



Draft Minutes

Endowment Fund Investment Board
Regular Board Meeting
February 13, 2025

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
Representative James Petzke
Mary Pat Thompson
Senator Jim Woodward
Brian Yeargain

Members Absent:

None

Staff Present:

Chris Anton
Chris Halvorson
Kathy Van Vactor
Liz Wieneke

Guests

Janet Becker-Wold, Callan
Alex Browning, Callan
Evan Williams, Callan
Alex Pekker, Dodge & Cox*
Julien Orban, Dodge & Cox*
Dan Bates, Clearwater Advisors
Rhet Hulbert, Clearwater Advisors
Richelle Sugiyama, PERSI
Rick Ferguson, State Insurance Fund
Chris Farnsworth, State Insurance Fund
Katie Farrell, State Insurance Fund
Larry Johnson, Former EFIB Manager of Investments
Chermaine Fullink, Northern Trust*
Senator Chuck Winder
Representative Kenny Wroten

* Via Zoom

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 February 5th.

Introduction of New Board Members (Tom Wilford)

Mr. Wilford introduced Senator Jim Woodward and Representative James Petzke and welcomed them to the EFIB Board.

Board Meeting Minutes* (Tom Wilford)

Mr. Aldape moved to approve the minutes from the Regular Meeting held on November 19, 2024. The motion was seconded by Mr. Yeargain and approved unanimously.

Presentation by Dodge & Cox (Julien Orban, Alex Pekker)

Dodge & Cox was hired recently to manage a core plus fixed income strategy for the Endowment Fund Investment Board and an intermediate credit strategy for the State Insurance Fund. Dodge & Cox was founded in 1930 and manages approximately \$400 billion in assets including \$223 billion in equities and \$177 billion in fixed income. They have a very experienced and stable investment team and all investment decisions are made in their San Francisco office. They believe in fundamental research and collective judgment-based decisions. Both funds have a track record of strong long-term performance.

Callan Introductions (Janet Becker-Wold, Callan)

Ms. Becker-Wold reminded the Board that she plans to retire in March and introduced Alex Browning and Evan Williams as our new relationship managers. Alex joined Callan in 2015 and is based in Callan's Denver office and Evan joined Callan in 2023 and is based in Callan's Portland office.

Endowment Fund Performance (Evan Williams and Alex Browning, Callan)

The Endowment Fund had investment returns of -1.9% and 10.2% during the quarter and twelve months ended December 31, 2024. The Fund's performance ranked in the 82nd and 46th percentiles in the Callan Public Fund Sponsor Database during these periods. Performance was 0.6% and 0.1% below benchmark during the quarter and last twelve months.

State Insurance Fund ("SIF") Performance (Evan Williams and Alex Browning, Callan)

The State Insurance Fund had investment returns of -2.0% and 4.0% during the quarter and twelve months ended December 31, 2024.

Annual Capital Market Assumptions and Asset Allocation Review (Janet Becker-Wold, Callan)

Callan's 2025 Capital Market Expectations reflect modestly lower returns for equity and fixed income and modestly higher returns for real estate over the next ten years. The average annual return for our portfolio is expected to decline to 7.1% from last year's estimate of 7.4%. Callan's modeling of alternative asset allocations reflect the possibility to improve the portfolio's Sharpe Ratio by increasing the allocation to fixed income, however, there was no recommendation to change the portfolio's asset allocation at this time.

Presentation by Clearwater Advisors (Dan Bates and Rhet Hulbert, Clearwater Advisors)

Clearwater Advisors was established in Boise, Idaho in 2001 with a sole focus on investment grade U.S. fixed income. They develop fixed income portfolios based on the needs of individual clients rather than managing dedicated stand-alone investment strategies. They currently manage \$4.5 billion and have a staff of 13. Every client has direct access to their portfolio manager and they strive to provide outstanding customer service.

Mr. Anton recommended that the Board consider hiring Clearwater Advisors to manage an active core fixed income strategy for the State Insurance Fund portfolio. The funds would come from a portion of the passive Bloomberg Barclay's Aggregate Index currently managed by Northern Trust. Ms. Janet Becker-Wold from Callan indicated that there would be no change to the asset allocation or structure of the portfolio.

Mr. Aldape moved to approve the hiring of Clearwater Advisors to manage an active core fixed income strategy for the State Insurance Fund. The motion was seconded by Mr. Yeargain and approved. Tom Wilford abstained from the vote.

EFIB Staff Reports

Ms. Van Vactor presented the financial update.

Mr. Anton and Ms. Van Vactor presented the budget update.

Mr. Anton presented on Annual Review of Policy Manual

Mr. Anton and Ms. Wieneke presented the annual independence statements.

Mr. Anton reviewed the calendar for upcoming meetings.

Recognition of Outstanding Service

Mr. Wilford and Mr. Anton thanked Janet Becker-Wold from Callan, Senator Chuck Winder and Representative Kenny Wroten for the outstanding service and contributions they have made to EFIB over many years. Ms. Sugiyama and Mr. Johnson also expressed their appreciation.

Adjournment

Mr. Yeargain moved to adjourn the meeting at 12:00 p.m. The motion was seconded by Mr. Donaldson and approved unanimously.