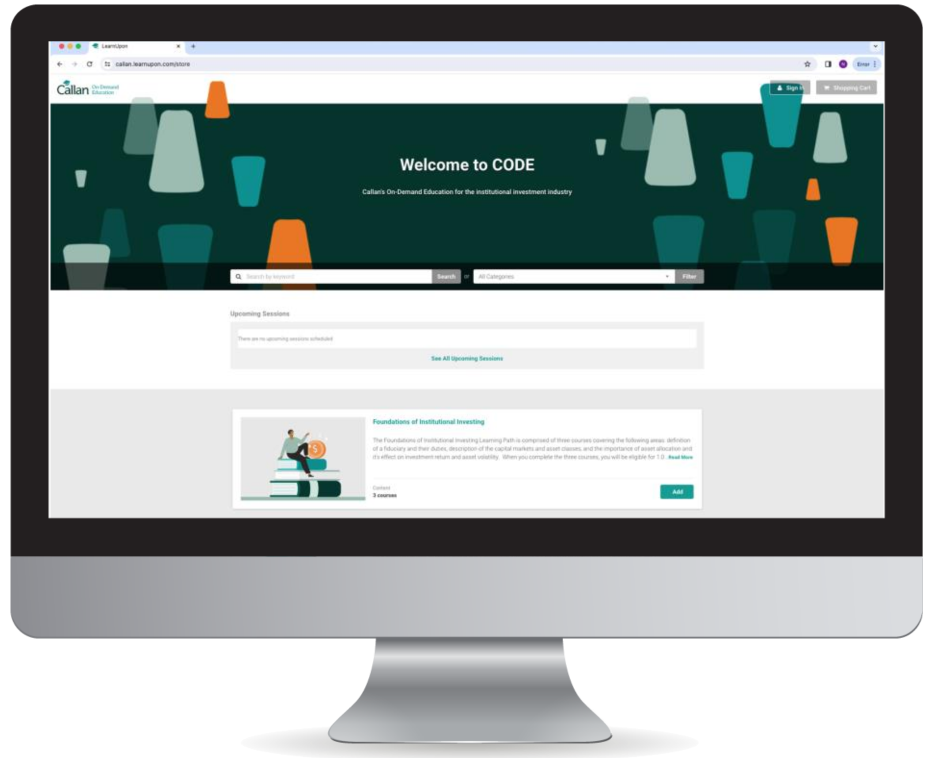
# Introducing CODE: Callan On-Demand Education

- Variety of educational courses
- Interactive and engaging
- Self-guided modules
- Eligible for continuing education credits
- Learning at your own pace

CODE courses are designed for investment professionals of all levels—and they're self-guided. Access them anytime, from anywhere, and get continuing education credits for each completed course.

CODE is for you, your colleagues, your new hires, and your interns. It's for anyone interested in learning about institutional investing.

callan.com/code




## 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 March 31, 2025

**Total Associates:** ~200

**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 $4+ trillion

**NEW ON CODE:** Callan clients have free access to all CODE courses, all of which offer continuing education credits.

- **The Framework of Alternative Investments:** Take a deep dive into the private equity, private credit, real assets, and hedge fund asset classes.
- **Framework for Defined Contribution Plans:** Topics include DC plan fiduciary training, legal & regulatory history and trends, fund performance evaluation & monitoring, designing investment menus, and fee studies & monitoring

**"As industry consolidation continues, I want to reaffirm our commitment to remaining an independent, employee-owned firm. This isn't just a point of pride; it's a competitive advantage. Every dollar of revenue goes back into strengthening our firm, supporting our clients, and investing in our people. No outside owners claiming their share, no conflicting priorities—just the freedom to shape our future, foster a strong culture, and maintain a long-term perspective that benefits everyone who relies on us."**

— Greg Allen, CEO, Chief Research Officer

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Any decision made on the basis of this document is sole responsibility of the client, as the intended recipient, and it is incumbent upon the client to make an independent determination of the suitability and consequences of such a decision.

Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.

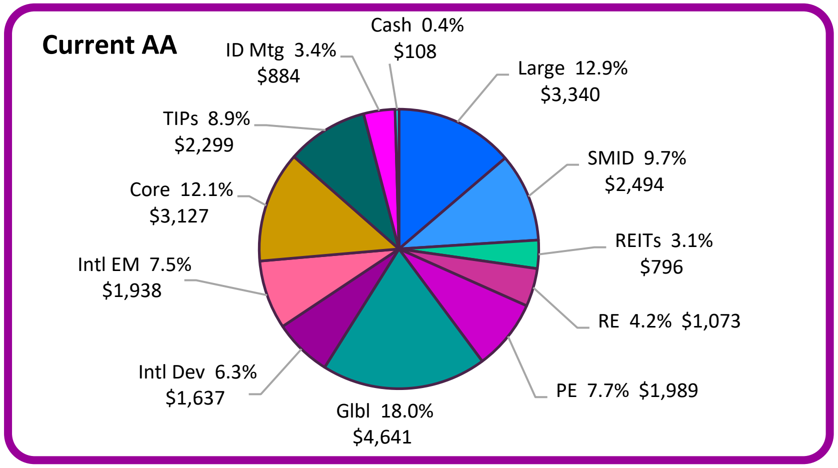
# PERSI Investment Report

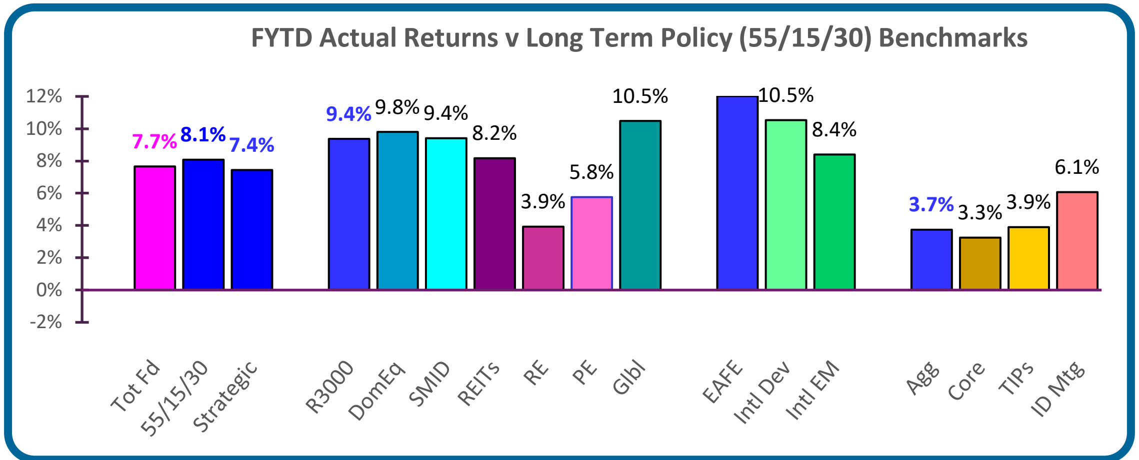
May 13, 2025

| | | |
|---|---|---|
| **Current Market Value (MV)** | | **25,321,264,251** |
| Previous Day MV | 47,897,115 | **25,273,367,136** |
| Last FY-end MV | 1,453,715,961 | **23,867,548,290** |

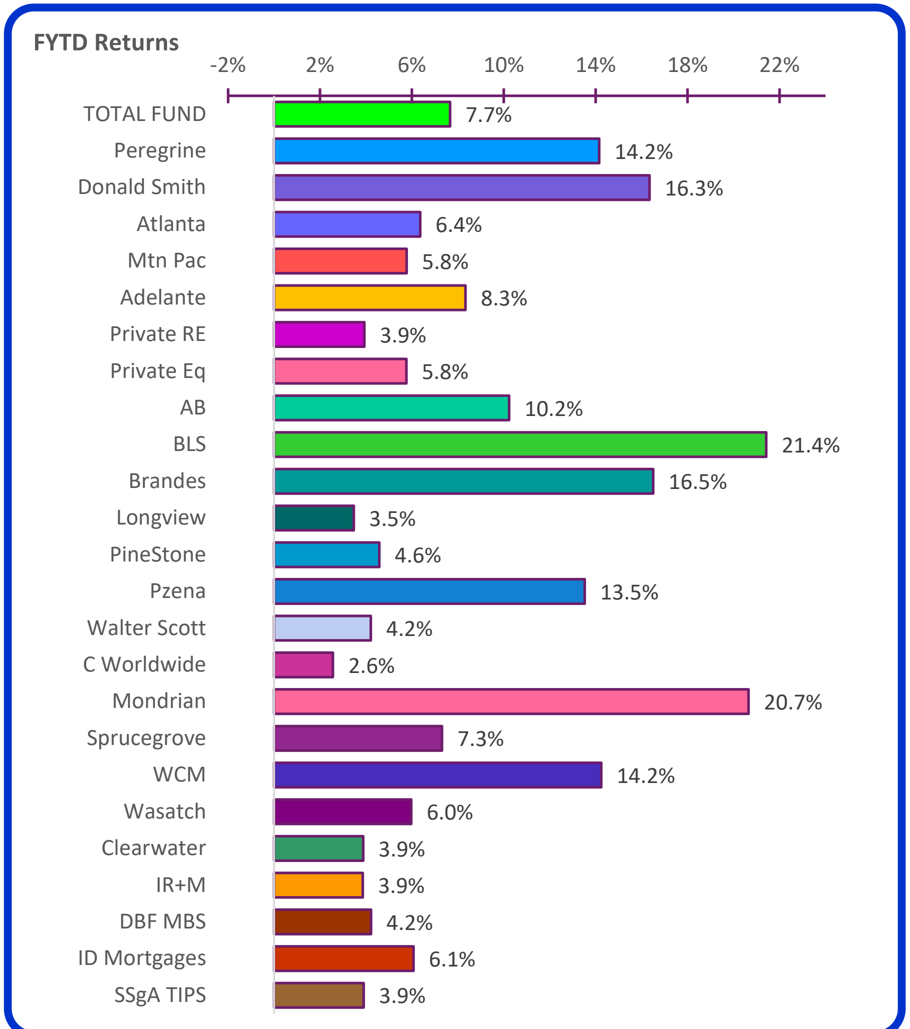
| Long-Term Actuarial Investment Return Assumption | |
|---|---|
| NET of inv (0.50%) and admin (0.05%) expense: | 6.3% |
| GROSS of inv and admin expense: | 6.9% |

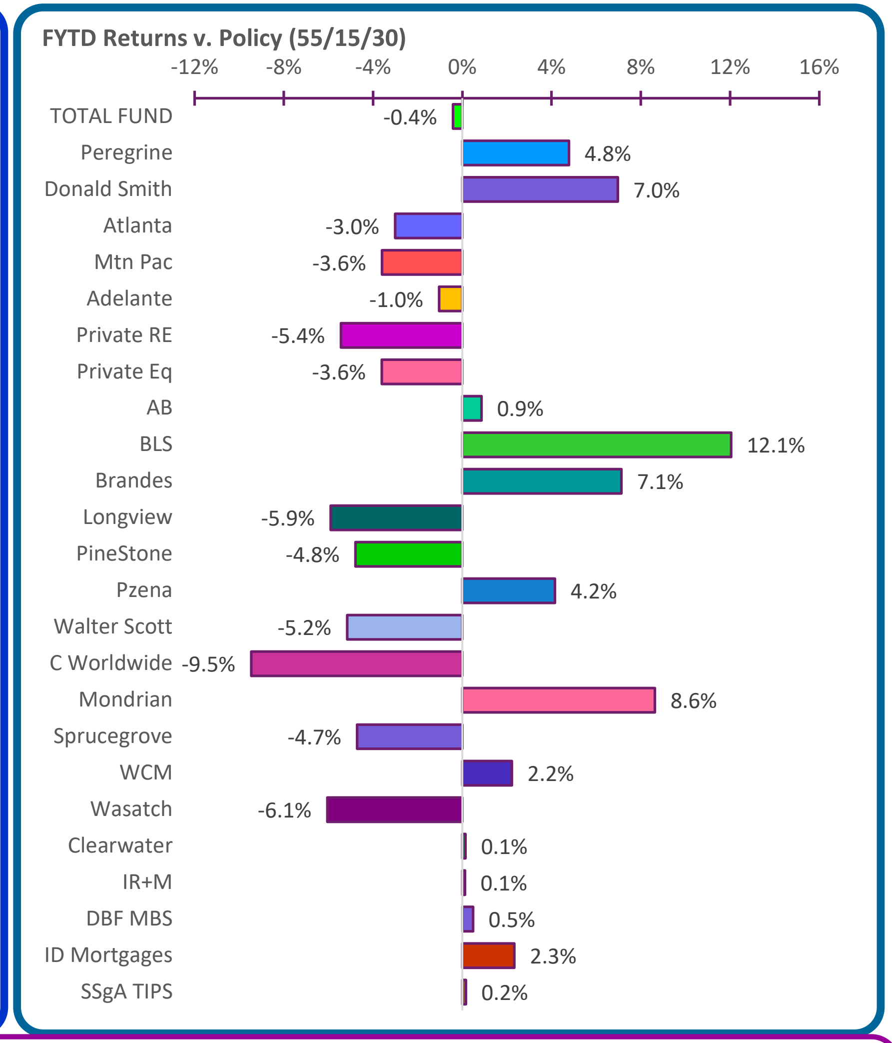
| | MTD Return | FYTD Return | 5-year Return | 10-year Return |
|---|---|---|---|---|
| **Total Fund** | **2.3%** | **7.7%** | **9.7%** | **7.4%** |
| 55-15-30 | **3.1%** | **8.1%** | **11.0%** | **8.0%** |
| Strategic Policy | **2.1%** | **7.4%** | **9.5%** | **7.1%** |
| **U.S. Equity** | **4.0%** | **8.3%** | **14.3%** | **11.2%** |
| R3000 | **6.0%** | **9.4%** | **17.2%** | **12.2%** |
| **Global Equity** | **4.1%** | **10.5%** | **15.2%** | **9.7%** |
| MSCI ACWI | **4.6%** | **10.0%** | **14.7%** | **9.1%** |
| **Int'l Equity** | **3.7%** | **9.4%** | **9.7%** | **4.4%** |
| MSCI EAFE | **1.7%** | **12.0%** | **12.2%** | **5.5%** |
| **Fixed Income** | **-1.4%** | **4.2%** | **0.1%** | **2.2%** |
| Aggregate | **-1.4%** | **3.7%** | **-0.9%** | **1.5%** |

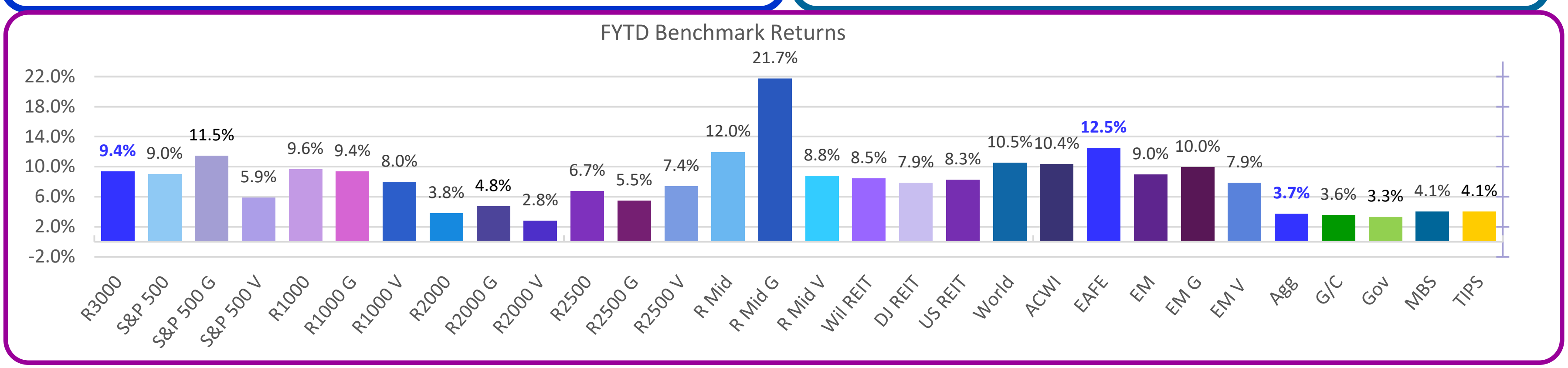



*Performance is unaudited and GROSS of fees unless otherwise noted*


FYTD Returns
-2%
2%
6%
10%
14%
18%
22%
TOTAL FUND 7.7%
Peregrine 14.2%
Donald Smith 16.3%
Atlanta 6.4%
Mtn Pac 5.8%
Adelante 8.3%
Private RE 3.9%
Private Eq 5.8%
AB 10.2%
BLS 21.4%
Brandes 16.5%
Longview 3.5%
PineStone 4.6%
Pzena 13.5%
Walter Scott 4.2%
C Worldwide 2.6%
Mondrian 20.7%
Sprucegrove 7.3%
WCM 14.2%
Wasatch 6.0%
Clearwater 3.9%
IR+M 3.9%
DBF MBS 4.2%
ID Mortgages 6.1%
SSgA TIPS 3.9%


FYTD Returns v. Policy (55/15/30)
-12%
-8%
-4%
0%
4%
8%
12%
16%
TOTAL FUND -0.4%
Peregrine 4.8%
Donald Smith 7.0%
Atlanta -3.0%
Mtn Pac -3.6%
Adelante -1.0%
Private RE -5.4%
Private Eq -3.6%
AB 0.9%
BLS 12.1%
Brandes 7.1%
Longview -5.9%
PineStone -4.8%
Pzena 4.2%
Walter Scott -5.2%
C Worldwide -9.5%
Mondrian 8.6%
Sprucegrove -4.7%
WCM 2.2%
Wasatch -6.1%
Clearwater 0.1%
IR+M 0.1%
DBF MBS 0.5%
ID Mortgages 2.3%
SSgA TIPS 0.2%


FYTD Benchmark Returns
22.0%
18.0%
14.0%
10.0%
6.0%
2.0%
-2.0%
R3000 9.4%
S&P 500 9.0%
S&P 500 G 11.5%
S&P 500 V 5.9%
R1000 9.6%
R1000 G 9.4%
R1000 V 8.0%
R2000 3.8%
R2000 G 4.8%
R2000 V 2.8%
R2500 6.7%
R2500 G 5.5%
R2500 V 7.4%
R Mid 12.0%
R Mid G 21.7%
R Mid V 8.8%
Wil REIT 8.5%
DJ REIT 7.9%
US REIT 8.3%
World 10.5%
ACWI 10.4%
EAFE 12.5%
EM 9.0%
EM G 10.0%
EM V 7.9%
Agg 3.7%
G/C 3.6%
Gov 3.3%
MBS 4.1%
TIPS 4.1%

# Total Fund Summary 4/30/2025

## Preliminary Performance Summary

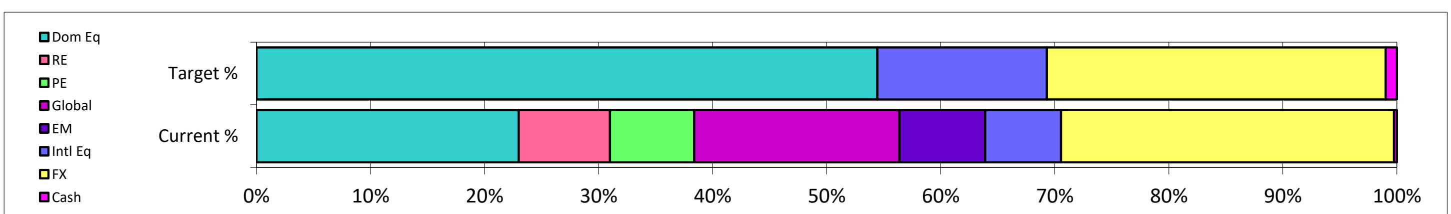
**blue** = outperform by 50 bp; **red** = underperform by 50 bp *(* Annualized)*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* | Last 10 Years* |
|---|---|---|---|---|---|---|
| **Total Fund** | **0.5%** | **-1.0%** | **8.6%** | **6.0%** | **8.7%** | **7.2%** |
| Strategic Policy ☆ | 0.5% | -0.7% | 10.0% | 5.9% | 8.6% | 6.9% |
| Policy *(55-15-30)* | 0.5% | -3.3% | 10.4% | 8.5% | 9.8% | 7.9% |
| **Total Domestic Equity** *(Russell 3000)* | **-0.1%** | **-3.8%** | **8.6%** | **8.1%** | **13.0%** | **10.4%** |
| Russell 3000 | -0.7% | -8.3% | 11.4% | 11.4% | 15.1% | 11.7% |
| **U.S. Equity** *(Russell 3000)* | **-0.5%** | **-7.7%** | **9.7%** | **10.6%** | **13.9%** | **11.1%** |
| **Real Estate** *(NCREIF)* | **-0.7%** | **0.0%** | **5.9%** | **-1.2%** | **6.6%** | **7.1%** |
| **Private Equity** *(Russell 3000*1.35)* | **1.2%** | **3.8%** | **8.3%** | **3.4%** | **15.2%** | **12.4%** |
| **Global Equity** *(Russell 3000)* | **-0.2%** | **-2.6%** | **9.3%** | **9.8%** | **13.4%** | **9.3%** |
| **Total International Equity** *(MSCI EAFE)* | **2.9%** | **2.2%** | **8.5%** | **5.8%** | **8.4%** | **4.0%** |
| MSCI EAFE | 4.7% | 6.4% | 13.1% | 10.6% | 11.9% | 6.0% |
| **Total Fixed Income** *(BB Aggregate)* | **0.5%** | **3.0%** | **8.4%** | **1.8%** | **0.4%** | **2.2%** |
| Bloomberg Aggregate | 0.4% | 2.6% | 8.0% | 2.0% | -0.7% | 1.5% |

## Asset Allocation

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

| | Month-End MV | | Current % | Target % |
|---|---|---|---|---|
| U.S. Equity | $ 5,468 | | 22.1 % | |
| Real Estate | $ 1,862 | | 7.5 % | |
| Private Equity | $ 2,009 | | 8.1 % | |
| Global Equity | $ 4,459 | | 18.0 % | |
| Total Domestic Equity | | $ 13,798 | 55.8 % | 55.0% |
| Emerging Markets Equity | $ 1,837 | | 7.4 % | |
| Total International Equity | | $ 3,447 | 13.9 % | 15.0% |
| Total Fixed Income | | $ 7,408 | 30.0 % | 29.0% |
| Cash | | $ 60 | 0.2 % | 1.0% |
| Total Fund | | $ 24,712 | 100.0 % | 100.0% |




## Performance Commentary:

During the month, the Total Fund matched the Strategic Policy and the Broad Policy benchmark. Over the last five-year period, the Total Fund narrowly outperformed the Strategic Policy benchmark and the trailed the Broad Policy benchmark by 110 basis points.

¶ 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* *Apr 2025*

**Manager** *(Style Benchmark)* **blue** = outperform by 50 bp; **red** = underperform by 50 bp *(* Annualized)*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* | Last 10 Years* |
|---|---|---|---|---|---|---|
| **Total Fund** | **0.5%** | **-1.0%** | **8.6%** | **6.0%** | **8.7%** | **7.2%** |
| Strategic Policy | 0.5% | -0.7% | 10.0% | 5.9% | 8.6% | 6.9% |
| Policy *(55-15-30)* | 0.5% | -3.3% | 10.4% | 8.5% | 9.8% | 7.9% |
| | | | | | | |
| **Total Domestic Equity** *(Russell 3000)* | **-0.1%** | **-3.8%** | **8.6%** | **8.1%** | **13.0%** | **10.4%** |
| (Includes U.S. Eq, Glbl Eq, RE, PE) | | | | | | |
| **U.S. Equity ex RE, PE** ***(Russell 3000)*** | **-0.5%** | **-7.7%** | **9.7%** | **10.6%** | **13.9%** | **11.1%** |
| Russell 3000 | -0.7% | -8.3% | 11.4% | 11.4% | 15.1% | 11.7% |
| MCM Index Fund *(Russell 3000)* | -0.7% | -8.2% | 11.2% | 11.8% | 15.3% | 11.8% |
| MCM Russell 1000 *(Russell 1000)* | -0.6% | -8.0% | 11.8% | 11.8% | 15.3% | 12.0% |
| *Russell 1000* | -0.6% | -8.0% | 11.9% | 11.9% | 15.4% | 12.0% |
| *S&P 500 Index* | -0.7% | -7.5% | 12.1% | 12.2% | 15.6% | 12.3% |
| MCM Russell 2000 *(Russell 2000)* | -2.3% | -13.8% | 0.7% | 3.3% | 9.9% | 6.4% |
| *Russell 2000* | -2.3% | -13.8% | 0.9% | 3.3% | 9.9% | 6.3% |
| | | | | | | |
| Donald Smith & Co. *(Russell 3000)* | -1.8% | -4.5% | 13.4% | 25.2% | 29.3% | 13.0% |
| *Russell 3000* | -0.7% | -8.3% | 11.4% | 11.4% | 15.1% | 11.7% |
| Peregrine *(Russell 1000 Growth)* | 4.8% | -12.8% | 6.1% | 10.7% | 7.4% | 14.0% |
| *Russell 1000 Growth* | 1.8% | -10.2% | 14.5% | 15.6% | 17.2% | 15.3% |
| Atlanta Capital *(Russell 2500)* | -1.6% | -8.0% | 4.4% | N/A | N/A | N/A |
| Mountain Pacific *(Russell 2500)* | -0.7% | -9.3% | 3.3% | 8.3% | 12.4% | 10.7% |
| *Russell 2500* | -2.1% | -12.5% | 1.7% | 4.1% | 11.4% | 7.4% |
| | | | | | | |
| **Global Equity** *(Russell 3000)* | **-0.2%** | **-2.6%** | **9.3%** | **9.8%** | **13.4%** | **9.3%** |
| Russell 3000 | -0.7% | -8.3% | 11.4% | 11.4% | 15.1% | 11.7% |
| Wilshire 5000 | -0.7% | -8.3% | 11.3% | 11.4% | 15.3% | 11.9% |
| MSCI World | 0.9% | -4.2% | 12.6% | 11.6% | 14.5% | 9.9% |
| MSCI World net div | 0.9% | -4.3% | 12.2% | 11.1% | 13.9% | 9.3% |
| MSCI AC World | 1.0% | -3.5% | 12.3% | 10.8% | 13.6% | 9.2% |
| BLS *(MSCI ACWI)* | -0.6% | 0.2% | 15.0% | 9.0% | 13.4% | N/A |
| Bernstein *(MSCI ACWI)* | 0.2% | -2.7% | 10.3% | 9.1% | 12.5% | 5.3% |
| Brandes *(Russell 3000)* | -0.3% | 2.4% | 14.0% | 15.3% | 18.4% | 8.5% |
| Longview *(MSCI ACWI)* | -1.6% | -7.1% | 4.6% | 8.7% | 12.4% | 8.9% |
| PineStone *(MSCI World)* | 0.1% | -6.3% | 7.0% | 10.1% | 13.9% | N/A |
| Pzena *(MSCI ACWI)* | -1.4% | -0.1% | 9.8% | N/A | N/A | N/A |
| Walter Scott *(MSCI World net div)* | 2.3% | -5.0% | 4.4% | 8.6% | 11.2% | N/A |
| | | | | | | |
| **Private Equity** *(Russell 3000)* | **1.2%** | **3.8%** | **8.3%** | **3.4%** | **15.2%** | **12.4%** |
| Russell 3000 | -0.7% | -8.3% | 11.4% | 11.4% | 15.1% | 11.7% |

## *Total Fund*
## *Month-End Performance* — *Apr 2025*

**Manager** *(Style Benchmark)* — **blue** = outperform by 50 bp; **red** = underperform by 50 bp — *(* Annualized)*

| Manager (Style Benchmark) | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* | Last 10 Years* |
|---|---|---|---|---|---|---|
| **Real Estate** *(NCREIF)* | **-0.7%** | **0.0%** | **5.9%** | **-1.2%** | **6.6%** | **7.1%** |
| MCM REIT *(DJ US Select REIT)* | -2.7% | -2.8% | 15.2% | -0.7% | 8.6% | 4.8% |
| Dow Jones U.S. Select REIT | -2.8% | -2.8% | 15.2% | -0.8% | 8.6% | 4.9% |
| Adelante REITs *(Wilshire REIT)* | -1.7% | -2.7% | 16.3% | 0.0% | 9.1% | 7.0% |
| *Wilshire REIT* | -2.7% | -2.7% | 16.4% | -0.2% | 8.8% | 5.7% |
| Prudential *(NCREIF)* | 1.2% | 1.2% | 2.0% | -4.3% | 2.6% | 5.6% |
| Private Real Estate | 0.3% | 2.2% | -0.2% | -1.4% | 5.3% | 8.4% |
| *NCREIF Prop 1Q Arrears* | 0.4% | 1.0% | 1.2% | -1.2% | 3.2% | 5.6% |
| | | | | | | |
| **Int'l Equity** *(MSCI EAFE)* | **2.9%** | **2.2%** | **8.5%** | **5.8%** | **8.4%** | **4.0%** |
| MSCI EAFE | 4.7% | 6.4% | 13.1% | 10.6% | **11.9%** | **6.0%** |
| MSCI ACWI ex US | 3.7% | 5.0% | 12.5% | 8.6% | 10.6% | 5.3% |
| MCM International *(MSCI EAFE)* | 4.5% | 6.3% | 12.9% | 10.4% | 11.7% | 5.8% |
| C Worldwide *(MSCI ACWI ex US)* | 4.4% | 1.8% | 3.8% | N/A | N/A | N/A |
| Mondrian *(MSCI EAFE)* | 6.5% | 13.1% | 21.9% | 13.0% | 14.0% | 6.1% |
| Sprucegrove *(MSCI EAFE)* | 1.4% | 1.4% | 3.7% | N/A | N/A | N/A |
| | | | | | | |
| MCM Emerging Markets *(MSCI EMF)* | 1.1% | 2.2% | 8.7% | 3.6% | 6.1% | 3.1% |
| WCM | 3.0% | -1.1% | N/A | N/A | N/A | N/A |
| Wasatch | 4.1% | -2.3% | N/A | N/A | N/A | N/A |
| *MSCI EM* | 1.3% | 2.5% | 9.6% | 4.3% | 6.8% | 3.5% |
| | | | | | | |
| **Total Fixed Income** *(BC Aggregate)* | **0.5%** | **3.0%** | **8.4%** | **1.8%** | **0.4%** | **2.2%** |
| BB Aggregate | 0.4% | 2.6% | 8.0% | 2.0% | -0.7% | 1.5% |
| Clearwater *(BB Aggregate) - 1/2014* | 0.4% | 2.6% | 8.3% | 2.3% | -0.2% | 1.8% |
| SSgA Gov/Corp *(BB G/C)* | 0.6% | 2.7% | 7.9% | 2.0% | -0.6% | 1.8% |
| IR+M *(BB G/C)* | 0.3% | 2.5% | 8.0% | 2.4% | 0.0% | N/A |
| *Bloomberg Gov/Credit* | 0.4% | 2.6% | 7.7% | 2.0% | -0.7% | 1.7% |
| DBF Idaho Mortgages *(BB Mortgage)* | 1.3% | 4.2% | 10.9% | 3.8% | 0.9% | 3.3% |
| *Bloomberg Treasury* | 0.6% | 3.0% | 7.7% | 1.2% | -1.7% | 1.1% |
| DBF MBS *(BB Mortgage)* | 0.5% | 3.0% | 9.4% | 2.1% | -0.5% | 1.1% |
| *Bloomberg Mortgage* | 0.3% | 2.8% | 9.0% | 1.9% | -0.8% | 1.1% |
| SSgA TIPS *(BB TIPS)* | 0.0% | 2.9% | 8.0% | 0.6% | 1.6% | 2.4% |
| *Bloomberg US TIPS* | 0.1% | 3.0% | 8.1% | 0.8% | 1.8% | 2.5% |
| **Cash** | | | | | | |
| Clearwater: PERSI STIF *(90-day LIBOR)* | 0.3% | 1.0% | 5.0% | 4.4% | 2.8% | 2.1% |
| *ICE BofA 3-mo Treasury Bill Index* | 0.3% | 1.0% | 4.9% | 4.4% | 2.6% | 1.9% |

## Adelante (Public RE - REITs)
## Domestic Equity: Wilshire REIT Benchmark

For the month of: **April** **2025**

### Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Adelante Total Return | -1.69% | -2.71% | 16.33% | 0.06% | 9.14% |
| Wilshire REIT Index | -2.67% | -2.69% | 16.39% | -0.20% | 8.77% |

### Performance Attribution & Strategy Comments

**For the month ended April 30, 2025** – The Account outperformed the Wilshire US REIT Index by 98 basis points, gross of fees, as the REIT market declined 2.7%.

- Contributors: the sector allocation to Data Center REIT (overweight), Medical Offices and Laboratories REIT (underweight) and security selection within Apartment REIT.
- Detractors: the sector allocation to Free Standing REIT (underweight), Core Industrial REIT (overweight) and Real Estate Services (overweight).
- Best performing holding: Digital Realty Trust, +12.3%.
- Worst performing holding: Alexandria Real Estate Equities, Inc., -20.7%.

**For the trailing quarter ended April 30, 2025** – The Account underperformed the Wilshire US REIT Index by 2 basis points, gross of fees, as the REIT market declined 2.7%.

- Contributors: security selection within Office REIT, the sector allocation to Care Facilities REIT (overweight) and the cash position.
- Detractors: the sector allocation to Free Standing REIT (underweight), Gaming and Casino REIT (underweight) and security selection within Apartment REIT.
- Best performing holding: Ventas, Inc., +16.8%.
- Worst performing holding: Alexandria Real Estate Equities, Inc., -23.7%.

**Comments -** On April 2nd, **President Trump announced the implementation of his long-anticipated "reciprocal" tariffs—dubbed *Liberation Day***. Markets responded with volatility. **The S&P 500 Index declined sharply following the announcement, its worst two-day performance since March 2020**. Within REITs universe, sector performance was notably uneven, Regional Malls collapsed 10.1%, while Manufactured Housing was the only segment to deliver positive returns, rising 1.3%.

The Federal Reserve Bank of St. Louis's Economic Policy Uncertainty Index surged to levels surpassing both the Global Financial Crisis and the Pandemic by April 5th. **With escalating market instability, President Trump announced a 90-day pause on the implementation of higher-tier tariffs on April 9th** to allow for coordinated negotiations. Markets reacted strongly, with the S&P 500 logging its best single-day gain since October 2008.

Despite mixed signals from the Federal Reserve, **market participants are now pricing in nearly 100 basis points of rate cuts by year-end.** However, there has been no concrete progress on the rollback or modification of the new reciprocal tariffs.

Tensions with China remain acute. On April 11th, the U.S. increased tariffs on Chinese goods to 145%, prompting China to respond with a 125% tariff on U.S. exports. According to Gene Seroka, Executive Director of the Port of Los Angeles, **"major American retailers have now stopped all shipments from China," affecting approximately 45% of Los Angeles port traffic."** These disruptions are likely to have ongoing economic implications in the months ahead.

**In April, Data Center REITs led with an 8.0% gain, while Medical Office and Laboratory REITs fell by 16.7%.** Amid this turmoil, Prologis, Inc. relinquished its position as the largest U.S. REIT to Welltower Inc., a Care Facilities REIT, which now represents an 8.7% weighting in the Wilshire REIT Index.

We continue to monitor the evolving macroeconomic landscape, trade dynamics, and sector-specific drivers closely. **As of month-end, the portfolio's dividend yield stood at 3.7%, with cash holdings at 2.5%.**

### Manager Style Summary

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

**Adelante (Public RE - REITs)**

Domestic Equity: Wilshire REIT Benchmark

## Portfolio Guideline Compliance

| Portfolio Guideline: | Adelante | Wilshire REIT | Calc | Min | Max | Compliance |
|---|---|---|---|---|---|---|
| B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts | | | | | | ok |
| B3. Mkt Cap of Issuers of Securities in the Account | | | | $250 | | ok |
| B4. Single Security Positions <= 30% @ purchase | | | | | | ok |
| B6a. P/FFO (12-mo trail) | 18.08 | 16.89 | 1.07 | | 1.30 | ok |
| B6b. Beta | 0.96 | 1.00 | 0.96 | 0.70 | 1.30 | ok |
| B6c. Dividend Yield | 3.54 | 3.95 | 0.90 | 0.80 | 2.00 | ok |
| B6d. Expected FFO Growth | 18.74 | 17.51 | 107% | 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 | | | | | ☑ Yes | ☐ 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 experinece 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: 14% ok

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

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 1,503

## 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: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Atlanta Capital | -1.60% | -7.97% | 4.44% | N/A | N/A |
| Russell 2500 | -2.06% | -12.51% | 1.70% | N/A | N/A |

## Portfolio Attributes

| Characteristics | Atlanta | RU 2500 |
|---|---|---|
| Mkt Value ($m) | 688.96 | N/A |
| Wtd Cap ($b) | 13.64 | 7.73 |
| P/E | 19.90 | 17.80 |
| Beta | 0.73 | 1.00 |
| Yield (%) | 0.85 | 1.57 |
| Earnings Growth | 15.10 | 8.80 |

**Sector Analysis (Top 2)**

| Over-weight | Atlanta | RU 2500 |
|---|---|---|
| Industrials | 27.85% | 18.90% |
| Financials | 22.82% | 18.53% |

| Under-weight | Atlanta | RU 2500 |
|---|---|---|
| Health Care | 3.88% | 11.86% |
| Real Estate | 1.50% | 7.01% |

## Performance Attribution & Strategy Comments

Tariff policy uncertainty continued to pressure equity returns in April, driving the Russell 2500 U.S. Small/Mid Cap benchmark down -2.1%. The Atlanta SMID Cap portfolio outperformed the benchmark in the month by approximately +45 basis points. The portfolio's outperformance during the month and year-to-date has been largely driven by our focus on high quality companies with durable earning. Sector allocation was positive for the month with our underweight to Energy and Real Estate contributing to our performance. The portfolio's underweight to "traditionally defensive" sectors like Heath Care and Utilities detracted from results. Overall stock selection was modestly negative for the month, with holdings in Consumer Discretionary, Financials, Technology, and Health Care detracting from performance. Stock selection was positive within our Industrials and Consumer Staples holdings. As we get ready to enter corporate earnings season, we would expect that many company management teams will use trade policy uncertainty to either reduce or suspend forward earnings guidance. While small and mid cap stocks have seen a significant re-rating year-to-date, we continue to be positioned for more uncertainty and volatility.

## 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 | | 52 | | 50 | 60 | ok |
| B5. Sector limits less than 30% | | | | | | Yes |
| B6. Annual turnover | | 10% | | 10% | 20% | ok |
| B7. Normal Global Portfolio Characteristics | | | | | | |
| Capitalization (rel) | 7738 | 13646 | 176% | 100% | 200% | ok |
| Maximum Sector Exposure | | 28% | | 0% | 30% | ok |
| Price/Book Value (rel) | 2.0 | 3.4 | 167% | 100% | 170% | ok |
| Price/Earnings (rel) | 17.8 | 19.9 | 112% | 100% | 200% | ok |
| Dividend Yield (rel) | 1.6 | 0.9 | 54% | 40% | 70% | ok |
| Beta (rel) | | 0.73 | | 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 | | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 32,248

## Organizational/Personnel Changes

N/A

## Account Turnover

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

**Bernstein Global Strategic Value**
Global Equity: MSCI ACWI Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Bernstein GSV | 0.20% | -2.74% | 10.32% | 9.07% | 12.48% |
| MSCI ACWI | 0.93% | -3.64% | 11.84% | 10.27% | 13.07% |
| Russell 3000 | -0.67% | -8.26% | 11.40% | 11.41% | 15.12% |

## Performance Attribution & Strategy Comments

**Portfolio Performance:** In April, the Portfolio increased in absolute terms but underperformed its Benchmark, the MSCI ACWI, gross and net of fees. Both stock and sector selection detracted from overall relative performance, gross of fees. Stock selection within healthcare and technology detracted the most, while selection within industrials and real estate contributed, offsetting some losses.
Multinational technology company SanDisk detracted as investors reacted to a wave of US tariffs, sending technology stocks plummeting. The uncertain macro environment is also not favorable for this cyclical commodity tech maker. Indeed, SanDisk is a major manufacturer of data storage solutions and is therefore expected to feel the impact from tariffs in the form of higher raw material costs.
UK-based oil giant Shell also detracted during the month, with crude oil price sliding to its lowest level in four years due to the uncertainty surrounding global trade. Shell also lowered its outlook for first-quarter liquefied natural gas (LNG) production, expecting LNG output to reach between 6.4 million and 6.8 million metric tons, down from a previous forecast of 6.6 million to 7.2 million tons. The company also had its license for gas projects in Venezuela waters revoked by the US after the latter had granted the license in recent years for the development of offshore natural gas projects between Trinidad and Tobago and Venezuela. **Outlook:** The month of April started with a major market sell-off driven by the "Liberation Day" tariff announcements of President Trump, which were much more severe than expected, but global markets have now mostly bounced back as some major aspects of the new US trade policies were later paused or exempted and the genuine objectives and outcomes of these policies remain unclear to the market. For the fourth consecutive month, US stocks were laggards with the S&P 500 falling 0.7% in April after being down as much as 13% intramonth on April 7. Dollar weakness also positively impacted foreign market performance in April in US-dollar terms, with Japan up 5.2% and Europe up 4.4% (although both indices were flat and down respectively in their local-currency terms). Emerging markets were up 1.3%, especially with strength in India and weakness in China. From a style standpoint, growth outperformed value globally—most notably in the US and Japan, while being neutral in Europe— leading the broad MSCI ACWI Value Index to underperform the style-neutral index by close to 3% in US-dollar terms in April, and slightly underperformed by 0.4% year to date. 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 13% underweight to US megacap 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. Our key bets include overweight positions to memory semiconductors, European aerospace and defense, US communications services, and developed-market banks and materials, as well as underweight positions to tech (excluding memory semis), largecap industrials (excluding aerospace and defense), consumer staples, and non-bank financials. We made some trims and additions to existing positions early in the month to take advantage of the volatility, as well as a couple of new names and one exit.

## 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 | | 57.0 | | 25 | 75 | ok |
| B5. Normal Regional Exposures (* benchmark -/+ min/max): | | | | | | |
| United States * | 64% | 50% | | 39% | 89% | ok |
| Europe ex U.K. * | 12% | 13% | | -3% | 27% | ok |
| UK * | 3% | 12% | | -7% | 13% | ok |
| Japan * | 5% | 11% | | -5% | 15% | ok |
| Emerging Markets | | 8% | | 0% | 20% | ok |
| Other | | 6% | | 0% | 20% | ok |
| B6. Normal Global Portfolio Characteristics (MSCI ACWI) | | | | | | |
| Capitalization | 564,330 | 234,285 | 42% | 50% | 100% | check |
| Price/Book Value | 3.1 | 2.1 | 67% | 50% | 100% | ok |
| Price/Earnings (Next 12 mo) | 16.0 | 12.1 | 76% | 50% | 100% | ok |
| Price/Cash Flow | 14.2 | 8.4 | 60% | 50% | 100% | ok |
| Dividend Yield | 2.0 | 2.2 | 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 | | 49% | | 30% | 40% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ 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 1 $784,545

## Organizational/Personnel Changes

Investment decisions for Global Strategic Value are made by the Chief Investment Officer and Director of Research. For the month of April 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: **April** **2025**

| **Manager Performance Calculations** | | | | | ** Annualized returns* |
|---|---|---|---|---|---|
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| BLS | -0.64% | 0.12% | 14.97% | 8.98% | 13.32% |
| MSCI ACWI | 0.93% | -3.64% | 11.84% | 10.27% | 13.07% |

**Performance Attribution & Strategy Comments**

In April, the largest relative contributors to performance were DSV (10% return in US dollars), Sampo (9%), and Experian (8%). Conversely, Yum China (-17%), Budweiser APAC (-12%), and Otis (-7%) were the largest relative detractors.

April was marked by significant volatility as markets reacted strongly to shifting expectations around US trade policy. The month began with sharp equity sell-offs and a spike in the VIX (volatility) index to its highest level since the pandemic, following the announcement of tariffs perceived as broader and more punitive than anticipated. However, much of this initial loss was recovered later in the month after the US administration softened its immediate approach. This included announcing a temporary pause for some countries and exemptions for certain electronic goods, alongside easing rhetoric towards China. Bond markets experienced significant swings driven by trade news and evolving US economic data. We have received results from half of our portfolio companies, and performance has generally been decent. Overall, our portfolio appears well-shielded from the direct impact of tariffs, and we have observed only limited effects from the increasingly fragile macroeconomic backdrop. The exceptions are Boozt and LVMH—both smaller positions in our portfolio focused on discretionary consumer spending—which have seen some impact from current conditions. While Hilton guided slowing revenue growth on a per-room basis for the year to 0-2% , the earnings impact is less than 1%, highlighting the resiliency of the hotel franchise model.

Boozt delivered first quarter results and revised its guidance for 2025 due to a hesitant consumer. On an organic basis, Boozt reduced its adj. EBIT guidance by less than 3% at the midpoint. In the quarter Boozt gained market share and delivered revenue growth of 3% in local currencies and an operating margin of 2.3% with margin expansion of 110 basis points. The margin expansion illustrates how the company is delivering on previously announced efficiency initiatives, and we continue to expect Boozt to deliver substantial margin expansion over the coming years, towards an EBIT margin of 10%. LVMH faced a challenging first quarter with organic revenue declining 3%. The key Fashion & Leather Goods division contracted 5% organically due to tough comparables and softer US demand. We are confident in management’s ability to manage this period effectively. We expect LVMH to prioritize selective investments in brands for the long-term while mitigating operating deleverage by cost containment or intelligent cost cutting. DSV completed the significant acquisition of Schenker on April 30th, creating a global leader The Schenker integration targets DKK 9.0bn annual synergies by end-2028 vs. our expectation of 7-8 billion Danish kroner and should be EPS accretive by 2026. We were pleased to see the synergy guidance exceeding our expectation and see potential for property divestments beyond management's DKK 7-8 billion indication, which could unlock further value.

**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. No more than 2 companies headquartered in Denmark | | | | No |
| B5. Number of issues | 26 | 25 | 30 | ok |
| B6. Normal Regional Exposures (* benchmark -/+ min/max): | | | | |
| North America | 37% | 35% | 50% | ok |
| Japan | 0% | 0% | 0% | ok |
| Europe ex UK | 35% | 15% | 35% | check |
| UK | 22% | 5% | 13% | check |
| Pacific ex Japan | 0% | 0% | 0% | ok |
| Emerging Markets | 6% | 10% | 30% | check |
| Non-Index Countries | 0% | 0% | 0% | ok |
| Total | 100% | | | |
| B7. Normal Global Portfolio Characteristics | | | | |
| Capitalization (45%-75%) | 107 | 45 | 75 | check |
| Price/Book Value | 6.5 | 5 | 9 | ok |
| Price/Earnings (current) | 19.8 | 17 | 23 | ok |
| Price/Cash Flow (current) | 17.5 | 19 | 24 | check |
| Dividend Yield | 2.1% | 1.8% | 2.8% | ok |
| ROE | 47% | 31% | 37% | check |
| ROIC | 45% | 42% | 50% | ok |
| FCF Yield | 5.7% | 3.8% | | ok |
| F2. Brokerage commissions not to exceed $0.03/share for U.S. equities | | | | Yes |
| F3. Annual turnover | 41% | | 40% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

| | |
|---|---|
| B4. Denmark HQ Limit: | We see attractive risk-adjusted return potential in our globally exposed companies with HQs in Denmark. We assess underlying exposure more so than location of HQ. |
| B6. Regional Exposures: | We have continued to see more attractive risk-adjusted return potential in our European and UK listed companies as opposed to Emerging Markets holdings. |
| B7. Capitalization: | We continue to see attractive risk-adjusted returns in higher market capitalization names. |
| B7. ROE & Price/Cash FLow: | We continue to see attractive opportunities in companies with a low price to cash flow ratio and higher returns on equity. |
| F3. Annual Turnover: | The market has provided more price/value disconnections than usual, and we have taken advantage of these opportunities. |

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 7,924

## Organizational/Personnel Changes

There were no changes to the investment team in April 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: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Brandes | -0.52% | 2.28% | 13.89% | 15.21% | 18.32% |
| Russell 3000 | -0.67% | -8.26% | 11.40% | 11.40% | 15.11% |

## Performance Attribution & Strategy Comments

Global equity markets were mixed in the month of April as the environment remained challenging due to ongoing uncertainty surrounding tariff policies. Generally US equities lagged, with tech names seeing further pressure, as did Value indices, while European equities tended to perform well. Against this backdrop the Brandes Global Equity portfolio declined modestly, in line with the US pullback but a bit behind the broader World index. While the portfolio's large underweight exposure to the U.S. was neutral, weak stock selection led by exposure to U.S. banks made it the largest relative detractor to portfolio performance. The largest sector detractors on a relative basis, in addition to banks and select financials, were the portfolio's holdings in Industrials, with a sharp decline in an Air Freight company. Healthcare and select Health Care Providers positively benfitted relative returns, as well as the overweight position in Consumer Staples and strong stock selection in Materials. On a country basis the largest relative contributors to outperformance were holdings in Germany, the Netherlands, Taiwan and Mexico. After the U.S. an underweight position in China was the largest relative country detractor. As of 4/30/25, the largest absolute country weightings were in the U.S. - although the portfolio is significantly underweight relative to the index - the United Kingdom and France; the largest sector weightings were Financials, Health Care and Consumer Staples. During the month the Global Investment Committee initiated one new position in Wiwynn, a Taiwanese technology company, after fully evaluating the potential tariff risks and competitive position. They also had one full sell of Kingfisher, a U.K. home improvement retailer, as the shares approached their intrinsic value and funds were redeployed into more attractive opportunities. 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. Value stocks continue to trade within the least expensive decile relative to growth (MSCI World Value vs. MSCI World Growth) across various valuation measures (price/earnings, price/cash flow, and enterprise value/sales).

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. In addition our holdings in aggregate have stronger balance sheets than the companies that comprise the MSCI World and MSCI World Value indices as highlighted by leverage metrics, such as net debt to EBITDA (earnings before interest, taxes, depreciation and amortization).

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 31,608

## 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 | | 70 | | 40 | 70 | ok |
| B5. Normal Country Exposures: | | | | | | |
| United States & Canada | | 42% | | 30% | 100% | ok |
| Americas ex U.S. | | 6% | | 0% | 40% | ok |
| United Kingdom | | 13% | | 0% | 25% | ok |
| Europe ex U.K. | | 22% | | 0% | 50% | ok |
| Japan | | 1% | | 0% | 45% | ok |
| Pacific ex Japan | | 13% | | 0% | 40% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Cash & Hedges | | 2% | | | | |
| Total | | 100% | | | | |
| B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large") | | | | | | |
| Capitalization | $105,843 | $87,025 | 82% | 30% | 125% | ok |
| Price/Book Value | 1.9 | 1.4 | 77% | 50% | 100% | ok |
| Price/Earnings | 15.2 | 14.9 | 98% | 50% | 100% | ok |
| Price/Cash Flow | 9.9 | 7.4 | 75% | 50% | 100% | ok |
| Dividend Yield | 2.9 | 3.4 | 115% | 90% | 150% | ok |
| B7. Normal U.S. Portfolio Characteristics (Russell 3000) | | | | | | |
| Capitalization | $729,421 | $136,016 | 19% | 30% | 125% | check |
| Price/Book Value | 4.2 | 1.6 | 38% | 50% | 100% | check |
| Price/Earnings | 23.8 | 13.6 | 57% | 50% | 100% | ok |
| Price/Cash Flow | 16.2 | 8.9 | 55% | 50% | 100% | ok |
| Dividend Yield | 1.4 | 2.4 | 180% | 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 | | 20% | | | 100% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ 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. |

**C WorldWide Asset Management**

International Equity:  MSCI ACWI ex US Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| C WorldWide Asset Mgmt | 4.34% | 1.78% | 3.36% | N/A | N/A |
| MSCI ACWI ex US | 3.61% | 4.81% | 11.93% | N/A | N/A |

## Performance Attribution & Strategy Comments

The global stock market is looking towards US politics for direction. President Trump is making significant changes in international alliances and imposing tariffs on global trading to make the US more competitive and encourage companies to invest in the US. These changes have increased volatility in international stock markets: In the currency market, we saw a strengthening of both the EUR and JPY towards the USD as investors are looking to diversify away from the US assets after many years of overweighting the US. When uncertainty dominates, many investors become more short-term focused, resulting in increased market volatility. While short-sightedness prevails, the value of future earnings and cash flows diminishes. For longer-term investors like us, the current situation presents attractive opportunities. Therefore, despite the current market turbulence, we remain confident that our portfolio of carefully selected quality companies will emerge stronger in the long run. Among the top contributors to investment returns in April were L'Oréal, SAP and Deutsche Börse. L'Oréal reported 3.5% revenue growth in Q1, a relief given low consumer confidence in major economies. Although boosted by a positive one-off, which added 0.9% points, this was well ahead of the consensus expectation for 1.3% revenue growth. Management reiterated its expectation that growth will accelerate throughout 2025; a pick-up in Chinese demand seems to offset the weakening of the US market. SAP fell sharply with the market at the beginning of April but made a strong recovery towards the end of the month after a strong Q1 report, seemingly reminding investors of the company's defensive qualities. Its EBIT was 11% ahead of analysts' expectations, and its cloud backlog grew 29% y/y. Guidance for the whole year was maintained. Deutsche Börse's share price development mirrored SAP's – a sharp decline at the beginning of April was reversed at the end of the month. However, Deutsche Börse's Q1 report was not quite as strong as SAP's, although it did reiterate its full-year guidance, which was deemed "good enough". Among the most significant detractors were AIA, Novo Nordisk and SMC. Tariffs do not directly hit AIA, but the higher US bond yields and the weakening of ASEAN currencies that followed the tariff turmoil could negatively impact the company. Consequently, the stock sold off considerably at the beginning of April. No material, company-specific news emerged during the month, though. The significant decline in Novo Nordisk's share price continued during April. Prescriptions of Novo's obesity drugs in the US are still fledgling – the number of Wegovy prescriptions has been broadly flat for months. There was progress related to the semaglutide "compounders" – a US court said these copycat drugs must be removed from state pharmacies on 22 April and from outsourcing facilities on 22 Ma. As a hardware maker and exporter, SMC was impacted when investors weighed the impact of tariffs. There was no major, company-specific news during April.

## 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 | 29.0 | 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 | 18% | 0% | 30% | ok |
| Emerging Markets | 13% | 0% | 30% | ok |
| United States | 9% | 0% | 20% | ok |
| Total | 100% | | | |
| B6. Normal Global Portfolio Characteristics relative to benchmark | | | | |
| Capitalization | 159.43% | 50% | 200% | ok |
| Price/Book Value | 223.72% | 50% | - | ok |
| Price/Earnings | 135.05% | 50% | - | ok |
| Price/Cash Flow | 171.27% | 50% | - | ok |
| Dividend Yield | 73.96% | - | 200% | ok |
| D. No derivatives, short sales, commodities, margin or currency hedging. | | | | Yes |
| E1. Brokerage commissions not to exceed $0.06/share for U.S. equities | | | | Yes |
| F3. Annual turnover | 11% | 0% | 30% | 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 1 $ 17,701

## Organizational/Personnel Changes

No changes in organization or personnel.

## Account Turnover

| | | | | | |
|---|---|---|---|---|---|
| Gained: | Number of Accounts: | 1 | ($m): | $ | 7.9 |
| Lost: | Number of Accounts: | 0 | ($m): | $ | - |

Reason(s):

**Clearwater Advisors, LLC**

Core Fixed: BB Aggregate Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Clearwater Agg | 0.43% | 2.58% | 8.11% | 2.22% | -0.31% |
| BB Aggregate | 0.39% | 2.64% | 8.02% | 1.95% | -0.67% |

## Performance Attribution & Strategy Comments

April 2025 might be one for the history books. As previously announced, President Trump announced sweeping tariffs on many countries and many product types on April 2nd, now nicknamed "Liberation Day". Those announcements kicked off some very large market movements that were mostly reversed when another announcement on April 9th delayed the tariff implementation for 90 days. Soon after that, China retaliated by raising the US tariff rate and the President responded by ratcheting up the rate on China once again. This back and forth continued for a few days and the financial markets saw some wild swings during this time.

US Treasury bond interest rates initially fell on the tariff announcements due to increased concerns about a general economic slowdown. After that, rates subsequently rose as the markets began to be increasingly concerned about the possibility of foreign governments halting US Treasuries purchases as a form of retaliation. The 10 year yield moved up by 50 basis points over a one week period. By the end of the month, the 2 year rate ended down 28 basis points, the 10 year was down 4 bps and the 30 year was up 11 bps.

Even though many economic reports came in positive during the month, credit spreads widened by 21 basis points in April to end at 152 bps due to increased uncertainty and the possibility of reduced corporate profit margins if the tariffs are fully implemented. Spread widening caused lower rated credits to underperform during the month. The Clearwater portfolio held up quite well and outperformed the benchmark by 4 basis points due to our efforts over the last few months to shift slightly higher in credit ratings and safety. Also, our MBS positions generally did better than the benchmark due to our preference for more stable cashflows, which did not experience as much volatility as the general MBS market this month. On the other end of the spectrum, our underweight to Treasuries was a detriment this month.

## 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: | 6.1 | 6.0 | 5.5 | 6.5 | ok |
| B3. Sector Diversification: | | | | | |
| Treasuries | 31% | 45% | 30% | 60% | ok |
| Agencies | 2% | 1% | 0% | 16% | ok |
| Supra/Sovereign | 1% | 3% | 0% | 13% | ok |
| Corporates | 36% | 24% | 4% | 44% | ok |
| Industrial | 16% | 14% | 0% | 29% | ok |
| Financial | 18% | 8% | 0% | 23% | ok |
| Utility | 2% | 2% | 0% | 12% | ok |
| MBS | 27% | 25% | 10% | 40% | ok |
| ABS | 1% | 0% | 0% | 5% | ok |
| CMBS | 2% | 2% | 0% | 7% | ok |
| B4. Issuer Concentration: <=5% all corporate issuers | | | | 5% | ok |
| B5. Number of positions | 186 | | 100 | 200 | ok |
| B6. Non-Investment Grade alloc | 0% | | | 10% | ok |
| B7. Out of index sector alloc | 1% | | | 10% | ok |
| B7. TIPS allocation | 0% | | | 20% | ok |
| E2. Annual Turnover (ex TBA rolls) | 21% | | 25% | 65% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

E2. Annual Turnover (ex TBA): We continued to trade at a lower turnover rate this month due to uncertainty about the effects of the newly announced tariffs.

**Total Firm Assets Under Management ($m) as of:** Qtr 1 $ 4,803

## 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: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Clearwater - PERSI STIF | 0.35% | 1.05% | 5.04% | 4.40% | 2.75% |
| ML 0-3 Month T-bill | 0.35% | 1.02% | 4.93% | 4.42% | 2.67% |

## Performance Attribution & Strategy Comments

April marked a dramatic shift in U.S. trade policy with the announcement of material "reciprocal" tariffs that initially moved the effective rate beyond that of Smoot-Hawley before a "yippy" bond market forced a 90-day pause on a portion of the tariffs (ex China). A broad "sell America" trade followed with longer yields rising (after initially rallying), USD and equities falling, and credit spreads widening. Trump also suggested he may remove Chairman Powell prior to his term expiring before saying he doesn't intend to do so. Hard economic data reported was generally holding steady while a number of soft data weakened, especially consumer sentiment and prices paid/employment components of ISM data.

The U.S. Treasury curve twisted steeper with the 2-year falling 28 basis points and the 30-year yield rising 11 basis points. Yields on maturities of less than one year were little changed with the Fed on hold until at least May. SOFR ended relatively unchanged around 4.40%, as well. The market is pricing in more Fed cuts through 2026 than the Fed expected in its last meeting. Investment grade corporate bond spreads widened 27 basis points on higher volatility and as markets gauged the tariff impact on businesses and consumers.

## Portfolio Guideline Compliance

| Portfolio Guideline: | Clearwater | Min | Max | Compliance |
|---|---|---|---|---|
| B2a. Sector Allocations: | 100% | | | |
| Treasuries | **10%** | 0% | 100% | ok |
| Agencies | **32%** | 0% | 100% | ok |
| Corporates | **7%** | 0% | 100% | ok |
| Mortgage Backed Securities (MBSs) | **0%** | 0% | 60% | ok |
| Asset Backed Securities (ABSs) | **8%** | 0% | 40% | ok |
| Cash | **2%** | 0% | 100% | ok |
| Commercial Paper | **40%** | 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 | **50** | 10 | 50 | ok |
| B3a. Allocation of corporate securities to one issu | **4%** | | 5% | 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.

## 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: **April** **2025**

## Manager Performance Calculations

*** Annualized returns**

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Idaho Commercial Mortgages | 1.20% | 3.90% | 10.24% | 3.94% | 0.94% |
| BB Mortgage | 0.29% | 2.83% | 8.99% | 1.86% | -0.76% |

## Portfolio Summary

Market Value: $ 886,951,728

**Originations/Payoffs**

| | | |
|---|---|---|
| Month: | $ | 3,472,237 |
| YTD: | $ | 10,216,996 |
| Payoffs: | $ | - |

**Delinquencies/REOs**

| | | $ Amt | % of Portfolio |
|---|---|---|---|
| 30 days | $ | - | 0.00% |
| 60 days | $ | - | 0.00% |
| 90 days | $ | - | 0.00% |
| 120+ days | $ | - | 0.00% |
| REOs | $ | - | 0.00% |

## Performance Attribution & Strategy Comments

The PERSI Commercial Mortgage Portfolio has returned 10.24% during the last year, outperforming its benchmark by 125 basis points. Looking at the longer term, PERSI's portfolio has returned 0.94% (annualized) during the last five years, outperforming its benchmark by 170 basis points (annualized). Outperformance over longer periods is driven by the portfolio's low delinquency rate and coupon advantage vis-à-vis the benchmark. We continue to be selective and conservative in our underwriting process and there are no delinquencies or REOs in the portfolio.

We have recently seen an increase in preliminary loan requests as buyers and sellers acclimate to today's interest rate environment. At the same time, we expect prepayments to remain muted as borrowers lack incentive to refinance at current interest rates. This combination of increased loan activity and limited payoffs will likely lead to solid net production figures for the year.

Additionally, we have ramped up our outreach efforts with the goal of further strengthening relationships in the commercial real estate community. We continue to see high interest in Idaho commercial real estate among investors, with many attracted to the state's growth dynamics and long term prospects.

## 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: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| DBF MBS | 0.47% | 3.04% | 9.21% | 1.85% | -0.77% |
| BB Mortgage | 0.29% | 2.83% | 8.99% | 1.86% | -0.76% |

## Portfolio Attributes

| **Characteristics** | **DBF** | **BB Mtg** |
|---|---|---|
| Market Value ($ m) | $183.90 | N/A |
| Weighted Average *Effective* Duration (in years) | 5.8 | 6.1 |
| Weighted Average Yield (in %) | 4.9% | 4.9% |
| Weighted Average Coupon (in %) | 3.6% | 3.4% |

## Performance Attribution & Strategy Comments

Fixed income markets were volatile in April after U.S. president Trump announced a new and aggressive tariff regime. The long end of the Treasury yield curve fell after the announcement as equity markets faltered and investors sought haven in the perceived safety of U.S. Treasury securities. Longer term Treasury yields then rose, however, as investors recalibrated inflation expectations and some looked to bolster their positioning to safe-haven currencies other than the U.S. dollar.

Investors are watching closely for news regarding negotiations between the White House and major trading partners. Substantive progress toward new trade agreements would be welcomed by investors, while lack of progress could pressure more risky assets (such as stocks) once again. In short, it remains a volatile environment with the potential for large asset price movements in the near term.

Treasury yield volatility led agency mortgage-backed security (MBS) option-adjusted spreads (OAS) to widen in April. Corporate bonds fared worse, however, as investors soured on credit in the face of trade turmoil. We continue to see good value in the MBS market, as most MBS face little prepayment risk in today's interest rate environment, while offering attractive yield above that of U.S. Treasuries.

PERSI's MBS portfolio returned 0.47% in April, outperforming its benchmark by 18 basis points. The portfolio is a bit up in coupon compared to its benchmark and had a yield-to-maturity of 4.9% at month-end.

## 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 | | $184 | $50 | | ok |
| B2a. Security Type: | | | | | |
| MORTGAGE RELATED | | 94% | 80% | 100% | ok |
| Generic MBSs | | 94% | 75% | 100% | ok |
| GNMAs | | 6.7% | | | |
| FNMAs | | 51.0% | | | |
| FHLMCs | | 36.1% | | | |
| CMOs | | 0.0% | 0% | 25% | ok |
| NON-MORTGAGE RELATED | | 5.9% | 0% | 20% | ok |
| Treasuries | | 5.9% | 0% | 20% | ok |
| Agencies | | 0.0% | 0% | 20% | ok |
| Cash | | 0.4% | 0% | 10% | ok |
| Attributes: | BB Mtg | | | | |
| Duration | 6.1 | 5.8 | 4.1 | 8.1 | ok |
| Coupon | 3.4% | 3.6% | 2.4% | 4.4% | ok |
| Quality | AAA+ | AAA+ | AAA | | ok |
| B3. Individual security excl Treasuries as a % of portfolio | | | 0% | 5% | ok |
| B4. Number of securities | | 87 | 25 | 50 | check |
| E2. Annual Turnover | | 8% | 0% | 25% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

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

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

## Organizational/Personnel Changes

There were no organizational or personnel changes in April.

## Account Turnover

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

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

Domestic Equity: Russell 3000 Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Donald Smith & Co. | -1.76% | -4.52% | 13.40% | 25.19% | 29.27% |
| Russell 3000 | -0.67% | -8.26% | 11.40% | 11.41% | 15.12% |

## Portfolio Attributes

| Characteristics | DSCO | RU 3000 |
|---|---|---|
| Mkt Value ($m) | 832.45 | N/A |
| Wtd Cap ($b) | 15.51 | 801.50 |
| P/E | 7.50 | 23.56 |
| Beta | 0.90 | N/A |
| Yield (%) | 2.30 | 1.39 |
| Earnings Growth | | |

**Sector Analysis**

| Over-weight | DSCO | RU 3000 |
|---|---|---|
| Materials | 26.53% | 1.61% |
| Financials | 31.11% | 12.00% |
| Real Estate | 5.38% | 2.73% |

| Under-weight | DSCO | RU 3000 |
|---|---|---|
| Info Technology | 0.00% | 32.66% |
| Health Care | 0.00% | 10.81% |
| Cons. Staples | 0.00% | 4.37% |

## Performance Attribution & Strategy Comments

The account declined -1.8% which was ahead of the Russell 3000 Value (-3.1%), but lagged the Russell 3000 (-0.7%) and the S&P 500 (-0.7%). Markets fell even further with Trump's tariffs targeting more countries with which the US has trade imbalances including China and the EU. While there was partial recovery from the trough, markets remained volatile. Most of our stocks declined. The biggest detractors were the financial and consumer discretionary stocks. All three homebuilders declined (M/I Homes -6.6%; Taylor Morrison -4.5%; Beazer -4.1%), reflecting an increased possibility of a recession. While Harley Davidson also declined on concerns over the impact of tariffs, the stock ticked up higher later in the month on news that one of its largest shareholders is actively seeking leadership change for the company. Allegiant Travel (-9.1%) and the hotel-related names (RLJ Lodging -11.2%; Park Hotels -6.9%) continued to decline on worries about the broader economy. Major airlines all cited concerns over travel demand amid the economic uncertainty created by Trump's tariffs. Gold miners were the biggest contributors as most of the group (IAMGOLD +13.3%; Eldorado +12.0%; Centerra +5.5%) rallied with gold prices briefly surpassing $3400 / oz before settling above $3300. Other contributors included Golar LNG (+11.9%), and AerCap (+3.8%). We added to Allegiant, Harley Davidson, M/I Homes, RLJ Lodging, and Tutor Perini while reducing Eldorado, Korea Electric, Siriuspoint, and Unum. NMI Holdings is no longer held in the portfolio. Scorpio Tankers is a new purchase, a product tanker company which has recently improved its capital allocation approach and balance sheet. Its fleet is also more fuel efficient and modern than that of its peers. We believe the company is being overly punished for its past capital allocation wrongs. Insurance, precious metals, financials, aircraft leasing / airlines, and building / real estate are the largest industry weightings. The portfolio trades at 81% of tangible book value and 5.9x 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 wtih 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 | 36 | | | 15 | 35 | check |
| B5. Portfolio Characteristics | | | | | | |
| P/B | 0.81 | 4.21 | 19% | 30% | 100% | check |
| P/E (1 Year Forward) | 7.50 | 23.56 | 32% | 50% | 100% | check |
| Dividend Yield | 2.30 | 1.39 | 165% | 50% | 150% | check |
| F2. Commissions not to exceed $0.05/share; explanation required for commissions >$0.07/share | | | | | | ok |
| F3. Annual Turnover | 29% | | | 20% | 40% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ 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.

B4. Number of Issues: We manage a concentrated portfolio of stocks, and the number of holdings will mostly fall within this range with some exceptions.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 4,066

## Organizational/Personnel Changes

N/A

## Account Turnover

| | | | | | |
|---|---|---|---|---|---|
| Gained: | Number of Accounts: | 1 | Total Market Value ($m): | $ | 7.0 |
| 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: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| IR+M | 0.30% | 2.45% | 7.91% | 2.39% | 0.01% |
| BB Gov/Credit | 0.42% | 2.58% | 7.66% | 1.95% | -0.70% |

## Performance Attribution & Strategy Comments

The PERSI portfolio underperformed the Bloomberg G/C Index, returning 0.30% vs. 0.42%. Security selection aided relative returns for the month. More specifically, selection within the Finance and Industrial sectors aided relative performance, while the portfolio's underweight to both the Treasury sector and Non-Corporates detracted. April was a rollercoaster month as President Trump's 'Liberation Day' tariff announcements led to heightened volatility and large risk asset declines, followed by a somewhat calmer tone to end the month. The S&P 500 declined by 11.2% in the first week of the month before ending the month down 0.76%. The initial sweeping tariffs were set at a baseline rate of 10% on imports before being paused for 90-days, while those on imports from China continued to increase throughout the month to an effective rate of 145%. Real GDP declined by an annualized 0.3%, the first contraction since 2022, driven by a widening trade deficit as companies front-loaded purchases ahead of anticipated tariffs. Investors raised forecasts to four 25bp rate cuts in 2025 amid greater tariff uncertainty and growing recession fears; the Federal Reserve (Fed) may need to initially look through rising inflation expectations when easing monetary policy. The Treasury yield curve continued its steepening trend, with the 30-year rate rising by 11bps month-over-month to 4.68% while the 2-year rate fell by 28bps to 3.61% . Rate volatility spiked in the first week of the month as the MOVE Index increased from 101 to nearly 140, the highest level since October 2023, before ending the month at 112. Investment-grade corporate spreads widened by 25bps to 119bps before tightening to 106bps, 12bps wider month-over-month; high-yield spreads initially widened by 106bps to 453bps, and ended at 384bps, 37bps wider than their starting levels. Energy and Airlines were two of the worst performing sectors this month, while the Banking sector was relatively insulated from the broader tariff-related volatility. Investment-grade supply surpassed expectations, totaling $105 billion, despite the first deal not coming until April 8th; high-yield issuers remained largely sidelined with only $9 billion of issuance, the slowest month since July 2023. Agency mortgage-backed securities (MBS) underperformed other securitized sectors, as spreads widened by 7bps month-over-month to 43bps, amid increased rate volatility and weakening demand, particularly from overseas buyers.

## 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% | 62% | 32% | 92% | ok |
| Treasuries | 35% | 62% | 32% | 92% | ok |
| Agencies | 0% | 1% | 0% | 6% | ok |
| Govt Guaranteed | 3% | 0% | 0% | 10% | ok |
| Credit | 42% | 37% | 17% | 57% | ok |
| Financial | 17% | 11% | 0% | 26% | ok |
| Industrial | 20% | 18% | 3% | 33% | ok |
| Utility | 5% | 3% | 0% | 13% | ok |
| Non-Corporate | 0% | 4% | 0% | 14% | ok |
| Securitized | | | | | |
| RMBS | 1% | 0% | 0% | 10% | ok |
| ABS | 8% | 0% | 0% | 10% | ok |
| CMBS | 7% | 0% | 0% | 10% | ok |
| Agency CMBS | 1% | 0% | 0% | 5% | ok |
| Municipals | 1% | 1% | 0% | 11% | ok |
| B4. Issuer Concentration: <=5% all corporate issuers | | | | 5% | ok |
| B5. Number of positions | 340 | | 100 | 350 | ok |
| 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 Guidelines | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

## Total Firm Assets Under Management ($m) as of: Qtr 2 $ 118,427

## 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.

**Longview Partners**

Global Equity: MSCI ACWI Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Longview | -1.63% | -7.14% | 4.59% | 8.70% | 12.42% |
| MSCI ACWI | 0.93% | -3.64% | 11.84% | 10.27% | 13.07% |

## Performance Attribution & Strategy Comments

Among the largest contributors to relative performance were Booking, Wolters Kluwer and TJX. Booking outperformed the Index in April, more than offsetting the moderate first quarter relative underperformance. The shares modestly outperformed in the market fall following the initial tariff shock and following the delay to the implementation of most of the more severe tariffs despite little company specific news. Towards the end of the month Booking released first quarter results which exceeded both company and consensus expectations, which led to further outperformance of the shares. Wolters Kluwer outperformed the Index during the month, recovering some of the underperformance following the release of 2025 company guidance in February. TJX outperformed during April despite little company specific news. Historically TJX has shown resiliency amid economic uncertainty and tends to benefit from down-trading in weaker economic environments.

Among the largest detractors to relative performance were UnitedHealth, Fiserv and Thermo Fisher. UnitedHealth Group's share price fell sharply in mid-April following the release of their first quarter 2025 earnings with the company reporting first quarter results that were slightly below expectations but more significantly reduced the mid-point of their full year earnings per share guidance by 12%. Roughly two thirds of the reduction was due to weaker performance at Optum Health, the company's care delivery business, whilst the remaining third is from UnitedHealthcare, the company's insurance business. The issues affecting UnitedHealth are industry-wide issues, and we believe that the impact to normalised earnings, and thus valuation, will be significantly smaller than the market is pricing. Fiserv underperformed significantly during April following the release of its first quarter earnings. Whilst Fiserv maintained its 2025 guidance for 10% to 12% organic revenue growth and 15% to 17% adjusted earnings per share growth, first quarter results were below this run rate with organic revenue growth of 7% and adjusted earnings per share growth of 14%. Thermo Fisher underperformed throughout April due to market concerns over the impact of tariffs and the impact of US policy changes on research and development spending across academic, government and pharmaceutical customers. The company attributes 70% of their cut to guidance to the impact of tariffs on Thermo's products that are produced in the US and exported to China. Despite the near-term industry headwinds, we continue to believe that Thermo is well positioned to navigate these challenges and that they may benefit from share gain opportunities for the business as customers re-engineer their supply chains due to tariffs.

## 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 | 32.0 | 30 | 35 | ok |
| 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) | 108,708 | $10 | | ok |
| Price/Earnings (Trailing) | 24.6 | 10 | 17 | check |
| Dividend Yield | 1% | 0.5% | 2.0% | ok |
| Price/Cash Flow (Trailing) | 16.7 | 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 | 9% | 25% | 50% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

| | |
|---|---|
| B5. Regional Exposures: | The output of our investment process is a concentrated, yet diversified, portfolio of typically 35 names, unconstrained by geography or sector. |
| B6. Price/Earnings: | Price/Earnings is not targeted and stood at 24.6 in April. |
| B6. Price/Cash Flow: | Price/Cash Flow is not targeted and stood at 16.7 in April. |
| F3. Annual Turnover: | We do not target a specific level of turnover. Annual turnover is calculated on a rolling 12 month period and includes client flows. |

## Total Firm Assets Under Management ($m) as of: Qtr 2 $ 14,403

## Organizational/Personnel Changes

In the first quarter, Matthew Baptista Gerlach joined Longview's Investment Team as a Research Analyst. Katie Moran, Research Analyst, will leave Longview on 30 June 2025 to pursue other opportunities.

## 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: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Mondrian | 6.47% | 13.18% | 21.94% | 13.05% | 14.04% |
| MSCI EAFE | 4.58% | 6.18% | 12.57% | 10.07% | 11.37% |

## Country Allocation Comparison

| Over-weight | Mondrian | EAFE | Under-weight | Mondrian | EAFE |
|---|---|---|---|---|---|
| UK | 22.32% | 14.90% | Australia | 1.19% | 6.79% |
| Italy | 6.97% | 3.08% | Switzerland | 4.37% | 9.94% |
| Hong Kong | 4.74% | 1.87% | Sweden | 0.00% | 3.66% |

## Performance Attribution & Strategy Comments

International equity markets rallied in a volatile month despite the imposition of reciprocal tariffs across the globe by the US. Market strength was driven by the appreciation of major international currencies against a weakening US dollar due to a softer economic outlook. The dollar weakness also supported the outperformance of international equities over US equities. The defensive utilities, communication services and consumer staples sectors outperformed in a risk-off environment. Conversely, the energy sector materially lagged as oil prices fell sharply to their lowest level since early 2021, pressured by the weaker economic outlook and a partial reversal of OPEC+ production cuts.

The portfolio delivered strong absolute and relative returns, driven by strong stock selection in Japan and France. Toyota Industries, the Japanese forklift and auto parts maker, rallied following media reports of a potential buyout offer led by the Toyota group's founding family. As well as its strong core businesses, Toyota Industries has approximately $30bn of cross-shareholdings, worth >80% of market cap, including a large stake in Toyota Motor. VINCI, the French infrastructure company, outperformed as the company benefitted from strong passenger growth in its Airports business and the relative stability of its cash-generating concession assets in an uncertain macro environment.

The portfolio's defensive positioning also contributed to positive relative returns, benefitting from overweight positions in the strong utilities and consumer staples sectors.

## 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 | | 52 | | 40 | 60 | ok |
| B5. Normal Regional Exposures: | | | | | | ok |
| United Kingdom | | 22% | | 0% | 45% | ok |
| Europe ex U.K. | | 42% | | 0% | 75% | ok |
| Japan | | 24% | | 0% | 45% | ok |
| Pacific ex Japan | | 10% | | 0% | 40% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Cash | | 2% | | 0% | 5% | ok |
| Total | | 100% | | | | |
| B6. Normal Portfolio Characteristics | | | | | | |
| Capitalization | 91,621 | 67,563 | 74% | 25% | 100% | ok |
| Price/Book Value | 1.9 | 1.4 | 74% | 50% | 125% | ok |
| Price/Earnings (Trailing) | 15.2 | 12.5 | 82% | 50% | 100% | ok |
| Price/Cash Flow | 9.7 | 6.5 | 68% | 50% | 100% | ok |
| Dividend Yield | 3.1 | 3.8 | 126% | 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 | | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 43,427

## Organizational/Personnel Changes

No Changes.

## Account Turnover

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

**Mountain Pacific Investment Advisers**

Domestic Equity:  Russell 2500 Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Mountain Pacific | -0.73% | -9.26% | 3.39% | 8.45% | 12.42% |
| Russell 2500 | -2.06% | -12.51% | 1.70% | 4.12% | 11.37% |

## Portfolio Attributes

| Characteristics | Mtn Pac | RU 2500 |
|---|---|---|
| Mkt Value ($m) | 712.75 | N/A |
| Wtd Cap ($b) | 32.46 | 7.95 |
| P/E | 22.07 | 18.24 |
| Beta | 0.91 | 1.00 |
| Yield (%) | 1.00 | 1.63 |
| Earnings Growt | 8.67 | 12.58 |

**Sector Analysis**

| Over-weight | Mtn Pac | RU 2500 |
|---|---|---|
| Capital Goods | 52.67% | 21.31% |
| Materials | 5.72% | 3.62% |

| Under-weight | Mtn Pac | RU 2500 |
|---|---|---|
| Cons. Cyclical | 3.79% | 14.42% |
| Real Estate | 0.00% | 7.16% |
| Healthcare | 6.47% | 11.83% |

## Performance Attribution & Strategy Comments

Actions by the White House primarily drove markets in April. Tariff levies and the ensuing retaliation/negotiations were and remain the primary market focus. Decreased confidence in US assets was reflected mid-month as bond yield increases and equity declines occurred in tandem with dollar weakness. Federal Reserve member comments indicated vigilance on inflation and data dependence rather than much bias to change rates soon. Economic statistics generally indicated lower business activity and sentiment although consumer data remained strong on likely tariff front-running.

The portfolio decreased 0.73% during the month, outperforming our benchmark, the RU 2500, by 133 bps. Over the past three months, our portfolio has outperformed the index by 325 bps.

Allocation in industrials (overweight) and energy and real estate (underweight) drove outperformance. Selection contribution was positive but modest as outperformance in industrials and IT was offset by financials and healthcare.

Good returns from AI-related industrial and IT names were marred by setbacks in two specific names in other sectors. The FDA released a statement prioritizing and incentivizing the phase-out of animal testing in pharmaceutical development, a key strength of Charles River Laboratories. Additionally, Fiserv, a payments processing and fintech provider, released earnings that showed a step-down in organic growth in its merchant acquiring segment.

Visibility on the macroeconomy remains poor as tariff-induced price increases have yet to impact consumers. So far into 1Q earnings season, corporate outlooks have been lowered and/or strongly caveated with respect to tariffs. While almost all of the intramonth fall in the S&P 500 was recouped, the long term impact of tariffs seems far from settled.

## Manager Style Summary

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

**Mountain Pacific Investment Advisers**
Domestic Equity: Russell 2500 Benchmark

## Portfolio Guideline Compliance

| Portfolio Guideline: | Mtn Pac | RU 2500 | Calc | Min | Max | Compliance |
|---|---|---|---|---|---|---|
| B2. Security Market Cap (in $m) | | | | $100.0 | $7,500.0 | ok |
| B3. Wtd Avg Cap | 32458 | 7950 | 408% | 80% | 120% | check |
| B4. Number of issues | 37 | | | 35 | 55 | ok |
| B5. Security Positions <= 4% @ purchase | | | | | | ok |
| B6a. P/E (12-mo trail) | 27.61 | 24.68 | 112% | 80% | 120% | ok |
| B6b. Beta | 0.91 | 1.00 | 0.91 | 0.80 | 1.20 | ok |
| B6c. Yield | 1.00 | 1.63 | 61% | 80% | 120% | check |
| B6d. Expected Earnings Growth | 8.67 | 12.58 | 69% | 80% | 120% | check |
| E2. Commissions not to exceed $0.06/share | | | | | | ok |
| E3. Annual Turnover | 9% | | | | 60% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation. The median cap of the portfolio is $10.8 BN.

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

B6d. Earnings Growth: Earnings growth expectations for the portfolio were recently revised downward.

## Assets Under Management ($m) as of: Qtr 1 $ 1,677

## 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 | | |

**Peregrine Capital Management**

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Peregrine | 4.77% | -12.76% | 6.09% | 10.72% | 7.37% |
| Russell 1000 Growth | 1.77% | -10.15% | 14.53% | 15.60% | 17.23% |

## Portfolio Attributes

| Characteristics | Peregrine | RU 1000G |
|---|---|---|
| Mkt Value ($m) | 712.70 | N/A |
| Wtd Cap ($b) | 421.97 | 1387.97 |
| P/E | 37.39 | 26.89 |
| Beta | 1.06 | 1.00 |
| Yield (%) | 0.27 | 0.65 |
| Earnings Growth | 18.16 | 15.06 |

**Sector Analysis**

| Over-weight | Peregrine | RU 1000G |
|---|---|---|
| Financials | 15.54% | 7.46% |
| Health Care | 12.89% | 7.79% |
| Cons Disc | 18.74% | 14.65% |

| Under-weight | Peregrine | RU 1000G |
|---|---|---|
| Info Tech | 33.25% | 46.58% |
| Cons Stp | 0.00% | 3.79% |
| Comm Svc | 9.41% | 12.87% |

## Performance Attribution & Strategy Comments

April US equity markets were mostly lower with US large cap growth stocks providing a positive exception. All capital markets experienced history making levels of volatility following start/stop tariff announcements from the Trump administration. Peregrine's LCG strategy outperformed the Growth benchmark.
Economic growth in the near- to medium-term is expected to be negatively impacted by the new global trading paradigm. The chance for recession on a 12–18-month horizon increased from near zero odds previously to something more material. This diminished economic outlook dampens prospects for S&P500 revenues and cash flow growth. Earnings reports for 1Q quarter were generally resilient. Of course, tariffs dominated outlook discussions. The US Large Cap Vision companies so far have been providing outstanding revenue and earnings results and positive outlooks. Portfolio holdings weathered the tariff-driven market drawdown-relatively well
One laggard in the month was CoStar group. The company gave back some its Q1 outperformance after reporting first quarter results. We believe the market continues to wait for signs of company success in its residential real estate expansion. The portfolio's outperformance in the month was widespread. Cadence Design demonstrated strong core product growth and better than feared China growth. ServiceNow showed traction with their new AI workflow management products. Duolingo was up 25% after releasing approximately 150 options on their app. Uber continued to recover from a Q4 stock performance slump as competitive fears lessened about autonomous ride hailing services. Other Technology holdings were bid up for their revenue and free cash flow resiliency during the month. We trimmed 35 bps from our Alphabet Class C position.

## 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 | 4.49 | 10.02 | 2.2 | 1.2 | 2.0 | check |
| B5. P/E (Projected) | 21.28 | 37.39 | 1.8 | 1.0 | 2.0 | ok |
| B5. Dividend Yield | 1.36 | 0.27 | 0.2 | 0.1 | 0.8 | ok |
| B5. Beta | 1.00 | 1.29 | 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 | | 12% | | 15% | 30% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

B5. P/B: This measure typically is at a premium for faster growing companies earlier in their life-cycle than the more mature mix of companies in the S&P 500®. The Russell 1000® Growth is at a similar premium of ~10.5x. We don't expect this measure to come down to below 2x the S&P 500® in the near-term.

F3. Annual Turnover: Our normalized turnover remains approximately 20%. We expect 2025 to be above 15%.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 4,085

## 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: | 1 | Total Market Value ($m): | $ | 0.3 |
| | Reason(s): | A large, unexpected tax bill this year | | | |

**PineStone**

Global Equity: MSCI World Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| PineStone | 0.11% | -6.43% | 6.89% | N/A | N/A |
| MSCI World | 0.89% | -4.30% | 12.16% | N/A | N/A |

## Performance Attribution & Strategy Comments

Global Equity Markets experienced significant volatility in April. The announcement of "Liberation Day" tariffs on April 2 triggered a market sell-off, as the counter tariffs were broader and more punitive than widely expected. However, markets rebounded after President Trump announced a 90-day pause in implementing reciprocal tariffs for countries that had not yet adopted retaliatory measures. Equity markets later rebounded as the U.S. softened its trade stance and concerns over the Fed's independence diminished.

In April, the strategy was relatively flat in absolute returns and underperformed its benchmark. Security selection was relatively less successful across the Health Care, Consumer Discretionary and Industrials sectors, which detracted value. Partially offsetting this was sector allocation, with the lack of exposure to the underperforming Energy sector benefiting relative performance.

Among the top relative detractors held in the strategy for the month were United Health Group and Louis Vuitton Moet Hennessy. United Health Group's stock dropped following the release of its Q1 earnings, whereby the company lowered its EPS guidance by 12%. As for Louis Vuitton Moet Hennessy, the company released results that came in below expectations, particularly relating to its Fashion & Leather Goods division.

As for top relative contributors held in the strategy, these included Geberit and Keyence. Furthermore, not owning Apple helped. While European stocks initially declined following "Liberation Day", Geberit, the Swiss-based manufacturer and supplier of sanitary parts and related systems, outperformed over the period. The company has benefitted from continued raw material price declines. Furthermore, the company has continued to deliver solid execution in our view. As for Keyence, despite macroeconomic/tariff related uncertainties, it is believed that the Industrial company is nearing an upcycle with signs of increases in orders. The company benefits from higher automation demands particularly in high labor cost regions.

During the period, we exited our position in Spirax Sarco, driven by the Investment Team's relative preference for deploying the proceeds from the sale to add capital to higher conviction quality companies within the portfolio.

## 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 | | 30 | | 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 | | 4% | | 0% | 30% | ok |
| Europe ex UK | | 16% | | 10% | 50% | ok |
| UK | | 6% | | 0% | 50% | ok |
| Pacific ex Japan | | 0% | | 0% | 30% | ok |
| Emerging Markets | | 8% | | 0% | 20% | ok |
| Non-Index Countries | | 0% | | 0% | 20% | ok |
| Total | | 100% | | | | |
| B7. Normal Global Portfolio Characteristics | | | | | | |
| ROE | 12.8 | 30.0 | 235% | 100% | | ok |
| ROIC | 12.8 | 31.4 | 246% | 100% | | ok |
| Price/Earnings | 19.6 | 24.5 | 125% | 50% | | ok |
| Price/Book Value | 3.2 | 7.2 | 227% | 50% | | ok |
| Price/Cash Flow | 13.2 | 20.9 | 159% | 50% | | ok |
| Dividend Yield | 1.8 | 20.9 | 1150% | 25% | | ok |
| Market Capitalization | 657,618 | 554,327 | 84% | 25% | | ok |
| C2. Max value of forwards w/single counterpar | | 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 | | 8% | | 10% | 20% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ 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 1 $ 54,375

## Organizational/Personnel Changes

Ayssar Fernandez was promoted to Lead Analyst. Stephano Pascali was promoted to Analyst.

## Account Turnover

| | | | | |
|---|---|---|---|---|
| Gained: | Number of Accounts: | 15 | Total Market Value ($m): | 3,679 M$ |
| Lost: | Number of Accounts: | 1 | Total Market Value ($m): | 2.4 M$ |
| | Reason(s): | Assets being repurposed. | | |

**Pzena**

Global Equity:  MSCI ACWI Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Pzena | -1.61% | -0.33% | 9.13% | n/a | n/a |
| MSCI ACWI | 0.93% | -3.64% | 11.84% | n/a | n/a |

## Performance Attribution & Strategy Comments

Global equity markets declined markedly at the start of the month, as the Trump administration rolled out a slate of new tariffs on the U.S.'s trading partners. Concerns over global economic growth weighed on most markets during the month, though a pause on reciprocal tariffs led to many markets regaining their initial losses. Meanwhile, Chinese and U.S. equities posted monthly declines amid escalating trade tensions. Within the MSCI All Country World Index ("MSCI ACWI Index"), consumer staples, utilities, and industrials were the best performers. The energy sector posted a large decline this month, while health care also fell.

The Pzena Global Focused Value portfolio declined and underperformed the MSCI ACWI Index. Health care, information technology, and industrials detracted from relative performance. Consumer staples, utilities, and communication services contributed during April.

NOV Inc., a global provider of oilfield services and equipment, declined amid macroeconomic uncertainty and lower oil prices, which may lead to customers postponing capital expenditures. U.S. payments technology company, Global Payments, saw shares decline following the announcement of the acquisition of Worldpay and the divestiture of its Issuer Solutions business to FIS. While management cited the growth and scale benefits that this shift would bring, investors focused on the increased execution risk and balance sheet risks amid macro uncertainty. U.S. pharmaceutical company Bristol-Myers Squibb declined along with the wider pharma industry. Market caution reflected concerns over potential pharmaceutical tariffs and proposed tax reforms aimed at discouraging companies from recording profits overseas.

UK grocer Sainsbury's announced fiscal year results that highlighted continued strength in the grocery business and market share gains. Korean lender Shinhan Financial Group posted first-quarter results reflecting resilient earnings and stable core banking performance, with modestly higher credit costs from softening small and medium-sized enterprise and credit card trends. Discount retailer Dollar General rose during the month due to the company's lower import exposure relative to other retailers. Additionally, Dollar General generally benefits during economic downturns as consumers trade down from big-box retailers and drug stores.

## 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 | | 51 | | 40 | 60 | ok |
| B5. Normal Regional Exposures (* benchmark -/+ min/max): | | | | | | |
| Emerging Markets | 10% | 10% | | 0% | 25% | ok |
| Europe ex UK | 12% | 31% | | 0% | 42% | ok |
| Japan | 5% | 2% | | 0% | 35% | ok |
| North America | 67% | 45% | | 30% | 97% | ok |
| United Kingdom | 3% | 11% | | 0% | 33% | ok |
| Other | 3% | 1% | | 0% | 33% | ok |
| Total | | 100% | | | | |
| B6. Normal Global Portfolio Characteristics | | | | | | |
| Capitalization | 562684 | 61431 | 11% | 10% | 80% | ok |
| Price/Book Value | 3.1 | 1.2 | 38% | 20% | 100% | ok |
| Price/Earnings | 19.6 | 12.3 | 63% | 20% | 120% | ok |
| Dividend Yield | 1.9 | 3.6 | 184% | 75% | 200% | ok |
| B7. Price/Normalized Earnings in Q1 | | 87% | | 60% | 100% | ok |
| C2. Max value of forwards w/single counterpar | | 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 | | 24% | | 20% | 40% | 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 1 $ 69,448

## 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): Please note that Account Turnover displayed is for the Pzena Global Focused Value strategy in the month of March 2025. Data for April 2025 is not yet available.

**Sprucegrove**

International Equity:  MSCI EAFE Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Sprucegrove | 1.44% | 1.39% | 3.75% | - | - |
| MSCI EAFE | 4.58% | 6.18% | 12.57% | - | - |

## Performance Attribution & Strategy Comments

April 22, 2024 inception date.

International equity markets rebounded from the drop in early April following the tariffs announcement to produce a gain of 4.58%. However, most of the month's return is due to major currencies gaining against the US dollar, as major markets were flat in local currencies.

The Fund underperformed the index in April (1.44% vs 4.58%).

Stock selection in Industrials detracted the most and was the primary detractor. Japanese industrials, particularly in the equipment, tools, and distribution industries, were weaker due to the tariffs ' potential impact on their business and the overall economy. Stock selection in Financials lagged modestly; the Fund's larger holdings were flat following substantial gains.

From a country perspective, stock selection lagged the most in Japan for the aforementioned reasons. Emerging Markets were a modest detractor as Chinese holdings Tencent and Alibaba pulled back after sharp gains in the first quarter.

*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 | 64.0 | 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) | 11 | 3 | | ok |
| B8. Asia/Pacific country exposure (# of countries) | 4 | 3 | | ok |
| B9. Normal Country Exposures | | | | |
| Japan | 18% | 5% | 50% | ok |
| United Kingdom | 16% | 10% | 50% | ok |
| Canada | 2% | 0% | 10% | ok |
| United States (not permitted) | 0% | 0% | 0% | ok |
| Other MSCI EAFE Individual Country (not listed above) | 9% | 0% | 15% | ok |
| Total non-MSCI EAFE Country, exclude Canada | 12% | 0% | 15% | ok |
| Total non-MSCI EAFE Country, include Canada | 15% | 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 | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 13,988

## Organizational/Personnel Changes

We had one investment analyst join the firm during the first quarter of 2025.

## Account Turnover

| | | | | |
|---|---|---|---|---|
| Gained: | Number of Accounts: | 0 | ($m): | $ - |
| Lost: | Number of Accounts: | 5 | ($m): | $ (378.7) |
| | Reason(s): | Move to passive mandate, change of asset allocation, underperformance. | | |

**Walter Scott & Partners Limited**

Global Equity: MSCI World Benchmark

For the month of: **April** **2025**

| **Manager Performance Calculations** | | | | | ** Annualized returns* |
|---|---|---|---|---|---|
| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
| Walter Scott | 2.31% | -5.04% | 4.37% | 8.68% | 11.24% |
| MSCI World | 0.89% | -4.30% | 12.16% | 11.06% | 13.95% |

**Performance Attribution & Strategy Comments**

Global equity markets experienced fluctuating returns over April, driven by the speculation and reality of geopolitical and economic consequences resulting from US tariffs. Against this backdrop, the portfolio returned 2.3%, outperforming MSCI World (ndr), which returned 0.9%.

US markets were notably weak over the period, lagging the rest of the index. However, within this country, the portfolio's holdings proved more resilient than their benchmark peers, returning 1.7% compared to -0.5%. All the portfolio's outperformance can be attributed to the positive relative return within the US.

Within the US, the portfolio's absence from the energy sector, which was down 13%, contributed to the relative return. Healthcare and technology holdings were also key contributors, outperforming their respective peers.

For the US healthcare sector, outperformance was led by ResMed, Intuitive Surgical and Edwards Lifesciences. Within the technology sector, fibre optics specialist Amphenol was a standout performer, returning +17% and accounting for much of the positive relative return.

Elsewhere in the portfolio, leading cosmetics brand L'Oréal and healthcare services company Lonza performed well, returning +19% and +17% respectively. On the downside, French luxury goods brand LVMH fell by 9%.

Concerns over trade war may continue to haunt equity markets in the coming months. There are hopes that the reinstatement of US reciprocal tariffs can be avoided through dealmaking and economic pragmatism, while there is some speculation that the US and China may commence trade negotiations. However, even if the reciprocal levies are eventually shelved, the current overall US tariff rate has now been pegged notably higher.

This reset in global trading relations has widespread consequences on supply chains, inflation, elasticity of prices and demand and global economic growth. There may not be much scope for fiscal stimulus in the event of a significant downturn, with bond markets wary of excess government debt burdens. The Federal Reserve is maintaining a cautious view regarding the prospect of interest rate cuts, despite the exhortations of President Trump, although the ECB and the People's Bank of China have a clearer path in terms of loosening monetary 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 | 2% | | 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 | 68% | 60% | 75% | ok |
| Japan | 4% | 0% | 9% | ok |
| Europe ex UK | 14% | 8% | 22% | ok |
| UK | 4% | 0% | 12% | ok |
| Pacific ex Japan | 4% | 0% | 12% | ok |
| Emerging Markets | 4% | 0% | 12% | ok |
| Total | 98% | | | |
| B7. Normal Global Portfolio Characteristics | | | | |
| ROE | 27% | 10% | 20% | check |
| CROCE | 32% | 20% | 30% | check |
| Operating Margin | 19% | 15% | 25% | ok |
| Portfolio turnover | 2% | 0% | 20% | ok |
| Relative P/E | 1.3 | 1.0 | 1.4 | ok |
| Price/Book Value | 7 | 3 | 5 | check |
| Price Earnings | 27 | 22 | 34 | ok |
| Price/Cash Flow | 21 | 13 | 21 | ok |
| Dividend Yield | 1% | 1% | 3% | ok |
| E2. Brokerage commissions in bps | 4 | 4 | 13 | ok |
| E3. Annual turnover | 10% | | 30% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

B7. ROE: Net income has grown faster than shareholder equity for the portfolio's companies in aggregate.

B7. CROCE: Net cash from operating activities has grown faster than capital employed for the portfolio's companies in aggregate.

B7. Price/Book: As with net income (see ROE explanation), the price of the portfolio’s holdings has increased at a faster pace than their book values.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 73,440

## Account Turnover

| | | | | |
|---|---|---|---|---|
| Gained: | Number of Accounts: | 1 | Total Market Value ($m): | $ 249.9 |
| Lost: | Number of Accounts: | 2 | Total Market Value ($m): | $ 393.3 |

Reason(s): Client moving to OCIO, internal portfolio reshaping and competitive capital allocation process.

## Organizational/Personnel Changes

Malcolm Stuart and Christopher Murphy joined the firm in April 2025. There were no organisational changes.

**Wasatch Global Investors**

Emerging Markets Equity:  MSCI EM Benchmark

For the month of: **April** **2025**

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| Wasatch | 4.09% | -2.30% | n/a | n/a | n/a |
| MSCI EM | 1.31% | 2.45% | n/a | n/a | n/a |

## Country Allocation Comparison

| Over-weight | Wasatch | EM | Under-weight | Wasatch | EM |
|---|---|---|---|---|---|
| India | 34.69% | 19.18% | China | 11.88% | 29.63% |
| United States | 12.66% | 0.00% | South Korea | 2.86% | 9.29% |
| Brazil | 10.14% | 4.61% | Saudi Arabia | 0.00% | 3.92% |

## Performance Attribution & Strategy Comments

April was a month of high volatility in emerging-market stocks as investors assessed the likely impacts of a reciprocal tariff regime announced by U.S. President Donald Trump. Following a deep initial decline, the MSCI Emerging Markets Index clawed its way back into positive territory, finishing the month up 1.31%. In what was a volatile period, emerging-market equities generally outperformed U.S. stocks. For the month, the Wasatch Emerging Markets Select strategy outperformed its benchmark.

On a geographic basis, stock selection and overweight positioning in Brazil were large contributors to relative performance. However, the strategy's holdings in Korea detracted from relative results.

At the sector level, stock selection in the financials and consumer-discretionary sectors contributed most to performance relative to the benchmark. Conversely, holdings in the consumer-staples sector detracted most from the strategy's relative performance.

The largest contributors to performance for the month included MercadoLibre, Inc. (MELI), a Latin American e-commerce and fintech giant; NU Holdings Ltd. (NU), a fintech bank based in Brazil; and AU Small Finance Bank Ltd., which targets unbanked and underbanked low- and middle-income borrowers in India.

The largest detractors from strategy performance included Meituan, a leading operator of online platforms for meal delivery, consumer products and retail services in China; Trip.com Group Ltd. (TCOM), a China-based online travel agency; and Tencent Holdings Ltd., a Chinese online-gaming giant.

## 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 | | 31 | | 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 | 99% | 82% | | 60% | 100% | ok |
| Other | 1% | 18% | | 0% | 40% | ok |
| Total | | 100% | | | | |
| Normal Global Portfolio Characteristics (Relative to the Index) | | | | | | |
| Price/Earnings (fwd) | 11.9 | 25.7 | 216% | 50% | NA | ok |
| ROE | 17.6 | 24.4 | 139% | 50% | NA | ok |
| 3-5 Yr.Est. Growth | 12.1 | 27.5 | 227% | 50% | NA | ok |
| No derivatives, short sales, commodities, margin or currency hedging | | | | | | Yes |
| Annual turnover | | 107% | | 10% | 60% | check |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | ☑ Yes | ☐ No |

## Manager Explanations for Deviations from Portfolio Guidelines

Turnover: Portfolio in-kind transfer of an ETF. Strategy turnover = 35%.

## Total Firm Assets Under Management ($m) as of: Qtr 1 $ 25,245

## Organizational/Personnel Changes

None

## Account Turnover

| | | | | | |
|---|---|---|---|---|---|
| Gained: | Number of Accounts: | 3 | Total Market Value ($m): | $ | 10.0 |
| Lost: | Number of Accounts: | 0 | Total Market Value ($m): | $ | - |
| | Reason(s): | | | | |

**WCM**

Emerging Markets Equity: MSCI EM Benchmark

| For the month of: | April | 2025 |
|---|---|---|

## Manager Performance Calculations

** Annualized returns*

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|---|---|---|---|---|---|
| WCM | 3.13% | -0.68% | N/A | N/A | N/A |
| MSCI Emerging Markets | 1.34% | 2.54% | N/A | N/A | N/A |

## Country Allocation Comparison

| Over-weight | WCM | EM | Under-weight | WCM | EM |
|---|---|---|---|---|---|
| Singapore | 5.77% | 0.02% | India | 11.42% | 19.21% |
| Brazil | 10.27% | 4.55% | Taiwan | 12.66% | 17.08% |
| Peru | 2.65% | 0.20% | Saudi Arabia | 1.32% | 3.92% |

## Performance Attribution & Strategy Comments

During April 2025, the portfolio outperformed its benchmark, the MSCI Emerging Markets, with a total return of 3.13% compared to the benchmark's 1.34%. This resulted in a total effect of 1.79% on the portfolio's performance. The positive performance was primarily driven by a strong stock selection effect of 1.96%, although this was slightly offset by a negative country allocation effect of -17 basis points. Brazil contributed positively with 86 basis points to the performance, while India detracted -48 basis points. The Financials sector contributed significantly to the portfolio's performance with a total effect of 1.21%. However, the Health Care sector detracted from performance, showing a negative impact of -19 basis points.

139750 experienced a notable recovery after an initial decline in relative performance against the MSCI Emerging Markets, starting with a significant underperformance of -2.58% for the week ending on April 4th, followed by successive gains of 1.43%, 1.40%, and 1.45%, culminating in a modest increase of 16 basis points by the week ending on April 30th. This trajectory was influenced by a turnaround in stock selection from a loss of -1.84% to gains of 92 basis points, 1.27%, 1.08%, and 59 basis points, while country allocation effects varied from a loss of -74 basis points to gains of up to 37 basis points. Notably, Singapore and China were significant contributors to these fluctuations, with Singapore moving from a detracting -99 basis points to a contributing 70 basis points, and China enhancing the portfolio's performance by 38 basis points and 37 basis points in subsequent weeks. The sectors of Financials and Industrials were significant contributors with impacts of 78 basis points and 87 basis points respectively, while Communication Services detracted most significantly with -1.04% initially but improved to contribute 41 basis points by the end of the month.

## Manager Style Summary

*WCM will manage an emerging markets equity portfolio. WMC'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 | 87% | | 80% | 100% | ok |
| Number of countries in the portfolio | 17 | | 3 | N/A | ok |
| Number of global industries | 25 | | 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) | 20% | | | 30% | ok |
| Single Sector (% MV) | 27% | | | 50% | ok |
| Single position (% MV) | 8% | | | 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 4 $ 91,659

## 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 — Apr 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 | **0.5%** | **-1.1%** | **8.3%** | **5.7%** | **8.4%** |
| Strategic Policy ☆ | | 0.5% | -0.7% | 10.0% | 5.9% | 8.6% |
| Policy *(55% R3000, 15% MSCI EAFE, 30% BCAgg)* | | 0.5% | -3.3% | 10.4% | 8.5% | 9.8% |
| **Calvert Balanced Fund** [1]** | CBARX | **0.0%** | **-4.6%** | **12.3%** | **8.8%** | **9.8%** |
| Custom Bench *(60% R1000, 40% BCAgg)* | | -0.2% | -3.8% | 10.5% | 8.0% | 9.0% |
| **Capital Preservation** | | | | | | |
| **PERSI Short-Term Investment Portfolio** ♠ | n/a | **0.3%** | **1.0%** | **5.0%** | **4.3%** | **2.6%** |
| ICE BofA US 3-month T-bill Index | | 0.3% | 1.0% | 4.9% | 4.4% | 2.6% |
| **Bond** | | | | | | |
| **US Bond Index Fund** | n/a | **0.4%** | **2.6%** | **8.0%** | **1.9%** | **-0.8%** |
| **Dodge and Cox Fixed Income Fund** [5] | DOXIX | **0.3%** | **2.5%** | **8.7%** | **3.4%** | **1.5%** |
| Bloomberg Aggregate | | 0.4% | 2.6% | 8.0% | 2.0% | -0.7% |
| **US TIPS Index Fund** | n/a | **0.1%** | **3.0%** | **8.1%** | **0.7%** | 1.8% |
| Bloomberg US TIPS Index | | 0.1% | 3.0% | 8.1% | 0.8% | 1.8% |
| **U.S. Equity** | | | | | | |
| Russell 3000 | | -0.7% | -8.3% | 11.4% | 11.4% | 15.1% |
| *Large Cap* | | | | | | |
| **U.S. Large Cap Equity Index Fund** | n/a | **-0.7%** | **-7.5%** | **12.0%** | **12.1%** | **15.5%** |
| **Vanguard Growth & Income Fund** [2] | VGIAX | **0.4%** | **-7.9%** | **11.1%** | **11.9%** | **15.9%** |
| S&P 500 | | -0.7% | -7.5% | 12.1% | 12.2% | 15.6% |
| *Small/Mid Cap* | | | | | | |
| **U.S. Small/Mid Cap Equity Index Fund** [3] | n/a | **-0.9%** | **-14.1%** | **5.3%** | **6.3%** | **11.8%** |
| Dow Jones U.S. Completion Total Stock Market Index | | -0.8% | -13.9% | 5.6% | 6.1% | 11.5% |
| *Small Cap* | | | | | | |
| **T. Rowe Price Small Cap Stock Fund** [4] | TRSSX | **-1.3%** | **-9.4%** | **5.5%** | **4.9%** | **10.0%** |
| Russell 2000 | | -2.3% | -13.8% | 0.9% | 3.3% | 9.9% |
| *Specialty* | | | | | | |
| **US REIT Index Fund** | n/a | **-2.8%** | **-2.9%** | 15.0% | -0.9% | 8.4% |
| Dow Jones U.S. Select REIT | | -2.8% | -2.8% | 15.2% | -0.8% | 8.6% |
| **International Equity** | | | | | | |
| **International Equity Index Fund** | n/a | **3.7%** | **6.5%** | **13.1%** | **10.6%** | 11.7% |
| **T. Rowe Price Overseas Stock** | TROIX | **3.1%** | **5.6%** | **11.4%** | N/A | N/A |
| MSCI EAFE net dividend | | 4.6% | 6.2% | 12.6% | 10.1% | 11.4% |
| **DFA Emerging Markets Core Equity I** | DFCEX | **0.6%** | **1.3%** | **5.5%** | N/A | N/A |
| MSCI EMF | | 1.3% | 2.5% | 9.6% | 4.3% | 6.8% |

*** 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*

# PERSI Choice Plan Summary — Apr 2025

## Performance - Net of fees

| | | | Alloc by Fund | Alloc by Asset Class |
|---|---|---|---|---|
| ***Balanced*** | | | | **76.9%** |
| **PERSI Total Return Fund** | $ | 1,315,953,700 | 76.1 % | |
| **Calvert Balanced Fund** | $ | 14,147,481 | 0.8 % | |
| ***Capital Preservation*** | | | | **2.9%** |
| **PERSI Short-Term Investment Portfolio** *(ML 0-3mo T-bill)* | $ | 50,007,243 | 2.9 % | |
| ***Bonds*** | | | | **2.1%** |
| **U.S. Bond Index Fund** *(BC Aggregate)* | $ | 14,146,021 | 0.8 % | |
| **U.S. TIPS Index Fund** *(BC US TIPS)* | $ | 6,363,028 | 0.4 % | |
| **Dodge and Cox Fixed Income Fund** *(BC Aggregate)* | $ | 16,215,456 | 0.9 % | |
| ***U.S. Equity*** | | | | **16.3 %** |
| ***Large Cap*** | | | | |
| **U.S. Large Cap Equity Index Fund** *(S&P 500)* | $ | 109,521,622 | 6.3 % | |
| **Vanguard Growth & Income Fund** *(S&P 500)* | $ | 93,429,819 | 5.4 % | |
| ***Small/Mid Cap*** | | | | |
| **U.S. Small/Mid Cap Equity Index Fund** *(DJ USTSMI)* | $ | 36,172,589 | 2.1 % | |
| ***Small Cap*** | | | | |
| **T. Rowe Price Small Cap Stock Fund** *(R2000)* | $ | 36,224,460 | 2.1 % | |
| ***Specialty*** | | | | |
| **U.S. REIT Index Fund** *(DJ US Select REIT)* | $ | 5,736,676 | 0.3 % | |
| ***International Equity*** | | | | **1.0 %** |
| **International Equity Index Fund** *(MSCI EAFE)* | $ | 15,922,709 | 0.9 % | |
| **T. Rowe Price Overseas Stock** | $ | 696,140 | 0.0 % | |
| **DFA Emerging Markets Core Equity I** | $ | 979,000 | 0.1 % | |
| ***Other*** | | | | **0.8 %** |
| **Loans** | $ | 13,911,864 | 0.8 % | |
| ***Total DC Plan*** | **$** | **1,729,427,808** | **100%** | **100.0 %** |

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

PERSI
Public Employee Retirement System of Idaho

May 20, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director and Alex Simpson, Deputy Director
SUBJECT: Operations / Administration Update


**Summary:**

Executive Agency Legislation, Idaho Code Cleanup, and Administrative Rules season is now upon us.


**Key Discussion:**

Executive Agency Legislation Process (EALS):

- June 13th is the last day to meet with the Governor's office on legislative ideas.
- June 30th is the last day to submit legislative ideas.
- August 8th all proposed legislative language, statement of purpose and fiscal impact are due.
- October 17th is the last day to submit final changes to legislation.
- There is one (1) current proposed legislative idea, for a technical correction to 59-1358(9).

Idaho Code Cleanup Act:

- HB 14, Idaho Code 67-3701
- Requires review of all Idaho Code to identify all obsolete, outdated or unnecessary and provide a report to LSO by September 1st.
- This will be considered a second legislative idea submittal.
- June 1st – Identify obsolete, outdated, or unnecessary code sections.
- June 20th – Revied by legal (reviewing attorney).
- June 27th – Reviewed by agency head.
- August 1st – Submitted to DFM and the Governor's office.

Administrative Rules:

- May 21st – Administrative rules training.
- Overview of rulemaking process, preview of new website, information on changed to rule request forms.

**Action:**

Staff requests the Board approve the two (2) legislative ideas for submission to the Governor's office and DFM.

1) Technical corrections to 59-1358(9).
2) Idaho code cleanup act.

# EALS 2026-01

59-1308. SUPPLEMENTAL BENEFIT PLAN — CONTRIBUTIONS AND EXPENSES OF THE SUPPLEMENTAL BENEFIT PLAN — INDEMNIFICATION. (1) The state shall sponsor and the board shall administer one (1) or more supplemental benefit plans to be used for allocation of extraordinary gains as provided in section 59-1309, Idaho Code, and for voluntary contributions of active members. The supplemental plans may be established under the qualified requirements of section 401(a) of the Internal Revenue Code and with the qualified cash or deferred arrangements under section 401(k) of the Internal Revenue Code or any other tax-deferred plan permitted by law, as determined by the retirement board. The board is authorized to secure such qualified staff and consultants as it determines necessary to establish and administer such plans. Employee and employer contributions shall be permitted according to the provisions of these plans as established by the board. For purposes of this section, "employee" shall mean a participant as defined in the supplemental benefit plan documents or board rules.

(2) The board is authorized, but not required, to establish separate trust funds to hold the assets of the supplemental benefit plans created under this section. The investment options available under supplemental benefit plans shall be determined by the board and may include but are not limited to investment in all or part of the public employee retirement fund and use of private vendor options.

(3) Supplemental benefit plans shall be available to all active members and shall be in addition to any other retirement or tax-deferred compensation system established by the employer. The board may provide educational opportunities related to supplemental benefit plans and retirement savings, as determined by the board.

(4) Accounts shall be established in supplemental benefit plans for all active members eligible for an extraordinary gains transfer under section 59-1309, Idaho Code. After the initial transfer of extraordinary gains, any active member may make additional voluntary contributions to his/her account, subject to applicable limitations, by authorizing his/her employer to contribute an amount by payroll deduction to the supplemental benefit plan in lieu of receiving such amount as salary. The amount of such contributions shall be subject to any limitations established by the board or state or federal law. The employer shall provide coordination of contributions between multiple plans to assure that contribution limits are not exceeded. Should aggregate contributions to multiple plans exceed applicable limits, excess contributions shall be deemed to apply exclusively to plans not created by this chapter. In the event a preexisting plan is used as a supplemental plan, voluntary contributions may continue to be made to that plan despite the absence of extraordinary gains transfers.

(5) For purposes of this section, the employer is authorized to make such deductions from salary for any employee who has authorized such deductions in writing. The employer shall forward all contributions under this section to the board by the fifth working day

after each payroll, in addition to reports as directed by the board. Any costs incurred by the board, whether direct or indirect, due to an employer's failure to properly withhold, transfer, limit and report contributions, shall be the responsibility of the employer and shall be immediately due and payable upon notice from the board. This includes but is not limited to costs associated with plan corrections. Such costs shall be treated as delinquent contributions under section 59-1325, Idaho Code.

(6) The board may enter into agreements with employers or require participation to implement the supplemental benefit plans, and the board may designate administrative agents to execute all necessary agreements pertaining to the supplemental benefit plans.

(7) All contributions received from participants in the supplemental benefit plans shall be deposited with a trustee designated by the board. All such funds are hereby perpetually appropriated to the board, shall not be included in the department's budget, and may be invested or used to pay for investment and administrative expenses of the supplemental benefit plans. Inactive members may be required to transfer supplemental benefit plan account balances as determined by the board.

(8) The board may establish rules to implement and administer supplemental benefit plans. Costs of administration shall be appropriated by the legislature and may be paid from the interest earnings of the funds accrued as a result of the deposits or as an assessment against each account, to be decided by the board. Investment-related expenses are exempt from appropriation.

(9)(a) Qualified pre-tax contributions and investment earnings under the supplemental benefit plans shall be in compliance with the requirements of sections 401(a) and 401(k) of the Internal Revenue Code or any other tax-deferred plan permitted by law.

(b) Qualified ~~after-tax contributions~~ Roth contributions and investment earnings shall be in compliance with the requirements of sections 401(a),401(k), and 402A of the Internal Revenue Code~~.~~; and

(c) Distributions of funds held in supplemental benefit plan accounts are subject to federal law limitations. The board may provide for retirement disbursement options other than lump sum payments.

(10) All additional contributions made by the employee under this section shall continue to be included as regular compensation for the purpose of computing the employer and employee retirement contributions and pension benefits earned by an employee under this chapter, but such sum shall not be included in the computation of any income taxes withheld on behalf of any employee. However, funds accrued in a supplemental benefit plan account shall not be considered in determining any other benefits under this chapter.

(11) The provisions of sections 59-1316 and 59-1317(1), (2) and (5), Idaho Code, shall also apply to the supplemental benefit plans created under this section. Should a court order that an assignment be made to a participant's spouse or former spouse of all or part of an account created under this section, the assignment shall be separate and distinct from any approved domestic retirement order required by section 59-1317(4), Idaho Code. Requirements for assignments of supplemental accounts may be set forth in rule or other plan documents.

(12) Members of the retirement board or retirement system staff shall, jointly or individually, be provided a defense and indemnified against all claims, demands, judgments, costs, charges and expenses, including court costs and attorney’s fees, and against all liability losses and damages of any nature whatsoever arising out of and in the course and scope of their official duties and functions in administering any plans created pursuant to the provisions of this section to the same extent as provided in section 59-1305(1), Idaho Code. The venue of all actions in which the retirement board or retirement staff is a party shall be in Ada county, Idaho.

EALS 2026-02

# Idaho Code Cleanup Act
# Guidance

April 2025

Official Guidance on the implementation of the Idaho Code Cleanup Act (House Bill 14 | Idaho Code 67-3701, et seq).

Division *of* Financial Management
Executive Office of the Governor

During the 2025 Legislative Session, Governor Little signed House Bill 14 ("**Idaho Code Cleanup**"). By signing this bill, Governor Little continues to make Idaho the least regulated state in the country. This bill requires agencies to report any code chapters, sections, or subsections that the agencies find obsolete, outdated, or unnecessary. It immediately took effect upon the Governor's signature.

When implementing Idaho Code Cleanup, agencies should do so with the goal of conducting a full review of its statutes to develop Executive Agency Legislation ("**EAL**") to eliminate chapters, sections, or subsections identified as obsolete, outdated, and/or unnecessary. We outlined 6 steps to help agencies manage their time for meeting the deadlines for EAL and implementing Idaho Code Cleanup.

PERSI
Public Employee Retirement System of Idaho

**May 20, 2025**

To: PERSI Board of Directors
From: Choice 401(k) Plan Manager
Subject: PERSI Choice 401(k) Plan, 12th Amended Plan Document

## Summary:

Federal legislation (SECURE and SECURE 2.0) contain provisions that require changes be made to the PERSI Choice 401(k) Plan (the "Plan"). We worked with legal counsel (internal and external) to create a 12th Amended Plan document, which incorporates those provisions.

## Key Discussion:

- These main provisions were amended in accordance with the federal legislation
  - Addition of a Roth contribution source
  - Eligibility criteria
  - Required Minimum Distribution provisions
- Background on the "Effective, generally, January 1, 2026" phrasing
  - These provisions are effective as of the date they may be implemented by the PERSI employers, and Empower, no later than January 1, 2026
    - Section 2.1 pertaining to expanded eligibility of employees eligible to participate in the Plan
    - Section 3.1(a)(3) pertaining to allowing employees to designate salary deferral contributions as "Roth" contributions

## Action:

Two versions of the 12th Amended Plan Document are included with this Board packet. One version tracks the changes made in the Plan Document, and one is a "clean" version. No action is required by the Board today. This will be an agenda item in the July Board meeting, at which time Board action will be requested.

# PERSI CHOICE 401(k) PLAN
# 12TH AMENDED PLAN DOCUMENT
# MAY 20, 2025

# EFFECTIVE, GENERALLY, JANUARY 1, 2026

- These provisions are effective as of the date they may be implemented by the PERSI employers, but no later than January 1, 2026:
  - Section 2.1 pertaining to expanded eligibility of employees eligible to participate in the plan
  - Section 3.1(a)(3) pertaining to allowing employees to designate salary deferral contributions as "Roth" contributions
- This will provide employers with the time needed to implement necessary changes in their payroll systems
- The Plan's record keeper, Empower, also needs time to get the Roth feature in place for our Plan

# SUMMARY OF PLAN CHANGES

- Eligibility definition expanded
- Roth contribution type added
- Enhanced contribution limit for participants aged 60 through 63
- Required Minimum Distributions
- Beneficiary Designation
- Employer Contributions
- Cleanup outdated sections
    - Moved to new Section 11.7 Historical Provisions

# ELIGIBILITY

SECURE and SECURE 2.0 require the Plan be offered to long-term part-time employees, described as:

- An employee who has worked for the employer at least 500 hours per year, for two consecutive years, and has met the minimum age requirement of 21

The definition in the amended Plan Document is simpler:

- An employee who is employed by a PERSI employer and receives W-2 wages is immediately eligible to participate in the Plan

Employers must implement this no later than January 1, 2026

# ROTH CONTRIBUTION SOURCE

Effective January 1, 2026, age 50 catch-up contributions for participants whose prior year wages were $145,000 or greater (indexed for inflation) must be made on a Roth basis

Options:

- Add a Roth contribution source, or
- Eliminate the ability for participants aged 50 or older to make catch-up contributions

The Roth contribution source will be available for all Plan participants

An in-plan Roth conversion option will also be available

# PARTICIPANTS AGED 60 THROUGH 63 – ENHANCED CATCH-UP CONTRIBUTION LIMITS

Optional provision in SECURE 2.0

The PERSI Board opted out of this as of January 1, 2025, at the request of PERSI staff

- Implementing it would require changing the pension administration system

The Board asked to have this option allowed when possible

By July 1, 2025, employers to report directly to Empower rather than through PERSI, so PERSI system constraints are no longer a factor

This amendment makes this option available for participating employers

It's not tied to the January 1, 2026, effective date

# REQUIRED MINIMUM DISTRIBUTIONS

Changes required by SECURE 2.0 have been addressed

Legal counsel made them based on the model IRS language

# BENEFICIARY DESIGNATION

Current plan document contains this provision in Section 2.3(a):

- "When no designation of a Beneficiary is made by the Participant, the designation made by such Participant in the PERSI Base Plan shall apply to this Plan except as provided in Section 2.3(b)."

That has been removed.

# EMPLOYER CONTRIBUTIONS

The current Plan Document requires review and approval by PERSI staff of any employer contribution arrangement an employer may want to make.

The PERSI pension administration system is programmed to allow only those approved arrangements to be processed in the transmittals.

The record keeper's system would allow any employer contribution to be processed, without going through a review and approval process.

The review and approval provisions have been removed from this amended Plan Document.

# IDAHO CODE SECTION 59-1308(9) UPDATE

The current Statute provides for the ability to accept after-tax contributions

"After-tax" will be replaced with "Roth"

The Internal Revenue Code treats "after-tax" contributions differently than "Roth" contributions. For example, Roth contributions are subject to annual IRS salary deferral limits, but after-tax contributions are not.

# SECTION 11.7 HISTORICAL PROVISIONS

Outdated provisions of the Plan Document were removed from the body of the document and moved to this new Historical Provisions section.

# NEXT STEPS

No action is required of the Board at this meeting

This 12th Amended Plan Document will be on the agenda for the July 29th, Board meeting

At that time, the Board will be asked to take action on this item

# QUESTIONS? COMMENTS?

THANK YOU!

PERSI

# PERSI

# 401(k) PLAN

## Effective February 1, 2001

**As amended effective, generally, January 1, 2026 (twelfth) amended plan)**

# INTRODUCTION

On July 1, 1971, the State of Idaho Department of Health and Welfare adopted a supplemental retirement plan known as the State of Idaho Department of Health and Welfare Supplemental Retirement Plan. On April 1, 1972, the State of Idaho Department of Lands adopted a similar supplemental retirement plan known as the State of Idaho Department of Lands' Supplemental Retirement Plan. These plans were adopted before section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") became effective. However, since both plans provided for pre-tax contributions from their inception, they became subject to section 401(k) when that section became effective.

On October 1, 1994, the state of Idaho adopted the Idaho Super Saver 401(k) Plan (the "grandfathered plan"). At that time, most of the assets of the State of Idaho Department of Health and Welfare Supplemental Retirement Plan and the State of Idaho Department of Lands' Supplemental Retirement Plan were transferred to the grandfathered plan. Initially, the grandfathered plan was available only to employees of the Department of Health and Welfare and the Department of Lands.

On March 14, 1995, section 59-1308 of the Idaho Code was enacted into law. That legislation gave the Retirement Board of the Public Employee Retirement System of Idaho (the "Board") the authority to extend the grandfathered plan to the same group of employees as is covered under the Public Employees Retirement System of Idaho (PERSI). Subsequently, the grandfathered plan was extended to cover all employees of the State of Idaho but was not extended to cover all employees covered by PERSI, such as employees of political subdivisions and school districts.

Beginning in June 1999, PERSI sought, and in April 2000, secured a private letter ruling from the Internal Revenue Service confirming that the grandfathered plan could be extended to cover all employees eligible to participate in the PERSI plan without jeopardizing its status as a qualified cash or deferred arrangement within the meaning of Code section 401(k). Since the grandfathered plan as extended does not violate section 401(k)(4)(B) of the Code, Treasury regulations permit PERSI to adopt a separate and independent 401(k) plan that covers all employees eligible to participate in the PERSI plan, including but not limited to employees of political subdivisions and school districts. Consequently, PERSI hereby adopts this PERSI 401(k) Plan (the "Plan"), which plan is separate and distinct from the Idaho Super Saver 401(k)

Plan that will continue to operate independently until terminated and/or combined with the PERSI 401(k) Plan. The Idaho Super Saver 401(k) merged into the Plan effective October 1, 2001.

The Plan consists of the qualified cash or deferred arrangement under Code Section 401(k). The Plan is intended to be a "governmental plan" within the meaning of Code Section 414(d) and within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and, as such, is exempt from provisions of Title I of ERISA.

The twelfth amended plan is adopted to make changes to the plan to add Roth deferrals and make changes to comply with the requirements of recent federal regulations, primarily the Setting Every Community Up for Retirement Enhancement Act of 2022. The twelfth amended plan is adopted generally effective January 1, 2026, except as otherwise provided in the plan.

## ARTICLE I
## DEFINITIONS

As used herein, unless otherwise required by the context, the following words and phrases shall have the meanings indicated:

Appropriate Request – A request by a Participant or Beneficiary in the form and manner provided by the Board or the Plan's recordkeeper that is appropriate for the intended purpose. If the Board and the Plan's recordkeeper so agree, an Appropriate Request may be executed over the telephone or Internet. To constitute an Appropriate Request, such request must be completed correctly and, if required to be in writing, duly executed and delivered to a designated recipient.

Beneficiary - Any person designated as a Beneficiary by a Participant, or subsequently designated by the Participant's Beneficiary following the death of both the Participant and the first designated Beneficiary, under Section 2.3 or deemed to be a Beneficiary under Section 2.3 to receive such benefits as may become payable hereunder after the death of such Participant or Beneficiary.

Board - The board provided for in Section 8.1 to administer the Plan.

Code - The Internal Revenue Code of 1986, as amended.

Deferral Compensation - The Section 415 Compensation paid to an Employee by the Employer for his services. Deferral Compensation in excess of $350,000 (or such different amount as may be applicable under Code Section 401(a)(17)(B)) shall not be taken into account. Effective July 1, 2009, Deferral Compensation will not include differential wage payments (as defined in Section 3401(h) of the Code).

Disability – The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of 12 months or more, as certified by a licensed physician selected by the Participant and approved by the Employer. This standard is different from the standard applicable to the PERSI Base Plan.

Eligible Employee - An Employee eligible for participation under Section 2.1.

Employee - Any person employed by the State or any political subdivision or governmental entity within the State that participates in the PERSI Base Plan. Any participant in the Idaho Super Saver 401(k) plan on September 30, 2001. Effective July 1, 2009, an individual receiving a differential wage payment, as defined in Section 3401(h)(2) of the Code, from the Employer is treated as an Employee. Notwithstanding the preceding sentences, the following shall not be considered an Employee for purposes of this Plan: (1) any individual who is classified as an independent contractor by an Employer, regardless of such individual's classification by the Internal Revenue Service for tax withholding purposes; (2) any individual who is a nonresident alien and who receives no earned income from his Employer which constitutes income from sources within the United States; or (3) any individual who is otherwise excluded from participation hereunder by the terms of this Plan.

Employee Pre-Tax Sub-Account - That portion of a Participant's Individual Account attributable to the Employee Pre-Tax Contributions allocated to such Participant under Section 4.2 and any earnings or losses on such contributions, and effective October 1, 2001, employee pre-tax contributions transferred from the Idaho Super Saver 401(k) plan as a result of the October 1, 2001 merger. Employee pre-tax contributions transferred from the Idaho Super Saver 401(k) plan shall be a separate sub-account within the Employee Pre-Tax Sub-Account.

Employee Pre-Tax Contributions - Contributions made to the Plan by the Employer on behalf of an Employee under Section 3.1(a)(1) pursuant to a salary reduction agreement entered into between the Participant and his Employer.

Employee Roth Contributions – Contributions made to the Plan by the Employer on behalf of an Employee under Section 3.1(a)(3) pursuant to a salary reduction agreement entered into between the Participant and his Employer that are not excludable from gross income and are intended to satisfy the requirements of Section 402A of the Code.

Employee Roth Sub-Account - That portion of a Participant's Individual Account attributable to the Employee Roth Contributions allocated to such Participant under Section 4.2(b) and any earnings or losses on such contributions.

Employer - Collectively or individually as the context may indicate, the State of Idaho, its agencies and instrumentalities, local school districts, and political subdivisions of the State of Idaho who participate in PERSI, and all other entities who participate in PERSI.

Employer Contributions - Contributions made to the Plan by the Employer under Section 3.2.

Employer Contributions Sub-Account - That portion of a Participant's Individual Account attributable to the Employer Contributions allocated to such Participant under Section 4.3 and any earnings or losses on such contributions.

Fund - The Trust Fund.

Individual Account - The aggregate of a Participant's Employee Pre-Tax Sub-Account, Employee Roth Sub-Account, Employer Contribution Sub-Account and Rollover Sub-Account. A Participant shall be 100% vested in his Individual Account at all times.

Investment Option – The investment vehicle elected by the Participant in accordance with Section 2.4 for investment of his Individual Account. The Board may add, change or delete the available Investment Options at any time.

Limitation Year - January 1 - December 31.

Normal Retirement Age - Age 50.

Participant - Any Employee or former Employee who has an Individual Account balance and any Employee who has met the eligibility requirements of Section 2.1. Participation ends in accordance with Section 2.2.

Plan - The PERSI 401(k) Plan, as contained herein or as duly amended.

Plan Year - July 1 – June 30.

Prime Rate - The "prime rate," as published in the "Money Rates" section of the *Wall Street Journal*.

Rollover Contributions - Contributions made to the Plan under Section 3.3.

Rollover Sub-Account - That portion of a Participant's Individual Account attributable to the Rollover Contributions allocated to such Participant under Section 4.4 and any earnings or losses on such contributions. Rollover contributions transferred as a result of the October 1, 2001 merger of the Idaho Super Saver 401(k) shall be a separate sub-account within the Rollover Sub-Account. In-plan Roth conversions or a rollover containing Roth contributions pursuant to Section 3.3 may be allocated to a separate sub-account within the Rollover Sub-account.

Section 415 Compensation – Effective beginning July 1, 2001, an Employee's wages as defined in Code Section 3401(a) and all other payments of compensation to an Employee by an Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d) and 6051(a)(3) (Form W-2). Section 415 Compensation shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). Section 415 Compensation also includes any elective deferrals as defined in Code Section 402(g)(3), including Employee Pre-Tax Contributions and Employee Roth Contributions to this

Plan, and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f) or 457.

In accordance with Treasury Regulation §1.415(c)-2(e)(3), Section 415 Compensation includes (1) amounts that would have been paid in the absence of a severance from employment and is regular pay for services (such as regular wages, overtime or shift differential), commissions, bonuses, or other similar compensation; and (2) amounts that are payment for accrued bona fide sick, vacation, or other leave that could have been used if employment continued provided such payments are made by the later of 2½ months after severance from employment or the last day of the Limitation Year that includes the date of the severance from employment. Effective July 1, 2009, Section 415 Compensation will include differential wage payments as defined in Section 3401(h) of the Code.

State – The state of Idaho.

Treasury Regulation - Interpretations of the Code promulgated by the United States Department of the Treasury and generally codified in Title 26 of the Code of Federal Regulations.

Trust Agreement - The agreement entered into between the Board and the Trustee or Custodian under Article VII.

Trust Fund - All funds received by the Trustee together with all income, profits and increments thereon, and less any expenses or payments made out of the Trust Fund.

Trustee - Such individual, individuals, financial institution, or a combination of them as shall be designated in the Trust Agreement to hold in trust any assets of the Plan for the purpose of providing benefits under the Plan, and shall include any successor trustee to the Trustee initially designated thereunder.

Valuation Date – Each business day of the Plan Year as of which Individual Accounts are valued.

## ARTICLE II
## ELIGIBILITY AND PARTICIPATION

2.1 Eligibility

(a) Any Employee who has received a gain sharing distribution as provided in section 59-1309, as long as he remains an Employee.

(b) Any active member in the PERSI Base Plan so long as he remains an Employee.

(c) Effective no later than January 1, 2026, all Employers shall cause all Employees who receive income reportable under Code Section 3401 (wages for purposes of reporting on Form W-2, or any successor form) to be treated as Eligible Employees.

(d) Any member of the Judge's Retirement Fund created by Title 1, Chapter 20, Idaho Code, so long as he remains an Employee.

(e) Any member of the Idaho Department of Labor Retirement Plan created by Section 72-1335, Idaho Code, so long as he remains an Employee.

2.2 Participation

(a) On and after July 1, 2001, each Eligible Employee may, by making an Appropriate Request, enter into a salary reduction agreement in accordance with Section 3.1(a). Such salary reduction agreement shall become effective as of the first day of the pay period as soon as administratively practical following the date on which the Appropriate Request is processed by the Plan's recordkeeper.

(b) Each person who becomes a Participant shall remain a Participant so long as he remains an Employee or maintains an Individual Account balance. If a Participant terminates employment with no balance in his Individual Account, he shall cease being a Participant upon his termination of employment. In the event an Employee ceases to be a Participant and is later reemployed as an Eligible Employee, he shall once again become a Participant upon his reemployment date.

2.3 <u>Beneficiary Designation</u>

(a) All Participants in this plan should have designated or will designate a Beneficiary by making an Appropriate Request. In the absence of any valid designation of Beneficiary by the Participant, the balance of the Participant's account shall be paid to the estate of such Participant upon such Participant's death.

(b) After the death of the Participant, a Beneficiary may designate a further Beneficiary, by making an Appropriate Request, to receive any benefits under the Plan which may become payable as a result of the death of the Beneficiary. If no such designation has been made, such benefits shall be payable to the estate of the Beneficiary.

(c) The interpretation of the Beneficiary designation, subject to applicable law, shall be binding and conclusive upon all parties, and no person who claims to be a Beneficiary, or any other person, shall have the right to question any action of the Board.

2.4 Investment Option Specification

(a) Each Employee who has entered into a salary reduction agreement in accordance with Section 3.1(a) may, by making an Appropriate Request, specify the Investment Option or Investment Options, if any, in which he elects to have his Individual Account invested. In the absence of any valid Investment Option specification, a Participant's Individual Account shall be invested in the Investment Option designated by the Board to be the default option.

(b) When options are available, a Participant may, by making an Appropriate Request, change his Investment Option specification with respect to Participant's Individual Account Contributions to be made in the future and with respect to amounts already in his Individual Account. Exchanges between Investment Options shall be subject to such administrative procedures as have been designated by the recordkeeper and may also be subject to applicable trading restrictions to discourage rapid or excessive trading and market timing.

2.5 Notification of Individual Account Balance

At least as frequently as quarterly, the Plan's recordkeeper shall notify each Participant of the amount of his Employee Pre-Tax Contributions, Employee Roth Contributions, Employer Contributions, and Rollover Contributions, if any, for the period just completed and the balance of his Individual Account, including distributions, loans and withdrawals, if any, since the effective date of the last statement.

## ARTICLE III
## CONTRIBUTIONS

3.1 Employee Pre-Tax and Roth Contributions

A Participant may have Employee Pre-Tax Contributions made to the Plan on his behalf as follows:

(a) (1) A Participant may enter into a salary reduction agreement with his Employer in which it is agreed that the Employer will reduce the Participant's Deferral Compensation during each pay period by a designated percentage or amount and contribute that percentage or amount to the Plan on behalf of the Participant as an Employee Pre-Tax Contribution. Employee Pre-Tax Contributions may be any whole percentage between 1% and 100% of the Deferral Compensation otherwise payable to the Participant during the applicable pay period or any fixed dollar amount per pay period. Effective July 1, 2013, an Employer may permit Employee Pre-Tax Contributions in any percentage between 1% and 100% of the Deferral Compensation (regardless of whether such percentage is a whole percentage).

The Employer may disregard or modify a Participant's salary reduction agreement to the extent necessary to insure the excess deferral rules of subsection (c) are met and the Code Section 415 limitations set forth in Section 4.5 are not exceeded.

The salary reduction agreement of an Employee who becomes eligible to participate in the Plan shall be effective under the rules set forth in Section 2.2.

(2) When options become available, employee Pre-Tax Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(3) Effective as soon as may be administratively practical by Employers participating in this Plan, but in no event later than January 1, 2026, a Participant may have Employee Roth Contributions made to the Plan on his behalf as follows:

(a) (1) A Participant may enter into a salary reduction agreement with his Employer in which it is agreed that the Employer will reduce the Participant's Deferral Compensation during each pay period by a designated percentage or amount and contribute that percentage or amount to the Plan on behalf of the Participant as an Employee Roth Contribution. Employee Roth Contributions may be any whole percentage between 1% and 100% of the

Deferral Compensation otherwise payable to the Participant during the applicable pay period or any fixed dollar amount per pay period.

The Employer may disregard or modify a Participant's salary reduction agreement to the extent necessary to insure the excess deferral rules of subsection (c) are met and the Code Section 415 limitations set forth in Section 4.5 are not exceeded.

The salary reduction agreement of an Employee who becomes eligible to participate in the Plan shall be effective under the rules set forth in Section 2.2.

(4) When options become available, employee Roth Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(5) Amounts contributed by salary reduction shall be remitted to the Board by the fifth working day after each payroll.

(b) A Participant who has in effect a salary reduction agreement may elect to change such agreement, including prospectively suspending such agreement, by making an Appropriate Request. Such election shall become effective as of the first day of the pay period as soon as administratively practical following the date on which the Appropriate Request is processed.

(c) Excess deferrals

(1) No Participant may have Employee Pre-Tax Contributions or Employee Roth Contributions made on his behalf under this Plan in any calendar year, which in the aggregate exceed the amount specified by the Secretary of the Treasury for purposes of Code Section 402(g)(1). For purposes of the preceding sentence, Employee Pre-Tax Contributions and Employee Roth Contributions are deemed made as of the pay date for which the salary is deferred, regardless of when the contributions are actually made to the Trust Fund.

(2) If in any calendar year the aggregate of a Participant's Employee Pre-Tax Contributions and Employee Roth Contributions made on his behalf under this Plan, plus his other elective deferrals under any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by any sponsor, under any simplified employee pension (as defined in Code Section 408(k)), or used to have an annuity contract purchased on his behalf under Code Section 403(b), exceed the limitations of paragraph (1), then no later than the April 15 following such calendar year the Participant may notify the Employer (i) that he has exceeded the limitation and (ii) of the amount of his elective deferrals under plans which he wants distributed to him (and earnings thereon) notwithstanding his salary reduction agreement so that

he will not exceed the limitation. The Employer may require the Participant to provide reasonable proof that he has exceeded the limitation of paragraph (1).

If in any calendar year the aggregate of a Participant's Employee Pre-Tax Contributions and Employee Roth Contributions made on his behalf under the Plan, plus his other elective deferrals under any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by the Employer, under a simplified employee pension (as defined in Code Section 408(k)) sponsored by the Employer, or used to have the Employer purchase an annuity contract on his behalf under Code Section 403(b), exceed the limitations of paragraph (1), then the Participant shall be deemed to have notified the Employer that (i) he has exceeded the limitation and (ii) he wants distributed to him the amount of such excess deferrals (and income thereon) notwithstanding the salary reduction agreement so that he will not exceed the limitation. No later than the next April 15, the Employer may (but shall not be obligated to) make the distribution requested, or deemed to have been requested, by the Participant under this subparagraph. Such distribution may be made notwithstanding any other provision of law or this Plan. It is the responsibility of each Employer to monitor this limitation and to notify the appropriate plan that a distribution is necessary. Except as otherwise provided by Treasury Regulations, such distribution shall not reduce the amount of Employee Pre-Tax Contributions and Employee Roth Contributions considered as Annual Additions under Section 4.5. Any amounts not distributed under this subparagraph shall continue to be held in accordance with the terms of this Plan.

The income allocable to excess deferrals for a taxable year that begins on or after January 1, 2007 is equal to the sum of the allocable gain or loss for the taxable year of the individual plus the allocable gain or loss for the period after the close of the taxable year and prior to the distribution.

3.2 Employer Contributions

A Participant’s employer may make Employer Contributions to the plan on behalf of the Participant as follows:

(a) An Employer may match Employee Pre-Tax Contributions and Employee Roth Contributions on an on-going basis under a formula set forth in writing by the Employer.

(b) An Employer may make one-time, quarterly, semi-annual, or annual contributions to a Participant’s accounts under a formula set forth in writing by the Employer.

(c) All Employer Contributions shall be fully vested when made.

(d) When options become available, Employer Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(e) Employer contributions shall be remitted to the Board by the fifth working day after each payroll where a contribution is reported.

3.3 Rollover Contributions and Roth Conversions

(a) A Participant may make a Rollover Contribution to the Plan, provided it qualifies for tax free rollover treatment under Code Sections 402(c) or 408(d). After-tax contributions will not be accepted. Rollover Contributions must be in cash; contributions in-kind shall not be permitted. Rollover Contributions shall be held in the Participant's Rollover Sub-Account. A Rollover Contribution made by a Participant to the Plan shall be invested in accordance with the Participant's outstanding Investment Option specification.

(b) Any rollover of "designated Roth contributions" shall be subject to the requirements of Code Section 402(c). For purposes of this Section 3.3(b), "designated Roth contributions" means any elective deferrals made to another plan that would be excludable from a Participant's income but for the Participant's election to designate such contributions as Roth contributions. If the Plan accepts a direct rollover of "designated Roth contributions," the recordkeeper shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of "designated Roth contributions") started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Rollover Contribution.

(c) Notwithstanding the above, a Participant or Beneficiary may elect to have any portion of his Account otherwise distributable under the terms of the Plan, which is not "designated Roth contributions" under the Plan and meets the definition of an "eligible rollover distribution" under Section 5.9 be considered "designated Roth contributions" for purposes of the Plan. Such assets shall also retain any distribution rights, such as those found in Article 6, applicable to them prior to the conversion and shall be treated as Rollover Contributions for purposes of withdrawal pursuant to Section 6.3. Each such in-plan rollover shall be subject to its own 5-taxable year period of participation and subject to the requirements of Code Section 408A(d)(3)(F).

(d) Any Participant who is an Eligible Employee may elect to have any part of the portions of his Account as may be described and limited therein, which are not "designated Roth contributions" and are not currently distributable under the Plan, be considered "designated Roth contributions" for purposes of the Plan. Any assets converted in such a way shall be considered a rollover only for purposes of this Section, be separately accounted for, be maintained in such records as are necessary for the proper reporting thereof. A conversion in accordance with the preceding sentence will not eliminate any Code Section 411(d)(6) protected distribution rights attributable to the amount being converted.

(e) The recordkeeper shall require such information from Eligible Employees as it deems necessary to ensure that amounts contributed under this Section 3.3 meet the requirements for tax-deferred rollovers established by this Section and by Code Section 402(c) and develop procedures to govern the Plan's acceptance of Rollover Contributions.

(f) If a Rollover Contribution made under this Section is later determined not to have met the requirements of this Section or of the Code or Treasury Regulations, the Trustee shall, within a reasonable time after such determination is made, distribute to the Employee the amounts then held in the Trust attributable to such Rollover Contribution.

3.4 USERRA

Notwithstanding any provision of this Plan to the contrary, Employee Pre-Tax Contributions and Employee Roth Contributions with respect to qualified military service will be permitted in accordance with Code Section 414(u).

3.5 Catch-up Contributions

(a) Beginning January 1, 2002, Participants who are eligible to make elective deferrals under this plan and who will attain at least age 50 before the close of the plan year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, section 414(v) of the Code. Unless otherwise implemented by an Employer participating in this Plan, catch-up contributions shall be allowed without regard to the limitations described in section 414(v)(2)(B)(i) of the Code pertaining to the "adjusted dollar amount" set forth in section 414(v)(2)(E) of the Code for an eligible participant who would attain age 60, but would not attain age 64, before the close of the taxable year ending after December 31, 2024. Subject to subsection (b), catch-up contributions may be in the form of Employee Pre-Tax Contributions and/or Employee Roth Contributions, as designated by the Participant. Such catch-up contributions shall not be taken into account for purposes of the provisions of the plan implementing the required limitations of section 402(g) and 415 of the Code. The plan shall not be treated as failing to satisfy the provisions of the plan implementing the requirements of section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

(b) Beginning January 1, 2026, the catch-up contributions of any Participant who is eligible to make elective deferrals and who will attain at least age 50 before the close of the calendar year and whose wages for purposes of Section 3121(a) of the Code (wages for purposes of the Federal Insurance Contributions Act) for the preceding calendar year exceed $145,000 will be treated as Employee Roth Contributions, without regard to the Participant's election. The Secretary of the Treasury shall adjust annually the $145,000 amount for increases in the cost-of-living at the same time and in the same manner as adjustments under Section 415(d) of the Code.

## ARTICLE IV

## ALLOCATIONS TO INDIVIDUAL ACCOUNTS

4.1 Individual Accounts

(a) The Board shall establish and maintain an Individual Account in the name of each Participant, comprised of the following sub-accounts to which the Board shall credit all amounts allocated to each such Participant: an Employee Pre-Tax Sub-Account, an Employee Roth Sub-Account, an Employer Contribution Sub-Account and a Rollover Sub-Account. All Sub-Accounts will be treated as one account for purposes of Participant direction of Investment Options.

(b) A Participant shall be 100% vested in his Individual Account at all times.

(c) Separate accounts shall be maintained for all former Employee Participants who have an interest in the Plan and have been separated from employment for ninety (90) days.

(d) The maintenance of separate accounts shall not require a segregation of the Trust assets and no Participant shall acquire any right to or interest in any specific asset of the Trust as a result of the allocations provided for in the Plan.

4.2 Allocation of Employee Pre-Tax and Roth Contributions

(a) A Participant's Employee Pre-Tax Contributions under Section 3.1(a)(1) shall be allocated to the Participant's Employee Pre-Tax Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

(b) A Participant's Employee Roth Contributions under Section 3.1(a)(3) shall be allocated to the Participant's Employee Roth Sub-Account and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.3 Allocation of Employer Contributions

Employer Contributions under Section 3.2 shall be allocated to the Participant's Employer Contribution Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.4 Allocation of Rollover Contributions

A Participant’s Rollover Contributions under Section 3.3 shall be allocated to the Participant’s Rollover Sub-Account, as well as any special sub-accounts established within the Participant’s Rollover Sub-Account and shall be invested in accordance with the Participant’s outstanding Investment Option specification.

4.5 <u>Maximum Additions</u>

(a) Except to the extent permitted under Section 3.5 and Code Section 414(v), the sum of the Employee Pre-Tax Contributions, Employee Roth Contributions, and Employer Contributions for any Limitation Year (the "Annual Additions"), when combined with any annual additions credited to the Participant for the same period under any other qualified defined contribution plan (or a defined benefit plan treated as partially consisting of a defined contribution plan pursuant to Code Section 414(k)) maintained by the Employer, shall not exceed the lesser of the following:

(1) $70,000 or such larger amount as may be determined under Code Section 415(c)(1)(A) and 415(d); or

(2) 100% of the Participant's total Section 415 Compensation received from the Employer for such Limitation Year.

(b) In the event a Participant is covered by this Plan and another qualified defined contribution plan (or the Participant is covered by this Plan and a defined benefit plan treated as partially consisting of a defined contribution plan pursuant to Code Section 414(k)) maintained by the Employer, the maximum Annual Additions to each Plan shall be decreased as determined necessary to insure that the limitations of Code Section 415(c) are not exceeded in the following order: (1) any plan other than this Plan and any Code Section 414(k) plan, (2) then this Plan, and (3) then any Code Section 414(k) plan.

(c) In the event that corrective adjustments in the Annual Additions to any Individual Account in this Plan are required due to a reasonable error in estimating a Participant's compensation or in determining the amount of Employee Pre-Tax Contributions and Employee Roth Contributions that may be made with respect to any Participant under the annual additions limit of subsection (a), the adjustment shall be made by first distributing the Employee Pre-Tax Contributions, plus earnings on such Employee Pre-Tax Contributions, to the Participant who made them, then by distributing the Employee Roth Contributions, plus earnings on such Employee Roth Contributions, to the Participant who made them.

(d) In the event that corrective adjustments in the Annual Additions to any Individual Account are required for any reason other than those specified in the preceding paragraph, the adjustment shall be made in accordance with the correction methods provided in this Plan or any methods endorsed by the Internal Revenue Service.

## ARTICLE V

DISTRIBUTIONS

5.1 Termination of Employment or Attainment of Age 59½

(a) As soon as administratively feasible following the termination of employment of a Participant for any reason, the value of the Participant's Individual Account (as determined under Section 5.8) shall become payable. Upon request by the Participant or Beneficiary, the Board shall direct the Trustee to distribute to the Participant or Beneficiary such amount in accordance with the provisions of this Article, as applicable. The failure of a Participant or Beneficiary to request a distribution shall be deemed to be an election to defer distribution.

(b) In the event a Participant who terminated employment with an Employer is reemployed with an Employer prior to receiving a full distribution of the Participant's Individual Account, he or she shall not be entitled to a distribution as provided in this Article due to such termination, but shall be entitled to a distribution as determined herein upon any subsequent termination of employment or as provided in subsection (c).

(c) If a Participant is an Employee beyond the date the Participant attains age 59½, the Participant may elect to receive an in-service distribution of the Participant's Individual Account, excluding any gain sharing contribution in accordance with Code Section 414(k). If elected, the amount to be distributed will be distributed or will commence to be distributed as soon as administratively reasonable after the date of this election. Distribution will be made in accordance with the provisions of this Article V.

5.2 Method of Payment

(a) Account Balances Less than or Equal to $1,000. If, on the date that is 90 days after the Participant terminates employment with the Employer, the value of a Participant's Individual Account (as determined under Section 5.8) does not exceed $1,000, the Participant or Beneficiary shall not elect a payment option and benefit payments hereunder shall be made in a lump-sum payment representing the entire account balance.

(b) Account Balances Greater than $1,000 and Less than or Equal to $5,000.

(1) If, on the date a distribution is requested by the Participant, the value of a Participant's Individual Account (as determined under Section 5.8) is greater than $1,000 but does not exceed $5,000, the Participant or Beneficiary may choose between the lump sum option described in Section 5.3(a) or the partial lump sum option described in Section 5.3(f).

(2) The only exception to subsection (1) is that a Participant who terminates employment on or after attaining Normal Retirement Age, may purchase service in the PERSI Base Plan as permitted by that plan, and Section 5.3(e) of this Plan.

(c) Account Balances Greater than $5,000.

(1) Normal Retirement. If a Participant who terminates employment on or after reaching Normal Retirement Age requests a distribution and his Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3.

(2) Attainment of Age 59½. If a Participant that is an Employee who attains age 59½ requests a distribution of the Participant's Individual Account, excluding any gain sharing contribution in accordance with Code Section 414(k), and the Participant's Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(3) Disability. If a Participant terminated employment due to a Disability and his Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(4) Death. Upon the death of a Participant who has an Individual Account (as determined under Section 5.8) exceeding $5,000 on the date a distribution request is processed by the recordkeeper, the value of such Participant's Individual Account (as determined under Section 5.8) shall become payable to the Beneficiary. If the Beneficiary is the Participant's surviving spouse, the Beneficiary may select from any distribution option in Section 5.3 except purchase of service under Section 5.3(e). If the Beneficiary is not the Participant's surviving spouse, then, except as provided in Section 5.13, the Beneficiary may choose between the lump sum option described in Section 5.3(a)

or the partial lump sum option described in Section 5.3(f). After the death of the Participant and before distribution of the Participant's Individual Account balance, the Participant's Beneficiary shall be entitled to select the Investment Options in which the Individual Account will be invested in accordance with the same rules then applicable to Participant selection of Investment Options.

(5) Termination for Other Reasons. If the Participant's termination from employment is for any reason other than normal retirement under Subsection (1), disability under Subsection (3), or death under Subsection (4), and the Participant's Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(d) Elections. A Participant or Beneficiary who is required to have his benefit hereunder paid under one of the methods provided in Section 5.3 shall make such an election by making an Appropriate Request. An election by a Participant or Beneficiary to receive his retirement benefit under any of the optional methods of payment as provided in subsection Section 5.3 may be revoked by such Participant or Beneficiary at any time up until the date that is 30 days prior to the date on which benefit payments are scheduled to commence. After retirement benefit payments have commenced, a Participant may revoke an election to receive his retirement benefit under the optional methods described in Section 5.3 except that an election to convert a portion of the distribution to purchase service under the PERSI Base Plan as provided in paragraph (e) of Subsection 5.3 or an election to have all or a portion of the distribution paid in a lump sum as provided in paragraphs (a), (d) or (f) of Subsection 5.3 is irrevocable.

5.3 Potential Distribution Options

(a) Lump-sum payment representing the entire account balance.

(b) Substantially equal monthly payments over a period not to exceed the joint life expectancy of the Participant and the designated Beneficiary. The amount of each monthly installment shall normally be the balance of the Participant's Individual Account divided by the remaining number of months in such period, all rounded to the nearest cent.

However, the amount of each monthly installment may be recomputed and adjusted from time to time, no more frequently than monthly, as the Trustee may reasonably determine.

(c) Installment payments of a fixed amount, with such payments to be made until exhaustion of the Participant's Individual Account balance, not to exceed 120 months.

(d) A portion of the distribution payable in a lump sum distribution, and the remaining portion payable in either of the optional forms provided for in subsections (b) or (c) above.

(e) A portion of the distribution converted to credited service under the PERSI Base Plan (defined benefit plan) in the same manner as a purchase of service under section 59-1363, Idaho Code, or any successor statute, and the remaining portion payable in either the form provided for in subsection (a) or the forms provided for in subsections (b), (c) or (d) above.

(f) A partial lump sum distribution, with the remaining portion payable in either a lump sum payment under subsection (a) or another partial lump sum payment under this subsection (f).

(g) Any other optional form of benefit offered by the Plan's service provider as of the date the Participant makes his or her election pursuant to Section 5.2(d).

5.4 <u>Allocation of Payments and Fees</u>

Whenever a form of distribution is elected requiring payment(s) of less than all the assets in the account, payments and fees shall be deducted on a pro-rata basis from each source and investment option.

5.5 <u>Benefits to Minors and Incompetents</u>

(a) In case any person entitled to receive payment under the Plan shall be a minor, the Board, in its discretion, may distribute such payment in any one or more of the following ways:

(1) By payment thereof directly to such minor;

(2) By application thereof for the benefit of such minor;

(3) By payment thereof to either parent of such minor or to any person who shall be legally qualified and shall be acting as guardian of the person or the property

of such minor, provided the parent or adult person to whom any amount shall be paid shall have advised the Board in writing that he will hold or use such amount for the benefit of such minor. Alternatively, the Board may distribute such payment consistent with the provision of the Uniform Transfers to Minors Act, as adopted by Idaho, or the state of residence of the minor, as applicable.

(b) In the event a person entitled to receive payment under the Plan is physically or mentally incapable of personally receiving and giving a valid receipt for any payment due (unless prior claim therefor shall have been made by a duly qualified legal representative of such person), such payment in the discretion of the Board may be made to the spouse, son, daughter, parent, brother or sister of the recipient or to any other person who is responsible for the welfare of such recipient.

(c) Any payments made under subsections (a) or (b) shall, to the extent of the payments, fully discharge the obligations of the Board and the Plan to any other person making a claim hereunder with respect to such payments.

5.6 Reserved.

5.7. Required Minimum Distributions On and After January 1, 2020.

(a) General Rules.

(1) The requirements of this Section 5.7 shall apply to any distribution of a Participant's interest in accordance with Section 5.3 and will take precedence over any inconsistent provisions of this plan.

(2) All distributions required under this Section 5.7 shall be determined and made in accordance with the regulations under Section 401(a)(9) of the Code and the minimum distribution incidental benefit requirement of Section 401(a)(9)(G) of the Code.

(3) Limits on Distribution Periods. As of the first distribution calendar year, distributions to a Participant, if not made in a single sum, may only be made over one of the following periods, subject to Section 5.3:

A. the life of the Participant,

B. the joint lives of the Participant and a designated Beneficiary,

C. a period certain not extending beyond the life expectancy of the Participant, or

D. a period certain not extending beyond the joint life and last survivor expectancy of the Participant and a designated Beneficiary.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant Prior to January 1, 2020, Before Distributions Begin. If the Participant dies prior to January 1, 2020 and before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

A. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the applicable age, if later.

B. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

C. If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

D. If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin, this Section 5.7(b)(2), other than Section 5.7(b)(2)(A), will apply as if the surviving spouse were the Participant.

For purposes of this Section 5.7(b) and Section 5.7(d), unless Section 5.7(b)(2)(D) applies, distributions are considered to begin on the Participant's required beginning date. If Section 5.7(b)(2)(D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 5.7(b)(2)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.7(b)(2)(A)), the date distributions are considered to begin is the date distributions actually commence.

(3) Death of Participant On or After January 1, 2020, Before Distributions Begin. If the Participant dies on or after January 1, 2020 and before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

A. Participant Survived by a Designated Beneficiary Who is not an Eligible Designated Beneficiary. If there is a designated Beneficiary who is not an eligible designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

B. Participant Survived by an Eligible Designated Beneficiary. If the Participant is survived by an eligible designated Beneficiary, then distributions to the eligible designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died. However, if the Participant's spouse is the sole Beneficiary, then the commencement of distributions may be delayed until December 31 of the calendar year in which the Participant would have attained the applicable age, if later.

C. No Designated Beneficiary. If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in

accordance with this Section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the regulations.

(c) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

A. the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9(c) of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

B. if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9(d) of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 5.7(c) beginning with the first distribution calendar year and continuing up to, and including, the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death.

(1) Death Prior to January 1, 2020, On or After Date Distributions Begin.

A. Participant Survived by Designated Beneficiary. If the Participant dies prior to January 1, 2020, on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

I. The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

II. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

III. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

B. No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of the September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

C. Subsequent Death of Beneficiary. If the death of the Participant's designated Beneficiary occurs after distributions begin and after January 1, 2020, but before the entire account balance has been paid out, annual distributions will be paid and completed within 10 years of the designated Beneficiary's death.

(2) Death On or After January 1, 2020, On or After Date Distributions Begin.

A. Participant Survived by Designated Beneficiary. If the Participant dies on or after January 1, 2020 and on or after the date distributions begin, distributions to the Participant's Beneficiary will begin not later than December 31 of the year following the year of the Participant's death, and the Participant's remaining interest must be distributed at least as rapidly as under the distribution method used by the Participant as of the date of the Participant's death.

B. Life Expectancy Determinations. Where there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

I. The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

II. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the applicable distribution period is measured by the surviving spouse's life expectancy using the surviving spouse's birthday for each distribution calendar year after the calendar year of the Participant's death. The surviving spouse's remaining life expectancy is redetermined each distribution calendar year using the surviving spouse's age as of the surviving spouse's birthday in that distribution calendar year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

III. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary and there is an eligible designated Beneficiary, the eligible designated Beneficiary's remaining life expectancy is calculated using the age of the eligible designated Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

IV. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary and there is no eligible designated Beneficiary, the entire interest must be distributed by the end of the calendar year that includes the tenth anniversary of the date of the Participant's death. However, for the 2021, 2022, 2023 and 2024 calendar years, distributions are not required.

C. No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, such as where no individual is named as the Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

D. Death Prior to January 1, 2020, Before Date Distributions Begin

I. Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 5.7(d)(1).

II. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

III. Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.7(b)(2) and this Section 5.7(d)(3)(D) will apply as if the surviving spouse were the Participant.

(3) Death on or after January 1, 2020, Before Distributions Begin

A. If the Participant dies before the date distribution begins and the surviving spouse is the sole Beneficiary, distribution must begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the applicable age, if later.

(1) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the

Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.7(d)(3)A. this Section 5.7(d)(3) will apply as if the surviving spouse were the Participant.

B. Participant Survived by Eligible Designated Beneficiary. Except as provided in the adoption agreement, if the Participant dies before the date distributions begin and there is an eligible designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is determined initially using the Beneficiary's age as of his birthday in the calendar year following the calendar year of the Participant's death. For subsequent calendar years, the designated Beneficiary's remaining life expectancy is determined by reducing that initial life expectancy by one for each calendar year that has elapsed after the first calendar year.

(1) Death of Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and is survived by an eligible designated Beneficiary and the surviving eligible designated Beneficiary dies or reaches the age of majority before distributions are required to begin to the eligible designated Beneficiary under Section 5.7(d)(3)(B), distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the tenth anniversary of the eligible designated Beneficiary's death.

C. Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary who is not an eligible designated Beneficiary, distribution of the Participant's entire interest must be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

D. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(e) Definitions

(1) Applicable age.

A. In the case of an individual who attains age 70 before July 1, 2019, the applicable age is 70 $^1/_2$.

B. In the case of an individual who attains age 70 on or after July 1, 2019, the applicable age is 72.

C. In the case of an individual who attains age 72 after December 31, 2022, and age 73 before January 1, 2033, the applicable age is 73.

(2) Designated Beneficiary. The individual who is designated by the Participant (or the Participant's surviving spouse) as the Beneficiary of the Participant's interest under the plan and who is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the regulations.

(3) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 5.7(b)(2) and 5.7(b)(3). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(4) Eligible designated Beneficiary. An eligible designated Beneficiary is the individual designated by the Participant (or the Participant's surviving spouse) and who will receive the Participant's interest under the plan and who is:

A. The surviving spouse of the Participant,

B. A child of the Participant who has not reached majority,

C. Disabled,within the meaning of Code Section 72(m)(7),

D. A chronically ill individual, or

E. An individual not described above who is not more than 10 years younger than the Participant.

(5) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9(b) of the regulations.

(6) Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(7) Required Beginning Date: Required Beginning Date shall have the meaning as selected by the employer in the Adoption Agreement.

(f) 2020 Required Minimum Distributions

(1) A Participant or Beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Section 401(a)(9)(I) of the Code ("2020 required minimum distributions"), and who would have satisfied that requirement by receiving distributions that are either (1) equal to the 2020 required minimum distributions, or (2) one or more payments (that include the 2020 required minimum distributions) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the

Participant’s designated Beneficiary, or for a period of at least 10 years (“Extended 2020 required minimum distributions”), will be given an opportunity to make an election as to whether or not to receive those distributions.

(2) A direct rollover will be offered only for distributions that would be eligible rollover distributions in the absence of Section 401(a)(9)(I) of the Code.

5.8 Valuation of Accounts

The value of a Participant's Individual Account upon a distribution under the Plan shall be determined as of the Valuation Date on which the Plan's recordkeeper issues payment to the Participant or the Participant's Beneficiary.

5.9 Direct Rollovers

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) (1) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any distribution made upon hardship of the employee.

(2) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, an eligible deferred compensation plan described in Section 457(b) of the Code that is maintained by an eligible employer described in Section

457(e)(l)(A) of the Code, an annuity contract described in Section 403(b) of the Code, or a qualified retirement plan described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. For distributions made after December 31, 2007, an eligible retirement plan also includes a Roth IRA described in Section 408A of the Code.

(3) A "distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

5.10 Approved Domestic Retirement Orders (ADROs)

(a) A Participant's Individual Account may be assigned in whole or in part to a spouse or former spouse only pursuant to a court order that substantially meets the requirements for a qualified domestic relations order under section 414(p) of the Internal Revenue Code, other than subsection (9) thereof, as determined by the Board or its agent. Such order must encompass all funds in the PERSI Choice Plan and be separate and distinct from any approved domestic retirement order required for assignments under the PERSI Base Plan.

(b) A separate Individual Account will be established for the spouse or former spouse to be designated an alternate payee account and will be treated in all respects as a former Employee Participant account as described in Section 4.1(c) of the Plan, except that an alternate payee shall not elect a payment option and distribution shall be made in a lump-sum payment representing the entire account balance of the alternate payee's account. Fees will be assessed directly against such account in amounts determined by the Board pursuant to Section 11.3.

5.11 In-Service Transfers to Purchase Service

A Participant may, while still employed, request that all or part of his Individual Account be transferred directly to the PERSI Base Plan, or other defined benefit governmental plan (as defined in Section 414(d) of the Code) maintained in the state of Idaho, if such transfer is for the purchase of permissive service credit (as defined in Section

415(n)(3)(A) of the Code) under such plan, or a repayment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof.

5.12 Reserved

5.13 <u>Rollovers to Non-Spouse Beneficiaries</u>

Effective for distributions after April 30, 2007, the Beneficiary of a deceased Participant may request a transfer of the Beneficiary's Account to the trustee of an individual retirement account established under Section 408 of the Code in accordance with the provisions of Section 402(e)(11).

## ARTICLE VI

## LOANS AND WITHDRAWALS

6.1 Loans to Participants

A Participant may, by making an Appropriate Request, request a loan from the Trust Fund; provided, however, a Participant who is not an Employee is not eligible to request or receive a loan from the Trust Fund. The following additional rules shall apply:

(a) A Participant may only have one loan outstanding at any time.

(b) The minimum new loan amount shall be $1,000. If a Participant's Individual Account balance is insufficient to support the minimum loan amount loan, no loan shall be made.

(c) The maximum amount of any loan shall be the lesser of (1) and (2):

(1) $50,000, reduced by the highest balance of any loans from the Plan during the twelve month period ending on the day before the date the loan is made

(2) One-half of the value of the vested portion of the Participant's Individual Account on the date the loan is made.

(d) All loans shall be repayable over a period of not more than five years, except that a loan used by the Participant to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant shall be repayable over a period of not more than 10 years.

(e) A loan shall be secured by one-half of the value of the vested portion of the Participant's Individual Account balance; shall bear interest at a rate of one percent (1%) above the Prime Rate in effect on the first day of the calendar month in which the loan is applied for; shall be repaid by payroll deduction each pay period in accordance with a reasonable repayment schedule requiring substantially level payments of principal and interest; and shall be evidenced by a written promissory note setting forth the terms of the loan. A Participant may prepay the entire outstanding loan balance without penalty.

(f) There may be an administrative charge imposed on each new loan.

(g) Each loan shall be considered a separate investment option of the Individual Account of the Participant. Notwithstanding Section 4.1(d), when a loan is made, the amount of the loan shall be withdrawn from sub-accounts within the Participant's Individual Account among the separate Investment Options in which each sub-account is invested and transferred to a segregated loan account maintained in his name. The loan amount shall be withdrawn from the sub-accounts within the Individual Account in the following order: (1) the Rollover Sub-Account; (2) the Employee Pre-Tax Sub-Account; (3) the Employee Roth Sub-Account; and (4) the Employer Contribution Sub-Account. Within each sub-account, the loan amount shall be withdrawn from the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. Payments of principal and interest against a loan shall thereafter be allocated ratably among the sub-accounts from which the loan was withdrawn and invested in accordance with a Participant's outstanding Investment Option specification.

(h) For purposes of this Plan, a Participant shall be deemed to be in default on a loan if the Participant fails to make any installment payment by the last day of the calendar quarter following the calendar quarter in which the payment was due. In the event of a default, the outstanding loan balance is deemed to be a taxable distribution.

(i) In the event of the death of a Participant, the Participant's Account balance shall be reduced or offset by the unpaid portion of the outstanding loan together with any accrued interest prior to distribution if the outstanding loan and accrued interest is not satisfied by payment in full prior to such distribution.

(j) In the event of Disability of the Participant or the termination of employment, the Participant may pay the loan as follows:

a. pay the loan in full;

b. if the record keeper allows, make arrangements with the record keeper (not PERSI) to continue making the loan payments after Disability or termination of employment; or

c. if neither a nor b above is selected, the loan shall be immediately due and payable.

(k) If an Employee who has an outstanding loan incurs a leave of absence, ceases loan repayment, and his rate of pay (after income and employment tax withholding) is not sufficient to meet the required repayment under the terms of the loan, then the Board shall not deem that a default has occurred for a period equal to the lesser of (1) the length of the leave of absence, or (2) one year. In this instance, when the Employee returns from the leave of absence, his loan payments shall be reamortized over the remaining period of scheduled repayments. Notwithstanding the preceding provisions, loan repayments during a period of qualified military service will be suspended under this Plan as permitted under IRC Section 414(u)(4).

6.2 Hardship Withdrawals

(a) Upon making an Appropriate Request, a Participant shall be allowed to withdraw all or part of the value of his Individual Account that is available under subsection (c) while still employed by the Employer. Withdrawals made pursuant to this Section 6.2 shall be made in a lump sum payment. Withdrawn amounts may not be repaid to the Trust Fund.

(b) A Participant may only make a withdrawal under this Section 6.2 if (1) the withdrawal is made on account of an immediate and heavy financial need and (2) the amount of the withdrawal does not exceed the amount necessary to satisfy the need.

(1) A withdrawal is made on account of an immediate and heavy financial need only if it is made for a reason described in Treasury Regulation 1.401(k)-1(d)(3)(iii)(B), or for any additional reason that the Commissioner of Internal Revenue deems to be an immediate and heavy financial need pursuant to his authority under Treasury Regulation 1.401(k)-1(d)(3)(v).

(2) A withdrawal will be considered to be in an amount necessary to satisfy the need only if:

(A) The withdrawal does not exceed the amount of the need under paragraph (1);

(B) The Participant has obtained all non-hardship distributions for which he is eligible under any plan the Employer may sponsor (including this Plan);

(C) The Participant represents that he or she does not have sufficient cash or other liquid assets reasonably available to satisfy the need; and

(D) The Participant's Employer does not have actual knowledge that is contrary to the representation.

(c) A Participant's hardship withdrawal under this Section 6.2 shall be limited to the aggregate of all his Employee Pre-Tax Contributions and Employee Roth Contributions made prior to the withdrawal, reduced by the amount of any prior withdrawal of such Employee Pre-Tax Contributions and Employee Roth Contributions. Within the Employee Pre-Tax Sub-Account and Employee Roth Contributions, withdrawals shall be charged against the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. The requested hardship distribution shall be withdrawn first from the Employee Pre-Tax Sub-Account, then the Employee Roth Sub-Account.

6.3 <u>Non-Hardship Withdrawals</u>

Upon request of the Participant, a Participant shall be allowed to withdraw all or part of the value of his Rollover Sub-Account for any reason. Withdrawals made pursuant to this Section 6.3 shall be made in a lump sum payment. Within the Rollover Sub-Account, withdrawals shall be charged against the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. Withdrawn amounts may not be repaid to the Trust Fund.

## ARTICLE VII
## TRUST FUND

7.1 Contributions

Contributions as provided for in Article III shall be paid over to the Trustee. All contributions shall be irrevocable, and, except as provided in Section 11.6 or any other provision of this Plan, shall not be returned to the Employer. Any reversion of trust funds to an Employer or PERSI is prohibited. Assets of the Fund may be used only for the exclusive benefit of Participants and their Beneficiaries.

7.2 Trustee

The Board will maintain an agreement with the Trustee under which the Trustee will receive, invest and administer as a trust fund contributions made under this Plan in accordance with the Trust Agreement.

Such Trust Agreement is incorporated by reference as a part of the Plan, and the rights of all persons entitled to benefits hereunder are subject to the terms of the Trust Agreement. The Trust Agreement specifically provides, among other things, for the investment and reinvestment of the Fund and the income thereof, the management of the Fund, the responsibilities and obligations of the Trustee, removal of the Trustee and appointment of a successor, accounting by the Trustee and the disbursement of the Fund.

Subject to a Participant's Investment Option specification, the Trustee shall, in accordance with the terms of such Trust Agreement, accept and receive all sums of money paid to it from time to time by the Board, and shall hold, invest, reinvest, manage and administer such moneys and the increment, increase, earnings and income thereof as a trust fund for the exclusive benefit of the Participants and their Beneficiaries and for the payment of reasonable expenses of administering the Plan.

## ARTICLE VIII

## PLAN ADMINISTRATION

8.1 <u>The Board</u>

The retirement board created pursuant to section 59-1304 of the Idaho Code, or any successor statute, to manage the Public Employee Retirement System of Idaho (the "Board") shall administer the Plan.

A Board member shall serve until his successor qualifies. Each Board member shall be entitled to one vote, and three Board members shall constitute a quorum. Three votes shall be necessary for resolution or action by the Board at any meeting.

The Board shall hold regular meetings and shall hold special meetings at such times and at such places as it deems necessary. All meetings of the Board shall be open to the public. The Board shall keep a record of all its proceedings.

The Board shall have the power and duty of managing the Plan. The Board shall have discretionary authority to construe the Plan, and to determine, consistent with the terms of the Plan, all questions that may arise thereunder relating to (a) the eligibility of individuals to participate in the Plan, (b) the amount of benefits to which any Participant or Beneficiary may become entitled hereunder, and (c) any situation not specifically covered by the provisions of the Plan. The determination of the Board shall be final and binding on all interested parties. All disbursements by the Trustee, except for the ordinary expenses of administration of the Fund, shall be made upon, and in accordance with, the written directions of the Board.

The Board shall have the powers and privileges of a corporation, including the right to sue and be sued in its own name as such Board. Members of the Board and staff hired to assist with Plan administration who shall be found to be fiduciaries of the Plan, jointly and individually, shall be indemnified from all claims, demands, judgments, costs, charges and expenses, including court costs and attorney fees, and against all liability losses and damages of any nature whatsoever that Board members and staff shall or may at any time sustain by reason of any decision made in the scope or performance of their duties pursuant to the provisions of this Section. The venue of all actions in which the Board is a party shall be Ada County, Idaho.

The Board shall appoint an executive director to serve at its discretion. The executive director shall be the secretary to the Board, bonded as is required by the Board and shall perform such duties as assigned by the Board. The executive director shall be authorized to designate a staff member as acting director or secretary in the director's absence.

The Board shall authorize the creation of whatever staff it deems necessary for sound and economical administration of the Plan. The executive director shall hire the persons for the staff. The salaries and compensation of all persons employed for purposes of administering the system shall be fixed by the Board and paid from the Plan, unless otherwise determined by the Board.

The Board shall arrange for all actuarial, audit, custodial, legal, consulting and other necessary services for the Plan. The fees and expenses of such services shall be paid from the Plan, unless otherwise determined by the Board.

Nothing herein shall prevent a Board member from being a Participant, or from acting on Plan matters that affect him by virtue of affecting all Participants generally. However, a Board member shall not act on any matter that affects him specially.

8.2 Appeals

The Board shall have the power and authority to adopt, amend or rescind such rules and administrative policies as may be necessary for the proper administration of the Plan.

A final decision of the Board shall be served by either electronic mail with a read receipt or first class and certified mail, postage paid, on all interested parties. Any person aggrieved by any otherwise final decision or inaction of the Board must, before he appeals to the courts, file with the executive director of the Board by electronic mail with a read receipt, first class mail, or personally, within 90 days after the service date of the final decision on the aggrieved party, a notice for a hearing before the Board. The notice of hearing shall set forth the grounds of appeal to the Board.

A hearing shall be held before the Board in Ada County, Idaho, at a time and place designated by the Board, or may be undertaken or held by or before any members(s) thereof or any hearing officer appointed by the Board for that purpose. The proceedings before the Board shall be governed by the provisions of chapter 52, title 67 of the Idaho Code, or any successor statute. Members of the Board or the hearing officer shall have power to administer oaths, to preserve and enforce order during such hearings, to issue subpoenas for and to compel the attendance and testimony of witnesses or the production of books, papers, documents and other evidence and to examine witnesses.

Every finding, order or award made by any member or hearing officer pursuant to such hearing, as confirmed or modified by the Board, and ordered filed in its office, shall be deemed to be the finding, order or award of the Board. The recommended order of the hearing officer shall be considered by the Board and the decision and order of the majority of the members shall be the order of the Board. Every such order rendered by the Board shall be in writing and a copy thereof shall be mailed by first class and certified mail or via electronic mail with a read receipt to each party to the appeal and to his attorney of record.

If any person in proceedings herein disobeys or resists any lawful order to process or misbehaves during a hearing, or so near the place thereof as to obstruct the same, or neglects to produce, after having been ordered so to do, any pertinent book, paper, document or other evidence, or refuses to appear after having been subpoenaed, or upon appearing refuses to take the oath as a witness, or after having taken the oath refuses to be examined according to law, the Board shall certify the facts to the district court having jurisdiction, and the court shall thereupon, in a summary manner, hear the evidence as to the acts complained of, and, if the evidence so warrants, punish such person in the same manner and to the same extent as for contempt committed before the court, or commit such person upon the same conditions as if doing of the forbidden act had occurred with reference to the proceedings, or in the presence of the court.

Any party aggrieved by a final order of the Board may seek judicial review thereof pursuant to the provisions of chapter 52, title 67 of the Idaho Code, or any successor statute. The decision or judgment of the district court shall be subject to appeal to the Supreme Court in the same manner and by the same procedure as appeals are taken and perfected to the court in civil actions at law.

8.3 Missing Persons

If the Trustee is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person (including a notice of the payment so due mailed to the last known address of such Participant or other person as shown on the records of the Employer), such payment and all subsequent payments otherwise due to such Participant or other person shall be treated as forfeited and transmitted to the recordkeeper’s unclaimed property account; provided, however, that such payment and any subsequent payments shall be reinstated retroactively as soon as administratively feasible after the date on which the Participant or other person is identified or located.

## ARTICLE IX
## AMENDMENT AND TERMINATION OF THE PLAN

9.1 Amendment of the Plan

The Board shall have the right at any time to amend the Plan in whole or in part, including retroactively to the extent necessary. Notwithstanding the preceding sentence, no amendment shall increase the duties, powers and liability of the Trustee without its written consent. Any amendment shall be set forth in an instrument in writing, a copy of which shall be provided to the Trustee as soon as practicable following its adoption.

9.2 Termination of the Plan

Continuance of this plan is not assumed as a contractual obligation.

In the event of termination of the Plan, the Board shall value the Fund as of the date of termination. The Individual Accounts of the Participants and Beneficiaries affected by the termination, as determined by the Board, shall continue to be administered as a part of the Fund or distributed to such Participants or Beneficiaries as the Board, in its sole discretion, shall determine. Any distributions upon plan termination of amounts attributable to Employee Pre-Tax Contributions and Employee Roth Contributions shall only be made to the extent permissible by Code Sections 401(k)(10) and 402A(d).

## ARTICLE X

## PROVISIONS RELATIVE TO EMPLOYERS INCLUDED IN PLAN

10.1 Method of Participation

After the effective date of this plan document, any organization that begins to participate in the PERSI Base Plan shall be considered to have adopted this plan and shall thereafter be included in this Plan.

10.2 Withdrawal

Withdrawal from this plan is contingent on withdrawal by the Employer from the PERSI Base Plan. Upon withdrawal from the PERSI Base Plan, withdrawal from this Plan is mandatory by the Employer. Upon such withdrawal, the Board shall certify to the Trustee the equitable share of such withdrawing Employer in the Fund (to be determined by the Board).

The Trustee shall thereupon set aside from the Fund then held by it such securities and other property as it shall, in its sole discretion, deem to be equal in value to such equitable share. If the Plan is to be terminated with respect to such Employer, the amount set aside shall be dealt with in accordance with the provisions of Section 9.2. If the Plan is not to be terminated with respect to such Employer, the Trustee shall pay such amount to such trustee as may be designated by such withdrawing Employer.

Neither the segregation of the Fund assets upon the withdrawal of an Employer, nor the execution of any new agreement and declaration of trust pursuant to any of the provisions of this Section 10.2, shall operate to permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries or to defray reasonable costs of administering the Plan and Trust.

## ARTICLE XI
## MISCELLANEOUS

11.1 Governing Law

The Plan shall be construed, regulated and administered according to the laws of the State of Idaho except in those areas preempted by the laws of the United States of America.

11.2 Construction

The headings and subheadings in the Plan have been inserted for convenience of reference only and shall not affect the construction of the provisions hereof. In any necessary construction the masculine shall include the feminine and the singular the plural, and vice versa.

11.3 Administration Expenses

The expenses of administering the Fund and the Plan shall be paid as directed by the Board not inconsistent with statutory authority or rule, including imposition of charges directly against Participant or Beneficiary accounts.

11.4 Participant's Rights

No Participant in the Plan shall acquire any right to be retained in the Employer's employ by virtue of the Plan, nor, upon his dismissal, or upon his voluntary termination of employment, shall he have any right or interest in and to the Fund other than as specifically provided herein. The Employer shall not be liable for the payment of any benefit provided for herein. All benefits hereunder shall be payable only from the Fund.

11.5 Limitation on Assignment

Except for the reasons provided by section 59-1317 of the Idaho Code, or any successor statute, none of the benefits, payments, proceeds, or distributions under this Plan shall be subject to the claim of any creditor of a Participant or a Beneficiary hereunder or to any legal process by any creditor of a Participant or Beneficiary. Neither a Participant nor a Beneficiary shall have any right to alienate, commute, anticipate, or assign any of the benefits, payments, proceeds or distributions under this Plan.

11.6 Mistake of Fact

Notwithstanding anything herein to the contrary, upon the Employer's request, a contribution to this Plan which was made by a mistake of fact may be returned to the Employer by the Trustee within one (1) year after the payment of the contribution provided the funds have not been distributed.

11.7 Historical Provisions

(a) Prior to January 1, 2026, the following individuals were Eligible Employees:

(i) Any member of the Firemen's Retirement Fund created by Title 72, Chapter 14, Idaho Code, so long as he remains an Employee.

(ii) Any person who contributed to the PERSI Base Plan with the expectation of eligibility but who is not an active member solely because his employment with the Employer does not total five (5) consecutive months, pursuant to section 59-1302(14)(B)(b) of the Idaho Code.

(b) The following provision was applicable from January 1, 2001 and December 31, 2002: With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code in accordance with the Treasury Regulations under section 401(a)(9) that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary.

(c) Required Minimum Distribution Holiday - Notwithstanding Section 5.7 or Section 11.7(d), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 ("2009 RMDs") but for the enactment of section 401(a)(9)(H) of the Code, and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

(d) Minimum Distribution Requirements after December 31, 2002 and Prior to January 1, 2020.

(a) General.

(1) Effective Date. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(2) Precedence. The requirements of this Section will take precedence over any inconsistent provisions of the Plan.

(3) Requirements of Treasury Regulations Incorporated. All distributions under this Section will be determined and made in accordance with the final Treasury Regulations under Section 401(a)(9) of the Code.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section will apply as if the surviving spouse were the Participant.

For purposes of this Section, distributions are considered to begin on the Participant's required beginning date. However, if distributions are required to be made to the surviving spouse, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under this Section.

(3) Forms of Distributions. Unless the Participant's interest is distributed in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with paragraphs (c) and (d) of this subsection.

(c) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) The quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death. (1) Death On or After Date Distributions Begin.

(A) Participant's Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(i) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii). If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii). If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of the death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary.

(B) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under this Section, this subsection (C) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(1) Designated Beneficiary. The individual who is designated as the Beneficiary under Article X of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, of the Treasury Regulations.

(2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which

contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(3) Life expectancy. Life expectancy as computed by the use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(4) Participant's account balance. The account balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of the dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The account balance for valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) Required beginning date. April 1 of the calendar year following the later of: (a) the calendar year in which the Participant reaches age 70 ½ or (b) the calendar year in which the Participant retires.

## ARTICLE XII
## ADOPTION OF THE PLAN

As evidence of its adoption of this Twelfth Amended Plan, the Board of Trustees of the Public Employee Retirement System of Idaho (PERSI) has caused this instrument to be signed by its authorized officer this ______ day of _________________, 2025 effective generally as of January 1, 2026 and as otherwise provided herein.

| | |
|---|---|
| ATTEST: | PERSI |
| ___________________________ | By:__________________________________ |
| | Michael Hampton |
| | Executive Director and Secretary to the Retirement Board |

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# PERSI

# 401(k) PLAN

## Effective February 1, 2001

**As amended effective, generally, January 1, 2026 (twelfth) amended plan)**

## INTRODUCTION

On July 1, 1971, the State of Idaho Department of Health and Welfare adopted a supplemental retirement plan known as the State of Idaho Department of Health and Welfare Supplemental Retirement Plan. On April 1, 1972, the State of Idaho Department of Lands adopted a similar supplemental retirement plan known as the State of Idaho Department of Lands' Supplemental Retirement Plan. These plans were adopted before section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") became effective. However, since both plans provided for pre-tax contributions from their inception, they became subject to section 401(k) when that section became effective.

On October 1, 1994, the state of Idaho adopted the Idaho Super Saver 401(k) Plan (the "grandfathered plan"). At that time, most of the assets of the State of Idaho Department of Health and Welfare Supplemental Retirement Plan and the State of Idaho Department of Lands' Supplemental Retirement Plan were transferred to the grandfathered plan. Initially, the grandfathered plan was available only to employees of the Department of Health and Welfare and the Department of Lands.

On March 14, 1995, section 59-1308 of the Idaho Code was enacted into law. That legislation gave the Retirement Board of the Public Employee Retirement System of Idaho (the "Board") the authority to extend the grandfathered plan to the same group of employees as is covered under the Public Employees Retirement System of Idaho (PERSI). Subsequently, the grandfathered plan was extended to cover all employees of the State of Idaho but was not extended to cover all employees covered by PERSI, such as employees of political subdivisions and school districts.

Beginning in June 1999, PERSI sought, and in April 2000, secured a private letter ruling from the Internal Revenue Service confirming that the grandfathered plan could be extended to cover all employees eligible to participate in the PERSI plan without jeopardizing its status as a qualified cash or deferred arrangement within the meaning of Code section 401(k). Since the grandfathered plan as extended does not violate section 401(k)(4)(B) of the Code, Treasury regulations permit PERSI to adopt a separate and independent 401(k) plan that covers all employees eligible to participate in the PERSI plan, including but not limited to employees of political subdivisions and school districts. Consequently, PERSI hereby adopts this PERSI 401(k) Plan (the "Plan"), which plan is separate and distinct from the Idaho Super Saver 401(k)

Plan that will continue to operate independently until terminated and/or combined with the PERSI 401(k) Plan. The Idaho Super Saver 401(k) merged into the Plan effective October 1, 2001.

The Plan consists of the qualified cash or deferred arrangement under Code Section 401(k). The Plan is intended to be a "governmental plan" within the meaning of Code Section 414(d) and within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and, as such, is exempt from provisions of Title I of ERISA.

The twelfth amended plan is adopted to make changes to the plan to add Roth deferrals and make changes to comply with the requirements of recent federal regulations, primarily the Setting Every Community Up for Retirement Enhancement Act of 2022. The twelfth amended plan is adopted generally effective January 1, 2026, except as otherwise provided in the plan.

## ARTICLE I
## DEFINITIONS

As used herein, unless otherwise required by the context, the following words and phrases shall have the meanings indicated:

Appropriate Request – A request by a Participant or Beneficiary in the form and manner provided by the Board or the Plan's recordkeeper that is appropriate for the intended purpose. If the Board and the Plan's recordkeeper so agree, an Appropriate Request may be executed over the telephone or Internet. To constitute an Appropriate Request, such request must be completed correctly and, if required to be in writing, duly executed and delivered to a designated recipient.

Beneficiary - Any person designated as a Beneficiary by a Participant, or subsequently designated by the Participant's Beneficiary following the death of both the Participant and the first designated Beneficiary, under Section 2.3 or deemed to be a Beneficiary under Section 2.3 to receive such benefits as may become payable hereunder after the death of such Participant or Beneficiary.

Board - The board provided for in Section 8.1 to administer the Plan.

Code - The Internal Revenue Code of 1986, as amended.

Deferral Compensation - The Section 415 Compensation paid to an Employee by the Employer for his services. Deferral Compensation in excess of $350,000 (or such different amount as may be applicable under Code Section 401(a)(17)(B)) shall not be taken into account. Effective July 1, 2009, Deferral Compensation will not include differential wage payments (as defined in Section 3401(h) of the Code).

Disability – The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of 12 months or more, as certified by a licensed physician selected by the Participant and approved by the Employer. This standard is different from the standard applicable to the PERSI Base Plan.

Eligible Employee - An Employee eligible for participation under Section 2.1.

Employee - Any person employed by the State or any political subdivision or governmental entity within the State that participates in the PERSI Base Plan. Any participant in the Idaho Super Saver 401(k) plan on September 30, 2001. Effective July 1, 2009, an individual receiving a differential wage payment, as defined in Section 3401(h)(2) of the Code, from the Employer is treated as an Employee. Notwithstanding the preceding sentences, the following shall not be considered an Employee for purposes of this Plan: (1) any individual who is classified as an independent contractor by an Employer, regardless of such individual's classification by the Internal Revenue Service for tax withholding purposes; (2) any individual who is a nonresident alien and who receives no earned income from his Employer which constitutes income from sources within the United States; or (3) any individual who is otherwise excluded from participation hereunder by the terms of this Plan.

Employee Pre-Tax Sub-Account - That portion of a Participant's Individual Account attributable to the Employee Pre-Tax Contributions allocated to such Participant under Section 4.2 and any earnings or losses on such contributions, and effective October 1, 2001, employee pre-tax contributions transferred from the Idaho Super Saver 401(k) plan as a result of the October 1, 2001 merger. Employee pre-tax contributions transferred from the Idaho Super Saver 401(k) plan shall be a separate sub-account within the Employee Pre-Tax Sub-Account.

Employee Pre-Tax Contributions - Contributions made to the Plan by the Employer on behalf of an Employee under Section 3.1(a)(1) pursuant to a salary reduction agreement entered into between the Participant and his Employer.

Employee Roth Contributions – Contributions made to the Plan by the Employer on behalf of an Employee under Section 3.1(a)(3) pursuant to a salary reduction agreement entered into between the Participant and his Employer that are not excludable from gross income and are intended to satisfy the requirements of Section 402A of the Code.

Employee Roth Sub-Account - That portion of a Participant's Individual Account attributable to the Employee Roth Contributions allocated to such Participant under Section 4.2(b) and any earnings or losses on such contributions.

Employer - Collectively or individually as the context may indicate, the State of Idaho, its agencies and instrumentalities, local school districts, and political subdivisions of the State of Idaho who participate in PERSI, and all other entities who participate in PERSI.

Employer Contributions - Contributions made to the Plan by the Employer under Section 3.2.

Employer Contributions Sub-Account - That portion of a Participant's Individual Account attributable to the Employer Contributions allocated to such Participant under Section 4.3 and any earnings or losses on such contributions.

Fund - The Trust Fund.

Individual Account - The aggregate of a Participant's Employee Pre-Tax Sub-Account, Employee Roth Sub-Account, Employer Contribution Sub-Account and Rollover Sub-Account. A Participant shall be 100% vested in his Individual Account at all times.

Investment Option – The investment vehicle elected by the Participant in accordance with Section 2.4 for investment of his Individual Account. The Board may add, change or delete the available Investment Options at any time.

Limitation Year - January 1 - December 31.

Normal Retirement Age - Age 50.

Participant - Any Employee or former Employee who has an Individual Account balance and any Employee who has met the eligibility requirements of Section 2.1. Participation ends in accordance with Section 2.2.

Plan - The PERSI 401(k) Plan, as contained herein or as duly amended.

Plan Year - July 1 – June 30.

Prime Rate - The "prime rate," as published in the "Money Rates" section of the *Wall Street Journal*.

Rollover Contributions - Contributions made to the Plan under Section 3.3.

Rollover Sub-Account - That portion of a Participant's Individual Account attributable to the Rollover Contributions allocated to such Participant under Section 4.4 and any earnings or losses on such contributions. Rollover contributions transferred as a result of the October 1, 2001 merger of the Idaho Super Saver 401(k) shall be a separate sub-account within the Rollover Sub-Account. In-plan Roth conversions or a rollover containing Roth contributions pursuant to Section 3.3 may be allocated to a separate sub-account within the Rollover Sub-account.

Section 415 Compensation – Effective beginning July 1, 2001, an Employee's wages as defined in Code Section 3401(a) and all other payments of compensation to an Employee by an Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d) and 6051(a)(3) (Form W-2). Section 415 Compensation shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). Section 415 Compensation also includes any elective deferrals as defined in Code Section 402(g)(3), including Employee Pre-Tax Contributions and Employee Roth Contributions to this

Plan, and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f) or 457.

In accordance with Treasury Regulation §1.415(c)-2(e)(3), Section 415 Compensation includes (1) amounts that would have been paid in the absence of a severance from employment and is regular pay for services (such as regular wages, overtime or shift differential), commissions, bonuses, or other similar compensation; and (2) amounts that are payment for accrued bona fide sick, vacation, or other leave that could have been used if employment continued provided such payments are made by the later of 2½ months after severance from employment or the last day of the Limitation Year that includes the date of the severance from employment. Effective July 1, 2009, Section 415 Compensation will include differential wage payments as defined in Section 3401(h) of the Code.

<u>State</u> – The state of Idaho.

<u>Treasury Regulation</u> - Interpretations of the Code promulgated by the United States Department of the Treasury and generally codified in Title 26 of the Code of Federal Regulations.

<u>Trust Agreement</u> - The agreement entered into between the Board and the Trustee or Custodian under Article VII.

<u>Trust Fund</u> - All funds received by the Trustee together with all income, profits and increments thereon, and less any expenses or payments made out of the Trust Fund.

<u>Trustee</u> - Such individual, individuals, financial institution, or a combination of them as shall be designated in the Trust Agreement to hold in trust any assets of the Plan for the purpose of providing benefits under the Plan, and shall include any successor trustee to the Trustee initially designated thereunder.

<u>Valuation Date</u> – Each business day of the Plan Year as of which Individual Accounts are valued.

## ARTICLE II
## ELIGIBILITY AND PARTICIPATION

2.1 Eligibility

(a) Any Employee who has received a gain sharing distribution as provided in section 59-1309, as long as he remains an Employee.

(b) Any active member in the PERSI Base Plan so long as he remains an Employee.

(c) Effective no later than January 1, 2026, all Employers shall cause all Employees who receive income reportable under Code Section 3401 (wages for purposes of reporting on Form W-2, or any successor form) to be treated as Eligible Employees.

(d) Any member of the Judge's Retirement Fund created by Title 1, Chapter 20, Idaho Code, so long as he remains an Employee.

(e) Any member of the Idaho Department of Labor Retirement Plan created by Section 72-1335, Idaho Code, so long as he remains an Employee.

2.2 Participation

(a) On and after July 1, 2001, each Eligible Employee may, by making an Appropriate Request, enter into a salary reduction agreement in accordance with Section 3.1(a). Such salary reduction agreement shall become effective as of the first day of the pay period as soon as administratively practical following the date on which the Appropriate Request is processed by the Plan's recordkeeper.

(b) Each person who becomes a Participant shall remain a Participant so long as he remains an Employee or maintains an Individual Account balance. If a Participant terminates employment with no balance in his Individual Account, he shall cease being a Participant upon his termination of employment. In the event an Employee ceases to be a Participant and is later reemployed as an Eligible Employee, he shall once again become a Participant upon his reemployment date.

2.3 <u>Beneficiary Designation</u>

(a) All Participants in this plan should have designated or will designate a Beneficiary by making an Appropriate Request. In the absence of any valid designation of Beneficiary by the Participant, the balance of the Participant's account shall be paid to the estate of such Participant upon such Participant's death.

(b) After the death of the Participant, a Beneficiary may designate a further Beneficiary, by making an Appropriate Request, to receive any benefits under the Plan which may become payable as a result of the death of the Beneficiary. If no such designation has been made, such benefits shall be payable to the estate of the Beneficiary.

(c) The interpretation of the Beneficiary designation, subject to applicable law, shall be binding and conclusive upon all parties, and no person who claims to be a Beneficiary, or any other person, shall have the right to question any action of the Board.

2.4 Investment Option Specification

(a) Each Employee who has entered into a salary reduction agreement in accordance with Section 3.1(a) may, by making an Appropriate Request, specify the Investment Option or Investment Options, if any, in which he elects to have his Individual Account invested. In the absence of any valid Investment Option specification, a Participant's Individual Account shall be invested in the Investment Option designated by the Board to be the default option.

(b) When options are available, a Participant may, by making an Appropriate Request, change his Investment Option specification with respect to Participant's Individual Account Contributions to be made in the future and with respect to amounts already in his Individual Account. Exchanges between Investment Options shall be subject to such administrative procedures as have been designated by the recordkeeper and may also be subject to applicable trading restrictions to discourage rapid or excessive trading and market timing.

2.5 Notification of Individual Account Balance

At least as frequently as quarterly, the Plan’s recordkeeper shall notify each Participant of the amount of his Employee Pre-Tax Contributions, Employee Roth Contributions, Employer Contributions, and Rollover Contributions, if any, for the period just completed and the balance of his Individual Account, including distributions, loans and withdrawals, if any, since the effective date of the last statement.

## ARTICLE III
## CONTRIBUTIONS

3.1 Employee Pre-Tax and Roth Contributions

A Participant may have Employee Pre-Tax Contributions made to the Plan on his behalf as follows:

(a) (1) A Participant may enter into a salary reduction agreement with his Employer in which it is agreed that the Employer will reduce the Participant's Deferral Compensation during each pay period by a designated percentage or amount and contribute that percentage or amount to the Plan on behalf of the Participant as an Employee Pre-Tax Contribution. Employee Pre-Tax Contributions may be any whole percentage between 1% and 100% of the Deferral Compensation otherwise payable to the Participant during the applicable pay period or any fixed dollar amount per pay period. Effective July 1, 2013, an Employer may permit Employee Pre-Tax Contributions in any percentage between 1% and 100% of the Deferral Compensation (regardless of whether such percentage is a whole percentage).

The Employer may disregard or modify a Participant's salary reduction agreement to the extent necessary to insure the excess deferral rules of subsection (c) are met and the Code Section 415 limitations set forth in Section 4.5 are not exceeded.

The salary reduction agreement of an Employee who becomes eligible to participate in the Plan shall be effective under the rules set forth in Section 2.2.

(2) When options become available, employee Pre-Tax Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(3) Effective as soon as may be administratively practical by Employers participating in this Plan, but in no event later than January 1, 2026, a Participant may have Employee Roth Contributions made to the Plan on his behalf as follows:

(a) (1) A Participant may enter into a salary reduction agreement with his Employer in which it is agreed that the Employer will reduce the Participant's Deferral Compensation during each pay period by a designated percentage or amount and contribute that percentage or amount to the Plan on behalf of the Participant as an Employee Roth Contribution. Employee Roth Contributions may be any whole percentage between 1% and 100% of the

Deferral Compensation otherwise payable to the Participant during the applicable pay period or any fixed dollar amount per pay period.

The Employer may disregard or modify a Participant's salary reduction agreement to the extent necessary to insure the excess deferral rules of subsection (c) are met and the Code Section 415 limitations set forth in Section 4.5 are not exceeded.

The salary reduction agreement of an Employee who becomes eligible to participate in the Plan shall be effective under the rules set forth in Section 2.2.

(4) When options become available, employee Roth Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(5) Amounts contributed by salary reduction shall be remitted to the Board by the fifth working day after each payroll.

(b) A Participant who has in effect a salary reduction agreement may elect to change such agreement, including prospectively suspending such agreement, by making an Appropriate Request. Such election shall become effective as of the first day of the pay period as soon as administratively practical following the date on which the Appropriate Request is processed.

(c) Excess deferrals

(1) No Participant may have Employee Pre-Tax Contributions or Employee Roth Contributions made on his behalf under this Plan in any calendar year, which in the aggregate exceed the amount specified by the Secretary of the Treasury for purposes of Code Section 402(g)(1). For purposes of the preceding sentence, Employee Pre-Tax Contributions and Employee Roth Contributions are deemed made as of the pay date for which the salary is deferred, regardless of when the contributions are actually made to the Trust Fund.

(2) If in any calendar year the aggregate of a Participant's Employee Pre-Tax Contributions and Employee Roth Contributions made on his behalf under this Plan, plus his other elective deferrals under any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by any sponsor, under any simplified employee pension (as defined in Code Section 408(k)), or used to have an annuity contract purchased on his behalf under Code Section 403(b), exceed the limitations of paragraph (1), then no later than the April 15 following such calendar year the Participant may notify the Employer (i) that he has exceeded the limitation and (ii) of the amount of his elective deferrals under plans which he wants distributed to him (and earnings thereon) notwithstanding his salary reduction agreement so that

he will not exceed the limitation. The Employer may require the Participant to provide reasonable proof that he has exceeded the limitation of paragraph (1).

If in any calendar year the aggregate of a Participant's Employee Pre-Tax Contributions and Employee Roth Contributions made on his behalf under the Plan, plus his other elective deferrals under any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by the Employer, under a simplified employee pension (as defined in Code Section 408(k)) sponsored by the Employer, or used to have the Employer purchase an annuity contract on his behalf under Code Section 403(b), exceed the limitations of paragraph (1), then the Participant shall be deemed to have notified the Employer that (i) he has exceeded the limitation and (ii) he wants distributed to him the amount of such excess deferrals (and income thereon) notwithstanding the salary reduction agreement so that he will not exceed the limitation. No later than the next April 15, the Employer may (but shall not be obligated to) make the distribution requested, or deemed to have been requested, by the Participant under this subparagraph. Such distribution may be made notwithstanding any other provision of law or this Plan. It is the responsibility of each Employer to monitor this limitation and to notify the appropriate plan that a distribution is necessary. Except as otherwise provided by Treasury Regulations, such distribution shall not reduce the amount of Employee Pre-Tax Contributions and Employee Roth Contributions considered as Annual Additions under Section 4.5. Any amounts not distributed under this subparagraph shall continue to be held in accordance with the terms of this Plan.

The income allocable to excess deferrals for a taxable year that begins on or after January 1, 2007 is equal to the sum of the allocable gain or loss for the taxable year of the individual plus the allocable gain or loss for the period after the close of the taxable year and prior to the distribution.

<u>3.2</u> <u>Employer Contributions</u>

A Participant’s employer may make Employer Contributions to the plan on behalf of the Participant as follows:

(a) An Employer may match Employee Pre-Tax Contributions and Employee Roth Contributions on an on-going basis under a formula set forth in writing by the Employer.

(b) An Employer may make one-time, quarterly, semi-annual, or annual contributions to a Participant’s accounts under a formula set forth in writing by the Employer.

(c) All Employer Contributions shall be fully vested when made.

(d) When options become available, Employer Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(e) Employer contributions shall be remitted to the Board by the fifth working day after each payroll where a contribution is reported.

3.3 Rollover Contributions and Roth Conversions

(a) A Participant may make a Rollover Contribution to the Plan, provided it qualifies for tax free rollover treatment under Code Sections 402(c) or 408(d). After-tax contributions will not be accepted. Rollover Contributions must be in cash; contributions in-kind shall not be permitted. Rollover Contributions shall be held in the Participant’s Rollover Sub-Account. A Rollover Contribution made by a Participant to the Plan shall be invested in accordance with the Participant’s outstanding Investment Option specification.

(b) Any rollover of “designated Roth contributions” shall be subject to the requirements of Code Section 402(c). For purposes of this Section 3.3(b), “designated Roth contributions” means any elective deferrals made to another plan that would be excludable from a Participant’s income but for the Participant’s election to designate such contributions as Roth contributions. If the Plan accepts a direct rollover of "designated Roth contributions," the recordkeeper shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of "designated Roth contributions") started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant’s 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Rollover Contribution.

(c) Notwithstanding the above, a Participant or Beneficiary may elect to have any portion of his Account otherwise distributable under the terms of the Plan, which is not “designated Roth contributions” under the Plan and meets the definition of an “eligible rollover distribution” under Section 5.9 be considered “designated Roth contributions” for purposes of the Plan. Such assets shall also retain any distribution rights, such as those found in Article 6, applicable to them prior to the conversion and shall be treated as Rollover Contributions for purposes of withdrawal pursuant to Section 6.3. Each such in-plan rollover shall be subject to its own 5-taxable year period of participation and subject to the requirements of Code Section 408A(d)(3)(F).

(d) Any Participant who is an Eligible Employee may elect to have any part of the portions of his Account as may be described and limited therein, which are not "designated Roth contributions" and are not currently distributable under the Plan, be considered "designated Roth contributions" for purposes of the Plan. Any assets converted in such a way shall be considered a rollover only for purposes of this Section, be separately accounted for, be maintained in such records as are necessary for the proper reporting thereof. A conversion in accordance with the preceding sentence will not eliminate any Code Section 411(d)(6) protected distribution rights attributable to the amount being converted.

(e) The recordkeeper shall require such information from Eligible Employees as it deems necessary to ensure that amounts contributed under this Section 3.3 meet the requirements for tax-deferred rollovers established by this Section and by Code Section 402(c) and develop procedures to govern the Plan's acceptance of Rollover Contributions.

(f) If a Rollover Contribution made under this Section is later determined not to have met the requirements of this Section or of the Code or Treasury Regulations, the Trustee shall, within a reasonable time after such determination is made, distribute to the Employee the amounts then held in the Trust attributable to such Rollover Contribution.

3.4 USERRA

Notwithstanding any provision of this Plan to the contrary, Employee Pre-Tax Contributions and Employee Roth Contributions with respect to qualified military service will be permitted in accordance with Code Section 414(u).

3.5 Catch-up Contributions

(a) Beginning January 1, 2002, Participants who are eligible to make elective deferrals under this plan and who will attain at least age 50 before the close of the plan year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, section 414(v) of the Code. Unless otherwise implemented by an Employer participating in this Plan, catch-up contributions shall be allowed without regard to the limitations described in section 414(v)(2)(B)(i) of the Code pertaining to the "adjusted dollar amount" set forth in section 414(v)(2)(E) of the Code for an eligible participant who would attain age 60, but would not attain age 64, before the close of the taxable year ending after December 31, 2024. Subject to subsection (b), catch-up contributions may be in the form of Employee Pre-Tax Contributions and/or Employee Roth Contributions, as designated by the Participant. Such catch-up contributions shall not be taken into account for purposes of the provisions of the plan implementing the required limitations of section 402(g) and 415 of the Code. The plan shall not be treated as failing to satisfy the provisions of the plan implementing the requirements of section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

(b) Beginning January 1, 2026, the catch-up contributions of any Participant who is eligible to make elective deferrals and who will attain at least age 50 before the close of the calendar year and whose wages for purposes of Section 3121(a) of the Code (wages for purposes of the Federal Insurance Contributions Act) for the preceding calendar year exceed $145,000 will be treated as Employee Roth Contributions, without regard to the Participant's election. The Secretary of the Treasury shall adjust annually the $145,000 amount for increases in the cost-of-living at the same time and in the same manner as adjustments under Section 415(d) of the Code.

## ARTICLE IV
## ALLOCATIONS TO INDIVIDUAL ACCOUNTS

4.1 Individual Accounts

(a) The Board shall establish and maintain an Individual Account in the name of each Participant, comprised of the following sub-accounts to which the Board shall credit all amounts allocated to each such Participant: an Employee Pre-Tax Sub-Account, an Employee Roth Sub-Account, an Employer Contribution Sub-Account and a Rollover Sub-Account. All Sub-Accounts will be treated as one account for purposes of Participant direction of Investment Options.

(b) A Participant shall be 100% vested in his Individual Account at all times.

(c) Separate accounts shall be maintained for all former Employee Participants who have an interest in the Plan and have been separated from employment for ninety (90) days.

(d) The maintenance of separate accounts shall not require a segregation of the Trust assets and no Participant shall acquire any right to or interest in any specific asset of the Trust as a result of the allocations provided for in the Plan.

4.2 Allocation of Employee Pre-Tax and Roth Contributions

(a) A Participant's Employee Pre-Tax Contributions under Section 3.1(a)(1) shall be allocated to the Participant's Employee Pre-Tax Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

(b) A Participant's Employee Roth Contributions under Section 3.1(a)(3) shall be allocated to the Participant's Employee Roth Sub-Account and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.3 Allocation of Employer Contributions

Employer Contributions under Section 3.2 shall be allocated to the Participant's Employer Contribution Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.4 Allocation of Rollover Contributions

A Participant’s Rollover Contributions under Section 3.3 shall be allocated to the Participant’s Rollover Sub-Account, as well as any special sub-accounts established within the Participant’s Rollover Sub-Account and shall be invested in accordance with the Participant’s outstanding Investment Option specification.

4.5 <u>Maximum Additions</u>

(a) Except to the extent permitted under Section 3.5 and Code Section 414(v), the sum of the Employee Pre-Tax Contributions, Employee Roth Contributions, and Employer Contributions for any Limitation Year (the "Annual Additions"), when combined with any annual additions credited to the Participant for the same period under any other qualified defined contribution plan (or a defined benefit plan treated as partially consisting of a defined contribution plan pursuant to Code Section 414(k)) maintained by the Employer, shall not exceed the lesser of the following:

(1) $70,000 or such larger amount as may be determined under Code Section 415(c)(1)(A) and 415(d); or

(2) 100% of the Participant's total Section 415 Compensation received from the Employer for such Limitation Year.

(b) In the event a Participant is covered by this Plan and another qualified defined contribution plan (or the Participant is covered by this Plan and a defined benefit plan treated as partially consisting of a defined contribution plan pursuant to Code Section 414(k)) maintained by the Employer, the maximum Annual Additions to each Plan shall be decreased as determined necessary to insure that the limitations of Code Section 415(c) are not exceeded in the following order: (1) any plan other than this Plan and any Code Section 414(k) plan, (2) then this Plan, and (3) then any Code Section 414(k) plan.

(c) In the event that corrective adjustments in the Annual Additions to any Individual Account in this Plan are required due to a reasonable error in estimating a Participant's compensation or in determining the amount of Employee Pre-Tax Contributions and Employee Roth Contributions that may be made with respect to any Participant under the annual additions limit of subsection (a), the adjustment shall be made by first distributing the Employee Pre-Tax Contributions, plus earnings on such Employee Pre-Tax Contributions, to the Participant who made them, then by distributing the Employee Roth Contributions, plus earnings on such Employee Roth Contributions, to the Participant who made them.

(d) In the event that corrective adjustments in the Annual Additions to any Individual Account are required for any reason other than those specified in the preceding paragraph, the adjustment shall be made in accordance with the correction methods provided in this Plan or any methods endorsed by the Internal Revenue Service.

## ARTICLE V
DISTRIBUTIONS

5.1 Termination of Employment or Attainment of Age 59½

(a) As soon as administratively feasible following the termination of employment of a Participant for any reason, the value of the Participant's Individual Account (as determined under Section 5.8) shall become payable. Upon request by the Participant or Beneficiary, the Board shall direct the Trustee to distribute to the Participant or Beneficiary such amount in accordance with the provisions of this Article, as applicable. The failure of a Participant or Beneficiary to request a distribution shall be deemed to be an election to defer distribution.

(b) In the event a Participant who terminated employment with an Employer is reemployed with an Employer prior to receiving a full distribution of the Participant's Individual Account, he or she shall not be entitled to a distribution as provided in this Article due to such termination, but shall be entitled to a distribution as determined herein upon any subsequent termination of employment or as provided in subsection (c).

(c) If a Participant is an Employee beyond the date the Participant attains age 59½, the Participant may elect to receive an in-service distribution of the Participant's Individual Account, excluding any gain sharing contribution in accordance with Code Section 414(k). If elected, the amount to be distributed will be distributed or will commence to be distributed as soon as administratively reasonable after the date of this election. Distribution will be made in accordance with the provisions of this Article V.

5.2 Method of Payment

(a) Account Balances Less than or Equal to $1,000. If, on the date that is 90 days after the Participant terminates employment with the Employer, the value of a Participant's Individual Account (as determined under Section 5.8) does not exceed $1,000, the Participant or Beneficiary shall not elect a payment option and benefit payments hereunder shall be made in a lump-sum payment representing the entire account balance.

(b) Account Balances Greater than $1,000 and Less than or Equal to $5,000.

(1) If, on the date a distribution is requested by the Participant, the value of a Participant's Individual Account (as determined under Section 5.8) is greater than $1,000 but does not exceed $5,000, the Participant or Beneficiary may choose between the lump sum option described in Section 5.3(a) or the partial lump sum option described in Section 5.3(f).

(2) The only exception to subsection (1) is that a Participant who terminates employment on or after attaining Normal Retirement Age, may purchase service in the PERSI Base Plan as permitted by that plan, and Section 5.3(e) of this Plan.

(c) Account Balances Greater than $5,000.

(1) Normal Retirement. If a Participant who terminates employment on or after reaching Normal Retirement Age requests a distribution and his Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3.

(2) Attainment of Age 59½. If a Participant that is an Employee who attains age 59½ requests a distribution of the Participant's Individual Account, excluding any gain sharing contribution in accordance with Code Section 414(k), and the Participant's Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(3) Disability. If a Participant terminated employment due to a Disability and his Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(4) Death. Upon the death of a Participant who has an Individual Account (as determined under Section 5.8) exceeding $5,000 on the date a distribution request is processed by the recordkeeper, the value of such Participant's Individual Account (as determined under Section 5.8) shall become payable to the Beneficiary. If the Beneficiary is the Participant's surviving spouse, the Beneficiary may select from any distribution option in Section 5.3 except purchase of service under Section 5.3(e). If the Beneficiary is not the Participant's surviving spouse, then, except as provided in Section 5.13, the Beneficiary may choose between the lump sum option described in Section 5.3(a)

or the partial lump sum option described in Section 5.3(f). After the death of the Participant and before distribution of the Participant's Individual Account balance, the Participant's Beneficiary shall be entitled to select the Investment Options in which the Individual Account will be invested in accordance with the same rules then applicable to Participant selection of Investment Options.

(5) Termination for Other Reasons. If the Participant's termination from employment is for any reason other than normal retirement under Subsection (1), disability under Subsection (3), or death under Subsection (4), and the Participant's Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(d) Elections. A Participant or Beneficiary who is required to have his benefit hereunder paid under one of the methods provided in Section 5.3 shall make such an election by making an Appropriate Request. An election by a Participant or Beneficiary to receive his retirement benefit under any of the optional methods of payment as provided in subsection Section 5.3 may be revoked by such Participant or Beneficiary at any time up until the date that is 30 days prior to the date on which benefit payments are scheduled to commence. After retirement benefit payments have commenced, a Participant may revoke an election to receive his retirement benefit under the optional methods described in Section 5.3 except that an election to convert a portion of the distribution to purchase service under the PERSI Base Plan as provided in paragraph (e) of Subsection 5.3 or an election to have all or a portion of the distribution paid in a lump sum as provided in paragraphs (a), (d) or (f) of Subsection 5.3 is irrevocable.

5.3 <u>Potential Distribution Options</u>

(a) Lump-sum payment representing the entire account balance.

(b) Substantially equal monthly payments over a period not to exceed the joint life expectancy of the Participant and the designated Beneficiary. The amount of each monthly installment shall normally be the balance of the Participant's Individual Account divided by the remaining number of months in such period, all rounded to the nearest cent.

However, the amount of each monthly installment may be recomputed and adjusted from time to time, no more frequently than monthly, as the Trustee may reasonably determine.

(c) Installment payments of a fixed amount, with such payments to be made until exhaustion of the Participant's Individual Account balance, not to exceed 120 months.

(d) A portion of the distribution payable in a lump sum distribution, and the remaining portion payable in either of the optional forms provided for in subsections (b) or (c) above.

(e) A portion of the distribution converted to credited service under the PERSI Base Plan (defined benefit plan) in the same manner as a purchase of service under section 59-1363, Idaho Code, or any successor statute, and the remaining portion payable in either the form provided for in subsection (a) or the forms provided for in subsections (b), (c) or (d) above.

(f) A partial lump sum distribution, with the remaining portion payable in either a lump sum payment under subsection (a) or another partial lump sum payment under this subsection (f).

(g) Any other optional form of benefit offered by the Plan's service provider as of the date the Participant makes his or her election pursuant to Section 5.2(d).

5.4 <u>Allocation of Payments and Fees</u>

Whenever a form of distribution is elected requiring payment(s) of less than all the assets in the account, payments and fees shall be deducted on a pro-rata basis from each source and investment option.

5.5 <u>Benefits to Minors and Incompetents</u>

(a) In case any person entitled to receive payment under the Plan shall be a minor, the Board, in its discretion, may distribute such payment in any one or more of the following ways:

(1) By payment thereof directly to such minor;

(2) By application thereof for the benefit of such minor;

(3) By payment thereof to either parent of such minor or to any person who shall be legally qualified and shall be acting as guardian of the person or the property

of such minor, provided the parent or adult person to whom any amount shall be paid shall have advised the Board in writing that he will hold or use such amount for the benefit of such minor. Alternatively, the Board may distribute such payment consistent with the provision of the Uniform Transfers to Minors Act, as adopted by Idaho, or the state of residence of the minor, as applicable.

(b) In the event a person entitled to receive payment under the Plan is physically or mentally incapable of personally receiving and giving a valid receipt for any payment due (unless prior claim therefor shall have been made by a duly qualified legal representative of such person), such payment in the discretion of the Board may be made to the spouse, son, daughter, parent, brother or sister of the recipient or to any other person who is responsible for the welfare of such recipient.

(c) Any payments made under subsections (a) or (b) shall, to the extent of the payments, fully discharge the obligations of the Board and the Plan to any other person making a claim hereunder with respect to such payments.

5.6 Reserved.

5.7. Required Minimum Distributions On and After January 1, 2020.

(a) General Rules.

(1) The requirements of this Section 5.7 shall apply to any distribution of a Participant's interest in accordance with Section 5.3 and will take precedence over any inconsistent provisions of this plan.

(2) All distributions required under this Section 5.7 shall be determined and made in accordance with the regulations under Section 401(a)(9) of the Code and the minimum distribution incidental benefit requirement of Section 401(a)(9)(G) of the Code.

(3) Limits on Distribution Periods. As of the first distribution calendar year, distributions to a Participant, if not made in a single sum, may only be made over one of the following periods, subject to Section 5.3:

A. the life of the Participant,

B. the joint lives of the Participant and a designated Beneficiary,

C. a period certain not extending beyond the life expectancy of the Participant, or

D. a period certain not extending beyond the joint life and last survivor expectancy of the Participant and a designated Beneficiary.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant Prior to January 1, 2020, Before Distributions Begin. If the Participant dies prior to January 1, 2020 and before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

A. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the applicable age, if later.

B. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

C. If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

D. If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin, this Section 5.7(b)(2), other than Section 5.7(b)(2)(A), will apply as if the surviving spouse were the Participant.

For purposes of this Section 5.7(b) and Section 5.7(d), unless Section 5.7(b)(2)(D) applies, distributions are considered to begin on the Participant's required beginning date. If Section 5.7(b)(2)(D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 5.7(b)(2)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.7(b)(2)(A)), the date distributions are considered to begin is the date distributions actually commence.

(3) Death of Participant On or After January 1, 2020, Before Distributions Begin. If the Participant dies on or after January 1, 2020 and before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

A. Participant Survived by a Designated Beneficiary Who is not an Eligible Designated Beneficiary. If there is a designated Beneficiary who is not an eligible designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

B. Participant Survived by an Eligible Designated Beneficiary. If the Participant is survived by an eligible designated Beneficiary, then distributions to the eligible designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died. However, if the Participant's spouse is the sole Beneficiary, then the commencement of distributions may be delayed until December 31 of the calendar year in which the Participant would have attained the applicable age, if later.

C. No Designated Beneficiary. If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in

accordance with this Section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the regulations.

(c) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

A. the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9(c) of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

B. if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9(d) of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 5.7(c) beginning with the first distribution calendar year and continuing up to, and including, the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death.

(1) Death Prior to January 1, 2020, On or After Date Distributions Begin.

A. Participant Survived by Designated Beneficiary. If the Participant dies prior to January 1, 2020, on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

I. The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

II. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

III. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

B. No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of the September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

C. Subsequent Death of Beneficiary. If the death of the Participant's designated Beneficiary occurs after distributions begin and after January 1, 2020, but before the entire account balance has been paid out, annual distributions will be paid and completed within 10 years of the designated Beneficiary's death.

(2) Death On or After January 1, 2020, On or After Date Distributions Begin.

A. Participant Survived by Designated Beneficiary. If the Participant dies on or after January 1, 2020 and on or after the date distributions begin, distributions to the Participant's Beneficiary will begin not later than December 31 of the year following the year of the Participant's death, and the Participant's remaining interest must be distributed at least as rapidly as under the distribution method used by the Participant as of the date of the Participant's death.

B. Life Expectancy Determinations. Where there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

I. The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

II. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the applicable distribution period is measured by the surviving spouse's life expectancy using the surviving spouse's birthday for each distribution calendar year after the calendar year of the Participant's death. The surviving spouse's remaining life expectancy is redetermined each distribution calendar year using the surviving spouse's age as of the surviving spouse's birthday in that distribution calendar year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

III. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary and there is an eligible designated Beneficiary, the eligible designated Beneficiary's remaining life expectancy is calculated using the age of the eligible designated Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

IV. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary and there is no eligible designated Beneficiary, the entire interest must be distributed by the end of the calendar year that includes the tenth anniversary of the date of the Participant's death. However, for the 2021, 2022, 2023 and 2024 calendar years, distributions are not required.

C. No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, such as where no individual is named as the Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

D. Death Prior to January 1, 2020, Before Date Distributions Begin

I. Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 5.7(d)(1).

II. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

III. Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.7(b)(2) and this Section 5.7(d)(3)(D) will apply as if the surviving spouse were the Participant.

(3) Death on or after January 1, 2020, Before Distributions Begin

A. If the Participant dies before the date distribution begins and the surviving spouse is the sole Beneficiary, distribution must begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the applicable age, if later.

(1) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the

Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.7(d)(3)A. this Section 5.7(d)(3) will apply as if the surviving spouse were the Participant.

B. Participant Survived by Eligible Designated Beneficiary. Except as provided in the adoption agreement, if the Participant dies before the date distributions begin and there is an eligible designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is determined initially using the Beneficiary's age as of his birthday in the calendar year following the calendar year of the Participant's death. For subsequent calendar years, the designated Beneficiary's remaining life expectancy is determined by reducing that initial life expectancy by one for each calendar year that has elapsed after the first calendar year.

(1) Death of Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and is survived by an eligible designated Beneficiary and the surviving eligible designated Beneficiary dies or reaches the age of majority before distributions are required to begin to the eligible designated Beneficiary under Section 5.7(d)(3)(B), distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the tenth anniversary of the eligible designated Beneficiary's death.

C. Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary who is not an eligible designated Beneficiary, distribution of the Participant's entire interest must be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

D. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(e) Definitions

(1) Applicable age.

A. In the case of an individual who attains age 70 before July 1, 2019, the applicable age is 70 $^{1}/_{2}$.

B. In the case of an individual who attains age 70 on or after July 1, 2019, the applicable age is 72.

C. In the case of an individual who attains age 72 after December 31, 2022, and age 73 before January 1, 2033, the applicable age is 73.

(2) Designated Beneficiary. The individual who is designated by the Participant (or the Participant's surviving spouse) as the Beneficiary of the Participant's interest under the plan and who is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the regulations.

(3) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 5.7(b)(2) and 5.7(b)(3). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(4) Eligible designated Beneficiary. An eligible designated Beneficiary is the individual designated by the Participant (or the Participant's surviving spouse) and who will receive the Participant's interest under the plan and who is:

A. The surviving spouse of the Participant,

B. A child of the Participant who has not reached majority,

C. Disabled,within the meaning of Code Section 72(m)(7),

D. A chronically ill individual, or

E. An individual not described above who is not more than 10 years younger than the Participant.

(5) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9(b) of the regulations.

(6) Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(7) Required Beginning Date: Required Beginning Date shall have the meaning as selected by the employer in the Adoption Agreement.

(f) 2020 Required Minimum Distributions

(1) A Participant or Beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Section 401(a)(9)(I) of the Code ("2020 required minimum distributions"), and who would have satisfied that requirement by receiving distributions that are either (1) equal to the 2020 required minimum distributions, or (2) one or more payments (that include the 2020 required minimum distributions) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the

Participant’s designated Beneficiary, or for a period of at least 10 years (“Extended 2020 required minimum distributions”), will be given an opportunity to make an election as to whether or not to receive those distributions.

(2) A direct rollover will be offered only for distributions that would be eligible rollover distributions in the absence of Section 401(a)(9)(I) of the Code.

5.8 Valuation of Accounts

The value of a Participant's Individual Account upon a distribution under the Plan shall be determined as of the Valuation Date on which the Plan's recordkeeper issues payment to the Participant or the Participant's Beneficiary.

5.9 Direct Rollovers

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) (1) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any distribution made upon hardship of the employee.

(2) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, an eligible deferred compensation plan described in Section 457(b) of the Code that is maintained by an eligible employer described in Section

457(e)(l)(A) of the Code, an annuity contract described in Section 403(b) of the Code, or a qualified retirement plan described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. For distributions made after December 31, 2007, an eligible retirement plan also includes a Roth IRA described in Section 408A of the Code.

(3) A "distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

5.10 Approved Domestic Retirement Orders (ADROs)

(a) A Participant's Individual Account may be assigned in whole or in part to a spouse or former spouse only pursuant to a court order that substantially meets the requirements for a qualified domestic relations order under section 414(p) of the Internal Revenue Code, other than subsection (9) thereof, as determined by the Board or its agent. Such order must encompass all funds in the PERSI Choice Plan and be separate and distinct from any approved domestic retirement order required for assignments under the PERSI Base Plan.

(b) A separate Individual Account will be established for the spouse or former spouse to be designated an alternate payee account and will be treated in all respects as a former Employee Participant account as described in Section 4.1(c) of the Plan, except that an alternate payee shall not elect a payment option and distribution shall be made in a lump-sum payment representing the entire account balance of the alternate payee's account. Fees will be assessed directly against such account in amounts determined by the Board pursuant to Section 11.3.

5.11 In-Service Transfers to Purchase Service

A Participant may, while still employed, request that all or part of his Individual Account be transferred directly to the PERSI Base Plan, or other defined benefit governmental plan (as defined in Section 414(d) of the Code) maintained in the state of Idaho, if such transfer is for the purchase of permissive service credit (as defined in Section

415(n)(3)(A) of the Code) under such plan, or a repayment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof.

5.12 Reserved

5.13 Rollovers to Non-Spouse Beneficiaries

Effective for distributions after April 30, 2007, the Beneficiary of a deceased Participant may request a transfer of the Beneficiary's Account to the trustee of an individual retirement account established under Section 408 of the Code in accordance with the provisions of Section 402(e)(11).

## ARTICLE VI
## LOANS AND WITHDRAWALS

6.1 Loans to Participants

A Participant may, by making an Appropriate Request, request a loan from the Trust Fund; provided, however, a Participant who is not an Employee is not eligible to request or receive a loan from the Trust Fund. The following additional rules shall apply:

(a) A Participant may only have one loan outstanding at any time.

(b) The minimum new loan amount shall be $1,000. If a Participant's Individual Account balance is insufficient to support the minimum loan amount loan, no loan shall be made.

(c) The maximum amount of any loan shall be the lesser of (1) and (2):

(1) $50,000, reduced by the highest balance of any loans from the Plan during the twelve month period ending on the day before the date the loan is made

(2) One-half of the value of the vested portion of the Participant's Individual Account on the date the loan is made.

(d) All loans shall be repayable over a period of not more than five years, except that a loan used by the Participant to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant shall be repayable over a period of not more than 10 years.

(e) A loan shall be secured by one-half of the value of the vested portion of the Participant's Individual Account balance; shall bear interest at a rate of one percent (1%) above the Prime Rate in effect on the first day of the calendar month in which the loan is applied for; shall be repaid by payroll deduction each pay period in accordance with a reasonable repayment schedule requiring substantially level payments of principal and interest; and shall be evidenced by a written promissory note setting forth the terms of the loan. A Participant may prepay the entire outstanding loan balance without penalty.

(f) There may be an administrative charge imposed on each new loan.

(g) Each loan shall be considered a separate investment option of the Individual Account of the Participant. Notwithstanding Section 4.1(d), when a loan is made, the amount of the loan shall be withdrawn from sub-accounts within the Participant's Individual Account among the separate Investment Options in which each sub-account is invested and transferred to a segregated loan account maintained in his name. The loan amount shall be withdrawn from the sub-accounts within the Individual Account in the following order: (1) the Rollover Sub-Account; (2) the Employee Pre-Tax Sub-Account; (3) the Employee Roth Sub-Account; and (4) the Employer Contribution Sub-Account. Within each sub-account, the loan amount shall be withdrawn from the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. Payments of principal and interest against a loan shall thereafter be allocated ratably among the sub-accounts from which the loan was withdrawn and invested in accordance with a Participant's outstanding Investment Option specification.

(h) For purposes of this Plan, a Participant shall be deemed to be in default on a loan if the Participant fails to make any installment payment by the last day of the calendar quarter following the calendar quarter in which the payment was due. In the event of a default, the outstanding loan balance is deemed to be a taxable distribution.

(i) In the event of the death of a Participant, the Participant's Account balance shall be reduced or offset by the unpaid portion of the outstanding loan together with any accrued interest prior to distribution if the outstanding loan and accrued interest is not satisfied by payment in full prior to such distribution.

(j) In the event of Disability of the Participant or the termination of employment, the Participant may pay the loan as follows:

a. pay the loan in full;

b. if the record keeper allows, make arrangements with the record keeper (not PERSI) to continue making the loan payments after Disability or termination of employment; or

c. if neither a nor b above is selected, the loan shall be immediately due and payable.

(k) If an Employee who has an outstanding loan incurs a leave of absence, ceases loan repayment, and his rate of pay (after income and employment tax withholding) is not sufficient to meet the required repayment under the terms of the loan, then the Board shall not deem that a default has occurred for a period equal to the lesser of (1) the length of the leave of absence, or (2) one year. In this instance, when the Employee returns from the leave of absence, his loan payments shall be reamortized over the remaining period of scheduled repayments. Notwithstanding the preceding provisions, loan repayments during a period of qualified military service will be suspended under this Plan as permitted under IRC Section 414(u)(4).

6.2 Hardship Withdrawals

(a) Upon making an Appropriate Request, a Participant shall be allowed to withdraw all or part of the value of his Individual Account that is available under subsection (c) while still employed by the Employer. Withdrawals made pursuant to this Section 6.2 shall be made in a lump sum payment. Withdrawn amounts may not be repaid to the Trust Fund.

(b) A Participant may only make a withdrawal under this Section 6.2 if (1) the withdrawal is made on account of an immediate and heavy financial need and (2) the amount of the withdrawal does not exceed the amount necessary to satisfy the need.

(1) A withdrawal is made on account of an immediate and heavy financial need only if it is made for a reason described in Treasury Regulation 1.401(k)-1(d)(3)(iii)(B), or for any additional reason that the Commissioner of Internal Revenue deems to be an immediate and heavy financial need pursuant to his authority under Treasury Regulation 1.401(k)-1(d)(3)(v).

(2) A withdrawal will be considered to be in an amount necessary to satisfy the need only if:

(A) The withdrawal does not exceed the amount of the need under paragraph (1);

(B) The Participant has obtained all non-hardship distributions for which he is eligible under any plan the Employer may sponsor (including this Plan);

(C) The Participant represents that he or she does not have sufficient cash or other liquid assets reasonably available to satisfy the need; and

(D) The Participant's Employer does not have actual knowledge that is contrary to the representation.

(c) A Participant's hardship withdrawal under this Section 6.2 shall be limited to the aggregate of all his Employee Pre-Tax Contributions and Employee Roth Contributions made prior to the withdrawal, reduced by the amount of any prior withdrawal of such Employee Pre-Tax Contributions and Employee Roth Contributions. Within the Employee Pre-Tax Sub-Account and Employee Roth Contributions, withdrawals shall be charged against the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. The requested hardship distribution shall be withdrawn first from the Employee Pre-Tax Sub-Account, then the Employee Roth Sub-Account.

6.3 Non-Hardship Withdrawals

Upon request of the Participant, a Participant shall be allowed to withdraw all or part of the value of his Rollover Sub-Account for any reason. Withdrawals made pursuant to this Section 6.3 shall be made in a lump sum payment. Within the Rollover Sub-Account, withdrawals shall be charged against the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. Withdrawn amounts may not be repaid to the Trust Fund.

## ARTICLE VII
## TRUST FUND

7.1 Contributions

Contributions as provided for in Article III shall be paid over to the Trustee. All contributions shall be irrevocable, and, except as provided in Section 11.6 or any other provision of this Plan, shall not be returned to the Employer. Any reversion of trust funds to an Employer or PERSI is prohibited. Assets of the Fund may be used only for the exclusive benefit of Participants and their Beneficiaries.

7.2 Trustee

The Board will maintain an agreement with the Trustee under which the Trustee will receive, invest and administer as a trust fund contributions made under this Plan in accordance with the Trust Agreement.

Such Trust Agreement is incorporated by reference as a part of the Plan, and the rights of all persons entitled to benefits hereunder are subject to the terms of the Trust Agreement. The Trust Agreement specifically provides, among other things, for the investment and reinvestment of the Fund and the income thereof, the management of the Fund, the responsibilities and obligations of the Trustee, removal of the Trustee and appointment of a successor, accounting by the Trustee and the disbursement of the Fund.

Subject to a Participant's Investment Option specification, the Trustee shall, in accordance with the terms of such Trust Agreement, accept and receive all sums of money paid to it from time to time by the Board, and shall hold, invest, reinvest, manage and administer such moneys and the increment, increase, earnings and income thereof as a trust fund for the exclusive benefit of the Participants and their Beneficiaries and for the payment of reasonable expenses of administering the Plan.

## ARTICLE VIII

## PLAN ADMINISTRATION

8.1 The Board

The retirement board created pursuant to section 59-1304 of the Idaho Code, or any successor statute, to manage the Public Employee Retirement System of Idaho (the "Board") shall administer the Plan.

A Board member shall serve until his successor qualifies. Each Board member shall be entitled to one vote, and three Board members shall constitute a quorum. Three votes shall be necessary for resolution or action by the Board at any meeting.

The Board shall hold regular meetings and shall hold special meetings at such times and at such places as it deems necessary. All meetings of the Board shall be open to the public. The Board shall keep a record of all its proceedings.

The Board shall have the power and duty of managing the Plan. The Board shall have discretionary authority to construe the Plan, and to determine, consistent with the terms of the Plan, all questions that may arise thereunder relating to (a) the eligibility of individuals to participate in the Plan, (b) the amount of benefits to which any Participant or Beneficiary may become entitled hereunder, and (c) any situation not specifically covered by the provisions of the Plan. The determination of the Board shall be final and binding on all interested parties. All disbursements by the Trustee, except for the ordinary expenses of administration of the Fund, shall be made upon, and in accordance with, the written directions of the Board.

The Board shall have the powers and privileges of a corporation, including the right to sue and be sued in its own name as such Board. Members of the Board and staff hired to assist with Plan administration who shall be found to be fiduciaries of the Plan, jointly and individually, shall be indemnified from all claims, demands, judgments, costs, charges and expenses, including court costs and attorney fees, and against all liability losses and damages of any nature whatsoever that Board members and staff shall or may at any time sustain by reason of any decision made in the scope or performance of their duties pursuant to the provisions of this Section. The venue of all actions in which the Board is a party shall be Ada County, Idaho.

The Board shall appoint an executive director to serve at its discretion. The executive director shall be the secretary to the Board, bonded as is required by the Board and shall perform such duties as assigned by the Board. The executive director shall be authorized to designate a staff member as acting director or secretary in the director's absence.

The Board shall authorize the creation of whatever staff it deems necessary for sound and economical administration of the Plan. The executive director shall hire the persons for the staff. The salaries and compensation of all persons employed for purposes of administering the system shall be fixed by the Board and paid from the Plan, unless otherwise determined by the Board.

The Board shall arrange for all actuarial, audit, custodial, legal, consulting and other necessary services for the Plan. The fees and expenses of such services shall be paid from the Plan, unless otherwise determined by the Board.

Nothing herein shall prevent a Board member from being a Participant, or from acting on Plan matters that affect him by virtue of affecting all Participants generally. However, a Board member shall not act on any matter that affects him specially.

8.2 Appeals

The Board shall have the power and authority to adopt, amend or rescind such rules and administrative policies as may be necessary for the proper administration of the Plan.

A final decision of the Board shall be served by either electronic mail with a read receipt or first class and certified mail, postage paid, on all interested parties. Any person aggrieved by any otherwise final decision or inaction of the Board must, before he appeals to the courts, file with the executive director of the Board by electronic mail with a read receipt, first class mail, or personally, within 90 days after the service date of the final decision on the aggrieved party, a notice for a hearing before the Board. The notice of hearing shall set forth the grounds of appeal to the Board.

A hearing shall be held before the Board in Ada County, Idaho, at a time and place designated by the Board, or may be undertaken or held by or before any members(s) thereof or any hearing officer appointed by the Board for that purpose. The proceedings before the Board shall be governed by the provisions of chapter 52, title 67 of the Idaho Code, or any successor statute. Members of the Board or the hearing officer shall have power to administer oaths, to preserve and enforce order during such hearings, to issue subpoenas for and to compel the attendance and testimony of witnesses or the production of books, papers, documents and other evidence and to examine witnesses.

Every finding, order or award made by any member or hearing officer pursuant to such hearing, as confirmed or modified by the Board, and ordered filed in its office, shall be deemed to be the finding, order or award of the Board. The recommended order of the hearing officer shall be considered by the Board and the decision and order of the majority of the members shall be the order of the Board. Every such order rendered by the Board shall be in writing and a copy thereof shall be mailed by first class and certified mail or via electronic mail with a read receipt to each party to the appeal and to his attorney of record.

If any person in proceedings herein disobeys or resists any lawful order to process or misbehaves during a hearing, or so near the place thereof as to obstruct the same, or neglects to produce, after having been ordered so to do, any pertinent book, paper, document or other evidence, or refuses to appear after having been subpoenaed, or upon appearing refuses to take the oath as a witness, or after having taken the oath refuses to be examined according to law, the Board shall certify the facts to the district court having jurisdiction, and the court shall thereupon, in a summary manner, hear the evidence as to the acts complained of, and, if the evidence so warrants, punish such person in the same manner and to the same extent as for contempt committed before the court, or commit such person upon the same conditions as if doing of the forbidden act had occurred with reference to the proceedings, or in the presence of the court.

Any party aggrieved by a final order of the Board may seek judicial review thereof pursuant to the provisions of chapter 52, title 67 of the Idaho Code, or any successor statute. The decision or judgment of the district court shall be subject to appeal to the Supreme Court in the same manner and by the same procedure as appeals are taken and perfected to the court in civil actions at law.

8.3 Missing Persons

If the Trustee is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person (including a notice of the payment so due mailed to the last known address of such Participant or other person as shown on the records of the Employer), such payment and all subsequent payments otherwise due to such Participant or other person shall be treated as forfeited and transmitted to the recordkeeper's unclaimed property account; provided, however, that such payment and any subsequent payments shall be reinstated retroactively as soon as administratively feasible after the date on which the Participant or other person is identified or located.

## ARTICLE IX
## AMENDMENT AND TERMINATION OF THE PLAN

9.1 Amendment of the Plan

The Board shall have the right at any time to amend the Plan in whole or in part, including retroactively to the extent necessary. Notwithstanding the preceding sentence, no amendment shall increase the duties, powers and liability of the Trustee without its written consent. Any amendment shall be set forth in an instrument in writing, a copy of which shall be provided to the Trustee as soon as practicable following its adoption.

9.2 Termination of the Plan

Continuance of this plan is not assumed as a contractual obligation.

In the event of termination of the Plan, the Board shall value the Fund as of the date of termination. The Individual Accounts of the Participants and Beneficiaries affected by the termination, as determined by the Board, shall continue to be administered as a part of the Fund or distributed to such Participants or Beneficiaries as the Board, in its sole discretion, shall determine. Any distributions upon plan termination of amounts attributable to Employee Pre-Tax Contributions and Employee Roth Contributions shall only be made to the extent permissible by Code Sections 401(k)(10) and 402A(d).

## ARTICLE X

## PROVISIONS RELATIVE TO EMPLOYERS INCLUDED IN PLAN

10.1 Method of Participation

After the effective date of this plan document, any organization that begins to participate in the PERSI Base Plan shall be considered to have adopted this plan and shall thereafter be included in this Plan.

10.2 Withdrawal

Withdrawal from this plan is contingent on withdrawal by the Employer from the PERSI Base Plan. Upon withdrawal from the PERSI Base Plan, withdrawal from this Plan is mandatory by the Employer. Upon such withdrawal, the Board shall certify to the Trustee the equitable share of such withdrawing Employer in the Fund (to be determined by the Board).

The Trustee shall thereupon set aside from the Fund then held by it such securities and other property as it shall, in its sole discretion, deem to be equal in value to such equitable share. If the Plan is to be terminated with respect to such Employer, the amount set aside shall be dealt with in accordance with the provisions of Section 9.2. If the Plan is not to be terminated with respect to such Employer, the Trustee shall pay such amount to such trustee as may be designated by such withdrawing Employer.

Neither the segregation of the Fund assets upon the withdrawal of an Employer, nor the execution of any new agreement and declaration of trust pursuant to any of the provisions of this Section 10.2, shall operate to permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries or to defray reasonable costs of administering the Plan and Trust.

## ARTICLE XI
## MISCELLANEOUS

11.1 Governing Law

The Plan shall be construed, regulated and administered according to the laws of the State of Idaho except in those areas preempted by the laws of the United States of America.

11.2 Construction

The headings and subheadings in the Plan have been inserted for convenience of reference only and shall not affect the construction of the provisions hereof. In any necessary construction the masculine shall include the feminine and the singular the plural, and vice versa.

11.3 Administration Expenses

The expenses of administering the Fund and the Plan shall be paid as directed by the Board not inconsistent with statutory authority or rule, including imposition of charges directly against Participant or Beneficiary accounts.

11.4 Participant's Rights

No Participant in the Plan shall acquire any right to be retained in the Employer's employ by virtue of the Plan, nor, upon his dismissal, or upon his voluntary termination of employment, shall he have any right or interest in and to the Fund other than as specifically provided herein. The Employer shall not be liable for the payment of any benefit provided for herein. All benefits hereunder shall be payable only from the Fund.

11.5 Limitation on Assignment

Except for the reasons provided by section 59-1317 of the Idaho Code, or any successor statute, none of the benefits, payments, proceeds, or distributions under this Plan shall be subject to the claim of any creditor of a Participant or a Beneficiary hereunder or to any legal process by any creditor of a Participant or Beneficiary. Neither a Participant nor a Beneficiary shall have any right to alienate, commute, anticipate, or assign any of the benefits, payments, proceeds or distributions under this Plan.

11.6 Mistake of Fact

Notwithstanding anything herein to the contrary, upon the Employer's request, a contribution to this Plan which was made by a mistake of fact may be returned to the Employer by the Trustee within one (1) year after the payment of the contribution provided the funds have not been distributed.

11.7 Historical Provisions

(a) Prior to January 1, 2026, the following individuals were Eligible Employees:

(i) Any member of the Firemen's Retirement Fund created by Title 72, Chapter 14, Idaho Code, so long as he remains an Employee.

(ii) Any person who contributed to the PERSI Base Plan with the expectation of eligibility but who is not an active member solely because his employment with the Employer does not total five (5) consecutive months, pursuant to section 59-1302(14)(B)(b) of the Idaho Code.

(b) The following provision was applicable from January 1, 2001 and December 31, 2002: With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code in accordance with the Treasury Regulations under section 401(a)(9) that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary.

(c) Required Minimum Distribution Holiday - Notwithstanding Section 5.7 or Section 11.7(d), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 ("2009 RMDs") but for the enactment of section 401(a)(9)(H) of the Code, and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

(d) Minimum Distribution Requirements after December 31, 2002 and Prior to January 1, 2020.

(a) General.

(1) Effective Date. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(2) Precedence. The requirements of this Section will take precedence over any inconsistent provisions of the Plan.

(3) Requirements of Treasury Regulations Incorporated. All distributions under this Section will be determined and made in accordance with the final Treasury Regulations under Section 401(a)(9) of the Code.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section will apply as if the surviving spouse were the Participant.

For purposes of this Section, distributions are considered to begin on the Participant's required beginning date. However, if distributions are required to be made to the surviving spouse, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under this Section.

(3) Forms of Distributions. Unless the Participant's interest is distributed in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with paragraphs (c) and (d) of this subsection.

(c) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) The quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death. (1) Death On or After Date Distributions Begin.

(A) Participant's Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(i) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii). If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii). If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of the death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary.

(B) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under this Section, this subsection (C) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(1) Designated Beneficiary. The individual who is designated as the Beneficiary under Article X of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, of the Treasury Regulations.

(2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which

contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(3) Life expectancy. Life expectancy as computed by the use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(4) Participant's account balance. The account balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of the dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The account balance for valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) Required beginning date. April 1 of the calendar year following the later of: (a) the calendar year in which the Participant reaches age 70 ½ or (b) the calendar year in which the Participant retires.

## ARTICLE XII
## ADOPTION OF THE PLAN

As evidence of its adoption of this Twelfth Amended Plan, the Board of Trustees of the Public Employee Retirement System of Idaho (PERSI) has caused this instrument to be signed by its authorized officer this ______ day of _________________, 2025 effective generally as of January 1, 2026 and as otherwise provided herein.

ATTEST: PERSI

____________________________ By:__________________________________

Michael Hampton

Executive Director and Secretary to the Retirement Board

*12569675.v3*

4912-7553-2314

4912-7553-2314, v. 1

PERSI
Public Employee Retirement System of Idaho

**May 20, 2025**

To: PERSI Board of Directors
From: Catherine Atchison, QA Manager
Subject: Plante Moran Internal Assessment Update

**Summary:**

Gabrielle Wafer and Matthew Jacobson from Plante Moran will present an update on the 2024 units assessments, remediation statuses, and will provide an overview of key objectives for 2025.

**Key Discussion:**

- Provide a brief overview of the units completed in 2024 as well as overall remediation statuses for units 1 through 5.
- Present the 2025 Risk Assessment heat map showing potential risk and likelihood impacts for identified business areas. The map is based on survey results provided by PERSI leadership in late 2024.
- Present an overview of assessment themes for 2025. Key objectives include staff acquisition and retention, external customer service, IT consulting, and general oversight.

**Action:**

No action is requested. This is informational only.


# PERSI Internal Assessment Update

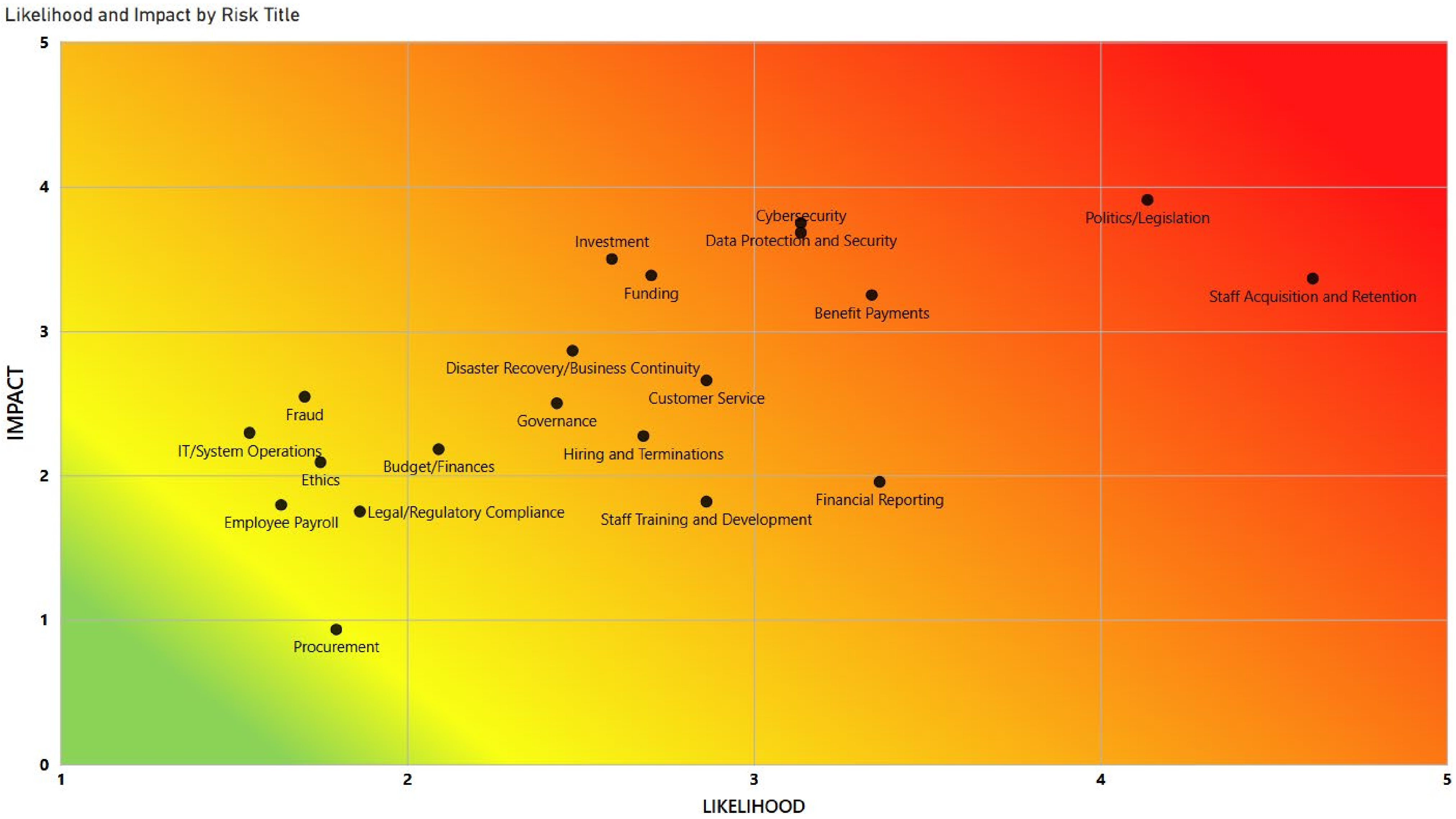
May 20, 2025

# 2024 Assessment Unit Summary

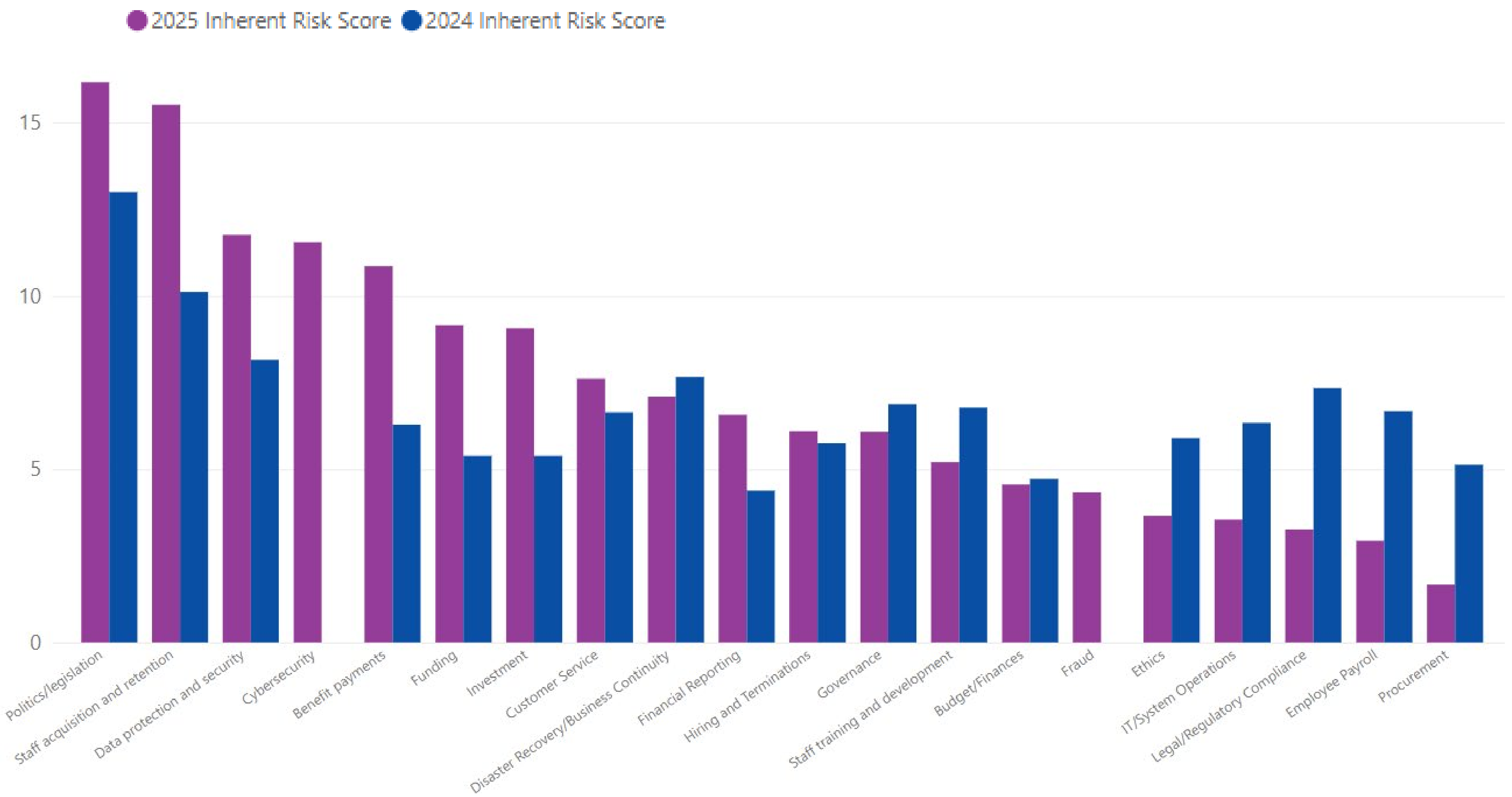
- Assessment Unit 5, Payment Compliance, was completed in April.
- Assessment Unit 6, Benefit Termination, is projected to be completed early June.
- PM created a remediation tracker that outlines all the recommendations from finalized reports and the progress for each recommendation.*
  - This tracker will be kept up to date on an ongoing basis.
  - Last updated on 5/5/2025 and includes all completed reports.
- Currently, the recommendation status is as follows:
  - 25% have been implemented
  - 28% are in process
  - 47% have not been started: Many recommendations will be implemented as a part of the pension system admin upgrade

**** A separate meeting has been scheduled to demo the tracker and discuss the status of the recommendations***

# 2025 Risk Assessment Results



# 2024 vs. 2025 Risk Assessment Results



# 2025 Internal Assessment Plan

## The following assessment/consulting services are recommended based on the results of the 2025 risk assessment

| Assessment No. | Internal Assessment Unit | Status |
|---|---|---|
| 1 | Remediation Tracker | In-Process |
| 2 | Retention and Development | In-Process |
| 3 | IT Consulting | Not Started |
| 4 | Pension Administration System Upgrade Consulting | Not Started |
| 5 | Custodial Oversight | Not Started |
| 6 | Customer Service | In-Process |

***Please note that these assessment units are recommendations and if requested, subject to change.***

# Thank you!

**Amanda Carrigan, CIA, CISA, CRISC**
**Partner**
Amanda.Carrigan@plantemoran.com

**Gabrielle Wafer**
**Manager**
Gabrielle.Wafer@plantemoran.com

**Matthew Jacobson**
**Senior Consultant**
Matthew.Jacobson@plantemoran.com

# Memo

Date: May 14, 2025

To: PERSI Board

From: Investment Team – PERSI Investment Staff & Callan

Re: Actuarial Investment Return Assumption
Callan – Projected, Actuarial Assumptions, and Actual Returns

---

The investment team recommends a conservative actuarial investment return assumption, consistent with the Base Plan Funding Guidelines, investment return considerations, and historical experience.

Base Plan Funding Guidelines (Governance Policy Manual Section III.21.A.iii):
"To support the continued sustainability of the Base Plan, it is a principle of the Board to seek, over time, to adopt more conservative actuarial assumptions to gradually reduce market volatility risk and improve Contribution Rate stability."

Investment Return Considerations:
In the 2025 PERSI Actuarial Assumptions Study (Economic Assumptions) presentation, Milliman cites the following investment return considerations worth highlighting:

- Assumption with one of largest impacts on calculated liabilities
- Difficult to predict accurately given past investment performance is not indicative of future performance
- Significant subjectivity in assumption
- Investment return experience is expected to be volatile with gains and losses (affects frequency and magnitude of gains and losses relative to the assumption)
- Volatility management – incremental changes are generally preferred; large changes in assumptions create unnecessary volatility in liabilities and contribution rates
- Conservatism – it's often warranted to reflect a reasonable degree of conservatism
    - Investment returns below the assumption (losses) present more challenges to the system (e.g. through required contribution rate increases…)
    - A lower assumption makes losses less likely and gains more likely

Historical Experience:
Historically, the PERSI Board adopted conservative investment return assumptions, with infrequent, small, incremental changes when necessary. Specifically, changes of 25 basis points, equating to a 3% change in the assumption.

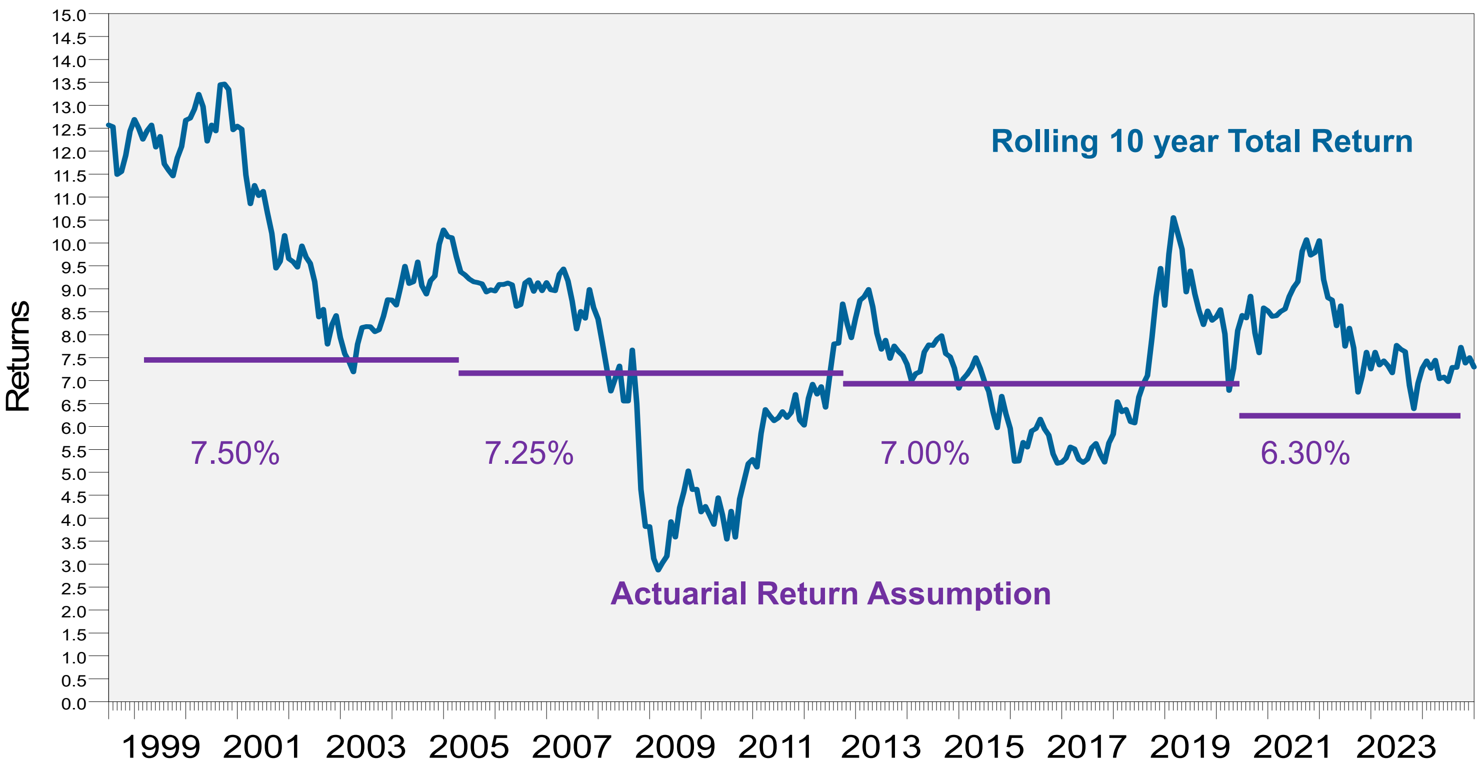
Attached are materials provided by Callan to address the Board's request to provide a summary of historical (actual) returns of the fund compared to the actuarial investment return assumption.

Investment Recommendation:
The investment team is concerned about market volatility and exposure to market risk and accordingly recommends a conservative bias – a small, incremental change, if any.

# PERSI DB: Historical Actual Returns and Actuarial Return Assumptions

10 year rolling time periods

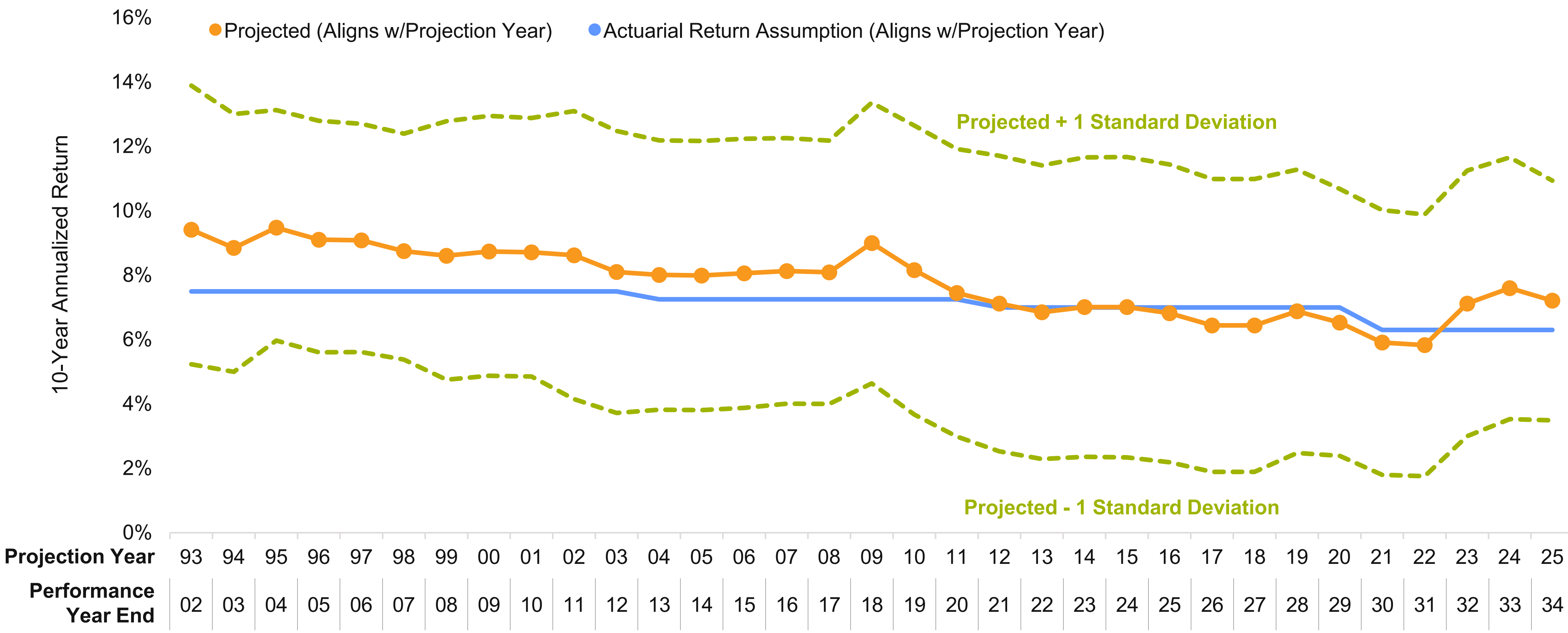
Rolling 120 Month Net of Fee Returns
Since Inception of Total Fund
Ended December 31, 2024



# Callan Projections vs Assumed Rate of Return

## Projection Years 1993–2025

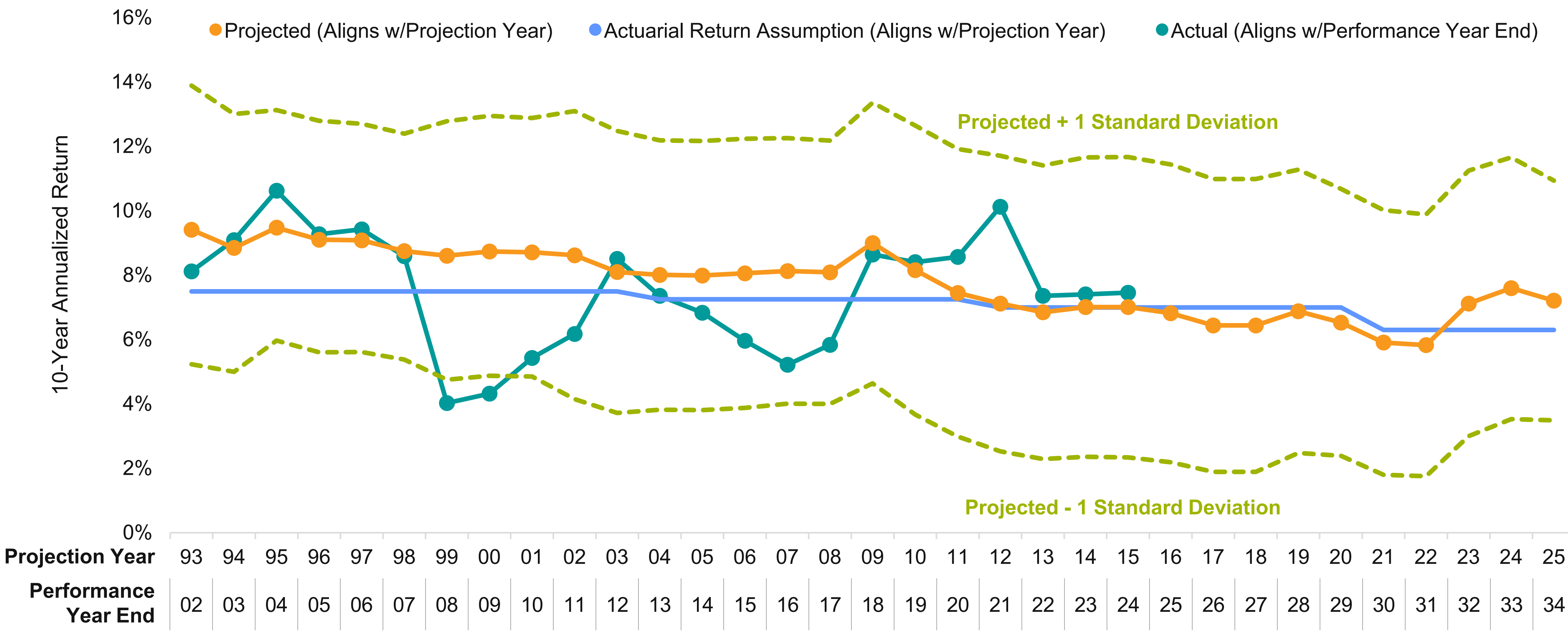
### Historical Comparison: Actual PERSI Returns vs. Callan Projections on the Strategic Target



# Callan Projections, Assumed Rate of Return and Actual Returns

## Projection Years 1993–2025

**Historical Comparison: Actual PERSI Returns vs. Callan Projections on the Strategic Target**



# PERSI DB: Actual vs Long Term Target (55/15/30)

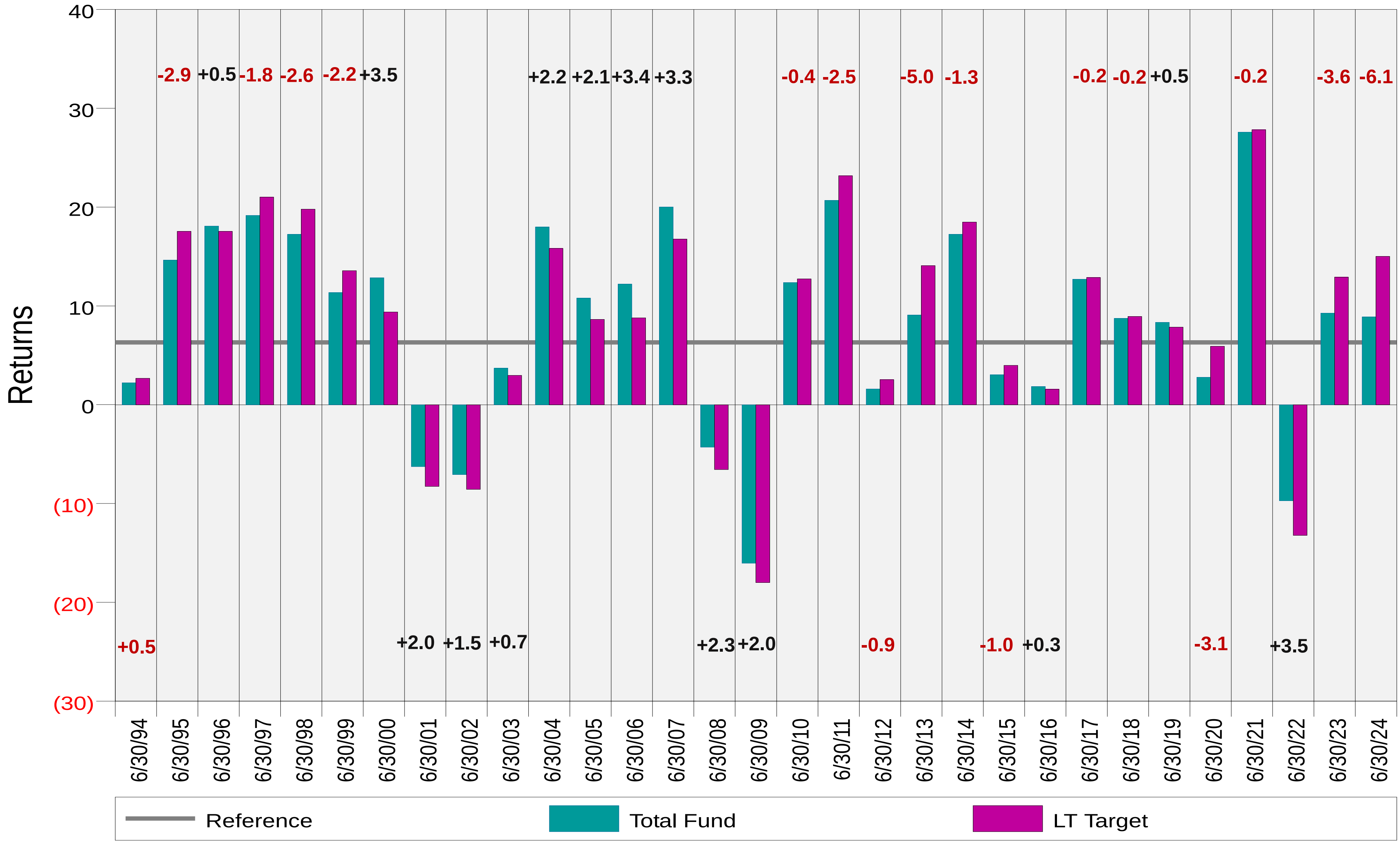
## Fiscal Years since 1994

Return > Actuarial Assumption

7 of 20 or 35% of the time outperformed

Return < Actuarial Assumption

7 of 11 or 64% of time outperformed



PERSI
Public Employee Retirement System of Idaho

May 20, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Experience Study – Investment Return Assumption

**Summary:**

"The expected investment return for a pension plan's assets is used as the discount rate for public and multiemployer pension plan valuations and is sometimes referred to as the "actuarial" rate of return. This assumption often has a greater impact on the pension liability than any other assumption and is the subject of much analysis and commentary." (1)

"Because investment earnings account for most of the revenue for a typical public pension fund, the accuracy of the return assumption has a major effect on a plan's finances and actuarial funding level."(2)

**Key Discussion:**

- The capital market expectations are determined based upon the asset allocation as defined in the investment policy.
- An investment return assumption that is set too low will overstate liabilities. Conversely, a rate set too high will understate liabilities. An assumption that is significantly different from actual, in either direction, will cause a misallocation of resources between generations.
- Actuarial assumptions used to fund PERSI should be based on sound recommendations of PERSI's actuary and expert consultants that seek to maintain an actuarially sound and sustainable retirement system.
- The consulting actuary's long term (30-year) return assumption, based upon the current asset allocation, is 7.08% net of investment expense or 7.03% net of investment and administrative expenses.
- The investment consultant's 10-year return assumption is 7.21% net of investment expenses or 7.16% net of investment and administrative expenses.
- The consulting actuary's recommended range, net of investment and administrative expenses, is between 6.50% and 6.70%.
- PERSI has historically employed a conservative lean in establishing the investment return assumption.

**Action:**

Milliman has provided an investment return assumption range of reasonableness between 6.30% - 7.00% and a recommended range within that range of 6.50% - 6.70%. Administrative staff would recommend the Board adopt an investment return towards the top of the recommended range, to maintain a conservative lean while recognizing both of the investment consultants and consulting actuary's current capital market projections.

(1) American Academy of Actuaries Issue Brief "Asset Allocation and Investment Return Assumption (July 2020)
(2) NASRA Issue Brief: Public Pension Plan Investment Return Assumptions (March 2024)

# 2025 PERSI Actuarial Assumptions Study

## Economic Assumptions Study


Robert Schmidt, FSA, EA, MAAA

Ryan Cook, FSA, EA, MAAA


MAY 20, 2025

Milliman

Solutions for a world at risk™

# Agenda

- Economic assumptions study
  - Background about economic assumptions for actuarial valuations
  - Study results
  - Recommend an incremental increase in expected net return and wage inflation
- Impact on valuation results
- Board discussion and vote

# Economic Assumptions Study

Milliman

# Introduction to Economic Assumptions

## Classes of Economic Assumptions

| Category | Specific Assumptions | Relevance to Actuarial Valuation |
|---|---|---|
| Minor Assumption | Administrative expense load | ▪ Administrative expenses are a cost to the System<br>▪ Approved by Board in March. |
| Key Assumptions | Wage inflation | ▪ Benefits are based on member pay at retirement<br>▪ Contributions are based on member pay throughout their career<br>▪ Larger pay raises increase costs to the System, but also increase System funding |
| | Investment return | ▪ Member benefits are funded through a combination of contributions and investment returns<br>▪ The higher the investment returns, the lower the contributions needed to fund the System |

- Actual System costs will be determined by the actual experience of the plan, not the assumptions.
- Valuation assumptions allow us to project costs to allocate them appropriately.

# Wage Inflation

- Added to salary merit increase assumption to project future earnings of current members
- Current assumption is 3.05% (2.30% CPI-U + 0.75% real wage growth)
- History is used as indicator of future real wage growth
- Current capital market expectations (2.30%–2.50%) are used as an indicator of future CPI-U

## Average Growth through July 1, 2023

| | | PERSI Average Wage | | National Average Wage Index[2] | |
|---|---|---|---|---|---|
| | CPI-U[1] | *Nominal* | *Real* | *Nominal* | *Real* |
| **5-year average (2018–2023)** | 3.90% | 4.27% | 0.37% | 4.94% | 1.04% |
| **10-year average (2013–2023)** | 2.71% | 3.23% | 0.52% | 3.87% | 1.16% |
| **25-year average (1998–2023)** | 2.54% | 2.88% | 0.34% | 3.42% | 0.88% |
| **50-year average (1973–2023)** | 3.94% | 4.14% | 0.20% | 4.46% | 0.52% |

## Average Growth through July 1, 2024

| | | PERSI Average Wage | | National Average Wage Index[2] |
|---|---|---|---|---|
| | CPI-U[1] | *Nominal* | *Real* | |
| **5-year average (2019–2024)** | 4.17% | 4.60% | 0.43% | Not yet published |
| **10-year average (2014–2024)** | 2.80% | 3.67% | 0.87% | Not yet published |
| **25-year average (1999–2024)** | 2.58% | 2.92% | 0.34% | Not yet published |
| **50-year average (1974–2024)** | 3.79% | 4.05% | 0.26% | Not yet published |

[1]June to June

[2]Index values from https://www.ssa.gov/oact/cola/AWI.html, adjusted to mid-year to align with PERSI's fiscal year

# Investment Return

Considerations

## About the Investment Return Assumption

- Assumption with one of largest impacts on calculated liabilities
  - Projected benefits extend many decades into the future (i.e., long duration of liabilities)
  - Decades of compounding results in liabilities being sensitive to assumed return
- Assumption should be based on the asset allocation of the Fund
- As a reminder, actual System costs will be determined by the actual experience of the plan, not the valuation assumptions.

## Challenges in Predicting Future Returns

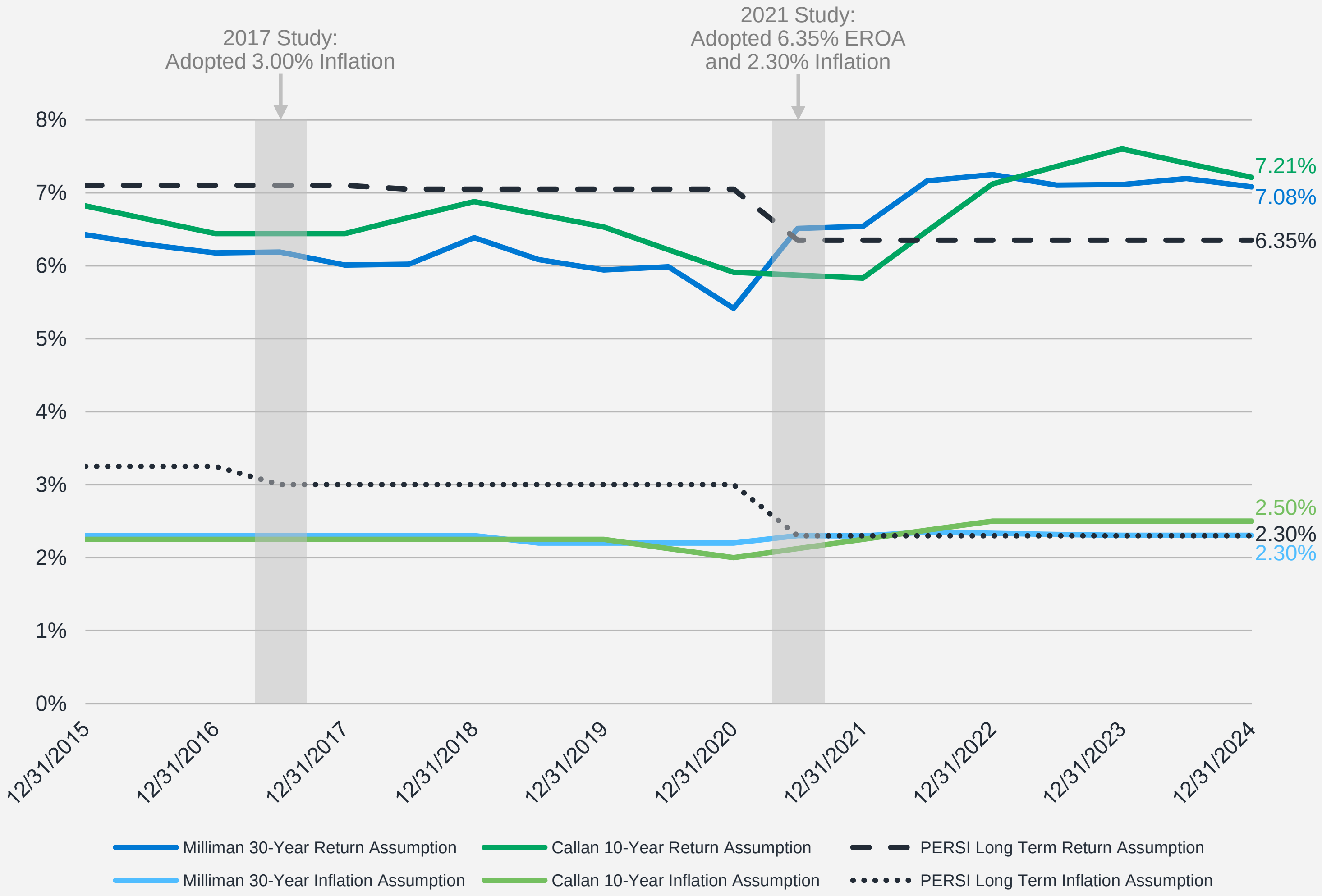
- Difficult to predict accurately given past investment performance is not indicative of future performance
- Significant subjectivity in assumption:
  - No one “correct” assumption
  - A range of reasonable assumptions
- Investment return experience is expected to be volatile with gains and losses
  - Investment gains should be kept in the system to cover the future investment losses
  - Board’s decision on expected return assumption affects frequency and magnitude of gains and losses relative to the assumption

## Concepts to Consider When Setting the Investment Return Assumption

- **Precision** - The latest capital market expectations represent experts' best estimates of future returns so should be taken into consideration.
- **Volatility management** – Incremental changes are generally preferred to large changes.
  - Large changes in assumptions create unnecessary volatility in liabilities and contribution rates.
- **Conservatism** – It’s often warranted to reflect a reasonable degree of conservatism.
  - Investment returns below the assumption (losses) present more challenges to the system and its contributing members and employers, e.g., through required contribution increases, than higher returns (gains)
  - A lower assumption makes losses less likely and gains more likely.

# Investment Return

## Capital Market Expectations




- Capital market expectations vary from firm to firm, but Milliman and Callan's assumptions are relatively similar most years
- PERSI lowered return assumption from 7.05% to 6.35% in 2021
- Capital market expectations have been higher since 2021

All expected returns are net of investment expenses, but not administrative expenses and are shown on a nominal basis.

Return expectations are based on PERSI's Strategic Policy target asset allocation.

Annual standard deviation for the return is 12.57% under Callan's 12/31/2024 capital market expectations.

# Economic Assumption Scenarios

- The following four sets of assumptions are within the range of reasonableness
- Recommend Scenarios B or C as a balance between precision, volatility management, and conservatism

| | | Milliman Recommended Range | | |
|---|---|---|---|---|
| | Scenario A (Current) | Scenario B | Scenario C | Scenario D |
| Expected Investment Return (net of investment expenses) | 6.35% | 6.55% | 6.75% | 7.05% |
| Assumed Administrative Expense Load | -0.05% | -0.05% | -0.05% | -0.05% |
| **Expected Net Investment Return (net of all expenses)** | **6.30%** | **6.50%** | **6.70%** | **7.00%** |
| CPI-U Inflation Assumption | 2.30% | 2.40% | 2.50% | 2.50% |
| Real Wage Growth Assumption | 0.75% | 0.75% | 0.75% | 0.75% |
| **Wage Inflation** | **3.05%** | **3.15%** | **3.25%** | **3.25%** |

All scenarios assume 13% annual standard deviation for investment returns.

The returns above are net of investment expenses of approximately 0.30%–0.50%.

# Impact of Economic Assumption Scenarios

Milliman

# Impact on July 1, 2024, Valuation Results

- All columns in below table include:
  - Demographic assumption changes
  - All Board PAA and contribution rate decisions made since the valuation
- As a reminder, actual System costs will be determined by the actual experience of the plan, not the valuation assumptions.

| Scenario | Scenario A (Current) | Scenario B | Scenario C | Scenario D |
|---|---|---|---|---|
| **Expected Net Return* / Wage Inflation** | **6.30% / 3.05%** | **6.50% / 3.15%** | **6.70% / 3.25%** | **7.00% / 3.25%** |
| **Actuarial Accrued Liability (AAL)** | $26.0 b | $25.4 b | $24.9 b | $24.1 b |
| **Market Value of Assets (MVA)** | $22.1 b | $22.1 b | $22.1 b | $22.1 b |
| **Unfunded AAL (UAAL)** | $3.8 b | $3.3 b | $2.8 b | $2.0 b |
| **Funded Ratio** | 85.2% | 87.1% | 88.8% | 91.9% |
| **7/1/2024 Aggregate Total Contribution Rate** | 20.96% | 20.96% | 20.96% | 20.96% |
| **Normal Cost Rate** | 16.78% | 16.21% | 15.65% | 14.64% |
| **UAAL Amortization Rate** | 4.18% | 4.75% | 5.31% | 6.32% |
| **Amortization Period based on 7/1/2024 contribution rates** | 32.6 years | 21.4 years | 14.7 years | 8.0 years |
| **Amortization Period with scheduled contribution rate increases** | 11.5 years | 9.3 years | 7.4 years | 5.0 years |

*Expected return net of all expenses

# Board Vote on Economic Assumptions

# Economic Assumption Scenarios

- The following four sets of assumptions are within the range of reasonableness
- Recommend Scenarios B or C as a balance between precision, volatility management, and conservatism

| | | Milliman Recommended Range | | |
|---|---|---|---|---|
| | Scenario A (Current) | Scenario B | Scenario C | Scenario D |
| Expected Investment Return (net of investment expenses) | 6.35% | 6.55% | 6.75% | 7.05% |
| Assumed Administrative Expense Load | -0.05% | -0.05% | -0.05% | -0.05% |
| **Expected Net Investment Return (net of all expenses)** | **6.30%** | **6.50%** | **6.70%** | **7.00%** |
| CPI-U Inflation Assumption | 2.30% | 2.40% | 2.50% | 2.50% |
| Real Wage Growth Assumption | 0.75% | 0.75% | 0.75% | 0.75% |
| **Wage Inflation** | **3.05%** | **3.15%** | **3.25%** | **3.25%** |

All scenarios assume 13% annual standard deviation for investment returns.

The returns above are net of investment expenses of approximately 0.30%–0.50%.

# Caveats

# Certification

See our July 1, 2024, Valuation Report, for a description of the assumptions, methods, and plan provisions used in this report. See our July 1, 2024; July 1, 2023; July 1, 2022; July 1, 2021; July 1, 2020; and July 1, 2019, Valuation Reports for a summary of the data used in this report.

See the Risk Disclosure sections of our July 1, 2024, actuarial valuation report for a summary of risks relevant to this plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the System. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding policy. 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, 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 System 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 System 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.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System 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.

# Certification (continued)

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 Appendix A of our 2024 Valuation Report.

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.

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.

# Certification (continued)

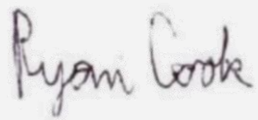
The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally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

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.

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



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

# Thank you

**Robert Schmidt**

robert.schmidt@milliman.com

**Ryan Cook**

ryan.cook@milliman.com

# Appendix A

## Economic Assumption Support

Milliman

# Interest on Member Contributions

- Actual interest rate is equal to greater of:
  - 90% of net asset returns of trust
  - 1.00%
- Assumption is calculated by simulating various investment return scenarios, applying the above formula to each, and calculating the average long-term interest rate
- Current assumption is 8.50%
  - Based on 6.30% assumed investment return and 13% assumed standard deviation chosen in prior study
- New recommendation will be based on the investment return and standard deviation chosen in this study

| | | | | |
|---|---|---|---|---|
| **Investment Return Assumption** (net of all expenses) | 6.30% | 6.50% | 6.70% | 7.00% |
| **Annual Standard Deviation of Investment Return** | 13% | 13% | 13% | 13% |
| **Implied Annual Interest on Member Contributions** | 8.54% | 8.65% | 8.77% | 8.95% |
| **Proposed Assumption for Annual Interest on Member Contributions** | **8.50%** | **8.75%** | **8.75%** | **9.00%** |

# Investment Return

## PERSI Historical Experience

- Current assumed investment return, net of investment expenses, is 6.35% (2.30% inflation)
- 0.05% administrative expense load is subtracted to give 6.30%, but below table is gross of administrative expenses, so is comparable to the 6.35%

**Experience through July 1, 2024**

| | PERSI Investment Return[1] | CPI-U[2] |
|---|---|---|
| **5-year average (2019–2024)** | 7.06% | 4.17% |
| **10-year average (2014–2024)** | 6.80% | 2.80% |
| **25-year average (1999–2024)** | 6.40% | 2.58% |
| **50-year average (1974–2024)** | 8.31% | 3.79% |

[1]Returns are shown on a nominal basis and are net of investment expenses, but not administrative expenses. Includes the following plans (noting that some of these plans have been included in the trust for less than 50 years):

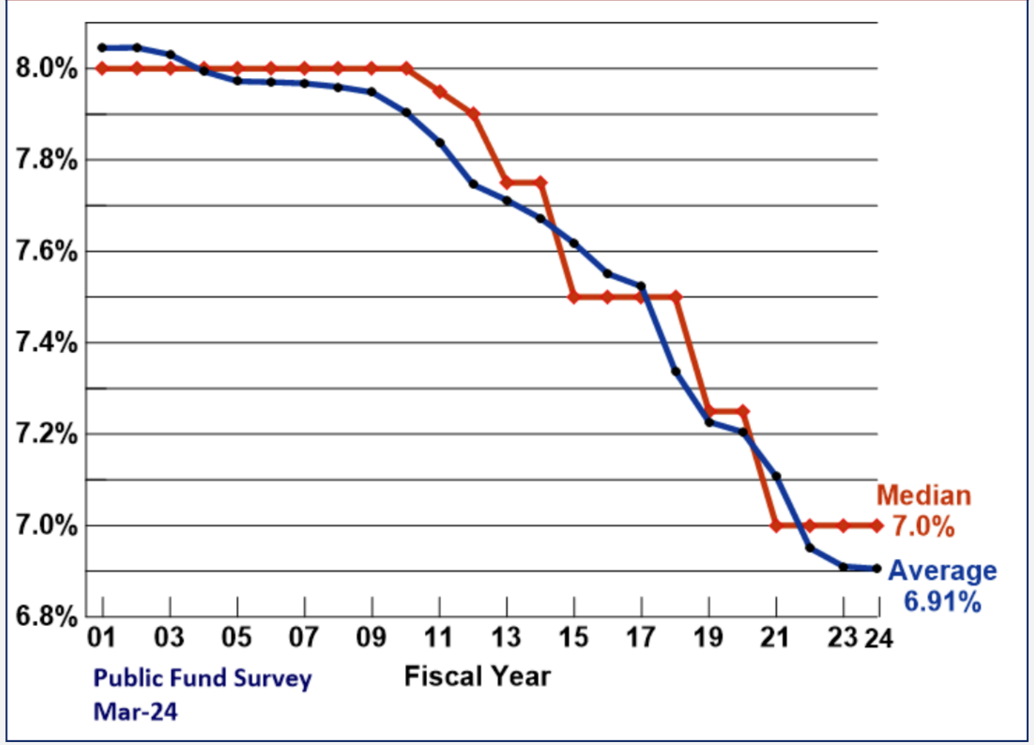
- PERSI pension benefits
- Firefighters' Retirement Fund
- Judges' Retirement Fund
- Idaho Falls Police Retirement Fund

[2]June to June

# Investment Return

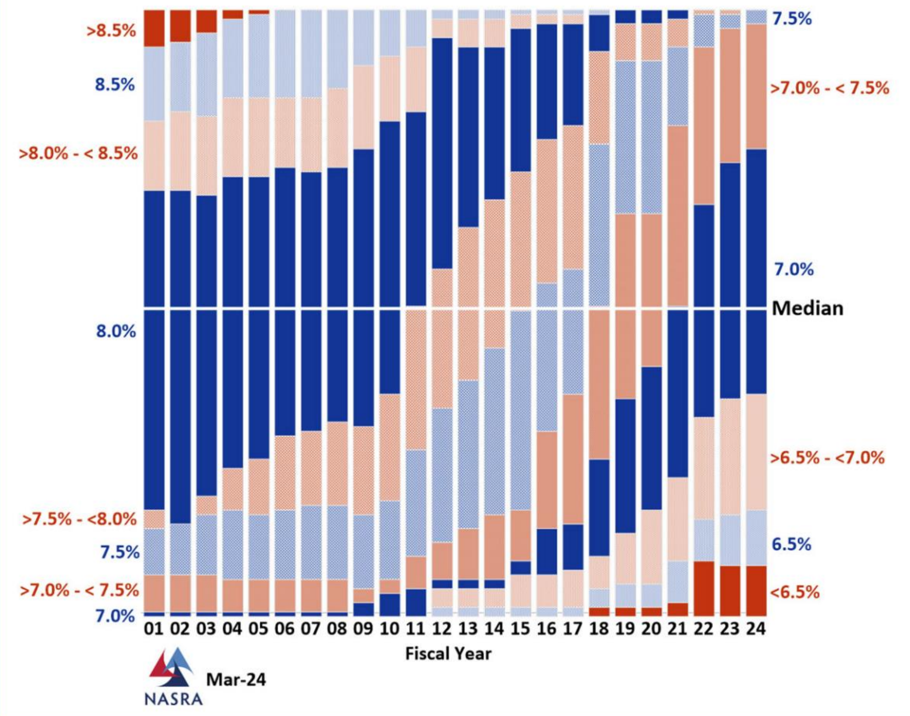
## NASRA Historical Analysis

Figure 4: Change to average and median investment return assumption, FY 01 to FY 24




[NASRA Issue Brief: Public Pension Plan Investment Return Assumptions (Updated March 2024)]

Figure 3: Change in Distribution of Nominal Public Pension Investment Return Assumptions, FY 01 to FY 24

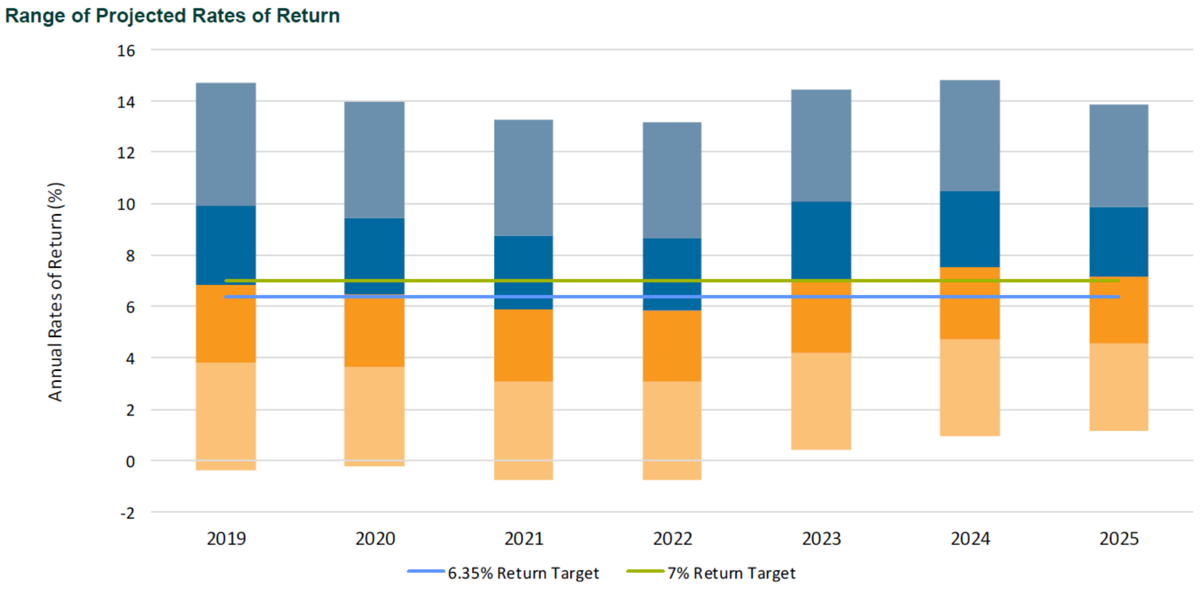



[NASRA Issue Brief: Public Pension Plan Investment Return Assumptions (Updated March 2024)]

# Investment Return

## Historical Capital Market Expectations (continued)

### Historical Expected Returns: Using the respective 10-year Capital Market Assumptions




| Percentile | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| 5th Percentile | 14.7 | 14.0 | 13.3 | 13.2 | 14.5 | 14.8 | 13.8 |
| 25th Percentile | 9.9 | 9.4 | 8.7 | 8.7 | 10.1 | 10.5 | 9.9 |
| Median | 6.9 | 6.5 | 5.9 | 5.8 | 7.1 | 7.6 | 7.2 |
| 75th Percentile | 3.8 | 3.7 | 3.1 | 3.1 | 4.2 | 4.7 | 4.6 |
| 95th Percentile | -0.4 | -0.2 | -0.8 | -0.7 | 0.4 | 1.0 | 1.2 |
| Prob > 6.35% | 54.5% | 51.3% | 45.8% | 45.3% | 57.1% | 61.4% | 58.7% |

From Callan's February 28, 2025, report on Capital Market Expectations for the Public Employee Retirement System of Idaho

All expected return on assets (EROAs) are net of investment expenses, but not administrative expenses and are shown on a nominal basis.

EROA expectations are based on PERSI's Strategic Policy target asset allocation.

Annual standard deviation is 12.57% under Callan's 12/31/2024 capital market expectations.

PERSI
Public Employee Retirement System of Idaho

May 20, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Contribution Rate Study

**Summary:**

At the October 29th, 2024 board meeting, the Board moved to delay the 2nd and 3rd proposed contribution rate increases for one year and revisit the rate setting in the Spring of 2025, after the conclusion of actuarial assumption setting through the scheduled experience study.

**Key Discussion:**

- The current proposed contribution rate increases are:
  - Effective 7/1/2026 - 2.50% contribution rate increase
  - Effective 7/1/2027 - 3.75% contribution rate increase
- The board chose to review future proposed contribution rates after the experience study was complete to understand the impact of any changes in demographic and economic assumptions.
- Employers budgeting process will begin in the summer of 2025. Ideally, any changes to future contribution rate increases would be completed prior to the budgeting cycle.
- Dependent upon the final actions taken by the Board on economic assumptions, Milliman has provided some select scenarios for the board consideration.
  - Do nothing – leave current proposed contribution rate increases in place and notify employers of the need to budget into FY2027 budget.
  - Cancel 2.50% increase scheduled to take effect 7/1/2026 but leave in place 3.75% contribution rate increase scheduled for 7/1/2027.
  - Cancel 2.50% increase scheduled to take effect 7/1/2026 and reduce 3.75% contribution rate increase scheduled for 7/1/2027 down to 2.00%.
  - Cancel both proposed contribution rate increases currently scheduled to take effect 7/1/2026 and 7/1/2027.

**Action:**

Staff recommends the Board consider the possibility of delaying, reducing, and/or eliminating the 7/1/2026 contribution rate increase of 2.50%, prior to the summer of 2025 budgeting cycle of PERSI employers, based upon the final economic assumptions the Board has adopted.

Additionally, the Board may want to consider delaying, reducing, and/or eliminating the 7/1/2027, if the Board believes it has sufficient information to make this decision. The Board may want to consider delaying any decision on the 7/1/2027 contribution rate increase until it receives the FY 2025 valuation results in October 2025.

# 2025 PERSI Contribution Rate Study

## FYE 2027+ Contribution Rate Study

**Robert Schmidt, FSA, EA, MAAA**

**Ryan Cook, FSA, EA, MAAA**

MAY 20, 2025

Milliman

Solutions for a world at risk™

# Overview of Scheduled Rate Changes

## Oct. 2022 rate increases

**Were needed due to 7/1/2022 valuation results**

1. Initial 1.25% increase effective 7/1/2024
2. Additional 2.50% increase effective 7/1/2025
3. Additional 3.75% increase effective 7/1/2026

**On 7/1/2024, #1 went into effect**

**In Oct. 2024, Board delayed #2 and #3 by 1 year**

## Sep. 2023 temporary safety rate increase

**Pay for 2023 return to work law**

Safety rates temporarily increased by 1.14% effective 7/1/2024 and ending 6/30/2027

**In Dec. 2024, Board voted to end 1.14% rate effective 3/31/2025**

## Current Contribution Rate Schedule

| | | | *Current rates* | *Future rates under consideration* | |
|---|---|---|---|---|---|
| **Class** | **FYE 2024** | **7/1/2024 – 3/31/2025** | **4/1/2025 – 6/30/2026** | **FYE 2027** | **FYE 2028+** |
| **Aggregate** | | | | | |
| Employer | 12.00% | 12.89% | 12.78% | 14.33% | 16.64% |
| Member | 7.52% | 8.07% | 7.99% | 8.94% | 10.38% |
| **Total** | **19.52%** | **20.96%** | **20.77%** | **23.27%** | **27.02%** |
| **General** | | | | | |
| Employer | 11.18% | 11.96% | 11.96% | 13.53% | 15.87% |
| Member | 6.71% | 7.18% | 7.18% | 8.11% | 9.52% |
| **Total** | **17.89%** | **19.14%** | **19.14%** | **21.64%** | **25.39%** |
| **Teacher** | | | | | |
| Employer | 12.69% | 13.48% | 13.48% | 15.04% | 17.38% |
| Member | 7.62% | 8.08% | 8.08% | 9.02% | 10.43% |
| **Total** | **20.31%** | **21.56%** | **21.56%** | **24.06%** | **27.81%** |
| **Safety** | | | | | |
| Employer | 13.26% | 14.65% | 13.98% | 15.44% | 17.62% |
| Member | 9.83% | 10.83% | 10.36% | 11.40% | 12.97% |
| **Total** | **23.09%** | **25.48%** | **24.34%** | **26.84%** | **30.59%** |

# Impact of Reducing Rate Increases

| # | Contribution Rate Scenario | FYE 2028+ Contribution Rate | Scenario A (Current Econ. Assumptions)[1] 6.30% / 3.05% | | Scenario B[1] 6.50% / 3.15% | | Scenario C[1] 6.70% / 3.25% | | Scenario D[1] 7.00% / 3.25% | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 7/1/2024 Amort. Period | Min. FYE 2025 Asset Return[2] | 7/1/2024 Amort. Period | Min. FYE 2025 Asset Return[2] | 7/1/2024 Amort. Period | Min. FYE 2025 Asset Return[2] | 7/1/2024 Amort. Period | Min. FYE 2025 Asset Return[2] |
| 1 | Do nothing | 27.02% | 11.5 years | -12.3% | 9.3 years | -16.7% | 7.4 years | -21.0% | 5.0 years | -27.4% |
| 2 | Cancel 2.50% increase | 24.52% | 15.2 years | -3.6% | 11.9 years | -8.0% | 9.2 years | -12.4% | 5.9 years | -19.1% |
| 3 | Cancel 2.50% increase & reduce 3.75% increase to 2.00% | 22.77% | 19.9 years | 2.3% | 14.7 years | -2.3% | 11.0 years | -6.7% | 6.6 years | -13.6% |
| 4 | Cancel both 2.50% and 3.75% increases | 20.77% | 32.6 years | 8.8% | 21.4 years | 4.2% | 14.7 years | -0.2% | 8.0 years | -7.3% |

[1]Shows expected return net of all expenses and assumed wage inflation in that order.

[2]Minimum asset return needed in FYE 2025 to avoid the July 1, 2025, amortization period being above 25.0 years.

All results are based on the 7/1/2024 valuation results adjusted for the demographic assumption changes and contribution rate decisions made since the valuation. The results assume no gains, losses, or benefit increases above the statutory 1% per year after July 1, 2024, other than the 0.3% retro-PAA granted on March 1, 2025.

# Caveats

# Certification

See our July 1, 2024, Valuation Report, for a description of the data, assumptions, methods, and plan provisions used in this report.

See the Risk Disclosure sections of our July 1, 2024, actuarial valuation report for a summary of risks relevant to this plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the System. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding policy. 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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# Certification (continued)

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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.

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# Certification (continued)

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.

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.

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

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

# Thank you

**Robert Schmidt**

robert.schmidt@milliman.com

**Ryan Cook**

ryan.cook@milliman.com

PERSI
Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

Date: May 20th, 2025

TO: PERSI Retirement Board

FROM: Mike Anderson
Financial Executive Officer

SUBJECT: **UPDATE ON FISCAL ISSUES**

- **2025 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.
  - **Administration:** The report is for FY2025 expenditures as of the end of April. Personnel expenses are below the target rate of 84.6%. Operating and Capital Outlay expenses are both below the target rate of 83.3%.
  - **Portfolio:** Our year-to-date expense ratio is 33.6 basis points of projected average net assets compared to the budgeted projection of 34.5 basis points. Both the budget and actual are below the 50-basis point target ratio. The total budgeted for FY 2025 assumed asset growth of 6.3% net. The reports are on a cash basis and, therefore, will vary from the expenses reported in the accrual-based financial statements.

- **MONTHLY OUT OF STATE TRAVEL REPORT:** The monthly travel report is included in the board report. Please let me know if you have any questions.

- **BUDGET SETTING LEGISLATIVE FUNDING:** I will go over the FY 2026 budget setting bills and how the new funding for PERSI's appropriated budgets are calculated.

- **FINANCIAL STATEMENTS:** The Year-To-Date 2025 unaudited financial statements are in your board packets. Please let me know if you have any questions.



PHONES
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FAX 208-334-3805

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

MAILING ADDRESS
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Boise ID 83720-0078

BOISE
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607 North 8th Street
Boise ID 83702-5518

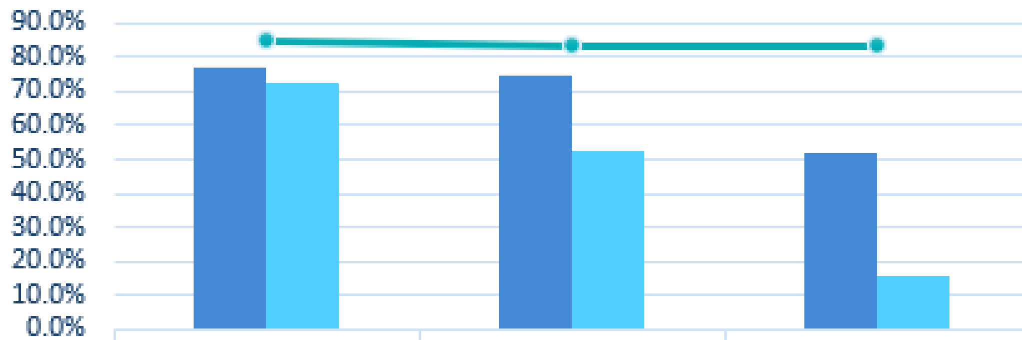
POCATELLO
Office Location Address
1246 Yellowstone Ave – Ste.A5
Pocatello ID 83201

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

## Administration

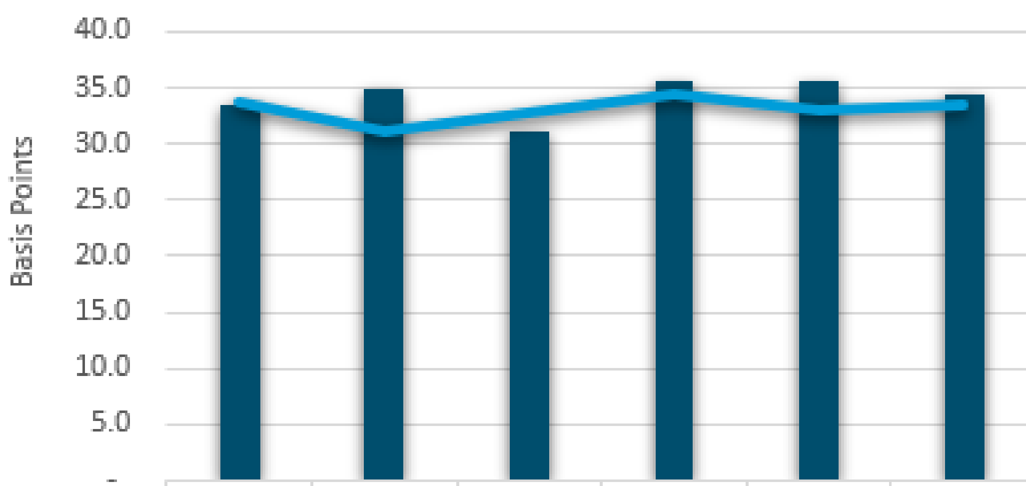



| | Personnel | Operating | Capital |
|---|---|---|---|
| 2025 | 77.2% | 74.4% | 52.1% |
| 2024 | 72.8% | 52.7% | 15.6% |
| Target Rate | 84.6% | 83.3% | 83.3% |

2025 2024 Target Rate

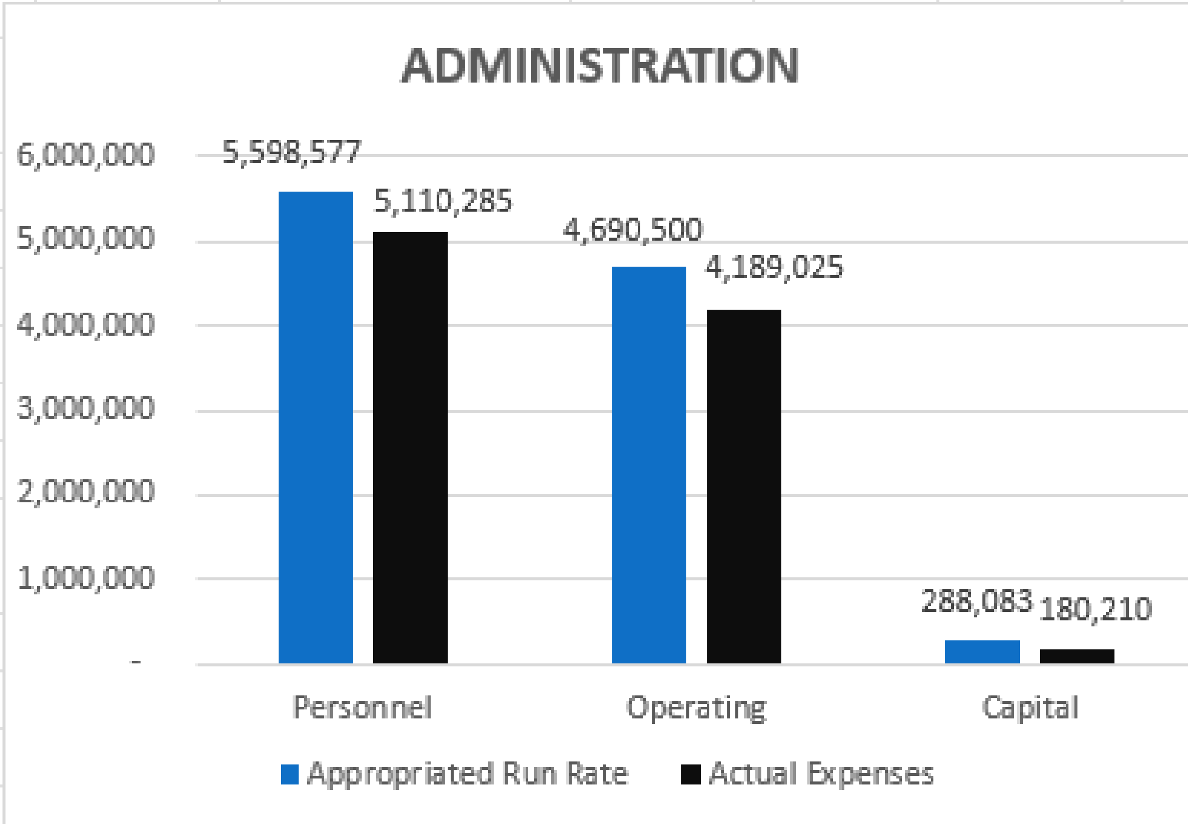
## Expense Ratio Comparison

***Cash Basis***




| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Budg Exp Ratio | 33.6 | 34.8 | 31.1 | 35.6 | 35.6 | 34.5 |
| YTD Actual | 33.7 | 31.2 | 32.7 | 34.4 | 33.0 | 33.6 |

Budg Exp Ratio YTD Actual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4,000,000
3,000,000
2,000,000
1,000,000
-
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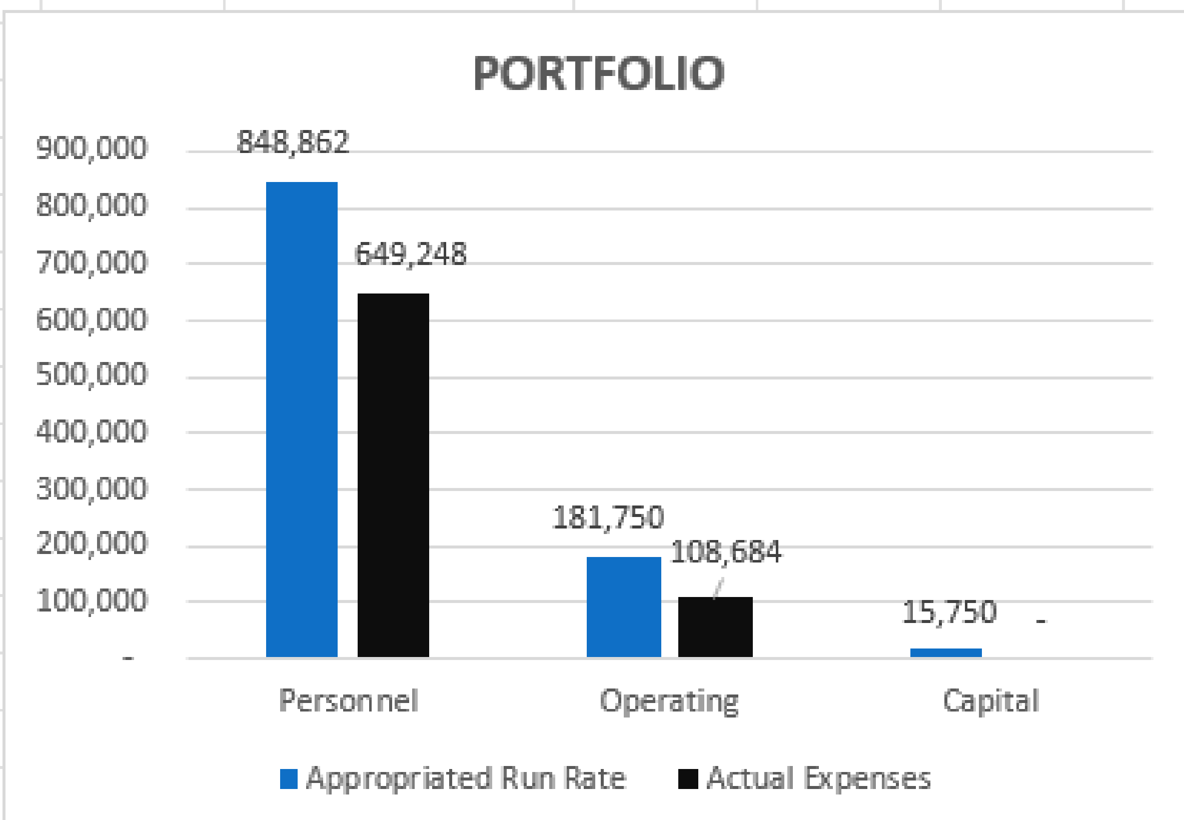
5,110,285
4,690,500
4,189,025
288,083
180,210
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses


PORTFOLIO
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800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
848,862
649,248
181,750
108,684
15,750
-
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses

**PUBLIC EMPLOYEE RETIREMENT SYSTEM**
**FY 2025 CASH BASIS ADMINISTRATION EXPENSES**

**SUMMARY REPORT**
**ADMINISTRATIVE BUDGET**
**APRIL 30, 2025**

TARGET: 83.3%

| | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total Expenses | Current Spending Balance | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|---|
| PERSONNEL | 6,478,600 | 5,667,669 | 6,616,500 | 4,141,026 | 478,256 | 491,003 | 5,110,285 | 1,506,215 | 77.2% |
| OPERATING | 5,652,900 | 4,673,300 | 5,628,600 | 3,150,660 | 368,700 | 669,667 | 4,189,025 | 1,439,575 | 74.4% |
| CAPITAL | 200,500 | 154,496 | 345,700 | 171,250 | 8,960 | - | 180,210 | 165,490 | 52.1% |
| **TOTAL** | **12,332,000** | **10,495,465** | **12,590,800** | **7,462,936** | **855,916** | **1,160,670** | **9,479,520** | **3,111,280** | **75.3%** |

**PUBLIC EMPLOYEE RETIREMENT SYSTEM**
**FY 2025 CASH BASIS PORTFOLIO EXPENSES**

**SUMMARY REPORT - PORTFOLIO**
**APRIL 30, 2025**

TARGET: 83.3%

| INVESTMENTS | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total Expenses | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|
| STAFF EXPENSE | | | | | | | | |
| Personnel | 991,900 | 751,089 | 1,003,200 | 528,360 | 60,444 | 60,444 | 649,248 | 64.7% |
| Operations | 224,600 | 143,759 | 218,100 | 93,944 | 3,646 | 11,094 | 108,684 | 49.8% |
| Capital Outlay | 18,900 | 24,734 | 18,900 | - | - | - | - | 0.0% |

**PUBLIC EMPLOYEE RETIREMENT SYSTEM**
**FY 2025 CASH BASIS ADMINISTRATION EXPENSES**

**SUMMARY REPORT**
**ADMINISTRATIVE BUDGET**
**APRIL 30, 2025**

TARGET: 83.3%

| | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total Expenses | Current Spending Balance | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|---|
| PERSONNEL | 6,478,600 | 5,667,669 | 6,616,500 | 4,141,026 | 478,256 | 491,003 | 5,110,285 | 1,506,215 | 77.2% |
| OPERATING | 5,652,900 | 4,673,300 | 5,628,600 | 3,150,660 | 368,700 | 669,667 | 4,189,025 | 1,439,575 | 74.4% |
| CAPITAL | 200,500 | 154,496 | 345,700 | 171,250 | 8,960 | - | 180,210 | 165,490 | 52.1% |
| **TOTAL** | **12,332,000** | **10,495,465** | **12,590,800** | **7,462,936** | **855,916** | **1,160,670** | **9,479,520** | **3,111,280** | **75.3%** |

**ADMINISTRATIVE BUDGET**
**By Cost Center and Account Category**
**APRIL 30, 2025**

| DESCRIPTION | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total Expenses | Current Spending Balance | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|---|
| ADMINISTRATION | | | | | | | | | |
| Personnel | 740,170 | 620,492 | 759,100 | 431,501 | 48,673 | 48,673 | 528,848 | 230,252 | 69.7% |
| Operating | 157,600 | 106,937 | 172,300 | 133,592 | 5,654 | 14,208 | 153,453 | 18,847 | 89.1% |
| Capital | - | - | 27,000 | 39,988 | 8,960 | - | 48,948 | (21,948) | 181.3% |
| BOARD | | | - | | | | | | |
| Personnel | 10,985 | 5,493 | 11,300 | 2,263 | 323 | 215 | 2,801 | 8,499 | 24.8% |
| Operating | 21,300 | 59,409 | 23,900 | 14,035 | 3,639 | 11,972 | 29,646 | (5,746) | 124.0% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| LEGAL | | | - | | | | | | |
| Personnel | - | - | - | - | - | - | - | - | 0.0% |
| Operating | 129,575 | 147,736 | 152,500 | 132,464 | - | 1,393 | 133,857 | 18,643 | 87.8% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| QUALITY ASSURANCE | | | - | | | | | | |
| Personnel | 503,313 | 538,359 | 518,400 | 313,238 | 47,123 | 47,210 | 407,571 | 110,829 | 78.6% |
| Operating | 5,900 | 18,321 | 21,900 | 10,120 | 1,921 | 6,171 | 18,212 | 3,688 | 83.2% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| FISCAL ADMINISTRATION | | | - | | | | | | |
| Personnel | 928,982 | 919,564 | 950,300 | 630,534 | 72,498 | 78,203 | 781,236 | 169,064 | 82.2% |
| Operating | 108,500 | 67,091 | 109,500 | 90,124 | 340 | 446 | 90,910 | 18,590 | 83.0% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| EMPLOYER SERVICE CENTER | | | - | | | | | | |
| Personnel | 306,266 | 266,777 | 305,600 | 192,649 | 20,422 | 22,062 | 235,133 | 70,467 | 76.9% |
| Operating | 2,700 | 53,188 | 2,700 | 1,260 | 207 | 158 | 1,625 | 1,075 | 60.2% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |

| ADMINISTRATIVE BUDGET (Cont.)<br>By Cost Center and Acco<br>APRIL 30, 2025 | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total | Current Spending Balance | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|---|
| OVERHEAD | | | | | | | | | |
| Personnel | 90,956 | 17,545 | 33,700 | 8,783 | - | - | 8,783 | 24,917 | 26.1% |
| Operating | 640,605 | 586,693 | 683,200 | 425,716 | 55,283 | 122,537 | 603,536 | 79,664 | 88.3% |
| Capital | - | 20,635 | - | - | - | - | - | - | 0.0% |
| IT - ADMINISTRATION | | | - | | | | | | |
| Personnel | 900,469 | 937,887 | 948,000 | 649,517 | 73,682 | 73,636 | 796,835 | 151,165 | 84.1% |
| Operating | 52,000 | 53,646 | 52,000 | 14,739 | 2,534 | 767 | 18,040 | 33,960 | 34.7% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| IT - SYSTEM MAINTENANCE | | | - | | | | | | |
| Personnel | - | - | - | - | - | - | - | - | 0.0% |
| Operating | 965,850 | 848,476 | 858,800 | 419,572 | 72,581 | 72,994 | 565,147 | 293,653 | 65.8% |
| Capital | 200,500 | 118,859 | 263,700 | 76,353 | - | - | 76,353 | 187,347 | 29.0% |
| | | | - | | | | | | |
| IT - PROJECTS | | | - | | | | | | |
| Personnel | - | - | - | - | - | - | - | - | 0.0% |
| Operating | 3,000,000 | 2,272,945 | 3,000,000 | 1,540,608 | 191,720 | 400,000 | 2,132,328 | 867,672 | 71.1% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| MEMBER SERVICES | | | - | | | | | | |
| Personnel | 434,558 | 298,170 | 533,800 | 357,166 | 35,803 | 38,350 | 431,318 | 102,482 | 80.8% |
| Operating | 17,900 | 44,578 | 37,900 | 23,304 | 4,381 | 4,587 | 32,272 | 5,628 | 85.2% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| DISABILITY ASSESSMENT | | | - | | | | | | |
| Personnel | - | - | - | - | - | - | - | - | 0.0% |
| Operating | 227,000 | 150,221 | 157,000 | 107,905 | 14,000 | 9,395 | 131,300 | 25,700 | 83.6% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| FIELD SERVICES - CSO | | | - | | | | | | |
| Personnel | 130,215 | 134,734 | 135,100 | 94,127 | 11,173 | 11,173 | 116,473 | 18,627 | 86.2% |
| Operating | 30,350 | 32,148 | 38,500 | 27,456 | 1,666 | 2,698 | 31,820 | 6,680 | 82.7% |
| Capital | - | 200 | - | - | - | - | - | - | 0.0% |
| FIELD SERVICES - PSO | | | - | | | | | | |
| Personnel | 134,191 | 134,159 | 137,200 | 83,781 | 10,450 | 11,076 | 105,308 | 31,892 | 76.8% |
| Operating | 37,220 | 42,298 | 73,200 | 47,574 | 3,713 | 5,919 | 57,207 | 15,993 | 78.2% |
| Capital | - | 14,582 | - | - | - | - | - | - | 0.0% |
| PERSI RETIREMENT CENTER | | | - | | | | | | |
| Personnel | 471,986 | 196,774 | 436,100 | 202,146 | 25,219 | 28,004 | 255,369 | 180,731 | 58.6% |
| Operating | 35,950 | 4,149 | 8,000 | 2,258 | 288 | 290 | 2,837 | 5,163 | 35.5% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| PERSI ANSWER CENTER | | | - | | | | | | |
| Personnel | 541,449 | 319,504 | 388,800 | 183,563 | 25,804 | 25,354 | 234,720 | 154,080 | 60.4% |
| Operating | 36,400 | 4,886 | 18,800 | 14,612 | 524 | 467 | 15,603 | 3,197 | 83.0% |
| Capital | - | - | 55,000 | 54,909 | - | - | 54,909 | 91 | 99.8% |
| PERSI PROCESSING CENTER | | | - | | | | | | |
| Personnel | 250,858 | 393,942 | 393,400 | 270,197 | 29,285 | 24,759 | 324,241 | 69,159 | 82.4% |
| Operating | 12,600 | 12,136 | 24,600 | 12,186 | 2,541 | 5,422 | 20,150 | 4,450 | 81.9% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| IMAGING | | | - | | | | | | |
| Personnel | 68,196 | 68,237 | 70,200 | 47,941 | 5,451 | 5,451 | 58,842 | 11,358 | 83.8% |
| Operating | 1,700 | 746 | 2,000 | 752 | 890 | - | 1,642 | 358 | 82.1% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| TRAINING | | | - | | | | | | |
| Personnel | 628,311 | 547,255 | 643,400 | 428,951 | 44,418 | 51,447 | 524,816 | 118,584 | 81.6% |
| Operating | 62,950 | 78,819 | 91,900 | 60,268 | 6,242 | 10,026 | 76,536 | 15,364 | 83.3% |
| Capital | - | 220 | - | - | - | - | - | - | 0.0% |
| COMMUNICATIONS | | | - | | | | | | |
| Personnel | 86,988 | 91,200 | 104,600 | 68,565 | 7,746 | 7,746 | 84,058 | 20,542 | 80.4% |
| Operating | 91,900 | 86,207 | 86,000 | 63,962 | 523 | 52 | 64,537 | 21,463 | 75.0% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| DC PLAN ADMINISTRATION | | | - | | | | | | |
| Personnel | 250,707 | 177,577 | 247,500 | 176,104 | 20,185 | 17,642 | 213,931 | 33,569 | 86.4% |
| Operating | 14,900 | 2,670 | 13,900 | 8,153 | 52 | 162 | 8,367 | 5,533 | 60.2% |
| Capital | - | - | - | - | - | - | - | - | 0.0% |
| **TOTAL** | | | | | | | | | |
| **PERSONNEL** | **6,478,600** | **5,667,669** | **6,616,500** | **4,141,026** | **478,256** | **491,003** | **5,110,285** | **1,506,215** | **77.2%** |
| **OPERATING** | **5,652,900** | **4,673,300** | **5,628,600** | **3,150,660** | **368,700** | **669,667** | **4,189,025** | **1,439,575** | **74.4%** |
| **CAPITAL** | **200,500** | **154,496** | **345,700** | **171,250** | **8,960** | **-** | **180,210** | **165,490** | **52.1%** |
| | **12,332,000** | **10,495,465** | **12,590,800** | **7,462,936** | **855,916** | **1,160,670** | **9,479,520** | **3,111,280** | **75.3%** |

**PUBLIC EMPLOYEE RETIREMENT SYSTEM**
**FY 2025 CASH BASIS PORTFOLIO EXPENSES**

**SUMMARY REPORT - PORTFOLIO** TARGET: 83.3%
**APRIL 30, 2025**

| INVESTMENTS | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total Expenses | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|
| MANAGEMENT FEES | 62,023,608 | 57,876,903 | 68,558,103 | 43,902,145 | 3,537,042 | 8,624,069 | 56,063,256 | 81.8% |
| CONSULTANTS | 1,110,000 | 1,106,103 | 1,500,000 | 808,184 | 87,725 | 206,037 | 1,101,946 | 73.5% |
| CUSTODIAL SERVICES | 3,516,000 | 3,108,881 | 3,000,000 | 1,650,199 | 169,162 | 166,150 | 1,985,510 | 66.2% |
| REPORTING SERVICES | | | | | | | | |
| 1. Investment Related | 121,000 | 117,635 | 240,000 | 97,702 | - | 35,195 | 132,897 | 55.4% |
| 2. Non-Investment Related | 550,000 | 597,246 | 710,000 | 350,031 | 69,694 | 60,824 | 480,549 | 67.7% |
| LEGAL | 805,000 | 786,738 | 1,100,000 | 573,327 | 168,203 | 177,018 | 918,548 | 83.5% |
| STAFF EXPENSE | 1,235,400 | 919,582 | 1,240,200 | 622,304 | 64,090 | 71,538 | 757,932 | 61.1% |
| ENCUMBRANCES* | - | - | - | - | - | - | - | |
| TOTAL EXPENDITURES* | 69,361,008 | 64,513,088 | 76,348,303 | 48,003,892 | 4,095,914 | 9,340,831 | 61,440,637 | 80.5% |
| ADMINISTRATION | 12,708,870 | 10,495,464 | 12,590,800 | 7,462,934 | 855,916 | 1,160,670 | 9,479,520 | 75.3% |
| YTD EXPENDITURES INCLUSIVE | 82,069,878 | 75,008,552 | 88,939,103 | 55,466,826 | 4,951,830 | 10,501,501 | 70,920,157 | 79.7% |

| | FY 2024 Actual | FY 2025 Budgeted |
|---|---|---|
| Investment Related Services | 63,915,842 | 75,638,303 |
| Non-Investement Related Services | 597,246 | 710,000 |
| Judges Retirement Fund | 437,195 | 467,100 |
| PERSI Administration[1] | 10,495,464 | 12,590,800 |
| 1) TOTAL PERSI COSTS | 75,445,747 | 89,406,203 |
| 2) ESTIMATED NET AVERAGE ASSETS | 24,142,867,889 | 25,878,647,171 |
| 3) RATIO OF COSTS TO NET ASSETS | 0.312% | 0.345% |
| Investment Expense | 0.265% | 0.292% |
| Non-Investment Contracted Services | 0.002% | 0.003% |
| Judges Retirement Fund | 0.002% | 0.002% |
| PERSI Administration | 0.043% | 0.049% |
| 4) BUDGETED EXPENSE RATIO | | 34.5 |
| 5) ACTUAL EXPENSE RATIO[2] | | 33.6 |

**PUBLIC EMPLOYEE RETIREMENT**
**SYSTEM OF IDAHO**
**DETAIL REPORT**
**APRIL 30, 2025**



TARGET: 83.3%

| DESCRIPTION | FY 2024 BUDGETED | FY 2024 ACTUAL | FY 2025 BUDGETED | PRIOR MONTHS | MARCH | APRIL | FY 2025 Total Expenses | Actual as % of Budget |
|---|---|---|---|---|---|---|---|---|
| MANAGEMENT FEES | | | | | | | | |
| Equity - Domestic | 9,788,143 | 10,548,941 | 11,213,525 | 9,425,389 | - | 2,094,697 | 11,520,086 | 102.7% |
| Equity - International | 7,716,570 | 3,030,958 | 8,155,000 | 6,402,523 | 208,432 | 570,467 | 7,181,421 | 88.1% |
| Fixed Income | 2,843,895 | 2,765,360 | 2,939,577 | 2,282,336 | - | 269,848 | 2,552,184 | 86.8% |
| Real Estate | 16,500,000 | 14,434,551 | 17,250,000 | 7,393,163 | 2,991,546 | 578,054 | 10,962,762 | 63.6% |
| Idaho Mortgage Program | 3,675,000 | 3,773,228 | 4,500,000 | 2,599,032 | 329,564 | 329,487 | 3,258,083 | 72.4% |
| Equity Global | 21,500,000 | 23,323,865 | 24,500,000 | 15,799,703 | 7,500 | 4,781,517 | 20,588,720 | 84.0% |
| CONSULTANTS | | | | | | | | |
| Investment Consultants | 710,000 | 616,648 | 760,000 | 443,368 | 22,500 | 136,441 | 602,309 | 79.3% |
| Advisors | 380,000 | 345,855 | 380,000 | 213,039 | 7,720 | 43,750 | 264,508 | 69.6% |
| Other Consultants | 20,000 | 143,600 | 360,000 | 151,777 | 57,505 | 25,846 | 235,128 | 65.3% |
| CUSTODIAL SERVICES | | | | | | | | |
| Trust/Custody | 3,000,000 | 2,635,150 | 3,000,000 | 1,451,459 | 169,162 | 166,150 | 1,786,771 | 59.6% |
| Clearwater Analytics, LLC | 516,000 | 473,731 | - | 198,739 | - | - | 198,739 | |
| REPORTING SERVICES | | | | | | | | |
| 1. Auditors Fees | | | | | | | | |
| a. Annual Audit | 100,000 | 151,367 | 160,000 | 34,928 | 3,033 | - | 37,961 | 23.7% |
| 2. Actuarial Fees | | | | | | | | |
| Milliman USA | 250,000 | 262,546 | 350,000 | 198,436 | 49,994 | 44,157 | 292,588 | 83.6% |
| Cavanaugh MacDonald | 200,000 | 183,333 | 200,000 | 116,667 | 16,667 | 16,667 | 150,000 | 75.0% |
| 3. Bloomberg LP & Other | 121,000 | 117,635 | 240,000 | 97,702 | - | 35,195 | 132,897 | 55.4% |
| LEGAL | | | | | | | | |
| 1. Legal Fees | | | | | | | | |
| Legal Advice - Other | 5,000 | 355,790 | 400,000 | 186,641 | 15,417 | 15,763 | 217,820 | 54.5% |
| Legal Advice - Priv Equity | 600,000 | 409,873 | 600,000 | 385,462 | 100,523 | 129,918 | 615,902 | 102.7% |
| Legal Advice - Fiduciary/Liability | 200,000 | 21,075 | 100,000 | 1,225 | 52,263 | 31,337 | 84,825 | 84.8% |
| STAFF EXPENSE | | | | | | | | |
| Personnel | 991,900 | 751,089 | 1,003,200 | 528,360 | 60,444 | 60,444 | 649,248 | 64.7% |
| Operations | 224,600 | 143,759 | 218,100 | 93,944 | 3,646 | 11,094 | 108,684 | 49.8% |
| Capital Outlay | 18,900 | 24,734 | 18,900 | - | - | - | - | 0.0% |
| Encumbrances | - | - | - | - | - | - | - | 0.0% |
| Total Monthly Expenditures | 69,361,008 | 64,513,088 | 76,348,303 | 48,003,892 | 4,095,914 | 9,340,831 | 61,440,637 | 80.5% |
| JUDGES RETIREMENT FUND | | | | | | | | |
| Invest, Mgmt, Consulting, Custody, Reporting | 325,000 | 320,000 | 330,000 | 227,809 | 18,558 | 44,119 | 290,487 | 88.0% |
| Accounting, Auditing | 11,000 | 15,140 | 15,000 | 6,860 | 1,517 | - | 8,377 | 55.8% |
| Other Professional Services | - | | - | - | - | - | - | 0.0% |
| Actuary | 30,000 | 36,521 | 40,000 | 31,690 | - | - | 31,690 | 79.2% |
| Legal | 2,000 | 2,000 | 4,000 | 2,812 | 824 | 865 | 4,501 | 112.5% |
| Administration | 76,900 | 63,534 | 78,100 | 50,108 | - | - | 50,108 | 64.2% |
| Admin Rule | - | - | - | 392 | - | - | 392 | 0.0% |
| | 444,900 | 437,195 | 467,100 | 319,672 | 20,899 | 44,985 | 385,555 | 82.5% |

# Scheduled and Completed Out of State Travel - Staff

| Traveler | Request Created | Destination City/ State | Description | Dates of Travel | Final Voucher Amount |
|---|---|---|---|---|---|
| Catherine Atchison | X | Memphis, TN | PRISM Conference | 04/12/25-04/17/25 | 4,051.56 |
| Park Price | | Phoenix, AZ | Callan Conference | 04/27/25-04/30/25 | 2,049.59 |
| Richelle Sugiyama | | Phoenix, AZ | Callan Conference | 04/27/25-04/30/25 | 1,797.53 |
| Darin Deangeli | | Phoenix, AZ | Callan Conference | 04/26/25-05/01/25 | 2,175.73 |

# Summary of Senate Bill 1110 and House Bill 390

| | | *Maintenance Bill - SB 1110* | | | | | *Enhancement Bill - HB 390* | | | | | *Total Comparison* | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **PC** | **OE** | **CO** | **T/B** | **Total** | **PC** | **OE** | **CO** | **T/B** | **Total** | **PC** | **OE** | **CO** | **T/B** | **Total** |
| **GVFA - Retirement Admin** | | | | | | | | | | | | | | | | |
| Admin | 0550-01 | $ 7,039,600 | $ 2,645,000 | $ - | $ - | $ 9,684,600 | $ - | $ 3,000,000 | $ 615,600 | $ - | $ 3,615,600 | $ 7,039,600 | $ 3,000,000 | $ 345,700 | $ - | $ 10,385,300 |
| Special | 0550-02 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Judges | 0560-00 | $ 82,000 | $ 1,000 | $ - | $ - | $ 83,000 | $ - | $ - | $ - | $ - | $ - | $ 82,000 | $ 1,000 | $ - | $ - | $ 83,000 |
| **Total** | | **$ 7,121,600** | **$ 2,646,000** | **$ -** | **$ -** | **$ 9,767,600** | **$ -** | **$ 3,000,000** | **$ 615,600** | **$ -** | **$ 3,615,600** | **$ 7,121,600** | **$ 5,646,000** | **$ 615,600** | **$ -** | **$ 13,383,200** |
| **GVFC - Portfolio (Cont)** | | | | | | | | | | | | | | | | |
| Admin | 0550-01 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Special | 0550-02 | $ 1,024,500 | $ 211,900 | $ - | $ - | $ 1,236,400 | $ - | $ 12,500 | $ 12,900 | $ - | $ 25,400 | $ 1,024,500 | $ 224,400 | $ 12,900 | $ - | $ 1,261,800 |
| Judges | 0560-00 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total** | | **$ 1,024,500** | **$ 211,900** | **$ -** | **$ -** | **$ 1,236,400** | **$ -** | **$ 12,500** | **$ 12,900** | **$ -** | **$ 25,400** | $ 1,024,500 | $ 224,400 | $ 12,900 | $ - | $ 1,261,800 |
| **Grand Total** | | **$ 8,146,100** | **$ 2,857,900** | **$ -** | **$ -** | **$ 11,004,000** | **$ -** | **$ 3,012,500** | **$ 628,500** | **$ -** | **$ 3,641,000** | **$ 8,146,100** | **$ 5,870,400** | **$ 628,500** | **$ -** | **$ 14,645,000** |

# Agency Ask/Governor's Recommendation vs. JFAC Action

| DU | | *Total Gov Rec (Admin & Portfolio)* PC | OE | CO | T/B | Total | *JFAC Action / LSO Proof* PC | OE | CO | T/B | Total | *Difference (Gov Rec v. JFAC Action)* PC | OE | CO | T/B | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **9.00** | **Base** | **$ 7,696,800** | **$ 2,847,700** | **$ -** | **$ -** | **$ 10,544,500** | **$ 7,696,800** | **$ 2,847,700** | **$ -** | **$ -** | **$ 10,544,500** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **10.11** | Health | $ 105,300 | $ - | $ - | $ - | $ 105,300 | $ 91,500 | $ - | $ - | $ - | $ 91,500 | $ (13,800) | $ - | $ - | $ - | $ (13,800) |
| **10.12** | Variable | $ 1,100 | $ - | $ - | $ - | $ 1,100 | $ 1,100 | $ - | $ - | $ - | $ 1,100 | $ - | $ - | $ - | $ - | $ - |
| **10.41** | Fees | $ - | $ (39,500) | $ - | $ - | $ (39,500) | $ - | $ (39,500) | $ - | $ - | $ (39,500) | $ - | $ - | $ - | $ - | $ - |
| **10.45** | Fees | $ - | $ (1,200) | $ - | $ - | $ (1,200) | $ - | $ (1,200) | $ - | $ - | $ (1,200) | $ - | $ - | $ - | $ - | $ - |
| **10.46** | Fees | $ - | $ 38,900 | $ - | $ - | $ 38,900 | $ - | $ 38,900 | $ - | $ - | $ 38,900 | $ - | $ - | $ - | $ - | $ - |
| **10.47** | Fees | $ - | $ (2,100) | $ - | $ - | $ (2,100) | $ - | $ (2,100) | $ - | $ - | $ (2,100) | $ - | $ - | $ - | $ - | $ - |
| **10.48** | Fees | $ - | $ 14,100 | $ - | $ - | $ 14,100 | $ - | $ 14,100 | $ - | $ - | $ 14,100 | $ - | $ - | $ - | $ - | $ - |
| **10.61** | CEC | $ 325,800 | $ - | $ - | $ - | $ 325,800 | $ 319,700 | $ - | $ - | $ - | $ 319,700 | $ (6,100) | $ - | $ - | $ - | $ (6,100) |
| **10.68** | Comp Adj | $ 38,700 | $ - | $ - | $ - | $ 38,700 | $ 37,000 | $ - | $ - | $ - | $ 37,000 | $ (1,700) | $ - | $ - | $ - | $ (1,700) |
| **11.00** | **Total Main** | **$ 8,167,700** | **$ 2,857,900** | **$ -** | **$ -** | **$ 11,025,600** | **$ 8,146,100** | **$ 2,857,900** | **$ -** | **$-** | **$ 11,004,000** | **$ (21,600)** | **$ -** | **$ -** | **$ -** | **$ (21,600)** |
| **12.01** | Software | $ - | $ 3,000,000 | $ - | $ - | $ 3,000,000 | $ - | $ 3,000,000 | $ - | $ - | $ 3,000,000 | $ - | $ - | $ - | $ - | $ - |
| **12.02** | Board Travel | $ - | $ 25,000 | $ - | $ - | $ 25,000 | $ - | $ 12,500.00 | $ - | $ - | $ 12,500 | $ - | $ (12,500.00) | $ - | $ - | $ (12,500.00) |
| **12.53** | Gen Inflation | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **12.55** | Rep. Items | $ - | $ - | $ 628,500 | $ - | $ 628,500 | $ - | $ - | $ 628,500 | $ - | $ 628,500 | $ - | $ - | $ - | $ - | $ - |
| **13.00** | **Total Enhance** | **$ -** | **$ 3,025,000** | **$ 628,500** | **$ -** | **$ 3,653,500** | **$ -** | **$ 3,012,500** | **$ 628,500** | **$ -** | **$ 3,641,000** | **$ -** | **$ (12,500)** | **$ -** | **$ -** | **$ (12,500)** |
| | **Grand Total** | **$ 8,167,700** | **$ 5,882,900** | **$ 628,500** | **$ -** | **$ 14,679,100** | **$ 8,146,100** | **$ 5,870,400** | **$ 628,500** | **$ -** | **$ 14,645,000** | **$ (21,600)** | **$ (12,500)** | **$ -** | **$ -** | **$ (34,100)** |

**Differences between Gov Rec & JFAC Action*

UNAUDITED

# PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

## FINANCIAL STATEMENTS

## FOR THE YEAR TO DATE

## MARCH 31, 2025 AND 2024

| | | |
|---|---|---|
| Prepared by: | Kelly Schlangen | 4/29/2025 |
| | Kelly Schlangen, Senior Financial Specialist | Date |
| Reviewed by: | Gorji | 4/29/2025 |
| | Parisa Gorji, Accounting Manager | Date |
| Reviewed by: | | 4/29/2025 |
| | Mike Anderson, Financial Executive Officer | Date |

# PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
# FINANCIAL STATEMENTS FOR
# MARCH 31, 2025

## CONTENTS

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 3/31/25 WITH COMPARATIVE TOTALS FOR SAME PERIOD PRIOR YEAR TO DATE



| | 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) | $ 43,479,806 | $ 993,541 | $ 2,950,038 | $ 129,798 | $ 427,067 | $ 1,276,993 | $ 49,257,243 | $ 34,267,578 |
| INVESTMENTS, at fair value (Note 2) | | | | | | | | |
| Fixed Income Investments | | | | | | | | |
| Domestic | 6,079,377,668 | 31,533,629 | | | 150,299,999 | 209,170,970 | 6,470,382,265 | 5,607,114,253 |
| International | | | | | | | | 10,649,293 |
| Idaho Mortgages | 819,648,515 | 4,251,503 | | | | | 823,900,018 | 777,054,353 |
| Short-Term Investments | 297,179,178 | 1,541,463 | 1,545,269 | | | | 300,265,910 | 326,587,554 |
| Real Estate Equities (Note 3) | 1,009,804,608 | 5,237,839 | | | | | 1,015,042,447 | 1,070,632,614 |
| Equity Securities | | | | | | | | |
| Domestic | 10,455,096,360 | 54,230,408 | | | 111,367,604 | 153,468,452 | 10,774,162,824 | 12,030,490,758 |
| International | 2,686,310,630 | 13,933,848 | | | 31,253,658 | 44,644,859 | 2,776,142,995 | 3,178,373,397 |
| Private Equity | 1,852,701,629 | 9,609,932 | | | | | 1,862,311,561 | 1,743,517,808 |
| Mutual, Collective, Unitized Funds | | | 1,660,233,531 | 56,884,320 | | | 1,717,117,851 | 1,719,398,402 |
| Total Investments | 23,200,118,587 | 120,338,623 | 1,661,778,800 | 56,884,320 | 292,921,262 | 407,284,280 | 25,739,325,871 | 26,463,818,431 |
| RECEIVABLES | | | | | | | | |
| Investments Sold (Note 2) | 33,795,704 | 175,298 | | | | | 33,971,002 | 82,647,618 |
| Contributions | 24,741,879 | 517,420 | 2,238,300 | | | | 27,497,598 | 29,433,748 |
| Administrative Fee | | | 192,196 | 8,228 | | | 200,425 | 192,029 |
| Interest and Dividends | 86,150,073 | 446,859 | 4,717,805 | 146,119 | | | 91,460,856 | 86,458,565 |
| Total Receivables | 144,687,656 | 1,139,576 | 7,148,301 | 154,348 | 0 | 0 | 153,129,881 | 198,731,960 |
| ASSETS USED IN PLAN OPERATIONS (Note 4) | 6,243,985 | | | | | | 6,243,985 | 4,340,036 |
| DUE FROM OTHER FUNDS | | | | | 46,200 | | 46,200 | 0 |
| PREPAID EXPENDITURES (Note 5) | 107,920,513 | | | | | | 107,920,513 | 102,391,663 |
| TOTAL ASSETS | 23,502,450,546 | 122,471,740 | 1,671,877,138 | 57,168,466 | 293,394,529 | 408,561,273 | 26,055,923,691 | 26,803,549,669 |
| LIABILITIES AND FUND BALANCE | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Investments Purchased (Note 2) | 115,802,565 | 600,666 | | | | | 116,403,231 | 159,033,424 |
| Due to Other Funds | | | | | | 46,200 | 46,200 | 0 |
| Accrued Liabilities (Note 6) | 20,532,418 | 876,675 | 631,991 | 5,752 | 265,121 | 1,009,945 | 23,321,901 | 19,116,854 |
| Benefits and Refunds Payable | 1,242,863 | | | | | | 1,242,863 | 890,303 |
| Total Liabilities | 137,577,847 | 1,477,341 | 631,991 | 5,752 | 265,121 | 1,056,145 | 141,014,196 | 179,040,581 |
| NET POSITION RESTRICTED FOR PENSIONS AND AMOUNTS HELD IN TRUST | $ 23,364,872,699 | $ 120,994,399 | $ 1,671,245,147 | $ 57,162,714 | $ 293,129,408 | $ 407,505,129 | $ 25,914,909,496 | $ 26,624,509,088 |

See notes to financial statements

| | 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 | $ 299,316,967 | $ 738,684 | $ 66,514,012 | | | | $ 366,569,663 | $ 332,454,421 |
| Employers | 468,722,342 | 4,307,049 | 8,750,225 | | 125 | 5,358 | 481,785,098 | 428,454,000 |
| Rollovers In | | | 12,296,644 | | | | 12,296,644 | 10,240,544 |
| | 768,039,308 | 5,045,733 | 87,560,881 | 0 | 125 | 5,358 | 860,651,405 | 771,148,965 |
| Investment Income | | | | | | | | |
| Net Appreciation/(Depreciation) in Fair Value of Investments | 730,021,462 | 3,754,613 | 48,087,287 | 2,417,397 | 13,533,612 | 18,919,211 | 816,733,581 | 3,217,095,584 |
| Interest, Dividends and Other Investment Income | 332,911,936 | 1,730,266 | 21,404,768 | 182,185 | | | 356,229,155 | 353,517,457 |
| Less: Investment Expenses | (49,773,194) | (256,766) | (2,863,775) | (6,829) | (89,944) | (107,366) | (53,097,875) | (48,797,798) |
| Net Investment Income | 1,013,160,204 | 5,228,112 | 66,628,280 | 2,592,753 | 13,443,667 | 18,811,845 | 1,119,864,861 | 3,521,815,243 |
| Other Revenue, Net | 1,108,344 | 17,791 | | | 4,542 | 11,457 | 1,142,134 | 549,097 |
| Total Additions | 1,782,307,856 | 10,291,636 | 154,189,161 | 2,592,753 | 13,448,335 | 18,828,659 | 1,981,658,401 | 4,293,513,305 |
| DEDUCTIONS: | | | | | | | | |
| Benefits and Refunds Paid to Plan Members and Beneficiaries (Note 7) | 1,041,043,579 | 7,005,864 | 77,645,151 | 3,741,721 | 4,244,386 | 11,263,309 | 1,144,944,010 | 1,064,296,237 |
| Administrative Expenses | 8,024,865 | 86,351 | 1,777,201 | 172,054 | 44,993 | 63,148 | 10,168,611 | 10,299,729 |
| Total Deductions | 1,049,068,444 | 7,092,214 | 79,422,351 | 3,913,775 | 4,289,379 | 11,326,458 | 1,155,112,621 | 1,074,595,966 |
| INCREASE (DECREASE) IN NET POSITION | 733,239,412 | 3,199,422 | 74,766,810 | (1,321,021) | 9,158,956 | 7,502,202 | 826,545,781 | 3,218,917,339 |
| NET POSITION, BEGINNING OF YEAR | 22,631,633,287 | 117,794,977 | 1,596,478,337 | 58,483,735 | 283,970,452 | 400,002,927 | 25,088,363,715 | 23,405,591,749 |
| NET POSITION, YEAR-TO-DATE | $ 23,364,872,699 | $ 120,994,399 | $ 1,671,245,147 | $ 57,162,714 | $ 293,129,408 | $ 407,505,129 | $ 25,914,909,496 | $ 26,624,509,088 |

See notes to financial statements

UNAUDITED

**PUBLIC EMPLOYEE RETIREMENT**
**SYSTEM OF IDAHO**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO DATE**
**March 31, 2025**

**NOTE 1 Cash and Cash Equivalents**

| | |
|---|---|
| Cash held in banking institutions | |
| STO accounts (DB, JRF, State & Schools) | 44,733,482 |
| Empower Bank Account | 184,788 |
| Cushman & Wakefield Building Account | 25,575 |
| US Bank Account | 355,784 |
| US Bank RMD Account | 277,004 |
| Wells Fargo (DB & DC) | 804,173 |
| Mellon 8804 & 8805 Accounts | 2,876,437 |
| Total Cash and Cash Equivalents | 49,257,243 |

**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 ofNew York (BNY) classifies as equity securities. Approximately $788,870,178 of such securities are classified as equity securities as of March 31, 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 March 31, 2025, consist of the following:

| | |
|---|---|
| Computer Software - Arrivos | $16,771,343 |
| Less: Accumulated Amortization - Arrivos | ($10,726,905) |
| Net Software Development | $6,044,438 |
| Equipment | $733,603 |
| Less: Accumulated Depreciation | ($534,056) |
| Net Equipment | $199,547 |
| Assets Used in Plan Operations, Net | $6,243,985 |

Amortization expense for Arrivos for the year to date is $893,434. Depreciation expense on all equipment for the year to date is $69,548.

**PUBLIC EMPLOYEE RETIREMENT**
**SYSTEM OF IDAHO**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO DATE**
**March 31, 2025**

**NOTE 5 Prepaid Expenditures**

| | |
|---|---|
| Retiree payroll calculated in the current month, but not paid until the following month | $107,920,513 |
| Total Prepaid Expenditures | $107,920,513 |

**NOTE 6 Accrued Liabilities**

Accrued Expenses consist of the following:

| | |
|---|---|
| Administrative Expenses (DB, DC & JRF Admin Exp Payable) | $2,559,900 |
| Stale Dated Checks Payable (DC checks over 4 months old) | $497,648 |
| RMD Payable | $2,627,004 |
| Investment Management Sick Leave - State | $265,122 |
| Investment Management Sick Leave - School | $1,009,945 |
| Investment Management (DB & JRF) | $16,362,282 |
| Total Accrued Liabilities | $23,321,901 |

**NOTE 7 Benefits and Refunds Paid**

Benefits and Refunds Paid to Plan Members and Beneficiaries:

| | |
|---|---|
| Payments to Retirees (DB & JRF) | $990,168,627 |
| Separation Benefits (DB) | $45,576,772 |
| Death Benefits (DB) | $12,304,045 |
| Benefits Paid (DC) | $81,386,871 |
| Medical Insurance Premiums (State & Schools) | $15,507,695 |
| | $1,144,944,010 |

**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.

PERSI
www.persi.idaho.gov

# Meeting of the PERSI Retirement Board

May 20, 2025 │ 8:30 A.M. - 12:30 P.M.

PERSI Office - 607 N. 8th St. Boise, ID 83701

**Zoom Link https://us02web.zoom.us/webinar/register/WN_3DwFZoK6TNWx-wnjaykBKA**

## AGENDA

Tuesday, May 20

| | | | |
|---|---|---|---|
| 8:30 AM | | Call to Order│Welcome | Jeff Cilek |
| | I. | Approval of Minutes | Jeff Cilek |
| | | A. Draft of April 22, 2025 Minutes and April 29, 2025 Special Meeting Minutes * | |
| 8:35 AM | II. | Investments│Portfolio | Richelle Sugiyama |
| | | A. Callan Quarterly Report | Ann O'Bradovich |
| | | B. Monthly Portfolio Update (report provided) | Richelle Sugiyama, Chris Brechbuhler |
| 9:05 AM | III. | Operations│Administration | Mike Hampton |
| | | A. Operations / Administration Update | Mike Hampton, Alex Simpson |
| | | B. Choice Plan Document Amendments (July approval) | Diane Kaiser |
| | | C. Internal Process Review Consulting Plan-Plante Moran* | Gabrielle Wafer, Matthew Jacobson, Amanda Carrigan |
| 9:50 AM | | Break | |
| 10:00 AM | III. | Operations│Administration (cont.) | Mike Hampton |
| | | D. Callan - Projected Actuarial Returns and Actual Returns | Ann O'Bradovich, Richelle Sugiyama |
| | | E. Milliman-Economic Assumption* | Robert Schmidt, Ryan Cook |
| | | F. Milliman-Contribution Rate Adjustment* | Robert Schmidt, Ryan Cook |
| 11:05 AM | IV. | Fiscal│Budget *(information only)* | Mike Anderson |
| | | A. Fiscal Update/Travel/Expense Report | Mike Anderson |
| | | B. Preview Budget Setting/Budget Guidance memo | Mike Anderson |
| | | C. Quarterly Financial Statements | Mike Anderson |
| 11:35 AM | V. | Board | Jeff Cilek |
| | | A. Trustee Call for Future Agenda Items * | |
| | | B. Board Memo(s) | |
| 11:40 AM | ** | Executive Session - Idaho Code § 74-206 (1)(a)(b)(f)* | Jeff Cilek |
| 12:30 PM | | Adjournment | |

2025 Future Board Meetings:
July 29, August 26, September 16, October 14, December 8-9

* Decision / Action of the Board Requested
** For the purpose of entering into Executive Session