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Meeting of the PERSI Retirement Board
February 24th, 2026 | 8:30 A.M. - 2:00 P.M.
PERSI Office - 607 N. 8th St. Boise, ID 83702

AGENDA

Tuesday, February 24

- 8:30 AM Call to Order | Welcome Jeff Cilek
- 8:35 AM *I. Consent Agenda Jeff Cilek
 - A. December 9th, 2025 Minutes
 - B. Financial Reports and Quarterly Financial Statements
 - C. 2026 YTD Investment Report
 - D. 2026 Scheduled Actuarial Projects
 - E. New Employer
- 8:40 AM II. Board Action Items
 - * A. CIO & DCIO - Investment Manager Selection Richelle Sugiyama, Chris Brechbuhler
 - * B. Internal Audit Plan based on Risk Assessment Gabrielle Wafer, Amanda Carrigan
 - * C. Contribution Rate Holiday for School Sick Leave Plan Ryan Cook, Mike Hampton
- 9:30 AM III. Board Information Items (to support potential future Board decisions)
 - A. Legislative Update Mike Hampton
 - B. Capital Market Assumptions Adam Lozinski, Ann O'Bradovich
- 10:10 AM Break
- 10:20 AM IV. Board Consultant and Staff Reports
 - A. Callan Quarterly Report Ann O'Bradovich
 - B. CIO Report Richelle Sugiyama, Chris Brechbuhler
 - C. Executive Director Report Mike Hampton
 - D. General Counsel Report Elisa Magnuson
- 11:30 AM V. Unfinished Board Business & Board Announcements Jeff Cilek
- 11:35 AM Break
- 11:50 AM VI. Board Education
 - A. Fiduciary training Part II Michelle Mellon-Werch, Ashley Dunning
- 1:05 PM ** Executive Session - Idaho Code § 74-206 (1)(a)(b)(f)* Jeff Cilek
- 2:00 PM Adjournment

TEAMS:

<https://events.gcc.teams.microsoft.com/event/ba5b05b1-d799-4ff2-93e5-bcba30c4a14e@736a4c44-1ef2-4377-9710-9ed330bd67ae>

* Decision / Action of the Board Requested
** For the purpose of entering into Executive Session



To: Trustees of the Retirement Board (Board)
Public Employees Retirement System of Idaho (PERSI)

From: Amy McDuffee, Founder and CEO
Natasha Smith, Consultant
Mosaic Governance Advisors, LLC (Mosaic)

Date: February 9, 2026

Re: Summary of Changes to Board Agenda Format

The purpose of this memo is to brief the PERSI Retirement Board on structural changes made to the agenda for the Board's February 24 meeting to ensure a more effective meeting.

Overview

Executive Director Mike Hampton requested Mosaic's support in structuring a Board meeting agenda that reflects governance best practices and makes effective use of limited Board time. Since 2019, through a series of governance initiatives, the Board has made a conscious shift toward more proactive governance. To support that direction, the meeting agenda is designed to balance forward-looking items of strategic importance with the Board's responsibilities for oversight of operations and compliance.

The Board has separately received the draft agenda for the February 24, 2026, Board meeting. The following structural changes have been incorporated to support these objectives. We encourage the Board to use this new agenda format and share any feedback that will help us refine and improve it.

1. Agenda organized by action type

- a. The agenda is now organized by the type of action requested of the Board (e.g., action, discussion, information) rather than by domain area (such as investments, administration, or finance). This structure supports more holistic governance by focusing the Board on how it is engaging with matters before it rather than on organizational domains. Items requiring the greatest Board attention are intentionally placed earlier on the agenda.

2. Board-level approval of the February 24, 2026 meeting agenda

- a. An item has been added to the consent agenda for the full Board to formally approve the agenda with flexibility. This enables the Board to adjust the order of items during the meeting to accommodate changes in presenter availability or other

unforeseen circumstances. It also harmonizes the agenda format with *Robert's Rules of Order* guidance.

- b. The Board's Governance Manual currently provides that the Chair reviews and approves the agenda. This updated practice does not alter that authority. The Chair will continue to approve the meeting agenda prior to distribution, and Mosaic will work with PERSI's General Counsel to ensure the Governance Manual appropriately reflects this clarified process.

3. Greater use of the consent agenda

- a. The February 24, 2026, agenda makes greater use of the consent agenda to streamline the meeting and preserve Board meeting time for higher-value discussion. Items included in the consent agenda reflect business-as-usual matters or topics the Board has previously reviewed and reached consensus on. Any Board member may request that an item be removed from the consent agenda for discussion. During the consent agenda item, simply ask the Chair that a specific item be removed from the consent agenda for discussion.
- b. Consent agenda items pulled for discussion by a Board member will be discussed during the "Unfinished Board Business and/or Board Announcements" section of the agenda.
- c. Going forward, during agenda development, PERSI staff will be responsible for flagging any consent agenda items that differ from routine, business-as-usual activity. In collaboration with the Chair, staff will identify these variances early so the Board is not surprised or caught off guard. Any item that warrants Board discussion will be moved off the consent agenda and separately agendized.
- d. The Board should also expect the Chief Investment Officer to incorporate some topics from Item E, the Investment Report, in the CIO Report. By placing the Investment Report in the consent agenda, we intentionally create space for the CIO to discuss items of particular interest to the Board in their report rather than needing to speak to each report detail.

Summary

We hope this summary is helpful in supporting the Board's continued work to maintain excellence in governance. Should you have any questions, please don't hesitate to contact us via phone at 720.316.1919 or via email at Amy.McDuffee@MosaicGovernance.com or Natasha.Smith@MosaicGovernance.com.



Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

Date: February 24th, 2026
TO: PERSI Retirement Board
FROM: Mike Anderson
Financial Executive Officer

Governor
Brad Little

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

Executive Director
Michael L. Hampton

SUBJECT: **FISCAL UPDATE**

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

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

MAILING ADDRESS
P.O. Box 83720
Boise ID 83720-0078

BOISE
Office Location Address
607 North 8th Street
Boise ID 83702-5518

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

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

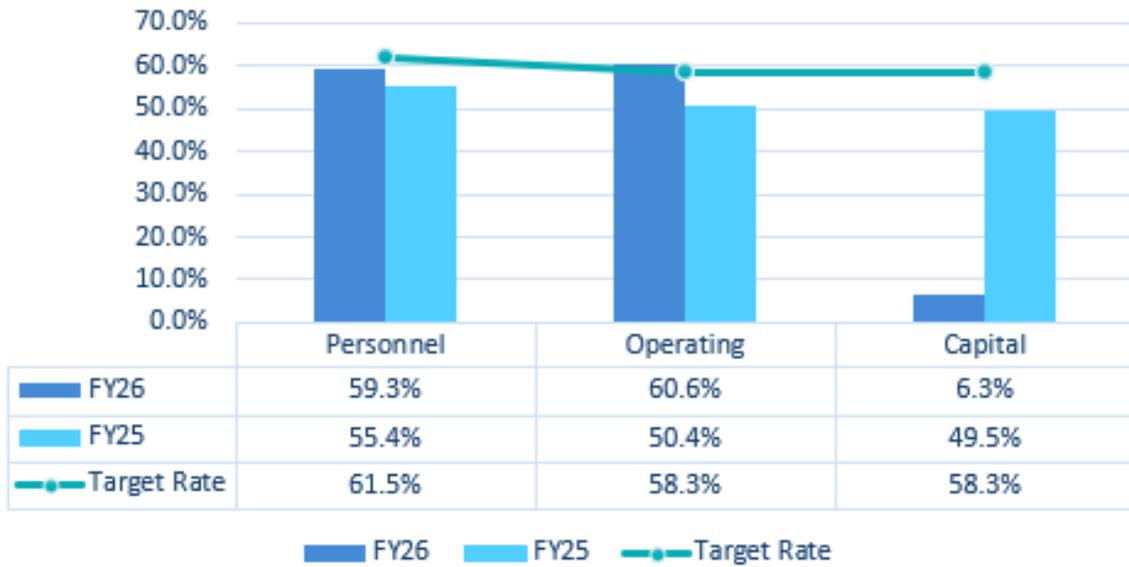
Choice Plan Recordkeeper
1-866-437-3774

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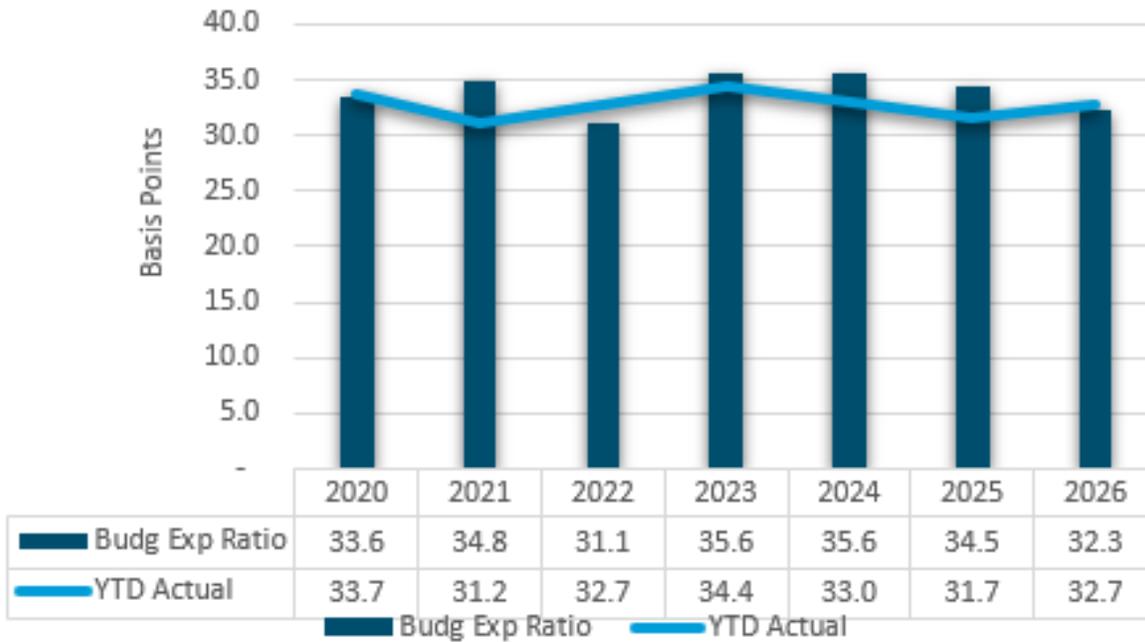
- **FY26 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.
 - **Administration:** The report is for FY 2026 expenditures as of the end of January. Personnel expenses are below the target rate of 61.5%. Operating expenses are slightly above the target rate of 58.3%, and Capital Outlay expenses are below the target rate of 58.3%.
 - **Portfolio:** Our year-to-date expense ratio is 32.7 basis points of projected average net assets compared to the budgeted projection of 32.3 basis points. Both the budget and actual are below the 50-basis point target ratio. The total budgeted for FY 2026 assumed asset growth of 6.5% net. The reports are on a cash basis and, therefore, will vary from the expenses reported in the accrual-based financial statements.
- **MONTHLY OUT OF STATE TRAVEL REPORT:** The monthly travel report is included in the board report. Please let me know if you have any questions.
- **QUARTERLY FINANCIAL STATEMENTS (UNAUDITED):** The second quarter FY26 unaudited financial statements are in your board packets. Please let me know if you have any questions.

Administration

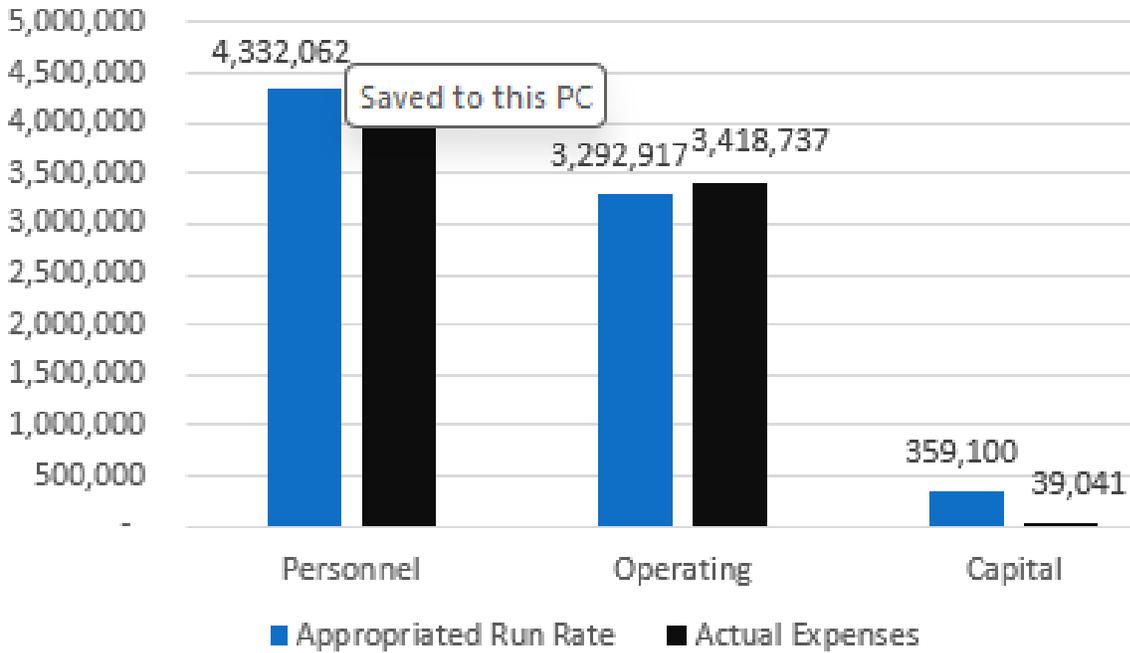


Expense Ratio Comparison

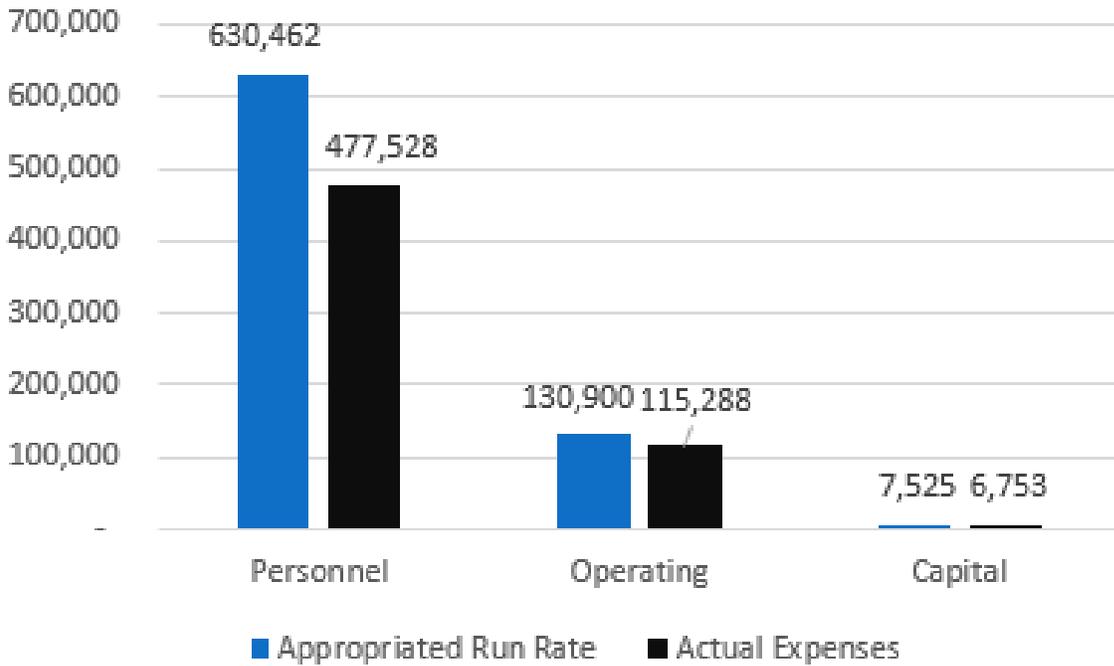
Cash Basis



ADMINISTRATION



PORTFOLIO



PUBLIC EMPLOYEE RETIREMENT SYSTEM									
FY 2026 CASH BASIS ADMINISTRATION EXPENSES									
SUMMARY REPORT							TARGET:	58.3%	
ADMINISTRATIVE BUDGET									
JANUARY 31, 2026									
	FY 2025	FY 2025	FY 2026	PRIOR			FY 2026	Current	Actual
	BUDGETED	ACTUAL	BUDGETED	MONTHS	DECEMBER	JANUARY	Total	Spending	as % of
							Expenses	Balance	Budget
PERSONNEL	6,616,500	6,062,804	7,039,600	2,903,883	530,638	741,604	4,176,125	2,863,475	59.3%
OPERATING	5,628,600	5,607,235	5,645,000	2,024,187	887,048	507,501	3,418,737	2,226,263	60.6%
CAPITAL	345,700	343,421	615,600	39,041	-	-	39,041	576,559	6.3%
TOTAL	12,590,800	12,013,460	13,300,200	4,967,111	1,417,686	1,249,105	7,633,903	5,666,297	57.4%

PUBLIC EMPLOYEE RETIREMENT SYSTEM									
FY 2026 CASH BASIS PORTFOLIO EXPENSES									
SUMMARY REPORT - PORTFOLIO							TARGET:	58.3%	
JANUARY 31, 2026									
INVESTMENTS	FY 2025	FY 2025	FY 2026	PRIOR			FY 2026	Actual	
	BUDGETED	ACTUAL	BUDGETED	MONTHS	DECEMBER	JANUARY	Total	as % of	
							Expenses	Budget	
STAFF EXPENSE									
Personnel	1,003,200	771,064	1,024,500	328,118	58,944	90,466	477,528	46.6%	
Operations	218,100	142,603	224,400	76,771	31,993	6,525	115,288	51.4%	
Capital Outlay	18,900	1,620	12,900	6,753	-	-	6,753	52.3%	

ADMINISTRATIVE BUDGET (Cont.)										
By Cost Center and Accto		FY 2025	FY 2025	FY 2026	PRIOR			FY 2026	Current	Actual
JANUARY 31, 2026		BUDGETED	ACTUAL	BUDGETED	MONTHS	DECEMBER	JANUARY	Total	Spending	as % of
									Balance	Budget
DISABILITY ASSESSMENT										
Personnel	-	-	-	-	-	-	-	-	-	0.0%
Operating	149,000	148,325	166,900	75,110	16,340	12,419	103,869	63,031	62.2%	
Capital	-	-	-	-	-	-	-	-	0.0%	
FIELD SERVICES - CSO										
Personnel	135,100	139,071	165,000	66,024	11,924	16,693	94,641	70,359	57.4%	
Operating	36,000	35,616	21,000	5,644	2,792	3,005	11,441	9,559	54.5%	
Capital	-	-	-	356	-	-	356	(356)	0.0%	
FIELD SERVICES - PSO										
Personnel	137,200	124,045	160,000	64,238	11,704	16,749	92,691	67,309	57.9%	
Operating	67,000	66,151	78,000	25,835	2,395	18,985	47,215	30,785	60.5%	
Capital	-	-	-	-	-	-	-	-	0.0%	
PERSI RETIREMENT CENTER										
Personnel	436,100	311,850	410,000	160,409	28,199	34,022	222,630	187,371	54.3%	
Operating	3,500	3,409	2,600	1,174	270	-	1,444	1,156	55.5%	
Capital	-	-	-	-	-	-	-	-	0.0%	
PERSI ANSWER CENTER										
Personnel	388,800	274,270	339,600	144,337	29,954	40,817	215,109	124,491	63.3%	
Operating	16,500	16,381	8,000	3,806	114	193	4,113	3,887	51.4%	
Capital	55,000	54,909	-	-	-	-	-	-	0.0%	
PERSI PROCESSING CENTER										
Personnel	393,400	378,840	510,000	200,921	38,710	51,979	291,609	218,391	57.2%	
Operating	22,000	21,050	10,000	2,571	314	-	2,885	7,115	28.9%	
Capital	-	-	-	-	-	-	-	-	0.0%	
IMAGING										
Personnel	70,200	69,840	79,000	31,282	5,798	8,100	45,180	33,820	57.2%	
Operating	2,000	1,942	2,000	-	-	495	495	1,505	24.8%	
Capital	-	-	-	-	-	-	-	-	0.0%	
TRAINING										
Personnel	643,400	627,070	720,000	269,624	39,716	56,494	365,834	354,166	50.8%	
Operating	102,000	101,596	77,000	38,147	6,281	2,353	46,781	30,219	60.8%	
Capital	-	8,456	-	606	-	-	606	(606)	0.0%	
COMMUNICATIONS										
Personnel	104,600	99,644	112,000	44,482	8,307	11,594	64,383	47,617	57.5%	
Operating	97,000	96,678	125,000	77,686	-	38	77,725	47,275	62.2%	
Capital	-	-	-	-	-	-	-	-	0.0%	
DC PLAN ADMINISTRATION										
Personnel	247,500	244,370	217,000	86,056	15,880	22,613	124,549	92,451	57.4%	
Operating	11,000	10,642	10,000	3,123	1,018	638	4,780	5,220	47.8%	
Capital	-	-	-	-	-	-	-	-	0.0%	
TOTAL										
PERSONNEL	6,616,500	6,062,804	7,039,600	2,903,883	530,638	741,604	4,176,125	2,863,475	59.3%	
OPERATING	5,628,600	5,607,235	5,645,000	2,024,187	887,048	507,501	3,418,737	2,226,263	60.6%	
CAPITAL	345,700	343,421	615,600	39,041	-	-	39,041	576,559	6.3%	
	12,590,800	12,013,460	13,300,200	4,967,111	1,417,686	1,249,105	7,633,903	5,666,297	57.4%	

**PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS PORTFOLIO EXPENSES**

**SUMMARY REPORT - PORTFOLIO
JANUARY 31, 2026**

TARGET: 58.3%

INVESTMENTS	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2026 Total <u>Expenses</u>	Actual as % of <u>Budget</u>
MANAGEMENT FEES	68,558,103	63,755,621	67,899,737	31,240,718	3,530,755	6,333,804	41,105,278	60.5%
CONSULTANTS	1,500,000	1,230,018	1,500,000	623,771	46,878	317,096	987,745	65.8%
CUSTODIAL SERVICES	3,000,000	2,354,427	3,000,000	946,187	139,294	184,556	1,270,038	42.3%
REPORTING SERVICES								
1. Investment Related	240,000	137,897	200,000	68,876	-	22,564	91,440	45.7%
2. Non-Investment Related	710,000	592,947	760,000	270,858	33,333	81,840	386,032	50.8%
LEGAL	1,100,000	1,101,042	1,220,000	431,304	127,086	121,059	679,449	55.7%
STAFF EXPENSE	1,240,200	915,287	1,261,800	411,641	90,937	96,991	599,569	47.5%
ENCUMBRANCES*	-	-	-	-	-	-	-	
TOTAL EXPENDITURES*	76,348,303	70,087,239	75,841,537	33,993,356	3,968,283	7,157,911	45,119,550	59.5%
ADMINISTRATION	12,590,800	12,013,458	13,300,200	4,967,111	1,417,686	1,249,105	7,633,903	57.4%
YTD EXPENDITURES INCLUSIVE	88,939,103	82,100,697	89,141,737	38,960,467	5,385,970	8,407,016	52,753,453	59.2%

	FY 2025 Actual	FY 2026 Budgeted
Investment Related Services	69,494,292	75,081,537
Non-Investment Related Services	592,947	760,000
Judges Retirement Fund	453,271	472,000
PERSI Administration ¹	12,013,458	13,300,200
1) TOTAL PERSI COSTS	82,553,968	89,613,737
2) ESTIMATED NET AVERAGE ASSETS	26,032,790,430	27,724,921,808
3) RATIO OF COSTS TO NET ASSETS	0.317%	0.323%
Investment Expense	0.267%	0.271%
Non-Investment Contracted Services	0.002%	0.003%
Judges Retirement Fund	0.002%	0.002%
PERSI Administration	0.046%	0.048%
4) BUDGETED EXPENSE RATIO		32.3
5) ACTUAL EXPENSE RATIO²		32.7

**PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
DETAIL REPORT
JANUARY 31, 2026**

TARGET: 58.3%

DESCRIPTION	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2026 Total <u>Expenses</u>	Actual as % of <u>Budget</u>
MANAGEMENT FEES								
Equity - Domestic	11,213,525	12,679,440	13,503,603	6,456,197	-	778,319	7,234,517	53.6%
Equity - International	8,155,000	8,935,504	9,516,312	5,191,254	268,629	679,487	6,139,370	64.5%
Fixed Income	2,939,577	3,007,792	3,203,298	2,202,540	0	938,472	3,141,013	98.1%
Real Estate	17,250,000	13,803,639	14,700,876	4,010,791	2,922,897	582,735	7,516,423	51.1%
Idaho Mortgage Program	4,500,000	3,921,185	4,176,062	1,682,442	339,229	339,670	2,361,341	56.5%
Equity Global	24,500,000	21,408,061	22,799,585	11,697,493	-	3,015,121	14,712,614	64.5%
CONSULTANTS								
Investment Consultants	760,000	624,809	760,000	317,882	-	201,441	519,323	68.3%
Advisors	380,000	321,642	380,000	125,000	28,123	27,064	180,187	47.4%
Other Consultants	360,000	283,566	360,000	180,889	18,755	88,591	288,235	80.1%
CUSTODIAL SERVICES								
Trust/Custody	3,000,000	2,155,687	3,000,000	946,187	139,294	184,556	1,270,038	42.3%
Clearwater Analytics, LLC	-	198,739	-	-	-	-	-	
REPORTING SERVICES								
1. Auditors Fees								
a. Annual Audit	160,000	37,961	160,000	71,417	-	-	71,417	44.6%
2. Actuarial Fees								
Milliman USA	350,000	388,319	400,000	132,774	-	65,174	197,948	49.5%
Cavanaugh MacDonald	200,000	166,667	200,000	66,667	33,333	16,667	116,667	58.3%
3. Bloomberg LP & Other								
	240,000	137,897	200,000	68,876	-	22,564	91,440	45.7%
LEGAL								
1. Legal Fees								
Legal Advice - Other	400,000	316,120	400,000	129,881	899	2,622	133,401	33.4%
Legal Advice - Priv Equity	600,000	667,899	680,000	246,479	71,956	118,438	436,872	64.2%
Legal Advice - Fiduciary/Liability	100,000	117,023	140,000	54,944	54,232	-	109,176	78.0%
STAFF EXPENSE								
Personnel	1,003,200	771,064	1,024,500	328,118	58,944	90,466	477,528	46.6%
Operations	218,100	142,603	224,400	76,771	31,993	6,525	115,288	51.4%
Capital Outlay	18,900	1,620	12,900	6,753	-	-	6,753	52.3%
Encumbrances	-	-	-	-	-	-	-	0.0%
Total Monthly Expenditures	76,348,303	70,087,239	75,841,537	33,993,356	3,968,283	7,157,911	45,119,550	59.5%
JUDGES RETIREMENT FUND								
Invest, Mgmt, Consulting, Custody, Reporting	330,000	330,466	330,000	160,153	18,077	33,288	211,519	64.1%
Accounting, Auditing	15,000	8,377	15,000	14,334	-	-	14,334	95.6%
Other Professional Services	-	-	-	-	-	-	-	0.0%
Actuary	40,000	31,690	40,000	1,208	29,800	912	31,921	79.8%
Legal	4,000	5,393	4,000	2,101	619	588	3,308	82.7%
Administration	78,100	76,953	83,000	34,499	6,368	8,954	49,822	60.0%
Admin Rule	-	392	-	-	392	-	392	0.0%
	467,100	453,271	472,000	212,296	55,256	43,742	311,294	66.0%

Scheduled and Completed Out of State Travel - Staff

Traveler	Fund	Destination City/ State	Description	Dates of Travel	Final Voucher Amount
Sara Todd-Stone	55001	Salt Lake City, UT	NPEA Conference	10/18/25-10/22/25	1,916.84
Ryan Witt	55001	Las Vegas, NV	DevLearn 2025	11/10/25-11/16/25	4,446.86
Catherine Atchison	55001	Las Vegas, NV	DevLearn 2025	11/10/25-11/16/25	4,606.45
Chris Brechbuhler	55002	Austin, TX	Pensions & Investments Public Funds Pension Fund Tour and Public F	11/17/25-11/19/25	1,800.71
Richelle Sugiyama	55002	Los Angeles, CA	Elkind Economics Emerging Markets Forum	01/07/26-1/08/26	1,537.69
Richelle Sugiyama	55002	Boston, MA	AB Global CIO Forum	01/13/26-1/15/26	1,421.02
Chris Brechbuhler	55002	Burlington, VT, Boston, MA, Palm Beach, FL	Due Diligence SMID Investment Manager	01/26/26-1/30/26	3,170.33
Richelle Sugiyama	55002	Burlington, VT, Boston, MA, Palm Beach, FL	Due Diligence SMID Investment Manager	01/26/26-1/30/26	2,563.50

UNAUDITED

**PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO**

FINANCIAL STATEMENTS

FOR THE YEAR TO DATE

DECEMBER 31, 2025 AND 2024

Prepared by:	<u>Kelly Schlangen</u>	<u>1/30/2026</u>
	Kelly Schlangen, Senior Financial Specialist	Date
Reviewed by:	<u>Gorji</u>	<u>1/30/2026</u>
	Parisa Gorji, Accounting Manager	Date
Reviewed by:	<u>Mike Anderson</u>	<u>1/30/2026</u>
	Mike Anderson, Financial Executive Officer	Date

**PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
FINANCIAL STATEMENTS FOR
DECEMBER 31, 2025**

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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 12/31/2025 WITH COMPARATIVE TOTALS FOR SAME PERIOD PRIOR YEAR TO DATE

UNAUDITED
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	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)	\$ 29,228,572	\$ 990,913	\$ 3,655,544	\$ 152,059	\$ 536,532	\$ 1,424,848	\$ 35,988,469	\$ 36,425,437
INVESTMENTS, at fair value (Note 2)								
Fixed Income Investments								
Domestic	6,309,801,944	32,496,595			163,840,068	224,477,562	6,730,616,169	6,182,819,409
International							0	0
Idaho Mortgages	859,000,316	4,424,003					863,424,320	810,122,418
Short-Term Investments	385,318,936	1,984,461	133,805				387,437,202	333,739,765
Real Estate Equities (Note 3)	1,070,356,966	5,512,528					1,075,869,493	1,047,224,125
Equity Securities								
Domestic	12,152,650,514	62,588,298			128,991,772	177,267,632	12,521,498,216	11,129,848,830
International	3,168,866,294	16,320,221			35,364,871	49,194,636	3,269,746,023	2,568,699,271
Private Equity	1,950,301,674	10,044,398					1,960,346,072	1,810,986,511
Mutual, Collective, Unitized Funds			1,899,553,438	60,707,456			1,960,260,894	1,720,584,882
Total Investments	25,896,296,644	133,370,504	1,899,687,243	60,707,456	328,196,712	450,939,830	28,769,198,389	25,604,025,211
RECEIVABLES								
Investments Sold (Note 2)	31,156,066	160,459					31,316,525	17,443,631
Contributions	13,947,390	616,342					14,563,732	14,096,824
Administrative Fee			203,917	8,300			212,217	199,867
Interest and Dividends	87,874,680	452,570	4,826,364	149,269			93,302,884	85,156,849
Total Receivables	132,978,136	1,229,371	5,030,282	157,569	0	0	139,395,359	116,897,171
ASSETS USED IN PLAN OPERATIONS (Note 4)	8,208,818						8,208,818	5,572,421
DUE FROM OTHER FUNDS	170,000						170,000	0
PREPAID EXPENDITURES (Note 5)	109,494,107						109,494,107	105,508,481
TOTAL ASSETS	26,176,376,277	135,590,789	1,908,373,069	61,017,084	328,733,244	452,364,679	29,062,455,141	25,868,428,721
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Investments Purchased (Note 2)	114,365,561	589,003					114,954,564	40,805,552
Due to Other Funds					60,000	110,000	170,000	0
Accrued Liabilities (Note 6)	30,277,700	898,186	533,679	53	393,231	1,277,994	33,380,843	21,515,076
TOTAL LIABILITIES	144,643,261	1,487,188	533,679	53	453,231	1,387,994	148,505,407	62,320,628
NET POSITION RESTRICTED FOR PENSIONS AND AMOUNTS HELD IN TRUST	\$ 26,031,733,016	\$ 134,103,600	\$ 1,907,839,390	\$ 61,017,031	\$ 328,280,013	\$ 450,976,685	\$ 28,913,949,735	\$ 25,806,108,093

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
 COMBINING STATEMENT OF CHANGES IN PLAN POSITION - PENSION TRUST AND OTHER TRUST FUNDS
 FOR THE YEAR TO DATE 12/31/2025 WITH COMPARATIVE TOTALS FOR PRIOR YEAR TO DATE

UNAUDITED
 Page 4

	PERSI Pension Funds						Totals	
	Base Plan	Judges' Retirement Fund	Choice Plan 401(k)	Choice Plan 414(k)	Sick Leave Insurance Reserve Trust Fund - State	Sick Leave Insurance Reserve Trust Fund - Schools	Current Year-To-Date	Prior Year-To-Date
ADDITIONS:								
Contributions								
Members	\$ 205,643,429	\$ 574,765	\$ 45,537,047				\$ 251,755,240	\$ 242,878,449
Employers	321,821,725	3,103,629	6,361,397		1,839		331,288,590	318,566,056
Rollovers In			6,352,801				6,352,801	8,013,950
	527,465,154	3,678,394	58,251,245	0	1,839	0	589,396,632	569,458,455
Investment Income								
Net Appreciation/(Depreciation) in Fair Value of Investments	1,370,418,888	7,043,158	110,920,893	3,653,109	21,569,817	29,710,538	1,543,316,403	720,402,383
Interest, Dividends and Other Investment Income	232,877,473	1,193,826	15,171,729	147,606			249,390,635	232,441,222
Less: Investment Expenses	(37,385,029)	(190,568)	(2,071,481)	(4,557)	(57,550)	(73,949)	(39,783,134)	(34,987,697)
Net Investment Income	1,565,911,331	8,046,416	124,021,141	3,796,158	21,512,267	29,636,589	1,752,923,904	917,855,909
Other Revenue, Net	787,146	14,385	-	-	3,234	7,487	812,252	773,148
Total Additions	2,094,163,631	11,739,195	182,272,386	3,796,158	21,517,340	29,644,076	2,343,132,788	1,488,087,512
DEDUCTIONS:								
Benefits and Refunds Paid to Plan Members and Beneficiaries (Note 7)	733,207,192	5,013,018	61,631,095	2,401,276	3,095,098	8,483,637	813,831,317	763,261,746
Administrative Expenses	6,130,095	87,200	1,251,302	115,923	30,230	41,865	7,656,614	7,081,387
Total Deductions	739,337,287	5,100,218	62,882,397	2,517,199	3,125,328	8,525,502	821,487,931	770,343,133
INCREASE (DECREASE) IN NET POSITION	1,354,826,345	6,638,977	119,389,989	1,278,959	18,392,012	21,118,574	1,521,644,856	717,744,379
NET POSITION, BEGINNING OF YEAR	24,676,906,671	127,464,623	1,788,449,401	59,738,072	309,888,001	429,858,111	27,392,304,879	25,088,363,714
NET POSITION, YEAR-TO-DATE	\$ 26,031,733,016	\$ 134,103,600	\$ 1,907,839,390	\$ 61,017,031	\$ 328,280,013	\$ 450,976,685	\$ 28,913,949,735	\$ 25,806,108,093

See notes to financial statements

**PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
DECEMBER 31, 2025**

NOTE 1 Cash and Cash Equivalents

Cash held in banking institutions		
STO accounts (DB, JRF, State & Schools)		31,704,662
Empower Bank Account		539,716
Cushman & Wakefield Building Account		91,146
US Bank Account		271,704
US Bank RMD Account		89,187
Wells Fargo (DB & DC)		24,166
Mellon 8804 & 8805 Accounts		3,267,888
Total Cash and Cash Equivalents		<u>35,988,469</u>

NOTE 2 Portfolio Assets

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

NOTE 3 Real Estate Holdings

The amount reported for real estate investments does not reflect some publicly-traded REIT securities that Bank of New York (BNY) classifies as equity securities. Approximately \$819,203,260 of such securities are classified as equity securities as of December 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 September 30, 2025, consist of the following:

Buildings and Improvements	\$6,187,349
Less: Accumulated Depreciation	(\$6,135,895)
Net Buildings	<u>\$51,454</u>
Computer Software - Arrivos	\$19,583,303
Less: Accumulated Amortization - Arrivos	(\$11,620,339)
Net Software Development	<u>\$7,962,964</u>
Equipment	\$600,373
Less: Accumulated Depreciation	(\$405,973)
Net Equipment	<u>\$194,400</u>
Assets Used in Plan Operations, Net	<u><u>\$8,208,818</u></u>

Amortization expense for Arrivos for the year to date is \$595,622. Depreciation expense on all equipment for the year to date is \$47,024.

**PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
DECEMBER 31, 2025**

NOTE 5 Prepaid Expenditures

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

	\$109,494,107
	\$109,494,107

NOTE 6 Accrued Liabilities

Accrued Expenses consist of the following:

Administrative Expenses (DB, DC & JRF Admin Exp Payable)	\$2,011,776
Stale Dated Checks Payable (DC checks over 4 months old)	\$532,368
RMD Payable	\$2,439,188
Investment Management Sick Leave - State	\$43,124
Investment Management Sick Leave - School	\$59,524
Investment Management (DB & JRF)	\$28,294,863
Total Accrued Liabilities	\$33,380,843

NOTE 7 Benefits and Refunds Paid

Benefits and Refunds Paid to Plan Members and Beneficiaries:

Payments to Retirees (DB & JRF)	\$698,850,563
Separation Benefits (DB)	\$30,156,230
Death Benefits (DB)	\$9,213,418
Benefits Paid (DC)	\$64,032,371
Medical Insurance Premiums (State & Schools)	\$11,578,735
	\$813,831,317

NOTE 8 Estimates

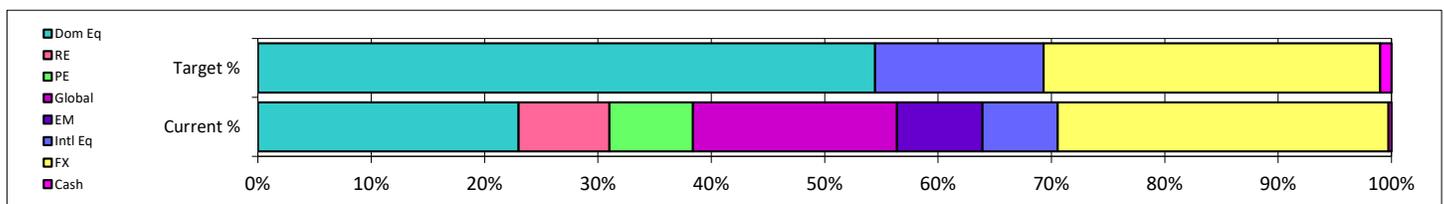
PERSI may use certain estimates in interim financial statements when it is more cost effective or timely than computing actual amounts and the difference between the estimates and actuals will not materially impact the financial statements as a whole.

Preliminary Performance Summary (blue = outperform index by 50 bp; red = underperform index by 50 bp (* Annualized)

	Last <u>Month</u>	<u>FYTD</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>	Last <u>10 Years*</u>	Last <u>20 Years*</u>
Total Fund	1.7%	8.3%	10.4%	7.6%	9.4%	7.3%
Strategic Policy [*]	2.2%	9.8%	11.8%	7.8%	9.3%	7.3%
Broad Target (55-15-30)	1.7%	10.1%	14.5%	9.0%	10.4%	8.2%
Total Domestic Equity (Russell 3000)	1.5%	9.0%	12.7%	11.5%	12.8%	9.1%
Russell 3000	1.6%	12.5%	20.2%	13.6%	15.1%	10.7%
U.S. Equity (Russell 3000)	1.5%	9.9%	17.6%	12.1%	13.8%	10.4%
Real Estate (NCREIF)	1.3%	3.8%	-0.5%	6.1%	7.0%	5.4%
Private Equity (Russell 3000*1.35)	0.1%	4.4%	7.3%	14.4%	12.7%	10.9%
Global Equity (Russell 3000)	2.2%	11.2%	14.2%	11.8%	12.9%	8.1%
Total International Equity (MSCI EAFE)	5.2%	15.9%	14.1%	6.6%	9.2%	5.6%
MSCI EAFE Net	5.2%	15.6%	16.2%	10.3%	9.6%	5.5%
Total Fixed Income (BB Aggregate)	0.2%	3.2%	4.0%	0.4%	2.6%	3.8%
Bloomberg Aggregate	0.1%	3.3%	3.6%	-0.2%	1.9%	3.3%

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

	<u>Month-End MV</u>	<u>Current %</u>	<u>Target %</u>
U.S. Equity	\$ 6,359	22.8 %	
Real Estate	\$ 1,984	7.1 %	
Private Equity	\$ 2,085	7.5 %	
Global Equity	\$ 5,364	19.2 %	
Total Domestic Equity	\$ 15,792	56.6 %	55.0%
Emerging Markets Equity	\$ 2,418	8.7 %	
Total International Equity	\$ 4,357	15.6 %	15.0%
Total Fixed Income	\$ 7,703	27.6 %	29.0%
Cash	\$ 68	0.2 %	1.0%
Total Fund	\$ 27,920	100.0 %	100.0%



Long-Term Strategic Positions:

US Small/Mid Capitalization Equities, Real Estate Investment Trust Securities (REITs), Private Real Estate, Global Equity, Emerging Market Equity, TIPS - Treasury Inflation Protected Securities, Idaho Commercial Mortgage Program

¹ 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

Jan 2026

Manager (Style Benchmark)

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

(* Annualized)

	Last Month	FYTD	Last 3 Years*	Last 5 Years*	Last 10 Years*	Last 20 Years*
Total Fund	1.7%	8.3%	10.4%	7.6%	9.4%	7.3%
Strategic Policy	2.2%	9.8%	11.8%	7.8%	9.3%	7.3%
Broad Policy (55-15-30)	1.7%	10.1%	14.5%	9.0%	10.4%	8.2%
Total Domestic Equity (Russell 3000)	1.5%	9.0%	12.7%	11.5%	12.8%	9.1%
(Includes U.S. Eq, Gbl Eq, RE, PE)						
U.S. Equity ex RE, PE (Russell 3000)	1.5%	9.9%	17.6%	12.1%	13.8%	10.4%
Russell 3000	1.6%	12.5%	20.2%	13.6%	15.1%	10.7%
MCM Index Fund (Russell 3000)	1.5%	12.5%	20.6%	13.8%	15.2%	10.9%
MCM Russell 1000 (Russell 1000)	1.4%	12.1%	20.6%	14.0%	15.3%	11.0%
Russell 1000	1.4%	12.1%	20.7%	14.1%	15.4%	10.9%
S&P 500 Index	1.5%	12.6%	21.1%	15.0%	15.6%	10.9%
MCM Russell 2000 (Russell 2000)	5.3%	21.0%	12.3%	6.3%	11.3%	8.0%
Russell 2000	5.4%	21.0%	12.2%	6.2%	11.2%	8.0%
Donald Smith & Co. (Russell 3000)	5.1%	34.8%	34.2%	32.4%	20.4%	13.1%
Russell 3000	1.6%	12.5%	20.2%	13.6%	15.1%	10.7%
Peregrine (Russell 1000 Growth)	-7.9%	-9.9%	13.3%	1.9%	14.2%	10.6%
Russell 1000 Growth	-1.5%	10.1%	27.1%	15.1%	18.6%	13.0%
Atlanta Capital (Russell 2500)	1.4%	-2.3%	N/A	N/A	N/A	N/A
Russell 2500	5.0%	17.0%	12.0%	7.8%	11.9%	8.9%
Global Equity (Russell 3000)	2.2%	11.2%	14.2%	11.8%	12.9%	8.1%
Russell 3000	1.6%	12.5%	20.2%	13.6%	15.1%	10.7%
MSCI World	2.3%	13.3%	19.9%	13.4%	13.7%	9.0%
MSCI World net div	2.2%	13.1%	19.3%	12.9%	13.1%	8.4%
MSCI AC World	3.0%	14.7%	19.6%	12.5%	13.3%	8.6%
BLS (MSCI ACWI)	0.0%	2.1%	7.5%	9.5%	N/A	N/A
Bernstein (MSCI ACWI)	6.4%	23.3%	19.5%	13.5%	10.9%	5.8%
Brandes (Russell 3000)	4.0%	20.1%	21.8%	17.7%	13.2%	7.8%
Longview (MSCI ACWI)	-4.0%	-2.6%	7.5%	9.0%	10.1%	N/A
PineStone (MSCI World)	2.1%	12.5%	16.1%	12.2%	N/A	N/A
Pzena (MSCI ACWI)	3.5%	15.0%	N/A	N/A	N/A	N/A
Walter Scott (MSCI World net div)	1.7%	5.6%	12.4%	8.7%	N/A	N/A
Private Equity (Russell 3000)	0.1%	4.4%	7.3%	14.4%	12.7%	10.9%
Russell 3000	1.6%	12.5%	20.2%	13.6%	15.1%	10.7%

**Total Fund
Month-End Performance**

Jan 2026

Manager (Style Benchmark)

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

(* Annualized)

	Last Month	FYTD	Last 3 Years*	Last 5 Years*	Last 10 Years*	Last 20 Years*
Real Estate (NCREIF)	1.3%	3.8%	-0.5%	6.1%	7.0%	5.4%
MCM REIT (DJ US Select REIT)	3.0%	7.3%	5.8%	7.3%	5.5%	N/A
Dow Jones U.S. Select REIT	3.0%	7.4%	5.8%	7.3%	5.5%	5.8%
Adelante REITs (Wilshire REIT)	3.0%	6.4%	6.9%	7.8%	7.6%	6.9%
Wilshire REIT	3.1%	6.1%	6.4%	7.4%	6.3%	6.2%
Prudential (NCREIF)	0.2%	3.2%	-2.9%	3.3%	4.8%	5.5%
Private Real Estate	0.0%	1.6%	-5.1%	5.4%	7.6%	4.1%
NCREIF Prop 1Q Arrears	0.4%	2.8%	-2.0%	3.8%	5.0%	6.4%
Int'l Equity (MSCI EAFE)	5.2%	15.9%	14.1%	6.6%	9.2%	5.6%
MSCI EAFE	5.2%	15.6%	16.2%	10.3%	9.6%	5.5%
MSCI ACWI ex US	6.0%	19.2%	17.2%	9.7%	10.4%	6.1%
MCM International (MSCI EAFE)	5.1%	15.3%	16.4%	10.5%	9.9%	5.8%
C Worldwide (MSCI ACWI ex US)	1.6%	7.2%	N/A	N/A	N/A	N/A
Mondrian (MSCI EAFE)	3.5%	15.7%	19.2%	13.0%	9.8%	6.4%
Sprucegrove (MSCI EAFE)	4.6%	17.4%	N/A	N/A	N/A	N/A
MCM Emerging Markets (MSCI EMF)	9.0%	26.6%	16.6%	5.2%	10.1%	N/A
WCM	7.6%	36.7%	N/A	N/A	N/A	N/A
Wasatch	0.7%	1.5%	N/A	N/A	N/A	N/A
MSCI EM	8.9%	26.6%	17.3%	5.8%	10.5%	6.3%
Total Fixed Income (BC Aggregate)	0.2%	3.2%	4.0%	0.4%	2.6%	3.8%
BB Aggregate	0.1%	3.3%	3.6%	-0.2%	1.9%	3.3%
Baird (BB Aggregate)	0.3%	3.6%	N/A	N/A	N/A	N/A
Clearwater (BB Aggregate) - 1/2014	0.2%	3.5%	4.1%	0.1%	2.3%	3.3%
Dodge & Cox (BB Aggregate)	0.3%	4.5%	N/A	N/A	N/A	N/A
JP Morgan (BB Aggregate)	0.3%	4.0%	N/A	N/A	N/A	N/A
SSgA Gov/Corp (BB G/C)	0.0%	2.9%	3.7%	-0.3%	2.1%	3.5%
IR+M (BB G/C)	0.1%	3.1%	4.0%	0.1%	N/A	N/A
Bloomberg Gov/Credit	0.0%	2.8%	3.5%	-0.4%	2.0%	3.3%
DBF Idaho Mortgages (BB Mortgage)	0.2%	3.8%	5.6%	1.6%	3.4%	5.1%
Bloomberg Treasury	-0.1%	2.3%	2.7%	-0.8%	1.1%	2.8%
DBF MBS (BB Mortgage)	0.4%	4.6%	4.2%	0.4%	1.5%	3.0%
Bloomberg Mortgage	0.4%	4.6%	3.9%	0.2%	1.5%	3.1%
SSgA TIPS (BB TIPS)	0.3%	2.5%	3.6%	0.9%	3.0%	4.0%
Bloomberg US TIPS	0.3%	2.6%	3.7%	1.1%	3.0%	3.5%
Cash						
Clearwater: PERSI STIF (90-day LIBOR)	0.3%	2.5%	4.9%	3.3%	2.4%	1.9%
ICE BofA 3-mo Treasury Bill Index	0.3%	2.4%	4.8%	3.2%	2.2%	1.7%

Total Fund
Month-End Performance

Jan 2026

	<u>Market Value</u>	<u>% of Assets</u>
Total Fund	\$27,919,985,874.33	
Total Domestic Equity <i>(Russell 3000)</i>	\$15,792,068,267.10	56.6%
<i>(Includes U.S. Eq, Gbl Eq, RE, PE)</i>		
U.S. Equity ex RE, PE <i>(Russell 3000)</i>	\$ 7,209,768,575.70	25.8%
Donald Smith & Co. <i>(Russell 3000)</i>	\$ 1,282,930,892.25	4.6%
Peregrine <i>(Russell 1000 Growth)</i>	\$ 741,826,418.96	2.7%
Atlanta Capital <i>(Russell 2500)</i>	\$ 708,651,087.79	2.5%
US Transition	\$ 811,556,777.72	2.9%
MCM Russell 1000 <i>(Russell 1000)</i>	\$ 2,684,469,748.30	9.6%
MCM Russell 2000 <i>(Russell 2000)</i>	\$ 129,485,126.76	0.5%
Global Equity <i>(Russell 3000)</i>	\$ 5,364,039,212.57	19.2%
BLS <i>(MSCI ACWI)</i>	\$ 721,371,652.76	2.6%
Bernstein <i>(MSCI ACWI)</i>	\$ 903,243,264.76	3.2%
Brandes <i>(Russell 3000)</i>	\$ 901,491,286.28	3.2%
Longview <i>(MSCI ACWI)</i>	\$ 630,093,744.80	2.3%
PineStone <i>(MSCI World)</i>	\$ 737,162,834.07	2.6%
Pzena <i>(MSCI ACWI)</i>	\$ 795,417,430.75	2.8%
Walter Scott <i>(MSCI World net div)</i>	\$ 674,887,912.75	2.4%
Private Equity <i>(Russell 3000)</i>	\$ 2,084,848,561.57	7.5%
Real Estate <i>(NCREIF)</i>	\$ 1,984,227,913.04	7.1%
MCM REIT <i>(DJ US Select REIT)</i>	\$ 326,737,672.61	1.2%
Adelante REITs <i>(Wilshire REIT)</i>	\$ 524,110,705.72	1.9%
Private Real Estate	\$ 1,133,379,534.71	4.1%
Int'l Equity <i>(MSCI EAFE)</i>	\$4,357,209,444.44	15.6%
MCM International <i>(MSCI EAFE)</i>	\$ 332,742,450.82	1.2%
C Worldwide <i>(MSCI ACWI ex US)</i>	\$ 468,653,539.91	1.7%
Mondrian <i>(MSCI EAFE)</i>	\$ 608,409,447.85	2.2%
Sprucegrove <i>(MSCI EAFE)</i>	\$ 528,980,028.19	1.9%
MCM Emerging Markets <i>(MSCI EMF)</i>	\$ 1,118,927,369.21	4.0%
WCM <i>(MSCI EMF)</i>	\$ 742,500,000.00	2.7%
Wasatch <i>(MSCI EMF)</i>	\$ 555,148,307.60	2.0%
Total Fixed Income <i>(BC Aggregate)</i>	\$7,702,684,494.26	27.6%
Baird <i>(BB Aggregate)</i>	\$ 530,519,184.42	1.9%
Clearwater <i>(BB Aggregate) - 1/2014</i>	\$ 399,897,358.43	1.4%
Dodge & Cox <i>(BB Aggregate)</i>	\$ 532,876,434.57	1.9%
JP Morgan <i>(BB Aggregate)</i>	\$ 535,642,747.85	1.9%
SSgA Gov/Corp <i>(BB G/C)</i>	\$ 1,664,429,378.76	6.0%
IR+M <i>(BB G/C)</i>	\$ 522,463,792.37	1.9%
DBF Idaho Mortgages <i>(BB Mortgage)</i>	\$ 928,219,219.94	3.3%
DBF MBS <i>(BB Mortgage)</i>	\$ 189,423,554.63	0.7%
SSgA TIPS <i>(BB TIPS)</i>	\$ 2,399,002,052.54	8.6%
Cash	\$67,878,743.37	0.2%
Clearwater: PERSI STIF <i>(90-day LIBOR)</i>	\$ 67,878,743.37	0.2%

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PURPOSES
ONLY**

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Adelante (Public RE - REITs)

Domestic Equity: Wilshire REIT Benchmark

	For the month of:	January	2026		
Manager Performance Calculations				* Annualized returns	
	Last	Last	Last	Last	Last
	<u>Month</u>	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years*</u>	<u>5 Years*</u>
Adelante Total Return	3.00%	3.16%	4.58%	6.96%	7.80%
Wilshire REIT Index	3.06%	2.96%	4.78%	6.42%	7.39%

Performance Attribution & Strategy Comments

For the month ended January 31, 2026 – The Account underperformed the Wilshire US REIT Index by 6 basis points, gross of fees, as the REIT market advanced 3.1%.

- Contributors: the sector allocation to Real Estate Services (overweight), Gaming and Casino REIT (underweight) and security selection within Shopping Center REIT.
- Detractors: the sector allocation to Diversified REIT (underweight), Storage Facilities REIT (underweight) and Medical Offices and Laboratories REIT (underweight).
- Best performing holding: Alexandria Real Estate Equities, Inc., +11.9%.
- Worst performing holding: BXP, Inc., -4.0%.

For the trailing quarter ended January 31, 2026 – The Account outperformed the Wilshire US REIT Index by 20 basis points, gross of fees, as the REIT market advanced 3.0%.

- Contributors: security selection within Core Industrial REIT, Office REIT and Single Family Home REIT.
- Detractors: the sector allocation to Shopping Center REIT (overweight), Apartment REIT (underweight) and Diversified REIT (underweight).
- Best performing holding: Hilton, Inc., +16.4%.
- Worst performing holding: Iron Mountain, -9.6%.

Comments — January 2026 marked a **constructive start to the year for commercial real estate, with the Wilshire U.S. REIT Index rising 3.1%**, despite an uneven macro backdrop and continued policy uncertainty. The 10-year U.S. Treasury yield began January near 4.19% and moved higher, finishing the month at 4.26%; this modest increase reflected shifting labor-market signals and reinforced a cautiously hawkish policy tone from the Federal Reserve.

Some of 2025's worst performing REITs popped back in January: Alexandria RE Inc. and Iron Mountain were two of the best performers for the month, up 11.7% and 11.1%, respectively. In fact, during Alexandria's Q4 earnings call, Joel Marcus, Executive Chairman, remarked *"...when you look at our locations, quality of assets, quality of sponsorship, I mean, it's not surprising that the sell-off after the third quarter was, I think pretty radical."*

Federal initiatives aimed at improving housing affordability punished the Single-Family Rental REITs, down 2.64%, the worst performing sector. On January 20th, President Trump signed an executive order, "Stopping Wall Street from Competing with Main Street Homebuyers;" the Treasury secretary is tasked with defining "large institutional investor" and "single family home" within 30 days, while other agencies have a 60-day deadline. Although institutional ownership accounts for less than 1% of the national single-family housing stock, concentration in certain post-GFC markets continues to heighten regulatory sensitivity.

We established a small position in Millrose Properties, a REIT that finances home builders and land development. **At month-end, the portfolio's dividend yield stood at 3.5%, with cash representing 0.9% of total assets.**

Manager Style Summary

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

Adelante (Public RE - REITs)

Domestic Equity: Wilshire REIT Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Adelante	Wilshire REIT	Calc	Min	Max	Compliance
B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts						ok
B3. Mkt Cap of Issuers of Securities in the Account				\$250		ok
B4. Single Security Positions <= 30% @ purchase						ok
B6a. P/FFO (12-mo trail)	17.67	16.82	1.05		1.30	ok
B6b. Beta	0.96	1.00	0.96	0.70	1.30	ok
B6c. Dividend Yield	3.53	3.93	0.90	0.80	2.00	ok
B6d. Expected FFO Growth	19.07	17.81	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						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Portfolio Attributes

Portfolio Guidelines section B5

Core Holdings (40% - 100%)

Actual: **85%** **ok**

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

Takeover/Privatization Candidates (0% - 15%)

Actual: **0%** **ok**

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

Trading Arbitrage (0% - 20%)

Actual: **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 4 \$ 1,488

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: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Atlanta Capital	1.39%	2.51%	-5.35%	N/A	N/A
Russell 2500	4.98%	6.60%	13.46%	N/A	N/A

Portfolio Attributes

<u>Characteristics</u>	<u>Atlanta</u>	<u>RU 2500</u>	<u>Sector Analysis (Top 2)</u>		
			<u>Over-weight</u>	<u>Atlanta</u>	<u>RU 2500</u>
Mkt Value (\$m)	708.57	N/A	Industrials	28.81%	21.76%
Wtd Cap (\$b)	12.90	10.68	Discretionary	15.41%	10.54%
P/E	22.50	19.80			
Beta	0.72	1.00			
Yield (%)	0.82	1.28	<u>Under-weight</u>	<u>Atlanta</u>	<u>RU 2500</u>
Earnings Growth	12.60	10.80	Health Care	3.47%	12.77%
			Energy	0.00%	4.13%

Performance Attribution & Strategy Comments

SMID Cap markets began 2026 in positive territory, with value- and defensively oriented sectors such as Energy, Materials, and Consumer Staples outperforming. The AI trade from 2025 persisted into January, as announcements of new AI tools were viewed as a meaningful challenge to a broad swath of software-as-a-service (SaaS) stocks. The Atlanta Capital portfolio generated a positive return for the month of January but trailed the benchmark. Performance benefited from positive stock selection and sector allocation within Consumer Discretionary, Health Care, and Real Estate. The majority of underperformance stemmed from our underweight exposure to Technology Hardware and our overweight to Technology Software and Services.

Looking ahead, many Wall Street analysts expect SMID Cap equities to outperform large caps in 2026, with consensus forecasts calling for high-teens earnings growth for SMID companies versus low-teens growth for large-cap peers. This earnings backdrop could support a broader market environment, driving returns beyond the “Magnificent 7” and AI-related stocks. We believe the portfolio is well positioned to benefit from an environment in which profitable, growing companies are favored.

Manager Style Summary

Atlanta Capital has been hired to manage a small-to-mid cap quality equity portfolio. Atlanta will invest in a focused portfolio of generally 50-60 companies with 5% max position size. Further, sector limits are limited to 30% absolute. Atlanta evaluates U.S. companies having market capitalizations within the range of companies comprising the Russell 2500 Index. The team excludes companies with volatile earnings streams, short operating histories, high levels of debt, weak cash flow generation, and low returns on capital to create a “focus list” of high-quality companies.

Atlanta Capital

Domestic Equity: Russell 2500 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Atlanta	Calc	Min	Max	Compliance
A2. Cash exposure <= 5%						Yes
B2. Securities, at time of purchase, within the index market cap						Yes
B3. Security position <= 5% of the account						Yes
B4. Number of issues		54		50	60	ok
B5. Sector limits less than 30%						Yes
B6. Annual turnover		14%		10%	20%	ok
B7. Normal Global Portfolio Characteristics						
Capitalization (rel)	10679	12904	121%	100%	200%	ok
Maximum Sector Exposure		29%		0%	30%	ok
Price/Book Value (rel)	2.5	3.6	146%	100%	170%	ok
Price/Earnings (rel)	19.8	22.5	114%	100%	200%	ok
Dividend Yield (rel)	1.3	0.8	64%	40%	70%	ok
Beta (rel)		0.72		0.70	1.00	ok
D. No foreign currency denominated securities, derivatives, short sales, commodities, margin or affiliated pooled funds.						Yes
E1. Brokerage commissions not to exceed \$0.05/share for U.S. equities						Yes
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 27,027

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):	None			

Baird Advisors

Core Fixed: BB U.S. Aggregate Bond Index

	For the month of:	January	2026		
Manager Performance Calculations				* Annualized returns	
	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Baird	0.27%	0.70%	n/a	n/a	n/a
BB Aggregate	0.11%	0.58%	n/a	n/a	n/a

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the benchmark by 16 basis points, gross of fees. Timing of pricing differences between benchmark and custodian at start of period (early close) contributed to relative performance (~10 basis points). Credit positioning contributed to relative performance, driven by subsector/security selection decisions within financials and industrials. Securitized positioning contributed to relative performance, driven by the overweight to non-agency RMBS and non-agency CMBS; agency RMBS positioning did not materially contribute to relative performance (the underweight detracted but was offset by active positioning within the sector). Active yield curve positioning and the positive convexity bias did not materially impact relative performance. As always, the portfolio remained duration neutral.

Treasury Yields Rise Modestly as Fed Holds Rates at 3.5-3.75%; Trump Selects Warsh as Next Fed Chair:

Treasury yields rose modestly to begin the new year as 2yr yields climbed 5 bps and the 10yr rose 7 bps, slightly steepening the 2s10s slope. As expected, the Fed held its policy rate at 3.50-3.75% following three straight rate cuts. Two voting members (Waller and Miran) dissented in favor of another 25-bps cut. The rationale for pausing was based on “solid” economic expansion and unemployment showing “some signs of stabilization.” While January’s nonfarm payroll report of +50k jobs was below estimates (+70k) and featured downward revisions in the two prior months, it also included an unemployment rate of just 4.4%, down from 4.6%. Core CPI inflation of 2.6% (vs. 2.7% est.) and PCE inflation (the Fed’s preferred measure) of 2.8% also supported the Fed’s case to pause and wait for additional data. President Trump indicated his nomination for the next Fed Chair will be Kevin Warsh when Chair Powell’s term expires in May. While support for his nomination exists, Sen. Thom Tillis from the Senate Banking Committee has indicated he will not advance the nomination until the Department of Justice’s investigation into Chair Powell has been resolved. In Japan, the new Prime Minister Takaichi’s fiscal stimulus proposal of unfunded tax cuts contributed to a sharp rise in 30yr and 40yr Japanese yields. Surprisingly, global markets were little moved by other headlines, including when U.S. forces ousted Venezuelan President Maduro, the deadliest protests in Iran since the 1979 Revolution, and President Trump reiterated his strong interest to acquire Greenland.

Spreads Grind Tighter to Begin 2026:

Spreads tightened across major sectors in January. Agy RMBS tightened -6 bps and other securitized sectors tightened in sympathy. IG Corporate debt reached +71 OAS intramonth, its tightest level since the 1990s before settling at +73, -5 bps tighter for the month. EM debt remained on a tightening trend and finished January -19 bps tighter.

Organizational/Personnel Changes

N/A

Manager Style Summary

Baird's investment philosophy is based structuring the portfolio to achieve the return of the benchmark then add incremental value through a bottom-up, risk-controlled process (yield curve positioning, sector allocation, security selection and competitive execution). The result is consistent, competitive performance over complete market cycles.

Baird Advisors

Core Fixed: BB U.S. Aggregate Bond Index

Portfolio Guideline Compliance

Portfolio Guideline:	Baird	BB AGG	Min	Max	Compliance
B1. Effective Duration:	6.0	6.0	5.5	6.5	ok
B2. Sector Diversification:					
Government	30%	47%	12%	82%	ok
Treasuries	30%	46%	11%	81%	ok
Agencies	0%	1%	0%	6%	ok
Credit	37%	28%	3%	53%	ok
Financial	15%	8%	0%	23%	ok
Industrial	20%	14%	0%	29%	ok
Utility	1%	2%	0%	12%	ok
Non-Corporate	0%	3%	0%	13%	ok
Securitized	32%	26%	1%	51%	ok
Non-Agency RMBS	6%	0%	0%	15%	ok
Agency RMBS	18%	24%	4%	44%	ok
ABS	3%	0%	0%	10%	ok
Non-Agency CMBS	4%	1%	0%	11%	ok
Agency CMBS	1%	1%	0%	11%	ok
Municipals	1%	0%	0%	10%	ok
B3. Issuer Concentration: <=5% all non US Gov't/Agcy				6%	ok
B4. Number of positions	222		200	400	ok
B. Non-Investment Grade Alloc	0%			5%	ok
F2. Annual Turnover			0%	50%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

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

Qtr 1 \$ 190,690

Account Turnover

Gained: Number of Accounts: 0 Total Mkt Value (\$m): \$ -
 Lost: Number of Accounts: 0 Total Mkt Value (\$m): \$ -
 Reason(s) for loss: Baird Advisors did not gain or lose any accounts in the Aggregate Strategy this month.

Bernstein Global Strategic Value

Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Bernstein GSV	6.43%	10.20%	35.18%	19.54%	13.49%
MSCI ACWI	2.96%	4.03%	21.87%	19.06%	11.95%
Russell 3000	1.55%	1.81%	15.32%	20.18%	13.60%

Performance Attribution & Strategy Comments

Portfolio Performance: In January, the Portfolio increased in absolute terms and outperformed its Benchmark, the MSCI ACWI, net of fees. During the month, both sector and security selection contributed to overall performance, gross of fees. Stock selection within technology and financials contributed the most, while selection within consumer staples and materials detracted, offsetting some gains. SanDisk, a prominent US-based provider of flash-memory and data-storage technology, was the leading contributor to performance in January 2026 after reporting strong fiscal year 2Q:25 earnings with revenue ahead of consensus, and especially data center revenue up 64% sequentially. Non-GAAP gross margins were also better than expected, supported by improved product mix and pricing discipline across all segments. The company benefited from continued extreme tightness of memory semiconductors supply and demand, especially in data centers, leading to upgraded pricing and profit expectations. SanDisk management upgraded its fiscal year 3Q guidance and now expects revenue from \$4.4–4.8 billion, 57.0% above consensus, and gross margin expected in the range of 65–67%, +1670bps above consensus. Samsung Electronics, a Korea-based global leader in semiconductors and consumer technology, also benefitted from continued extreme tightness of memory semiconductors supply and demand, leading to upgraded pricing and profit expectations. The company reported 4Q:25 revenue, net income and operating profit above expectations, driven by increased demand for AI-related products that is fueling persistent memory supply shortages across DRAM, NAND and HBM, with tight undersupply expected through 2026. Beazley, a UK specialist insurer with strong positions in cyber, property and specialty risk markets, contributed as investors reacted favorably to the company's receipt of an all-cash buyout offer from Zurich Insurance for +56% premium. **Outlook:** Global equity markets got the year off to a good start in January, weathering concerns about the intentions of the US in Greenland (which have since cooled off); a spike in 30-year Japanese government bonds; dollar weakness; and commodity strength (oil, gold, silver, copper). The beginning of the quarterly earnings season globally indicated that the AI infrastructure build-out remains full steam ahead. By region, the US market lagged, with the S&P 500 up 1.45%, while Japanese, European and emerging-markets stocks all outperformed, partly assisted by a weak dollar, which fell by 1%. The MSCI Emerging Markets Index led the way in January, up 8.85%. Europe and Japan also outpaced the US, up 6.59% and 4.45%, respectively (all returns in USdollar terms). From a style standpoint, the MSCI ACWI Value outperformed the styleneutral index by 0.46% during the month, this time driven by the US (+1.95% S&P 500 Value outperformance versus its Growth counterpart). Value continued to outperform outside the US, with the MSCI EAFE Value Index outperforming Growth by 1% during the month. 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 14% 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.

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		62.0		25	75	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):						
United States *	63%	46%		38%	88%	ok
Europe ex U.K. *	12%	15%		-3%	27%	ok
UK *	3%	15%		-7%	13%	ok
Japan *	5%	11%		-5%	15%	ok
Emerging Markets		9%		0%	20%	ok
Other		4%		0%	20%	ok
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	840,975	319,932	38%	50%	100%	check
Price/Book Value	3.7	2.4	67%	50%	100%	ok
Price/Earnings (Next 12 mo)	16.8	13.6	81%	50%	100%	ok
Price/Cash Flow	16.6	11.5	69%	50%	100%	ok
Dividend Yield	1.6	1.9	114%	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		44%		30%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

- F3. Annual Turnover: Turnover will vary throughout market cycles based on the level of volatility in markets and the changing nature of the value opportunity.
- B6. Capitalization: Our portfolio average capitalisation weight relative to the benchmark is driven by two factors. We find some smaller cap ideas very attractive.

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$860,063

Organizational/Personnel Changes

Investment decisions for Global Strategic Value are made by the Chief Investment Officer and Director of Research. For the month of January 2026 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: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
BLS	-0.06%	5.86%	8.44%	7.51%	9.41%
MSCI ACWI	2.96%	4.03%	21.87%	19.06%	11.95%

Performance Attribution & Strategy Comments

In January, the largest relative contributors to performance were St. James's Place (12% return in US dollars), AutoZone (9%), and Anheuser-Busch InBev (11%). Conversely, Experian (-16%), LVMH (-14%), and Otis Worldwide (-2%) were the largest relative detractors.

Seven of our portfolio companies reported results during the month, with solid updates across the board from Visa, Mastercard, ADP, Experian, LVMH, and Otis, as well as the recently added Arthur J. Gallagher.

Visa's revenues grew 13% following volume growth of 8% and impressive value-added services growth of 28%, which contributed around 50% of Visa's overall net revenue growth. Earnings per share grew 14%. Mastercard reported 15% revenue growth powered by 9% volume growth and 22% growth in value-added services and solutions, which now make up more than 40% of total revenues. Adjusted operating income grew by 17% while earnings per share increased by 20%. We find the weak share price performance in both Visa and Mastercard as disconnected to their intrinsic value compounding.

Experian reported third-quarter fiscal 2026 results with 12% total revenue growth and 8% organic growth. By maintaining its full-year guidance of 8% organic growth and 30-50 basis points of margin expansion (60-80 basis points excluding M&A dilution), the company underscores its confidence in navigating a complex global landscape while steadily improving profitability. Following the results, Experian's share price declined by 13% in US dollars, which we used as an opportunity to increase our ownership as the share price development is unfounded by the continued operational strength. The company announced a USD 1 billion share buyback program, equivalent to approximately 3% of the current market capitalization, which we deem to be strongly value creating and disciplined.

LVMH reported fiscal 2025 results with the fourth quarter delivering 1% organic revenue growth, bringing full-year revenue to 80.8 billion euros. While recurring operating profit declined 9% to 17.8 billion euros, strong focus on cash generation resulted in an 8% increase in operating free cash flow, totaling 11.3 billion euros.

During January, we added the insurance broker Arthur J. Gallagher to the portfolio. Revenue growth is stable and predictable as commissions are based on insurance premiums placed, which over time should grow in line with nominal GDP. Arthur J. Gallagher should grow revenues organically by mid-single digits over time while steadily increasing its operating margin, which today stands at around 32%. We divested our holdings in Novo Nordisk and Expeditors, as outlined in our December and Annual letters. We further increased our holdings in AutoZone, Visa, Experian, and Salesforce, and reduced our position in St. James's Place.

Manager Style Summary

BLS is a "bottom-up" manager, whose process is driven by individual security selection. They invest in quality companies which have the best possibility of creating sustainable value and generating attractive risk adjusted returns to investors in the long term. Country and sector exposures are by-products of the security selection process and are unconstrained by index weights. The portfolio consists of roughly 25-30 securities at a time. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

BLS Capital

Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	BLS	Min	Max	Compliance
B3. No more than 10% of the account shall be invested in any one security @ purchase				Yes
B4. Number of issues	26	25	30	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):				
North America	46%	35%	50%	ok
Japan	0%	0%	0%	ok
Europe ex UK	29%	15%	35%	ok
UK	18%	5%	20%	ok
Pacific ex Japan	0%	0%	0%	ok
Emerging Markets	7%	5%	20%	ok
Non-Index Countries	0%	0%	0%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics				
Capitalization (billion USD)	91	90	125	ok
Price/Earnings (current)	19.5	17	23	ok
Dividend Yield	1.82%	1.80%	2.80%	ok
Net Debt/EBITDA	0.96	0.5	1.0	ok
ROIC	41%	42%	50%	check
FCF Yield	5.41%	3.75%		ok
E2. Brokerage commissions not to exceed \$0.03/share for U.S. equities				Yes
E3. Annual turnover	38%	30%	50%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

B6. ROIC: Recent portfolio changes have lowered the portfolio's ROIC. The decline in ROICs reflect weight changes and not declining ROICs for the portfolio companies.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 7,301

Organizational/Personnel Changes

There were no changes to the investment team in January 2026.

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: **January** **2026****Manager Performance Calculations**

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Brandes	3.84%	9.67%	34.07%	21.72%	17.65%
Russell 3000	1.55%	1.81%	15.32%	20.16%	13.59%

Performance Attribution & Strategy Comments

Looking past increased geopolitical tensions, global markets rose with cyclical and value names tending to outperform across many regions. Investors were also buoyed by continued resilience in corporate earnings. Value tended to outperform Growth this month as investors shifted away from U.S. large cap tech with the Emerging markets and Asia Pacific regions particularly strong. Against this backdrop the Brandes Global Equity portfolio saw strong absolute performance and strong relative performance. On a sector basis, relative outperformance was driven by strong stock selection in Information Technology as well as select Consumer Discretionary and Financials. On a country basis the largest relative contributor was the U.S., driven by strong stock selection, along with holdings in Emerging markets South Korea, Brazil and China. Select holdings in France and Germany were detractors of performance, as were Luxury Goods companies. As of 01/31/25, the largest absolute country weightings were in the U.S. - although the portfolio is significantly underweight relative to the index -France and the United Kingdom; the largest sector weightings were in Health Care, Financials and Information Technology. During the month the Global Investment Committee initiated no new positions. The committee sold out the remaining shares in Hyundai Motor and NatWest Group PLC as the shares exceeded our estimates of intrinsic value, and redeployed the funds to existing names with larger margins of safety. The PERSI Global Equity portfolio continues to hold key positions in the economically sensitive financials sector and the more defensive health care sector, while maintaining its largest underweight to technology. While maintaining a small overweight Financials, they have performed well over the past year and we continue to pare our exposure as our holdings have appreciated. Despite the strong rebound this year, global value stocks continue to trade within the least-expensive quartile relative to growth (MSCI World Value vs. MSCI World Growth) since the style indices began. This is evident across various valuation measures, including price/earnings, price/cash flow, and enterprise value/sales. Historically, such discount levels often signaled attractive subsequent relative returns for value stocks during the next three- to five-year plus period. This is encouraging because our strategy, guided by our value philosophy and process, has had the tendency to outperform the value index when that index outperformed the broad benchmark. We are excited about the long-term prospects of our holdings, which display attractive fundamentals and in aggregate trade at more compelling valuation levels than the benchmark.

Total Firm Assets Under Management (\$m) as of:	Qtr 4	\$	43,454
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Organizational/Personnel Changes

None

Account Turnover

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

Manager Style Summary

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

Brandes Investment Partners, L.P.

Global Equity: Russell 3000 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		68		40	70	ok
B5. Normal Country Exposures:						
United States & Canada		42%		30%	100%	ok
Americas ex U.S.		6%		0%	40%	ok
United Kingdom		11%		0%	25%	ok
Europe ex U.K.		24%		0%	50%	ok
Japan		1%		0%	45%	ok
Pacific ex Japan		14%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		3%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$173,592	\$167,847	97%	30%	125%	ok
Price/Book Value	2.3	1.9	83%	50%	100%	ok
Price/Earnings	18.3	18.8	103%	50%	100%	check
Price/Cash Flow	11.9	8.3	69%	50%	100%	ok
Dividend Yield	2.5	3.4	137%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$1,066,037	\$261,923	25%	30%	125%	check
Price/Book Value	4.9	1.9	38%	50%	100%	check
Price/Earnings	27.4	12.0	44%	50%	100%	check
Price/Cash Flow	18.6	10.7	57%	50%	100%	ok
Dividend Yield	1.1	2.0	173%	90%	150%	check
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		27%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

B6. Price/Earnings:	Portf is underweight Financials, a lower P/E sector, but majority of portf hlds are at a discount to their sector comparable
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. Price/Earnings:	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: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
C WorldWide Asset Mgmt	1.58%	2.26%	15.36%		
MSCI ACWI ex US	5.98%	9.13%	34.87%		

Performance Attribution & Strategy Comments

PORTFOLIO PERSPECTIVES

Among the contributors to performance were ASML, TSMC and AIA. AI-related companies topped the list yet again, as we saw many times last year. What is welcome since mid-2025 is that the AI theme is now broadening, with memory makers spending heavily on capex and a government-supported Intel resuming investment, benefiting the wider semiconductor equipment makers, such as ASML. ASML reported record bookings of EUR 13 billion, well above the 7 billion the market expected. The split between memory orders and logic orders was 56% vs 44%, indicating a robustness in demand. The management team also sounded quite cautious on China, with 20% of fiscal year 2026 system sales expected to come from Chinese customers vs 33% last year, pointing to strong demand in EUV (which is not sold to China) and non-Chinese DUV. On the back of this strong start to the year, the company raised sales guidance for 2026 to EUR 34-39 billion. If the company reaches the mid-point of this guide, year-over-year growth will have been around 12%, which is encouraging, as just a couple of months ago, 2026 was viewed as a “lost” year by market participants. On the back of very strong AI demand, key ASML customer TSMC raised its capex guidance to USD 52-56 billion, up from USD 41 billion last year. After spending the last three to four months talking to customers about their longer-term spending plans, TSMC raised its expectations for AI revenue to a mid-to-high 50% CAGR between 2024 and 2029. Overall revenue growth for 2026 is expected to come in at an impressive 30%. Among the detractors to performance were Sony, LVMH and HDFC Bank. Sony has been hit by the dramatic spike in memory prices, impacting each PS5 unit with an additional USD 120 cost increase. Sony is counteracting this with a USD 50 price hike, by lowering marketing spend and by a probable increase in the subscription cost of its PS Plus service, but this will, in the short term, not be enough to offset the hardware-related losses. Margins should rebound nicely as memory prices come down and as Sony continues to hike subscription prices. LVMH reported quarterly sales growth of 1% vs. official consensus expectations of flat sales. Investors had expected more from the key Fashion and Leather division, which saw sales decline by 3%, and the shares fell on the reporting day despite showing weakness going into the results. Peers such as Richemont and Burberry have shown clear turnaround in quarter-over-quarter sales growth, but the return to solid growth for LVMH seems to be taking longer than expected.

PORTFOLIO CHANGES

There were no changes to the portfolio.

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.	46%	20%	60%	ok
U.K.	16%	0%	30%	ok
Pacific	17%	0%	30%	ok
Emerging Markets	14%	0%	30%	ok
United States	6%	0%	20%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics relative to benchmark				
Capitalization	148.11%	50%	200%	ok
Price/Book Value	211.19%	50%	-	ok
Price/Earnings	125.98%	50%	-	ok
Price/Cash Flow	149.57%	50%	-	ok
Dividend Yield	70.30%	-	200%	ok
D. No derivatives, short sales, commodities, margin or currency hedging.				Yes
E2. Brokerage commissions not to exceed \$0.08/share for U.S. equities				YES
E3. Annual turnover	22%	0%	30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 15,300

Organizational/Personnel Changes

N/A

Account Turnover

Gained:	Number of Accounts:	0	(\$m):	\$ -
Lost:	Number of Accounts:	3	(\$m):	\$ 138.7
	Reason(s):	All lost accounts due to change in strategy		

Clearwater Advisors, LLCCore Fixed: BB Aggregate Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater Agg	0.24%	0.77%	7.20%	4.17%	0.07%
BB Aggregate	0.11%	0.58%	6.85%	3.64%	-0.20%

Performance Attribution & Strategy Comments

2026 is off to a good start. fixed income and equity indices are mostly up. There were certainly a few headlines to worry about during the month, but economic reports mostly showed continued growth. On top of the 2025 momentum, we still have some large tax breaks to look forward to in 2026, as lined out in the Big Beautiful Bill, and increased capital expenditures from the largest tech companies. If it weren't for persistently high deficit spending and stubbornly high inflation, we would have little to worry about this year.

The biggest question on the market's mind now is whether the Fed will try to force through additional rate cuts in the face of economic growth and inflation. The answer to this question could mean significant positive returns for US markets this year. Our main concern is how much do future generations have to pay for these short-term gains. The US annual interest expenses are set to go above \$1 trillion for the first time, and they are growing faster than GDP. Historically, when countries have to increase borrowing just to pay the interest on previous loans, that dynamic begins to compound and becomes difficult or impossible to reverse. This is not a problem for next month or next quarter, but it is a growing problem that will only get more difficult to solve the longer we wait.

That's enough doom and gloom for now. The Clearwater portfolio outperformed the benchmark in January by 13 basis points according to the Clearwater Analytics system pricing. However, Bloomberg indicates the outperformance was much more modest at only 4 bps. Pricing differences will converge over time due to maturities or trades. Either way, the relative performance was mostly caused by our overweight in the MBS sector. Mortgages performed very well on Trump's announcement that Fannie and Freddie will be purchasing \$200 Billion worth of MBS. Interest rates and credit spreads did not move significantly or produce much in relative return during the 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	5.9	5.4	6.4	ok
B3. Sector Diversification:					
Treasuries	34%	46%	31%	61%	ok
Agencies	2%	1%	0%	16%	ok
Supra/Sovereign	1%	3%	0%	13%	ok
Corporates	30%	24%	4%	44%	ok
Industrial	15%	14%	0%	29%	ok
Financial	13%	8%	0%	23%	ok
Utility	2%	2%	0%	12%	ok
MBS	27%	24%	9%	39%	ok
ABS	2%	0%	0%	5%	ok
CMBS	1%	1%	0%	6%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	179		100	200	ok
B6. Non-Investment Grade alloc	0%			10%	ok
B7. Out of index sector alloc	2%			10%	ok
B7. TIPS allocation	0%			20%	ok
E2. Annual Turnover (ex TBA rolls)	24%		25%	65%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

E2. Annual Turnover (ex TBA): Trading was light in January. We like our positioning and did not look to make any major adjustments.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 4,650

Organizational/Personnel Changes

N/A

Account Turnover

Gained: Number of Accounts: 1 Total Mkt Value (\$m): \$ 70.0
 Lost: Number of Accounts: 0 Total Mkt Value (\$m): \$ -

Reason(s) for loss:

Clearwater Advisors - PERSI STIF

Cash: Merrill Lynch 0-3 Month Treasury Bill Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.33%	1.01%	4.33%	4.87%	3.33%
ML 0-3 Month T-bill	0.30%	0.95%	4.20%	4.88%	3.29%

Performance Attribution & Strategy Comments

International policy dominated much of January. President Trump's comments on Greenland spurred concern about possible military action stoked further by the US capturing Venezuelan President Maduro and his wife at the beginning of the month. Markets ultimately shook off volatility. Separately, the Administration kept up pressure on the Fed. Powell announced that the Fed was served a grand jury subpoena on Powell's Fed renovation testimony last year. Additionally, Trump announced former Fed governor Kevin Warsh as Powell's successor. It seems he's recently changed his perspective on the path of interest rates despite his hawkish past, but it won't be easy to get other Fed governors to come along. Markets are still pricing about two cuts this year.

The US Treasury curve shifted higher with the 2-, 10-, and 30-year yield rising 5, 7, and 3 basis points, respectively. Yields on the very short end rose modestly even as the Fed left rates unchanged at its January meeting. SOFR declined by 19 basis points toward more normal levels following year-end volatility. Investment grade corporate bond spreads ultimately narrowed 3 basis points as markets shook off geopolitical tension and helped further by some upside economic surprises.

Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	4%	0%	100%	ok
Agencies	17%	0%	100%	ok
Corporates	13%	0%	100%	ok
Mortgage Backed Securities (MBSs)	0%	0%	60%	ok
Asset Backed Securities (ABSs)	13%	0%	40%	ok
Cash	3%	0%	100%	ok
Commercial Paper	51%	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	45	10	50	ok
B3a. Allocation of corporate securities to one issuer	4%		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Manager Style Summary

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

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

Domestic Fixed: BB Mortgage Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.23%	1.16%	8.56%	5.52%	1.72%
BB Mortgage	0.41%	1.25%	8.47%	3.91%	0.21%

Portfolio Summary

Market Value: \$ 931,431,713

Delinquencies/REOs

Originations/Payoffs			\$ Amt	% of Portfolio
		30 days	\$ -	0.00%
Month:	\$ 20,133,500	60 days	\$ -	0.00%
YTD:	\$ 20,133,500	90 days	\$ -	0.00%
		120+ days	\$ -	0.00%
Payoffs:	\$ 4,175,067	REOs	\$ -	0.00%

Performance Attribution & Strategy Comments

The PERSI Commercial Mortgage Portfolio has returned 8.56% during the last 12 months, outperforming its benchmark by 9 basis points. Looking at longer term performance, PERSI's portfolio has returned 1.72% (annualized) during the last five years, outperforming its benchmark by 151 basis points (annualized). Outperformance during longer periods is driven by the portfolio's coupon advantage vis-à-vis the benchmark and low delinquency rate (currently 0.0%).

The portfolio started 2026 on a strong note, tallying five new originations for \$20m in January. Borrower interest in the program remains high, signaling continuing robustness of the origination pipeline. The overall Idaho commercial real estate market is picking up momentum, with potential buyers and sellers finding it easier to agree on valuation. We are encouraged by the potential for even higher loan production figures as the market further stabilizes and as many borrowers with other lenders contend with debt scheduled to mature.

The economy in Idaho remains resilient. The state's population growth continues to be one of the fastest in the country and its unemployment rate is below the national average. The stable local economy has resulted in solid commercial real estate fundamentals, which continues to be a focal point for investors looking to deploy capital.

The portfolio's weighted average coupon (4.32%) continues to rise with new loan originations issued at higher coupon rates (coupons of recently-issued loans approach 6.0%). The portfolio did not experience any delinquencies in January and holds no real estate owned assets (REOs). We remain vigilant in our underwriting standards and have seen no significant signs of stress with any loans in the portfolio.

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: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
DBF MBS	0.40%	1.30%	8.84%	4.12%	0.24%
BB Mortgage	0.41%	1.25%	8.47%	3.91%	0.21%

Portfolio Attributes

<u>Characteristics</u>	<u>DBF</u>	<u>BB Mtg</u>
Market Value (\$ m)	\$189.42	N/A
Weighted Average <i>Effective</i> Duration (in years)	5.5	5.6
Weighted Average Yield (in %)	4.6%	4.6%
Weighted Average Coupon (in %)	3.7%	3.5%

Performance Attribution & Strategy Comments

January was another good month for agency mortgage-backed securities (MBS). The Bloomberg US MBS Index returned 0.41%, outperforming both the Bloomberg US Treasury 3-10 Year Index and the Bloomberg US Aggregate Index, which returned -0.14% and 0.11%, respectively. MBS performance was lifted mid-month by President Donald Trump's suggestion that, in the hope of lowering mortgage rates for home buyers, government-controlled agencies Fannie Mae and Freddie Mac should purchase MBS in the open market. All MBS coupons reacted positively to this development, with the biggest impact occurring in the 4.5% - 5.5% coupons. These "current rate" securities are viewed by the market as the biggest beneficiaries of this potential new policy.

PERSI's portfolio fully participated in the bump the MBS market experienced in January, returning 0.40% in spite of heavy funding requirements from the related Idaho Commercial Mortgage portfolio. The MBS portfolio has returned 8.84% during the last 12 months, outperforming its benchmark by 37 basis points.

With new purchases we favor higher coupon mortgage-backed securities which, in spite of the recent very strong performance of the overall MBS market, still offer good relative value compared to duration-equivalent Treasury and corporate bond securities.

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	\$189	\$50		ok	
B2a. Security Type:					
MORTGAGE RELATED	92%	80%	100%	ok	
Generic MBSs	92%	75%	100%	ok	
GNMAs	6.1%				
FNMAs	53.8%				
FHLMCs	31.6%				
CMOs	0.0%	0%	25%	ok	
NON-MORTGAGE RELATED	6.2%	0%	20%	ok	
Treasuries	6.2%	0%	20%	ok	
Agencies	0.0%	0%	20%	ok	
Cash	2.3%	0%	10%	ok	
Attributes:	BB Mtg				
Duration	5.6	5.5	3.6	7.6	ok
Coupon	3.5%	3.7%	2.5%	4.5%	ok
Quality	AAA+	AAA+	AAA		ok
B3. Individual security excl Treasuries as a % of portfolio		0%	5%	ok	
B4. Number of securities	82	25	50	check	
E2. Annual Turnover	4%	0%	25%	ok	
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

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

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 1,406

Organizational/Personnel Changes

There were no organizational or personnel changes in January.

Account Turnover

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

Dodge & Cox

Core Fixed: BB U.S. Aggregate Bond Index

	For the month of:	January	2026		
Manager Performance Calculations				* Annualized returns	
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Dodge & Cox	-0.45%	0.98%	N/A	N/A	N/A
BB Aggregate	0.11%	0.58%	6.85%	3.65%	-0.20%

Performance Attribution & Strategy Comments

The Bloomberg U.S. Aggregate Bond Index returned 0.11% in January as U.S. Treasury yields rose modestly. The 10-year yield climbed 7 bps to 4.24%, while the 2-year yield rose 5 bps to 3.52%.

Investment-grade corporate bonds returned 0.18% in January, outperforming comparable-duration Treasuries by 34 bps. The Bloomberg U.S. Corporate Index tightened 5 bps to +73 bps OAS, the tightest level since 1998. Agency MBS returned 0.41%, outperforming comparable-duration Treasuries by 52 bps, as mortgage spreads continue to tighten.

The portfolio outperformed its benchmark for the month of January. Security selection was positive as the portfolio's Agency MBS pass-through holdings outperformed the MBS in the benchmark. Asset allocation was positive as the portfolio's underweight to U.S. Treasuries and overweight to Agency MBS contributed to relative returns. The portfolio's duration positioning modestly detracted from relative returns.

Organizational/Personnel Changes

N/A

Manager Style Summary

Dodge & Cox's investment philosophy relies on fundamental research to construct and manage a diversified portfolio of fixed income securities with the goal of producing above-market returns over a three- to five-year time period. The team rigorously vets analyst-driven research recommendations to reach a collective decision.

Dodge & Cox

Core Fixed: BB U.S. Aggregate Bond Index

Portfolio Guideline Compliance

Portfolio Guideline:	D&C	BB AGG	Min	Max	Compliance
B1. Effective Duration:	6.0	6.0	4.5	7.5	ok
B2. Sector Diversification:					
Treasuries	15%	46%	11%	81%	ok
Government-Related	4%	4%	0%	39%	ok
Agencies	2%	1%	0%	11%	ok
Gov't Guaranteed	2%	3%	0%	13%	ok
Corporate	29%	24%	0%	54%	ok
Financial	13%	8%	0%	23%	ok
Industrial	14%	14%	0%	34%	ok
Utility	2%	2%	0%	12%	ok
Securitized					
MBS Pass-through	40%	24%	4%	44%	ok
ABS	9%	0%	0%	10%	ok
CMBS	0%	1%	0%	11%	ok
Agency CMBS	0%	1%	0%	6%	ok
Local Authorities	1%	1%	0%	11%	ok
B3. Issuer Concentration: <=5% all non US Gov't/Agcy				3%	ok
B4. Number of positions	134		100	400	ok
B. Non-Investment Grade Alloc	4%			15%	ok
G. Current ETF Exposure	0%				
H2. Annual Turnover	117%		0%	60%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

H2. Annual Turnover: The account funded in April in-kind, then traded to target. The Annual Turnover for our Core rep account was 20.72%

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 466,563

Account Turnover

Gained: Number of Accounts: 5 Total Mkt Value (\$m): \$ 1,647.0
 Lost: Number of Accounts: 4 Total Mkt Value (\$m): \$ 100.0
 Reason(s) for loss: Change in Investment Strategy

Donald Smith & Co., Inc.

Domestic Equity: Russell 3000 Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Donald Smith & Co.	5.12%	16.07%	47.15%	34.22%	32.39%
Russell 3000	1.55%	1.81%	15.32%	20.17%	13.60%

Portfolio Attributes

<u>Characteristics</u>	<u>DSCO</u>	<u>RU 3000</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
Mkt Value (\$m)	1282.86	N/A	Materials	28.05%	1.70%
Wtd Cap (\$b)	23.98	1239.98	Financials	29.70%	11.18%
P/E	8.70	27.12	Real Estate	5.97%	2.26%
Beta	0.99	N/A			
Yield (%)	1.91	1.17			
Earnings Growth			<u>Under-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
			Info Technology	0.00%	37.66%
			Health Care	0.00%	9.66%
			Cons. Staples	0.00%	3.44%

Performance Attribution & Strategy Comments

The account's rise of +5.1% was ahead of all three indices (Russell 3000 Value +4.7%; Russell 3000 +1.6%; S&P 500 +1.5%). Markets rose and fell throughout the month on various headlines adding to further anxiety about geopolitical tensions around the world. The Fed held rates steady. While insurance and real estate holdings declined, a majority of the stocks in the portfolio rose. The gold miner stocks continued to outperform significantly (Eldorado +19.5%; Centerra +16.6%; Equinox +5.5%; IAMGOLD +10.3%) as gold prices hit new highs despite the month-end reversal of this rally with the nomination of Kevin Warsh as Fed Chairman. Steel holdings were also strong. Tutor Perini (+17.7%) rose on news that the company is continuing to win contracts and expand its pipeline of projects which is expected to further improve its profitability outlook. All three homebuilders rose on reports of home sales growth (biggest gain in 2 years) and mortgage rates declining. Airline / aircraft leasing stocks were mixed. AerCap (-0.1%) fell, while Allegiant Travel (+3.9%) rose. The budget airline announced that it would look to acquire a rival low cost carrier Sun Country, creating a larger budget carrier. Both energy-related stocks (Golar +9.1%; Civitas +4.2%) rose. Oil prices rose for the month. This was partly offset by detractors primarily among financial stocks as the broader group was weighed down by Trump's comments on possibly proposing a cap on credit card interest rates and mixed earnings results from banks. Citigroup reported earnings for the quarter during which profits fell after taking a significant loss from selling its Russia operations. We added to Ally Financial, Corebridge, Genworth, Park Hotels, Radian, RLJ Lodging, and Siriuspoint while reducing Eldorado and IAMGOLD. We sold out of Equinox completely. The acquisition of Civitas by SM Energy closed in the month so Civitas is no longer held. Insurance, precious metals, auto, financials, aircraft leasing / airlines, and building / real estate are the largest industry weightings. The portfolio sells at 104% of tangible book value and 6.7x 2-4 year normalized EPS.

Manager Style Summary

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

Donald Smith & Co., Inc.

Domestic Equity: Russell 3000 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	35			15	35	ok
B5. Portfolio Characteristics						
P/B	1.04	4.89	21%	30%	100%	check
P/E (1 Year Forward)	8.70	27.12	32%	50%	100%	check
Dividend Yield	1.91	1.17	163%	50%	150%	check
F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share						ok
F3. Annual Turnover	30%			20%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

- B5. P/B: Our primary approach is to buy low P/B stocks selling at discounts to tangible book value.
- B5. P/E (1 Yr Forward): We focus on normalized EPS looking out 2-4 years. On this basis, we are significantly below the market.
- B5. Dividend Yield: We focus on stocks with low price-to-tangible-book-values and low P/Es. Based on normalized earnings, these stocks should generate higher dividend yields over the long-term.

Total Firm Assets Under Management (\$m) as of:	Qtr 1	\$	5,886
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Organizational/Personnel Changes

N/A

Account Turnover

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

Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

	For the month of:	January	2026		
Manager Performance Calculations				* Annualized returns	
	Last	Last	Last	Last	Last
	Month	3 Months	1 Year	3 Years*	5 Years*
IR+M	0.09%	0.47%	6.58%	3.99%	0.04%
BB Gov/Credit	0.00%	0.34%	6.31%	3.53%	-0.38%

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the Bloomberg Barclays G/C Index, returning 0.09% versus 0.00%. The portfolios asset allocation aided relative performance. More specifically, the portfolios underweight to Treasuries and overweight to Financials. In January, investors navigated a wave of geopolitical shocks: the US strike on Venezuela and capture of then-President Nicolás Maduro, escalating tensions between the US and EU over Greenland, and Japan's fiscal concerns, which drove a global rates sell off. The Federal Reserve (Fed) kept the fed funds target range unchanged at 3.50% - 3.75%, citing a stabilizing labor market, resilient consumer spending, and easing, but elevated, inflation. President Trump nominated Kevin Warsh to be the next chair of the Fed, pending Senate confirmation Warsh would replace Stephen Miran, giving Jerome Powell the ability to remain on the FOMC when his term as chair ends in May. The Treasury curve flattened as investors lowered the probability of another rate cut during Powell's term; the spread between the 2- and 30-year rates tightened 2bps to 135bps. Investment-grade (IG) issuance totaled just under \$209 billion – the busiest January on record despite below dealer forecasts. Investment-grade (IG) corporate spreads reached the lowest level since 1998 mid-month, before closing at 73bps – 5bps tighter month-over-month. Energy and Transportation were two of the best performing sectors, while Banking lagged other corporate sub-sectors. High yield (HY) corporate spreads tightened to 250bps intra-month before widening on expectations that the Fed would keep rates steady for longer; spreads closed the month at 265bps, 1bp tighter month-over-month. Higher-quality issuers outperformed lower-quality issuers, with BBs outperforming CCCs by 27bps; BBs continued their strong performance by posting a 10th straight month of gains. HY borrowers capitalized on attractive funding levels with over \$30 billion of supply – the second busiest January since the pandemic. Policy headlines from President Trump – including proposals to ban institutional purchases of single family homes, increased GSE mortgage buying, and a possible 10% cap credit card rates – influenced sentiment within the securitized sector. Agency mortgage-backed securities (MBS) outperformed other securitized sectors; MBS spreads initially tightened to 14bps intra-month before closing at 16bps, 6bps tighter month-over-month.

Total Firm Assets Under Management (\$m) as of:	1.31.26	\$	131,793
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Organizational/Personnel Changes

N/A

Manager Style Summary

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

Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

Portfolio Guideline Compliance

Portfolio Guideline:	IR+M	BB G/C	Min	Max	Compliance
B2. Effective Duration:	6.1	6.1	5.6	6.6	ok
B3. Sector Diversification:					
Government	38%	63%	33%	93%	ok
Treasuries	34%	62%	32%	92%	ok
Agencies	0%	1%	-4%	6%	ok
Govt Guaranteed	4%	0%	-10%	10%	ok
Credit	40%	37%	17%	57%	ok
Financial	19%	11%	-4%	26%	ok
Industrial	16%	18%	3%	33%	ok
Utility	5%	3%	-7%	13%	ok
Non-Corporate	0%	4%	-6%	14%	ok
Securitized					
RMBS	1%	0%	-10%	10%	ok
ABS	9%	0%	-10%	10%	ok
CMBS	8%	0%	-10%	10%	ok
Agency CMBS	2%	0%	-5%	5%	ok
Municipals	1%	1%	-9%	11%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	336		100	175	check
B6. Non-Investment Grade alloc	0%			5%	ok
E2. Annual Turnover	55%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

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

Account Turnover

Gained:	Number of Accounts	0	Total Mkt Value (\$m):	\$	-
Lost:	Number of Accounts	0	Total Mkt Value (\$m):	\$	-
Reason(s) for loss:	IR+M did not gain or lose any accounts in the G/C strategy this month.				34

J.P. Morgan

Core Plus Fixed: BB U.S. Aggregate Bond Index

	For the month of:	January	2026		
Manager Performance Calculations				* Annualized returns	
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
J.P. Morgan	0.32%	0.96%	N/A	N/A	N/A
BB Aggregate	0.11%	0.58%	N/A	N/A	N/A

Performance Attribution & Strategy Comments

The JPMCB Core Plus Bond Fund outperformed the Bloomberg US Aggregate Index in January, delivering a return of 0.32% versus the benchmark's 0.11%.

In January, policy and fiscal concerns pushed Treasury yields higher, with the 10-year U.S. Treasury yield rising seven basis points to 4.24%. The Federal Reserve (Fed) kept rates unchanged on the backdrop of continued strength in technology-driven economic activity, a resilient consumer, gradual labor market softening, and above-target yet mild inflation.

The fund's strongest performance came from security selection in Agency Mortgages (MBS), as spreads tightened after President Trump announced a \$200bn agency MBS purchase to support housing affordability. Securitized credit sub-sectors, including ABS, CMBS, and non-agency MBS, were also positive sources of alpha for the month, driven by further spread tightening across these sectors. Out-of-benchmark allocations to high yield corporate credit further supported performance. Within high yield, our focus on higher quality credits—where we are most heavily invested—continued to outperform, while lower quality names faced ongoing pressure and credit concerns. Security selection in both emerging market credit and investment grade corporate credit also added to returns. Our duration positioning contributed positively this month. We maintained a 0.20-year long duration relative to the benchmark, ending the month at 6.05 years compared to the Bloomberg U.S. Aggregate Index's 5.85 years. We also maintained our curve steepener, with long positions in the front end and short positions in the back end, as ongoing geopolitical risks and de-dollarization trends could push long-end rates higher.

Looking ahead, we expect continued economic growth and moderating inflation, with the Fed maintaining their easing bias. In the portfolio, we remain focused on capturing yield and returns across bond markets with prudent risk management.

Organizational/Personnel Changes

There were no organizational/personnel changes.

Manager Style Summary

J.P. Morgan Asset Management's investment philosophy is to deliver portfolio ballast, with a disciplined yield advantage. JPM utilizes a multi-dimensional approach to the "plus" which combines bottom-up security selection and top-down macro positioning.

J.P. Morgan

Core Plus Fixed: BB U.S. Aggregate Bond Index

Portfolio Guideline Compliance

Portfolio Guideline:	JPM	BB AGG	Min	Max	Compliance
Effective Duration:	6.1	5.9			
Sector Diversification:					
Government	41%	46%			
Treasuries	41%	46%			
Agencies	0%	1%			
Dev Mkt Gov't	0%	0%			
IG Corporate	24%	26%			
HY Corp Credit	8%	0%			
Securitized	47%	26%			
Agency MBS	27%	25%			
Non-Agency MBS	4%	0%			
CMBS	7%	1%			
ABS	10%	0%			
EMD	2%	1%			
Cash	6%	0%			
Issuer Concentration: <=5% all corporate issuers				5%	
Number of positions	2613				
Non-Investment Grade Alloc	19%			25%	ok
Sub-Prime MBS Alloc	0%			10%	ok
Annual Turnover	37%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

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

Qtr 4

\$ 4,118,277

Account Turnover

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

Longview PartnersGlobal Equity: MSCI ACWI Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Longview	-3.96%	-2.65%	-4.24%	7.45%	9.04%
MSCI ACWI	2.96%	4.03%	21.87%	19.05%	11.95%

Performance Attribution & Strategy Comments

Some of the largest contributors to relative performance were Sysco, Alphabet and MSCI.

Sysco outperformed after delivering strong results for its fiscal second quarter ending in December. The company reported gross margin expansion and a third consecutive quarter of volume growth. Management announced that they expect adjusted EPS growth for FY2026 to reach the higher end of the previously forecast 5-7% range.

Following a near 30% rise in its share price in the fourth quarter of 2025, Alphabet continued to outperform in January supported by optimism around the company's progress on integrating AI into its existing services, the announcement that Apple will use Gemini to enhance its Siri virtual assistant, and expectations of accelerating growth at Google Cloud.

MSCI performed well in January following the release of fourth quarter 2025 results towards the end of the month. MSCI reported 11% operating revenue growth in the fourth quarter year over year, driven by growth in asset-based fees and recurring subscriptions. The company also reaffirmed its long-term guidance for low double-digit revenue growth excluding asset-based fees, and confirmed an extension to its BlackRock ETF agreement to 2035.

Among the most significant detractors from relative performance were Salesforce, LVMH and FIS.

Salesforce underperformed in January amid a wider sell-off of enterprise software companies. Market sentiment weighed on Salesforce's share price as fears of potential AI disruption persisted. The company has continued to perform in line with our expectations operationally, and we believe it is well placed to take advantage of further opportunities to integrate and monetise AI technologies. The company releases its fourth quarter and full fiscal year results towards the end of February 2026 and had been the portfolio's largest contributor in December.

LVMH underperformed following the release of fourth quarter and full year results towards the end of January. Organic revenue growth of 1% in the fourth quarter was ahead of consensus expectations but the Fashion & Leather Goods division remains a drag to growth with negative 3% organic growth in the quarter. We continue to believe that the current industry downturn is cyclical rather than structural in nature and that LVMH's continued investment in its brands through this downturn will boost future growth and enable margins to improve over time.

FIS underperformed amid little company-specific news. The market appears to be pessimistic about FIS's upcoming fourth quarter earnings report to be released on 10th February, however we continue to view FIS as a high-quality business with a strong competitive position in stable and predictable end markets. Its core products remain essential to clients' daily operations, and we believe the company is well placed to deliver long-term value to shareholders.

Manager Style Summary

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

Longview Partners

Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Longview	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				Yes
B4. Number of issues	28.0	30	35	check
B5. Normal Regional Exposures (* benchmark +/- min/max):				
United States & Canada	84%	35%	80%	check
Europe incl U.K.	16%	20%	50%	check
Japan	0%	0%	20%	ok
Emerging Markets	0%	0%	15%	ok
Non-Index Countries	0%	0%	10%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics				
Median Mkt Cap (in billions)	91,976	\$10		
Price/Earnings (Trailing)	23.3	10	17	check
Dividend Yield	2%	0.5%	2.0%	ok
Price/Cash Flow (Trailing)	17.5	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	29%	20%	50%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Manager Explanations for Deviations from Portfolio Guidelines

B4. Number of Issues: Number of issues is not targeted and stood at 28 in January.

B5. Regional Exposures: The output of our investment process is a concentrated, yet diversified, portfolio of typically 30 - 35 names, unconstrained by geography or sector.

B6. Price/Earnings: Price/Earnings is not targeted and stood at 23.3 in January.

B6. Price/Cash Flow: Price/Cash Flow is not targeted and stood at 17.5 in January.

Total Firm Assets Under Management (\$m) as of: Qtr 1 \$ 10,997

Organizational/Personnel Changes

There were no changes to the investment team in January.

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: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Mondrian	3.52%	9.47%	35.73%	19.20%	12.98%
MSCI EAFE	5.22%	9.05%	31.18%	16.17%	10.27%

Country Allocation Comparison

<u>Over-weight</u>	<u>Mondrian</u>	<u>EAFE</u>	<u>Under-weight</u>	<u>Mondrian</u>	<u>EAFE</u>
France	14.84%	10.28%	Switzerland	4.82%	9.40%
Hong Kong	6.53%	2.02%	Australia	2.27%	6.47%
UK	19.18%	14.88%	Sweden	0.00%	3.74%

Performance Attribution & Strategy Comments

International equity markets rose in January, supported by resilient economic data and renewed AI enthusiasm despite heightened geopolitical tensions and volatility across commodities and currencies. European and Japanese equity markets advanced further, supported by the continued appreciation in major international currencies against the US dollar. The IT sector led returns, with semiconductor equipment suppliers buoyed by increases in capital spending driven by strong AI-related chip demand. The portfolio lagged the benchmark in a strong month for markets. Relative performance was held back by stock selection in the IT sector due to the lack of direct exposure to AI-related and semiconductor names, as well as the overweight position in the consumer staples sector which lagged the broader market rally. Associated British Foods, the UK food processing and retailing company, was weak after issuing a profit warning, reflecting softer trading at Primark in Europe and weakness in its US Food division, which led to a reduction in full-year profit guidance.

The portfolio is overweight the utilities sector, where we see strong renewables businesses and attractive risk-adjusted returns in regulated and integrated utilities in Europe and the UK, and the consumer staples sector, given the compelling risk-return characteristics.

The portfolio is overweight the UK, reflecting attractive opportunities identified through bottom-up selection of high-quality businesses.

Manager Style Summary

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

Mondrian Investment Partners

International Equity: MSCI EAFE Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Mondrian	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		50		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		19%		0%	45%	ok
Europe ex U.K.		45%		0%	75%	ok
Japan		22%		0%	45%	ok
Pacific ex Japan		12%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash		1%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	114,701	75,683	66%	25%	100%	ok
Price/Book Value	2.3	1.6	69%	50%	125%	ok
Price/Earnings (Trailing)	18.0	14.8	82%	50%	100%	ok
Price/Cash Flow	11.3	7.2	64%	50%	100%	ok
Dividend Yield	2.6	3.5	131%	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		24%			40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 52,828

Organizational/Personnel Changes

No Changes.

Account Turnover

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

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Peregrine	-7.90%	-10.91%	-9.20%	13.32%	1.94%
Russell 1000 Growth	-1.51%	-3.90%	14.50%	27.05%	15.14%

Portfolio Attributes

<u>Characteristics</u>	<u>Peregrine</u>	<u>RU 1000G</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Mkt Value (\$m)	741.75	N/A	Financials	14.06%	6.17%
Wtd Cap (\$b)	797.91	2014.60	Health Care	15.78%	8.11%
P/E	33.99	31.40	Cons Disc	17.75%	13.58%
Beta	0.96	1.00	<u>Under-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Yield (%)	0.29	0.52	Info Tech	29.65%	48.88%
Earnings Growth	17.39	15.94	Cons Stp	0.00%	2.68%
			Industrials	4.22%	6.31%

Performance Attribution & Strategy Comments

US large cap equity markets were relatively flat for the month, but the movements in certain sectors of the index were far from placid. Specifically, the software sector had significant downward movements during the month which we believe were not driven by fundamental performance. As a result, Peregrine's Large Cap growth product underperformed the benchmark.

Durning January, the software sector had its worst performance vs. semiconductors in over 20 years. Many software stocks had single day moves that were 2+ standard deviations out of the norm. Microsoft had its third worst single day in 30 years with second and first worst days being covid and tech crash of 2000, respectively.

Our software stocks were not immune to the drawdown with many down double-digits. We continue to believe that these companies will be long-term free cash growth compounders and the decline in January is not reflective of either the long term or short-term fundamental opportunities. We added to our position in ServiceNow.

Our largest market capitalization holdings, AMZN and GOOGL, performed well during the month as the market shifted into the largest of the large for safety.

The US Federal Reserve did not change rates in January. Additionally, President Trump announced that Kevin Warsh, a former Federal Reserve Governor, will replace Jerome Powell as the next Chair. This largely calmed fears around the independence of the Federal Reserve.

Manager Style Summary

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

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	S&P 500	Peregrine	Calc	Min	Max	Compliance
B2. Security Market Cap > \$1 billion						ok
B3. Security position <=5% @ purchase, excluding contributions						ok
B4. Number of issues		26		25	35	ok
B5. P/B	5.19	9.04	1.7	1.2	2.0	ok
B5. P/E (Projected)	24.07	33.99	1.4	1.0	2.0	ok
B5. Dividend Yield	1.13	0.29	0.3	0.1	0.8	ok
B5. Beta	1.00	1.19	1.2	1.10	1.35	ok
B5. Earnings Growth (5-year)		17%		11%	22%	ok
F2. Commissions not to exceed \$0.05/share						ok
F3. Annual Turnover		17%		15%	30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

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

Qtr 4 \$ 4,607

Organizational/Personnel Changes

There were no organizational or personnel changes during the month.

Account Turnover

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

PineStone

Global Equity: MSCI World Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
PineStone	2.12%	2.89%	13.40%	N/A	N/A
MSCI World	2.24%	3.36%	19.58%	N/A	N/A

Performance Attribution & Strategy Comments

January of 2026 saw global equity markets move modestly higher with broader, non-tech sectors leading the way. The Fed maintained policy rates despite cooling labor market data. Meanwhile, energy was the top performing GICS sector for the MSCI World Index after oil and gas prices increased rapidly amidst tensions in the Middle East, the U.S. capture of Venezuelan President Maduro, and the severe US winter storm. The PineStone Global Equity Strategy positive in absolute returns and slightly underperformed its benchmark. Security selection within the Consumer Discretionary and Industrials sectors were relative detractors whereas security selection within the Information Technology sector was a positive relative contributor within the month.

The strategy's top relative contributors included ASML Holding and Taiwan Semiconductor Manufacturing Company (TSMC). ASML outperformed after reporting financial results that were mixed, but guidance was upgraded with more CapEx optimism for their EUV machines. Optimism stemmed from demand from memory bandwidth, progress on their 2nd generation high-NA EUV machines, and continued capacity expansion by key customers such as TSMC. As for TSMC's outperformance, the stock continued to rise as the world's largest chip foundry is seeing strong demand for their advanced nodes critical to the AI buildout. The company reported results that beat expectations while also raising guidance. TSMC noted their customers, the hyperscalers are continuing the request more capacity.

As for the relative detractors held in the strategy, these included LVMH and Richemont. LVMH saw profit-taking in the month after outperforming the MSCI World significantly since their Q3 report in 2025. The stock de-rated after reporting their second half / Q4 results that beat expectations, but the market reacted negatively to the cautious tone on their future outlook. Headwinds such as a weak USD increasing costs, deceleration in key brands such as Louis Vuitton and Dior, ongoing US-Europe trade tensions, and a less encouraging recovery in China impacted sentiment. Leadership remains focused on revitalizing several key brands as the broader luxury industry transitions out of a down cycle. The long-term thesis and secular tailwinds remain in-place. Richemont similarly saw modest profit-taking after outperforming the MSCI World in calendar year, 2025. Despite a weaker macro backdrop for the luxury space, the business continues to demonstrate stronger consistency in execution while gaining market share.

During the period, we did not initiate nor exit any existing positions. Modest adding and trimming of existing positions based on relative valuation, business execution/momentum, and portfolio construction were conducted.

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		65%		30%	80%	ok
Japan		3%		0%	30%	ok
Europe ex UK		15%		10%	50%	ok
UK		6%		0%	50%	ok
Pacific ex Japan		0%		0%	30%	ok
Emerging Markets		11%		0%	20%	ok
Non-Index Countries		0%		0%	20%	ok
Total		100%				
B7. Normal Global Portfolio Characteristics						
ROE	13.1	24.0	183%	100%		ok
ROIC	13.1	32.6	249%	100%		ok
Price/Earnings	22.5	27.4	122%	50%		ok
Price/Book Value	3.8	8.0	209%	50%		ok
Price/Cash Flow	15.6	23.5	150%	50%		ok
Dividend Yield	1.5	23.5	1517%	25%		ok
Market Capitalization	1,010,525	935,810	93%	25%		ok
C2. Max value of forwards w/single counterpart		0%			30%	ok
C3. Cash/cash equiv in non-USD currencies		0%			10%	ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						Yes
F3. Annual turnover		8%		10%	20%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

F3. Annual Turnover: The high-conviction, long-term approach has generally resulted in a historical name turnover below 10% on an annual basis.

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

Qtr 4 \$ 58,428

Organizational/Personnel Changes

In January 2026, Wen Qing Xu was promoted to Lead Analyst.

Please note assets under management are preliminary in nature.

Account Turnover

Gained:	Number of Accounts:	2	Total Market Value (\$m):	\$ 764.3
Lost:	Number of Accounts:	2	Total Market Value (\$m):	\$ 79.9
	Reason(s):	Rebalancing		

Pzena

Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Pzena	3.41%	8.60%	23.19%	-	-
MSCI ACWI	2.96%	4.03%	21.87%	-	-

Performance Attribution & Strategy Comments

Please note, the above represents net returns.

Global equities began 2026 on a constructive footing, with markets broadly higher amid resilient economic data and stable central bank expectations. Performance was uneven across regions and sectors, as strength in more cyclical and resource-oriented areas offset weakness elsewhere. Geopolitical and policy developments contributed to intermittent volatility, though markets largely absorbed the headlines. Despite the strong start to the year, dispersion across regions, sectors, and individual stocks remained elevated. Within the MSCI ACWI Index, the energy, materials, and industrials sectors rose, while no sectors declined over the period.

The Pzena Global Focused Value portfolio rose and outperformed the MSCI ACWI Index. The information technology, materials, and consumer discretionary sectors contributed to relative performance. The health care, industrials, and communication services sectors detracted from relative returns during the period.

Korean memory chip and smartphone manufacturer Samsung Electronics reported preliminary fourth-quarter results showing a sharp increase in profit, with period reporting also noting conditions in the memory market. Electronic components distributor Avnet reported fiscal second-quarter results above consensus and issued higher third-quarter revenue guidance, with management citing strength in AI data center-related demand across multiple regions. French steel producer ArcelorMittal announced an extension of its Mineral Development Agreement with the Government of Liberia to 2050 and reported higher European flat steel offer prices during the period, with industry coverage referencing trade measures and the EU's Carbon Border Adjustment Mechanism.

Health insurers Humana and CVS Health both declined during the period after the Centers for Medicare & Medicaid Services released a draft Medicare Advantage capitation payment update for 2027 that reflected lower reimbursement assumptions and related policy adjustments for the program. Skyworks Solutions, a semiconductor supplier of radio-frequency components for mobile devices, also declined amid uncertainty around iPhone demand affecting suppliers with exposure to the smartphone market.

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		54		40	60	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):						
Emerging Markets	12%	11%		0%	25%	ok
Europe ex UK	11%	28%		0%	41%	ok
Japan	5%	4%		0%	35%	ok
North America	66%	46%		30%	96%	ok
United Kingdom	3%	10%		0%	33%	ok
Other	3%	2%		0%	33%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics						
Capitalization	837413	75856	9%	10%	80%	check
Price/Book Value	3.7	1.4	38%	20%	100%	ok
Price/Earnings	22.7	15.3	67%	20%	120%	ok
Dividend Yield	1.6	3.1	192%	75%	200%	ok
B7. Price/Normalized Earnings in Q1		81%		60%	100%	ok
C2. Max value of forwards w/single counterpart		0%			30%	ok
C3. Cash/cash equiv in non-USD currencies		1%			10%	ok
F2. Brokerage commissions not to exceed \$0.035/share for U.S. equities						Yes
F3. Annual turnover		22%		20%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

B6. Capitalization The portfolio's wgted avg market cap is slightly below the 10% minimum guideline as the index is more concentrated in mega caps.

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

Qtr 4 \$ 85,623

Organizational/Personnel Changes

January 1, 2026, Daniel Babkes joined the portfolio management team on our Global strategies.

Account Turnover

Gained: Number of Accounts: - Total Market Value (\$m): -
 Lost: Number of Accounts: - Total Market Value (\$m): -
 Reason(s): Please note that the above reflects December 2025 gains/losses for the strategy. January 2026 information is not yet available.

Sprucegrove

International Equity: MSCI EAFE Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Sprucegrove	4.55%	8.05%	27.64%	-	-
MSCI EAFE	5.22%	9.05%	31.18%	-	-

Performance Attribution & Strategy Comments

April 22, 2024 inception date.

International equities continued to advance in January, adding to 2025's gains. This was supported by the strong performance of Materials (Metals) and Information Technology (Semiconductors) stocks. The MSCI EAFE returned 5.22% in January.

The Fund underperformed the index in January (4.55% vs 5.22%).

Stock selection in the Materials sector detracted the most due to limited exposure to Metals and Mining stocks. Metals and precious metals prices reached record highs in January.

Stock selection in Information Technology detracted modestly due to not owning semiconductor company ASML (for valuation reasons), an index heavyweight.

Stock selection in Health Care and Consumer Discretionary provided modest positive contributions.

From a country perspective, no exposure deviated meaningfully. Stock selection in Japan detracted the most, while selection in Switzerland and the U.K. contributed positively.

*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	60.0	40		ok
B6. Largest single industry group exposure (by GICS)	19%	0%	25%	ok
B7. Number of sectors in portfolio	10	7	11	ok
B8. European country exposure (# of countries)	12	3		ok
B8. Asia/Pacific country exposure (# of countries)	4	3		ok
B9. Normal Country Exposures				
Japan	15%	5%	50%	ok
United Kingdom	12%	10%	50%	ok
Canada	3%	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	16%	0%	20%	ok
C3. Maximum value of forward w/single counterparty	0%	0%	30%	ok
C4. Foreign Currency (cash or cash equiv) <= 5% of Account value				Yes
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management (\$m) as of: Qtr 4 \$ 11,535

Organizational/Personnel Changes

We had one investment analyst leave the firm during the fourth quarter of 2025.

Account Turnover

Gained:	Number of Accounts:	0	(\$m):	\$ -
Lost:	Number of Accounts:	3	(\$m):	\$ (175.3)
	Reason(s):	Consolidation of managers, relative underperformance		

Walter Scott & Partners Limited

Global Equity: MSCI World Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Walter Scott	1.68%	3.30%	8.00%	12.45%	8.68%
MSCI World	2.24%	3.36%	19.58%	19.31%	12.87%

Performance Attribution & Strategy Comments

Technology stocks were the weakest sector in the benchmark, driven down by share price declines from large US companies such as Apple and Microsoft. Although returns from the portfolio's technology holdings varied, they delivered solid gains in aggregate and made a positive relative contribution. ASML, up 34%, and Texas Instruments, up 25%, were the strongest performers, whilst Adobe and Intuit saw sharp declines of 16% and 25% respectively.

ASML reported record total sales for the fourth quarter of 2025, while management also lifted its 2026 growth forecasts. Texas Instruments also reported good results that pointed to an ongoing recovery in demand, along with a positive management outlook for the first quarter of 2026. Concerns around AI disruption of incumbent software providers negatively impacted Adobe, despite the company's continued solid fundamentals. The same disruption fears also weighed heavily on Intuit, a leading provider of accounting and tax software.

However, these gains were more than offset by weakness elsewhere in the portfolio.

The portfolio's greater than benchmark exposure to the weak consumer discretionary sector, coupled with underperformance from held names, weighed on relative return. LVMH and Booking Holdings were the main detractors. Industrials holdings weighed on relative return. The portfolio's greater exposure to the professional services industry, which declined 7% over the month, hurt relative return. Within this industry, Experian and Automatic Data Processing both declined over the month. The portfolio's lack of exposure to energy, the strongest sector in the benchmark, was a relative headwind.

The backdrop of stable, if unspectacular economic growth, solid corporate earnings and low Fed and ECB interest rates, represents a broadly positive environment for equity markets. While the AI infrastructure theme is in focus, over time, we expect the market's gaze to broaden. Companies across many sectors have the potential to successfully monetise the opportunities afforded by the rapidly evolving technology. We also think that while the AI disruptors-versus-incumbents narrative continues to affect the share prices of a variety of software businesses, investors are underestimating the deep competitive advantages enjoyed by many incumbents, as well as their growing AI capabilities. Closer attention is being paid to valuations, especially in the AI arena. It is also the case that in the pursuit of AI and other themes, the market has left behind some great companies that have delivered robust earnings but seen their valuations shrink.

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	1%		5%	ok
B3. No more than 5% of the account shall be invested in any one security @ purchase				Yes
B4. Number of issues	46	40	60	ok
B5. No shares of investment companies or pooled funds sponsored/managed by manager or affiliates				Yes
B6. Normal Regional Exposures (* benchmark +/- min/max):				
North America	64%	60%	75%	ok
Japan	4%	0%	9%	ok
Europe ex UK	18%	8%	22%	ok
UK	3%	0%	12%	ok
Pacific ex Japan	6%	0%	12%	ok
Emerging Markets	5%	0%	12%	ok
Total	99%			
B7. Normal Global Portfolio Characteristics				
ROE	27%	10%	35%	ok
CROCE	32%	20%	40%	ok
Operating Margin	19%	10%	25%	ok
Relative P/E	1.2	1.0	1.5	ok
Price/Book Value	8	3	10	ok
Price Earnings	28	20	40	ok
Price/Cash Flow	22	13	30	ok
Dividend Yield	1%	0.5%	3%	ok
E2. Brokerage commissions in bps	4	4	13	ok
E3. Annual turnover	14%		30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management (\$m) as of:	Qtr 4	\$ 66,661
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Account Turnover

Gained:	Number of Accounts:	2	Total Market Value (\$m):	\$ 192.8
Lost:	Number of Accounts:	4	Total Market Value (\$m):	\$ 482.3
Reason(s): Terminations due to clients derisking, moving to passive and change of OCIO.				

Organizational/Personnel Changes

There were no organisational changes during the period.

Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Wasatch	0.71%	1.07%	8.73%	n/a	n/a
MSCI EM	8.85%	9.43%	42.84%	n/a	n/a

Country Allocation Comparison

<u>Over-weight</u>	<u>Wasatch</u>	<u>EM</u>	<u>Under-weight</u>	<u>Wasatch</u>	<u>EM</u>
India	27.66%	13.34%	China	7.68%	26.58%
United States	9.89%	0.00%	South Korea	4.29%	15.65%
Mexico	10.54%	1.95%	South Africa	0.00%	3.79%

Performance Attribution & Strategy Comments

Emerging-market equities got off to a solid start in 2026 as the dollar continued to slide and investors looked toward international and emerging-market stocks to diversify their portfolios. Technology stocks, including those tied to artificial intelligence, led the advance as the benchmark MSCI Emerging Markets Index rose 8.85% in January. The Wasatch strategy underperformed the benchmark, largely due to not owning just a few of the large-cap technology stocks in the Index.

On a geographic basis, India was the largest detractor, hurt by our overweight positioning and stock selection. At the sector level, stock selection in the financials sector detracted most from performance relative to the benchmark. Conversely, an underweight in the communication-services sector contributed to the strategy's relative performance.

The largest detractors from performance included MakeMyTrip Ltd. (MMYT), an online travel agent in India; Trip.com Group Ltd., an online travel agent in China; and Bajaj Finance Ltd., an Indian diversified nonbank lender.

Some of the largest contributors to performance for the month included Leeno Industrial, Inc., a Korean producer of pins and sockets used in the testing of semiconductor chips; ASPEED Technology, Inc., a Taiwan-based fabless designer of server-management chips; and Chroma ATE, Inc., a Taiwanese manufacturer of automated test equipment used in semiconductor fabrication.

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		35		20	50	ok
Investments in a single sector will not exceed more than 50% of the portfolio value						Yes
Investments in a single country will not exceed more than 50% of the portfolio value						Yes
Normal Regional Exposures (* benchmark +/- min/max):						
Emerging Markets	100%	83%		60%	100%	ok
Other	0%	17%		0%	40%	ok
Total		100%				
Normal Global Portfolio Characteristics (Relative to the Index)						
Price/Earnings (fwd)	13.0	24.2	186%	50%	NA	ok
ROE	19.5	25.6	131%	50%	NA	ok
3-5 Yr.Est. Growth	15.2	27.7	182%	50%	NA	ok
No derivatives, short sales, commodities, margin or currency hedging						Yes
Annual turnover		37%		10%	60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

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

Qtr 4 \$ 23,286

Organizational/Personnel Changes

Scott Thomas named as Portfolio Manager (in addition to Ajay Krishnan and Stuart Rigby)

Lakshman Venkitaraman named as Associate Portfolio Manager (in addition to Anh Hoang)

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$ -
Lost:	Number of Accounts:	3	Total Market Value (\$m):	\$ 14.6
	Reason(s):	Changes in asset allocation		

WCM

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **January** **2026**

Manager Performance Calculations

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
WCM	7.74%	5.19%	37.78%	N/A	N/A
MSCI Emerging Markets	8.86%	9.47%	43.65%	N/A	N/A

Country Allocation Comparison

<u>Over-weight</u>	<u>WCM</u>	<u>EM</u>	<u>Under-weight</u>	<u>WCM</u>	<u>EM</u>
Singapore	3.62%	0.02%	Taiwan	17.69%	21.04%
Peru	3.18%	0.27%	India	8.65%	13.34%
Greece	3.40%	0.58%	China	17.86%	25.78%

Performance Attribution & Strategy Comments

During January 2026, the portfolio underperformed the MSCI Emerging Markets benchmark by -1.13%, as the portfolio delivered a total return of 7.74% versus the benchmark's 8.86%. Sector allocation detracted by -99 basis points and stock selection further reduced relative performance by -14 basis points. Industrials was the primary detractor with a total effect of -1.04%, while Financials contributed positively with a total effect of 95 basis points.

The portfolio underperformed the MSCI Emerging Markets benchmark, in three out of five weeks, with relative returns ranging from a loss of -1.84% for the week ending January 16th to a gain of 1.29% for the week ending January 23rd. In the week ending January 2nd, sector allocation detracted by -13 basis points and stock selection contributed negatively by -4 basis points, resulting in a total effect of -17 basis points. The following week, both stock selection and sector allocation continued to detract, with effects of -27 basis points and -26 basis points respectively, leading to a total underperformance of -53 basis points. The week ending January 16th saw the most significant negative impact, as stock selection detracted by -1.37% and sector allocation by -47 basis points, culminating in a total effect of -1.84%. Conversely, the week ending January 23rd marked a turnaround, with stock selection contributing positively by 1.52%, partially offset by a sector allocation drag of -23 basis points, resulting in a total outperformance of 1.29%. In the final week, both sector allocation and stock selection contributed positively, at 16 basis points and 4 basis points respectively, yielding a total effect of 20 basis points. Over the period, Financials in the week ending January 23rd contributed most to relative performance with 71 basis points, while Communication Services in the week ending January 30th detracted most with -46 basis points.

Manager Style Summary

WCM will manage an emerging markets equity portfolio. WCM's emerging market philosophy is built on moats, culture, tailwinds, focused and valuation. They focus on bottom-up stock picking with a selection edge. The portfolio will hold approximately 50 stocks. Maximum position size will be around 10% with maximum industry exposure around 30%. Idea generation is followed by rigorous quantitative and fundamental analysis before portfolio construction is undertaken.

WCM

Emerging Markets Equity: MSCI EM Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	WCM	Min	Max	Compliance
At least 80% in emerging/frontier	93%	80%	100%	ok
Number of countries in the portfolio	14	3	N/A	ok
Number of global industries	30	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)	28%		50%	ok
Single position (% MV)	10%		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 \$ 117,365

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			

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	1.6%	3.2%	12.9%	10.1%	7.3%
Strategic Policy [☆]		2.2%	2.9%	15.7%	11.8%	7.8%
Broad Target (55% R3000, 15% MSCI EAFE, 30% BCAgg)		1.7%	2.5%	15.1%	14.5%	9.0%
Calvert Balanced Fund ^{1**}	CBARX	0.2%	0.6%	9.5%	14.3%	8.8%
Custom Bench (60% R1000, 40% BCAgg)		0.9%	1.2%	12.0%	13.7%	8.4%
Capital Preservation						
PERSI Short-Term Investment Portfolio [▲]	n/a	0.3%	1.0%	4.3%	4.8%	3.2%
ICE BofA US 3-month T-bill Index		0.3%	0.9%	4.1%	4.8%	3.2%
Bond						
US Bond Index Fund	n/a	0.1%	0.6%	6.8%	3.6%	-0.3%
Dodge and Cox Fixed Income Fund ⁵	DOXIX	0.4%	0.9%	8.0%	5.0%	1.2%
Bloomberg Aggregate		0.1%	0.6%	6.8%	3.6%	-0.2%
US TIPS Index Fund	n/a	0.3%	0.1%	5.9%	3.7%	1.1%
Bloomberg US TIPS Index		0.3%	0.1%	6.0%	3.7%	1.1%
U.S. Equity						
Russell 3000		1.6%	1.8%	15.3%	20.2%	13.6%
<i>Large Cap</i>						
U.S. Large Cap Equity Index Fund	n/a	1.4%	1.7%	16.3%	21.1%	14.9%
Vanguard Growth & Income Fund ²	VGIAX	1.2%	2.1%	17.3%	21.4%	15.4%
S&P 500		1.5%	1.8%	16.3%	21.1%	15.0%
<i>Small/Mid Cap</i>						
U.S. Small/Mid Cap Equity Index Fund ³	n/a	2.4%	1.4%	8.7%	14.7%	6.2%
Dow Jones U.S. Completion Total Stock Market Index		2.4%	1.3%	8.6%	14.5%	6.0%
<i>Small Cap</i>						
T. Rowe Price Small Cap Stock Fund ⁴	TRSSX	5.0%	6.6%	11.0%	11.0%	5.9%
Russell 2000		5.4%	5.7%	15.8%	12.2%	6.2%
<i>Specialty</i>						
US REIT Index Fund	n/a	3.0%	3.5%	5.3%	5.7%	7.1%
Dow Jones U.S. Select REIT		3.0%	3.6%	5.5%	5.8%	7.3%
International Equity						
International Equity Index Fund	n/a	5.5%	9.0%	32.1%	16.3%	10.6%
T. Rowe Price Overseas Stock	TROIX	5.2%	9.4%	33.5%	N/A	N/A
MSCI EAFE net dividend		5.2%	9.0%	31.2%	16.2%	10.3%
DFA Emerging Markets Core Equity I	DFCEX	7.6%	8.7%	38.0%	N/A	N/A
MSCI EMF		8.9%	9.5%	43.7%	17.3%	5.8%

** 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)

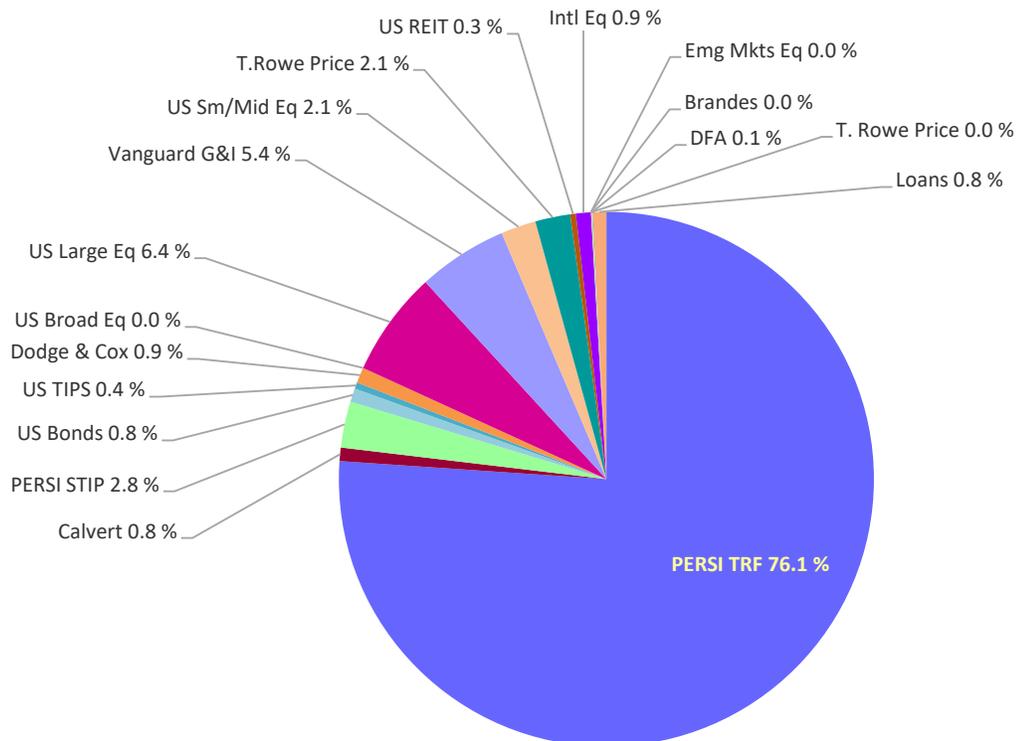
³ US Small/Mid Cap Equity Index Fund managed by MCM performance begins 10/12/07; previous periods reflect Dreyfus Premier Midcap Stock R Fund (DDMRX)

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

Performance - Net of fees

		Alloc by Fund	Alloc by Asset Class
Balanced			75.3%
PERSI Total Return Fund	\$ 1,484,995,876	74.4 %	
Calvert Balanced Fund	\$ 17,098,158	0.9 %	
Capital Preservation			2.4%
PERSI Short-Term Investment Portfolio (ML 0-3mo T-bill)	\$ 48,790,543	2.4 %	
Bonds			1.9%
U.S. Bond Index Fund (BC Aggregate)	\$ 13,829,363	0.7 %	
U.S. TIPS Index Fund (BC US TIPS)	\$ 6,192,623	0.3 %	
Dodge and Cox Fixed Income Fund (BC Aggregate)	\$ 17,113,231	0.9 %	
U.S. Equity			18.3%
<i>Large Cap</i>			
U.S. Large Cap Equity Index Fund (S&P 500)	\$ 144,944,166	7.3 %	
Vanguard Growth & Income Fund (S&P 500)	\$ 125,086,903	6.3 %	
<i>Small/Mid Cap</i>			
U.S. Small/Mid Cap Equity Index Fund (DJ USTSMI)	\$ 46,499,537	2.3 %	
<i>Small Cap</i>			
T. Rowe Price Small Cap Stock Fund (R2000)	\$ 41,852,346	2.1 %	
<i>Specialty</i>			
U.S. REIT Index Fund (DJ US Select REIT)	\$ 6,124,821	0.3 %	
International Equity			1.4%
International Equity Index Fund (MSCI EAFE)	\$ 22,814,769	1.1 %	
T. Rowe Price Overseas Stock	\$ 1,925,139	0.1 %	
DFA Emerging Markets Core Equity I	\$ 2,407,889	0.1 %	
Other			0.8%
Loans	\$ 15,171,847	0.8 %	
Total DC Plan	\$ 1,994,847,211	100%	100.0%



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

2026 Scheduled Actuarial Projects

Project	Interim	February Board Meeting	Interim	May Board Meeting	June Education Session + Board Meeting	August Board Meeting	Interim	October Board Meeting	December Board Meeting
Annual actuarial plan for Board		<ul style="list-style-type: none"> Present to Board on plan for 2026 							
Sick Leave studies <ul style="list-style-type: none"> experience study asset allocation contribution rates 	<ul style="list-style-type: none"> Analysis showing 2-yr return that would cause Schools to drop below 100% funded by 7/1/2028 	<ul style="list-style-type: none"> Part of consent agenda, ask Board to approve a 2-year extension of Schools holiday 		<ul style="list-style-type: none"> Present results on studies: experience study, asset allocation, and contribution rates Board may ask for additional analysis 	<ul style="list-style-type: none"> Board votes on: <ul style="list-style-type: none"> Potential new asset allocation Adopt new assumptions Contribution rates 				
PERSI Line of duty (LOD) study <ul style="list-style-type: none"> experience study contribution rates 			<ul style="list-style-type: none"> Report on study results and recommendations 	<ul style="list-style-type: none"> Present study and recommendations to Board Board votes to adopt new assumptions and contribution rate changes (if any) Decision by May so that contribution rate changes can be effective 7/1/27, giving employers time to budget 					
PERSI contribution rates			<ul style="list-style-type: none"> Analysis on impact of various contribution schedule options 	<ul style="list-style-type: none"> Present actuarial analysis to Board Board votes on schedule changes (if any) Decision by May so that 7/1/2027 contribution rates are finalized in time for employers FY28 budgeting 					
PERSI modeling			<ul style="list-style-type: none"> Asset smoothing analysis 	<ul style="list-style-type: none"> Board potentially votes on asset smoothing 	<ul style="list-style-type: none"> Present analysis of new / alternative modeling. Board gives feedback and asks for additional info 	<ul style="list-style-type: none"> Final presentation on new modeling / scenarios. Board votes to adopt new modeling. 			
2026 actuarial valuations							<ul style="list-style-type: none"> Preliminary 2026 valuation results 	<ul style="list-style-type: none"> Present valuation results Board votes to adopt valuation 	
2027 PAA								<ul style="list-style-type: none"> Present initial info on PAA Board asks for additional info 	<ul style="list-style-type: none"> Present additional information Board votes on 2027 PAA



February 24, 2025

To: PERSI Board of Directors
From: Deputy Director
Subject: Operational Updates

New Employers:

- ❖ Bliss Rural Fire District:
 - Located in Bliss
 - 1 Employee – 3 elected/appointed Not Paid

- ❖ Gem Prep: Idaho Falls:
 - Located in Deary
 - 20 Employees – 5 elected/appointed Not Paid

MEMORANDUM

DATE: February 12, 2026

TO: Alex Simpson *Alex*
Deputy Director

FROM: Mike Anderson
Chief Financial Officer

SUBJECT: New Employer

A State Agency enter the PERSI system effective March 1, 2026.

S-455 GEM PREP: IDAHO FALLS LLC -Deary, ID
20 employees and 5 elected/appointed officials not paid

There is no board action required. Idaho Code 59-1302(15) includes school districts in the definition of a mandatory PERSI employer.

MEMORANDUM

DATE: December 8, 2025

TO: Alex Simpson *Alt*
Deputy Director

FROM: Mike Anderson
Financial Executive Officer

SUBJECT: New Employer

The following employer will enter the PERSI system on January 01, 2026:

BLISS RURAL FIRE DISTRICT

Location – Bliss, ID – 1 Employee -3 Elected/Appointed Not Paid

Memo



Date: February 24, 2026
To: PERSI Board
From: Investment Team
Re: Domestic Small/Mid-Cap Equity Investment Manager Search

Summary:

This memo serves to summarize the overall process of manager retention (hiring and firing) and provides an overview of an investment manager search, including the purpose of the project and the roles and responsibilities for each of the participating parties.

Background:

The investment staff is responsible for reviewing and recommending investment manager changes. In the event of manager terminations, Staff may work with a team (comprised of any combination of staff, consultant, and/or advisors) to review the manager, make a determination, and plan for the transition. Staff typically inform the Board of issue(s) well ahead of the recommendation when possible. If timing allows, a termination recommendation is made to the Board and effective immediately following the meeting. Staff may terminate a manager immediately and inform the Board at the next meeting.

When hiring a manager, Staff works with our investment consultant (Callan) and the Advisors to identify, review and evaluate candidates. Staff work with the Investment Liaisons to keep the Board updated on the progress of the search. Managers recommended for hire are invited to present to the Investment Liaisons and staff. Upon completion of the process, Staff presents its recommendation to the Board.

Current Search Status:

The current manager search was initiated due to the termination of one of our domestic equity managers. Staff have worked with Callan, the Advisors and Investment Liaisons throughout this process.

We identified the finalists and conducted due diligence on-site visits in January.

Next steps:

Staff will recommend the Board hire Boston Partners and Hood River Capital Management.

Please contact us if you have any questions or concerns.

The following table summarizes the search process, including the timeline, meeting/deliverable, purpose, and roles/responsibilities, which are consistent with historical practice:

Date	Meeting/Deliverable	Purpose	Roles/Responsibilities
October, 2025	Manager search mandates and criteria	<ul style="list-style-type: none"> Gather a list of potential managers 	Staff & Advisors: provide ideas Callan: provide ideas and filter the list
November, 2025	RFIs distributed	<ul style="list-style-type: none"> Focus search for domestic small/mid-cap equity manager 	Staff, Advisors, Callan: approve RFI distribution list Callan: prepare & distribute RFIs
November, 2025	RFI responses due	<ul style="list-style-type: none"> Gather information from RFIs 	Staff & Advisors: review responses Callan: collect & distribute RFIs, review responses
December, 2025	Cull RFI responses	<ul style="list-style-type: none"> Narrow the list of managers/strategies to a short list 	Staff, Callan & Advisors: question, challenge, discuss and determine short list Callan: Manager Research Teams provide qualitative views
December, 2025	Manager books (profiles and quantitative comparisons) created and delivered for 'short list' managers	<ul style="list-style-type: none"> Access to Callan manager database and resources Equip Staff and the Advisors with firm/product data 	Staff, Callan & Advisors: used data to assist in determining the semi-finalists and as a resource for due diligence visits Callan: compile data, create review books
December, 2025	Identify semi-finalists & On-site visits	<ul style="list-style-type: none"> Identify semi-finalists On-site visits to be conducted for all semi-finalists 	Staff, Callan & Advisors: discuss, debate, challenge and determine semi-finalists
In-Process	Manager IMA & Portfolio Guidelines	<ul style="list-style-type: none"> Prepare manager agreement and portfolio guideline templates Distribute to finalists for review/input Executed copies required prior to finalist presentations 	Staff: prepare, work with legal on IMA to ensure current industry standards are included, in addition to language required by Idaho law.
January, 2026	On-site Due Diligence	<ul style="list-style-type: none"> Thorough vetting of candidates PERSI Introduction Distribution of IMA, Guidelines 	Staff & Advisors: required Callan: attending
January, 2026	Due diligence de-briefing w/full team	<ul style="list-style-type: none"> Confirm finalists 	Staff, Callan & Advisors: input from everyone
February, 2026	Board Materials	<ul style="list-style-type: none"> Board memo summarizing Staff recommendations, including tentative implementation details/timeline 	Staff: prepare Board materials Advisors & Callan: assist in the preparation Investment Liaisons: participate Managers: present for questions and introduction
February, 2026	Board Meeting	<ul style="list-style-type: none"> Final recommendation presented to Board for approval, including implementation details/timeline 	Staff: present recommendations Board: approve (or disapprove of) staff recommendations Investment Liaisons: provide feedback if asked Callan: provide input, advice
March/April, 2026	Implementation	<ul style="list-style-type: none"> Complete documentation Fund accounts 	Staff: coordinate w/accounting team, managers, BNYM, and Callan



Memo

Date: February 24, 2026
To: PERSI Board
From: Investment Staff
RE: Investment Manager Recommendation

Staff recommend hiring the following investment managers/mandates:

- Hood River Capital Management.....Small/Mid-Cap Growth
- Boston PartnersSmall/Mid-Cap Value

Staff recommendation:

Approve Staff recommendation as summarized and delegate authority to Staff to implement.



TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: 2026 Internal Assessment Plan

Summary:

Plante Moran has completed its risk assessment and reviewed areas already covered and areas not addressed yet. They will present their recommended internal assessment plan for 2026.

Key Discussion:

- Risk heat map.
- Risk assessment results and areas already evaluated in previous two years.
- Proposed internal assessment units for review in 2026 with associated hours to complete.

Action:

Board reviews and adopt the proposed 2026 internal assessment plan as proposed by Plant Moran.



PERSI 2026 Internal Assessment Plan

Risk Assessment Results & Proposed Plan



Agenda

1. Project objectives
2. Risk assessment results
3. Proposed internal assessment plan
4. Next steps
5. Q & A



Project Objectives



Analyze Findings



Internal Assessment Plan

A large, dark blue circle containing the text "Internal Assessment Plan" in white.

Identify the agency's highest priority risks through risk assessment surveys and interviews.

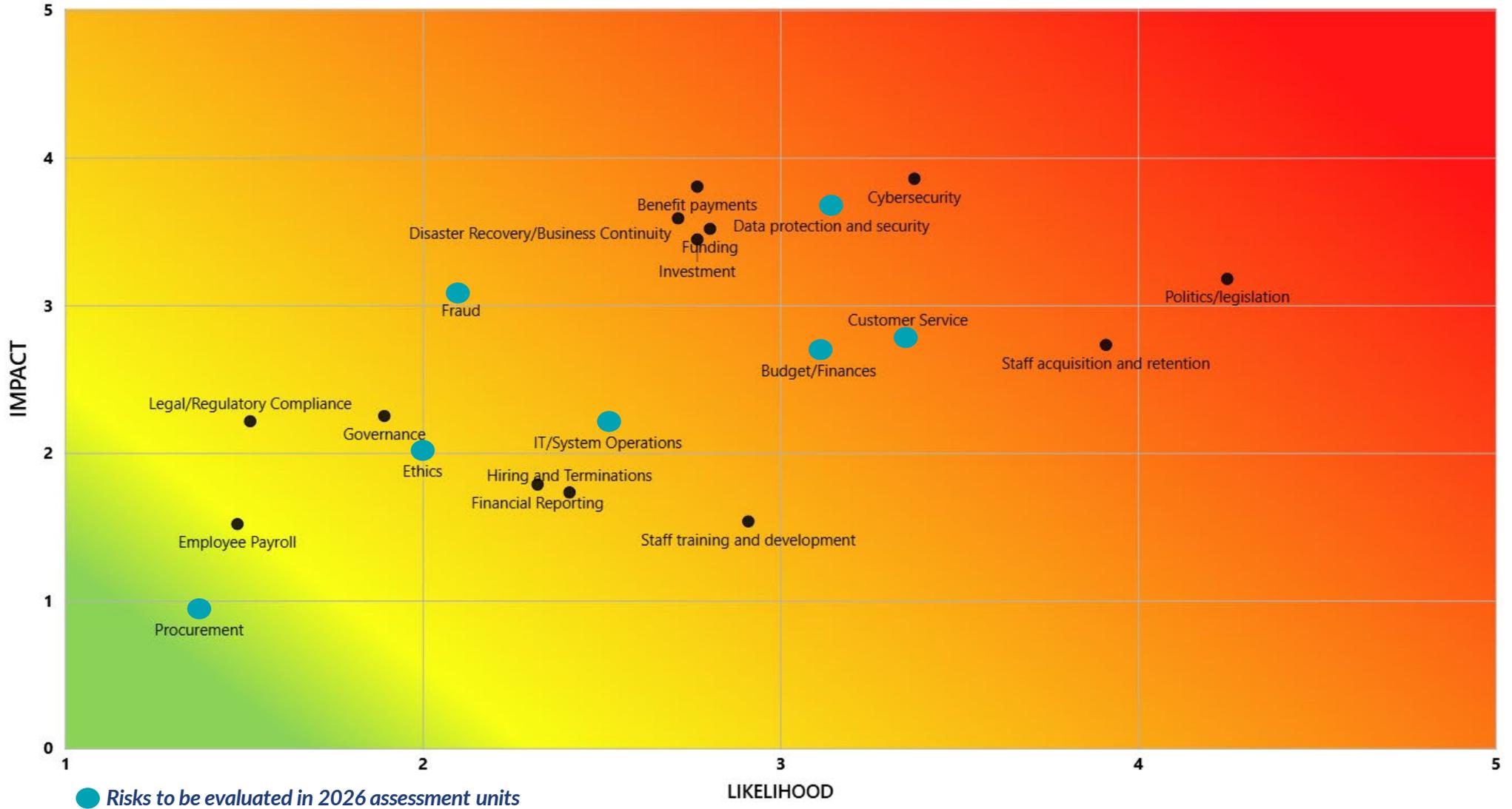
Analyze risk assessment findings and document current state mitigation activities.

Develop a proposed internal assessment plan for the calendar year based on potential gaps and areas requiring stronger risk mitigation.



2026 Risk Assessment Results

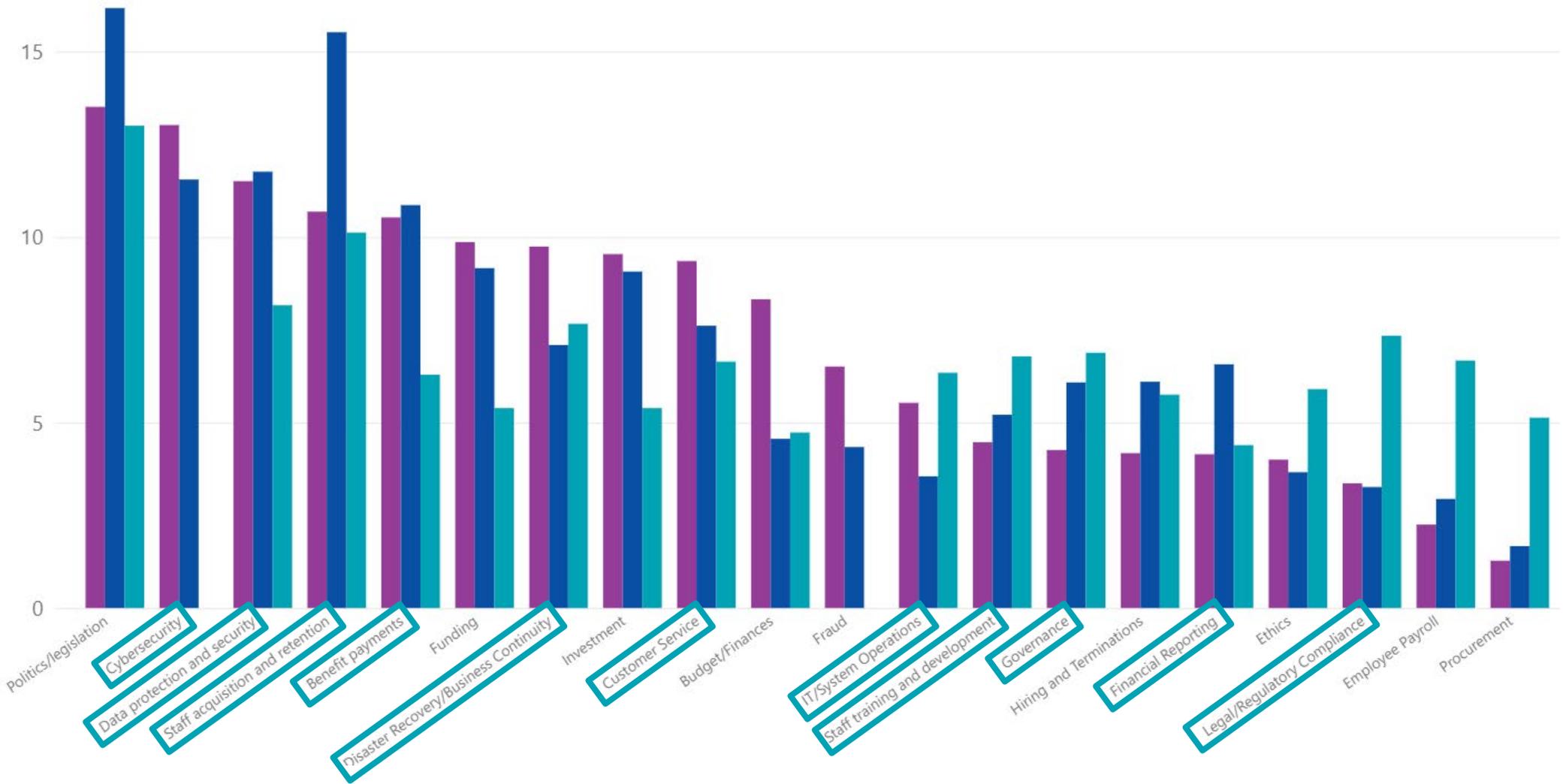
Likelihood and Impact by Risk Title





Risk Assessment Results

● 2026 Inherent Risk Score ● 2025 Inherent Risk Score ● 2024 Inherent Risk Score



Notes:

- Risks highlighted in teal are risks that have been previously evaluated through one or more prior assessments in 2024/2025.
- Cybersecurity and Fraud risks were not included as individual risks in the 2024 risk assessment.



Proposed Internal Assessment Units

Internal Assessment Hours Budget: 2575*

Unit No.	Unit Name	Objective(s)	Estimated Hours
1	Procurement	<ol style="list-style-type: none"> 1. Assess whether procurement activities, including purchase orders and purchasing card activities, are performed in accordance with policy and supported by adequate documentation. 2. Evaluate whether agency-level vendor management processes and controls (e.g., authorization, segregation of duties, monitoring, and oversight activities) are designed and operating effectively. 3. Assess whether staff understand procurement responsibilities and whether guidance, training, and communication are designed to support consistent compliance. 	245
2	Data Security Assessment Validation	Validate whether data security assessment recommendations provided in 2024 have been implemented and are designed and operating effectively to mitigate defined risks according to the CIS level 1 framework.	300
3	Customer Service (Part 2)	<ol style="list-style-type: none"> 1. Validate whether customer service recommendations provided in the 2025 assessment have been implemented and are designed and operating effectively to mitigate defined risks. 2. Assess the effectiveness of member-facing and employer-facing customer service practices in delivering timely, accurate, and consistent services. 	325
4	Ethics	<ol style="list-style-type: none"> 1. Assess whether PERSI's ethics program, including policies, Code of Conduct, training, and communication, is effectively designed and implemented to promote ethical behavior and employee understanding of expectations. 2. Evaluate the sufficiency, accessibility, and effectiveness of ethics reporting channels, investigation practices, and follow-up processes in detecting and addressing ethical risks. 	250

**This budgeted hours estimate includes the 2026 risk assessment and 2027 planning hours not displayed above. In addition, this is part 1 of 2 of the plan*



Proposed Internal Assessment Units

Internal Assessment Hours Budget: 2575*

Unit No.	Unit Name	Objective(s)	Estimated hours
5	Budget/Finances	<ol style="list-style-type: none"> 1. Evaluate whether finance processes related to budgeting, administrative expenses, expense reports, and cash receipts mitigate key risks. 2. Validate whether finance assessment recommendations provided in 2024 assessment have been implemented and are designed and operating effectively to mitigate defined risks. 	280
6	Fraud Risk	<ol style="list-style-type: none"> 1. Assess whether PERSI's fraud risk universe has been appropriately identified and mitigation activities are focused on high-risk areas. 2. Evaluate whether controls prevent/detect manipulated or erroneous employer payroll data (wages, hours, service credit) and member master-data changes that could inflate service or benefits. 3. Determine whether conflicting access across systems could enable employees to create/alter member or payment data and disburse funds. 4. Assess whether controls are designed and operating effectively to ensure payment/wire/ACH instructions transmitted between PERSI and BNY Mellon are valid, authorized, and accurate. 	325
7	Disaster Recovery Assessment Validation	Validate whether disaster recovery recommendations provided in the 2024 assessment have been implemented and are designed and operating effectively to mitigate defined risks.	300

*This budgeted hours estimate includes the 2026 risk assessment and 2027 planning hours not displayed above. In addition, this is part 2 of 2 of the plan.



Next Steps

1. Agree upon proposed internal assessments
2. Finalize timeline with management
3. Kick off internal assessments according to the timeline
4. Provide progress updates to the Board



Q & A



1960s: Plante & Moran
establishes a Public
Accounting Firm

1970: Plante Moran
Financial Advisors
registers with SEC.

1984: Plante Moran CESA
is formed.

1999: Named for the first time
in Fortune magazine's list of
"100 Best Companies
to Work For."

1995: Firm creates domain
and later launches website.

1996: PAM Corporate
Finance LLC (PACF)
is founded.

2002: Firm is chosen by the U.S.
Department of Treasury to help
investigate the Enron collapse;
Plante Moran Trust is created.

PM
cares
2007: Plante Moran Cares
launches.

2003: Firm forms
Diversity Council.



&
2011: Plante & Moran
drops the "&"; becomes
Plante Moran.

2012: First-Ever Global Workplace Recognition
with International Accounting Bulletin's
Employer of the Year award.



Thank you!



1960s: Plante & Moran
is the first firm to
achieve a Public
Company listing on
the NYSE

1970: Plante Moran
Financial Advisors
registers with SEC

1984: Plante Moran
CEISA
is formed

CELEBRATING THE JOURNEY
1999: Named for the first time
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2002: Firm is chosen by the U.S.
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Plante Moran Trust is created.

2003: Firm forms
Diversity Council.



2003: First
international office in
Shanghai, China.

PM
cares
2007: Plante Moran Cares
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&
2011: Plante & Moran
drops the "&"; becomes
Plante Moran.

2012: First-Ever Global Workplace Recognition
with International Accounting Bulletin's
Employer of the Year award.



TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Extend School Sick Leave Contribution Holiday to June 30, 2028

Summary:

The Board established a contribution rate holiday for the school sick leave plan due to its overfunded status. Currently that holiday is scheduled to expire June 30, 2026. Staff recommend extending the school sick leave plan contribution rate holiday until June 30, 2026.

Key Discussion:

- The school sick leave plan is funded at 126% as of June 30, 2025, valuation.
- The current assumed rate of return is 5.40%.
- The school sick leave plan could withstand up to a -13.1% investment return in FY 2026 prior to falling below 100% funded (September and October 2025 board presentations).
- Sick leave plan experience study scheduled for spring of 2026 and will be presented to Board at the May 2026 board meeting.
- Plan to review and set actuarial assumptions, asset allocation and contribution rates at the June 2026 Board meeting.

Action:

Staff recommend that the Board approve the extension of the School Sick Leave Contribution holiday to June 30, 2028.

Idaho Unused Sick Leave Benefits Program: 2026 Actuarial Studies

Kick-Off Presentation

Ryan Cook

FEBRUARY 24, 2026

Agenda

- Background
- Planned analysis for 2026
- Short-term extension of Schools contribution holiday

Background

Contribution Rates

- Pre-2020 ER rates: 0.65% & 1.19%* (State & Schools)
- Initial contribution holiday: 1/1/2020–6/30/2022
- Extended holiday: Schools to 6/30/2026; State to 6/30/2031
- After holiday: normal cost rate (currently 0.40% & 0.76%*)

Actuarial Assumptions

- Mostly same as base plan
- Sick leave assumptions last studied in 2020:
 - Investment return: 5.40%
 - Sick leave balance growth
 - Retiree balance usage and forfeitures
 - Some program specific demographic assumptions

Asset Allocations

- Pre-2020: 70% equity & 30% fixed income (70-30)
- Post-2020: 50-50
- Trusts now set up to allow allocation to vary by Program

*Prior to the contribution holiday, Schools rates varied by days of paid sick leave the member earned per year. Weighted averages are shown here.

Plan for 2026

Planned Analysis

- Experience study
- Long-term projections under various scenarios

February Meeting

- Kick-off
- Short-term extension of Schools holiday

May Meeting

- Present study results
- Q&A
- Collect feedback for additional analysis

June Meeting

- Board votes on:
 - Contribution rates
 - Actuarial assumptions
 - Potential new asset allocation

Short-term Extension of Schools Contribution Holiday

- Schools holiday is currently scheduled to expire 6/30/2026
- July 1, 2025, actuarial valuation showed Schools Program is 126.0% funded.
- To give time for these studies, a short-term extension of the holiday is reasonable.
- For example, the Board could vote to extend the Schools contribution holiday to 6/30/2028.
 - If annual investment returns are at least 1.30%, on average, for FY2026–2028, the Schools Program is projected to be above 100% funded at 6/30/2028 even with no contributions.¹

¹Assumes no actuarial gains or losses (other than investments) after 7/1/2025.

Certification

The purpose of these projection on slide 5 is to help the PERSI Board decide regarding an extension of the Schools contribution holiday. Other than stated on that slide, the analysis is based on the same data, assumptions, plan provisions, and methods as our July 1, 2025, actuarial valuation.

All caveats and limitations from our July 1, 2025, Sick Leave valuation report apply to this presentation. See the Risk Disclosure sections of that report for a summary of risks relevant to the plan.

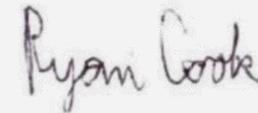
On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the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



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



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



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



Thank You

Ryan Cook

ryan.cook@milliman.com



TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: 2026 Legislative Session Update

Summary:

The 2026 legislative session picked up the pace starting the week of February 9th. A large number of RS bills were heard and printed and we are tracking those that may have some type of impact on PERSI or its operations. Return to work and divesture seem to be the primary topics impacting PERSI this session.

Key Discussion:

Current bills progressing through the legislature that impact PERSI code:

- HB 543 is the PERSI bill requested to amend the language from “after-tax contributions” to “Roth contributions and investment earnings” as well as add Trustee DeAngeli’s magic language to address future IRS code changes.
- S 1221 was brought by the Idaho Water User’s Association to update the definition of those eligible for the 8 month seasonal exception. The language proposed changes “irrigation district” to “irrigation or drainage entity”. It is the contention of the sponsor that this is more accurate language for these types of entities.
- S 1261 was brought by the Sheriff’s Association and amends 59-1356(3) to provide for a retired member who is appointed to an elective public office to return to work without jeopardizing their PERSI benefit. The actual language amended added “elected or appointed to ~~a~~ an elective public office”. This return to work exception still requires a six month break in service.
- S 1275 Idaho Code Cleanup Act. This act required the review and repeal of Idaho Code that was no longer needed or relevant. PERSI identified the following sections that are included for repeal: I.C. §59-1324, 1381, 1382, 1383, 1384, 1385, 1396, 1397, and 1399.
- S 1276 was brought by Senator Zito and amends 59-1356(5) by removing the sunset clause and changing the eligibility date from those retired prior to January 1, 2022 to those who retired prior to January 1, 2026. This return to work exception has been successful in accessing the pool of retirees to fill some hard to fill, part time, or seasonal positions across the state.
- HB 640 Foreign Adversary Divestment Act. The initial hearing on this bill is scheduled to be in the House Commerce and Human Resources committee on February 19th. PERSI staff, general counsel and fiduciary counsel have drafted and delivered a letter outlining the conflicts this bill has with current fiduciary duty, trust fund law, federal tax law and the prudent investor standard.
- HB 642 brought by the Professional Fire Fighters of Idaho amends 59-1352B to add death as a catastrophic line of duty benefit. 59-1361A, the current line of duty death benefit for public safety officers would be repealed under this amendment. Total death benefit increases to \$500k with a ongoing benefit to the surviving spouse. Estimated cost will increase total public safety contributions by 0.11%, to be funded by the employee members.

- PERSI presented in front of the Joint Finance and Appropriations Committee on January 29th. The JFAC budget setting hearing is currently scheduled for February 20th at 8:00am.

Action:

No action required from the Board. This is for information and discussion purposes only.



February 24, 2026

Public Employee Retirement System of Idaho

Capital Markets Expectations

Ann O'Bradovich
Investment Consulting

Adam Lozinski, CFA
Capital Markets Research

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

Agenda

Summary of 2026 projections

Current market conditions

2026 expectations

Fixed Income

Equity

Private Markets

Appendix

Callan

Summary of 2026 Projections

How Our Capital Markets Assumptions Are Constructed

Guiding objectives and process

Underlying beliefs guide the development of the projections:

- An initial bias toward long-run averages
- A conservative bias
- An awareness of risk premiums
- A presumption that markets are ultimately clear and rational

Reflect our beliefs that long-term equilibrium relationships between the capital markets and lasting trends in global economic growth are key drivers to setting capital markets expectations

Long-term compensated risk premiums represent “beta” – exposure to each broad market, whether traditional or “exotic,” with limited dependence on successful realization of alpha

The projection process is built around several key building blocks:

- Advanced modeling at the individual asset class level (e.g., a detailed bond model, an equity model)
- A path for interest rates and inflation
- A cohesive economic outlook
- A framework that encompasses Callan beliefs about the long-term operation and efficiencies of the capital markets

Callan's Capital Markets Assumptions: 10 Years (2026–2035)

No key changes from 2025 projections

Summary of key forecast points for 2026 Capital Markets Assumptions

- Cash return held constant at 3.0%
- Core fixed income return held at 4.75%
- Long G/C return held at 5.20%; the major peg points for fixed income remain unchanged, with minor adjustments to fixed income sectors
- Public equity returns are unchanged from 2025, with Broad US at 7.35% and Broad Non-US at 7.45%; equity risk premium over cash and over fixed income held at the lowest level in our forecast history
- Inflation held at 2.5%
- Private markets returns are unchanged from 2025

Allocations within equity reflect neutral weights to the broad markets

- Efficient SMID cap weight set to 15% of broad U.S. equity
- Efficient emerging market equity weight set to 30% of global ex-U.S. equity
- Efficient U.S. / global ex-U.S. equity set to 60/40 neutral weight (not a change, but the market has now caught up to us!)

2026 vs. 2025 Risk and Returns

Asset Class	Index	Projected Return		Projected Risk	2025–2034	
		10-Year Geometric*	Real	Standard Deviation	10-Year Geometric*	Standard Deviation
Equities						
Broad U.S. Equity	Russell 3000	7.35%	4.85%	17.35%	7.35%	17.35%
Large Cap U.S. Equity	S&P 500	7.25%	4.75%	17.00%	7.25%	17.00%
Smid Cap U.S. Equity	Russell 2500	7.45%	4.95%	22.00%	7.45%	22.00%
Global ex-U.S. Equity	MSCI ACWI ex USA	7.45%	4.95%	21.25%	7.45%	21.25%
Developed ex-U.S. Equity	MSCI World ex USA	7.25%	4.75%	20.15%	7.25%	20.15%
Emerging Market Equity	MSCI Emerging Markets	7.45%	4.95%	25.65%	7.45%	25.65%
Fixed Income						
Short Duration Gov/Credit	Bloomberg 1-3 Year Gov/Credit	3.90%	1.40%	2.40%	4.00%	2.40%
Core U.S. Fixed	Bloomberg Aggregate	4.75%	2.25%	4.45%	4.75%	4.40%
Long Government/Credit	Bloomberg Long Gov/Credit	5.20%	2.70%	11.70%	5.20%	11.75%
TIPS	Bloomberg TIPS	4.50%	2.00%	5.40%	4.55%	5.40%
High Yield	Bloomberg High Yield	5.90%	3.40%	11.75%	6.00%	11.75%
Global ex-U.S. Fixed	Bloomberg GI Agg ex US	2.90%	0.40%	9.80%	2.85%	9.80%
Emerging Market Sovereign Debt	EMBI Global Diversified	5.00%	2.50%	10.70%	5.35%	10.65%
Alternatives						
Core Real Estate	NCREIF ODCE	6.25%	3.75%	14.00%	6.25%	14.00%
Private Infrastructure	MSCI GI Infra / FTSE Dev Core 50/50	6.35%	3.85%	15.20%	6.35%	15.20%
Private Equity	Cambridge Private Equity	8.50%	6.00%	27.60%	8.50%	27.60%
Private Credit	Cambridge Senior Debt Index	7.25%	4.75%	15.70%	7.25%	15.70%
Hedge Funds	Callan Hedge FOF Database	5.70%	3.20%	8.20%	5.70%	8.20%
Commodities	Bloomberg Commodity	3.90%	1.40%	18.05%	3.90%	18.05%
Cash Equivalents	90-Day T-Bill	3.00%	0.50%	0.90%	3.00%	0.90%
Inflation	CPI-U	2.50%		1.60%	2.50%	1.60%

* Geometric returns are derived from arithmetic returns and the associated risk (standard deviation).

Asset classes used in the PERSI plans are highlighted in orange.

PERSI Strategic Policy

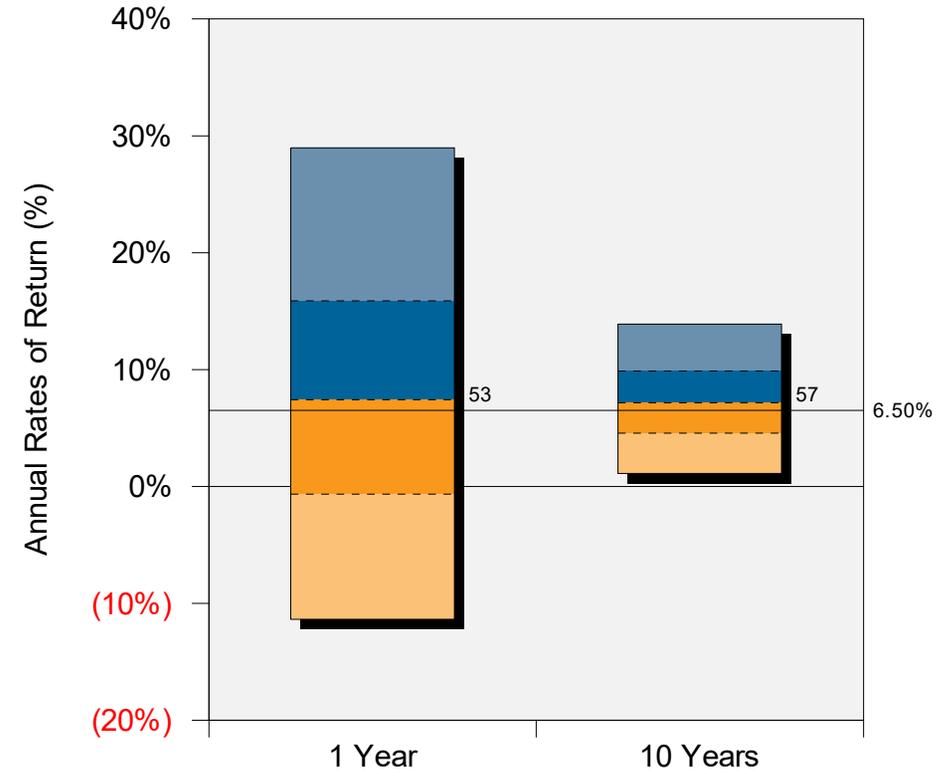
Expected Returns Based on 2026-2035 Capital Market Expectations

Asset Classes	Strategic Policy*
Large Cap US Equity	22
Small/Mid Cap US Equity	10
Developed ex-US Equity	11
Emerging Market Equity	11
Core US Fixed	20
TIPS	10
Core Real Estate	8
Private Equity	8
Cash Equivalents	0
Totals	100

1-Year Expected Return	7.92
10-Year Compound Expected Return	7.20
Risk (Standard Deviation)	12.64

Inflation	2.50
Inflation Standard Deviation	1.60

Range of Projected Rates of Return



5th Percentile	29.0%	13.9%
25th Percentile	15.9%	9.9%
Median	7.4%	7.2%
75th Percentile	(0.7%)	4.6%
95th Percentile	(11.4%)	1.1%
Prob > 6.50%	52.8%	57.2%

*Strategic Policy: Allocation to Global Equity of 18% is proportionally allocated to US and Non-US asset classes. See detail in appendix.

PERSI Long Term Policy (55/15/30)

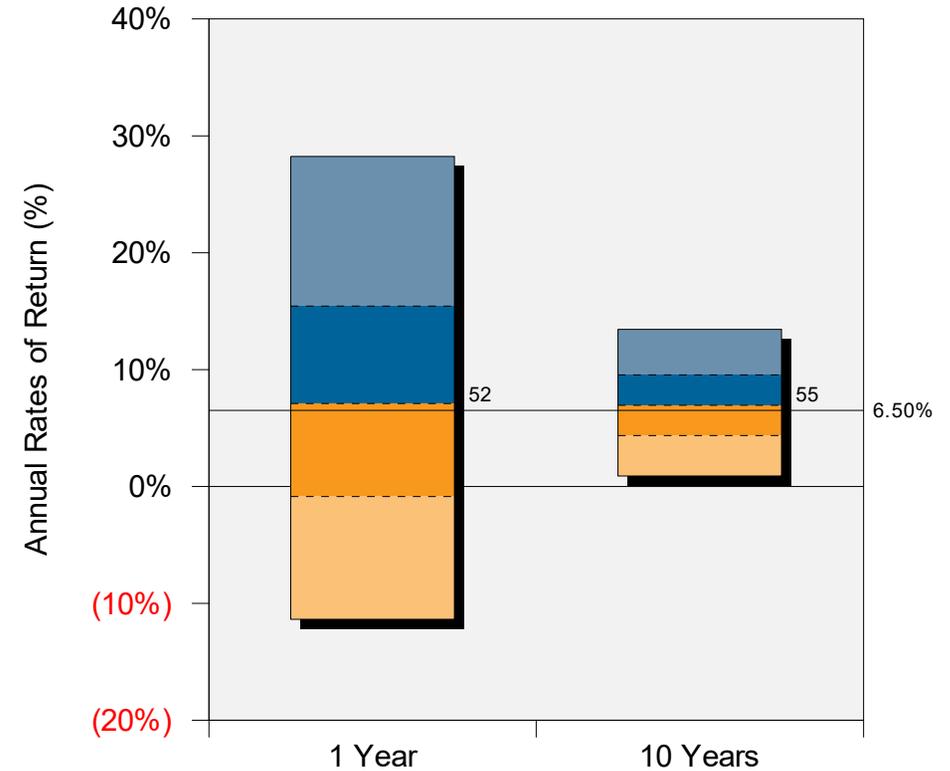
Expected Returns Based on 2026-2035 Capital Market Expectations

Asset Classes	Long Term Policy
Large Cap US Equity	44
Small/Mid Cap US Equity	11
Developed ex-US Equity	15
Emerging Market Equity	0
Core US Fixed	30
TIPS	0
Core Real Estate	0
Private Equity	0
Cash Equivalents	0
Totals	100

1-Year Expected Return	7.62
10-Year Compound Expected Return	6.95
Risk (Standard Deviation)	12.31

Inflation	2.50
Inflation Standard Deviation	1.60

Range of Projected Rates of Return



5th Percentile	28.2%	13.4%
25th Percentile	15.4%	9.6%
Median	7.1%	7.0%
75th Percentile	(0.8%)	4.4%
95th Percentile	(11.3%)	0.9%
Prob > 6.50%	52.0%	54.6%

PERSI Sick Leave Trusts

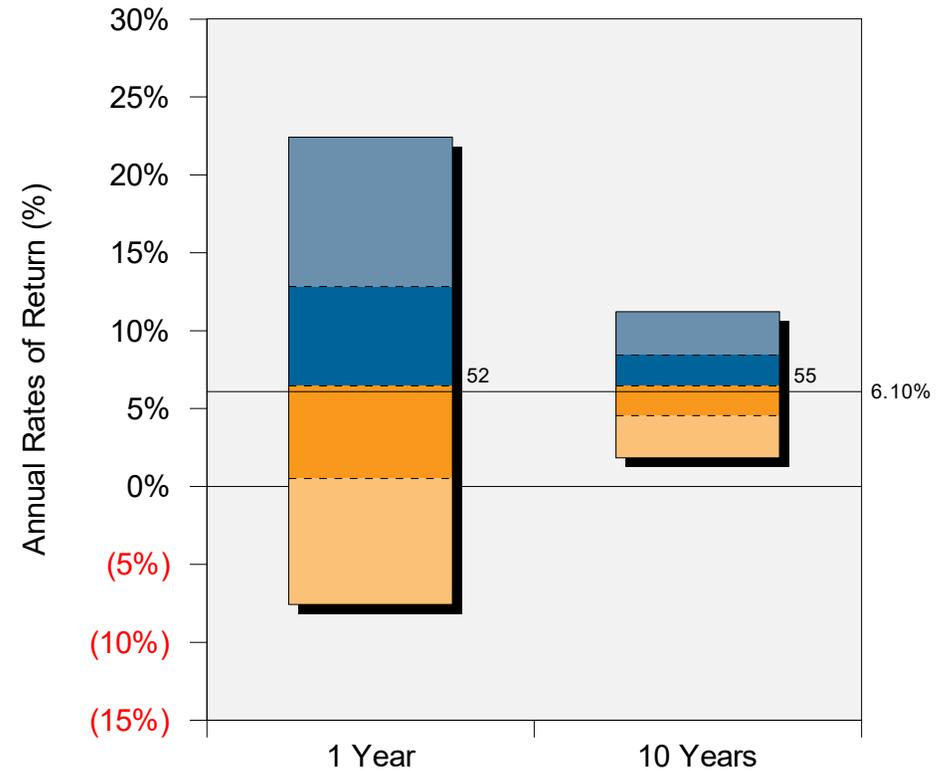
Expected Returns Based on 2026-2035 Capital Market Expectations

Asset Classes	Sick Leave Trusts
Broad US Equity	39.36
Global ex-US Equity	10.64
Core US Fixed	50.00
Totals	100.00

1-Year Expected Return	6.85
10-Year Compound Expected Return	6.45
Risk (Standard Deviation)	9.25

Inflation	2.50
Inflation Standard Deviation	1.60

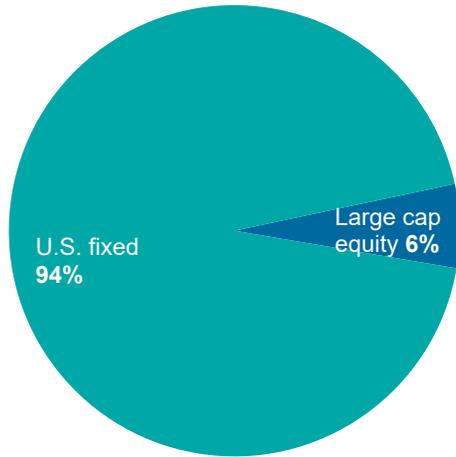
Range of Projected Rates of Return



5th Percentile	22.4%	11.2%
25th Percentile	12.8%	8.4%
Median	6.5%	6.5%
75th Percentile	0.5%	4.5%
95th Percentile	(7.6%)	1.8%
Prob > 6.10%	51.9%	54.9%

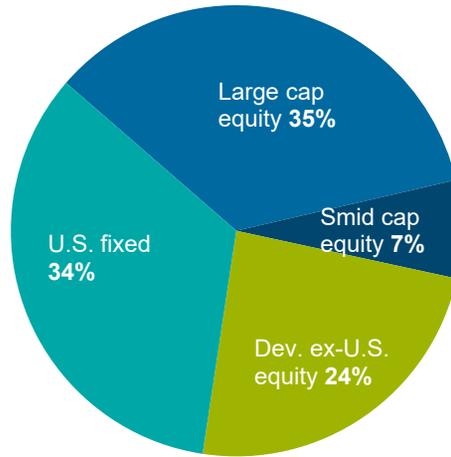
7% Expected Returns Over Past 30 Years

Increasing Complexity



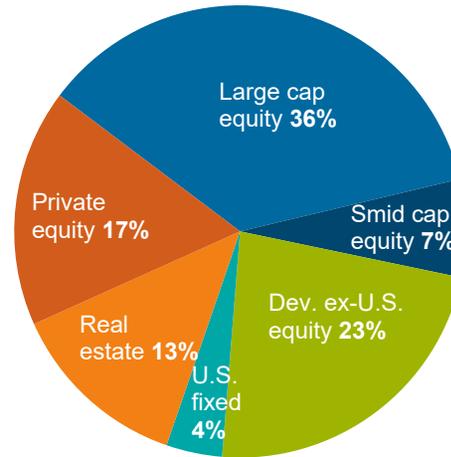
1996

Return: 7.0%
Risk: 5.8%



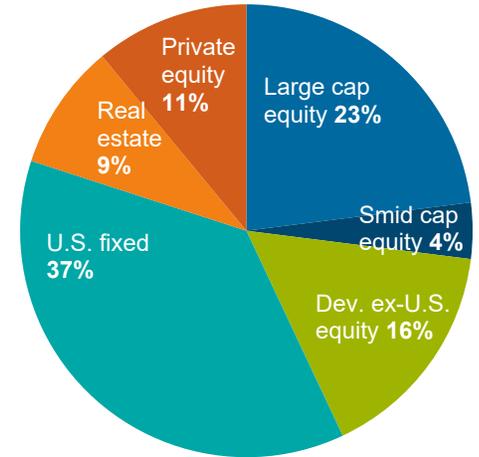
2011

Return: 7.0%
Risk: 11.8%



2022

Return: 7.0%
Risk: 16.8%



2026

Return: 7.0%
Risk: 11.0%

Increasing Risk

In 1996, our expectation for broad U.S. fixed income was 6.8%.

Only 6% in return-seeking assets was required to earn a 7% projected return.

15 years later, an investor would have needed two-thirds of the portfolio in public equities to achieve a 7% projected return, with double the portfolio volatility of 1996.

In 2022 an investor was required to include 96% in return-seeking assets (including 30% in private markets investments) to earn a 7% projected return at almost 3x the volatility compared to 1996.

Today's 7% expected return portfolio is much more reasonable than it was just four years ago. The allocation to fixed income jumps to 37%, while risk is just two-thirds what it was in 2022.

Callan

Current Market Conditions

A Wild Ride in 2025 But It Leads to the Same 10-Year Projections?

A recession stayed away after we were sure it would show up.

The economy showed signs of slowing as we entered 2025, but GDP growth surged in 2Q and 3Q and wage growth beat inflation in the US. Around the world, stock markets shot up after the massive tariff uncertainty in 2Q.

- The job market data was inconsistent with mid-year GDP growth surge, as new job creation ground to a halt in April and remained dormant through the end of the year. A sudden drop in foreign-born labor supply cushioned any spike in the unemployment rate, and speculation abounds that AI advances may have boosted productivity and lessened the demand for workers.
- The Federal Reserve's process of rate hikes, from elevated inflation, and spreading geopolitical turmoil barely dented the U.S. economic engine through the end of 2024. The Fed cautiously began to cut rates in the second half of the year, and the Fed Funds rate came down 75 basis points in three 25 bps increments.
 - Inverted yield curve remains in place, but it's been inverted since 2022. The inversion is now concentrated at the short end; the 2–10 is no longer inverted.
- Real incomes rose and real wage growth supported consumer incomes and spending, but consumer confidence is waning, and business investment came to sudden halt mid-year, as the option value of doing nothing rose sharply amid tariff uncertainty.

Is recession still inevitable, and if so, when?

Strong GDP growth conflicts with early signs of easing in labor markets; the prospect for continued inflationary pressure from tariffs is high in the short run, the pressure from the labor market is lessening.

- Getting inflation down to the Fed's stated goal of 2% will take time, and some discomfort. Squeezing out the last of excess inflation will require a period of below trend growth, a substantial loosening of the labor market, and the pain of a rise in unemployment.
- The probability and likelihood of recession keeps falling and being pushed off into the future. The Fed will be in a difficult position to argue for interest rate changes with strong GDP and a stable labor market.

Key Macro Theme: Tariffs

Uncertainty in policy and implementation remains, and the impact could still be dramatic

Tariffs are a tax on the sale of imported goods (and possibly services) to consumers, businesses, and governments.

- The cost is absorbed by the buyer, the seller (U.S. importer), or both.

Tariffs as currently implemented substantially increase the price of many imported goods:

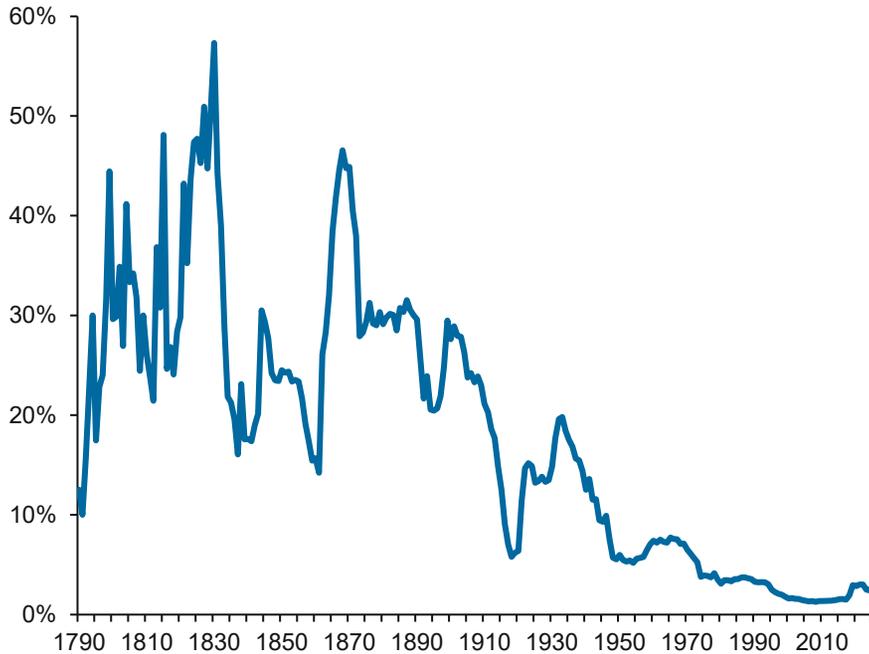
- Final goods such as food, clothing, tools, electronics, and automobiles
- Intermediate goods ranging from raw materials (timber, metals) to processed materials (steel, aluminum) to auto parts

Higher tariffs could meaningfully increase inflation in the shorter term, and possibly over the longer term if they remain in place as a long-term economic policy rather than a negotiating strategy.

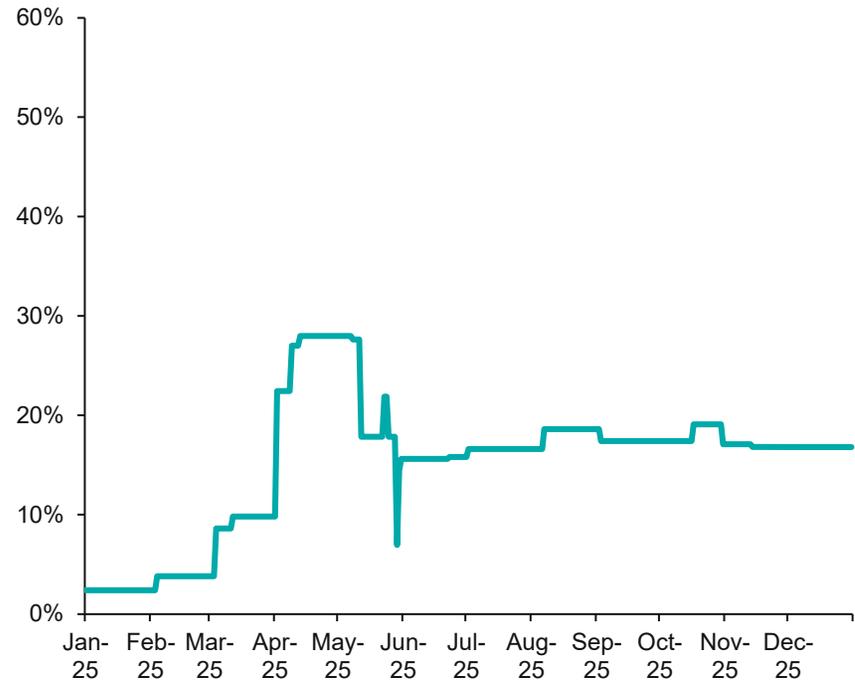
After uncertainty rocked the equity markets in April 2025, global markets now appear to be “looking past” tariffs, with strong reported profits, strong U.S. GDP growth, and falling expectations for recession fueling investor confidence.

Tracking the Effective Tariff Rate

Historical Effective Tariff Rate



Estimated Average Effective Tariff Rate



Big picture: The imposition of tariffs as they have currently evolved will likely raise prices for imported goods, adding to inflation pressures. The potential reduction in purchasing power from higher prices may slow demand and the economy. For goods with a ready domestic substitute, consumers and businesses can shift demand, but the prices paid for goods may still be higher.

- The charts compare the historical effective tariff rate in the United States through 2024 to the estimated average effective tariff rate in 2025 based on the shifting policies throughout the year.
- The current estimate puts the effective tariff rate at the highest level since 1935.

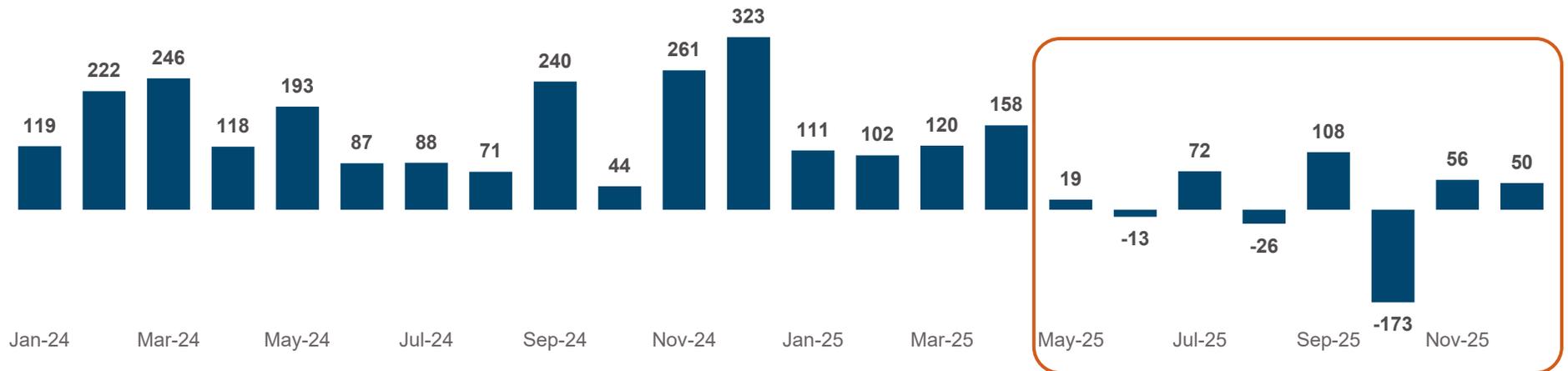
Source: The Budget Lab at Yale

Key Macro Theme: The Job Market

Slowdown in hiring is a conundrum

The job market is showing the first sign of a crack in the U.S. economy; the run rate for new jobs through April 2025 had been in the 100,000–200,000 range per month; since April, the U.S. has created 93,000 jobs cumulatively over the eight months ended December.

Non-Farm Employment Monthly Change (thousands)

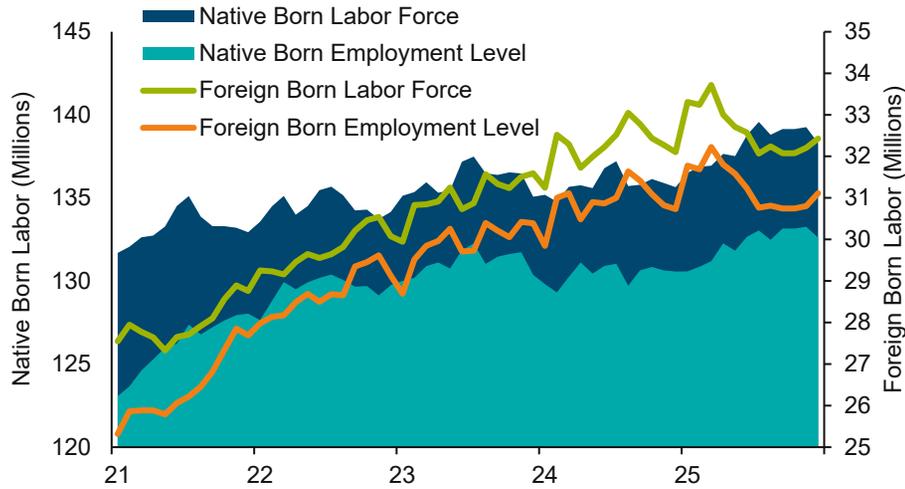


The unemployment rate remains low, but job turnover ground to a halt. Digging through the economic data has resulted in few clear signs of an impact from tariffs, whether inflation, GDP, or consumption. (Hard economic data typically lags market responses, especially to policy changes, and the markets can overreact to sentiment.)

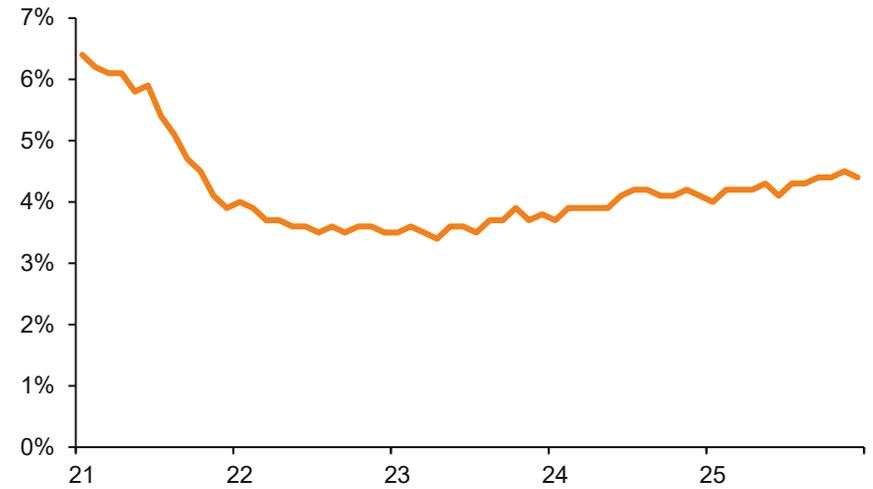
Source: U.S. Bureau of Labor Statistics

Labor

Labor and Employment Details



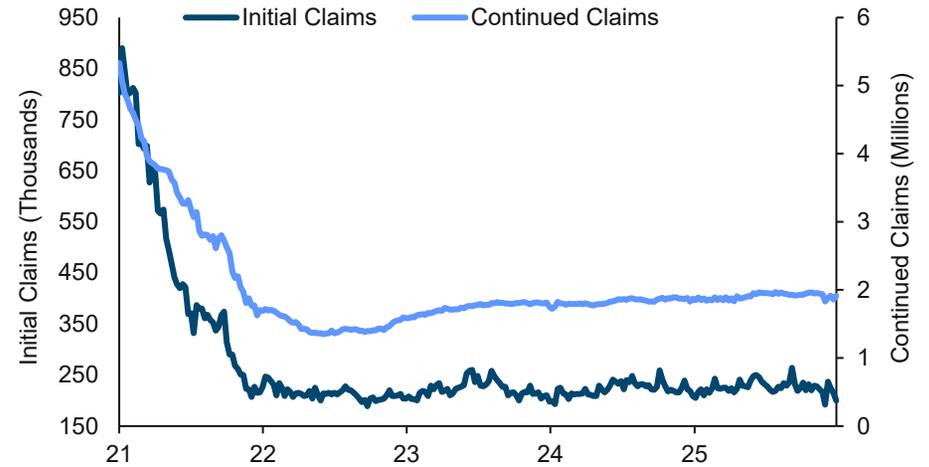
Unemployment Rate



Wage Growth (YoY Average Hourly Earnings)



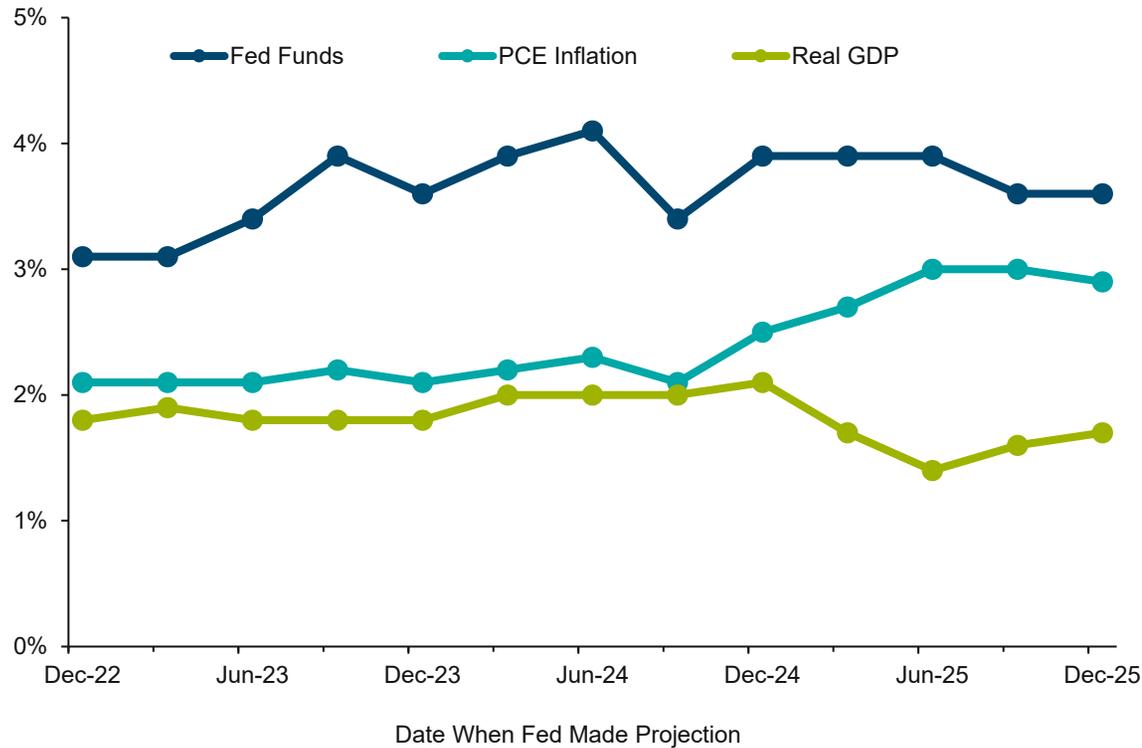
Unemployment Claims



Source: FRED

The Shifting Mindset at the Fed

Consensus FOMC Economic Projections for 2025



The Fed Funds Rate received three 25 basis point cuts in 2025, ending in a range of 3.5%–3.75%.

The median projection among Federal Open Market Committee participants ranged from 2.9% when they made the prediction back in 2022 to 4.1% when they made the prediction in the middle of 2024.

Long-term neutral rate of 3.0% expected to be hit after 2028.

In the most recent release, the Fed increased its projection for GDP growth and lowered the projection for inflation.

Inflation is expected to reach Fed's target of 2% in 2028.

Sources: Federal Reserve, Financial Times

The Fed's 'Dot Plot'

Federal Open Market Committee (FOMC) participants' assessments of appropriate monetary policy

Fed Funds Rate ended the year in a target range of 3.5%–3.75%.

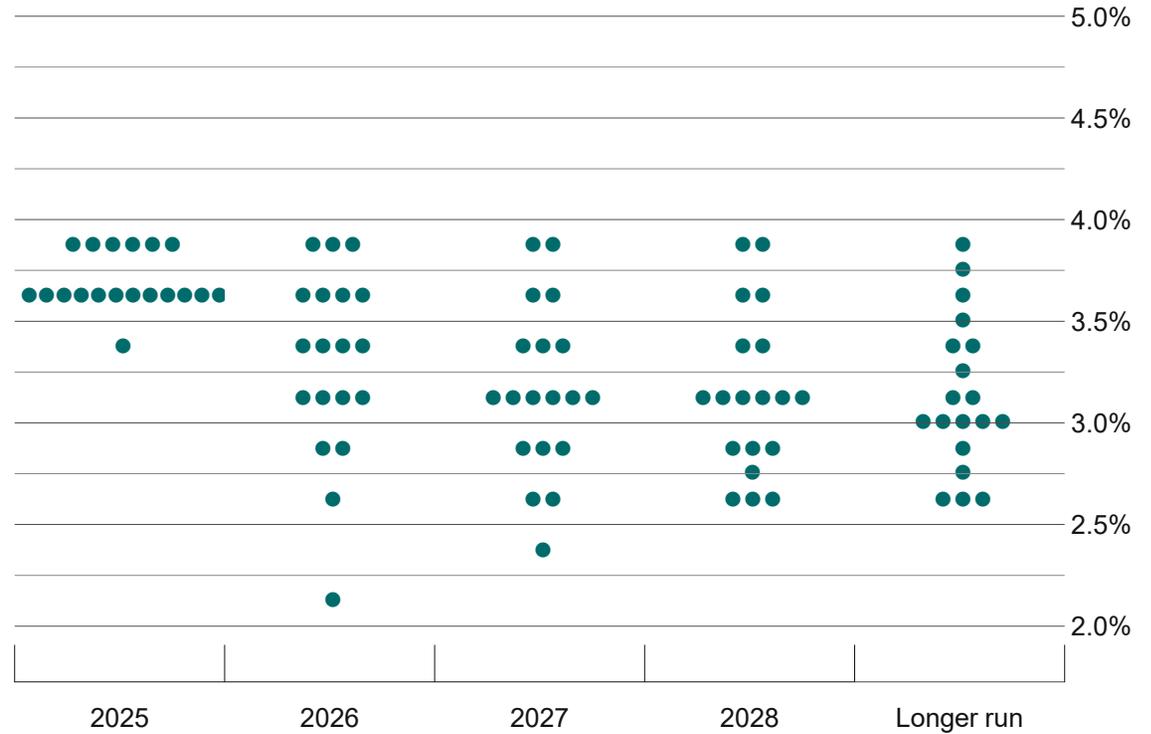
6 of 19 participants thought the rate should stay at 3.75%–4.0%.

1 participant thought the rate should have been lowered to 3.25%–3.5%.

Dispersion of views among all participants widens in 2026 and beyond.

“Longer run” median held at 3.0%

Bias is toward higher rates; lower bound is 2.8% but higher bound is 3.5%.



Source: Federal Reserve; as of 12/10/25

Callan

Fixed Income

2026 Expectations

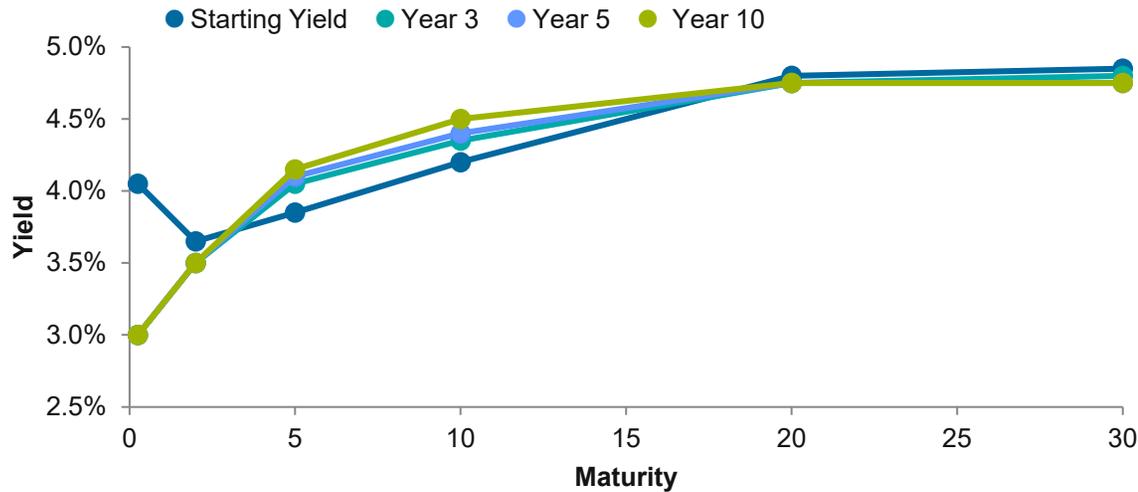
Projected Fixed Income Returns

10-year projections

	Income Return	+ Capital Gain/Loss	+ Credit Default	+ Roll Return	=	2026 Expected Return	2025 Expected Return	Change vs. 2025
Cash	3.00%	0.00%	0.00%	0.00%		3.00%	3.00%	0.00%
1-3 Year Gov/Credit	3.65%	0.00%	-0.05%	0.30%		3.90%	4.00%	-0.10%
1-3 Year Government	3.50%	0.05%	0.00%	0.25%		3.80%	3.80%	
1-3 Year Credit	4.05%	0.00%	-0.15%	0.35%		4.25%	4.30%	
Intermediate Gov/Credit	4.25%	-0.15%	-0.05%	0.55%		4.60%	4.40%	0.20%
Intermediate Gov	4.00%	-0.10%	0.00%	0.50%		4.40%	4.20%	
Intermediate Credit	4.80%	-0.25%	-0.20%	0.60%		4.95%	4.75%	
Aggregate	4.55%	-0.20%	-0.05%	0.45%		4.75%	4.75%	0.00%
Government	4.15%	-0.20%	0.00%	0.45%		4.40%	4.55%	
Securitized	4.45%	0.15%	0.00%	0.45%		5.05%	4.90%	
Credit	5.35%	-0.55%	-0.25%	0.50%		5.05%	4.95%	
Long Duration Gov/Credit	5.40%	-0.30%	-0.15%	0.25%		5.20%	5.20%	0.00%
Long Government	4.70%	0.05%	0.00%	0.25%		5.00%	4.80%	
Long Credit	5.95%	-0.70%	-0.25%	0.25%		5.25%	5.40%	
TIPS	4.20%	-0.15%	0.00%	0.45%		4.50%	4.55%	-0.05%
Global ex-U.S. Fixed	2.85%	-0.10%	-0.10%	0.25%		2.90%	2.85%	0.05%
High Yield	8.05%	-0.60%	-2.05%	0.50%		5.90%	6.00%	-0.10%
Emerging Market Debt	7.25%	-0.85%	-1.85%	0.45%		5.00%	5.35%	-0.35%
Bank Loans	7.95%	-0.25%	-1.70%	0.00%		6.00%	6.10%	-0.10%

Shape of Yield Curve at Different Points in Forecast Horizon

Yield Curve Forecasts



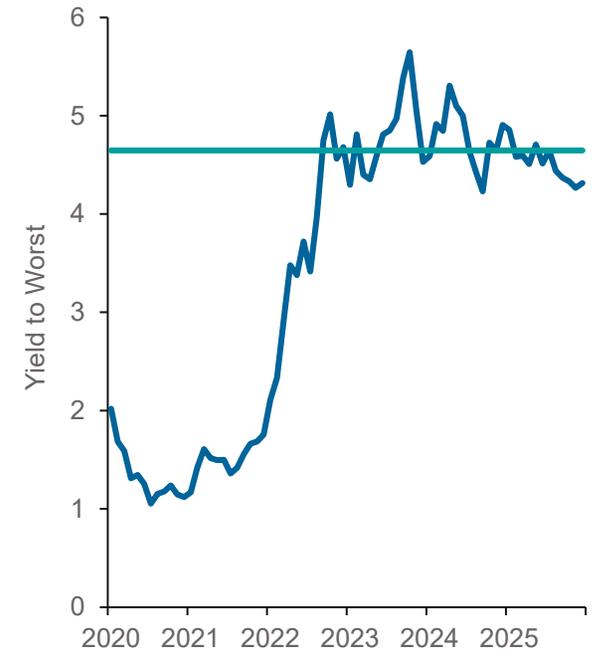
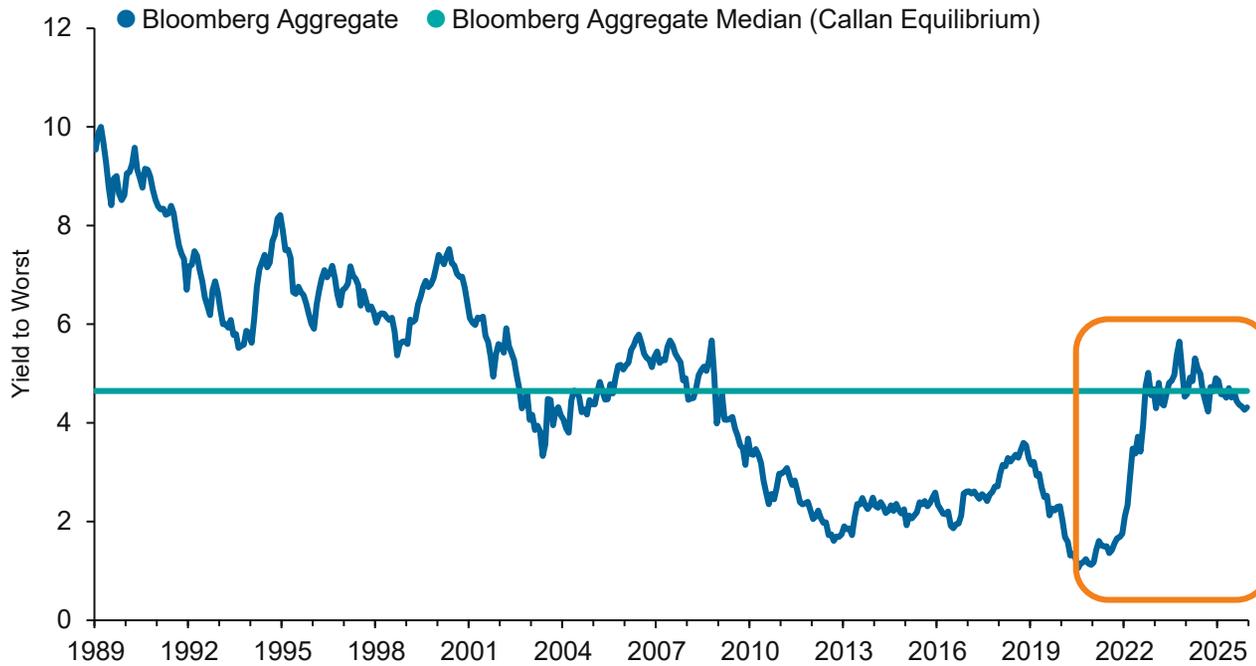
	3 Month	2 Year	5 Year	10 Year	20 Year	30 Year
Starting Yield	4.05	3.65	3.85	4.20	4.80	4.85
Forecast Year 3	3.00	3.50	4.05	4.35	4.75	4.80
Forecast Year 5	3.00	3.50	4.10	4.40	4.75	4.75
Forecast Year 10 (Equilibrium Reached)	3.00	3.50	4.15	4.50	4.75	4.75

Our fixed income projections assume the yield curve returns to an upward-sloping pattern within the next few years.

Short and long rates fall to Callan's equilibrium while intermediate rates rise to equilibrium.

Drowning Out the Noise

Core Fixed Income Historical Yield

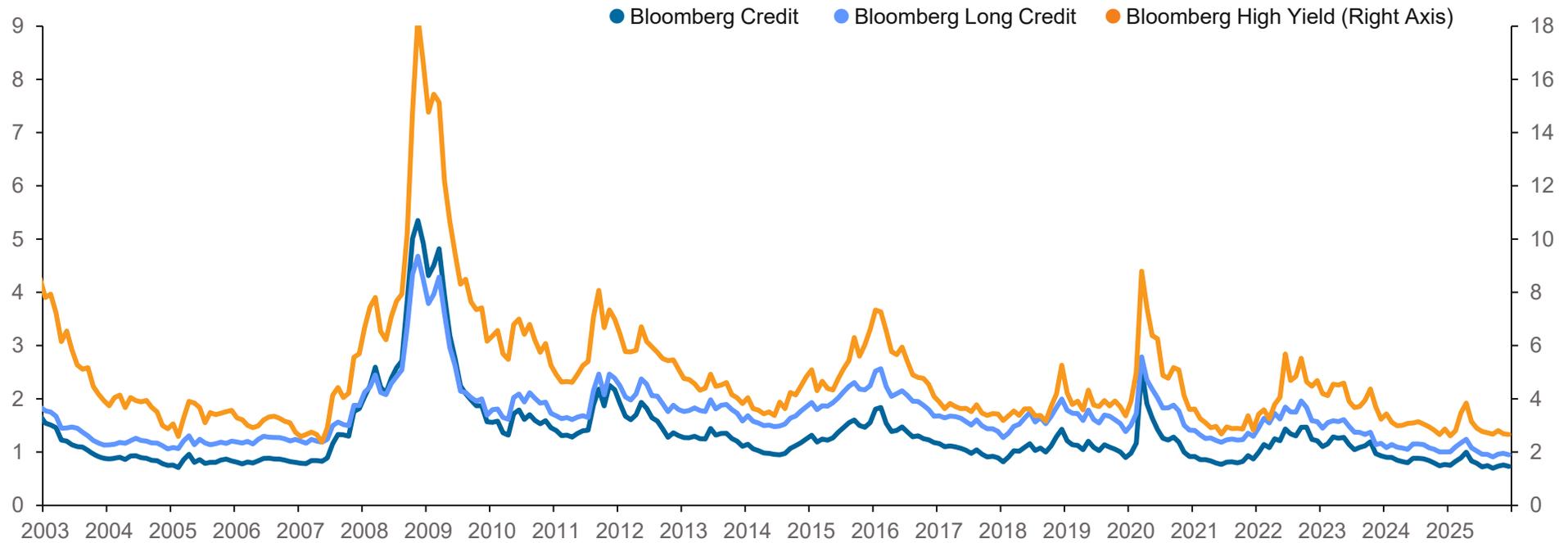


There has been a lot of rate volatility, but rates have been range-bound around our equilibrium.

We have been updating our bond assumptions to drown out the short-term noise and focus more on the longer-term trends.

Spreads Act as a Headwind

Historical Option Adjusted Spreads (OAS)



Spreads are at some of the tightest levels they have been in the last 20+ years as the risk-on mentality in the stock market has carried over into bonds.

We assume spreads will widen to levels consistent with long-term history, which is a headwind to returns.

- This is akin to a valuation adjustment in equities.

Callan

Public Equity

2026 Expectations

Equity Forecasts Overview

Fundamental relationship

$$\text{Equity Return} = \underbrace{\text{Capital Appreciation}}_{\text{Real Earnings Growth + Inflation}} + \underbrace{\text{Income}}_{\text{Dividend Yield + Net Share Buybacks}} + \text{+/- Valuation Adjustment}$$

Building up U.S. equity (S&P 500) returns from long-term fundamentals we arrive at 7.25%.

- Real earnings growth is linked to real GDP growth over long horizons; we forecast U.S. real GDP of 2.50% over the next decade.
- Inflation (CPI-U) is forecasted at 2.50% over the next 10 years.
 - Slightly above the Fed's inflation target of 2%
 - *Realized inflation over the past quarter century is 2.6%*
 - In line with the market-based forecast of breakeven inflation (yield difference between Treasuries and TIPS)
- Income return of 2.50% from dividend yield and share buybacks
- U.S. equity valuation adjustment of -0.25% as current valuations exceed historical norms
- Small premium for global ex-U.S. over U.S. stems from emerging market growth potential.

Equity Forecasts

Building block model

Index	Forecasted Dividend Yield	Net Buyback Yield	Inflation	Real Earnings Growth	Valuation Adjustment	Total Expected Return
Large Cap U.S. Equity	1.50%	1.00%	2.50%	2.50%	-0.25%	7.25%
Smid Cap U.S. Equity	1.25%	0.25%	2.50%	3.45%	0.00%	7.45%
Developed ex-U.S. Equity	3.25%	0.25%	2.00%	1.75%	0.00%	7.25%
Emerging Markets Equity	3.05%	-2.65%	3.25%	3.80%	0.00%	7.45%

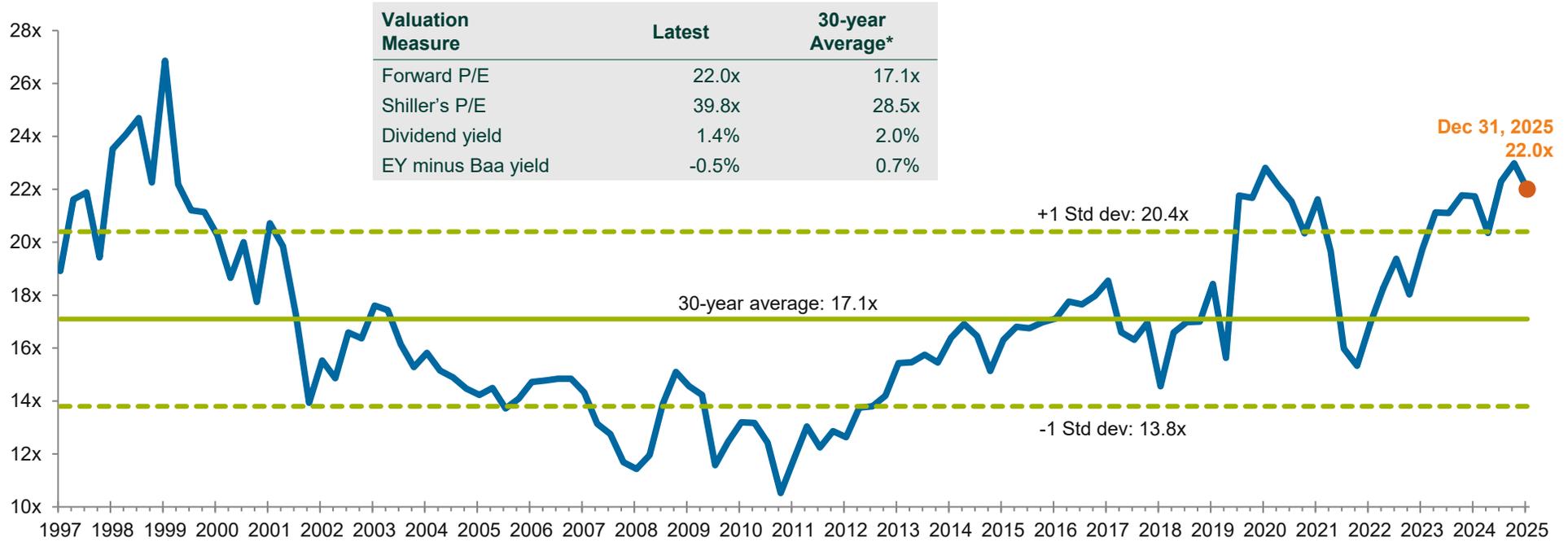
Our return expectations for U.S. large cap (S&P 500) and developed ex-U.S. markets (MSCI World ex-USA) are the same, but the paths to those returns are different.

- U.S. companies tend to deliver more return from earnings growth than from return of capital via dividends or buybacks.
- Developed ex-U.S. companies have the opposite relationship.

Small/mid cap U.S. equity and emerging markets equity maintain a small expected return premium over their large cap and developed markets counterparts.

U.S. Equity Market: Key Metrics

S&P 500 forward P/E ratios



Forward P/E of 22.0 is more than one standard deviation above its long-term average of 17.1.

A host of U.S. valuation measures are elevated for large cap equities.

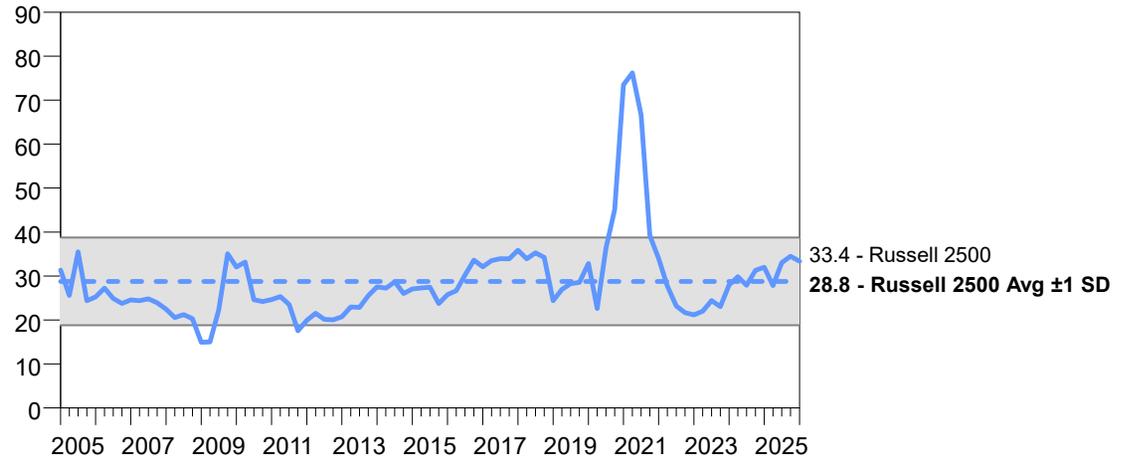
Sources: FactSet, FRB, Refinitiv Datastream, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management Guide to the Markets.

Equity Forecasts

Small/mid cap U.S. equity valuations

In contrast, small/mid cap U.S. equity markets appear less stretched than large cap U.S. equity.

Small/Mid Cap U.S. Equity Price/Earnings Ratio (inc neg)



P/E measure is one year trailing.

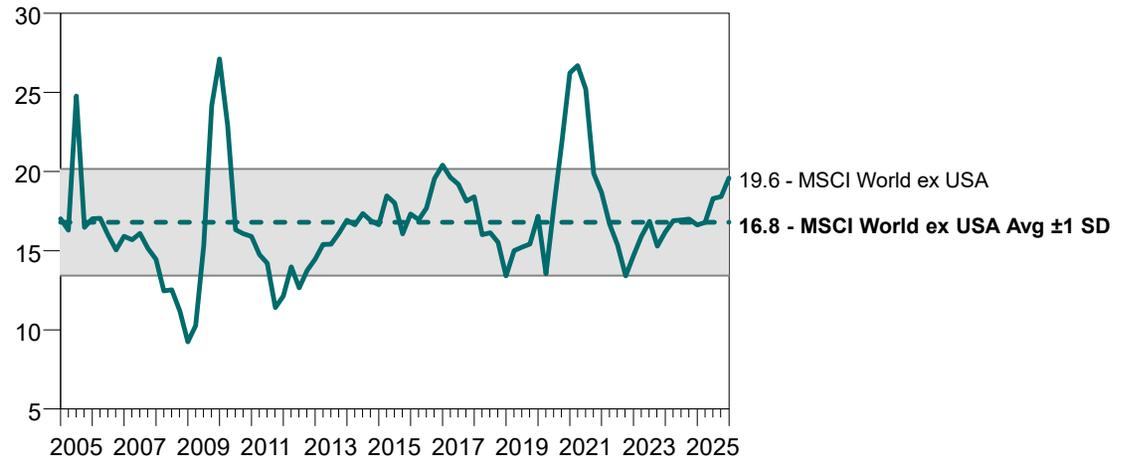
Source: MSCI

Equity Forecasts

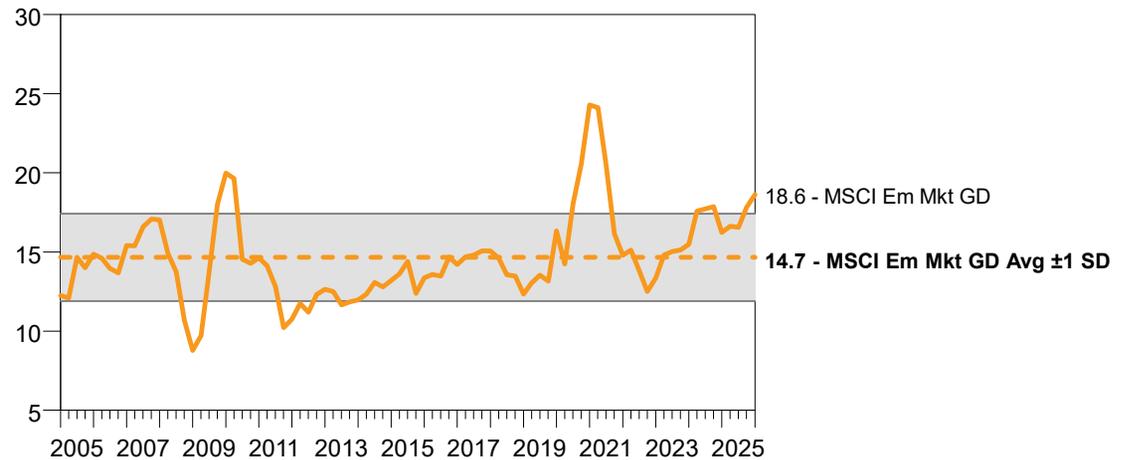
Global ex-U.S. valuations

Similarly, global ex-U.S. equity markets appear less stretched than large cap U.S. equity.

Developed Markets ex-U.S. Price/Earnings Ratio (inc neg)



Emerging Markets Price/Earnings Ratio (inc neg)



P/E measure is one year trailing.

Callan's Equity Risk Premia Forecasts Over Time

S&P 500 forecast minus Bloomberg Aggregate forecast

Forecasted Equity Risk Premium vs. Bonds



Callan's forecasted return spread between the S&P 500 and the Bloomberg Aggregate (2.50%) remains narrow.

Forecasts are annualized over 10 years.

Callan

Private Markets

2026 Expectations

Core Real Estate

Background

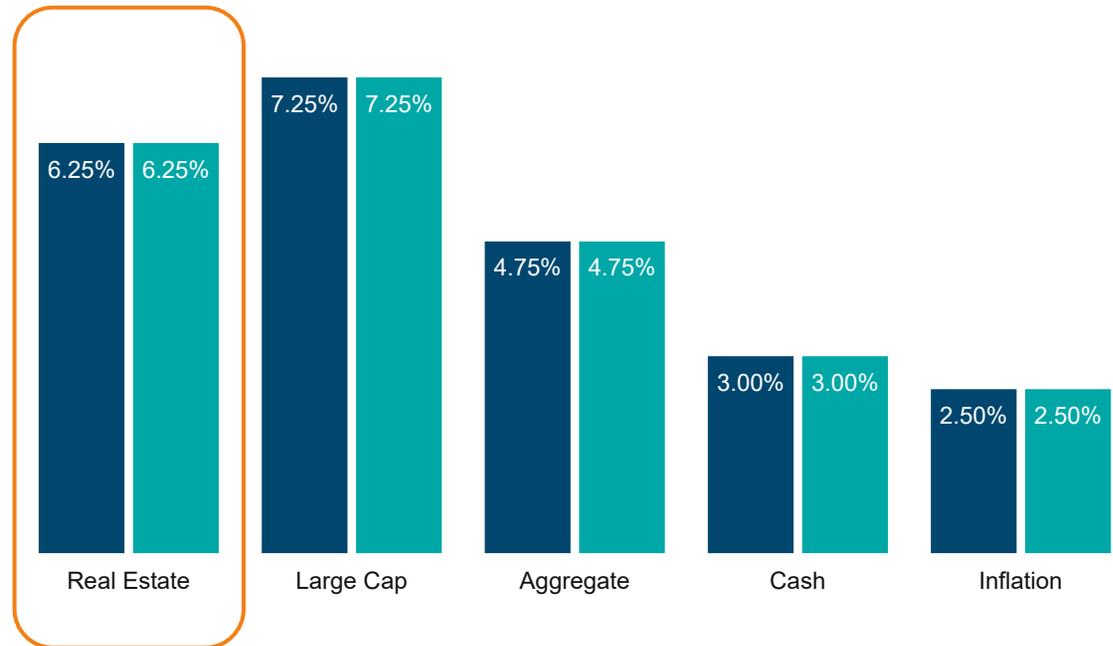
Real estate has characteristics of equity (ownership and appreciation) and bonds (income from rents).

While real estate, especially within offices, could continue to face elevated risks in the short-term, price declines in recent years make more attractive entry points available for long-term investors.

**2026 real estate return projection:
6.25% (unchanged from 2025)**

Return Projections

● 2025 ● 2026



Source: Callan, NCREIF

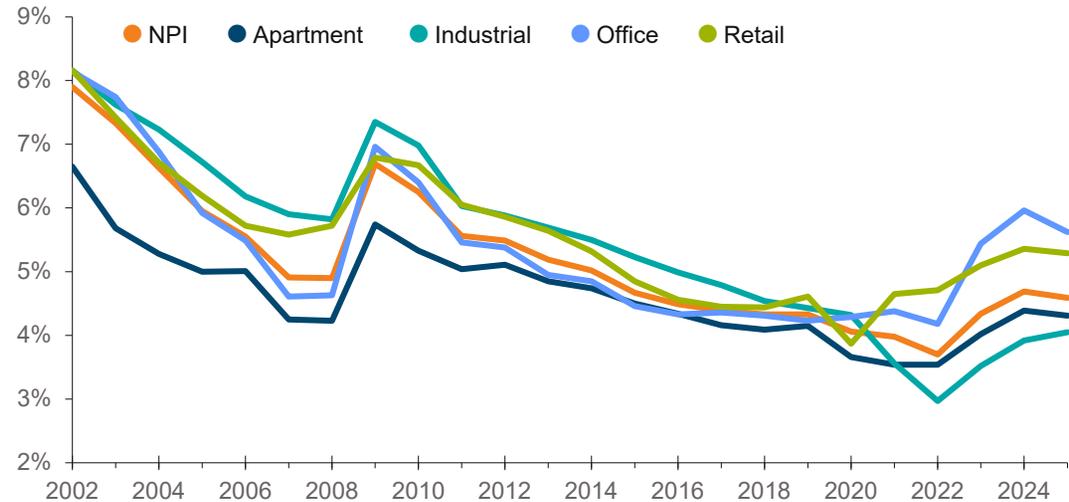
Core Real Estate

6.25% core real estate compound return (net of fees)

Return calculations assume 5.2% cost of leverage and 0.5x debt-to-equity (33% loan-to-value)

Income Return (unlevered property)	4.9%
Appreciation (unlevered property)	1.3%
Total Return (before leverage)	6.2%

Annual Cap Rates (through September 30, 2025)



Callan Return Assumptions (unlevered property returns)

	Office	Retail	Industrial	Apartments	Other	NPI Index
Income	5.6%	5.6%	4.2%	4.6%	6.1%	4.9%
Appreciation	1.1%	0.7%	2.1%	0.9%	1.0%	1.3%
Total Return	6.7%	6.3%	6.3%	5.5%	7.1%	6.2%

Source: NCREIF Property Index (NPI) cap rates correspond to unlevered property valuations

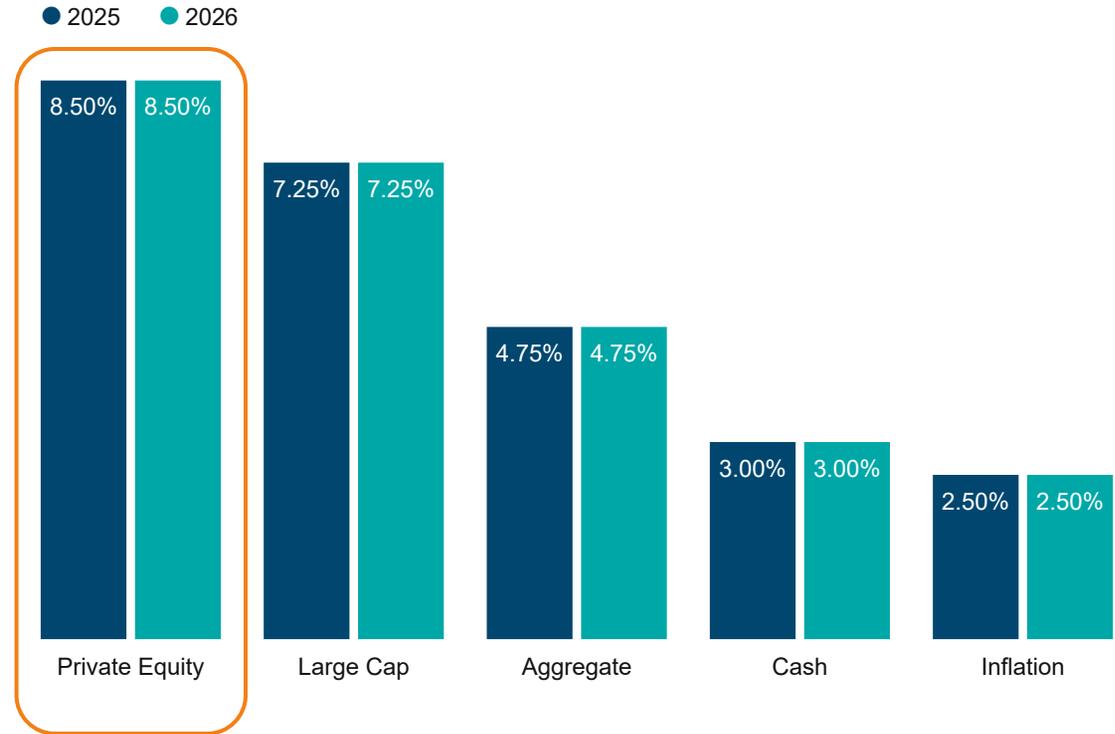
Private Equity

Background

We see tremendous disparity between the best- and worst-performing managers. The ability to select skillful managers could result in realized returns significantly greater than projected here.

**2026 private equity return projection:
8.50% (unchanged from 2025)**

Return Projections



Source: Callan

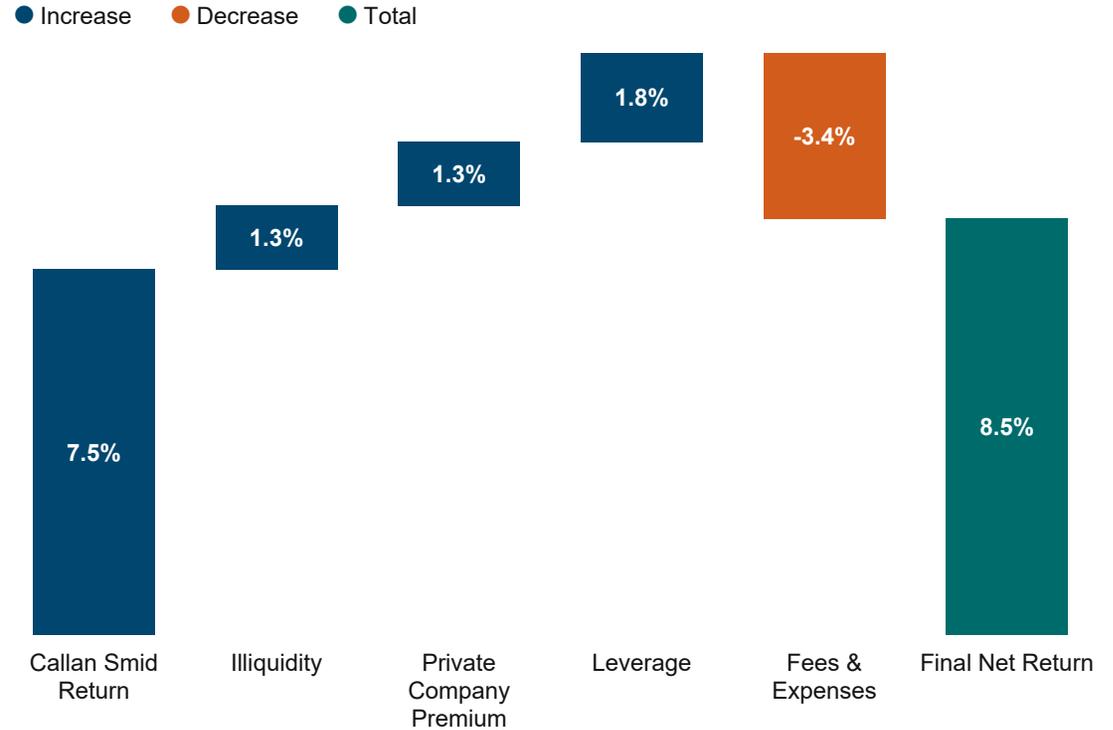
Private Equity

Background

The private equity market is driven by many of the same economic factors as public equity markets but is expected to offer an illiquidity premium.

Public Equity Return (SMID)	7.5%
Pvt. & Illiquidity Prem.	2.6%
Incremental Debt-to-Equity	50%
Levered Gross Return	11.9%
Total Fees & Expenses	3.4%
Net Compound Return	8.50%

Private Equity Return Decomposition



Source: Callan
Return calculation assumes 6.4% cost of leverage

Callan

Appendix

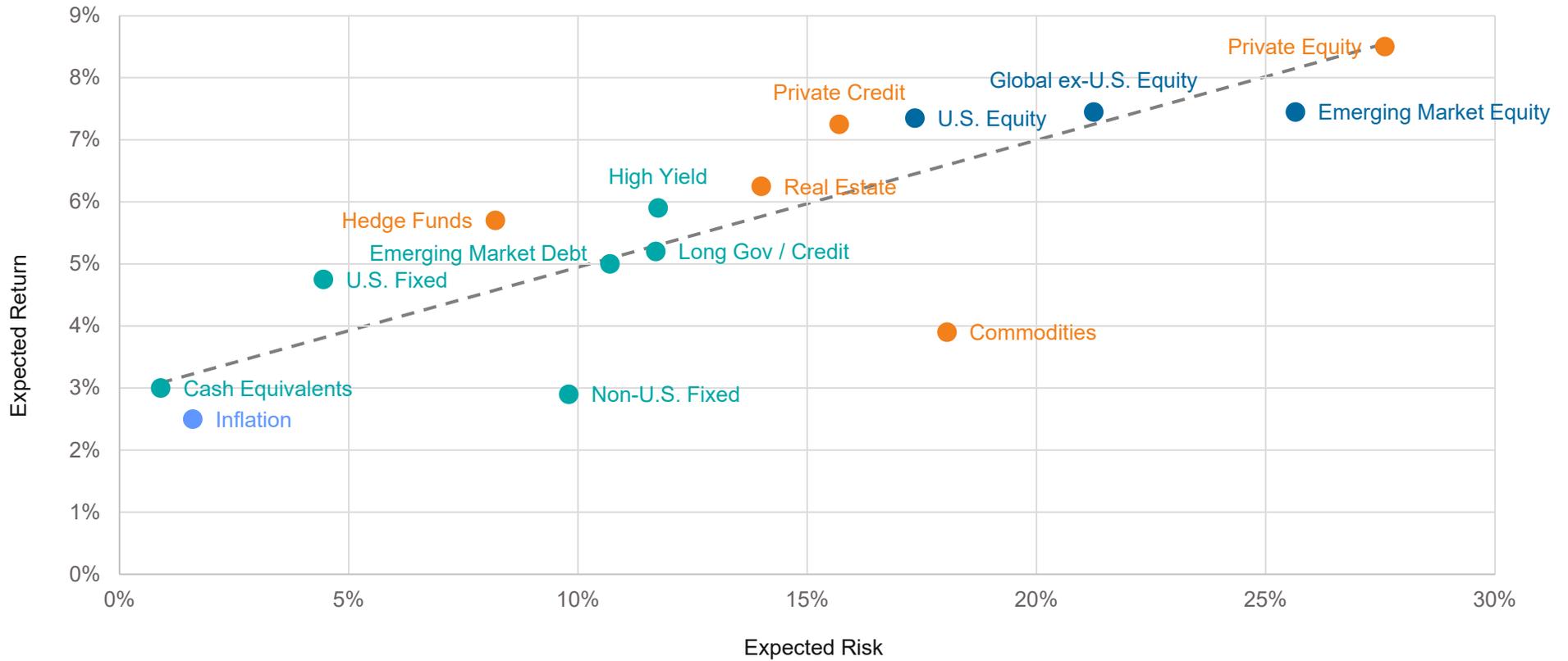
PERSI Strategic Policy

Mapping of Global Equity Allocation to Underlying Asset Classes

Asset Class	Representative Index	Long Term Policy	Strategic Policy	Global Allocation (Using ACWI Weights)	Callan Strategic Policy Equivalent
Global Equities	ACWI		18%		
U.S. Equities	Russell 3000	55%			
Large Cap	S&P 500		13%	9%	22%
Small/Mid Cap	Russell 2500		8%	2%	10%
Non U.S. Equities	ACWI ex U.S.				
Developed	EAFE	15%	6%	5%	11%
Emerging	MSCI Emerging Markets		9%	2%	11%
Real Estate					
Private	NCREIF		4%		8%
Public REITs	NAREIT		4%		
Private Equity	Actual		8%		8%
U.S. Bonds	Bloomberg Aggregate	30%	15%		20%
Aggregate	Bloomberg Aggregate				
Idaho Mortgages	Bloomberg Mortgage		5%		
TIPS	TIPS		10%		10%
Total		100%	100%	18%	100%

Risk Aversion

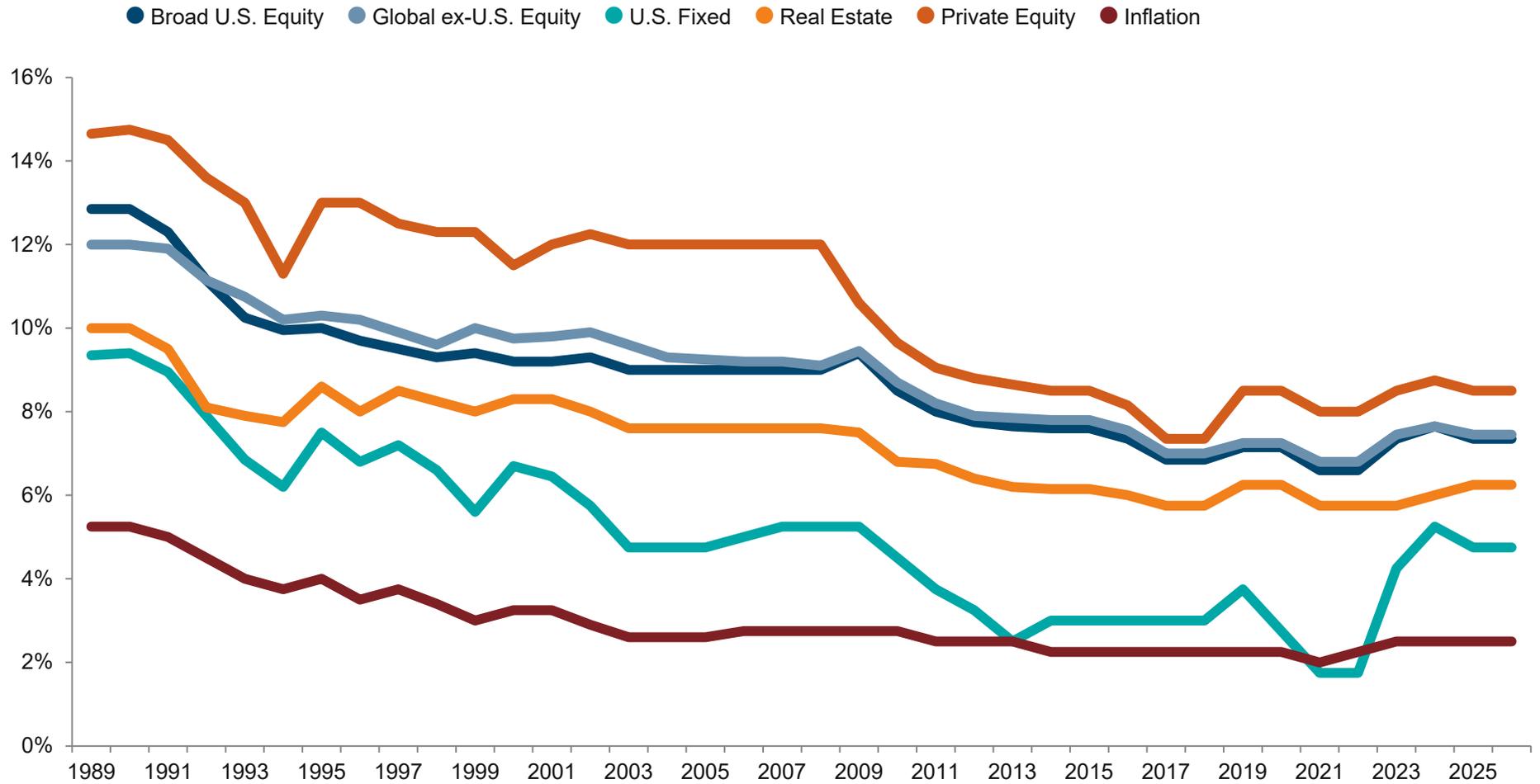
Visualizing Callan's 2026–2035 Capital Market Assumptions



Source: Callan 2026–2035 return-risk capital markets assumptions

Return Projections: Major Asset Classes

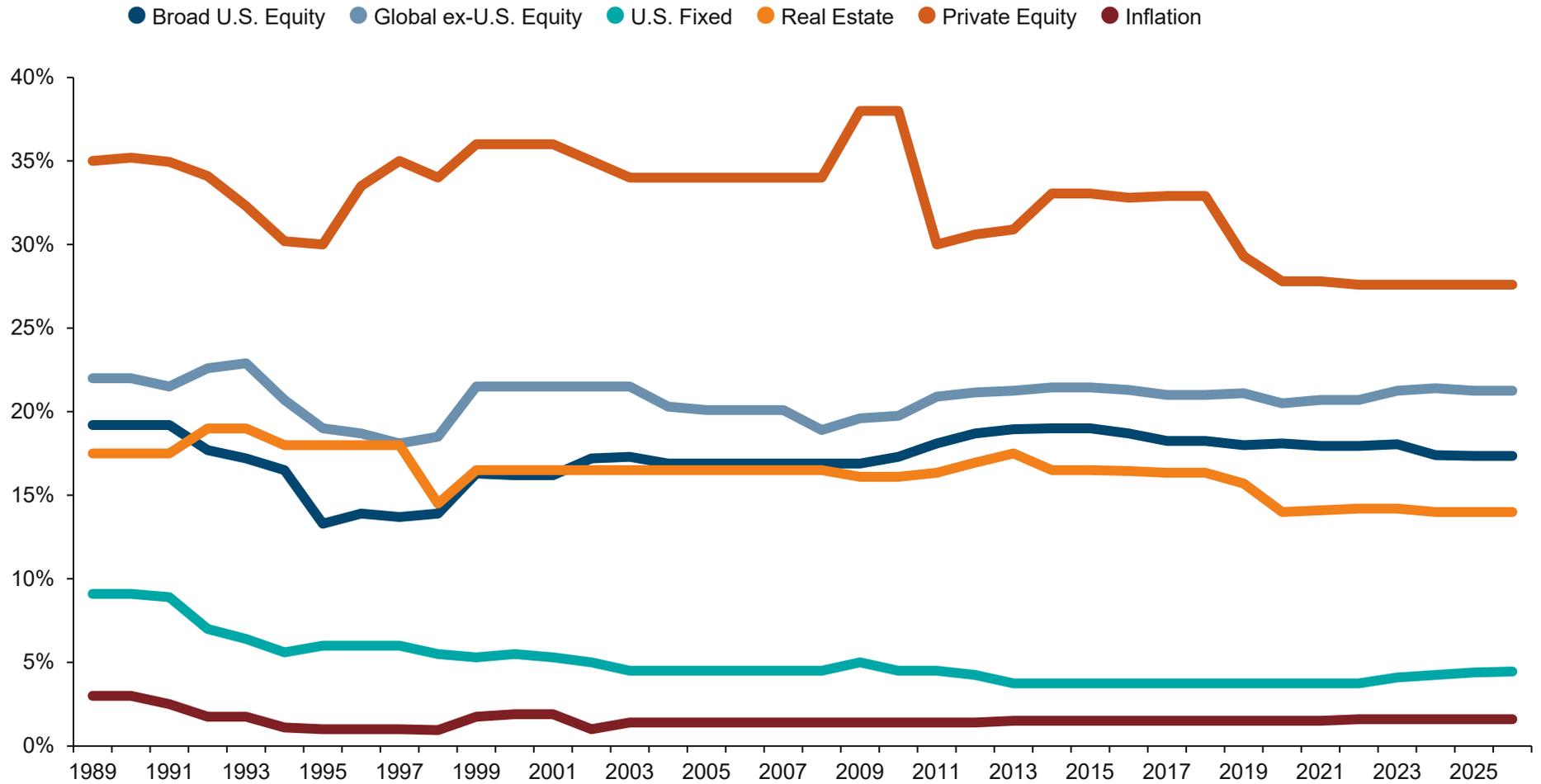
1989–2026



Source: Callan

Risk Projections: Major Asset Classes

1989–2026



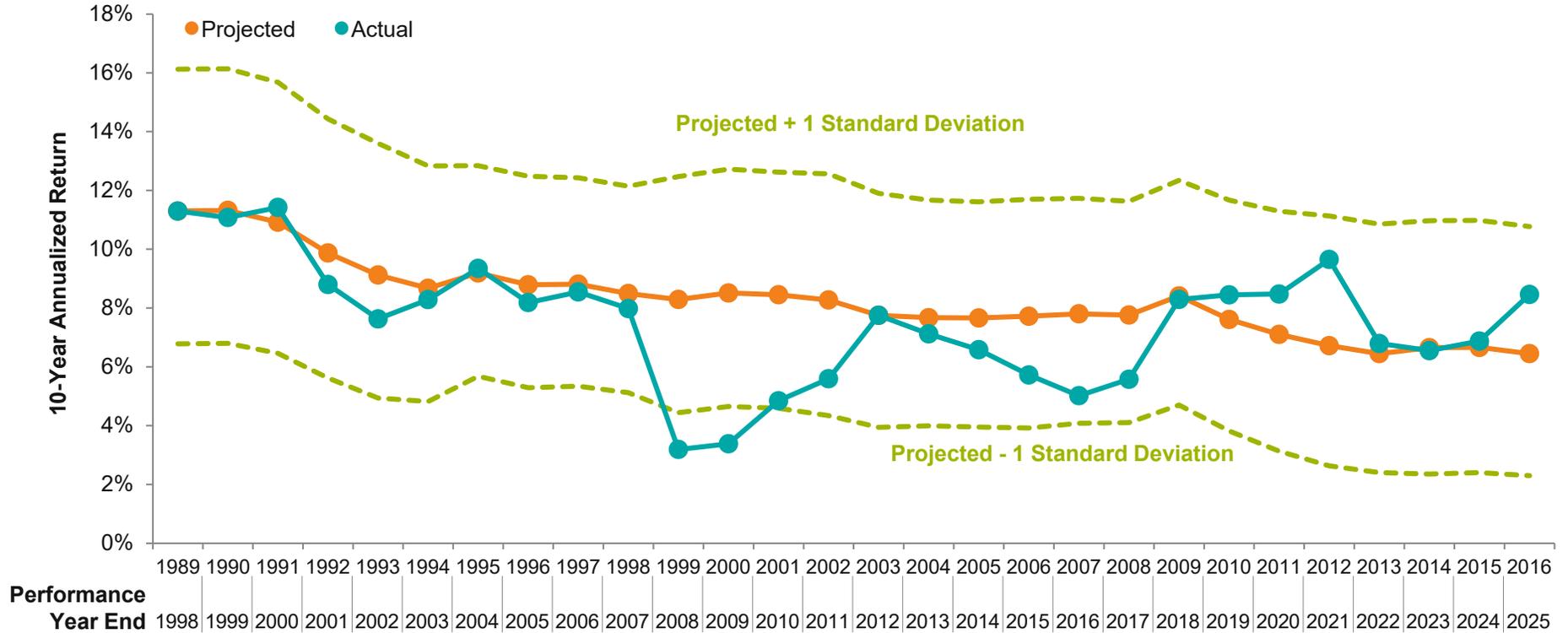
Source: Callan

60% Equity, 30% Fixed, 10% Real Estate

Projection Years 1989–2016

Historical Comparison: Actual Returns vs. Callan Capital Markets Projections

Portfolio (60% Equity, 30% Fixed, 10% Real Estate)



- Our projections are generally within one standard deviation of the actual return experienced
- The exceptions are the 10-year periods ended in 2008 and 2009 which contained not one but two major collapses in the equity market: the Dot-Com Bubble in 2001-02 and the Global Financial Crisis in 2008

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Callan

Corporate Headquarters

One Bush Street
Suite 700
San Francisco, CA 94104

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Callan

February 24, 2026



**Public Employee Retirement
System of Idaho**

Fourth Quarter 2025

Performance Evaluation

Ann O'Bradovich
Senior Vice President

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Agenda

-
- Market Overview and Summary
 - DB Performance
 - DC Performance
 - Sick Leave Plan Performance
 - Callan Updates

Global Equities Continue to Run in 2025

Non-U.S. markets lead U.S. markets by widest margin in last 15 years

Big gains for global stocks

- S&P 500 rose 17.9% in 2025, while U.S. small caps jumped 12.8%. Developed ex-U.S. stocks climbed 31.9% and emerging markets gained 33.6%.

Solid returns for fixed income

- Bloomberg Aggregate rose 7.3% in the year. Long duration gained 6.6% as long rates fell more modestly than intermediate.
- Headline CPI-U rose 2.7% (year-over-year) through December. The core index rose by a similar amount, coming in at 2.6%. The headline and core numbers are down from 2.9% and 3.2%, respectively, at the end of 2024. Though inflation is moderating relative to the mid-2022 peak, it has been holding at levels above the Fed's 2% target for the last few years.

Dislocation in economic growth measures

- The job market stopped expanding after April while GDP growth surged in 2Q and 3Q and is expected to post a gain for all of 2025.
- Consumer spending has surprised on the upside; business spending has paused.

Returns for Periods ended 12/31/25

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	2.40	17.15	22.25	13.15	14.29	8.86
S&P 500	2.66	17.88	23.01	14.42	14.82	8.83
Russell 2000	2.19	12.81	13.73	6.09	9.62	8.21
Global ex-U.S. Equity						
MSCI World ex USA	5.20	31.85	17.64	9.46	8.55	5.54
MSCI Emerging Markets	4.73	33.57	16.40	4.20	8.42	8.49
MSCI ACWI ex USA Small Cap	2.96	29.26	15.61	6.91	8.13	8.19
Fixed Income						
Bloomberg Aggregate	1.10	7.30	4.66	-0.36	2.01	3.77
90-day T-Bill	0.97	4.18	4.81	3.17	2.18	1.84
Bloomberg Long Gov/Credit	-0.02	6.62	3.06	-4.89	1.98	5.00
Bloomberg Global Agg ex-US	-0.47	8.85	3.29	-3.59	0.56	2.96
Real Estate						
NCREIF Property	1.15	4.91	-1.01	3.79	4.85	7.29
FTSE Nareit Equity	-1.56	2.88	8.36	6.63	5.70	8.94
Alternatives						
Cambridge Private Equity*	2.63	9.51	7.21	12.58	13.36	10.45
Cambridge Senior Debt*	1.06	7.78	10.11	8.33	7.95	4.97
HFRI Fund Weighted	2.66	12.41	10.08	7.09	6.61	5.86
Bloomberg Commodity	5.85	15.77	3.96	10.64	5.73	1.62
Gold Spot Price	12.08	64.37	33.46	18.03	15.14	11.69
Inflation: CPI-U	-0.23	2.68	2.97	4.46	3.20	2.52

*Cambridge Private Equity and Cambridge Senior Debt data as of 3Q25.

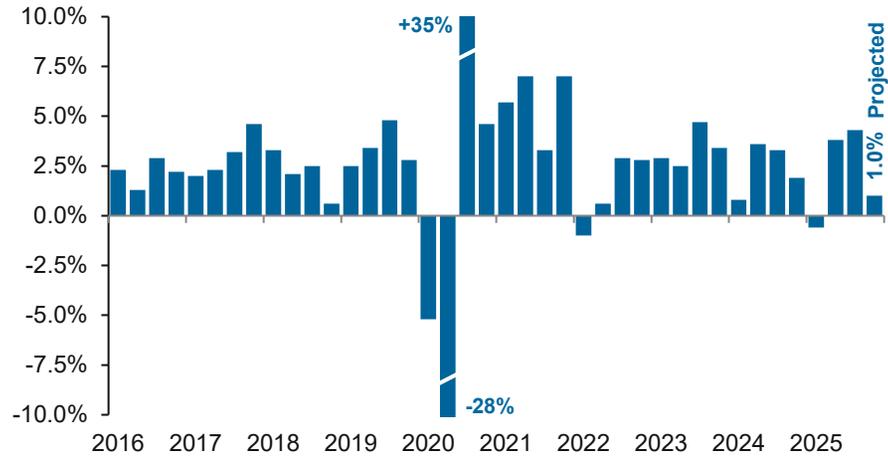
Returns greater than one year are annualized.

Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

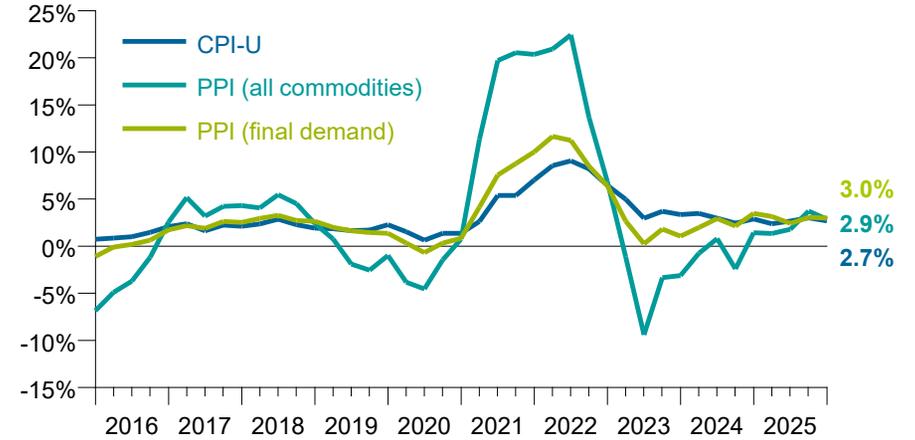
U.S. Economy—Summary

For periods ended 12/31/25

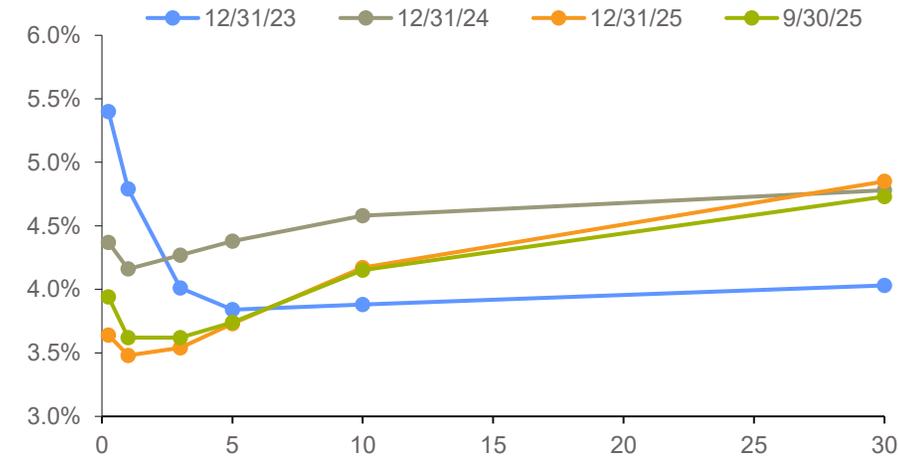
Quarterly Real GDP Growth



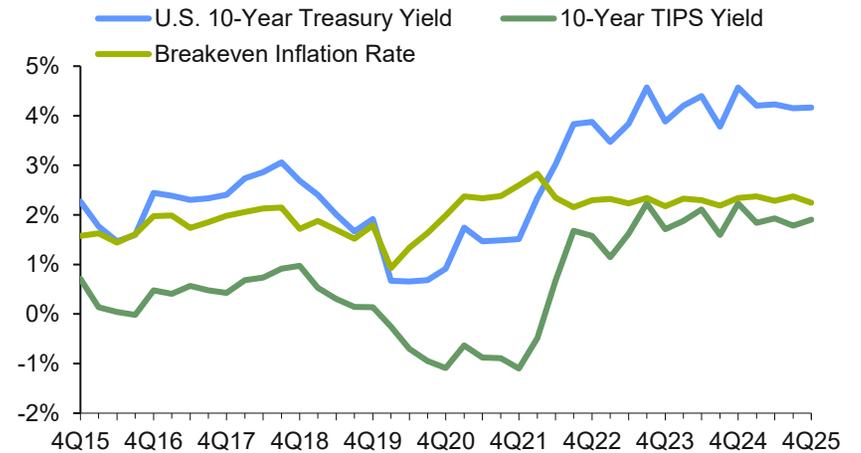
Inflation Year-Over-Year*



U.S. Treasury Yield Curves



Historical 10-Year Yields



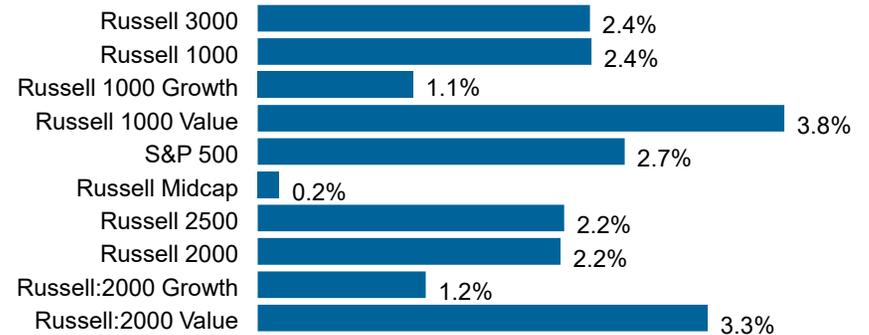
Sources: Bureau of Labor Statistics, Callan, Federal Reserve, Blue Chip consensus for projected GDP; *PPI data for 4Q25 not yet available.

U.S. Equity Performance: 4Q25

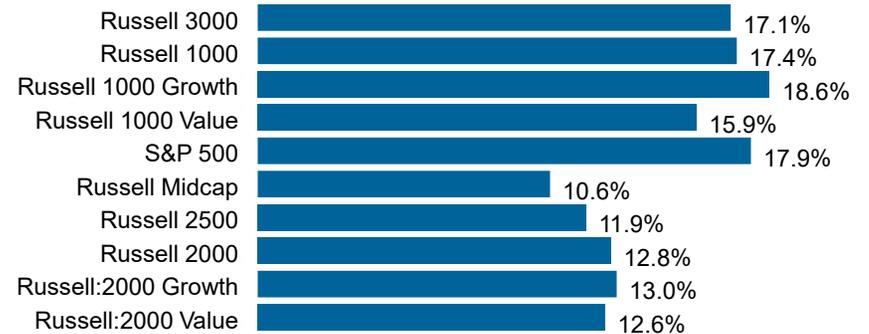
The S&P 500 Index hits all-time highs as investors turn more cautious

- The S&P 500 Index rose 2.7% in 4Q25, supported by a strong earnings season and continued enthusiasm around artificial intelligence.
- All S&P sectors posted gains except Real Estate and Utilities. Health Care (+11.7%) and Communication Services (+7.3%) were the top-performing sectors. Notably, the Technology sector underperformed the broad market amid rising concerns about the durability/trajjectory of growth from some of the mega-cap stocks.
- Large cap indices outperformed small cap indices slightly. Value outperformed growth across the market-cap spectrum for the quarter.

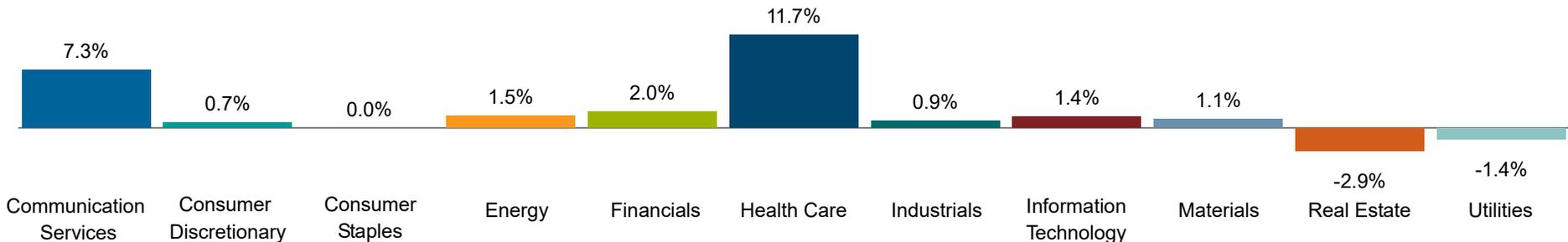
U.S. Equity: Quarter Ended 12/31/25



U.S. Equity: One Year Ended 12/31/25



Industry Sector Quarterly Performance (S&P 500) as of 12/31/25



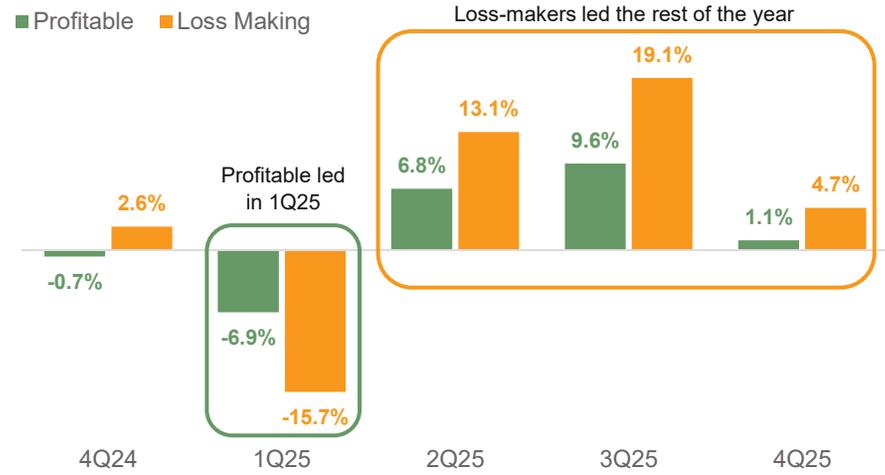
Sources: FTSE Russell, S&P Dow Jones Indices

Quality Factor Headwinds Persist, Particularly With Small Cap Managers

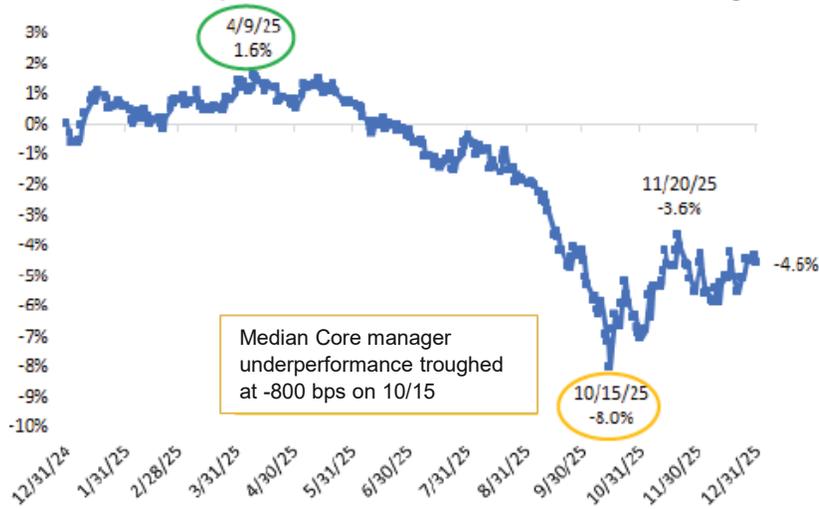
Low-quality stocks, including non-earners, outperformed high-quality equities

- Lower-quality stocks including unprofitable companies—those with low return on equity, high short interest, and negative free cash flow—outperformed in 2025.
- Most small-cap active managers were underweight non-earners, resulting in significant relative underperformance.
- Biopharma accounted for nearly one-third of the Russell 2000's annual return. Many managers held little to no exposure due to reluctance to invest in binary outcomes or a lack of in-house biopharma expertise.

Russell 2000 Index Profitable vs. Loss-Making Companies



Median Small Cap Core Fund Relative Performance During 2025



Average Non-Earner Exposure Among Small Cap Managers



Sources: Furey Research Partners, Morningstar, FactSet, PanAgora

Global/Global ex-U.S. Equity Performance: 4Q25

Best annual return for EAFE since 2009

Broad market

- Global ex-U.S. equities outpaced the U.S. in 4Q25 and for the full calendar year as well.
- MSCI EAFE index delivered its best annual return since 2009.
- The U.K. was the strongest region for the quarter, assisted by a second rate cut in December and a heavy weighting in mining and resource companies that benefit from a continued metals rally.
- In 4Q25, global ex-U.S. small caps trailed large caps, but were assisted by Canadian small caps and their large weight in mining companies.
- China reversed course following a strong 3Q. Investors were disappointed by below-expectation government stimulus, property-sector issues, and deflation fears.

Growth vs. value

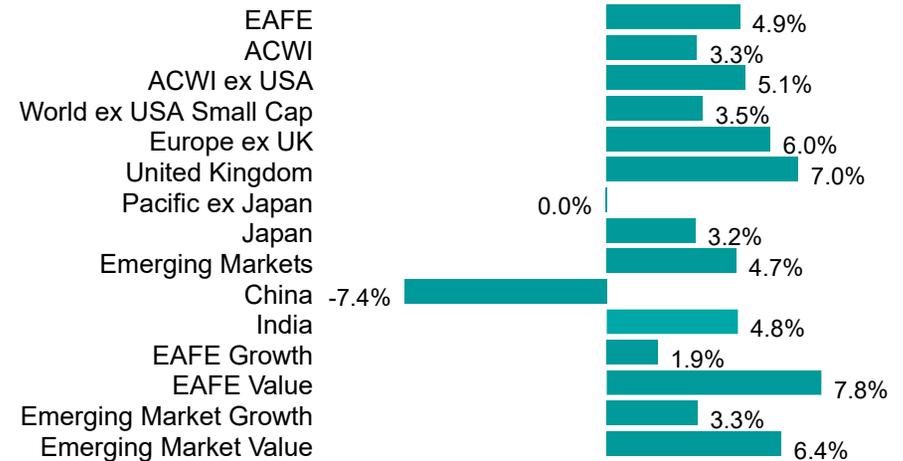
- EAFE Value's 2025 returns were its highest since 2003 and beat the EAFE Growth by the most since the index's inception.

U.S. dollar

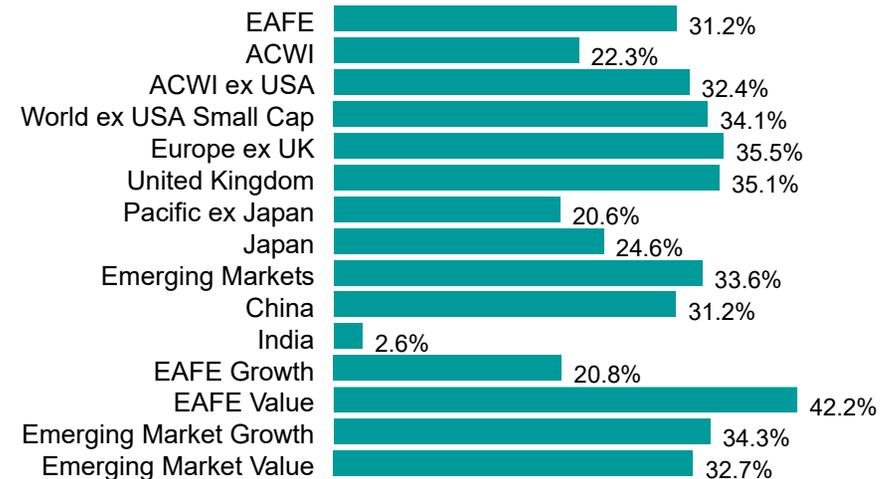
- The U.S. dollar stabilized in 4Q following a sharp decline in the first half of the year (-10%). For the full year, the dollar provided a substantial boost, accounting for around 11.5% of the EAFE Index's 31.2% gains, though its impact in the second half was negligible.

Source: MSCI

Global Equity Returns: Quarter Ended 12/31/25



Global Equity Returns: One Year Ended 12/31/25



U.S. Fixed Income Performance: 4Q25

The Fed cut rates again; Aggregate finishes the year strong

Macro environment: Hawkish policy expected

- The Fed cut rates at the December meeting, with long-end rates moving higher for the quarter.
- Sentiment around monetary policy changed toward the end of the year, with markets anticipating more hawkish policy early in 2026.
- The yield curve steepened modestly, with the 2s/10s spread ending at 70 bps, up from 56 bps at the end of 3Q.

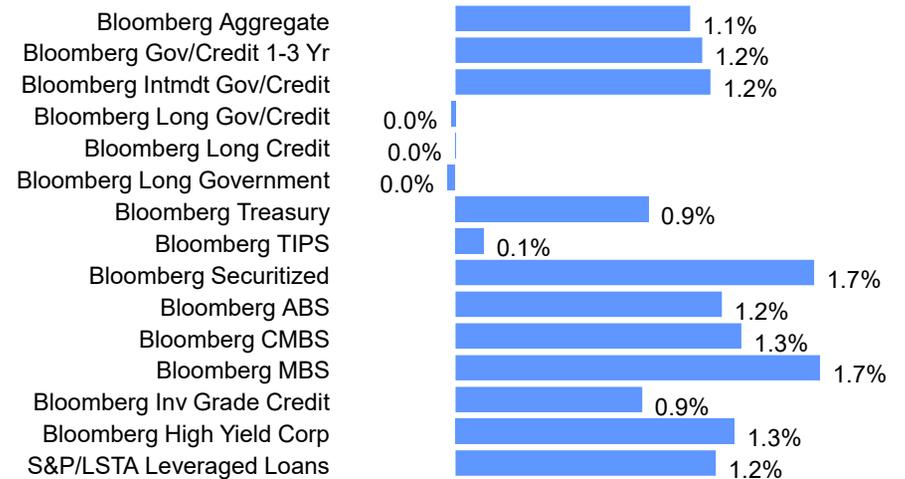
Performance and drivers: Falling short-term Treasury yields

- The Bloomberg US Aggregate Bond Index gained over 1%, supported by declining short-term Treasury yields.
- IG corporate returns matched Treasuries due to rate cuts and steady spreads in corporate markets.

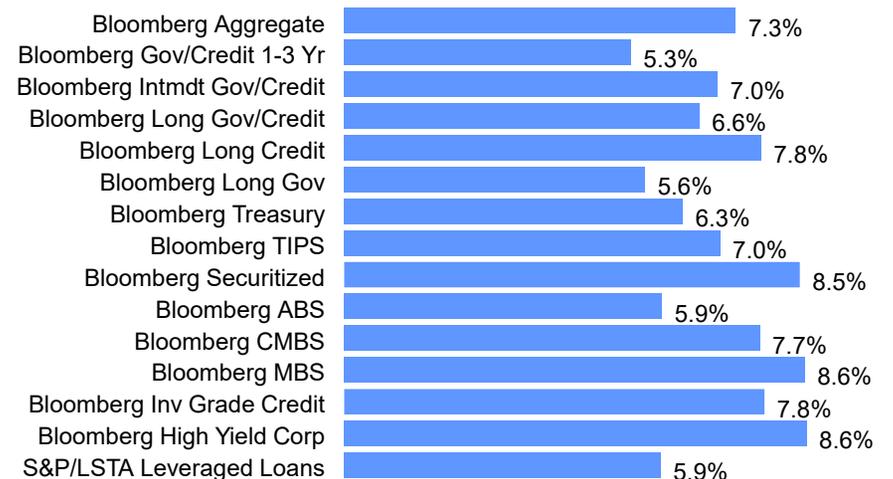
Valuations: Yields will drive returns

- Corporate credit spreads stayed relatively consistent versus 3Q but remain at tight levels, with value being in question.
- Overall, yield itself should be the primary driver of fixed income returns moving forward as yield curves have steepened, and the bulk of spread tightening appears to be behind us.

U.S. Fixed Income Returns: Quarter Ended 12/31/25

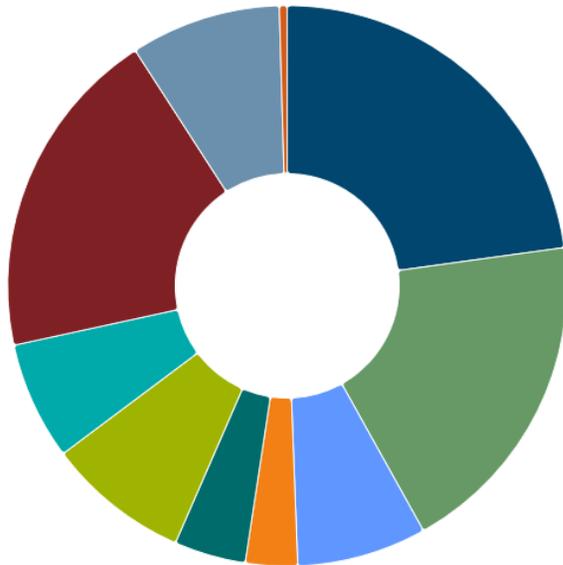


U.S. Fixed Income Returns: One Year Ended 12/31/25



Sources: Bloomberg, Callan, SIFMA Research, S&P Dow Jones Indices, U.S. Treasury

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



Asset Class	Assets	Actual Weight	Target
■ US Public Equity	\$6,275,939,245	22.82%	21.00%
■ Global Equity	\$5,247,273,200	19.08%	18.00%
■ Private Equity	\$2,063,811,246	7.50%	8.00%
■ REIT Equity	\$826,090,251	3.00%	4.00%
■ Private Real Estate	\$1,136,475,163	4.13%	4.00%
■ Emerging Markets Equity	\$2,269,498,219	8.25%	9.00%
■ Developed Markets Equity	\$1,871,566,127	6.81%	6.00%
■ US Fixed Income	\$5,294,551,968	19.25%	20.00%
■ US TIPS	\$2,391,137,532	8.69%	10.00%
■ Short Term Cash	\$124,575,674	0.45%	-
Total Fund	\$27,500,918,625	100.00%	

- Target asset allocation reflects strategic policy decisions to invest in Private Equity, Real Estate, Global Equity, and US TIPS relative to the Long-Term Target of 55% US Equity, 15% Non-US Equity, and 30% Bonds.
- The Fund was overweight to US Public Equity, Developed Markets Equity, and Global Equity, and underweight to Emerging Markets Equity, US Fixed Income, US TIPS, REITs, and Private Equity relative to the Strategic Policy Target. Actual weights are within acceptable ranges
- Relative to the median public plan, PERSI has a strategic underweight to US Equity and overweight to Emerging Markets and TIPS.

Asset Class	Current	Target	Ranges
Equities	72%	70%	66% - 77%
Broad Domestic Equity	57%	55%	50% - 65%
International Developed Equity	15%	15%	10% - 20%
Fixed Income	28%	30%	23% - 33%
Cash	0%	0%	0% - 5%

PERSI DB Asset Distribution as of December 31, 2025

Total Fund ended the 4th quarter 2025 with \$27.5 B, a net increase of \$0.5 B

- Net withdrawals: - \$0.108 B
- Investment growth: + \$0.656 B

Portfolio	Ending Assets Dec 31, 2025	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Sep 30, 2025	Weight
US Public Equity	\$6,275,939,245	22.82%	-\$215,000,000	\$169,384,871	\$6,321,554,373	23.45%
Global Equity	\$5,247,273,200	19.08%	\$0	\$208,221,765	\$5,039,051,435	18.70%
Private Equity	\$2,063,811,246	7.50%	\$6,321,143	\$34,284,478	\$2,023,205,625	7.51%
Real Assets	\$1,962,565,414	7.14%	\$40,034,816	\$13,647,923	\$1,908,882,674	7.08%
Emerging Markets Equity	\$2,269,498,219	8.25%	\$1	\$67,160,050	\$2,202,338,169	8.17%
Developed Markets Equity	\$1,871,566,127	6.81%	\$0	\$96,367,098	\$1,775,199,029	6.59%
Total Fixed	\$7,685,689,500	27.95%	-\$5	\$65,446,307	\$7,620,243,199	28.27%
Short Term Cash	\$124,575,674	0.45%	\$60,350,732	\$1,242,246	\$62,982,697	0.23%
Total Fund	\$27,500,918,625	100.00%	-\$108,297,219	\$655,758,643	\$26,953,457,201	100.00%

PERSI DB: 4th Quarter 2025 Performance Summary*

4Q 2025: PERSI Total Fund earned a return of 2.43%, outperforming the Policy return

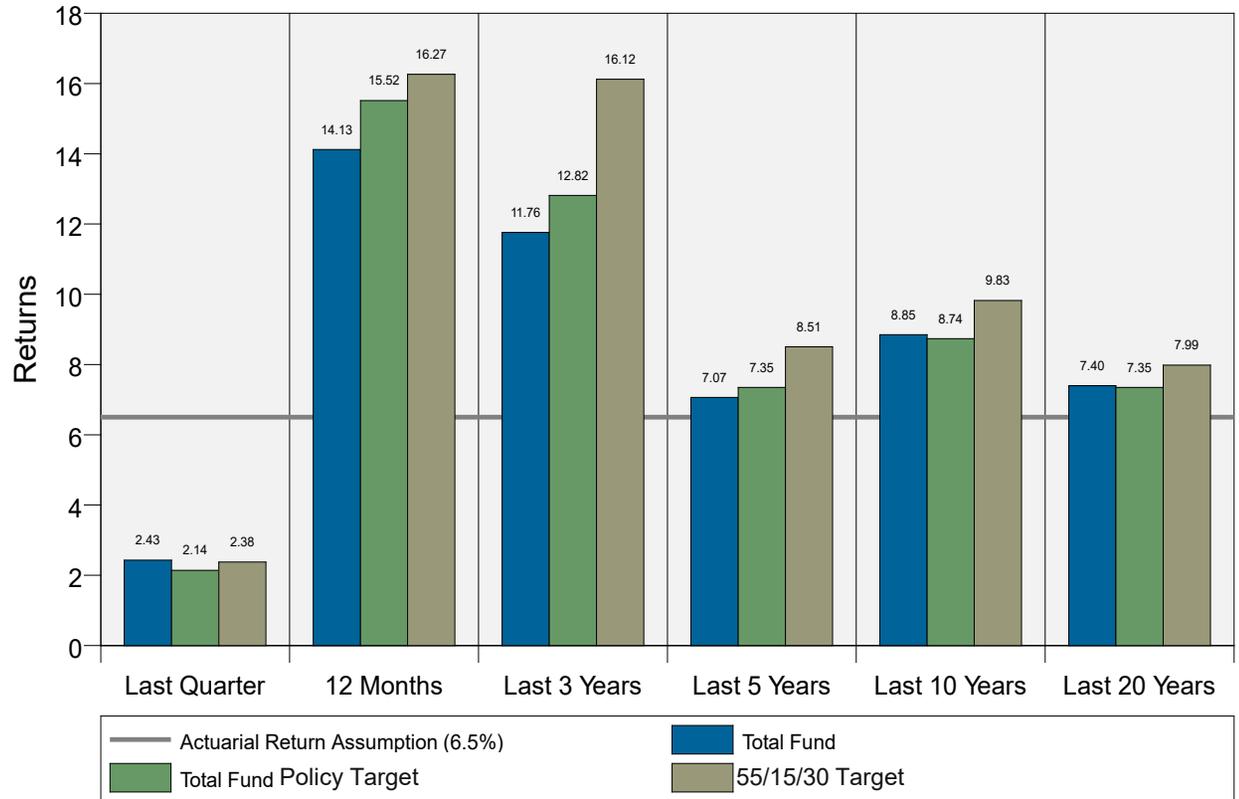
- In aggregate the managers outperformed their benchmarks by 22 bps.
- Variations from policy added 7 bps.

Three years: The Total Fund returned 11.76%, trailing the Policy return of 12.82%.

Five years: The Total Fund gained 7.07% vis-à-vis the Policy return of 7.35%

Last 20 years: Total Fund has earned an average annual return of 7.40%

Total Fund Returns
Periods Ending December 31, 2025

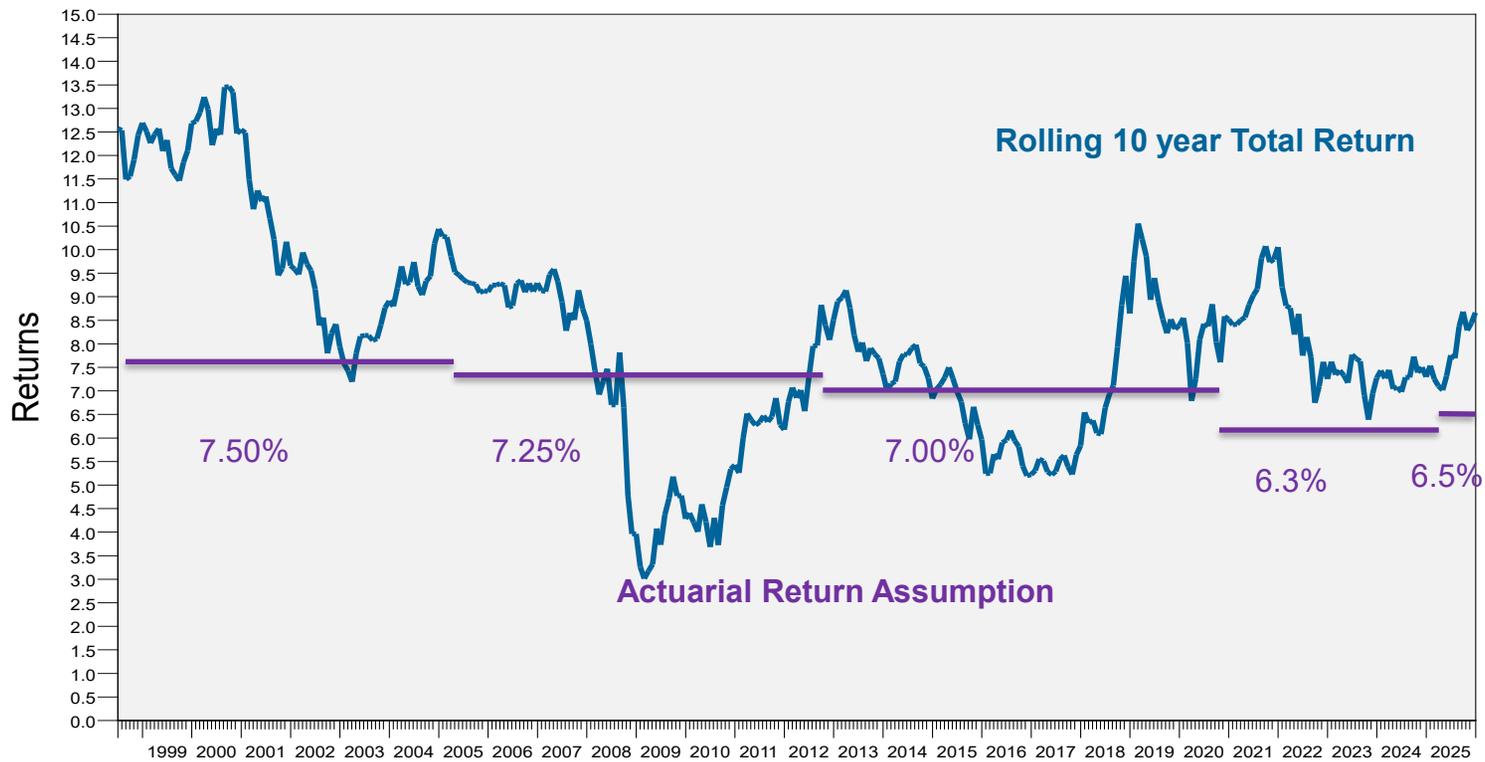


* Total Fund Returns are Gross of Fees

PERSI DB: Historical Actual Returns and Actuarial Return Assumptions

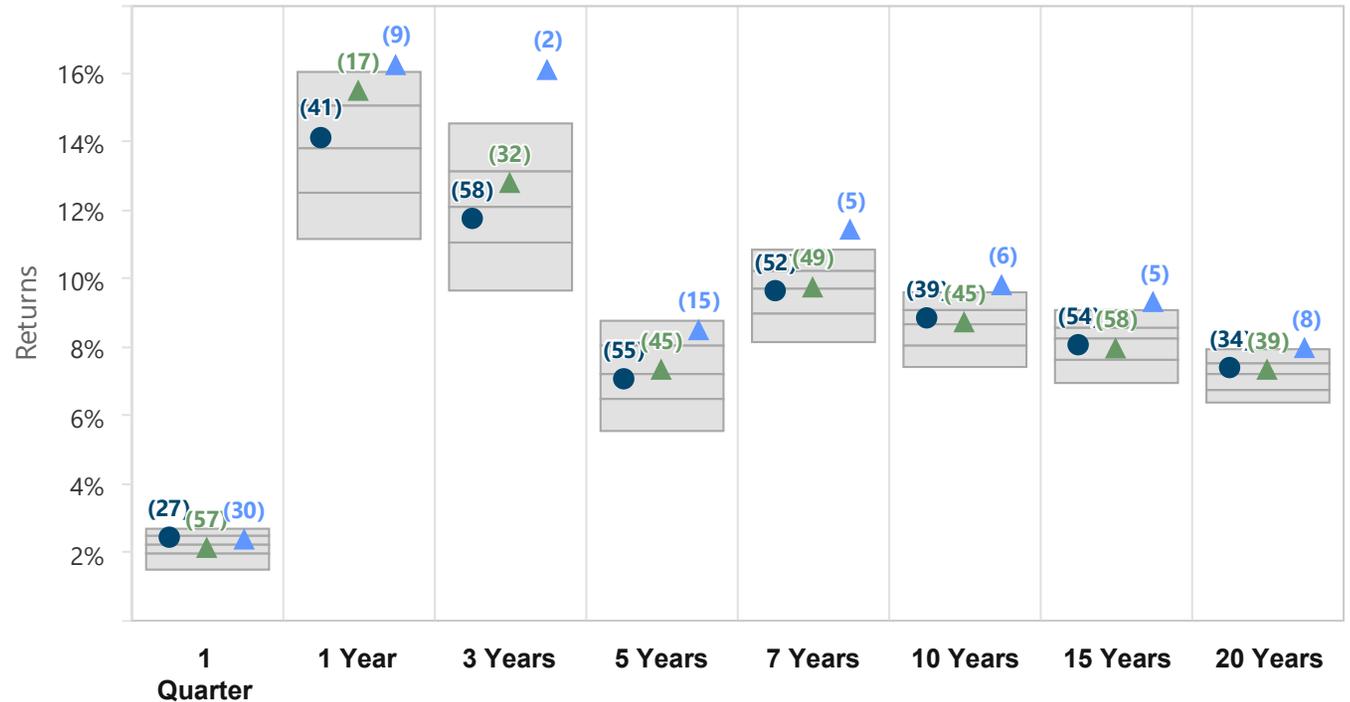
10 year rolling time periods

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



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

Performance vs Callan Public Fund Spr DB



* Total Fund Returns are Gross of Fees

(1) Total Fund Policy Target is comprised of 21% Russell 3000, 18% MSCI AC World Net Index, 8% Private Equity Return, 4% NAREIT All Equity Index, 4% NFI-ODCE Equal Wt Net Index, 15% MSCI ACWI ex US Net Index, 20% Blmbg Aggregate Index, and 10% Blmbg US TIPS Index.

(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 December 31, 2025

Relative Attribution Effects for Quarter ended December 31, 2025

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
US Public Equity	23%	21%	2.71%	2.40%	0.07%	0.01%	0.07%
Developed Markets Equity	7%	6%	5.43%	4.86%	0.04%	0.02%	0.05%
Emerging Markets Equity	8%	9%	3.05%	4.73%	(0.14%)	(0.03%)	(0.17%)
Global Equity	19%	18%	4.13%	3.29%	0.16%	0.01%	0.17%
US TIPS	9%	10%	0.08%	0.13%	(0.00%)	0.02%	0.02%
US Fixed Income	19%	20%	1.22%	1.10%	0.02%	0.01%	0.03%
REIT Equity	3%	4%	(0.87%)	(2.15%)	0.04%	0.04%	0.08%
Private Real Estate	4%	4%	1.95%	0.77%	0.05%	(0.00%)	0.05%
Private Equity	8%	8%	1.69%	1.69%	0.00%	0.00%	0.00%
Short Term Cash	0%	0%	1.14%	1.14%	0.00%	(0.00%)	(0.00%)
Total			2.43%	2.14%	+ 0.22%	+ 0.07%	0.29%

+ Total Fund outperformed the Policy Target by 29 basis points during the past quarter.

+ Manager Performance: + 22 bps

+ US Equity, Developed markets equity, Global Equity, REITS, and Private Real Estate outperformed

- Emerging Markets Equity underperformed

+ Allocation Impacts: + 7 bps

+ Underweight REITs

- Underweight Emerging Markets Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

1 Year ended December 31, 2025

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
US Public Equity	23%	21%	15.10%	17.15%	(0.49%)	0.02%	(0.48%)
Developed Markets Equity	7%	6%	28.27%	31.22%	(0.17%)	0.10%	(0.07%)
Emerging Markets Equity	8%	9%	24.73%	33.57%	(0.62%)	(0.20%)	(0.82%)
Global Equity	18%	18%	19.92%	22.34%	(0.43%)	0.02%	(0.42%)
US TIPS	9%	10%	6.90%	7.01%	(0.01%)	0.08%	0.07%
US Fixed Income	20%	20%	7.93%	7.30%	0.14%	(0.00%)	0.13%
REIT Equity	3%	4%	3.13%	2.27%	0.02%	0.15%	0.17%
Private Real Estate	4%	4%	4.83%	2.93%	0.09%	(0.03%)	0.06%
Private Equity	8%	8%	9.94%	9.94%	0.00%	0.00%	0.00%
Short Term Cash	0%	0%	4.81%	4.81%	0.00%	(0.03%)	(0.03%)
Total			14.13%	= 15.51%	+ (1.49%)	+ 0.10%	(1.39%)

- Total Fund underperformed the Policy Target by 139 basis points during the past year.
- Manager Performance: - 149 bps
 - + US Fixed Income and Private Real Estate outperformed
 - US Equity, Developed Markets Equity, Emerging Markets Equity, and Global Equity underperformed
- + Allocation Impacts: + 10 bps
 - + Overweight Developed Markets Equity
 - + Underweight TIPS and REITS
 - Underweight Emerging Markets Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

5 Years ended December 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%	12.36%	13.15%	(0.21%)	(0.03%)	(0.23%)
Developed Markets Equity	6%	6%	9.17%	8.92%	0.01%	0.00%	0.02%
Emerging Markets Equity	8%	9%	3.11%	4.20%	(0.08%)	(0.03%)	(0.11%)
Global Equity	19%	18%	10.77%	11.19%	(0.09%)	0.04%	(0.04%)
US TIPS	10%	10%	0.90%	1.12%	(0.02%)	0.04%	0.02%
US Fixed Income	19%	20%	(0.08%)	(0.36%)	0.06%	0.06%	0.12%
REIT Equity	4%	4%	7.12%	4.85%	0.09%	(0.00%)	0.08%
Private Real Estate	5%	4%	5.41%	2.67%	0.18%	(0.09%)	0.09%
Private Equity	7%	8%	14.39%	14.39%	0.00%	(0.19%)	(0.19%)
Short Term Cash	0%	0%	3.10%	3.10%	0.00%	(0.03%)	(0.03%)
Total			7.07%	7.35%	+ (0.07%)	+ (0.22%)	(0.28%)

- Total Fund underperformed the Policy Target by 28 basis points for the past 5 years.

+ Manager Performance: - 7 bps

+ US Fixed Income, REITs, and Private Real Estate outperformed.

- US Equity, Emerging Markets Equity, and Global Equity underperformed.

- Allocation Impacts: - 22 bps

+ Overweight Global Equity

+ Underweight US Fixed Income

- Overweight US Equity and Private Real Estate

- Underweight Emerging Markets Equity and Private Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

10 Years ended December 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%	14.25%	14.29%	(0.02%)	0.09%	0.07%
Developed Markets Equity	6%	6%	8.12%	8.18%	(0.01%)	(0.01%)	(0.02%)
Emerging Markets Equity	8%	9%	7.75%	8.42%	(0.05%)	(0.03%)	(0.08%)
Global Equity	18%	18%	11.92%	11.72%	0.02%	(0.02%)	0.01%
US TIPS	9%	10%	3.03%	3.09%	(0.01%)	0.02%	0.01%
US Fixed Income	19%	20%	2.58%	2.01%	0.11%	0.09%	0.20%
REIT Equity	4%	4%	6.16%	5.77%	0.00%	(0.02%)	(0.01%)
Private Real Estate	5%	4%	7.67%	4.16%	0.19%	(0.07%)	0.12%
Private Equity	7%	8%	12.67%	12.67%	0.00%	(0.14%)	(0.14%)
Short Term Cash	0%	0%	2.54%	2.54%	0.00%	(0.04%)	(0.04%)
Total			8.85%	8.74%	+ 0.24%	+ (0.13%)	0.11%

+ Total Fund outperformed the Policy Target by 11 basis points for the past 10 years.

+ Manager Performance: + 24 bps

+ US Fixed Income and Private Real Estate outperformed.

- Emerging Markets Equity

- Allocation Impacts: - 13 bps

+ Overweight US Equity

+ Underweight US Fixed Income

- Overweight Private Real Estate

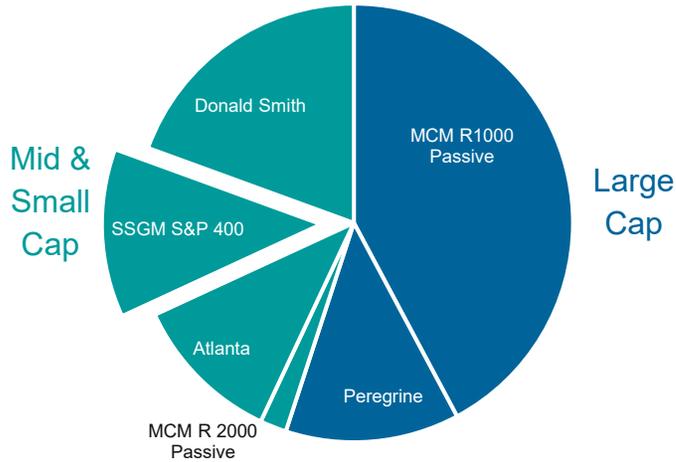
- Underweight Emerging Markets Equity and Private Equity

* Returns are Gross of Fees

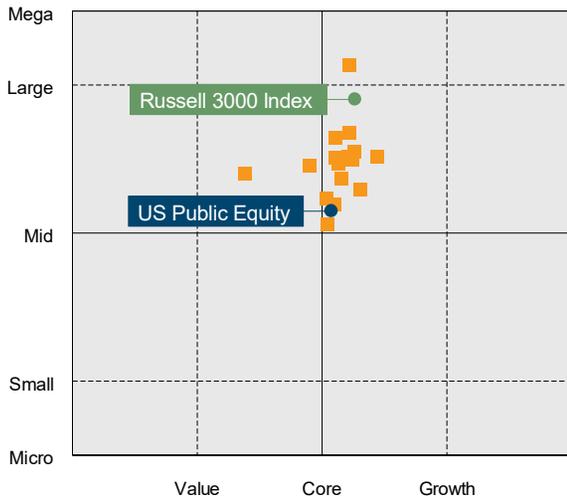
U.S. Equity Portfolio vs. Public Plan Domestic Equity Database

Periods ended December 31, 2025

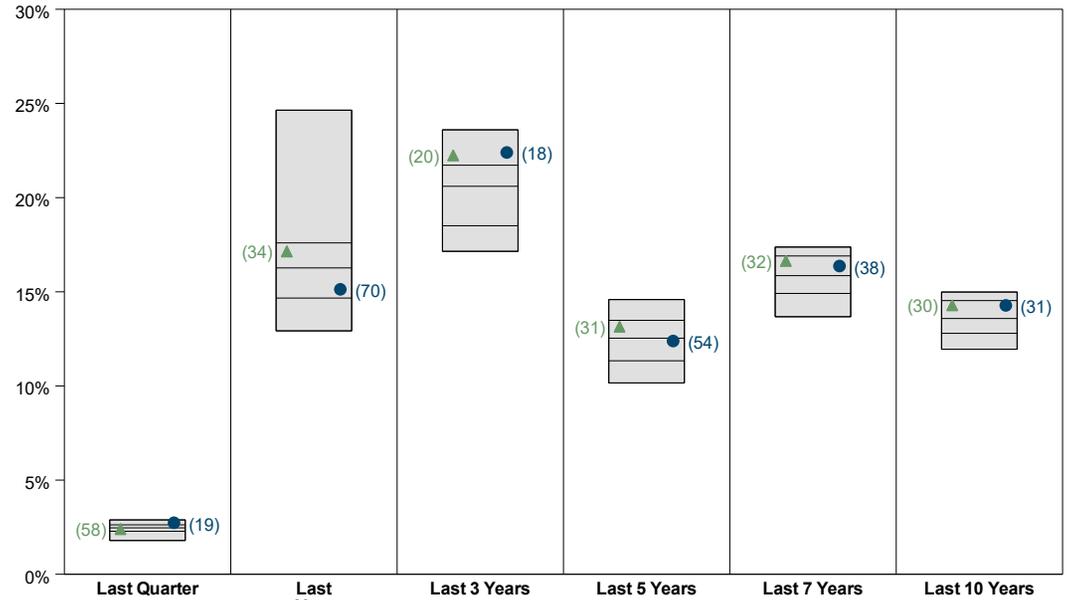
Manager Structure: 43% Active*



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



Performance vs Pub Pln- Dom Equity



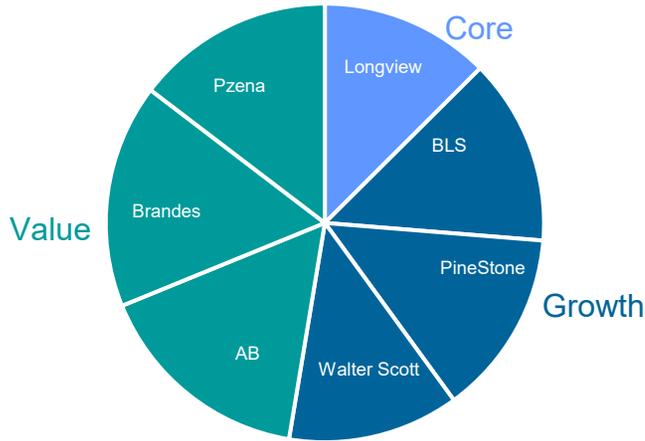
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	2.88	24.65	23.60	14.58	17.38	14.99
25th Percentile	2.63	17.60	21.72	13.48	16.90	14.53
Median	2.47	16.27	20.61	12.54	15.86	13.58
75th Percentile	2.29	14.67	18.51	11.33	14.91	12.80
90th Percentile	1.79	12.92	17.15	10.16	13.68	11.95
US Public Equity ●	2.71	15.10	22.37	12.36	16.34	14.25
Russell 3000 Index ▲	2.40	17.15	22.25	13.15	16.64	14.29

* SSGM S&P 400 is a transition account. After new S/Mid Cap managers are funded, the actively managed portion is expected to be ~\$55%

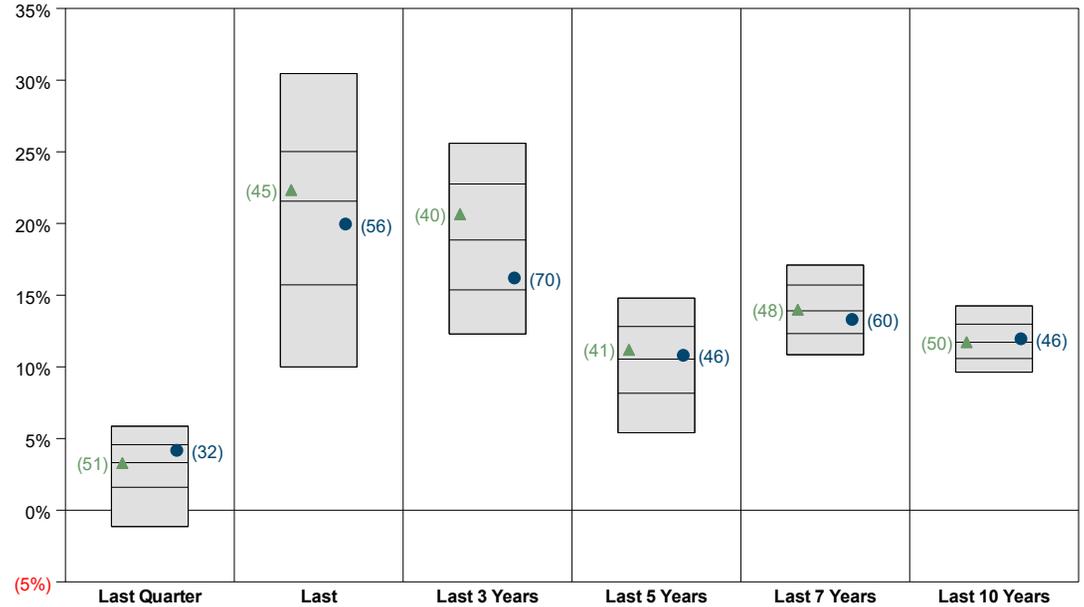
Global Equity Portfolio vs. Global Equity Database

Periods ended December 31, 2025

Manager Structure: 100% Active



Performance vs Callan Global Equity (Gross)



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

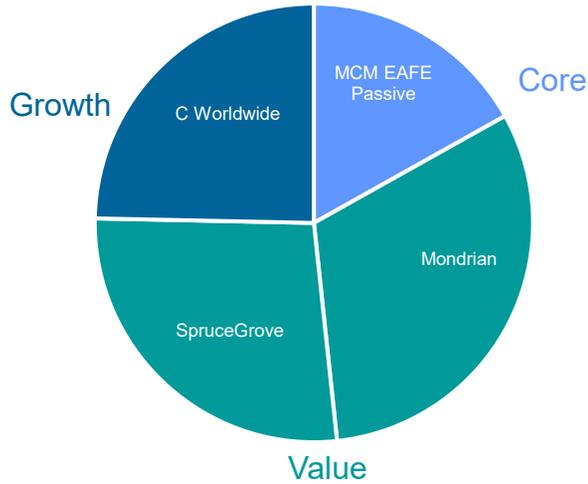


10th Percentile	5.86	30.46	25.60	14.79	17.11	14.26
25th Percentile	4.57	25.01	22.76	12.82	15.71	12.97
Median	3.32	21.55	18.85	10.54	13.91	11.72
75th Percentile	1.60	15.72	15.37	8.16	12.32	10.58
90th Percentile	(1.15)	10.00	12.29	5.41	10.84	9.63
Global Equity	● 4.13	19.92	16.16	10.77	13.27	11.92
MSCI ACWI	▲ 3.29	22.34	20.65	11.19	14.00	11.72

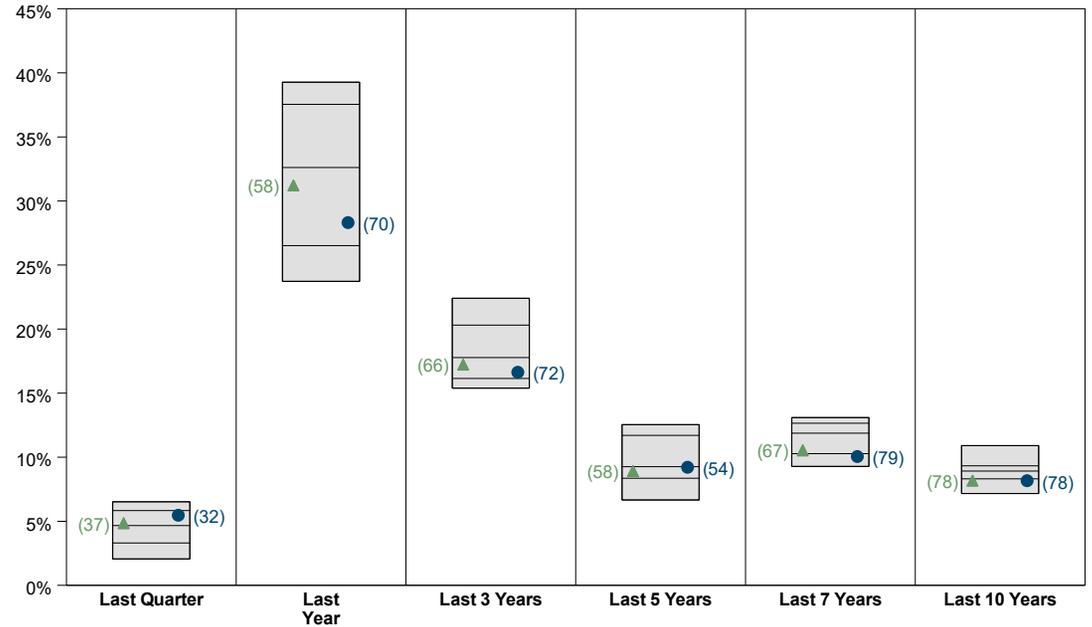
Developed Markets Portfolio vs. Non-US Dev Core Database

Periods ended December 31, 2025

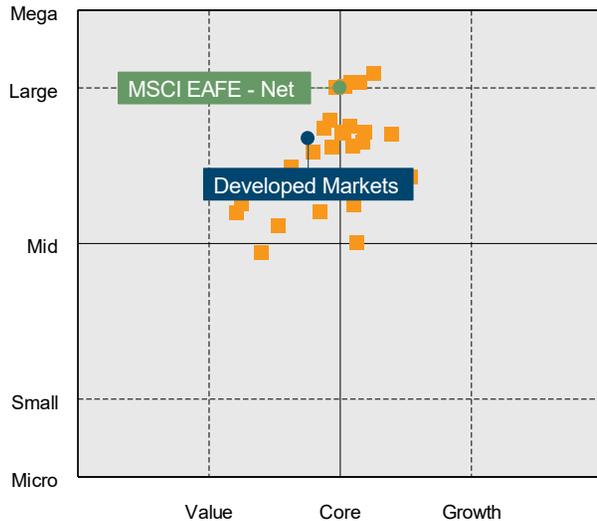
Manager Structure: 83% Active



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



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

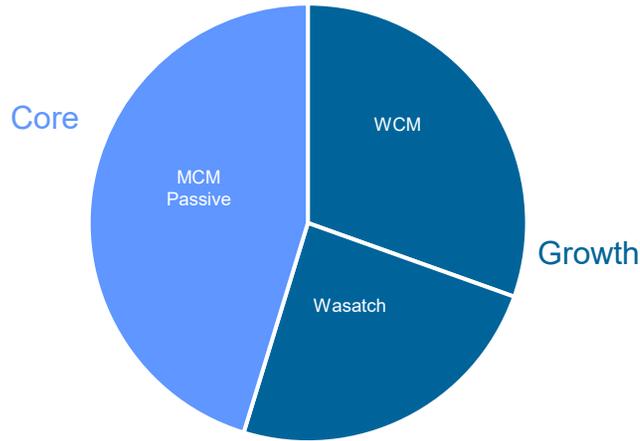


10th Percentile	6.53	39.27	22.41	12.55	13.09	10.91
25th Percentile	5.84	37.54	20.32	11.71	12.66	9.33
Median	4.67	32.61	17.78	9.26	11.87	8.92
75th Percentile	3.31	26.51	16.15	8.36	10.28	8.32
90th Percentile	2.06	23.72	15.39	6.66	9.28	7.16
Developed Markets	● 5.43	28.27	16.59	9.17	10.01	8.12
MSCI EAFE - Net	▲ 4.86	31.22	17.22	8.92	10.54	8.18

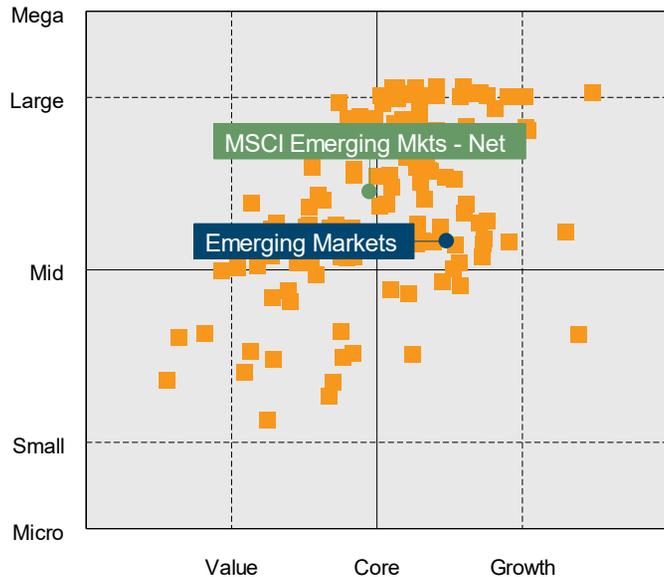
Emerging Markets Portfolio vs. Emerging Broad Database

Periods ended December 31, 2025

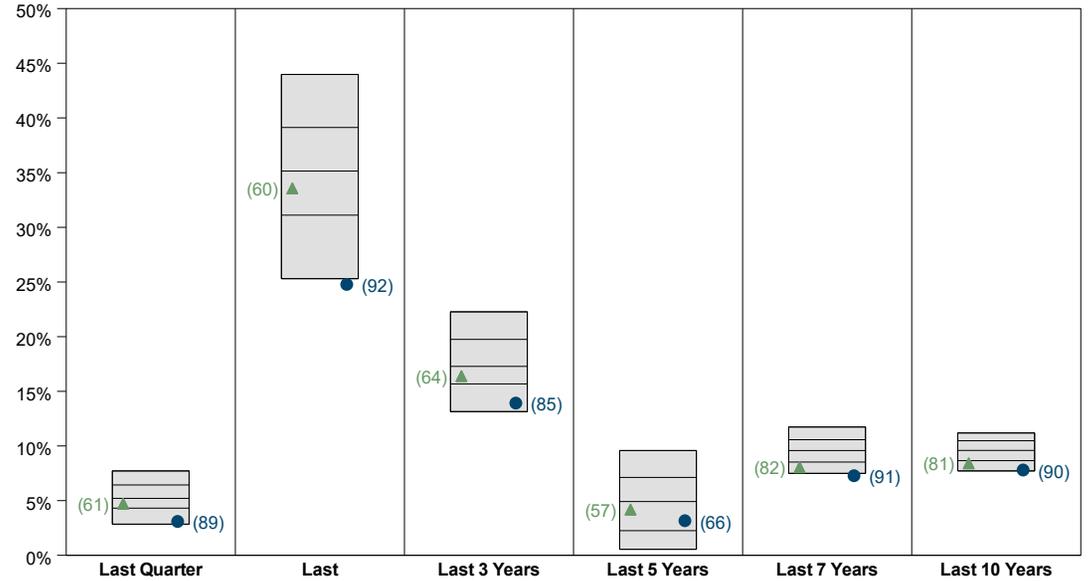
Manager Structure: 55% Active



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



Performance vs Callan Emerging Broad (Gross)

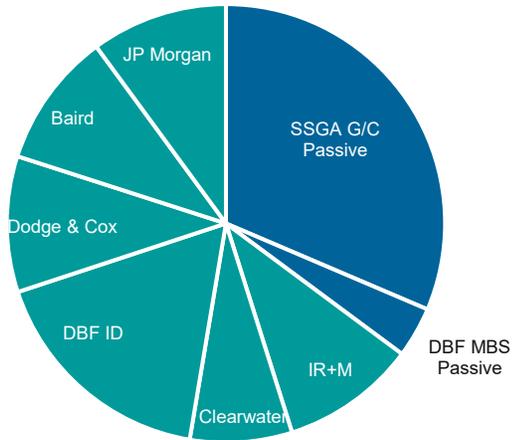


10th Percentile	7.72	43.98	22.27	9.59	11.74	11.19
25th Percentile	6.44	39.13	19.76	7.12	10.57	10.48
Median	5.22	35.15	17.28	4.92	9.58	9.59
75th Percentile	4.32	31.12	15.67	2.25	8.54	8.66
90th Percentile	2.84	25.30	13.15	0.55	7.50	7.72
Emerging Markets	3.05	24.73	13.87	3.11	7.23	7.75
MSCI Emerging Mkts - Net	4.73	33.57	16.40	4.20	8.06	8.42

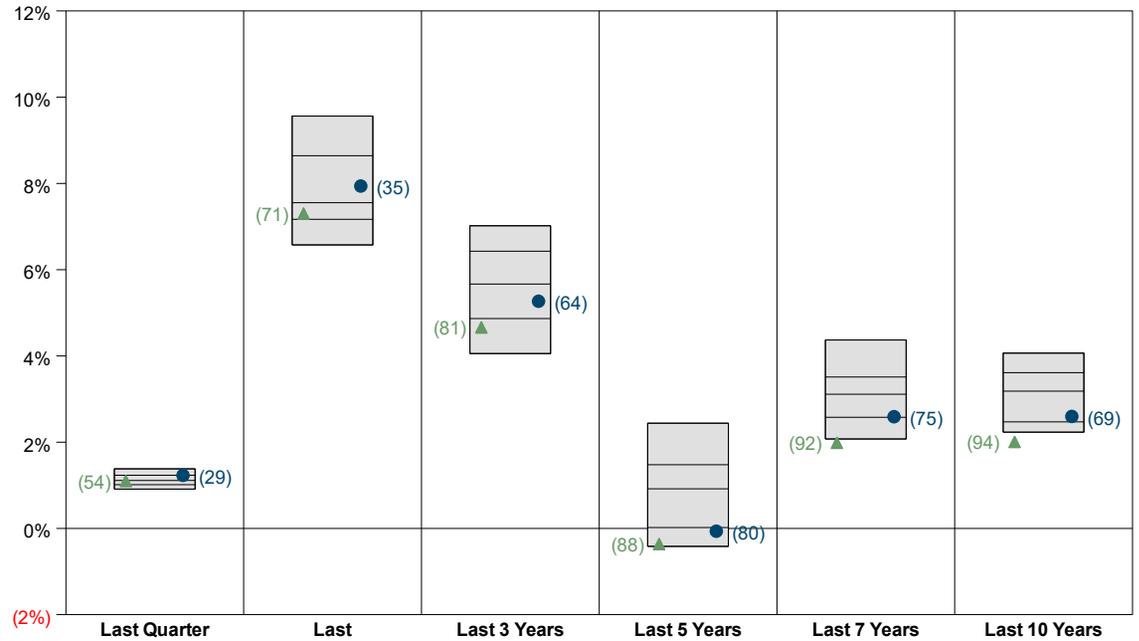
US Fixed Income Portfolio vs. Public Plan Fixed Income Database

Periods ended December 31, 2025

Manager Structure: 65% Active



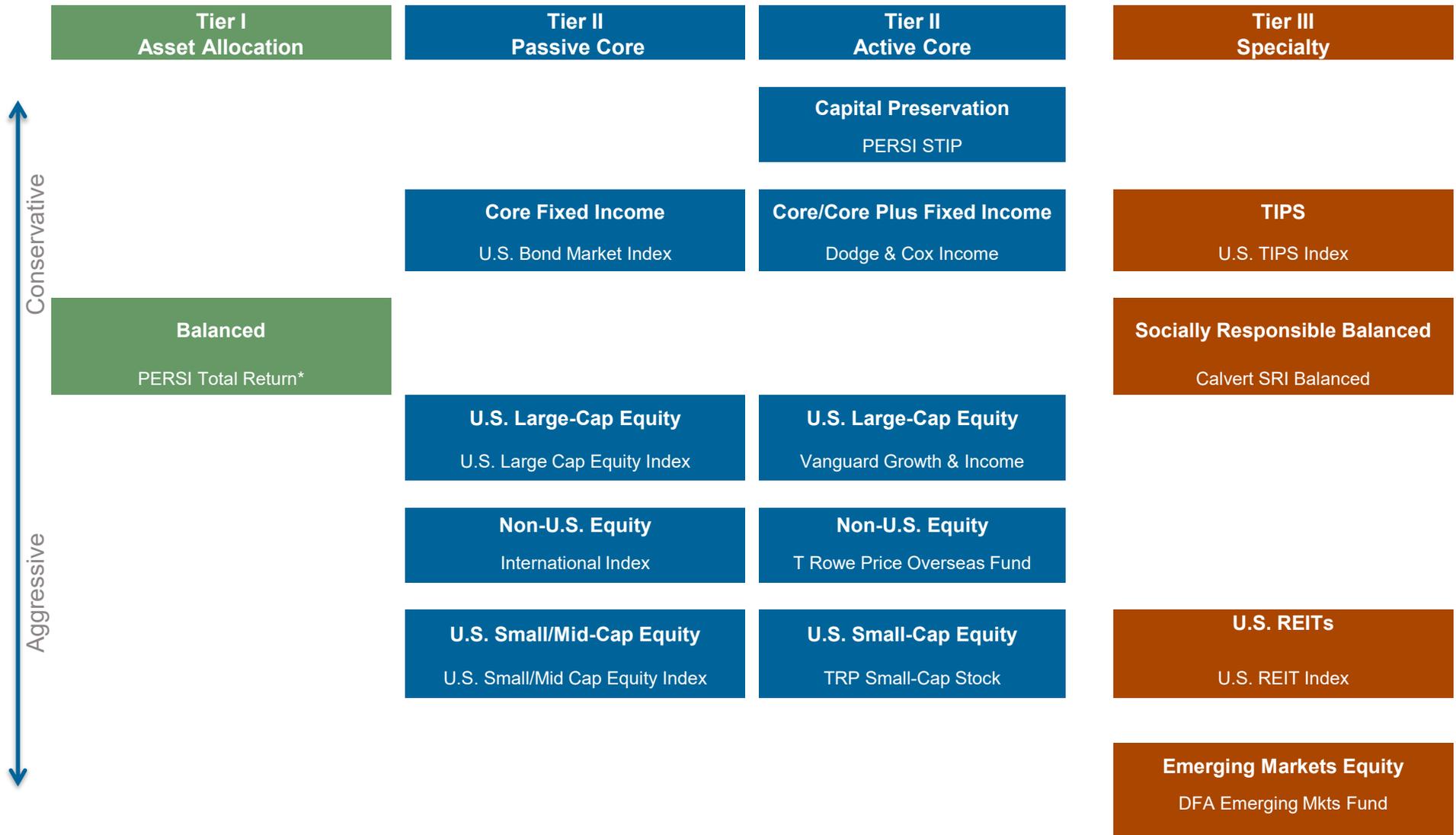
Performance vs Pub Pln- Dom Fixed



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	1.38	9.56	7.02	2.44	4.37	4.06
25th Percentile	1.23	8.64	6.43	1.48	3.51	3.61
Median	1.11	7.55	5.67	0.92	3.11	3.18
75th Percentile	1.01	7.17	4.87	0.02	2.58	2.47
90th Percentile	0.91	6.57	4.05	(0.42)	2.07	2.23
US Fixed Income ●	1.22	7.93	5.26	(0.08)	2.58	2.58
Blmbg:Aggregate ▲	1.10	7.30	4.66	(0.36)	1.99	2.01

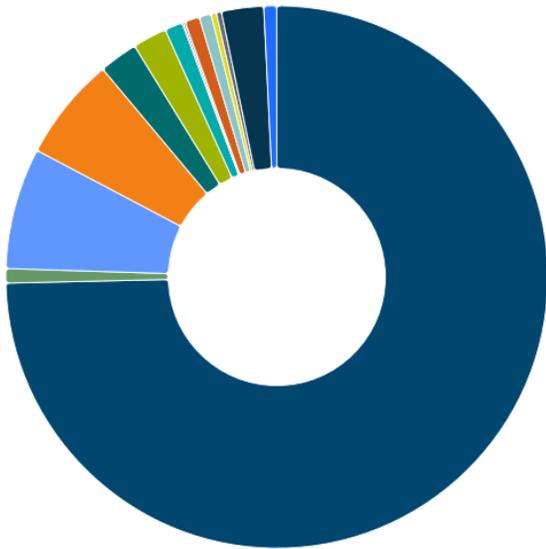
PERSI Choice 401(k) Plan New Investment Structure

Implemented: 3Q 2023



*Total Return Fund is the Default Fund for the plan

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



Asset Class	Assets	Actual Weight
Total Return Fd	\$1,466,562,265	74.65%
Calvert SRI Balanced ¹	\$16,759,181	0.85%
MCM U.S. Large Cap Equity	\$142,060,790	7.23%
Vanguard Growth & Income	\$121,260,779	6.17%
MCM U.S. Small/Mid Cap Equity	\$45,325,913	2.31%
T. Rowe Price Small Cap	\$40,121,331	2.04%
MCM Intl Equity	\$20,941,281	1.07%
T. Rowe Price Overseas Stock ²	\$1,579,931	0.08%
DFA Emerging Markets Core Equity ³	\$1,957,601	0.10%
Dodge & Cox Income Fund ⁴	\$17,193,034	0.88%
MCM U.S. Bond	\$14,224,046	0.72%
MCM U.S. TIPS	\$6,177,000	0.31%
MCM U.S. REITs	\$5,956,553	0.30%
PERSI STIP	\$49,503,337	2.52%
Loan Fund	\$15,081,118	0.77%
Total Fund	\$1,964,704,159	100.00%

1. Performance represents Calvert Balance I until 04/30/2023 and Calvert Balance R6 thereafter.
 2. Funded April 2023, performance represents the T. Rowe Price Overseas Stock I Mutual Fund.
 3. Funded April 2023, performance represents the DFA Emerging Markets Core Equity I Mutual Fund.
 4. Performance represents Dodge & Cox Income I until 04/30/2023 and Dodge & Cox Income X thereafter.

Asset Distribution - Defined Contribution Quarterly as of December 31, 2025

Portfolio	Ending Assets Dec 31, 2025	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Sep 30, 2025	Weight
Domestic Equity						
MCM U.S. Large Cap Equity	\$142,060,790	7.23%	\$1,039,040	\$3,645,713	\$137,376,037	7.13%
Vanguard Growth & Income	\$121,260,779	6.17%	\$1,072,872	\$4,232,554	\$115,955,353	6.02%
MCM U.S. Small/Mid Cap Equity	\$45,325,913	2.31%	\$40,557	\$86,004	\$45,199,352	2.35%
T. Rowe Price Small Cap	\$40,121,331	2.04%	-\$1,054,033	\$503,703	\$40,671,661	2.11%
Balanced						
Total Return Fd	\$1,466,562,265	74.65%	-\$11,537,828	\$33,953,531	\$1,444,146,562	74.95%
Calvert SRI Balanced	\$16,759,181	0.85%	\$644,601	\$357,124	\$15,757,456	0.82%
International Equity						
MCM Intl Equity	\$20,941,281	1.07%	\$915,142	\$842,152	\$19,183,987	1.00%
T. Rowe Price Overseas Stock	\$1,579,931	0.08%	\$275,677	\$70,945	\$1,233,309	0.06%
DFA Emerging Markets Core Equity	\$1,957,601	0.10%	\$534,289	\$76,571	\$1,346,741	0.07%
Domestic Fixed Income						
Dodge & Cox Income Fund	\$17,193,034	0.88%	-\$65,506	\$223,057	\$17,035,484	0.88%
MCM U.S. Bond	\$14,224,046	0.72%	\$240,654	\$149,796	\$13,833,596	0.72%
MCM U.S. TIPS	\$6,177,000	0.31%	\$66,911	\$6,754	\$6,103,335	0.32%
MCM U.S. REITs	\$5,956,553	0.30%	-\$47,288	-\$52,922	\$6,056,762	0.31%
PERSI STIP	\$49,503,337	2.52%	\$897,530	\$506,907	\$48,098,901	2.50%
Loan Fund	\$15,081,118	0.77%	\$629,375	-\$298,509	\$14,750,251	0.77%
Total Fund	\$1,964,704,159	100.00%	-\$6,348,008	\$44,303,381	\$1,926,748,786	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	2.64%	17.86%	22.85%	14.37%	14.77%
Vanguard Growth and Income	3.65%	19.40%	23.44%	15.02%	14.83%
S&P 500 Index	2.66%	17.88%	23.01%	14.42%	14.82%
Mellon Small/MidCap Equity	0.19%	11.38%	17.63%	6.39%	11.01%
DJ US Completion Total Stock Mkt	0.13%	11.30%	17.60%	6.06%	10.87%
T. Rowe Price Small Cap Stock	1.29%	8.34%	12.48%	4.97%	10.96%
Russell 2000 Index	2.19%	12.81%	13.73%	6.09%	9.62%
Balanced					
Total Return Fund	2.36%	13.82%	11.46%	6.78%	8.56%
Target Index (1)	2.13%	15.58%	12.83%	7.36%	8.82%
Calvert SRI Balanced (2)	2.23%	11.65%	15.85%	8.62%	9.87%
60%S&P/40% Blmbg Agg	2.03%	13.76%	15.52%	8.49%	9.85%
International Equity					
Mellon Intl Index	4.27%	31.56%	17.11%	9.09%	8.48%
T. Rowe Price Overseas Stock (4)	5.38%	31.95%	16.55%	8.54%	8.50%
MSCI EAFE Index	4.86%	31.22%	17.22%	8.92%	8.18%
DFA Emerging Markets Core Eq (5)	3.79%	28.77%	16.85%	7.14%	9.26%
MSCI Emg Mkts	4.73%	33.57%	16.40%	4.20%	8.42%
Domestic Fixed Income					
Dodge & Cox Income (3)	1.30%	8.39%	6.12%	1.09%	3.37%
Mellon Blmbg Agg	1.07%	7.26%	4.52%	(0.44%)	1.91%
Blmbg Agg Index	1.10%	7.30%	4.66%	(0.36%)	2.01%
Mellon U.S. TIPS	0.11%	6.95%	4.17%	1.07%	3.03%
Blmbg US TIPS Index	0.13%	7.01%	4.23%	1.12%	3.09%
Mellon U.S. REITs	(0.85%)	3.48%	8.09%	6.46%	4.66%
DJ US Select REIT Index	(0.79%)	3.67%	8.50%	6.65%	4.81%
PERSI STIP	1.01%	4.28%	4.80%	3.21%	2.31%
FTSE Treas 1 Yr	1.03%	4.39%	4.72%	2.59%	2.10%
TBills + 0.50%	1.10%	4.68%	5.31%	3.67%	2.68%

(1) Target Benchmark consists of 21% Russell 3000, 20% Bloomberg Aggregate, 10% Bloomberg TIPS, 6% MSCI EAFE, 18% MSCI ACWI, 9% MSCI Emerging Markets, 4% NCREIF NFI-ODCE, 4% FTSE NAREIT All Equity Idx, and 8% Private Equity.

(2) Performance represents Calvert Balance I until 04/30/2023 and Calvert Balance R6 thereafter.

(3) Performance represents Dodge & Cox Income I until 04/30/2023 and Dodge & Cox Income X thereafter.

(4) Funded April 2023, performance represents the T. Rowe Price Overseas Stock I Mutual Fund.

(5) Funded April 2023, performance represents the DFA Emerging Markets Core Equity I Mutual Fund.

** Returns are Net of Fee

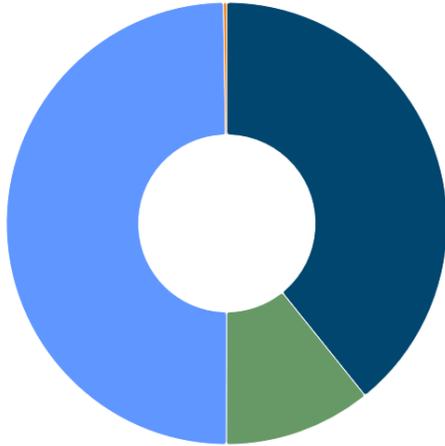
For the Quarter

- Balanced Funds
 - Total Return Fund outperformed the Policy Target by 23 bps.
 - Calvert outperformed its benchmark by 20 bps.
- Active Manager performance vs benchmarks:
 - T. Rowe Price Overseas + 52 bps
 - Vanguard G&I + 99 bps
 - DFA Emerging Markets - 106 bps
 - Dodge & Cox + 20 bps
 - T. Rowe Price Small Cap - 90 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 3 and 5 years
- T. Rowe Price Sm Cap outperformed the Russell 2000 index over the last 10 years
- T. Rowe Price Overseas⁴ has matched the outperformed the MSCI EAFE Index for the last 10 years
- DFA Emerging Markets⁵ has outperformed the MSCI Emerging Markets Index for 3, 5 & 10 year periods
- Total Return underperformed its policy target over the last 3, 5 and 10 years.
- Calvert outperformed its long-term target over the last 3 and 5 years
- Passive funds kept pace with their respective benchmarks.

PERSI Sick Leave Asset Allocation as of December 31, 2025



Asset Class	Assets	Actual Weight	Benchmark	Difference
■ Russell 3000 Fund ¹	\$306,259,404	39.21%	39.36%	0.15%
■ MSCI ACWI ex US Fund ²	\$84,559,507	10.83%	10.64%	-0.19%
■ Govt/Credit Bond Fund	\$388,317,631	49.71%	50.00%	0.29%
■ Treasurer's Office Cash	\$1,961,381	0.25%	-	-0.25%
Total Sick Leave Funds	\$781,097,923	100.00%	100.00%	-

* 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

1. Since Inception starting 3/31/2003

2. Since Inception starting 9/30/2011

PERSI Sick Leave Total Asset Distribution as of December 31, 2025

Portfolio	Ending Assets Dec 31, 2025	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Sep 30, 2025	Weight
Russell 3000 Fund ¹	\$306,259,404	39.21%	-\$13,964,000	\$7,553,758	\$312,669,646	40.53%
MSCI ACWI ex US Fund ²	\$84,559,507	10.83%	-\$7,350,000	\$4,303,405	\$87,606,102	11.36%
Govt/Credit Bond Fund	\$388,317,631	49.71%	\$16,000,000	\$2,947,016	\$369,370,615	47.88%
Treasurer's Office Cash	\$1,961,381	0.25%	\$101,191	\$6,468	\$1,853,722	0.24%
Total Sick Leave Funds	\$781,097,923	100.00%	-\$5,212,809	\$14,810,647	\$771,500,085	100.00%

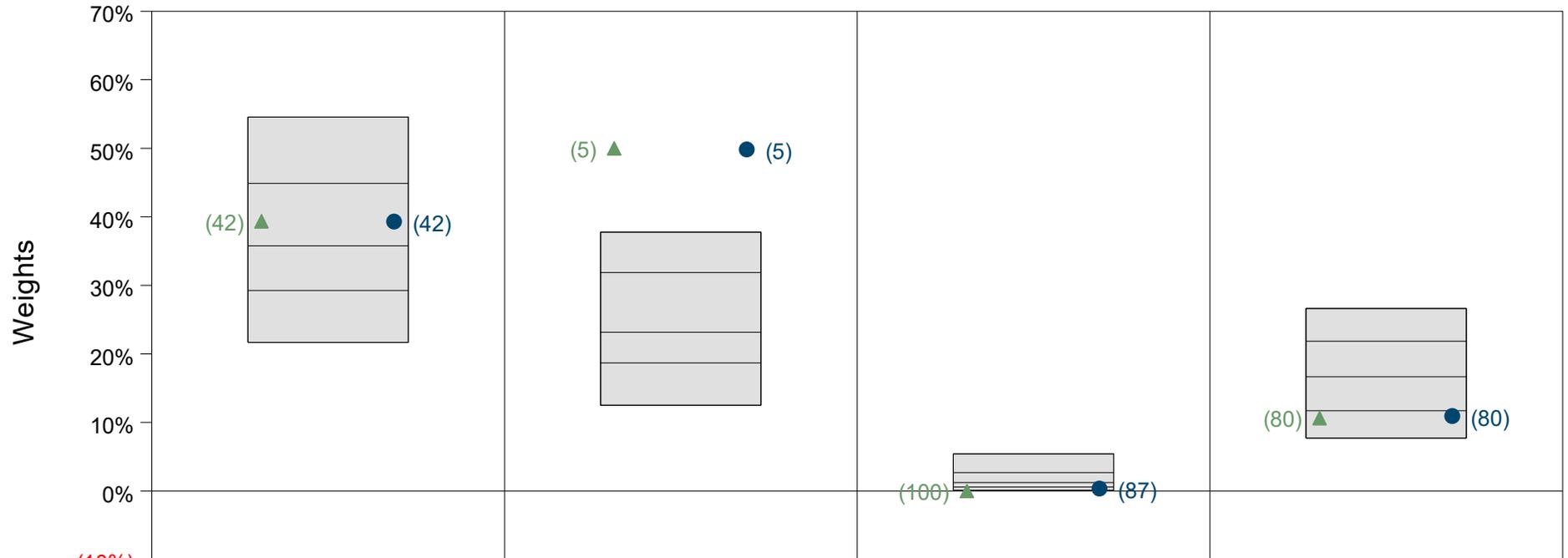
1. Since Inception starting 3/31/2003

2. Since Inception starting 9/30/2011

PERSI Sick Leave Funds Asset Allocation vs Other Public Funds

Periods ended December 31, 2025

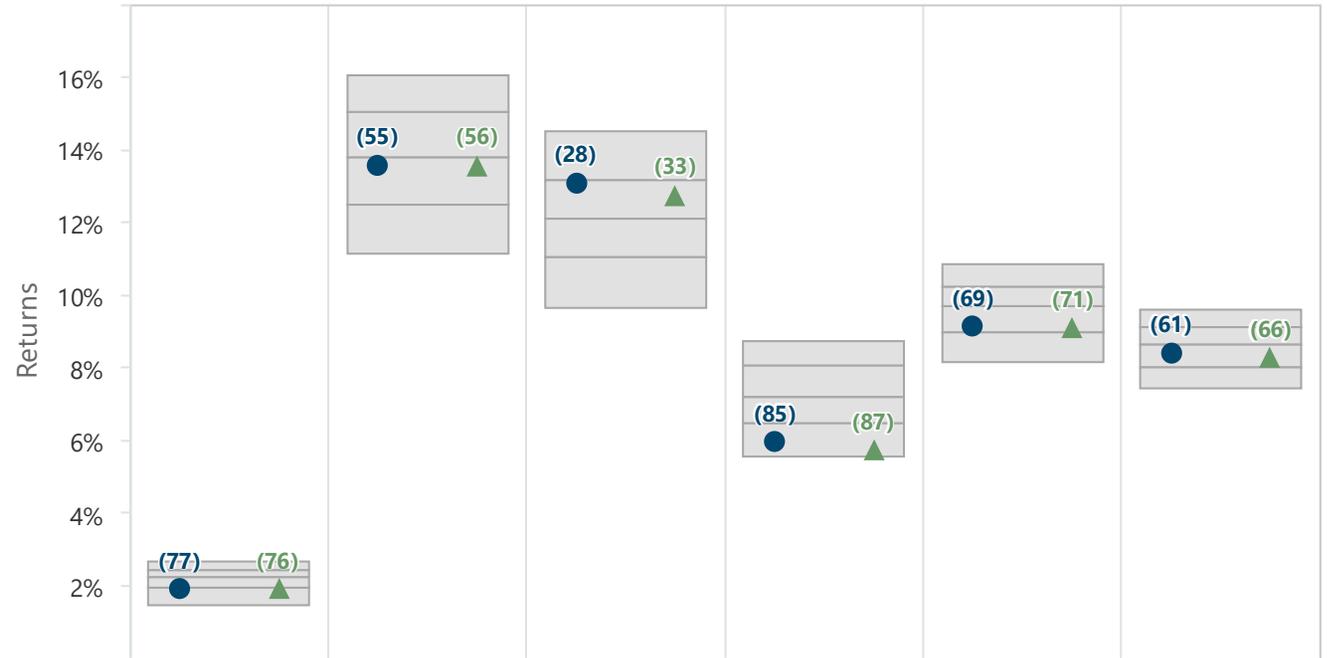
Asset Class Weights vs Callan Public Fund Sponsor Database



	Russell 3000 Fund	Govt/ Credit Bond Fund	Treasurer's Office Cash	MSCI ACWI ex US Fund
10th Percentile	54.54	37.76	5.41	26.64
25th Percentile	44.89	31.85	2.69	21.86
Median	35.76	23.17	1.25	16.67
75th Percentile	29.25	18.69	0.58	11.71
90th Percentile	21.67	12.51	0.12	7.71
Fund ●	39.21	49.71	0.25	10.83
Target ▲	39.36	50.00	0.00	10.64

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

Performance vs Callan Public Fund Spr DB



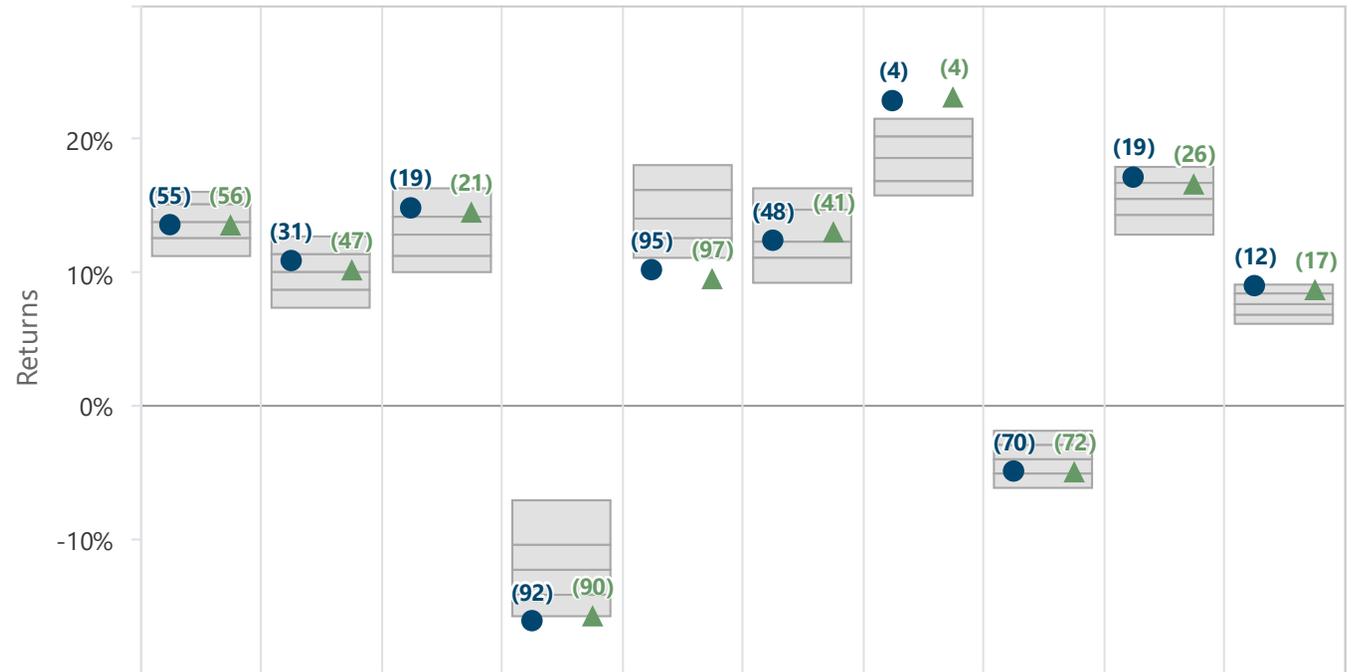
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years
10th Percentile	2.68	16.06	14.52	8.75	10.84	9.60
25th Percentile	2.45	15.05	13.14	8.04	10.23	9.10
Median	2.22	13.79	12.09	7.21	9.72	8.65
75th Percentile	1.95	12.49	11.05	6.46	8.98	8.03
90th Percentile	1.49	11.16	9.65	5.56	8.16	7.42
Total Sick Leave Funds ●	1.93	13.57	13.08	5.97	9.15	8.41
Long Term Target ▲	1.93	13.55	12.74	5.74	9.11	8.29

* 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 December 31, 2025

Performance vs Callan Public Fund Spr DB



	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
10th Percentile	16.06	12.73	16.26	-7.09	18.00	16.30	21.51	-1.83	17.92	9.14
25th Percentile	15.05	11.29	14.20	-10.50	16.12	14.63	20.18	-2.97	16.73	8.44
Median	13.79	10.04	12.77	-12.38	14.07	12.24	18.51	-4.05	15.52	7.64
75th Percentile	12.49	8.68	11.27	-14.19	12.55	11.05	16.85	-5.10	14.27	6.79
90th Percentile	11.16	7.37	10.05	-15.80	11.05	9.17	15.70	-6.16	12.87	6.09
Total Sick Leave Funds ●	13.57	10.88	14.83	-16.12	10.20	12.40	22.87	-4.90	17.14	9.00
Long Term Target ▲	13.55	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*

4th Quarter 2025

Relative Attribution Effects for Quarter ended December 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%	2.43%	2.40%	0.01%	0.01%	0.01%
MSCI ACWI ex US Fund	11%	11%	5.12%	5.05%	0.01%	0.01%	0.02%
Govt/Credit Bond Fund	48%	50%	0.80%	0.90%	(0.05%)	0.01%	(0.03%)
Treasurer's Office Cash	0%	0%	0.92%	0.92%	0.00%	(0.00%)	(0.00%)
Total			1.93%	= 1.93%	+ (0.03%)	+ 0.03%	(0.00%)

- Sick Leave Funds matched the performance of the Target during the quarter.
- Passive funds trailed their benchmarks by 3 bps.
- Variations from target weights added 3 bps.

* Returns are Gross of Fees

PERSI Sick Leave Funds Performance Attribution*

14 years and One Quarter since December 2011

Fourteen and One-Quarter 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	51%	49%	15.21%	15.18%	0.01%	0.08%	0.09%
MSCI ACWI ex US Fund	13%	13%	7.90%	7.61%	0.04%	(0.00%)	0.03%
Govt/Credit Bond Fund	36%	37%	2.23%	2.19%	0.02%	0.02%	0.03%
Treasurer's Office Cash	0%	0%	1.41%	1.41%	0.00%	(0.00%)	(0.00%)
Total			9.26%	9.11%	+ 0.07%	+ 0.08%	0.15%

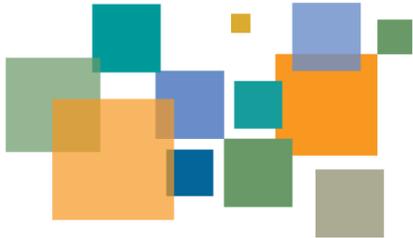
- Sick Leave Funds earned a return of 9.26%, which exceeded the target return of 9.11% by approximately 15 bps.
- Passive funds slightly outperformed, contributing 7 bps of value-added, while rebalancing added another 8 bps.

* Returns are Gross of Fees

Callan Update

Published Research Highlights: 4Q25

The Callan Periodic Table of Investment Returns: Year-End 2025



Research Café: Private Equity Secondary Funds



Callan 2025 Investment Management Fee Study



2025 Asset Manager Sustainable Investment Practices Study



Recent Blog Posts

Putting the 'Frankenstein' of Indices Back in the Lab

Weston Lewis

Corporate DB Plan Risk: What We Know—and Think We Know

Corporate DB Plan Focus Group

You Spent That Much!? How Spending Policies Shape Endowment Sustainability

Adam Lozinski

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

2026 National Conference

Registration opened in January for this event in Scottsdale on April 20-22, 2026!

Our annual conference will feature mainstage speakers and Callan-led workshops on a variety of topics.

This year we welcome General Stanley McChrystal, Mark Blythe, and other amazing speakers to the stage! We will continue to update our website as we add additional information regarding this event.

Learn more about this event at:
callan.com/events/2026national



Mark Your Calendar

2026 Regional Workshops

June 16, 2026 – Denver

June 18, 2026 – Chicago

October 20, 2026 – Atlanta

October 22, 2026 – San Francisco

Watch your email for further details and an invitation.

Upcoming Webinars

February 25, 2026

Research Café: Sustainable Investment Interview Series

March 27, 2026

STAR Webinar

March 31, 2026

DC Trends Study Webinar

April 24, 2026

Market Intel Webinar

Introducing Callan On-Demand Education (CODE)

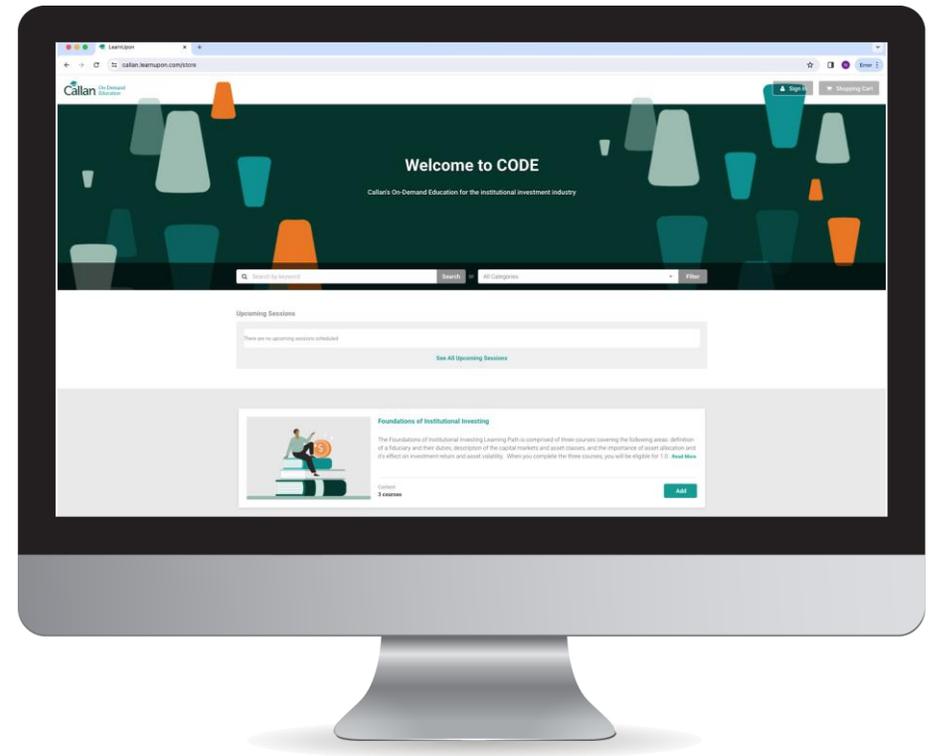


- ▶ Variety of educational courses
- ▶ Interactive and engaging
- ▶ Self-guided modules
- ▶ Eligible for continuing education credits
- ▶ Learning at your own pace

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 December 31, 2025

Total Associates: ~205

Company Ownership:

- ▶ 100% employee ownership
- ▶ ~70% of employees are equity owners
- ▶ Well-diversified ownership

Total Investment Consultants: 50+

Total Specialty and Research Consultants: 65+

Total CFA/CAIA/FRMs: 60+

Total Institutional Investor Clients: 475+

Provides advisory services to institutional investor/asset owner clients with more than \$4+ trillion

“Our study shows continued pressure on actual fees paid for active management, but the pace of fee compression seems to be slowing and may be approaching a practical lower limit for quality institutional products in some asset classes. Although the rate of decrease in active fees appears to be slowing, passive management market share has grown in some areas like U.S. small cap equity and core fixed income, where traditionally active management has been dominant.”

— Ivan “Butch” Cliff, EVP, director of research, about Callan’s recently released *2025 Investment Management Fee Study*



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Past performance is no guarantee of future results.



TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Directors Report – Long Range Plan Update

Summary:

PERSI has engaged with Mosaic to update the organization's Long Range Plan (LRP). This will be a collaboration between staff and the PERSI board to refresh the current LRP, refine the organization's future vision and direction, and set priorities for the next three years.

Key Discussion:

- Mosaic will outline the framework utilized to refresh the LRP.
- Mosaic will provide a timeline of key milestones to complete the project.

Action:

No action required. Information only.



MOSAIC
Governance Advisors

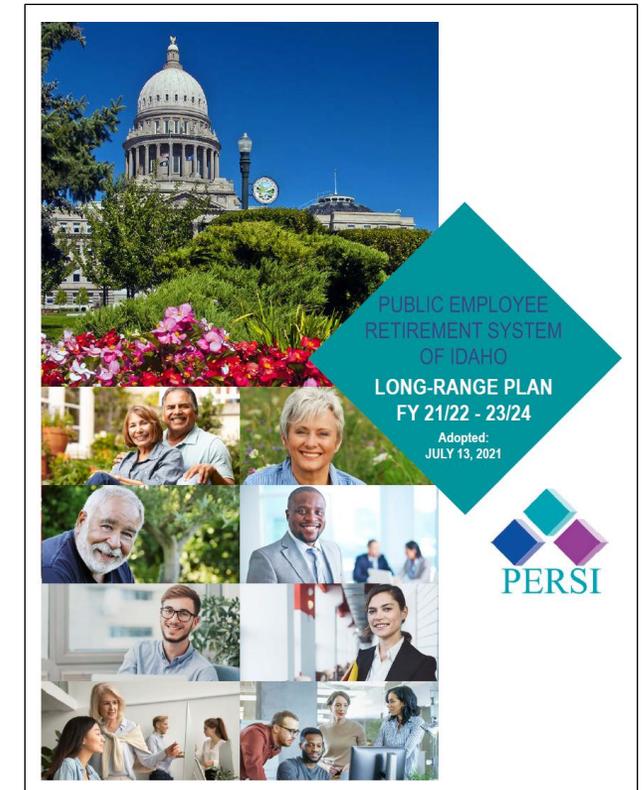
Long-Range Plan Project Kickoff

Presentation to the PERSI Retirement Board | February 24, 2026

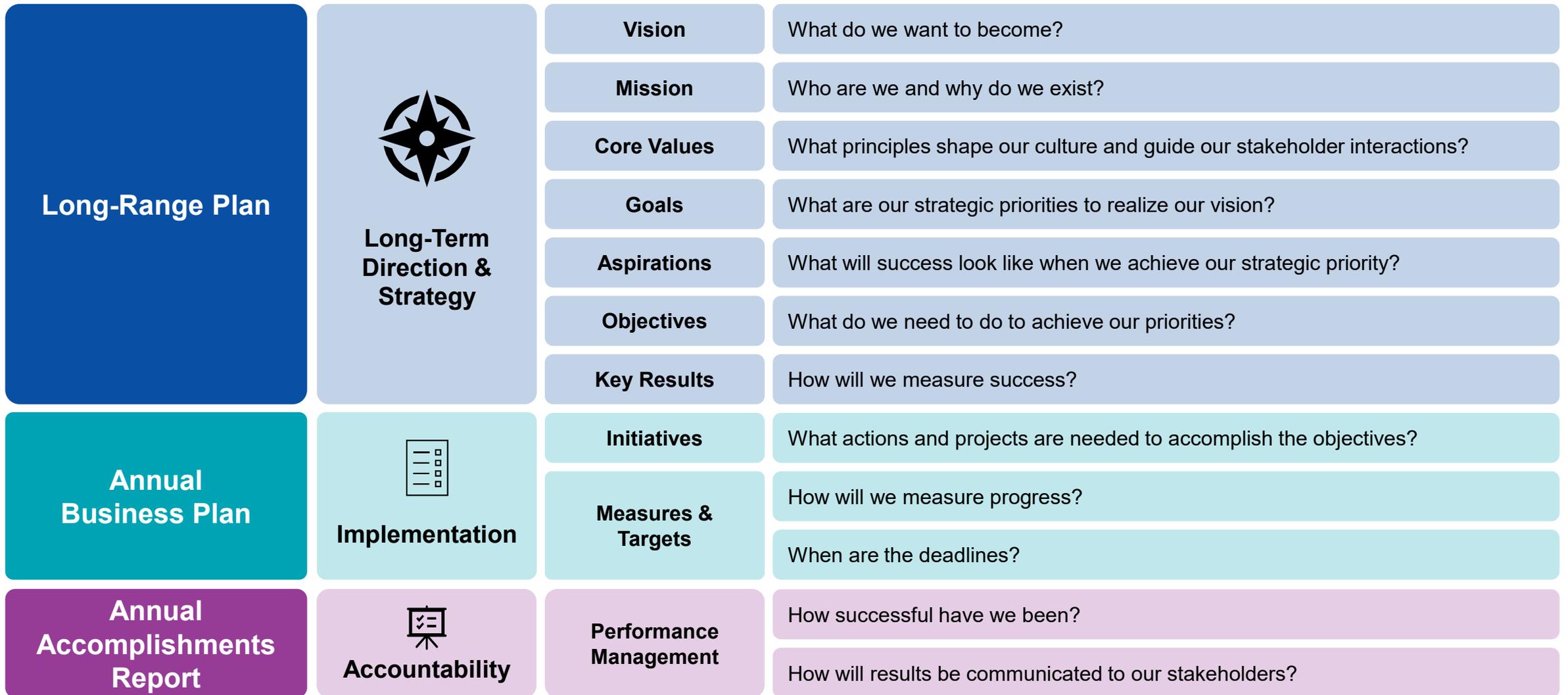
Amy McDuffee | Natasha Smith

About the Project

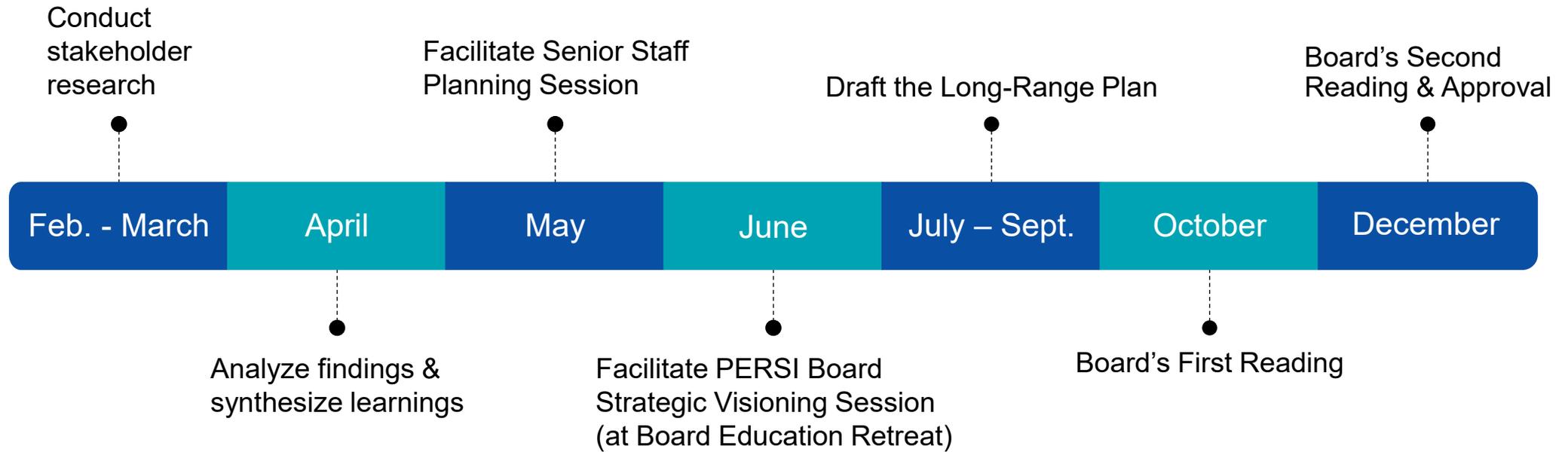
- PERSI Senior Staff, in collaboration with the Board, will refresh the 2021-23 Long-Range Plan to:
 - Refine the organization's future vision and direction.
 - Determine priorities for the next 3 years.
- The outcomes will be documented in a PERSI Long-Range Plan (2027 - 2029).



Mosaic's Strategic Performance Management Framework

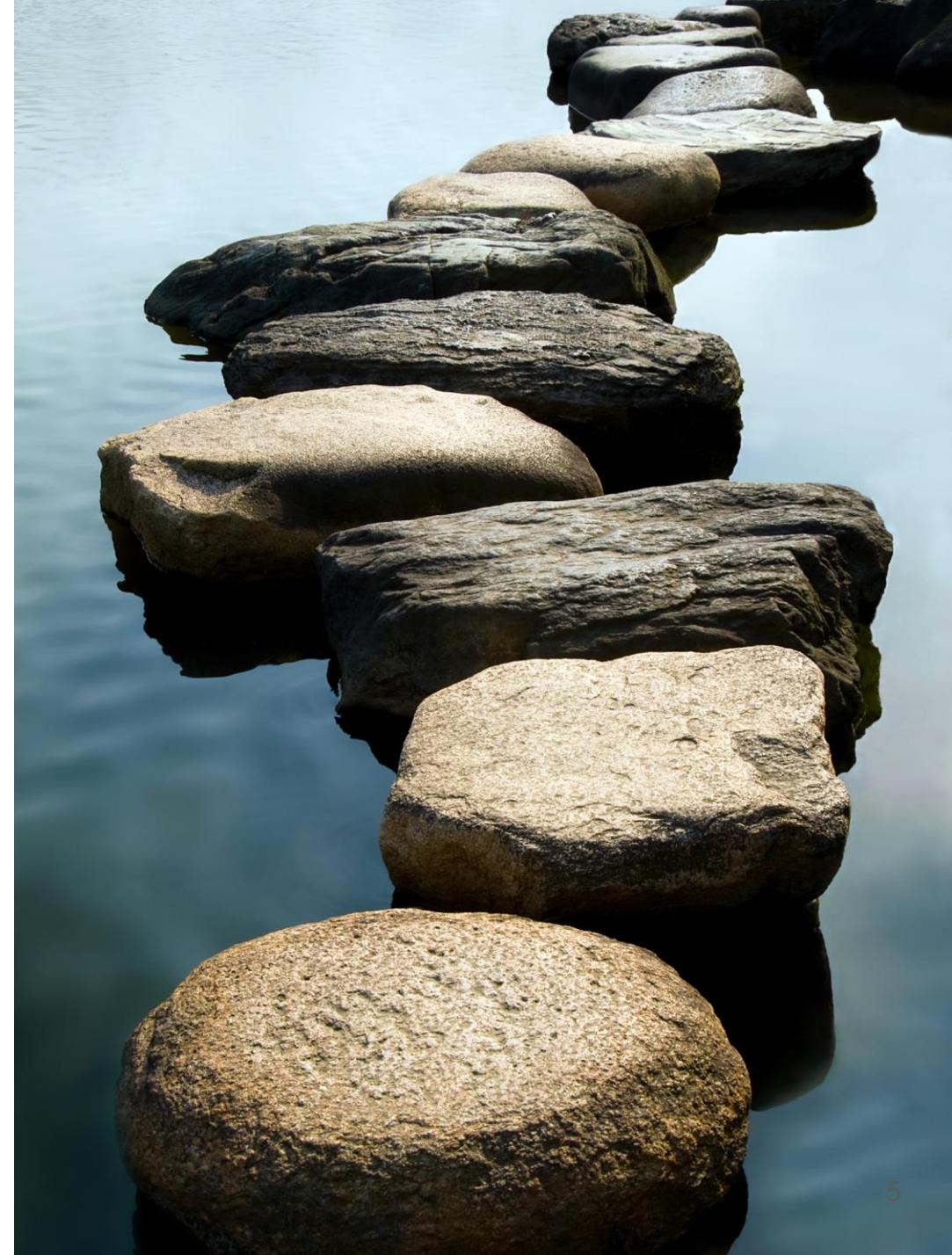


Timeline of Activities - 2026



Next Steps

- Complete stakeholder research initiative
- Board members will receive a survey from Mosaic in early March





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Questions & Open Discussion

Thank You

Mosaic Governance Advisors, LLC | www.MosaicGovernance.com



Fiduciary Education for PERSI Board of Trustees

Ashley Dunning | PERSI Fiduciary Counsel | Nossaman Partner, Co-Chair, Pensions, Benefits & Investments Group

Michelle Mellon-Werch | PERSI Fiduciary Counsel | Nossaman Partner, Pensions, Benefits & Investments Group

Meeting of the Board of Trustees | Public Employee Retirement System of Idaho, **February 24, 2026**



Your Presenters



Ashley K. Dunning
PERSI Fiduciary Counsel

Nossaman LLP

Partner and Co-Chair, Pensions, Benefits & Investments Group



Michelle Mellon-Werch
PERSI Fiduciary Counsel

Nossaman LLP

Partner, Pensions, Benefits & Investments Group

Overview

- Quick recap of September 2025 Fiduciary Education Presentation
- Fiduciary Duties Not Covered in September
- Real life application of fiduciary duties/Dos and Don'ts
- Fiduciary trends



Recap of Fiduciary Education in September 2025

- Reviewed the legal framework for PERSI and the Board
- Defined “fiduciary” and discussed who is and who is not a fiduciary
- Discussed three of six fiduciary duties (see next slide)
- Addressed fiduciary compliance and breaches, and consequences
- Described limitations on liability, indemnification and related topics
- Identified emerging trends
- Provided additional educational resources

Duties of a Public Retirement Board Fiduciary

COVERED IN SEPTEMBER 2025

1. Duty of loyalty
 - Primary duty rule
 - Exclusive benefit rule
 - One-hat rule
2. Duty of care
 - Prudent processes
 - Delegation, oversight & monitoring
3. Duty to administer plan in accordance with plan terms and other applicable law



Duties of a Public Retirement Board Fiduciary

TO BE COVERED TODAY

4. Duty to diversify investments to maximize risk-adjusted return
5. Duty to pay vested benefits
 - Including a discussion of “vested” vs. “contingent” benefits
6. Duty to defray reasonable expenses of administering the system

Fiduciary Duty to Diversify Investments to Maximize Risk-Adjusted Returns

- Section 59-1301(2)(c), Idaho Code
 - A fiduciary must diversify “the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.”



Fiduciary Duty to Diversify Investments to Maximize Risk-Adjusted Returns

- Under the Uniform Prudent Investor Act (UPIA) a trustee shall “invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of trust.” §68-502
 - The standard of care in UPIA takes management and investment decisions based on the portfolio as a whole and as part of an overall investment strategy.



Hypothetical No 1: Fiduciary Duty to Diversify Investments

- Board member Xavier is a retired private equity manager. Xavier is passionate about private equity investment opportunities and is a self-professed contrarian as to any other investment-types in the public or private markets.
- Board member Xanadu is active with the Boise business roundtable and has been outspoken outside the Board regarding the need for local economic investment.
- System's Chief Investment Officer and Investment Consultant are presenting the system's annual asset-liability study, and they are proposing various alternative tilts in the allocations of the retirement system, all of which result in a well-diversified portfolio, but with varying levels of anticipated risk-adjusted return.



Hypothetical No 1 (continued): Fiduciary Duty to Diversify Investments

- A retired member of the system presents in public comment to the Board and urges the Board not to adopt any of the recommended asset allocations, and instead to adopt policies that result in funding local investment opportunities, citing to the work performed by Board member Xanadu in other contexts.
- A private equity manager who used to work with Board member Xavier urges the Board to increase the allocation to private equity beyond that which is proposed in all of the recommended alternatives.
- From a fiduciary perspective, what considerations should Board members take, and not take, into account with respect to this topic?

Limitations on Investment Strategies?

- These are demands – legislative or otherwise – for divestment from, or investment in, certain geographic areas, types of business, or types of assets.
- Statutorily-provided limitations may conflict with the duty of prudence and duty to diversify, unless the statute reiterates UPIA and Section 59-1301(2)(b) or grants a carve-out for fiduciary duties.





Fiduciary Duty to Pay Vested Benefits

- Section 59-1301(2)(a), the Board shall:
 - Discharge its duties with respect to the fund for the exclusive purpose of providing benefits to members and their beneficiaries.

Fiduciary Duty to Pay Vested Benefits

- What are “vested” benefits?
 - Benefits that the law applicable to PERSI *requires to be paid* to eligible members and beneficiaries
 - Statutes set eligibility requirements (e.g., minimum age, months of service)



Difference Between Vested and Non-Vested

- What are “non-vested” (i.e., contingent) benefits?
 - Benefits that are *contingent* upon certain conditions precedent to their being provided.
 - Can involve grant of reasonable *discretion* to Board, which is to be exercised consistent with fiduciary responsibilities.

Prudent Processes Re Provision of Benefits

- For **vested** benefits, key components are:
 - Timely collection of sufficient contributions from employers and active members and prudent investments
 - Practices for timely administration and payment of correct benefits, and correction of error policies for when they occur
- Implicates:
 - Contribution rate setting
 - Funding Guidelines
 - Investment Policy
 - Strong administrative processes

Prudent Processes Re Provision of Benefits

- For **contingent** benefits, key components include:
 - Consideration of short-term and long-term financial condition of PERSI, and obligation to pay vested benefits and to require contributions from active members and employers to support benefits
 - Consideration of input from actuarial, investment and benefits advisors (in-house and outside experts) regarding potential consequences to PERSI's mandates of different courses of action re contingent benefits
 - Consideration of additional policy-based parameters for exercise of discretion consistent with fiduciary duties

Hypothetical No. 2 Duty to Pay Vested Benefits

- Board's actuarial funding policy includes layered amortization that results in some tail volatility when layers reflecting larger unfunded liabilities are paid off.
- Board's consulting actuary presents three different approaches with respect to managing this tail volatility, all of which have differing impacts on contribution rates, in the short-term and/or long-term. The actuary states that it recommends two of the approaches, but notes that the third alternative, which results in the lowest immediate contributions, is a reasonable "option" but is not "recommended".
- An active member of the system urges the Board to select the alternative that results in lowest contributions in the short-term, because her employer's already constrained budget is preventing it from providing raises to its employees.

Hypothetical No. 2 (continued)

- A retired member of the system urges the Board to adopt the alternative that results in the highest contributions in the short-term, expressing concern about the security of her retirement benefits if funding of those benefits is delayed.
- A department head from one of the retirement system's participating employers argues that the Board should reject both of actuary's recommendations and instead use a different funding method that it argues is "fairer" to it given its own employment practices.
- What are fiduciarily appropriate, and inappropriate, considerations for Board members to take into account with respect to this topic?

Fiduciary Duty to Defray Administrative Expenses

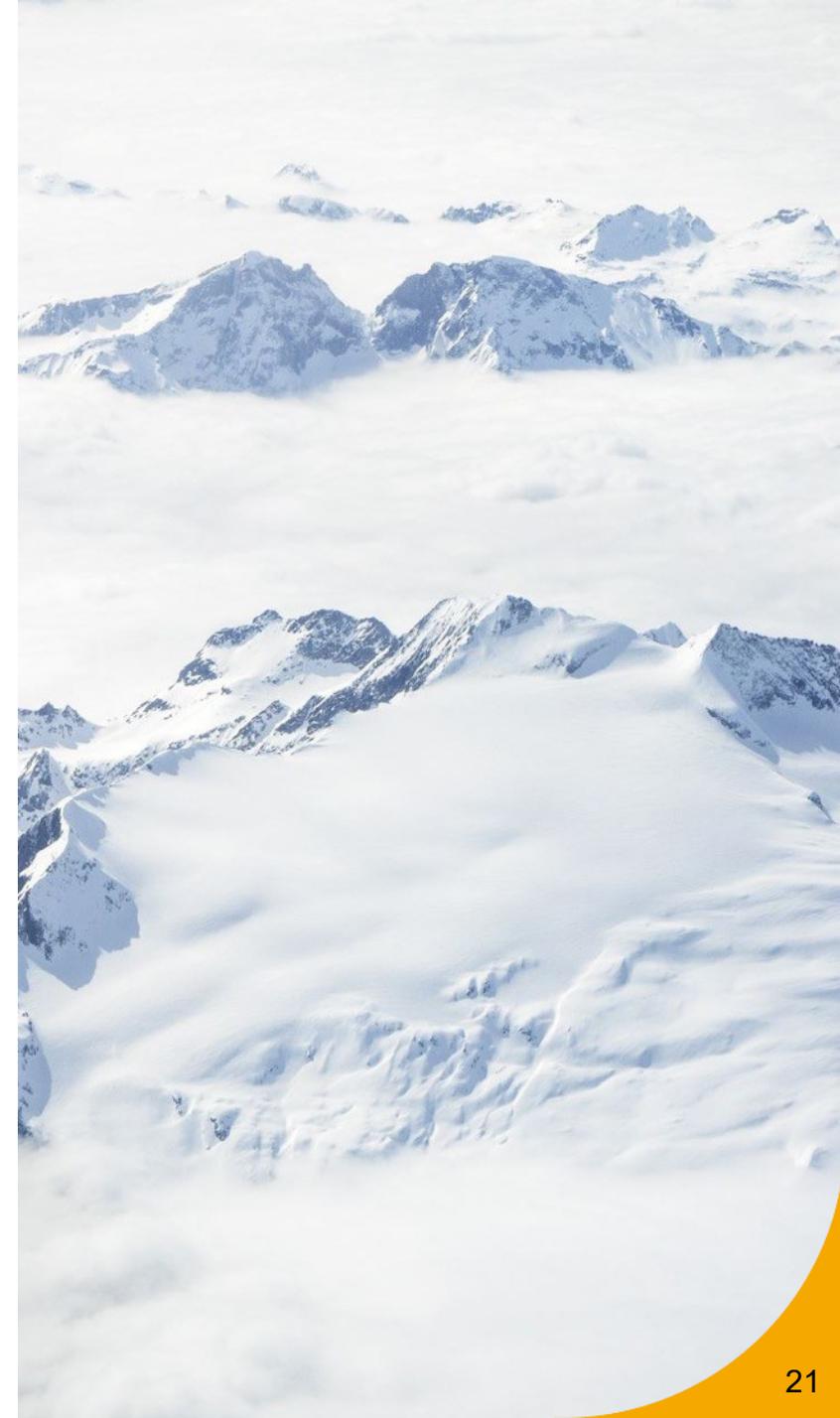
- “The fiduciaries of the fund shall discharge their duties with respect to the fund solely in the interest of the members and their beneficiaries ... (a) for the exclusive purpose of: (ii) defraying ***reasonable expenses of administering the system.***” (emphasis added, §59-1301(a))
 - “Cost-conscious management is fundamental to prudence” and requires that expenses be monitored and periodically reviewed. See *Tibble v. Edison Int’l*, 843 F.3d 1187, 1197-1198 (9th Cir. 2016) [decided under ERISA]; see also Rest. 3d Trusts, §90(c)(3) (A trustee is to “incur only costs that are reasonable in amount and appropriate to the responsibilities of the trusteeship.”).

Fiduciary Duty to Defray Administrative Expenses

- This duty does not mandate a specific course of action, but rather that the Board is to have a prudent process to determine the expenses needed to perform PERSI business.
 - Board exercises this responsibility through adoption of, and compliance with policies, such as its Travel and Expense Reimbursement Policy
 - Budget oversight and request for proposals for professional services (i.e., actuarial services, certain technology services, investment consultants)

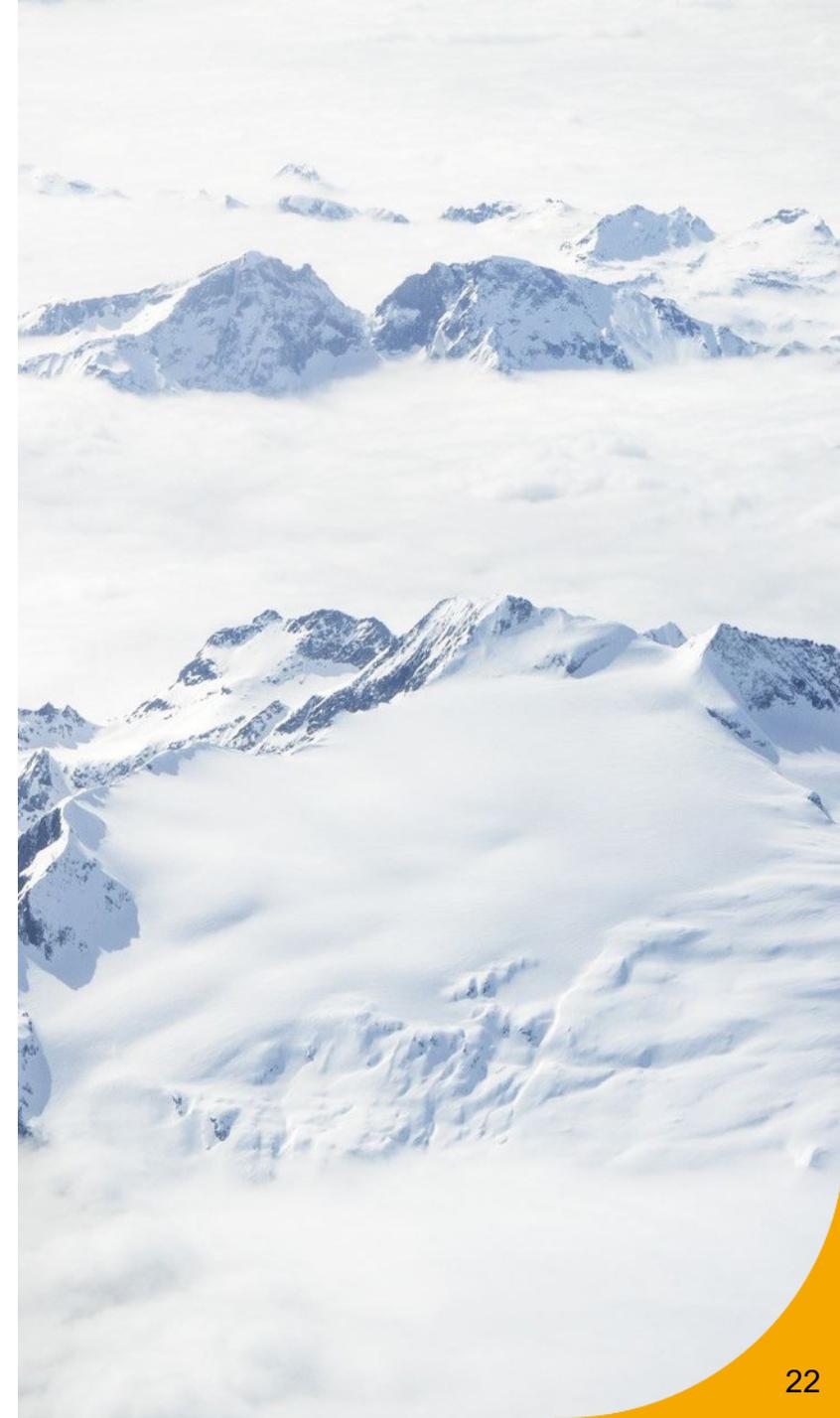
Hypothetical No. 3: Duty to Defray Reasonable Administrative Expenses

- Board has an Education Policy that permits periodic travel for pre-authorized trainings for public retirement system trustees, but limits costs per trustee.
- Board member Penelope requests an exemption from policy to attend a conference occurring in Switzerland, and requests reimbursement for (i) business class travel, and (ii) an additional weekend stay, which results in lower airfare but higher hotel costs.



Hypothetical No. 3: Duty to Defray Reasonable Administrative Expenses

- Board member Joanna requests authorization for the same business travel, citing her desire to have an additional opportunity to socialize with fellow board member Penelope.
- What fiduciary issues are implicated by this hypothetical?



Fiduciary Do's and Don'ts

Topic	Do's	Don'ts
Duty to diversify investments to maximize risk-adjusted returns	<ul style="list-style-type: none">• Hire experts (e.g., investment consultant(s)) to assist with analysis of asset allocation• Understand your Investment Policy Statement (IPS).• Review your IPS periodically to keep current• Consider if reports on your investments provide sufficient information to understand if the trust's portfolio, including investment managers, complies with your IPS	<ul style="list-style-type: none">• Consider investments due to external pressures (e.g., political, personal, or special interest)• Allow deviations from your IPS

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Duty to pay vested benefits	<ul style="list-style-type: none">• Consider if the IPS contemplates liquidity needs to fund current benefits due• Consider if the funding policy is aligned with the system's ability to pay future vested benefits	<ul style="list-style-type: none">• Place one group of beneficiaries above another when making governance decisions
Duty to defray administrative expenses	<ul style="list-style-type: none">• Obtain multiple bids or proposals on high-cost goods and services periodically to ensure the best quality for the best price	<ul style="list-style-type: none">• Select the lowest price without considering quality of services or goods

Fiduciary Trends

- **Federal Policies:** Defined contribution plan (i.e., 401(k), IRA, etc.) access to private market investments; national policy framework for AI
- **Means to an end:** Stakeholder pressure to change (decrease or increase) actuarially assumed rate of return and other actuarial assumptions and methodologies that impact member and employer contribution rates
- **Enhancing benefits:** Increasing pressure to grant non-vested COLAs and other supplemental retirement benefits

Fiduciary Trends

- **Claims of fiduciary breach:** Forfeiture account litigation and challenges to investment decisions (primarily as to ERISA defined benefit plans (i.e., 401(k), IRA, etc.)
- **Political pressures:** Restrictions on investment allocations, or requirements of investment allocations, for ideological reasons rather than risk-return investment perspective

Additional Educational Resources

- National Conference on Public Employee Retirement Systems (NCPERS) Training for Trustees
- National Council on Teacher Retirement (NCTR)
- National Association of Public Pension Attorneys (NAPPA)
- Institutional Limited Partners Association (ILPA)
- International Foundation of Employee Benefit Plans (IFEBP)
- National Association of Government Defined Contribution Administrators (NAGDCA)



Thank You for Your Time



Ashley K. Dunning
PERSI Fiduciary Counsel

Nossaman LLP

Partner and Co-Chair, Pensions, Benefits & Investments Group



Michelle Mellon-Werch
PERSI Fiduciary Counsel

Nossaman LLP

Partner, Pensions, Benefits & Investments Group