

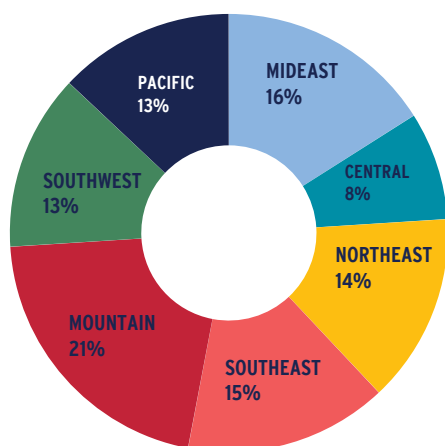
Q2 2025

Public Employee Retirement System of Idaho

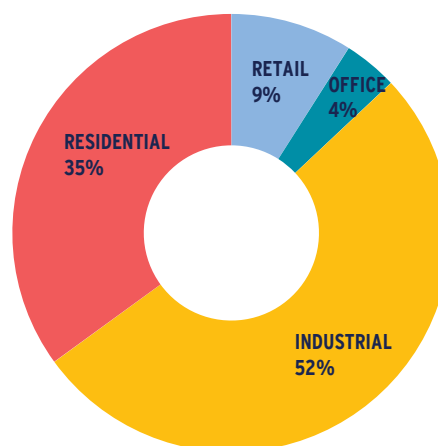
FUND SUMMARY

NET ASSET VALUE	\$983,803,269
NUMBER OF PROPERTIES	36
PORTFOLIO OCCUPANCY	91%

DIVERSIFICATION BY REGION (BY NIV)



DIVERSIFICATION BY PROPERTY TYPE (BY NIV)



PERFORMANCE SUMMARY

	CURRENT QUARTER	YEAR TO DATE	ONE YEAR	THREE YEAR	FIVE YEAR	TEN YEAR	SINCE INCEPTION ¹
INCOME	1.48%	2.94%	5.85%	5.08%	5.34%	5.60%	5.60%
APPRECIATION	(1.27)%	(1.96)%	(2.39)%	(9.02)%	(0.05)%	2.41%	2.94%
TOTAL GROSS RETURN	0.20%	0.94%	3.33%	(4.37)%	5.28%	8.13%	8.69%
TOTAL NET RETURN	(0.09)%	0.35%	2.14%	(5.45)%	4.10%	7.01%	7.63%
NCREIF ODCE INDEX (NET)	0.81%	1.67%	2.67%	(6.21)%	2.54%	4.42%	6.01%
RELATIVE PERFORMANCE (NET)	(90) bps	(132) bps	(53) bps	76 bps	156 bps	259 bps	162 bps

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

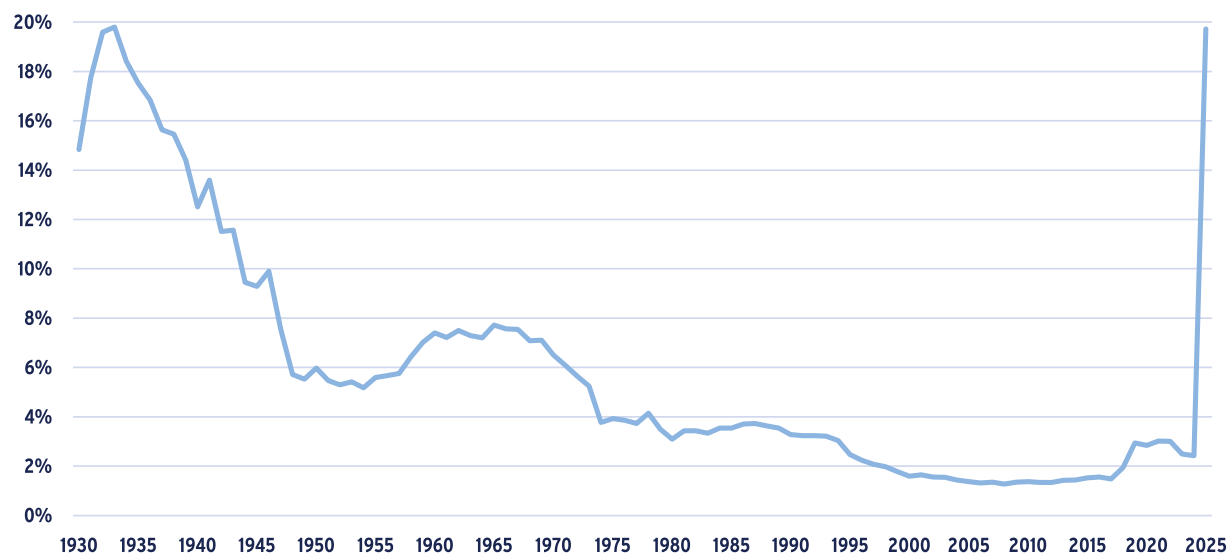
90+ Days that Shook the World

Bookended by “Liberation Day” on April 2nd and the President signing into law the “One Big Beautiful Bill” on July 4th, the past 90+ day period is arguably the most consequential period of federal government policy change in the U.S. since the onset of the Global Financial Crisis (GFC) in the latter part of 2008 and early 2009. In this brief period, the Trump administration, with the support of the Republican-controlled Congress and, in some cases, the Supreme Court, has moved rapidly, largely through executive order, to re-order large swathes of the U.S. economy and society more broadly, with particular focus on America’s relationship to the rest of the world via immigration, trade and foreign aid. At the same time, pressure has been brought domestically on institutions including universities, law firms and media companies to reshape behavior across hiring practices, curriculum, research and political expression.

Arguably, the dramatic fiscal and monetary policies undertaken during the GFC were in response to rapid and widespread economic contraction and the very real possibility of global financial system collapse. Today’s extraordinary trade, immigration and fiscal policies appear to be a reaction to concerns that a significant part of the electorate has regarding longer-term economic, demographic and societal change.

Most significantly, on April 2nd, the President imposed baseline 10% trade tariffs on all U.S. trading partners with additional “reciprocal” tariffs on individual countries. Market reaction was swift and severe, with massive simultaneous selloffs in the U.S. equity, fixed income and dollar exchange markets. In response to market reaction, the reciprocal tariffs were largely delayed, ostensibly allowing for trade negotiations, but have since re-percolated back into U.S. trade policy. Currently, the U.S. effective tariff rate, adjusted for trade weightings, stands at approximately 20%, the highest level since the peak of the Great Depression in 1933 and dramatically above the prior average of approximately 2.5%.

FIGURE 1: U.S. AVERAGE TRADE WEIGHTED EFFECTIVE TARIFF RATE



Source: The Budget Lab at Yale

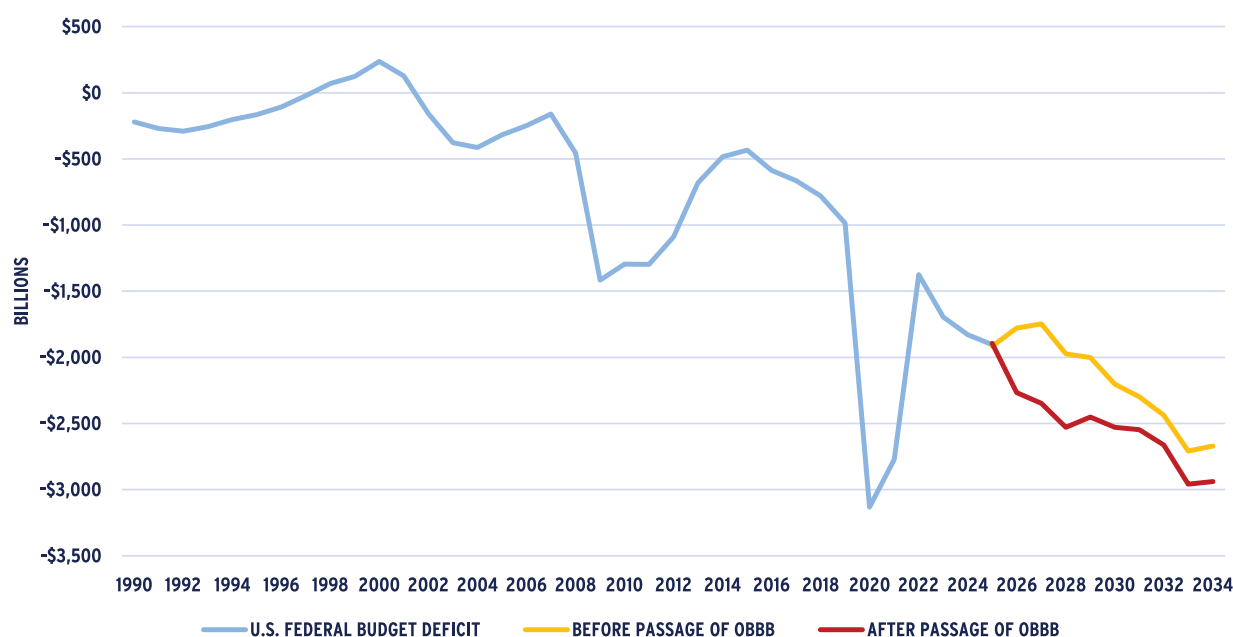
With U.S. tariff levels generally falling for more than 50 years, few market observers or investors have any direct experience with periods of broadly rising tariffs and, therefore, have limited ability to predict the ultimate impact on areas such as future trade volume, overall economic growth and inflation. Rather, most projections of tariff impacts are based on more narrowly focused tariff increases on specific products or countries such as the first Trump administration’s tariff policy with China. Recently, Moody’s economist Mark Zandi noted that for every 100-basis point increase in the effective tariff rate, expected inflation is likely 10 basis points higher¹. Given the extreme increase in the overall effective tariff rate since April 2nd, expected

¹ Moody’s Talks - Inside Economics. Episode 218. May 30, 2025. “Rules of Thumb”

inflation could rise significantly, but markets so far are not pricing that outcome into asset valuations. The slowing economy is also weighing on services pricing and partially offsetting the tariff impact on goods.

The 90+ day period ended with the passage and signing of landmark legislation making permanent and expanding the tax rate regime instituted in 2017 during the first Trump administration while simultaneously reducing future federal government spending on areas such as low-income health insurance (Medicaid) and nutritional assistance (SNAP). The bill does include numerous potentially positive items for commercial property investors such as expansion of low-income housing tax credits (LIHTC), making permanent federal opportunity zones and continuation of capital gain deferral through 1031 like-kind exchanges, though these come at a potential cost in terms of likely widening of the federal budget deficit and possibly higher borrowing costs. To this point, the Congressional Budget Office recently updated its assessment of the budgetary impacts of the bill and concluded that OBBB will add roughly \$3.5 trillion of additional cumulative deficits over the next ten years on top of the nearly \$20 trillion of new federal debt expected had there been no change to current policy.

FIGURE 2: PROJECTED U.S. FEDERAL BUDGET DEFICIT BEFORE AND AFTER PASSAGE OF OBBB

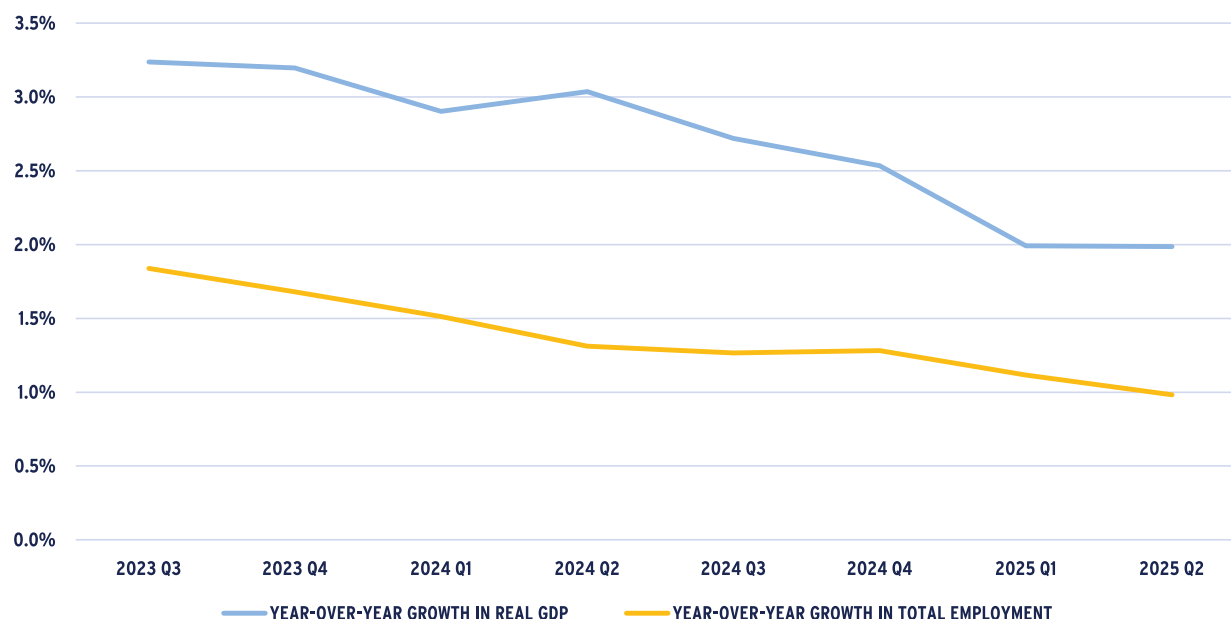


Source: Congressional Budget Office (CBO)

Against this backdrop, U.S. economic activity has clearly continued to slow. Through the middle of the year, U.S. real GDP growth showed year-over-year growth of 2%, down from annualized growth of more than 3% as recently as mid-2023. For its part, annualized total employment gains have slowed to just 1%, also down from nearly 2% in mid-2023. More significantly, the most recent government assessment of employment showed almost no new jobs in the country during May and June following the April's Liberation Day announcements². The release of the report prompted President Trump to dismiss the commissioner of the Bureau of Labor Statistics (BLS). While the decision drew significant public attention, some observers have expressed concern that it could further weigh on business and consumer confidence. This development follows a series of pointed remarks from the administration regarding Federal Reserve Chair Jerome Powell and the Federal Open Market Committee (FOMC), particularly in light of their cautious stance on adjusting monetary policy until the economic effects of recent tariff changes — including potential inflationary impacts — are more clearly understood. Similarly, to the benefits of free trade, the importance of central bank independence to the anchoring of inflation expectations is widely regarded as economic orthodoxy and the uncertainty introduced by the President's recent actions are likely to add additional uncertainty to the perceived veracity of future government data releases as well as soundness of U.S. monetary policy.

² Bureau of Labor Statistics, *Employment Situation*. August 1, 2025

FIGURE 3: U.S. REAL GDP AND TOTAL EMPLOYMENT GROWTH



Source: Bureau of Labor Statistics, Bureau of Economic Analysis

While the One Big Beautiful Bill makes permanent prior tax cuts that were set to expire this year, most consumers will not see any increase in after-tax income until they file for and receive their federal tax rebate next year as all of the new tax cuts such as the new higher standard deduction and favorable tax treatment for tipped income or overtime are accessible only through the tax filing process. By contrast, tariffs are taxes on the consumption of foreign produced goods, and the tariffs are collected as the good enters the country. To the extent that these new taxes are passed on to the final consumer, the impact of higher prices will show up in household budgets much sooner. The Budget Lab at Yale University, for example, estimates that the new effective tariff rate impact on the average household will be an increase in aggregate cost of goods consumed of \$2,400³. As such, we anticipate continued slower economic growth as businesses and consumers digest the large and rapid changes that are unfolding around them.

Ironically, slower growth resulting from the President's trade policies will likely create the conditions for the Federal Reserve to resume lowering short-term policy rates, possibly as early as the September meeting, but any decline in longer-term Treasury bonds yield will be determined by the bond market, not the FOMC. If the new tariff scheme is successful in reducing future trade deficits, foreign Treasury bond purchasers will likely have fewer dollars from trade to recirculate into U.S. assets generally and Treasury bonds specifically. Overall, we see the U.S. yield curve steepening in the near term as any decline in short rates is not fully matched by declines in long yields.

³ The Budget Lab at Yale. State of U.S. Tariffs. July 7, 2025

Commercial Property Outlook

Property valuation cycles are long. Indeed, since the start of the NCREIF Property Index in 1978, there have been only three periods of negative year-over-year total return, suggesting average cycle length of nearly 15 years. All economic and property cycles have characteristics in common, but they also have elements that are unique. Looking ahead, we are reminded of Maya Angelou's admonition "if you don't know where you are coming from, you don't know where you are going." For U.S. commercial property, the past few years have been marked by valuation decline accompanied not by broad economic contraction (i.e., recession) but by generally growing property earnings (net operating income). This stands in marked contrast to the period of negative returns during the financial crisis (2008-2009) and the banking crisis of the early 1990s.

FIGURE 4: YEAR-OVER-YEAR RETURN OF THE NCREIF PROPERTY INDEX (NPI)



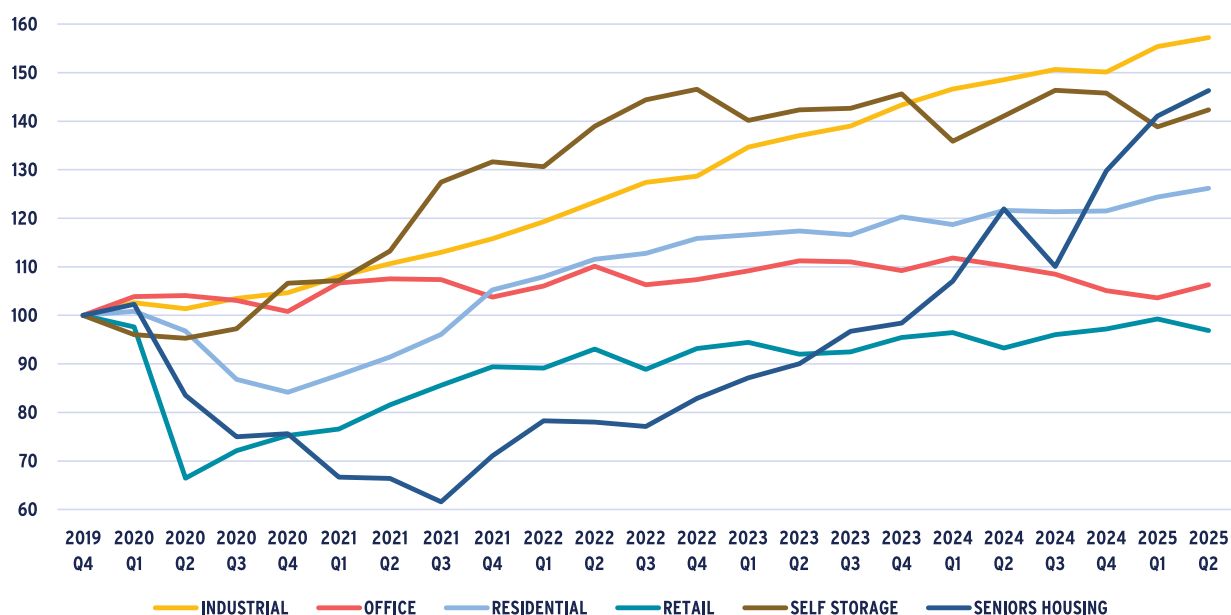
Source: NCREIF

U.S. commercial property entered the beginning of the next property valuation up cycle during the second half of 2024, and we believe the current property up cycle will be different from past periods in several important ways.

First, the amplitude of the valuation component of property return will likely be muted with respect to past cycles. Property values, like the value of all income-producing assets, change for two reasons: the income produced by the property changes or the way investors value that income changes. For real estate, the latter is captured by the property cap rate, the yield investors demand to hold a property given the current property income and expected future growth in the income stream. As with bonds, values rise when investors demand less yield. For the reasons discussed, we do not expect a significant near-term decline in Treasury bond yields and, by extension, do not anticipate near-term yield compression for most real estate assets as well.

Second, property income growth over the next several years will, in aggregate, be slower than property income growth during the early years of valuation recovery in prior cycles. As noted above, the value declines of the past few years have occurred without an accompanying economic recession. If there has been no cyclical decline in property operating metrics such as occupancy and rent, there is not likely to be go-forward growth at levels typically seen during periods of recovery.

FIGURE 5: NOI GROWTH BY PROPERTY SECTOR (INDEX, 2019 Q4 = 100)

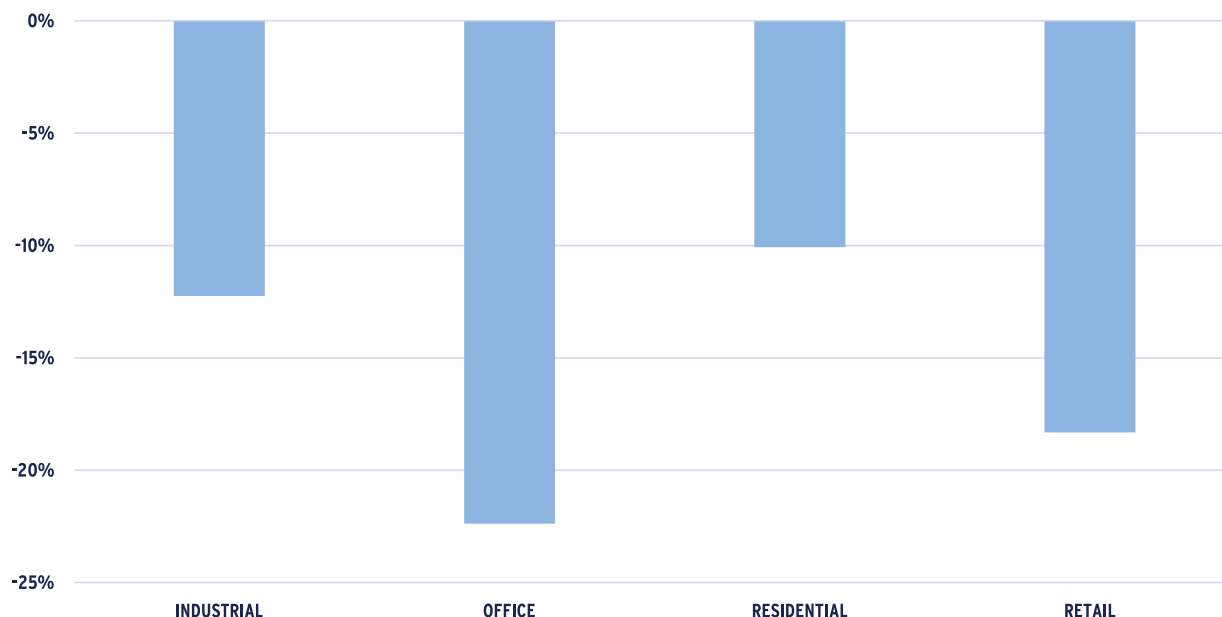


Source: NCREIF

There will, of course, be exceptions. In Figure 5, we show aggregate net operating income (NOI) from the quarter before the pandemic (2019 Q4) began through the most recent quarter. Each property sector followed a unique path over this period with extremely sharp NOI declines in 2020 and 2021 in sectors such as retail and seniors housing, which were more sensitive to pandemic restrictions. Since the end of 2021, however, growth in seniors housing NOI has steadily accelerated, while NOI growth in most other sectors has moderated. This divergence is expected to continue over the next several years as seniors housing enjoys recovery from the pandemic period that is more like true cyclical recovery as most other sectors experience conditions typically referred to as “late cycle slowdown.”

Finally, and perhaps most significantly, the current property valuation up cycle may continue much longer than previous cycles and, the longer the cycle continues, the greater the likelihood that property NOI growth in other sectors will re-accelerate. This conclusion is rooted in observations of property market supply responses, which we believe will be less robust than in previous valuation recovery cycles. Currently, there is very little aggregate construction underway in seniors housing, retail, and office, and construction is slowing rapidly in most industrial and apartment markets. Following more than two years of steady value declines, most property values today are below estimated replacement cost. Proprietary data from our portfolio suggests current values ranging from 10% to 25% below estimated replacement cost and we suspect that is true broadly across institutionally owned commercial properties. In this environment, the incentive to deliver new property is greatly reduced. Additionally, material and labor pricing (and availability) seem likely to remain unpredictable, at least in the near-term, as near daily pronouncements on new or changing tariff levels combined with near certain acceleration of deportation of undocumented labor keep new development planning more difficult. If new supply remains muted, the period in which rents can rise to levels that support new construction becomes elongated and the inevitable point in all cycles where new supply moves ahead of demand growth moves farther into the future.

FIGURE 6: CURRENT VALUE RELATIVE TO ESTIMATED REPLACEMENT COST



Source: AEW Research, 2025 Q2

Conclusion

The past 90+ days have been remarkable. In a very short period, the President, by proclamation, has restructured global trade and Congress, by the narrowest of margins, has locked-in structurally lower tax rates for the foreseeable future. These changes will be very difficult for future administrations to reverse. Larger deficits, now structurally in place, make new higher tariff revenue addictive for future lawmakers and tax relief once given is politically painful to take away. The long-term impacts of these changes are, of course, unknown. In the near term, we expect continued slower aggregate growth as the negative impacts of tariffs on consumption are felt immediately, while any stimulus to new domestic production or benefits of additional tax relief is still to come. At the same time, a floor under yields likely persists with investors pricing in sustained higher yield premia in response to greater federal funding needs and uncertain expectations of tariff-related inflation. In short, we anticipate additional steepening of the yield curve, even if the Fed resumes cutting short rates later this year and into 2026.

Leaving aside the sector-specific positive NOI recovery story in seniors housing today, we do not expect near-term widespread outsized property sector NOI lift. There will, as always, be differential growth by property sector and by market, but the differences will be narrower than in past cycles. Again, there has been no cyclical decline in regional economies to give support to underwriting cyclical recovery. As such, we believe this next valuation up cycle will be less about picking the correct property sector or market and more about picking the correct asset and growing its income through prudent asset and property management. While this is always an important component of property investment return, in a time where little or no amplification of property income growth from compressing yields can be counted on, property income growth will be the primary source of future value creation.

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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.

Risks: Investments in real estate and real estate related entities are subject to various risks, including fluctuating property values, changes in interest rates, property taxes and mortgage-related risks. International investing involves certain risks, such as currency exchange rate fluctuations, political or regulatory developments, economic instability, and lack of information transparency. Investment in fewer issuers or concentrating investments by region or sector involves more risk than a fund that invests more broadly. The use of leverage in connection with any investment (in the form of either debt or preferred equity) creates greater potential for loss and increases exposure to adverse economic factors such as rising interest rates, economic downturns, or deterioration in the condition of a real estate asset or market. If a real estate asset that secures a loan is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the lender will be entitled to exercise the remedies specified under the loan documents and applicable law, which may include acceleration of the indebtedness and foreclosure on the real estate asset. There can be no assurance that any investments in real estate or real estate related entities will achieve their investment objectives.

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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.