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Meeting of the PERSI Retirement Board
May 26th, 2026 │ 8:30 A.M. - 2:30 P.M.
PERSI Office - 607 N. 8th St. Boise, ID 83702

AGENDA

Tuesday, May 26

8:30 AM		Call to Order│Welcome	Jeff Cilek
8:35 AM	*I.	Consent Agenda	Jeff Cilek
		A. February 24th, 2026 Minutes	
		B. Investment Report	
		C. Deputy Director Report	
		D. New and Withdrawn Employers Report	
		E. Financial Reports and Quarterly Financial Statements	
8:40 AM	II.	Board Action Items	
	*	A. Callan Asset / Liability Study	Ann O'Bradovich, Adam Lozinski
	*	B. Milliman Sick Leave Experience Study	Ryan Cook, Ryan Falls
	*	C. Milliman Base Plan Contribution Rate Setting	Ryan Cook, Ryan Falls
10:00 AM		Break	
10:10 AM	III.	Board Information Items (to support potential future Board decisions)	
		A. Governance Policy Review	Elisa Magnuson
		B. FY 2028 Operating Budget Preview	Mike Anderson
		C. Milliman Actuarial Education	Ryan Cook, Ryan Falls
11:20 AM		Break	
11:30 AM	IV.	Board Consultant and Staff Reports	
		A. Callan Quarterly Performance Evaluation	Ann O'Bradovich
		B. CIO Report	Richelle Sugiyama, Chris Brechbuhler
		1. Real Estate Review (Callan, AEW, DBF)	Jonny Gould, Michael Byrne, Adam Schwank, Brandon Fitzpatrick, Casey Macomb
12:40 PM	V.	Unfinished Board Business & Board Announcements	Jeff Cilek
12:45 PM		Break	
12:55 PM	**	Executive Session - Idaho Code § 74-206 (1)(a)(b)(f)*	Jeff Cilek
2:30 PM		Adjournment	

TEAMS: https://teams.microsoft.com/meet/277462945392860?p=1gh6hgowgqyA87bc86

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

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., February 24th, 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, Robert Schmidt - Milliman
Michelle Mellon-Werch, Ashley Dunning - Nossaman
Amy McDuffee, Natasha Smith - Mosaic
Ann O'Bradovich, Adam Lozinski - Callan
Gabrielle Wafer, Amanda Carrigan – Plante Moran

Legal Counsel:
Elisa Magnuson

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

Consent Agenda

The agenda was revised to include a consent agenda to accommodate the board's scheduling.

Trustee Price moved to introduce the consent agenda, Trustee Whitworth seconded. Trustee DeAngeli asked to pull the financial statements from the consent agenda for discussion to take place during the Unfinished Board Business section of the meeting. All other items on consent agenda were approved by the Board.

Board Action Items

CIO &DCIO – Investment Manager Selection

Richelle Sugiyama summarized the topic and Staff recommendation. Chris Brechbuhler provided an overview of the investment manager search process and presented the recommendation to hire Hood River Capital Management and Boston Partners and delegate authority to Staff to implement.

Trustee Price moved to approve the Staff recommendation, Trustee Whitworth seconded and the motion passed.

Internal Audit Plan Based On Risk Assessment

Gabriella Wafer and Amanda Carrigan presented the complete risk assessment and recommendations for 2026 internal assessment plan.

Trustee Price moved to approve the recommendations, Trustee Whitworth seconded and the motion passed.

Contribution Rate Holiday For School Leave Plan
Mike Hampton introduced Ryan Cook who presented background and analysis on the school sick leave program, recommending a two-year extension of the contribution rate holiday for schools to June 30, 2028.

Trustee Whitworth moved to approve the recommendations, Trustee Price seconded and the motion passed.

Board Information Items

Legislative Update
Mike Hampton provided a comprehensive update on the 2026 Legislative Session, discussing several bills progressing through the legislature that could impact PERSI.

Capital Market Assumptions
Richelle Sugiyama provided a brief introduction, noting that the Capital Market Assumptions are presented to the Board annually and will be used in the Asset/Liability study, which will be presented in May. Adam Lozinski presented Capital Market Assumptions.

Board Consultant and Staff Reports

Callan Quarterly Report
Ann O'Bradovich presented the Fourth quarter 2025 Performance Evaluation report, highlighting the performance and attribution of the Fund.

CIO Report
Richelle Sugiyama introduced the addition to the investment team, Investment Officer Sofia Wilson, who provided a summary of her background. Richelle noted the inclusion of the monthly report in the consent agenda.

Executive Director Report
Mike Hampton discussed the long-range plan, including the importance of updating the plan to align with current priorities.
Natasha Smith presented the process to update the organization's long-range plan for the 2027-2029 period, outlining the strategic performance management framework, and timeline for plan development, and stakeholders' research.

General Counsel Report
Elisa Magnuson announced the kickoff of the governance policy review and timeline for completion of the project. The review will involve PERSI staff and consultant input and finalize with Board approval of any proposed changes.

Unfinished Board Business and Board Announcements

Financial Reports and Quarterly Financial Statements
Trustee DeAngeli had questions about the increase in the budget on some management fees. Mike Anderson explained the increase in the expenses.

Board Education
Fiduciary training Part II
Ashley Dunning and Michelle Mellon-Werch presented the recap of September 2025 Fiduciary Education, Duties of a Public Retirement Board and trends.

Executive Session:
At 1:05 p.m. Chairman Cilek made a request for motion to enter executive session in accordance with Idaho Code § 74-206 (1)(a)(b) &(f). Trustee Price moved to enter executive session and Trustee Whitworth seconded the motion, which passed unanimously. Upon conclusion of the executive session at 2:25 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 2:25 p.m.

PERSI Investment Report

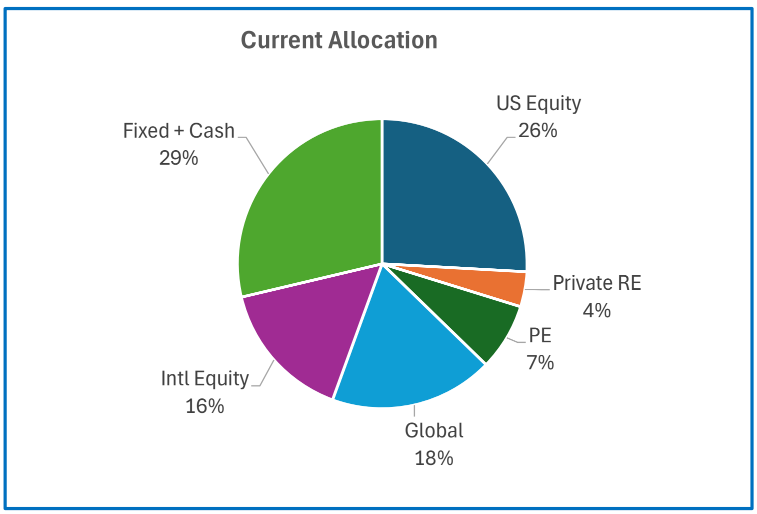
Unaudited gross of fee returns as of: **April 2026**

Current MV	$ 28,184,752,795	FYTD Return	9.9%
Last FY-end MV	$ 26,032,790,430	MTD Return	5.1%

Performance Summary

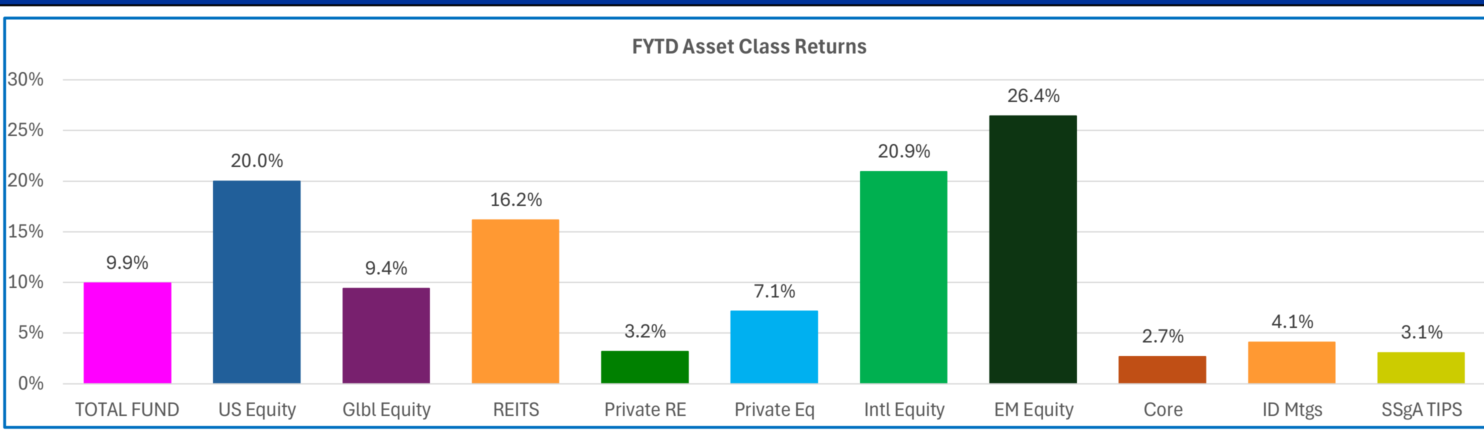
	MTD	FYTD	3 Year	5 Year	10 Year	20 Year
Total Fund	**5.1%**	**9.9%**	**10.7%**	**6.4%**	**8.9%**	**7.2%**
Strategic Policy	**6.4%**	**13.2%**	**12.8%**	**7.1%**	**9.0%**	**7.3%**
Long-Term (Broad)	6.8%	13.0%	15.0%	8.0%	10.1%	8.2%
Dom Equity	**5.8%**	**11.0%**	**13.4%**	**9.4%**	**12.4%**	**9.6%**
Russell 3000	10.2%	17.2%	21.3%	11.9%	14.8%	10.7%
U.S. Equity	**8.1%**	**13.4%**	**19.1%**	**10.0%**	**13.3%**	**10.4%**
Private RE	**0.0%**	**3.2%**	**-3.5%**	**5.2%**	**7.3%**	**4.1%**
PE	**1.2%**	**7.2%**	**7.6%**	**11.8%**	**13.0%**	**11.0%**
Global Equity	**6.6%**	**10.7%**	**12.8%**	**8.8%**	**12.0%**	**7.7%**
Int'l Equity	**10.7%**	**19.3%**	**15.6%**	**6.1%**	**8.3%**	**5.4%**
MSCI EAFE Net	7.5%	16.6%	15.3%	8.8%	8.8%	5.2%
Fixed Income	**0.5%**	**3.6%**	**3.8%**	**0.8%**	**2.4%**	**3.9%**
Aggregate	0.1%	3.2%	3.5%	0.2%	1.7%	3.3%

Asset Allocation



		MV $	Alloc %	Strategic %
US Equity	**$**	**7,294**	**26%**	**25%**
SMID	$	1,647	6%	8%
REITs	$	1,098	4%	4%
Private RE	**$**	**1,100**	**4%**	**4%**
PE	**$**	**2,112**	**7%**	**8%**
Global	**$**	**5,162**	**18%**	**18%**
Intl Equity	**$**	**4,430**	**16%**	**15%**
EM	$	2,534	9%	9%
Fixed + Cash	**$**	**8,087**	**29%**	**30%**
ID Mtgs	$	924	3%	5%
TIPS	$	2,673	9%	10%
Total Fund	**$**	**28,185**	**100%**	**100%**

FYTD Returns



Allocation and Returns by Manager					Apr-2026
	MV ($m)	Alloc (%)	FYTD	1 Year	5 Year
Total Fund	**$28,185**	**100%**	**9.9%**	**16.1%**	**6.4%**
Strategic Policy			13.2%	20.0%	7.1%
Long-Term "Broad" *(55-15-30)*			13.0%	21.6%	8.0%
Total Domestic Equity *(Russell 3000)*	**$15,121**	**53.6%**	**10.9%**	**19.1%**	**9.2%**
Russell 3000			**17.2%**	**31.0%**	**11.9%**
U.S. Equity ex RE, PE *(Russell 3000)*	**$7,294**	**25.9%**	**13.4%**	**24.6%**	**10.0%**
MCM Russell 1000	$2,794	9.9%	16.7%	30.4%	12.3%
Peregrine *(R1000G)*	$679	2.4%	-17.6%	-4.8%	-0.6%
MCM Russell 2000	$139	0.5%	30.0%	44.6%	5.9%
Atlanta Capital *(R2500)*	$576	2.0%	-3.5%	1.5%	N/A
Boston Partners *(R2500)*	$529	1.9%	N/A	N/A	N/A
Donald Smith & Co. *(R3000)*	$931	3.3%	36.8%	56.4%	26.3%
Hood River *(R2500)*	$547	1.9%	N/A	N/A	N/A
Global Equity	**$5,162**	**18.3%**	**10.7%**	**19.7%**	**8.8%**
BLS *(MSCI ACWI)*	$691	2.5%	-2.1%	3.8%	5.2%
Bernstein *(MSCI ACWI)*	$819	2.9%	24.8%	40.6%	10.5%
Brandes *(Russell 3000)*	$822	2.9%	19.6%	30.5%	14.5%
Longview *(MSCI ACWI)*	$593	2.1%	-8.4%	-3.0%	3.8%
PineStone *(MSCI World)*	$748	2.7%	14.7%	23.5%	10.3%
Pzena *(MSCI ACWI)*	$820	2.9%	18.5%	27.9%	N/A
Walter Scott *(MSCI World net div)*	$665	2.4%	4.1%	12.0%	6.6%
MCM REIT *(DJ US Select REIT)*	$516	1.8%	18.4%	19.8%	5.7%
Adelante REITs *(Wilshire REIT)*	$583	2.1%	18.3%	19.5%	6.8%
Private Real Estate	**$1,100**	**3.9%**	**3.2%**	**3.8%**	**5.2%**
Private Equity *(Russell 3000)*	**$2,112**	**7.5%**	**7.2%**	**8.8%**	**11.8%**
Int'l Equity *(MSCI EAFE)*	**$4,430**	**15.7%**	**19.3%**	**30.1%**	**6.1%**
MSCI EAFE Net			**16.6%**	**24.6%**	**8.8%**
MCM International *(MSCI EAFE)*	$283	1.0%	16.6%	24.6%	9.1%
C Worldwide *(MSCI ACWI ex US)*	$469	1.7%	7.4%	13.7%	N/A
Mondrian *(MSCI EAFE)*	$626	2.2%	19.0%	23.4%	11.7%
Sprucegrove *(MSCI EAFE)*	$518	1.8%	15.0%	23.4%	N/A
MCM Emerging Markets *(MSCI EMF)*	$1,178	4.2%	33.3%	47.4%	5.9%
WCM *(MSCI EMF)*	$776	2.8%	24.1%	44.4%	N/A
Wasatch *(MSCI EMF)*	$578	2.1%	5.7%	15.9%	N/A
Total Fixed Income *(BC Aggregate)*	**$8,012**	**28.4%**	**3.6%**	**4.4%**	**0.8%**
BB Aggregate			**3.2%**	**4.1%**	**0.2%**
Baird *(BB Aggregate)*	$530	1.9%	3.6%	4.4%	N/A
Clearwater *(BB Aggregate) - 1/2014*	$400	1.4%	3.4%	4.3%	0.4%
Dodge & Cox *(BB Aggregate)*	$533	1.9%	4.5%	5.7%	N/A
JP Morgan *(BB Aggregate)*	$536	1.9%	4.0%	5.3%	N/A
SSgA Gov/Corp *(BB G/C)*	$1,663	5.9%	2.9%	3.8%	0.2%
IR+M *(BB G/C)*	$522	1.9%	3.1%	4.0%	0.5%
DBF Idaho Mortgages *(BB Mortgage)*	$924	3.3%	4.6%	5.4%	2.2%
DBF MBS *(BB Mortgage)*	$229	0.8%	4.6%	5.4%	0.6%
SSgA TIPS *(BB TIPS)*	$2,673	9.5%	3.6%	3.9%	1.3%
Cash	**$75**	**0.3%**	3.9%	5.0%	3.7%

FOR

INFORMATIONAL

PURPOSES

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Bernstein Global Strategic Value

Global Equity: MSCI ACWI Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Bernstein GSV	5.73%	1.22%	40.68%	20.56%	10.47%
MSCI ACWI	10.17%	3.58%	31.00%	19.84%	10.68%
Russell 3000	10.20%	4.22%	31.01%	21.30%	11.91%

Performance Attribution & Strategy Comments

Portfolio Performance: In April, the Portfolio increased in absolute terms but underperformed its Benchmark, the MSCI ACWI, while increasing and outperforming for the year to date, net of fees. During the month, both sector and security selection detracted from overall performance, gross of fees. An underweight to technology and selection within consumer discretionary detracted the most, while selection within healthcare and materials contributed, mitigating some losses. Shell, a UK-based global integrated energy giant, was the leading individual detractor from performance during the month. Despite longer-dated oil futures remaining at elevated levels and limited clarity on how and when the energy supply shortage will be resolved, equity markets are relatively complacent, and energy stocks, including Shell, gave back much of their March outperformance in April. Merck & Co., a US pharmaceutical company with a strong focus on oncology and vaccines, detracted as its share price weakened following a first-quarter update that included a cut to full-year profit guidance tied largely to higher expected tariff-related costs and a one-time licensing charge. Investor sentiment was further pressured by softer-than-anticipated sales of its HPV vaccine in China and broad concerns about pricing and volume trends in key markets, which overshadowed continued strength in its flagship cancer therapy portfolio. Market commentary also noted that heightened trade and policy uncertainty amplified volatility across the pharmaceutical sector during the month, reinforcing caution toward large drug manufacturers despite resilient long-term fundamentals. **Outlook:** Despite continued uncertainty regarding any resolution for the free flow of energy through the Strait of Hormuz, the US and global markets were up in April, the strongest month for the MSCI ACWI since November 2020. Updates on AI demand trends from Anthropic and OpenAI drove a marked positive shift in sentiment toward everything AIinvestment related, which was broad enough to drive global markets sharply higher. Results from the large publicly traded tech companies toward the end of the month generally confirmed strong demand trends and increasing levels of investment, although markets had risen sharply before the actual earnings announcements. By region, the US market outperformed and led developed markets, up 10.49% in April. European and Japanese stocks underperformed, up only 7.09% and 9.15%, respectively. Emerging- marketstocks performed strongly, up 14.71%, driven by strength from tech-heavy Taiwan and South Korea and despite lackluster performance in China, only up 3.63% (all returns in US-dollar terms). From a style standpoint, in a month driven by tech stocks, it was a poor month for value, with the MSCI ACWI Value Index underperforming its growth counterpart by 5.15%. Value underperformed the most in the US during the month (–8.93% versus its growth counterpart), followed by Japan (–8.28%), emerging markets (–4.34%) and Europe (–1.68%); value outperformed in China (+2.82%) and was in line in Australia. Since the start of the year, the MSCI ACWI Value has continued to strongly outperform growth by 4.77%.

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		60.0		25	75	ok
B5. Normal Regional Exposures (* benchmark -/+ min/max):						
United States *	63%	44%		38%	88%	ok
Europe ex U.K. *	11%	17%		-4%	26%	ok
UK *	3%	19%		-7%	13%	ok
Japan *	5%	9%		-5%	15%	ok
Emerging Markets		8%		0%	20%	ok
Other		4%		0%	20%	ok
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	893,769	343,819	38%	50%	100%	check
Price/Book Value	3.7	2.4	64%	50%	100%	ok
Price/Earnings (Next 12 mo)	16.3	12.9	79%	50%	100%	ok
Price/Cash Flow	16.9	10.2	60%	50%	100%	ok
Dividend Yield	1.6	2.0	124%	75%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
Forwards executed with Custodian <= 100% of the total mv of account, given credit check						ok
F2. Brokerage commissions not to exceed $0.05/share for U.S. equities						ok
F3. Annual turnover		45%		30%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ 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 April 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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Adelante Total Return	8.78%	11.19%	19.51%	12.39%	6.84%
Wilshire REIT Index	9.02%	10.85%	19.36%	12.60%	6.25%

Performance Attribution & Strategy Comments

Comments: The **REIT market advanced in April, with the Wilshire U.S. REIT Index rising 9.0%,** though performance lagged a broader risk-on equity rally. Market conditions were supported by **resilient economic data and improving earnings**, alongside renewed AI-driven investment activity, even as rate volatility persisted. The 10-year Treasury yield rose 10 basis points to 4.40% by month-end, while the 10-year minus 2-year spread held at 52 basis points. REITs delivered strong returns despite this modest upward pressure on discount rates as earnings season began.

Geopolitics remained a key swing factor. The U.S.–Iran **conflict continued to influence energy prices and inflation expectations**, while the Federal Reserve held policy unchanged. Chair Powell emphasized upside inflation risks tied to geopolitical dynamics and supply chains, reinforcing a higher-for-longer rate backdrop. This environment continues to **constrain multiple expansion through higher cap rate assumptions and a more limited external growth opportunity set.**

Performance reflected a **rotation toward higher-beta and cyclical exposures**, alongside select secular growth themes. Diversified Digital and Information Services (+23.35%), Single Family Housing (+14.80%), and Office (+13.60%) led. Medical Office and Laboratory (-6.16%) lagged as the only negative sector, while Manufactured Housing (+1.70%) and Free-Standing Retail (+4.77%) also underperformed, reflecting **weaker demand for defensive, rate-sensitive sectors**.

Capital markets activity remained constructive. **Ongoing M&A and privatization interest underscored a persistent gap between public and private valuations** and highlighted continued institutional demand for real assets, particularly across smaller-cap and infrastructure-oriented platforms.

Fundamentals remained stable but uneven across property types. Data center demand continued to expand, supported by AI-related capital deployment, while senior housing benefited from favorable demographic trends. Office leasing improved modestly in select markets, though vacancy remains elevated, and residential rent growth remained subdued with ongoing regional dispersion.

At month-end, the portfolio's dividend yield stood at 3.2%, with cash representing 2.8% of total assets.

Manager Style Summary

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

Adelante (Public RE - REITs)

Domestic Equity: Wilshire REIT Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Adelante	Wilshire REIT	Calc	Min	Max	Compliance
B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts						ok
B3. Mkt Cap of Issuers of Securities in the Account				$250		ok
B4. Single Security Positions <= 30% @ purchase						ok
B6a. P/FFO (12-mo trail)	22.99	19.37	1.19		1.30	ok
B6b. Beta	0.96	1.00	0.96	0.70	1.30	ok
B6c. Dividend Yield	3.13	3.60	0.87	0.80	2.00	ok
B6d. Expected FFO Growth	24.02	22.19	108%	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: 18% 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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Atlanta Capital	4.09%	-1.62%	1.18%		
Russell 2500	11.15%	8.03%	40.10%		

Portfolio Attributes

Characteristics	Atlanta	RU 2500
Mkt Value ($m)	575.84	N/A
Wtd Cap ($b)	12.75	15.74
P/E	21.00	21.20
Beta	0.62	1.00
Yield (%)	0.79	1.19
Earnings Growth	15.50	5.80

Sector Analysis (Top 2)

Over-weight	Atlanta	RU 2500
Industrials	28.20%	21.90%
Financials	20.36%	15.06%

Under-weight	Atlanta	RU 2500
Heath Care	4.16%	11.65%
Energy	0.00%	4.88%

Performance Attribution & Strategy Comments

US SMID Cap stocks were broadly higher in April with the Russell 2500 benchmark gaining 11.2%. Technology stocks saw an impressive 29% return for the month. Performance was concentrated in AI exposed names in the Semiconductor (+42%), Hardware (+60%), and Communications Equipment (+32%) sectors. The Industrial sector rose 13% in the month, with AI related construction and equipment stocks seeing strong monthly returns.

The Atlanta Capital portfolio posted a positive return in April but trailed the benchmark. Overall selection was negative for the month and largely concentrated in Technology and Industrials. Our lack of exposure to more cyclically exposed Tech holdings in semiconductors, memory, and equipment stocks detracted from our relative performance as the AI build-out narrative continued in April. 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, and Utilities.

The rally in momentum and Beta continued in April. While our average portfolio holdings are experiencing good revenue and earnings growth, they are continuing to see their valuation multiples 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		54		50	60	ok
B5. Sector limits less than 30%						Yes
B6. Annual turnover		21%		10%	20%	check
B7. Normal Global Portfolio Characteristics						
Capitalization (rel)	15738	12754	81%	100%	200%	check
Maximum Sector Exposure		28%		0%	30%	ok
Price/Book Value (rel)	2.6	3.6	138%	100%	170%	ok
Price/Earnings (rel)	21.2	21.0	99%	100%	200%	check
Dividend Yield (rel)	1.2	0.8	66%	40%	70%	ok
Beta (rel)		0.62		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

B6. Annual Turnover: Trailing 12 month turnover is slightly above our normal range, largely driven by portfolio activity in the 1st quarter of 2026.

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

B7. Price/Earnings: The benchmark has become more expensive as AI related names trade higher.

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

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

Organizational/Personnel Changes

N/A

Account Turnover

Gained:	Number of Accounts:	2	Total Market Value ($m):	$ 285.0
Lost:	Number of Accounts:	2	Total Market Value ($m):	$ 22.0

Reason(s): We lost 2 accounts due to client reallocation decisions. We gained two new client accounts in the month.

Baird Advisors

Core Fixed: BB U.S. Aggregate Bond Index

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Baird	0.18%	-0.03%	n/a	n/a	n/a
BB Aggregate	0.11%	-0.04%	n/a	n/a	n/a

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the benchmark by 7 basis points, gross of fees. Credit positioning contributed to relative performance, driven by the overweight to financials and subsector/security selection decisions within industrials. Securitized positioning modestly contributed to relative performance; the overweight to non-agency RMBS and non-agency CMBS more than offset the modest negative from the underweight to agency RMBS. Active yield curve positioning and the positive convexity bias did not materially impact relative performance. As always, the portfolio remained duration neutral.

Rise in Treasury Yields Continues as Fed Holds Amid Resilient Economy and Uncertainty from Higher Oil Prices:

Treasury yields rose modestly in April with the 10yr Treasury yield up 5 bps to 4.37%, 20 bps higher YTD. The 2yr maturity moved more, up 8 bps for the month and 40 bps YTD, flattening the curve. Over the past month, market expectations shifted from anticipating rate cuts in 2027 to increasingly pricing in the possibility of Fed tightening. Iran's continued closure of the Strait of Hormuz and the corresponding U.S. naval blockade have lifted average gasoline prices in the U.S. from just under $3/gal to nearly $4.40/gal over the past two months, clouding the outlook for inflation and growth. Positively, low jobless claims, high CAPEX spending on AI, and strong nominal retail sales were indicative of a resilient economy. As expected, the Fed held its Fed Funds rate at 3.5-3.75%. However, the hold featured underlying dissent. One member favored a 25-bps cut. Conversely, three members favored removing dovish language in the Fed statement given low unemployment at 4.3% and Core PCE inflation of 3.2%, which is above the Fed's 2% target and nearly 60 bps higher than last April. Kevin Warsh is positioned to take over as Fed Chair in May after his nomination was approved by the Senate Banking Committee. In an unprecedented move, Chair Powell intends to remain on the Board as a non-chair voting member of the FOMC until the DOJ probe is "well and truly over."

Spreads Tighter Across the Board in April:

Spreads rebounded from March weakness to end tighter during the month of April. IG Corporate led IG sectors tighter for the month (-11 bps) on lighter issuance MoM to finish April at +78 bps, unchanged YTD. Issuance is up notably YoY. The move tighter was greatest for U.S. HY and EM HY, which tightened -49 and -61 bps, respectively, in April.

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	37%	28%	3%	53%	ok
Financial	15%	8%	0%	23%	ok
Industrial	20%	14%	0%	29%	ok
Utility	1%	2%	0%	12%	ok
Non-Corporate	0%	3%	0%	13%	ok
Securitized	32%	26%	1%	51%	ok
Non-Agency RMBS	6%	0%	0%	15%	ok
Agency RMBS	18%	24%	4%	44%	ok
ABS	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	226		200	400	ok
B. Non-Investment Grade Alloc	0%			5%	ok
F2. Annual Turnover			0%	50%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of:	Qtr 2	$ 193,731

Account Turnover

Gained:	Number of Accounts:	1	Total Mkt Value ($m):	$ 48.0
Lost:	Number of Accounts:	0	Total Mkt Value ($m):	$ -

Reason(s) for loss: Baird Advisors gained one account in the Aggregate Strategy this month.

BLS Capital

Global Equity: MSCI ACWI Benchmark

For the month of: **April** **2026**

Manager Performance Calculations ** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
BLS	3.96%	-4.18%	3.78%	3.66%	5.13%
MSCI ACWI	10.17%	3.58%	31.00%	19.84%	10.68%

Performance Attribution & Strategy Comments

In April, the largest relative contributors to performance were Boozt (29% return in US dollars), Anheuser-Busch InBev (10%), and Budweiser APAC (7%). Conversely, Yum China (-1%), Salesforce (-5%), and Otis Worldwide (1%) were the largest relative detractors.

April was a strong month for global equities. The MSCI ACWI returned 10.2% in US dollars, as the market staged a powerful risk-on rally driven by a decisive rotation back into artificial intelligence. The Magnificent 7 index gained 15%, and the Bloomberg World Semiconductor index rallied close to 29%. Information Technology and Communication Services were the standout sectors at 19.5% and 14.8% respectively, while Healthcare (-0.1%) and Energy (-1.2%) lagged. Growth equities returned 12.9%, comfortably outpacing Value at 7.7%, and Momentum led the factor cohort with a 21.5% return. Emerging markets were the standout region with the MSCI Emerging Markets index up 14.7%, powered by extraordinary gains in South Korea (38%) and Taiwan, both of which sit at the heart of the global AI semiconductor supply chain. Within developed markets, the US led with a 10.5% return, supported by a strong earnings season. Europe was up 7.1% and Japan 9.2%, both participating in the risk-on move but without the same direct AI exposure. The rally came against a backdrop of considerable geopolitical turbulence. Tensions between the US and Iran continued to dominate headlines, with the Strait of Hormuz remaining severely disrupted and Brent crude pushing above 110 US dollars per barrel by month-end despite intermittent ceasefire efforts.

15 of our 26 portfolio companies reported during April: LVMH, Moody’s, S&P Global, Visa, Mastercard, Arthur J. Gallagher, Kuehne+Nagel, DSV, Boozt, Automatic Data Processing (ADP), Otis, Yum China, United Plantations, Haleon, and St. James’s Place. Most companies reported results that exceeded market expectations, and Boozt, ADP, Visa and Kuehne+Nagel upgraded their guidance. A number of other companies maintained guidance despite strong starts to the year. Moody’s, S&P Global, and Otis had step-ups in buyback activity, which is fully in-line with our expectation of strong capital stewardship and discipline amongst our management teams.

We funded the addition of Amadeus primarily by reducing our holding in Anheuser-Busch InBev following strong share price performance, and by trimming Kuehne+Nagel following solid relative share price performance. We added modestly to ADP and DSV.

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	48%	35%	50%	ok
Japan	0%	0%	0%	ok
Europe ex UK	26%	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)	84	90	125	check
Price/Earnings (current)	17.5	17	23	ok
Dividend Yield	2.00%	1.80%	2.80%	ok
Net Debt/EBITDA	1.00	0.5	1.0	ok
ROIC	42%	42%	50%	ok
FCF Yield	6.10%	3.75%		ok
E2. Brokerage commissions not to exceed $0.03/share for U.S. equities				Yes
E3. Annual turnover	35%	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.

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

Organizational/Personnel Changes

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

Account Turnover

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

Brandes Investment Partners, L.P.

Global Equity: Russell 3000 Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Brandes	5.01%	-0.29%	30.69%	21.97%	14.52%
Russell 3000	10.20%	4.22%	31.01%	21.28%	11.90%

Performance Attribution & Strategy Comments

Following a weak March, Global equities reversed sharply in April, rallying on hopes of a resolution to Mideast tensions and shifting focus to strong earnings announcements. AI-related companies surged globally and Growth outperformed Value on a style basis 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 the top-performing index sector, as well as an overweight in health Care, which was one of the weakest sectors . 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 4/30/26, 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 had no full sales and no new positions initiated but they continued to add to recent insurance position Arthur J. Gallagher and health care equipment manufacturer Becton Dickinson. 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		70		40	70	ok
B5. Normal Country Exposures:						
United States & Canada		42%		30%	100%	ok
Americas ex U.S.		6%		0%	40%	ok
United Kingdom		12%		0%	25%	ok
Europe ex U.K.		23%		0%	50%	ok
Japan		1%		0%	45%	ok
Pacific ex Japan		15%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		1%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	$200,766	$197,298	98%	30%	125%	ok
Price/Book Value	2.3	1.9	80%	50%	100%	ok
Price/Earnings	18.3	16.2	88%	50%	100%	ok
Price/Cash Flow	12.1	8.8	73%	50%	100%	ok
Dividend Yield	2.5	3.2	132%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	$1,113,083	$305,768	27%	30%	125%	check
Price/Book Value	4.9	1.9	38%	50%	100%	check
Price/Earnings	26.6	11.7	44%	50%	100%	check
Price/Cash Flow	18.0	10.1	56%	50%	100%	ok
Dividend Yield	1.1	2.1	185%	90%	150%	check
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed $0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		27%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ 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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
C WorldWide Asset Mgmt	7.30%	0.02%	13.36%	-	-
MSCI ACWI ex US	9.65%	2.73%	32.20%	-	-

Performance Attribution & Strategy Comments

Among the contributors to performance were TSMC, Siemens, and Keyence. TSMC reported a quarterly report that showed strength across the board. Driven by very strong gross margins of more than 66%, net profit grew 58% over the same period last year. Supported by strong demand for advanced nodes, the company raised revenue growth guidance for 2026 to “higher than 30%” while also raising expectations for capex to be at the high end of the USD 52-56 billion guidance. While management highlights potential pressure to gross margins in the form of dilution from moving to new nodes with initial lower utilisation rates, input cost inflation, and overseas expansion, TSMC has been able to offset gross margin pressures by better cost savings and better-than-expected fab utilisation. Gross margins above 60% now seem structural for TSMC. The company further hiked its five-year outlook for AI-related sales to “mid-to-high 50%’s”. Already now, High Performance Computing is making up a full 61% of TSMC’s sales. Keyence reported strength across all geographies, with Japan rebounding to 9% sales growth, 18% in North, Central, and South America, 18% in Asia, and an impressive 12% in Europe. Unsurprisingly, the growth in Asia was driven by the electronics sector and data centre construction. Among the detractors to performance were Bank Central Asia, AstraZeneca and Rheinmetall.The general economic weakness in Indonesia persists, and while BCA reported solid non-interest income growth of 14%, driven by fees and trading, and good cost discipline, this was offset by the weak consumer backdrop. Loan growth was flat over the last quarter, Net interest margins compressed by 20bps and credit costs rose by 60bps. Management maintains its loan growth guidance of 8-10%, expected to be led by corporate lending. AstraZeneca reported solid Q1 results with revenue growing 8% and reiterated its 2026 guidance of “mid-to-high single digit per cent revenue growth”. Like many of our defensive positions, AstraZeneca lagged the overall very strong stock market during the month. During the month, we exited our position in Sony and reduced our position in TSMC, while adding a new position in Xiaomi. The original thesis supporting our position in Sony – gaming, proprietary IP in music, and image sensors – remains intact in quality, but earnings growth has slowed. TSMC remains a core holding and the largest position. We are trimming modestly to fund changes, reflecting position-sizing discipline rather than a shift in thesis. TSMC retains structural foundry leadership and strong AI demand tailwinds. Xiaomi is a diversified consumer technology platform in China, combining a leading smartphone franchise, a fast-growing Artificial Intelligence of Things (AioT) ecosystem, and a scaling EV business. The thesis rests on three drivers: recovering smartphone profitability, operating leverage as AIoT and Internet Services scale and EV upside; and unit economics turning positive within three quarters, with capacity doubling to 600,000 vehicles annually with the second factory in mid-2025. Xiaomi is broadening our EM exposure into Chinese consumer hardware.

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.	45%	20%	60%	ok
U.K.	17%	0%	30%	ok
Pacific	17%	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	128.75%	50%	200%	ok
Price/Book Value	208.06%	50%	-	ok
Price/Earnings	128.16%	50%	-	ok
Price/Cash Flow	136.31%	50%	-	ok
Dividend Yield	69.81%	-	200%	ok
D. No derivatives, short sales, commodities, margin or currency hedging.				Yes
E2. Brokerage commissions not to exceed $0.08/share for U.S. equities				No
E3. Annual turnover	26%	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

E2. Commissions (US): Due to the high price of Mercado Libre shares, a commission of USD 0.55 per share (0.03%) was charged, in line with standard market rates.

E2. Commissions (US): Due to the high price of Linde shares, a commission of USD 0.15 per share (0.03%) was charged, in line with standard market rates.

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:	2	($m):	$	(230.6)
	Reason(s):	All lost accounts due to change in strategy			

Clearwater Advisors, LLC

Core Fixed: BB Aggregate Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater Agg	0.08%	-0.05%	4.45%	3.92%	0.41%
BB Aggregate	0.11%	-0.04%	4.06%	3.46%	0.18%

Performance Attribution & Strategy Comments

The markets witnessed a solid turnaround in April compared to the direction they were headed in March. Risk assets rallied, and credit spreads tightened. Interest rates initially fell by about 20 basis points but then climbed by about 25. None of this was due to any fundamental analysis or economic reports. It was basically all due to events and announcements around the war with Iran. At least for now, the fundamentals are strong enough that they can kind of be ignored until we get some sort of resolution in the Middle East.

Prior to the spread widening in March, we had reduced our overall credit exposures by a few percentage points. During April, we reduced our overweight to Agencies and added almost 1 percentage point to both financials and industrials to capture some of the higher spreads. Our timing proved beneficial as spreads started tightening again when a ceasefire with Iran was announced.

The above trade provided a solid boost to our portfolio performance, but we still ended up just slightly below the benchmark by 3 basis points. This was mostly due to our skew towards higher quality credits. Higher risk and higher yielding names were the strongest performers in April. We don't expect that trend to continue.

MBS was our biggest underperforming sectors during April as the mini refi wave seems to have come to an abrupt end. We are still constructive on the sector and will continue to hold our slight overweight.

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:	5.9	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	16%	14%	0%	29%	ok
Financial	14%	8%	0%	23%	ok
Utility	2%	2%	0%	12%	ok
MBS	28%	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	1%			10%	ok
B7. TIPS allocation	0%			20%	ok
E2. Annual Turnover (ex TBA rolls)	27%		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:	1	Total Mkt Value ($m):	$	0.1

Reason(s) for loss: Client was taken private and has no cash for investment in the foreseeable future

Clearwater Advisors - PERSI STIF

Cash: Merrill Lynch 0-3 Month Treasury Bill Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.33%	0.94%	4.22%	4.82%	3.51%
ML 0-3 Month T-bill	0.30%	0.88%	4.06%	4.79%	3.47%

Performance Attribution & Strategy Comments

Markets continued focusing on the Iran War, energy prices, and Fed leadership transition in April. Powell's last FOMC meeting as chairman resulted in an 8-4 vote to hold rates steady with one dissenter preferring a 25 basis point cut and three favoring less dovish policy language. The Senate Banking Committee advanced Kevin Warsh to the full Senate after the DOJ dropped its investigation into Powell (for now). The US-Israel-Iran conflict continued with jockeying to open the Strait of Hormuz. Economic data generally supported a wait-and-see Fed approach. Inflation picked up in March to 3.3% on a headline basis while payrolls were better than expected at 178,000.

U.S. Treasury yields rose with the 2-, 10-, and 30-year yield each rising 5-8 basis points. Meanwhile, yields on the very short end were mixed with shorter maturities flat-to-slightly lower and the 12-month yield rising 5 basis points. SOFR was little changed, up just one basis point to 3.66% with the Fed still on hold. Yields on 3-month bank and corporate commercial paper declined to 3.86% and 3.80%, respectively. Investment grade corporate bond spreads narrowed 9 basis points as a fragile ceasefire with Iran pulled tensions back from more elevated levels despite ongoing conflict.

Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	**7%**	0%	100%	ok
Agencies	**7%**	0%	100%	ok
Corporates	**30%**	0%	100%	ok
Mortgage Backed Securities (MBSs)	**0%**	0%	60%	ok
Asset Backed Securities (ABSs)	**16%**	0%	40%	ok
Cash	**0%**	0%	100%	ok
Commercial Paper	**40%**	0%	100%	ok
B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase				ok
B2c. Effective Duration <=18 months	**3**		18	ok
B2d. Number of securities	**46**	10	50	ok
B3a. Allocation of corporate securities to one issu	**5%**		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Manager Style Summary

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

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

For the month of: **April** **2026**

Manager Performance Calculations

***Annualized returns**

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.13%	0.78%	5.30%	5.12%	2.32%
BB Mortgage	0.07%	0.06%	5.56%	4.02%	0.35%

Portfolio Summary

Market Value: $ 927,347,205

Originations/Payoffs		
Month:	$	-
YTD:	$	34,572,383
Payoffs:	$	-

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

Performance Attribution & Strategy Comments

The PERSI Commercial Mortgage Portfolio has returned 5.30% during the last 12 months, underperforming its benchmark the Bloomberg U.S. Mortgage-Backed Security (MBS) Index by 26 basis points. This slight underperformance was driven by falling agency MBS option-adjusted spreads (OAS) during the last year, which aided the benchmark's performance. Looking at longer term performance in which short-term OAS movement is less impactful, PERSI's portfolio has returned 2.32% (annualized) during the last five years, outperforming its benchmark by 197 basis points (annualized). Outperformance during longer periods is driven by the portfolio's coupon advantage vis-à-vis the benchmark and low delinquency rate (currently 0.0%).

The Idaho commercial real estate market is performing well. We continue to see a steady flow of loan inquiries as investors look to deploy capital in our marketplace. Overall, investor sentiment remains good and is primarily driven by Idaho's steady population growth and belief in the continued resiliency of the local economy. That said, we have seen a slight reduction in market activity (both investment activity and loan requests) during the last few weeks. We believe this is driven by the rise of U.S. Treasury bond yields since February and, relatedly, uncertainty regarding the ultimate evolution of the conflict in the Middle East. It appears that some investors and potential borrowers believe it prudent to hold off on large commercial real estate transactions until more clarity is reached regarding inflation, Treasury yields, and the overall health of the U.S. economy.

The portfolio did not experience any delinquencies in April and holds no real estate owned assets (REOs). We remain selective and diligent in our loan approval process and see no significant signs of stress with any loans in the portfolio. Loan production is off to a good start in 2026, with $34.6m of new loan originations through April.

Manager Style Summary

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

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

Domestic Fixed: BB Mortgage Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
DBF MBS	0.17%	-0.19%	5.43%	4.16%	0.31%
BB Mortgage	0.07%	0.06%	5.56%	4.02%	0.35%

Portfolio Attributes

Characteristics	**DBF**	**BB Mtg**
Market Value ($ m)	$229.43	N/A
Weighted Average *Effective* Duration (in years)	5.3	5.4
Weighted Average Yield (in %)	4.9%	4.9%
Weighted Average Coupon (in %)	3.9%	3.6%

Performance Attribution & Strategy Comments

U.S. Treasury bond yields moved largely in line with news from the Middle East throughout April, with signs of a potential wind-down of the conflict pushing yields lower and news indicating a worsening conflict pushing yields higher. The bond market fears the inflationary impact of continued high oil prices, while it also contends with the possibility that the war could end suddenly. By month-end Treasury yields across the curve were only slightly higher, with the 10-year yield up five basis points to 4.37%. More significant moves in the Treasury bond market occurred in March, as yields rose fairly precipitously in the early days of the conflict. Since the end of February, the 10-year U.S. Treasury bond yield is up 43 basis points, a meaningful move for the bond market.

PERSI's mortgage-backed security (MBS) portfolio returned 0.17% in April, outperforming its benchmark by 10 basis points. During the last year the portfolio has returned 5.43%, slightly underperforming its benchmark as the "cash-drag" impact of cash coming into and out of the account from the related Idaho Commercial Mortgage Portfolio impacted performance slightly. PERSI deposited $29 million in the MBS account in April and these funds were fully invested by month-end. The portfolio is close to benchmark duration, though its underlying securities are a bit up in coupon vis-à-vis the Bloomberg U.S. MBS Index.

We continue to see good value in MBS, as corporate bond spreads are quite tight compared to historical averages. In our view, a "risk-off" turn to market sentiment (perhaps overdue) would be likely to boost MBS performance vis-à-vis corporates bonds in today's environment.

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		$229	$50		ok
B2a. Security Type:					
MORTGAGE RELATED		96%	80%	100%	ok
Generic MBSs		96%	75%	100%	ok
GNMAs		7.4%			
FNMAs		56.3%			
FHLMCs		31.9%			
CMOs		0.0%	0%	25%	ok
NON-MORTGAGE RELATED		2.7%	0%	20%	ok
Treasuries		2.7%	0%	20%	ok
Agencies		0.0%	0%	20%	ok
Cash		1.7%	0%	10%	ok
Attributes:	BB Mtg				
Duration	5.4	5.3	3.4	7.4	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		90	25	50	check
E2. Annual Turnover		7%	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

In April we hired analyst Braden Heath, who will assist in some aspects of our management of PERSI's account. He replaces departing analyst Alex Baker. There were no changes to senior DBF staff.

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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Dodge & Cox	0.20%	-0.02%	5.56%	N/A	N/A
BB Aggregate	0.11%	-0.04%	4.06%	3.46%	0.18%

Performance Attribution & Strategy Comments

The Bloomberg U.S. Aggregate Bond Index returned 0.1% in April as U.S. Treasury yields rose modestly across the curve. Short-term rates moved more than long-term rates, with the 2-year yield rising 8 basis points (bps) to 3.87% and the 10-year yield rising 5 bps to 4.37%, flattening the curve. Investment-grade corporate bonds returned 0.5% in April, outperforming comparable-duration Treasuries by 77 bps. The Bloomberg U.S. Corporate Index tightened 11 bps to +78 bps OAS as improving risk sentiment and lighter issuance unwound the spread widening seen in prior months. Agency MBS returned 0.1%, outperforming comparable-duration Treasuries by 24 bps.

The portfolio outperformed its benchmark for the month of April. Asset allocation was positive as the portfolio’s underweight to U.S. Treasuries contributed to relative returns. Security selection was positive as certain credit issuers outperformed, most notably Pemex. The portfolio’s slightly longer duration positioning detracted from relative returns as yields rose.

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	16%	14%	0%	34%	ok
Utility	2%	2%	0%	12%	ok
Securitized					
MBS Pass-through	37%	24%	4%	44%	ok
ABS	9%	0%	0%	10%	ok
CMBS	0%	1%	0%	11%	ok
Agency CMBS	0%	1%	0%	6%	ok
Local Authorities	2%	1%	0%	11%	ok
B3. Issuer Concentration: <=5% all non US Gov't/Agcy				3%	ok
B4. Number of positions	160		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

H2. Annual Turnover:

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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Donald Smith & Co.	5.29%	1.49%	56.40%	35.56%	26.30%
Russell 3000	10.20%	4.22%	31.01%	21.30%	11.91%

Portfolio Attributes

Characteristics	DSCO	RU 3000
Mkt Value ($m)	930.62	N/A
Wtd Cap ($b)	24.54	1319.14
P/E	8.61	26.63
Beta	0.96	N/A
Yield (%)	2.10	1.14
Earnings Growth		

Sector Analysis

Over-weight	DSCO	RU 3000
Financials	34.44%	10.64%
Materials	24.55%	1.85%
Cons. Discret.	18.25%	13.71%

Under-weight	DSCO	RU 3000
Info. Technolog	0.00%	37.63%
Health Care	0.00%	9.09%
Cons. Staples	0.00%	3.52%

Performance Attribution & Strategy Comments

The account’s rise of +5.3% was behind the indices (Russell 3000 Value +8.2%; Russell 3000 +10.2%; S&P 500 +10.5%). Stocks recovered from the steep decline in March on hopeful expectations for a lasting ceasefire / peace agreement with Iran. Most of the stocks in the portfolio rose with the exception of a handful of stocks—primarily in the gold mining space (IAMGOLD, Eldorado, Centerra) as gold prices continued to fall with higher interest rates and a stronger USD. The largest contributors were the financial stocks across banks (Citigroup, Nomura Holdings), all subsectors of insurance from P&C to private mortgage insurance (Corebridge, Everest, Genworth, Jackson, Unum, Siriuspoint, Radian), and specialty finance (Ally Financial, Pennymac) as the broader group was lifted higher. All four homebuilders (M/I Homes, Beazer, Taylor Morrison, KB Home) rose on geopolitical tensions appearing to ease somewhat and the potential for mortgage rates to decline although the Fed ultimately chose to hold rates steady at month-end. Steel companies (Gerdau, Ternium, Algoma) were strong as steel prices appreciated. Harley-Davidson and Tutor Perini were also notable outperformers. SM Energy ticked higher. As a part of a large redemption request, we reduced our exposure broadly across all holdings. We no longer own Global Ship Lease. Insurance, precious metals, financials, auto, aircraft leasing / airlines, and building / real estate are the largest industry weightings. The portfolio sells at 99% of tangible book value and 6.2x 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	0.99	4.97	20%	30%	100%	check
P/E (1 Year Forward)	8.61	26.63	32%	50%	100%	check
Dividend Yield	2.10	1.14	184%	50%	150%	check
F2. Commissions not to exceed $0.05/share; explanation required for commissions >$0.07/share						ok
F3. Annual Turnover	30%			20%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☐ 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 $ 5,726

Organizational/Personnel Changes

N/A

Account Turnover

Gained:	Number of Accounts:	1	Total Market Value ($m):	$ 7.0
Lost:	Number of Accounts:	0	Total Market Value ($m):	$ -
	Reason(s):	N/A		

Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
IR+M	0.20%	0.00%	4.03%	3.73%	0.47%
BB Gov/Credit	0.12%	-0.08%	3.55%	3.24%	0.09%

Performance Attribution & Strategy Comments

The PERSI portfolio outperformed the Bloomberg Barclays G/C Index, returning 0.20% versus 0.12%, respectively. The portfolio's underweight to Treasury and overweight to Finance aided performance while an underweight to Industrials and Non-corporates detracted. Markets moved through April with a broadly constructive, risk-on tone, shaped by geopolitical developments in the Middle East, mixed inflation signals, and shifting expectations for US monetary policy. Oil prices saw some relief following a US-Iran ceasefire announcement and subsequent extension before ending the month higher March inflation data was mixed, as CPI grew 3.3% year-over-year, driven primarily by a sharp increase in energy costs, while Core CPI remained more subdued, growing 2.6% year-over-year. Non-farm payrolls increased by 178k in March, exceeding estimates of 65k, while the unemployment rate declined to 4.3%, partially due to a decline in the labor participation rate. The Federal Open Market Committee (FOMC) kept rates steady for a third straight meeting, though an unusually high number of dissents highlighted uncertainty around the Fed’s policy stance amid the ongoing conflict in the Middle East. While the April meeting marked Jerome Powell’s final one as Fed Chair, he signaled his intention to remain on the FOMC as a governor after his term ends on May 15. Treasury yields ended the month higher, driven by growing expectations of a Fed rate hike; after bouts of steepening earlier in April, the curve ultimately flattened overall. Investment-grade (IG) and high-yield (HY) corporate spreads tightened by 11bps and 49bps, respectively, to 78bps and 268bps, marking their lowest levels since the start of the US-Iran conflict. Basic Industry and Insurance were among the best performing sectors, while Communications lagged; lower-quality issuers outperformed higher-quality issuers, with CCCs outperforming BBs by 137bps. IG issuance was robust throughout the month, led by sizable financial and technology deals; supply totaled $178 billion, exceeding expectations and marking the second busiest April on record. New issue concessions have averaged 4bps year-to-date, compared to 2025’s average of 3.3bps. HY borrowers were similarly active, bringing $38 billion to market, driven by center expansion and infrastructure-related bond sales, making it the busiest month since September 2025. Agency mortgage-backed securities (MBS) outperformed other securitized sectors as interest rate volatility subsided; MBS spreads tightened 4bps to 20bps. Municipal bonds outperformed Treasuries as muni/Treasury ratios fell across the curve.

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:	6.0	6.1	5.6	6.6	ok
B3. Sector Diversification:					
Government	40%	63%	33%	93%	ok
Treasuries	37%	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	16%	18%	3%	33%	ok
Utility	5%	3%	0%	13%	ok
Non-Corporate	0%	4%	0%	14%	ok
Securitized					
RMBS	1%	0%	0%	10%	ok
ABS	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	320		100	350	ok
B6. Non-Investment Grade alloc	0%			5%	ok
E2. Annual Turnover	39%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 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 accounts in the G/C strategy this month.

J.P. Morgan

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

For the month of: **April** **2026**

Manager Performance Calculations ** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
J.P. Morgan	0.32%	0.08%	5.25%	-	-
BB Aggregate	0.11%	-0.04%	4.06%	-	-

Performance Attribution & Strategy Comments

The JPMCB Core Plus Bond Fund outperformed the Bloomberg U.S. Aggregate Index in April, returning 0.32% (gross of fees) versus 0.11% for the benchmark.

Over the month, markets navigated elevated geopolitical and policy uncertainty. Escalating U.S.–Iran tensions disrupted the Strait of Hormuz, driving spot Brent to record highs and raising the risk of a meaningful oil supply shock. At the same time, resilient U.S. economic data and solid corporate earnings—particularly in tech and AI-linked areas—supported a more risk-on backdrop. The Federal Reserve held the federal funds rate unchanged. The 10-year U.S. Treasury yield ended the month at 4.37%, up from 4.32% at March-end.

Fund performance benefited from the more constructive risk sentiment. An out-of-benchmark allocation to high yield corporate credit was the largest contributor, as spreads tightened by 47 bps to 302 bps (ICE BofA High Yield Index) over the month. A strong start to the earnings season also supported performance for the sector. Security selection in emerging market debt further boosted returns. Allocations to securitized credit—non-Agency MBS, CMBS, and ABS—also added alpha, supported by attractive carry. Agency mortgages added value, driven by strong security selection. By contrast, the Fund's modestly long duration detracted as rates moved higher on renewed inflation concerns tied to energy price spikes associated with the U.S.–Iran conflict. An underweight allocation to investment grade corporate credit relative to the benchmark also detracted from performance marginally.

Looking ahead, we expect sub-trend growth and near-term firm inflation to keep the Fed on hold, with a lower bar to cut if the labor market weakens materially. The key risk is sustained energy-price pass-through into core inflation and inflation expectations amid ongoing U.S.–Iran uncertainty. 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	12%	47%			
Treasuries	12%	46%			
Agencies		1%			
Dev Mkt Gov't					
IG Corporate	24%	26%			
HY Corp Credit	8%				
Securitized	46%	26%			
Agency MBS	25%	25%			
Non-Agency MBS	4%				
CMBS	6%	1%			
ABS	11%	0%			
EMD	2%	1%			
Cash	7%				
Issuer Concentration: <=5% all corporate issuers				5%	
Number of positions	2536				
Non-Investment Grade Alloc	20%			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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Longview	6.32%	-5.97%	-3.04%	4.49%	3.75%
MSCI ACWI	10.17%	3.58%	31.00%	19.83%	10.68%

Performance Attribution & Strategy Comments

Texas Instruments, UnitedHealth and Alphabet were amongst the largest contributors to relative performance.

Texas Instruments, which was added to the portfolio in March, outperformed significantly in April and particularly following the release of first quarter 2026 results towards the end of the month. Both results and second quarter guidance were well ahead of consensus expectations supported by indications of a cyclical recovery in industrial demand and very strong data centre demand.

UnitedHealth outperformed significantly in April, more than recovering its first quarter underperformance. This was driven by two events. Firstly, in early April, the Centres for Medicare and Medicaid Services (CMS) released the final 2027 rate notice for Medicare Advantage, which was more favourable for UnitedHealth than the initial notice released in January. Secondly, later in the month, UnitedHealth released its first quarter 2026 results, which beat consensus expectations across most metrics, and the company increased its earnings per share guidance for the full year.

Alphabet outperformed significantly in April, and particularly following the release of first quarter 2026 results towards the end of the month. The company beat consensus expectations for revenue, profit and earnings per share, largely driven by continued strong growth in Search and an acceleration in Google Cloud growth along with a near doubling of their backlog quarter-on-quarter. This highlighted the benefits of Alphabet's 'full-stack' approach and their ability to monetise their significant capital investments.

Nike, Cooper and IQVIA were amongst the largest detractors to relative performance.

Nike underperformed in April following the release of second quarter results at the beginning of the month. Management issued a more cautious outlook, pushing out the timing of their recovery, with revenue expected to remain under pressure through the end of 2026 as weakness in China offsets continued improvement in North America. Management also highlighted pressure from tariffs and higher input costs, including risks linked to disruption in the Middle East and rising oil prices.

Cooper underperformed in the second half of April. The underperformance occurred despite limited company specific news and in the context of significant underperformance of the wider healthcare sector and healthcare equipment industry.

IQVIA underperformed in April following bookings weakness at Medpace, a smaller clinical research outsourcing (CRO) competitor. IQVIA's business mix is significantly different to Medpace's, and this was reflected in their own results, released in early May, which showed significantly stronger CRO book-to-bill than Medpace despite much lower passthrough revenues, alongside strong performance of IQVIA's consulting and analytics business.

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	30.0	30	35	ok
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)	104,294	$10		
Price/Earnings (Trailing)	21.7	10	17	check
Dividend Yield	2%	0.5%	2.0%	ok
Price/Cash Flow (Trailing)	16.0	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	39%	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

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 21.7 in April.

B6. Price/Cash Flow: Price/Cash Flow is not targeted and stands at 16.0 in April.

Total Firm Assets Under Management ($m) as of: Qtr 2 $ 7,869

Organizational/Personnel Changes

There were no changes to the Investment team in April.

Account Turnover

Gained:	Number of Accounts:	0	($m):	$ -
Lost:	Number of Accounts:	2	($m):	$ 485.6

Reason(s): Two clients terminated their mandates, one Asian sovereign wealth fund due to de-risking and one insurance client due to a move to a fiduciary model.

Mondrian Investment Partners

International Equity: MSCI EAFE Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mondrian	5.65%	2.81%	23.30%	18.37%	11.70%
MSCI EAFE	7.45%	0.85%	24.60%	15.30%	8.83%

Country Allocation Comparison

Over-weight	Mondrian	EAFE	Under-weight	Mondrian	EAFE
France	15.44%	10.09%	Switzerland	4.39%	9.25%
Hong Kong	6.16%	2.00%	Netherlands	1.55%	5.35%
United Kingdo	17.74%	14.97%	Australia	2.96%	6.67%

Performance Attribution & Strategy Comments

International equity markets rallied in April, recovering from March weakness. Markets surged on hopes of a swift resolution to the US-Iran conflict following the announcement of a two-week ceasefire on April 8, although the truce quickly proved fragile as follow-up talks faltered and control of the Strait of Hormuz remained contested. Oil prices remained materially higher relative to levels at the start of the year, pushing inflation expectations higher and triggering a hawkish repricing in rates. Despite the lack of concrete progress towards de-escalation, markets moved into risk-on mode, with economically sensitive sectors outperforming defensives. The IT sector led returns as AI optimism supported the semiconductors and tech hardware sub-sectors. The energy sector lagged, reflecting a partial reversal of strong outperformance in March.
In a strong month for markets, the portfolio lagged the benchmark. Relative performance was held back by stock selection in the IT sector, due to the underweight exposure to semiconductor names, and overweight positions in more defensive sectors. KDDI, the Japanese telecommunications and IT services company, underperformed on concerns about a potential increase in competition in its telecom business. GSK, the UK pharmaceuticals company, underperformed in April as strong results undershot elevated expectations.

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		52		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		18%		0%	45%	ok
Europe ex U.K.		45%		0%	75%	ok
Japan		23%		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	113,170	77,525	69%	25%	100%	ok
Price/Book Value	2.2	1.6	70%	50%	125%	ok
Price/Earnings (Trailing)	17.9	15.4	86%	50%	100%	ok
Price/Cash Flow	11.2	7.2	64%	50%	100%	ok
Dividend Yield	2.7	3.5	127%	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		22%			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 $ 51,555

Organizational/Personnel Changes

No Changes.

Account Turnover

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

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Peregrine	5.78%	-8.52%	-4.79%	9.09%	-0.55%
Russell 1000 Growth	11.90%	2.51%	30.63%	25.40%	13.82%

Portfolio Attributes

Characteristics	Peregrine	RU 1000G
Mkt Value ($m)	678.58	N/A
Wtd Cap ($b)	906.11	2178.28
P/E	29.69	27.62
Beta	0.96	1.00
Yield (%)	0.35	0.52
Earnings Growth	14.48	14.65

Sector Analysis

Over-weight	Peregrine	RU 1000G
Financials	13.97%	5.60%
Health Care	13.56%	7.09%
Cons Disc	15.49%	13.14%

Under-weight	Peregrine	RU 1000G
Info Tech	32.55%	50.54%
Cons Stp	0.00%	2.69%
Industrials	4.30%	6.60%

Performance Attribution & Strategy Comments

U.S. equities rose sharply in April, with the S&P 500 posting its strongest month since Nov-2020, as a pause in direct Iran hostilities shifted sentiment from late-March risk-off to an aggressively risk-on tone and allowed markets to refocus on resilient economic growth. Growth outpaced value, the Mag7 all finished higher, and semiconductors and memory were standouts—semis notched a record 18-day gain streak—while software rebounded to a modest mid-single-digit gain after three months of decline.

Outperforming contributors included Alphabet and Amazon, which benefited from broad business strength and accelerating AI-driven cloud demand, as well as Cadence Design, where AI product momentum and customers' expanding AI development pipelines supported a strong quarter and led us to add on post-earnings weakness. CrowdStrike also rebounded sharply after an initial AI-model-driven selloff as the market recognized the development as complementary to leading cybersecurity platforms.

Software continued to trail the rest of tech and the broader market. Key detractors included Cloudflare, Snowflake, Veeva, and ServiceNow, with the first three pressured largely by shifts in AI sentiment rather than company-specific news. ServiceNow posted strong first-quarter results, but insufficiently higher Q2 guidance drove a ~15% selloff. Dexcom also weighed on results after a solid Q1 but lingering ambiguity around the durability of revenue and profit growth left investors cautious.

Manager Style Summary

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

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	S&P 500	Peregrine	Calc	Min	Max	Compliance
B2. Security Market Cap > $1 billion						ok
B3. Security position <=5% @ purchase, excluding contributions						ok
B4. Number of issues		26		25	35	ok
B5. P/B	5.31	8.66	1.6	1.2	2.0	ok
B5. P/E (Projected)	22.38	29.69	1.3	1.0	2.0	ok
B5. Dividend Yield	1.10	0.35	0.3	0.1	0.8	ok
B5. Beta	1.00	1.19	1.2	1.10	1.35	ok
B5. Earnings Growth (5-year)		14%		11%	22%	ok
F2. Commissions not to exceed $0.05/share						ok
F3. Annual Turnover		22%		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):	$ 1.0
	Reason(s):	Going in another direction		

PineStone

Global Equity: MSCI World Benchmark

For the month of: **April** **2026**

Manager Performance Calculations ** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
PineStone	10.13%	1.92%	23.52%	n/a	n/a
MSCI World	9.59%	3.36%	29.16%	n/a	n/a

Performance Attribution & Strategy Comments

Global equity markets recovered in April, after a decline in March caused by rising geopolitical tensions in the Middle East.

The PineStone Global Equity Strategy saw positive absolute returns and outperformed the benchmark (the MSCI World Index) over the period. Security selection within the Communication Services sector was particularly successful, partially offset by weaker selection within the Financials and Consumer Discretionary sectors.

Among the top contributors were Alphabet Inc. and Taiwan Semiconductor Manufacturing Company. Alphabet's shares outperformed following a positive first quarter earnings beat. Reported revenue and earnings materially exceeded consensus, and management raised capital expenditure plans to support accelerating demand for AI infrastructure and proprietary silicon (TPU). TSMC also contributed positively as investors responded to record first quarter profitability, robust AI driven demand, and a raised full year growth outlook. Management highlighted sustained strength in advanced nodes and packaging, with high performance computing now representing a majority of revenue, reinforcing TSMC's central role in the AI supply chain. While geopolitical risk and export controls remain an overhang, the market focused on capacity tightness, expanding margins, and sizable 2026 capital commitments as evidence of multi year demand visibility. Shares benefited from multiple expansion as investors debated whether current valuation adequately reflects the longevity of the AI CAPEX cycle.

As for top relative detractors, these included CME Group and Mastercard. CME Group shares retreated despite positive earnings, including revenues, volumes, and earnings that exceeded expectations. The negative reaction, in our view, was driven less by fundamentals and more by valuation and forward looking concerns. With the stock trading at a premium to historical averages, the market focused on the risk of mean reversion in volumes rather than near term execution strength, leading to multiple compression following the print. Mastercard also detracted after shares moved lower despite an earnings beat and double digit revenue growth. While core spending metrics and value added services remained robust, management commentary pointed to a deceleration in cross border activity early in the second quarter, which weighed on sentiment.

During the period, we did not initiate nor exit any existing positions. We added to our recently initiated position, Industria de Diseno Textil (Inditex), as we continue to build our position, using proceeds from trimming our position in Diageo.

Manager Style Summary

PineStone is a "bottom-up" manager, whose process is driven by individual security selection. They invest in quality companies and seek to consistently compound shareholder wealth at attractive rates of return over the long term while preserving capital. Country and sector exposures are by-products of the security selection process. The portfolio consists of roughly 30-50 securities at a time. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

PineStone

Global Equity: MSCI World Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:		Index	PineStone	Calc	Min	Max	Compliance
B3.	No more than 10% of the account shall be invested in any one security @ purchase						Yes
B4.	Number of issues		29		25	50	ok
B5.	Issuer market capitalization: above $1 billion @ purchase						Yes
B6.	Normal Regional Exposures (* benchmark -/+ min/max):						
	North America		64%		30%	80%	ok
	Japan		4%		0%	30%	ok
	Europe ex UK		16%		10%	50%	ok
	UK		5%		0%	50%	ok
	Pacific ex Japan		0%		0%	30%	ok
	Emerging Markets		11%		0%	20%	ok
	Non-Index Countries		0%		0%	20%	ok
	Total		100%				
B7.	Normal Global Portfolio Characteristics						
	ROE	13.0	27.6	212%	100%		ok
	ROIC	11.1	32.7	293%	100%		ok
	Price/Earnings	22.1	27.3	124%	50%		ok
	Price/Book Value	3.8	8.1	211%	50%		ok
	Price/Cash Flow	15.2	22.1	146%	50%		ok
	Dividend Yield	1.5	1.3	83%	25%		ok
	Market Capitalization	1,092,711	1,062,534	97%	25%		ok
C2.	Max value of forwards w/single counterpar		0%			30%	ok
C3.	Cash/cash equiv in non-USD currencies		1%			10%	ok
F2.	Brokerage commissions not to exceed $0.05/share for U.S. equities						Yes
F3.	Annual turnover		8%		10%	20%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

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

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 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: **April** **2026**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Pzena	8.39%	2.88%	27.16%	-	-
MSCI ACWI	10.17%	3.58%	31.00%	-	-

Performance Attribution & Strategy Comments

Please note, the above represents net returns.

Global equities advanced sharply in April, driven by a strong risk-on rally led by artificial intelligence-related stocks. Markets reached new highs despite ongoing geopolitical tensions and elevated energy prices, as investors largely looked through macro headwinds. Performance was led by growth-oriented sectors, particularly technology, with gains concentrated in areas tied to the AI investment cycle. Overall, dispersion across regions, sectors, and individual stocks remained elevated. Within the MSCI ACWI Index, information technology, communication services, and industrials sectors posted positive returns over the period, while the energy and health care sectors were the only sectors to decline. The portfolio rose but underperformed the MSCI ACWI Index. The information technology, consumer staples, and communication services sectors detracted from relative returns during the period. The financials, health care, and energy sectors contributed most to relative performance. IT services provider Cognizant reported strong first-quarter results with solid revenue, earnings, and bookings growth, but a softer near-term outlook and continued modest full-year growth guidance, alongside an accelerating shift toward outcome-based pricing models, tempered the impact of solid execution. Shell, a global integrated energy company, declined as oil equities gave back some gains amid easing crude price momentum following earlier geopolitical disruption, while the announcement of its large, premium-priced acquisition of ARC Resources to address reserve life concerns also weighed on shares. Tyson Foods, the largest meat processor in the U.S., was relatively flat as continued pressure in its beef segment, driven by tight cattle supply and elevated input costs, weighed on profitability. Humana, a U.S. health insurer focused on Medicare Advantage, rose following a more favorable Medicare Advantage rate update and first-quarter results that reflected better-than-expected medical cost trends and reaffirmed full-year guidance, despite ongoing pressure from Star Ratings. Skyworks Solutions, a semiconductor supplier of radio-frequency components for mobile devices, rose driven by an analyst upgrade tied to expectations for Apple-related demand and broader semiconductor strength, alongside company announcements including a new product launch and quarterly dividend declaration. Electronic components distributor Avnet rose following a strong earnings release that exceeded expectations and reflected broad-based demand, including data center-related activity and improving volumes as prior inventory headwinds eased, alongside guidance indicating continued growth.

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		55		40	60	ok
B5. Normal Regional Exposures (* benchmark -/+ min/max):						
Emerging Markets	12%	9%		0%	25%	ok
Europe ex UK	11%	27%		0%	41%	ok
Japan	5%	4%		0%	35%	ok
North America	66%	51%		30%	96%	ok
United Kingdom	3%	8%		0%	33%	ok
Other	3%	1%		0%	33%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics						
Capitalization	892535	58948	7%	10%	80%	check
Price/Book Value	3.7	1.4	37%	20%	100%	ok
Price/Earnings	22.8	14.9	65%	20%	120%	ok
Dividend Yield	1.6	3.2	200%	75%	200%	check
B7. Price/Normalized Earnings in Q1		83%		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		27%		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 April.

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

Sprucegrove

International Equity: MSCI EAFE Benchmark

For the month of: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Sprucegrove	5.71%	-1.99%	23.37%	-	-
MSCI EAFE	7.45%	0.85%	24.60%	-	-

Performance Attribution & Strategy Comments

April 22, 2024 inception date.

International equities quickly rebounded from the March downturn as the conflict with Iran appears to have avoided the worst-case scenario. The MSCI EAFE returned 7.45% in a volatile April. The Information Technology sector posted the largest gain at 20%, as AI-driven demand continues to boost semiconductor stocks.

The Fund underperformed the index in April (5.71% vs 7.45%).

The evolving situation in the Middle East continued to drive market sentiment, but investors returned in April to buy shares that may have been oversold in March.

Stock selection in Consumer Discretionary detracted the most, driven by weakness in luxury goods holdings.

Stock selection in Industrials also detracted; airline and Asian (Hong Kong) holdings remain under pressure due to higher energy prices.

Stock selection in Health Care was a positive contributor as shares of Novo Nordisk rebounded sharply.

From a country perspective, stock selection in France and overweight and selection in Hong Kong lagged. Stock selection in Australia and exposure to Emerging Markets were modest contributors.
*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	60.0	40		ok
B6. Largest single industry group exposure (by GICS)	18%	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	16%	5%	50%	ok
United Kingdom	11%	10%	50%	ok
Canada	4%	0%	10%	ok
United States (not permitted)	0%	0%	0%	ok
Other MSCI EAFE Individual Country (not listed above)	9%	0%	15%	ok
Total non-MSCI EAFE Country, exclude Canada	12%	0%	15%	ok
Total non-MSCI EAFE Country, include Canada	16%	0%	20%	ok
C3. Maximum value of forward w/single counterparty	0%	0%	30%	ok
C4. Foreign Currency (cash or cash equiv) <= 5% of Account value				Yes
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ 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: **April** **2026**

Manager Performance Calculations ** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Walter Scott	5.84%	-1.44%	12.10%	10.11%	6.63%
MSCI World	9.59%	3.36%	29.16%	19.70%	11.29%

Performance Attribution & Strategy Comments

April saw a technology-led rally in global equities, with MSCI World (ndr) gaining 9.6%. Despite delivering a solid absolute return of 5.8%, the portfolio lagged the benchmark.

Like the index, technology stocks led portfolio returns. Texas Instruments, the leading analogue semiconductor manufacturer, was the portfolio’s best performer, rising 45%. The company announced strong results, with growth accelerating due to data centre demand and good operational leverage. However, other names did not keep pace. Semiconductors and semiconductor equipment was the best performing industry (+27%) in the index over the month. Portfolio holdings delivered strong gains in aggregate but lagged and were relative detractors; ASML (+11%) and Taiwan Semiconductor (+17%) underperformed their industry peers. Non held names Broadcom, Advanced Micro Devices, Intel, and Micron Technology were drivers of benchmark returns, reflecting strong AI-related capital expenditure trends. In contrast to semiconductors, the software and IT services industries were weaker. Within these industries, portfolio holdings lagged with price declines from Cognizant Technology Solutions and Intuit. Cognizant announced satisfactory results, but AI disruption concerns blighted the share price. Similar fears also impacted financial software company Intuit, although the business has been performing well operationally. Outside of technology, relative underperformance was broad based across sectors.

The portfolio’s greater exposure to the healthcare sector, which endured a lacklustre month, detracted from relative return. In addition, a lower than benchmark exposure to communication services was a relative drag, as the sector’s strength was driven primarily by Alphabet. Elsewhere, consumer discretionary, industrials, and financials holdings trailed their respective benchmark counterparts.

In the near term, equity markets will likely track the news flow from the Middle East, and in that regard, a widespread resumption of hostilities would undermine the current bullish tone. The conflict represents a risk to the hitherto supportive narrative of economic resilience, a benign earnings environment and loose monetary policy. The impact on growth, inflation, interest rates and consumer behaviour will ultimately depend on the duration of the war, but even a quick resolution may not mark a return to the pre-conflict status quo. The damage to oil and gas infrastructure and a renewed focus on energy security could lead to higher-for-longer energy prices. Disruption to supply chains of key materials such as fertiliser represent a further source of economic uncertainty. We remain confident in the underlying resilience of portfolio companies, given their market leadership, strong balance sheets and consistently cash-generative business models.

Manager Style Summary

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

Walter Scott & Partners Limited

Global Equity: MSCI World Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	WS	Min	Max	Compliance
A2. Cash balance <= 5% of portfolio market value	1%		5%	ok
B3. No more than 10% of the account shall be invested in any one security @ purchase				Yes
B4. Number of issues	48	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	66%	60%	75%	ok
Japan	5%	0%	9%	ok
Europe ex UK	14%	8%	22%	ok
UK	4%	0%	12%	ok
Pacific ex Japan	5%	0%	12%	ok
Emerging Markets	5%	0%	12%	ok
Total	99%			
B7. Normal Global Portfolio Characteristics				
ROE	24%	10%	35%	ok
CROCE	29%	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	21	13	30	ok
Dividend Yield	1%	0.5%	3%	ok
E2. Brokerage commissions in bps	4	4	13	ok
E3. Annual turnover	21%		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:	0	Total Market Value ($m):	$	-
	Reason(s):	n/a			

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: **April** **2026**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Wasatch	14.01%	4.15%	15.91%	n/a	n/a
MSCI EM	14.71%	5.21%	46.68%	n/a	n/a

Country Allocation Comparison

Over-weight	Wasatch	EM	Under-weight	Wasatch	EM
India	29.52%	11.96%	Korea	2.89%	18.83%
Mexico	9.29%	1.83%	China	8.16%	23.10%
Brazil	10.81%	4.53%	South Africa	0.00%	3.26%

Performance Attribution & Strategy Comments

Diplomatic efforts to negotiate and extend a ceasefire between the U.S. and Iran helped push emerging-market equities sharply higher during April. Fueled by rallies in Asian technology shares, the benchmark MSCI Emerging Markets Index rose 14.71% for the month. The Wasatch Emerging Markets Select strategy posted a comparable gain but finished slightly behind the benchmark.

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

At the sector level, stock selection in the financials sector contributed most to performance relative to the benchmark. Conversely, stock selection in the industrials sector detracted from the strategy's relative performance.

Some of the largest contributors to performance for the month included Taiwan-based ASPEED Technology, Inc., a fabless designer of server-management chips; Chroma ATE, Inc., a Taiwanese manufacturer of automated test equipment used in semiconductor fabrication; and Asia Vital Components Co. Ltd., a Taiwanese provider of thermal-management solutions for computer equipment.

The largest detractors from performance included WEG SA, a Brazilian manufacturer of power components; Grupo Aeroportuario del Centro Norte SAB de CV, an operator of international airports in Mexico; and Tencent Holdings Ltd., a large Chinese online-gaming company.

Manager Style Summary

Wasatch believes that long-term stock prices are driven by earnings growth. The market's short-term bias presents opportunities to purchase high-quality businesses at a discount to their long-term value. They are patient investors in exceptional companies that can compound earnings over time. The Wasatch Emerging Markets Select strategy is a concentrated, yet diversified growth portfolio of high-quality companies. They use a team based, bottom-up, systematic, approach that seeks to identify companies with outstanding long-term growth potential. Attributes of typical investments include high returns on capital, exceptional management teams, sustainable competitive advantages, and reasonable valuations.

Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Wasatch	Calc	Min	Max	Compliance
Security position <= 10% of the account @ purchase						Yes
Number of issues		35		20	50	ok
Investments in a single sector will not exceed more than 50% of the portfolio value						Yes
Investments in a single country will not exceed more than 50% of the portfolio value						Yes
Normal Regional Exposures (* benchmark -/+ min/max):						
Emerging Markets	100%	86%		60%	100%	ok
Other	0%	14%		0%	40%	ok
Total		100%				
Normal Global Portfolio Characteristics (Relative to the Index)						
Price/Earnings (fwd)	11.7	23.3	199%	50%	NA	ok
ROE	20.4	26.0	127%	50%	NA	ok
3-5 Yr.Est. Growth	21.3	30.0	141%	50%	NA	ok
No derivatives, short sales, commodities, margin or currency hedging						Yes
Annual turnover		43%		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:	-	Total Market Value ($m):	$ -
Lost:	Number of Accounts:	2	Total Market Value ($m):	$ 5.4
	Reason(s):	Changes in asset allocation		

WCM

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **April** **2026**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
WCM	14.11%	4.76%	45.32%	-	-
MSCI Emerging Markets	14.73%	5.29%	47.51%	-	-

Country Allocation Comparison

Over-weight	**WCM**	**EM**	**Under-weight**	**WCM**	**EM**
Brazil	10.76%	4.64%	China	19.27%	22.29%
Greece	3.15%	0.47%	India	7.60%	11.94%
Peru	2.78%	0.23%	Taiwan	18.19%	24.84%

Performance Attribution & Strategy Comments

During April 2026, the portfolio underperformed the MSCI Emerging Markets benchmark, as evidenced by a portfolio total return of 14.11% versus the benchmark's 14.73%, resulting in a total effect of -61 basis points. Sector allocation detracted -1.32% from relative performance, while stock selection contributed 70 basis points. The Information Technology sector was the largest detractor with a total effect of -2.29%, whereas Industrials contributed positively with a total effect of 1.96%.

For the month of April, the portfolio exhibited fluctuating relative performance versus the MSCI Emerging Markets benchmark, with a total effect of -1.01% for the week ending April 2nd, a rebound to 29 basis points for the week ending April 10th, a decline to -98 basis points for the week ending April 17th, a strong recovery to 85 basis points for the week ending April 24th, and a modest gain of 30 basis points for the week ending April 30th. The negative result in the first week was primarily driven by a stock selection effect of -82 basis points and a sector allocation effect of -18 basis points. In the second week, positive stock selection of 91 basis points was partially offset by a negative sector allocation of -62 basis points. The third week saw both stock selection and sector allocation detract, with effects of -62 basis points and -36 basis points, respectively. The fourth week was characterized by robust stock selection of 94 basis points and a minor negative sector allocation of -9 basis points. In the final week, both stock selection and sector allocation contributed positively, at 26 basis points and 4 basis points, respectively. Industrials consistently contributed to relative performance, notably adding 1.21% in the week ending April 24th and 79 basis points in the final week, while Information Technology detracted most, particularly with -62 basis points in the week ending April 17th and -91 basis points in the week ending April 24th.

Manager Style Summary

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

WCM

Emerging Markets Equity: MSCI EM Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	WCM		Min	Max	Compliance
At least 80% in emerging/frontier	91%		80%	100%	ok
Number of countries in the portfolio	16		3	N/A	ok
Number of global industries	23		15	N/A	ok
No more than 5% of the outstanding shares of each issuer					Yes
% of outstanding of China traded company shares	0.01%		0	4%	ok
Single Industry (% MV)	20%			30%	ok
Single Sector (% MV)	27%			50%	ok
Single position (% MV)	9%			10%	ok
Derivatives (% MV)	0%		0%	0%	ok

The portfolio is in compliance with all other aspects of the portfolio guidelines ☑ Yes ☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 114,123

Organizational/Personnel Changes

No Changes

Account Turnover

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

PERSI Choice Plan Summary — Apr 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	5.1%	1.4%	15.8%	10.4%	6.1%
Strategic Policy ☆		6.4%	3.0%	20.0%	12.8%	7.1%
Broad Target *(55% R3000, 15% MSCI EAFE, 30% BCAgg)*		6.8%	2.6%	21.6%	15.0%	8.0%
Calvert Balanced Fund [1]**	CBARX	7.6%	**2.2%**	17.3%	**14.4%**	**7.7%**
Custom Bench *(60% R1000, 40% BCAgg)*		6.1%	2.5%	19.4%	14.1%	7.5%
Capital Preservation						
PERSI Short-Term Investment Portfolio ♠	n/a	**0.3%**	**0.9%**	**4.1%**	**4.7%**	**3.4%**
ICE BofA US 3-month T-bill Index		0.3%	0.9%	4.0%	4.8%	3.4%
Bond						
US Bond Index Fund	n/a	**0.1%**	**-0.1%**	**4.0%**	**3.4%**	**0.1%**
Dodge and Cox Fixed Income Fund [5]	DOXIX	**0.2%**	**-0.2%**	5.2%	4.9%	1.4%
Bloomberg Aggregate		0.1%	0.0%	4.1%	3.5%	0.2%
US TIPS Index Fund	n/a	**1.2%**	**1.1%**	**4.0%**	**3.5%**	1.4%
Bloomberg US TIPS Index		1.2%	1.1%	4.1%	3.5%	1.4%
U.S. Equity						
Russell 3000		10.2%	4.2%	31.0%	21.3%	11.9%
Large Cap						
U.S. Large Cap Equity Index Fund	n/a	**10.5%**	**4.2%**	**31.1%**	**21.6%**	**13.1%**
Vanguard Growth & Income Fund [2]	VGIAX	9.9%	3.1%	**31.3%**	22.2%	**13.3%**
S&P 500		10.5%	4.2%	31.1%	21.7%	13.1%
Small/Mid Cap						
U.S. Small/Mid Cap Equity Index Fund [3]	n/a	**9.9%**	**6.0%**	**34.1%**	**19.6%**	**5.6%**
Dow Jones U.S. Completion Total Stock Market Index		9.9%	6.0%	33.7%	19.5%	5.3%
Small Cap						
T. Rowe Price Small Cap Stock Fund [4]	TRSSX	8.1%	4.6%	28.1%	15.1%	4.4%
Russell 2000		12.2%	7.5%	44.4%	18.2%	5.7%
Specialty						
US REIT Index Fund	n/a	**8.7%**	**10.3%**	19.5%	11.8%	5.5%
Dow Jones U.S. Select REIT		8.7%	10.4%	19.8%	12.0%	5.7%
International Equity						
International Equity Index Fund	n/a	6.2%	**1.1%**	25.4%	**15.6%**	9.1%
T. Rowe Price Overseas Stock	TROIX	6.5%	**0.8%**	27.4%	15.2%	N/A
MSCI EAFE net dividend		7.5%	0.9%	24.6%	15.3%	8.8%
DFA Emerging Markets Core Equity I	DFCEX	12.2%	7.2%	46.0%	20.3%	N/A
MSCI EMF		14.7%	5.3%	47.5%	21.3%	6.5%

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

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

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

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

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

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

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

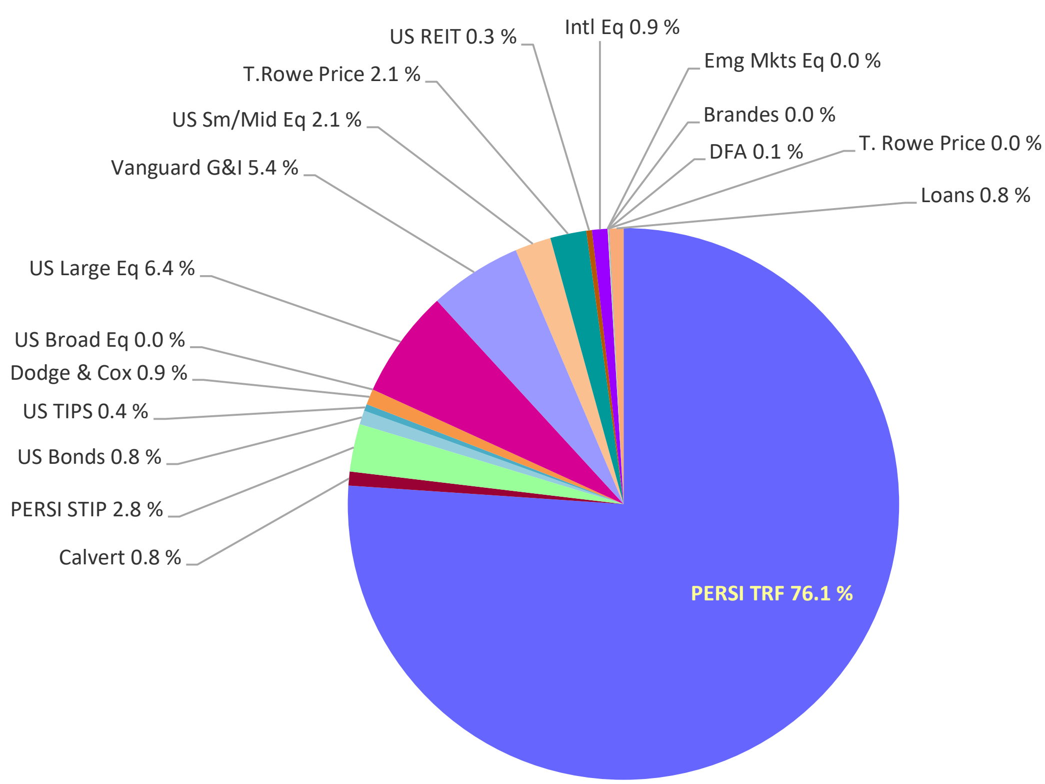
[4] *T. Rowe Price Small Cap Stock Fund (TRSSX) begins 04/01/2017; (OTCFX) performance begins 8/01/2003; previous periods reflect ING Small Company Fund (AESGX)*

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

PERSI Choice Plan Summary — Apr 2026

Performance - Net of fees

			Alloc by Fund	Alloc by Asset Class
Balanced				**74.8%**
PERSI Total Return Fund	$	1,503,600,309	73.9 %	
Calvert Balanced Fund	$	17,502,544	0.9 %	
Capital Preservation				**2.5%**
PERSI Short-Term Investment Portfolio *(ML 0-3mo T-bill)*	$	50,479,667	2.5 %	
Bonds				**1.8%**
U.S. Bond Index Fund *(BC Aggregate)*	$	13,198,320	0.6 %	
U.S. TIPS Index Fund *(BC US TIPS)*	$	6,590,304	0.3 %	
Dodge and Cox Fixed Income Fund *(BC Aggregate)*	$	16,367,786	0.8 %	
U.S. Equity				**18.7 %**
Large Cap				
U.S. Large Cap Equity Index Fund *(S&P 500)*	$	151,628,482	7.5 %	
Vanguard Growth & Income Fund *(S&P 500)*	$	129,953,797	6.4 %	
Small/Mid Cap				
U.S. Small/Mid Cap Equity Index Fund *(DJ USTSMI)*	$	49,321,164	2.4 %	
Small Cap				
T. Rowe Price Small Cap Stock Fund *(R2000)*	$	43,270,676	2.1 %	
Specialty				
U.S. REIT Index Fund *(DJ US Select REIT)*	$	6,886,655	0.3 %	
International Equity				**1.5 %**
International Equity Index Fund *(MSCI EAFE)*	$	24,205,908	1.2 %	
T. Rowe Price Overseas Stock	$	2,202,279	0.1 %	
DFA Emerging Markets Core Equity I	$	3,531,763	0.2 %	
Other				**0.7 %**
Loans	$	14,810,881	0.7 %	
Total DC Plan	**$**	**2,033,550,535**	**100%**	**100.0 %**



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

PERSI
Public Employee Retirement System of Idaho

May 26, 2026

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

Pension Software Upgrade:

- The Arrivos upgrade has been going well. The employer portal module started last fall and has progressed to the point where SCO is the only employer left except for two universities and a couple of small employers that have yet to transition.

  Employer Service Center (ESC) and Quality Assurance (QA) have done a great job of communicating, training, and assisting employers as they have transition to the "new" upgraded employer portal.

- The next stage of the upgrade will be the Pension Administration System (Pension Next). This will involve most of the agency and will require design and testing sessions throughout the rest of 2026 and conclude in 2027.

Employee Appreciation Day:

- Persi had its annual Employee Appreciation Day on May 8th. All employees were required to attend in person, including the outlying offices. The agenda included agency updates from executive management, department manager updates, services awards, and lunch grilled by Director Hampton. It was good to get everyone together to celebrate and acknowledge Persi's valuable employees.

Hired New Human Resource Partner:

- Ryan Beus left Persi in March to pursue other life opportunities in another state. DHR has hired his replacement with Mike and I's participation and input. Taylor Potter was hired and will begin supporting Persi on May 26th. We would like to thank DHR for keeping the same level of support that we have received over the last few years.

PERSI
Public Employee Retirement System of Idaho

May 26, 2026

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

New Employers:

- Robie Creek Fire Protection District:
  - Located in Boise
  - 2 Employees and 0 Elected/Appointed

- Coeur d' Alene Urban Renewal Agency
  - Located in Coeur d' Alene
  - 1 Employee and 9 Elected/Appointed Not Paid

PERSI
Public Employee Retirement System of Idaho

HELPING YOU BUILD A SECURE RETIREMENT

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

Date: May 26th, 2026

TO: PERSI Retirement Board

FROM: Mike Anderson
Financial Executive Officer

SUBJECT: **UPDATE ON FISCAL ISSUES**

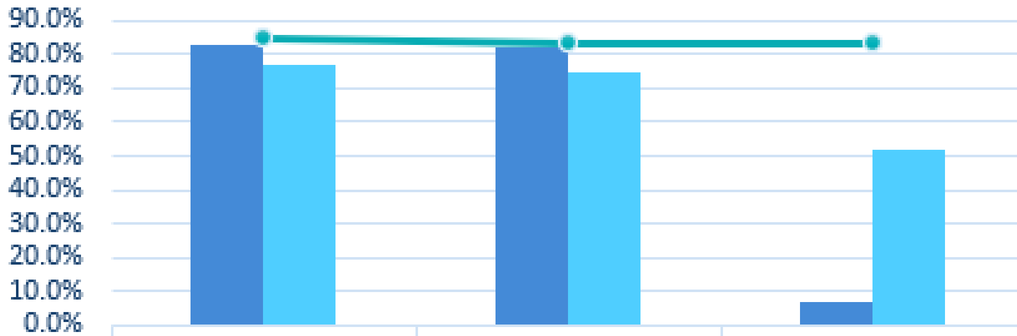
- **2026 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.

  - **Administration:** The report is for FY2026 expenditures as of the end of April. Personnel expenses are below the target rate of 84.6%. Operating and Capital Outlay expenses are both below the target rate of 83.3%.
  - **Portfolio:** Our year-to-date expense ratio is 33.0 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 PREVIEW:** I will review with the board the FY 2028 PERSI's Administration and Portfolio Operating budget.

- **QUARTERLY FINANCIAL STATEMENTS (UNAUDITED):** The third quarter FY26 unaudited financial statements are in your board packets. Please let me know if you have any questions.

Administration

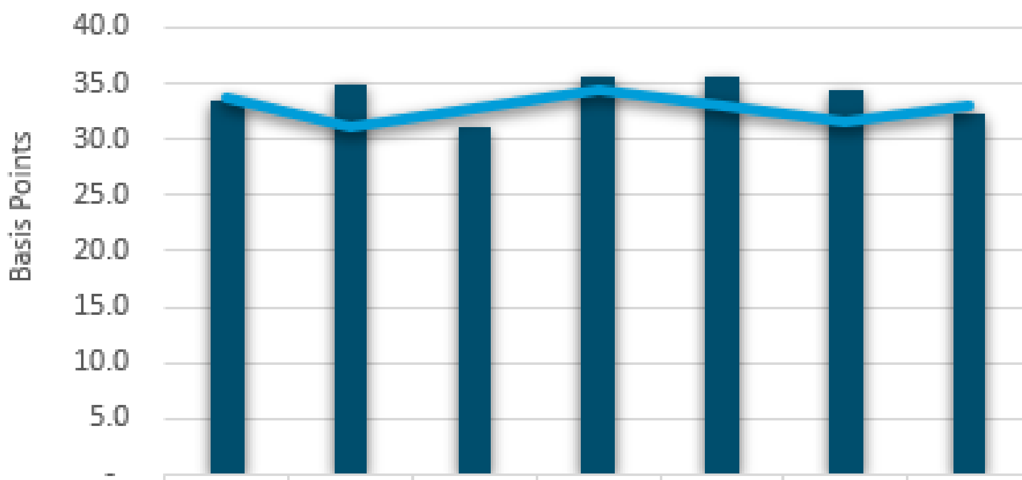


	Personnel	Operating	Capital
FY26	83.1%	82.4%	6.8%
FY25	77.2%	74.4%	52.1%
Target Rate	84.6%	83.3%	83.3%

FY26 FY25 Target Rate

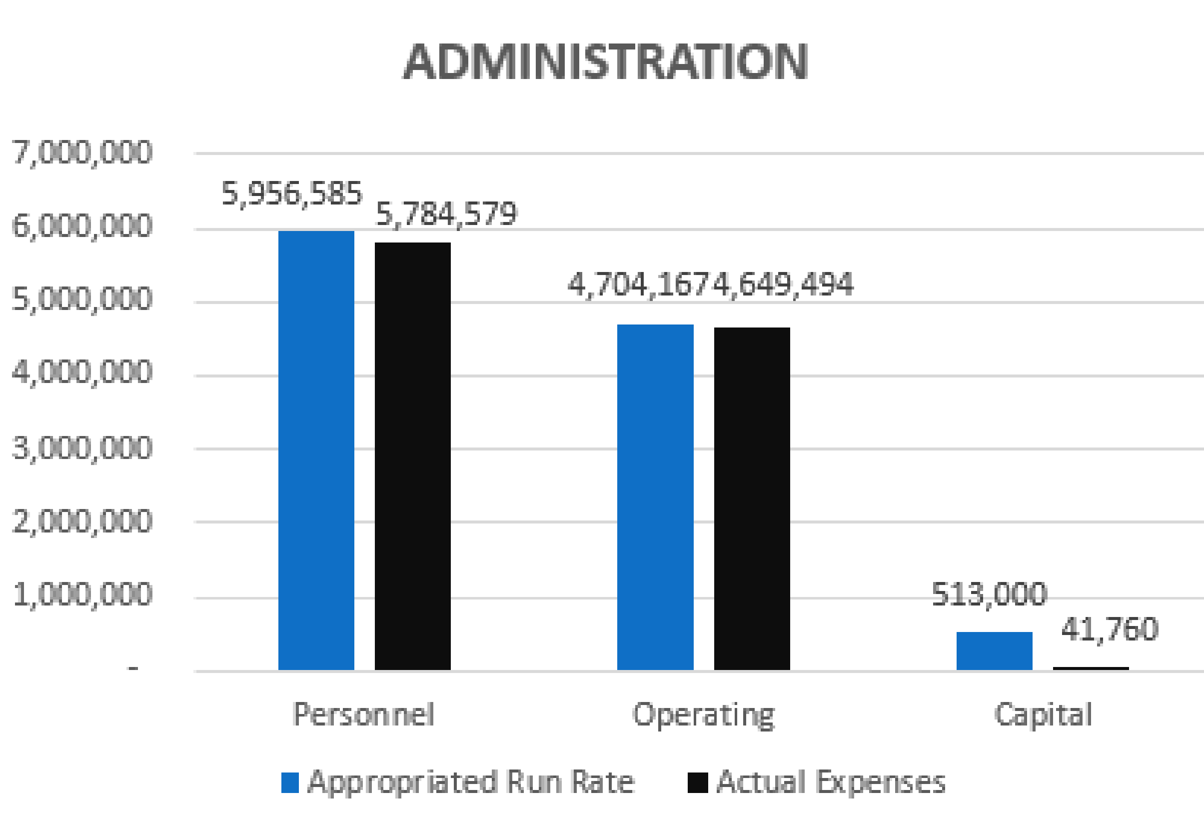
Expense Ratio Comparison

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	33.0

Budg Exp Ratio YTD Actual


ADMINISTRATION
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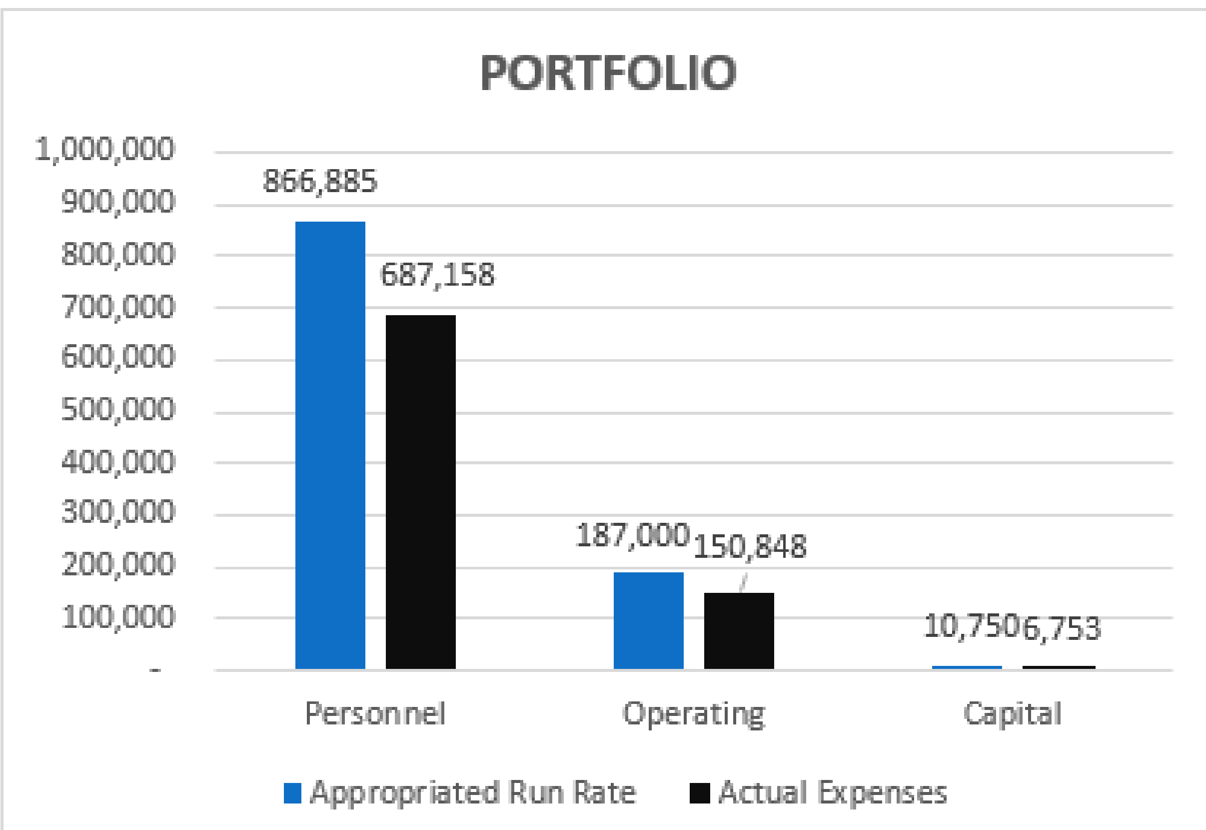
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
5,956,585
5,784,579
4,704,167
4,649,494
513,000
41,760
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses


PORTFOLIO
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
866,885
687,158
187,000
150,848
10,750
6,753
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS ADMINISTRATION EXPENSES

SUMMARY REPORT							TARGET:		83.3%
ADMINISTRATIVE BUDGET									
APRIL 30, 2026									
	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total Expenses	Current Spending Balance	Actual as % of Budget
PERSONNEL	6,616,500	6,062,804	6,960,900	4,705,030	544,323	535,226	5,784,579	1,176,321	83.1%
OPERATING	5,628,600	5,607,235	5,645,000	3,572,154	490,402	586,941	4,649,494	995,506	82.4%
CAPITAL	345,700	343,421	615,600	41,351	87	321	41,760	573,840	6.8%
TOTAL	**12,590,800**	**12,013,460**	**13,221,500**	**8,318,535**	**1,034,812**	**1,122,488**	**10,475,833**	**2,745,667**	**79.2%**

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS PORTFOLIO EXPENSES

SUMMARY REPORT - PORTFOLIO							TARGET:	83.3%
APRIL 30, 2026								
INVESTMENTS	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total Expenses	Actual as % of Budget
STAFF EXPENSE								
Personnel	1,003,200	771,064	1,020,500	539,117	75,817	72,225	687,158	67.3%
Operations	218,100	142,603	224,400	128,457	7,732	14,659	150,848	67.2%
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: 83.3%
ADMINISTRATIVE BUDGET
APRIL 30, 2026

	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total Expenses	Current Spending Balance	Actual as % of Budget
PERSONNEL	6,616,500	6,062,804	6,960,900	4,705,030	544,323	535,226	5,784,579	1,176,321	83.1%
OPERATING	5,628,600	5,607,235	5,645,000	3,572,154	490,402	586,941	4,649,494	995,506	82.4%
CAPITAL	345,700	343,421	615,600	41,351	87	321	41,760	573,840	6.8%
TOTAL	**12,590,800**	**12,013,460**	**13,221,500**	**8,318,535**	**1,034,812**	**1,122,488**	**10,475,833**	**2,745,667**	**79.2%**

ADMINISTRATIVE BUDGET
By Cost Center and Account Category
APRIL 30, 2026

DESCRIPTION	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total Expenses	Current Spending Balance	Actual as % of Budget
ADMINISTRATION									
Personnel	759,100	641,230	850,000	577,037	64,977	64,943	706,956	143,044	83.2%
Operating	188,500	188,489	189,400	135,725	6,861	3,949	146,535	42,865	77.4%
Capital	75,000	71,928	-	-	-	-	-	-	0.0%
BOARD			-						
Personnel	11,300	3,448	5,000	1,508	323	-	1,832	3,168	36.6%
Operating	37,000	36,849	29,500	21,167	1,208	-	22,374	7,126	75.8%
Capital	-	-	-	-	-	-	-	-	0.0%
LEGAL			-						
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	137,000	135,818	135,000	101,830	317	3,089	105,236	29,764	78.0%
Capital	-	-	-	-	-	-	-	-	0.0%
QUALITY ASSURANCE			-						
Personnel	518,400	503,053	652,900	442,622	50,114	30,440	523,177	129,723	80.1%
Operating	20,000	19,804	32,000	22,889	1,756	482	25,127	6,873	78.5%
Capital	24,000	23,420	-	197	-	-	197	(197)	0.0%
FISCAL ADMINISTRATION			-						
Personnel	950,300	930,147	1,070,000	723,520	82,913	85,476	891,909	178,091	83.4%
Operating	105,000	98,356	115,000	104,961	115	1,706	106,783	8,217	92.9%
Capital	-	-	-	-	-	-	-	-	0.0%
EMPLOYER SERVICE CENTER			-						
Personnel	305,600	277,454	280,000	188,999	22,069	22,052	233,120	46,880	83.3%
Operating	2,000	1,867	1,500	806	266	224	1,297	203	86.5%
Capital	-	-	-	-	-	-	-	-	0.0%
OVERHEAD									
Personnel	33,700	8,783	-	-	-	-	-	-	0.0%
Operating	605,100	594,992	560,000	410,261	12,327	132,595	555,182	4,818	99.1%
Capital	-	-	-	2,958	-	-	2,958	(2,958)	0.0%
IT - ADMINISTRATION									
Personnel	948,000	942,548	1,040,000	710,782	80,767	80,326	871,875	168,125	83.8%
Operating	46,000	45,898	30,000	6,394	4,045	2,372	12,811	17,189	42.7%
Capital	-	-	-	-	-	-	-	-	0.0%
IT - SYSTEM MAINTENANCE									
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	947,000	946,030	960,000	589,968	125,181	167,426	882,575	77,425	91.9%
Capital	191,700	184,708	615,600	37,234	-	289	37,524	578,076	6.1%
IT - PROJECTS									
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	3,000,000	3,003,368	3,000,000	1,786,719	227,280	240,000	2,253,999	746,001	75.1%
Capital	-	-	-	-	-	-	-	-	0.0%
MEMBER SERVICES									
Personnel	533,800	487,141	525,000	356,429	38,338	48,468	443,236	81,764	84.4%
Operating	35,000	33,974	92,100	77,752	6,776	4,229	88,756	3,344	96.4%
Capital	-	-	-	-	-	-	-	-	0.0%

ADMINISTRATIVE BUDGET (Cont.) By Cost Center and Acco APRIL 30, 2026	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total	Current Spending Balance	Actual as % of Budget
DISABILITY ASSESSMENT									
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	149,000	148,325	155,000	103,869	14,835	9,020	127,724	27,276	82.4%
Capital	-	-	-	-	-	-	-	-	0.0%
FIELD SERVICES - CSO									
Personnel	135,100	139,071	159,000	107,688	12,033	11,900	131,622	27,379	82.8%
Operating	36,000	35,616	40,000	13,560	22,331	2,606	38,498	1,502	96.2%
Capital	-	-	-	356	87	32	475	(475)	0.0%
FIELD SERVICES - PSO									
Personnel	137,200	124,045	155,000	104,649	11,958	11,958	128,566	26,434	82.9%
Operating	67,000	66,151	80,000	50,133	21,310	3,363	74,806	5,194	93.5%
Capital	-	-	-	-	-	-	-	-	0.0%
PERSI RETIREMENT CENTER									
Personnel	436,100	311,850	372,000	249,735	29,771	28,844	308,350	63,650	82.9%
Operating	3,500	3,409	3,000	2,000	225	353	2,578	422	85.9%
Capital	-	-	-	-	-	-	-	-	0.0%
PERSI ANSWER CENTER									
Personnel	388,800	274,270	365,000	243,494	30,484	30,308	304,286	60,714	83.4%
Operating	16,500	16,381	6,000	4,565	113	116	4,793	1,207	79.9%
Capital	55,000	54,909	-	-	-	-	-	-	0.0%
PERSI PROCESSING CENTER									
Personnel	393,400	378,840	485,000	329,022	37,413	37,412	403,847	81,153	83.3%
Operating	22,000	21,050	5,000	3,313	113	830	4,255	745	85.1%
Capital	-	-	-	-	-	-	-	-	0.0%
IMAGING									
Personnel	70,200	69,840	75,000	50,978	5,798	5,798	62,575	12,425	83.4%
Operating	2,000	1,942	1,000	495	-	-	495	505	49.5%
Capital	-	-	-	-	-	-	-	-	0.0%
TRAINING									
Personnel	643,400	627,070	612,000	405,616	53,259	53,313	512,188	99,812	83.7%
Operating	102,000	101,596	79,000	53,088	7,267	14,503	74,858	4,142	94.8%
Capital	-	8,456	-	606	-	-	606	(606)	0.0%
COMMUNICATIONS									
Personnel	104,600	99,644	107,000	72,517	8,220	8,134	88,871	18,129	83.1%
Operating	97,000	96,678	125,000	77,802	38,038	38	115,879	9,121	92.7%
Capital	-	-	-	-	-	-	-	-	0.0%
DC PLAN ADMINISTRATION									
Personnel	247,500	244,370	208,000	140,434	15,886	15,852	172,172	35,828	82.8%
Operating	11,000	10,642	6,500	4,857	38	38	4,934	1,566	75.9%
Capital	-	-	-	-	-	-	-	-	0.0%
TOTAL									
PERSONNEL	**6,616,500**	**6,062,804**	**6,960,900**	**4,705,030**	**544,323**	**535,226**	**5,784,579**	**1,176,321**	**83.1%**
OPERATING	**5,628,600**	**5,607,235**	**5,645,000**	**3,572,154**	**490,402**	**586,941**	**4,649,494**	**995,506**	**82.4%**
CAPITAL	**345,700**	**343,421**	**615,600**	**41,351**	**87**	**321**	**41,760**	**573,840**	**6.8%**
	12,590,800	**12,013,460**	**13,221,500**	**8,318,535**	**1,034,812**	**1,122,488**	**10,475,833**	**2,745,667**	**79.2%**

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2026 CASH BASIS PORTFOLIO EXPENSES

SUMMARY REPORT - PORTFOLIO
APRIL 30, 2026

TARGET: 83.3%

INVESTMENTS	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total Expenses	Actual as % of Budget
MANAGEMENT FEES	68,558,103	63,755,621	67,899,737	48,763,888	3,922,376	6,433,827	59,120,092	87.1%
CONSULTANTS	1,500,000	1,230,018	1,500,000	1,078,597	63,179	249,401	1,391,177	92.7%
CUSTODIAL SERVICES	3,000,000	2,354,427	3,000,000	1,442,661	139,644	212,879	1,795,183	59.8%
REPORTING SERVICES								
1. Investment Related	240,000	137,897	200,000	96,570	-	22,815	119,385	59.7%
2. Non-Investment Related	710,000	592,947	760,000	430,155	68,943	58,627	557,725	73.4%
LEGAL	1,100,000	1,101,042	1,220,000	842,244	87,434	123,248	1,052,926	86.3%
STAFF EXPENSE	1,240,200	915,287	1,257,800	674,326	83,549	86,883	844,758	67.2%
ENCUMBRANCES*	-	-	-	-	-	-	-	
TOTAL EXPENDITURES*	76,348,303	70,087,239	75,837,537	53,328,442	4,365,124	7,187,680	64,881,245	85.6%
ADMINISTRATION	12,590,800	12,013,458	13,221,500	8,318,533	1,034,812	1,122,488	10,475,833	79.2%
YTD EXPENDITURES INCLUSIVE	88,939,103	82,100,697	89,059,037	61,646,975	5,399,936	8,310,168	75,357,079	84.6%

	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]		33.0

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
DETAIL REPORT
APRIL 30, 2026

TARGET: 83.3%

DESCRIPTION	FY 2025 BUDGETED	FY 2025 ACTUAL	FY 2026 BUDGETED	PRIOR MONTHS	MARCH	APRIL	FY 2026 Total Expenses	Actual as % of Budget
MANAGEMENT FEES								
Equity - Domestic	11,213,525	12,679,440	13,503,603	9,114,557	3,339	829,795	9,947,691	73.7%
Equity - International	8,155,000	8,935,504	9,516,312	7,660,877	559,032	819,954	9,039,863	95.0%
Fixed Income	2,939,577	3,007,792	3,203,298	3,811,066	0	505,094	4,316,160	134.7%
Real Estate	17,250,000	13,803,639	14,700,876	7,549,444	3,008,683	601,027	11,159,154	75.9%
Idaho Mortgage Program	4,500,000	3,921,185	4,176,062	2,703,359	343,823	-	3,047,181	73.0%
Equity Global	24,500,000	21,408,061	22,799,585	17,924,586	7,500	3,677,957	21,610,042	94.8%
CONSULTANTS								
Investment Consultants	760,000	624,809	760,000	474,323	-	139,920	614,243	80.8%
Advisors	380,000	321,642	380,000	207,602	21,846	31,250	260,698	68.6%
Other Consultants	360,000	283,566	360,000	396,672	41,333	78,231	516,235	143.4%
CUSTODIAL SERVICES								
Trust/Custody	3,000,000	2,155,687	3,000,000	1,442,661	139,644	212,879	1,795,183	59.8%
Clearwater Analytics, LLC	-	198,739	-	-	-	-	-	
REPORTING SERVICES								
1. Auditors Fees								
a. Annual Audit	160,000	37,961	160,000	71,417	-	-	71,417	44.6%
2. Actuarial Fees								
Milliman USA	350,000	388,319	400,000	242,070	35,610	41,960	319,641	79.9%
Cavanaugh MacDonald	200,000	166,667	200,000	116,667	33,333	16,667	166,667	83.3%
3. Bloomberg LP & Other	240,000	137,897	200,000	96,570	-	22,815	119,385	59.7%
LEGAL								
1. Legal Fees								
Legal Advice - Other	400,000	316,120	400,000	140,410	29,791	14,536	184,737	46.2%
Legal Advice - Priv Equity	600,000	667,899	680,000	592,682	48,858	67,624	709,164	104.3%
Legal Advice - Fiduciary/Liability	100,000	117,023	140,000	109,152	8,785	41,088	159,025	113.6%
STAFF EXPENSE								
Personnel	1,003,200	771,064	1,020,500	539,117	75,817	72,225	687,158	67.3%
Operations	218,100	142,603	224,400	128,457	7,732	14,659	150,848	67.2%
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	53,328,442	4,365,124	7,187,680	64,881,245	85.6%
JUDGES RETIREMENT FUND								
Invest, Mgmt, Consulting, Custody, Reporting	330,000	330,466	330,000	249,997	20,014	33,533	303,545	92.0%
Accounting, Auditing	15,000	8,377	15,000	14,334	-	(14,334)	-	0.0%
Other Professional Services	-	-	-	-	-	-	-	0.0%
Actuary	40,000	31,690	40,000	31,921	-	(31,921)	0	0.0%
Legal	4,000	5,393	4,000	4,099	421	602	5,121	128.0%
Administration	78,100	76,953	83,000	56,190	6,368	6,368	68,926	83.0%
Admin Rule	-	392	-	392	-	-	392	0.0%
	467,100	453,271	472,000	356,932	26,803	(5,752)	377,984	80.1%

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
Richelle Sugiyama	55002	San Diego, CA	PPI 2026 February Board Meeting and Roundtable	2/24/2026	2/27/2026	$3,365.24
Chris Brechbuhler	55002	New York, NY	2026 Global CIO Summit and AB Due Diligence	3/16/2026	3/18/2026	$2,074.20
Richelle Sugiyama	55002	New York, NY	2026 Global CIO Summit	3/16/2026	3/18/2026	$2,564.54
Park Price	55001	Scottsdale, AZ	2026 Callan National Conference	4/19/2026	4/22/2026	$2,205.91
Richelle Sugiyama	55002	Scottsdale, AZ	2026 Callan National Conference	4/20/2026	4/23/2026	$1,999.67
Sofia Wilson	55002	Scottsdale, AZ	2026 Callan National Conference	4/20/2026	4/23/2026	$1,981.26
Chris Brechbuhler	55002	Scottsdale, AZ	2026 Callan National Conference	4/20/2026	4/23/2026	$2,140.36

UNAUDITED

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

FINANCIAL STATEMENTS

FOR THE YEAR TO DATE

MARCH 31, 2026 AND 2025

Prepared by:	Kelly Schlangen	5/1/2026
	Kelly Schlangen, Senior Financial Specialist	Date
Reviewed by:	Parisa Gorji	5/1/2026
	Parisa Gorji, Accounting Manager	Date
Reviewed by:	Michael Anderson	5/1/2026
	Mike Anderson, Financial Executive Officer	Date

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
FINANCIAL STATEMENTS FOR
MARCH 31, 2026

CONTENTS

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
COMBINING STATEMENT OF PLAN NET ASSETS - PENSION TRUST FUNDS AND OTHER TRUST FUNDS
FOR THE YEAR TO DATE OF 03/31/2026 WITH COMPARATIVE TOTALS FOR SAME PERIOD PRIOR YEAR TO DATE

UNAUDITED

	PERSI Pension Funds						Totals	
	Base Plan	Judges' Retirement Fund	Choice Plan 401(k)	Choice Plan 414(k)	Sick Leave Insurance Reserve Trust Fund - State	Sick Leave Insurance Reserve Trust Fund - Schools	Current Year-To-Date	Prior Year-To-Date
CASH AND CASH EQUIVALENTS (Note 1)	$ 141,432,682	$ 1,097,303	$ 3,464,626	$ 143,798	$ 538,451	$ 1,429,322	$ 148,106,182	$ 49,257,243
INVESTMENTS, at fair value (Note 2)								
Fixed Income Investments								
Domestic	6,178,488,644	32,604,490			164,680,930	225,533,299	6,601,307,364	6,470,382,265
International							0	0
Idaho Mortgages	851,777,459	4,487,487					856,264,947	823,900,018
Short-Term Investments	390,672,186	2,058,210	191,042				392,921,438	300,265,910
Real Estate Equities (Note 3)	1,015,630,384	5,350,727					1,020,981,110	1,015,042,447
Equity Securities								
Domestic	11,542,755,855	60,811,625			122,933,336	168,729,193	11,895,230,009	10,774,162,824
International	2,836,771,656	14,891,328			34,024,791	45,667,270	2,931,355,045	2,776,142,995
Private Equity	1,925,812,513	10,145,912					1,935,958,425	1,862,311,561
Mutual, Collective, Unitized Funds			1,858,882,102	58,373,113			1,917,255,215	1,717,117,851
Total Investments	24,741,908,698	130,349,779	1,859,073,144	58,373,113	321,639,057	439,929,762	27,551,273,553	25,739,325,871
RECEIVABLES								
Investments Sold (Note 2)	35,828,607	188,759					36,017,366	33,971,002
Contributions	44,366,034	635,509	72,890				45,074,432	27,497,598
Administrative Fee			203,399	8,155			211,554	200,425
Interest and Dividends	87,963,055	463,423	4,922,880	165,711			93,515,068	91,460,856
Total Receivables	168,157,696	1,287,690	5,199,168	173,866	0	0	174,818,420	153,129,881
ASSETS USED IN PLAN OPERATIONS (Note 4)	8,384,551						8,384,551	6,243,985
DUE FROM OTHER FUNDS							0	46,200
PREPAID EXPENDITURES (Note 5)	113,726,096						113,726,096	107,920,513
TOTAL ASSETS	25,173,609,724	132,734,773	1,867,736,938	58,690,776	322,177,508	441,359,084	27,996,308,803	26,055,923,691
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Investments Purchased (Note 2)	127,439,772	671,401					128,111,174	116,403,231
Due to Other Funds							0	46,200
Accrued Liabilities (Note 6)	21,605,256	911,629	669,987	5,518	22,960	28,873	23,244,222	23,321,901
Benefits and Refunds Payable	995,649						995,649	1,242,863
TOTAL LIABILITIES	150,040,677	1,583,030	669,987	5,518	22,960	28,873	152,351,045	141,014,196
NET POSITION RESTRICTED FOR PENSIONS AND AMOUNTS HELD IN TRUST	$ 25,023,569,046	$ 131,151,743	$ 1,867,066,951	$ 58,685,258	$ 322,154,548	$ 441,330,212	$ 27,843,957,758	$ 25,914,909,496

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
COMBINING STATEMENT OF CHANGES IN PLAN POSITION - PENSION TRUST AND OTHER TRUST FUNDS
FOR THE YEAR TO DATE 03/31/2026 WITH COMPARATIVE TOTALS FOR PRIOR YEAR TO DATE

	PERSI Pension Funds						Totals	
	Base Plan	Judges' Retirement Fund	Choice Plan 401(k)	Choice Plan 414(k)	Sick Leave Insurance Reserve Trust Fund - State	Sick Leave Insurance Reserve Trust Fund - Schools	Current Year-To-Date	Prior Year-to-Date
ADDITIONS:								
Contributions								
Members	$ 309,322,189	$ 875,897	$ 68,720,468				$ 378,918,554	$ 366,569,663
Employers	484,989,675	4,924,095	9,505,373		1,839		499,420,982	481,785,098
Rollovers In			9,386,248				9,386,248	12,296,644
	794,311,864	5,799,991	87,612,089	0	1,839	0	887,725,784	860,651,405
Investment Income								
Net Appreciation/(Depreciation) in Fair Value of Investments	243,512,073	4,031,416	66,482,857	2,531,485	16,537,162	22,920,471	356,015,463	816,733,581
Interest, Dividends and Other Investment Income	355,051,359	1,835,638	22,827,162	155,622			379,869,781	356,229,155
Less: Investment Expenses	(55,794,195)	(284,396)	(3,145,924)	(6,556)	(98,291)	(120,600)	(59,449,963)	(53,097,875)
Net Investment Income	542,769,237	5,582,658	86,164,095	2,680,550	16,438,871	22,799,870	676,435,282	1,119,864,861
Other Revenue, Net	1,044,041	23,395			4,917	11,623	1,083,975	1,142,134
Total Additions	1,338,125,141	11,406,044	173,776,185	2,680,550	16,445,626	22,811,493	1,565,245,041	1,981,658,401
DEDUCTIONS:								
Benefits and Refunds Paid to Plan Members and Beneficiaries (Note 7)	982,474,738	7,608,979	93,260,864	3,558,612	4,133,679	11,276,651	1,102,313,523	1,144,944,010
Administrative Expenses	8,988,028	109,945	1,897,771	174,753	45,400	62,741	11,278,638	10,168,611
Total Deductions	991,462,766	7,718,924	95,158,634	3,733,365	4,179,079	11,339,392	1,113,592,161	1,155,112,621
INCREASE (DECREASE) IN NET POSITION	346,662,375	3,687,120	78,617,550	(1,052,814)	12,266,547	11,472,101	451,652,879	826,545,781
NET POSITION, BEGINNING OF YEAR	24,676,906,671	127,464,623	1,788,449,401	59,738,072	309,888,001	429,858,111	27,392,304,879	25,088,363,715
NET POSITION, YEAR-TO-DATE	$25,023,569,046	$ 131,151,743	$ 1,867,066,951	$ 58,685,258	$ 322,154,548	$ 441,330,212	$ 27,843,957,758	$ 25,914,909,496

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
MARCH 31, 2026

NOTE 1 Cash and Cash Equivalents

Cash held in banking institutions		
	STO accounts (DB, JRF, State & Schools)	40,575,896
	Empower Bank Account	148,461
	Cushman & Wakefield Building Account	121,353
	US Bank Account	103,308,050
	US Bank RMD Account	306,029
	Wells Fargo (DB & DC)	186,431
	Mellon 8804 & 8805 Accounts	3,459,962
Total Cash and Cash Equivalents		148,106,182

NOTE 2 Portfolio Assets

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

NOTE 3 Real Estate Holdings

The amount reported for real estate investments does not reflect some publicly-traded REIT securities that Bank of New York (BNY) classifies as equity securities. Approximately $851,723,456 of such securities are classified as equity securities as of March 31, 2026.

NOTE 4 Assets Used in Plan Operations

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

Assets Used in Plan Operations at March 31, 2026, consist of the following:

Buildings and Improvements	$6,187,349
Less: Accumulated Depreciation	($6,137,225)
Net Buildings	$50,124
Computer Software - Arrivos	$20,057,089
Less: Accumulated Amortization - Arrivos	($11,889,712)
Net Software Development	$8,167,377
Equipment	$600,373
Less: Accumulated Depreciation	($433,323)
Net Equipment	$167,050
Assets Used in Plan Operations, Net	$8,384,551

Amortization expense for Arrivos for the year to date is $864,996. Depreciation expense on all equipment for the year to date is $74,374.

UNAUDITED

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
MARCH 31, 2026

NOTE 5 Prepaid Expenditures

Retiree payroll calculated in the current month, but not paid until the following month	$113,726,096
Total Prepaid Expenditures	$113,726,096

NOTE 6 Accrued Liabilities

Accrued Expenses consist of the following:

Administrative Expenses (DB, DC & JRF Admin Exp Payable)	$1,145,416
Stale Dated Checks Payable (DC checks over 4 months old)	$532,368
RMD Payable	$3,556,029
Investment Management Sick Leave - State	$22,960
Investment Management Sick Leave - School	$28,873
Investment Management (DB & JRF)	$17,958,576
Total Accrued Liabilities	$23,244,222

NOTE 7 Benefits and Refunds Paid

Benefits and Refunds Paid to Plan Members and Beneficiaries:

Payments to Retirees (DB & JRF)	$930,598,243
Separation Benefits (DB)	$45,459,184
Death Benefits (DB)	$14,026,290
Benefits Paid (DC)	$96,819,476
Medical Insurance Premiums (State & Schools)	$15,410,330
	$1,102,313,523

NOTE 8 Estimates

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

Memo

PERSI

Date: May 18, 2026

To: PERSI Board

From: Investment Team

RE: Callan Asset/Liability (A/L) Study

Consistent with our fiduciary duty and the guidelines established in the Statement of Investment Policy, an Asset/Liability Study ("A/L") is conducted at least once every five years. [Asset allocation reviews occur annually with updated capital market expectations and do not reference the liabilities]

The purpose of this A/L study is to evaluate the alignment of the investment policy with the Fund's long-term actuarial liabilities.

Background

Callan conducted the study, utilizing the Capital Markets Assumptions presented to the Board in February 2026 and the data from the 2025 Actuarial Valuation performed by Milliman. This analysis provides a rigorous review of:

- The relationship between investment assets and actuarial liabilities
- The risk/return trade-offs associated with different asset allocation mixes
- The long-term impact of allocation mixes on the funded status

Staff Recommendation

Staff has reviewed the study and concurs with the analysis conducted by Callan. We believe the current policy mix continues to represent the best balance of risk and reward to meet the Fund's objectives.

Staff recommends that the Board:

1. Accept the 2026 Asset/Liability Study as presented
2. Affirm the existing Strategic Policy Mix

Callan

May 26, 2026

Public Employee Retirement System of Idaho

PERSI

Asset-Liability Study

Ann O'Bradovich
Investment Consulting

Adam Lozinski, CFA
Capital Markets Research

Topics of Discussion

PERSI Asset-Liability Study

Introduction and Background

Purpose of this asset/liability (A/L) study is to evaluate the investment policy of the PERSI Defined Benefit Plan, in conjunction with benefits and contributions, to help PERSI determine a prudent long-term asset allocation policy

Asset allocation policy is the main determinant of long-term return and risk

- PERSI reviews asset allocation on an annual basis and performs an A/L study every 3 – 5 years
- Last A/L study was conducted in 2022
- At that time, the Board reaffirmed the Strategic Policy allocation that was in place

A/L study models the interaction of investments and liabilities for the Current Strategic Policy and a set of alternative mixes for consideration

- Expected returns, risk, contributions, funded status, and total Plan cost are evaluated

Summary

The Strategic Policy is a diversified portfolio that meets PERSI's objectives
No changes need to be made at this time

- ✓ **Return:** Expected 10-year annualized policy return is slightly higher than actuarial return assumption of 6.5% net
  - Actual returns that exceed the actuarial return assumption may allow for consideration of Discretionary Postretirement Allowance Adjustments*
- ✓ **Risk/ Reward:** Minimizes risk for the expected return and/or maximizes return for the amount of risk
- ✓ **Diversification:** Portfolio is well diversified without complexity, consistent with long held investment philosophy: Simple, Transparent, Focused and Patient
- ✓ **Liquidity:** Manageable allocation to illiquid investments given relatively low level of net cash outflow
- ✓ **Funded Status:** Expected to improve, assuming:
  - Funding Policy: Contributions into the plan continue
  - Benefit Policy: Statutory cost of living increase (1%)
  - Investment Policy: Investments achieve the median or better returns

*Postretirement Allowance Adjustments (PAAs) are based on changes in the Consumer Price Index. The measurement period for changes in the CPI-U is from August to August. The PAA changes are implemented effective on the March 1 following the measurement period. If the CPI-U increases by at least 1%, the PAA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

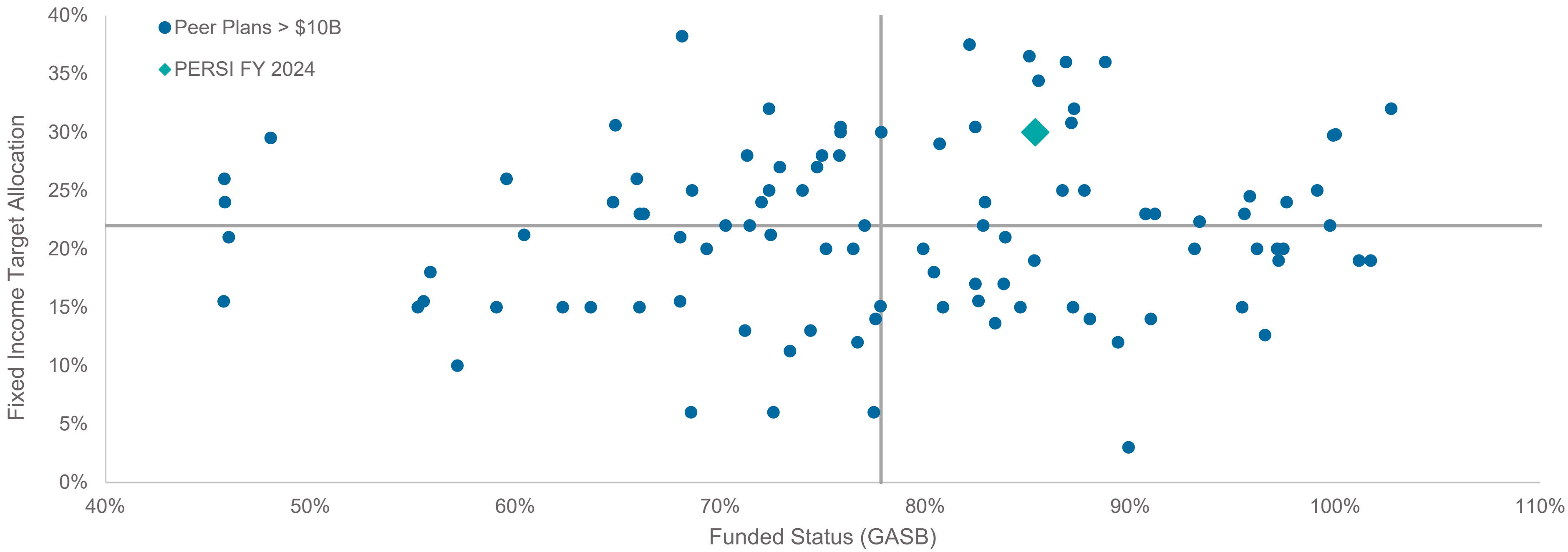
PERSI Asset-Liability Study

PERSI's Strong Starting Position

PERSI has a strong starting funded position both on an absolute basis and relative to peers

- The funded ratio today is over 90%
- As of 2024 – when we have peer comparison data – the funded ratio was ~85% and in the top third of peers with over $10B in assets
- PERSI has achieved this with a higher allocation to fixed income than over 80% of these peers

Funded Status vs. Fixed Income Allocation
2024 Fiscal Year
Crosshairs Represent Medians



Source: Public Plans Database. 2024 is the most current data available. In 2024 there were 102 plans with over $10B in assets and data for both variables shown.

Overview of Callan's
Asset-Liability Process

Goals of an Asset-Liability Study

The goal is to establish the long-term asset allocation policy

An appropriate asset allocation policy will depend on PERSI's investment objectives

- Minimize costs over the long run (long-term goal)
  - How much return generation is necessary to improve funded status?
- Minimize funded status volatility (short-term goal)
  - How much risk reduction to reduce funded status volatility?

Asset allocation will vary by the unique circumstances

- No "one-size-fits-all" solution exists
- No "right answer" that applies to all plans

The asset-liability study will help PERSI quantify the impact different asset allocation strategies might have on relevant metrics

Factors to consider:

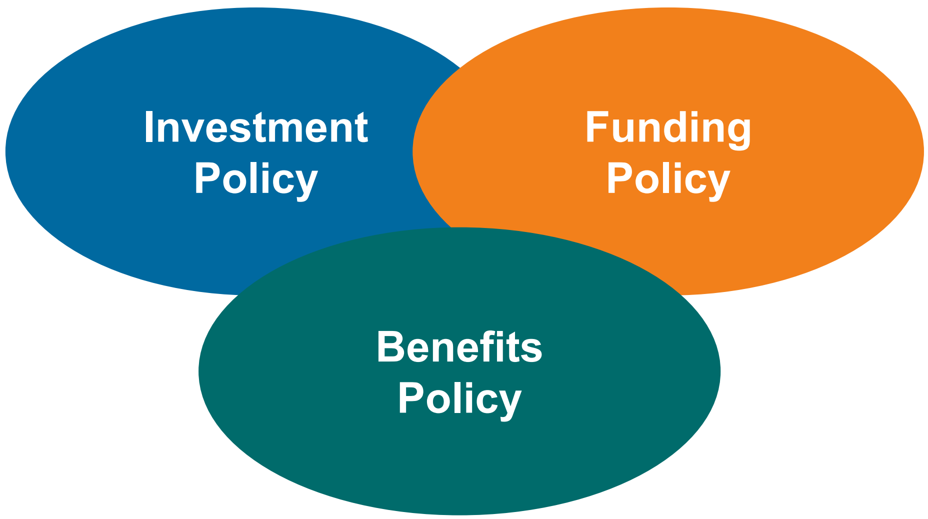
- Liability characteristics
- Funded status
- Contribution policy
- Time horizon
- Liquidity needs
- Risk Tolerance

Three Key Strategic Policies

Contributions + Investment Earnings = Benefits Paid + Expenses

Investment Policy

- How will the assets supporting the benefits be invested?
- What are the risk and return objectives?
- What are the liquidity needs?



Funding Policy

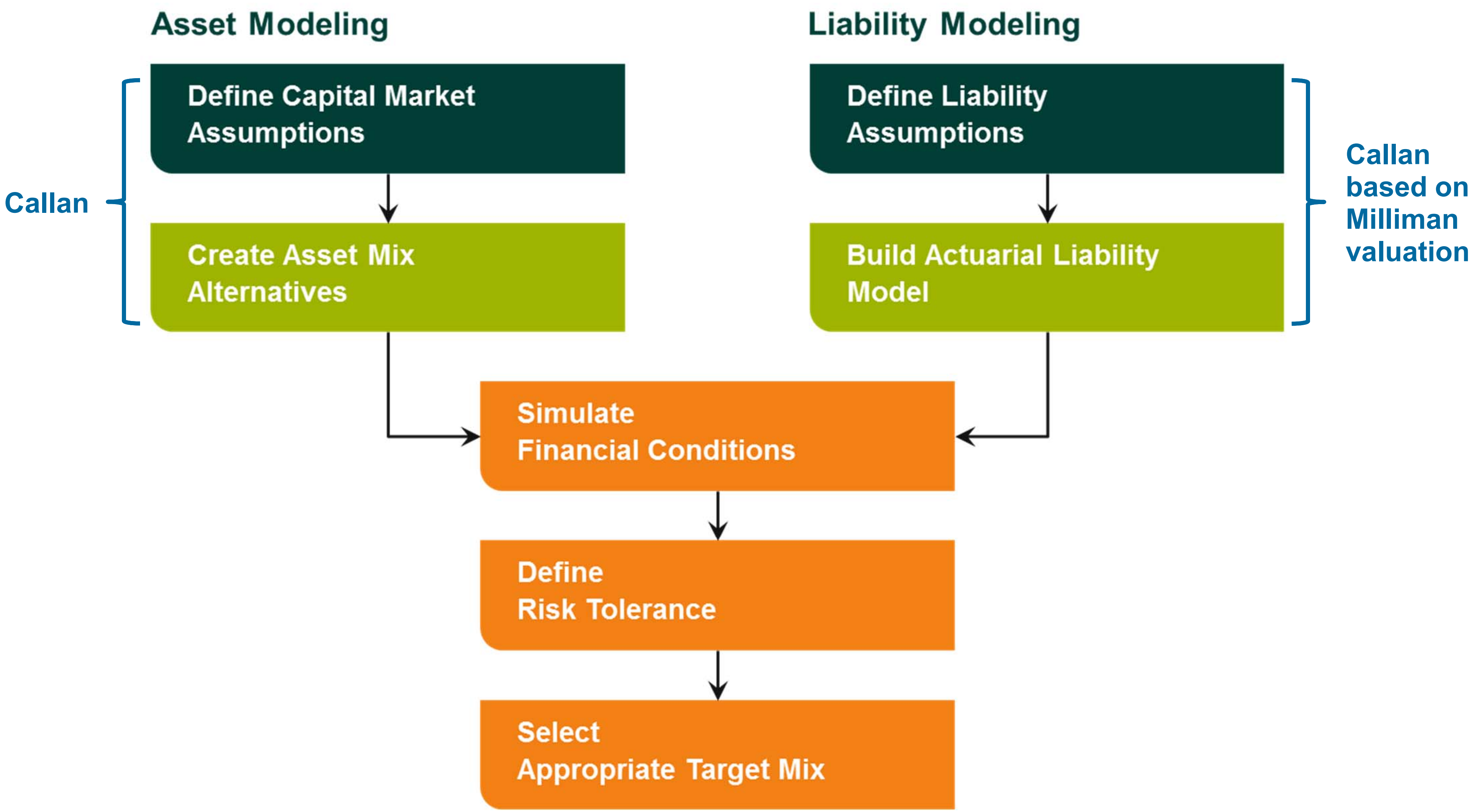
- How will the benefits/deficits be paid for (contribution policy)?
- What is the assumed investment return?
- What are the actuarial assumptions?

Benefits Policy

- What type/kind of benefits?
- What level of benefit?
- When and to whom are they payable?

PERSI Asset-Liability Study

Callan Asset-Liability Modeling Process

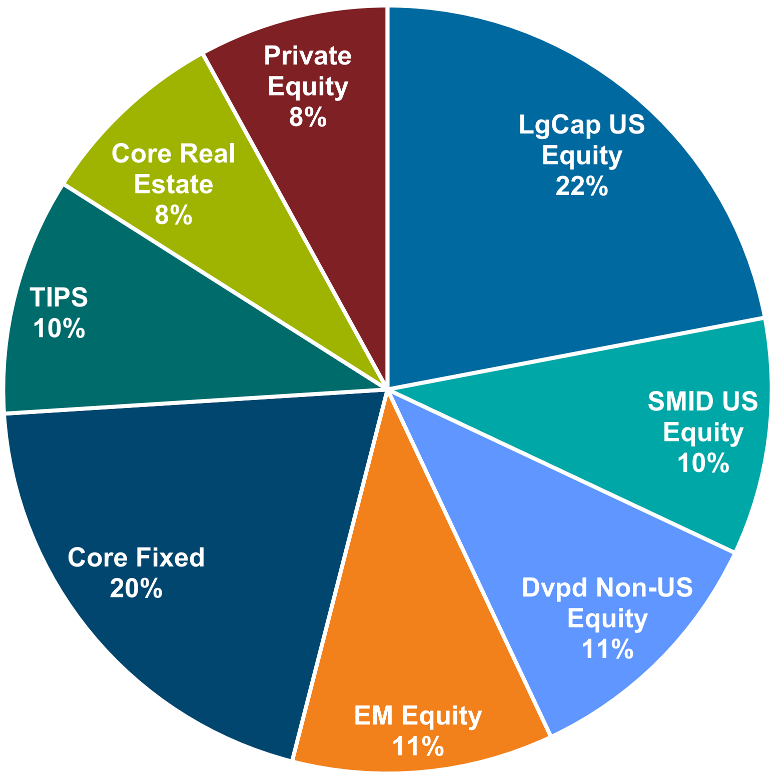


Callan

Asset-Only Projections

PERSI Asset-Liability Study

Current Strategic Policy and Financial Position Summary



Expected Return	**7.2%**
Expected Risk	**12.6%**
Potential Range of Single Year Returns	**-15% to +33%**

Current target asset allocation is a diversified structure, with public equity fixed income and private real estate and private equity

- 58% Public Equity
- 30% Fixed Income
- 12% Private Markets

Financial Position as of June 30, 2025

	Market
Value of Assets	$24,139 Million
Accrued Liability	$26,645 Million
Funded Status	90.6%

Includes Assets Held for PERSI Pension Benefits; represents approximately 97% of total assets after excluding assets for the Firefighters' Retirement Fund, Judges' Retirement Fund, Idaho Falls Police Retirement Fund, and Assets Used in Plan Operations

*Core Real Estate is included as 50% Total Public Equity and 50% Total Private Markets in the summary allocations.
Strategic Policy: Allocation to Global Equity of 18% is proportionally allocated to US and Non-US asset classes. See detail in appendix.
Expected return and risk are based on Callan's 2026-2035 Capital Market Assumptions. Expected return represents the median 10-year annualized return.

Asset-only projections: Asset Mixes to consider

We evaluate the current strategic policy and four alternative mixes to see how different asset allocation policies impact key metrics like funded status, contributions, and total plan cost

- Mixes consider changes of 5% increments in fixed income
- Private markets allocations are held at 12%
- All mixes are projected to exceed the 6.5% actuarially assumed investment return
  - Returns represent the median in a range of outcomes
  - In any single year, returns could range widely depending on the market environment (Strategic Policy could range from -15% to +33%)

Asset Classes	Long-Term Policy	Mix 1	Mix 2	Strategic Policy	Mix 3	Mix 4
Large Cap US Equity	44.0	23.0	25.0	22.0	30.0	32.0
Small/Mid Cap US Equity	11.0	4.0	4.0	10.0	5.0	6.0
Developed ex-US Equity	15.0	12.0	14.0	11.0	17.0	18.0
Emerging Market Equity	0.0	5.0	6.0	11.0	7.0	8.0
Core US Fixed	30.0	30.0	25.0	20.0	17.0	13.0
TIPS	0.0	10.0	10.0	10.0	8.0	7.0
Core Real Estate	0.0	8.0	8.0	8.0	8.0	8.0
Private Equity	0.0	8.0	8.0	8.0	8.0	8.0
Totals	100.0	100.0	100.0	100.0	100.0	100.0
10-Year Compound Expected Return	**7.0**	**6.9**	**7.0**	**7.2**	**7.2**	**7.3**
Risk (Standard Deviation)	**12.3**	**10.5**	**11.4**	**12.6**	**13.0**	**13.9**
Sharpe Ratio	**0.31**	**0.36**	**0.35**	**0.32**	**0.32**	**0.31**
Total Public Equity	**70.0**	**48.0**	**53.0**	**58.0**	**63.0**	**68.0**
Total Fixed Income	**30.0**	**40.0**	**35.0**	**30.0**	**25.0**	**20.0**
Total Private Markets	**0.0**	**12.0**	**12.0**	**12.0**	**12.0**	**12.0**

Expected Returns based on 2026-2035 Capital Market Expectations
Core Real Estate is included as 50% Total Public Equity and 50% Total Private Markets in the summary allocations.
Strategic Policy: Allocation to Global Equity of 18% is proportionally allocated to US and Non-US asset classes. See detail in appendix.

Asset-only projections: Efficient Frontier

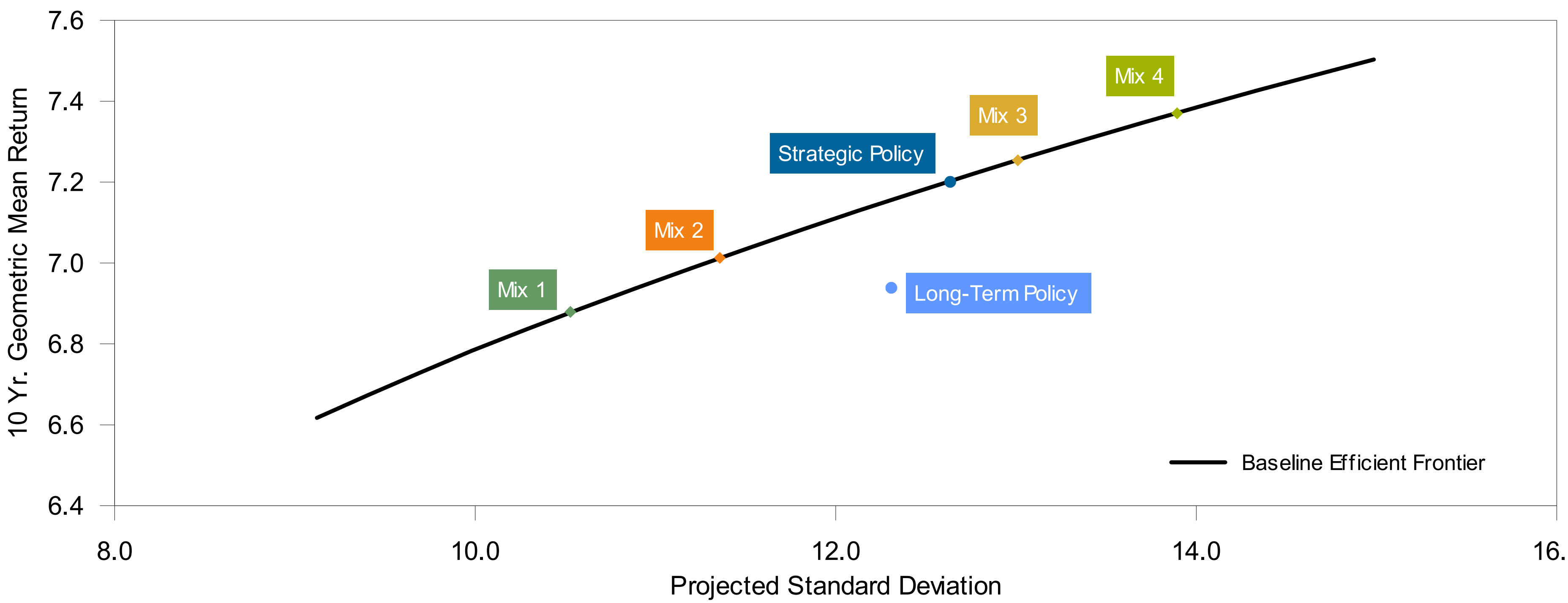
Strategic Policy and alternative mixes fall along the risk-return spectrum of the efficient frontier

– Long-Term Policy (55% US Equity / 15% Non-US Equity / 30% Fixed Income) falls below the efficient frontier

Expanded opportunity set (allocation to additional asset classes) in the Strategic Policy and alternative mixes increases expected portfolio efficiency

– Represents diversification benefit relative to the Long-Term Policy

Efficient Frontier



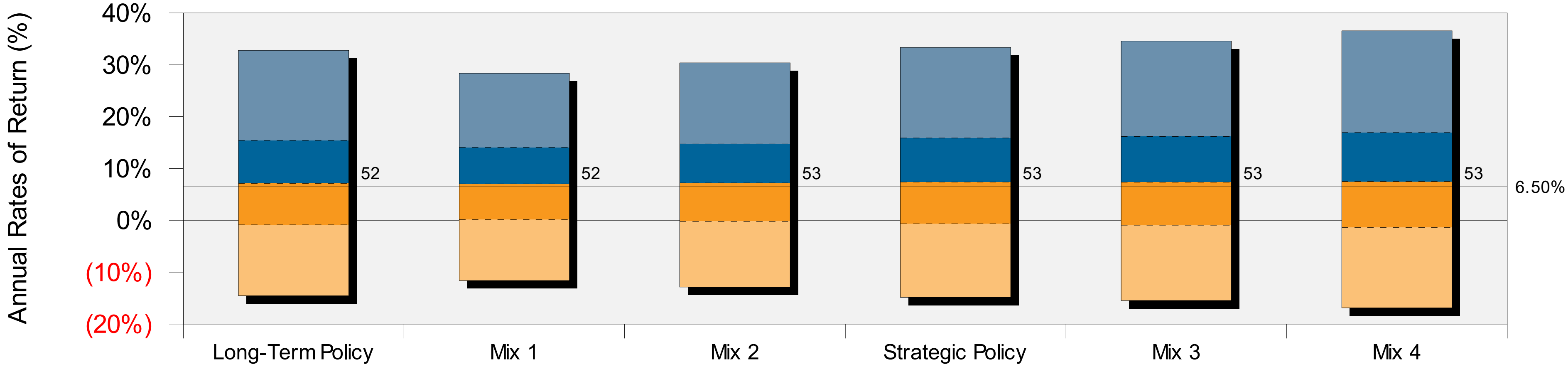
Expected Returns and risk based on 2026-2035 Capital Market Expectations

Asset-only projections: Range of Projected Returns Over 1 Year

Probability of achieving a return of 6.5% in any single year ranges from 52.0% to 53.4%
- Goal is to achieve the target return with at least a 50% probability, equivalent to meeting the return in the median case
- Considers the return on assets only and does not account for cash flows

More conservative mixes mitigate drawdown in worse-case (97.5th percentile) scenarios
- Tradeoff: more aggressive mixes outperform in median and strong (2.5th percentile) markets

Range of Projected Rates of Return



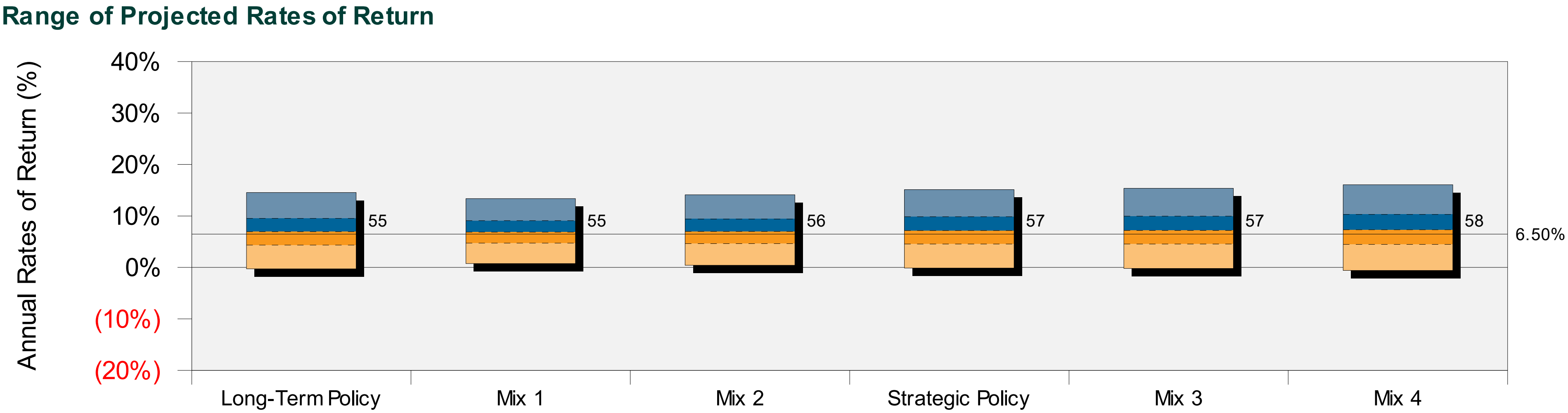
	Long-Term Policy	Mix 1	Mix 2	Strategic Policy	Mix 3	Mix 4
2.5th Percentile	32.8%	28.4%	30.4%	33.4%	34.6%	36.6%
25th Percentile	15.4%	14.1%	14.7%	15.9%	16.2%	16.9%
Median	7.1%	7.1%	7.2%	7.4%	7.4%	7.5%
75th Percentile	(0.8%)	0.1%	(0.2%)	(0.7%)	(1.0%)	(1.4%)
97.5th Percentile	(14.5%)	(11.6%)	(12.9%)	(14.8%)	(15.4%)	(16.9%)
Prob > 6.50%	52.0%	52.2%	52.7%	52.8%	53.3%	53.4%

PERSI Asset-Liability Study

Asset-only projections: Range of Projected Returns Over 10 Years

Compared to the single year projections, the range of returns over 10 years is narrower due to offsetting up and down years

Probability of achieving a 6.5% target return ranges from 54.6% to 58.0%



	Long-Term Policy	Mix 1	Mix 2	Strategic Policy	Mix 3	Mix 4
2.5th Percentile	14.6%	13.4%	14.1%	15.1%	15.4%	16.1%
25th Percentile	9.6%	9.1%	9.4%	9.9%	10.0%	10.3%
Median	7.0%	6.9%	7.0%	7.2%	7.2%	7.3%
75th Percentile	4.4%	4.7%	4.7%	4.6%	4.5%	4.5%
97.5th Percentile	(0.3%)	0.8%	0.4%	(0.1%)	(0.2%)	(0.6%)
Prob > 6.50%	54.6%	54.6%	56.0%	57.2%	57.4%	58.0%

Callan

Asset-Liability Projections

Strategic Policy

PERSI Asset-Liability Study

Asset-Liability Projections: Build Actuarial Liability Model

Callan's liability model is based on Milliman's July 1, 2025 actuarial valuation and mirrors that report
- This model is used to forecast future liabilities

Contribution Policy:
- Baseline forecast assumes proposed contribution rate increases are enacted in 2027 and 2028

PERSI	July 1, 2025 Actuarial Valuation
Actuarial Accrued Liability (AL)	$26,645.4 M
Market Value of Assets (MVA)*	$24,138.9 M
Market Funded Status (MVA/AL)	90.6%
Liability Duration	11.7
Employer Contribution (%)	2026: 12.78% 2027: 14.33% 2028 and beyond: 15.10%
Member Contribution (%)	2026: 8.01% 2027: 8.96% 2028 and beyond: 9.44%

Key Assumptions	Actuarial Assumption	Callan 10-year Expectation
Investment Return	6.50%	7.20%**
Price Inflation	2.40%	2.50%

*Includes Assets Held for PERSI Pension Benefits; represents approximately 97% of total assets after excluding assets for the Firefighters' Retirement Fund, Judges' Retirement Fund, Idaho Falls Police Retirement Fund, and Assets Used in Plan Operations
**Based on Callan's capital market assumptions applied to the PERSI's Strategic Target asset allocation; used throughout the remainder of the study

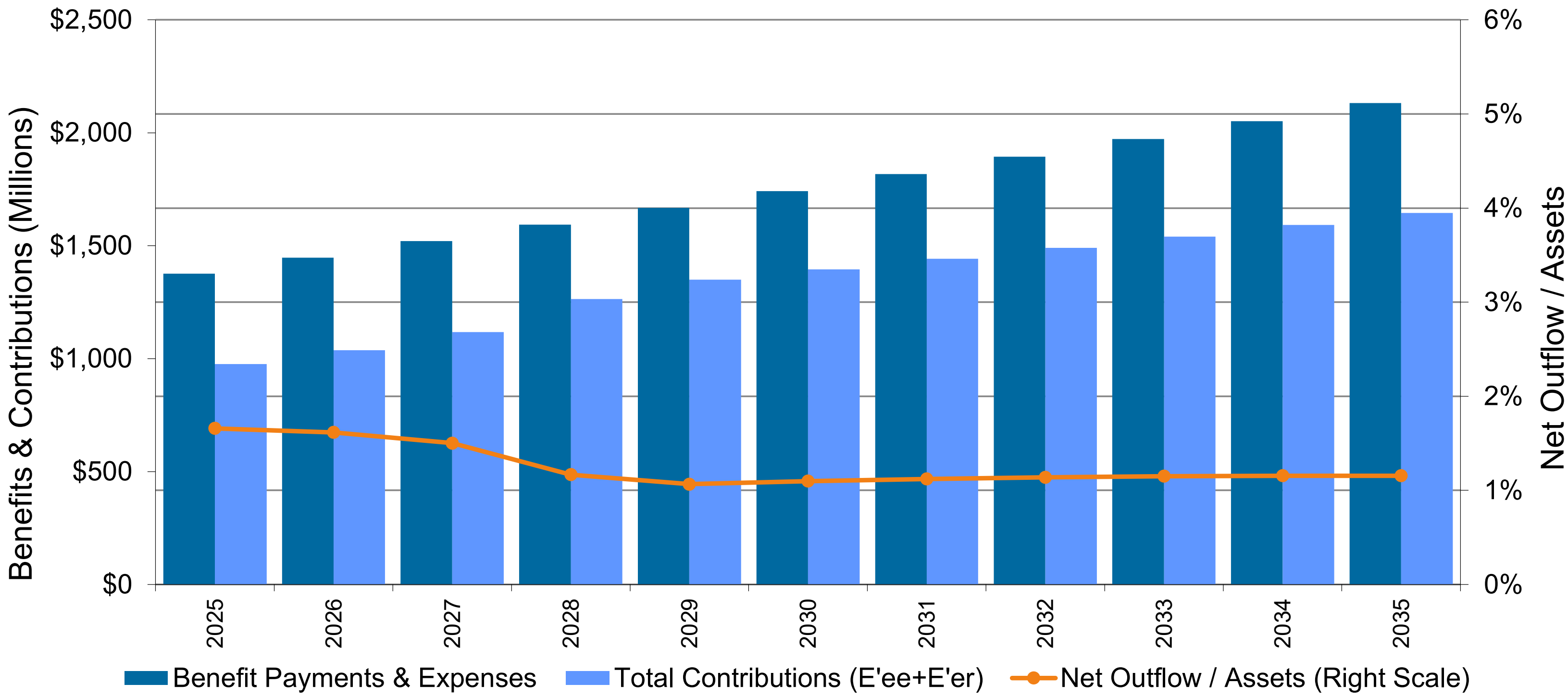
Asset-Liability Projections: Cash Flows and Liquidity – Baseline Projection

Net Outflow = Benefit Payments + Expenses – Employer Contributions – Employee Contributions

Net outflow as a percentage of assets ranges between 1-2% (shown as a positive value)

- Drop in net outflows as a percentage of assets over time reflects the planned contribution rate increases in 2027 and 2028

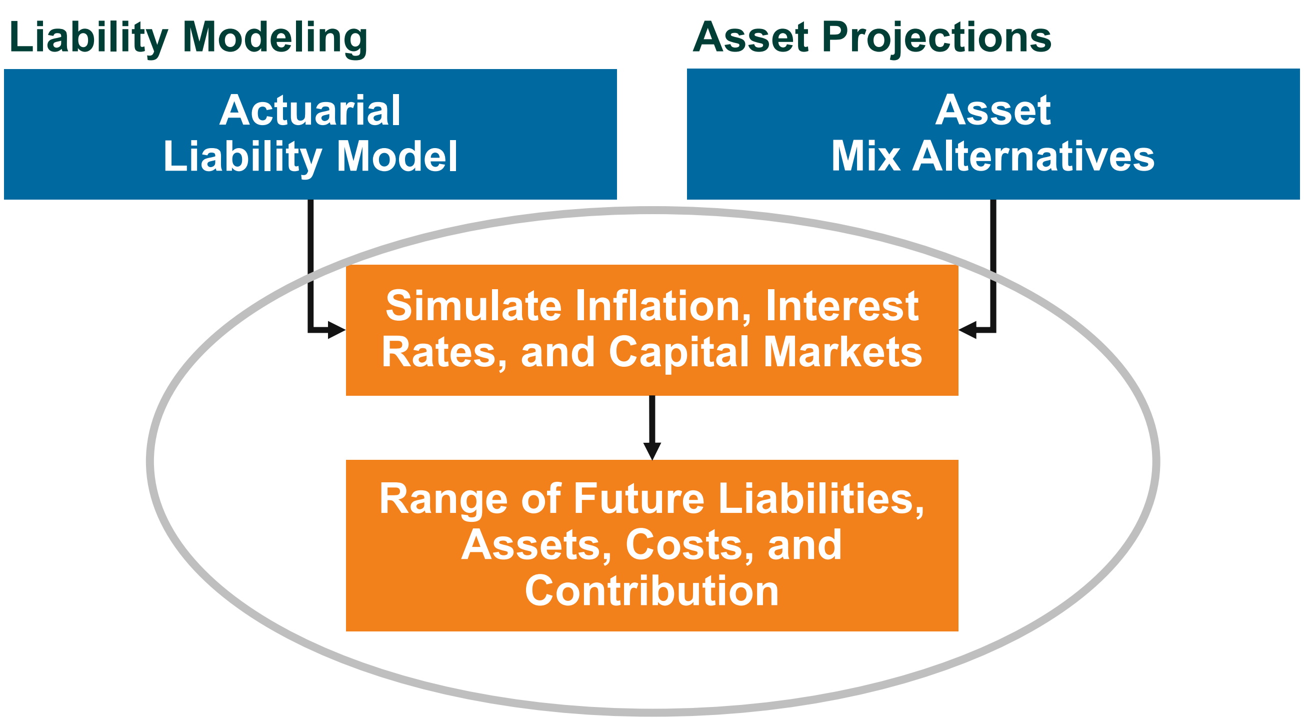
Liquidity needs are very manageable assuming no changes to the contribution policies



Asset-Liability Projections: Simulate Financial Condition

Generate 2,000 simulations per year, per asset mix to capture possible future economic scenarios and their effect on the Plan

Simulation results are then ranked from highest to lowest to develop probability distributions



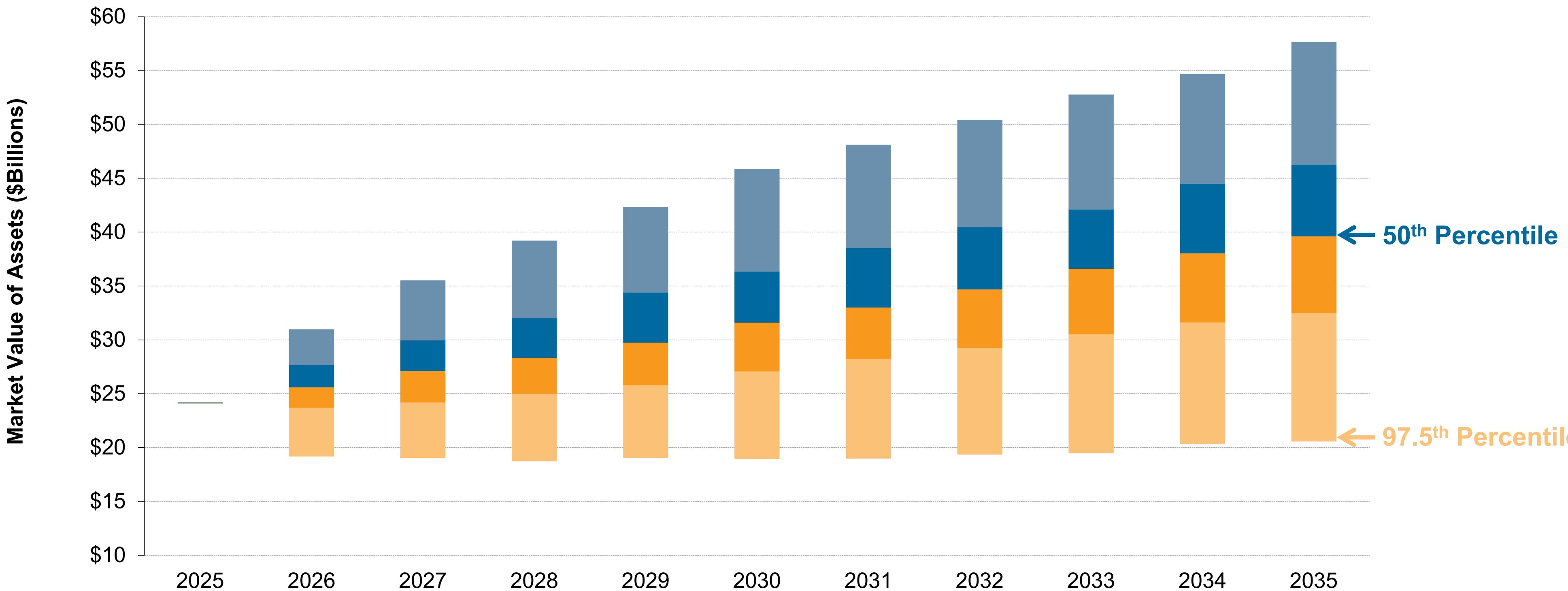
PERSI Asset-Liability Study

Asset-Liability Projections: Market Value of Assets – Strategic Policy

Plan assets are expected to grow to almost $40 billion in the median outcome (5.1% annualized growth)

Expected (median) outcome (50th percentile)
- There is a 50% chance that asset values will be above the value shown and a 50% chance they will be below the value shown

The worse-case scenario (97.5th percentile)
- There is a 1-in-40 chance (2.5% probability) that the 6/30/2035 market value of assets will be $21 billion or less



Asset-Liability Projections: Actuarial Accrued Liability

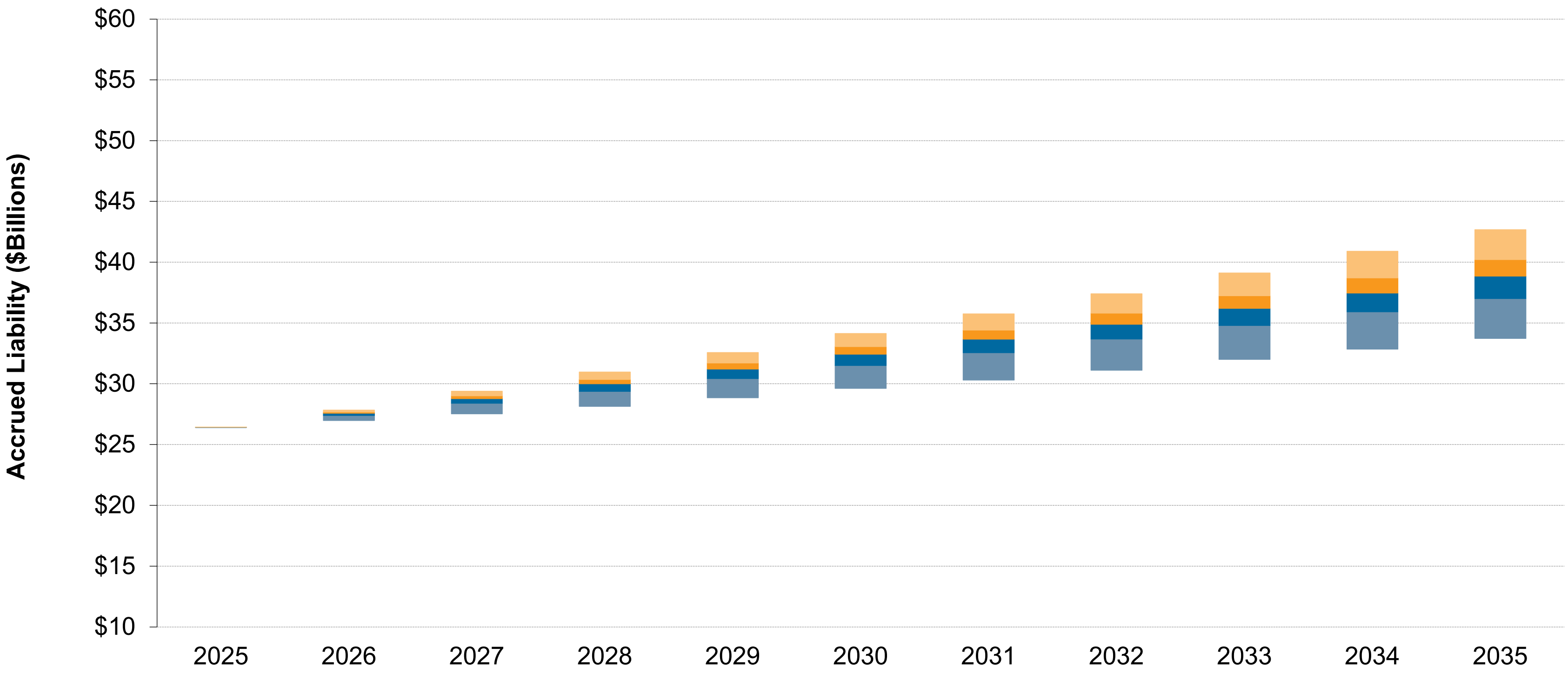
Plan liabilities are much less volatile than Plan assets

- Volatility in the liability is due to volatility in inflation, which flows through to member compensation

Liabilities are expected (50th percentile) to increase over the next 10 years to ~$39B (3.9% annualized growth)

Liabilities increase with ongoing benefit accrual and interest cost and are reduced by benefit payments

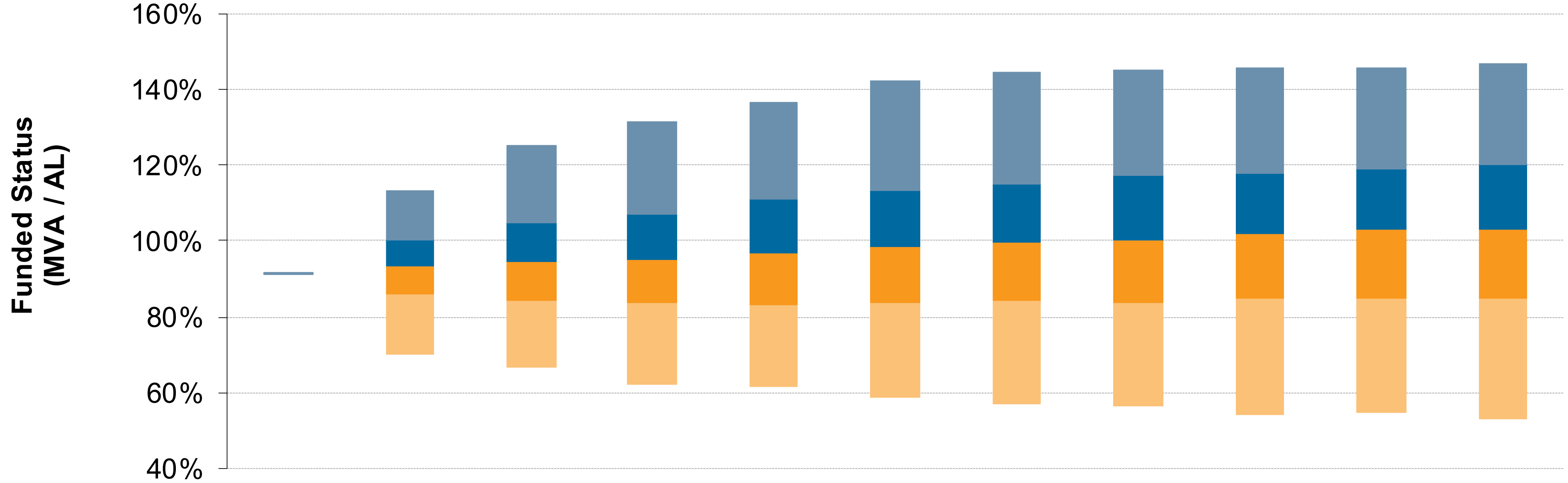
- Liability projection accounts for the 1% Postretirement Allowance Adjustment baseline assumption



PERSI Asset-Liability Study

Asset-Liability Projections: Market Funded Status – Strategic Policy

There is a 55% probability of full funding by 2035 for the Strategic Policy
- Since there is a much wider range of potential outcomes for assets than liabilities, there is also a wide range of funded status results



Percentile	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2.5th	91%	113%	125%	131%	137%	142%	144%	145%	146%	145%	147%
25th	91%	100%	105%	107%	111%	113%	115%	117%	118%	119%	120%
50th	91%	93%	94%	95%	97%	98%	100%	100%	102%	103%	103%
75th	91%	86%	84%	84%	83%	84%	84%	84%	85%	85%	85%
97.5th	91%	70%	67%	62%	61%	59%	57%	56%	54%	55%	53%
Range	0%	43%	59%	69%	76%	83%	88%	89%	92%	91%	94%
Prob. Full Funding	0%	27%	35%	39%	43%	47%	50%	51%	54%	54%	55%

Asset-Liability Projections

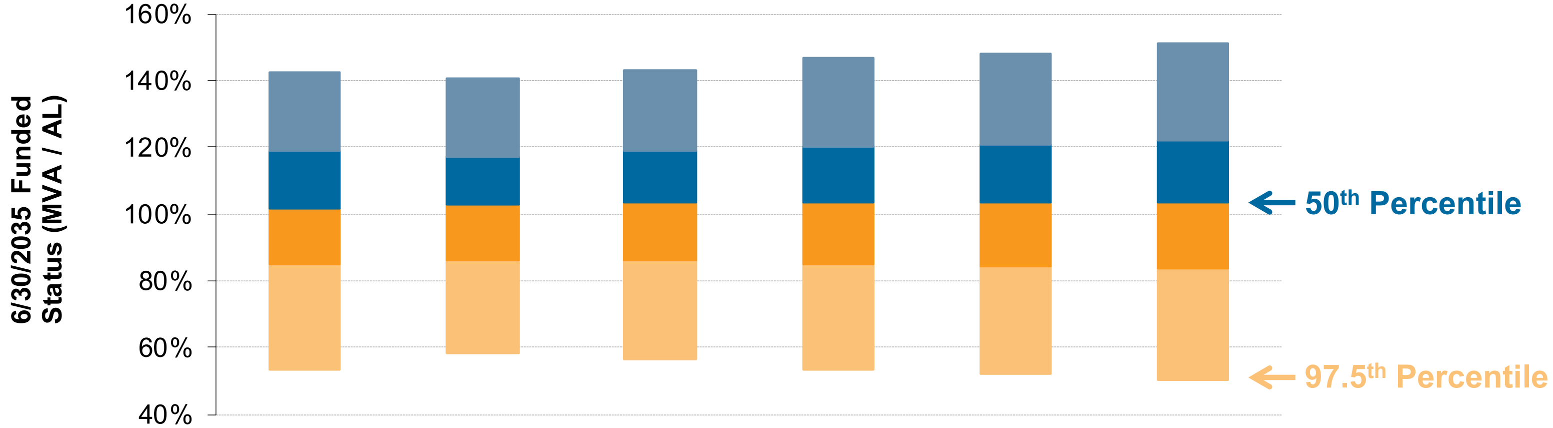
Alternative Mixes

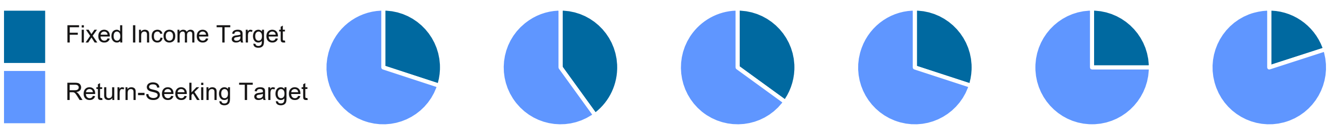
PERSI Asset-Liability Study

Asset-Liability Projections: Market Funded Status in 10 Years

Funded status is expected to improve over the next 10 years under all mixes
- 53% to 56% probability of full funding in 10 years across mixes

More aggressive mixes have the potential to achieve a higher funded status in strong (2.5th percentile) markets but will have a lower funded status in a worse-case scenario (97.5th percentile)



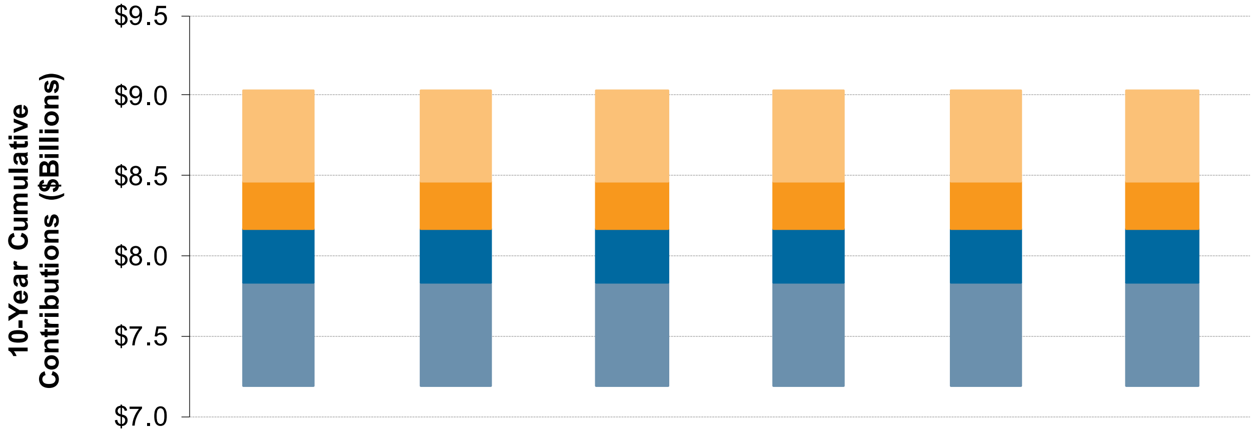


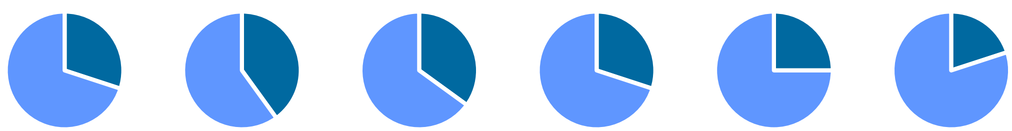
Percentile	LT Policy	Mix 1	Mix 2	Strat Policy	Mix 3	Mix 4
2.5th	142%	140%	143%	147%	148%	151%
25th	119%	117%	119%	120%	121%	122%
50th	101%	103%	103%	103%	103%	103%
75th	85%	86%	86%	85%	84%	83%
97.5th	53%	58%	57%	53%	52%	50%
Expected Return	7.0%	6.9%	7.0%	7.2%	7.2%	7.3%
Standard Deviation	12.3%	10.5%	11.4%	12.6%	13.0%	13.9%
Prob. Full Funding	53%	55%	56%	55%	55%	55%

Asset-Liability Projections: Cumulative Employer Contributions Over 10 Years

Expected contributions are approximately $8B

Variability in assets and liabilities does not directly impact contributions since discretionary changes in contribution rates are not factored into the analysis



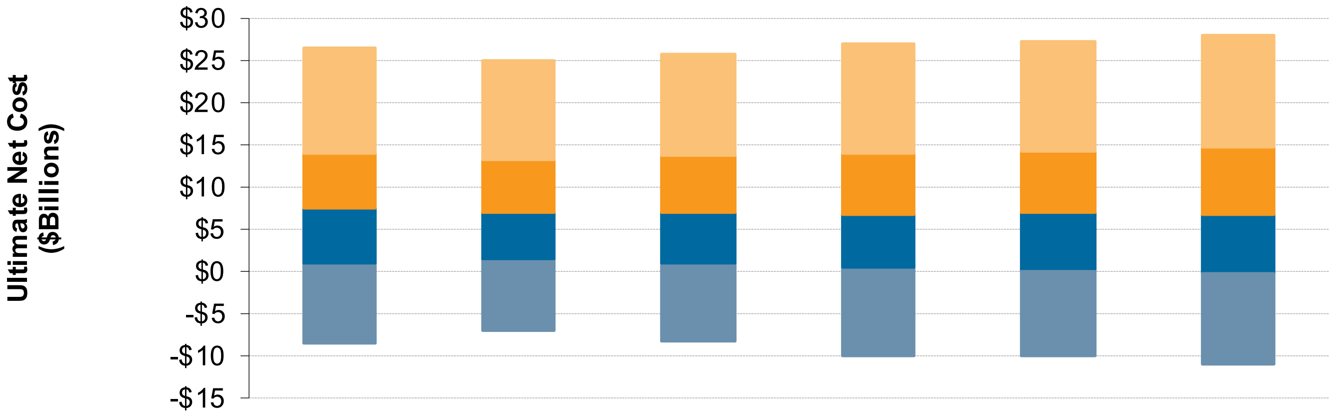


Percentile	LT Policy	Mix 1	Mix 2	Strat Policy	Mix 3	Mix 4
97.5th	$9.0	$9.0	$9.0	$9.0	$9.0	$9.0
75th	$8.5	$8.5	$8.5	$8.5	$8.5	$8.5
50th	$8.2	$8.2	$8.2	$8.2	$8.2	$8.2
25th	$7.8	$7.8	$7.8	$7.8	$7.8	$7.8
2.5th	$7.2	$7.2	$7.2	$7.2	$7.2	$7.2
Expected Return	7.0%	6.9%	7.0%	7.2%	7.2%	7.3%
Standard Deviation	12.3%	10.5%	11.4%	12.6%	13.0%	13.9%

PERSI Asset-Liability Study

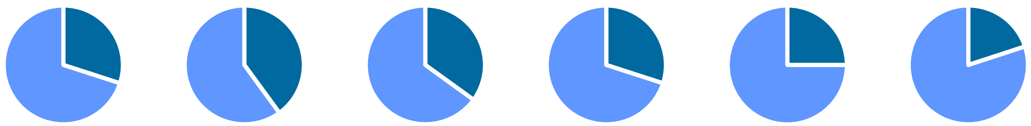
Asset-Liability Projections: Ultimate Net Cost (UNC) Over 10 Years

UNC = 10-Year Cumulative Contributions (what you paid) + 6/30/2035 Unfunded Actuarial Liability (what you still owe)



Negative numbers indicate the Plan is in a surplus position

More aggressive mixes lower UNC in strong markets but result in a higher UNC in a worse-case scenario



Percentile	LT Policy	Mix 1	Mix 2	Strat Policy	Mix 3	Mix 4
97.5th	$26.3	$24.9	$25.6	$26.9	$27.1	$28.0
75th	$14.0	$13.3	$13.6	$13.9	$14.1	$14.6
50th	$7.5	$7.0	$7.0	$6.8	$6.8	$6.8
25th	$0.9	$1.5	$1.0	$0.4	$0.2	-$0.3
2.5th	-$8.5	-$7.1	-$8.2	-$9.9	-$10.1	-$11.1
Expected Return	7.0%	6.9%	7.0%	7.2%	7.2%	7.3%
Standard Deviation	12.3%	10.5%	11.4%	12.6%	13.0%	13.9%

Summary

The Strategic Policy is a diversified portfolio that meets PERSI's objectives
No changes need to be made at this time

✓ **Return:** Expected 10-year annualized policy return is slightly higher than actuarial return assumption of 6.5% net
- Actual returns that exceed the actuarial return assumption may allow for consideration of Discretionary Postretirement Allowance Adjustments*

✓ **Risk/ Reward:** Minimizes risk for the expected return and/or maximizes return for the amount of risk

✓ **Diversification:** Portfolio is well diversified without complexity, consistent with long held investment philosophy: Simple, Transparent, Focused and Patient

✓ **Liquidity:** Manageable allocation to illiquid investments given relatively low level of net cash outflow

✓ **Funded Status:** Expected to improve, assuming:
- Contribution Policy: Contributions into the plan continue
- Benefit Policy: Statutory cost of living increase (1%)
- Investment Policy: Investments achieve the median or better returns

*Postretirement Allowance Adjustments (PAAs) are based on changes in the Consumer Price Index. The measurement period for changes in the CPI-U is from August to August. The PAA changes are implemented effective on the March 1 following the measurement period. If the CPI-U increases by at least 1%, the PAA is at least 1%. If the CPI-U increases by more than 1%, an additional postretirement increase of up to 5% each year (but not more than the increase in the CPI-U) may be authorized by the Board, subject to the approval of the Legislature.

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Appendix

How to Read the Charts

Using stochastic projections to quantify uncertainty – funded status example

Interpreting stochastic results

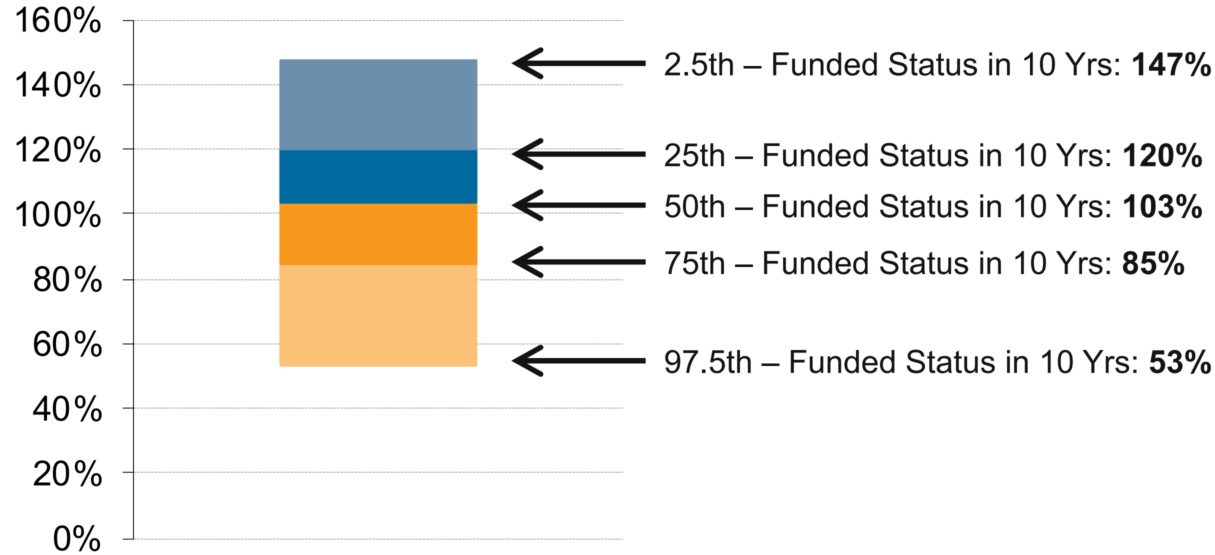
2.5th percentile
- Exceeds 97.5% of all forecasts
- Very optimistic outcome

25th percentile
- Exceeds 75% of all forecasts
- Optimistic outcome

50th percentile
- Exceeds 50% of all forecasts
- Median (expected) outcome

75th percentile
- Exceeds only 25% of forecasts
- Pessimistic outcome

97.5th percentile
- Exceeds only 2.5% of forecasts
- Very pessimistic outcome



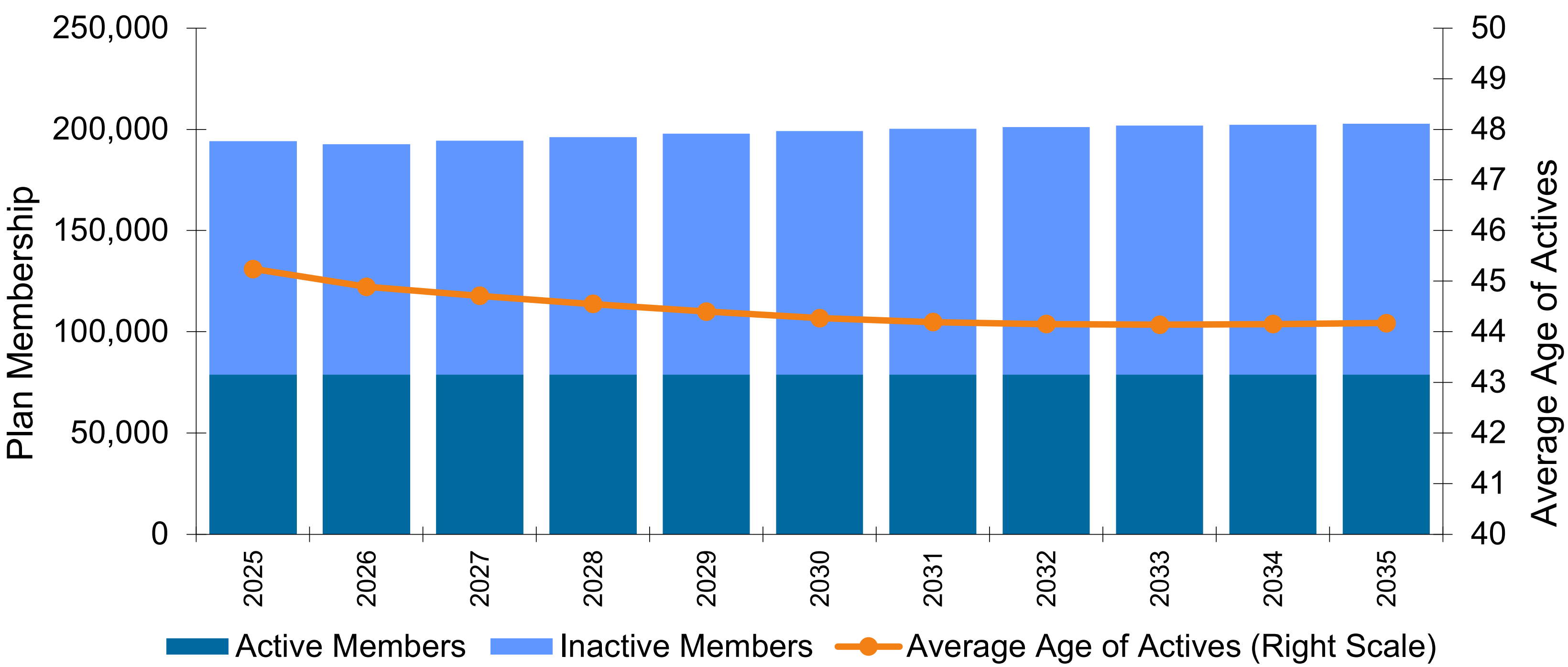
Percentile	Strat Policy
2.5th	147%
25th	120%
50th	103%
75th	85%
97.5th	53%
Expected Return	7.2%
Standard Deviation	12.6%
Prob. Full Funding	55%

Data is always shown from highest to lowest value, but the percentiles may be in reverse order depending on whether a high or low value is the more favorable outcome

Plan Population – Baseline Projection

Number of active members assumed to remain constant (0% workforce growth)

- Future new hires replace exits due to retirement, death, disability, and withdrawal
- Average age of active population ~44-45 over the whole projection period



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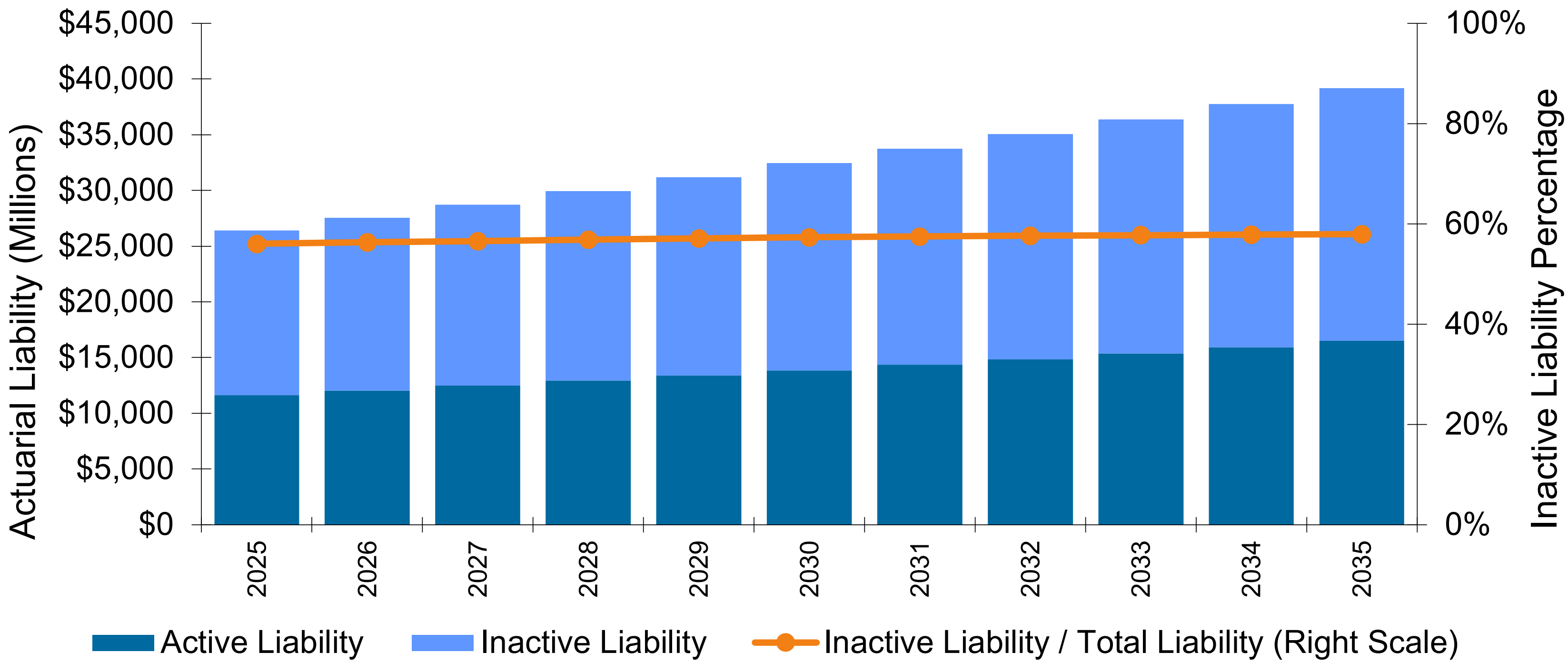
Plan Liabilities – Baseline Projection

Inactive liability grows at a slightly faster rate compared to the active liability and represents 55-60% of the total liability

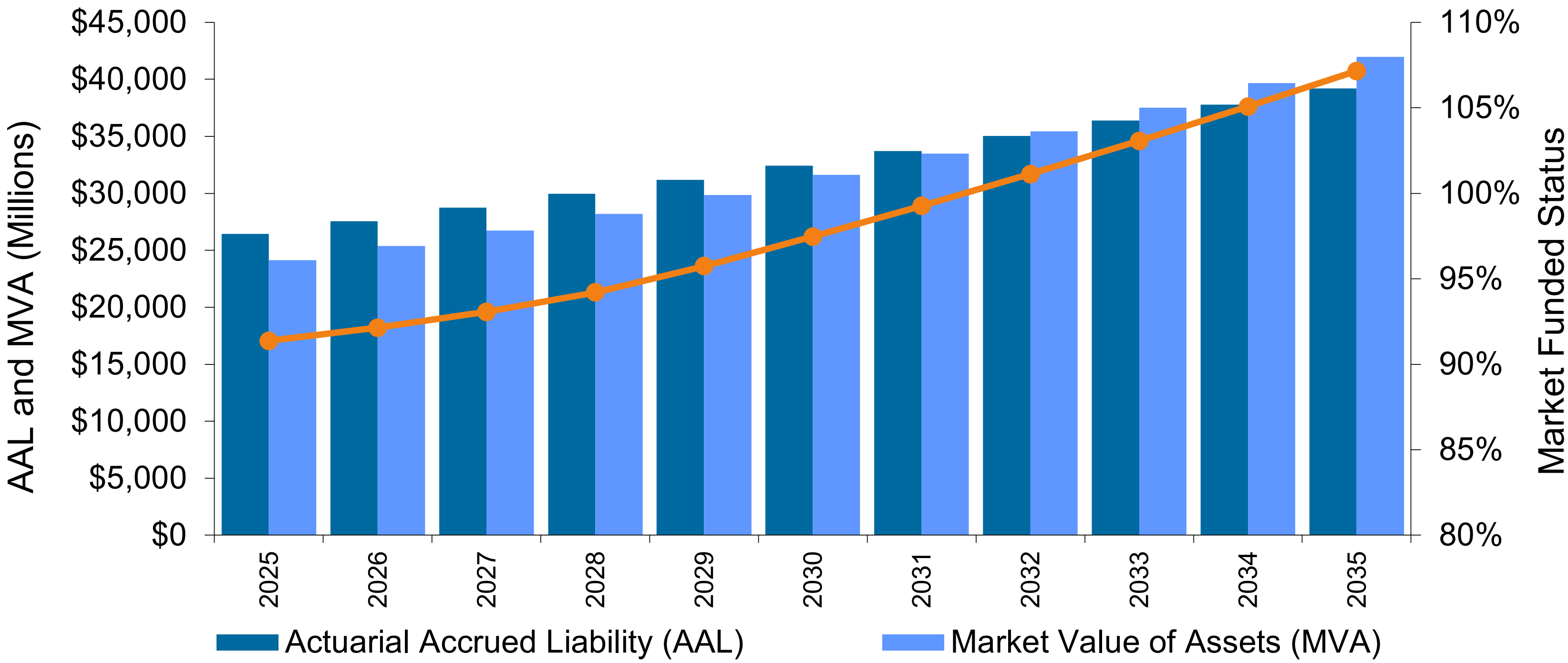
Overall liability is expected to grow by 4% per year on average
- Liability grows annually with normal cost and interest
- Liability decreases annually as benefits are paid



Funded Status – Baseline Projection*

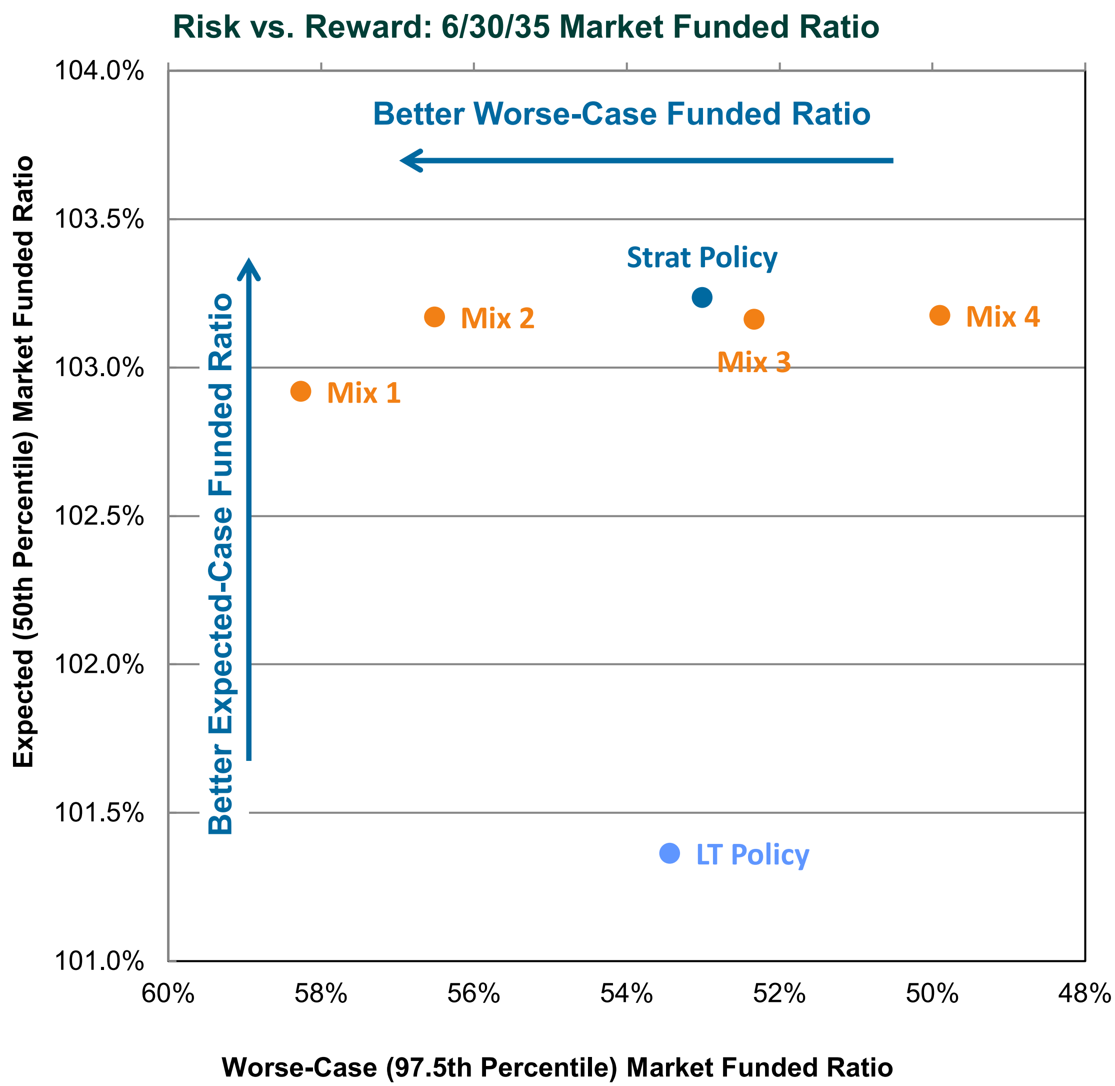
Growth in assets outpaces liability growth, leading to improvement in the funded status
- Change in assets considers both investment returns (7.20%) and net cash outflows (contributions net of benefit payments and expenses)

Projected funding level depends on adherence to the contribution policy



*Results are based on Callan's 7.20% return and 2.5% inflation projections

Risk vs. Reward in Market Funded Status in 10 Years

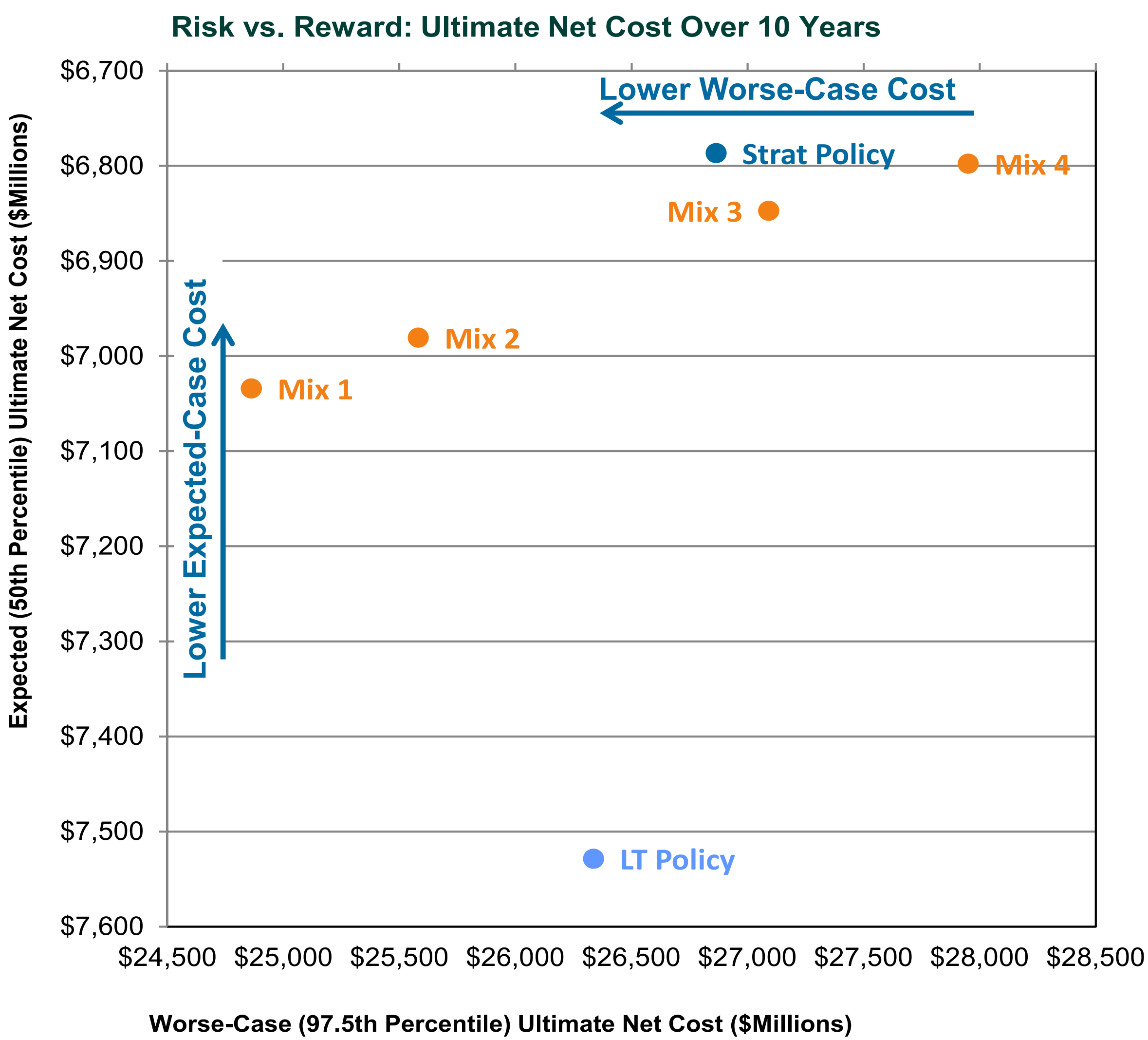


Upper left is the desired location

- Higher funded ratio in both the expected and worse-case scenarios
- Alternative mixes provide a tradeoff between expected case funded ratio and worse-case funded ratio

Risk vs. Reward in Ultimate Net Cost Over 10 Years

"UNC"



Upper left is the desired location

- Lower cost in both the expected and worse-case scenarios
- Alternative mixes provide a tradeoff between expected case UNC and worse-case UNC

PERSI Strategic Policy

Mapping of Global Equity Allocation to Underlying Asset Classes

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

Callan Capital Market Assumptions

2026 vs. 2025 Risk and Returns

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

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

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

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2026 Sick Leave Actuarial Assumptions Study

Demographic and Economic Assumptions Studies

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Robert Schmidt, FSA, EA, MAAA

MAY 26, 2026

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Solutions for a world at risk™

Agenda

- Background on experience studies
- Sick Leave Programs summary
- Demographic assumptions study
  - Propose the Board adopt adjustments to the following assumptions:
  - Retirement and other termination rates
  - Accrual of unused sick leave while active
  - Payout and forfeiture of sick leave balances in retirement
- Economic assumptions study
  - Propose the Board adopt adjustments to the following assumptions*:
  - Administrative expense load
  - Investment return assumption
- Projections
- Next steps
  - Vote on proposed assumptions
  - Potential future studies (asset allocations, contribution rates)

**If the Board wants to look at Program asset allocations later this year, it may be appropriate to postpone adopting new economic assumptions until after the asset allocation is examined in an asset liability study.*

Background on Experience Studies

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Background

What is an actuarial valuation?

- Projection of future expected benefit payments for current census
- Discounted to present at expected rate of return of assets
- Informs the discussion about appropriate contribution levels

What are actuarial assumptions?

- Expectations of future System and member experience
- How much will members salaries grow during their career?
- How long will members work before retiring?
- How long will retirees live to continue receiving benefits?
- How much investment returns will the trust generate over the long term?

What is an experience study?

- Compile recent System and member data
- Compare experience to valuation assumptions
- Recommend assumption changes, as needed, to bring assumptions more in line with experience
- Repeat every 3–5 years

Our Philosophy

Don’t Overreact

- Make small adjustments more often than big changes
- Avoid unnecessary volatility in liabilities

Anticipate Trends

- Are there reasons to expect future experience will be higher than recent experience? Lower?
- Are any anticipated trends expected to be material and quantifiable?

Simplify

- There is no point in complexity that does not improve accuracy

Sick Leave Benefit Programs

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Programs Summary

Governing Law

- Based on Idaho Code Section 67-5333 (State) and Section 33-1228 (Schools), effective July 1, 1976

Benefits

- Upon retirement, one-half of unused sick leave is transferred to the member's retirement account at their current pay rate
- Effective July 1, 2001, State members' transfers are capped at 420–600 hours based on years of service
- Funds pay group health, accident, and life insurance premiums; remaining balance reverts to Sick Leave Funds upon death

Contributions

- Employers contribute a percentage of covered members' salaries to the Sick Leave Funds, with the rate set by the PERSI Board

Membership Summary as of July 1, 2025

	State Program	Schools Program
Male General Members	8,820*	2,926
Female General Members	11,286*	11,640
Male Teachers	0	5,489
Female Teachers	0	16,251
Fire and Police Members	2,481	0
Total Active Members	22,587	36,306
Retired Members	7,312	8,441
Total Members	29,899	44,747

* ORP members are combined with State General Members for purposes of Sick Leave assumptions.

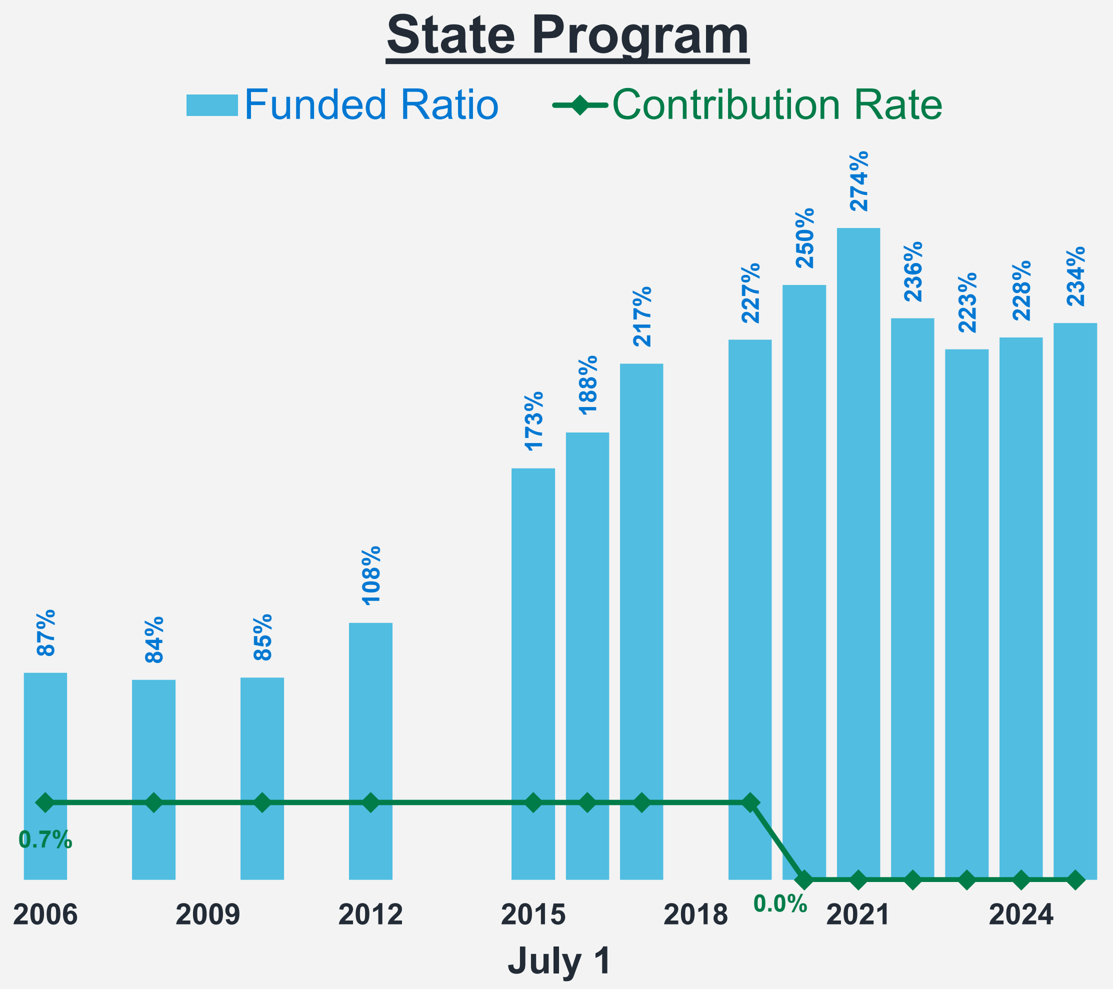
Employer Contribution Rates

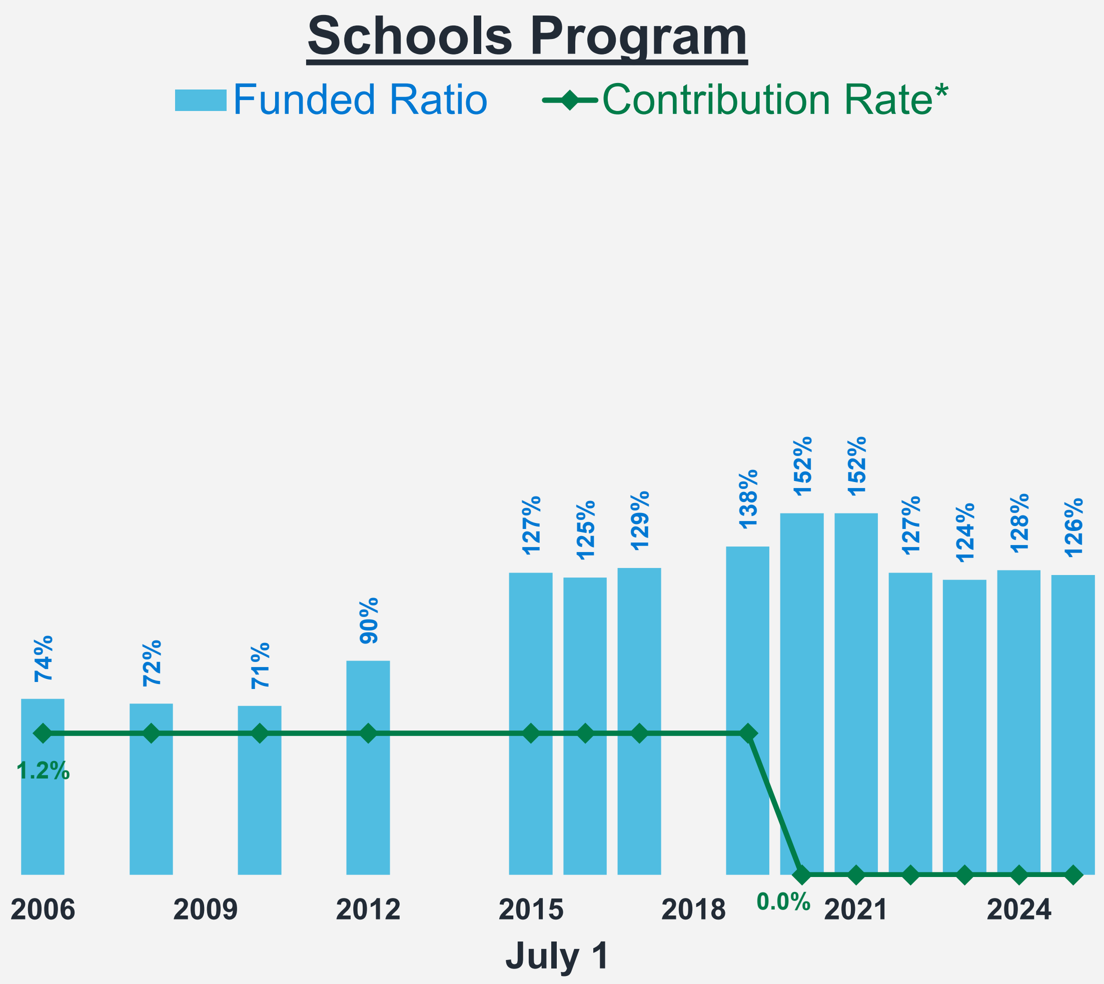
	Present – 6/30/2028	7/1/2028 – 6/30/2031	After 6/30/2031
State	0.00%	0.00%	0.40%(1)
Schools			
• 9-10 days of paid sick leave per year	0.00%	0.74%(2)	0.74%
• 11-14 days of paid sick leave per year	0.00%	0.80%(2)	0.80%

1 Per the Board decision in 2021, there are no contributions being charged of state employers through June 30, 2031. The contribution rate is scheduled to revert to the normal cost rate after this date.

2 Per the Board decision in 2021, there are no contributions being charged of schools employers through June 30, 2026. The Board decided in February 2026 that the contribution holiday is to be extended to June 30, 2028. The contribution rate is scheduled to revert to the normal cost rate after this date. The rates shown here for schools granting 9-10 days of paid sick leave per year and those that grant 11-14 days assume that the contribution rates for the two groups of schools employers will remain at the same proportion as were being charged prior to January 1, 2020.

Historical Funded Ratios





* The Schools Program contribution rate varies depending on the number of annual sick leave days granted by the employer. The rate shown here is the average contribution rates charged to schools employers.

Demographic Assumptions

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Introduction to Demographic Assumptions

Classes of Demographic Assumptions

Category	Specific Assumptions	Relevance to Actuarial Valuation
When and how do members leave PERSI?	▪ Retirement** ▪ Disabilities* ▪ Other terminations**	▪ The longer members work, the higher benefits they earn, but the later they receive those benefits. ▪ How members leave affects their benefits (e.g., only members that go out on early or service retirement are eligible for Sick Leave benefits.) ▪ Cost impacts vary
What's the pattern of pay increases across a member's career?	▪ Merit salary increases*	▪ Benefits are based on member pay at retirement ▪ Contributions are based on member pay throughout their career ▪ Larger pay raises increase costs to the Program, but also increase Program funding
What's the pattern of sick leave usage and accruals?	▪ Sick leave accrual ▪ Forfeitures of sick leave balances ▪ Payout percentage	▪ Benefits are based on member sick leave balance at retirement ▪ If a member accrues a larger sick leave balance, costs to the Program are higher ▪ Higher forfeitures at death decrease plan costs ▪ Longer payout periods decrease plan costs, because there is more time for investment returns to fund the benefits

- **Recommended demographic assumption changes, in aggregate, lowered AAL by 18% for the State Program and 3% for the Schools Program.**

*Assumption was analyzed in PERSI base plan experience study in Spring 2025. Sick Leave programs uses the base plan assumption.
**Assumption for Teachers was analyzed in PERSI base plan experience study in Spring 2025. Sick Leave programs uses the base plan assumption.

Other Termination from Employment

July 1, 2019, to June 30, 2025, Sick Leave Experience Study

- Service-based assumption
- Experience higher than expected
- High level of quits seen across US from mid-2021 through mid-2023 (“Great Resignation”)
- Recommend tempered adjustment to assumption

Termination Experience from July 1, 2019, through June 30, 2025

	Expected	Actual	Actual / Expected	Proposed	Actual / Proposed
State					
General Male	3,814	4,619	121%	4,080	113%
General Female	5.586	6,551	117%	5,895	111%
Fire & Police	940	1,363	145%	1,080	126%
Total	**10,340**	**12,533**	**121%**	**11,054**	**113%**
Schools*					
General Male	1,671	2,242	134%	1,857	121%
General Female	7,060	8,738	124%	7,614	115%
Total	**8,731**	**10,980**	**126%**	**9,470**	**116%**

*Assumption for Teachers was analyzed in PERSI base plan experience study in Spring 2025. Sick Leave programs uses the base plan assumption.

Impact on July 1, 2025, Valuation - State

Present Value of Future Benefits	
Current assumption	$192.0 m
Change	-4.5 m
Proposed assumption	$187.5 m
Normal Cost Rate	
Current assumption	0.40%
Change	-0.02%
Proposed assumption	0.38%

Impact on July 1, 2025, Valuation - Schools

Present Value of Future Benefits	
Current assumption	$502.5 m
Change	-2.1 m
Proposed assumption	$500.4 m
Normal Cost Rate	
Current assumption	0.76%
Change	-0.01%
Proposed assumption	0.75%

Retirement

July 1, 2019, to June 30, 2025, Sick Leave Experience Study

- Age-based assumption split by eligibility for full benefits
- Experience higher than expected
- Recommend adjusting assumptions

Retirement Experience from July 1, 2019, through June 30, 2025*

	Reduced Benefits		First Year Eligible for Full Benefits		After First Year Eligible for Full Benefits		Total	
	Actual / Expected	Actual / Proposed	Actual / Expected	Actual / Proposed	Actual / Expected	Actual / Proposed	Actual / Expected	Actual / Proposed
State								
General Male	155%	121%	113%	106%	131%	113%	138%	116%
General Female	174%	127%	107%	103%	118%	108%	141%	117%
Fire & Police	199%	133%	131%	113%	101%	100%	133%	114%
Total	**168%**	**125%**	**111%**	**105%**	**121%**	**109%**	**139%**	**116%**
Schools**								
General Male	161%	123%	110%	105%	141%	117%	143%	118%
General Female	160%	123%	109%	104%	130%	113%	139%	116%
Total	**160%**	**123%**	**109%**	**104%**	**133%**	**114%**	**140%**	**117%**

*Only includes retirements prior to 100% assumed retirement age (75 general, 70 safety).

**Assumption for Teachers was analyzed in PERSI base plan experience study in Spring 2025. Sick Leave programs uses the base plan assumption.

Impact on July 1, 2025, Valuation - State

Present Value of Future Benefits	
Current assumption*	$187.5 m
Change	-1.4 m
Proposed assumption	$186.1 m
Normal Cost Rate	
Current assumption*	0.38%
Change	+0.01%
Proposed assumption	0.39%

Impact on July 1, 2025, Valuation - Schools

Present Value of Future Benefits	
Current assumption*	$500.4 m
Change	-1.4 m
Proposed assumption	$499.0 m
Normal Cost Rate	
Current assumption*	0.75%
Change	-0.00%
Proposed assumption	0.75%

*Includes proposed assumptions from prior slides.

Annual Accruals of Unused Sick Leave Days/Hours

July 1, 2019, to June 30, 2025, Sick Leave Experience Study

- Current assumption based on salary (State only) and sex
- Based on experience, propose new format:
  - State accrual assumptions based on salary, sex, class, and average prior accrual rate
  - School accrual assumption based on salary and average prior accrual rate
- Experience lower accruals than expected for State Program, slightly higher accruals than expected for Schools
- Recommended adjusted assumptions

Annual Accruals Experience from July 1, 2019, through June 30, 2025

	Expected Total Accruals	Actual Total Accruals	Actual / Expected	Proposed Total Accruals	Actual / Proposed
State	4,612,773	3,186,780	69%	3,862,689	83%
School	835,829	873,160	105%	848,222	103%

Accruals are listed as hours for State, days for Schools.

Various adjustments were made to the study data to remove data where the change in sick leave balance appeared to be a data correction.

Impact on July 1, 2025, Valuation - State

Present Value of Future Benefits	
Current assumption*	$186.1 m
Change	-14.5 m
Proposed assumption	$171.6 m

Normal Cost Rate	
Current assumption*	0.39%
Change	-0.04%
Proposed assumption	0.35%

Impact on July 1, 2025, Valuation - Schools

Present Value of Future Benefits	
Current assumption*	$499.0 m
Change	+36.2 m
Proposed assumption	$535.2 m

Normal Cost Rate	
Current assumption*	0.75%
Change	+0.07%
Proposed assumption	0.82%

*Includes proposed assumptions from prior slides.

Payout Percentage

July 1, 2019, to June 30, 2025, Sick Leave Experience Study

- Payout percentage is the remaining retiree balance assumed to be paid out each year
- Experienced lower balance usage than expected
- Recommend reducing the payout percentage

Payout Percentage Experience from July 1, 2019, through June 30, 2025

		Actual						
	Expected	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Proposed
State	20.0%	17.0%	16.6%	15.8%	14.4%	14.0%	12.1%	15.0%
School	25.0%	23.2%	22.5%	21.2%	20.1%	19.5%	18.5%	20.0%

Impact on July 1, 2025, Valuation - State

Present Value of Future Benefits	
Current assumption*	$171.6 m
Change	-11.3 m
Proposed assumption	$160.3 m
Normal Cost Rate	
Current assumption*	0.35%
Change	-0.02%
Proposed assumption	0.33%

Impact on July 1, 2025, Valuation - Schools

Present Value of Future Benefits	
Current assumption*	$535.2 m
Change	-22.8 m
Proposed assumption	$512.4 m
Normal Cost Rate	
Current assumption*	0.82%
Change	-0.03%
Proposed assumption	0.79%

*Includes proposed assumptions from prior slides.

Forfeitures

July 1, 2019, to June 30, 2025, Sick Leave Experience Study

- Forfeitures are the loss of benefits due to having unused benefits remaining at the time of a retiree's death
- Experienced higher forfeitures than expected
- Recommend increasing the forfeiture assumption

Forfeiture Experience from July 1, 2019, through June 30, 2025

	Expected Forfeitures	Actual Forfeitures	Proposed Forfeitures
State	3.25%	15.45%	9.25%
School	2.00%	8.03%	5.00%

Forfeiture assumption is the percent of a member's initial sick leave balance that will be forfeited upon their death.

Impact on July 1, 2025, Valuation - State

Present Value of Future Benefits	
Current assumption*	$160.3 m
Change	-10.0 m
Proposed assumption	$150.3 m

Normal Cost Rate	
Current assumption*	0.33%
Change	-0.02%
Proposed assumption	0.31%

Impact on July 1, 2025, Valuation - Schools

Present Value of Future Benefits	
Current assumption*	$512.4 m
Change	-15.6 m
Proposed assumption	$496.8 m

Normal Cost Rate	
Current assumption*	0.79%
Change	-0.02%
Proposed assumption	0.77%

*Includes proposed assumptions from prior slides.

Total Liability Impact

Demographic Assumptions

Impact on July 1, 2025, Valuation - State

	Present Value of Future Benefits	Actuarial Accrued Liability (AAL)	Funded Ratio	Total Normal Cost Rate
Current assumptions	$192.0 m	$132.4 m	234.1%	0.40%
Other termination	-4.5 m	-0.0 m	+0.0%	-0.02%
Retirement	-1.4 m	+0.6 m	-1.1%	+0.01%
Accrual Rates	-14.5 m	-9.3 m	+17.5%	-0.04%
Payout percentage	-11.3 m	-8.2 m	+17.8%	-0.02%
Forfeitures	-10.0 m	-7.2 m	+17.7%	-0.02%
Total	-41.7 m	-24.1 m	+51.9%	-0.09%
Proposed assumptions	$150.3 m	$108.3 m	286.0%	0.31%

Impact on July 1, 2025, Valuation - Schools

	Present Value of Future Benefits	Actuarial Accrued Liability (AAL)	Funded Ratio	Total Normal Cost Rate
Current assumptions	$502.5 m	$341.3 m	126.0%	0.76%
Other termination	-2.1 m	+0.2 m	-0.1%	-0.01%
Retirement	-1.4 m	+0.0 m	-0.0%	-0.00%
Accrual Rates	+36.2 m	+16.4 m	-5.8%	+0.07%
Payout percentage	-22.8 m	-15.2 m	+5.3%	-0.03%
Forfeitures	-15.6 m	-10.5 m	+4.0%	-0.02%
Total	-5.7 m	-9.1 m	+3.4%	+0.01%
Proposed assumptions	$496.8 m	$332.2 m	129.4%	0.77%

Economic Assumptions

Milliman

Introduction to Economic Assumptions

Classes of Economic Assumptions

Category	Specific Assumptions	Relevance to Actuarial Valuation
Minor Assumptions	**Administrative expense load**	▪ Administrative expenses are paid from Program assets and should be accounted for in Program funding. ▪ Higher administrative expenses increases the contributions needed to fund the Program.
Key Assumptions	**Wage inflation***	▪ Benefits are based on member pay at retirement ▪ Contributions are based on member pay throughout their career ▪ Larger pay raises increase costs to the Program, but also increase Program funding
	Investment return	▪ Member benefits are funded through a combination of contributions and investment returns ▪ The higher the investment returns, the lower the contributions needed to fund the Program

*Assumption was analyzed in PERSI base plan experience study in Spring 2025. Sick Leave programs uses the base plan assumption.

Administrative Expense Load

July 1, 2019, to June 30, 2025, Sick Leave Experience Study

- In actuarial valuation, administrative expense load is subtracted from expected rate of investment returns
- Current 0.05% assumption based on PERSI base plan
- Recommend lowering the assumption from 0.05% to 0.02%

	FY 2022	FY 2023	FY 2024	FY 2025	Average
State Program					
Administrative Expenses	$49 k	$49 k	$54 k	$60 k	$53 k
Mean Assets for Period*	$283 m	$242 m	$256 m	$281 m	$266 m
Administrative Expense %	0.017%	0.020%	0.021%	0.021%	0.020%
Schools Program					
Administrative Expenses	$71 k	$71 k	$76 k	$84 k	$76 k
Mean Assets for Period*	$415 m	$349 m	$364 m	$393 m	$380 m
Administrative Expense %	0.017%	0.020%	0.021%	0.021%	0.020%
Total					
Administrative Expenses	$120 k	$120 k	$130 k	$144 k	$128 k
Mean Assets for Period*	$698 m	$591 m	$620 m	$675 m	$646 m
Administrative Expense %	0.017%	0.020%	0.021%	0.021%	0.020%

*Mean assets for period = ½ (beginning net assets + ending net assets - net return). See Table 7 of our Actuarial Valuation Reports for details.

Only includes data from 7/1/2021 through 6/30/2025. Data prior to that was reported in a different format.

Investment Return

Considerations

About the Investment Return Assumption

- Assumption with one of largest impacts on calculated liabilities
  - Projected benefits extend many decades into the future (i.e., long duration of liabilities)
  - Decades of compounding results in liabilities being sensitive to assumed return
- Assumption should be based on the asset allocation of the Trusts
- As a reminder, actual Program costs will be determined by the actual experience of the plan, not the valuation assumptions.

Challenges in Predicting Future Returns

- Difficult to predict accurately given past investment performance is not indicative of future performance
- Significant subjectivity in assumption:
  - No one “correct” assumption
  - A range of reasonable assumptions
- Investment return experience is expected to be volatile with gains and losses
  - Investment gains should be kept in the system to cover the future investment losses
  - Board’s decision on expected return assumption affects frequency and magnitude of gains and losses relative to the assumption

Concepts to Consider When Setting the Investment Return Assumption

- **Precision** - The latest capital market expectations represent experts' best estimates of future returns so should be taken into consideration.
- **Volatility management** – Incremental changes are generally preferred to large changes.
  - Large changes in assumptions create unnecessary volatility in liabilities and contribution rates.
- **Conservatism** – It’s often warranted to reflect a reasonable degree of conservatism.
  - Investment returns below the assumption (losses) present more challenges to the system and its contributing members and employers, e.g., through required contribution increases, than higher returns (gains)
  - A lower assumption makes losses less likely and gains more likely.

Investment Return

- Based on current asset allocation:
  - Projected returns based on latest capital market assumptions are higher than the current assumption.
  - Recommend increasing the assumption by 10 to 30 basis points to 5.50%–5.70% (net of all expenses).
  - This strikes a reasonable balance between precision, volatility management, and conservatism.
- If the Board wants to consider changing the asset allocation this year:
  - It may make sense to postpone a decision on updated economic assumptions until after the asset liability study.

Summary of Current Assumption and Capital Market Assumptions (CMAs)

	Net of Investment Expenses	Net of All Expenses
Current Assumptions	5.45%	5.40%
10-year projected return from Callan's 12/31/2025 CMAs	6.45%	6.43%[1]
30-year projected return from Milliman's 12/31/2025 CMAs[2]	6.01%	5.99%[1]

Current PERSI inflation assumption is 2.40%, established in the Spring 2025 base plan experience study. That is not re-studied here. Milliman CMAs use a 30-year projected inflation of 2.32%. Callan CMAs use a 10-year projected inflation of 2.50%.

[1]Includes the proposed change of the lowering the administrative expense assumption from 0.05% of assets to 0.02%.

[2]Milliman is not an investment advisor to PERSI. Milliman's capital market assumptions were developed by Milliman's investment consultants to determine the reasonableness of investment return assumptions and may not be appropriate for other purposes. We share these with clients to provide an additional perspective during important decision making.

Total Liability Impact

Demographic Assumptions

Impact on July 1, 2025, Valuation - State

	Present Value of Future Benefits	Actuarial Accrued Liability (AAL)	Funded Ratio	Total Normal Cost Rate
Current assumptions	$192.0 m	$132.4 m	234.1%	0.40%
Other termination	-4.5 m	-0.0 m	+0.0%	-0.02%
Retirement	-1.4 m	+0.6 m	-1.1%	+0.01%
Accrual Rates	-14.5 m	-9.3 m	+17.5%	-0.04%
Payout percentage	-11.3 m	-8.2 m	+17.8%	-0.02%
Forfeitures	-10.0 m	-7.2 m	+17.7%	-0.02%
Total	-41.7 m	-24.1 m	+51.9%	-0.09%
Proposed demographic assumptions	$150.3 m	$108.3 m	286.0%	0.31%
Impact of switch to 5.60% return assumption*	-4.1 m	-1.9 m	+5.2%	-0.01%
Proposed demographic and 5.60% return assumption*	$146.2 m	$106.4 m	291.2%	0.30%

Impact on July 1, 2025, Valuation - Schools

	Present Value of Future Benefits	Actuarial Accrued Liability (AAL)	Funded Ratio	Total Normal Cost Rate
Current assumptions	$502.5 m	$341.3 m	126.0%	0.76%
Other termination	-2.1 m	+0.2 m	-0.1%	-0.01%
Retirement	-1.4 m	+0.0 m	-0.0%	-0.00%
Accrual Rates	+36.2 m	+16.4 m	-5.8%	+0.07%
Payout percentage	-22.8 m	-15.2 m	+5.3%	-0.03%
Forfeitures	-15.6 m	-10.5 m	+4.0%	-0.02%
Total	-5.7 m	-9.1 m	+3.4%	+0.01%
Proposed demographic assumptions	$496.8 m	$332.2 m	129.4%	0.77%
Impact of switch to 5.60% return assumption*	-14.3 m	-5.5 m	+2.2%	-0.03%
Proposed demographic and 5.60% return assumption*	$482.5 m	$326.7 m	131.6%	0.74%

*Net of all expenses

Projections

Projection Parameters

Overview of key assumptions

Investment returns

- 2,000 random investment return scenarios based on Callan's 2026 Capital Market Assumptions for the current asset allocation
- 10-year average return: 6.45%

Liabilities

- Proposed demographic assumptions
- 5.60% investment return assumption

Contributions

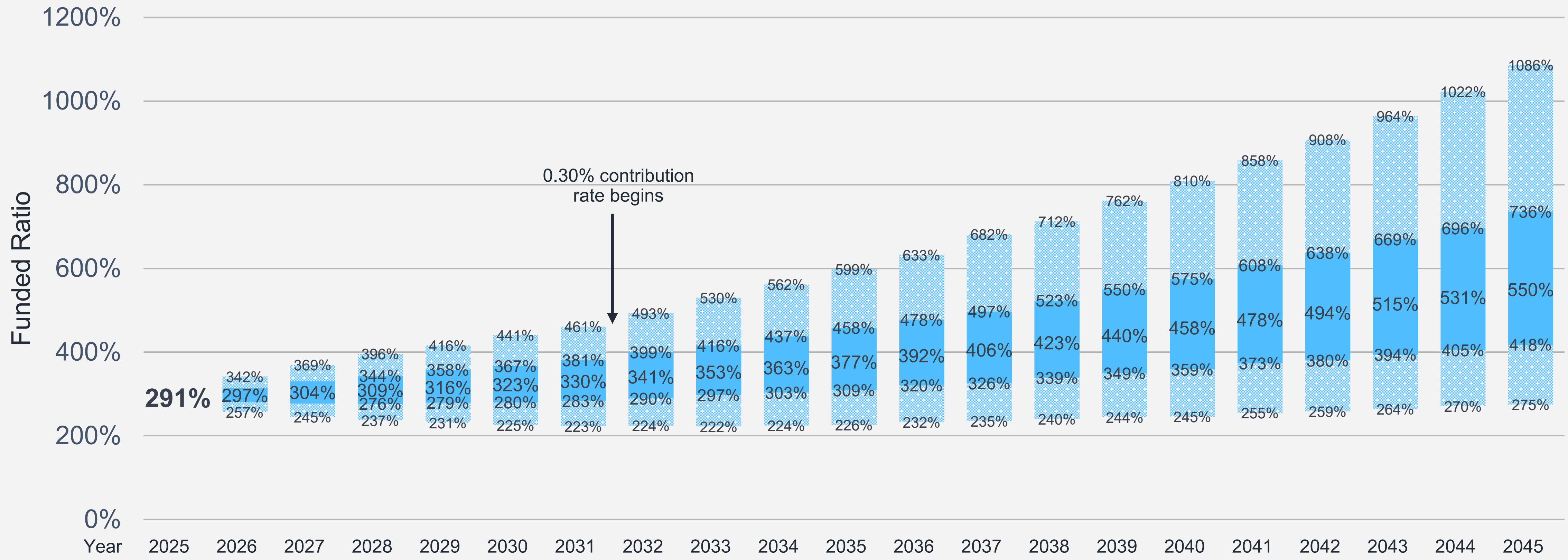
- State: 0.30% contribution rate starting 7/1/2031
- Schools: 0.74% contribution rate starting 7/1/2028

How to interpret projections

- Shows expected liability growth and the impact of potential variation in investment returns
- Does <u>**not**</u> include potential future liability gains and losses or legislative changes

See appendix for additional details on the projection assumptions.

Funded Ratio Projections - State

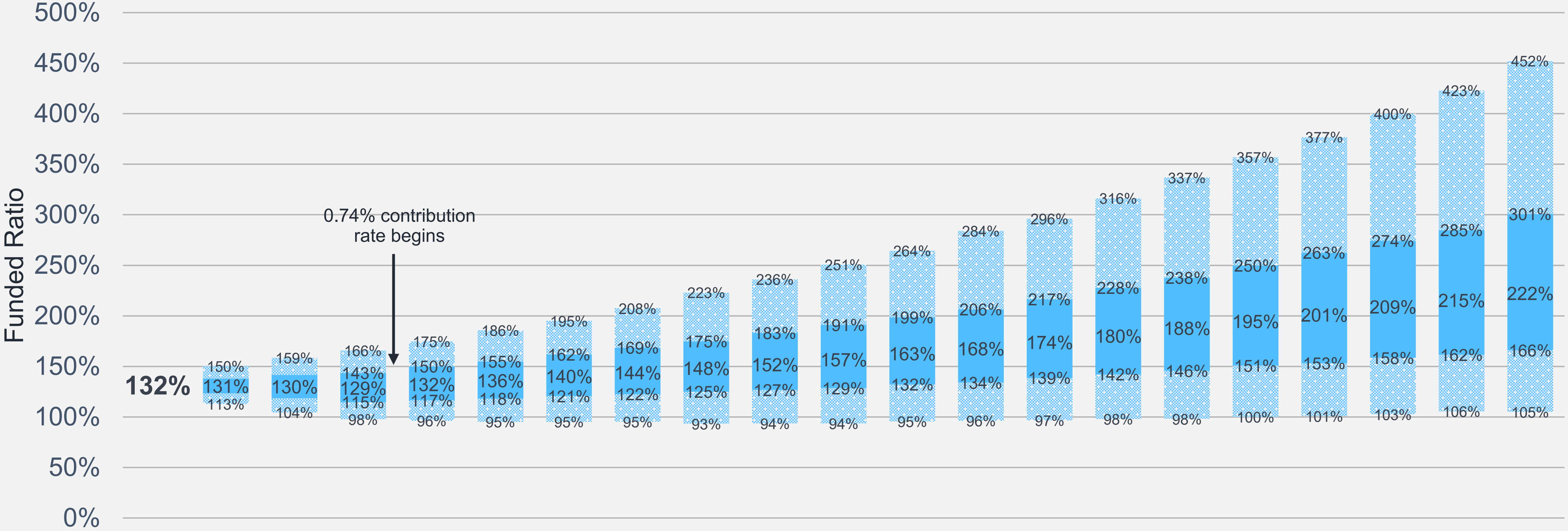


Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Percent of scenarios with funded ratio under 100%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1

Above chart displays the 5th, 25th, 50th, 75th, and 95th percentile funded ratios as of July 1st each year.

0% of scenarios with funded ratio under 100% does <u>not</u> mean it is impossible for the funded ratio to drop below 100%. It just means it did not occur in these projections.

Funded Ratio Projections - Schools



Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Percent of scenarios with funded ratio under 100%	0.0	0.4	2.2	6.7	7.3	7.5	7.3	7.2	7.7	7.4	6.8	6.7	6.3	5.8	5.4	5.4	5.0	4.7	4.5	4.5	4.0

Above chart displays the 5th, 25th, 50th, 75th, and 95th percentile funded ratios as of July 1st each year.

Next Steps

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Next Steps

Board vote

Update demographic assumptions:

- Adjust assumed rates of other termination as described in this presentation (net increase in projected terminations),
- Adjust assumed rates of retirement as described in this presentation (net increase in projected retirements),
- Adjust assumed accrual of unused sick leave as described in this presentation (net decrease in accruals for State and increase for Schools),
- Decrease the assumed payout percentages from 20% to 15% (State) and 25% to 20% (Schools), and
- Increase the assumed forfeitures from 3.25% to 9.25% (State) and 2.00% to 5.00% (Schools).

Board vote (continued)

Update economic assumptions:

- Decrease the assumed load for administrative expenses from 0.05% to 0.02% and
- Increase investment return assumption from 5.40% to between 5.50% and 5.70%[1].

OR

Postpone to later this year after looking at asset allocations in an asset liability study.

[1]Net of all expenses

Potential topics for future consideration

Contribution rates

Asset allocations

Caveats

Certification

See our July 1, 2025, Valuation Report, for a description of the assumptions, methods, and plan provisions used in this report. See our July 1, 2025; July 1, 2024; July 1, 2023; July 1, 2022; July 1, 2021; July 1, 2020; and July 1, 2019, Valuation Reports for a summary of the data used in this report.

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

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Programs. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Programs' funding policy. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

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

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

Certification (continued)

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Appendix A of our 2025 Valuation Report.

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

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

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

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

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

Certification (continued)

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

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

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

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

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

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

Robert L. Schmidt, FSA, EA, MAAA
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Thank you

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Appendix

(Gain) Loss History

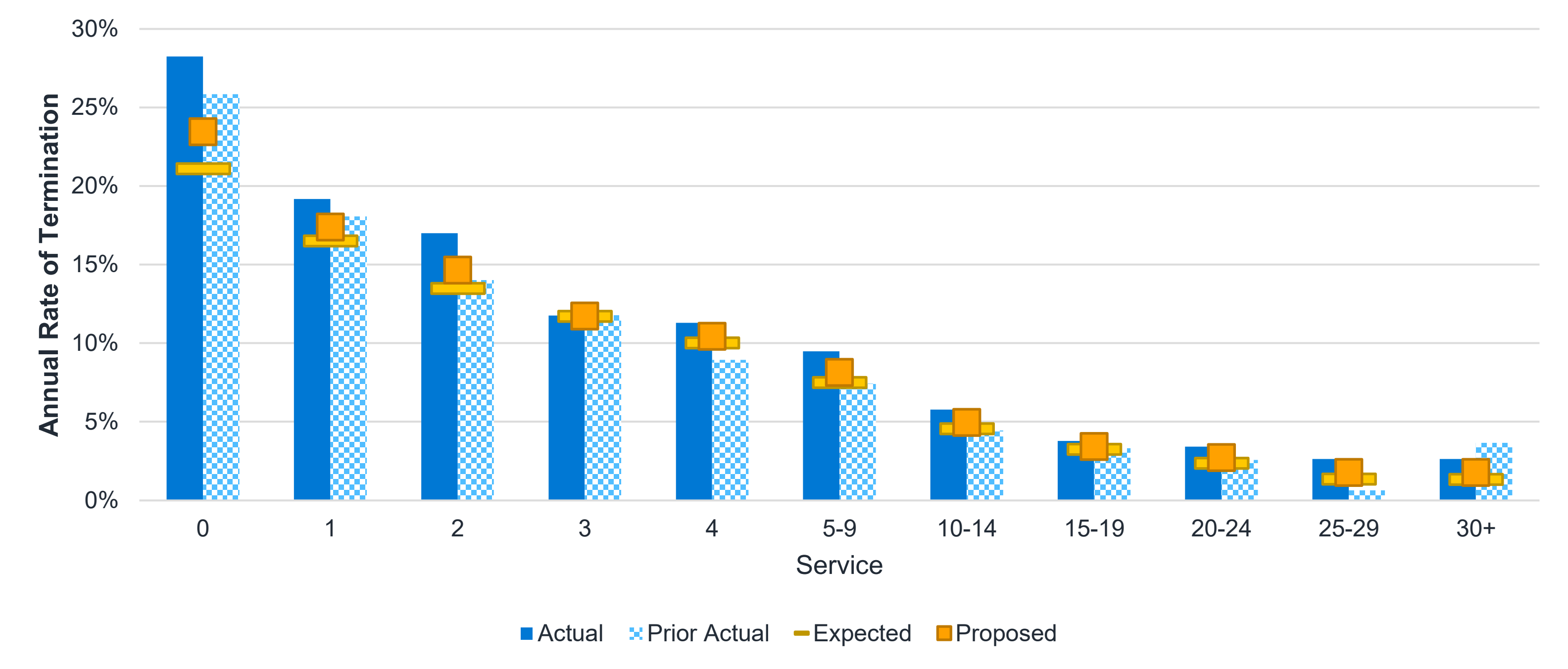
Active and retired member experience

Historical active and retired member experience (gains) and losses

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
State						
$ millions	($2.0)	($2.8)	($1.0)	($1.4)	($0.7)	($3.3)
% of AAL	(2.0%)	(2.8%)	(1.0%)	(1.4%)	(0.6%)	(2.6%)
Schools						
$ millions	$5.1	$11.6	($5.3)	($4.8)	($11.9)	$0.5
% of AAL	2.0%	5.0%	(1.9%)	(1.7%)	(4.0%)	0.2%

Other Termination from Employment

General Male - State

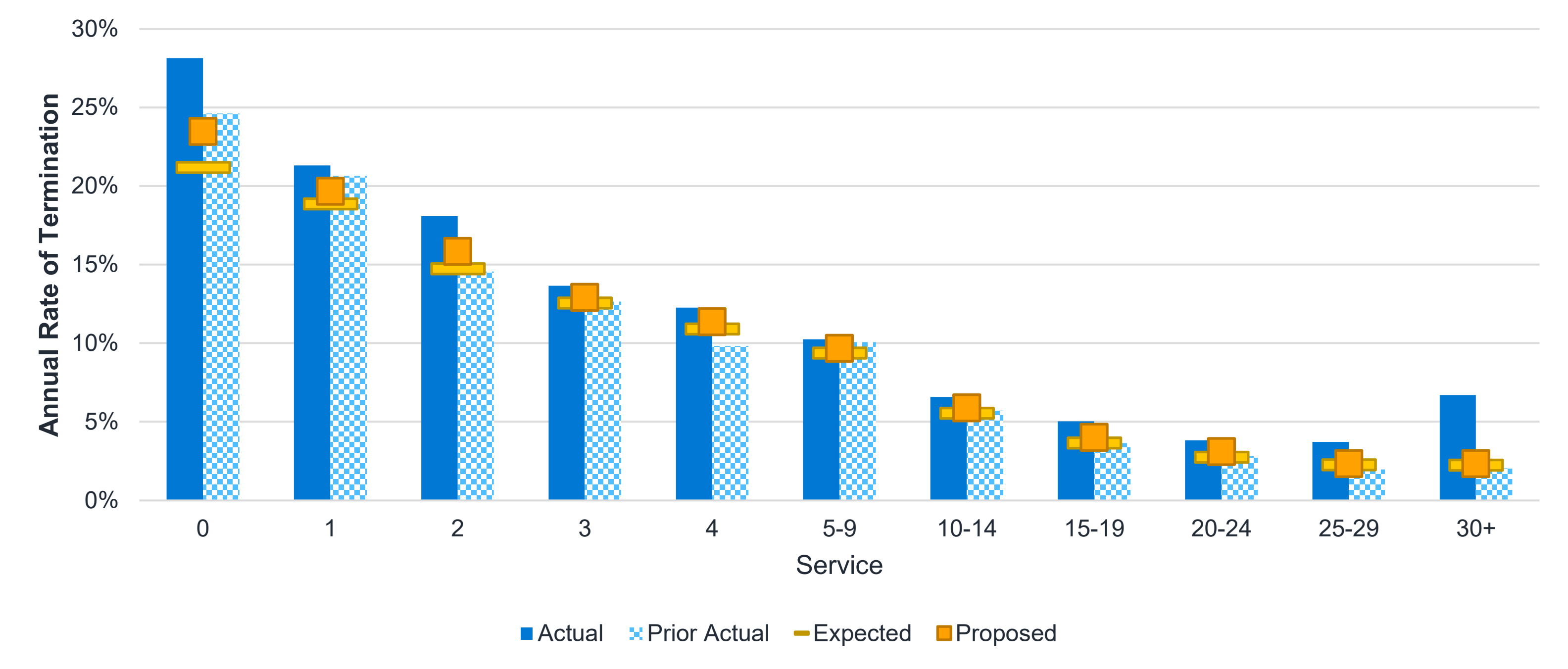


	Expected	Actual	Proposed
Terminations	3,814	4,619	4,080
Actual / Expected	121%		113%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Other Termination from Employment

General Female - State

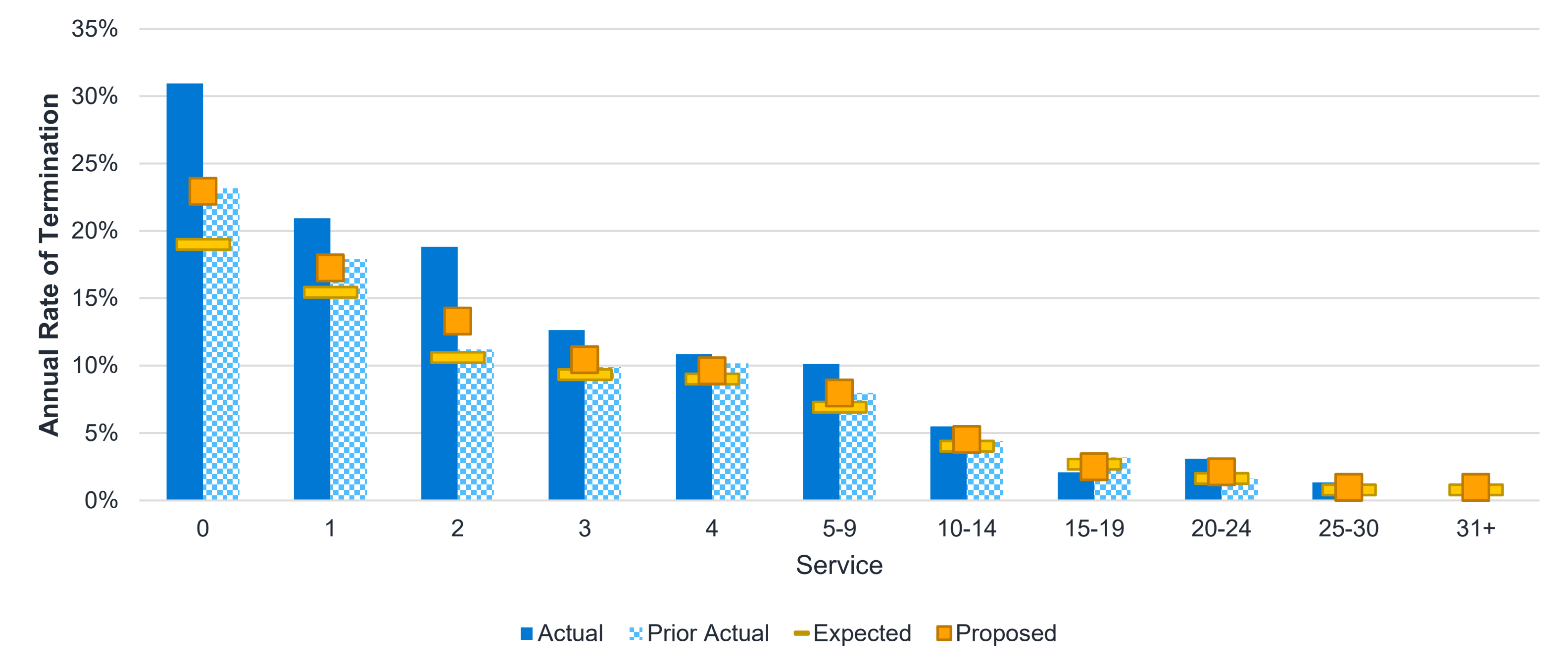


	Expected	Actual	Proposed
Terminations	5,586	6,551	5,895
Actual / Expected	117%		111%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Other Termination from Employment

Fire & Police - State

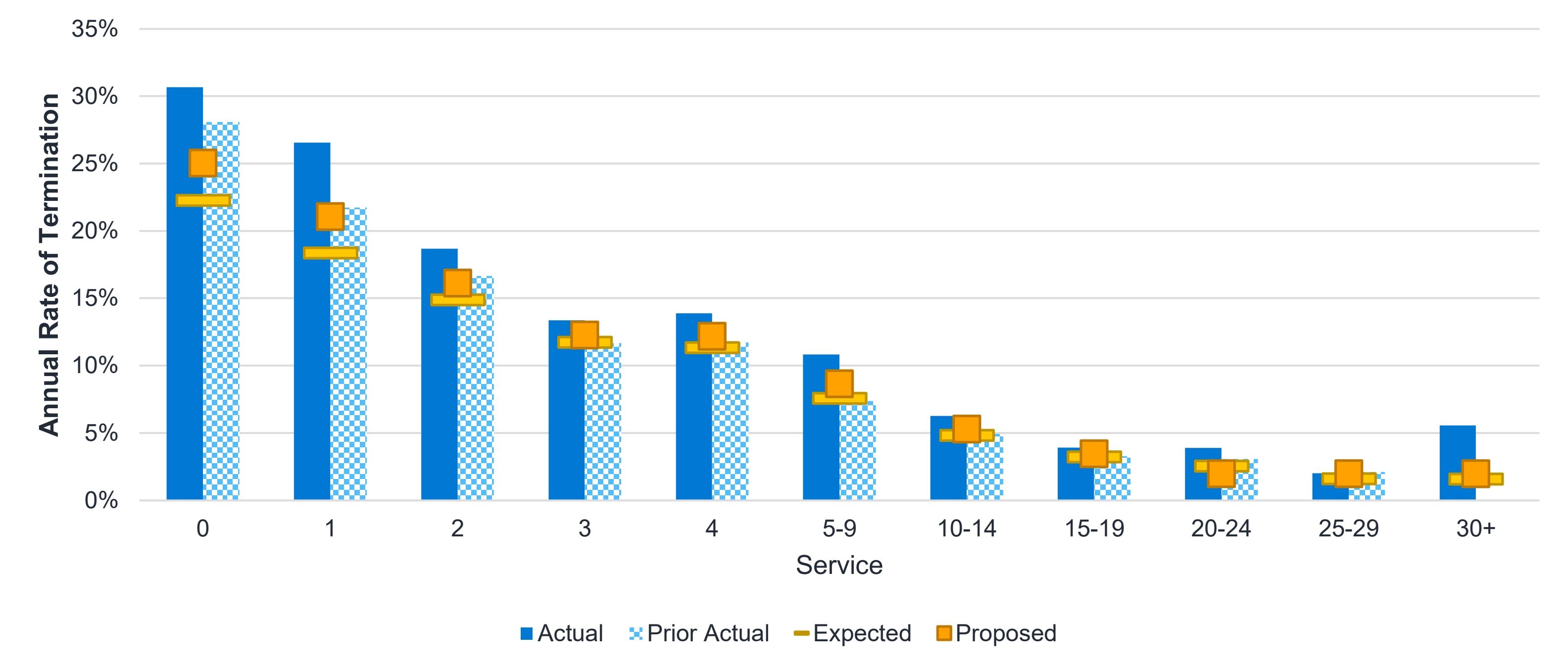


	Expected	Actual	Proposed
Terminations	940	1,363	1,080
Actual / Expected	145%		126%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Other Termination from Employment

General Male - Schools

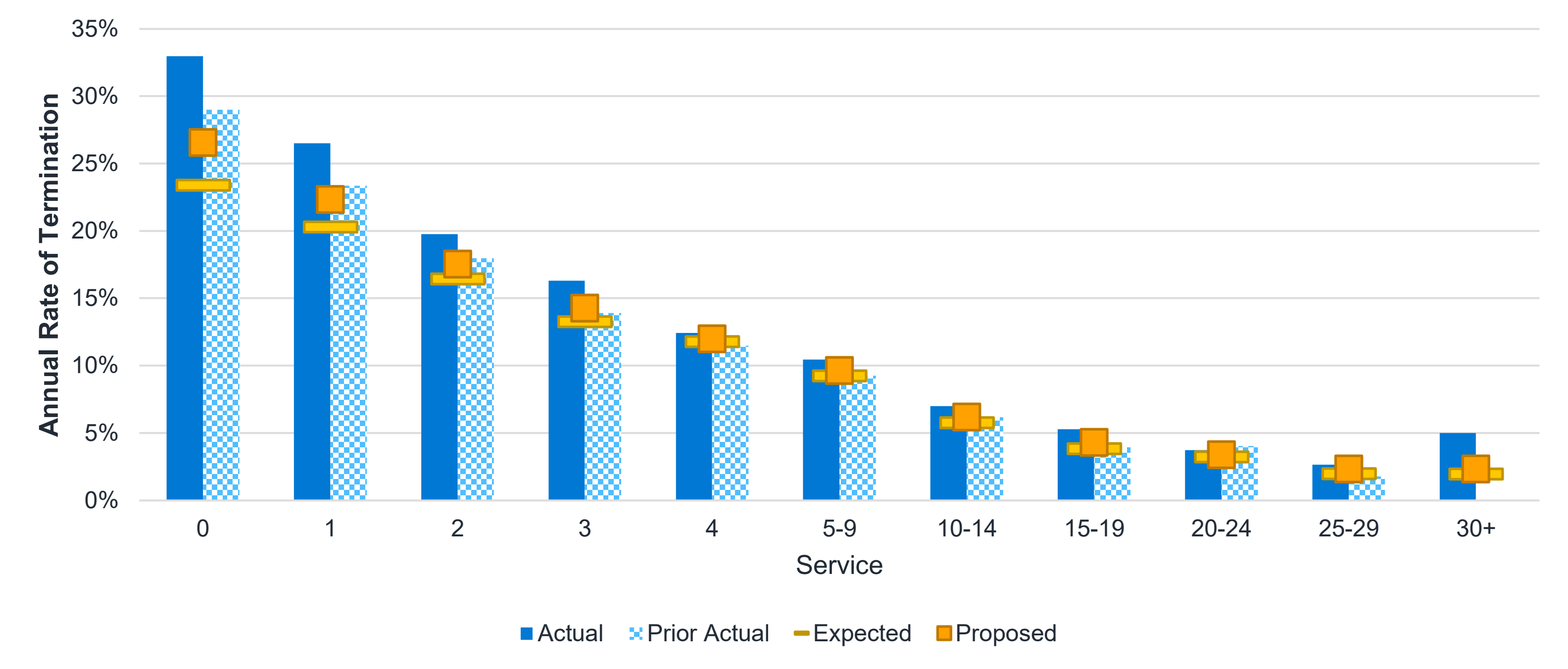


	Expected	Actual	Proposed
Terminations	1,671	2,242	1,857
Actual / Expected	134%		121%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Other Termination from Employment

General Female - Schools

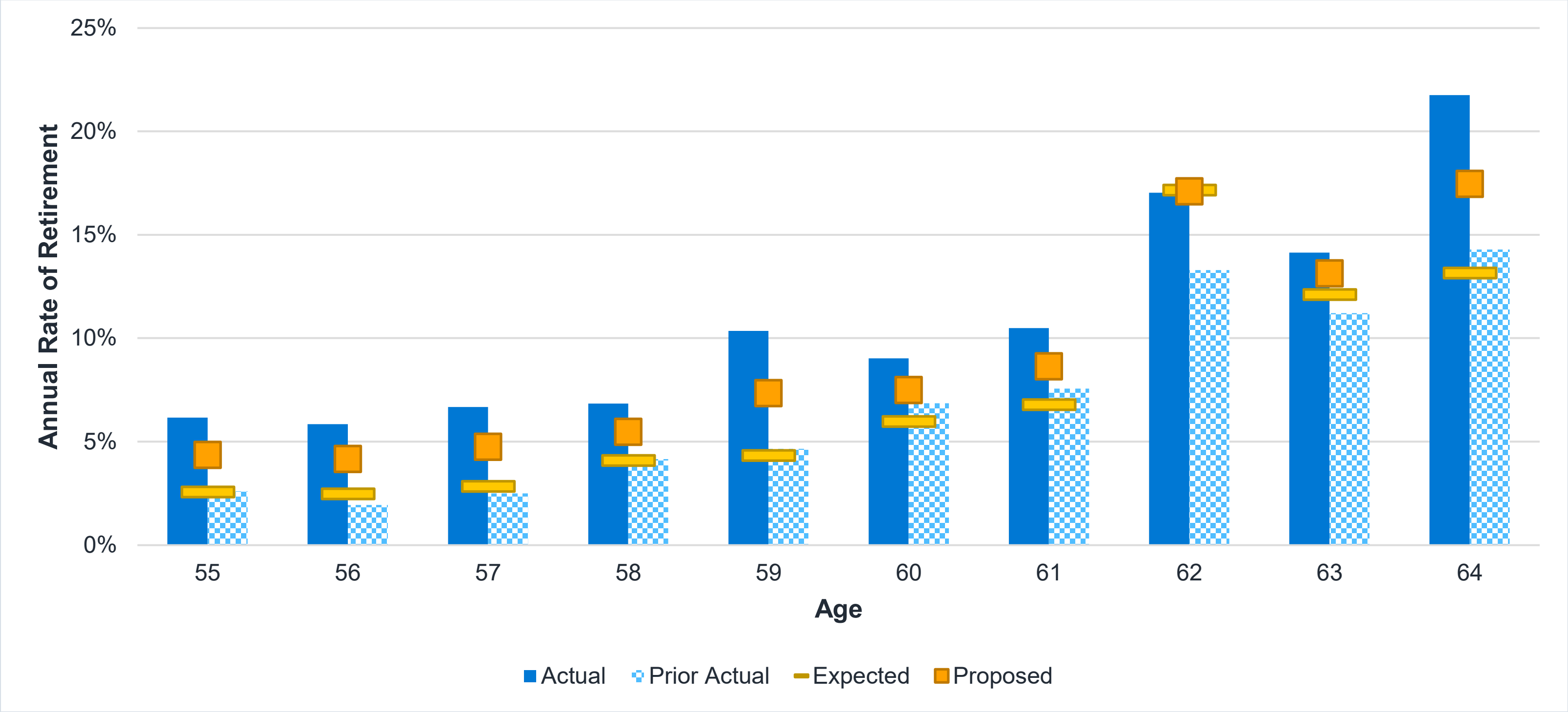


	Expected	Actual	Proposed
Terminations	7,060	8,738	7,614
Actual / Expected	124%		115%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Reduced Benefits

General Male - State

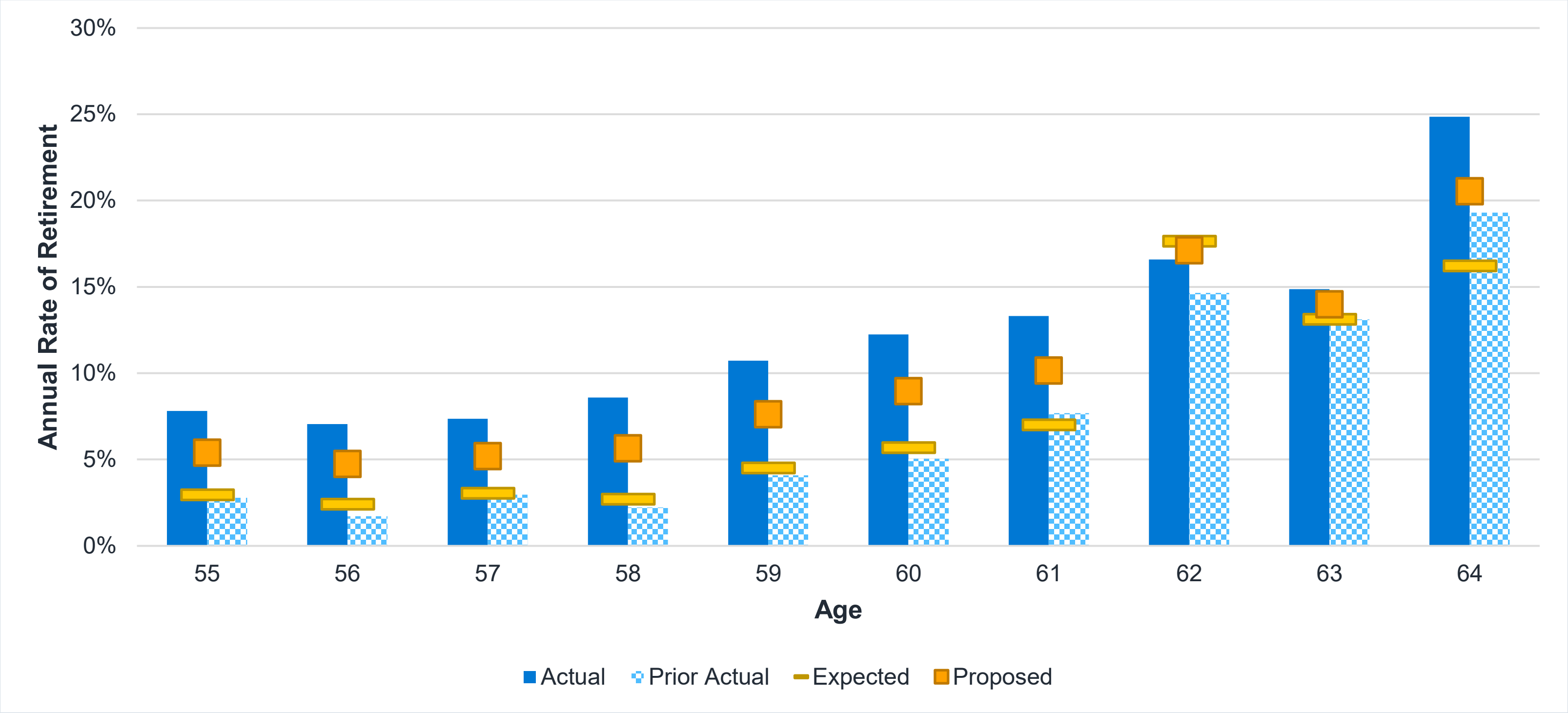


	Expected	Actual	Proposed
Count (Ages 55-64)	565	876	721
Actual / Expected	155%		121%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Reduced Benefits

General Female - State



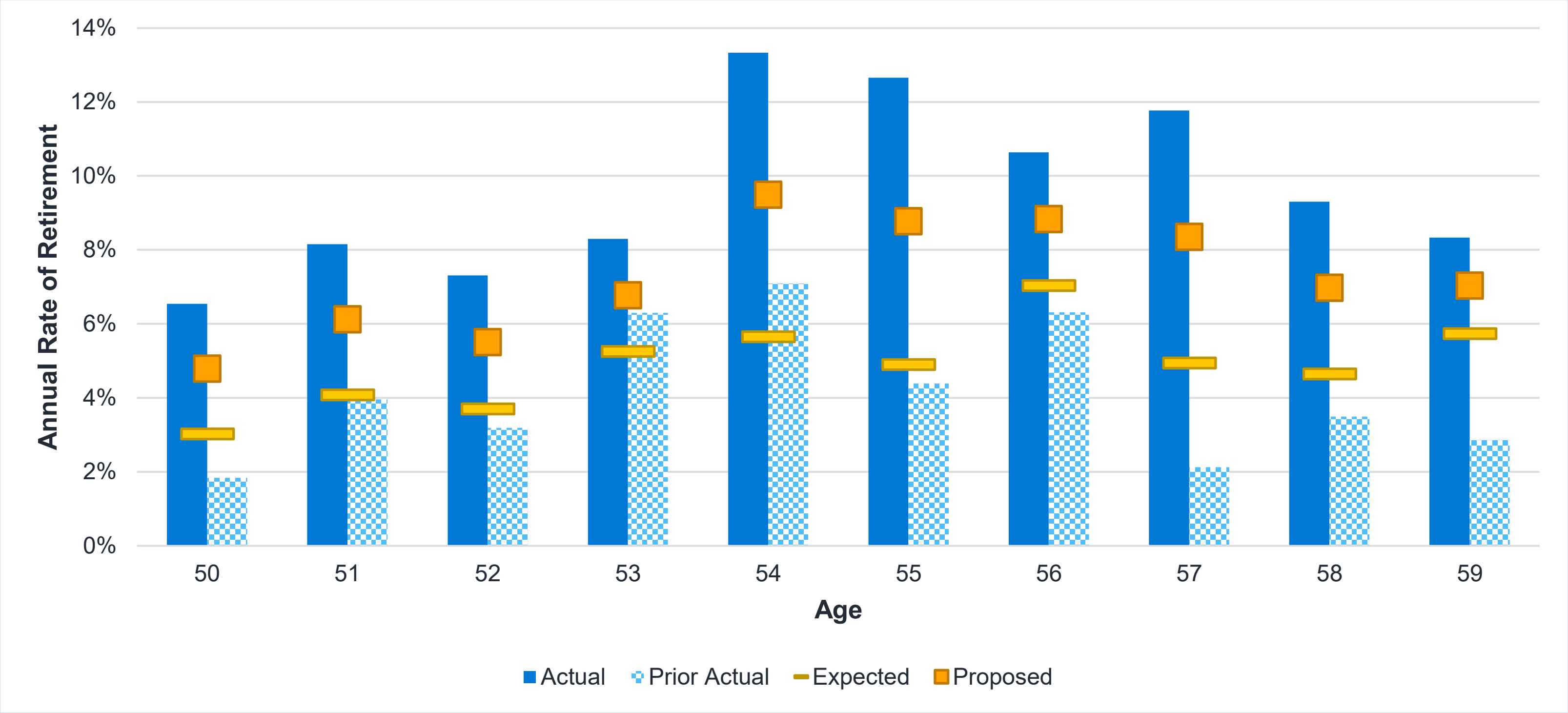
	Expected	Actual	Proposed
Count (Ages 55-64)	724	1,260	993
Actual / Expected	174%		127%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Reduced Benefits

Fire & Police - State



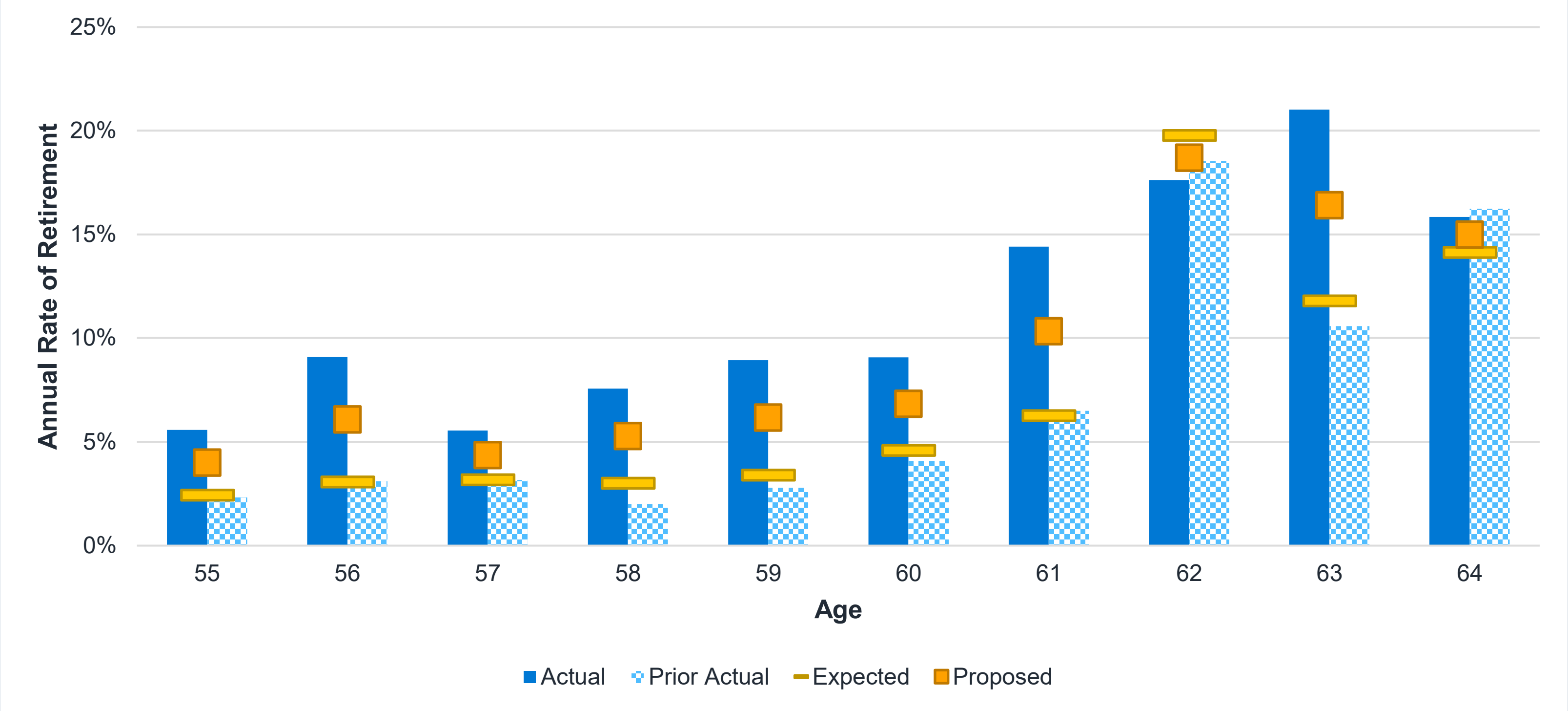
	Expected	Actual	Proposed
Count (Ages 50-59)	91	182	137
Actual / Expected	199%		133%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Reduced Benefits

General Male - Schools



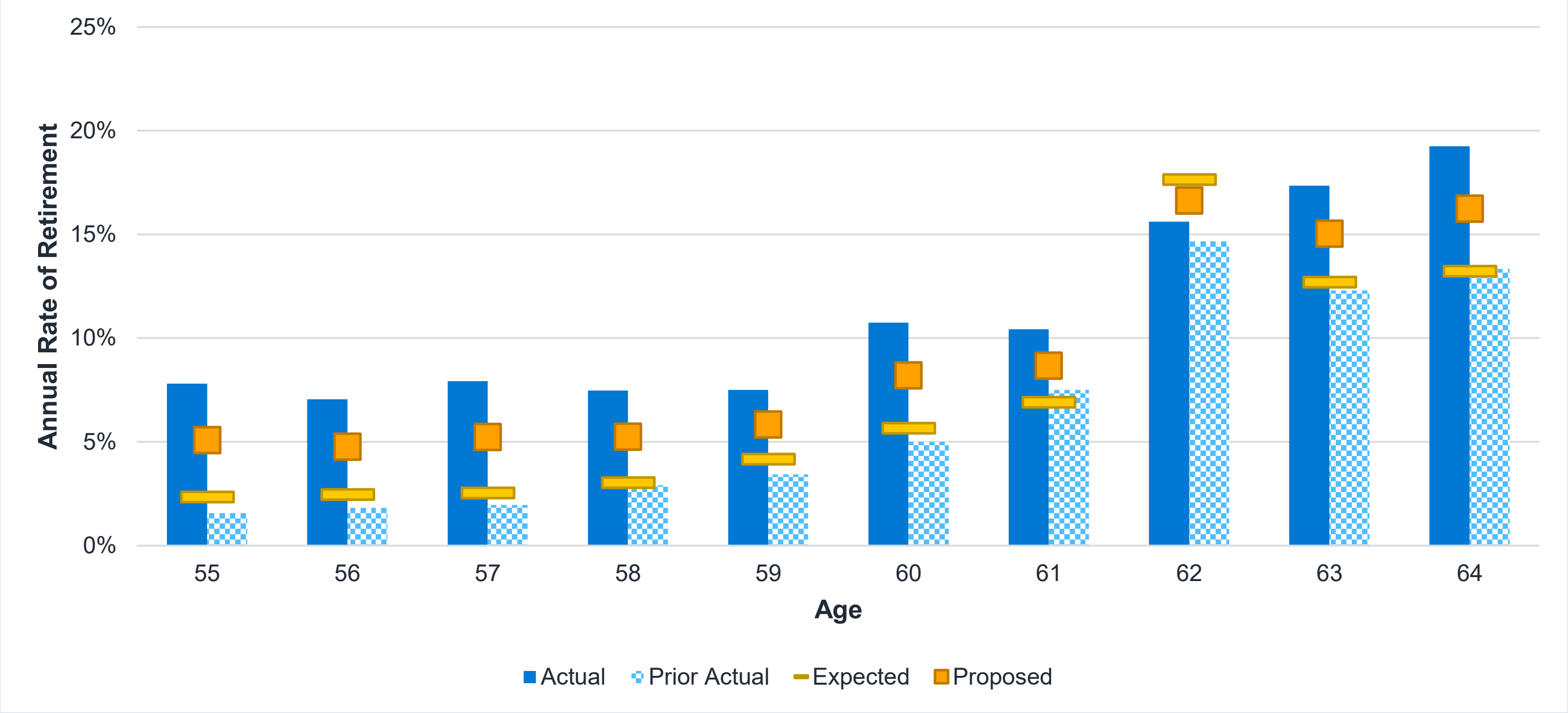
	Expected	Actual	Proposed
Count (Ages 55-64)	228	368	298
Actual / Expected	161%		123%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Reduced Benefits

General Female - Schools



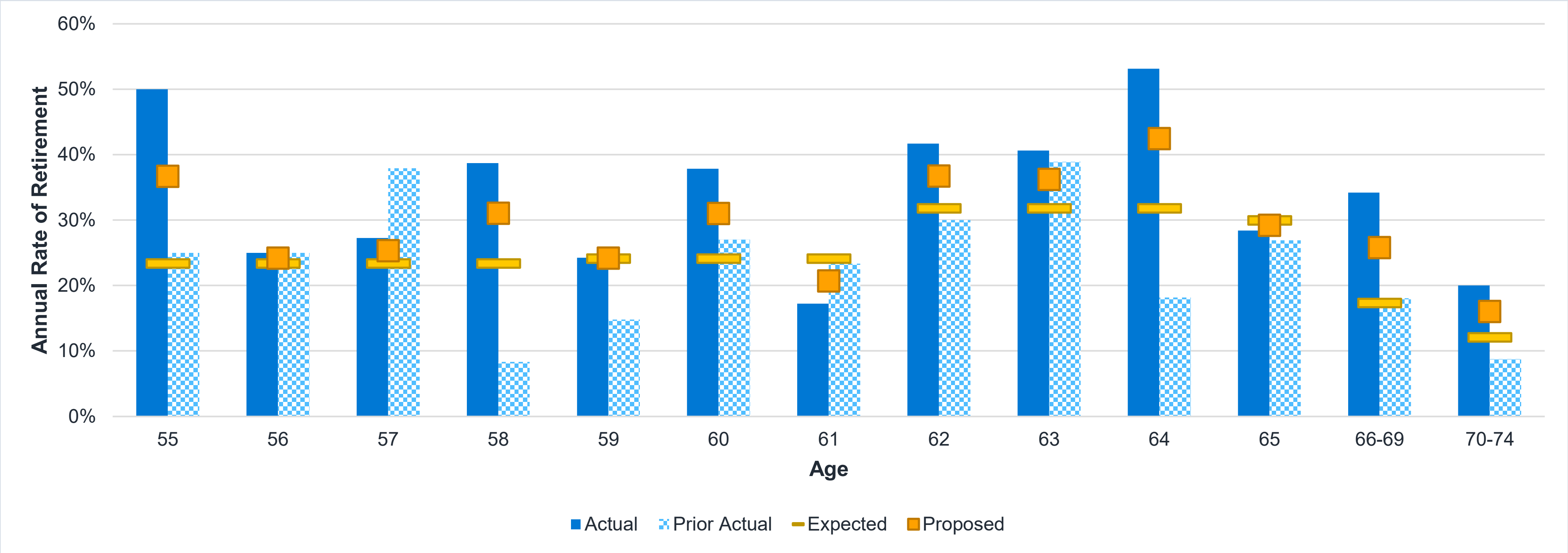
	Expected	Actual	Proposed
Count (Ages 55-64)	907	1,453	1,181
Actual / Expected	160%		123%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (First Year Eligible)

General Male - State

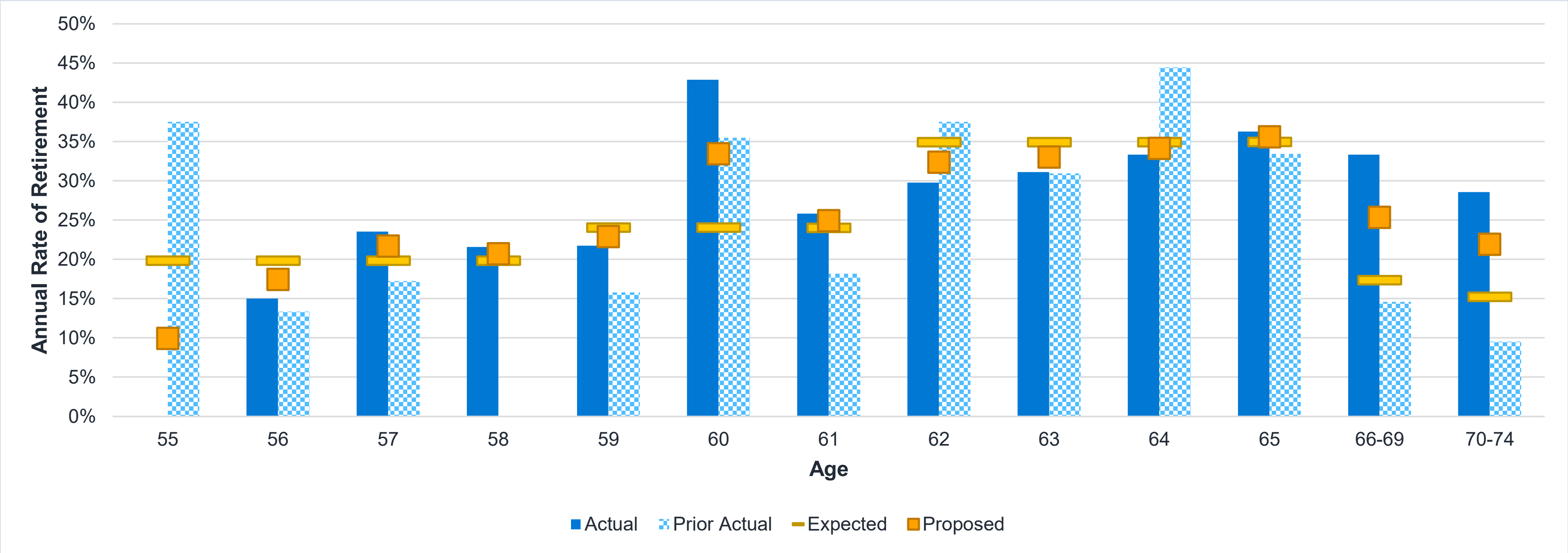


	Expected	Actual	Proposed
Count (Ages 55-74)	245	276	261
Actual / Expected	113%		106%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (First Year Eligible)

General Female - State

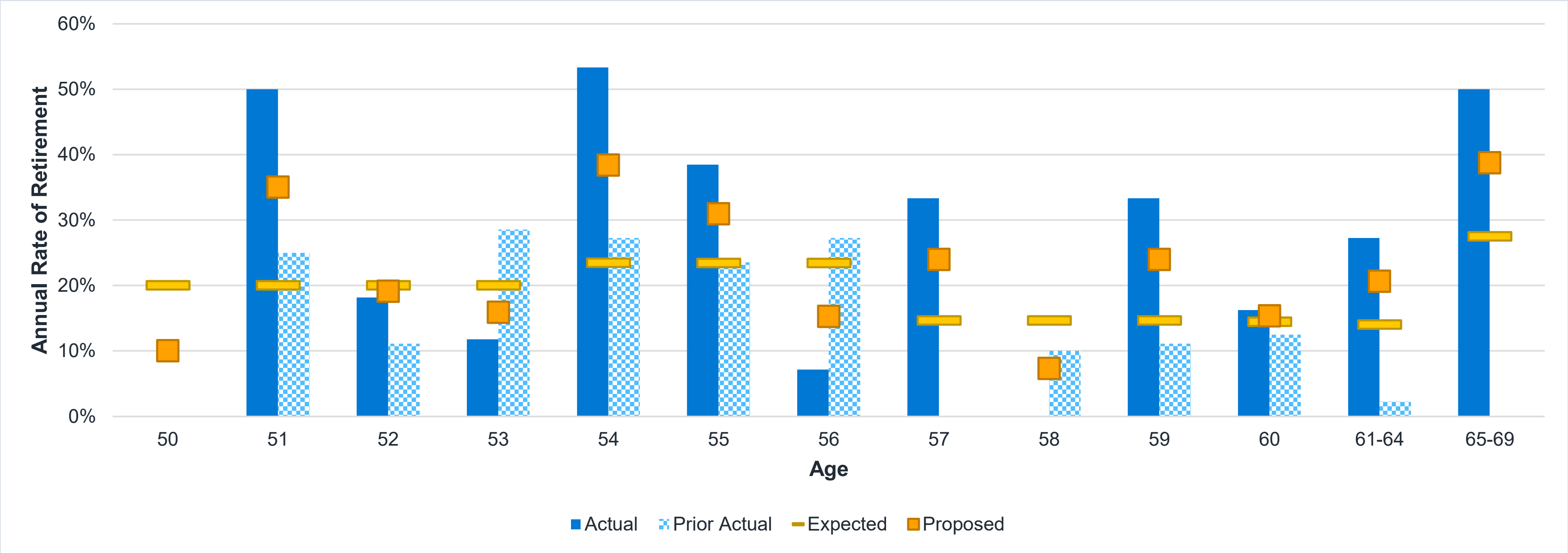


	Expected	Actual	Proposed
Count (Ages 55-74)	318	339	328
Actual / Expected	107%		103%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (First Year Eligible)

Fire & Police - State

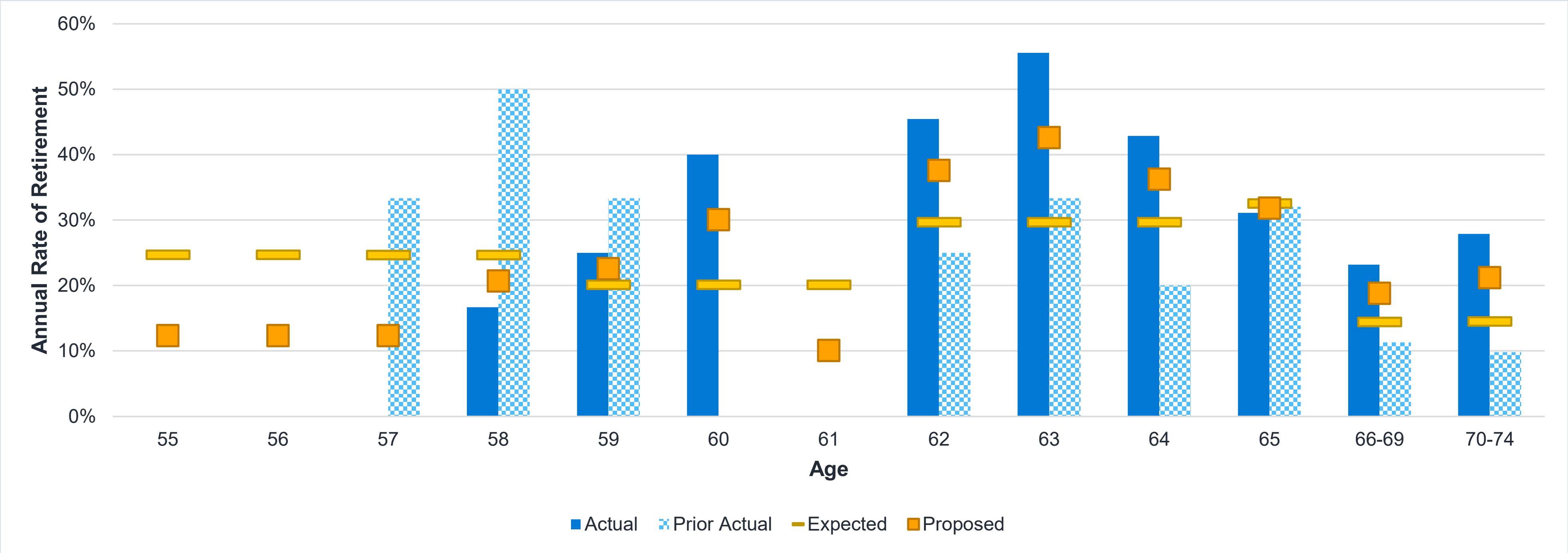


	Expected	Actual	Proposed
Count (Ages 50-69)	43	56	49
Actual / Expected	131%		113%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (First Year Eligible)

General Male - Schools

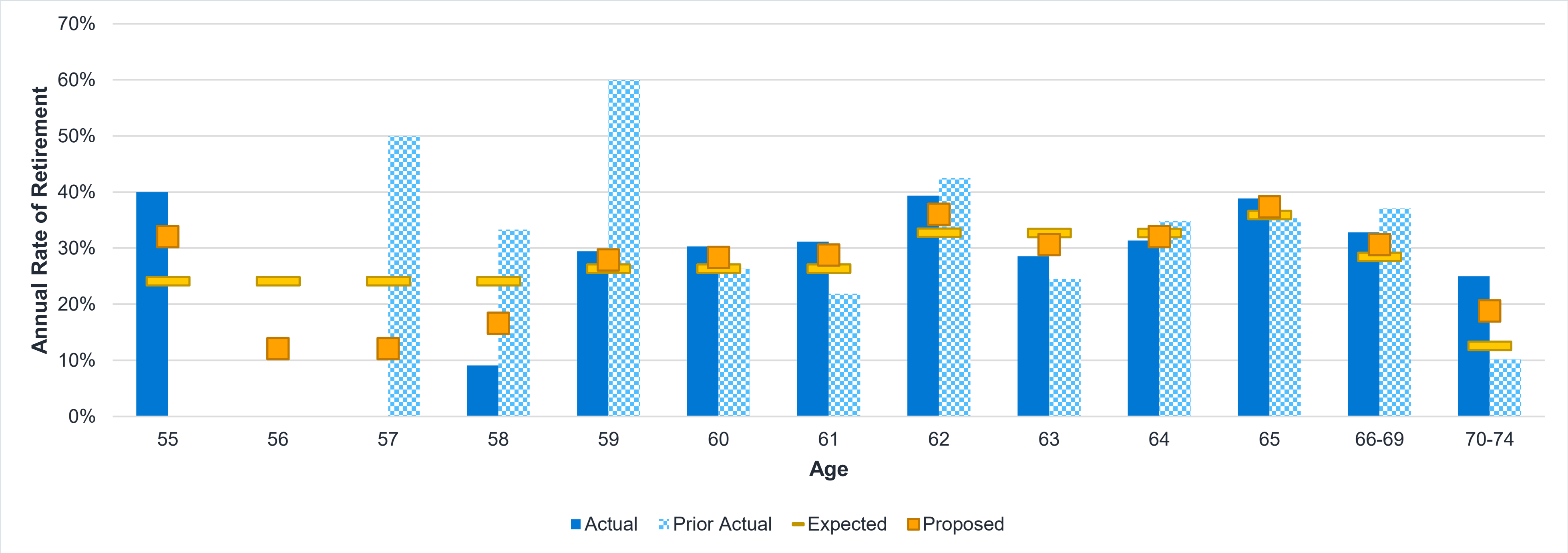


	Expected	Actual	Proposed
Count (Ages 55-74)	109	120	114
Actual / Expected	110%		105%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (First Year Eligible)

General Female - Schools

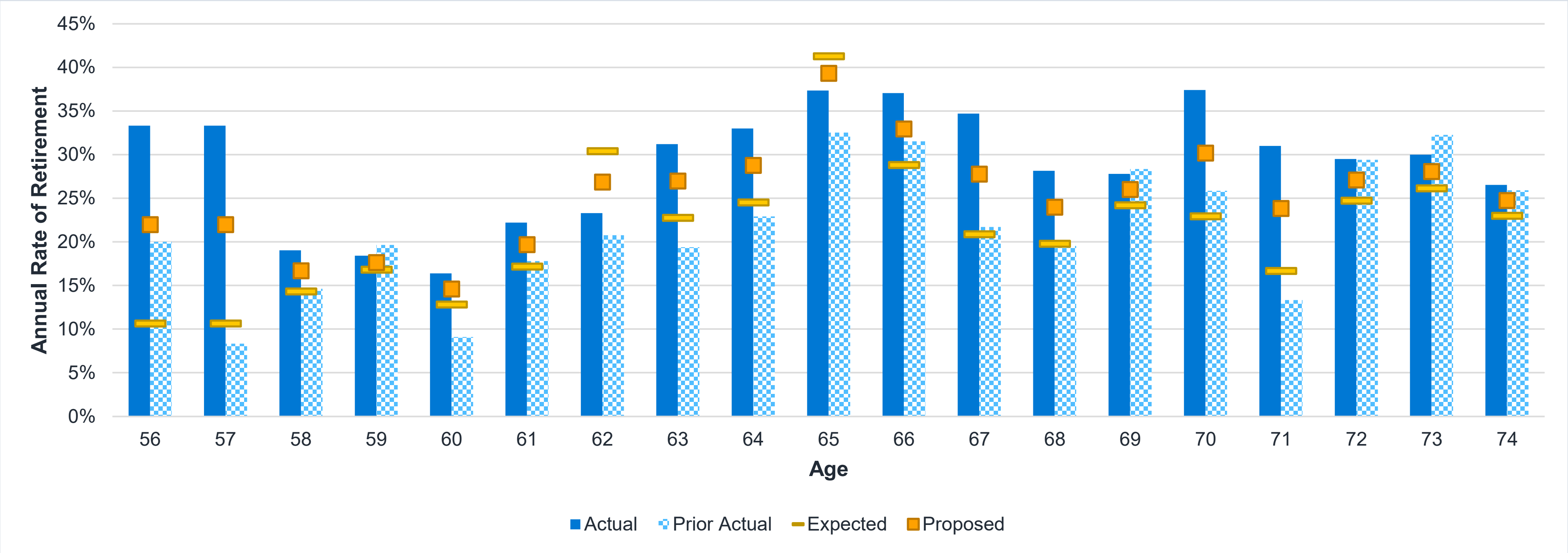


	Expected	Actual	Proposed
Count (Ages 55-74)	437	475	456
Actual / Expected	109%		104%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (After First Year Eligible)

General Male - State



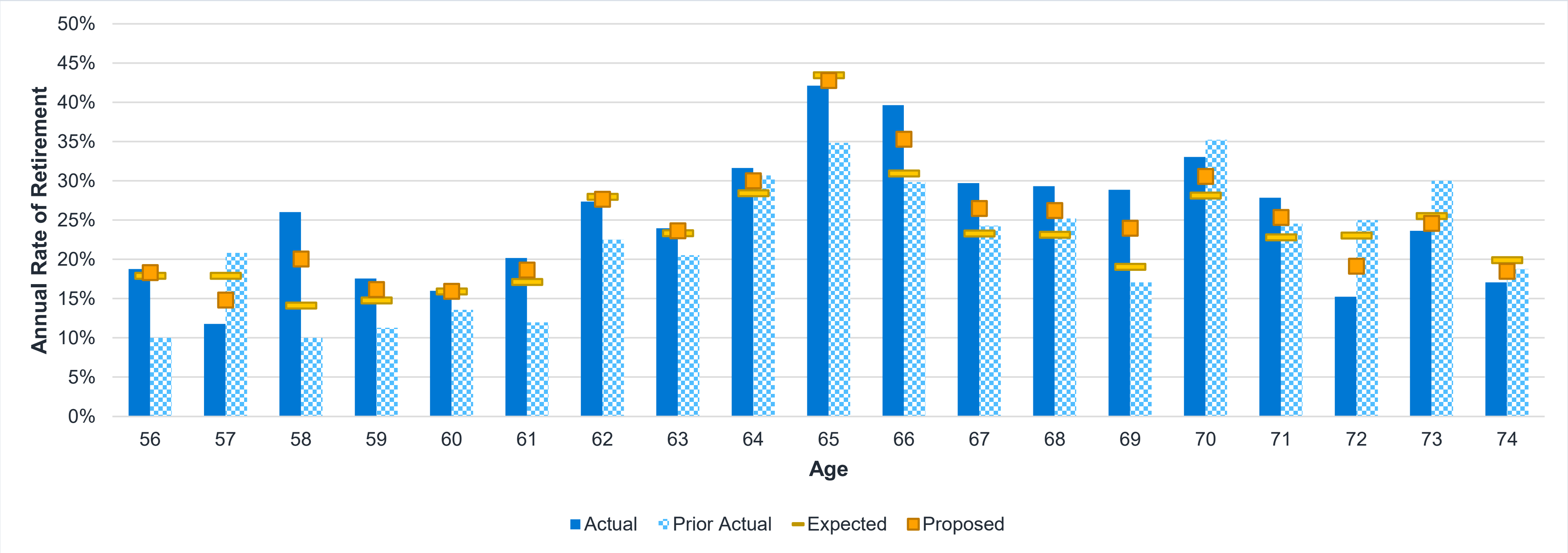
	Expected	Actual	Proposed
Count (Ages 56-74)	514	676	596
Actual / Expected	131%		113%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (After First Year Eligible)

General Female - State

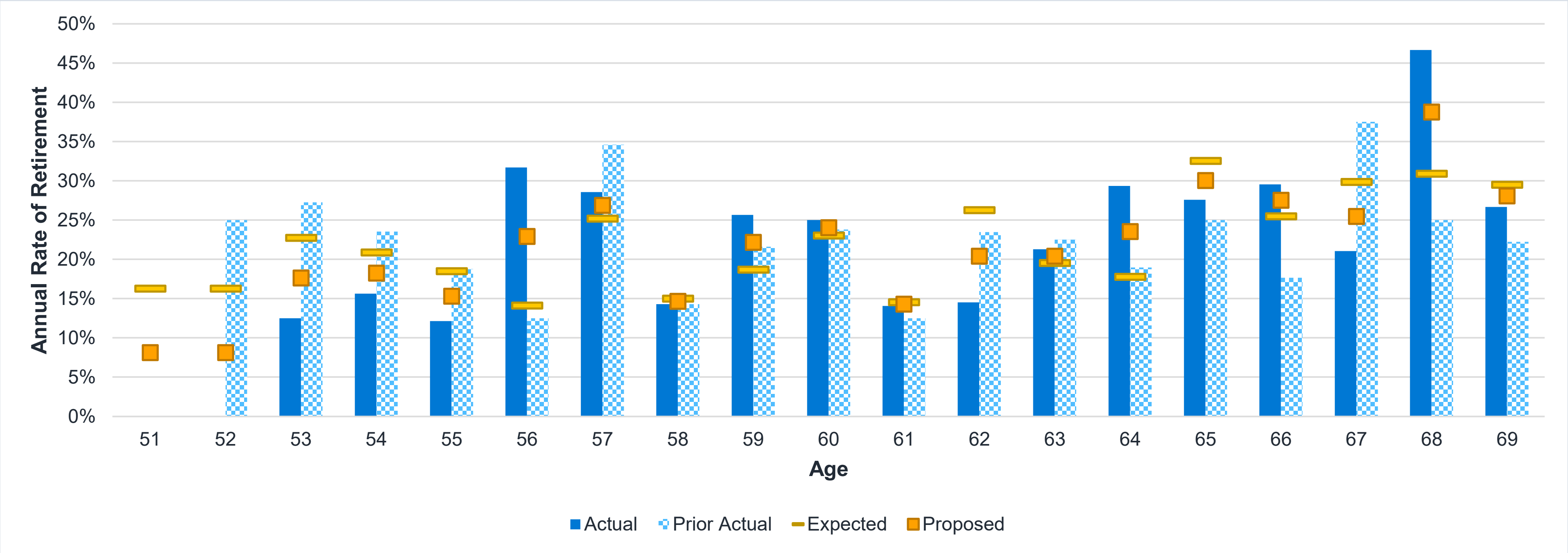


	Expected	Actual	Proposed
Count (Ages 56-74)	575	676	626
Actual / Expected	118%		108%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (After First Year Eligible)

Fire & Police - State



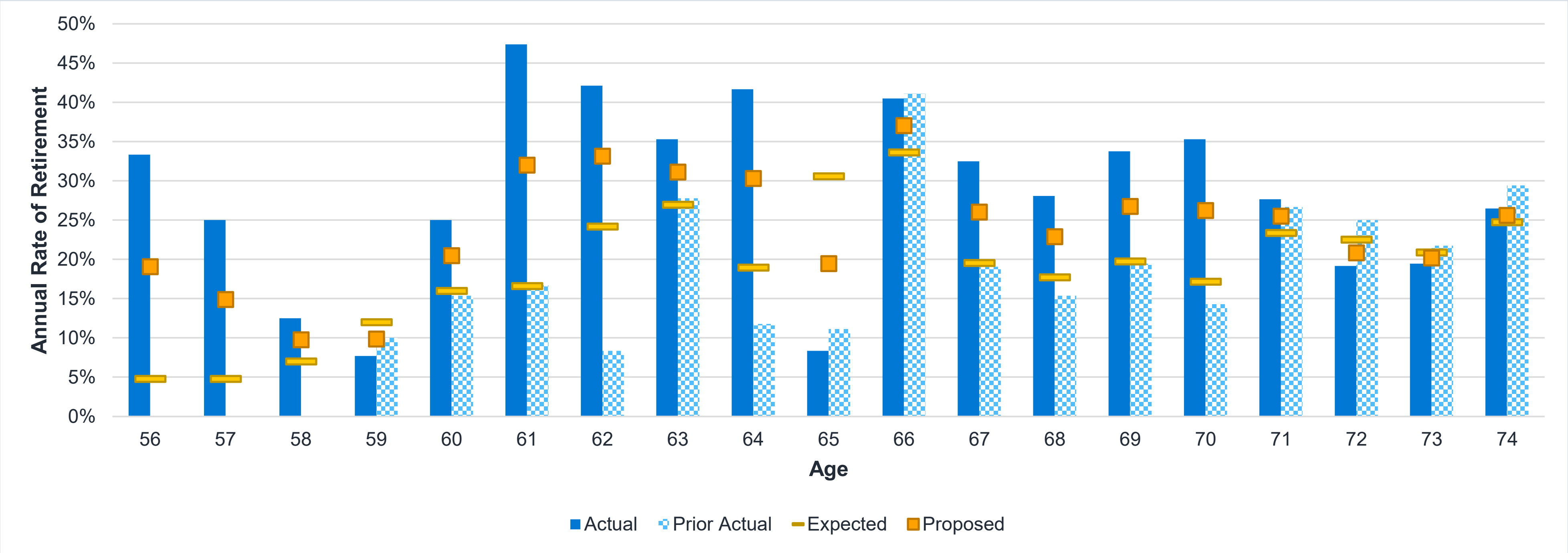
	Expected	Actual	Proposed
Count (Ages 51-69)	189	190	189
Actual / Expected	101%		100%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (After First Year Eligible)

General Male - Schools

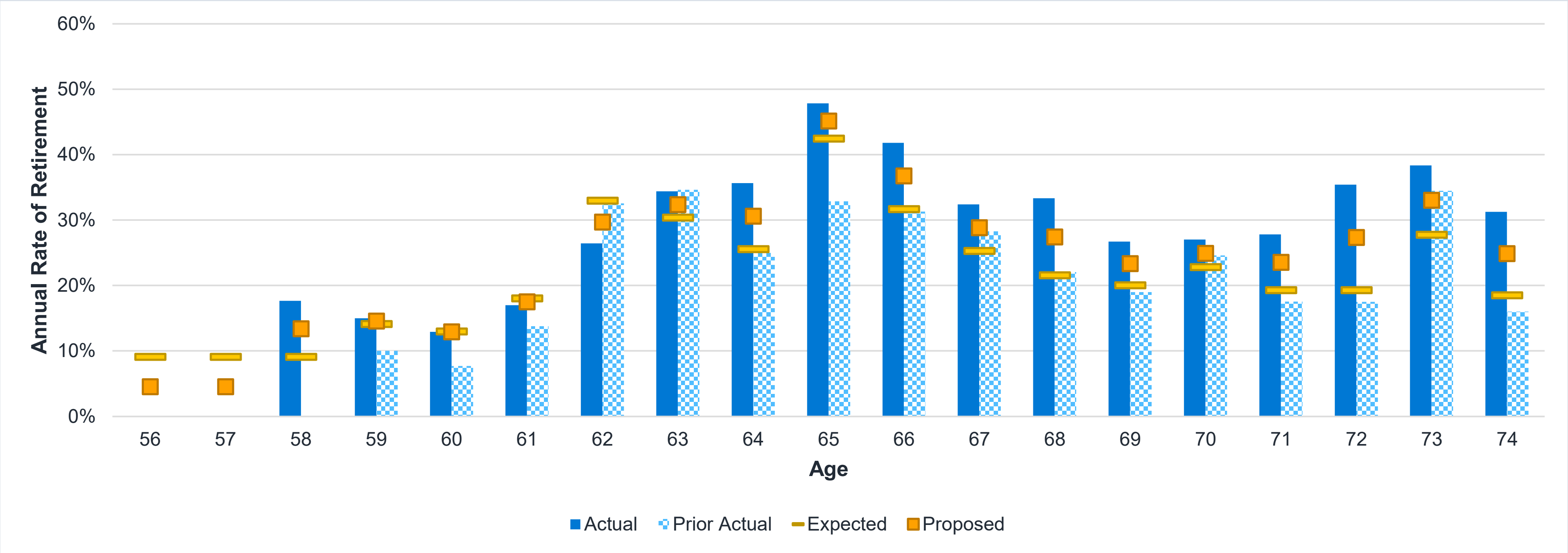


	Expected	Actual	Proposed
Count (Ages 56-74)	183	258	221
Actual / Expected	141%		117%

Actual is based on the 7/1/2019 – 6/30/2025 study period.
Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Retirement with Full Benefits (After First Year Eligible)

General Female - Schools



	Expected	Actual	Proposed
Count (Ages 56-74)	610	795	703
Actual / Expected	130%		113%

Actual is based on the 7/1/2019 – 6/30/2025 study period.

Prior Actual is based on the 7/1/2015 – 6/30/2019 study period.

Annual Accruals of Unused Sick Leave Days/Hours

State

Current Assumption

Annual Accrual Assumption (hours)		
	Sex	
	Male	Female
Base (salary less than $60,000)	49.7	34.9
Salary over $60,000	+11.3	+16.1

Proposed Assumption

Annual Accrual Assumption (hours)			
	Average prior accrual rates		
	0-50 hours per year	50+ hours per year	Not enough history*
Base (female, general members with salary less than $80,000)	20.11	48.56	30.58
Males		+8.22	
Safety		+2.06	
ORP		+14.89	
Salary over $80,000		+9.73	

Schools

Current Assumption

Annual Accrual Assumption (days)	
Base (female)	5.00
Males	+1.66

Proposed Assumption

Annual Accrual Assumption (days)				
	Average prior accrual rates			
	0-5 days per year	5-10 days per year	10+ days per year	Not enough history*
Base (salary less than $70,000)	2.92	5.87	9.89	4.92
Salary between 70,000 and $90,000		+1.23		
Salary over $90,000		+2.67		

* “Not enough history” column is for members with less than 1 year of vesting service, or with missing information on unused sick leave days/hours.

The accrual assumption is the sum of all applicable rows for each member.

Projection Assumptions

- 2,000 random market scenarios were randomly generated, normally distributed, based on a 10-year mean return of 6.45% and standard deviation of 9.25% (from Callan's 2026 capital market assumptions for the current asset allocation)
- Liabilities are projected based on proposed demographic assumptions and a 5.60% investment return assumption (net of all expenses).
- State Program contribution rates are assumed to increase to 0.30% effective July 1, 2031, based on the July 1, 2025, normal cost rate, incorporating the above assumptions. Likewise Schools contribution rate are assumed to increase to 0.74% effective July 1, 2028.
- Active membership in each class and each Program 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, except what is described in this presentation in connection with the experience study.
- No legislative benefit changes.

PERSI Contribution Rate Schedule Analysis

Robert Schmidt, FSA, EA, MAAA

Ryan Falls, FSA, EA, MAAA

Ryan Cook, FSA, EA, MAAA

MAY 12, 2026

Milliman

Solutions for a world at risk™

Overview

Background

Potential adjustments to the schedule

- Impact on 2025 valuation results
- Impact on sustainability modeling

Considerations

- Canceling the 2.5% increase scheduled for 7/1/2027 as resulting amortization period is 12.1 years.
- Keeping a scheduled increase at 7/1/2028 may be appropriate while discussions about long term funding policy are ongoing

Background on Current Schedule

Background

- 2022 valuation showed amortization period above 25 years
- Board proposed a series of contribution rate increases: 1.25%, 2.50%, and 3.75% effective July 1, 2024, 2025, and 2026, respectively
- First 1.25% increase went into effect 7/1/2024
- Second and third have been delayed and reduced

The following rate increases are currently scheduled:

1. 2.50% rate increase effective July 1, 2027
2. 1.25% rate increase effective July 1, 2028

Current Contribution Rate Schedule

	Current rates	*Future rates under consideration*		
Class	**FYE 2026**	**FYE 2027**	**FYE 2028**	**FYE 2029+**
Aggregate				
Employer	12.78%	12.78%	14.33%	15.10%
Member	8.01%	8.01%	8.96%	9.44%
Total	**20.79%**	**20.79%**	**23.29%**	**24.54%**
General				
Employer	11.96%	11.96%	13.53%	14.31%
Member	7.18%	7.18%	8.11%	8.58%
Total	**19.14%**	**19.14%**	**21.64%**	**22.89%**
Teacher				
Employer	13.48%	13.48%	15.04%	15.82%
Member	8.08%	8.08%	9.02%	9.49%
Total	**21.56%**	**21.56%**	**24.06%**	**25.31%**
Safety				
Employer	13.98%	13.98%	15.44%	16.16%
Member	10.36%	10.36%	11.40%	11.93%
Total	**24.34%**	**24.34%**	**26.84%**	**28.09%**

Impact on Valuation Results of Adjusting the Schedule

Scenario Name	Description of Scenario	FYE 2029+ Contribution Rate	7/1/2025 Amort. Period[1]	Min. FYE 2026 Asset Return[1,2]
#1: 2.5% + 1.25%	Do nothing – leave 7/1/2027 2.50% and 7/1/2028 1.25% increases unadjusted	24.54%	8.7 years	-11.5%
#2: 0% + 1.25%	Cancel 7/1/2027 2.50% increase and leave 7/1/2028 1.25% increase unadjusted	22.04%	12.1 years	-3.1%
#3: 0% + 0%	Cancel both 7/1/2027 2.50% and 7/1/2028 1.25% increases	20.79%	15.1 years	0.7%

[1]Results include the impact of the 1.7% retro PAA granted by the Board in December 2025, effective March 1, 2026.
[2]Minimum asset return needed in FYE 2026 to avoid the July 1, 2026, amortization period being above 25.0 years.

All results are based on the 7/1/2025 valuation results plus the 1.7% retro PAA effective March 1, 2026. The results assume no gains or losses after July 1, 2025, and assume no benefit increases above the statutory 1% per year after July 1, 2026.

Sustainability Modeling Refresher

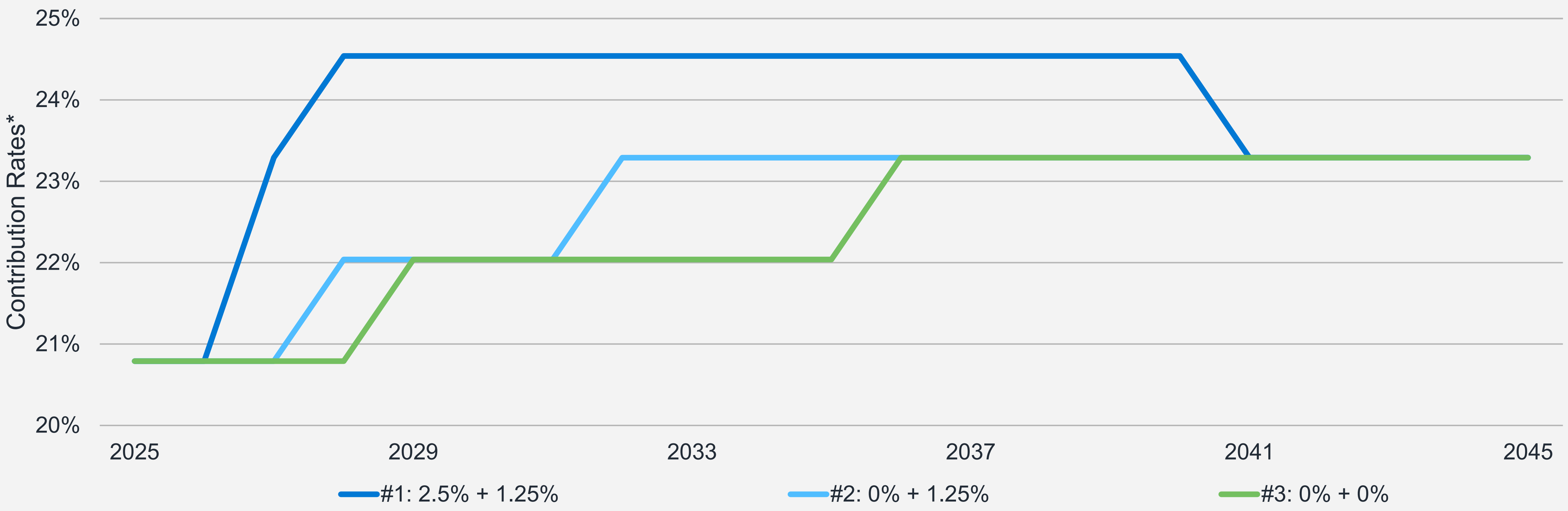
Looks at projections of the plan under thousands of hypothetical market scenarios

Illustrates the impact of decisions on future anticipated contribution rates and PAAs

Sustainability modeling parameters

- Contribution rate adjusted in 1.25% increments: increased when amortization period was above 25 years; decreased when funded ratio was over 110%
- Retro/discretionary PAAs granted when amortization period was below 15 years
- See appendix for more details

Impact on Sustainability Modeling of Adjusting the Schedule



*Shows total aggregate contribution rate—i.e., the weighted average of the General, Teacher, and Safety employer plus member rates—as of July 1st. Rates shown are the median projected contribution rates. Does not incorporate asset smoothing. See appendix for more details on the model parameters and assumptions.

Conclusions and Considerations

Conclusions

- Statutorily, Board is allowed to cancel both rate increases
- Sustainability modelling shows future contribution rates converge to similar levels under multiple scenarios
- Future contribution rates are likely needed however a 2.5% rate increase at 7/1/2027 may be too much too fast
  - In most market scenarios[1], the contribution rates in the model are higher than current rates by 2045
  - In a slight majority of market scenarios[2], 2045 contribution rates are below the 24.5% proposed in scenario #1: 2.5% + 1.25%
  - Even if 24.5% contribution rate is needed 20 years from now, there's likely time to implement it more gradually

Considerations

- Canceling the 2.5% rate increase scheduled for 7/1/2027 as resulting amortization period is 12.1 years.
- Consider keeping some amount of rate increase scheduled for 7/1/2028 to communicate to employers that future rate increases are still expected
  - Can cancel or adjust later if no longer needed
  - Will know more as the funding policy study progresses

[1] 60% of modeled market scenarios based on contribution schedule scenario #4: 0% + 0%
[2] 51%–55% of modeled market scenarios across the four contribution schedule scenarios

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.

Robert L. Schmidt

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

R. Ryan Falls

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

Ryan Cook

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

Thank you

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Appendix

Sustainability modeling parameters

We used the following model parameters:

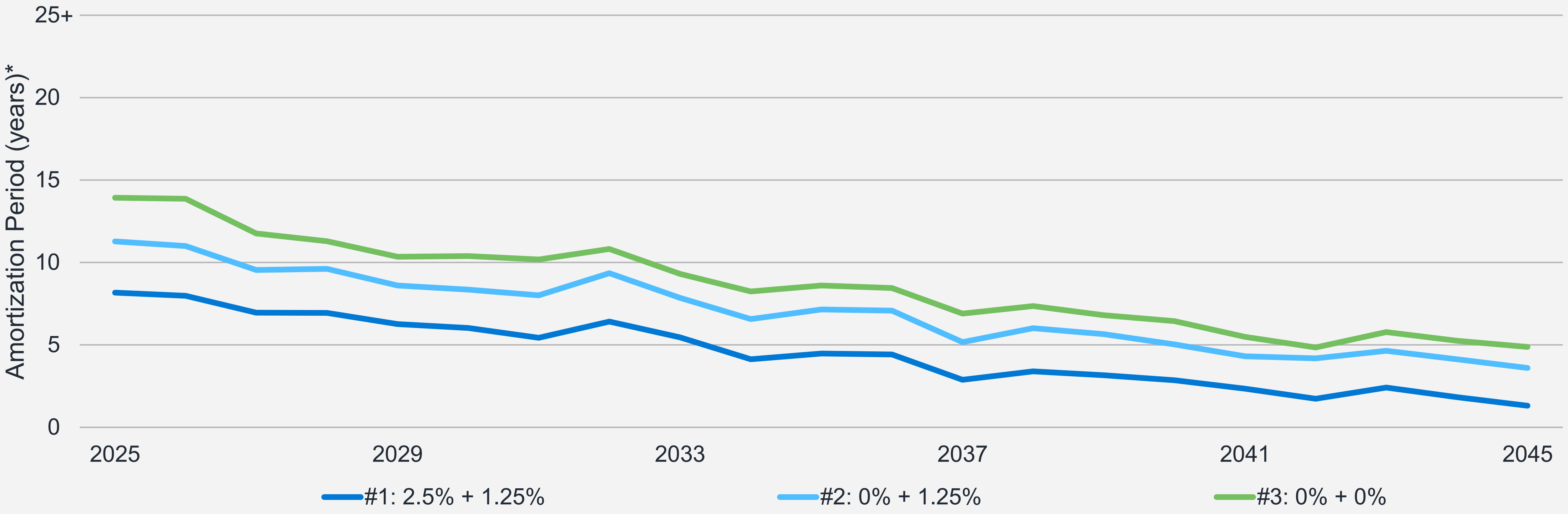
- Contribution rates follow the schedule described to the right
- In addition to the schedule, contribution rates increased by an additional 1.25% each year the amortization period was above 25-years (1-year lag)
- In addition to the schedule, contribution rates decreased by 1.25% each year the funded ratio was above 110% (1-year lag)
- 6.0% discretionary/retro PAA granted each year the amortization period = 0 years, 2.0% when below 10 years, 1.0% when below 15 years, and none when above 15 years
  - Does not reflect the Board decision in 2025 to grant a 1.7% retro PAA, instead gives retro PAAs based on the above parameters.
- No asset smoothing

Scenario	Scheduled rate increases
#1: 2.5% + 1.25%	7/1/2027: +2.50% 7/1/2028: +1.25%
#2: 0% + 1.25%	7/1/2028: +1.25%
#3: 0% + 0%	None

See assumptions slide for more details

Appendix

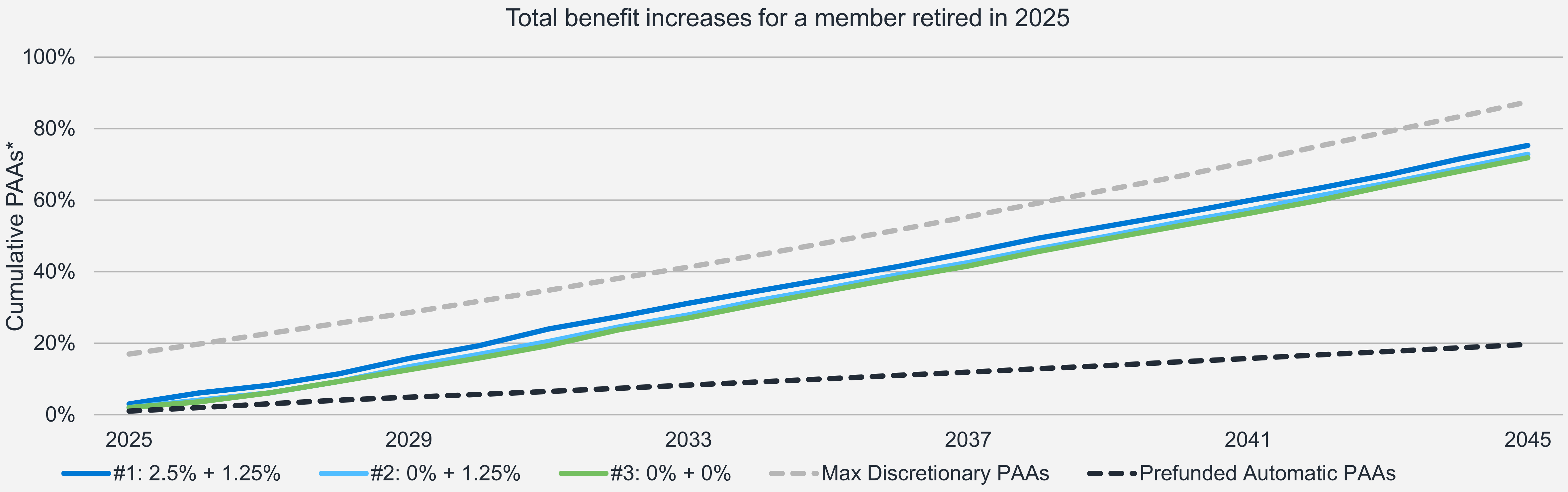
Sustainability modeling: Amortization period



*Modeled amortization period is the median projected amortization period as of July 1st, before the impact of any discretionary or retro PAA approved later in the year.

Appendix

Sustainability modeling: Cumulative PAAs



*Shows the median projected cumulative PAAs over the projection period. PAAs are labeled based on the year in which they would be approved by the Board (i.e., the year prior to the March 1st in which they are effective). The Prefunded Automatic PAAs line shows only automatic PAA each year equal to the lesser of 1% or inflation. The Max Discretionary PAAs line shows Discretionary plus retros each year to match and catch up to inflation.

Appendix
Projection assumptions

- 2,000 random market scenarios were generated using Callan’s 2025 capital market assumptions, adjusted for a mean long term investment return (net of investment and administrative expenses) of 6.50% and mean inflation of 2.40%
- 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

PERSI
Public Employee Retirement System of Idaho

May 26, 2026

TO: Retirement Board Trustees
FROM: Elisa Magnuson, General Counsel
SUBJECT: Governance Policy Manual Review

Summary:

This review will seek to develop and implement a framework for proactive, periodic reviews and updates of PERSI's *Governance Policy Manual* in accordance with the review cycles set out in the Manual. This is anticipated to be a one-time project; future reviews of individual policies will be ongoing as set out in the policy review framework.

Key Discussion:

We are working to review and analyze PERSI's governance policies to ensure they are:

- Legally compliant with applicable governing laws and regulations
- Reflective of PERSI's commitment to having good governance
- Aligned with current operational practices, strategic goals and governance best practices
- Structured to promote greater operational efficiency across PERSI, and between PERSI staff and the Retirement Board.

These are the following activities taking place:

- Review of current governance and operating documents contained within the Governance Policy Manual. (January to March)
- Identification of gaps or missing components aligned with legal requirements, governance best practices, operational efficiency, and strategic goals. (April to May)
- Assessment of how existing documents support or hinder efficient organizational operations and strategic goals, with recommendations for streamlining, if applicable.
- Presentation of identified gaps and initial recommendations to the Board, providing an opportunity for the Board to give input on priorities and direction for the revisions. (June to August)
- Development of a governance review framework to proactively review governance documentation going forward. (Fall Board Meeting)

Action:

This is information only. No action needed.

2028 Budget Request

Proposed

ADMINISTRATION

Proposed Budget Request for FY 2028*

				PERSI Requested Budget				
				FTP	PC	OE	CO	Total
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%				59,398			59,398
Change in Health Benefits					280,280			280,280
Change in Variable Benefits					13,343			13,343
Total Adjustments					353,021	-	-	353,021
Replacements Items		Unit Cost	Quantity					
Conference Room Camera		1,050	4				4,200	4,200
Tap Scheduler LCD Display		1,200	1				1,200	1,200
Ultra High Definition Camera for Boardroom		3,375	1				3,375	3,375
Rally Boundary Microphone for Conference Room		474	1				474	474
TAP Touch Meeting Room Controller		1,200	5				6,000	6,000
Microphone Extension Cable (32.8 ft)		145	2				290	290
Conference Room TV w/ Insurance		2,300	1				2,300	2,300
TV Mount		220	1				220	220
Production Scanner w/ Extended Service Agreement		14,433	1				14,433	14,433
Canon Scanner Imprinter		460	1				460	460
APC Network Management Card for CSO		931	1				931	931
APC Smart UPS for CSO		3,525	1				3,525	3,525
APC Smart UPS Battery Pack		1,550	1				1,550	1,550
Core Switch for BSO		100,517	2				201,034	201,034
Management Switch for BSO		28,816	1				28,816	28,816
Management Switch for PSO		28,816	1				28,816	28,816
Access Point w/Bracket for PSO		9,785	2				19,570	19,570
Conference Room PC		3,640	7				25,480	25,480
Monitor Server		19,903	1				19,903	19,903
APC Rack PDU for PSO		6,380	2				12,760	12,760
APC Smart-UPS for PSO		15,165	1				15,165	15,165
APC Smart-UPS Battery Pack for PSO		3,110	1				3,110	3,110
Network Sensor Server		70,061	1				70,061	70,061
Standard Laptop Computers		2,229	15				33,435	33,435
Docking Station		487	15				7,305	7,305
Flat Panel Monitors		300	32				9,600	9,600
Meraki Z4C w/5yr Service License		2,339	6				14,034	14,034
Meraki C8121 Security Appliance w/5yr Service License		9,817	12				117,804	117,804
Meraki Z4 w/5yr Service License		1,268	64				81,152	81,152
Meraki MX105 w/5yr Service License		24,193	1				24,193	24,193
Meraki MX450 w/5yr Service License		81,245	2				162,490	162,490
Bloomberg PC Replacement		2,782	1				2,782	2,782
Office Chair		500	2				1,000	1,000
Fluke Network Tester		5,000	1				5,000	5,000
VOIP Headset		250	81				20,250	20,250
Flat Panel Monitor Replacements		350	81				28,350	28,350
Docking Station Replacements		487	81				39,447	39,447
Webcamera Replacements		239	81				19,359	19,359
Portable Scanner		160	4				640	640
HP Printer		638	4				2,552	2,552
Total Replacement Capital Outlay					-	-	1,033,066	1,033,066
Proposed 2028 Budget				77.0	7,627,121	2,568,200	1,033,066	11,228,387
Line Items (Enhancements):				FTP	PC	OE	CO	Total
Software & Hardware Cost Increases (27%)	Ongoing					693,414		693,414
GL Accountant Position	Ongoing			1.0	82,370			82,370
								-
								-
Total Line Items (Enhancements)				1.0	82,370	693,414	-	775,784
Proposed FY 2028 Budget Request*				**78.0**	**7,709,491**	**3,261,614**	**1,033,066**	**12,004,171**
	FY 2027 Budget			77.0	7,274,100	4,795,500	353,600	12,423,200
	FY 2028 Total % Change from FY2027			1.3%	6.0%	-32.0%	192.2%	-3.4%

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				
				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%				8,439			8,439
Change in Health Benefits					14,560			14,560
Change in Variable Benefits					1,896			1,896
Total Adjustments					24,895	-	-	24,895
Replacements Items		Unit Cost	Quantity					
Standard Laptop Computers	x	2,229	2				4,458	4,458
Highend Laptop Richelle	x	4,500	1				4,500	4,500
Flat Panel Monitors	x	300	2				600	600
Docking Station		487	2				974	974
Bloomberg PC Replacement		2,782	2				5,564	5,564
Conference Room Camera	x	1,050	1				1,050	1,050
Printer	x	1,340	1				1,340	1,340
iPad	x	3,030	1				3,030	3,030
Total Replacement Capital Outlay					-	-	21,516	21,516
Proposed 2028 Budget				4.0	1,058,395	200,500	21,516	1,280,411
Line Items (Enhancements):				FTP	PC	OE	CO	Total
Software & Hardware Cost Increases (27%)	Ongoing					54,135		54,135
								-
								-
								-
Total Line Items (Enhancements)				-	-	54,135	-	54,135
Proposed FY 2028 Budget Request*				**4.0**	**1,058,395**	**254,635**	**21,516**	**1,334,546**
	FY 2027 Budget			4.0	1,033,500	200,500	18,500	1,252,500
	FY 2028 Total % Change from FY2027			0.0%	2.4%	27.0%	16.3%	6.6%

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
Sick Leave

Proposed Budget Request for FY 2028*

				FTP	PC	OE	CO	Total
				PERSI Requested Budget				
FY 2027 Maintenance Budget								-
FY 2027 Enhancement Budget	Arrivos Upgrade (OE), Capital Needs (CO)							-
Less Adjustments:	Arrivos Upgrade, IT Replacements					-	-	-
2028 Base Budget				0.0	**-**	**-**	**-**	**-**
Adjustments:								
Estimate CEC per budget book	1.0%				-			-
Change in Health Benefits					-			-
Change in Variable Benefits					-			-
Total Adjustments					-	-	-	-
Replacements Items		Unit Cost	Quantity					
							-	-
							-	-
Total Replacement Capital Outlay					-	-	-	-
Proposed 2028 Budget				-	-	-	-	-
Line Items (Enhancements):				FTP	PC	OE	CO	Total
Full time Sick Leave Position	Ongoing			1.0	82,345	1,000		83,345
								-
								-
								-
Total Line Items (Enhancements)				1.0	82,345	1,000	-	83,345
Proposed FY 2028 Budget Request*				**1.0**	**82,345**	**1,000**	**-**	**83,345**
	FY 2027 Budget			-	-	-	-	-
	FY 2028 Total % Change from FY2027			100.0%	100.0%	100.0%	0.0%	100.0%

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 Funding Policy Study

Part 1: Asset Smoothing

Robert Schmidt, FSA, MAAA, EA
Ryan Falls, FSA, MAAA, EA
Ryan Cook, FSA, MAAA, EA
APRIL 17, 2026

Milliman

Introduction

The Idaho legislature, as the plan sponsor, has delegated significant authority to the PERSI Board.

Among those authorities are decisions on both funding and benefit levels, including:

- Setting total contribution rates by class*
- Determining discretionary and retro postretirement allowance adjustments (PAAs)*
- Determining the allocation of extraordinary gains*

The procedures and considerations used to make these decisions make up PERSI's funding policies.

We are working with PERSI and the Board as it considers updates to these policies.

One step in that process is considering whether asset smoothing will provide a useful way of measuring the plan funding status to aid in making these decisions.

*Subject to various limits and/or legislative approval as specified in Idaho statutes

Overview

This is an educational slide deck on asset smoothing.

Contents:

- Background on asset smoothing
- Potential uses for asset smoothing
- Hypothetical historical analysis – What if PERSI had implemented asset smoothing a couple decades ago?
- Sustainability modeling – How does asset smoothing affect forward looking projections?
- Conclusions

Additional information and analysis can be provided upon request.

Background

What is asset smoothing?

Asset smoothing reduces the impact of short-term asset volatility on pension valuations by spreading it out over time.

As of each valuation date, systems report a market value of assets.

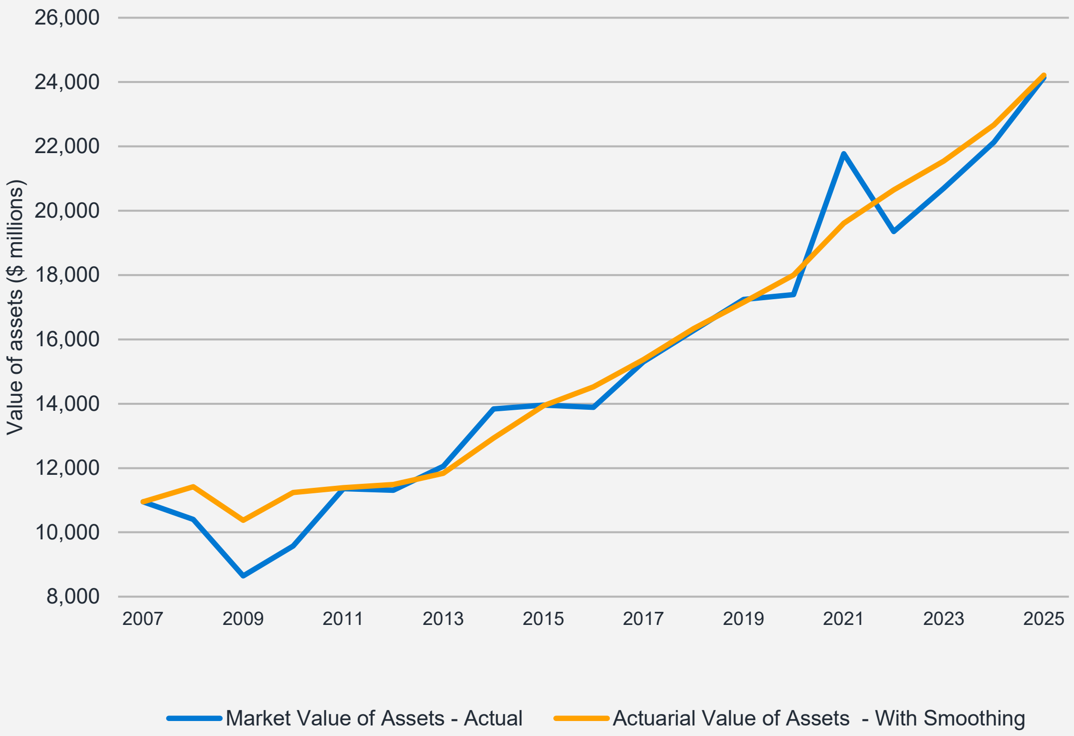
However, assets fluctuate throughout the year, so a point in time measurement can be volatile.

To reduce short-term investment volatility, many systems use a "smoothed" asset value for determining contribution rates.

- Known as "actuarial value of assets"

Specifics of methods vary, but goal is to temper impact of temporary market swings on contribution levels.

Note that GASB 67 and 68 require that assets be reported at unsmoothed market value.

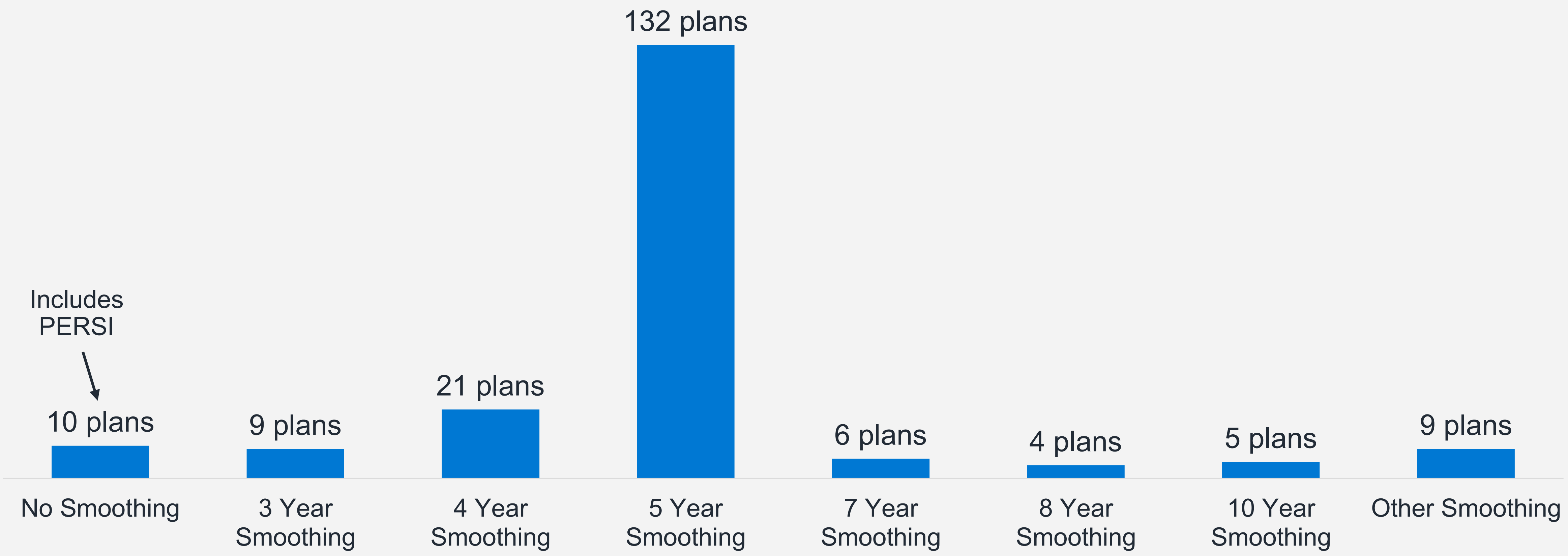


Check out Milliman's 2020 article [Dear Actuary: Pension contributions during a market downturn] for a more in-depth description of asset smoothing.

Above chart is based on the hypothetical historical analysis discussed later in this slide deck.

Background

What sort of asset smoothing do other plans use?



Based on Fiscal Year 2021 plan data from Public Plans Data. Note that 23 of the plans did not have an asset method specified.

Background

What types of smoothing does PERSI use?

PERSI does not use asset smoothing but does smooth contribution rates through other methods

- Grace periods and staggered rate increases create a delay between a low investment performance year and when contribution rates increase.
- If the market recovers during the delay, then the Board can delay, reduce, or cancel the no longer necessary rate increases. Past practice is shown below.

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

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

Potential Uses for Asset Smoothing

How could PERSI utilize asset smoothing?

Smoothed assets should <u>NOT</u> replace unsmoothed for all purposes.

- E.g., smoothed assets may be valuable when setting contribution rates, but unsmoothed assets are likely more appropriate when determining if investments should be rebalanced.
- PERSI and the Board should carefully consider which measure is most appropriate for each purpose, noting that in some cases, both measures may be valuable to decision making. Following are suggestions of areas to consider incorporating asset smoothing.
- Unsmoothed assets will still be included in actuarial reports to provide full context.

Asset smoothing could be used when determining if some or all of these statutory requirements are met:

- If contribution rates, as scheduled, are sufficient to amortize the Unfunded Actuarial Accrued Liability (UAAL) in no more than 25 years
- If the plan is sufficiently funded to grant discretionary or retro PAAs
- If the plan is sufficiently funded to enact gain sharing allocations

Asset smoothing could also be used as part of a criteria for various decisions made by the Board that go beyond just meeting statutory minimum requirements, including:

- Adjustments to contribution rates
- Whether to grant and the magnitude of discretionary or retro PAAs
- Whether to grant and the magnitude of gain sharing allocations

Milliman defers to PERSI counsel in determining whether any of these would require statutory change.

Potential Uses for Asset Smoothing

Setting contribution rates

Example of how PERSI could implement asset smoothing into the contribution rate setting process:

- Use asset smoothing when checking current contribution levels against the 25-year statutory minimum, and when deciding on contribution rate adjustments.
- With unsmoothed assets:
  - Market downturns often cause the amortization period to spike well above the 25-year minimum requiring the Board to propose an, often sizable, contribution rate increase.
  - Then, after the market recovers, the Board often cancels most of these proposed increase as they are no longer necessary.
- With smoothed assets:
  - The amortization period wouldn't jump as much following a market downturn, so the Board would not need to propose as large of contribution rate increases.
  - Smaller proposed rate increases would reduce the need to delay or cancel increases after they've been proposed.
  - If the Board was going to consider canceling a proposed rate increase or lowering contribution rates, it could be valuable to confirm that the amortization period is reasonable at the new rates when measured on both an unsmoothed and smoothed basis.

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Potential Uses for Asset Smoothing

Determining discretionary and retro PAAs

Example of how PERSI could implement asset smoothing into the process of determining discretionary and retro PAAs.

- Use asset smoothing when determining if PERSI is funded well enough to grant discretionary or retro PAAs.
- With unsmoothed assets:
  - Market upturns can cause the plan funded status to improve rapidly which can result in the Board granting significant discretionary or retro PAAs during good years.
  - Then subsequent market downturns can result in a significant drop in the funded status so no or little discretionary or retro PAAs are granted.
- With smoothed assets:
  - Funded status would be more stable, so discretionary or retro PAAs may be able to be more predictable from year to year.
  - Depending on risk tolerance, may be valuable to confirm sufficient funded status on both a smoothed and unsmoothed basis before granting discretionary or retro PAAs.

Hypothetical Historical Analysis

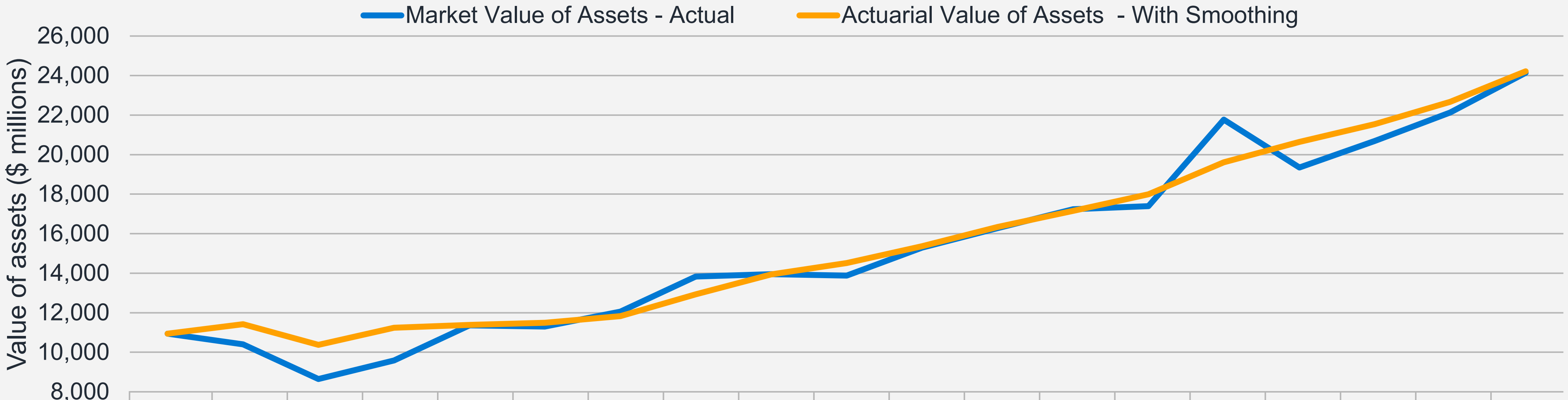
What if PERSI had been using asset smoothing for the past couple of decades?

Compared actual PERSI history to a hypothetical scenario in which:

- Asset smoothing was implemented prospectively starting with the 7/1/2008 valuation
  - 5-year layered smoothing limited to a 20% corridor around the market value of assets
  - Contribution decisions (as described below) are based on smoothed assets
- If amortization period rises above 25 years, a contribution rate increase is scheduled two years out from the valuation date such that the amortization period is brought below 20 years (rounded up to the next 0.25% increment)
  - Scheduled contribution rates are always enacted
- Assumes the same discretionary/retro PAAs are granted and the same assumptions are adopted as in PERSI's actual history

Hypothetical Historical Analysis

Asset valuation



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PY Return[1]	19.5%	-4.6%	-16.4%	12.0%	20.3%	1.2%	8.7%	16.8%	2.7%	1.5%	12.3%	8.5%	8.1%	2.7%	27.5%	-9.6%	9.2%	8.8%	10.8%
Return Assumption[2]	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.30%	6.30%	6.30%	6.30%	6.50%
Disc/Retro PAA[3]	1.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	3.0%	0.8%	0.1%	0.9%	0.0%	5.5%	0.0%	2.5%	0.0%	0.0%	0.3%	1.7%

Asset values shown are as of July 1st on the year listed

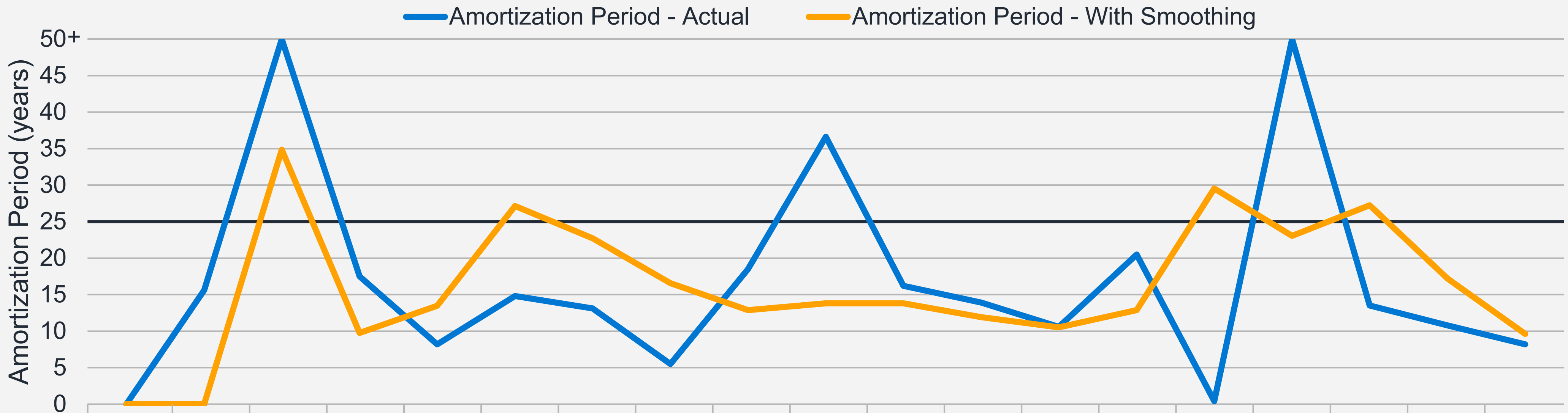
[1]Investment return for the FYE in the year listed, net of investment but not administrative expenses.

[2]Assumption as of July 1st of the year listed, net of both investment and administrative expenses.

[3]PAA approved by the Board in the year listed; effective March 1st of the following year.

Hypothetical Historical Analysis

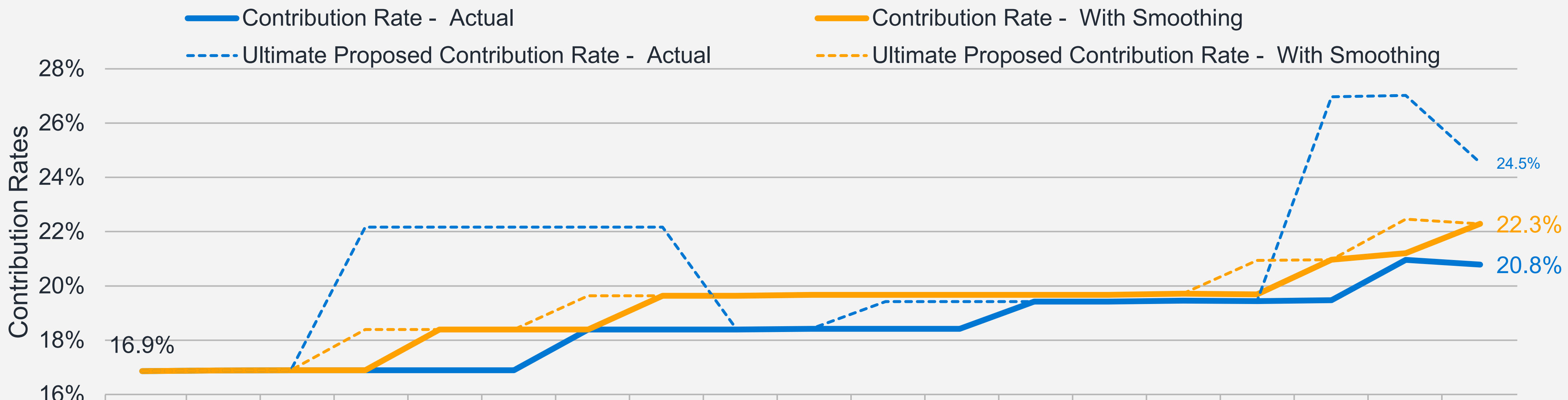
Amortization period



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PY Return[1]	19.5%	-4.6%	-16.4%	12.0%	20.3%	1.2%	8.7%	16.8%	2.7%	1.5%	12.3%	8.5%	8.1%	2.7%	27.5%	-9.6%	9.2%	8.8%	10.8%
Return Assumption[2]	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.30%	6.30%	6.30%	6.30%	6.50%
Disc/Retro PAA[3]	1.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	3.0%	0.8%	0.1%	0.9%	0.0%	5.5%	0.0%	2.5%	0.0%	0.0%	0.3%	1.7%

Amortization periods are as of July 1st on the year listed
[1]Investment return for the FYE in the year listed, net of investment but not administrative expenses.
[2]Assumption as of July 1st of the year listed, net of both investment and administrative expenses.
[3]PAA approved by the Board in the year listed; effective March 1st of the following year.

Hypothetical Historical Analysis
Contribution rates



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PY Return[1]	19.5%	-4.6%	-16.4%	12.0%	20.3%	1.2%	8.7%	16.8%	2.7%	1.5%	12.3%	8.5%	8.1%	2.7%	27.5%	-9.6%	9.2%	8.8%	10.8%
Return Assumption[2]	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.30%	6.30%	6.30%	6.30%	6.50%
Disc/Retro PAA[3]	1.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	3.0%	0.8%	0.1%	0.9%	0.0%	5.5%	0.0%	2.5%	0.0%	0.0%	0.3%	1.7%

Graph shows total aggregate contribution rate—i.e., the weighted average of the General, Teacher, and Safety employer plus member rates—as of July 1st in the year listed.
[1]Investment return for the FYE in the year listed, net of investment but not administrative expenses.
[2]Assumption as of July 1st of the year listed, net of both investment and administrative expenses.
[3]PAA approved by the Board in the year listed; effective March 1st of the following year.

Hypothetical Historical Analysis

Years where asset smoothing would have affected contribution rates

	2009	2012	2016
Actual History	▪ Lower than assumed returns in 2008 & 2009 cause 2009 amort. to rise above 25 years ▪ 5.28% of rate increases proposed starting 2011 ▪ Delayed 2 years due to higher than assumed returns in 2010 and 2011 ▪ 1.50% goes into effect in 2013 ▪ Rest canceled after higher than assumed returns in 2013, and 2014	▪ Drop in investment return assumption & lower than assumed return in 2012 cause actuarial losses ▪ Proposed rate increases from 2009 are still scheduled, so amort. stays below 25 years	▪ Lower than assumed returns in 2015 & 2016 cause 2016 amort. to rise above 25 years ▪ 1.00% rate increase proposed for 2018 ▪ Delayed 1 year due to higher than assumed return in 2017 ▪ Goes into effect in 2019
Smoothing Scenario	▪ Also has amort. rise above 25 years in 2009 ▪ 1.50% rate increase proposed for and enacted in 2011	▪ The losses cause 2012 amortization period to rise above 25 years ▪ 1.25% rate increase proposed for and enacted in 2014	▪ Due to asset smoothing and the 2014 rate increase amort. stays below 25 years

Hypothetical Historical Analysis

Years where asset smoothing would have affected contribution rates (continued)

	2021	2022 / 2023	End Point (2025)
Actual History	▪ Drop in investment return assumption in 2021 causes actuarial loss ▪ More than offset by higher than assumed return in 2021	▪ Lower than assumed return in 2022 causes 2022 amort. to rise above 25 years ▪ 7.50% of rate increases proposed starting 2024 ▪ 1.25% goes into effect in 2024 ▪ 2.50% canceled after higher than assumed returns in 2023 and 2024	▪ Contribution rate of 20.79% ▪ Proposed increases of 3.75% still scheduled ▪ Amort. of 8.2 years with scheduled rate increases (13.5 years without)
Smoothing Scenario	▪ Due to smoothing, 2021 return doesn't fully offset assumption change, so amort. rises above 25 years ▪ 1.25% rate increase proposed for and enacted in 2023	▪ Due to smoothing, amort. takes an extra year to rise above 25 years, in 2023 ▪ 1.25% rate increase proposed for and enacted in 2025	▪ Contribution rate of 22.29% ▪ No future increases scheduled ▪ Amort. of 9.6 years

Sustainability Modeling

Model parameters

We looked at the following specific sets of model parameters in this sustainability modeling:

- Contribution rates increased by 1.25% each year the amortization period above 25-years (1-year lag)
- Contribution rates decreased by 1.25% each year the funded ratio above 110% (1-year lag)
- 6.0% discretionary/retro PAA granted each year the amortization period = 0 years, 2.0% when below 10 years, 1.0% when below 15 years, and none when above 15 years
- In asset smoothing scenario:
  - 5-year layered smoothing of investment gains and losses
  - Limited to 20% corridor around market value of assets
  - Smoothed assets were used to determine above contribution rate and PAA triggers

Upon request we can look at various other parameters to see how they impact the projections.

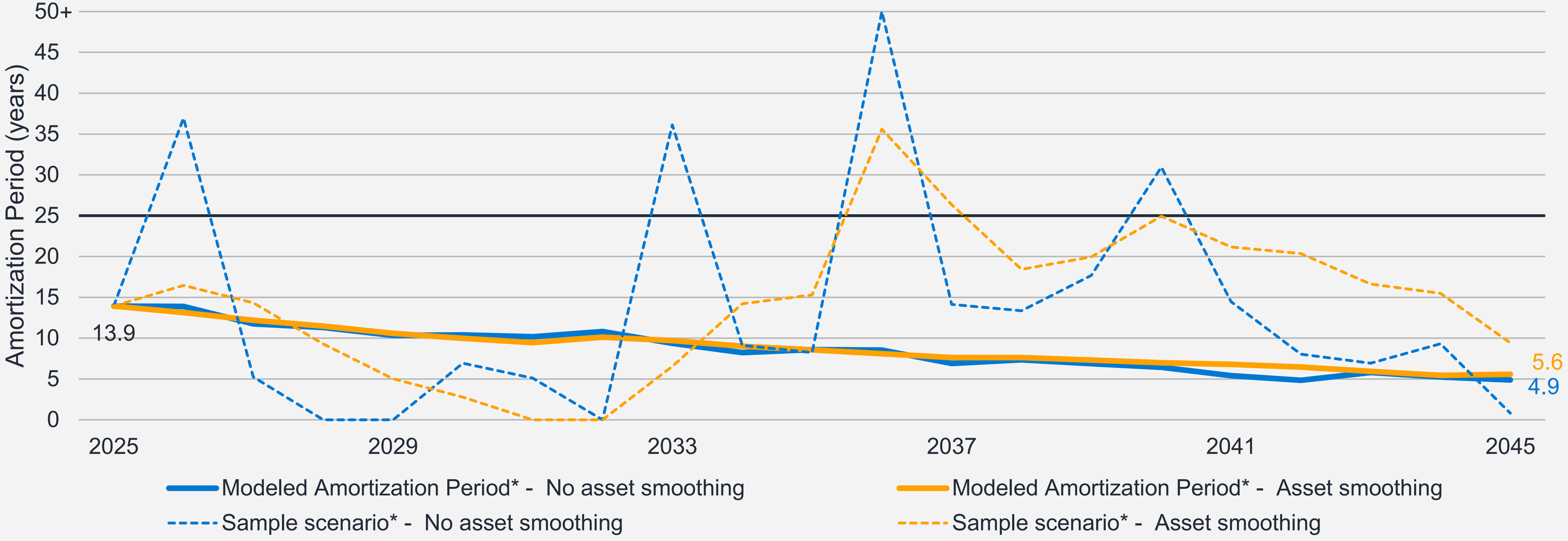
Conclusions:

- While process and path may change, asset smoothing is expected to have little impact on long-term funded status and contribution levels.

See assumptions slide for more details.

Sustainability Modeling

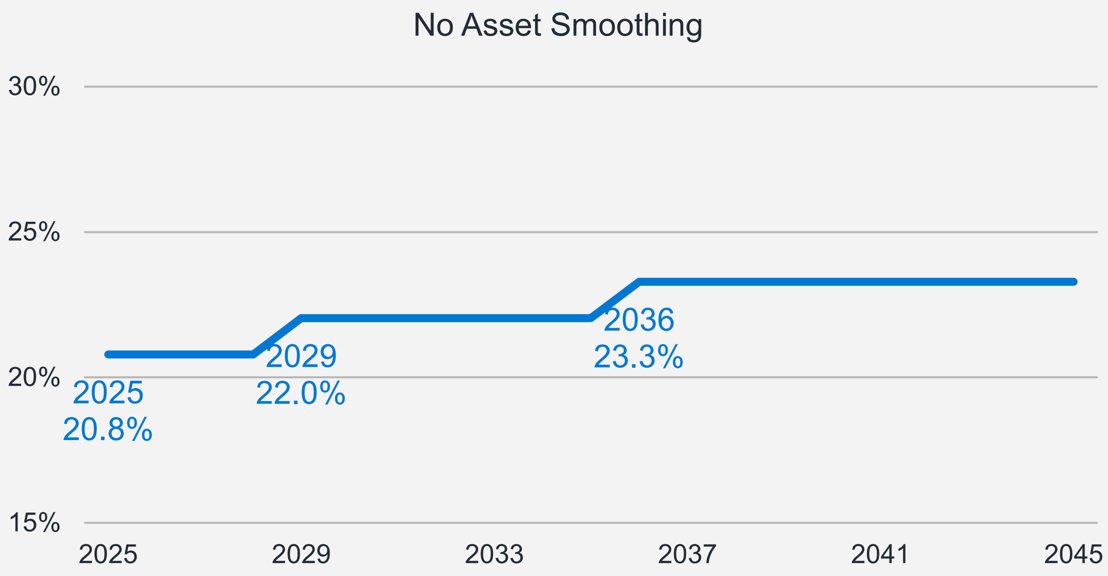
Amortization period

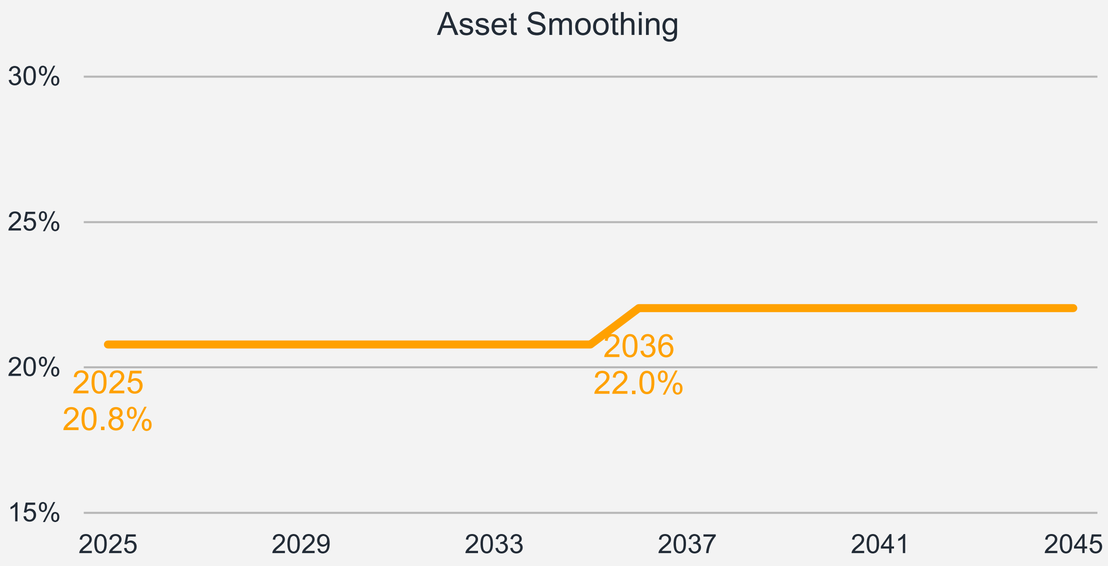


*Modeled amortization period is the median projected amortization period as of July 1st based on no scheduled rate increases and the assumptions described on assumptions slide. Sample scenario is the amortization period results from one of the market scenarios we modeled.

Sustainability Modeling

Contribution Rates





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

Conclusions

Board's current practices do a good job of smoothing the contribution rates charged to members and employers, so asset smoothing likely wouldn't further reduce the volatility of future enacted contribution rates.

Asset smoothing could be implemented to reduce the volatility of future <u>proposed</u> contribution rates.

- After a market downturn magnitude of proposed contribution rate increase could be smaller.
- The Board would then be less likely to need to adjust, delay, or cancel proposed rate increases.
- This would allow for clearer communications to employers regarding rate increases and less uncertainty for employers when budgeting for retirement benefit costs.

While process and path may change, asset smoothing is expected to have little impact on long-term funded status and contribution levels.

Certification

The purpose of this analysis is to give the PERSI Board insight into the potential impact of asset smoothing.

All caveats and limitations from our July 1, 2025, PERSI 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.

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

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

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

Appendix
Projection Assumptions

- 2,000 random market scenarios were generated using Callan's 2025 capital market assumptions, adjusted for a mean long term investment return (net of investment and administrative expenses) of 6.50% and mean inflation of 2.40%.
- Model does not automatically incorporate the scheduled contribution rate increases as of July 1, 2025.
- Discretionary/retro PAAs are granted on a first-in-first-out basis.
- Uses August 2024–August 2025 actual CPI-U (2.9%) to determine the PAA available for 2025.
- Does **not** reflect the Board decision in December to grant a 1.7% retro-PAA effective March 2026.
- Grants of discretionary/retro PAAs are capped by the available PAAs due to inflation
- No changes in valuation assumptions.
- No gain sharing.
- No legislative benefit changes.

Appendix

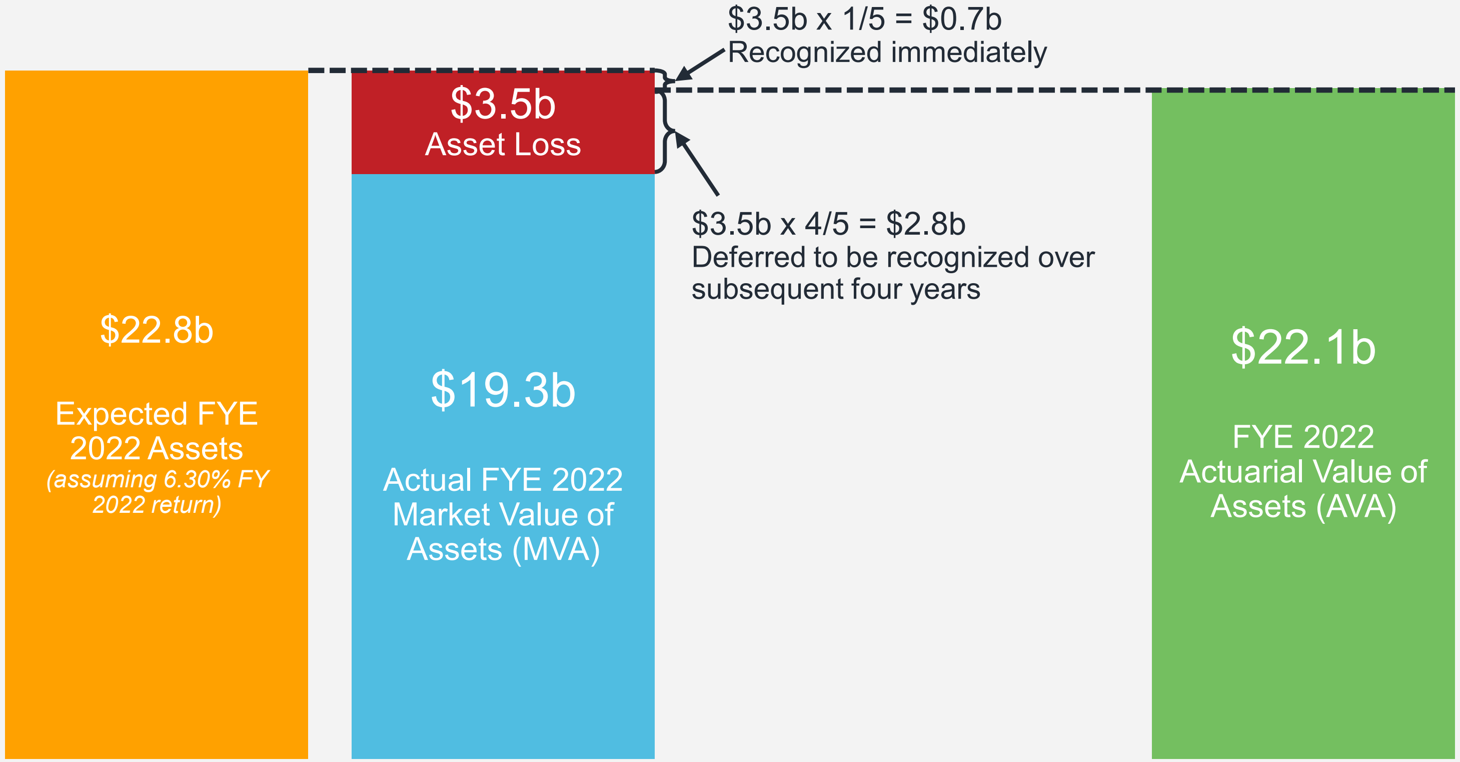
How does asset smoothing work?

The most common method of smoothing is to utilize a formula that recognizes investment gains and losses gradually over a period of years.

- To the right is an example of the FYE 2022 assets if PERSI had adopted 5-year asset smoothing effective July 1, 2022.

In addition, some systems have a corridor around the market value that the actuarial value must be within.

- E.g., the actuarial value can't be less than 80% nor more than 120% of market value.
- If the actuarial value would be outside this corridor, it is instead set equal to the nearest edge of the corridor.



This shows smoothing of one year's loss. As the method gets phased in, additional gains/losses would get layered in.

PERSI Funding Policy Study

Part 2: Contribution Rate Policy

Robert Schmidt, FSA, EA, MAAA

Ryan Falls, FSA, EA, MAAA

Ryan Cook, FSA, EA, MAAA

MAY 12, 2026

Milliman

Solutions for a world at risk™

Introduction

The Idaho legislature, as the plan sponsor, has delegated significant authority to the PERSI Board.

Among those authorities are decisions on both funding and benefit levels, including:

- Setting total contribution rates by class*
- Granting discretionary and retro postretirement allowance adjustments (PAAs)*
- Determining the allocation of extraordinary gains*

The procedures and considerations used to make these decisions make up PERSI's funding policies.

PERSI's funding policy was last formally reviewed in 2020. It is generally a good practice to periodically review and study funding policies to ensure they continue to reflect the plan's current circumstances, goals, and best practices in pension funding.

Our prior slide deck (dated April 17) provided educational information on asset smoothing, which was the first step in this discussion.

This slide deck introduces the next step, contribution rates.

*Subject to various limits and/or legislative approval as specified in Idaho statutes

Overview

Continue discussion on long term funding policy

- Potential goals of a funding policy review
- Contribution rate policy ideas
- Next steps

Potential Goals of a Funding Policy Review

Streamline annual decision making

- Currently the Board weighs a wide range of options each time a funding decision is needed.
- Instead, the Board could adopt a funding policy that provides a narrower range of options to pick between.
- Alternatively, the Board could adopt a prescriptive policy that PERSI would implement, and the Board would just need to monitor to ensure the policy continues to meet their goals.
- Under either option, the Board would retain the option to deviate from the policy where appropriate.

Improve communication to stakeholders

- A long-term funding policy could spell out to retirees when to expect PAAs and in what amount.
- Likewise, it could signal to employers and members, when contribution rates will be adjusted.
- This may help with predictability, making budgeting easier for retirees, members, and employers.
- Unexpected market swings will still cause deviations from forecasts, but a more detailed funding policy can help with communications to stakeholders in these situations.

Improve long-term planning

- Current process of making funding decisions on a one-time basis each year, makes it difficult to plan for the long-term.
- When considering a long-term funding policy, it’s easier to see how those annual decisions will compound and affect the plan 10 to 20 years out.
- E.g., a one-time retro PAA doesn’t move the funded status of the plan all that much but repeatedly giving retro or discretionary PAAs does.

Contribution Rate Policy Ideas

<table>
<tr><th>Scenario Name</th><th>Description of Scenario</th></tr>
<tr><td>Baseline</td><td>Only schedule contribution rate increases when the amortization period rises above 25 years.</td></tr>
<tr><td>A: Ongoing 0.5% increases</td><td>Implement a 0.5% annual ongoing scheduled rate increase
Cancel the ongoing scheduled rate increase when the plan reaches 100% funded</td></tr>
<tr><td>B: Ongoing 0.25% increases</td><td>Same as scenario A, but 0.25% annual rate increases</td></tr>
<tr><td>C: Increases based on amort. (0.25/0.5/1%)</td><td>Each year a contribution rate increase is scheduled based on the amortization period from the valuation as follows:
▪ Amortization period less than 10 years: no increase
▪ Amortization period 10–15 years: 0.25% increase
▪ Amortization period 15–20 years: 0.50% increase
▪ Amortization period 20–25 years: 1.00% increase</td></tr>
<tr><td>D: Increases based on amort. (0/0.25/0.5%)</td><td>Same as scenario C, but with the following rate increases:
▪ Amortization period less than 15 years: no increase
▪ Amortization period 15–20 years: 0.25% increase
▪ Amortization period 20–25 years: 0.50% increase</td></tr>
</table>

Note, these are just ideas for the start of a contribution rate policy. A full policy will be more robust.

- E.g., the above ideas do not describe what happens if the amortization period rises above 25 years. In those cases, then, per statute, a rate increase would need to be proposed to bring it back below 25-years. More details on this would be spelled out in a full funding policy.

Potential Next Steps

Decide on goals of funding policy

Consider whether to incorporate asset smoothing into funding policy

Look at contribution policy options

Look at PAA policy options

Look at interactions between contribution and PAA policies

Consider updating and implementing a comprehensive funding policy

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.

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

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

Ryan J. Cook, FSA, EA, CERA, MAAA
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Thank you

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Appendix

Sustainability modeling parameters

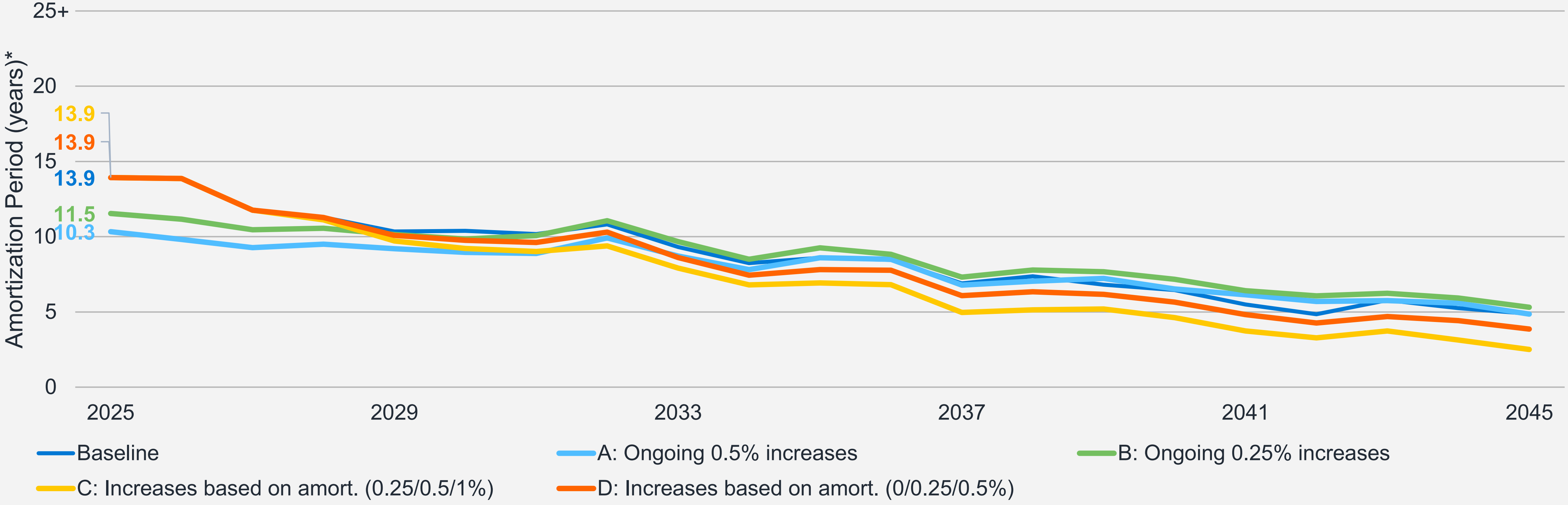
We used the following model parameters:

- All currently scheduled contribution rates are canceled and replaced with the policies described in the slide deck
  - In addition to the policy, contribution rates increased by an additional 1.25% each year the amortization period was above 25-years
  - For scenarios A and B, if the ongoing rate increases were not scheduled at the time the amortization period was above 25-years, then they were re-added to the schedule instead of implementing a 1.25% increase
  - In addition to the policy, contribution rates decreased by 1.25% each year the funded ratio was above 110% (1-year lag)
  - Baseline scenario makes no other rate changes other than the 1.25% rate increases and decreases described above
  - All contribution rate changes are enacted 1-year after the valuation date that triggered them
  - Policies were delayed so first potential rate increase from them was 7/1/2028 (based on 7/1/2027 valuation results)
  - Ongoing scheduled rate increases in scenarios A and B are included in the amortization period calculations once scheduled, including in the 7/1/2025–2027 amortization period calculations
- 6.0% discretionary/retro PAA granted each year the amortization period = 0 years, 2.0% when below 10 years, 1.0% when below 15 years, and none when above 15 years
  - Does <u>not</u> reflect the Board decision in 2025 to grant a 1.7% retro PAA, instead gives retro PAAs based on the above parameters.
- In asset smoothing 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

Sustainability modeling

AMORTIZATION PERIOD – without asset smoothing

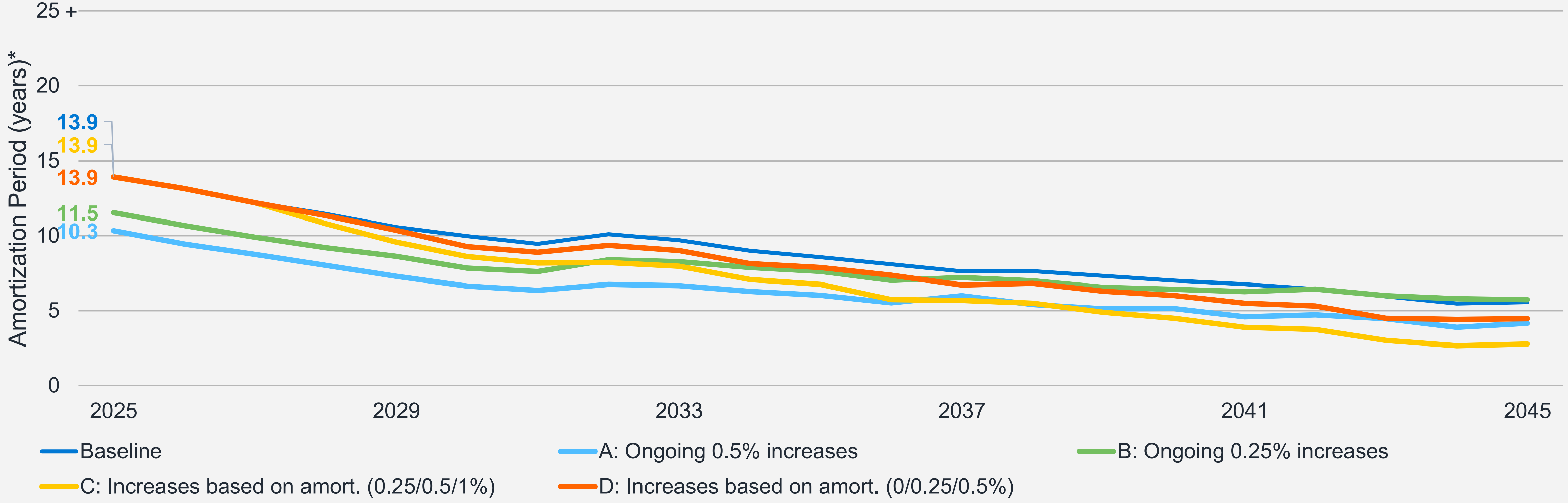


*Modeled amortization period is the median projected amortization period as of July 1st, before the impact of any discretionary or retro PAA approved later in the year.

Appendix

Sustainability modeling

AMORTIZATION PERIOD – with asset smoothing

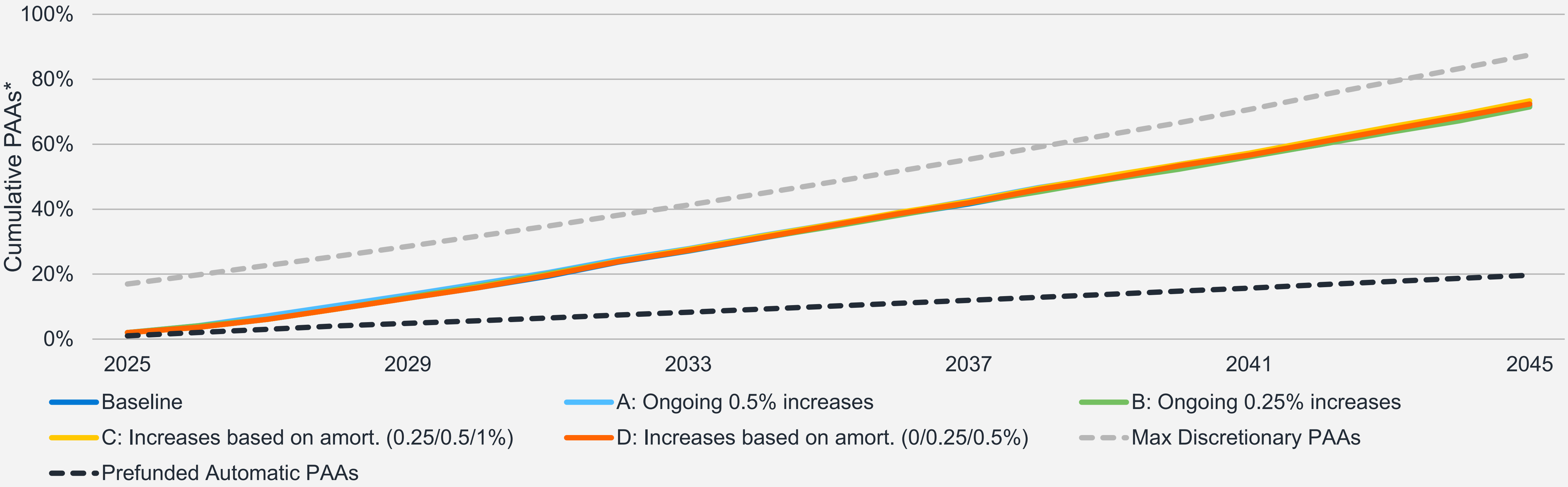


*Modeled amortization period is the median projected amortization period as of July 1st, before the impact of any discretionary or retro PAA approved later in the year.

Appendix

Sustainability modeling

CUMULATIVE PAAs (i.e., total benefit increases for a member retired in 2025) – without asset smoothing

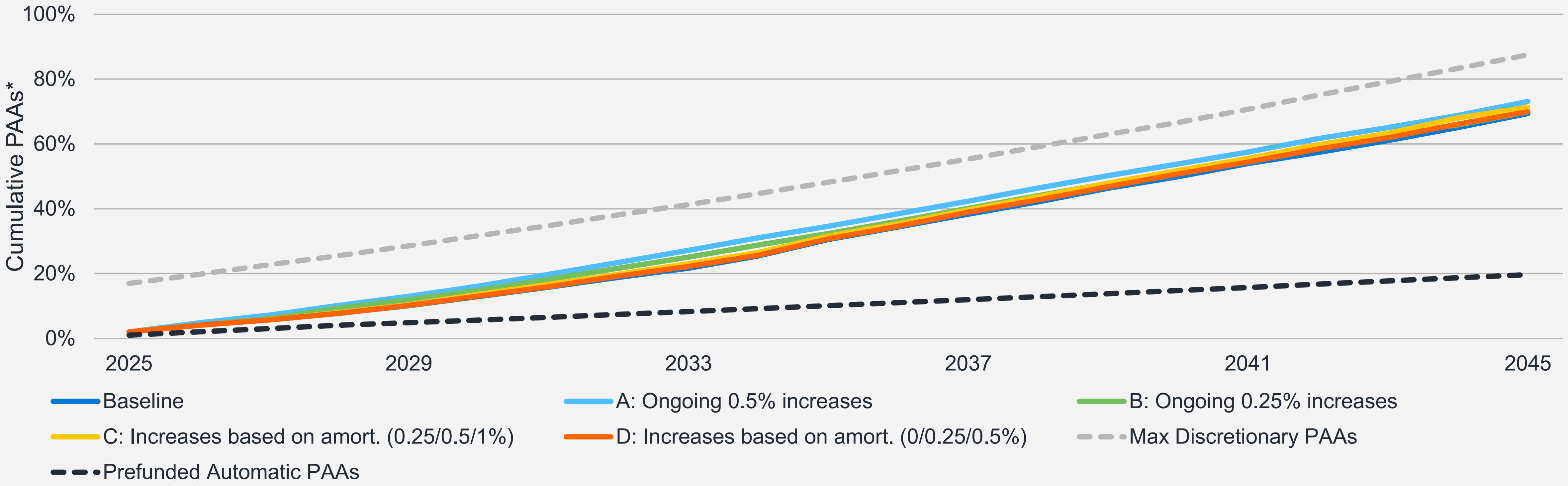


*Shows the median projected cumulative PAAs over the projection period. PAAs are labeled based on the year in which they would be approved by the Board (i.e., the year prior to the March 1st in which they are effective). The Prefunded Automatic PAAs line shows only automatic PAA each year equal to the lesser of 1% or inflation. The Max Discretionary PAAs line shows Discretionary plus retros each year to match and catch up to inflation.

Appendix

Sustainability modeling

CUMULATIVE PAAs (i.e., total benefit increases for a member retired in 2025) – with asset smoothing



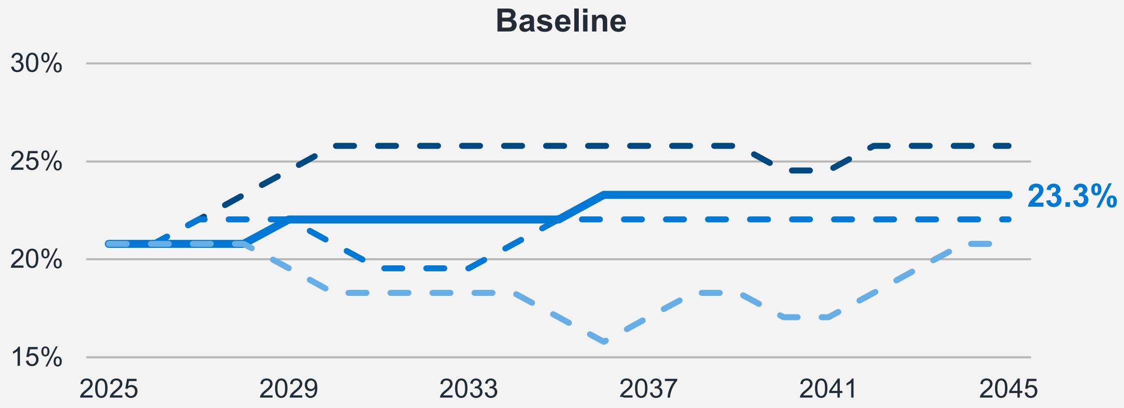
*Shows the median projected cumulative PAAs over the projection period. PAAs are labeled based on the year in which they would be approved by the Board (i.e., the year prior to the March 1st in which they are effective). The Prefunded Automatic PAAs line shows only automatic PAA each year equal to the lesser of 1% or inflation. The Max Discretionary PAAs line shows Discretionary plus retros each year to match and catch up to inflation.

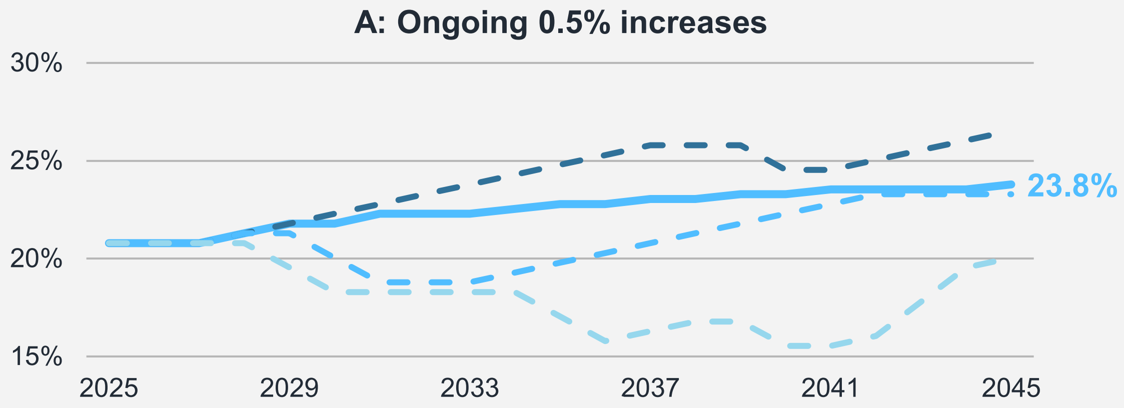
Sustainability Modeling

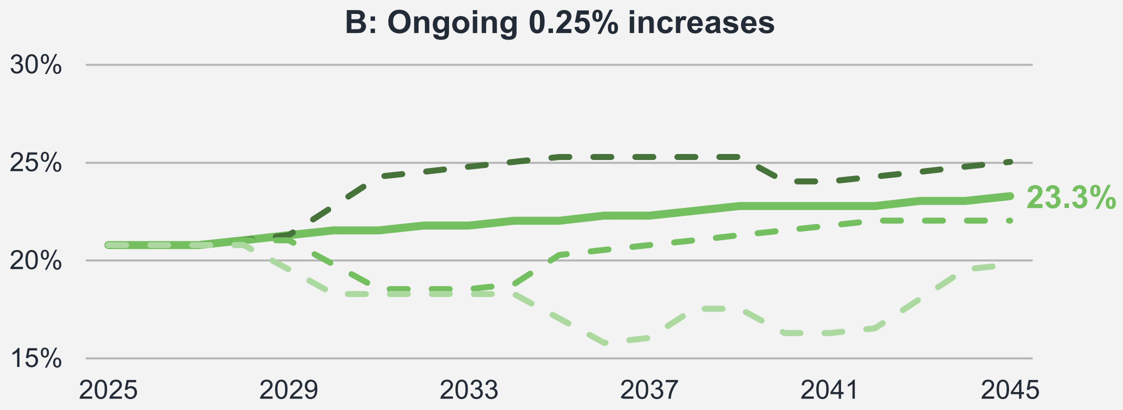
Sustainability Modeling

CONTRIBUTION RATES – <u>without</u> asset smoothing

- Solid line is the median contribution rate by year.
- Dashed lines show three sample market scenarios that resulted in around the 40th, 50th, and 60th percentile 2045 contribution rates.







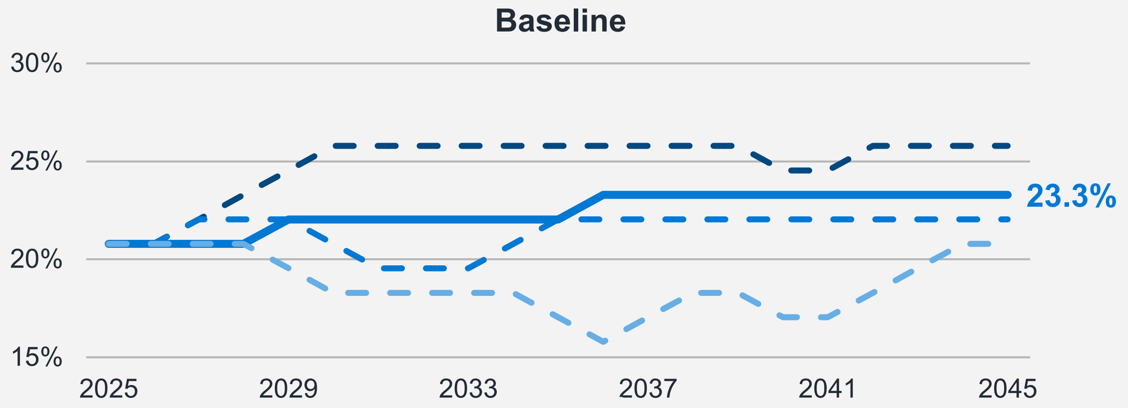
Shows total aggregate contribution rate—i.e., the weighted average of the General, Teacher, and Safety employer plus member rates—as of July 1st. The same sample market scenarios were used across all contribution policy scenarios.

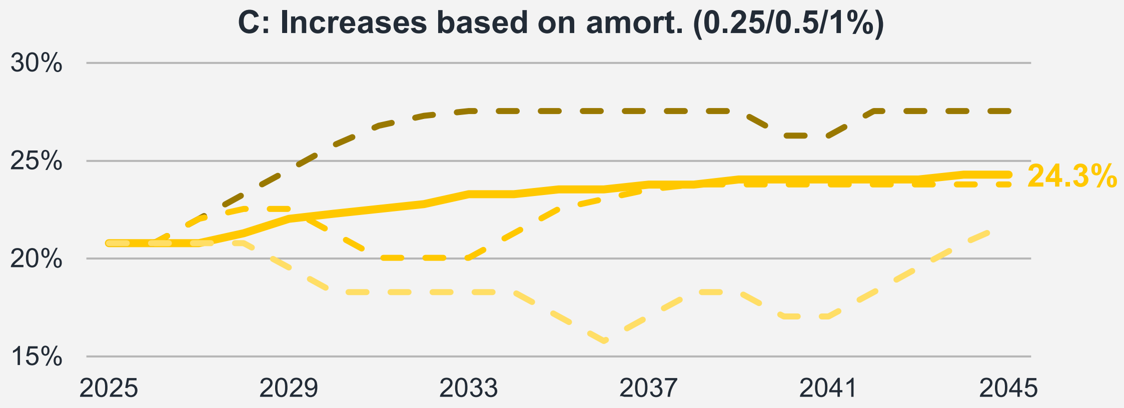
Sustainability Modeling

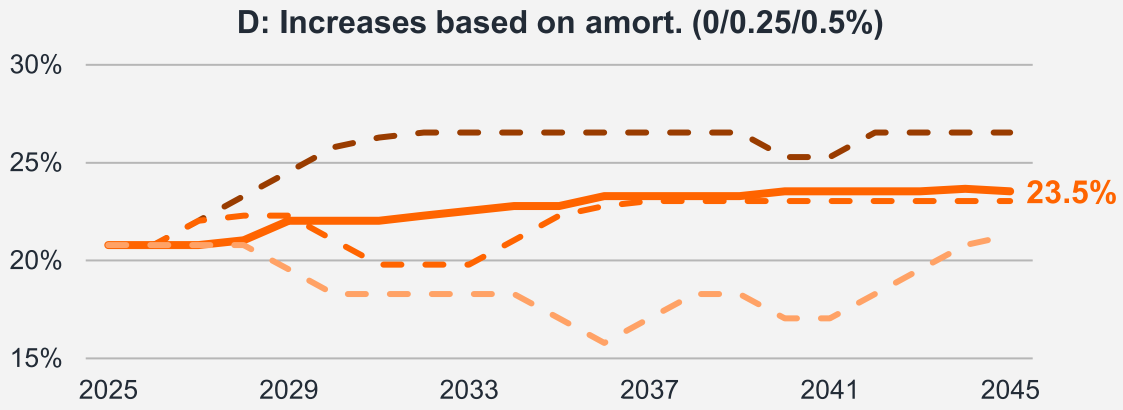
Sustainability Modeling

CONTRIBUTION RATES – without asset smoothing (continued)

- Solid line is the median contribution rate by year.
- Dashed lines show three sample market scenarios that resulted in around the 40th, 50th, and 60th percentile 2045 contribution rates.







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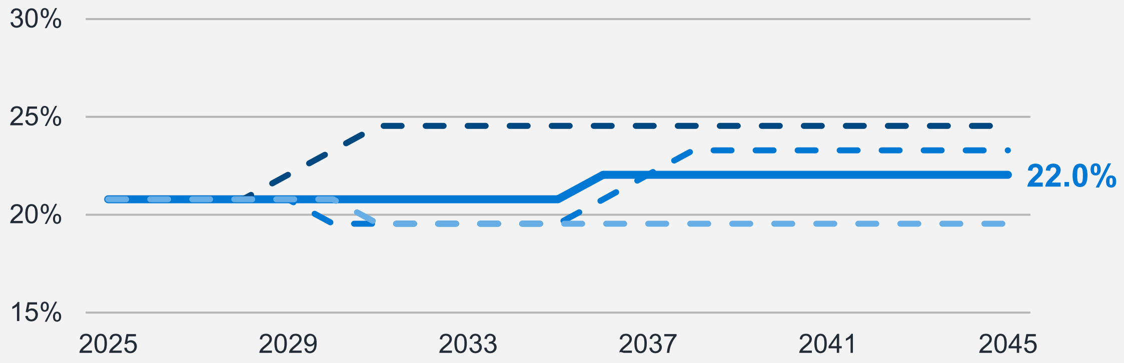
Sustainability Modeling

Sustainability Modeling

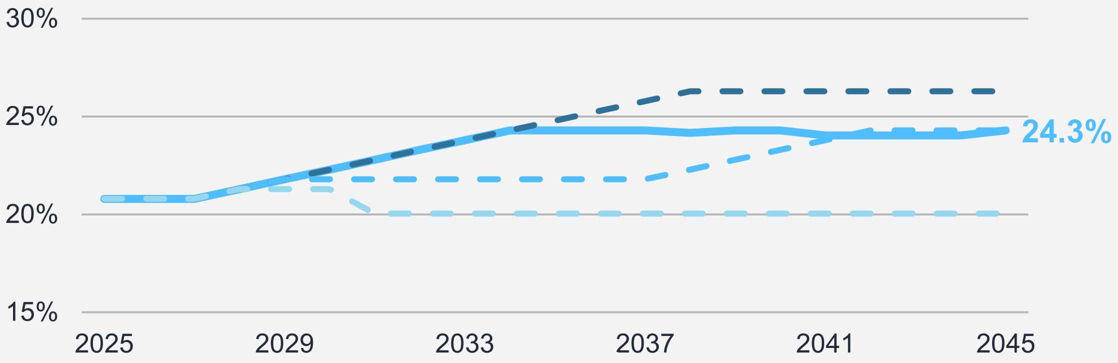
CONTRIBUTION RATES – with asset smoothing

- Solid line is the median contribution rate by year.
- Dashed lines show three sample market scenarios that resulted in around the 40th, 50th, and 60th percentile 2045 contribution rates.

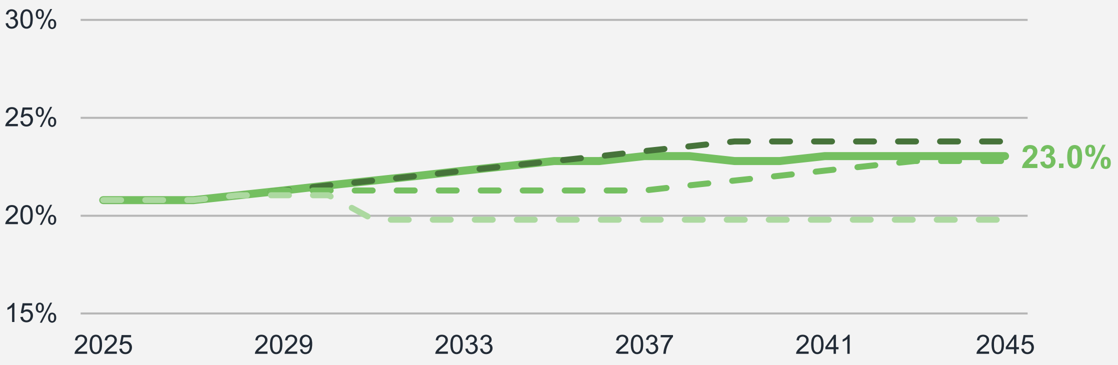
Baseline



A: Ongoing 0.5% increases



B: Ongoing 0.25% increases



Shows total aggregate contribution rate—i.e., the weighted average of the General, Teacher, and Safety employer plus member rates—as of July 1st. The same sample market scenarios were used across all contribution policy scenarios.

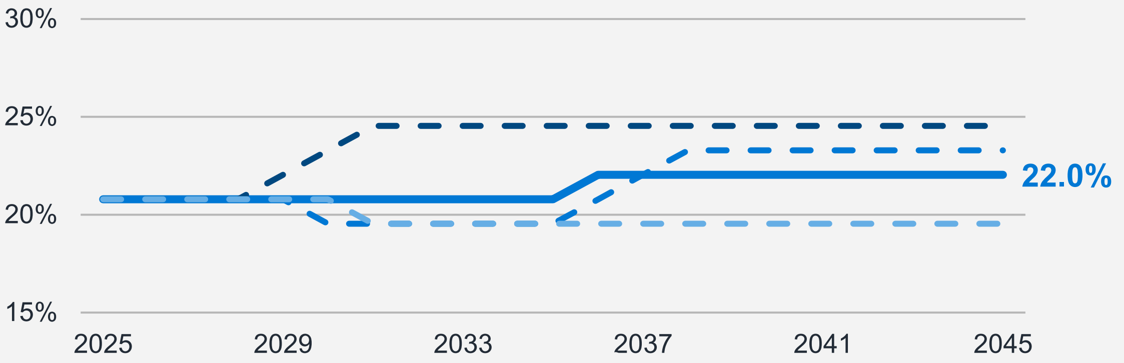
Sustainability Modeling

Sustainability Modeling

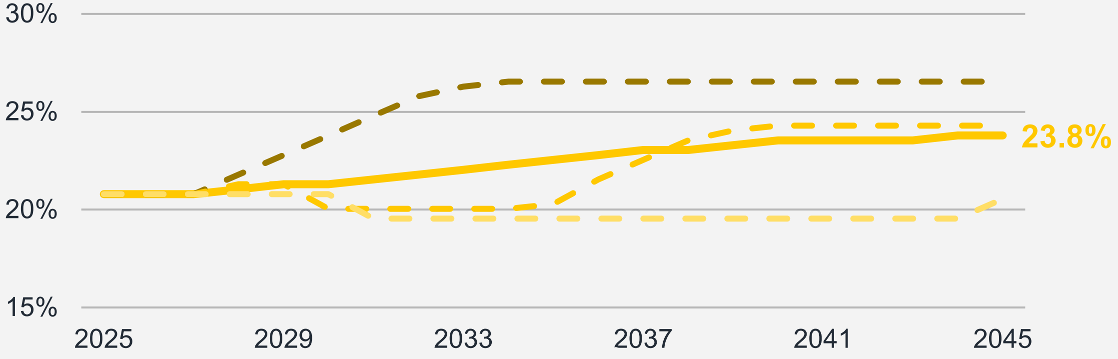
CONTRIBUTION RATES – <u>with</u> asset smoothing (continued)

- Solid line is the median contribution rate by year.
- Dashed lines show three sample market scenarios that resulted in around the 40th, 50th, and 60th percentile 2045 contribution rates.

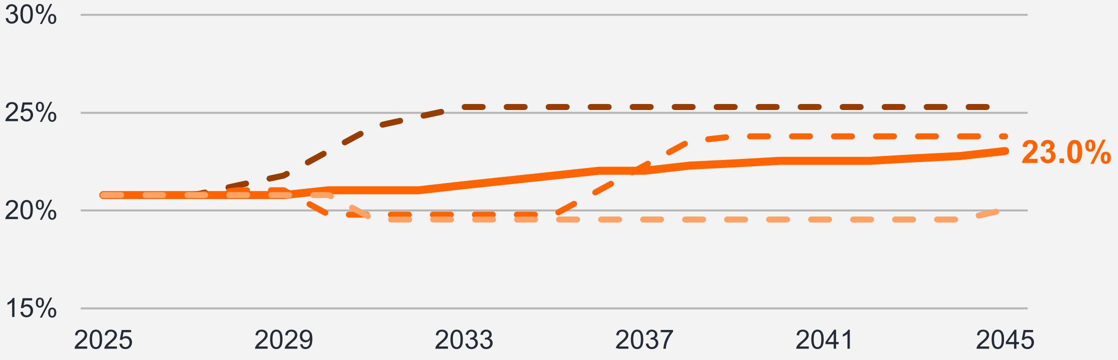
Baseline



C: Increases based on amort. (0.25/0.5/1%)



D: Increases based on amort. (0/0.25/0.5%)



Shows total aggregate contribution rate—i.e., the weighted average of the General, Teacher, and Safety employer plus member rates—as of July 1st. The same sample market scenarios were used across all contribution policy scenarios.

Appendix

Projection assumptions

- 2,000 random market scenarios were generated using Callan's 2025 capital market assumptions, adjusted for a mean long term investment return (net of investment and administrative expenses) of 6.50% and mean inflation of 2.40%
- 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

Appendix

Example application of sustainability model parameters

This is a sample scenario under contribution policy <u>B: Cancel + 0.25% ongoing</u> with <u>no asset smoothing.</u>

This scenario was picked because of its high investment return volatility, which helps demonstrate the various contribution rate triggers in our model. It is not intended as a representative scenario.

				Contribution Rate			
Fiscal Year Beginning 7/1	Prior fiscal year return	Funded ratio at 7/1	Amortization period at 7/1	Current fiscal year	Scheduled increase for next year from policy	Additional change for next year due to valuation results	Next fiscal year
2025	10.76%	90.4%	11.5	20.79%	0.00%	0.00%	20.79%
2026	-5.62%	81.1%	22.1	20.79%	0.00%	0.00%	20.79%
2027	-4.94%	73.5%	31.2	20.79%	0.25%	1.25%	22.29%
2028	16.53%	81.4%	17.9	22.29%	0.25%	0.00%	22.54%
2029	2.34%	79.6%	19.5	22.54%	0.25%	0.00%	22.79%
2030	33.71%	100.1%	0.0	22.79%	0.00%	0.00%	22.79%
2031	21.02%	113.4%	0.0	22.79%	0.00%	-1.25%	21.54%
2032	-4.37%	101.0%	0.0	21.54%	0.00%	0.00%	21.54%
2033	-0.65%	92.4%	10.5	21.54%	0.00%	0.00%	21.54%
2034	-19.18%	70.6%	100+	21.54%	0.25%	0.00%	21.79%

Scheduled increases kick in starting 7/1/2028

Amortization period rises above 25 years, so an extra 1.25% rate increase is triggered

Funded ratio at 7/1/2030 rises above 100%, so schedule increases turn off

Funded ratio rises above 110%, so a 1.25% rate decrease is triggered

Amortization period rises above 25 years, so ongoing increases turn back on

Sustainability Modeling

Example application of sustainability model parameters (continued)

Same as the prior slide, but with asset smoothing.

Reminder, this scenario has higher than average investment return volatility and was picked to illustrate the mechanics of the model, not to give a representative sample of the typical impact of asset smoothing.

				Contribution Rate			
Fiscal Year Beginning 7/1	**Prior fiscal year return**	**Funded ratio at 7/1**	**Amortization period at 7/1**	**Current fiscal year**	**Scheduled increase for next year**	**Additional change for next year due to valuation results**	**Next fiscal year**
2025	10.76%	90.4%	11.5	20.79%	0.00%	0.00%	20.79%
2026	-5.62%	89.5%	12.4	20.79%	0.00%	0.00%	20.79%
2027	-4.94%	86.5%	15.7	20.79%	0.25%	0.00%	21.04%
2028	16.53%	84.5%	17.6	21.04%	0.25%	0.00%	21.29%
2029	2.34%	82.7%	19.4	21.29%	0.25%	0.00%	21.54%
2030	33.71%	83.7%	17.8	21.54%	0.25%	0.00%	21.79%
2031	21.02%	91.1%	9.4	21.79%	0.25%	0.00%	22.04%
2032	-4.37%	97.2%	2.9	22.04%	0.25%	0.00%	22.29%
2033	-0.65%	99.6%	0.4	22.29%	0.25%	0.00%	22.54%
2034	-19.18%	88.3%	11.4	22.54%	0.25%	0.00%	22.79%

Scheduled increases kick in starting 7/1/2028

Callan

May 26, 2026

Public Employee Retirement System of Idaho

First Quarter 2026

Performance Evaluation

Ann O'Bradovich
Senior Vice President

Agenda

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

Markets Pull Back Amid Uncertainty

Broad stock and bond markets down globally in the quarter

Small cap, non-U.S. top U.S. large cap

- S&P 500 dropped 4.3% while U.S. small caps gained 0.9%. Developed ex-U.S. stocks fell 0.9% and emerging markets slipped only 0.2%.

Fixed income down as rates rise

- The Bloomberg Aggregate posted a small loss of 5 basis points while long duration lost 0.8% and global ex-U.S. declined almost 1.9%. Cash outperformed, gaining 0.9%.
- Headline CPI-U rose 3.3% (year-over-year) through March as energy climbed 12.5%, hit by supply constraints from the Iran war. The core index rose by a more modest 2.6%, in line with the prior quarter.

Dislocation in economic growth measures

- The job market has slowed while GDP growth has remained resilient. The supply of workers is receding as job growth cools, clouding the true impact of the job market changes on the economy.
- Bifurcation between the wealthy, who are propping up consumer spending, and the average consumer is evident.

Returns for Periods ended 3/31/26

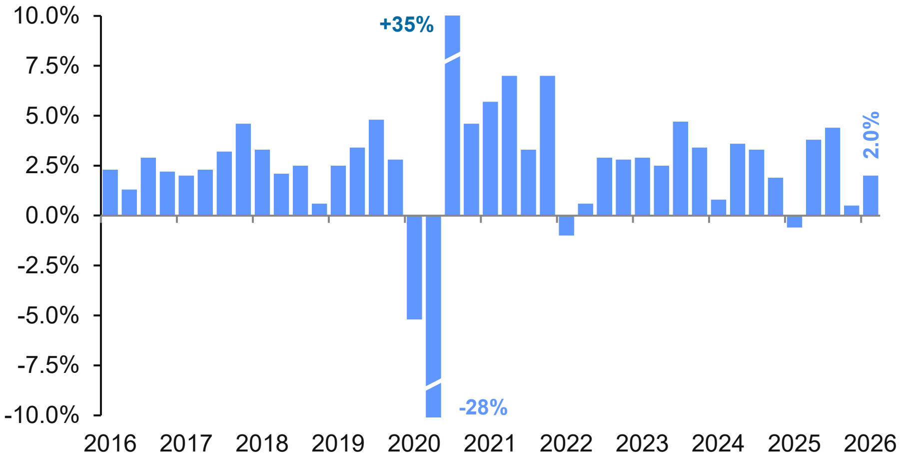
	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	-3.96	18.09	17.86	10.87	13.72	9.25
S&P 500	-4.33	17.80	18.32	12.06	14.16	9.18
Russell 2000	0.89	25.72	13.05	3.77	9.88	8.54
Global ex-U.S. Equity						
MSCI World ex USA	-0.94	22.99	14.30	8.40	8.66	6.14
MSCI Emerging Markets	-0.17	29.55	14.84	3.69	7.80	8.73
MSCI ACWI ex USA Small Cap	-0.48	27.82	13.67	5.66	8.01	8.55
Fixed Income						
Bloomberg Aggregate	-0.05	4.35	3.63	0.31	1.70	3.65
90-day T-Bill	0.85	4.00	4.74	3.34	2.26	1.81
Bloomberg Long Gov/Credit	-0.76	2.17	0.90	-2.93	1.18	4.86
Bloomberg Global Agg ex-US	-1.87	4.18	1.62	-2.90	-0.42	3.09
Real Estate						
NCREIF Property	1.19	4.82	-0.01	3.69	4.74	7.24
FTSE Nareit Equity	4.80	6.84	9.10	5.82	5.57	9.13
Alternatives						
Cambridge Private Equity*	3.09	13.08	8.34	10.19	14.04	11.34
Cambridge Senior Debt*	1.27	11.41	8.67	7.49	8.10	5.26
HFRI Fund Weighted	1.05	14.06	10.03	6.12	6.79	5.92
Bloomberg Commodity	24.41	32.29	13.88	14.04	8.02	2.80
Gold Spot Price	7.77	48.51	33.05	22.22	14.24	12.27
Inflation: CPI-U	1.90	3.26	3.04	4.51	3.32	2.54

*Cambridge Private Equity and Cambridge Senior Debt data as of 4Q25.
Returns greater than one year are annualized.
Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

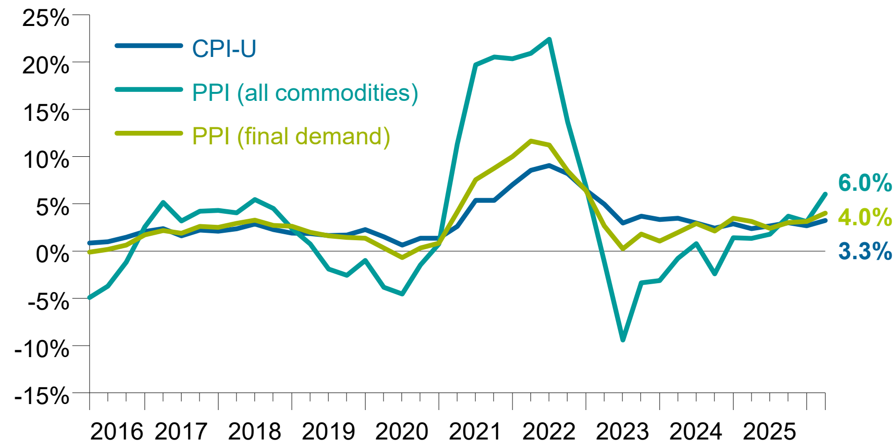
U.S. Economy—Summary

For periods ended 3/31/26

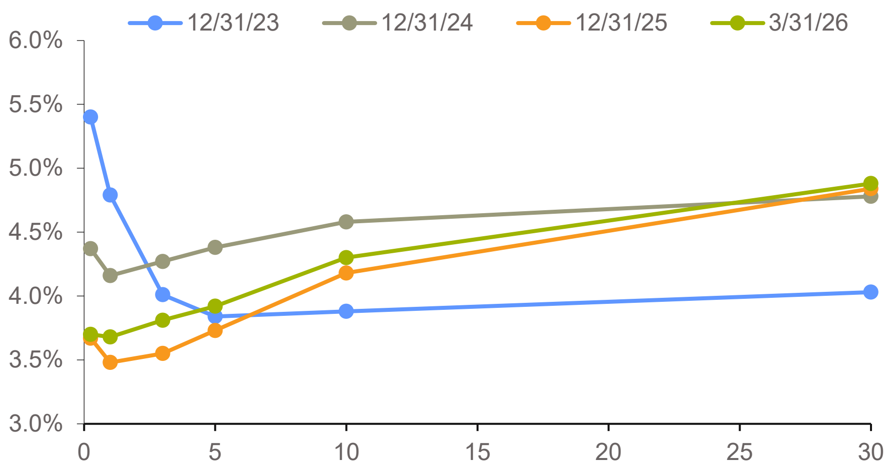
Quarterly Real GDP Growth



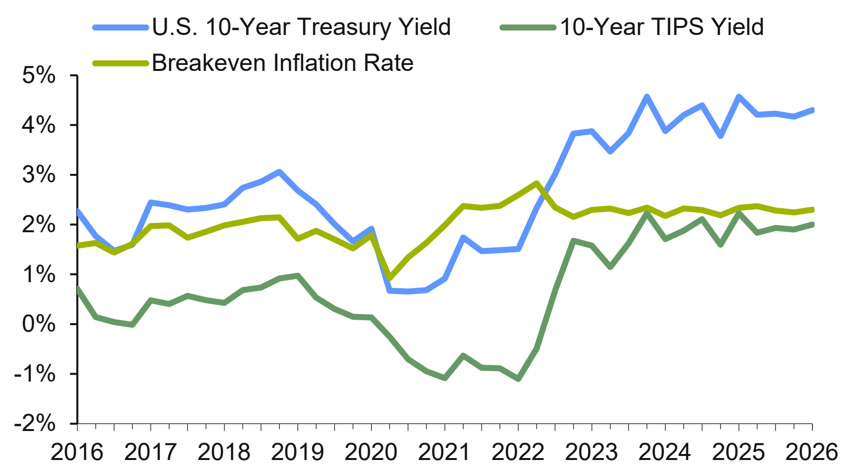
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



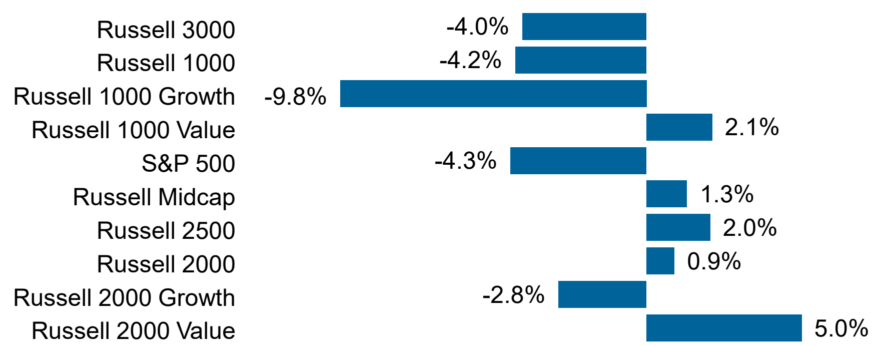
Sources: Bureau of Labor Statistics, Callan, Federal Reserve.

U.S. Equity Performance: 1Q26

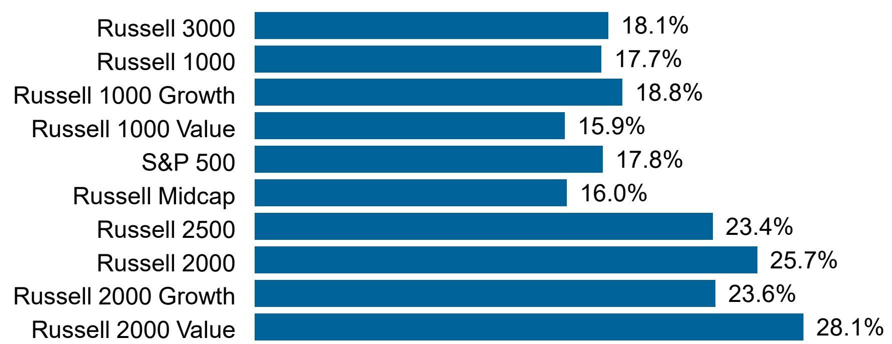
The S&P 500 Index fell against a volatile market backdrop

- The S&P 500 Index was down 4.3% in 1Q26. Challenged results were driven by multiple factors, including geopolitical conflict exacerbating inflation fears, investor rotation out of stocks that have reached lofty valuations, and a shift within the Magnificent 7 as its components saw starkly different returns based on concerns around software and uncertainty around the benefits of AI capex to future revenue growth.
- Only 6 of the 11 S&P sectors posted gains. Energy (+38.2%!) was the best-performing sector followed by Materials (+9.7%) and Utilities (+8.3%). The worst-performing sectors were Information Technology, Financials, and Consumer Discretionary, all down over 9%.
- Small cap indices outperformed large cap indices and value outperformed growth across the market cap spectrum.

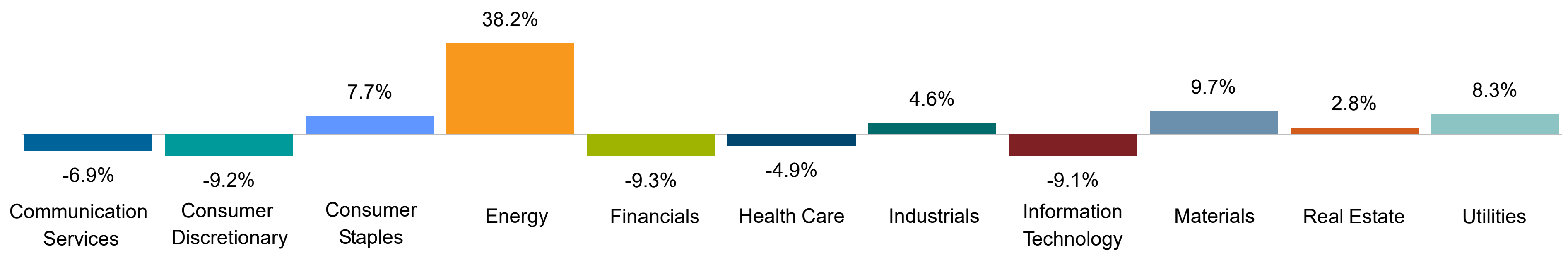
U.S. Equity: Quarter Ended 3/31/26



U.S. Equity: One Year Ended 3/31/26



Industry Sector Quarterly Performance (S&P 500) as of 3/31/26



Sources: FTSE Russell, S&P Dow Jones Indices

Active Management in Small Caps

Quality factors were strong in 1Q26, but active management performance disappointed

Many Small Cap managers underperformed during 1Q due to these key positionings:

- *Underweight to the outperforming energy sector: not atypical for many managers due to the volatility and cyclicality associated with the sector.*
- *Underweight to biotechs: While a structural underweight for many managers, the sub-sector benefited strongly from a robust M&A season in 1Q.*

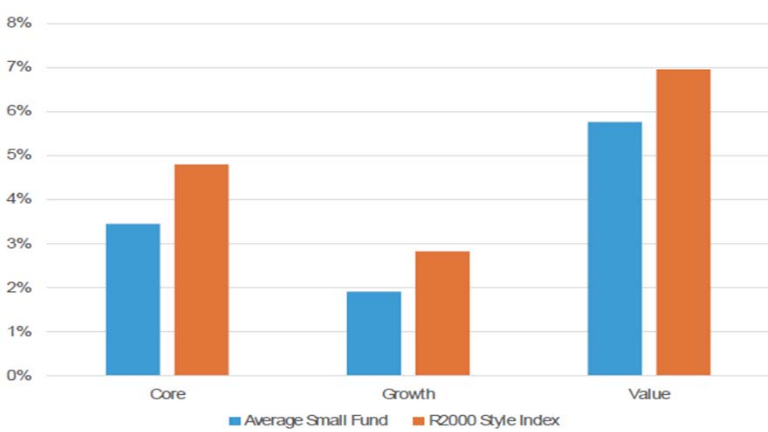
Strong Performance for Quality Factors

	Absolute Return (%)					Relative Return (%)				
R2000	2025	Jan-26	Feb-26	Mar-26	1Q26	2025	Jan-26	Feb-26	Mar-26	1Q26
Profitable	10.2	6.2	2.2	(5.3)	2.8	(2.6)	0.9	1.4	(0.3)	1.9
ROIC	11.4	5.7	2.3	(5.1)	2.7	(1.4)	0.4	1.5	(0.1)	1.8
ROE	12.0	5.9	1.8	(5.0)	2.5	(0.8)	0.6	1.0	(0.0)	1.6
Momentum	15.5	6.3	1.6	(5.2)	2.5	2.7	1.0	0.8	(0.2)	1.6
Quality	13.7	5.9	1.5	(4.7)	2.4	0.9	0.5	0.7	0.3	1.5
Cyclical	10.8	6.8	1.0	(5.2)	2.3	(2.0)	1.5	0.2	(0.2)	1.4
Low Valuation	12.5	4.7	0.9	(3.6)	1.8	(0.3)	(0.6)	0.1	1.4	0.9
Leverage	13.7	6.2	0.2	(5.0)	1.2	0.9	0.8	(0.6)	0.0	0.3
Yield	11.2	4.9	1.4	(4.9)	1.1	(1.6)	(0.5)	0.6	0.1	0.2
Index	**12.8**	**5.4**	**0.8**	**(5.0)**	**0.9**					
Liquidity	12.1	5.5	0.7	(5.2)	0.7	(0.7)	0.1	(0.1)	(0.2)	(0.1)
Earnings Growth	12.2	5.4	1.0	(5.4)	0.7	(0.6)	0.0	0.2	(0.4)	(0.2)
Beta	13.8	5.8	0.5	(5.5)	0.4	1.0	0.4	(0.3)	(0.5)	(0.4)
Volatility	16.4	4.7	(0.3)	(4.1)	0.1	3.6	(0.7)	(1.1)	0.9	(0.8)
Short Interest	15.1	5.2	(0.2)	(5.3)	(0.6)	2.3	(0.2)	(1.0)	(0.3)	(1.5)
Low Size	14.8	4.8	(0.3)	(5.0)	(0.7)	2.0	(0.5)	(1.1)	0.0	(1.6)
Sales Growth	15.4	5.2	(0.6)	(5.4)	(1.1)	2.6	(0.2)	(1.4)	(0.4)	(2.0)
Low Price	23.3	5.4	(1.3)	(5.4)	(1.6)	10.5	0.1	(2.1)	(0.4)	(2.5)
Single-Digit Price	31.5	6.0	(1.6)	(6.2)	(2.2)	18.7	0.6	(2.4)	(1.2)	(3.1)
Defensive	18.0	1.7	0.4	(4.5)	(2.5)	5.2	(3.6)	(0.4)	0.5	(3.4)
Penny Stocks	20.7	7.3	(3.4)	(6.0)	(2.5)	7.8	2.0	(4.2)	(1.0)	(3.4)
Highly Shorted	22.9	3.8	(1.5)	(4.9)	(2.7)	10.1	(1.5)	(2.3)	0.1	(3.6)
Recently Public	15.8	(1.5)	3.9	(5.2)	(3.0)	3.0	(6.9)	3.1	(0.2)	(3.9)
Unprofitable ex. Tech/HC	12.8	7.6	(6.7)	(3.9)	(3.4)	(0.0)	2.3	(7.5)	1.1	(4.3)
Unprofitable	19.7	2.8	(3.1)	(4.2)	(4.6)	6.9	(2.5)	(3.9)	0.8	(5.5)
Retail Darlings	14.9	0.3	(6.0)	(7.2)	(12.5)	2.1	(5.1)	(6.8)	(2.2)	(13.4)
Extremely Shorted	16.7	3.8	(7.9)	(8.8)	(12.8)	3.9	(1.6)	(8.7)	(3.8)	(13.7)
SPAC Birth	12.4	(2.6)	(10.7)	(6.5)	(18.7)	(0.4)	(8.0)	(11.5)	(1.5)	(19.6)

Source: FRP, FactSet; as of 3/31/26; Sorted by 1Q26 return

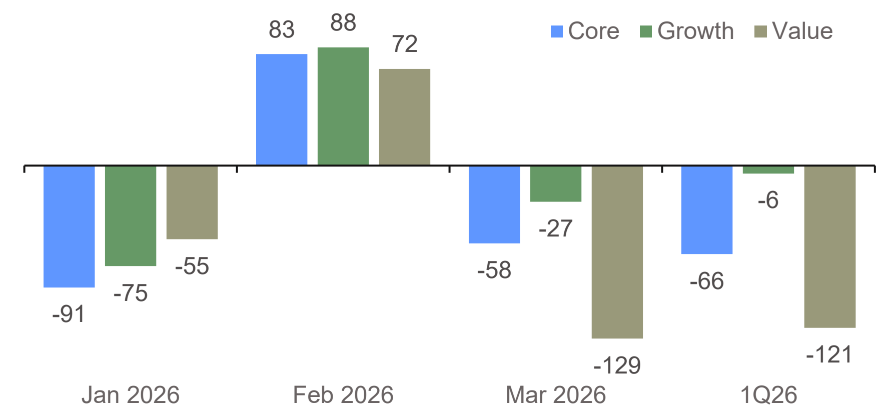
Energy Outperformed, but Most Managers Were Underweight

Weight in energy as of year-end 2025



Active Management Struggled Across Styles

Average small fund relative return (bps)



Sources: FRP, FactSet, Morningstar; as of 3/31/26

Global/Global ex-U.S. Equity Performance: 1Q26

Relative resilience: Non-U.S. stocks lead in a down quarter

Broad market

- Global ex-U.S. equities outpaced the U.S. in 1Q26.
- The MSCI EAFE Index declined slightly in 1Q26 following a period of strong performance in 2025, as modest gains in the U.K. and developed Pacific were offset by weakness across the euro zone.
- Within emerging markets, China lagged, reflecting weak consumer confidence and ongoing local government debt pressures. India also underperformed, facing valuation compression and energy-related headwinds as a net commodity importer amid geopolitical tensions involving Iran.
- Semiconductor-oriented markets such as Taiwan and South Korea supported results amid strong AI-driven demand. Latin America also outperformed, led by Brazil, benefiting from commodity strength and currency tailwinds.

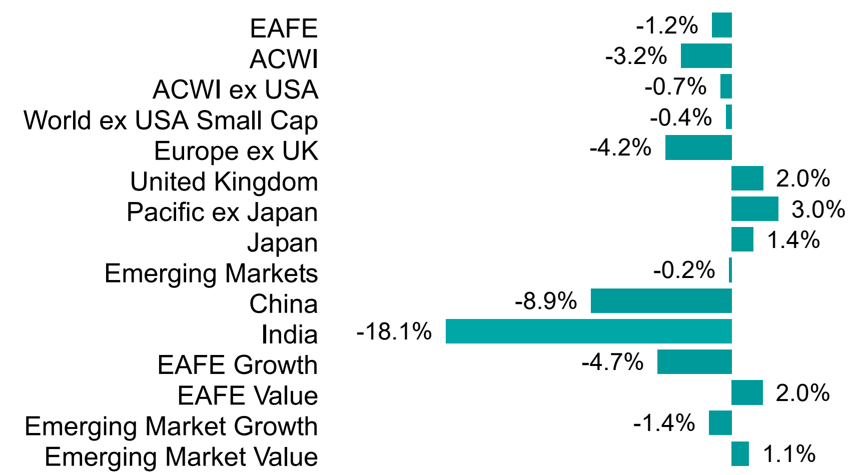
Growth vs. value

- Value outperformed growth across EAFE and emerging markets in 1Q26, supported by strength in energy and other commodity-sensitive sectors following the Iran conflict.

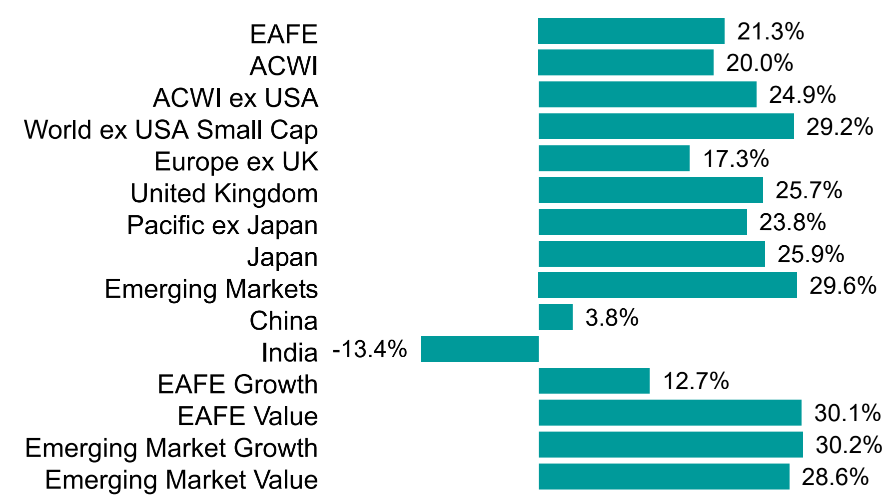
U.S. dollar

- The U.S. dollar strengthened modestly during 1Q26 (+1.7%), acting as a slight headwind to global ex-U.S. equity returns.

Global Equity Returns: Quarter Ended 3/31/26



Global Equity Returns: One Year Ended 3/31/26



Source: MSCI

U.S. Fixed Income Performance: 1Q26

Mixed performance as volatility returns

Macro environment

- Volatility picked up during the quarter, driven by the U.S./Israel strikes on Iran and renewed inflation concerns as oil prices moved higher.
- Treasury yields rose across most of the curve, with the largest increases in intermediate maturities, resulting in slight curve flattening with the 2s/10s spread narrowing 20 bps.
- The Fed held policy steady, while the latest dot plot reflected reduced expectations for easing and greater consensus among policymakers, with the majority signaling one cut or fewer.

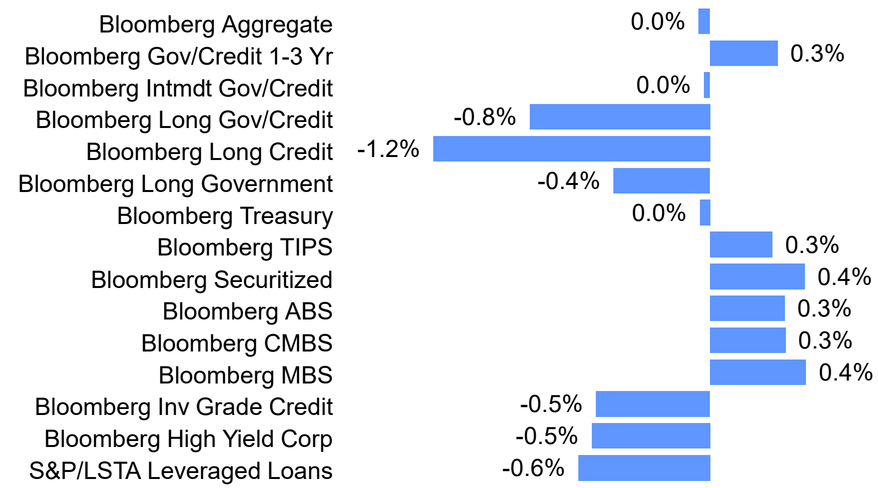
Performance and drivers

- The Bloomberg US Aggregate Bond Index modestly declined 0.05%, driven by the rise in rates.
- Corporate credit underperformed Treasuries due to spread widening, with lower-quality segments lagging higher-quality.

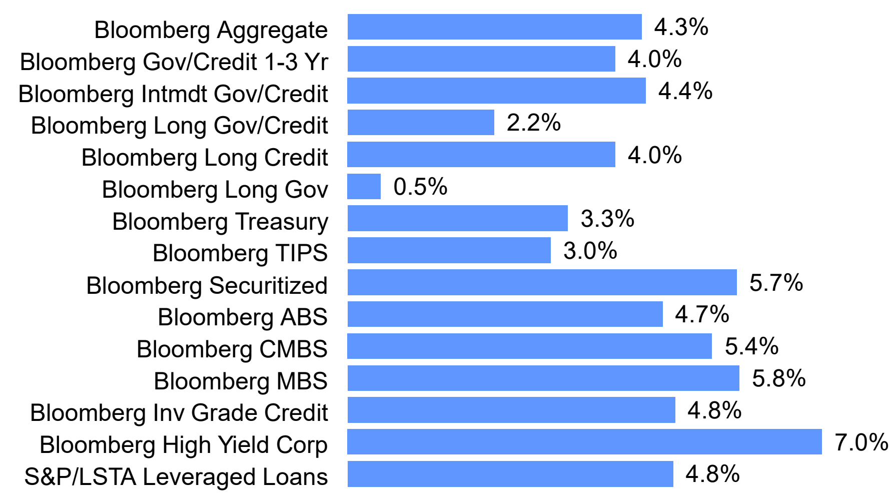
Valuations

- Credit spreads were resilient early in the quarter but widened meaningfully into quarter-end amid software- and AI-related concerns.
- The quarter saw robust new issuance within investment grade corporate bonds, but valuations remained historically rich despite the elevated supply.

U.S. Fixed Income Returns: Quarter Ended 3/31/26

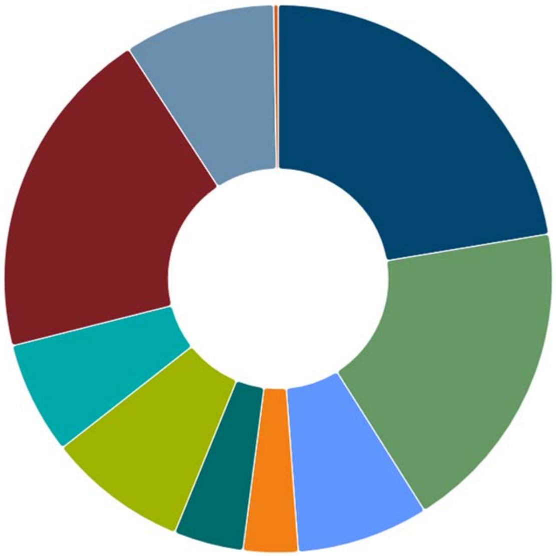


U.S. Fixed Income Returns: One Year Ended 3/31/26



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

PERSI DB Asset Allocation - Defined Benefit as of March 31, 2026



Asset Class	Assets	Actual Weight	Strategic Policy
US Public Equity	$6,010,114,571	22.39%	21.00%
Global Equity	$5,008,507,002	18.66%	18.00%
Private Equity	$2,089,907,244	7.78%	8.00%
REIT Equity	$867,670,349	3.23%	4.00%
Private Real Estate	$1,102,194,559	4.11%	4.00%
Emerging Markets Equity	$2,217,874,643	8.26%	9.00%
Developed Markets Equity	$1,783,575,786	6.64%	6.00%
US Fixed Income	$5,300,089,371	19.74%	20.00%
US TIPS	$2,397,118,802	8.93%	10.00%
Short Term Cash	$69,698,868	0.26%	-
Total Fund	$26,846,751,195	100.00%	

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

Asset Class	Current	Strategic Policy	Ranges
Equities	71%	70%	66% - 77%
Broad Domestic Equity	56%	55%	50% - 65%
International Developed Equity	15%	15%	10% - 20%
Fixed Income	29%	30%	23% - 33%
Cash	0%	0%	0% - 5%

PERSI DB Asset Distribution as of March 31, 2026

Total Fund ended the 1st quarter 2026 with $26.8 B, a net decrease of $0.7 B

- Net withdrawals: - $0.164 B
- Investment growth: - $0.490 B

Portfolio	Ending Assets Mar 31, 2026	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Dec 31, 2025	Weight
US Public Equity	$6,010,114,571	22.39%	$0	-$265,824,674	$6,275,939,245	22.82%
Global Equity	$5,008,507,002	18.66%	$0	-$238,766,198	$5,247,273,200	19.08%
Private Equity	$2,089,907,244	7.78%	-$6,404,003	$32,500,001	$2,063,811,246	7.50%
Real Assets	$1,969,864,908	7.34%	-$51,660,169	$58,959,663	$1,962,565,414	7.14%
Emerging Markets Equity	$2,217,874,643	8.26%	$0	-$51,623,576	$2,269,498,219	8.25%
Developed Markets Equity	$1,783,575,786	6.64%	-$50,000,000	-$37,990,341	$1,871,566,127	6.81%
Total Fixed	$7,697,208,173	28.67%	$0	$11,518,672	$7,685,689,500	27.95%
Short Term Cash	$69,698,868	0.26%	-$55,921,535	$1,044,729	$124,575,674	0.45%
Total Fund	$26,846,751,195	100.00%	-$164,014,491	-$490,152,939	$27,500,918,625	100.00%

PERSI DB: 1st Quarter 2026 Performance Summary*

1Q 2026: PERSI Total Fund returned -1.79%, underperforming the Strategic Policy return

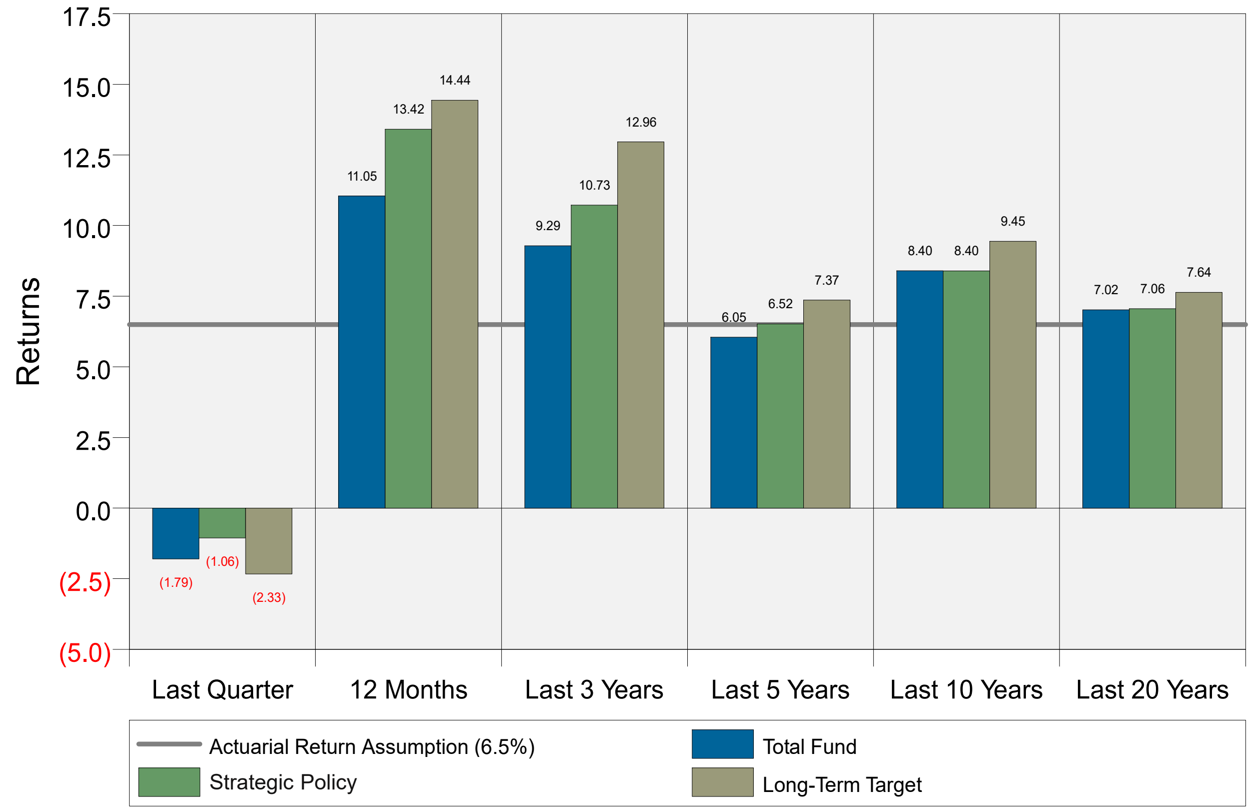
- In aggregate the managers underperformed their benchmarks by 49 bps.
- Variations from strategic policy detracted 25 bps.

Three years: Total Fund returned 9.29%, trailing the Strategic policy return of 10.73%.

Five years: Total Fund gained 6.05% vis-à-vis the Strategic Policy return of 6.52%

Last 20 years: Total Fund has earned an average annual return of 7.02%

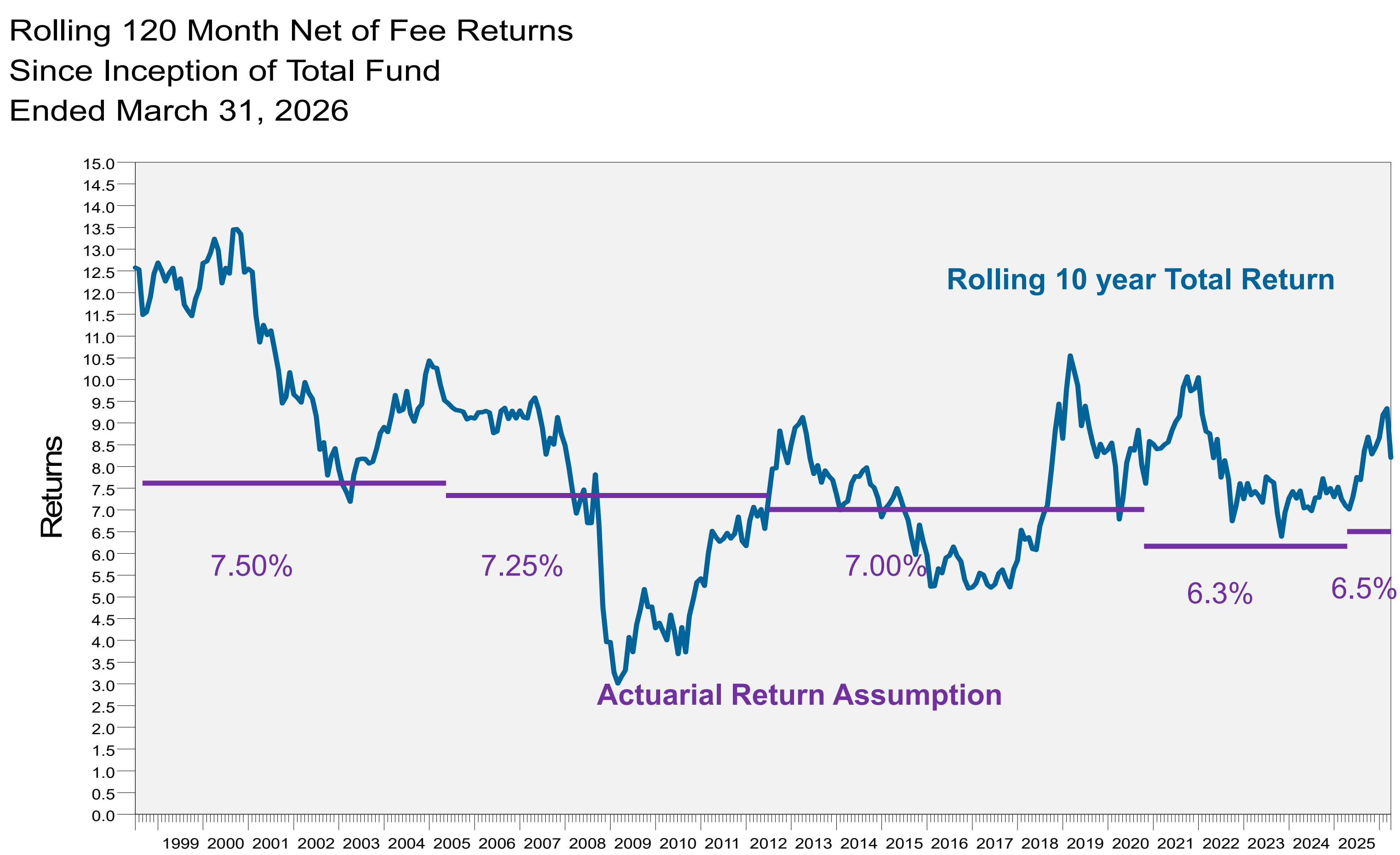
Total Fund Returns
Periods Ending March 31, 2026



* Total Fund Returns are Gross of Fees

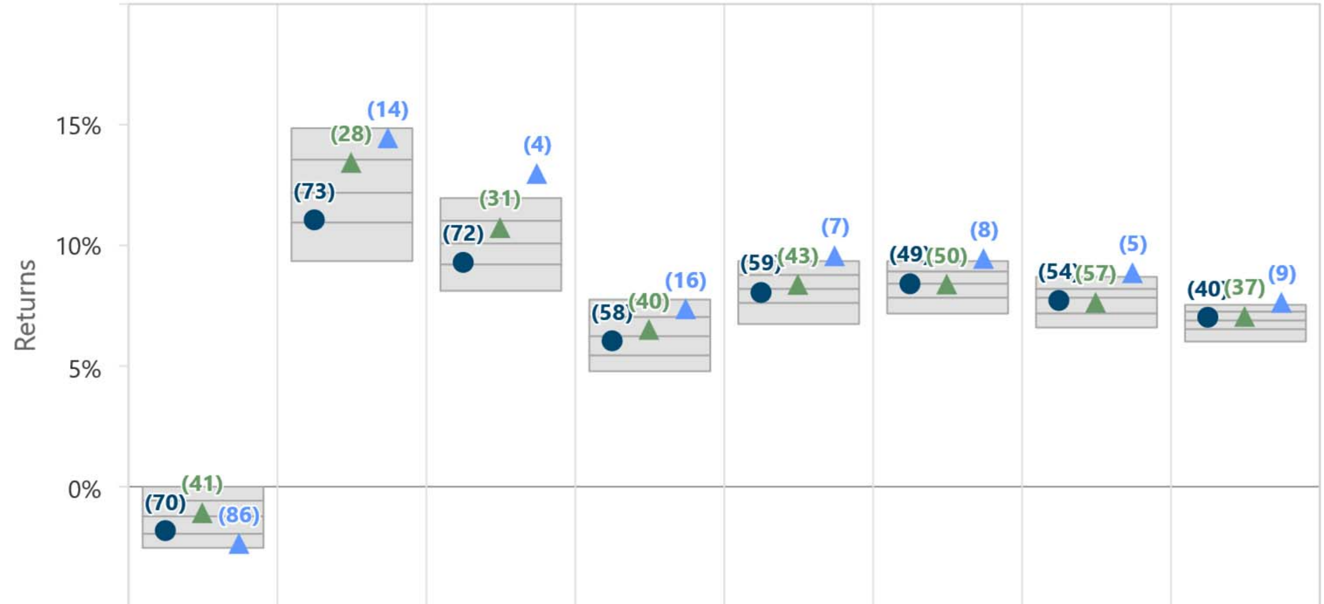
PERSI DB: Historical Actual Returns and Actuarial Return Assumptions

10 year rolling time periods



Performance* Comparison - Trailing Time Periods as of March 31, 2026

Performance vs Callan Public Fund Spr DB



	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years	20 Years
10th Percentile	0.06	14.85	11.98	7.76	9.32	9.36	8.67	7.57
25th Percentile	-0.57	13.54	11.01	7.02	8.79	8.90	8.17	7.23
Median	-1.23	12.19	10.06	6.26	8.19	8.39	7.81	6.92
75th Percentile	-1.95	10.96	9.20	5.45	7.58	7.82	7.19	6.53
90th Percentile	-2.51	9.35	8.14	4.80	6.78	7.16	6.62	6.01
Total Fund ●	-1.79	11.05	9.29	6.05	8.04	8.40	7.72	7.02
Strategic Policy [1] ▲	-1.06	13.42	10.73	6.52	8.38	8.40	7.64	7.06
Long-Term Target [2] ▲	-2.33	14.44	12.96	7.37	9.57	9.45	8.87	7.64

* Total Fund Returns are Gross of Fees

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

(2) Long Term Target: 55% Russell 3000 Index, 30% Blmbg Aggregate Index and 15% MSCI EAFE Index.

DB Plan Total Fund Attribution vs Strategic Policy*

Quarter ended March 31, 2026

Relative Attribution Effects for Quarter ended March 31, 2026

Asset Class	Effective Actual Weight	Effective Strategic Policy Weight	Actual Return	Strategic Policy Return	Manager Effect	Asset Allocation	Total Relative Return
US Public Equity	23%	21%	(4.24%)	(3.96%)	(0.07%)	(0.05%)	(0.12%)
Developed Markets Equity	7%	6%	(2.01%)	(1.24%)	(0.06%)	(0.01%)	(0.07%)
Emerging Markets Equity	9%	9%	(2.27%)	(0.17%)	(0.20%)	(0.05%)	(0.25%)
Global Equity	19%	18%	(4.55%)	(3.20%)	(0.26%)	(0.03%)	(0.29%)
US TIPS	9%	10%	0.25%	0.26%	(0.00%)	(0.02%)	(0.02%)
US Fixed Income	19%	20%	0.10%	(0.05%)	0.03%	(0.01%)	0.02%
REIT Equity	3%	4%	5.03%	3.76%	0.04%	(0.05%)	(0.01%)
Private Real Estate	4%	4%	1.57%	0.97%	0.02%	(0.01%)	0.02%
Private Equity	7%	8%	1.56%	1.56%	0.00%	(0.02%)	(0.02%)
Short Term Cash	0%	0%	1.01%	1.01%	0.00%	(0.00%)	(0.00%)
Total			**(1.79%)** =	**(1.06%)** +	**(0.49%)** +	**(0.25%)**	**(0.74%)**

- Total Fund underperformed the Strategic Policy by 74 basis points during the past quarter.
- Manager Performance: - 49 bps
  + US Fixed Income and REITs
  - US Equity, Developed Markets Equity, Emerging Markets Equity and Global Equity underperformed
- Allocation Impacts: - 25 bps
  - Overweight US Equity and Global Equity
  - Underweight REITs

* Returns are Gross of Fees

DB Plan Total Fund Attribution vs Strategic Policy*

1 Year ended March 31, 2026

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Strategic Policy Weight	Actual Return	Strategic Policy Return	Manager Effect	Asset Allocation	Total Relative Return
US Public Equity	23%	21%	15.69%	18.09%	(0.56%)	0.11%	(0.44%)
Developed Markets Equity	7%	6%	18.68%	21.27%	(0.17%)	0.07%	(0.10%)
Emerging Markets Equity	8%	9%	21.39%	29.55%	(0.63%)	(0.21%)	(0.84%)
Global Equity	19%	18%	12.06%	20.01%	(1.43%)	0.00%	(1.43%)
US TIPS	9%	10%	2.83%	3.00%	(0.02%)	0.09%	0.07%
US Fixed Income	20%	20%	5.07%	4.35%	0.16%	(0.01%)	0.14%
REIT Equity	3%	4%	7.73%	3.28%	0.15%	0.11%	0.26%
Private Real Estate	4%	4%	4.08%	3.06%	0.04%	(0.03%)	0.01%
Private Equity	8%	8%	8.81%	8.81%	0.00%	(0.01%)	(0.01%)
Short Term Cash	0%	0%	4.68%	4.68%	0.00%	(0.03%)	(0.03%)
Total			**11.05% =**	**13.42% +**	**(2.45%) +**	**0.08%**	**(2.37%)**

- Total Fund underperformed the Strategic Policy by 237 basis points during the past year.

- Manager Performance: - 245 bps
  - \+ US Fixed Income, REITs and Private Real Estate outperformed
  - \- US Equity, Developed Markets Equity, Emerging Markets Equity, and Global Equity underperformed

\+ Allocation Impacts: + 8 bps
  - \+ Overweight US Equity and Developed Markets Equity
  - \+ Underweight TIPS and REITS
  - \- Underweight Emerging Markets Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution vs Strategic Policy*

5 Years ended March 31, 2026

Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Strategic Policy Weight	Actual Return	Strategic Policy Return	Manager Effect	Asset Allocation	Total Relative Return
US Public Equity	22%	21%	10.21%	10.87%	(0.18%)	(0.05%)	(0.23%)
Developed Markets Equity	6%	6%	7.69%	7.91%	(0.02%)	0.00%	(0.02%)
Emerging Markets Equity	8%	9%	1.99%	3.69%	(0.14%)	(0.03%)	(0.18%)
Global Equity	19%	18%	8.48%	9.49%	(0.19%)	0.04%	(0.16%)
US TIPS	10%	10%	1.34%	1.48%	(0.02%)	0.02%	0.01%
US Fixed Income	19%	20%	0.75%	0.31%	0.09%	0.03%	0.12%
REIT Equity	4%	4%	6.39%	3.95%	0.09%	(0.01%)	0.08%
Private Real Estate	5%	4%	5.25%	2.45%	0.18%	(0.09%)	0.09%
Private Equity	7%	8%	12.78%	12.78%	0.00%	(0.16%)	(0.16%)
Short Term Cash	0%	0%	3.28%	3.28%	0.00%	(0.02%)	(0.02%)
Total			**6.05% =**	**6.52% +**	**(0.19%) +**	**(0.28%)**	**(0.47%)**

- Total Fund underperformed the Strategic Policy by 47 basis points for the past 5 years.
  - Manager Performance: - 19 bps
    - + US Fixed Income, REITs, and Private Real Estate outperformed.
    - - US Equity, Emerging Markets Equity, and Global Equity underperformed.
  - Allocation Impacts: - 28 bps
    - + Overweight Global Equity
    - + Underweight US Fixed Income
    - - Overweight US Equity and Private Real Estate
    - - Underweight Emerging Markets Equity and Private Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution vs Strategic Policy*

10 Years ended March 31, 2026

Ten Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Strategic Policy Weight	Actual Return	Strategic Policy Return	Manager Effect	Asset Allocation	Total Relative Return
US Public Equity	24%	21%	13.67%	13.72%	(0.02%)	0.10%	0.07%
Developed Markets Equity	6%	6%	8.04%	8.38%	(0.02%)	(0.01%)	(0.04%)
Emerging Markets Equity	8%	9%	6.80%	7.80%	(0.08%)	(0.03%)	(0.11%)
Global Equity	18%	18%	11.33%	11.33%	(0.01%)	(0.02%)	(0.04%)
US TIPS	9%	10%	2.62%	2.66%	(0.01%)	0.02%	0.01%
US Fixed Income	19%	20%	2.23%	1.70%	0.11%	0.09%	0.20%
REIT Equity	4%	4%	6.14%	5.56%	0.01%	(0.03%)	(0.02%)
Private Real Estate	5%	4%	7.26%	4.03%	0.18%	(0.07%)	0.10%
Private Equity	7%	8%	12.79%	12.79%	0.00%	(0.14%)	(0.14%)
Short Term Cash	0%	0%	2.56%	2.56%	0.00%	(0.04%)	(0.04%)
Total			**8.40% =**	**8.40% +**	**0.15% +**	**(0.14%)**	**0.01%**

+ Total Fund matched the performance of the Strategic Policy for the past 10 years.

+ Manager Performance: + 15 bps
  + US Fixed Income and Private Real Estate outperformed.
  - Emerging Markets Equity

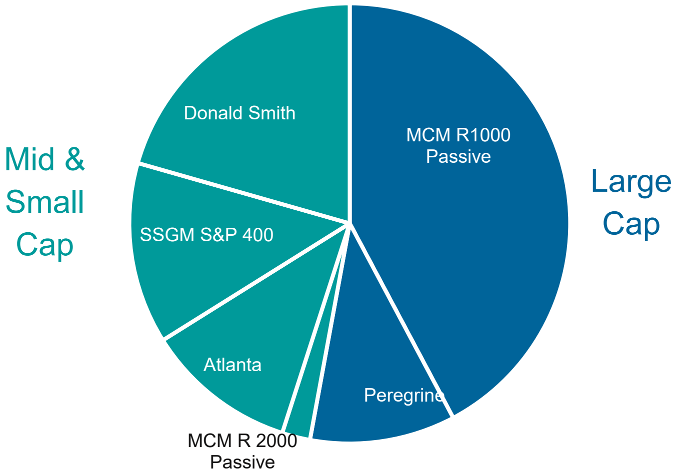
- Allocation Impacts: - 14 bps
  + Overweight US Equity
  + Underweight US Fixed Income
  - Overweight Private Real Estate
  - Underweight Emerging Markets Equity and Private Equity

* Returns are Gross of Fees

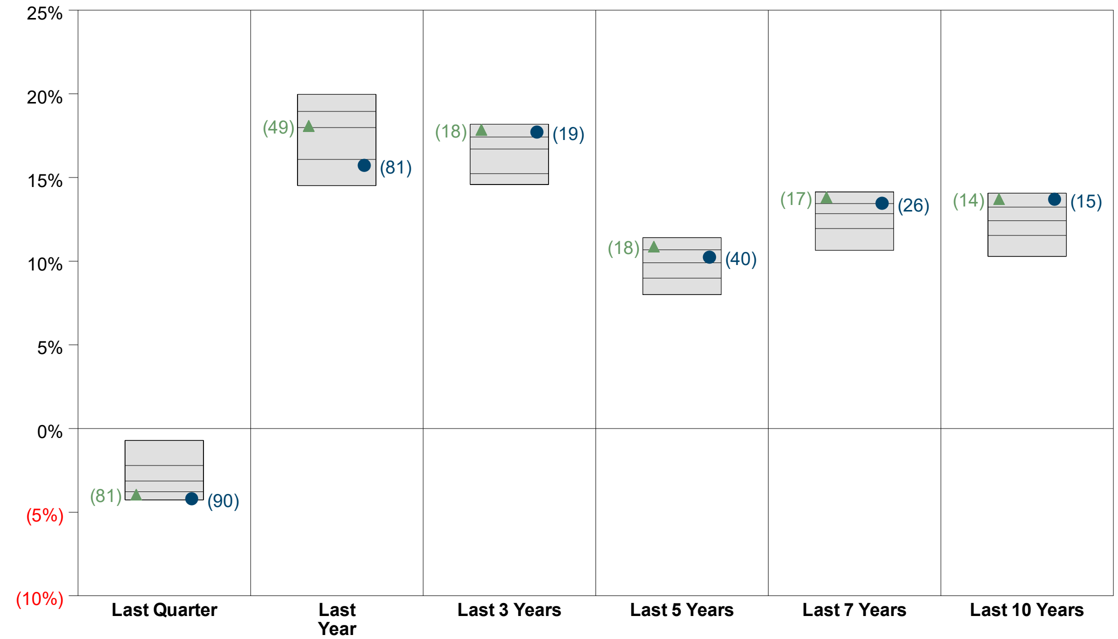
U.S. Equity Portfolio vs. Public Plan Domestic Equity Database

Periods ended March 31, 2026

Manager Structure: 42% Active*

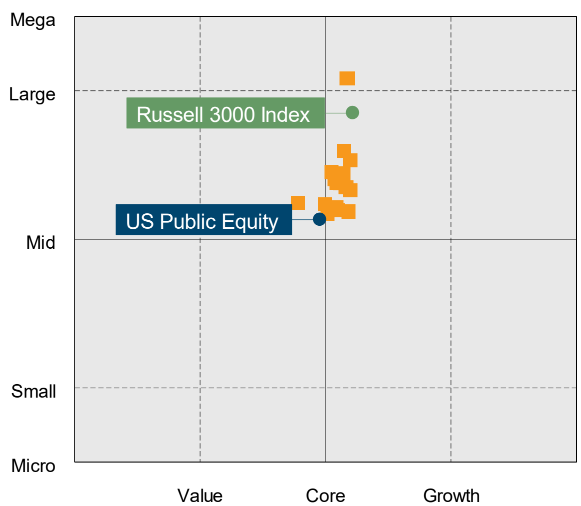


Performance vs Pub Pln- Dom Equity



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(0.71)	19.98	18.18	11.41	14.15	14.06
25th Percentile	(2.22)	18.96	17.42	10.67	13.44	13.23
Median	(3.14)	17.99	16.70	9.90	12.84	12.42
75th Percentile	(3.78)	16.09	15.23	8.99	11.94	11.54
90th Percentile	(4.26)	14.51	14.58	8.00	10.65	10.29
US Public Equity ●	(4.24)	15.69	17.68	10.21	13.42	13.67
Russell 3000 Index ▲	(3.96)	18.09	17.86	10.87	13.81	13.72

Style Map vs Pub Pln- Dom Equity
Holdings as of March 31, 2026

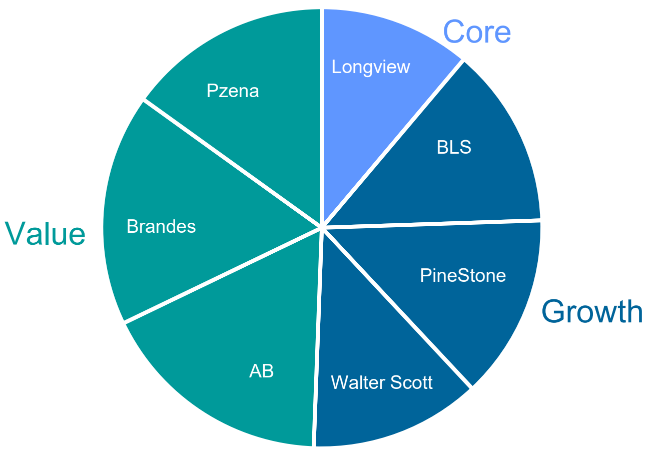


* SSGM S&P 400 is a transition account. After new S/Mid Cap managers are funded, the actively managed portion is expected to be ~$55%

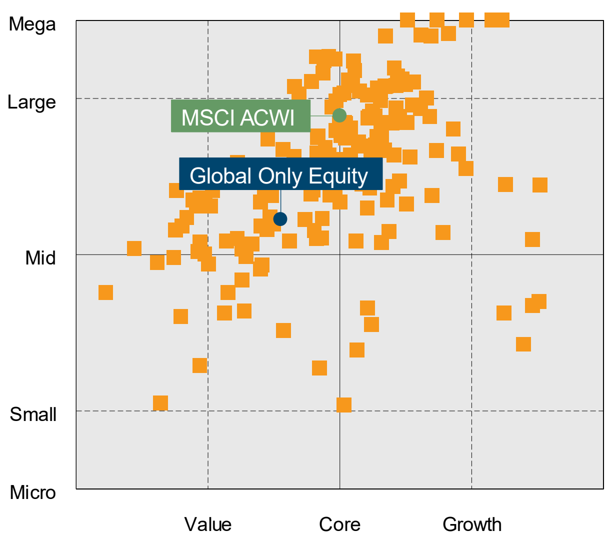
Global Equity Portfolio vs. Global Equity Database

Periods ended March 31, 2026

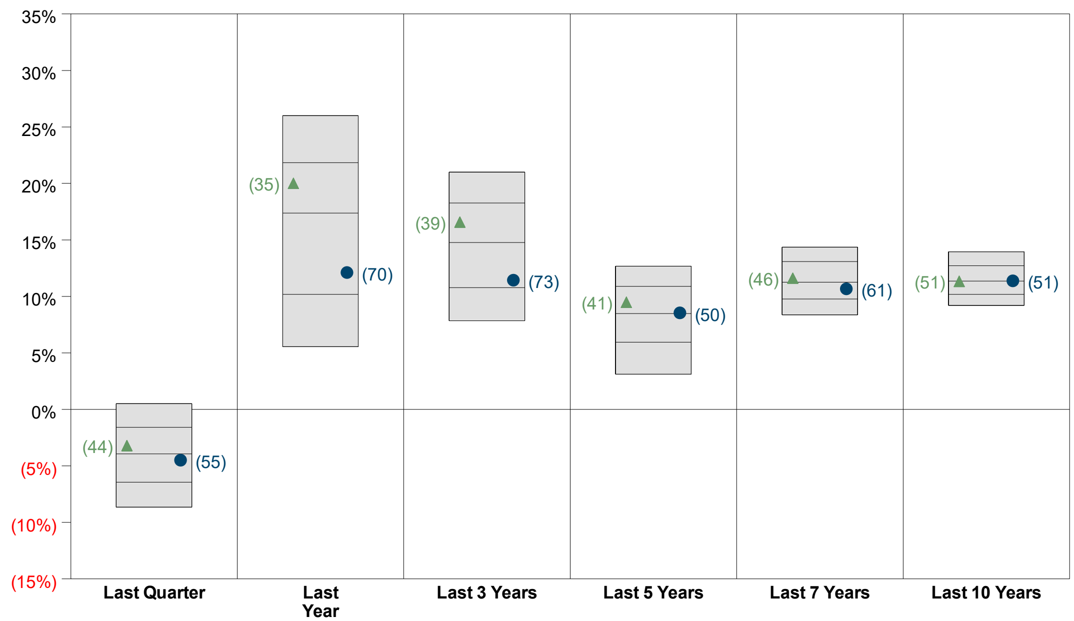
Manager Structure: 100% Active



Style Map vs Callan Global Equity Holdings as of March 31, 2026



Performance vs Callan Global Equity (Gross)

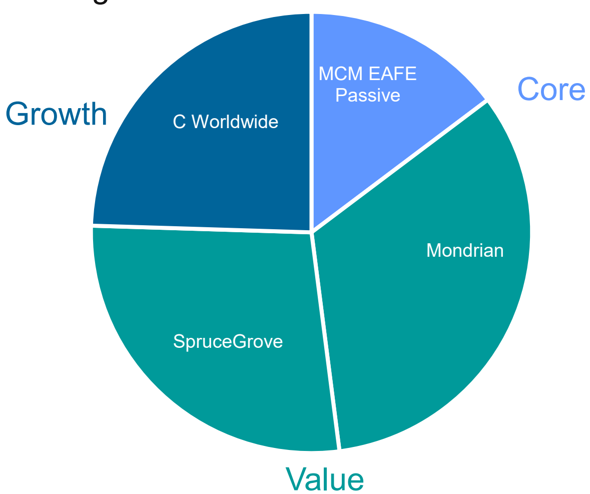


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	0.50	26.00	21.00	12.67	14.36	13.95
25th Percentile	(1.59)	21.83	18.27	10.88	13.08	12.71
Median	(3.93)	17.37	14.76	8.48	11.25	11.36
75th Percentile	(6.44)	10.17	10.77	5.95	9.77	10.17
90th Percentile	(8.65)	5.55	7.84	3.12	8.37	9.21
Global Equity ●	(4.55)	12.06	11.39	8.48	10.62	11.33
MSCI ACWI ▲	(3.20)	20.01	16.58	9.49	11.62	11.33

Developed Markets Portfolio vs. Non-US Dev Core Database

Periods ended March 31, 2026

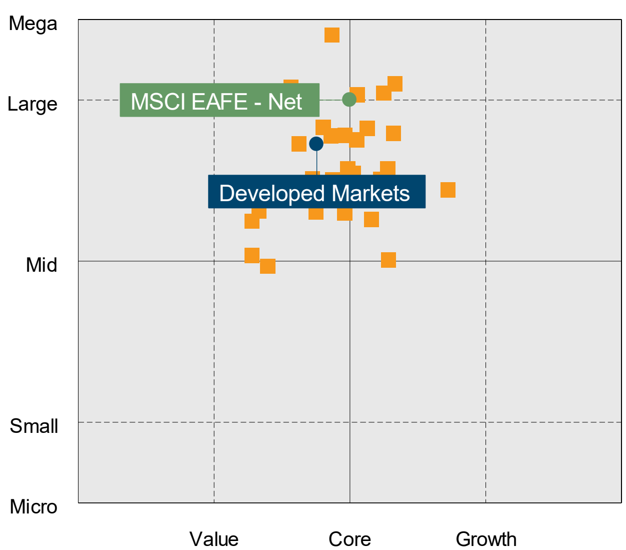
Manager Structure: 85% Active



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

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	1.70	28.68	21.03	11.48	11.12	10.96
25th Percentile	0.94	27.05	16.96	10.48	10.87	9.71
Median	(0.75)	22.42	13.91	8.77	10.27	9.05
75th Percentile	(2.45)	13.96	12.49	6.74	8.12	8.10
90th Percentile	(4.48)	11.42	10.05	5.37	7.19	7.02
Developed Markets ●	(2.01)	18.68	12.52	7.69	8.26	8.04
MSCI EAFE - Net ▲	(1.24)	21.27	13.62	7.91	8.86	8.38

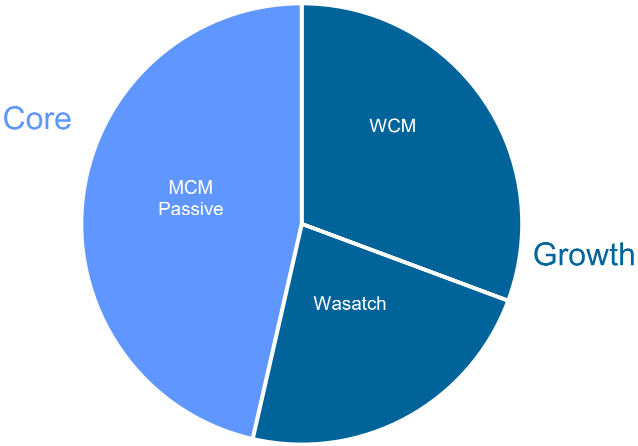
Style Map vs Callan NonUS Dev Core Eq
Holdings as of March 31, 2026



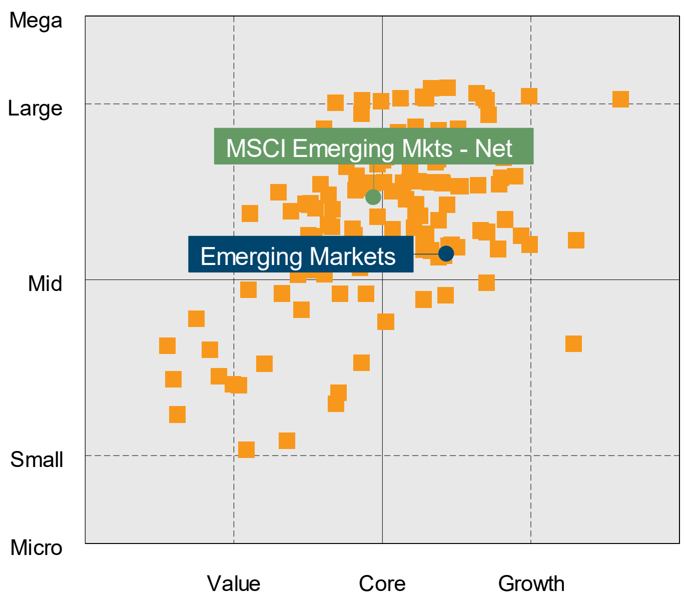
Emerging Markets Portfolio vs. Emerging Broad Database

Periods ended March 31, 2026

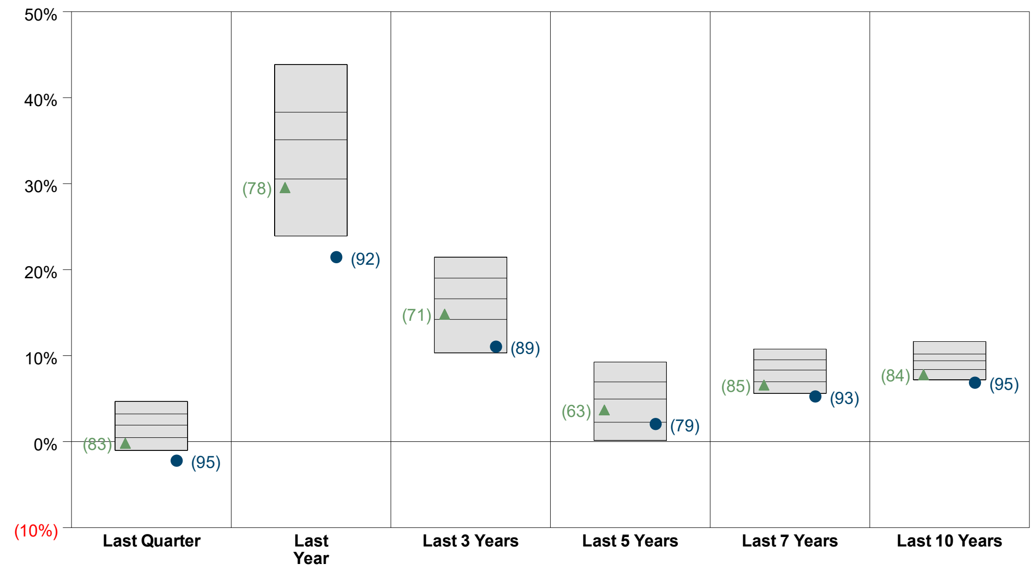
Manager Structure: 54% Active



Style Map vs Callan Emerging Broad
Holdings as of March 31, 2026



Performance vs Callan Emerging Broad (Gross)

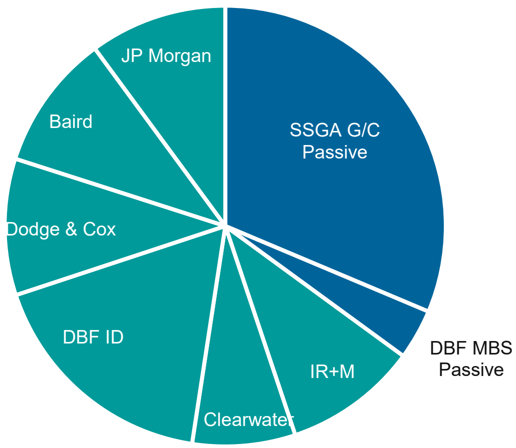


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	4.67	43.87	21.46	9.25	10.77	11.65
25th Percentile	3.23	38.31	19.02	6.96	9.52	10.20
Median	1.93	35.10	16.61	4.95	8.34	9.41
75th Percentile	0.48	30.54	14.23	2.27	6.97	8.40
90th Percentile	(1.01)	23.91	10.32	0.14	5.61	7.21
Emerging Markets ●	(2.27)	21.39	10.98	1.99	5.19	6.80
MSCI Emerging Mkts - Net ▲	(0.17)	29.55	14.84	3.69	6.59	7.80

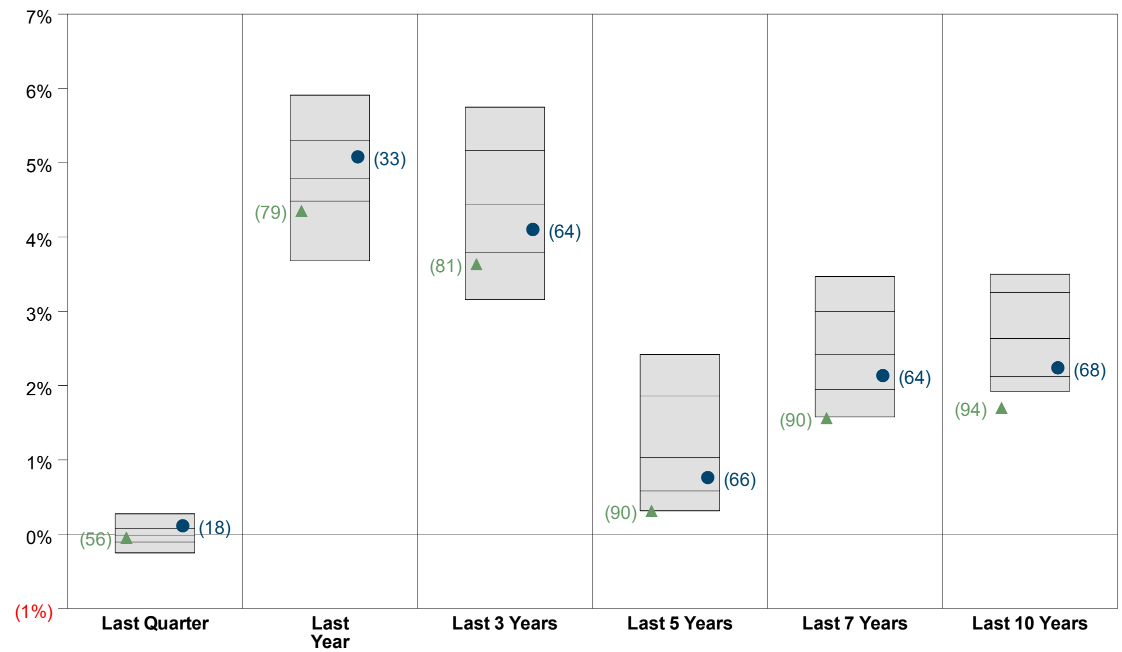
US Fixed Income Portfolio vs. Public Plan Fixed Income Database

Periods ended March 31, 2026

Manager Structure: 65% Active



Performance vs Pub Pln- Dom Fixed



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	0.27	5.91	5.75	2.42	3.46	3.50
25th Percentile	0.07	5.30	5.16	1.86	3.00	3.25
Median	(0.01)	4.79	4.43	1.03	2.42	2.63
75th Percentile	(0.11)	4.48	3.79	0.58	1.95	2.12
90th Percentile	(0.25)	3.68	3.15	0.31	1.58	1.92
US Fixed Income ●	0.10	5.07	4.09	0.75	2.13	2.23
Blmbg:Aggregate ▲	(0.05)	4.35	3.63	0.31	1.56	1.70

PERSI Choice 401(k) Plan New Investment Structure

Implemented: 3Q 2023

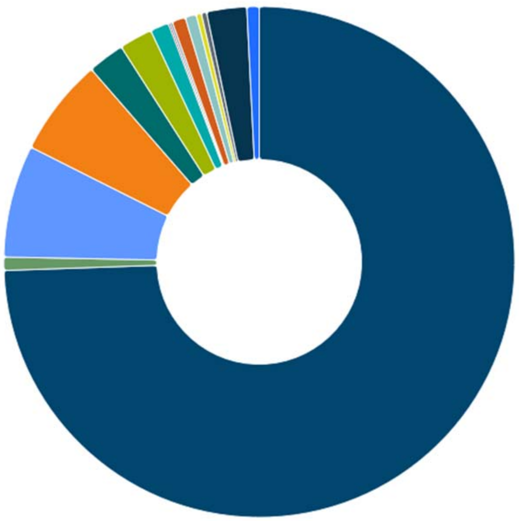
Conservative

Aggressive

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

*Total Return Fund is the Default Fund for the plan

PERSI Choice 401(k) Asset Allocation as of March 31, 2026



Asset Class	Assets	Actual Weight
Total Return Fd	$1,431,088,006	74.47%
Calvert SRI Balanced[1]	$16,167,219	0.84%
MCM U.S. Large Cap Equity	$136,577,310	7.11%
Vanguard Growth & Income	$118,727,763	6.18%
MCM U.S. Small/Mid Cap Equity	$44,710,912	2.33%
T. Rowe Price Small Cap	$40,424,674	2.10%
MCM Intl Equity	$22,697,518	1.18%
T. Rowe Price Overseas Stock[2]	$2,163,132	0.11%
DFA Emerging Markets Core Equity[3]	$2,832,693	0.15%
Dodge & Cox Income Fund[4]	$16,400,095	0.85%
MCM U.S. Bond	$13,669,373	0.71%
MCM U.S. TIPS	$6,322,135	0.33%
MCM U.S. REITs	$6,385,405	0.33%
PERSI STIP	$48,701,980	2.53%
Loan Fund	$14,943,225	0.78%
Total Fund	$1,921,811,439	100.00%

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

Asset Distribution - Defined Contribution Quarterly as of March 31, 2026

Portfolio	Ending Assets Mar 31, 2026	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Dec 31, 2025	Weight
Domestic Equity						
MCM U.S. Large Cap Equity	$136,577,310	7.11%	$735,734	-$6,219,213	$142,060,790	7.23%
Vanguard Growth & Income	$118,727,763	6.18%	$3,742,037	-$6,275,053	$121,260,779	6.17%
MCM U.S. Small/Mid Cap Equity	$44,710,912	2.33%	-$68,553	-$546,448	$45,325,913	2.31%
T. Rowe Price Small Cap	$40,424,674	2.10%	-$389,259	$692,603	$40,121,331	2.04%
Balanced						
Total Return Fd	$1,431,088,006	74.47%	-$8,501,161	-$26,973,098	$1,466,562,265	74.65%
Calvert SRI Balanced[1]	$16,167,219	0.84%	$241,789	-$833,751	$16,759,181	0.85%
International Equity						
MCM Intl Equity	$22,697,518	1.18%	$1,713,076	$43,161	$20,941,281	1.07%
T. Rowe Price Overseas Stock[2]	$2,163,132	0.11%	$618,167	-$34,966	$1,579,931	0.08%
DFA Emerging Markets Core Equity[3]	$2,832,693	0.15%	$848,506	$26,585	$1,957,601	0.10%
Domestic Fixed Income						
Dodge & Cox Income Fund[4]	$16,400,095	0.85%	-$808,611	$15,672	$17,193,034	0.88%
MCM U.S. Bond	$13,669,373	0.71%	-$551,915	-$2,758	$14,224,046	0.72%
MCM U.S. TIPS	$6,322,135	0.33%	$129,240	$15,895	$6,177,000	0.31%
MCM U.S. REITs	**$6,385,405**	**0.33%**	**$175,575**	**$253,277**	**$5,956,553**	**0.30%**
PERSI STIP	**$48,701,980**	**2.53%**	**-$1,248,477**	**$447,119**	**$49,503,337**	**2.52%**
Loan Fund	**$14,943,225**	**0.78%**	**$38,104**	**-$175,997**	**$15,081,118**	**0.77%**
Total Fund	**$1,921,811,439**	**100.00%**	**-$3,325,747**	**-$39,566,973**	**$1,964,704,159**	**100.00%**

PERSI Choice 401(k) Plan Performance Overview*

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity					
Mellon Large Cap Equity	(4.35%)	17.77%	18.26%	12.01%	14.11%
Vanguard Growth and Income	(5.01%)	20.00%	18.84%	12.33%	14.08%
S&P 500 Index	(4.33%)	17.80%	18.32%	12.06%	14.16%
Mellon Small/MidCap Equity	(1.22%)	20.83%	15.05%	4.46%	10.97%
DJ US Completion Total Stock Mkt	(1.28%)	20.67%	14.91%	4.22%	10.83%
T. Rowe Price Small Cap Stock	1.64%	16.98%	11.83%	3.60%	11.16%
Russell 2000 Index	0.89%	25.72%	13.05%	3.77%	9.88%
Balanced					
Total Return Fund	(1.86%)	10.75%	8.99%	5.76%	8.11%
Target Index (1)	(1.17%)	13.36%	10.71%	6.50%	8.47%
Calvert SRI Balanced (2)	(4.54%)	9.47%	12.30%	7.24%	9.18%
60%S&P/40% Blmbg Agg	(2.62%)	12.41%	12.41%	7.42%	9.34%
International Equity					
Mellon Intl Index	0.55%	22.57%	14.36%	8.45%	8.83%
T. Rowe Price Overseas Stock (4)	(0.43%)	23.31%	13.81%	7.19%	8.60%
MSCI EAFE Index	(1.24%)	21.27%	13.62%	7.91%	8.38%
DFA Emerging Markets Core Eq (5)	3.01%	31.22%	15.89%	6.67%	8.82%
MSCI Emg Mkts	(0.17%)	29.55%	14.84%	3.69%	7.80%
Domestic Fixed Income					
Dodge & Cox Income (3)	0.08%	5.43%	5.07%	1.62%	3.14%
Mellon Blmbg Agg	(0.04%)	4.32%	3.58%	0.25%	1.61%
Blmbg Agg Index	(0.05%)	4.35%	3.63%	0.31%	1.70%
Mellon U.S. TIPS	0.27%	2.97%	3.15%	1.43%	2.61%
Blmbg US TIPS Index	0.26%	3.00%	3.18%	1.48%	2.66%
Mellon U.S. REITs	4.52%	6.90%	8.94%	5.39%	4.61%
DJ US Select REIT Index	4.64%	7.23%	9.15%	5.59%	4.76%
PERSI STIP	0.91%	4.13%	4.78%	3.39%	2.38%
FTSE Treas 1 Yr	0.65%	3.90%	4.50%	2.71%	2.13%
TBills + 0.50%	0.97%	4.50%	5.24%	3.84%	2.76%

(1) Target Benchmark consists of 21% Russell 3000, 20% Bloomberg Aggregate, 10% Bloomberg TIPS, 6% MSCI EAFE, 18% MSCI ACWI, 9% MSCI Emerging Markets, 4% NCREIF NFI-ODCE, 4%FTSE NAREIT All Equity Idx, and 8% Private Equity.
(2) Performance represents Calvert Balance I until 04/30/2023 and Calvert Balance R6 thereafter.
(3) Performance represents Dodge & Cox Income I until 04/30/2023 and Dodge & Cox Income X thereafter.
(4) Funded April 2023, performance represents the T. Rowe Price Overseas Stock I Mutual Fund.
(5) Funded April 2023, performance represents the DFA Emerging Markets Core Equity I Mutual Fund.
** Returns are Net of Fee

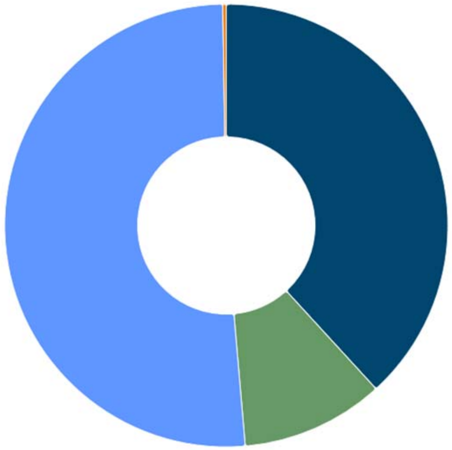
For the Quarter

- Balanced Funds
  - Total Return Fund underperformed the Strategic Policy by 69 bps.
  - Calvert underperformed its benchmark by 192 bps.
- Active Manager performance vs benchmarks:
  - T. Rowe Price Overseas + 81 bps
  - Vanguard G&I - 68 bps
  - DFA Emerging Markets + 318 bps
  - Dodge & Cox + 13 bps
  - T. Rowe Price Small Cap + 75 bps

Long-term Perspective (3- to 10-yr)

- Dodge & Cox has outperformed over longer periods of time
- Vanguard G&I has outperformed over the last 3 and 5 years
- T. Rowe Price Sm Cap underperformed over recent periods yet outperformed over the last 10 years
- T. Rowe Price Overseas[4] outperformed more recently, as well as over 10 years
- DFA Emerging Markets[5] has outperformed for all periods
- Total Return underperformed its strategic policy
- Calvert underperformed
- Passive funds kept pace with their respective benchmarks.

PERSI Sick Leave Asset Allocation as of March 31, 2026



	Asset Class	Assets	Actual Weight	Benchmark	Difference
■	Russell 3000 Fund [1]	$291,662,529	38.20%	39.36%	1.16%
■	MSCI ACWI ex US Fund[2]	$79,692,062	10.44%	10.64%	0.20%
■	Govt/Credit Bond Fund	$390,214,229	51.11%	50.00%	-1.11%
■	Treasurer's Office Cash	$1,967,773	0.26%	-	-0.26%
	Total Sick Leave Funds	**$763,536,593**	**100.00%**	**100.00%**	**-**

* Historical targets:

- Through Nov 2007: 100% Russell 3000
- From Dec 2007 through Aug 2011: 67% Russell 3000 + 33% Bloomberg Gov/Credit.
- From Sep 2011 through Oct 2020: 55% Russell 3000 + 15% MSCI ACWI ex US + 30% Bloomberg Gov/Credit
- Current policy is 50% Equity/50% Fixed Income

1. Since Inception starting 3/31/2003
2. Since Inception starting 9/30/2011

PERSI Sick Leave Total Asset Distribution as of March 31, 2026

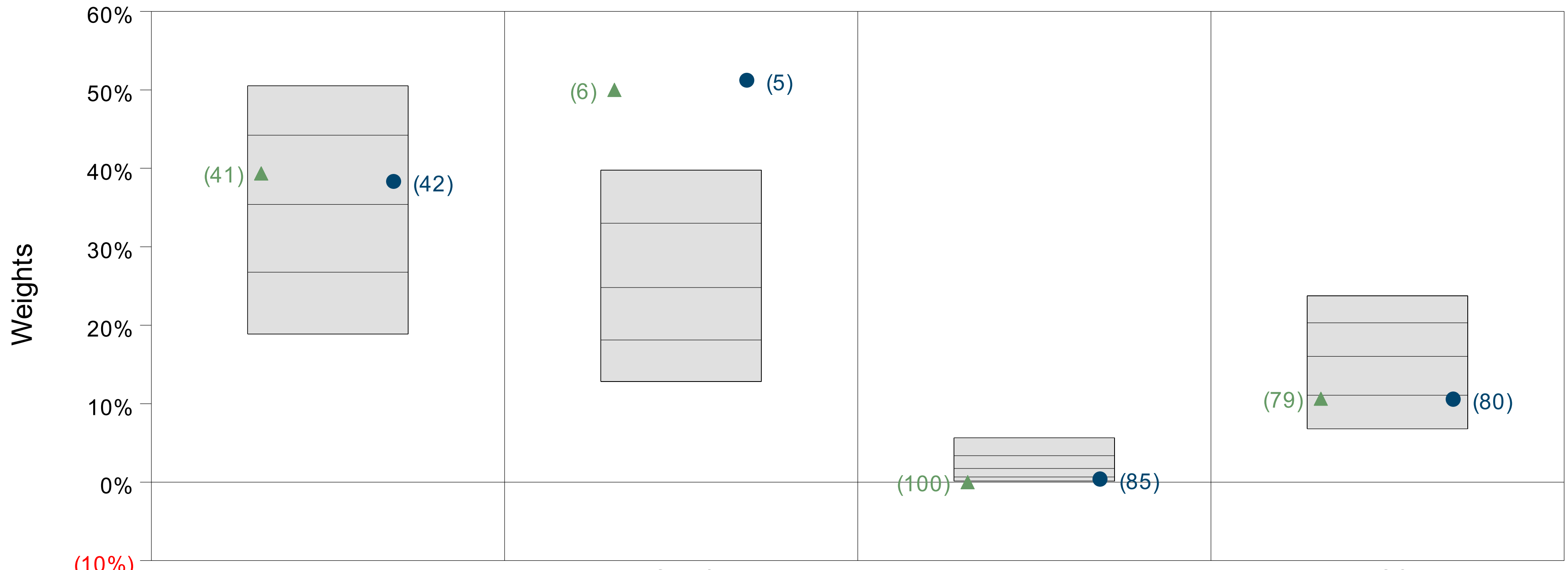
Portfolio	Ending Assets Mar 31, 2026	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Dec 31, 2025	Weight
Russell 3000 Fund [1]	$291,662,529	38.20%	-$2,600,000	-$11,996,875	$306,259,404	39.21%
MSCI ACWI ex US Fund[2]	$79,692,062	10.44%	-$5,460,000	$592,555	$84,559,507	10.83%
Govt/Credit Bond Fund	$390,214,229	51.11%	$1,855,139	$41,460	$388,317,631	49.71%
Treasurer's Office Cash	$1,967,773	0.26%	$574	$5,818	$1,961,381	0.25%
Total Sick Leave Funds	$763,536,593	100.00%	-$6,204,287	-$11,357,043	$781,097,923	100.00%

1. Since Inception starting 3/31/2003
2. Since Inception starting 9/30/2011

PERSI Sick Leave Funds Asset Allocation vs Other Public Funds

Periods ended March 31, 2026

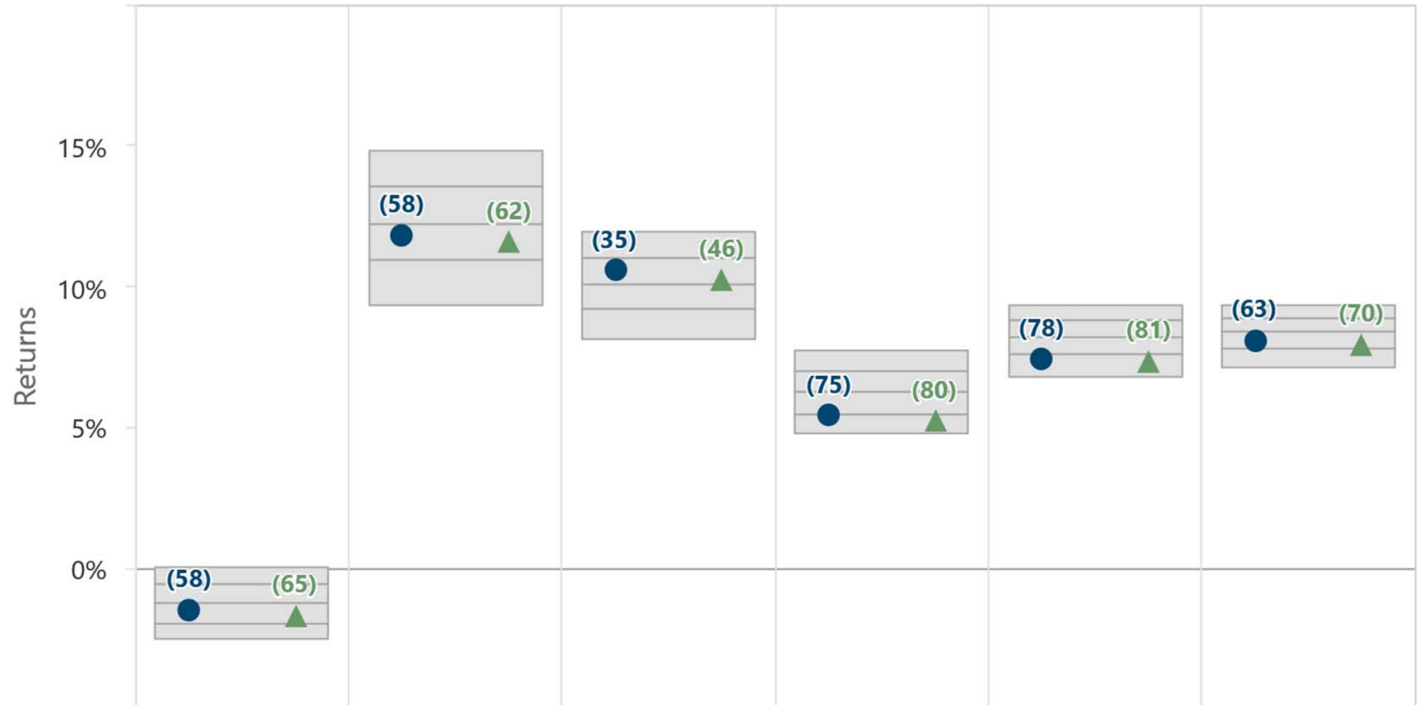
Asset Class Weights vs Callan Public Fund Sponsor Database



	Russell 3000 Fund	Govt/ Credit Bond Fund	Treasurer's Office Cash	MSCI ACWI ex US Fund
10th Percentile	50.51	39.78	5.65	23.76
25th Percentile	44.22	33.00	3.37	20.30
Median	35.39	24.80	1.74	16.01
75th Percentile	26.74	18.12	0.65	11.09
90th Percentile	18.87	12.84	0.15	6.80
Fund ●	38.20	51.11	0.26	10.44
Target ▲	39.36	50.00	0.00	10.64

Performance* Comparison - Trailing Time Periods as of March 31, 2026

Performance vs Callan Public Fund Spr DB



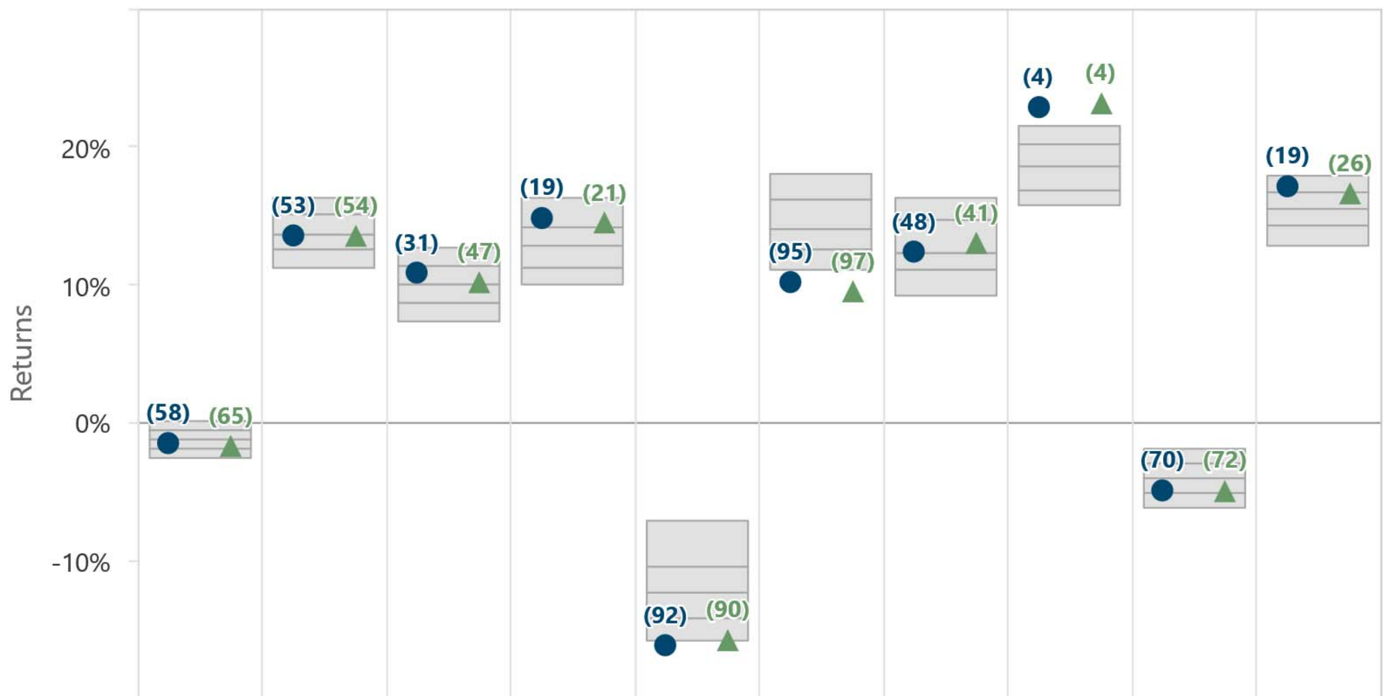
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years
10th Percentile	0.06	14.85	11.98	7.76	9.32	9.36
25th Percentile	-0.57	13.54	11.01	7.02	8.79	8.90
Median	-1.23	12.19	10.06	6.26	8.19	8.39
75th Percentile	-1.95	10.96	9.20	5.45	7.58	7.82
90th Percentile	-2.51	9.35	8.14	4.80	6.78	7.16
Total Sick Leave Funds ●	-1.48	11.82	10.60	5.45	7.44	8.08
Target ▲	-1.68	11.60	10.24	5.25	7.34	7.94

* Total Sick Leave Funds Returns are Gross of Fees

Current Quarter Target (effective Nov 2020) = 50.0% Blmbg Gov/Credit, 39.4% Russell 3000 Index, 10.6% MSCI ACWI xUS (Net) and 0.0% 3-month Treasury Bill.

Performance* Comparison - Calendar Years as of March 31, 2026

Performance vs Callan Public Fund Spr DB



	YTD 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
10th Percentile	0.06	16.32	12.73	16.26	-7.09	18.00	16.30	21.51	-1.83	17.92
25th Percentile	-0.57	15.07	11.29	14.20	-10.50	16.12	14.63	20.18	-2.97	16.73
Median	-1.23	13.68	10.04	12.77	-12.38	14.07	12.24	18.51	-4.05	15.52
75th Percentile	-1.95	12.52	8.68	11.27	-14.19	12.55	11.05	16.85	-5.10	14.27
90th Percentile	-2.51	11.18	7.37	10.05	-15.80	11.05	9.17	15.70	-6.16	12.87
Total Sick Leave Funds ●	-1.48	13.57	10.88	14.83	-16.12	10.20	12.40	22.87	-4.90	17.14
Target ▲	-1.68	13.55	10.19	14.52	-15.75	9.53	13.04	23.15	-4.96	16.63

* Total Sick Leave Funds Returns are Gross of Fees

Current Quarter Target (effective Nov 2020) = 50.0% Blmbg Gov/Credit, 39.4% Russell 3000 Index, 10.6% MSCI ACWI xUS (Net) and 0.0% 3-month Treasury Bill.

PERSI Sick Leave Funds Performance Attribution*

1st Quarter 2026

Relative Attribution Effects for Quarter ended March 31, 2026

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Russell 3000 Fund	39%	39%	(3.97%)	(3.96%)	(0.00%)	0.01%	0.01%
MSCI ACWI ex US Fund	11%	11%	0.32%	(0.71%)	0.11%	(0.02%)	0.08%
Govt/Credit Bond Fund	50%	50%	0.01%	(0.20%)	0.10%	0.00%	0.11%
Treasurer's Office Cash	0%	0%	0.99%	0.99%	0.00%	0.01%	0.01%
Total			**(1.48%) =**	**(1.68%) +**	**0.21% +**	**(0.00%)**	**0.21%**

- Sick Leave Funds outperformed the Target during the quarter by 20 bps.
- Passive funds outperformed their benchmarks by 21 bps.
- Variations from target weights was flat.

* Returns are Gross of Fees

PERSI Sick Leave Funds Performance Attribution*

14 years and One-Half Year since December 2011

Fourteen and One-Half Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Russell 3000 Fund	51%	49%	14.61%	14.58%	0.01%	0.08%	0.09%
MSCI ACWI ex US Fund	13%	13%	7.78%	7.42%	0.05%	(0.01%)	0.04%
Govt/Credit Bond Fund	36%	37%	2.19%	2.13%	0.02%	0.02%	0.04%
Treasurer's Office Cash	0%	0%	1.46%	1.46%	0.00%	(0.00%)	(0.00%)
Total			**8.98% =**	**8.82% +**	**0.08% +**	**0.08%**	**0.16%**

- Sick Leave Funds earned a return of 8.98%, which exceeded the target return of 8.82% by approximately 16 bps.
- Passive funds slightly outperformed, contributing 8 bps of value-added, while rebalancing added another 8 bps.

* Returns are Gross of Fees

Callan Update

Published Research Highlights: 1Q26

Callan's 2026-2035 Capital Markets Assumptions

The Callan Periodic Table Collection: Year-End 2025

2025 NDT Study

STAR Report Executive Summary: Year-End 2025

Recent Blog Posts

Fiduciary Rule: The End of an Era?
Jana Steele

What Institutional Investors Should Know About Private Credit
Daniel Brown

The Opportunity Cost of a 'Really' Big Gold Cube
Nicholas Conant and Mark Wood

Additional Reading

Active vs. Passive quarterly charts
Capital Markets Review quarterly newsletter
Monthly Updates to the Periodic Table
Market Pulse Flipbook quarterly markets update
Market Intelligence (clients-only)
Real Estate Indicators market outlook

Callan Institute Events

Upcoming conferences, workshops, and webinars

2026 National Conference

Our annual conference, which took place on April 20-22, featured Callan-led workshops on private markets benchmarking and total portfolio approach (TPA), led by senior Callan consultants and research specialists.

Stay tuned for invitations to the virtual workshops on these two topics!

Mark Your Calendar

2026 Regional Workshops

June 16, 2026 – Denver

June 18, 2026 – Chicago

October 20, 2026 – Atlanta

October 22, 2026 – San Francisco

Watch your email for further details and an invitation.

Upcoming Webinars

May 20, 2026

Alternatives Benchmarking Webinar

June 4, 2026

Total Portfolio Approach Webinar

July 24, 2026

Market Intel Webinar

Introducing Callan On-Demand Education (CODE)

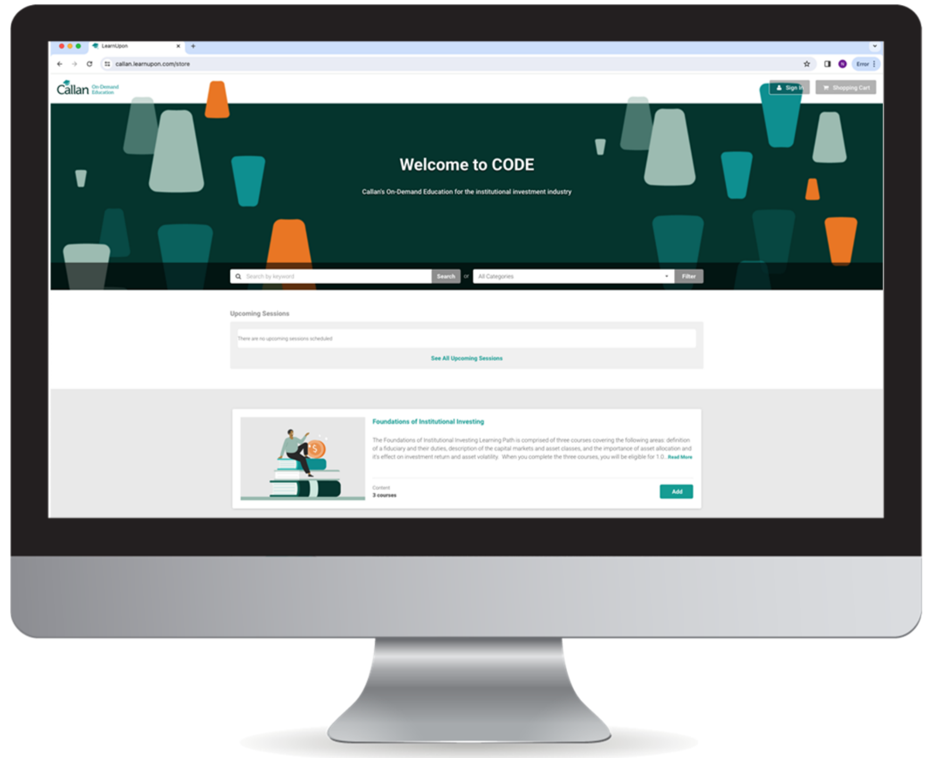
Callan On-Demand Education

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

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

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

callan.learnupon.com



3 Reasons to Take CODE Courses

1. Become a better fiduciary
2. Showcase your skills and knowledge
3. Learn from Callan's investment experts

Callan Updates

Firm updates by the numbers, as of March 31, 2026

Total Associates: ~200

Company Ownership:

- 100% employee ownership
- ~70% of employees are equity owners
- No outside ownership interests allow us to stay 100% focused on our core business: consulting

Total Investment Consultants: 50+

Total Specialty and Research Consultants: 65+

Total CFA/CAIA/FRMs: 60+

Total Institutional Investor Clients: 475+

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

"Our 2026 survey shows that DC plan sponsors continue to be sharply focused on the fundamentals: governance, fees, and investment structure. As the DC ecosystem innovates around areas such as guaranteed income and private markets, effective governance and durable fiduciary frameworks will remain paramount for plan sponsors."

— Patrick Wisdom, VP, DC consultant, about Callan's recently released *2026 Defined Contribution Trends Survey*

Important Disclosures

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Past performance is no guarantee of future results.

Memo

Date: May 26, 2026

To: PERSI Board

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

Re: Annual Real Estate Review

Attached are the materials for the annual review of our real estate program, which provides a thorough review of the organizations, objectives, process and performance of the respective portfolios.

The Annual Real Estate Review includes the following presentations:

1. Callan "2026 Annual Real Estate Review", presented by Jonny Gould: A review of our private real estate (AEW), core fund (PRISA), and REIT (Adelante) portfolios. On page 13, Callan summarizes the merits and strength of the program, noting that AEW is "a stable organization", and that the AEW account is "exceeding the objectives of the program". Included in the review is an overview of our exposure to the core fund (PRISA) and Adelante, our only active REIT manager.

2. AEW "Portfolio Overview": AEW, represented by Michael Byrne (CIO, Head of Private Equity & Debt) and Adam Schwank (Managing Director, Portfolio Management), assumed management of the private real estate portfolio in 2013.

3. Callan "D.B. Fitzpatrick and the Idaho Commercial Mortgage Program Review", presented by Jonny Gould: A review of the Idaho Commercial Mortgage Program (CMP) managed by D.B. Fitzpatrick and Co. (DBF). Callan remains supportive of the CMP and DBF, concluding on page 14 that the DBF "organization remains stable and heavily focused on the CMP", "The CMP's underwriting standards and conservative loan structures have contributed to stable credit performance across multiple market cycles", and that the "CMP is well-diversified and has provided competitive relative performance".

4. DBF "Idaho Mortgage Program Review": DBF, represented by Brandon Fitzpatrick (CEO)and Casey Macomb (CMP Manager), has managed this program since 1988.

Please contact us if you have any questions or concerns.

Callan

May 26, 2026

Public Employee Retirement System of Idaho (PERSI)

2026 Annual Real Estate Review

Jonny Gould, CAIA
Senior Vice President

Sean Yamamoto
Assistant Vice President

PERSI Real Estate Portfolio Review

- Real Estate Market Overview
- PERSI Real Estate Portfolio
- AEW Separate Account Review
- Review of Other PERSI Real Estate Managers
  - PGIM PRISA
  - Adelante

Callan

Market Overview

U.S. Private Real Estate Performance: 1Q26

Sector appreciation stays relatively flat; outside of Hotel

Real estate fundamentals shows early stabilization

- Income returns remained positive and continued to drive total returns.
- Property sector results were mixed; Residential, Hotel, Office and Retail experienced negative appreciation, while the remaining sectors had slightly positive appreciation.
- The West region lagged in performance, largely due to softening industrial fundamentals in Southern California.
- Manager return dispersion within the ODCE Index remains elevated, driven by portfolio composition and sector exposure

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	1.0%	3.1%	-2.8%	2.3%	3.8%
Income	0.8%	3.2%	3.0%	2.9%	3.2%
Appreciation	0.2%	-0.1%	-5.8%	-0.6%	0.6%
NCREIF Property Index	1.2%	4.8%	0.0%	3.7%	4.7%
Income	1.2%	4.7%	4.7%	4.4%	4.5%
Appreciation	0.0%	0.1%	-4.7%	-0.7%	0.2%

Returns are geometrically linked

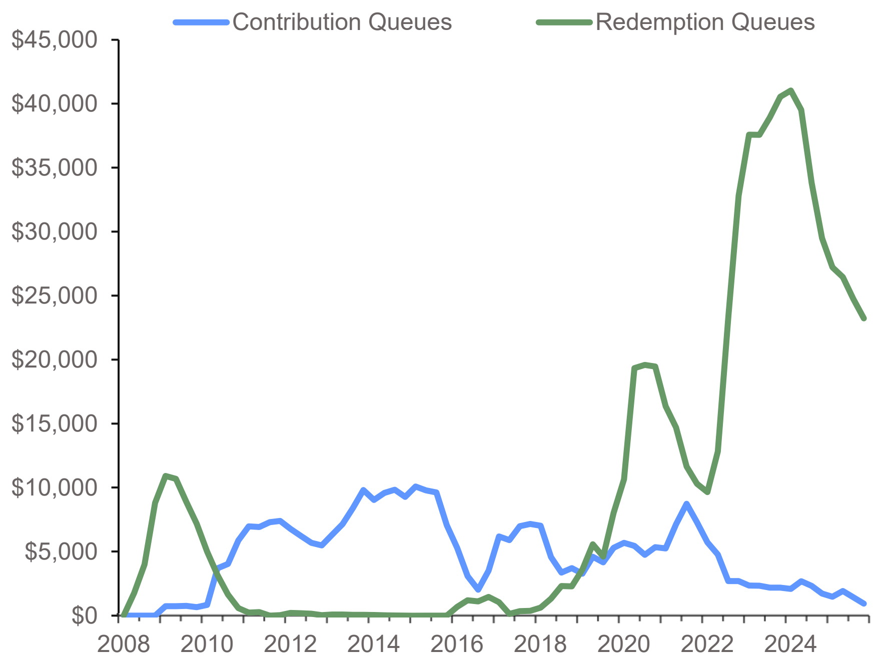
NCREIF Property Index Quarterly Returns by Region and Property Type

Source: NCREIF; ODCE return is net

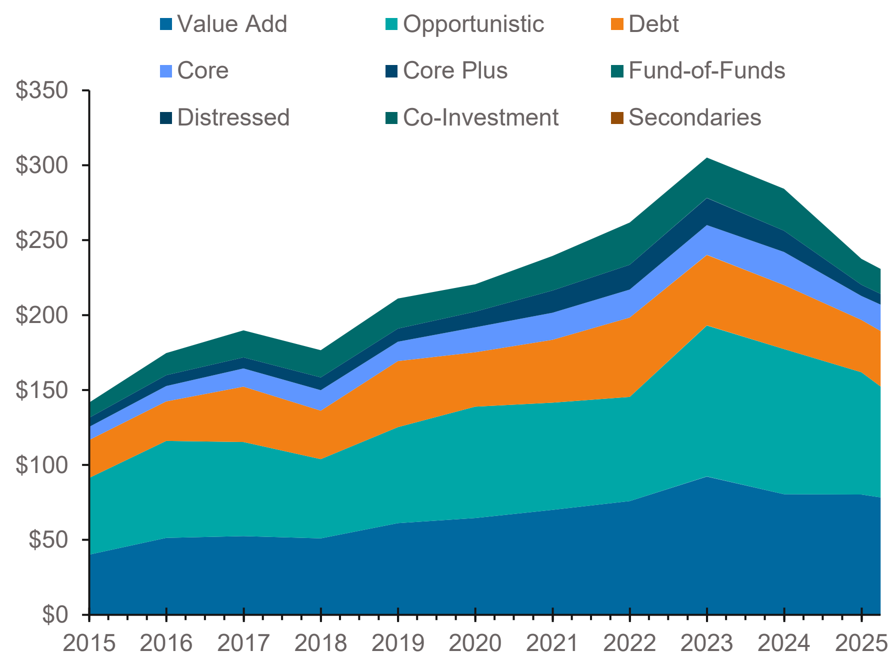
U.S. Private Real Estate Market Trends

Over $230 billion of dry powder

Core Fund Contribution/Redemption Queues ($mm)^



Dry Powder for CRE Investment in North America ($bn)



– ODCE redemption queues are approximately 10.2% of net asset value (NAV) with a median queue of 9.4%. This compares to the Global Financial Crisis, when queues peaked at approximately 15% of NAV.

– Outstanding redemption requests for most large ODCE funds are approximately 0% to 47% of NAV.

– Redemption queues are now sharply decreasing after having peaked at 19.3% of NAV in 1Q24. This has been driven primarily by rescissions of redemption requests within a handful of managers with large queues and increased redemption payments due to increasing transactions.

Sources: AEW, NCREIF, Preqin
^Queue data as of 4Q25, the latest available at time of publication

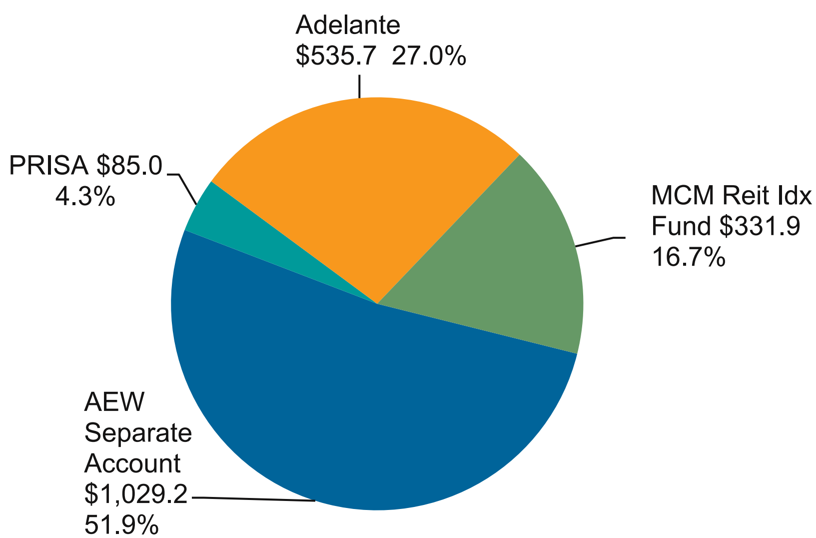
Callan

PERSI Real Estate Portfolio Overview

Real Estate Portfolio Summary

Portfolio well-balanced between public and private real estate

As of March 31, 2026	NAV ($million)	% of Real Estate Portfolio	% of Total PERSI Portfolio	Target	Relative Weight
Private Real Estate	**$1,114.1**	**56.2%**	**4.1%**	**4.0%**	**+0.1%**
AEW Separate Account	*$1,029.2*	*51.9%*	*3.8%*		
PGIM PRISA	*$85.0*	*4.3%*	*0.3%*		
Public Real Estate (REITS)	**$867.7**	**43.8%**	**3.2%**	**4.0%**	**-0.8%**
Adelante	*$535.7*	*27.0%*	*2.0%*		
MCM REIT Index Fund	*$331.9*	*16.7%*	*1.2%*		
Total Real Estate	**$1,981.8**	**100%**	**7.4%**	**8.0%**	**-0.6%**
Total Portfolio	**$26,846.8**				



Callan

AEW Separate Account

AEW Separate Account Overview

Periods Ending March 31, 2026

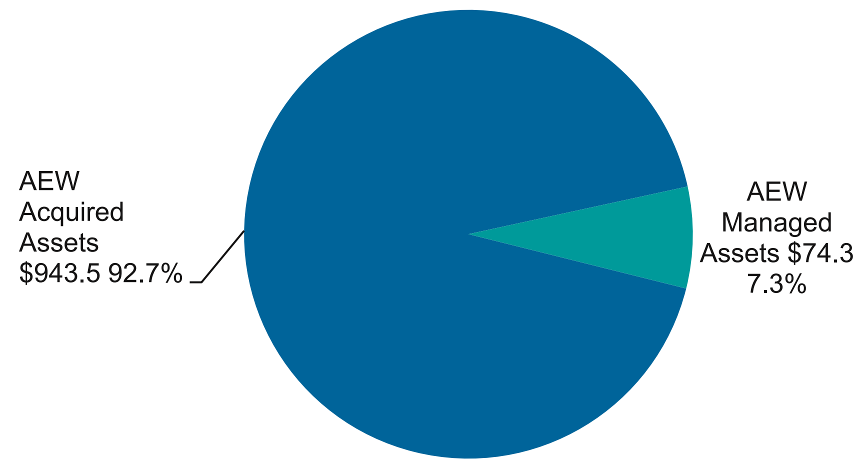
- PERSI's private real estate portfolio is anchored around a separately managed account with AEW, which accounts for 92% of the private real estate portfolio and 52% of PERSI's overall real estate exposure.
- The role of the AEW separate account is to provide competitive returns and to be a diversifier in the overall PERSI portfolio. It is not necessarily designed to replicate the diversification of the overall market or the benchmark, though a sufficient level of diversification has been achieved.
- The Account was significantly transformed during the early years of AEW's involvement but has been stabilized into a mature, institutional-quality real estate portfolio.
  - *Prior to 2013, the SMA was comprised of multiple ventures with smaller real estate operating companies.*
  - *Following AEW's take over of the Account, AEW's initial role was to manage the existing assets and over time transition the portfolio into larger, institutional-quality assets.*
  - *While a few legacy assets remain, the portfolio largely reflects acquisitions made by AEW from 2013 to present.*

AEW Separate Account

	PERSI	NCREIF ODCE
Gross Asset Value	$2,262.6	
Net Asset Value	$1,029.2	
PERSI Net Invested Equity	$485.4*	
# of Properties	38	
Square Feet	7,414,296	
Units	3,471	
Leverage Ratio	53%	*27.3%*
Portfolio Occupancy	89%	89.5%

Figures are in $millions

* As of 12/31/25

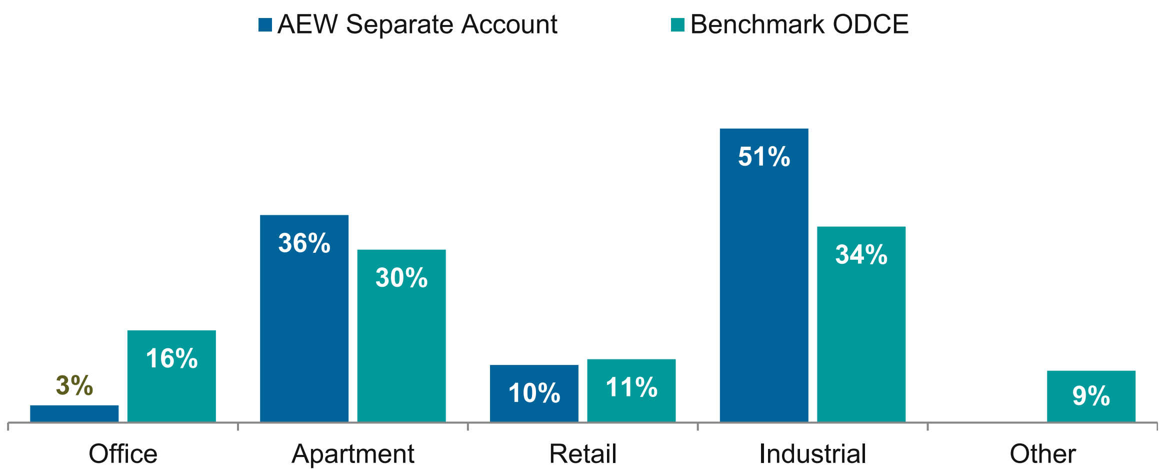


AEW Separate Account Portfolio Diversification

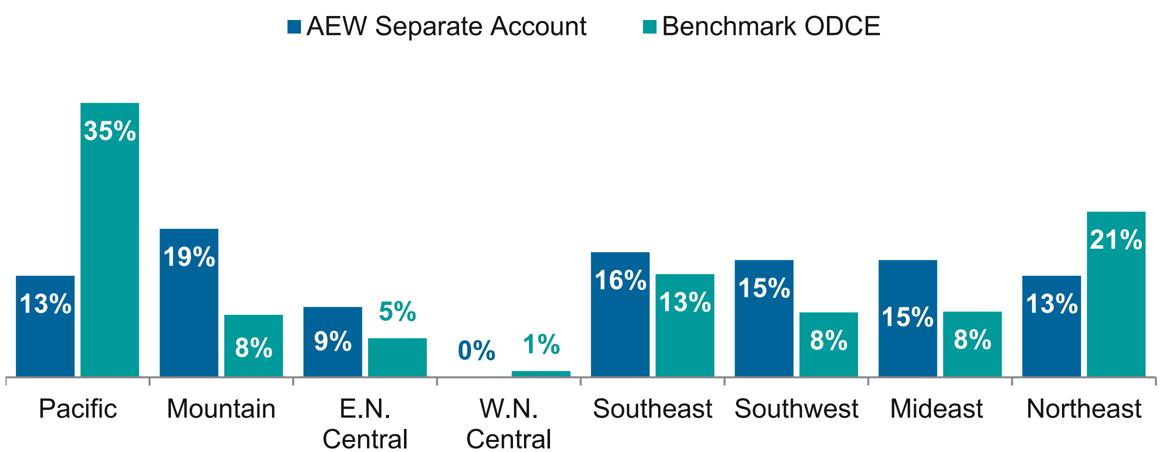
As of March 31, 2026

- The portfolio's allocation to industrial decreased by 7% but still represents approximately half of the portfolio and remains more than 15% overweight relative to the benchmark.
- Office remains well below the benchmark at just 3% of the portfolio compared to 16% for the ODCE, though write-downs have contributed to the underweight.
- The portfolio is well-diversified by geographic region. Relative to the ODCE benchmark, there are underweights to the Pacific and Northeast regions and overweights to the Mountain, Southeast and Mideast regions.
- AEW acquired the portfolio's first student housing properties in 2025, which are included under the Apartments category, though there are no additional exposures to "Other" property types such as Self-Storage, Seniors Housing, Medical Office, etc.

Property Type Diversification



Geographic Diversification

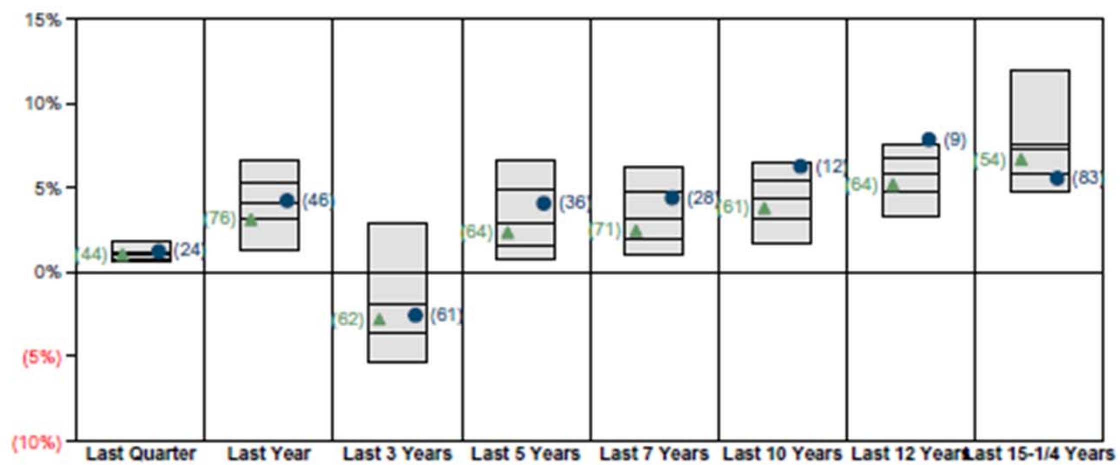


AEW Account Performance

3. Provide Competitive Returns

- While absolute performance has been poor over the past three years due to a challenged real estate market, the Account outperformed the benchmark over the past year by 111 basis points and continues to outperform the benchmark over medium- and long-term time periods, including 246 basis points of outperformance over the past 10 years.
- The Account's heavy industrial and multifamily focus has been a major driver of outperformance relative to the ODCE. The Account utilizes higher leverage relative to the benchmark, which may cause greater short-term volatility, though over time it has been accretive to performance.

Performance vs Callan OE Core Cmngld RE



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 12 Years	Last 15-1/4 Years
10th Percentile	1.84	6.67	2.94	6.55	6.19	6.53	7.58	11.95
25th Percentile	1.22	5.24	(0.07)	4.95	4.68	5.45	6.76	7.59
Median	1.01	4.10	(1.87)	2.89	3.16	4.36	5.87	7.24
75th Percentile	0.81	3.20	(3.62)	1.59	1.94	3.22	4.69	5.80
90th Percentile	0.59	1.22	(5.38)	0.80	0.99	1.75	3.27	4.73
AEW Composite ●	1.22	4.22	(2.56)	4.07	4.39	6.25	7.84	5.55
NCREIF NFI-ODCE Val Wt Nt ▲	1.04	3.11	(2.81)	2.34	2.44	3.79	5.19	6.67

** Quartile rankings are relative to net returns from Callan's open-end real estate peer group, which includes open-end core, core plus, value add and real estate debt funds.*

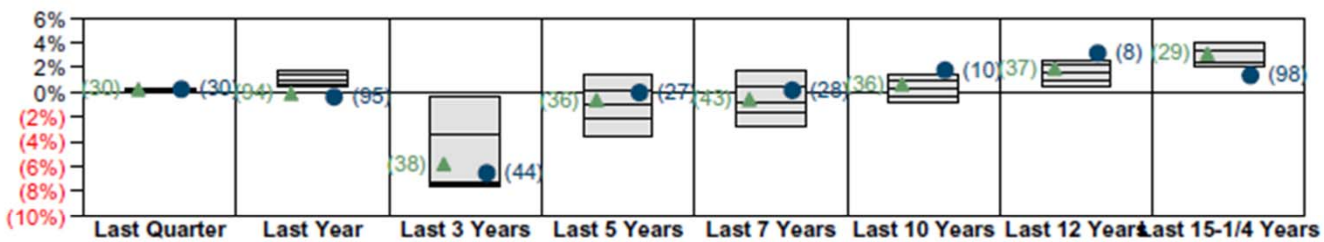
AEW Account Performance

Appreciation has remained volatile in recent periods, though income return has remained steady.

Income Rankings vs Callan OE Core Cmngld RE
Periods ended March 31, 2026

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 12 Years	Last 15-1/4 Years
10th Percentile	1.34	6.07	5.42	5.09	5.04	3.48	3.59	3.86
25th Percentile	1.05	4.22	4.01	3.73	3.67	3.42	3.54	3.78
Median	0.83	3.35	3.43	3.25	3.29	3.37	3.47	3.59
75th Percentile	0.60	2.48	2.46	2.48	2.70	2.82	3.00	3.29
90th Percentile	0.59	2.45	2.37	2.43	2.65	2.77	2.94	3.17
AEW Composite ●	0.98	4.61	4.23	4.12	4.25	4.43	4.59	4.17
NCREIF NFI-ODCE Val Wt Nt ▲	0.80	3.22	3.14	2.99	3.02	3.13	3.25	3.49

Appreciation Rankings vs Callan OE Core Cmngld RE
Periods ended March 31, 2026



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 12 Years	Last 15-1/4 Years
10th Percentile	0.36	1.67	(0.31)	1.47	1.71	1.44	2.61	4.03
25th Percentile	0.27	1.47	(3.42)	0.16	0.43	0.97	2.21	3.31
Median	0.19	0.96	(7.33)	(0.98)	(0.80)	0.30	1.58	2.38
75th Percentile	0.08	0.70	(7.47)	(2.10)	(1.72)	(0.40)	0.90	2.10
90th Percentile	0.04	0.38	(7.64)	(3.62)	(2.74)	(0.90)	0.46	2.05
AEW Composite ●	0.24	(0.38)	(6.55)	(0.03)	0.15	1.78	3.16	1.35
NCREIF NFI-ODCE Val Wt Nt ▲	0.24	(0.10)	(5.81)	(0.64)	(0.57)	0.64	1.90	3.10

AEW Account Observation – Conclusions and Recommendations

Callan recommends PERSI continue its separate account with AEW

Merits & Strengths

- **AEW remains a stable organization**, and the Account benefits from a strong portfolio management team and the resources of the broader organization.
- **The Account is well-positioned**, benefitting from an overweight to Industrial and Apartments, including the addition of student housing, as well as an underweight to Office.
- **AEW is exceeding the objectives of the program**, having outperformed the benchmark over the medium- and long-term across both income and appreciation.

Considerations

- *Office portfolio remains challenged*, consistent with the broader market.
- *Shifting debt profile,* with the overall leverage ratio ticking up due to declining property values and the cost of debt rising as loans are refinanced.
- *Portfolio management team consistency*, as some turnover occurred in prior years, though this has observably stabilized.

Callan

PERSI Real Estate Portfolio

Core Fund and REITs Overview

PGIM PRISA Overview

PRISA – Open-end Diversified Core Real Estate Commingled Fund

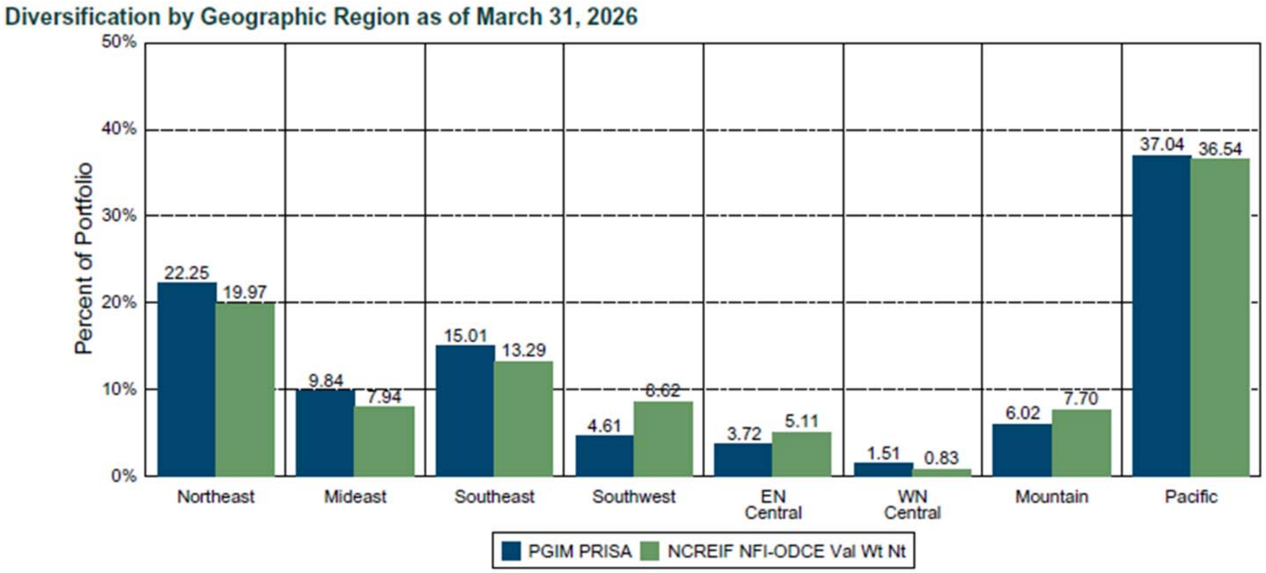
- PRISA's role in the PERSI Real Estate portfolio is to provide a reference point to the broader core real estate universe, as well as an income-oriented return and diversification across core markets and the primary property types. PERSI has been an investor in the fund since 1974.
- PRISA is one of the largest funds in the NCREIF Open-end Diversified Core Equity ("ODCE") peer group, and the fund is well diversified by market and sector.
- PRISA has a conservative leverage position at 27.4% (up from 25.1% at YE 2024 and 24.1% at YE 2023), and the fund includes modest exposure to alternative property types such as Life Science / Lab Space, Storage, Senior Housing & Manufactured Housing.
- PGIM Real Estate organization remains stable and well-resourced.

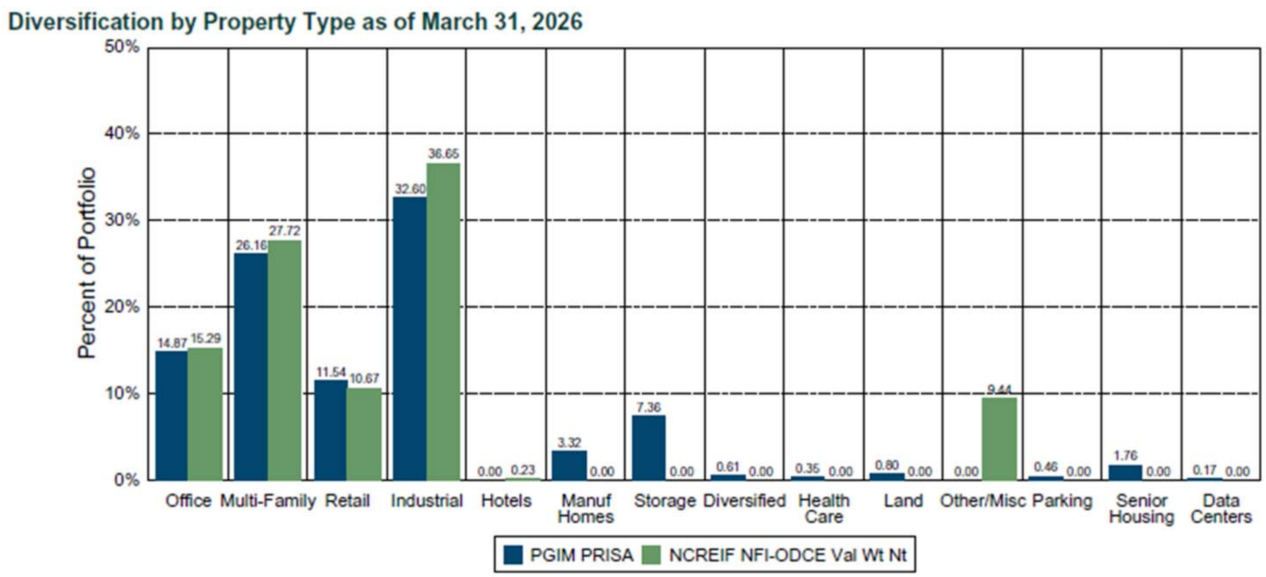
PRISA Portfolio Snapshot

	PRISA	NCREIF ODCE
Fund Gross Asset Value	**$31.2 billion**	
Fund Net Asset Value	**$23.2 billion**	
# of Properties	**310**	
Leverage Ratio	**27.4%**	*27.3%*
Portfolio Occupancy	**92.1%**	89.5%
PERSI NAV	**$85.0 million**	

PGIM PRISA Overview

PRISA – Open-end Diversified Core Real Estate Commingled Fund



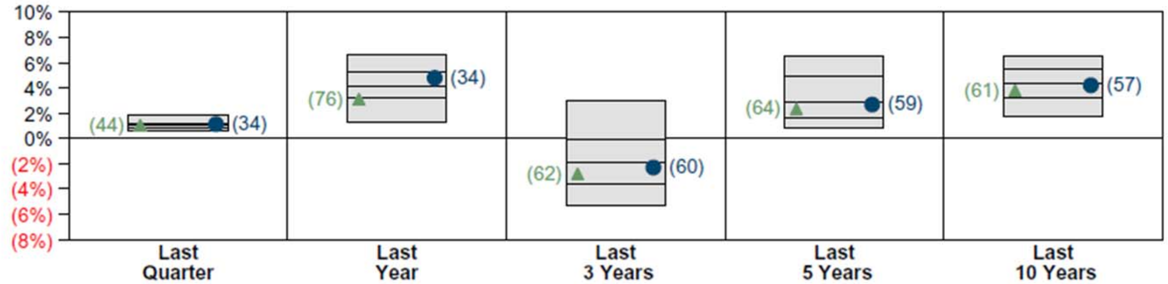


PGIM PRISA Overview

PRISA – Performance, as of March 31, 2026

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Net Income Return	0.82%	3.35%	3.37%	3.15%	3.26%
Appreciation Return	0.30%	1.40%	(5.54%)	(0.46%)	0.92%
Total Gross Return	**1.35%**	**5.75%**	**(-1.41%)**	**3.62%**	**5.15%**
Total Net Return	**1.12%**	**4.78%**	**(-2.32%)**	**2.67%**	**4.20%**
NCREIF ODCE Value Wtd Net	*1.04%*	*3.11%*	*(-2.81%)*	*2.34%*	*3.79%*
Excess Return (Net:Net)	***+0.08%***	***+1.67%***	***+0.49%***	***+0.33%***	***+0.41%***

Time-Weighted Returns
Performance vs Callan OE Core Cmngld RE



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	1.84	6.67	2.94	6.55	6.53
25th Percentile	1.22	5.24	(0.07)	4.95	5.45
Median	1.01	4.10	(1.87)	2.89	4.36
75th Percentile	0.81	3.20	(3.62)	1.59	3.22
90th Percentile	0.59	1.22	(5.38)	0.80	1.75
PGIM PRISA ●	1.12	4.78	(2.32)	2.67	4.20
NCREIF NFI-ODCE Val Wt Nt ▲	1.04	3.11	(2.81)	2.34	3.79

Adelante Overview

Adelante – Active REIT Manager

- Adelante is an actively-traded REIT (public real estate securities) portfolio with the objective to generate returns above the benchmark and passive REIT strategies. PERSI has been an investor with Adelante since 1998.

- Adelante's investor/capital base remains very concentrated.
  – As of March 31, 2026, PERSI accounts for 34.4% of Adelante's AUM.

- Adelante's net performance has generally exceeded the benchmark over all trailing periods, except for the 3-year return.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Since Inception
Adelante (Gross)	5.28%	8.02%	9.87%	6.72%	6.52%	6.79%	10.55%
Adelante (Net)	**5.16%**	**7.52%**	**9.36%**	**6.25%**	**6.08%**	**6.47%**	**10.41%**
Wilshire REIT Index	4.78%	6.55%	9.71%	6.05%	5.53%	5.50%	9.14%
Excess Return	*0.38%*	*0.97%*	*(0.35%)*	*0.20%*	*0.55%*	*0.97%*	*1.27%*

Definitions

Capitalization rate: Commonly known as cap rate, is a rate that helps in evaluating a real estate investment. Cap rate = Net operating income / Current market value (Sales price) of the asset.

Net operating income: Commonly known as NOI, is the annual income generated by an income-producing property after taking into account all income collected from operations, and deducting all expenses incurred from operations.

NCREIF ODCE Index: time-weighted return Index with an inception date of 12/31/1977. The Index is comprised of 36 open-end commingled funds. Inclusion within the Index requires (a) minimum of 80% of net fund assets invested in the multifamily, retail, industrial, office, or hotel property type, (b) maximum of 20% of net fund assets invested in real estate debt or private/public company equity, (c) at least 80% of net assets invested in properties with a minimum occupancy of 60%, (d) no more than 70% of real estate net assets invested in a single property type or region, (e) maximum of 40% leverage, and (f) at least 95% of net real estate assets invested within the U.S. market. In this report, the version of the NCREIF ODCE Index being used is the value weighted and net of fees.

NCREIF Property Index: time-weighted return Index with an inception date of 12/31/1977. The Index is comprised of over 10,000 individual properties. Inclusion within the Index requires (a) operating properties only, (b) property types apartments, hotels, industrial, office, and retail, (c) owned/controlled by a qualified tax-exempt institutional investor or its designated agent. The Index is reported on a non-leveraged basis even if the property is leveraged.

Definitions – Investment Styles

Core: Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).

Value-Added: Core returning investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage.

Opportunistic: Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage, distressed properties.

Non Core: Includes both value added and opportunistic strategies

Closed-End Fund: A commingled fund with a stated maturity (termination) date with few or no additional investors after the initial formation of the fund. Closed-end funds typically purchase a portfolio of properties to hold for the duration of the fund and, as sales occur, typically do not invest the sales proceeds. (Source: NCREIF PREA Reporting Standards).

Commingled Funds: A term applied to all open-end and closed-end pooled investment vehicles designed for institutional tax-exempt investors. A commingled fund may be organized as a group trust, a partnership, a corporation, an insurance company separate account, or another multiple ownership entity.

Open-End Fund: A commingled fund with no finite life that allows continuous entry and exit of investors, typically on a quarterly basis, and engages in ongoing property operations as well as investment purchase and sale activities.

Real Estate Investment Trust (REIT): A corporation or business trust that combines the capital of many investors to acquire or provide financing for all forms of income-producing real estate. (Source: National Association of Real Estate Investment Trusts)

Definitions – Performance Monitoring

Vintage Year: Year of first drawdown

Paid-In Capital: Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).

Uncalled Capital: Capital allocated to managers which remains to be called for investment. Amounts are as reported by managers.

Distributed Capital: Actual cash returned from the investment, representing distributions of income from operations. Withdrawals: Cash returned from the investment, representing returns of capital or net sales proceeds.

Net Asset Value: The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).

Net IRR: IRR after advisory fees, incentive and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.

TVPI Multiple: The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

DPI Multiple: The ratio of distributions paid to the investor divided by the amount of contributions paid by the investor. It is calculated net of all investment advisory and incentive fees and promote. It is calculated net of all investment advisory and incentive fees and promote

RVPI Multiple: The ratio of net asset value divided by the amount of contributions paid by the investor.

Net IRR: The total net return for an investment or portfolio over the period of time the client has funds invested. Total portfolio Inception Returns include returns from investments no longer held in the current portfolio.

NCREIF Region Map

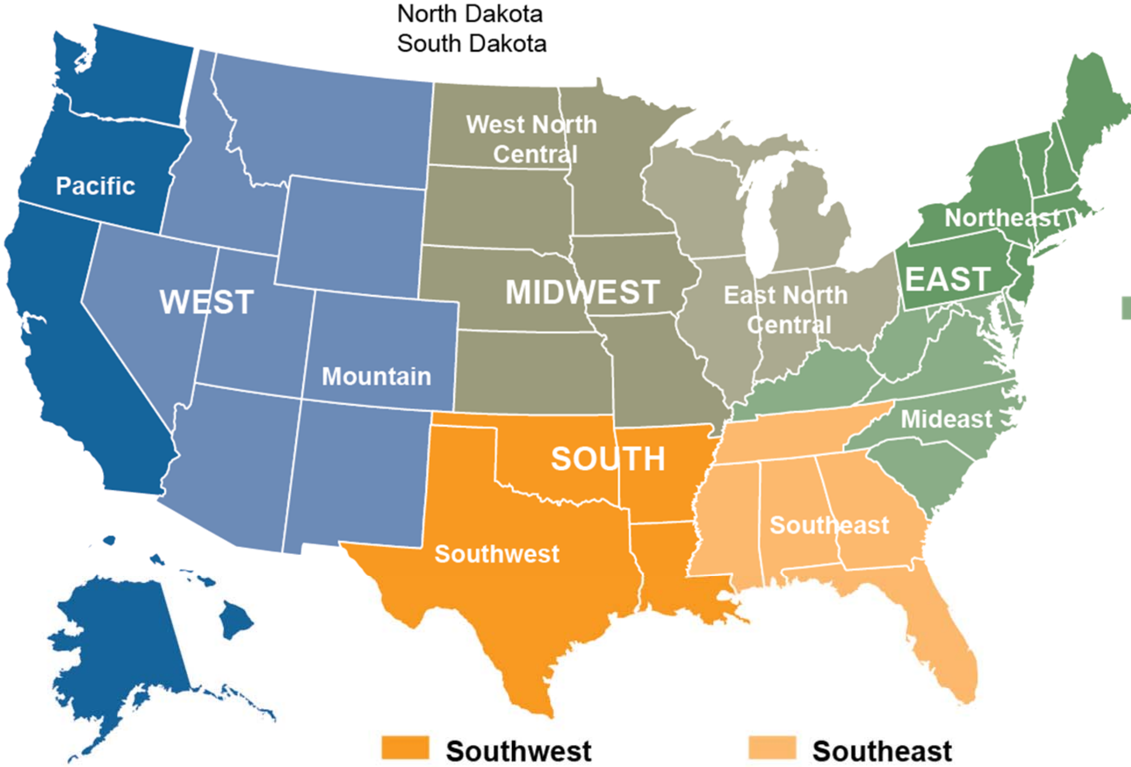
Geographic Regions and Divisions

West North Central
Iowa
Kansas
Minnesota
Missouri
Nebraska
North Dakota
South Dakota

East North Central
Illinois
Indiana
Michigan
Ohio
Wisconsin

Pacific
Alaska
California
Hawaii
Oregon
Washington

Mountain
Arizona
Colorado
Idaho
Montana
Nevada
New Mexico
Utah
Wyoming



Northeast
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

Mideast
Delaware
Kentucky
Maryland
North Carolina
South Carolina
Virginia
Washington, DC
West Virginia

Southwest
Arkansas
Louisiana
Oklahoma
Texas

Southeast
Alabama
Florida
Georgia
Mississippi
Tennessee

Source: NCREIF

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Callan was founded as an employee-owned investment consulting firm in 1973. Ever since, we have empowered institutional investor with creative, customized investment solutions backed by proprietary research, exclusive data, and ongoing education. Today, Callan provides advisory services to institutional investor clients with more than $3 trillion in total assets, which makes it among the largest independently owned investment consulting firms in the U.S. Callan uses a client-focused consulting model to serve pension and defined contribution plan sponsors, endowments, foundations, independent investment advisers, investment managers, and other asset owners. Callan has six offices throughout the U.S. For more information, please visit www.callan.com.

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PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO "PERSI"

Real Estate Update

May 2026

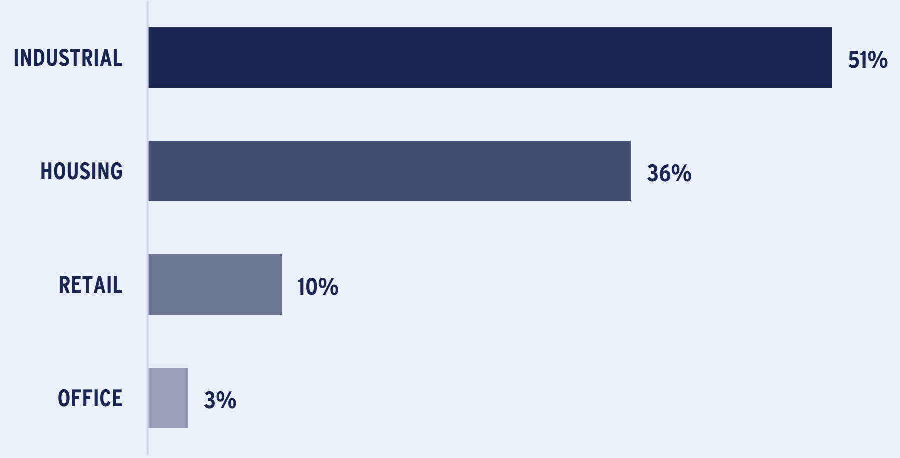
AEW Invested. In every square foot.

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

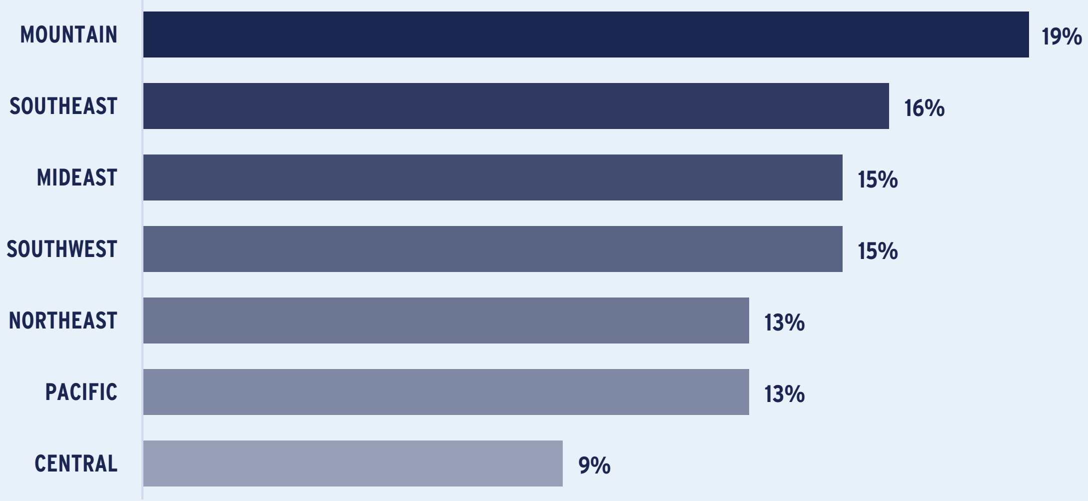
Portfolio Overview

INVESTMENTS	PROPERTIES	GROSS PROPERTY VALUE	NET ASSET VALUE	OCCUPANCY	LOAN-TO-VALUE
24	38	$2.26 Billion	$1.03 Billion	89%	53%

PROPERTY TYPE DIVERSIFICATION



GEOGRAPHIC DIVERSIFICATION



As of March 31, 2026.

Portfolio Performance

TOTAL GROSS RETURN	Q1 2026	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION[1]
Income	1.27%	5.78%	5.41%	5.31%	5.55%	5.60%
Appreciation	0.20%	(0.43)%	(6.53)%	(0.06)%	1.71%	2.84%
Total Gross	**1.47%**	**5.32%**	**(1.45)%**	**5.24%**	**7.35%**	**8.59%**
Total Net	**1.18%**	**4.11%**	**(2.58)%**	**4.06%**	**6.21%**	**7.52%**
ODCE Index	**1.04%**	**3.11%**	**(2.81)%**	**2.34%**	**3.79%**	**5.84%**
Over/(Under)	**14 BPS**	**100 BPS**	**23 BPS**	**172 BPS**	**242 BPS**	**168 BPS**

Total Annualized Return Net-of-Fees

168 BPS

OUTPERFORMANCE SINCE INCEPTION

13 Years

CONSECUTIVE YEARS
INCOME RETURN OUTPERFORMANCE

As of March 31, 2026.
[1] Inception since January 2013, which includes significant write-downs in 2013 for unanticipated capital needs identified shortly after account transfer.

Key Themes in Commercial Real Estate

Capital Markets Open

- Debt capital fully available
- Equity flows returning
- Limited core capital

Surging Secular Themes

- AI and AI adjacent
- Aging US demographics
- Domestic migration

Attractive Entry Point for Core

- Price vs. replacement cost
- Conservative underwriting
- Attractive total returns

Active Asset Management Wins

- Strategic asset selection
- Alpha from business plan execution, not sectors
- Near-term value creation & catalysts for NOI growth

Property Sector Overviews

	MARKET ENVIRONMENT	PERSI FOOTPRINT	CONSIDERATIONS
Logistics	• 9.3% availability nationally • Development pipeline contracting sharpy from 2023 peak, availability stabilizing • Absorption improving, supported by structural drivers like e-commerce and nearshoring • Energy cost headwinds - rising fuel prices favoring infill and port-proximate locations	• 5.4 million square feet across 17 properties • 95% occupancy • **Top Metro Markets** – Chicago, Charlotte, Phoenix, Los Angeles, Eastern Pennsylvania, & Baltimore	• 51% PERSI vs. 34% ODCE Benchmark • Exposure provides income with durable cash flow and embedded rent growth • Near-term sale candidates will harvest gains, modestly reduce industrial exposure
Housing	• 4.8% vacancy nationally • Deliveries declining sharply, improving supply/demand balance • Slower job growth and reduced migration tempering absorption from prior highs • Divergent performance – coastal markets resilient; Sun Belt still under pressure	• 1,440 units across 8 multifamily properties • 2,031 beds across 4 student housing assets • 90% occupancy • **Top Metro Markets** – Fort Lauderdale, Denver, Atlanta, & Boston	• 36% PERSI vs. 30% ODCE Benchmark • Exposure provides income and inflation protection given shorter duration leases • Diversifying housing exposure through recent student housing acquisitions

As of March 31, 2026.

Property Sector Overviews

	MARKET ENVIRONMENT	PERSI FOOTPRINT	CONSIDERATIONS
Retail	• 4.9% availability nationally • Supply constraints - development near cyclical lows, new inventory is negligible • Steady tenant demand with competition for quality retail space intensifying • Recent outsized rent growth normalizing	• 755K square feet across 4 properties • 96% occupancy • **Top Metro Markets** – Las Vegas, Raleigh, Tampa, & Boston	• 10% PERSI vs. 11% ODCE Benchmark • Exposure provides durable cash flow and credit tenancy; long-term leases • AEW intends to increase exposure by continuing to acquire necessity-based, grocery-anchored shopping centers
Office	• 24% availability nationally • Early-stage recovery - absorption improving and broadening beyond trophy assets • Flight to efficiency - tenants prioritizing smaller, more flexible footprints • Bifurcated market – NYC and San Francisco leading; most major metros lagging	• 1.2 million square feet across 5 properties • 56% occupancy • **Top Metro Markets** – Boston, Seattle, & Orange County	• 3% PERSI vs. 16% ODCE Benchmark • Exposure can provide tactical opportunities and tenant credit; medium term leases • Focus is on managing existing exposure rather than growing office footprint

As of March 31, 2026.

Thank You

AEW

Callan

May 26, 2026

Public Employee Retirement System of Idaho (PERSI)

Review – D.B. Fitzpatrick and the Idaho Commercial Mortgage Program

Jonny Gould, CAIA
Senior Vice President

Sean Yamamoto
Assistant Vice President

Agenda

- Idaho Commercial Mortgage Program ("CMP") Review Process
- D.B. Fitzpatrick Organization ("DBF")
- Idaho CMP Program Overview
- Portfolio Review
- Borrower Survey
- Conclusions & Recommendations
- Appendix

Callan

Idaho CMP Review Process

Idaho CMP Review Process

Callan conducted a review of D.B. Fitzpatrick and the Idaho Commercial Mortgage Program (CMP) in the first half of 2026. The following is summary of Callan's review process:

- In-Person Meeting and Property Tours in Boise, Idaho
- Borrower Survey of Select Participants in the CMP:
  - Callan contacted 22 borrowers to evaluate the strengths and weaknesses of the program
  - Six of the 22 borrowers responded to the survey, providing feedback on their experience in the program and with D.B. Fitzpatrick
- Ongoing correspondence with D.B. Fitzpatrick Staff to review:
  - Organization & Team
  - Strategy & Process
  - Portfolio
  - Performance & Risks
  - Loan Documentation
- Collection and Review of Various Data and Documents

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D.B. Fitzpatrick – Organizational Overview

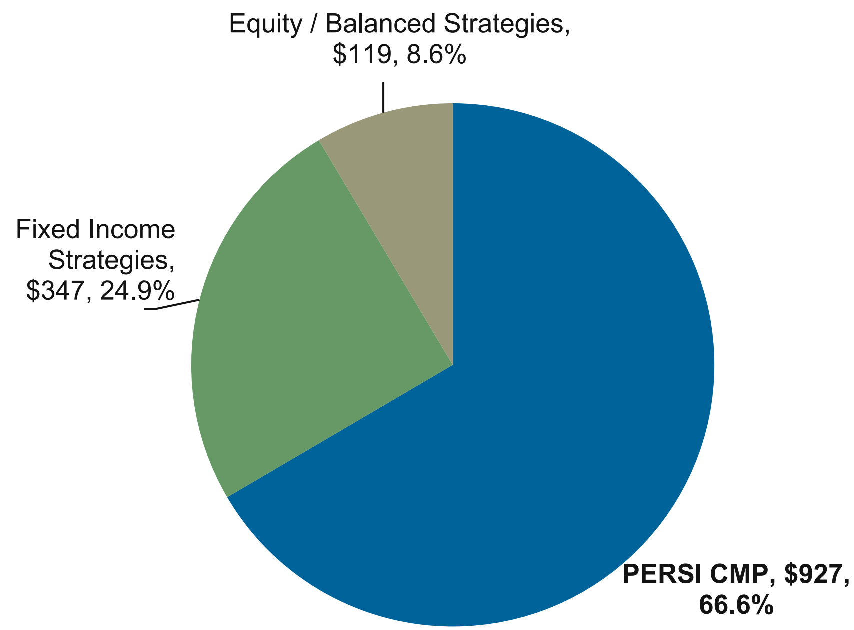
Organizational Overview – D.B. Fitzpatrick

D.B. Fitzpatrick is the Sole Manager and Administrator of the Idaho CMP

- DBF was founded by Dennis Fitzpatrick in 1984
  - Dennis Fitzpatrick retired from the Firm in 2019 and his son, Brandon Fitzpatrick, became CEO of the Firm.
  - Dennis Fitzpatrick continues to own a majority of the Firm, with Brandon Fitzpatrick owning the remainder.
- The CMP has a dedicated portfolio manager, Casey Macomb, who has been with the Firm for eleven years.
  - Mr. Macomb also chairs DBF's Mortgage Investment Committee and overseas all loan monitoring and servicing.
  - Angelina Chantler serves as a key support person for the Account.
- DBF's Mortgage Investment Committee currently includes three individuals, and Brandon Fitzpatrick retains full veto rights over any loan under consideration.

Organizational Overview	
Founded	1984
# of Employees	10
Registrations	SEC: 1984 Idaho Department of Finance: 1985
AUM at 3/31/2025	$1,393.1 million

DBF AUM By Strategy ($million)



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Idaho CMP Program Overview

Idaho CMP Overview

Loan Parameters

Idaho CMP Underwriting and Pricing	
Property Types	Multifamily, Industrial, Office, Retail, Medical Office & Hotels
Maximum Loan-to-Value (“LTV”) Ratio	75%
Minimum DSCR	1.2x
Loan Term	Typically 10 Years
Pricing	2% over 10-year U.S. Treasuries
Cap Rate Utilized	7.5% (6.75% for Office & Multifamily)
Coupon Type	Almost Exclusively Fixed-Rate
Amortization	Generally 30-Year Amortization; “Riskier” loans may have shorter amortization schedules
Guarantees / Recourse	Full personal guarantees from borrower(s); DBF may require guarantees from additional guarantors if means of primary guarantor is deemed insufficient

Idaho CMP Overview

Underwriting and Approval Process & Procedures

- D.B. Fitzpatrick implements a thorough mortgage application process, with significant documentation requirements.

Documentation & Other Submission Requirements	
Loan Application	Lease Agreement(s) and Tenant Information
Rent Roll	Legal Description
Plans / Specs	Purchase Agreement (if applicable)
Location / Plat Maps	Credit Report
Financial Statements for Each Guarantor	Most Recent 3-years Tax Returns
Resume / Work History	Organizational Documents for Borrowing Entity
Historical Property Financials – P&L and Balance Sheet Statements	

- Additional documentation is required by DBF prior to the closing of each loan, including:

Additional Documentation Required	
Borrowing Authority	Property Condition Report
Phase I Environmental Site Assessment Report	MAI Appraisal
Insurance Coverage	ALTA Survey
Certificate of Occupancy	Zoning Letters
Title Insurance Policy	Legal Opinion from Borrower's Counsel
Estoppel Certificates and Subordination Agreements	

Callan

Idaho CMP Portfolio Review

Idaho Commercial Mortgage Program - Portfolio Summary

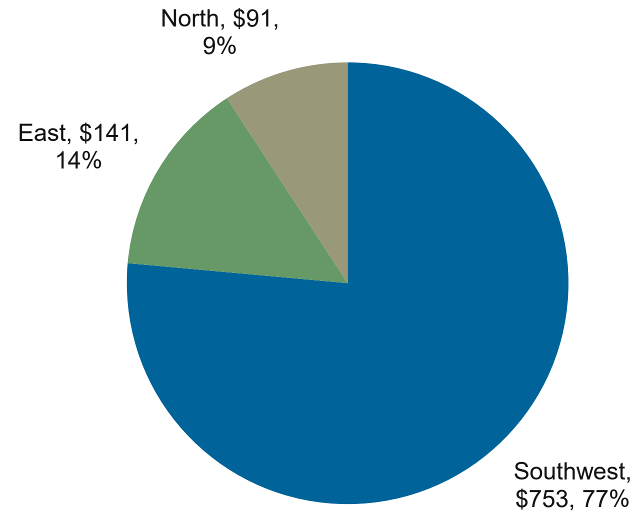
Portfolio Overview as of April 30, 2026

Idaho CMP Portfolio	
Number of Loans	270
Portfolio Book Value	$989.1 million
Portfolio Market Value	$927.3 million
Fixed / Floating Rate	269 / 1
Wtd. Average Life (Mat.)	4.9
Average Duration	3.9
Average Coupon	4.34%
Average Yield	4.61%
Cash & Other Assets	
GNMA	*$16.9 million*
FNMA	*$197.0 million*
FHLMC	*$4.7 million*
Accrued Interest	*$737.1k*
Treasuries	*$6.3 million*
Cash	*$3.8 million*
Total Cash & Other Assets	$229.4 million
Total Portfolio Value	**$1,156.8 million**

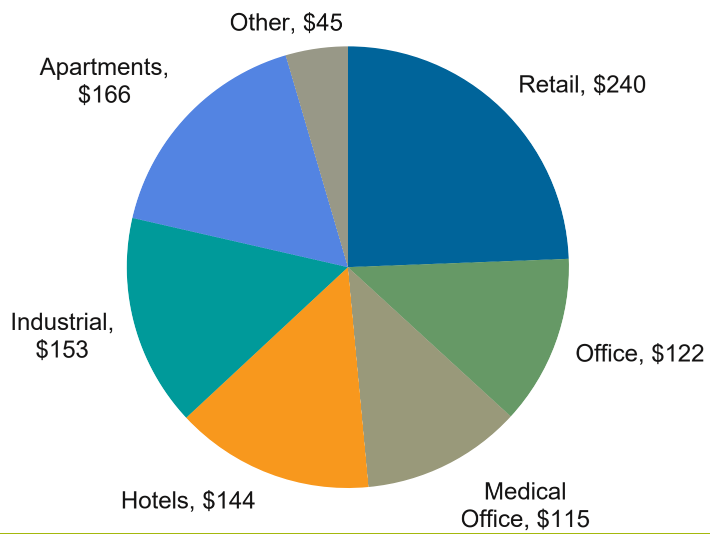
Borrower Concentration

Borrower	# Loans	Loan Balance ($mm)	% of Loan Book
Borrower 1	7	$69.9	5.7%
Borrower 2	16	$59.0	4.8%
Borrower 3	7	$42.9	3.5%
Borrower 4	11	$69.2	3.1%
Borrower 5	9	$63.2	2.6%

Regional Diversification



Property Type Diversification



Idaho CMP Account Performance

Competitive Returns Compared to MBS Benchmark

Idaho Commercial Mortgage Program Returns – as of April 30, 2026

	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception
Idaho CMP (Gross)	5.32%	4.97%	2.07%	3.10%	6.20%
Idaho CMP (Net)	5.06%	4.72%	1.82%	2.85%	5.91%
Bloomberg MBS Index	5.56%	4.02%	0.35%	1.42%	4.97%
Net Excess Return	*-0.50%*	*0.70%*	*1.47%*	*1.43%*	*0.94%*

- Relative to its benchmark, the Bloomberg Mortgage-Backed Securities Index, the Idaho CMP has exceeded its benchmark over all major time periods on a net basis going back since inception except for the last year.
- DBF indicated that there have been no principal losses for any loans in the program's history, including REOs.
  - The CMP has experienced minimal defaults and delinquencies over the life of program, and only two loans have been Real Estate Owned (i.e. lender-owned property).
  - DBF indicated that the delinquency rate never exceeded 1.84% after the 2008 Global Financial Crisis and has been effectively 0.0% since 2016.

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Conclusions and Recommendations

Conclusions and Recommendations

Strengths and Merits

- The D.B. Fitzpatrick organization remains stable and heavily focused on the CMP
  - PERSI continues to represent a significant portion of DBF's assets under management and servicing activity, supporting continued alignment and dedicated oversight of the program.
  - The Idaho CMP maintains dedicated portfolio management and servicing resources, with borrowers consistently highlighting DBF's responsiveness, communication, and reliability throughout the lending process.
- The CMP has maintained a robust risk framework, which D.B. Fitzpatrick has managed effectively.
  - There are currently no REO assets or delinquent loans within the portfolio.
  - Only a limited portion of loans are currently being monitored for elevated collateral risk factors, including DSCR, vacancy, LTV, and near-term maturities.
  - The CMP's underwriting standards and conservative loan structures have contributed to stable credit performance across multiple market cycles.
  - Further, borrower survey responses generally described the underwriting and closing process as thorough, transparent, and predictable, with certainty of execution and relationship management cited as key strengths of the program.
- The CMP is well-diversified and has provided competitive relative performance
  - The portfolio contains 270 loans with approximately $989 million in book value, with no single loan comprising more than 3.25% of the loan book.
  - The loan portfolio remains diversified across property types and, to a lesser extent, geographic regions throughout Idaho, with notable exposure to retail, industrial, office, apartment, hotel, and medical office properties. While Southwest Idaho represents a large component of the portfolio, the loans are diversified across the broader Boise and Treasure Valley area.
  - While absolute performance has moderated in the higher-rate environment, the portfolio has continued to generate stable income and positive returns supported by reinvestment into newer, higher-yielding loans.

Conclusions and Recommendations

Risks and Considerations

- The CMP investment program continues to require specialized expertise to originate, underwrite, and manage commercial mortgage assets. Callan remains unaware of another Idaho-focused organization with comparable local market relationships, servicing infrastructure, and institutional knowledge that could seamlessly assume management responsibilities should D.B. Fitzpatrick become unable to manage the program. While the portfolio's secondary servicer, Principal, could theoretically absorb certain servicing functions, new loan originations, workouts, and borrower relationship management would likely be disrupted in such a scenario.
- PERSI accounts for a substantial majority of DBF's assets under management and revenue stream.
- While loans are generally secured by stabilized, cash-flowing commercial real estate, many loans continue to rely on personal guarantees and borrower financial strength as additional credit support. Enforcement of guarantees or foreclosure proceedings could present operational, reputational, and liquidity challenges, particularly given the localized nature of the program.
- Given the Firm's expertise and resources, DBF may not be able to manage assets in certain property types (i.e. assisted living) in the event of an REO or foreclosure situation. However, the Firm has an extensive network of partners that it can engage in this scenario.
- The Account remains concentrated within the Southwest region of Idaho, particularly the greater Boise market, though geographic diversification has modestly improved over time. In addition, certain northern Idaho exposures remain concentrated among a relatively limited number of borrowers and assets

Recommendation

- Callan recommends PERSI continue the Idaho Commercial Mortgage Program with D.B. Fitzpatrick.

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DBFitzpatrick

PERSI

Idaho Mortgage Program Review

Public Employee Retirement System of Idaho

May

2026

DBFitzpatrick

DBF

Brandon Fitzpatrick, CFA – CEO
- BA Brown University
- MA UC San Diego
- MA University of Miami

Muharem Ahmetovic – Operations Manager
- BS American InterContinental University

Kristopher Craig – Analyst
- BS University of Southern California

Braden Heath – Analyst
- BA College of Idaho

Oksana Vitruk – Operations Assistant
- AA American River College

Casey Macomb – Commercial Mortgage Portfolio Manager
- BA College of Idaho

Angelina Chantler – Commercial Mortgage Operations
- AS Art Institute of Pittsburgh

Cheryl Smith – Office Manager / CISO
- AA National Paralegal College

Jocelyn Weiss – Operations Assistant

Tom Walker – CCO
- BA George Fox University
- JD Willamette University College of Law

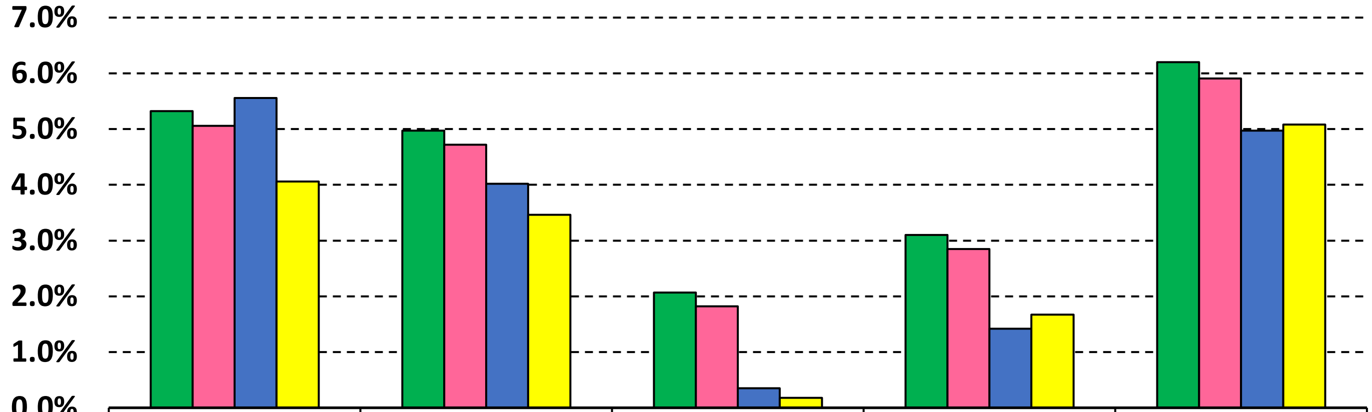
- **DBF assets under management*: $1.39b**
  - Idaho Mortgage Program: $1.16b
  - Idaho Mortgage Program is designed solely for PERSI
  - Other strategies: $236m

DBFitzpatrick

Idaho Mortgage Program

- **Commercial mortgage portfolio has 0.0% delinquency rate and contains no REOs (real estate owned assets)**
  - No significant signs of strain with any loans in the portfolio
- **Solid loan production in 2025**
- **Borrower interest in the program is high**
- **Conservative underwriting framework**
  - Personal guarantee
- **Commercial real estate continues to grapple with impact of higher interest rates**
- **Idaho economy has been resilient**
- **Recent commercial real estate development in Idaho has generally been well absorbed**
- **Lending environment is somewhat permissive**
  - Deal-dependent

Idaho Mortgage Program Performance*



	1-Year	3-Year	5-Year	10-Year	Since Inception**
Commercial Mortgage and MBS Strategy (gross)	5.32%	4.97%	2.07%	3.10%	6.20%
Commercial Mortgage and MBS Strategy (net of management fees)	5.06%	4.72%	1.82%	2.85%	5.91%
Bloomberg U.S. MBS Index	5.56%	4.02%	0.35%	1.42%	4.97%
Bloomberg U.S. Aggregate Index	4.06%	3.46%	0.18%	1.67%	5.08%

As of April 30, 2026
Commercial Mortgages: $927.3m
Agency MBS: $229.4m

***Inception: October 1989*

- Returns for periods longer than one year are annualized

- *Correlation (using annual returns of last 20 years):*
  S&P 500: -0.15
  Bloomberg U.S. Aggregate Bond Index: 0.87

- ***The "Idaho Mortgage Program" encompasses total portfolio of commercial mortgages and agency MBS***

Sources: Bloomberg, IDC

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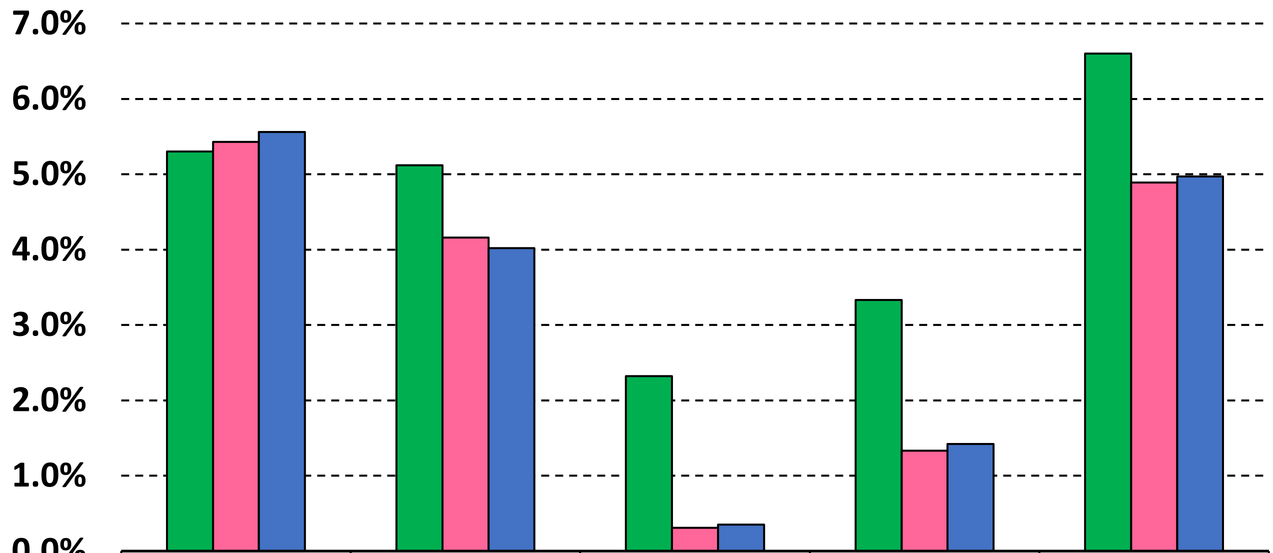
Sub-Portfolio Performance*



	1-Year	3-Year	5-Year	10-Year	Since Inception**
Commercial Mortgages (gross)	5.30%	5.12%	2.32%	3.33%	6.60%
PERSI MBS (gross)	5.43%	4.16%	0.31%	1.33%	4.89%
Bloomberg U.S. MBS Index	5.56%	4.02%	0.35%	1.42%	4.97%

**As of April 30, 2026*
Commercial Mortgages: $927.3m
Agency MBS: $229.4m

***Inception: October 1989*

- Returns for periods longer than one year are annualized

- ***Mortgage-Backed Security (MBS) portfolio is impacted by "cash drag" due to its link to commercial mortgage portfolio***
  - *Principal and interest payments and fee income from commercial mortgage portfolio are sent to MBS portfolio each month*
  - *MBS portfolio is source of commercial mortgage fundings and recipient of loan payoffs*
  - *These cash flows often represent a significant % of MBS portfolio*

Sources: Bloomberg, IDC

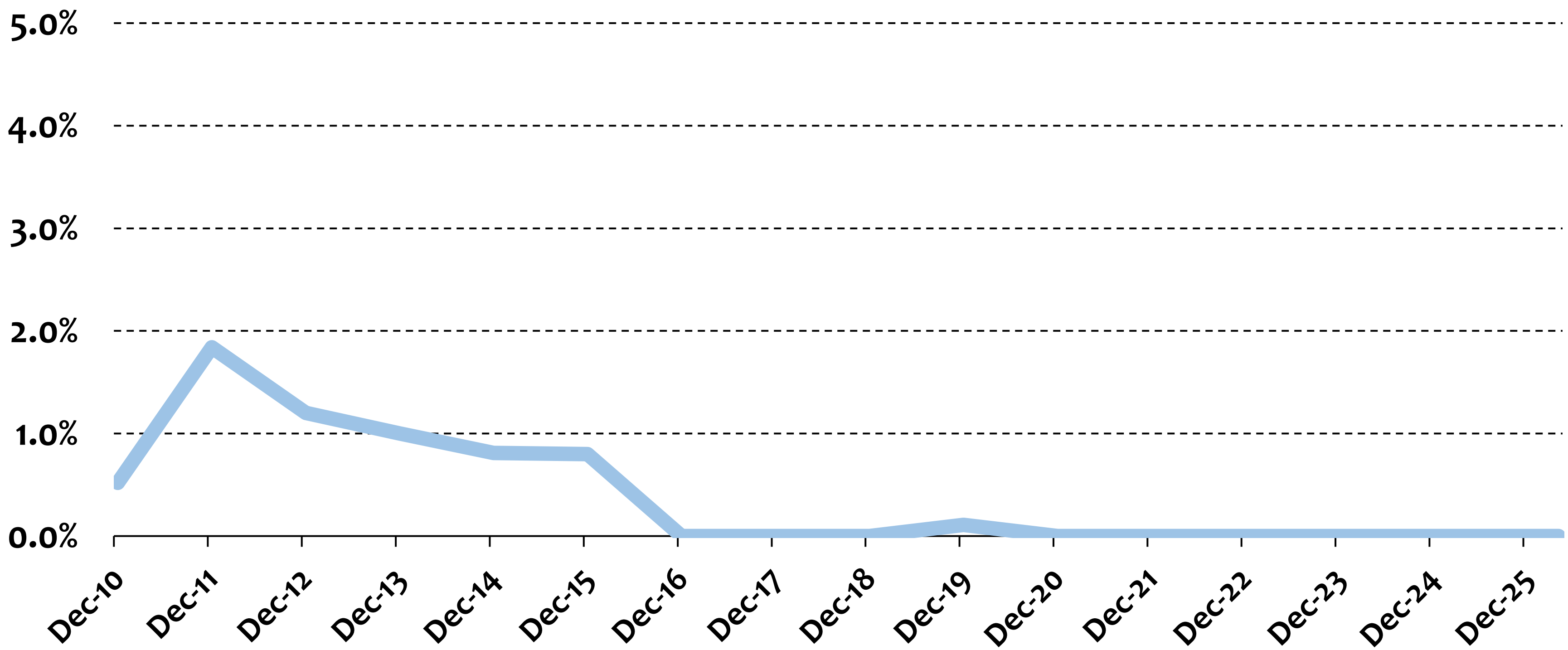
Portfolio Growth

Beginning Balance (October 1, 1989):	$151m
Contributions:	$192m
Withdrawals:	($235m)
Net Investment:	*$109m*
Investment Returns:	*$1.05b*
Ending Balance:	$1.16b

Through April 30, 2026

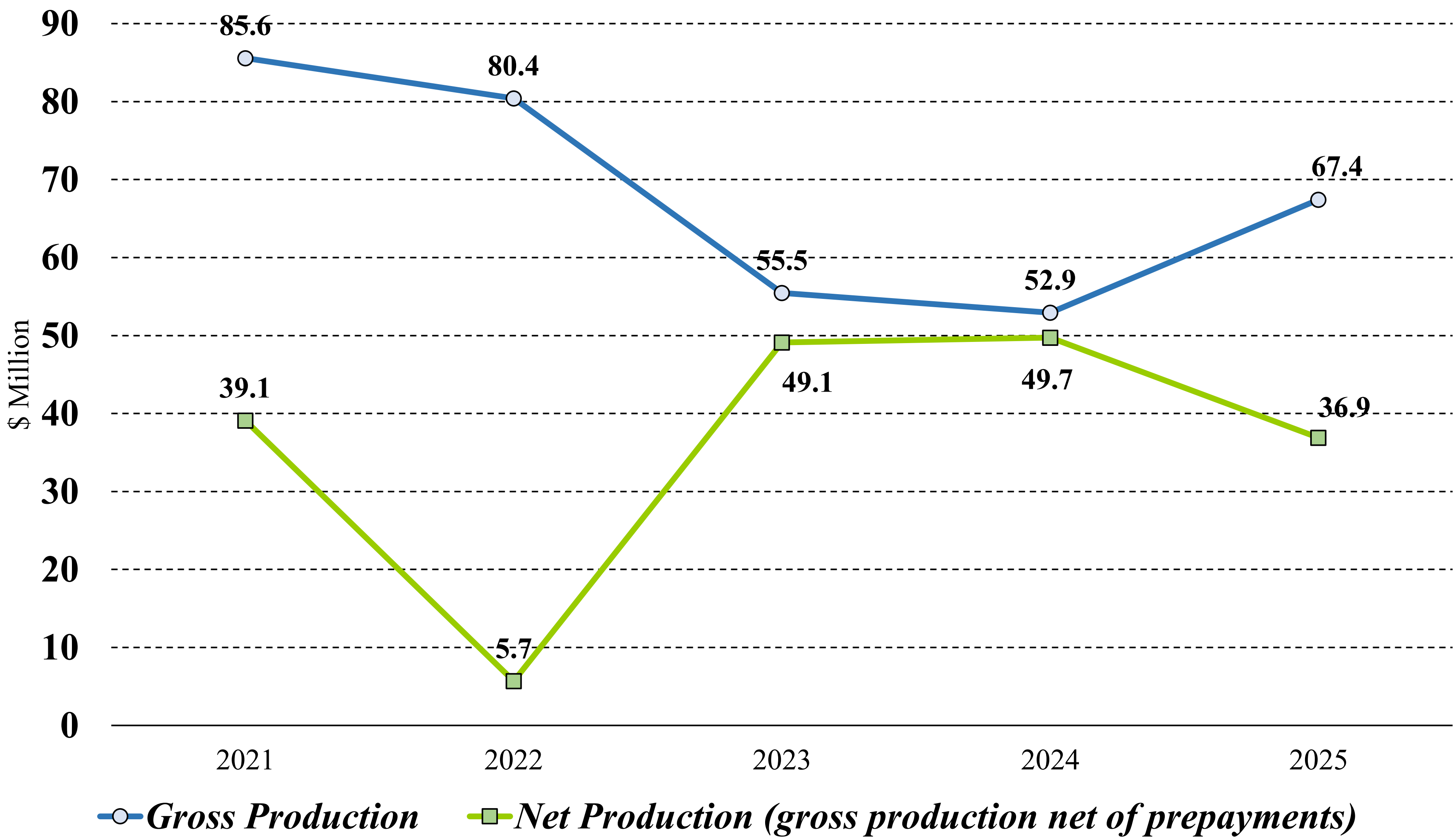
Delinquencies & REOs

- *The commercial mortgage portfolio has no REO (real estate owned) assets and a delinquency rate of 0.0%*
- *No substantive delinquencies since 2015*
- *No principal has ever been lost on a commercial mortgage loan in the program's history*



Through April 30, 2026

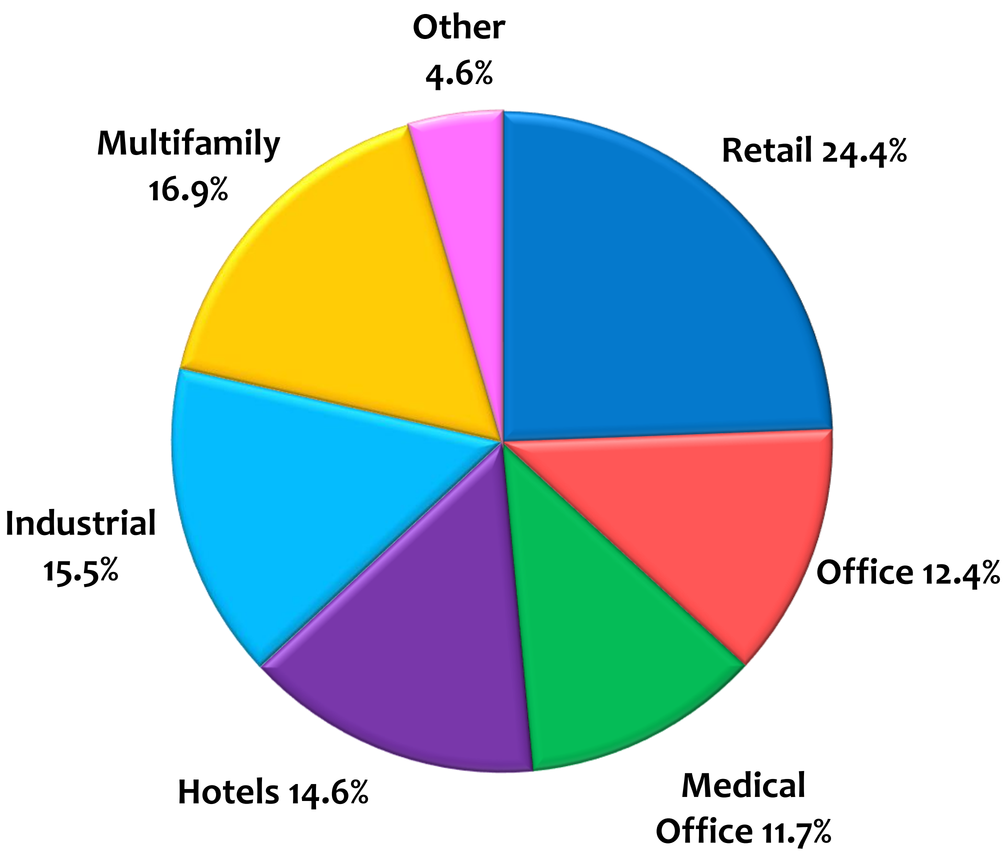
Commercial Mortgage Originations



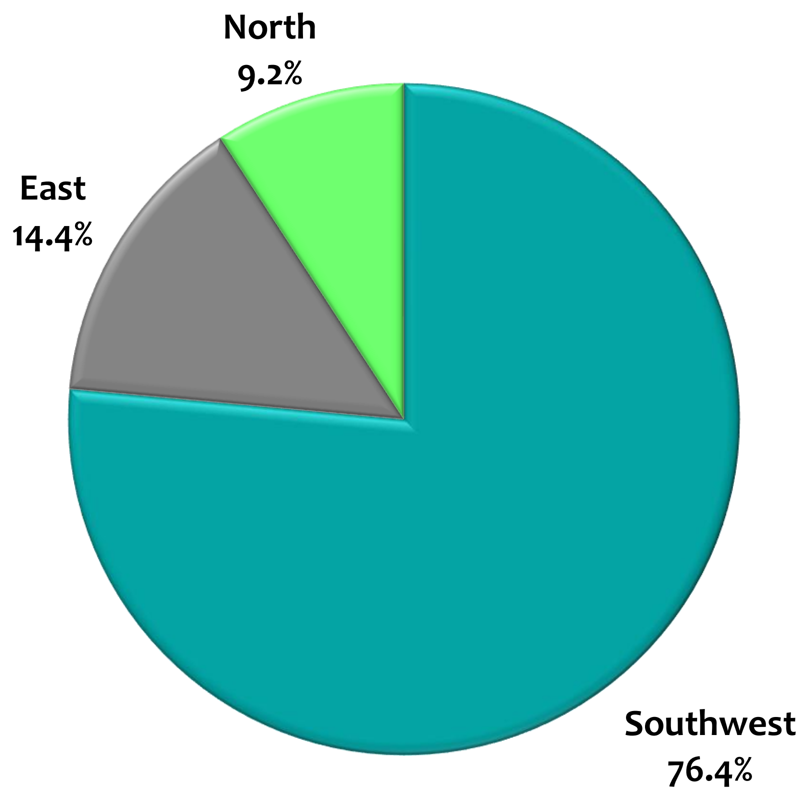
Through December 31, 2025

Commercial Mortgage Portfolio by Sector and Region*

Property Type



Region



Total Portfolio Value: $927.3m

Number of loans: 270 (269 fixed rate / 1 variable rate)

**As of April 30, 2026*

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- The Bloomberg U.S. MBS Index contains exclusively agency mortgage-backed pass-through securities issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). Both Index returns are shown for comparison purposes only. The benchmark index returns include the reinvestment of income and dividends but do not include management fees and transaction costs. Volatility, number of issues, capitalization size, year-to-year return history, and other security attributes of the indices differ from the attributes of the DBF portfolios.

- Portfolio returns presented are through April 30, 2026, and are based on the “market value” of commercial mortgage loans in the composite. Because these are not liquid securities the firm utilizes a proprietary valuation process based on the U.S. Treasury yield curve to arrive at a hypothetical market value. Given the nature of these assets, the whole loan portfolio is valued using subjective unobservable inputs. Returns based on cost differ from returns based on market value.

- All account returns are net of transaction costs and reflect the reinvestment of dividends and other earnings. Gross returns do not reflect the deduction of the management fees or any other expenses that may be incurred in the management of the account. Net returns are net of management fees in effect for the respective time period.

- Future returns will depend on future allocation decisions. Past performance is no guarantee of future results. The investment return and principal value will fluctuate so that when redeemed, investments may be worth more or less than the original cost. Any investment, including DBF’s portfolios, has the potential of generating losses as well as profits.

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