

MONTANA

BOARD OF INVESTMENTS

REGULAR BOARD MEETING
MAY 20, 2026

COMMITTEE MEETINGS

- A. Human Resource Committee – Maggie Peterson, Chair** **9:00 AM**
Committee Members – Trost, Younkin
1. Public Comment – *Public Comment on issues with Committee Jurisdiction*
 2. Executive Director Comments
 3. Approval of October 14, 2026, Committee Meeting Minutes
 4. HR Committee Charter Review
 - a. *Public Comment*
 - b. Decision**
 5. Staffing Level Review *CLOSED SESSION*
 6. Exempt Staff Compensation Review *CLOSED SESSION*
 - a. *Public Comment*
 - b. Decision**

* *CLOSED SESSION* – This portion of the meeting relates to matters of individual privacy. The Committee Chair may determine that the demand of individual privacy clearly exceeds the merit of public disclosure. As such, this portion of the meeting may be closed.

BREAK 10:00 AM

- Tab 1 CALL TO ORDER – Jeff Meredith, Chairman** **10:15 AM**
- A. Notice of Video Recording of Meeting
 - B. Roll Call
 - C. Public Comment – *Public Comment on issues with Board Jurisdiction*
 - D. Approval of the April 22, 2026, Meeting Minutes
 - E. Administrative Business
 1. Audit Committee Report
 2. Loan Committee Report
 3. Human Resource Committee Report
 - F. Comments from TRS and PERS Board Members
 - G. Comments from Board Legislative Liaisons

- Tab 2 EXECUTIVE DIRECTOR REPORTS – Dan Villa** **10:45 AM**
- A. Member Requests from Prior Meeting
 - B. Monthly Snapshot
 - C. Montana Buildings – Board as Landlord/Tenant Holdings
 - D. Budget Status FYTD
 - E. Budget Proposal FY27
 - a. *Public Comment*
 - b. Decision**

Tab 3 INVESTMENT POLICY STATEMENT REVIEW	11:15 AM
a. <i>Public Comment</i>	
b. Decision	
BREAK FOR LUNCH	12:00 PM
Tab 4 MONTANA LOAN PROGRAM – Doug Hill, Director of Commercial Loans	1:00 PM
A. Commercial and Residential Portfolios Report	
Tab 5 MUNICIPAL LOAN PROGRAM – Louise Welsh, Director of Municipal Loans	1:15 PM
A. Activity Summary	
B. Staff Approved Loans Report	
Tab 6 REAL ESTATE ASSET CLASS REVIEW	1:30 PM
Tab 7 RVK	2:30 PM
Tab 8 INVESTMENT UPDATE	3:15 PM
RECAP OF STAFF TO DO LIST AND ADJOURNMENT – Jeff Meredith, Chairman	

MONTANA

BOARD OF INVESTMENTS

HUMAN RESOURCES COMMITTEE MEETING MINUTES OCTOBER 14, 2025 10:00 AM

Call to Order

The Board of Investment's Human Resources Committee meeting was called to order by Committee Chair Maggie Peterson at 10:05 a.m. on Tuesday, October 14, 2025.

Committee Members Present: Maggie Peterson, Cindy Younkin

Committee Members Absent: Dan Trost

Board Members Present: Jeff Meredith, Mark Barry, Porter Bennett, Tim Kober, John Milanovich

Board Members Absent: Dwaine Iverson

Legislative Liaisons Present: Representative Larry Brewster

Legislative Liaisons Absent: Senator Shane Morigeau

Board Staff Present: Brenda Thomas, Dan Villa, Doug Hill, Eron Krpan, Ethan Hurley, Ethan Kittle, Jason Brent, Jessilynn Salois, John Carpenter, John Romasko, Jon Putnam, Julie Feldman, Kirsten Haswell, Louise Welsh, Mark Lodman, Matt Hoffman, Peggy MacEwen, Peggy Saarela, Roberta Diaz, Rob Samson, Savannah Morgan, Sheli Jacoby, Steve Strong, Tammy Lindgren, Thomas Winkler, Tim House

Interested Parties Present: John Kevin Balaod – With Intelligence

1. Public Comment

Chair Peterson called for public comment on issues within Committee jurisdiction. There was no public comment.

2. Approval of the Committee Meeting Minutes

Chair Peterson called for comments and approval of the June 4, 2025, Human Resources Committee meeting minutes. Member Younkin motioned for approval. Member Peterson seconded the motion, which passed unanimously.

3. Executive Director Comments

Executive Director Villa had no comments for the Committee.

4. Exempt Staff Performance Review - *Decision*

The meeting was closed at 10:07 a.m. due to matters of individual privacy and reopened at 11:38 a.m.

Member Peterson called for a motion to implement the FY26 strategic pay plan as proposed and adjust the personal services budget accordingly. Member Younkin motioned to approve. Chair Peterson seconded the motion, which passed unanimously.

With no further business before the Committee, the meeting was adjourned at 11:42 a.m.

POLICY NUMBER: 10.162

EFFECTIVE DATE: September 23, 2022

TITLE: Human Resources Committee Charter SUPERSEDES: November 30, 2021

BOARD ADOPTION: November 30, 2021

REVIEWED: May 20, 2026

I. Human Resources Committee Charter

A. Purpose of Committee

1. The purpose of the Human Resources Committee (Committee) is to assist the Board in fulfilling its oversight responsibilities relating to personnel matters and compensation of exempt Board staff.

B. Committee Authority and Resources

1. The Committee has authority to conduct or authorize an investigation on any matters within its scope of responsibility. It is empowered to:
 - a) Select and retain external legal counsel or others to advise the Committee, or assist in the conduct of an investigation, as it deems appropriate.
 - b) Seek any information it requires from any Board employee, all of whom are directed to cooperate with the Committee's requests or external party requests on behalf of the Committee.
 - c) Meet with Board management and external parties, as necessary.

C. Committee Membership

1. The Committee shall consist of at least three (3) Board Members. The Chair of the Board shall serve as an ex officio member of the Committee. The Board Chair will appoint committee members and the Committee Chair per Policy 10.160 of the Governance Manual.

D. Committee Meetings

1. The Committee will meet at least twice a year, with authority to convene additional meetings, as circumstances require.
 - a) Committee members are expected to attend each meeting in person or by alternative electronic means.
 - b) Minutes will be prepared.
2. The Committee may invite members of Board staff or others to attend meetings and provide pertinent information.
3. The Executive Director shall attend all meetings, except when excused by the Committee for the purposes of reviewing the Executive Director's performance or compensation.

E. Board Staff Duties and Responsibilities

1. In consultation with the Committee Chair, Board staff will prepare meeting agendas which will be provided in advance to committee members, along with appropriate briefing materials.

2. Board staff will direct and recommend to the Committee the hiring of exempt staff, excluding the Executive Director and Chief Investment Officer (CIO) positions.
3. The Executive Director, CIO, or portfolio director will prepare performance evaluations for any exempt staff reporting to them. The Executive Director and CIO will review any evaluation prepared by portfolio directors.
4. The Executive Director shall prepare an improvement plan for exempt staff reporting to the Executive Director or CIO, if necessary.

F. Committee Duties and Responsibilities

1. Exempt staff hiring, disciplinary, or termination action, including:
 - a) Direct and recommend to the Board hiring, discipline or termination of the Executive Director and CIO.
 - b) Upon recommendation of the Executive Director, approve hiring, job duties and compensation of other exempt staff.
 - c) Upon recommendation of the Executive Director, approve or deny unpaid suspension of 10 days or more, demotion, or termination of exempt staff.
2. Exempt staff human resource policies, including:
 - a) Review and approve policies relating to the evaluation or compensation of exempt staff, subject to budget constraints.
 - b) Oversee the development and implementation of compensation programs.
 - c) Review and advise the Board concerning the adequacy and competitiveness of the Board's compensation programs.
 - (1) This activity may include the commissioning of peer salary surveys, the reviewing of such surveys, and establishing pay ranges based on the surveys.
3. Exempt staff evaluation and compensation, including:
 - a) Evaluate and advise the Board concerning the performance of the Executive Director and CIO against established goals and objectives of the Committee.
 - b) Review job descriptions and performance for the other exempt staff as prepared by the Executive Director or CIO against established goals and objectives.
 - c) Recommend to the Board the compensation level for all exempt staff, within budget constraints, for the upcoming year.
 - (1) The Committee may consider, among other factors:
 - (a) The Board's investment performance and return relative to investment performance at comparable investment boards.
 - (b) The awards given to the exempt staff in past years.
 - (c) The provisions of the Board's compensation plan for exempt staff.
 - d) Recommend, as appropriate, a course of action to remedy deficiencies or improve performance.
4. Other Responsibilities
 - a) Oversee the Executive Director in the development and maintenance of a succession plan for exempt staff and other key employees.
 - b) Oversee regulatory compliance with respect to compensation matters for all employees, in consultation with the Executive Director.

- c) Consider and act on written employee appeals and grievances when the Executive Director is unable to resolve differences with exempt employees.
- d) Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes.
- e) Perform other activities related to human resources management, as requested by the Board.

G. Committee Reports

1. The Committee will keep the Board informed on a timely basis on actions taken, recommendations, and decisions made by the Committee.
 - a) The Committee has the discretion to keep specific personnel matters within the Committee or, if required by the Board, to report on any such matter in executive session of the Board.

Authority: Montana Constitution, Art. VIII, Section 13
Section 2-15-114, MCA
Section 2-15-1808, MCA
Section 17-6-201, MCA
ARM 8.97.313

MONTANA

BOARD OF INVESTMENTS

REGULAR BOARD MEETING MINUTES

APRIL 22, 2026

Official meeting minutes are the recordings posted at www.youtube.com/@theMT_BOI
(timestamps may differ)

Call to Order

Board Chair Jeff Meredith called the Board of Investments meeting to order at 9:30 a.m. on Wednesday, April 22, 2026.

Attendance

Board Members Present: Jeff Meredith, Maggie Peterson, Tim Kober, Mark Barry, Cindy Younkin, Dwaine Iverson, Dan Trost, John Milanovich

Board Members Absent: Porter Bennett

Legislative Liaisons Present: Representative Larry Brewster

Legislative Liaisons Absent: Senator Shane Morigeau

Board Staff Present: Dan Villa, Jon Putnam, Savannah Morgan, Jason Brent, Steve Strong

Interested Parties Present: Jim Voytko – RVK; Ryan Osmundson – Budget Director, Office of Budget and Program Planning; Senator John Esp – Big Timber; Natalie Smitham – Department of Public Health and Human Services; Amber Zahn – Laurel citizen; Laura Kirschenmann – Laurel citizen; Elizabeth Gilg – Laurel citizen; Jennifer Lorenz – Laurel citizen; Gloria Allwin – Laurel citizen; Shelley White – Laurel citizen

Tab 1 CALL TO ORDER (00:03)

A. Notice of Video Recording (00:14)

Chair Meredith advised that the meeting would be audio- and video-recorded.

B. Roll Call (00:20)

The roll was taken. Eight Board members were present, forming a quorum.

C. Public Comment (01:45)

Chair Meredith asked for public comment on matters related to Board jurisdiction that were not on the agenda. None was given.

D. Approval of Minutes (02:07)

February 25-26, 2026, Regular Board Meeting Minutes

Member Trost moved to approve the meeting minutes. Member Younkin seconded the motion, which passed unanimously.

E. Administrative Business

1. Loan Committee Report (02:31)

Due to scheduling conflicts, the Loan Committee meeting was rescheduled for Thursday, April 30th, at 10 a.m.

F. Comments from Pension Board Members (03:20)

Members Peterson and Trost briefed the Board.

G. Comments from Legislative Liaisons (06:10)

Representative Larry Brewster briefed the Board.

Tab 2 EXECUTIVE DIRECTOR REPORTS (06:32)

A. Member Requests from Prior Meeting

Executive Director Villa briefed the Board.

B. Monthly Snapshot

Executive Director Villa briefed the Board.

C. Benchmarks Used by the Board

Executive Director Villa and Chief Investment Officer Jon Putnam briefed the Board.

D. Contract Approval Request (10:54)

Executive Director Villa briefed the Board and answered questions.

Chair Meredith called for a motion to approve the construction contract for the Behavioral Health Facility investment, pending receipt of a notice to proceed by the Department of Public Health and Human Services (DPHHS).

Member Barry moved to approve. Member Trost seconded the motion.

Public comments were heard. Senator John Esp, Natalie Smitham, and Director Osmundson provided proponent comments. Amber Zahn, Laura Kirschenmann, Elizabeth Gilg, Gloria Allwin, Jennifer Lorenz, and Shelley White provided opponent comments.

Members Kober and Younkin abstained from voting.

The motion passed with the remaining members voting in favor.

Tab 3 DOMESTIC EQUITY ASSET REVIEW (01:04:48)

Jason Brent and Steve Strong briefed the Board and answered questions.

Tab 4 RVK ANNUAL CAPITAL MARKET ASSUMPTIONS (01:31:17)

Jim Voytko briefed the Board and answered questions.

RECAP OF STAFF TO-DO LIST AND ADJOURNMENT (02:19:45)

Chair Meredith adjourned the meeting at 11:53 a.m.

MONTANA BOARD OF INVESTMENTS

APPROVE: _____

Jeff Meredith, Board Chair

ATTEST: _____

Dan Villa, Executive Director

DATE: _____

MONTANA

BOARD OF INVESTMENTS

TO: Members of the Board
FROM: Dan Villa, Executive Director
DATE: May 20, 2026
RE: Executive Director Report

- A. Member Requests from Prior Meeting
- B. Monthly Snapshot – *attached*
- C. Montana Buildings – Board as Landlord/Tenant Holdings – *attached*
- D. Budget Status FYTD - *attached*
- E. Budget Proposal FY27 – *attached*
 - a. *Public Comment*
 - b. Decision**



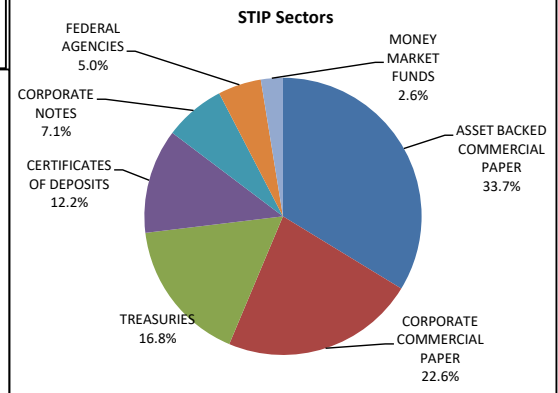
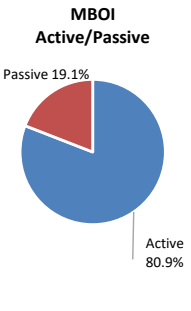
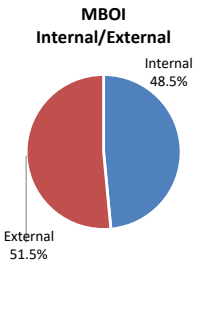
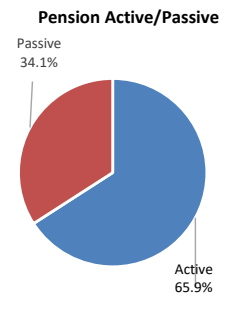
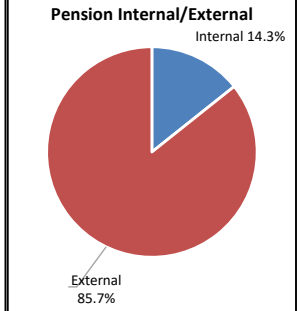
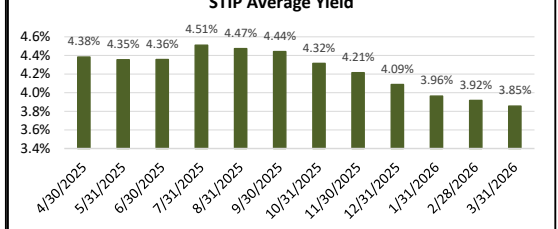
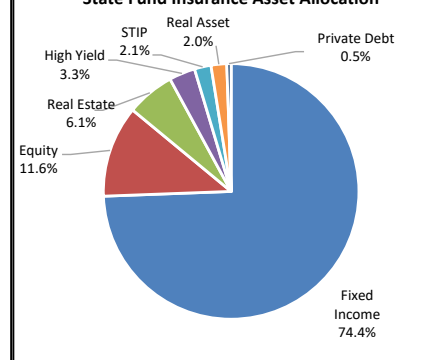
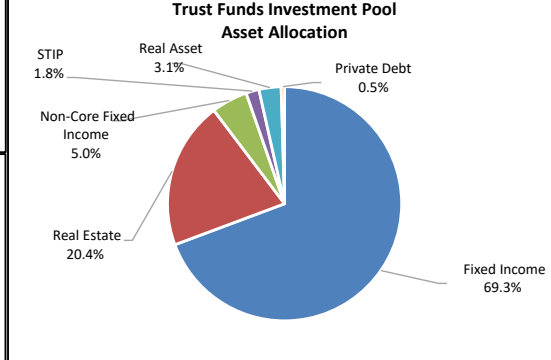
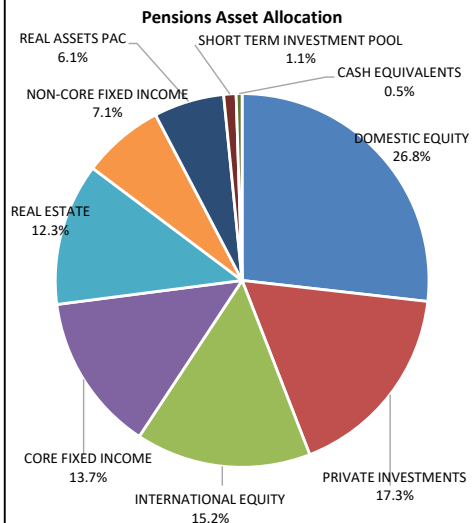
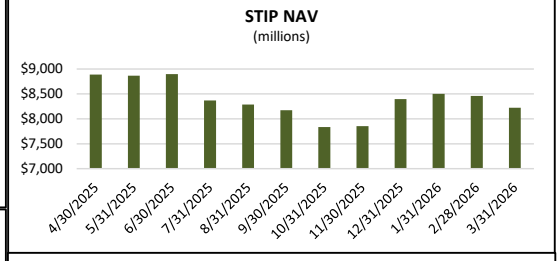
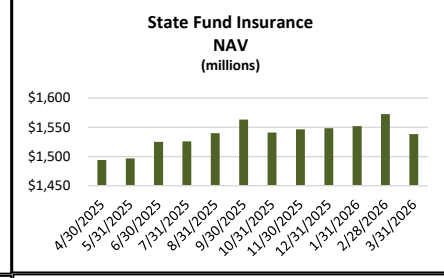
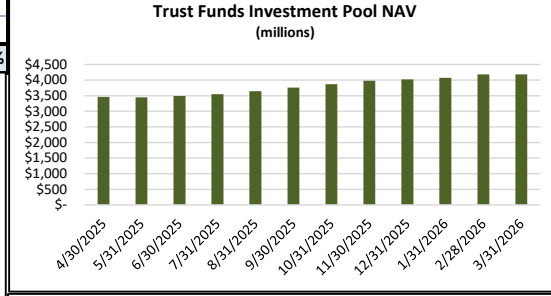
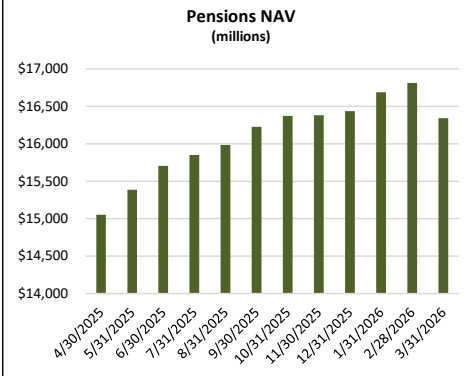
MBOI Snapshot
Asset Management View
3/31/2026 Unaudited
Assets Under Management \$30,236,112,372

Pensions	NAV	%
DOMESTIC EQUITY	\$ 4,379,758,460	26.8%
PRIVATE INVESTMENTS	\$ 2,828,472,772	17.3%
INTERNATIONAL EQUITY	\$ 2,480,848,832	15.2%
CORE FIXED INCOME	\$ 2,234,133,901	13.7%
REAL ESTATE	\$ 2,010,854,375	12.3%
NON-CORE FIXED INCOME	\$ 1,157,432,886	7.1%
REAL ASSETS PAC	\$ 994,913,619	6.1%
SHORT TERM INVESTMENT POOL	\$ 174,840,592	1.1%
CASH EQUIVALENTS	\$ 83,473,381	0.5%
Pensions Total	\$ 16,344,728,817	100.0%

TFIP	NAV	%
Fixed Income	\$ 2,899,736,617	69.31%
Real Estate	\$ 852,546,260	20.38%
Non-Core Fixed Income	\$ 208,851,661	4.99%
Real Asset	\$ 127,766,035	3.05%
STIP	\$ 75,316,490	1.80%
Private Debt	\$ 19,540,026	0.47%
TFIP Total	\$ 4,183,757,088	100.00%

State Fund	NAV	%
Fixed Income	\$ 1,144,601,119	74.41%
Equity	\$ 178,219,970	11.59%
Real Estate	\$ 93,576,625	6.08%
High Yield	\$ 50,726,214	3.30%
STIP	\$ 32,286,223	2.10%
Real Asset	\$ 30,516,345	1.98%
Private Debt	\$ 8,374,297	0.54%
State Fund Total	\$ 1,538,300,794	100.00%


Other Fixed Income & Pending	NAV	%
STIP*		
ASSET BACKED COMMERCIAL PAPER	\$2,778,165,977	33.7%
CORPORATE COMMERCIAL PAPER	\$1,862,909,727	22.6%
TREASURIES	\$1,380,902,681	16.8%
CERTIFICATES OF DEPOSITS	\$1,004,405,762	12.2%
CORPORATE NOTES	\$584,558,740	7.1%
FEDERAL AGENCIES	\$415,750,299	5.0%
MONEY MARKET FUNDS	\$211,557,810	2.6%
STIP Total	\$8,238,250,995	100.0%



Definition of NAV: Net Asset Value is the total value of the account including assets held, adjusted for payables, receivables and liabilities

(1) Other Holdings column on page two represents the value of securities, receivables, payables and liabilities that comprise the Net Asset Value for the asset owner.

*Difference of \$215,135,784 is attributable the portion of STIP held within CAPP \$60,090,482 and TFIP \$74,920,772 as a cash investment and distributions held over month end \$80,124,530. Such value is represented in the NAV for the CAPP and STIP columns.

MBOI Snapshot Asset Ownership View 3/31/2026 Unaudited										
									Total Net	
Total Funds \$(000)	CAPP Holdings	CAPP %	STIP Holdings*	STIP %	TFIP Holdings	TFIP%	Other Holdings ¹	Other %	Asset Value	
	\$16,169,888	53.48%	\$8,023,115	26.53%	\$4,183,745	13.84%	\$1,859,364	6.15%	\$30,236,112	
Pensions	CAPP	%	STIP	%	TFIP	%	Other	%	Total	
FIREFIGHTERS RETIREMENT	\$ 808,617	99.00%	\$ 8,129	1.00%	\$ -	0.00%	\$ -	0.00%	\$ 816,746	
GAME WARDENS RETIREMENT	\$ 398,411	98.86%	\$ 4,602	1.14%	\$ -	0.00%	\$ -	0.00%	\$ 403,013	
HIGHWAY PATROL RETIREMENT	\$ 244,025	98.87%	\$ 2,785	1.13%	\$ -	0.00%	\$ -	0.00%	\$ 246,810	
JUDGES RETIREMENT	\$ 150,516	98.98%	\$ 1,548	1.02%	\$ -	0.00%	\$ -	0.00%	\$ 152,064	
POLICE OFFICERS RETIREMENT	\$ 700,797	98.96%	\$ 7,354	1.04%	\$ -	0.00%	\$ -	0.00%	\$ 708,152	
PUBLIC EMPLOYEES RETIREMENT	\$ 7,721,641	98.91%	\$ 85,355	1.09%	\$ -	0.00%	\$ -	0.00%	\$ 7,806,997	
SHERIFFS RETIREMENT	\$ 632,971	98.90%	\$ 7,023	1.10%	\$ -	0.00%	\$ -	0.00%	\$ 639,994	
TEACHERS RETIREMENT	\$ 5,452,723	98.96%	\$ 57,437	1.04%	\$ -	0.00%	\$ -	0.00%	\$ 5,510,160	
VOL FIREFIGHTERS RETIREMENT	\$ 60,186	99.00%	\$ 607	1.00%	\$ -	0.00%	\$ -	0.00%	\$ 60,793	
Total	\$ 16,169,888	98.93%	\$ 174,841	1.07%	\$ -	0.00%	\$ -	0.00%	\$ 16,344,729	
Trust Funds	CAPP	%	STIP	%	TFIP	%	Other	%	Total	
ABANDONED MINE RECLAMATION	\$ -	0.00%	\$ 2,072	21.64%	\$ 7,467	77.99%	\$ 35	0.37%	\$ 9,574	
BARKER HUGHESVILLE ST RESPONSE	\$ -	0.00%	\$ 2,309	22.84%	\$ 7,765	76.80%	\$ 37	0.36%	\$ 10,111	
BELT WATER TREATMENT PLANT	\$ -	0.00%	\$ 7,965	26.16%	\$ 22,368	73.47%	\$ 110	0.36%	\$ 30,443	
BUTTE AREA ONE REST	\$ -	0.00%	\$ 1,093	18.37%	\$ 4,835	81.26%	\$ 22	0.37%	\$ 5,950	
BUTTE AREA REDEVELOP AUTHORITY	\$ -	0.00%	\$ 2,153	15.46%	\$ 11,727	84.17%	\$ 52	0.37%	\$ 13,933	
CLARK FORK REST	\$ -	0.00%	\$ 5,664	21.99%	\$ 19,993	77.64%	\$ 84	0.36%	\$ 25,751	
CLARK FORK SITE RESP ACTION	\$ -	0.00%	\$ 3,915	7.72%	\$ 46,615	91.91%	\$ 199	0.37%	\$ 50,719	
COAL TAX PARK TRUST FUND	\$ -	0.00%	\$ 3,502	10.85%	\$ 28,647	88.78%	\$ 119	0.37%	\$ 32,269	
CSKT COMPACT PUMPING	\$ -	0.00%	\$ 15,201	50.66%	\$ 14,751	49.16%	\$ 56	0.19%	\$ 30,008	
CULTURAL TRUST FUND	\$ -	0.00%	\$ 587	3.28%	\$ 17,237	96.34%	\$ 67	0.37%	\$ 17,891	
DEBT AND LIABILITY FREE ACCOUNT	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 0	100.00%	\$ 0	
E HELENA GREENWAY TRAIL MAINT	\$ -	0.00%	\$ 224	24.45%	\$ 688	75.19%	\$ 3	0.36%	\$ 915	
EAST HELENA COMPENSATION FUND	\$ -	0.00%	\$ 1,496	98.96%	\$ 11	0.72%	\$ 5	0.33%	\$ 1,512	
ENDOWMENT FOR CHILDREN	\$ -	0.00%	\$ 118	7.53%	\$ 1,442	92.10%	\$ 6	0.37%	\$ 1,566	
FLYING J CECRA FACILITIES FUND	\$ -	0.00%	\$ 679	23.15%	\$ 2,245	76.49%	\$ 11	0.36%	\$ 2,935	
FWP MITIGATION TRUST	\$ -	0.00%	\$ 2,950	29.86%	\$ 6,895	69.78%	\$ 36	0.36%	\$ 9,881	
GO DISTRIBUTION FUND	\$ -	0.00%	\$ 31,100	12.25%	\$ 221,863	87.42%	\$ 836	0.33%	\$ 253,800	
GO PENSION FUND	\$ -	0.00%	\$ 49,100	17.93%	\$ 223,861	81.76%	\$ 844	0.31%	\$ 273,804	
HAROLD HAMM ENDOWMENT	\$ -	0.00%	\$ 12	21.80%	\$ 44	77.83%	\$ 0	0.36%	\$ 56	
INVASIVE SPECIES TRUST FUND	\$ -	0.00%	\$ 1,242	35.70%	\$ 2,224	63.94%	\$ 12	0.36%	\$ 3,478	
KIYO POW WOW	\$ -	0.00%	\$ 16	4.97%	\$ 105	33.30%	\$ 194	61.73%	\$ 315	
LIBBY ASBESTOS SITE STATE COST	\$ -	0.00%	\$ 1,479	26.48%	\$ 4,087	73.16%	\$ 20	0.37%	\$ 5,587	
LUBRECHT FRST CRBN OFSET CREDIT	\$ -	0.00%	\$ 152	5.79%	\$ 849	32.39%	\$ 1,621	61.83%	\$ 2,622	
LUTTRELL PIT - OPER & MAINT	\$ -	0.00%	\$ 475	21.68%	\$ 1,708	77.96%	\$ 8	0.36%	\$ 2,191	
MONTANA HIST AND CIVICS ENDOW	\$ -	0.00%	\$ 1,091	44.44%	\$ 1,355	55.20%	\$ 9	0.36%	\$ 2,455	
MONTANA HISTORICAL SOCIETY	\$ -	0.00%	\$ 1,312	30.57%	\$ 2,966	69.07%	\$ 16	0.36%	\$ 4,294	
MONTANA STATE LIBRARY TRUST	\$ -	0.00%	\$ 258	17.13%	\$ 1,241	82.50%	\$ 6	0.37%	\$ 1,504	
MT POLE SUPERFUND SETTLEMENT	\$ -	0.00%	\$ 4,908	25.35%	\$ 14,383	74.29%	\$ 71	0.36%	\$ 19,362	
NOXIOUS WEED MGMT TRUST FUND	\$ -	0.00%	\$ -	0.00%	\$ 10,332	99.62%	\$ 39	0.38%	\$ 10,371	
NRDP LIBBY SETTLEMENT	\$ -	0.00%	\$ 5,123	71.48%	\$ 2,020	28.18%	\$ 24	0.34%	\$ 7,168	
OLDER MONTANANS TRUST FUND	\$ -	0.00%	\$ 14	3.98%	\$ 340	95.65%	\$ 1	0.37%	\$ 356	
POTTER TRUST FUND	\$ -	0.00%	\$ 60	21.59%	\$ 216	78.04%	\$ 1	0.36%	\$ 276	
PUBLIC SCHOOL TRUST	\$ -	0.00%	\$ 9,564	0.96%	\$ 982,947	98.66%	\$ 3,738	0.38%	\$ 996,249	
REAL PROPERTY TRUST FUND	\$ -	0.00%	\$ 522	7.07%	\$ 6,831	92.55%	\$ 27	0.37%	\$ 7,381	
RESOURCE INDEMNITY TRUST FUND	\$ -	0.00%	\$ 23	0.02%	\$ 106,061	99.60%	\$ 400	0.38%	\$ 106,484	
SMELTER HILL UPLANDS REST FUND	\$ -	0.00%	\$ 1,344	15.55%	\$ 7,268	84.08%	\$ 32	0.37%	\$ 8,644	
STREAMSIDE TAILINGS OU FUND	\$ -	0.00%	\$ 2,132	12.76%	\$ 14,516	86.87%	\$ 62	0.37%	\$ 16,709	
TOBACCO TRUST FUND	\$ -	0.00%	\$ 10,306	3.20%	\$ 310,827	96.43%	\$ 1,206	0.37%	\$ 322,340	
UPPER BLACKFT RESP ACT & REST	\$ -	0.00%	\$ 716	89.19%	\$ 84	10.48%	\$ 3	0.33%	\$ 802	
UPPER CLRK FK RIVER BASIN RES	\$ -	0.00%	\$ 1,595	6.90%	\$ 21,429	92.73%	\$ 86	0.37%	\$ 23,111	
UPPER CLRK FK RIVER BASIN REST	\$ -	0.00%	\$ 3,149	4.68%	\$ 63,818	94.94%	\$ 251	0.37%	\$ 67,218	
WILDLIFE HABITAT TRUST FUND	\$ -	0.00%	\$ 1,907	11.12%	\$ 15,177	88.51%	\$ 63	0.37%	\$ 17,147	
YELLOWSTONE PIPELINE CLEANUPFD	\$ -	0.00%	\$ 2,165	34.51%	\$ 4,087	65.13%	\$ 23	0.36%	\$ 6,275	
ZORTMAN/LANDUSKY LT WATER	\$ -	0.00%	\$ 18,514	99.67%	\$ -	0.00%	\$ 61	0.33%	\$ 18,575	
ZORTMANLANDUSKY LT WATER TRUST	\$ -	0.00%	\$ 24,083	99.67%	\$ -	0.00%	\$ 79	0.33%	\$ 24,161	
Total	\$ -	0.00%	\$ 222,291	9.09%	\$ 2,213,326	90.48%	\$ 10,574	0.43%	\$ 2,446,191	
Coal Severance	CAPP	%	STIP	%	TFIP	%	Other	%	Total	
BIG SKY ECONOMIC DEV FUND	\$ -	0.00%	\$ 3,265	2.02%	\$ 152,328	94.32%	\$ 5,907	3.66%	\$ 161,500	
COAL SEVERANCE TAX PERM FUND	\$ -	0.00%	\$ 16,163	2.92%	\$ 418,756	75.61%	\$ 118,897	21.47%	\$ 553,816	
CONSERVATION DISTRICT FUND	\$ -	0.00%	\$ 4,786	8.24%	\$ 53,082	91.39%	\$ 216	0.37%	\$ 58,085	
MONTANA COAL ENDOWMENT FUND	\$ -	0.00%	\$ 3,069	1.13%	\$ 268,193	98.50%	\$ 1,022	0.38%	\$ 272,284	
MT COAL ENDOWMENT REGIONAL WAT	\$ -	0.00%	\$ 1,192	1.26%	\$ 92,823	98.36%	\$ 354	0.38%	\$ 94,369	
SCHOOL FACILITIES FUND	\$ -	0.00%	\$ 5,139	1.84%	\$ 272,963	97.78%	\$ 1,047	0.37%	\$ 279,149	
Total	\$ -	0.00%	\$ 33,615	2.37%	\$ 1,258,145	88.65%	\$ 127,443	8.98%	\$ 1,419,203	
Operating Funds	CAPP	%	STIP	%	TFIP	%	Other	%	Total	
FWP GENERAL LICENSE ACCOUNT	\$ -	0.00%	\$ 66,994	68.93%	\$ 29,882	30.75%	\$ 315	0.32%	\$ 97,191	
MONTANA LOCAL GOVERNMENTS	\$ -	0.00%	\$ 2,143,125	99.67%	\$ -	0.00%	\$ 7,185	0.33%	\$ 2,150,310	
MONTANA STATE AGENCIES	\$ -	0.00%	\$ 2,072,895	99.67%	\$ -	0.00%	\$ 6,835	0.33%	\$ 2,079,730	
MONTANA STATE UNIVERSITY	\$ -	0.00%	\$ 308,569	84.08%	\$ 57,182	15.58%	\$ 1,251	0.34%	\$ 367,003	
MONTANA TECH	\$ -	0.00%	\$ 7,961	94.33%	\$ 451	5.34%	\$ 28	0.33%	\$ 8,440	
MT HOUSING INFRASTRUCTURE	\$ -	0.00%	\$ 67,125	40.29%	\$ -	0.00%	\$ 99,484	59.71%	\$ 166,609	
REPAYMENT ACCOUNT	\$ -	0.00%	\$ 9,252	10.90%	\$ -	0.00%	\$ 75,621	89.10%	\$ 84,872	
STATE TREASURER'S FUND	\$ -	0.00%	\$ 2,621,086	82.58%	\$ 542,348	17.09%	\$ 10,490	0.33%	\$ 3,173,924	
UNIVERSITY OF MONTANA	\$ -	0.00%	\$ 90,898	75.47%	\$ 29,131	24.19%	\$ 407	0.34%	\$ 120,437	
Total	\$ -	0.00%	\$ 7,387,905	89.57%	\$ 658,995	7.99%	\$ 201,616	2.44%	\$ 8,248,515	
Insurance Reserves	CAPP	%	STIP	%	TFIP	%	Other	%	Total	
MONTANA STATE FUND	\$ -	0.00%	\$ 32,164	2.09%	\$ -	0.00%	\$ 1,506,136	97.91%	\$ 1,538,301	
MUS GROUP INSURANCE	\$ -	0.00%	\$ 60,750	82.50%	\$ 12,636	17.16%	\$ 248	0.34%	\$ 73,634	
MUS WORKERS COMPENSATION	\$ -	0.00%	\$ 11,213	73.66%	\$ 3,957	26.00%	\$ 52	0.34%	\$ 15,222	
PERS-DCRP LT DISABILITY PLAN	\$ -	0.00%	\$ 996	7.20%	\$ -	0.00%	\$ 12,828	92.80%	\$ 13,823	
STATE EMPLOYEE GROUP BENEFITS	\$ -	0.00%	\$ 96,529	72.21%	\$ 36,685	27.44%	\$ 458	0.34%	\$ 133,672	
SUBSEQUENT INJURY TRUST FUND	\$ -	0.00%	\$ 2,812	99.67%	\$ -	0.00%	\$ 9	0.33%	\$ 2,821	
Total	\$ -	0.00%	\$ 204,464	11.50%	\$ 53,279	3.00%	\$ 1,519,731	85.50%	\$ 1,777,474	

Short Term Investment Pool			
Account	# Accounts	Total Market Value	%
Total State	385	6,085,348,018	73.9%
Total Local	216	2,152,902,977	26.1%
Total STIP	601	\$ 8,238,250,995	100.0%
STIP Reserve		\$ 112,780,948	
Prior month average STIP Yield			3.8549%

Intercap Statistics	
Loans Outstanding	\$ 67,241,584
Bonds Outstanding	\$ 67,000,000
Number of Borrowers	125
Loan Rate	4.50%

Real Estate Portfolio

Executive Dashboard

Montana Board of Investments

Board Presentation · Confidential

As of March 31, 2026

Prepared April 7, 2026

6

Properties

19

Active Leases

184,546

Sq Ft Managed

\$3.97M

FY26 Projected Rent

9.4%

Portfolio XIRR

STIP Balance (March 31, 2026): **\$4,852,251.34**

Total Sq Ft 184,546 6 properties	FY25 Revenue \$2.39M Portfolio total	FY25 Expense \$808,253 After expenses	FY25 Net Income \$1.58M Portfolio total	STIP Balance \$4.85M As of 3/31/2026 (\$4,852,251)
-----------------------------------------------	---------------------------------------------------	----------------------------------------------------	------------------------------------------------------	-----------------------------------------------------------------

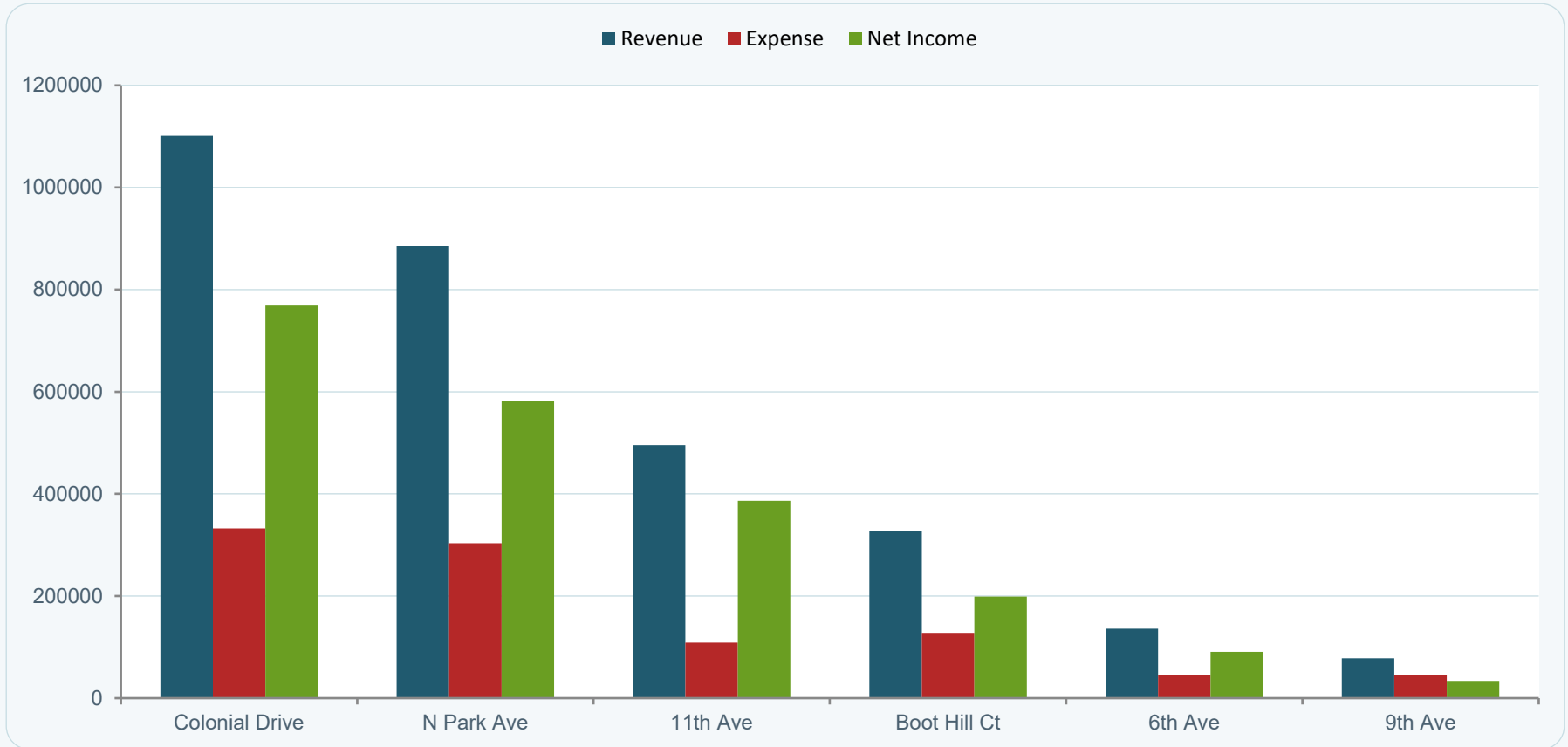
Building Performance — FY2025

Building	Sq Ft	FY26 \$/SF	FY27 \$/SF	FY28 \$/SF	FY25 Revenue	FY25 Expense	FY25 Net Income	Cost/SF	XIRR
Colonial Drive	62,155	\$20.72	\$20.92	\$22.72	\$1,101,354	\$332,503	\$768,851	\$5.35	10.1%
North Park Avenue	47,787	\$23.03	\$23.72	\$24.43	\$885,106	\$303,503	\$581,603	\$6.35	9.2%
11th Avenue	45,611	\$22.18	\$22.41	\$23.81	\$495,399	\$108,745	\$386,654	\$2.38	4.6%
Boot Hill Court	15,173	\$22.21	\$22.88	\$23.57	\$326,933	\$127,717	\$199,216	\$8.42	7.2%
6th Avenue	6,620	\$21.79	\$22.44	\$23.11	\$135,975	\$45,152	\$90,822	\$6.82	3.5%
9th Avenue	7,200	\$17.60	\$17.81	\$18.34	\$78,350	\$44,530	\$33,820	\$6.18	29.8%
Portfolio Total	184,546	\$21.97	\$22.47	\$23.32	\$2,391,743	\$808,253	\$1,583,490	\$4.38	9.4%

Net income excludes capital projects reserve. FY25 for 11th Ave = 6 months (purchased Dec 31, 2024). FY21 for 6th Ave = 7 months (purchased Nov 2020).

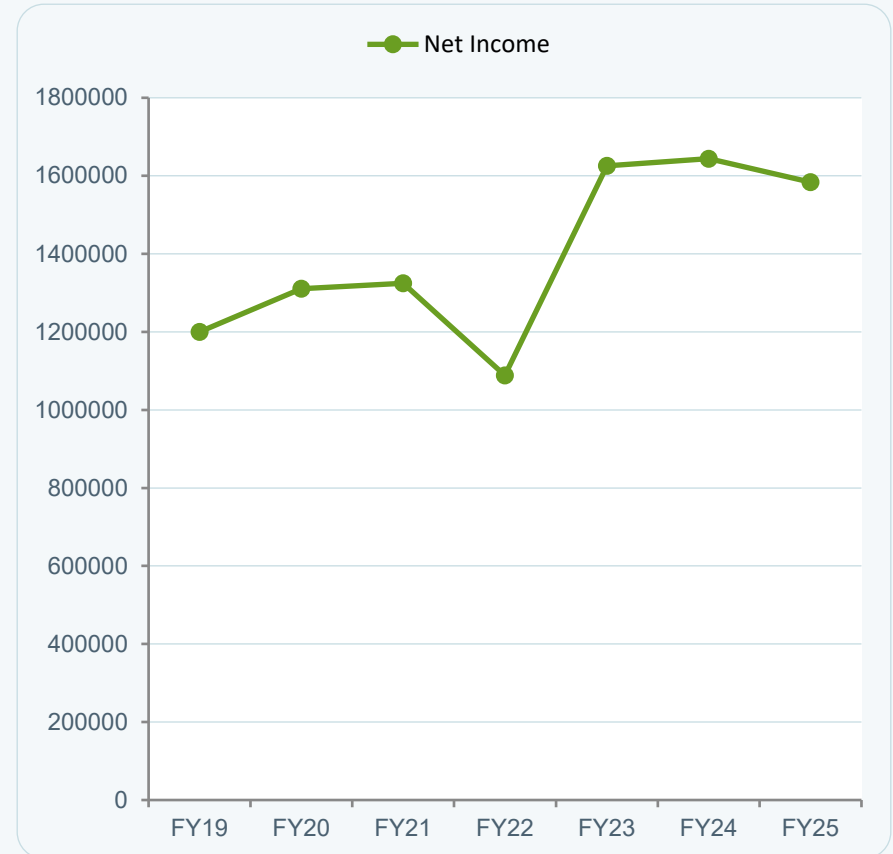
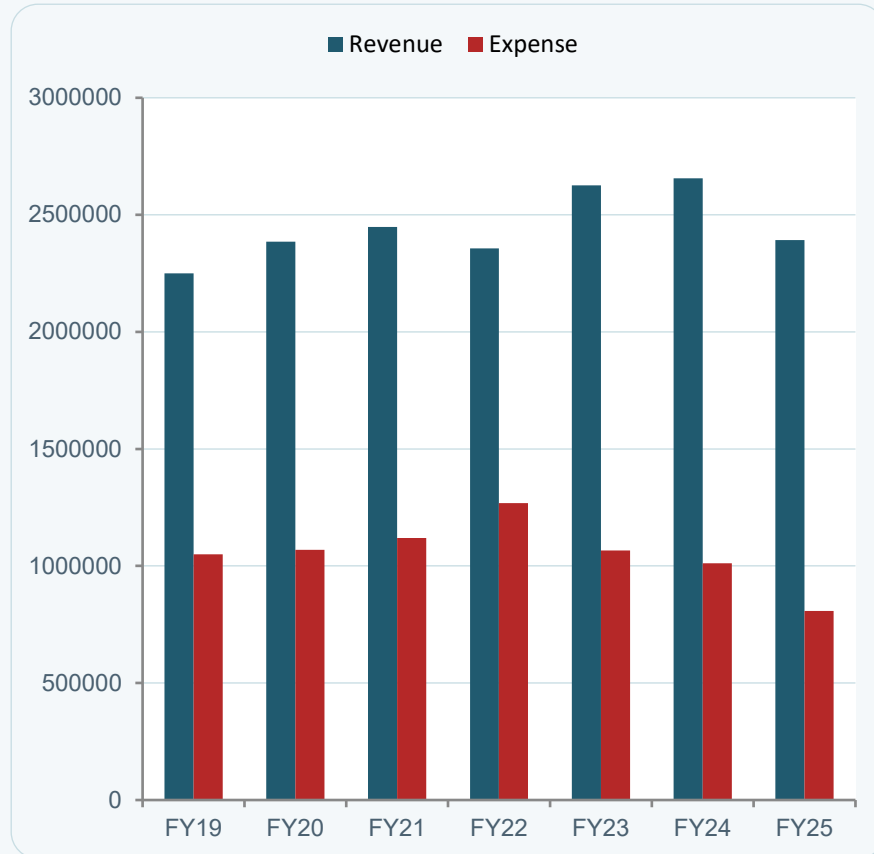
INCOME & PERFORMANCE — FY2025 BY BUILDING

As of March 31, 2026



PORTFOLIO TREND – FY2019 TO FY2025

As of March 31, 2026



FY22 is a blended as the property management company changed mid year. 11th Avenue purchased Dec 31, 2024 (FY25 = 6 months). 6th Avenue purchased Nov 2020 (FY21 = 7 months).

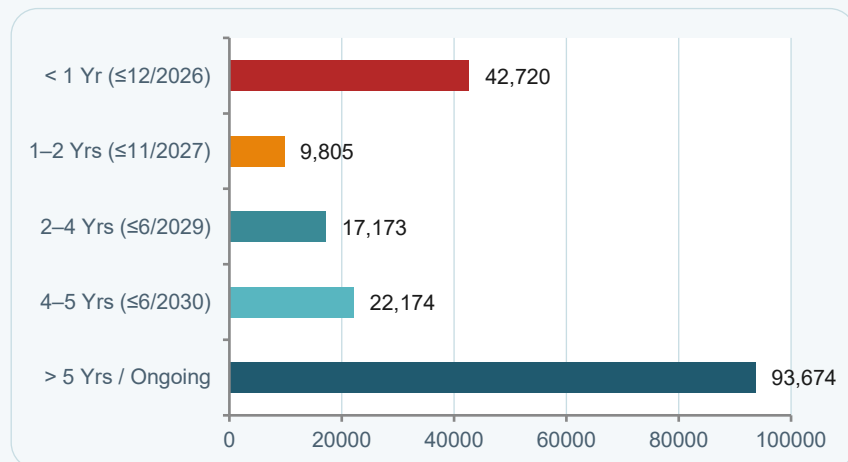
HISTORICAL INCOME BY BUILDING — FY2019 TO FY2025

As of March 31, 2026

Building / Metric	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Colonial Drive	\$1,102,384	\$1,134,297	\$1,158,037	\$1,083,907	\$1,207,370	\$1,189,625	\$1,101,354
Expense	\$395,910	\$398,535	\$398,372	\$364,011	\$458,839	\$379,140	\$332,503
Net Income	\$706,474	\$735,762	\$759,665	\$719,897	\$807,130	\$810,485	\$768,851
North Park Ave	\$781,183	\$869,900	\$898,219	\$902,928	\$1,002,103	\$1,026,936	\$885,106
Expense	\$480,372	\$479,221	\$572,095	\$586,100	\$434,985	\$437,869	\$303,503
Net Income	\$300,454	\$390,678	\$322,461	\$316,828	\$573,092	\$589,067	\$581,603
11th Avenue	—	—	—	—	—	—	\$495,399
Expense	—	—	—	—	—	—	\$108,745
Net Income	—	—	—	—	—	—	\$386,654
Boot Hill Court	\$269,924	\$282,367	\$290,728	\$274,487	\$308,372	\$317,587	\$326,933
Expense	\$114,420	\$105,592	\$101,627	\$268,410	\$122,270	\$147,086	\$127,717
Net Income	\$155,505	\$176,775	\$189,101	\$6,078	\$188,103	\$170,501	\$199,216
6th Avenue	—	—	\$82,971	\$117,507	\$132,035	\$135,975	\$135,975
Expense	—	—	\$28,005	\$59,467	\$49,069	\$42,488	\$45,152
Net Income	—	—	\$54,965	\$58,040	\$82,966	\$93,487	\$90,822
9th Avenue	\$96,840	\$98,625	\$101,325	\$95,567	\$107,569	\$121,533	\$78,350
Expense	\$59,197	\$86,082	\$47,776	\$50,055	\$50,125	\$47,580	\$44,530
Net Income	\$37,643	\$12,543	\$53,548	\$45,512	\$57,444	\$73,953	\$33,820
Portfolio Revenue	\$2,250,332	\$2,385,189	\$2,448,308	\$2,356,890	\$2,625,415	\$2,655,682	\$2,391,743
Portfolio Expense	\$1,049,898	\$1,069,430	\$1,119,870	\$1,268,576	\$1,066,218	\$1,011,675	\$808,253
Portfolio Net Income	\$1,200,076	\$1,310,664	\$1,324,775	\$1,088,514	\$1,625,769	\$1,644,007	\$1,583,490

LEASE EXPIRATION SCHEDULE

As of March 31, 2026



10

Leases expiring ≤5 years

91,066 SF

Sq ft requiring renewal attention

42,720 SF

DEQ lease — expires 12/31/2026

Building	Tenant	Sq Ft	Expiration	Yrs Left	FY26 \$/SF	FY26 Rent	Status
Colonial Drive	DEQ	42,720	12/31/2026	0.8	\$20.40	\$871,488	<1 Year
11th Avenue	DOA - RMTD	4,736	4/30/2027	1.1	\$18.50	\$87,616	≤5 Years
9th Avenue	DOA - Banking	5,069	11/30/2027	1.7	\$17.60	\$52,042	≤5 Years
11th Avenue	DLI - WC Court	2,400	3/31/2028	2.0	\$21.00	\$50,400	≤5 Years
Boot Hill Court	Ag/Corrections/DNRC/DOR	15,173	6/30/2029	3.3	\$22.21	\$336,992	≤5 Years
North Park Ave	DOA-MPERA / DLI-UI	22,174	6/30/2030	4.3	\$23.21	\$520,404	≤5 Years
Various Buildings	Long-term leases	93,674	>5 Years	6-19	—	—	Active
Colonial Drive	BOI (own-occ.)	19,435	Ongoing	—	\$21.42	\$416,298	Active

Amber rows expire within 5 years. Red row (DEQ) expires within 1 year — 42,720 SF, the portfolio's largest tenant.

INVESTMENT RETURNS & PROJECTED RATES

As of March 31, 2026

Portfolio XIRR

9.4%

Since inception

Highest XIRR

29.8%

9th Avenue

Lowest XIRR

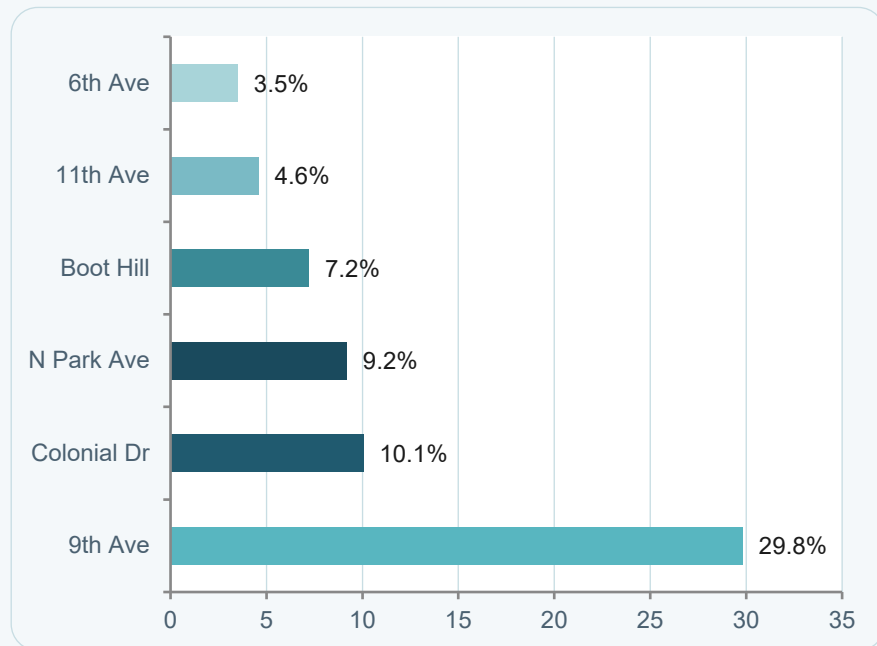
3.5%

6th Avenue

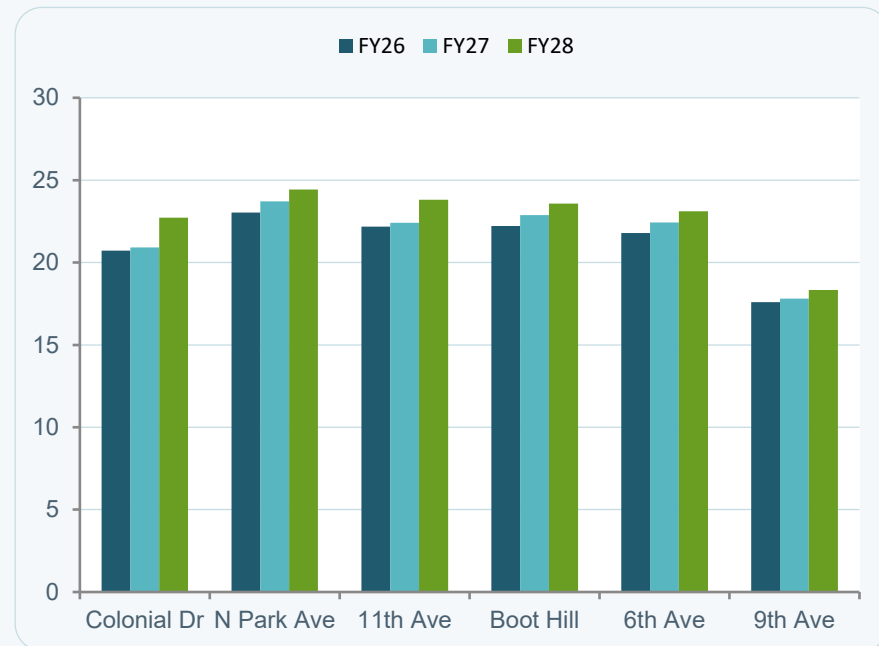
FY26 Wtd Avg Rate

\$21.97/SF

Weighted by sq ft



XIRR by Property — dashed line = portfolio avg 9.4% | Weighted Avg Rate per SF — FY26 to FY28



XIRR BY PROPERTY — DETAIL

As of March 31, 2026

Property	Address	Sq Ft	XIRR	vs Portfolio (+/- 9.4%)	Notes
9th Avenue	9th Avenue, Helena	7,200	29.8%	+20.4%	Low acquisition cost relative to income
Colonial Drive	2401 Colonial Drive, Helena	62,155	10.1%	+0.7%	Largest property; above-portfolio return
North Park Ave	100 N Park Avenue, Helena	47,787	9.2%	-0.2%	Near portfolio average; strong history
Boot Hill Court	2273 Boot Hill Court, Helena	15,173	7.2%	-2.2%	4 leases expire 6/30/2029 — plan renewals
11th Avenue	1625 11th Avenue, Helena	45,611	4.6%	-4.8%	Purchased 12/31/2024 — limited history
6th Avenue	East 6th Avenue, Helena	6,620	3.5%	-5.9%	Purchased Nov 2020; lease runs to 2044
Portfolio	All Properties	184,546	9.4%	—	

XIRR calculated from inception of ownership. Portfolio XIRR is the blended rate across all 6 properties weighted by acquisition cost.

URGENT

DEQ – Colonial Drive

Lease expires 12/31/2026 (0.8 years)
42,720 SF · \$871,488 annual rent · Largest single tenant lease

→ *Renewal negotiations should be initiated immediately.*

≤2 YEARS

DOA-RMTD (11th Ave) + DOA-Banking (9th Ave)

Expirations: 4/30/2027 and 11/30/2027
Combined 9,805 SF · \$139,658 annual rent

→ *Coordinate renewal discussions with DOA in FY26.*

≤5 YEARS

Boot Hill Court – 4 leases (Ag, Corrections, DNRC, DOR)

All expire 6/30/2029 · 15,173 SF combined · \$337,992 annual rent

→ *Begin renewal planning by FY27. Consider renegotiating to staggered terms.*

≤5 YEARS

North Park Ave – DOA-MPERA & DLI-UI

Both expire 6/30/2030 · 22,174 SF combined · \$520,404 annual rent

→ *Strong tenants with long history — prioritize early renewal to lock in rates.*

Portfolio Summary

As of March 31, 2026

Portfolio generates \$1.58M net income on \$2.39M revenue — 66% margin

STIP balance of \$4,852,251 as of 3/31/2026

Portfolio XIRR of 9.4% since inception across 6 properties / 184,546 SF

DEQ lease (42,720 SF) expires 12/31/2026 — renewal is the top priority

FY26 projected rent of \$3.97M across 19 active leases

65010 Department of Commerce Standard Budget Summary By Org, Account

Data Selected for Month/FY: 01 (Jul)/2026 through 10 (Apr)/2026

As of April 3/2026

Percent of Year Completed 76%
Percent of Payroll Completed 72%

Business Unit	(All)
Program Year	(All)
FY_BudPer	(All)
Month	(All)
Subclass	(All)
Source of Auth	(All)
OBPP Program	75 BOARD OF INVESTMENTS
Fund Type	(All)
Account	(All)
Account Type	(All)
Project	(All)
Ledger	(All)

[Return to Menu](#)

Fund	Org	Acct Lvl 1	Acct Lvl 2	Standard Budget	Actuals Amt	A Accrual Amt	Balance	
06050 Investment Division								
750100 INVESTMENT OPERATIONS				6,332,345.84	4,009,961.29	0.00	2,322,384.55	63%
61000 Personal Services				5,249,407.16	3,524,103.25	0.00	1,725,303.91	67%
			61000 Personal Services	5,249,407.16	0.00	0.00	5,249,407.16	
			61100 Salaries	0.00	2,807,301.23	0.00	(2,807,301.23)	
			61400 Employee Benefits	0.00	716,802.02	0.00	(716,802.02)	
62000 Operating Expenses				1,082,938.68	485,858.04	0.00	597,080.64	45%
			62100 Other Services	226,276.75	68,049.37	0.00	158,227.38	
			62200 Supplies & Materials	68,000.00	18,646.48	0.00	49,353.52	
			62300 Communications	43,568.00	26,831.80	0.00	16,736.20	
			62400 Travel	221,025.00	19,051.22	0.00	201,973.78	
			62500 Rent	374,667.93	317,396.54	0.00	57,271.39	
			62700 Repair & Maintenance	5,000.00	0.00	0.00	5,000.00	
			62800 Other Expenses	144,401.00	35,882.63	0.00	108,518.37	
750101 BOARD MEMBER EXPENSES				0.00	14,755.94	0.00	(14,755.94)	
61000 Personal Services				0.00	7,885.00	0.00	(7,885.00)	
			61300 Other Compensation	0.00	7,885.00	0.00	(7,885.00)	
62000 Operating Expenses				0.00	6,870.94	0.00	(6,870.94)	
			62200 Supplies & Materials	0.00	145.24	0.00	(145.24)	
			62400 Travel	0.00	5,473.51	0.00	(5,473.51)	
			62800 Other Expenses	0.00	1,252.19	0.00	(1,252.19)	
750120 INVESTMENTS - AUDIT				126,697.00	91,679.88	0.00	35,017.12	72%
62000 Operating Expenses				126,697.00	91,679.88	0.00	35,017.12	
			62100 Other Services	126,697.00	91,679.88	0.00	35,017.12	

65010 Department of Commerce
Standard Budget Summary By Org, Account
 Data Selected for Month/FY: 01 (Jul)/2026 through 10 (Apr)/2026

As of April 3/2026

Business Unit	(All)
Program Year	(All)
FY_BudPer	(All)
Month	(All)
Subclass	(All)
Source of Auth	(All)
OBPP Program	75 BOARD OF INVESTMENTS
Fund Type	(All)
Account	(All)
Account Type	(All)
Project	(All)
Ledger	(All)

Percent of Year Completed 76%
 Percent of Payroll Completed 72%

[Return to Menu](#)

Fund	Org	Acct Lvl 1	Acct Lvl 2	Standard Budget	Actuals Amt	A Accrual Amt	Balance	
06014	BOI Municipal Finance Programs							
	750200 STAND ALONE IDB PROG OPERTNS			620,840.50	403,516.17	0.00	217,324.33	65%
		61000 Personal Services		497,694.05	359,348.21	0.00	138,345.84	72%
			61000 Personal Services	497,694.05	0.00	0.00	497,694.05	
			61100 Salaries	0.00	279,309.57	0.00	(279,309.57)	
			61400 Employee Benefits	0.00	80,038.64	0.00	(80,038.64)	
		62000 Operating Expenses		123,146.45	44,167.96	0.00	78,978.49	36%
			62100 Other Services	5,262.01	3,731.45	0.00	1,530.56	
			62200 Supplies & Materials	884.83	973.02	0.00	(88.19)	
			62300 Communications	2,678.20	1,511.85	0.00	1,166.35	
			62400 Travel	1,529.60	660.76	0.00	868.84	
			62500 Rent	41,629.77	34,963.67	0.00	6,666.10	
			62700 Repair & Maintenance	1,000.00	0.00	0.00	1,000.00	
			62800 Other Expenses	70,162.04	2,327.21	0.00	67,834.83	
	750201 IDB Board Member Travel			0.00	775.23	0.00	(775.23)	
		61000 Personal Services		0.00	415.00	0.00	(415.00)	
			61300 Other Compensation	0.00	415.00	0.00	(415.00)	
		62000 Operating Expenses		0.00	360.23	0.00	(360.23)	
			62200 Supplies & Materials	0.00	7.64	0.00	(7.64)	
			62400 Travel	0.00	288.10	0.00	(288.10)	
			62800 Other Expenses	0.00	64.49	0.00	(64.49)	
	750220 IDB AUDIT			6,683.00	4,825.26	0.00	1,857.74	72%
		62000 Operating Expenses		6,683.00	4,825.26	0.00	1,857.74	
			62100 Other Services	6,683.00	4,825.26	0.00	1,857.74	

MONTANA

BOARD OF INVESTMENTS

TO: Board Members
FROM: Dan Villa, Executive Director
DATE: May 20, 2026
RE: Budget Proposal for FY 27

The proposed FY27 budget is presented for Board consideration and covers BOI's two programs, Investment Division (06050) and INTERCAP (06014). The total proposed budget for the Investment Division is \$6,754,413, and the total proposed budget for INTERCAP is \$650,673.

The combined proposed budget for both programs is \$7,405,086. For perspective, the Board approved a FY27 Budget of \$7,654,321 for the Investment Division on August 28, 2024. The proposed budget is 12 percent lower than the originally approved budget as presented.

The proposed budget details are below:

Investment Division (06050)	FY27	FY26
Personal Services	\$ 5,756,180	\$ 5,249,407
Other Services	\$ 95,000	\$ 226,277
Legislative Audit	\$ 40,000	\$ 126,697
Supplies & Materials	\$ 40,000	\$ 68,000
Communications	\$ 42,500	\$ 43,568
Rent	\$ 392,612	\$ 374,668
Travel	\$ 217,000	\$ 221,025
Repairs & Maintenance	\$ 500	\$ 5,000
DOA Treasurers Position	\$ 97,000	\$ 97,000
Other Expenses	\$ 49,920	\$ 144,401
Board Personal Services	\$ 13,000	\$ 13,000
Board Other Expenses	\$ 3,000	\$ 5,000
Board Supplies & Materials	\$ 500	\$ 500
Board Travel	\$ 7,200	\$ 10,800
Total	\$ 6,754,413	\$ 6,585,343
<i>A 2.57% difference.</i>		

- The Other Services and Other Expenses categories decreased as a result of BOI's cost savings initiatives (for example, canceled the Colmore contract, did not renew the FundFire subscription, and eliminated the McLagan report) and the implementation of the enterprise fund status.
- The biennial budget for the Legislative Audit expense is budgeted in its entirety in the first year of the biennium. Any remaining budget is carried over into the second year of the biennium.

INTERCAP (06014)	FY27	FY26
Personal Services	\$ 540,720.71	\$ 497,694.05
Other Services	\$ 5,700.00	\$ 5,262.01
Legislative Audit	\$ 2,168.72	\$ 6,683.00
Supplies & Materials	\$ 3,500.00	\$ 884.83
Communications	\$ 3,000.00	\$ 2,678.20
Rent	\$ 43,623.61	\$ 41,629.77
Travel	\$ 2,000.00	\$ 1,529.60
Repairs & Maintenance	\$ 200.00	\$ 1,000.00
Other Expenses	\$ 47,500.00	\$ 70,162.04
Board Personal Services	\$ 1,260.00	\$ 1,260.00
Board Other Expenses	\$ 100.00	\$ 100.00
Board Supplies & Materials	\$ 100.00	\$ 100.00
Board Travel	\$ 800.00	\$ 1,200.00
Total	\$ 650,673.04	\$ 630,183.50
<i>A 3.25% difference.</i>		

I am happy to answer any questions.

Staff requests a motion to: approve the proposed budget and grant the Executive Director the authority to reallocate budget authority between budget classifications, provided the approved internal budget does not exceed \$7,405,086, and to make the necessary changes required by law for external changes.

MONTANA

BOARD OF INVESTMENTS

TO: Members of the Board
FROM: Dan Villa, Executive Director
Jon Putnam, Chief Investment Officer
DATE: May 20, 2026
RE: Investment Policy Statement Review

The Board Work and Education Plan requires a review of the Investment Policy Statements at the May meeting. A summary of the proposed changes is below, with the applicable redlined versions attached to this memo.

Chapter 10: Board of Investments

10.163 – Loan Committee Charter

This policy revision adds reference to increasing Board staff loan approval for certain state agency repetitive borrowing (Policy 70.120) and condenses the language to be more concise.

10.700 – Credit Enhancement

This policy revision eliminates references to specific programs that are eligible for credit enhancements. This eliminates the long-term need to revise the policy each time a new credit enhancement is created. The Board adopted this style, along with the Separately Managed Accounts Investment Policy Statement (Policy 40.900), in June 2025. Going forward, any program eligible for credit enhancement will reference this “clean” policy.

10.800 – Direct Real Estate

This new policy defines Direct Real Estate, affirms that the Board cannot hold Direct Real Estate for any purpose other than investment, expresses the Board's opposition to acquiring new Direct Real Estate, and directs the Executive Director to oppose additions to the portfolio.

Chapter 20: Ethics and Internal Controls

20.300 – Confidentiality and Use of Position

This policy revision adds ethical restrictions to staff use of predictive market applications.

20.400 – Internal Control Policy

This policy revision adds the requirement that the annual Service Organization Control (SOC) 1 Type 2 audit include a review of BOI's artificial intelligence and machine learning governance.

Chapter 30: Staff

Chapter 40: Investments

Consolidated Asset Pension Pool (CAPP)

40.204 – Private Investments Asset Class Investment Policy Statement

This policy revision revises the maximum size of a single Direct Limited Partnership to 4% of total pension net asset value (NAV) for funds that invest in multiple GP relationships, such as “fund of funds” or BOI's co-investment separate account.

40.207 – Core Fixed Income Asset Class Investment Policy Statement

This policy allows staff to quickly and efficiently add exposure to investment-grade fixed income by purchasing Investment Grade Fixed Income ETFs.

Defined Contribution / Deferred Compensation

40.401 – Defined Contribution Retirement Plan Investment Policy Statement

New Investment Policy Statement

40.402 – Deferred Compensation Plan Investment Policy Statement

New Investment Policy Statement

40.403 – BOI Internal Core Bond Fund - DC Investment Policy Statement

New Investment Policy Statement

Trust Funds Investment Pool (TFIP)

40.504 – Investment Grade Fixed Income Asset Class

This policy revision allows staff to quickly and efficiently add exposure to investment-grade fixed income by purchasing Investment Grade Fixed Income ETFs.

Montana State Fund (SFIP)

40.702 – Investment Objectives and Guidelines Public Equity Asset Class

This policy revision revises the maximum international equity market value from 4% to 8% of the portfolio to allow additional flexibility, given the weight of international equities in global markets.

40.705 – Investment Grade Fixed Income Asset Class

This policy revision allows staff to quickly and efficiently add exposure to investment-grade fixed income by purchasing Investment Grade Fixed Income ETFs.

Separately Managed Accounts

40.915 – Older Montanans Trust Fund

This policy revision changes TFIP exposure from a minimum to a maximum. This allows staff to increase cash to cover expected outflows and prevents them from being forced to buy TFIP units.

40.943 – State Treasurer’s Fund Investment Policy Statement

This policy revision updates the authorization for the bond credit enhancement program as a permitted investment, changing from Board Resolution 219 to Policy 10.700.

In addition, this removes the restriction forcing the sale of Trust Funds Investment Pool (TFIP) units if TFIP becomes more than 60% of the Treasurer’s Fund portfolio.

Chapter 70: Montana Specific Investments

70.100 – INTERCAP Loan Program

This policy revision adds reference to the bond that funds the INTERCAP loans and points to Policy 10.700 for the bonds’ credit enhancement.

70.721 - Sawmill Revitalization Loan Program

This policy revision establishes loan rates for the Sawmill Revitalization Loan Program at 4% or the Commercial Loan Rate, whichever is lower, and directs borrowers to the Commercial Loan Rate sheet.

70.730 – Infrastructure Loan Program

This policy revision copies language from the Commercial Loan Program (Policy 70.720) to prohibit loans to individuals convicted of or with pending felony charges and to individuals or businesses who have filed for bankruptcy to make BOI loan policies consistent.

70.750 – Montana Housing Infrastructure Revolving Loan Fund Account

This policy revision adds the fee the Board will charge for a Bond Guarantee, in addition to the pricing and purchase of bond anticipation notes for interim finance-eligible infrastructure projects in anticipation of long-term bond issuance.

Chapter 90: Continuity of Operations

Staff are available to answer any questions.

POLICY NUMBER: 10.163

EFFECTIVE DATE: ~~May 22, 2024~~TBD

TITLE: Loan Committee Charter

SUPERSEDES: ~~June 22, 2023~~May 22, 2024

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~May 22, 2024~~May 20, 2026

I. Loan Committee Charter

A. Delegated Authority

1. This Charter delegates authority to Board staff and the Loan Committee (Committee) as follows:

a) Board staff may approve federally guaranteed loans of any size.

~~b) Board staff and Committee authority is~~are based upon the aggregate dollar amount of any requested credit under consideration and any remaining credit balance outstanding for any single borrower of all Coal Tax Trust loans.

~~c) The underwriting for all the Board's programs must comply with the provisions of the relevant loan policies approved by the Board.~~

~~d) Board approval matrix for a Board program loan, loan write-down, security, or bond enhancement staff recommendation is as follows:~~

- ~~• Staff may approve~~ up to \$1 million.
- ~~• Staff may approve~~ pursuant to BOI Policy 70.120, further state agency authorization.
- ~~• Loan Committee may approve~~ in amounts between \$1 million up to \$5 million.
- ~~• Full Board approval is required for amounts greater than~~\$5 million with subject to an affirmative Loan Committee recommendation.

~~b) Board staff may approve all Coal Tax Trust, INTERCAP, and other loans up to \$1.0 million, provided that the underwriting for such loans complies with all provisions of the relevant loan policies approved by the Board.~~

~~c) Board staff may authorize enhancement of up to \$1.0 million in Montana Facility Finance Authority Act (MFFA) bonds.~~

~~d) Board staff may approve all Coal Tax Trust, INTERCAP, and other loans greater than \$1.0 million and up to \$5.0 million only with approval of the Committee.~~

~~All non-federally guaranteed Coal Tax Trust, INTERCAP, and other loans in excess of \$5.0 million must be reviewed and approved by the Committee and recommended to the full Board for final approval.~~

2. For purposes of this Charter, loan amounts include only the Board's portion of a ~~participation~~ loan.

B. Commercial Loan Program Parameters

- Commercial maximum loan size is limited by law to ten percent (10%) of the Coal Tax Trust.
- Value-Added maximum loan size is limited by law to one percent (1%) of the Coal Tax Trust.
- Value-Added minimum loan size is set by law at \$250,000.

Adopted: November 30, 2021

Revised: ~~May 22, 2024~~TBD

Reviewed: ~~May 22, 2024~~May 20, 2026

4. Maximum amount of Value-Added loans outstanding is limited by law to \$70.0 million.
5. Infrastructure maximum loan size is limited by law to \$16,666 per job created.
6. Infrastructure minimum loan size is set by law at \$250,000.
7. Maximum amount of Infrastructure loans outstanding is limited by law to \$80.0 million.
8. Maximum Board participation in commercial loans is eighty percent (80%).
9. Board participation in Value-Added loans is set by law at seventy-five percent (75%).
10. The maximum amount of loans made to an entity for an infrastructure project are limited by law.

C. Purpose of Committee

- ~~1. Provide the due diligence required for Coal Tax Trust loans and enhancement of MFFA bonds in an amount greater than \$1.0 million.~~
- ~~2. Review and approve Coal Tax Loan Program Policy and Residential Loan Program Policy prior to presentation to the Board.~~
- ~~3. Provide guidance regarding pricing of loans.~~

D. The Committee Is Charged with:

- ~~1. Reviewing and taking appropriate action on all staff recommendations for non-federally guaranteed Coal Tax Trust, INTERCAP, other loans, or the enhancement of MFFA bonds in excess of \$1.0 million and up to \$5.0 million.~~
- ~~2. Reviewing staff recommendations for non-federally guaranteed Coal Tax Trust, INTERCAP, or other loans in excess of \$5.0 million and enhancement of MFFA bonds in excess of \$5.0 million and making a recommendation to the full Board.~~
- ~~3. Reviewing staff recommendations to issue additional INTERCAP bonds and recommending to the full Board approval of the recommendation as modified by the Committee.~~

E. Committee Membership

1. The Committee shall consist of at least three (3) Board members.
2. The Board Chair shall:
 - a) Appoint members
 - b) Notify the Board of all appointments as they are made.
 - c) Designate one (1) member of the Committee as its chairperson.
3. The Board Chair may remove a committee member at any time and appoint a replacement to complete the removed Member's term, provided the Board Chair notifies the Board of the removal and the reasons at the time of the removal.

F. Committee Structure and Operations

1. Loans, Loan Write-Downs, Securities, and Bond Enhancements ~~greater than \$1.0 Million and up to \$5.0 Million as per~~ pursuant to ~~s~~Section A. Delegated Authority.
 - a) Staff shall provide approval ~~written~~-recommendations ~~to~~for each committee member.
 - (1) Such documents shall include all pertinent information required by members to fulfill their obligations under this Charter.
 - (2) After reviewing such documents, the Committee must meet as required to perform ~~their~~-its obligations under this Charter.
 - ~~(a) In lieu of meeting in person or telephonically, members may e-mail staff with their input and approval, subject to the "Confidentiality" provisions of this Charter.~~
 - (3) Committee members may require ~~that that certain loan, loan write-down provisions,~~

~~loan participation share (when permitted by law), loan covenants, or security conditions recommended by staff-staff recommendations~~ be revised.

- (4) If two (2) committee members do not concur with staff recommendations ~~for loan, loan write-down, or security approval~~ as modified or revised by members, the staff recommendation shall be forwarded to the full Board at a public meeting in which the lender and the borrower may be present.

- (5) ~~If Committee and/or full Board may provide input or grant approval is granted~~ via e-mail, subject to the "Confidentiality" provisions of this Charter; such approval shall serve as a written record of approval.

G. Committee Duties and Responsibilities

1. Review staff recommendations, including revisions to the various program policies, and recommend to the full Board the approval, denial, or modifications to approve Coal Tax Trust, INTERCAP, and other loans, loan write-downs, and MFFA bond enhancement greater than \$1.0 million and up to \$5.0 million and suggest revisions or modifications to the staff recommendations as necessary when applicable.
2. Concur or not concur with staff recommendations as revised ~~or modified~~ by Committee members.
- ~~3. Review staff recommendations to approve Coal Tax Trust, INTERCAP, and other loans, loan write-downs, and MFFA bond enhancement in excess of \$5.0 million, and recommend to the full Board modifications to or approval of the staff recommendations.~~
- ~~4.3.~~ Review staff recommendations to approve the issuance of Municipal Finance Consolidation Act bonds and recommend to the full Board modifications to and approval of the staff recommendations over the amount allowed per Board Resolution 249.
- ~~5.4.~~ Provide, when necessary and appropriate, an appeals function for lenders and borrowers whose ~~loan~~ applications have been disapproved by staff.
- ~~6. Review staff recommended revisions to the various loan program policies/applications and recommend to the full Board the approval, denial, or modifications of such revisions.~~
- ~~7.5.~~ Recommend to the full Board the waiver of certain loan or security policy provisions as long as such waiver is limited to the merits of an individual loan application and is considered by the Committee to be in the public interest.
- ~~8.6.~~ Advise the Executive Director on the job performance of the loan ~~and bond~~ programs staff.
- ~~9.7.~~ Prepare and deliver to the Board, at such time as the Board shall request and as required by this Charter, reports concerning the activities and recommendations of the Committee.
8. Perform other duties or responsibilities expressly delegated to the Committee by the Board relating to in-state the Commercial Loan Program investments, including but not limited to the pricing of loans.
9. Reviewing and assessing the adequacy of the committee charter annually, requesting Board approval for proposed changes.

H. Reports

1. A summary of recommendations, decisions made, and actions taken by the Committee shall be presented to the Board at the Board meeting following the action/decision.

I. Resources and Authority of the Committee

1. The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-3-103, -203, -212, and -214, MCA
Section 2-15-124, MCA
Section 2-15-1808, MCA
Title 17, chapter 5, part 16, MCA
Section 17-6-201, MCA
ARM 8.79.1301 and 8.97.1308 through 8.97.1310
ARM 8.97.1707
Chapter 774, Laws of 2023 (House Bill No. 819)

Adopted: November 30, 2021

Revised: ~~May 22, 2024~~TBD

Reviewed: ~~May 22, 2024~~May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 10.700

EFFECTIVE DATE: ~~October 14, 2025~~TBD

TITLE: Credit Enhancement

SUPERSEDES: ~~September 23, 2022~~TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~October 14, 2025~~May 20, 2026

I. Credit Enhancement

- A. The Board has the primary authority to invest state funds and to determine the types of investments to be made, subject to the restrictions of the Montana Constitution and the Unified Investment Program Act.
- B. The Board adopts this Policy to codify and clarify the circumstances under which the Board provides Credit Enhancement and to authorize the Executive Director to honor and fulfill the Board's obligations under the bond documents and the existing Capital Reserve Account Agreement, as amended, approved, and still binding at the time of enhancement.
- C. The Board may approve Credit Enhancement ~~for~~ pursuant to the Municipal Finance Consolidation Act (MFCA).
- D. The decision to provide Credit Enhancement is specific to each series of Bonds to be issued.
- E. The Board provides Credit Enhancement when it is prudent to do so and, in the Board's judgment, would result in a lower interest rate to the borrowers under the MFCA than could be otherwise obtained.
- F. The funds in the Unified Investment Program from which the Board's Credit Enhancement obligations could be satisfied include, but are not limited to:
 1. The Coal Severance Tax Permanent Fund;
 2. The Short-Term Investment Pool; or
 3. The Treasurer's Fund.
- G. Authorization
 1. The Board may provide Credit Enhancements, including purchase of defaulting bonds issued or funds to the MFCA.
- H. Duties of the Executive Director
 1. The Executive Director is authorized to take all necessary actions to implement Credit Enhancement activity authorized by the Board.
 2. If the Executive Director makes a loan or purchases bonds pursuant to the bond documents, he/she shall:
 - a) Notify Board members via e-mail within three (3) business days of such action; and
 - b) Provide a full report to the Board at its next regularly scheduled meeting, specifying:
 - (1) The reasons for such action;
 - (2) The dollar amount; and
 - (3) The terms and the funding source for the loan or bond purchase.

Adopted: November 30, 2021

Revised: ~~October 14, 2025~~TBD

Reviewed: ~~October 14, 2025~~May 20, 2026

Authority: Montana Constitution, Article VIII, Section 13
Montana Constitution, Article IX, Section 5
Section 2-15-1808, MCA
Section 17-1-113, MCA
Section 17-5-703 and -704, MCA
Section 17-6-201 through 17-6-205, MCA
Title 17, chapter 6, part 3, MCA

Adopted: November 30, 2021

Revised: ~~October 14, 2025~~TBD

Reviewed: ~~October 14, 2025~~May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 10.800

EFFECTIVE DATE: TBD

TITLE: Direct Real Estate

SUPERSEDES: NEW

BOARD ADOPTION: TBD

REVIEWED: May 20, 2026

I. Direct Real Estate

A. Direct Real Estate means any property held by the Board within the boundaries of the State of Montana and leased solely for income generation to the Trust Funds Investment Pool or the Real Estate Investment Service Pool.

B. All Direct Real Estate held by the Board is an investment, and no Direct Real Estate may be held for any other purpose.

II. Opposition to Portfolio Expansion

A. It is the policy of the Board that no Direct Real Estate should be added to the portfolio of the Unified Investment Program after the effective date of this policy.

B. The Executive Director shall communicate the policy as necessary to oppose additional Direct Real Estate being added to the portfolio.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA

Adopted: TBD

Revised: NEW

Reviewed: May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 20.300

EFFECTIVE DATE: ~~April 20, 2022~~TBD

TITLE: Confidentiality and Use of Position

SUPERSEDES: ~~January 1, 2022~~TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~March 3, 2022~~May 20, 2026

I. Confidentiality and Use of Position

- A. Board members and staff in possession of nonpublic information may not purchase or sell securities of the concerned company or other publicly traded securities to which the information pertains, or enter into, trade, or otherwise participate in predictive markets, event contracts, or similar instruments whose value may be influenced by such information.
- B. Board members and staff may not disclose nonpublic information to another person who could subsequently use that information for profit.
 1. Recommending purchases or sales of securities to which the nonpublic information relates, even without disclosing the basis for the recommendation, is prohibited, including recommendations or participation involving predictive markets or event-based contracts.
 2. Information that is “nonpublic” includes information that an employee knows or reasonably should know:
 - a) Is routinely exempt from disclosure under the Freedom of Information Act or protected from disclosure by statute, including proprietary or trade secret information,
 - b) Is designated by a state agency, Board vendor or Board investment manager as confidential, or
 - c) Has not been disseminated to the general public and is not authorized to be made available to the general public.
- C. It is the policy of the Board that “front running” is prohibited.
 1. Front running occurs when a person enters into a trade of securities with advance knowledge of pending orders from other investors.
 - a) Front running could occur, for example, when any Board member or staff covered by this policy trades with the knowledge that a trade is pending on behalf of the Board.
 2. Front running, like insider trading, may subject Board members or staff to criminal and/or civil proceedings.
 - a) Front running may constitute a misappropriation of Board proprietary information for private or personal gain.
- D. Board members and staff may not place an order for a personal securities transaction in a company in which a Board securities transaction is pending.
 1. Board members and staff must wait until fifteen (15) days after such Board securities transaction is executed before placing an order for a personal securities transaction involving the same company.

Adopted: November 30, 2021

Revised: ~~April 20, 2022~~TBD

Reviewed: ~~March 3, 2022~~May 20, 2026

- E. Board members and staff may not knowingly delay, hinder, modify, or cancel any internal Board buy or sell recommendation, decision, or trading order intending to facilitate a personal securities transaction.
 - 1. This action would otherwise constitute front running or violations of state or federal laws.
- F. Board members and staff in possession of nonpublic information relating to a tender offer may not trade in target company securities. Nonpublic information includes information acquired directly or indirectly from the bidder or target company.
 - 1. Board members and staff may not disclose such nonpublic information to another person where it is reasonably foreseeable that the recipient of the information could purchase or sell such company securities.
 - 2. Board members and staff in possession of nonpublic information may not purchase, directly or indirectly, any security in the initial public offering of such security.
 - a) Such new issue securities may only be purchased in the secondary trading market once such a market is established.
 - b) Board members and staff may not encourage, facilitate, or arrange such a purchase by or on behalf of any other person.
- G. Staff have a duty to protect and conserve Board property, and to use Board property only for authorized purposes.
 - 1. Board property includes material, equipment, real property, and all provided software and systems used to perform an employee's job function.
 - 2. Authorized purposes are those for which the Board property is used during the normal course of business, authorized in accordance with the duties and roles prescribed by the Board.

Authority: Montana Constitution, Article VIII, Section 13
Title 2, chapter 2, MCA
Section 2-15-1808, MCA
Section 17-6-201, MCA
ARM 8.97.311
ARM 8.97.313
Montana Operations Manual --
https://hr.mt.gov/docs/Policies/State_Ethics_Policy.pdf

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 20.400

EFFECTIVE DATE: ~~June 4, 2025~~ TBD

TITLE: Internal Control Policy

SUPERSEDES: ~~April 20, 2022~~ TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~June 4, 2025~~ May 20, 2026

I. Internal Control Policy

A. The Board shall:

1. Annually, conduct a Service Organization Control (SOC) 1 Type 2 audit to review the Internal Control Procedures used by staff, including artificial intelligence and machine learning governance; and
2. Take appropriate action on any internal control audit finding.

Authority: Montana Constitution, Article VIII, Section 13
Title 2, chapter 2, MCA
Section 2-15-1808, MCA
Section 5-11-222, MCA
Section 17-6-201, MCA
Montana Operations Manual -- Policy 399, Internal Controls

Adopted: November 30, 2021

Revised: ~~June 4, 2025~~ TBD

Reviewed: ~~June 4, 2025~~ May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.204

EFFECTIVE DATE: ~~December 10, 2025~~TBD

TITLE: Private Investments Asset Class
Investment Policy Statement

SUPERSEDES: ~~May 22, 2024~~TBD

BOARD ADOPTION: November 30, 2021
2026

REVIEWED: ~~December 10, 2025~~May 20,

I. Introduction

- A. The purpose of this policy is to provide a framework for the Private Investment Asset Class under the guidance of the Board.

II. Purpose

- A. The purpose of this policy is to:
1. Establish the investment objectives and performance standards of the Asset Class; and
 2. Provide diversified exposure to the Private Investments markets in a prudent and cost-effective manner.

III. Investment Objective

- A. Strategic - The objective of the Private Investments Asset Class is to attain the highest possible return within the parameters of the Investment Objective and Guidelines set forth below.

B. Performance

1. There is no generally accepted benchmark index for private investment performance comparisons. Characteristically, private partnership investments are impacted by the “J-curve” effect, in which fees and transaction costs create negative returns during the initial investment years before distributions are realized. Private investments require a long-time horizon to realize the value provided by the creation or restructuring of private companies.
2. The performance objective for the Private Investments Asset Class is the achievement of long-term net returns (after management fees and general partner’s carried interest) above a benchmark reflecting public equity market returns.
3. Success in achieving this objective will be measured by comparing the net return of the Private Investments Asset Class to the weighted average of the MSCI USA Small Cap Index (Private Equity) and the S&P Leveraged Loan Index (Private Credit) (the Benchmark) on an annualized basis. Performance results will be monitored quarterly. However, the success in achieving the objective will be measured on a five (5) year and ten (10) year annualized basis.
4. The Board’s general consultant will use Cambridge Associates private investment benchmarks as a secondary measure of the Private Investments Asset Class returns against peer group data. This data will be provided in the quarterly performance reports.

C. Investment Guidelines

1. Staff will have full discretion to manage the Private Investments Asset Class consistent with this policy. Compliance with the following guidelines for permitted investments and other restrictions

Adopted: November 30, 2021

Revised: ~~December 10, 2025~~TBD

Reviewed: ~~December 10, 2025~~May 20, 2026

is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.

2. Most of the Private Investments Asset Class investments will be managed by external investment managers via a partnership structure in which the Board will have a limited partnership interest.

D. Permitted Investments

1. The Private Investments Asset Class may invest only in the following:
 - a) Private Investment partnership interests. These private partnerships may be direct limited partnerships, limited liability companies, or vehicles that primarily invest in partnerships, including Fund-of-Funds and Secondary Funds;
 - b) Investments held in separate accounts or commingled funds managed by external investment managers and governed by their respective investment management contracts and investment guidelines;
 - c) The Private Investments Asset Class may co-invest with private investment managers in transactions that are suitable for inclusion into a private investment partnership;
 - d) Individual public or private securities received as distributions from funds;
 - e) Exchange-Traded Funds (ETFs) based on a public equity index that is approved by the CIO and purchased and monitored by Staff; and
 - f) Cash – either an investment in the STIP, a vehicle available through the Custodian, or an SEC registered money market fund that is considered a “US Treasury” or “US Government” money market fund per the SEC regulations.

E. Other Restrictions

1. The Montana Public Retirement Plan assets as a percentage of Net Asset Value invested in a single Direct Limited Partnership shall be no greater than two percent (2%). Except, investments made through a Fund of Funds structure or separate account that invest in multiple GP relationships may represent up to four percent (4%) of Net Asset Value in a single fund.
2. No more than forty percent (40%) of the aggregate of the Private Investments Asset Class net asset value should be considered “Non-U.S.” exposure based on the primary objective of the Fund, Partnership, Separate Account, or Index.
3. No more than thirty-five percent (35%) of the aggregate of the Private Investments Asset Class net asset value shall be invested in direct co-investments.
4. Individual public securities received as distributions will be liquidated over a reasonable time period, dependent on market conditions.

F. The following table provides a guideline range with respect to Private Investments strategy diversification. These ranges reference the Private Investments Asset Class net asset value.

<u>Strategy</u>	<u>Policy Range</u>
Buyout and all other private equity related strategies not related to Venture Capital or Private Credit	50% - 100%
Venture Capital	0% - 25%
Private Credit	0% - 50%

1. For the purpose of the ranges provided above, funds will be classified in the category that is most reflective of the underlying investments in the funds.

- G. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situations where the Private Investments Asset Class allocations were outside of the limits and either inform the Board of the actions that were taken to return the Private Investments Asset Class back within guidelines or a plan to do so.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Section 17-6-201, MCA
Sections 17-6-204 and -205, MCA
Section 19-2-504, MCA

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.207

EFFECTIVE DATE: ~~August 28, 2024~~TBD

TITLE: Core Fixed Income Asset Class
Investment Policy Statement

SUPERSEDES: ~~November 30, 2021~~ TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~August 28, 2024~~May 20, 2026

I. Introduction

A. The purpose of this policy is to provide a framework for the Core Fixed Income Asset Class under the guidance of the Board.

II. Purpose

A. The purpose of this policy is to:

1. Establish the investment objectives and performance standards of the Core Fixed Income Asset Class; and
2. Provide diversified exposure to Core Fixed Income in a prudent and cost-effective manner.

III. Investment Objective

A. Strategic - The objective of the Core Fixed Income Asset Class is to attain the highest possible return within the parameters of this policy.

B. Performance - Success in achieving this objective will be measured by comparing the risk and after-fee return of the Core Fixed Income Asset Class to the Bloomberg US Aggregate Bond Index (the Benchmark). Performance results will be monitored and evaluated quarterly. However, the success in achieving the objective will be measured on a three (3) year, five (5) year, and ten (10) year annualized basis.

C. Investment Guidelines

1. Staff will have full discretion to manage the Core Fixed Income Asset Class consistent with this policy. Core Fixed Income is defined as strategies primarily invested in marketable, publicly traded, investment grade fixed income securities denominated in U.S. dollars. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.
2. The Core Fixed Income Asset Class may invest only in the following:
 - a) Internally Managed Permitted Investments:
 - (1) Dollar denominated debt obligations of the U.S. Government, including its agencies and instrumentalities;
 - (2) Dollar denominated debt obligations of Quasi and Foreign Government entities;
 - (3) Dollar denominated debt obligations of domestic and foreign corporations;
 - (4) Dollar denominated securitized assets, including U.S. Agency mortgage backed and commercial mortgage-backed securities (MBS/CMBS), U.S. Agency collateralized mortgage obligations (CMO's) and asset backed securities (ABS);

Adopted: November 30, 2021

Revised: ~~August 28, 2024~~TBD

Reviewed: ~~August 28, 2024~~May 20, 2026

- (5) Dollar denominated Non-agency mortgage-backed securities (RMBS) and Non-agency commercial mortgage-backed securities (CMBS); ~~and~~
- (6) Exchange-Traded Funds (ETFs) based on a domestic, investment grade bond index that is approved by the CIO and purchased and monitored by Staff; and
- ~~(6)~~(7) Cash - either an investment in STIP, a vehicle available through the Custodian, or an SEC registered money market fund that is considered a "US Treasury" or "US Government" money market fund per the SEC regulations.

b) Other Internally Managed Restrictions:

- (1) The average duration of any internally managed portfolio will be maintained in a range of + or – twenty percent (20%) of the Benchmark duration.
- (2) A minimum of twenty percent (20%) of the Net Asset Value of any internally managed portfolio will be held in U.S. Government securities, including U.S. Treasuries, TIPS and Agency securities.
- (3) Securities must be rated investment grade by at least two nationally recognized statistical rating organizations (NRSRO), with the exception of securities issued or guaranteed by agencies or instrumentalities of the U.S. Government.
- (4) Securities that drop below investment grade as defined above may be held to maturity, however any internally managed portfolio may not hold more than ten percent (10%) of its Net Asset Value in securities rated below investment grade.
- (5) Securitized assets must be rated a minimum of the 4th highest rating by any NRSRO at the time of purchase.
 - (a) Securitized assets that drop below the 4th highest rating of any NRSRO may be held to maturity, however any internally managed portfolio may not hold more than five percent (5%) of its Net Asset Value in these securities.
- (6) A maximum of ten percent (10%) of the Net Asset Value of any internally managed portfolio may be held in dollar denominated quasi and foreign government securities.
- (7) A maximum of two times the Benchmark weight may be held in corporate securities in any internally managed portfolio.
- (8) A maximum of two times the Benchmark weight in U.S. Agency MBS may be held in U.S. Agency MBS and CMO securities in any internally managed portfolio.
 - (a) A maximum of twenty percent (20%) of the Net Asset Value of any internally managed portfolio may be held in U.S. Agency CMO's
- (9) A maximum of five percent (5%) of the Net Asset Value of any internally managed portfolio may be held in ABS.
- (10) A maximum of ten percent (10%) of the Net Asset Value of any internally managed portfolio may be held in U.S. Agency and Non-Agency CMBS.
- (11) A maximum of ten percent (10%) of the Net Asset Value of any internally managed portfolio may be held in non-agency RMBS.
- (12) A maximum of three percent (3%) of the Net Asset Value of any internally managed portfolio may be held in a single corporate parent issuer, foreign/quasi government issuer or securitized specific pool at the time of purchase.
 - (a) A maximum of four percent (4%) of the Net Asset Value of any internally managed portfolio may be held in a single corporate parent issuer, foreign/quasi government issuer or securitized specific pool at any time.
- (13) A maximum of five percent (5%) of the Net Asset Value of any internally managed

portfolio may be invested in Cash.

The use of leverage is prohibited.

c) Externally Managed Permitted Investments:

- (1) Securities and derivatives held in separate accounts, commingled funds, limited partnerships, or limited liability companies managed by external investment managers and governed by their respective investment management contracts and investment guidelines.
- (2) Cash – either an investment in STIP, a vehicle available through the Custodian, or an SEC registered money market fund that is considered a “US Treasury” or “US Government” money market fund per the SEC regulations.

d) Other Externally Managed Restrictions:

- (1) The average duration of any externally managed portfolio will be maintained in a range of + or – twenty-five percent (25%) of the index duration.
- (2) A maximum of twenty percent (20%) of the Net Asset Value of any externally managed portfolio will be invested in securities rated below investment grade as defined by any NRSRO. In the case of split-rated securities, the lower rating is used.
- (3) A maximum of ten percent (10%) of the Net Asset Value of any externally managed portfolio will be invested in Non-dollar debt; either hedged or unhedged.
- (4) A maximum of five percent (5%) of any externally managed portfolio will be invested in Cash.

D. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board’s next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situations where the Core Fixed Income Asset Class allocations were outside of the limits and either inform the Board of the actions that were taken to return the Core Fixed Income Asset Class back within guidelines or a plan to do so.

Authority: Montana Constitution, Article VIII, Section 13
 Section 2-15-1808, MCA
 Section 17-6-201, MCA
 Sections 17-6-204 and -205, MCA
 Section 19-2-504, MCA

Adopted: November 30, 2021

Revised: ~~August 28, 2024~~TBD

Reviewed: ~~August 28, 2024~~May 20, 2026

MONTANA

BOARD OF INVESTMENTS

POLICY NUMBER: 40.401

EFFECTIVE DATE: TBD

TITLE: State of Montana 401(a) Defined
Contribution Retirement Plan

SUPERSEDES: NEW

BOARD ADOPTION: TBD

REVIEWED: May 20, 2026

I. Introduction

- A. The State of Montana Public Employees' Retirement System (PERS) 401 (a) Defined Contribution Plan (the "Plan") was formally adopted by the 1999 legislature and began operation in 2002. The Plan is a qualified pension plan established for the exclusive benefit of Participants and their beneficiaries.
- B. The Montana Public Employees' Retirement Board (MPERB) has contracted with the Montana Board of Investments (BOI) to manage the investment alternatives of the Plan members in accordance with Title 19, Chapter 3, part 21, Montana Code Annotated.
- C. This policy is effective upon adoption and supersedes all previous Investment Policy Statements (IPS) related to the investment management of the State of Montana 401 (a) Defined Contribution Plan.

II. Purpose - The purpose of this policy statement is to provide a broad strategic framework for the State of Montana PERS 401(a) Defined Contribution Plan under the guidance of the Montana Board of Investments.

III. Legal and Constitutional Authority

- A. Article VIII, Section 13, of the Montana Constitution requires that the Legislature provide for a Unified Investment Program for public funds.
 1. Section 17-6-201, MCA:
 - a) Established the Unified Investment Program; and
 - b) Created the Board of Investments.
- B. Section 19-3-2102, MCA, allows MPERB to establish a defined contribution plan.
- C. Section 19-3-2122, MCA, allows MPERB to contract with BOI for management of the defined contribution plan investment lineup.
- D. MPERB voted to contract with BOI on February 12, 2026, and BOI voted to contract with MPERB on February 25, 2026.
- E. Section 17-6-201(1), MCA, requires the BOI Board to operate under the "prudent expert principle," defined as:
 1. Discharging its duties with care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like matters exercises in the conduct of an enterprise of like character with like aims; and

2. Discharging its duties solely in the interest of and for the beneficiaries of the funds managed.
- F. The Board acts as an investment fiduciary of the Plan, on behalf of the Montana Public Employees' Retirement Board.
- IV. Strategic Investment Objectives - The overall objective is to provide a range of investment alternatives that offer materially different risk and return characteristics which allow Plan Participants to achieve a portfolio appropriate for the beneficiary based on age, income, and individual retirement goals.
- V. Time Horizon - BOI seeks to provide options for employees to accommodate portfolios with a variety of time horizons. Plan Participants have different investment time horizons and can direct their investments accordingly.
- VI. Performance Measurement - BOI shall review the suitability of investment alternatives and make appropriate changes as warranted upon notification to Participants. Investment performance is measured over a market cycle of seven to ten (7-10) years for each investment manager or asset class based on a relevant benchmark that adheres to industry best practices.
- VII. Roles and Responsibilities
- A. Montana Public Employees' Retirement Board (MPERB)
1. MPERB, the Plan sponsor, is the named fiduciary of the Plan. Participants make individual investment decisions, subject to the investments offered under the Plan and, ultimately, bear the risks and rewards of investment returns.
 2. MPERB is responsible for the administration of all Plan benefits.
- B. Board of Investments (BOI)
1. BOI is responsible for approving the IPS for the Plan and has the authority to select appropriate investment options for Participants, subject to the requirements of 19-3-2122, MCA.
 2. BOI reviews this document periodically and, as needed, approves any changes to the policy.
 3. As described in the BOI Governance Manual, BOI delegates authority to the Executive Director, Chief Investment Officer (CIO), and other Staff to execute the day-to-day duties required to carry out the Board's mission.
- C. Executive Director - MPERB
1. The Executive Director is empowered by MPERB to sign all documents required to conduct Board business, unless there are specific written policies or instructions from the Board to the contrary.
- D. Executive Director - BOI
1. The Executive Director is empowered by BOI to sign all documents required to conduct Board business, unless there are specific written policies or instructions from the Board to the contrary.
 2. The Executive Director is authorized to contract for investment manager services and, if deemed appropriate, terminate them, per recommendation from BOI's Chief Investment Officer (CIO).
 3. The Executive Director is required to report to the MPERB Board on the performance of the Plan at least annually.

E. Chief Investment Officer

1. The CIO is empowered by BOI to serve as the principal Staff person responsible for overseeing the investment activities under BOI's jurisdiction in compliance with the Board's policies.
2. The CIO, with the support of other Staff, is responsible for recommending any changes to the Plan lineup.
3. The CIO, with the support of other Staff, is responsible for recommending IPS changes for Board approval.

F. Staff

1. The BOI Staff is responsible for:
 - a) Managing day-to-day investment operations and delegating work to external resources as appropriate; and
 - b) Monitoring all investment manager due diligence activities and recommending changes to the CIO.

G. Investment Consultant

1. The investment consultant assists the CIO and Staff with policy recommendations and provides advice to the BOI Board.
2. Monitoring and reporting to the BOI Board the performance of each asset class and the individual managers' performance.
3. The investment consultant also assists Staff in monitoring all external managers and reports independently to the BOI Board.

H. External Managers

1. Investment managers are responsible for all aspects of portfolio management as set forth in the contract specific to each manager.
2. Investment managers must communicate with Staff as needed regarding investment strategies and results.
3. Investment managers must also cooperate fully with Staff regarding any issues as well as any requests from the investment consultant, Plan administrator, and the master custodian.

VIII. Investment Options

- A. The Board will maintain investment options in the Plan in compliance with 19-3-2122, MCA. The Board expects to offer investment options in the following categories, which may include active and/or passive fund management:

1. Domestic Equity;
2. International Equity;
3. Bonds;
4. Real Estate;
5. Real Assets; and
6. Target Date Funds.

The Board may offer additional investment alternatives to meet Participants' changing needs or changes in the investment industry.

IX. Risk Management

- A. Evaluation of Investment Managers - BOI Staff have detailed processes for investing in new managers and overseeing existing manager relationships. These processes shall include, but are not limited to, an ongoing examination of manager investment strategy, philosophy & process, team/staffing, operations & compliance, risk management & legal functions. These processes will be regularly evaluated to comport with industry best practices.
- B. Constraints
 - 1. Liquidity: Participants may move their assets daily from one investment alternative to another, subject to any limitations set by that specific investment alternative. MPERB and BOI seek to offer a range of investment alternatives within the Plan to provide sufficient liquidity to accommodate participant needs.
 - 2. Tax Considerations: The Plan is exempt from federal and state income taxes. Participants' contributions to the Plan are not taxed. The appreciation of Participants' assets in the Plan is not taxed. Therefore, tax-advantaged investments are not offered.
 - 3. Legal Considerations: The Plan is governed by applicable federal and state statutes and regulations, including Section 401(a) of the Internal Revenue Code of 1986, as amended, Title 19, Chapters 2 and 3 of the Montana Code Annotated and MPERB's Defined Contribution Plan Document.
- C. Monitoring/Reporting - Transparency
 - 1. Managers shall submit periodic reports to facilitate Staff's monitoring of the managers' conformance to investment restrictions and performance objectives.
 - 2. Staff shall provide regular reporting to the BOI Board regarding the performance of the managers.
 - 3. Staff will discuss and communicate any key information discovered due to the ongoing manager monitoring process that might assist the BOI Board in understanding the risks associated with the manager selections for the Plan.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Sections 17-6-201 through 17-6-203, MCA
Sections 19-2-503 through 19-2-505, MCA
Sections 19-3-2102 through 2122, MCA

MONTANA

BOARD OF INVESTMENTS

POLICY NUMBER: 40.402

EFFECTIVE DATE: TBD

TITLE: State of Montana 457(b)
Deferred Compensation Plan

SUPERSEDES: NEW

BOARD ADOPTION: TBD

REVIEWED: May 20, 2026

I. Introduction

- A. The State of Montana Public Employee 457(b) Deferred Compensation Plan (the “Plan”) was formally adopted by the 1973 legislature and began operation in 1976. The Plan is a qualified pension plan established for the exclusive benefit of Participants and their beneficiaries.
- B. The Montana Public Employee Retirement Board (MPERB) has contracted with the Montana Board of Investments (BOI) to manage the investment options of the Plan members in accordance with Title 19, Chapter 50, Montana Code Annotated.
- C. This policy is effective upon adoption and supersedes all previous Investment Policy Statements (IPS) related to the investment management of the State of Montana 457(b) Deferred Compensation Plan.

II. Purpose - The purpose of this policy statement is to provide a broad strategic framework for the State of Montana 457(b) Deferred Compensation Plan under the guidance of the Montana Board of Investments.

III. Legal and Constitutional Authority

- A. Article VIII, Section 13, of the Montana Constitution requires that the Legislature provide for a Unified Investment Program for public funds.
 1. Section 17-6-201, MCA:
 - a) Established the Unified Investment Program; and
 - b) Created the Board of Investments.
- B. Title 19, Chapter 50 provides for the MPERB to be the Plan sponsor and named fiduciary of the deferred compensation plan.
- C. Section 19-50-102, MCA, allows MPERB to contract with BOI for management of the deferred compensation investment lineup.
- D. MPERB voted to contract with BOI on February 12, 2026, and BOI voted to contract with MPERB on February 25, 2026.
- E. Section 17-6-201(1), MCA, requires the BOI Board to operate under the “prudent expert principle,” defined as:
 1. Discharging its duties with care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like matters exercises in the conduct of an enterprise of like character with like aims; and
 2. Discharging its duties solely in the interest of and for the beneficiaries of the funds managed.

F. The Board acts as an investment fiduciary of the Plan, on behalf of the Montana Public Employees' Retirement Board.

IV. Strategic Investment Objectives - The overall objective is to provide a range of investment alternatives that offer materially different risk and return characteristics which allow Plan Participants to achieve a portfolio appropriate for the beneficiary based on age, income, and individual retirement goals.

V. Time Horizon - BOI seeks to provide options for employees to accommodate portfolios with a variety of time horizons. Plan Participants have different investment time horizons and can direct their investments accordingly.

VI. Performance Measurement - BOI shall review the suitability of investment alternatives and make appropriate changes as warranted upon notification to Participants. Investment performance is measured over a market cycle of seven to ten (7-10) years for each investment manager or asset class based on a relevant benchmark that adheres to industry best practices.

VII. Roles and Responsibilities

A. Montana Public Employees' Retirement Board (MPERB)

1. MPERB, the Plan sponsor, is the named fiduciary of the Plan. Participants make individual investment decisions, subject to the investments offered under the Plan and, ultimately, bear the risks and rewards of investment returns.
2. MPERB is responsible for the administration of all Plan benefits.

B. Board of Investments (BOI)

1. BOI is responsible for approving the IPS for the Plan and has the authority to select appropriate investment options for Participants.
2. BOI reviews this document periodically and, as needed, approves any changes to the policy.
3. As described in the BOI Governance Manual, BOI delegates authority to the Executive Director, Chief Investment Officer (CIO), and other Staff to execute the day-to-day duties required to carry out the Board's mission.

C. Executive Director - MPERB

1. The Executive Director is empowered by MPERB to sign all documents required to conduct Board business, unless there are specific written policies or instructions from the Board to the contrary.

D. Executive Director - BOI

1. The Executive Director is empowered by BOI to sign all documents required to conduct Board business, unless there are specific written policies or instructions from the Board to the contrary.
2. The Executive Director is authorized to contract for investment manager services and, if deemed appropriate, terminate them, per recommendation from BOI's Chief Investment Officer.
3. The Executive Director is required to report to the MPERB Board on the performance of the Plan at least annually.

E. Chief Investment Officer

1. The CIO is empowered by BOI to serve as the principal Staff person responsible for overseeing the investment activities under BOI's jurisdiction in compliance with the Board's policies.
2. The CIO, with the support of other Staff, is responsible for recommending any changes to the Plan lineup.
3. The CIO, with the support of other Staff, is responsible for recommending IPS changes for Board approval.

F. Staff

1. The BOI Staff is responsible for:

- a) Managing day-to-day investment operations and delegating work to external resources as appropriate; and
- b) Monitoring all investment manager due diligence activities and recommending changes to the CIO.

G. Investment Consultant

1. The investment consultant assists the CIO and Staff with policy recommendations and provides advice to the BOI Board.
2. Monitoring and reporting to the BOI Board on the performance of each asset class and the individual managers' performance.
3. The investment consultant also assists Staff in monitoring all external managers and reports independently to the BOI Board.

H. External Managers

1. Investment managers are responsible for all aspects of portfolio management as set forth in the contract specific to each manager.
2. Investment managers must communicate with Staff as needed regarding investment strategies and results.
3. Investment managers must also cooperate fully with Staff regarding any issues as well as any requests from the investment consultant, plan administrator, and the master custodian.

VIII. Investment Options

A. The Board will maintain investment options in the Plan. The Board expects to offer investment options in the following categories, which may include active and/or passive fund management:

1. Domestic Equity;
2. International Equity;
3. Bonds;
4. Real Estate;
5. Real Assets; and
6. Target Date Funds.

The Board may offer additional investment alternatives to meet Participants' changing needs or changes in the investment industry.

IX. Risk Management

A. Evaluation of Investment Managers - BOI Staff have detailed processes for investing in new managers and overseeing existing manager relationships. These processes shall include, but are not limited to, an ongoing examination of manager investment strategy, philosophy & process, team/staffing, operations & compliance, risk management & legal functions. These processes will be regularly evaluated to comport with industry best practices.

B. Constraints

1. Liquidity: Participants may, daily, move their assets from one investment alternative to another, subject to any limitations set by that specific investment alternative. MPERB and BOI seek to offer a range of investment alternatives within the Plan to provide sufficient liquidity to accommodate participant needs.
2. Tax Considerations: The Plan is exempt from federal and state income taxes. Participants' contributions to the Plan may be made on a pre- or post-tax basis at their election. . The appreciation of Participants' assets in the Plan is not taxed. Therefore, tax-advantaged investments are not offered.
3. Legal Considerations: The Plan is governed by applicable federal and state statutes and regulations, including Section 457 of the Internal Revenue Code, as amended, Title 19, Chapter 50 of the Montana Code Annotated, and MPERB's Deferred Compensation Plan Document.

C. Monitoring/Reporting - Transparency

1. Managers shall submit periodic reports to facilitate Staff's monitoring of the managers' conformance to investment restrictions and performance objectives.
2. Staff shall provide regular reporting to the BOI Board regarding the performance of the managers.
3. Staff will discuss and communicate any key information discovered due to the ongoing manager monitoring process that might assist the BOI Board in understanding the risks associated with the manager selections for the Plan.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Sections 17-6-201 through 17-6-203, MCA
Sections 19-2-503 through 19-2-505, MCA
Sections 19-50-101 through 19-50-205, MCA

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.403

EFFECTIVE DATE: TBD

TITLE: BOI Internal Core Bond Fund - DC
Investment Policy Statement

SUPERSEDES: NEW

BOARD ADOPTION: TBD

REVIEWED: May 20, 2026

I. Introduction

- A. The purpose of this policy is to provide a framework for the BOI Internal Core Bond Fund for the State of Montana 401(a) Defined Contribution and State of Montana 457(b) Deferred Compensation Plans under the guidance of the Board.

II. Purpose

- A. The purpose of this policy is to:
1. Establish the investment objectives and performance standards of the BOI Internal Core Bond Fund for the defined contribution and deferred compensation plans; and
 2. Provide diversified exposure for the BOI Internal Core Bond Fund for the defined contribution and deferred compensation plans in a prudent and cost-effective manner.

III. Investment Objective

- A. Strategic - The objective of the BOI Internal Core Bond Fund is to attain the highest possible return within the parameters of this policy.
- B. Performance - Success in achieving this objective will be measured by comparing the risk and after-fee return of the BOI Internal Core Bond Fund to the Bloomberg US Aggregate Bond Index (the Benchmark). Performance results will be monitored and evaluated quarterly. However, success in achieving the objective will be measured on a three (3) year, five (5) year, and ten (10) year annualized basis.

C. Investment Guidelines

1. The Board will have full discretion to manage the BOI Internal Core Bond Fund consistent with this policy. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting. Core Bond is defined as strategies primarily invested in marketable, publicly traded, investment-grade fixed income securities denominated in U.S. dollars. The BOI Internal Core Bond Fund may invest only in the following:
 - a) Internally Managed Permitted Investments:
 - (1) Dollar-denominated debt obligations of the U.S. Government, including its agencies and instrumentalities;
 - (2) Dollar-denominated debt obligations of Quasi and Foreign Government entities;
 - (3) Dollar-denominated debt obligations of domestic and foreign corporations;
 - (4) Dollar-denominated securitized assets, including U.S. Agency mortgage-backed and commercial mortgage-backed securities (MBS/CMBS), U.S. Agency

collateralized mortgage obligations (CMOs) and asset-backed securities (ABS);

- (5) Dollar-denominated, Non-agency mortgage-backed securities (RMBS) and Non-agency commercial mortgage-backed securities (CMBS);
- (6) Exchange-Traded Funds (ETFs) based on a domestic, investment-grade bond index that is approved by the CIO and purchased and monitored by Staff; and
- (7) Cash - either an investment in STIP, a vehicle available through the Custodian, or an SEC-registered money market fund that is considered a "US Treasury" or "US Government" money market fund per the SEC regulations.

b) Other Restrictions:

- (1) The average duration of any internally managed portfolio will be maintained in a range of + or – twenty percent (20%) of the Benchmark duration.
- (2) A minimum of twenty percent (20%) of the Net Asset Value will be held in U.S. Government securities, including U.S. Treasuries, TIPS and Agency securities.
- (3) Securities must be rated investment grade by at least two nationally recognized statistical rating organizations (NRSRO), except for securities issued or guaranteed by agencies or instrumentalities of the U.S. Government.
- (4) Securities that drop below investment grade as defined above may be held to maturity, however the portfolio may not hold more than ten percent (10%) of its Net Asset Value in securities rated below investment grade.
- (5) Securitized assets must be rated a minimum of the 4th highest rating by any NRSRO at the time of purchase.
 - (a) Securitized assets that drop below the 4th highest rating of any NRSRO may be held to maturity; however, the portfolio may not hold more than five percent (5%) of its Net Asset Value in these securities.
- (6) A maximum of ten percent (10%) of the Net Asset Value of the portfolio may be held in dollar-denominated quasi and foreign government securities.
- (7) A maximum of two times the Benchmark weight may be held in corporate securities in the portfolio.
- (8) A maximum of two times the Benchmark weight in U.S. Agency MBS may be held in U.S. Agency MBS and CMO securities in the portfolio.
 - (a) A maximum of twenty percent (20%) of the Net Asset Value of the portfolio may be held in U.S. Agency CMOs.
- (9) A maximum of five percent (5%) of the Net Asset Value of the portfolio may be held in ABS.
- (10) A maximum of ten percent (10%) of the Net Asset Value of the portfolio may be held in U.S. Agency and Non-Agency CMBS.
- (11) A maximum of ten percent (10%) of the Net Asset Value of the portfolio may be held in non-agency RMBS.
- (12) A maximum of three percent (3%) of the Net Asset Value of the portfolio may be held in a single corporate parent issuer, foreign/quasi government issuer or securitized specific pool at the time of purchase.
 - (a) A maximum of four percent (4%) of the Net Asset Value of the portfolio may be held in a single corporate parent issuer, foreign/quasi government issuer or securitized specific pool at any time.
- (13) A maximum of five percent (5%) of the Net Asset Value of the portfolio may be

invested in Cash.

(14) The use of leverage is prohibited.

c) Externally Managed Permitted Investments:

(1) Securities and derivatives held in separate accounts, commingled funds, limited partnerships, or limited liability companies managed by external investment managers and governed by their respective investment management contracts and investment guidelines; and

(2) Cash – either an investment in STIP, a vehicle available through the Custodian, or an SEC-registered money market fund that is considered a “US Treasury” or “US Government” money market fund per the SEC regulations.

D. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board’s next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situation where the BOI Internal Core Bond Fund allocations were outside of the limits and either inform the Board of the actions that were taken to return the BOI Internal Core Bond Fund back within guidelines or a plan to do so.

NEW

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Sections 17-6-201 through 17-6-203, MCA
Sections 17-6-204 and -205, MCA
Sections 19-2-503 through 19-2-505, MCA
Sections 19-3-2102 through 19-3-2122, MCA
Sections 19-50-101 through 19-50-205, MCA

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.504

EFFECTIVE DATE: ~~August 28, 2024~~TBD

TITLE: Investment Grade Fixed Income
Asset Class Investment Policy Statement

SUPERSEDES: ~~November 30, 2021~~TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~August 28, 2024~~May 20, 2026

I. Introduction

- A. The purpose of this policy is to provide a framework for the Investment Grade Fixed Income Asset Class under the guidance of the Board.

II. Purpose

- A. The purpose of this policy is to:

1. Establish the investment objectives and performance standards of the Investment Grade Fixed Income Asset Class; and
2. Provide diversified exposure to the Investment Grade Fixed Income markets in a prudent and cost-effective manner.

III. Investment Objective

- A. Strategic - The objective of the Investment Grade Fixed Income Asset Class is to attain the highest possible total return within the parameters set forth in this policy.
- B. Performance - Success in achieving this objective will be measured by comparing the risk and after-fee return of Investment Grade Fixed Income Asset Class to the Bloomberg US Aggregate Bond Index (the Benchmark). Performance results will be monitored and evaluated quarterly. However, the success in achieving the objective will be measured on a three (3) year, five (5) year, and ten (10) year annualized basis.

C. Investment Guidelines

1. Staff will have full discretion to manage the Investment Grade Fixed Income Asset Class consistent with this policy. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.

D. Permitted Investments

1. The Investment Grade Fixed Income Asset Class may invest only in the following:
 - a) Dollar denominated debt obligations of the U.S. Government, including its agencies and instrumentalities;
 - b) Dollar denominated debt obligations of Quasi and Foreign Government entities;
 - c) Dollar denominated debt obligations of domestic and foreign corporations;

Adopted: November 30, 2021

Revised: ~~August 28, 2024~~TBD

Reviewed: ~~August 28, 2024~~May 20, 2026

- d) Dollar denominated securitized assets, including U.S. Agency mortgage-backed securities (MBS) U.S. Agency collateralized mortgage obligations (CMOs), and asset backed securities (ABS);
- e) Dollar denominated non-agency mortgage-backed securities (RMBS) and non-agency commercial mortgage-backed securities (CMBS); ~~and~~
- f) Exchange-Traded Funds (ETFs) based on a domestic, investment grade bond index that is approved by the CIO and purchased and monitored by Staff; and
- ~~f)g)~~ Cash – either an investment in STIP, a vehicle available through the Custodian, or an SEC registered money market fund that is considered a “US Treasury” or “US Government” money market fund per the SEC regulations.

E. Other Restrictions

1. The average duration of the Investment Grade Fixed Income Asset Class will be maintained in a range of + or – twenty percent (20%) of the index duration.
2. A minimum of twenty percent (20%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class will be held in U.S. Government securities, including U.S. Treasuries, TIPS and Agency securities.
3. Securities must be rated investment grade by at least two nationally recognized statistical rating organizations (NRSRO), with the exception of securities issued or guaranteed by agencies or instrumentalities of the U.S. Government.
4. Securities that drop below investment grade as defined above may be held to maturity, however the Investment Grade Fixed Income Asset Class may not hold more than ten percent (10%) of its Net Asset Value in securities rated below investment grade.
5. Securitized assets must be rated a minimum of the fourth (4th) highest rating by any NRSRO at the time of purchase.
 - a) Securitized assets that drop below the fourth (4th) highest rating of any NRSRO may be held to maturity, however the Investment Grade Fixed Income Asset Class may not hold more than five percent (5%) of its Net Asset Value in these securities.
6. A maximum of ten percent (10%) of the market value of the Investment Grade Fixed Income Asset Class may be held in dollar denominated quasi and foreign government securities.
7. A maximum of two times the Benchmark weight may be held in corporate securities in the Investment Grade Fixed Income Asset Class.
8. A maximum of two times the Benchmark weight in U.S. Agency MBS may be held in U.S. Agency MBS and CMO securities in the Investment Grade Fixed Income Asset Class.
 - a) A maximum of twenty percent (20%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be held in U.S. Agency CMOs.
9. A maximum of ten percent (10%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be held in dollar denominated non-agency MBS (RMBS).
10. A maximum of five percent (5%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be held in ABS.
11. A maximum of ten percent (10%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be held in CMBS.
12. A maximum of three percent (3%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be held in a single corporate parent issuer, foreign/quasi government issuer or securitized specific pool at the time of purchase.

- a) A maximum of four percent (4%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be held in a single corporate parent issuer, foreign/quasi government issuer or securitized specific pool at any time.
13. A maximum of five percent (5%) of the Net Asset Value of the Investment Grade Fixed Income Asset Class may be invested in Cash.
14. The use of leverage is prohibited.
- F. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO may inform the Board of any situations where the Investment Grade Fixed Income Asset Class allocations were outside of the limits and either inform the Board of the actions that were taken to return the Investment Grade Fixed Income Asset Class back within guidelines or a plan to do so.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Sections 17-6-201 through 17-6-205 MCA
Section 19-2-540, MCA

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.702

EFFECTIVE DATE: ~~February 22, 2023~~TBD

TITLE: Public Equity Asset Class
Investment Policy Statement

SUPERSEDES: ~~November 30, 2021~~TBD

BOARD ADOPTION: November 30, 2021
2026

REVIEWED: ~~February 22, 2023~~May 20,
2026

I. Introduction

A. The purpose of this policy is to provide a framework for the Public Equity Asset Class under the guidance of the Board.

II. Purpose

A. The purpose of this policy is to:

1. Establish the investment objectives and performance standards of the Asset Class; and
2. Provide diversified exposure to the equity market in a prudent and cost-effective manner.

III. Investment Objectives

A. Strategic - The objective of the Public Equity Asset Class is to attain the highest possible total return within the parameters of this policy.

B. Performance

1. Success in achieving this objective will be measured by comparing the risk and after-fee return of the Equity Asset Class to the S&P 500 Index and ACWI ex. U.S. Index (the Benchmark) each proportionately weighted to the portfolio's domestic and international equity holdings. Performance results will be monitored and evaluated quarterly. However, the success in achieving the objective will be measured on a three (3) year, five (5) year, and ten (10) year annualized basis.

C. Investment Guidelines

1. Staff will have full discretion to manage this Asset Class consistent with the investment guidelines stated below. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting. State Fund will be notified of any exceptions or compliance violations within five (5) days.
2. Most of the Public Equity Asset Class investments will be managed by external investment managers.
3. It is expected that the Public Equity Asset Class shall invest in public market investments that provide liquidity and meaningful transparency to portfolio characteristics and risk exposures.

D. Permitted Investments

1. The Public Equity Asset Class may only invest in the following:
 - a) Public equity securities and derivatives held in separate accounts, commingled funds, limited partnerships, or limited liability companies managed by external investment managers and governed by their respective investment management contracts and investment guidelines.

Adopted: November 30, 2021

Revised: ~~February 22, 2023~~TBD

Reviewed: ~~February 22, 2023~~ May 20, 2026

b) Exchange-Traded Funds (ETFs) based on an equity index that is approved by the CIO and purchased and monitored by Staff.

1. Other Restrictions

1. A maximum of fifteen percent (15%) of the market value of the SFIP will be invested in public equities.
 2. A maximum of ~~eight~~ four percent (~~8%~~4%) of the market value of the SFIP will be invested in international equities.
2. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situations where the Public Equity Asset Class allocations were outside of the limits and either inform the Board of the actions that were taken to return the Public Equity Asset Class back within guidelines or a plan to do so. State Fund will be notified of any exceptions or compliance violations within five (5) days.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Section 17-1-113, MCA
Sections 17-6-201 through 17-6-203, MCA
Section 33-1-115, MCA
Section 39-71-2320, MCA

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.705

EFFECTIVE DATE: ~~August 28, 2024~~ TBD

TITLE: Investment Grade Fixed Income

Asset Class Investment Policy Statement SUPERSEDES: ~~February 22, 2023~~ TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~August 28, 2024~~ May 20, 2026

I. Introduction

- A. The purpose of this policy is to provide a framework for the Investment Grade Fixed Income Asset Class under the guidance of the Board.

II. Purpose

- A. The purpose of this policy is to:

1. Establish the investment objectives and performance standards of the Investment Grade Fixed Income Asset Class; and
2. Provide diversified exposure to the Investment Grade Fixed Income markets in a prudent and cost-effective manner.

III. Investment Objective

- A. The objective of the Investment Grade Fixed Income Asset Class is to attain the highest possible total return within the parameters of this policy.
- B. Success in achieving this objective will be measured by comparing the risk and after-fee return of Investment Grade Fixed Income Asset Class to the Bloomberg US Aggregate Bond Index (the Benchmark). Performance results will be monitored and evaluated quarterly. However, the success in achieving the objective will be measured on a three (3) year, five (5) year, and ten (10) year annualized basis.

IV. Investment Guidelines

- A. Staff will have full discretion to manage the Investment Grade Fixed Income Asset Class consistent with this policy. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting. State Fund will be notified of any exceptions or compliance violations within five (5) days.

B. Permitted Investments

1. The Investment Grade Fixed Income Asset Class may only invest in the following:
 - a) Debt obligations of the U.S. Government, including its agencies and instrumentalities;
 - b) Dollar denominated debt obligations of Quasi and Foreign Government entities;
 - c) Dollar denominated debt obligations of domestic and foreign corporations;
 - d) Dollar denominated securitized assets, including U.S. Agency mortgage-backed securities (MBS), U.S. Agency collateralized mortgage obligations (CMOs), commercial mortgage-backed securities (CMBS), and asset backed securities (ABS); ~~and~~
 - e) Exchange-Traded Funds (ETFs) based on a domestic, investment grade bond index that is

Adopted: November 30, 2021

Revised: ~~August 28, 2024~~ TBD

Reviewed: ~~August 28, 2024~~ May 20, 2026

approved by the CIO and purchased and monitored by Staff; and

- e)f) Cash – either an investment in the STIP, a vehicle available through the Custodian, or an SEC registered money market fund that is considered a “US Treasury” or “US Government” money market fund per the SEC regulations.

C. Other Restrictions

1. A minimum of twenty percent (20%) of the market value must be held in U.S. Treasury/Agency securities.
 2. A maximum of ten percent (10%) of the market value may be held in dollar denominated quasi and foreign government securities.
 - a) Quasi and foreign government securities must be rated a minimum of the seventh (7th) highest rating by any NRSRO at the time of purchase.
 3. A maximum of fifty percent (50%) of the market value may be held in corporate bonds.
 4. A maximum of fifty percent (50%) of the market value may be held in U.S. Agency mortgage-backed securities (MBS & CMO).
 5. A maximum of five percent (5%) of the market value may be held in ABS.
 6. A maximum of ten percent (10%) of the market value may be held in CMBS.
 7. The average duration will be maintained in a range of + or – twenty percent (20%) of the index duration.
 8. A maximum of ten percent (10%) of the Net Asset Value of any internally managed portfolio may be held in non-agency mortgage-backed securities (RMBS).
 9. A maximum of three percent (3%) of the market value may be held in a single parent company issuer, foreign/quasi government issuer or ABS specific pool at the time of purchase; there is no limit on U.S. Government/Agency securities. Exposure to a single parent company issuer, foreign/quasi government issuer or ABS specific pool will be limited to four percent (4%) of the market value regardless of when securities were purchased.
 10. Securities must be rated investment grade by at least two (2) NRSROs, with the exception of securities issued or guaranteed by agencies or instrumentalities of the U.S. Government.
 11. Securities that drop below investment grade as defined above may be held to maturity. However, the Investment Grade Fixed Income Asset Class may not hold more than five percent (5%) below investment grade.
 12. Fixed income securities rated lower than the seventh (7th) highest rating by any NRSRO are limited to thirty percent (30%) of the market value of the Investment Grade Fixed Income Asset Class. In the case of split rated securities, the lowest rating will apply.
 13. Securitized assets must be rated a minimum of the fourth (4th) highest rating by any NRSRO at the time of purchase. Securities that drop below the fourth (4th) highest rating by any NRSRO may be held to maturity. However, the Investment Grade Fixed Income Asset Class may not hold more than four percent (4%) in these securities.
 14. A minimum of one percent (1%) of the Investment Grade Fixed Income Asset Class will be held in cash investments.
 15. The use of derivatives is prohibited.
 16. The use of leverage is prohibited.
- D. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situations where the Investment

Grade Fixed Income Asset Class allocations were outside the limits and either inform the Board of the actions that were taken to return the Investment Grade Fixed Income Asset Class back within guidelines or a plan to do so. State Fund will be notified of any exceptions or compliance violations within five (5) days.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Section 17-1-113, MCA
Sections 17-6-201 through 17-6-203, MCA
Section 33-1-115, MCA
Section 39-71-2320, MCA

Adopted: November 30, 2021

Revised: ~~August 28, 2024~~ TBD

Reviewed: ~~August 28, 2024~~ May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.915

EFFECTIVE DATE: ~~November 30, 2021~~TBD

TITLE: Older Montanans Trust Fund
Investment Policy Statement

SUPERSEDES: ~~April 20, 2021~~TBD

BOARD ADOPTION: November 30, 2021
2026

REVIEWED: ~~November 30, 2021~~May 20,

I. Introduction

- A. The purpose of this policy statement is to provide a framework for Older Montanans Trust Fund investments under the guidance of the Board.
- B. The Older Montanans Trust Fund was created in Section 52-3-115, MCA, to establish new, innovative services or to expand existing services for the benefit of Montana residents sixty (60) years of age or older that will enable those Montanans to live an independent lifestyle in the least restrictive setting and will promote the dignity of and respect for those Montanans.

II. Purpose

- A. The purpose of this policy is to:
 1. Establish the investment objectives and performance standards of the Older Montanans Trust Fund account.
 2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

III. Investment Objective

- A. Strategic - The objective of the Older Montanans Trust Fund portfolio is to attain above benchmark total return within the parameters of the Investment Guidelines set forth below with an emphasis on investment income and preservation of principal.
- B. Performance - Success in achieving this objective will be measured by comparing the risk and return of the account to the Trust Funds Investment Pool (TFIP) benchmark and the Short-Term Investment Pool (STIP) benchmark, each weighted proportionately to the portfolio's holdings, over a five (5) year moving average.
- C. Time Horizon - Older Montanans Trust Fund is a permanent account. The Board expects to meet or exceed all objectives over a long-term investment horizon. Over shorter periods, the anticipated market volatility, and specific actions, including risk mitigation efforts of the Board may lead to unfavorable, but expected deviation from these objectives.
- D. Investment Guidelines - The Board will have full discretion to manage the Older Montanans Trust Fund portfolio consistent with the investment guidelines stated below. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.
- E. Permitted Investments
 1. The Older Montanans Trust Fund may only invest in the following:

Adopted: November 30, 2021

Revised: ~~November 30, 2021~~TBD

Reviewed: ~~November 30, 2021~~May 20, 2026

- a) TFIP; and
 - b) STIP or any cash vehicle at the Custodial Bank.
- F. Other Restrictions - A ~~minimum-maximum~~ of ninety-~~seven~~five percent (975%) of the market value of the portfolio will be invested in the TFIP.
- G. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situations where the allocations were outside the limits and either inform the Board of the actions that were taken to return the portfolio back within guidelines or a plan to do so.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Section 17-1-113, MCA
Sections 17-6-201 through 17-6-205, MCA
Section 52-3-115, MCA

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 40.943

EFFECTIVE DATE: ~~October 9, 2024~~TBD

TITLE: State Treasurer's Fund Investment
Policy Statement

SUPERSEDES: ~~November 30, 2021~~TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~October 9, 2024~~May 20, 2026

I. Introduction

- A. The purpose of this policy statement is to provide a framework for the State Treasurer's Fund investments under the guidance of the Board.
- B. The State Treasurer's Fund consists of both assets of the general fund and all other surplus funds of the state not otherwise expressly segregated and invested separately.
- C. Per Section 17-1-111, MCA, "the state treasurer is the custodian of all money and securities of the state unless otherwise expressly provided by law". Per Section 17-6-101, MCA, "Under the direction of the board of investments, the state treasurer shall deposit public money in the treasurer's possession and under the treasurer's control".

II. Purpose

- A. The purpose of this policy statement is to:
 1. Establish the investment objectives and performance standards of the State Treasurer's Fund account; and
 2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

III. Investment Objectives

- A. Strategic - The objective of the State Treasurer's Fund portfolio is to attain above benchmark total return within the parameters of this policy with an emphasis on investment income and preservation of principal.
- B. Performance - Success in achieving this objective will be measured by comparing the risk and return of the account to the Short-Term Investment Pool (STIP) benchmark.
- C. Time Horizon - The State Treasurer's Fund is a permanent account. The Board expects to meet or exceed all objectives over a long-term investment horizon. Over shorter periods, the anticipated market volatility, and specific actions, including risk mitigation efforts of the Board may lead to unfavorable, but expected deviation from these objectives.
- D. Investment Guidelines - The Board will have full discretion to manage the State Treasurer's Fund portfolio consistent with this policy. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.
- E. Permitted Investments
 1. The State Treasurer's Fund may only invest in the following:

Adopted: November 30, 2021

Revised: ~~October 9, 2024~~TBD

Reviewed: ~~October 9, 2024~~May 20, 2026

- a) STIP or any cash vehicle at the Custodial Bank;
- b) Deposits held at the state's depository bank;
- c) U.S. Treasury obligations;
- d) Direct obligations of the U.S. mortgage agencies Fannie Mae (Federal National Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage Corporation). These obligations shall consist of only the discount notes, notes and debentures of these two agencies and does not include mortgage pass-through obligations. Coupons may be fixed or floating rate;
- e) Direct obligations of the Federal Farm Credit Bank and the Federal Home Loan Bank. These obligations shall consist of discount notes, notes and debentures with either fixed or floating rate coupons;
- f) Short-term tri-party repurchase obligations (repo) with an approved primary dealer, the Custodial Bank, or the depository bank that are collateralized at one-hundred two percent (102%) of value with U.S. Treasury and U.S. Agency securities. Approved primary dealers will be the same as those dealers approved for repo investments made in STIP;
- g) Fixed income obligations of other U.S. agencies or corporate entities that are directly guaranteed as to both principal and interest by the full faith and credit of the U.S. Treasury;
- h) Any obligation purchased pursuant to the bond credit enhancement program of the Board as authorized pursuant to [Board Resolution 219](#)[BOI Policy 10.700](#);
- i) State general fund warrants per Section 17-6-212, MCA; and
- j) Investment in the Trust Fund Investment Pool (TFIP).

F. Other Restrictions

1. Securities and TFIP purchases are permitted only up to an amount equal to the lowest twelve (12) month average account balance over the past ten (10) year periods.
 - a) In the event the amount of securities and TFIP held were to exceed this threshold, sales are not required however additional purchases are prohibited until the test can again be met. ~~Prudent sales are required should the amount of securities and TFIP exceed sixty percent (60%).~~
 - b) U.S. Treasuries held at the state's depository bank are not subject to the projected general fund balance restriction. These securities are held at the depository bank to provide emergency liquidity.
 - c) In addition, any obligations purchased pursuant to the bond credit enhancement program of the Board as authorized pursuant to Resolution 219 of the Board are not subject to the projected general fund balance restriction.
2. Securities purchased for investment are intended to enhance book income and shall normally be held until maturity unless a severe liquidity need were to arise in which case a realized loss may be incurred, if necessary, in the sale of securities to meet immediate liquidity needs. Realized gains may be incurred if the sale of a security prior to maturity is necessary to meet liquidity needs or otherwise is advisable in order to enhance book income by reinvesting the proceeds of such sale.
3. Securities are limited to three years to final maturity.
4. Repurchase agreements are limited to seven days to maturity.
5. Holdings of any one U.S. agency that is not directly or indirectly guaranteed by the U.S. Treasury shall be limited to a maximum \$100 million at book value.
6. Repurchase obligations shall be limited to \$20 million face amount with any one primary dealer. Repos held at the depository bank, or the Custodial Bank are not constrained by this limit given

the potential for extenuating market conditions that may require unusually high cash balances to be retained at either bank.

7. Securities restrictions do not apply to holdings in TFIP.
- G. If at any time, due to market fluctuations or any other circumstances, any of the guidelines are not maintained, Staff will use its best efforts to conform to these limits in a timely manner, while considering current market conditions and the associated costs of rebalancing. At the Board's next regularly scheduled quarterly meeting, the CIO shall inform the Board of any situations where the allocations were outside the limits and either inform the Board of the actions that were taken to return the portfolio back within guidelines or a plan to do so.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Section 17-1-111 and -113, MCA
Sections 17-6-201 through 17-6-205, MCA

Adopted: November 30, 2021

Revised: ~~October 9, 2024~~TBD

Reviewed: ~~October 9, 2024~~May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 70.100

EFFECTIVE DATE: ~~September 23, 2022~~TBD

TITLE: INTERCAP Loan Program

SUPERSEDES: ~~November 30, 2021~~
~~September 23, 2022~~

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~July 20, 2022~~May 20, 2026

I. INTERCAP Loan Program

A. INTERCAP Loans are funded by the Annual Adjustable-Rate Municipal Finance Consolidation Act Extendable Bond (INTERCAP Loan Program), Taxable Series 2022, authorized by Board Resolution 249, dated November 30, 2021. This bond is credit enhanced by the Board pursuant to Policy 10.700.

A.B. Requirements for all INTERCAP Loans

1. For purposes of INTERCAP loans under this policy, the definitions in Section 17-5-1604, MCA, apply.
2. The INTERCAP Loan Program may not be used to finance Tax Increment Financing (TIF) or Targeted Economic Development (TEDD) bonds or loans.
3. Applications may be completed online at <https://investmentmt.com/INTERCAP/>. A hard copy application is available upon request.
4. Upon loan approval, a Term Sheet explaining the conditions of the loan will be forwarded to the Borrower for review.
5. Borrower has one (1) year from date of receipt of the Term Sheet to access the funds. A Borrower who fails to access the funds within the year may be required to reapply for the loan.
6. Three (3) weeks prior to accessing the funds, the Borrower must notify Board staff of their intention to access the funds.
7. Prior to receiving funds, the Borrower must complete, execute, and return to Board staff the original loan documents, including:
 - a) A resolution from the local governing body approving the loan.
 - b) A form signed by the local government unit counsel stating the local government unit has the authority to participate in the loan program, that the project qualifies for the loan program, and that the loan is legal and binding on the local government.
8. Execution of original documents may be a manual signature or electronic signature.
9. The local government is required to annually appropriate funds for the repayment of the loan.
10. Invoices or certificates of completed work must be submitted before INTERCAP funds are disbursed.
11. The Interest Adjustment Date is effective February 16 of each year.
12. A new interest rate will be posted on the Board's website and adjusted amortization schedules mailed out in March.
13. Any state or federal permits required must be obtained prior to closing the loan.

Adopted: November 30, 2021

Revised: ~~September 23, 2022~~TBD

Reviewed: ~~July 20, 2022~~May 20, 2026

14. If the project is dependent on other funding sources, those funding sources must be committed prior to funding the INTERCAP loan.
15. Eligible government units must adhere to Montana law when financing capital projects.
 - a) Board staff will consider the maximum loan term authorized in statute, as well as the repayment ability of the eligible Borrower, when reviewing loan requests.
 - b) Loan terms may not exceed fifteen (15) years or the useful life of the project being financed, whichever is less.
16. The maximum amount of the loan is limited to the Borrower's legal debt limit.
17. Loans previously approved by the Board may be increased by the Executive Director in an amount up to ten percent (10%) of the original approved loan amount.

B.C. Short-Term Loans Criteria

1. Short-term INTERCAP loans may be made to cover two types of needs:
 - a) Money to provide financing on an interim basis for projects funded from other sources.
 - b) Operating money to cover a temporary cash flow deficit.

Examples of eligible temporary project funding include, but are not limited to, interim financing in anticipation of state or federal grants and/or long-term loans. Specific written evidence of the commitment for funding of the grant or long-term loan is required prior to releasing funds.

2. Counties, cities, towns, and school districts are statutorily authorized to borrow for cash flow deficits to be repaid within the statutory time limit. Other types of local governments may borrow through their respective county.

C.D. Enterprise Debt Loans Criteria

1. Enterprise funds are used to report the functions presented as business-type activities in government-wide financial statements. Enterprise project financing pledges revenues of the Borrower to repay the loan for associated costs.
2. The Board must receive documentation of revenue rates currently in effect and any proposed adjustments.
3. Enterprise debt requires the Borrower to:
 - a) Pledge the revenues of the system.
 - b) Set and maintain rates and charges that will generate net revenues to cover debt service by a factor of one and a quarter (1.25).
 - c) Maintain a reserve account of one (1) year debt service or ten percent (10%) of the loan, whichever is less.
4. In most cases the obligation is not required to be secured by the full faith and credit of the issuer and the obligation does not require voter approval.
5. If the revenue pledged for repayment is on parity, or in equal position, with other outstanding debt, the Board will require Montana-licensed bond counsel to prepare the parity revenue bond documents and provide the opinion at the Borrower's expense.

D.E. Preliminary Engineering Report (PER) Loans Criteria

1. Local governments may finance the costs to prepare the PER planning document required by many state and federal funding agencies for utility improvement loans.
2. The engineer must be a registered professional licensed to practice in his or her area(s) of competence and expertise in the State of Montana prior to the Board's commitment.
3. The maximum PER loan term is six (6) years.

- a) At the time of loan application review, Board staff will determine if the loan will be repayable interest-only for up to three (3) years with an optional three (3) year amortization of principal and interest thereafter or amortized principal and interest over the six (6) year term.
 - b) Rates and fees will be annually reviewed and increased as necessary to provide adequate repayment of debt.
4. A written approval from a state or federal engineer stating the PER scope of work generally conforms to the requirements outlined in the Uniform Preliminary Engineering Report for Montana Public Facility Projects.
 5. Special or Rural Improvement Districts are not eligible for PER loans.

E.F. Grant Writing Loans Criteria

1. Local governments may finance the costs to prepare grant applications.
2. The maximum loan term is six (6) years.
3. Board staff will determine at the time of loan application review if the loan will be repayable interest-only for up to three (3) years with an optional three (3) year amortization of principal and interest thereafter or amortized principal and interest over the six (6) year term.
4. Rates and fees will be annually reviewed and increased as necessary to provide adequate repayment of debt.

F.G. General Obligation Loans Criteria

1. Voter-approved general obligation debt has the backing by the full faith and credit of the issuer and obligates the issuer to levy a tax sufficient to repay the obligation. The Board will require copies of the election process leading up to and the results of the election for review.
2. Bond counsel is required to certify that all legal requirements for the loan have been met. The cost of bond counsel opinion is to be paid by the Borrower.

G.H. Special or Rural Improvement District (SID/RID) Loans Criteria

1. SID/RID loans are payable from special assessments levied against real property in the district to finance improvements to projects such as streets, roads, curbing, etc. The loans are not full faith and credit obligations of the city or county.
2. All statutory requirements for establishing the SID/RID must be met prior to the loan and available for review as part of the loan process.
3. City or county funds must secure the SID/RID with a pledge to levy for and maintain the revolving fund to the maximum amount permitted by law.
4. All local government SID/RIDs and the balance in the revolving fund are subject to review as part of the loan process.
5. Preliminary engineering loans will not be made to SIDs/RIDs.

H.I. Street Maintenance District Loans Criteria

1. Street Maintenance Districts are loans payable from special assessments levied against real property in the district to finance improvements to projects such as streets, roads, curbing, etc. Street Maintenance District loans do not require voter approval and are not secured by the local government's revolving fund.
2. The appropriate steps to create the Street Maintenance District and set the annual assessments must comply with Section 7-12-44, MCA, and be available for review as part of the loan process.
3. Assessment revenue will be pledged to the repayment of the loan and must be set to generate net revenues to cover the debt service by a factor of one and a quarter (1.25).

4. If revenue pledge for repayment is on parity with other outstanding debt, the Board will require Montana-licensed bond counsel to prepare the parity revenue bond documents and provide the opinion at the Borrower's expense.
5. The Board will require a reserve account that is equal to one (1) year debt service or ten percent (10%) of the loan, whichever is less.

Authority: Montana Constitution, Art. VIII, Section 13
Section 2-15-1808, MCA
Title 17, chapter 5, part 16, MCA
Section 17-6-201, MCA
ARM 8.97.715 through 8.97.724

Adopted: November 30, 2021
Revised: ~~September 23, 2022~~TBD
Reviewed: ~~July 20, 2022~~May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 70.721

EFFECTIVE DATE: ~~June 4, 2025~~TBD

TITLE: Sawmill Revitalization Loan Program

SUPERSEDES: ~~NEW~~June 4, 2025

BOARD ADOPTION: June 4, 2025

REVIEWED: ~~June 4, 2025~~May 20, 2026

I. Sawmill Revitalization Loan Program

A. General Parameters:

1. Provide loans to parties with the capacity to revitalize a closed sawmill and return it to commercial operation.
2. The Board does not lend directly to businesses and participates only with Approved Lenders in making loans to Montana businesses.
3. Approved Lenders originate all loans and submit loan applications and loan reservation forms.
4. The term Borrower means the Borrower applying for a loan from the Lender.
5. Borrowers must give preference to Montana labor when constructing projects.
6. Project construction contractors are subject to prevailing wages.
7. Small Business Loan Incentives are available.
8. Job Credit Interest Rate Reductions are available.
9. The submission of a fee with the Loan Reservation Form locks an interest rate and reserves funding.

B. Interest Rates

1. Interest rates are effective for a one (1) week period and are posted on the ~~CommercialSawmill Revitalization~~ Loan Rate Sheet. Interest rate not to exceed 4%.
2. The ~~CommercialSawmill Revitalization~~ Loan Rate Sheet is posted on the Board's website each Thursday.
3. The interest rates reflect net yield to the Board and are exclusive of any Lender fees.
4. Initial interest rate is determined by the interest rate posted on the ~~CommercialSawmill Revitalization~~ Loan Rate Sheet on the date the loan reservation form is received.

C. Loan Reservations

1. Reservations with an Identifiable Borrower
 - a) Lenders with an identifiable Borrower(s) at the time of the reservation may reserve funds for one year (365 days) with a fee of one-quarter percent (0.25%) of the reserved amount.
 - b) Lenders may lock interest rates at any time during the one-year (365 days) period at the rate last set.
 - c) If the loan has **not** been committed and the Board's interest rates decline after a Lender has locked interest rates during the one-year (365 days) period, a reservation at the lower rate for an additional one-year (365 days) may be obtained via payment of another one-quarter percent (0.25%) fee.

Adopted: June 4, 2025

Revised: ~~NEW~~TBD

Reviewed: ~~June 4, 2025~~May 20, 2026

- d) If the loan has been committed and the Board's interest rates decline after a Lender has locked interest rates during the one-year (365 days) period, the lower rate may be obtained via payment of another one-quarter percent (0.25%) fee, but the original commitment letter expiration date will remain the same.
- e) Lenders must offer, underwrite, accept, and close the loan during the one-year (365 days) period.
- f) All applicable checklist items must be received within ninety (90) days after expiration of the one-year (365 days) period.
- g) The reservation may be extended as outlined in Section C.2. of this Policy.
- h) Blended interest rates may be applied for increases in the reserved amount of an existing reservation.
- i) The fee paid is refundable if the application is rejected.

2. Reservation Extensions

- a) If the project for which the loan proceeds will be utilized is not completed within the initial one-year (365 days) reservation period, up to two (2) additional one-year (365 days) increments may be granted upon written request and payment of an additional one-quarter percent (0.25%) fee for each extension.
- b) Additional one-year (365 days) extensions will not be granted if the project has been completed within the existing reservation/commitment period.
- c) Extension fees must be received via ACH within fifteen (15) working days after the expiration date of the current one-year (365 days) period in order to keep the reservation in force.

D. Financial Institution Incentive for Small Business Loans

- 1. The Board's interest rates may be reduced by one-half percent (0.50%) for loans of less than five-hundredths percent (0.05%) of the Montana Permanent Coal Tax Trust balance at the most recent fiscal year-end.

E. Job Creation Interest Rate Reduction

- 1. Borrowers who create jobs as a result of a Sawmill Revitalization Loan are entitled to an interest rate reduction of five-hundredths percent (0.05%) for each qualifying job created up to a maximum of two and a half percent (2.50%).
- 2. One job is equal to the Private Annual Wage shown on the weekly posted Commercial Loan Rate Sheet.
- 3. For jobs paying more than the Private Annual Wage, job credits will be increased proportionately for each twenty-five percent (25%) increment above the Private Annual Wage to a maximum of two jobs.
- 4. For jobs paying less than the Private Annual wage, job credits will be reduced proportionately for each twenty-five percent (25%) increment below the Private Annual Wage.
- 5. Job credits are not available unless one whole job is created.
- 6. Nonprofit corporations may qualify for the job credit interest rate reductions if the interest rate reduction passes through to a for-profit business creating the jobs.
- 7. The Board may increase the interest rate commensurate with the number of jobs eliminated if the Borrower eliminates qualifying jobs. Lenders must notify the Board if the Borrower eliminates qualifying jobs.
- 8. The beginning date for counting jobs created is the date of the first written contact from the Lender or the Borrower pertaining to the project.

9. Applications for interest rate reductions may be delivered with the loan funding documents or at least ten (10) working days before the end of each calendar quarter.
10. The Borrower seeking an interest rate reduction must provide payroll records as evidence of the creation of jobs.
11. The Board shall notify the Lender within fifteen (15) business days of the action has been taken on an interest rate reduction request.
12. Investors owning business properties may receive an interest rate reduction if the lease passes the reduction to the lessee for the full term of the loan.
13. Interest rate reductions provided in this part will be effective on the next scheduled payment date.
14. The posted Private Annual Wage and State of Montana minimum wage will be used in calculating a job creation interest rate reduction request. Job credit interest rate reductions are not available for jobs paying less than the state minimum wage.

F. Interest Rate Buy Down on Existing Sawmill Revitalization Loans

1. The Board's portion of an outstanding loan interest rate may be reduced to the Board's current rate at the time the Loan Reservation Form and fee are received.
2. The interest rate will be calculated by rounding the remaining term up to the nearest year and applying the buy down interest rate for that specific year. The fee is:
 - a) One percent (1%) of outstanding Board loan balance, for sixty (60) months or less,
 - b) One and a half percent (1.5%) of outstanding Board loan balance for sixty-one to one hundred and twenty (61 to 120) months, or
 - c) Two percent (2%) of outstanding Board loan balance for one hundred and twenty-one (121) months or more.
3. Interest rate reductions are effective on the next payment due date after the fee is received and the reduction is approved by the Board.
4. Job creation interest rate reduction can be applied to the buy down interest rate for all new jobs created after the date of the rate buy down.
 - a) If a rate reduction resulting from the creation of jobs was applied to the loan prior to the interest rate buy down the previously applied rate reduction and any new job-related rate reduction after the interest rate buy down cannot exceed a total of two and a half percent (2.50%).
 - b) The previously used job credit rate reduction cannot be applied to the buy down interest rate.

G. Collateral Requirements

1. Collateral requirements include:
 - a) A first mortgage/lien position shared proportionately with Lender,
 - b) Sufficient economic life to support the term of the loan,
 - c) Personal guarantees as required by Lender or the Board,
 - d) An attorney opinion on authority of Borrower to borrow and all collateral documents if required by Lender, and
 - e) Other collateral as required by Lender or the Board.

H. Appraisals Requirements

1. Licensed Montana commercial appraisers are preferred unless a specialized property collateral requires an out-of-state appraiser.
2. Requirements apply to all appraisals irrespective of the Lender's appraisal or loan policy appraisal requirements and are based on the total loan amount shown below:
 - a) Up To \$500,000 - As required by Lender to provide basis for value.
 - b) Over \$500,000 - Appraisal Report, as defined by the Uniform Standards of Professional Appraisal Practice.
3. Appraisal requirements are based on the total loan amount.

I. Pricing Adjustment for Participation Loans Based on Loan-To-Value

1. Loan-To-Value (LTV) is based on the lessor of reasonable project costs or market value appraisal. Reasonable project costs do not include any form of payout to an owner, developer, or shareholder.
2. The following risk adjustments for Loan-To-Value on collateral will be made to the posted interest rate:

<u>Loan-To-Collateral Value</u>	<u>Board Participation</u>	<u>Net Yield To Board</u>
1-75% LTV	80%	Posted Rate
76% - 80% LTV	70%	Posted Rate
81% - 85% LTV	60%	Posted Rate
86% - 90% LTV	50%	Posted Rate
<u>OR:</u>		
76% - 80% LTV	75%	Posted Rate + .25%
81% - 85% LTV	70%	Posted Rate + .50%
86% - 90% LTV	65%	Posted Rate + .75%

J. Fundings

1. The loan in which the Board is to participate must be closed prior to the commitment letter expiration date.
2. Funding documents required in the commitment letter must be received within ninety (90) days following the first principal and interest payment due date of the project term note or the commitment date expiration, whichever comes first.
3. Fundings should occur on or around the tenth (10) day of the month.
4. At least thirty (30) days' notice must be provided to be eligible for fundings.

K. Ineligible Loans

1. Ineligible loans are:
 - a) Loans classified as substandard, doubtful, loss or similar category in Lender's most recent examination report,
 - b) Loans to businesses with classified loans at the Lender, other than the loan offered to the Board,
 - c) Loans to trusts,
 - d) Loans for land development or speculative ventures,

- e) Loans to individuals convicted of or with pending felony charges,
- f) Loans to individuals who have filed for bankruptcy,
- g) Revolving lines of credit, working capital or operating money, or
- h) Loans to pay delinquent taxes.

L. Project Specific Requirements

1. Any contract to construct a project financed by loan proceeds must require all contractors to give preference to the employment of bona fide Montana residents, as defined in Section 18-2-401, MCA, in the performance of the work on the projects, if their qualifications are substantially equal to those of non-residents.
2. Substantially equal qualifications mean the qualifications of two (2) or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons.
3. If the Board participates in construction financing and its share of the loan equals or exceeds \$1.5 million, the general contractor and all subcontractors shall be subject to Montana's prevailing wage law specified in Section 18-2-4, MCA.

M. Other Sawmill Revitalization Loan Policy Considerations

1. A loan that includes refinancing of existing debt, other than construction financing, will be considered if, at a minimum, the refinanced amount is retained by the Lender.
2. The Board participation will not exceed eighty percent (80%) of the total loan.
3. If the Borrower already has a loan participated with the Board and the Borrower wants to acquire additional debt, which would consolidate the existing participated loan and a new construction/equipment loan, using the same or a different Lender, the Board will not consider its portion of the existing participated loan as a refinance. The additional debt should create new jobs and/or create economic development.
4. Investor properties must cash flow with coverage at one and a quarter times (1.25X) on a twenty (20) year amortization or other financial consideration. The Board may establish a higher coverage ratio depending on economic conditions and/or industry.
5. Balloon payment loans are eligible provided Loan-To-Value at maturity is acceptable to the Board.
6. The Board will proportionately participate in any prepayment penalty required by the Lender.
7. Loans for projects on leased land will be considered if the lease does not expire prior to loan maturity.
8. Loan assumptions are permitted upon Board approval with a loan assumption fee of \$500.00.
9. Escrow impounds may be required for taxes and hazard insurance when Loan-To-Value exceeds fifty percent (50%).
10. The Board may apply different criteria to loan requests from nonprofit Borrowers.
11. Maximum loan terms are:
 - a) Participation with Federal Guarantee, thirty (30) years,
 - b) Participation without a Federal Guarantee, twenty-five (25) years.

12. All loans submitted for participation to the Board from Board members or Board staff shall first be approved by the Board before the loan is committed and funded.
13. Any time an approved Lender downgrades a loan participated with the Board; the approved Lender must notify the Board of the downgrade within thirty (30) days. Notification must include the most recent Lender credit review and an explanation of why the credit was downgraded.
14. If the approved Lender applies a default interest rate to a participated loan, the Board interest rate will also be increased to that default interest rate and remain effective for the same period of time as for the approved Lender.
15. The Board may require additional due diligence and research on loans at its sole discretion.
16. Loans must cash flow with coverage at a one and a quarter times (1.25X) debt service.

Authority: Montana Code Annotated, Art. VIII, Section 13
Section 2-15-1808, MCA
Section 17-6-201, MCA
Title 17, chapter 6, part 3, MCA
ARM 8.97.1301, and 8.97.1308 through 8.97.1310

Adopted: June 4, 2025
Revised: ~~NEW~~TBD
Reviewed: ~~June 4, 2025~~ May 20, 2026

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 70.730

EFFECTIVE DATE: ~~May 22, 2024~~TBD

TITLE: Infrastructure Loan Program

SUPERSEDES: ~~September 23, 2022~~TBD

BOARD ADOPTION: November 30, 2021

REVIEWED: ~~May 22, 2024~~May 20, 2026

I. Infrastructure Loan Program

A. General Parameters for Infrastructure Loans

1. The program is funded by an \$80.0 million allocation from the Permanent Coal Tax Trust.
2. The term Borrower means the public entity applying for the loan from the Board.
3. Applications must be submitted by eligible local governments.
4. The user of the infrastructure must meet one of the following Basic Sector definitions and is referred to as the Business.
 - a) Business activity conducted in-state that produces goods and services for which fifty percent (50%) or more of the gross revenues are derived from out-of-state sources; or
 - b) Business activity conducted in-state that produces goods and services for which fifty percent (50%) or more will be purchased by in-state residents in lieu of similar goods and services which would otherwise be purchased from out-of-state sources.
5. The Loans will fund infrastructure projects that provide facilities/services to Businesses.
6. The Business pays a user fee to the local government that is pledged to the Board for loan repayment.
7. Businesses may reduce their Montana state income tax liability by the amount of the fee under Section 15-31-301, MCA.
8. The Business must create at least fifteen (15) full-time jobs to be eligible for the program. Created jobs are based on Job Creation Interest Rate Reduction criteria.
9. The maximum loan size is \$16,666 times the number of full-time jobs created.
10. The minimum loan size is \$250,000.
11. The maximum loan term is twenty-five (25) years.
12. The loan amount will not exceed seventy-five percent (75%) of the loan-to-value. The loan-to-value is based on the lesser of the reasonable project cost or market value appraisal. Reasonable project costs do not include any form of payment to an owner, developer, or shareholder.

B. Interest Rates

1. Interest rates are posted weekly on the Commercial Loan Rate Sheet and are effective for a one (1) week period.
2. The Commercial Loan Rate Sheet is posted on the Board's website each Thursday.
3. Initial interest rate is determined by the interest rate posted on the Commercial Loan Rate Sheet on the date the Infrastructure Loan application is received.

Adopted: November 30, 2021

Revised: ~~May 22, 2024~~TBD

Reviewed: ~~May 22, 2024~~May 20, 2026

C. Job Creation Interest Rate Reduction

1. A Business creating jobs as a result of an Infrastructure Loan is entitled to an interest rate reduction of five-hundredths percent (0.05%) for each job created up to a maximum of two and a half percent (2.50%). The reduction will be reflected in the user fee rate charged to the Business.
2. One job is equal to the Private Annual Wage shown on the weekly posted Commercial Loan Rate Sheet.
3. For jobs paying more than the Private Annual Wage, job credits will be increased proportionately for each twenty-five percent (25%) increment above the Private Annual Wage to a maximum of two jobs.
4. For jobs paying less than the Private Annual Wage, job credits will be reduced proportionately for each twenty-five percent (25%) increment below the Private Annual Wage.
5. Job credits are not available unless one whole job is created.
6. Job credit interest rate reductions are not available for jobs paying less than the State of Montana minimum wage.
7. The Business must provide evidence of the creation of jobs prior to any reduction and annually thereafter.
8. Interest rate reductions will be effective on the next scheduled payment date.
9. The Board may increase the interest rate commensurate with the number of jobs eliminated if the Business eliminates qualifying jobs. The Business must notify the Board if it eliminates qualifying jobs.
10. The beginning date for counting jobs created is the date of the first written contact from the Borrower or the Business pertaining to the project.

D. Collateral Requirements

1. Collateral requirements include:
 - a) A note or other evidence of indebtedness;
 - b) A loan agreement;
 - c) First mortgage/lien position, when appropriate;
 - d) A pledge from the local government of infrastructure fees for repayment of the loan;
 - e) The loan resolution adopted by the local government;
 - f) All necessary state, federal, and local government permits must be obtained before loan closing;
 - g) Sufficient economic life to support the term of the loan;
 - h) Personal or corporate guaranty as determined by the Board;
 - i) Attorney opinion on authority of local government to borrow and the validity of all collateral documents;
 - j) Attorney opinion to the local government on the legal and binding nature of obligations on the local government and the Business for which the infrastructure is provide; and
 - k) Other collateral or loan documents as required by the Board.

E. Appraisal Requirements

1. Licensed Montana commercial appraisers are preferred unless a specialized property collateral requires an out-of-state appraiser.

2. Requirements apply to all appraisals irrespective of the Lender's appraisal or loan policy and appraisal requirements and are based on the total loan amount shown below:
 - a) Up To \$500,000 - As required by Board to provide basis for value.
 - b) Over \$500,000 - Appraisal Report, as defined by the Uniform Standards of Professional Appraisal Practice.

F. Ineligible Loans

1. Ineligible loans include:
 - a) Loans to any local government in default on any obligation;
 - b) Loans to local governments for infrastructure to Businesses in default on any obligation;
~~and~~
 - c) Loans providing infrastructure to Businesses creating fewer than fifteen (15) jobs in a four (4) year period;
 - d) Loans to individuals convicted of or with pending felony charges; and
 - e) Loans to individuals or businesses who have filed for bankruptcy.

G. Project Specific Requirements

1. Any contract to construct a project financed by loan proceeds must require all contractors to give preference to the employment of bona fide Montana residents, as defined in Section 18-2-401, MCA, in the performance of the work on the projects, if their qualifications are substantially equal to those of non-residents.
2. Substantially equal qualifications mean the qualifications of two (2) or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons.
3. If the Board participates in construction financing and its share of the loan equals or exceeds \$1.5 million, the general contractor and all subcontractors shall be subject to Montana's prevailing wage law specified in Section 18-2-401, MCA.

H. Other Infrastructure Loan Policy Considerations

1. Loans for infrastructure on leased land will be considered if the lease does not expire prior to loan maturity.
2. Consultant fees may be financed as part of the larger project but may not be financed on a stand-alone basis.
3. Commercial Loan Program Policy underwriting criteria will be considered.
4. If there are not a sufficient number of jobs created within the first four (4) years of the infrastructure loan, the Business:
 - a) Will have ninety (90) additional days to create those jobs; or
 - b) Will have to pay down the infrastructure loan to a level to which the current number of jobs supports.
5. The Business will reimburse the Board for all legal fees and closing costs associated with the preparation of the loan documents.
6. Investor loans are not eligible.
7. The Board may require additional due diligence and research on loans at its sole discretion.

Authority: Montana Code Annotated, Art. VIII, Section 13
Section 2-15-1808, MCA
Section 17-6-201, MCA
Title 17, chapter 6, part 3, MCA
Title 18, chapter 2, part 4, MCA
ARM 8.97.1301 and 8.97.1308 through 8.97.1310

Adopted: November 30, 2021
Revised: ~~May 22, 2024~~TBD
Reviewed: ~~May 22, 2024~~May 20, 2026

MONTANA

BOARD OF INVESTMENTS

POLICY NUMBER: 70.750

EFFECTIVE DATE: ~~December 10, 2025~~TBDTITLE: Montana Housing Infrastructure
Revolving Loan Fund AccountSUPERSEDES: ~~June 4, 2025~~TBD

BOARD ADOPTION: June 4, 2025

REVIEWED: ~~December 10, 2025~~May 20, 2026

I. Introduction

- A. The purpose of this policy is to provide a framework for the Montana Housing Infrastructure Revolving Fund under the guidance of the Board.
- B. The Montana Housing Infrastructure Revolving Loan Fund was established in 2023 to "increase home ownership and provide more long-term rental opportunity; increase housing supply and offer diverse housing types to meet the needs of population growth; and to create partnerships between the state, local governments, private sector developers, and applicants for residential development to finance necessary infrastructure for housing."
- C. The Board will have full discretion to manage the Montana Housing Infrastructure Revolving Fund in a way that is consistent with this policy. Compliance with the following guidelines for permitted investments and other restrictions is the sole responsibility of the Staff. Any exceptions or compliance violations are to be reported to the Board at the next scheduled quarterly Board meeting.

II. Objective

- A. Within the parameters established in this policy, meet the statutory objectives of increasing homeownership, providing more long-term rental opportunities, increasing housing supply, and attaining sufficient total return for all investments.

III. Montana Housing Infrastructure Revolving Fund

A. General Parameters

1. The program is funded by two allocations from the state general fund:
 - a) \$106 million in the fiscal year beginning July 1, 2023; and
 - b) \$50 million in the fiscal year beginning July 1, 2025
2. The Board does not lend directly to businesses and only participates with Approved Lenders in loans to Montana entities.
3. Approved Lenders originate all loans and submit loan applications and loan reservation forms.
4. The term Borrower means the Borrower applying for a loan from the Lender.

B. Permitted Use of Funds

1. STIP;
2. United States Treasury Securities; and
3. Up to \$106 million may be used for projects meeting a minimum gross density of ten units per acre, which shall be invested in:

Adopted: June 4, 2025

Revised: ~~December 10, 2025~~TBDReviewed: ~~December 10, 2025~~May 20, 2025

- a) Loans and securities to local governments or residential developers for infrastructure or the demolition thereof, and pursuant to Policies 70.751 and 70.752; and
 - b) Fully collateralized, interest-bearing Demand Deposit Accounts at Montana-domiciled banks and credit unions linked to projects containing provisions for affordability as determined in Policies 70.751 and 70.752.
4. Up to \$50 million may be used for projects meeting a minimum gross density of three units per acre, which shall be invested in:
- a) Loans and securities to local governments or residential developers for infrastructure or the demolition thereof pursuant to Policies 70.751 and 70.752; and
 - b) Fully collateralized, interest-bearing Demand Deposit Accounts at Montana-domiciled banks and credit unions linked to projects containing provisions for affordability as determined in Policies 70.751 and 70.752.
5. Interest and income from (1) and (2) above may be used for:
- a) Loans and securities to local governments or residential developers for infrastructure or the demolition thereof pursuant to Policy 70.751 and 70.752;
 - b) Fully collateralized, interest-bearing Demand Deposit Accounts at Montana-domiciled banks and credit unions linked to projects containing provisions for affordability as determined in Policies 70.751 and 70.752; and
 - c) Loans to residential owners in partnership with approved lenders for mobile home parks or other multifamily housing.
6. Bond guarantees will consist of a pledge by BOI to purchase the guaranteed bond from the bondholder once the bond's reserve account is depleted. are a loan to the issuer in an amount equal to the bond's reserve fund deficiency. The principal amount of each bond to be guaranteed shall not to exceed 10% of the Montana Housing Infrastructure Revolving Loan Fund Account, ~~per bond in lieu of a pledge of the issuer's revolving loan fund and may be provided as follows~~The aggregate principal amount that may be guaranteed at any one time cannot exceed:
- a) Up to \$70.3 million if a project has a minimum gross density of ten units per acre and provides provisions of affordability as determined in Policies 70.751 and 70.752; or
 - b) Up to \$33.3 million if a project has a minimum gross density of three units per acre.
 - c) Bond guarantees are provided for a fee of up to 50% of the long-term bond rate collected at the time of the bond closing.
7. Bond anticipation notes (BAN) to local governments to interim finance infrastructure projects, containing provisions for affordability, as determined in Policies 70.751 and 70.752, in anticipation of long-term bond issuance authorized in 7-7-109, MCA.
- a) The BAN interest rate is determined by the interest rate posted on the Board's Montana Housing Infrastructure Revolving Loan Program Rate Sheet website.

Authority: Montana Code Annotated, Art. VIII, Section 13
 Montana Constitution, Article IX, Section 5
 Section 2-15-1808, MCA
 Section 17-1-113, MCA
 Sections 17-6-201 through 17-6-205, MCA
 Section 17-6-308, MCA
 Sections 17-6-801 through 17-6-805, MCA
 House Bill No. 505 (2025)

Adopted: June 4, 2025

Revised: ~~December 10, 2025~~TBD

Reviewed: ~~December 10, 2025~~May 20, 2025

MONTANA

BOARD OF INVESTMENTS

TO: Members of the Board
FROM: Doug Hill, Director of Commercial Loan Programs
DATE: May 20, 2026
RE: Commercial and Residential Loan Portfolios

The Participation Loan Program reflected an outstanding balance, as of March 31, 2026, of \$95,861,976 and represents 46 loans with a yield of 3.02%. There are three reservations for \$12,006,666. There are two committed loans for \$8,913,334. There are no past due loans.

The Infrastructure Loan Program reflected an outstanding balance, as of March 31, 2026, of \$7,486,676 and represents 8 loans with a yield of 3.86%. There is one committed loan for \$3,683,333. There are no past due loans.

The Intermediary Relending Program reflected an outstanding balance, as of March 31, 2026, of \$5,259,782 and represents 40 loans with a yield of 2.00%. There are no past due loans.

The Montana Facility Finance Authority portfolio reflected an outstanding balance, as of March 31, 2026, of \$12,634,512 and represents 18 loans with a yield of 3.77%. There are no past due loans.

The Residential loan portfolio reflected an outstanding balance, as of March 26, 2026, of \$797,949 and represents 25 loans with a yield of 6.12%. There is one loan over 90 days past due, totaling \$9,110. The past due loan has an FHA guaranty.

The Montana Down Payment Assistance Program reflected an outstanding balance, as of March 31, 2026, of \$74,297,840 and represents 129 loans. Repayment of these loans begins in January 2027.

The Resident-Owned Cooperative Loan Program reflected an outstanding balance, as of March 31, 2026, of \$1,886,824 and represents 1 loan with a yield of 4.12%. The loan is not past due.

MONTANA

BOARD OF INVESTMENTS

Municipal Loan Program



INTERCAP Loan Program

\$120M Bond Series 2022:

Current Bond Rate	3.53%
Outstanding	67,000,000
Available for Drawdown	53,000,000

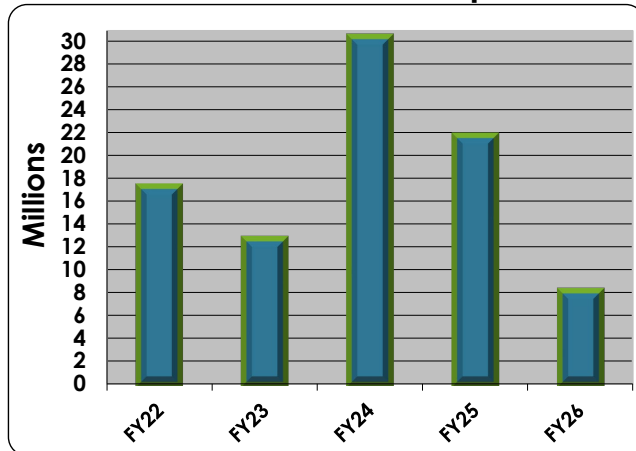
Loans:

Current Loan Rate	4.50% auto
Outstanding	67,241,584
Pending Commitments	25,643,896

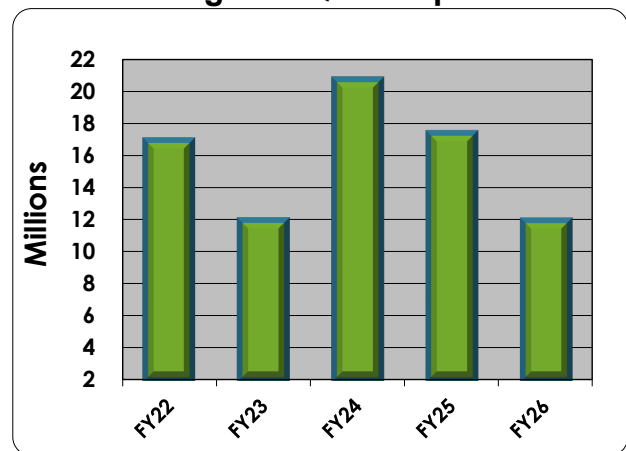
Total Committed	766,647,058
Total Funded	741,003,161

Borrowers	125
Debt Service Schedules	235
Autopay	95%

Commitments FY Q3 Comparison



Fundings FY Q3 Comparison



INTERCAP Variable Loan Rate History February 16, 2018 - February 15, 2026

February 16, 2019 - February 15, 2020	<u>3.37%</u>	February 16, 2023 - February 15, 2024	<u>5.75%**</u>
February 16, 2020 - February 15, 2021	<u>2.50%*</u>	February 16, 2024 - February 15, 2025	<u>5.75%**</u>
February 16, 2021 - February 15, 2022	<u>1.65%*</u>	February 16, 2025 - February 15, 2026	<u>5.00%**</u>
February 16, 2022 - February 15, 2023	<u>1.50%**</u>	February 16, 2026 - February 15, 2027	<u>4.50%**</u>

*BOI decreased interest rates for INTERCAP loans to 1.00% until August 15, 2020 in response to the COVID-19 pandemic.

**Autopay rates began in 2022. Existing borrower loans not set up for autopay in these years were charged 1.55%, 6.00%, 6.25% & 5.82% respectively for processing.

Montana Housing Infrastructure Bond Program

Bond Rate	1.71%
Outstanding	1,963,995

Borrowers	1
Pending Commitments	0

MONTANA

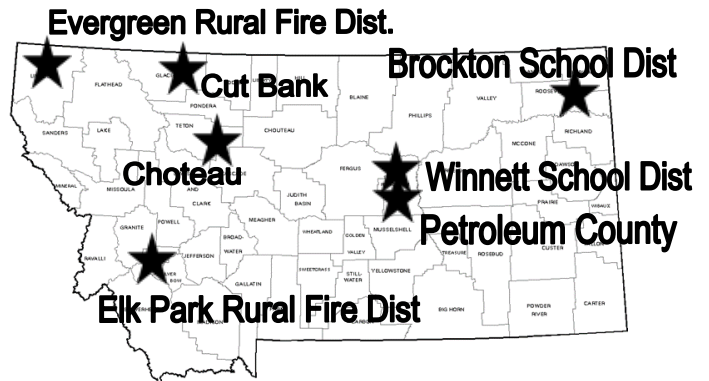
BOARD OF INVESTMENTS
INTERCAP

TO: Members of the Board

FROM: Louise Welsh,
Director of Municipal Loans

DATE: May 20, 2026

RE: INTERCAP Staff Approved Loans Committed – Staff approved the following loans from January 1, 2026, to March 31, 2026.



Borrower:	Department of Natural Resources and Conservation (DNRC)			
Purpose:	Coal Severance Tax (CST) Bond-RRGL (taxable)			
Staff approved:	N/A	Term:	N/A	Approval Date: N/A
BOI Policy 70.120 Staff Approval Authorization:		\$15,000,000		
New Commitment:		0		
Commitment Remaining:		13,500,000		
Loans Outstanding:		27,849		
Authorization Available:		\$ 1,472,151		

Borrower:	Petroleum County
Purpose:	Courthouse rehabilitation and renovation
Staff Approval Date:	January 13, 2026
Board Loan Amount:	\$ 400,000
Other Funding Sources:	\$2,421,185
Total Project Cost:	\$2,821,185
Term:	15 years

Borrower:	Winnett School District
Purpose:	Bus
Staff Approval Date:	February 4, 2026
Board Loan Amount:	\$200,000
Other Funding Sources:	\$ 75,000
Total Project Cost:	\$275,000
Term:	5 years

Borrower:	Elk Park Rural Fire District
Purpose:	Self-contained breathing apparatus equipment
Staff Approval Date:	February 4, 2026
Board Loan Amount:	\$16,100
Other Funding Sources:	\$10,000
Total Project Cost:	\$26,100
Term:	10

Borrower:	Evergreen Rural Fire District
Purpose:	Mobile command post vehicle
Staff Approval Date:	February 18, 2026
Board Loan Amount:	\$75,000
Other Funding Sources:	\$ 0
Total Project Cost:	\$75,000
Term:	7

Borrower:	City of Choteau
Purpose:	Garbage truck
Staff Approval Date:	February 18, 2026
Board Loan Amount:	\$123,900
Other Funding Sources:	\$144,000
Total Project Cost:	\$267,900
Term:	10

Borrower:	Brockton School District
Purpose:	Facility improvements
Staff Approval Date:	March 3, 2026
Board Loan Amount:	\$382,000
Other Funding Sources:	\$ 0
Total Project Cost:	\$382,000
Term:	10

Borrower:	City of Cutbank
Purpose:	Fire truck
Staff Approval Date:	March 9, 2026
Board Loan Amount:	\$800,000
Other Funding Sources:	\$ 0
Total Project Cost:	\$800,000
Term:	10

REAL ESTATE ASSET CLASS REVIEW

Presented by:

Ethan Hurley, CAIA – Director of Real Estate/Real Assets

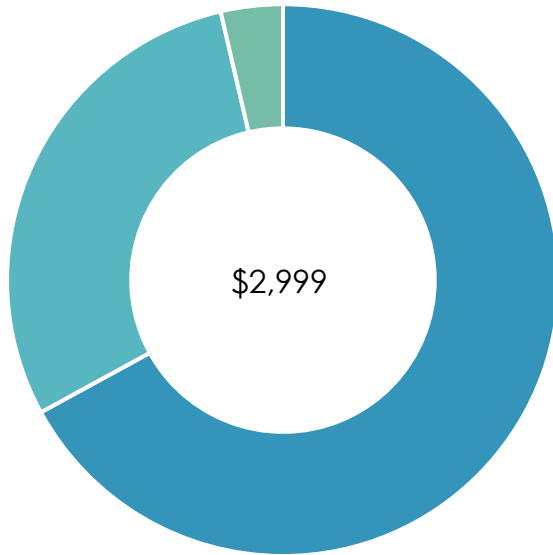
Rob Samson, CFA, CAIA – Senior Investment Analyst

Date: May 20, 2026

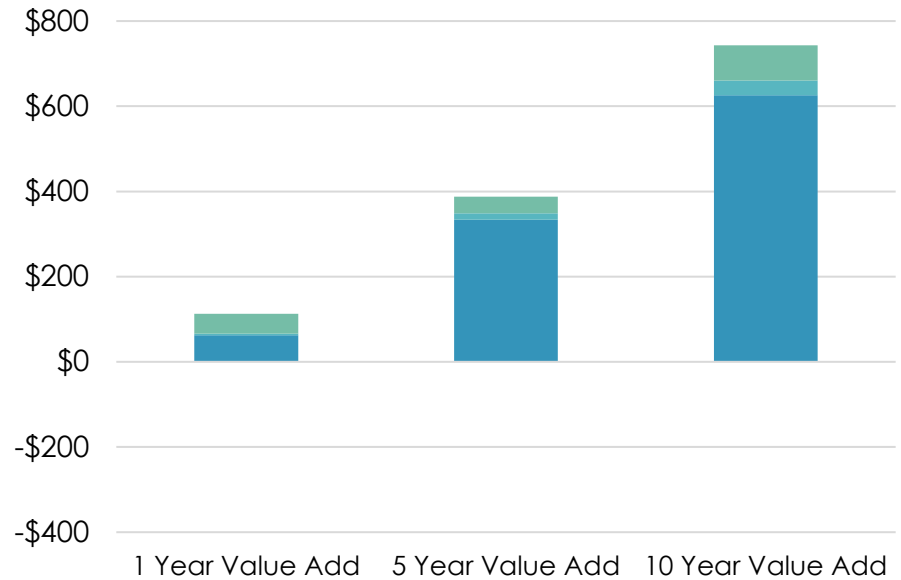
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Ownership & Performance



■ Pension ■ Trust Funds ■ State Fund



■ Pension ■ State Fund ■ Trust Funds

Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	3.33%	2.92%	4.49%	2.51%	5.63%	2.16%
State Fund	4.51%	2.92%	2.73%	2.51%	3.44%	3.88%
Trust Fund	6.36%	2.92%	4.63%	2.51%	4.73%	3.88%

* Dollar values are in \$1,000,000

March 31, 2026

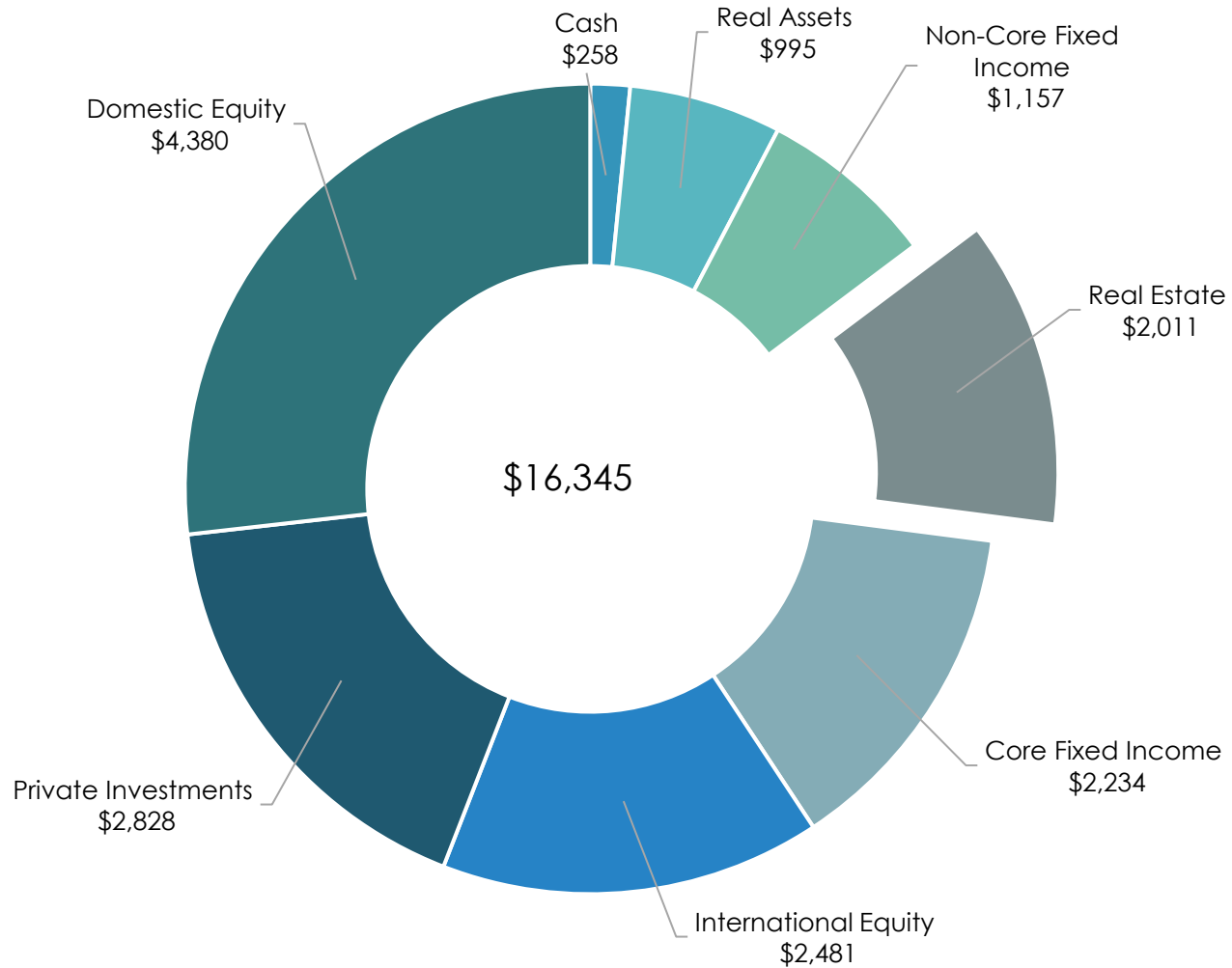
Real Estate Asset Class – Role, Allocation and Constraints

- Provide the Consolidated Asset Pension Pool (CAPP), Trust Funds Investment Pool (TFIP), and Montana State Fund (MSF) with exposure to diversified real estate opportunities, while achieving the highest possible return within the parameters of each respective set of investment guidelines.
- Diversify across types of real estate investment strategies, vintage years, real estate types, and geographies for long-term capital gains and current income.
- Inception Dates
 - CAPP: 6/1/2006
 - TFIP: 11/1/2009
 - MSF: 4/1/2013
- Benchmark: NCREIF Fund Index – Open-End Diversified Core Equity
- Approved Allocation Ranges
 - CAPP: 7% to 15% (**12.30% as of 3/31/2026**)
 - TFIP: 0% to 30% (**20.38% as of 3/31/2026**)
 - MSF: 0 to 8% (**6.08% as of 3/31/2026**)

Real Estate Asset Class – Role, Allocation and Constraints (cont'd)

- Investment Policy Statement Constraints (CAPP)
 - No more than 2% of CAPP in any single real estate investment
 - No more than 30% of the asset class in international real estate
 - No more than 10% of the asset class in direct co-investments
 - Strategic Constraints
 - Core/Core Plus: 25% - 65%
 - Non-Core: 25% - 50%
 - Real Estate Debt: 10% - 35%
 - Public Real Estate Securities: 0% - 25%
 - Leverage limits
 - Individual fund basis up to 75%
 - Total Real Estate Asset Class up to 60%
 - Leverage policy range per strategy
 - Core: 0% - 50%
 - Core-Plus/Non-Core: 0% - 75%
 - Real Estate Debt: 0% - 75%

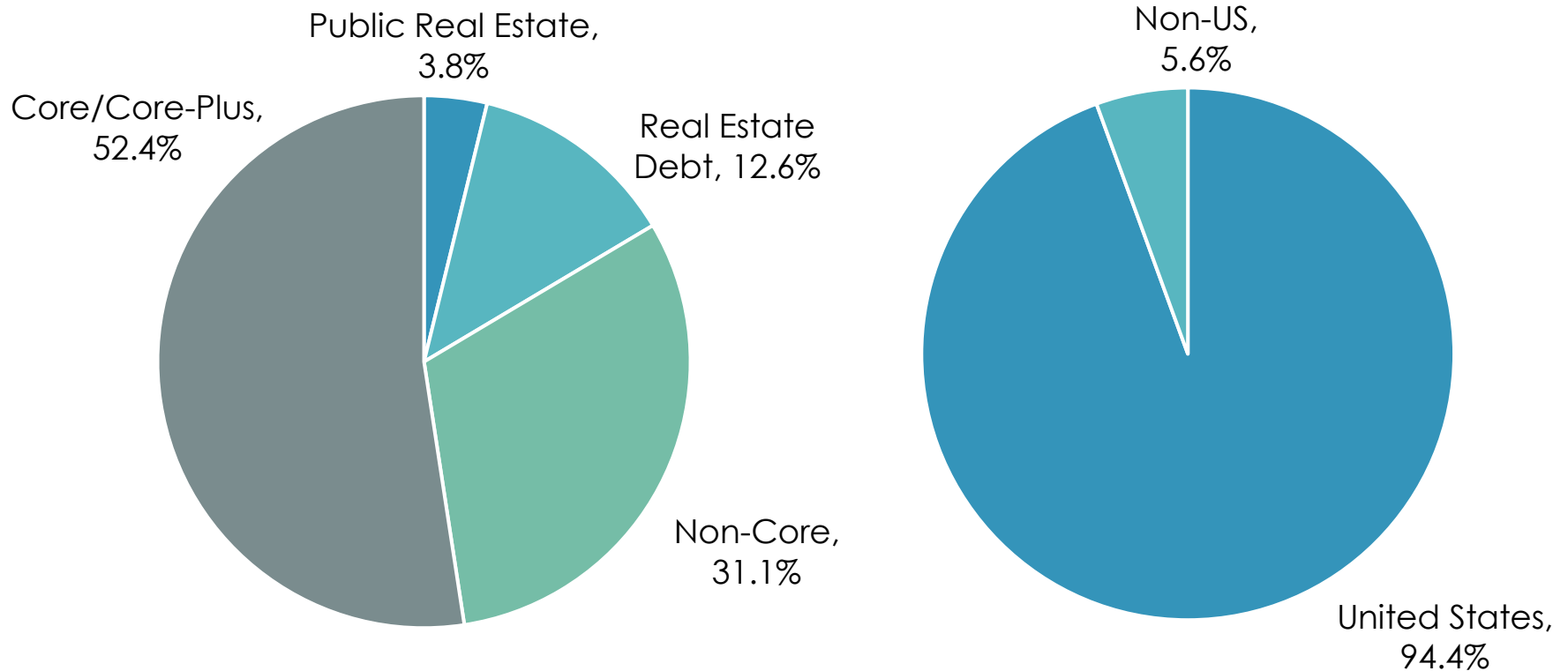
AUM by Asset Class - Pension



* Dollar values are in \$1,000,000

March 31, 2026

Composition by Type & Geography



As of 3/31/26. Based on prior quarter's fair market value adjusted for cash flows during the most recent quarterly period.

Styles of Private Real Estate Investing Equity & Debt

Core	Core-Plus	Non-Core Value-Add	Non-Core Opportunistic
<ul style="list-style-type: none"> ✓ Investors own equity or debt ✓ Highest occupancy ✓ Least leveraged (0 – 35%) ✓ Best locations (Main & Main) ✓ Good tenant credit ✓ Most liquid ✓ Numerous buyers and sellers ✓ Lowest expected return, mostly from rental income 	<ul style="list-style-type: none"> ✓ Investors own equity or debt ✓ High occupancy ✓ Generally higher leverage than Core (35 – 65%) ✓ Good tenant credit ✓ Very liquid ✓ Numerous buyers and sellers ✓ Higher expected return than Core, but mostly from rental income, limited ground-up development 	<ul style="list-style-type: none"> ✓ Investors own equity or debt ✓ Mid-range occupancy ✓ Higher leverage (65 – 75%) ✓ Needs operating improvements ✓ Needs minor renovations ✓ Expected return a combination of appreciation, income and leverage 	<ul style="list-style-type: none"> ✓ Investors own equity or debt ✓ Generally lower occupancy ✓ Higher leverage (70 – 85%) ✓ Needs major operating improvements, i.e., change of use, rezoning, variances ✓ Needs major renovations ✓ Investment return nearly all from appreciation and leverage

Types of Private Real Estate Investment Vehicles

Separately-Managed Accounts (SMAs)

- Lower cost than closed-end commingled funds and similar costs to open-end commingled funds in the long-term
- Offers the highest level of customization
- One-on-one relationship with our partner

Closed-End Commingled Funds

- Cost-effective means to access benefits of scale
- Typically, offers an increased amount of diversification relative to SMAs
- Higher asset turnover than SMAs
- Investing alongside others

Open-End Commingled Funds

- Lower cost than closed-end commingled funds and similar costs to SMAs in the long-term
- Offers an increased amount of diversification relative to SMAs
- Investing alongside others

Types of Real Estate Managers

Private Equity Allocators (ex. DRA Advisors, LLC)

- Create joint venture partnerships with local real estate operators, who:
 - Have local market expertise and networks, source new acquisitions
 - Charged with day-to-day operations of fund properties
 - Local operators typically invest equity alongside the fund manager and receive incentive compensation

Private Equity Operators (ex. Equus Capital Partners)

- Vertically integrated across all real estate investment activities, including acquisitions to dispositions, leasing, property and asset management, construction and development

Private Debt Managers (ex. Walton Street Capital)

- Range from those that strictly originate and extend loans to buyers of commercial real estate to those that do this in addition to buying real estate-backed bonds/loans

Public REIT Managers (ex. CenterSquare Investment Management)

- Manage separate accounts and buy and sell public equity securities in real estate investment trusts

Public Debt Managers (ex. Fidelity Real Estate High Income)

- Manage an Investment Act of 1940 registered mutual fund that buys and sells publicly traded bonds backed by real estate

Real Estate Returns – Sources and Drivers

Sources

Appreciation/Depreciation

- Increases or decreases in the market value of an asset

Income

- Rents received less capital expenditures and operating expenses
- Ancillary income (ex. rooftop cell tower rent, parking income, etc.)

Drivers

- Location
- Physical condition
- Supply/demand
- Credit quality of tenants
- Cap rate compression/expansion
- Employment
- Amenities
- Occupancy
- Square footage of property
- Rent roll – renewing rents at higher or lower rates
- Capital expenditures
- Market comparable sales
- Capital markets liquidity
- Interest rates

Real Estate – Benefits and Risks

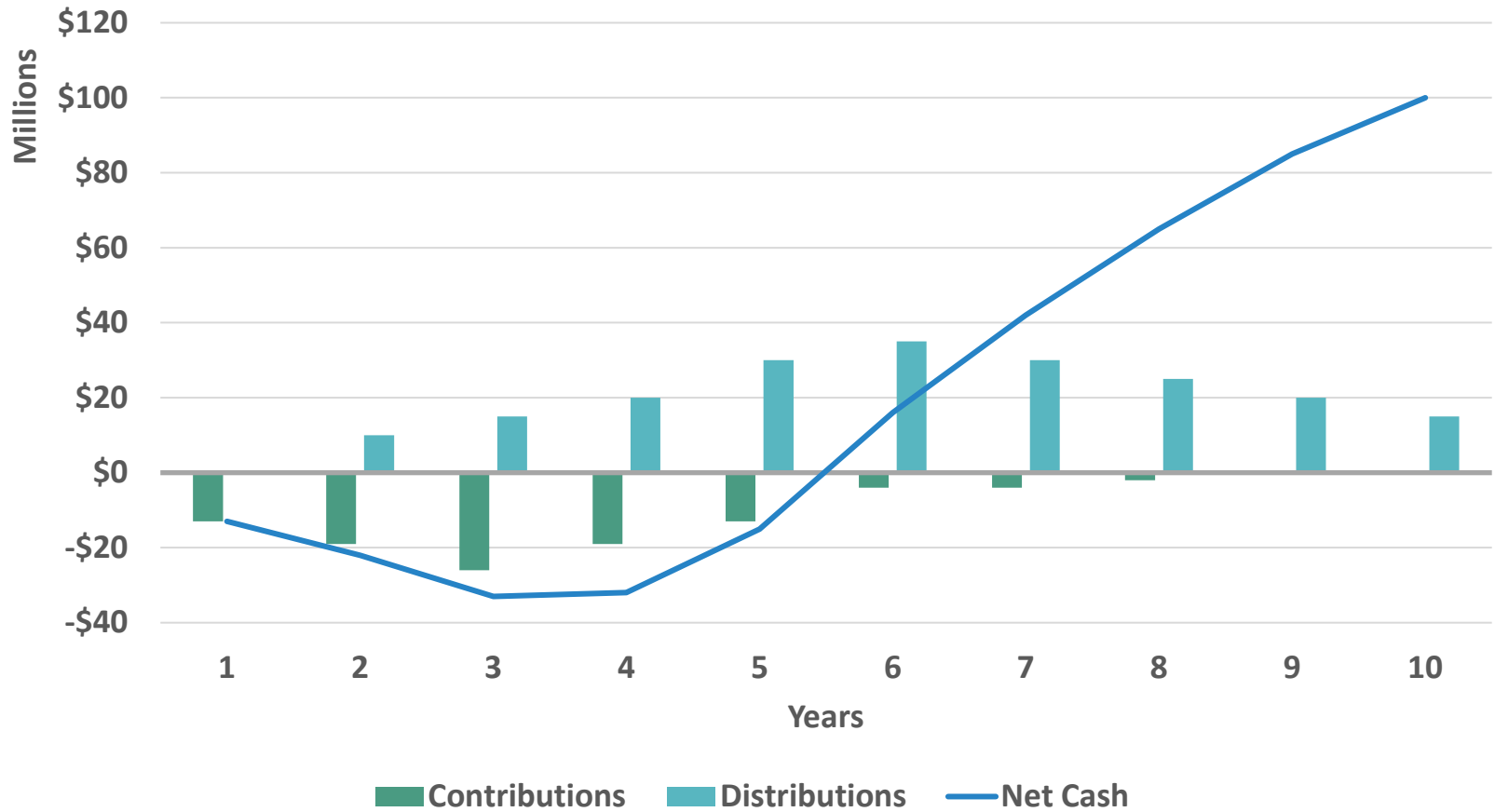
Benefits

- Return enhancement
- Diversification
- Hard asset downside protection
- Inflation hedge
- Contractual income
- Ability to influence performance

Risks

- Business risk
- Financial risk
- Liquidity risk
- Inflation risk
- Operational risk
- Legal risk
- Counterparty risk

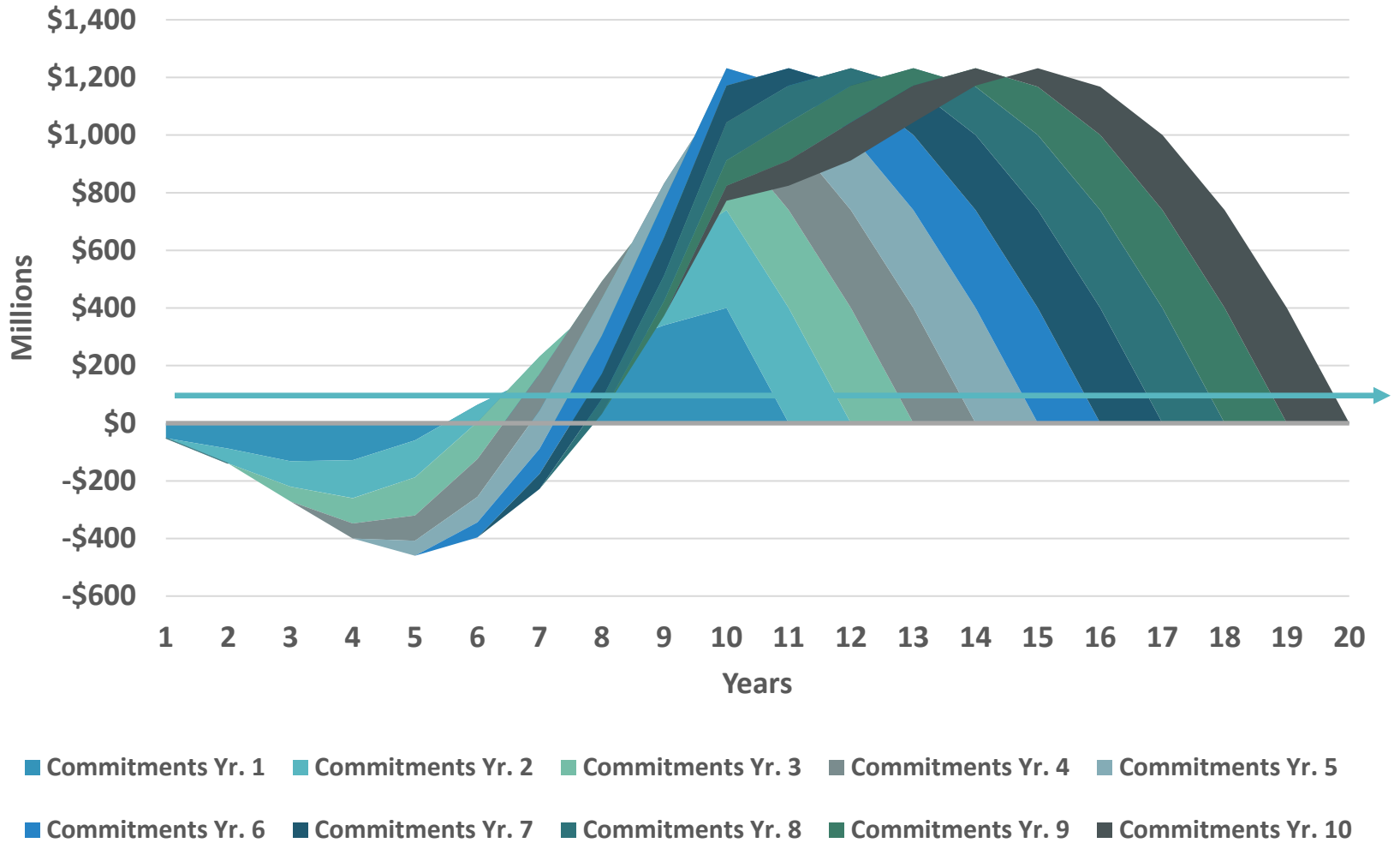
Life Cycle of a Real Estate Private Equity Fund



Annual Pacing Study

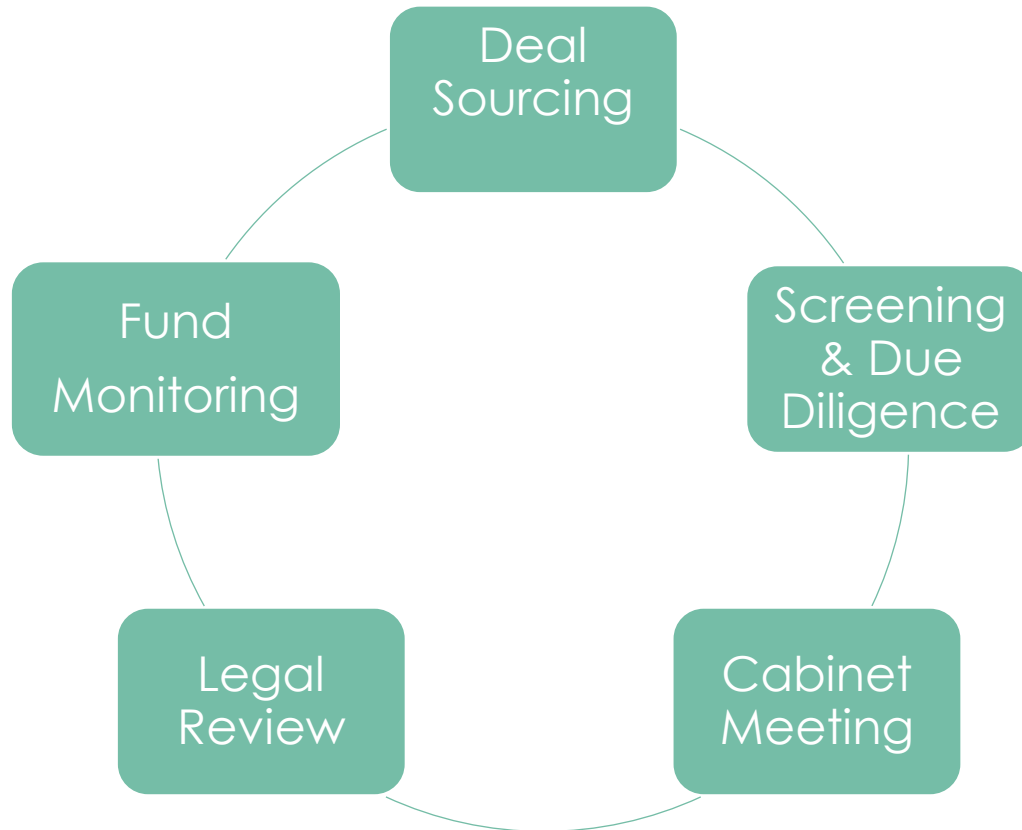
- Evaluates the current private real estate exposure and commitment plan relative to total plan assets
- Considers the following factors:
 - Current portfolio valuation
 - Paid in Capital (Contributed Funds/Cash In)
 - Distributed Capital (Distributed Funds/Cash Out)
 - Allocation within the approved ranges
- Considers annualized growth rate of the total plan assets (CAPP)
- Provides flexibility to explore different scenarios
- How future commitments, capital calls and distributions contribute to maintaining the allocation within approved range through time
- This is an inexact exercise in forecasting. The only controllable input is how much we commit, or don't, in any given year.
- RVK assists with periodic studies and BOI is developing an in-house model
- Expected long-term average annual allocation of ~\$150 million per year

Life Cycle of Real Estate Private Equity Portfolio

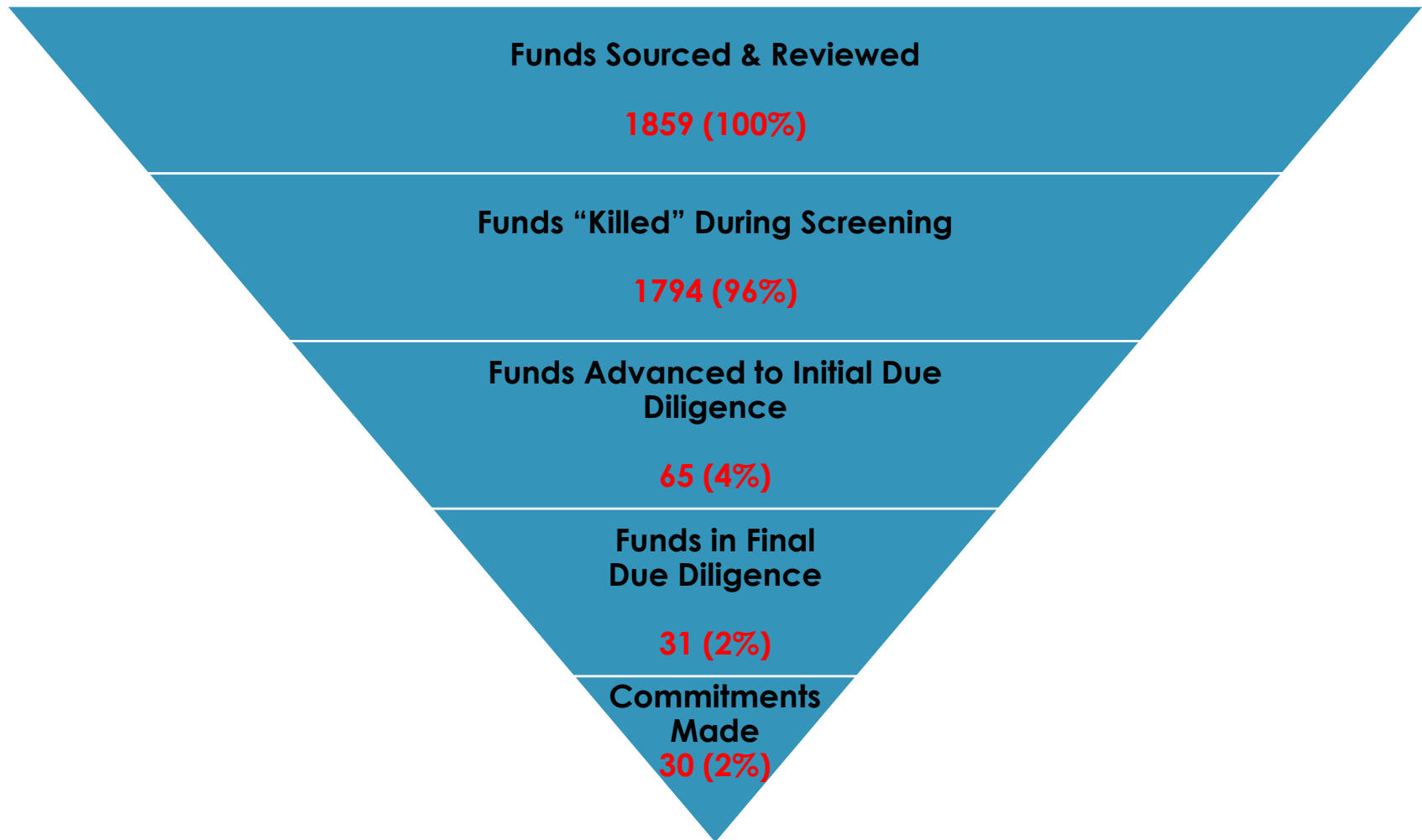


Source: Montana BOI

Investment Process



Real Estate Deal Flow (2021 – March 2026)



Deal Sourcing

- Network of Contacts
 - Limited Partners
 - Plan Sponsors
 - General Partners
 - Placement Agents
 - Consultants
 - Service Providers
- Periodicals
- Green Street, Preqin, PitchBook (external online database providers)

Screening & Due Diligence

Initial Review

- Determine portfolio fit
- Hold initial call with GP
- Submit BOI Part A DDQ for completion by GP and ascertain critical due diligence points/deal killers
- Introductory meeting with GP in Helena
- Decision point to proceed to further diligence

Continuing Diligence

- Submit much more comprehensive BOI Part B DDQ for completion by GP (*modeled after ILPA DDQ/best practices*)
 - Analysis of firm, strategy, investment process, philosophy, risk, compliance
- Review of historical record, net cash flows, performance, other data points
- Interviews and reference calls
- Build out GP/Fund Profiles
- Onsite due diligence at GP offices
- Background checks on select personnel (e.g., C-suite and investment committee members)

Cabinet Meeting

- Meeting with Cabinet – Executive Director, Chief Investment Officer, Investment Directors, Director of Operations
- Final commitment decision
 - Yes/No
 - How much to commit, adherence to IPS, other risk parameters
 - Chief Investment Officer provides final approval for all commitments. The Executive Director can place a hold on any commitment to allow for additional review and due diligence

Legal Review

- Staff conducts initial review of Private Placement Memorandum (PPM) and Limited Partnership Agreement (LPA) and communicates any pre-identified and pre-negotiated terms with GP to external counsel
- External counsel reviews legal documents and presents comments to staff for review
 - Focuses on compliance with ILPA Principles/best practices
 - Collaborative/iterative process with staff
- Comments/changes negotiated with GP
- Upon final negotiation/consensus and settlement on terms, legal counsel submits final copies of closing legal documents, which they approve for legal content, for execution by BOI staff
- Legal counsel will later review any Most Favored Nations provisions BOI is eligible to elect for approval

Investment Monitoring

- Set up fund internally with BOI accounting and externally with third-party administrator, State Street
- Review Quarterly/Annual Reports & Financials
 - Formal review of private real estate investment managers done annually
 - Participate in quarterly calls with managers
- In-person fund update meetings, typically annually
- Attend Annual General Meetings (AGMs)
- Limited Partnership Advisory Committee (LPAC) membership participation as applicable
- Visit private real estate properties and GP offices as travel plans allow

Current Strategy and Rationale

What

- Focus on US, but consider all opportunities
- Preference for pure-play, vertically integrated real estate operators
- Maintain real estate debt exposure
- Reduce open-end core real estate exposure
- Continued focus on existing high conviction GPs
- Separate Accounts
- Continued focus on needs-based real estate supported by long-term, structural tailwinds

Why

- • Well understood, resource constraints, deepest, most liquid, “rules of the game”
- • More nimble and responsive to shifts in the market, closer to the asset, own their data, removes extra layer of fees
- • Diversify away from equity exposure, greater downside protection, current income
- • Generate liquidity to fund other real estate strategies
- • Good portfolio fit, known quantities, partnership orientation, more depth less breadth
- • Long duration holds, income streams
- • Durable cash flows, increasing and consistent end-user demand in good times and bad

RVK

Quarterly Investment Performance Analysis

Montana Board of Investments

March 31, 2026

Montana Board of Investments
Comparative Performance
Retirement Plans

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	20 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Public Employees' Retirement - Net	-0.67	5.41	11.06	9.06	6.84	8.44	8.41	7.03	11.70	8.75	11.46	-8.48	17.61	7.80	07/01/1994
Public Employees' Benchmark	0.14	8.27	15.63	10.80	6.65	8.37	8.44	N/A	14.89	8.94	12.75	-10.81	13.79	N/A	
Difference	-0.81	-2.86	-4.57	-1.74	0.19	0.07	-0.04	N/A	-3.19	-0.19	-1.28	2.33	3.82	N/A	
Public Employees' Retirement - Gross	-0.51	5.88	12.07	9.94	7.64	9.18	9.10	7.63	12.71	9.66	12.21	-7.89	18.32	8.19	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	64	59	55	27	16	25	7	72	42	30	39	30	45	
Teachers' Retirement - Net	-0.67	5.40	11.03	9.05	6.83	8.43	8.40	7.02	11.69	8.76	11.44	-8.52	17.61	7.81	07/01/1994
Teachers' Benchmark	0.13	8.26	15.59	10.79	6.63	8.36	8.43	N/A	14.87	8.95	12.71	-10.86	13.78	N/A	
Difference	-0.80	-2.85	-4.56	-1.74	0.20	0.08	-0.03	N/A	-3.18	-0.19	-1.27	2.34	3.83	N/A	
Teachers' Retirement - Gross	-0.52	5.86	12.04	9.93	7.63	9.17	9.09	7.62	12.69	9.67	12.19	-7.93	18.32	8.20	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	49	64	60	55	27	16	25	7	72	42	30	39	30	44	
Police Retirement - Net	-0.67	5.43	11.08	9.08	6.85	8.45	8.41	7.01	11.73	8.77	11.49	-8.48	17.58	7.69	07/01/1994
Police Benchmark	0.14	8.30	15.65	10.83	6.66	8.38	8.45	N/A	14.92	8.97	12.77	-10.80	13.73	N/A	
Difference	-0.81	-2.86	-4.58	-1.75	0.19	0.07	-0.04	N/A	-3.19	-0.20	-1.29	2.32	3.85	N/A	
Police Retirement - Gross	-0.51	5.90	12.09	9.96	7.65	9.19	9.10	7.61	12.73	9.68	12.24	-7.89	18.28	8.09	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	63	59	55	27	15	25	7	72	41	30	39	30	57	

Net performance shown is net of all manager fees and expenses (Net-All). All Public Plans > \$5B Total Fund Median is reported gross of fees. Benchmark returns reflect unmanaged indices which are not impacted by management fees. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Retirement Plans

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	20 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Firefighters' Retirement - Net	-0.67	5.43	11.07	9.07	6.85	8.45	8.41	7.03	11.72	8.76	11.49	-8.47	17.58	7.69	07/01/1994
Firefighters' Benchmark	0.13	8.29	15.64	10.82	6.66	8.38	8.45	N/A	14.92	8.96	12.77	-10.80	13.73	N/A	
Difference	-0.81	-2.86	-4.57	-1.75	0.19	0.07	-0.04	N/A	-3.19	-0.20	-1.28	2.32	3.86	N/A	
Firefighters' Retirement - Gross	-0.51	5.89	12.08	9.96	7.65	9.19	9.10	7.62	12.73	9.67	12.24	-7.88	18.28	8.08	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	64	59	55	27	15	25	7	72	42	30	39	30	58	
Sheriffs' Retirement - Net	-0.67	5.41	11.05	9.05	6.84	8.44	8.41	7.02	11.70	8.75	11.45	-8.47	17.61	7.71	07/01/1994
Sheriffs' Benchmark	0.14	8.27	15.61	10.77	6.64	8.36	8.44	N/A	14.88	8.94	12.67	-10.81	13.79	N/A	
Difference	-0.81	-2.86	-4.56	-1.73	0.20	0.08	-0.03	N/A	-3.18	-0.19	-1.23	2.34	3.82	N/A	
Sheriffs' Retirement - Gross	-0.51	5.87	12.06	9.93	7.64	9.18	9.10	7.62	12.71	9.66	12.20	-7.87	18.32	8.11	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	64	59	55	27	16	25	7	72	42	30	39	30	55	
Highway Patrol Retirement - Net	-0.67	5.41	11.05	9.04	6.84	8.44	8.41	7.03	11.70	8.75	11.42	-8.46	17.62	7.71	07/01/1994
Highway Patrol Benchmark	0.14	8.27	15.62	10.75	6.63	8.35	8.44	N/A	14.88	8.95	12.59	-10.79	13.80	N/A	
Difference	-0.81	-2.86	-4.57	-1.71	0.21	0.08	-0.03	N/A	-3.19	-0.19	-1.17	2.33	3.83	N/A	
Highway Patrol Retirement - Gross	-0.51	5.87	12.06	9.92	7.64	9.18	9.10	7.63	12.71	9.66	12.17	-7.87	18.33	8.10	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	64	59	55	27	16	25	7	72	42	31	39	30	56	

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Montana Board of Investments
Comparative Performance
Retirement Plans

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	20 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Game Wardens' Retirement - Net	-0.68	5.41	11.05	9.05	6.84	8.43	8.41	7.02	11.70	8.75	11.43	-8.48	17.62	7.72	07/01/1994
Game Wardens' Benchmark	0.13	8.26	15.61	10.76	6.62	8.34	8.43	N/A	14.89	8.95	12.60	-10.82	13.79	N/A	
Difference	-0.81	-2.85	-4.56	-1.71	0.22	0.09	-0.02	N/A	-3.19	-0.19	-1.17	2.35	3.82	N/A	
Game Wardens' Retirement - Gross	-0.52	5.87	12.06	9.93	7.64	9.18	9.09	7.61	12.71	9.67	12.18	-7.88	18.32	8.12	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	49	64	59	55	27	16	25	7	72	42	30	39	30	55	
Judges' Retirement - Net	-0.67	5.42	11.07	9.06	6.84	8.44	8.41	7.03	11.72	8.76	11.46	-8.50	17.63	7.72	07/01/1994
Judges' Benchmark	0.13	8.28	15.64	10.81	6.65	8.37	8.45	N/A	14.92	8.96	12.73	-10.84	13.80	N/A	
Difference	-0.81	-2.86	-4.57	-1.75	0.19	0.07	-0.03	N/A	-3.20	-0.20	-1.28	2.35	3.83	N/A	
Judges' Retirement - Gross	-0.51	5.88	12.08	9.94	7.65	9.19	9.10	7.63	12.73	9.67	12.21	-7.91	18.34	8.11	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	64	59	55	27	15	25	7	72	42	30	39	30	55	
Volunteer Firefighters' Retirement - Net	-0.67	5.43	11.07	9.06	6.84	8.44	8.39	7.03	11.72	8.76	11.44	-8.50	17.61	7.55	07/01/1994
Volunteer Firefighters' Benchmark	0.14	8.29	15.63	10.78	6.64	8.36	8.44	N/A	14.90	8.96	12.66	-10.86	13.85	N/A	
Difference	-0.81	-2.86	-4.56	-1.72	0.20	0.08	-0.05	N/A	-3.18	-0.19	-1.22	2.36	3.76	N/A	
Volunteer Firefighters' Retirement - Gross	-0.51	5.89	12.08	9.94	7.64	9.18	9.08	7.62	12.73	9.68	12.19	-7.91	18.31	7.95	07/01/1994
All Public Plans (>\$5B) Total Fund Median	-0.53	6.19	12.56	10.05	6.98	8.67	8.67	6.95	13.70	9.28	11.34	-9.51	16.82	8.15	
Rank	48	64	59	55	27	16	25	7	72	42	30	39	30	69	

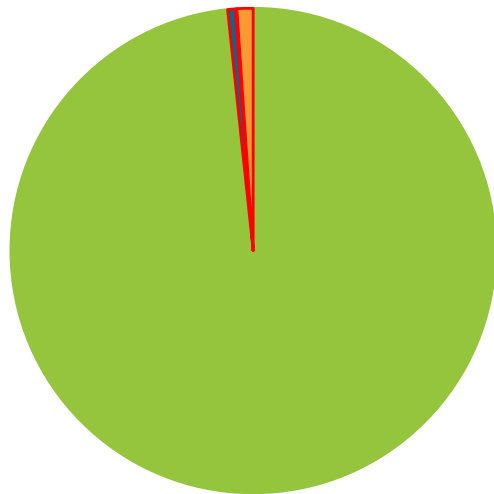
Net performance shown is net of all manager fees and expenses (Net-All). All Public Plans > \$5B Total Fund Median is reported gross of fees. Benchmark returns reflect unmanaged indices which are not impacted by management fees. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
 Asset Allocation by Segment
 Retirement Plans

As of March 31, 2026

	Consolidated Asset Pension Pool (CAPP)		Short Term Investment Pool (STIP)		Total Fund	
	(\$)	%	(\$)	%	(\$)	%
Public Employees' Retirement	7,721,641,404	47.75	85,355,096	48.82	7,806,996,500	47.76
Teachers' Retirement	5,452,723,102	33.72	57,437,050	32.85	5,510,160,151	33.71
Firefighters' Retirement	808,616,737	5.00	8,129,422	4.65	816,746,159	5.00
Police Retirement	700,797,486	4.33	7,354,217	4.21	708,151,703	4.33
Sheriffs' Retirement	632,971,180	3.91	7,023,100	4.02	639,994,280	3.92
Game Wardens' Retirement	398,411,070	2.46	4,601,912	2.63	403,012,983	2.47
Highway Patrol Retirement	244,025,486	1.51	2,784,739	1.59	246,810,225	1.51
Judges' Retirement	150,515,798	0.93	1,548,228	0.89	152,064,026	0.93
Volunteer Firefighters' Retirement	60,185,941	0.37	606,827	0.35	60,792,769	0.37
Retirement Plans Total Fund Composite	16,169,888,205	98.93	174,840,592	1.07	16,344,728,797	100.00

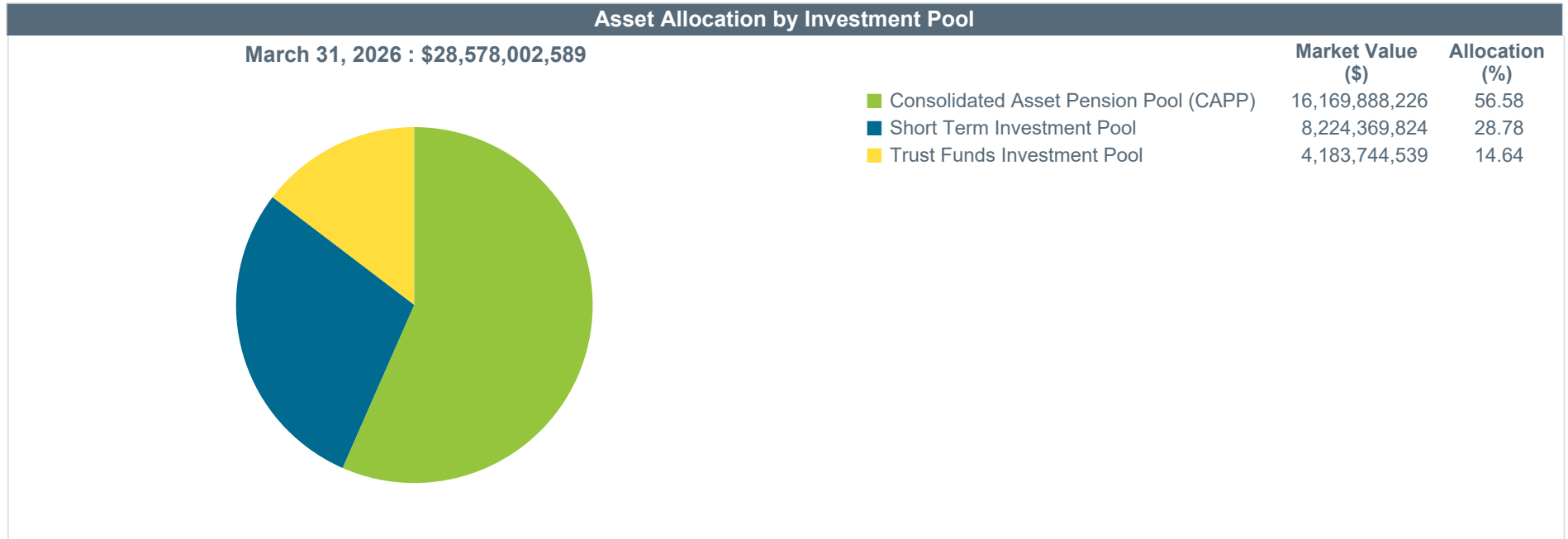
March 31, 2026 : \$16,344,728,797



Segments	Market Value (\$)	Allocation (%)
CAPP Ex Cash	16,069,624,938	98.32
CAPP Cash Pension	83,473,379	0.51
CAPP Asset Class Cash	16,789,887	0.10
Short Term Investment Pool (STIP)	174,840,592	1.07
Total Cash	275,103,858	1.68

Allocations shown may not sum up to 100% exactly due to rounding. Retirement Plan market values may differ from State Street due to uninvested amounts not included in segment totals.

Comparative Performance														
	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Consolidated Asset Pension Pool (CAPP)	-0.69	5.44	11.13	9.10	6.88	8.52	N/A	11.80	8.79	11.53	-8.60	17.83	8.29	04/01/2017
CAPP Custom Benchmark	0.12	8.32	15.75	10.87	6.67	8.44	N/A	15.03	9.00	12.80	-10.99	13.95	8.22	
Difference	-0.82	-2.89	-4.62	-1.76	0.20	0.08	N/A	-3.23	-0.20	-1.28	2.39	3.87	0.07	
Trust Funds Investment Pool	0.46	3.61	5.34	3.15	1.60	2.62	2.67	7.15	0.73	2.59	-6.26	1.49	5.26	10/01/1995
Trust Fund Custom Benchmark	0.57	3.70	5.10	2.52	1.47	2.39	2.28	7.10	-0.36	1.24	-5.04	0.71	4.48	
Difference	-0.11	-0.09	0.25	0.64	0.13	0.23	0.39	0.05	1.09	1.35	-1.22	0.78	0.78	
Short Term Investment Pool	0.97	3.20	4.32	4.93	3.51	2.85	2.41	4.46	5.33	5.13	1.67	0.11	2.56	04/01/1997
Short Term Custom Index	0.92	3.07	4.19	4.95	3.52	2.78	2.36	4.35	5.42	5.28	1.69	0.04	2.49	
Difference	0.04	0.13	0.14	-0.01	-0.01	0.07	0.05	0.11	-0.09	-0.15	-0.02	0.07	0.07	
iMoneynet Money Fund (Gross) Median	0.93	3.14	4.29	4.99	3.60	2.93	2.50	4.49	5.35	5.38	1.83	0.15	2.56	
Difference	0.04	0.05	0.03	-0.06	-0.09	-0.08	-0.09	-0.03	-0.02	-0.25	-0.16	-0.05	-0.01	

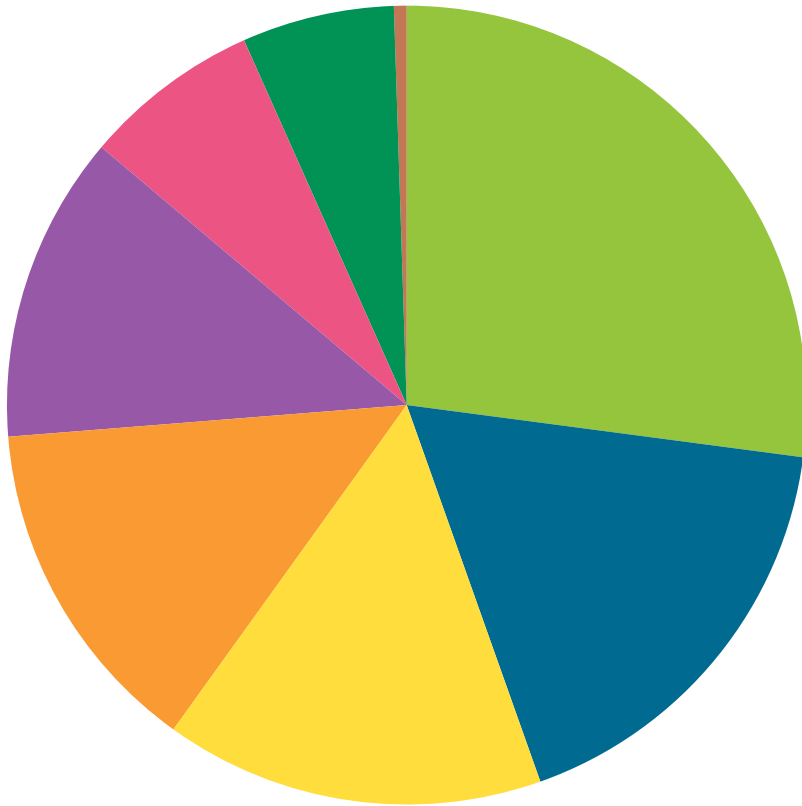


Performance shown is net of all manager fees and expenses (Net-All). Benchmark returns reflect unmanaged indices which are not impacted by management fees. Fiscal year ends on 06/30. See the Addendum for custom index specification. Since inception performance may vary from State Street reported performance due to calculation methodology differences. Allocations shown may not sum up to 100% exactly due to rounding. Market values do not include pending transactions.

Montana Board of Investments
 Asset Allocation
 Consolidated Asset Pension Pool (CAPP)

As of March 31, 2026

March 31, 2026 : \$16,169,888,360



	Market Value (\$)	Allocation (%)
Domestic Equity	4,379,758,441	27.09
Private Investments	2,828,472,770	17.49
International Equity	2,480,848,831	15.34
Core Fixed Income	2,234,133,910	13.82
Real Estate	2,010,854,527	12.44
Non-Core Fixed Income	1,157,432,885	7.16
Real Assets	994,913,616	6.15
Cash Pension	83,473,379	0.52

Allocations shown may not sum up to 100% due to rounding.

Montana Board of Investments
Comparative Performance
Consolidated Asset Pension Pool (CAPP)

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Domestic Equity	-3.32	7.13	18.60	17.56	10.78	13.72	13.34	16.45	22.94	25.70	-18.98	27.17	10.42	05/01/2003
Domestic Equity Custom Index	-3.89	6.56	18.38	17.95	11.04	13.96	13.79	17.25	23.82	26.25	-19.22	26.12	11.06	
Difference	0.57	0.57	0.22	-0.40	-0.27	-0.25	-0.45	-0.80	-0.88	-0.55	0.24	1.04	-0.63	
International Equity	-0.25	10.29	24.20	13.98	6.32	8.46	8.33	29.84	6.45	14.91	-17.62	7.83	5.53	04/01/1997
International Equity Custom Index	-0.68	11.19	25.32	14.38	6.83	8.49	8.33	31.96	5.23	15.62	-16.58	8.53	5.78	
Difference	0.42	-0.90	-1.12	-0.40	-0.51	-0.03	0.01	-2.13	1.22	-0.71	-1.04	-0.70	-0.25	
Core Fixed Income	0.14	3.36	4.59	3.73	0.59	1.70	1.75	7.49	1.19	5.44	-11.92	-1.54	4.99	04/01/1995
Core Fixed Income Custom Index	-0.05	3.10	4.35	3.63	0.31	1.34	1.45	7.30	1.25	5.53	-13.01	-1.54	4.40	
Difference	0.19	0.25	0.24	0.09	0.28	0.36	0.30	0.19	-0.06	-0.09	1.09	0.01	0.59	
Non-Core Fixed Income	-0.73	4.68	9.09	8.69	3.87	4.57	5.11	11.14	7.21	11.10	-11.25	3.21	6.72	06/01/2009
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	7.60	
Difference	-0.24	1.32	2.08	0.09	-0.35	-0.51	-1.01	2.52	-0.99	-2.35	-0.07	-2.05	-0.88	
Real Assets	3.33	5.88	8.05	7.90	11.25	6.18	N/A	6.05	8.18	8.48	15.88	21.24	6.16	04/01/2017
Real Assets Custom Index	15.38	29.24	33.40	15.50	11.32	6.67	8.11	26.49	2.60	4.39	1.36	13.32	6.84	
Difference	-12.05	-23.36	-25.34	-7.60	-0.07	-0.49	N/A	-20.44	5.58	4.09	14.52	7.91	-0.68	
Real Estate	1.17	2.73	3.33	-0.69	4.49	4.25	5.63	2.82	-2.42	-5.76	12.00	20.00	4.11	06/01/2006
Real Estate Custom Index	0.70	2.05	2.92	-4.25	2.51	-0.07	2.16	3.19	-8.04	-12.88	20.96	13.64	3.87	
Difference	0.47	0.68	0.42	3.56	1.98	4.33	3.47	-0.37	5.62	7.13	-8.96	6.36	0.24	
Cash Pension	1.30	3.26	5.04	5.83	4.12	3.28	N/A	4.95	6.28	6.01	2.06	0.13	2.95	05/01/2017
Short Term Custom Index	0.92	3.07	4.19	4.95	3.52	2.78	2.36	4.35	5.42	5.28	1.69	0.04	2.57	
Difference	0.38	0.19	0.85	0.88	0.59	0.50	N/A	0.59	0.86	0.72	0.37	0.08	0.39	
Private Investments*	-0.58	2.13	2.69	4.24	9.58	11.12	11.27	3.35	5.14	6.08	5.94	39.81	11.84	05/01/2002
Private Investments Custom Index	1.88	12.40	20.44	12.73	6.19	10.00	10.59	11.38	11.52	17.46	-13.87	16.55	10.87	
Difference	-2.46	-10.27	-17.76	-8.49	3.40	1.13	0.68	-8.03	-6.38	-11.38	19.81	23.26	0.97	
Cambridge Actual Allocation Index	3.01	9.78	11.81	8.36	9.69	12.83	12.74	9.51	8.63	5.13	-3.01	45.81	12.35	
Difference	-3.60	-7.65	-9.12	-4.11	-0.11	-1.71	-1.47	-6.16	-3.49	0.95	8.95	-5.99	-0.51	

*Performance is based on the prior quarter's fair market value adjusted for cash flows during the most recent quarterly period.

Performance shown is net of all manager fees and expenses (Net-All). Benchmark returns reflect unmanaged indices which are not impacted by management fees. Fiscal year ends on 06/30. Please see Addendum for custom index specification. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Investment Pools

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Domestic Equity	-3.31	7.15	19.05	17.79	10.96	13.93	13.60	16.90	23.14	25.77	-18.95	27.47	10.70	05/01/2003
All Public Plans-US Equity Segment Median	-3.17	6.72	17.62	16.48	9.49	12.51	12.41	15.66	20.73	23.18	-18.06	24.45	N/A	
Rank	55	40	14	9	16	8	13	37	28	21	63	30	N/A	
Population	49	49	49	47	45	38	35	58	66	61	65	70	N/A	
International Equity	-0.24	10.33	24.58	14.22	6.55	8.74	8.63	30.24	6.66	15.06	-17.46	8.18	5.91	04/01/1997
All Public Plans-Intl. Equity Segment Median	-0.57	9.70	23.71	14.05	6.47	8.86	8.96	29.57	5.59	17.01	-16.87	9.33	N/A	
Rank	45	39	41	46	49	69	66	42	35	75	57	73	N/A	
Population	47	46	46	43	42	39	38	53	62	60	65	69	N/A	
Core Fixed Income	0.14	3.37	4.60	3.80	0.66	1.76	1.80	7.50	1.36	5.50	-11.88	-1.48	5.11	04/01/1995
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.05	3.31	4.72	4.09	0.72	2.09	2.25	7.62	1.92	5.99	-12.93	-1.23	5.00	
Rank	24	38	61	74	57	79	82	62	89	85	15	63	29	
Population	121	121	120	119	119	117	112	138	142	148	156	162	49	
Non-Core Fixed Income	-0.64	4.90	10.01	9.25	4.30	5.05	5.62	11.99	7.64	11.43	-11.05	3.64	7.25	06/01/2009
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	7.60	
Rank	82	6	1	11	67	67	77	1	68	76	83	91	74	
Population	112	112	112	110	107	105	100	141	147	165	176	176	74	
Real Estate	1.38	3.40	4.41	0.41	5.64	5.52	7.02	3.90	-1.42	-4.54	13.02	21.37	5.48	06/01/2006
All Public Plans-Real Estate Segment Median	0.91	2.72	4.35	-0.53	5.95	5.58	6.80	4.30	-1.90	-6.02	13.88	20.84	N/A	
Rank	26	28	49	29	63	57	41	57	44	41	56	47	N/A	
Population	36	34	34	32	27	21	16	41	40	40	42	41	N/A	
Trust Funds Investment Pool	0.51	3.75	5.72	3.48	1.87	2.84	2.85	7.53	1.07	2.84	-6.02	1.59	5.35	10/01/1995
All Public Plans-US Fixed Income Segment Median	-0.01	3.12	4.56	4.04	1.08	2.32	2.57	7.18	1.98	5.79	-11.80	-0.11	N/A	
Rank	8	17	16	69	23	33	41	39	71	87	14	12	N/A	
Population	49	49	49	47	45	39	37	59	65	63	70	73	N/A	

Performance shown is gross of fees. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Equity Composites

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Domestic Large Cap Equity - Net	-4.50	5.77	17.81	18.46	11.72	14.64	14.23	17.84	25.16	27.18	-19.30	28.39	10.31	12/01/2006
S&P 500 Index (Cap Wtd)	-4.33	6.18	17.80	18.32	12.06	14.44	14.16	17.88	25.02	26.29	-18.11	28.71	10.38	
Difference	-0.17	-0.42	0.01	0.15	-0.34	0.20	0.07	-0.04	0.14	0.89	-1.19	-0.32	-0.08	
Domestic Large Cap Equity - Gross	-4.50	5.77	17.83	18.48	11.76	14.72	14.34	17.85	25.17	27.19	-19.29	28.61	10.48	12/01/2006
IM U.S. Large Cap Equity (SA+CF) Median	-4.20	6.00	16.67	17.54	10.90	13.73	13.72	16.74	23.02	25.20	-17.09	27.31	10.41	
Rank	57	54	36	34	35	28	32	36	35	35	67	37	45	
Domestic Mid Cap Equity - Net	2.56	10.04	17.32	12.16	7.02	10.41	10.58	7.81	13.83	16.39	-13.07	25.15	9.02	01/01/2005
Russell Mid Cap Index	1.29	6.86	15.98	13.33	7.26	10.52	10.91	10.60	15.34	17.23	-17.32	22.58	9.59	
Difference	1.27	3.18	1.35	-1.17	-0.24	-0.11	-0.33	-2.79	-1.51	-0.84	4.24	2.57	-0.57	
Domestic Mid Cap Equity - Gross	2.56	10.04	17.32	12.16	7.02	10.40	10.75	7.81	13.83	16.39	-13.07	25.15	9.37	01/01/2005
IM U.S. Mid Cap Equity (SA+CF) Median	-0.15	5.17	13.53	11.78	6.92	10.26	11.12	7.61	13.90	18.50	-13.97	24.75	9.97	
Rank	23	26	38	40	46	45	59	50	51	67	43	45	77	
Domestic Small Cap Equity - Net	2.75	15.12	24.10	13.27	6.87	10.19	10.95	11.18	11.69	18.15	-16.81	27.56	11.25	03/01/2003
Russell 2000 Index	0.89	15.88	25.72	13.05	3.77	8.60	9.88	12.81	11.54	16.93	-20.44	14.82	10.21	
Difference	1.87	-0.75	-1.63	0.22	3.10	1.59	1.07	-1.63	0.15	1.22	3.62	12.74	1.04	
Domestic Small Cap Equity - Gross	2.76	15.15	24.13	13.30	6.95	10.36	11.26	11.21	11.72	18.18	-16.79	28.00	11.69	03/01/2003
IM U.S. Small Cap Equity (SA+CF) Median	1.09	12.30	20.68	12.31	5.64	10.11	10.75	9.51	12.53	17.62	-16.60	23.76	11.67	
Rank	38	36	38	37	33	44	42	43	58	46	51	33	50	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. A peer group of similar managers may not exist for all composites. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Equity Composites

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
International Large Cap Passive - Net	-0.05	12.03	25.63	14.74	7.18	8.66	8.58	32.69	5.33	15.68	-15.86	7.76	7.37	06/01/2009
MSCI ACW Ex US Index (USD) (Net)	-0.71	11.50	24.91	14.49	7.02	8.50	8.38	32.39	5.53	15.62	-16.00	7.82	7.16	
Difference	0.66	0.53	0.72	0.25	0.17	0.16	0.20	0.30	-0.21	0.07	0.14	-0.06	0.21	
International Large Cap Passive - Gross	-0.04	12.06	25.68	14.78	7.22	8.71	8.64	32.73	5.36	15.71	-15.82	7.82	7.44	06/01/2009
International Equity Active - Net	-0.39	8.95	22.70	13.31	5.52	8.44	8.28	27.80	7.45	13.90	-19.26	7.77	4.63	04/01/1997
MSCI ACW Ex US Index (USD) (Net)	-0.71	11.50	24.91	14.49	7.02	8.50	8.38	32.39	5.53	15.62	-16.00	7.82	N/A	
Difference	0.31	-2.55	-2.22	-1.19	-1.50	-0.06	-0.10	-4.59	1.92	-1.72	-3.26	-0.05	N/A	
International Equity Active - Gross	-0.27	9.35	23.30	13.86	6.05	9.00	8.83	28.42	7.99	14.48	-18.82	8.30	5.15	04/01/1997
IM International Large Cap Core Equity (SA+CF) Median	-0.37	9.68	23.46	15.13	8.21	10.00	9.33	32.43	6.20	18.09	-15.89	12.02	7.53	
Rank	48	53	53	66	79	69	69	67	30	89	75	79	100	
International Value - Net	1.13	12.33	26.25	17.22	9.17	9.97	9.72	32.30	11.15	14.97	-13.14	9.32	4.78	11/01/2006
MSCI ACW Ex US Val Index (USD) (Net)	2.08	18.77	31.15	18.98	10.81	9.57	9.01	39.50	6.04	17.30	-8.59	10.46	4.61	
Difference	-0.95	-6.44	-4.90	-1.76	-1.64	0.40	0.70	-7.20	5.11	-2.34	-4.55	-1.14	0.17	
International Value - Gross	1.24	12.69	26.79	17.74	9.67	10.48	10.25	32.87	11.64	15.49	-12.73	9.85	5.34	11/01/2006
IM International Large Cap Value Equity (SA+CF) Median	0.52	13.15	25.44	17.28	10.43	10.61	9.71	36.78	5.27	19.29	-8.68	12.25	6.16	
Rank	42	54	43	39	59	52	39	69	5	82	73	68	82	
International Growth - Net	-5.42	-0.45	9.81	4.95	-0.35	5.14	5.61	17.16	0.73	13.80	-23.99	3.79	3.64	11/01/2006
MSCI ACW Ex US Grth Index (USD) (Net)	-3.62	4.49	18.77	10.14	3.26	7.19	7.56	25.65	5.07	14.03	-23.05	5.09	4.95	
Difference	-1.80	-4.95	-8.97	-5.20	-3.62	-2.05	-1.95	-8.50	-4.34	-0.23	-0.94	-1.31	-1.31	
International Growth - Gross	-5.30	-0.07	10.36	5.47	0.16	5.69	6.17	17.74	1.24	14.39	-23.58	4.33	4.18	11/01/2006
IM International Large Cap Growth Equity (SA+CF) Median	-3.86	-0.92	11.81	8.36	3.17	8.19	8.70	19.29	4.71	17.13	-22.05	10.78	6.02	
Rank	64	49	59	80	80	87	92	59	79	83	53	84	100	
International Small Cap - Net	0.75	11.62	30.63	16.71	6.77	9.22	8.66	32.99	8.93	14.01	-21.69	11.57	5.99	09/01/2006
MSCI ACWI Ex US Sm Cap Index IMI (USD) (Net)	-0.48	9.31	27.82	13.67	5.66	8.43	8.01	29.26	3.36	15.66	-19.97	12.93	6.10	
Difference	1.23	2.30	2.81	3.04	1.11	0.79	0.65	3.73	5.57	-1.65	-1.71	-1.36	-0.10	

Gross of fees performance is not available (N/A) for the International Small Cap composite which currently consists of Acadian Ex US Small Cap (SA) and BlackRock ACW Ex US Sm Cap Index (CF).

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. A peer group of similar managers may not exist for all composites. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Domestic Equity Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Domestic Large Cap Equity														
BlackRock MSCI US Equity Index (SA) - Net	-4.52	5.73	17.73	18.37	11.61	14.38	N/A	17.73	25.04	27.11	-19.46	26.95	14.38	04/01/2019
MSCI US Index (USD) (Gross)	-4.52	5.73	17.74	18.38	11.62	14.40	14.16	17.75	25.08	27.10	-19.46	26.97	14.40	
Difference	0.00	-0.01	-0.02	-0.01	-0.01	-0.02	N/A	-0.02	-0.04	0.01	0.00	-0.02	-0.02	
BlackRock MSCI US Equity Index (SA) - Gross	-4.52	5.73	17.74	18.38	11.62	14.39	N/A	17.75	25.05	27.12	-19.45	26.96	14.39	04/01/2019
IM U.S. Large Cap Core Equity (SA+CF) Median	-4.20	6.00	15.92	17.59	11.27	14.06	13.76	16.50	23.95	24.64	-16.38	27.68	14.06	
Rank	56	54	40	38	43	43	N/A	36	40	29	79	55	43	
Northern Trust MSCI US Index (SA) - Net	-4.52	5.73	17.73	18.38	11.61	14.39	N/A	17.74	25.05	27.12	-19.46	26.97	14.38	11/01/2018
MSCI US Index (USD) (Gross)	-4.52	5.73	17.74	18.38	11.62	14.40	14.16	17.75	25.08	27.10	-19.46	26.97	14.38	
Difference	0.00	0.00	-0.01	-0.01	-0.01	0.00	N/A	-0.01	-0.03	0.02	0.00	0.00	0.00	
Northern Trust MSCI US Index (SA) - Gross	-4.52	5.74	17.75	18.39	11.63	14.40	N/A	17.75	25.06	27.13	-19.45	26.98	14.39	11/01/2018
IM U.S. Large Cap Core Equity (SA+CF) Median	-4.20	6.00	15.92	17.59	11.27	14.06	13.76	16.50	23.95	24.64	-16.38	27.68	14.04	
Rank	56	54	40	38	43	43	N/A	36	40	29	79	55	38	
iShares:Core S&P Tot USM (ITOT) - Net	-3.99	6.36	18.07	17.79	N/A	N/A	N/A	17.00	23.71	26.41	-19.46	N/A	9.27	12/01/2021
S&P Tot Mkt Index	-3.99	6.35	18.14	17.84	10.76	13.73	13.65	17.05	23.88	26.06	-19.53	25.66	9.23	
Difference	0.00	0.01	-0.07	-0.05	N/A	N/A	N/A	-0.06	-0.17	0.35	0.07	N/A	0.04	
iShares:Core S&P 500 (IVV) - Net	-4.37	6.18	17.70	18.10	N/A	N/A	N/A	17.84	24.88	25.74	-17.03	N/A	10.40	12/01/2021
S&P 500 Index (Cap Wtd)	-4.33	6.18	17.80	18.32	12.06	14.44	14.16	17.88	25.02	26.29	-18.11	28.71	10.20	
Difference	-0.04	0.00	-0.11	-0.22	N/A	N/A	N/A	-0.04	-0.14	-0.55	1.08	N/A	0.20	
Domestic Mid Cap Equity														
iShares:Core S&P Md-Cp (IJH) - Net	2.56	10.04	17.32	12.16	7.02	10.35	N/A	7.81	13.83	16.39	-13.07	25.15	9.19	07/01/2017
S&P Mid Cap 400 Index (Cap Wtd)	2.50	9.97	17.35	12.09	6.92	10.30	10.58	7.50	13.93	16.44	-13.06	24.76	9.53	
Difference	0.06	0.07	-0.02	0.08	0.10	0.05	N/A	0.31	-0.09	-0.05	-0.01	0.39	-0.34	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. A peer group of similar managers may not exist for all funds. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Domestic Equity Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Domestic Small Cap Equity														
BlackRock MSCI USA Small Cap Index (SA) - Net	2.63	15.16	24.70	13.64	N/A	N/A	N/A	12.08	11.98	18.40	N/A	N/A	11.80	09/01/2022
MSCI US Sm Cap Index (USD) (Net)	2.53	14.81	24.20	13.19	5.56	9.71	10.62	11.63	11.57	17.86	-17.55	19.11	11.33	
Difference	0.10	0.35	0.50	0.45	N/A	N/A	N/A	0.45	0.41	0.54	N/A	N/A	0.47	
BlackRock MSCI USA Small Cap Index (SA) - Gross	2.64	15.19	24.74	13.68	6.05	10.23	11.16	12.11	12.01	18.43	-17.09	19.62	11.83	09/01/2022
IM U.S. Small Cap Core Equity (SA+CF) Median	1.24	11.86	19.51	11.98	5.66	10.14	10.71	9.49	12.30	17.35	-16.11	24.24	10.76	
Rank	30	27	35	34	43	48	39	37	55	39	60	75	39	
iShares:Core S&P Sm-Cp (IJR) - Net	3.60	14.88	20.40	10.35	N/A	N/A	N/A	5.80	8.50	15.85	N/A	N/A	8.88	11/01/2022
S&P Sm Cap 600 Index (Cap Wtd)	3.51	14.87	20.50	10.51	4.49	8.79	9.90	6.02	8.70	16.05	-16.10	26.82	9.07	
Difference	0.09	0.02	-0.10	-0.16	N/A	N/A	N/A	-0.22	-0.19	-0.20	N/A	N/A	-0.18	

Gross of fees performance is not available (N/A) for the following funds: iShares:Core S&P Tot USM (ITOT), iShares:Core S&P 500 (IVV), iShares:Core S&P Md-Cp (IJH), and iShares:Core S&P Sm-Cp (IJR).

The current annual expense ratios for the iShares:Core S&P Tot USM (ITOT), iShares:Core S&P 500 (IVV), iShares:Core S&P Md-Cp (IJH), and iShares:Core S&P Sm-Cp (IJR) are 0.03%, 0.03%, 0.05%, and 0.06%, respectively.

See the Addendum for custom index specification.

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. A peer group of similar managers may not exist for all funds. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
International Equity Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
International Developed Large Cap Equity														
Acadian Asset Non-US Equity (SA) - Net	2.45	14.42	28.49	20.67	11.03	11.64	12.04	32.60	17.22	13.66	-13.02	16.67	6.10	11/01/2006
MSCI ACW Ex US Val Index (USD) (Net)	2.08	18.77	31.15	18.98	10.81	9.57	9.01	39.50	6.04	17.30	-8.59	10.46	4.61	
Difference	0.37	-4.35	-2.66	1.69	0.22	2.08	3.03	-6.90	11.18	-3.64	-4.43	6.22	1.49	
Acadian Asset Non-US Equity (SA) - Gross	2.56	14.79	29.05	21.21	11.53	12.17	12.59	33.18	17.74	14.18	-12.61	17.23	6.66	11/01/2006
IM ACWI Ex US Value (SA+CF)	0.91	13.19	26.63	17.66	10.33	11.33	10.20	36.97	7.20	20.15	-11.11	11.05	6.48	
Rank	38	36	20	6	20	26	8	69	4	89	63	10	45	
Lazard Asset Management (SA) - Net	-0.47	9.81	23.70	13.13	7.08	8.23	7.53	32.16	3.70	16.54	-13.28	4.11	6.11	06/01/2015
Lazard Custom Index	-0.71	11.50	24.91	14.49	7.02	8.50	8.27	32.39	5.53	15.62	-16.00	7.82	5.97	
Difference	0.23	-1.69	-1.21	-1.37	0.07	-0.27	-0.74	-0.22	-1.83	0.92	2.73	-3.72	0.14	
Lazard Asset Management (SA) - Gross	-0.37	10.16	24.23	13.61	7.57	8.74	8.05	32.72	4.16	17.06	-12.84	4.62	6.63	06/01/2015
IM ACWI Ex US Value (SA+CF)	0.91	13.19	26.63	17.66	10.33	11.33	10.20	36.97	7.20	20.15	-11.11	11.05	8.30	
Rank	71	70	66	91	83	88	87	71	72	64	63	94	84	
BlackRock ACW Ex US SuperFund A (CF) - Net	-0.42	11.78	25.35	14.72	7.24	8.72	8.61	32.81	5.49	15.74	-15.77	8.00	7.38	06/01/2009
MSCI ACW Ex US Index (USD) (Net)	-0.71	11.50	24.91	14.49	7.02	8.50	8.38	32.39	5.53	15.62	-16.00	7.82	7.16	
Difference	0.29	0.28	0.43	0.23	0.22	0.22	0.23	0.42	-0.05	0.12	0.23	0.17	0.21	
BlackRock ACW Ex US SuperFund A (CF) - Gross	-0.40	11.82	25.40	14.76	7.29	8.78	8.67	32.86	5.53	15.77	-15.72	8.07	7.45	06/01/2009
IM All ACWI Ex US (SA+CF)	-1.35	9.26	22.94	15.12	7.40	9.40	9.09	31.79	6.18	17.19	-17.00	9.59	8.76	
Rank	42	37	40	54	53	61	64	45	56	68	44	64	85	
iShares:Core MSCI EAFE (IEFA) - Net	1.20	10.53	24.22	14.51	N/A	N/A	N/A	32.13	3.30	18.26	N/A	N/A	19.10	11/01/2022
MSCI EAFE IM Index (USD) (Net)	-1.24	8.38	21.87	13.49	7.40	8.64	8.24	31.33	3.55	17.51	-15.53	11.08	17.93	
Difference	2.44	2.16	2.36	1.01	N/A	N/A	N/A	0.80	-0.25	0.76	N/A	N/A	1.17	
Invesco International Growth (SA) - Net	-5.42	-0.60	9.43	5.31	1.56	5.39	5.57	16.33	-0.26	16.78	-17.80	5.60	4.48	06/01/2015
MSCI ACW Ex US Grth Index (USD) (Net)	-3.62	4.49	18.77	10.14	3.26	7.19	7.56	25.65	5.07	14.03	-23.05	5.09	6.02	
Difference	-1.80	-5.10	-9.34	-4.83	-1.70	-1.80	-1.99	-9.32	-5.33	2.75	5.26	0.50	-1.54	
Invesco International Growth (SA) - Gross	-5.30	-0.22	9.99	5.86	2.11	5.97	6.17	16.92	0.26	17.41	-17.32	6.20	5.09	06/01/2015
IM ACWI Ex US Growth (SA+CF)	-3.55	1.70	13.57	8.77	3.17	8.08	8.85	21.88	5.33	16.84	-23.43	9.20	7.23	
Rank	73	63	68	79	71	88	93	84	96	41	22	78	93	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. A peer group of similar managers may not exist for all funds. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences. See the Addendum for custom index specification.

Montana Board of Investments
Comparative Performance
International Equity Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
International Developed Small Cap Equity														
BlackRock ACW Ex US Sm Cap Index (CF) - Net	-0.14	9.82	28.44	13.82	5.80	8.58	8.21	29.88	3.12	15.26	-19.65	12.84	7.72	02/01/2012
MSCI ACWI Ex US Sm Cap Index (USD) (Net)	-0.48	9.31	27.82	13.67	5.66	8.43	8.01	29.26	3.36	15.66	-19.97	12.93	7.52	
Difference	0.34	0.50	0.62	0.15	0.14	0.14	0.21	0.62	-0.24	-0.40	0.32	-0.08	0.20	
BlackRock ACW Ex US Sm Cap Index (CF) - Gross	-0.12	9.87	28.52	13.89	5.88	8.67	8.33	29.96	3.18	15.32	-19.57	12.98	7.85	02/01/2012
IM International Small Cap Equity (SA+CF) Median	-0.90	7.89	27.13	14.44	7.75	10.27	9.31	31.71	4.08	15.07	-21.49	13.63	10.20	
Rank	41	39	42	52	54	62	67	60	58	48	41	55	86	
Acadian Ex US Small Cap (SA) - Net	0.99	12.14	31.39	17.93	N/A	N/A	N/A	34.34	11.99	12.23	N/A	N/A	10.45	03/01/2022
MSCI ACW Ex US Sm Cap Index (USD) (Net)	-0.48	9.31	27.82	13.67	5.66	8.43	8.01	29.26	3.36	15.66	-19.97	12.93	7.23	
Difference	1.47	2.83	3.57	4.26	N/A	N/A	N/A	5.08	8.64	-3.43	N/A	N/A	3.22	
Acadian Ex US Small Cap (SA) - Gross	1.14	12.65	32.18	18.66	N/A	N/A	N/A	35.15	12.69	12.94	N/A	N/A	11.14	03/01/2022
IM International Small Cap Equity (SA+CF) Median	-0.90	7.89	27.13	14.44	7.75	10.27	9.31	31.71	4.08	15.07	-21.49	13.63	9.88	
Rank	27	28	30	30	N/A	N/A	N/A	35	14	74	N/A	N/A	37	
International Emerging Equity														
iShares:Core MSCI EmMkts (IEMG) - Net	3.76	18.19	33.05	16.07	N/A	N/A	N/A	32.53	6.52	11.68	-21.88	N/A	5.94	01/01/2022
MSCI Emg Mkts IM Index (USD) (Net)	-0.24	14.35	28.88	14.67	4.03	6.86	7.82	31.38	7.09	11.67	-19.83	-0.28	5.52	
Difference	4.00	3.85	4.18	1.39	N/A	N/A	N/A	1.15	-0.57	0.01	-2.04	N/A	0.42	

Gross of fees performance is not available (N/A) for the following funds: iShares:Core MSCI EAFE (IEFA), International Equity Pool STIF, and iShares:Core MSCI EmMkts (IEMG). The current annual expense ratios for the iShares:Core MSCI EAFE (IEFA), and iShares:Core MSCI EmMkts (IEMG): are 0.07%, and 0.09%, respectively.

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. A peer group of similar managers may not exist for all funds. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences. See the Addendum for custom index specification.

Montana Board of Investments
 Comparative Performance
 Core Fixed Income Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
US Fixed Income Aggregate - Net	0.14	3.37	4.60	3.73	0.61	N/A	N/A	7.51	1.21	5.40	-11.87	-1.52	1.11	12/01/2019
Bloomberg US Agg Bond Index	-0.05	3.10	4.35	3.63	0.31	1.56	1.70	7.30	1.25	5.53	-13.01	-1.55	0.84	
Difference	0.19	0.27	0.26	0.10	0.29	N/A	N/A	0.21	-0.04	-0.13	1.14	0.02	0.27	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Non-Core Fixed Income Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Neuberger Berman High Yield (SA) - Net	-0.54	3.47	7.49	8.32	3.90	4.71	5.40	9.03	8.11	11.90	-11.34	4.76	6.03	01/01/2010
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	6.42	
Difference	-0.04	0.11	0.48	-0.28	-0.32	-0.37	-0.71	0.41	-0.09	-1.55	-0.16	-0.50	-0.39	
Neuberger Berman High Yield (SA) - Gross	-0.49	3.62	7.70	8.54	4.10	4.98	5.73	9.25	8.33	12.12	-11.16	4.96	6.42	01/01/2010
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	6.57	
Rank	65	44	27	46	83	71	72	27	44	65	84	61	55	
Oaktree US High Yield (SA) (CAPP) - Net	-0.51	3.60	7.03	8.28	4.25	5.09	N/A	8.16	7.91	12.68	-9.92	4.91	4.70	01/01/2018
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	4.92	
Difference	-0.02	0.23	0.02	-0.33	0.02	0.00	N/A	-0.46	-0.29	-0.76	1.26	-0.35	-0.22	
Oaktree US High Yield (SA) (CAPP) - Gross	-0.42	3.87	7.41	8.67	4.63	5.51	N/A	8.54	8.31	13.10	-9.60	5.34	5.14	01/01/2018
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	4.95	
Rank	58	30	39	38	39	31	N/A	52	44	40	54	51	37	
Shenkman High Yield Fixed Income (SA) (CAPP) - Net	-0.22	3.72	7.08	7.85	4.21	4.94	N/A	8.28	7.26	12.06	-8.87	4.24	4.61	12/01/2017
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	4.91	
Difference	0.28	0.36	0.07	-0.75	-0.01	-0.14	N/A	-0.35	-0.94	-1.38	2.31	-1.02	-0.30	
Shenkman High Yield Fixed Income (SA) (CAPP) - Gross	-0.12	4.02	7.50	8.27	4.62	5.38	N/A	8.70	7.67	12.50	-8.52	4.68	5.05	12/01/2017
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	4.93	
Rank	31	26	36	59	40	40	N/A	47	67	56	38	71	42	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences. No peer group is shown for Cohen & Steers Preferred Securities (SA) due to the lack of suitable Preferred Securities peer groups.

Montana Board of Investments
Comparative Performance
Non-Core Fixed Income Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Cohen & Steers Preferred Securities (SA) - Net	-0.89	3.82	6.28	9.27	3.20	N/A	N/A	8.48	10.35	7.28	-11.53	3.70	3.77	11/01/2020
Cohen & Steers Preferred Securities Custom Benchmark	-0.86	3.80	5.99	8.40	2.88	N/A	N/A	8.15	8.99	8.57	-12.02	2.72	3.32	
Difference	-0.04	0.01	0.29	0.88	0.32	N/A	N/A	0.33	1.36	-1.29	0.49	0.98	0.45	
Payden & Rygel EMD (SA) - Net	-2.23	5.78	11.54	8.92	2.72	N/A	N/A	17.43	3.49	11.73	-15.45	-3.49	1.53	01/01/2021
Payden & Rygel EMD Custom Benchmark	-1.55	5.94	10.83	8.69	2.37	N/A	N/A	15.80	3.81	11.59	-15.97	-3.92	1.23	
Difference	-0.68	-0.16	0.72	0.23	0.34	N/A	N/A	1.63	-0.32	0.13	0.52	0.43	0.31	
Payden & Rygel EMD (SA) - Gross	-2.14	6.06	11.93	9.30	3.08	N/A	N/A	17.84	3.85	12.12	-15.15	-3.14	1.89	01/01/2021
IM Emerging Markets Debt (SA+CF) Median	-0.94	5.90	11.92	9.34	3.70	4.08	4.62	15.98	6.98	12.61	-11.93	-2.11	2.61	
Rank	86	48	50	51	73	N/A	N/A	34	65	59	70	59	79	
Zazove Convertible Bonds (SA) - Net	0.71	7.53	15.54	8.60	N/A	N/A	N/A	14.31	5.82	N/A	N/A	N/A	8.60	04/01/2023
Bloomberg US Convert's Liquid Bond Index	3.02	12.53	21.94	13.29	4.32	11.33	11.63	16.95	10.13	14.64	-20.06	3.07	13.29	
Difference	-2.31	-5.00	-6.40	-4.69	N/A	N/A	N/A	-2.64	-4.30	N/A	N/A	N/A	-4.69	
Zazove Convertible Bonds (SA) - Gross	0.82	7.89	16.07	9.12	N/A	N/A	N/A	14.83	6.32	N/A	N/A	N/A	9.12	04/01/2023
IM U.S. Convertible Bonds (SA+CF) Median	1.76	8.10	16.10	10.80	4.72	7.83	8.96	12.82	9.40	8.17	-11.78	6.16	10.80	
Rank	67	51	51	57	N/A	N/A	N/A	36	75	N/A	N/A	N/A	57	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences. No peer group is shown for Cohen & Steers Preferred Securities (SA) due to the lack of suitable Preferred Securities peer groups.

Montana Board of Investments
Comparative Performance
TFIP Fixed Income Managers

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Trust Funds Investment Pool Fixed Income	0.16	3.66	5.21	4.70	1.52	2.70	2.62	8.09	2.27	7.03	-11.24	-0.47	5.17	10/01/1995
Bloomberg US Agg Bond Index	-0.05	3.10	4.35	3.63	0.31	1.56	1.70	7.30	1.25	5.53	-13.01	-1.55	4.29	
Difference	0.20	0.55	0.86	1.06	1.20	1.14	0.92	0.79	1.02	1.50	1.77	1.08	0.89	
Trust Funds Investment Pool Fixed Income	0.16	3.66	5.21	4.70	1.52	2.70	2.62	8.09	2.27	7.03	-11.24	-0.47	5.17	10/01/1995
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.05	3.31	4.72	4.09	0.72	2.09	2.25	7.62	1.92	5.99	-12.93	-1.23	4.81	
Rank	22	13	13	14	9	10	16	17	38	12	9	21	6	
Shenkman High Yield Fixed Income (SA) (TFIP) - Net	-0.21	3.68	7.03	7.80	4.15	N/A	N/A	8.22	7.18	12.02	-9.04	4.31	4.62	07/01/2019
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	4.89	
Difference	0.28	0.32	0.02	-0.80	-0.07	N/A	N/A	-0.40	-1.02	-1.42	2.15	-0.95	-0.27	
Shenkman High Yield Fixed Income (SA) (TFIP) - Gross	-0.11	3.99	7.44	8.22	4.56	N/A	N/A	8.64	7.59	12.46	-8.68	4.74	5.05	07/01/2019
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	5.00	
Rank	31	27	37	67	42	N/A	N/A	50	70	56	39	68	47	
Oaktree US High Yield (SA) (TFIP) - Net	-0.59	3.49	7.05	8.34	4.35	N/A	N/A	8.25	8.04	12.72	-9.51	4.93	4.99	08/01/2019
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	4.87	
Difference	-0.09	0.12	0.04	-0.27	0.13	N/A	N/A	-0.37	-0.15	-0.72	1.67	-0.33	0.12	
Oaktree US High Yield (SA) (TFIP) - Gross	-0.50	3.77	7.43	8.73	4.73	N/A	N/A	8.65	8.44	13.14	-9.20	5.36	5.40	08/01/2019
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	4.99	
Rank	66	35	38	35	31	N/A	N/A	50	42	40	50	51	24	
Neuberger Berman High Yield (SA) (TFIP) - Net	-0.54	3.46	7.48	8.34	3.86	N/A	N/A	8.98	8.24	11.83	-11.43	4.62	6.49	04/01/2020
Bloomberg US HY 2% Issuer Cap Index	-0.50	3.36	7.01	8.60	4.22	5.08	6.12	8.62	8.19	13.44	-11.18	5.26	7.23	
Difference	-0.04	0.10	0.47	-0.26	-0.36	N/A	N/A	0.36	0.04	-1.62	-0.25	-0.64	-0.74	
Neuberger Berman High Yield (SA) (TFIP) - Gross	-0.49	3.62	7.69	8.56	4.06	N/A	N/A	9.20	8.46	12.05	-11.25	4.81	6.73	04/01/2020
IM U.S. High Yield Bonds (SA+CF) Median	-0.33	3.56	7.15	8.46	4.48	5.16	6.00	8.61	8.14	12.74	-9.21	5.36	7.30	
Rank	66	46	27	43	87	N/A	N/A	28	40	69	84	65	74	

Net performance shown is net of all manager fees and expenses (Net-All). Gross returns are compared to median performance of similar managers. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Trust Accounts

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Abandoned Mine Trust	0.58	2.90	4.02	4.84	3.46	2.82	2.37	4.55	5.35	5.13	1.68	0.13	3.78	12/01/1993
Barker Hughesville St Response	0.59	3.54	5.26	3.41	2.20	N/A	N/A	6.71	1.43	2.90	-3.87	1.36	1.90	05/01/2020
Belt Water Treatment Plant Fund	0.60	3.52	5.22	3.40	2.21	2.99	N/A	6.62	1.40	2.96	-3.71	1.34	3.23	03/01/2018
Big Sky Economic Development Fund	0.47	3.52	5.36	3.15	2.00	2.87	2.84	7.14	0.73	2.53	-4.27	1.45	4.17	07/01/2005
Butte Area One Restoration	0.57	3.54	5.28	3.47	2.28	2.83	2.70	6.75	1.39	3.08	-3.26	1.26	3.06	11/01/2008
Clark Fork River Restoration	0.58	3.53	5.25	3.47	2.28	2.81	2.65	6.68	1.47	3.06	-3.17	1.19	3.26	11/01/2008
Coal Tax Cultural Trust Fund	0.49	3.59	5.44	3.24	2.06	2.90	2.86	7.18	0.78	2.73	-4.20	1.43	5.34	12/01/1993
Coal Tax Park Acquisition	0.53	3.59	5.40	3.27	2.09	2.91	2.86	7.02	0.98	2.72	-4.02	1.37	5.32	12/01/1993
Conservation District Fund	0.41	3.45	5.06	N/A	N/A	N/A	N/A	6.80	-0.06	N/A	N/A	N/A	3.22	12/01/2023
Debt and Liability Fee Account	0.61	6.99	8.39	N/A	N/A	N/A	N/A	8.92	5.39	N/A	N/A	N/A	6.54	11/01/2023
East Helena Compensation Fund	0.96	3.20	4.32	4.24	3.01	2.99	2.72	4.52	3.84	4.53	0.48	0.42	2.45	01/01/2013
East Helena Greenway Trail Maintenance	0.60	3.53	5.23	3.74	2.44	N/A	N/A	6.55	2.08	3.32	-2.81	N/A	2.40	03/01/2021
Endowment for Children	0.51	3.60	5.45	3.28	2.08	2.91	2.85	7.16	0.80	2.80	-4.18	1.41	4.14	08/01/2007
Flying J CECRA Facilities Fund	0.59	3.54	5.26	3.41	2.21	N/A	N/A	6.70	1.44	2.91	-3.85	1.36	1.92	05/01/2020
FWP License Account	0.80	3.38	4.84	4.31	2.81	2.44	2.11	5.49	3.75	4.04	-1.41	0.46	2.85	11/01/1997
FWP Mitigation Trust Fund	0.62	3.49	5.16	3.81	2.47	2.59	2.23	6.40	2.32	3.41	-2.79	0.98	3.62	12/01/1993
FWP Real Property Trust	0.51	3.61	5.45	3.27	2.06	2.89	2.84	7.14	0.84	2.77	-4.13	1.38	4.82	12/01/1993
Group Benefits	0.83	3.29	4.62	4.43	3.01	2.77	2.36	5.14	4.35	4.16	-0.33	0.63	3.68	12/01/1993
Harold Hamm Endowment	0.58	3.54	5.27	3.40	2.18	2.95	N/A	6.74	1.40	2.87	-3.94	1.43	2.63	07/01/2016
History and Civics Endowment	0.71	3.50	5.09	N/A	N/A	N/A	N/A	6.42	4.89	N/A	N/A	N/A	5.34	01/01/2024
Invasive Species Trust Fund	0.65	3.48	5.13	3.34	2.09	N/A	N/A	6.40	1.71	2.65	-3.88	1.19	1.67	10/01/2020
Kyiyo Pow Pow	-1.66	4.78	10.56	N/A	N/A	N/A	N/A	13.22	N/A	N/A	N/A	N/A	8.70	12/01/2024
Libby Asbestos Site State Cost	0.61	3.52	5.28	3.42	2.23	N/A	N/A	6.75	1.30	2.98	-3.60	1.25	1.94	05/01/2020
Lubrecht Forest Carbon Offset Credits	-1.66	4.82	10.62	N/A	N/A	N/A	N/A	13.28	N/A	N/A	N/A	N/A	8.12	12/01/2024
Luttrell Pit - Operational & Maintenance	0.57	3.52	5.26	3.44	2.34	N/A	N/A	6.76	1.30	3.07	-3.27	1.36	2.02	05/01/2020
Montana Pole	0.60	3.52	5.21	3.54	2.33	2.89	2.77	6.57	1.67	3.12	-2.92	1.14	4.58	09/01/1996
Montana State University	0.89	3.28	4.65	4.68	3.23	2.76	2.40	5.04	4.53	4.77	0.58	0.30	2.27	08/01/2004
Montana State Library Trust	0.56	3.56	5.33	N/A	N/A	N/A	N/A	6.88	1.15	N/A	N/A	N/A	5.64	10/01/2023
Montana Tech-UM Agency Funds	0.94	3.22	4.39	4.84	3.44	2.85	2.43	4.62	5.08	4.99	1.36	0.20	2.13	03/01/2003
MT BOI - Clark Fork Site	0.50	3.55	5.37	3.31	2.13	2.86	2.79	6.99	1.01	2.81	-3.95	1.44	3.66	11/01/2008
MT BOI UOFM Other	0.86	3.39	4.82	4.47	3.14	3.08	2.74	5.37	4.38	3.94	-0.16	0.73	2.99	08/01/2002
MT Housing Infrastructure Trust	0.52	1.68	2.11	N/A	N/A	N/A	N/A	2.13	3.92	N/A	N/A	N/A	3.31	08/01/2023
MUS Group Insurance	0.88	3.26	4.50	4.70	3.26	2.86	2.45	4.88	4.74	4.74	0.57	0.26	2.06	10/01/2011
MUS Workers Compensation	0.84	3.31	4.61	4.42	3.10	2.92	2.55	5.19	3.97	4.44	0.10	0.46	2.55	04/01/2016

Performance shown is gross of fees. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Montana Board of Investments
Comparative Performance
Trust Accounts

As of March 31, 2026

	QTD/ CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021	Since Incep.	Inception Date
Older Montanans Trust	0.47	3.60	5.44	3.31	2.09	2.95	2.88	7.20	0.92	2.78	-4.23	1.41	4.03	08/01/2007
Permanent Coal Trust Excl Crp	0.58	3.27	4.83	3.14	2.29	2.87	2.85	5.94	1.48	2.57	-2.02	1.82	5.12	12/01/1993
PERS Defined Cont Disability	-1.68	6.67	15.14	12.60	6.95	8.91	8.38	16.98	12.08	17.09	-15.55	13.16	7.93	09/01/2015
Potter Trust Fund	0.58	3.54	5.28	3.39	2.18	2.95	N/A	6.74	1.37	2.86	-3.96	1.41	2.86	06/01/2016
Resource Indemnity Trust	0.47	3.61	5.50	3.18	2.01	2.90	2.87	7.29	0.66	2.60	-4.44	1.48	5.40	12/01/1993
School Facilities Fund	0.49	3.57	5.44	3.14	1.98	2.79	N/A	7.20	0.73	2.42	-4.24	1.39	2.68	01/01/2018
Smelter Hill Up Restorative	0.55	3.56	5.32	3.46	2.24	2.64	2.44	6.85	1.36	3.00	-3.54	1.29	2.34	11/01/2008
State Fund Insurance	-0.17	4.05	6.98	5.62	2.91	3.89	3.76	9.43	3.72	6.49	-7.68	3.04	5.19	12/01/1993
Streamside Tailings Operable Unit	0.54	3.56	5.34	3.40	2.17	2.90	2.80	6.92	1.25	2.90	-3.70	1.27	4.69	02/01/1999
Subsequent Injury Fund	0.96	3.09	4.20	4.78	3.51	2.85	2.41	4.33	5.22	5.37	1.66	0.13	3.05	12/01/1993
Tobacco Trust Fund	0.49	3.60	5.46	3.18	2.00	2.87	2.84	7.21	0.68	2.63	-4.40	1.51	4.83	01/01/2001
Treasurers	0.87	3.29	4.49	4.79	3.36	2.72	2.32	4.88	4.65	5.08	1.34	0.10	2.89	12/01/1993
Montana Coal Endowment Fund	0.48	3.61	5.49	3.20	2.02	2.90	2.87	7.26	0.71	2.63	-4.37	1.47	5.29	12/01/1993
MT Coal Endowment Regional Water	0.48	3.61	5.48	3.21	2.03	2.90	2.87	7.26	0.71	2.63	-4.37	1.47	4.97	06/01/2000
Trust and Legacy Account	0.48	3.62	5.48	3.20	2.03	2.91	2.87	7.24	0.73	2.62	-4.37	1.47	5.93	07/01/1991
UCFRB Assess/Litig Cost Rec	0.51	3.59	5.43	3.19	2.01	2.82	2.78	7.17	0.74	2.61	-4.37	1.53	4.92	07/01/1999
UCFRB Restoration Fund	0.50	3.60	5.45	3.29	2.07	2.89	2.82	7.15	0.96	2.71	-4.22	1.36	4.87	06/01/1999
Upper Blackfoot Response	0.92	3.24	4.45	4.83	3.45	3.06	2.67	4.77	4.97	4.94	1.22	0.32	2.20	09/01/2010
Weed Control Trust	0.47	3.61	5.50	3.18	2.01	2.90	2.87	7.29	0.66	2.60	-4.44	1.48	4.71	12/01/1993
Wildlife Habitat Trust	0.53	3.60	5.41	3.28	2.07	2.89	2.83	7.02	1.01	2.72	-4.10	1.38	4.82	12/01/1993
Work Force Housing	0.97	3.20	4.06	N/A	N/A	N/A	N/A	4.14	5.21	N/A	N/A	N/A	4.66	11/01/2023
Yellowstone Pipeline Cleanup Fund	0.64	3.48	5.09	3.75	2.44	N/A	N/A	6.31	2.15	3.16	-1.42	N/A	2.44	04/01/2021
Zortman/Landusky LT H2O	0.97	3.20	4.32	4.93	3.51	2.85	2.41	4.46	5.33	5.13	1.68	0.13	5.70	09/01/1999
Z/L Long Term H2O Trust Fund	0.97	3.20	4.32	4.93	3.52	2.85	2.42	4.46	5.33	5.13	1.68	0.13	3.95	09/01/2005

Performance shown is gross of fees. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences.

Performance Notes

- All gross and net performance data is provided by State Street Analytics (SSA). Reported gross returns for the retirement plans prior to 07/01/2002 are net of all fees.
- Fiscal year ends on 06/30.
- Gross performance for the retirement plans is calculated with fee accruals provided by Montana's Accounting department.
- Gross of fees performance is not available (N/A) for the following funds: iShares:Core S&P Tot USM (ITOT), iShares:Core S&P 500 (IVV), iShares:Core S&P Md-Cp (IJH), iShares:Core S&P Sm-Cp (IJR), iShares:Core MSCI EAFE (IEFA), and iShares:Core MSCI EmMkts (IEMG).
- Non-Core Fixed Income currently consists of High Yield, Preferred Securities, EMD and Convertible Bonds.
- Private Investments currently consist of Private Equity, Private Credit, and Venture Capital.

Index Notes

- Retirement plan custom benchmarks are provided by State Street Bank and are calculated daily using actual allocations.
- The CAPP Custom Benchmark consists of the portfolio weighted average of the primary benchmark for each CAPP asset class.
- The Short Term Custom Benchmark consists of 100% ICE 1 Mo LIBOR Index (USD) through 4/30/2018, and 100% Federal Reserve US Treasury 1 Mo Constant Maturity Index thereafter.
- The Domestic Equity Custom Index consists of 100% S&P 1500 Comp Index through 04/30/2017 and 100% MSCI USA IM Index (USD) (Gross) thereafter.
- The International Equity Custom Index consists of 100% MSCI EAFE Index (USD) (Net) through 10/31/2006, 100% MSCI ACW Ex US Index (USD) (Net) through 06/30/2007, 92.5% MSCI ACW Ex US Index (USD) (Net) and 7.5% MSCI ACW Ex US SC IM Index (USD) (Net) through 02/28/2014, and 100% MSCI ACW Ex-US IM Index thereafter.
- The Real Estate Custom Index consists of 100% NCREIF ODCE Index (AWA) (Net) (1 Qtr Lag) through 03/31/2017, 100% MSCI US REIT Index (USD) (Gross) through 06/30/2020, and 100% NCREIF ODCE (AWA) (1 Qtr Lag) Index thereafter.
- The Private Investments Custom Index consists of 100% S&P 1500 Comp Index+4% (1 Qtr Lag) through 03/31/2017, 100% MSCI US Small Cap Index (USD) (Gross) through 12/31/2020, and the portfolio weighted average of MSCI US SC / S&P LSTA US Leverage Loan 100 Index for PE / PC thereafter.
- The Cambridge Actual Allocation Index consists of 100% Cambridge PE & VC Aggregate Index through 10/30/2016, actual quarterly average allocations of Cambridge PE & VC Aggregate Index, Cambridge Private Credit Index, ICE BofA 3Month U.S. T-Bill, MSCI World Commodity Producers Index through 3/31/2017, and actual quarterly average allocations of Cambridge PE & VC Aggregate Index, Cambridge Private Credit Index, ICE BofA 3Month U.S. T-Bill thereafter.
- The Lazard Custom Index consists of 100% MSCI ACW Ex US Value Index (USD) (Net) through 6/30/2018 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- The Cohen & Steers Custom Index consists of 60% ICE BofA US IG Institutional Capital Securities Index, 20% ICE BofA Core Fixed Rate Preferred Securities Index, and 20% Bloomberg Barclays Developed Market USD Contingent Capital Index.
- The Payden & Rygel Custom Index consists of 70% JP Morgan EMBI Global Diversified Index, 30% JP Morgan GBI-EM Global Diversified Index.
- The Real Assets Custom Index consists of 100% MSCI All Country World Commodity Producers Index (USD) (Net) through 12/31/2020, 33.33% MSCI All Country World Commodity Producers Index (USD) (Net), 33.33% MSCI All Country World Infrastructure Index, 33.33% Bloomberg Barclays Global Inflation Linked US TIPS Index through 5/31/2024, and the portfolio weighted average of MSCI All Country World Commodity Producers Index (USD) (Net), MSCI All Country World Infrastructure Index, Bloomberg Barclays Global Inflation Linked US TIPS Index, and Short Term Custom Benchmark thereafter.
- The Core Fixed Income Custom Index consists of 100% Bloomberg US Agg Bond Index through 03/31/2017, the portfolio weighted average of Broad Fixed Income - PAC Custom Blend, Bloomberg US Corp Inv Grade Index, Bloomberg US MBS Index, Bloomberg US Int TIPS Index, Bloomberg US Trsy Int Trm Index through 11/30/2019, and 100% Bloomberg US Agg Bond Index thereafter.
- As of 07/01/2021, the Trust Fund Custom Index Benchmark is the portfolio weighted averaged of the primary benchmark, consisting of NCREIF ODCE Index (1Q lag), Bloomberg US High Yield - 2% Issuer Cap Index, and Bloomberg US Aggregate Bond Index.

Manager Transition Comments

- Baillie Gifford (SA) was terminated in 09/2025.
- BlackRock MSCI Emg Mkts Index NL (CF) was terminated in 04/2023.
- Zazove Convertible Bonds (SA) was funded in 03/2023.
- American Century Investment Mgmt (SA) was terminated in 03/2023.
- Templeton Investment Counsel (SA) was terminated in 03/2023.
- Reams Asset Core Plus (SA) was terminated in 03/2023.
- iShares:Russ 2000 ETF (IWM) and iShares:MSCI EAFE ETF (EFA) were liquidated in Q4 2022 to fund iShares:Core S&P Small Cap ETF (IJR) and iShares:Core MSCI EAFE ETF (IEFA), respectively.
- BlackRock MSCI USA Small Cap Index was transitioned from a commingled fund to a separate account structure during Q3 2022 to obtain a lower fee structure.
- Acadian Ex US Small Cap (SA) was funded in 02/2022.
- DFA Emg Mkts Sm Cap;I (DEMSX) was liquidated in 02/2022.
- DFA Intl Sm Co;I (DFISX) was liquidated in 02/2022.
- iShares:MSCI Em Mkts (EEM) was liquidated in 01/2022.
- iShares:Core MSCI EmMkts (IEMG) was funded in 12/2021.
- SPDR S&P 500 ETF (SPY) was liquidated in 12/2021.
- iShares:Core S&P 500 (IVV) was funded in 11/2021.
- Vaughan Nelson Management (SA), T. Rowe U.S. Structured Research (SA), J.P. Morgan 130/30 (SA), Jacobs Levy 130/30 Large Cap (SA), and DFA US Sm Cap TR (CF) were liquidated in 11/2021.
- iShares:Core S&P Tot USM (ITOT) was funded in 11/2021.
- Payden & Rygel EMD (SA) was funded in 12/2020.
- Cohen & Steers Preferred Securities (SA) was funded in 10/2020.
- Neuberger Berman High Yield (SA) and TFIP Private Real Estate were funded in the Trust Fund Investment Pool during Q1 2020.
- Diversifying Strategies investments were liquidated and Investment Grade Credit, US Treasury & Agency, and TIPS were consolidated into the Core Fixed Income composite during Q4 2019.
- Post High Yield Plus (SA), GMO:Bchmk-Fr All;III (GBMFX), and PIMCO:All Asset;Inst (PAAIX) were liquidated during Q3 2019.
- Oaktree US High Yield Fixed Income (SA) and Shenkman High Yield Fixed Income (SA) were funded in the Trust Fund Investment Pool during Q3 2019.
- Artisan Partners (SA), Iridian Asset Management (SA), Congress Mid Cap Growth (SA), TimeSquare Capital Management (SA), and Alliance Bernstein (SA) were liquidated in Q2 2019.
- BlackRock MSCI US Equity Index (CF) was transitioned into a separately managed account during Q1 2019.
- Northern Trust MSCI US Equity Index (SA), GMO:Bchmk-Fr All;III (GBMFX), and PIMCO:All Asset;Inst (PAAIX) were funded during Q4 2018.
- Voya Investment Management (SA) was liquidated in 07/2018.
- iShares:Russ 2000 ETF (IWM) was funded in 04/2018.
- Jacobs Levy 130/30 Large Cap (SA) was funded in 03/2018.
- Congress Mid Cap Growth (SA) was funded in 02/2018.
- Oaktree US High Yield (SA) and Shenkman High Yield Fixed Income (SA) were funded in 12/2017.
- Analytic Investors 130/30 (SA) was liquidated in 09/2017.
- Residual assets from the liquidation of AllianceBernstein Int'l Value (SA), Martin Currie (SA), Hansberger Global Investors (SA), and Aberdeen Total Return Bond Strategy (SA) were distributed in 06/2017.
- INTECH Enhanced Plus was liquidated in 06/2017.
- BlackRock MSCI US Equity Index (CF), BlackRock MSCI US Sm Cap Equity Index (CF), and iShares:Core S&P Md-Cp (IJH) were funded in 06/2017.
- SPDR S&P 500 ETF (SPY) and iShares:MSCI EAFE ETF (EFA) were re-funded in 06/2017.
- BlackRock Equity Index Fund A (CF) and BlackRock Mid Cap Equity Index A (CF) were liquidated in 05/2017.
- Nicholas Investment Partners was liquidated in 07/2016. Residual assets from liquidation were distributed in 03/2017.
- Wells Capital Management (SA), Domestic Equity Pool SPIF, and International Equity Pool SPIF were liquidated in 10/2016. Wells Capital Management (SA) residual assets from liquidation were distributed in 03/2017.
- DFA Emg Mkts Sm Cap;I (DEMSX) was funded in 02/2017.
- SPDR S&P 500 ETF (SPY) was liquidated in 01/2017.
- iShares:MSCI Em Mkts (EEM) was funded in 12/2016.
- SPDR S&P 500 ETF (SPY) was initially funded in 09/2015, was then liquidated in 12/2015, and was re-funded in 10/2016.
- iShares S&P SmallCap 600 Index ETF (IJR) was liquidated in 01/2016.

**Montana Board of Investments
Fee Schedule**

As of March 31, 2026

	Fee Schedule	Market Value As of 03/31/2026 (\$)
iShares Core S&P Total US Stock Mkt ETF (ITOT)	0.03 % of Assets	103,213,039
iShares Core S&P 500 ETF (IVV)	0.03 % of Assets	80,180,874
iShares Core S&P Mid-Cap ETF (IJH)	0.05 % of Assets	145,478,191
iShares Core S&P Small-Cap ETF (IJR)	0.06 % of Assets	77,557,009
iShares Core MSCI EAFE ETF (IEFA)	0.07 % of Assets	91,459,381
iShares Core MSCI Emerging Markets ETF (IEMG)	0.09 % of Assets	59,921,388

ETF fees are sourced from Morningstar and/or the investment manager.

RVK

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Investment Update

Board Meeting: May 20, 2026
Information as of: March 31, 2026

Market values contained in this report are shown in USD. The information contained in this report is unaudited. The annual, audited Unified Investment Program Financial Statements are available on the Board's website at www.investmentmt.com.

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CIO Update

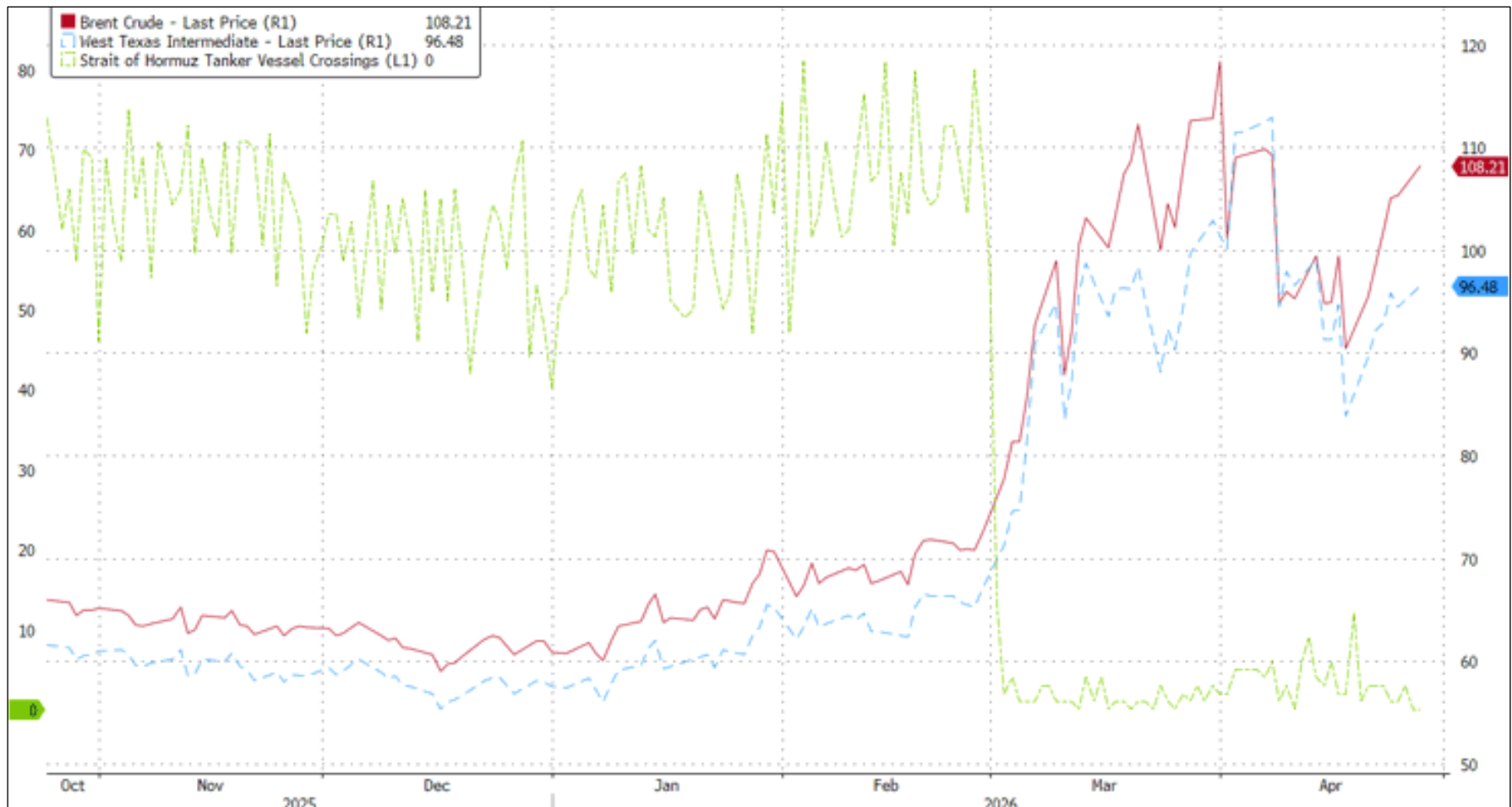
Economic Environment

- **GDP** – The Bloomberg Economics Survey in April forecasts U.S. GDP to grow 2.2% in 2026 and 2.0% in 2027.
- **Job Growth** – The unemployment rate ticked down in March to 4.3%. Unemployment has been relatively stable over the last 6 months. The 3-month average addition to non-farm payrolls was 68K.
- **Retail Sales** – In March, headline retail sales jumped 1.7% m/m driven by higher gas prices. Retail sales ex. auto and gas remained solid with no sign consumers are pulling back yet.
- **Inflation** – In March, Core CPI was up 2.6% y/y. The median 5-year inflation expectation from the University of Michigan survey in April was 3.5%.
- **Housing** – The National Association of Home Builders Market Index was 34 in April. Readings below 50 indicate builders view conditions as poor.
- **ISM Indices** – In March, the ISM Manufacturers Index at 52.7 and the ISM Services Index at 54 indicate modest continued growth in the U.S.

CIO Update

Economic Environment

Oil prices vs. Strait of Hormuz tanker activity as of April 27, 2026

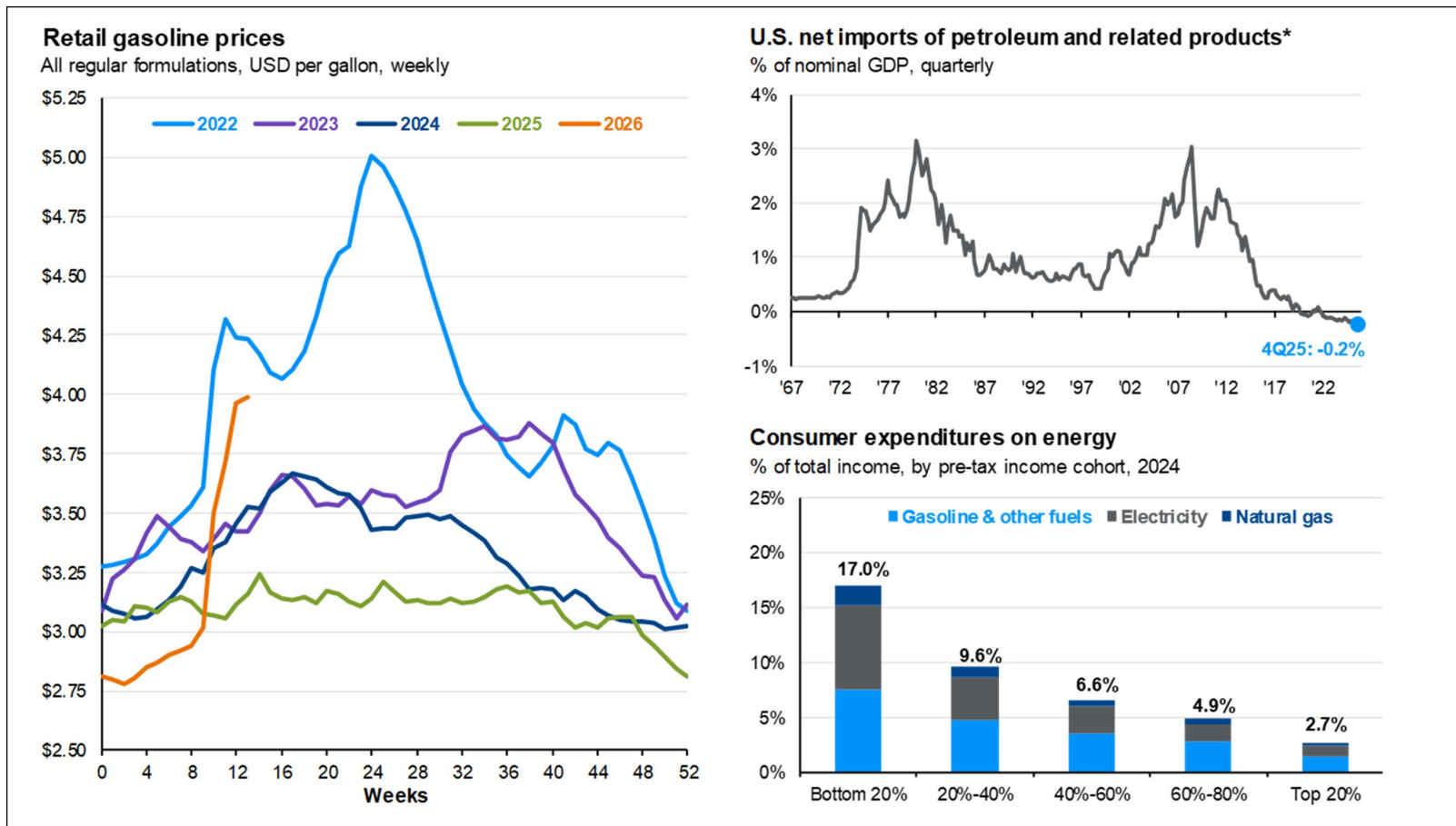


Source: Bloomberg

CIO Update

Economic Environment

Higher energy prices affect the U.S. less than other countries but impact falls hardest on lower and middle-income households.

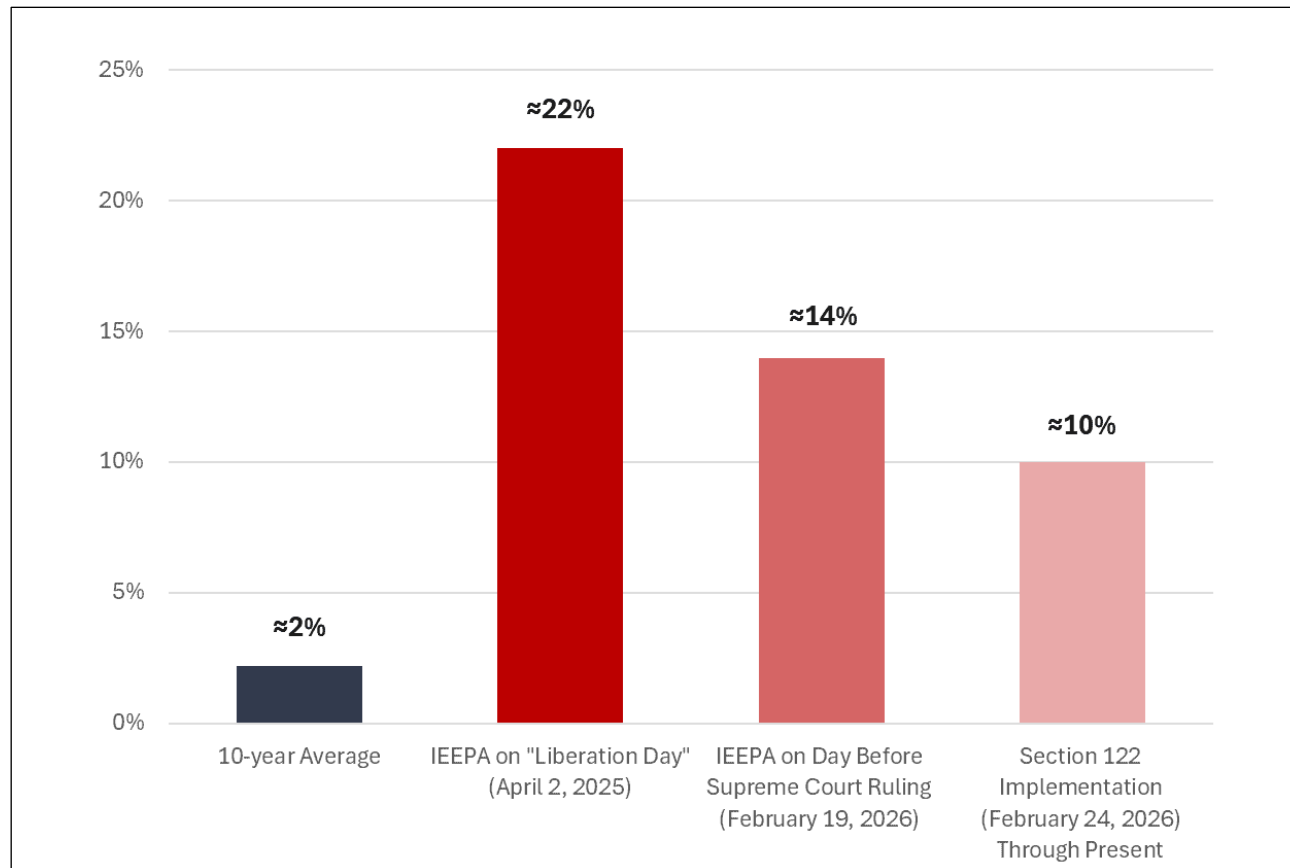


Source: J.P. Morgan Guide to the Markets as of 03/31/2026

CIO Update

Economic Environment

Tariff rates have moderated but remain well above prior decades.

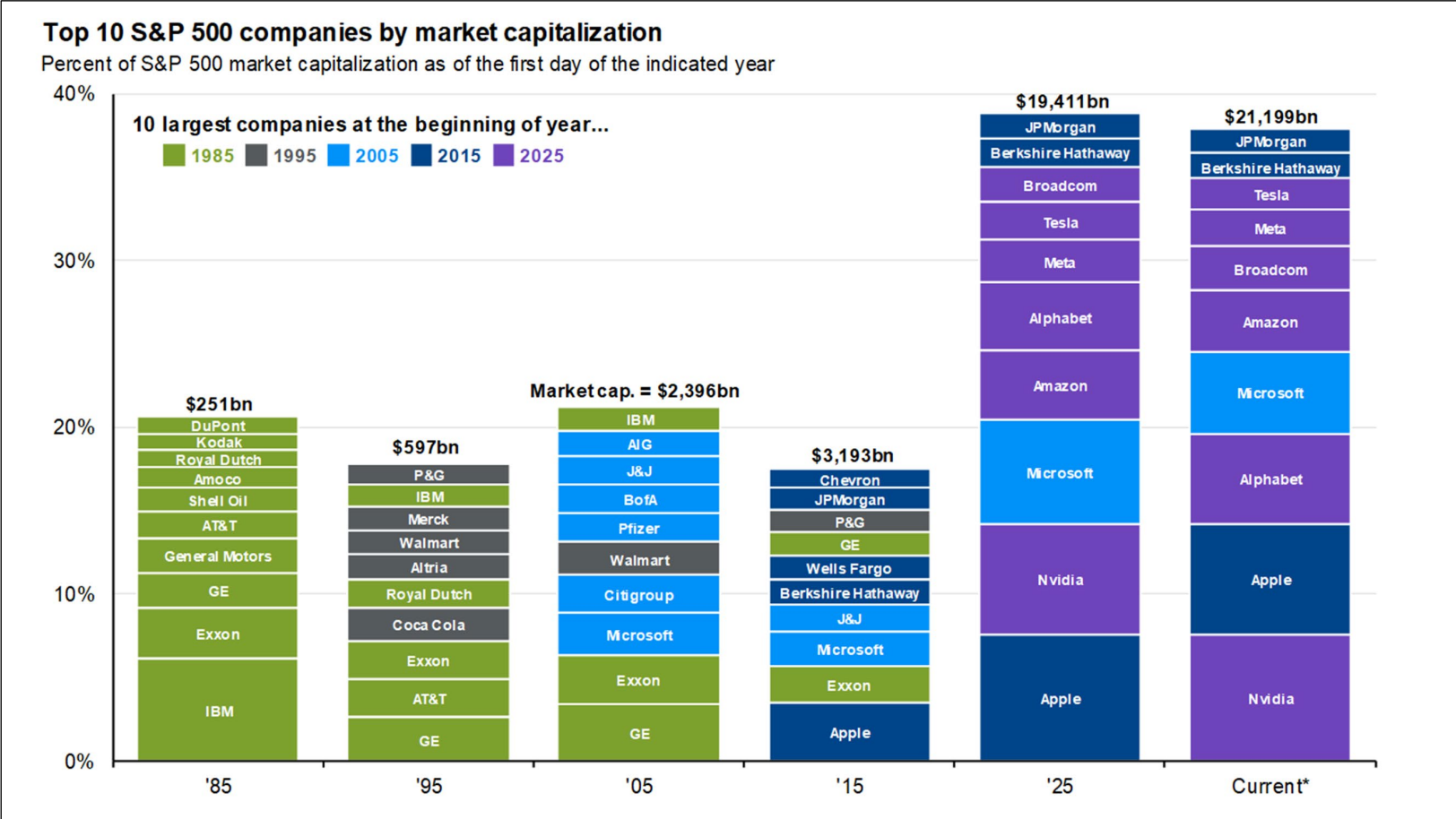


Source: American Action Forum, The Budget Lab at Yale, United States International Trade Commission

CIO Update

Economic Environment

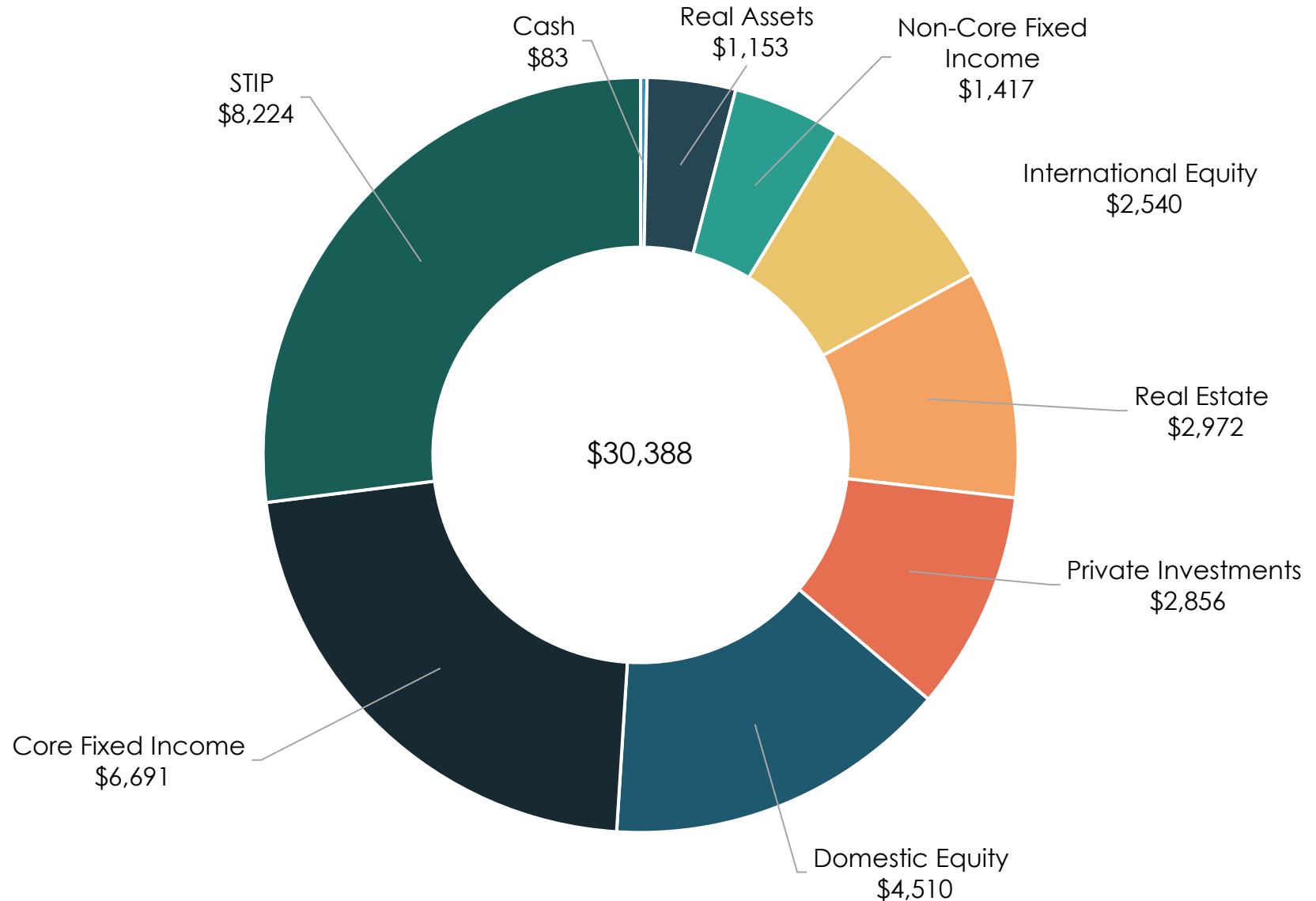
Change in leadership in the S&P 500 over time.



Source: J.P. Morgan Guide to the Markets as of 03/31/2026

CIO Update

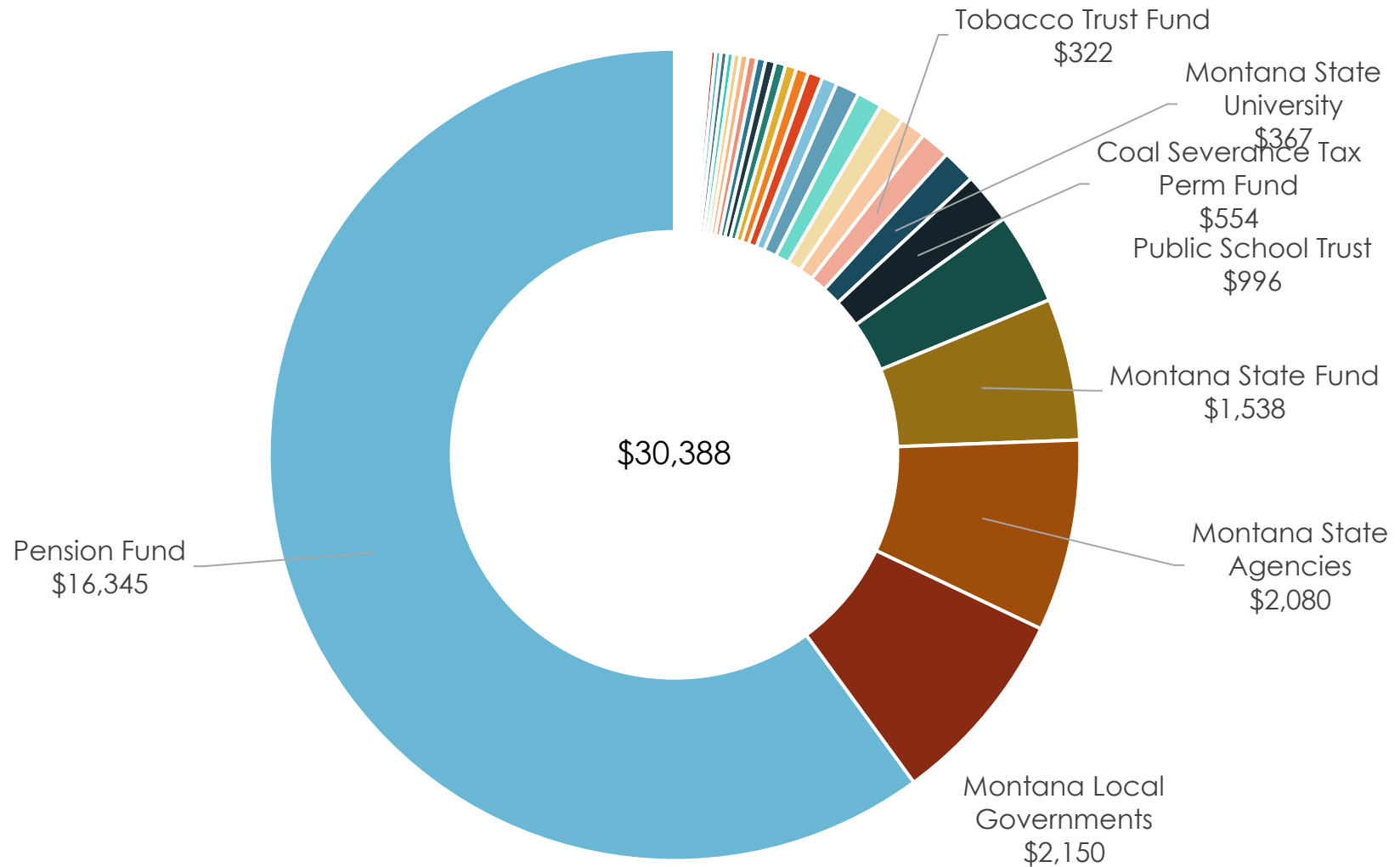
AUM by Asset Class



* Dollar values are in \$1,000,000
March 31, 2026

CIO Update

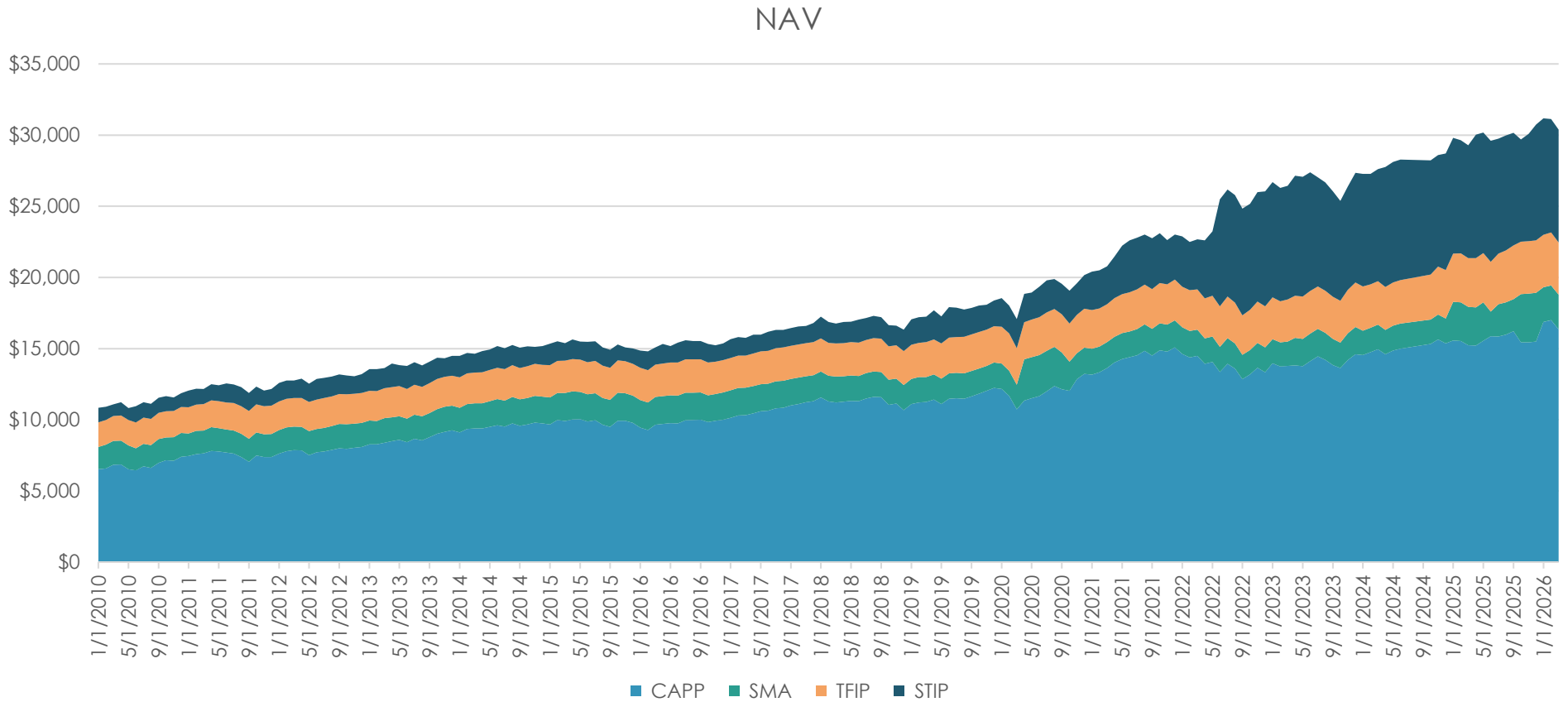
AUM by Participant Type



* Dollar values are in \$1,000,000
March 31, 2026

CIO Update

AUM by Pool

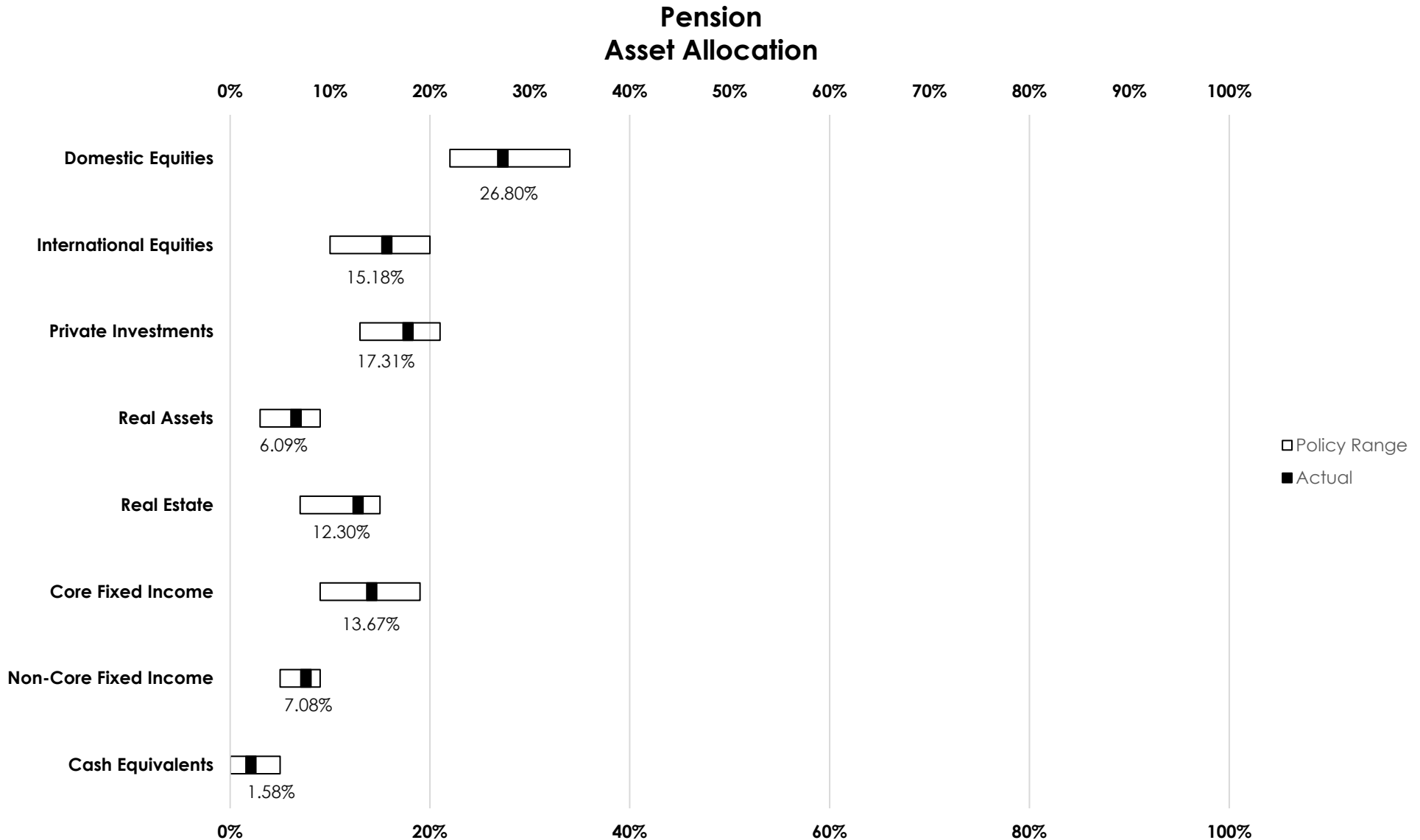


* Dollar values are in \$1,000,000

March 31, 2026

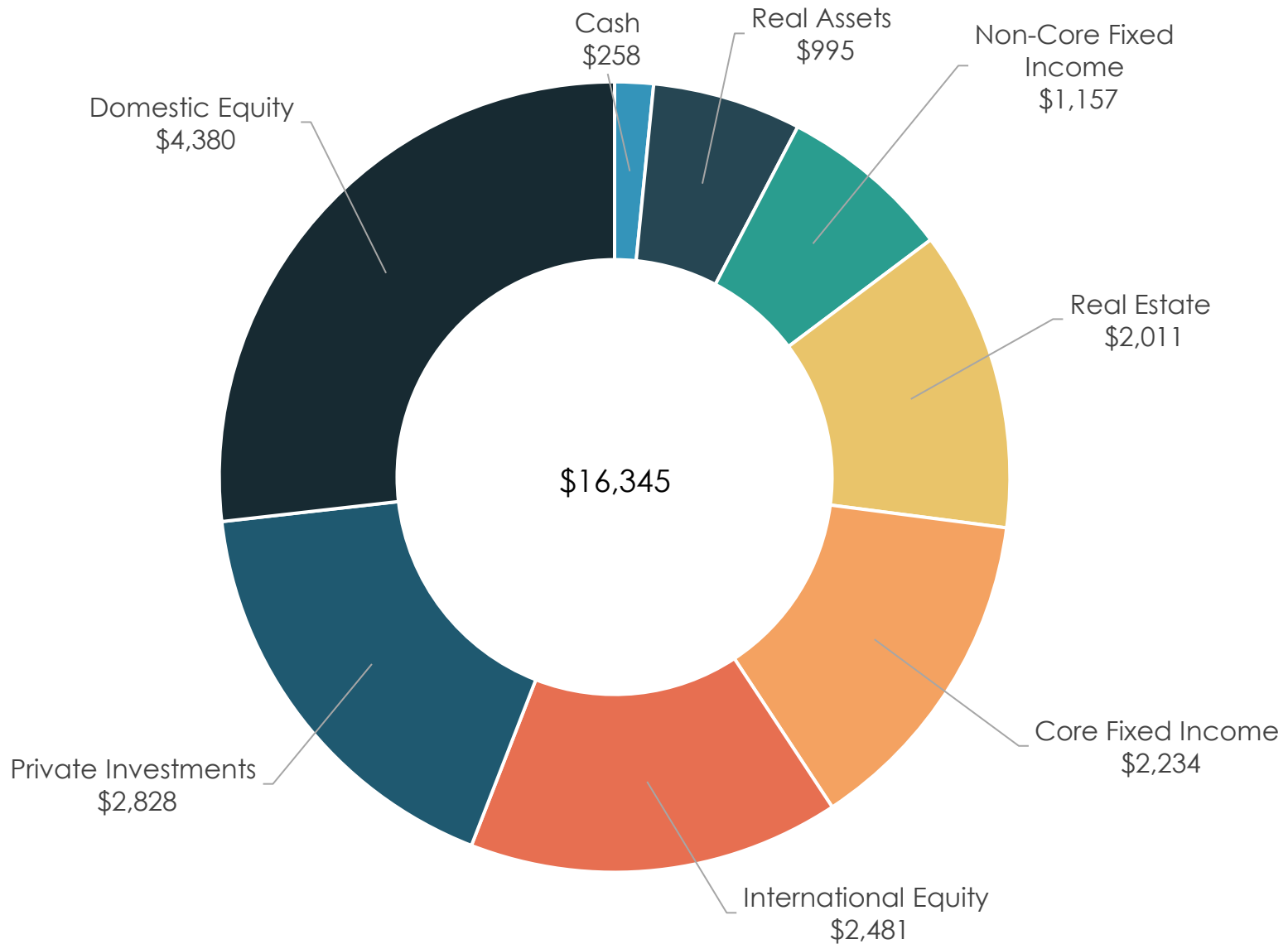
CIO Update

Pension Asset Allocation



CIO Update

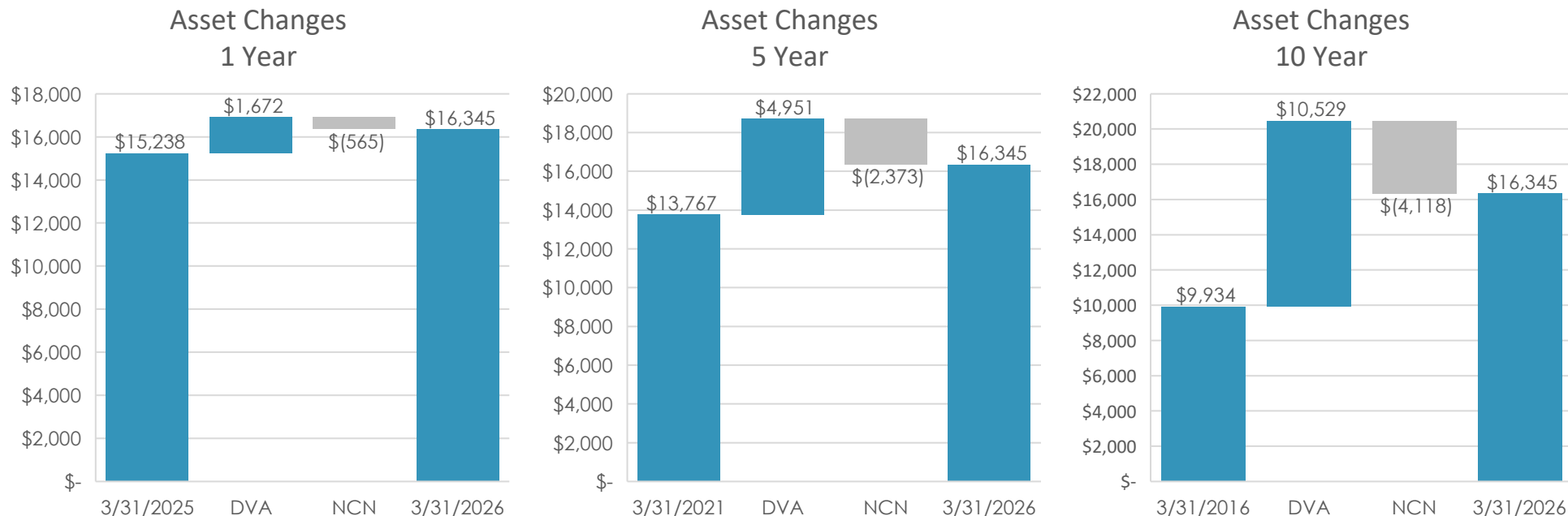
Pension Asset Allocation



* Dollar values are in \$1,000,000
March 31, 2026

CIO Update

Pension Net Performance



- Dollar Value Added - The total dollar return of the portfolio including income and capital gains.
- Net Cash Need - The total dollar amount distributed from portfolio assets to meet the deficit of contributions minus distributions.
 - A gray bar indicates an aggregate net outflow by all plans even though some plans may have experienced net inflows.
 - Though aggregates are shown, each plan is independent and not able to rely on other plans to meet their respective liabilities.

* Dollar values are in \$1,000,000

March 31, 2026

CIO Update

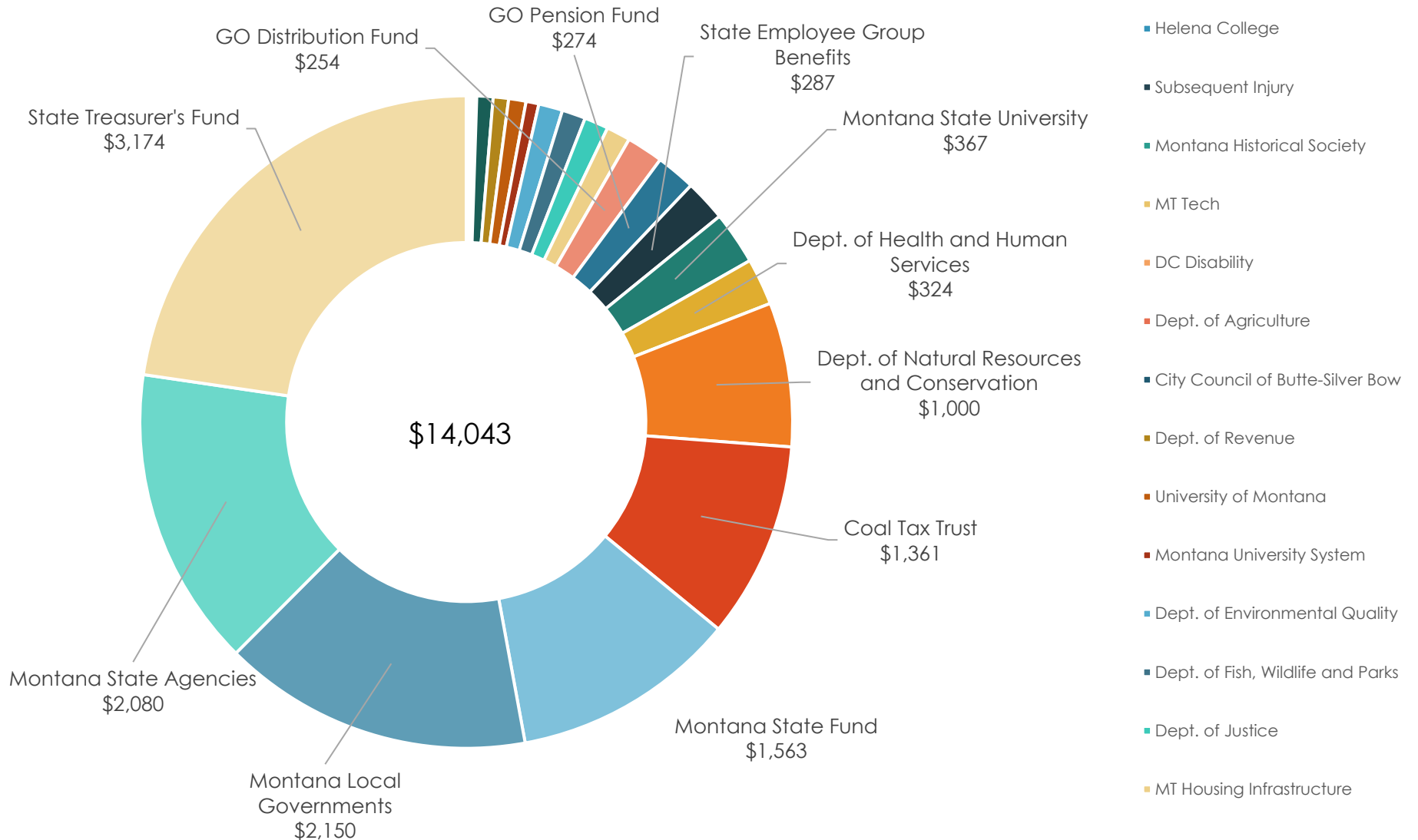
Pension Net Performance

Performance	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	Since Inception
Public Employees' Retirement	5.41%	11.06%	9.06%	6.84%	8.41%	7.03%	7.80%
Police Officers' Retirement	5.43%	11.08%	9.08%	6.85%	8.42%	7.02%	7.69%
Game Wardens' Retirement	5.41%	11.05%	9.05%	6.84%	8.41%	7.02%	7.72%
Sheriffs' Retirement	5.41%	11.05%	9.05%	6.84%	8.41%	7.02%	7.71%
Judges' Retirement	5.42%	11.07%	9.06%	6.84%	8.41%	7.03%	7.72%
Highway Patrol Retirement	5.41%	11.05%	9.04%	6.84%	8.41%	7.03%	7.71%
Teachers' Retirement	5.40%	11.03%	9.05%	6.83%	8.40%	7.03%	7.81%
Vol Firefighters' Retirement	5.43%	11.07%	9.06%	6.84%	8.39%	7.03%	7.56%
Firefighters' Retirement	5.43%	11.07%	9.07%	6.85%	8.42%	7.03%	7.69%

Inception 7/1/1994

CIO Update

AUM ex. CAPP

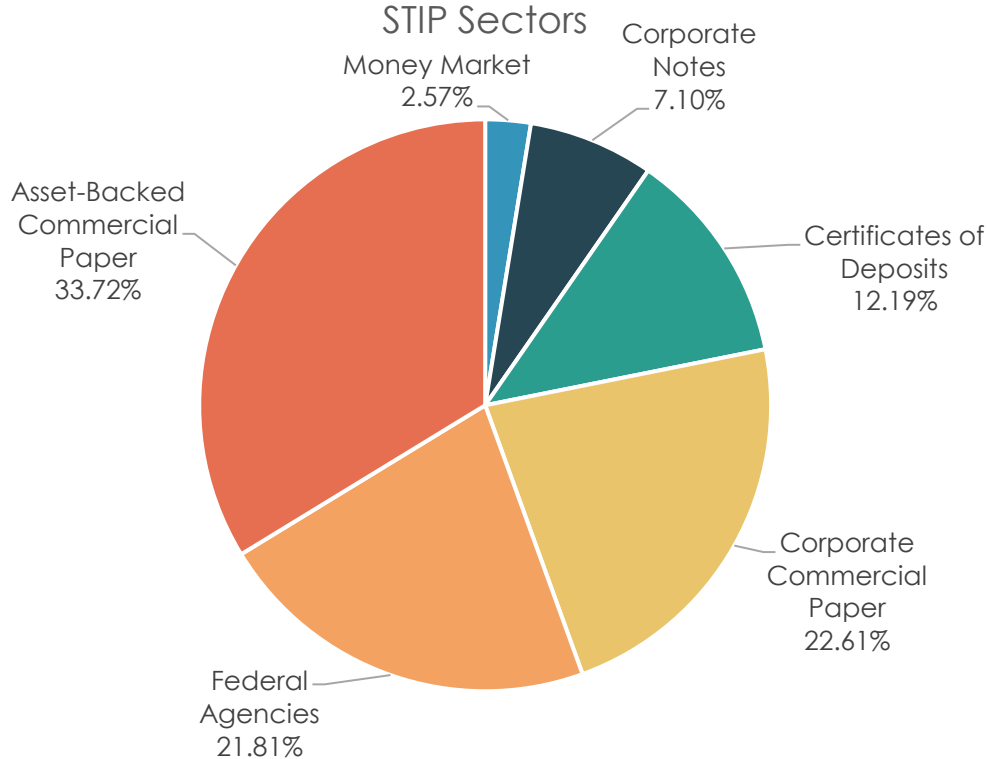


* Dollar values are in \$1,000,000

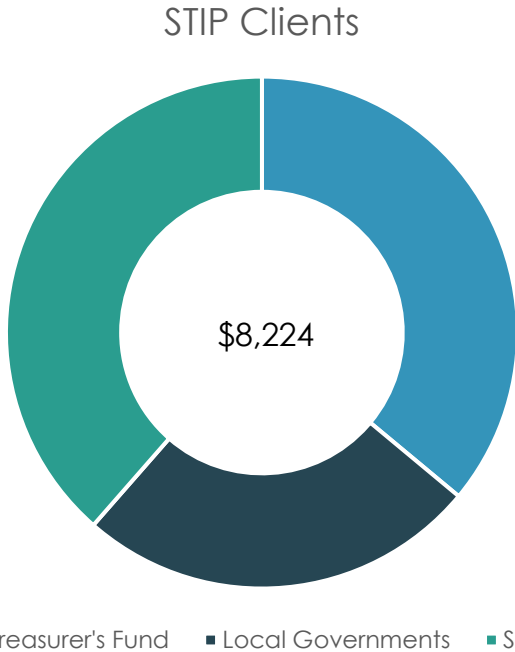
March 31, 2026

CIO Update

Short Term Investment Pool



- The weighted average maturity of the portfolio was 70 days at quarter end.
- The STIP Reserve was \$112M at quarter end.



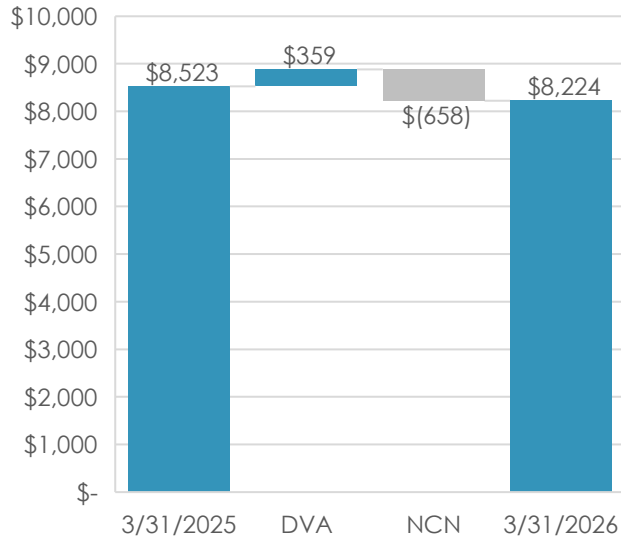
* Dollar values are in \$1,000,000
 March 31, 2026

CIO Update

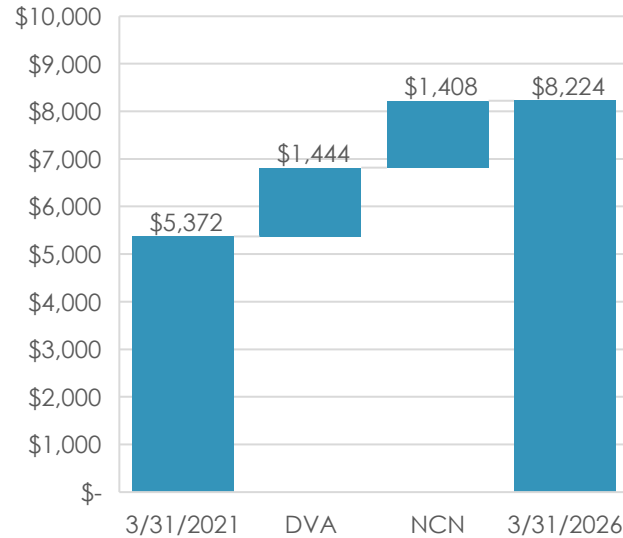
Short Term Investment Pool

STIP Net Performance

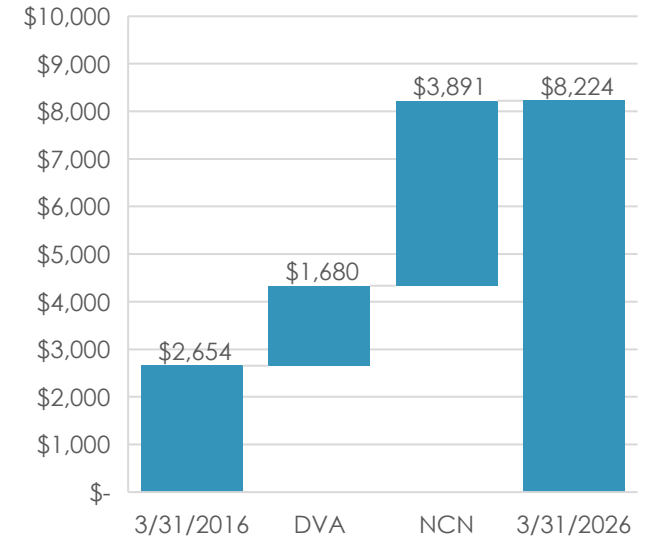
Asset Changes
1 Year



Asset Changes
5 Year



Asset Changes
10 Year



Performance	FYTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Short Term Investment Pool (STIP)	3.20%	4.32%	4.93%	3.51%	2.41%	2.56%
Short Term Investment Pool Benchmark	3.07%	4.19%	4.95%	3.52%	2.36%	2.49%

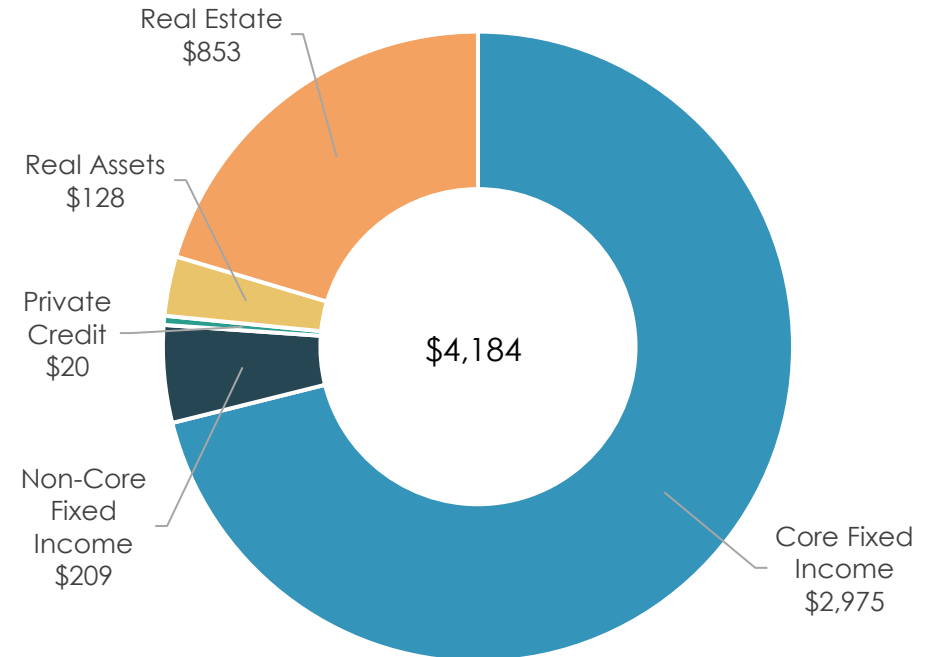
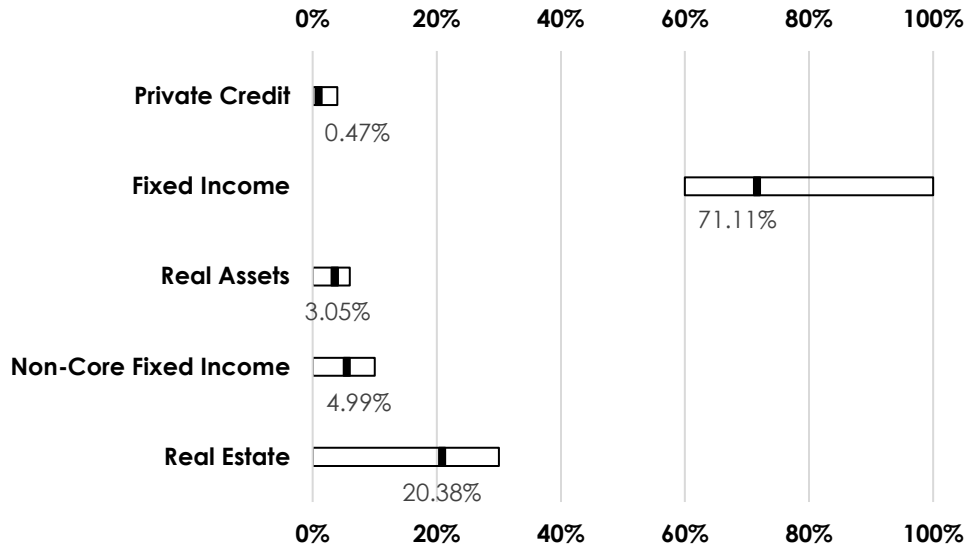
* Dollar values are in \$1,000,000

March 31, 2026

CIO Update

Trust Funds Investment Pool

**Trust Funds
Asset Allocation**



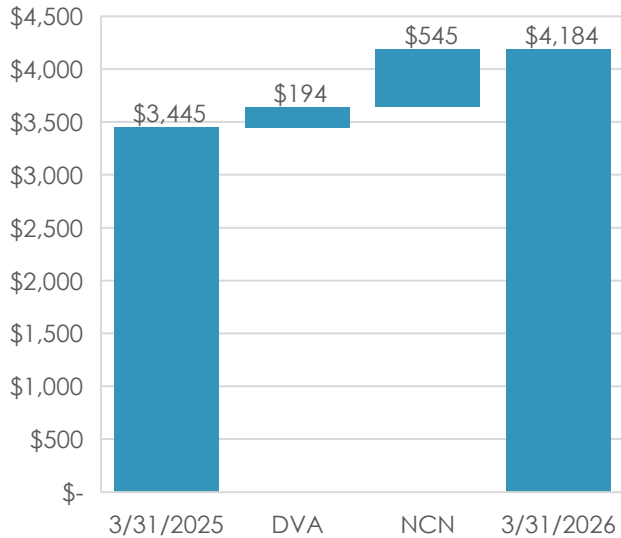
* Dollar values are in \$1,000,000
March 31, 2026

CIO Update

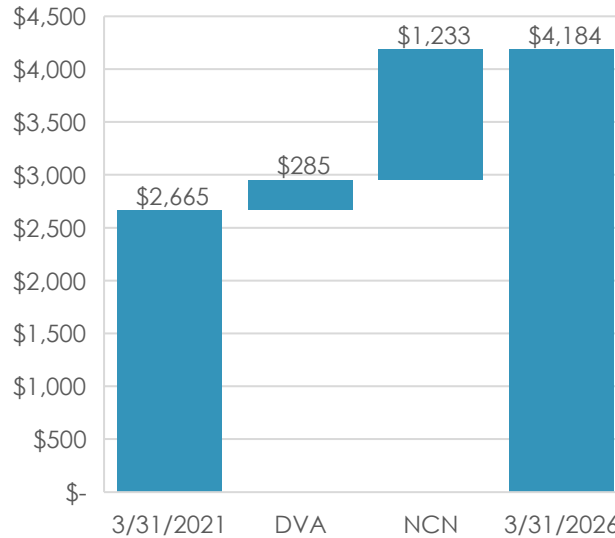
Trust Funds Investment Pool

TFIP Net Performance

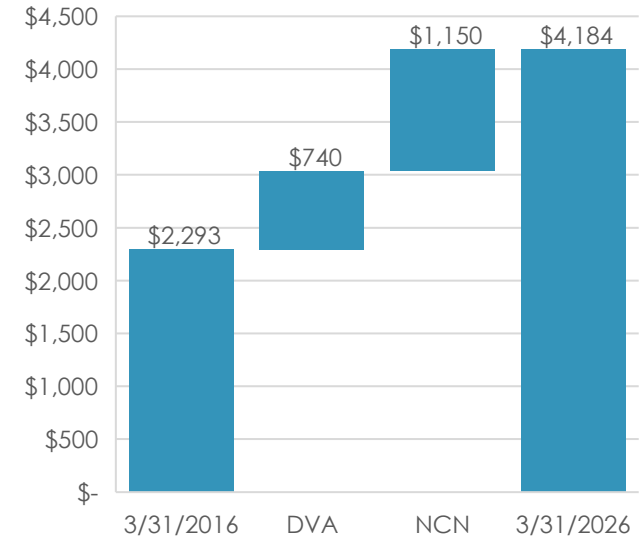
Asset Changes
1 Year



Asset Changes
5 Year



Asset Changes
10 Year



Performance	FYTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Trust Funds Investment Pool (TFIP)	3.61%	5.37%	3.16%	1.60%	2.68%	5.26%
Trust Funds Investment Pool Benchmark	3.70%	5.10%	2.52%	1.47%	2.29%	4.48%

Yield	1 Year	3 Year	5 Year	10 Year
Trust Funds Investment Pool (TFIP)	4.17%	4.12%	3.79%	3.56%

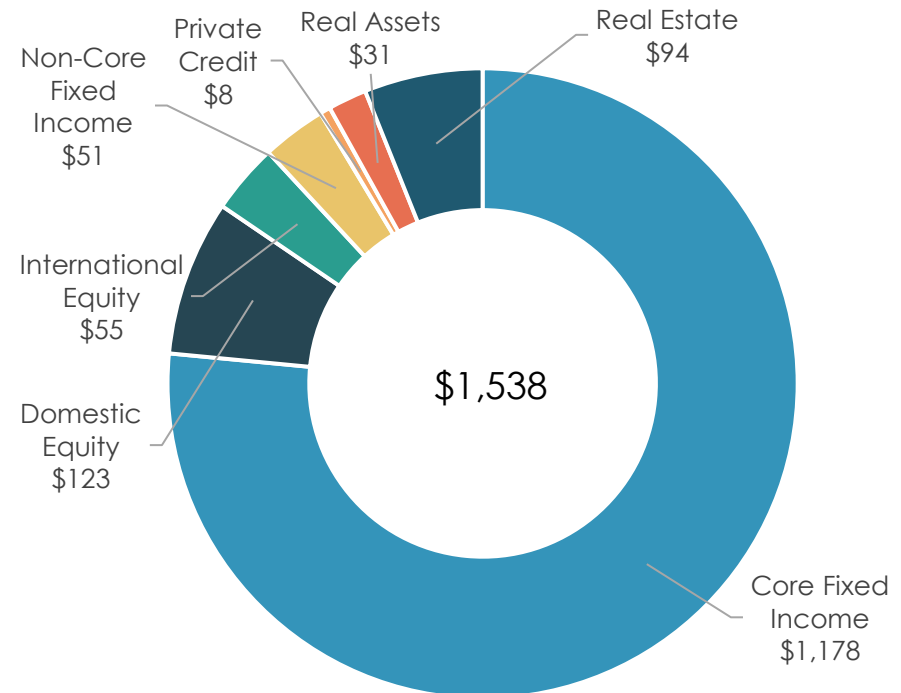
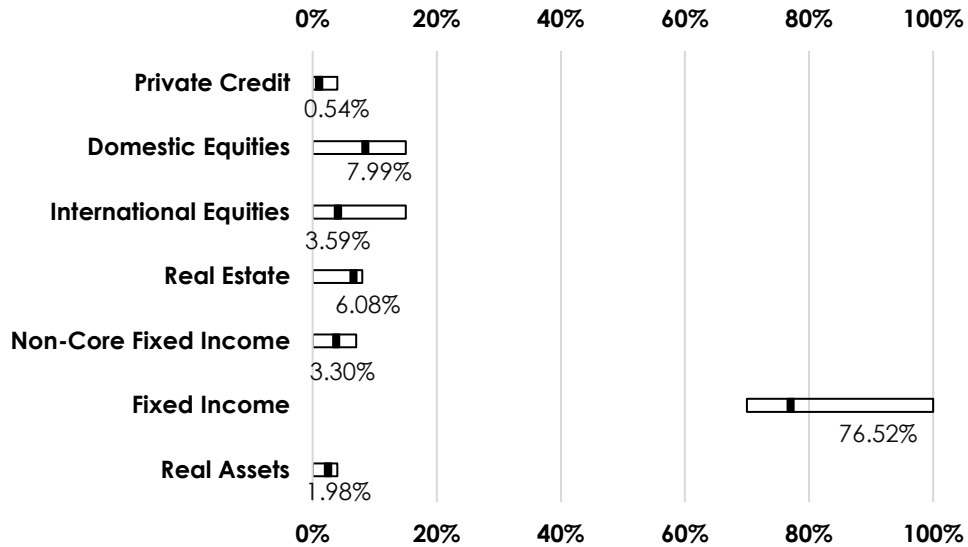
* Dollar values are in \$1,000,000

March 31, 2026

CIO Update

State Fund Investment Pool

State Fund
Asset Allocation



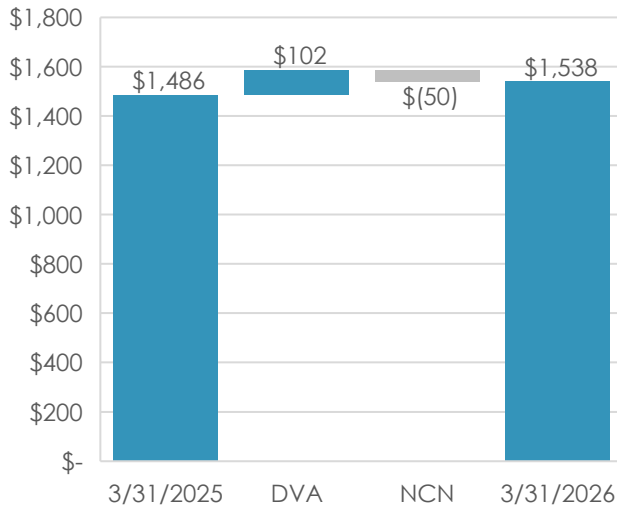
* Dollar values are in \$1,000,000
March 31, 2026

CIO Update

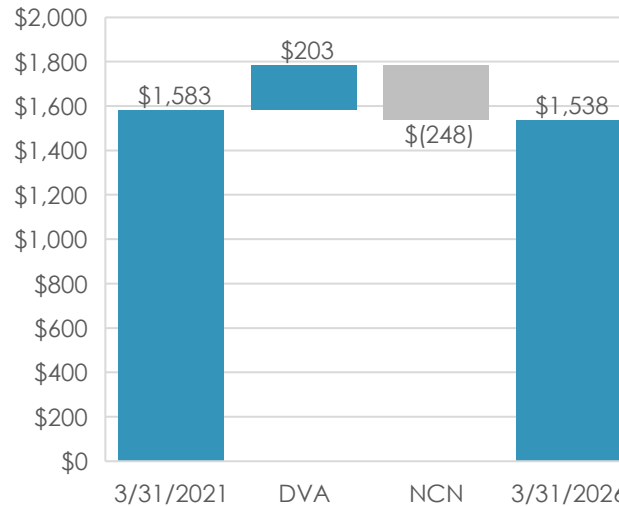
State Fund Investment Pool

SFIP Net Performance

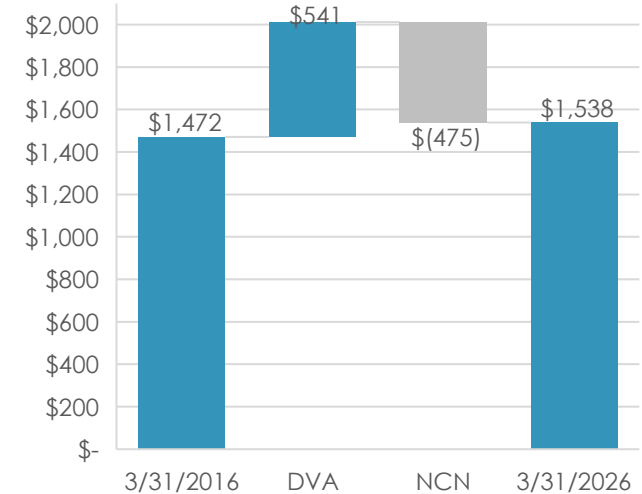
Asset Changes
1 Year



Asset Changes
5 Year



Asset Changes
10 Year



Performance	FYTD	1 Year	3 Year	5 Year	10 Year	Since Inception
State Fund	3.98%	6.89%	5.46%	2.78%	3.68%	5.16%
State Fund Benchmark	4.15%	6.90%	5.23%	2.42%	3.39%	4.67%

* Dollar values are in \$1,000,000

March 31, 2026

CIO Update

- The closure of the Strait of Hormuz has dominated headlines over the last few months. Despite significant volatility, the market has looked past the uncertainty and focused on strong earnings and optimism around AI.
- Investment Staff Projects:
 - Working with MPERA, Empower, and State Street to implement the defined contribution and deferred compensation plans transition.
 - Creation of an internal pacing model for alternative assets.
 - Shifting various operational communications to secure internal platforms.
 - Senior investment staff are starting our asset allocation process for 2026.
- Hired Jessie Zuiderveld as our new Fixed Income Analyst. Hired two summer investment interns, John Beurer and James Lang. Ethan Kittle passed the Level III CFA exam and now holds the CFA designation.

Macro Attribution

Key Takeaways – 3 Year

Strategic Asset Allocation - *What was the performance of our midpoint weighted benchmark portfolio?*

- All benchmarks except Real Estate provided positive contributions to the pension's policy-neutral return of 11.31%.

Tactical Asset Allocation - *Did the actual asset class weights add additional return over the midpoint weighted benchmark portfolio?*

- About \$474M of equity asset classes and \$91M of fixed income/cash asset classes were sold during the last year. The pension net cash need was \$565M for the year.
- In aggregate, the overweighting/underweighting of the asset classes relative to their benchmarks decreased the pension portfolio's return by 42 bps with the underweight to Domestic Equity providing most of the underperformance.

Style Selection - *Did the portfolio benchmarks add additional return over their asset class benchmarks?*

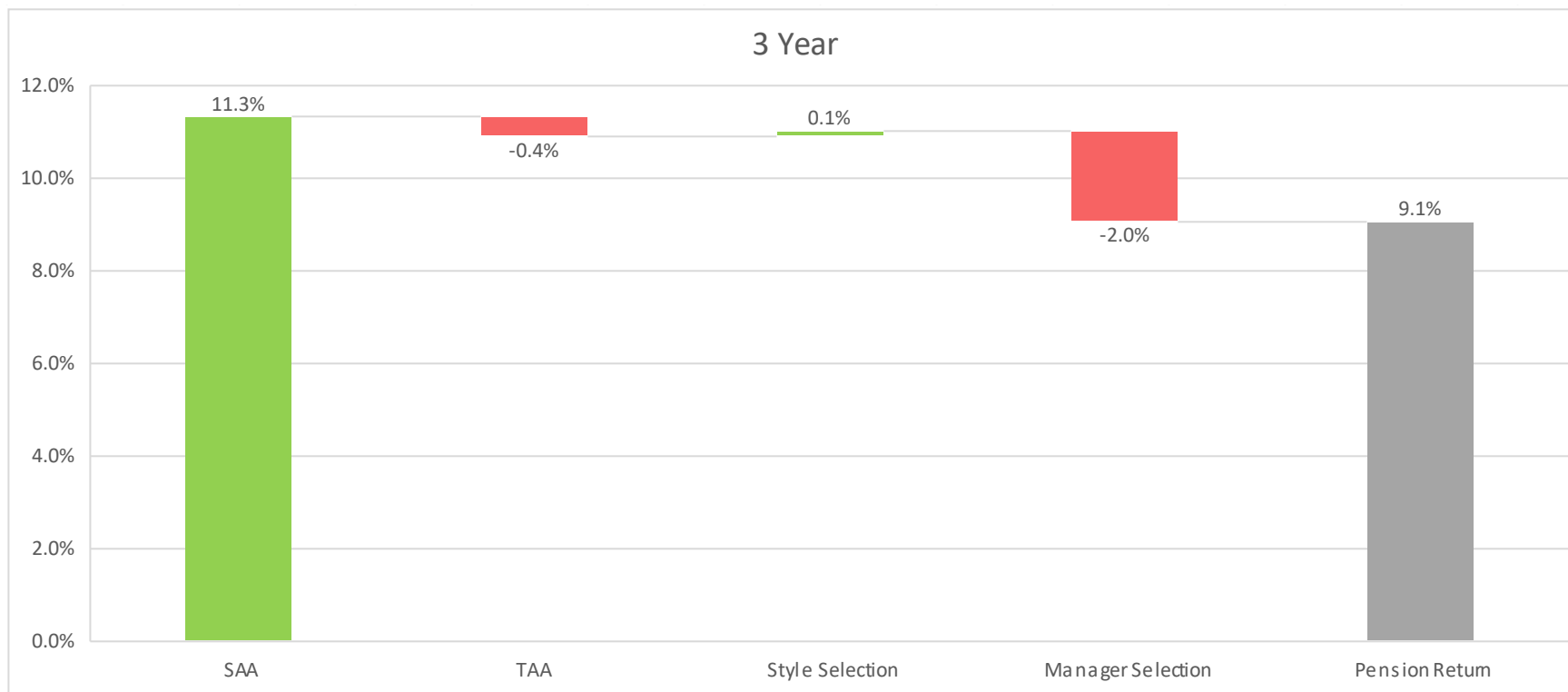
- The Domestic Equity manager benchmarks had higher exposure to small-cap than the asset class benchmark leading to total style underperformance of 9 bps.
- The International Equity manager benchmarks had higher exposure to growth benchmarks than the asset class benchmark leading to total style underperformance of 5 bps.
- The outperformance of the Commodities index relative to TIPS resulted in style outperformance of about 8 bps.
- Within Real Estate, the outperformance of the REIT index and CMBS index relative to the NCREIF ODCE led to style outperformance of 18 bps.
- Within Non-Core Fixed Income, there was negligible style performance.

Manager Selection - *Did the portfolio managers add additional return over their portfolio benchmarks?*

- In Domestic Equity, International Equity, Core Fixed Income, and Non-Core Fixed Income, there were negligible manager selection effects on a net basis.
- Private Investments manager selection underperformed by 171 bps.
- Real Assets underperformed by 57 bps due to the infrastructure and commodities portfolio benchmarks highly outperforming this last quarter.
- In Real Estate, the private real estate portfolios were the primary driver of the 25 bps of outperformance.

Note: The publicly traded benchmarks for private asset classes are an imperfect proxy for actual holdings due to the pricing of private assets lagging their publicly traded benchmarks.

Macro Attribution



Strategic Asset Allocation (SAA) - The return that would have been achieved if we had invested in our asset class benchmarks at the midpoint weights.

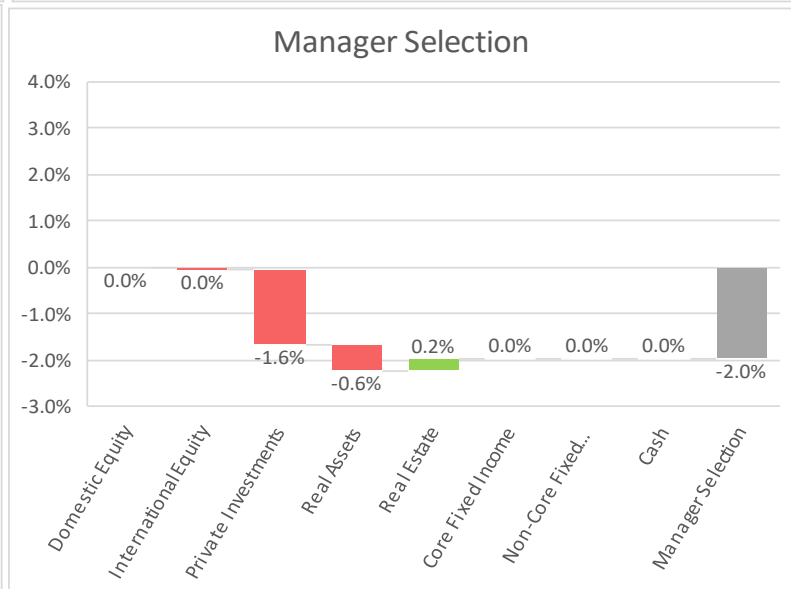
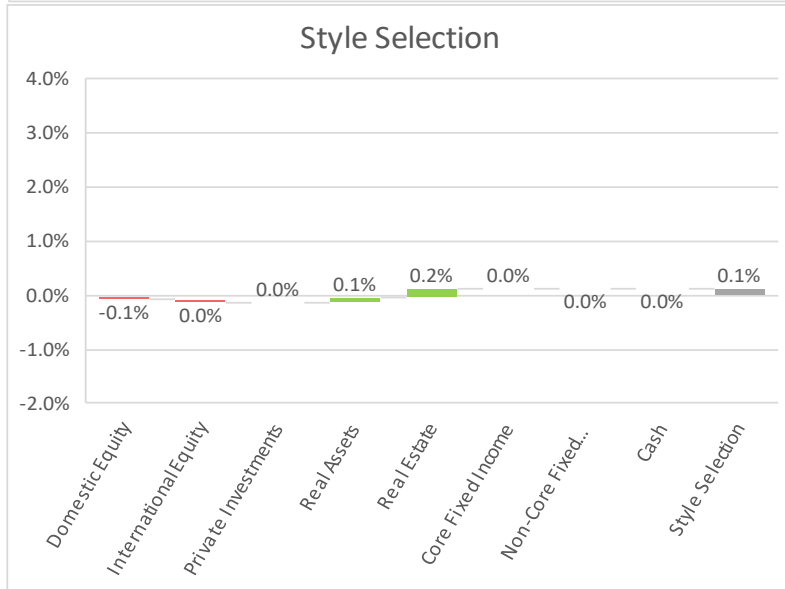
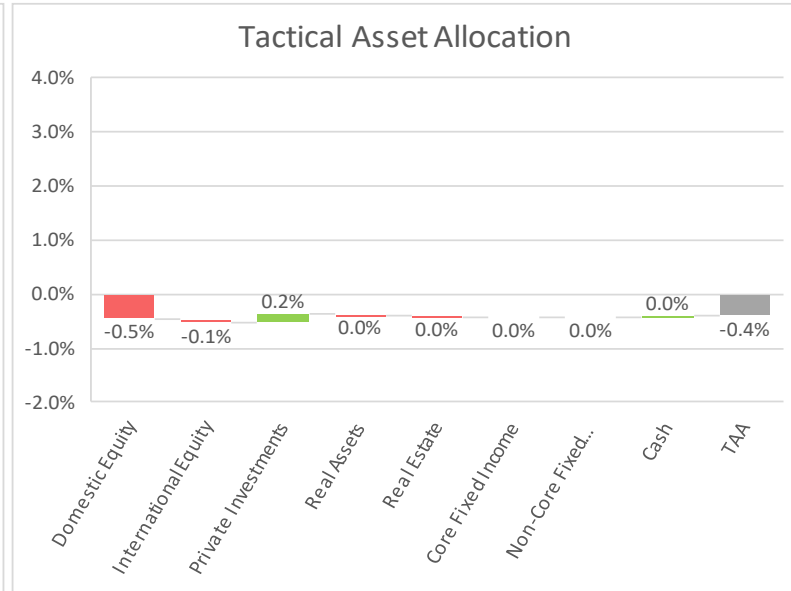
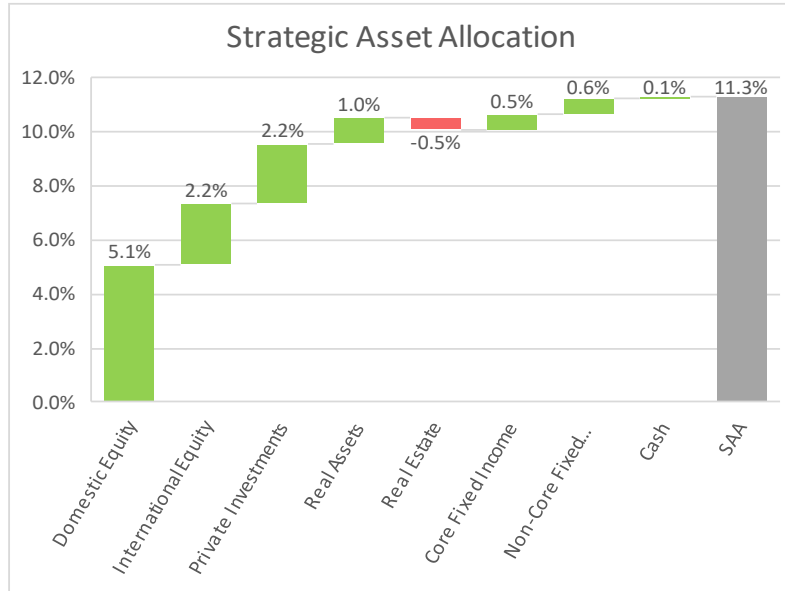
Tactical Asset Allocation (TAA) - The *additional* return earned by investing in the asset class benchmarks at our actual rather than midpoint weights.

Style Selection (SS) - The *additional* return earned by investing in the underlying manager benchmarks rather than the asset class benchmarks.

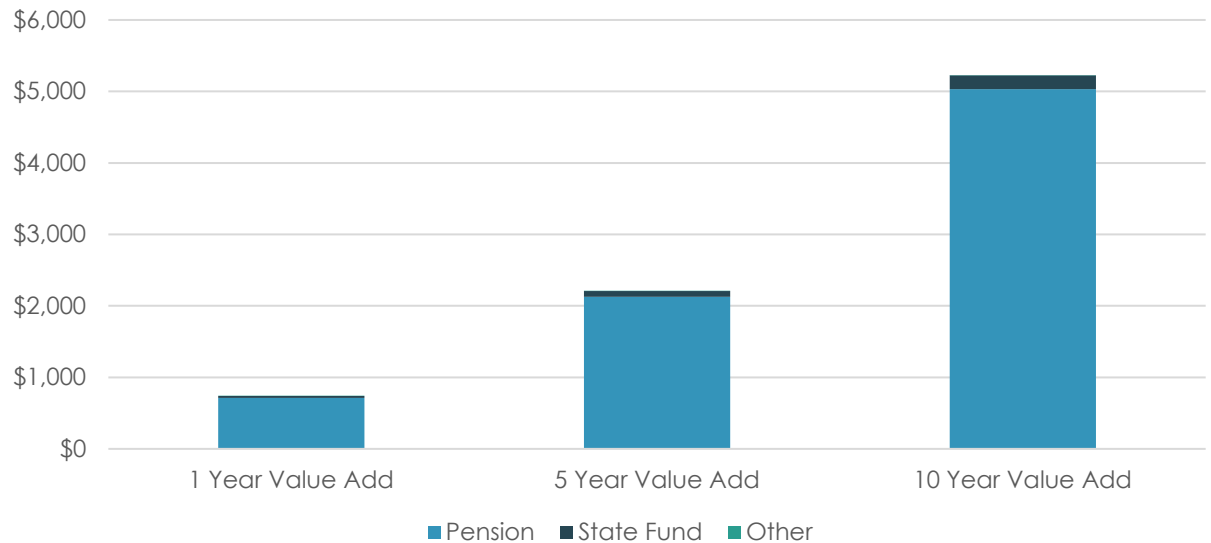
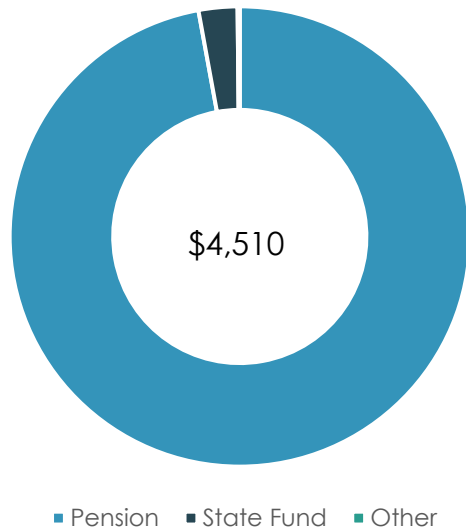
Manager Selection - The *additional* return earned by investing in the underlying managers rather than the underlying manager benchmarks.

* The valuation lag observed in Private Equity, Real Estate, and Natural Resources are likely to lead to large differences in returns between these asset classes and their benchmarks in short-mid term time periods. The manager selection component is therefore likely to be large for these asset class in the short and medium term.

Macro Attribution



Domestic Equity Ownership Breakdown



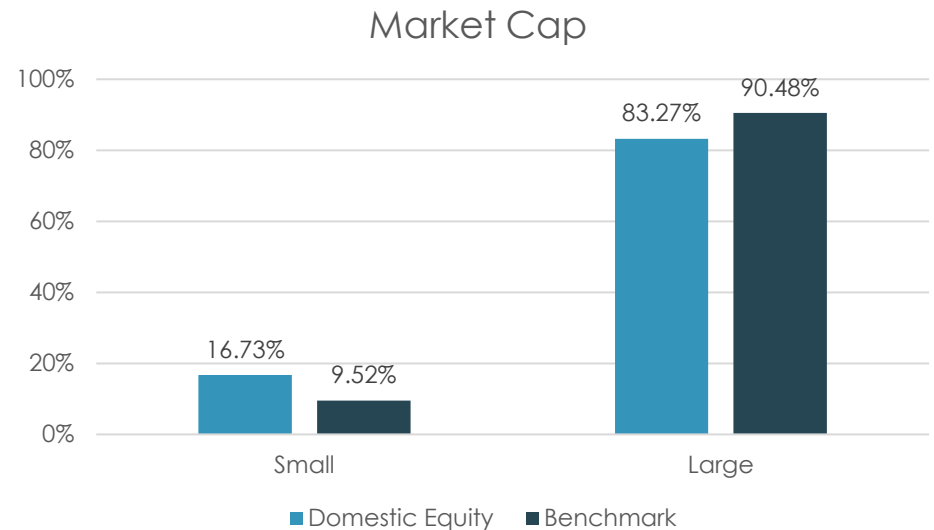
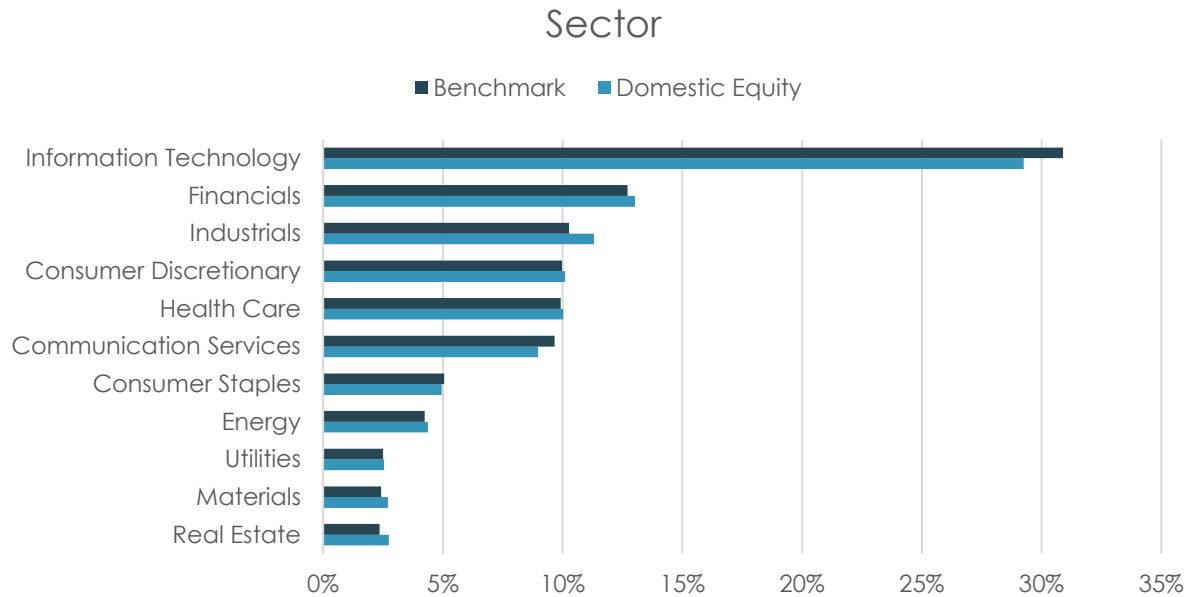
Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	18.60%	18.38%	10.78%	11.04%	13.34%	13.79%
State Fund	17.78%	17.80%	12.05%	12.06%	14.14%	14.16%

- In the first quarter, U.S. Equities suffered their worst quarterly performance since 2022, as geopolitics dominated the headlines. Despite the negative returns in the quarter, the trailing 12-month performance was still strong.
- With the sell-off in March, market dynamics reversed from recent trends: value stocks outperformed growth stocks and small-cap stocks outperformed large-caps.
- Return dispersion among sectors spiked, with energy stocks rallying and software stocks suffering steep losses amid fears of AI disruption.

* Dollar values are in \$1,000,000

March 31, 2026

Domestic Equity Characteristics - Pension

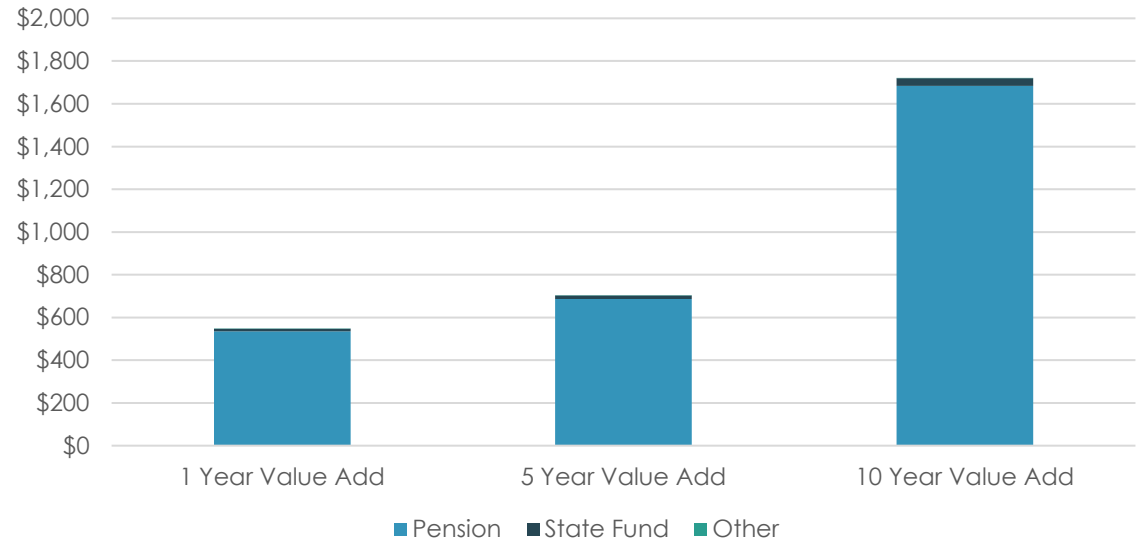
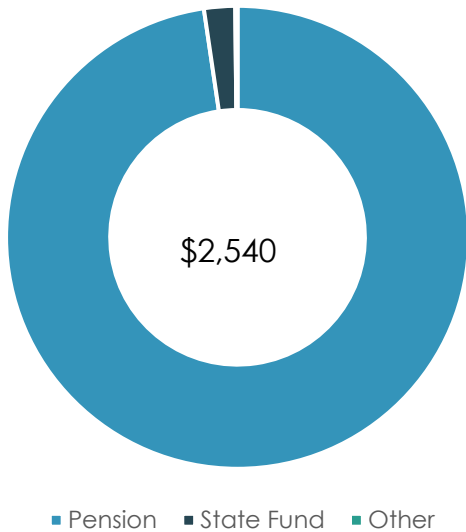


Domestic Equity Valuation



- P/E multiples fell in the quarter, with the S&P 500 forward P/E ratio ending the period at 19.7x. The average forward P/E for the S&P 500 since 1996 is 17.2x.
- The top 10 stocks in the S&P 500 trade at a forward P/E of 23.0x vs. 18.0x for the remaining stocks in the index. Concentration in the largest stocks dropped, with the 10 largest stocks in the S&P 500 comprising 38% of the index at the end of the quarter, down from 41% at the end of 4Q25.

International Equity Ownership Breakdown



Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	24.20%	25.32%	6.32%	6.83%	8.33%	8.33%
State Fund	25.11%	24.91%	7.07%	7.02%	8.42%	8.38%

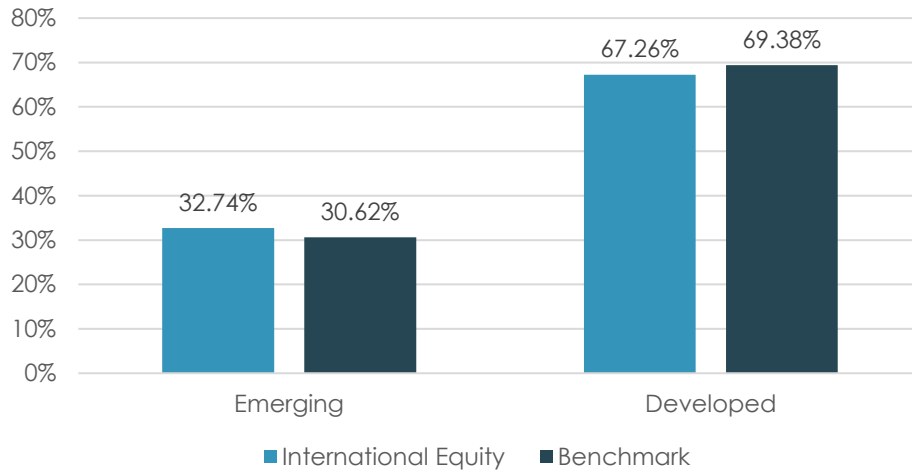
- International stocks were hit harder than U.S. stocks in the March sell-off but still outperformed U.S. equities for the quarter and the trailing year.
- As in the U.S., value stocks outperformed growth stocks in the quarter, while small-caps edged out large-caps. Emerging markets outperformed developed both in 1Q26 and over the last twelve months.
- After a weaker U.S. dollar provided a boost to international equities in 2025, the stronger dollar in 1Q26 was a drag on dollar-based returns for non-U.S. stocks.

* Dollar values are in \$1,000,000

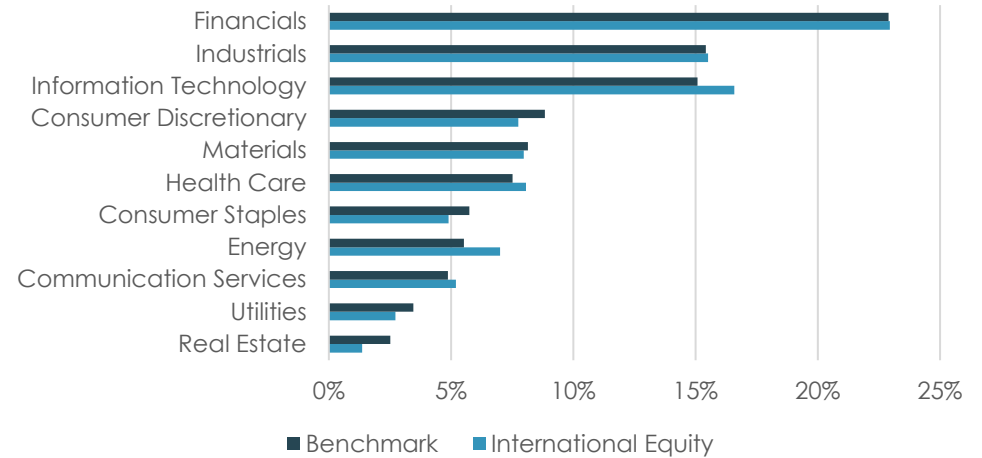
March 31, 2026

International Equity Characteristics - Pension

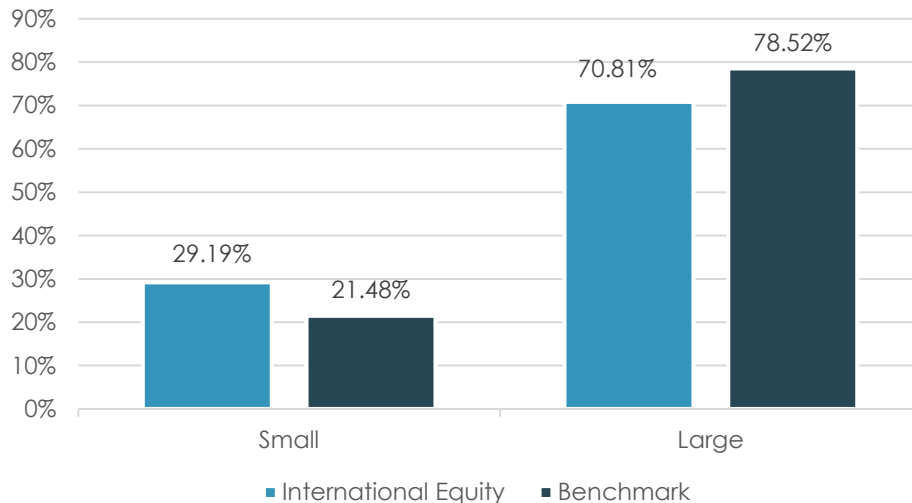
Developed vs. Emerging Markets



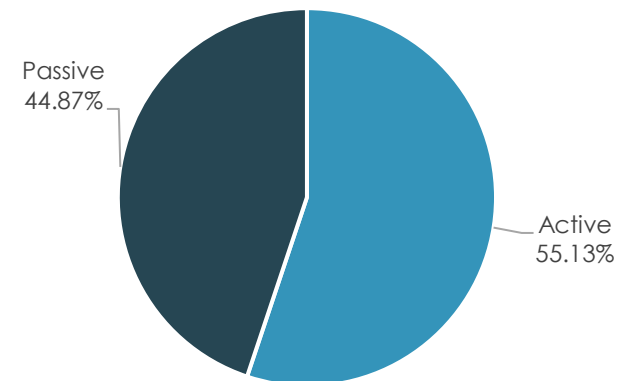
Sector



Market Cap



Active vs. Passive



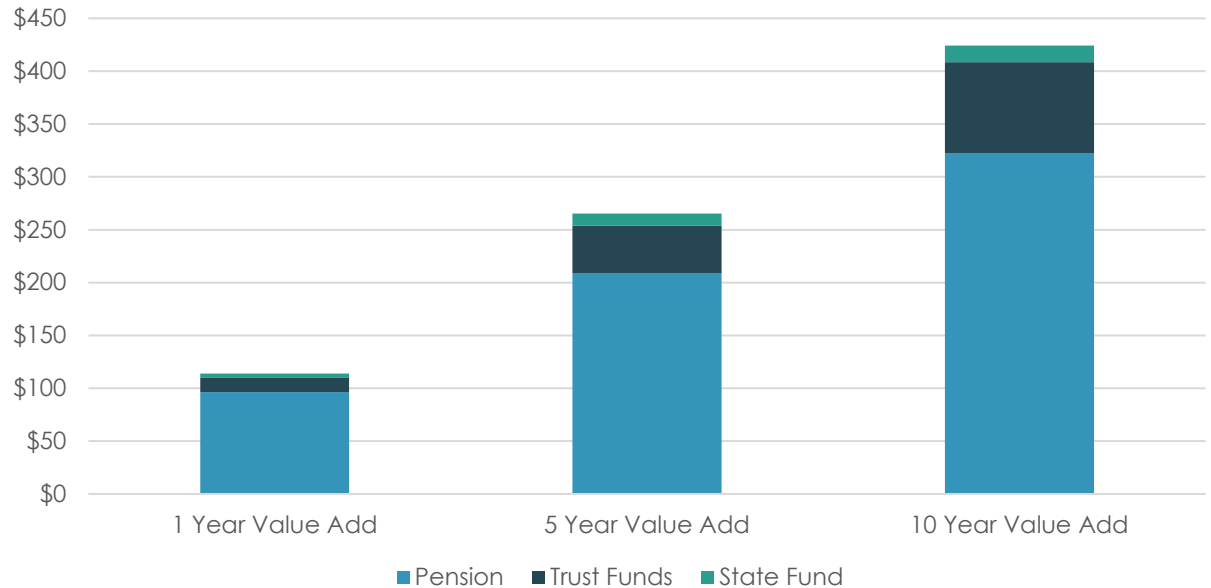
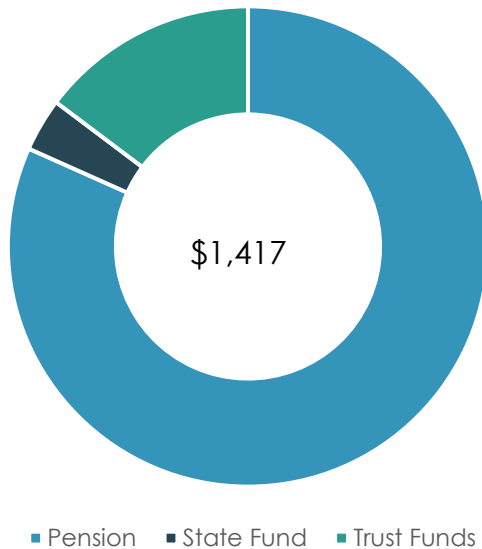
International Equity Valuation

ACWI ex-U.S. Index - Price/Earnings Ratio
(March 31, 2016 to March 31, 2026)



- The forward P/E for the MSCI ACWI ex-U.S. Index was 13.6x at the end of 1Q26, down from 14.8x at the end of 4Q25 but up from 13.3x at the end of 4Q24. The 20-year average for the index is 13.1x.
- The valuation discount for international equities vs. U.S. stocks narrowed slightly in 1Q26, ending the quarter at a 31% discount. This compares to a 39% discount at the end of 2024.

Non-Core Fixed Income Ownership Breakdown



Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	9.09%	7.01%	3.87%	4.22%	5.11%	6.12%
State Fund	7.46%	7.01%	3.88%	4.22%	NA	NA
Trust Funds	7.17%	7.01%	4.14%	4.22%	4.79%	6.12%

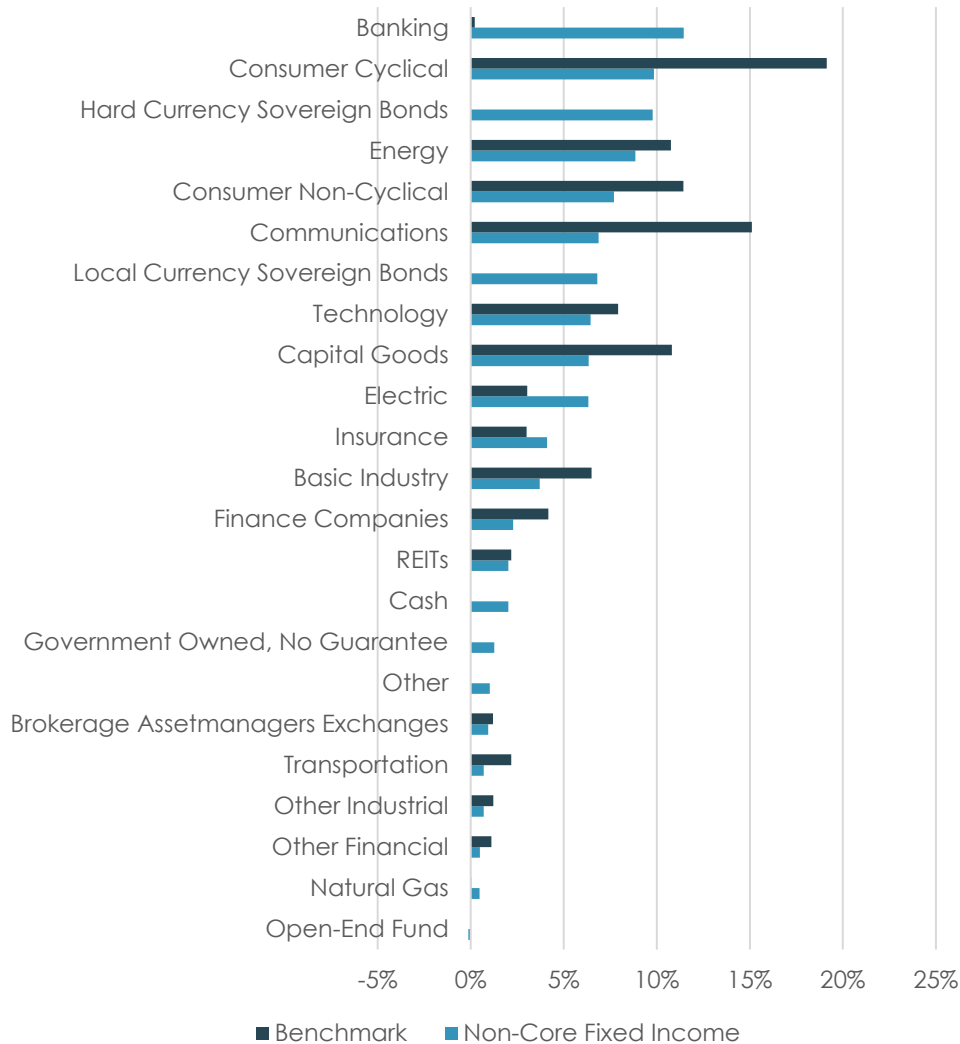
- U.S. high-yield bonds experienced modest losses in 1Q26, but emerging markets debt was particularly hard hit in March.
- Despite the recent market volatility, convertible bonds and emerging markets debt were still the top performers in the asset class over the last year, far outpacing returns for U.S. high-yield bonds.
- For the trailing year, every manager outperformed their respective benchmark.

* Dollar values are in \$1,000,000

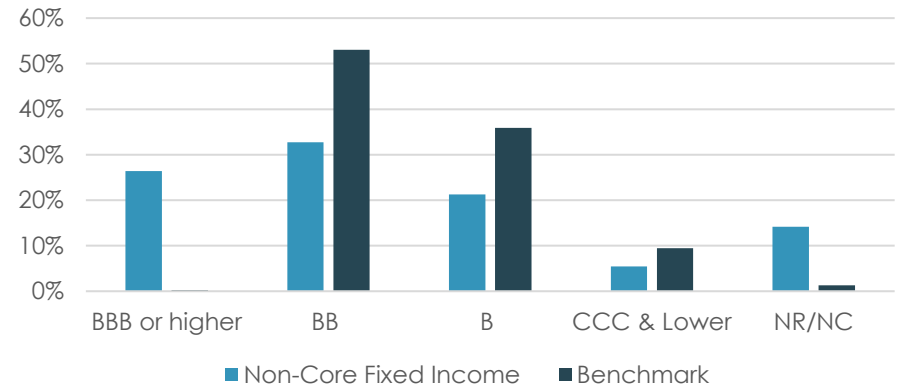
March 31, 2026

Non-Core Fixed Income Characteristics

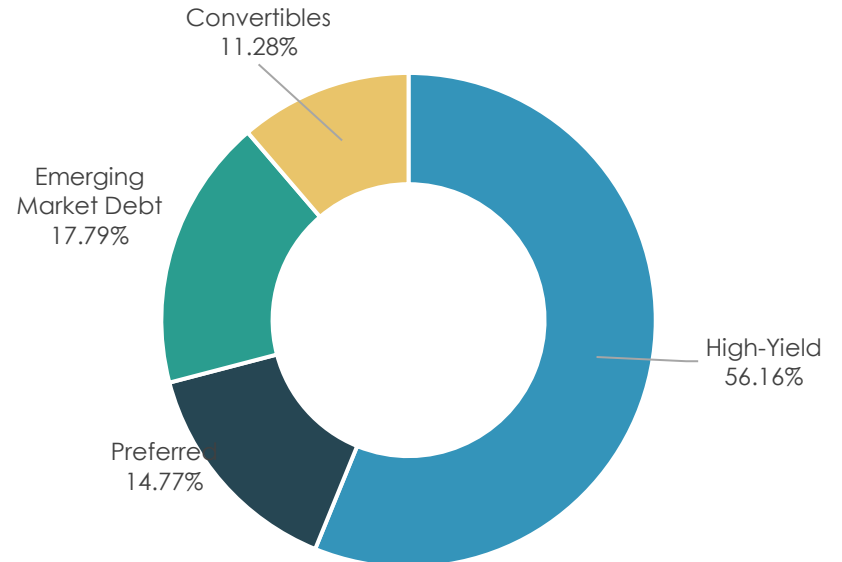
Sector



Credit Rating

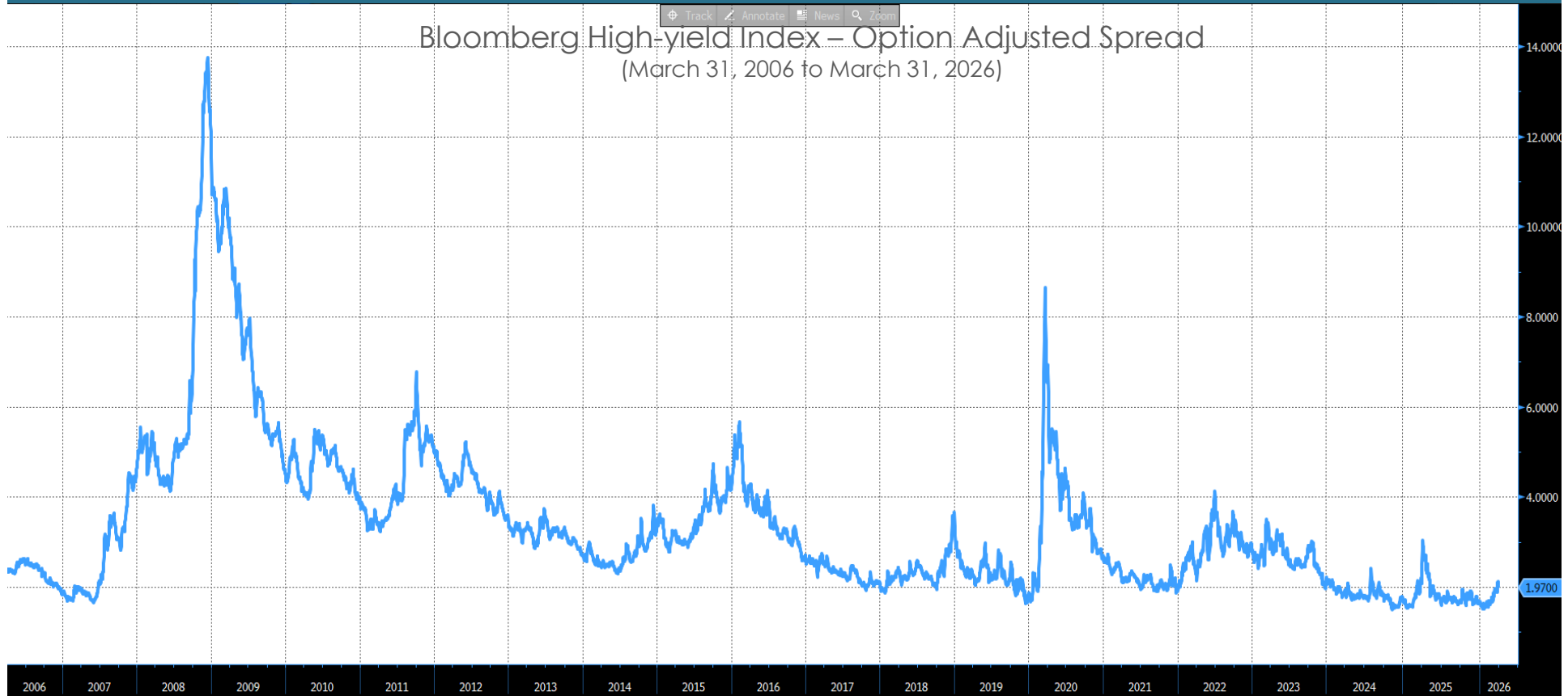


Strategy



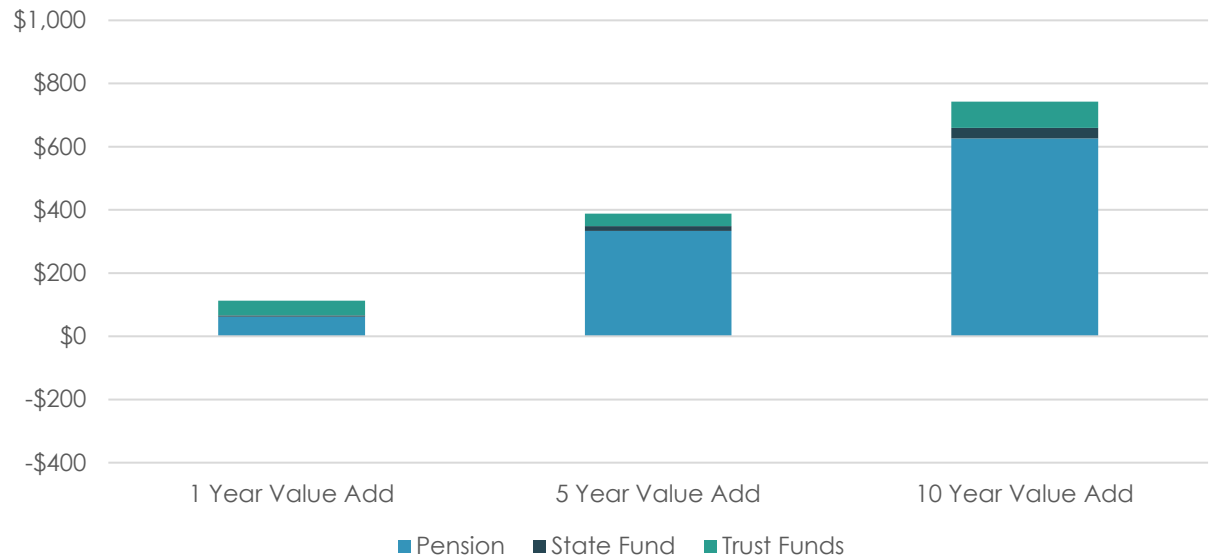
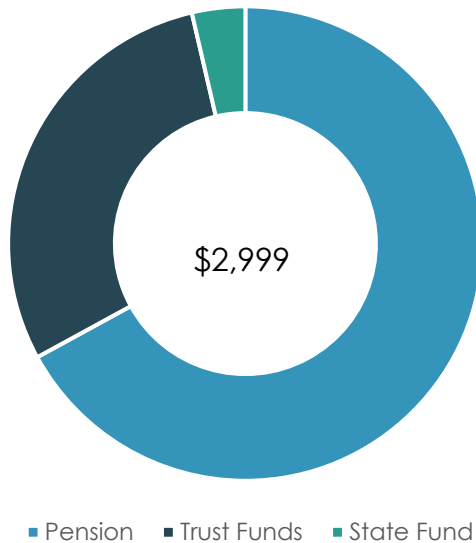
Non-Core Fixed Income Valuation

Bloomberg High-yield Index – Option Adjusted Spread
(March 31, 2006 to March 31, 2026)



- High-yield bond spreads ended the quarter about 50 bps higher than at the end of 4Q25 but have compressed by ~135 bps from their April 2025 highs of ~450 bps.
- Absolute yields reversed their downward trend, ending the quarter at 7.4%, up from 6.5% at the end of 4Q25.

Real Estate Ownership Breakdown



Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	3.33%	2.92%	4.49%	2.51%	5.63%	2.16%
State Fund	4.51%	2.92%	2.73%	2.51%	3.44%	3.88%
Trust Funds	6.36%	2.92%	4.63%	2.51%	4.73%	3.88%

- The market remains cautious as investors balance generally positive fundamentals, depending on property type and market location, with uncertainty around the economy and global geopolitics.
- Focus on operational intensity at the asset level and growing net operating income is the name of the value creation game currently.
- Development across property types remains muted and portends optimism for fundamentals going forward.
- Debt capital remains available and banks are slowly returning, signaling a shift from cautious positioning toward renewed lending activity.

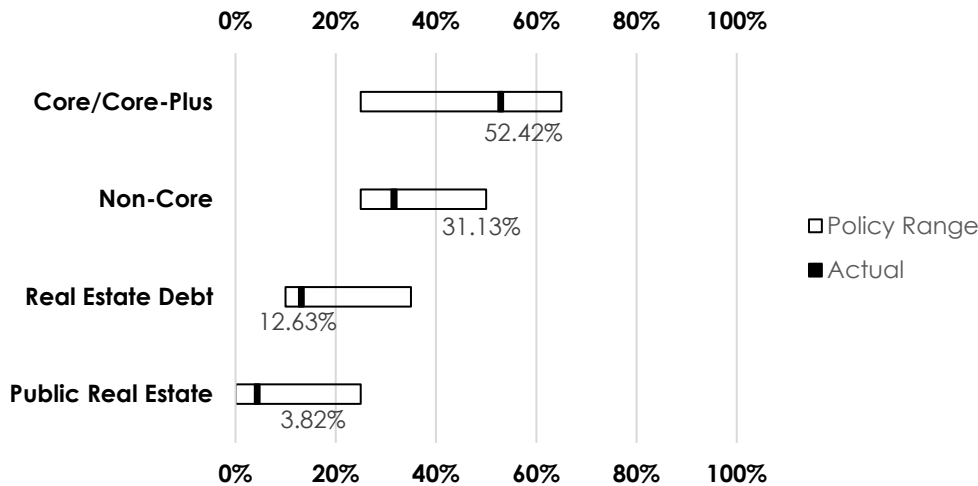
* Dollar values are in \$1,000,000

March 31, 2026

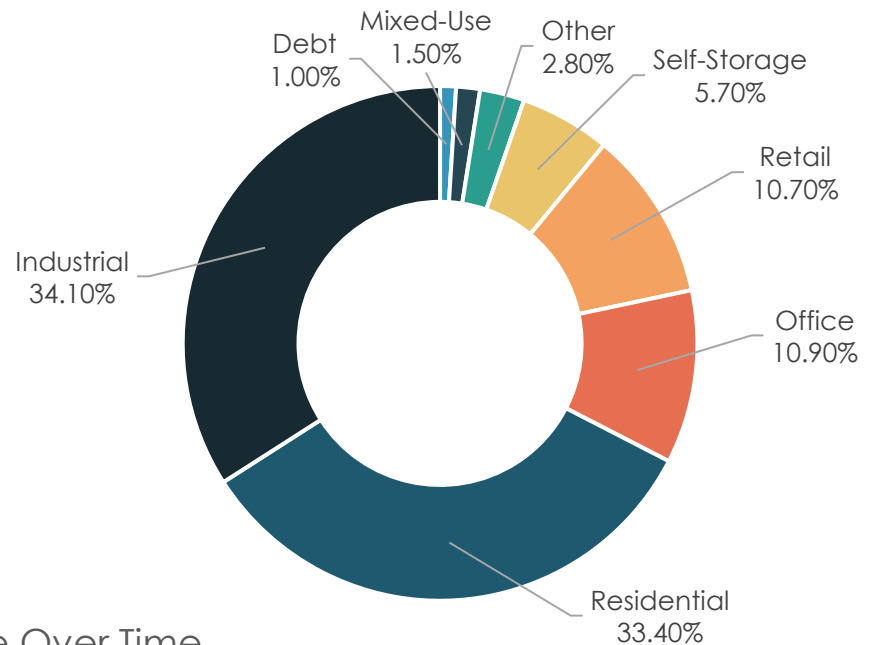
Real Estate

Characteristics - Pension

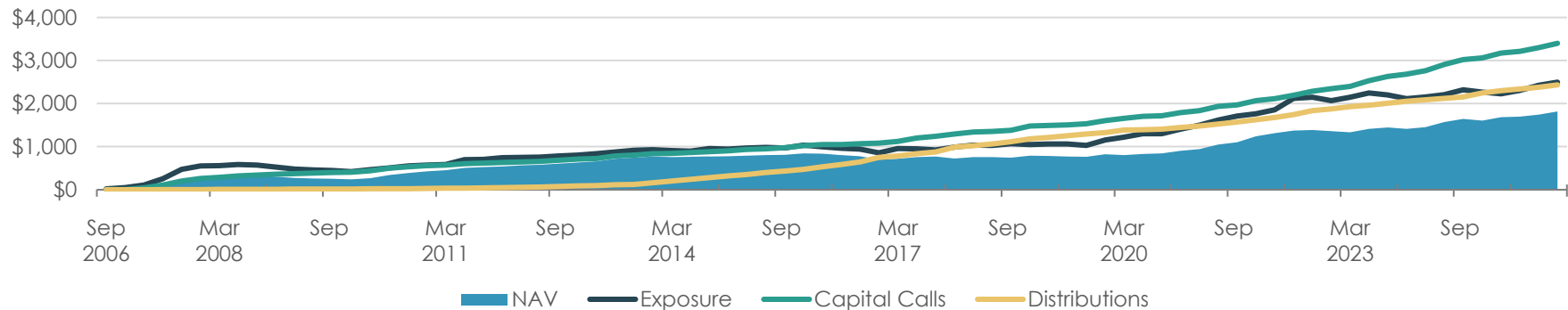
Real Estate Asset Allocation



Property Type



Private Real Estate Over Time
2006-2026



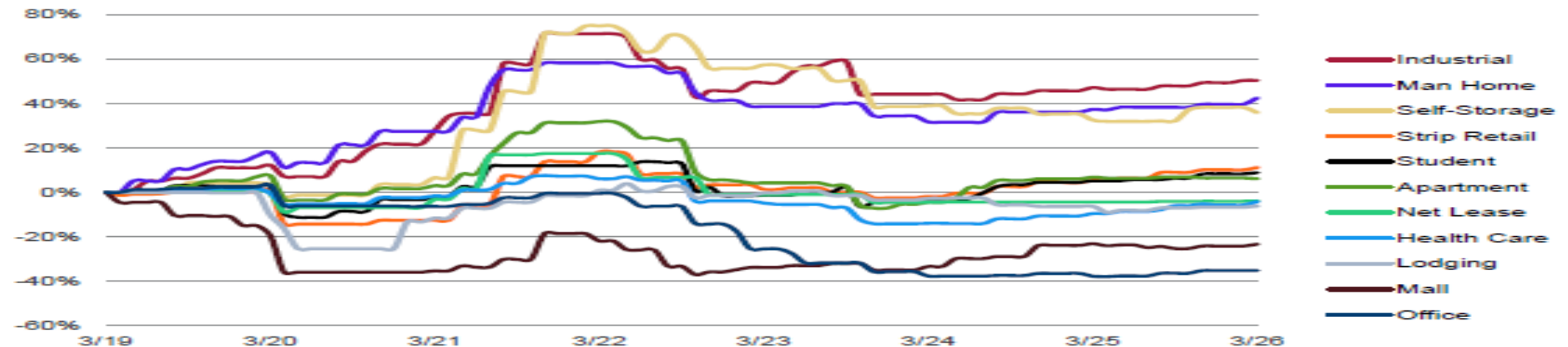
* Dollar values are in \$1,000,000
March 31, 2026

Real Estate Valuation

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	From '22 Peak
All Property	131.1	0.4%	3%	-15%
Core Sector	131.1	0.2%	2%	-18%
Apartment	153.3	-0.3%	1%	-19%
Industrial	222.8	0.0%	2%	-12%
Mall	92.0	1.1%	0%	-6%
Office	74.0	0.0%	4%	-35%
Strip Retail	123.9	1.0%	5%	-6%
Data Center	117.0	0.0%	6%	-9%
Health Care	134.4	1.6%	6%	-11%
Lodging	102.4	0.5%	0%	-10%
Manufactured Home Park	291.5	2.0%	4%	-10%
Net Lease	94.7	0.1%	0%	-18%
Self-Storage	243.2	-1.7%	3%	-22%
Student Housing	164.1	0.6%	4%	-4%

¹ Green Street Commercial Property Price Index® - April 7, 2026

Cumulative Change in CPPI®: Past Seven Years



- Broad-based positive momentum over the past 12 months, with continued signs of some underlying stress and fundamental pressure in certain property types.

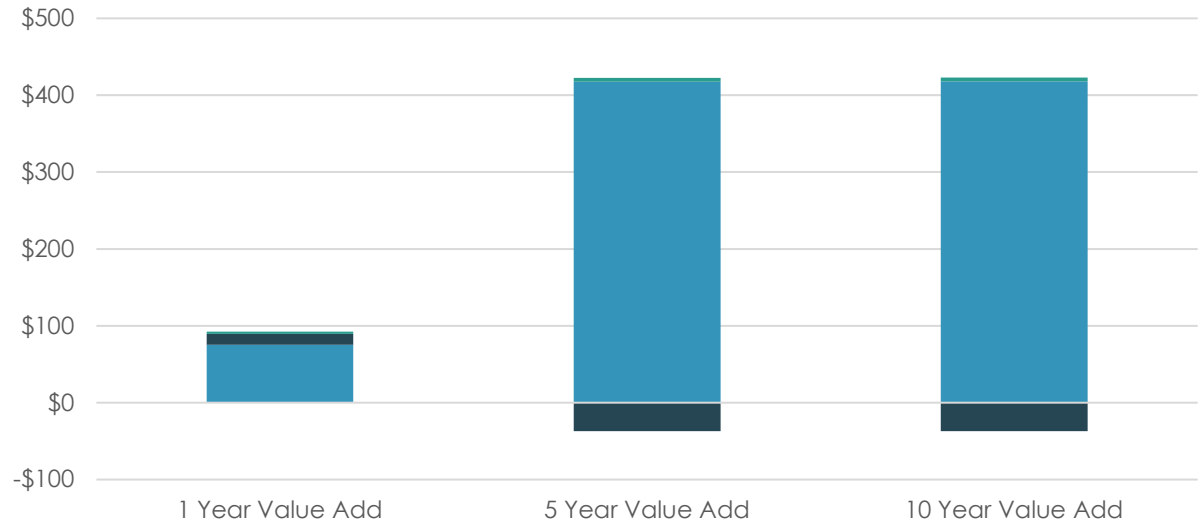
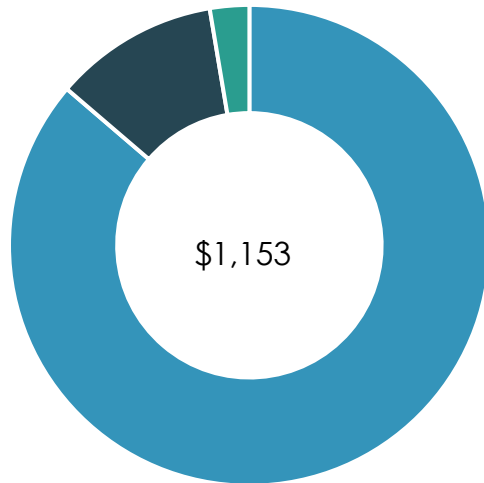
March 31, 2026

Real Estate

New Commitments FYTD

- Sterling United Properties Fund I, LP - \$50M (CAPP), \$50M (TFIP), \$15M (SFIP)
- Sweet Grass-Equus II, LP - \$100M (CAPP), \$50M (TFIP)
- Walton Street Real Estate Debt Core Fund, LP - \$100M (CAPP), \$100M (TFIP)
- **No new commitments**

Real Assets Ownership Breakdown



■ Pension ■ Trust Funds ■ State Fund

■ Pension ■ Trust Funds ■ State Fund

Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	8.05%	33.40%	11.25%	11.40%	NA	NA
Trust Funds	12.72%	35.93%	NA	NA	NA	NA
State Fund	12.15%	35.93%	NA	NA	NA	NA

- OPEC+ nations continue to unwind voluntary production cuts; the decision could be moot if flows don't resume through the Strait of Hormuz, or the UAE pulls out of OPEC.
- U.S. crude and refined products exports on track to hit all-time highs, 4.6M and 3.2M bpd, respectively.
- After reaching an all-time high in '25, US oil production is down, oil rig count down, gas rig count up.
- Housing starts remain muted as affordability/tariffs continue to impact construction costs.
- Railcar leasing rates outpacing inflation, aggregates pricing momentum remains strong.
- U.S. South and PNW timber and lumber markets weakened with subdued construction in '25, seeing some price appreciation early in '26, exports down amid geopolitical uncertainty, lumber trending up.

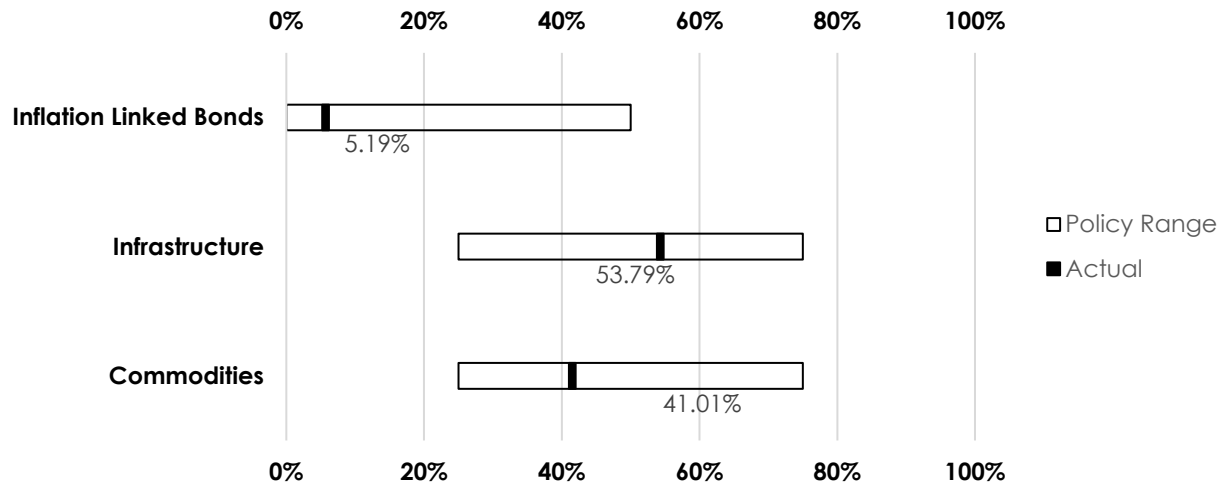
* Dollar values are in \$1,000,000

March 31, 2026

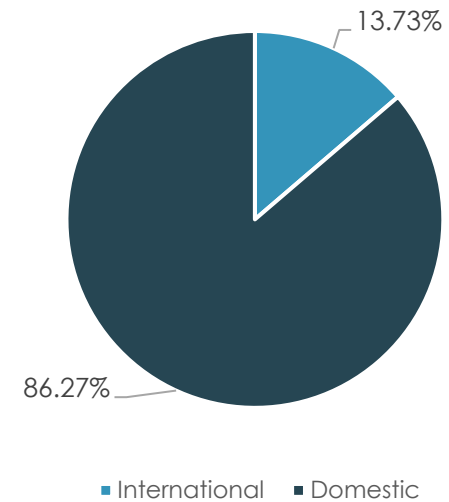
Real Assets

Characteristics - Pension

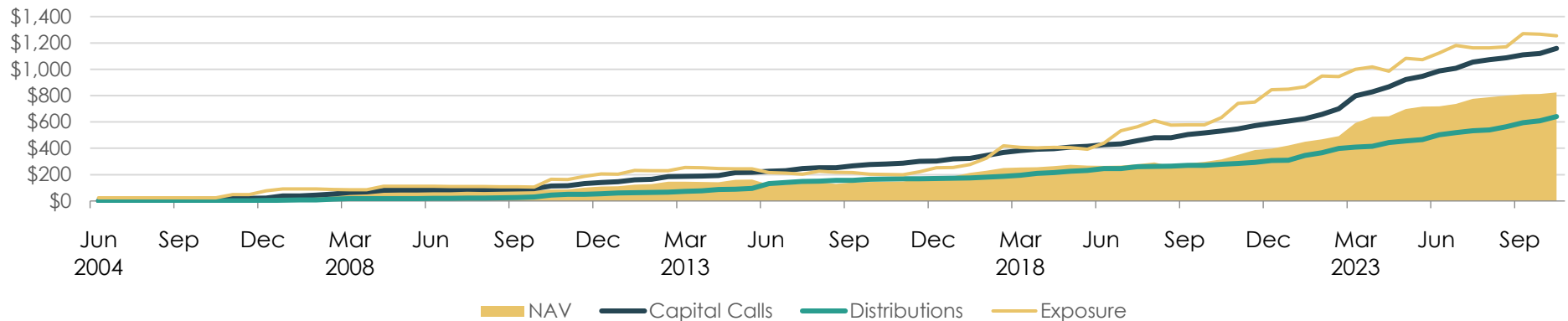
Real Assets
Asset Allocation



Domestic vs. International



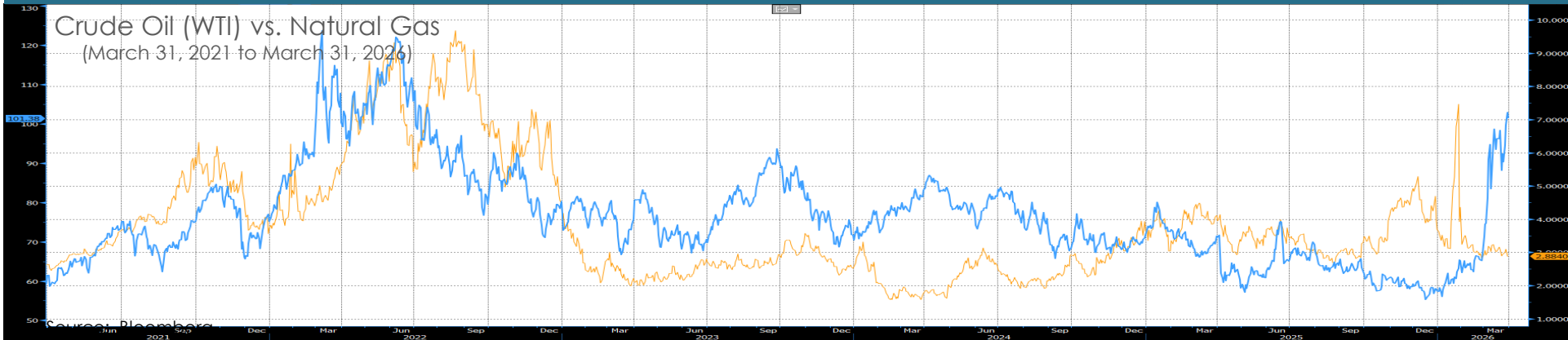
Private Real Assets Over Time
2004-2026



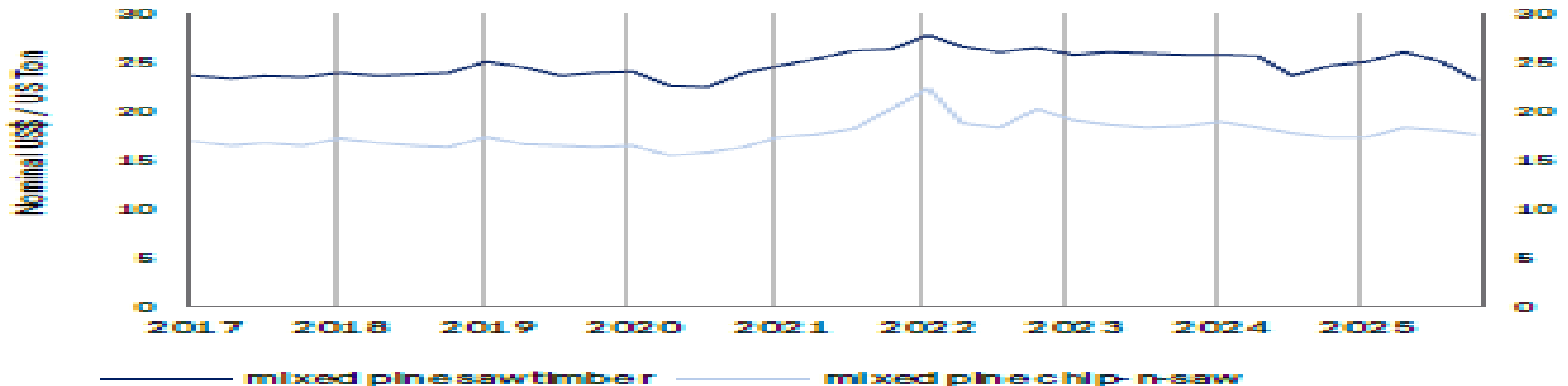
* Dollar values are in \$1,000,000

March 31, 2026

Real Assets Valuation



U.S. South Pine Chip-n-Saw and Sawtimber Prices.



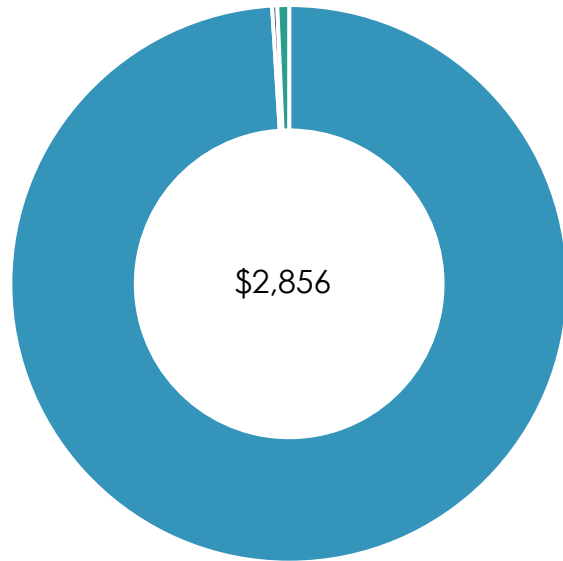
- Geopolitics remain the key theme for oil's recent spike. The spike in energy prices and supply shortages have crushed global oil consumption, sending it plummeting by 4 million barrels per day.
- While timber prices have been generally stable, 4Q25 saw some softening due to a slump in new home construction, declining exports, and supply increases due to favorable weather.

Real Assets

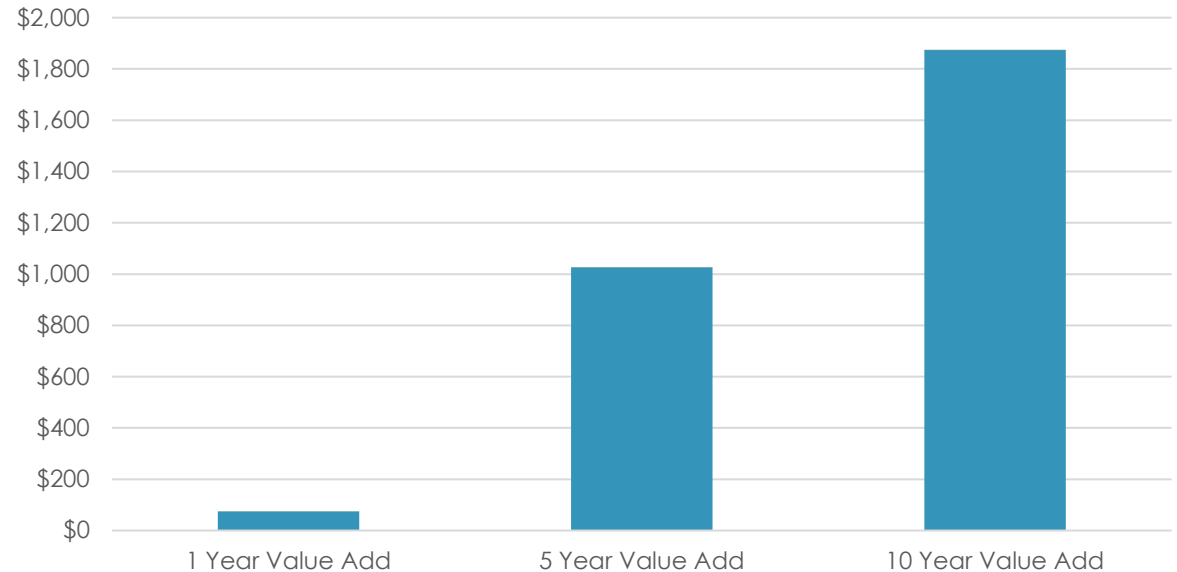
New Commitments FYTD

- CBRE Musselshell Infrastructure Investments, LP - \$100M (CAPP), \$35M (TFIP), 2nd tranche
- **No new commitments**

Private Investments Ownership Breakdown



■ Pension ■ State Fund ■ Trust Funds



■ Pension ■ State Fund ■ Trust Funds

Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	2.69%	20.44%	9.58%	6.19%	11.27%	10.46%
State Fund	11.29%	5.94%	NA	NA	NA	NA
Trust Funds	11.29%	5.94%	NA	NA	NA	NA

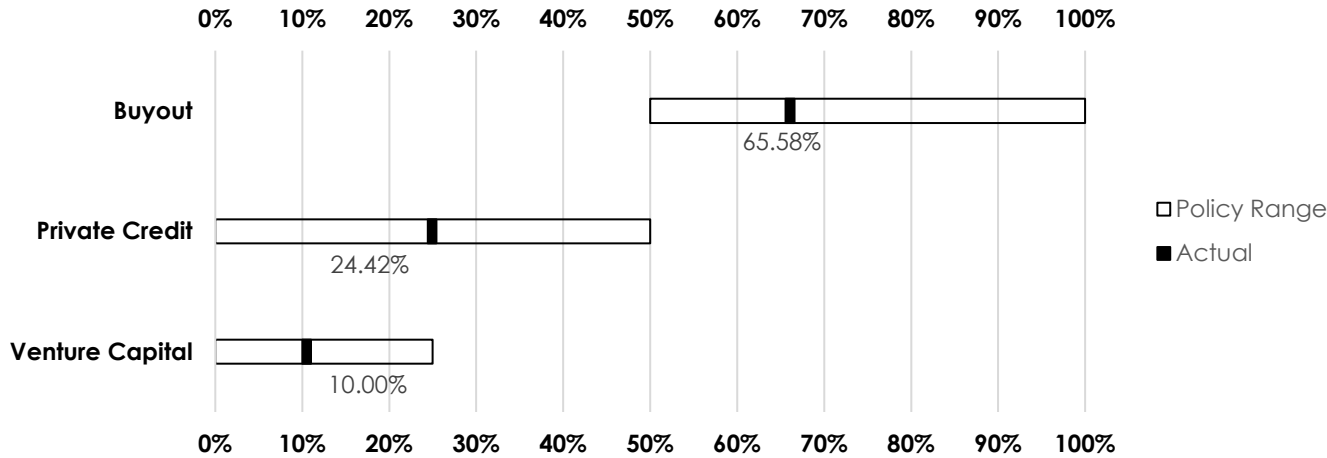
- Long-term, the portfolio performs well within expectations and continues to outperform over 5 and 10 years.
- State Fund and Trust Funds' performance marks the first full year of private credit investments.

* Dollar values are in \$1,000,000

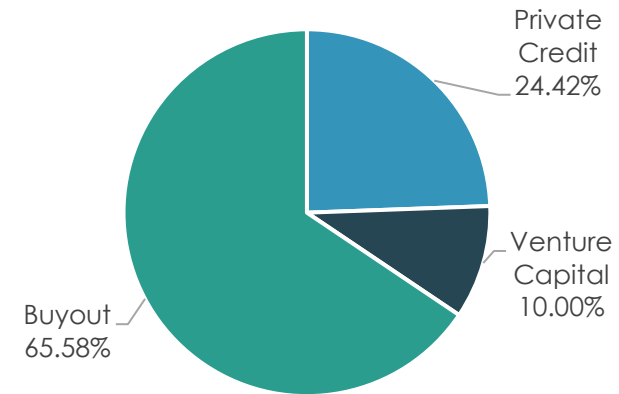
March 31, 2026

Private Investments Characteristics

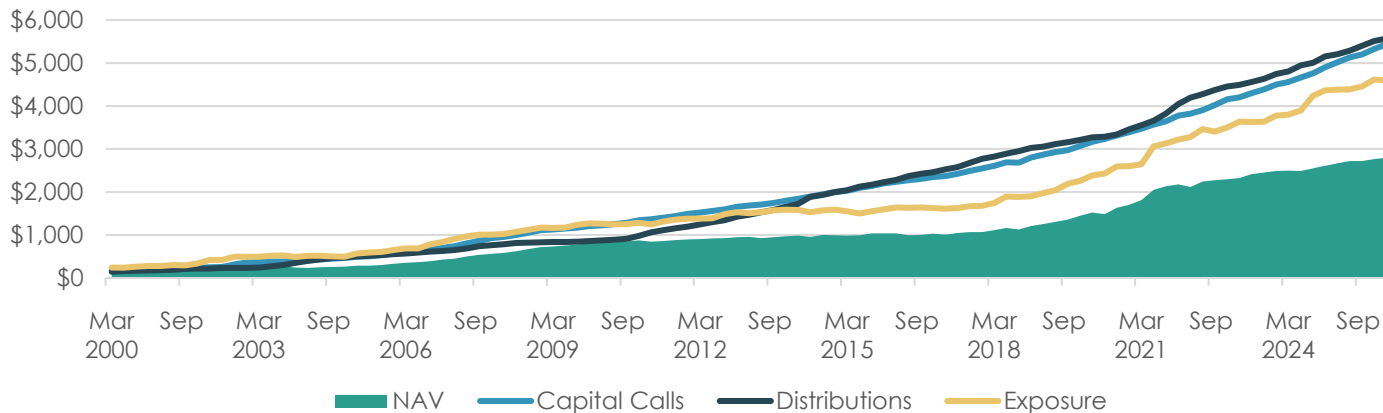
Private Investments Asset Allocation



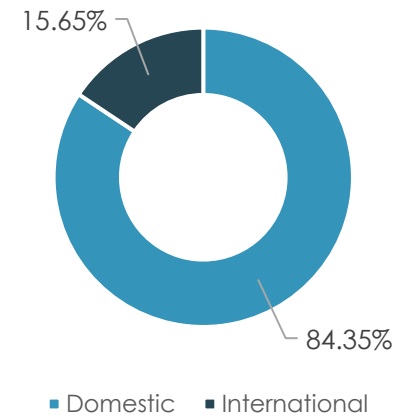
Strategy



Private Investments Over Time 2000 - 2026

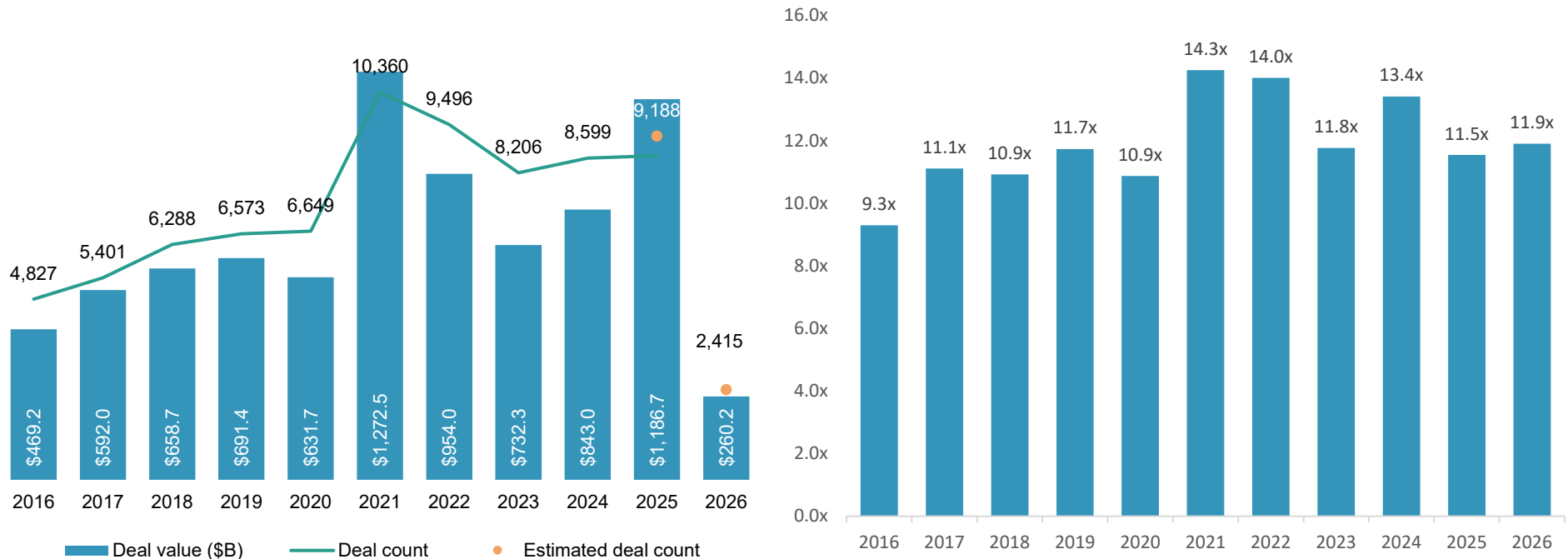


Domestic vs. International



* Dollar values are in \$1,000,000
March 31, 2026

Private Investments Valuation



- 1Q26 is ahead of previous years with 2,415 announced and estimated transactions. Deal value of \$260B, however, is behind previous years for the first quarter, signaling a shift down-market towards smaller transactions.
- Valuations are holding steady, but at higher levels compared to the average from 2016 to 2020. At elevated levels, relying on multiple expansions as a driver of returns becomes increasingly difficult.

Source: PitchBook. *as of 3/31/2026

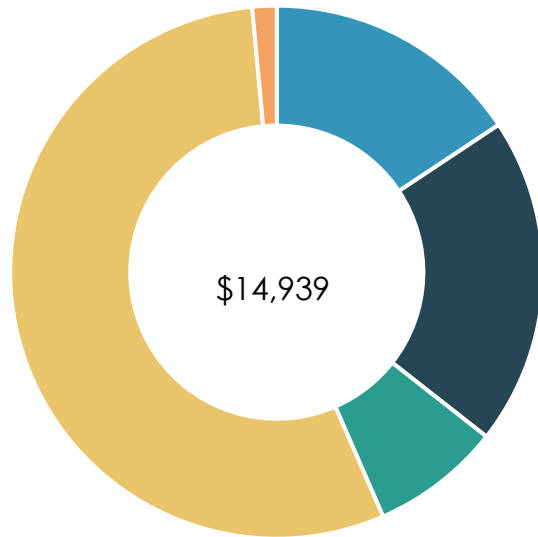
March 31, 2026

Private Investments

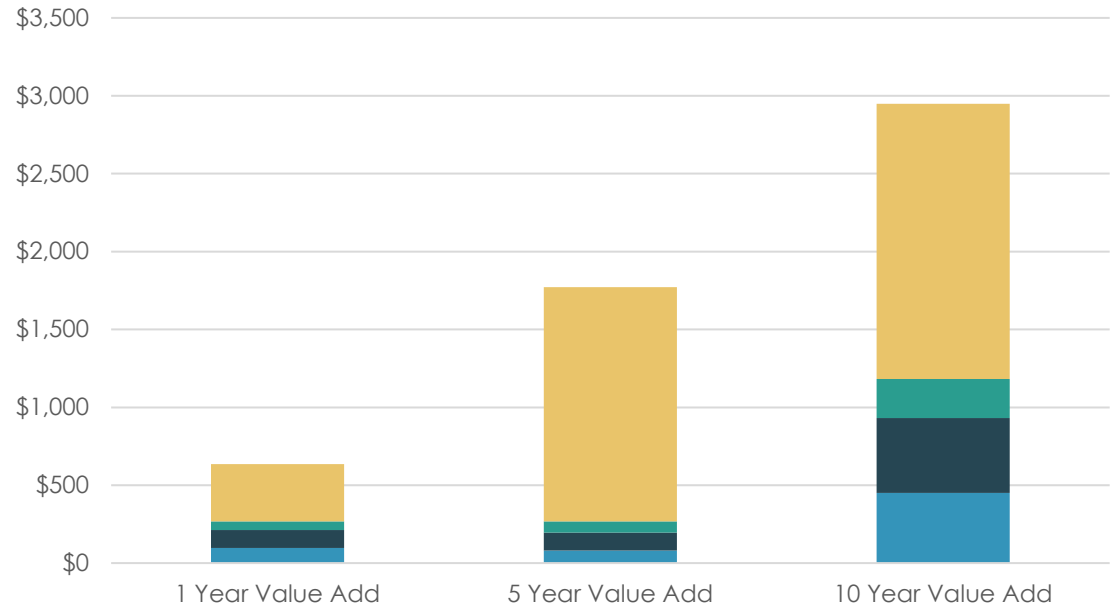
New Commitments FYTD

- Accolade Partners Venture Fund II, LP - \$25M
- Accolade Partners Fund X, LP - \$25M
- Access Capital Emerging Manager Fund I, LP - €50M (~\$58M)
- EQT Healthcare Growth Fund I, LP - \$50M
- Kester Capital Fund IV, LP - £40M (~\$53M)
- FLC Big Horn Investment Fund, LP - \$100M
- CapitalSpring Investment Partners Fund VII, LP - \$50M
- Highland Rim Capital Fund I, LP - \$50M
- GoldenTree Tactical Opportunities Fund, LP - \$50M (additional)
- **Tree Line Credit Strategies, LP - \$50M Pension, \$40M Trust Funds, \$15M State Fund**

Core Fixed Income Ownership Breakdown



■ Pension ■ Trust Funds ■ State Fund ■ STIP ■ SMA



■ Pension ■ Trust Funds ■ State Fund ■ STIP

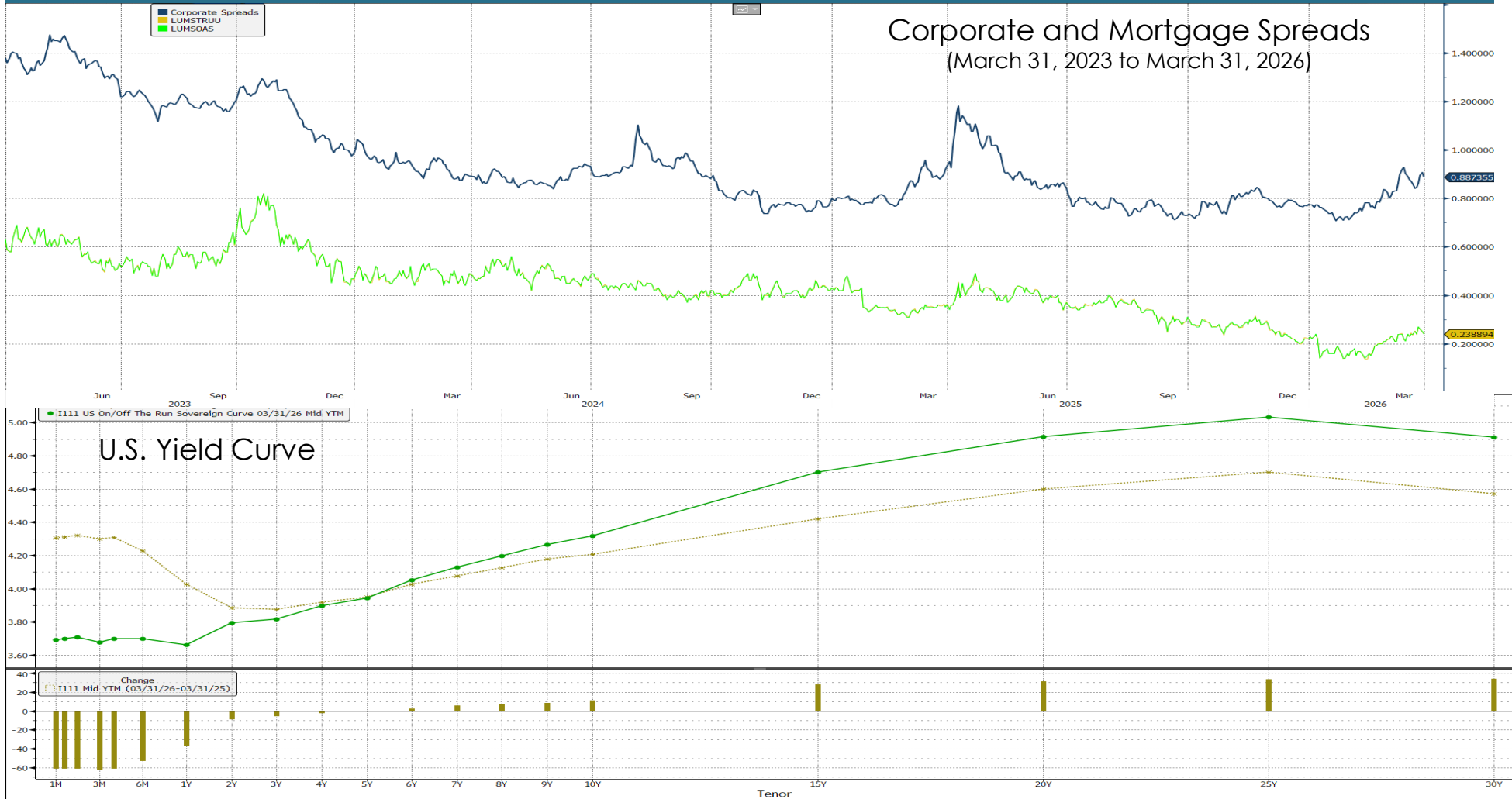
Performance	1 Year	1 Year Benchmark	5 Year	5 Year Benchmark	10 Year	10 Year Benchmark
Pension	4.59%	4.35%	0.59%	0.31%	1.75%	1.86%
Trust Funds	4.51%	4.35%	0.70%	0.31%	2.03%	1.70%
State Fund	4.66%	4.35%	1.32%	0.68%	2.12%	1.68%
STIP	4.32%	4.19%	3.51%	3.52%	2.41%	2.36%

- Yields for maturities greater than 5 years increased significantly over the past year.
- The market is not pricing in significant Fed Funds rate cuts over the next year.
- Significant uncertainty exists on future rates of inflation and Federal Reserve actions.

* Dollar values are in \$1,000,000

March 31, 2026

Core Fixed Income Valuation



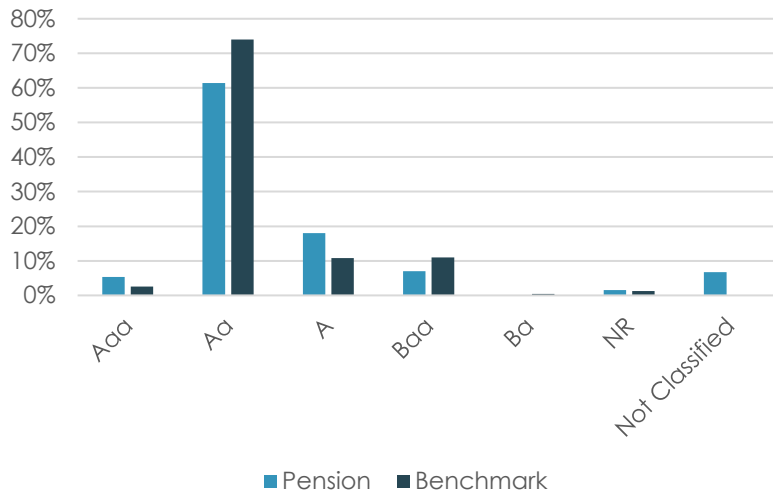
- Risk premiums remain below historical averages.
- The yield curve steepened significantly over the past year.

Core Fixed Income Characteristics - Pension

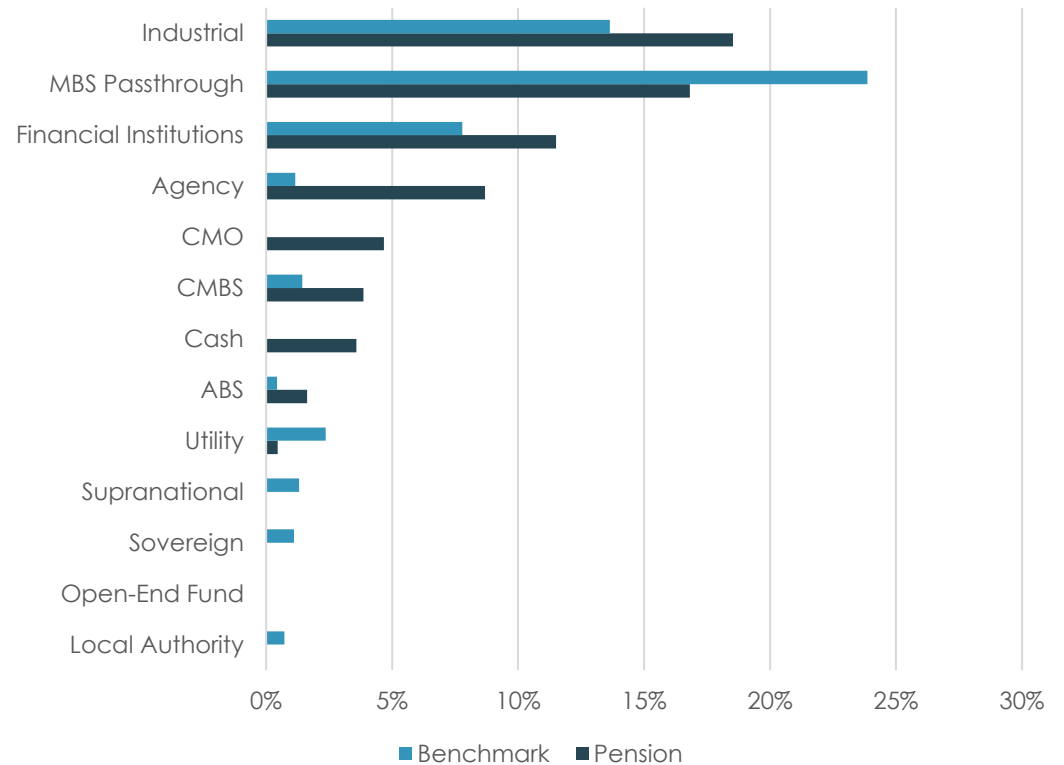
Core Fixed Income

	Portfolio	Index	Difference	% of Index
Duration (Yrs)	6.24	5.79	0.45	107.77%
Yield to Worst	4.67%	4.56%	0.11%	102.41%
CTD from Corporate	1.34	1.6	-0.26	83.75%

Credit Rating



Sector

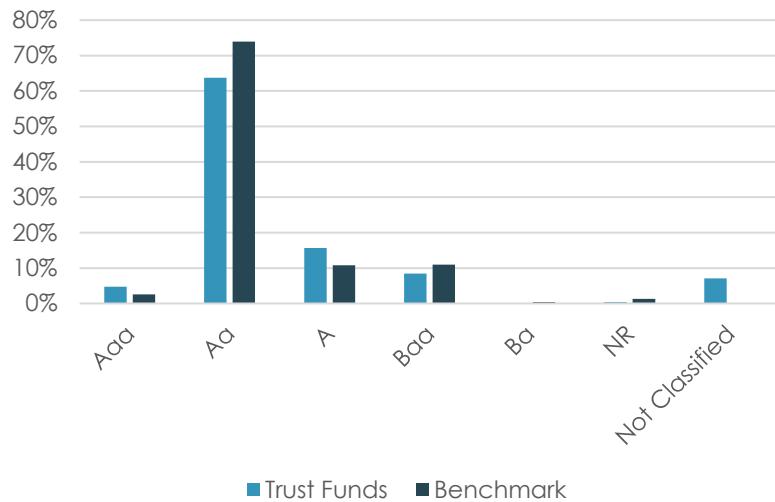


Core Fixed Income Characteristics – Trust Funds

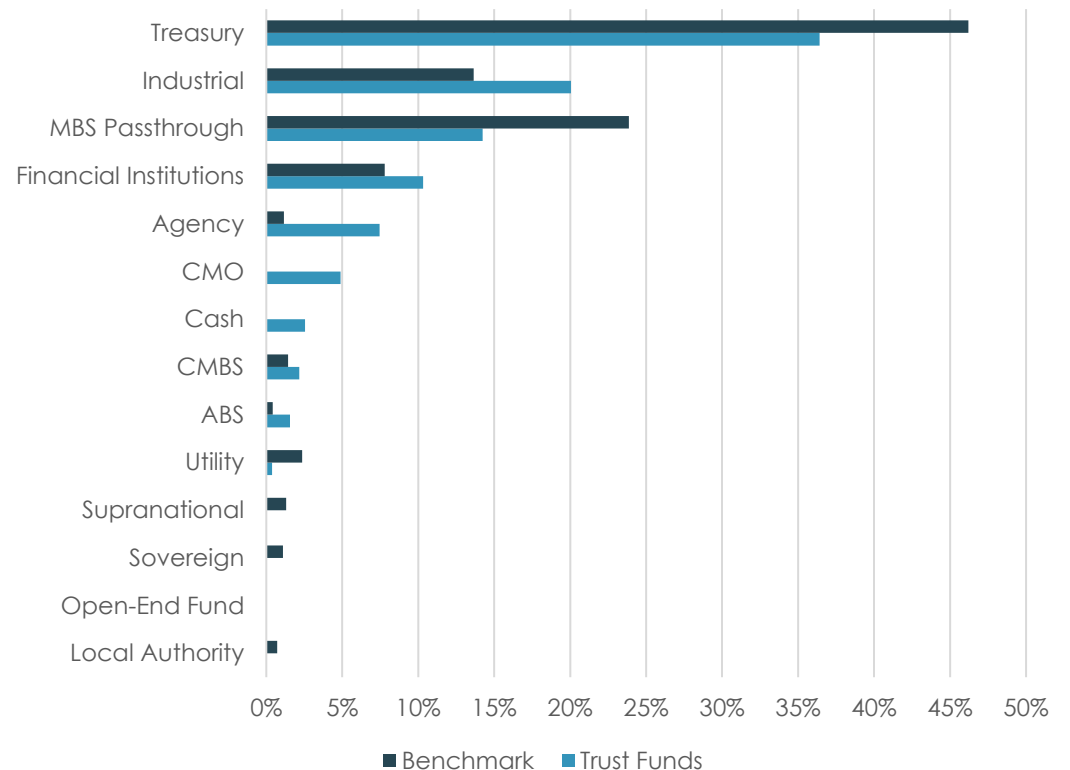
Trust Funds Investment Pool

	Portfolio	Index	Difference	% of Index
Duration	6.22	5.79	0.43	107.43%
Yield to Worst	4.65%	4.56%	0.09%	101.97%
CTD from Corporate	1.43	1.6	-0.17	89.38%

Credit Rating



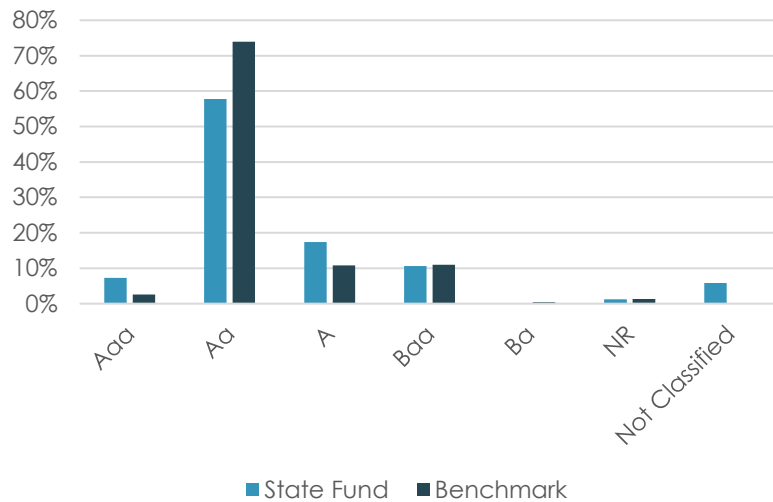
Sector



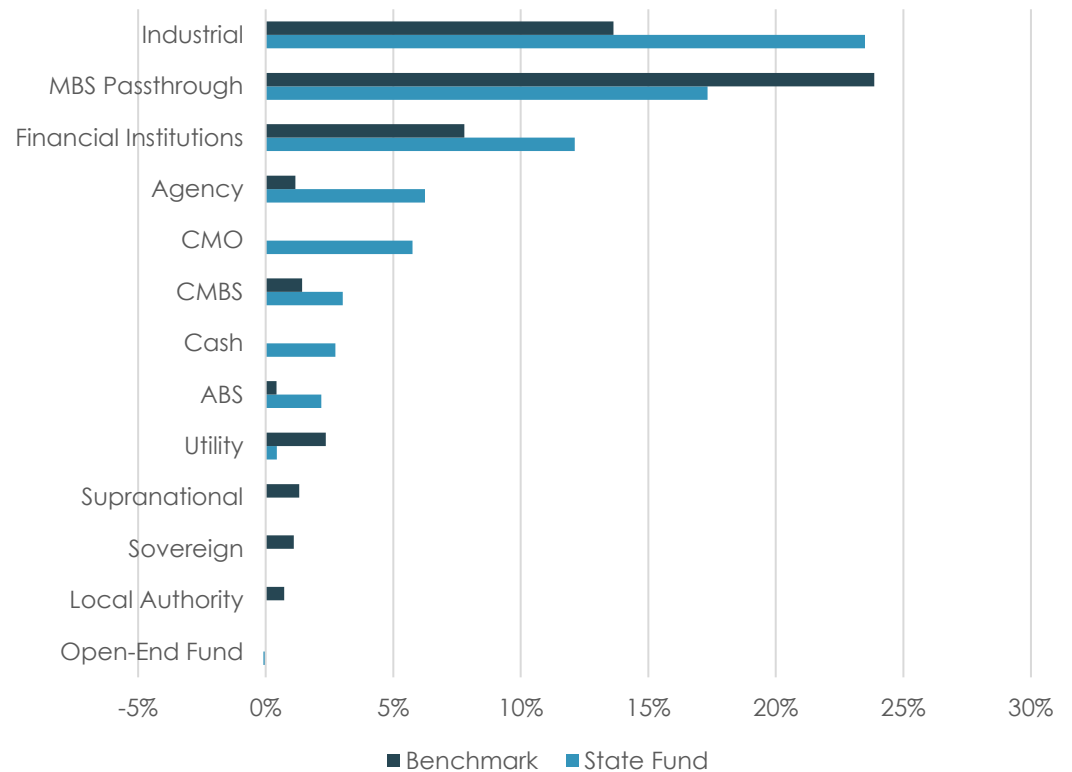
Core Fixed Income Characteristics – State Fund

State Fund Investment Pool				
	Portfolio	Index	Difference	% of Index
Duration	6.06	5.79	0.27	104.66%
Yield to Worst	4.63%	4.56%	0.07%	101.54%
CTD from Corporate	1.5	1.6	-0.1	93.75%

Credit Rating

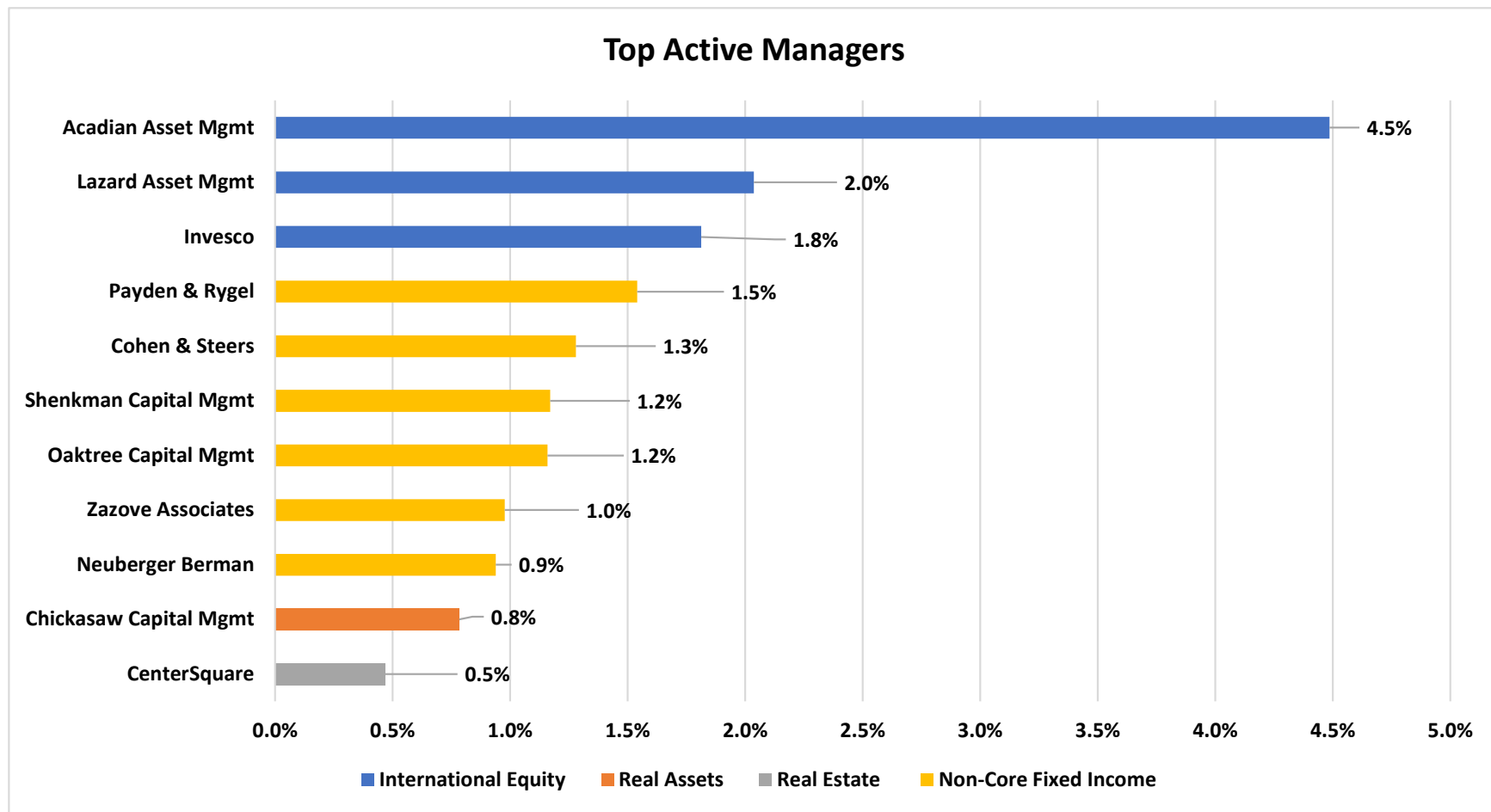


Sector



APPENDIX

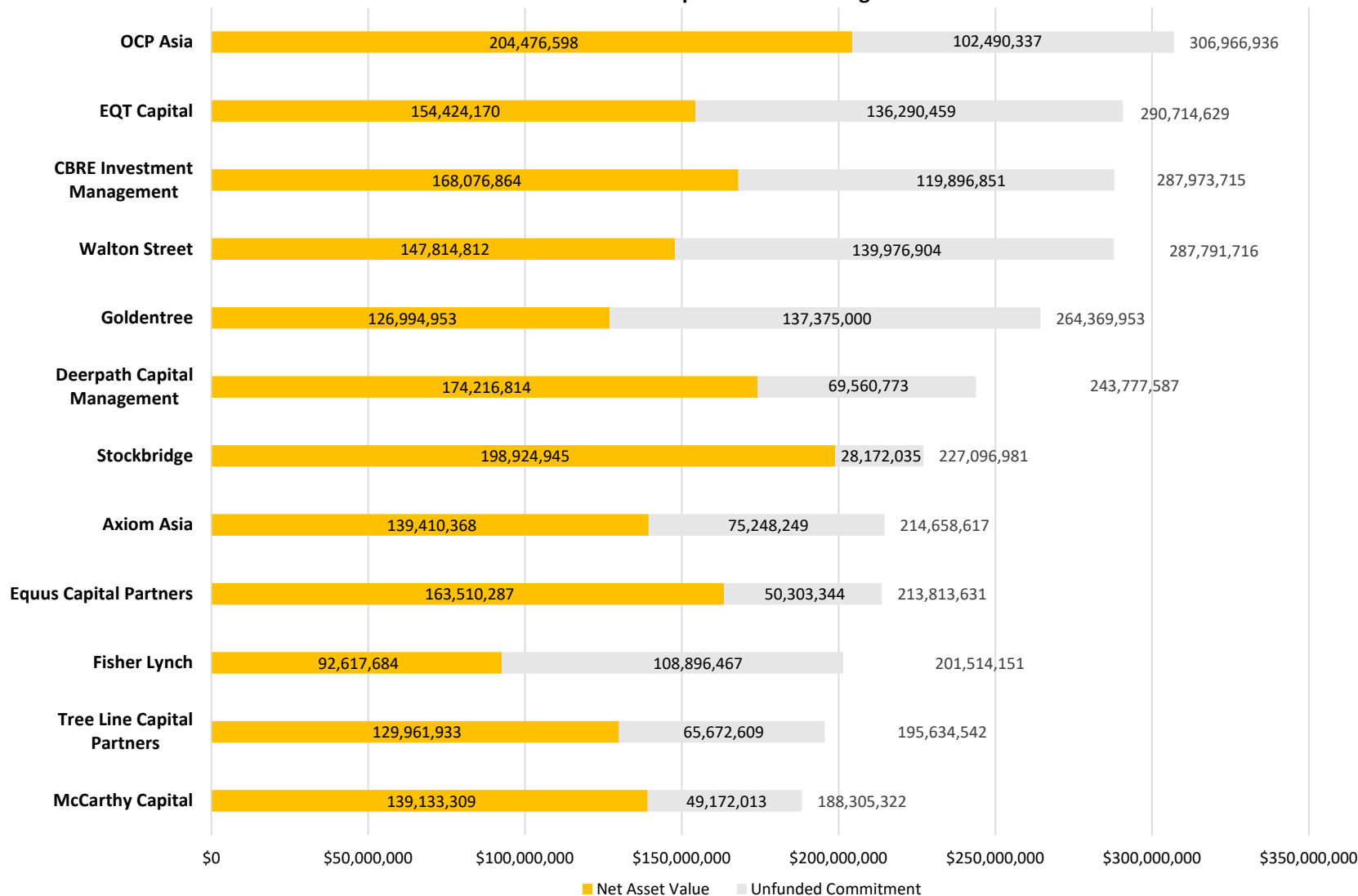
Risk Management Pension Holdings



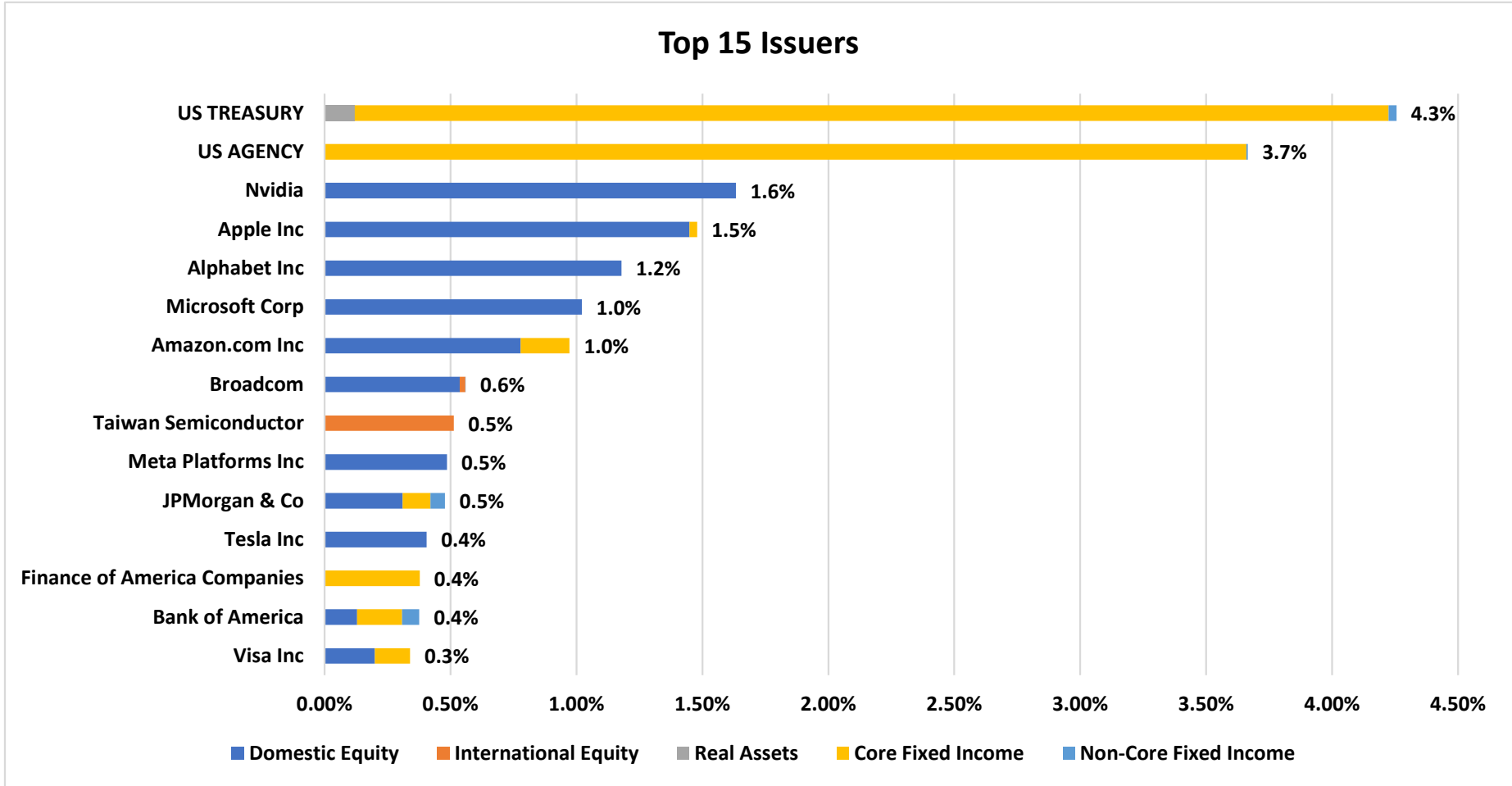
*Montana Public Retirement Plans shall have no greater than 5% of its Net Asset Value managed by any one external manager using an active investment strategy

Risk Management Pension Holdings

Top 12 Private Managers

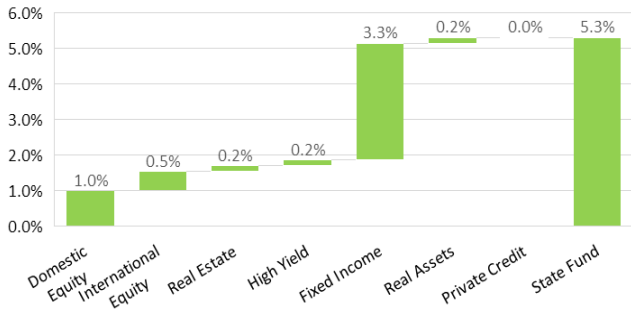


Risk Management Pension Holdings

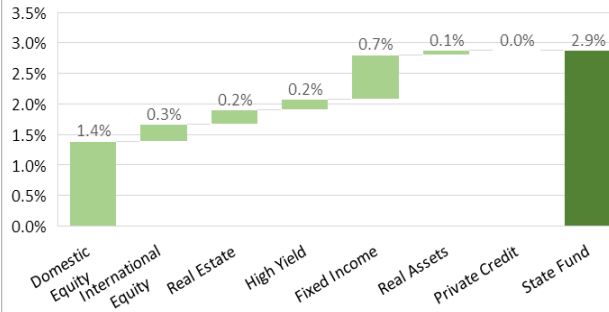


State Fund Performance

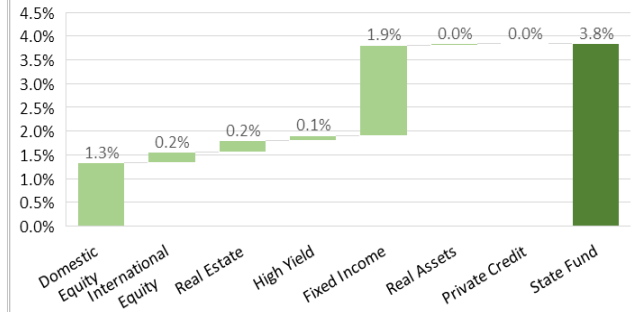
1 Year
Contribution to Total Return



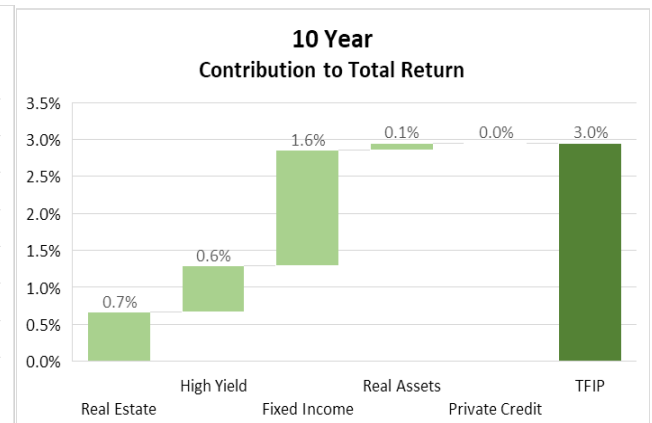
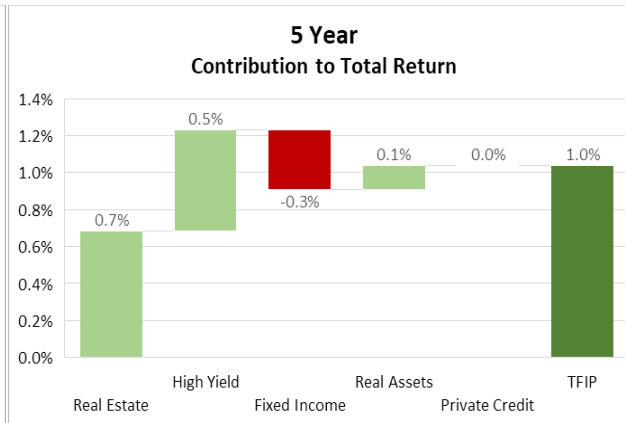
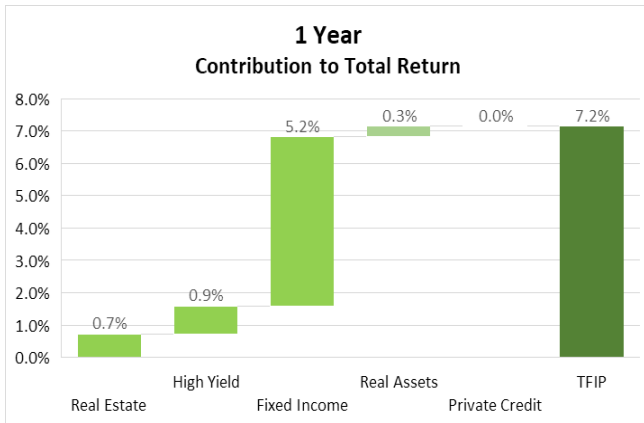
5 Year
Contribution to Total Return



10 Year
Contribution to Total Return



Trust Funds Investment Pool Performance



2026 Board of Investments Calendar

JANUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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2027 Board of Investments Calendar

JANUARY

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FEBRUARY

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MARCH

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APRIL

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MAY

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JUNE

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JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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26	27	28	29	30	31	

Board Materials Due
Board Packet Mailing
Board Meeting Dates

BOI WORK AND EDUCATION PLAN

2026

Wednesday, February 25, 2026

Education:

Short Term Investment Pool

Reports:

Outreach Efforts for the Board - In-State Loan and INTERCAP Programs

Ethics Policy

Disaster Recovery and Emergency Preparedness

Budget Status FYTD

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Committee Meetings:

Audit: Financial Audit Reports

Wednesday, April 22, 2026 - REMOTE MEETING

Education:

Domestic Equity Asset Class Review

RVK Annual Capital Market Assumptions

Reports:

Benchmarks Used by the Board

Wednesday, May 20, 2026

Education:

Investment Policy Statement Review

Budget Proposal FY27

Real Estate Asset Class Review

Reports:

MT Buildings (Board as Landlord/Tenant Holdings)

Budget Status FYTD

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Committee Meetings:

HR: Staffing Level Review

HR: Exempt Staff Compensation Review

Wednesday, August 26, 2026

Education:

Core Fixed Income Asset Class Review

Budget Proposal for FY 28-29

INTERCAP Annual Detail Report

Reports:

Proxy Voting

Budget Status Prior FY

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Wednesday, October 21, 2026 - REMOTE MEETING

Education:

Municipal and Commercial Loans Review

First Reading - Asset Allocation Range Recommendation

Reports:

CEM, Inc Cost Reporting Analysis

Committee Meetings:

HR: Exempt Staff Performance Review

Audit: SOC I, Type 2 Report

Wednesday, December 16, 2026

Education:

MPERA and TRS Relationship

2027 Legislative Session

Adoption - Asset Allocation Range Approval

Reports:

Budget Status FYTD

Securities Litigation

Policy 217

LPAC

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Committee Meetings:

Audit: Annual Report and Financial Statements

2027

Tuesday, February 23, 2027

Education:

Board Control Environments

Reports:

Custodial Banking Relationship and Continuity

Ethics Policy and Training

Disaster Recovery and Emergency Preparedness

Budget Status FYTD

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Committee Meetings:

Audit: Financial Compliance Audit Reports

Wednesday, April 7, 2027 - REMOTE MEETING

Education:

International Equities Asset Class Review

RVK Annual Capital Market Assumptions

Reports:

Benchmarks Used by the Board

Wednesday, June 2, 2027

Education:

Investment Policy Statement Review

Budget Proposal FY28

Real Assets Asset Class Review

Reports:

State Government Customer Relationships

Budget Status FYTD

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Committee Meetings:

HR: Staffing Level Review

HR: Exempt Staff Performance and Compensation Review

Wednesday, August 25, 2027

Education:

Trust Funds and Separate Accounts Investment Reviews

Non-Core Fixed Income Asset Class Review

INTERCAP Annual Detail Report

Reports:

Budget Status Prior FY

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Wednesday, October 13, 2027 - REMOTE MEETING

Education:

Private Investments Asset Class Review

First Reading - Asset Allocation Range Recommendation

Reports:

Securities Lending

Committee Meetings:

HR: Exempt Staff Performance Review

Audit: SOC I, Type 2 Report

Wednesday, December 15, 2027

Education:

MPERA and TRS Relationship

Adoption - Asset Allocation Range Approval

Reports:

Budget Status FYTD

Securities Litigation

Policy 217

LPAC

Quarterly Reports

In-State Loan Reports

INTERCAP Reports

Committee Meetings:

Audit: Annual Report and Financial Statements

BOI TERMINOLOGY

ACTIVE MANAGEMENT (typically with respect to stocks)

Investment method which involves hiring a manager to research securities and actively make investment decisions to buy and sell securities in an effort to outperform an assigned index, rather than purchasing a portfolio of securities that would simply replicate the index holdings (*'passive'* investing).

ACTUARIAL ASSUMED RATE (pension concept)

The investment return rate used by actuaries that enables them to project the investment growth of retirement system assets into the future (typically perpetual).

ACTUARIAL FUNDING STATUS (pension concept)

A measurement made by actuaries to measure a pension system's financial soundness (ratio of actuarial liabilities to the actuarial value of the assets available to pay the liabilities).

ALPHA (investment term)

Return on an investment portfolio in excess of the market return or benchmark return; generally used in the context of *'active'* management (as passive management, by definition, does not seek excess returns, or *'alpha'*).

ALTERNATIVE INVESTMENTS

A wide range of investments, other than traditional assets such as publicly traded stocks and bonds. The most common nontraditional or alternative investments are private equity, real estate, commodities, and hedge funds.

ARBITRAGE (bond program)

A structural or systematic difference between investment types which may allow profiting from the *'difference,'* i.e., arbitrage. The most common context for the use of *'arbitrage'* at the BOI is the federal law that prevents *'arbitrage,'* i.e., the profiting of investing tax-exempt securities (e.g., INTERCAP) into taxable yields investments (such as U.S. Treasuries).

ASSET ALLOCATION AND ASSET ALLOCATION RANGE (general investment principle)

The Board's invested assets are divided or allocated into various asset classes such as stocks and bonds, each with its own characteristics, with the objective of attaining an optimal mix of risk and return. The total expected return of a portfolio is primarily determined by the mix or allocation to its underlying assets classes. Given the importance of *'asset allocation,'* the BOI Board sets the asset allocation *'range'* for each broad investment type or asset class.

ASSET-BACKED SECURITY

Bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. Not mortgages.

AVERAGE LIFE (fixed income, particularly bonds)

The average time period the debt is expected to be outstanding. This is typically the maturity date for a traditional bond structure; however, it will be shorter for bonds having a sinking fund or amortizing payment structure.

BANKER'S ACCEPTANCE

A short-term credit investment which is created by a non-financial firm and whose payment is guaranteed by a bank. Often used in importing and exporting, and as a discount money market fund investment.

BARCLAY'S AGGREGATE INDEX (fixed income)

A composite of outstanding bond issues, including corporate, structured, and government bonds whose overall investment features such as return and investment type are tracked over many years. This is the most common benchmark used for comparing the performance of a portfolio that invests in U.S. investment grade fixed income securities. Formerly known as the Lehman Aggregate bond index.

BASIS POINTS (investment jargon)

A basis point is 1/100th of a percentage. Ten basis points is one tenth of a percent, typically written as 10 bps.

BENCHMARK (standard investment concept)

The concept of employing a particular independent or market investment return as a measurement to judge an investment portfolio's return; typically chosen investment benchmarks have the following attributes: they are investible, quantifiable, chosen in advance, easily understandable, and have a long history; common examples are the S & P 500 Index and the Barclay's Aggregate Index.

BETA (investment jargon)

A measure of the risk (or volatility) of a security or a portfolio in comparison to the market as a whole. If the stock or portfolio moves identically to that market, its beta value is 1; if its price volatility (or movement) is greater than that market's price volatility, it is said to have beta greater than 1.

CAP, AS IN LARGE 'CAP' (generally for stocks, e.g., public equities)

'Cap' is short for capitalization, as a reference to the market value of a publicly-traded company. The current stock price times the total shares outstanding of the company equals its market capitalization or market 'cap'; often used contextually such as 'large-cap,' 'mid-cap,' and 'small-cap' for different sized public companies.

CERTIFICATE OF DEPOSIT (CD):

A short-or medium-term, interest-bearing deposit obligation offered by banks and savings and loans. These may include "Yankee CDs" which are CDs issued by foreign banks or their U.S. affiliates in the U.S. which are denominated in U.S. dollars

CLAWBACK (private equity)

A clause in the agreement between the general partner and the limited partners of a private equity fund. The clawback gives limited partners the right to reclaim a portion of distributions to a general partner for profitable investments based on significant losses from later investments in a portfolio which ultimately resulted in the general partner receiving more distributions than it was legally entitled to.

COMMERCIAL PAPER

An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory. Maturities typically range from two (2) to two hundred seventy (270) days. Commercial paper is available in a wide range of denominations, can be either discounted or interest-bearing, and usually a limited or nonexistent secondary market. Commercial paper is usually issued by companies with high credit ratings, meaning that the investment is almost always relatively low risk.

CORE (context varies for equity, fixed income, real estate)

In equity and fixed income, 'core' refers to investments that are generally always found in the portfolio and normally expect to hold for a very long time e.g. 'core' holdings of the largest U.S. companies, or U.S. treasuries; in real estate, 'core' generally refers to the best quality of real estate holdings such as prime commercial property in major metropolitan cities that have low leverage and low levels of vacancy.

CORPORATE NOTE

A type of unsecured debt issued by a corporation that may be longer-term than Commercial Paper, but shorter-term than a typical Corporate Bond.

CORRELATION (common statistical concept)

A measure of how two or more investment values or two asset classes move relative to each other during the same time period. A central concept in portfolio construction is to seek investments whose values do not move *together* at the same time, i.e., are uncorrelated. A correlation of 1 means that two or more investments 'move' precisely together.

CREDIT ENHANCEMENT (bond program)

At BOI, the term generally refers to credit support or a bond or loan guarantee. For example, the Board's INTERCAP bonds are 'enhanced' by the BOI's performance guarantee bringing down the yearly interest rate.

CUSTOM BENCHMARK (or sometimes custom index)

A way to measure investment performance using a tailor-made measurement versus a generic industry-standard benchmark. At the BOI, total pension performance is measured against the Board's 'custom index' or 'custom benchmark' which is a weighted blend of all the underlying asset class benchmarks used to measure the asset class returns.

DERIVATIVES (investment jargon)

Investment securities whose performance itself depends (or is 'derived') from another underlying investment return. Examples include stock options, puts/calls, and forward currency contracts whose returns are based on the underlying stock or currency.

DEVELOPED MARKETS (equity)

Countries having a long period of stable industrialization; or are the most economically developed.

DISCOUNT (fixed income, generally)

Used most often with respect to bonds, the price paid that is less than face (or 'par') value. A \$1 million face-value of a bond purchased for less than a million is bought at a 'discount.' Described as the difference between a bond's current market price and its face or redemption value.

DIVERSIFICATION (standard investment concept)

The concept of spreading risk by putting assets in several investment categories, each having different attributes with respect to type, expected return, risk, and correlation, to best protect against the risk of loss.

DURATION (bonds)

Almost exclusively used when discussing fixed income bonds, a measurement of how sensitive a bonds' change in price is to a change in general market interest rates, expressed in years (specifically calculated as a weighted average term to maturity of the bond's cash flows). The greater the duration of a bond, the greater the volatility of price for changes in market interest rates.

EFFICIENCY (usually when discussing various stock markets)

Used to describe markets where it is very difficult to achieve return in excess of that of the overall market from individual stock selection. When information is widely available on a company and its securities are traded regularly the market is considered 'efficient.'

EFT (Exchange Traded Fund) - a type of investment fund that trades on a stock exchange like an individual stock. ETFs represent a basket of individual securities that often track the performance of an index. A majority are passively managed and typically have lower management fees and operating expenses compared to mutual funds. However, actively managed ETFs have been a growing product line for investment managers.

EMERGING MARKETS (most often for public equities)

Certain international securities markets that are typically small, new, have low turnover, and are located in countries where below-average income prevails and is developing in response to the spread of capitalism.

ENHANCED (pertaining to stocks)

Generally linked with 'index' as in enhanced index, an indexed investment management style that has been modified to include the portfolio manager's idea of how to outperform the index by omitting some stocks in the index and overweighting others in a limited manner designed to enhance returns but at minimal risk.

EXCESS RETURNS (standard investment concept)

Returns are 'excess' if they are more than the market or more than the benchmark they are measured against.

EXEMPT STAFF VS. CLASSIFIED STAFF (specific to Montana state government)

"Exempt" refers to the Board's eleven employees who, under state law, do not fall under the state's standard employment rules (the 'classified' staff).

FIDUCIARY (from the Latin verb, fidere, to trust)

The concept of trust and watchfulness; a fiduciary is charged with the responsibility of investing the money wisely for the beneficiary's benefit. Board members are the ultimate 'fiduciaries' for the Board's assets and are obligated to be a good agent.

FTE (state government jargon)

An acronym in state government: "full time equivalent" as in full time employee. The concept is a slot or position, not the actual individuals. The BOI is currently authorized for 32 FTE's.

FUND OF FUNDS (private equity)

A concept used in alternative investments referring to using an investment manager to invest in **other** managers or funds, as opposed to making direct investments in funds.

GAAP/GASB (accounting terminology)

GAAP...Generally Accepted Accounting Principles; Montana state law uses GAAP accounting principles unless specifically allowed otherwise. GASB...Government Accounting Standards Board, the board that sets GAAP standards for U.S. governments (FASB...Financial Accounting Standards Board, the entity for commercial and business accounting standards).

GENERAL OBLIGATION (municipal finance term)

Used to describe the promise that a government makes to bond holders, backed by taxing and further borrowing power, it is generally considered the highest level of commitment to bondholders. At the local government level, general obligation bonds typically require a vote of the residents.

GENERAL PARTNER VS. LIMITED PARTNER (private equity)

In private equity, the general partner is responsible for the operations of the partnership and makes the actual underlying investment decisions; the limited partner is the investor, and therefore has limited liability for investment decisions; the BOI is the 'limited' partner in its private equity fund investments (and real estate funds as well).

GROWTH (as to style public equities)

An investment style that more heavily invests in companies whose earnings are expected to grow at an above average rate to the market. A growth stock usually does not pay a dividend, as the company would prefer to reinvest retained earnings in capital projects to grow the company (vs. 'value,' which considers buying established companies they feel are trading at bargain prices to the fundamental analysis of the company's financial statements and internal competitive factors).

INDENTURE (bond and loan programs)

The central document describing the contract between investors and the borrower or user of the proceeds. The Board's INTERCAP program is structured around a bond indenture.

HEDGE FUND (as defined by Investopedia)

An aggressively managed portfolio of investments that uses advanced investment strategies such as *leverage*, long, short and *derivative* positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market *benchmark*).

HURDLE RATE (private equity)

a minimum return per annum that must be generated for limited partners of a private equity fund before the general partner can begin receiving a percentage of profits from investments.

INDEX (investment concept)

Typically, a single measure of a broadly-based group of investments that can be used to judge or be compared to the return performance of an individual investment or manager.

INDEXING (investment concept)

Typically refers to investing in a portfolio to match a broad range of investments that are set within a pre-determined grouping, such as the S&P 500, so as to match its performance; such investing is generally labeled 'passive' or indexed investing; or buying shares in an Index Fund.

IN-STATE LOAN PROGRAM (Montana-specific)

Programs that are funded by the state's coal severance tax monies.

INTERNAL SERVICE VS. ENTERPRISE FUND (state accounting concept)

Within Montana state government: a program whose funding is dependent on **mandatory participation** by another state government program is labeled an 'internal' service fund; a program whose funding is dependent on voluntary participation is labeled an enterprise fund. At BOI, the investment program is an internal service fund because participation is not voluntary; the Board's bond and loan programs, because their use is voluntary, are accounted for as an enterprise.

INVESTMENT GRADE (bonds)

Bond ratings from Moody's, Standard and Poor's, and Fitch high enough to be considered secure enough for most investors (bonds rated AAA – BBB). Below investment-grade bonds (below BBB) are generally considered to have a more speculative outlook and carry more risk of default.

IRR (private equity)

A measure of investment performance, short for 'internal rate of return,' expressed as a percentage (the 'internal rate of return' number, or discount rate) that mathematically will equalize the total future cash flows of an investment to the initial cash outflow of the investment, the concept accounts for the time value of money.

LEVERAGE (investment concept)

As an investment concept, a way to increase a return on an investment through a combination of one's own money and by borrowing additional money to enhance such an investment; high 'leverage' is also associated with high risk.

LINK DEPOSIT

The Link Deposit program can provide a financial institution a long-term fixed rate funding source "linked" to a specific loan. The State of Montana provides the financial institution funding in the form of a deposit through the Montana Board of Investments using coal tax funds.

MASTER LIMITED PARTNERSHIP

An investment structure that combines the tax benefits of a limited partnership with the liquidity of a common stock. While an MLP has a partnership structure, it issues shares that trade on an exchange like common stock. MLPs are often broadly associated with energy companies operating in midstream services.

MEAN VARIANCE OPTIMIZATION MODEL ('Modern Portfolio Theory')

A theory that it is possible to construct a portfolio to maximize the return for the least amount of risk or volatility. This theory is based on various asset types and their level of expected return, risk (volatility) and their correlation with each other or how the asset values move with each other. The central idea of the model is to blend investments so that in total, they provide both the best expected return and optimal amount of diversification to minimize deep performance swings (volatility); a central tenant is that long term historical returns are indicative of future returns.

MEZZANINE FINANCE (private equity)

Subordinated debt with an equity 'kicker' or ability to share in the equity value of the company. It is typically lower quality because it is generally subordinated to debt provided by senior lenders such as banks, thus is considered higher risk.

MULTIPLE (as in "multiple" of invested capital, private equity)

The ratio of total cash returned over the life of the investment plus the investment's residual value over the total cash expended in making the investment. A multiple of 2 means, regardless of the total investment time period, that total cash returned was twice the cash invested.

130/30 STRATEGY (public equities)

Also called 'partial long short,' this strategy involves the establishment of a short position in select stocks while taking the proceeds of those shorts and buying additional long positions in stocks. The net effect is an overall market position that is 100% long, but the active decisions on individual stock selections are amplified by this ability to short. If the stock selections are successful, the strategy enables the portfolio to profit more than if a stock had simply not been owned, as with traditional long-only portfolios.

OPPORTUNISTIC (real estate)

In real estate, a euphemism for the most risky real estate investments, typically distressed, raw land, newly developed buildings or other high risk investments in the real estate sector, (versus, 'core,' which are the best quality fully leased commercial properties).

OVERWEIGHT OR UNDERWEIGHT (investment concept)

Generally, the level of holdings of a certain type of investment that is above or below either a benchmark's weight (portion of total investment), or the percentage held of a particular asset class compared to the Board's asset allocation policy weight. Also used to describe an external investment manager's decision to have more (or less) of a particular investment than the percentage or weighting found in the benchmark.

P/E RATIO (equity)

The price of a publicly traded stock divided by its estimated or actual earnings is the price/earnings or P/E ratio. This can also be calculated for a stock index or portfolio of stocks. Over the last 100 years, the S&P 500 has had an overall P/E ratio of about 15, or a total index price of about 15 times the annual earnings of its underlying companies.

PACING STUDY (private equity)

An analysis of the likely timing and amount of the drawdown of committed but yet uninvested monies and the estimated distributions or returns from the funds held in an alternative investment portfolio, generally used to judge the future size of the portfolio and its potential liquidity needs, i.e., cash funding demands.

PAR (fixed income)

The initial principal amount designated by the issuer of the bond, or face value of a bond.

PASSIVE

For investments, generally not materially participating in an investment decision, meaning an investment portfolio whose returns follows that of a broad market index, such as an investable stock index, i.e. the S & P 500.

PASSIVE MANAGEMENT OR PASSIVE INVESTMENT (most often in public equities, but not exclusively)

An investment style where a fund's portfolio mirrors a market index, such as the S&P 500, with limited selection decisions by the manager, resulting in market returns. Passive management is the opposite of active management in which a fund's manager attempts to beat the market with various investment strategies and buy/sell decisions of a portfolio of securities to enhance returns.

PASSIVE WEIGHT (generally equities)

The percentage of a stock held in a particular index portfolio, or percentage of an overall asset class that is held in passive portfolios.

POLICY PORTFOLIO

A fixed-target asset allocation, as opposed to asset allocation ranges, which theoretically allows gauging whether deviations from the target portfolio had a positive or negative impact on overall performance.

PORTABLE ALPHA (public equities)

An investment strategy which involves the active selection of securities while neutralizing overall beta or market risk. This often involves the use of derivative investments such as futures to replicate the market return, either taking a short or long position, while then selecting securities which are expected to add return in an absolute sense or in addition to the market return. As an example, this strategy can be found with certain hedge funds where a market exposure is shorted while individual securities such as specific stocks are purchased that are expected to outperform the general market. The concept of portable applies when the ability to generate positive alpha can be overlaid or ported onto a portfolio. This is not a strategy employed by any of MBOI's existing managers.

PREMIUM (fixed income)

Most often the amount paid over the stated face amount (often called 'par') of a bond, but also used in other contexts, typically paying more (the premium) than a market price (as in a take-over bid for a company).

PRIVATE ANNUAL WAGE

The private annual wage is determined annually by the Montana Department of Labor & Industry using the average annual employment divided by the total wages.

PROXY (publicly traded companies)

An agent legally authorized to act on behalf of another party. Shareholders not attending a company's annual meeting may choose to vote their shares by proxy by allowing someone else to cast votes on their behalf, but the word 'proxy' is used more frequently colloquially as a 'close approximation.'

PRUDENT EXPERT, PRUDENT PERSON (a central fiduciary concept)

These legal terms have long histories of court-determined standards of care, deriving originally under English common law. The BOI is empowered to operate under the 'prudent expert rule,' which states that the Board shall manage a portfolio:

- a) *with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;*
- b) *diversify the holdings of each fund within the unified investment program to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so; and*
- c) *discharge the duties solely in the interest of and for the benefit of the funds forming the unified investment program.*

At an 'expert' level; there is more room for accepting risk under the prudent expert rule than the prudent person rule.

REBALANCING (general investment term)

The process of realigning the weightings of the portfolio of assets. Rebalancing involves periodically buying or selling assets in the portfolio to maintain the original desired level of asset allocation and/or to stay within predetermined asset category range; it is part of a disciplined investment approach within modern portfolio theory.

REPURCHASE AGREEMENT

A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. May also be called "Repo" or "Buyback." Typically used as a short-term form of collateralized borrowing by a bank or securities dealer.

RESOLUTION (government term)

Generally, a formal and written action by a governmental (or corporate) body that has long term significance and requiring a vote of the governing body. BOI uses 'resolutions' generally only for its most significant and long term actions and/or policies.

REVERSE REPURCHASE AGREEMENT

A purchase of securities with an agreement to resell them at a higher price at a specific future date. The investor essentially borrows money and allows its securities to be held as collateral. Reverse Repurchase Agreements occur most often in government securities or other securities that are highly valued and thus considered a good form of collateral.

SECURITIES LENDING (general investment)

Investments that are temporally borrowed by other investors for a fee; the BOI allows most of its publicly traded investments to be loaned for additional marginal income.

STANDARD DEVIATION (common statistical concept)

A specific statistic that measures the dispersion of returns from the mean over a specific time period to determine the "historical volatility" of returns for a stock, or portfolio, or asset class; more specifically a single unit (i.e., one standard deviation) of dispersion that accounts for approximately 66% of all data around a mean using a 'normal' (or 'uniform' or 'bell-shaped' curve; as opposed to a skewed or asymmetrical) distribution. The standard deviation is used as a gauge for the amount of expected future volatility.

SABHRS (accounting jargon)

Montana state government's State Accounting, Budgeting and Human Resource System; the State's central information management system. BOI investment and other financial data must tie and be reported on this system, which is the official book of record and includes the state's financial statements.

STYLE DRIFT (often in reference to public equity managers, but applicable to other managers, too)

As the name implies, a divergence from an investor's professed investment bias or style or objective.

TRANCHE

A division or portion of a pool or whole; specifically: an issue of bonds derived from a pooling of like obligations (such as securitized mortgage debt) that is differentiated from other issues especially by maturity or rate of return.

TRACKING ERROR (statistical concept in investments)

A measurement of the standard deviation of a portfolio's return versus the return of the benchmark it was attempting to outperform. The concept is often used when discussing investment managers. For example, some styles are expected to have high 'tracking errors,' (e.g., deep 'value' investors who buy companies that may be dogs for years), versus passive managers, whose stock volatility is expected to be very close to their benchmark. Tracking error can either be intentional or unintentional; it can also be regarded as an accepted deviation or contrary to the management agreement. High *unexpected* tracking error is generally a serious concern to be examined and understood.

UNDERWRITER (bond program)

In investments, the agent who buys investments to be resold to the public; at BOI, the investment firms that buy the Board's bonds to be resold to the public.

UNIFIED INVESTMENT PROGRAM (Montana Constitution)

The Program in the State's constitution requiring a central investment program which the legislature has assigned to the BOI.

VALUE (as to style when discussing public equities)

An investment style that focuses on buying established companies that investors believe are undervalued and trading at bargain prices to the fundamental analysis of the company's financial statements and internal competitive factors.

VENTURE CAPITAL (private equity)

A higher-risk/high-return type of investing in startup firms and small businesses with perceived long-term growth potential. Sometimes these are already existing business ventures with limited operating history that need additional management expertise and access to capital. (For start-ups, 'seed capital,' or 'angel investor' are terms differentiating this even higher risk type of investment.)

VOLATILITY (investment jargon)

A statistical measure of the dispersion of returns for a given security or market index. Volatility is typically measured by using the standard deviation of returns from the security or market index. Commonly, the higher the volatility, the riskier the security.

YIELD (general investment, but most often within fixed income)

The amount returned to the investor above the original investment generally expressed as a percentage. Yield can be thought of as the expected return from the combination of interest and price accrual or amortization to maturity (in the case of a bond trading at a discount or premium to par).

YIELD CURVE (fixed income)

A line that plots the prevailing interest rates at a given time for bonds ranging in maturity from as short as three months out to 30 years. When plotted across these various maturities (typically 2, 5, 7, 10 and 30 years), the resultant line is shaped like a curve with generally low interest rates (the yield) for shorter maturities and gradually higher interest rates for longer maturities, because generally investors demand higher interest rates for longer term investments. The yield curve for U.S. Treasury debt is the most common when referring to the prevailing level of interest rates.

MONTANA BOARD OF INVESTMENTS

ACRONYM INDEX

ACH.....	Automated Clearing House
ADV.....	Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisor
AUM.....	Assets Under Management
ADR.....	American Depository Receipts
AOF.....	All Other Funds
ARC.....	Actuarially Required Contribution
BOI.....	Board of Investments
CAPP.....	Consolidated Asset Pension Pool
CFA.....	Chartered Financial Analyst
EM.....	Emerging Market
FOIA.....	Freedom of Information Act
FWP.....	Fish Wildlife and Parks
FX.....	Foreign Exchange
IPS.....	Investment Policy Statement
IRP.....	Intermediary Relending Program
LDI.....	Liability-Driven Investing
MBOH.....	Montana Board of Housing
MBOI.....	Montana Board of Investments
MDEP.....	Montana Domestic Equity Pool
MLP.....	Master Limited Partnership
MFFA.....	Montana Facility Finance Authority
MPEP.....	Montana Private Equity Pool
MPT.....	Modern Portfolio Theory
MSTA.....	Montana Science and Technology Alliance
MTIP.....	Montana International Pool

MTRP Montana Real Estate Pool

MTSBA Montana School Boards Association

MVO Mean-Variance Optimization

NAV Net Asset Value

PERS Public Employees' Retirement System

PFL Partnership Focus List

QZAB Qualified Zone Academy Bonds

QSCB Qualified School Construction Bonds

RFBP Retirement Funds Bond Pool

RFP Request for Proposal

SABHRS Statewide Accounting Budgeting and Human Resource System

SLQT Securities Lending Quality Trust

SOC1 Service Organization Controls 1 (Audit)

SSBCI State Small Business Credit Initiative

STIP Short Term Investment Pool

TFBP Trust Funds Bond Pool

TFIP Trust Funds Investment Pool

TIF Tax Increment Financing

TIFD Tax Increment Financing District

TRS Teachers' Retirement System

TUCS Trust Universe Comparison Service

UIP Unified Investment Program

VIX Volatility Index

ASSET CLASS ACRONYMS

DEPAC	Domestic Equity Pension Asset Class
IEPAC	International Equity Pension Asset Class
PEPAC	Private Equity Pension Asset Class
NRPAC	National Resources Pension Asset Class
REPAC	Real Estate Pension Asset Class
TIPAC	TIPS Pension Asset Class
BFPAC.....	Broad Fixed Income Pension Asset Class
USPAC	UST/AGY Pension Asset Class
IGPAC	Investment Grade Corp Pension Asset Class
MBPAC.....	MBS Pension Asset Class
HYPAC	High Yield Pension Asset Class
DSPAC	Diversified Strategies Pension Asset Class
CPAC.....	Cash Pension Asset Class

Montana Operation Manual

MOM-SFSD-POL-SAB-316-Expense Account Categories

Operating Expenses

Includes the costs of consumable commodities or services relating to the operating needs of the various functions of state government. It does not include the purchase of assets intended for long-continued use or possession.

A. Other Services (62100–62199)

Includes both professional and nonprofessional services such as audit fees, printing, insurance, and all other services that are not specifically required to be classified under another category. The services received may involve the receipt of either a product or a process. Includes all the service provider's costs incurred during the performance of the service if those costs are passed on to the State, such as travel expenses and supplies and materials. The services charged to this category may be performed by another state agency, another department/division within the receiving agency, or by the private sector.

B. Supplies and Materials (62200–62299)

Includes consumable commodities purchased for inventory or immediate consumption. Includes articles and commodities that are consumed or materially altered when used. The principal types of supplies include operating supplies, office supplies, and small tools.

C. Communications (62300–62399)

Includes the cost of communication, such as charges for telephone, facsimile, radio services, and advertisements. Postage, rental of post office boxes, messenger services, telephone installation, and the cost of outgoing freight charges are also included. Incoming freight charges are to be charged to the expense category to which the applicable goods are charged.

D. Travel (62400–62499)

Includes the cost of transportation (for state employees and appointed members of state boards, commissions, and councils) on public conveyances, such as airplanes, railroads, buses, and taxicabs. It also includes meals, lodging, per diem, and mileage allowances when privately owned vehicles are used for transportation or charges paid to the State Motor Pool. This category also includes non-employee travel not associated with the 621XX–Other services expense account category.

The cost of operating state-owned vehicles or the repair and maintenance of transportation vehicles are not included in this category (see expense account category 627XX–Repair & maintenance). It does not include vehicle and related expenses involved in routine patrol activities.

In order to comply with MCA 15-65-131, all in-state travel paid by the State, including reimbursements to contractors, should be coded to an In-State Lodging account (62408, 62428, 62438, and 62497). This will identify the expenditures as eligible for partial tax reimbursement, to be distributed by the Department of Revenue. State agencies are required to pay all taxes associated with lodging regardless of the source of an agency's funding. If lodging expenses are paid, and tax has not been assessed, such expenditures should be coded to an account other than an In-State Lodging account.

E. Rent (62500–62599)

Charges paid for the use of equipment, land, or buildings.

F. Utilities (62600–62699)

Charges paid for utility services such as the following:

1. Electric power, including standby services
2. Gases or fuels for heating, lighting, cooking, or laboratory use
3. Water or water services
4. Remove and/or treat sewage
5. Remove and/or dispose of garbage or trash

G. Repair & maintenance (62700–62799)

Includes all labor, materials and overhead, of maintaining state property, facilities, or equipment in working order (including the cost of repair and maintenance contracts). If an agency maintains its own repair and maintenance work force, labor charges will be classified under 61xxx - Personal services. The costs of any activity that results in substantial improvement or increase in the life of a capital asset should not be recorded in this category. These costs are properly treated as capital outlay.

H. Other expenses (62800–62899)

Includes expenditures not more specifically classified in other categories, including such items as the following:

1. Dues for membership in state, county and other organizations that State officials and employees are required to join;
2. Subscriptions to newspapers, magazines, and other periodicals, including continuous tax, rate, legal and other technical service subscriptions;
3. Taxes, assessments, etc. including filing fees, etc. on state-used or owned properties;
4. Registration fees for training conferences; and
5. Interest excluding debt services, interest on long-term debt should be recorded in 69XXX-Debt services.