



Final Minutes
Endowment Fund Investment Board
Regular Board Meeting
November 19, 2024

A regular meeting of the Endowment Fund Investment Board (“Board”) was held at 816 W. Bannock Street, Suite 301, Boise, Idaho and via Zoom teleconference starting at 9:00 a.m. The Chairman recognized that a quorum was present.

Member’s Present:

Tom Wilford
Jerry Aldape
Robert M. Donaldson
Joe Forney
Irv Littman
Mary Pat Thompson
Senator Charles Winder
Representative Kenny Wroten
Brian Yeargain

Staff Present:

Chris Anton
Chris Halvorson
Kathy Van Vactor
Liz Wieneke

Legal Counsel:

None

Guests:

Janet Becker-Wold, Callan
Ethan Meyers, Westfield Capital Management
Bill Haagenson, Idaho department of Lands
Rhet Hulbert, Clearwater Advisors
Dan Bates, Clearwater Advisors
Alexa Foust, Mandate Wire

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 13th.

Board Meeting Minutes* (Tom Wilford)

Mr. Aldape moved to approve the minutes as submitted from the Regular Meeting held on August 15, 2024. The motion was seconded by Mr. Forney and approved unanimously.

Presentation by Westfield Capital Management (Ethan Meyers)

Westfield was hired recently to manage a U.S. small cap growth strategy. Westfield is a boutique asset manager based in Boston that specializes in U.S. growth equity investing across the market capitalization spectrum. They employ a growth at a reasonable price investment style by investing in companies with underappreciated earnings growth trading at reasonable valuations and believe that stock prices will ultimately follow earnings growth. They recognize the challenge of implementing this strategy is the small cap space where many of the companies are unprofitable.

Endowment Fund Performance Janet Becker-Wold, Callan)

The Endowment Fund had investment returns of 5.2% and 21.9% during the quarter and twelve months ended September 30, 2024. The Fund's performance ranked in the 37th and 20th percentiles in the Callan Public Funds Sponsor Database. Performance was 0.43% and 0.39% below the benchmark during the quarter and prior twelve months.

State Insurance Fund Performance Janet Becker-Wold, Callan)

The State Insurance Fund had investment returns of 4.6% and 12.4% during the quarter and twelve months ended September 30, 2024.

Western Asset Management Review (Janet Becker-Wold, Callan)

Ms. Becker-Wold made the Board aware that Ken Leech, Western's former chief investment officer, was under investigation by the SEC for allegedly favoring certain bond strategies and clients when allocating trading gains and losses among accounts. She indicated that most of the team we worked with historically is no longer at the firm and that there is the possibility that the current team may become distracted by the investigation and client departures. Callan and the staff recommend the termination of Western and a transition to a new fixed income manager for both the core plus strategy that Western manages for EFIB and the intermediate credit strategy that Western manages for SIF. Callan and staff have completed the manager search.

Mr. Aldape moved to approve the termination of Western Asset Management and transition to a new manager. The motion was seconded by Mr. Yeargain and approved unanimously.

Janet Becker-Wold's Retirement (Janet Becker-Wold, Callan)

Ms. Becker-Wold announced that she plans to retire in March 2025 and that Gordie Weightman would become our relationship manager. The Board thanked Ms. Becker-Wold for her outstanding service.

Idaho Department of Lands Update (Bill Haagenson)

Mr. Haagenson provided an update on activities taking place at the Idaho Department of Lands. IDL has an extremely busy fire season and emergency fire suppression expenditures were estimated to be \$62.3 million or \$51.5 million net of reimbursements. IDL generated \$59.1 million in net land management income during fiscal 2024. Timberland asset revenue accounted for about 95.2% of the net income. IDL anticipates they will sell approximately 329 million board feet of timber annually over the next five years.

EFIB Staff Reports

Ms. Van Vactor presented the financial update.

Ms. Chris Anton and Ms. Van Vactor provided a brief update on LUMA.

Mr. Anton presented the Gift Log.

Mr. Anton presented the 2024 Citizen Centric Report.

Mr. Anton reviewed the calendar for upcoming meetings.

Mr. Anton made the Board aware of a letter signed by twenty state treasurers, including Idaho's Treasurer Ms. Julie Ellsworth, to fiduciaries responsible for managing each state's retirement plan. The letter urged public pension boards to divest from investments in China.

Adjournment

Mr. Aldape moved to adjourn the meeting at 12:45 p.m. The motion was seconded by Mr. Yeargain and approved unanimously.