



Final Minutes
Endowment Fund Investment Board
Regular Board Meeting
May 21, 2024

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 10:15 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
Mary Pat Thompson
Brian Yeargain
Senator Charles Winder
Representative Kenny Wroten

Staff Present:

Chris Anton
Chris Halvorson
Kathy Van Vactor
Liz Wieneke

Guests:

Janet Becker-Wold, Callan
Craig Chaikin, Callan
Jason Ellement, Callan
Kevin Machiz, Callan
Brian Huerta, WCM
Catie O’Connell, WCM
Rhet Hulbert, Clearwater Advisors
Dan Bates, Clearwater Advisors
Kevin Balaod, with.Intelligence

Board materials were distributed and posted on the EFIB and Townhall Idaho websites on May 13, 2024.

Board Meeting Minutes:

Mr. Forney moved to approve the minutes for the regular meeting held on February 15, 2024. The motion was seconded by Ms. Thompson and approved unanimously.

Presentation by WCM Investment Management (Brian Huerta, Catie O’Connell)

WCM has been an international growth equity manager for EFIB since the beginning of 2014. They have generated a 10.3% annualized net of fees return since inception which has resulted in investment gains of \$215.8 million through March 31, 2024. WCM invests in quality growth businesses with superior growth prospects, high returns on invested capital and little to no debt. They require companies to maintain a durable competitive advantage, which they call an “economic moat,” and have a strong culture.

Endowment Fund Performance (Craig Chaikin, Janet Becker-Wold, Callan)

The Endowment Fund had investment returns of 6.0% and 14.8% during the quarter and twelve months ended March 31, 2024. The Fund's performance ranked in the 31st and 36th percentiles in the Callan Public Funds Sponsor Database. Performance was 1.2% and 0.2% above the benchmark during the quarter and last twelve months.

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

The State Insurance Fund had investment returns of 0.6% and 4.5% during the quarter and twelve months ended March 31, 2024.

State Insurance Fund Structure Review Structure Review* (Jason Ellement, Kevin Machiz and Janet Becker-Wold, Callan)

In 2019-2020, Callan conducted an in-depth analysis of the long-term strategic asset allocation, fixed income structure review and peer group analysis of the SIF portfolio. The recommendations from that study were implemented in 2020 and have resulted in solid growth of the surplus. In 2024, Callan reviewed the asset allocation as well as the equity and fixed income structure. Callan does not recommend any changes to the asset allocation at this time. They do, however, recommend restructuring the equity allocation to eliminate the passive international strategy and add two global equity managers.

Mr. Aldape moved to adopt Callan's recommendation to change the public equity structure. The proposed structure eliminates the passive international equity implementation and adds two active global equity managers currently utilized in the EFIB portfolio. The motion was seconded by Mr. Littman and approved unanimously.

Capitol Permanent Fund FY2024 Distribution* (Kathy Van Vactor)

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

Mr. Forney moved to authorize staff to transfer \$1,945,000 from the Capitol Permanent Fund to the Capitol Maintenance Fund at the beginning of FY2025 as recommended. The motion was seconded by Senator Winder and approved unanimously.

Compensation Committee Update (Senator Winder)

Senator Winder presented the Compensation Committee Update.

EFIB Staff Reports

Ms. Van Vactor presented the financial update.

Mr. Anton reviewed the schedule of upcoming meetings.

Adjournment

Mr. Aldape moved to adjourn the meeting at 12:25 p.m. The motion was seconded by Mr. Yeargain and approved unanimously.