

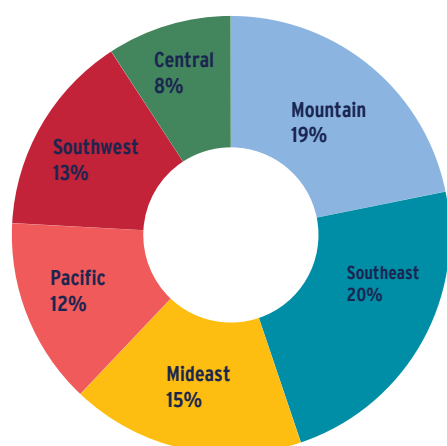
Q4 2025

Public Employee Retirement System of Idaho

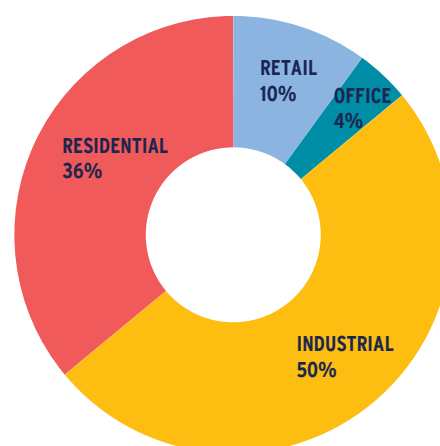
FUND SUMMARY

NET ASSET VALUE	\$1,065,487,415
NUMBER OF PROPERTIES	39
PORTFOLIO OCCUPANCY	89%

DIVERSIFICATION BY REGION (BY NIV)



DIVERSIFICATION BY PROPERTY TYPE (BY NIV)



PERFORMANCE SUMMARY

	CURRENT QUARTER	ONE YEAR	THREE YEAR	FIVE YEAR	TEN YEAR	SINCE INCEPTION ¹
INCOME	1.35%	5.95%	5.34%	5.37%	5.57%	5.61%
APPRECIATION	0.22%	(1.32)%	(8.25)%	0.16%	1.81%	2.88%
TOTAL GROSS RETURN	1.57%	4.56%	(3.32)%	5.54%	7.47%	8.64%
TOTAL NET RETURN	1.28%	3.36%	(4.42)%	4.36%	6.33%	7.57%
NCREIF ODCE INDEX (NET)	0.70%	2.92%	(4.25)%	2.51%	3.88%	5.87%
RELATIVE PERFORMANCE (NET)	58 bps	44 bps	(17) bps	185 bps	245 bps	170 bps

¹Returns are for the period January 1, 2013 to date.

Back to the Future (Again)

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair.”

- Charles Dickens

U.S. economic data, delayed by the prolonged fourth-quarter federal government shutdown, are slowly catching up to pre-shutdown release schedules and are revealing a mixed view of overall economic strength. To the positive, U.S. real GDP growth accelerated in both the second and third quarters of 2025 and the current real-time estimate from the Atlanta Federal Reserve calls for annualized Q4 growth of 4.2%¹, which would imply year-over-year growth for 2025 of slightly less than 3%, nearly matching 2023 and well ahead of the less than 2.5% growth for 2024. Reflecting this, investors continue to drive U.S. equity market valuations to record levels with indices such as the S&P500 finishing 2025 up more than 16% over 2024.

FIGURE 1: S&P500 INDEX

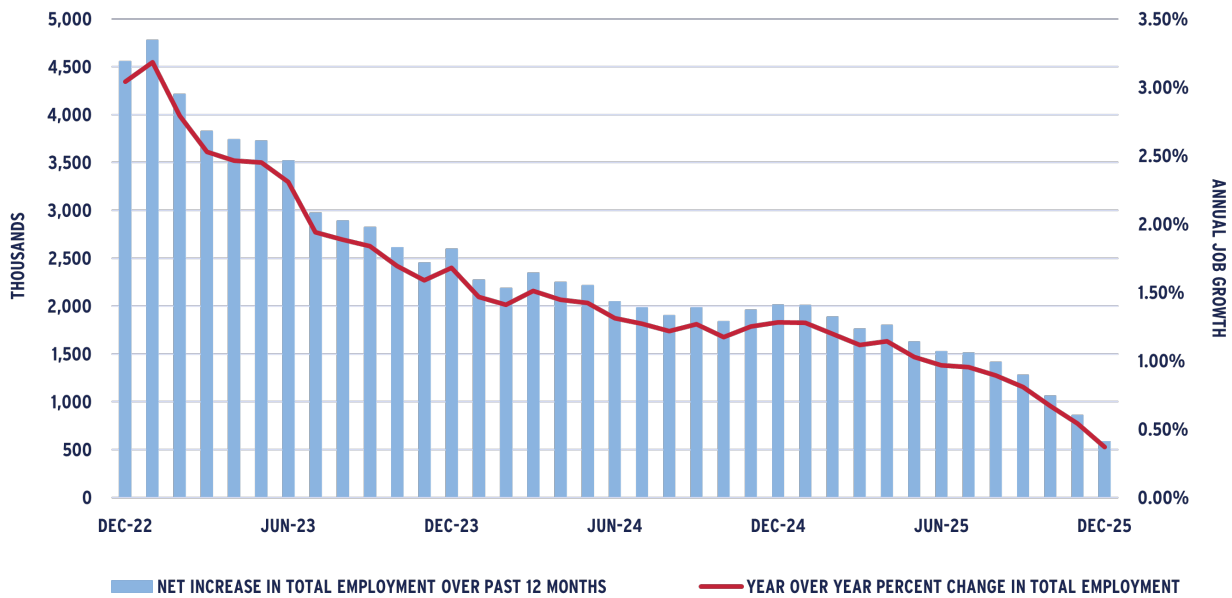


Source: Standard & Poor's

In contrast, U.S. employment growth continues to wane with year-over-year growth slowing every month in 2025, particularly since the April “Liberation Day” announcement of the new U.S. tariff regime. For the year, the U.S. added slightly more than 500,000 new jobs, the smallest annual increase since the Global Financial Crisis (GFC), aside from the 2020 pandemic. For its part, consumer sentiment finished 2025 at one of the lowest levels ever recorded, a level typically associated with past economic recessions.

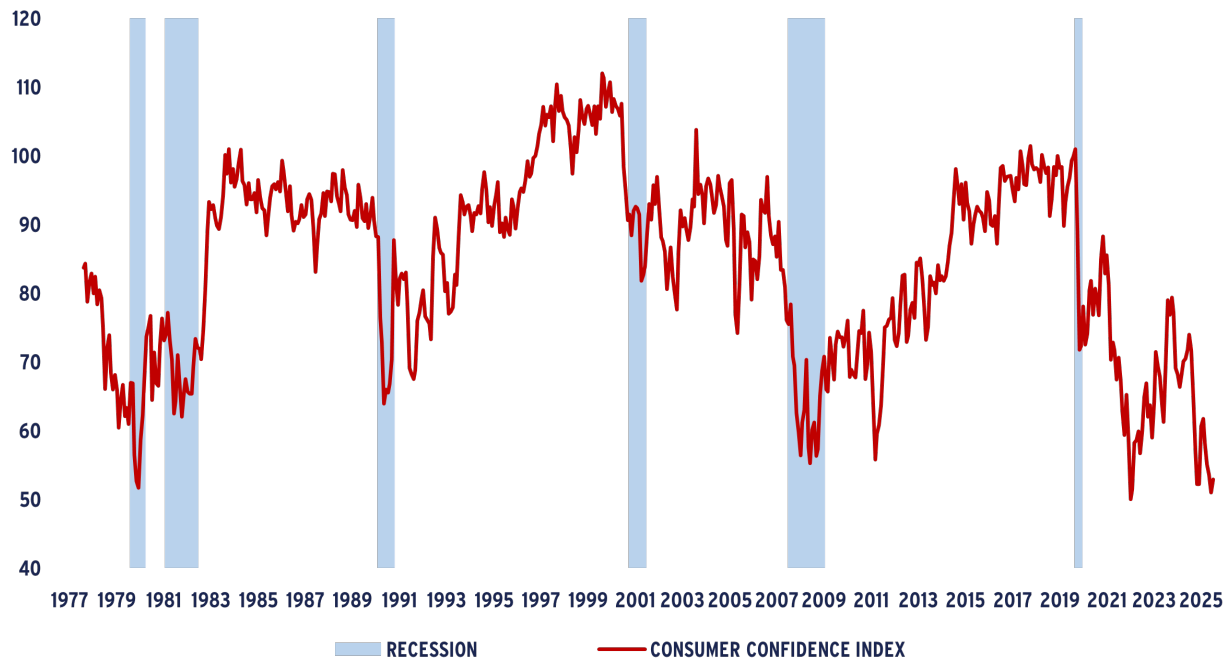
¹ <https://www.atlantafed.org/cqer/research/gdpnow>

FIGURE 2: U.S. EMPLOYMENT GROWTH



Source: Bureau of Labor Statistics (BLS)

FIGURE 3: CONSUMER SENTIMENT INDEX

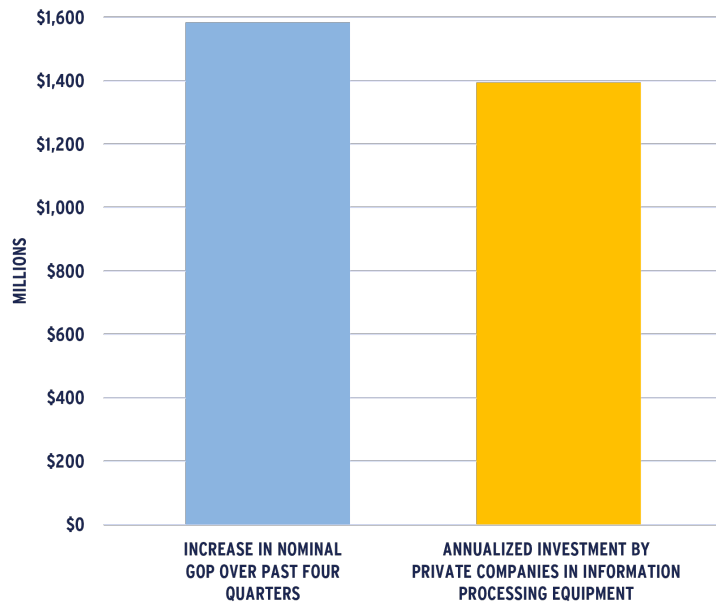


Source: University of Michigan

Not surprisingly, conflicting economic and investor/consumer sentiment data, what Dickens might have called *'the best of times and the worst of times'*, has heightened concern for the near-term economic outlook. Currently, we see little reason to expect a recession during 2026 as there is simply too much stimulus already in the economy, with more to come. Most significantly, the sheer volume of capital investment currently flowing into artificial intelligence (AI), the chips that power it and the data centers that house it is staggering, and this will only likely accelerate, at least in the near-term. For perspective, the most recent national accounts (GDP) data show the most recent four-quarter increase in U.S. nominal GDP was nearly \$1.6

trillion². Over the same period, private investment in information processing equipment (e.g., data centers and advanced chip manufacturing plants) totals approximately \$1.4 trillion.

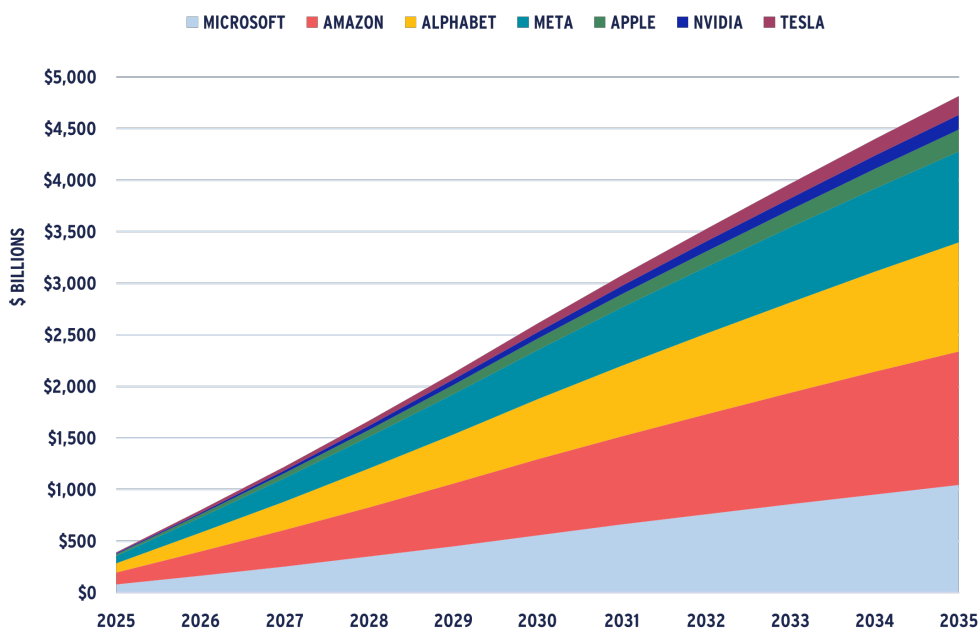
FIGURE 4: NOMINAL GDP GROWTH AND DATA CENTER CAPITAL INVESTMENT



Source: Bureau of Economic Analysis (BEA)

While this in no way implies that the growth occurring in the U.S. economy is coming entirely from data center construction, it does help conceptualize the absolute size of that investment. Looking ahead, the companies driving this investment, the so-called Magnificent Seven technology companies, have committed to investing more than five trillion dollars in this area over the next decade. When AI and Mag 7 adjacent companies are included, this number may grow to as much \$7-\$8 trillion according to various estimates³.

FIGURE 5: MAGNIFICENT SEVEN AI-RELATED PROJECTED CAPITAL INVESTMENT



Source: Company report and earnings call transcripts

² Four quarters ending in 2025 Q3.

³ See, for example, McKinsey Quarterly. "The cost of compute: A \$7 trillion race to scale data centers". April 28, 2025

In addition to outside capital investment, it is expected that typical refunds to U.S. taxpayers will be much larger than normal this year, roughly 20% to 30% bigger depending on household income. The primary reason for this is the implementation of various temporary tax cuts included in the omnibus tax and spending bill known as the “One Big Beautiful Bill.” These tax cuts include such things as no tax on tipped or overtime income, reduced tax on some social security income and a greater deduction limit for state and local taxes (SALT), as well as more permanent increases to the standard deduction. In 2024, IRS tax refunds totaled nearly \$300 billion and most current estimates suggest aggregate refunds will be 20% to 30% larger, an increase of \$50 to \$100 billion. Not surprisingly, analysts expect higher than normal tax refunds to spur greater consumer spending and overall economic activity, adding as much 0.25% to 0.50% to the GDP growth rate if consumers are confident enough to spend.

TABLE 1: EXPECTED INCREASE IN TAX REFUNDS BY HOUSEHOLD INCOME LEVEL

INCOME LEVEL	EXPECTED REFUND INCREASE	FACTORS CHANGING TYPICAL REFUND
< \$60k	0% to 5%	Many lower income households already owe no federal tax; limited impact from SALT/standard deduction changes
\$60k-\$150k	20%-30%	SALT deduction cap increase, tax-free tips/overtime, higher standard deduction
\$150k-\$400k	25% to 35%	SALT deduction cap increase, tax-free tips/overtime, higher standard deduction
> \$400k	0% to 5%	SALT benefit phase out

Sources: Treasury, Internal Revenue Service (IRS), Piper Sandler

We also note that 23 states (including the District of Columbia) will see increases in the state minimum wage during 2026. While many of these scheduled increases are moderate, in line with inflation, workers in several states such as Hawaii, Nebraska and Michigan will experience double-digit increases in the state minimum wage, again providing significant near-term spending stimulus.

TABLE 2: SCHEDULED INCREASES IN STATE MINIMUM HOURLY WAGE

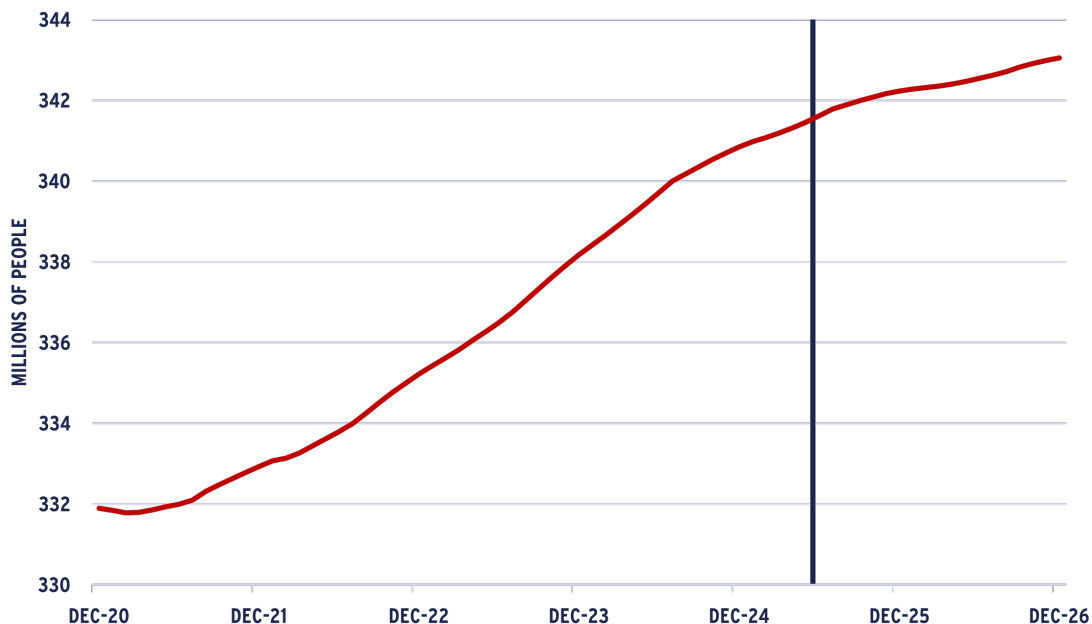
STATE	2025	2026	INCREASE
Hawaii	\$14.00	\$16.00	14.3%
Nebraska	\$13.50	\$15.00	11.1%
Michigan	\$12.48	\$13.73	10.0%
Alaska	\$11.91	\$13.00	9.2%
Missouri	\$13.75	\$15.00	9.1%
Florida	\$14.00	\$15.00	7.1%
Rhode Island	\$15.00	\$16.00	6.7%
Connecticut	\$16.35	\$16.94	3.6%
New York (Rest of State)	\$15.50	\$16.00	3.2%
Maine	\$14.65	\$15.10	3.1%
Arizona	\$14.70	\$15.15	3.1%
South Dakota	\$11.50	\$11.85	3.0%
New York (NYC/LI/WC)	\$16.50	\$17.00	3.0%
Vermont	\$14.01	\$14.42	2.9%
Virginia	\$12.41	\$12.77	2.9%
Montana	\$10.55	\$10.85	2.8%
Washington	\$16.66	\$17.13	2.8%
Ohio	\$10.70	\$11.00	2.8%

New Jersey	\$15.49	\$15.92	2.8%
District of Columbia	\$17.50	\$17.95	2.6%
Minnesota	\$11.13	\$11.41	2.5%
California	\$16.50	\$16.90	2.4%
Colorado	\$14.81	\$15.16	2.4%
Oregon	\$15.95	\$16.30	2.2%

Source: Various

Near-term stimulus aside, recent U.S. Census Bureau estimates suggest U.S. population growth slowed significantly during 2025, largely the result of much slower net foreign immigration⁴. According to the Census Bureau, total foreign immigration to the U.S. during 2025 is estimated to be approximately 1.2 million, well below the 2.7 million in 2024 and 2.2 million in 2023. Currently, the Census Bureau expects slower foreign immigration to the U.S. to continue during 2026 and is currently projecting total population growth of only 0.2% for the year. We note that numerous reports from groups outside of the Census Bureau suggest much lower net immigration during 2025⁵. For example, Brookings estimates that net foreign immigration was likely negative for 2025, perhaps as low as -300,000. If correct, the Census Bureau estimate of 2025 total population may prove to be above actual and the projected growth for 2026, while quite modest, may also be overly optimistic.

FIGURE 6: U.S. POPULATION ESTIMATE FOR 2025 AND PROJECTION FOR 2026



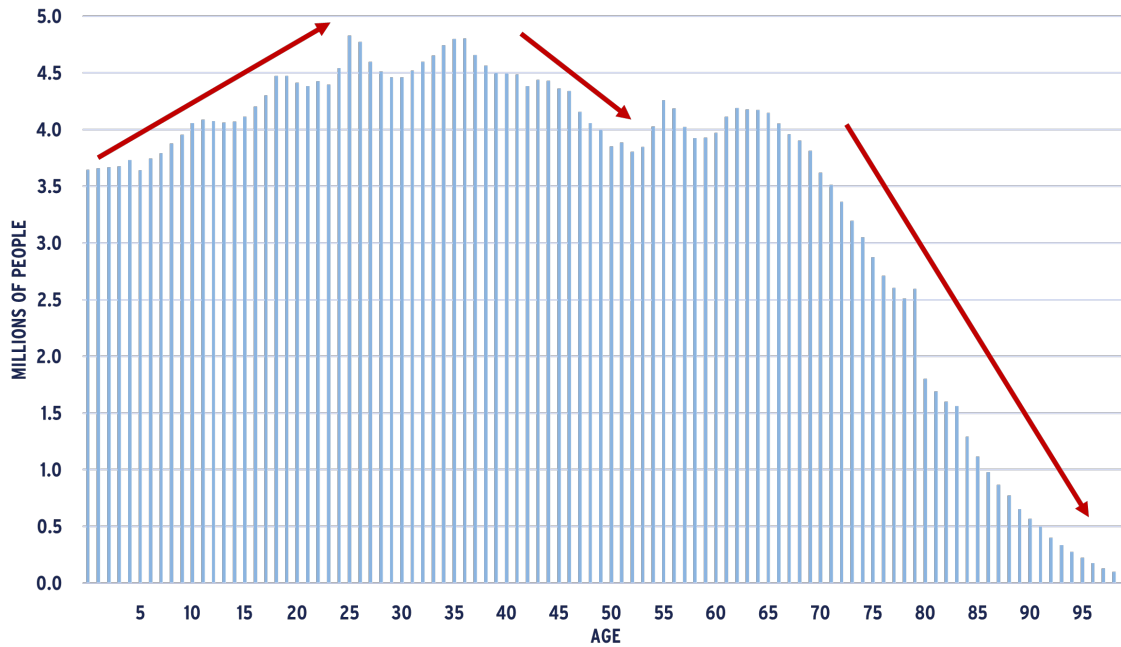
Source: U.S. Census Bureau, January 2026 Estimates

While near-term aggregate population appears constrained, there will continue to be significant growth in specific age groups. Figure 7 shows the U.S. population by one-year age cohorts and makes clear where we expect significant temporal growth. Ages where the red arrow is downward sloping will see an increase in cohort size as the larger number of people behind that group age into that group each year. Conversely, ages where the red arrow is upward sloping will, absent offsetting foreign immigration, experience a shrinking cohort as the smaller group behind ages in. While there will be meaningful positive change in the size of the 40-50 year old group and negative change in the size of the 20-30 year old group, these will both be overshadowed by tremendous built-in growth in the older age groups as the large Baby Boom begins to turn 80 this year (people born in 1946). To put this in perspective, the Census Bureau estimates there are currently nearly 45% more people age 79 than age 80, reflecting the start of accelerated post-war births in 1946 as compared to lower war-time births in 1945.

⁴ "U.S. Population Growth Slows Due to Historic Decline in Net International Migration." January 27, 2026. U.S. Census Bureau. <https://www.census.gov/newsroom/press-releases/2026/population-growth-slows.html>

⁵ "Macroeconomic implications of immigration flows in 2025 and 2026: January 2026 update". Wendy Edelberg, Stan Veuger, and Tara Watson. Brookings. January 13, 2026

FIGURE 7: U.S. POPULATION BY ONE YEAR AGE COHORTS



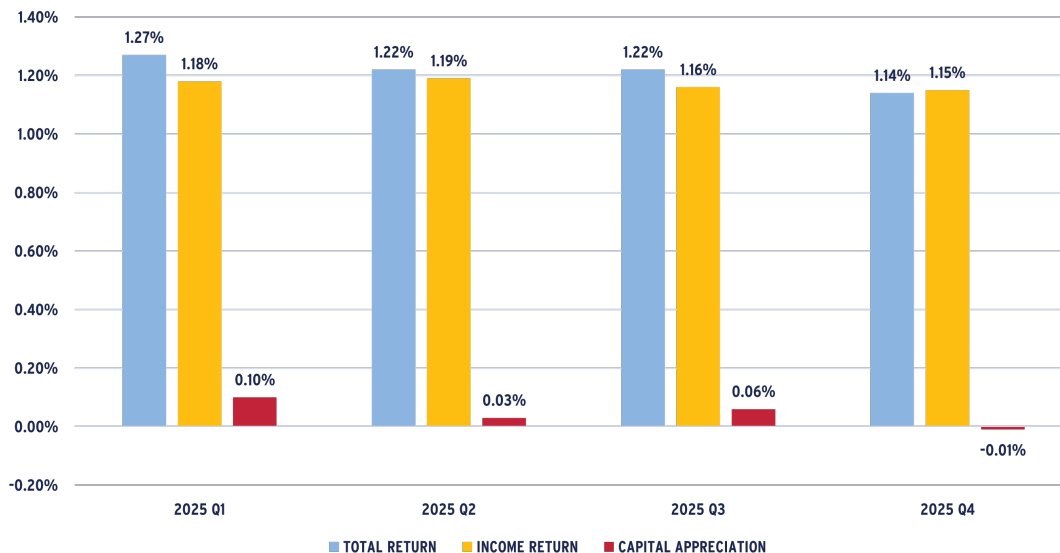
Source: U.S. Census Bureau

Finally, despite generalized concerns of slowing employment and labor force growth, the larger backdrop of significant near-term stimulus seems likely to temper moves by the Federal Reserve to further ease monetary policy. While we expect the Fed to further cut policy rates during 2026, most likely after the current chairman steps down in May, we also expect the yield curve to continue to steepen (i.e., long yields will decline less than short yields), limiting any near-term boost to property market valuations from generalized yield compression.

Commercial Property Outlook

Through 2025, U.S. commercial property delivered positive total returns in each quarter, almost entirely from income, not appreciation. While we believe the next cycle of positive property appreciation began during the second half of 2024, property value increases have thus far been limited and the NCREIF Property Index (NPI+) capital value index is essentially unchanged since mid-2024.

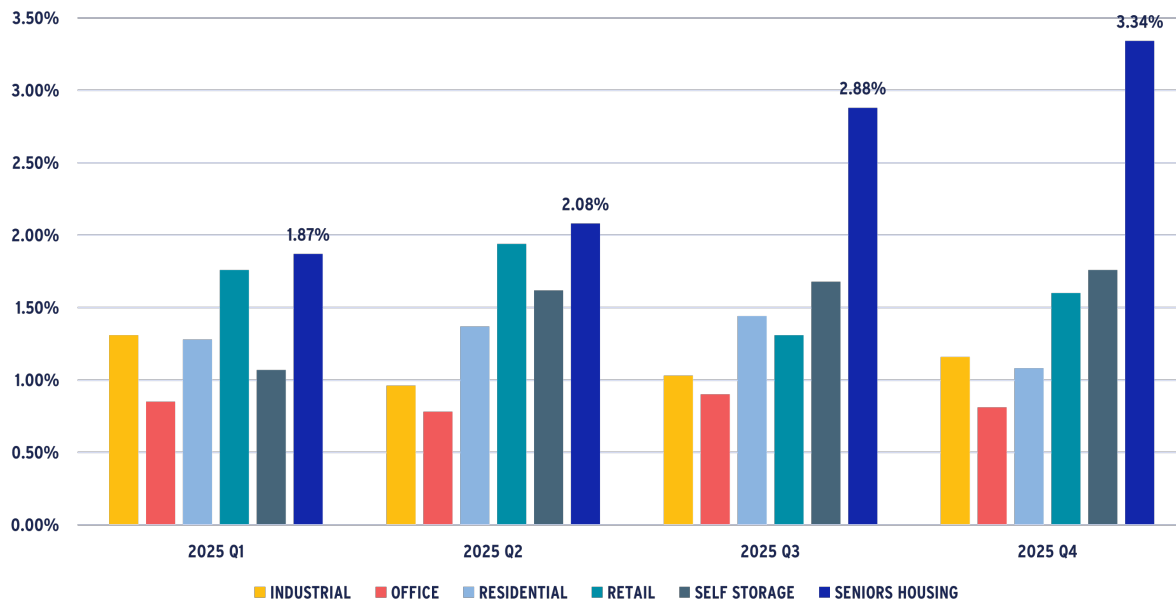
FIGURE 8: NCREIF PROPERTY INDEX (NPI+) QUARTERLY RETURN



Source: NCREIF

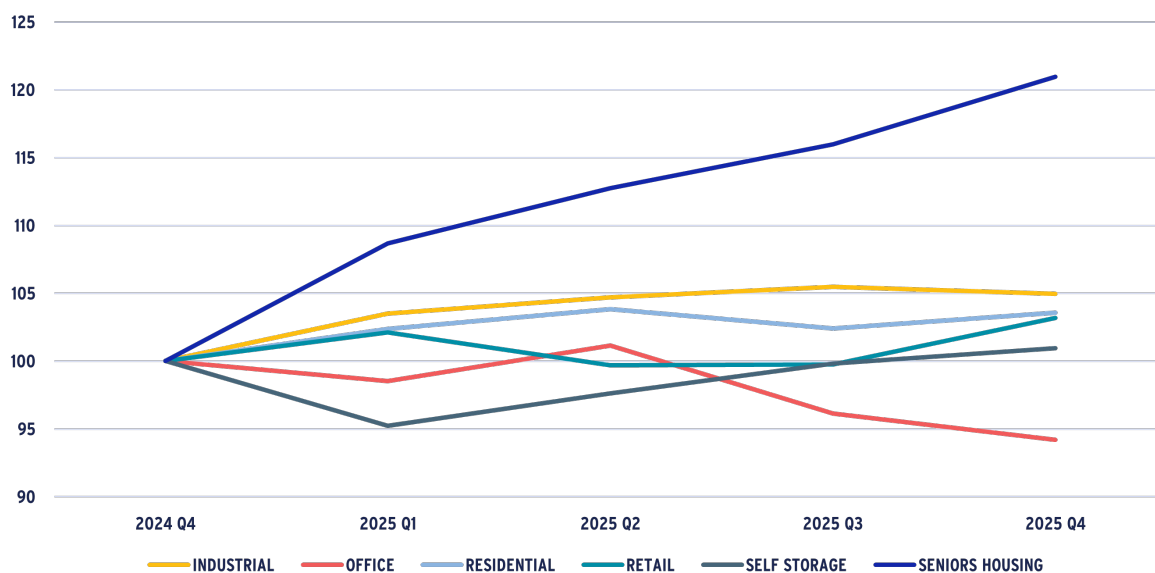
Across property sectors, there has been a wide range in performance over the past year, with seniors housing both exceeding the total return of all other property sectors in each of the last four quarters and also accelerating away from the other major sectors. These differences in property sector total return performance over the past year are largely explained by significant differences in property net operating income (NOI) growth, with seniors housing (+21%) and office properties (-6%) representing the two extremes of K-shaped growth.

FIGURE 9: 2025 NPI+ QUARTERLY TOTAL RETURN BY PROPERTY SECTOR



Source: NCREIF, 2025 Q4

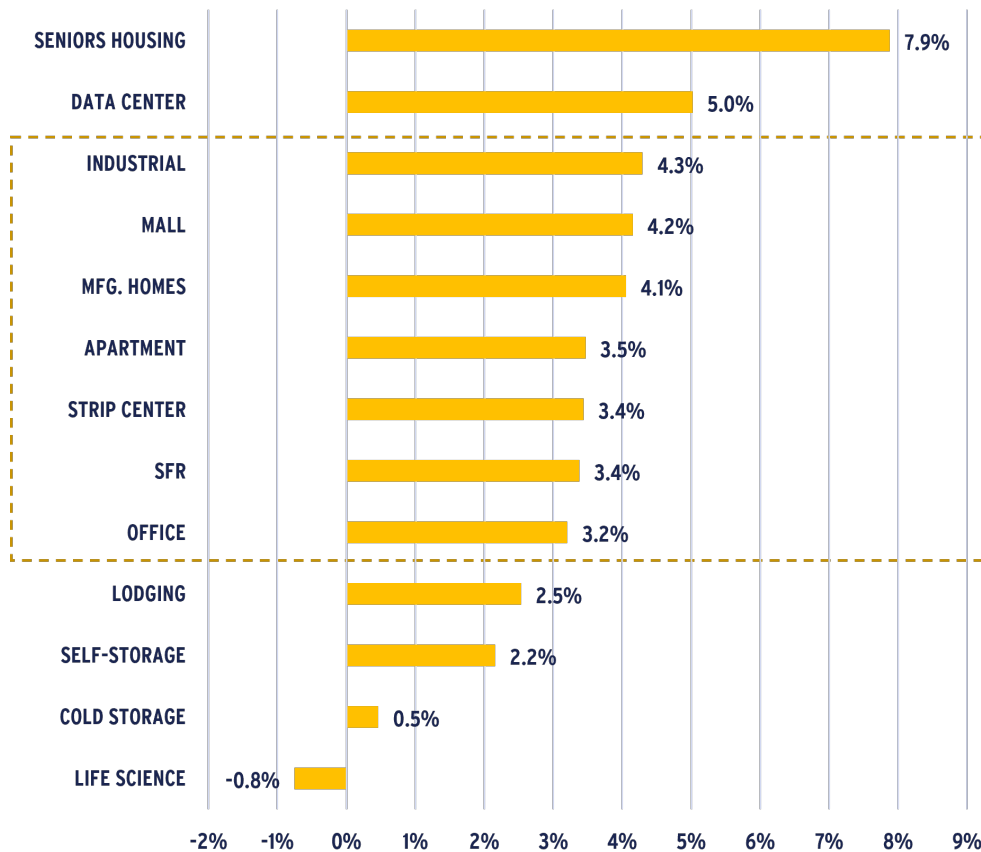
FIGURE 10: K-SHAPED PROPERTY PERFORMANCE: NOI GROWTH BY PROPERTY SECTOR, 2024 Q4 = 100



Source: NCREIF, 2025 Q4

Looking ahead, we expect seniors housing to continue to lead in NOI growth given the demographic story described above. Outside of seniors, there is little current consensus for significant outperformance, and expected growth is range bound across most property sectors, largely between 3% to 4% expected growth. From this, we suggest that property investment performance will be driven not by overweighting specific sectors or even specific markets but rather by more traditional real estate investment skills including asset selection, property and asset management, and sell discipline.

FIGURE 11: EXPECTED AVERAGE ANNUAL NOI GROWTH BY PROPERTY SECTOR



Source: Green Street January 2026

Conclusion

The next property valuation up-cycle has begun but progress has been slow and variable, and we expect this to continue through 2026. Uncertainty will continue to weigh on decision makers, but significant stimulus will likely stave off recession. We believe the next few years will be a period that rewards fundamental property investment skill over sector or market bets; pick the best property in the best location, maintain occupancy and control expenses, and be thoughtful about the additional capital invested. Investment skill is, of course, important in all time periods but we would argue that for most of the period following the Global Financial Crisis (GFC), valuation creation simply from ever compressing interest rates and property yields overwhelmed value creation from traditional real estate investment and asset management skill. In a world where yield compression is much less likely, we think property investment skill will be what shapes investment outcomes once again.

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Index Performance: Indices are unmanaged, and investors cannot actually make investments in an index. The index performance shown does not reflect the deduction of management fees or other expenses, which would reduce an index’s performance returns.

ODCE Index: The IDA Fund I, LLC is benchmarked against the NCREIF Fund Index–Open-End Diversified Core Equity (“NFI-ODCE”). The NFI-ODCE is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect the IDA Fund I, LLC’s actual ownership positions and financing strategy). The inception date of the index is the first quarter of 1978.

Past Performance: The performance data presented in this report represents past performance and all dollar amounts are in USD. Past performance is not an indication of future performance, provides no guarantee for the future, and is not constant over time. The value of an investment in the IDA Fund I, LLC may fluctuate and may be worth more or less than its original cost when redeemed. Current performance may be lower or higher than the performance data quoted.

Performance Returns: Performance returns presented are computed monthly using a time-weighted total rate of return methodology adjusted for daily weighted cash flows. Quarterly returns are calculated by linking monthly returns, and annual returns are calculated by linking quarterly returns. Returns shown for periods greater than one year have been annualized. The sum of presented income and appreciation returns may not equal their respective total returns due to the chain-linking of returns. Returns are presented beginning January 1, 2013, the effective transfer date of IDA Fund I, LLC’s is November 1, 2012.

Portfolio Holdings: The portfolio holdings, characteristics, weightings, and allocations presented in this report represent the portfolio at the time this report was completed and are subject to change without notice. Although these transactions presented in this report represent the types we may pursue in the future, no representative is made that similar opportunities will be available.

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Valuation and Account Policy: Assets are valued quarterly by the independent valuation advisor and appraised annually by an independent member of the Appraisal Institute. Additional information, including IDA Fund I’s valuation policy, is presented in the notes accompanying the financial statements.