



**Final Minutes**  
Endowment Fund Investment Board  
Regular Board Meeting  
May 16, 2023

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 via Zoom teleconference starting at 10:00 am MST. The Chairman recognized that a quorum was present. Prior to the commencement of the EFIB meeting, the Board attended the first portion of the State Board of Land Commissioners meeting.

**Member’s Present:**

Tom Wilford  
Jerry Aldape  
Bob Donaldson  
Joe Forney  
Irv Littman  
Brian Yeargain  
Senator Charles Winder  
Representative Kenny Wroten

**Absent:**

Richelle Sugiyama  
(Arrived 12noon after PERSI Board Meeting)

**Staff Present:**

Chris Anton  
Chris Halvorson  
Kathy Van Vactor  
Liz Wieneke

**Legal Counsel:**

Julie Weaver, Deputy Attorney General

**Guests:**

Bill Haagenson, IDL  
Steven Harris, Past Board Member  
Phil McGrane, Secretary of State  
Jason Lehosit, Deputy Secretary of State  
Janet Becker-Wold, Callan  
Adam Lozinski, Callan  
Lauren Koch, CBRE  
Justin Shanahan, CBRE  
Steven Yeh, CBRE  
Dan Bates, Clearwater Advisors  
Joe Ebisa, with.Intelligence  
Justin Slaughter, NPN  
Joe Schulman  
Ryan Estalilla

Board materials were distributed and posted on the EFIB and Townhall Idaho websites on May 10, 2023.

**Welcome Representative Wroten to the Board:**

Mr. Wilford welcomed Representative Wroten to the EFIB Board and shared a creative introduction that was generated by ChatGPT.

## **Board Meeting Minutes:**

Mr. Littman moved to approve the minutes for the regular meeting held on February 16, 2023. The motion was seconded by Mr. Yeargain and approved unanimously.

### **Endowment Fund Performance (Janet Becker-Wold, Callan)**

The Endowment Fund had investment returns of 4.5% and -5.2% during the quarter and twelve months ended March 31, 2023. The Fund's performance ranked in the 51<sup>st</sup> and 62<sup>nd</sup> percentile in the Callan Public Funds Sponsor Database during these periods. Performance was 0.4% worse than the benchmark during the quarter and equal to the benchmark over the last twelve months.

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

The State Insurance Fund had investment returns of 2.7% and -3.9% during the quarter and twelve months ended March 31, 2023.

### **U.S. Equity Structure Review\* (Adam Lozinski and Janet Becker-Wold, Callan)**

Every few years Callan conducts an asset class structure review of the portfolio. The structure review evaluates style (growth vs value), capitalization (large vs mid and small-cap) and country (domestic vs international) weightings to determine how the portfolio is positioned relative to the broad markets. Strategic deviations from the broad market may be adopted if perceived to add value over the long-term.

Callan evaluated the portfolio and suggested the following changes.

- Replace Sands with a quality-oriented growth manager.
- Eliminate LSV who is a deep value manager with a mid-cap bias.
- Increase the S&P 500 allocation to further reduce the mid-cap bias.
- Add a third global manager that has less of a growth orientation.
- Eliminate the EAFE index fund.

These recommendations are designed to improve the balance between growth and value styles, reduce the magnitude of the mid/small cap bias, add more active management for international equity strategies and maintain the current relationship between domestic and international equities.

Senator Winder moved to adopt Callan's recommendations which are described as "U.S. Equity Alternative 1" and the International Equity and Global Equity alternatives their presentation. The motion was seconded by Mr. Donaldson and approved with 6 yays and 2 nays (Mr. Littman and Mr. Forney).

### **Presentation by CBRE (Justin Shanahan and Steven Yeh, CBRE)**

The U.S. Core Partners Fund has allocated 34% to logistics, 25% to residential, 15% to healthcare, 12% to self-storage, 8% to office and 5% to retail. The allocations to office and retail are considerably less than the NDI-ODCE index and they have greater allocations to "growth sectors" like healthcare and self-storage. The fund has a loan-to-value ratio of 29.6% and a limited amount of debt maturing prior to 2026. The fund experienced losses of 4.9% for the year ended March 31, 2023, as mortgage rates increased significantly. Despite recent losses, the fund appears to be well positioned for future growth.

### **Capitol Permanent Fund FY2024 Distribution\* (Kathy Van Vactor)**

Ms. Van Vactor presented the FY2024 Capitol Permanent Fund distribution analysis and recommendation.

Representative Wroten moved to authorize staff to transfer \$1,871,600 from the Capitol Permanent Fund to the Capitol Maintenance Fund at the beginning of FY2024 as recommended. The motion was seconded by Senator Winder and approved unanimously.

### **Compensation Committee Update (Senator Winder)**

Senator Winder presented the Compensation Committee Update.

### **Audit Committee Update (Jerry Aldape)**

Mr. Aldape presented the Land Board Audit Committee update.

### **EFIB Staff Reports**

Mr. Anton present the Gift Log.

Ms. Van Vactor presented the financial performance.

Ms. Van Vactor and Ms. Wieneke provided a brief LUMA project update.

Mr. Anton presented upcoming meetings.

### **Adjournment**

Representative Wroten moved to adjourn the meeting at 1:30 p.m. The motion was seconded by Mr. Yeargain and approved unanimously.