Endowment Fund Investment Board
Thomas J. Wilford, Chair
David Dean
Robert M. Donaldson
Joseph Forney
Irving Littman
James Petzke
Mary Pat Thompson
Jim Woodward

Final Minutes

Endowment Fund Investment Board Regular Meeting
August 17, 2026

A regular meeting of the Endowment Fund Investment Board (Board) was held in the Board Conference Room at 816 W. Bannock Street, Ste. 301, Boise, Idaho, on August 17, 2026, and via Teams virtual meeting. Acting Chairman Mary Pat Thompson called the meeting to order at 9:03 a.m. and recognized that a quorum was present.

Members Present
Mary Pat Thompson
Dave Dean
Bob Donaldson (via Teams)
Irv Littman
Representative James Petzke

Members Absent
Joe Forney
Tom Wilford
Senator Jim Woodward

Staff Present
Chris Anton
Chris Halvorson
Kathy Van Vactor
Renee Jacobsen

Participants
Michael Ahern, Arrowstreet (via Teams)
Thomas Meyer, Arrowstreet (via Teams)
Alex Browning, Callan
Evan Williams, Callan

Guests
Dan Bates, Clearwater Advisors
Jim Elbin, Idaho Department of Lands
Bill Haagenson, Idaho Department of Lands

Hard copies of board materials were mailed and delivered one week prior to the scheduled board meeting. A meeting notice and an agenda were posted at the Endowment Fund Investment Board's office and on Townhall Idaho (https://townhall.idaho.gov/), on August 6, 2026.

Board Meeting Minutes—May 19, 2026 (Mary Pat Thompson)

Mr. Littman moved to approve minutes of the May 19, 2026, regular meeting as submitted. The motion was seconded by Mr. Dean and approved unanimously.

Presentation by Arrowstreet Capital (Michael Ahern, Thomas Meyer)

Arrowstreet Capital is a global systematic equity manager based in Boston. They manage approximately $345 billion in assets and have a long track record of outstanding investment performance. They manage portfolios using proprietary quantitative methods to establish return forecasts for prospective investments. Their investment style is characterized as core. Mr. Ahern and Mr. Meyer provided an overview of the firm and explained their investment processes.

Investment Performance (Alex Browning, Evan Williams, Callan)

Endowment Fund The endowment portfolio had investment returns of 10.7% and 16.6% for the quarter and twelve months ended June 30, 2026. The Fund's performance ranked in the 10th and 25th percentiles in the Callan Public Fund Sponsor Database during these periods. Performance exceeded the benchmark by 0.6% during the quarter but lagged the benchmark by 0.6% over the last twelve months.

State Insurance Fund (SIF) The SIF portfolio had investment returns of 2.5% and 6.0% for the quarter and twelve months ended June 30, 2026. Performance lagged the benchmark by 0.2% during the quarter and by 0.5% over the last twelve months.

Approve Global Equity Structure Mr. Browning indicated that Callan holds Arrowstreet Capital in high regard as a systematic equity manager. He explained that they were considered a top prospect during EFIB's recent core international equity manager search, but that Arrowstreet's international equity strategy is closed to new investors. Mr. Browning noted that Arrowstreet's global equity strategy is also closed, but that they recently provided EFIB and SIF with an opportunity to invest in the global equity strategy. He recommended adding Arrowstreet as a global equity manager to potentially enhance investment returns and to transition into a three-manager structure that utilizes growth, core and value styles as EFIB recently adopted for international equity. Mr. Browning also recommended terminating Wellington Asset Management so that EFIB no longer has two global growth investment managers.

Mr. Littman moved that EFIB terminate Wellington Asset Management and hire Arrowstreet Capital as a global equity investment manager and that SIF also hire Arrowstreet Capital as a global equity manager. The motion was seconded by Ms. Thompson and approved unanimously.

Investment Manager of the Year Award (Chris Halvorson)

Mr. Halvorson reviewed the fiscal year absolute and relative performance of EFIB's investment managers and recognized Barrow Hanley as Investment Manager of the Year for 2026. He said that he believed this was the first time an investment manager generated a fiscal-year return of 118.0%. Coleman Hubbard and DJ Taylor from Barrow Hanley received the award and shared some memories and the history of their relationship with EFIB.

Approve FY2026 Audited Financial Statements (Mary Pat Thompson, Bobby Lawrence, Kathy Van Vactor)

Ms. Thompson indicated that the Land Board Audit Committee met with representatives from Eide Bailly and staff from EFIB and IDL to review EFIB's audited financial statements and IDL's agreed upon procedures for the fiscal year ended June 30, 2026. Ms. Thompson remarked that Eide Bailly issued a clean opinion of EFIB's financial statements and noted that the report did not identify any deficiencies in internal controls considered to be material weaknesses or significant deficiencies. She also stated that Eide Bailly completed its agreed upon procedures for IDL. Eide Bailly was complimentary of Kathy Van Vactor from EFIB and both Darci Shelley and Rachelle Vance from IDL.

Mr. Petzke moved to approve the FY2026 Audited Financial Statements. The motion was seconded by Mr. Donaldson and approved unanimously.

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Approve FY2028 Beneficiary Distributions (Chris Anton)

The Endowment Fund generated an investment return of 16.6% in FY2026. This equates to $585.4 million in net investment gains. The Idaho Department of Lands generated $52.4 million in net revenue in FY2026. Earnings reserve levels exceeded target as of June 30, 2026.

Mr. Anton recommended the Board approve FY2028 beneficiary distributions of $132,532,800 and transfers to the Permanent Fund of $339,257,000. The transfers to the Permanent Fund will be added to the Gain Benchmark. Board members questioned and discussed the merits of adding or not adding the transfers to the Gain Benchmark. Mr. Anton explained that the Permanent Fund balance and beneficiary distributions would remain the same with either option, however, not adding the transfers to the Gain Benchmark provides flexibility when investment returns decline because code only allows transfers from the Permanent Fund into Earnings Reserve Funds at fiscal year-end when the balance is above the Gain Benchmark.

Mr. Petzke moved to approve FY2028 beneficiary distributions of $132,532,800 and transfers to the Permanent Fund of $339,257,000 but transfers to the Permanent Fund will not be added to the Gain Benchmark. Mr. Petzke asked that EFIB and Callan develop a policy for Board review on this matter. The motion was seconded by Mr. Littman and approved unanimously.

The Board's recommendation will be presented to the State Board of Land Commissioners for final approval on August 18, 2026.

Approve FY2028 EFIB Budget (Chris Anton, Kathy Van Vactor)

Ms. Van Vactor presented the proposed budget for FY2028. She commented that it included a 1% change in employee compensation per the budget instructions from the Division of Financial Management, increases in benefits expenses due to higher health care costs, a 27th pay period, and contractual increases for the audit and office lease.

Mr. Dean moved to approve the FY2028 budget request of $1,076,400 and any adjustments in personnel cost or governmental overhead charges. The motion was seconded by Mr. Petzke and approved unanimously.

EFIB Staff Reports

Mr. Anton reviewed the gift log and the schedule of upcoming meetings.

Adjournment

There being no further business to come before the Board, Mr. Petzke moved to adjourn, which was seconded by Mr. Dean and passed unanimously.

The meeting adjourned at 12:04 p.m.

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