



Final Minutes
Endowment Fund Investment Board
Regular Board Meeting
November 16, 2021

A regular meeting of the Endowment Fund Investment Board (“Board”) was held in the conference room at 816 W. Bannock Street, Suite 301, Boise, Idaho and available via Zoom teleconference starting at 10:32 a.m. The Chairman recognized that a quorum was present. Prior to commencement of the meeting, the Board presented its semi-annual report, annual audit, and fiscal year-to-date update to the Idaho Board of Land Commissioners.

Member’s Present:

Tom Wilford
Jerry Aldape
Robert M. Donaldson
Joe Forney
Representative Steven Harris
Irv Littman
Richelle Sugiyama
Brian Yeargain

Absent:

Senator Charles Winder (In Session)

Staff Present:

Chris Anton
Chris Halvorson
Kathy Van Vactor
Liz Wieneke

Guests:

Janet Becker-Wold, Callan
James McClure, Barrow Hanley
Coleman Hubbard, Barrow Hanley
D.J. Taylor, Barrow Hanley
Paul Niedermuller, CliftonLarsonAllen
Dan Bennett, CliftonLarsonAllen
Dan Bates, Clearwater Advisors
Rhet Hulbert, Clearwater Advisors
Justin Slaughter, Fin-News
Cyril Espanol, Journalist, With.Intelligence

Board materials were distributed 5 days prior to the meeting and a meeting notice and agenda were posted on EFIB’s office door and website on November 9th.

Board Meeting Minutes:

Mr. Aldape moved approval of the minutes from the regular meeting held on August 12, 2021. The motion was seconded by Ms. Sugiyama and approved unanimously.

Presentation by Barrow Hanley (James McClure, Coleman Hubbard, and D.J. Taylor)

Barrow Hanley is an investment management firm based in Dallas, Texas and currently manages \$2.3 billion in its small cap value strategy. They were engaged by EFIB in January of 2004. The small cap value portfolio typically holds 30-40 stocks. They attempt to purchase companies where the true underlying business value is not fully appreciated by the market. They highlighted several of their current investments and discussed some of the challenges created by COVID-19 and supply chain issues.

Investment Performance Review (Janet Becker-Wold, Callan)

The Endowment Fund had investment gains of 0.2% and 23.0% for the quarter and twelve months ended September 30, 2021. The fund's performance ranked in the top 32nd and 23rd percentile in the Callan Public Fund Sponsor Database during these periods and performance was 0.5% and 3.9% better than the benchmark.

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

The State Insurance Fund ("SIF") had investment returns of 0.0% and 3.7% during the quarter and twelve months ended September 30, 2021 and performance was 0.0% and 0.3% better than the benchmark.

UBS Trumbull Property Income Fund (Janet Becker-Wold, Callan)

UBS Realty and its Trumbull Property Income Fund have experienced considerable organizational change over the last several years. The fund experienced a steep decline in real estate transactions in 2019 and 2020, which may reflect a slowing of opportunities, a weakness in demand for participating loans or more capital chasing a finite number of deals. The portfolio team has failed to demonstrate an ability to continually raise and put capital to work. It was recommended that we transition out of the Trumbull Property Income Fund into a core equity focused real estate fund. Discussion followed.

Mr. Aldape moved to begin the process of transitioning out of the TPI fund. The motion was seconded by Mr. Yeargain and approved unanimously.

Real Asset Performance Update (Janet Becker-Wold, Callan)

Ms. Becker-Wold reviewed the real asset performance monitoring analysis. It was agreed that we would provide an educational session on infrastructure and review our real asset allocation and strategy at the next Board meeting.

Update on EFIB Fee Rule (Chris Anton)

Mr. Anton provided a status update on EFIB's fee rule.

EFIB Staff Reports

Mr. Anton presented the EFIB Gift Log.

Ms. Van Vactor presented the financial update.

Mr. Anton presented the 2021 Citizen Centric Report.

Mr. Anton reviewed the calendar for upcoming meetings.

Adjournment

Mr. Aldape moved to adjourn the meeting at 1:02 p.m. The motion was seconded by Mr. Forney and approved unanimously.