PERSI
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Meeting of the PERSI Retirement Board

February 25, 2025 | 8:30 A.M. - 12:00 P.M.
PERSI Office - 607 N. 8th St. Boise, ID 83702

AGENDA

Tuesday, February 25

8:30 AM		Call to Order | Welcome	Jeff Cilek
	I.	Approval of Minutes	Jeff Cilek
		A. Draft of December 16 & 17, 2024 and January 31, 2025 Minutes *	
8:35 AM	II.	Investments | Portfolio	Richelle Sugiyama
		A. Callan Quarterly Report	Ann O'Bradovich
		B. Monthly Portfolio Update	Richelle Sugiyama, Chris Brechbuhler
9:20 AM	III.	Operations | Administration	Mike Hampton
		A. Operations / Administration Update	Alex Simpson
		B. Legislative Update	Mike Hampton
		C. Private Letter Ruling	Mike Hampton, Cheryl George
9:50 AM		Break	
10:00 AM	III.	Operations | Administration (cont.)	Mike Hampton
		D. Economic Study	Alex Simpson
		E. Public Safety Officer Death Benefits*	Alex Simpson
		F. 2025 PAA Milliman Study	Mike Hampton, Robert Schmidt
		G. Experience Study plan / schedule	Robert Schmidt, Ryan Cook
10:45 AM	IV.	Fiscal | Budget	Mike Anderson
		A. Fiscal Update/Travel/Expense Report	Mike Anderson
		B. Quarterly Financial Statements	Mike Anderson
10:55 AM	V.	Board	Jeff Cilek
		A. Trustee Call for Future Agenda Items *	
11:00 AM	**	Executive Session - Idaho Code § 74-206 (1)(a)(b)(f)*	Jeff Cilek
12:00 PM		Adjournment	

* Decision / Action of the Board Requested

** For the purpose of entering into Executive Session

Callan

February 24, 2025

Public Employee Retirement System of Idaho

Fourth Quarter 2024

Performance Evaluation

Ann O’Bradovich
Senior Vice President

Agenda

- Market Overview and Summary
- DB Performance
  - DB Historical Actual Returns and Actuarial Return Assumptions
- DC Performance
- Sick Leave Plan Performance
- Callan Updates

Equity Markets Up Sharply in 2024

Stocks have recovered losses of 2022; fixed income still lags

S&P 500 climbed 25% in 2024

- U.S. large cap substantially outperformed U.S. small cap, developed ex-U.S. markets, and emerging markets. Technology and AI drove the S&P 500.

Weak 4Q for core fixed income

- The Bloomberg Aggregate fell 3.1%. Long duration and non-U.S. bonds saw even greater declines.
- Interest rates remain volatile as the markets assess how the Fed will continue with easing.
- CPI-U came in at 2.9% (year-over-year) through December, up from 3Q, but with a welcome decline in the core figure, which rose 3.2%.

Solid growth through 2024

- 3Q GDP came in at a surprisingly strong 3.1%, after another surprise in 2Q, and saw 2.3% growth in 4Q. Consumer spending continues to drive GDP growth.

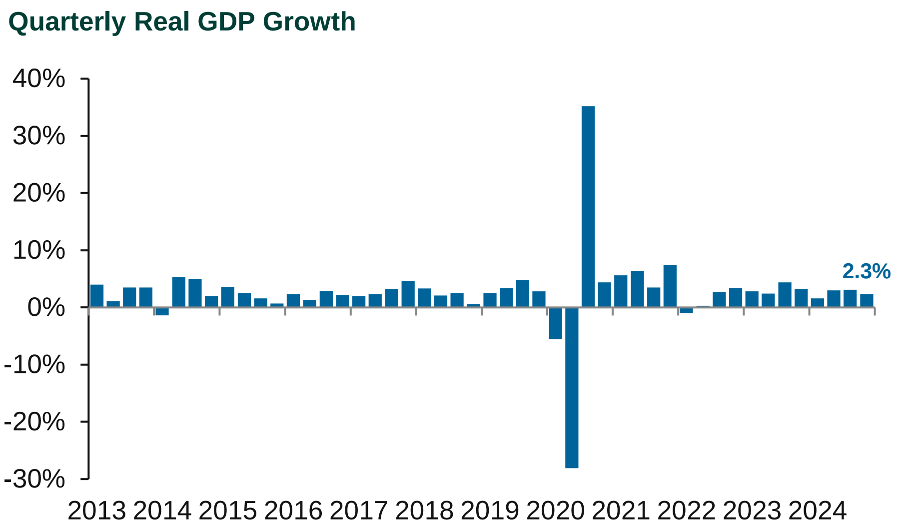
Returns for Periods ended 12/31/24

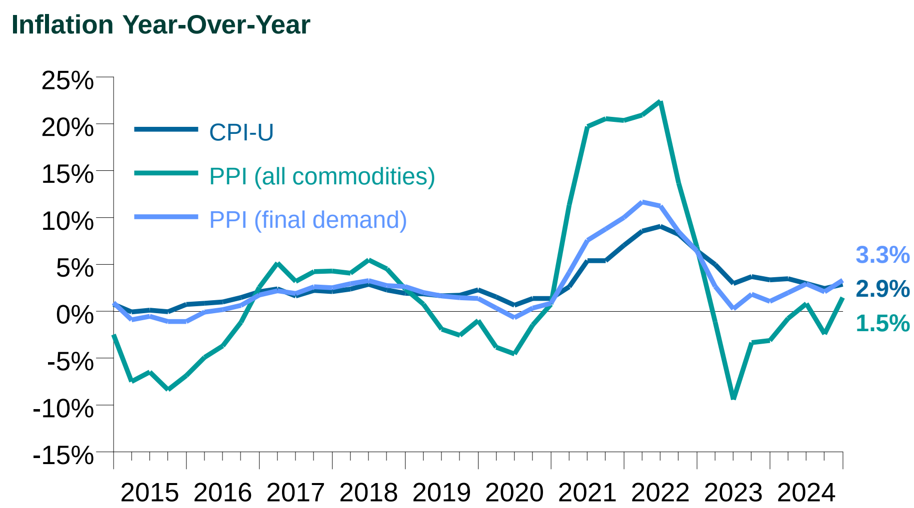
	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	2.63	23.81	8.01	13.86	12.55	7.84
S&P 500	2.41	25.02	8.94	14.53	13.10	7.70
Russell 2000	0.33	11.54	1.24	7.40	7.82	7.55
Global ex-U.S. Equity						
MSCI World ex USA	-7.43	4.70	1.91	5.10	5.26	3.78
MSCI Emerging Markets	-8.01	7.50	-1.92	1.70	3.64	--
MSCI ACWI ex USA Small Cap	-7.66	3.36	-1.47	4.30	5.66	6.23
Fixed Income						
Bloomberg Aggregate	-3.06	1.25	-2.41	-0.33	1.35	3.94
90-day T-Bill	1.17	5.25	3.89	2.46	1.77	1.91
Bloomberg Long Gov/Credit	-7.42	-4.15	-9.20	-3.26	0.99	5.36
Bloomberg Global Agg ex-US	-6.84	-4.22	-6.28	-3.37	-0.90	2.45
Real Estate						
NCREIF Property Index	0.90	0.43	-0.82	3.13	5.66	7.58
FTSE Nareit Equity	-6.21	8.73	-2.20	4.27	5.73	9.84
Alternatives						
Cambridge Private Equity*	2.68	7.93	2.75	14.27	13.40	12.39
Cambridge Senior Debt*	3.35	10.18	7.08	7.89	7.31	4.59
HFRI Fund Weighted	1.49	9.83	4.41	7.00	5.26	5.57
Bloomberg Commodity	-0.45	5.38	4.05	6.77	1.28	2.15
Gold Spot Price	-0.69	27.47	13.04	11.64	8.35	9.24
Inflation: CPI-U*	0.10	2.89	4.22	4.20	3.00	2.54

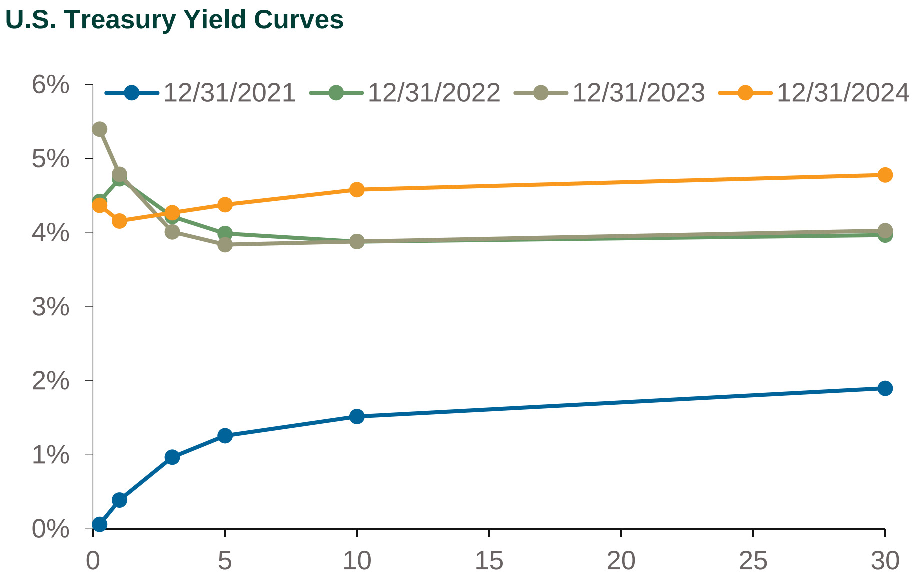
*Cambridge Private Equity and Cambridge Senior Debt data as of 9/30/24. Returns greater than one year are annualized.
Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

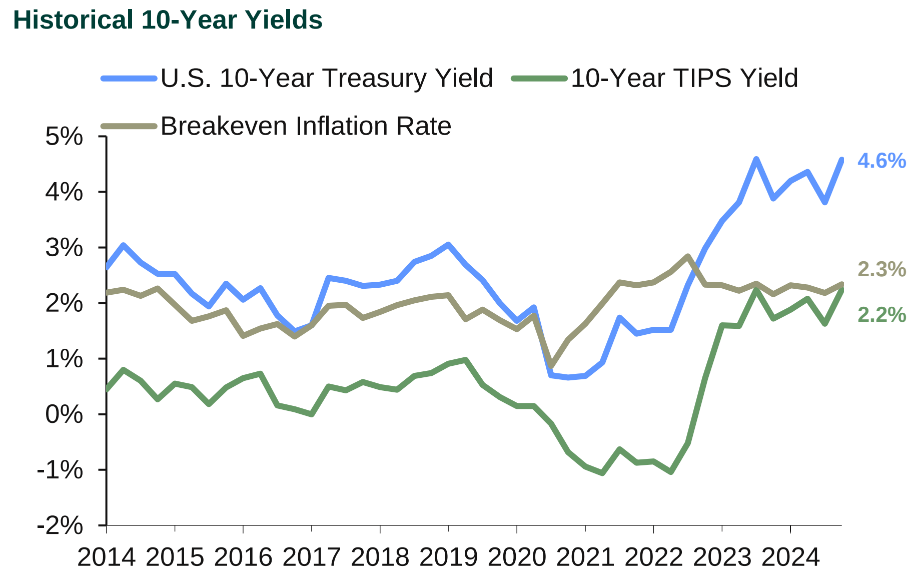
U.S. Economy—Summary

For periods ended 12/31/24









Sources: Bureau of Labor Statistics, Callan, Federal Reserve

U.S. Equity Performance: 4Q24

U.S. market ends on a high note, though with some volatility

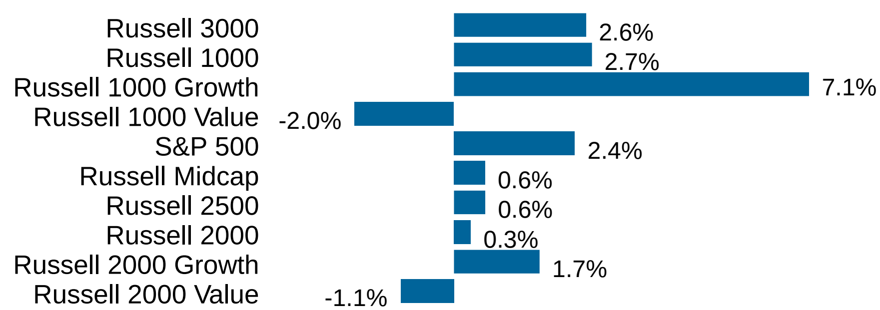
– The U.S. equity market ended on a positive note as the S&P 500 Index was up over 2%. However, the quarter was marked by volatility, particularly during October and December. Negative returns in October were driven by investor anxiety around the U.S. presidential election, uncertainty with the Fed's approach to interest rate cuts on a go-forward basis, and some misses to earnings expectations for companies. December returns, while initially buoyed by the Fed's third consecutive rate cut, cooled after the Fed announced no additional rate cuts until the second half of 2025.

– Sector performance was mixed; only 4 (Communication Services, Consumer Discretionary, Financials, and Information Technology) posted positive returns.

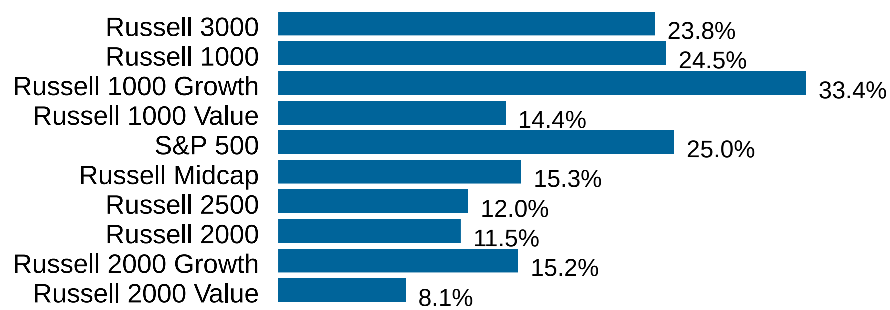
– During 4Q24, large cap stocks outperformed small cap stocks. Growth stocks outperformed value stocks across the market cap spectrum.

– Market concentration remains elevated; the percentage of companies outperforming the S&P 500 is at historic lows and there remains a large divergence between S&P 500 and S&P 500 ex-Magnificent Seven returns.

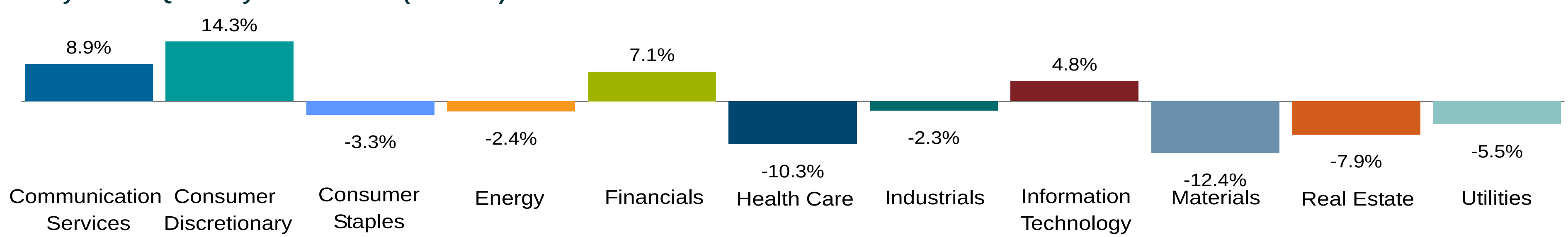
U.S. Equity: Quarter Ended 12/31/24



U.S. Equity: One Year Ended 12/31/24



Industry Sector Quarterly Performance (S&P 500) as of 12/31/24



Sources: FTSE Russell, S&P Dow Jones Indices

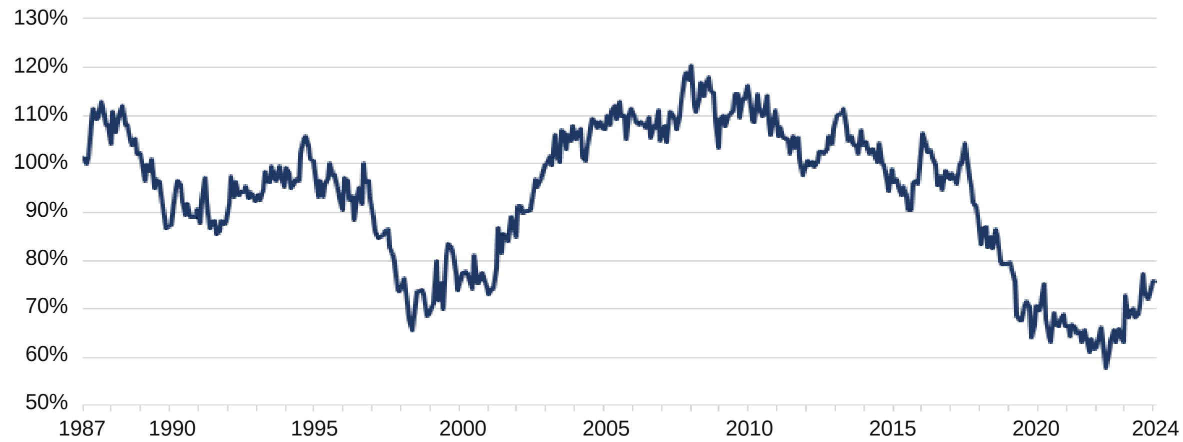
U.S. Equity Key Theme

Narratives around small caps also remain persistent

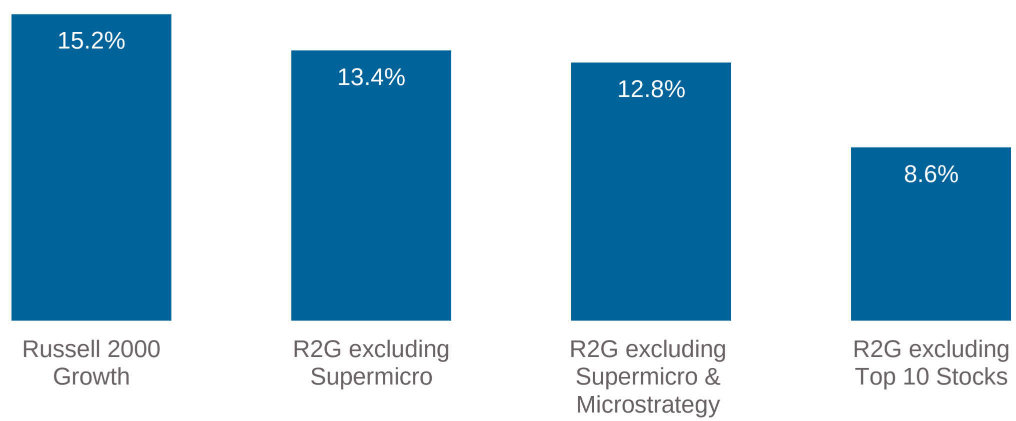
Small cap stocks and active small cap managers continue to face challenges

- Small cap valuations, on both an absolute and relative (to large cap valuations) basis, continue to trade at historic lows (though potentially pointing to an attractive entry point for investors).
- The percentage of Russell 2000 stocks outperforming the Russell 2000 Index remains at the lower end of the historical range, pointing to the persistence of relative weakness within the small cap markets.
- Small cap active managers have had to contend with benchmark concentration, as two stocks in particular, Supermicro and Microstrategy, continue to have an outsized impact on benchmark performance.
- During 2024, profitable companies outperformed those with losses -- 42% of the companies in the Russell 2000 lost money. This suggests active managers could be positioned for stronger relative performance.

Small Cap Valuations Remain at Historic Lows (Russell 2000 / S&P 500 Relative P/E)



Impact of Supermicro and Microstrategy on 2024 Performance



Sources: Furey Research Partners, MSCI, Royce Associates, Westfield

Global/Global ex-U.S. Equity Performance: 4Q24

Non-U.S. markets pull back at year-end

Broad market

- Global equity markets had a rough end to the year as concerns around Trump tariffs weighed on Europe and China.
- Europe was one of the worst-performing regions, plagued by political uncertainty and continued economic woes.
- While still negative, Japan’s decline over the quarter was stemmed by the approval of a new economic stimulus plan focused on issues such as wage stability and deflation.

Emerging markets

- Emerging markets declined on the heels of poor results out of China and India. Although Chinese stocks initially gained from the announced stimulus, they later declined due to expected tariffs. Economic growth in India fell short of expectations.

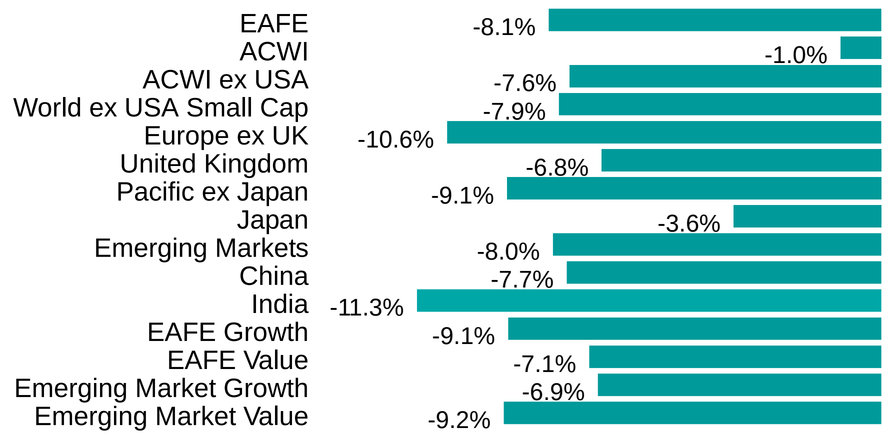
Growth vs. value

- In developed markets outside the U.S., the influence of technology and AI is comparatively more muted, which makes the trend of growth stocks, especially those from the "Magnificent Seven," outperforming value stocks less pronounced.

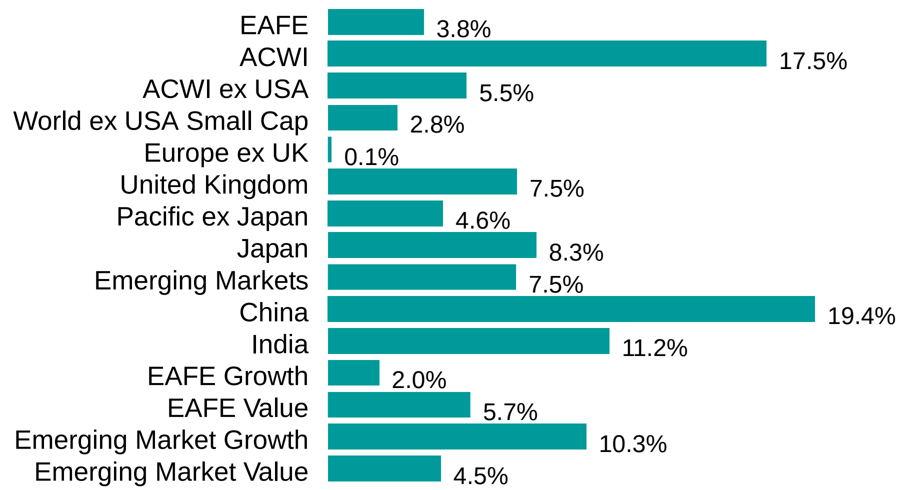
U.S. dollar strength

- The U.S. dollar shifted direction from the last quarter as expectations for interest rate cuts faded, along with the anticipated beneficial effects of the Trump administration on the U.S. economy; in total the U.S. Dollar Index rose over 7% during the quarter.

Global Equity Returns: Quarter Ended 12/31/24

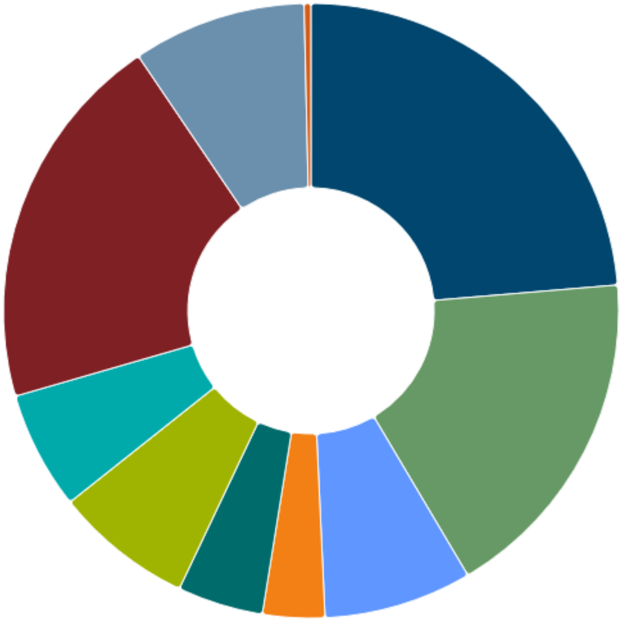


Global Equity Returns: One Year Ended 12/31/24



Source: MSCI

PERSI DB Asset Allocation - Defined Benefit as of December 31, 2024



Asset Class	Assets	Actual Weight	Target
US Public Equity	$5,805,910,181	23.66%	21.00%
Global Equity	$4,375,611,680	17.83%	18.00%
Private Equity	$1,909,919,891	7.78%	8.00%
REIT Equity	$801,051,752	3.26%	4.00%
Private Real Estate	$1,106,195,340	4.51%	4.00%
Emerging Markets Equity	$1,785,481,057	7.28%	9.00%
Developed Markets Equity	$1,522,282,503	6.20%	6.00%
US Fixed Income	$4,909,927,938	20.01%	20.00%
US TIPS	$2,236,701,725	9.11%	10.00%
Short Term Cash	$88,914,250	0.36%	-
Total Fund	$24,541,996,317	100.00%	100.00%

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

Asset Class	Current	Target	Ranges
Equities	71%	70%	66% - 77%
Broad Domestic Equity	57%	55%	50% - 65%
International Developed Equity	14%	15%	10% - 20%
Fixed Income	29%	30%	23% - 33%
Cash	0%	0%	0% - 5%

PERSI DB Asset Distribution as of December 31, 2024

Total Fund ended the 4th quarter 2024 with $24.5 B, a net decrease of $0.7 B

- Net withdrawals: - $0.101 B
- Investment growth: - $0.567 B

Portfolio	Ending Assets Dec 31, 2024	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Sep 30, 2024	Weight
US Public Equity	$5,805,910,181	23.66%	-$89,000,000	$99,104,022	$5,795,806,159	22.99%
Global Equity	$4,375,611,680	17.83%	$0	-$159,221,429	$4,534,833,109	17.99%
Private Equity	$1,909,919,891	7.78%	$32,326,255	$17,843,629	$1,859,750,007	7.38%
Real Assets	$1,907,247,093	7.77%	-$65,927,693	-$46,407,949	$2,019,582,735	8.01%
Emerging Markets Equity	$1,785,481,057	7.28%	-$198,780	-$116,530,236	$1,902,210,073	7.55%
Developed Markets Equity	$1,522,282,503	6.20%	$0	-$150,660,943	$1,672,943,446	6.64%
Total Fixed	$7,146,629,663	29.12%	-$471,957	-$212,781,806	$7,359,883,426	29.19%
Short Term Cash	$88,914,250	0.36%	$22,682,807	$1,344,425	$64,887,018	0.26%
Total Fund	$24,541,996,317	100.00%	-$100,759,397	-$567,140,259	$25,209,895,973	100.00%

PERSI DB: 4th Quarter 2024 Performance Summary*

4Q 2024: PERSI Total Fund earned a return of -2.26%, underperforming the Policy and Long-Term Target returns

- In aggregate the managers underperformed their benchmarks by 49 bps.
- Variations from policy added 18 bps.

Over the last three years, the Total Fund returned 2.18%, trailing the Policy Target return of 2.24%. Over the last five years, the Total Fund gained 6.76% vis-à-vis the Policy Target return of 6.92%

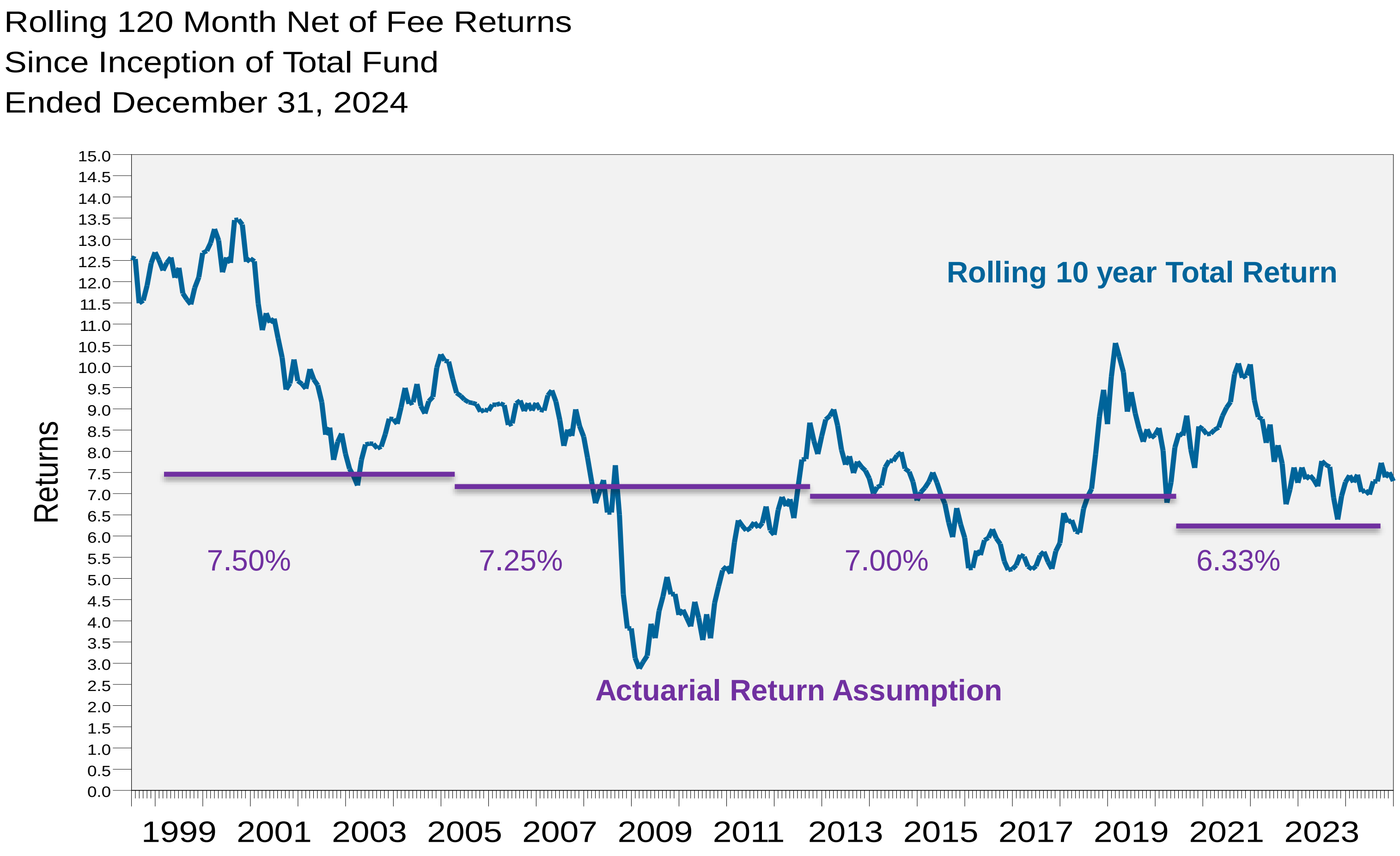
Last 20 years: Total Fund has earned an average annual return of 7.15%

Total Fund Returns
Periods Ending December 31, 2024

* Total Fund Returns are Gross of Fees

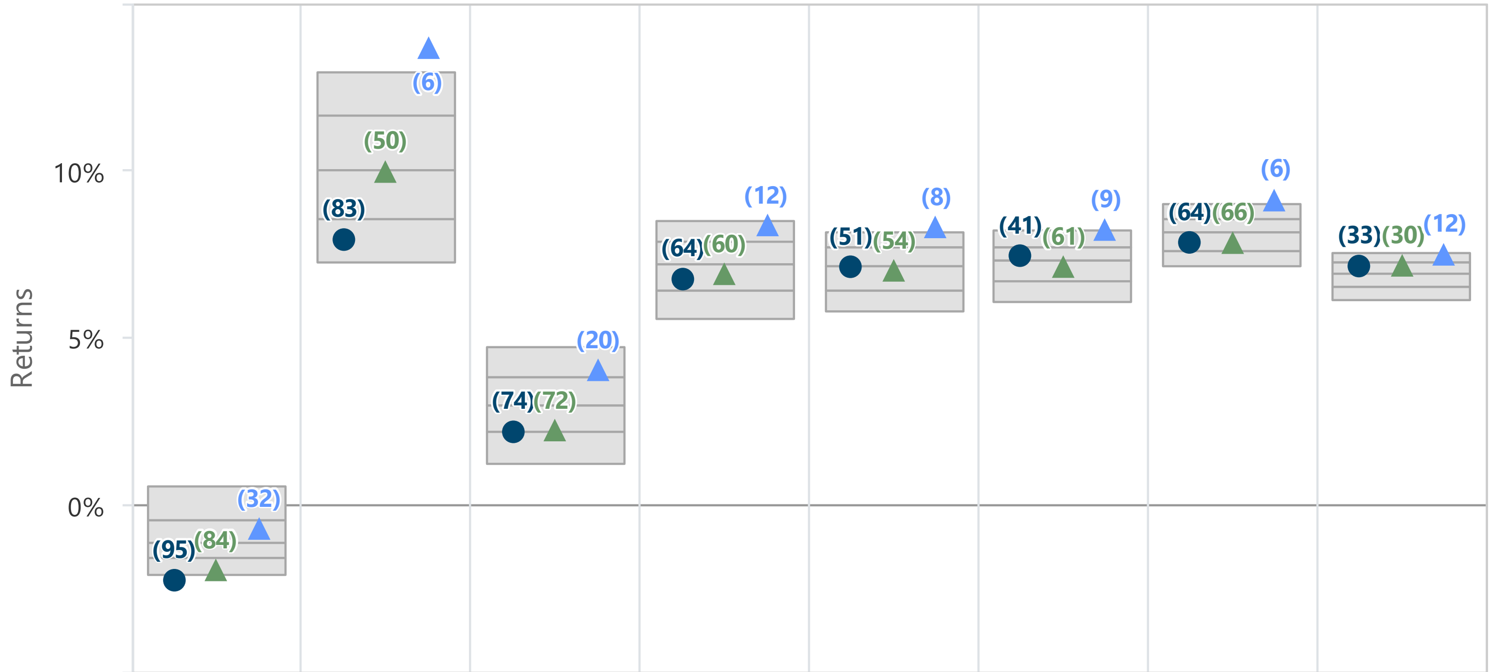
PERSI DB: Historical Actual Returns and Actuarial Return Assumptions

10 year rolling time periods



Performance* Comparison - Trailing Time Periods as of December 31, 2024

Performance vs Callan Public Fund Spr DB



	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years	20 Years
25th Percentile	-0.46	11.65	3.80	7.90	7.71	7.72	8.57	7.24
Median	-1.12	10.00	2.97	7.19	7.13	7.32	8.14	6.90
75th Percentile	-1.62	8.54	2.16	6.40	6.40	6.70	7.60	6.53
Total Fund ●	-2.26	7.94	2.18	6.76	7.13	7.46	7.85	7.15
Total Fund Policy Target[1] ▲	-1.95	9.98	2.24	6.92	7.02	7.13	7.85	7.17
Total Fund Long Term Target[2] ▲	-0.71	13.68	4.04	8.38	8.32	8.24	9.12	7.50

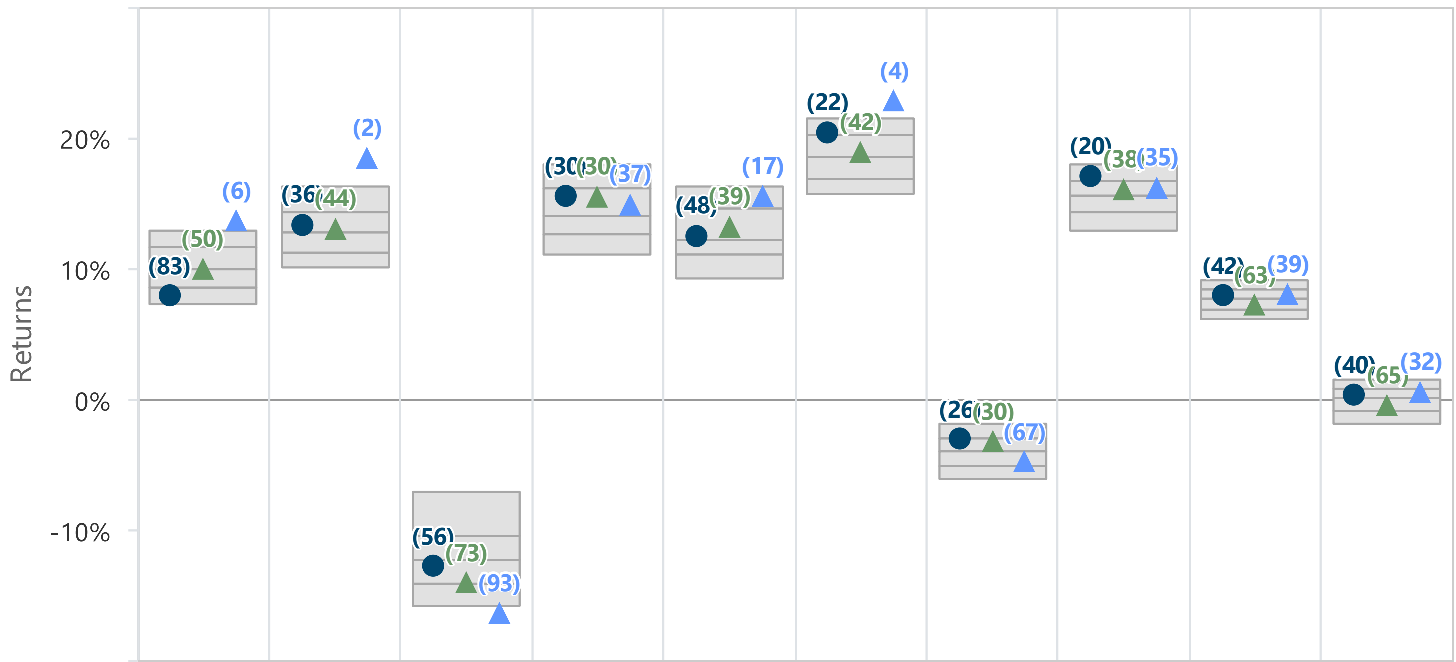
* Total Fund Returns are Gross of Fees

(1) Total Fund Policy Target: 21% Russell 3000, 18% MSCI AC World Net Index, 6% MSCI EAFE Net Index, 9% MSCI Emg Mkts Net Index, 8% Private Equity Return, 4% NAREIT All Equity Index, 4% NFI-ODCE Equal-Wt

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

Performance* Comparison - Calendar Years as of December 31, 2024

Performance vs Callan Public Fund Spr DB



	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
25th Percentile	11.65	14.23	-10.49	16.12	14.63	20.18	-2.97	16.73	8.44	0.79
Median	10.00	12.77	-12.38	14.07	12.24	18.51	-4.05	15.52	7.64	0.03
75th Percentile	8.54	11.26	-14.16	12.55	11.05	16.85	-5.10	14.27	6.79	-0.92
Total Fund ●	7.94 (83)	13.32 (36)	-12.77 (56)	15.55 (30)	12.47 (48)	20.41 (22)	-3.03 (26)	17.07 (20)	7.95 (42)	0.33 (40)
Total Fund Policy Target [1] ▲	9.98 (50)	13.03 (44)	-14.03 (73)	15.49 (30)	13.19 (39)	18.91 (42)	-3.22 (30)	16.06 (38)	7.23 (63)	-0.47 (65)
Total Fund Long Term Target [2] ▲	13.68 (6)	18.47 (2)	-16.38 (93)	14.88 (37)	15.56 (17)	22.87 (4)	-4.77 (67)	16.17 (35)	8.03 (39)	0.53 (32)

* Total Fund Returns are Gross of Fees

(1) Total Fund Policy Target: 21% Russell 3000, 18% MSCI AC World Net Index, 6% MSCI EAFE Net Index, 9% MSCI Emg Mkts Net Index, 8% Private Equity Return, 4% NAREIT All Equity Index, 4% NFI-ODCE Equal-Wt

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

DB Plan Total Fund Attribution*

Quarter ended December 31, 2024

Relative Attribution Effects for Quarter ended December 31, 2024

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
US Public Equity	24%	21%	1.69%	2.63%	(0.22%)	0.09%	(0.12%)
Developed Markets	6%	6%	(9.01%)	(8.11%)	(0.06%)	(0.03%)	(0.09%)
Emerging Markets	7%	9%	(6.13%)	(8.01%)	0.15%	0.08%	0.23%
Global Equity	18%	18%	(3.51%)	(0.99%)	(0.45%)	(0.00%)	(0.45%)
US TIPS	9%	10%	(2.97%)	(2.88%)	(0.01%)	0.01%	(0.00%)
US Fixed Income	20%	20%	(2.86%)	(3.06%)	0.04%	(0.00%)	0.04%
REIT Managers	3%	4%	(5.11%)	(8.15%)	0.11%	0.04%	0.14%
Private Real Estate	5%	4%	(0.32%)	0.85%	(0.05%)	0.01%	(0.04%)
Private Equity	7%	8%	0.96%	0.96%	0.00%	(0.02%)	(0.02%)
Cash/Transition	0%	0%	1.23%	1.23%	0.00%	0.01%	0.01%
Total			**(2.26%) =**	**(1.95%) +**	**(0.49%) +**	**0.18%**	**(0.31%)**

- Total Fund outperformed the Policy Target by 31 basis points during the past quarter.
- Manager Performance: - 49 bps
  - \+ Emerging Markets, US Fixed Income, and REITs outperformed
  - \- US Public Equity, Developed Markets, Global Equity, TIPS, and Private Real Estate underperformed
- Allocation Impacts: +18 bps
  - \+ Overweight US Equity and Private Real Estate
  - \+ Underweight Emerging Markets, TIPS, and REITs
  - \- Underweight Private Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

1 Year ended December 31, 2024

One Year Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
US Public Equity	22%	21%	20.34%	23.81%	(0.72%)	0.09%	(0.63%)
Developed Markets	6%	6%	3.12%	3.82%	(0.05%)	(0.04%)	(0.09%)
Emerging Markets	7%	9%	6.46%	7.50%	(0.09%)	0.03%	(0.06%)
Global Equity	19%	18%	9.40%	17.49%	(1.47%)	0.13%	(1.34%)
US TIPS	9%	10%	2.01%	1.84%	0.02%	0.05%	0.07%
US Fixed Income	20%	20%	1.78%	1.25%	0.11%	0.07%	0.18%
REIT Managers	3%	4%	8.91%	4.92%	0.14%	(0.03%)	0.11%
Private Real Estate	5%	4%	(5.74%)	(2.43%)	(0.18%)	(0.10%)	(0.28%)
Private Equity	8%	8%	6.76%	6.76%	0.00%	0.01%	0.01%
Cash/Transition	0%	0%	4.67%	4.67%	0.00%	(0.01%)	(0.01%)

Total 7.94% = 9.98% + (2.22%) + 0.19% (2.04%)

- Total Fund underperformed the Policy Target by 204 basis points during the past 12 months.

- Manager Performance: - 222 bps
  + TIPS, Fixed Income, and REITS outperformed
  - US Equity, Developed Markets, Emerging Markets, Global Equity, and Private Real Estate underperformed

- Allocation Impacts: + 19 bps
  + Overweight US Equity and Global Equity
  + Underweight Emerging Markets and TIPS
  - Overweight Private Real Estate
  - Underweight REITs

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

5 Years ended December 31, 2024

Five Year Annualized Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
US Public Equity	22%	21%	13.72%	13.86%	(0.06%)	0.00%	(0.06%)
Developed Markets	6%	6%	4.62%	4.73%	(0.01%)	(0.03%)	(0.04%)
Emerging Markets	8%	9%	1.30%	1.70%	(0.02%)	0.05%	0.02%
Global Equity	19%	18%	9.30%	10.06%	(0.13%)	0.01%	(0.12%)
US TIPS	10%	10%	1.76%	1.87%	(0.01%)	0.01%	(0.00%)
US Fixed Income	19%	20%	0.16%	(0.33%)	0.10%	0.11%	0.21%
Private Real Estate	5%	4%	4.99%	2.24%	0.19%	(0.12%)	0.07%
REIT Managers	4%	4%	4.83%	3.29%	0.06%	(0.04%)	0.02%
Private Equity	7%	8%	13.83%	13.83%	0.00%	(0.20%)	(0.20%)
Cash/Transition	0%	0%	2.39%	2.39%	0.00%	(0.06%)	(0.06%)

Total **6.76% = 6.92% + 0.11% + (0.27%)** **(0.16%)**

- Total Fund underperformed the Policy Target by 16 basis points for the past 5 years.

+ Manager Performance: + 11 bps
  + Fixed Income, Private RE, and REITs outperformed.
  - US Equity, Developed Markets, Emerging Markets, Global Equity, and TIPS underperformed.

- Allocation Impacts: - 27 bps
  + Overweight Global Equity
  + Underweight Emerging Markets and Fixed Income
  - Overweight Private RE
  - Underweight Private Equity

* Returns are Gross of Fees

DB Plan Total Fund Attribution*

10 Years ended December 31, 2024

Ten Year Annualized Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
US Public Equity	24%	21%	12.79%	12.55%	0.05%	0.09%	0.14%
Developed Markets	6%	6%	5.30%	5.20%	0.01%	(0.02%)	(0.01%)
Emerging Markets	8%	9%	3.63%	3.64%	0.00%	0.00%	0.01%
Global Equity	17%	18%	9.85%	9.23%	0.09%	(0.02%)	0.08%
US TIPS	10%	10%	2.16%	2.24%	(0.01%)	0.01%	(0.00%)
US Fixed Income	18%	20%	1.92%	1.35%	0.11%	0.07%	0.19%
REIT Managers	4%	4%	6.54%	5.83%	0.02%	(0.03%)	(0.01%)
Private Real Estate	5%	4%	8.96%	5.25%	0.19%	(0.07%)	0.12%
Private Equity	7%	8%	12.18%	12.18%	0.00%	(0.14%)	(0.14%)
Cash/Transition	0%	0%	2.36%	2.36%	0.00%	(0.04%)	(0.04%)

Total 7.46% = 7.13% + 0.47% + (0.14%) 0.33%

+ Total Fund outperformed the Policy Target by 33 basis points for the past 10 years.

+ Manager Performance: + 47 bps
  + US Equity, Developed Markets, Global Equity, Fixed Income, REITs, and Private RE outperformed.
  - TIPS underperformed.

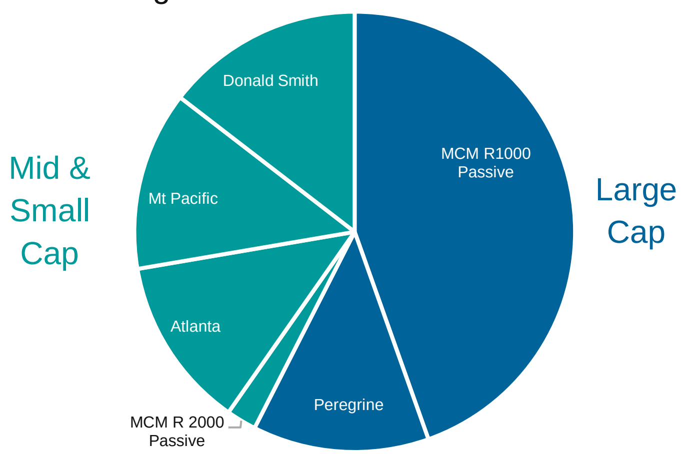
- Allocation Impacts: -14 bps
  + Overweight US Equity
  + Underweight Fixed Income
  - Overweight Private RE
  - Underweight Global Equity and Private Equity

* Returns are Gross of Fees

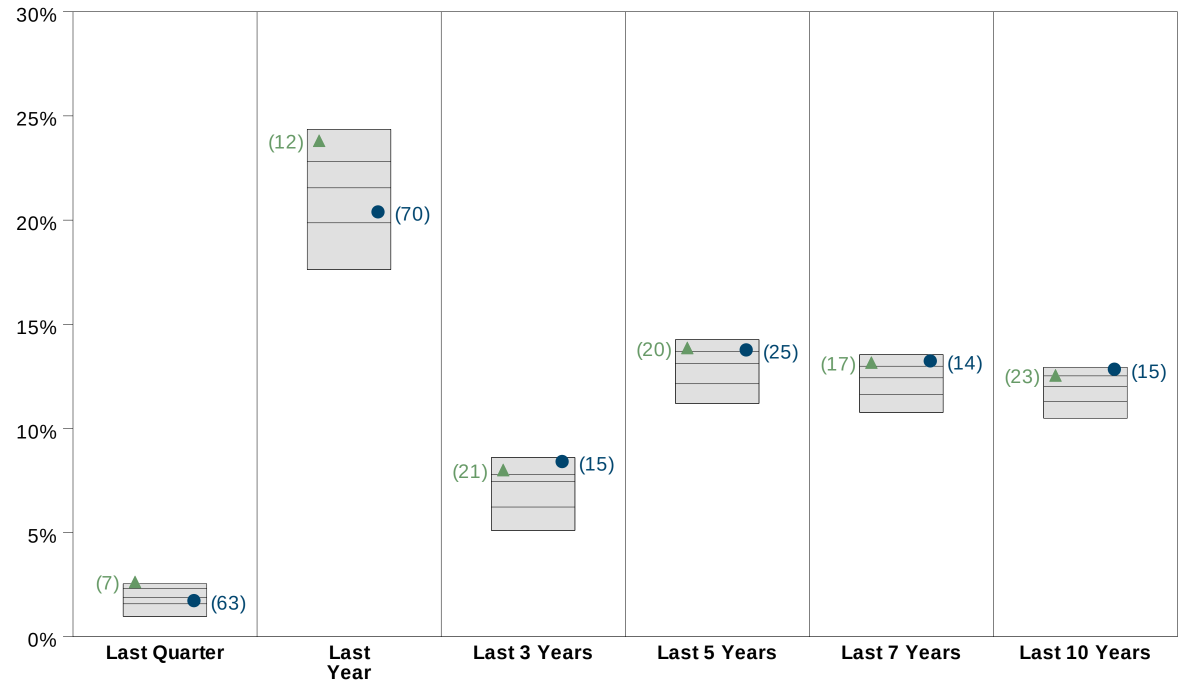
U.S. Equity Portfolio vs. Public Plan Domestic Equity Database

Periods ended December 31, 2024

Manager Structure: 53% Active

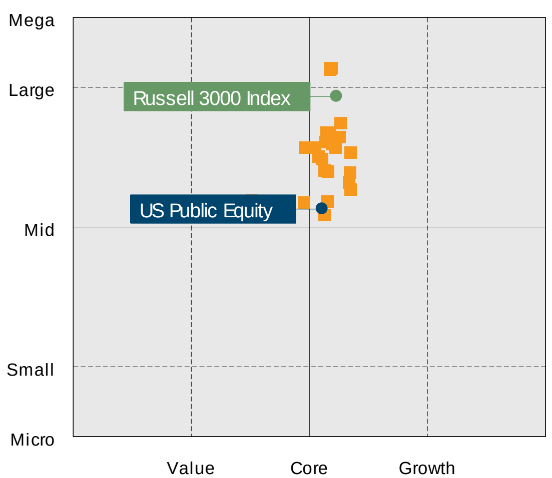


Performance vs Public Fund - Domestic Equity (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	2.54	24.35	8.60	14.26	13.54	12.93
25th Percentile	2.30	22.80	7.78	13.70	12.99	12.52
Median	1.88	21.55	7.45	13.12	12.43	12.01
75th Percentile	1.58	19.87	6.23	12.15	11.62	11.29
90th Percentile	0.97	17.62	5.10	11.20	10.77	10.49
US Public Equity ●	1.69	20.34	8.36	13.72	13.19	12.79
Russell 3000 Index ▲	2.63	23.81	8.01	13.86	13.16	12.55

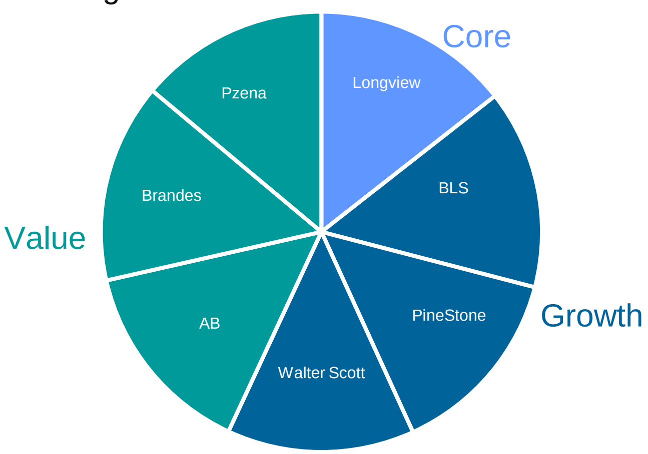
Style Map vs Pub Pln- Dom Equity
Holdings as of December 31, 2024



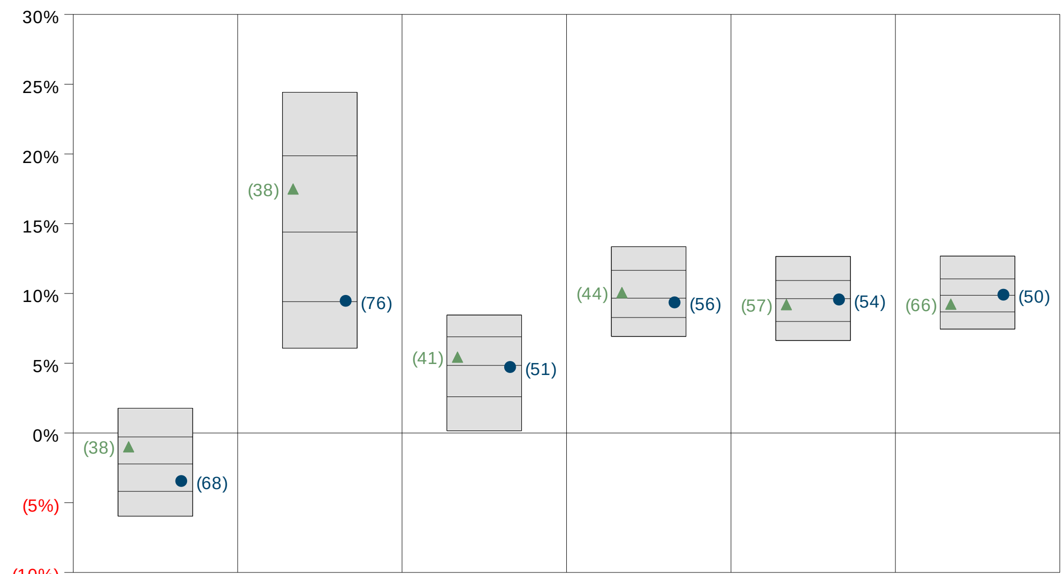
Global Equity Portfolio vs. Global Equity Database

Periods ended December 31, 2024

Manager Structure: 100% Active

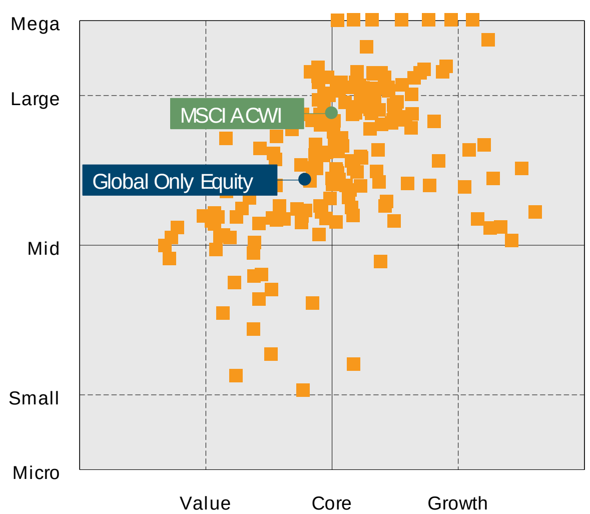


Performance vs Callan Global Equity (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	1.77	24.42	8.45	13.35	12.65	12.68
25th Percentile	(0.29)	19.87	6.89	11.66	10.93	11.05
Median	(2.22)	14.40	4.85	9.66	9.62	9.86
75th Percentile	(4.18)	9.41	2.60	8.27	8.00	8.68
90th Percentile	(5.97)	6.07	0.16	6.92	6.62	7.44
Global Equity ●	(3.51)	9.40	4.67	9.30	9.50	9.85
MSCI ACWI ▲	(0.99)	17.49	5.44	10.06	9.21	9.23

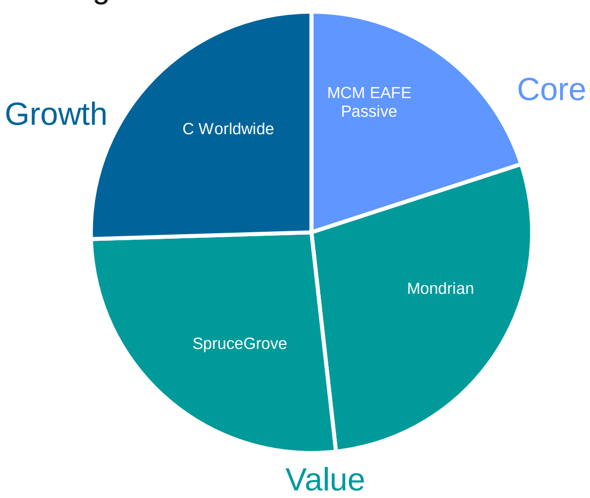
Style Map vs Callan Global Equity
Holdings as of December 31, 2024



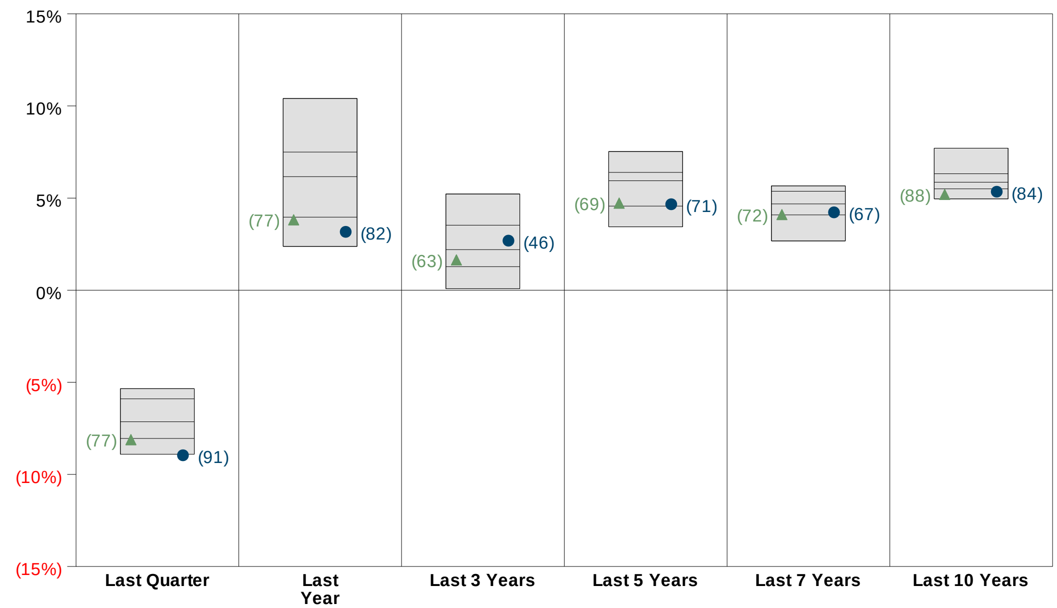
Developed Markets Portfolio vs. Non-US Dev Core Database

Periods ended December 31, 2024

Manager Structure: 80% Active

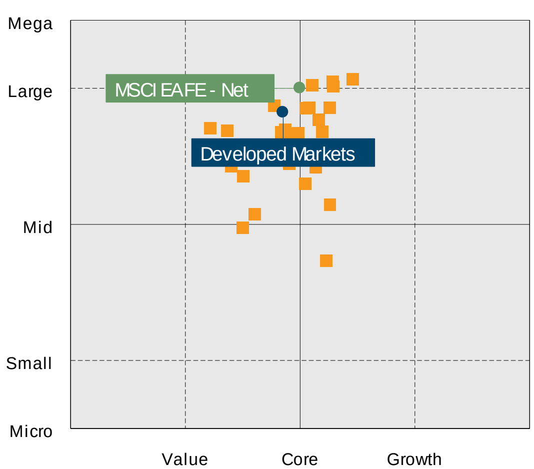


Performance vs Callan Non-US Developed Core Equity (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(5.35)	10.41	5.23	7.53	5.66	7.71
25th Percentile	(5.90)	7.50	3.52	6.40	5.37	6.32
Median	(7.14)	6.16	2.20	5.94	4.69	5.86
75th Percentile	(8.05)	3.96	1.28	4.56	4.08	5.50
90th Percentile	(8.91)	2.38	0.08	3.44	2.68	4.96
Developed Markets ●	(9.01)	3.12	2.64	4.62	4.18	5.30
MSCI EAFE - Net ▲	(8.11)	3.82	1.65	4.73	4.10	5.20

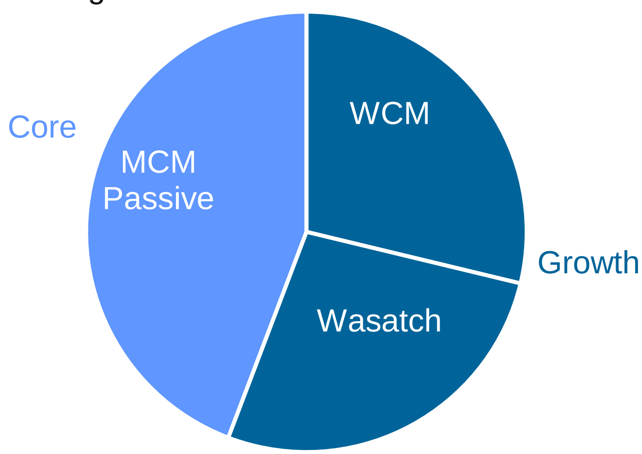
Style Map vs Callan NonUS Dev Core Eq
Holdings as of December 31, 2024



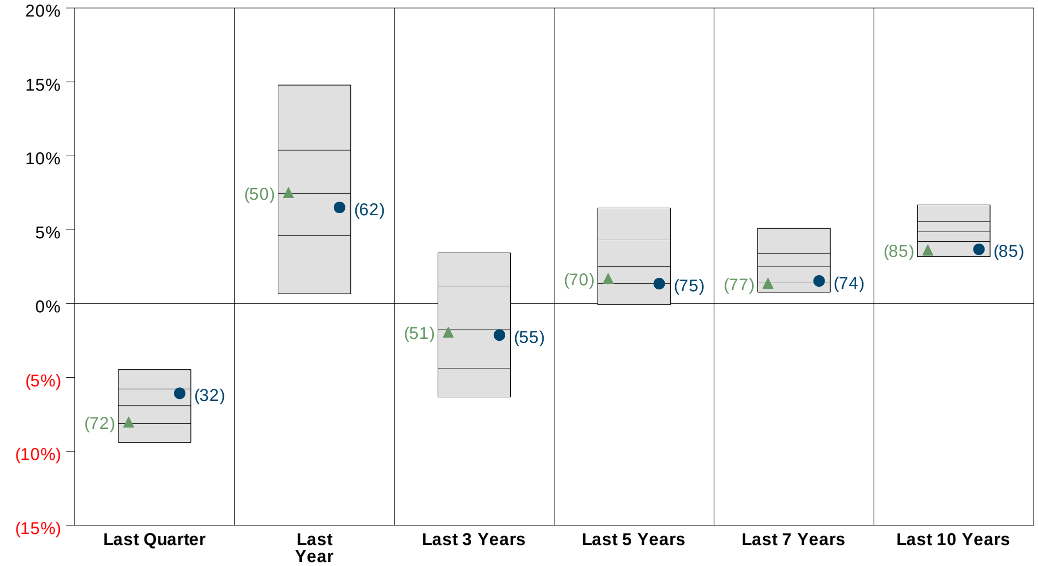
Emerging Markets Portfolio vs. Emerging Broad Database

Periods ended December 31, 2024

Manager Structure: 56% Active

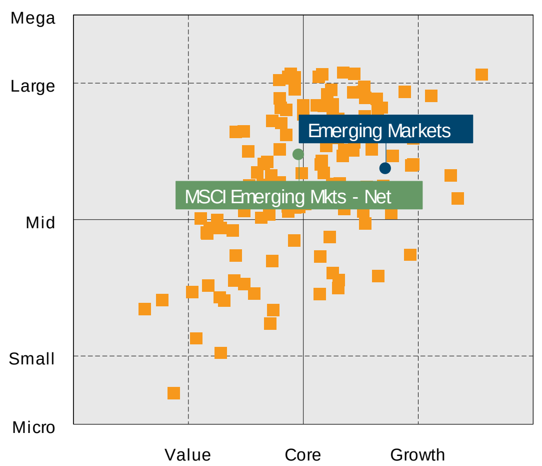


Performance vs Callan Emerging Broad (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(4.47)	14.79	3.44	6.48	5.10	6.68
25th Percentile	(5.77)	10.39	1.19	4.31	3.41	5.55
Median	(6.91)	7.47	(1.76)	2.50	2.53	4.86
75th Percentile	(8.11)	4.63	(4.37)	1.37	1.46	4.21
90th Percentile	(9.38)	0.67	(6.32)	(0.07)	0.78	3.18
Emerging Markets ●	(6.13)	6.46	(2.18)	1.30	1.48	3.63
MSCI Emerging Mkts - Net ▲	(8.01)	7.50	(1.92)	1.70	1.38	3.64

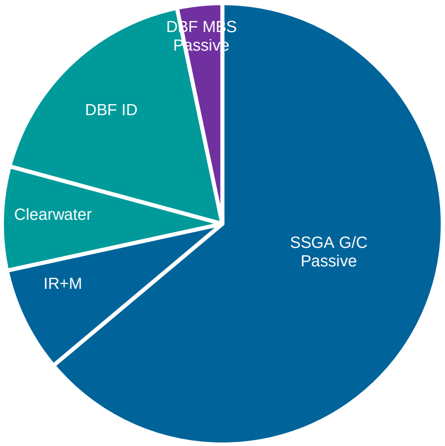
Style Map vs Callan Emerging Broad
Holdings as of December 31, 2024



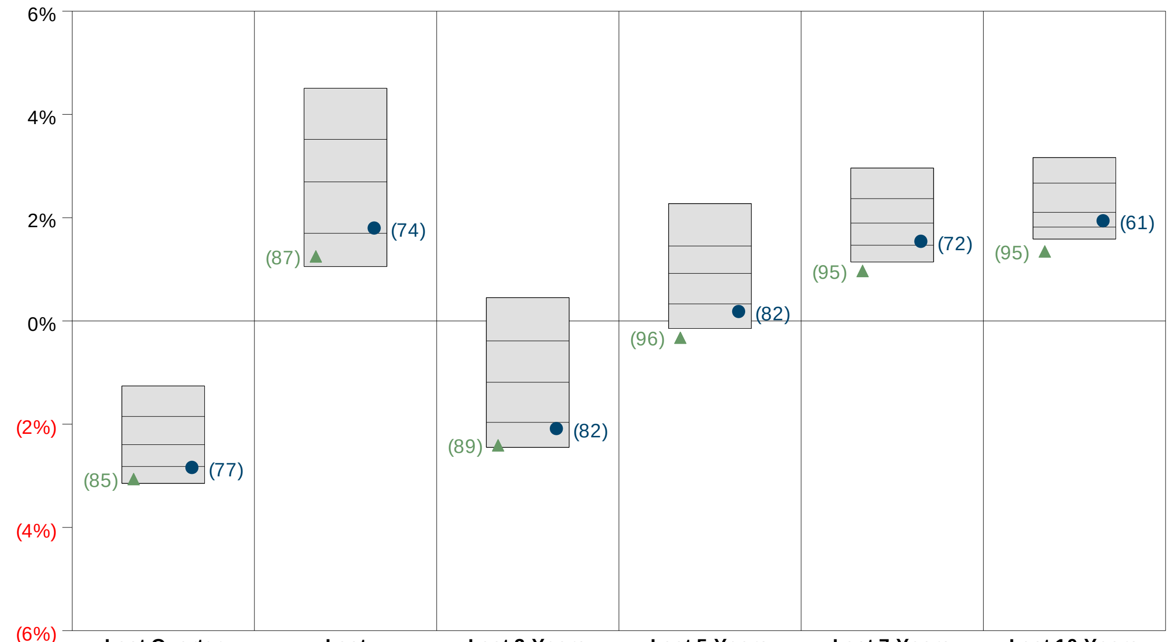
US Fixed Income Portfolio vs. Public Plan Fixed Income Database

Periods ended December 30, 2024

Manager Structure: 33% Active



Performance vs Public Fund - Domestic Fixed (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(1.26)	4.51	0.45	2.27	2.96	3.17
25th Percentile	(1.85)	3.52	(0.39)	1.45	2.37	2.67
Median	(2.40)	2.69	(1.19)	0.92	1.89	2.10
75th Percentile	(2.82)	1.70	(1.97)	0.33	1.47	1.82
90th Percentile	(3.15)	1.05	(2.45)	(0.15)	1.14	1.59
US Fixed Income ●	(2.86)	1.78	(2.10)	0.16	1.52	1.92
Blmbg:Aggregate ▲	(3.06)	1.25	(2.41)	(0.33)	0.97	1.35

PERSI Choice 401(k) Plan New Investment Structure

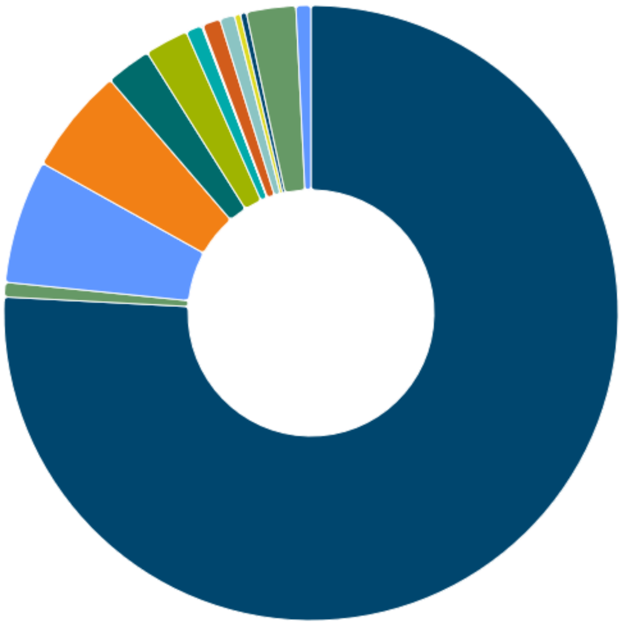
Implemented: 3Q 2023

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 December 31, 2024



Asset Class	Assets	Actual Weight
Total Return Fd	$1,308,332,539	75.84%
Calvert SRI Balanced	$13,130,781	0.76%
MCM U.S. Large Cap Equity	$112,092,756	6.50%
Vanguard Growth & Income	$96,035,608	5.57%
MCM U.S. Small/Mid Cap Equity	$41,135,602	2.38%
T. Rowe Price Small Cap	$39,654,636	2.30%
MCM Intl Equity	$14,409,728	0.84%
T. Rowe Price Overseas Stock	$588,400	0.03%
DFA Emerging Markets Core Equity	$851,087	0.05%
Dodge & Cox Income Fund	$16,271,949	0.94%
MCM U.S. Bond	$13,432,675	0.78%
MCM U.S. TIPS	$5,380,446	0.31%
MCM U.S. REITs	$5,680,481	0.33%
PERSI STIP	$44,532,724	2.58%
Loan Fund	$13,695,421	0.79%
Total Fund	$1,725,224,832	100.00%

PERSI Choice 401(k) Asset Distribution as of December 31, 2024

Portfolio	Ending Assets Dec 31, 2024	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Sep 30, 2024	Weight
Domestic Equity						
MCM U.S. Large Cap Equity	$112,092,756	6.50%	$4,134,478	$2,515,973	$105,442,306	**6.03%**
Vanguard Growth & Income	$96,035,608	5.57%	$4,287,020	$3,036,287	$88,712,302	5.07%
MCM U.S. Small/Mid Cap Equity	$41,135,602	2.38%	$381,587	$1,781,295	$38,972,720	2.23%
T. Rowe Price Small Cap	$39,654,636	2.30%	$239,760	$589,227	$38,825,649	2.22%
Balanced						
Total Return Fd	$1,308,332,539	75.84%	-$7,918,951	-$31,143,914	$1,347,395,404	77.00%
Calvert SRI Balanced	$13,130,781	0.76%	$732,191	$132,910	$12,265,679	0.70%
International Equity						
MCM Intl Equity	$14,409,728	0.84%	$69,553	-$1,354,785	$15,694,961	0.90%
T. Rowe Price Overseas Stock	$588,400	0.03%	$22,444	-$48,167	$614,122	0.04%
DFA Emerging Markets Core Equity	$851,087	0.05%	$53,078	-$61,024	$859,034	0.05%
Domestic Fixed Income						
Dodge & Cox Income Fund	$16,271,949	0.94%	-$624,580	-$572,404	$17,468,933	1.00%
MCM U.S. Bond	$13,432,675	0.78%	$202,262	-$423,836	$13,654,248	0.78%
MCM U.S. TIPS	$5,380,446	0.31%	$639,555	-$147,061	$4,887,952	0.28%
MCM U.S. REITs	**$5,680,481**	**0.33%**	**$142,531**	**-$350,135**	**$5,888,085**	**0.34%**
PERSI STIP	**$44,532,724**	**2.58%**	**-$1,749,304**	**$650,586**	**$45,631,442**	**2.61%**
Loan Fund	**$13,695,421**	**0.79%**	**$457,266**	**-$237,212**	**$13,475,367**	**0.77%**
Total Fund	**$1,725,224,832**	**100.00%**	**$1,068,890**	**-$25,632,260**	**$1,749,788,203**	**100.00%**

PERSI Choice 401(k) Plan Performance Overview*

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity					
Mellon Large Cap Equity	2.40%	24.63%	8.87%	14.48%	13.04%
Vanguard Growth and Income	3.41%	26.28%	9.30%	14.77%	13.04%
S&P 500 Index	2.41%	25.02%	8.94%	14.53%	13.10%
Mellon Small/MidCap Equity	4.61%	15.51%	2.61%	10.07%	9.43%
DJ US Completion Total Stock Mkt	4.74%	16.89%	2.38%	9.77%	9.30%
T. Rowe Price Small Cap Stock	1.50%	11.75%	0.25%	8.02%	9.73%
Russell 2000 Index	0.33%	11.54%	1.24%	7.40%	7.82%
Balanced					
Total Return Fund	(2.32%)	7.67%	1.91%	6.48%	7.18%
Target Index (1)	(0.69%)	13.75%	4.04%	8.51%	8.29%
Calvert SRI Balanced (2)	1.13%	19.35%	5.73%	9.41%	8.40%
60%S&P/40% Blmbg Agg	0.22%	15.13%	4.45%	8.80%	8.57%
International Equity					
Mellon Intl Index	(8.63%)	3.63%	1.86%	4.98%	5.49%
T. Rowe Price Overseas Stock (4)	(7.64%)	2.95%	0.51%	4.53%	-
MSCI EAFE Index	(8.11%)	3.82%	1.65%	4.73%	5.20%
DFA Emerging Markets Core Eq (5)	(6.87%)	7.32%	1.18%	4.53%	4.84%
MSCI Emg Mkts	(8.01%)	7.50%	(1.92%)	1.70%	3.64%
Domestic Fixed Income					
Dodge & Cox Income (3)	(3.30%)	2.34%	(0.57%)	1.29%	2.48%
Mellon Blmbg Agg	(3.09%)	1.18%	(2.45%)	(0.42%)	1.25%
Blmbg Agg Index	(3.06%)	1.25%	(2.41%)	(0.33%)	1.35%
Mellon U.S. TIPS	(2.88%)	1.86%	(2.33%)	1.81%	2.19%
Blmbg US TIPS Index	(2.88%)	1.84%	(2.30%)	1.87%	2.24%
Mellon U.S. REITs	(6.00%)	6.51%	(3.19%)	3.21%	4.70%
DJ US Select REIT Index	(5.93%)	8.10%	(3.02%)	3.40%	4.89%
PERSI STIP	1.17%	5.22%	3.99%	2.61%	2.02%
FTSE Treas 1 Yr	0.75%	4.85%	2.90%	2.10%	1.68%
TBills + 0.50%	1.29%	5.75%	4.39%	2.96%	2.27%

(1) Target Benchmark consists of 55% Russell 3000, 30% Bloomberg Capital Aggregate, and 15% MSCI EAFE.
(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

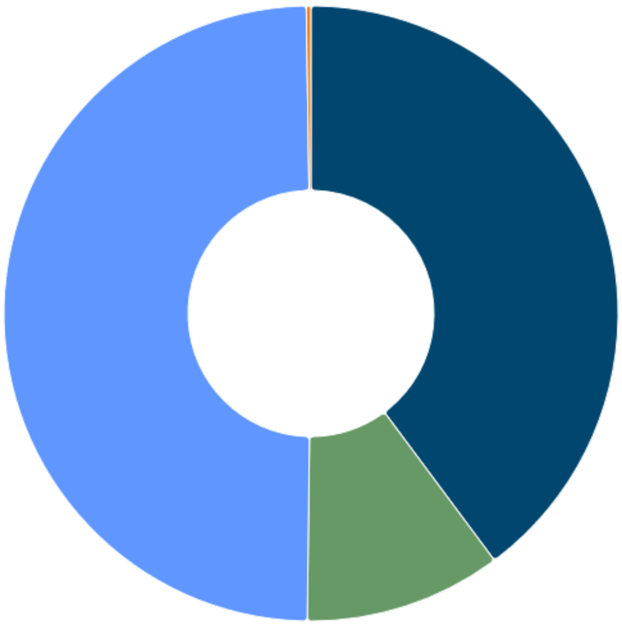
For the Quarter

- Balanced Funds
  - Total Return Fund underperformed the Long-Term Index.
  - Calvert outperformed its benchmark by 91 bps.
- Active Manager performance vs benchmarks:
  - T. Rowe Price Overseas + 47 bps
  - Vanguard G&I + 100 bps
  - DFA Emerging Markets + 114 bps
  - Dodge & Cox - 24 bps
  - T. Rowe Price Small Cap + 117 bps

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

- Dodge & Cox has outperformed over longer periods of time
- Vanguard G&I has outperformed its long-term target over the last 3 and 5 years
- T. Rowe Price Sm Cap outperformed the Russell 2000 index over the last 5 and 10 years
- T. Rowe Price Overseas[4] has underperformed the MSCI EAFE Index for the last 3 and 5 years
- DFA Emerging Markets[5] has outperformed the MSCI Emerging Markets Index for longer periods
- Total Return underperformed its long-term target over the last 3, 5 and 10 years.
- Calvert outperformed its long-term target over the last 3 and 5 years but lagged over the last 10 years
- Passive funds kept pace with their respective benchmarks.

PERSI Sick Leave Asset Allocation as of December 31, 2024



Asset Class	Assets	Actual Weight	Target
Russell 3000 Fund - Total	$281,216,601	39.81%	39.4%
MSCI ACWI ex US Fund - Total	$73,308,747	10.38%	10.6%
Govt/Credit Bond Fund - Total	$350,040,911	49.56%	50.0%
Treasurer's Office Cash - Total	$1,784,393	0.25%	0.0%
Total Sick Leave Funds	$706,350,652	100.00%	-

Asset Class	$000s Actual	Weight Actual	Target	Percent Difference	$000s Difference
Russell 3000 Fund	281,217	39.8%	39.4%	0.5%	3,197
ACWI ex US Fund	73,309	10.4%	10.6%	(0.3%)	(1,847)
Govt/Credit Bond Fund	350,041	49.6%	50.0%	(0.4%)	(3,134)
Treasurer's Office Cash	1,784	0.3%	0.0%	0.3%	1,784
Total	706,351	100.0%	100.0%		

* 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

PERSI Sick Leave Total Asset Distribution as of December 31, 2024

Portfolio	Ending Assets Dec 31, 2024	Weight	Net Cash Activity	Investment Gain/Loss	Beginning Assets Sep 30, 2024	Weight
Russell 3000 Fund - Total	$281,216,601	39.81%	-$41,267,000	$7,714,569	$314,769,031	43.72%
MSCI ACWI ex US Fund - Total	$73,308,747	10.38%	$0	-$5,927,243	$79,235,991	11.01%
Govt/Credit Bond Fund - Total	$350,040,911	49.56%	$36,412,807	-$10,503,648	$324,131,752	45.02%
Treasurer's Office Cash - Total	$1,784,393	0.25%	-$28,454	$5,750	$1,807,097	0.25%
Total Sick Leave Funds	$706,350,652	100.00%	-$4,882,647	-$8,710,572	$719,943,870	100.00%

PERSI Sick Leave Funds Asset Allocation vs Other Public Funds

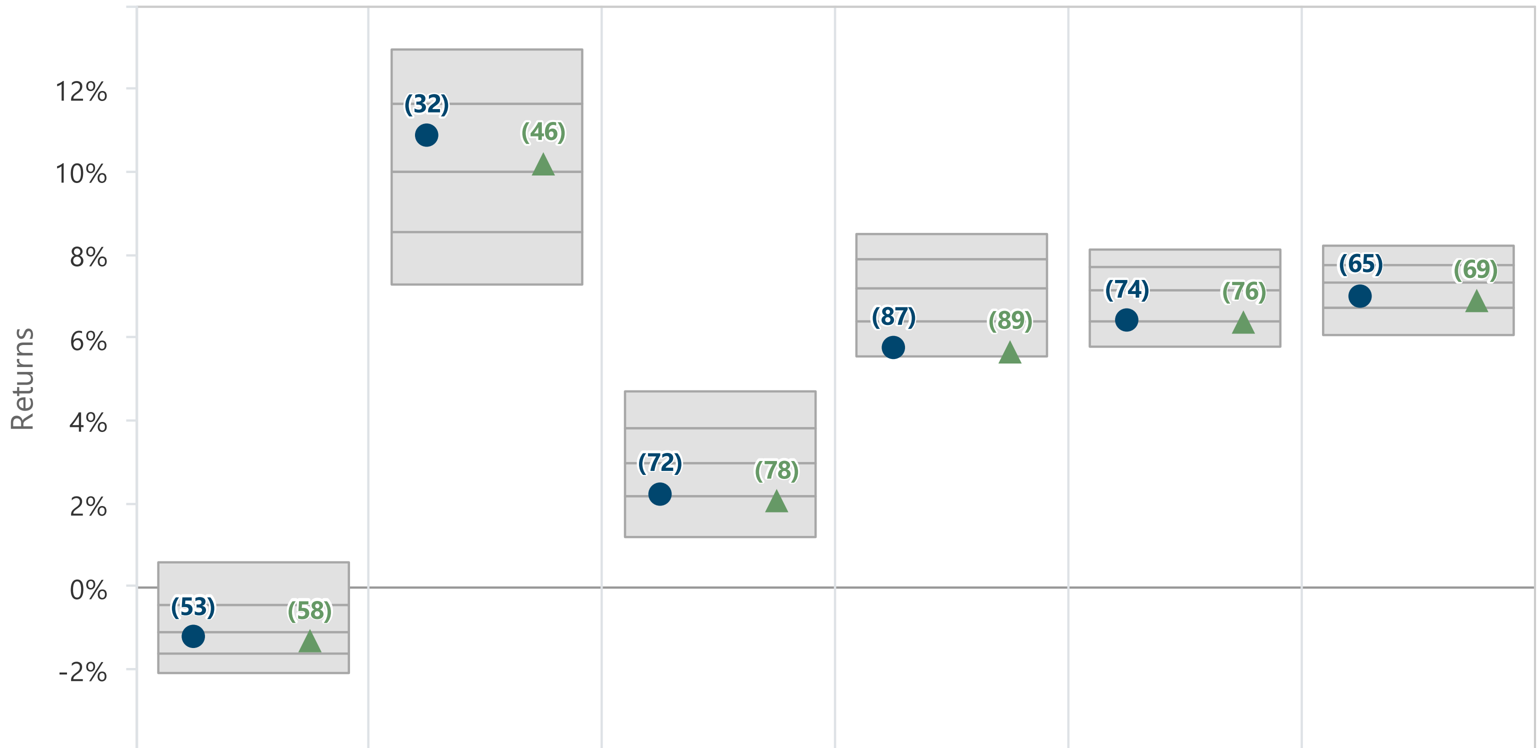
Periods ended December 31, 2024

Asset Class Weights vs Callan Public Fund Sponsor Database

	Russell 3000 Fund	Govt/ Credit Bond Fund	Treasurer's Office Cash	ACWI ex US Fund
10th Percentile	52.50	37.51	7.64	25.31
25th Percentile	45.13	29.72	2.76	20.66
Median	36.84	23.48	1.30	17.23
75th Percentile	29.14	18.28	0.68	12.04
90th Percentile	21.74	13.20	0.14	8.07
Fund ●	39.81	49.56	0.25	10.38
Target ▲	39.36	50.00	0.00	10.64

Performance* Comparison - Trailing Time Periods as of December 31, 2024

Performance vs Callan Public Fund Spr DB



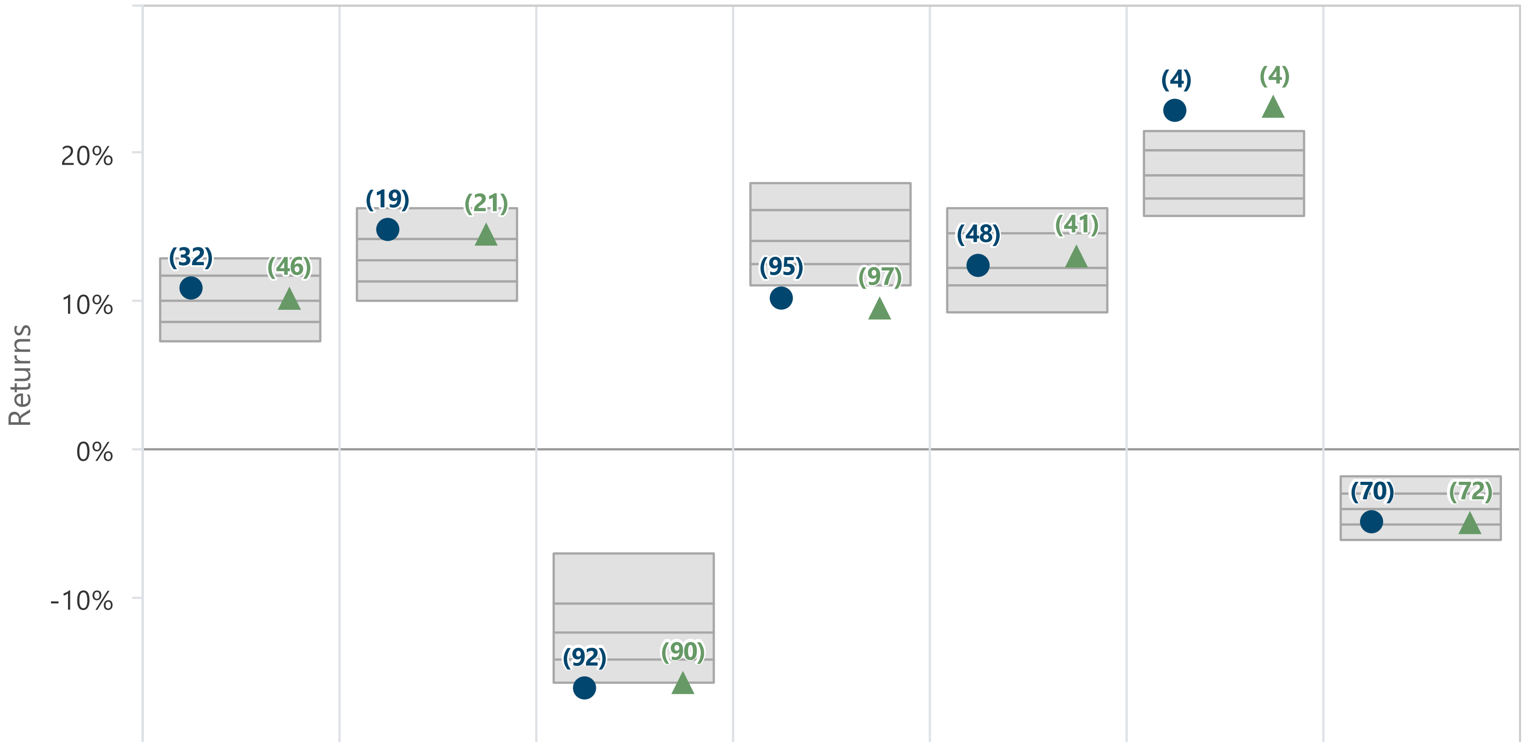
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years
25th Percentile	-0.46	11.65	3.80	7.90	7.71	7.72
Median	-1.12	10.00	2.97	7.19	7.13	7.32
75th Percentile	-1.62	8.54	2.16	6.40	6.40	6.70
Total Sick Leave Funds ●	-1.22	10.88	2.22	5.75	6.42	6.99
Long Term Target ▲	-1.32	10.19	2.06	5.65	6.37	6.89

* Total Sick Leave Funds Returns are Gross of Fees

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

Performance* Comparison - Calendar Years as of December 31, 2024

Performance vs Callan Public Fund Spr DB



	2024	2023	2022	2021	2020	2019	2018
25th Percentile	11.65	14.23	-10.49	16.12	14.63	20.18	-2.97
Median	10.00	12.77	-12.38	14.07	12.24	18.51	-4.05
75th Percentile	8.54	11.26	-14.16	12.55	11.05	16.85	-5.10
Total Sick Leave Funds ●	10.88	14.83	-16.12	10.20	12.40	22.87	-4.90
Long Term Target ▲	10.19	14.52	-15.75	9.53	13.04	23.15	-4.96

* Total Sick Leave Funds Returns are Gross of Fees

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

PERSI Sick Leave Funds Performance Attribution*

4th Quarter 2024

Relative Attribution Effects for Quarter ended December 31, 2024

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Russell 3000 Fund	40%	39%	2.62%	2.63%	(0.01%)	0.04%	0.04%
ACWI ex US Fund	11%	11%	(7.48%)	(7.60%)	0.01%	0.00%	0.02%
Govt/Credit Bond Fund	49%	50%	(3.05%)	(3.08%)	0.01%	0.02%	0.03%
Treasurer's Office Cash	0%	0%	1.19%	1.17%	0.00%	0.02%	0.02%
Total			**(1.22%) =**	**(1.32%) +**	**0.02% +**	**0.08%**	**0.10%**

- Sick Leave Funds exceeded the Target by 10 bps during the quarter.
- Passive funds outperformed their benchmarks by 2 bps.
- Variations from target weights gained 8 bps.

* Returns are Gross of Fees

PERSI Sick Leave Funds Performance Attribution*

13 years since December 2011

Thirteen and One-Quarter Year Annualized Relative Attribution Effects

Style Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Style Allocation	Total Relative Return
Russell 3000 Fund	52%	50%	15.07%	15.03%	0.02%	0.08%	0.10%
ACWI ex US Fund	13%	14%	6.21%	5.94%	0.04%	(0.01%)	0.03%
Govt/Credit Bond Fund	35%	36%	1.89%	1.84%	0.02%	0.01%	0.04%
Treasurer's Office Cash	0%	0%	1.27%	1.35%	(0.00%)	(0.00%)	(0.00%)
Total			**8.94% =**	**8.78% +**	**0.07% +**	**0.09%**	**0.16%**

- Sick Leave Funds earned a return of 8.94%, which exceeded the target return of 8.78% by 16 bps.
- Passive funds slightly outperformed, contributing 7 bps of value-added, while rebalancing added another 9 bps.

* Returns are Gross of Fees

Callan Update

Published Research Highlights: 4Q24

2024 Real Assets Fees and Terms Study

3Q24 Market Intelligence Report (clients-only)

Coming Soon: 2025 Capital Markets Assumptions

Recent Blog Posts

IRS Guidance: How Reliable Is it?

Jana Steele

Public DB Plan Trends (and Some That Will Be)

Weston Lewis

Are Equity Returns More Volatile in an Election Year? It Depends!

Ric Ford and Drew Beiger

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

2025 National Conference

Registration is now open for this event in Scottsdale on April 27-29, 2025!

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

This year we welcome Zanny Minton Beddoes, Ethan Mollick, Admiral James Stavridis, Barry Sternlicht, and Evy Poumpouras to the stage! We will be updating our website as we add additional information regarding this event!

Learn more about this event at:
https://www.callan.com/events/2025nationalconference/

Mark Your Calendar

2025 Regional Workshops

June 3, 2025 – Denver

June 5, 2025 – New York

October 28, 2025 – Chicago

October 30, 2025 – San Francisco

Watch your email for further details and an invitation.

Upcoming Webinars

March 20, 2025

Research Café: Sector-Specific Strategies

March 28, 2025

STAR Webinar

April 25, 2025

Market Intelligence Report and Webinar

Introducing CODE: Callan On-Demand Education

Callan On-Demand Education

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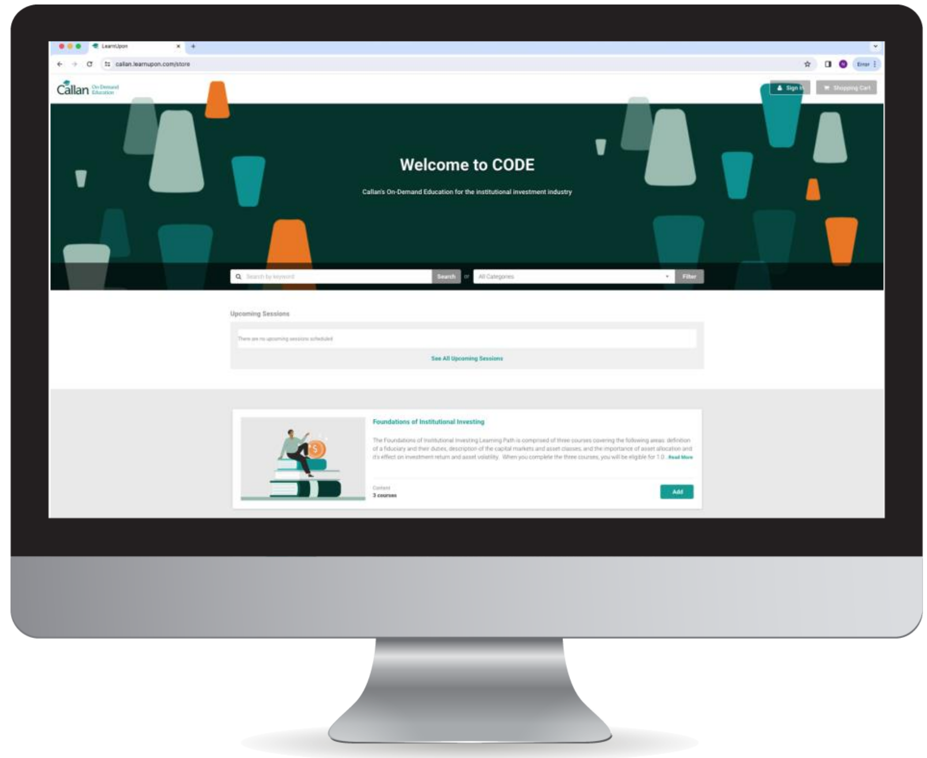
CODE courses are designed for investment professionals of all levels—and they're self-guided. Access them anytime, from anywhere, and get continuing education credits for each completed course.

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

callan.com/code



3 Reasons to Take CODE Courses

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

Callan Updates

Firm updates by the numbers, as of Dec. 31, 2024

Total Associates: ~200

Company Ownership:
- 100% employees
- ~70% of employees are equity owners

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 clients with assets over $4+ trillion

NEW ON CODE: The Framework of Alternative Investments

Our newest online learning course series, the Framework of Alternative Investments, is live on **CODE**, the Callan On-Demand Education portal. Topics covered include private equity, private credit, hedge funds, and real assets. Callan clients have full access to all CODE courses for free.

"CODE is aimed at educating client and non-client, investment and non-investment professional board members alike in how institutional investment portfolios are constructed and maintained across asset classes, including alternatives."

— Greg Allen, CEO, Chief Research Officer in a June 2024 *FundFire* story about CODE

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Past performance is no guarantee of future results.

Callan Institute

Fourth Quarter 2024

Capital Markets Review

The Recession Never Came, so Now What?

ECONOMY

2 PAGE

Economists were convinced that a recession would hit the U.S. economy, but it never came. Instead, growth held up, and consumers became more confident. Now what? With mass deportations and tariffs potentially leading to inflation, the fate of the economy is uncertain.

Gains for 2024 but Concerns Over 2025

INSTITUTIONAL INVESTORS

4 PAGE

Institutional investors saw gains over 2024, but struggled against a 60% stocks/40% bonds benchmark. The new administration was the focus of many discussions, and inflation, interest rates, and the Fed continued to dominate asset-allocation decisions.

U.S. Stocks Hit High After Volatility Spike

EQUITY

6 PAGE

U.S. stocks ended up roughly 2% after a volatile quarter. Sector performance was mixed, while large cap stocks outperformed small cap, again. Tariffs threatened by the Trump administration weighed on global equity markets, with Europe one of the worst performers.

Inflation Worries Drag Most Indices Lower

FIXED INCOME

8 PAGE

The Bloomberg US Aggregate Bond Index fell 3.1% due to the rise in interest rates, and credit spreads tightened. The yield curve steepened, with rates rising for Treasuries one year and longer. The U.S. dollar surged.

Valuations May Have Bottomed; REITs Fall

REAL ESTATE/REAL ASSETS

10 PAGE

Valuations appear to have bottomed and now reflect higher borrowing costs. Income returns for private real estate were positive across sectors and regions. REITs fell, both in the U.S. and globally. Redemption queues are starting to decline.

Fundraising Back; Activity Struggles

PRIVATE EQUITY

11 PAGE

Fundraising by dollar is nearing the highs of 2021. Buyout activity is flat, while venture capital activity is significantly depressed. Short-term performance continues to lag, but over longer time periods, private equity maintains a premium.

Gains in 3Q24 but Lags Benchmarks

PRIVATE CREDIT

12 PAGE

Private credit rose 2.0% in 3Q24, lagging two benchmarks. But over longer time periods it has held up well and performed better than either leveraged loans or high yield bonds. Fundraising for private debt was the strongest since 4Q23, with $51 billion raised.

Strong Finish but Choppy Outlook

HEDGE FUNDS/MACs

13 PAGE

Hedge funds finished strong to end the year; the median Callan Institutional Hedge Fund Peer Group rose 2.4%. Within the HFRI indices, the best-performing strategy was event-driven, which was up 2.1% as current M&A deals reacted positively to the new administration.

Index Gains 5.6%; Turnover at Low

DEFINED CONTRIBUTION

15 PAGE

The Callan DC Index™ gained 5.6% in 3Q24. Balances in the index rose entirely due to investment gains, as net flows were negative. Turnover as measured by the index hit its lowest level ever, while fixed income saw the most flows, outpacing even target date funds.

Broad Market Quarterly Returns

U.S. Equity
Russell 3000

▲ 2.6%

Global ex-U.S. Equity
MSCI ACWI ex USA

▼ -7.6%

U.S. Fixed Income
Bloomberg Agg

▼ -3.1%

Global ex-U.S. Fixed Income
Bloomberg Global Agg ex US

▼ -6.8%

Sources: Bloomberg, FTSE Russell, MSCI

The Recession Never Came, so Now What?

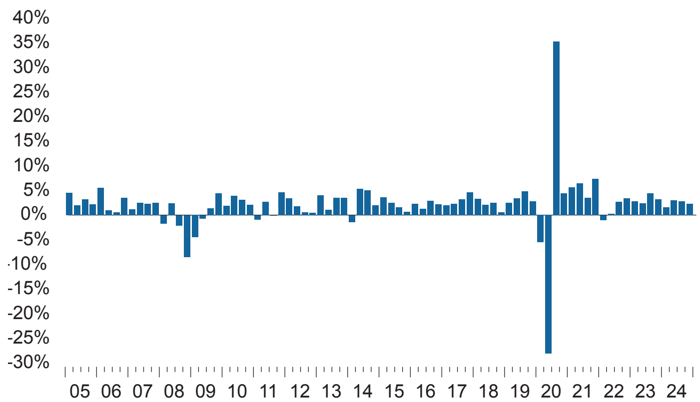
ECONOMY | Jay Kloepfer

Economists and market prognosticators were all so sure that a recession was in the cards, if not in 2023, then surely in 2024. But one never came, and now we are left scratching our collective heads as to what is in store for the global economy. The U.S. economy showed a few signs of slowing during 2024, scattered across indicators like inventories and consumer debt levels, especially for autos, and exports and imports. In the end solid GDP growth persisted, and the job market proved resilient despite some head fakes during the year. The hurricanes in the Southeast took a bite out of consumer optimism and the job market in the fall, when new jobs fell precipitously in October to recessionary readings (below 50,000). But hiring came bouncing back in November and December, and the U.S. economy clocked consecutive months with greater than 200,000 new jobs, a level associated with continued economic expansion. The unemployment rate remains low at 4.1%. GDP grew 2.5% over the course of 2024, after a gain of 2.9% the previous year.

The Federal Reserve's process of rate hikes to tackle elevated inflation, in which the Fed Funds rate and mortgage rates and credit card and auto loan rates all rose dramatically within a very concentrated period of about six quarters, barely dented the U.S. economic growth engine. A tumultuous federal election year and spreading geopolitical turmoil around the globe has not hurt consumer confidence much. We can trace the consumer optimism in broad strokes to the strong, steady job market, and wages and salaries that have risen fast enough to finally outpace inflation, a reversal that took hold when the rate of inflation dropped sharply from its peak in 2022. Real average hourly earnings increased 1% over the course of 2024 (in other words, nominal wages outpaced inflation by 1%). Real wage growth has sustained confidence and boosted disposable income and spending.

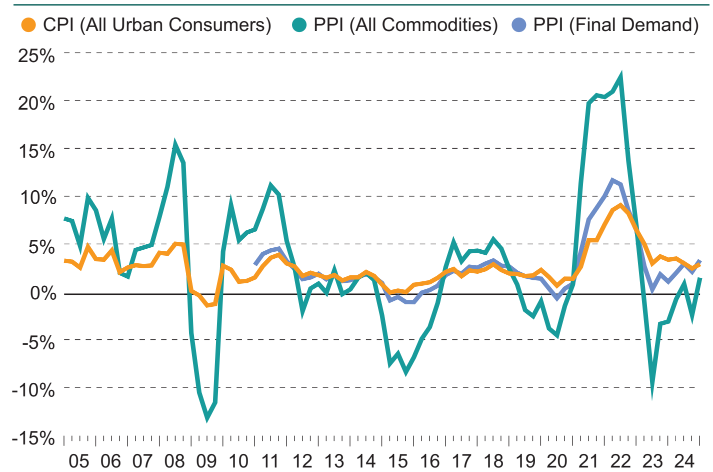
The Fed signaled that it completed its mission to raise interest rates to fight inflation in mid-2024 and began cutting rates in September 2024. The Fed cut a total of 1% in 2024, and the current target range for the Fed Funds rate is 4.25%–4.50%. Longer term, the midpoint of the Fed's target for short rates is 3.0%,

Quarterly Real GDP Growth (20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

but the size of the range around this midpoint is unprecedented, 2.4% to 4%, suggesting a wide range of opinions at the Federal Open Market Committee (FOMC). The debt market is pricing in a halt to the Fed's rate cuts at 4%, suggesting belief that inflation and therefore short rates may have to settle in at levels higher than previously thought.

Despite the gains in real wages, the shadow of inflation still looms. The effects of this once-in-a-generation inflation spike will hang over companies and consumers for years. Inflation is a rate of increase in general prices; even if we hit the Federal Reserve's articulated goal of 2% long term, it still means prices continue to rise, every year. More importantly, that 9% spike in inflation is now baked in. Prices are “permanently” higher, and they are continuing to rise, just at a lower rate. Simple daily indicators abound that remind households and companies and governments that everything is substantially more expensive. None are more prevalent than the cost of food, both at home and at restaurants: How much did I just pay for those eggs?

Strong GDP growth suggests little easing in tight labor markets; the prospect for continued inflationary pressure from the labor market is high. Getting inflation down to the Fed’s stated goal of 2% will take time and some discomfort. Squeezing out the last of excess inflation will require a period of below trend growth, a loosening of the labor market, and the pain of a rise in unemployment. In the face of this labor market tightness, deporting undocumented workers has the potential, most mainstream economists agree, to greatly restrict the supply of labor in agriculture across the country and could result in substantial upward pressure on the cost of food either from reduced supply (more likely) or increased wages to lure American workers to do these jobs (less likely). Other sectors including construction and services could see similar severe tightening in their supply of labor and upward pressure on prices.

The other part of the inflation shadow is the prospect of trade wars, namely the imposition of tariffs by the U.S., with potential retaliation from its trading partners. Within the complex web of global sourcing, assembly, and delivery of goods and services by U.S. companies, it is not clear what or who will be subject to a tariff. American automakers source parts, including computer chips, and assemble vehicles outside of the U.S. American tech companies make much of their hardware either entirely overseas or with components from overseas. Auto companies from Germany and Japan assemble autos in the U.S. How do we define an import car, exactly? Tariffs raise the prices to the end buyer, leading to more inflationary pressures. Spiraling prices may be the catalyst of the long-awaited recession, finally killing growth in the current economic cycle.

The Long-Term View

		Periods Ended 12/31/24			
Index	**4Q24**	**1 Yr**	**5 Yrs**	**10 Yrs**	**25 Yrs**
U.S. Equity					
Russell 3000	2.6	23.8	13.9	12.5	7.8
S&P 500	2.4	25.0	14.5	13.1	7.7
Russell 2000	0.3	11.5	7.4	7.8	7.6
Global ex-U.S. Equity					
MSCI EAFE	-8.1	3.8	4.7	5.2	3.6
MSCI ACWI ex USA	-7.6	5.5	4.1	4.8	--
MSCI Emerging Markets	-8.0	7.5	1.7	3.6	--
MSCI ACWI ex USA Small Cap	-7.7	3.4	4.3	5.7	6.2
Fixed Income					
Bloomberg Agg	-3.1	1.3	-0.3	1.3	3.9
90-Day T-Bill	1.2	5.3	2.5	1.8	1.9
Bloomberg Long G/C	-7.4	-4.2	-3.3	1.0	5.4
Bloomberg Gl Agg ex US	-6.8	-4.2	-3.4	-0.9	2.4
Real Estate					
NCREIF Property	0.9	0.4	3.1	5.7	7.6
FTSE Nareit Equity	-6.2	8.7	4.3	5.7	9.8
Alternatives					
Cambridge PE*	2.5	9.2	16.4	15.4	13.3
Cambridge Senior Debt*	3.3	10.2	7.9	7.3	4.6
HFRI Fund Weighted	1.5	9.8	7.0	5.3	5.6
Bloomberg Commodity	-0.4	5.4	6.8	1.3	2.1
Inflation – CPI-U	0.1	2.9	4.2	3.0	2.5

*Data for most recent period lags. Data as of 3Q24.
Sources: Bloomberg, Bureau of Economic Analysis, FTSE Russell, Hedge Fund Research, MSCI, NCREIF, Refinitiv/Cambridge, S&P Dow Jones Indices

Recent Quarterly Economic Indicators

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
Employment Cost: Total Compensation Growth	3.8%	3.9%	4.1%	4.2%	4.2%	4.3%
Nonfarm Business: Productivity Growth	1.2%	2.3%	2.1%	0.7%	3.1%	3.8%
GDP Growth	2.3%	2.8%	3.0%	1.6%	3.2%	4.4%
Manufacturing Capacity Utilization	76.3%	76.7%	77.2%	77.1%	77.6%	78.1%
Consumer Sentiment Index (1966=100)	72.1	68.1	71.1	78.4	64.9	69.6

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, IHS Economics, Reuters/University of Michigan

Gains for 2024 but Concerns Over 2025

INSTITUTIONAL INVESTORS

- Public defined benefit (DB) plans and nonprofits gained 10% over the last year, easily topping U.S. fixed income and global ex-U.S. stocks.
- Corporate plans, with their heavier allocations to bonds, only rose 6%.
- But extraordinary stock gains easily outpaced those returns, and all institutional investor types lagged a 60% S&P 500/40% Bloomberg Aggregate benchmark.
- Over 5-, 10-, and 20-year time periods, the same pattern held: public DB plans and nonprofits outpaced corporate plans, but all lagged the benchmark.
- The margin of that outperformance narrowed over time.

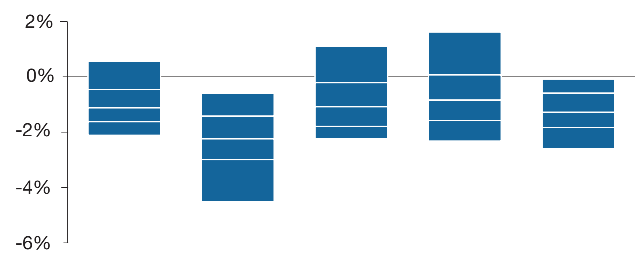
Macroeconomic Issues

- Not surprisingly, the new administration was a major topic of discussions, with investors trying to understand its impact on inflation, trade, taxes, and deregulation.
- Global ex-U.S. markets continue to be a source of consternation, with their underperformance compared to U.S. equities a sore spot.
- At the same time, the excessive concentration within U.S. large cap stocks is a concern, as active managers struggle to outpace benchmarks.

Public DB plans

- Asset-allocation decisions drive many conversations for these plans.
- Fixed income, especially its performance compared to other asset classes, has been a pain point. However, increased capital markets expectations for the asset class, especially compared to two years ago, has led some plans to reconsider bonds.
- Interest rates and the Fed's actions continue to be a top-of-mind issue.

Quarterly Returns, Callan Database Groups (12/31/24)



	Public	Corporate	Nonprofit	Taft-Hartley	Insurance Assets
10th Percentile	0.6	-0.6	1.1	1.6	-0.1
25th Percentile	-0.5	-1.4	-0.2	0.1	-0.6
Median	-1.1	-2.2	-1.1	-0.8	-1.3
75th Percentile	-1.6	-3.0	-1.8	-1.6	-1.8
90th Percentile	-2.1	-4.5	-2.2	-2.3	-2.6

Source: Callan

Callan Database Median and Index Returns* for Periods Ended 12/31/24

Database Group	Quarter	1 Year	3 Years	5 Years	10 Years	20 Years
Public Database	**-1.1**	**10.0**	**3.0**	**7.2**	**7.3**	**6.9**
Corporate Database	**-2.2**	**6.0**	**-0.7**	**3.9**	**5.5**	**6.2**
Nonprofit Database	**-1.1**	**10.1**	**2.9**	**7.2**	**7.0**	**6.7**
Taft-Hartley Database	**-0.8**	**9.7**	**2.8**	**6.8**	**7.0**	**6.7**
Insurance Assets Database	**-1.3**	**6.4**	**1.5**	**3.4**	**4.1**	**4.5**
All Institutional Investors	**-1.3**	**9.4**	**2.5**	**6.6**	**6.7**	**6.7**
Large (>$1 billion)	**-1.1**	**8.6**	**2.6**	**7.0**	**7.1**	**6.9**
Medium ($100mm - $1bn)	**-1.3**	**9.5**	**2.5**	**6.7**	**6.8**	**6.8**
Small (<$100 million)	**-1.4**	**10.0**	**2.5**	**6.5**	**6.6**	**6.5**
60% S&P 500/40% Bloomberg Agg	0.2	15.1	4.5	8.8	8.6	7.7

*Returns less than one year are not annualized.

Source: Callan. Callan's database includes the following groups: public defined benefit (DB) plans, corporate DB plans, nonprofits, insurance assets, and Taft-Hartley plans. Approximately 10% to 15% of the database constituents are Callan's clients. All database group returns presented gross of fees. Past performance is no guarantee of future results. Reference to or inclusion in this report of any product, service, or entity should not be construed as a recommendation, approval, affiliation, or endorsement of such product, service, or entity by Callan.

Corporate DB plans

- Funded status improvements are leading plans to discuss changes to asset allocation to protect the gains, or to derisk, or to examine pension risk transfer.
- Allocation issues touch a range of asset classes, including hedge funds and growth assets.
- Investors ranked artificial intelligence as the most topical issue they are addressing, followed by geopolitical uncertainty.
- With the pandemic and related lockdowns firmly in the rearview mirror for many, firm culture after COVID-19 was last in their rankings.

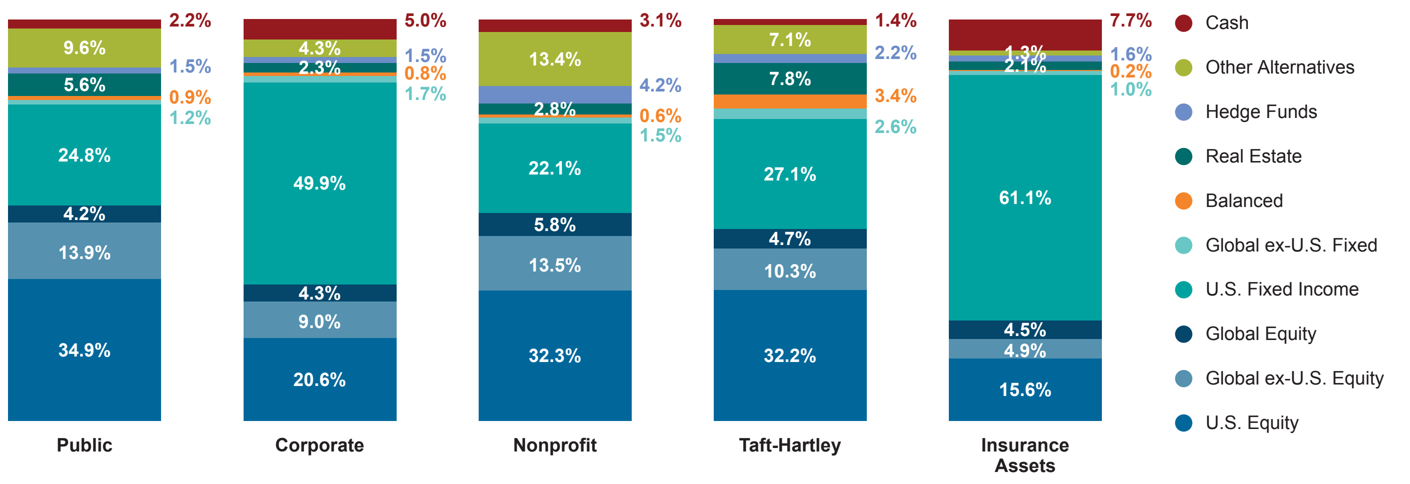
DC plans

- Retirement income is still under discussion by sponsors, to help participants with the "decumulation" phase of their careers and post-career lives.
- Target date funds are attracting scrutiny. They are quite popular, but some plans wonder if they have the "right" ones.
- The implications of SECURE 2.0 and other regulatory changes are uncertain, but sponsors are trying to assess what if any changes they need to make in response.

Nonprofits

- These investors are also weighing critical asset-allocation decisions, including how much to allocate to alternative investments, what to do with fixed income, and whether to overweight U.S. equities vs. global ex-U.S. equities.
- Return enhancement is another area of focus, with a desire to assure the growth of the portfolio.
- Interest in diversity, equity, and inclusion continues to be low, even compared to other types of institutional investors, with only 6% of clients this quarter planning future action and 26% taking no steps to implement DEI policies.

Average Asset Allocation, Callan Database Groups



Note: Charts may not sum to 100% due to rounding. Other alternatives include but is not limited to: diversified multi-asset, private credit, private equity, and real assets.
Source: Callan

Equity

U.S. Equities

U.S. market reaches record high after spike in volatility

- The U.S. equity market ended with the S&P 500 Index up over 2%. However, the quarter was marked by volatility, particularly during October and December.
- Negative returns in October were driven by investor anxiety around the U.S. presidential election, uncertainty with the Fed's approach to interest rate cuts, and some misses to corporate earnings expectations. December returns, while initially buoyed by the Fed's third consecutive rate cut, cooled after the Fed announced no additional rate cuts until the second half of 2025.
- Sector performance was mixed; only four (Communication Services, Consumer Discretionary, Financials, and Information Technology) posted gains.
- During 4Q24, large cap stocks outperformed small caps. Growth outperformed value across the market cap spectrum.

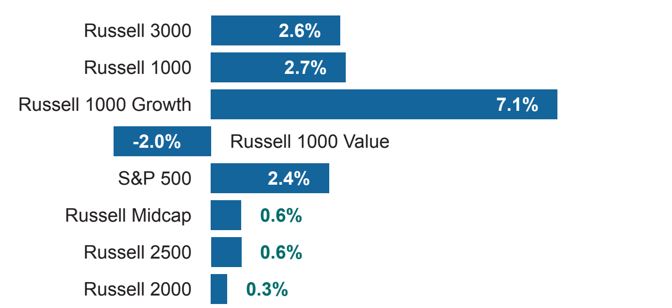
Large caps continue to drive narrow markets

- Concentration and performance contribution of the Magnificent Seven stocks within the large cap benchmarks remain outsized relative to the aggregate of benchmark constituents. In 2024, the S&P 500's return was 25%; the S&P 500 ex-Mag 7 return was 16%.
- For the second year in a row, less than 30% of S&P 500 stocks have outperformed the S&P 500 itself.

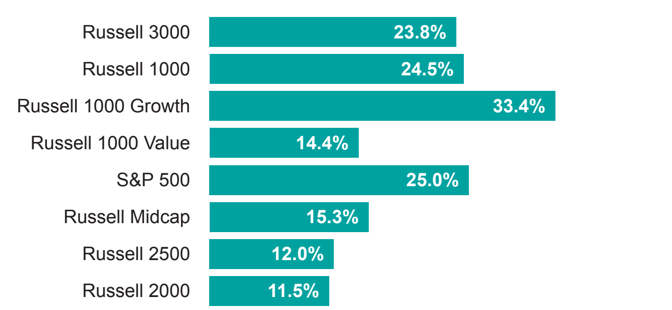
Fundamentals critical to success of large caps

- In recent years, themes—like "work from home" stocks and AI—as well as momentum have been attributed to the prolonged success of the Magnificent Seven.
- However, Magnificent Seven valuations have been supported by strong earnings, low debt, and high cash levels. Consensus and forward-looking EPS growth expectations also remain high for large cap companies.

U.S. Equity: Quarterly Returns (12/31/24)

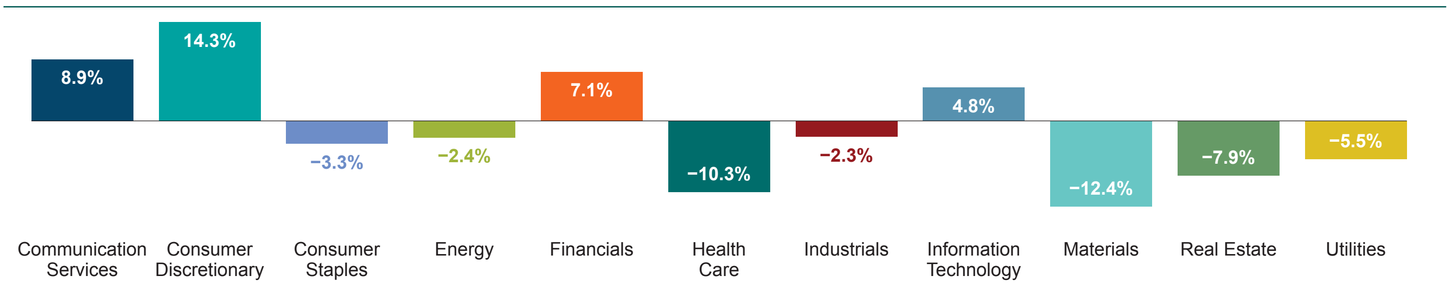


U.S. Equity: One-Year Returns (12/31/24)



Sources: FTSE Russell and S&P Dow Jones Indices

Quarterly Performance of Industry Sectors (12/31/24)



Source: S&P Dow Jones Indices

Global Equities

Trump tariffs weigh on markets

- Global equity markets had a rough end to the year as proposed Trump tariffs weighed on Europe and China.
- Europe was one of the worst-performing regions, plagued by political uncertainty and continued economic woes.
- While still negative, Japan's decline over the quarter was stemmed by the approval of a new economic stimulus plan focused on issues such as wage stability and deflation.

Emerging markets: China, India fall short

- Emerging markets declined on the heels of poor results out of China and India. Although Chinese stocks initially gained from the announced stimulus, they later declined due to expected tariffs. Economic growth in India fell short of expectations.

Growth vs. value: Muted tech influence on growth

- In developed ex-U.S. markets, the influence of technology and AI is comparatively more muted, which makes the trend of growth stocks, especially those from the Magnificent Seven, outperforming value stocks less pronounced.

U.S. dollar: Strength from beneficial effects of Trump

- The U.S. dollar shifted direction from the last quarter as expectations for interest rate cuts faded, along with the anticipated beneficial effects of the Trump administration on the U.S. economy; in total the U.S. Dollar Index rose over 7% during the quarter.

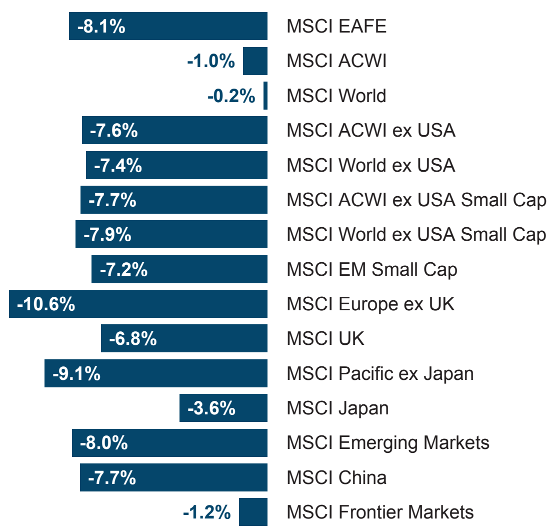
Global equity market concentration continues higher

- The U.S. share of global market capitalization in global indices is at all-time highs as U.S. technology companies lead markets higher.
- Market capitalization-weighted global benchmarks are providing lower diversification benefits than historically at not only the country level but also the security level as the top five constituents of the MSCI ACWI Index currently comprise over 17% of the benchmark.

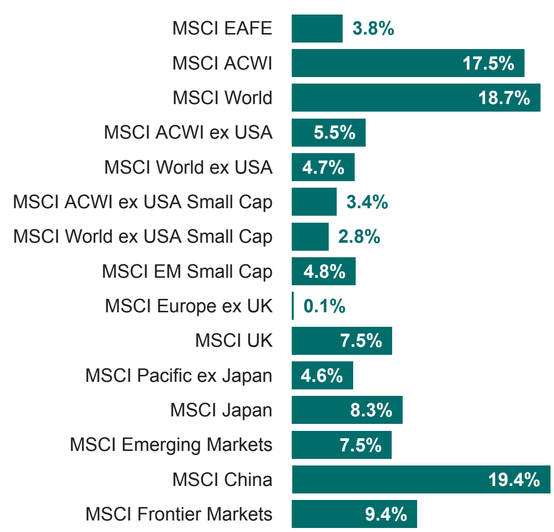
U.S. dollar strength has been a headwind

- Recent U.S. dollar strength has been a notable headwind for non-U.S. equities as local currency revenues of companies continue to weaken against the U.S. dollar.
- Some contributing factors to U.S. dollar strength have been higher interest rate policy by the Federal Reserve compared to other central banks, U.S. economic and market strength, and recent rhetoric regarding potentially higher tariff rates on U.S. imports.

Global ex-U.S. Equity: Quarterly Returns (U.S. Dollar, 12/31/24)



Global ex-U.S. Equity: One-Year Returns (U.S. Dollar, 12/31/24)



Source: MSCI

Fixed Income

U.S. Fixed Income

Inflation concerns resurface

- The Fed continued the rate cutting cycle, most recently in December, bringing the target range to 4.25%-4.50%.
- The yield curve steepened, with rates rising for Treasuries one year and longer. The 10-year rose 77 bps to 4.58%.
- Inflation concerns resurfaced, with the breakeven inflation rate rising by 19 bps to 2.30% over the course of the quarter.

Performance drivers

- The Bloomberg US Aggregate Bond Index fell 3.1% due to the rise in rates.
- With the steepening yield curve, long government bonds fared the worst among sectors.
- Leveraged finance sectors (High yield: +0.2%, leveraged loans: +2.3%) were the only positive fixed income sectors as spreads tightened.

Credit spreads tighten

- Corporate credit spreads across both investment grade and leveraged finance tightened, with both being "priced to perfection."
- New issuance continued to be strong, with 2024 totals for both IG and HY outpacing 2023.

Municipal Bonds

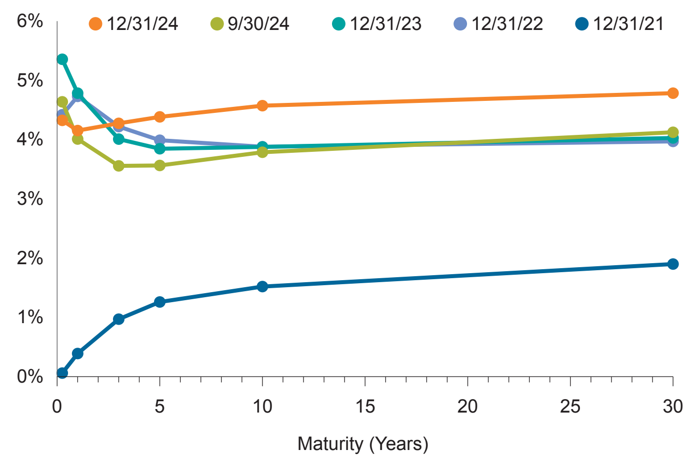
Negative returns in 4Q

- The muni AAA-rated curve shifted upward across the curve and the curve steepened.
- The spreads between the AAA 2s/10s key rates (24 bps) ended the year slightly tighter than Treasuries (33 bps).

Low dispersion across quality in 4Q and for the year

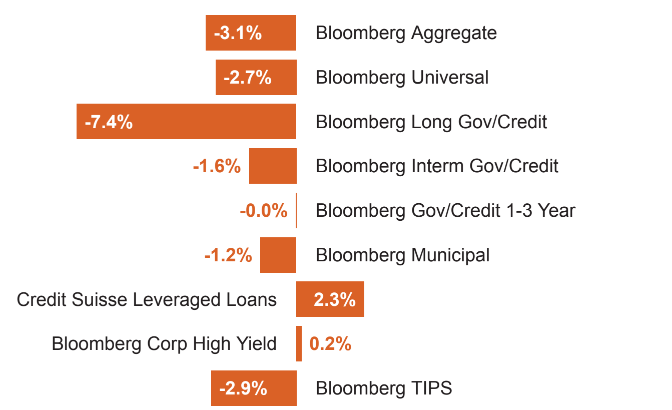
- AAA: -1.3%; +1.4%
- AA: -1.2%: +1.5%
- A: -1.2%; +1.5%
- BBB: -1.3%; +1.6%

U.S. Treasury Yield Curves

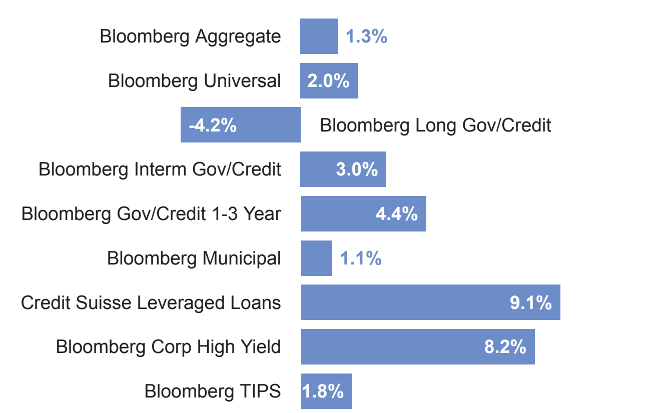


Source: Bloomberg

U.S. Fixed Income: Quarterly Returns (12/31/24)



U.S. Fixed Income: One-Year Returns (12/31/24)



Sources: Bloomberg and Credit Suisse

Robust issuance through 4Q, demand softened slightly

- Total issuance in 2024 was $508 billion, beating the previous high of $485 billion in 2020 and up 32% year over year.
- Demand absorbed issuance most of the quarter, but December exhibited three weeks of fund outflows, after 23 weeks of consecutive net inflows.

Muni valuations vs. U.S. Treasuries remain rich

- 10-year AAA muni/10-year U.S. Treasury yield ratio was rich relative to the 10-year median (67% now vs. 80% historical).

Global Fixed Income

Political controversy dogs euro zone

- The euro zone was marred with political controversy in 4Q, specifically in Germany and France.
- GDP growth in the euro zone rose modestly (+0.4%), while the ECB cut rates in December.
- Japan's GDP grew 1.2% on the back of strong exports and a weaker yen.

U.S. dollar surges

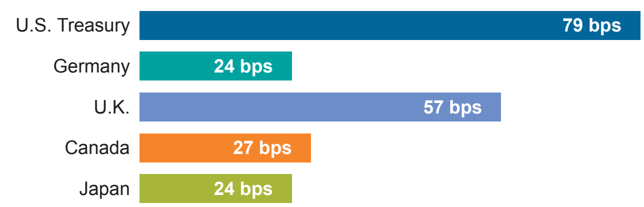
- The U.S. dollar rose 8% versus a basket of six developed market currencies.
- Global fixed income returns varied based on currency exposure, with the Bloomberg Global Aggregate ex US Hedged Index rising 0.7%, while the Bloomberg Global Aggregate ex US Unhedged Index fell by 6.8%.

Emerging market debt faced similar challenges

- Both EM local and hard currency bonds posted negative returns on the quarter, weighed down by the strength of the dollar and geopolitical risk. Hard currency spreads narrowed at the tail end of the quarter, partially offsetting an early quarter drawdown.
- Brazil increased its policy rate by 150 bps in 4Q, resulting in the Brazilian real depreciating by 13.4% versus the U.S. dollar.

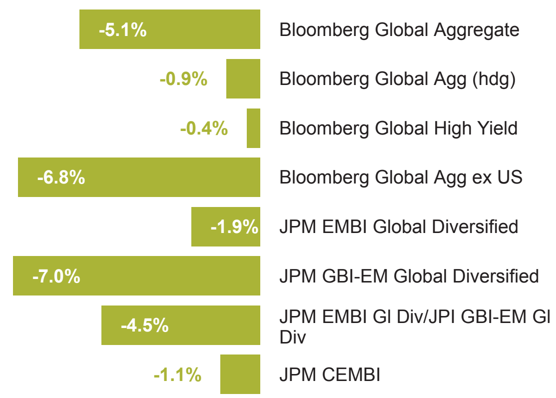
Change in 10-Year Global Government Bond Yields

3Q24 to 4Q24



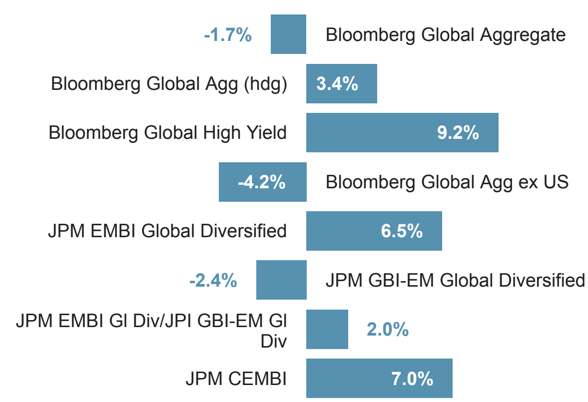
Source: Bloomberg

Global Fixed Income: Quarterly Returns (12/31/24)



Sources: Bloomberg and JPMorgan Chase

Global Fixed Income: One-Year Returns (12/31/24)



Sources: Bloomberg and JPMorgan Chase

Valuations May Have Bottomed; REITs Fall

REAL ESTATE/REAL ASSETS | Munir Iman

Valuations reflect higher interest rates

- Valuations appear to have bottomed and now reflect higher borrowing costs.
- Income returns were positive across sectors and regions.
- Property sectors were mixed; Office and Hotel experienced negative appreciation, and the remaining sectors had flat or positive appreciation.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.

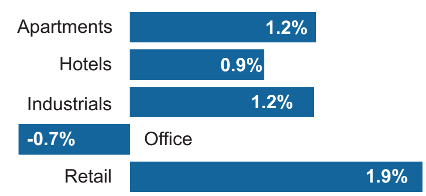
REITs fall and trade at a discount to NAV

- Global REITs underperformed in 4Q24, down 9.7% compared to a 0.2% decline for global equities (MSCI World).
- U.S. REITs fell 6.2% in 4Q24, in contrast with the S&P 500 Index, which rose 2.4%.
- Global REITs are trading at a discount to NAV (-7.0%).
- Historically, global REITS have traded at a 3.9% discount to NAV.

Redemption queues are falling

- ODCE redemption queues are 16.4% of net asset value (NAV), with a median queue of 13.4%. This compares to the GFC, when queues peaked at approximately 15% of NAV.
- Outstanding redemption requests for most large ODCE funds are approximately 6% to 33% of NAV (one outlier at 56%).

Sector Quarterly Returns by Property Type (12/31/24)



Source: NCREIF

- 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. In certain cases, this has been due to loyalty fee programs being instituted.

Pricing, transaction volumes increasing

- Transaction volume is increasing on a rolling four-quarter basis yet remains below five-year averages.
- In 4Q24, transaction volume increased on a quarter-over-quarter basis. Volume remains lower compared to 2022.
- The volatile rise in interest rates is the driving force behind the slowdown in transactions. Increasing transactions are driven by increasing confidence in multi-family and industrial values. Valuations have largely adjusted to increased borrowing costs.

Callan Database Median and Index Returns* for Periods Ended 12/31/24

Private Real Assets	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	20 Years
Real Estate ODCE Style	**0.7**	**-2.2**	**-2.2**	**-3.0**	**2.4**	**5.4**	**5.5**
NFI-ODCE (value-weighted, net)	1.0	-2.3	-2.3	-3.1	2.0	4.9	5.5
NCREIF Property	0.9	0.4	0.4	-0.8	3.1	5.7	7.0
NCREIF Farmland	-1.3	-1.0	-1.0	4.4	4.8	5.9	11.2
NCREIF Timberland	1.4	7.0	7.0	9.7	7.8	5.4	6.9
Public Real Estate							
Global Real Estate Style	**-9.3**	**2.7**	**2.7**	**-4.8**	**1.4**	**4.5**	**6.1**
FTSE EPRA Nareit Developed	-5.1	9.3	9.3	1.7	3.1	5.3	--
Global ex-U.S. Real Estate Style	**-15.8**	**-7.9**	**-7.9**	**-9.0**	**-3.9**	**3.1**	**--**
FTSE EPRA Nareit Dev ex US	-15.2	-8.4	-8.4	-9.7	-5.8	-0.2	--
U.S. REIT Style	**-6.6**	**8.0**	**8.0**	**-2.5**	**5.0**	**6.4**	**7.7**
FTSE EPRA Nareit Equity REITs	-6.2	8.7	8.7	-2.2	4.3	5.7	7.0

*Returns less than one year are not annualized. Sources: Callan, FTSE Russell, NCREIF

Fundraising Rebounds but Activity Struggles

PRIVATE EQUITY | Ashley Kahn

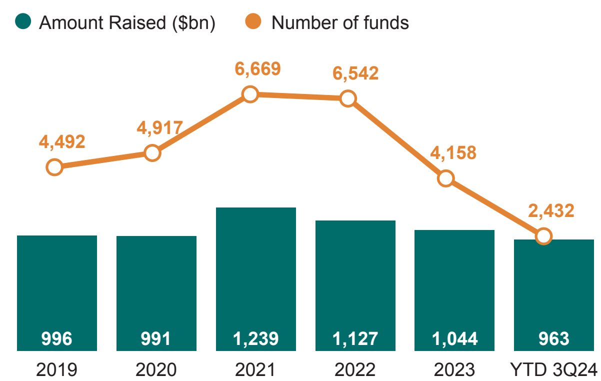
Fundraising ▶ By volume, 2024 fundraising has been creeping toward the highs of 2021 (only 3% off). And compared to the same time last year, volume is up by 7%. On the other hand, fundraising by count was down significantly: 23% fewer funds raised in YTD 3Q24 compared to the same time last year.

Buyouts ▶ Buyout activity in 2024 was essentially flat compared to 2023, by both count and volume. Buyout valuations have started to creep back up, although still off by about a turn from the highs of 2021. They exhibited a large uptick in 3Q24, reflecting the Fed's first interest rate cut that quarter.

Venture Capital and Growth Equity ▶ Deal volume in 2024 was up from 2023 but still significantly depressed compared to the highs of 2021-22. Deal activity by count has declined each year, with the average deal size increasing. Early-stage valuations have reached record highs, up 28% from last year and 44% from 2021. This has been driven by today's AI "supercycle," with greater competition for AI startups pushing up valuations.

Exits ▶ Volume has remained significantly depressed through 3Q24, down 13% from last year and at 43% of 2021 levels.

Annual Fundraising (9/30/24)



Source: Pitchbook

Exit count is also down by 14% from last year and at 67% of 2021 levels.

Returns ▶ Short-term performance continues to lag public equity (driven by the "Magnificent Seven"). Due to the smoothed nature of its returns, private equity doesn't outperform when public equity is at record highs (it likewise doesn't drop as sharply when public equity drops). By strategy type, venture capital and growth equity are still recovering after losses in 2022-23, while buyouts have proven to be much more resilient.

Private Equity Performance (%) (Pooled Horizon IRRs through 9/30/24*)

Strategy	Quarter	1 Year	3 Years	5 Years	10 Years	20 Years
All Venture	1.4	2.4	-5.3	14.9	14.8	12.2
Growth Equity	2.8	7.7	-0.5	13.9	13.2	13.5
All Buyouts	3.3	10.1	6.3	15.2	14.0	14.0
Mezzanine	3.0	10.4	9.1	11.7	10.9	11.4
Credit Opportunities	2.5	9.9	7.6	9.2	7.6	9.2
Control Distressed	0.9	3.3	6.7	13.3	10.8	11.2
All Private Equity	**2.7**	**7.9**	**2.8**	**14.4**	**13.4**	**13.1**

Note: Private equity returns are net of fees. Sources: LSEG/Cambridge and S&P Dow Jones Indices
*Most recent data available at time of publication

Note: Transaction count and dollar volume figures across all private equity measures are preliminary figures and are subject to update in subsequent versions of the *Capital Markets Review* and other Callan publications.

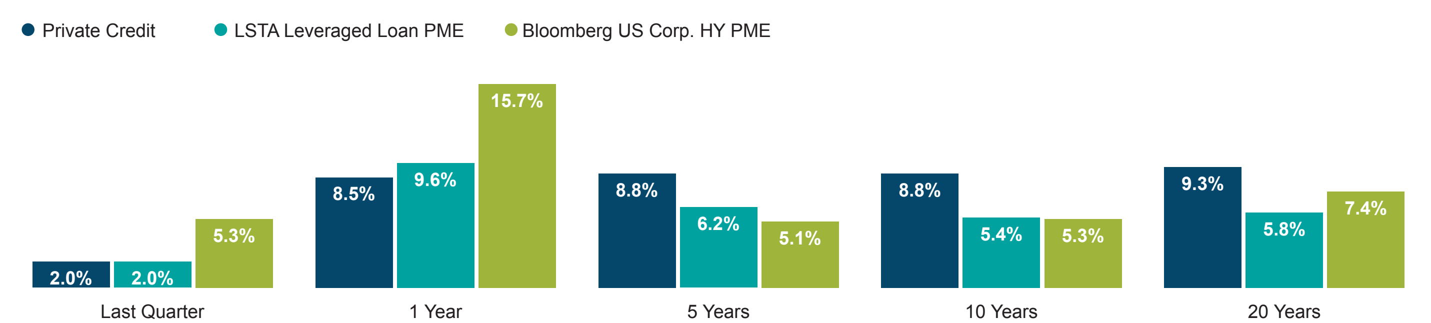
Private Credit Gains in 3Q24 but Lags Benchmarks

PRIVATE CREDIT | Cos Braswell

Private credit gained 2.0% in 3Q24, the most recent quarter available. That matched the LSTA Leveraged Loan PME Index but significantly trailed the Bloomberg US Corporate High Yield PME Index. Results over the trailing one year were roughly the same, but over 5-, 10-, and 20-year time periods private credit topped the two benchmarks.

- Private credit performance varies across sub-asset class and underlying return drivers. Higher-risk strategies have performed better than lower-risk strategies.
- Fundraising for private debt was the strongest since 4Q23, with $51 billion raised.
- Direct lending was responsible for 76% of 3Q fundraising, with $39 billion raised.
- While direct lending continues to dominate fundraises, we are noticing increased interest in specialty finance strategies for more mature PC portfolios.
- Private credit stayed in high demand among Callan clients, and a number of large DB plans are looking to increase their allocations from 2%–3% to 5%–10%.
- North American private debt AUM is expected to grow significantly, from $1.01 trillion in 2024 to $1.74 trillion in 2029, representing an annualized growth rate of 11%. European private debt AUM is projected to grow at a slower pace of 8%, reflecting resilience despite a more challenging economic environment.
- Fundraising in Europe is forecast to remain static, which could create upside potential as reduced competition for deals may improve investment opportunities.
- The private debt market is positioned to maintain strong growth, particularly in North America, while Europe's steadier trajectory still offers attractive prospects in a less crowded landscape.

Private Credit Performance (%) (Pooled Horizon IRRs through 9/30/24*)



Private Credit Performance (%) (Pooled Horizon IRRs by Strategy through 9/30/24*)

Strategy	Quarter	1 Year	5 Years	10 Years	20 Years
Senior Debt	2.3	9.1	7.8	8.2	8.4
Subordinated	0.8	7.5	10.1	10.3	10.3
Credit Opportunities	1.6	8.1	8.8	8.7	9.4
Total Private Credit	**2.0**	**8.5**	**8.8**	**8.8**	**9.3**

Source: LSEG/Cambridge
*Most recent data available at time of publication

Strong Finish to the Year but Choppy Outlook Ahead

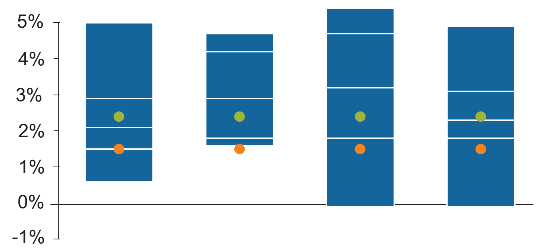
HEDGE FUNDS/MACs | Joe McGuane

U.S. equity markets ended 4Q24 in positive territory, following the U.S. election, the Federal Reserve interest rate cut, and reports of strong economic data. Markets gave back some of that performance in December, as investors grew concerned about inflation and the potential slowdown in future rate cuts. Credit indices generated mixed returns during the quarter, with high yield outperforming investment grade bonds. The 10-year Treasury yield rose throughout the quarter and ended the year at 4.6%.

The S&P 500 gained 2.4%, with performance driven by earnings growth as rising rates caused the market's price-to-earnings ratio to modestly decline despite the Fed cutting interest rates 50 basis points. Index performance was led by Discretionary and Communication Services, which benefited from a better growth outlook, offset by declines in Materials, Health Care and REITs, due to a weaker China outlook and higher rates.

Hedge funds finished strong to end the year, and relative value strategies finished higher, as managers were able to profit off rising bond yields. Equity hedge strategies had strong momentum, as managers profited on both the long and short side during the quarter as stock dispersion remained elevated. Event-driven managers soared in November, on the expectation of a strong M&A cycle in 2025. Macro strategies had a strong November, as managers were able to profit off rates moving higher in the final quarter of the year.

Hedge Fund Style Group Returns (12/31/24)



	Absolute Return FOF	Core Div. FOF	Long/Short Equity FOF	Institutional Hedge Funds
10th Percentile	5.0	4.7	5.4	4.9
25th Percentile	2.9	4.2	4.7	3.1
Median	2.1	2.9	3.2	2.3
75th Percentile	1.5	1.8	1.8	1.8
90th Percentile	0.6	1.6	-0.1	-0.1
HFRI Fund Wtd Index ●	1.5	1.5	1.5	1.5
90-Day T-Bills +5% ●	2.4	2.4	2.4	2.4

Sources: Callan, Credit Suisse, Federal Reserve

Callan Peer Group Median and Index Returns* for Periods Ended 12/31/24

Hedge Fund Universe	Quarter	1 Year	3 Years	5 Years	10 Years	15 Years
Callan Institutional Hedge Fund Peer Group	**2.3**	**9.7**	**6.7**	**7.3**	**6.7**	**7.0**
Callan Fund-of-Funds Peer Group	**2.9**	**10.7**	**4.8**	**6.1**	**4.7**	**5.1**
Callan Absolute Return FOF Style	**2.1**	**9.5**	**5.8**	**6.0**	**4.6**	**4.7**
Callan Core Diversified FOF Style	**2.9**	**10.9**	**4.7**	**6.4**	**4.7**	**5.1**
Callan Long/Short Equity FOF Style	**3.2**	**12.3**	**2.6**	**5.8**	**5.7**	**5.5**
HFRI Fund Weighted Index	1.4	9.8	4.4	7.0	5.3	5.0
HFRI Fixed Convertible Arbitrage	1.4	10.9	4.8	6.9	5.7	5.5
HFRI Distressed/Restructuring	3.4	12.0	5.0	8.4	5.5	5.8
HFRI Emerging Markets	-0.4	9.2	1.0	4.5	4.3	3.4
HFRI Equity Market Neutral	2.4	10.5	5.8	4.8	3.7	3.3
HFRI Event-Driven	2.1	9.8	4.9	7.2	5.5	5.7
HFRI Relative Value	1.9	8.6	4.9	5.1	4.5	5.2
HFRI Macro	0.6	5.5	4.6	5.4	3.1	2.6
HFRI Equity Hedge	1.4	11.9	3.8	8.1	6.3	5.8
HFRI Multi-Strategy	5.0	13.7	4.3	7.0	4.2	4.2
HFRI Merger Arbitrage	1.7	5.6	4.5	5.8	5.0	4.4
90-Day T-Bill + 5%	2.4	10.3	8.9	7.5	6.8	6.2

*Net of fees. Sources: Callan, Credit Suisse, Hedge Fund Research

Serving as a proxy for large, broadly diversified hedge funds with low-beta exposure to equity markets, the median manager in the Callan Institutional Hedge Fund Peer Group rose 2.3%. Within this style group of 50 peers, the average hedge credit manager gained 2.5%, driven by interest rate volatility in November following the U.S. election. Meanwhile, the average hedge equity manager added 2.1%, as managers were able to profit off elevated disperion across sectors.

Within the HFRI indices the best-performing strategy was multi-strategy, which gained 5.0%, followed by distressed/restructuring, which took advantage of deal activity and was up 3.4%. Equity market neutral gained 2.4%.

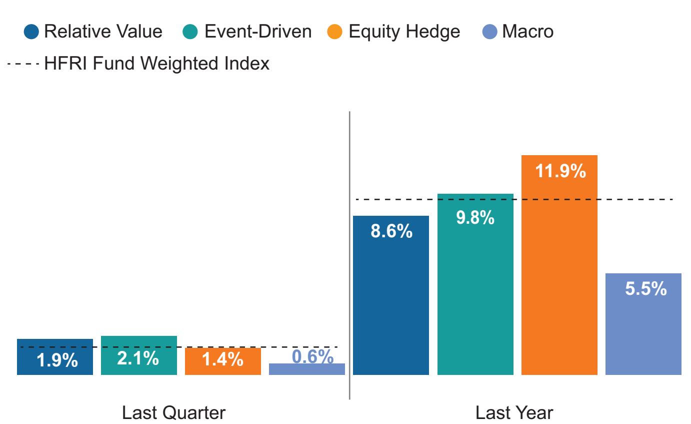
Across the Callan Hedge FOF database, the median Callan Long-Short Equity FOF ended 3.2% higher, as managers profited off the dispersion across sectors. Meanwhile, the median Callan Core Diversified FOF ended 2.9% higher, as equity hedge and event-driven strategies drove performance for the quarter. The Callan Absolute Return FOF ended 2.1% higher, as an overweight to relative value strategies drove performance.

Since the Global Financial Crisis, liquid alternatives to hedge funds have become popular among investors due to their attractive risk-adjusted returns that are similarly uncorrelated with traditional stock and bond investments but offered at a lower cost. Much of that interest is focused on rules-based, long-short strategies that isolate known risk premia such as value, momentum, and carry found across the various capital markets. These alternative risk premia are often embedded, to varying degrees, in hedge funds as well as other actively managed investment products.

Within Callan's database of liquid alternative solutions, the Callan MAC Risk Parity peer group fell 3.6%, as fixed income and commodities were a drag on performance, while U.S. equities were able to offset some of that negative performance. The Callan Long Biased MAC peer group fell 2.7%, as negative performance from fixed income pushed the strategy into negative territory.

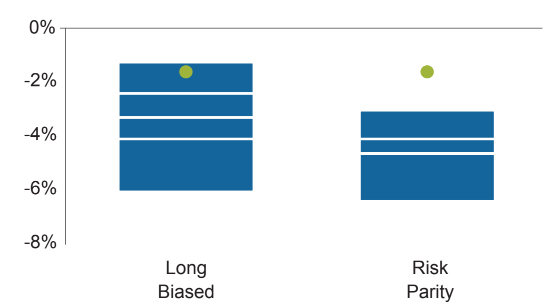
After a strong run for hedge funds in 2024, the market environment outlook appears to be choppier in 2025. While economic growth remains strong and recession probabilities seem low, market expectations remain high, valuations are at all-time highs in equities and spreads are tight in credit markets, leaving investors with limited margin for errors. With a new administration in the White House, change seems the most likely outcome, and uncertainty should be expected for market participants. In this environment, hedge funds should be able to profit off this dispersion.

HFRI Hedge Fund-Weighted Strategy Returns (12/31/24)



Source: HFRI

MAC Style Group Returns (12/31/24)



	Long Biased	Risk Parity
10th Percentile	-0.4	-2.3
25th Percentile	-1.7	-2.4
Median	-2.7	-3.6
75th Percentile	-3.6	-4.2
90th Percentile	-5.8	-6.2
60% ACWI / 40% Bloomberg Agg	-1.8	-1.8

Sources: Bloomberg, Callan, Eurekahedge, S&P Dow Jones Indices

Index Gains 5.6%; Turnover at All-Time Low

DEFINED CONTRIBUTION | Scotty Lee

Performance: Index gains for fourth straight quarter

– The Callan DC Index™ gained 5.6% in 3Q24. The Age 45 Target Date Fund (analogous to the 2045 vintage) had a higher quarterly return (6.5%).

Growth sources: Balances rise due to investment gains

– Balances within the DC Index rose by 4.7% after a 1.1% increase in the previous quarter. Investment gains (5.6%) were the sole driver of the gain as net flows (-0.9%) had a contrary effect.

Turnover: Lowest since index inception

– Turnover (i.e., net transfer activity levels within DC plans) in the DC Index decreased to 0.02%, the lowest ever, from the previous quarter's measure of 0.17%.

Net cash flow analysis: U.S. fixed income ousts TDFs

– Automatic features and their appeal to "do-it-for-me" investors typically result in target date funds (TDFs) receiving the largest net inflows in the DC Index. But in 3Q24, as turnover reached the lowest level since the DC Index inception, U.S. fixed income outpaced the asset allocation funds, earning 68.3% of quarterly net flows.

Equity allocation: Exposure rises

– The Index's overall allocation to equity (74.0%) rose slightly from the previous quarter's level (73.7%).

Asset allocation: Smid cap equity gains

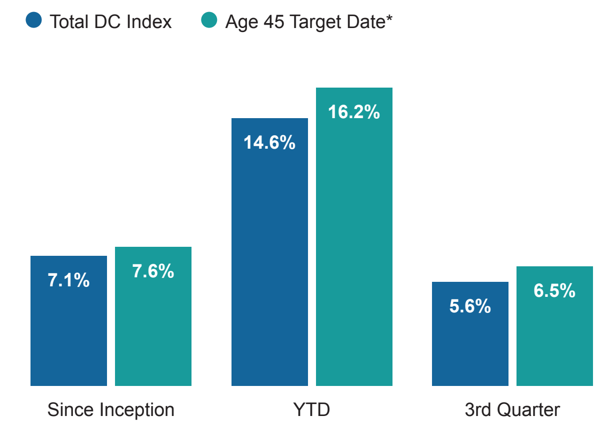
– U.S. small/mid cap equity (7.1%) and target date funds (35.7%) were among the asset classes with the largest percentage increases in allocation, while stable value (6.1%) had the largest decrease in allocation from the previous quarter due to net outflows.

Prevalence of asset class: Global equity funds rise

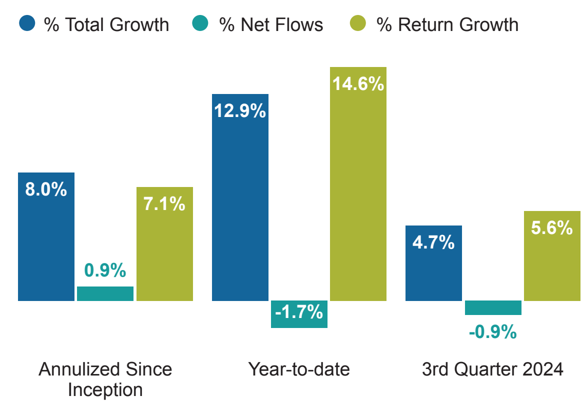
– The prevalence of global equity funds (18.6%) rose by 0.7 percentage points, matching the increase in the prevalence of emerging markets (18.6%), which also rose by 0.7 percentage points. Other notable movements included a 1.4 percentage point increase in the prevalence of U.S. small/mid cap equity offerings (94.3%).

Underlying fund performance, asset allocation, and cash flows of more than 100 large defined contribution plans representing approximately $400 billion in assets are tracked in the Callan DC Index.

Investment Performance (9/30/24)



Growth Sources (9/30/24)



Net Cash Flow Analysis 3Q24)
(Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
U.S. Fixed Income	68.3%
High Yield Fixed Income	5.3%
U.S. Small/Mid Cap	-15.2%
U.S. Large Cap	-38.6%
Total Turnover**	**0.02%**

Data provided here is the most recent available at time of publication.

Source: Callan DC Index

Note: DC Index inception date is January 2006.

* The Age 45 Fund transitioned from the average 2040 TDF to the 2045 TDF in June 2023.

** Total Index "turnover" measures the percentage of total invested assets (transfers only, excluding contributions and withdrawals) that moved between asset classes.

From:
To:

Cc:
Subject:
Date:

CAUTION:

In preparation for our upcoming Board meeting, we thought it would be helpful to provide this summary of our agenda items:

- Callan Quarterly Report

- Monthly Portfolio Update
  - As of 2/14, the Fund is up +7.2% at $25.3 billion for the FYTD
  - Fixed Income Investment Manager Search – we'll provide a status update to the overview we provided during the December Board meeting:
    - The investment team (Chris, Callan, Staff Advisors, and I) conducted due

diligence visits with semi-finalists in late January and selected the finalists on 2/10.

- On 2/11, we provided Investment Liaisons, Park and Darin, with an update on our progress.
- We're in the process of requesting best and final offers, reviewing investment vehicles, following up on other PERSI-related requirements, and initiating legal work on agreements.
- The finalist interviews were pushed back (from 2/24) and are tentatively scheduled for Monday, 3/17.

Please contact me or Chris if you have any questions or concerns.

Kind regards,

PERSI Investment Report

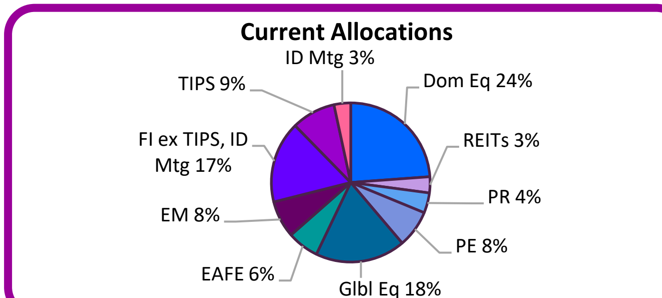
February 18, 2025

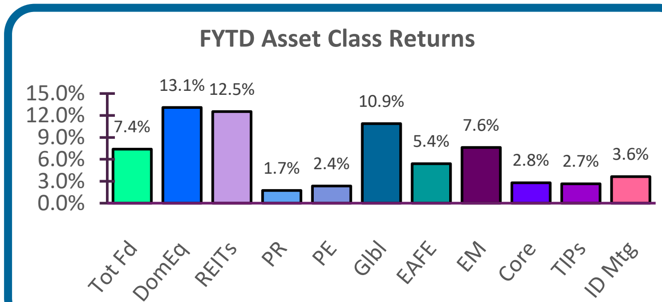
Current Market Value (MV)		**25,387,954,535**
Previous Day MV	57,831,328	**25,330,123,206**
Last FY-end MV	1,520,406,245	**23,867,548,290**

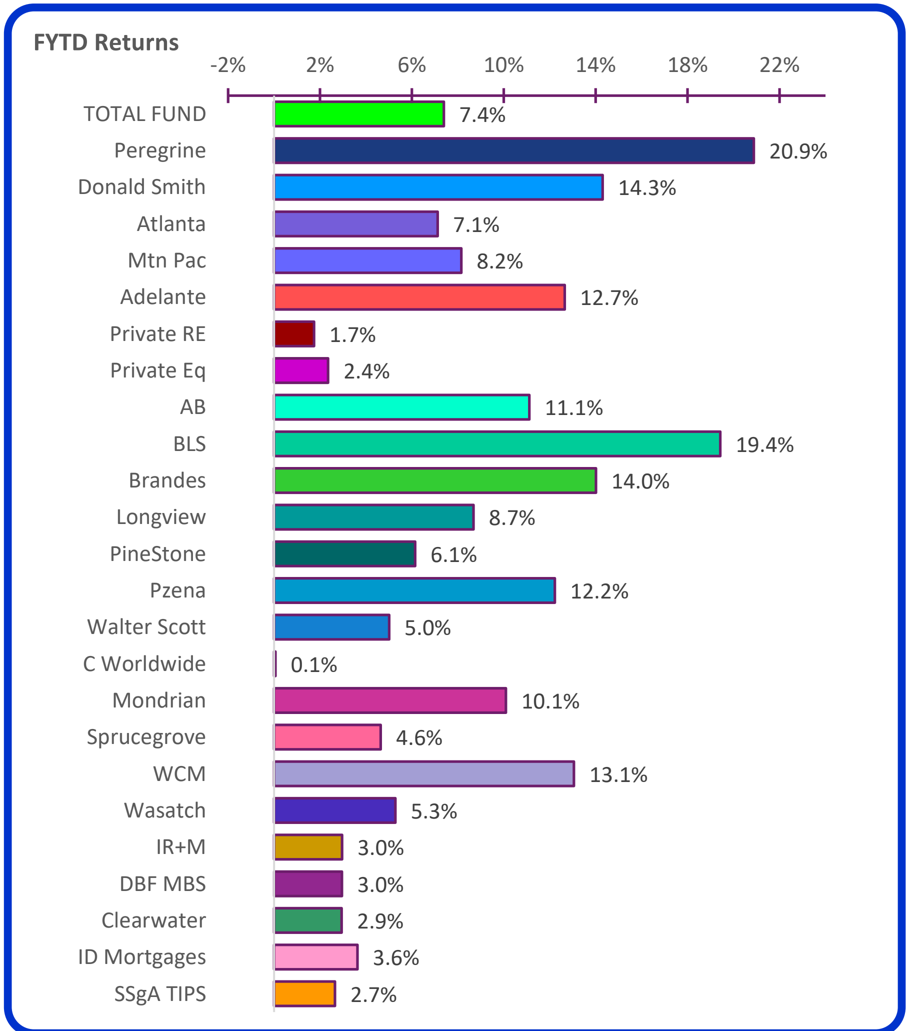
Long-term Actuarial Investment Return	
net of investment and administrative expenses	6.3%

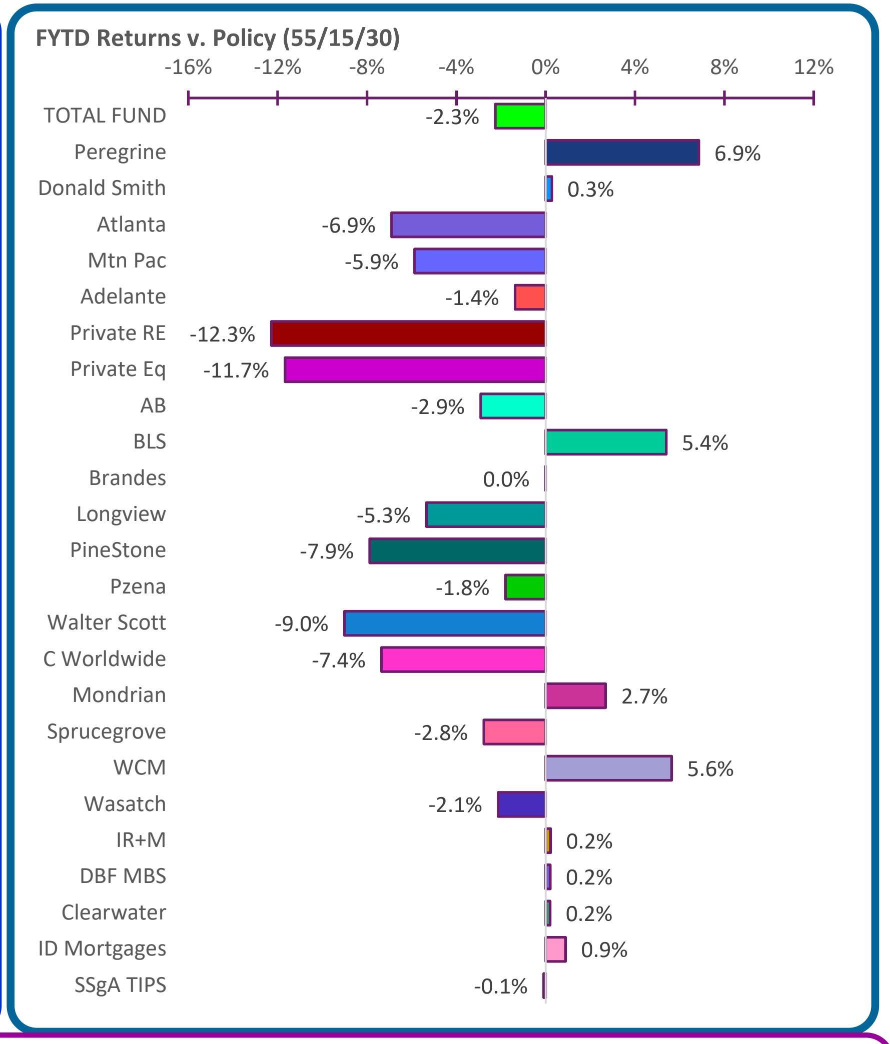
	MTD Return	FYTD Return	5-year Return	10-year Return
Total Fund	**1.0%**	**7.4%**	**7.1%**	**7.6%**
55-15-30	**1.3%**	**9.6%**	**8.5%**	**8.3%**
U.S. Equity	**0.5%**	**9.6%**	**11.3%**	**11.4%**
R3000	**1.4%**	**14.0%**	**13.9%**	**12.8%**
Global Equity	**1.7%**	**10.9%**	**10.5%**	**10.1%**
MSCI World	**2.0%**	**12.4%**	**12.3%**	**10.8%**
Int'l Equity	**3.3%**	**6.6%**	**4.5%**	**4.7%**
MSCI EAFE	**3.4%**	**7.4%**	**7.3%**	**6.1%**
Fixed Income	**0.2%**	**2.9%**	**0.5%**	**2.0%**
Aggregate	**0.2%**	**2.7%**	**-0.6%**	**1.4%**

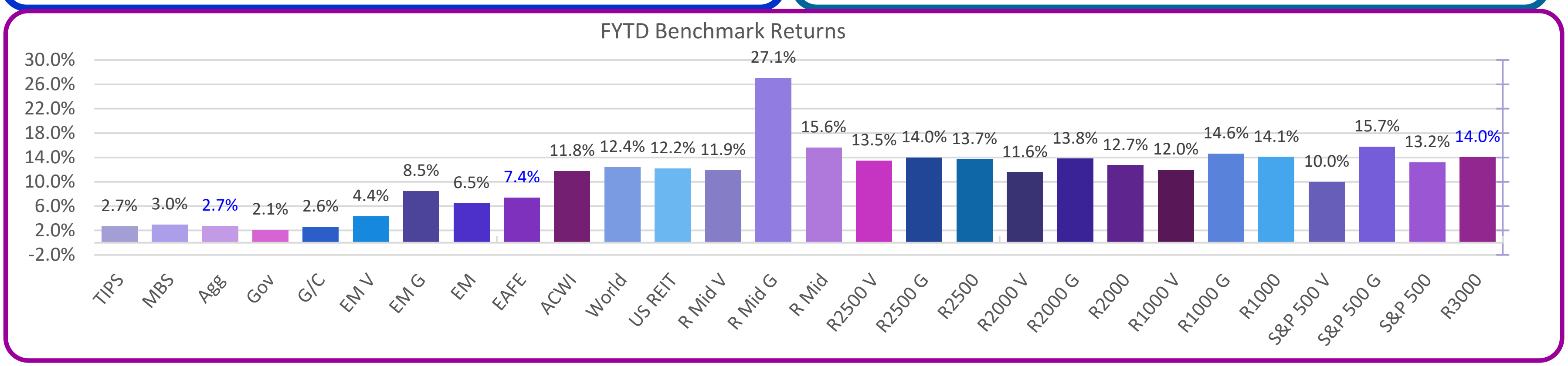
	Mkt Value $	Actual Alloc %	Strategic Target %
Domestic Equity	**$ 9,844.7**	**39%**	**38%**
Large Cap	**$ 3,539.1**	**14%**	13%
Small & Mid Cap	**$ 2,514.0**	**10%**	8%
REITs	**$ 827.6**	**3%**	4%
Private Real Estate	**$ 1,040.5**	**4%**	4%
Private Equity	**$ 1,923.6**	**8%**	8%
Global Equity	**$ 4,658.4**	**18%**	**18%**
Non-US Equity	**$ 3,539.0**	**14%**	**15%**
Developed Mkts	**$ 1,628.5**	**6%**	6%
Emerging Mkts	**$ 1,910.5**	**8%**	9%
Fixed Income & Cash	**$ 7,345.9**	**28%**	**30%**
Core	**$ 4,085.4**	**16%**	15%
ID Mtgs	**$ 862.2**	**3%**	5%
TIPS	**$ 2,271.3**	**9%**	10%






FYTD Returns
-2%
2%
6%
10%
14%
18%
22%
TOTAL FUND 7.4%
Peregrine 20.9%
Donald Smith 14.3%
Atlanta 7.1%
Mtn Pac 8.2%
Adelante 12.7%
Private RE 1.7%
Private Eq 2.4%
AB 11.1%
BLS 19.4%
Brandes 14.0%
Longview 8.7%
PineStone 6.1%
Pzena 12.2%
Walter Scott 5.0%
C Worldwide 0.1%
Mondrian 10.1%
Sprucegrove 4.6%
WCM 13.1%
Wasatch 5.3%
IR+M 3.0%
DBF MBS 3.0%
Clearwater 2.9%
ID Mortgages 3.6%
SSgA TIPS 2.7%


FYTD Returns v. Policy (55/15/30)
-16%
-12%
-8%
-4%
0%
4%
8%
12%
TOTAL FUND -2.3%
Peregrine 6.9%
Donald Smith 0.3%
Atlanta -6.9%
Mtn Pac -5.9%
Adelante -1.4%
Private RE -12.3%
Private Eq -11.7%
AB -2.9%
BLS 5.4%
Brandes 0.0%
Longview -5.3%
PineStone -7.9%
Pzena -1.8%
Walter Scott -9.0%
C Worldwide -7.4%
Mondrian 2.7%
Sprucegrove -2.8%
WCM 5.6%
Wasatch -2.1%
IR+M 0.2%
DBF MBS 0.2%
Clearwater 0.2%
ID Mortgages 0.9%
SSgA TIPS -0.1%


FYTD Benchmark Returns
30.0%
26.0%
22.0%
18.0%
14.0%
10.0%
6.0%
2.0%
-2.0%
TIPS 2.7%
MBS 3.0%
Agg 2.7%
Gov 2.1%
G/C 2.6%
EM V 4.4%
EM G 8.5%
EM 6.5%
EAFE 7.4%
ACWI 11.8%
World 12.4%
US REIT 12.2%
R Mid V 11.9%
R Mid G 27.1%
R Mid 15.6%
R2500 V 13.5%
R2500 G 14.0%
R2500 13.7%
R2000 V 11.6%
R2000 G 13.8%
R2000 12.7%
R1000 V 12.0%
R1000 G 14.6%
R1000 14.1%
S&P 500 V 10.0%
S&P 500 G 15.7%
S&P 500 13.2%
R3000 14.0%

Total Fund Summary 1/31/2025

Preliminary Performance Summary

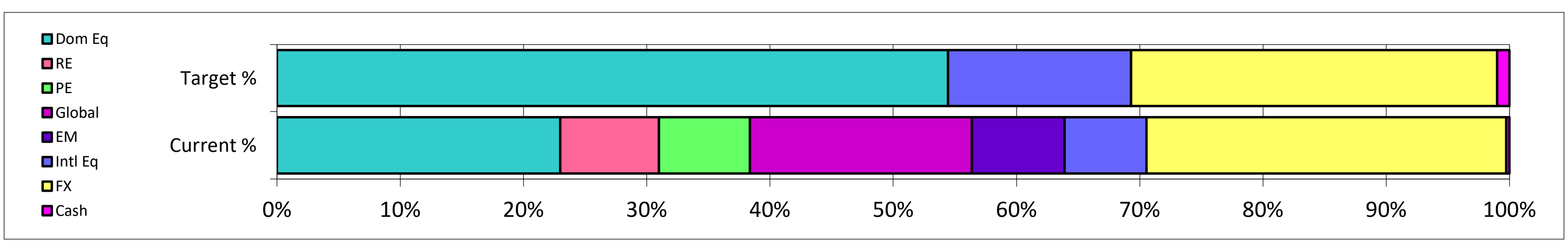
blue = outperform by 50 bp; **red** = underperform by 50 bp (* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*	Last 10 Years*
Total Fund	**2.5%**	**2.2%**	**10.8%**	**4.3%**	**7.4%**	**7.7%**
Strategic Policy ☆	2.1%	2.2%	12.7%	4.5%	7.7%	7.5%
Policy *(55-15-30)*	2.7%	4.0%	16.1%	6.7%	9.0%	8.7%
Total Domestic Equity *(Russell 3000)*	**3.1%**	**3.9%**	**14.9%**	**7.8%**	**11.6%**	**11.4%**
Russell 3000	3.2%	6.7%	26.3%	11.4%	14.6%	13.2%
U.S. Equity *(Russell 3000)*	**3.4%**	**5.0%**	**22.4%**	**10.3%**	**13.1%**	**12.3%**
Real Estate *(NCREIF)*	**0.7%**	**-1.0%**	**2.3%**	**-0.1%**	**4.7%**	**7.2%**
Private Equity *(Russell 3000*1.35)*	**0.0%**	**1.4%**	**7.6%**	**5.0%**	**14.0%**	**12.2%**
Global Equity *(Russell 3000)*	**4.7%**	**4.4%**	**13.6%**	**7.8%**	**10.8%**	**10.5%**
Total International Equity *(MSCI EAFE)*	**3.6%**	**-0.2%**	**11.7%**	**1.6%**	**4.3%**	**4.7%**
MSCI EAFE	5.3%	2.3%	9.2%	5.7%	6.8%	6.2%
Total Fixed Income *(BB Aggregate)*	**0.8%**	**0.0%**	**2.6%**	**-1.3%**	**0.4%**	**1.8%**
Bloomberg Aggregate	0.5%	-0.1%	2.1%	-1.5%	-0.6%	1.2%

Asset Allocation

blue = over allowable target range; **red** = under allowable target range

	Month-End MV		Current %	Target %
U.S. Equity	$ 6,023		24.0 %	
Real Estate	$ 1,918		7.6 %	
Private Equity	$ 1,912		7.6 %	
Global Equity	$ 4,581		18.2 %	
Total Domestic Equity		$ 14,434	57.5 %	55.0%
Emerging Markets Equity	$ 1,837		7.3 %	
Total International Equity		$ 3,426	13.6 %	15.0%
Total Fixed Income		$ 7,201	28.7 %	29.0%
Cash		$ 53	0.2 %	1.0%
Total Fund		$ 25,114	100.0 %	100.0%



Performance Commentary:

During the month, the Total Fund outperformed the Strategic Policy by 40 basis points and narrowly trailed the Broad Policy benchmark. Over the last five-year period, the Total Fund underperformed the Strategic Policy benchmark by 30 basis points and the Broad Policy benchmark by 160 basis points.

☆ Strategic Policy Benchmark = 8% R2500, 14% S&P500, 4% REIT, 4% PRE, 8% PE, 9% EM, 8% EAFE, 15% World, 15% Agg, 5% ID Mtg, 10% TIPS

Total Fund
Month-End Performance *Jan 2025*

Manager *(Style Benchmark)* **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*	Last 10 Years*
Total Fund	**2.5%**	**2.2%**	**10.8%**	**4.3%**	**7.4%**	**7.7%**
Strategic Policy	2.1%	2.2%	12.7%	4.5%	7.7%	7.5%
Policy *(55-15-30)*	2.7%	4.0%	16.1%	6.7%	9.0%	8.7%
Total Domestic Equity *(Russell 3000)*	**3.1%**	**3.9%**	**14.9%**	**7.8%**	**11.6%**	**11.4%**
(Includes U.S. Eq, Glbl Eq, RE, PE)						
U.S. Equity ex RE, PE ***(Russell 3000)***	**3.4%**	**5.0%**	**22.4%**	**10.3%**	**13.1%**	**12.3%**
Russell 3000	3.2%	6.7%	26.3%	11.4%	14.6%	13.2%
MCM Index Fund *(Russell 3000)*	3.1%	6.6%	27.5%	11.7%	14.8%	13.3%
MCM Russell 1000 *(Russell 1000)*	3.2%	6.8%	26.5%	11.6%	14.9%	13.5%
Russell 1000	3.2%	6.8%	26.7%	11.7%	15.0%	13.5%
S&P 500 Index	2.8%	6.2%	26.4%	11.9%	15.2%	13.8%
MCM Russell 2000 *(Russell 2000)*	2.6%	4.5%	18.7%	5.6%	8.7%	8.5%
Russell 2000	2.6%	4.5%	19.1%	5.6%	8.7%	8.4%
Donald Smith & Co. *(Russell 3000)*	3.2%	2.1%	27.9%	26.1%	23.0%	14.0%
Russell 3000	3.2%	6.7%	26.3%	11.4%	14.6%	13.2%
Peregrine *(Russell 1000 Growth)*	8.7%	17.5%	20.3%	8.2%	11.3%	16.2%
Russell 1000 Growth	2.0%	9.6%	32.7%	14.6%	18.9%	17.2%
Atlanta Capital *(Russell 2500)*	2.4%	0.5%	N/A	N/A	N/A	N/A
Mountain Pacific *(Russell 2500)*	2.8%	2.5%	19.9%	8.2%	11.8%	12.4%
Russell 2500	3.5%	5.2%	19.1%	6.6%	10.0%	9.5%
Global Equity *(Russell 3000)*	**4.7%**	**4.4%**	**13.6%**	**7.8%**	**10.8%**	**10.5%**
Russell 3000	3.2%	6.7%	26.3%	11.4%	14.6%	13.2%
Wilshire 5000	3.1%	6.6%	26.3%	11.4%	14.8%	13.4%
MSCI World	3.6%	5.6%	21.9%	10.1%	12.6%	11.1%
MSCI World net div	3.5%	5.5%	21.4%	9.5%	12.1%	10.5%
MSCI AC World	3.4%	4.8%	21.3%	8.9%	11.6%	10.3%
BLS *(MSCI ACWI)*	4.0%	3.8%	10.9%	6.4%	10.4%	N/A
Bernstein *(MSCI ACWI)*	5.3%	6.0%	18.8%	6.7%	8.5%	6.6%
Brandes *(Russell 3000)*	5.0%	4.7%	18.2%	11.2%	13.2%	9.0%
Longview *(MSCI ACWI)*	4.5%	4.1%	13.5%	9.4%	10.1%	10.5%
PineStone *(MSCI World)*	4.6%	5.4%	20.2%	9.0%	13.3%	N/A
Pzena *(MSCI ACWI)*	5.5%	3.3%	N/A	N/A	N/A	N/A
Walter Scott *(MSCI World net div)*	3.9%	3.3%	10.5%	7.4%	10.7%	N/A
Private Equity *(Russell 3000)*	**0.0%**	**1.4%**	**7.6%**	**5.0%**	**14.0%**	**12.2%**
Russell 3000	3.2%	6.7%	26.3%	11.4%	14.6%	13.2%

Total Fund
Month-End Performance *Jan 2025*

Manager *(Style Benchmark)* **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*	Last 10 Years*
Real Estate *(NCREIF)*	**0.7%**	**-1.0%**	**2.3%**	**-0.1%**	**4.7%**	**7.2%**
MCM REIT *(DJ US Select REIT)*	1.2%	-1.7%	14.0%	-0.4%	3.6%	4.2%
Dow Jones U.S. Select REIT	1.2%	-1.7%	14.0%	-0.4%	3.6%	4.3%
Adelante REITs *(Wilshire REIT)*	1.2%	-1.4%	14.4%	0.6%	5.6%	6.9%
Wilshire REIT	1.0%	-1.6%	14.6%	0.2%	4.6%	5.1%
Prudential *(NCREIF)*	1.8%	1.8%	-2.0%	-2.7%	2.7%	5.8%
Private Real Estate	0.4%	-0.6%	-5.3%	0.5%	5.0%	8.9%
NCREIF Prop 1Q Arrears	0.3%	0.8%	-2.2%	0.3%	3.2%	5.8%
Int'l Equity *(MSCI EAFE)*	**3.6%**	**-0.2%**	**11.7%**	**1.6%**	**4.3%**	**4.7%**
MSCI EAFE	5.3%	2.3%	9.2%	5.7%	**6.8%**	**6.2%**
MSCI ACWI ex US	4.0%	1.2%	11.5%	4.0%	6.0%	5.7%
MCM International *(MSCI EAFE)*	5.1%	2.1%	9.3%	5.5%	6.7%	6.1%
C Worldwide *(MSCI ACWI ex US)*	4.4%	0.0%	N/A	N/A	N/A	N/A
Mondrian *(MSCI EAFE)*	4.5%	1.5%	11.6%	6.1%	6.4%	5.5%
Sprucegrove *(MSCI EAFE)*	3.7%	0.3%	N/A	N/A	N/A	N/A
MCM Emerging Markets *(MSCI EMF)*	2.0%	-1.7%	14.6%	-1.1%	3.1%	3.8%
WCM	3.5%	2.7%	N/A	N/A	N/A	N/A
Wasatch	3.7%	-4.4%	N/A	N/A	N/A	N/A
MSCI EM	1.8%	-1.9%	15.3%	-0.3%	3.5%	4.2%
IEMG ETF	-1.9%	-19.7%	-10.5%	N/A	N/A	N/A
MSCI EM IMI	1.1%	-2.5%	13.6%	0.2%	4.1%	4.3%
Total Fixed Income *(BC Aggregate)*	**0.8%**	**0.0%**	**2.6%**	**-1.3%**	**0.4%**	**1.8%**
BB Aggregate	0.5%	-0.1%	2.1%	-1.5%	-0.6%	1.2%
Western *(BB Aggregate)*	10.9%	98.0%	39.1%	7.7%	5.2%	5.1%
Clearwater *(BB Aggregate) - 1/2014*	0.1%	0.0%	2.9%	-1.2%	-0.2%	1.5%
SSgA Gov/Corp *(BB G/C)*	0.5%	-0.2%	1.9%	-1.6%	-0.5%	1.4%
IR+M *(BB G/C)*	0.6%	0.0%	2.6%	-1.1%	0.1%	N/A
Bloomberg Gov/Credit	0.5%	-0.2%	2.0%	-1.6%	-0.6%	1.3%
DBF Idaho Mortgages *(BB Mortgage)*	0.6%	0.3%	3.9%	0.5%	1.2%	2.8%
Bloomberg Treasury	0.5%	-0.3%	1.4%	-2.1%	-1.1%	0.6%
DBF MBS *(BB Mortgage)*	0.6%	0.1%	2.5%	-1.1%	-0.6%	0.9%
Bloomberg Mortgage	0.5%	0.2%	2.2%	-1.5%	-0.8%	0.9%
SSgA TIPS *(BB TIPS)*	1.3%	0.1%	2.9%	-1.4%	1.6%	2.0%
Bloomberg US TIPS	1.3%	0.2%	3.0%	-1.2%	1.7%	2.1%
Cash						
Clearwater: PERSI STIF *(90-day LIBOR)*	0.4%	1.2%	5.2%	4.1%	2.6%	2.0%
ICE BofA 3-mo Treasury Bill Index	0.4%	1.2%	5.2%	4.0%	2.5%	1.8%

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Adelante (Public RE - REITs)
Domestic Equity: Wilshire REIT Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Adelante Total Return	1.21%	-1.41%	14.25%	0.61%	5.60%
Wilshire REIT Index	1.02%	-1.61%	14.55%	0.24%	4.60%

Performance Attribution & Strategy Comments

For the month ended January 31, 2025 – The Account outperformed the Wilshire US REIT Index by 19 basis points, gross of fees, as the REIT market advanced 1.0%.

- Contributors: security selection within Care Facilities REIT, Hotel REIT and the sector allocation to Care Facilities REIT (overweight).
- Detractors: the sector allocation to Data Center REIT (overweight), Free Standing REIT (underweight) and security selection within Shopping Center REIT.
- Best performing holding: ProLogis, Inc., +12.6%.
- Worst performing holding: Digital Realty Trust, -7.6%.

For the trailing quarter ended January 31, 2025 – The Account outperformed the Wilshire US REIT Index by 20 basis points, gross of fees, as the REIT market declined 1.6%.

- Contributors: the sector allocation to Medical Offices and Laboratories REIT (underweight), Real Estate Services (overweight) and security selection within Care Facilities REIT.
- Detractors: the sector allocation to Data Center REIT (overweight), Free Standing REIT (underweight) and security selection within Shopping Center REIT.
- Best performing holding: Marriott International-CL A, +13.6%.
- Worst performing holding: Iron Mountain, -17.3%.

Comments – In the first month of the new year, **market participants navigated a range of significant events: the inauguration of the 47th President of the United States, widespread wildfires, multiple executive orders, and the disruptive emergence of DeepSeek AI**. The 10-year Treasury yield fluctuated between 4.54% and 4.76% amid mixed economic data and shifting Federal Reserve signals, ultimately closing January at 4.55%. The FOMC held the federal funds rate steady at its January meeting and REIT share prices saw modest gains as earnings season commenced.

Looking ahead, commercial real estate fundamentals are expected to strengthen throughout 2025 as new supply declines, interest rates stabilize, and evolving Washington, D.C. policies take effect. **Tariff uncertainty and geopolitical tensions, along with rising material costs—exacerbated by post-wildfire supply disruptions—will pressure returns and strain underwriting in the near term. Meanwhile, signs of stabilization in the office and retail sectors are emerging;** Blackstone's recent contract to acquire a New York City office tower (following their recent privatization of ROIC, a shopping center REIT) signals growing confidence in high-quality office valuations.

On January 2nd, Wilshire Indexes revised the methodology for their index suite, including the Wilshire US REIT Index. **The update introduced new property sector classifications, a revised sector breakdown with approximately 10% reweighting, and an expansion to 134 holdings**. We leveraged our expanded coverage universe—established over three years ago—to adjust our portfolio. We initiated two new positions: Agree Realty Corporation, a Free-Standing REIT, and VICI Properties Inc., a Gaming and Casino REIT, which we have previously held.

At month-end, the portfolio's dividend yield stood at 3.4%, while cash holdings were 1.3%.

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)	20.53	18.82	1.09		1.30	ok
B6b. Beta	0.96	1.00	0.96	0.70	1.30	ok
B6c. Dividend Yield	3.35	3.82	0.88	0.80	2.00	ok
B6d. Expected FFO Growth	19.45	18.02	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: 83% 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: 16% ok

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

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 1,566

Organizational/Personnel Changes

There were no changes during the month.

Account Turnover

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

Atlanta Capital

Domestic Equity: Russell 2500 Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Atlanta Capital	2.39%	0.55%	N/A	N/A	N/A
Russell 2500	3.54%	5.16%	N/A	N/A	N/A

Portfolio Attributes

Characteristics	Atlanta	RU 2500
Mkt Value ($m)	748.66	N/A
Wtd Cap ($b)	14.73	8.37
P/E	21.00	19.70
Beta	0.68	1.00
Yield (%)	0.76	1.35
Earnings Growth	13.10	16.80

Sector Analysis (Top 2)

Over-weight	Atlanta	RU 2500
Financials	25.29%	18.04%
Industrials	26.14%	18.93%

Under-weight	Atlanta	RU 2500
Health Care	5.04%	12.09%
Energy	0.00%	5.06%

Performance Attribution & Strategy Comments

US Small and Mid Cap stocks continued higher in January with the Russell 2500 index posting a +3.5% return. The Atlanta SMID Cap portfolio also had a positive return for the month, but trailed the benchmark. Overall stock selection was negative for the period with holdings in Financial and Industrials detracting from results. Within Industrials, there was broad-based weakness across companies that contract with the government on fears related to the incoming administration's Department of Government Efficiency (DOGE). While it's hard for us to foresee significant cuts to critical defense providers, several of the fund's high quality defense contractors were caught up in this sell off. Within Financials, several of our insurance holding lagged due to concerns around West Coast fire losses. Our analysis indicates that our holdings should have limited direct exposure to losses and may benefit from likely future premium increases. Stock selection within Real Estate and Technology was positive and largely driven by continued positive earnings growth across holdings. Overall asset allocation was positive, with our overweight in Financials and underweight in Real Estate providing the most benefit. The portfolio's underweight to Health Care was the largest detractor. Much of the market's return in 2024 was driven by valuation multiple expansion. Now that the market has priced in strong forward expectations, we will see if companies can deliver with solid earnings growth in 2025. We continue to favor high quality companies that we believe have a high likelihood of achieving their growth expectations.

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		51		50	60	ok
B5. Sector limits less than 30%						Yes
B6. Annual turnover		10%		10%	20%	ok
B7. Normal Global Portfolio Characteristics						
Capitalization (rel)	8365	14727	176%	100%	200%	ok
Maximum Sector Exposure		26%		0%	30%	ok
Price/Book Value (rel)	2.3	3.6	157%	100%	170%	ok
Price/Earnings (rel)	19.7	21.0	107%	100%	200%	ok
Dividend Yield (rel)	1.4	0.8	56%	40%	70%	ok
Beta (rel)		0.68		0.70	1.00	check
D. No foreign currency denominated securities, derivatives, short sales, commodities, margin or affiliated pooled funds.						Yes
E1. Brokerage commissions not to exceed $0.05/share for U.S. equities						Yes
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B7. Beta: Trailing beta vs. the benchmark is still in keeping with our higher quality bias.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 34,256

Organizational/Personnel Changes

N/A

Account Turnover

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

Bernstein Global Strategic Value
Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Bernstein GSV	5.27%	5.97%	18.81%	6.67%	8.48%
MSCI ACWI	3.36%	4.68%	20.72%	8.41%	11.04%
Russell 3000	3.16%	6.66%	26.32%	11.36%	14.60%

Performance Attribution & Strategy Comments

Portfolio Performance: In January, the Portfolio increased in absolute terms and outperformed its Benchmark, the MSCI ACWI, gross and net of fees. Both stock and sector selection contributed to overall relative performance, gross of fees. Stock selection within technology and industrials contributed the most, while selection within communication services and consumer discretionary detracted, offsetting some gains. Middleby, a global leader in manufacturing innovative cooking equipment for the commercial, residential and industrial foodservice markets, contributed. Shares rose with news of the arrival of an activist investor seeking board seats and the company's acknowledgement of considering a spin- off of its residential kitchen business unit through its acquisition of Gorreri Food Processing Technology, an Italy-based manufacturer of specialty dessert production equipment. As a result, several analysts have raised their FY 2025 earnings estimates for the company. Middleby maintains strong financials with ample liquidity plus an impressive growth trajectory and strong market position, as it continues to expand its global footprint. Royalty Pharma, the world's largest buyer of biopharmaceutical royalties and a leading funder of innovation in life sciences, contributed. The company announced acquisition of its external manager, RP Management, for a total value of around $1.1 billion. This transaction to simplify Royalty Pharma's corporate structure is expected to result in multiple benefits for shareholders, including reducing costs and enhancing economic returns on investments. Royalty Pharma also announced the sale of MorphoSys development funding bonds for $511 million in upfront cash during the month. Also, the board approved a $3 billion share repurchase program as part of the company's evolving approach to returning capital to shareholders. **Outlook:** It was an eventful first month of the year with the Bank of Japan raising rates, the Federal Reserve holding still and the European Central Bank cutting—all as expected. The biggest surprise of January was news out of China that DeepSeek released a new AI model that purports to be significantly more efficient than existing models, which has big potential implications on the entire AI complex. With the announcement at the end of the month of tariffs being imposed on Canada, Mexico and China by the US, February is shaping up to be another impactful month. The MSCI ACWI Value Index outperformed the style-neutral index by 0.9% in US-dollar terms in January, with significant style volatility driven by shifting AI sentiment and DeepSeek. The year 2024 was another of historically narrow market performance driven by mega-cap US technology companies, which generally is not favorable for our Portfolio. But this is an environment that we do not expect to continue forever, as shown by the DeepSeek surprise this month. We believe our Portfolio is well positioned with a collection of underappreciated businesses, as well as businesses undergoing positive changes with overall good growth prospects and profitability characteristics yet trading at a large discount to the market. We have about a 15% underweight to US mega- cap tech stocks (the Magnificent Seven) compared with the market; we believe this is appropriate, as we feel we can find other strong businesses trading at much more attractive valuations. Our key bets include overweight positions to memory semiconductors, European aerospace and defense, SMID-cap US industrials, and US communications services and materials, as well as underweight positions to tech (excluding memory semis), large-cap industrials (excluding aerospace and defense), consumer staples and non- bank financials. We made some trims and additions to existing positions in January, in addition to a couple new name additions and exits.

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		56.0		25	75	ok
B5. Normal Regional Exposures (* benchmark -/+ min/max):						
United States *	66%	55%		41%	91%	ok
Europe ex U.K. *	11%	11%		-4%	26%	ok
UK *	3%	12%		-7%	13%	ok
Japan *	5%	10%		-5%	15%	ok
Emerging Markets		7%		0%	20%	ok
Other		6%		0%	20%	ok
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	669,920	274,899	41%	50%	100%	check
Price/Book Value	3.4	2.3	69%	50%	100%	ok
Price/Earnings (Next 12 mo)	16.6	12.6	76%	50%	100%	ok
Price/Cash Flow	15.6	9.5	61%	50%	100%	ok
Dividend Yield	1.8	1.9	106%	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		57%		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 4 $792,184

Organizational/Personnel Changes

Investment decisions for Global Strategic Value are made by the Chief Investment Officer and Director of Research. For the month of January 2025 there were no personnel changes for the GSV portfolio.

Account Turnover

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

BLS Capital

Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2025**

Manager Performance Calculations ** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
BLS	4.01%	3.83%	10.86%	6.40%	10.39%
MSCI ACWI	3.36%	4.68%	20.72%	8.41%	11.04%

Performance Attribution & Strategy Comments

In January, the top relative contributors to portfolio performance were St. James's Place (21% return in USD), Experian (16%), and LVMH (12%). The largest detractors were DSV (-6%), Yum China (-4%), and Budweiser APAC (-6%).

Eight of our portfolio companies reported earnings with results generally in line with expectations and some small positive surprises. LVMH, Mastercard, and Visa delivered reports indicating strong consumption trends in the U.S., while consumer confidence in China remained low, but stable.

St James's Place reported fourth quarter net inflows and funds under management both exceeding expectations. This continued the company´s more than 20 years streak of consistently positive quarterly net inflows. With regulatory risk declining and strong progress in complaint resolution suggesting last year's provision was overly conservative, the valuation discount has been narrowing as the share price has risen.

LVMH reported full-year results with flat organic revenue growth, reflecting sequential improvement from the third quarter. Demand was particularly driven by strong U.S. consumers, while sales to Chinese consumers showed sequential improvement in the latter part of the year. The luxury sector experienced strong share price performance in January, following signs of demand stabilization and slightly better-than-expected sales.

Our elevator companies Kone and Otis reported fourth quarter results, where growth in maintenance remains strong and accelerating. Kone grew its maintenance revenues by a very strong 10% along with a more than 6% growth in the maintenance portfolio. Modernization orders and revenue growth of double-digits remain strong at both companies, and is a continued growth driver with improving profitability.

For Mastercard, revenues increased by 14% driven by payments network revenues growth of 14% and value-added services and solutions growth of 16%. Earnings per share increased 20%, and the company expects 2025 to be another solid year with revenue growth in the low teens. Visa grew revenues by 10% following payments volume growth of 9% and value-added services growth by 18%. Earnings per share grew 14%. Following the strong results, Visa now expects its revenues and earnings per share to grow by low-double-digits and low teens, respectively, this fiscal year.

Automatic Data Processing (ADP) reported strong quarterly results with an 8% increase in revenue, an expanded operating margin, and 10% earnings per share growth. ADP announced a 10% quarterly dividend increase, qualifying the company for Dividend King status with 50 years of uninterrupted dividend per share increases. ADP maintained its fiscal year guidance, expecting 6-7% revenue growth and 7-9% adjusted EPS growth.

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. No more than 2 companies headquartered in Denmark				No
B5. Number of issues	25	25	30	ok
B6. Normal Regional Exposures (* benchmark -/+ min/max):				
North America	41%	35%	50%	ok
Japan	0%	0%	0%	ok
Europe ex UK	33%	15%	35%	ok
UK	20%	5%	13%	check
Pacific ex Japan	0%	0%	0%	ok
Emerging Markets	5%	10%	30%	check
Non-Index Countries	0%	0%	0%	ok
Total	100%			
B7. Normal Global Portfolio Characteristics				
Capitalization (45%-75%)	115	45	75	check
Price/Book Value	7.7	5	9	ok
Price/Earnings (current)	21.8	17	23	ok
Price/Cash Flow (current)	18.6	19	24	check
Dividend Yield	2.0%	1.8%	2.8%	ok
ROE	47%	31%	37%	check
ROIC	47%	42%	50%	ok
FCF Yield	5.4%	3.8%		ok
F2. Brokerage commissions not to exceed $0.03/share for U.S. equities				Yes
F3. Annual turnover	29%		40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B4. Denmark HQ Limit:	We see attractive risk-adjusted return potential in our globally exposed companies with HQs in Denmark. We assess underlying exposure more so than location of HQ.
B6. Regional Exposures:	We have continued to see more attractive risk-adjusted return potential in our UK listed companies as opposed to Emerging Markets holdings.
B7. Capitalization:	We continue to see attractive risk-adjusted returns in higher market capitalization names.
B7. Price/Cash Flow:	The price/cash flow metric is not our key valuation measure, the free cash flow yield. As the free cash flow yield has increased, the price/cash flow has drifted lower.
B7. ROE:	We continue to see attractive opportunities in companies with higher returns on equity.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 7,734

Organizational/Personnel Changes

There were no changes to the investment team in January 2025.

Account Turnover

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

Brandes Investment Partners, L.P.

Global Equity: Russell 3000 Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Brandes	4.96%	4.52%	18.49%	11.14%	13.11%
Russell 3000	3.16%	6.66%	26.32%	11.35%	14.58%

Performance Attribution & Strategy Comments

Global equity markets saw a strong start to the year, with Value stocks outperforming Growth stocks and developed market equities outperforming emerging market equities. European stocks led the way, a shift from the strong markets we have seen in the U.S.   Against this backdrop the Brandes Global Equity portfolio rose and outperformed the broader index. While tariff concerns hung over markets the portfolio's US holdings performed well due to strong stock selection.   The largest sector contributor on a relative basis was the portfolio's large underweight to the Information Technology sector and good performance of select holdings. We have been conservative in our earnings projections so the portfolio was not negatively impacted by the DeepSeek developments of a potentially cheaper AI model.   Conversely select holdings in Communication Services detracted from overall performance. On a country basis the largest relative contributor to outperformance was the portfolio's US exposure, followed by holdings in Switzerland. Holdings in Hong Kong, on the other hand, detracted.   As of 1/31/25, the largest absolute country weightings were in the U.S. - although the portfolio is significantly underweight relative to the index - the United Kingdom and France; the largest sector weightings were Financials, Health Care and Industrials. During the month the Global Investment Committee initiated no new positions and had one full sell of German software company SAP, which rose on strong earnings and reached our estimate of intrinsic value. The PERSI Global Equity portfolio continues to hold key positions in the economically sensitive financials sector and the more defensive health care sector, while maintaining its largest underweight to technology. Value stocks continue to trade within the least expensive decile relative to growth (MSCI World Value vs. MSCI World Growth) across various valuation measures (price/earnings, price/cash flow, and enterprise value/sales). However the valuation gap between U.S. and international stocks (MSCI USA vs. MSCI EAFE) widened as 2024 marked the largest outperformance year for U.S. stocks relative to international stocks since 1997. As a result, U.S. stocks now trade at their most expensive levels relative to international stocks since the inception of the MSCI indices in 1970, even when adjusting for sector differences.

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, in our opinion.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 28,641

Organizational/Personnel Changes

None

Account Turnover

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

Manager Style Summary

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

Brandes Investment Partners, L.P.

Global Equity: Russell 3000 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		69		40	70	ok
B5. Normal Country Exposures:						
United States & Canada		45%		30%	100%	ok
Americas ex U.S.		5%		0%	40%	ok
United Kingdom		14%		0%	25%	ok
Europe ex U.K.		22%		0%	50%	ok
Japan		1%		0%	45%	ok
Pacific ex Japan		11%		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	$112,210	$92,428	82%	30%	125%	ok
Price/Book Value	1.9	1.4	73%	50%	100%	ok
Price/Earnings	15.9	14.6	92%	50%	100%	ok
Price/Cash Flow	10.3	7.3	70%	50%	100%	ok
Dividend Yield	2.8	3.3	117%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	$816,507	$177,311	22%	30%	125%	check
Price/Book Value	4.7	1.8	38%	50%	100%	check
Price/Earnings	26.8	15.3	57%	50%	100%	ok
Price/Cash Flow	18.2	10.6	58%	50%	100%	ok
Dividend Yield	1.2	2.2	181%	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		16%			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. Dividend Yield:	Current US mkt historically wide spread btw Value/Growth causing all portf characteristics to skew even more "value" than our typical range.

C WorldWide Asset Management

International Equity: MSCI ACWI ex US Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
C WorldWide Asset Mgmt	4.11%	-0.38%	N/A	N/A	N/A
MSCI ACWI ex US	4.03%	1.08%	N/A	N/A	N/A

Performance Attribution & Strategy Comments

Among January's top contributors to investment returns were SAP, LVMH and Hoya. SAP's shares were strong in 2024 based on robust 2024 results, with all key metrics, revenue growth, operating profit and free cash flow at the top of guidance. The cloud backlog was impressive, accelerating to 40% growth over the last year. The management team pointed out that 60% of Cloud ERP revenue comes from existing customers, 30% from new wins, and 10% from upsell, showing that the SAP Cloud story is not only about transitioning existing customers. Generative AI has emerged as a driver of ERP, with around half of deals driven by AI. While the market overall is likely close to "peak hype" around AI and its use as a revenue driver (and IR/marketing tool…), we believe that its use internally in large software firms to save costs is an underestimated driver. R&D to sales is 19% for SAP, vs close to 12% for Microsoft. While Microsoft has some scale advantages, SAP's R&D should also be more focused on its core ERP offerings than Microsoft's broader offerings. We believe that the opportunity remains to narrow the gap and increase margins.

The luxury goods sector and LVMH recovered from outstanding results from peer Richemont, which reported robust jewellery sales. When LVMH reported, its Tiffany jewellery brand was up 9%. The key Fashion & Leather Goods division was softer than expected at -1%, up four percentage points from the third quarter. Luxury spending credit card data from the U.S. showed the first growth in over ten quarters in early 2025, pointing to signs of a turnaround in the sector.

Among the top detractors were HDFC Bank, Diageo, and AIA. However, the absolute magnitude of the names on the list of detractors was only in the low teen bps, except for HDFC Bank (negative 32 bps), which saw its shares fall back after a powerful Q4 2024 performance.

While news flow remains volatile overall, it's worth addressing two key issues regarding long-term portfolio positioning this year. They are trade war concerns as well as DeepSeek. We see the trade war escalation as having a limited impact on current portfolio positioning. Most portfolio companies have high margins, strong market positions, and localised production, minimising tariff risks. An exception could be Diageo, which has exposure to Mexican tequila and Canadian whisky and may try to push through price hikes. Regarding DeepSeek, AI disruptions will likely broaden semiconductor demand over time despite short-term uncertainties for firms like ASML.

Manager Style Summary

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

C WorldWide Asset Management

International Equity: MSCI ACWI ex US Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	C World	Min	Max	Compliance
A2. Cash exposure <= 5%				Yes
B2. Securities with a >=5% weighting, not to collectively exceed 40% of the port				Yes
B3. Security position <= 10% of the account				Yes
B4. Number of issues	29.0	25	30	ok
B5. Normal Regional Exposures (benchmark min/max):				
Europe ex U.K.	44%	20%	60%	ok
U.K.	16%	0%	30%	ok
Pacific	18%	0%	30%	ok
Emerging Markets	13%	0%	30%	ok
United States	9%	0%	20%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics relative to benchmark				
Capitalization	163.88%	50%	200%	ok
Price/Book Value	243.83%	50%	-	ok
Price/Earnings	158.39%	50%	-	ok
Price/Cash Flow	178.89%	50%	-	ok
Dividend Yield	64.25%	-	200%	ok
D. No derivatives, short sales, commodities, margin or currency hedging.				Yes
E1. Brokerage commissions not to exceed $0.06/share for U.S. equities				Yes
F3. Annual turnover	17%	0%	30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 18,006

Organizational/Personnel Changes

No changes in organization or personnel.

Account Turnover

Gained:	Number of Accounts:	0	($m):	$ -
Lost:	Number of Accounts:	1	($m):	$ 2.7 mn

Change in investment strategy

Reason(s):

Clearwater Advisors, LLC

Core Fixed: BB Aggregate Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater Agg	0.51%	-0.11%	2.45%	-1.31%	-0.34%
BB Aggregate	0.53%	-0.07%	2.07%	-1.52%	-0.60%

Performance Attribution & Strategy Comments

January was certainly an eventful month, but you might not notice if you just look at the end result in the markets. Even though there was a presidential inauguration, a Fed meeting, a slew of executive orders and new tariffs on significant trading partners, the financial markets remained fairly calm. In fact, long-term interest rates ended just 2 basis points lower than where they started. Credit spreads fell by 3 basis points to end at 117. Stocks climbed by about 2% and volatility fell by about 1 point.

2025 is off to a good start and that probably shouldn't be too much of a surprise. The majority of the underlying fundamental economic measures are still coming in positively. The economy is growing at a reasonable but not remarkable pace. Unemployment is low and moving slightly lower. Wages are growing slightly faster than inflation and consumers are still consuming at a steady rate. The only concerning thing to note is that with a strong economy like this, inflation usually starts to pick up. If that happens this time, it could put the Fed in a very difficult position of having to consider going back into hiking mode.

The Clearwater portfolio underperformed the benchmark by 2 basis points in January. Our duration was right on target and our sector exposures were even closer to benchmark than normal. As mentioned above, interest rates ended where they started and spreads only tightened slightly so there was very little opportunity for performance to deviate from the benchmark. Our Muni exposure was the top performer, and MBS was at the bottom, but all sectors were relatively similar in terms of return for the month.

Manager Style Summary

Clearwater manages a core Aggregate portfolio which is not expected to deviate significantly from the benchmark, although issuer concentration is expected to be much larger. They seek to add value through sector allocation and security selection rather than duration bets. Prior to January 2014, Clearwater managed a TBA mortgage portfolio. The historical returns through December 2013 reflects the performance of the TBA portfolio while performance beginning January 2014 reflects the Aggregate portfolio.

Clearwater Advisors, LLC

Core Fixed: BB Aggregate Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	BB Agg	Min	Max	Compliance
A1. The account shall consist of dollar denominated fixed income securities					ok
B2. Duration:	6.2	5.9	5.4	6.4	ok
B3. Sector Diversification:					
Treasuries	30%	45%	30%	60%	ok
Agencies	3%	1%	-14%	16%	ok
Supra/Sovereign	1%	3%	-7%	13%	ok
Corporates	37%	24%	4%	44%	ok
Industrial	16%	14%	-1%	29%	ok
Financial	19%	8%	-7%	23%	ok
Utility	2%	2%	-8%	12%	ok
MBS	26%	25%	10%	40%	ok
ABS	1%	0%	-5%	5%	ok
CMBS	2%	2%	-3%	7%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	189		100	200	ok
B6. Non-Investment Grade alloc	0%			10%	ok
B7. Out of index sector alloc	0%			10%	ok
B7. TIPS allocation	0%			20%	ok
E2. Annual Turnover (ex TBA rolls)	21%		25%	65%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

E2. Annual Turnover (ex TBA): Trading activity remains below average. Our view is that credit spreads are historically tight and relative value trades are sparse for the time being.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 4,523

Organizational/Personnel Changes

none

Account Turnover

Gained:	Number of Accounts:	1	Total Mkt Value ($m):	$	1.0
Lost:	Number of Accounts:	0	Total Mkt Value ($m):	$	-

Reason(s) for loss: N/A

Clearwater Advisors - PERSI STIF

Cash: Merrill Lynch 0-3 Month Treasury Bill Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.38%	1.16%	5.14%	4.06%	2.60%
ML 0-3 Month T-bill	0.37%	1.16%	5.24%	4.09%	2.52%

Performance Attribution & Strategy Comments

Higher yields earlier in the month on stronger economic data ultimately reversed and gave way to the lack of "day one" material universal tariffs, less hawkish Powell comments, and inflation satisfaction later in the month. Economic data trended stronger to begin January -- improved manufacturing and services activity, more job openings, an upside surprise to monthly job adds, and lower unemployment rate. However, markets were relieved in the middle of the month with slightly lower core inflation despite higher headline inflation. The Fed also ended the month sending a mixed signal at its January meeting where Chairman Powell's less hawkish sounding comments ultimately overpowered hawkish changes to the official statement. Meanwhile, Trump didn't impose "day one" material universal tariffs, which added to market relief.

U.S. Treasury yields moved little on net in January with the 2- and 10-year yield falling 3 and 5 basis points, respectively. Similarly, yields on the very front end were little changed with the 3-month falling 3 basis points and the 6-month rising 3 basis points. Removing some year end volatility, SOFR ended January relatively steady at 4.33%. US investment grade corporate bond spreads narrowed modestly over the month.

Portfolio Guideline Compliance

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	**16%**	0%	100%	ok
Agencies	**10%**	0%	100%	ok
Corporates	**8%**	0%	100%	ok
Mortgage Backed Securities (MBSs)	**0%**	0%	60%	ok
Asset Backed Securities (ABSs)	**8%**	0%	40%	ok
Cash	**3%**	0%	100%	ok
Commercial Paper	**55%**	0%	100%	ok
B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase				ok
B2c. Effective Duration <=18 months	**2**		18	ok
B2d. Number of securities	**43**	10	50	ok
B3a. Allocation of corporate securities to one issu	**4%**		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Manager Style Summary

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

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

Domestic Fixed: BB Mortgage Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

**** Annualized returns***

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.54%	0.45%	4.02%	0.78%	1.36%
BB Mortgage	0.51%	0.17%	2.19%	-1.47%	-0.77%

Portfolio Summary

Market Value: $ 869,706,033

Originations/Payoffs

Month:	$	4,864,758
YTD:	$	4,864,758
Payoffs:	$	386,230

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 returned 4.02% during the last year, outperforming its benchmark by 183 basis points. Looking at the longer term, PERSI's portfolio has returned 1.36% (annualized) during the last five years, outperforming its benchmark by 213 basis points (annualized). Outperformance over longer periods is driven by the portfolio's low delinquency rate and coupon advantage vis-à-vis the benchmark.

As 2025 gets underway the commercial mortgage portfolio continues to perform well, with no delinquencies or real estate owned (REO) properties. New loan originations were $4.9 million in January and we are seeing more inquiries from borrowers compared to this time last year. This notwithstanding, there remains a dearth of activity generally in the commercial real estate market, with potential buyers and sellers struggling to agree on valuations in today's interest rate environment. Investor demand for Idaho commercial real estate remains high, however, and we expect investment activity to slowly increase throughout 2025.

Also of note, we believe there is an upcoming "maturity wall" of commercial mortgages (both nationally and in the local market) set to come due during the next two to three years. These maturities might provide a jolt to market activity, and we believe they will be accretive to our loan production figures as borrowers not currently in our portfolio explore all potential sources of financing.

Manager Style Summary

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

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D.B. Fitzpatrick & Co., Inc. - MBS Portfolio
Domestic Fixed: BB Mortgage Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
DBF MBS	0.53%	-0.01%	2.15%	-1.53%	-0.83%
BB Mortgage	0.51%	0.17%	2.19%	-1.47%	-0.77%

Portfolio Attributes

Characteristics	**DBF**	**BB Mtg**
Market Value ($ m)	$161.34	N/A
Weighted Average *Effective* Duration (in years)	6.0	6.0
Weighted Average Yield (in %)	5.3%	5.2%
Weighted Average Coupon (in %)	3.6%	3.5%

Performance Attribution & Strategy Comments

The U.S. Treasury yield curve was down slightly in January, as investors evaluated the rhetoric and newly enacted policies of the incoming U.S. administration. President Trump had indicated that new tariffs would be instituted against major trading partners in the first days of his presidency, but it now appears that tariffs will be delayed for at least several weeks and that they are being utilized as part of a longer-term negotiation with several countries. Bond investors were encouraged by this development and the yield curve fell in the last days of January, with the 10-year Treasury yield ending the month at 4.54%. The risk of a lasting impact of tariffs on supply chains remains an important issue in the market today, however, and U.S. inflation breakeven rates (what investors are forecasting inflation to be in the future) remain above the Federal Reserve's 2.0% target. The 2-year U.S. inflation breakeven rate was 2.94% at the end of January.

U.S. agency mortgage-backed securities (MBS) performed well in January, as their option-adjusted spread (OAS) vis-à-vis Treasury yields fell during the month. We continue to see good value in the agency MBS market, as prepayment risk is very low for all but the highest coupon securities in the current interest rate environment. Additionally, agency MBS compare well against corporate bonds, whose spreads overTreasury yields are new 5-year lows.

PERSI's MBS portfolio returned 0.53% in January, outperforming its benchmark by two basis points. The portfolio's performance is close to its benchmark's return over longer periods, despite the drag created by significant cash requirements of the related Idaho Commercial Mortgage portfolio. The MBS portfolio ended January with a yield-to-maturity of 5.3% and effective duration of 6.0 years.

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		$161	$50		ok
B2a. Security Type:					
MORTGAGE RELATED		100%	80%	100%	ok
Generic MBSs		100%	75%	100%	ok
GNMAs		7.7%			
FNMAs		58.2%			
FHLMCs		34.1%			
CMOs		0.0%	0%	25%	ok
NON-MORTGAGE RELATED		0.0%	0%	20%	ok
Treasuries		0.0%	0%	20%	ok
Agencies		0.0%	0%	20%	ok
Cash		0.4%	0%	10%	ok
Attributes:	BB Mtg				
Duration	6.0	6.0	4.0	8.0	ok
Coupon	3.5%	3.6%	2.5%	4.5%	ok
Quality	AAA+	AAA+	AAA		ok
B3. Individual security excl Treasuries as a % of portfolio			0%	5%	ok
B4. Number of securities		80	25	50	check
E2. Annual Turnover		10%	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 4 $ 1,350

Organizational/Personnel Changes

There were no organizational or personnel changes in January.

Account Turnover

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

Donald Smith & Co., Inc.

Domestic Equity: Russell 3000 Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Donald Smith & Co.	3.20%	2.10%	27.87%	26.20%	23.00%
Russell 3000	3.16%	6.66%	26.32%	11.36%	14.60%

Portfolio Attributes

Characteristics	DSCO	RU 3000
Mkt Value ($m)	871.81	N/A
Wtd Cap ($b)	19.49	921.50
P/E	7.64	26.62
Beta	0.95	N/A
Yield (%)	1.85	1.26
Earnings Growth		

Sector Analysis

Over-weight	DSCO	RU 3000
Financials	35.44%	11.55%
Materials	23.28%	1.51%
Energy	6.76%	3.54%

Under-weight	DSCO	RU 3000
Info Technology	0.00%	34.27%
Health Care	0.00%	10.12%
Cons. Staples	0.00%	3.86%

Performance Attribution & Strategy Comments

The account appreciated +3.2%, in-line with the Russell 3000 (+3.2%) and outperforming the S&P 500 (+2.8%), but lagging the Russell 3000 Value (+4.5%). Markets were volatile to start the year with concerns about higher interest rates and the impact of tariffs under the new Trump administration. The biggest contributors were the financial stocks (Citigroup +15.7%; Corebridge +12.8%; Nomura +12.2%-- select notable contributors). A few insurers detracted (Siriuspoint -11.2%; Everest Re -4.1%) on liability concerns over the wildfires in California, but the group generally outperformed. Beazer Homes (-19.3%) and M/I Homes (-5.4%) detracted on worries over mortgage rates remaining elevated for longer and the fallout from Trump's new policies on immigration and tariffs. Also rattled by tariff concerns were the steelmaker Algoma (-16.6%) and General Motors (-7.2%). While the ongoing saga with Nippon's acquisition attempt continues, US Steel (+8.4%) was lifted higher on news that Nucor and Cleveland-Cliffs are now exploring a joint bid for the company. Other notable detractors included some of the consumer discretionary holdings (Harley-Davidson -10.2%; Hooker Furnishings -9.1%). All three real estate holdings (RLJ Lodging -4.5%; Park Hotels -4.1%; Howard Hughes -0.7%) declined. Bill Ackman's Pershing Square announced that it would seek to acquire Howard Hughes in a deal we find to be inadequate. The biggest offset to the detraction were most of the gold miner stocks. IAMGOLD (+20.9%) and Equinox Gold (+20.9%) were particularly strong. In particular, IAMGOLD and Equinox were strong as they offer the most leverage to higher gold prices given their capital structures and rising production profiles as they proceed to ramp output from their newly-constructed Cote and Greenstone mines, respectively. We added to Global Ship Lease, Harley-Davidson, Nomura, and Park Hotels. We sold out of JetBlue completely. There were no other transactions. Insurance, precious metals, financials, building / real estate, and aircraft leasing / airlines are the largest industry weightings. The portfolio trades at 89% of tangible book value and 6.3x 2-4 year normalized EPS.

Manager Style Summary

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

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

Portfolio Guideline Compliance

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in $m) > $100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	35			15	35	ok
B5. Portfolio Characteristics						
P/B	0.89	4.68	19%	30%	100%	check
P/E (1 Year Forward)	7.64	26.62	29%	50%	100%	check
Dividend Yield	1.85	1.26	147%	50%	150%	ok
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.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 4,379

Organizational/Personnel Changes

N/A

Account Turnover

Gained:	Number of Accounts:	1	Total Market Value ($m): $	5.0
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: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
IR+M	0.58%	0.02%	2.52%	-1.13%	0.10%
BB Gov/Credit	0.53%	-0.18%	1.95%	-1.60%	-0.58%

Performance Attribution & Strategy Comments

The portfolio outperformed the BB Gov/Credit index, returning 0.58% and 0.53% respectively. The portfolio's underweight towards TSYs aided performance, while it's overweight to Utilities detracted. Security selection within SBAs, Utilities, and ABS aided performance, while selection within Industrials and Financials detracted. Market participants navigated a wave of high-impact events in Jan, including destructive California wildfires with estimated losses up to $45 billion, the sudden entry of China's DeepSeek into the AI horserace, and a series of policy changes from President Trump, who closed out the month with the tariff announcement, adding to the market uncertainty. Economic data continued to highlight a resilient labor market in the face of persistently elevated inflation, with Dec's change in nonfarm payrolls shattering expectations and its unemployment rate ticking slightly lower. The Fed kept the fed funds target range unchanged at 4.25% - 4.50%, reaffirming confidence in the labor market and the broader US economy amid sticky inflation. TSY Bond yields rose early in the month, with the 10-year rate hitting 4.79% – its highest level in over fourteen months – before falling to close the month down 3bps to 4.54%. IG corporates outperformed TSYs during the month except for Utilities, which lagged other sectors amid uncertainty surrounding the California wildfires' impact. Yields rose to 5.54% in the first half of the month before reversing course and closing at 5.30%, 3bps lower than where they started; spreads remained rangebound between 78-81bps, finishing at 79bps. HY bonds extended their rally to six consecutive months, posting a total return of 1.37%; all-in yields declined by 29bps to 7.20%, and spreads narrowed by 26bps to 261bps, the tightest monthly reading in nearly a year. High-grade corporate issuance totaled $186 billion, exceeding estimates, but remaining 2% below the Jan 2024 figure. HY primary market activity was muted for most of the month, but experienced a late boost from a bevy of new issues pricing in the final week, ending the month with $22 billion of new bonds – nearly 30% lower than this point last year. MBS saw the highest Jan supply since 2022, driven by an increase in purchase loans; spreads tightened by 9bps during the month to 34bps, supported by renewed interest from banks and foreign investors.

Total Firm Assets Under Management ($m) as of:	Qtr 4	$	111,221

Organizational/Personnel Changes

N/A

Manager Style Summary

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

Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

Portfolio Guideline Compliance

Portfolio Guideline:	IR+M	BB G/C	Min	Max	Compliance
B2. Effective Duration:	6.1	6.1	5.6	6.6	ok
B3. Sector Diversification:					
Government	40%	62%	32%	92%	ok
Treasuries	37%	61%	31%	91%	ok
Agencies	0%	1%	-4%	6%	ok
Govt Guaranteed	3%	0%	-10%	10%	ok
Credit	41%	38%	18%	58%	ok
Financial	16%	11%	-4%	26%	ok
Industrial	19%	19%	4%	34%	ok
Utility	5%	3%	-7%	13%	ok
Non-Corporate	0%	4%	-6%	14%	ok
Securitized					
RMBS	1%	0%	-10%	10%	ok
ABS	8%	0%	-10%	10%	ok
CMBS	7%	0%	-10%	10%	ok
Agency CMBS	2%	0%	-5%	5%	ok
Municipals	1%	1%	-9%	11%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	305		100	175	check
B6. Non-Investment Grade alloc	0%			5%	ok
E2. Annual Turnover	33%		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

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

Account Turnover

Gained:	Number of Accounts:	4	Total Mkt Value ($m):	227 million
Lost:	Number of Accounts:	1	Total Mkt Value ($m):	23 million

Reason(s) for loss: Account closing due to client cashflow needs

Longview Partners

Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Longview	4.51%	4.08%	13.53%	9.37%	10.06%
MSCI ACWI	3.36%	4.68%	20.72%	8.40%	11.03%

Performance Attribution & Strategy Comments

Among the largest contributors to relative performance were Thermo Fisher, CDW and Medtronic.

Thermo Fisher, the life sciences company, performed well in January following the release of fourth quarter results that were modestly ahead of consensus expectations and positive guidance for 2025. The company expects to achieve 4-5% core organic revenue growth and 6-8% growth in adjusted earnings per share in 2025. The company also expects the wider life sciences tools market to continue to recover in 2025 with a return to growth after the low single digit percentage decline in 2024.

CDW outperformed during January despite little stock specific news and recovered the underperformance experienced in November and December.

Medtronic performed well in January, recovering the post US election underperformance experienced in November and December. Whilst there was limited company specific news, the Centres for Medicare and Medicaid Services (CMS) announced that it is creating a national coverage analysis for Medtronic's Symplicity Spyral renal denervation system for the treatment of hypertension. Whilst there are competing products, such as GLP-1s, this was seen as a positive development for Medtronic given the very large size of the hypertension market and lack of successful treatments currently available.

Some of the largest detractors in January were Booking Holdings, Sysco and Diageo.

Booking Holdings underperformed during January despite little stock specific news. The company remains one of the portfolio's top contributors over the last twelve months and was also the portfolio's top contributor in the fourth quarter of 2024.

Sysco underperformed following the release of its second quarter earnings for the fiscal year ending June 2025. Whilst group results were largely in line with consensus expectations, US case volumes were slightly weaker than expected. The company maintained full year financial guidance of 4-5% revenue growth and 6-7% earnings per share growth but the market appeared to be slightly disappointed by a lack of increase in guidance.

Diageo underperformed during January following a US Surgeon General Advisory calling for cancer risk warnings on alcoholic beverages along with speculation over the potential impact of US tariffs on Mexico and Canada, which would negatively affect Diageo's tequila and Canadian whisky portfolios.

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	83%	35%	80%	check
Europe incl U.K.	17%	20%	50%	check
Japan	0%	0%	20%	ok
Emerging Markets	0%	0%	15%	ok
Non-Index Countries	0%	0%	10%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics				
Median Mkt Cap (in billions)	116,457	$10		ok
Price/Earnings (Trailing)	27.1	10	17	check
Dividend Yield	1%	0.5%	2.0%	ok
Price/Cash Flow (Trailing)	18.5	10	14	check
C1. No executed forward w/o a corresponding securities position.				Yes
C2. Foreign Currency (cash or cash equiv) <= 8% of Account value				Yes
F2. Brokerage commissions not to exceed $0.06/share for U.S. equities				Yes
F3. Annual turnover	12%	25%	50%	check
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 35 names, unconstrained by geography or sector.
B6. Price/Earnings:	Price/Earnings is not targeted and stood at 27.1 in January.
B6. Price/Cash Flow:	Price/Cash Flow is not targeted and stood at 18.5 in January.
F3. Annual Turnover:	We do not target a specific level of turnover. Annual turnover is calculated on a rolling 12 month period and includes client flows.

Total Firm Assets Under Management ($m) as of: Qtr 1 $ 16,803

Organizational/Personnel Changes

There were no changes to the investment team in January.

Account Turnover

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

Mondrian Investment Partners
International Equity: MSCI EAFE Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mondrian	4.51%	1.47%	11.58%	6.12%	6.36%
MSCI EAFE	5.26%	2.28%	8.65%	5.12%	6.25%

Country Allocation Comparison

Over-weight	Mondrian	EAFE	Under-weight	Mondrian	EAFE
UK	22.20%	14.90%	Australia	1.41%	7.37%
Italy	6.54%	2.80%	Switzerland	4.81%	9.56%
Singapore	5.23%	1.67%	Sweden	0.00%	3.65%

Performance Attribution & Strategy Comments

International equity markets started the year strongly despite encountering some volatility over the month. European markets led Asia Pacific markets on strong results in the luxury goods sector and a rate cut by the ECB, while China-USA tariff headlines weighed on Hong Kong. Despite disruption from the DeepSeek AI model, the IT sector outperformed on optimism around AI infrastructure investment and strong company earnings. The Bank of Japan’s third rate hike in a year drove strength in Japanese banks and the Japanese yen.

In a robust month for equity markets, the portfolio delivered attractive absolute returns; consistent with Mondrian’s defensive investment philosophy, the returns lagged the strong market.

Relative returns were held back by stock selection in Europe and the overweight position to the weak Hong Kong equity market. While most of the challenge in European markets arose from not holding a handful of strong stocks, WPP, the UK advertising and communications group, did lag on announcement of some client account losses. These returns were partially offset by strong stock selection in the financials sector driven by Lloyds, the UK bank, on easing concerns around potential UK motor finance redress costs.

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		53		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		22%		0%	45%	ok
Europe ex U.K.		40%		0%	75%	ok
Japan		25%		0%	45%	ok
Pacific ex Japan		12%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash		1%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	91,254	60,394	66%	25%	100%	ok
Price/Book Value	1.9	1.3	70%	50%	125%	ok
Price/Earnings (Trailing)	15.1	11.9	79%	50%	100%	ok
Price/Cash Flow	9.7	5.8	60%	50%	100%	ok
Dividend Yield	3.1	4.1	133%	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		25%			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 4 $ 41,475

Organizational/Personnel Changes

No Changes.

Account Turnover

Gained:	Number of Accounts:	1	Total Market Value ($m) $	245.0
Lost:	Number of Accounts:	1	Total Market Value ($m) $	70.2

Reason(s): Mondrian lost one International Equity separate account when the client decided to remove all active equity exposure given the corporate DB plan was now overfunded.

Mountain Pacific Investment Advisers

Domestic Equity: Russell 2500 Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	2.82%	2.49%	20.27%	8.35%	11.80%
Russell 2500	3.54%	5.16%	19.08%	6.63%	9.97%

Portfolio Attributes

Characteristics	Mtn Pac	RU 2500
Mkt Value ($m)	787.36	N/A
Wtd Cap ($b)	33.56	8.60
P/E	23.49	20.67
Beta	1.01	1.00
Yield (%)	0.89	1.39
Earnings Growt	10.53	13.62

Sector Analysis

Over-weight	Mtn Pac	RU 2500
Capital Goods	54.31%	21.67%
Materials	5.51%	3.47%

Under-weight	Mtn Pac	RU 2500
Cons. Cyclical	2.03%	14.80%
Real Estate	0.00%	6.75%
Energy	0.00%	5.18%

Performance Attribution & Strategy Comments

Patience with a view to ease remained the theme for the Federal Reserve as the FOMC held rates constant at their late January meeting. CPI and PCE inflation prints released in January showed continued improvement. Labor data indicated a market that is healthy but without the signs of tightness that would likely unnerve Fed officials. The solid economy and policy uncertainty associated with the incoming administration are probably both contributing to Fed reluctance to hurry further rate cuts. A March ease now seems doubtful with June seen as a toss-up.

The portfolio gained 2.82% during the month, underperforming our benchmark, the RU 2500, by 72 bps. Over the past three months, our portfolio has underperformed the index by 267 bps.

Selection effects accounted for essentially all of the underperformance; allocation was about flat. Health care drove approximately half of the drag with financials and consumer discretionary also contributing.

Charles River Laboratories, a provider of services for drug discovery and development, and Danaher, a supplier to biotech and medical diagnostic markets, both issued disappointing outlooks for 2025; their declines were worth about 60 basis point of underperformance. RBC Bearings, a maker of high precision bearings and related motion control equipment, rose 17% in January on solid earnings and better than expected prospects. RBC’s industrial segment returned to growth in 4Q24, complementing continued good results in aerospace & defense.

S&P 500 earnings reports have been strong into 4Q and help to support the largely positive economic environment described above. Expectations of monetary action are much more in-line now, in our opinion, reducing a key market risk. Our outlook of cautious optimism, however, acknowledges the high multiples currently reflected in US equity prices.

Manager Style Summary

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

Mountain Pacific Investment Advisers
Domestic Equity: Russell 2500 Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in $m)				$100.0	$7,500.0	ok
B3. Wtd Avg Cap	33560	8602	390%	80%	120%	check
B4. Number of issues	39			35	55	ok
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	30.13	31.22	97%	80%	120%	ok
B6b. Beta	1.01	1.00	1.01	0.80	1.20	ok
B6c. Yield	0.89	1.39	64%	80%	120%	check
B6d. Expected Earnings Growth	10.53	13.62	77%	80%	120%	check
E2. Commissions not to exceed $0.06/share						ok
E3. Annual Turnover	8%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation. The median cap of the portfolio is $11.0 BN.

B6c. Yield: Our yield is below that of the benchmark as we have been adding companies that reinvest more for growth than pay dividends.

B6d. Earnings Growth: Earnings growth expectations for the portfolio were recently revised downward.

Assets Under Management ($m) as of: Qtr 4 $ 1,748

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		

Peregrine Capital Management

Domestic Equity: Russell 1000 Growth Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Peregrine	8.69%	17.52%	20.27%	8.23%	11.30%
Russell 1000 Growth	1.98%	9.55%	32.68%	14.57%	18.90%

Portfolio Attributes

Characteristics	Peregrine	RU 1000G
Mkt Value ($m)	816.95	N/A
Wtd Cap ($b)	559.54	1630.91
P/E	48.14	32.80
Beta	0.99	1.00
Yield (%)	0.22	0.55
Earnings Growth	18.67	16.44

Sector Analysis

Over-weight	Peregrine	RU 1000G
Financials	15.43%	6.80%
Health Care	12.97%	6.87%
Cons Disc	19.99%	16.35%

Under-weight	Peregrine	RU 1000G
Info Tech	33.71%	46.07%
Cons Stp	0.00%	3.28%
Comm Svc	11.37%	14.54%

Performance Attribution & Strategy Comments

The markets breadth broadened and finished higher in January, with the equal weighted S&P 500® outperforming the cap-weighted index. The AI-growth narrative shifted in the last week with the introduction of the low-cost DeepSeek AI model sparking a sell-off in AI-enablers like Nvidia, Broadcom and MSFT. Many of Peregrine Large Cap Growth's software holdings benefited from the shift in focus from the early stage of AI model training to reduced costs of AI model usage.

The change in Washington to the second Trump administration continued to support the market with "animal spirits" and deregulation benefits. Some caution arose at the end of the month as tariff rhetoric intensified with friend and foe alike. This will likely be a source of anxiety as the markets learn what tariff-talk materializes as policy action versus only negotiation. The Fed paused its rate cutting in January to wait and see how economic data report after the multiple changes of recent months. December earnings reports show broadening strength. Big Tech was mixed with a handful showing strength in earnings and performance (NFLX, META) while others underperformed due to a combination of lackluster earnings reports and the DeepSeek scare (AAPL, AVGO, MSFT, NVDA).

More than two-thirds of the portfolio outperformed the benchmark during the month. The market reaction to DeepSeek's lower-cost language model benefited several of our technology holdings which look to capitalize on deploying large-language-models and would benefit from lower cost models (including CRWD, DUOL, NET, TEAM, UBER). ServiceNow reported strong a December quarter results but refrained from taking up its outlook for the new year. Despite the market anticipating a strong outlook, the company was unwilling to incorporate that outlook in its official guidance. Cadence was one of our few names which suffered when the market responded to DeepSeek's news.

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						
B3. Security position <=5% @ purchase, excluding contributions						
B4. Number of issues		**27**		25	35	**ok**
B5. P/B	**4.96**	**11.59**	2.3	1.2	2.0	**check**
B5. P/E (Projected)	**23.99**	**48.14**	2.0	1.0	2.0	**check**
B5. Dividend Yield	**1.22**	**0.22**	0.2	0.1	0.8	**ok**
B5. Beta	**1.00**	**1.10**	1.1	1.10	1.35	**ok**
B5. Earnings Growth (5-year)		**19%**		11%	22%	**ok**
F2. Commissions not to exceed $0.05/share						
F3. Annual Turnover		**13%**		15%	30%	**check**
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:

This measure typically is at a premium for faster growing companies earlier in their life-cycle than the more mature mix of companies in the S&P 500®.

The Russell 1000® Growth is at a similar premium of ~9x. We don't expect this measure to come down to below 2x the S&P 500® in the near-term.

B5. P/E (projected):

The relative P/E ticked up above 2.0 with the strong relative performance. The relative earnings strenght of the portfolio will likely bring this down.

F3. Annual Turnover:

Our normalized turnover remains approximately 20%. We expect 2025 to be above 15%.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 4,639

Organizational/Personnel Changes

Bill Grierson, Small Cap Growth Portfolio Manager, retired for health reasons.

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value ($m):	$	-
Lost:	Number of Accounts:	1	Total Market Value ($m):	$	16.0
	Reason(s):	Going in a different direction			

PineStone

Global Equity: MSCI World Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
PineStone	4.59%	5.41%	N/A	N/A	N/A
MSCI World	3.53%	5.46%	N/A	N/A	N/A

Performance Attribution & Strategy Comments

Global equity markets moved higher in January continuing the momentum seen in the fourth quarter of 2024. A significant focus was put on the inauguration of President Trump and what it would mean for the markets. Many executive orders were signed in the first few days of his presidency but no major announcement on trade/tariffs or deregulation were made.

The strategy was up in absolute returns and outperformed its benchmark, the MSCI World Index, in the month. Outperformance in January was mostly attributable to security selection. Selection within the Information Technology and Consumer Discretionary sectors were the largest positive drivers. Offsetting this was negative security selection in Financials and Industrials. Sector allocation furthermore contributed positively, particularly driven by our overweight position to the outperforming Consumer Discretionary sector.

Among the top relative contributors held in the strategy for the month were Compagnie Financière Richemont SA and Alphabet Inc. (GOOGLE). Compagnie Financière Richemont SA reported Q3 sales results that surpassed expectations highlighted by 10% sales growth with double-digit gains in all regions except for China. This represented the highest quarterly sales in the company's history. The results showed improvement over H1 across all business areas, driven by an acceleration at the group's four Jewellery Maisons (Buccellati, Cartier, Van Cleef & Arpels and Vhernier) to +14%. LVMH and other luxury retailers also saw their shares move up following this news. Alphabet Inc.'s stock maintained its upward trend in January, building on the momentum from the fourth quarter of 2024. The rerating of the shares persisted, driven by positive earnings momentum and the potential influence of the new US administration on the ongoing litigation with the Department of Justice.
Carrier Global Corporation and Diageo plc were among the top relative detractors held in the strategy for January. Carrier's shares were impacted due to concerns over potential US tariffs, potentially affecting the HVAC industry at wide, with important manufacturing in Mexico. As for Diageo plc., the stock was also likely impacted by potential tariffs, though the Investment Team believes given the premiumization of their products, pricing strategies may be implemented, as seen in the past. The company furthermore continued to struggle due to a challenging economic environment post-COVID and recent disappointing results in Latin America.

During the month, we did not initiate nor exit any existing positions in the Strategy.

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		31		25	50	ok
B5.	Issuer market capitalization: above $1 billion @ purchase						Yes
B6.	Normal Regional Exposures (* benchmark -/+ min/max):						
	North America		66%		30%	80%	ok
	Japan		3%		0%	30%	ok
	Europe ex UK		16%		10%	50%	ok
	UK		7%		0%	50%	ok
	Pacific ex Japan		0%		0%	30%	ok
	Emerging Markets		9%		0%	20%	ok
	Non-Index Countries		0%		0%	20%	ok
	Total		100%				
B7.	Normal Global Portfolio Characteristics						
	ROE	12.5	27.1	217%	100%		ok
	ROIC	11.5	36.2	315%	100%		ok
	Price/Earnings	21.6	27.0	125%	50%		ok
	Price/Book Value	3.5	8.0	225%	50%		ok
	Price/Cash Flow	15.1	23.7	157%	50%		ok
	Dividend Yield	1.6	1.3	77%	25%		ok
	Market Capitalization	770,601	633,465	82%	25%		ok
C2.	Max value of forwards w/single counterpar		0%			30%	ok
C3.	Cash/cash equiv in non-USD currencies		0%			10%	ok
F2.	Brokerage commissions not to exceed $0.05/share for U.S. equities						Yes
F3.	Annual turnover		0%		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: As the account inception was in April 2024, there is no annual turnover data available to date.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 54,903

Organizational/Personnel Changes

In January 2025, the Investment Team hired a Junior Analyst following the completion of his summer internship.

Account Turnover

Gained:	Number of Accounts:	11	Total Market Value ($m):	$427.17 M
Lost:	Number of Accounts:	1	Total Market Value ($m):	$6.3 M
	Reason(s):	Assets being repurposed.		

Pzena

Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Pzena	5.39%	3.22%	N/A	N/A	N/A
MSCI ACWI	3.36%	4.68%	N/A	N/A	N/A

Performance Attribution & Strategy Comments

Global markets rebounded to start the year, with strong returns across much of the globe. US markets rose, with market breadth widening in January. US corporate earnings season began with over half of reporting companies posting earnings beats. In a reversal of recent trends, European equities outperformed their US counterparts. Sentiment was buoyed as the Trump administration did not immediately roll out new tariffs. Additionally, investors rotated from US to European equities amid concerns about US equity valuations, and potential inflationary policies in the US. Emerging markets were mixed, with Korean equities regaining ground after the failed coup attempt. Chinese equities were up slightly, as the extent of potential US trade tariffs remained unknown. Within the MSCI All Country World Index, communication services, health care, and financials were particularly strong. Only the information technology sector posted a negative return this month.

The Pzena Global Focused Value portfolio rose and outperformed the MSCI All Country World Index. Relative underperformance was driven by stock selection in the information technology, communication services, and health care sectors.

The top contributors included CVS Health Corporation (the largest retail pharmacy chain in the US, the top pharmacy benefit manager in Caremark, and a significant health maintenance organization in Aetna), Daimler Truck Holding (German commercial truck maker), and Capital One Financial (financial services company). CVS rose on a positive 2026 Medicare Advantage payment proposal. Daimler Truck jumped on a competitor's positive 2025 new truck order outlook. Capital One posted solid quarterly results. Additionally, credit card delinquencies came down, which supports a positive view of the state of the US consumer.

The largest detractors were Edison International (California-based utility), PVH Corp. (apparel retailer), and Dollar General Corporation (discount retailer). Shares of Edison International experienced a pronounced drop in the wake of the Los Angeles wildfires amid potential liability concerns. PVH Corp. declined as the Chinese Ministry of Commerce announced the company was subject to investigation for what has been described as improper behaviors in Xinjiang, which could curb PVH's Chinese business. The uncertainty weighed on shares as China represents approximately 15% of PVH's earnings. Tariff concerns and cost-of-living pressure on the low-end consumer weighed on shares of Dollar General.

Manager Style Summary

Pzena will manage a global, focused deep value fund. The firm seeks investments with skewed potential outcomes via a concentrated portfolio of deeply undervalued businesses. A quantitative screen filters for low price-to-normal earnings level and current earnings depressed to historical norms. Fundamental research is performed to determine if the problem is temporary and not permanent, if the company’s business is good and assesses the downside risks. It’s a bottom-up process that focuses on the cheapest quintile. After an initial review a full research project will be performed. Initial position size is based on valuation, risk, and diversification. The number of holdings is expected to be between 40 - 60.

Pzena

Global Equity: MSCI ACWI Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Index	Pzena	Calc	Min	Max	Compliance
B3. No more than 5% of the account shall be invested in any one security @ purchase						Yes
B4. Number of issues		52		40	60	ok
B5. Normal Regional Exposures (* benchmark -/+ min/max):						
Emerging Markets	10%	9%		0%	25%	ok
Europe ex UK	11%	29%		0%	41%	ok
Japan	5%	1%		0%	35%	ok
North America	69%	50%		30%	99%	ok
United Kingdom	3%	11%		0%	33%	ok
Other	3%	1%		0%	33%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics						
Capitalization	667964	67499	10%	10%	80%	ok
Price/Book Value	3.3	1.3	37%	20%	100%	ok
Price/Earnings	21.5	12.6	59%	20%	120%	ok
Dividend Yield	1.8	3.4	190%	75%	200%	ok
B7. Price/Normalized Earnings in Q1		90%		60%	100%	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 $0.035/share for U.S. equities						Yes
F3. Annual turnover		-		20%	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: As the account was incepted on April 22, 2024, there is no annual turnover data available yet.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 66,822

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): Please note that Account Turnover displayed is for the Pzena Global Focused Value strategy in the month of December 2024. Data for January 2025 is not yet available.

Sprucegrove

International Equity: MSCI EAFE Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Sprucegrove	3.68%	0.34%	-	-	-
MSCI EAFE	5.26%	2.28%	-	-	-

Performance Attribution & Strategy Comments

April 22, 2024 inception date.

International equity markets rebounded in January on better-than-expected economic and inflation data in Europe. The index returned 5.26%*.

The Fund underperformed the index in January (3.68% vs 5.26%).

Underweight and stock selection in Financials were the primary detractors. The sector continued to lead within the index, and the returns of our holdings based in India and Hong Kong lagged those from European and Japanese Financials. Positive stock selection in Health Care partially offset this as our Swiss pharmaceutical holdings outperformed.

From a country perspective, overweight Hong Kong and exposure to Emerging Markets were modest detractors.

*MSCI EAFE

Manager Style Summary

Sprucegrove will manage an international equity portfolio. The bottom-up process seeks ownership of quality and value with a long-term focus (low turnover). Sprucegrove seeks investments that provide a margin of safety on quality via above average and consistent profitability, sustainable competitive advantages, financial strength, business growth opportunities and capable management. An investment must meet both quality and attractive value characteristics.

Sprucegrove

International Equity: MSCI EAFE Benchmark

Portfolio Guideline Compliance

Portfolio Guideline:	Sprucegrv	Min	Max	Compliance
B2. Security position <= 5% of the account @ purchase				Yes
B4. Number of issues	62.0	40		ok
B6. Largest single industry group exposure (by GICS)	22%	0%	25%	ok
B7. Number of sectors in portfolio	10	7	11	ok
B8. European country exposure (# of countries)	10	3		ok
B8. Asia/Pacific country exposure (# of countries)	3	3		ok
B9. Normal Country Exposures				
Japan	17%	5%	50%	ok
United Kingdom	18%	10%	50%	ok
Canada	2%	0%	10%	ok
United States (not permitted)	0%	0%	0%	ok
Other MSCI EAFE Individual Country (not listed above)	11%	0%	15%	ok
Total non-MSCI EAFE Country, exclude Canada	11%	0%	15%	ok
Total non-MSCI EAFE Country, include Canada	13%	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 4 $ 15,385

Organizational/Personnel Changes

n/a

Account Turnover

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

Walter Scott & Partners Limited

Global Equity: MSCI World Benchmark

For the month of: **January** **2025**

Manager Performance Calculations					** Annualized returns*
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Walter Scott	3.90%	3.32%	10.65%	7.43%	10.76%
MSCI World	3.53%	5.46%	21.40%	9.54%	12.08%

Performance Attribution & Strategy Comments

From a sector perspective, communication services and healthcare holdings were the strongest absolute performers over the period. Technology holdings outperformed their sector index peers and contributed the most to relative return. On the downside, less exposure to the strong financials sector, coupled with underperformance from held names, detracted the most from a relative viewpoint. AIA Group was one of the portfolio's weakest names.

The portfolio's UK holdings were the strongest in absolute terms – Experian was of note. From a relative viewpoint, the portfolio's US holdings were strong and contributed the most to relative performance. Pacific ex-Japan stocks weighed marginally on relative return.

Equity market sentiment was broadly positive this month, but a variety of issues may trigger near-term turbulence. President Trump's fiscal measures could provide a shot in the arm for the US economy, including the manufacturing sector which has been in the doldrums. However, tariffs complicate the outlook for US inflation and may disrupt supply chains. In tandem with a less-generous Fed, some of the positive aspects of the Trump stimulus could be outweighed by the impact of higher prices on the consumer. The descent into a prolonged trade war would have repercussions on global growth. The DeepSeek episode has reminded investors that the progression of any technology is never linear and may prompt more circumspection towards equity valuations in the sector. Indeed, this vigilance applies to all stocks where valuations have run ahead of underlying fundamentals, with earnings disappointments likely to be dealt with harshly by investors.

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	4%		5%	ok
B3. No more than 5% of the account shall be invested in any one security @ purchase				Yes
B4. Number of issues	45	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	67%	60%	75%	ok
Japan	4%	0%	9%	ok
Europe ex UK	15%	8%	22%	ok
UK	4%	0%	12%	ok
Pacific ex Japan	3%	0%	12%	ok
Emerging Markets	4%	0%	12%	ok
Total	96%			
B7. Normal Global Portfolio Characteristics				
ROE	26%	10%	20%	check
CROCE	31%	20%	30%	check
Operating Margin	18%	15%	25%	ok
Portfolio turnover	3%	0%	20%	ok
Relative P/E	1.3	1.0	1.4	ok
Price/Book Value	8	3	5	check
Price Earnings	30	22	34	ok
Price/Cash Flow	24	13	21	check
Dividend Yield	1%	1%	3%	ok
E2. Brokerage commissions in bps	5	4	13	ok
E3. Annual turnover	11%		30%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

B7. ROE: Net income has grown faster than shareholder equity for the portfolio's companies in aggregate.

B7. CROCE: Net cash from operating activities has grown faster than capital employed for the portfolio's companies in aggregate.

B7. Price/Book: As with net income (see ROE explanation), the price of the portfolio’s holdings has increased at a faster pace than their book values.

B7. Price/Cash Flow: The price of the portfolio's holdings have increased at a faster pace than the most recently reported cash flows of the portfolio's companies.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 78,175

Account Turnover

Gained:	Number of Accounts:	3	Total Market Value ($m):	$ 34.4
Lost:	Number of Accounts:	1	Total Market Value ($m):	$ 235.5

Reason(s): Reallocation of assets.

Organizational/Personnel Changes

Alicia Zhang joined Walter Scott as an Investment Manager on 6 January 2025. John Rae joined Walter Scott as a Client Investment Manager on 13 January 2025. Matthew Gerlach and Dom Butvilas, both Investment Managers, left the firm effective 31 January 2025. There were no organisational changes.

Wasatch Global Investors

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Wasatch	3.68%	-4.40%	n/a	n/a	n/a
MSCI EM	1.79%	-2.00%	n/a	n/a	n/a

Country Allocation Comparison

Over-weight	Wasatch	EM	Under-weight	Wasatch	EM
India	32.65%	18.41%	China	11.44%	27.52%
United States	13.85%	0.00%	South Korea	3.26%	9.43%
Brazil	11.81%	4.49%	Saudi Arabia	0.00%	4.20%

Performance Attribution & Strategy Comments

Emerging-market equities stabilized after a fourth-quarter selloff and ended the period with gains. The Wasatch Emerging Markets Select strategy surpassed the benchmark MSCI Emerging Markets Index, which rose 1.79% for the month.

On a geographic basis, overweight positioning and advantageous stock selection in Brazil contributed most to the strategy's relative performance. However, stock selection in Taiwan and an overweight in India detracted from relative results.

At the sector level, stock selection in the financials and communication-services sectors contributed most to performance relative to the benchmark. Conversely, the strategy's holdings in the health-care and information-technology sectors detracted most from relative performance.

The largest contributors to strategy performance for the month included Bajaj Finance Ltd., a diversified non-bank lender in India; NU Holdings Ltd. (NU), a fintech bank operating in Latin America; and MercadoLibre, Inc. (MELI), a Latin American e-commerce and fintech giant.

The largest detractors from performance included Trent Ltd., an operator of leading retail chains in India; Divi's Laboratories Ltd., an Indian manufacturer of active pharmaceutical ingredients; and Max Healthcare Institute Ltd., an operator of specialty hospitals in India.

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		33		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%	80%		60%	100%	ok
Other	0%	20%		0%	40%	ok
Total		100%				
Normal Global Portfolio Characteristics (Relative to the Index)						
Price/Earnings (fwd)	11.9	28.2	237%	50%	NA	ok
ROE	17.2	23.3	135%	50%	NA	ok
3-5 Yr.Est. Growth	12.8	28.6	223%	50%	NA	ok
No derivatives, short sales, commodities, margin or currency hedging						Yes
Annual turnover		129%		10%	60%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines

Turnover: Portfolio in-kind transfer of an ETF. Strategy turnover = 35%.

Total Firm Assets Under Management ($m) as of: Qtr 4 $ 27,863

Organizational/Personnel Changes

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

Anh Hoang named as Associate Portfolio Manager (in addition to Scott Thomas)

Account Turnover

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

WCM

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
WCM	-0.96%	-0.64%	N/A	N/A	N/A
MSCI Emerging Markets	-0.08%	-7.96%	N/A	N/A	N/A

Country Allocation Comparison

Over-weight	WCM	EM	Under-weight	WCM	EM
Singapore	7.61%	2.00%	India	11.74%	18.41%
Canada	5.85%	0.00%	China	20.11%	26.69%
Brazil	10.21%	4.46%	Taiwan	13.78%	20.02%

Performance Attribution & Strategy Comments

In January 2025, the portfolio significantly outperformed the MSCI Emerging Markets, delivering a total return of 3.45% compared to the benchmark's 1.82%, resulting in a performance variation of 1.63%. This outperformance was predominantly driven by a strong country allocation effect of 1.67%. Notably, Canada and Brazil were instrumental in this achievement, contributing 1.44% and 1.21% to the performance, respectively. Additionally, the Information Technology sector contributed positively to the portfolio's performance with a total effect of 1.89%, while the Financials sector detracted from performance, with a negative impact of -39 basis points.

The portfolio consistently outperformed the MSCI Emerging Markets benchmark throughout January 2025, with total effects showing a minor but persistent positive relative performance in the first two weeks, evidenced by 13 basis points and 8 basis points respectively, and a significant uplift in the third week with 1.34%, before returning to minor gains of 3 basis points and 4 basis points in the final weeks. The attribution analysis reveals a mixed influence of country allocation and stock selection on these outcomes. Initially, a strong positive country allocation of 23 basis points was slightly offset by a negative stock selection of -11 basis points, and a similar pattern occurred in subsequent weeks with notable allocation boosts such as 73 basis points and 29 basis points often counterbalanced by stock selection drawbacks like -65 basis points and -25 basis points. Throughout the month, Canada consistently contributed positively to the portfolio's relative performance, particularly during the week ending on January 17th with 41 basis points, while Brazil also played a notable role in the final week with a contribution of 27 basis points. Notably, the Information Technology sector was a significant contributor to the portfolio's success, particularly in the third week with a contribution of 79 basis points, while Financials also had a notable impact in the first week with 37 basis points.

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	80%		80%	100%	ok
Number of countries in the portfolio	15		3	N/A	ok
Number of global industries	25		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)	17%			30%	ok
Single Sector (% MV)	25%			50%	ok
Single position (% MV)	10%			10%	ok
Derivatives (% MV)	0%		0%	0%	ok

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

Manager Explanations for Deviations from Portfolio Guidelines

There were no deviations.

Total Firm Assets Under Management ($m) as of: Qtr 2 $ 90,684

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): No EM Account turnover in January.

PERSI Choice Plan Summary — Jan 2025

Performance - Net of fees

blue = outperform by 50 bp; **red** = underperform by 50 bp (*Annualized)

		Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Balanced						
PERSI Total Return Fund [α]	n/a	**2.5%**	**2.1%**	**10.5%**	**4.0%**	**7.1%**
Strategic Policy [☆]		2.1%	2.2%	12.7%	4.5%	7.7%
Policy *(55% R3000, 15% MSCI EAFE, 30% BCAgg)*		2.7%	4.0%	16.1%	6.7%	9.0%
Calvert Balanced Fund [1]**	**CBARX**	**2.3%**	**4.4%**	**19.9%**	**8.3%**	**9.5%**
Custom Bench *(60% R1000, 40% BCAgg)*		2.1%	4.0%	16.4%	6.4%	8.8%
Capital Preservation						
PERSI Short-Term Investment Portfolio [♠]	n/a	**0.4%**	**1.1%**	**5.1%**	**4.0%**	**2.5%**
ICE BofA US 3-month T-bill Index		0.4%	1.2%	5.2%	4.0%	2.5%
Bond						
US Bond Index Fund	n/a	**0.5%**	**-0.1%**	**2.0%**	**-1.6%**	**-0.7%**
Dodge and Cox Fixed Income Fund [5]	**DOXIX**	**0.7%**	**0.0%**	**3.2%**	**0.3%**	**1.1%**
Bloomberg Aggregate		0.5%	-0.1%	2.1%	-1.5%	-0.6%
US TIPS Index Fund	n/a	**1.3%**	**0.2%**	**2.9%**	**-1.3%**	1.6%
Bloomberg US TIPS Index		1.3%	0.2%	3.0%	-1.2%	1.7%
U.S. Equity						
Russell 3000		3.2%	6.7%	26.3%	11.4%	14.6%
Large Cap						
U.S. Large Cap Equity Index Fund	n/a	**2.8%**	**6.2%**	**26.3%**	**11.8%**	**15.1%**
Vanguard Growth & Income Fund [2]	VGIAX	**3.0%**	**6.8%**	**26.8%**	**12.1%**	**15.5%**
S&P 500		2.8%	6.2%	26.4%	11.9%	15.2%
Small/Mid Cap						
U.S. Small/Mid Cap Equity Index Fund [3]	n/a	**5.0%**	**9.2%**	**25.7%**	**8.0%**	**11.3%**
Dow Jones U.S. Completion Total Stock Market Index		5.0%	9.3%	25.7%	7.8%	11.0%
Small Cap						
T. Rowe Price Small Cap Stock Fund [4]	TRSSX	**2.5%**	**5.2%**	**17.5%**	**5.0%**	**8.9%**
Russell 2000		2.6%	4.5%	19.1%	5.6%	8.7%
Specialty						
US REIT Index Fund	n/a	**1.2%**	**-1.8%**	13.9%	-0.6%	3.4%
Dow Jones U.S. Select REIT		1.2%	-1.7%	14.0%	-0.4%	3.6%
International Equity						
International Equity Index Fund	n/a	**5.1%**	**2.2%**	**9.0%**	**5.0%**	6.6%
T. Rowe Price Overseas Stock	**TROIX**	**4.0%**	**1.4%**	**9.1%**	N/A	N/A
MSCI EAFE net dividend		5.3%	2.3%	8.7%	5.1%	6.3%
DFA Emerging Markets Core Equity I	**DFCEX**	**0.4%**	**-2.4%**	**11.6%**	N/A	N/A
MSCI EMF		1.8%	-1.9%	15.3%	-0.3%	3.5%

*** 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 = 8% R2500, 13% S&P500, 4% REIT, 4% PRE, 8% PE, 9% EM, 6% EAFE, 18% World, 15% Agg, 5% ID Mtg, 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)*

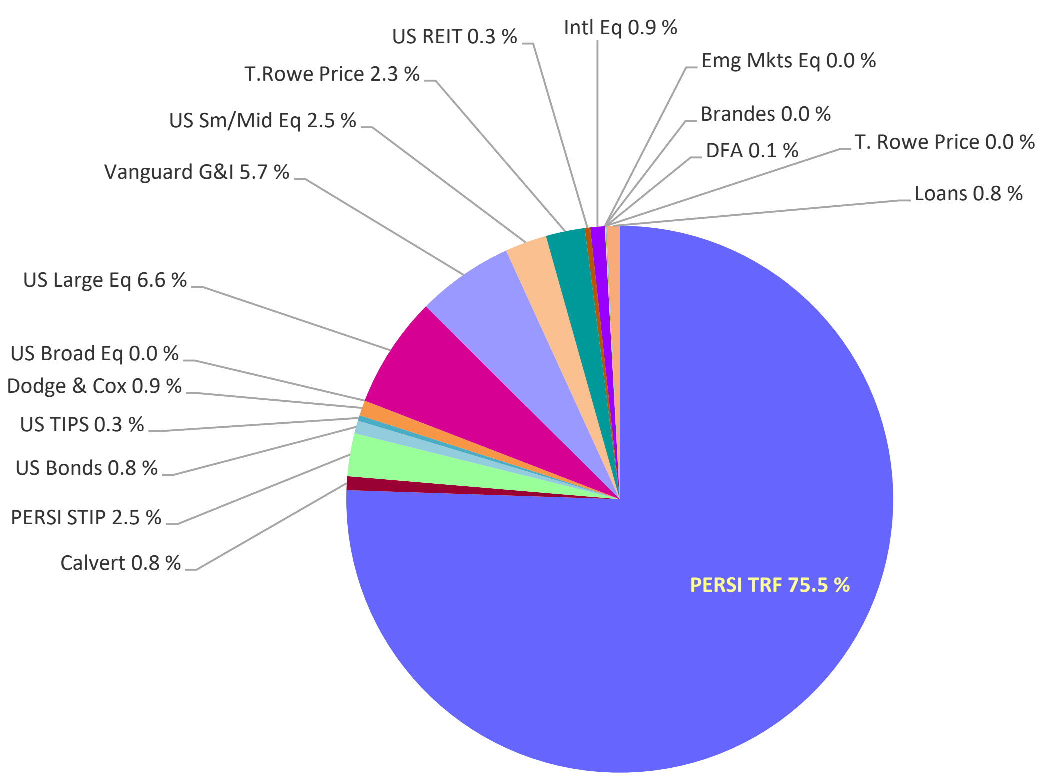
[4] *T. Rowe Price Small Cap Stock Fund (TRSSX) begins 04/01/2017; (OTCFX) performance begins 8/01/2003; previous periods reflect ING Small Company Fund (AESGX)*

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

PERSI Choice Plan Summary — Jan 2025

Performance - Net of fees

			Alloc by Fund	Alloc by Asset Class
Balanced				***76.3%***
PERSI Total Return Fund	$	1,335,917,028	75.5 %	
Calvert Balanced Fund	$	14,431,813	0.8 %	
Capital Preservation				***2.5%***
PERSI Short-Term Investment Portfolio *(ML 91-day T-bills)*	$	44,813,498	2.5 %	
Bonds				***2.0%***
U.S. Bond Index Fund *(BC Aggregate)*	$	13,418,828	0.8 %	
U.S. TIPS Index Fund *(BC US TIPS)*	$	5,808,431	0.3 %	
Dodge and Cox Fixed Income Fund *(BC Aggregate)*	$	16,011,626	0.9 %	
U.S. Equity				***17.4 %***
Large Cap				
U.S. Large Cap Equity Index Fund *(S&P 500)*	$	116,597,536	6.6 %	
Vanguard Growth & Income Fund *(S&P 500)*	$	101,047,275	5.7 %	
Small/Mid Cap				
U.S. Small/Mid Cap Equity Index Fund *(DJ USTSMI)*	$	43,730,111	2.5 %	
Small Cap				
T. Rowe Price Small Cap Stock Fund *(R2000)*	$	40,761,587	2.3 %	
Specialty				
U.S. REIT Index Fund *(DJ US Select REIT)*	$	5,691,910	0.3 %	
International Equity				***0.9 %***
International Equity Index Fund *(MSCI EAFE)*	$	15,134,389	0.9 %	
T. Rowe Price Overseas Stock	$	591,927	0.0 %	
DFA Emerging Markets Core Equity I	$	930,101	0.1 %	
Other				***0.8 %***
Loans	$	13,876,190	0.8 %	
Total DC Plan	***$***	***1,768,762,250***	***100%***	***100.0 %***



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

Memo

PERSI

Date: February 19, 2025

To: PERSI Board

From: Investment Team

Re: Fixed Income Investment Manager Search Update

Summary:
This is a status update on the fixed income investment manager search.

Background:
Please refer to the staff memo from the December board meeting (attached) for more information.

Current Search Status:
Staff, in conjunction with Callan and Staff Advisors, identified the finalists and conducted due diligence on-site visits in January. We then reconvened to review, evaluate, and select investment manager finalists.

Staff provided an update to investment liaisons – Trustee Price and Trustee DeAngeli.

Next steps:
In coordination with the Investment Liaisons, we are tentatively planning in-person manager finalist presentations for March 17th.

If this schedule holds, Staff will present our recommendation(s) to the Board at the March meeting for the final decision.

Memo

Date: December 16, 2024

To: PERSI Board/Investment Committee

From: Richelle Sugiyama, CIO
Chris Brechbuhler, Deputy CIO

Re: Fixed Income Investment Manager Search
Status Update w/Roles & Responsibilities

Summary:

This memo serves to summarize the overall process of manager retention (hiring and firing) and specifically, to provide an update for the current manager review and search project, including the purpose of the project and the roles and responsibilities for each of the participating parties.

Background:

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

When hiring a manager, Staff works with our investment consultant (Callan) and the Advisors to identify, review and evaluate candidates. At times, the Board has elected to create an Investment Committee to assist in the process of manager searches. If so, Staff works with the Investment Committee to keep the Board updated on the progress of the search. Managers recommended for hire are invited to present to the Board, with all interviews publicly noticed to allow for all Trustees to attend. Upon completion of the process, Staff presents its recommendation to the Board.

Current Search Status:

The current manager search was initiated due to the termination of one of our fixed income managers. Staff have been working with Callan and the Advisors throughout this process.

We have identified the finalists and will be conducting due diligence on-site visits in January, then reconvene to review, evaluate, and finalize our recommendation to the Board.

Next steps:

Staff will coordinate with the investment liaison, Trustee Price, as to availability, interest, and timing of finalist presentations (tentatively scheduled for February). Consistent with past searches, Staff will present our recommendation(s) to the Board for the final decision.

Please contact us if you have any questions or concerns.

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

Date	Meeting/Deliverable	Purpose	Roles/Responsibilities
October 30, 2024	Manager search mandates and criteria	• Gather a list of potential managers (over 400+)	**Staff & Advisors:** provided ideas **Callan:** provided ideas and filtered the list
November 5, 2024	RFIs distributed	• Focus search for Core fixed income manager	**Staff, Advisors, Callan:** approved RFI distribution list **Callan:** prepared & distributed RFIs
November 22, 2024	RFI responses due	• Gather information from RFIs • Received 8	**Staff & Advisors:** reviewed responses **Callan:** collected & distributed RFIs, reviewed responses
December 5, 2024	Cull RFI responses	• Narrow the list of managers/strategies to a short list	**Staff, Callan & Advisors:** questioned, challenged, discussed and determined short list **Callan:** Manager Research Teams provided qualitative views
December 13, 2024	Manager books (profiles and quantitative comparisons) created and delivered for 'short list' managers	• Access to Callan manager database and resources • Equip Staff and the Advisors with firm/product data	**Staff, Callan & Advisors:** used data to assist in determining the semi-finalists and as a resource for due diligence visits **Callan:** compiled data, created review books
Mid-December 2024	Identify semi-finalists & On-site visits	• Identify semi-finalists • On-site visits to be conducted for all semi-finalists	**Staff, Callan & Advisors:** discuss, debate, challenge and determine semi-finalists
In-process and on-going through implementation	Manager IMA & Portfolio Guidelines	• Prepare manager agreement and portfolio guideline templates • Distribute to finalists for review/input • Executed copies required prior to finalist presentations	**Staff:** prepare, work with legal on IMA to ensure current industry standards are included, in addition to language required by Idaho law.
January 2025	Due Diligence Trip	• Thorough vetting of candidates • PERSI Introduction • Distribution of IMA, Guidelines	**Staff & Advisors:** required **Callan:** attending
TBD	Due diligence de-briefing w/full team	• Confirm finalists	**Staff, Callan & Advisors:** input from everyone
	Board Materials	• Board memo summarizing Staff recommendations, including resulting manager structure and tentative implementation details/timeline	**Staff:** prepare Board materials **Advisors & Callan:** assist in the preparation
February 2025	Board Meeting	• Final recommendation presented to Board for approval, including resulting	**Staff:** present recommendations **Board:** approve (or disapprove of) staff recommendations

		manager structure and implementation details/timeline	**Investment Committee:** provide feedback if asked **Callan:** provide input, advice **Managers:** present for questions and introduction
Before 03/31/25	Implementation	• Complete documentation • Fund accounts	**Staff:** coordinate w/accounting team, managers, BNYM, and Callan

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

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

<u>1099's for Fund Distributions were Processed Successfully:</u>

- For both DB and JRF plan
- Communication efforts to continue to move members to the new Member Portal
- Thanks to all those involved in getting those out

<u>JFAC Passed CEC on February 6th:</u>

- Funded at $1.55 per hour per permanent employee
- $1.05 per hour minimum
- Additional 4.5% for IT workers
- Shifts salary schedules by no less than $1.55 per hour
    - New funding provided for employees at the bottom of pay ranges

<u>New Employer:</u>

- Lewis Soil Conservation District
    - Located in Nezperce
    - One Employee
    - Five Elected/Appointed Officials Unpaid

MEMORANDUM

DATE: February 12, 2025

TO: Alex Simpson Alex
Deputy Director

FROM: Mike Anderson MA
Financial Executive Officer

SUBJECT: New Employer

The following employer will enter the PERSI system on February 1, 2025:

LEWIS SOIL CONSERVATION DISTRICT -M355
Location – Nezperce, ID – 1 Employee – 5 Elected/Appointed Officials Not Paid

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

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

Summary:

The 2025 legislative session has been fairly quite on the PERSI front so far. The pace of the Legislature has picked up significantly over the past few weeks.

Comparative (unscientific):

	Non-Appropriation Bills Printed	Appropriation Bills	Total Bills	Bills Signed into Law
2024 Legislative Session	511	123	634	330
2025 Legislative Session	385	12	397	5

Key Discussion:

- HB 0014 - Idaho Code Cleanup Act
  - Requires state agencies to review their titles and chapters of Idaho Code for unnecessary, obsolete, and outdated provisions, and to report to the Legislature by September 1, 2025, their recommendations for the removal of such provisions.
- HB 0035 – Multifactor Authentication on all Devices
  - Requires all state agencies to implement and use multifactor authentication to increase cybersecurity on state devices and when accessing state resources.
- HB 0055 – Bona Fide Volunteer
  - Add definition of bona fide volunteer definition to reemployment of retired members section of PERSI code.
- HB 0208 – Consolidation of Fire Districts
  - Fire District consolidation can provide improved effectiveness and efficiency. Current statutes do not promote it.

Action:

No action is requested. This is informational only.

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: IRS Private Letter Ruling

Summary:

In January 2024 staff requested approval to seek a private letter ruling (PLR) from the IRS with regards to the exclusion of certain benefit payments from federal income tax. The Board granted staff the authority to pursue the PLR. PERSI has received a favorable PLR excluding certain benefit payments from federal income tax.

Key Discussion:

- The one-time $100,000 benefit under Idaho Code 59-1352A for a public safety officer permanently disabled from a line of duty incident is excluded from the recipient's gross income.
- The one-time $500,000 and $75,000 ongoing benefit under Idaho Code 59-1352B for a public safety officer that suffers a catastrophic line of duty injury is excluded from the recipient's gross income.
- The one-time $100,000 benefit under Idaho Code 59-1361A for a public safety officer who loses their life in the line of duty is excluded from the recipient's gross income.

Action:

No action is requested. This is informational only.

FAX COVER SHEET

OFFICE OF CHIEF COUNSEL, IRS

Date Sent: December 23, 2024	**Pages Sent:** 19
Deliver To: Mary Claire Chesshire	**Fax Number:** 410-234-2309
Organization:	**Phone Number:**
Sender: William Fischer	**Fax Number:**
Office: Office of Chief Counsel	**Phone Number:**(202) 317-4590

Sent By: Aliyah.D.Belle@irscounsel.treas.gov

THIS DOCUMENT IS INTENDED ONLY FOR THE NAMED ADDRESSEE.

COMMENTS:

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 101.08-00, 104.02-00

Third Party Communication: None
Date of Communication: Not Applicable

Mr. Don Drum
Executive Director
Public Employees Retirement System of Idaho
607 N. 8th St.
Boise, Idaho 83702

Person To Contact:
William Fischer, ID No. 1003275192
Telephone Number:
(202) 317-4590
Refer Reply To:
CC:EEE:EB:HW
PLR-107905-24
Date:
December 09, 2024

Legend

Taxpayer = Public Employees Retirement System of Idaho

Plan = Idaho Public Employees Retirement Plan

Dear Mr. Drum:

This responds to your letter, dated January 24, 2024, supplemented by a letter dated December 6, 2024, requesting the following rulings:

(1) That Idaho Code Sections 59–1352A and 59–1352B are statutes in the nature of a workmen's compensation act and that the lump sum payment of $100,000 for a non-catastrophic line of duty disability benefit paid pursuant to Section 59–1352A and the lump sum payment of $500,000 for a catastrophic line of duty disability benefit paid pursuant to Section 59–1352B of the Idaho statutes are excludable from the gross income of the recipient under section 104(a)(1) of the Code, and that the $75,000 annual benefit paid for a catastrophic line of duty disability benefit, as actuarially adjusted every four years, paid pursuant to Section 59–1352B of the Idaho statutes is excludable from the gross income of the recipient under section 104(a)(1) of the Code.

(2) That Section 59–1361A of the Idaho statutes that provides for a lump sum payment on account of the death of a public safety officer killed in the line of duty and paid to the spouse or child of the public safety officer pursuant to Section 59–1361A attributable to such officer's service as a public safety officer is excludable from the gross income of the recipient under section 101(h) of the Code.

FACTS

Taxpayer is the administrator of the Plan established under the laws of the State of Idaho. The statutes constituting the Plan and governing the payment of retirement and disability benefits by Taxpayer are set forth in Idaho Code, Title 59, Chapter 13. Taxpayer is the administrator of the tax qualified, defined benefit Plan to which both the members and the participating employers contribute. The Plan is a governmental plan administered and operated by the State of Idaho through Taxpayer. Participation in the Plan is mandatory for eligible state and school district employees and is available to other public employers and their employees on a contractual basis.

Section 59–1352A of the Idaho Code provides for a one-time payment of $100,000 to a public safety officer who is determined by the retirement board to be permanently disabled as a result of bodily injury or disease sustained in the line of duty. Under Section 59–1352A, the retirement board must determine that the permanent disability occurred in the line of duty, the permanent disability was not caused by intentional misconduct of the public safety officer or by the public safety officer’s intentional infliction of injury, and the public safety officer was not voluntarily intoxicated at the time of the event causing the disability. Section 59–1352A(4)(a) provides that the benefit payable under this section is “separate from and independent of any benefits payable to the public safety officer under this chapter.”

Section 59–1352B of the Idaho Code provides for a one-time payment of $500,000 to a public safety officer who is determined by the retirement board to be catastrophically injured. Section 59–1352B also provides for an ongoing annual benefit payment of not less than $75,000, adjusted every four years pursuant to an actuarial study to determine the change in average public safety officer benefits over the previous four years. In addition, Section 59–1352B provides that in the event a public safety officer who is receiving benefits under this section dies and leaves a surviving spouse to whom the member was married at the time of the catastrophic injury, the surviving spouse will receive the ongoing annual benefit payment (to which the public safety officer would have been entitled) for the duration of the spouse’s life. Idaho Code Section 59–1352B(1)(a) defines a “catastrophic injury” as a “sudden, violent, life-threatening, duty-related injury sustained by an active member within the scope of the public safety officer’s duties and within the department policy that is due to an externally caused event such as a motor vehicle collision, gunshot wound, aggravated battery, structural collapse, significant fall, or other external event or events that is not self-inflicted or the result of intoxication, provided, however, that no psychological injury, disorder, or condition shall be considered a catastrophic injury under this definition.” Further, the injury must be of such severity that it causes the loss of ability to maintain certifications required by the state of Idaho, the member's department, or both. Section 59–1352B(6) provides that the “benefits provided for in this section shall not be in addition to other benefits under this chapter.”

Section 59–1361A of the Idaho Code provides for a death benefit payment of $100,000 in the event a public safety officer dies as the direct and proximate result of a personal injury sustained in the line of duty. The death benefit is payable to an officer's surviving spouse or, in the event there is no surviving spouse, divided among the officer's dependent children. The benefit is only paid after the retirement board determines that the death occurred in the line of duty (as defined in regulations issued by the United States Department of Justice pursuant to 42 U.S.C section 3796, except as modified by the retirement board), the death was not caused by the intentional misconduct of the officer or by such officer's intentional infliction of injury, and the officer was not voluntarily intoxicated at the time of death. In addition, benefit payments will not be paid to a person whose actions were a substantial contributing factor to the death of the officer.

LAW

Section 61(a) of the Code provides that, except as otherwise provided by law, gross income means all income from whatever source derived, including compensation for services.

Section 72(a) of the Code provides that, except as otherwise provided, gross income includes any amount received as an annuity (whether for a period certain or during one or more lives) under an annuity, endowment, or life-insurance contract.

Section 101(h)(1) of the Code provides that gross income shall not include any amount paid as a survivor annuity on account of the death of a public safety officer (as such term is defined in Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect immediately before the enactment of the National Defense Authorization Act for Fiscal Year 2013) killed in the line of duty—(A) if such annuity is provided under a governmental plan which meets the requirements of Section 401(a), to the spouse (or former spouse) of the public safety officer or to a child of such officer; and (B) to the extent such annuity is attributable to such officer's service as a public safety officer.

Section 101(h)(2) of the Code provides that section 101(h)(1) of the Code shall not apply with respect to the death of any public safety officer if, as determined in accordance with the provisions of the Omnibus Crime Control and Safe Streets Act of 1968—(A) the death was caused by the intentional misconduct of the officer or by such officer's intention to bring about such officer's death; (B) the officer was voluntarily intoxicated (as defined in section 1204 of such Act) at the time of death; (C) the officer was performing such officer's duties in a grossly negligent manner at the time of death; or (D) the payment is to an individual whose actions were a substantial contributing factor to the death of the officer.

Section 104(a)(1) of the Code provides that gross income does not include amounts received under workmen's compensation acts as compensation for personal injuries or sickness.

Treas. Reg. § 1.104–1(b) provides that section 104(a)(1) of the Code excludes from gross income amounts received by an employee under a workmen's compensation act or under a statute in the nature of a workmen's compensation act that provides compensation to the employee for personal injury or sickness incurred in the course of employment. Treas. Reg. § 1.104–1(b) also provides this exclusion to compensation paid under a workmen's compensation act to the survivor or survivors of a deceased employee. Treas. Reg. § 1.104–1(b) states that this exclusion does not apply to the amount received either to the extent that it is determined by reference to the employee's age or length of service, or the employee's prior contributions, even though the employee's retirement is occasioned by an occupational injury or sickness, or to the extent that it is in excess of the amount provided in the applicable workmen's compensation act or acts.

Rev. Rul. 80–14, 1980–1 C.B. 33, concluded that a statute that provides disability benefits to a class restricted to employees with service-incurred disabilities is a statute in the nature of a workmen's compensation act and the benefits are excludable from gross income under section 104(a)(1) of the Code.

In Rev. Rul. 80–44, 1980–1 C.B. 34, a statute in the nature of a workmen's compensation act provided for an allowance of the greater of (A) 60 percent of the individual's average final compensation, or (B) the amount to which the individual would be entitled under the normal, years of service, retirement plan. The ruling concluded that the benefits under the statute were excludable under section 104(a)(1) of the Code to the extent that they did not exceed 60 percent of the final average compensation. Any excess over 60 percent of final average compensation was attributable to length of service, and therefore, not excludable from gross income. Rev. Rul. 80–44 also holds that benefits of the surviving spouse which are a continuation of the employee's benefits are excludable under section 104(a)(1) of the Code in the same percentage as the employee's benefits were excludable.

Rev. Rul. 80–84, 1980–1 C.B. 35, concluded that benefits paid to employees' survivors may qualify as paid under a statute in the nature of a workmen's compensation act where those benefits are a mere continuation of employees' section 104(a)(1) benefits. The ruling also stated that a statute authorizing benefits for employees' survivors may qualify as a statute in the nature of a workmen's compensation act if it requires as a prerequisite to payment a determination that the cause of the employee's death was service-related. The ruling concluded that survivor benefits are excludable from gross income under section 104(a)(1) if the recipient can establish that the benefits are received under the service-connected death provisions.

Rev. Rul. 85–104, 1985–2 C.B. 52, considered a statute under which the participants, who were disabled due to work-related injury or sickness, receive the greater of a fixed percentage of base salary or an amount computed on the basis of years of service. The ruling concluded that an amount up to the percentage of base salary specified by the statute would be excludable from the participant's gross income under section 104(a)(1) of the Code, but that any excess, computed on the basis of length of service, would not be excludable under section 104(a)(1). The ruling also concluded that if the benefits are computed by a formula that does not refer to the employee's age, length of service, or prior contributions and are provided to a class that is restricted to employees with service-incurred injuries, then the benefits are payment for those injuries, and the statute under which the benefits are paid qualifies as a statute in the nature of a workmen's compensation act.

ANALYSIS AND CONCLUSION

Section 59–1352A of the Idaho Code provides for a one-time payment of $100,000 to a public safety officer who is determined by the retirement board to be permanently disabled as a result of bodily injury or disease sustained in the line of duty. Under Section 59–1352A, the retirement board must determine that the permanent disability occurred in the line of duty and was not caused by intentional misconduct, intentional infliction of injury, or voluntary intoxication.

The payment under Section 59–1352A is not determined on the basis of age, length of service, or prior employee contributions, and the lump sum payment is provided to a class that is restricted to employees with service-connected injuries who are determined to be permanently disabled. Therefore, Section 59–1352A is a statute in the nature of a workmen's compensation act and the lump sum payment is excluded from the recipient's gross income under section 104(a)(1) to the extent that the lump sum payment paid by Taxpayer to the recipient exceeds the value of any retirement benefit immediately payable to the public safety officer under the Plan.

Section 59–1352B of the Idaho Code provides for a one-time payment of $500,000 to a public safety officer who is determined by the retirement board to be catastrophically injured. In addition, Section 59–1352B provides for an ongoing annual benefit payment of not less than $75,000 (adjusted pursuant to an actuarial study) which is payable to a surviving spouse for the life of the surviving spouse in the event that the public safety officer dies. Under Section 59–1352B, the retirement board must determine that the catastrophic injury was sustained by an active member within the scope of the public safety officer's duties and within the department policy that is due to certain externally caused events and meets other statutory requirements.

The lump sum payment under Section 59–1352B is not determined on the basis of age, length of service, or prior employee contributions, and the lump sum payment is provided to a class that is restricted to employees with service-connected injuries that are determined by the Taxpayer to be permanently disabled. In addition, the ongoing annual benefit is not determined on the basis of age, length of service, or prior employee contributions, and the ongoing annual benefit is provided to a class that is restricted to employees with service-connected injuries who are determined to be catastrophically injured. Further, Section 59–1352B(6) provides that the "benefits provided for in this section shall not be in addition to other benefits under this chapter." Therefore, Section 59–1352B is a statute in the nature of a workmen's compensation act and the one-time lump sum payment and ongoing annual benefit are excluded from the recipient's gross income under section 104(a)(1) to the extent that the value of the lump sum payment and ongoing annual benefit paid by Taxpayer to the recipient exceeds the value of any retirement benefit immediately payable to the public safety officer under the Plan. In addition, in the event a public safety officer who is receiving benefits under Section 59–1352B dies, the payments to a surviving spouse under Section 59–1352B are excluded from the gross income of the surviving spouse.

Section 59–1361A of the Idaho Code provides for a death benefit payment of $100,000 in the event a public safety officer dies as the direct and proximate result of a personal injury sustained in the line of duty. The death benefit is payable to an officer's surviving spouse or, in the event there is no surviving spouse, divided among the officer's dependent children.

The death benefit provided under Section 59–1361A of the Idaho Code is limited to public safety officers as defined in Section 1204 of the of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect immediately before the enactment of the National Defense Authorization Act for Fiscal Year 2013. Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 defines a public safety officer as "an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a firefighter, or as a chaplain." Section 59–1361A of the Idaho Code defines public safety officer as an active member of Plan who is either designated as police officer, firefighter, or paid firefighter under the Idaho Code. Plan is a governmental plan which meets the requirements of section 401(a) of the Code and the death benefit is only payable to surviving spouse of the public safety officer or to dependent children of such officer.

The death benefit is limited to spouses and children of public safety officers who are killed in the line of duty. The benefit is paid only after the retirement board determines that the death occurred in the line of duty (as defined in regulations issued by the United States Department of Justice pursuant to 42 U.S.C section 3796, except as modified by the retirement board), the death was not caused by the intentional misconduct of the officer or by such officer's intentional infliction of injury, and the officer was not voluntarily intoxicated at the time of death. Benefit payments will not be paid to a person whose actions were a substantial contributing factor to the death of the officer.

The death benefit payable to the spouse or dependent child of a public safety officer under Section 59–1361A of the Idaho Code that provides for the payment of a lump sum on account of the death of a public safety officer killed in the line of duty and attributable to such officer's service as a public safety officer is excludable from the gross income of the spouse or dependent child under section 101(h)(1) of the Code, provided that Taxpayer determines the officer was not performing such officer's duties in a grossly negligent manner at the time of death consistent with section 101(h)(2)(C).

The rulings contained in this letter are based upon information and representations submitted by Taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party, as specified in Rev. Proc. 2024-1, 2024-1 I.R.B. 1, section

7.01(16)(b). This office has not verified any of the material submitted in support of the request for a ruling, and such material is subject to verification upon examination. The Associate Office will revoke or modify a letter ruling and apply the revocation retroactively if there has been a misstatement or omission of controlling facts; the facts at the time of the transaction are materially different from the controlling facts on which the ruling was based; or, in the case of a transaction involving a continuing action or series of actions, the controlling facts change during the course of the transaction. See section 11.05 of Rev. Proc. 2024-1.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

No opinion is expressed concerning the Federal tax consequences under any other provision of the Code other than those specifically stated herein.

This ruling is directed only to the party requesting it. Sections 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Sara D. Trujillo Digitally signed by Sara D. Trujillo Date: 2024.12.12 22:57:34 -05'00'

Denise Trujillo
Chief, Health & Welfare Branch
Office of Associate Chief Counsel
(Employee Benefits, Exempt Organizations, and Employment Taxes)

cc: Mary Claire Chesshire
Paul W. Madden

Internal Revenue Service

Index Number: 101.08-00, 104.02-00

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.
Telephone Number:

Refer Reply To:
CC:EEE:EB:HW
PLR-107905-24

Date:
December 09, 2024

Legend

Taxpayer =

Plan =

Dear :

This responds to your letter, dated January 24, 2024, supplemented by a letter dated December 6, 2024, requesting the following rulings:

(1) That and are statutes in the nature of a workmen's compensation act and that the lump sum payment of for a non-catastrophic line of duty disability benefit paid pursuant to and the lump sum payment of for a catastrophic line of duty disability benefit paid pursuant to of the statutes are excludable from the gross income of the recipient under section 104(a)(1) of the Code, and that the annual benefit paid for a catastrophic line of duty disability benefit, as actuarially adjusted every four years, paid pursuant to of the statutes is excludable from the gross income of the recipient under section 104(a)(1) of the Code.

(2) That of the statutes that provides for a lump sum payment on account of the death of a public safety officer killed in the line of duty and paid to the spouse or child of the public safety officer pursuant to attributable to such officer's service as a public safety officer is excludable from the gross income of the recipient under section 101(h) of the Code.

FACTS

Taxpayer is the administrator of the Plan established under the laws of the State of . The statutes constituting the Plan and governing the payment of retirement and disability benefits by Taxpayer are set forth in . Taxpayer is the administrator of the tax qualified, defined benefit Plan to which both the members and the participating employers contribute. The Plan is a governmental plan administered and operated by the State of through Taxpayer. Participation in the Plan is mandatory for eligible state and school district employees and is available to other public employers and their employees on a contractual basis.

of the provides for a one-time payment of to a public safety officer who is determined by the retirement board to be permanently disabled as a result of bodily injury or disease sustained in the line of duty. Under , the retirement board must determine that the permanent disability occurred in the line of duty, the permanent disability was not caused by intentional misconduct of the public safety officer or by the public safety officer's intentional infliction of injury, and the public safety officer was not voluntarily intoxicated at the time of the event causing the disability. provides that the benefit payable under this section is "separate from and independent of any benefits payable to the public safety officer under this chapter."

of the provides for a one-time payment of to a public safety officer who is determined by the retirement board to be catastrophically injured. also provides for an ongoing annual benefit payment of not less than , adjusted every four years pursuant to an actuarial study to determine the change in average public safety officer benefits over the previous four years. In addition, provides that in the event a public safety officer who is receiving benefits under this section dies and leaves a surviving spouse to whom the member was married at the time of the catastrophic injury, the surviving spouse will receive the ongoing annual benefit payment (to which the public safety officer would have been entitled) for the duration of the spouse's life defines a "catastrophic injury" as a "sudden, violent, life-threatening, duty-related injury sustained by an active member within the scope of the public safety officer's duties and within the department policy that is due to an externally caused event such as a motor vehicle collision, gunshot wound, aggravated battery, structural collapse, significant fall, or other external event or events that is not self-inflicted or the result of intoxication, provided, however, that no psychological injury, disorder, or condition shall be considered a catastrophic injury under this definition." Further, the injury must be of such severity that it causes the loss of ability to maintain certifications required by the state of , the member's department, or both. provides that the "benefits provided for in this section shall not be in addition to other benefits under this chapter."

provides for a death benefit payment of in the event a public safety officer dies as the direct and proximate result of a personal injury sustained in the line of duty. The death benefit is payable to an officer's surviving spouse or, in the event there is no surviving spouse, divided among the officer's dependent children. The benefit is only paid after the retirement board determines that the death occurred in the line of duty

, the death was not caused by the intentional misconduct of the officer or by such officer's intentional infliction of injury, and the officer was not voluntarily intoxicated at the time of death. In addition, benefit payments will not be paid to a person whose actions were a substantial contributing factor to the death of the officer.

LAW

Section 61(a) of the Code provides that, except as otherwise provided by law, gross income means all income from whatever source derived, including compensation for services.

Section 72(a) of the Code provides that, except as otherwise provided, gross income includes any amount received as an annuity (whether for a period certain or during one or more lives) under an annuity, endowment, or life-insurance contract.

Section 101(h)(1) of the Code provides that gross income shall not include any amount paid as a survivor annuity on account of the death of a public safety officer (as such term is defined in Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect immediately before the enactment of the National Defense Authorization Act for Fiscal Year 2013) killed in the line of duty—(A) if such annuity is provided under a governmental plan which meets the requirements of section 401(a), to the spouse (or former spouse) of the public safety officer or to a child of such officer; and (B) to the extent such annuity is attributable to such officer's service as a public safety officer.

Section 101(h)(2) of the Code provides that section 101(h)(1) of the Code shall not apply with respect to the death of any public safety officer if, as determined in accordance with the provisions of the Omnibus Crime Control and Safe Streets Act of 1968—(A) the death was caused by the intentional misconduct of the officer or by such officer's intention to bring about such officer's death; (B) the officer was voluntarily intoxicated (as defined in section 1204 of such Act) at the time of death; (C) the officer was performing such officer's duties in a grossly negligent manner at the time of death; or (D) the payment is to an individual whose actions were a substantial contributing factor to the death of the officer.

Section 104(a)(1) of the Code provides that gross income does not include amounts received under workmen's compensation acts as compensation for personal injuries or sickness.

Treas. Reg. § 1.104–1(b) provides that section 104(a)(1) of the Code excludes from gross income amounts received by an employee under a workmen's compensation act or under a statute in the nature of a workmen's compensation act that provides compensation to the employee for personal injury or sickness incurred in the course of employment. Treas. Reg. § 1.104–1(b) also provides this exclusion to compensation paid under a workmen's compensation act to the survivor or survivors of a deceased employee. Treas. Reg. § 1.104–1(b) states that this exclusion does not apply to the amount received either to the extent that it is determined by reference to the employee's age or length of service, or the employee's prior contributions, even though the employee's retirement is occasioned by an occupational injury or sickness, or to the extent that it is in excess of the amount provided in the applicable workmen's compensation act or acts.

Rev. Rul. 80–14, 1980–1 C.B. 33, concluded that a statute that provides disability benefits to a class restricted to employees with service-incurred disabilities is a statute in the nature of a workmen's compensation act and the benefits are excludable from gross income under section 104(a)(1) of the Code.

In Rev. Rul. 80–44, 1980–1 C.B. 34, a statute in the nature of a workmen's compensation act provided for an allowance of the greater of (A) 60 percent of the individual's average final compensation, or (B) the amount to which the individual would be entitled under the normal, years of service, retirement plan. The ruling concluded that the benefits under the statute were excludable under section 104(a)(1) of the Code to the extent that they did not exceed 60 percent of the final average compensation. Any excess over 60 percent of final average compensation was attributable to length of service, and therefore, not excludable from gross income. Rev. Rul. 80–44 also holds that benefits of the surviving spouse which are a continuation of the employee's benefits are excludable under section 104(a)(1) of the Code in the same percentage as the employee's benefits were excludable.

Rev. Rul. 80–84, 1980–1 C.B. 35, concluded that benefits paid to employees' survivors may qualify as paid under a statute in the nature of a workmen's compensation act where those benefits are a mere continuation of employees' section 104(a)(1) benefits. The ruling also stated that a statute authorizing benefits for employees' survivors may qualify as a statute in the nature of a workmen's compensation act if it requires as a prerequisite to payment a determination that the cause of the employee's death was service-related. The ruling concluded that survivor benefits are excludable from gross income under section 104(a)(1) if the recipient can establish that the benefits are received under the service-connected death provisions.

Rev. Rul. 85–104, 1985–2 C.B. 52, considered a statute under which the participants, who were disabled due to work-related injury or sickness, receive the greater of a fixed percentage of base salary or an amount computed on the basis of years of service. The ruling concluded that an amount up to the percentage of base salary specified by the statute would be excludable from the participant's gross income under section 104(a)(1) of the Code, but that any excess, computed on the basis of length of service, would not be excludable under section 104(a)(1). The ruling also concluded that if the benefits are computed by a formula that does not refer to the employee’s age, length of service, or prior contributions and are provided to a class that is restricted to employees with service-incurred injuries, then the benefits are payment for those injuries, and the statute under which the benefits are paid qualifies as a statute in the nature of a workmen’s compensation act.

ANALYSIS AND CONCLUSION

provides for a one-time payment of to a public safety officer who is determined by the retirement board to be permanently disabled as a result of bodily injury or disease sustained in the line of duty. Under , the retirement board must determine that the permanent disability occurred in the line of duty and was not caused by intentional misconduct, intentional infliction of injury, or voluntary intoxication.

The payment under is not determined on the basis of age, length of service, or prior employee contributions, and the lump sum payment is provided to a class that is restricted to employees with service-connected injuries who are determined to be permanently disabled. Therefore, is a statute in the nature of a workmen’s compensation act and the lump sum payment is excluded from the recipient’s gross income under section 104(a)(1) to the extent that the lump sum payment paid by Taxpayer to the recipient exceeds the value of any retirement benefit immediately payable to the public safety officer under the Plan.

provides for a one-time payment of to a public safety officer who is determined by the retirement board to be catastrophically injured. In addition, provides for an ongoing annual benefit payment of not less than (adjusted pursuant to an actuarial study) which is payable to a surviving spouse for the life of the surviving spouse in the event that the public safety officer dies. Under , the retirement board must determine that the catastrophic injury was sustained by an active member within the scope of the public safety officer’s duties and within the department policy that is due to certain externally caused events and meets other statutory requirements.

The lump sum payment under is not determined on the basis of age, length of service, or prior employee contributions, and the lump sum payment is provided to a class that is restricted to employees with service-connected injuries that are determined by the Taxpayer to be permanently disabled. In addition, the ongoing annual benefit is not determined on the basis of age, length of service, or prior employee contributions, and the ongoing annual benefit is provided to a class that is restricted to employees with service-connected injuries who are determined to be catastrophically injured. Further, provides that the “benefits provided for in this section shall not be in addition to other benefits under this chapter.” Therefore, is a statute in the nature of a workmen’s compensation act and the one-time lump sum payment and ongoing annual benefit are excluded from the recipient's gross income under section 104(a)(1) to the extent that the value of the lump sum payment and ongoing annual benefit paid by Taxpayer to the recipient exceeds the value of any retirement benefit immediately payable to the public safety officer under the Plan. In addition, in the event a public safety officer who is receiving benefits under dies, the payments to a surviving spouse under are excluded from the gross income of the surviving spouse.

provides for a death benefit payment of in the event a public safety officer dies as the direct and proximate result of a personal injury sustained in the line of duty. The death benefit is payable to an officer's surviving spouse or, in the event there is no surviving spouse, divided among the officer's dependent children.

The death benefit provided under is limited to public safety officers as defined in Section 1204 of the of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect immediately before the enactment of the National Defense Authorization Act for Fiscal Year 2013. Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 defines a public safety officer as "an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a firefighter, or as a chaplain." defines public safety officer as an active member of Plan who is either designated as police officer, firefighter, or paid firefighter under the . Plan is a governmental plan which meets the requirements of section 401(a) of the Code and the death benefit is only payable to surviving spouse of the public safety officer or to dependent children of such officer.

The death benefit is limited to spouses and children of public safety officers who are killed in the line of duty. The benefit is paid only after the retirement board determines that the death occurred in the line of duty

, the death was not caused by the intentional misconduct of the officer or by such officer's intentional infliction of injury, and the officer was not voluntarily intoxicated at the time of death. Benefit payments will not be paid to a person whose actions were a substantial contributing factor to the death of the officer.

The death benefit payable to the spouse or dependent child of a public safety officer under that provides for the payment of a lump sum on account of the death of a public safety officer killed in the line of duty and attributable to such officer's service as a public safety officer is excludable from the gross income of the spouse or dependent child under section 101(h)(1) of the Code, provided that Taxpayer determines the officer was not performing such officer's duties in a grossly negligent manner at the time of death consistent with section 101(h)(2)(C).

The rulings contained in this letter are based upon information and representations submitted by Taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party, as specified in Rev. Proc. 2024-1, 2024-1 I.R.B. 1, section

7.01(16)(b). This office has not verified any of the material submitted in support of the request for a ruling, and such material is subject to verification upon examination. The Associate Office will revoke or modify a letter ruling and apply the revocation retroactively if there has been a misstatement or omission of controlling facts; the facts at the time of the transaction are materially different from the controlling facts on which the ruling was based; or, in the case of a transaction involving a continuing action or series of actions, the controlling facts change during the course of the transaction. See section 11.05 of Rev. Proc. 2024-1.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

No opinion is expressed concerning the Federal tax consequences under any other provision of the Code other than those specifically stated herein.

This ruling is directed only to the party requesting it. Sections 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Denise Trujillo
Chief, Health & Welfare Branch
Office of Associate Chief Counsel
(Employee Benefits, Exempt Organizations,
and Employment Taxes)

cc:

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 101.08-00, 104.02-00

Third Party Communication: None
Date of Communication: Not Applicable

Mary Claire Chesshire
Whiteford, Taylor & Preston LLP
One West Pennsylvania Avenue, Suite 300
Towson, MD 21204-5025

Person To Contact:
William Fischer, ID No. 1003275192
Telephone Number:
(202) 317-5500
Refer Reply To:
CC:EEE:EB:HW
PLR-107905-24
Date:
December 12, 2024

Public Employees Retirement System of Idaho (EIN: 82-6000952)

Dear Ms. Chesshire:

The enclosed copy of a letter is sent to you under the provisions of a power of attorney and declaration of representative, or other proper authorization, currently on file with the Internal Revenue Service.

Sincerely,

Sara D. Trujillo Digitally signed by Sara D. Trujillo Date: 2024.12.12 22:07:56 -05'00'

Denise Trujillo
Branch Chief, Health & Welfare
Office of Associate Chief Counsel
Employee Benefits, Exempt
Organizations, and Employment Taxes

Department of the Treasury
Internal Revenue Service
[Operating Division / Program Name]
1111 Constitution Ave NW
Washington, D.C 20224

Date:
12/23/2024
Last date to request IRS review:
01/12/2025
Last date to request delay:
02/21/2025
Last date to petition Tax Court:
02/21/2025
Date open to public inspection:
03/21/2025
Person to contact:
Chief, Disclosure Support Branch
Contact telephone number:
202-317-6840

Notice of Intention to Disclose

In accordance with Internal Revenue Code (IRC) Section 6110, we intend to make the enclosed copy of your ruling (with deletions) open to public inspection.

IRC Section 6110 provides that copies of certain rulings, technical advice memoranda, and determination letters will be open to public inspection after deletions are made. These written determinations will be open to public inspection online in the Freedom of Information Act (FOIA) Reading Room at **IRS.gov/privacy-disclosure/foia-library**.

We made the deletions indicated in accordance with Section 6110(c), which requires us to delete:

1. The names, addresses, and other identifying details of the person the ruling pertains to, and of any other person identified in the ruling [other than a person making a "third party communication" (see back of this notice)].
2. Information specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy, and which is in fact properly classified under such Executive Order.
3. Information specifically exempted from disclosure by any (other than the IRC) which is applicable to the IRS.
4. Trade secrets and commercial or financial information obtained from a person that are privileged or confidential.
5. Information which would constitute a clearly unwarranted invasion of personal privacy.
6. Information contained in or related to examination, operating, or condition reports prepared by, or for use of, an agency that regulates or supervises financial institutions.
7. Geological and geophysical information and data (including maps) concerning wells.

These are the only grounds for deleting material. We made the indicated proposed deletions after considering any suggestions for deletions you may have made prior to issuance of the ruling.

If you agree with the proposed deletions
You do not need to take any further action. We will place the deleted copy in the online FOIA Reading Room on the "Date open to public inspection" shown on this notice.

If you disagree with the proposed deletions
Please return the copy and show, in brackets, any additional information you believe should be deleted. Include a statement supporting your position. Only material falling within the seven categories listed above may be deleted. Your statement should specify which of these seven categories is applicable with respect to each additional deletion you propose. Mail or fax your deleted copy and statement to:

Attention: Chief, CC:PA:LPD:DS
Internal Revenue Service
Ben Franklin Station
P.O. Box 7604
Washington, DC 20044
Fax: 855-592-8978

It must be faxed or postmarked no later than the "Last date to request IRS review" shown on this notice. We will give your submission careful consideration. If we determine we cannot make any or all of the additional deletions you suggest, we will so advise you not later than 20 days after we receive your submission.

Fax your information using either a fax machine or an online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

You will then have the right to file a petition in the United States Tax Court if you disagree with us. Your petition must be filed no later than the "Last date to petition Tax Court" shown on this notice, which is 60 days after the mailing date of this notice. If a petition is filed in the Tax Court, the disputed portion(s) of the ruling will not be placed in the Reading Room until after a court decision becomes final.

You can download a fillable petition form and get information about filing at **ustaxcourt.gov**. The Tax Court encourages petitioners to electronically file petitions. You can eFile your completed petition by following the instructions and user guides available on the Tax Court website at **ustaxcourt.gov/dawson.html**. You will need to register for a DAWSON account to do so. Or you may send the completed petition to:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

Be sure to include a copy of this notice and any attachments with the petition and the filing fee payable online, or by mail or in person using a check or money order made out to Clerk, U.S. Tax Court. Do not send your petition to the office at the top of this letter or to the IRS; you must file your petition with the Tax Court.

Your petition is timely if the Tax Court receives it within the 60-day period or if it is postmarked by the United States Postal Service within the 60-day period and the envelope containing the petition is properly addressed with the correct postage. The postmark rule doesn't apply if using the mail service of a foreign country. Generally, your petition will be timely if the date marked by a designated private delivery service is within the 60-day period. You can find a list of designated delivery services for domestic and international mailings in Notice 2016-30, which is available on our website at **IRS.gov/pub/irs-drop/n-16-30.pdf**. The list of approved delivery companies is subject to change.

If you lack access to a computer or the internet and want to file a paper petition, you may get a copy of the petition form and filing information by contacting the Office of the Clerk of the Tax Court at the address above or by calling 202-521-0700.

If no petition is filed in the Tax Court, the deleted version of your ruling will be made open to public inspection on the date shown above in the "Date open to public inspection" heading. If the transaction to which the ruling relates will not be completed by then, you may request a delay of public inspection.

Request for delay of public inspection
You may request a delay of public inspection of up to 90 days, or 15 days after the transaction is completed, whichever is later. The request for delay must be received by the IRS no later than the "Last date to request delay" shown on this notice, which is 60 days after the mailing date of this notice. Mail or fax your request for delay to:

Attention: Chief, CC:PA:LPD:DS
Internal Revenue Service
Ben Franklin Station
P.O. Box 7604
Washington, DC 20044
Fax: 855-592-8978

You may request a second delay of up to an additional 180 days (or 15 days after the completion of the transaction, whichever is earlier) if the transaction is not completed by the end of the original delay period and if good cause exists for additional delay. We must receive a request for a second delay at the above address at least 30 days before the original delay period ends.

Requests for additional disclosure
After the copy of your ruling, with deletions, is placed in our online FOIA Reading Room, any person may request us to make additional portions of the ruling open to public inspection. If we receive a request that involves disclosure of names, addresses, or taxpayer identifying numbers, we will deny the request and you will not be contacted. If that request involves disclosure of anything other than names, addresses, or taxpayer identifying numbers, we will contact you before taking action.

Third party communication
The enclosed copy of your ruling may contain the notation "Third Party Communication." This indicates that IRS received a communication (written or oral) regarding your ruling request from a person outside the IRS (other than you or your authorized representative). The date of the communication and the category of the person making the contact (such as "Congressional" or "Trade Association") will be indicated.

If you have any questions regarding this notice, please call us at 202-317-6840.

[Enclosures:]

[cc:]

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

To: PERSI Board of Directors
From: Deputy Director
Subject: PERSI Economic Study

Summary:

In August 2024 Persi contracted with Recon Insight Group LLC at the University of Idaho to outline the economic impacts in Idaho and by county from the operation's spending and retiree benefit payments from Persi. The goal of the study is to assess how Persi influences and contributes to Idaho's GDP.

Key Discussion:

- Data from FY 2023 was used to conduct the study
- Benefit payments were over $1B and contributions were $830M
  - The difference of $250.5M in household incomes
    - A portion of which is spent in Idaho and support businesses and additional employment incomes and taxes
    - Out of state spending was approximately $109.7M
    - $140.7M spent on in-state goods and services
- Additional $9.6M on operational expenses to administer fund
- GDP was $149.8M higher because of Persi
  - Economic activity supported roughly 1,508 FTE jobs throughout the state
  - Generating another $80.5M in additional household income
- Impacts were uneven across the state
  - Ada and Teton counties lost economic activity
  - Other counties in the state gained economic activity

Action:

No action is requested. This is informational only.

The Economics *Of The* Public Employee Retirement System *of* Idaho

2024

Authors Page

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We are grateful to the staff at PERSI for providing the support and data that made this study possible. We are particularly grateful for Michael Hampton, Executive Director of PERSI; Alex Simpson, Deputy Director of PERSI; Mike Anderson, Financial Executive Officer of PERSI and all the people who provided input, discussions, concerns, and feedback. External support and review was provided by Dr. Philip Watson from the University of Idaho. We are grateful for his direction and insights.

This study was prepared for and funded by PERSI and conducted by Recon Insight Group, LLC. The results and opinions in the study are those of the authors alone and do not reflect on any associated institutions. The authors may be reached for questions or comments at recon.insight@gmail.com. The authors bear no liability in the application or use of the study in any financial or policy decision making.

Executive Summary

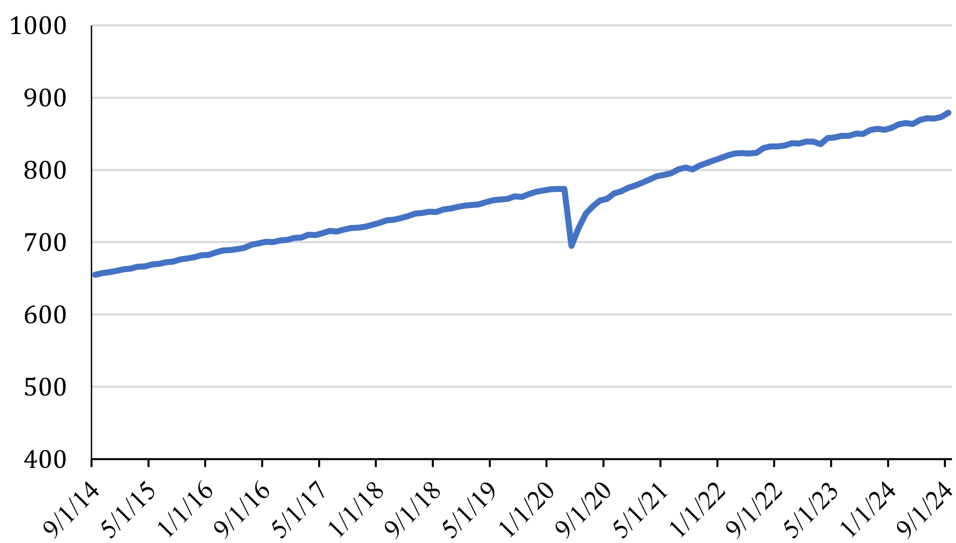
The goal of this study is to assess how PERSI influences and contributes to Idaho's GDP. The approach in the study, therefore, is to 1) see what money is being drawn out of the state economy and being invested elsewhere via PERSI's portfolio, 2) what money from PERSI's portfolio is being injected into the economy and being spent within Idaho to create economic activity, 3) to assess how the management activities of the PERSI staff influence the counties in which staff are located (i.e., PERSI's operational contributions), and 4) to understand the distributional effects by county, since not all counties contribute to or benefit from PERSI in the same proportions.

Data and Methodology

The data and approach used to meet the above listed objectives were primary data provided by PERSI staff, private and public data for defining and understanding Idaho markets, and lastly an economic database of financial transactions known as input-output accounts produced by IMPLAN.

Idaho's economy has expanded more rapidly than the nation over the past several decades and continues to be one of the top growth economies within the nation. Figure E.1 shows the employment growth from 2014 to 2024. This past decade has seen employment rise from 655 thousand to 879 thousand, slightly more than 34% growth over the decade. This represents serious challenges to Idaho's infrastructure capacity, but is associated with similar growth in economic productivity.

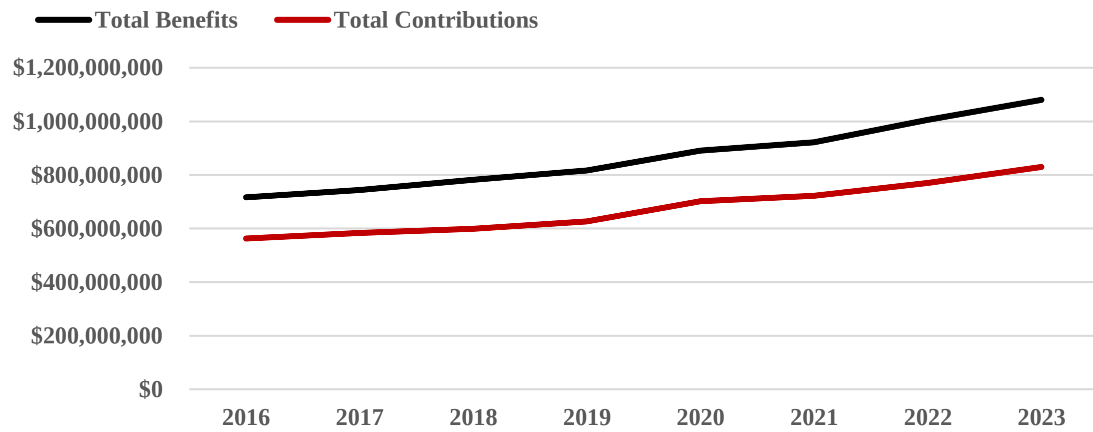
Figure E.1: Total Idaho Employment - 2014 to 2024 (Thousands)



Source: FRED, Bureau of Labor Statistics

In the midst of the state's rapid growth, PERSI has been a rapidly growing financial asset for the state that provides largescale net economic injections to the economy via the benefits paid to the state’s retirees. Benefit payments injected into the economy in 2023 exceeded $1billion, while contributions into PERSI’s fund were less than $830 million. The difference between the distributions from the fund and the payments into it represent an additional $250.5 million in household incomes, a portion of which are spent into Idaho’s network of supply chains, supporting businesses, additional employment incomes, and taxes. Figure E.2 shows how the benefits and contributions have evolved since 2016 and how the net financial injections continue to grow year-over-year.

Figure E.2: Annual Benefits Paid and Contributions Received



Source: PERSI

Table E.1 shows a more detailed explanation of PERSI’s 2023 financial processes and provides the basis for calculating the primary economic impacts on Idaho’s economy. While nearly $250.5 million in net injections are made from PERSI to households in Idaho, approximately $140.7 million are spent on in-state goods and service markets. The other $109.7 million is spent on importing goods and services.

Table E.1: Annual Benefits Paid and Contributions Received

Total Benefits Paid to All PERSI Retirees	$1,228,235,790
Benefits Paid Out-of-State	($148,238,213)
Total Benefits Paid to Idaho Residents	$1,079,997,577
Percentage paid to Idaho Residents	87.9%
Total Contributions	($829,534,052)
Net Injections to Idaho Household Income	$250,463,525
Out-of-State Spending	($109,745,258)
In-State Spending	**$140,718,267**
Percentage spending in-state	56.2%

Source: PERSI

In addition to the benefit payments PERSI also expends $9.6 million on its operational expenses. Those dollars go to pay for office supplies, employee wages, facilities etc. Combined, the net benefit payments and operational expenses enter the economy and generate the impacts outlined below.

Summary Results

Table E.2 shows how PERSI's operational expenses and net benefit payments enter and flow through Idaho's economy, generating successive rounds of spending and income. In total, Idaho's GRP in 2023 was $149.8 million higher than it would have been in the absence of PERSI. This economic activity supported roughly 1,508 FTE jobs in the state through the generation of $80.5 million in additional household income.

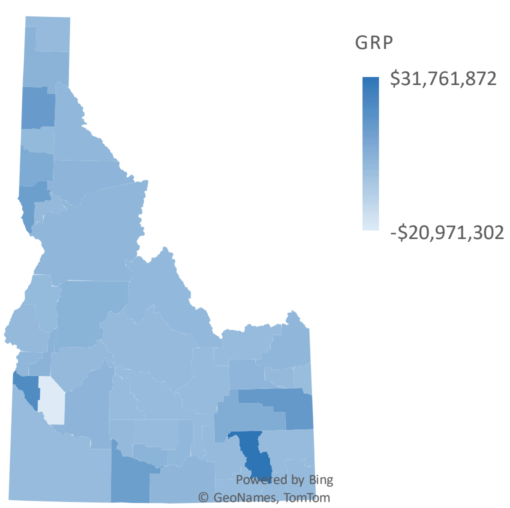
Table E.2: Annual Benefits Paid and Contributions Received

Effect	Sales	GRP	Income	Jobs
Direct	$9,622,476	$4,811,857	$2,589,302	31
Indirect	$4,975,246	$2,203,006	$1,390,281	23
Induced	$253,913,380	$142,803,344	$76,550,259	1,454
Total	**$268,511,102**	**$149,818,208**	**$80,529,842**	**1,508**

Source: Author's Calculations

While the state as a whole benefits substantially from PERSI, those impacts were uneven across the state. Ada and Teton Counties, arguably the wealthiest counties in the state, lost direct economic activity because of PERSI, though they likely recovered those dollars via indirect expenditures. Retirees in canyon county for example, likely spend a portion of their income in Ada County since Boise is a central economic hub.

Figure E.3: County Level GRP Impacts of PERSI by County



Source: PERSI

Conclusions

Early investments in PERSI are now paying off for Idaho. While this analysis focuses on the change in economic activity (e.g. jobs and gross state product (GSP)) as a result of PERSI, the value of PERSI's portfolio represents a sizable $20.7 billion, financial asset for the state, even when not considering the Firefighters' Retirement Fund ($471.4 million) or the Judges' Retirement Fund ($111.0 million). Several Idaho retirees stay in state, resulting in the majority of PERSI's benefit distributions remaining in the state. These dollars are largely expended on Idaho businesses and work their way through the supply networks generating successive rounds of spending and income for other Idaho residents.

The net injections to the Idaho Economy from PERSI's operations contribute **1,508 jobs annually** and added **$149.8 million to Idaho's Gross State Product in 2023**. All but two counties, Ada and Teton, saw net positive economic impacts as a result of PERSI. The fund itself pays out in benefits more than it draws in through contributions but remains sustainable due to the returns it generates on its portfolio. In 2023, PERSI's net position improved by over $1.35 billion

Table of Contents

1. Introduction

In 2024 the PERSI Board saw the need to assess how the Public Employee Retirement System of Idaho (PERSI) was influencing the economy of the state. Michael Hampton, Executive Director of PERSI; along with Alex Simpson, Deputy Director of PERSI, approached Recon in October and scoped out a proposed study based on similar analyses done in other states. The goal of the study was not to look at the performance of the fund itself, but rather to assess how it was influencing and contributing to Idaho's GDP.

The approach in the study, therefore, is to 1) see what money is being drawn out of the state economy and being invested elsewhere via the fund, 2) what money from the fund is being injected into the economy and being spent within Idaho to create economic activity, 3) to assess how the management activities of the PERSI staff influence the counties in which staff are located (i.e., PERSI's operational effects), and 4) to understand the distributional effects by county, since not all counties contribute to or benefit from PERSI in the same proportions.

During the early years of PERSI, more money was being withdrawn from the state and being placed into the fund. Today, withdrawals from the fund exceed the direct payments into it. The management of the fund is such, that it continues to grow, even with the extra withdrawals for benefit payments. The net position of the fund between 2022 and 2023 rose by $1.35 billion, not including the Firefighters' Retirement Fund or the Judges' Retirement Fund, which both grew as well (see pg. 15 of the 2023 PERSI financial statement).

While innumerable alternative investment strategies exist, it is not within the purview of this study to assess how PERSI's impact on the state would evolve under a different management policy or a different investment schema. We simply wish to show what the fund contributes to the economy today in terms of measures of economic activity including financial transactions, GDP, household income, and employment. To do this we cannot stop at the direct injections of benefit payments, since those dollars are spent in the state and county economies and circulate generating income for non-retired Idaho citizens. In this regard the impacts of PERSI extend well beyond direct beneficiaries. It is these indirect financial interactions that we are trying to quantify. It is quite true that PERSI has a positive impact outside of Idaho's borders as well, as many of Idaho's residents spend their income outside of the state. That research will need to be addressed in a later analysis.

Chapter 2 will provide an overview of Idaho's economic data, PERSI data, and the IMPLAN economic data used for tracking transactions and supply networks throughout the state. Chapter 3 will focus on methodology and theory as well as discussing the interactions between statewide and county level analyses. Chapter 4 will discuss the impact results. Chapter 5 will provide concluding remarks. Much of the detailed data and county level overviews are provided in the Appendices.

2. Economic Data and Sources

The data used in this study were derived from three primary sources. PERSI's data provided the direct inputs to our modelling framework, outlining the county level benefits paid and contributions made each year, as well as the number of contributors and beneficiaries. Benefits, in the context of this report, reflect financial injections into the state and are the distributions of the fund. Contributions, on the other hand are moneys being paid into the fund and represent dollars that current employees are investing rather than spending within the state. Contributions in this context represent leakages to Idaho's economy today but will return with interest in future years. Those individuals contributing to the fund are still employed by the state, while those receiving benefits are retirees. Thus, the investors and the recipients are not the same population, though they both influence the impact of PERSI on the state in the same year and in opposite directions. All the data regarding contributors and beneficiaries came from PERSI staff. While some figures will be reported here, comprehensive tables can be found in Appendix 2.

The second data source on the Idaho economy came from IMPLAN, a data company that complies information on national and subnational geographies based predominantly on industry spending patterns. This data is based on federal and state sources and has at its core, the Bureau of Economic Analysis Input-Output tables. While IMPLAN is one of many data systems that reports Input-Output accounting data, it is at present the most widely available.[1] An outline of the Input-Output data and methodology is provided in chapter three of this report where the PERSI data and Input-Output methodologies are combined for producing results.

Lastly, we use BEA, Census, and other public and private data sources to understand the local and regional markets throughout Idaho. The following Idaho profile is built from such data and leans heavily on the theories of Walter Christaller and Walter Isard, the *de facto* fathers of regional economic science.

Idaho State Data

A Contrast of Urban Versus Rural

Idaho is a state with two economies: one urban and one rural. The rural economy is based on agriculture and other natural resource industries, while the urban economy is based on rapidly growing high-technology manufacturing and service companies. These two separate economies reflect Idaho's past, present, and future. The two economies both complement each other and compete for resources.

Urban areas have seen rapid economic growth and increases in population, particularly those regions with high-technology industries and related services. The growth of the rural regions and

[1] University of Idaho faculty, in conjunction with the Northwest Knowledge Network, are working towards an open-source version of these accounts. Much of this work will revert to those data systems upon their release.

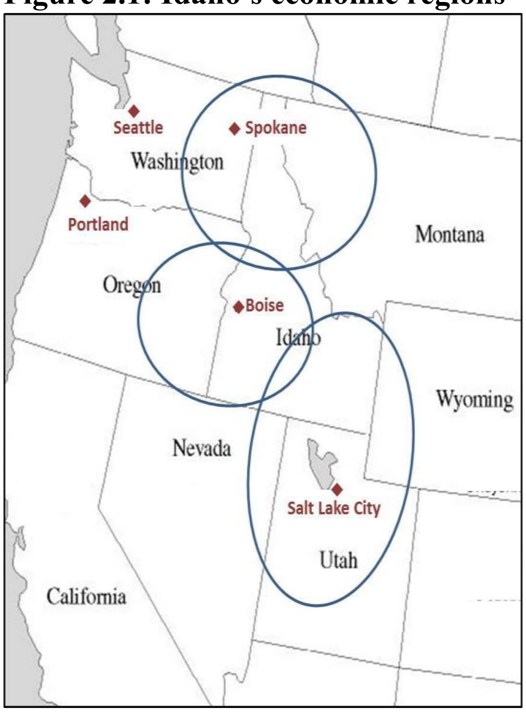
natural resource-based economies have been modest or negative. The most impoverished regions of the state tend to be the most rural. While both urban and rural areas have seen gains in their economies due to PERSI, the rural areas have seen greater activity relative to the urban areas.

Economic Boundaries of the State Sub-Regions

In terms of political boundaries, Idaho is a single state. In terms of economic boundaries, the U.S. Bureau of Economic Analysis divides the state of Idaho into three distinct economies. The first is the Boise economy, which includes eastern Oregon, southwest Idaho, and central Idaho. Second is the Spokane-Coeur d'Alene economy, comprising eastern Washington, northern Idaho, the southwestern region of Canada, and part of western Montana. Lastly is the Salt Lake City economy, which includes most of Utah, a portion of northwestern Nevada, and southeast Idaho. Political boundaries rarely coincide with the integrated economic regions focused on these market centers. A very geographically diverse state, Idaho is one of the largest U.S. states, ranking 11th by land area (or 14th including water). Idaho ranks 38th in terms of population according to the 2024 census, moving up one position from 39th place in the 2010 census.

Idaho's traffic and trade flows run east-west. North-south routes are inhibited by vast mountains and extremely rural settings. The northern Coeur d'Alene-Montana corridor is connected by the U.S. Interstate Highway 90. U.S. Interstate Highways 15, 86, and 84 link the southern Idaho region to the rest of the world. While the east-west highways are well kept, the north-south highways are greatly underdeveloped and often weather impaired.

Figure 2.1: Idaho's economic regions



A State of Change: Idaho State Economic Trends

Idaho population growth over the last decade was second fastest, only behind Utah, according to the 2020 census. Idaho was the fastest growing state in the U.S. cumulatively from 2020 to 2023 at 6.8%. Idaho's population increased by 1.3% (25,730 people) from 2022 to 2023, ranking fourth behind South Carolina, Florida, and Texas. Idaho was the fastest growing state in 2021, 2020, 2019, 2017, and second in 2018.

Looking further back, the state had an overall population increase of 29% between 1990 and 2000, compared to a 13% increase for the nation. Only the states of Nevada (66%), Arizona (40%), Colorado (31%), and Utah (30%) grew faster in that decade. In the following decade, from 2000 to 2010, Idaho grew 21%, ranking 4th in the nation. From 2010 to 2020, cumulatively Idaho’s population grew 17.3%, reaching 1,839,106 in 2020, according to the 2020 census.

Idaho’s spectacular growth in population has been unevenly distributed, although most counties have increased. Most of the growth occurred in the urban regions of Boise (i.e., Treasure Valley), the Coeur ‘d’Alene corridor (northern Idaho), and other urban pockets, while many rural regions grew slowly or experienced negative growth with a few exceptions. From 2010 to 2020, for example, the population of Ada County grew by 26.0%, followed by Canyon County (25.5%), Kootenai County (23.2%), Teton County (23.0%), Valley County (19.7%), and Bonneville County (17.1%) all according to the U.S. Census.

From 2010 to 2023, Ada County grew by 132,309 people (34%) and reached a total population of 524,673 (2023), and Canyon County reached 257,674. The Boise Metropolitan Statistical Area (MSA), which includes the counties of Ada, Canyon, Gem, Boise, and Owyhee, was home to a population of about 832,970 in 2023 and is projected by Lightcast to reach 1,041,254 by 2034. The Boise MSA contains about 42.4% of Idaho’s population and is the primary urban economic driver in Idaho.

The population growth indicates the desirability of Idaho and many regions are attracting “quality of life migrants,” which bring their retirement and outside incomes into the state. More importantly, Idaho is able to retain many of her retirees while many states shed employees after retirement. The retention of retirees results in PERSI benefit payments remaining in-state.[2]

Employment and Income Trends

As the population has grown, so has employment. Covered employment grew by 212,005 jobs from 2013 to 2023—a 34% increase. Total employment (including the self-employed workers) grew by 239,868 jobs: 731,683 jobs in 2013 increased to 971,551 jobs, or 33%, in 2023 (Figure 2.2 and Table 2.1). The construction industry had the greatest increase in jobs at 41,923 jobs (101% increase). Second was health care and social assistance with an increase of 31,707 jobs (36%). Third was accommodation and food services with 24,376 jobs (44% increase). There has been strong growth in all industries at various rates. The average earnings per job (i.e., wages and benefits) was $65,653 with a high of $147,435 (management) and a low of $26,400 (accommodation and food service) (Lightcast, Bureau of Labor Statistics).

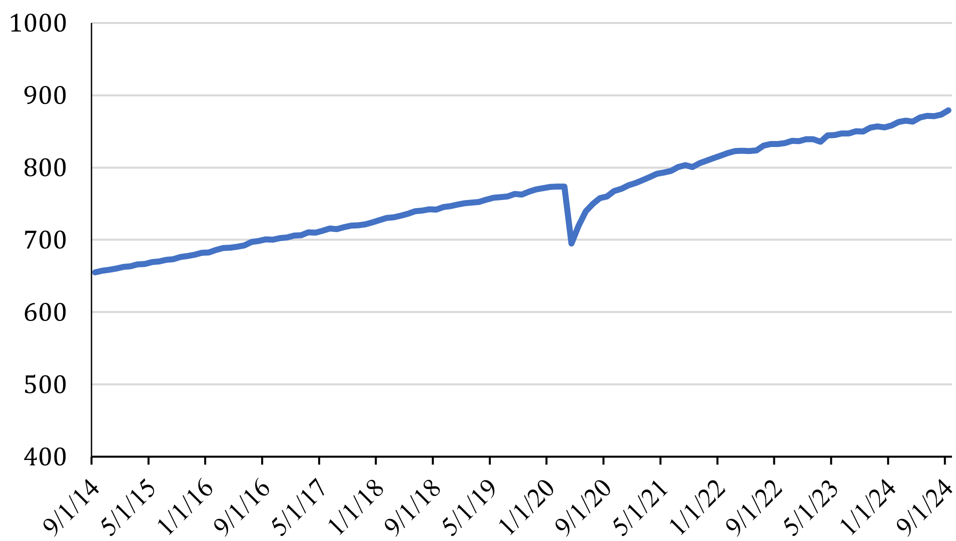
Idaho’s tourism, high technology services, general services, and health care have been increasing in economic importance. The traditional, natural resource industries have remained strong and

[2] Subsequent analysis will look into ranking of states in terms of the portion of their pensioners that stay in their state of employment and which states are therefore able to recuperate the majority of their portfolio payments.

provide an important base for future growth. Dairy, cheese, and yogurt manufacturing—now some of Idaho's most important agriculture-related sectors— has increased substantially in recent years.

Idaho's median household income was $73,910 in 2023, ranking 36th in the U.S. (Statista, U.S. Census). Historically, Idaho has ranked relatively low in median family income rankings but has been improving over the last couple of decades. Idaho also has a relatively low cost of living, stretching the earnings further than the raw statistics would suggest. The state has a relatively low unemployment rate (3.6% in September 2024), ranking 26th (Bureau of Labor Statistics).

Figure 2.2: Total Idaho Employment - 2014 to 2024 (Thousands)



Source: FRED, Bureau of Labor Statistics

Table 2.1: Idaho Employment Statistics by Industry, 2013 to 2023

Description	2013 Jobs	2023 Jobs	Change	% Change	Avg. Earnings Per Job	Number of Businesses
Agriculture, Forestry	32,260	34,772	2,512	8%	$57,502	2,603
Mining	2,690	2,964	275	10%	$110,417	231
Utilities	2,806	3,397	591	21%	$118,661	321
Construction	41,430	83,254	41,823	101%	$69,236	12,448
Manufacturing	62,188	78,019	15,831	25%	$86,252	3,838
Wholesale Trade	29,042	35,889	6,847	24%	$98,191	5,122
Retail Trade	82,227	98,792	16,564	20%	$46,600	7,167
Transportation/Warehousing	21,068	33,693	12,625	60%	$65,539	2,814
Information	9,713	10,489	776	8%	$101,842	2,838
Finance and Insurance	23,040	32,296	9,256	40%	$100,892	5,118
Real Estate	9,904	16,276	6,373	64%	$65,930	3,989
Professional, Scientific, Services	37,343	59,262	21,919	59%	$99,461	13,551
Management	5,435	8,431	2,996	55%	$147,435	590
Waste Management	44,751	54,729	9,977	22%	$56,838	5,877
Educational Services	14,893	22,223	7,330	49%	$35,946	1,563
Health Care/Social Assistance	86,920	118,627	31,707	36%	$66,414	10,878
Arts, Entertainment/Recreation	10,824	18,597	7,772	72%	$33,226	1,346
Accommodation/Food Services	55,066	79,442	24,376	44%	$26,184	5,021
Other Services	34,410	42,223	7,812	23%	$38,250	5,377
Government	125,672	138,093	12,421	10%	$69,404	2,754
Total	731,683	971,551	239,868	33%	$65,653	201

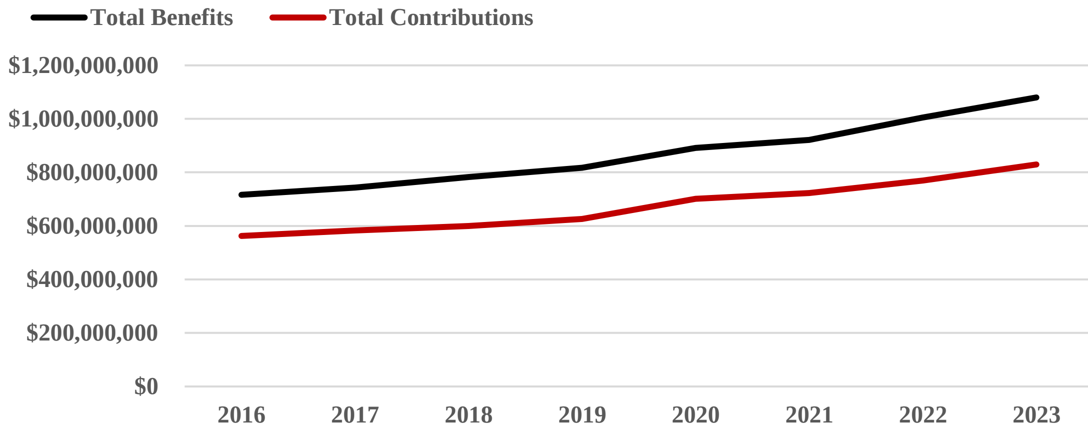
Source: Lightcast

PERSI Data

Portfolio Contributions and Benefit Distributions

PERSI paid out $1.08 billion in benefits throughout the 2023 fiscal year to 47,349 Idaho resident retirees, with an additional $148.24 million to 8,119 out-of-state retirees. Average monthly benefits came to $1,900 for in-state retirees and $1,521 for out-of-state retirees. Nearly 88% of all direct annual payments stayed inside Idaho. The majority of retirees, 12,670, are located in Ada County with Canyon and Kootenai Counties coming in second and third at 4,824 and 3,517 respectively. The contributions to the PERSI fund in 2023 were $829.5 million. Active base plan members were 76,668, the majority of which, 44,627, are vested. The net difference in dollars withdrawn from the state economy and into the fund, contributions, and the injections into the state economy, through benefit payments to retirees, was $250.5 million. These net injections become direct gains (i.e., direct impacts) on the state's economy. Even though total benefits paid routinely exceed total contributions made (see Figure 2.3), the interest on the contributions more than covers the direct portfolio deficits, leading to a net gain in the portfolio balance.

Figure 2.3: Annual Benefits Paid and Contributions Received



Source: PERSI

Figure 2.4 shows a map of Idaho where higher net benefits injected into each county result in darker shading. The full data table may be found in Appendix 2 Table 2. Ada and Teton counties were the only counties that saw negative net benefit numbers, i.e., higher contributions than benefits. However, as described in Figure 2.1, Ada County, likely benefit indirectly as spending from the surrounding counties flows into the Bosie region as out-of-county beneficiaries spend a portion of their retirement income within Boise. In short, the negative direct effect is likely outweighed by the indirect spending effects from the surrounding counties within the Bosie MSA central place hierarchy. The magnitudes of those transfers will be the subject of future research.

Portfolio Management Contributions

It is not only the benefits (net distributions) that influence the counties. The management and operations of PERSI also result in income payments to employees. The spending of PERSI for operational expenses and staff wages also contributes to the economy. What is being measured here does not include payments to external fund managers and related custodial expenses. Table 2.2 shows the 2023 PERSI operating expenditures by regional office. PERSI has employees and offices in Ada County (Boise), Bannock County (Pocatello),[3] and Kootenai County (Coeur d'Alene).

Table 2.2: Operational Expenses by PERSI Regional Office

Boise Office	$9,337,698.41
Pocatello Office	$184,739.89
Coeur D'Alene Office	$100,038.19
Total Operating Expenses	***$9,622,476.49***

Source: PERSI

These expenditures are considered to be net injections into each county. They are paid out from the fund as appropriated by the Idaho legislature. As will be discussed in the following chapter, these dollars flow through the local economies in a far different fashion than the net injections

[3] Technically Pocatello is also part of Power County operating on the Fort Hall Indian Reservation. This nuance is omitted for the sake of simplifying the economic model.

from the portfolio itself. This is mainly because these dollars function as business expenditures, rather than retiree or household incomes. Table 2.3 shows the distribution of PERSI employees by County of Residence. Clearly Ada County is the dominant location of operations both in terms of business expenditures and employment. Many of the employees stationed in surrounding counties commute to the primary office described in Table 2.2.

Table 2.3: Number of PERSI Employees by county of Residence

County	# of Employees
Ada	64
Bannock	7
Bingham	1
Bonneville	1
Canyon	7
Elmore	1
Kootenai	3
Total Employment	***84***

Source: PERSI

IMPLAN Data

The IMPLAN Data forms the basis of our Input-Output analysis and is compiled of several public and private sources. Primary data sources include the National Income and Product Accounts (NIPA). This is where the general economic data such as total employment, GDP, capital investment, and personal consumption data are sourced. These are combined with the BEA Benchmark I-O tables which provide national industry level production functions, often described by economists as technology. The BEA also provides a host of state and sub-state level information on the economy: farming outputs, state tax levels, deflators, etc.

Data from the Department of Agriculture is used to determine county and farm sector productions. These and other specialized industries (US Forest Service, Railroad Retirement Board, National Center for Education Statistics, and more) are used to refine the industry transaction accounts as well as some of the inter and intra-regional trade.

The Bureau of Labor Statistics, particularly the quarterly census of employment and wages (QCEW), provides the core employment and earnings data by industry. This allows IMPLAN to more accurately report the labor factor embedded in each industry's production technology.

One of the other large and key public databases in the IMPLAN data production process is the Census Bureau and Department of Commerce data sets. These data provide the number of establishments by industry type (County Business Patterns) and the foreign and domestic import and export data. This data is key to understanding the interdependence of economies on one another. If someone in Idaho buys a Toyota, the amount of money retained by the local auto retailer, the amount going to local or non-local energy production, whether the car was manufactured in Texas, Mississippi, or Kentucky, the portion of the transaction returning to Japan as corporate profits, etc are all based on the data in these government information sets.

IMPLAN does have an algorithm by which these data sets are integrated for producing the Input-Output accounts, though that manual has not been updated for many years. Thus, some of their processes are now considered trade secrets and/or copywritten. However, the overall process is utilized by all major providers of regionalized Input-Output accounts.

3. Theory and Methodology

Input-Output Theory

The system of accounts known as Input-Output (I-O) represents an economist's version of double-entry bookkeeping for industries. Figure 3.1 below shows a simplified version of an I-O matrix with just a hand full of industries. Each cell in this table of accounts is populated by dollar transactions.

Figure 3.1: Example System of Input-Output Accounts

		Producers as Consumers						Final Demand			
		Agric.	Min.	Const.	Manuf.	Services	Other	Households	Investment	Government	Net exports
Producers	Agric.										
	Min.										
	Const.										
	Manuf.										
	Services										
	Other										
Value Added	Labor							Gross Domestic Product			
	Returns to Capital										
	Taxes										

Reading down a column of this table shows what inputs an industry is buying in order to produce their output. The mining column, for example, may buy construction services for roads; trucks, signage, and heavy equipment are purchased from the manufacturing sector, and legal and accounting services from the service sector. They will also purchase imports. Payments to mine employees are captured in the "Labor" row. Payments must be made to owners of capital, and the industry pays taxes to the government. Reading across a row tells us where an industry's income originates. Sticking with mining, virtually all of the revenue would derive from selling minerals outside of Idaho, i.e., exporting the minerals via the "Net exports" column.

In the case of PERSI this is slightly different. The injections come as payments to households. These injections to household income result in purchases within the local economies. This is a direct income injection that results in additional sales in the economy. Economists say this is an increase in exogenous final demand. Only a portion of these direct income injections are spent locally. A large portion of the spending goes to the purchase of imported goods. Only approximately \$140.7 million of the net \$250.5 million are spent within the Idaho supply chains.

Adding up all the labor, capital, and tax payments for all industries gives the sum of all value added and will equal Gross State Product (GSP). Similarly, summing all of the expenditures of households, government, investment, and net exports yields the same GSP. These two methods of calculating GSP are known as the Income and Expenditure approaches, respectively, and they represent a check for ensuring all accounts balance. It is through the I-O system that we are able to trace the dollars through the economy and calculate multiplier effects on new dollars entering the state.

However, it is only through attracting new dollars into the economy that PERSI will generate positive impacts. Economists distinguish between industries that are export-oriented and those that serve the local economy, recirculating the dollars once they are in the economy. We call export-oriented industries "basic" and resident serving industries "non-basic." The mining sector from our example is considered basic, as local residents are not buying directly from the mine and the majority of the product is exported. The basic industries that bring dollars into the economy support the non-basic industries, which could not exist locally without the income from exports. As such, the employment contributions of basic industries support more than the direct employment within the industry. One of the key issues at stake here is whether PERSI is a basic industry that brings in more dollars than it causes to leak out of the economy through dollars invested into the PERSI portfolio. Dollars invested via PERSI are dollars that current state employees are not spending within Idaho. Those dollars "leak" out of the economy. However, as

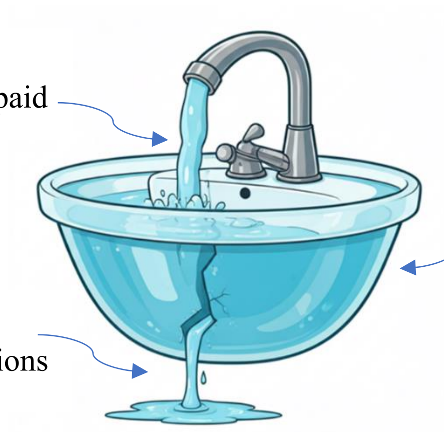
Basic vs. Non-Basic Impacts: Which Industries Support the Economy?

A small rural town may seem to have a large retail trade sector in terms of employment, while the number of employees engaged in natural resource industries is fairly low, and often seasonal. However, the natural resource industries are exporting their product and bringing money into the economy. The retail trade sector is predominantly serving residents. In this story, it is the loggers, farmers, ranchers, and miners that are supporting the economy, and the retail shops are retaining the money generated within the economy. However, it should be clear that the natural resource-based industries would continue to exist in the absence of the retail shops, while the barbers, bakers, and clothing store clerks would not be likely to stay in the absence of the farms etc. In this setting, the non-basic retail jobs rely on the basic natural resource jobs. The employment impacts, including many of the schoolteachers and retail employees, would be attributed to the basic agricultural industries.

PERSI takes money from the fund and pays benefits to retirees within the state, it is injecting dollars from outside of Idaho back into Idaho. When these injections exceed the leakages PERSI has a net positive impact on the state.

It is worth going through the thought experiment of the first year PERSI was enacted as a savings plan for state employees. In that year employees invested in the fund, but no distributions were made. The story is likely the same in the second and several subsequent years. In those years the leakages exceeded the injections, resulting in a net outflow of dollars from the state. As retirees began drawing on their pensions, the economy started to benefit from net inflows. Now, in 2024, the injections (via benefits) exceed the leakages (contributions) by a large margin (see Figure 2.3 above).

We encourage readers to think of these injections and leakages like a basin filled with water. The distributions, or benefit payments, represent a flow value of water into a sink. Contributions into the fund represent a flow value leaking out of the sink. If the water coming into the basin



exceeds the water leaking out the bottom, the economy is filing up. The water in the sink (the "impact" of PERSI) is a stock value. Note that contributions to the fund are not the only leakages out of the economy, death and out-migration from the state by past employees will also cause the in-flow values and the stock value to adjust. As long as the fund exists and retirees in Idaho are able to draw on it, there will be water in the basin i.e., a positive impact. In the early years of the program that was not the case. Investments often require a period of building before they generate returns.[4] In the early days PERSI was drawing money out of the economy, essentially taking money from other portions of the economy. Because of those early investment PERSI today is paying the economy back with interest. When we measure the *impacts,* we do not measure the full amount of economic activity within the state as a result of PERSI. If we stick with our analogy, we are not measuring how much water is in the basin. We are only measuring how much new water was added in the year. We also measure the ripples it created in the economy as it circulated. Net new money is injected into the economy and circulates through the state's supply chains, creating ripples of buying and spending throughout the economy.

It is important to recognize that money flowing out of the fund, and into Idaho, exceeds the money being contributed to the fund, and leaving Idaho. This process would not be sustainable in the long run if it were not for the return on investment PERSI is able to generate on the portfolio. In 2023 those returns exceeded $1.3 billion dollars, and reflect the long-run sustainability of PERSI.

[4] It is important to understand that measuring economic activity via an Input-Output model is not the same as assessing the return on an investment. The concepts are entirely different as impacts are measured on an annual bases and investments are often measured in terms of the present value of a multi-year time horizon. In this case one is not derived from the other.

Methodology

Determining Direct Effects

As stated previously, the net dollars injected into the economy via PERSI increase household income. This is the primary driver of the impacts PERSI has on the state. However, the operational spending of PERSI functions as more of a traditional industry. The administrative side of PERSI is required to pay employees, purchase office supplies, pay for facilities, electricity, and other traditional business expenses. The I-O accounts capture these expenditures in the "Other State Government Enterprises." Since these operational expenses are direct expenditures within the Idaho economy, we are able to model them as traditional sales expenditures, similar to the mining example outlined above. The question is "what is the activity that is bringing these dollars into the Idaho economy?" In the case of mining, agriculture, manufacturing, services, etc. it is clear that minerals, raw food, manufactured goods, and various services are exported *from* Idaho to bring dollars *into* Idaho. In the case of PERSI, an invoice is issued to the state, and the state issues the funds to be expended. These state dollars are considered exogenous to each of the counties where the dollars are spent.

Determining Multiplier Effects

The multiplier effects are estimated as the spending from the direct effects goes through rounds of additional spending in the local economy. The purchase of office supplies by PERSI or the purchase of household goods by retirees, set off a chain reaction of purchases throughout the regional, state, and up through even the international supply chains. These multiple rounds of spending are captured by the I-O model and are broken into two categories: indirect and induced effects, collectively referred to as the multipliers.

Indirect effects: those rounds of spending stemming from the direct business-to-business expenditures within the local supply networks.

Induced effects: those rounds of spending stemming from the direct payroll and subsequent household-to-business expenditures within the local supply networks.

Sales vs. Value-added

A way to explain why sales overstates impacts is to imagine individuals spending money in a regional economy. Suppose an individual spends $40,000 on a new truck. Another individual spends the same amount on an appendectomy at the regional hospital. From a sales perspective, the impacts are the same, $40,000. However, from a value-added perspective the purchase of the truck provides less to the regional economy. Perhaps $30,000 of the truck purchase had to immediately go to the manufacturer back in Detroit or Japan. Conversely, the appendectomy at the hospital probably saw most of the spending stay local as income to the doctors, nurses and hospital staff. Perhaps only $10,000 leaves the region for importing of capital assets like the hospital bed, scalpels, etc. From a value-added perspective, the hospital is more valuable than the auto dealership even though they are equivalent from a sales perspective.

Because the injections of PERSI through payments to beneficiaries are all captured via household-to-business transactions, all of those payments are captured as induced effects, even though they came from “direct” injections. The PERSI operational effects have direct, indirect, and induced components.

4. Results

Direct effects

PERSI paid out a total of $1.23 billion in benefits during the 2023 fiscal year. Only $148.24 million went to out-of-state beneficiaries. The remaining $1.08 billion, 87.9% of the total, went to Idaho beneficiaries. This averaged $1,845 in monthly benefit payment per recipient. Total contributions, dollars being withdrawn from the economy, in FY 2023 amounted to $829.53 million. The net difference was $250.46 million in financial injections to household incomes. Of the $250.46 million, $140.72 million was spent directly in Idaho, with the residual going to the purchase of household imports. The $140.72 million circulated through the Idaho economy generating multiplier effects as it became spending and income within the state's supply chains.

Table 4.1: Calculation of Direct In-State Spending from PERSI Benefits

Total Benefits Paid to All PERSI Retirees	$1,228,235,790
Benefits Paid Out-of-State	($148,238,213)
Total Benefits Paid In-State	$1,079,997,577
Percentage paid to Idaho Residents	*87.9%*
Total Contributions	($829,534,052)
Net Injections to Idaho Household Income	$250,463,525
Out-of-State Spending	($109,745,258)
In-State Spending	**$140,718,267**
Percentage spending in-state	*56.2%*

Source: PERSI and Author's Calculations

All of the $9.62 million in operational spending is also spent on in-state purchases. The traditional measure of direct effects would be $150.34 million. Though the direct, indirect, and induced effects from the benefit payments are all reported under the induced measure since all expenditures derived from PERSI benefit payments start as household purchases and are thus captured under the household-to-business measure.

Multipliers

Once all of the multiplier spending works its way through the states supply chains a total of $268.51 million in transactions have occurred. These are the Sales within the state that derived from the net operations and benefits that would not have occurred but for PERSI. The multipliers on the $150.34 million in initial injections to Idaho generated another $118.17 million. The 1.78 multiplier is smaller than the typical industry multiplier for Idaho, 2.9. This is largely due to the fact that the benefits paid are injections to household incomes and are not associated with industry production input purchases.

Total Economic Impacts

Table 4.2 shows the Direct, Indirect, and Induced economic effects associated with PERSI at the state level. Note that the large Induced effects are a result of the benefits all being captured under this measure. The impacts are broken out by various economic measures: Sales, Gross State Product (GSP), Income, and Jobs. Technically the GSP figure represents impacts, as this measure removes double counting (See the Sales vs. Value-Added textbox in the previous chapter). Income, particularly the induced income measure of $76.55 million is income derived from operations and benefits spending, i.e., it does not include the net income from the "direct" benefit payments from PERSI.

Table 4.2: Total 2023 Impacts from PERSI by Effect and Economic Measure.

	Sales	GSP	Income	Jobs
Direct	$9,622,476	$4,811,857	$2,589,302	31
Indirect	$4,975,246	$2,203,006	$1,390,281	23
Induced	$253,913,380	$142,803,344	$76,550,259	1,454
Total	**$268,511,102**	**$149,818,208**	**$80,529,842**	**1,508**

Source: PERSI and Author's Calculations

Based on Table 4.2 we can say that without PERSI the 2023 Idaho economy would have been $149.8 million smaller than was realized. The labor force would have been approximately 1,500 jobs smaller, and households would have had $80.5 million less in income. The average income associated with PERSI impacts was $53,402. This is lower than the $65,653 average income reported in Table 2.1, which is not surprising since what is captured is derived from retirees who typically have lower average expenses than traditional workforce participants. Recognize the PERSI's true value to Idaho extends beyond these tangible financial measures. It provides stable retirement funds for Idaho's retirees. Without this, many state employees might not have saved enough for their retirement and become entirely dependent on Social Security and other federal programs. This serves to protect Idaho from becoming increasingly dependent on federal sources.

County Level Results

The county level analysis poses some difficulties. Traditionally I-O analysis is designed to consider functional economic areas, such as those discussed in chapter 1. A single county may export goods to other counties within the state and thus draw dollars into the county economy without drawing new dollars into the state as a whole. All the counties in Idaho manifest trade with one another, often referred to by economists as "cross hauling.[5]" This redistribution of county dollars is not reflected in the statewide impacts, i.e., the sum of the parts will not equal the whole. To address this issue surrounding the intra-state transfers, we ran the net county benefits from PERSI, including operational spending for Ada, Bannock, and Kootenai counties,

[5] Cross hauling refers to two regions that trade a single good. A prime example of this might be England shipping Earl Gray tea to China, and China shipping Oolong Tea to England. Tea flows both directions, presumably because of differentiations in products.

and summed the total "county impacts." Each county's impacts were then scaled to match the state totals reported above. This addresses any concerns of double counting through multi-regional spillover effects and ensures the values reported at the county level reconcile with the state totals.

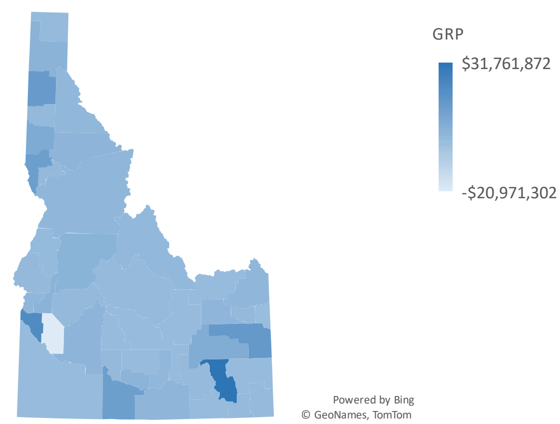
Because nearly all of the impacts, both for the state and counties occur as induced impacts, we report the total Gross Regional Product impacts by county. The Sales, Income, and Jobs numbers by county are reported in the Appendix 3 where are county economic profile is also provided. One of the interesting takeaways from the county level analysis is that Bannock, not Ada County, is the primary beneficiary of PERSI. In fact, every county in Idaho benefits more from PERSI than does Ada. At this point in time only Ada and Teton Counties saw less economic activity as a result of PERSI.

Table 4.3: County Level Impacts of PERSI

Counties	GRP	Counties	GRP
Ada	-$20,971,302	Gem	$3,758,517
Adams	$918,594	Gooding	$1,161,092
Bannock	$31,761,872	Idaho	$2,148,452
Bear Lake	$842,612	Jefferson	$2,417,114
Benewah	$1,357,930	Jerome	$3,319,287
Bingham	$6,848,035	Kootenai	$14,378,064
Blaine	$89,616	Latah	$7,522,224
Boise	$1,151,312	Lemhi	$1,708,567
Bonner	$3,672,902	Lewis	$1,044,670
Bonneville	$15,283,256	Lincoln	$265,516
Boundary	$884,182	Madison	$1,013,558
Butte	$130,563	Minidoka	$2,010,843
Camas	$244,526	Nez Perce	$12,824,948
Canyon	$21,292,949	Oneida	$429,816
Caribou	$465,955	Owyhee	$293,426
Cassia	$2,678,274	Payette	$2,225,492
Clark	$38,142	Power	$608,861
Clearwater	$2,843,923	Shoshone	$1,942,676
Custer	$775,008	Teton	-$586,570
Elmore	$2,781,473	Twin Falls	$12,614,099
Franklin	$619,987	Valley	$4,044,016
Fremont	$2,248,327	Washington	$1,085,312

Source: P ERSI and Author's Calculations

Figure 4.1: County Level Impact



Source: PERSI and Author's Calculations

5. Conclusions

Early investments in PERSI are now paying off for Idaho. While this analysis focuses on the change in economic activity as a result of PERSI, the value of PERSI's portfolio represents an enormous, $20.7 billion, financial asset for the state, not including the Firefighters' Retirement Fund ($471.4 million) or the Judges' Retirement Fund ($111.0 million). Idaho retains most of her state employment retirees, which results in the majority of PERSI's benefit distributions remaining in the state. These dollars are largely expended on Idaho businesses and work their way through the supply networks generating successive rounds of spending and income for other Idaho residents.

PERSI distributed a total of $1.23 billion in retirement benefits, with $1.08 billion (87.9%) retained in Idaho, averaging $1,845 per recipient per month. After accounting for contributions, a net financial injection of $250.46 million bolstered Idaho's household incomes. Of this, $140.72 million was spent directly within the state, initiating a cascade of economic activity through local supply chains and household consumption expenditures.

Including operational spending, the total direct in-state spending reached $150.34 million. This expenditure generated additional multiplier effects, resulting in $268.51 million in total economic transactions. The 1.78 multiplier reflects the unique nature of benefit payments as household income injections, which differ from traditional industry multipliers. Without PERSI, Idaho's gross state product in 2023 would have been $149.8 million smaller, with households earning $80.5 million less and approximately 1,500 fewer jobs in the state.

Table 5.1 summarizes these results and shows how PERSI's operational expenses and net benefit payments enter and flow through Idaho's economy, generating successive rounds of spending and income.

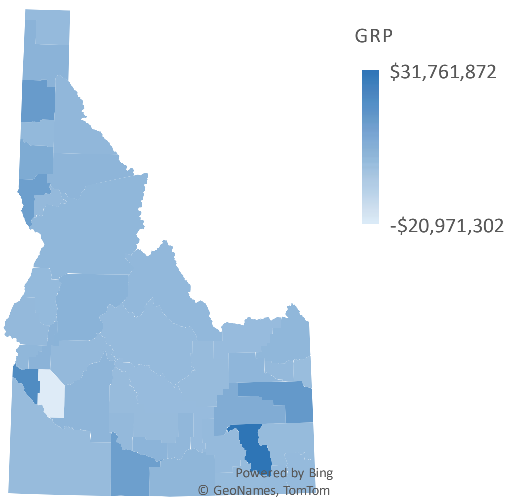
Table 5.1: Annual Benefits Paid and Contributions Received

Effect	Sales	GRP	Income	Jobs
Direct	$9,622,476	$4,811,857	$2,589,302	31
Indirect	$4,975,246	$2,203,006	$1,390,281	23
Induced	$253,913,380	$142,803,344	$76,550,259	1,454
Total	**$268,511,102**	**$149,818,208**	**$80,529,842**	**1,508**

Source: Author's Calculations

While the state as a whole benefit substantially of PERSI, those impacts were uneven across the state. Ada and Teton Counties, arguably the wealthiest counties in the state, lost direct economic activity because of PERSI, though they likely recovered those dollars via indirect expenditures. Retirees in canyon county for example, likely spend a portion of their income in Ada County since Boise is a central economic hub. Ada county saw $359.6 million in contributions to PERSI and $332.5 million in benefit payments, resulting in a total leakage of $27.1 million in 2023. Teton County saw $4.1 million in contributions and $3.0 million in benefit payments, resulting in total leakages of $1.04 million in 2023. There are two reasons for these leakages. One reason is because employees leave these counties after retirement and migrate to counties with lower costs of living. This helps retirees stretch their retirement dollars further. The second reason for these deficits are that these are rapidly growing counties, resulting in more employees than retirees. It is likely that as growth rates slow, the current labor market will begin to retire, and the "sink will start to fill," i.e., the benefit payments will start to exceed the contributions in these counties.

Figure E.3: County Level GRP Impacts of PERSI by County



Source: PERSI

Beyond the quantitative economic impacts, PERSI's broader implications underscore its critical role in supporting Idaho's retirees. By providing stable retirement funds, PERSI reduces the potential reliance on federal assistance programs like Social Security, thereby alleviating pressures on both individual retirees and public safety nets. This stability contributes to the economic resilience of Idaho households and, by extension, the state's economy.

PERSI's benefits extend beyond mere financial injections. The program has been shown to enhance regional economic stability, support household spending, and contribute to job creation, demonstrating its role as a pivotal element in Idaho's economic landscape. As the state continues to grapple with economic uncertainties and demographic changes, maintaining and strengthening PERSI's efficacy will remain essential for sustaining economic growth and enhancing quality of life for Idaho's residents.

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Appendix 2: Raw PERSI Data

Table A.2.1: County Level Benefits Paid, Retirees Counts, and Average Monthly Benefits

County	Benefits Paid (millions)	Retiree Count	Average monthly Benefit
Ada	$332.47	12,670	$2,186.74
Adams	$4.04	213	$1,581.10
Bannock	$75.22	2,985	$2,099.97
Bear Lake	$4.37	271	$1,343.72
Benewah	$6.00	328	$1,524.95
Bingham	$28.85	1,387	$1,733.46
Blaine	$13.52	490	$2,299.46
Boise	$6.08	289	$1,753.65
Bonner	$20.73	1,075	$1,606.62
Bonneville	$63.86	2,608	$2,040.62
Boundary	$5.39	346	$1,298.86
Butte	$1.56	102	$1,277.34
Camas	$1.27	60	$1,770.27
Canyon	$104.32	4,824	$1,802.09
Caribou	$4.38	251	$1,455.51
Cassia	$14.20	721	$1,641.28
Clark	$0.75	39	$1,597.84
Clearwater	$9.50	484	$1,635.00
Custer	$3.09	174	$1,479.73
Elmore	$14.44	712	$1,689.88
Franklin	$5.37	324	$1,382.36
Fremont	$10.21	514	$1,655.35
Gem	$12.62	632	$1,664.43
Gooding	$9.77	526	$1,547.17
Idaho	$9.74	566	$1,434.14
Jefferson	$14.83	739	$1,672.10
Jerome	$9.55	489	$1,627.06
Kootenai	$77.85	3,517	$1,844.62
Latah	$37.86	1,538	$2,051.59
Lemhi	$6.25	356	$1,461.91
Lewis	$4.20	217	$1,611.77
Lincoln	$3.31	165	$1,672.68
Madison	$12.98	608	$1,778.72
Minidoka	$11.38	622	$1,525.15
Nez Perce	$34.47	1,448	$1,983.78
Oneida	$3.15	163	$1,608.27
Owyhee	$4.76	292	$1,358.83
Payette	$11.38	563	$1,684.62
Power	$5.21	256	$1,695.26
Shoshone	$9.12	526	$1,444.43
Teton	$3.02	158	$1,590.80
Twin Falls	$46.55	2,101	$1,846.47
Valley	$13.72	545	$2,098.20
Washington	$8.65	455	$1,583.41
Total Benefits Paid to Idaho Residents:	**$1,079,997,577**	**47,349**	**$1,900.78**
Benefits Paid Out-of-State	**$148,238,213**	**8,119**	**$1,521.52**
Total Benefits Paid to All Retirees:	**$1,228,235,790**	**55,468**	**$1,845.26**

Table A.2.2: Benefits Paid by County and Year (Millions of Dollars)

County	2016	2017	2018	2019	2020	2021	2022	2023
Ada	$221.08	$228.30	$240.82	$250.07	$279.86	$282.39	$308.16	$332.47
Adams	$2.79	$2.80	$2.95	$3.05	$2.91	$3.46	$3.86	$4.04
Bannock	$50.89	$52.30	$55.20	$57.69	$64.89	$65.57	$70.91	$75.22
Bear Lake	$2.90	$1.50	$3.38	$3.52	$4.21	$4.06	$4.20	$4.37
Benewah	$4.08	$4.20	$4.30	$4.03	$4.25	$4.65	$5.42	$6.00
Bingham	$19.65	$22.00	$21.27	$21.51	$22.76	$24.45	$26.74	$28.85
Blaine	$6.65	$7.70	$7.93	$8.84	$9.30	$10.39	$12.10	$13.52
Boise	$3.80	$3.90	$4.05	$4.33	$4.85	$5.14	$5.65	$6.08
Bonner	$12.51	$12.90	$13.64	$15.03	$15.85	$17.10	$19.06	$20.73
Bonneville	$41.95	$44.60	$46.80	$49.30	$53.53	$54.45	$59.78	$63.86
Boundary	$3.71	$3.90	$4.15	$4.19	$4.12	$4.67	$5.09	$5.39
Butte	$0.91	$1.00	$1.08	$1.25	$1.28	$1.46	$1.42	$1.56
Camas	$0.78	$0.80	$0.87	$0.81	$0.93	$0.98	$1.11	$1.27
Canyon	$64.30	$66.50	$70.69	$76.42	$82.16	$87.29	$96.23	$104.32
Caribou	$3.79	$3.80	$3.80	$3.69	$3.79	$3.78	$4.17	$4.38
Cassia	$10.20	$10.40	$10.99	$11.31	$11.86	$12.35	$13.42	$14.20
Clark	$0.53	$0.60	$0.53	$0.59	$0.65	$0.66	$0.74	$0.75
Clearwater	$6.05	$5.80	$6.49	$7.04	$7.42	$8.05	$8.75	$9.50
Custer	$2.20	$2.30	$2.39	$2.44	$2.85	$2.82	$2.98	$3.09
Elmore	$10.43	$10.60	$10.93	$11.43	$12.06	$12.84	$13.47	$14.44
Franklin	$4.21	$4.30	$4.56	$4.57	$4.88	$4.63	$5.05	$5.37
Fremont	$6.41	$7.10	$7.35	$7.86	$8.15	$8.68	$9.45	$10.21
Gem	$9.08	$9.30	$9.73	$10.23	$10.50	$11.24	$11.87	$12.62
Gooding	$6.84	$7.10	$7.39	$7.83	$8.65	$8.68	$9.32	$9.77
Idaho	$6.25	$6.50	$7.03	$9.16	$7.57	$8.11	$8.95	$9.74
Jefferson	$9.35	$9.90	$10.67	$11.21	$12.05	$12.60	$13.55	$14.83
Jerome	$6.95	$7.00	$7.16	$7.25	$7.55	$7.92	$8.96	$9.55
Kootenai	$50.84	$52.50	$55.55	$58.50	$62.78	$65.77	$71.94	$77.85
Latah	$26.43	$27.50	$28.56	$29.34	$32.20	$33.62	$35.80	$37.86
Lemhi	$4.44	$4.30	$4.62	$4.66	$5.26	$5.37	$5.78	$6.25
Lewis	$3.23	$3.20	$3.03	$1.24	$3.36	$3.73	$3.99	$4.20
Lincoln	$2.14	$2.30	$2.47	$2.49	$2.48	$2.65	$2.89	$3.31
Madison	$9.00	$9.50	$9.90	$9.99	$10.82	$11.47	$12.08	$12.98
Minidoka	$7.60	$7.60	$7.91	$8.26	$8.83	$9.86	$10.80	$11.38
Nez Perce	$23.12	$24.10	$25.22	$25.51	$28.66	$29.31	$32.20	$34.47
Oneida	$2.05	$2.00	$2.13	$2.23	$2.40	$2.56	$2.73	$3.15
Owyhee	$2.90	$3.30	$3.31	$3.50	$3.44	$3.85	$4.29	$4.76
Payette	$7.15	$7.50	$7.81	$8.19	$8.84	$9.56	$10.74	$11.38
Power	$3.99	$4.10	$4.08	$4.03	$4.54	$4.58	$4.86	$5.21
Shoshone	$6.97	$7.50	$7.81	$8.24	$8.52	$8.35	$8.90	$9.12
Teton	$1.89	$2.00	$2.05	$2.22	$2.25	$2.35	$2.80	$3.02
Twin Falls	$30.74	$32.20	$34.15	$35.39	$38.72	$39.77	$43.97	$46.55
Valley	$9.61	$10.30	$11.00	$11.68	$12.00	$12.27	$12.60	$13.72
Washington	$5.91	$6.00	$6.42	$6.89	$6.93	$7.67	$8.22	$8.65
Total Benefits	**$716.30**	**$743.00**	**$782.17**	**$817.00**	**$890.93**	**$921.16**	**$1,005.00**	**$1,080.00**

Table A.2.3: Contributions Paid by County and Year (Millions of Dollars)

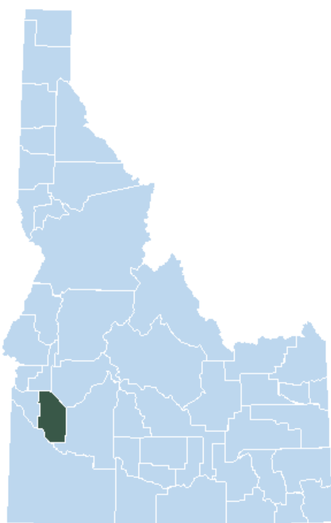
County	2016	2017	2018	2019	2020	2021	2022	2023
Ada	$243.33	$254.20	$258.17	$268.63	$302.38	$311.50	$330.36	$359.60
Adams	$0.95	$0.99	$1.00	$1.03	$1.15	$1.19	$1.24	$1.34
Bannock	$27.43	$26.87	$27.07	$28.07	$30.89	$31.80	$32.98	$34.92
Bear Lake	$1.42	$1.45	$1.53	$1.58	$1.74	$1.84	$1.91	$2.01
Benewah	$1.97	$1.99	$2.08	$2.17	$2.40	$2.51	$2.76	$2.74
Bingham	$10.84	$10.94	$11.34	$11.72	$12.83	$13.45	$14.38	$15.09
Blaine	$10.07	$9.89	$9.98	$10.55	$11.72	$11.31	$12.81	$13.26
Boise	$1.42	$1.45	$1.50	$1.60	$1.79	$1.90	$2.11	$2.16
Bonner	$10.04	$10.41	$10.26	$11.02	$12.51	$13.11	$14.24	$14.72
Bonneville	$29.24	$30.21	$32.11	$34.50	$38.38	$39.95	$42.50	$45.33
Boundary	$2.28	$2.35	$2.45	$2.56	$2.84	$2.93	$3.11	$3.28
Butte	$0.62	$0.64	$0.67	$0.71	$0.77	$0.75	$0.82	$0.83
Camas	$0.40	$0.38	$0.39	$0.40	$0.46	$0.49	$0.49	$0.51
Canyon	$46.01	$48.83	$51.25	$53.31	$60.69	$62.08	$66.53	$73.18
Caribou	$2.15	$2.15	$2.27	$2.31	$2.69	$2.84	$3.09	$3.29
Cassia	$6.15	$7.09	$7.04	$7.24	$8.48	$8.37	$8.56	$9.25
Clark	$0.43	$0.39	$0.42	$0.42	$0.46	$0.50	$0.48	$0.52
Clearwater	$2.18	$2.21	$2.20	$2.49	$2.55	$2.62	$2.87	$3.07
Custer	$0.99	$1.05	$1.03	$1.09	$1.07	$1.19	$1.24	$1.32
Elmore	$5.42	$5.45	$5.64	$5.91	$6.66	$7.09	$7.30	$8.38
Franklin	$2.67	$2.74	$2.75	$3.12	$3.15	$3.71	$3.75	$3.84
Fremont	$3.20	$3.24	$3.35	$3.49	$3.93	$4.14	$4.32	$4.80
Gem	$3.21	$3.18	$3.35	$3.56	$3.98	$4.11	$4.31	$4.53
Gooding	$4.21	$4.47	$4.60	$4.92	$5.49	$5.76	$6.28	$6.59
Idaho	$3.39	$3.41	$3.48	$3.62	$3.95	$4.14	$4.43	$4.59
Jefferson	$5.25	$5.38	$5.74	$6.37	$7.32	$8.07	$8.77	$9.17
Jerome	$5.24	$5.13	$5.35	$5.74	$6.44	$6.87	$7.17	$7.56
Kootenai	$37.09	$38.09	$39.59	$41.58	$46.80	$47.42	$52.57	$57.62
Latah	$19.29	$20.96	$21.68	$22.11	$23.45	$22.71	$23.56	$25.46
Lemhi	$1.66	$1.66	$1.68	$1.73	$1.87	$1.95	$2.09	$2.24
Lewis	$0.72	$0.71	$0.74	$0.77	$0.85	$0.88	$0.91	$0.97
Lincoln	$1.78	$1.76	$1.80	$1.98	$2.12	$2.24	$2.37	$2.43
Madison	$7.36	$7.57	$8.10	$8.36	$9.27	$10.01	$10.85	$11.41
Minidoka	$5.03	$5.08	$5.30	$5.35	$6.16	$6.72	$6.75	$6.84
Nez Perce	$13.24	$13.38	$13.67	$14.27	$15.76	$15.66	$16.49	$17.21
Oneida	$1.05	$0.96	$1.03	$1.06	$1.32	$1.58	$1.96	$1.88
Owyhee	$2.45	$2.61	$2.67	$2.79	$3.08	$3.24	$3.39	$3.74
Payette	$4.89	$4.98	$5.16	$5.41	$6.14	$6.32	$6.75	$7.28
Power	$2.21	$2.18	$2.30	$2.38	$2.64	$2.80	$2.87	$3.02
Shoshone	$3.32	$3.27	$3.41	$3.53	$3.98	$4.11	$4.32	$4.72
Teton	$2.66	$2.77	$2.95	$3.19	$3.55	$3.76	$3.91	$4.06
Twin Falls	$21.51	$22.57	$23.93	$25.27	$27.60	$28.28	$30.44	$32.17
Valley	$4.11	$4.31	$4.33	$4.42	$5.30	$5.80	$6.40	$7.04
Washington	$3.64	$3.66	$3.86	$4.14	$4.56	$4.75	$4.98	$5.56
Total Contributions	**$562.51**	**$582.98**	**$599.19**	**$626.48**	**$701.16**	**$722.42**	**$769.41**	**$829.53**

Table A.2.4: 2023 Operational Expenditures by District Office

Boise Office	$9,337,698.41
Pocatello Office	$184,739.89
Coeur D'Alene Office	$100,038.19
Total Operating Expenses	$9,622,476.49

Appendix 3: County Level Profiles and Impacts

Ada County Economic Profile

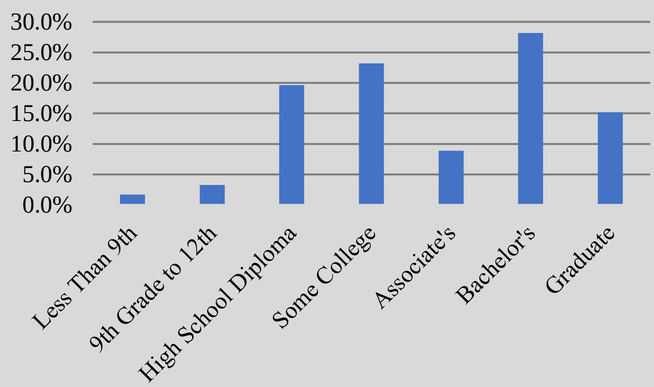


Population: **524,673**

Employment: **316,394**

Avg. Household Income: **$83,881**

Educational Distribution:

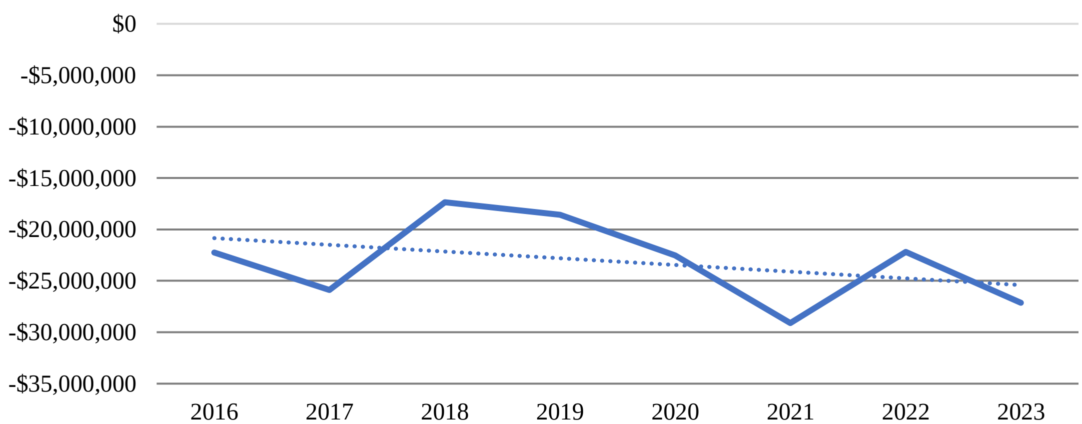


Gross Regional Product: **$44,500,629,279**

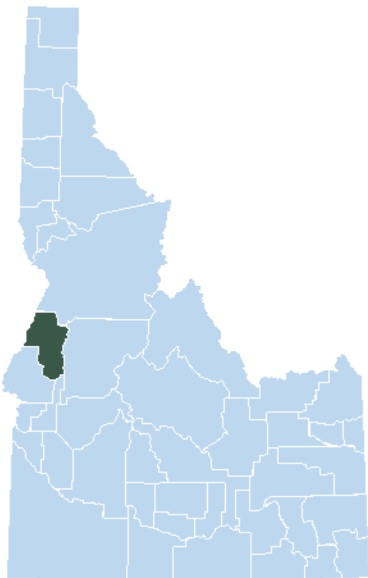
PERSI IMPACTS

Ada	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$9,338,877	$4,697,710	$2,527,770	30
Indirect	$4,860,650	$2,158,651	$1,363,335	22
Induced	-$48,330,109	-$27,827,662	-$18,008,184	-30
Total	**-$34,130,582**	**-$20,971,302**	**-$14,117,080**	**23**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Adams County Economic Profile

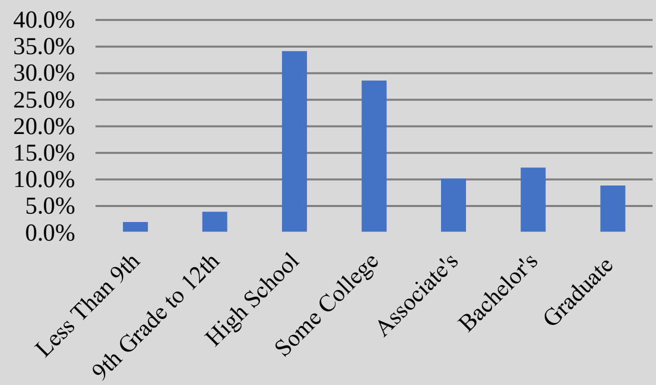


Population: **5,090**

Employment: **1,309**

Avg. Household Income: **$55,891**

Educational Distribution:

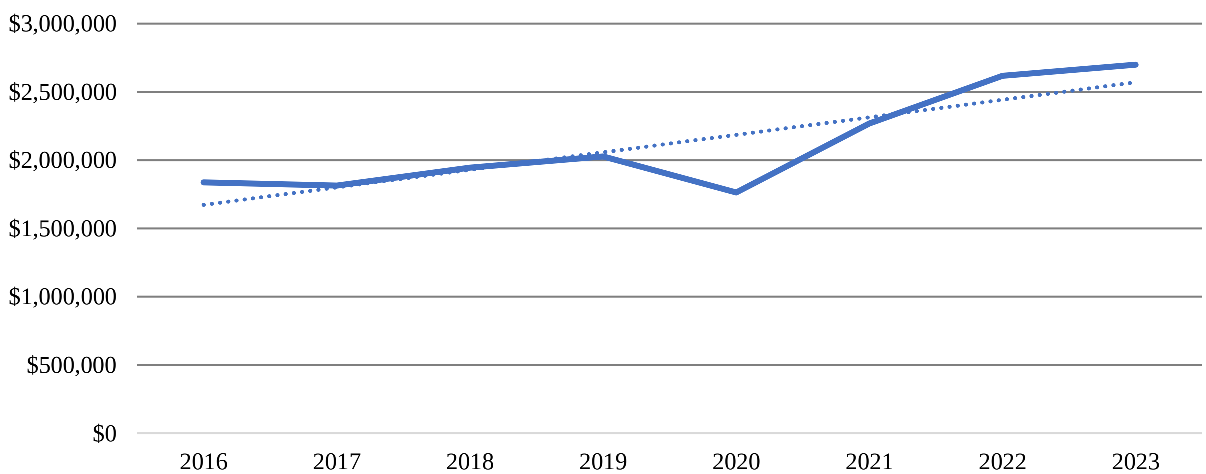


Gross Regional Product: **$220,701,657**

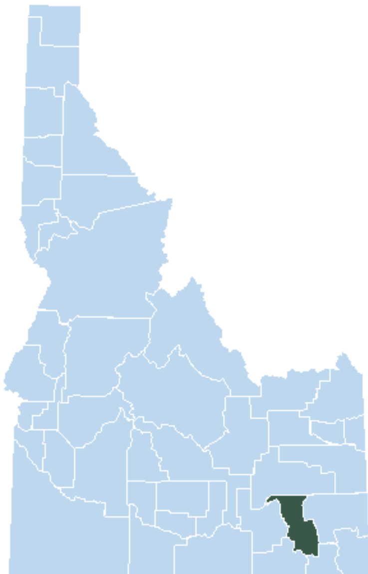
PERSI IMPACTS

Adams	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,631,738	$918,594.07	$374,356.27	1
Total	**$1,631,738**	**$918,594**	**$374,356**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Bannock County Economic Profile

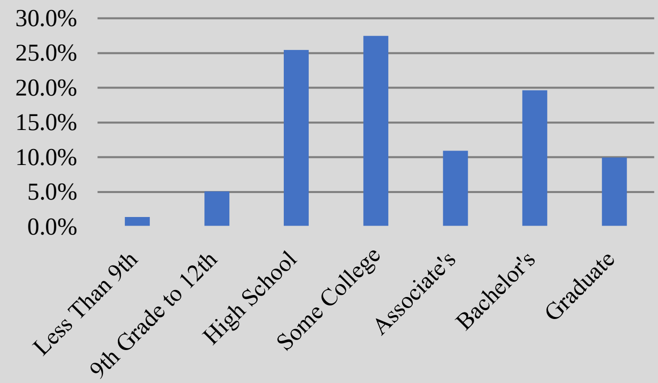


Population: **90,400**

Employment: **41,981**

Avg. Household Income: **$60,998**

Educational Distribution:

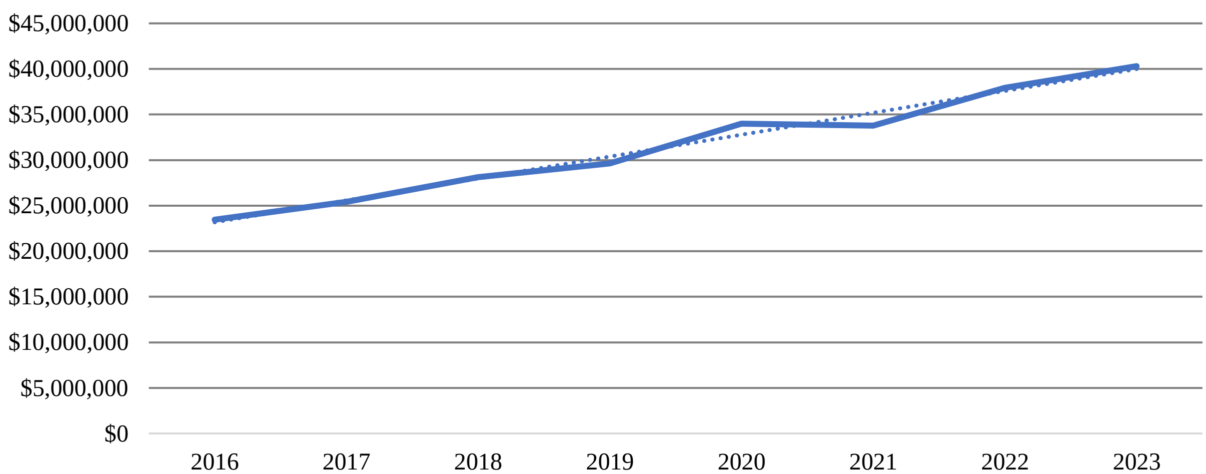


Gross Regional Product: **$4,161,840,537**

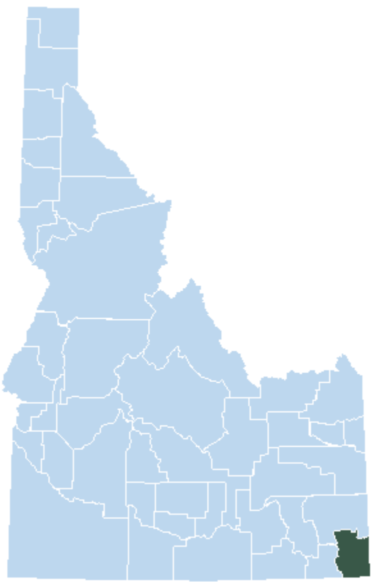
PERSI IMPACTS

Bannock	Sales	GRP	Income	Jobs
Direct	$183,975	$79,399	$42,775	1
Indirect	$69,885	$26,507	$15,965	0
Induced	$57,608,147	$31,655,966	$18,366,965	43
Total	**$57,862,007**	**$31,761,872**	**$18,425,705**	**44**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Bear Lake County Economic Profile

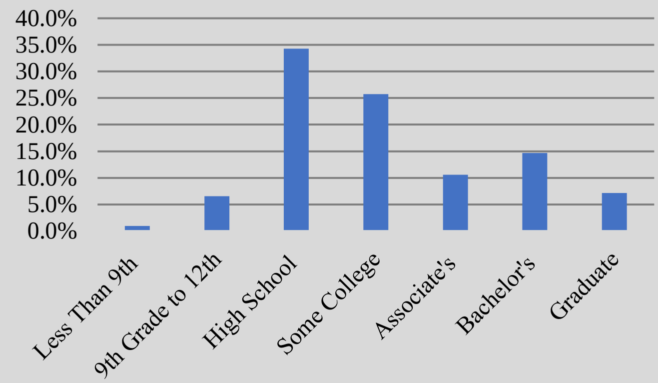


Population: **6,766**

Employment: **2,329**

Avg. Household Income: **$60,244**

Educational Distribution:

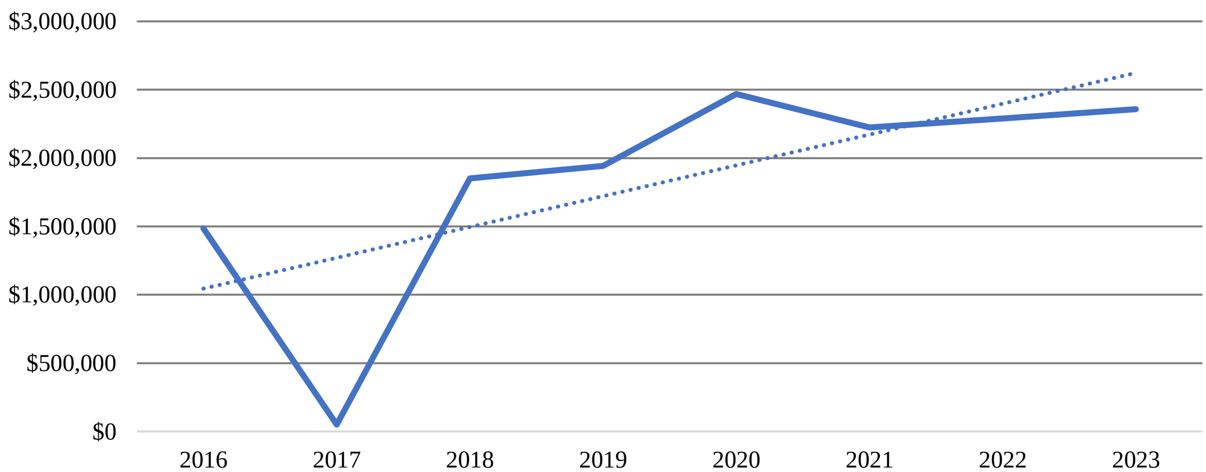


Gross Regional Product: **$277,983,977**

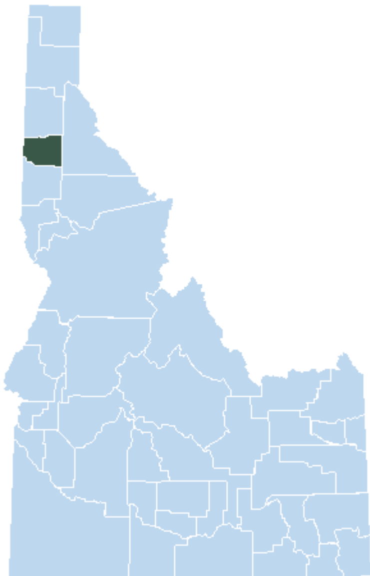
PERSI IMPACTS

Bear Lake	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,575,076	$842,612	$335,133	1
Total	**$1,575,076**	**$842,612**	**$335,133**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Benewah County Economic Profile

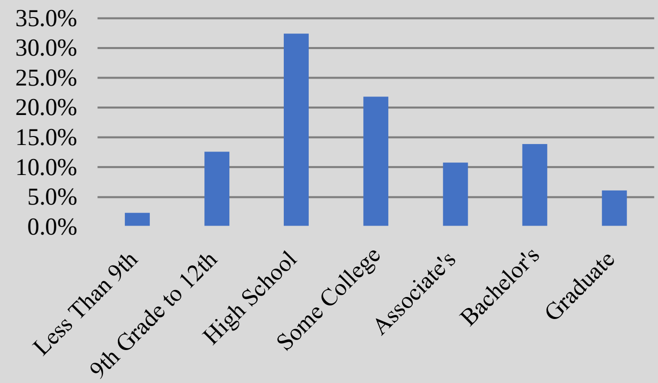


Population: **10,369**

Employment: **3,872**

Avg. Household Income: **$54,191**

Educational Distribution:

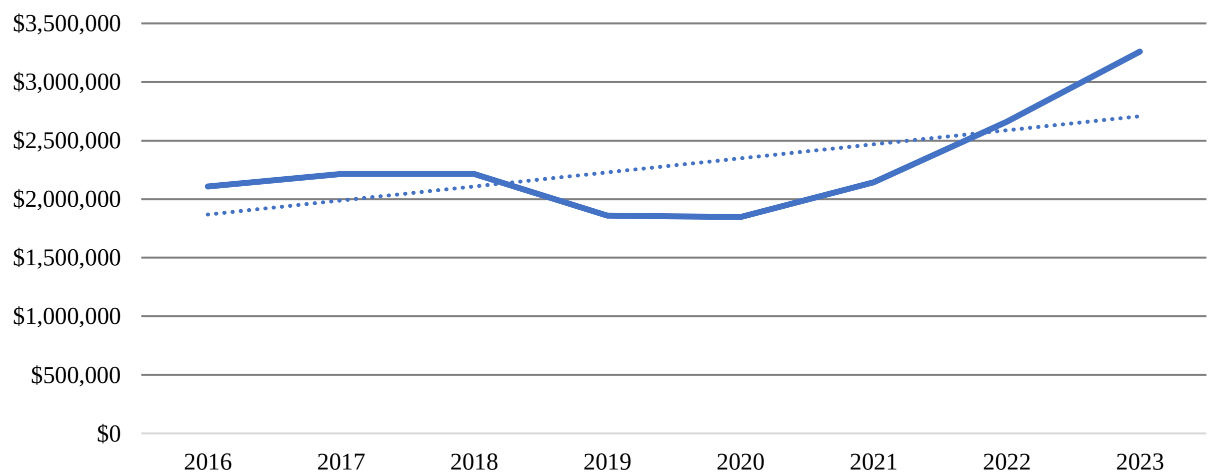


Gross Regional Product: **$502,383,816**

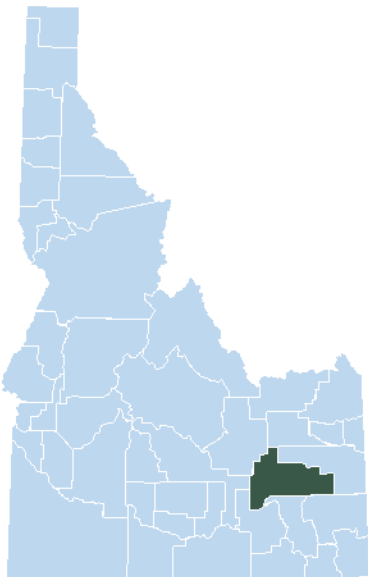
PERSI IMPACTS

Benewah	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$2,375,355	$1,357,930	$652,159	2
Total	**$2,375,355**	**$1,357,930**	**$652,159**	**2**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Bingham County Economic Profile

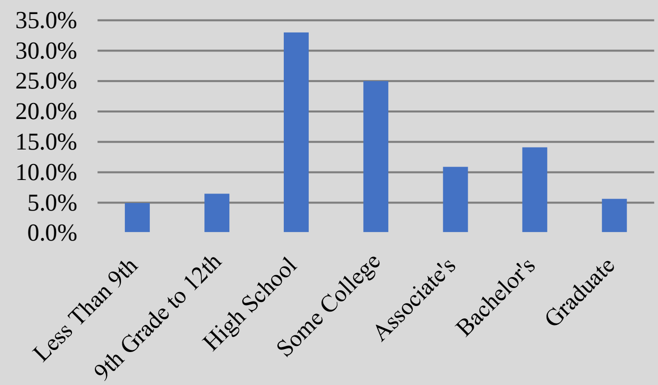


Population: **50,395**

Employment: **18,636**

Avg. Household Income: **$69,433**

Educational Distribution:

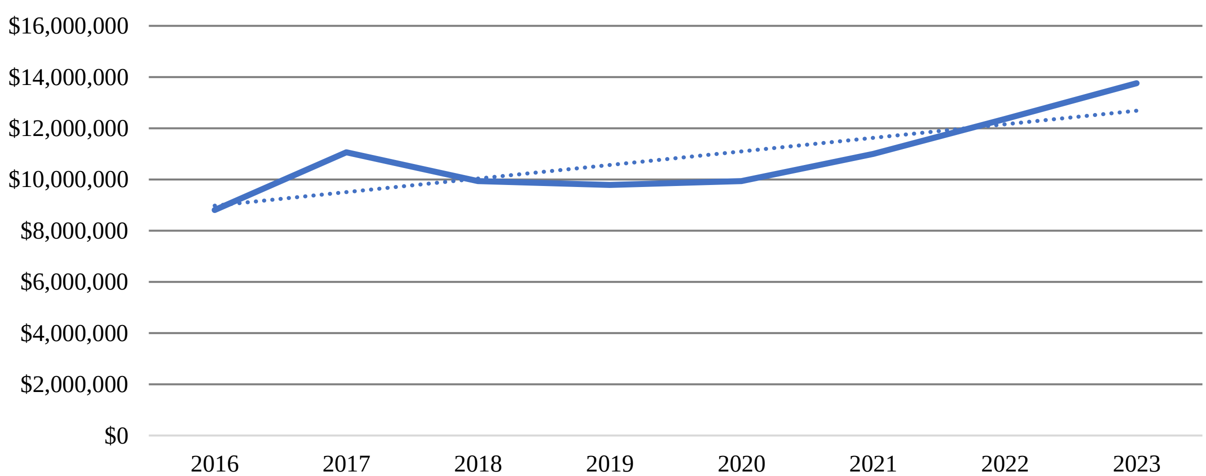


Gross Regional Product: **$2,128,067,573**

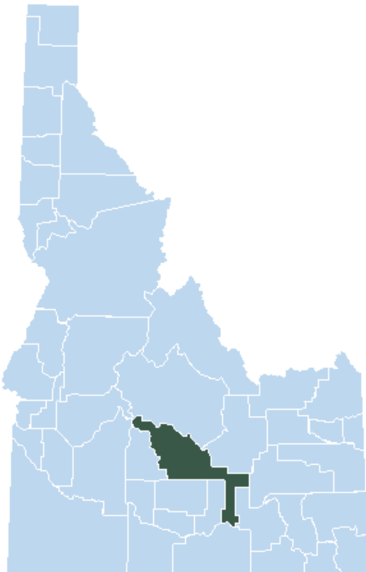
PERSI IMPACTS

Bingham	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$12,236,610	$6,848,035	$3,602,272	9
Total	**$12,236,610**	**$6,848,035**	**$3,602,272**	**9**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Blaine County Economic Profile

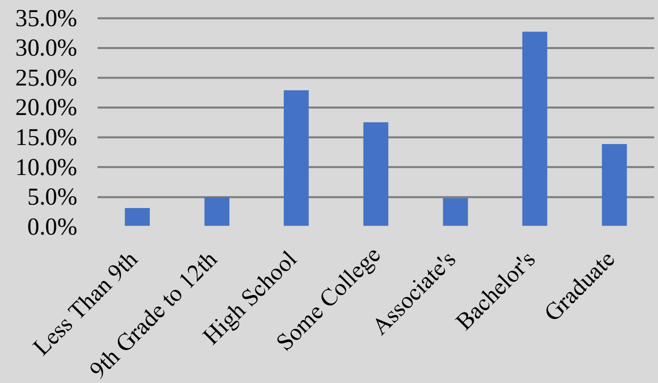


Population: **25,041**

Employment: **17,111**

Avg. Household Income: **$81,794**

Educational Distribution:

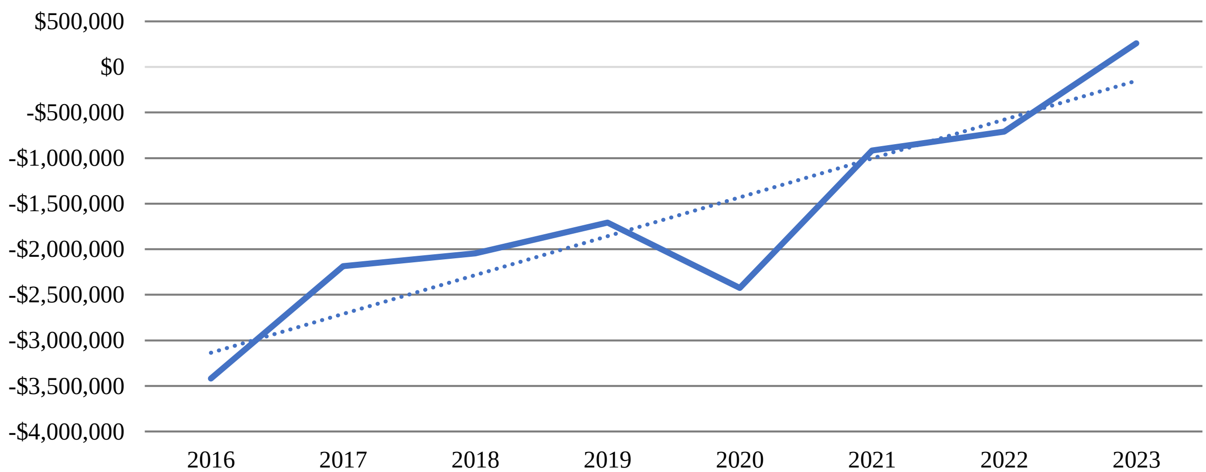


Gross Regional Product: **$2,487,304,214**

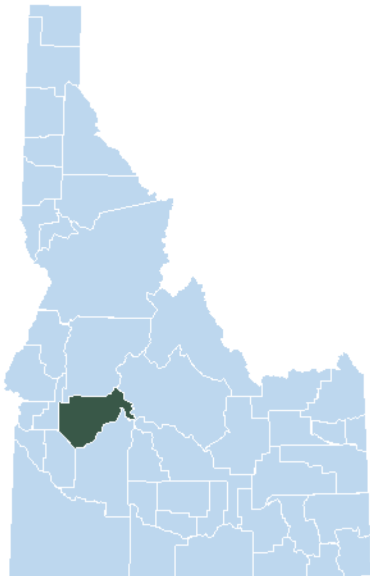
PERSI IMPACTS

Blaine	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$150,298	$89,616	$56,039	0
Total	**$150,298**	**$89,616**	**$56,039**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Boise County Economic Profile

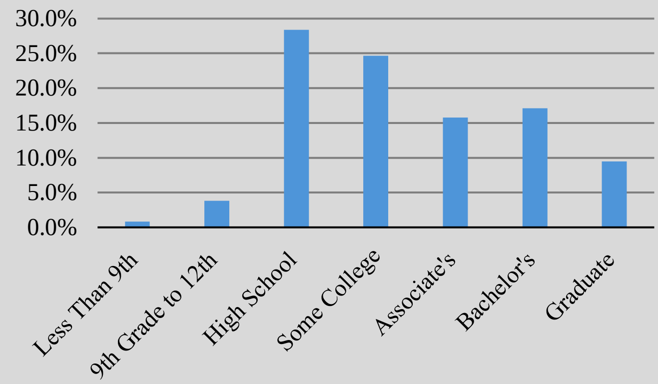


Population: **8,517**

Employment: **2,209**

Avg. Household Income: **$70,776**

Educational Distribution:

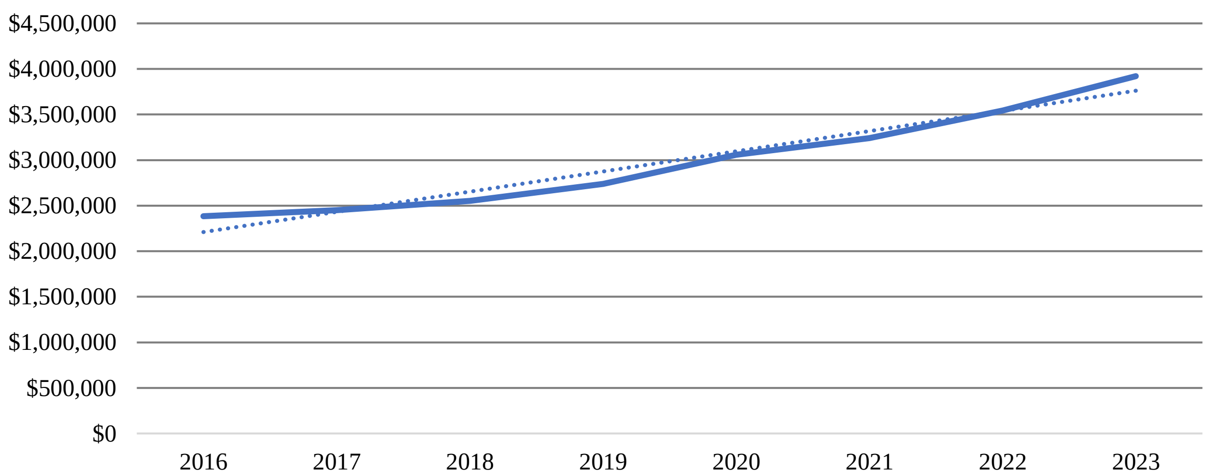


Gross Regional Product: **$246,169,599**

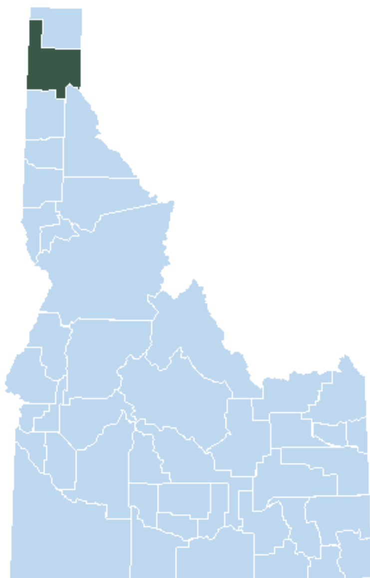
PERSI IMPACTS

Boise	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$2,034,799	$1,151,312	$425,225	1
Total	**$2,034,799**	**$1,151,312**	**$425,225**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Bonner County Economic Profile

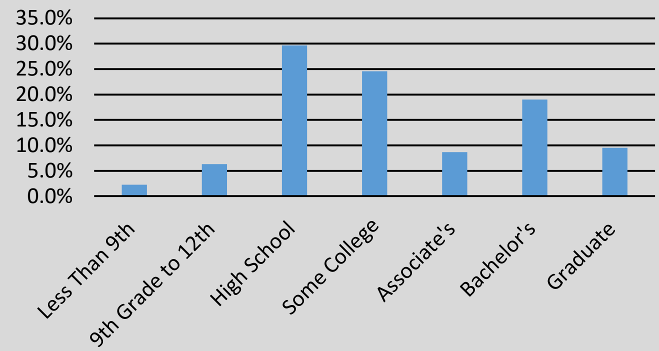


Population: **52,547**

Employment: **19,314**

Avg. Household Income: **$61,816**

Educational Distribution:

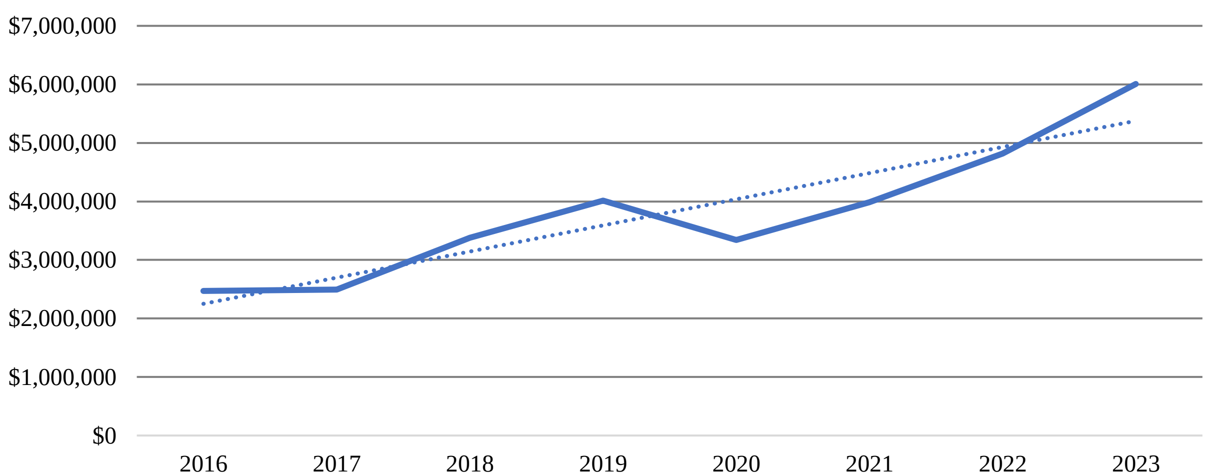


Gross Regional Product: **$2,450,884,592**

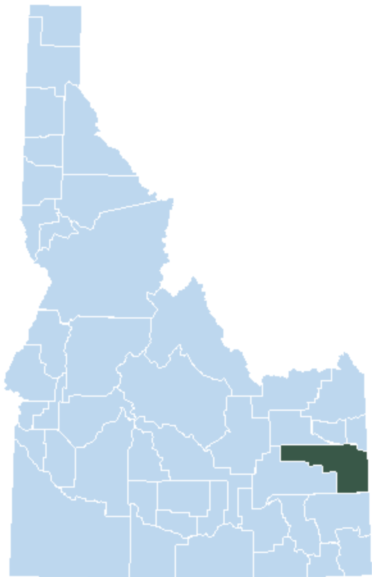
PERSI IMPACTS

Bonner	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$6,581,462	$3,672,902	$1,916,890	5
Total	**$6,581,462**	**$3,672,902**	**$1,916,890**	**5**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Bonneville County Economic Profile

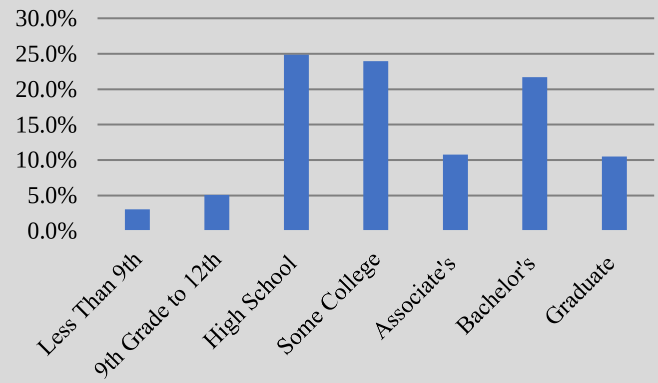


Population: **131,366**

Employment: **68,871**

Avg. Household Income: **$73,103**

Educational Distribution:

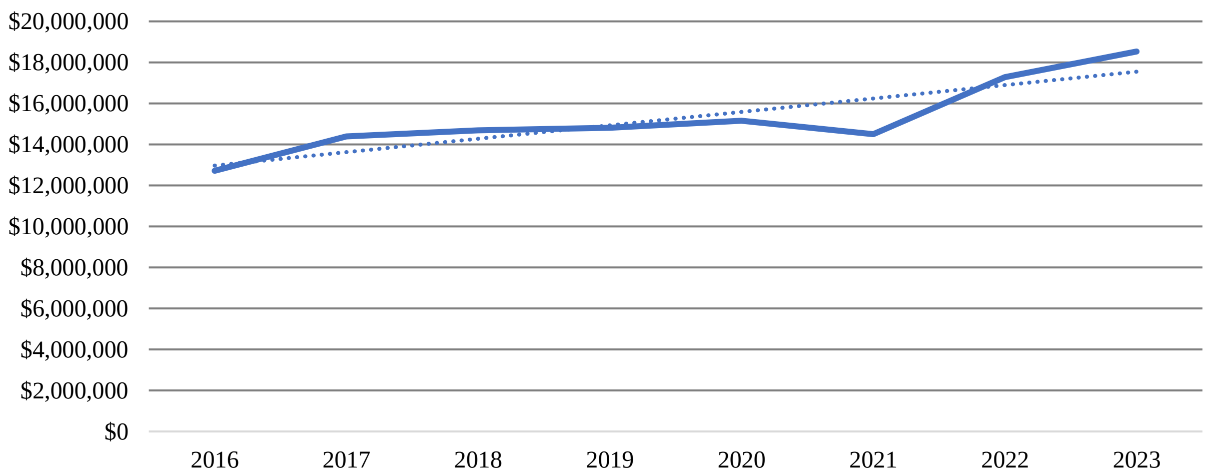


Gross Regional Product: **$7,906,178,710**

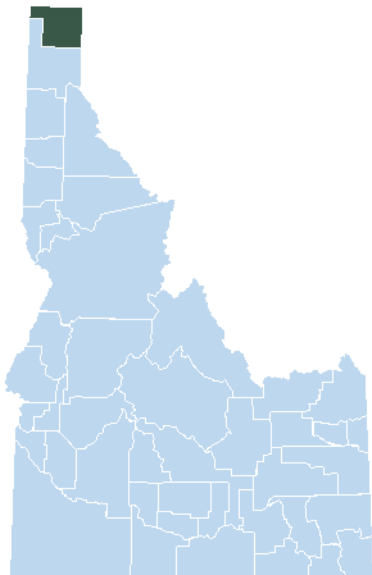
PERSI IMPACTS

Bonneville	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$26,705,906	$15,283,256	$9,940,857	17
Total	**$26,705,906**	**$15,283,256**	**$9,940,857**	**17**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Boundary County Economic Profile

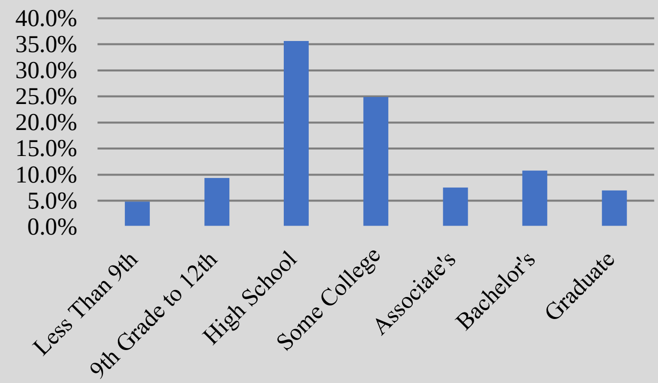


Population: **13,557**

Employment: **4,902**

Avg. Household Income: **$58,810**

Educational Distribution:

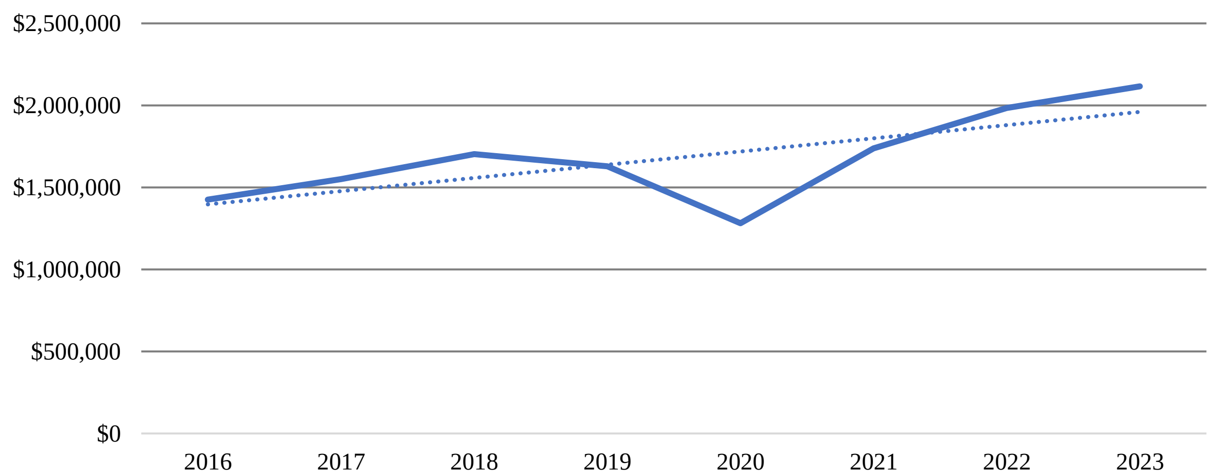


Gross Regional Product: **$576,393,686**

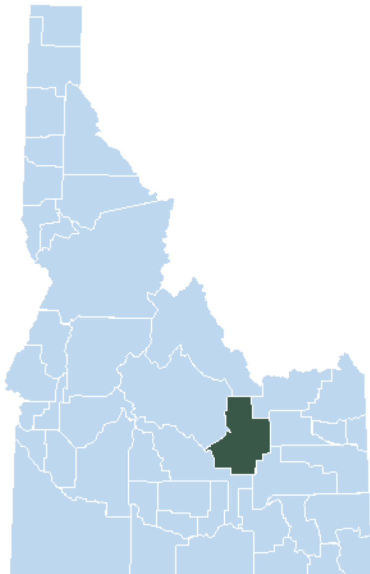
PERSI IMPACTS

Boundary	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,555,809	$884,182	$393,036	1
Total	**$1,555,809**	**$884,182**	**$393,036**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Butte County Economic Profile

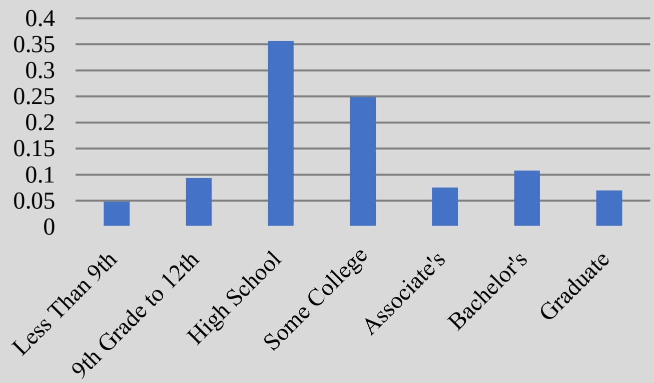


Population: **2,758**

Employment: **10,096**

Avg. Household Income: **$37,358**

Educational Distribution:

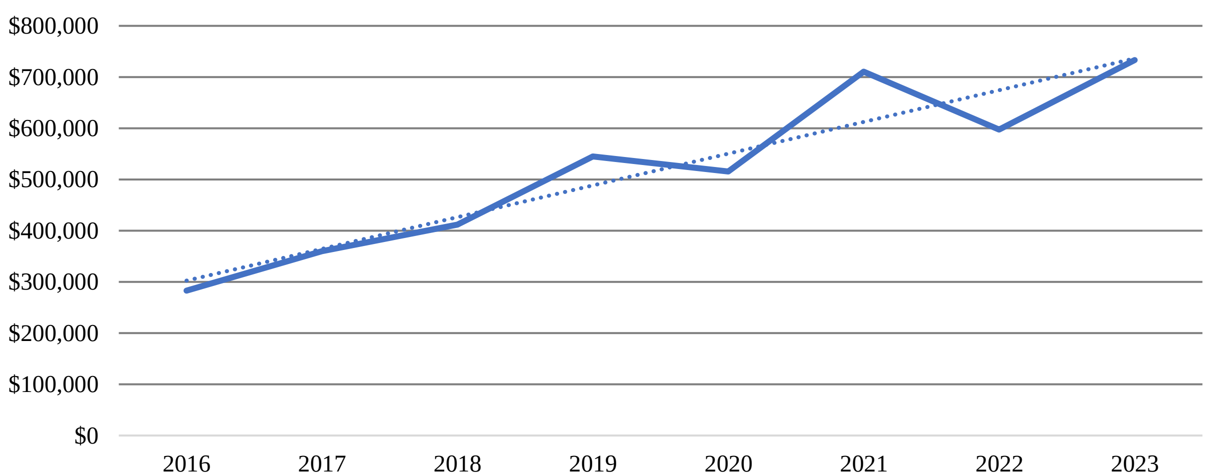


Gross Regional Product: **$1,681,382,829**

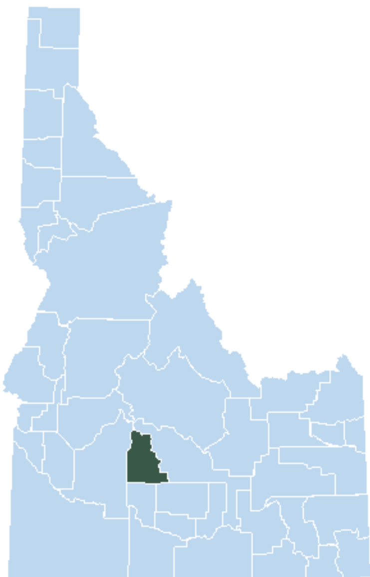
PERSI IMPACTS

Butte	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$203,366	$130,563	$73,438	0
Total	**$203,366**	**$130,563**	**$73,438**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Camas County Economic Profile

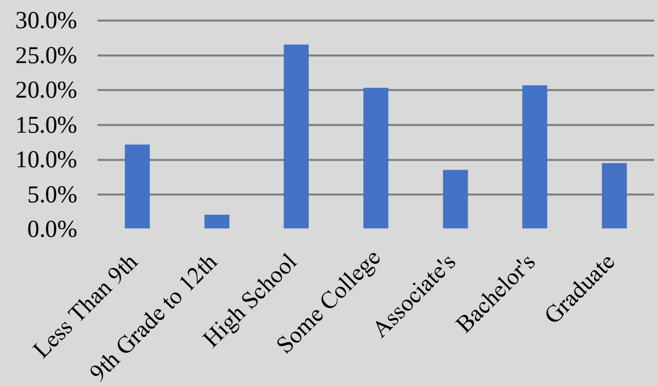


Population: **1,232**

Employment: **613**

Avg. Household Income: **$63,750**

Educational Distribution:

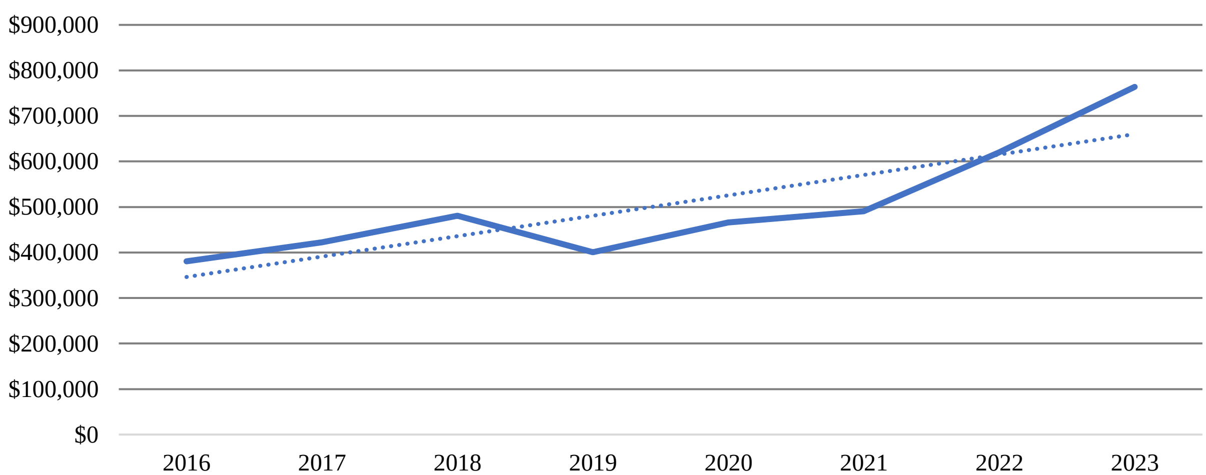


Gross Regional Product: **$84,448,782**

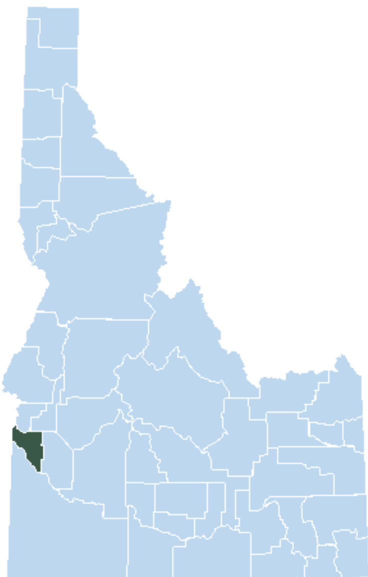
PERSI IMPACTS

Camas	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$406,160	$244,526	$117,147	0
Total	**$406,160**	**$244,526**	**$117,147**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Canyon County Economic Profile

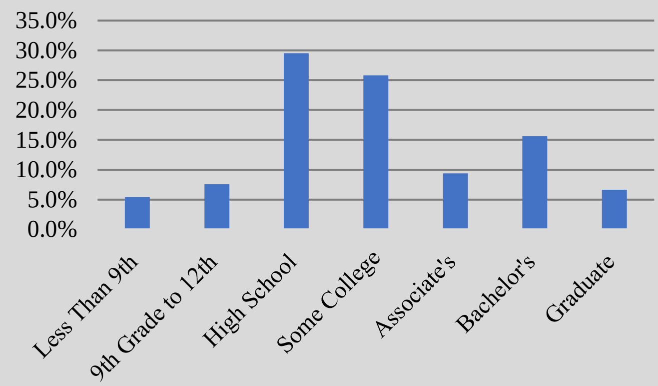


Population: **257,674**

Employment: **99,370**

Avg. Household Income: **$68,473**

Educational Distribution:

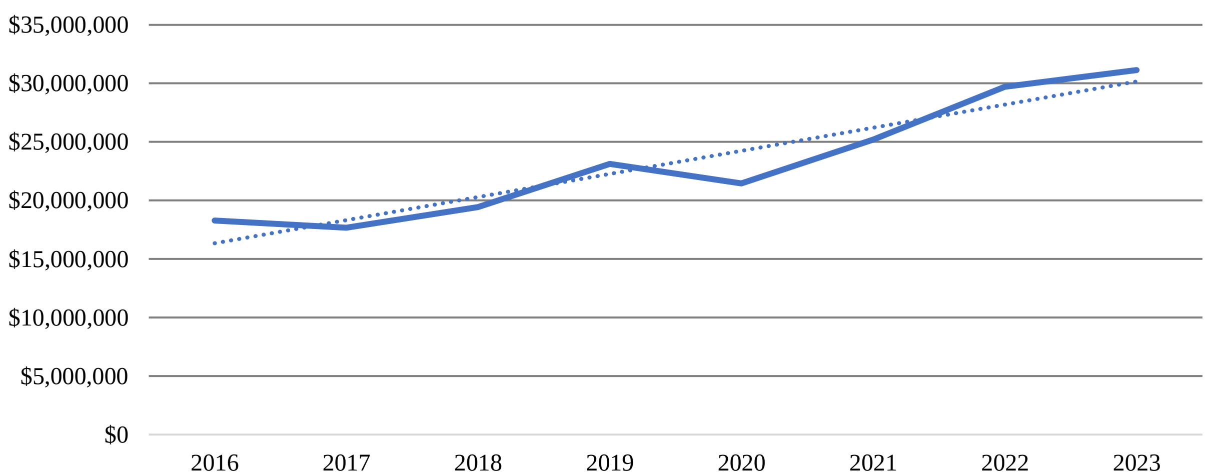


Gross Regional Product: **$11,075,732,460**

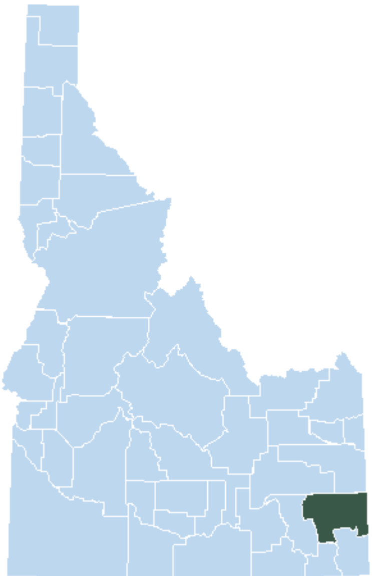
PERSI IMPACTS

Canyon	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$37,758,571	$21,292,949	$12,186,462	28
Total	**$37,758,571**	**$21,292,949**	**$12,186,462**	**28**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Caribou County Economic Profile

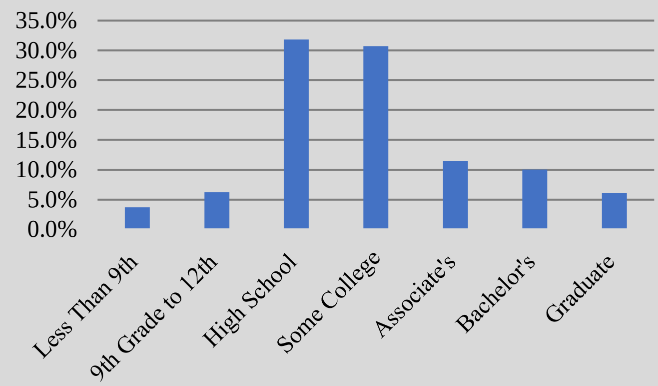


Population: **7,219**

Employment: **4,024**

Avg. Household Income: **$65,380**

Educational Distribution:

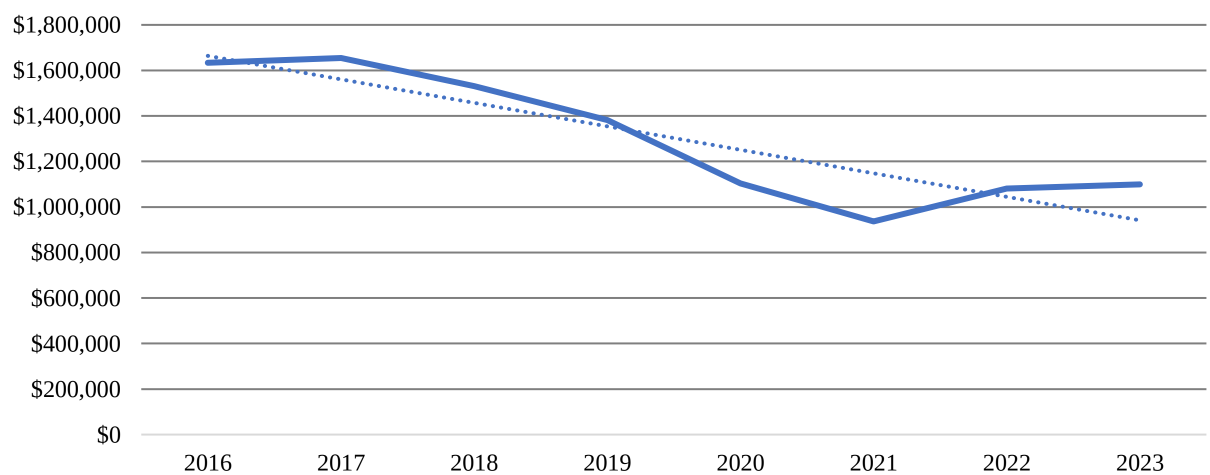


Gross Regional Product: **$866,542,267**

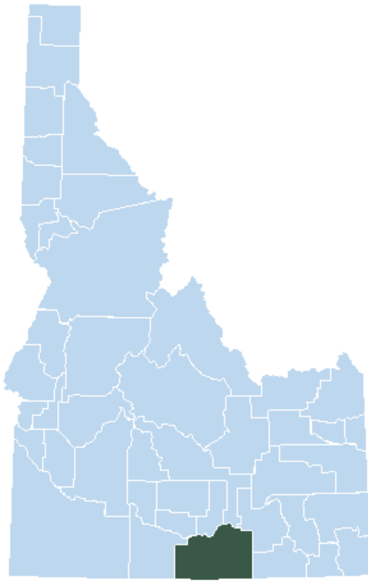
PERSI IMPACTS

Caribou	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$832,040	$465,955	$232,473	1
Total	**$832,040**	**$465,955**	**$232,473**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Cassia County Economic Profile

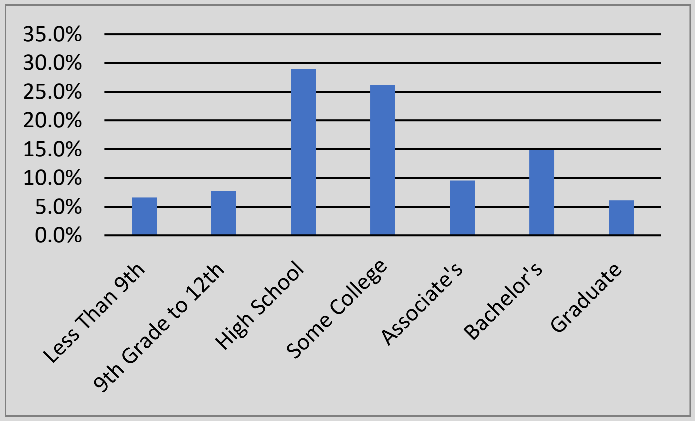


Population: **25,696**

Employment: **14,519**

Avg. Household Income: **$63,525**

Educational Distribution:

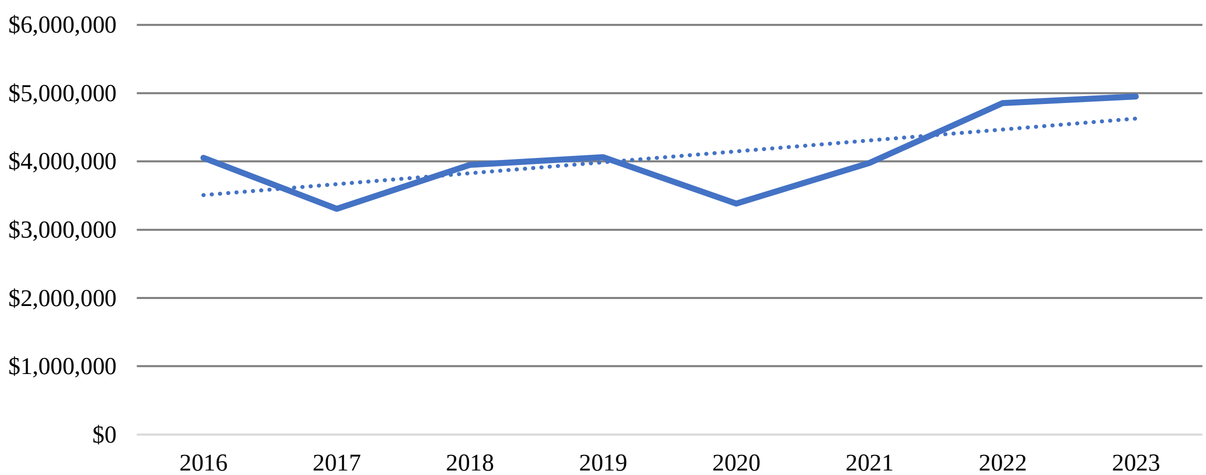


Gross Regional Product: **$1,752,303,836**

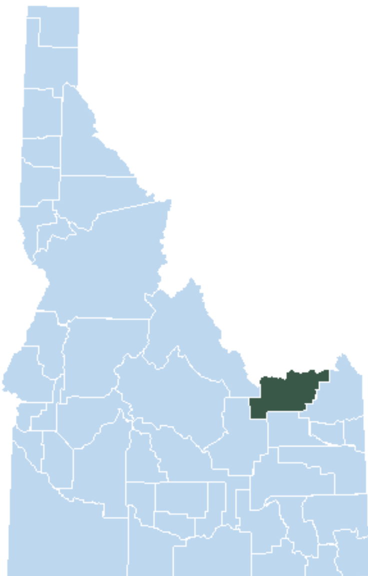
PERSI IMPACTS

Cassia	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$4,929,970	$2,678,274	$1,521,953	4
Total	**$4,929,970**	**$2,678,274**	**$1,521,953**	**4**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Clark County Economic Profile

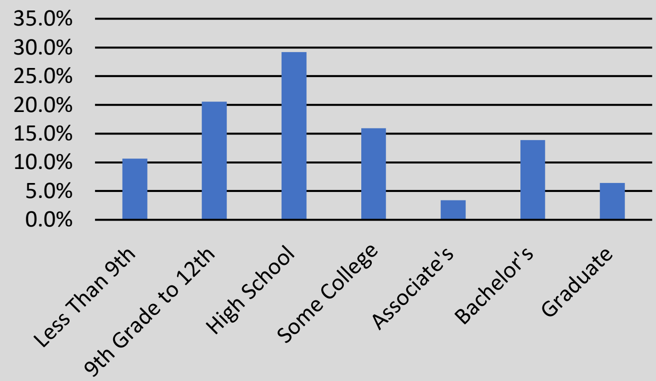


Population: **801**

Employment: **385**

Avg. Household Income: **$53,500**

Educational Distribution:

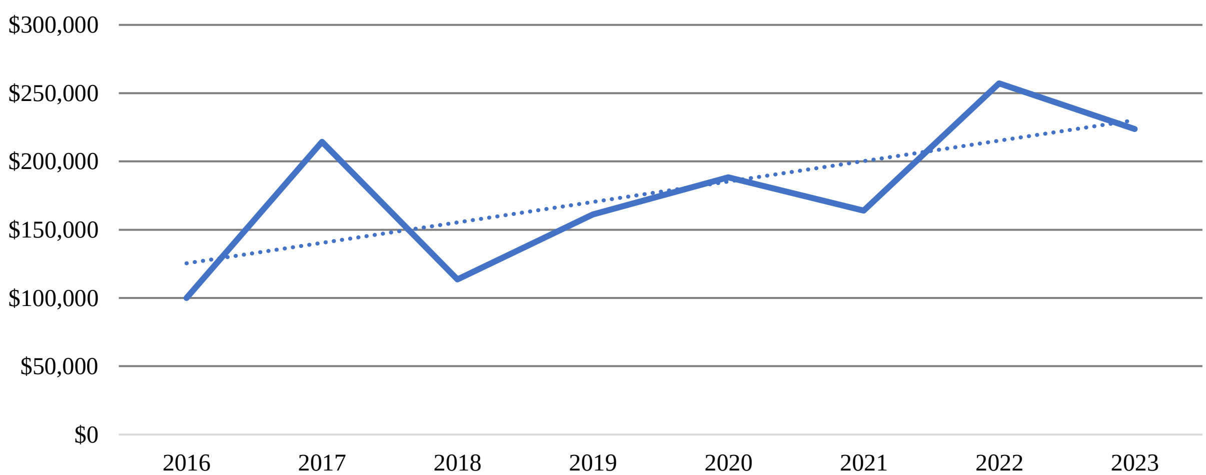


Gross Regional Product: **$65,025,277**

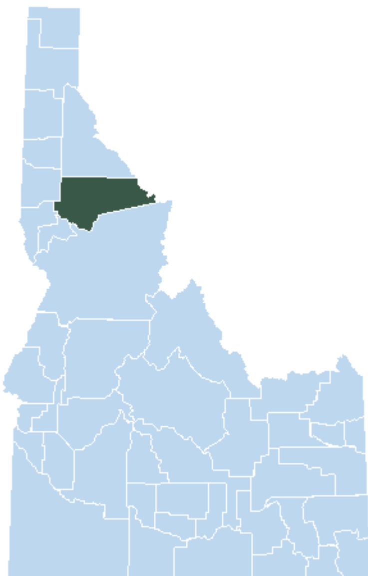
PERSI IMPACTS

Clark	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$62,412	$38,142	$10,978	0
Total	**$62,412**	**$38,142**	**$10,978**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Clearwater County Economic Profile

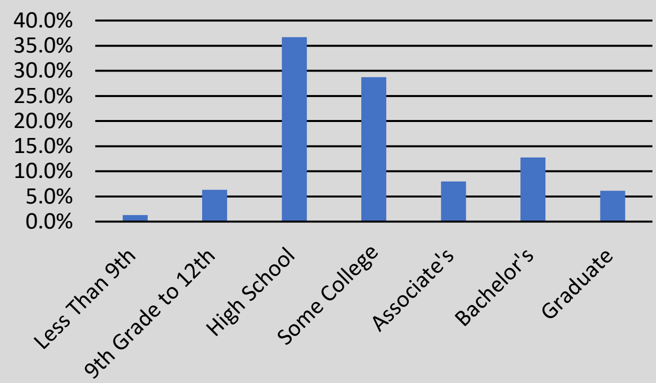


Population: **9,214**

Employment: **3,125**

Avg. Household Income: **$55,885**

Educational Distribution:

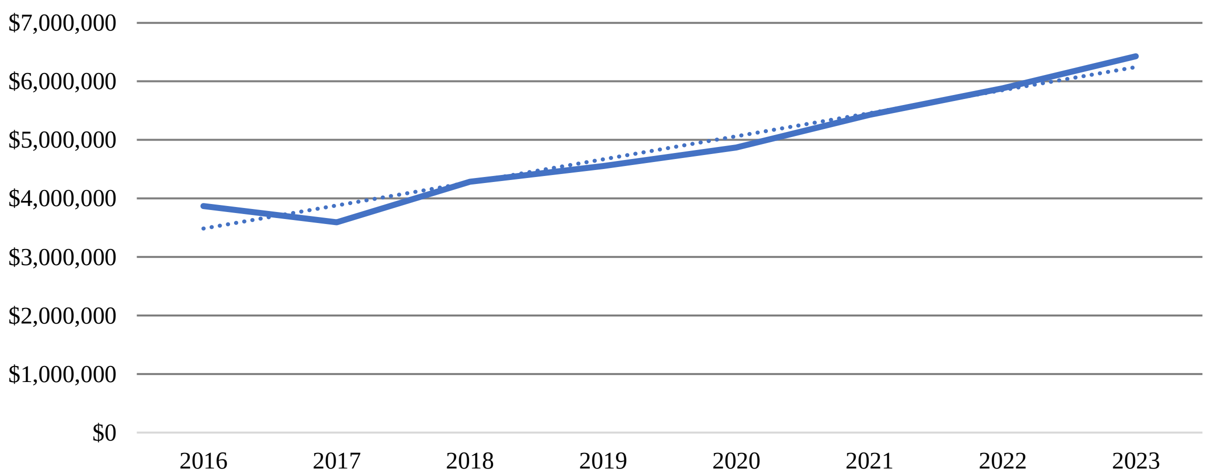


Gross Regional Product: **$358,159,118**

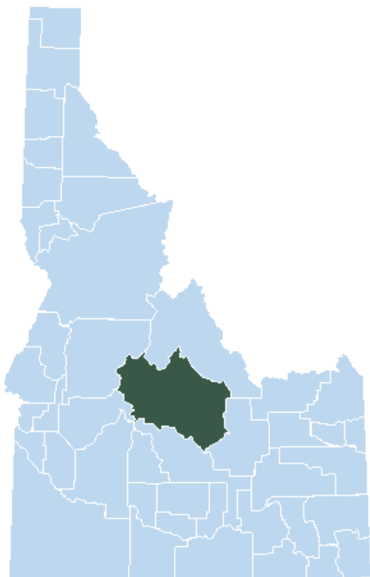
PERSI IMPACTS

Clearwater	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$4,985,415	$2,843,923	$1,298,679	4
Total	**$4,985,415**	**$2,843,923**	**$1,298,679**	**4**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Custer County Economic Profile

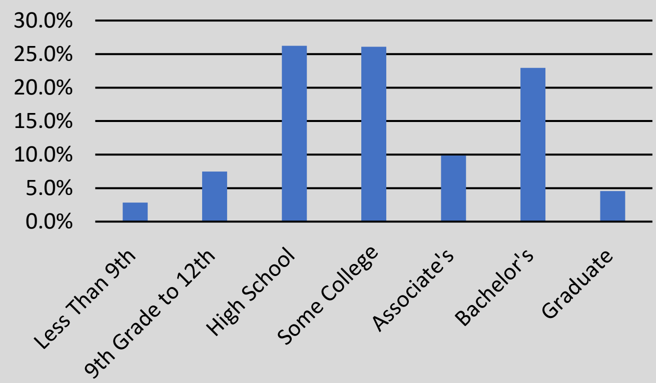


Population: **4,523**

Employment: **1,935**

Avg. Household Income: **$60,357**

Educational Distribution:

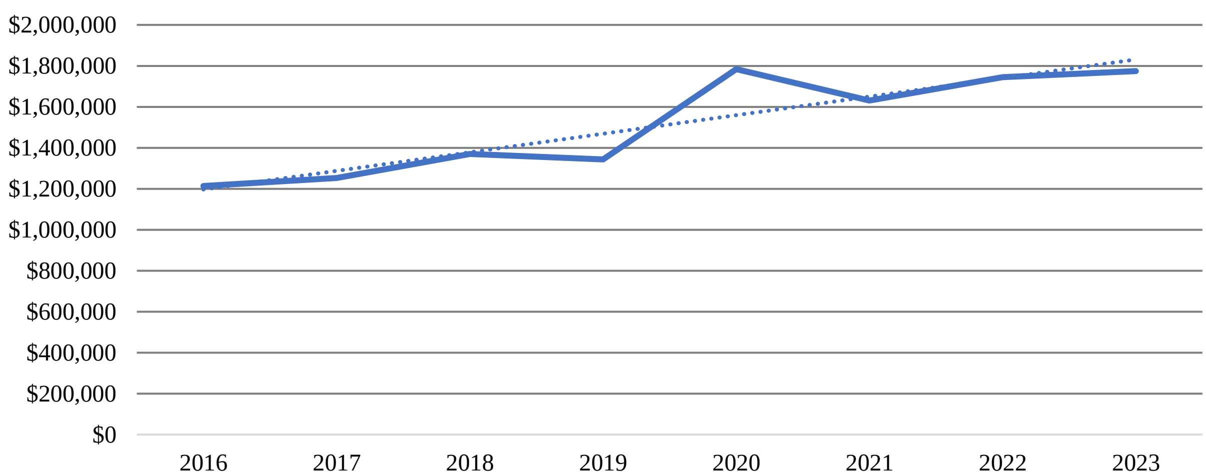


Gross Regional Product: **$251,640,150**

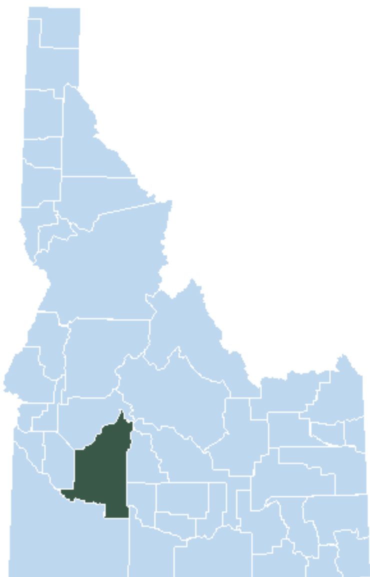
PERSI IMPACTS

Custer	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,469,296	$775,008	$325,358	1
Total	**$1,469,296**	**$775,008**	**$325,358**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Elmore County Economic Profile

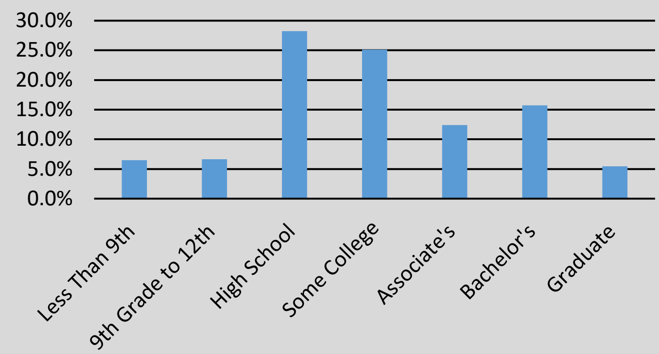


Population: **29,724**

Employment: **12,209**

Avg. Household Income: **$55,000**

Educational Distribution:

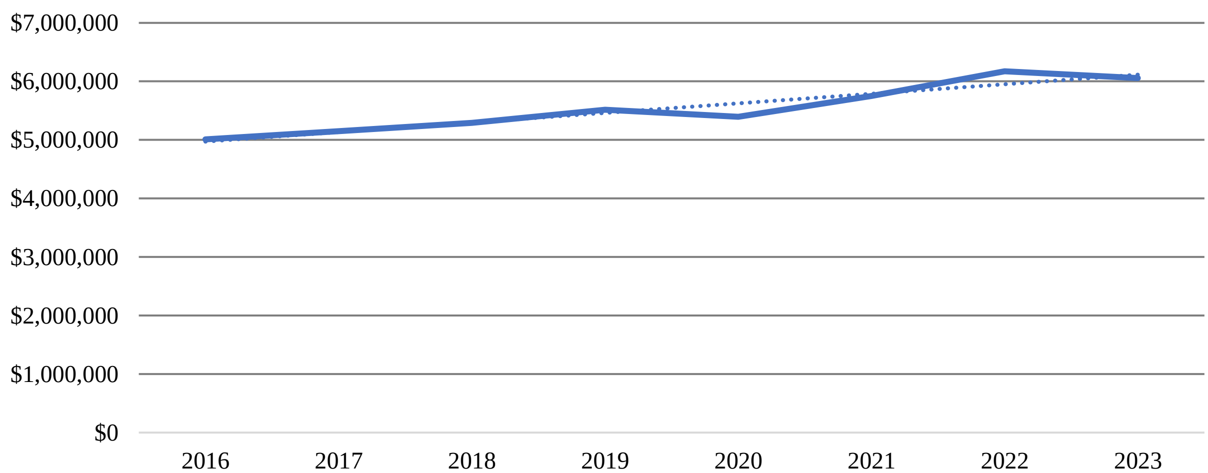


Gross Regional Product: **$1,723,072,718**

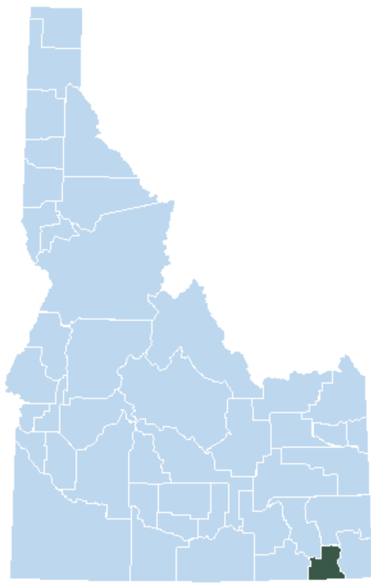
PERSI IMPACTS

Elmore	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$5,056,989	$2,781,473	$1,357,843	4
Total	**$5,056,989**	**$2,781,473**	**$1,357,843**	**4**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Franklin County Economic Profile

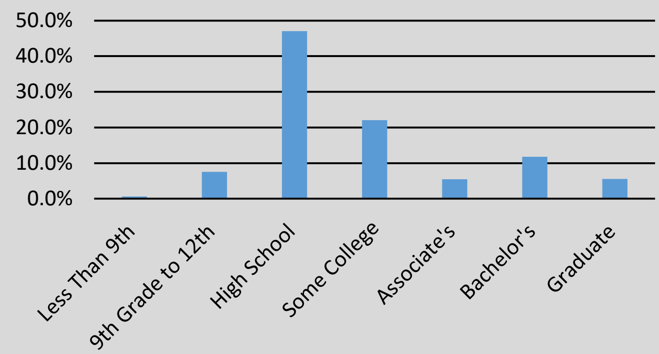


Population: **15,494**

Employment: **4,994**

Avg. Household Income: **$61,679**

Educational Distribution:

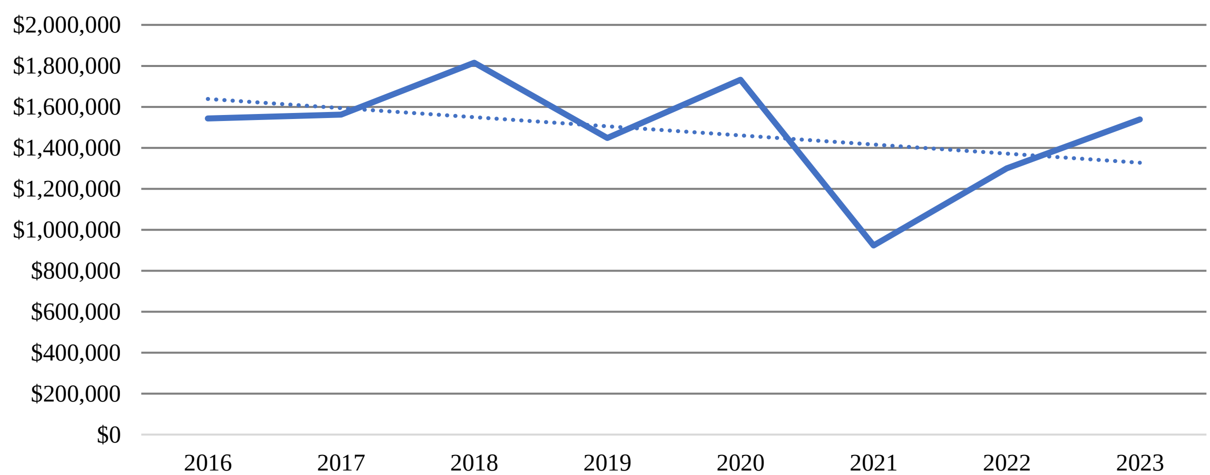


Gross Regional Product: **$641,826,093**

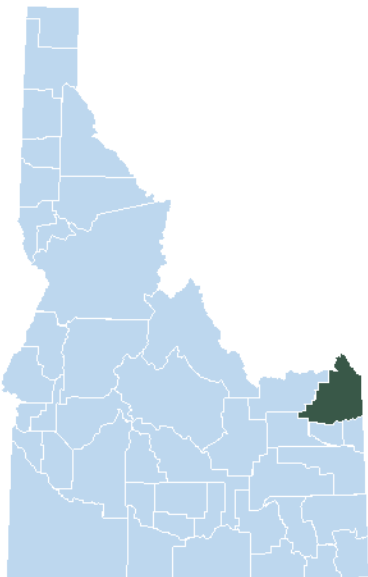
PERSI IMPACTS

Franklin	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,156,614	$619,987	$268,674	1
Total	**$1,156,614**	**$619,987**	**$268,674**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Fremont County Economic Profile

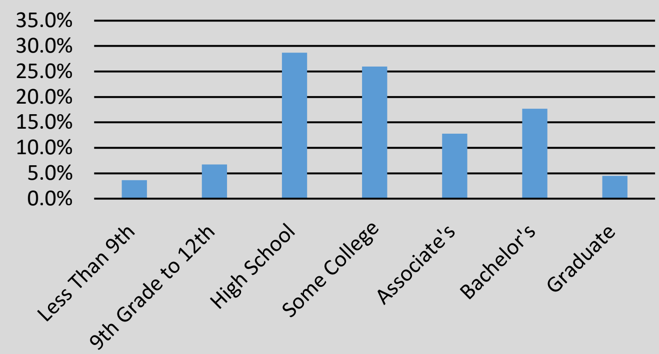


Population: **14,196**

Employment: **4,490**

Avg. Household Income: **$67,015**

Educational Distribution:

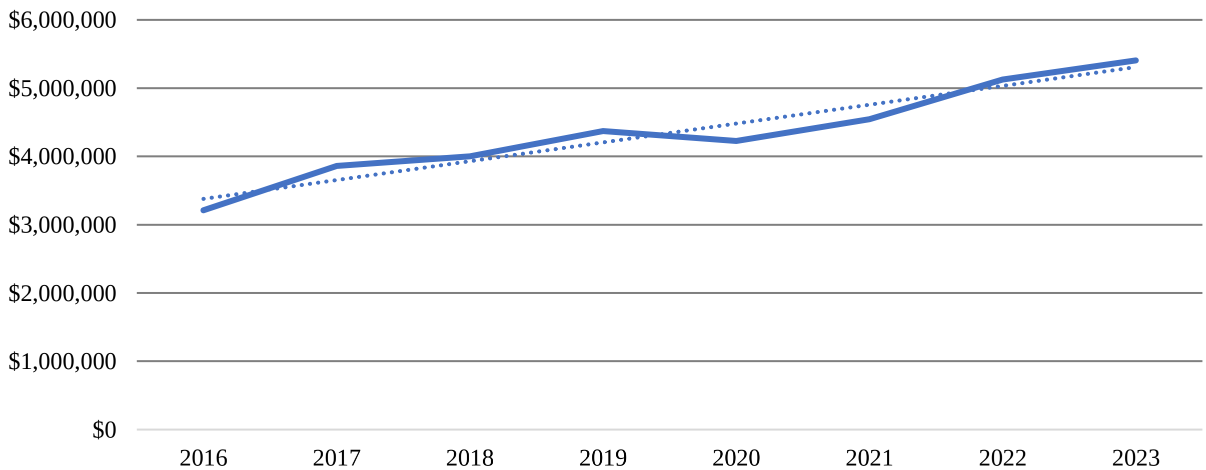


Gross Regional Product: **$556,622,580**

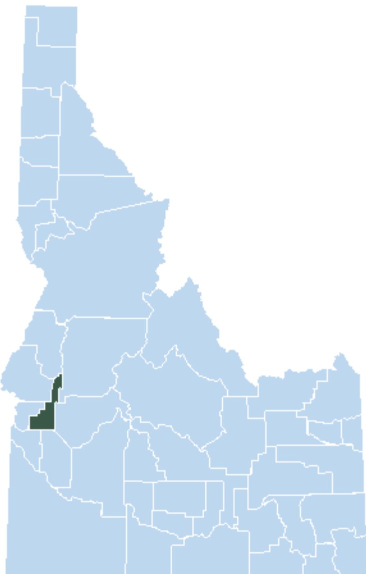
PERSI IMPACTS

Fremont	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$3,930,927	$2,248,327	$969,369	3
Total	**$3,930,927**	**$2,248,327**	**$969,369**	**3**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Gem County Economic Profile

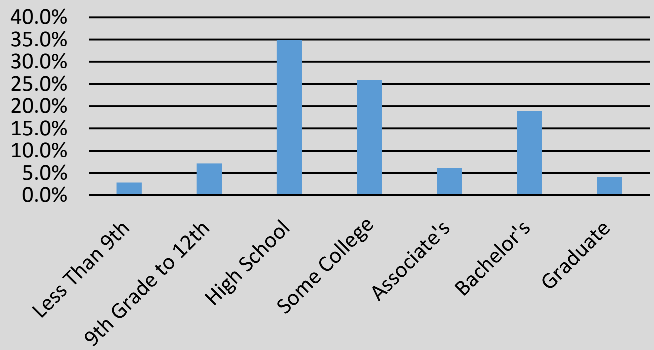


Population: **21,071**

Employment: **5,512**

Avg. Household Income: **$65,204**

Educational Distribution:

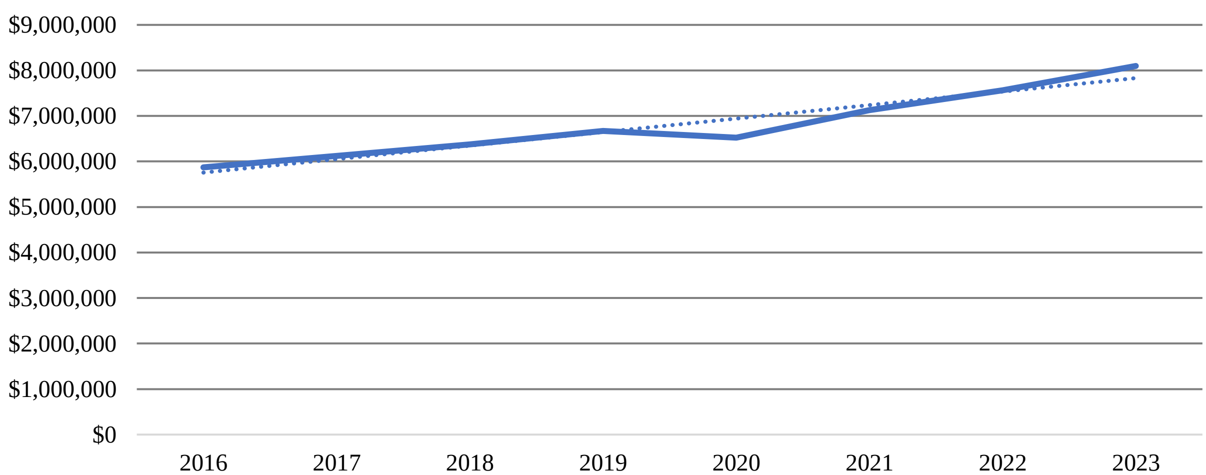


Gross Regional Product: **$634,785,209**

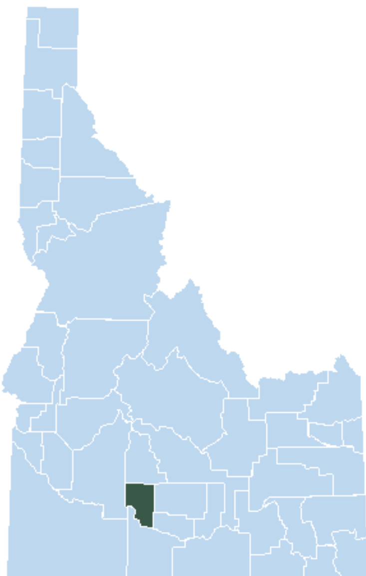
PERSI IMPACTS

Gem	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$6,756,654	$3,758,517	$1,774,748	5
Total	**$6,756,654**	**$3,758,517**	**$1,774,748**	**5**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Gooding County Economic Profile

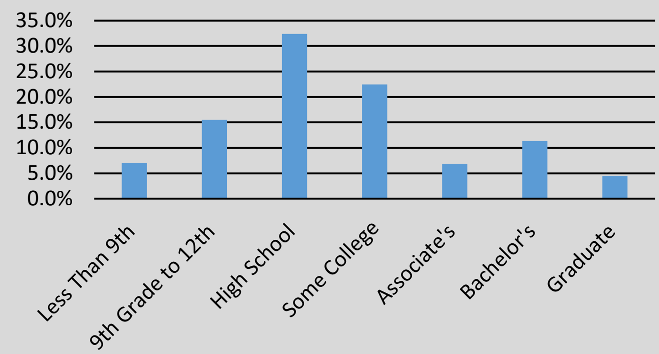


Population: **16,061**

Employment: **7,990**

Avg. Household Income: **$60,938**

Educational Distribution:

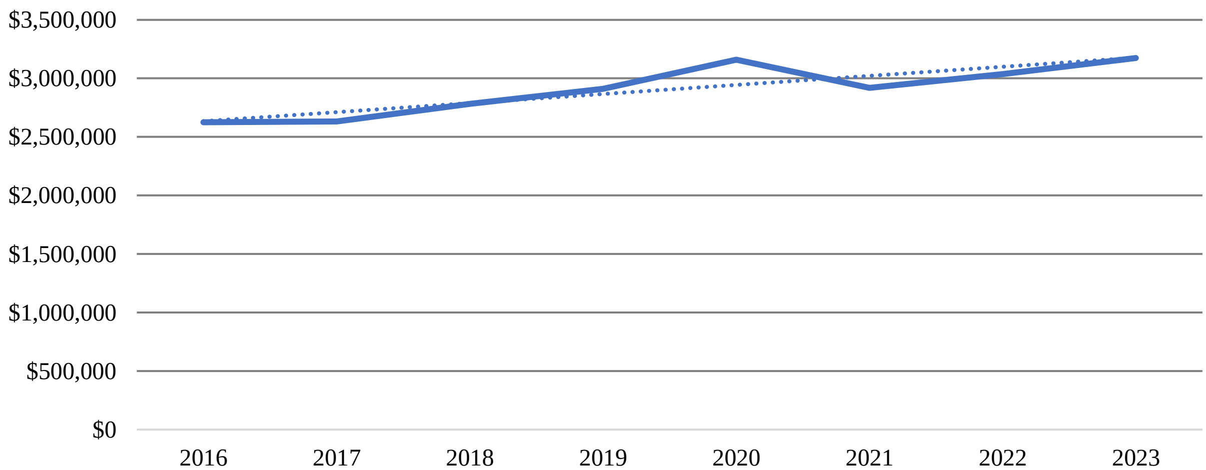


Gross Regional Product: **$1,016,843,598**

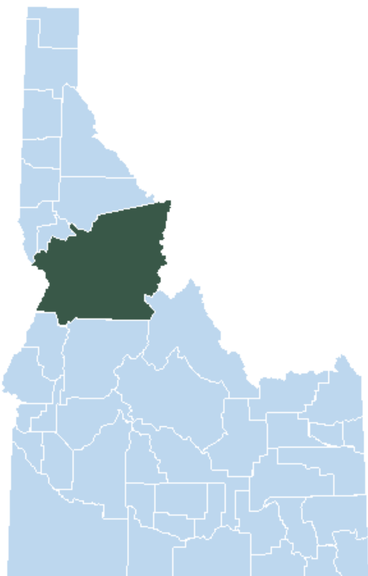
PERSI IMPACTS

Gooding	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$2,043,148	$1,161,092	$606,130	1,269
Total	**$2,043,148**	**$1,161,092**	**$606,130**	**1,269**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Idaho County Economic Profile

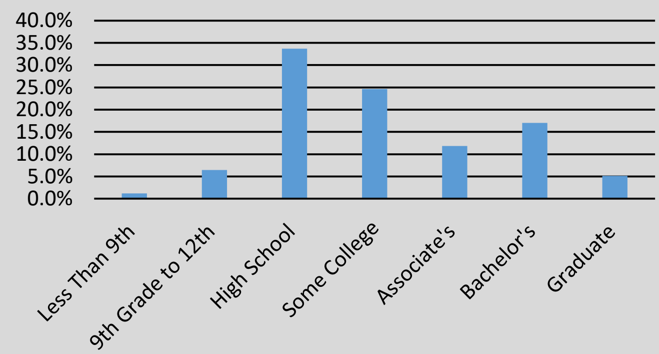


Population: **17,890**

Employment: **5,674**

Avg. Household Income: **$54,745**

Educational Distribution:

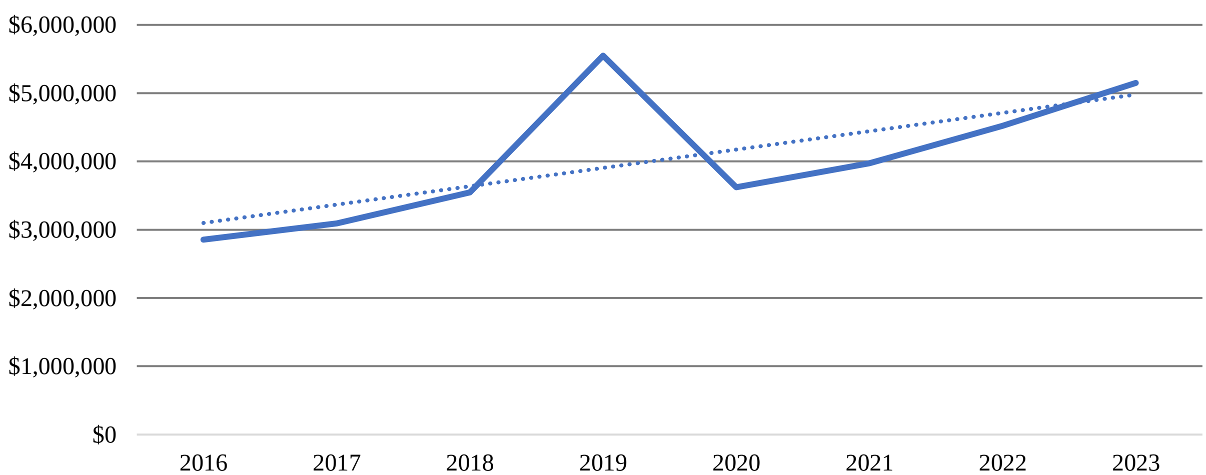


Gross Regional Product: **$710,862,029**

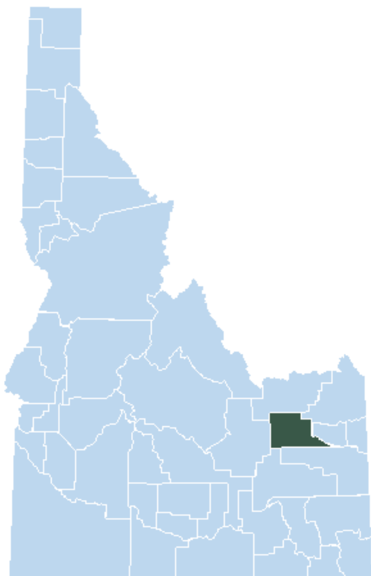
PERSI IMPACTS

Idaho	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$4,020,398	$2,148,452	$990,371	3
Total	**$4,020,398**	**$2,148,452**	**$990,371**	**3**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Jefferson County Economic Profile

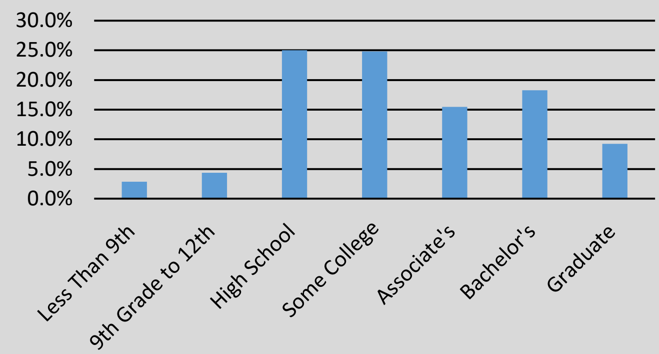


Population: **34,198**

Employment: **9,611**

Avg. Household Income: **$77,491**

Educational Distribution:

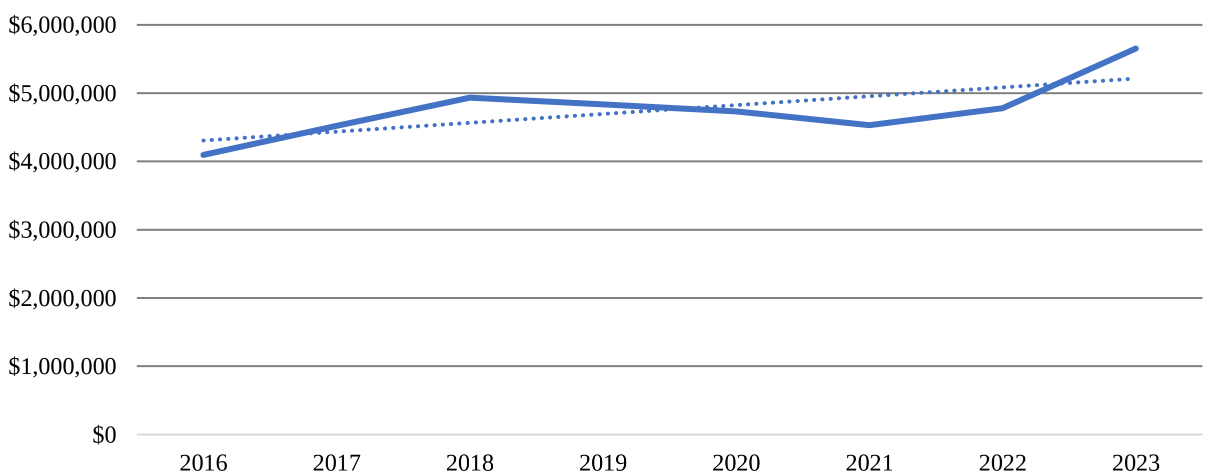


Gross Regional Product: **$1,142,842,120**

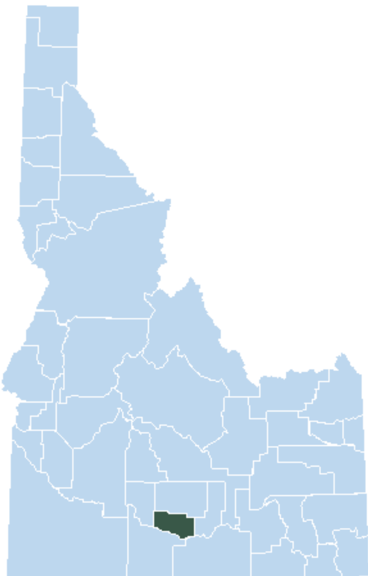
PERSI IMPACTS

Jefferson	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$4,427,493	$2,417,114	$1,154,635	3
Total	**$4,427,493**	**$2,417,114**	**$1,154,635**	**3**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Jerome County Economic Profile

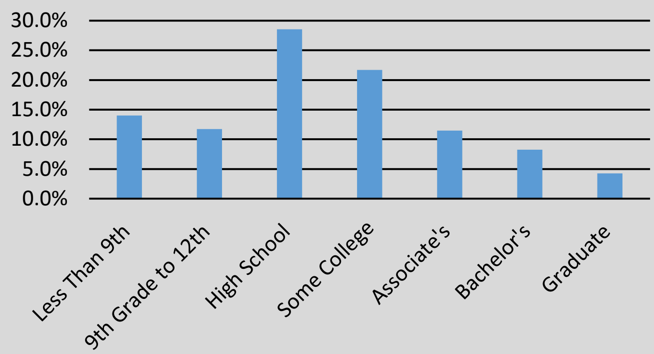


Population: **25,479**

Employment: **13,405**

Avg. Household Income: **$67,347**

Educational Distribution:

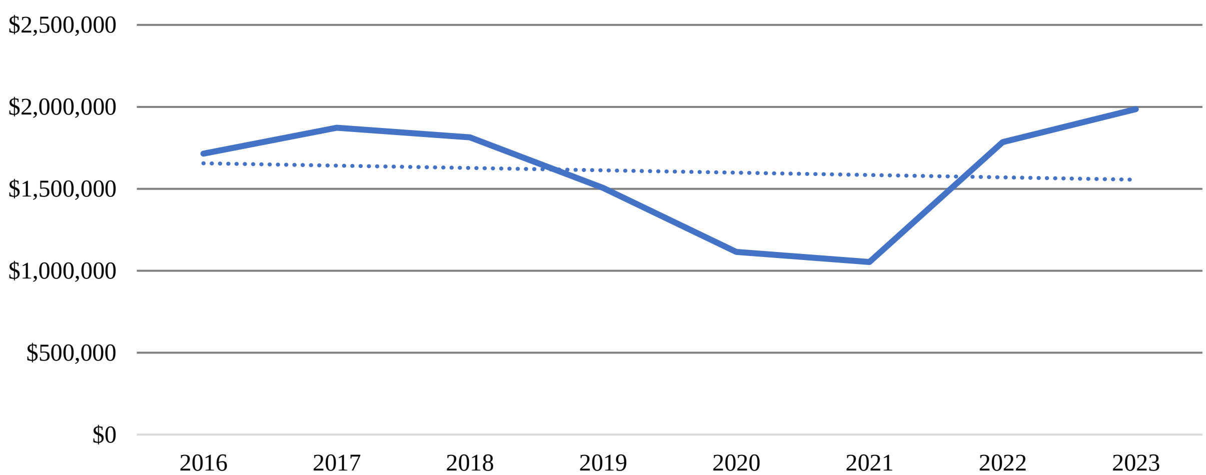


Gross Regional Product: **$1,693,354,386**

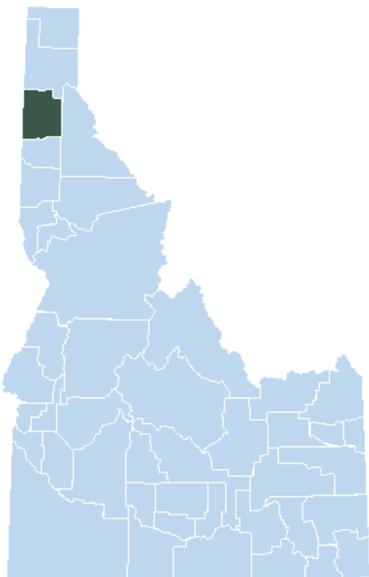
PERSI IMPACTS

Jerome	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,616,630	$949,380	$488,214	1
Total	**$4,526,069**	**$3,319,287**	**$1,104,397**	**18**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Kootenai County Economic Profile

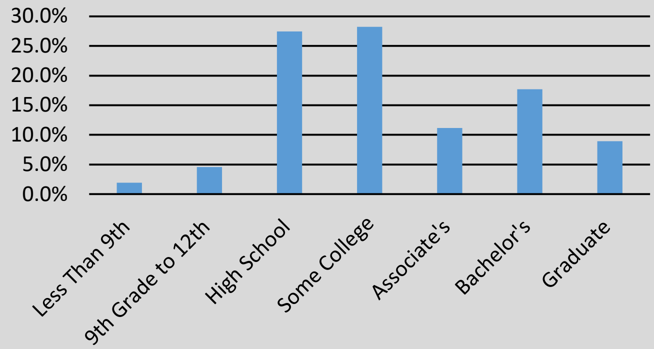


Population: **185,010**

Employment: **81,595**

Avg. Household Income: **$71,949**

Educational Distribution:

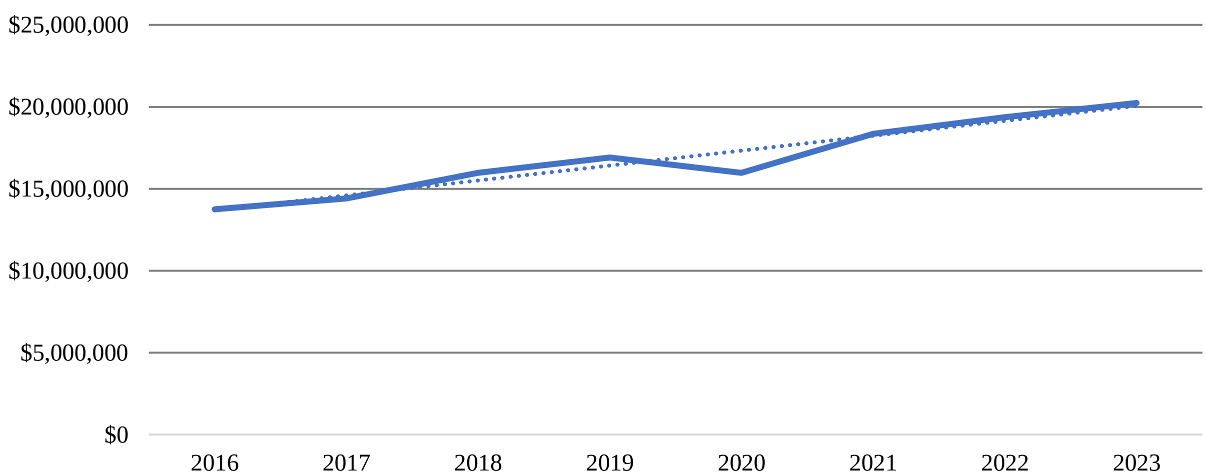


Gross Regional Product: **$10,587,352,089**

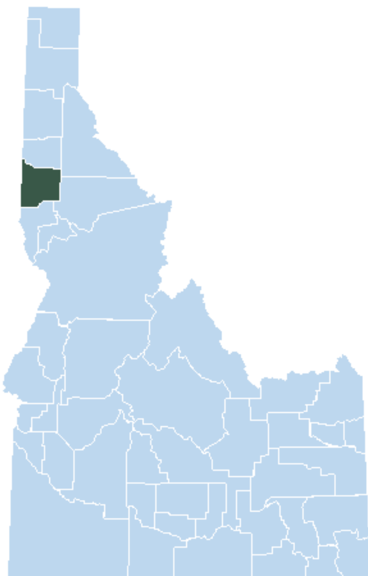
PERSI IMPACTS

Kootenai	Sales	GRP	Income	Jobs
Direct	$99,624	$34,748	$18,757	0
Indirect	$44,711	$17,849	$10,981	0
Induced	$24,063,393	$14,325,468	$7,967,334	17
Total	**$24,207,728**	**$14,378,064**	**$7,997,072**	**17**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Latah County Economic Profile

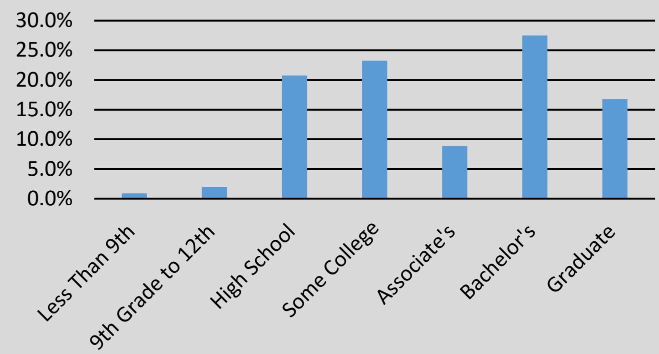


Population: **41,301**

Employment: **17,662**

Avg. Household Income: **$62,258**

Educational Distribution:

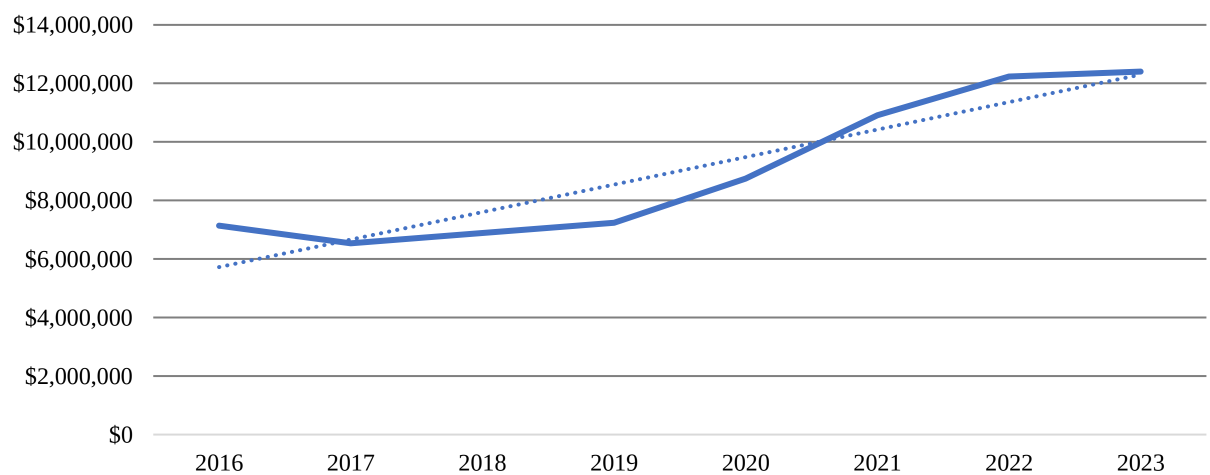


Gross Regional Product: **$1,764,483,932**

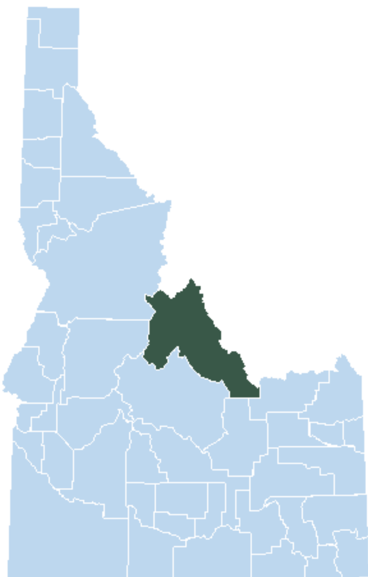
PERSI IMPACTS

Latah	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$13,075,005	$7,522,224	$4,067,926	10
Total	**$13,075,005**	**$7,522,224**	**$4,067,926**	**10**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Lemhi County Economic Profile

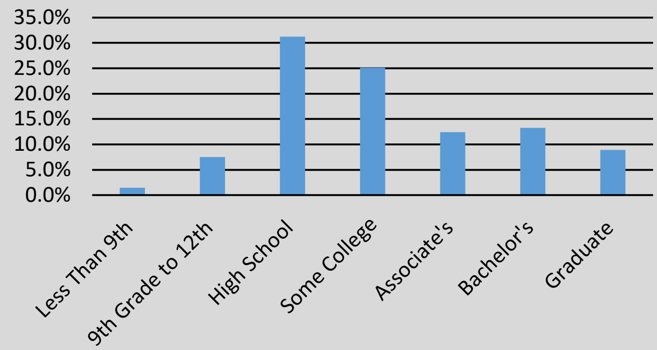


Population: **8,441**

Employment: **3,320**

Avg. Household Income: **$49,216**

Educational Distribution:

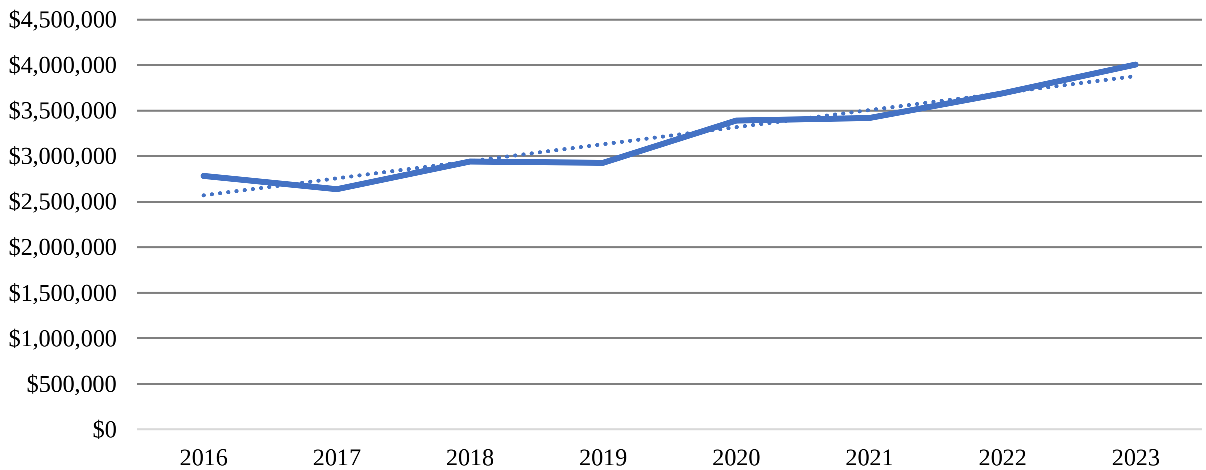


Gross Regional Product: **$406,811,554**

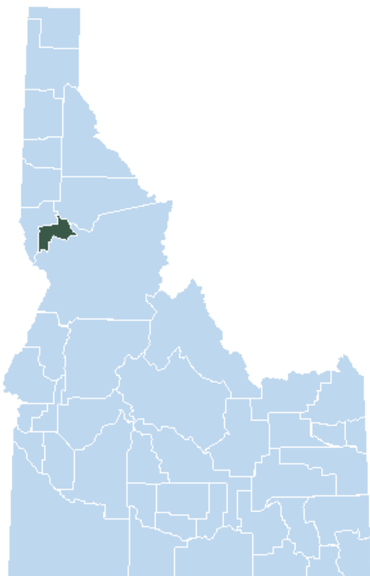
PERSI IMPACTS

Lemhi	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$3,115,223	$1,708,567	$787,766	3
Total	**$3,115,223**	**$1,708,567**	**$787,766**	**3**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Lewis County Economic Profile

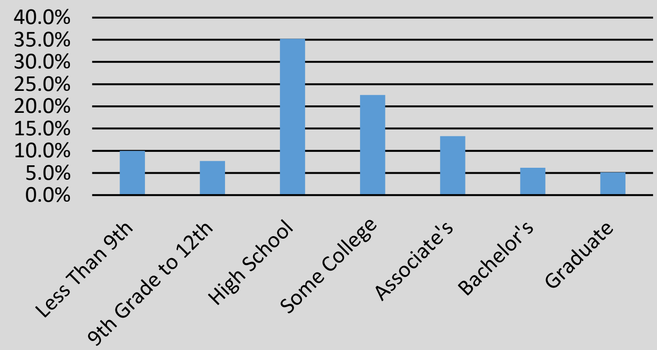


Population: **3,739**

Employment: **1,837**

Avg. Household Income: **$46,484**

Educational Distribution:

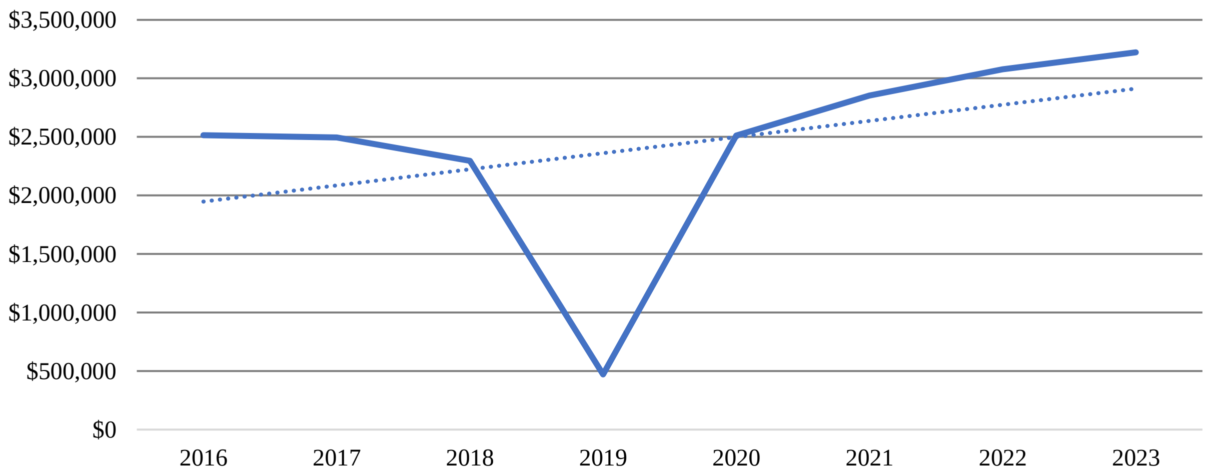


Gross Regional Product: **$211,386,473**

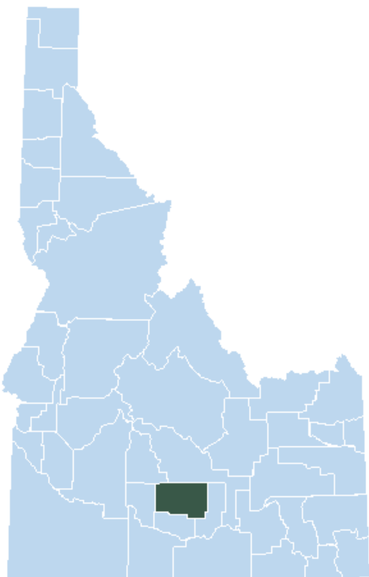
PERSI IMPACTS

Lewis	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,942,157	$1,044,670	$459,307	1
Total	**$1,942,157**	**$1,044,670**	**$459,307**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Lincoln County Economic Profile

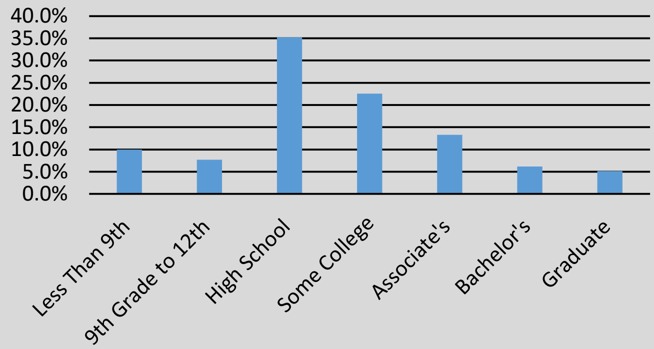


Population: **5,450**

Employment: **2,073**

Avg. Household Income: **$62,250**

Educational Distribution:

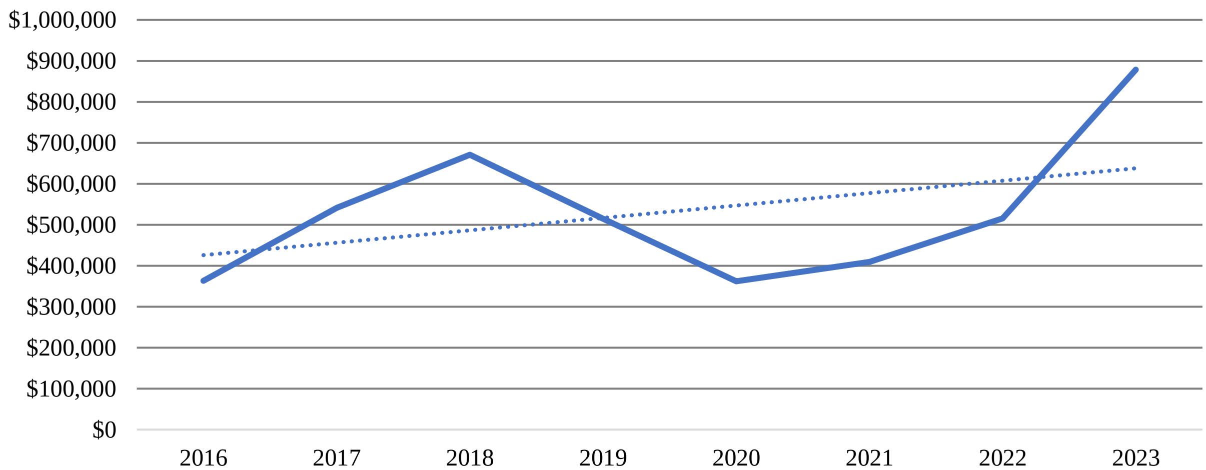


Gross Regional Product: **$279,249,201**

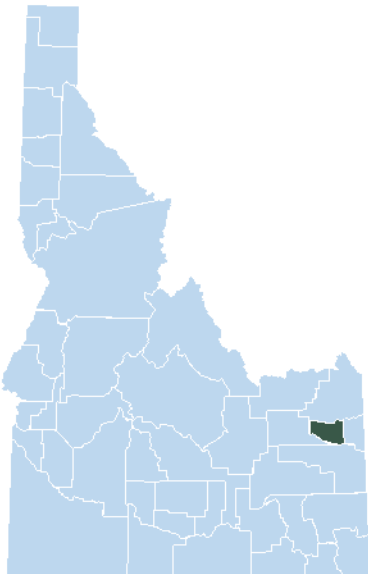
PERSI IMPACTS

Lincoln	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$442,970	$265,516	$101,894	0
Total	**$442,970**	**$265,516**	**$101,894**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Madison County Economic Profile

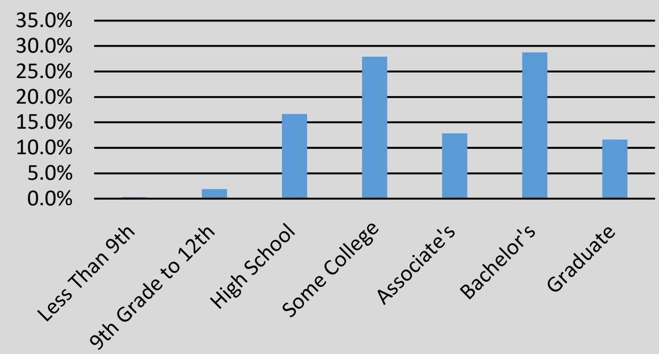


Population: **54,547**

Employment: **27,058**

Avg. Household Income: **$53,025**

Educational Distribution:

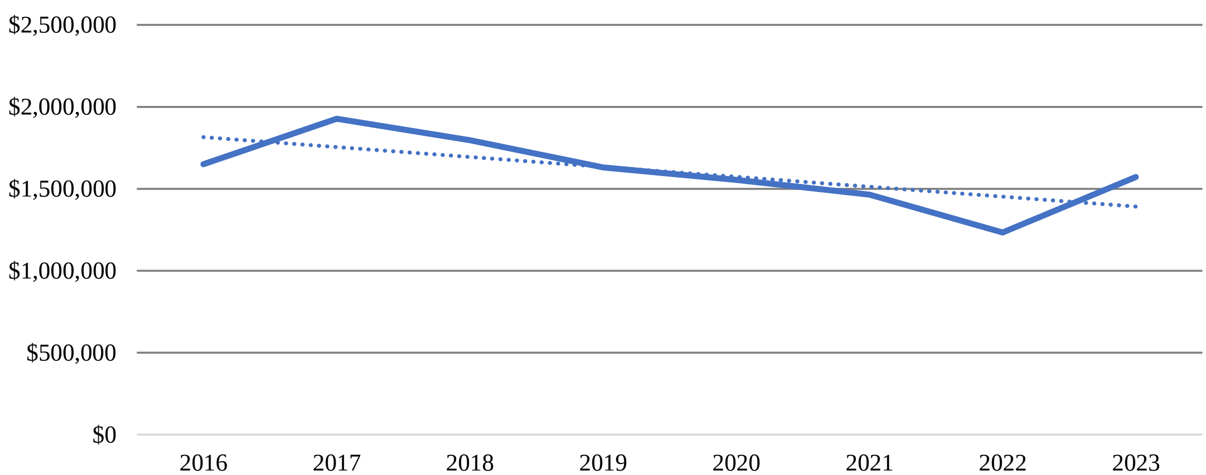


Gross Regional Product: **$1,945,765,341**

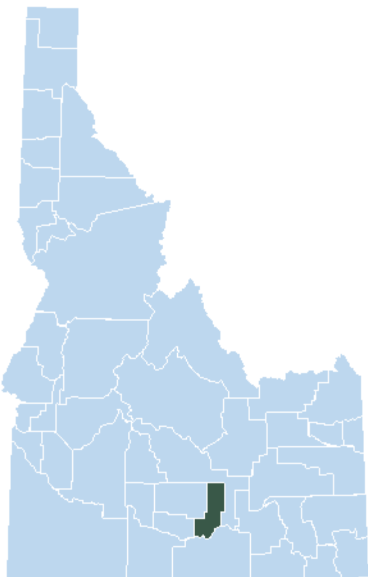
PERSI IMPACTS

Madison	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,798,589	$1,013,558	$530,951	1
Total	**$1,798,589**	**$1,013,558**	**$530,951**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Minidoka County Economic Profile

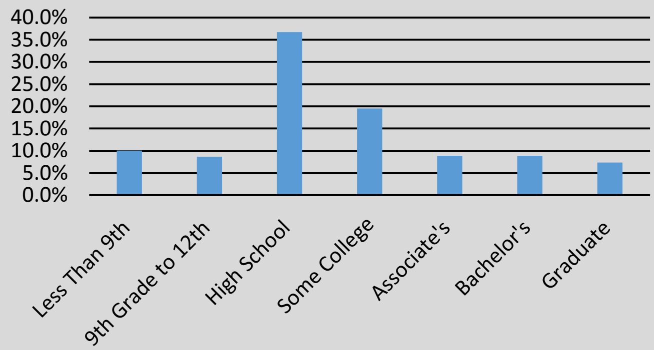


Population: **22,480**

Employment: **10,561**

Avg. Household Income: **$63,594**

Educational Distribution:

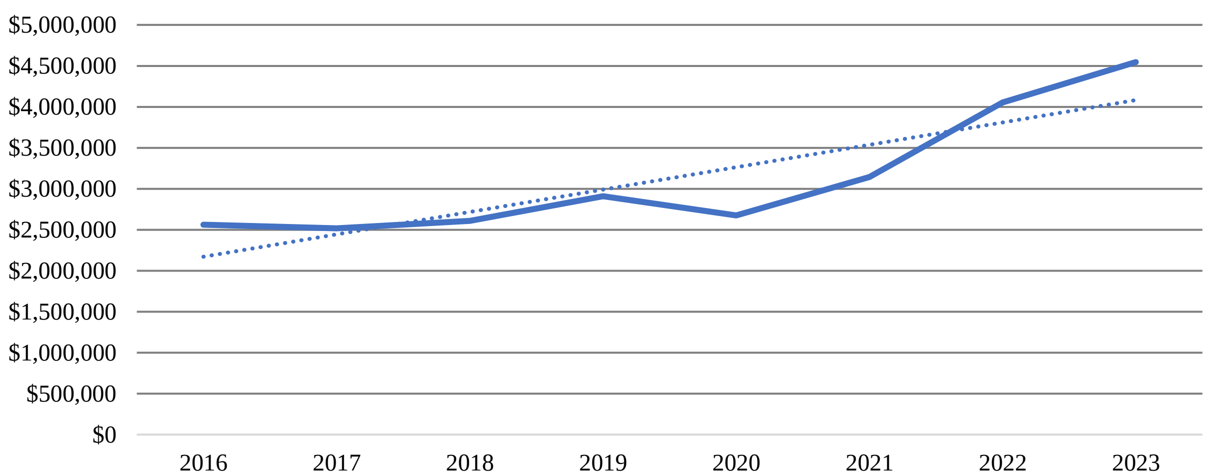


Gross Regional Product: **$1,346,161,479**

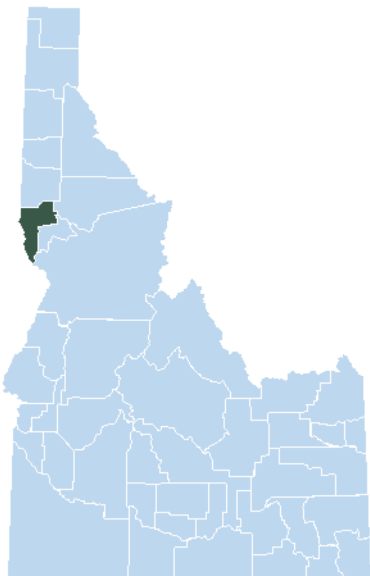
PERSI IMPACTS

Minidoka	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$3,452,778	$2,010,843	$902,854	2
Total	**$3,452,778**	**$2,010,843**	**$902,854**	**2**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Nez Perce County Economic Profile

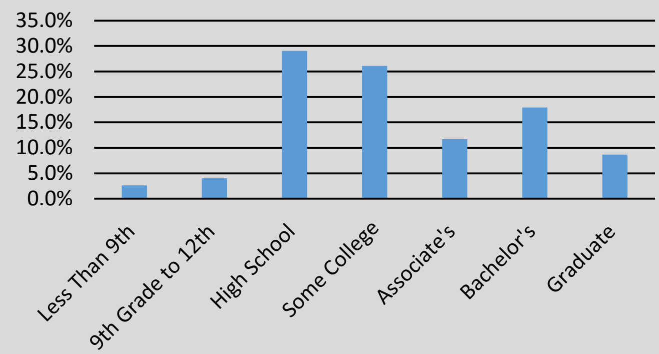


Population: **42,987**

Employment: **23,811**

Avg. Household Income: **$65,023**

Educational Distribution:

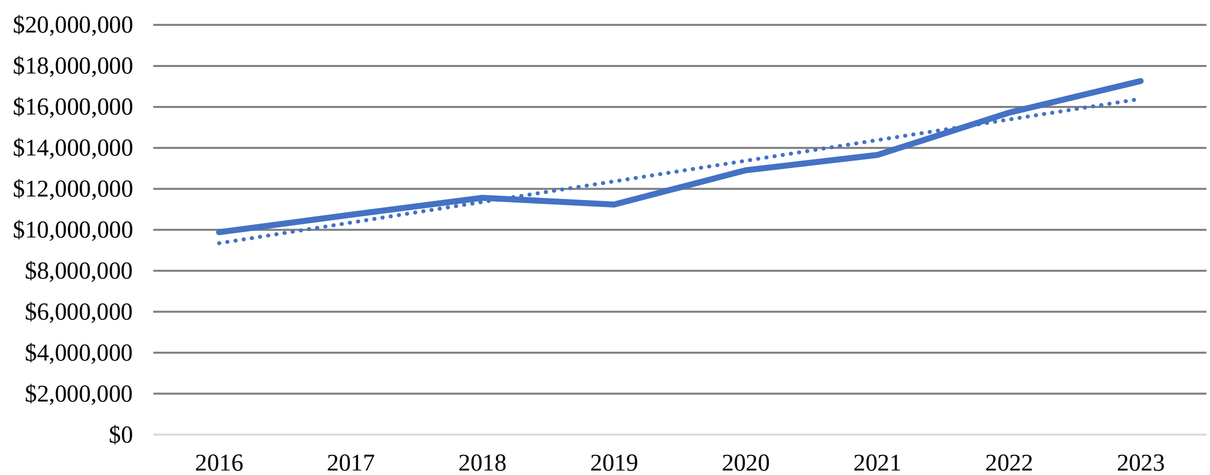


Gross Regional Product: **$3,263,458,190**

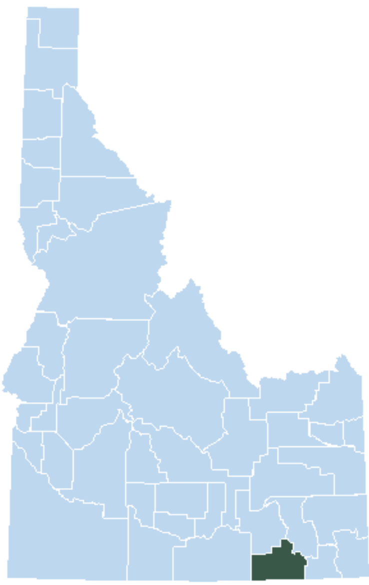
PERSI IMPACTS

Nez Perce	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$21,951,757	$12,824,948	$7,498,283	14
Total	**$21,951,757**	**$12,824,948**	**$7,498,283**	**14**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Oneida County Economic Profile

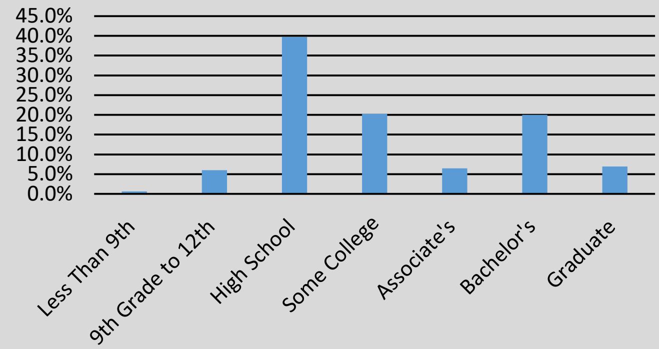


Population: **4,953**

Employment: **1,910**

Avg. Household Income: **$67,383**

Educational Distribution:

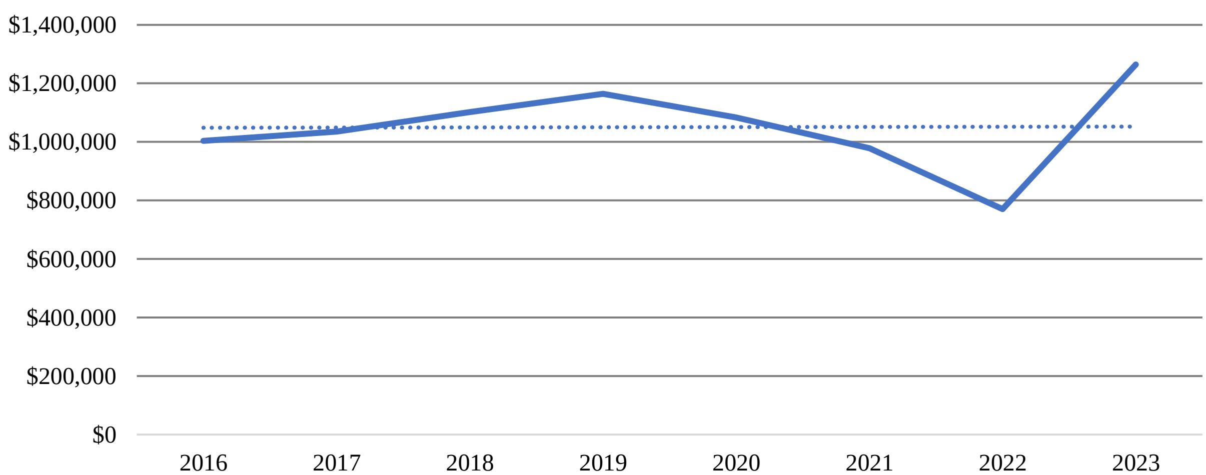


Gross Regional Product: **$197,301,829**

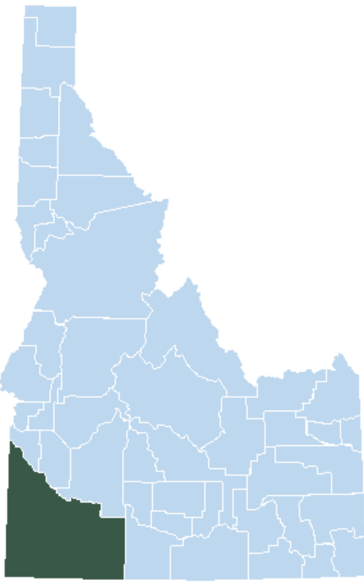
PERSI IMPACTS

Oneida	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$751,511	$429,816	$134,201	0
Total	**$751,511**	**$429,816**	**$134,201**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Owyhee County Economic Profile

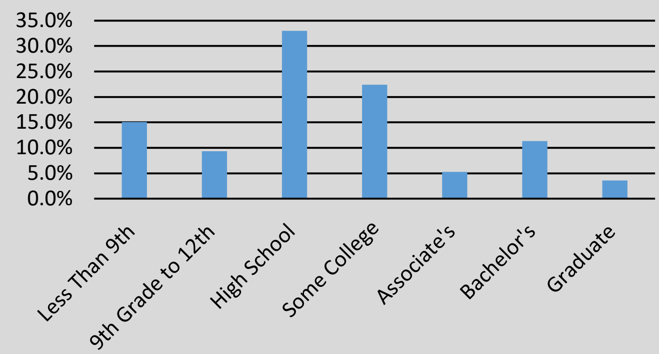


Population: **12,722**

Employment: **3,897**

Avg. Household Income: **$58,440**

Educational Distribution:

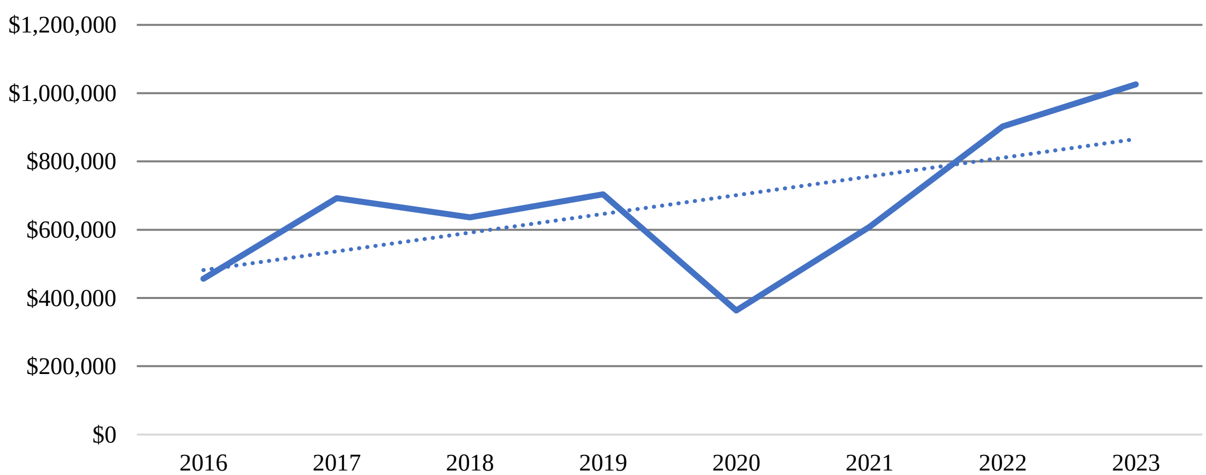


Gross Regional Product: **$529,856,887**

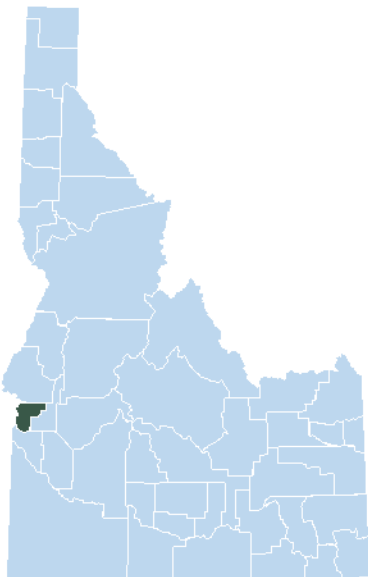
PERSI IMPACTS

Owyhee	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$523,132	$293,426	$112,377	0
Total	**$523,132**	**$293,426**	**$112,377**	**0**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Payette County Economic Profile

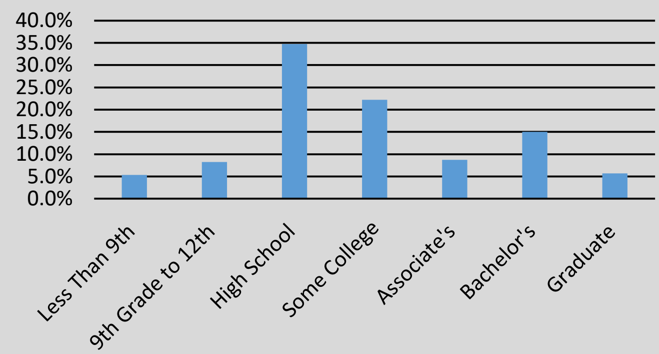


Population: **27,279**

Employment: **8,340**

Avg. Household Income: **$62,721**

Educational Distribution:

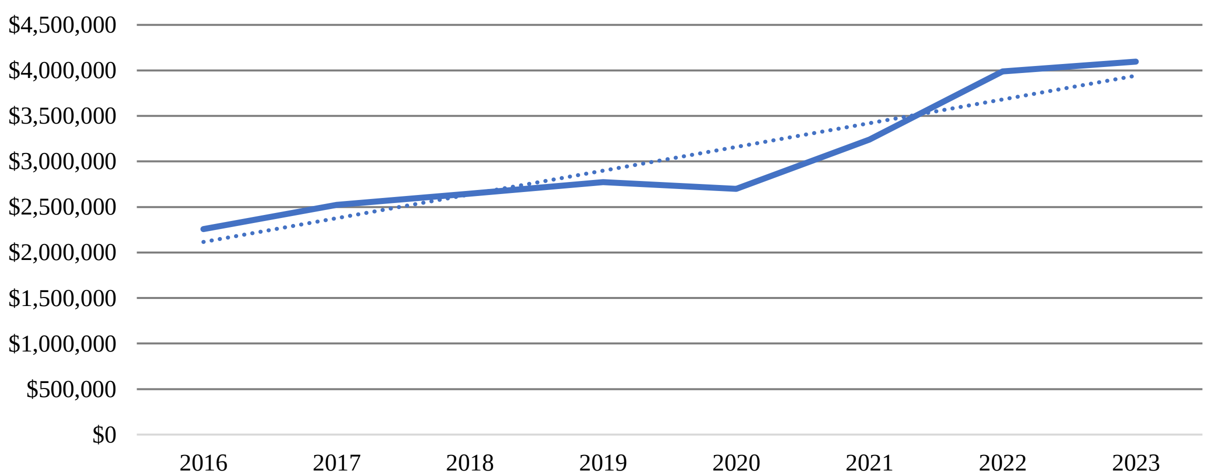


Gross Regional Product: **$1,051,091,108**

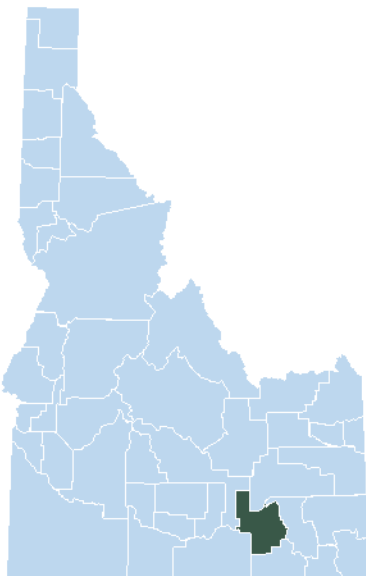
PERSI IMPACTS

Payette	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$3,808,073	$2,225,492	$1,145,936	3
Total	**$3,808,073**	**$2,225,492**	**$1,145,936**	**3**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Power County Economic Profile

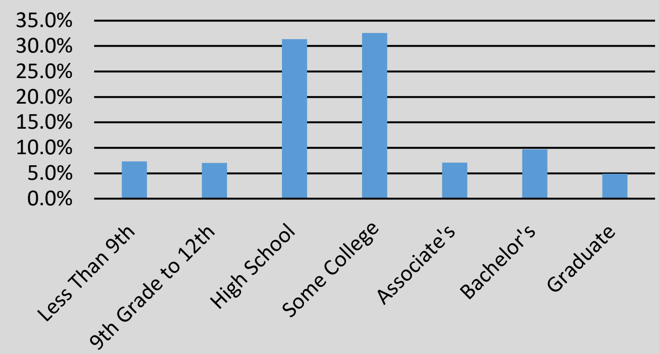


Population: **8,253**

Employment: **4,581**

Avg. Household Income: **$56,671**

Educational Distribution:

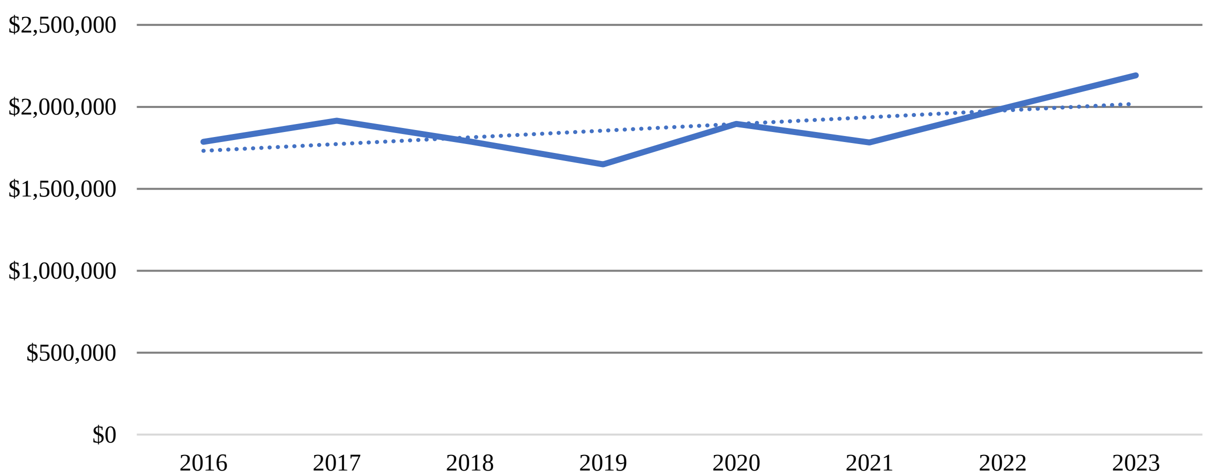


Gross Regional Product: **$683,305,872**

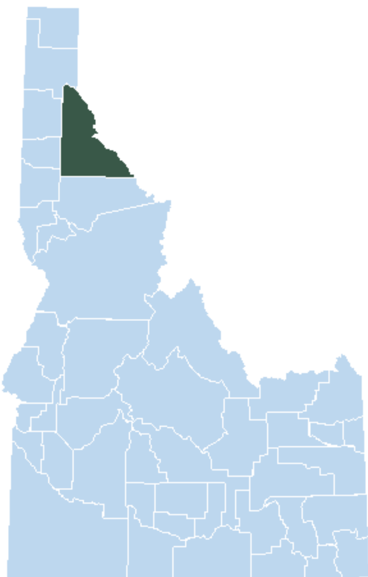
PERSI IMPACTS

Power	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,013,087	$608,861	$234,286	1
Total	**$1,013,087**	**$608,861**	**$234,286**	**1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Shoshone County Economic Profile

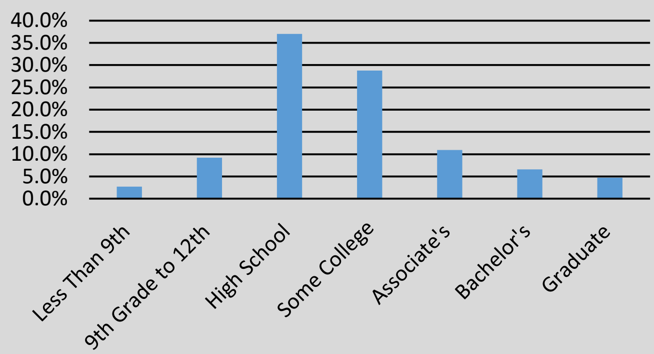


Population: **14,026**

Employment: **10,096**

Avg. Household Income: **$37,358**

Educational Distribution:

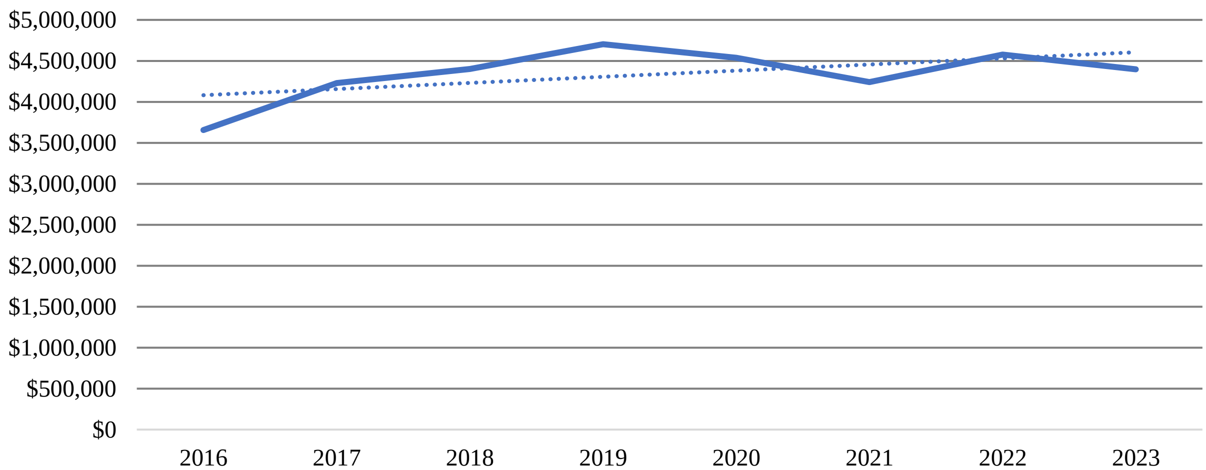


Gross Regional Product: **$1,681,382,829**

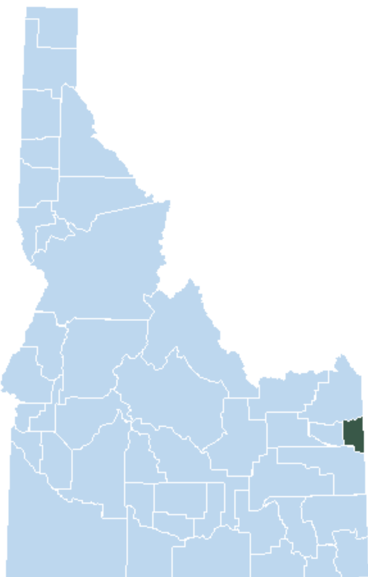
PERSI IMPACTS

Shoshone	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$3,329,012	$1,942,676	$845,691	2
Total	**$3,329,012**	**$1,942,676**	**$845,691**	**2**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Teton County Economic Profile

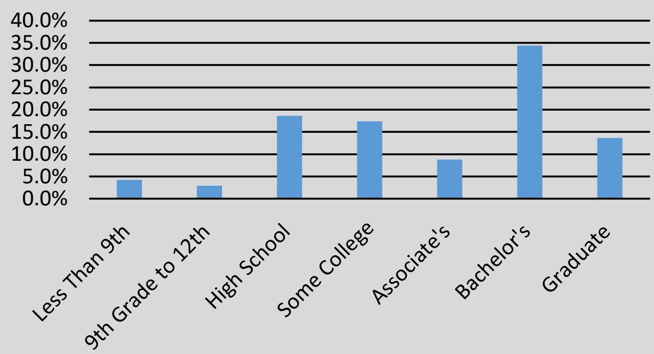


Population: **12,549**

Employment: **5,681**

Avg. Household Income: **$89,906**

Educational Distribution:

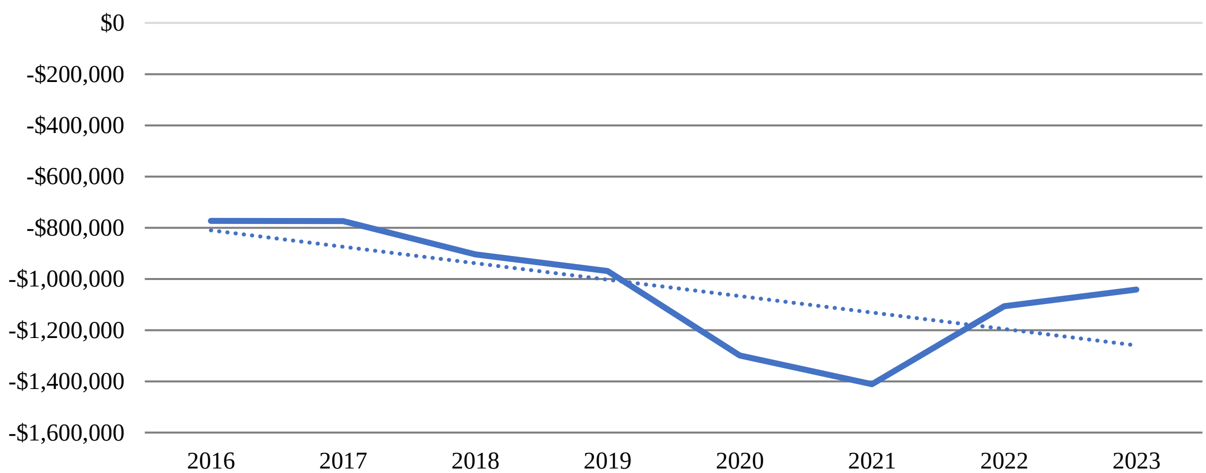


Gross Regional Product: **$730,475,859**

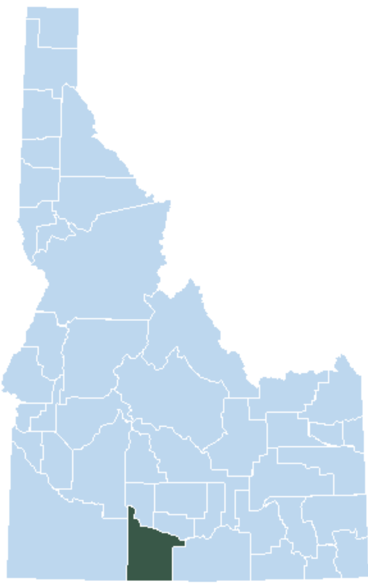
PERSI IMPACTS

Teton	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	-$1,027,093	-$586,570	-$292,557	-1
Total	**-$1,027,093**	**-$586,570**	**-$292,557**	**-1**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Twin Falls County Economic Profile

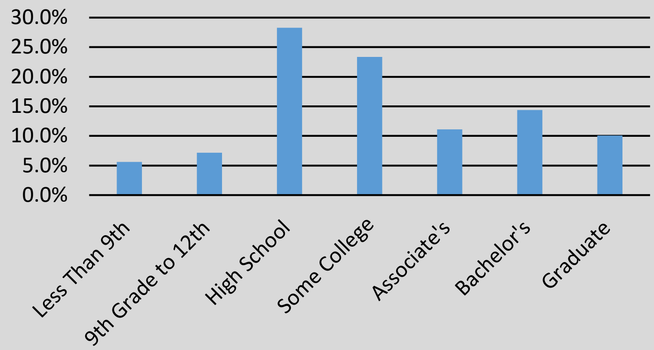


Population: **95,156**

Employment: **47,241**

Avg. Household Income: **$61,183**

Educational Distribution:

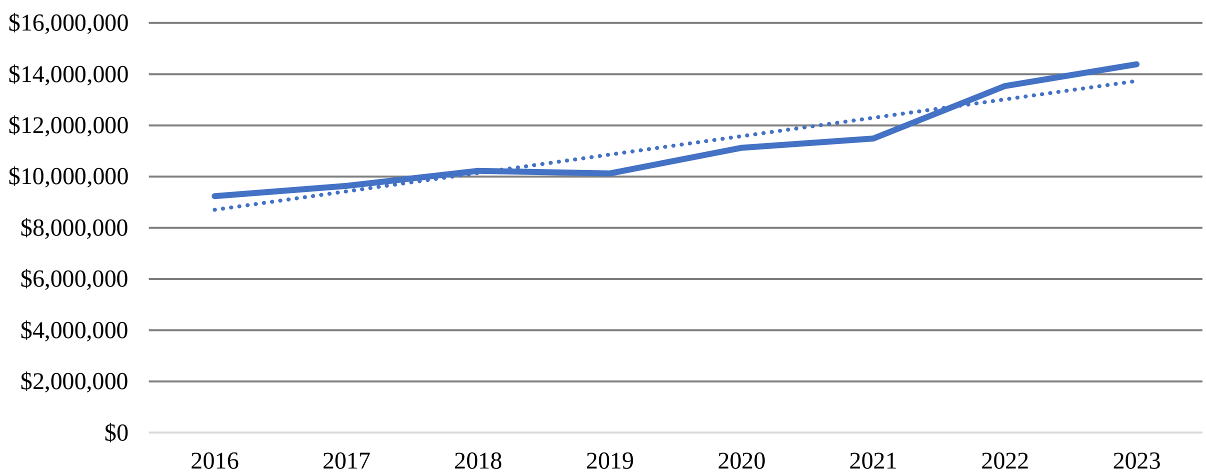


Gross Regional Product: **$5,152,052,148**

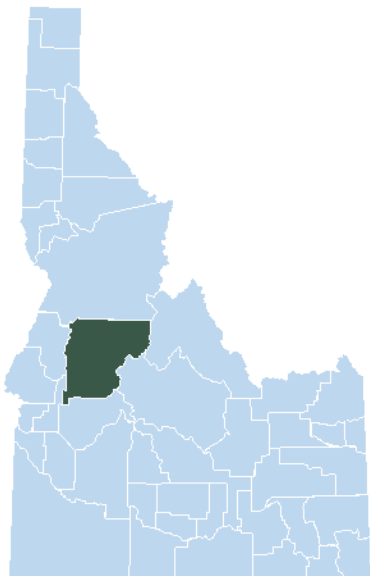
PERSI IMPACTS

Twin Falls	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$22,539,157	$12,614,099	$7,946,272	16
Total	**$22,539,157**	**$12,614,099**	**$7,946,272**	**16**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Valley County Economic Profile

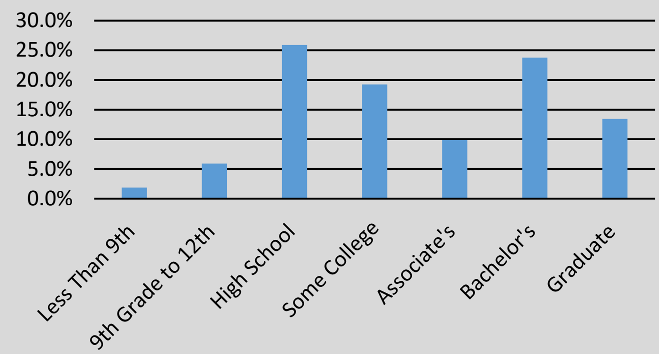


Population: **12,644**

Employment: **6,331**

Avg. Household Income: **$72,878**

Educational Distribution:

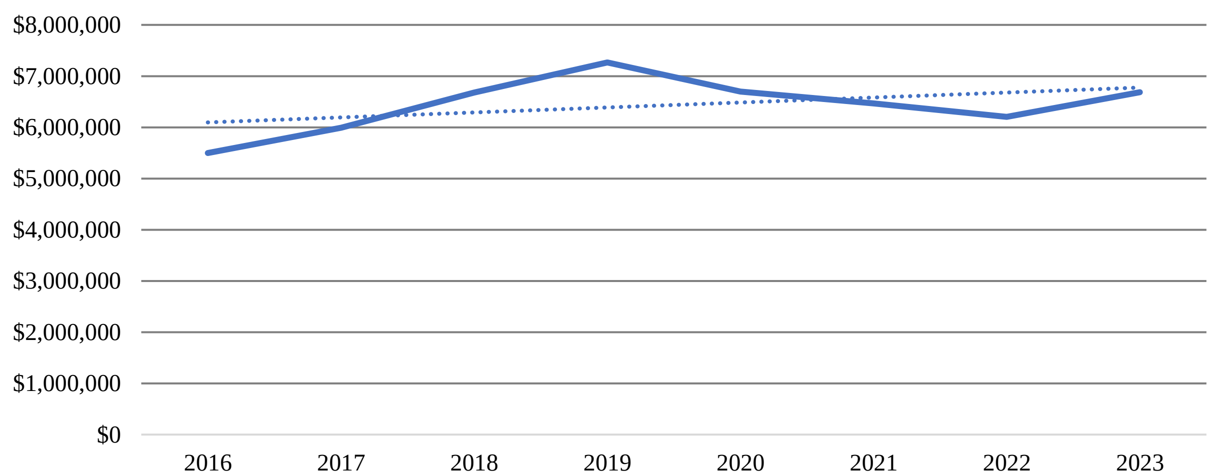


Gross Regional Product: **$746,303,806**

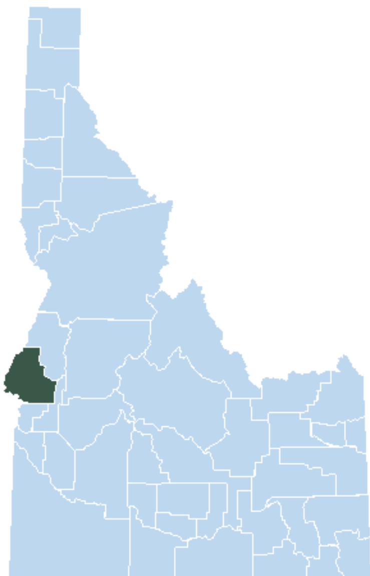
PERSI IMPACTS

Valley	**Sales**	**GRP**	**Income**	**Jobs**
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$7,381,616	$4,044,016	$2,221,878	5
Total	**$7,381,616**	**$4,044,016**	**$2,221,878**	**5**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Washington County Economic Profile

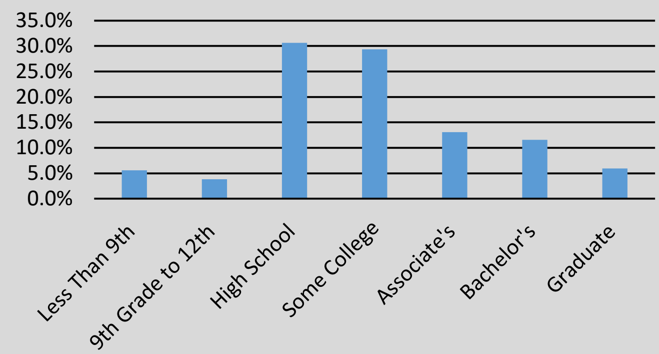


Population: **11,425**

Employment: **3,610**

Avg. Household Income: **$50,046**

Educational Distribution:

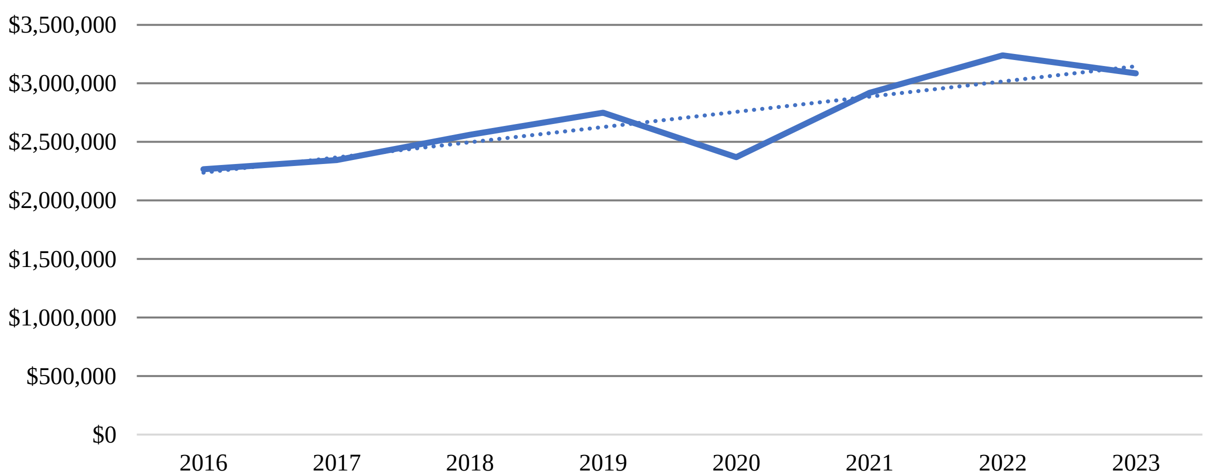


Gross Regional Product: **$385,864,303**

PERSI IMPACTS

Washington	Sales	GRP	Income	Jobs
Direct	$0	$0	$0	0
Indirect	$0	$0	$0	0
Induced	$1,971,839	$1,085,312	$454,640	2
Total	**$1,971,839**	**$1,085,312**	**$454,640**	**2**

PERSI Net Injections (Benefits-Contributions): (2016-2023)



Recon Insight Group LLC

PERSI

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

To: PERSI Board of Directors
From: Deputy Director
Subject: Public Safety Officer Death Benefit

Summary:

Statute 59-1361A states that if a public safety officer dies as the direct and proximate result of a personal injury sustained in the line of duty, a death benefit in the amount of one hundred thousand dollars ($100,000) shall be payable to the officer's surviving spouse or, in the event there is no surviving spouse, divided among the officer's dependent children. Application for benefits under this chapter shall be made to the retirement board.

Key Discussion:

- U.S. Department of Justice issued their determination of the federal Public Safety Officers' Benefit (PSOB).
  - The member's death was determined to be caused as a result of an on-duty training situation involving nonroutine stressful physical fire training activity.
  - PSOB Office has concluded that the member's surviving spouse will receive the federal benefit amount payable.
- The member's spouse has submitted an application for the $100,000 death benefit to Persi.

Action:

The application qualifies for the death benefit under Statute 59-1361A. It is the staff's recommendation that the Board approve the spouse's application for the $100,000 death benefit payment.

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: PAA Analysis

Summary:

Staff requested Milliman to provide an analysis of the following questions raised:

1) What is the impact on the projected benefit payments by year if an additional 1% discretionary PAA from 2024 were granted effective March 1, 2025?
2) What is the impact if the Board had granted the maximum PAA allowed by current law of 15.1% instead of the 1.3% PAA approved at the December Board meeting to be effective March 1, 2025?

Key Discussion:

- The cost of $129 million for a 1% discretionary PAA as calculated by Milliman is actually the present value of the future costs, as of July 1, 2024. The total cost is $260 million paid out from 2025 through 2078. The projected cost, using the base plan assumptions, is provided by year in the report.
- If the full amount of retro PAA's had been granted, the UAAL would have increased by $1.6 billion, and the amortization period would have increased from 11.8 years to 17.2 years. This includes the future proposed contribution rate increases currently scheduled for FY 26 and FY 27.
- To maintain the current amortization period of 11.8 years, while granting the full retro PAA, contribution rates would need to be increased by 3.80% to maintain the same level of amortization period. See table on page 3 of the report.
- If the assumption for PAAs was increased to the current inflation assumption of 2.30% to fund for future PAAs the total AAL would increase by $3.5 billion and normal cost rate would increase by 2.74%.

Action:

No action is requested. This is informational only.

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Boise, ID 83702 USA

Tel +1 208 342 3485

milliman.com

January 28, 2025

Michael Hampton

Executive Director

Public Employee Retirement System of Idaho

P.O. Box 83720
Boise, ID 83720 USA

Re: 2025 PERSI Postretirement Allowance Adjustment Study

Mike,

On slide 43 of our September 24, 2024, Board Meeting presentation on the 2024 Actuarial Valuation, we showed the following table discussing the availability and cost of Postretirement Allowance Adjustments (PAAs) that the Board could consider granting effective March 1, 2025.

	AVAILABLE PAA FOR MARCH 2025		
PAA TYPE	**YEAR**	**AMOUNT**	**COST [1]**
Automatic	2024	1.0%	Already included in valuation
Discretionary	2024	1.5%	$194 m
Retroactive PAAs	2023	2.7%	$338 m
	2022	7.2%	$850 m
	2021	1.7%	$196 m
	2020	0.3%	$32 m
Total		15.1% [2]	$1,610 m

[1] Increase in July 1, 2024, Actuarial Accrued Liability (AAL) measured assuming PAAs are granted in order of newest to oldest.
[2] PAAs from separate years are combined multiplicatively, so the total PAA available is greater than the sum of the PAAs from each year.

This letter presents additional analysis regarding the cost of PAAs effective March 1, 2025, to answer the following two questions received from PERSI staff.

1. What is the impact on the projected benefit payments by year if an additional 1% discretionary PAA from 2024 were granted effective March 1, 2025?
2. What is the impact on the Normal Cost rate if the Board had granted the maximum PAA allowed by current law of 15.1% instead of the 1.3% PAA approved at the December Board meeting to be effective March 1, 2025?

Impact on Annual Benefit Payments of a 1% Discretionary PAA

On slide 44 of our September 24, 2024, Board Meeting presentation on the 2024 Actuarial Valuation, we showed that the cost of a 1% discretionary PAA, effective March 1, 2025, was $129 million. This $129 million is the present value, as of July 1, 2024, of the following increases in the benefits projected to be paid to current vested terminated and retired members.

INCREASE IN ANNUAL BENEFIT PAYMENTS DUE TO A 1% DISCRETIONARY PAA EFFECTIVE MARCH 1, 2025

FYE	$ MILLIONS	FYE	$ MILLIONS	FYE	$ MILLIONS	FYE	$ MILLIONS
2025	4.1	**2039**	9.1	**2053**	3.1	**2067**	0.5
2026	12.3	**2040**	8.7	**2054**	2.8	**2068**	0.4
2027	12.1	**2041**	8.3	**2055**	2.5	**2069**	0.3
2028	12.0	**2042**	7.8	**2056**	2.2	**2070**	0.3
2029	11.8	**2043**	7.4	**2057**	1.9	**2071**	0.2
2030	11.6	**2044**	6.9	**2058**	1.7	**2072**	0.2
2031	11.4	**2045**	6.5	**2059**	1.5	**2073**	0.2
2032	11.2	**2046**	6.0	**2060**	1.3	**2074**	0.1
2033	11.0	**2047**	5.6	**2061**	1.1	**2075**	0.1
2034	10.7	**2048**	5.1	**2062**	1.0	**2076**	0.1
2035	10.4	**2049**	4.7	**2063**	0.8	**2077**	0.1
2036	10.1	**2050**	4.3	**2064**	0.7	**2078**	0.1
2037	9.8	**2051**	3.9	**2065**	0.6	**2079**	0.0
2038	9.4	**2052**	3.5	**2066**	0.5	**2080**	0.0

Impact on Normal Cost Rate of a 15.1% PAA

On page 1 of this letter, we showed that, under current law, the maximum PAA available for the Board to grant effective March 1, 2025, was 15.1%. Of this 15.1%, 1.0% of the 2024 CPI-U is automatically granted by statute and the Board voted to grant an additional 0.3% retroactive PAA to make up for the shortfall between CPI-U and the granted PAA from 2020, for a total PAA of 1.3% effective March 1, 2025.

If the March 1, 2025, PAA were instead the full 15.1%, it would raise the July 1, 2024, Unfunded Actuarial Accrued Liability (UAAL) by $1.6 billion and the amortization period from 11.8 years to 17.2 years. There would be no immediate impact on the Normal Cost Rate because PAAs are granted to terminated vested and retired members, while the Normal Cost Rate is the cost to pre-fund the benefits that will be paid to current active members after they retire. However, there could be impacts on the Normal Cost Rate down the line due to higher member contribution rates or a higher PAA valuation assumption.

IMPACT OF RAISING CONTRIBUTION RATES

One way to think about the cost of a higher PAA is to ask, “How much would contribution rates need to increase to keep the amortization period of the plan unchanged?” In this example of a 15.1% PAA, it would take a 3.80% increase in the contribution rate schedule, effective July 1, 2025, to get the July 1, 2024, amortization period down to the 11.8 years it is at with the currently approved 1.3% PAA. This 3.80% increase in contribution rates, would result in a 0.28% increase in the Normal Cost Rate due to higher projected employee contribution balances that the plan must refund in some cases where a member terminates employment prior to retirement. The following table summarizes these scenarios.

	CURRENT SCENARIO	FULL 15.1% PAA – NO CHANGE IN RATES	FULL 15.1% PAA – RAISE RATES
March 1, 2025, PAA	1.3%	15.1%	15.1%
Contribution Rate Schedule:			
July 1, 2025	20.77%	20.77%	24.57%
July 1, 2026	23.27%	23.27%	27.07%
July 1, 2027	27.02%	27.02%	30.82%
July 1, 2024, UAAL	$3.8 billion	$5.4 billion	$5.3 billion
July 1, 2024, Amortization Period	11.8 years	17.2 years	11.8 years
July 1, 2025, Normal Cost Rate	17.06%	17.06%	17.34%

Note that all scenarios reflect the changes in the scheduled contribution rates approved by the Board in the October and December 2024 Board Meetings.

IMPACT OF RAISING THE PAA VALUATION ASSUMPTION

A second potential impact of higher PAAs is what it could mean for the long-term PAA assumption used in the annual actuarial valuations. If there was an expectation that, over the long term, PAAs would be granted to keep up with CPI-U, then it may make sense to adjust the PAA assumption in the actuarial valuation to be equal to the long-term inflation assumption. This would allow for pre-funding of anticipated future discretionary PAAs. Currently the PAA assumption is equal to 1.00% (i.e., only automatic PAAs). Raising it to 2.30%, to match the inflation assumption, would result in a $3.5 billion increase in the Actuarial Accrued Liability (AAL) and a 2.74% increase in the Normal Cost Rate.

Caveats

The purpose of this letter is to provide examples to help the reader understand the impact that discretionary PAAs have on plan costs. It does not explore the potential for any legal or administrative issues with regards to granting of the hypothetical PAAs discussed in this letter. The calculations in this letter are based on the data, plan provisions, methods, and assumptions used in our July 1, 2024, actuarial valuation report for the Public Employee Retirement System of Idaho, dated October 17, 2024. All caveats, certifications, and limitations of use and distribution described in that report apply to this letter. Section 7 of that report describes a detailed discussion of risks pertaining to PERSI; these risks would be materially affected by some of the hypothetical scenarios discussed in this letter.

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 of the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinions contained herein.

Please reach out if you have any questions.

Sincerely,

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

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

PERSI
Public Employee Retirement System of Idaho

February 25, 2025

TO: Retirement Board Trustees
FROM: Mike Hampton, Director
SUBJECT: Experience Study Schedule / Plan

Summary:

The last experience study was completed and adopted by the Board in October of 2021 and applied to the July 1, 2021 valuation. That experience study covered the period from July 1, 2015 to June 30, 2020. Milliman will provide an overview of their plan to complete the experience study with touchpoints for the Board at the March, April and May Board meetings. The goal is for the Board to adopt the final assumptions that will be utilized for the July 1, 2025 valuation, at the May 2025 board meeting.

Key Discussion:

- Milliman to provide background about demographic and economic assumptions used in actuarial valuation.
- Schedule is to allow Board time and opportunity for exploring the assumptions utilized, ask for additional information or scenarios, and review the impact of assumptions contemplated.
- An additional stated goal of the Board is to have the experience study completed prior to the end of the fiscal year to facilitate review of proposed contribution rate adjustments currently scheduled to be implemented in July of 2025 and July of 2026.

Action:

No action is requested. This is informational only.

2025 PERSI Actuarial Assumptions Study

Proposed Board Meeting Schedule

Robert Schmidt, FSA, EA, MAAA
Ryan Cook, FSA, EA, MAAA

FEBRUARY 24, 2025

Milliman
Solutions for a world at risk™

PERSI Actuarial Assumptions Study + FY 2027 Contribution Rate Setting

Milliman's Analysis

Demographic Experience Study - February to March 2025

Assumptions to study

- Retiree mortality
- Inactive member retirement
- Active member:
  - Merit salary increases
  - Retirement
  - Termination
  - Disability
  - Death

Process

1. Compile member data for FYE 2022–2025
2. Compare experience to valuation assumptions
3. Recommend assumption changes
4. Calculate liability impact

Economic Experience Study - February to March 2025

Key Assumptions

- Expected return on assets
  - Milliman & Callan capital market assumptions
  - NASRA data on peer plans
- Salary inflation
  - National Index
- Payroll growth

Minor Assumptions

- Administrative expense load
- Interest on employee contributions

Valuation Methods

- PAA assumption
- Actuarial valuation of assets

Expected Return / Contribution Rate Scenarios - March to April 2025

- Goal is to set FY 2027 contribution rates by June
- Options for contribution rates are linked to the Board decision on expected return assumption, so looking at both together
- Milliman will work with PERSI to determine a range of expected return assumption and contribution rate pairings to present to the Board for consideration
  - Look at impact on amortization period and other valuation results
  - Look at likelihood of needing to raise rates in coming valuation(s)
  - Can also weave in options for other assumptions, if desired

PERSI Actuarial Assumptions Study + FY 2027 Contribution Rate Setting

Proposed Spring 2025 Board Meeting Schedule

March 18th Board Meeting

60 minutes

- Demographic assumption study
  - Background about demographic assumptions for actuarial valuations
  - Our philosophy with setting demographic assumptions
  - PERSI demographic experience study results and recommendations
  - Liability impacts
- Economic assumptions study
  - Background about economic assumptions for actuarial valuations
  - PERSI economic experience study results and recommendations
  - Liability impacts

April 22nd Board Meeting

30 minutes

- Review expected return experience study results
- Expected return / contribution rate scenarios
  - Range of options for expected return assumption and contribution rate schedule
  - Impact on valuation results
  - Feedback from Board on additional scenarios for May

May 20th Board Meeting

30 minutes

- Additional expected return / contribution rate scenarios
- Board votes to:
  - Adopt demographic assumptions
  - Select expected return and other economic assumptions (if changes desired)
  - Adjust the FY 2027 (and possibly FY 2028) contribution rates (if changes desired)

Milliman

Thank you

Robert Schmidt

robert.schmidt@milliman.com

Ryan Cook

ryan.cook@milliman.com

PERSI
Public Employee Retirement System of Idaho

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

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

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

Choice Plan Recordkeeper
1-866-437-3774

www.persi.idaho.gov

Equal Opportunity Employer

Date: February 25, 2025

TO: PERSI Retirement Board

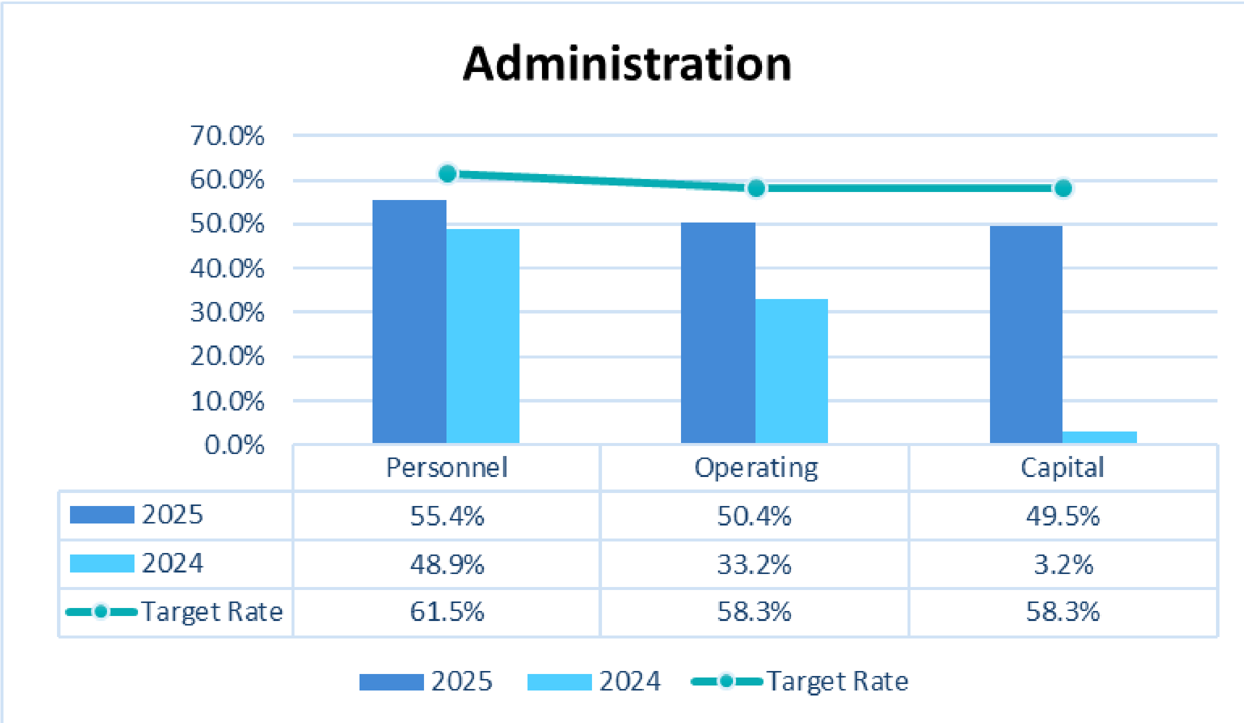
FROM: Mike Anderson
Financial Executive Officer

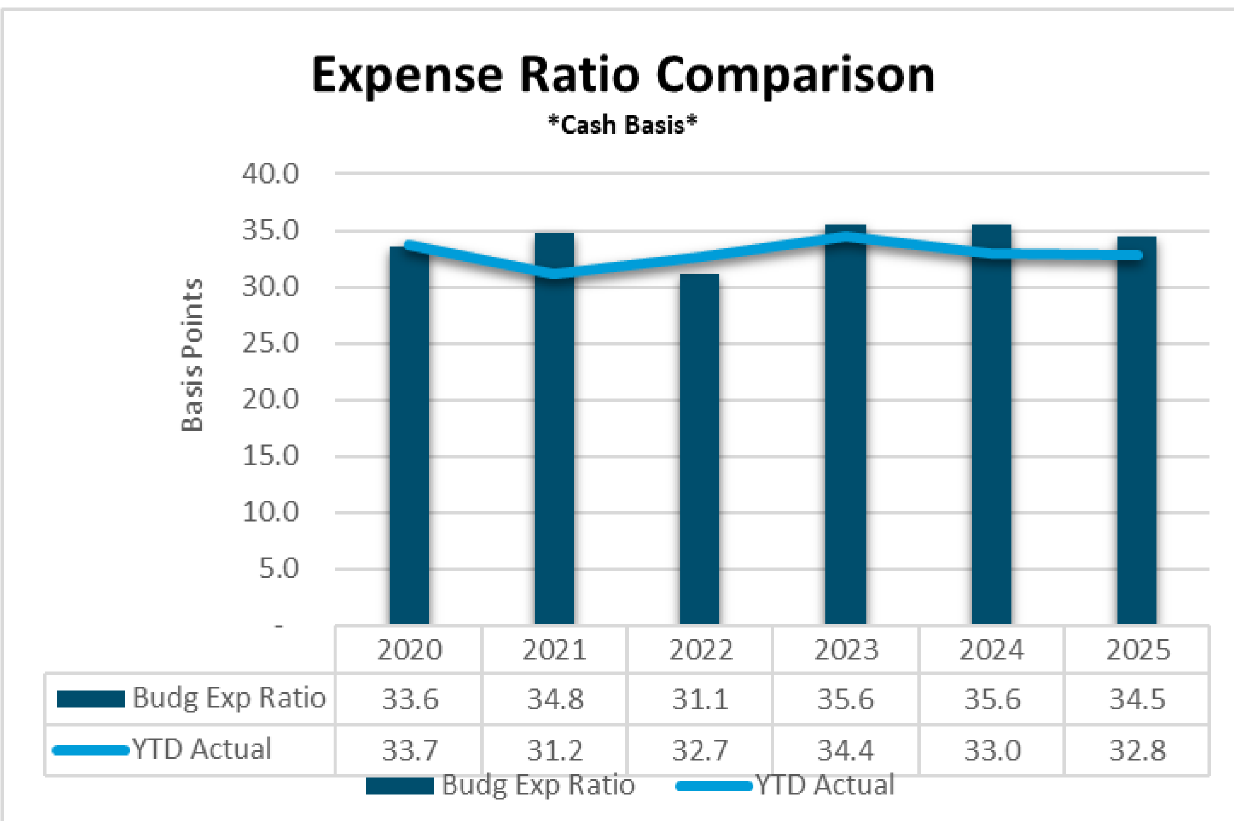
SUBJECT: **UPDATE ON FISCAL ISSUES**

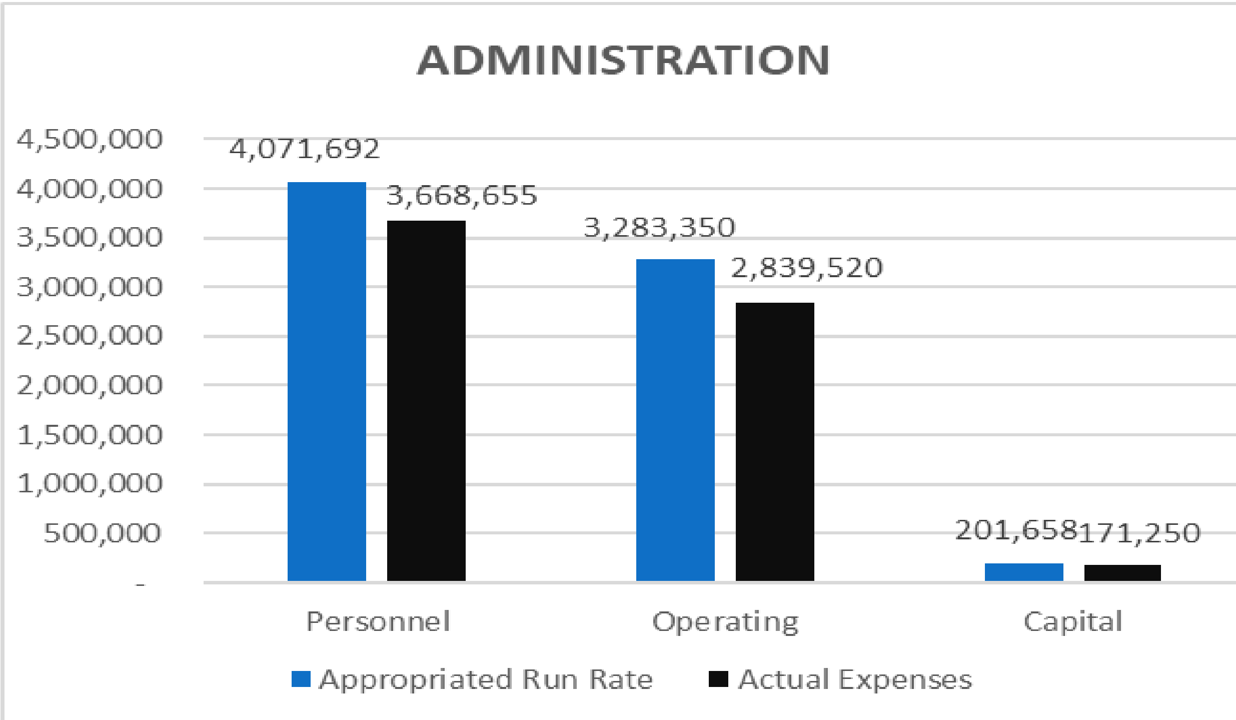
- **2025 EXPENSE REPORTS:** PERSI's year-to-date expense reports for the Administrative and Portfolio funds are enclosed.
    - **Administration:** The report is for FY2025 expenditures as of the end of January. Personnel expenses are below the target rate of 61.5%. Operating and Capital Outlay expenses are both below the target rate of 58.3%.
    - **Portfolio:** Our year-to-date expense ratio is 32.8 basis points of projected average net assets compared to the budgeted projection of 34.5 basis points. Both the budget and actual are below the 50-basis point target ratio. The total budgeted for FY 2025 assumed asset growth of 6.3% net. The reports are on a cash basis and, therefore, will vary from the expenses reported in the accrual-based financial statements.

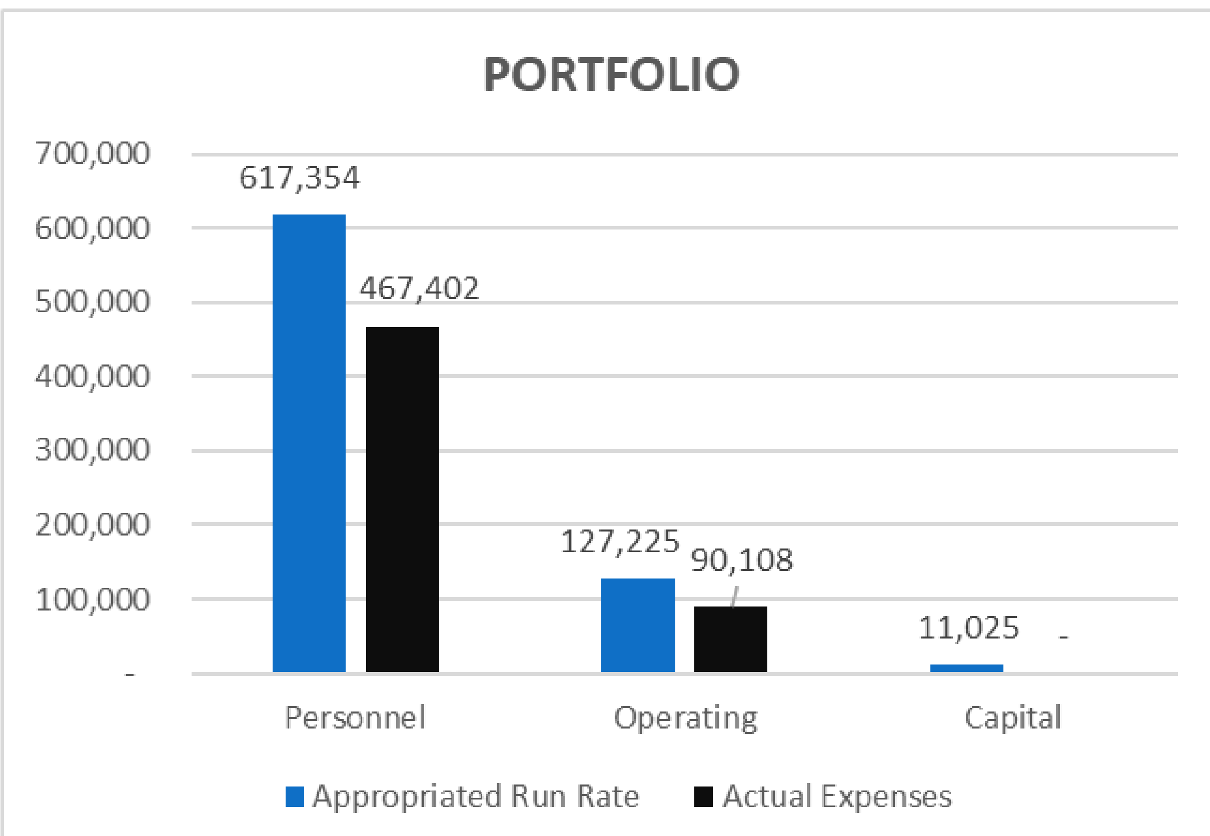
- **MONTHLY OUT OF STATE TRAVEL REPORT:** The monthly travel report is included in the board report. Please let me know if you have any questions.

QUARTERLY FINANCIAL STATEMENTS: The Year-to-date 2025 unaudited financial statements are in your board packets. Please let me know if you have any questions.


Administration
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Personnel
Operating
Capital
2025
55.4%
50.4%
49.5%
2024
48.9%
33.2%
3.2%
Target Rate
61.5%
58.3%
58.3%
2025
2024
Target Rate


Expense Ratio Comparison
Cash Basis
Basis Points
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
-
2020
2021
2022
2023
2024
2025
Budg Exp Ratio
33.6
34.8
31.1
35.6
35.6
34.5
YTD Actual
33.7
31.2
32.7
34.4
33.0
32.8
Budg Exp Ratio
YTD Actual


ADMINISTRATION
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
4,071,692
3,668,655
3,283,350
2,839,520
201,658
171,250
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses


PORTFOLIO
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
617,354
467,402
127,225
90,108
11,025
-
Personnel
Operating
Capital
Appropriated Run Rate
Actual Expenses

PUBLIC EMPLOYEE RETIREMENT SYSTEM FY 2025 CASH BASIS ADMINISTRATION EXPENSES									
SUMMARY REPORT							TARGET:		58.3%
ADMINISTRATIVE BUDGET									
JANUARY 31, 2025									
	FY 2024 BUDGETED	**FY 2024 ACTUAL**	**FY 2025 BUDGETED**	**PRIOR MONTHS**	**DECEMBER**	**JANUARY**	**FY 2025 Total Expenses**	**Current Spending Balance**	**Actual as % of Budget**
PERSONNEL	6,478,600	5,667,669	6,616,500	2,507,843	476,137	684,674	3,668,655	2,947,846	55.4%
OPERATING	5,652,900	4,673,300	5,628,600	1,946,336	309,789	583,396	2,839,520	2,789,080	50.4%
CAPITAL	200,500	154,496	345,700	77,376	8,618	85,256	171,250	174,450	49.5%
TOTAL	**12,332,000**	**10,495,465**	**12,590,800**	**4,531,555**	**794,544**	**1,353,326**	**6,679,425**	**5,911,375**	**53.1%**

PUBLIC EMPLOYEE RETIREMENT SYSTEM FY 2025 CASH BASIS PORTFOLIO EXPENSES								
SUMMARY REPORT - PORTFOLIO							TARGET:	58.3%
JANUARY 31, 2025								
INVESTMENTS	FY 2024 BUDGETED	FY 2024 ACTUAL	FY 2025 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2025 Total Expenses	Actual as % of Budget
STAFF EXPENSE								
Personnel	991,900	751,089	1,003,200	320,410	58,121	88,870	467,402	46.6%
Operations	224,600	143,759	218,100	63,925	6,622	19,560	90,108	41.3%
Capital Outlay	18,900	24,734	18,900	-	-	-	-	0.0%

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2025 CASH BASIS ADMINISTRATION EXPENSES

SUMMARY REPORT
ADMINISTRATIVE BUDGET
JANUARY 31, 2025

TARGET: 58.3%

	FY 2024 BUDGETED	FY 2024 ACTUAL	FY 2025 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2025 Total Expenses	Current Spending Balance	Actual as % of Budget
PERSONNEL	6,478,600	5,667,669	6,616,500	2,507,843	476,137	684,674	3,668,655	2,947,846	55.4%
OPERATING	5,652,900	4,673,300	5,628,600	1,946,336	309,789	583,396	2,839,520	2,789,080	50.4%
CAPITAL	200,500	154,496	345,700	77,376	8,618	85,256	171,250	174,450	49.5%
TOTAL	**12,332,000**	**10,495,465**	**12,590,800**	**4,531,555**	**794,544**	**1,353,326**	**6,679,425**	**5,911,375**	**53.1%**

ADMINISTRATIVE BUDGET
By Cost Center and Account Category
JANUARY 31, 2025

DESCRIPTION	FY 2024 BUDGETED	FY 2024 ACTUAL	FY 2025 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2025 Total Expenses	Current Spending Balance	Actual as % of Budget
ADMINISTRATION									
Personnel	740,170	620,492	759,100	264,936	47,663	70,353	382,953	376,147	50.4%
Operating	157,600	106,937	162,300	72,837	19,023	24,168	116,028	46,272	71.5%
Capital	-	-	-	39,988	-	-	39,988	(39,988)	0.0%
BOARD			-						
Personnel	10,985	5,493	11,300	1,401	-	646	2,047	9,253	18.1%
Operating	21,300	59,409	23,900	12,135	1,400	500	14,035	9,865	58.7%
Capital	-	-	-	-	-	-	-	-	0.0%
LEGAL			-						
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	129,575	147,736	148,500	128,746	-	2,766	131,512	16,988	88.6%
Capital	-	-	-	-	-	-	-	-	0.0%
QUALITY ASSURANCE			-						
Personnel	503,313	538,359	518,400	189,701	33,954	48,525	272,180	246,220	52.5%
Operating	5,900	18,321	5,900	1,216	135	105	1,456	4,444	24.7%
Capital	-	-	-	-	-	-	-	-	0.0%
FISCAL ADMINISTRATION			-						
Personnel	928,982	919,564	950,300	363,531	78,562	110,307	552,400	397,900	58.1%
Operating	108,500	67,091	108,500	83,251	4,444	1,722	89,417	19,083	82.4%
Capital	-	-	-	-	-	-	-	-	0.0%
EMPLOYER SERVICE CENTER			-						
Personnel	306,266	266,777	305,600	124,516	20,810	28,963	174,290	131,310	57.0%
Operating	2,700	53,188	2,700	849	153	125	1,128	1,572	41.8%
Capital	-	-	-	-	-	-	-	-	0.0%

ADMINISTRATIVE BUDGET (Cont.) By Cost Center and Acco JANUARY 31, 2025	FY 2024 BUDGETED	FY 2024 ACTUAL	FY 2025 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2025 Total	Current Spending Balance	Actual as % of Budget
OVERHEAD									
Personnel	90,956	17,545	33,700	8,783	-	-	8,783	24,917	26.1%
Operating	640,605	586,693	660,900	343,733	(14,284)	82,267	411,716	249,184	62.3%
Capital	-	20,635	-	-	-	-	-	-	0.0%
IT - ADMINISTRATION			-						
Personnel	900,469	937,887	948,000	396,148	74,039	105,594	575,780	372,220	60.7%
Operating	52,000	53,646	52,000	10,316	2,270	1,426	14,013	37,987	26.9%
Capital	-	-	-	-	-	-	-	-	0.0%
IT - SYSTEM MAINTENANCE			-						
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	965,850	848,476	858,800	145,172	15,562	231,362	392,096	466,704	45.7%
Capital	200,500	118,859	345,700	633	2,061	73,659	76,353	269,347	22.1%
			-						
IT - PROJECTS			-						
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	3,000,000	2,272,945	3,000,000	961,448	227,160	170,600	1,359,208	1,640,792	45.3%
Capital	-	-	-	-	-	-	-	-	0.0%
MEMBER SERVICES			-						
Personnel	434,558	298,170	533,800	214,695	42,386	59,351	316,432	217,368	59.3%
Operating	17,900	44,578	35,900	11,529	5,600	1,924	19,053	16,847	53.1%
Capital	-	-	-	-	-	-	-	-	0.0%
DISABILITY ASSESSMENT			-						
Personnel	-	-	-	-	-	-	-	-	0.0%
Operating	227,000	150,221	197,000	61,670	8,500	28,715	98,885	98,115	50.2%
Capital	-	-	-	-	-	-	-	-	0.0%
FIELD SERVICES - CSO			-						
Personnel	130,215	134,734	135,100	56,426	11,010	15,518	82,955	52,145	61.4%
Operating	30,350	32,148	48,500	5,450	1,532	19,829	26,812	21,688	55.3%
Capital	-	200	-	-	-	-	-	-	0.0%
FIELD SERVICES - PSO			-						
Personnel	134,191	134,159	137,200	46,093	11,100	15,513	72,705	64,495	53.0%
Operating	37,220	42,298	73,200	24,891	2,772	18,428	46,092	27,108	63.0%
Capital	-	14,582	-	-	-	-	-	-	0.0%
PERSI RETIREMENT CENTER			-						
Personnel	471,986	196,774	436,100	119,415	23,600	36,498	179,513	256,587	41.2%
Operating	35,950	4,149	8,000	1,320	268	312	1,899	6,101	23.7%
Capital	-	-	-	-	-	-	-	-	0.0%
PERSI ANSWER CENTER			-						
Personnel	541,449	319,504	388,800	110,845	19,586	32,140	162,571	226,229	41.8%
Operating	36,400	4,886	36,400	24,620	882	(11,239)	14,263	22,137	39.2%
Capital	-	-	-	36,755	6,557	11,598	54,909	(54,909)	0.0%
PERSI PROCESSING CENTER			-						
Personnel	250,858	393,942	393,400	161,447	29,631	47,772	238,849	154,551	60.7%
Operating	12,600	12,136	12,600	2,447	732	963	4,142	8,458	32.9%
Capital	-	-	-	-	-	-	-	-	0.0%
IMAGING			-						
Personnel	68,196	68,237	70,200	29,402	5,463	7,625	42,490	27,710	60.5%
Operating	1,700	746	1,700	752	-	-	752	948	44.2%
Capital	-	-	-	-	-	-	-	-	0.0%
TRAINING			-						
Personnel	628,311	547,255	643,400	271,044	50,600	66,326	387,970	255,430	60.3%
Operating	62,950	78,819	91,900	36,200	12,945	8,245	57,390	34,510	62.4%
Capital	-	220	-	-	-	-	-	-	0.0%
COMMUNICATIONS			-						
Personnel	86,988	91,200	104,600	42,003	7,758	11,057	60,819	43,781	58.1%
Operating	91,900	86,207	86,000	10,477	20,523	523	31,524	54,476	36.7%
Capital	-	-	-	-	-	-	-	-	0.0%
DC PLAN ADMINISTRATION			-						
Personnel	250,707	177,577	247,500	107,457	19,975	28,487	155,919	91,581	63.0%
Operating	14,900	2,670	13,900	7,277	171	652	8,101	5,799	58.3%
Capital	-	-	-	-	-	-	-	-	0.0%
TOTAL									
PERSONNEL	**6,478,600**	**5,667,669**	**6,616,500**	**2,507,843**	**476,137**	**684,674**	**3,668,655**	**2,947,846**	**55.4%**
OPERATING	**5,652,900**	**4,673,300**	**5,628,600**	**1,946,336**	**309,789**	**583,396**	**2,839,520**	**2,789,080**	**50.4%**
CAPITAL	**200,500**	**154,496**	**345,700**	**77,376**	**8,618**	**85,256**	**171,250**	**174,450**	**49.5%**
	12,332,000	**10,495,465**	**12,590,800**	**4,531,555**	**794,544**	**1,353,326**	**6,679,425**	**5,911,375**	**53.1%**

PUBLIC EMPLOYEE RETIREMENT SYSTEM
FY 2025 CASH BASIS PORTFOLIO EXPENSES

SUMMARY REPORT - PORTFOLIO
JANUARY 31, 2025

TARGET: 58.3%

INVESTMENTS	FY 2024 BUDGETED	FY 2024 ACTUAL	FY 2025 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2025 Total Expenses	Actual as % of Budget
MANAGEMENT FEES	62,023,608	57,876,903	68,558,103	26,583,421	4,407,686	5,946,720	36,937,827	53.9%
CONSULTANTS	1,110,000	1,106,103	1,500,000	540,288	60,856	179,262	780,405	52.0%
CUSTODIAL SERVICES	3,516,000	3,108,881	3,000,000	1,118,495	213,294	154,607	1,486,395	49.5%
REPORTING SERVICES								
1. Investment Related	121,000	117,635	240,000	70,174	5,000	1,875	77,049	32.1%
2. Non-Investment Related	550,000	597,246	710,000	232,155	66,476	29,983	328,614	46.3%
LEGAL	805,000	786,738	1,100,000	294,701	15,417	136,384	446,501	40.6%
STAFF EXPENSE	1,235,400	919,582	1,240,200	384,336	64,744	108,430	557,510	45.0%
ENCUMBRANCES*	-	-	-	-	-	-	-	
TOTAL EXPENDITURES*	69,361,008	64,513,088	76,348,303	29,223,568	4,833,472	6,557,262	40,614,302	53.2%
ADMINISTRATION	12,708,870	10,495,464	12,590,800	4,531,555	794,544	1,353,326	6,679,425	53.1%
YTD EXPENDITURES INCLUSIVE	82,069,878	75,008,552	88,939,103	33,755,123	5,628,015	7,910,588	47,293,726	53.2%

	FY 2024 Actual	FY 2025 Budgeted
Investment Related Services	63,915,842	75,638,303
Non-Investement Related Services	597,246	710,000
Judges Retirement Fund	437,195	467,100
PERSI Administration[1]	10,495,464	12,590,800
1) TOTAL PERSI COSTS	75,445,747	89,406,203
2) ESTIMATED NET AVERAGE ASSETS	24,142,867,889	25,878,647,171
3) RATIO OF COSTS TO NET ASSETS	0.312%	0.345%
Investment Expense	0.265%	0.292%
Non-Investment Contracted Services	0.002%	0.003%
Judges Retirement Fund	0.002%	0.002%
PERSI Administration	0.043%	0.049%
4) BUDGETED EXPENSE RATIO		34.5
5) ACTUAL EXPENSE RATIO[2]		32.8

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
DETAIL REPORT
JANUARY 31, 2025

TARGET: 58.3%

DESCRIPTION	FY 2024 BUDGETED	FY 2024 ACTUAL	FY 2025 BUDGETED	PRIOR MONTHS	DECEMBER	JANUARY	FY 2025 Total Expenses	Actual as % of Budget
MANAGEMENT FEES								
Equity - Domestic	9,788,143	10,548,941	11,213,525	6,102,644	-	2,113,392	8,216,036	73.3%
Equity - International	7,716,570	3,030,958	8,155,000	3,915,154	216,514	223,248	4,354,915	53.4%
Fixed Income	2,843,895	2,765,360	2,939,577	1,387,160	125,303	319,673	1,832,136	62.3%
Real Estate	16,500,000	14,434,551	17,250,000	4,045,427	2,946,960	583,064	7,575,451	43.9%
Idaho Mortgage Program	3,675,000	3,773,228	4,500,000	1,616,197	327,320	327,214	2,270,730	50.5%
Equity Global	21,500,000	23,323,865	24,500,000	9,516,839	791,589	2,380,129	12,688,558	51.8%
CONSULTANTS								
Investment Consultants	710,000	616,648	760,000	288,079	22,500	132,789	443,368	58.3%
Advisors	380,000	345,855	380,000	125,000	26,963	33,298	185,260	48.8%
Other Consultants	20,000	143,600	360,000	127,209	11,393	13,175	151,777	42.2%
CUSTODIAL SERVICES								
Trust/Custody	3,000,000	2,635,150	3,000,000	919,755	213,294	154,607	1,287,656	42.9%
Clearwater Analytics, LLC	516,000	473,731	-	198,739	-	-	198,739	
REPORTING SERVICES								
1. Auditors Fees								
a. Annual Audit	100,000	151,367	160,000	32,619	2,309	-	34,928	21.8%
2. Actuarial Fees								
Milliman USA	250,000	262,546	350,000	116,202	47,501	13,316	177,019	50.6%
Cavanaugh MacDonald	200,000	183,333	200,000	83,333	16,667	16,667	116,667	58.3%
3. Bloomberg LP & Other	121,000	117,635	240,000	70,174	5,000	1,875	77,049	32.1%
LEGAL								
1. Legal Fees								
Legal Advice - Other	5,000	355,790	400,000	111,034	15,417	17,743	144,194	36.0%
Legal Advice - Priv Equity	600,000	409,873	600,000	182,817	-	117,866	300,683	50.1%
Legal Advice - Fiduciary/Liability	200,000	21,075	100,000	850	-	775	1,625	1.6%
STAFF EXPENSE								
Personnel	991,900	751,089	1,003,200	320,410	58,121	88,870	467,402	46.6%
Operations	224,600	143,759	218,100	63,925	6,622	19,560	90,108	41.3%
Capital Outlay	18,900	24,734	18,900	-	-	-	-	0.0%
Encumbrances	-	-	-	-	-	-	-	0.0%
Total Monthly Expenditures	69,361,008	64,513,088	76,348,303	29,223,568	4,833,472	6,557,262	40,614,302	53.2%
JUDGES RETIREMENT FUND								
Invest, Mgmt, Consulting, Custody, Reporting	325,000	320,000	330,000	138,991	23,003	30,673	192,667	58.4%
Accounting, Auditing	11,000	15,140	15,000	6,406	454	-	6,860	45.7%
Other Professional Services	-		-	-	-	-	-	0.0%
Actuary	30,000	36,521	40,000	-	30,940	-	30,940	77.3%
Legal	2,000	2,000	4,000	1,448	76	668	2,191	54.8%
Administration	76,900	63,534	78,100	32,465	6,079	8,547	47,090	60.3%
Admin Rule	-	-	-	392	-	-	392	0.0%
	444,900	437,195	467,100	179,702	60,551	39,887	280,140	60.0%

Scheduled and Completed Out of State Travel - Staff

Traveler	Request Created	Destination City/ State	Description	Dates of Travel	Final Voucher Amount
Chris Brechbuhler	X	Santa Monica, CA	Property Tour	01/07/25-01/08/25	920.46
Richelle Sugiyama	X	Santa Monica, CA	Property Tour/Elkind 2025 Winter Emerging Market Forum	01/07/25-01/09/25	1,441.25
Chris Brechbuhler	X	San Francisco, CA	Fixed Income Due Diligence	01/21/25-01/22/25	1,114.69
Richelle Sugiyama	X	San Francisco, CA	Fixed Income Due Diligence	01/21/25-01/22/25	1,081.83
Richelle Sugiyama	X	New York City, NY	2025 AB Global CIO Forum	01/14/25-01/17/25	675.69
Richelle Sugiyama	X	New York City, NY	Fixed Income Due Diligence	01/28/25-01/31/25	1,812.85
Chris Brechbuhler	X	New York City, NY	Fixed Income Due Diligence	01/28/25-02/01/25	1,843.88

UNAUDITED

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

FINANCIAL STATEMENTS

FOR THE YEAR TO DATE

DECEMBER 30, 2024 AND 2023

Prepared by:	Kelly Schlangen	1/31/2025
	Kelly Schlangen, Senior Financial Specialist	Date
Reviewed by:	Gorji	1/31/2025
	Parisa Gorji, Accounting Manager	Date
Reviewed by:		1/31/2025
	Mike Anderson, Financial Executive Officer	Date

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
FINANCIAL STATEMENTS FOR
DECEMBER 30, 2024

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 12/31/2024 WITH COMPARATIVE TOTALS FOR SAME PERIOD 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
CASH AND CASH EQUIVALENTS (Note 1)	$ 30,891,550	$ 792,818	$ 2,830,218	$ 126,459	$ 507,619	$ 1,276,773	$ 36,425,437	$ 28,271,564
INVESTMENTS, at fair value (Note 2)								
Fixed Income Investments								
Domestic	5,802,628,975	30,149,523			146,357,156	203,683,756	6,182,819,409	5,591,422,382
International							0	12,133,177
Idaho Mortgages	805,934,911	4,187,508					810,122,418	790,656,682
Short-Term Investments	329,561,903	1,712,350	2,465,511				333,739,765	289,298,792
Real Estate Equities (Note 3)	1,041,811,043	5,413,082					1,047,224,125	1,125,286,784
Equity Securities								
Domestic	10,792,555,852	56,076,377			117,799,613	163,416,987	11,129,848,830	10,023,194,336
International	2,482,491,896	12,898,627			29,978,686	43,330,061	2,568,699,271	3,065,247,491
Private Equity	1,801,625,556	9,360,955					1,810,986,511	1,683,679,341
Mutual, Collective, Unitized Funds			1,662,884,355	57,700,527			1,720,584,882	1,591,641,828
Total Investments	23,056,610,136	119,798,423	1,665,349,866	57,700,527	294,135,455	410,430,804	25,604,025,211	24,172,560,812
RECEIVABLES								
Investments Sold (Note 2)	17,353,465	90,166					17,443,631	58,938,098
Contributions	12,915,480	536,419	644,925				14,096,824	186,807,885
Administrative Fee			191,535	8,332			199,867	187,933
Interest and Dividends	80,200,433	416,709	4,393,588	146,119			85,156,849	79,794,662
Total Receivables	110,469,378	1,043,294	5,230,048	154,451	0	0	116,897,171	325,728,577
ASSETS USED IN PLAN OPERATIONS (Note 4)	5,572,421						5,572,421	4,360,021
DUE FROM OTHER FUNDS							0	140,000
PREPAID EXPENDITURES (Note 5)	105,508,481						105,508,481	100,985,846
TOTAL ASSETS	23,309,051,966	121,634,535	1,673,410,132	57,981,437	294,643,075	411,707,577	25,868,428,721	24,631,906,820
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Investments Purchased (Note 2)	40,594,629	210,923					40,805,552	92,662,864
Due to Other Funds							0	140,000
Accrued Liabilities (Note 6)	20,008,581	758,487	610,264	5,503	111,084	21,157	21,515,076	17,826,108
TOTAL LIABILITIES	60,603,209	969,410	610,264	5,503	111,084	21,157	62,320,628	110,628,972
NET POSITION RESTRICTED FOR PENSIONS AND AMOUNTS HELD IN TRUST	$ 23,248,448,757	$ 120,665,125	$ 1,672,799,867	$ 57,975,934	$ 294,531,990	$ 411,686,421	$ 25,806,108,093	$ 24,521,417,847

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
COMBINING STATEMENT OF CHANGES IN PLAN POSITION - PENSION TRUST AND OTHER TRUST FUNDS
FOR THE YEAR TO DATE 12/31/2024 WITH COMPARATIVE TOTALS FOR 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
ADDITIONS:								
Contributions								
Members	$ 198,721,424	$ 497,391	$ 43,659,634				$ 242,878,449	$ 219,417,289
Employers	309,818,679	2,866,407	5,875,690		(78)	5,358	318,566,056	283,293,814
Rollovers In			8,013,950				8,013,950	7,173,318
	508,540,104	3,363,798	57,549,275	0	(78)	5,358	569,458,455	509,884,421
Investment Income								
Net Appreciation/(Depreciation) in Fair Value of Investments	625,446,917	3,228,193	57,777,912	2,060,820	13,387,806	18,500,735	720,402,383	949,363,096
Interest, Dividends and Other Investment Income	216,974,267	1,128,115	14,167,927	170,912			232,441,222	226,554,223
Less: Investment Expenses	(32,753,415)	(169,445)	(1,909,900)	(6,130)	(69,630)	(79,176)	(34,987,697)	(32,506,276)
Net Investment Income	809,667,769	4,186,864	70,035,940	2,225,602	13,318,176	18,421,559	917,855,909	1,143,411,043
Other Revenue, Net	750,157	11,442			3,795	7,754	773,148	448,160
Total Additions	1,318,958,030	7,562,104	127,585,215	2,225,602	13,321,892	18,434,671	1,488,087,512	1,653,743,624
DEDUCTIONS:								
Benefits and Refunds Paid to Plan Members and Beneficiaries (Note 7)	696,533,416	4,614,306	50,056,466	2,618,122	2,730,397	6,709,040	763,261,746	530,749,680
Administrative Expenses	5,609,143	77,650	1,207,220	115,280	29,957	42,137	7,081,387	7,167,845
Total Deductions	702,142,559	4,691,955	51,263,686	2,733,402	2,760,354	6,751,177	770,343,133	537,917,526
INCREASE (DECREASE) IN NET POSITION	616,815,470	2,870,148	76,321,530	(507,800)	10,561,538	11,683,494	717,744,379	1,115,826,096
NET POSITION, BEGINNING OF YEAR	22,631,633,287	117,794,977	1,596,478,337	58,483,734	283,970,452	400,002,927	25,088,363,714	23,405,591,749
NET POSITION, YEAR-TO-DATE	$ 23,248,448,757	$ 120,665,125	$ 1,672,799,867	$ 57,975,934	$ 294,531,990	$ 411,686,421	$ 25,806,108,093	$ 24,521,417,847

See notes to financial statements

PUBLIC EMPLOYEE RETIREMENT
SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
DECEMBER 30, 2024

NOTE 1 Cash and Cash Equivalents

Cash held in banking institutions	
STO accounts (DB, JRF, State & Schools)	32,802,017
Empower Bank Account	157,574
Cushman & Wakefield Building Account	2,076
US Bank Account	462,953
US Bank RMD Account	190,191
Wells Fargo (DB & DC)	34,743
Mellon 8804 & 8805 Accounts	2,775,883
Total Cash and Cash Equivalents	36,425,437

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 ofNew York (BNY) classifies as equity securities. Approximately $788,204,004 of such securities are classified as equity securities as of December 30, 2024.

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 December 30, 2024, consist of the following:

Computer Software - Arrivos	$15,778,683
Less: Accumulated Amortization - Arrivos	($10,429,094)
Net Software Development	$5,349,589
Equipment	$733,603
Less: Accumulated Depreciation	($510,771)
Net Equipment	$222,832
Assets Used in Plan Operations, Net	$5,572,421

Amortization expense for Arrivos for the year to date is $595,622. Depreciation expense on all equipment for the year to date is $46,263.

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO DATE
DECEMBER 30, 2024

NOTE 5 Prepaid Expenditures

Retiree payroll calculated in the current month, but not paid until the following month	$105,508,481
Total Prepaid Expenditures	$105,508,481

NOTE 6 Accrued Liabilities

Accrued Expenses consist of the following:

Administrative Expenses (DB, DC & JRF Admin Exp Payable)	$2,573,266
Stale Dated Checks Payable (DC checks over 4 months old)	$483,758
RMD Payable	$1,890,191
Investment Management Sick Leave - State	$111,084
Investment Management Sick Leave - School	$21,157
Investment Management (DB & JRF)	$16,435,620
Total Accrued Liabilities	$21,515,076

NOTE 7 Benefits and Refunds Paid

Benefits and Refunds Paid to Plan Members and Beneficiaries:

Payments to Retirees (DB & JRF)	$663,699,692
Separation Benefits (DB)	$30,264,966
Death Benefits (DB)	$7,183,063
Benefits Paid (DC)	$52,674,588
Medical Insurance Premiums (State & Schools)	$9,439,437
	$763,261,746

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.