



Final Minutes

Endowment Fund Investment Board
Regular Board Meeting
May 18, 2021

A regular meeting of the Endowment Fund Investment Board (“Board”) was held via Zoom teleconference starting at 10:32 am. The Chairman recognized that a quorum was present. Prior to commencement of the meeting, the Board presented its semi-annual report to the Idaho Board of Land Commissioners.

Member’s Present:

Tom Wilford
Jerry Aldape
Warren Bakes
Representative Steven Harris
Irv Littman
Gary Mahn
Richelle Sugiyama (joined 11:45 a.m.)
Senator Charles Winder

Staff Present:

Chris Anton
Chris Halvorson
Kathy Van Vactor
Liz Wieneke

Legal Counsel:

Julie Weaver, Deputy Attorney General

Guests:

Janet Becker-Wold, Callan
Perry Hopper, Callan
Laura Gaylord, DWS
Jay Miller, DWS
Jacob Trujillo, DWS
Kevin White, DWS
Matt Orem, DEQ
Matthew Reiber, Division of Financial Management
Rob Sepich, LSO
Dan Bates, Clearwater Advisors
Rhet Hulbert, Clearwater Advisors
Jim Nelson, Lazard
Justin Slaughter, Fin-News
John Kevin Balaud – Journalist
Michael Torres
Harry Walker

Board materials were distributed and posted on EFIB’s website 7 days prior to the meeting.

Board Meeting Minutes:

Mr. Aldape moved approval of the minutes for the regular meeting held on February 22, 2021. The motion was seconded by Mr. Littman and approved unanimously.

Presentation by DWS – RREEF America REIT II Fund (Laura Gaylord, Jay Miller, Kevin White)

The team from DWS provided an overview of the U.S. real estate market and discussed the performance of the RREEF America REIT II Fund. The COVID-19 pandemic effected the real estate market, but fundamentals remain strong and DWS has a favorable medium-term view. Retail and office sectors had a difficult time during the pandemic, but this was offset by strong performance in industrial and apartment sectors. E-commerce continues to accelerate, which will likely continue to create a supportive environment for industrial and distribution real estate. The long-term future of office real estate is far from clear; however, people are beginning to return to work and most organizations maintained office leases during the pandemic. There has been strong growth in the suburban housing sector, particularly in the Sun Belt and Mountain West. Despite challenges, the Fund was up 2.1% for the one-year period ended March 31, 2021.

Mr. Littman moved to implement SIF's 6% allocation to real estate and rebalance EFIB's portfolio to bring the real estate allocation up to the target of 8.0%. The motion was seconded by Mr. Aldape and approved unanimously.

Investment Performance Review (Janet Becker-Wold, Callan)

The Endowment Fund had investment gains of 3.5% and 42.3% for the quarter and twelve months ended March 31, 2021, respectively, which are 0.8% and 6.3% better than their respective benchmarks. The fund's performance ranked in the top 36th and 7th percentile of the Callan Public Fund Sponsor Database for the quarter and twelve months ended March 31, 2021.

Idaho State Insurance Fund ("SIF") Performance (Janet Becker-Wold, Callan)

The State Insurance Fund ("SIF") had investment losses of 1.3% and an investment gain of 7.5% for the quarter and twelve months ended March 31, 2021, respectively, which are 0.0% and 0.2% below benchmark.

Real Asset Update (Janet Becker-Wold, Callan)

Ms. Becker-Wold presented a report that compares the performance and standard deviation of real estate, infrastructure, equity and fixed income over time. This report will be included in future Board material.

Approve the Capitol Permanent Fund FY2022 Distribution * (Kathy Van Vactor)

Ms. Van Vactor presented the staff's FY2022 distribution recommendation for the Capitol Permanent Fund.

Mr. Aldape moved to authorize staff to transfer \$1,637,400 from the Capitol Permanent Fund to the Capitol Maintenance Fund at the beginning of the FY2022 as recommended. The motion was seconded by Senator Winder and approved unanimously.

Review Draft Strategic Plan (Chris Anton)

Mr. Anton presented an overview of the draft EFIB Strategic Plan for FY2022 – FY2026.

Compensation Committee Update (Warren Bakes)

Mr. Bakes presented the Compensation Committee Update.

Audit Committee Update (Jerry Aldape)

Mr. Aldape presented the Audit Committee update.

EFIB Staff Reports

Ms. Van Vactor presented the financial performance.

Mr. Anton presented upcoming meetings.

Adjournment

Mr. Aldape moved to adjourn the meeting at 12:33 p.m. The motion was seconded by Mr. Mahn and approved unanimously.