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Meeting of the PERSI Retirement Board
June 29th, 2026 | 2:00 P.M.
7957 W Spectrum Way, Boise ID 83709

AGENDA

Monday, June 29

2:00 PM		Call to Order | Welcome	Jeff Cilek
	*I.	Consent Agenda	Jeff Cilek
		A. May 26th, 2026 Minutes	
		B. Investment Report	
		C. DD-New and Withdrawn Employers Report	
		D. Financial Reports	
	II.	Board Action Items	
	*	A. FY 2028 Operating Budget	Mike Anderson
	III.	Board Information Items	
		A. 2027 Board meeting dates	Jeff Cilek
		B. Executive Director Report	Michael Hampton
2:30 PM		Adjournment	

2026 Future Board Meetings:
August 4, November 2, December 8

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

RETIREMENT BOARD MEETING MINUTES

A regular meeting of the Board of the Public Employee Retirement System of Idaho was held at 607 North 8th Street, Boise Idaho starting at 8:34 a.m., May 26th, 2026.

Members Present:
Jeff Cilek
Park Price
Darin DeAngeli
Lori Wolff
Josh Whitworth

Staff Present:
Michael Hampton
Alex Simpson
Richelle Sugiyama
Chris Brechbuhler
Mike Anderson

Guests:
Ryan Cook - Milliman
Ann O'Bradovich, Adam Lozinski, Jonny Gould – Callan
Michael Byrne, Adam Schwank – AEW
Brandon Fitzpatrick, Casey Macomb – DBF

Legal Counsel:
Elisa Magnuson

At 8:34 a.m., Chairman Cilek called the meeting to order.

Consent Agenda

Chairman Cilek presented the consent agenda for approval. After no objections all items on the consent agenda were approved by the Board.

Board Action Items

Asset Liability Study

CIO Richelle Sugiyama introduced the memo summarizing the Callan Asset/Liability (A/L) Study and stating the frequency, purpose, and background of the A/L study, including and overview of Staff recommendations.

Adam Lozinski of Callan presented the A/L Study. He explained that the purpose of the study is to evaluate fund objectives, provide a comprehensive picture of the interaction between assets and liabilities, and determine a prudent, long-term strategic asset allocation mix.

Adam presented Callan's recommendation to reaffirm the existing strategic policy.

Adam noted that the Fund has achieved a strong funded status, without taking on additional risks, and ranks in the top third of peers with over $10bn in assets.

The A/L Study considered the competing objectives of the Fund and resulting alternative asset mixes, ranging from more aggressive to more conservative for comparison purposes.

Trustee DeAngeli moved to approve the asset/liability study and maintain the current strategic policy, reaffirming the existing strategic policy mix as recommended by Staff and Callan, Trustee Price seconded, and the motion passed.

Sick Leave Experience Study
Ryan Cook of Milliman presented the sick leave experience study which included a review of the benefits program, demographic and economic assumptions, proposed updates based on recent experience, and provided recommendations for the Board's consideration.

The experience study showed higher-then-expected terminations and retirements, prompting tempered increases in assumptions. Sick leave accrual rates and payout percentages were adjusted based on recent data, with COVID and policy changes influencing trends.

The Board reviewed administrative expenses and investment return assumptions. Based on capital market projections, the recommendation for the investment return assumption was increased to 5.6%, with the caveat that future asset allocation changes may require further adjustment.

The Board considered whether an asset/liability study should be completed specific to the sick leave fund. The Board commented on the funded status and potential asset mixes and discussed possibility of broader use of the benefits based on its funding status.

Trustee DeAngeli moved to approve the proposed demographic assumptions and economic assumptions rates, including an increase of investment return from 5.4% to 5.6%, and decrease of the assumed load for administrative expenses from 0.05% to 0.02%. Trustee Wolff seconded, and the motion passed.

Base Plan Contribution Rate Setting
Ryan Cook of Milliman presented the scheduled contribution rate increases for the Base Plan, which included a review of modeling projections.

The Board discussed the scheduled 2.5% rate increase for July 2027 and 1.25% rate increase for July 2028, considering the impact on amortization periods and required investment returns under various scenarios. Sustainability modeling showed that regardless of the rate schedule, contribution levels would converge over 20 years, with discretionary PAAs and additional rate adjustments factored in maintaining funded ratios.

Trustee Wolff moved to approve the recommendations to cancel the 2.5% rate increase for July 2027, and retain the 1.25% rate increase for July 2028, Trustee DeAngeli seconded, and the motion passed.

Board Information Items

Governance Policy Review
Elisa Magnuson provided an overview on the Governance Policy review, reassuring the Board that it is following the governance policy standards, with only technical issues identified for future adjustment. Substantive changes have been made as needed in the past two years, and outside fiduciary counsel will review the policy for presentation of any of their recommendations in the fall.

FY 2028 Operating Budget Preview
Mike Anderson presented the proposed budget for FY2028, including administrative, portfolio, and new sick leave expenses. The Budget request includes a 27% increase in software and hardware costs and a new full-time position to administer the sick leave fund. Mike added and explained the need for a new General Ledger accountant position due to workload to the current General Ledger accountant.

Actuarial Education on Asset Smoothing Analysis
Ryan Cook of Milliman presented an overview on asset smoothing, explaining its purpose and how it affects contribution rates.

Asset smoothing is used to reduce volatility in contribution rates by averaging asst values over several years. The Board reviewed five-year smoothing models and compared them to current methods.

Ryan summarized that current practices do a good job of smoothing contribution rates, so asset smoothing wouldn't reduce the volatility of future enacted contribution rates. Asset smoothing would result in smoother contribution rates and fewer proposed increases, though ultimate costs and funded levels remain similar to current methods.

The Board discussed the results of the analysis nothing that future contribution rates tend to increase earlier than actual. They also requested future analysis of the impact of asset smoothing on post-retirement allowance adjustments. Ryan summarized that the Board's utilization of contribution rate smoothing has been effective for the Board and that the end result of the asset smoothing analysis and the Board's results come to the same result. He also noted that asset smoothing will help in down years and will lower funding ratios in up years.

The Board discussed statutory requirements for rate increases when amortization periods exceed 25 years, and considered pre-planned gradual rate increases as policy options, noting that flexibility is retained to adjust as needed.

Board Consultant and Staff Reports

Quarterly Performance Evaluation
Ann O'Bradovich of Callan presented the first quarter 2026 Performance Evaluation report. Ann provided a market overview and presented the Fund results for the last quarter, stating that the actual asset allocation is in line with policy and ranges, and is well diversified. She highlighted Fund performance, noting the underperformance, explaining this continues to be difficult markets for active managers with concentrated, diversified portfolios, particularly given the concentration within the index.

Ann highlighted that performance relative to peers remains consistent, noting median results over the longer term. She commented on the short-and long-term performance, noting the outperformance of real estate. She noted the Russell 3000 index is in the top quartile and the difficulty of active management.

Ann provided an overview of the structure of the DC plan, including the stable investment options. She highlighted performance, noting the passive options matched benchmarks and active managers are performing as expected, and answered questions about the quarterly performance evaluation.

Ann provided an update on the sick leave portfolio, which is managed 50-50 between equities and fixed income, with performance as expected.

CIO Report
Richelle Sugiyama provided an update on portfolio activities, noting the completion of the transition in late April, which included the onboarding of two new small mid-cap managers.

Real Estate Review (Callan, AEW, DBF)
Chris Brechbuhler introduced the annual real estate review, including presentations from various managers.

Jonny Gouldof Callan presented the real estate portfolio review as of the first quarter of 2026. Overall, the real estate portfolio is a stable, well diversified portfolio. He provided a historical summary and overview of the relationship with AEW, in addition to the diversification and performance of the portfolio. Callan recommended PERSI continues its relationship with AEW. Trustee Price asked if we've moved past the bottom of low valuation in real estate markets. Jonny agreed that valuations have reset, interest rates have stabilized, and we are likely at the reset or beginning of the next cycle, despite the challenge in some office sectors.

Jonny also provided a summary of the PRISA fund and Adelante portfolios.

Adam Schwank of AEW presented the PERSI Real Estate update, noting the concentration in industrial and housing sectors, which is by design. They continue to outperform their benchmark since inception.

Jonny presented Callan's review of the DBF Idaho Commercial Mortgage Program. He noted the stability of the program and effective management of the well-diversified commercial mortgage portfolio. Callan recommended PERSI continue the Idaho Commercial Mortgage Program with DBF.

Brandon Fitrpatrick of DBF presented the Idaho Mortgage Program Review. The program has been solid with a 0% delinquency rate, continued conservative underwriting, and continued interested in the program. Overall, the program remains stable and is performing well.

Executive Session:
At 12:40 p.m. Chairman Cilek made a request for motion to enter executive session in accordance with Idaho Code § 74-206 (1)(b). Trustee Price moved to enter executive session and Trustee DeAngeli seconded the motion, which passed unanimously. Upon conclusion of the executive session at 1:50 p.m., Trustee Price moved to return to regular session, Trustee Wolff seconded the motion, which passed unanimously.
Adjournment: With no further business to discuss, the Board adjourned at 1:50 p.m.

PERSI Investment Report

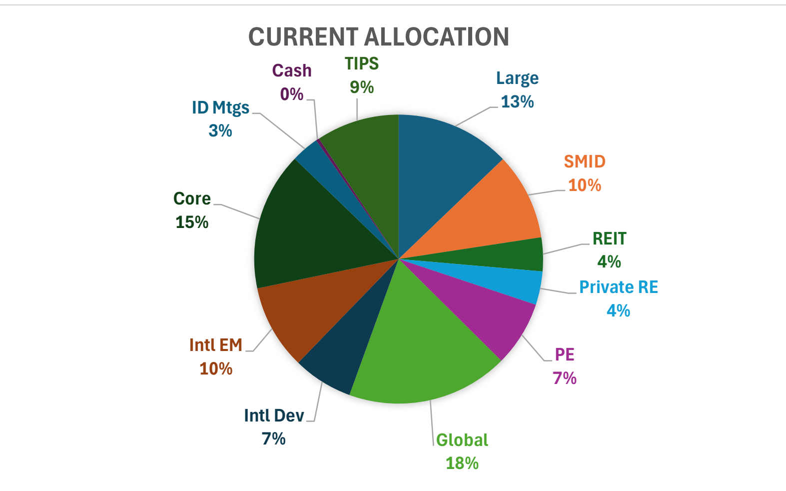
Unaudited gross of fee returns as of: **May 2026**

Current MV	$ 28,783,932,629	FYTD Return	12.4%
Last FY-end MV	$ 26,032,790,430	MTD Return	2.3%

Performance Summary

	MTD	FYTD	3 Year	5 Year	10 Year	20 Year
Total Fund	**2.3%**	**12.4%**	**12.2%**	**6.4%**	**9.1%**	**7.5%**
Strategic Policy	**3.2%**	**16.8%**	**14.3%**	**7.5%**	**9.3%**	**7.6%**
Long-Term (Broad 55-30-15)	3.3%	16.7%	16.6%	8.6%	10.3%	8.5%
Dom Equity	**3.2%**	**14.5%**	**14.7%**	**9.7%**	**12.6%**	**9.9%**
Russell 3000	5.1%	23.2%	23.2%	12.9%	15.1%	11.2%
U.S. Equity	**4.1%**	**18.0%**	**20.7%**	**10.8%**	**13.5%**	**10.8%**
Private RE	**1.5%**	**4.7%**	**-1.5%**	**5.0%**	**7.4%**	**4.1%**
PE	**0.8%**	**8.1%**	**7.2%**	**10.4%**	**13.2%**	**11.1%**
Global Equity	**1.1%**	**11.9%**	**14.5%**	**8.4%**	**12.0%**	**8.1%**
Int'l Equity	**5.2%**	**25.5%**	**18.8%**	**6.6%**	**9.1%**	**6.0%**
MSCI EAFE Net	3.1%	20.2%	18.2%	8.8%	9.3%	5.5%
Fixed Income	**0.3%**	**3.9%**	**4.3%**	**0.8%**	**2.4%**	**3.9%**
Aggregate	0.3%	3.5%	3.9%	0.2%	1.7%	3.3%

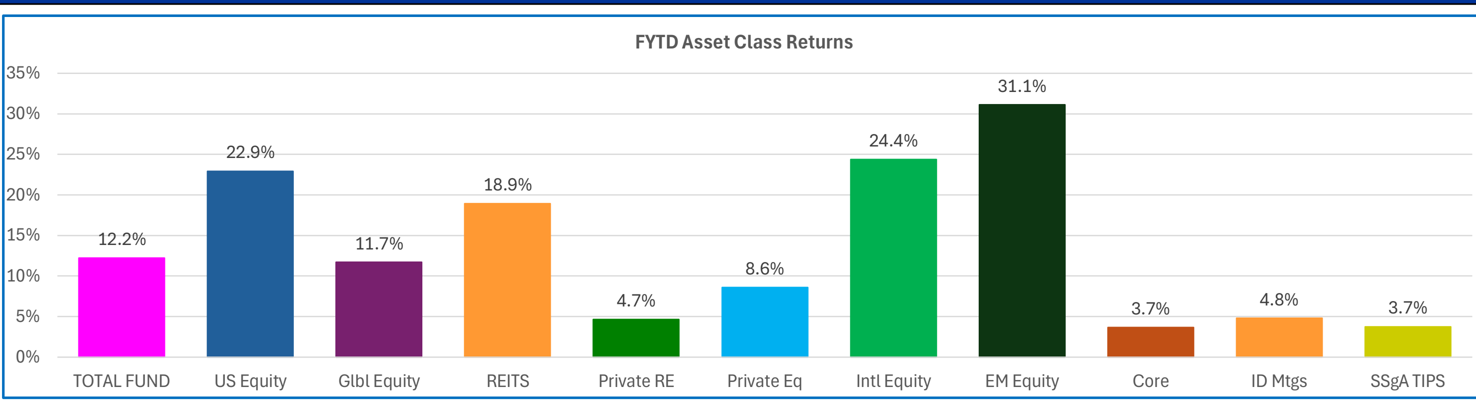
Asset Allocation



		MV $	Alloc %	Strategic %
Large	$	3,693	13%	14%
SMID	$	2,807	10%	8%
REIT	$	1,092	4%	4%
Private RE	$	1,077	4%	4%
PE	$	2,099	7%	8%
Global	$	5,217	18%	15%
Intl Dev	$	1,934	7%	8%
Intl EM	$	2,727	9%	9%
Core	$	4,454	15%	20%*
ID Mtgs	$	901	3%	
Cash	$	103	0%	
TIPS	$	2,679	9%	10%
Total Fund	$	28,784	100%	100%

*20% Aggregate = Core/ID Mtgs/Cash

FYTD Returns



Performance is unaudited and GROSS of fees, all performance greater than 1 year is annualized.

Allocation and Returns by Manager					May-2026
	MV ($m)	Alloc (%)	FYTD	1 Year	5 Year
Total Fund	**$28,784**	**100%**	**12.4%**	**15.3%**	**6.4%**
Strategic Policy			16.8%	20.3%	7.5%
Long-Term "Broad" *(55-15-30)*			16.7%	20.9%	8.6%
Total Domestic Equity *(Russell 3000)*	**$15,985**	**55.5%**	**13.6%**	**16.8%**	**9.3%**
Russell 3000			**23.2%**	**29.4%**	**12.9%**
U.S. Equity ex RE, PE *(Russell 3000)*	**$7,592**	**26.4%**	**18.0%**	**22.1%**	**10.8%**
MCM Russell 1000	$2,936	10.2%	22.6%	28.8%	13.3%
Peregrine *(R1000G)*	$757	2.6%	-8.1%	-4.5%	2.6%
MCM Russell 2000	$145	0.5%	35.7%	43.1%	6.8%
Atlanta Capital *(R2500)*	$566	2.0%	-5.1%	-3.1%	N/A
Boston Partners *(R2500)*	$539	1.9%	N/A	N/A	N/A
Donald Smith & Co. *(R3000)*	$950	3.3%	39.7%	46.7%	24.7%
Hood River *(R2500)*	$604	2.1%	N/A	N/A	N/A
Global Equity	**$5,217**	**18.1%**	**11.9%**	**15.7%**	**8.4%**
BLS *(MSCI ACWI)*	$668	2.3%	-5.4%	-4.9%	3.6%
Bernstein *(MSCI ACWI)*	$834	2.9%	27.1%	35.1%	10.0%
Brandes *(Russell 3000)*	$829	2.9%	20.6%	26.7%	13.7%
Longview *(MSCI ACWI)*	$606	2.1%	-6.4%	-3.7%	3.8%
PineStone *(MSCI World)*	$756	2.6%	15.8%	19.1%	10.1%
Pzena *(MSCI ACWI)*	$838	2.9%	21.2%	26.0%	N/A
Walter Scott *(MSCI World net div)*	$682	2.4%	6.8%	9.3%	6.7%
MCM REIT *(DJ US Select REIT)*	$515	1.8%	18.3%	17.2%	5.5%
Adelante REITs *(Wilshire REIT)*	$577	2.0%	17.1%	15.7%	6.3%
Private Real Estate	**$1,077**	**3.7%**	**4.7%**	**5.1%**	**5.0%**
Private Equity *(Russell 3000)*	**$2,099**	**7.3%**	**8.1%**	**8.5%**	**10.4%**
Int'l Equity *(MSCI EAFE)*	**$4,662**	**16.2%**	**25.5%**	**30.8%**	**6.6%**
MSCI EAFE Net			**20.2%**	**22.8%**	**8.8%**
MCM International *(MSCI EAFE)*	$292	1.0%	20.1%	22.8%	9.0%
C Worldwide *(MSCI ACWI ex US)*	$471	1.6%	7.9%	9.6%	N/A
Mondrian *(MSCI EAFE)*	$640	2.2%	21.7%	22.9%	11.2%
Sprucegrove *(MSCI EAFE)*	$531	1.8%	17.9%	21.2%	N/A
MCM Emerging Markets *(MSCI EMF)*	$1,293	4.5%	46.3%	55.1%	7.7%
WCM *(MSCI EMF)*	$843	2.9%	34.9%	45.1%	N/A
Wasatch *(MSCI EMF)*	$589	2.0%	7.8%	13.2%	N/A
Total Fixed Income *(BC Aggregate)*	**$8,033**	**27.9%**	**3.9%**	**5.3%**	**0.8%**
BB Aggregate			**3.5%**	**5.1%**	**0.2%**
Baird *(BB Aggregate)*	$532	1.8%	3.9%	5.7%	N/A
Clearwater *(BB Aggregate) - 1/2014*	$401	1.4%	3.7%	5.4%	0.5%
Dodge & Cox *(BB Aggregate)*	$535	1.9%	4.8%	6.7%	N/A
JP Morgan *(BB Aggregate)*	$538	1.9%	4.4%	6.1%	N/A
SSgA Gov/Corp *(BB G/C)*	$1,669	5.8%	3.2%	4.8%	0.2%
IR+M *(BB G/C)*	$524	1.8%	3.4%	5.0%	0.5%
DBF Idaho Mortgages *(BB Mortgage)*	$901	3.1%	4.8%	6.2%	2.1%
DBF MBS *(BB Mortgage)*	$255	0.9%	4.8%	6.7%	0.7%
SSgA TIPS *(BB TIPS)*	$2,679	9.3%	3.8%	4.8%	1.1%
Cash	**$103**	**0.4%**	4.4%	4.7%	3.7%

Performance is unaudited and GROSS of fees, all performance greater than 1 year is annualized.

FOR

INFORMATIONAL

PURPOSES

ONLY

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Bernstein Global Strategic Value

Global Equity: MSCI ACWI Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Bernstein GSV	1.87%	7.70%	35.17%	22.48%	10.07%
MSCI ACWI	7.54%	12.15%	30.27%	22.30%	11.45%
Russell 3000	5.07%	10.03%	29.45%	23.16%	12.92%

Performance Attribution & Strategy Comments

Portfolio Performance: In May and for the year to date, the Portfolio increased in absolute terms but underperformed its Benchmark, the MSCI ACWI, net of fees. During the month, sector selection detracted from overall performance, while security selection contributed, gross of fees. The Portfolio's underweight position to technology and selection within financials detracted from performance the most, while selection within consumer staples and technology contributed, mitigating some losses. Shell, a UK-based global energy company engaged in the exploration, production and refining of oil and gas, was the leading individually held detractor from performance during the month, as the oil price fell from $114 to $92 in May. Everest Re, a US-based global reinsurer, detracted as investors focused on weaker top-line trends and catastrophe exposure in its latest results. Despite an earnings beat, the company missed revenue expectations with sales declining year over year and premiums falling sharply, reflecting reduced underwriting volumes and strategic exits. Additionally, elevated catastrophe losses and ongoing exposure to large event risks contributed to uncertainty around future profitability and pressured sentiment. Yum China, a leading restaurant operator in China primarily operating KFC and Pizza Hut restaurants, detracted as investors reacted to mixed quarterly results and signs of pressure on underlying demand. While the company largely met earnings expectations, same store sales remained flat and growth at existing locations was muted, highlighting softer consumer spending trends in its core market.

Outlook: May was very much a repeat of April for global stock markets. Stocks were up, with constant headlines regarding negotiations between Iran and the US, but ultimately no conclusive progress in reaching a deal or opening the Hormuz strait, while the market was dominated by AI enthusiasm with very strong performance spreading to stocks across broader swathes of the tech hardware landscape.

By region, the tech rally led the US market to outperform and lead developed markets, up 5.26% in May. European and Japanese stocks underperformed, up only 2.63% and 4.97%, respectively. Emerging-market stocks performed strongly, up 9.69%, driven by strength from tech-heavy Taiwan and South Korea and despite lackluster performance in China, down 3.03% (all returns in US-dollar terms). From a style standpoint, in another month driven by tech stocks, it was again a poor month for value, with the MSCI ACWI Value Index underperforming its growth counterpart by 4.09% and the broad index by 1.99%. Value underperformed the most in the US during the month (–6.12% versus its growth counterpart), followed by Europe (–3.57%); value outperformed in Australia (+4.75%), China (+2.33%), emerging markets (+0.94%) and Japan (+0.20%). Since the start of the year, the MSCI ACWI Value continued to outperform growth by 0.66%. The MSCI ACWI tech sector has outperformed the broad index by 24.71% since April. The only prior time the tech sector has had such a strong two-month run was November/December 1999 just before the peak, and again in October 2001 after the crash. No one knows how much further the current AI rally will go, but we observe signs of exuberance and historic levels of concentration and we believe our Portfolio's more balanced positioning remains appropriate for long-term success.

Manager Style Summary

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

Bernstein Global Strategic Value
Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Bernstein	Calc	Min	Max	Compliance
B3. Security position <= 10% of the account @ purchase						ok
B4. Number of issues		59.0		25	75	ok
B5. Normal Regional Exposures (* benchmark -/+ min/max):						
United States *	64%	46%		39%	89%	ok
Europe ex U.K. *	11%	17%		-4%	26%	ok
UK *	3%	17%		-7%	13%	ok
Japan *	5%	9%		-5%	15%	ok
Emerging Markets		8%		0%	20%	ok
Other		3%		0%	20%	ok
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	995,403	393,804	40%	50%	100%	check
Price/Book Value	3.9	2.5	65%	50%	100%	ok
Price/Earnings (Next 12 mo)	16.7	13.4	80%	50%	100%	ok
Price/Cash Flow	17.4	10.5	61%	50%	100%	ok
Dividend Yield	1.6	2.0	126%	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					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

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

B6. Capitalization: Our portfolio average capitalisation weight relative to the benchmark is driven by two factors. We find some smaller cap ideas very attractive.

Total Firm Assets Under Management ($m) as of: Qtr 1 $838,638

Organizational/Personnel Changes

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

Adelante (Public RE - REITs)

Domestic Equity: Wilshire REIT Benchmark

For the month of: **May** **2026**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Adelante Total Return	-0.99%	2.10%	15.70%	13.19%	6.29%
Wilshire REIT Index	-0.12%	2.64%	16.81%	13.64%	5.94%

Performance Attribution & Strategy Comments

For the month ended May 31, 2026 – The Account underperformed the Wilshire US REIT Index by 87 basis points, gross of fees, as the REIT market declined 0.1%. Contributors: the sector allocation to Digital Advertising REIT (underweight), Gaming and Casino REIT (underweight) and security selection within Core Industrial REIT. Detractors: the sector allocation to Real Estate Services REIT (overweight), Medical Offices and Laboratories REIT (underweight) and Specialty Industrial REIT (underweight). Best performing holding: Alexandria Real Estate Equities, Inc., +22.6%. Worst performing holding: CBRE Group, -12.4%.

For the trailing quarter ended May 31, 2026 – The Account underperformed the Wilshire US REIT Index by 54 basis points, gross of fees, as the REIT market advanced 2.6%. Contributors: security selection within Care Facilities REIT, Apartment REIT and the sector allocation to Gaming and Casino REIT (underweight). Detractors: the sector allocation to Real Estate Services (overweight), Office REIT (underweight) and security selection within Hotel REIT. Best performing holding: SL Green Realty Corp., +25.9%. Worst performing holding: CBRE Group, -15.3%.

Comments: REITs struggled to keep pace with a sharply improving risk appetite in May, as rising rates and a renewed cyclical bias left the asset class on the wrong side of the market's rotation. The Wilshire US **REIT Index declined 0.12%** for the month, lagging a strong broader equity market backdrop, while **the 10-year Treasury yield crested at 4.66%** and ended the month at 4.44%, **reinforcing pressure on rate-sensitive real estate valuations and capital costs.** Performance was highly dispersed across subsectors, with **returns driven more by property-level exposure and idiosyncratic catalysts** than broad beta. Leadership skewed toward cyclically sensitive and operationally improving segments, while duration-sensitive sectors remained under pressure. The **strongest performance came from medical office and life science sector**, where the benchmark segment advanced over 20%, alongside specialty industrial and select lodging names, which benefited from improving demand trends and cyclical positioning. The **office sector advanced 5.5%, reflecting incremental improvement in leasing sentiment** and positioning. In contrast, **more defensive, income-oriented, and rate-sensitive segments lagged**. Free-standing retail, healthcare/care facilities, and gaming REITs each declined roughly 3 to 4%, while data centers also finished lower. CBRE Group, Inc, our real estate services holding, fell 12.4%, highlighting continued pressure in transaction-driven businesses. Strategic activity also accelerated, highlighted by the announced **Equity Residential–AvalonBay all-stock "merger of equals" to create the largest publicly traded apartment platform** in the U.S., with approximately **$52 billion equity market capitalization** and **$69 billion enterprise value**. The transaction provides greater scale, balance sheet capacity, and alignment across core coastal markets, positioning the combined company to drive durable earnings growth and improved cost efficiencies. Fundamentals remain broadly constructive, with **most REITs exceeding earnings expectations and management teams maintaining a focus on capital discipline, deleveraging, and portfolio optimization**. Our outlook remains closely tied to the interest rate path and REIT performance will likely require greater clarity on inflation and a moderation in long-term yields.

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)	22.25	17.50	1.27		1.30	ok
B6b. Beta	0.96	1.00	0.96	0.70	1.30	ok
B6c. Dividend Yield	3.18	3.57	0.89	0.80	2.00	ok
B6d. Expected FFO Growth	20.32	18.97	107%	80%	120%	ok
E2. Commissions not to exceed $0.06/share						ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Portfolio Attributes

Portfolio Guidelines section B5

Core Holdings (40% - 100%) Actual: **80%** **ok**

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

Takeover/Privatization Candidates (0% - 15%) Actual: **0%** **ok**

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

Trading Arbitrage (0% - 20%) Actual: **17%** **ok**

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

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 1,559

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: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Atlanta Capital	-1.65%	-5.15%	-3.34%		
Russell 2500	4.36%	10.04%	37.96%		

Portfolio Attributes

Characteristics	Atlanta	RU 2500
Mkt Value ($m)	566.37	N/A
Wtd Cap ($b)	12.10	21.30
P/E	20.50	21.70
Beta	0.52	1.00
Yield (%)	0.81	1.15
Earnings Growth	15.10	5.70

Sector Analysis (Top 2)

Over-weight	Atlanta	RU 2500
Industrials	28.14%	21.30%
Financials	20.61%	14.28%

Under-weight	Atlanta	RU 2500
Heath Care	4.06%	11.41%
Technology	15.84%	20.39%

Performance Attribution & Strategy Comments

The U.S. SMID Cap Russell 2500 benchmark gained +4.4% in the month of May. As has been the case for many months, benchmark returns have been narrowly focused with only two of the benchmark’s eleven sectors outperforming. The Technology sector gained +21% in the month as AI-exposed Hardware and Storage rose +48% and Semiconductor stocks gained +25%. The Communications sector increased +6% in the month, with AI and space-related stocks seeing strong monthly returns.

The Atlanta Capital portfolio trailed the benchmark in May. Overall selection was negative for the month and largely concentrated in the Technology and Industrial sectors. Our exposure to software and lack of exposure to more cyclically exposed holdings in semiconductors, memory, and equipment stocks detracted from our relative performance as the AI build-out narrative continued. Within Industrials, several of our professional services holdings underperformed on the narrative that AI would make their services less valuable in the future. Performance benefited from our underweight to Energy, Health Care, Real Estate and Utilities.

The rally in momentum and Beta continued in May. While our average portfolio holdings are experiencing good revenue and earnings growth, they are continuing to see their valuation multiples remain flat or decline. We continue to see great long-term opportunity within SMID Cap quality.

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		56		50	60	ok
B5. Sector limits less than 30%						Yes
B6. Annual turnover		13%		10%	20%	ok
B7. Normal Global Portfolio Characteristics						
Capitalization (rel)	21300	12180	57%	100%	200%	check
Maximum Sector Exposure		28%		0%	30%	ok
Price/Book Value (rel)	2.7	3.5	130%	100%	170%	ok
Price/Earnings (rel)	21.7	20.5	94%	100%	200%	check
Dividend Yield (rel)	1.2	0.8	70%	40%	70%	check
Beta (rel)		0.52		0.70	1.00	check
D. No foreign currency denominated securities, derivatives, short sales, commodities, margin or affiliated pooled funds.						Yes
E1. Brokerage commissions not to exceed $0.05/share for U.S. equities						Yes
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B7. Capitalization: Benchmark cap has increased due to AI related stocks like SanDisk, Bloom Energy, Cienna, Comfort Systems, and Lumentum.

B7. Price/Earnings: The portfolio has largely experienced multiple compression while AI and high beta stocks have experienced multiple expansion.

B7. Dividend Yield: The yield of the benchmark has declined relative to our portfolio.

B7. Beta: The portfolio's high quality bias results in a beta that is below the markets. Increased risk in the benchmark has reduced our risk.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 23,100

Organizational/Personnel Changes

N/A

Account Turnover

Gained:	Number of Accounts:	1	Total Market Value ($m):	$ 120.0
Lost:	Number of Accounts:	5	Total Market Value ($m):	$ 285.0

Reason(s): We funded one new institutional account in the month. Account departures were tied to consultant and asset allocation changes.

Baird Advisors

Core Fixed: BB U.S. Aggregate Bond Index

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Baird	0.36%	-1.33%	5.69%	n/a	n/a
BB Aggregate	0.31%	-1.35%	5.13%	n/a	n/a

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the benchmark by 5 basis points, gross of fees. Credit positioning modestly contributed to relative performance, driven by the overweight to financials. Active yield curve positioning and the positive convexity bias modestly contributed to relative performance. Securitized positioning did not materially impact relative performance. As always, the portfolio remained duration neutral.

Treasury Yields Rise and Curve Flattens as Inflation Concerns Persist; Warsh Confirmed as 17th Fed Chair:

The upward trend in Treasury yields, which coincides with the late February onset of the Iran conflict, continued in May as the 10yr Treasury rose another 7 bps to 4.44%. The 2yr Treasury rose 13 bps, leaving 2s10s spread at 43 bps, its flattest reading since last summer. The large rise in short yields was a byproduct of markets continuing to shift from pricing rate cuts in late 2026 to now assigning increased probability of a hike. Inflation concerns, driven in large part by elevated oil prices hovering around $100/barrel due to the ongoing closure of the Strait of Hormuz, were evident as the 30yr Treasury reached 5.18% intramonth, its highest level since 2007, before settling at 4.98% by month end. April core PCE inflation of 3.3% YoY matched expectations but was also its highest YoY reading since 2023. The “vast majority” of Fed officials noted in meeting minutes increased risk that inflation would take longer to get to their 2% target than previously expected. The labor market remained steady as +115k payrolls were reported in April with a low and steady unemployment rate of 4.3%. Kevin Warsh was sworn in as the 17th Federal Reserve Chair on May 22 following a 54-45 Senate confirmation. His first meeting as Chair is June 16–17; markets assign a near-zero probability of a rate move at that meeting.

High Absolute Yields Foster Tighter Spreads:

Spreads tightened further as capital flowed into the U.S. bond market in response to higher absolute yields. Early estimates peg May’s industry bond fund inflows as the strongest month in over 15 years. U.S. IG Corporate spreads closed at +72 bps, just 1 bp above the recent tight reached in January, which represented a 28-year tight in spreads. Non-Agency CMBS and ABS tightened in sympathy as well.

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 incremenatal 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:	5.9	5.9	5.4	6.4	ok
B2. Sector Diversification:					
Government	31%	47%	12%	82%	ok
Treasuries	31%	46%	11%	81%	ok
Agencies	0%	1%	0%	6%	ok
Credit	39%	28%	3%	53%	ok
Financial	16%	8%	0%	23%	ok
Industrial	21%	14%	0%	29%	ok
Utility	1%	2%	0%	12%	ok
Non-Corporate	0%	3%	0%	13%	ok
Securitized	30%	26%	1%	51%	ok
Non-Agency RMBS	6%	0%	0%	15%	ok
Agency RMBS	18%	24%	4%	44%	ok
ABS	2%	0%	0%	10%	ok
Non-Agency CMBS	5%	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	228		200	400	ok
B. Non-Investment Grade Alloc	0%			5%	ok
F2. Annual Turnover	30%		0%	50%	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 2 $ 195,667

Account Turnover

Gained:	Number of Accounts:	0	Total Mkt Value ($m):	$	-
Lost:	Number of Accounts:	1	Total Mkt Value ($m):	$	287.0

Reason(s) for loss: Baird Advisors lost one account due to client change in mandate.

BLS Capital

Global Equity: MSCI ACWI Benchmark

For the month of: **May** **2026**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
BLS	-3.37%	-8.04%	-5.10%	5.17%	3.62%
MSCI ACWI	5.16%	7.54%	30.27%	22.30%	11.45%

Performance Attribution & Strategy Comments

In May, the largest relative contributors to performance were InterContinental Hotels Group (8% return in USD), Anheuser-Busch InBev (8%), and Automatic Data Processing (5%). Conversely, Yum China (-12%), AutoZone (-21%), and Zoetis (-32%) were the largest relative detractors.

Global equities advanced again in May, with the MSCI ACWI rising 5.2% in US dollars as investors continued to price in geopolitical de-escalation following April's relief rally. An attempt at an agreement between the US and Iran emerged towards month-end, and oil prices fell sharply back below USD 100 per barrel after spending much of the period above 110, which helped drive bond yields lower late in the month.

The dispersion beneath the headline remained extreme and, as in April, was almost entirely a function of the artificial intelligence (AI) trade. The MSCI Information Technology index rose 17.9% over the month and is up 31.5% year to date, with global semiconductors up a further 17.8% in May and 54% year to date as measured by the Bloomberg World Semiconductors index. Emerging markets outperformed every other region, advancing 9.7% in US dollars, led by MSCI Korea up 35.3% and MSCI Taiwan up 16.6% on their positioning in the AI supply chain, while MSCI China fell 3.0%. Growth again outpaced value, and momentum led the factors at 13.4% based on MSCI Factor indices. Against this backdrop our portfolio, with no exposure – neither today, nor historically - to the Information Technology hardware and semiconductor complex, was left behind.

Several of our companies have seen their share prices pressured by a broad-brush assumption that AI will disintermediate their business models. We think this conflates the companies building AI with our group of high-quality businesses that stand to benefit from it although - as always when we see major technological shifts - it requires the appropriate and timely strategic response. We continuously challenge our companies' moat resilience and sustainability.

The reporting season gave our management teams the opportunity to be considerably more articulate about three points: that their exposure to genuine disintermediation is modest and tied to unique proprietary datasets and entrenched distribution that AI cannot easily replicate; that AI is already delivering tangible efficiency gains within their own operations; and that it is opening new addressable markets rather than closing existing ones. The clearest articulations this quarter came from Automatic Data Processing, Experian, S&P Global, and Salesforce, and we have used the share price weakness in several of these names to add to our ownership during the past months.

During May, we added to Amadeus, Mastercard, Arthur J. Gallagher and AutoZone following share price weakness and attractive valuations, funded by reducing our holdings in Kuehne+Nagel and Anheuser-Busch InBev following solid share price performance.

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	47%	35%	50%	ok
Japan	0%	0%	0%	ok
Europe ex UK	27%	15%	35%	ok
UK	19%	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)	86	90	125	check
Price/Earnings (current)	16.9	17	23	check
Dividend Yield	2.08%	1.80%	2.80%	ok
Net Debt/EBITDA	0.99	0.5	1.0	ok
ROIC	43%	42%	50%	ok
FCF Yield	6.35%	3.75%		ok
E2. Brokerage commissions not to exceed $0.03/share for U.S. equities				Yes
E3. Annual turnover	33%	30%	50%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B6. Capitalization: We expect to generate attractive risk-adjusted returns from our investments in lower market capitalization names.

B6. Price/Earnings: Our portfolio average price to earnings ratio is lower, supportive of more attractive future returns.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 6,244

Organizational/Personnel Changes

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

Account Turnover

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

Boston Partners Global Investors, Inc

Domestic Equity: Russell 2500 Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Boston Partners	1.90%	N/A	N/A	N/A	N/A
Russell 2500	4.36%	N/A	N/A	N/A	N/A

Portfolio Attributes

Characteristics	Boston Partners	RU 2500
Mkt Value ($m)	538.86	N/A
Wtd Cap ($b)	11.91	21.21
P/E	12.60	15.00
Beta	0.94	-
Yield (%)	4.90	1.90
Earnings Growth	11.60	-

Sector Analysis (Top 2)

Over-weight	Boston Partners	RU 2500
Financials	18.70%	14.30%
Energy	8.10%	4.30%

Under-weight	Boston Partners	RU 2500
Industrials	14.30%	21.70%
Real Estate	1.80%	5.70%

Performance Attribution & Strategy Comments

U.S. stocks continued to climb in May, propelled by gains in the Information Technology sector. In fact, only three of eleven S&P 500 sectors were positive for the month. Energy was the laggard, whipsawed by news of peace negotiations in the Middle East. Growth indices generally outperformed value, and large company stocks outpaced smaller capitalization names.

The Boston Partners Small/Mid Cap Value strategy posted a gain for the month but trailed its benchmark, the Russell 2500 Value Index. Allocations to Consumer Discretionary and Information Technology acted as a drag on performance during the month, while positioning in Health Care and Utilities generally aided results. Individual detractors included Coca-Cola Consolidated, a beverage bottling company, and Murphy USA, a gas station operator. Standout performers included Flex LTD, an electronics manufacturing company, and Penguin Solutions, a memory and AI infrastructure firm.

For the year to date through May, the Small/Mid Cap Value strategy generated a positive return but underperformed its benchmark. The underperformance year-to-date is largely attributable to stock selection in the Information Technology and Industrials sectors. Within Technology, not holding Sandisk alone caused nearly half of the relative underperformance. Sandisk has been a direct beneficiary of the AI infrastructure buildout, but with a market cap of $270 billion and a trailing P/E ratio of 60x it does not fit our investment thesis. Additional benchmark-held AI beneficiaries Ciena Corp, Lumentum, and Coherent also caused a meaningful lag in relative performance. Within Industrials, our professional services positions were a drag on relative returns. These asset-light service-based companies such as Upwork and Huron Consulting Group have sold off as the market has instead favored hard asset industries. As for positives, positioning in Utilities and Real Estate, which we generally avoided, contributed to relative results.

Manager Style Summary

Boston Partners has been hired to manage a small-to-mid cap value equity portfolio. Boston Partners will invest in a portfolio of generally 125-200 companies. Their philosophy has three core principles: value discipline, bottom-up, "Characteristics-Based" investment approach, and preservation of capital. Boston Partners evaluates companies with market capitalizations within the range of companies comprising the Russell 2500 Index. Their investment philosophy focuses on "three circles" – undervalued strong fundamentals and positive business momentum

Boston Partners Global Investors, Inc
Domestic Equity: Russell 2500 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Boston Partners	Calc	Min	Max	Compliance
B2. Securities, at time of purchase, within the index market cap						Yes
B3. Security position <= 5% of the account						Yes
B4. Number of issues		164		125	200	ok
B5. Normal Global Portfolio Characteristics						
Capitalization (in billons)		12		1.5	12	ok
Price/Book Value		2.8		0.50	2.50	check
Price/Earnings (Projected)		12.6		7.00	17.00	ok
Dividend Yield		1.00%		1%	4%	ok
Beta (rel)	1.00	0.94	0.9	1.00	1.50	check
Earnings Growth		12%		8%	22%	ok
D. No foreign currency denominated securities, derivatives, short sales, commodities, or margin						Yes
E2. Brokerage commissions not to exceed $0.04/share for U.S. equities						Yes
E3. Annual turnover		N/A		0%	100%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B5. Price/Book:	Deviations from the portfolio guidelines are a result of our bottom-up, three circle stock selection process and market conditions/movement.
B5. Beta:	Deviations from the portfolio guidelines are a result of our bottom-up, three circle stock selection process and market conditions/movement.
E3. Annual Turnover	The portfolio does not have a full-year's track record to calculate an annual turnover. The annual turnover of a rep account in the strategy as of 3/31 was 83.7%.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 127,606

Organizational/Personnel Changes

None.

Account Turnover

Gained:	Number of Accounts:	5	Total Market Value ($m):	$ 24.1
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: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Brandes	0.80%	-1.97%	26.62%	23.98%	13.68%
Russell 3000	5.07%	10.03%	29.45%	23.14%	12.91%

Performance Attribution & Strategy Comments

May saw a continuation of gains for global equities on the back of strong corporate earnings and hopes for a resolution of geopolitical hostilities. AI remained a dominant theme both in the US and Asia, and economic data continued to provide support.   Against this backdrop the Brandes Global Equity portfolio rose but trailed the broad world index. On a sector basis, the relative portfolio performance was negatively impacted by an underweight in Information Technology, which was again the top-performing index sector, as well as an overweight in health Care, where our holdings trailed the index . On a country basis, stock selection in the U.S. hampered relative returns, as did select holdings in the U.K. and France. Emerging markets, on the other hand, selectively contributed strongly as Asian names rallied further on the AI theme.   As of 5/31/26, 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 added one new name to the portfolio, U.S. pharmaceutical company Zoetis, Inc., the largest global animal health company, and they sold out the remainder of the Micron Technology position as shares reached full intrinsic value. 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 there is still a small overweight in Financials, they have performed well over the past year and we continue to pare our exposure as our holdings have appreciated. 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 1 $ 46,427

Organizational/Personnel Changes

None

Account Turnover

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

Manager Style Summary

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

Brandes Investment Partners, L.P.

Global Equity: Russell 3000 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		69		40	70	ok
B5. Normal Country Exposures:						
United States & Canada		42%		30%	100%	ok
Americas ex U.S.		5%		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		15%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		2%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	$250,593	$225,835	90%	30%	125%	ok
Price/Book Value	2.4	1.9	77%	50%	100%	ok
Price/Earnings	18.6	16.8	90%	50%	100%	ok
Price/Cash Flow	12.5	9.4	75%	50%	100%	ok
Dividend Yield	2.4	3.2	135%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	$1,231,056	$282,767	23%	30%	125%	check
Price/Book Value	5.2	1.8	35%	50%	100%	check
Price/Earnings	27.2	11.3	42%	50%	100%	check
Price/Cash Flow	18.7	9.8	53%	50%	100%	ok
Dividend Yield	1.1	2.2	204%	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		28%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B7. Capitalization:	Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range.
B7. Price/Book Value:	Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range.
B7. 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: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
C WorldWide Asset Mgmt	0.51%	-2.40%	9.37%	-	-
MSCI ACWI ex US	5.03%	2.74%	32.77%	-	-

Performance Attribution & Strategy Comments

Among contributors to performance were TSMC, CATL and ASML. The AI-theme drove a narrow market during May, and while we participated by owning names such as TSMC and ASML, this was a contributing factor to our underperformance vs the benchmark. Among detractors to performance were Hoya, SSE and RELX. RELX remains a perceived loser on the road to AGI. While certain business units within RELX will be impacted either positively or negatively by AI, more than 75% of profits are well-protected against AI. Within its Risk business (41% of profits), RELX owns multiple key datasets. This data cannot be replicated and benefits from winner-takes-all dynamics. We applaud RELX's decision to capitalise on the current uncertainty by repurchasing +5% of its total shares outstanding. During the month, we bought a new position in Alibaba and fully exited our LVMH position. Alibaba is transitioning from a mature, cash-generative China commerce platform into a hybrid model combining a stabilising domestic profit engine with an increasingly strategic cloud and AI business. However, recent developments suggest that Alibaba Cloud is moving through an inflection, with improving growth, rising margins, and increasing exposure to AI-driven workloads. The key to the investment case is whether cloud can evolve from a capital intensive infrastructure layer into a higher-quality AI platform, thereby meaningfully expanding the group’s earnings power and valuation. Due to limited access to leading-edge GPUs, China has adopted a more pragmatic and open-source-driven approach, prioritising inference, cost efficiency, and real-world deployment over frontier AGI development. This has resulted in a cloud demand profile that is more distributed, usage-driven, and embedded across applications such as e-commerce, payments, and enterprise workflows. For Alibaba, this plays to its strengths, as it can integrate inference directly into its ecosystem, supporting sustained demand for cloud services even if margins structurally remain below those of Western peers. In this context, cloud should be viewed less as a pure analogue to US hyperscalers and more as a critical layer of China’s AI infrastructure, with monetisation tied to application usage rather than model dominance. The core commerce business underwrites valuation through strong cash generation, while cloud and AI represent the primary source of upside. If Alibaba successfully executes on the transition toward AI-driven services and demonstrates sustained growth with improving margins, the current valuation likely understates its long-term earnings power. Conversely, failure to translate heavy investment into durable returns would leave the business more exposed to its lower-growth commerce base. The asymmetry, therefore, lies in a relatively supported downside with meaningful upside contingent on cloud and AI execution. LVMH is a phenomenal company with exceptional assets and a strong management team. However, a combination of weaker end-demand and an overextension of pricing power has placed the business model in the rare position of consolidation.

Manager Style Summary

C WorldWide Asset Management will manage an international equity mandate. They utilize a “bottom up” strategy and will hold a maximum of 30 stocks (one in/one out) with a quality and large cap bias. The portfolio will exhibit low turnover and the investment horizon is long term. Global trends and themes assist with portfolio construction from idea generation to execution. The firm is looking for stable and sustainable business models favorably aligned with global and regional themes.

C WorldWide Asset Management

International Equity: MSCI ACWI ex US Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	C World	Min	Max	Compliance
A2. Cash exposure <= 5%				Yes
B2. Securities with a >=5% weighting, not to collectively exceed 40% of the port				Yes
B3. Security position <= 10% of the account				Yes
B4. Number of issues	30.0	25	30	ok
B5. Normal Regional Exposures (benchmark min/max):				
Europe ex U.K.	44%	20%	60%	ok
U.K.	16%	0%	30%	ok
Pacific	20%	0%	30%	ok
Emerging Markets	12%	0%	30%	ok
United States	8%	0%	20%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics relative to benchmark				
Capitalization	119.04%	50%	200%	ok
Price/Book Value	187.25%	50%	-	ok
Price/Earnings	125.51%	50%	-	ok
Price/Cash Flow	129.53%	50%	-	ok
Dividend Yield	72.56%	-	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	28%	0%	30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 13,844

Organizational/Personnel Changes

No changes

Account Turnover

Gained:	Number of Accounts:	0	($m):	$ -
Lost:	Number of Accounts:	1	($m):	$ (944.4)

Reason(s): All lost accounts due to change in strategy

Clearwater Advisors, LLC

Core Fixed: BB Aggregate Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater Agg	0.22%	-1.47%	5.44%	4.35%	0.40%
BB Aggregate	0.31%	-1.35%	5.13%	3.94%	0.17%

Performance Attribution & Strategy Comments

April's momentum carried over into May, and risk assets continued to see strong performance. Interest rates inched up in the belly of the curve but were basically unchanged for anything longer than 10 years. Economic effects from the war in the Middle East are starting to show up in the form of higher inflation across several measures. It also looks like this is just the beginning of that trend until something drastically changes on that front. Because of this, the market is beginning to price in the possibility of the Fed hiking rates this year. We believe the inflation story is real, but that the Fed will be very hesitant to hike until inflation is really out of hand.

Credit spreads fell by 12 basis points to end the month at 105, only a few bps above the low of the year set in January. Mortgage spreads bounced around but ended very close to where they started at 109 bps. Oil prices also bounced around but to a much larger degree. It seems that the war, or announcements around the war, is what is driving the markets these days.

The Clearwater portfolio underperformed the benchmark by 9 basis points in May. The first reason for this was a reversal from what was one of our best trades a few months ago. We have swapped some of our Fannie TBAs for Ginnie due to a relatively large price difference for relatively the same risk. It turns out we were slightly early into that trade, so it hurt our relative performance in May. We are still convinced that the two prices should converge in the future so we have added to that position.

The second reason for underperformance was security selection withing the credit sectors. Our Financial and Industrial sectors underperformed their respective sectors in the benchmark by roughly 20 bps each. It appears that the highest beta names and some of the lowest rated names rallied the most in May, and we missed most of that due to our preference for higher quality names.

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:	5.8	5.8	5.3	6.3	ok
B3. Sector Diversification:					
Treasuries	33%	46%	31%	61%	ok
Agencies	1%	1%	0%	16%	ok
Supra/Sovereign	1%	3%	0%	13%	ok
Corporates	31%	24%	4%	44%	ok
Industrial	15%	14%	0%	29%	ok
Financial	14%	8%	0%	23%	ok
Utility	2%	2%	0%	12%	ok
MBS	27%	24%	9%	39%	ok
ABS	2%	0%	0%	5%	ok
CMBS	1%	1%	0%	6%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	176		100	200	ok
B6. Non-Investment Grade alloc	0%			10%	ok
B7. Out of index sector alloc	4%			10%	ok
B7. TIPS allocation	0%			20%	ok
E2. Annual Turnover (ex TBA rolls)	25%		25%	65%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 4,739

Organizational/Personnel Changes

N/A

Account Turnover

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

Reason(s) for loss:

Clearwater Advisors - PERSI STIF

Cash: Merrill Lynch 0-3 Month Treasury Bill Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.32%	0.96%	4.16%	4.82%	3.57%
ML 0-3 Month T-bill	0.31%	0.91%	3.99%	4.79%	3.53%

Performance Attribution & Strategy Comments

In May, rate remained focused on the US-Iran War and inflation while risk markets were powered by AI momentum and relatively more optimism on an end to the War. The Fed didn't meet in May, so rates were unchanged. However, the market priced up to a full 25 basis point hike by the end of 2026. The US-Iran War ebbed and flowed with optimism building earlier in the month by reports of a framework to end the War that ultimately deteriorated by the middle of May. At month end, reports of a deal moving closer returned. Domestically, the economy was mixed. On one hand, the labor market looked to reaccelerate with April job gains exceeding expectations and the unemployment rate remaining stable at 4.3%. On the other hand, inflation remained elevated at 3.8% and 2.8% year-over-year on a headline and core basis, respectively.

The U.S. Treasury curve shifted higher with the 2-, 10-, and 30-year yield rising 13, 7, and 1 basis point(s), respectively. The money market curve steepened as the market's repricing of Fed expectations hit the 1-year yield more than the 3-month yield. SOFR was relatively unchanged around 3.63% at month end. Investment grade corporate spreads narrowed 12 basis points led by lower-rated credits.

Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	**8%**	0%	100%	ok
Agencies	**9%**	0%	100%	ok
Corporates	**24%**	0%	100%	ok
Mortgage Backed Securities (MBSs)	**0%**	0%	60%	ok
Asset Backed Securities (ABSs)	**18%**	0%	40%	ok
Cash	**3%**	0%	100%	ok
Commercial Paper	**38%**	0%	100%	ok
B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase				ok
B2c. Effective Duration <=18 months	**3**		18	ok
B2d. Number of securities	**49**	10	50	ok
B3a. Allocation of corporate securities to one issu	**4%**		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Manager Style Summary

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

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D.B. Fitzpatrick & Co., Inc. - Idaho Commercial Mortgages
Domestic Fixed: BB Mortgage Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

*** Annualized returns**

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.19%	-0.62%	6.05%	5.41%	2.25%
BB Mortgage	0.30%	-1.29%	6.85%	4.37%	0.45%

Portfolio Summary

Market Value: $ 904,413,962

Originations/Payoffs

Month:	$	-
YTD:	$	34,572,383
Payoffs:	$	19,432,105

Delinquencies/REOs

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

Performance Attribution & Strategy Comments

PERSI’s commercial mortgage portfolio returned 0.19% in May and has returned 2.25% (annualized) during the last five years. Outperformance versus the benchmark during longer time horizons is driven by the portfolio’s coupon advantage and low delinquency rate (currently 0.0%). Specific terms vary for each loan issued, but generally today we are issuing commercial mortgages with coupon rates in the range of 6.0% - 6.5%.

Loan production has been strong this year, with $34.6m of loan originations through May. The loan pipeline slowed a bit in April and early May (presumably as market participants waited to see how things would develop in the Middle East) but has picked up again in the second half of May. After a recent influx of loan applications we are now forecasting full-year 2026 loan production in the range of $70m - $90m.

There remains uncertainty among commercial real estate investors regarding the near and medium-term outlook for the national economy. Investors remain optimistic about the Idaho economy, however, as multiple growth drivers seem poised to aid the state even if national economic growth slows. Consequently, demand for Idaho commercial real estate (across multiple property types) remains strong today.

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: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
DBF MBS	0.32%	-1.45%	6.85%	4.52%	0.43%
BB Mortgage	0.30%	-1.29%	6.85%	4.37%	0.45%

Portfolio Attributes

Characteristics	**DBF**	**BB Mtg**
Market Value ($ m)	$254.89	N/A
Weighted Average *Effective* Duration (in years)	5.4	5.5
Weighted Average Yield (in %)	5.0%	4.9%
Weighted Average Coupon (in %)	3.9%	3.6%

Performance Attribution & Strategy Comments

PERSI's MBS (mortgage-backed security) portfolio returned 0.32% in May, outperforming its benchmark slightly in spite of the impact of cash flows emanating from the related commercial mortgage portfolio (one significant commercial mortgage loan paid off during the month). During the last several weeks we have invested available cash quickly in MBS, while keeping portfolio attributes near that of the benchmark. One notable exception to this overall framework has been a slight tilt for the portfolio toward lower duration positions, as it has appeared to us that the bond market might be a bit too optimistic regarding the probability of a quick resolution to the conflict in the Middle East. There has been significant day-to-day volatility within the markets as news arrives about the conflict, but generally this duration tilt has benefitted relative performance.

Investor appetite for agency MBS remains very strong as fixed income market participants remain attracted to the asset class's option-adjusted spread (OAS) in excess of Treasury bond yields. Prepayment risk remains limited for most MBS coupons today, though prepayment optionality is a relevant factor for bonds with coupons from 5.5% to 7.0%. We have been selective with bond purchases in this coupon range, seeking to keep overall portfolio negative convexity within reasonable bounds.

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		$255	$50		ok
B2a. Security Type:					
MORTGAGE RELATED		97%	80%	100%	ok
Generic MBSs		97%	75%	100%	ok
GNMAs		9.1%			
FNMAs		57.9%			
FHLMCs		30.2%			
CMOs		0.0%	0%	25%	ok
NON-MORTGAGE RELATED		2.4%	0%	20%	ok
Treasuries		2.4%	0%	20%	ok
Agencies		0.0%	0%	20%	ok
Cash		0.4%	0%	10%	ok
Attributes:	BB Mtg				
Duration	5.5	5.4	3.5	7.5	ok
Coupon	3.6%	3.9%	2.6%	4.6%	ok
Quality	AAA+	AAA+	AAA		ok
B3. Individual security excl Treasuries as a % of portfolio			0%	5%	ok
B4. Number of securities		94	25	50	check
E2. Annual Turnover		5%	0%	25%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

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

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 1,358

Organizational/Personnel Changes

There were no organizational or personnel changes in May.

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: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Dodge & Cox	0.36%	-1.51%	6.73%	N/A	N/A
BB Aggregate	0.31%	-1.35%	5.13%	3.95%	0.17%

Performance Attribution & Strategy Comments

The Bloomberg U.S. Aggregate Bond Index returned 0.3% in May. Resilient credit markets, supported by stable fundamentals and continued investor demand, offset the impact of slightly higher U.S. Treasury yields. Investment-grade corporate bonds returned 0.8% in May, outperforming comparable-duration Treasuries by 56 bps. The Bloomberg U.S. Corporate Index tightened 6 bps to +72 bps OAS—one basis point off multi-decade tights set in January of this year. Agency MBS returned 0.3%, outperforming comparable-duration Treasuries by 13 bps.

The portfolio modestly outperformed its benchmark for the month of May. Asset allocation was positive as the portfolio’s underweight to U.S. Treasuries and overweight to Financials contributed to relative returns. The portfolio’s key rate duration positioning (e.g., underweight to the 5-year and overweight to the 20-year key rates) contributed to relative returns. Security selection was negative as certain corporate issuers underperformed (e.g., Prosus and Charter Communications).

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	5.9	4.4	7.4	ok
B2. Sector Diversification:					
Treasuries	15%	46%	11%	81%	ok
Government-Related	5%	4%	0%	39%	ok
Agencies	2%	1%	0%	11%	ok
Gov't Guaranteed	3%	3%	0%	13%	ok
Corporate	31%	24%	0%	54%	ok
Financial	12%	8%	0%	23%	ok
Industrial	17%	14%	0%	34%	ok
Utility	2%	2%	0%	12%	ok
Securitized					
MBS Pass-through	36%	24%	4%	44%	ok
ABS	8%	0%	0%	10%	ok
CMBS	0%	1%	0%	11%	ok
Agency CMBS	0%	1%	0%	6%	ok
Local Authorities	2%	1%	0%	11%	ok
B3. Issuer Concentration: <=5% all non US Gov't/Agcy				3%	ok
B4. Number of positions	166		100	400	ok
B. Non-Investment Grade Alloc	4%			15%	ok
G. Current ETF Exposure	0%				
H2. Annual Turnover	21%		0%	60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 465,397

Account Turnover

Gained:	Number of Accounts:	2	Total Mkt Value ($m):	$	350.6
Lost:	Number of Accounts:	1	Total Mkt Value ($m):	$	70.0

Reason(s) for loss: Change in Investment Strategy

Donald Smith & Co., Inc.

Domestic Equity: Russell 3000 Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Donald Smith & Co.	2.12%	-0.14%	46.72%	37.43%	24.75%
Russell 3000	5.07%	10.03%	29.45%	23.16%	12.92%

Portfolio Attributes

Characteristics	DSCO	RU 3000
Mkt Value ($m)	950.34	N/A
Wtd Cap ($b)	24.73	1430.18
P/E	9.12	27.13
Beta	0.95	N/A
Yield (%)	2.03	1.09
Earnings Growth		

Sector Analysis

Over-weight	DSCO	RU 3000
Financials	34.99%	10.06%
Materials	24.11%	1.75%
Cons. Discret.	19.85%	13.30%

Under-weight	DSCO	RU 3000
Info. Technolog	0.00%	40.43%
Health Care	0.00%	8.52%
Cons. Staples	0.00%	3.39%

Performance Attribution & Strategy Comments

The account’s rise of +2.1% was behind the three indices (Russell 3000 Value +2.9%; Russell 3000 +5.1%; S&P 500 +5.3%). Stocks rose again from the decline in March with the AI rally. There were heightened hopes of the US and Iran being closer to reach a deal to end the war. The largest contributors were the materials group (gold, timber, fertilizer, steel). In particular, Ternium and Algoma Steel rallied as steel prices have seen a consistent upward trend with higher demand. Gold miners all ticked up despite gold prices falling with a stronger USD and rates likely to remain higher for longer. The real estate holdings (RLJ Lodging, Park Hotels, Howard Hughes) were also strong. The broader hospitality sector benefited from strong industry fundamentals despite macro concerns like inflation and higher interest rates. Allegiant Travel rose after reporting solid earnings and noting higher than expected leisure travel demand. Automotive stocks (GM, Honda) outperformed. Homebuilders were mixed. Beazer rallied on news that the company had received an offer from Dream Finders to be acquired in an all-cash transaction. Financial holdings detracted across most subsectors. SM Energy ticked down as energy prices retreated later in the month with optimism about a peace deal / cease fire in the Middle East. We added to KB Home and Pennymac while reducing Gerdau and Unum. Tutor Perini is no longer held in the portfolio. NMI Holdings is a new purchase, the smallest and newest of the 6 publicly listed US mortgage insurers. Despite historically trading at a premium to peers on P/B, this multiple has recently come down due to a relatively lower level of capital return. We expect the company to release contingency reserves and begin to return capital more aggressively. NMI also writes new business in a higher quality credit box than peers. We expect delinquency and severity rates to eventually stabilize at a level better than peers. Insurance, precious metals, financials, auto, aircraft leasing / airlines, and building / real estate are the largest industry weightings. The portfolio sells at 100% of tangible book value and 6.3x 2-4 year normalized EPS.

Manager Style Summary

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

Donald Smith & Co., Inc.
Domestic Equity: Russell 3000 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in $m) > $100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	34			15	35	ok
B5. Portfolio Characteristics						
P/B	1.00	5.19	19%	30%	100%	check
P/E (1 Year Forward)	9.12	27.13	34%	50%	100%	check
Dividend Yield	2.03	1.09	186%	50%	150%	check
F2. Commissions not to exceed $0.05/share; explanation required for commissions >$0.07/share						ok
F3. Annual Turnover	31%			20%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

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

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 5,764

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		

Hood River Capital Management LLC
Domestic Equity: Russell 2500 Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Hood River	10.52%	N/A	N/A	N/A	N/A
Russell 2500	7.17%	N/A	N/A	N/A	N/A

Portfolio Attributes

Characteristics	Hood River	RU 2500
Mkt Value ($m)	604.20	N/A
Wtd Cap ($b)	17.70	15.90
P/E	41.37	33.75
Beta	1.08	1.00
Yield (%)	0.14	0.41
Earnings Growth	24.13	16.92

Sector Analysis (Top 2)

Over-weight	Hood River	RU 2500
Information Tech	28.59%	24.80%
Industrials	29.49%	26.34%
-	-	-
Under-weight	**Hood River**	**RU 2500**
Consumer Discret	6.06%	9.49%
Real Estate	0.00%	1.92%
-	-	-

Performance Attribution & Strategy Comments

As of early June, our largest sector overweights versus the benchmark are Technology and Industrials, each approximately 350 basis points overweight. The Industrials overweight has declined modestly over the past month due to trimming positions that appreciated significantly as a result of strong fundamentals and valuation expansion. Our largest sector underweight remains Consumer Discretionary, at slightly more than 300 basis points below the benchmark, largely unchanged from a month ago.

Small- and mid-cap stocks ended May at new highs as investors grew more optimistic about a potential resolution to the Iran conflict and corporate earnings remained strong. However, ongoing developments in the region continue to contribute to market volatility, particularly through fluctuations in oil prices. While the potential impact on inflation and consumer demand warrants monitoring, we believe the broader context remains constructive. Energy spending as a percentage of consumer expenditures remains near historical lows, the United States continues to benefit from substantial domestic energy production, and higher oil prices have not materially altered hyperscaler capital spending plans that are expected to support economic growth.

Our portfolio positioning reflects a disciplined, research-driven approach rather than a response to short-term macro developments. We have not made material changes to portfolio construction in reaction to recent events and remain focused on identifying companies with strong execution, pricing power, and resilience. As a bottom-up investor, our objective is not to time the market but to outperform the benchmark over a full market cycle.

Manager Style Summary

Hood River has been hired to manage a small-to-mid cap quality growth equity portfolio. Hood River will invest in a portfolio of generally 80-120 companies. Hood River seeks to invest in smaller companies typically growing above market rates with strong cash flows, increasing market share and excellent management teams. The team seeks to identify information gaps between their estimates and market expectations as their competitive advantage.

Hood River Capital Management LLC

Domestic Equity: Russell 2500 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Hood River	Calc	Min	Max	Compliance
B2. Security Market Cap @ purchase between $100M and $50BN, or up to largest name in R2500						Yes
B3. Security position <= 7% of the account						Yes
B4. Number of issues		113		80	120	ok
B5. Normal Global Portfolio Characteristics						
Capitalization (in billons)		18		6	20	ok
Price/Book Value		11.4		3.00	12.00	ok
Price/Earnings (Projected)		41.4		25.00	45.00	ok
Dividend Yield		0.14%		0.10%	1%	ok
Beta (rel)	1.00	1.08	1.1	0.90	1.50	ok
Earnings Growth		24%		15%	30%	ok
D. No foreign currency denominated securities, derivatives, short sales, commodities, or margin						Yes
E2. Brokerage commissions not to exceed $0.04/share for U.S. equities						Yes
E3. Annual turnover		100%		75%	130%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 10,327

Organizational/Personnel Changes

Year to date through March 2026, the Firm has added two Research Associates. Amon Yamaura joined in February, followed by Matt Sbriglio in March.

Account Turnover

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

Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
IR+M	0.37%	-1.31%	5.01%	4.25%	0.45%
BB Gov/Credit	0.32%	-1.38%	4.58%	3.78%	0.05%

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the Bloomberg Barclays G/C Index, returning 0.37% versus 0.32%. The portfolio's underweight to Treasury aided performance, while the underweight to Industrials was a slight detractor. The portfolio's overweight to Financials and utilities, and it's underweight to Non-Corporates aided relative performance. Markets navigated heightened geopolitical uncertainty throughout May as negotiations between the US and Iran evolved, while persistent inflation pressures contributed to a global bond sell-off. Kevin Warsh was confirmed as Federal Reserve (Fed) Chair by the narrowest Senate margin on record, assuming leadership as markets weigh conflicting economic signals and the future direction of monetary policy. Higher energy prices tied to the US-Iran conflict kept inflation pressures elevated; CPI increased 0.6% in April, in line with expectations, while PPI rose 1.4%, well above forecasts and marking the largest monthly increase since 2022. Markets increasingly priced in a more restrictive monetary policy outlook, with the market-implied probability of a Fed rate hike by 2027 rising to 67%. The labor market showed continued signs of stabilization as non-farm payrolls increased by 115k in April, well above estimates, while the unemployment rate was unchanged at 4.3%. Treasury yields were volatile, rising sharply mid-month amid inflation concerns before partially retracing as geopolitical tensions eased; the curve flattened, as the spread between the 2- and 10-year Treasury rates tightened 7bps to 43bps. Credit markets were resilient as investment-grade (IG) and high-yield (HY) corporate spreads tightened by 6bps and 11bps, respectively, to 72bps and 257bps; both sectors ended the month at their tightest spread levels since 1998 and 2007, respectively. Technology and Insurance were among the best performing sectors, while Banking lagged; higher-quality issuers outperformed lower-quality issuers, with BBs outperforming CCCs by 31bps. Investors easily absorbed another $164 billion of IG corporate supply, although the total fell short of dealer forecasts of $175 billion. New issue concessions have averaged 3.7bps year-to-date, compared to 2025’s average of 3.3bps. HY corporate issuance benefitted from attractive funding levels, totaling just under $27 billion, despite periods of weaker market sentiment. Asset-backed securities (ABS) underperformed other securitized sectors as issuance of $38 billion – the busiest month of the year – provided a headwind.

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	40%	63%	33%	93%	ok
Treasuries	36%	62%	32%	92%	ok
Agencies	0%	1%	0%	6%	ok
Govt Guaranteed	3%	0%	0%	10%	ok
Credit	40%	37%	17%	57%	ok
Financial	18%	10%	0%	25%	ok
Industrial	17%	19%	4%	34%	ok
Utility	5%	3%	0%	13%	ok
Non-Corporate	0%	4%	0%	14%	ok
Securitized					
RMBS	2%	0%	0%	10%	ok
ABS	9%	0%	0%	10%	ok
CMBS	8%	0%	0%	10%	ok
Agency CMBS	1%	0%	0%	5%	ok
Municipals	1%	1%	0%	11%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	322		100	350	ok
B6. Non-Investment Grade alloc	0%			5%	ok
E2. Annual Turnover	40%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 133,492

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 clients in the GC strategy this month.

J.P. Morgan

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

For the month of: **May** **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%	-1.33%	6.12%	-	-
BB Aggregate	0.31%	-1.35%	5.13%	-	-

Performance Attribution & Strategy Comments

The JPMCB Core Plus Bond Fund outperformed the Bloomberg U.S. Aggregate Index in May, returning 0.32% (gross of fees) versus 0.31% for the benchmark.

In May, markets stayed constructive as investors priced in some geopolitical de-escalation and a more credible path toward a potential U.S.–Iran agreement. U.S. data remained resilient, supported by a steady consumer and strong AI/technology capex. Consumers kept spending despite higher gasoline prices, even as real disposable income softened and the savings rate fell to 2.6% (the lowest since summer 2022). The April jobs report beat on headline payrolls (115k vs. 65k) but saw negative revisions, softer wage growth, and higher unemployment measures—supporting a “Fed on hold” view. CPI was broadly in line, but firmer energy and shelter dynamics helped push the 10-year Treasury yield up 7 bps to 4.44% by month end.

Fund performance benefited from a more constructive risk backdrop. Allocations to securitized credit—ABS, CMBS, and non-Agency MBS,—were positive contributors, supported by attractive carry, most notably in ABS. An out-of-benchmark allocation to high-yield corporates added alpha as spreads tightened 11 bps to 291 bps (ICE BofA High Yield Index) on low default rates and strong Q1 high-yield earnings. Security selection in emerging market debt further boosted returns. Offsetting these gains, the Fund’s modestly long duration detracted as rates moved higher on energy-driven inflation concerns tied to the U.S.–Iran conflict; security selection in Agency mortgages also detracted, and an underweight to investment-grade corporates versus the benchmark was a small headwind.

Looking ahead, we expect sub-trend growth as cooling real incomes and higher energy prices weigh on consumers, partly offset by stronger tech/defense investment. The Fed is likely to stay on hold to keep inflation expectations anchored. We remain focused on capturing yield and return opportunities across global fixed income markets while maintaining disciplined risk management.

Organizational/Personnel Changes

No 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	16%	47%			
Treasuries	16%	46%			
Agencies		1%			
Dev Mkt Gov't					
IG Corporate	25%	26%			
HY Corp Credit	8%				
Securitized	46%	26%			
Agency MBS	25%	24%			
Non-Agency MBS	4%				
CMBS	6%	1%			
ABS	11%	0%			
EMD	2%	1%			
Cash	4%				
Issuer Concentration: <=5% all corporate issuers				5%	
Number of positions	2502				
Non-Investment Grade Alloc	17%			25%	ok
Sub-Prime MBS Alloc	0%			10%	ok
Annual Turnover	37%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 4,120,865

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 Partners

Global Equity: MSCI ACWI Benchmark

For the month of: **May** **2026**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Longview	2.20%	0.97%	-3.72%	6.16%	3.81%
MSCI ACWI	5.16%	7.54%	30.27%	22.29%	11.45%

Performance Attribution & Strategy Comments

IQVIA, Compass Group and Microsoft were amongst the largest contributors to relative performance. IQVIA outperformed significantly in May, following the release of first-quarter 2026 results at the start of the month. The company delivered results ahead of consensus expectations and raised full-year earnings guidance, supported by better-than-expected organic revenue growth in both Commercial Solutions and R&D Solutions. IQVIA's shares were further boost by a general rally in life sciences shares following Agilent's results later in the month. Compass Group also outperformed strongly in May, helped by the release of strong first-half 2026 results. The company reported strong revenue growth, supported by high client retention, new business wins and continued margin progression. Management highlighted outsourcing demand as an important driver, noting that clients are facing increasing complexity across areas such as regulation, allergens and data-led insights. Management also upgraded full-year profit growth guidance. Microsoft outperformed in May, supported by continued strength in cloud and AI-related demand. Fiscal third-quarter results released at the end of April were ahead of consensus expectations, with Azure and other cloud services remaining a major contributor to growth. Management highlighted the rapid scaling of Microsoft's AI business, while Copilot continued to show strong momentum, with weekly engagement now comparable to Outlook.

CDW, Fidelity National Information Services and CME Group were amongst the largest detractors from relative performance. CDW underperformed in May following the release of first-quarter results at the beginning of the month. The company reported solid sales growth, supported by demand for data storage and servers, network products, software and notebooks/mobile devices. However, this was offset by margin pressure, with lower gross margins and higher expenses, including investments to support AI initiatives, weighing on profitability. Despite the underperformance in early May, CDW had recovered almost the entirety of this underperformance by early June. Fidelity National Information Services also underperformed in May following the release of first-quarter results. While the company delivered a solid quarter, with revenue ahead of expectations and strong cash flow generation, the company did not raise full-year revenue guidance. Management also continued to prioritise deleveraging following the acquisition of TSYS, including a temporary pause in share repurchases and tuck-in M&A. CME Group underperformed in May following a period of strong outperformance in prior months. Underlying trading activity remained strong, with average daily volumes rising 15% year-on-year to the highest May level on record. Activity was led by strong demand across interest rate, equity index and agricultural products, while energy volumes were also modestly positive. However, CME's defensive characteristics and the ongoing moves by US regulators to allow onshore perpetual futures ('PERPs') weighed on shares in May.

Manager Style Summary

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

Longview Partners
Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Longview	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				Yes
B4. Number of issues	29.0	30	35	check
B5. Normal Regional Exposures (* benchmark -/+ min/max):				
United States & Canada	81%	35%	80%	check
Europe incl U.K.	15%	20%	50%	check
Japan	0%	0%	20%	ok
Emerging Markets	4%	0%	15%	ok
Non-Index Countries	0%	0%	10%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics				
Median Mkt Cap (in billions)	111,098	$10		
Price/Earnings (Trailing)	19.7	10	17	check
Dividend Yield	2%	0.5%	2.0%	ok
Price/Cash Flow (Trailing)	15.2	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	43%	20%	50%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

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

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: P/E ratio is not targeted and stands at 19.7 in May.

B6. Price/Cash Flow: Price/Cash Flow is not targeted and stands at 15.2 in May.

Total Firm Assets Under Management ($m) as of: Qtr 2 $ 7,849

Organizational/Personnel Changes

There were no changes to the Investment team in May.

Account Turnover

Gained:	Number of Accounts:	0	($m):	$ -
Lost:	Number of Accounts:	1	($m):	$ 72.8
	Reason(s):	One client terminated due to a change of strategy.		

Mondrian Investment Partners

International Equity: MSCI EAFE Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mondrian	2.21%	-0.33%	22.89%	21.12%	11.33%
MSCI EAFE	3.07%	-0.65%	22.80%	18.15%	8.79%

Country Allocation Comparison

Over-weight	Mondrian	EAFE	Under-weight	Mondrian	EAFE
France	15.66%	9.88%	Switzerland	4.66%	9.31%
Hong Kong	6.24%	1.91%	Netherlands	1.54%	5.68%
United Kingdo	16.62%	14.49%	Australia	2.45%	6.53%

Performance Attribution & Strategy Comments

International equity markets continued to rally in May as hopes of easing geopolitical tensions and sustained enthusiasm around artificial intelligence supported risk appetite. Reports that the US and Iran were nearing a peace agreement helped drive oil prices lower from early-month highs and improved sentiment towards economically sensitive areas of the market. Cyclical sectors outperformed defensives in the risk-on environment, and the IT sector was the strongest performer as investors continued to favor semiconductor and AI infrastructure-related companies. The energy sector lagged as lower oil prices and improving prospects for reopening the Strait of Hormuz reduced concerns over supply disruption.

In a strong month for markets, the portfolio lagged the benchmark. Relative performance was held back by stock selection in the IT sector, primarily due to the underweight exposure to semiconductor names, which continued to benefit from strong AI-related demand and investor enthusiasm. Stock selection in Italy and Australia also detracted from returns. Snam, the Italian regulated utility, underperformed as investors rotated away from more defensive utility-related businesses in favor of higher-beta cyclical sectors. CSL Ltd, the Australian plasma therapeutics company, was also weak following a downgrade to earnings guidance, driven by inventory destocking in the US and pricing pressure in China.

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.

The portfolio is overweight the consumer staples sector given the compelling risk-return characteristics.

The portfolio is overweight the UK, a highly international benchmark, reflecting attractive risk-adjusted returns on offer.

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		51		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		17%		0%	45%	ok
Europe ex U.K.		45%		0%	75%	ok
Japan		25%		0%	45%	ok
Pacific ex Japan		12%		0%	40%	ok
Non-Index Countries				0%	20%	ok
Cash		2%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	119,846	76,841	64%	25%	100%	ok
Price/Book Value	2.3	1.6	70%	50%	125%	ok
Price/Earnings (Trailing)	18.3	15.7	86%	50%	100%	ok
Price/Cash Flow	11.6	7.4	64%	50%	100%	ok
Dividend Yield	2.7	3.4	126%	100%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Annual turnover		23%			40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 51,556

Organizational/Personnel Changes

No Changes.

Account Turnover

Gained:	Number of Accounts:	1	Total Market Value ($m)	$	51.5
Lost:	Number of Accounts:	0	Total Market Value ($m)	$	-
	Reason(s):				

Mondrian gained one International Equity Value separate account.

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Peregrine	11.58%	13.86%	-4.52%	10.91%	2.63%
Russell 1000 Growth	7.20%	13.71%	28.66%	26.45%	15.73%

Portfolio Attributes

Characteristics	Peregrine	RU 1000G
Mkt Value ($m)	757.08	N/A
Wtd Cap ($b)	793.40	2340.50
P/E	32.75	28.83
Beta	1.00	1.00
Yield (%)	0.30	0.49
Earnings Growth	15.80	16.26

Sector Analysis

Over-weight	Peregrine	RU 1000G
Health Care	15.94%	6.94%
Financials	11.95%	5.15%
Comm Svc	14.13%	12.03%

Under-weight	Peregrine	RU 1000G
Info Tech	39.06%	53.26%
Industrials	3.63%	6.22%
Cons Stp	0.00%	2.43%

Performance Attribution & Strategy Comments

Equity markets extended April’s gains in May, led by technology, as semiconductors and software surged more than 20% on strong earnings and rising confidence in software’s ability to benefit from AI, helping drive Peregrine Large Cap Growth’s outperformance during the month. While Iran-related tensions remained an intermittent concern, U.S. equities largely looked through them and oil prices stayed well below conflict highs. Meanwhile, Treasury yields moved higher, with the 10-year rising roughly 20 basis points to about 4.5%, reflecting ongoing macro and inflation concerns, while firm inflation and employment data limited the Fed’s near-term flexibility for rate cuts under new Chair Kevin Warsh.

Software holdings rose sharply in May on strong earnings and early AI benefits, with CrowdStrike, Snowflake, ServiceNow, Cadence, Atlassian, and Monday.com all up double digits. Despite near-term volatility, we believe durable fundamental growth will drive long-term returns. Dexcom and Eli Lilly also delivered strong results, with both stocks rising more than 15% during the month. Ares Management continued to recover as concerns around redemptions and AI-related investment risk eased. Planet Fitness missed membership growth expectations and revised its pricing strategy, prompting us to lower our growth outlook and exit the position. Flutter reported a mixed quarter and a leadership change at FanDuel, though we believe both support improved execution ahead. Procore and Shopify posted solid results but fell short of high expectations. Our long-term view on both remains unchanged. During the month, we trimmed Cloudflare, CrowdStrike, Mastercard, Snowflake, and Visa and added to Atlassian, Dexcom, DraftKings, Netflix, Procore, Reddit, ServiceNow, Shopify, Synopsis, and Veeva. We initiated a new position in argenx; and exited Planet Fitness.

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		27		25	35	ok
B5. P/B	5.49	9.55	1.7	1.2	2.0	ok
B5. P/E (Projected)	22.95	32.75	1.4	1.0	2.0	ok
B5. Dividend Yield	1.05	0.30	0.3	0.1	0.8	ok
B5. Beta	1.00	1.20	1.2	1.10	1.35	ok
B5. Earnings Growth (5-year)		16%		11%	22%	ok
F2. Commissions not to exceed $0.05/share						ok
F3. Annual Turnover		25%		15%	30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 3,970

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:	2	Total Market Value ($m):	$	1.9
	Reason(s):	Going in another direction			

PineStone

Global Equity: MSCI World Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
PineStone	1.02%	0.83%	19.10%	n/a	n/a
MSCI World	4.55%	7.28%	27.49%	n/a	n/a

Performance Attribution & Strategy Comments

Global equity markets sustained their upward momentum in May, largely brushing aside persistent macroeconomic and geopolitical challenges in favor of stronger corporate fundamentals.

The PineStone Global Equity Strategy saw positive absolute returns and underperformed the benchmark (the MSCI World Index) over the period.

Among the largest detractors held in the strategy over the period were AutoZone, Inc. and CME Group Inc.. AutoZone shares fell after its Q3 results, as domestic comparable sales missed expectations due to a late-quarter slowdown in do-it-yourself traffic. Management attributed the weakness to unseasonably cool weather, which they believe reduced demand for typically strong seasonal categories such as air conditioning, while a softer macroeconomic backdrop added further pressure on lower-income consumers. CME Group underperformed the broader financial exchanges sector despite posting positive quarterly metrics, including average daily volume growth and steady market data subscription revenue. In our view, investor sentiment softened as market participants digested the sustainability of elevated trading volumes amid stabilizing interest rate expectations and shifting volatility regimes.

As for the top contributors over the period, these included ASML Holding and Compagnie Financière Richemont. Dutch lithography equipment company ASML’s shares advanced fuelled by ongoing demand for AI chips, as the sole manufacturer of EUV lithography machines. Richemont gained on resilient sales growth, supported by continued fourth-quarter momentum. In our view, strong demand in the Americas and steady performance from its core Jewelry Maisons drove revenue growth.

During the period, we initiated new positions in Amazon.com, Inc and KLA Corporation while fully exiting our existing position in Intertek Group. We exited Intertek following Swedish private equity firm EQT’s recent all-cash takeover bid, which introduced additional uncertainty and led us to reallocate capital to more attractive opportunities. KLAC is a leading, dominant, and mission-critical supplier of process control and yield management equipment for semiconductor manufacturers. Its core products include inspection, metrology, computational analytics, and other process-enabling solutions. As for Amazon, we initiated a position driven by secular growth across e-commerce, a rapidly scaling advertising business, and the strong AI-driven momentum of AWS. The company is delivering meaningful margin expansion through core retail efficiencies and a strategic shift toward internal custom silicon (ASICs) to bypass external hardware costs.

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		4%		0%	30%	ok
Europe ex UK		17%		10%	50%	ok
UK		4%		0%	50%	ok
Pacific ex Japan		0%		0%	30%	ok
Emerging Markets		10%		0%	20%	ok
Non-Index Countries		0%		0%	20%	ok
Total		100%				
B7. Normal Global Portfolio Characteristics						
ROE	13.1	26.3	200%	100%		ok
ROIC	11.0	32.7	297%	100%		ok
Price/Earnings	22.6	27.7	123%	50%		ok
Price/Book Value	4.0	8.2	207%	50%		ok
Price/Cash Flow	15.9	22.4	141%	50%		ok
Dividend Yield	1.5	1.2	82%	25%		ok
Market Capitalization	1,189,128	1,109,739	93%	25%		ok
C2. Max value of forwards w/single counterpar		0%			30%	ok
C3. Cash/cash equiv in non-USD currencies		0%			10%	ok
F2. Brokerage commissions not to exceed $0.05/share for U.S. equities						Yes
F3. Annual turnover		14%		10%	20%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 52,351

Organizational/Personnel Changes

No changes.

Account Turnover

Gained:	Number of Accounts:	3	Total Market Value ($m):	$ 53.0
Lost:	Number of Accounts:	1	Total Market Value ($m):	$ 226.0

Reason(s): The client, a defined benefit pension plan, chose to de risk and fully redeem its assets after achieving its long term risk management objectives.

Pzena

Global Equity: MSCI ACWI Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Pzena	2.20%	1.80%	25.20%	-	-
MSCI ACWI	5.16%	7.54%	30.27%	-	-

Performance Attribution & Strategy Comments

Please note, the above represents net returns.

Global equities advanced in May, led by growth-oriented areas of the market tied to technology, artificial intelligence, and the semiconductor supply chain. Lower oil prices into month-end helped support sentiment as prospects for progress in U.S.-Iran negotiations improved, while corporate earnings remained resilient. However, market leadership remained narrow, with Growth outperforming Value and gains concentrated in companies tied to the AI investment cycle. Inflation concerns, rate volatility, and signs of consumer pressure persisted, contributing to continued dispersion across regions, sectors, and individual stocks. Within the MSCI ACWI Index, the information technology, consumer discretionary, and materials sectors posted positive returns over the period, while the energy, utilities, and consumer staples sectors were the only sectors to decline. The portfolio rose but underperformed the MSCI ACWI Index. The information technology, materials, and consumer staples sectors detracted from relative returns during the period. The communication services, health care, and real estate sectors contributed most to relative performance.

Chemical producer Dow declined amid broad weakness across industrial and materials shares, even as Middle East supply disruptions continued to support its chemical pricing. Korean lender Shinhan Financial Group declined as mixed non-bank earnings and a less favorable Korean banking backdrop weighed on performance, despite solid first-quarter results and an updated shareholder-return framework. Automotive parts distributor LKQ Corporation declined on continued price competition and soft demand in its European business, even as its North American operations showed signs of recovery. U.S. health insurer Humana, focused on Medicare Advantage, advanced as prior-quarter results reflecting better-than-feared medical cost trends carried into the month, alongside multiple analyst upgrades citing stabilizing Medicare Advantage conditions. Real estate developer China Overseas Land & Investment (COLI) advanced as prior-quarter results showing better-than-feared margins and contracted sales growth ahead of peers carried into the month, supported by monthly sales data reflecting continued market share gains across China's property sector. Auto supplier Lear gained after reporting its strongest adjusted earnings since 2019 and reaffirming full-year guidance, supported by improved profitability in Seating and E-Systems despite lower vehicle production assumptions and tariff-related uncertainty.

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		52		40	60	ok
B5. Normal Regional Exposures (* benchmark -/+ min/max):						
Emerging Markets	12%	9%		0%	25%	ok
Europe ex UK	11%	26%		0%	41%	ok
Japan	5%	4%		0%	35%	ok
North America	66%	52%		30%	96%	ok
United Kingdom	3%	7%		0%	33%	ok
Other	3%	2%		0%	33%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics						
Capitalization	994111	57389	6%	10%	80%	check
Price/Book Value	3.8	1.4	37%	20%	100%	ok
Price/Earnings	23.0	14.8	64%	20%	120%	ok
Dividend Yield	1.6	3.2	206%	75%	200%	check
B7. Price/Normalized Earnings in Q1		78%		60%	100%	ok
C2. Max value of forwards w/single counterpar		0%			30%	ok
C3. Cash/cash equiv in non-USD currencies		3%			10%	ok
F2. Brokerage commissions not to exceed $0.035/share for U.S. equities						Yes
F3. Annual turnover		28%		20%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

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

B6. Dividend yield: — The portfolio's yield is modestly above range, reflecting the higher yields of the cheapest quintile of our investment universe.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 79,743

Organizational/Personnel Changes

There were no material organizational or personnel changes to report for the month of May.

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 April 2026 data, as May 2026 information is not yet available.

Sprucegrove

International Equity: MSCI EAFE Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Sprucegrove	2.49%	-3.69%	21.17%	-	-
MSCI EAFE	3.07%	-0.65%	22.80%	-	-

Performance Attribution & Strategy Comments

April 22, 2024 inception date.

International equities continued to climb in May. Again, strong gains in the Information Technology sector significantly supported the index’s advance, adding 16% during the month, on top of the 20% gain in April. Consumer Discretionary stocks rebounded as oil prices stabilized and fears of an economic slowdown abated, amid generally positive earnings results.

The Fund slightly underperformed the index in May (2.49% vs 3.07%).

Underweight and stock selection in the Information Technology sector detracted the most. While the fund’s holdings performed well, it did not, for valuation reasons, own the more speculative AI-related stocks that performed very strongly.

Stock selection in the Materials sector detracted modestly due to not owning Mining stocks and slight weakness in the Chemicals sector.

Stock selection in Industrials and Consumer Discretionary contributed modestly in both sectors. Airline and luxury goods holdings rebounded as oil prices stabilized and sentiment improved.

From a country perspective, there were no meaningful detractors. Stock selection in Japan and Germany detracted modestly, while selection in Italy and exposure to Emerging Markets 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 issuers	59.0	40		ok
B6. Largest single industry group exposure (by GICS)	15%	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	14%	5%	50%	ok
United Kingdom	11%	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	13%	0%	15%	ok
Total non-MSCI EAFE Country, include Canada	15%	0%	20%	ok
C3. Maximum value of forward w/single counterparty	0%	0%	30%	ok
C4. Foreign Currency (cash or cash equiv) <= 5% of Account value				Yes
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 10,289

Organizational/Personnel Changes

There were no team changes to the Investment Team during the first quarter of 2026.

Account Turnover

Gained: Number of Accounts: ($m):

Lost: Number of Accounts: ($m):

Reason(s): NA

Walter Scott & Partners Limited
Global Equity: MSCI World Benchmark

For the month of: **May** **2026**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Walter Scott	2.65%	0.84%	9.43%	11.52%	6.80%
MSCI World	4.55%	7.28%	27.49%	21.89%	11.96%

Performance Attribution & Strategy Comments

Global equity markets produced positive returns over the month, led by stellar performance within the technology sector. The portfolio returned 2.7%, trailing MSCI World (ndr) which returned 4.6%.

Technology stocks were the key contributors to return for both the portfolio and the benchmark. While cybersecurity company Fortinet was the portfolio's strongest performer, up 64%, held names did not keep pace with their index peers, accounting for around half of the relative shortfall. The sector index return was largely driven by the performance of non-held names such as semiconductor companies Micron Technology (+88%) and Advanced Micro Devices (+46%), and Apple (+15%). AI infrastructure spending has fuelled a powerful rally in semiconductor stocks, especially in the memory field, while Apple announced solid results at the end of April. Portfolio holdings Amphenol and Intuit were among the weaker performers over the month. There was no specific news regarding electrical connector company Amphenol after reporting strong results last month. Financial software business Intuit was weak after results that missed market expectations, against a backdrop of fears over AI disruption.

The remaining relative deficit is explained by underperformance from healthcare, consumer discretionary and industrials stocks. Sleep disorder company ResMed (-11%), aftermarket car parts business O'Reilly Automotive (-13%), and HVAC supplier Ferguson (-15%) were key detractors within each sector. ResMed reported strong Q3 results at the end of April, with double-digit revenue growth and an earnings beat, but disruption fears arising from GLP-1 drugs dampened sentiment. O'Reilly shares lost ground despite reporting good results, while macro concerns impacted Ferguson, despite the company reporting good quarterly numbers in a challenging market.

While the build out of AI infrastructure remains a focus of investors, any signs of the huge investment in the technology not being justified by returns would likely herald a correction in AI stocks and the broader market. The focus on AI as a long-duration growth theme has arguably been given extra impetus by underlying uncertainty about the near-term economic environment. A 'deal' between the US and Iran continues to be dangled in front of the market, but nothing substantive is, as yet, forthcoming. In the absence of some agreement, the consequences of the conflict may begin to reverberate more strongly in coming months, with uncertainty regarding its impact on inflation and supply chains. In the pursuit of the AI theme, some great companies in our diverse portfolio remain overlooked; businesses that continue to leverage distinct long-term growth opportunities across areas such as healthcare or consumer spending. Over time, their strong fundamentals will shine through.

Manager Style Summary

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

Walter Scott & Partners Limited

Global Equity: MSCI World Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	WS	Min	Max	Compliance
A2. Cash balance <= 5% of portfolio market value	2%		5%	ok
B3. No more than 10% of the account shall be invested in any one security @ purchase				Yes
B4. Number of issues	47	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	5%	0%	9%	ok
Europe ex UK	15%	8%	22%	ok
UK	4%	0%	12%	ok
Pacific ex Japan	4%	0%	12%	ok
Emerging Markets	5%	0%	12%	ok
Total	98%			
B7. Normal Global Portfolio Characteristics				
ROE	23%	10%	35%	ok
CROCE	28%	20%	40%	ok
Operating Margin	19%	10%	25%	ok
Relative P/E	1.1	1.0	1.5	ok
Price/Book Value	7	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	5	4	13	ok
E3. Annual turnover	18%		30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 57,018

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value ($m):	$	-
Lost:	Number of Accounts:	5	Total Market Value ($m):	$	1,134.8

Reason(s): Performance, fund closing, increasing liquidity, change of strategy

Organizational/Personnel Changes

There were no organisational or personnel changes during the period.

Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Wasatch	1.95%	5.07%	13.17%	n/a	n/a
MSCI EM	9.69%	9.39%	54.31%	n/a	n/a

Country Allocation Comparison

Over-weight	Wasatch	EM	Under-weight	Wasatch	EM
India	30.55%	11.13%	Korea	1.74%	23.06%
Mexico	8.91%	1.77%	China	8.94%	20.36%
United States	4.99%	0.00%	South Africa	0.00%	3.04%

Performance Attribution & Strategy Comments

Emerging-market equities advanced in May as signs that the U.S. and Iran are nearing a peace agreement sent oil prices lower and boosted risk appetite. The benchmark MSCI Emerging Markets Index rose 9.69% for the month on the back of strong gains in Korean and Taiwanese technology shares. The Wasatch Emerging Markets Select strategy generated a positive return but lagged the benchmark.

On a geographic basis, underweight positioning in Korea detracted most from relative performance. However, underweight positioning in China contributed to relative results.

At the sector level, stock selection in the information-technology sector detracted most from performance relative to the benchmark. Conversely, lack of direct exposure to the energy and materials sectors contributed to the strategy's relative performance.

Taiwanese companies accounted for several of the largest contributors to performance for the month. These included Hon Precision, Inc., a provider of test handlers for integrated circuits; Chroma ATE, Inc., a manufacturer of automated test equipment used in semiconductor fabrication; and United Integrated Services Co. Ltd., a leading general contractor for semiconductor-fabrication plants.

The largest detractors from performance included Taiwan-based Jentech Precision Industrial Co. Ltd., a manufacturer of heat spreaders for semiconductor chips; NU Holdings Ltd. (NU), a fintech bank based in Brazil; and Asia Vital Components Co. Ltd., a Taiwanese provider of thermal-management solutions for computer equipment.

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		37		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%	86%		60%	100%	ok
Other	0%	14%		0%	40%	ok
Total		100%				
Normal Global Portfolio Characteristics (Relative to the Index)						
Price/Earnings (fwd)	12.3	23.6	192%	50%	NA	ok
ROE	20.9	26.0	124%	50%	NA	ok
3-5 Yr.Est. Growth	24.5	29.7	121%	50%	NA	ok
No derivatives, short sales, commodities, margin or currency hedging						Yes
Annual turnover		46%		10%	60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 20,919

Organizational/Personnel Changes

None

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value ($m):	.
Lost:	Number of Accounts:	5	Total Market Value ($m):	$ 178.0
	Reason(s):	Changes in asset allocation		

WCM

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **May** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
WCM	8.38%	10.76%	45.39%	0.00%	0.00%
MSCI Emerging Markets	9.72%	9.47%	55.17%	0.00%	0.00%

Country Allocation Comparison

Over-weight	WCM	EM	Under-weight	WCM	EM
Brazil	8.83%	3.84%	Taiwan	22.48%	26.41%
Greece	3.42%	0.47%	India	7.16%	10.87%
Peru	2.79%	0.23%	Saudi Arabia	0.85%	2.39%

Performance Attribution & Strategy Comments

During May 2026, the portfolio underperformed the MSCI Emerging Markets benchmark as the portfolio delivered a total return of 8.38% versus the benchmark's 9.72%. Sector allocation detracted from relative performance, partially offset by positive stock selection. The Information Technology sector was the largest detractor from performance, while Industrials was the largest contributor.

Asian equity markets delivered strong gains over the period, with the MSCI Asia Pacific ex-Japan index surging approximately 6.8% in a single week on hopes that the Iran conflict was nearing resolution, before reaching a fresh record high by late May as a ceasefire extension in the Gulf drove a Friday surge. South Korea's Kospi was a standout regional performer, rising to successive record highs as large-cap semiconductors soared on renewed optimism over the chip cycle, with one index constituent gaining over 250% year-to-date. China's April activity data disappointed, with industrial production growth slowing, retail sales stagnating, and fixed asset investment declining 8.2% year-on-year, while new home prices fell 3.5% annually, prompting economists to warn of a deteriorating domestic economy despite a strong prior export surge. India saw benchmark indices underperform as authorities moved to support the rupee, though markets stabilised after the US ended civil and criminal cases against Adani following a $275M settlement and a $10B investment commitment. Taiwan's Taiex dipped slightly after President Xi warned Trump over the Taiwan issue at their summit. The AI investment theme remained prominent across the region, with cloud and AI revenues rising sharply at major Chinese technology platforms despite broader earnings pressure, underpinning continued capital commitments toward AI infrastructure development.

Manager Style Summary

WCM will manage an emerging markets equity portfolio. WMC's emerging market philosophy is built on moats, culture, tailwinds, focused and valuation. They focus on bottom-up stock picking with a selection edge. The portfolio will hold approximately 50 stocks. Maximum position size will be around 15% 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	88%		80%	100%	ok
Number of countries in the portfolio	15		3	N/A	ok
Number of global industries	28		15	N/A	ok
No more than 5% of the outstanding shares of each issuer					Yes
% of outstanding of China traded company shares	<1%		0	4%	ok
Single Industry (% MV)	22%			30%	ok
Single Sector (% MV)	35%			50%	ok
Single position (% MV)	10%			15%	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 1 $114.6B

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):				

PERSI Choice Plan Summary — May 2026

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	**2.2%**	**2.0%**	**15.0%**	**11.9%**	**6.2%**
Strategic Policy [☆]		3.2%	4.5%	20.3%	14.3%	7.5%
Broad Target *(55% R3000, 15% MSCI EAFE, 30% BCAgg)*		3.3%	5.0%	20.9%	16.6%	8.6%
Calvert Balanced Fund [1]**	CBARX	**2.0%**	**4.7%**	**15.4%**	**15.4%**	**8.1%**
Custom Bench *(60% R1000, 40% BCAgg)*		3.2%	5.4%	19.0%	15.4%	8.1%
Capital Preservation						
PERSI Short-Term Investment Portfolio ♠	n/a	**0.3%**	**0.9%**	**4.1%**	**4.8%**	**3.5%**
ICE BofA US 3-month T-bill Index		0.3%	0.9%	3.9%	4.7%	3.5%
Bond						
US Bond Index Fund	n/a	**0.3%**	**-1.4%**	**5.1%**	**3.9%**	**0.1%**
Dodge and Cox Fixed Income Fund [5]	DOXIX	**0.3%**	**-1.6%**	**6.3%**	**5.3%**	**1.5%**
Bloomberg Aggregate		0.3%	-1.3%	5.1%	3.9%	0.2%
US TIPS Index Fund	n/a	**0.2%**	**0.0%**	**4.9%**	**4.0%**	1.2%
Bloomberg US TIPS Index		0.2%	0.0%	4.9%	4.0%	1.2%
U.S. Equity						
Russell 3000		5.1%	10.0%	29.4%	23.2%	12.9%
Large Cap						
U.S. Large Cap Equity Index Fund	n/a	**5.3%**	**10.5%**	**29.8%**	**23.6%**	**14.1%**
Vanguard Growth & Income Fund [2]	VGIAX	**5.3%**	**9.8%**	**29.7%**	**24.2%**	**14.2%**
S&P 500		5.3%	10.5%	29.8%	23.6%	14.1%
Small/Mid Cap						
U.S. Small/Mid Cap Equity Index Fund [3]	n/a	**4.5%**	**9.6%**	**30.5%**	**21.2%**	**6.7%**
Dow Jones U.S. Completion Total Stock Market Index		4.5%	9.6%	30.3%	21.0%	6.4%
Small Cap						
T. Rowe Price Small Cap Stock Fund [4]	TRSSX	**1.8%**	**3.0%**	**25.5%**	**16.5%**	**5.1%**
Russell 2000		4.4%	11.3%	43.1%	20.3%	6.6%
Specialty						
US REIT Index Fund	n/a	**-0.1%**	**2.3%**	17.0%	12.8%	5.3%
Dow Jones U.S. Select REIT		-0.1%	2.4%	17.3%	13.0%	5.5%
International Equity						
International Equity Index Fund	n/a	**2.5%**	**-0.5%**	**22.7%**	**18.2%**	8.9%
T. Rowe Price Overseas Stock	TROIX	**3.3%**	**-0.1%**	**26.0%**	17.6%	N/A
MSCI EAFE net dividend		3.1%	-0.6%	22.8%	18.2%	8.8%
DFA Emerging Markets Core Equity I	DFCEX	**5.7%**	**7.0%**	**46.4%**	23.1%	N/A
MSCI EMF		9.7%	9.5%	55.1%	25.8%	8.0%

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

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

☆ *Strategic Policy Benchmark = 21% R3000, 18% MSCI ACWI, 6% MSCI EAFE, 9% MSCI EM, 8% PE, 4% NAREIT, 4% NFI-ODCE EW, 20% Agg, 10% TIPS*

α *Fund returns reflect fees beginning 05/01/15*

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

[2] *Vanguard Growth & Income Admiral Shares (VGIAX) performance begins 08/01/03; previous periods reflect Vanguard Growth & Income Investor Shares (VQNPX)*

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

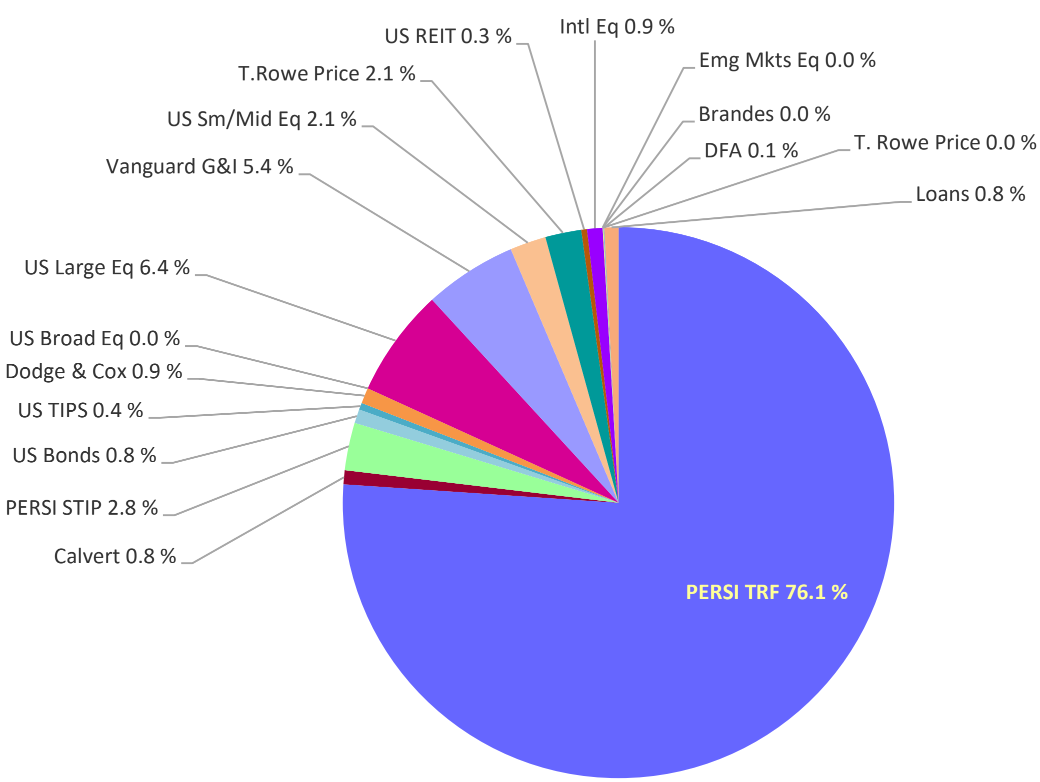
[4] *T. Rowe Price Small Cap Stock Fund (TRSSX) begins 04/01/2017; (OTCFX) performance begins 8/01/2003; previous periods reflect ING Small Company Fund (AESGX)*

[5] *Effective 05/23:share class change from DODIX to DOXIX*

PERSI Choice Plan Summary — May 2026

Performance - Net of fees

			Alloc by Fund	Alloc by Asset Class
Balanced				**74.5%**
PERSI Total Return Fund	$	1,537,709,718	73.6 %	
Calvert Balanced Fund	$	17,730,157	0.8 %	
Capital Preservation				**2.4%**
PERSI Short-Term Investment Portfolio *(ML 0-3mo T-bill)*	$	49,914,696	2.4 %	
Bonds				**1.8%**
U.S. Bond Index Fund *(BC Aggregate)*	$	13,470,138	0.6 %	
U.S. TIPS Index Fund *(BC US TIPS)*	$	6,719,184	0.3 %	
Dodge and Cox Fixed Income Fund *(BC Aggregate)*	$	16,584,173	0.8 %	
U.S. Equity				**19.2 %**
Large Cap				
U.S. Large Cap Equity Index Fund *(S&P 500)*	$	160,475,453	7.7 %	
Vanguard Growth & Income Fund *(S&P 500)*	$	137,561,705	6.6 %	
Small/Mid Cap				
U.S. Small/Mid Cap Equity Index Fund *(DJ USTSMI)*	$	51,795,321	2.5 %	
Small Cap				
T. Rowe Price Small Cap Stock Fund *(R2000)*	$	43,771,569	2.1 %	
Specialty				
U.S. REIT Index Fund *(DJ US Select REIT)*	$	6,911,536	0.3 %	
International Equity				**1.5 %**
International Equity Index Fund *(MSCI EAFE)*	$	24,682,247	1.2 %	
T. Rowe Price Overseas Stock	$	2,214,235	0.1 %	
DFA Emerging Markets Core Equity I	$	3,946,527	0.2 %	
Other				**0.7 %**
Loans	$	14,937,352	0.7 %	
Total DC Plan	**$**	**2,088,424,011**	**100%**	**100.0 %**



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

PERSI
Public Employee Retirement System of Idaho

June 29, 2026

To: PERSI Board of Directors
From: Deputy Director
Subject: New Employers Joining PERSI

New Employers:

- **Office of Species, Minerals and Energy Coordination (OSMEC)**
    - Located in Boise
    - 35 employees and 1 elected/appointed Paid
    - State agency created by Idaho Legislature by merging two agencies

- **Elevate Academy Twin Falls, LLC**
    - Located in Twin Falls
    - 45 Employees and 7 Elected/Appointed Not Paid

- **Southern Idaho Economic Development Organization (SIEDO)**
    - Located in Twin Falls
    - 2 Employees and 8 Elected/Appointed Not Paid

- **Teton Valley Parks and Recreation District**
    - Located in Driggs
    - 1 Employee and 3 Elected/Appointed Not Paid

- **North Idaho Classical Academy**
    - Located in Bonners Ferry
    - 30 Employees and 7 Elected/Appointed Not Paid

- **Brabeion Academy**
    - Located in Nampa
    - 4 Employees and 5 Elected/Appointed Not Paid

- **Gem Prep: Rexburg LLC**
    - Located in dreary
    - 20 Employees and 4 Elected/Appointed Not Paid

Date: June 29th, 2026

TO: PERSI Retirement Board

FROM: Mike Anderson
Financial Executive Officer

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

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

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

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

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

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

Choice Plan Recordkeeper
1-866-437-3774

www.persi.idaho.gov

Equal Opportunity Employer

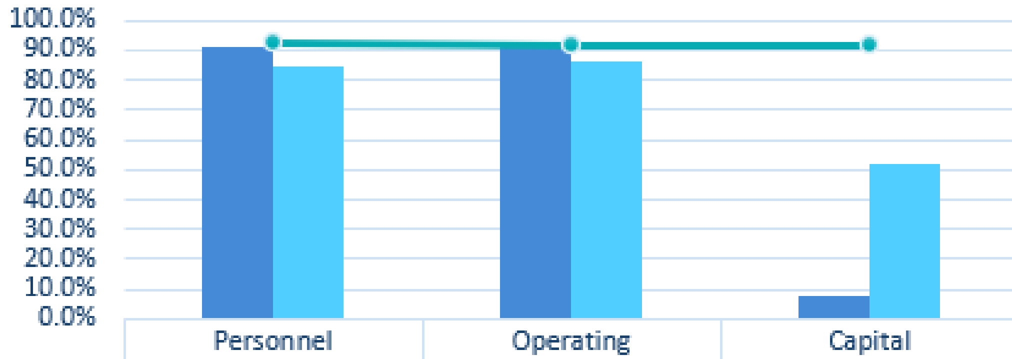
SUBJECT: **UPDATE ON FISCAL ISSUES**

- **2026 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.
  - **Administration:** The report is for FY2026 expenditures as of the end of April. Personnel expenses are below the target rate of 92.3%. Operating is slightly higher, and Capital Outlay expenses are below the target rate of 91.7%.
  - **Portfolio:** Our year-to-date expense ratio is 34.0 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.

- **FY28 OPERATING BUDGET:** I will review with the board the FY 2028 PERSI's Administration and Portfolio Operating budget.

Administration

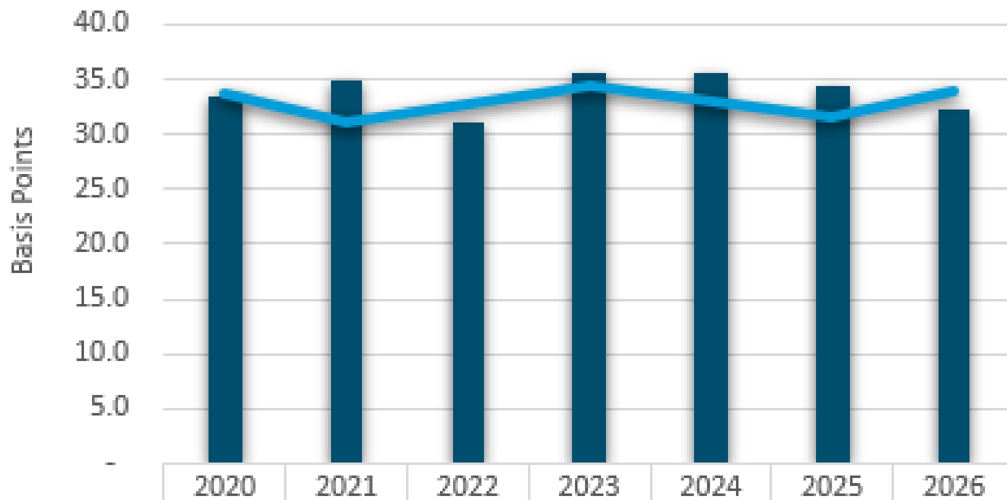


	Personnel	Operating	Capital
FY26	90.8%	92.5%	7.5%
FY25	84.3%	86.4%	52.1%
Target Rate	92.3%	91.7%	91.7%

FY26 FY25 Target Rate

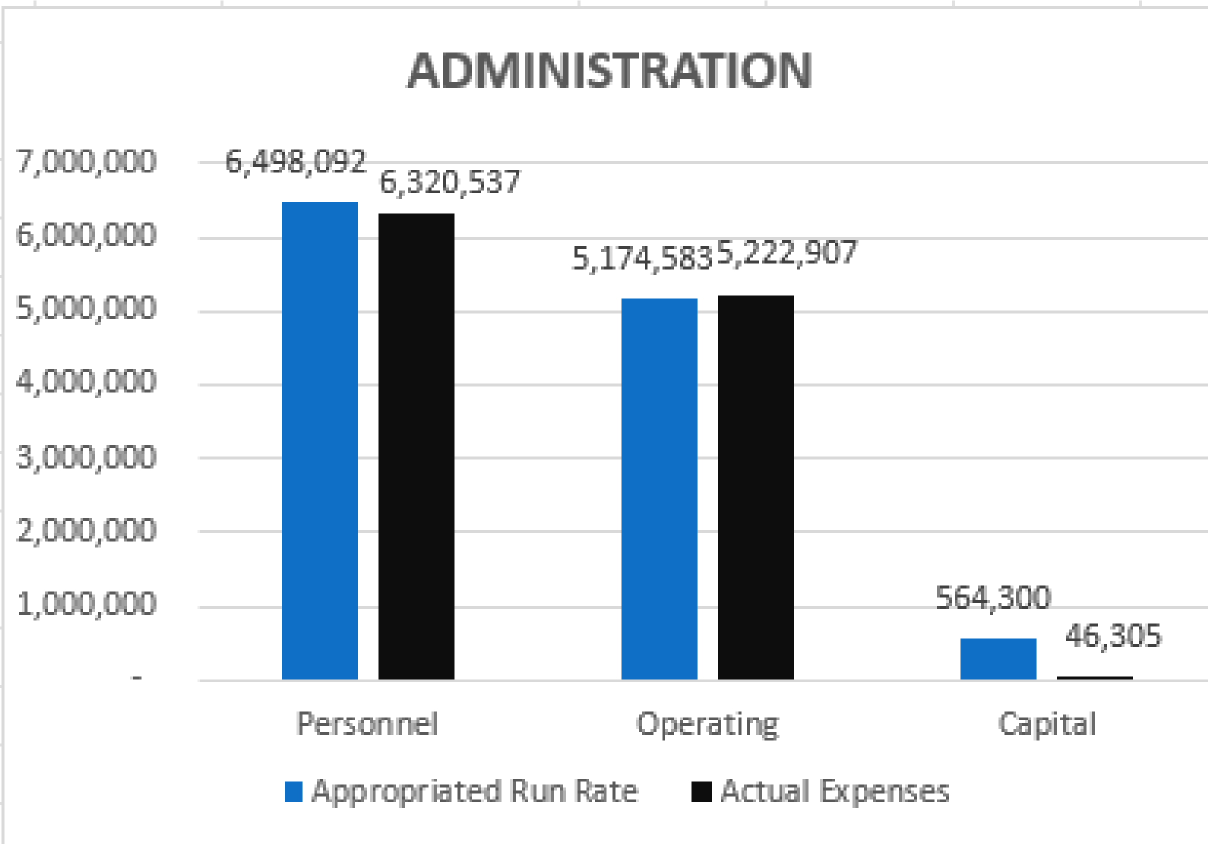
Expense Ratio Comparison

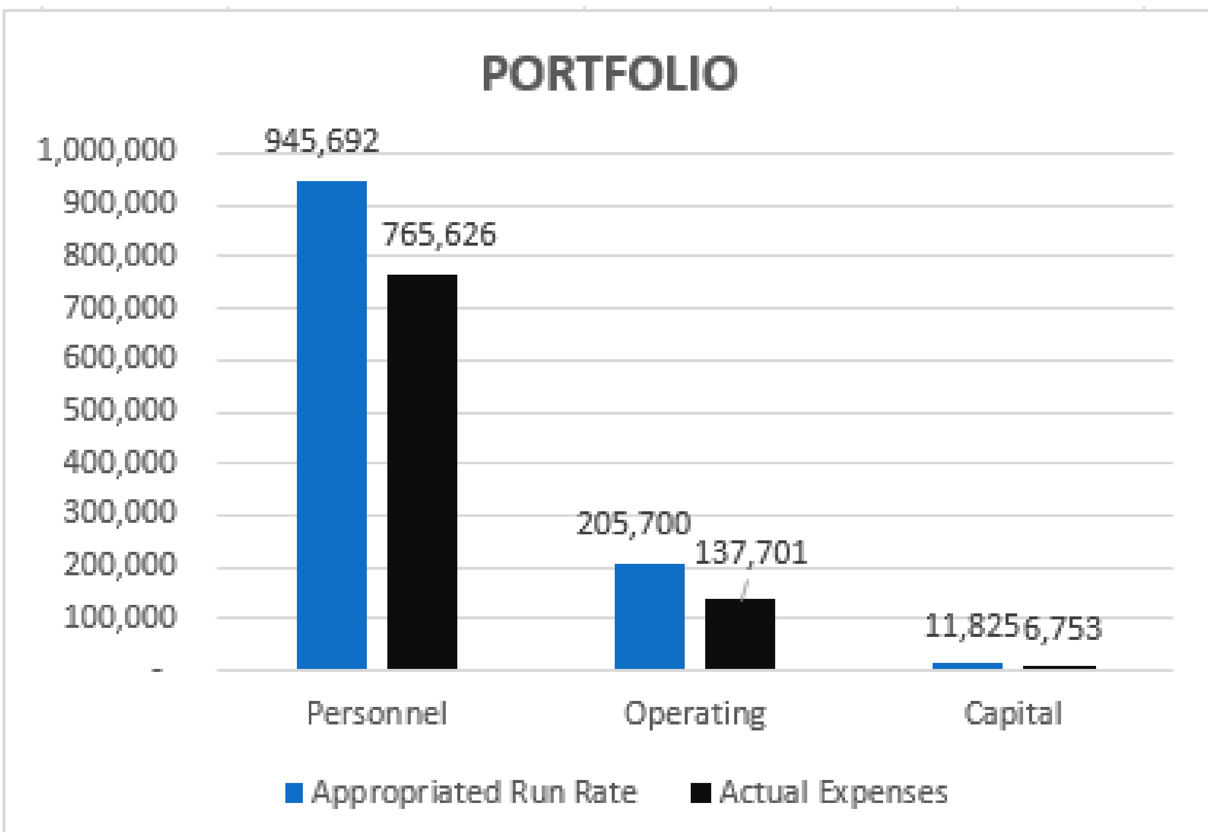
Cash Basis



	2020	2021	2022	2023	2024	2025	2026
Budg Exp Ratio	33.6	34.8	31.1	35.6	35.6	34.5	32.3
YTD Actual	33.7	31.2	32.7	34.4	33.0	31.7	34.0

Budg Exp Ratio YTD Actual


ADMINISTRATION
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
6,498,092
6,320,537
5,174,583
5,222,907
564,300
46,305
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses


PORTFOLIO
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
945,692
765,626
205,700
137,701
11,825
6,753
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS ADMINISTRATION EXPENSES

SUMMARY REPORT							TARGET:		91.7%
ADMINISTRATIVE BUDGET									
MAY 31, 2026									
	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total Expenses	Current Spending Balance	Actual as % of Budget
PERSONNEL	6,616,500	6,062,804	6,960,900	5,249,353	535,226	535,958	6,320,537	640,363	90.8%
OPERATING	5,628,600	5,607,235	5,645,000	4,062,554	586,941	573,412	5,222,907	422,093	92.5%
CAPITAL	345,700	343,421	615,600	41,438	321	4,545	46,305	569,295	7.5%
TOTAL	**12,590,800**	**12,013,460**	**13,221,500**	**9,353,345**	**1,122,488**	**1,113,916**	**11,589,749**	**1,631,751**	**87.7%**

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS PORTFOLIO EXPENSES

SUMMARY REPORT - PORTFOLIO							TARGET:	91.7%
MAY 31, 2026								
INVESTMENTS	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total Expenses	Actual as % of Budget
STAFF EXPENSE								
Personnel	1,003,200	771,064	1,020,500	614,934	72,225	78,467	765,626	75.0%
Operations	218,100	142,603	224,400	136,189	14,659	16,853	167,701	74.7%
Capital Outlay	18,900	1,620	12,900	6,753	-	-	6,753	52.3%

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS ADMINISTRATION EXPENSES

SUMMARY REPORT TARGET: 91.7%
ADMINISTRATIVE BUDGET
MAY 31, 2026

	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total Expenses	Current Spending Balance	Actual as % of Budget
PERSONNEL	6,616,500	6,062,804	6,960,900	5,249,353	535,226	535,958	6,320,537	640,363	90.8%
OPERATING	5,628,600	5,607,235	5,645,000	4,062,554	586,941	573,412	5,222,907	422,093	92.5%
CAPITAL	345,700	343,421	615,600	41,438	321	4,545	46,305	569,295	7.5%
TOTAL	**12,590,800**	**12,013,460**	**13,221,500**	**9,353,345**	**1,122,488**	**1,113,916**	**11,589,749**	**1,631,751**	**87.7%**

ADMINISTRATIVE BUDGET
By Cost Center and Account Category
MAY 31, 2026

DESCRIPTION	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total Expenses	Current Spending Balance	Actual as % of Budget
ADMINISTRATION									
Personnel	759,100	641,230	850,000	642,014	64,943	64,943	771,899	78,101	90.8%
Operating	188,500	188,489	164,000	142,586	3,949	827	147,361	16,639	89.9%
Capital	75,000	71,928	-	-	-	-	-	-	0.0%
BOARD			-						
Personnel	11,300	3,448	5,000	1,832	-	-	1,832	3,168	36.6%
Operating	37,000	36,849	45,500	22,374	-	19,213	41,587	3,913	91.4%
Capital	-	-	-	-	-	-	-	-	0.0%
LEGAL			-						
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	137,000	135,818	115,000	102,147	3,089	-	105,236	9,764	91.5%
Capital	-	-	-	-	-	-	-	-	0.0%
QUALITY ASSURANCE			-						
Personnel	518,400	503,053	652,900	492,737	30,440	24,113	547,290	105,610	83.8%
Operating	20,000	19,804	27,500	24,645	482	-	25,127	2,373	91.4%
Capital	24,000	23,420	-	197	-	-	197	(197)	0.0%
FISCAL ADMINISTRATION			-						
Personnel	950,300	930,147	1,070,000	806,432	85,476	88,644	980,552	89,448	91.6%
Operating	105,000	98,356	115,000	105,076	1,706	-	106,783	8,217	92.9%
Capital	-	-	-	-	-	-	-	-	0.0%
EMPLOYER SERVICE CENTER			-						
Personnel	305,600	277,454	280,000	211,068	22,052	22,069	255,189	24,811	91.1%
Operating	2,000	1,867	1,400	1,073	224	-	1,297	103	92.7%
Capital	-	-	-	-	-	-	-	-	0.0%
OVERHEAD									
Personnel	33,700	8,783	-	-	-	-	-	-	0.0%
Operating	605,100	594,992	598,000	422,588	132,595	9,864	565,046	32,954	94.5%
Capital	-	-	-	2,958	-	-	2,958	(2,958)	0.0%
IT - ADMINISTRATION									
Personnel	948,000	942,548	1,040,000	791,549	80,326	80,513	952,388	87,612	91.6%
Operating	46,000	45,898	15,000	10,439	2,372	1,125	13,936	1,064	92.9%
Capital	-	-	-	-	-	-	-	-	0.0%
IT - SYSTEM MAINTENANCE									
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	947,000	946,030	960,000	715,149	167,426	10,007	892,582	67,418	93.0%
Capital	191,700	184,708	615,600	37,234	289	4,545	42,069	573,531	6.8%
IT - PROJECTS									
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	3,000,000	3,003,368	3,000,000	2,013,999	240,000	506,001	2,760,000	240,000	92.0%
Capital	-	-		-	-	-	-	-	0.0%
MEMBER SERVICES									
Personnel	533,800	487,141	525,000	394,767	48,468	57,591	500,827	24,173	95.4%
Operating	35,000	33,974	92,100	84,528	4,229	391	89,148	2,952	96.8%
Capital	-	-	-	-	-	-	-	-	0.0%

ADMINISTRATIVE BUDGET (Cont.) By Cost Center and Acco MAY 31, 2026	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total	Current Spending Balance	Actual as % of Budget
DISABILITY ASSESSMENT									
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	149,000	148,325	155,000	118,704	9,020	-	127,724	27,276	82.4%
Capital	-	-	-	-	-	-	-	-	0.0%
FIELD SERVICES - CSO									
Personnel	135,100	139,071	159,000	119,721	11,900	11,900	143,522	15,478	90.3%
Operating	36,000	35,616	40,000	35,891	2,606	999	39,497	503	98.7%
Capital	-	-	-	443	32	-	475	(475)	0.0%
FIELD SERVICES - PSO									
Personnel	137,200	124,045	155,000	116,608	11,958	11,958	140,525	14,475	90.7%
Operating	67,000	66,151	80,000	71,443	3,363	1,409	76,214	3,786	95.3%
Capital	-	-	-	-	-	-	-	-	0.0%
PERSI RETIREMENT CENTER									
Personnel	436,100	311,850	372,000	279,506	28,844	25,167	333,517	38,483	89.7%
Operating	3,500	3,409	3,000	2,225	353	-	2,578	422	85.9%
Capital	-	-	-	-	-	-	-	-	0.0%
PERSI ANSWER CENTER									
Personnel	388,800	274,270	365,000	273,977	30,308	29,656	333,941	31,059	91.5%
Operating	16,500	16,381	6,000	4,677	116	-	4,793	1,207	79.9%
Capital	55,000	54,909	-	-	-	-	-	-	0.0%
PERSI PROCESSING CENTER									
Personnel	393,400	378,840	484,000	366,434	37,412	36,342	440,188	43,812	90.9%
Operating	22,000	21,050	5,000	3,425	830	200	4,455	545	89.1%
Capital	-	-	-	-	-	-	-	-	0.0%
IMAGING									
Personnel	70,200	69,840	75,000	56,776	5,798	5,798	68,373	6,627	91.2%
Operating	2,000	1,942	1,000	495	-	-	495	505	49.5%
Capital	-	-	-	-	-	-	-	-	0.0%
TRAINING									
Personnel	643,400	627,070	613,000	458,875	53,313	53,313	565,500	47,500	92.3%
Operating	102,000	101,596	84,000	60,355	14,503	8,336	83,194	806	99.0%
Capital	-	8,456	-	606	-	-	606	(606)	0.0%
COMMUNICATIONS									
Personnel	104,600	99,644	107,000	80,737	8,134	8,134	97,005	9,995	90.7%
Operating	97,000	96,678	131,000	115,840	38	15,041	130,920	80	99.9%
Capital	-	-	-	-	-	-	-	-	0.0%
DC PLAN ADMINISTRATION									
Personnel	247,500	244,370	208,000	156,320	15,852	15,818	187,991	20,009	90.4%
Operating	11,000	10,642	6,500	4,895	38	-	4,934	1,566	75.9%
Capital	-	-	-	-	-	-	-	-	0.0%
TOTAL									
PERSONNEL	**6,616,500**	**6,062,804**	**6,960,900**	**5,249,353**	**535,226**	**535,958**	**6,320,537**	**640,363**	**90.8%**
OPERATING	**5,628,600**	**5,607,235**	**5,645,000**	**4,062,554**	**586,941**	**573,412**	**5,222,907**	**422,093**	**92.5%**
CAPITAL	**345,700**	**343,421**	**615,600**	**41,438**	**321**	**4,545**	**46,305**	**569,295**	**7.5%**
	12,590,800	**12,013,460**	**13,221,500**	**9,353,345**	**1,122,488**	**1,113,916**	**11,589,749**	**1,631,751**	**87.7%**

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS PORTFOLIO EXPENSES

SUMMARY REPORT - PORTFOLIO
MAY 31, 2026

TARGET: 91.7%

INVESTMENTS	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total Expenses	Actual as % of Budget
MANAGEMENT FEES	68,558,103	63,755,621	67,899,737	52,686,264	6,433,827	8,120,449	67,240,540	99.0%
CONSULTANTS	1,500,000	1,230,018	1,500,000	1,141,775	249,401	52,102	1,443,278	96.2%
CUSTODIAL SERVICES	3,000,000	2,354,427	3,000,000	1,582,304	212,879	221,301	2,016,484	67.2%
REPORTING SERVICES								
1. Investment Related	240,000	137,897	200,000	96,570	22,815	12,950	132,335	66.2%
2. Non-Investment Related	710,000	592,947	760,000	499,098	104,881	29,901	633,880	83.4%
LEGAL	1,100,000	1,101,042	1,220,000	928,874	124,051	120,994	1,173,919	96.2%
STAFF EXPENSE	1,240,200	915,287	1,257,800	757,875	86,883	95,320	940,079	74.7%
ENCUMBRANCES*	-	-	-	-	-	-	-	
TOTAL EXPENDITURES*	76,348,303	70,087,239	75,837,537	57,692,761	7,234,738	8,653,016	73,580,516	97.0%
ADMINISTRATION	12,590,800	12,013,458	13,221,500	9,353,345	1,122,488	1,113,916	11,589,749	87.7%
YTD EXPENDITURES INCLUSIVE	88,939,103	82,100,697	89,059,037	67,046,107	8,357,226	9,766,931	85,170,265	95.6%

	FY 2025 Actual	FY 2026 Budgeted
Investment Related Services	69,494,292	75,077,537
Non-Investement Related Services	592,947	760,000
Judges Retirement Fund	453,271	472,000
PERSI Administration[1]	12,013,458	13,221,500
1) TOTAL PERSI COSTS	82,553,968	89,531,037
2) ESTIMATED NET AVERAGE ASSETS	26,032,790,430	27,724,921,808
3) RATIO OF COSTS TO NET ASSETS	0.317%	0.323%
Investment Expense	0.267%	0.271%
Non-Investment Contracted Services	0.002%	0.003%
Judges Retirement Fund	0.002%	0.002%
PERSI Administration	0.046%	0.048%
4) BUDGETED EXPENSE RATIO		32.3
5) ACTUAL EXPENSE RATIO[2]		34.0

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
DETAIL REPORT
MAY 31, 2026

TARGET: 91.7%

DESCRIPTION	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	APRIL	MAY	FY 2026 Total Expenses	Actual as % of Budget
MANAGEMENT FEES								
Equity - Domestic	11,213,525	12,679,440	13,503,603	9,117,896	829,795	2,094,811	12,042,502	89.2%
Equity - International	8,155,000	8,935,504	9,516,312	8,219,909	819,954	1,995,263	11,035,125	116.0%
Fixed Income	2,939,577	3,007,792	3,203,298	3,811,066	505,094	666,554	4,982,714	155.5%
Real Estate	17,250,000	13,803,639	14,700,876	10,558,127	601,027	-	11,159,154	75.9%
Idaho Mortgage Program	4,500,000	3,921,185	4,176,062	3,047,181	-	692,939	3,740,120	89.6%
Equity Global	24,500,000	21,408,061	22,799,585	17,932,086	3,677,957	2,670,882	24,280,925	106.5%
CONSULTANTS								
Investment Consultants	760,000	624,809	760,000	474,323	139,920	-	614,243	80.8%
Advisors	380,000	321,642	380,000	229,448	31,250	29,602	290,300	76.4%
Other Consultants	360,000	283,566	360,000	438,004	78,231	22,500	538,735	149.6%
CUSTODIAL SERVICES								
Trust/Custody	3,000,000	2,155,687	3,000,000	1,582,304	212,879	221,301	2,016,484	67.2%
Clearwater Analytics, LLC	-	198,739	-	-	-	-	-	
REPORTING SERVICES								
1. Auditors Fees								
a. Annual Audit	160,000	37,961	160,000	71,417	14,334	3,150	88,901	55.6%
2. Actuarial Fees								
Milliman USA	350,000	388,319	400,000	277,680	73,881	26,751	378,312	94.6%
Cavanaugh MacDonald	200,000	166,667	200,000	150,000	16,667	-	166,667	83.3%
3. Bloomberg LP & Other	240,000	137,897	200,000	96,570	22,815	12,950	132,335	66.2%
LEGAL								
1. Legal Fees								
Legal Advice - Other	400,000	316,120	400,000	170,201	14,536	25,529	210,265	52.6%
Legal Advice - Priv Equity	600,000	667,899	680,000	641,540	67,624	95,206	804,369	118.3%
Legal Advice - Fiduciary/Liability	100,000	117,023	140,000	117,134	41,891	260	159,285	113.8%
STAFF EXPENSE								
Personnel	1,003,200	771,064	1,020,500	614,934	72,225	78,467	765,626	75.0%
Operations	218,100	142,603	224,400	136,189	14,659	16,853	167,701	74.7%
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	75,837,537	57,692,761	7,234,738	8,653,016	73,580,516	97.0%
JUDGES RETIREMENT FUND								
Invest, Mgmt, Consulting, Custody, Reporting	330,000	330,466	330,000	270,012	33,549	40,747	344,308	104.3%
Accounting, Auditing	15,000	8,377	15,000	14,334	(14,334)	-	-	0.0%
Other Professional Services	-	-	-	3,360	-	-	3,360	0.0%
Actuary	40,000	31,690	40,000	31,921	(31,921)	-	0	0.0%
Legal	4,000	5,393	4,000	4,519	602	587	5,708	142.7%
Administration	78,100	76,953	83,000	62,558	6,368	6,368	75,294	90.7%
Admin Rule	-	392	-	392	-	-	392	0.0%
	467,100	453,271	472,000	387,096	(5,736)	47,702	429,061	90.9%

Scheduled and Completed Out of State Travel - Staff

Traveler	Fund	Destination City / State	Description	Start Date of Travel	End Date of Travel	Final Voucher Amount
Darin Deangeli	55001	Scottsdale, AZ	2026 Callan National Conference	4/19/2026	4/22/2026	$1,247.78
Sofia Wilson	55002	Scottsdale, AZ	NASIP 2026 Conference	5/3/2026	5/6/2026	$3,501.74
Chris Brechbuhler	55002	Scottsdale, AZ	NASIP 2026 Conference	5/3/2026	5/6/2026	$3,631.77
Richelle Sugiyama	55002	Scottsdale, AZ	NASIP 2026 Conference	5/3/2026	5/6/2026	$3,522.51
Richelle Sugiyama	55002	London, UK; Edinburgh, Scotland	Walter Scott Research Conference, Longview and Walter Scott Due Diligence	5/9/2026	5/16/2026	$8,192.84
Chris Brechbuhler	55002	London, UK; Edinburgh, Scotland	Walter Scott Research Conference, Longview and Walter Scott Due Diligence	5/9/2026	5/16/2026	$7,239.04
Mike Anderson	55001	New York, NY	BNY Asset Owner Learning Academy - 2026	5/11/2026	5/14/2026	$2,825.00
Chris Wester	55001	New York, NY	BNY Conference 2026	5/11/2026	5/14/2026	$2,664.00
Trenton Powers	55001	San Diego, CA	2026 PRISM Conference	5/16/2026	5/21/2026	$3,669.93
Catherine Atchison	55001	San Diego, CA	2026 PRISM Conference	5/16/2026	5/21/2026	$4,204.64
Branden Kennah	55001	San Diego, CA	2026 PRISM Conference	5/16/2026	5/21/2026	$3,531.93
Kelly Cross	55001	Las Vegas, NV	NCPERS ACE 2026	5/17/2026	5/20/2026	$2,594.11

PERSI
Public Employee Retirement System of Idaho

June 29, 2026

TO: Retirement Board Trustees
FROM: Mike Anderson, CFO
SUBJECT: 2028 Budget Request

Summary:

In accordance with Section II, subsection 19, of the Governance Policy Manual, staff is submitting the draft FY 2028 Budget Request. The Board may make its approval subject to any reasonable modifications. Upon approval of the Board, the budget request will be submitted to DFM for review and inclusion as part of the Governor's recommended operating budget. Once approved by the Board, any amendments made during the budget review process with DFM and DHR must be reported back to the Board for its approval.

Key Discussion:

2028 Key Budget Development dates:

Deliverable	Due Date
IT items submitted to ITS for review/approval	7/31/2026
IT items submitted to SCO for review/approval	7/31/2026
Strategic plans are due to Governor's office	8/3/2026
PC authorization request to DHR	8/7/2026
Budget submission due	**9/1/2026**
SWCAP	October 2026
PBF Budget submission due	11/13/2026
Sponsorship and donation form due to DFM	1/15/2027

- All new position requests must be reviewed and approved by DHR no later than 8/7/2026.
- New positions must be budgeted at 85% of policy for appropriate job classification. Requests above 85% of policy require additional justification.
- Healthcare premium budgeted placeholder increased to $17,850 per full time position, an increase of about $3000 per FTE.
- 1% CEC placeholder as of now. Expectation is that there will be no CEC.
- All IT requests must be vetted and approved by ITS and must be submitted by 7/31/2026.

Action:

Staff requests conditional approval of the FY 2028 Budget Request, as presented, subject to reasonable modifications as may be required through the statewide 2028 budget development process.

2028 Budget Request

Proposed

ADMINISTRATION

Proposed Budget Request for FY 2028*

		Unit Cost	Quantity	FTP	PC	OE	CO	Total
				PERSI Requested Budget				
FY 2027 Maintenance Budget				77.0	7,274,100	2,568,200		9,842,300
FY 2027 Enhancement Budget	Arrivos Upgrade (OE), Capital Needs (CO)					2,227,300	353,600	2,580,900
Less Adjustments:	Arrivos Upgrade, IT Replacements					(2,227,300)	(353,600)	(2,580,900)
2028 Base Budget				77.0	**7,274,100**	**2,568,200**	**-**	**9,842,300**
Adjustments:								
Estimate CEC per budget book	1.0%				59,379			59,379
Change in Health Benefits					157,080			157,080
Change in Variable Benefits					13,362			13,362
Total Adjustments					229,821	-	-	229,821
Replacements Items								
Switch Replacements		100,517	3				301,551	301,551
Meraki MX450 Primary Security Appliance		81,245	3				243,735	243,735
Security Monitor Server		70,061	1				70,061	70,061
Security Network Sensor Server		70,061	1				70,061	70,061
APC Smart-UPS for PSO		24,869	1				24,869	24,869
APC Smart-UPS for CSO		15,165	1				15,165	15,165
LOB Production Scanner		15,032	1				15,032	15,032
Laptop Kit		3,486	18				62,748	62,748
Meraki C8121 VPN Security Appliance		9,817	12				117,804	117,804
Meraki Z4C VPN Appliance		2,339	36				84,204	84,204
Wi-fi Access Point for PSO		9,785	2				19,570	19,570
Camera for Board Meeting Streaming		3,375	1				3,375	3,375
PC Replacements		3,640	4				14,560	14,560
Total Replacement Capital Outlay					-	-	1,042,735	1,042,735
Proposed 2028 Budget				77.0	7,503,921	2,568,200	1,042,735	11,114,856
Line Items (Enhancements):				FTP	PC	OE	CO	Total
Ongoing adjustment for increase in IT Cost	Ongoing					635,068		635,068
GL Accountant Position	Ongoing			1.0	86,055			86,055
Full-Time Sick Leave Position	Ongoing			1.0	-	-	-	-
Total Line Items (Enhancements)				2.0	86,055	635,068	-	721,123
Proposed FY 2028 Budget Request*				**79.0**	**7,589,976**	**3,203,268**	**1,042,735**	**11,835,979**
	FY 2027 Budget			77.0	7,274,100	4,795,500	353,600	12,423,200
	FY 2028 Total % Change from FY2027			2.6%	4.3%	-33.2%	194.9%	-4.7%

Notes:

*** The numbers making up the budget request in this document are preliminary and may have revisions in the final budget request document presented to DFM and LSO in September.**

2028 Budget Request

Proposed

PORTFOLIO

Proposed Budget Request for FY 2028*

				PERSI Requested Budget				
		Unit Cost	Quantity	FTP	PC	OE	CO	Total
FY 2027 Maintenance Budget				4.0	1,033,500	200,500		1,234,000
FY 2027 Enhancement Budget	Ongoing (OE) and One-Time Capital Needs (CO)					-	18,500	18,500
Less Adjustments:	IT Replacements						(18,500)	(18,500)
2028 Base Budget				4.0	**1,033,500**	**200,500**	**-**	**1,234,000**
Adjustments:								
Estimate CEC per budget book	1.0%				8,437			8,437
Change in Health Benefits					8,160			8,160
Change in Variable Benefits					1,898			1,898
Total Adjustments					18,495	-	-	18,495
Replacements Items								
Laptop Computer Kit		5,757	1				5,757	5,757
Bloomberg PC Replacement		3,640	1				3,640	3,640
Merki ZAC W/5yr Service		2,339	1				2,339	2,339
Standard Laptop (Travel)		2,229	1				2,229	2,229
Printer (Desktop Unit)		1,340	1				1,340	1,340
Docking Station		487	2				974	974
Flat Panel Monitors		300	2				600	600
Total Replacement Capital Outlay					-	-	16,879	16,879
Proposed 2028 Budget				4.0	1,051,995	200,500	16,879	1,269,374

Line Items (Enhancements):	FTP	PC	OE	CO	Total
					-
					-
					-
					-
Total Line Items (Enhancements)	-	-	-	-	-
Proposed FY 2028 Budget Request*	**4.0**	**1,051,995**	**200,500**	**16,879**	**1,269,374**
FY 2027 Budget	4.0	1,033,500	200,500	18,500	1,252,500
FY 2028 Total % Change from FY2027	0.0%	1.8%	0.0%	-8.8%	1.3%

Notes:

*** The numbers making up the budget request in this document are preliminary and may have revisions in the final budget request document presented to DFM and LSO in September.**

PERSI
Public Employee Retirement System of Idaho

June 29, 2026

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: 2027 Board Meeting Dates

Summary:

Feedback from the Board on 2026 meeting dates requested a more consistent schedule without the large gaps in time between meetings. To assist in developing a more consistent cadence, proposed 2027 Board meeting dates are being considered earlier to allow for more time and discussion around proposed dates.

Key Discussion:

To establish a more consistent cadence to board meetings, the last Tuesday of every other month, except December, was proposed as a basis for Board meeting dates. This creates about a 60 day cadence between Board meetings. This also avoids all holiday weekends.

Proposed Dates:

- February 23rd, 2027
- April 27th, 2027
- June 28th and 29th, 2027
- August 31st, 2027
- October 26th, 2027
- December 7th, 2027

Action:

Information only.

2026 Proposed Board Meeting Dates

New proposed dates:

MOSAIC (5.5 +1) Proposed dates:

Date	Day	Time	Primary Subject Matter	Conflicts
February 23, 2027	Tue	8:30am	Board meeting	
April 27, 2027	Tue	8:30am	Board meeting	
June 28, 2027	Tue	2:00pm	Board meeting	
June 29, 2027	Wed	8:30am	Annual educational session	
August 31, 2027	Tue	8:30am	Board meeting	
October 26, 2027	Tue	8:30am	Board meeting	Portfolio possible conflict.
December 7, 2027	Tue	8:30am	Board meeting	

PERSI
Public Employee Retirement System of Idaho

June 29, 2026

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Directors Report

Summary:

A brief update and notice on planned activities and annual decision making items.

Key Discussion:

1) Legislative Ideas:
    a. PERSI staff are not proposing any legislative ideas this session.
    b. Staff have identified areas in the JRF code that could clarify and align JRF code with PERSI code. Staff are working directly with JRF on these matters. The courts would initiate any change to JRF code.
2) Line of Duty Benefits Experience Study:
    a. Line of Duty benefits are required to have an experience study every four years to verify appropriate costs are being born by appropriate parties.
    b. HB 642 – Public Safety Catastrophic Line of Duty Death Benefit was passed during the 2026 legislative session. The fiscal note estimated an eleven basis point increase to employee contribution rates in the public safety class.
    c. The completion of the experience study and the additional cost of HB 642 will more than likely adjust the public safety contribution rate.
3) Late Summer / Fall State Tour planning:
    a. Employer and Legislative tour tentatively planned for late August through the end of October.
    b. Current topics being considered include: Funding, Outside Influences, Contribution Rates and Retirement Preparedness/PERSI Value.
    c. Prioritize Legislative Committee members for individual meetings in their city. Twenty three in total between Senate and House (four House members did not win their primary).

Action:

Informational only. Feedback appreciated.

DRAFT - PERSI Board of Trustees
Continuing Education Session
June 29 – 30, 2026
Homewood Suites by Hilton
7957 W. Spectrum Street, Boise, ID 83709

Day 1: Regular Board Meeting + Board Continuing Education Session			
TIME	**TOPICS (Information Items)**	**PRESENTER**	**INTERNAL SME**
2:00 – 2:30 pm	*Regular Board Business – Open & Closed* *(Agenda provided separately)*	*Board Chair*	
2:30 – 3:00	*BREAK*	--	
3:00 – 3:15 pm	Opening Remarks – Board Continuing Education Session	Board Chair, Mosaic	
3:15 – 4:45 pm	Public Pension Landscape and Trends	NASRA - Alex Brown	Mike Hampton, Alex Simpson, Lisa Conn
4:45 – 5:00 pm	Day 1 Closing Remarks	Board Chair, Mosaic	
5:00 pm	Adjournment		

Day 2: Board Continuing Education Session			
TIME	**TOPICS (Information Items)**	**PRESENTER**	**INTERNAL SME**
8:00 – 8:30 am	Breakfast	--	
8:30 – 10:00 am	Sustaining PERSI for the Future: Funding Policy	Milliman - Ryan Cook, Ryan Falls, Robert Schmidt	Mike Hampton, Aaron Chochon, Brent Banister
10:00 – 10:15 am	*BREAK*	--	
10:15 am – 12:15 pm	FY 27-29 Long-Range Plan Development	Mosaic - Amy McDuffee, Natasha Smith	Mike Hampton, Richelle Sugiyama

12:15 – 1:15 pm	*LUNCH / BREAK*	--	
1:15 – 2:45 pm	Legal Fiduciary Training: Ethics Requirements	Nossaman - Ashley Dunning, Michelle Mellon-Werch	Elisa Magnuson
2:45 – 3:00 pm	*BREAK*	--	
3:00 – 3:30 pm	Institutional Investments: Thought Experiment	PERSI – Richelle Sugiyama Callan – Greg Allen	
3:30 – 4:30 pm	Institutional Investments: Stability in an Age of Change	Ailman Advisers - Chris Ailman	Richelle Sugiyama, Chris Brechbuhler, Greg Allen
4:30 – 4:45 pm	Executive Session - Idaho Code § 74-206 (1)(a)(b)(f)	Board Chair	Elisa Magnuson
4:45 – 5:00 pm	Closing Remarks	Board Chair, Mosaic	
5:00 pm	Adjournment		

PERSI's Purpose

Closing Remarks

MOSAIC Governance Advisors

How do you interpret PERSI's purpose?

1 Fulfillment of a statutory mandate

2 Retirement steward for members

3 Partner in members' long-term, holistic financial wellbeing

NARROW ⟷ BROAD

Discussion

- Do you find yourself thinking differently about PERSI's purpose now than you did yesterday? What changed?

PERSI's Purpose

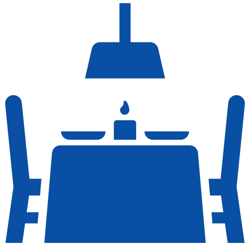
Opening Remarks

First, a parable

You come across three farmers working in a field, and you ask each of them, **What are you doing?**

I'm planting a seed.

I'm growing a crop.



I'm feeding my community.

NARROW ⟷ **BROAD**

How do you interpret PERSI's purpose?

1

Fulfillment of a statutory mandate

2

Retirement steward for members

3

Partner in members' long-term, holistic financial wellbeing

Discussion

- Where do you fall on the spectrum of a narrow versus a broad purpose today? Where do you want to fall in 10 years?
- Which words or phrases resonated with you the most? The least?
- How did the stakeholder research impact your choice?

PERSI

Public Pension Trends

Alex Brown

Research Manager

NASRA

Public Employee Retirement System of Idaho

May 2026

Presentation Overview

- Overview of public pensions in the US and Idaho
- Funding update
- Actuarial issues
  - Investment return assumptions
  - Payroll growth
- Contribution trends
- Plan design issues

Public Pensions in the US

- Nearly $7.0 trillion in assets as of Q1 2026
- 15.5 million active members
  - Approximately 10 percent of the nation's workforce
- 12.6 million annuitants received $426 billion in benefits in FY 25
- $315 billion in contributions in FY 25
  - $78 billion from employees (25%)
  - $237 billion from employers (75%)
- Of 4,300+ public retirement plans, the largest 75 account for 80+ percent of assets and members
- Aggregate Funding Level = ~77%

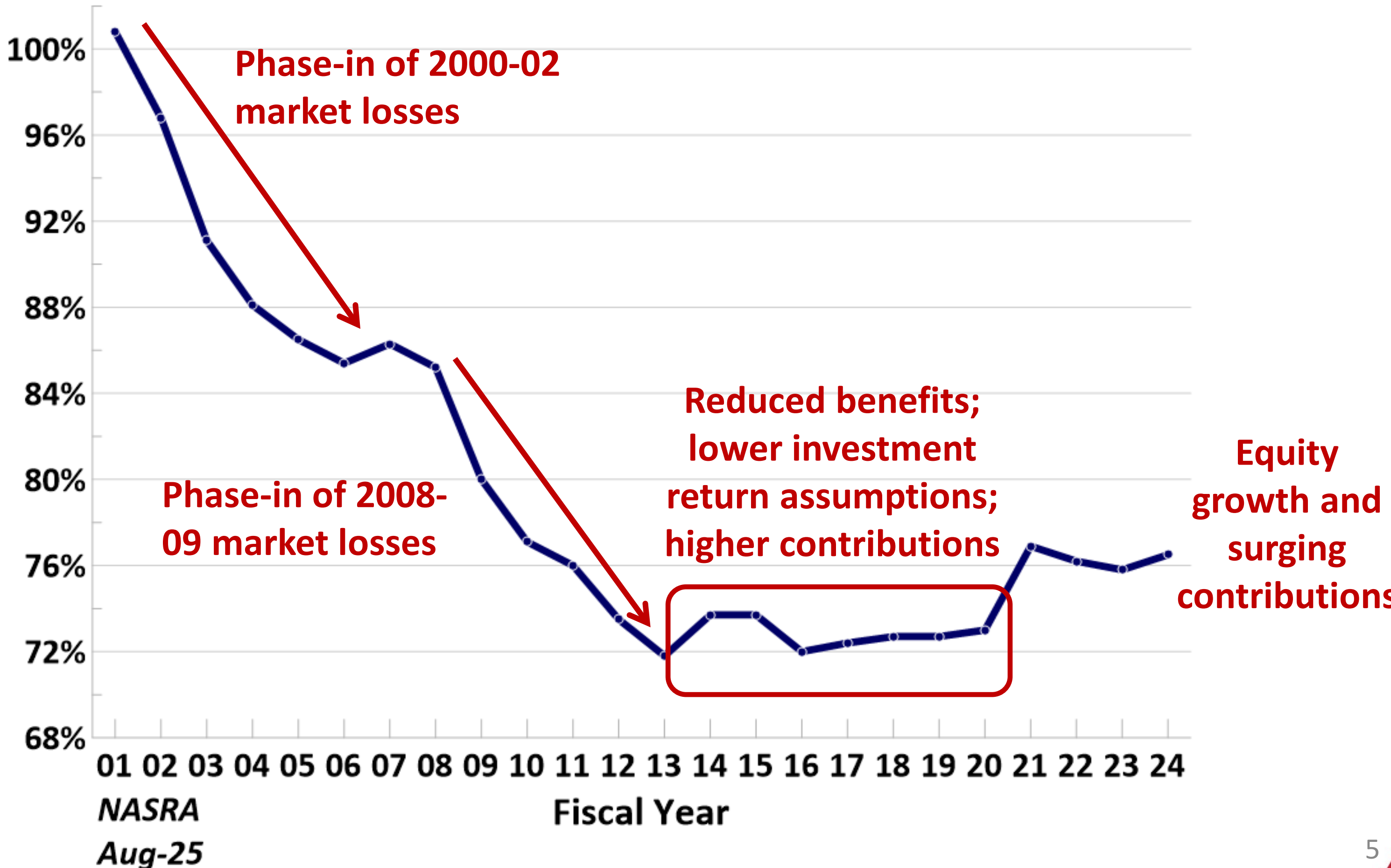
U.S. Census Bureau, Public Fund Survey, Federal Reserve

Public Pensions in Idaho

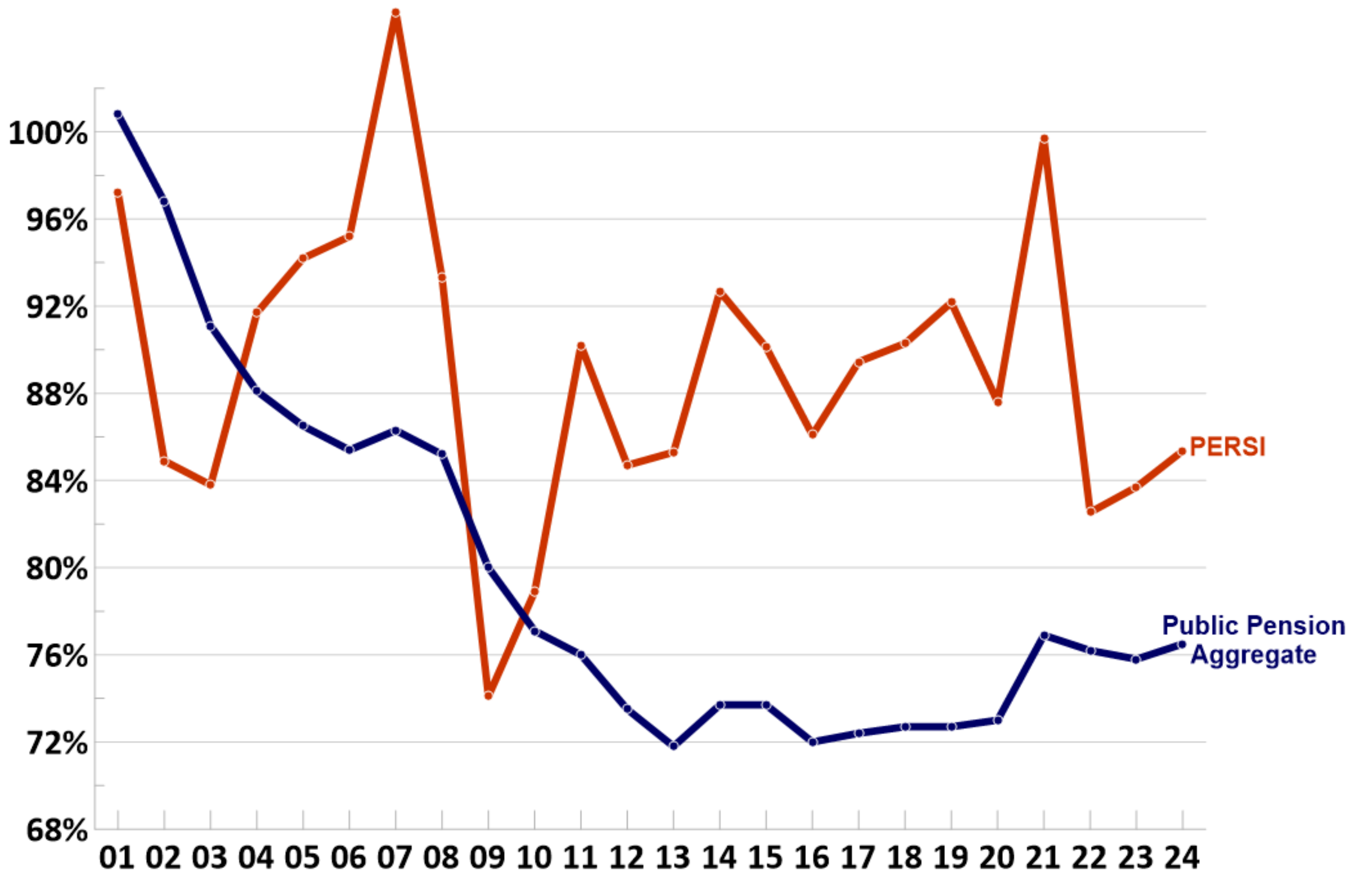
- $24.7 billion in assets as of FY 25
- 78,842 active members
- 58,078 annuitants received $1.453 billion in benefits in FY 25
- $1.03 billion in contributions in FY 25
  – $400.6 million from employees (39%)
  – $632.3 million from employers (61%)
- Aggregate Funding Level: ~91%

U.S. Census Bureau, Public Fund Survey

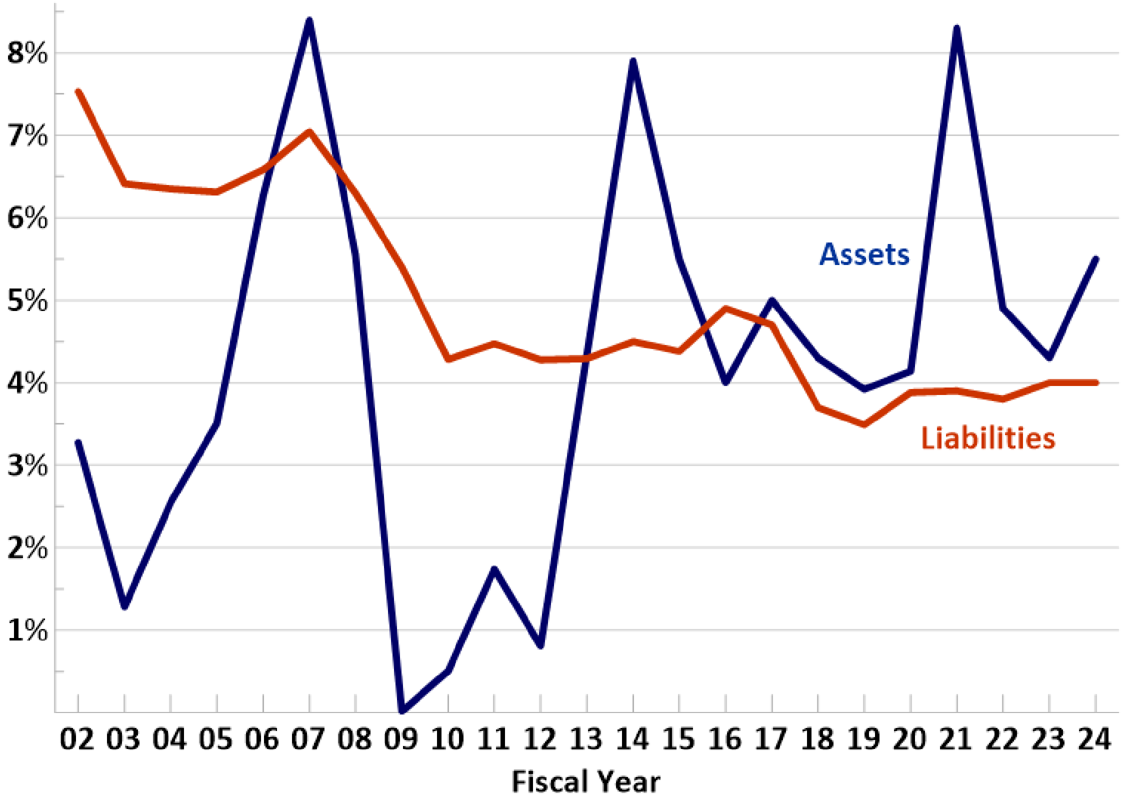
History of Aggregate Public Pension Funding Level FY 01 to FY 24



History of Aggregate Public Pension Funding Level FY 01 to FY 24

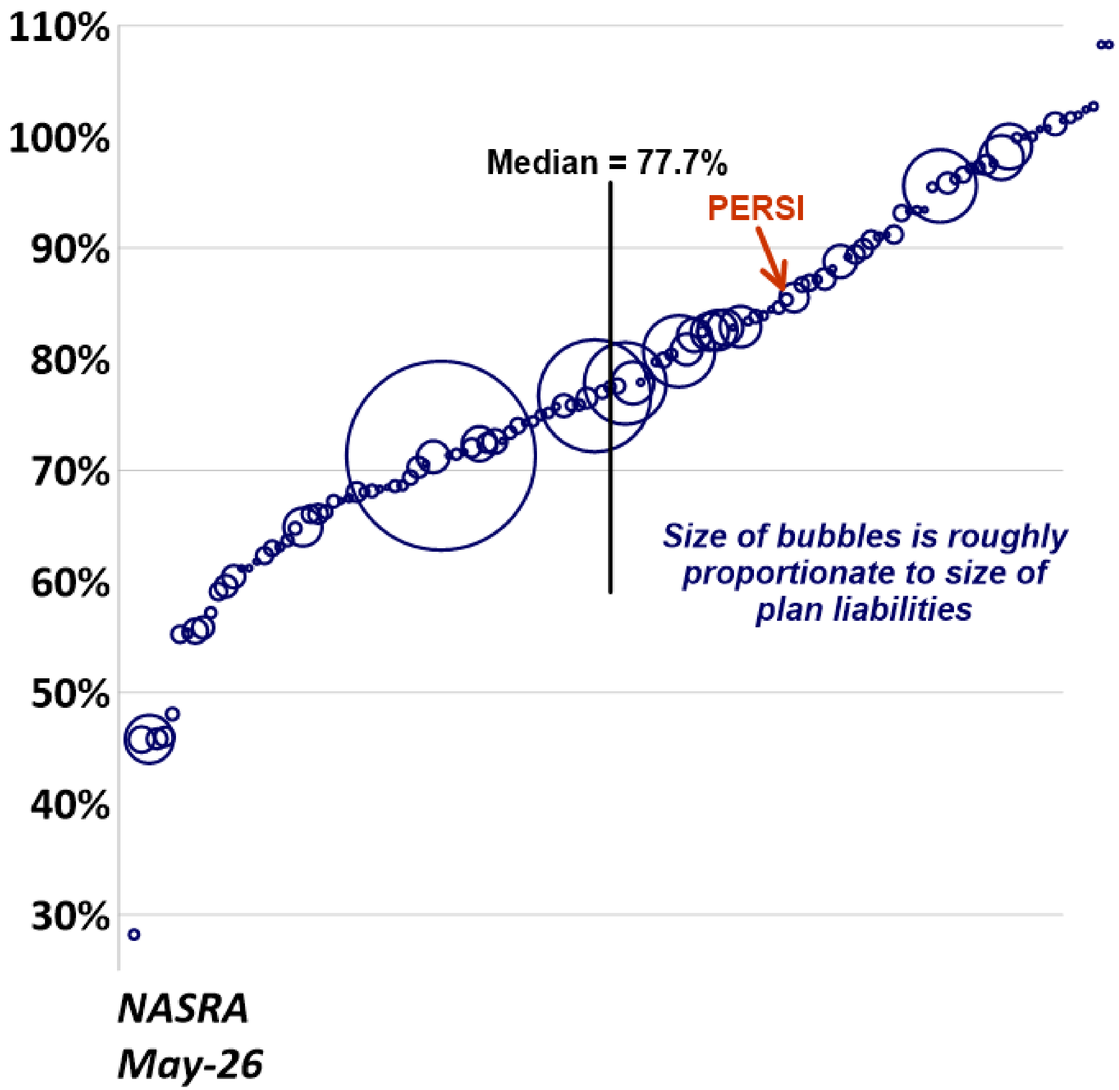


NASRA
May-26

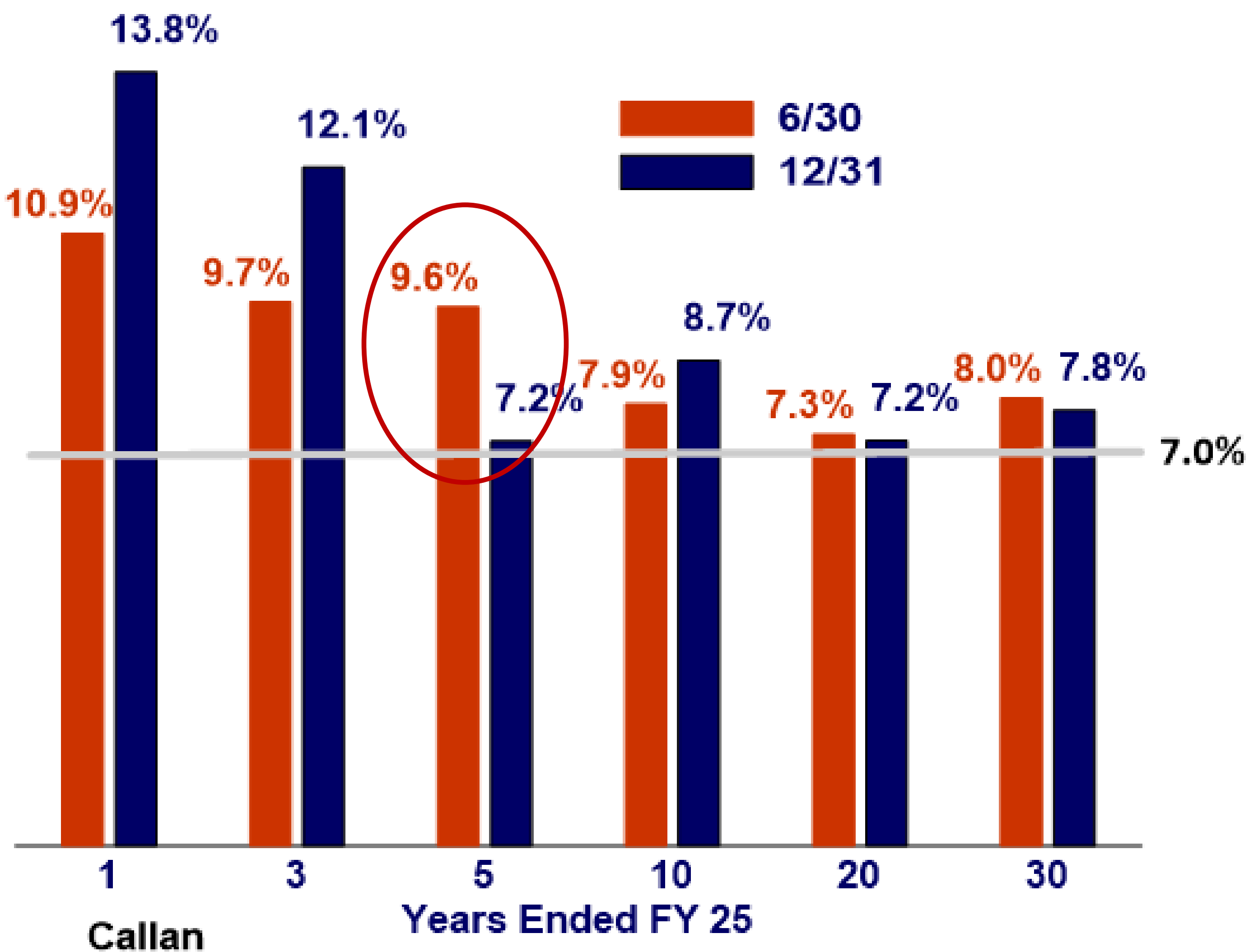


Median Change From Prior Year in Actuarial Value of Assets and Liabilities

Distribution of Public Pension Funding Levels, FY 24



Annualized median public pension fund returns for periods ended in FY 2025



Key Takeaways: Public Pension Funding Conditions

Funding levels for most public pension plans have improved since FY 20, resulting in an aggregate funding level that has stabilized at a higher level

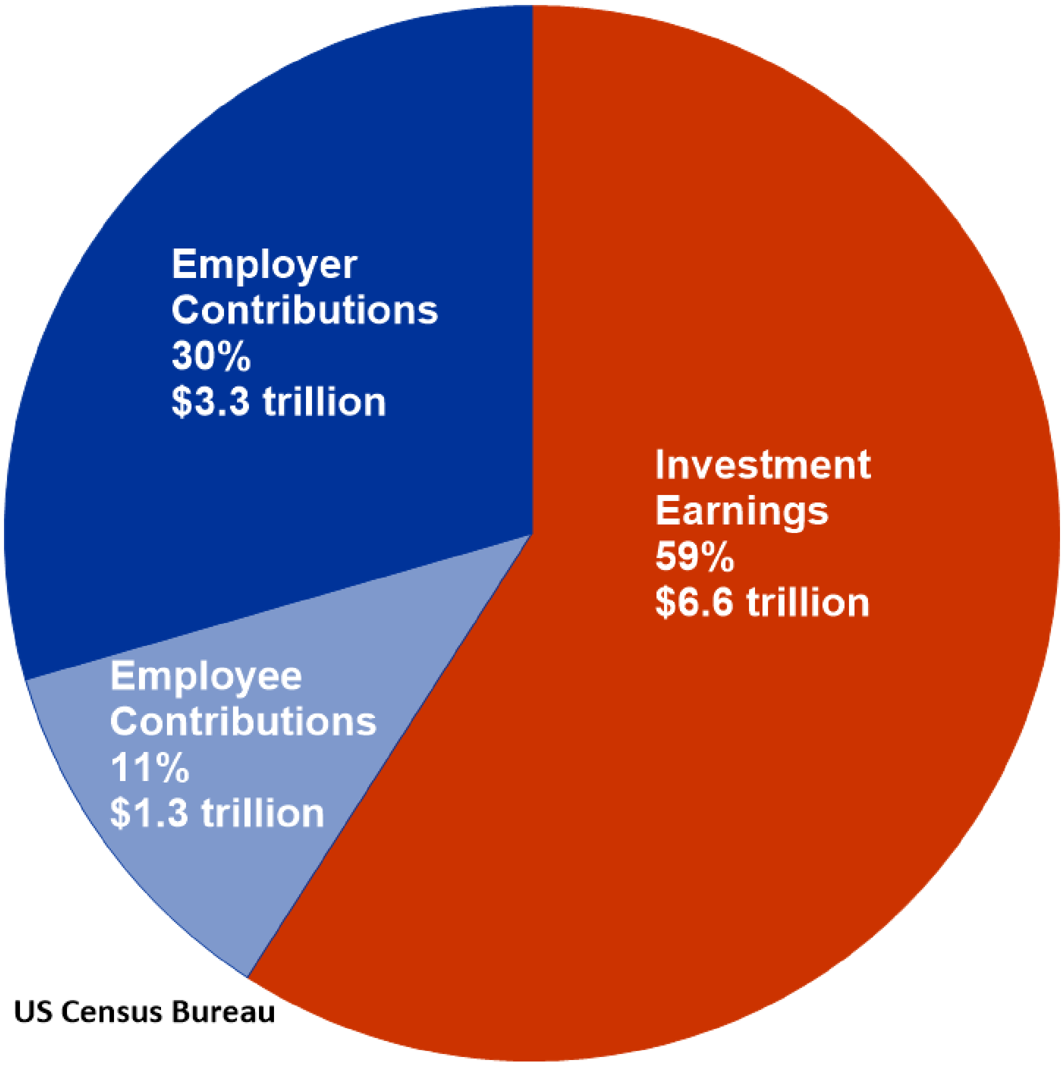
Factors supporting improved funding levels:

- Generally favorable investment performance
- Lower rates of growth in the actuarial value of liabilities
- Improved contribution adequacy and excess contributions
- Shorter amortization periods
- Fewer plans are reducing their investment return assumption

Funding challenges:

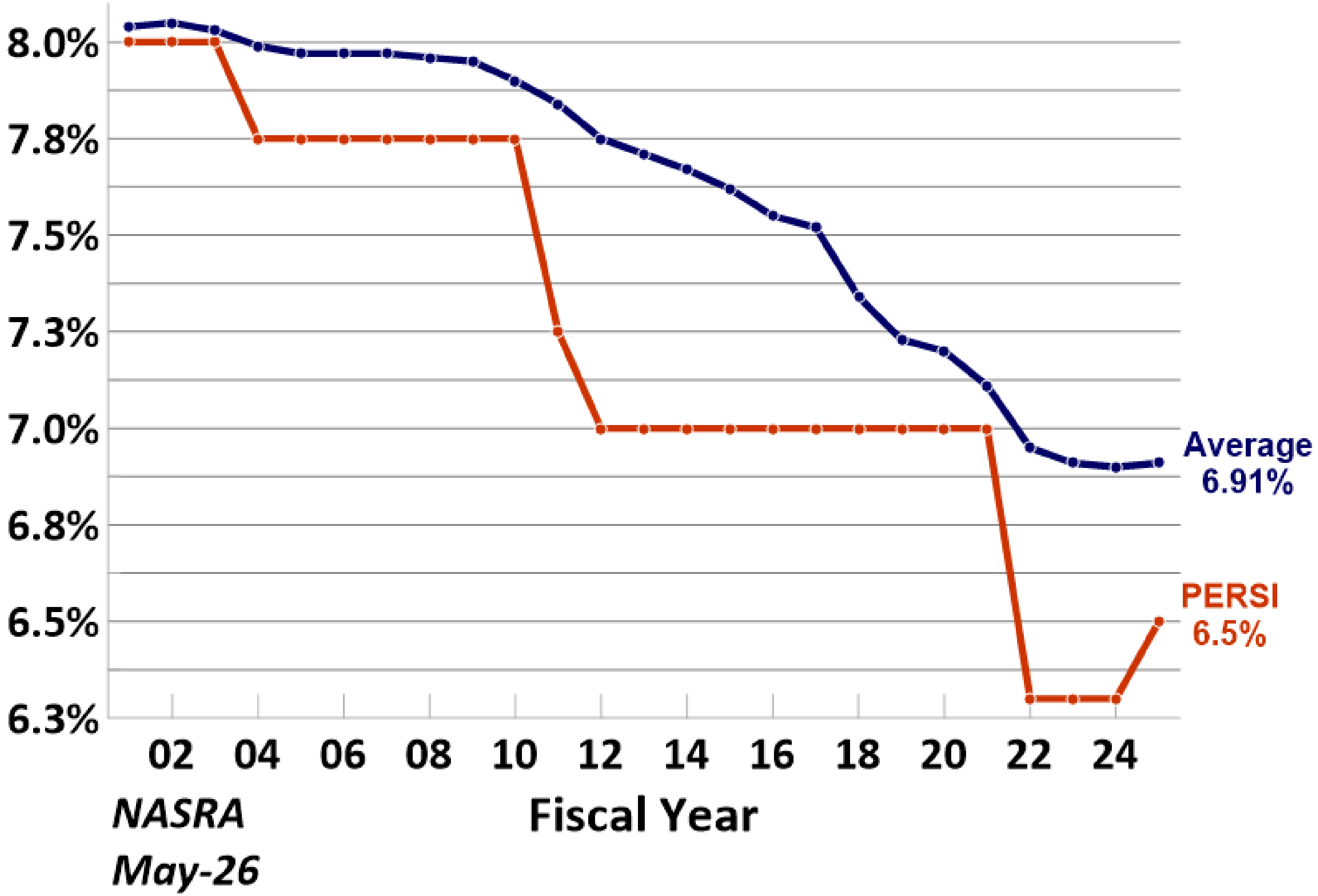
- Market volatility
- Higher recent inflation placing increased pressure on wages and COLAs
- Some plans are still receiving less than their full required contributions

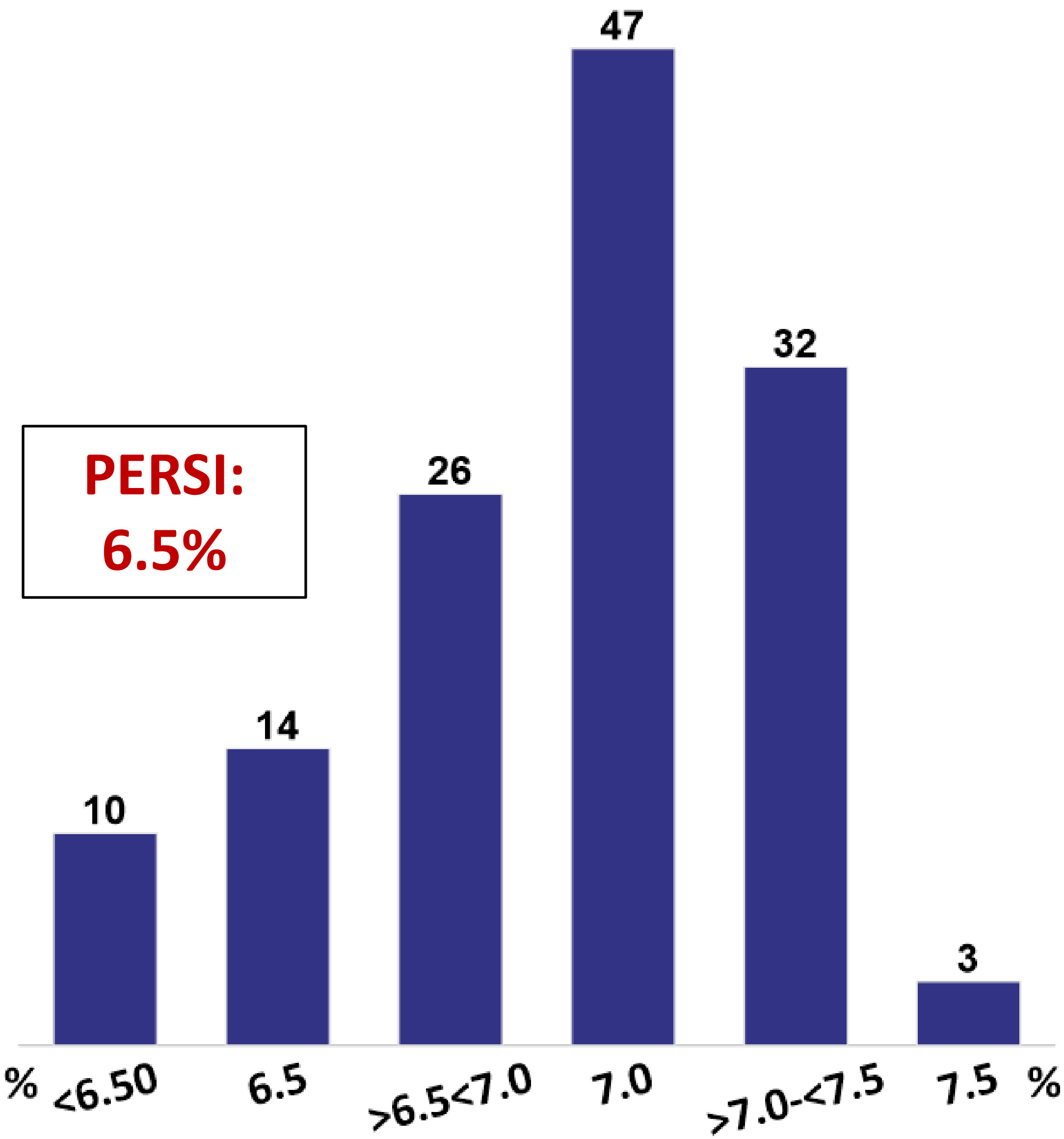
Public Pension Sources of Revenue, 1995 to 2025



US Census Bureau

Change in Average and PERSI Investment Return Assumption, FY 01 to Present



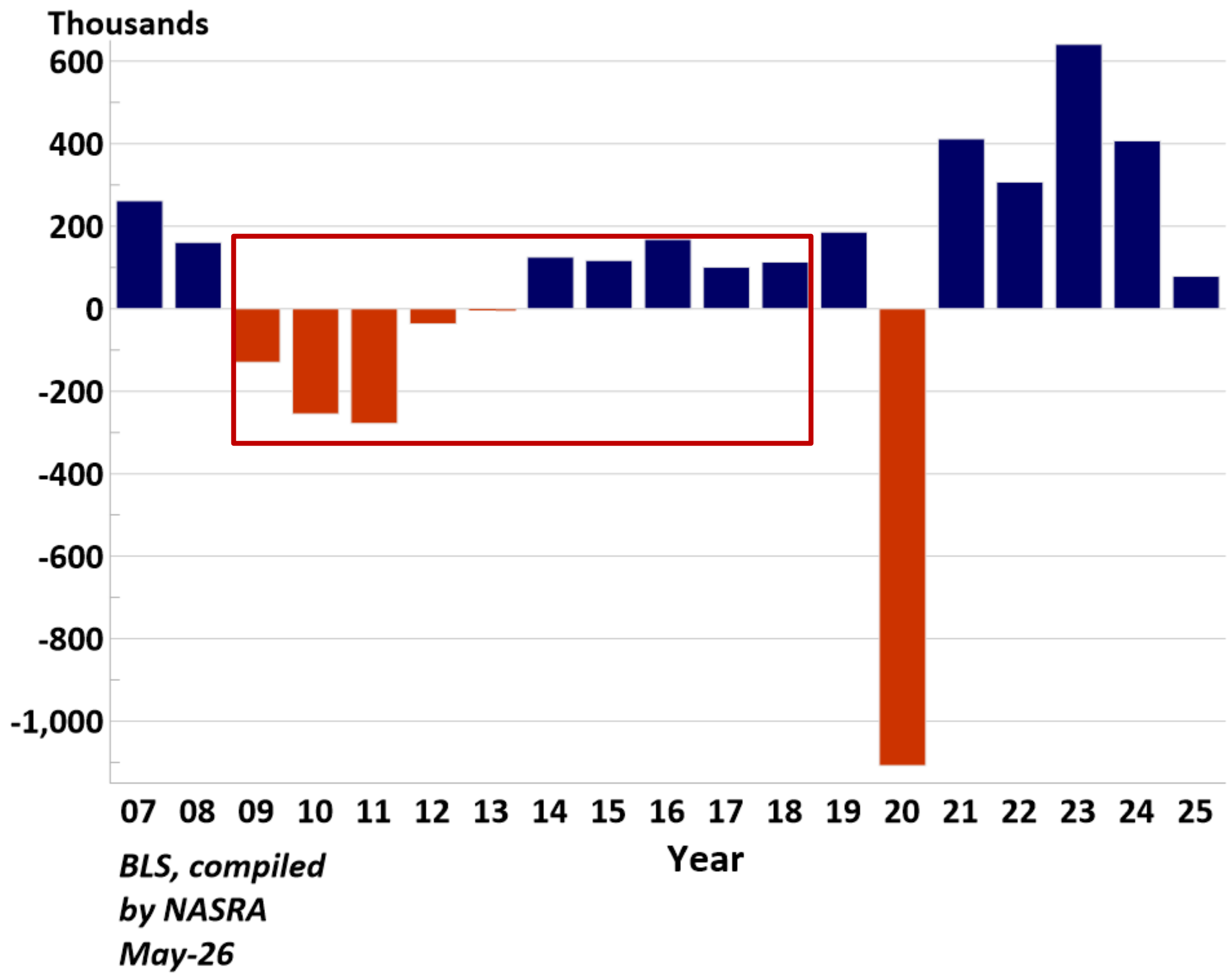


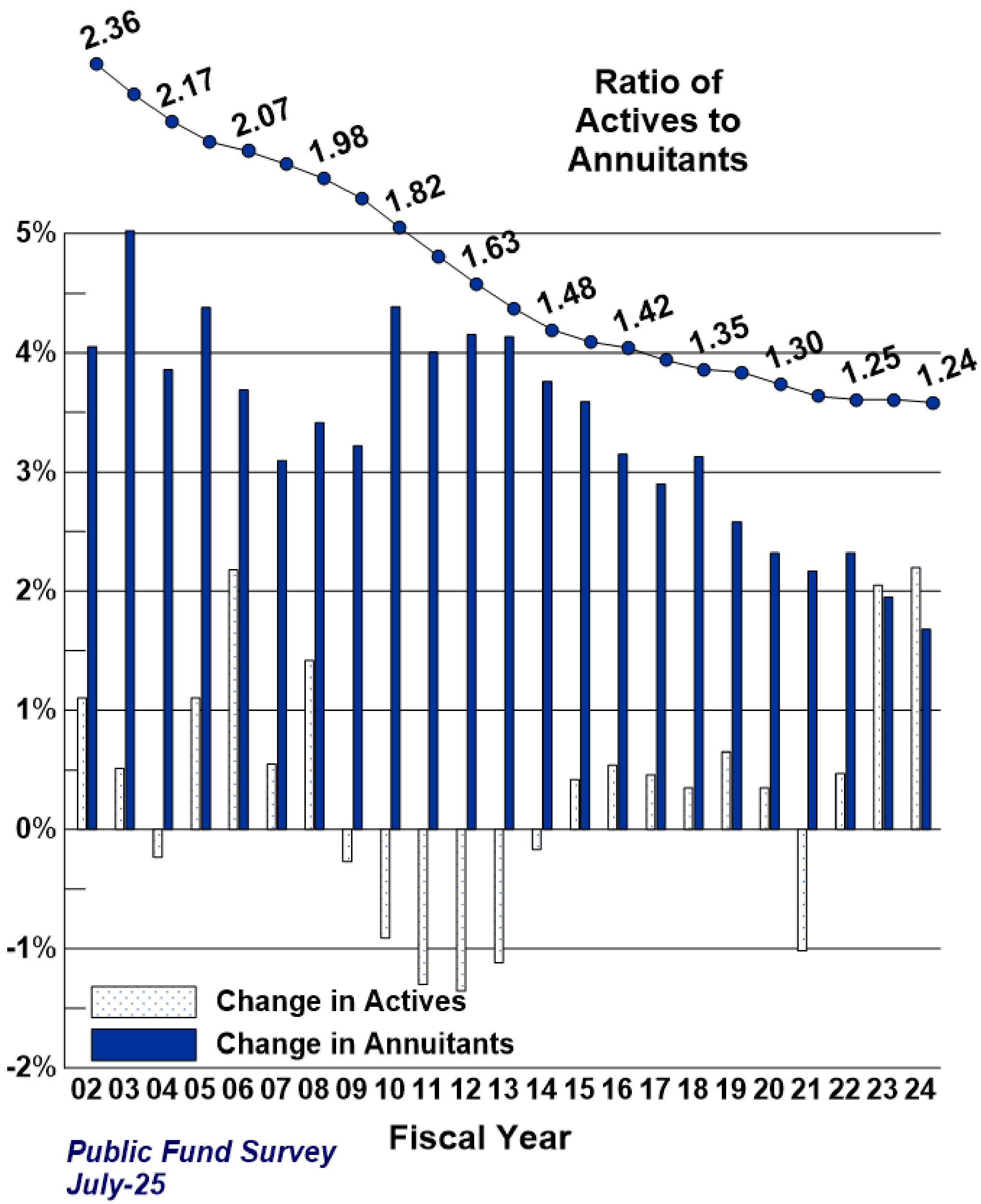
PERSI:
6.5%

NASRA
Apr-26

Distribution of Latest Investment Return Assumptions

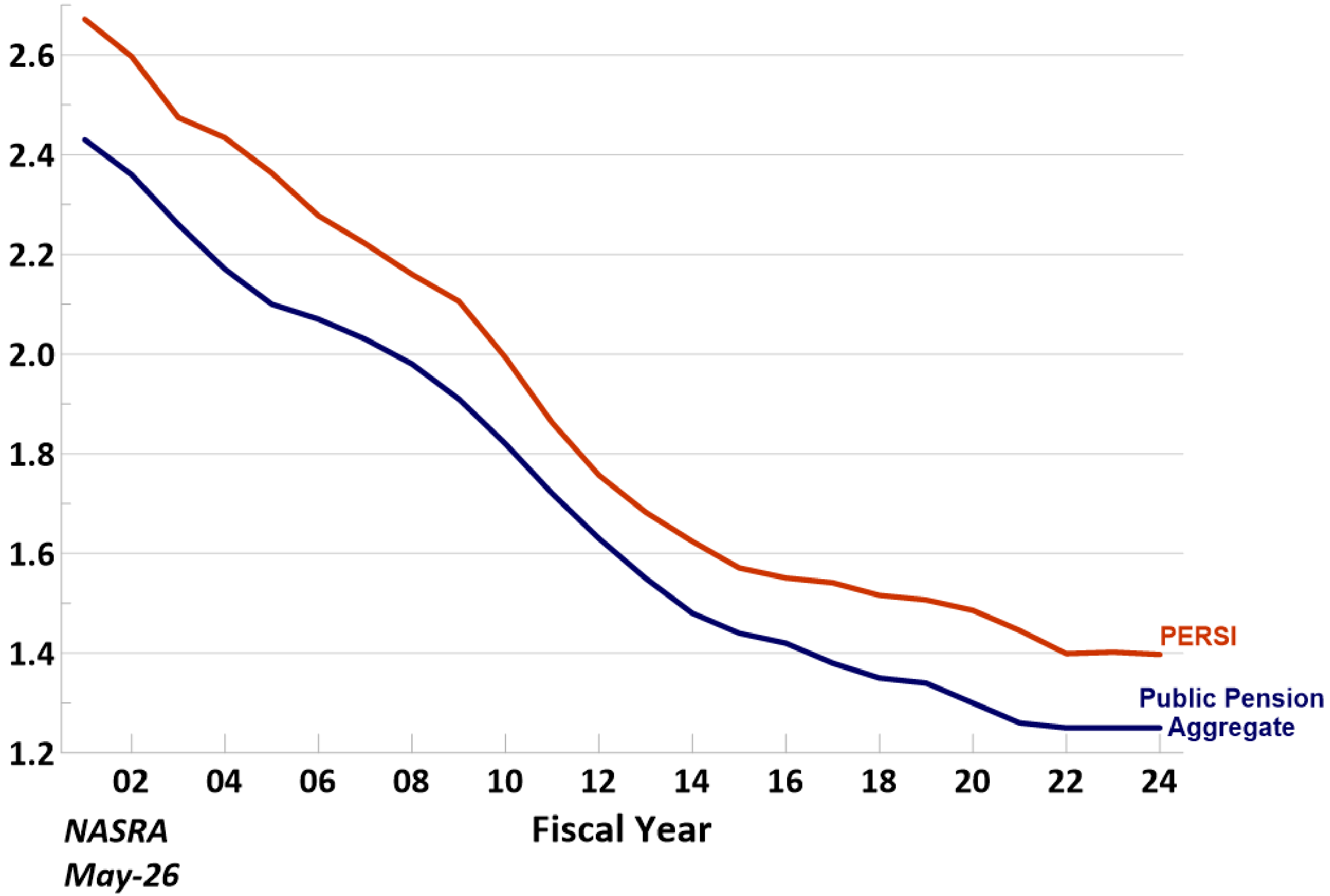
Aggregate state and local jobs added, FY 07 to FY 25



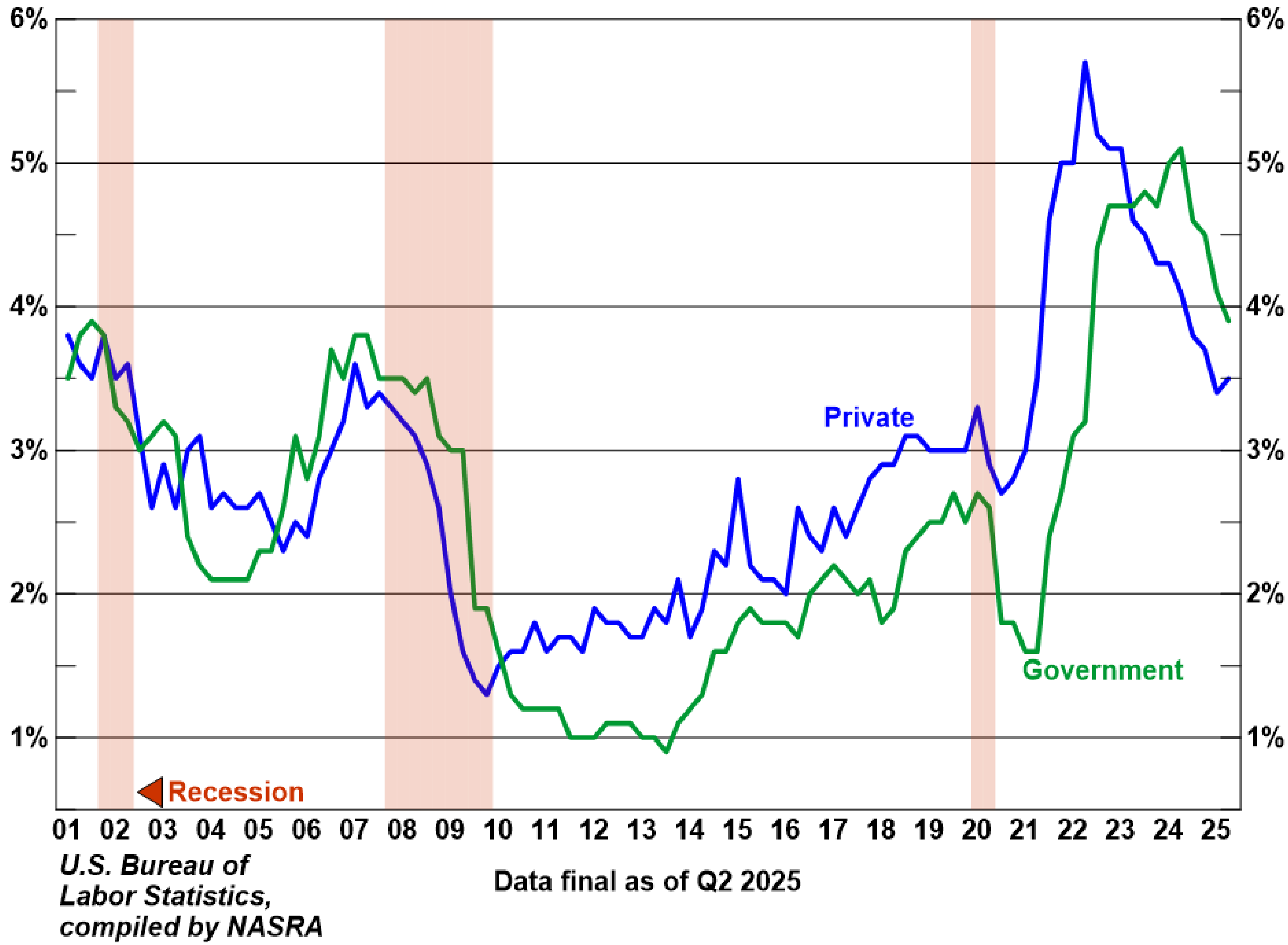


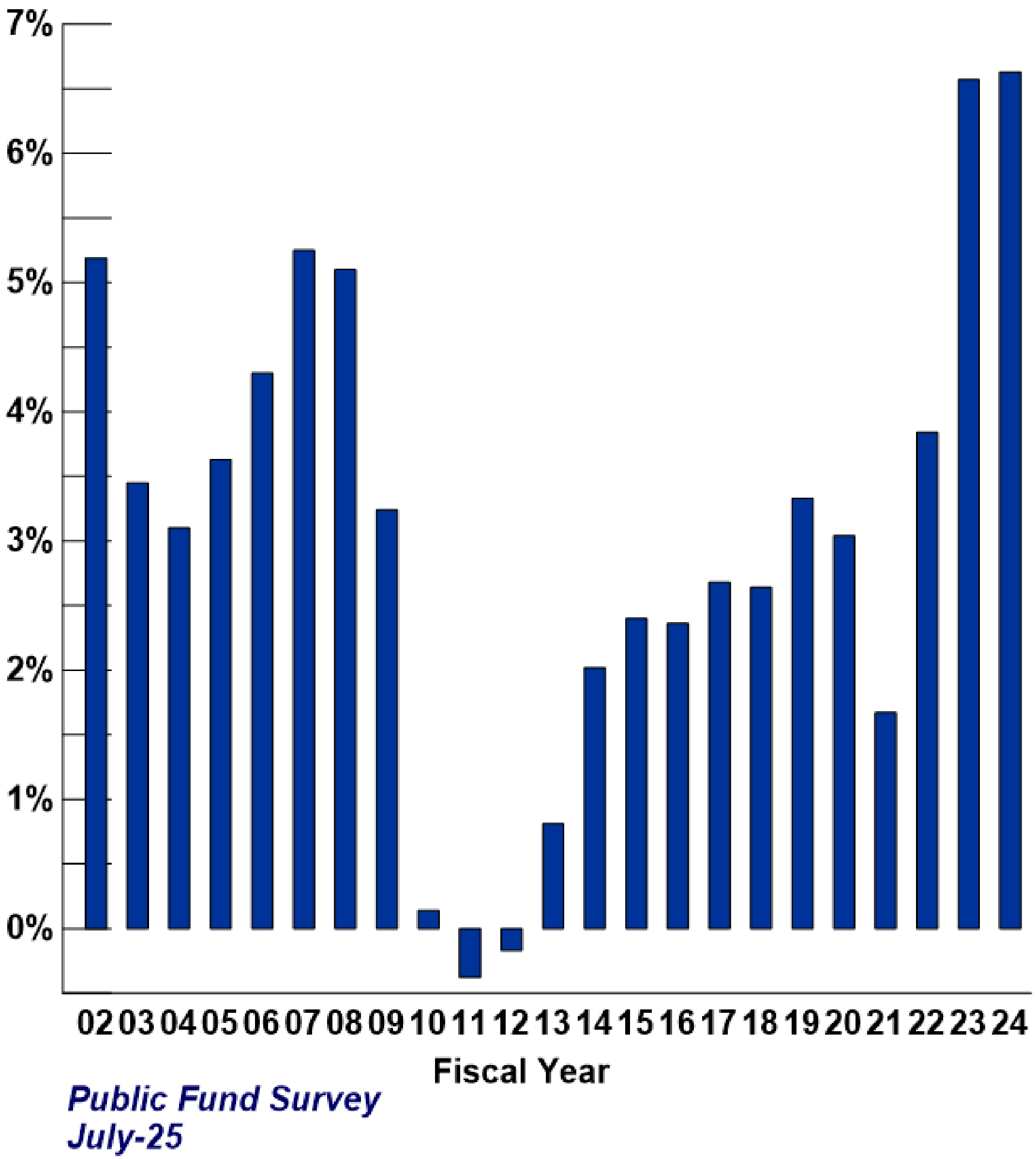
Median Annual Change in Actives and Annuitants

Number of Active Members per Annuitant, FY 01 to FY 24



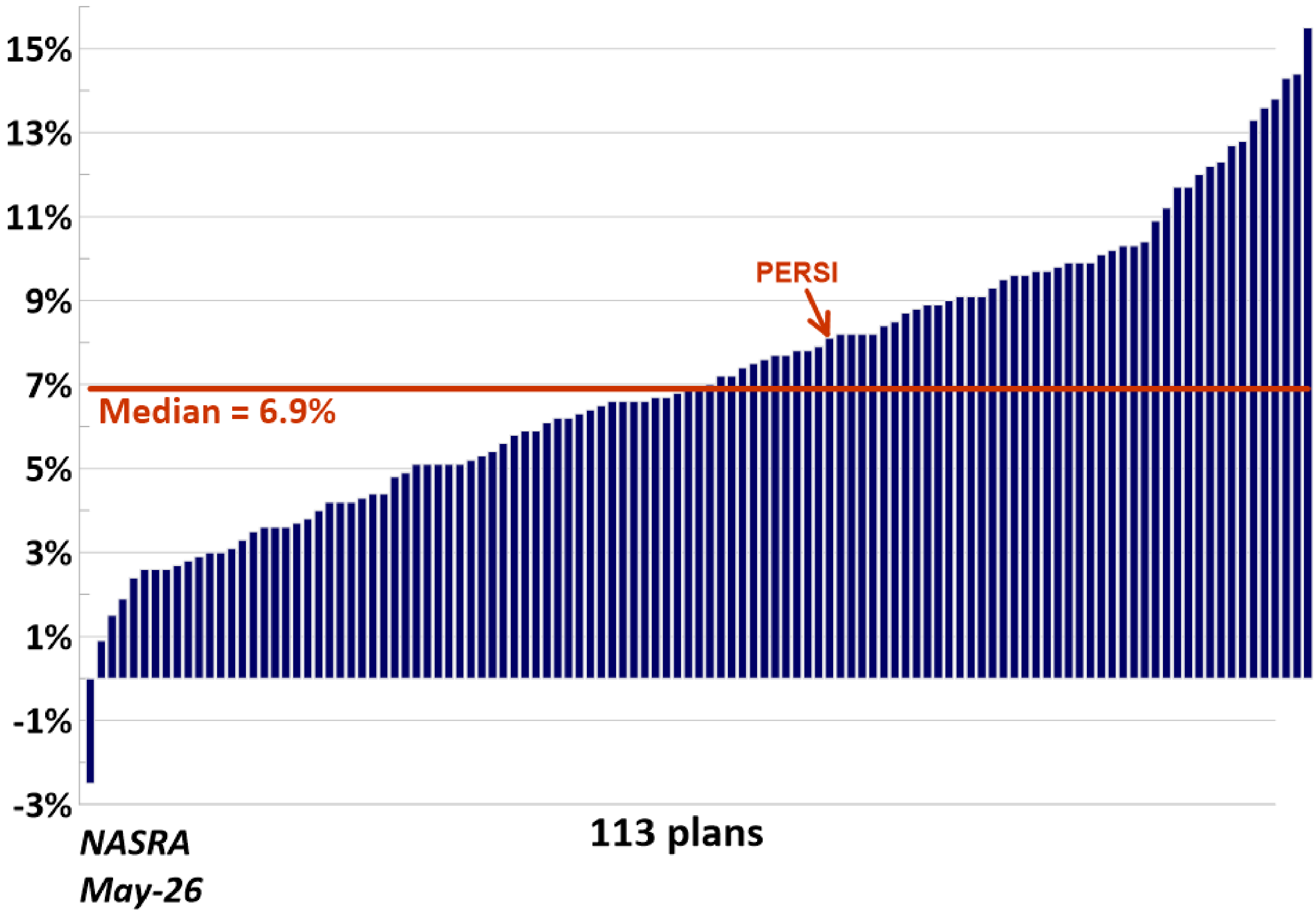
Annualized Quarterly Change in Wage and Salary Costs for Private and State and Local Workers since 2001





Median Annual Change in Payrolls FY 02 to FY 24

Distribution of payroll growth, FY 24



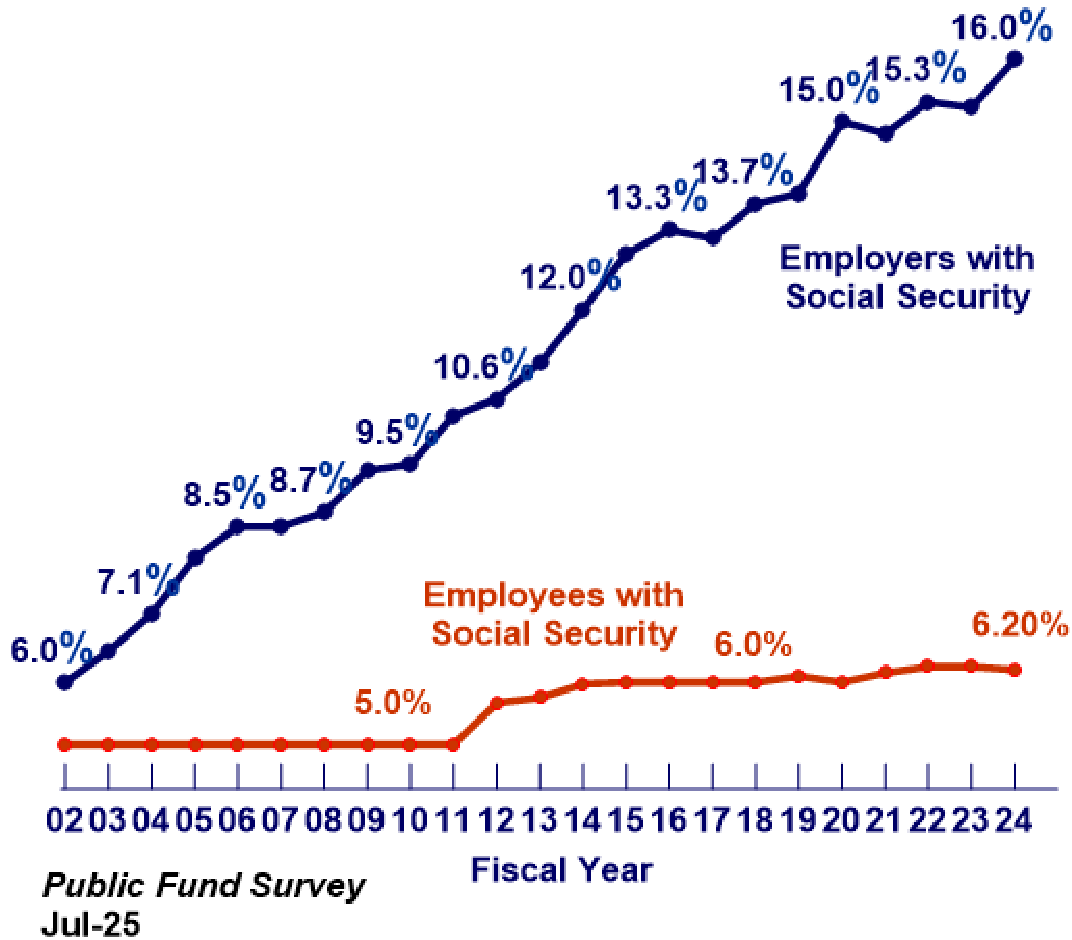
Key Takeaways: Actuarial Issues

There has been an unprecedented reduction in public pension plan investment return assumptions

As public pension plan inflation assumptions converge with expectations for actual inflation, most plans are maintaining their investment return assumption

Following a period of slow payroll growth, accelerating growth in state and local employment and wages is driving higher payroll growth

Median Contribution Rates
Employee and Employer
Social Security-Eligible Workers



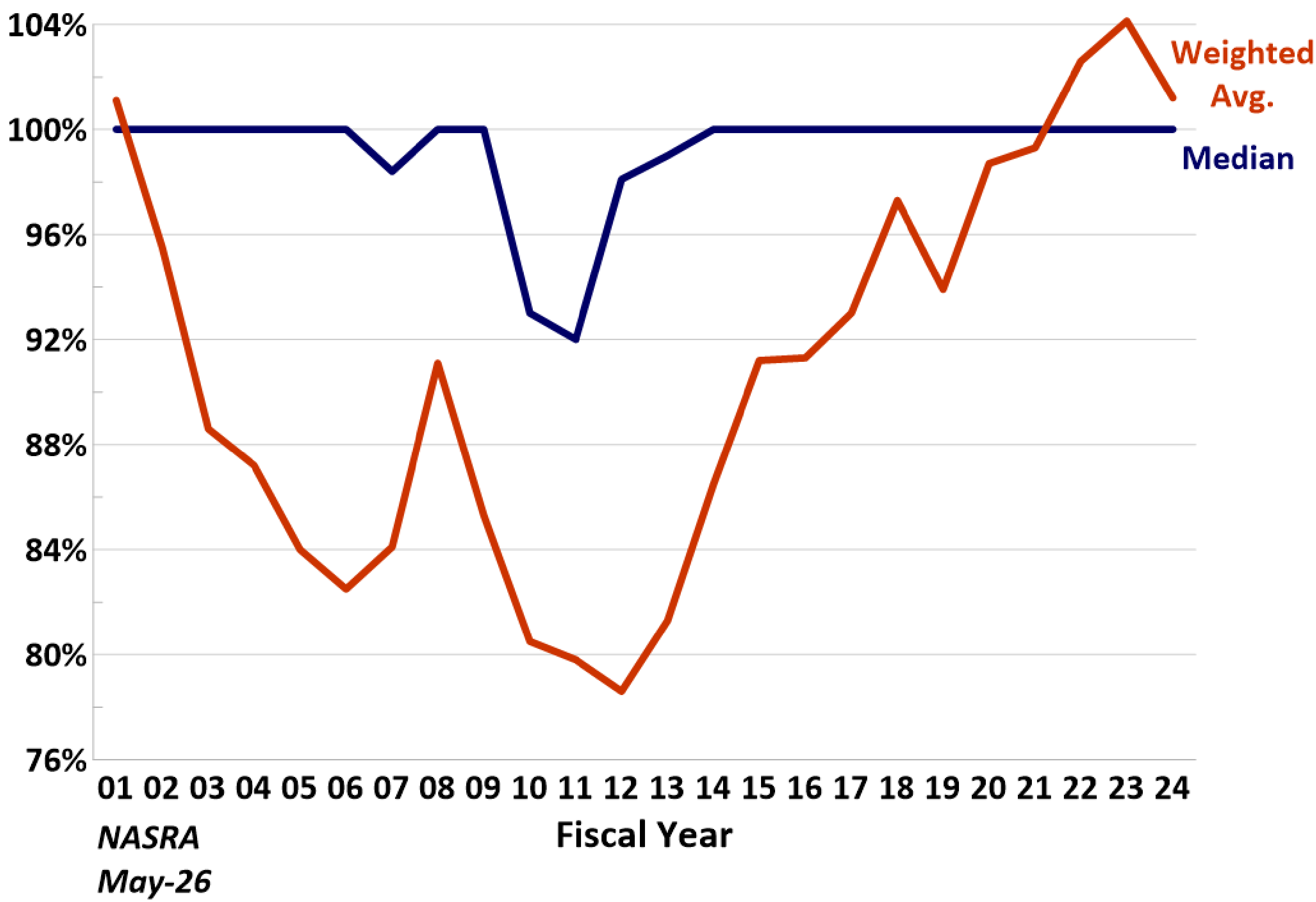
PERSI FY 24

11.96%

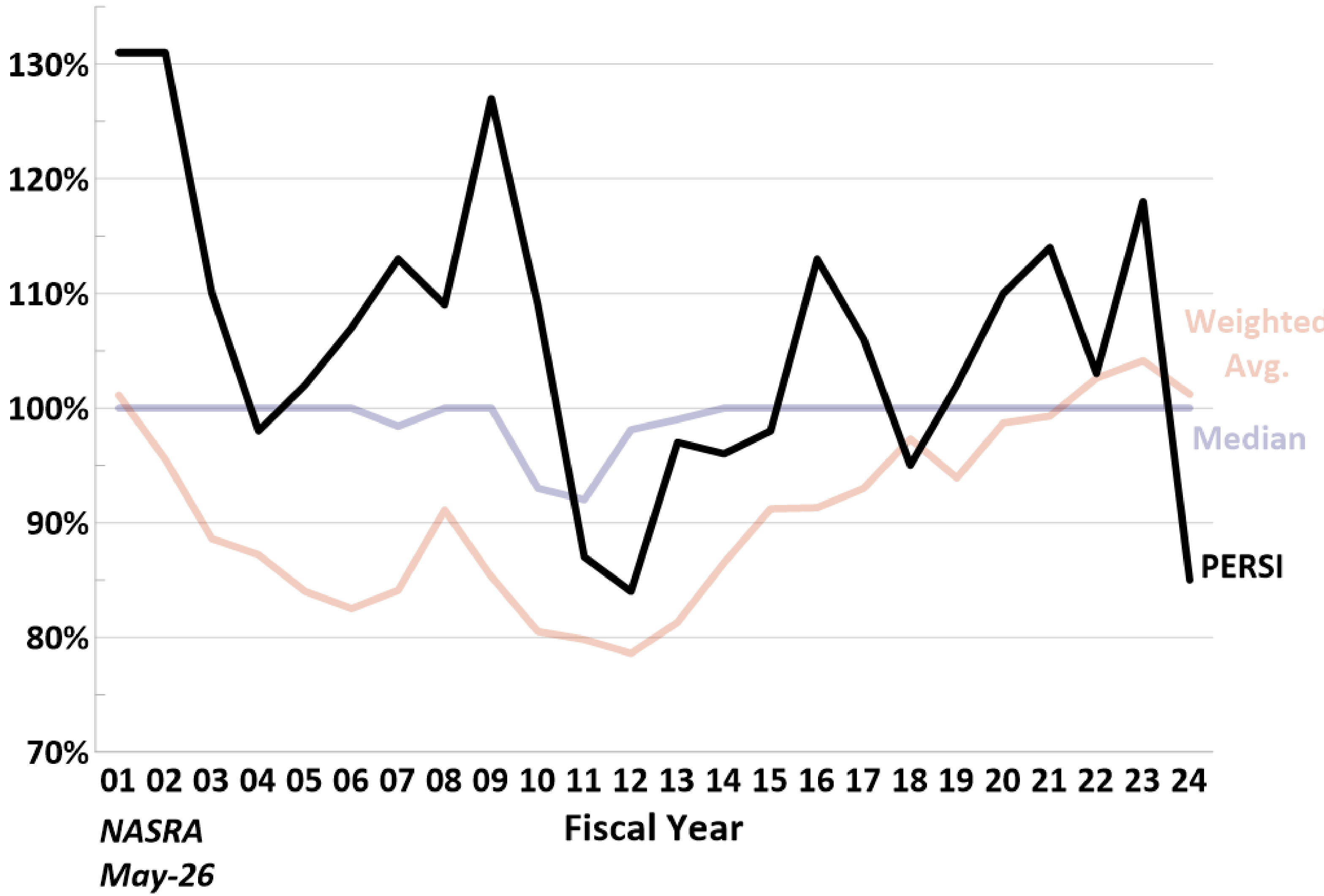
7.18%

Contribution rates reflected here are those for general employees and school teachers and predominantly exclude rates for public safety personnel

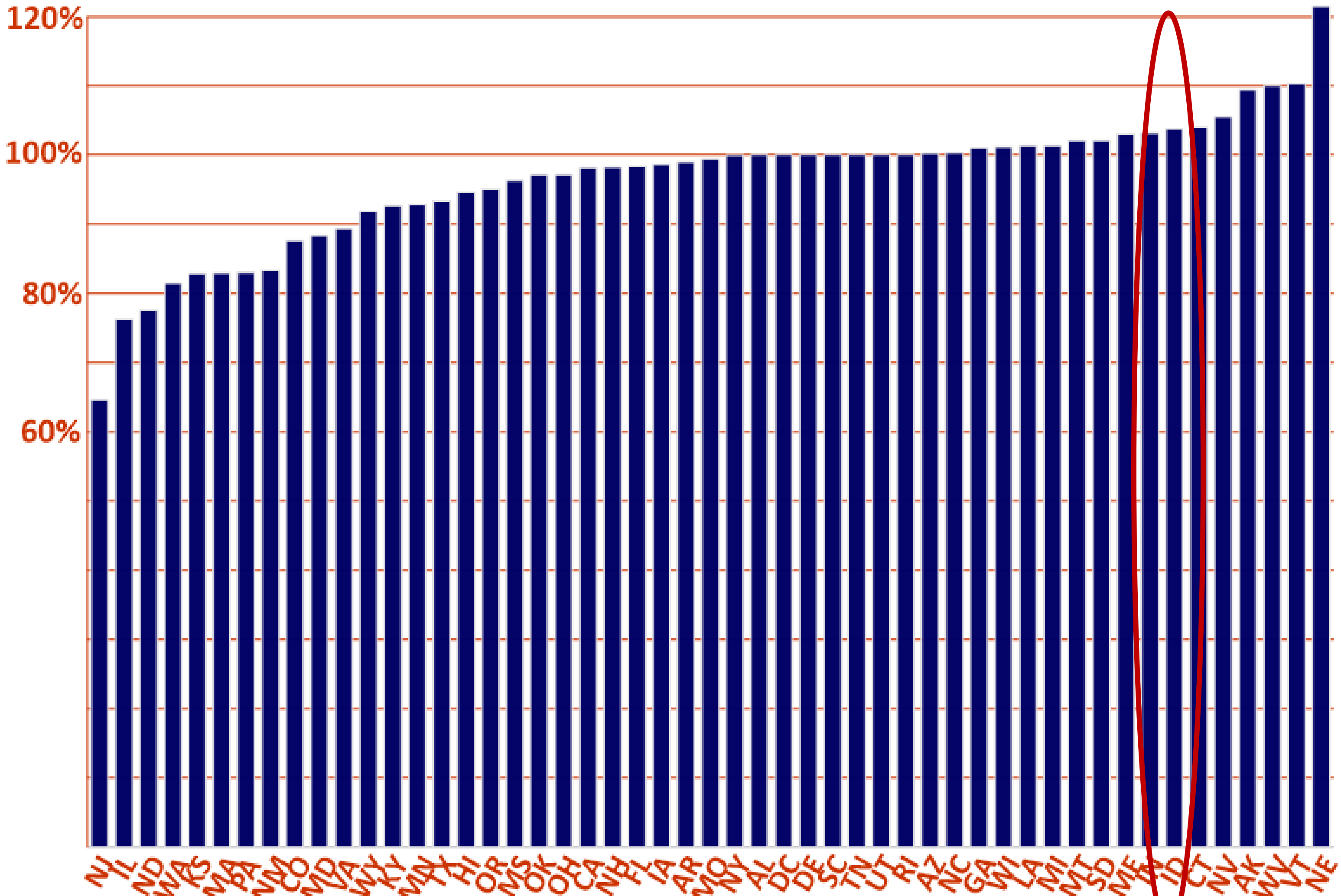
Actuarially Required Contribution Experience (ARC/ADC), FY 01 – FY 24



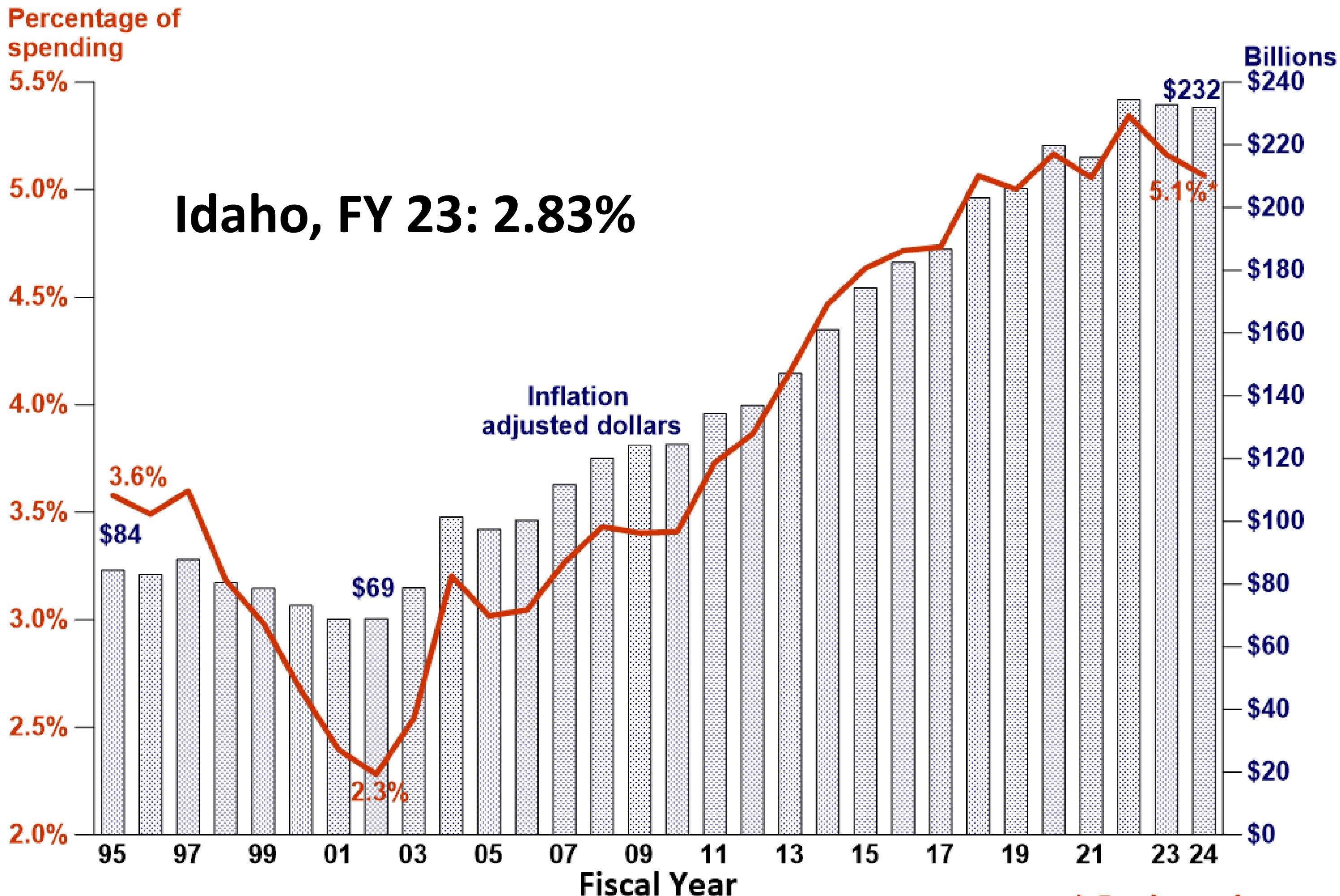
ARC/ADC Experience, FY 01-FY 24



Distribution of Weighted Average ARC/ADC Received by State, FY 01 to FY 24



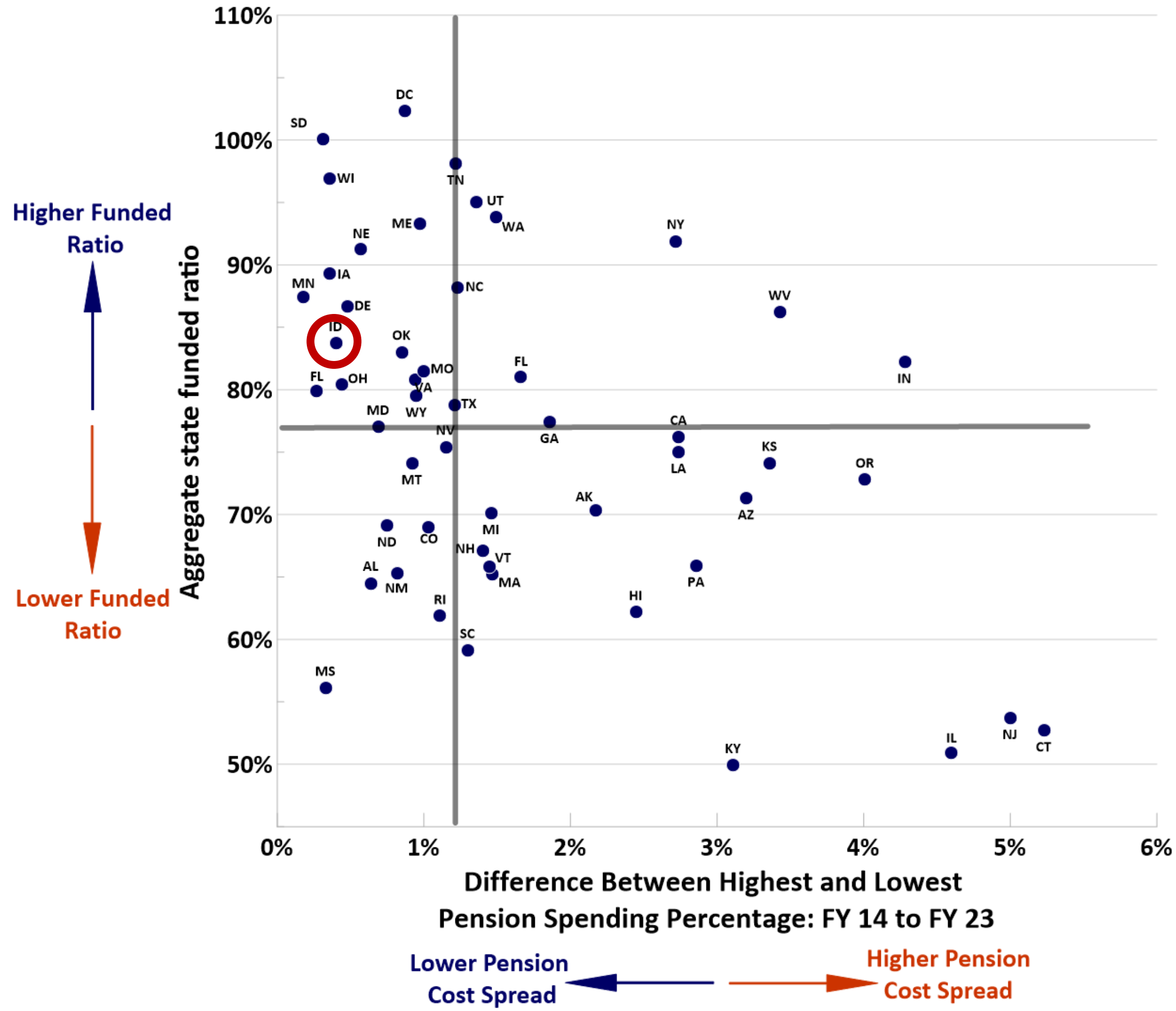
Inflation-Adjusted Spending on Public Pensions by States and Local Governments 1995-2024



* Projected

Compiled by NASRA based on U.S. Census Bureau data

Idaho: Well-Funded with Stable Costs



Key Takeaways: Contribution Trends

More employers are contributing their full actuarially determined contributions

Sufficient and excess contributions have provided a strong tailwind for plans seeking to eliminate their unfunded liabilities more rapidly

PERSI employer contributions are lower than national peers

Plan design issues in Idaho

- Public pension plan design should promote stakeholder objectives
- PERSI is a well-funded plan at a reasonable cost
- Establishing a new plan design for new hires does not eliminate the unfunded liability of the closed plan
- A closed plan becomes increasingly mature, requiring unfunded liabilities to be amortized over a smaller payroll base
- PERSI's plan design is more advantageous for short-term workers than many other plans

Proposed pension reform

- An outside organization has proposed to close PERSI and establish an optional (default) defined contribution plan for new hires
- The following points are offered in support of their proposal:
  - PERSI is a poorly funded plan in need of reform
  - Closing PERSI to new hires will save money
  - Most workers would benefit more from participating in a defined contribution plan

Public retirement plan stakeholders

State and local retirement systems must balance multiple stakeholder objectives:

- For employees, competitive compensation that includes income security in retirement
- For employers, a management tool to maximize the training and experience invested in their employees
- For taxpayers, public services performed in the most effective and cost-efficient manner

NASRA Resolution 2016-01 Guiding Principles for Public Retirement System Plan Design

NASRA Perspective on Plan Design

Core elements known to balance public retirement plan stakeholder objectives include:

- Mandatory participation
- Employee and employer cost sharing
- Pooled and professionally managed assets
- Targeted income replacement
- Mandatory annuitization
- Survivor and disability benefits
- Access to supplemental savings

NASRA Resolution 2016-01 Guiding Principles for Public Retirement System Plan Design

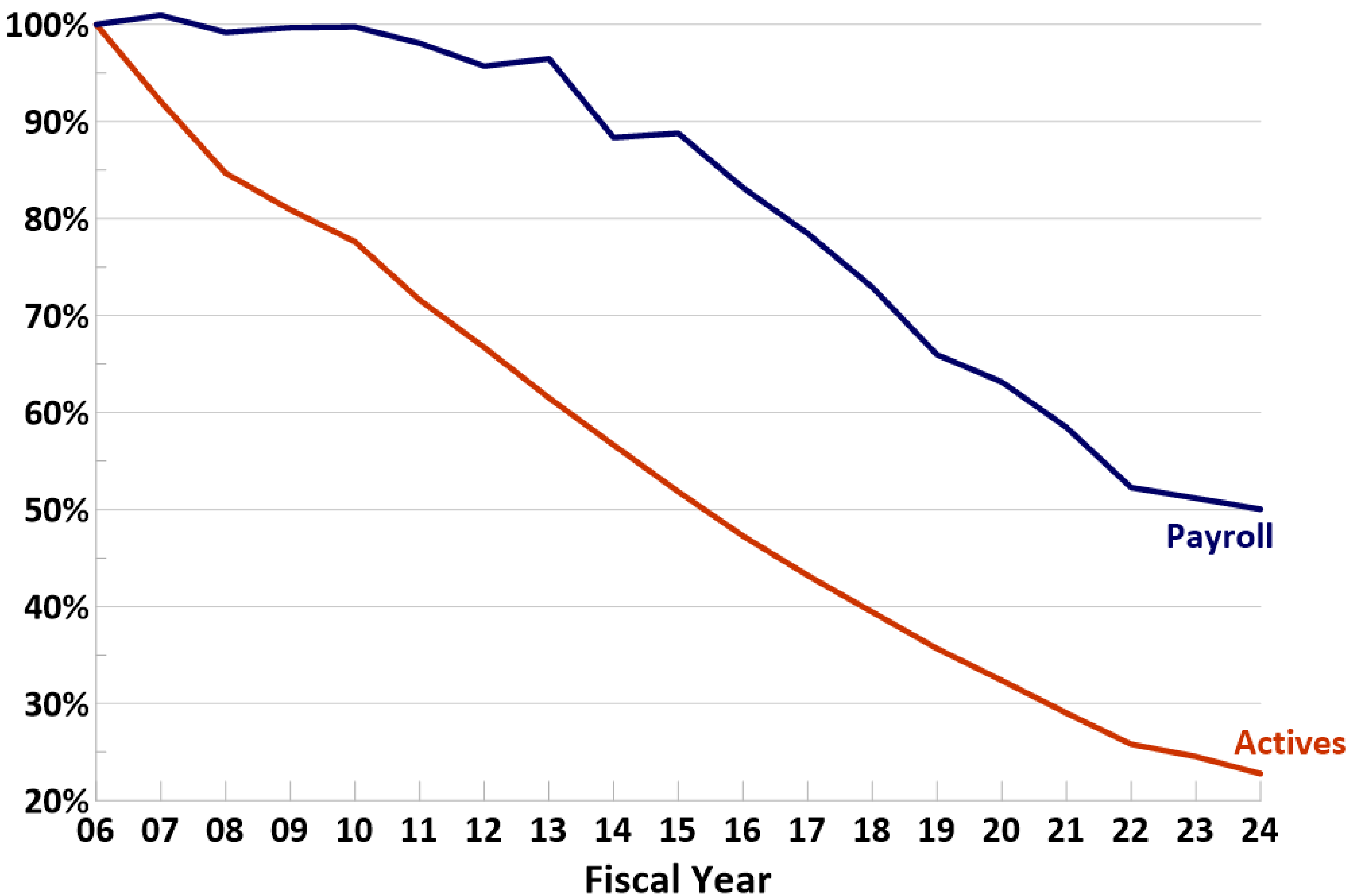
Closed plan case study: Alaska PERS

The Alaska legislature closed the state's defined benefit plans to all new hires on or after July 1, 2006.

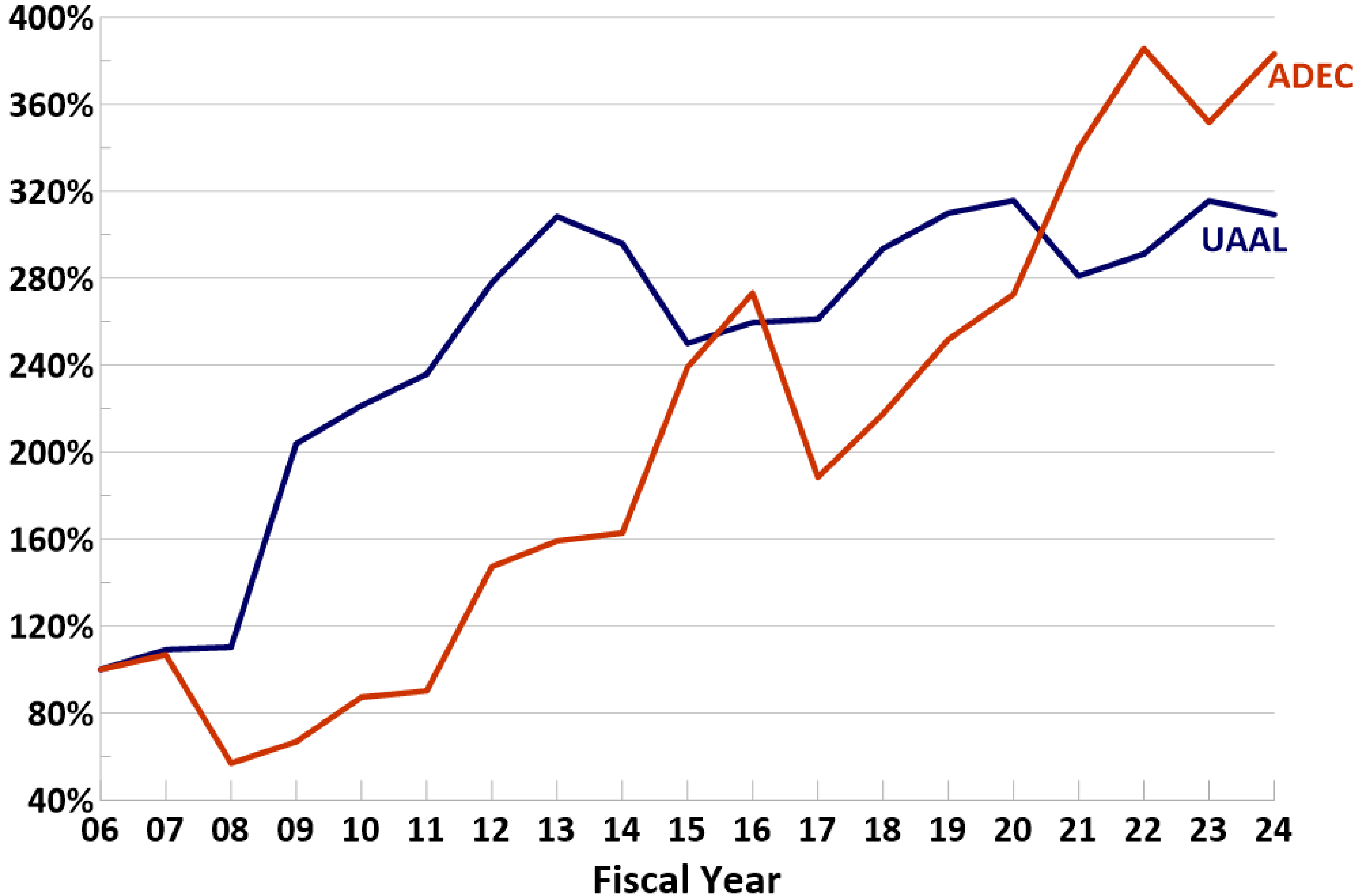
For PERS, relative to FY 2006:

- Active participants have declined to nearly 23 percent
- Covered payroll has declined by one-half
- The unfunded actuarial accrued liability (UAAL) has increased by over 309 percent
- The employer's required cost to fund the normal cost of benefits and amortize the UAAL has increased, as a percentage of payroll, by over 383 percent

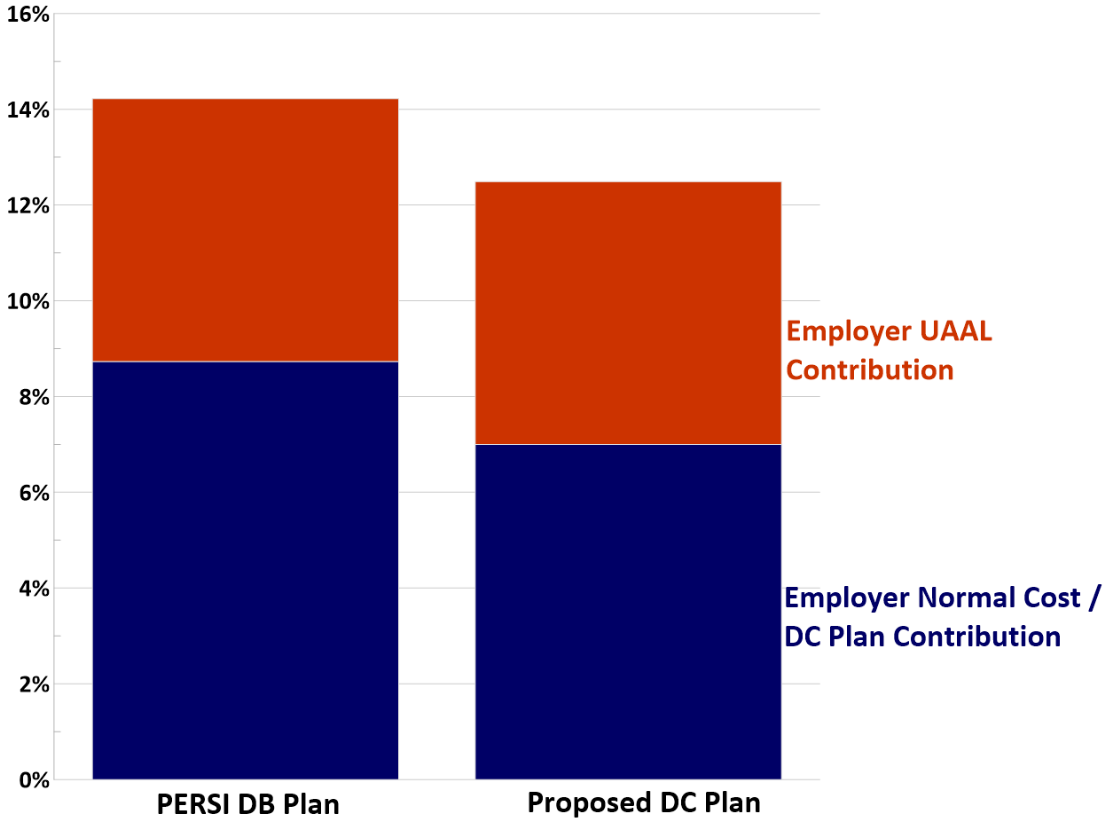
Relative change in Alaska PERS' active members and covered payroll, FY 06 to FY 24



Relative change in Alaska PERS' UAAL and ADEC, FY 2006 to FY 2024



Employer cost comparison of PERSI DB plan and proposed DC plan



The immediate savings from the proposed DC plan would materialize from offering a less generous retirement contribution

PERSI benefits career workers

- According to PERSI's actuarial assumptions, among employees who remain long enough to vest (5 years), roughly one-third to two-thirds are expected to remain employed through 25 years of service. For teachers, a majority of vested members are expected to reach 25 years of service.
- This is difficult to reconcile with the narrative that only a small fraction of workers remain long enough to derive meaningful value from the defined benefit plan.

PERSI benefits short-term workers

- A terminating PERSI member who takes a refund of their account receives their accumulated member contribution with interest equal to the greater of 1% or 90% of the net annual rate of return for the PERSI fund
- While interest rates vary substantially over time, this policy generally produces much higher interest rates than most other plans provide (7.67% average since inception)
- Several plans do not provide interest on member contributions
- Many plans provide a market-based interest rate (e.g., rates are tied to yields on Treasury bonds or Certificates of Deposit) or fixed statutory rates much lower than the potential rates payable by PERSI

Contingent or limited COLAs

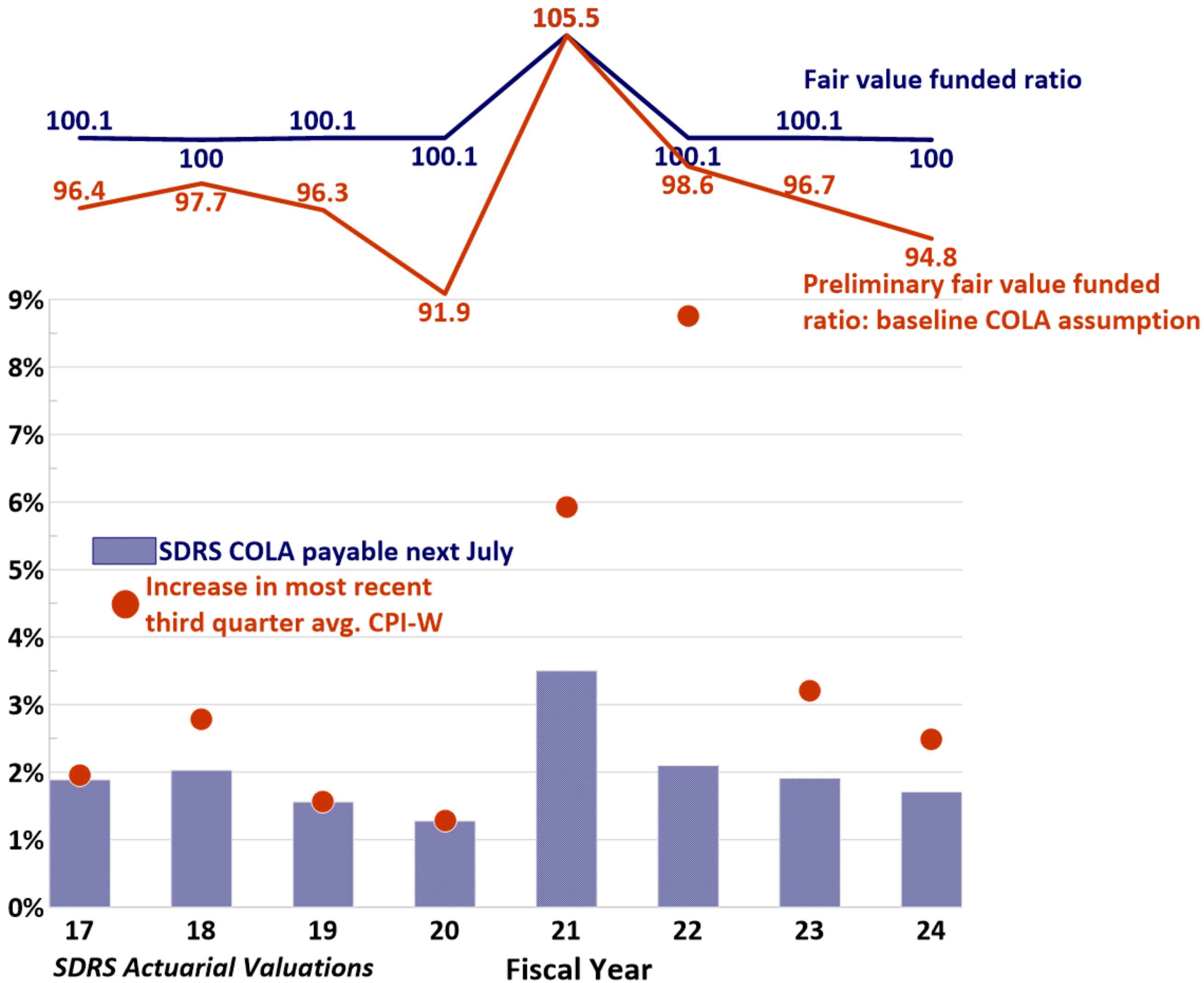
- The prevailing COLA type is based on the annual change in CPI, and usually restricted to a specific percentage of the change (i.e., not to exceed three percent)
- Some plans provide COLAs (or provide larger COLAs) when annual investment earnings exceed an established benchmark (e.g., the plan's assumed rate of return)
- Other limited or contingent COLA features include
  - Applied only to a portion of the pension benefit
  - Delayed onset or minimum age requirement

[NASRA Issue Brief: Cost-of-Living Adjustments]

South Dakota Retirement System

- General member and employer contribution rates are fixed in statute at 6.0 percent of pay since FY 03
  - 5.0 percent from FY 74 to FY 02
- State law requires recommendation to the legislature and governor for corrective action if:
  - Funded ratio falls below 100 percent on a market value basis, or;
  - Fixed statutory contribution rate does not meet the actuarial requirement
- COLA automatically varies with inflation and long-term affordability
  - COLA equals inflation up to 3.5 percent if affordable
  - When not affordable, COLA maximum is reduced to the level that keeps the plan funded at 100 percent if paid for the lifetime of all members

SDRS COLA and Funding Level



SDRS Actuarial Valuations FY 17 to FY 24, compiled by NASRA

Key Takeaways: Plan Design Issues

PERSI is a well funded plan at a reasonable cost

Closing a defined benefit plan (or changing the default) does not eliminate an existing unfunded liability

Implementing the proposed defined contribution plan would diminish retirement security for Idaho's public employees

NASRA Research Center

SEARCH TOOLS

These search tools enable searches to be conducted by simply pointing and clicking on selected data elements. Search tools are organized by subject. Click the arrow to expand and view the listing of available search tools within each subject area.

Member access required. These search tools are available to NASRA members only. Please sign in to access the datasets below.

- ACTUARIAL ASSUMPTIONS / SYSTEM POLICIES
- DEMOGRAPHICS
- FUNDING & CONTRIBUTIONS
- GOVERNANCE
- INVESTMENT
- PLAN DESIGN

NASRA ISSUE BRIEFS

Jun 2026	Cost-of-Living Adjustments NEW
Apr 2026	Public Pension Plan Investment Return Assumptions NEW
Mar 2026	State and Local Government Spending on Public Employee Retirement Systems
Jan 2026	State and Local Government Contributions to Statewide Pension Funds: FY 2024
Nov 2025	Employee Contributions to Public Pension Plans
Sep 2025	State Hybrid Retirement Plans

BROWSE BY AREA

NASRA Papers & Analysis
A compendium of research covering a range of topics relevant to public retirement system administration and policy.

Economic Indicators
Current and historical data on public sector employment, compensation, revenue, and public pension asset values.

Public Fund Survey Summary of Findings
An annual analysis of financial and demographic statistics about public retirement systems.

Member Survey Results
Results of surveys on retirement plan policies. Access to NASRA members only.

MEMBERS ONLY

Roll Call
An annual report highlighting notable events and developments affecting public retirement systems. Access to NASRA members only.

MEMBERS ONLY

NASRA Resources

- Funding
  - Public Fund Survey Summary of Findings
- Actuarial
  - NASRA Issue Brief: Investment Return Assumptions
  - Employment & Salary trends
- Contributions
  - NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems
  - NASRA Issue Brief: State and Local Government Contributions to Statewide Pension Plans
  - NASRA Issue Brief: Employee Contributions
- Plan Design
  - NASRA Issue Brief: Hybrid Plans
  - NASRA Issue Brief: Cost-of-Living Adjustments
  - Pension Reform topic page

Thank you

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PERSI Funding Policy Study

Part 3: Defining goals

Ryan Falls, FSA, EA, MAAA
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Robert Schmidt, FSA, EA, MAAA

JUNE 17, 2026

Milliman
Solutions for a world at risk™

The fundamental equation of pension funding

MONEY IN | **MONEY OUT**

Contributions
Money paid in by employers and members

\+

Investment Income
Investment returns earned on plan assets

=

Benefits
Payments made to members

\+

Expenses
Costs of administering and running the plan

What the equation means for PERSI's funding policy

Contributions + **Investment Income** = **Benefits** + **Expenses**

PERSI's funding policy, defined

The Board's stated process for exercising its statutory authority to set contribution rates, grant discretionary and retroactive postretirement allowance adjustments (PAAs), and determine the allocation of extraordinary gains.

Balance is non-negotiable

The equation holds for every pension fund, regardless of actuarial assumptions or modeling — money in must equal money out over time.

The funding policy keeps balance

It takes the investment income produced by the investment policy and balances contribution and benefit-increase decisions so the equation stays in balance.

PAAs need new money

Discretionary and retroactive PAAs are not pre-funded; they must be covered by excess investment gains or higher contributions.

Process: funding policies sit on a spectrum

Most discretion — **Most structure**

1

Guiding principles

States the decisions and statutory limits the Board works within — not what it will choose. The Board sits here today.

2

Range of options

Offers a narrower set of choices, tied to the actuarial results, that the Board weighs each year.

3

Fully formulaic

Spells out exactly what the funding decisions will be, based on the actuarial results.

Even a fully formulaic policy will include an option to depart from the formulaic decision when circumstances require extra discretion.

Process: weighing flexibility against structure

Maintaining broad discretion

Where the Board sits today

- Maximum flexibility to react to factors outside the actuarial valuation process — without having to justify departing from a policy.
- Easy to adjust goals and priorities as circumstances change — without reopening or rewriting a formal policy.
- Has worked for the System, with the Board applying its judgment to each year's decision.

Transitioning toward more structure

A range-of-options or fully formulaic policy

- Streamlines annual decision-making — a clear, structured approach replaces today's wide-ranging debate.
- Improves communication — greater predictability for stakeholders, and decisions that are easier to explain.
- Strengthens long-term planning — model the plan's future more clearly and steer decisions toward longer-term goals.

Results: what future do we want for the System?

1

Lower contribution rates

Hold down the cost to employers and members.

2

Higher PAAs

Bigger increases, perhaps full inflation protection.

3

Low rate volatility

Smaller year-to-year swings in the contribution rate.

4

Smooth rate increases

Phase in small increases early, not large ones late — easier to budget.

5

Consistent PAAs

Steady small increases rather than occasional large ones.

6

Full funding

Pay down unfunded liability within a reasonable period.

These goals compete, and the Board weighs them every year. Moving toward a more structured policy involves front-loading that judgment — setting priorities now, with longer-term modeling.

Next steps

1. **Milliman presents projections**
   Modeling for sample funding policies — our second presentation at the June education session.

2. **Board decides on asset smoothing**
   Choose whether to smooth asset values when measuring funding.

3. **Board chooses the policy type**
   Guiding principles only, or a more structured funding policy.

4. **Set the policy parameters**
   If the Board wants a more structured policy, work with Milliman to decide on the details.

5. **Potentially adopt the updated funding policy**
   The eventual outcome once the Board sets its direction.

Certification

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

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

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

R. Ryan Falls

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Principal and Consulting Actuary

Ryan Cook

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Milliman

PERSI Funding Policy Study

Part 4: Sustainability Modeling

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Robert Schmidt, FSA, EA, MAAA

JUNE 30, 2026

Sustainability modeling re-introduction

Refresher

- Looks at projections of the plan under thousands of hypothetical market scenarios
- Illustrates the impact of anticipated decisions on future contribution rates and PAAs

Changes from prior modeling

- Reflects actual FY2026 investment results
  - 11.14% through 6/11/2026; assumed 0% for rest of FY.
- Adds scenarios where modeled returns average 7.0% long term, alongside the prior 6.5% scenarios
  - 7.0% aligns with current market expectations; 6.5% is more conservative
  - Liabilities remain measured at 6.5% in both scenarios

Scenarios modeled

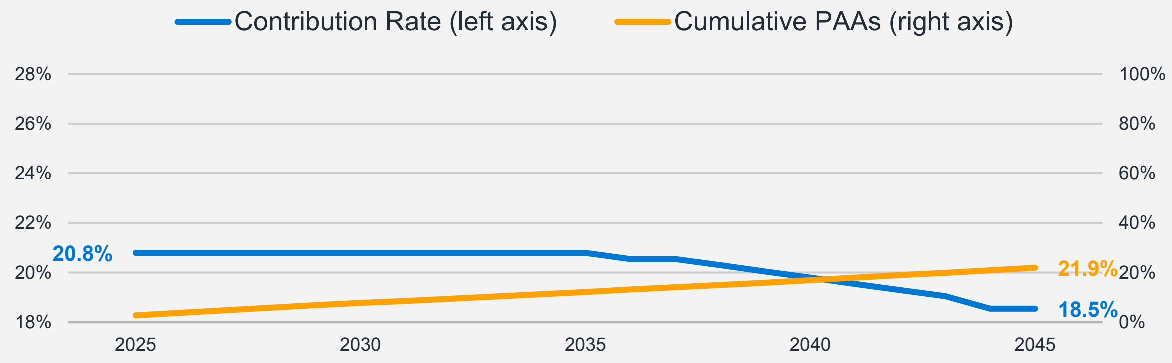
- Includes a range of PAA policies
- All scenarios use 5-year asset smoothing
- In all scenarios, contribution rates begin decreasing when funded ratio rises above 110%

1. Baseline scenario: Statutorily Defined Benefits — Board does not utilize discretionary authority

The baseline: no discretionary or retro PAAs, just 1% PAA by statute. Excess investment gains help pay off UAAL sooner then all gains and excess funding go towards lowering contribution rates.

Amortization Period	0 years	0–10 years	10–15 years	15–25 years	25+ years
Discr./Retro PAA Granted	0.0%	0.0%	0.0%	0.0%	0.0%
Contribution Rate Increase	0.0%	0.0%	0.0%	0.0%	Bring amort. down to 25 years, capped at 1.25% per year

7.0% average long-term return — median model results

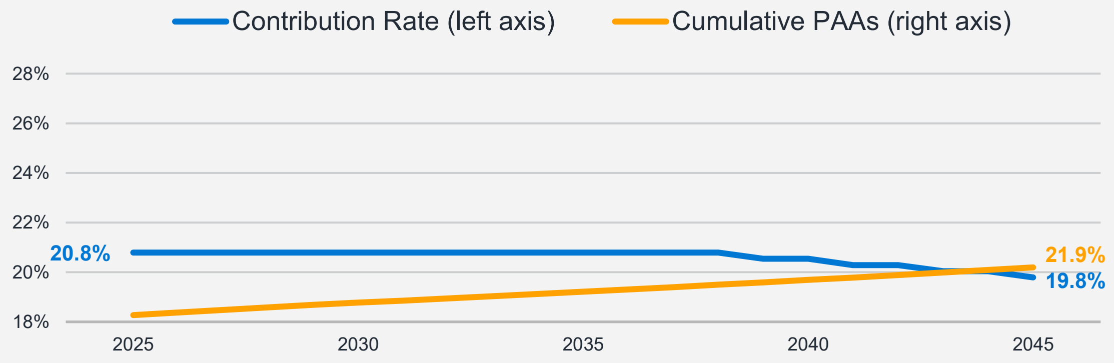


Ending funded ratio: 121%

Average size of each rate increase: No rate increases in most market scenarios

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 43% of market scenarios
- **Above 25%:** 23% of market scenarios
- **Above 30%:** 7% of market scenarios

6.5% average long-term return — median model results



Ending funded ratio: 111%

Average size of each rate increase: 0.32%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 48% of market scenarios
- **Above 25%:** 29% of market scenarios
- **Above 30%:** 10% of market scenarios

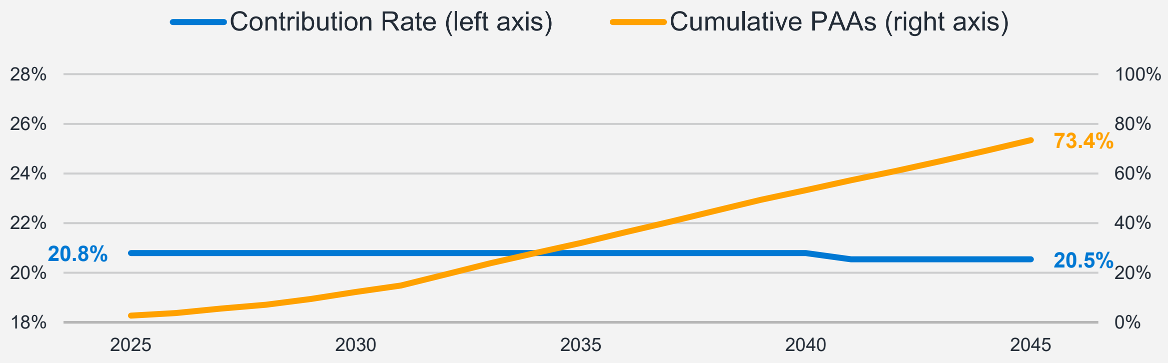
Except where otherwise labeled, all results shown are the median result.

2. Fund Discretionary Decisions: “Excess” Investment Gains

Discretionary or retro PAAs are granted at levels on par with granting PAAs paid for by excess investment gains* (see scenario in appendix). Once UAAL is paid off, excess funding still goes to lowering contribution rates.

Amortization Period	0 years	0–10 years	10–15 years	15–25 years	25+ years
Discr./Retro PAA Granted	4.0%	1.0%	0.0%	0.0%	0.0%
Contribution Rate Increase	0.0%	0.0%	0.0%	0.0%	Bring amort. down to 25 years, capped at 1.25% per year

7.0% average long-term return — median model results

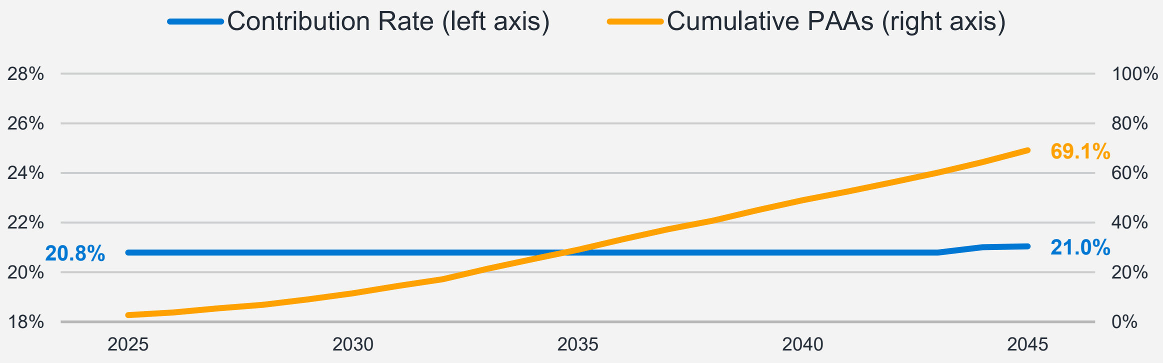


Ending funded ratio: 108%

Average size of each rate increase: 0.50%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 49% of market scenarios
- **Above 25%:** 27% of market scenarios
- **Above 30%:** 8% of market scenarios

6.5% average long-term return — median model results



Ending funded ratio: 101%

Average size of each rate increase: 0.75%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 56% of market scenarios
- **Above 25%:** 33% of market scenarios
- **Above 30%:** 11% of market scenarios

Except where otherwise labeled, all results shown are the median result.

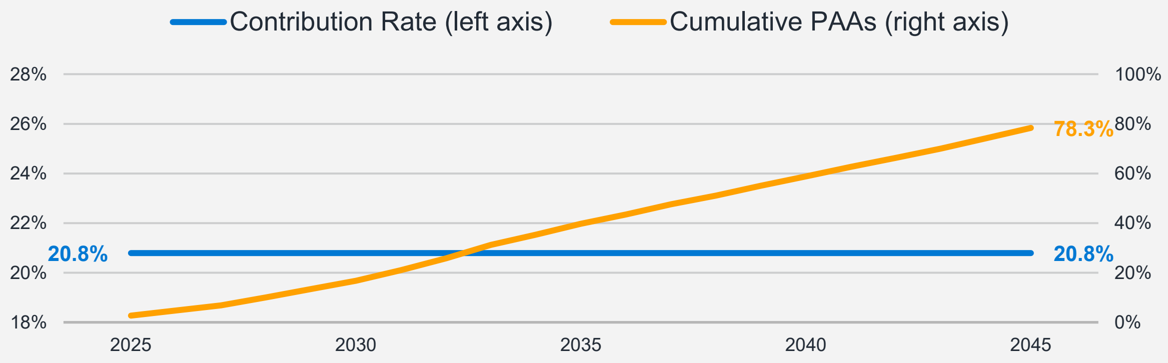
**Excess investment gains defined as 11% of gains, based on the 7.0% average long-term return model producing 11% more investment gains than losses on average.*

3. Fund Discretionary Decisions: “Excess” Investment Gains and Increase Contributions when required

Discretionary or retro PAAs are granted at levels that require both excess investment gains and slightly higher contribution rates to fund them. Slows down paying off UAAL and delays contribution rate decreases.

Amortization Period	0 years	0–10 years	10–15 years	15–25 years	25+ years
Discr./Retro PAA Granted	6.0%	2.0%	1.0%	0.0%	0.0%
Contribution Rate Increase	0.0%	0.0%	0.0%	0.0%	Bring amort. down to 25 years, capped at 1.25% per year

7.0% average long-term return — median model results

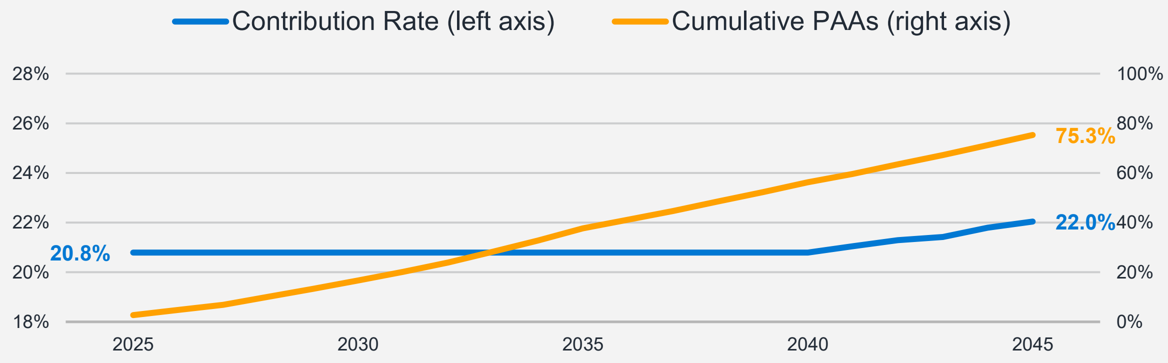


Ending funded ratio: 105%

Average size of each rate increase: 0.60%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 53% of market scenarios
- **Above 25%:** 30% of market scenarios
- **Above 30%:** 9% of market scenarios

6.5% average long-term return — median model results



Ending funded ratio: 98%

Average size of each rate increase: 0.75%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 59% of market scenarios
- **Above 25%:** 35% of market scenarios
- **Above 30%:** 12% of market scenarios

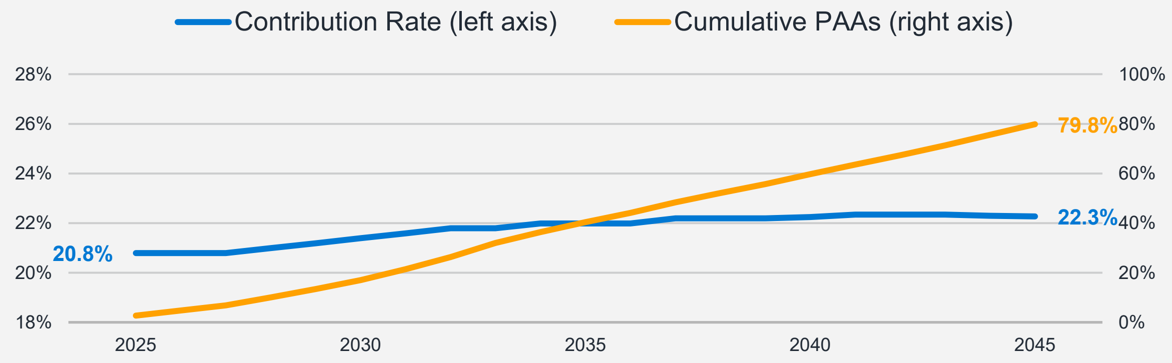
Except where otherwise labeled, all results shown are the median result.

4. Funding Discretionary Decisions: Annual Small Incremental Rate Increases

Same as prior scenario except adds in annual 0.2% rate increases until fully funded to speed up funding and afford more PAAs earlier.

Amortization Period	0 years	0–10 years	10–15 years	15–25 years	25+ years
Discr./Retro PAA Granted	6.0%	2.0%	1.0%	0.0%	0.0%
Contribution Rate Increase	0.0%	0.2%	0.2%	0.2%	Bring amort. down to 25 years, capped at 1.25% per year

7.0% average long-term return — median model results

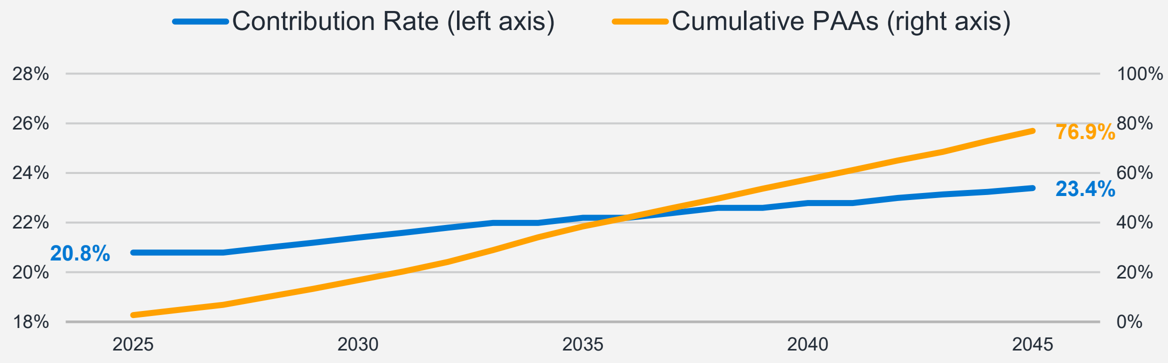


Ending funded ratio: 106%

Average size of each rate increase: 0.20%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 99% of market scenarios
- **Above 25%:** 34% of market scenarios
- **Above 30%:** 12% of market scenarios

6.5% average long-term return — median model results



Ending funded ratio: 100%

Average size of each rate increase: 0.25%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 99% of market scenarios
- **Above 25%:** 41% of market scenarios
- **Above 30%:** 14% of market scenarios

Except where otherwise labeled, all results shown are the median result.

Key conclusions

1

Investment returns are the primary driver of contribution rates

Strong FY26 returns have improved the projections, and assuming 7.0% long-term average returns further improves them. PAA policy is an important secondary driver.

2

Higher PAAs and lower contribution rates are in direct competition

There is no single right answer — the balance between the two goals is ultimately a matter of Board discretion.

3

Pre-emptive annual contribution rate increases have only a small impact on PAAs

Annual contribution rate increases shifts PAA outcomes only modestly across these scenarios. However, they do result in smaller, more predictable contribution rate increases.

Certification

The purpose of these forecasts are to give the PERSI Board insight into the projected future of the plan based on various model parameters.

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

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

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

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Thank You

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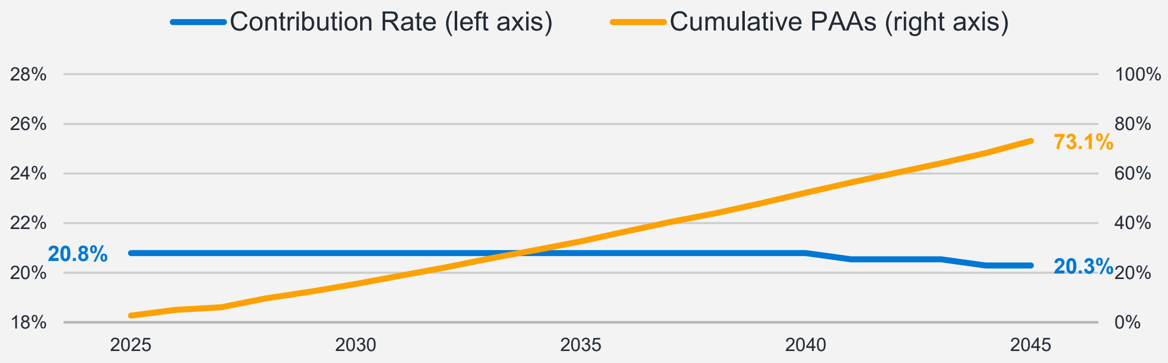
Appendix: scenario with PAAs = excess investment gains

Discretionary or retro PAAs are granted with any excess investment gains*.

Amortization Period	0 years	0–10 years	10–15 years	15–25 years	25+ years
Discr./Retro PAA Granted	11% of inv. gains	11% of inv. Gains	11% of inv. Gains	11% of inv. Gains	11% of inv. gains
Contribution Rate Increase	0.0%	0.0%	0.0%	0.0%	Bring amort. down to 25 years, capped at 1.25% per year

7.0% average long-term return — median model results

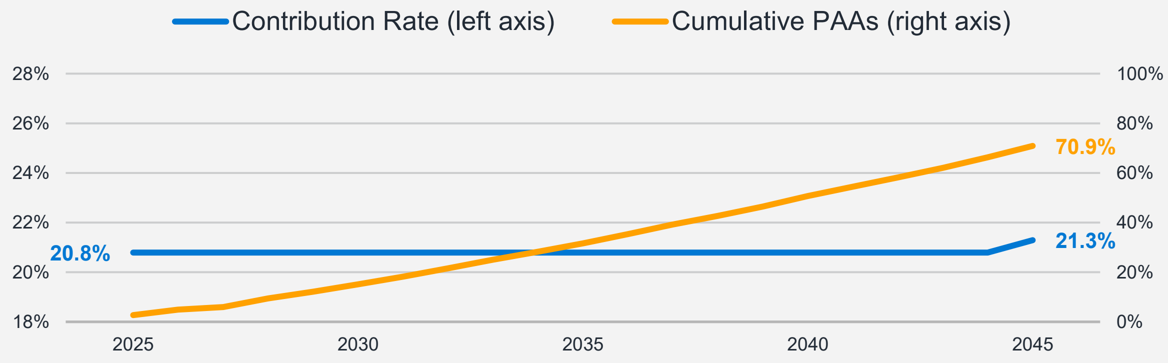


Ending funded ratio: 108%

Average size of each rate increase: 0.38%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 49% of market scenarios
- **Above 25%:** 30% of market scenarios
- **Above 30%:** 10% of market scenarios

6.5% average long-term return — median model results



Ending funded ratio: 100%

Average size of each rate increase: 0.71%

Contribution rate rises above X at any point
- **Above current rate (20.8%):** 55% of market scenarios
- **Above 25%:** 35% of market scenarios
- **Above 30%:** 12% of market scenarios

Except where otherwise labeled, all results shown are the median result.

**Excess investment gains defined as 11% of gains, based on the 7.0% average long-term return model producing 11% more investment gains than losses on average.*

Appendix

Sustainability modeling parameters

- All currently scheduled contribution rates changes are canceled and replaced with the policies described in the presentation
  - In addition to the policy, contribution rates decreased by 0.25% each year the funded ratio was between 110% and 125% and by 1.00% each year above 125% (1-year lag). Contribution rates were not allowed to fall below 16.00% (approximately the normal cost rate).
  - All contribution rate changes are enacted 1-year after the valuation date that triggered them
  - Contribution rate policies were delayed so first potential rate increase from them was 7/1/2028 (based on 7/1/2027 valuation results)
  - Contribution rate increases to achieve 25-year amortization period were done in 0.25% increments.
- PAAs are granted based on the policies described in the presentation
  - Reflects the Board decision in 2025 to grant a 1.7% retro PAA
- Asset smoothing used in all scenarios: 5-year layered smoothing of investment gains and losses, limited to 20% corridor around market value of assets, was used and smoothed assets were used to determine above contribution rate and PAA triggers

Appendix

Projection assumptions

- Two sets of 2,000 random market scenarios were generated using Callan's 2025 capital market assumptions, adjusted for a mean long term investment return (net of investment and administrative expenses) of 7.00% and 6.50% and mean inflation of 2.40%
  - FY 2026 return was overridden with 11.14% (FYTD return through 6/11/2026 + 0% assumed return for last few weeks of the year)
  - FY 2026 inflation was overridden with 4.06% (Sep. 2025–May 2026 CPI-U of 3.44% + assumed 2.40% annual rate of inflation for last three months)
- PAAs
  - Discretionary/retro PAAs are granted on a first-in-first-out basis
  - Grants of discretionary/retro PAAs are capped by the available PAAs due to inflation
- Uses the data, assumptions, methods, and plan provisions from the July 1, 2025, valuation plus the following projection assumptions:
  - Active membership in each class grows by 1.0% per year.
  - New members have similar demographics to those that joined between July 1, 2022, and June 30, 2025.
- No changes in valuation assumptions
- No gain sharing
- No legislative benefit changes

FY 27-29 Long-Range Plan

PERSI Retirement Board
Strategic Visioning Session

Board Education Session | June 30, 2026

MOSAIC
Governance Advisors

Agenda

- Process Overview
- FY 21-23 Long-Range Plan Close-Out
- Stakeholder Research Findings
- S.W.O.T. Review
- Strategic Priorities
- Next Steps

Process Overview

Mosaic's Strategic Performance Management Framework

Long-Range Plan	**Long-Term Direction & Strategy**	**Vision**	What do we want to become?
		Mission	Who are we and why do we exist?
		Core Values	What principles shape our culture & guide our stakeholder interactions?
		Goals	What are our strategic priorities to realize our vision?
		Aspirations	What will success look like when we achieve our strategic priority?
		Objectives	What do we need to do to achieve our priorities?
		Key Results	How will we measure success?
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Long-Range Plan Refresh Process

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3

July – December

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- Collaborate with Senior Staff on the draft
- Present draft to Board for first reading (November)
- Present final draft to Board for approval (December)

FY 21-23 Long-Range Plan Close-Out

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FY 21-23 Long-Range Plan Close-Out

Goal	Objective	Status
Financial	A – recommend adjustments to PERSI Plans	
	B – educate, inform, and engage key stakeholders and constituents	
	C – acquire industry data analytic tools	
Customer	A – assess and enhance education, services, and training	
	B – engage new members at the start of their careers	
Internal Staff	A – identify succession strategies and career advancement	
	B – interdepartmental communication and engagement	
Technology	A – update tech modernization and innovation plan	
	B – adapt customer service and communications	

Completed or operationalized   Continued area of focus

Retirement Preparedness & Awareness

Several Measures & Targets in the FY 21-23 Long-Range Plan required a comparison of 2020 and 2026 active member survey results

Measure	2020 versus 2026
Awareness of the Defined Benefit Pension Plan	*No significant change*
Awareness of other PERSI benefits (e.g., Choice 401(k) plan)	*No significant change*
Awareness of the DB plan's role in overall retirement savings	*Decrease*
Awareness of income replacement goals	*No significant change*
Preparedness for retirement	*No significant change*
Quality of information provided by employers to new employees	*No significant change*

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Stakeholder Research Findings

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About the Stakeholder Research Efforts

- Mosaic conducted online surveys of the following audiences in February & March 2026
  - Members (active, retired, inactive & beneficiaries)
  - Participating Employers
  - PERSI Staff
  - Retirement Board Members
  - Board Consultants

Overall Findings

- Active members remain satisfied with PERSI
- Frustration with COLA decisions drove lower satisfaction among retirees
- Employers continue to see PERSI as a valuable benefit
- Staff remains mission-driven despite resourcing challenges
- Trustees & board consultants encourage focus on institutional durability
- Areas for continued improvement:
    - Communication & Transparency
    - Member Education
    - Evolving Member Tools

Overall Satisfaction with PERSI (5-POINT SCALE)

	2020	2026
Active Members*	4.4	4.1
Retirees & Beneficiaries	4.7	3.9

*The decrease in overall satisfaction score was primarily driven by an increase in the number of neutral responses. In both 2020 and 2026, 96% of active members selected Very Satisfied, Satisfied, or Neutral.

Overall Satisfaction with PERSI (5-POINT SCALE)

	2020	2026
Overall	4.6	4.0*
Other		4.2
School Districts		4.0
Cities and Counties		3.9
State		3.8

*Employers who had fully transitioned to the new reporting portal had an average satisfaction rating of 4.3; those that were still in the process of transitioning had an average satisfaction rating of 3.7.

Satisfaction with PERSI (5-POINT SCALE)

	2020	2026
PERSI's benefits are valuable to me as a prospective employer in attracting talent.	4.6	4.5
PERSI's benefits are valuable to me as an employer in retaining talent.	4.6	4.5

Mission and Values Alignment

Perception of how well PERSI delivers on its mission: **4.6 / 5**

Staff also remains well-aligned with PERSI's Core Values

PERSI's Strengths and Gaps or Challenges

Strengths

- Commitment (e.g., dedication, hard-working, mission-driven)
- Customer service (e.g., service mindset, knowledgeable, friendly)
- Culture (e.g., people, respectful, caring)
- Leadership

Gaps or Challenges

- Legislation and the State (e.g., budget, under-staffing)
- Modernization (e.g., technology, scaling)
- Training and career growth opportunities
- Communication and collaboration
- Compensation and employee retention

Opportunities for Automation & AI

- Continued enhancement of member portal
- Chatbot for member self-service & call filtering
- Streamlining reporting efforts
- Content development for member education & staff training
- Email drafting

Comfort with the idea of using AI as a tool in your work	
Very Comfortable	25%
Somewhat Comfortable	35%
Neutral	30%
Somewhat Uncomfortable	4%
Very Uncomfortable	7%

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Key Themes

- Board members expressed that success should be defined in two equally important ways:
  - Funding outcomes and fund sustainability
  - PERSI's reputation as a professional, respected institution
- External factors drive a greater reliance on investment returns to ensure long-term sustainability
- Increasingly politicized environment requires PERSI to build strong relationships with members, retirees, and policymakers
- Institutional durability is a risk – PERSI's small staff supports a complex system

Key Themes

- PERSI's key strengths are its good governance and investment management
  - Continue addressing risks in practical, prudent, non-alarmist manner
- Areas for continued improvement: Board
  - Retain a focus on strategic, long-term items while remaining at the policy level
  - Develop clearer policies to support decision-making, especially related to inflation
  - Continue pursuing ongoing education, especially related to fiduciary responsibility
- Areas for continued improvement: Staff
  - Improved leadership alignment and internal collaboration – "One PERSI"
  - Focus on institutional durability in a resource-light model

Key Takeaways

General angst about external environment contributes to a trust gap & identity confusion

Systemic & external challenges drive additional reliance on portfolio performance

Staff want to do more for members & employers but face resource constraints

S.W.O.T. Review

What is a S.W.O.T. Analysis?

Strengths
- What do we excel at?
- What sets us apart from other organizations?
- What works well within PERSI and among the board and staff?

Weaknesses
- Where do we have opportunities for improvement?
- What limits us from performing at our highest level?
- What slows our pace or may detract from desired outcomes?

Internal Factors

Opportunities
- What recent external trends or issues could benefit us?
- Are there any new or unexpected allies in our environment?
- How can we leverage our strengths?

Threats
- What recent external trends or issues could impede our ability to succeed?
- Are there any new or unexpected influencers to monitor?
- What new risks are present?

External Factors

S.W.O.T. Process Recap

- Mosaic worked with PERSI Senior Staff to:
  1. Identify an initial list of strengths, weaknesses, opportunities and threats
  2. Prioritize elements in each category
  3. Refine the language

Prioritized S.W.O.T. Analysis: PERSI Senior Staff's Collective View

Internal Factors		
	Strengths • Stability and reliability of the fund • Tenured, experienced leadership • Internal culture of openness and flexibility • Efficient staff of problem solvers • Responsive customer service	**Weaknesses** • Staff turnover and documentation of institutional knowledge • Gaps in internal education and training • Level of interdepartmental collaboration • Limited budget authority • External communications, education, and training
External Factors	**Opportunities** • Technology advancement, including AI and pension administration system modernization • System advocates and engaged member groups willing to engage with PERSI • Partner and vendor support in distributing training content	**Threats** • Policy changes and pressures • Uncertainty and shifts in the macro environment (e.g., inflation, geopolitical conflict, changes to Social Security) • Potential reputational harm from misinformation and outside groups • Cybersecurity and data security concerns

Discussion

- What is your reaction to the Senior Staff's S.W.O.T. analysis?
- Are any themes under- or over-emphasized?
- Are any key components missing?

Strategic Priorities

Mosaic's Strategic Performance Management Framework

Long-Range Plan	**Long-Term Direction & Strategy**	**Vision**	What do we want to become?
		Mission	Who are we and why do we exist?
		Core Values	What principles shape our culture & guide our stakeholder interactions?
		Goals	What are our strategic priorities to realize our vision?
		Aspirations	What will success look like when we achieve our strategic priority?
		Objectives	What do we need to do to achieve our priorities?
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PERSI's Mission, Vision & Core Values

Mission

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

Vision

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

Core Values

Commitment

Character

Competence

Strategic Themes

Strategic themes that represent what PERSI must achieve to be successful

Performance	Trust	Member & Employer Education	Collaboration
Resilience	Transparency	Modernized Tools	Staff Retention
Risk Management	Relationships		Operational Efficiency

Translating Strategic Themes to Goals

High-level, long-term goals that provide the foundation for the FY 27-29 LRP

Performance Resilience Risk Management	Trust Transparency Relationships	Member & Employer Education Modernized Tools	Collaboration Staff Retention Operational Efficiency
↓	↓	↓	↓
Fund Sustainability	**Stakeholder Trust**	**Enhanced Service Delivery**	**Institutional Durability**

Aspiration Statements per Goal

Fund Sustainability

- Consistent progress toward full funding
- Prudent management of long-term risks
- Resilience across economic cycles
- Clear policy frameworks

Stakeholder Trust

- Reputation as a transparent and credible institution
- Clarity about PERSI's role, value, and benefits
- Stakeholder confidence in board decisions

Enhanced Service Delivery

- High-quality, accessible, and user-friendly service experience
- Meeting the evolving needs of members and employers
- Resources that enable informed decisions
- Retirement confidence

Institutional Durability

- Capable, aligned, and resilient organization
- Talent, systems, and culture that enable effective delivery of the mission
- Efficiency in a resource-constrained environment

Discussion

- What are your initial impressions and reactions to these strategic priorities?
- Do these strategic priorities align with your definition of long-term success?
- Is anything missing? Is anything under- or over-emphasized?

Next Steps

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Mosaic's Strategic Performance Management Framework

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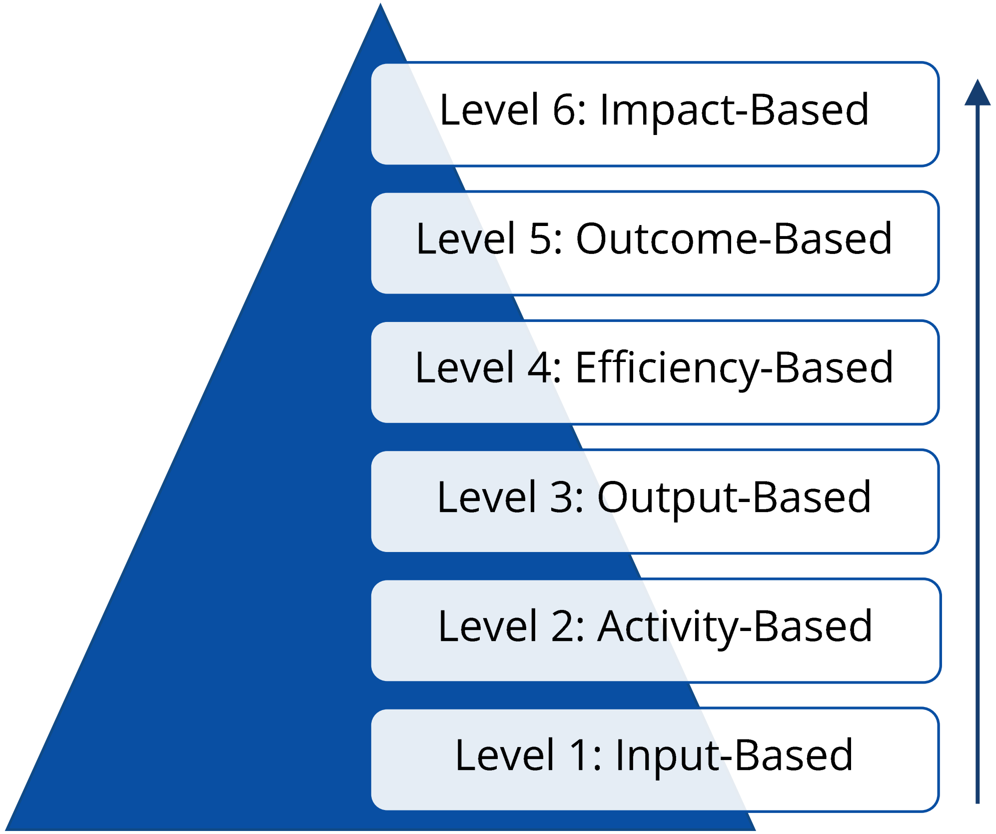
Maturing the long-range planning process

- Creating cross-functional goals and objectives
- Aligning long-term key results to each objective
- Implementing centralized mechanism for tracking annual progress through initiatives, measures, and targets
- Providing an annual report to the board on accomplishments and next steps

Begin With Simple Metrics – Advance to Impact as Process Matures



Increase retirement confidence by 15% over 5 years.

Achieve 85% customer satisfaction in post-service surveys.

Reduce new staff onboarding time by 20%.

Train 100 employees on new member portal.

Launch 3 new customer service training modules by {date}.

Allocate $100,000 to digital transformation initiative.

Thank You

720-316-1919

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Ethics for PERSI Fiduciaries

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

Ashley Dunning | Michelle Mellon-Werch | PERSI Fiduciary Counsel
Board Retreat June 30, 2026

Today’s Presenters

Ashley Dunning

Fiduciary Counsel

Partner, Nossaman LLP
Co-Chair, Pensions, Benefits
& Investments Group

Michelle Mellon-Werch

Fiduciary Counsel

Partner, Nossaman LLP
Pensions, Benefits
& Investments Group

Agenda

- Overview of Ethical Standards
- Idaho Laws and Guidance
- Board Governance Policy
- Practical Application
- Consequences of Non-Compliance
- Strategies for Ethical Compliance

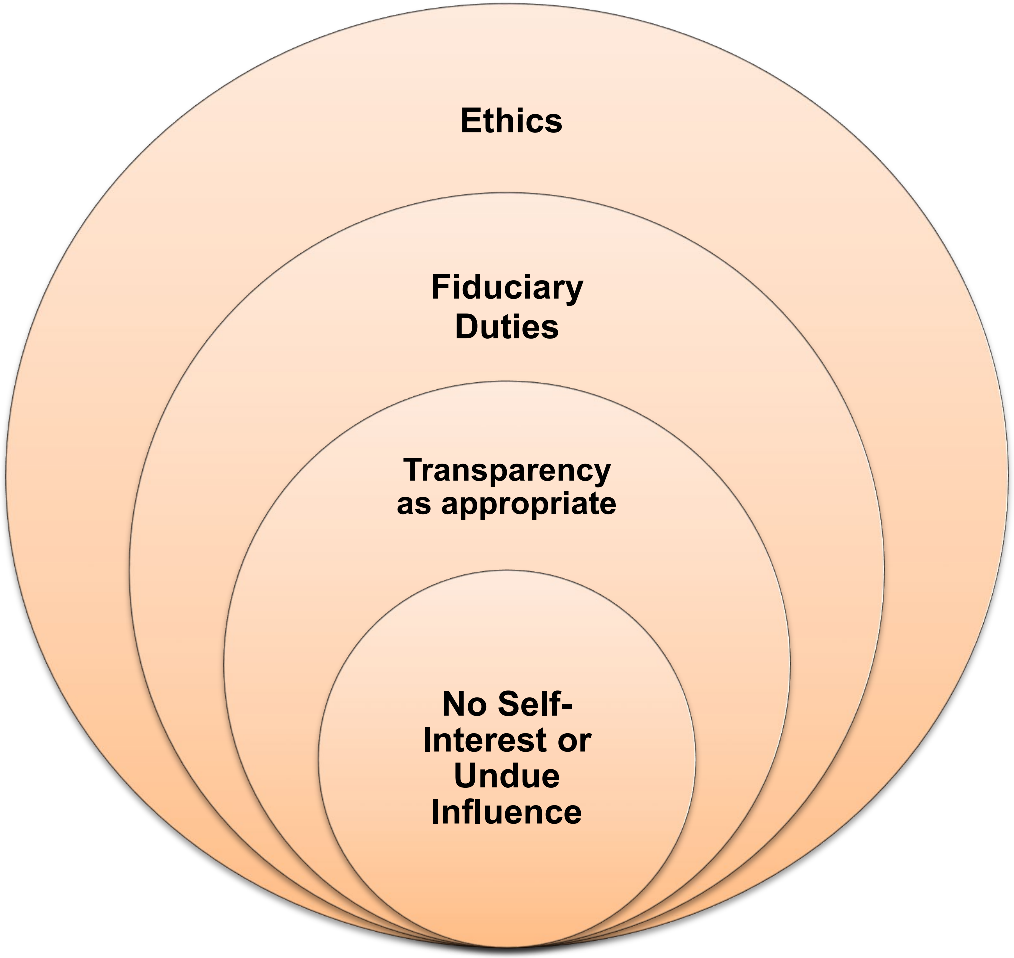
Overview of Ethical Standards

- Combination of statutes and common law
- Purpose:
  - Both public and trust funds must be used for intended purpose
  - Transparency as appropriate
  - Avoidance of even the appearance of acting unethically

Overview of Ethical Standards

- Laws are *minimum standards*
  - Fiduciary duties of loyalty and care require higher standards

Ethics for PERSI Fiduciaries



Idaho State Law

- *State of Idaho Constitution, Article VII, Section 10*

  “The making of profit, directly or indirectly, out of state, county, city, town, township or school district money, or using the same for any purpose not authorized by law, by any public officer, shall be deemed a felony, and shall be punished as provided by law.”

Idaho Code Relevant Statutes and Guidance

- *Title 18, Chapter 13: (Bribery and Corrupt Influences Act)*
- *Title 67, Section 67-9230: (State Procurement Act: Prohibitions)*
- *Title 74:*
  - *Chapter 4 (Ethics in Government)*
  - *Chapter 5 (Prohibitions Against Contracts with Officers)*
  - *Chapter 6 (Public Integrity in Elections Act)*
- *Attorney General Opinions*

Board Policy: Standards of Ethics and Professional Conduct

- Distills Constitution, Statutes, AG Opinions and Fiduciary Duties into policy:
  - General Standards
  - Conflicts of Interests
  - Prohibited Transactions and Activities
  - Gifts & Political and Charitable Contributions
  - Communications during Procurements

Board Policy: Standards of Ethics and Professional Conduct

- Fairness, honesty, independence, and objectivity in all actions and interactions
- Abide by all fiduciary duties: loyalty, care, follow plan document, diversify investments to maximize risk-adjusted returns; and follow applicable laws, rules, and regulations
- Act consistent with PERSI's mission, core values, and policies
- Communicate about ethics matters in a proactive, timely, accurate, and transparent manner
- Promptly report any ethical concerns

Board Policy: Conflicts of Interest

- Conflict of Interest is any official PERSI action, decision or recommendation that results in a private personal financial benefit of the trustee
- Includes any member of trustee’s household (spouse and dependents) and associated business of trustee or their household (Idaho Code §74-404)
- Disclosure required by statute
- Recusal required by PERSI policy

Board Policy: Conflicts of Interest

- Exceptions
  - Incidental interest
  - If the interest or membership in the particular business, industry, occupation or class is required by law as a prerequisite to the position
  - Any action or interest by the trustee would be similar for any other member of the same group for which they are appointed or elected
  - Certain competitively bid services may be permitted (Idaho Code §18-1361A)

General Principles: Conflicts of Interest

- Fiduciary Duty of Loyalty / Exclusive Benefit Rule
- No contract with a Trustee, no influence for or against contracting with a vendor, except as through an authorized process
- Appearance of any financial conflict should be disclosed or avoided
- Newspaper Headline Rule: Do not do it if you do not want your family and friends to read about it in the paper

Board Policy: Prohibited Transactions and Activities

- Use of Material Non-Public Information
  - Use for personal gain: i.e. insider trading and front running
  - Confidentiality of information
- Gifts over $50 from anyone doing business with or seeking to do business with PERSI under circumstances where there is a substantial risk of undermining official impartiality Idaho Code §18-1359

General Principles: Prohibited Transactions

- Trustees must be aware of the difference between public, material non-public, and other confidential information provided to them
- Avoid the appearance of impropriety by self and fellow Trustees
- Prudent processes are important when it comes to reliance on trusted advisors (e.g., Auditor, Actuary, Investment Consultant, Legal Counsel, and even in house staff)

Hypothetical #1

- PERSI Trustee Lee is attending a conference and is invited to a World Cup soccer game by an investment manager with whom PERSI invests $250 Million. The investment has been very profitable for the system, but they have not discussed investing in a future fund. The tickets are valued at $500.
    - What ethical issues are presented in this scenario?
    - Are there conditions under which Trustee Lee may accept the ticket?
    - What if Trustee Lee asks to bring her spouse?

Board Policy: Solicitations and Other Communications

- Political and charitable contributions
  - PERSI funds may not be used
  - Clarity regarding political contributions in personal capacity
  - No solicitation of charitable contributions as trustee
- Inquiries by vendors to Trustees with an interest in doing business with PERSI should be referred to the Executive Director or CIO.

General Principles: Solicitations and Other Communications

- Communications by Trustees are also governed by Section 9 of the Board Governance Policy
- Tone at the top
- Normalize disclosure of conflicts to increase clarity
- No undue influence on Trustees or by Trustees
- Follow communication protocols to avoid miscommunication with staff, participants, interested parties and public
- Compliance with Open Meetings laws

Hypothetical #2

- An elected official who appoints two of the Board's trustees calls the Board Chair to express strong support for a particular infrastructure investment in the state. The investment has not been considered or evaluated on its merits.
    - What ethical and fiduciary issues does the phone call raise?
    - How could the Board Chair respond?
    - Should this call be reported, and, if so, to whom?

Hypothetical #3

- PERSI investment staff is travelling to a conference in New York City that is sponsored by a PERSI investment manager (“IM”). The conference is at an upscale boutique hotel, and the minimum price for rooms is $1,000.
- The conference is provided at no additional cost to attendees from IM’s clients, and the conference includes six meals.
- Several PERSI trustees inform PERSI’s Chief Executive Officer and Chief Investment Officer that they would also like to attend the IM’s conference.
- The original decision to hire the IM was made by the PERSI Board over ten (10) years ago, but the Board has since delegated authority to investment staff with respect to re-ups, secondaries, and potential firing of the IM.

Hypothetical #3

- What ethical considerations should inform PERSI Trustees, the CEO, and the CIO, with respect to this topic? For example:
  - Is the delegation aspect of the hypothetical, including the timing of it, relevant?
  - Does the location of the conference matter, in terms of cost of travel, choice of hotel, or otherwise?
  - What about other cost considerations regarding the “free” conference?
  - Are Idaho’s gift rules implicated by any aspect of this hypothetical?
  - What if one or more of the attendees extends the trip with a family vacation?
  - Who should be making the decisions regarding attendance at this conference, and who provides oversight on that topic?

Common Ethical Issues for Public Pension Trustees

- Funding decisions that impact a Trustee's employer
- Investment decisions that are similar to Trustee's investments
- Decisions that impact a Trustee, or friends or relatives of a Trustee
- Contracting or budget spending that may benefit a Trustee, or friends or relatives of a Trustee

Headlines From the News

Judge to Rule on Retired Teachers' Pension Fund Corruption Trial, Ethics Investigation Continues

Morgan Trau | Ohio Capital Journal | January 6, 2026

An Ohio judge is determining whether or not two retired teachers' pension fund leaders should be punished for allegedly participating in a corruption scheme, but investigations into the men are still ongoing.
Franklin County Court of Common Pleas Judge Karen Held Phipps is set to decide if State Teachers Retirement System (STRS) board chair Rudy Fichtenbaum should be removed from his position, and if he and former board member Wade Steen should be banned from ever returning to public pensions.
"It's an erosion of confidence in the institution that safeguards retirement security for Ohio's teachers," Assistant Attorney General Chad Kohler said during the trial.

A Boondoggle or Benefit?; Public Funds Wrestle With Ethics of Conference Travel

Marlene Givant Star | Pensions & Investments | July 24, 1995

Travel by public pension fund officials is coming under increased scrutiny as governments tighten their belts.
Some funds are revisiting their policies, with attention to such issues as who pays for trip expenses; the total cost to the fund; and whether conference-related trips, particularly overseas, are warranted.
Among the examples:
William. A. Dorsey, chairman of the board of the $27 billion Ohio State Teachers Retirement System, Columbus, appointed a three-member committee to examine the board's expense policy in response to inquiries from a Cleveland newspaper about board expenses.
Joe Endry, executive director of the 36,000-member Ohio Retired Teachers Association, Jim

Audit Raises Red Flag Over Free Meals; Teachers Retirement System Staff Criticized

Jan Moller | Times-Picayune (New Orleans) | April 21, 2005

BATON ROUGE – Employees and trustees of the Teacher's Retirement System of Louisiana received $51,598 in meals from people and companies that do business with the system, according to an audit scheduled for public release next week that gives the pension plan high marks in other areas.
The costs of the meals included dining expenses for the investment executives and consultants who paid for the meals and are legal under the state's code of governmental ethics. But the legislative auditor's report said they represent a potential conflict of interest for trustees and key staffers, whose duties include choosing and monitoring the private firms that make investments on behalf of 159,434 active and retired Loui-

Charles Officials Broke Ethics Rules, Panel Finds; 2 Leaders, Both Veterans, Took Part in Talks on Adding a Military Service Bonus to Pension Plan

Joshua Partlow | The Washington Post | January 22, 2006

The Charles County Ethics Commission has found that the former county administrator and the current director of the county's Fiscal Services Department violated local ethics rules by participating in a discussion of a change in retirement benefits that could have directly benefited them financially.
Nine months after complaints were filed against former administrator Eugene T. Lauer and Fiscal Services Director Richard A. Winkler, both military veterans, the ethics panel wrote in unreleased Dec. 19 decisions that the officials violated ethics rules by discussing whether to amend the county's pension plan to add a bonus for prior military service as part of the five-member Retirement Plan Committee.

Ethics Questioned In Investment Offer

The Union Leader (Manchester NH) | August 5, 2005

CONCORD – Gov. John Lynch said yesterday he told the state retirement system's chairman two months ago he would not reappoint him over concerns about a stock offer Edward J. Theobald received from a company the system was looking to invest in.
More than 50,000 workers contribute to the New Hampshire Retirement System, which funds the pensions of 18,000 public-sector retirees.
"The assets are $5 billion, and it's very important that there is no conflict or perceived conflict in regards to the stewards of that fund, and right now there is that perception," Lynch said.
Last month, the retirement system board voted 6-4 that Theobald had violated the system's code of ethics.
An attorney for Theobald said Lynch is "making a mistake" by deciding not to reappoint Theo-

Improper Influence Over Firefighters' Fund Alleged

Stephen Johnson | The Houston Chronicle | October 21, 1994

Houston Fire Chief Eddie Corral Sr. and his son attempted to encourage two firefighters' pension fund directors to invest funds through his son's financial services firm, an assistant fire chief and a fire inspector testified Thursday.
Assistant Fire Chief Dennis W. Holder and Fire Inspector Donny Ray Myers were steadfast in their testimony before the city's Ethics Committee that improper influence was used to encourage them to employ Eddie Corral Jr.'s firm of Westcap to invest some of the nearly $ 900 million in the pension fund.
Myers testified he was called on the carpet by the fire chief over the amount of time he spent away from his duties as a fire inspector to attend pension fund seminars after deflecting

Consequences of Noncompliance

- Possible breach of fiduciary duty
- Possible violation of other Idaho laws
- Undermines stakeholders' trust in the Board
- Undercuts ethical tone from the top

Strategies for Ethical Compliance

1. Regular periodic Board and staff education on ethics and ethical compliance
    - Board Governance Policies
    - Fiduciary duties
    - Open meetings laws
    - Open records laws
    - Fiduciary Governance principles

Strategies for Ethical Compliance

2. Targeted counseling when issues arise

- Caveat that GC and outside counsel represent the system and not the individual Trustees or staff

3. Consistent disclosures and recusals where necessary

- Set the tone at the top
- Normalize discussion and awareness of conflicts and ethical considerations
- Normalize consideration of the appearance of impropriety is to be avoided

It’s Not Personal

- Ethics Policy and Processes protect Trustees and the Board
- Rules establish parameters for normal operations and discussions
- Prioritize fiduciary duties of loyalty and care
- Project impartiality, honesty, independence, and objectivity

Everyday Ethics Awareness

- Laws are the floor when it comes to ethics
- Spirit of the law reflects the values and ideals
- Resist tendency to rationalize behavior:
  - Volunteer trustees that spend a lot of time working on the board
  - My financial interest is so small, it will have no effect on my decision
- Learn to recognize potential conflicts
- Avoid the appearance of impropriety – Headline Rule
- Seek advice early

Questions?

Thank You

Ashley Dunning
Fiduciary Counsel

Partner, Nossaman LLP
Co-Chair, Pensions, Benefits
& Investments Group

Michelle Mellon-Werch
Fiduciary Counsel

Partner, Nossaman LLP
Pensions, Benefits
& Investments Group

PERSI | Public Employee Retirement System of Idaho

BOARD RETREAT · JUNE 2026

30^{+} Years of Consistent, Disciplined Stewardship and **Successful Outcomes**

MISSION

To invest PERSI assets to meet the obligations of the Fund while incurring the appropriate amount of risk consistent with attaining that goal

$29 bn

MARKET VALUE
2016: $15 bn
2006: $10 bn
1996: $4 bn

7.7%

30-YEAR ANNUALIZED NET RETURN
As of 5/31/26

11.7%

FISCAL YTD GROSS RETURN
As of 6/23/26

Looking Forward

PEOPLE

Prioritize team development and retention while building a scalable framework for potential resource expansion to support fund growth.

PROCESS

Proactively assessing investment strategies, vehicles, and market opportunities to optimize returns and streamline operations.

TECHNOLOGY

Drive continuous improvement in technological efficiencies through artificial intelligence and automation to enhance reporting and optimize operational efficiency.

Callan

June 30, 2026

Public Employee Retirement System of Idaho

Callan Board Retreat Materials

Greg Allen
CEO and Chief Research Officer

Callan Periodic Table of Investment Returns Calendar Years

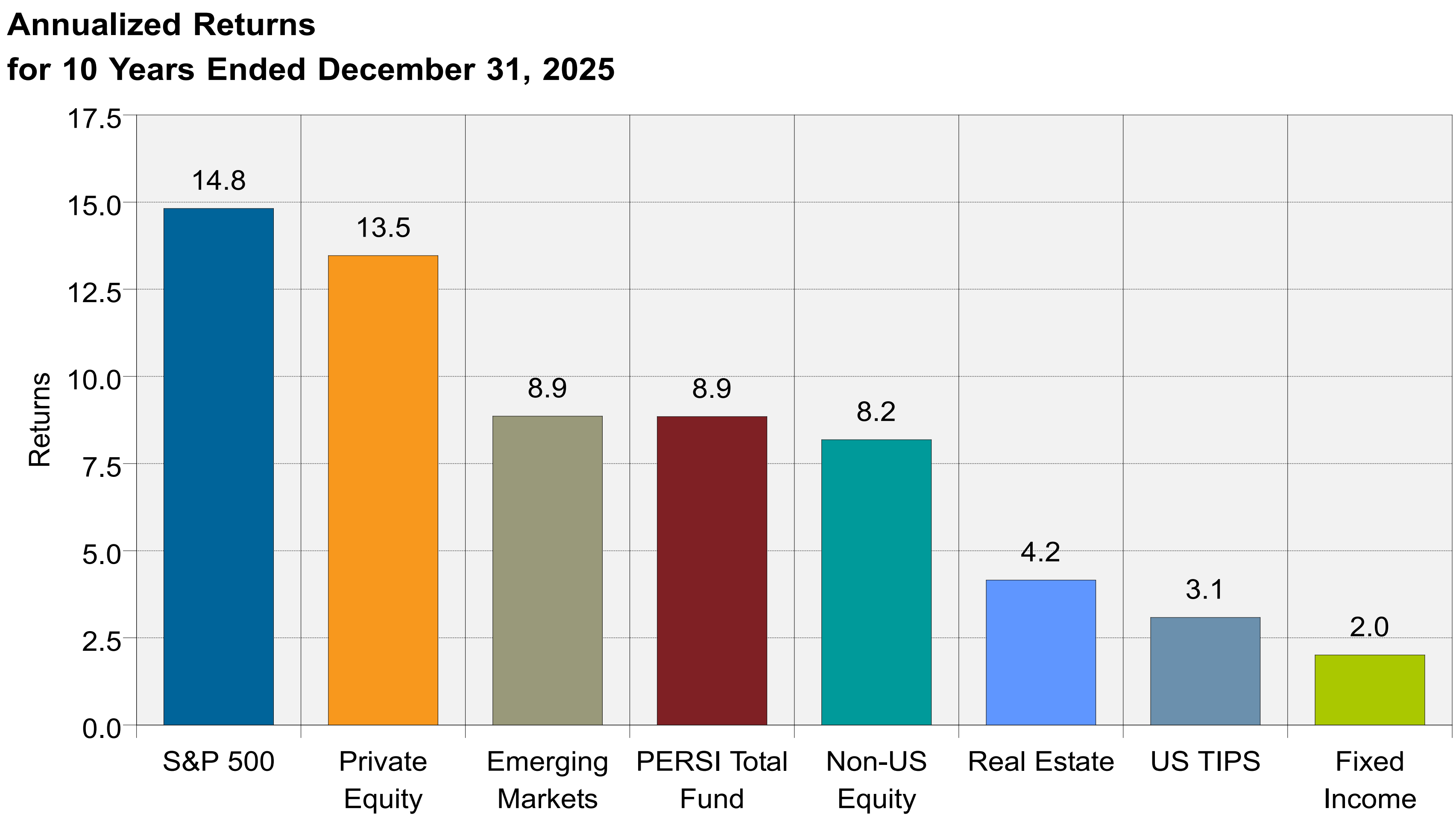
Returns for Asset Class Indices and PERSI Total Fund

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
S&P 500 11.96%	Emerging Markets 37.75%	Private Equity 10.16%	S&P 500 31.49%	Private Equity 30.38%	Private Equity 37.74%	Real Estate 7.56%	S&P 500 26.29%	S&P 500 25.02%	Emerging Markets 34.36%
Emerging Markets 11.60%	Non-US Equity 25.03%	Real Estate 7.30%	Non-US Equity 22.01%	Emerging Markets 18.69%	S&P 500 28.71%	Private Equity -7.76%	Non-US Equity 18.24%	Emerging Markets 8.05%	Non-US Equity 31.22%
Private Equity 9.69%	S&P 500 21.83%	US Fixed Income 0.01%	PERSI Total Fund 20.41%	S&P 500 18.40%	Real Estate 21.88%	US TIPS -11.85%	PERSI Total Fund 13.32%	PERSI Total Fund 7.94%	S&P 500 17.88%
Real Estate 8.36%	Private Equity 19.96%	US TIPS -1.26%	Emerging Markets 18.90%	PERSI Total Fund 12.47%	PERSI Total Fund 15.55%	PERSI Total Fund -12.77%	Emerging Markets 10.27%	Private Equity 6.15%	PERSI Total Fund 14.13%
PERSI Total Fund 7.95%	PERSI Total Fund 17.07%	PERSI Total Fund -3.03%	Private Equity 16.52%	US TIPS 10.99%	Non-US Equity 11.26%	US Fixed Income -13.01%	Private Equity 6.39%	Non-US Equity 3.82%	Private Equity 11.97%
US TIPS 4.68%	Real Estate 6.92%	S&P 500 -4.38%	US Fixed Income 8.72%	Non-US Equity 7.82%	US TIPS 5.96%	Non-US Equity -14.45%	US Fixed Income 5.53%	US TIPS 1.84%	US Fixed Income 7.30%
US Fixed Income 2.65%	US Fixed Income 3.54%	Non-US Equity -13.79%	US TIPS 8.43%	US Fixed Income 7.51%	US Fixed Income -1.54%	S&P 500 -18.11%	US TIPS 3.90%	US Fixed Income 1.25%	US TIPS 7.01%
Non-US Equity 1.00%	US TIPS 3.01%	Emerging Markets -14.24%	Real Estate 5.18%	Real Estate 0.75%	Emerging Markets -2.22%	Emerging Markets -19.74%	Real Estate -13.33%	Real Estate -2.43%	Real Estate 2.93%

Fixed Income: Bloomberg Aggregate; US Equity: S&P 500; Non-US Equity: MSCI EAFE; Emerging Markets: MSCI Emerging Markets; Real Estate: NCREIF ODCE; Private Equity: Cambridge Private Equity; US TIPS: Bloomberg US TIPS.

Ten-Year Annualized Returns ended December 31, 2025

Returns for Asset Class Indices and PERSI Total Fund

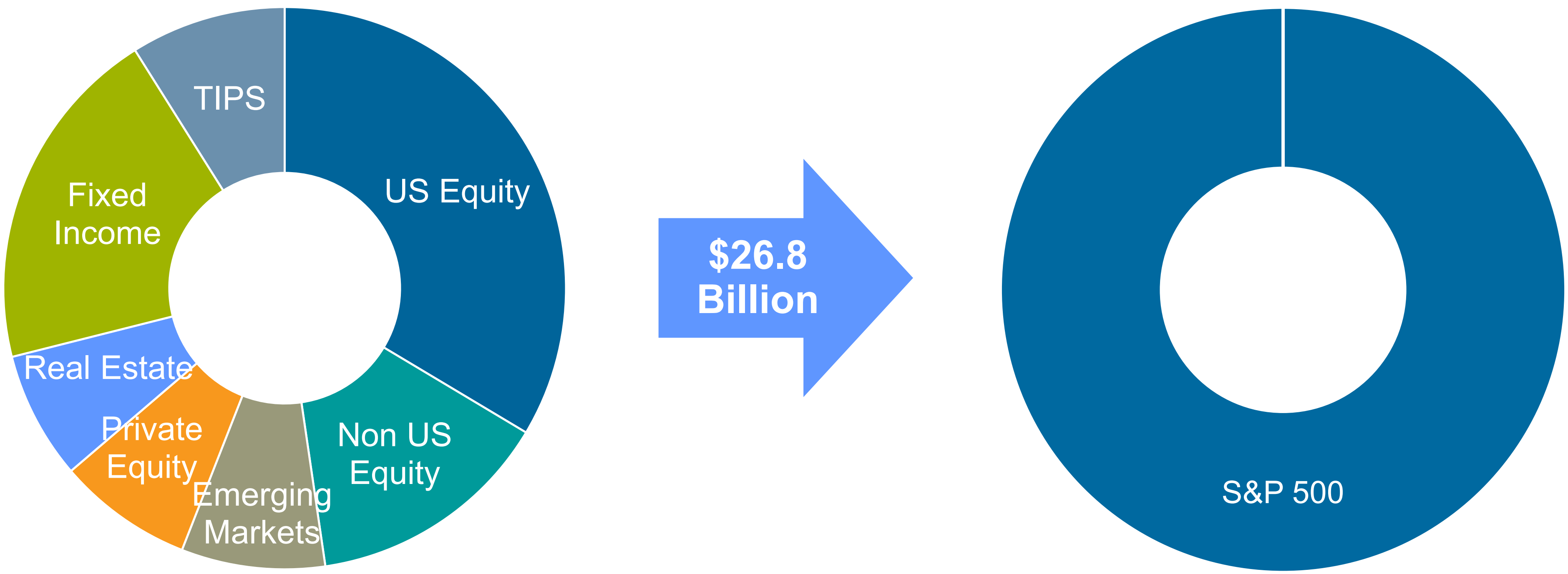


Fixed Income: Bloomberg Aggregate; US Equity: S&P 500; Non-US Equity: MSCI EAFE; Emerging Markets: MSCI Emerging Markets; Real Estate: NCREIF ODCE; Private Equity: Cambridge Private Equity; US TIPS: Bloomberg US TIPS.

STRS Ohio: When Investment Performance Became a Political Weapon

- COLAs were reduced from in 2013 and suspended in 2017 to address a severe funding shortfall.
- Retiree frustration was channeled into a simple narrative: high fees, active management, and private markets had deprived members of COLAs.
- Reform candidates won a Board majority promising to change the investment model and restore benefits.
- Independent reviews found no fraud or systemic investment failure; multi-year results exceeded the policy benchmark and relevant peer medians.
- The conflict escalated into adviser and executive departures, state intervention, litigation, and a court order barring two trustees from future Board service for fiduciary breaches.

What if 100% of PERSI Portfolio was Invested in the S&P 500?

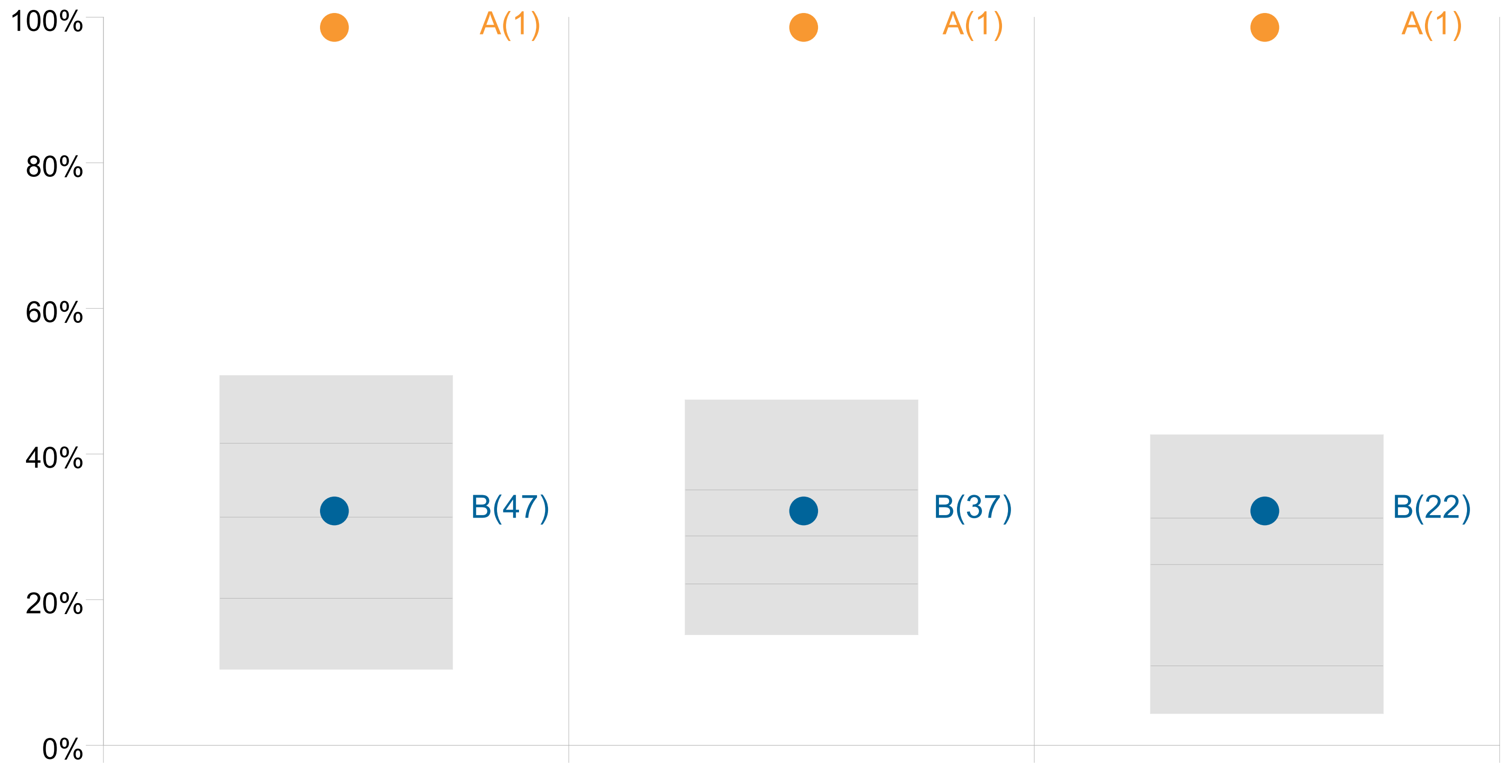


What if 100% of PERSI Portfolio was Invested in the S&P 500?

Domestic Equity Allocations vs Callan Total Fund Sponsor Database – **as of December 31, 2025**

Allocation to US Equity would be roughly 5 times that of the median institution.

It would probably violate the "Prudent Man" standard under which the public funds generally operate by statute.



	Callan Total Fund Spr DB	Callan Public Fund Lg DB	Callan Endow/Fdn Large DB
10th Percentile	50.80	47.44	42.66
25th Percentile	41.49	35.08	31.21
Median	31.35	28.77	24.84
75th Percentile	20.20	22.18	10.93
90th Percentile	10.45	15.21	4.39
S&P:500 ● A	100.00	100.00	100.00
PERSI Total Fund ● B	33.58	33.58	33.58

What if 100% of PERSI Portfolio was Invested in the S&P 500?

Significant Concentration in a Small Number of Stocks

- US Equity exposure would increase from roughly $9 billion to $26.8 billion.
- $11.1 billion would be invested in 10 stocks.
- Exposure to the rest of the global capital markets would decrease from $17.8 billion to zero.
- This includes zero exposure to 7,700 of the 8,200 stocks that make up the global publicly traded equity market.

Stock	Current PERSI (Millions)	100% S&P 500 (Millions)	Percent of Total Portfolio
NVIDIA	$756.63	$2,253.18	8.39%
Alphabet, Class A + Class C	$637.94	$1,899.74	7.08%
Apple	$578.60	$1,723.02	6.42%
Microsoft	$400.57	$1,192.86	4.44%
Amazon	$380.79	$1,133.95	4.22%
Broadcom	$276.93	$824.69	3.07%
Tesla	$222.54	$662.70	2.47%
Meta Platforms	$207.70	$618.52	2.30%
Walmart	$138.47	$412.35	1.54%
Berkshire Hathaway	$138.47	$412.35	1.54%
Top 10 subtotal	**$3,738.62**	**$11,133.38**	**41.47%**
Rest of S&P 500 holdings	$5,276.60	$15,713.38	58.53%
Total US Equity	**$9,015.22**	**$26,846.75**	**100.00%**
Rest of Global Capital Markets	**$17,831.53**	**$0.00**	**0.00%**

What if 100% of PERSI Portfolio was Invested in the S&P 500?

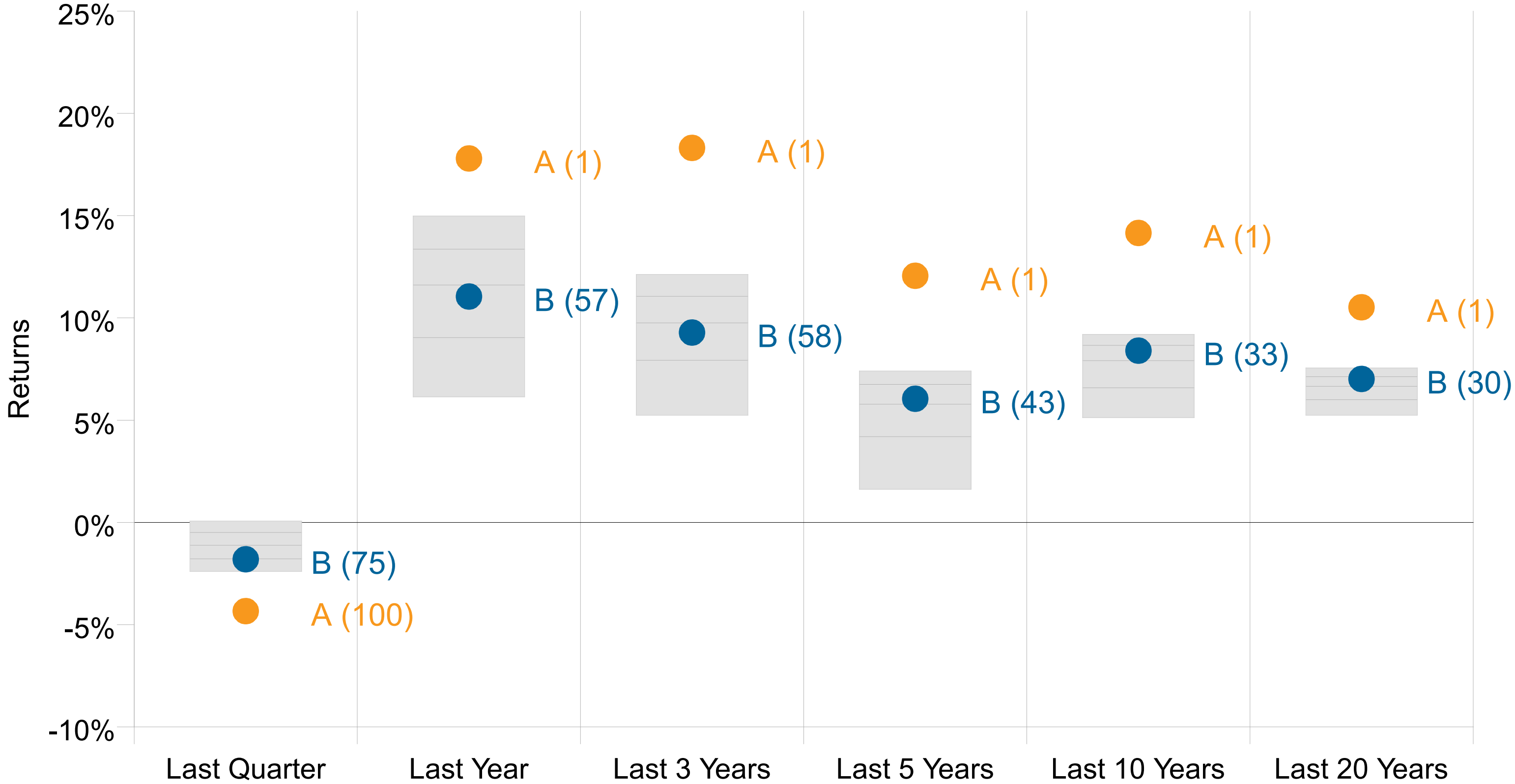
Performance Rankings vs Callan Total Fund Sponsor Database – **Periods ended March 31, 2026**

This looks pretty good!

Best performing fund over virtually every time period ended 3/31/26.

Way better than the PERSI portfolio.

Hmm, what about last quarter…



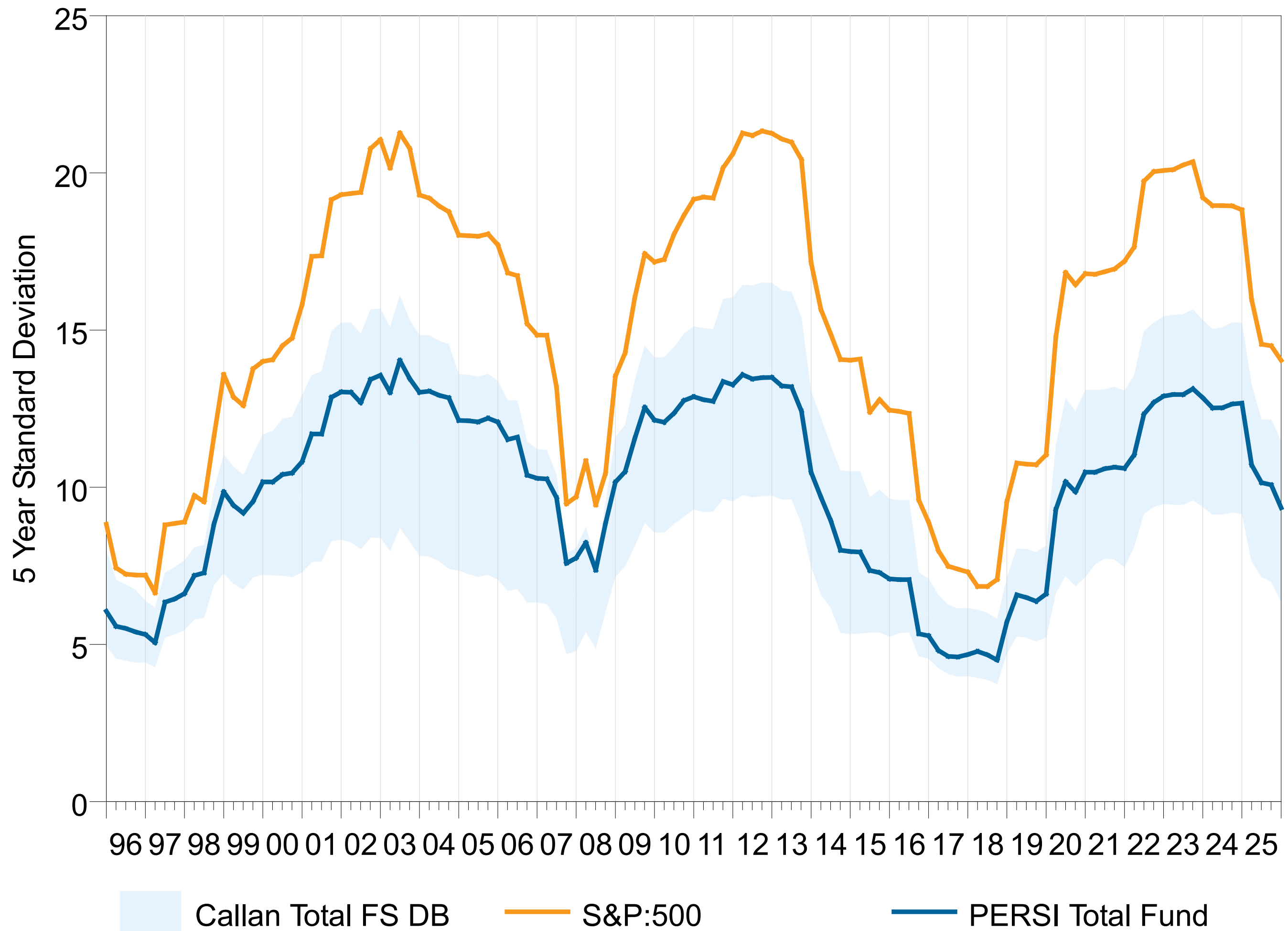
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	0.08	14.98	12.13	7.41	9.20	7.56
25th Percentile	(0.49)	13.36	11.06	6.75	8.66	7.13
Median	(1.11)	11.61	9.76	5.79	7.92	6.66
75th Percentile	(1.78)	9.04	7.93	4.20	6.59	6.01
90th Percentile	(2.40)	6.15	5.24	1.62	5.13	5.24
S&P:500 ● A	(4.33)	17.80	18.32	12.06	14.16	10.53
PERSI Total Fund ● B	(1.79)	11.05	9.29	6.05	8.40	7.02

What if 100% of PERSI Portfolio was Invested in the S&P 500?

Less Diversification equals Increased Return Volatility

- Grey area shows the range of volatility (10th to 90th percentile) across all plans in Callan Total Fund Sponsor Database.
- PERSI has consistently been in the center of the distribution in terms of observed volatility.
- There is no five-year period over the last when the volatility of the S&P 500 did not exceed the 10th percentile most volatile fund in the database.

Rolling 5 Year Standard Deviation
Callan Total Fund Sponsor Database

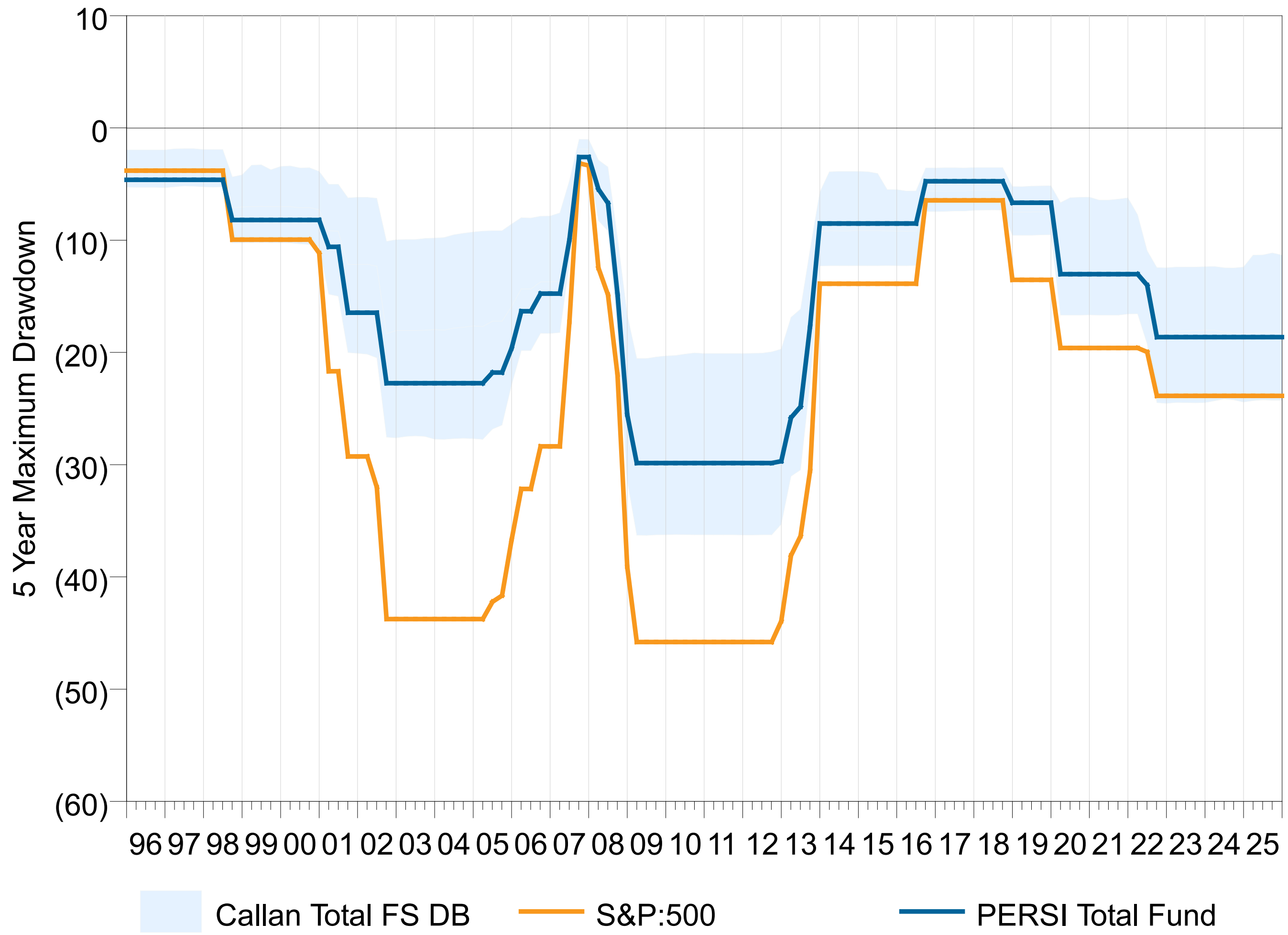


What if 100% of PERSI Portfolio was Invested in the S&P 500?

Less Diversification and Higher Equity Exposure equals Larger Maximum Drawdowns

- Maximum drawdown is the largest peak to trough loss over the previous five years.
- PERSI has consistently been in the middle of the universe in terms of mitigating losses in the face of large negative market events.
- S&P 500 has experienced two drawdowns in the last thirty years that exceeded 40% peak to trough losses.

Rolling 5 Year Maximum Drawdown
Callan Total Fund Sponsor Database

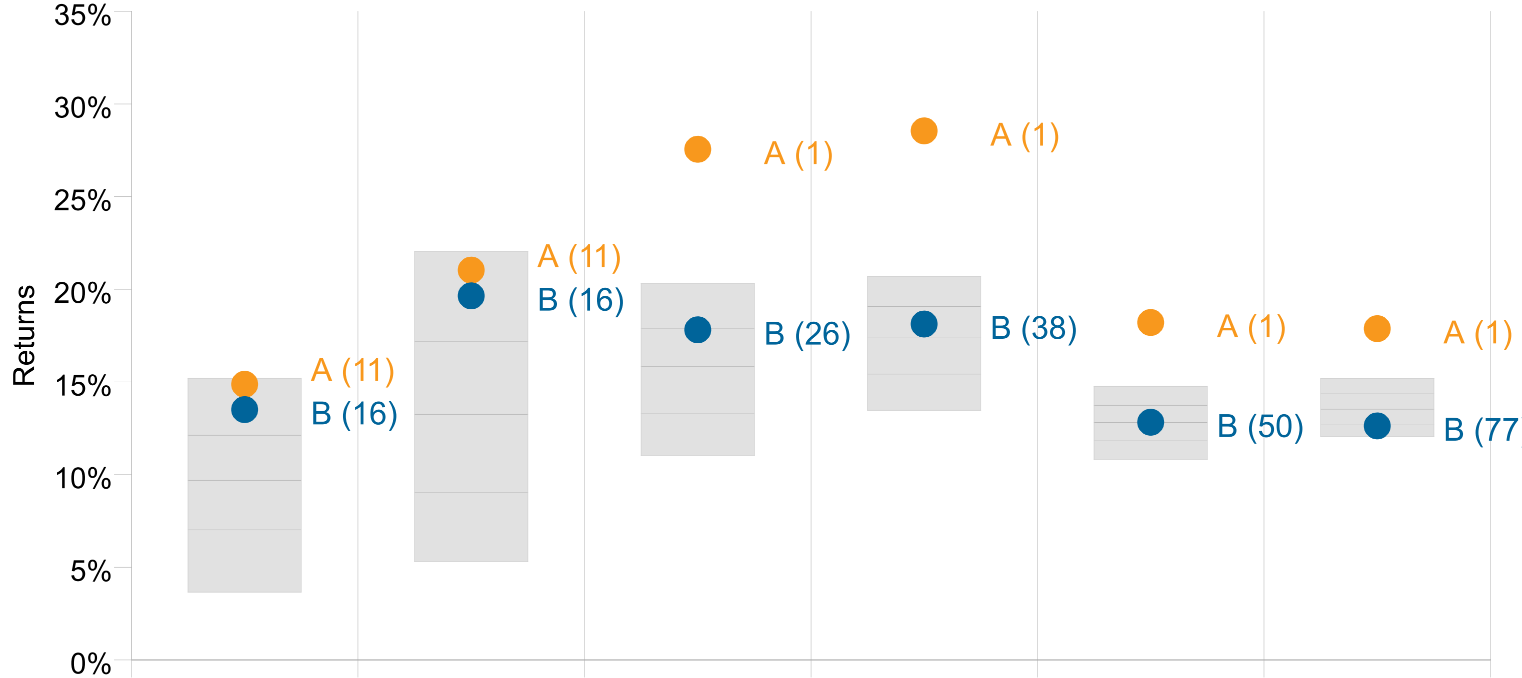


What if 100% of PERSI Portfolio was Invested in the S&P 500?

Performance Rankings vs Callan Total Fund Sponsor Database – **Periods ended December 31, 1999**

1999 was another good period for this strategy.

Best performing fund over virtually every time period ended 12/31/99.



	Quarter Ending December 31, 1999	Year Ending December 31, 1999	3 Years Ending December 31, 1999	5 Years Ending December 31, 1999	10 Years Ending December 31, 1999	20 Years Ending December 31, 1999
10th Percentile	15.20	22.05	20.32	20.70	14.77	15.19
25th Percentile	12.13	17.20	17.90	19.08	13.74	14.36
Median	9.70	13.26	15.83	17.43	12.83	13.53
75th Percentile	7.03	9.04	13.29	15.42	11.83	12.69
90th Percentile	3.66	5.31	11.02	13.48	10.80	12.05
S&P:500 A	14.88	21.04	27.56	28.56	18.21	17.88
PERSI Total Fund B	13.51	19.66	17.82	18.13	12.83	12.63

What if 100% of PERSI Portfolio was Invested in the S&P 500?

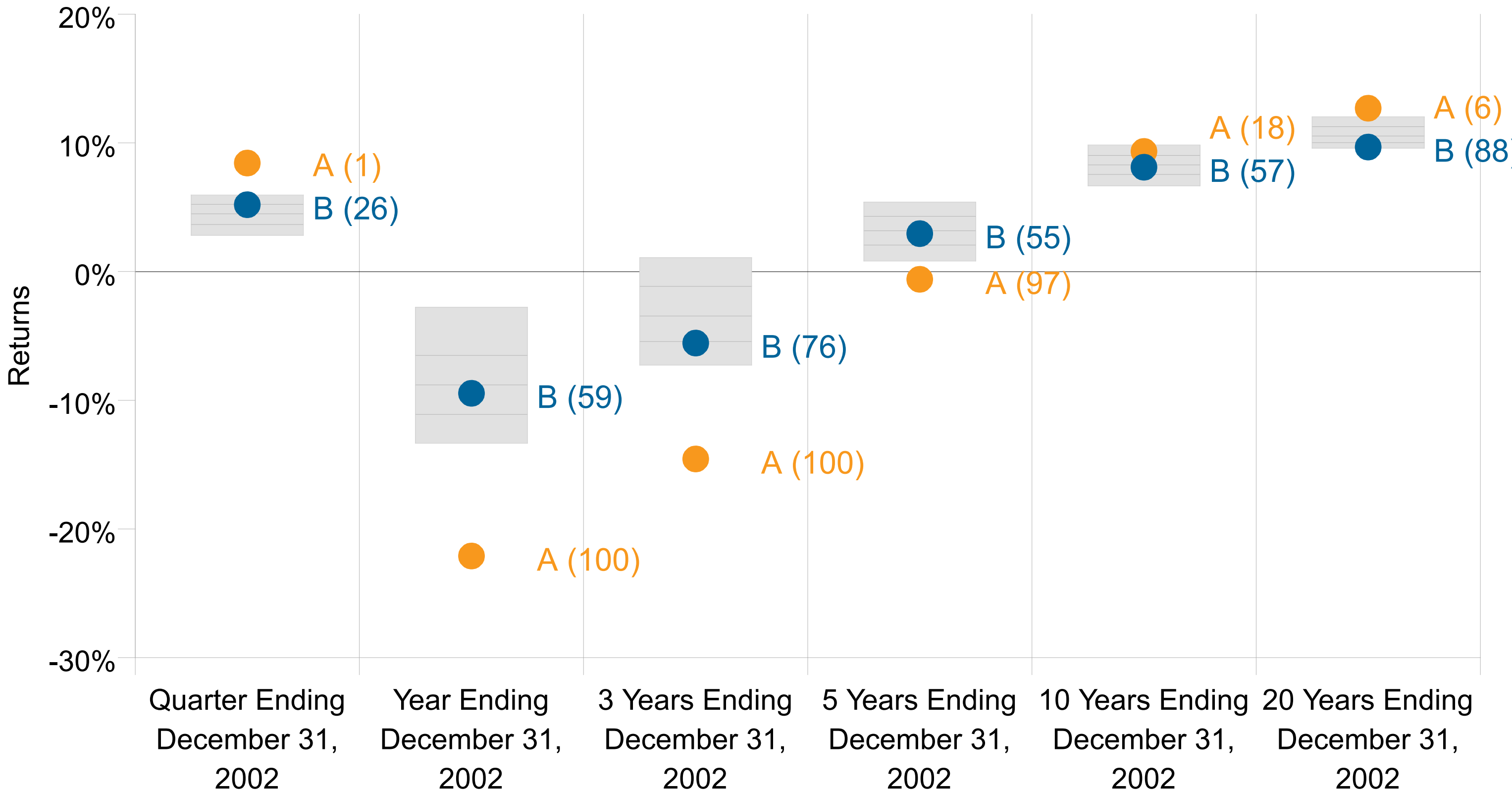
Performance Rankings vs Callan Total Fund Sponsor Database – **Periods ended December 31, 2002**

Same perspective three years later.

1, 3, and 5-year periods are a disaster.

Cumulatively down over 45% for the 3-year period.

Equity focus still pays off over 10 and 20 years.



	Quarter Ending December 31, 2002	Year Ending December 31, 2002	3 Years Ending December 31, 2002	5 Years Ending December 31, 2002	10 Years Ending December 31, 2002	20 Years Ending December 31, 2002
10th Percentile	5.96	(2.77)	1.09	5.41	9.85	12.03
25th Percentile	5.24	(6.51)	(1.14)	4.30	9.04	11.27
Median	4.49	(8.79)	(3.45)	3.17	8.29	10.55
75th Percentile	3.66	(11.09)	(5.43)	2.07	7.55	10.02
90th Percentile	2.83	(13.34)	(7.27)	0.82	6.67	9.60
S&P:500 A	8.44	(22.10)	(14.55)	(0.59)	9.34	12.71
PERSI Total Fund B	5.21	(9.46)	(5.54)	2.95	8.12	9.69

What if 100% of PERSI Portfolio was Invested in the S&P 500?

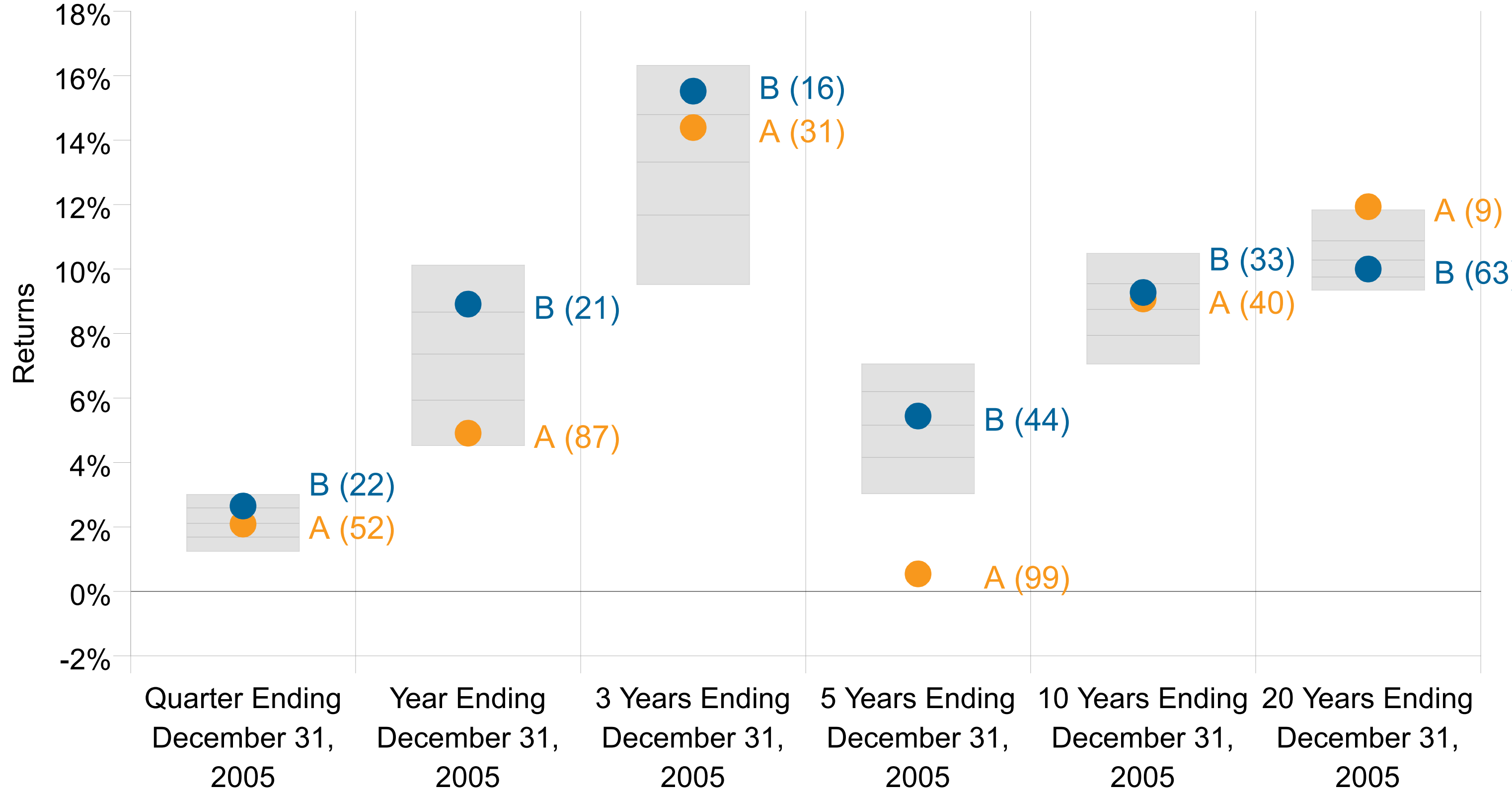
Performance Rankings vs Callan Total Plan Sponsor Database – **Periods ended December 31, 2005**

Same perspective after another three years.

1 and 5-year periods are challenging.

Still a difficult strategy to defend in a public environment.

PERSI ahead for 1Q, 1, 3, 5, and 10-year periods.



	Quarter Ending December 31, 2005	Year Ending December 31, 2005	3 Years Ending December 31, 2005	5 Years Ending December 31, 2005	10 Years Ending December 31, 2005	20 Years Ending December 31, 2005
10th Percentile	3.01	10.12	16.32	7.06	10.49	11.84
25th Percentile	2.59	8.67	14.80	6.20	9.55	10.88
Median	2.12	7.37	13.33	5.16	8.75	10.28
75th Percentile	1.69	5.94	11.68	4.16	7.95	9.76
90th Percentile	1.24	4.53	9.52	3.04	7.06	9.35
S&P:500 A	2.09	4.91	14.39	0.54	9.07	11.94
PERSI Total Fund B	2.65	8.92	15.52	5.45	9.27	10.01

What if 100% of PERSI Portfolio was Invested in the S&P 500?

Performance Rankings vs Callan Total Plan Sponsor Database – **Periods ended December 31, 2008**

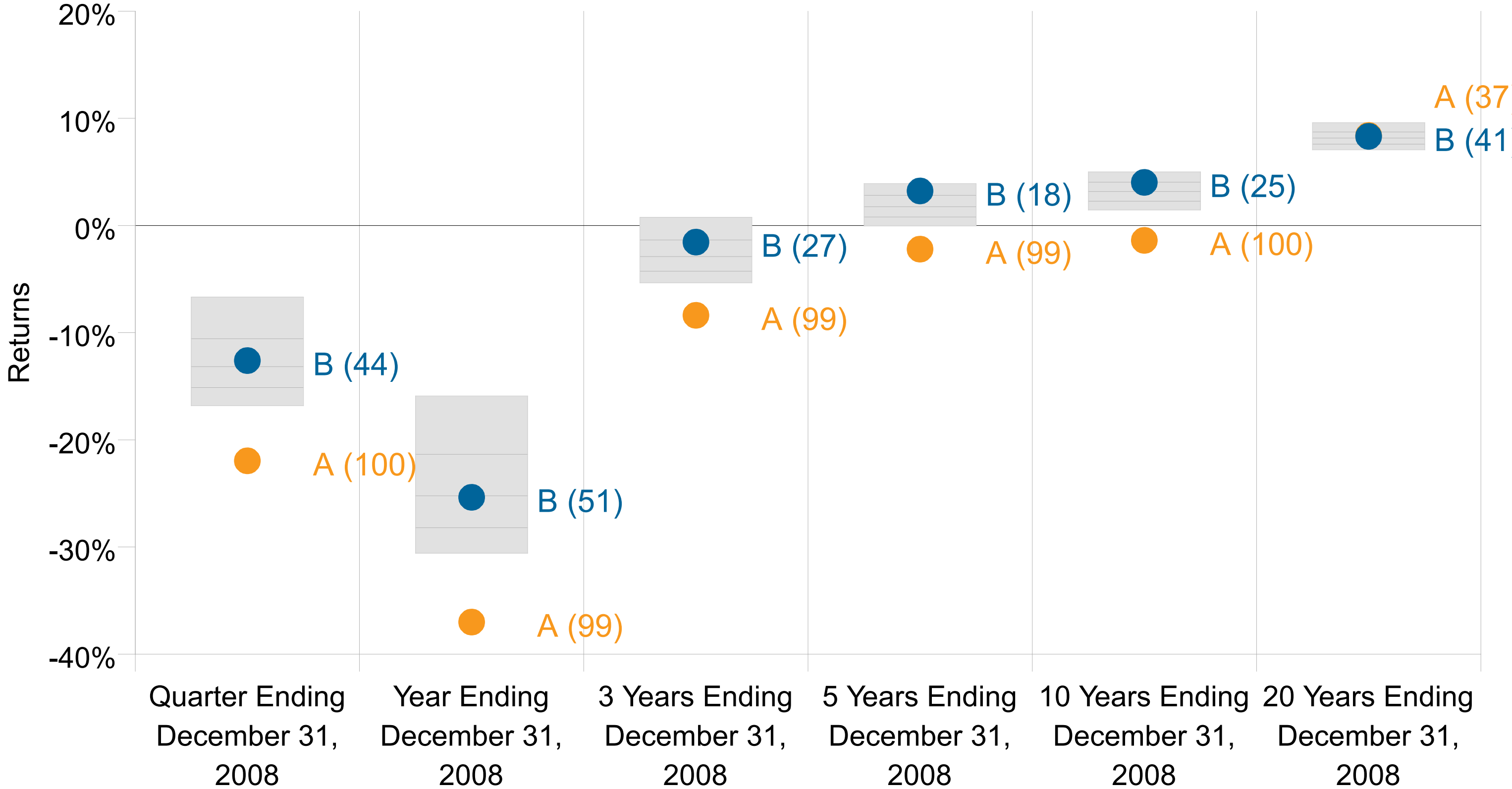
Let's roll forward another three years.

Commitment to the strategy would likely not have survived during this period.

Widespread doubt about the global financial system.

Negative returns for 1, 3, 5, and 10-year periods.

Down 37% for the year.



	Quarter Ending December 31, 2008	Year Ending December 31, 2008	3 Years Ending December 31, 2008	5 Years Ending December 31, 2008	10 Years Ending December 31, 2008	20 Years Ending December 31, 2008
10th Percentile	(6.66)	(15.89)	0.77	3.94	5.02	9.60
25th Percentile	(10.54)	(21.35)	(1.34)	2.83	4.06	8.74
Median	(13.16)	(25.20)	(2.88)	1.77	3.18	8.16
75th Percentile	(15.12)	(28.20)	(4.25)	0.81	2.29	7.60
90th Percentile	(16.80)	(30.57)	(5.33)	(0.03)	1.47	7.07
S&P:500 A	(21.94)	(37.00)	(8.36)	(2.19)	(1.38)	8.43
PERSI Total Fund B	(12.59)	(25.35)	(1.54)	3.24	4.03	8.33

What if 100% of PERSI Portfolio was Invested in the S&P 500?

Performance Rankings for All Five-Year Periods over last Thirty Years

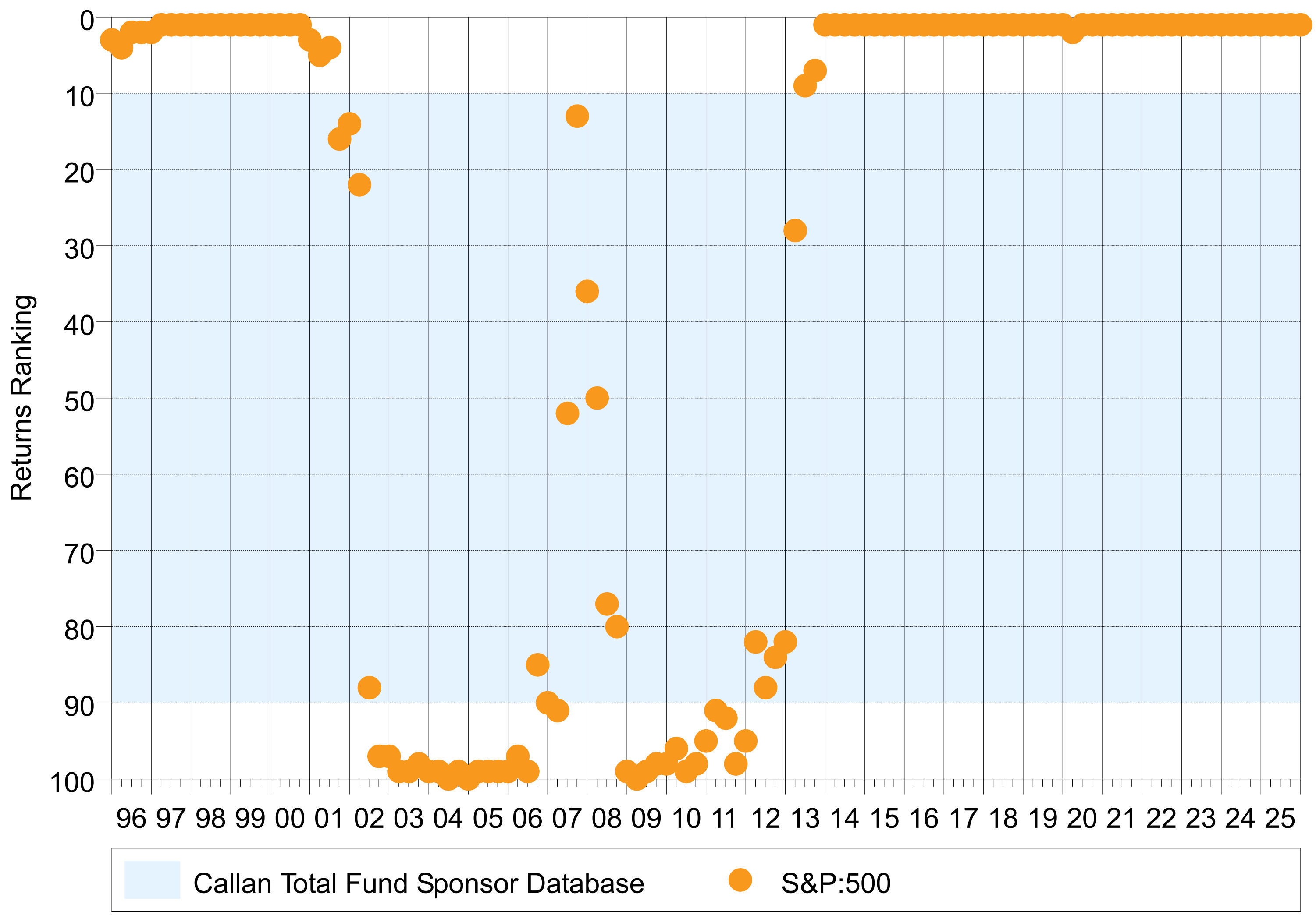
Chart illustrates performance ranking relative to Total Fund Sponsor Databased over rolling five-year periods.

Blue area is 10th through 90th percentile.

Strategy would have been outside the 10th and 90th percentile bands for 86% of periods over last thirty years.

The last twelve years it would have looked genius.

Rolling 5 Year Return Rankings against Callan Total Fund Sponsor Database



PERSI Total Fund Performance Rankings

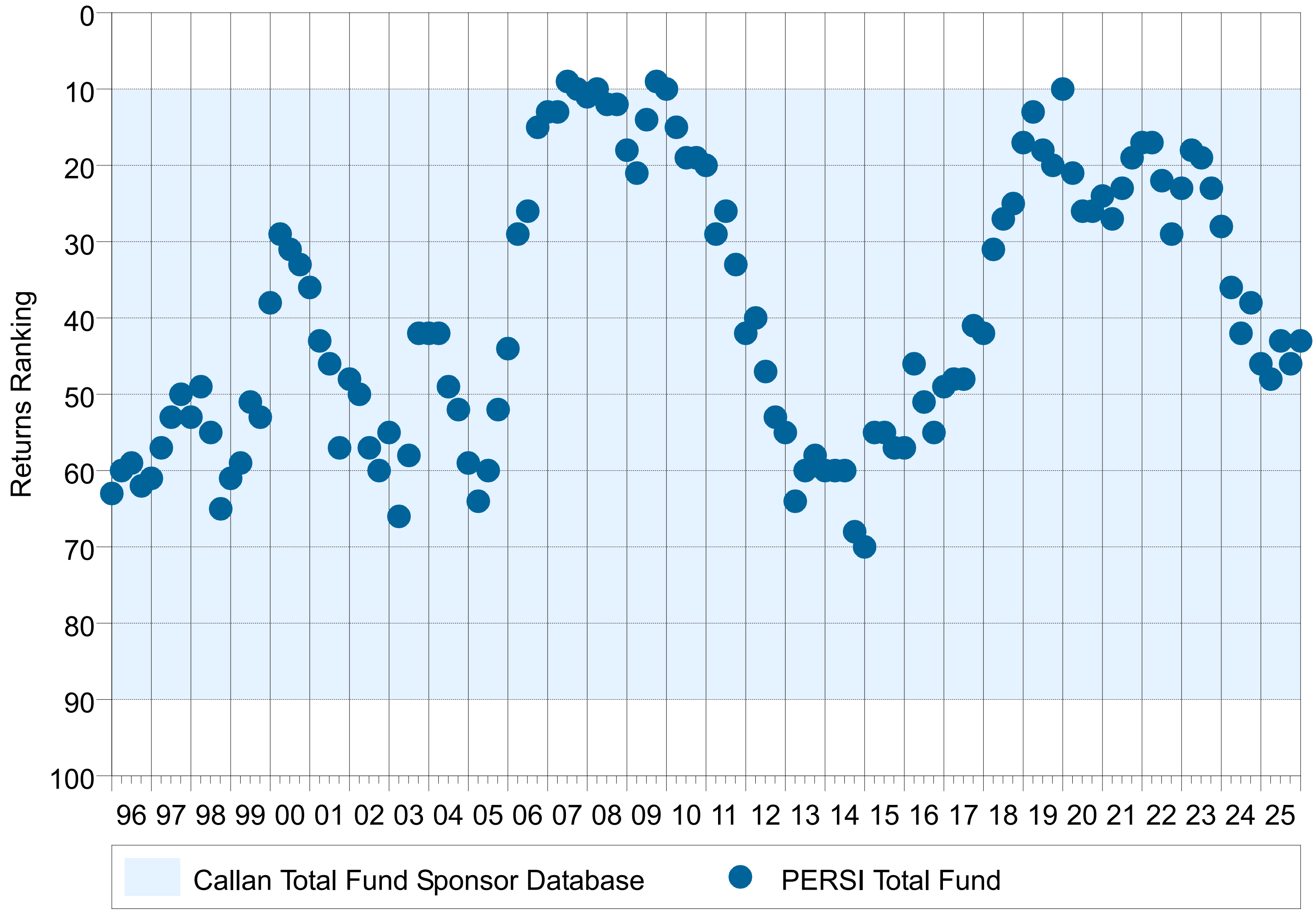
Performance Rankings for All Five-Year Periods over last Thirty Years

PERSI portfolio was safely above the 75th percentile bands 100% of the time over this period.

It was above median in 64% of the five-year periods.

Emphasis has always been on diversification and consistency of process.

Rolling 5 Year Return Rankings against Callan Total Fund Sponsor Database



Why PERSI's Approach Has Worked

PERSI's governance advantage has been the consistency of its strategy and process through full market cycles

Stable Policy and Process

- Target asset allocation largely unchanged for 20 years
- Manager selection and evaluation process applied consistently for more than two decades
- Rebalancing rather than reacting to short-term market leadership
- High bar for new strategies, with continued emphasis on liquidity and transparency
- Avoidance of investment fads and unnecessary complexity

Continuity and Institutional Memory

- Exceptionally low turnover among investment leadership and staff
- Long tenure supports consistent judgment across multiple market cycles
- Many manager relationships also span decades
- Performance evaluated in the context of process, role, and long-term contribution, not short-term results

Lean Structure, Disciplined Execution

- Small internal team requires focus on decisions that matter
- External advisors expand capacity and provide independent perspective
- Preference for simple, liquid, and transparent investments
- Changes are made only when the expected long-term benefit is clear and meaningful
- Consistent execution makes portfolio easier to understand, explain, govern and sustain

How to Respond to the S&P 500 Critique

Frame the fiduciary standard correctly in diversification and prudence

Criticism	Board response
"The S&P 500 is cheap and did better."	The S&P is a highly concentrated equity index. It is a good tool in a diversified portfolio. PERSI allocates over 30% of the portfolio to it already. Higher than most public pension funds.
"We paid too much for other strategies."	Fees matter, but net results and diversification matter more. Inefficient markets cost more to access. PERSI optimizes for net-of-fee, risk-adjusted return. This requires diversification.
"Why not just simplify everything?"	PERSI already emphasizes simplicity as a core principle. 100% of the portfolio in one asset class, however, is oversimplification and unsustainable.
"Diversification failed."	It lagged the winner recently. It also helped PERSI mitigate two 40% S&P 500 drawdowns in the decade ended 2008.
"The Board left money on the table."	A durable strategy will always leave something on the table. That is the price of surviving every market.

The relevant standard is not whether PERSI owned enough of yesterday's winner. It is whether the portfolio remains prudent, durable and capable of supporting benefits across future markets.

Summary

Concluding Observations

- A diversified mix of asset classes will always underperform the top performing asset class.
- A diversified mix of asset classes generates higher risk adjusted returns than an undiversified mix.
- Virtually every large institutional investor employs a diversified mix of global stocks, bonds, real estate, and varying levels of other private markets investments.
- An undiversified portfolio will often exhibit performance outside the range of other institutional investors (which is difficult to justify in times of stress).
- Private markets investments also benefit from smoothed price behavior, which has the real-world impact of dampening market value volatility (which dampens PERSI contribution volatility).
- The PERSI portfolio is well diversified, well-managed, and has exhibited very competitive risk-adjusted returns over the long-term.
- Importantly, the overall risk level of the portfolio has allowed the Board to navigate the most difficult performance periods without being pressured to abandon the strategy.

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Past performance is no guarantee of future results.

PERSI
IDAHO PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Consistency Matters: Sustainability in an Age of Change?

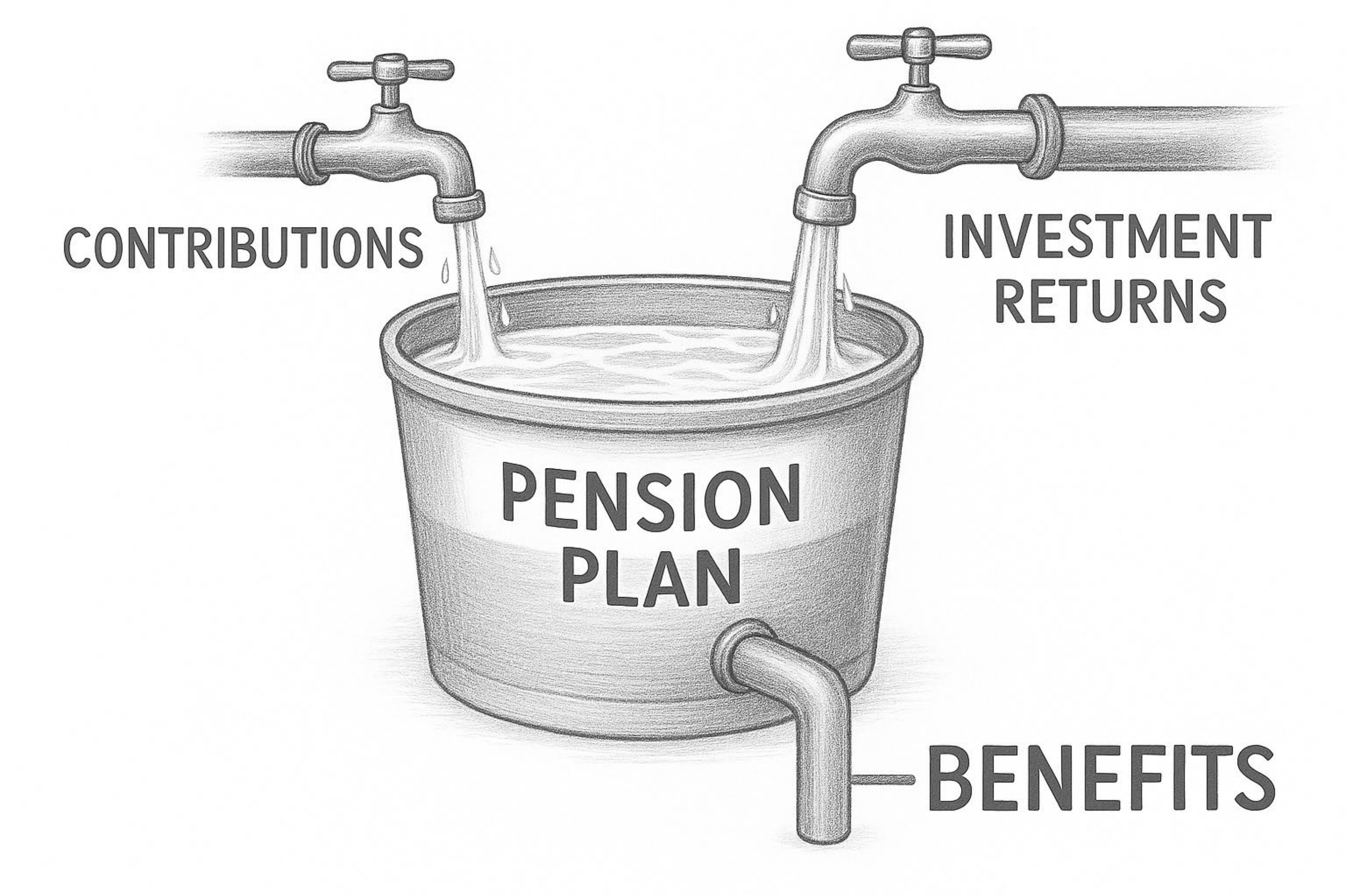
Christopher J. Ailman
Ailman Advisers, LLC

Consistency Matters

What should always remain consistent?

- Fiduciary Duty
- Mission - Sustainability
- Long-term thinking
- Discipline - Patience
- Focus on the members

DB Pension Funding



DB Sustainability

- Full Funding 80-100%
- Stable contribution rates
- Retirement income security – PAA
- Earn prudent returns
- Efficient cost effective
- <u>Intergenerational Equity</u>
- Maintain Public Confidence in the System

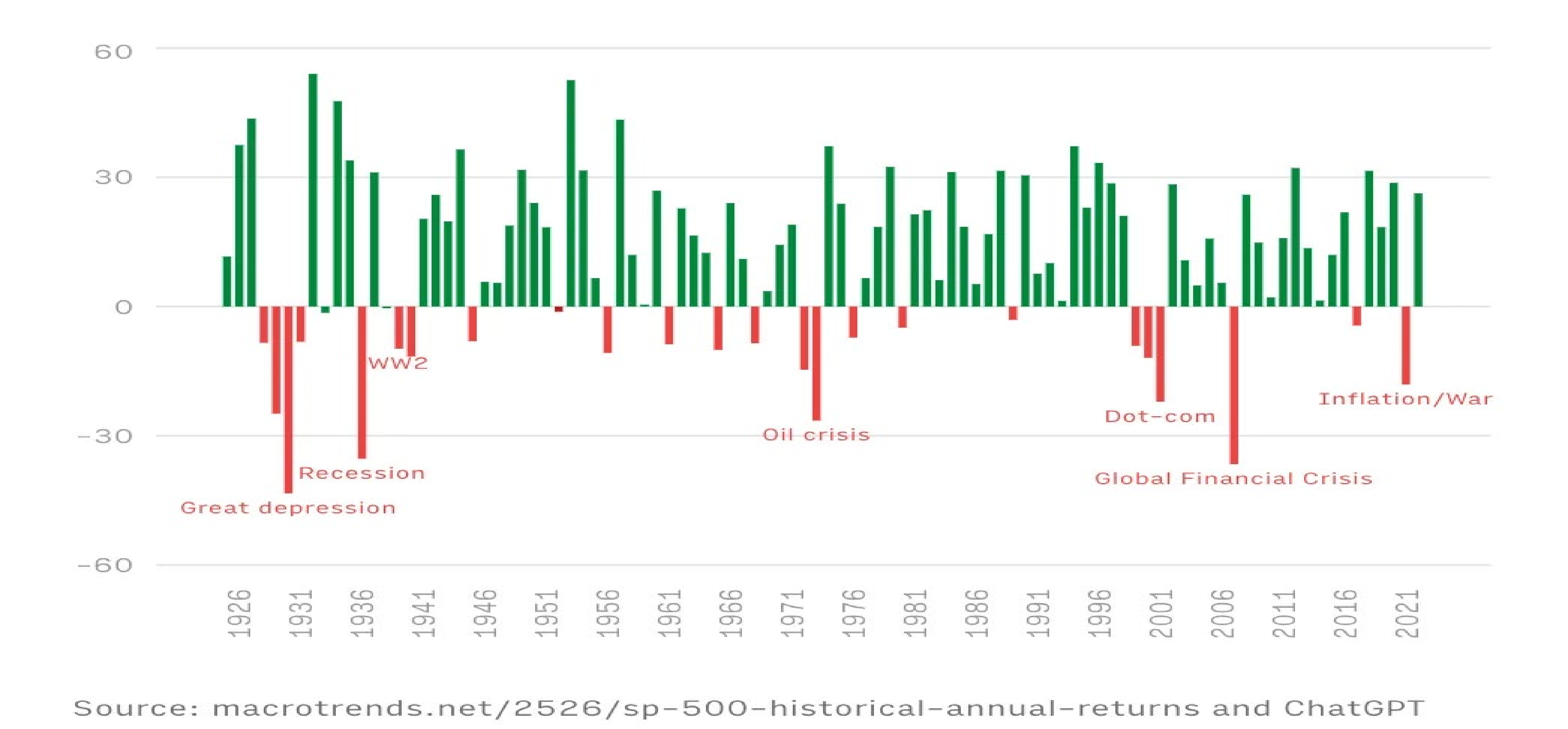
PERSI
IDAHO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Time Horizon matters

- **Daily** = Investment managers & Benefits Staff
- **Monthl**y =Chief Investment Officer & Executive Director
- **1, 3 and 5 years** – Board

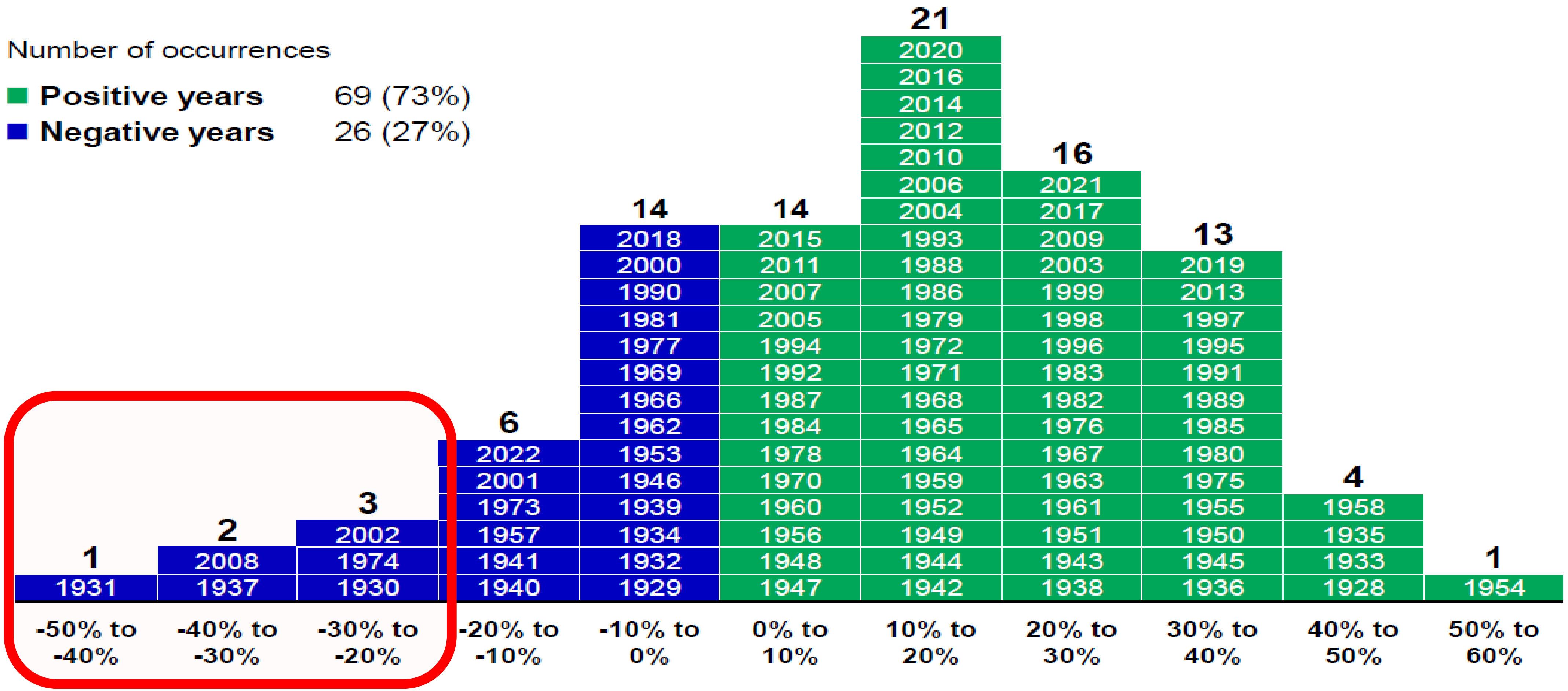
If Management focuses on the next quarter and year, **WHO** is responsible for the **NEXT Generation**?

Market Volatility



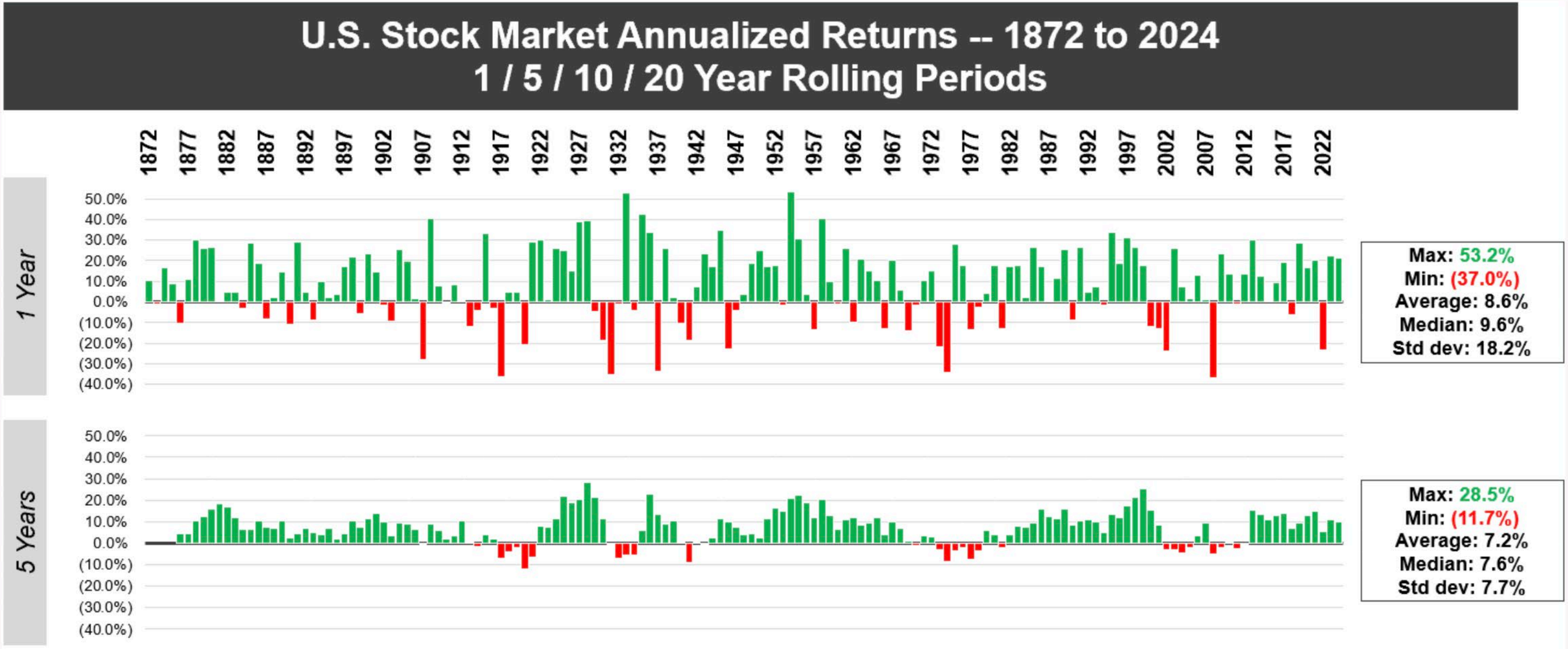
In any given year, returns may be negative

Distribution of annual returns, S&P 500 Index, 1928–2022



Source: Bloomberg, 2022. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. Past performance does not guarantee future results.

Impact of smoothing



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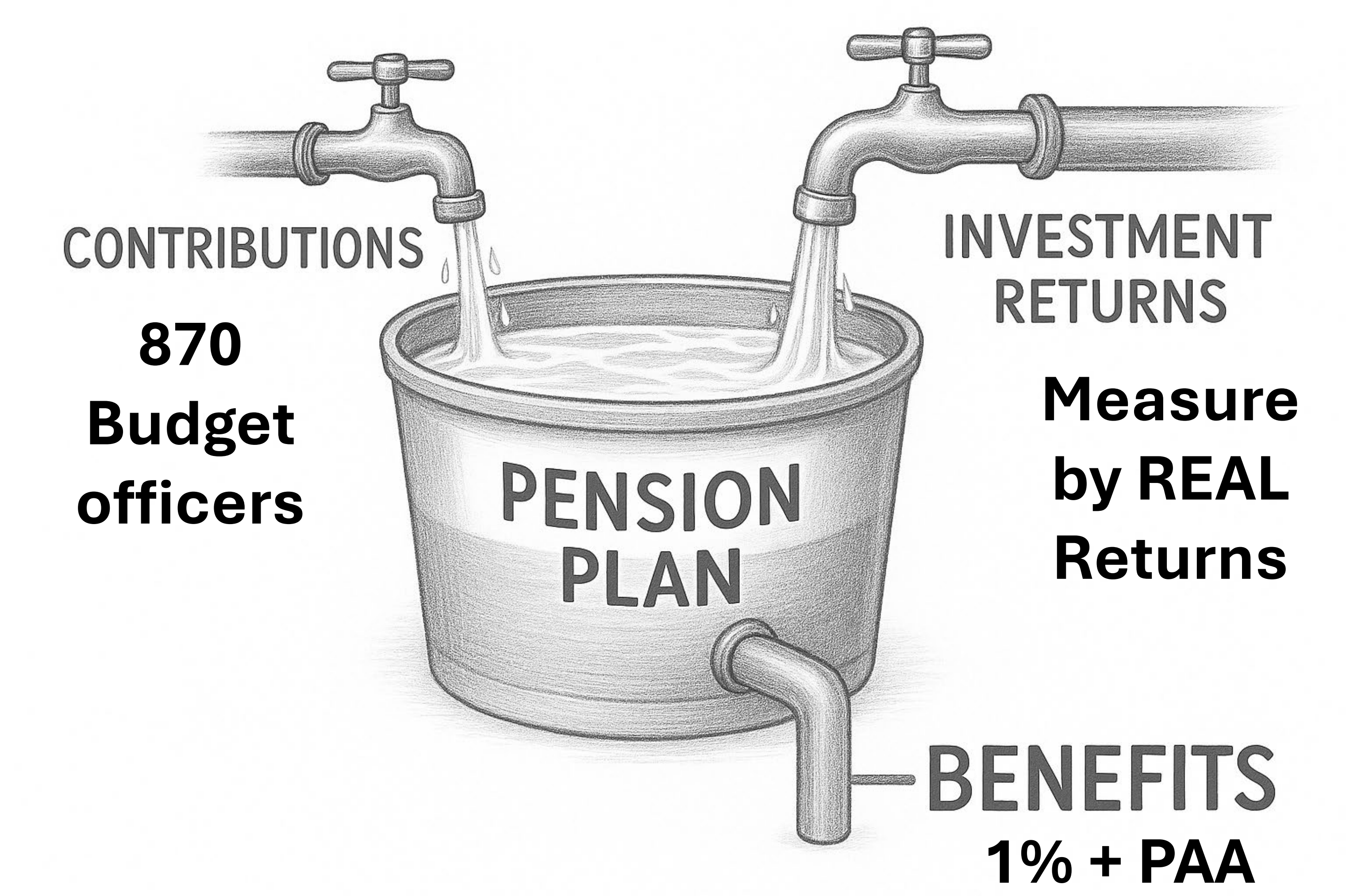
Sustainability



870 Budget officers

Measure by REAL Returns

1% + PAA

PERSI
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RETIREMENT SYSTEM

Where is your focus and time spent?

Strategic Planning - SWOT
Long-Term Inflation Trends
Long-Term Real Returns
Future risks – Scenario Planning
Staff development and succession

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RETIREMENT SYSTEM

What should never Change?
What needs to evolve?

<u>CONSTANTS</u>

- ❑ Mission
- ❑ Fiduciary Duty
- ❑ Simplicity
- ❑ Patience
- ❑ Long-Term Focus

<u>EVOVLE?</u>

- ❑ Long-Term Planning
- ❑ Trustee Education
- ❑ Strategic Board Agenda
- ❑ Trustee Skills
- ❑ Scenario Planning

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The future seems distant, then all at once its here.

<u>PERSI's world</u>

- Contribution Rates
- Retiree COLA expectations
- Public Pensions DB envy
- Demographic / Idaho Gov workforce

<u>External Mega Trends</u>

- ❑ Geopolitics
- ❑ AI
- ❑ Digital Finance – Tokens
- ❑ Climate Disruptions
- ❑ Energy demand

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Managing Volatility – Investment philosophy

Asset Class	Costs	Key Feature
High Yield Bonds	100+ BPs Fee	Credit Risk is critical
Hedge Funds	200 Bp Fee and 20% profit Share	Best results in the 1990's
Timber / Farmland	150 Bp Fee and 20% split	Poor Results
Infrastructure	100 Bp Fee and 10% split	Limited Results
Commodities	80 to 160 Bps	Short term roll risk
Private Credit	70 to 140 Bps some carry	Industry concentration

What matters – long-term returns net of costs.
Consistent philosophy beats change

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Board meeting in 2030 – 2035?

2005 Board Agenda

$5 Bil Fund

- Daily Performance
- Daily Funding
- Inv Manager Selection

2025 Board Agenda

$30 Bil Fund

- Weekly Performance
- Weekly Funding
- Operational Oversight
- Contribution Smoothing

2035 Board Agenda ?

$60 Bil Fund

- LT Contribution plan
- Retiree Expectations - PAA
- DB vs DC
- Workforce Changes
- Cyber Security

Are you building in sustainability?

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Questions?

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The pace of change has moved to lightspeed.

TECHNOLOGY	Invented	Time to Broad Adoption
Steam Engine	Late 1700s	50–100 years
Electricity	1870s	40–50 years
Railroads	1820s–1830s	40–60 years
Automobile	1886	25–40 years
Airplane	1903	30–40 years
Television	1927	20–25 years
Personal Computer	1970s	15–20 years
Internet	Early 1990s	7–10 years
Smartphone	2007	5–7 years
Generative AI	2022	1–3 years