

**REGULAR MEETING OF THE
MONTANA BOARD OF INVESTMENTS**
Zoom Conference
February 23-24, 2021

COMMITTEE MEETINGS

- A. Audit Committee – Maggie Peterson, Chair** **9:00 AM**
1. Public Comment – *Public Comment on issues with Committee Jurisdiction*
 2. Approval of November 19, 2020 Committee Minutes
 3. Executive Director Comments
 4. FY 2020 – Financial Audit – **Decisions**
 5. FY2021 Audit Checklist
 6. Ethics Policy for Board and Staff
- B. Loan Committee – Jack Prothero, Chair** **10:00 AM**
1. Public Comment – *Public Comment on issues with Committee Jurisdiction*
 2. Approval of November 19, 2020, and December 11, 2020, Committee Meeting Minutes
 3. Executive Director Comments
 4. INTERCAP Loan Requests - **Decisions**
- C. Human Resource Committee – Terry Cohea, Chair** **10:30 AM**
1. Public Comment – *Public Comment on issues with Committee Jurisdiction*
 2. Executive Director Comments

BREAK **11:00 AM**

Tab 1 CALL TO ORDER – Karl Englund, Chairman **11:15 AM**

- A. Notice of Video Recording of Meeting
- B. Introduction of New Board Members
 - a. Mark Barry, Helena
 - b. Jeff Meredith, Kalispell
- C. Roll Call
- D. Public Comment – *Public Comment on issues with Board Jurisdiction*
- E. Approval of the November 19, 2020 Meeting Minutes
- F. Administrative Business
 1. Audit Committee Report
 2. Loan Committee Report
 3. Human Resource Committee Report
- G. Comments from TRS and PERS Board Members
- H. Comments from Board Legislative Liaisons
- I. Introduction of New Staff
 - a. Dan Whyte, Esq; Chief Legal Counsel
 - b. Jeremy Ragar; Investment Analyst
 - c. Peggy Saarela, Credit Analyst/Administrative Assistant

Tab 2 EXECUTIVE DIRECTOR REPORTS – Dan Villa **11:45 PM**

- A. Member Requests from Prior Meeting
- B. Monthly Snapshot
- C. Monthly Website Traffic
- D. Disaster Recovery and Emergency Preparedness
- E. Legislative Update
- F. Administrative Rule Review
- G. Custodial Bank RFP

BREAK FOR LUNCH **12:00 PM**

Tab 3 MONTANA LOAN PROGRAM – Doug Hill **1:00 PM**

- A. Commercial and Residential Portfolios Report

Tab 4 BOND PROGRAM – Savannah Morgan **1:15 AM**
A. INTERCAP
1. Activity Report
2. Staff Approved Loans Report
B. 2021 INTERCAP Remarketing Update

Tab 5 INVESTMENTS – NEW COMMITMENTS **1:30 PM**
A. Public Asset Classes - Rande Muffick, CFA and Jason Brent, CFA, CAIA
B. Real Estate – Ethan Hurley, CAIA

Tab 6 WORK PLAN **2:00 PM**
A. Cash Management of State Monies/Treasurer's Fund Review – John Romasko, CFA and Kirsten Haswell

BREAK **2:45 PM**

Tab 7 RVK, Inc. **3:00 PM**

ADJOURN

AGENDA DAY 2

RECONVENE AND CALL TO ORDER – Karl Englund, Chairman **9:00 AM**
A. Roll Call
B. Notice of Video Recording of Meeting
C. Public Comment – *Public Comment on issues with Board Jurisdiction*

Tab 8 INVESTMENT UPDATE **9:15 PM**
A. **CIO Update** – Jon Putnam, CFA, FRM, CAIA
B. **Macro Attribution** – Eron Krpan, CFA, CIPM
C. **Private Investments** – Michael Nguyen
D. **Real Estate** – Ethan Hurley, CAIA
E. **Real Assets** – Ethan Hurley, CAIA
F. **Core Fixed Income** – John Romasko, CFA
G. **Non-Core Fixed Income** – Rande Muffick, CFA
H. **Domestic Equity** – Rande Muffick, CFA
I. **International Equity** – Rande Muffick, CFA
J. **STIP** – Kirsten Haswell
K. **State Fund** – John Romasko, CFA
L. **Trust Funds Investment Pool** – John Romasko, CFA

Tab 9 INVESTMENT POLICY STATEMENTS – John Romasko, CFA **10:15 AM**
A. Greenway Trail Maintenance Fund - **Decisions**
B. Yellowstone Pipeline Cleanup Fund- **Decisions**

BREAK **10:30 AM**

Tab 10 FIDUCIARY DUTY OF BOARD AND STAFF – Dan Whyte, Esq **10:45 AM**

RECAP OF STAFF TO DO LIST AND ADJOURNMENT – Karl Englund, Chairman

**REGULAR MEETING OF THE
MONTANA BOARD OF INVESTMENTS
2401 Colonial Drive, 3rd Floor
Helena, Montana
November 18, 2020**

Call to Order

The Board of Investment's meeting was called to order by Chairman Karl Englund at 10:30 a.m., on Thursday, November 19, 2020.

Attendance

Board Members Present: Chairman Karl Englund, Jack Prothero, Mark Noennig, Bruce Nelson, Terry Cohea, Maggie Peterson, Jeff Greenfield, Diane Fladmo, Jim Edwards

Legislative Liaisons Present: Senator Fred Thomas

Board Staff Present: Dan Villa, Doug Hill, Sheli Jacoby, Lindsay Ford, Peggy MacEwen, April Madden, Jon Putnam, Kirsten Haswell, Julie Feldman, Rande Muffick, John Romasko, Savannah Morgan, Louise Welsh, Polly Boutin, Sam Holman, Thomas Winkler, Kelsey Gauthier, Michael Nguyen, Jason Brent, Ethan Hurley, John Carpenter, Dan Zarling, Emily Kovarik, Sue Tinsley, Tim House

Interested Parties Present: Maja Ben – Fund Map; Mark Higgins, Becky Gratsinger, Jim Voytko, Eryn Bacewich – RVK; Lindsay Saienni – Financial Investment News; Shawn Graham – TRS; Dore Schwinden, Bill Holahan – PERS

November 19, 2020

Tab 1 CALL TO ORDER – Karl Englund, Chairman (08:00:00)

A. Roll Call (08:00:019)

Roll was taken: nine Board members and one legislative liaison were present, forming a quorum.

B. Notice of Video Recording (08:00:06)

Chairman Englund advised of audio and video recording of the meeting.

C. Public Comment (08:01:05)

Chairman Englund asked for public comment.

Chairman Englund thanked the Board members for their time and a contribution to the Board. Chairman Englund wished member Mark Noennig a happy retirement and thanked for his years of service.

D. Approval of Minutes (08:06:25)

October 13, 2020 Regular Board Meeting

Member Peterson moved to approve. Member Greenfield seconded the motion which passed unanimously.

E. Administrative Business

1. Audit Committee Report (08:07:08)

Member Peterson briefed the Board.

- Member Peterson moved to approve the draft FY 2020 Financial Statements with any minor adjustments needing to be made based on audits. Member Greenfield seconded the motion which passed unanimously.
- Member Peterson moved to approve the draft FY 2020 Annual Report as submitted. Member Fladmo seconded the motion which passed unanimously.
- Member Peterson moved to approve the Annual Statutory Compliance Checklist as presented. Member Nelson seconded the motion which passed unanimously.
- Member Peterson moved to approve the Annual Audit Charter Compliance as presented. Member Greenfield seconded the motion which passed unanimously.
- Member Peterson moved to approve the FY 2020 Wipfli SOC Report as presented. Member Greenfield seconded the motion which passed unanimously.

2. Loan Committee Report (08:18:10)

Member Prothero briefed the Board.

3. HR Committee Report (08:18:55)

Member Cohea briefed the Board.

F. Comments from TRS and PERS Board Members

G. Comments from Board Legislative Liaisons (08:49:28)

Senator Thomas briefed the Board.

Tab 2 EXECUTIVE DIRECTOR REPORTS (08:20:25)

A. Member Requests or Follow up from Prior Meeting

Executive Director Villa briefed the Board.

B. Monthly Snapshot

Executive Director Villa briefed the Board.

C. Monthly Web Traffic

Executive Director Villa briefed the Board.

D. 2020 Securities Litigation Review

Executive Director Villa briefed the Board.

E. Resolution 217 – Authorization of Investment Managers

Executive Director Villa briefed the Board.

F. Governor’s Letter – Public Participation

Executive Director Villa briefed the Board.

G. Completed Purchase of Montana Property/TRS Building

Executive Director Villa briefed the Board.

H. Final Board Meeting Dates

Executive Director Villa briefed the Board.

I. Final 2021 Work Plan

Executive Director Villa briefed the Board.

Tab 3 MONTANA LOAN PROGRAM (08:26:0)

A. Commercial and Residential Portfolios Report

Doug Hill briefed the Board.

B. CARES Act Final Report

Doug Hill briefed the Board.

Tab 4 BOND PROGRAM (08:34:45)

A. INTERCAP

Savannah Morgan briefed the Board.

1. Activity Report

2. Staff Approved Loans Report

Tab 5 RETIREMENT SYSTEMS' ANNUAL PRESENTATIONS (09:36:40)

A. TRS

Executive Director Shawn Graham briefed the Board and answered questions.

B. PER Systems

Executive Director Dore Schwinden and Chief Legal Bill Holahan briefed the Board and answered questions.

Tab 6 CAPP ASSET ALLOCATION INVESTMENT POLICY STATEMENT REVISIONS (10:15:20)

Jon Putnam briefed the Board and answered questions.

- Member Peterson moved to approve the Investment Policy Statement revisions. Member Cohea seconded the motion, which passed unanimously.

Tab 7 INVESTMENTS – NEW COMMITMENTS (08:41:05)

Rande Muffick and Jason Brent briefed the Board and answered questions.

Tab 8 QUARTERLY PERFORMANCE REPORT (08:55:51)

Mark Higgins and Jon Putnam briefed the Board and answered questions.

Tab 9 INVESTMENT UPDATE (10:20:04)

A. CIO Update – Jon Putnam, CFA, FRM, CAIA

Jon Putnam briefed the Board and answered questions.

B. Macro Attribution – Eron Krpan, CFA, CIPM

Eron Krpan briefed the Board and answered questions.

C. Private Equity – Michael Nguyen

Michael Nguyen briefed the Board.

D. Real Estate – Ethan Hurley, CAIA

Ethan Hurley briefed the Board and answered questions.

E. Natural Resources – Ethan Hurley, CAIA

Ethan Hurley briefed the Board and answered questions.

F. Core Fixed Income – John Romasko, CFA

John Romasko briefed the Board.

G. Non-Core Fixed Income – Rande Muffick, CFA

Rande Muffick briefed the Board and answered questions.

- H. Domestic Equity** – Rande Muffick, CFA
Rande Muffick briefed the Board and answered questions.
- I. International Equity** – Rande Muffick, CFA
Rande Muffick briefed the Board and answered questions.
- J. STIP** – Kirsten Haswell
Kirsten Haswell briefed the Board.
- K. State Fund** – John Romasko, CFA
John Romasko briefed the Board and answered questions.
- L. Trust Funds Investment Pool** – John Romasko, CFA
John Romasko briefed the Board and answered questions.

RECAP OF STAFF TO DO LIST AND ADJOURNMENT

Executive Director Dan Villa listed items to recap.
Chairman Englund adjourned the meeting at 3:30 pm.

MONTANA BOARD OF INVESTMENTS

APPROVE: _____
Karl J. Englund, Chairman

ATTEST: _____
Dan Villa, Executive Director

DATE: February 24, 2021

MONTANA

BOARD OF INVESTMENTS

TO: Members of the Board of Directors
FROM: Dan Villa, Executive Director
DATE: February 23, 2021
RE: February Executive Director's Report

A. Member Requests or Follow Up from Prior Meeting - none

B. Monthly Snapshot – attachment

C. Monthly Website Traffic:

Profile Snapshot ? AGF			
4,018 Visits	6,610 Pageviews	77.10% Bounce Rate	2:59:25 Engagement

	Pages	Pageview: ▾	Unique Views	Landings	Exits	Time on Page
1	/	1,847	1,657	1,623	1,152	2:00:42
2	/2020meetings	672	633	554	605	01:37
3	/stip	373	330	217	205	1:16:12
4	/loanprograms	356	298	157	168	00:46
5	/unifiedinvestments/quarterly	306	269	189	211	02:56
6	/annualreportsaudits	299	250	179	189	04:49
7	/meetings	299	243	133	148	02:14
8	/investments	252	212	59	72	1:43:03
9	/stip/dailyfactoryield	219	187	106	167	4:33:39
10	/board	179	146	48	41	2:57:34

D. Disaster Recovery and Emergency Preparedness

The most recent version of the Continuity of Operations (COOP) plan is attached. As I've mentioned before, BOI was well prepared for the pandemic thanks to its professional staff, flexibility, and preparedness. We are capable of full remote operations for extended periods of time. Staff will continue to monitor opportunities for improvement and will implement as allowed by time and budget.

E. Legislative Update – attachment

Thus far there have been only a few legislative items impacting the Board which have necessitated staff action. We have not opposed or supported any legislation and have been an informational witness several times. The bill tracking sheet is attached to this memorandum for your review.

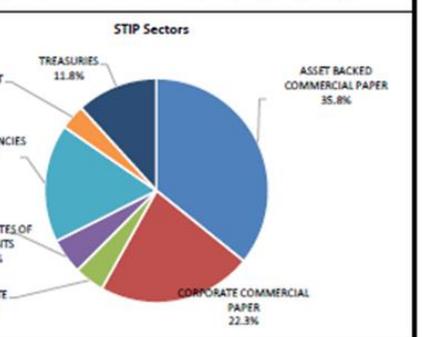
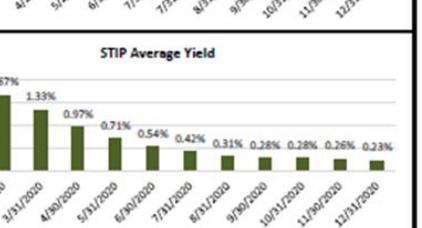
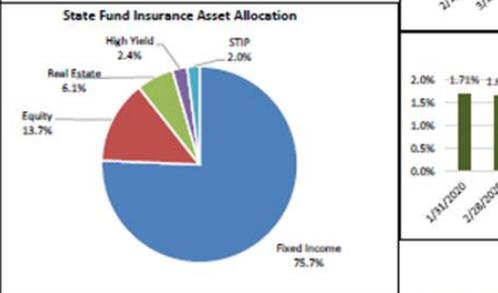
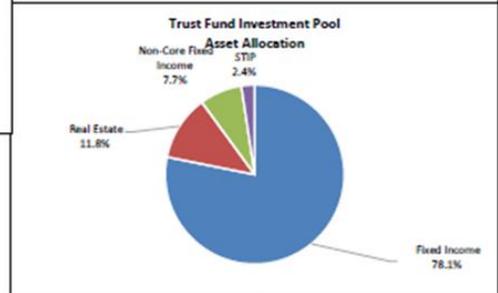
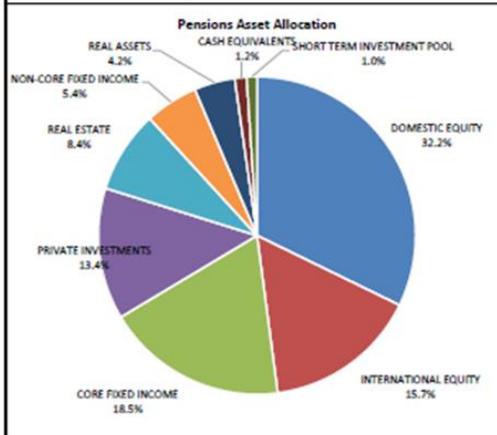
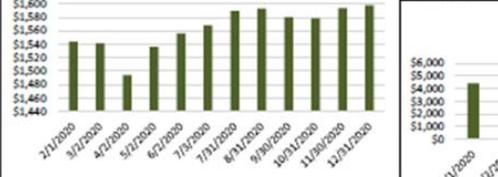
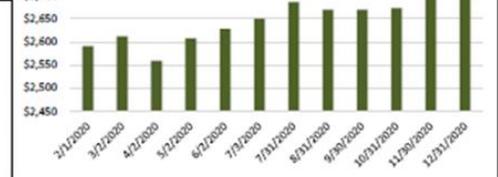
F. Administrative Rule Review - attachment

BOI has undertaken a review of the Administrative Rules of Montana (ARM) which we have previously adopted. Many of these are out of date, no longer applicable, or duplicative of policies adopted by the Board. Staff recommends the Board repeal the attached ARM. In order to do so the Board would need to hold a special meeting on or after March 19th but before March 29th to conduct a public hearing on the recommendations. The corresponding rules are attached as is the Appointment for Rule Reviewers and Signors notice which was sent to the Secretary of State. Dan Whyte or I are happy to answer any questions.

MBOI Snapshot
Asset Management View
12/31/2020 Unaudited
Assets Under Management \$22,989,889,385



Pensions	NAV	%	TFIP	NAV	%	State Fund	NAV	%	Other Fixed Income & Pending	\$	(167,654,802)
DOMESTIC EQUITY	\$ 4,307,338,004	32.2%	Fixed Income	\$ 2,123,975,822	78.14%	Fixed Income	\$ 1,208,981,677	75.66%			
INTERNATIONAL EQUITY	\$ 2,474,267,465	18.5%	Real Estate	\$ 320,913,992	11.81%	Equity	\$ 219,304,052	13.72%	STIP*		
CORE FIXED INCOME	\$ 2,095,750,613	15.7%	Non-Core Fixed Income	\$ 207,951,381	7.65%	Real Estate	\$ 97,985,085	6.13%	ASSET BACKED COMMERCIAL PAPER	\$1,961,202,616	35.81%
PRIVATE INVESTMENTS	\$ 1,789,789,829	13.4%	STIP	\$ 65,250,597	2.40%	High Yield	\$ 39,114,569	2.45%	CORPORATE COMMERCIAL PAPER	\$1,221,985,607	22.31%
REAL ESTATE	\$ 1,117,935,293	8.4%	Total	\$ 2,718,091,792	100.00%	STIP	\$ 32,533,522	2.04%	FEDERAL AGENCIES	\$933,088,958	17.04%
NON-CORE FIXED INCOME	\$ 724,046,101	5.4%				State Fund Total	\$ 1,597,918,905	100.00%	TREASURIES	\$644,010,548	11.76%
REAL ASSETS	\$ 555,035,542	4.2%						CERTIFICATES OF DEPOSITS	\$280,355,573	5.12%	
CASH EQUIVALENTS	\$ 162,035,878	1.2%						CORPORATE NOTES	\$238,098,953	4.35%	
SHORT TERM INVESTMENT POOL	\$ 138,446,009	1.0%						MONEY MARKET FUNDS	\$198,146,500	3.62%	
Pensions Total	\$ 13,364,644,733	100.0%						STIP Total	\$5,476,888,756	100.00%	



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 \$227,241,608 is attributable the portion of STIP held within CAPP (\$161,035,579) and and TRIP (\$65,235,834) as a cash investment. Such value is represented in the NAV for the CAPP and STIP columns.

Position	Bill Number	Short Title	Bill Sponsor	Last Action	Next Hearing
Not Reviewed	HB 2	General Appropriations Act	Llew Jones (R) HD 18	02/12/21 - Scheduled for Executive Action	8:00AM 02/08/2021 House Joint Appropriations Subcommittee on General Government Room 350
Informational	HB 21	Authorize funding for the multifamily coal trust home loan program	Geraldine Custer (R) HD 39	02/02/21 - Hearing	
Watch	HB 44	Revise funding for GWPORS	Geraldine Custer (R) HD 39	01/29/21 - Tabled in Committee	
Watch	HB 47	Providing requirements for emergency rules under MAPA	Wendy McKamey (R) HD 19	01/29/21 - Referred to Committee	
Watch	HB 59	Revise funding provisions in PERS	Jim Hamilton (D) HD 61	01/29/21 - Tabled in Committee	
Watch	HB 72	Revise funding for highway patrol retirement system HPORS	Frank Garner (R) HD 7	01/28/21 - Hearing	
Watch	HB 81	Generally revise laws on administration of MPERA retirement systems	Jim Hamilton (D) HD 61	01/19/21 - Referred to Committee	
Watch	HB 88	Generally revise laws on administration of TRS	Marta Bertoglio (R) HD 75	01/19/21 - Referred to Committee	
Watch	HB 97	Revise ethics laws regarding application to boards and commissions	Wendy McKamey (R) HD 19	01/25/21 - Referred to Committee	
Watch	HB 254	Revise the wrongful discharge act	Ross H Fitzgerald (R) HD 17	02/05/21 - Committee Report--Bill Passed as Amended	
Watch	HB 277	Provide for a state government performance and results act	Bill Mercer (R) HD 46	02/05/21 - Sponsor List Modified	
Watch	HB 323	Generally revise pension laws	Terry Moore (R) HD 54	02/05/21 - First Reading	
Watch	HB 330	Generally revise laws related to budget stability and managing volatility	Llew Jones (R) HD 18	02/05/21 - Introduced Bill Text Available Electronically	
Watch	HJ 8	Provide for a study of pension laws	Frank Garner (R) HD 7	02/05/21 - Introduced Bill Text Available Electronically	
Watch	LC0010	Revising public notice laws to allow notice via certain electronic publications	Tom Jacobson (D) SD 11	01/20/21 - Draft Ready for Delivery	
Watch	LC0021	Generally revising privacy of settlements and public right to know laws	John Esp (R) SD 30	02/06/21 - Draft in Input/Proofing	
Not Reviewed	LC0032	Generally revise pension laws	John Esp (R) SD 30	01/13/21 - Draft On Hold	
Not Reviewed	LC0036	Establish an auto-IRA task force to study retirement accounts	Jill Cohenour (D) SD 42	02/05/21 - Draft Delivered to Requester	
Not Reviewed	LC0057	Revise rulemaking requirements pertaining to review by legislative committees	Douglas (Doug) Kary (R) SD 22	01/10/21 - Draft On Hold	
Not Reviewed	LC0163	Generally revise public retirement system laws	JP Pomnichowski (D) SD 33	12/09/20 - Draft On Hold	
Not Reviewed	LC0330	Generally revise legislative branch laws	Jason W Ellsworth (R) SD 43	08/31/20 - Draft Request Received	
Not Reviewed	LC0355	Generally revise workers' compensation laws	Mark Blasdel (R) SD 4	01/30/21 - Draft On Hold	

Not Reviewed	LC0528	Prevent adoption of a rule that is similar to failed legislation	Steve Fitzpatrick (R) SD 10	02/07/21 - Draft to Requester for Review
Not Reviewed	LC0529	Provide for repeal of administrative rules by joint resolution	Steve Fitzpatrick (R) SD 10	02/06/21 - Draft in Edit
Not Reviewed	LC0623	Generally revise pension laws	Jim Hamilton (D) HD 61	01/17/21 - Draft to Requester for Review
Not Reviewed	LC0632	Generally revise pension laws	Jim Hamilton (D) HD 61	10/21/20 - Draft Request Received
Not Reviewed	LC0658	Authorize transfers and other necessary measures to implement HB2 -section A	Llew Jones (R) HD 18	10/29/20 - Draft On Hold
Not Reviewed	LC0666	Generally revise information technology policy and budgets	Llew Jones (R) HD 18	10/29/20 - Draft On Hold
Not Reviewed	LC0678	Generally revise laws related to executive branch officers	Llew Jones (R) HD 18	01/09/21 - Draft On Hold
Not Reviewed	LC0686	Generally revise laws related to public pension systems funding	Llew Jones (R) HD 18	10/26/20 - Draft Request Received
Not Reviewed	LC0690	Generally revise laws related to remote workplaces and workforces	Llew Jones (R) HD 18	10/26/20 - Draft Request Received
Oppose	LC0714	Generally revise financial investment policy laws	Brad Molnar (R) SD 28	11/09/20 - Draft to Requester for Review
Not Reviewed	LC0731	Revise contract rights for new members of public employee retirement plans	Greg Hertz (R) SD 6	11/02/20 - Draft Request Received
Not Reviewed	LC0770	Revise laws to include renewable hydrogen	Denley M Loge (R) HD 14	12/07/20 - Draft On Hold
Watch	LC0851	Revise natural resources operations fund, provide transfer	Ryan Lynch (D) SD 37	01/11/21 - Draft Ready for Delivery
Not Reviewed	LC0887	Revise state administrative laws	Steve Fitzpatrick (R) SD 10	11/12/20 - Draft On Hold
Not Reviewed	LC0889	Revise state administrative law	Steve Fitzpatrick (R) SD 10	11/12/20 - Draft On Hold
Not Reviewed	LC0890	Revise state administrative law	Steve Fitzpatrick (R) SD 10	11/12/20 - Draft On Hold
Not Reviewed	LC0925	Generally revising privacy of settlements and public right to know laws	Bill Mercer (R) HD 46	12/14/20 - Draft On Hold
Not Reviewed	LC0929	Generally revising laws related to legislative oversight of administrative rules	Bill Mercer (R) HD 46	02/02/21 - Draft On Hold
Not Reviewed	LC0933	Generally revise pension laws	Bill Mercer (R) HD 46	11/10/20 - Draft Request Received
Watch	LC0937	Remote work productivity accountability act	Frank Fleming (R) HD 51	02/05/21 - Draft Delivered to Requester
Not Reviewed	LC0939	Revise laws relating to government structure and organization	Jason W Ellsworth (R) SD 43	01/19/21 - Draft On Hold
Not Reviewed	LC0992	Revise teacher retirement system laws to add one year service due to Covid-19	Edward Buttrey (R) HD 21	11/11/20 - Draft Request Received
Informational	LC1080	Allow investment of Coal Trust Fund in private corporate stock	Dave Fern (D) HD 5	11/14/20 - Draft Request Received
Not Reviewed	LC1140	Generally revise state finance laws	Terry Gauthier (R) SD 40	11/27/20 - Draft On Hold
Not Reviewed	LC1178	Generally revise pension laws	Terry Moore (R) HD 54	12/22/20 - Draft On Hold
Not Reviewed	LC1180	Generally revise laws related to infrastructure bonding	Terry Moore (R) HD 54	11/19/20 - Draft Request Received

Not Reviewed	LC1292	Generally revise investor-owned utility laws	Ed Stafman (D) HD 62	11/24/20 - Draft Request Received
Not Reviewed	LC1296	Generally revise laws related to state agency evaluation and budgeting	Jane Gillette (R) HD 64	01/11/21 - Draft to Requester for Review
Not Reviewed	LC1332	Authorize state employee furloughs	Barry Usher (R) HD 40	02/03/21 - Draft On Hold
Not Reviewed	LC1443	Revise local government budgeting procedures	Bob Phalen (R) HD 36	01/25/21 - Draft On Hold
Not Reviewed	LC1506	Generally revise tax laws related to state contracts	Ed Stafman (D) HD 62	01/12/21 - Draft On Hold
Not Reviewed	LC1591	Revise state fund management laws	Mark Noland (R) HD 10	12/02/20 - Draft Request Received
Not Reviewed	LC1713	Revise public pension system laws	Matt Regier (R) HD 4	12/02/20 - Draft Request Received
Not Reviewed	LC1715	Revise teachers' retirement pension system laws	Matt Regier (R) HD 4	12/02/20 - Draft Request Received
Not Reviewed	LC1716	Revise public employee retirement system laws	Matt Regier (R) HD 4	12/02/20 - Draft Request Received
Not Reviewed	LC1730	Provide for deductible security for state employees health insurance	Matt Regier (R) HD 4	12/09/20 - Draft On Hold
Not Reviewed	LC1744	Revise pension system laws	Matt Regier (R) HD 4	12/02/20 - Draft Request Received
Not Reviewed	LC1746	Revise pension system laws	Matt Regier (R) HD 4	12/02/20 - Draft Request Received
Not Reviewed	LC1749	Revise venue requirements for actions against state agencies	Matt Regier (R) HD 4	12/02/20 - Draft Request Received
Not Reviewed	LC1754	Revise statutory appropriation laws	Matt Regier (R) HD 4	02/01/21 - Draft On Hold
Not Reviewed	LC1770	Generally revise the Montana administrative procedures act	Steve Gunderson (R) HD 1	12/03/20 - Draft On Hold
Not Reviewed	LC1774	Generally revise department of commerce laws	Matt Regier (R) HD 4	12/03/20 - Draft Request Received
Not Reviewed	LC1780	Generally revise employment laws	Matt Regier (R) HD 4	12/03/20 - Draft Request Received
Not Reviewed	LC1791	Implement provisions of HB2, Sec. A - General Government	Matt Regier (R) HD 4	02/01/21 - Draft On Hold
Not Reviewed	LC1796	Revise the Montana Administrative Procedure Act	Jason W Ellsworth (R) SD 43	02/06/21 - Draft On Hold
Not Reviewed	LC1820	Establish an affordable housing trust fund	Willis Curdy (D) HD 98	12/10/20 - Draft Request Received
Not Reviewed	LC1884	Generally revise labor laws	Duane Ankney (R) SD 20	12/10/20 - Draft Request Received
Not Reviewed	LC1885	Generally revise labor laws	Duane Ankney (R) SD 20	12/10/20 - Draft Request Received
Not Reviewed	LC1886	Generally revise laws related to worker's compensation	Duane Ankney (R) SD 20	01/30/21 - Draft On Hold
Not Reviewed	LC1957	Generally revise public retirement system laws	Steven Galloway (R) HD 24	12/10/20 - Draft Request Received
Not Reviewed	LC1971	Generally revise state finance laws	Steven Galloway (R) HD 24	02/01/21 - Draft On Hold
Not Reviewed	LC1986	Generally revise labor laws	Moffie Funk (D) HD 82	12/11/20 - Draft Request Received
Not Reviewed	LC2071	Generally revise data privacy laws	Barry Usher (R) HD 40	01/28/21 - Draft On Hold
Not Reviewed	LC2098	Generally revise laws related to state agency evaluation and budgeting	Jane Gillette (R) HD 64	12/12/20 - Draft Request Received

Not Reviewed	LC2099	Generally revise laws related to state agency evaluation and budgeting	Jane Gillette (R) HD 64	02/01/21 - Draft On Hold
Not Reviewed	LC2100	Generally revise laws related to state agency evaluation and budgeting	Jane Gillette (R) HD 64	02/01/21 - Draft On Hold
Not Reviewed	LC2101	Generally revise laws related to state agency evaluation and budgeting	Jane Gillette (R) HD 64	02/01/21 - Draft On Hold
Not Reviewed	LC2132	Generally revise laws related to government structure	Jane Gillette (R) HD 64	12/12/20 - Draft Request Received
Not Reviewed	LC2133	Generally revise laws related to government structure	Jane Gillette (R) HD 64	12/12/20 - Draft Request Received
Not Reviewed	LC2134	Generally revise laws related to government structure	Jane Gillette (R) HD 64	12/12/20 - Draft Request Received
Not Reviewed	LC2273	Discretionary reporting for state employee pay raises	Matt Regier (R) HD 4	01/30/21 - Draft On Hold
Not Reviewed	LC2274	Revise board of investments	Matt Regier (R) HD 4	02/01/21 - Draft On Hold
Not Reviewed	LC2277	Revise state procurement policies	Matt Regier (R) HD 4	01/13/21 - Draft On Hold
Not Reviewed	LC2293	Revising property rental laws	Mark Blasdel (R) SD 4	02/05/21 - Draft Ready for Delivery
Not Reviewed	LC2448	Revise public documents laws	Mike Cuffe (R) SD 1	02/01/21 - Draft to Requester for Review
Not Reviewed	LC2480	Generally revise employment laws	Terry Gauthier (R) SD 40	01/27/21 - Draft On Hold
Not Reviewed	LC2483	Generally revise laws for private attorneys contracting with state	Terry Gauthier (R) SD 40	12/28/20 - Draft On Hold
Not Reviewed	LC2489	Generally revise laws related to rulemaking	Steve Gunderson (R) HD 1	12/14/20 - Draft On Hold
Not Reviewed	LC2524	Generally revise laws related to state employees	Wendy McKamey (R) HD 19	12/13/20 - Draft Request Received
Not Reviewed	LC2552	Generally revise state retirement laws	Wendy McKamey (R) HD 19	12/13/20 - Draft Request Received
Not Reviewed	LC2554	Generally revise laws related to state finance	Frank Garner (R) HD 7	02/01/21 - Draft On Hold
Not Reviewed	LC2555	Generally revise laws related to state finance	Frank Garner (R) HD 7	02/01/21 - Draft On Hold
Not Reviewed	LC2562	Generally revise Montana pension laws	Frank Garner (R) HD 7	12/13/20 - Draft Request Received
Not Reviewed	LC2563	Generally revise Montana pension laws	Frank Garner (R) HD 7	12/13/20 - Draft Request Received
Not Reviewed	LC2613	Providing for payment of attorneys fees in certain cases and circumstances	Bill Mercer (R) HD 46	12/28/20 - Draft On Hold
Not Reviewed	LC2693	Generally revise public retirement systems	Katie Zolnikov (R) HD 45	12/13/20 - Draft Request Received
Not Reviewed	LC2741	Generally revise pension systems	Brian Hoven (R) SD 13	12/13/20 - Draft Request Received
Not Reviewed	LC2742	Generally revise pension systems	Brian Hoven (R) SD 13	12/13/20 - Draft Request Received
Not Reviewed	LC2761	Generally revise labor laws	Gordon Vance (R) SD 34	01/30/21 - Draft On Hold
Not Reviewed	LC2774	Generally revise labor laws	Edward Buttrey (R) HD 21	01/30/21 - Draft On Hold
Not Reviewed	LC2779	Generally revise labor laws	Shannon O'Brien (D) SD 46	12/13/20 - Draft Request Received

Not Reviewed	LC2781	Generally revise labor laws	Shannon O'Brien (D) SD 46	12/21/20 - Draft On Hold	
Not Reviewed	LC2791	Generally revise commerce laws	Shannon O'Brien (D) SD 46	01/27/21 - Draft On Hold	
Not Reviewed	LC2805	Revise laws related to executive branch restructuring	Bob Keenan (R) SD 5	12/28/20 - Draft On Hold	
Not Reviewed	LC2811	Revise laws related to state finance	Bob Keenan (R) SD 5	02/01/21 - Draft On Hold	
Not Reviewed	LC2850	Generally revise public retirement system laws	Kerri Seekins-Crowe (R) HD 43	02/01/21 - Draft On Hold	
Not Reviewed	LC2882	Study related to location-based cost-of-living adjustment for state employees	Pat Flowers (D) SD 32	12/13/20 - Draft Request Received	
Not Reviewed	LC2915	Revise laws related to contracts and other obligations	Tom Welch (R) HD 72	01/22/21 - Draft to Requester for Review	
Watch	LC3009	Generally revise financial investment policy laws	Brad Molnar (R) SD 28	02/04/21 - Draft to Requester for Review	
Watch	LC3030	Generally revise public project financing laws	Walt Sales (R) SD 35	12/24/20 - Draft Request Received	
Not Reviewed	LC3035	Provide funding and authorization for capital and infrastructure statewide	Brad Tschida (R) HD 97	12/24/20 - Draft Request Received	
Not Reviewed	LC3046	Generally revise virtual currency laws	Casey Knudsen (R) HD 33	12/29/20 - Draft Request Received	
Not Reviewed	LC3274	Generally revise laws related to public's right to know and participate	Ross H Fitzgerald (R) HD 17	01/23/21 - Draft Request Received	
Watch	LC3289	Generally revise state policies relating to community redevelopment	Christopher Pope (D) SD 31	01/27/21 - Draft On Hold	
Neutral with	SB 57	Revising laws related to reports to the	JP Pomnichowski (D) SD 33	02/08/21 - Hearing	12:00PM 02/08/2021 House Legislative Administration Room 152
Watch	SB 110	Revise state employee and U-system health plan laws for temp state share holiday	Ryan Osmundson (R) SD 15	02/10/21 - Hearing	8:00AM 02/10/2021 House State Administration Room 455
Informational	SB 134	Revise board of investment loans for coal-fired generation remediation	Jason D Small (R) SD 21	01/28/21 - Hearing	
Watch	SB 139	Generally revise laws relating to appointments by the governor	Mike Cuffe (R) SD 1	02/02/21 - Fiscal Note Printed	
Not Reviewed	SB 175	Generally revise contributions to the	Douglas (Doug) Kary (R) SD 22	02/08/21 - Hearing	3:00PM 02/08/2021 Senate State Administration Room 335
Not Reviewed	SB 188	Revise school teacher retirement with pension	Mike Lang (R) SD 17	02/05/21 - Introduced Bill Text Available Electronically	
Informational	SR 22	Confirm Governor's appointees to the Board of Investments	Douglas (Doug) Kary (R) SD 22	02/03/21 - Hearing	

MONTANA

BOARD OF INVESTMENTS

February 10, 2021

SENT VIA EMAIL ONLY TO:

TKREISSLER@MT.GOV

SOSARTM@MT.GOV

Montana Secretary of State
Administrative Rules Bureau
Tom Kreissler, ARM Editor
P.O. Box 202801
Helena, MT 59620-2801

Re: Appointment of Signatories and Administrative Rule Reviewers

Dear Mr. Kreissler:

I write to you as the Executive Director for the Montana Board of Investments (Board), a quasi-judicial board created pursuant to § 2-15-1808, MCA. Effective February 1, 2021, I request your bureau designate the following individuals as authorized signors and rule reviewers for the Board pursuant to § 2-4-110, MCA, and ARM 1.2.519:

Executive Director Dan Villa
Deputy Director Peggy MacEwen
Chief Legal Counsel Dan Whyte

Ms. MacEwen, Mr. Whyte, and I will comply with the requirements set forth in § 2-4-110, MCA, and ARM 1.2.519, in completing the reviews of all Board rulemaking actions. Please direct any questions you may have to Mr. Whyte.

Sincerely,

Dan Villa

Dan Villa
Executive Director

BEFORE THE BOARD OF INVESTMENTS
OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF PUBLIC HEARING ON
ARM 8.97.715, 8.97.716, and) PROPOSED AMENDMENT,
8.97.718; the repeal of ARM) REPEAL, AND RELOCATION
8.97.717, 8.97.719, 8.97.1101,)
8.97.1502, 8.97.1601, 8.97.1701,)
8.97.1702, 8.97.1706, 8.97.1708,)
8.97.1709, 8.97.1801, 8.97.1802,)
8.97.1803, 8.97.1804, 8.97.1805,)
8.97.1901, 8.97.1902, 8.97.1803; the)
relocation of ARM 8.97.1201,
8.97.1704, 8.97.1705, 8.97.1706; and
the amendment and relocation of
8.97.1202 and 8.97.1703; related to
the Montana Board of Investment
rules generally

TO: All Concerned Persons

1. On _____, at _____ a.m., the Montana Board of Investments will hold a public hearing via remote conferencing to consider the proposed amendment and repeal of the above-stated rules. Interested persons may access the public hearing in the following ways:

(a) Join Zoom Meeting: [https://mt-gov.zoom.us/j/97986293794?pwd=S3RqMnYyM3BzZFVpSHIZSG1WUjVLUtO9](https://mt-gov.zoom.us/j/97986293794?pwd=S3RqMnYyM3BzZFVpSHIZSG1WUjVLUtO9;);
Meeting ID: 979 8629 3794;

(b) Dial by Telephone:
+1 406 444 9999 (Helena)
+1 206 337 9723 (Seattle)
+1 646 558 8656 (New York)
+1 213 338 8477 (Los Angeles),
Meeting ID: Meeting ID: 979 8629 3794
Password: 453844.

2. The Montana Board of Investments will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, please advise the board of the nature of the accommodation needed, no later than 5 p.m. on [DATE]. Please contact Dan Whyte, Chief Legal Counsel, Montana Board of Investments, 2401 Colonial Drive, Third Floor, Helena, Montana 59601; telephone (406) 444-0587; fax (406) 449-6579; or dwhyte@mt.gov.

3. GENERAL STATEMENT OF REASONABLE NECESSITY. ARM Title 8, chapter 97, contain the board's administrative rules regarding the board's administration of the Unified Investment Program.

Based on the board's periodic review of its rules chapter and other related rules, the board observes that certain rules contain redundancies to statute, contain outdated programs, contain outdated definitions, text usage, or writing styles; and in

some cases, do not reflect current board practices. The rule amendments herein represent a general review of all board rules to eliminate duplicative or unnecessary rules and amend rules to reflect current statute or board practice.

The board proposes to amend ARM 8.97.715, 8.97.716, and 8.97.718 and to remove outdated definitions and terminology; and to update current statutory terminology.

The board further proposes to repeal ARM 8.97.717, 8.97.719, 8.97.1101, 8.97.1502, 8.97.1601, 8.97.1701, 8.97.1702, 8.97.1706, 8.97.1708, 8.97.1709, 8.97.1801, 8.97.1802, 8.97.1803, 8.97.1804, 8.97.1805, 8.97.1901, 8.97.1902, and 8.97.1903, to eliminate unnecessary redundancies to statute and redundancies found in the board's governing policies, to eliminate rules related to board programs that are no longer utilized, and remove rules that repeat statutory provisions.

Some rules currently in limiting subchapters are intended to apply to all board operations. The board proposes to revise and relocate the content of six rules to apply to all board operations: ARM 8.97.1201, 8.97.1202, 8.97.1703, 8.97.1704, and 8.97.1705, into general provisions in Title 8, chapter 97, subchapter 3. The board proposes to repeal ARM 8.97.1201, 8.97.1202, 8.97.1301, 8.97.1703, 8.97.1704, 8.97.1705, and 8.97.1707 based on the transfer of rule content as described herein.

While this general statement of reasonable necessity covers the basis for the following proposed rulemaking, it is supplemented below, where necessary, to explain rule-specific changes.

4. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

8.97.715 DEFINITIONS

(1) The definitions contained herein shall govern with respect to ~~subchapters~~ subchapter 7 and 9.

(2) As used in ~~subchapters~~ subchapter 7 and 9, and unless the context clearly requires another meaning:

(a) "Act" means the Municipal Finance Consolidation Act of 1983 as set forth in Title 17, chapter 5, part 16, MCA.

(b) "Bond" means any bond or note issued by the board pursuant to Title 17, chapter 5, part 16, MCA.

(c) "Eligible government unit" means eligible government unit as defined in 17-5-604(3), MCA.

(d) "INTERCAP revolving program" or "INTERCAP program" means ~~the~~ intermediate term capital program administered by the board pursuant to Title 17, chapter 5, part 16, MCA.

~~(e) "INTERCAP-EZ program" means the program described in ARM 8.97.913(2).~~

(f) (e) "Loan agreement" means the agreement, including the exhibits attached thereto and the security instrument, if any, between the borrower and the board or the bond or note resolution of the eligible government unit, all as originally executed or from time to time supplemented, modified or amended in accordance with the terms of the agreement, or the resolution, respectively.

(g) (f) "Obligation" means any bond, note or bond anticipation note issued by an eligible government unit and payable from taxes, funds, special assessments, revenues derived from an enterprise owned by the eligible government unit, or any combination thereof.

(h) (g) "Program(s) " include, but are not limited to, the INTERCAP revolving loan program and other board programs developed pursuant to the Act.

(i) (h) "Reserve fund" means the Municipal Finance Consolidation Act reserve fund, as defined in 17-5-1604, MCA, and created by the board pursuant to 17-5-1630, MCA.

(j) (i) "Short term obligation" means any obligation with an actual or stated term of less than 12 months.

AUTH: 17-5-1605, MCA

IMP: 17-5-1606, 17-5-1611, MCA

REASONABLE NECESSITY: In addition to the general statement of reasonable necessity provided above, the board proposes amending the language to striking the reference to INTERCAP EZ because the program no longer exists and ARM 8.97.913 is repealed.

The board proposes to strike references to subchapter 9 for the reason that subchapter 9 was repealed in 2000.

The board proposes adding the phrase "revolving loan" in proposed (2)(g) to clearly indicate the type of loan it is.

The board proposes clarifying amendments to proposed (2)(h) to identify the statutory reference to the Municipal Finance Consolidation Act.

Generally, the purpose of ARM 8.97.715 is to define and refer to the INTERCAP program, a term not specifically used in statute.

8.97.716 SCOPE OF SUBCHAPTER 7

(4) This subchapter shall govern the submittal of and processing of applications to the board for financing and the purchase of obligations under the Act including, but not limited to, the INTERCAP revolving program ~~described in~~ ARM ~~8.97.910~~ through ~~8.97.920~~.

AUTH: 17-5-1605, MCA

IMP: 17-5-1606, 17-5-1611, MCA

REASONABLE NECESSITY: The reference to subsection (1) is stricken to comply with drafting protocol.

The board proposes to strike references to subchapter 9 for the reason that subchapter 9 was repealed in 2000.

8.97.718 APPLICATION PROCEDURE

(1) An eligible government unit may apply for financing under a program by submitting an application to the board on a form provided by the board. The form shall elicit sufficient information to enable the board to determine whether the eligible government unit and the proposed loan meets the requirements of 17-5-1611 (8) , MCA, and ARM 8.97.719.

(2) The bond program office of the board shall review the application to determine whether the application is complete. The bond program office may

request the eligible government unit to provide additional information relevant to the evaluation of the application under ~~ARM 8.97.719~~. Upon a determination by the bond program office that the application is complete, the executive director and bond program office may approve the loan, if authorized by these rules or board policy or make a recommendation to the board for action on the application. The executive director shall have full final discretion to refer any application to the board for its approval.

(3) If the application is approved, the bond program office shall notify the eligible government unit of the terms and conditions of the loan.

AUTH: 17-5-1605, MCA

IMP: 17-5-1611, MCA

REASONABLE NECESSITY: The board proposes to amend 8.97.781 to strike two references to ARM 8.97.719, which are proposed for repeal herein. Additionally, subsection (2) is proposed for amendment to reflect that the executive director has the discretion whether to bring applications before the board.

5. The board proposes to repeal the following rules:

8.97.717 DESCRIPTION OF MUNICIPAL FINANCE CONSOLIDATION ACT PROGRAMS

AUTH: 17-5-1605, MCA

IMP: 17-5-1602, 17-5-1606, 17-5-1611, MCA

8.97.719 CRITERIA FOR EVALUATION OF ALL PROGRAM APPLICATIONS

AUTH: 17-5-1605, MCA

IMP: 17-5-1611, MCA

8.97.1101 ORGANIZATIONAL RULE

AUTH: 2-4-201, 17-6-201, 17-6-324, MCA

IMP: 2-4-201, 17-6-201, 17-6-324, MCA

8.97.1502 INTEREST RATE REDUCTION FOR LOANS FUNDED FROM THE COAL TAX TRUST

AUTH: 17-6-308, 17-6-324, MCA

IMP: 17-6-304, 17-6-308, MCA

8.97.1601 BONDS AND NOTES OF BOARD

AUTH: 17-5-1504, 17-5-1521, 17-6-324, MCA

IMP: 17-5-1504, 17-5-1521, 17-6-324, MCA

8.97.1701 DEFINITIONS

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, MCA

8.97.1702 DESCRIPTION OF ECONOMIC DEVELOPMENT BOND PROGRAMS

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1505, 17-5-1521, MCA

8.97.1706 APPLICATION AND FINANCING FEES, COSTS AND OTHER CHARGES

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, MCA

8.97.1708 PUBLIC INTEREST CRITERIA

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, 17-5-1526, 17-5-1527, MCA

8.97.1709 THIRTY DAY REVIEW REQUIREMENT

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, 17-5-1526, 17-5-1527, MCA

8.97.1801 DESCRIPTION OF MOBP PROGRAM

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, 17-5-1526, 17-5-1527, MCA

8.97.1802 ELIGIBILITY REQUIREMENTS OF MOBP PROGRAM

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, 17-5-1526, 17-5-1527, MCA

8.97.1803 CRITERIA FOR EVALUATING APPLICATIONS FOR PROJECT FINANCING UNDER THE MOBP PROGRAM

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, MCA

8.97.1804 INTEREST RATES

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, MCA

8.97.1805 CLOSING OF LOANS

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, MCA

8.97.1901 DESCRIPTION OF THE SABP PROGRAM

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1505, 17-5-1506, 17-5-1526, 17-5-1527, MCA

8.97.1902 ELIGIBILITY REQUIREMENTS OF SABP PROGRAM

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1506, 17-5-1521, 17-5-1526, 17-5-1527, MCA

8.97.1903 CRITERIA FOR EVALUATING APPLICATIONS FOR PROJECT FINANCING UNDER THE SABP PROGRAM

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1506, 17-5-1521, MCA

REASON: As indicated in the general statement in Paragraph 3, above, the Board proposes repealing these rules because many repeat statutory language and are therefore in technical violation of § 2-4-305(2), MCA. Additionally, many of the rules proposed for repeal do not meet current Board policy or practice, including rules describing programs no longer in place.

7. The board proposes to transfer the following rules, without amendment:

<u>OLD</u>	<u>NEW</u>	
8.97.1201	8.97.310	<u>CITIZEN PARTICIPATION RULES</u>

AUTH: 2-4-201, 17-6-201, MCA
IMP: 2-4-201, 17-6-324, MCA

<u>OLD</u>	<u>NEW</u>	
8.97.1704	8.97.314	<u>ALLOCATION OF CAPACITY</u>

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, MCA

<u>OLD</u>	<u>NEW</u>	
8.97.1705	8.97.311	<u>FALSE OR MISLEADING STATEMENTS</u>

AUTH: 17-5-1504, 17-5-1521, MCA
IMP: 17-5-1504, 17-5-1521, 17-6-201, 17-6-324, MCA

REASON: The rules proposed for transfer are currently in subchapters of various Board programs but are intended to be general rules intended to apply to all Board

programs. These are being transferred to a subchapter intended for general board practice.

8. The board proposes to transfer the following rules, with amendment:

<u>OLD</u>	<u>NEW</u>
8.97.1202	8.97.312

8.97.1202 PROCEDURAL RULES

(1) The board hereby adopts and incorporates by reference ARM ~~1.3.204 through 1.3.233~~ 1.3.211 through 1.3.233, the Attorney General's Model Procedural Rules and 1.3.304 through 1.3.305 through 1.3.309, and 1.3.311 through 1.3.313, the Secretary of State's Organization and Procedural Rules. A copy of these rules may be obtained from the Montana Board of Investments, PO Box 200126, Helena, Montana 59620-0126. Hearings on applications shall not be considered contested cases.

AUTH: 2-4-201, 17-6-324, MCA

IMP: 2-4-201, 17-6-324, MCA

REASON: These rules proposed for transfer are currently in subchapters of various board programs but are intended to be general rules intended to apply to all Board programs. These are being transferred to a subchapter intended for general board practice.

Additionally, the amendments to the proposed rule reflect striking outdated references to the Attorney General's model rules and amendment to reflect the correct Attorney General's model rules and the Secretary of State's model rules.

<u>OLD</u>	<u>NEW</u>
8.97.1703	8.97.313

8.97.1703 CONFIDENTIALITY OF INFORMATION

(1) ~~Unless otherwise required by law~~ Except as provided in subsection (2), information submitted by a financial institution and borrower to the Board will be treated as public information.

(2) Pursuant to Montana law, information provided by a financial institution and a borrower will be treated as confidential, except the following:

- (a) name and address of financial institution;
- (b) name and address of borrower;
- (c) short description of proposed project, including location of project;
- (d) amount of proposed loan;
- (e) the program(s) under which the financial institution or borrower is applying;
- (f) any other information in which the demand of individual privacy does not clearly exceed the merits of public disclosure; and
- (g) any information in which the demand of individual privacy clearly exceeds the merits of public disclosure when the borrower has expressly waived his right to privacy.

(2) The board shall maintain public files on each completed application received containing the following information:

- (a) items ~~(1)-(a)~~ (2)(a) through (g) of this rule;

(b) all written documents received or prepared concerning items ~~(1)-(a)(2)(a)~~ through (g) of this rule;

(c) the investment officer's or his designee's recommendation to the board regarding items ~~(1)-(a)(2)(a)~~ through (g) and his recommendation for approval or denial of the application; and

(d) a summary of board action regarding the application including the board's approval or disapproval of the application, the terms and interest rate of the financing, and the loan repayment record.

~~(3) This rule is based on the board's finding that except for the information described in items (1) (a) through (g), the demands of individual privacy clearly exceed the merits of public disclosure of the personal, financial and business information that is contained in applications to the board.~~

AUTH: 17-5-1504, 17-5-1521, MCA

IMP: 17-5-1504, 17-5-1521, MCA

REASONABLE NECESSITY: The proposed relocation of 8.97.1703 is that laws related to public information and confidentiality apply to all Board functions and relocation is necessary in general provisions under Title 3, chapter 97, subchapter 3. In addition to the board's general statement of reasonable necessity, the board proposes amendments to 8.97.1703 to provide recognition of the presumption that all information in the possession of the board is considered public information and confidentiality provisions apply in only limited circumstances.

6. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Dan Whyte Chief Legal Counsel, 2401 Colonial Drive, Third Floor, P.O. Box 200126, Helena, MT 59604-0126; telephone (406) 444-0587; fax (406) 449-6579; or e-mail dwhyte@mt.gov and must be received no later than 5:00 p.m., [DATE].

7. The Board of Investments has been designated to preside over and conduct the hearing.

8. The Board of Investments maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in number 6 above or to faxed to the office at (406) 449-6579 or may be made by completing a request form at any rules hearing held by the Board of Investments.

9. An electronic copy of this notice is available on the board's web site at www.investmentmt.com, or through the Secretary of State's web site at sosmt.gov/ARM/register.

10. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

11. With regard to the requirements of 2-4-111, MCA, the board has determined that the amendment and repeal of the above-referenced rules will not significantly and directly impact small businesses.

/s/ Dan Whyte
Dan Whyte
Rule Reviewer

/s/ Karl Englund
Karl Englund
Montana Board of Investments

Certified to the Secretary of State [DATE].

MONTANA

BOARD OF INVESTMENTS

To: Board of Directors

From: Doug Hill-Director In-State Loan Programs

Date: February 4, 2021

Subject: Commercial and Residential Loan Portfolios

As of January 31, 2021, the Commercial loan portfolio balance was \$196,544,356 and represents 105 loans. There are currently six loan reservations that total \$7,154,214 and seven loans committed that total \$14,030,975. The commercial loan portfolio, excluding the Veterans Home Loan Program, Multifamily Coal Trust Homes Program, and Intermediary Relending Program has a yield of 2.68%. There are no loans past due over 30 days.

The Residential loan portfolio reflected an outstanding balance, as of January 21, 2021, of \$2,757,821 and represents 74 loans with a yield of 6.23%. There are no outstanding reservations. There are two loans, with an FHA guaranty, over 90 days past due totaling \$124,363 or 4.51% of the portfolio.

The Veterans Home Loan Mortgage portfolio reflected an outstanding balance, as of January 21, 2021, of \$48,312,498 and represents 276 loans with a yield of 1.77%. There are four reservations totaling \$692,229 with a projected yield of 0.40%. There are two loans over 90 days past due totaling \$960,771, or 1.99% of the portfolio.

The Multifamily Coal Trust Homes Program reflected an outstanding balance, as of January 28, 2021, of \$5,204,377 and represents four loans with a yield of 2.65%. There are four reservations totaling \$9,293,995 with a projected yield of 2.53%. The remaining available funds is \$501,628. There are no past due loans.

The Intermediary Relending Program reflected an outstanding balance, as of January 31, 2021, of \$4,414,786 and represents 34 loans with a yield of 2.00%. There is \$833,135 available to advance. There is one loan committed that totals \$250,000. There are no past due loans.

INTERCAP Loan Program

Activity Summary

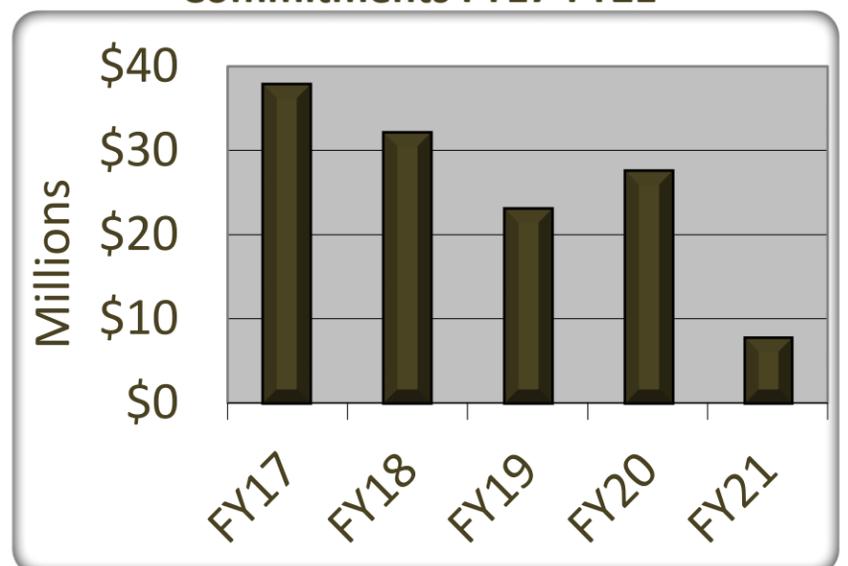
As of December 31, 2020

Since Inception 1987 - December 2020

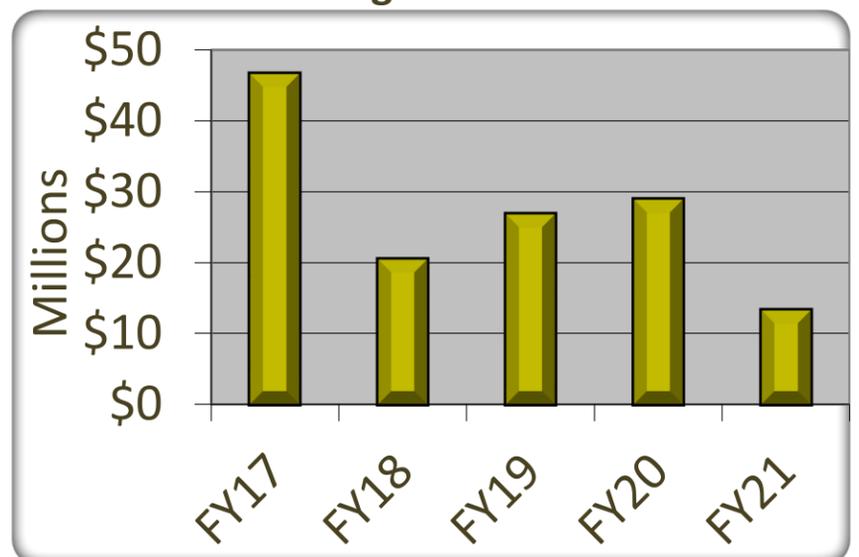
Total Bonds Issued	168,000,000
Total Loan Commitments	645,886,014
Total Loans Funded	623,473,393
Total Bonds Outstanding	90,670,000
Total Loans Outstanding	71,713,172
Loan Commitments Pending	22,412,621

FY2021		
Month	Commitments	Fundings
July-20	\$ 2,354,235	\$ 2,892,577
August	2,600,000	2,225,349
September	100,000	2,251,815
October	2,147,390	2,795,959
November	198,520	1,728,173
December	421,585	1,619,890
January		
February		
March		
April		
May		
June-21		
To Date	\$ 7,821,730	\$ 13,513,762

Commitments FY17-FY21



Fundings FY17-FY21



Note: Commitments include withdrawn and expired loans.

Variable Loan Rate History February 16, 2013 - February 15, 2021

February 16, 2013 - February 15, 2014	1.00%	February 16, 2017 - February 15, 2018	2.50%
February 16, 2014 - February 15, 2015	1.00%	February 16, 2018 - February 15, 2019	3.15%
February 16, 2015 - February 15, 2016	1.25%	February 16, 2019 - February 15, 2020	3.37%
February 16, 2016 - February 15, 2017	1.55%	February 16, 2020 - February 15, 2021	2.50%*

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

MEMORANDUM

Montana Board of Investments

Department of Commerce

2401 Colonial Drive, 3rd Floor

(406) 444-0001

To: Members of the Board

From: Louise Welsh, Senior Bond Program Officer

Date: February 23, 2021

Subject: INTERCAP Staff Approved Loans Committed - Staff approved the following loans between October 1, 2020 to December 31, 2020.



Borrower:	Clarkston Fire Service Area (Three Forks)
Purpose:	Purchase brush fire apparatus
Staff Approval Date:	October 6, 2020
Board Loan Amount:	\$100,000
Other Funding Sources:	\$ 0
Total Project Cost:	\$100,000
Term:	7 years

Borrower:	Lewis & Clark County
Purpose:	Lake Home Road Rural Improvement District (RID)
Staff Approval Date:	October 22, 2020
Board Loan Amount:	\$ 33,390
Other Funding Sources:	\$ 0
Total Project Cost:	\$ 33,390
Term:	10 years

Borrower:	Polson Elementary School
Purpose:	Energy retrofit/energy performance contracting
Staff Approval Date:	October 22, 2020
Board Loan Amount:	\$308,400
Other Funding Sources:	\$ 0
Total Project Cost:	\$308,400
Term:	15 years

Borrower:	Polson High School
Purpose:	Energy retrofit/energy performance contracting
Staff Approval Date:	October 22, 2020
Board Loan Amount:	\$205,600
Other Funding Sources:	\$ 0
Total Project Cost:	\$205,600
Term:	15 years

Borrower:	City of Kalispell
Purpose:	Construction of impound/storage facility
Staff Approval Date:	November 24, 2020
Board Loan Amount:	\$178,520
Other Funding Sources:	\$100,000
Total Project Cost:	\$278,520
Term:	15 years

Borrower:	Fergus County Roy Water & Sewer District (Roy)
Purpose:	Preliminary Engineering Report (PER) for Town's wastewater system
Staff Approval Date:	November 30, 2020
Board Loan Amount:	\$20,000
Other Funding Sources:	\$45,000
Total Project Cost:	\$65,000
Term:	6 years

Borrower:	Missoula County High School District #1
Purpose:	Purchase vehicle for Seeley Swan High School
Staff Approval Date:	December 14, 2020
Board Loan Amount:	\$30,000
Other Funding Sources:	\$30,000
Total Project Cost:	\$60,000
Term:	7 years

Borrower:	Town of Lewistown
Purpose:	Purchase self-contained breathing apparatuses (SCBAs)
Staff Approval Date:	December 30, 2020
Board Loan Amount:	\$111,585
Other Funding Sources:	\$111,585
Total Project Cost:	\$223,170
Term:	10 years

**Montana Board of Investments
Loan Committee
INTERCAP Loan Summary and Approval**



Borrower Montana Department of Transportation (MDT)

Date January 12, 2021

Approval Date _____

MDT requests to borrow \$3,000,000 to finance vehicle purchases for the State Motor Pool (SMP). The loan will be in the form of a general promise to pay of the MDT with a seven (7) year term. INTERCAP will be the sole funding source. Below are the 100 replacement vehicles MDT plans to purchase for the SMP fleet.

Quantity	Type	Estimated Cost
20	Small SUV	\$ 425,320
5	Large SUV 4	203,200
34	4 dr Sedan – Mid-Size	787,508
11	Specialized 4 dr Sedan	323,378
26	½ Ton Large Pickup	692,112
4	¾ Ton Large Pickup	121,864
Total 100		\$2,553,382 ¹

¹Note this is an estimated cost of the vehicles to be purchased. MDT is requesting \$3M in the event actual bids are higher than this estimate.

Authorization

17-5-2001 Montana Code Annotated (MCA) (1) An agency responsible for the procurement and provision of vehicles,using an enterprise fund or an internal service fund...is authorized to enter into contracts, loan agreements, or other forms of indebtedness payable over a term not to exceed seven (7) years for the purpose of financing the cost of the vehicles and equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund or internal service fund if: (a) the term of the indebtedness does not exceed the useful life of the items being financed; and (b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees and charges approved by the legislature and other available fund revenue, will be sufficient to repay the indebtedness over the proposed term and to maintain the operation of the enterprise.

INTERCAP Debt

The MDT has been an INTERCAP borrower since 1997 financing over \$52.4 million for SMP vehicles. The Board has authorized loans outstanding not to exceed \$10.5 million to the MDT. MDT has four (4) outstanding INTERCAP loans that are current and fully funded. If approved and fully funded, this request will raise MDT's current \$6.5 million outstanding loan balance to \$9.5 million. That figure does not take into account the annual principal repayment to be received June 15th of nearly \$1.4 million.

Repayment

There will be approximately \$494,800 annual debt service on the proposed loan. Each biennium the Legislature approves SMP fees charged to agencies that either lease cars or use the daily-use fleet that is available on a first-come, first-served basis. MDT pledges these fees to repay its INTERCAP loans. The user fees include a loan repayment cost based on INTERCAP's average variable interest rate.

Collateral

Due to the large transactions with the MDT and its fleet rotation, these loans do not use titles as security as is typical with vehicle loans. In lieu of placing liens on individual vehicles, the MDT covenants that there are no liens on its entire fleet and they are available for sale to satisfy loan obligations, if necessary. Currently, the SMP fleet collateral book value is \$8.7 million, which provides the Board 1.34 collateral coverage in relation to MDT's approximate \$6.5

million outstanding INTERCAP debt. If the full amount of the proposed loan is drawn, MDT will still have sufficient collateral coverage of 1.23. This coverage assumes older vehicles are removed and new vehicles purchased with this loan are added to the fleet collateral book value.

Financial Report

	<u>FY20</u>	<u>FY19</u>
Beginning Fund Balance	\$ 5,519,526	\$ 5,808,802
Revenues	4,797,103	4,707,151
Expenditures	<u>4,573,295</u>	<u>4,995,765</u>
Ending Fund Balance*	\$ 5,767,940	\$ 5,519,526
Net Change in Fund Balance	\$ 223,808	\$ (288,614)
Fund Balance Cash	\$ 2,210,028	\$ 1,827,674
Fund Balance <i>Unrestricted</i>	\$ 1,783,847	\$ 1,380,009

*includes fund balance adjustments of \$24,606 in FY20 and (\$662) in FY19.

COMMENTS:

FY19 Without the \$58,943 one-time revenues, the (\$1,715,786) depreciation, and (\$312,886) one-time expense, the net change in fund balance would have been \$1,681,115.

FY20 Without the \$139,384 one-time revenues, the (\$1,840,962) depreciation, and (\$62,414) one-time expense, the net change in fund balance would have been \$1,987,800.

Recommendation

The MDT has the resources to service the debt. Approval recommended with the additional condition applicable to all state interfund loans as follows:

1. Current/non-current entries required at year end for prepayments and/or payoffs in advance of the stated maturity date on the debt obligation must be communicated by the Borrower to and approved by the Board, including the business unit and fund number the journal is to be recorded in prior to the entry being posted to the Statewide Accounting , Budgeting and Human Resources Systems (SABHRS).

Staff Loan Committee - Recommendation

Dan Villa, Executive Director	<u>Dan Villa</u>	Staff Approval Date:	<u>1/12/2021</u>
Peggy MacEwen, Deputy Director	<u>Peggy MacEwen</u>	Staff Approval Date:	<u>1/12/2021</u>
Louise Welsh, Sr. Bond Program Officer	<u>Louise Welsh</u>	Recommended Date:	<u>1/12/2021</u>
Savannah Morgan, Bond Program Officer	<u>Savannah Morgan</u>	Recommended Date:	<u>1/12/2021</u>

Board Loan Committee – February 23, 2020

Jack Prothero, Chairperson – Loan Committee
 Terry Cohea, Member
 Bruce Nelson, Member
 Jim Edwards, Member

Approval

Yes No Abstain

Yes No Abstain

Yes No Abstain

Yes No Abstain

Approval Date: _____

**Montana Board of Investments
LOAN COMMITTEE
INTERCAP Loan Summary and Approval**



Borrower Department of Natural Resources and Conservation (DNRC)

Date January 12, 2021

Approval Date _____

The DNRC requests a \$3.9 million interim loan in anticipation of issuing general obligation bonds for its Water Pollution Control State Revolving Fund (WPCSRF) Loan Program. The loan will be financed over a two (2) year term in the form of a general obligation bond anticipation note (BAN). The DNRC intends to begin drawing funds in late summer/fall 2021.

The WPCSRF was established pursuant to Title VI of the Federal Water Quality Act of 1987. The WPCSRF program replaced the construction grants program. Instead of making grants to partially fund wastewater projects, the WPCSRF provides low interest rate loans to finance the entire cost of qualified community water pollution control system projects by combining a U.S. Environmental Protection Agency (EPA) capitalization grant with the required state match. The DNRC funds each WPCSRF loan using 83.33% EPA capitalization grant and 16.67% state match. These funds will be an over-match for the 2020 Capitalization Grant. As per EPA matching requirements, if the State provides a match in excess of the required amount, the excess balance may be banked toward subsequent match requirements.

Authorization

17-5-802 Montana Code Annotated (MCA) (1) When authorized by and within the limits of a bond act and as provided in this part, the board [of examiners] may issue and sell bonds of the state in the manner that it considers necessary and proper to provide funds for the purpose set forth in the bond act. (2) The full faith and credit and taxing powers of the state must be pledged for the payment of all bonds and notes issued pursuant to this part,...

BAN authorization

17-5-805 MCA (1) When the board has been authorized to issue and sell bonds under this part, it may, pending the issuance of the bonds, issue in the name of the state temporary notes in anticipation of: (a) the money to be derived from the sale of the bonds; ... (c) other money to be received as revenue for the specified program. (3) Bond, grant, or revenue anticipation notes maturing not more than three (3) years after the date of issue may be issued from time to time as the proceeds are needed.

75-5-1122 MCA The legislature, ..., authorizes the creation of state debt in an amount not to exceed \$40 million in principal amount of general obligation bonds outstanding from time to time for the purpose of: (1) providing the state's share of the program; and (2) funding portions of loans on an interim basis pending receipt of: (b) other revenue for the program. [Staff Note: DNRC has over \$13.1 million available debt authority.]

Repayment

The bond proceeds from the issuance and sale of a general obligation bond backed by the full faith and credit of the state will repay the BAN. However, the DNRC will use excess WPCSRF borrower loan repayments net of any existing obligations to pay down the proposed debt prior to finalizing the bond amount to be issued.

INTERCAP Debt

Since 1996, INTERCAP has provided interim financing to the DNRC totaling nearly \$67.7 million for its various programs. DNRC currently has \$4 million outstanding in bond anticipation notes (BANs), with final maturity December 2022. Early December, the DNRC submitted its intent to paydown \$3.4 million in January 2021. Assuming a full draw down of the DNRC’s approximate \$3.2 million remaining commitment, January paydown of \$3.4 million, and the proposed request of \$3.9 million, the DNRC has the potential total INTERCAP outstanding of \$7.7 million. These SRF BANs are essentially in a rotation. As one pays off, DNRC begins drawing on what the Board committed to the year prior and submits a new loan application in preparation for next year.

Recommendation

The DNRC can adequately service the debt. Approval recommended with the following conditions:

1. The loan will be in the form of a bond anticipation note (BAN) and passed by the Board of Examiners.
2. The BAN does not cause the DNRC to exceed the \$40 million debt limit for WPCSRF per 75-5-1122 MCA.
3. The DNRC will not use INTERCAP loan proceeds to fund loans in the non-point source private loan portion of the WPCSRF program.
4. The loan term limit will not exceed the limit as set forth by law for a BAN.
5. The Board requires a copy of the following prior to releasing funds:
 - a. 2020 Capitalization Grant (**on file**)
 - b. Resolution of the Board of Examiners authorizing the BAN.
6. Current/non-current entries required at year end for prepayments and/or payoffs in advance of the stated maturity date on the debt obligation must be communicated by the DNRC to and approved by the Board, including the business unit and fund number the journal is to be recorded in prior to the entry being posted to the Statewide Accounting , Budgeting and Human Resources Systems (SABHRS).

Staff Loan Committee – Recommendation

Dan Villa, Executive Director	<u>Dan Villa</u>	Date	<u>1/12/2021</u>
Peggy MacEwen, Deputy Director	<u>Peggy MacEwen</u>	Date	<u>1/12/2021</u>
Louise Welsh, Sr. Bond Program Officer	<u>Louise Welsh</u>	Date	<u>1/12/2021</u>
Savannah Morgan, Bond Program Officer	<u>Savannah Morgan</u>	Date	<u>1/12/2021</u>

Board Loan Committee – February 23, 2021

	<u>Approval</u>
Jack Prothero, Chairperson – Loan Committee	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain
Terry Cohea, Member	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain
Jim Edwards, Member	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain
Bruce Nelson, Member	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain

Approval Date: _____

Cash Management of State Monies

February 2021

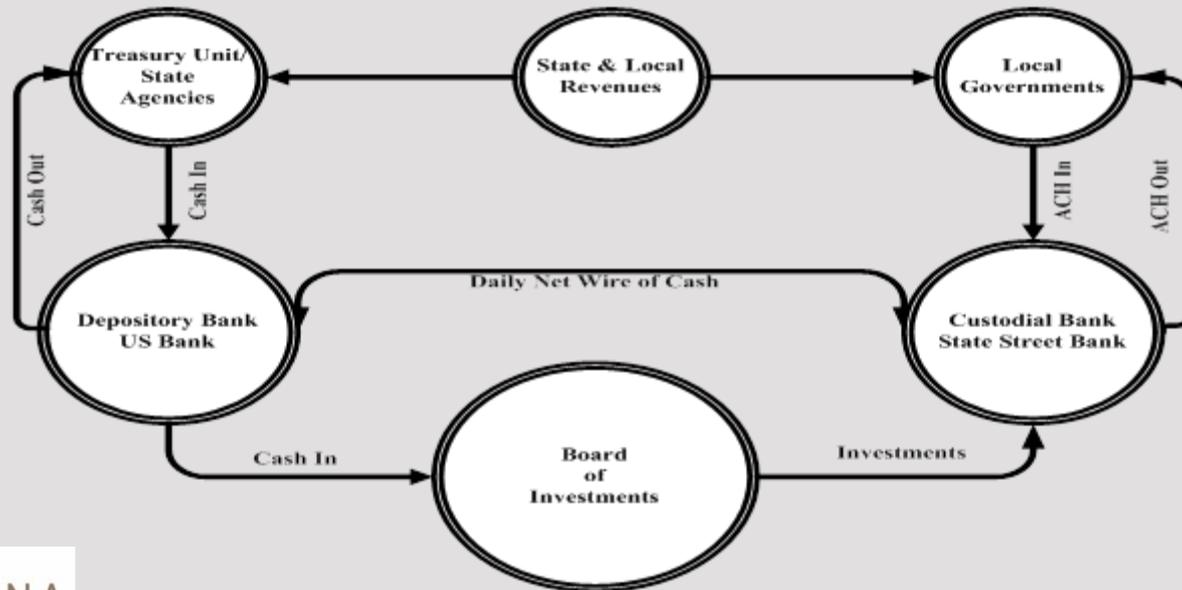
- Kirsten Haswell– Investment Analyst
- John Romasko, CFA– Director of Fixed Income

Background

- Unified Investment Program
 - The Montana Constitution requires that the Legislature provide for a Unified Investment Program for public funds. Section 17-6-201, MCA, established the Unified Investment Program, created the Montana Board of Investments (the “Board”), and gave the Board sole authority to invest state funds in accordance with state law and the state constitution.
 - With only a few exceptions, this program mandates that all state money, regardless of source or use, flows into or out of the Board of Investments.
 - The yearly velocity is in the billions of dollars, the number of transactions is in the tens of thousands.

Daily Cash Flow

- Key Entities
 - Montana Board of Investments (MBOI)
 - Montana Department of Administration (DOA)
 - State's depository bank (US Bank)
 - State's custodial bank (State Street Bank)

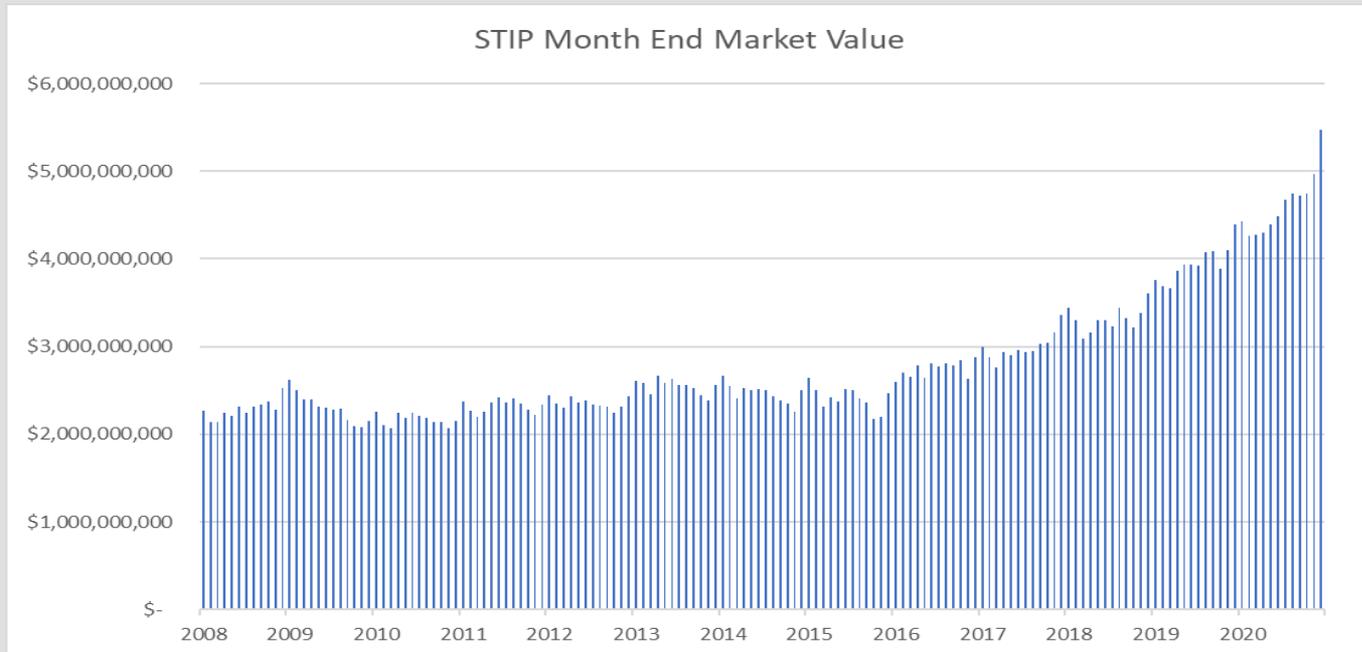


Short Term Investment Pool

- Our focus for the Short Term Investment Pool (STIP) is safety first, liquidity second, and income third.
- All transactions are executed with the strategic objective to achieve a high level of investment income compatible with:
 - Preservation of principal
 - Providing STIP participants with one-day liquidity
 - Prudent investment practices
- Risk mitigation and liquidity are key and interrelated concepts for STIP.
- Cash management is closely related to managing STIP.

STIP Assets

- The Short Term Investment Pool (STIP), Treasurer’s Fund and the STIP Reserve had over 1,240 transactions totaling in excess of \$32.5 billion for calendar year 2020.



STIP Liquidity

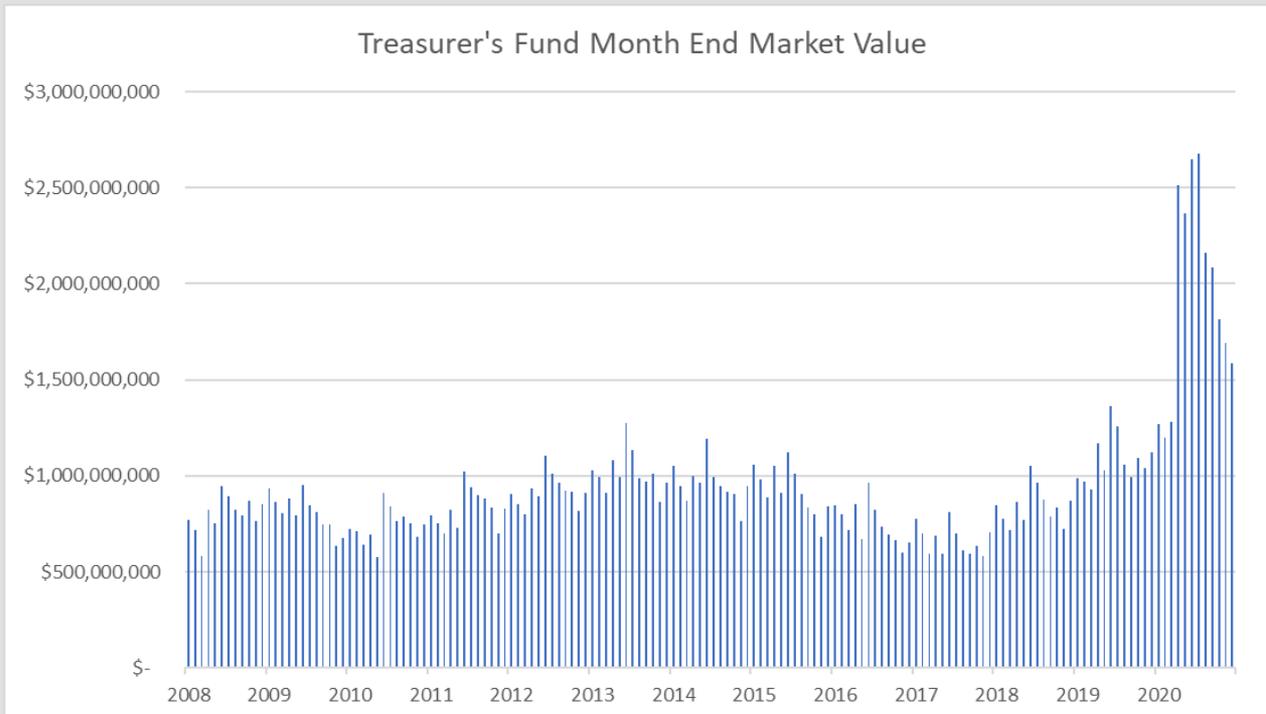
- STIP can purchase securities anywhere between a one-day maturity out to 2 years (for floating rate notes).
- STIP Investment Policy Statement requires daily liquidity of 10% of the portfolio and weekly liquidity of 15%
 - At calendar year end 2020, daily liquidity was at 18.5%
 - STIP weekly liquidity was at 23.4%

Treasurer's Fund

- The Treasurer's Fund Balance is comprised of cash invested from the General Fund as well as all State Agencies not otherwise permitted a separate STIP account.
- Our focus is safety first, liquidity second, and income third.
- Allowable investments include:
 - STIP
 - Treasury and Agency securities with a maximum maturity of 3 years
 - Other obligations that may be acquired as a consequence of the credit enhancement stated in MBOI Resolution 219
 - State warrants
 - Other securities authorized by Code or the Legislature

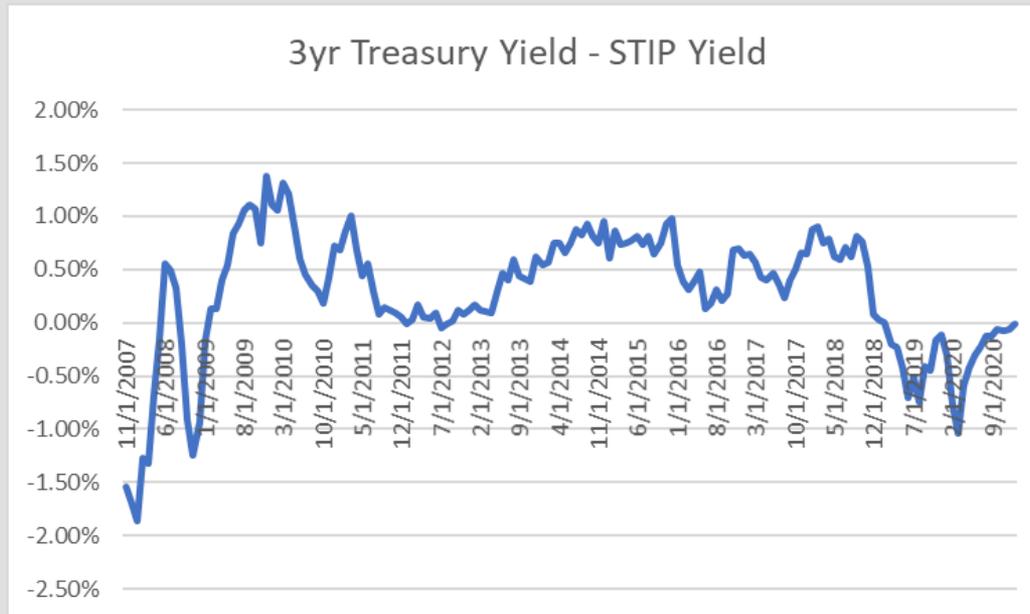
Treasurer's Fund Assets

- Assets fluctuate significantly, seasonally, and with the condition of State finances.



Treasurer's Fund Constraints

- The maximum amount of longer securities is equal to $\frac{1}{2}$ the projected year end General Fund Balance.
- Longer securities are generally purchased only if the yield exceeds the expected yield of STIP over the life of the security.



Conclusion

- Safety and Liquidity are primary goals
- STIP is a critical component for both state and local governments
- Communication between clients, key entities and MBOI is essential
- Low interest rate environment makes earning income challenging for participants
- Bloomberg demonstration



Quarterly Investment Performance Analysis

Montana Board of Investments

Period Ended: December 31, 2020



Montana Board of Investments
Comparative Performance
Retirement Plans

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	20 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Public Employees' Retirement - Net	9.57	15.26	11.94	8.37	9.41	8.11	8.89	6.37	16.77	-2.63	14.80	7.32	1.86	7.90	07/01/1994
Public Employees' Benchmark	12.62	17.99	11.58	8.27	9.82	8.48	9.34	N/A	20.45	-5.57	15.35	9.12	1.40	N/A	
Difference	-3.05	-2.73	0.36	0.10	-0.41	-0.37	-0.45	N/A	-3.68	2.94	-0.55	-1.80	0.46	N/A	
Public Employees' Retirement - Gross	9.73	15.55	12.53	8.99	9.99	8.66	9.45	6.79	17.44	-2.03	15.34	7.78	2.31	8.22	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	44	44	42	65	57	8	49	
Teachers' Retirement - Net	9.56	15.25	11.93	8.37	9.41	8.11	8.89	6.37	16.78	-2.64	14.76	7.33	1.86	7.91	07/01/1994
Teachers' Benchmark	12.60	17.96	11.55	8.25	9.80	8.47	9.34	N/A	20.42	-5.57	15.32	9.11	1.40	N/A	
Difference	-3.04	-2.71	0.38	0.12	-0.39	-0.36	-0.45	N/A	-3.64	2.93	-0.56	-1.78	0.46	N/A	
Teachers' Retirement - Gross	9.72	15.54	12.52	8.99	9.98	8.66	9.45	6.79	17.45	-2.03	15.31	7.80	2.32	8.23	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	44	43	42	66	57	8	48	
Police Retirement - Net	9.58	15.26	11.95	8.38	9.42	8.11	8.89	6.33	16.80	-2.63	14.79	7.32	1.86	7.77	07/01/1994
Police Benchmark	12.63	18.01	11.60	8.27	9.82	8.48	9.34	N/A	20.44	-5.57	15.33	9.11	1.40	N/A	
Difference	-3.05	-2.75	0.35	0.11	-0.40	-0.37	-0.45	N/A	-3.64	2.94	-0.54	-1.79	0.46	N/A	
Police Retirement - Gross	9.74	15.55	12.54	9.01	10.00	8.67	9.45	6.75	17.47	-2.02	15.33	7.78	2.31	8.09	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	48	43	42	66	57	8	56	

Net performance shown is net of all manager fees and expenses (Net-All). All Public Plans > \$3B 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. Retirement plan benchmarks' inception dates were updated to 1/1/2011.



Montana Board of Investments
Comparative Performance
Retirement Plans

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	20 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Firefighters' Retirement - Net	9.58	15.26	11.95	8.38	9.42	8.11	8.89	6.33	16.79	-2.62	14.79	7.32	1.87	7.76	07/01/1994
Firefighters' Benchmark	12.63	18.01	11.59	8.27	9.82	8.48	9.34	N/A	20.44	-5.57	15.33	9.12	1.41	N/A	
Difference	-3.05	-2.75	0.36	0.11	-0.40	-0.37	-0.45	N/A	-3.65	2.95	-0.54	-1.80	0.46	N/A	
Firefighters' Retirement - Gross	9.74	15.55	12.53	9.01	10.00	8.67	9.45	6.75	17.46	-2.01	15.34	7.78	2.32	8.08	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	48	43	42	65	57	8	56	
Sheriffs' Retirement - Net	9.57	15.26	11.94	8.37	9.41	8.11	8.88	6.36	16.75	-2.62	14.80	7.33	1.86	7.79	07/01/1994
Sheriffs' Benchmark	12.61	17.99	11.58	8.27	9.82	8.48	9.33	N/A	20.43	-5.56	15.35	9.13	1.40	N/A	
Difference	-3.04	-2.73	0.36	0.10	-0.41	-0.37	-0.45	N/A	-3.68	2.94	-0.55	-1.80	0.46	N/A	
Sheriffs' Retirement - Gross	9.73	15.55	12.53	8.99	9.99	8.66	9.44	6.78	17.42	-2.02	15.34	7.79	2.32	8.11	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	46	44	42	65	57	8	54	
Highway Patrol Retirement - Net	9.57	15.24	11.94	8.38	9.41	8.11	8.89	6.38	16.78	-2.62	14.79	7.30	1.87	7.79	07/01/1994
Highway Patrol Benchmark	12.61	17.98	11.60	8.28	9.82	8.48	9.35	N/A	20.45	-5.56	15.34	9.11	1.41	N/A	
Difference	-3.04	-2.74	0.34	0.10	-0.41	-0.37	-0.46	N/A	-3.67	2.94	-0.55	-1.81	0.46	N/A	
Highway Patrol Retirement - Gross	9.73	15.54	12.53	9.00	9.99	8.67	9.45	6.79	17.45	-2.01	15.33	7.77	2.32	8.11	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	44	44	41	66	58	8	55	

Net performance shown is net of all manager fees and expenses (Net-All). All Public Plans > \$3B 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. Retirement plan benchmarks' inception dates were updated to 1/1/2011.

Montana Board of Investments
Comparative Performance
Retirement Plans

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	20 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Game Wardens' Retirement - Net	9.56	15.24	11.91	8.36	9.41	8.10	8.87	6.33	16.77	-2.62	14.81	7.31	1.88	7.81	07/01/1994
Game Wardens' Benchmark	12.61	17.98	11.56	8.27	9.82	8.48	9.33	N/A	20.45	-5.56	15.36	9.14	1.40	N/A	
Difference	-3.05	-2.74	0.35	0.09	-0.41	-0.38	-0.46	N/A	-3.68	2.94	-0.55	-1.83	0.48	N/A	
Game Wardens' Retirement - Gross	9.72	15.53	12.50	8.99	9.99	8.66	9.43	6.75	17.44	-2.01	15.35	7.78	2.33	8.12	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	48	44	42	65	57	7	53	
Judges' Retirement - Net	9.57	15.26	11.94	8.37	9.42	8.11	8.88	6.38	16.78	-2.64	14.82	7.32	1.86	7.80	07/01/1994
Judges' Benchmark	12.62	18.00	11.59	8.28	9.83	8.49	9.34	N/A	20.47	-5.57	15.37	9.13	1.40	N/A	
Difference	-3.05	-2.74	0.35	0.09	-0.41	-0.38	-0.46	N/A	-3.69	2.93	-0.55	-1.81	0.46	N/A	
Judges' Retirement - Gross	9.73	15.55	12.53	9.00	9.99	8.67	9.44	6.80	17.45	-2.03	15.36	7.79	2.32	8.12	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	34	17	9	44	43	42	65	57	8	54	
Volunteer Firefighters' Retirement - Net	9.58	15.26	11.94	8.37	9.38	8.10	8.87	6.75	16.79	-2.64	14.79	7.16	1.91	7.61	07/01/1994
Volunteer Firefighters' Benchmark	12.64	18.02	11.59	8.27	9.82	8.48	9.34	N/A	20.47	-5.59	15.33	9.11	1.41	N/A	
Difference	-3.06	-2.76	0.35	0.10	-0.44	-0.38	-0.47	N/A	-3.68	2.95	-0.54	-1.95	0.50	N/A	
Volunteer Firefighters' Retirement - Gross	9.74	15.55	12.53	9.00	9.96	8.65	9.43	7.16	17.46	-2.04	15.34	7.63	2.36	7.92	07/01/1994
All Public Plans > \$3B Total Fund Median	9.79	15.56	11.40	8.04	9.66	7.66	8.10	6.73	17.25	-2.79	16.08	7.96	0.56	8.16	
Rank	54	51	34	28	36	18	9	15	43	42	65	67	7	68	

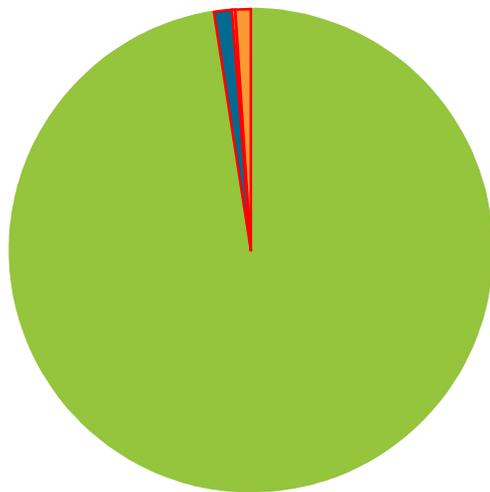
Net performance shown is net of all manager fees and expenses (Net-All). All Public Plans > \$3B Total Fund Median is reported gross of fees. Benchmark returns reflect unmanaged indices which are not impacted by management fees. Fiscal year ends on 06/30. Since inception performance may vary from State Street reported performance due to calculation methodology differences. Retirement plan benchmarks' inception dates were updated to 1/1/2011.

Montana Board of Investments
 Asset Allocation by Segment
 Retirement Plans

As of December 31, 2020

	Consolidated Asset Pension Pool (CAPP)		Short Term Investment Pool (STIP)		Total Fund	
	(\$)	%	(\$)	%	(\$)	%
Public Employees' Retirement	6,540,152,238	49.45	69,257,157	50.02	6,609,409,396	49.45
Teachers' Retirement	4,634,442,261	35.04	47,560,565	34.35	4,682,002,826	35.03
Firefighters' Retirement	535,942,758	4.05	5,470,664	3.95	541,413,422	4.05
Police Retirement	503,204,986	3.80	5,165,623	3.73	508,370,609	3.80
Sheriffs' Retirement	436,073,107	3.30	4,590,720	3.32	440,663,827	3.30
Game Wardens' Retirement	243,024,279	1.84	2,825,738	2.04	245,850,017	1.84
Highway Patrol Retirement	170,051,493	1.29	1,879,318	1.36	171,930,811	1.29
Judges' Retirement	119,746,887	0.91	1,262,017	0.91	121,008,904	0.91
Volunteer Firefighters' Retirement	43,560,763	0.33	434,207	0.31	43,994,970	0.33
Retirement Plans Total Fund Composite	13,226,198,773	98.96	138,446,009	1.04	13,364,644,782	100.00

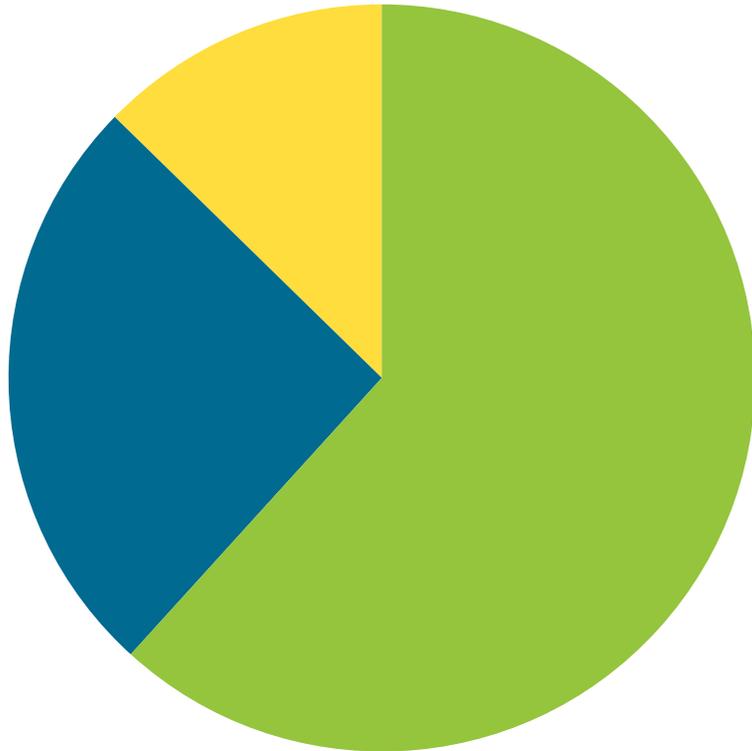
December 31, 2020 : \$13,364,644,782



Segments	Market Value (\$)	Allocation (%)
CAPP Ex Cash	13,037,154,732	97.55
CAPP Cash Pension	162,035,878	1.21
CAPP Asset Class Cash	27,008,164	0.20
Short Term Investment Pool (STIP)	138,446,009	1.04
Total Cash	327,490,050	2.45

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.

December 31, 2020 : \$21,421,163,238



	Market Value (\$)	Allocation (%)
Consolidated Asset Pension Pool (CAPP)	13,226,198,725	61.74
Short Term Investment Pool	5,476,872,721	25.57
Trust Funds Investment Pool	2,718,091,792	12.69

Allocations shown may not sum up to 100% exactly due to rounding. Market values do not include pending transactions.

Montana Board of Investments
Comparative Performance
Investment Pools

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Consolidated Asset Pension Pool (CAPP)	9.68	15.44	12.10	8.49	N/A	N/A	N/A	17.12	-2.74	N/A	N/A	N/A	9.62	04/01/2017
CAPP Custom Benchmark	12.77	18.21	11.73	8.38	N/A	N/A	N/A	20.88	-5.73	N/A	N/A	N/A	9.60	
Difference	-3.09	-2.77	0.37	0.11	N/A	N/A	N/A	-3.76	2.99	N/A	N/A	N/A	0.02	
Trust Funds Investment Pool	0.84	1.77	7.23	5.49	4.90	4.74	4.79	8.98	0.45	4.01	4.02	1.83	6.15	10/01/1995
Bloomberg US Agg Bond Index	0.67	1.29	7.51	5.34	4.44	4.09	3.84	8.72	0.01	3.54	2.65	0.55	5.28	
Difference	0.17	0.48	-0.28	0.15	0.46	0.65	0.95	0.26	0.44	0.47	1.37	1.28	0.87	
Short Term Investment Pool	0.06	0.15	0.73	1.66	1.34	1.00	0.78	2.28	1.98	1.11	0.61	0.22	2.38	04/01/1997
Short Term Custom Index	0.02	0.05	0.36	1.48	1.22	0.92	0.71	2.14	1.95	1.15	0.52	0.21	2.29	
Difference	0.04	0.10	0.37	0.18	0.12	0.08	0.07	0.14	0.03	-0.04	0.09	0.01	0.09	
iMoney.net Money Fund (Gross) Median	0.04	0.11	0.73	1.77	1.43	1.08	0.83	2.45	2.15	1.21	0.61	0.25	2.37	
Difference	0.02	0.04	0.00	-0.11	-0.09	-0.08	-0.05	-0.17	-0.17	-0.10	0.00	-0.03	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.

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

As of December 31, 2020

December 31, 2020 : \$13,226,198,777



	Market Value (\$)	Allocation (%)
Domestic Equity	4,307,338,006	32.57
International Equity	2,474,267,460	18.71
Core Fixed Income	2,095,750,611	15.85
Private Investments	1,789,789,828	13.53
Real Estate	1,117,935,411	8.45
Non-Core Fixed Income	724,046,039	5.47
Natural Resources	555,035,544	4.20
Cash Pension	162,035,878	1.23

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

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

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Domestic Equity	15.59	25.37	20.09	13.41	14.45	12.10	13.32	30.75	-7.09	20.79	11.46	0.86	10.03	05/01/2003
Domestic Equity Custom Index	14.70	25.28	21.10	14.61	15.55	13.00	13.96	31.14	-5.20	21.05	13.03	1.01	10.84	
Difference	0.89	0.09	-1.01	-1.20	-1.10	-0.90	-0.64	-0.39	-1.89	-0.26	-1.57	-0.15	-0.81	
International Equity	17.08	26.13	13.35	5.79	9.61	5.60	5.48	22.86	-14.99	28.67	3.87	-3.57	5.26	04/01/1997
International Equity Custom Index	17.22	25.19	11.12	4.83	8.98	5.00	5.04	21.63	-14.76	27.81	4.41	-4.60	5.46	
Difference	-0.14	0.94	2.23	0.96	0.63	0.60	0.44	1.23	-0.23	0.86	-0.54	1.03	-0.20	
Core Fixed Income	0.43	1.42	8.25	5.32	4.28	4.10	4.14	6.90	0.95	2.29	3.19	0.79	6.06	04/01/1995
Bloomberg US Agg Bond Index	0.67	1.29	7.51	5.34	4.44	4.09	3.84	8.72	0.01	3.54	2.65	0.55	5.49	
Difference	-0.24	0.13	0.74	-0.02	-0.16	0.01	0.30	-1.82	0.94	-1.25	0.54	0.24	0.57	
Non-Core Fixed Income	5.77	10.43	6.40	5.83	7.16	5.12	6.37	13.98	-2.27	5.99	12.47	-2.52	8.17	06/01/2009
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	9.19	
Difference	-0.67	-0.89	-0.65	-0.38	-1.41	-0.61	-0.42	-0.34	-0.19	-1.51	-4.66	1.91	-1.02	
Natural Resources	6.43	3.62	-13.43	-3.67	N/A	N/A	N/A	-2.18	5.55	N/A	N/A	N/A	-1.41	04/01/2017
MSCI ACW Cmdty Producers Index (USD) (Net)	24.79	19.25	-12.32	-4.36	5.67	-2.57	-2.54	13.06	-11.75	13.70	32.44	-25.83	0.28	
Difference	-18.36	-15.63	-1.11	0.69	N/A	N/A	N/A	-15.24	17.30	N/A	N/A	N/A	-1.69	
Real Estate	2.09	2.06	-0.35	5.19	6.70	8.51	9.37	6.97	9.19	9.17	8.82	14.27	3.82	06/01/2006
Real Estate Custom Index	0.27	-1.49	-19.66	-1.19	2.21	5.08	7.44	25.84	-4.57	5.99	9.08	13.86	4.33	
Difference	1.82	3.55	19.31	6.38	4.49	3.43	1.93	-18.87	13.76	3.18	-0.26	0.41	-0.51	
Cash Pension	0.06	0.11	0.84	1.70	N/A	N/A	N/A	2.28	2.00	N/A	N/A	N/A	1.58	05/01/2017
Short Term Custom Index	0.02	0.05	0.36	1.48	1.22	0.92	0.71	2.14	1.95	1.15	0.52	0.21	1.44	
Difference	0.04	0.06	0.48	0.22	N/A	N/A	N/A	0.14	0.05	N/A	N/A	N/A	0.14	
Private Investments*	7.82	15.59	10.91	11.80	11.57	11.48	12.51	12.95	11.55	15.20	7.37	7.20	12.19	05/01/2002
Private Equity Custom Index	28.90	36.13	18.90	10.88	14.58	14.14	16.21	27.38	-9.99	20.59	20.11	3.68	11.71	
Difference	-21.08	-20.54	-7.99	0.92	-3.01	-2.66	-3.70	-14.43	21.54	-5.39	-12.74	3.52	0.48	

For additional information on the Private Equity Custom Index, please see the Addendum. *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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Domestic Equity	15.65	25.52	20.37	13.74	14.79	12.42	13.66	31.13	-6.78	21.16	11.77	1.14	10.33	05/01/2003
All Public Plans-US Equity Segment Median	15.76	25.13	18.92	13.46	14.57	11.77	13.18	30.04	-5.83	20.31	12.78	0.14	10.54	
Rank	51	43	32	46	41	35	32	28	74	32	74	24	69	
Population	74	71	67	61	58	54	40	65	66	88	90	81	13	
International Equity	17.17	26.33	13.71	6.13	9.97	5.95	5.84	23.28	-14.72	29.06	4.24	-3.25	5.68	04/01/1997
All Public Plans-Intl. Equity Segment Median	17.24	25.81	12.76	6.32	9.97	6.19	6.46	23.71	-13.63	28.81	4.00	-2.54	N/A	
Rank	54	44	45	56	52	60	74	62	78	46	44	64	N/A	
Population	74	71	68	62	61	56	40	65	68	83	88	77	N/A	
Core Fixed Income	0.45	1.44	8.31	5.37	4.32	4.14	4.18	6.94	1.00	2.34	3.21	0.82	6.19	04/01/1995
All Public Plans-US Fixed Income Segment Median	1.70	3.46	8.59	5.73	5.48	4.65	4.63	9.25	-0.25	4.54	4.61	0.21	N/A	
Rank	83	81	58	73	84	75	72	86	12	90	73	28	N/A	
Population	80	78	74	68	66	62	48	68	72	84	90	77	N/A	
Trust Funds Investment Pool	0.86	1.81	7.30	5.57	4.98	4.83	4.89	9.06	0.53	4.10	4.12	1.89	6.21	10/01/1995
All Public Plans-US Fixed Income Segment Median	1.70	3.46	8.59	5.73	5.48	4.65	4.63	9.25	-0.25	4.54	4.61	0.21	N/A	
Rank	77	75	78	61	71	44	43	53	22	62	61	5	N/A	
Population	80	78	74	68	66	62	48	68	72	84	90	77	N/A	
Real Estate	2.32	2.50	1.11	6.87	8.34	10.09	10.96	8.65	11.12	10.91	10.26	15.68	5.28	06/01/2006
All Public Plans-Real Estate Segment Median	2.21	2.07	1.66	6.16	7.57	9.41	10.72	7.65	9.04	8.92	9.98	13.42	N/A	
Rank	39	39	72	40	45	40	44	39	15	27	47	10	N/A	
Population	47	42	38	26	22	17	13	35	27	31	28	26	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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Domestic Large Cap Equity - Net	14.05	24.26	21.44	14.89	15.48	13.18	13.97	31.06	-4.71	21.66	11.30	1.76	9.50	12/01/2006
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	9.52	
Difference	1.90	2.10	3.04	0.71	0.26	0.26	0.09	-0.43	-0.33	-0.17	-0.66	0.38	-0.02	
Domestic Large Cap Equity - Gross	14.10	24.37	21.66	15.10	15.67	13.36	14.18	31.29	-4.52	21.82	11.45	1.91	9.73	12/01/2006
IM U.S. Large Cap Equity (SA+CF) Median	12.76	22.72	17.55	13.15	14.46	12.33	13.62	30.25	-5.01	21.72	11.04	0.96	9.64	
Rank	37	35	33	34	35	33	35	41	45	49	47	40	47	
Domestic Large Cap Active - Net	16.05	24.50	21.48	14.43	14.88	12.89	13.83	31.03	-5.88	21.85	9.63	2.40	9.07	07/01/2007
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	9.29	
Difference	3.90	2.34	3.08	0.25	-0.34	-0.03	-0.05	-0.46	-1.50	0.02	-2.33	1.02	-0.22	
Domestic Large Cap Active - Gross	16.22	24.87	22.24	15.11	15.50	13.48	14.41	31.82	-5.34	22.40	10.12	2.88	9.59	07/01/2007
IM U.S. Large Cap Equity (SA+CF) Median	12.76	22.73	17.55	13.23	14.49	12.33	13.65	30.25	-5.01	21.72	11.04	0.96	9.40	
Rank	23	29	32	34	37	32	33	34	55	42	57	32	44	
Domestic Mid Cap Equity - Net	24.38	30.21	13.53	9.07	11.72	8.69	11.24	28.03	-10.75	19.45	12.30	-3.29	8.93	01/01/2005
Russell Mid Cap Index	19.91	28.86	17.10	11.61	13.40	10.96	12.41	30.54	-9.06	18.52	13.80	-2.44	9.95	
Difference	4.47	1.35	-3.57	-2.54	-1.68	-2.27	-1.17	-2.51	-1.69	0.93	-1.50	-0.85	-1.02	
Domestic Mid Cap Equity - Gross	24.38	30.21	13.53	9.28	12.12	9.15	11.75	28.11	-10.28	20.18	12.97	-2.71	9.40	01/01/2005
IM U.S. Mid Cap Equity (SA+CF) Median	20.35	29.71	16.04	11.22	13.48	10.44	12.38	30.14	-9.08	19.52	12.76	-1.12	10.40	
Rank	15	46	60	56	63	67	59	65	58	48	49	69	81	
Domestic Small Cap Equity - Net	28.68	34.62	13.09	8.37	11.92	8.95	11.20	25.76	-10.51	15.65	19.31	-1.61	11.81	03/01/2003
Russell 2000 Index	31.37	37.85	19.96	10.25	13.26	9.34	11.20	25.53	-11.01	14.65	21.31	-4.41	11.49	
Difference	-2.69	-3.23	-6.87	-1.88	-1.34	-0.39	0.00	0.23	0.50	1.00	-2.00	2.80	0.32	
Domestic Small Cap Equity - Gross	28.80	34.89	13.51	8.82	12.44	9.52	11.84	26.25	-10.09	16.27	19.97	-0.93	12.35	03/01/2003
IM U.S. Small Cap Equity (SA+CF) Median	28.76	35.60	16.37	9.14	12.93	9.43	11.74	25.86	-10.62	15.16	20.87	-2.38	12.65	
Rank	50	57	56	52	54	50	49	48	48	44	57	36	58	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
International Large Cap Passive - Net	16.96	24.25	10.81	5.02	9.19	5.18	5.17	21.59	-14.04	27.79	4.87	-4.71	7.29	06/01/2009
MSCI ACW Ex US Index (USD) (Net)	17.01	24.33	10.65	4.88	8.93	4.82	4.92	21.51	-14.20	27.19	4.50	-5.66	7.07	
Difference	-0.05	-0.08	0.16	0.14	0.26	0.36	0.25	0.08	0.16	0.60	0.37	0.95	0.22	
International Large Cap Passive - Gross	16.97	24.29	10.88	5.08	9.26	5.26	5.25	21.66	-13.98	27.88	4.96	-4.63	7.37	06/01/2009
International Equity Active - Net	17.21	28.26	15.91	6.93	10.42	6.71	6.48	25.83	-16.18	30.82	2.63	0.41	4.33	04/01/1997
MSCI ACW Ex US Index (USD) (Net)	17.01	24.33	10.65	4.88	8.93	4.82	4.92	21.51	-14.20	27.19	4.50	-5.66	5.53	
Difference	0.20	3.93	5.26	2.05	1.49	1.89	1.56	4.32	-1.98	3.63	-1.87	6.07	-1.20	
International Equity Active - Gross	17.35	28.59	16.50	7.48	10.99	7.26	7.00	26.48	-15.73	31.50	3.17	0.90	4.85	04/01/1997
IM International Large Cap Core Equity (SA+CF) Median	15.52	23.50	10.83	5.61	8.64	5.77	6.98	23.49	-14.36	26.34	1.60	0.33	7.08	
Rank	22	19	28	28	24	23	50	28	68	12	31	43	100	
International Value - Net	19.71	26.66	9.31	4.33	9.41	5.48	5.24	20.76	-13.97	30.72	5.59	-5.94	3.03	11/01/2006
MSCI ACW Ex US Val Index (USD) (Net)	20.42	23.16	-0.77	-0.41	5.70	1.71	2.78	15.72	-13.97	22.66	8.92	-10.06	2.10	
Difference	-0.71	3.50	10.08	4.74	3.71	3.77	2.46	5.04	0.00	8.06	-3.33	4.12	0.93	
International Value - Gross	19.86	26.98	9.87	4.87	9.97	6.03	5.81	21.37	-13.52	31.39	6.17	-5.46	3.61	11/01/2006
IM International Large Cap Value Equity (SA+CF) Median	18.20	25.18	5.00	2.59	7.33	4.29	6.14	21.16	-14.52	26.02	4.28	-2.02	4.65	
Rank	38	37	33	39	23	24	57	46	40	12	30	81	70	
International Growth - Net	15.47	28.60	23.08	10.71	11.79	7.57	7.11	31.39	-16.09	28.01	0.51	1.69	5.00	11/01/2006
MSCI ACW Ex US Grth Index (USD) (Net)	13.92	25.49	22.20	10.02	11.97	7.80	6.94	27.34	-14.43	32.01	0.12	-1.25	5.65	
Difference	1.55	3.11	0.88	0.69	-0.18	-0.23	0.17	4.05	-1.66	-4.00	0.39	2.94	-0.65	
International Growth - Gross	15.62	28.93	23.74	11.32	12.42	8.15	7.67	32.10	-15.61	28.74	1.12	2.21	5.56	11/01/2006
IM International Large Cap Growth Equity (SA+CF) Median	14.99	25.89	20.46	10.50	11.96	8.14	8.63	28.31	-13.91	31.37	-0.04	2.31	6.49	
Rank	43	24	41	44	45	50	67	19	66	69	34	51	72	
International Small Cap - Net	16.79	29.83	14.63	4.83	9.41	6.64	7.03	23.91	-18.90	33.61	1.84	5.16	5.49	09/01/2006
MSCI ACWI Ex US Sm Cap Index IMI (USD) (Net)	18.56	31.01	14.24	4.59	9.37	6.37	5.95	22.42	-18.20	31.65	3.91	2.60	5.96	
Difference	-1.77	-1.18	0.39	0.24	0.04	0.27	1.08	1.49	-0.70	1.96	-2.07	2.56	-0.47	

Gross of fees performance is not available (N/A) for the International Small Cap composite which currently consists of DFA Intl Sm Co;I (DFISX), DFA Emg Mkts Sm Cap;I (DEMSX), BlackRock ACWI Ex-US Small Cap (CF), Templeton Investment Counsel (SA), and American Century Investment Mgmt (SA).

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 Sub Composites

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Domestic Large Cap Passive - Net	13.03	23.89	21.26	15.13	15.71	13.17	14.08	30.99	-3.94	21.34	12.01	0.83	6.87	05/01/2000
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	6.77	
Difference	0.88	1.73	2.86	0.95	0.49	0.25	0.20	-0.50	0.44	-0.49	0.05	-0.55	0.10	
Domestic Large Cap Passive - Gross	13.03	23.90	21.27	15.14	15.72	13.18	14.10	31.00	-3.93	21.35	12.03	0.84	6.91	05/01/2000
IM U.S. Large Cap Index Equity (SA+CF) Median	13.44	23.45	19.98	14.43	15.35	12.91	13.88	31.42	-4.75	21.74	12.02	0.96	6.98	
Rank	54	49	20	18	24	23	21	66	20	61	49	59	54	
Domestic Large Cap Enhanced - Net	13.45	24.29	18.62	14.70	15.52	13.34	14.29	32.81	-4.20	24.21	9.73	3.18	9.77	06/01/2006
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	9.99	
Difference	1.30	2.13	0.22	0.52	0.30	0.42	0.41	1.32	0.18	2.38	-2.23	1.80	-0.22	
Domestic Large Cap Enhanced - Gross	13.54	24.47	18.97	15.02	15.83	13.66	14.62	33.17	-3.96	24.53	10.05	3.50	10.09	06/01/2006
IM U.S. Large Cap Core Equity (SA+CF) Median	12.15	21.56	16.00	12.94	14.26	12.33	13.58	30.00	-5.15	21.84	10.54	1.43	10.10	
Rank	29	21	37	23	19	17	19	14	30	21	58	25	51	
Domestic Large Cap 130/30 - Net	16.69	24.69	22.12	14.02	14.33	12.49	13.77	30.67	-7.10	20.28	9.54	1.61	10.79	03/01/2008
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	10.73	
Difference	4.54	2.53	3.72	-0.16	-0.89	-0.43	-0.11	-0.82	-2.72	-1.55	-2.42	0.23	0.06	
Domestic Large Cap 130/30 - Gross	16.87	25.10	22.93	14.86	15.13	13.26	14.54	31.57	-6.32	21.10	10.22	2.26	11.54	03/01/2008
IM U.S. Large Cap Core Equity (SA+CF) Median	12.15	21.56	15.79	12.92	14.25	12.33	13.57	30.00	-5.15	21.84	10.54	1.43	10.72	
Rank	8	16	21	25	36	27	19	33	71	62	55	38	20	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Domestic Large Cap Equity														
BlackRock MSCI US Equity Index (SA) - Net	13.14	24.04	21.33	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21.28	04/01/2019
MSCI US Index (USD) (Gross)	13.15	24.06	21.37	15.12	15.73	13.22	14.12	31.64	-4.50	21.90	11.61	1.32	21.33	
Difference	-0.01	-0.02	-0.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.05	
BlackRock MSCI US Equity Index (SA) - Gross	13.14	24.04	21.34	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21.30	04/01/2019
SPDR S&P 500 ETF (SPY) - Net	12.13	22.20	19.28	14.10	N/A	N/A	N/A	31.49	-5.30	N/A	N/A	N/A	15.49	07/01/2017
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	15.55	
Difference	-0.02	0.04	0.88	-0.08	N/A	N/A	N/A	0.00	-0.92	N/A	N/A	N/A	-0.06	
Northern Trust MSCI US Index (SA) - Net	13.14	24.03	21.34	N/A	N/A	N/A	N/A	31.70	N/A	N/A	N/A	N/A	19.92	11/01/2018
MSCI US Index (USD) (Gross)	13.15	24.06	21.37	15.12	15.73	13.22	14.12	31.64	-4.50	21.90	11.61	1.32	19.92	
Difference	-0.01	-0.03	-0.03	N/A	N/A	N/A	N/A	0.06	N/A	N/A	N/A	N/A	0.00	
Northern Trust MSCI US Index (SA) - Gross	13.14	24.04	21.36	N/A	N/A	N/A	N/A	31.71	N/A	N/A	N/A	N/A	19.93	11/01/2018
IM U.S. Large Cap Core Equity (SA+CF) Median	12.15	21.56	16.00	12.94	14.26	12.33	13.58	30.00	-5.15	21.84	10.54	1.43	17.04	
Rank	32	26	26	N/A	N/A	N/A	N/A	32	N/A	N/A	N/A	N/A	24	
T. Rowe U.S. Structured Research (SA) - Net	13.45	24.29	18.62	14.70	15.67	13.37	14.27	32.81	-4.20	23.94	10.68	3.30	10.51	06/01/2006
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	9.99	
Difference	1.30	2.13	0.22	0.52	0.45	0.45	0.39	1.32	0.18	2.11	-1.28	1.92	0.52	
T. Rowe U.S. Structured Research (SA) - Gross	13.54	24.47	18.97	15.02	15.97	13.69	14.60	33.17	-3.96	24.24	10.98	3.61	10.83	06/01/2006
IM U.S. Large Cap Core Equity (SA+CF) Median	12.15	21.56	15.79	12.92	14.25	12.33	13.57	30.00	-5.15	21.84	10.54	1.43	10.09	
Rank	29	21	37	23	17	17	19	14	30	24	46	24	24	
Jacobs Levy 130/30 (SA) - Net	20.28	24.03	17.03	N/A	N/A	N/A	N/A	31.63	N/A	N/A	N/A	N/A	13.87	04/01/2018
MSCI US Index (USD) (Gross)	13.15	24.06	21.37	15.12	15.73	13.22	14.12	31.64	-4.50	21.90	11.61	1.32	16.88	
Difference	7.13	-0.03	-4.34	N/A	N/A	N/A	N/A	-0.01	N/A	N/A	N/A	N/A	-3.01	
Jacobs Levy 130/30 (SA) - Gross	20.48	24.44	17.81	N/A	N/A	N/A	N/A	32.55	N/A	N/A	N/A	N/A	14.70	04/01/2018
IM U.S. Large Cap Core Equity (SA+CF) Median	12.15	21.56	16.00	12.94	14.26	12.33	13.58	30.00	-5.15	21.84	10.54	1.43	14.23	
Rank	2	22	45	N/A	N/A	N/A	N/A	21	N/A	N/A	N/A	N/A	46	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
J.P. Morgan 130/30 (SA) - Net	12.44	24.61	27.16	15.60	15.93	13.43	14.31	30.55	-6.93	22.86	10.30	0.01	12.01	03/01/2008
S&P 500 Index (Cap Wtd)	12.15	22.16	18.40	14.18	15.22	12.92	13.88	31.49	-4.38	21.83	11.96	1.38	10.73	
Difference	0.29	2.45	8.76	1.42	0.71	0.51	0.43	-0.94	-2.55	1.03	-1.66	-1.37	1.28	
J.P. Morgan 130/30 (SA) - Gross	12.60	25.01	28.00	16.45	16.78	14.25	15.14	31.42	-6.13	23.79	11.09	0.72	12.82	03/01/2008
IM U.S. Large Cap Core Equity (SA+CF) Median	12.15	21.56	15.79	12.92	14.25	12.33	13.57	30.00	-5.15	21.84	10.54	1.43	10.72	
Rank	41	17	5	11	9	9	9	36	67	28	45	59	3	
Domestic Mid Cap Equity														
iShares:Core S&P Md-Cp (IJH) - Net	24.38	30.21	13.53	7.24	N/A	N/A	N/A	26.24	-13.95	N/A	N/A	N/A	9.04	07/01/2017
S&P Mid Cap 400 Index (Cap Wtd)	24.37	30.31	13.66	8.45	12.35	9.78	11.51	26.20	-11.08	16.24	20.74	-2.18	10.06	
Difference	0.01	-0.10	-0.13	-1.21	N/A	N/A	N/A	0.04	-2.87	N/A	N/A	N/A	-1.02	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Domestic Small Cap Equity														
Vaughan Nelson Management (SA) - Net	27.97	33.93	9.83	5.88	8.85	7.60	9.97	25.34	-13.78	6.83	20.50	0.16	9.17	03/01/2007
Russell 2000 Val Index	33.36	36.77	4.63	3.72	9.65	6.25	8.66	22.39	-12.86	7.84	31.74	-7.47	5.88	
Difference	-5.39	-2.84	5.20	2.16	-0.80	1.35	1.31	2.95	-0.92	-1.01	-11.24	7.63	3.29	
Vaughan Nelson Management (SA) - Gross	28.19	34.41	10.64	6.66	9.68	8.44	10.85	26.25	-13.13	7.66	21.49	0.98	10.06	03/01/2007
IM U.S. Small Cap Value Equity (SA+CF) Median	29.84	33.93	5.20	4.43	9.66	6.92	9.97	25.07	-14.11	11.61	26.80	-4.29	7.96	
Rank	61	48	29	29	49	22	31	35	38	77	76	9	15	
BlackRock MSCI US Sm Cap Equity Index (CF) - Net	28.86	36.11	18.93	10.88	N/A	N/A	N/A	27.30	-9.96	N/A	N/A	N/A	12.46	07/01/2017
MSCI US Sm Cap Index (USD) (Net)	28.75	35.81	18.32	10.35	13.33	9.76	11.60	26.74	-10.40	16.75	19.15	-4.11	11.93	
Difference	0.11	0.30	0.61	0.53	N/A	N/A	N/A	0.56	0.44	N/A	N/A	N/A	0.53	
BlackRock MSCI US Sm Cap Equity Index (CF) - Gross	28.87	36.13	18.96	10.92	N/A	N/A	N/A	27.34	-9.93	N/A	N/A	N/A	12.50	07/01/2017
DFA US Sm Cap Tr (CF) - Net	29.24	34.36	11.65	6.02	10.65	7.80	10.80	21.66	-12.27	11.86	24.42	-2.64	11.72	03/01/2003
Russell 2000 Index	31.37	37.85	19.96	10.25	13.26	9.34	11.20	25.53	-11.01	14.65	21.31	-4.41	11.49	
Difference	-2.13	-3.49	-8.31	-4.23	-2.61	-1.54	-0.40	-3.87	-1.26	-2.79	3.11	1.77	0.23	
DFA US Sm Cap Tr (CF) - Gross	29.34	34.58	12.00	6.38	11.03	8.17	11.18	22.07	-11.95	12.25	24.85	-2.29	12.05	03/01/2003
IM U.S. Small Cap Core Equity (SA+CF) Median	28.02	34.88	17.66	10.02	13.23	9.90	11.87	25.11	-10.69	15.13	20.77	-1.36	12.83	
Rank	40	53	71	75	78	79	72	73	64	72	21	62	66	
iShares:Russ 2000 ETF (IWM) - Net	31.29	38.14	20.90	N/A	N/A	N/A	N/A	25.52	N/A	N/A	N/A	N/A	11.55	05/01/2018
Russell 2000 Index	31.37	37.85	19.96	10.25	13.26	9.34	11.20	25.53	-11.01	14.65	21.31	-4.41	11.27	
Difference	-0.08	0.29	0.94	N/A	N/A	N/A	N/A	-0.01	N/A	N/A	N/A	N/A	0.28	

Gross of fees performance is not available (N/A) for the following funds: SPDR S&P 500 ETF (SPY), iShares:Core S&P Md-Cp (IJH), and iShares:Russ 2000 ETF (IWM).

The current annual expense ratios for the SPDR S&P 500 ETF (SPY), iShares:Core S&P Md-Cp (IJH), and iShares:Russ 2000 ETF (IWM) are 0.09%, 0.05%, and 0.19%, 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.

Montana Board of Investments
Comparative Performance
International Equity Managers

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
International Developed Large Cap Equity														
Acadian Asset Non-US Equity (SA) - Net	21.71	27.15	8.89	4.01	11.25	6.68	6.97	19.38	-13.44	34.76	12.40	-7.75	3.90	11/01/2006
MSCI ACW Ex US Val Index (USD) (Net)	20.42	23.16	-0.77	-0.41	5.70	1.71	2.78	15.72	-13.97	22.66	8.92	-10.06	2.10	
Difference	1.29	3.99	9.66	4.42	5.55	4.97	4.19	3.66	0.53	12.10	3.48	2.31	1.80	
Acadian Asset Non-US Equity (SA) - Gross	21.86	27.48	9.45	4.54	11.83	7.23	7.54	19.98	-12.99	35.45	13.01	-7.26	4.48	11/01/2006
IM ACWI Ex US Value (SA+CF) Median	19.83	27.51	6.52	4.49	8.57	4.58	5.88	21.34	-14.78	26.02	4.87	-3.25	4.61	
Rank	38	51	43	49	20	18	24	59	26	8	10	85	60	
Lazard Asset Management (SA) - Net	18.43	26.34	9.59	4.55	7.78	N/A	N/A	21.70	-14.32	27.00	0.22	N/A	5.16	06/01/2015
Lazard Custom Index	17.01	24.33	10.65	4.33	8.69	3.76	4.22	21.51	-15.55	22.66	8.92	-10.06	4.67	
Difference	1.42	2.01	-1.06	0.22	-0.91	N/A	N/A	0.19	1.23	4.34	-8.70	N/A	0.49	
Lazard Asset Management (SA) - Gross	18.57	26.65	10.14	5.08	8.34	N/A	N/A	22.31	-13.88	27.65	0.77	N/A	5.71	06/01/2015
IM ACWI Ex US Value (SA+CF) Median	19.83	27.51	6.52	4.49	8.57	4.58	5.88	21.34	-14.78	26.02	4.87	-3.25	5.53	
Rank	56	54	40	43	52	N/A	N/A	43	35	38	86	N/A	49	
BlackRock ACW Ex US SuperFund A (CF) - Net	17.03	24.33	10.81	5.09	9.16	5.04	5.13	21.77	-13.99	27.49	4.77	-5.49	7.28	06/01/2009
MSCI ACW Ex US Index (USD) (Net)	17.01	24.33	10.65	4.88	8.93	4.82	4.92	21.51	-14.20	27.19	4.50	-5.66	7.07	
Difference	0.02	0.00	0.16	0.21	0.23	0.22	0.21	0.26	0.21	0.30	0.27	0.17	0.21	
BlackRock ACW Ex US SuperFund A (CF) - Gross	17.05	24.37	10.89	5.16	9.24	5.11	5.21	21.85	-13.93	27.58	4.86	-5.42	7.36	06/01/2009
IM All ACWI Ex US (SA+CF) Median	16.77	26.90	13.90	6.77	9.78	6.15	7.03	24.92	-14.64	28.74	2.11	-0.59	9.01	
Rank	48	68	59	64	56	66	86	65	43	62	25	84	86	
iShares:MSCI EAFE ETF (EFA) - Net	15.72	20.99	7.71	4.62	N/A	N/A	N/A	22.03	-12.88	N/A	N/A	N/A	6.55	07/01/2017
MSCI EAFE Index (USD) (Net)	16.05	21.61	7.82	4.28	7.45	4.39	5.51	22.01	-13.79	25.03	1.00	-0.81	6.48	
Difference	-0.33	-0.62	-0.11	0.34	N/A	N/A	N/A	0.02	0.91	N/A	N/A	N/A	0.07	
Baillie Gifford (SA) - Net	17.14	33.08	34.22	14.22	14.66	N/A	N/A	34.34	-17.35	31.99	0.73	N/A	11.54	06/01/2015
MSCI ACW Ex US Grth Index (USD) (Net)	13.92	25.49	22.20	10.02	11.97	7.80	6.94	27.34	-14.43	32.01	0.12	-1.25	8.85	
Difference	3.22	7.59	12.02	4.20	2.69	N/A	N/A	7.00	-2.92	-0.02	0.61	N/A	2.69	
Baillie Gifford (SA) - Gross	17.27	33.39	34.86	14.78	15.23	N/A	N/A	34.99	-16.93	32.66	1.28	N/A	12.10	06/01/2015
IM ACWI Ex US Growth (SA+CF) Median	15.42	27.53	22.91	11.32	13.06	8.83	8.92	29.56	-13.78	32.56	-0.76	1.29	9.90	
Rank	27	8	13	17	22	N/A	N/A	9	85	49	33	N/A	23	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Invesco (SA) - Net	14.07	24.96	14.84	8.00	9.56	N/A	N/A	29.29	-15.17	24.92	0.32	N/A	6.82	06/01/2015
MSCI ACW Ex US Grth Index (USD) (Net)	13.92	25.49	22.20	10.02	11.97	7.80	6.94	27.34	-14.43	32.01	0.12	-1.25	8.85	
Difference	0.15	-0.53	-7.36	-2.02	-2.41	N/A	N/A	1.95	-0.74	-7.09	0.20	N/A	-2.03	
Invesco (SA) - Gross	14.23	25.31	15.51	8.64	10.24	N/A	N/A	30.05	-14.64	25.70	1.01	N/A	7.49	06/01/2015
IM ACWI Ex US Growth (SA+CF) Median	15.42	27.53	22.91	11.32	13.06	8.83	8.92	29.56	-13.78	32.56	-0.76	1.29	9.90	
Rank	67	71	88	75	84	N/A	N/A	44	56	91	36	N/A	85	
International Developed Small Cap Equity														
American Century Investment Mgmt (SA) - Net	16.66	29.67	31.60	10.51	12.94	N/A	N/A	29.44	-20.76	43.80	-5.31	11.32	9.33	03/01/2014
MSCI ACW Ex US Sm Cap Grth Index (USD) (Net)	16.16	31.35	23.69	8.00	10.92	8.09	6.97	24.61	-18.27	33.64	-0.28	6.50	7.74	
Difference	0.50	-1.68	7.91	2.51	2.02	N/A	N/A	4.83	-2.49	10.16	-5.03	4.82	1.59	
American Century Investment Mgmt (SA) - Gross	16.90	30.20	32.68	11.43	13.89	N/A	N/A	30.50	-20.09	44.99	-4.49	12.25	10.25	03/01/2014
IM ACWI Ex US Growth (SA+CF) Median	15.42	27.53	22.91	11.32	13.06	8.83	8.92	29.56	-13.78	32.56	-0.76	1.29	8.98	
Rank	32	28	26	49	29	N/A	N/A	42	100	6	79	1	28	
BlackRock MSCI ACW Ex US Sm Cap Index (CF) - Net	18.48	30.94	14.46	4.88	9.68	6.65	N/A	22.68	-17.85	31.96	4.26	2.87	8.39	02/01/2012
MSCI ACWI Ex US Sm Cap Index IMI (USD) (Net)	18.56	31.01	14.24	4.59	9.37	6.37	5.95	22.42	-18.20	31.65	3.91	2.60	8.14	
Difference	-0.08	-0.07	0.22	0.29	0.31	0.28	N/A	0.26	0.35	0.31	0.35	0.27	0.25	
BlackRock MSCI ACW Ex US Sm Cap Index (CF) - Gross	18.51	31.02	14.51	5.00	9.82	6.81	N/A	22.90	-17.74	32.15	4.44	3.04	8.55	02/01/2012
DFA Intl Sm Co;l (DFISX) - Net	17.96	29.37	9.24	3.03	8.53	5.91	6.71	24.21	-19.41	30.24	5.74	5.89	7.90	11/01/2004
MSCI Wrld Ex US Sm Cap Index (USD) (Net)	17.55	29.45	12.78	5.04	9.63	6.76	6.98	25.41	-18.07	31.04	4.32	5.46	7.75	
Difference	0.41	-0.08	-3.54	-2.01	-1.10	-0.85	-0.27	-1.20	-1.34	-0.80	1.42	0.43	0.15	
Templeton Investment Counsel (SA) - Net	14.65	29.82	9.98	3.64	7.93	N/A	N/A	24.17	-18.48	33.07	-1.13	1.81	5.38	03/01/2014
Templeton Custom Index	18.56	31.01	14.24	3.92	9.52	5.82	5.73	22.42	-19.75	29.72	8.24	-1.25	5.49	
Difference	-3.91	-1.19	-4.26	-0.28	-1.59	N/A	N/A	1.75	1.27	3.35	-9.37	3.06	-0.11	
Templeton Investment Counsel (SA) - Gross	14.88	30.35	10.91	4.52	8.86	N/A	N/A	25.20	-17.78	34.21	-0.23	2.73	6.30	03/01/2014
IM ACWI Ex US Value (SA+CF) Median	19.83	27.51	6.52	4.49	8.57	4.58	5.88	21.34	-14.78	26.02	4.87	-3.25	4.67	
Rank	87	31	34	50	46	N/A	N/A	26	84	8	89	9	25	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
International Emerging Equity														
BlackRock MSCI Emg Mkts Index NL (CF) - Net	19.49	30.76	17.93	5.92	12.54	5.90	N/A	18.12	-14.69	37.05	10.85	-15.15	4.95	02/01/2012
MSCI Emg Mkts Index (USD) (Net)	19.70	31.14	18.31	6.17	12.81	6.17	3.63	18.44	-14.58	37.28	11.19	-14.92	5.21	
Difference	-0.21	-0.38	-0.38	-0.25	-0.27	-0.27	N/A	-0.32	-0.11	-0.23	-0.34	-0.23	-0.26	
BlackRock MSCI Emg Mkts Index NL (CF) - Gross	19.52	30.83	18.05	6.04	12.68	6.05	N/A	18.25	-14.60	37.16	11.08	-14.99	5.12	02/01/2012
iShares:MSCI Em Mkts (EEM) - Net	18.38	30.43	16.99	4.91	N/A	N/A	N/A	18.12	-16.45	36.86	N/A	N/A	12.12	01/01/2017
MSCI Emg Mkts Index (USD) (Net)	19.70	31.14	18.31	6.17	12.81	6.17	3.63	18.44	-14.58	37.28	11.19	-14.92	13.22	
Difference	-1.32	-0.71	-1.32	-1.26	N/A	N/A	N/A	-0.32	-1.87	-0.42	N/A	N/A	-1.10	
DFA Emg Mkts Sm Cap;I (DEMSX) - Net	19.42	31.41	13.79	2.53	N/A	N/A	N/A	14.88	-17.56	N/A	N/A	N/A	8.52	02/01/2017
MSCI Emg Mkts Sm Cap Index (USD) (Net)	22.22	36.70	19.29	2.69	8.19	4.87	2.29	11.51	-18.59	33.84	2.28	-6.85	8.66	
Difference	-2.80	-5.29	-5.50	-0.16	N/A	N/A	N/A	3.37	1.03	N/A	N/A	N/A	-0.14	

Gross of fees performance is not available (N/A) for the following funds: iShares:MSCI EAFE ETF (EFA), International Equity Pool STIF, DFA Intl Sm Co;I (DFISX), iShares:MSCI Em Mkts (EEM), and DFA Emg Mkts Sm Cap;I (DEMSX).

The current annual expense ratios for the iShares:MSCI EAFE ETF (EFA), DFA Intl Sm Co;I (DFISX), iShares:MSCI Em Mkts (EEM), and DFA Emg Mkts Sm Cap;I (DEMSX) are 0.32%, 0.52%, 0.68%, and 0.67%, 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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
US Fixed Income Aggregate - Net	0.24	1.01	7.65	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.97	12/01/2019
Bloomberg US Agg Bond Index	0.67	1.29	7.51	5.34	4.44	4.09	3.84	8.72	0.01	3.54	2.65	0.55	6.84	
Difference	-0.43	-0.28	0.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.13	
TIPS Portfolio (Internal) - Net	1.84	4.72	9.47	5.36	N/A	N/A	N/A	6.96	-0.13	N/A	N/A	N/A	4.50	04/01/2017
Bloomberg US Trsy Infl Notes 1-10 Yr Index	1.60	4.15	8.39	4.93	4.13	2.99	2.88	6.85	-0.25	1.90	4.01	-0.52	4.15	
Difference	0.24	0.57	1.08	0.43	N/A	N/A	N/A	0.11	0.12	N/A	N/A	N/A	0.35	
Reams Asset Core Plus (SA) - Net	1.82	3.82	17.14	8.65	6.64	5.36	5.26	8.08	1.31	3.21	4.18	0.07	6.42	10/01/2008
Reams Custom Index	1.29	2.29	7.58	5.36	4.76	4.24	4.11	8.72	0.01	3.83	3.91	0.43	4.86	
Difference	0.53	1.53	9.56	3.29	1.88	1.12	1.15	-0.64	1.30	-0.62	0.27	-0.36	1.56	
Reams Asset Core Plus (SA) - Gross	1.86	3.91	17.35	8.85	6.83	5.55	5.45	8.28	1.49	3.38	4.35	0.24	6.60	10/01/2008
IM U.S. Broad Market Core+ FI (SA+CF) Median	2.05	3.75	8.97	6.18	5.67	4.88	4.87	9.83	-0.28	4.81	4.68	0.31	6.04	
Rank	55	46	1	2	15	12	24	91	4	95	58	53	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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Neuberger Berman High Yield (SA) - Net	5.80	10.93	6.30	5.82	7.59	4.99	6.22	13.75	-1.99	5.80	14.98	-4.32	7.09	01/01/2010
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	7.51	
Difference	-0.64	-0.39	-0.75	-0.39	-0.98	-0.74	-0.57	-0.57	0.09	-1.70	-2.15	0.11	-0.42	
Neuberger Berman High Yield (SA) - Gross	5.90	11.15	6.75	6.29	8.06	5.45	6.69	14.26	-1.56	6.27	15.50	-3.89	7.57	01/01/2010
IM U.S. High Yield Bonds (SA+CF) Median	5.95	10.88	6.54	5.89	8.03	5.63	6.74	14.17	-1.64	7.49	14.07	-2.11	7.49	
Rank	54	47	44	39	50	58	54	50	49	79	33	74	47	
Oaktree US High Yield (SA) (CAPP) - Net	6.09	10.85	6.56	5.70	N/A	N/A	N/A	15.44	-3.99	N/A	N/A	N/A	5.70	01/01/2018
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	6.21	
Difference	-0.35	-0.47	-0.49	-0.51	N/A	N/A	N/A	1.12	-1.91	N/A	N/A	N/A	-0.51	
Oaktree US High Yield (SA) (CAPP) - Gross	6.22	11.13	7.07	6.24	N/A	N/A	N/A	16.02	-3.47	N/A	N/A	N/A	6.24	01/01/2018
IM U.S. High Yield Bonds (SA+CF) Median	5.95	10.88	6.54	5.89	8.03	5.64	6.74	14.17	-1.66	7.49	14.07	-2.11	5.89	
Rank	41	47	39	41	N/A	N/A	N/A	15	92	N/A	N/A	N/A	41	
Shenkman High Yield Fixed Income (SA) (CAPP) - Net	5.67	9.83	6.32	5.81	N/A	N/A	N/A	13.65	-1.96	N/A	N/A	N/A	5.52	12/01/2017
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	6.15	
Difference	-0.77	-1.49	-0.73	-0.40	N/A	N/A	N/A	-0.67	0.12	N/A	N/A	N/A	-0.63	
Shenkman High Yield Fixed Income (SA) (CAPP) - Gross	5.79	10.08	6.82	6.32	N/A	N/A	N/A	14.18	-1.46	N/A	N/A	N/A	6.02	12/01/2017
IM U.S. High Yield Bonds (SA+CF) Median	5.95	10.88	6.54	5.89	8.03	5.64	6.74	14.17	-1.66	7.49	14.07	-2.11	5.83	
Rank	55	68	43	36	N/A	N/A	N/A	50	46	N/A	N/A	N/A	46	
Cohen & Steers Preferred Securities (SA) - Net	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.62	11/01/2020
Cohen & Steers Preferred Securities Custom Benchmark	4.08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.08	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.54	
Cohen & Steers Preferred Securities (SA) - Gross	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.69	11/01/2020
Payden & Rygel EMD (SA) - Net	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2021
Payden & Rygel EMD Custom Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Payden & Rygel EMD (SA) - Gross	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2021

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
TFIP Fixed Income Managers

As of December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Trust Funds Investment Pool Fixed Income	0.98	2.29	8.84	5.99	5.04	4.72	4.59	9.12	0.25	3.83	3.44	1.03	6.09	10/01/1995
Bloomberg US Agg Bond Index	0.67	1.29	7.51	5.34	4.44	4.09	3.84	8.72	0.01	3.54	2.65	0.55	5.28	
Difference	0.31	1.00	1.33	0.65	0.60	0.63	0.75	0.40	0.24	0.29	0.79	0.48	0.81	
Trust Funds Investment Pool Fixed Income	0.98	2.29	8.84	5.99	5.04	4.72	4.59	9.12	0.25	3.83	3.44	1.03	6.09	10/01/1995
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.13	2.22	8.60	5.88	5.04	4.58	4.41	9.18	0.07	4.03	3.10	0.82	5.67	
Rank	58	47	40	41	51	37	32	54	32	62	42	28	10	
Shenkman High Yield Fixed Income (SA) (TFIP) - Net	5.66	9.81	6.05	N/A	6.73	07/01/2019								
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	7.41	
Difference	-0.78	-1.51	-1.00	N/A	-0.68									
Shenkman High Yield Fixed Income (SA) (TFIP) - Gross	5.79	10.07	6.54	N/A	7.23	07/01/2019								
IM U.S. High Yield Bonds (SA+CF) Median	5.95	10.88	6.54	5.89	8.03	5.64	6.74	14.17	-1.66	7.49	14.07	-2.11	7.07	
Rank	55	68	50	N/A	47									
Oaktree US High Yield (SA) (TFIP) - Net	6.13	10.81	6.72	N/A	7.76	08/01/2019								
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	7.43	
Difference	-0.31	-0.51	-0.33	N/A	0.33									
Oaktree US High Yield (SA) (TFIP) - Gross	6.26	11.08	7.25	N/A	8.29	08/01/2019								
IM U.S. High Yield Bonds (SA+CF) Median	5.95	10.88	6.54	5.89	8.03	5.64	6.74	14.17	-1.66	7.49	14.07	-2.11	7.17	
Rank	40	48	35	N/A	22									
Neuberger Berman High Yield (SA) (TFIP) - Net	5.95	11.12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.97	04/01/2020
Bloomberg US HY 2% Issuer Cap Index	6.44	11.32	7.05	6.21	8.57	5.73	6.79	14.32	-2.08	7.50	17.13	-4.43	22.60	
Difference	-0.49	-0.20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.63	
Neuberger Berman High Yield (SA) (TFIP) - Gross	6.06	11.37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20.34	04/01/2020
IM U.S. High Yield Bonds (SA+CF) Median	5.95	10.88	6.54	5.89	8.03	5.64	6.74	14.17	-1.66	7.49	14.07	-2.11	21.17	
Rank	44	41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60	

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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Abandoned Mine Trust	0.06	0.15	0.73	1.66	1.42	1.36	1.44	2.41	1.85	1.04	1.10	0.90	3.87	12/01/1993
Barker Hughesville St Response	0.77	1.59	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.44	05/01/2020
Belt Water Treatment Plant Fund	0.77	1.65	6.80	N/A	N/A	N/A	N/A	8.56	N/A	N/A	N/A	N/A	6.12	03/01/2018
Big Sky Economic Development Fund	0.82	1.74	7.12	5.36	4.80	4.65	4.70	8.67	0.48	3.97	3.98	1.82	5.10	07/01/2005
Butte Area One Restoration	0.68	1.44	6.07	4.66	3.90	3.46	3.24	6.76	1.24	2.92	2.60	1.20	3.61	11/01/2008
Clark Fork River Restoration	0.67	1.40	5.65	4.52	3.82	3.53	3.42	7.04	0.96	2.85	2.72	1.37	3.89	11/01/2008
Coal Tax Cultural Trust Fund	0.81	1.72	6.99	5.31	4.77	4.62	4.68	8.64	0.47	3.96	3.95	1.79	6.09	12/01/1993
Coal Tax Park Acquisition	0.78	1.67	6.86	5.26	4.73	4.57	4.65	8.63	0.48	3.96	3.90	1.78	6.06	12/01/1993
East Helena Compensation Fund	0.18	0.43	2.65	3.11	2.80	2.56	N/A	5.52	1.20	2.56	2.12	0.91	2.22	01/01/2013
Endowment for Children	0.82	1.75	7.01	5.28	4.68	4.53	4.59	8.54	0.46	3.89	3.66	1.70	5.16	08/01/2007
Flying J CECRA Facilities Fund	0.79	1.68	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.50	05/01/2020
FWP License Account	0.37	0.58	1.85	2.22	1.72	1.40	1.29	3.33	1.50	1.11	0.84	0.61	2.93	11/01/1997
FWP Mitigation Trust Fund	0.58	1.06	3.84	3.46	2.43	2.06	1.93	5.46	1.14	1.15	0.67	0.87	3.92	12/01/1993
FWP Real Property Trust	0.79	1.67	6.83	5.26	4.68	4.50	4.54	8.62	0.51	3.80	3.82	1.73	5.46	12/01/1993
Group Benefits	0.20	0.43	2.05	2.47	1.97	1.73	1.60	4.01	1.37	1.30	1.16	1.06	3.85	12/01/1993
Harold Hamm Endowment	0.77	1.64	6.71	5.19	N/A	N/A	N/A	8.45	0.57	1.11	N/A	N/A	3.76	07/01/2016
Libby Asbestos Site State Cost	0.75	1.65	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.48	05/01/2020
Luttrell Pit - Operational & Maintenance	0.76	1.55	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.38	05/01/2020
Montana Pole	0.63	1.34	5.61	4.57	4.06	3.90	3.91	7.48	0.74	3.38	3.23	1.56	5.17	09/01/1996
Montana State University	0.13	0.31	1.30	2.01	1.68	1.37	1.20	2.87	1.87	1.39	0.95	0.39	2.02	08/01/2004
Montana Tech-UM Agency Funds	0.10	0.22	1.01	1.83	1.48	1.15	0.94	2.56	1.91	1.22	0.72	0.27	1.80	03/01/2003
MT BOI - Clark Fork Site	0.78	1.64	6.65	5.06	4.48	4.19	4.06	8.00	0.67	3.64	3.63	1.56	4.56	11/01/2008
MT BOI UOFM Other	0.33	1.12	3.47	3.14	2.78	2.51	2.22	4.54	1.42	2.15	2.34	1.13	3.03	08/01/2002
MUS Group Insurance	0.17	0.38	1.70	2.35	1.89	1.71	N/A	3.39	1.96	1.09	1.33	1.26	1.50	10/01/2011
MUS Workers Compensation	0.28	0.61	2.55	2.86	N/A	N/A	N/A	4.43	1.62	1.80	N/A	N/A	2.24	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 December 31, 2020

	QTD	FYTD	CYTD/ 1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	Since Incep.	Inception Date
Older Montanans Trust	0.82	1.72	7.19	5.37	4.77	4.58	4.36	8.62	0.49	3.87	3.86	1.72	5.01	08/01/2007
Permanent Coal Trust Excl Crp	0.72	1.46	5.57	4.53	4.17	4.17	4.35	6.81	1.28	3.49	3.79	2.23	5.74	12/01/1993
PERS Defined Cont Disability	10.84	17.13	14.06	9.43	9.20	N/A	N/A	20.77	-4.88	14.57	3.42	N/A	8.62	09/01/2015
Potter Trust Fund	0.78	1.68	6.78	5.20	N/A	N/A	N/A	8.47	0.51	3.87	N/A	N/A	4.26	06/01/2016
Resource Indemnity Trust	0.84	1.77	7.23	5.45	4.87	4.72	4.76	8.88	0.44	4.01	4.02	1.82	6.17	12/01/1993
School Facilities Fund	0.81	1.72	6.97	4.85	N/A	N/A	N/A	7.88	-0.13	N/A	N/A	N/A	4.85	01/01/2018
Smelter Hill Up Restorative	0.72	1.46	5.62	4.26	3.28	2.82	2.50	5.64	1.57	1.85	1.79	0.92	2.59	11/01/2008
State Fund Insurance	2.31	4.05	7.62	5.81	5.19	4.73	4.87	9.65	0.38	5.05	3.50	2.21	5.69	12/01/1993
Streamside Tailings Operable Unit	0.75	1.60	6.47	4.94	4.41	4.28	4.29	7.92	0.57	3.69	3.58	1.69	5.42	02/01/1999
Subsequent Injury Fund	0.06	0.15	0.73	1.66	1.34	1.00	0.81	2.28	1.98	1.11	0.61	0.22	2.99	12/01/1993
Tobacco Trust Fund	0.82	1.75	7.10	5.35	4.80	4.66	4.71	8.67	0.46	3.96	3.99	1.82	5.73	01/01/2001
Treasurers	0.05	0.12	0.63	1.62	1.32	1.01	0.79	2.28	1.97	1.07	0.68	0.27	2.83	12/01/1993
Treasure State Endowment	0.83	1.75	7.15	5.41	4.84	4.69	4.73	8.81	0.46	4.00	3.98	1.82	6.04	12/01/1993
Treasure State Reg. Water System	0.83	1.75	7.15	5.41	4.83	4.67	4.72	8.80	0.45	4.00	3.96	1.82	5.87	06/01/2000
Trust and Legacy Account	0.83	1.77	7.19	5.42	4.85	4.71	4.73	8.84	0.43	4.00	4.01	1.82	6.74	07/01/1991
UCFRB Assess/Litig Cost Rec	0.76	1.63	6.68	5.17	4.62	4.44	4.40	8.50	0.49	3.77	3.84	1.65	5.77	07/01/1999
UCFRB Restoration Fund	0.80	1.68	6.90	5.31	4.63	4.44	4.48	8.52	0.67	3.73	3.52	1.70	5.69	06/01/1999
Upper Blackfoot Response	0.13	0.31	1.55	2.42	2.18	1.90	1.73	4.24	1.49	1.90	1.74	0.84	1.67	09/01/2010
Weed Control Trust	0.84	1.77	7.23	5.45	4.88	4.72	4.68	8.88	0.44	4.01	4.02	1.82	5.34	12/01/1993
Wildlife Habitat Trust	0.77	1.65	6.75	5.21	4.64	4.48	4.51	8.54	0.51	3.78	3.79	1.73	5.47	12/01/1993
Zortman/Landusky LT H2O	0.06	0.15	0.73	1.66	1.47	1.42	2.56	2.28	1.98	1.01	1.36	0.84	6.28	09/01/1999
Z/L Long Term H2O Trust Fund	0.06	0.15	0.73	1.66	1.49	1.48	2.45	2.28	1.98	1.08	1.39	1.15	4.16	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.
- 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: SPDR S&P 500 ETF (SPY), Domestic Equity Pool STIF, iShares:Core S&P Md-Cp (IJH), iShares:Russ 2000 ETF (IWM), DFA Intl Sm Co;I (DFISX), iShares:MSCI EAFE ETF (EFA), International Equity Pool STIF, iShares:MSCI Em Mkts (EEM), and DFA Emg Mkts Sm Cap;I (DEMSX). The current annual expense ratios are as listed below.

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 Value Weighted (1 Qtr Lag) Index thereafter.
- The Private Equity Custom Index consists of 100% S&P 1500 Comp Index+4% (1 Qtr Lag) through 04/30/2017 and 100% MSCI US Small Cap Index (USD) (Gross) 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 Templeton Custom Index consists of 100% MSCI ACW Ex US Small Cap Value Index (USD) (Net) through 5/31/2018, and 100% MSCI ACW Ex US Small Cap Index (USD) (Net) thereafter.
- The Reams Custom Index consists of 100% Bloomberg US Unv Bond Index through 03/31/2017, 100% Bloomberg US Agg Bond Index through 12/31/2019, and 100% Bloomberg US Unv Bond Index thereafter.
- The Cohen & Steers Custom Index consists of 60% ICE BofAML US IG Institutional Capital Securities Index, 20% ICE BofAML 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.

Trust Accounts Comments

- Barker Hughesville St Response, Libby Asbestos Site State Cost, Flying J CECRA Facilities Fund, and Luttrell Pit - Operations and Maintenance were added in 05/2020.
- The Belt Water Treatment Plant Fund was added in 03/2018.
- The School Facilities Fund was added in 01/2018.
- The Potter Trust Fund and the Harold Hamm Endowment were added in 06/2016.
- MUS Workers Compensation was added in 04/2016.

Manager Transition Comments

- Neuberger Berman High Yield (SA) and TFIP Private Real Estate were funded in the Trust Fund Investment Pool during Q1 2020.
- 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.
- 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.

Addendum

- INTECH Enhanced Plus was liquidated in 06/2017.
- 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.
- BlackRock Equity Index Fund A (CF) and BlackRock Mid Cap Equity Index A (CF) were liquidated in 05/2017.

Manager Transition Comments (cont.)

- 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.
- 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.
- Nicholas Investment Partners was liquidated in 07/2016. Residual assets from liquidation were distributed in 03/2017.
- Effective 07/2016, the Metropolitan West Capital Management legal entity merged into the Wells Capital Management Incorporated legal entity. The Metropolitan West Capital Mgmt (SA) has been updated to Wells Capital Management (SA) to reflect the change.
- iShares S&P SmallCap 600 Index ETF (IJR) was liquidated in 01/2016.
- Effective 05/2014, ING rebranded to Voya. The ING Investment Management (SA) has been updated to Voya Investment Management (SA) to reflect the change.
- Cohen & Steers Preferred Securities (SA) was funded in 10/2020.
- Payden & Rygel EMD (SA) was funded in 12/2020.

Miscellaneous Comments

- Fiscal year ends on 06/30.
- During Q4 2019 Diversifying Strategies investments were liquidated and Investment Grade Credit, US Treasury & Agency, and TIPS were consolidated into the Core Fixed Income composite.
- Non-Core Fixed Income currently consists of High Yield.
- Private Investments currently consist of Private Equity, Private Credit, Venture Capital, and Passive ETFs.

**Montana Board of Investments
Fee Schedule**

As of December 31, 2020

	Fee Schedule	Market Value As of 12/31/2020 (\$)
SPDR S&P 500 ETF (SPY)	0.09 % of Assets	92,398,078
iShares:Core S&P Md-Cp (IJH)	0.05 % of Assets	33,423,487
iShares:Russ 2000 ETF (IWM)	0.19 % of Assets	980
iShares:MSCI EAFE ETF (EFA)	0.32 % of Assets	151,319,040
DFA Intl Sm Co;I (DFISX)	0.52 % of Assets	103,612,379
iShares:MSCI Em Mkts (EEM)	0.68 % of Assets	60,469,401
DFA Emg Mkts Sm Cap;I (DEMSX)	0.67 % of Assets	32,237,152

ETF fees are sourced from Morningstar and/or the investment manager. Mutual Fund fees are provided by staff.

PORTLAND

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NEW YORK

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Investment Update

Board Meeting: February 23-24, 2021

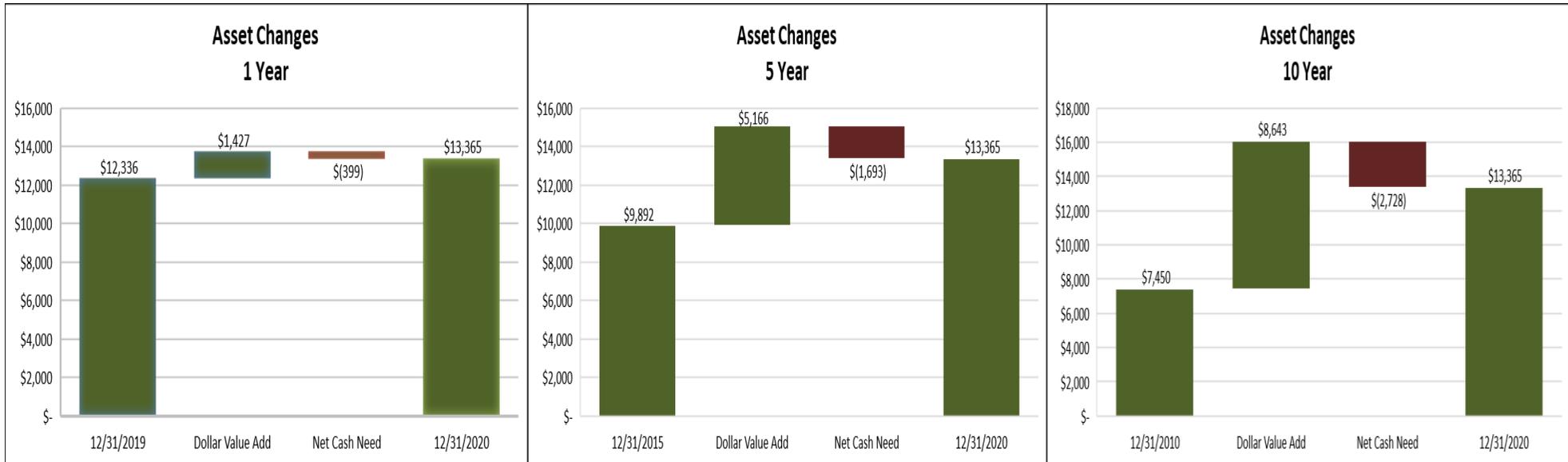
Information as of December 31, 2020



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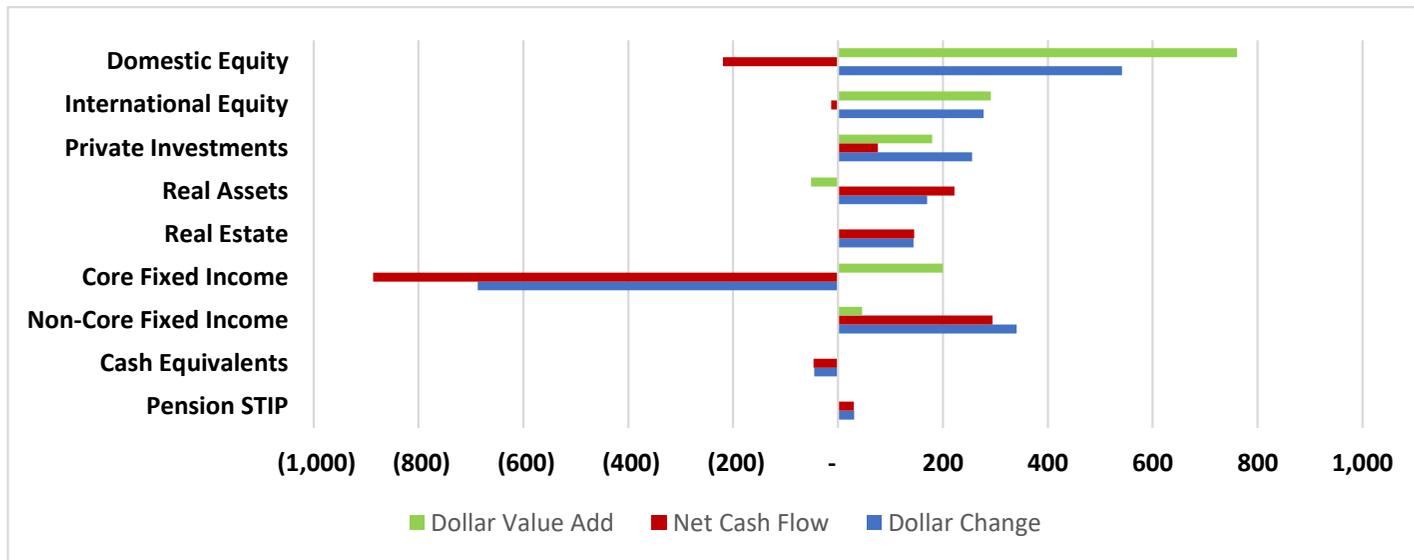


* Dollar values are in \$1,000,000

- 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 red 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.

	12/31/2019 (NAV)	12/31/2020 (NAV)	Dollar Change	Net Cash Flow	Dollar Value Add
Domestic Equity	3,766.0	4,307.3	541.3	(219.6)	760.9
International Equity	2,196.6	2,474.3	277.7	(13.4)	291.1
Private Investments	1,534.4	1,789.8	255.4	76.1	179.3
Real Assets	384.8	555.0	170.3	221.8	(51.5)
Real Estate	973.8	1,117.9	144.1	145.5	(1.4)
Core Fixed Income	2,782.6	2,095.8	(686.9)	(886.8)	199.9
Non-Core Fixed Income	383.1	724.0	341.0	294.8	46.1
Cash Equivalents	207.4	162.0	(45.4)	(46.9)	1.6
Pension STIP	107.6	138.4	30.8	29.7	1.1
Grand Total	12,336.2	13,364.6	1,028.4	(398.8)	1,427.2

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

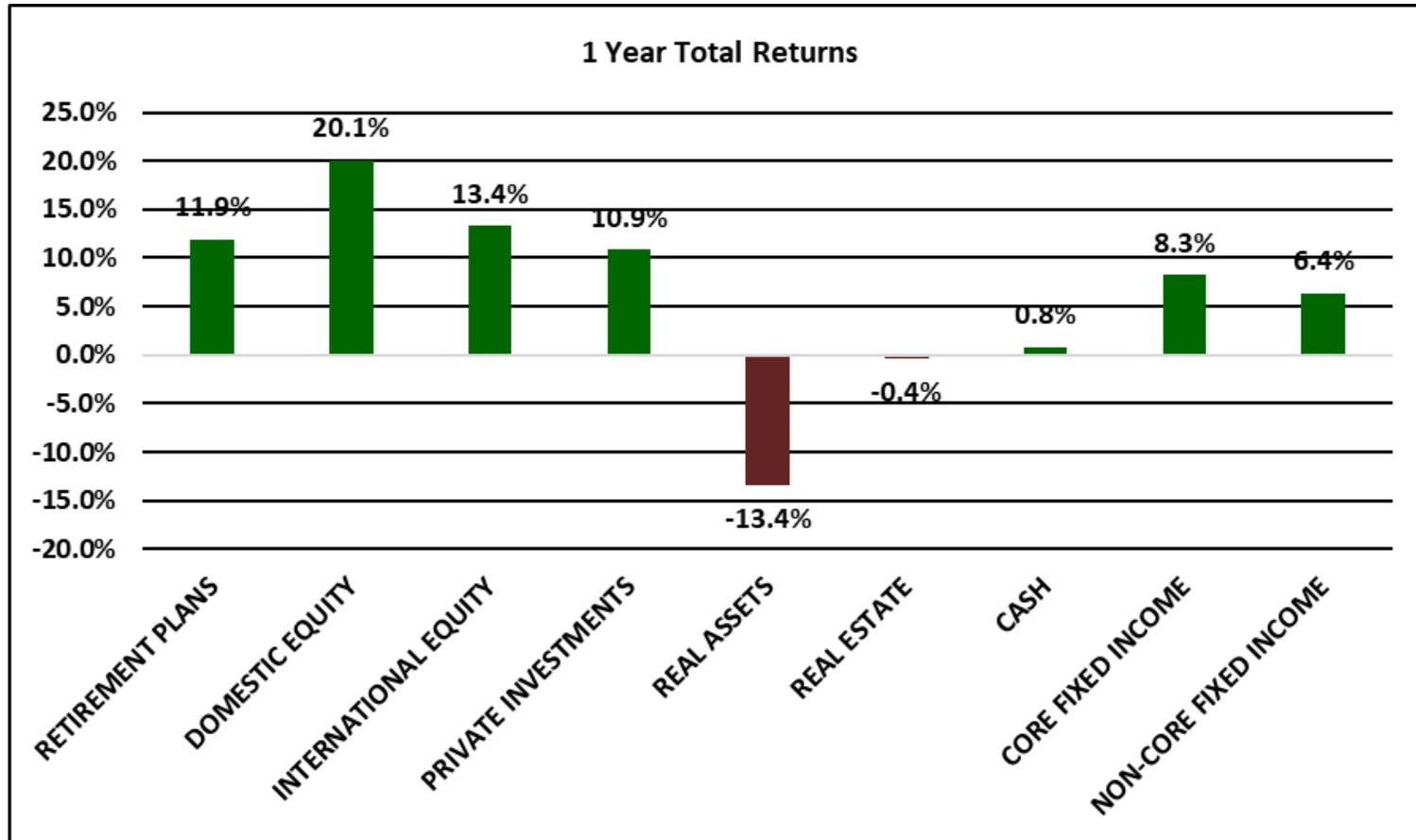


	12/31/2019 (NAV)	12/31/2020 (NAV)	Dollar Change	Net Cash Flows	Dollar Value Added
Public Employees Retirement	6,128.3	6,609.4	481.1	(224.0)	705.2
Teachers Retirement	4,349.3	4,682.0	332.7	(168.6)	501.4
Firefighters Retirement	480.3	541.4	61.1	3.6	57.4
Police Officers Retirement	455.3	508.4	53.1	(0.9)	54.0
Sheriffs Retirement	396.6	440.7	44.1	(3.0)	47.0
Game Wardens Retirement	218.3	245.9	27.5	1.3	26.2
Highway Patrol Retirement	158.2	171.9	13.7	(4.6)	18.4
Judges Retirement	109.7	121.0	11.3	(1.6)	12.9
Vol Firefighters Retirement	40.2	44.0	3.8	(1.0)	4.8
Grand Total	12,336.2	13,364.6	1,028.4	(398.8)	1,427.2

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

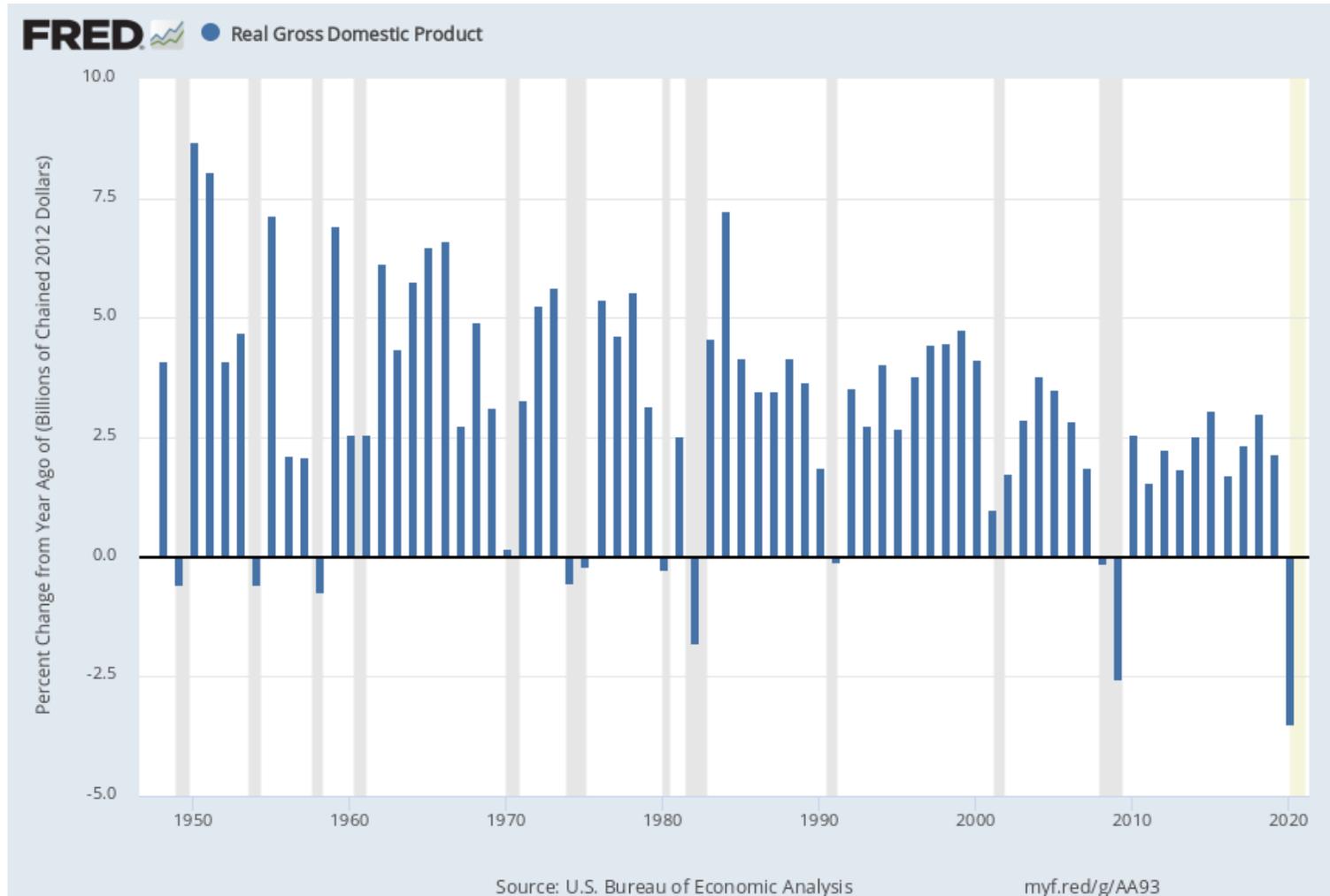
Name	1 Year	3 Year	5 Year	10 Year	20 Year	Since Inception
PUBLIC EMPLOYEES RETIREMENT	11.94%	8.37%	9.41%	8.89%	6.37%	7.90%
TEACHERS RETIREMENT	11.93%	8.37%	9.41%	8.89%	6.37%	7.91%
FIREFIGHTERS RETIREMENT	11.95%	8.38%	9.42%	8.89%	6.33%	7.76%
POLICE OFFICERS RETIREMENT	11.95%	8.38%	9.42%	8.89%	6.33%	7.77%
SHERIFFS RETIREMENT	11.94%	8.37%	9.41%	8.88%	6.36%	7.79%
GAME WARDENS RETIREMENT	11.91%	8.36%	9.41%	8.87%	6.33%	7.80%
HIGHWAY PATROL RETIREMENT	11.94%	8.38%	9.41%	8.89%	6.38%	7.79%
JUDGES RETIREMENT	11.94%	8.37%	9.42%	8.88%	6.38%	7.80%
VOL FIREFIGHTERS RETIREMENT	11.94%	8.37%	9.38%	8.87%	6.75%	7.60%

Inception 7/1/1994

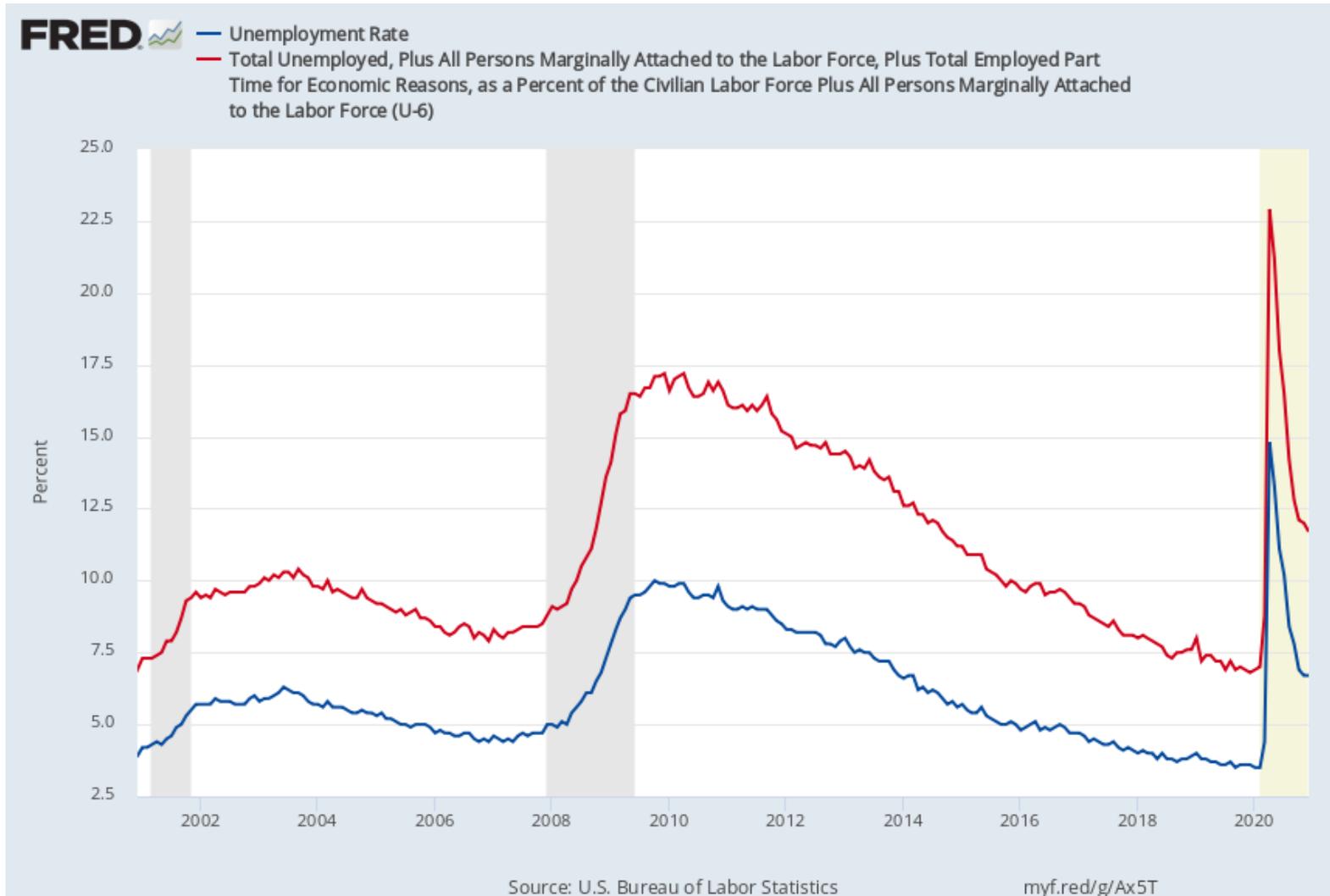


	12/31/2020 (NAV)	% of Total	Mid Point	Deviation from Mid Point	Board Approved Ranges
Domestic Equity	4,307.3	32.2%	30.0%	2.2%	24% - 36%
International Equity	2,474.3	18.5%	17.0%	1.5%	12% - 22%
Private Investments	1,789.8	13.4%	15.0%	-1.6%	11% - 19%
Real Assets	555.0	4.2%	5.0%	-0.8%	2% - 8%
Real Estate	1,117.9	8.4%	9.0%	-0.6%	5% - 13%
Core Fixed Income	2,095.8	15.7%	15.0%	0.7%	10% - 20%
Non-Core Fixed Income	724.0	5.4%	6.0%	-0.6%	4% - 8%
Cash Equivalents + Pension STIP	300.5	2.2%	3.0%	-0.8%	0% - 6%
	13,364.6	100.0%	100.0%		

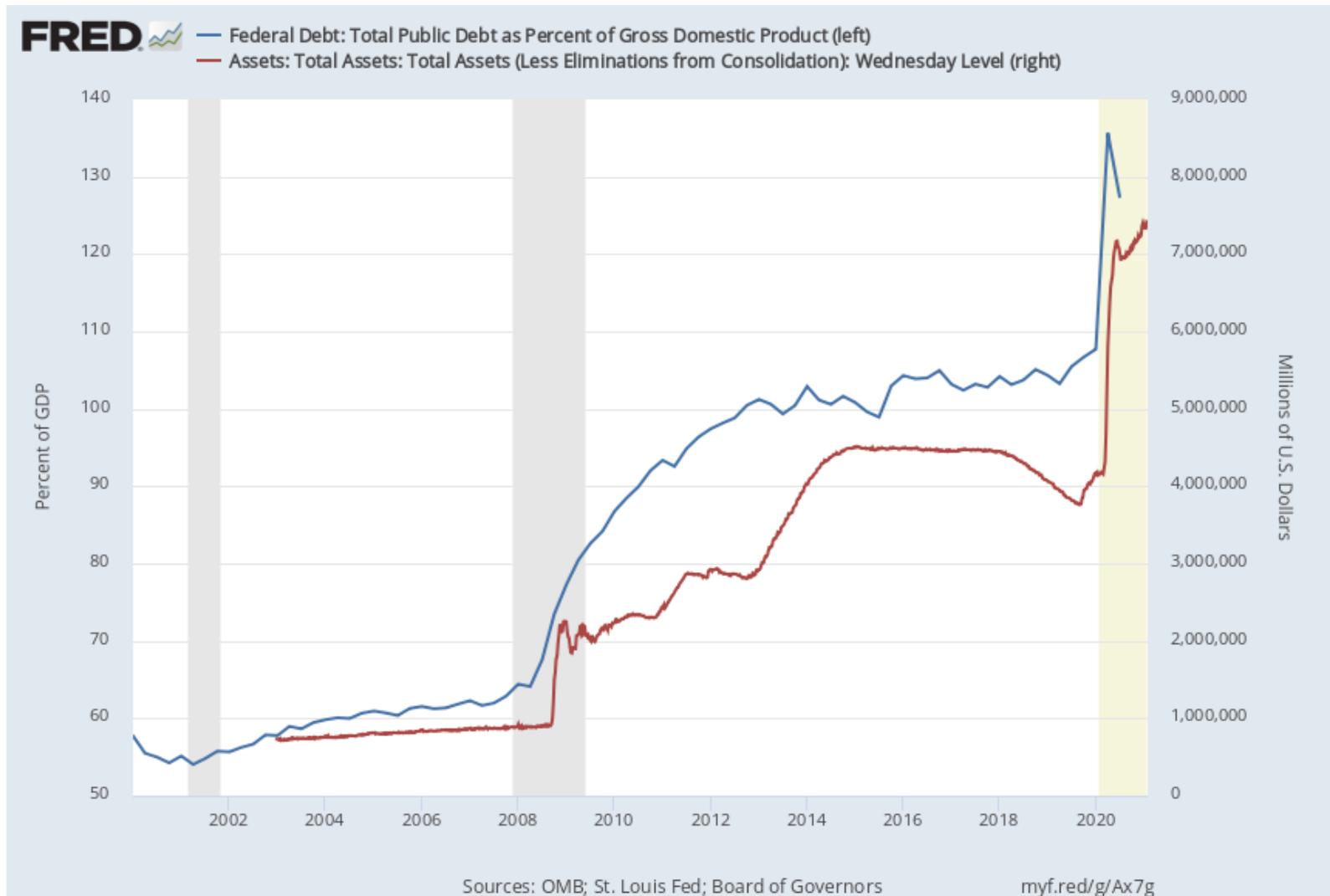
- 2020 was the largest decline in U.S. GDP since the Great Depression



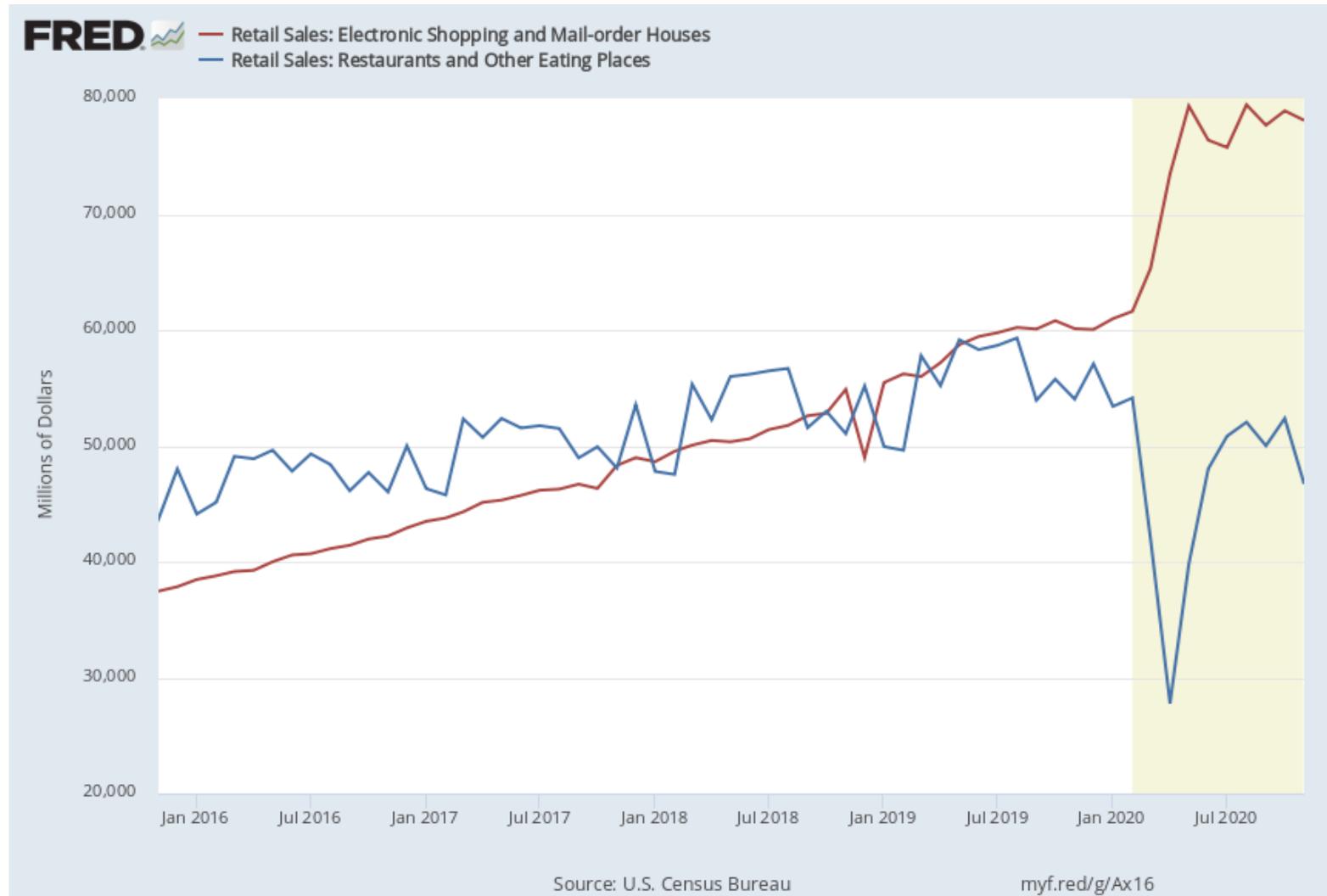
- U.S. Unemployment and Under-Employment Rates remain high



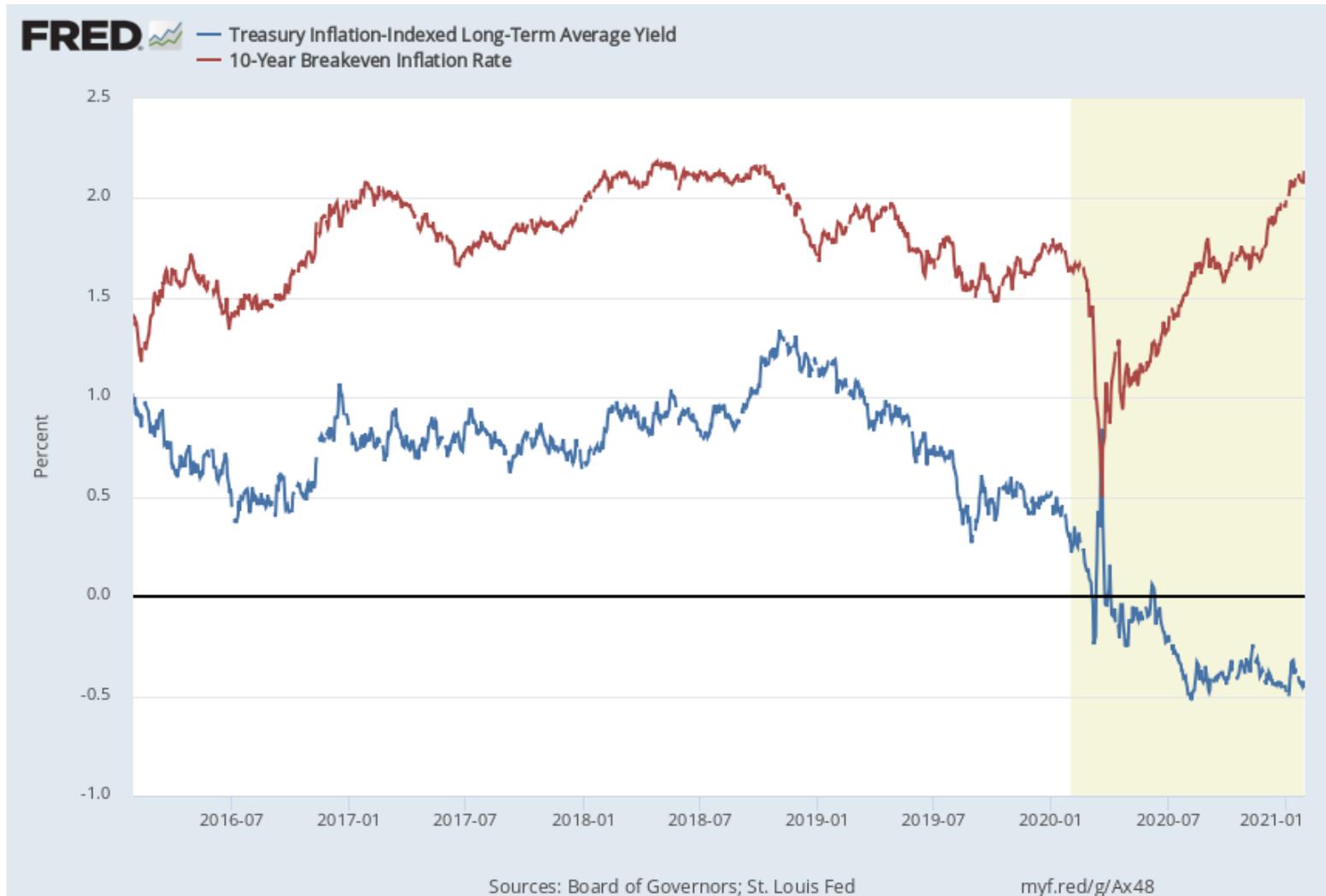
- U.S debt has increased as the government seeks to support the economy



- E-commerce has benefited at the expense of other sectors



- Inflation expectations have rebounded and real treasury yields are negative



- Implementation of CAPP asset allocation approved in November
- Added Preferred Securities and Emerging Market Debt to Non-Core Fixed Income Asset Class
- Due diligence process during COVID
- Ongoing rebalance of Trust Fund and State Fund portfolios
- Review of high yield manager fees
- Constant effort to improve processes, cross train team members and develop a succession plan

Macro Attribution

Key Takeaways - 1 Year

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

- * Every benchmark other than those for Real Assets and Real Estate added positive contributions to the pension policy-neutral 12.7% return.
- * The Domestic Equities asset class benchmark, the MSCI USA IMI, was the largest positive contributor.

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

- * On average, we were slightly overweight Domestic Equities, International Equities, and Cash while being slightly underweight or at the midpoint weight for the remaining asset classes.
- * About \$210M of equity asset classes were purchased and \$609M of fixed income/cash asset classes were sold during the year (The difference of \$-399M being the pension net cash need)
- * In aggregate, the overweighting/underweighting of the asset classes relative to their benchmarks increased the pension portfolio's return by 51bps. Most of the active weights were caused by market movements.

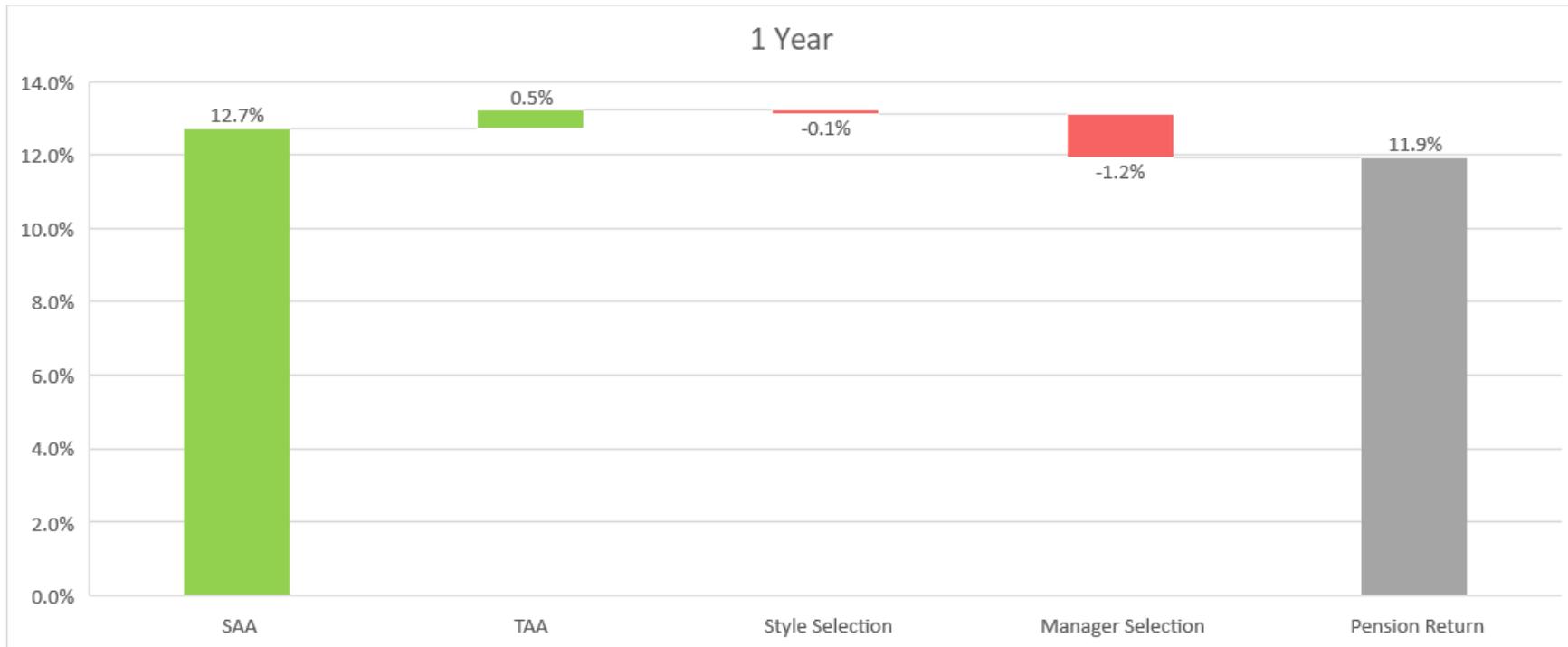
Style Selection -> *Did the portfolio benchmarks add additional return over their asset class benchmarks?*

- * Exposure to a Small Cap Value benchmark was the largest contributor to overall style underperformance of -23 bps.
- * Exposure to an International Growth benchmark was the main contributor to International style outperformance of 25 bps.
- * The exposure to the Alerian MLP Index, which is strongly related to energy, was the main contributor to Real Assets style underperformance of 8 bps.

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

- * In Domestic Equity, there was one notable Large Cap 130/30 outperformer and one notable Small Cap underperformer during the year that mostly canceled one another out. The remaining managers did not materially contribute to manager selections effects
- * In International Equity, there were notable well performing growth and value managers, as well as a notable poor performing growth manager that led to manager selection outperformance of 8 bps.
- * Our external Core Fixed Income manager was the primary contributor to CFI manager selection outperformance of 15 bps.
- * None of our Non-Core Fixed Income external managers materially contributed to Manager Selection performance.
- * Private Investments was the primary contributor to manager selection underperformance in our non-publically traded investments. The publicly traded benchmarks for these asset classes are an imperfect proxy for actual holdings. In addition, the pricing of private assets lags the publicly traded benchmarks. Thus, short term performance differentials may not reflect the actual value of assets at quarter end.

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

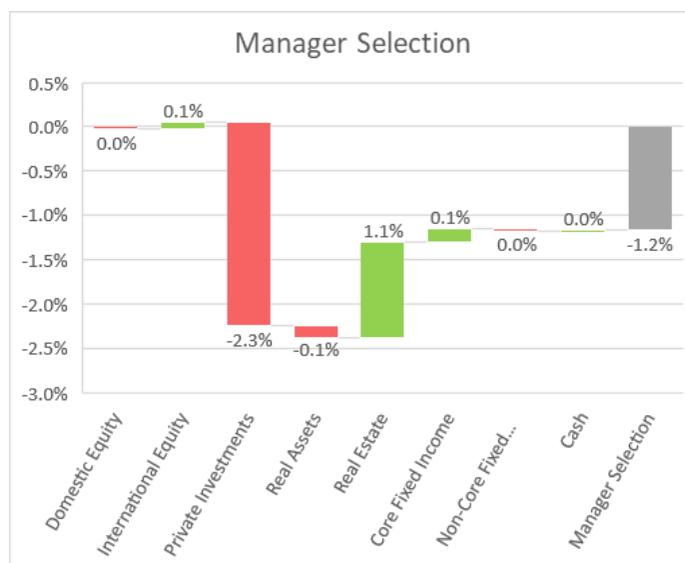
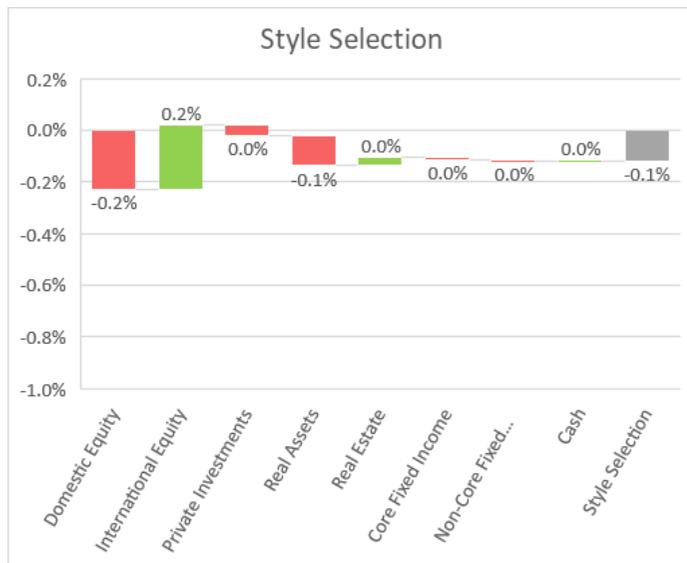
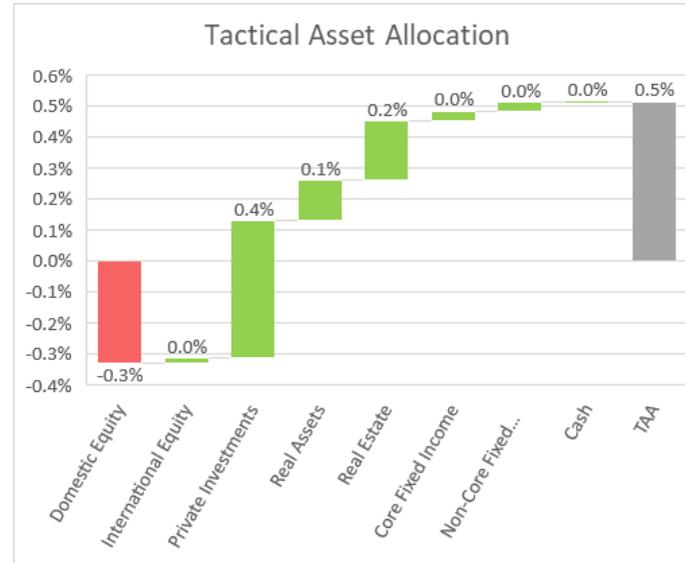
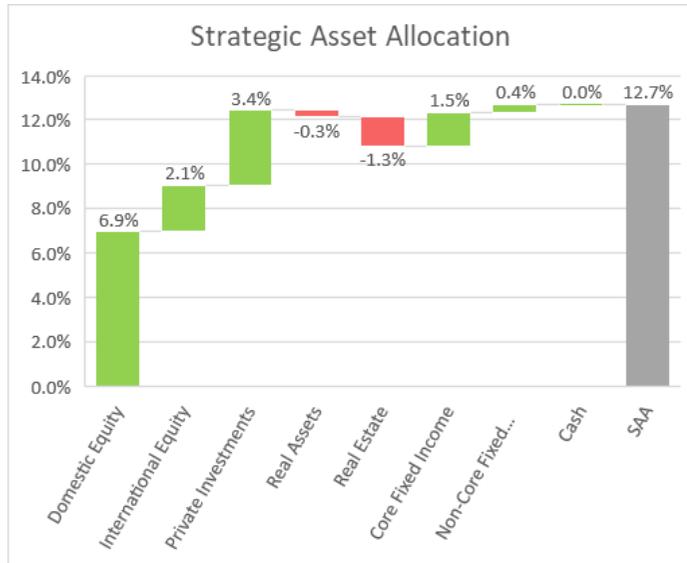
Tactical Asset Allocation (TAA) - The *additional* return earned by investing in the asset class benchmarks at our actual rather than midpoint weights.

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

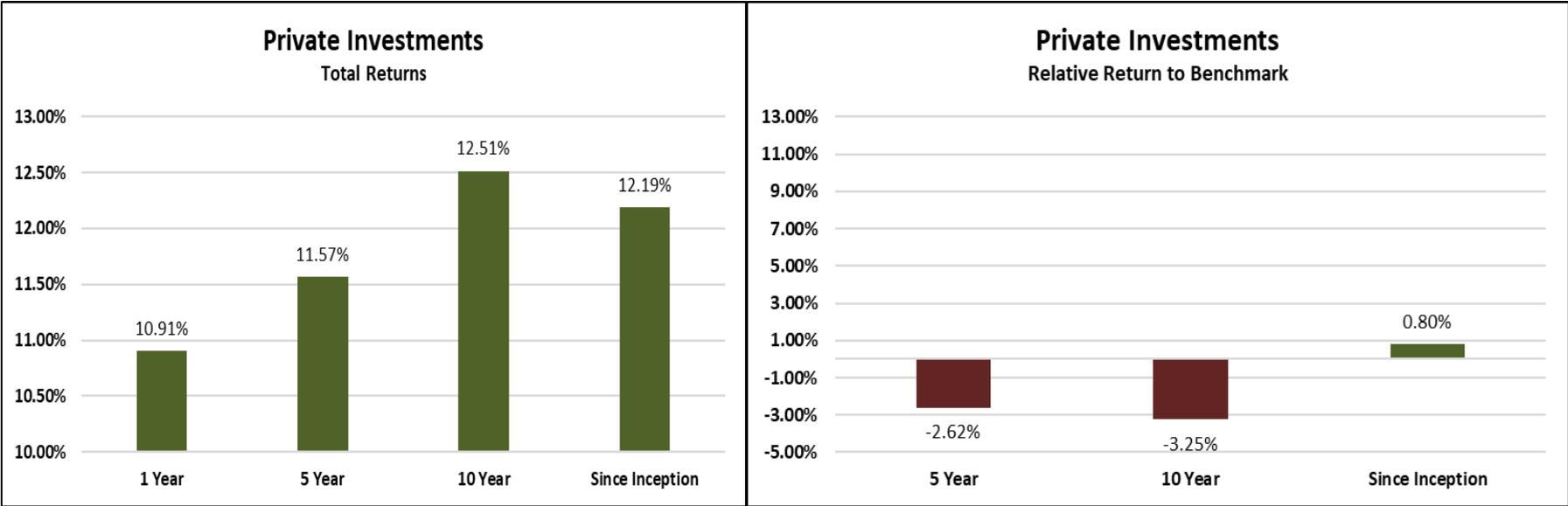
Manager Selection - The *additional* return earned by investing in the underlying managers rather than the underlying manager benchmarks.

* 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



- Private equity deal flow rebounded in the back half of 2020 to finish strong. 1769 private equity-backed buyout deals were completed in Q4 2020 with an aggregate deal value of \$267 billion, representing a 65% increase in volume from a rolling 20 quarter average.
- Similarly, exit flow for 2020 finished strong with \$378 billion of total volume, up 6% compared to 2019.
- Valuations for buyouts rebounded in the fourth quarter of 2020 at a purchase price multiple of 14.1x EBITDA compared to 12.9x EBITDA in the previous quarter. For comparison, the 10 year average is 11.0x EBITDA.
- Leverage or debt usage for buyouts came in at 6.3x EBITDA, slightly elevated compared to the rolling 20 quarter average of 5.8x.
- The pace of fundraising in the fourth quarter continues to be tepid. As expected, the fundraising environment slowed significantly with the restrictions in travel. \$203 billion of capital was raised in 2020 for US private equity.
- Key takeaways – Private equity activity continues to further bifurcate into the haves and the have nots. Valuations, debt usage, access to cheap credit and dry powder all remain at elevated levels compared to longer term historical levels.



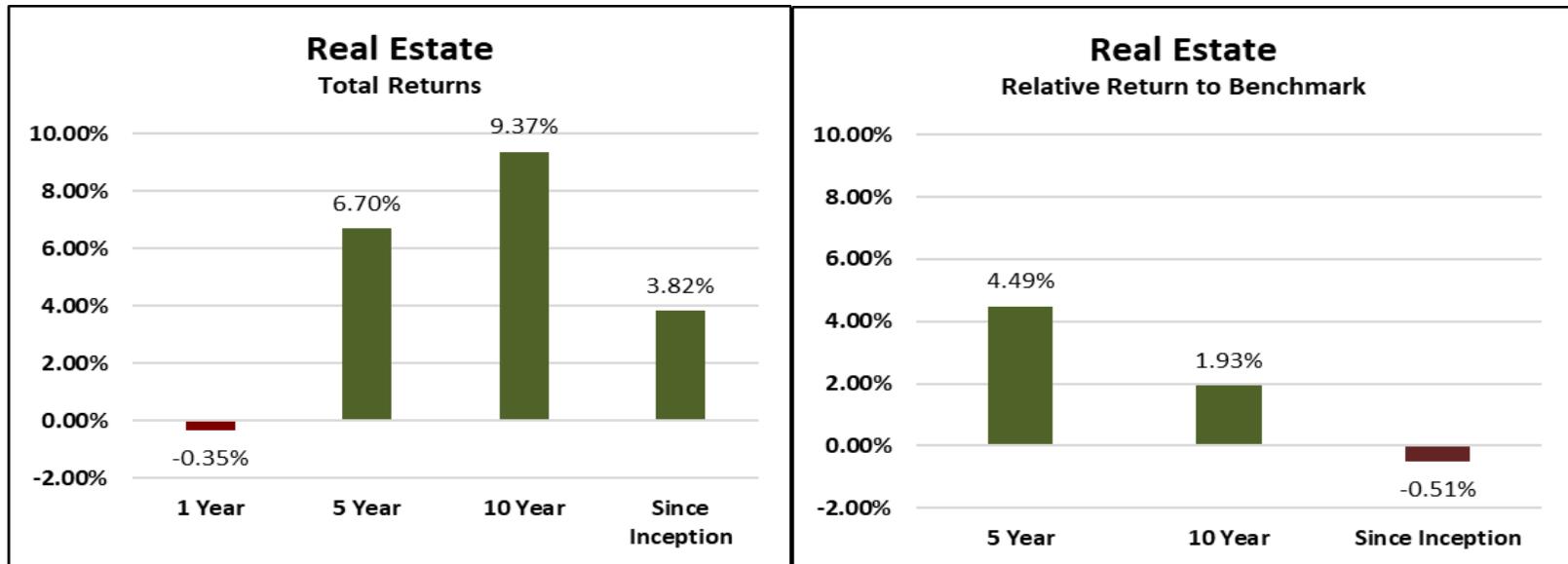
Relevant Benchmark: Private Equity – PAC Custom Blend

- From inception to 4/30/2017: S&P 1500 + 4% Qtr Lag
- 5/1/2017 to present: MSCI USA Small Cap Gross
- Inception – 5/1/2002

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- Total Market Value of \$1.79 billion as of 12/31/20
- North American-centric at ~75%, ~14% non-US developed, and ~11% emerging markets
- Direct/primary fund exposure focus at ~80% vs. Fund-of-Funds at ~20%
- Selectively focused on buyout and venture capital strategies
- Increasing allocation to credit strategies and sector specialists
- Net Cash Flow Profile
 - \$45.15 million for quarter ending 12/31/20
- No new commitments during the recent quarter

-
- Rising vacancy rates and falling rents seen across markets with considerable variation across property types, geographies and quality. Urban markets hit hardest
 - Transaction activity tumbled in 2020, though there were signs of a recovery in 4Q20, US sales volumes fell 32% versus 2019
 - Debt is available, but more equity, lower loan-to-value ratios and higher debt-service-coverage ratios are required
 - Asset values have generally adjusted downward, with exceptions in certain property types
 - REITs have delivered robust gains from the trough, remain down single digits YTD through 2020
 - CMBS loan delinquencies continued to drift lower in 4Q20 after spiking in the spring
 - Fundraising was healthy in 2020, but down relative to 2019, with 321 funds closing \$130B
 - Dry powder increased and remains elevated at approx. \$362B through YE 2020
 - Rent collections across MBOI portfolio remain strong, in many cases above market observations
 - Summary points – Fundamentals are varied, transactions remain depressed, debt markets cautious, values are down, REITs fighting back, fundraising is strong, dry powder remains elevated



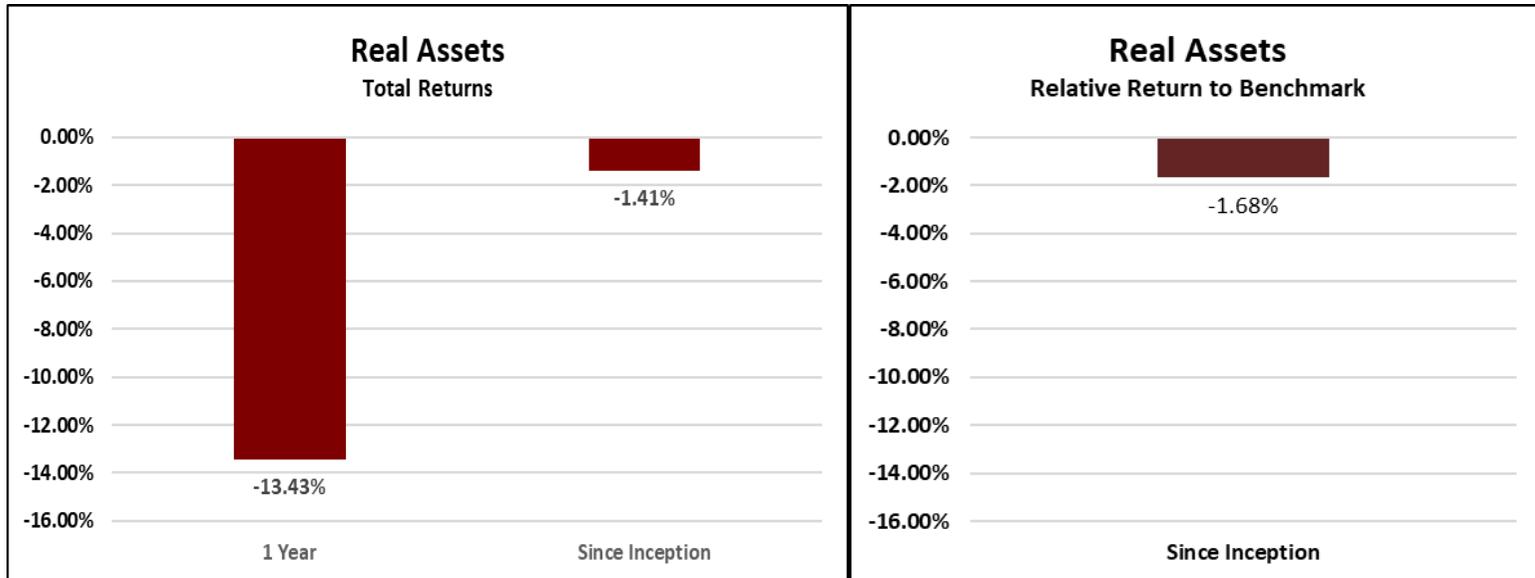
Relevant Benchmark: Real Estate - PAC Custom Blend

- From inception to 3/31/2017: NCREIF ODCE 1 Qtr Lag (Net)
- 4/1/2017 to 6/30/2020: MSCI US REIT Index Gross
- 7/1/2020 to present: NCREIF ODCE 1 Qtr Lag (Net)
- Inception – 6/1/2006

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- Total Net Asset Value of approx. \$1.1B as of 12/31/20
- US-centric, broadly diversified across property types and geographies
- Continued focus on property type specific operators
- Looking to establish separate accounts for longer duration holds, cash flow
- Focus on existing, high conviction managers, reducing core equity exposure, may opportunistically add to existing public REIT exposure
- Cash Flow Profile
 - Negative cash flow of approx. \$42M for quarter ending 12/31/20
- New investment commitments/additions
 - New \$80M commitment to Stockbridge Niche Logistics Fund, LP
 - Additional \$20M commitment to CBRE Strategic Partners US Value 9, LP
 - Additional \$20M pre-IPO investment in a cold-storage REIT
 - Additional \$50M investment in publicly traded REITs
- Total Leverage – 50.1% as of 9/30/20
 - Debt – 32.3%
 - Core – 27.0%
 - Core-plus/Non-Core – 61.3%

- Oil fundamentals are on a stronger trajectory with both supply and demand shifting back into growth mode following the 2020 collapse
- A price rally is gathering pace with Brent and WTI rising to \$57 and \$53/barrel respectively
- MLPs remain out of favor, but continue to be a strong current yield play with refinery throughput expected to rebound
- OPEC+ agreed to ease production restrictions by 500,000 barrels per day
- US production rose to 11.1M barrels per day through November 2020
- Global oil demand is expected to recover by 5.5 mb/d to 96.6 mb/d in 2021, even with that, inventories remain elevated
- Rig counts have risen consistently the last few quarters with the sustained increase in prices
- Energy industry consolidation continues
- Sawlog prices uniformly stronger across the US South and PNW relative to 3Q20
- Lumber and panel prices remained elevated through 4Q20 after all-time highs during 3Q20
- Nov. housing starts were 1.5m, up 9.3% vs. Aug. 2020 and 12.8% vs. Nov. 2019
- Real Assets dry powder stood at approx. \$335B through January 2021
- Summary points – Oil prices up, MLPs remain depressed, oil demand and production recovering, log prices up, housing market robust, dry powder remains healthy



Relevant Benchmark: Real Assets – MSCI AC World Commodity Producers Net Index

- Inception – 4/1/2017

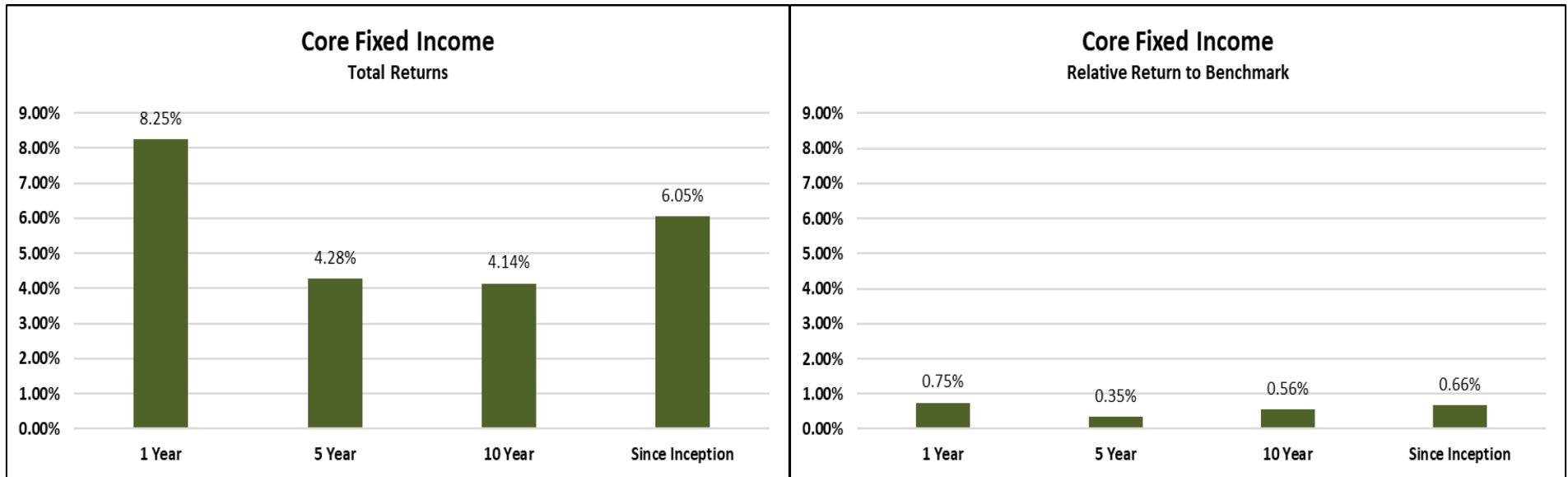
- Total Net Asset Value of approx. \$555M as of 12/31/20
 - Energy Portfolio – approx. \$293M as of 12/31/20
 - Timberland Portfolio – approx. \$99M as of 12/31/20
 - Broad Natural Resources Portfolio – approx. \$11M as of 12/31/20
 - TIPs Portfolio – approx. \$152M as of 12/31/20
- All portfolios are North American-centric, broadly diversified regionally
- Energy is broadly diversified across the energy value chain; timber broadly diversified across species and age class
- Exploring other types of strategies to further diversify and gain new exposures
- Cash Flow Profile
 - Negative cash flow of approx. \$13M for quarter ending 12/31/20
- No new investment commitments/additions
- Timber Portfolio Total Leverage – 6.2% as of 9/30/20

- The U.S. Treasury curve steepened over the last year as rates fell to near zero on the front end and to 92 bps on the 10 year.
- The Federal Reserve cut interest rates five times over the past year to a range of 0 to 25 bps.
- Headline inflation was 1.4% year over year, similar to Core CPI.
- Money market yields continued to fall after the Federal Reserve cut interest rates, while spreads on commercial paper snapped in after the market volatility in March and April and remain near record lows.
- Spreads on corporate bonds widened and then narrowed dramatically during 2020, finishing the year unchanged and near record lows.
- Spreads on mortgage-backed securities (MBS) ended the year at 39 bps after a lot of volatility in the first half the year.

- The Barclays Aggregate returned 7.51% on the year, driven by lower interest rates with little change in risk premium.
- TIPS outperformed nominal Treasuries on the year as 10 year break evens increased 20 bps.
- Bond market liquidity improved dramatically in the second half of the year with very strong Corporate new issuance. Bid/ask spreads improved significantly as confidence returned to the bond market.

Core Fixed Income

Net Performance



Benchmark:

- Inception to 3/31/2017 - Bloomberg Barclays US Aggregate Bond Index
- 4/1/1997 to 11/30/2019 - Internally Managed and Broad Fixed Income PAC Custom Blend
- 12/1/2019 to present – Bloomberg Barclays US Aggregate Bond Index
- Inception Date: 4/1/1995

December 31, 2020

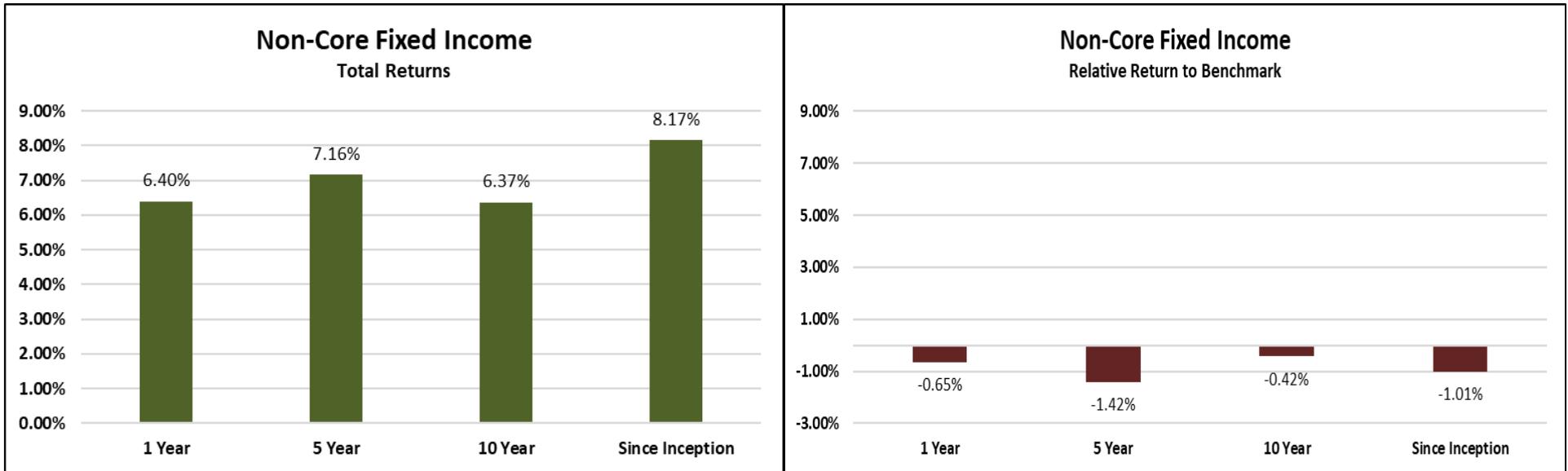
Performance

- Positive total return of 8.25% on the year, led by Reams at 17.14% and TIPS at 9.47%. The internal portfolio returned 7.65%.
- Reams and the internal portfolios outperformed on an overweight to credit.

Characteristics and Activity

- Total market value of approx. \$2.28 billion at calendar year end.
- Duration was approx. 93% of the benchmark at year end. Significantly underweight the long end of the curve.
- Portfolio was underweight Treasuries/Agencies and overweight spread product at the end of the year.

- High yield spreads continued to grind tighter during the fourth quarter, as the US economy continued to gain momentum following the national shutdown in the spring. Spreads narrowed to within 350+ versus US Treasuries.
- Recall that high yield spreads had been at historical lows for several quarters only to blow out to 1000+ basis points in the first quarter of 2020 due to the COVID crisis.
- Expectations for high yield default rates are improving with defaults now expected in a 3% - 6% range for 2021 as a friendly Fed and an improving economy are boosting the health of bond issuers. Defaults came in at 6.2% for high yield in 2020 compared to the estimates for a range of 8% - 12%. Energy companies accounted for a little less than half of 2020 defaults which had been expected.

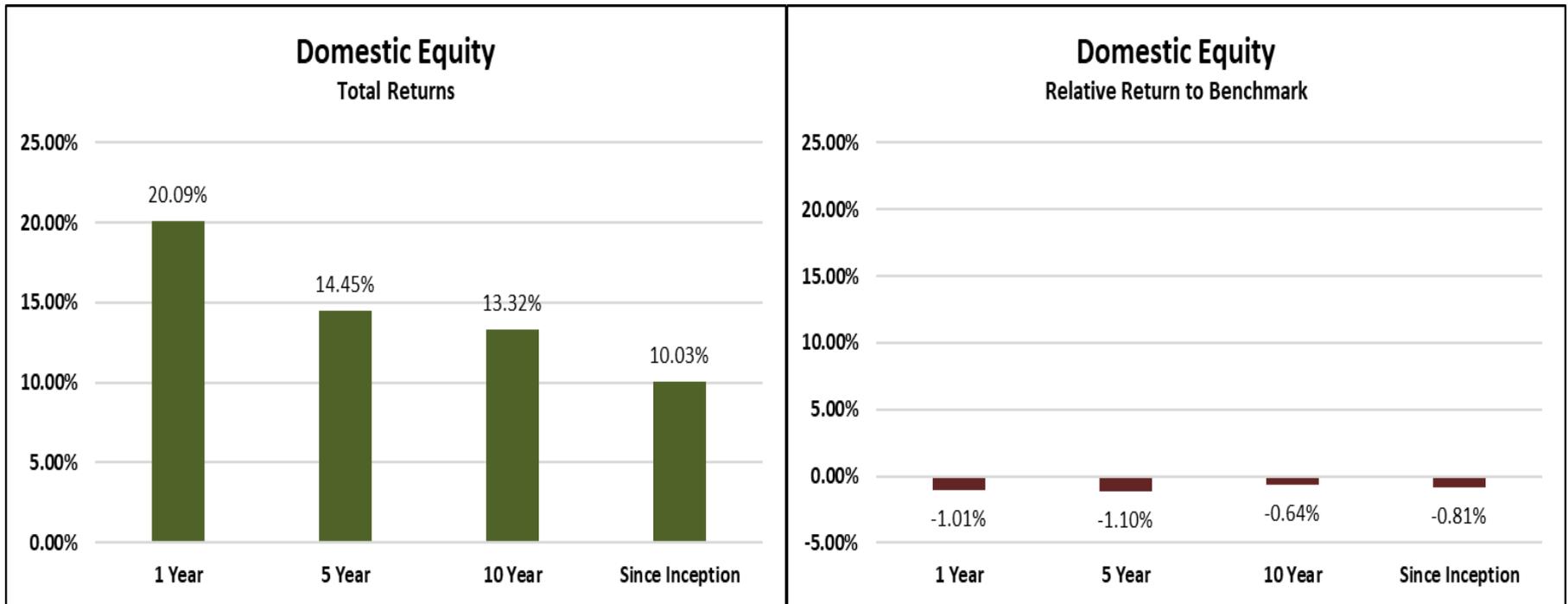


Benchmark: Bloomberg Barclays US High Yield – 2% Issuer Cap

- Inception Date: 6/1/2009
- High Yield Asset Class name change to Non-Core Fixed Income 11/30/19

- The defensive nature of the high yield portfolios caused them to lag slightly during the quarter as high yield bonds returned a solid 6.4%.
- Overall, the Non-Core fixed income asset class underperformed slightly by -70 basis points for the quarter.
- For the last twelve months ended December 31, the asset class underperformed by -68 basis points.
- There were \$150 million in new contributions to the Non-Core asset class within CAPP during the quarter.
- Staff funded a preferred securities portfolio in October with \$75 million and funded an emerging market debt portfolio with \$75 million in December.

- US equities rose strongly in the fourth quarter on hopes for further stimulus, the start of COVID vaccine distribution, and the conclusion of the Presidential election. Large cap stocks generated positive returns of 12.2% (S&P 500), while small cap stocks returned 31.4% (Russell 2000).
- The performance of stocks within the US market broadened out nicely in the fourth quarter as investors looked to a post COVID recovery in 2021 and became more interested in stocks of those companies that would benefit most from a reopening of the general economy.
- At the end of December, the S&P 500 Index was valued at 22.2x generous next 12-month earnings estimates.
- Although there remains limited confidence in the 2021 earnings estimates, to date the fourth quarter earnings reports by companies have been encouraging overall.

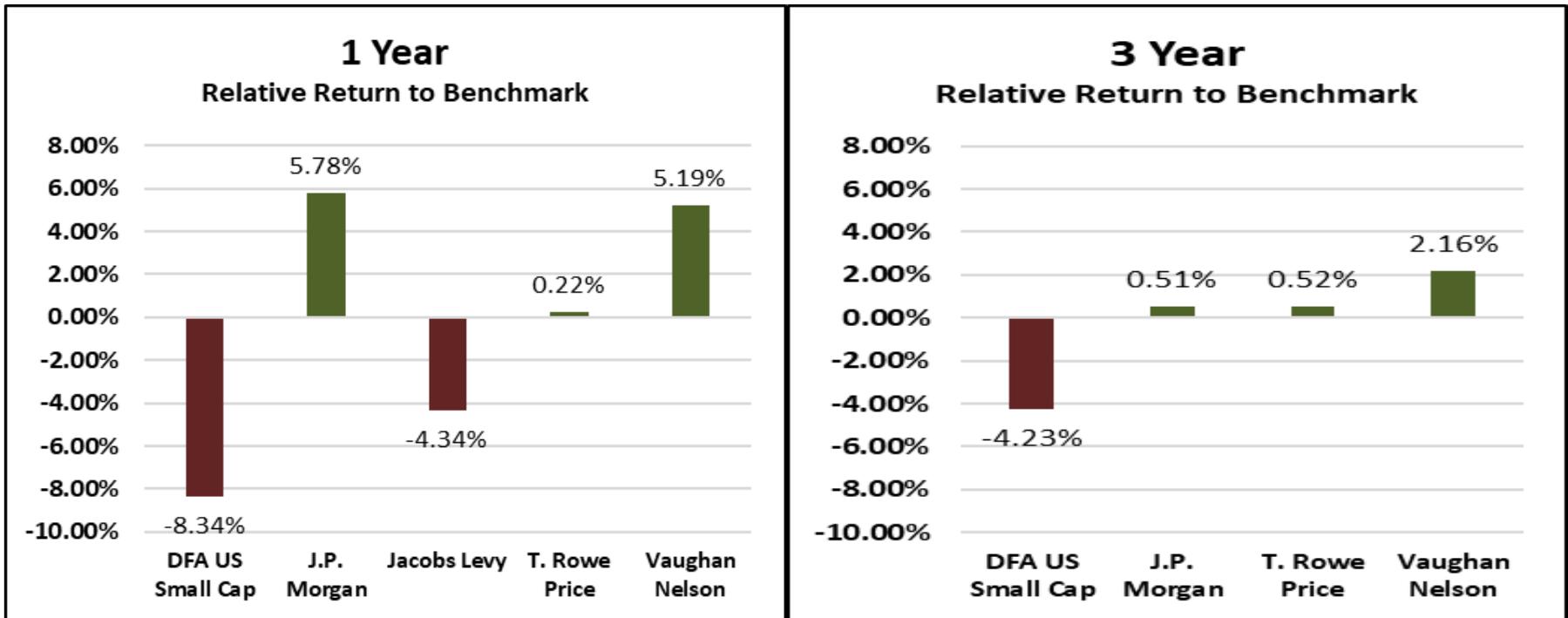


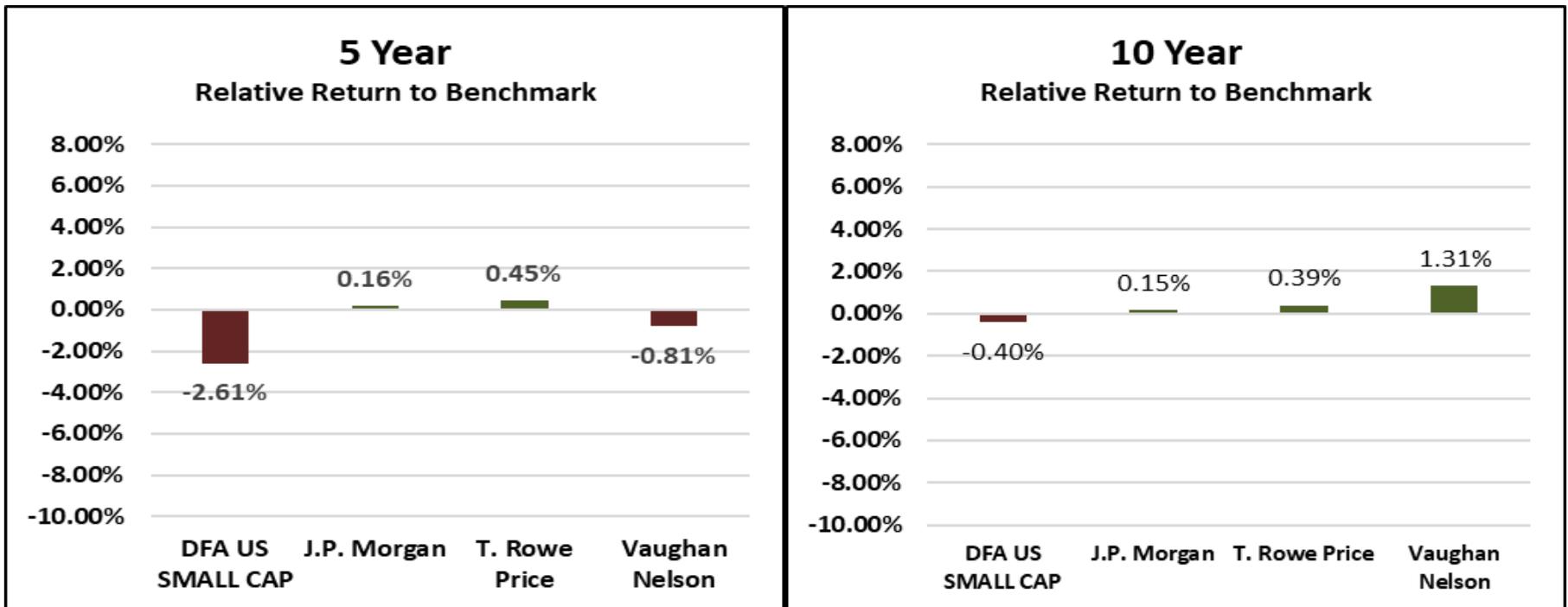
Benchmark: Domestic Equity – PAC Custom Blend

- From inception to 4/30/2017: S&P 1500 Super Composite
- 5/1/2017 to present: MSCI USA IMI, Gross
- Inception Date: 5/1/2003

December 31, 2020

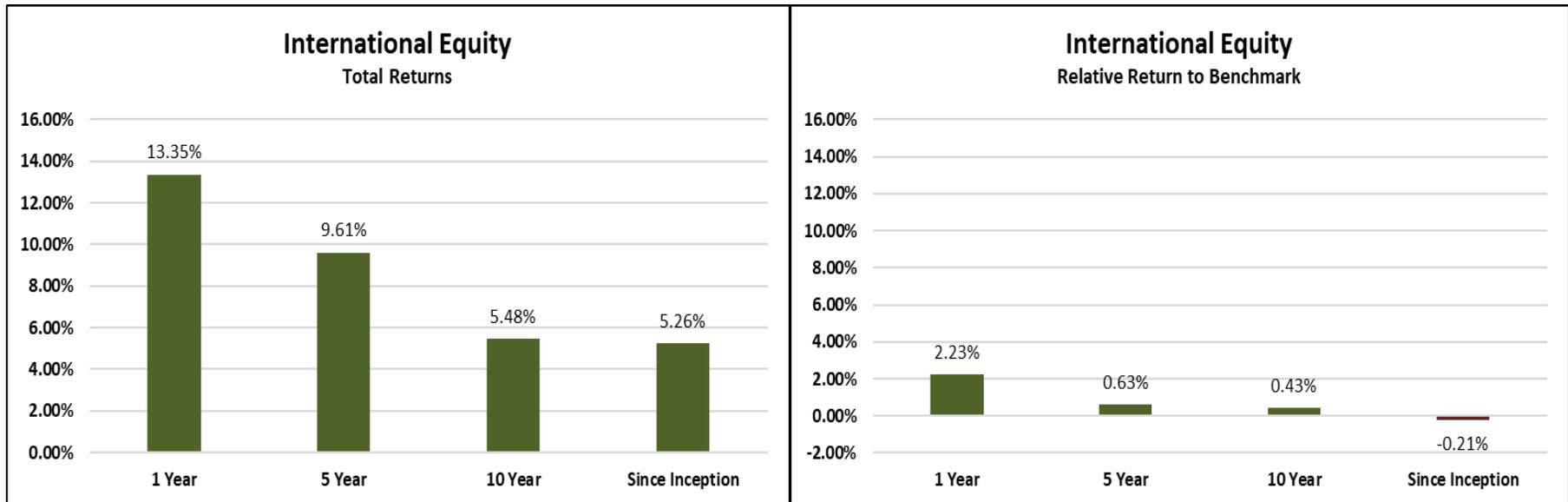
- The domestic equities asset class outperformed its benchmark during the quarter by 89 basis points and lagged for the last twelve months by -101 basis points. This was welcome evidence of a broadening market in the fourth quarter.
- Attribution for the quarter showed a benefit from the small cap overweight and from manager selection, particularly from the Jacobs Levy portfolio.
- For the last twelve months, there was a drag from the small cap overweight but a benefit from manager selection, particularly from the JP Morgan and Vaughan Nelson portfolios.
- The asset class has lagged its benchmark for the 1 year, 5 year and 10 year periods ended December 31.





- Index funds account for the majority of the allocation to large cap stocks.
- Small cap stocks are slightly overweight to the benchmark weight at 11.9%.
- Cash at the asset class level is minimal per policy.
- There were no changes to the manager lineup during the quarter.
- There were \$100 million in outflows for CAPP asset allocation purposes - \$25 million from the BlackRock portfolio and \$75 million from the Northern Trust portfolio.
- Staff invested an additional \$50 million into the Jacobs Levy portfolio in October with proceeds from the BlackRock portfolio.

- International stocks rallied solidly during the quarter. Developed market stocks returned 15.9% (MSCI World ex-US) and emerging market stocks returned 19.7% (MSCI EM). Small caps outperformed large caps within developed markets by returning 17.6% (MSCI World ex-US SC).
- The broadening of markets benefited the long time lagging international stocks, as investors bought those stocks as part of the reopening trade. It was the first quarter in several where international stocks as a whole provided better returns than US stocks.
- The US dollar continued its slide from September and finished greater than 4% lower for the quarter as again the large amount of monetary and fiscal stimulus in the US made the dollar less attractive.
- At quarter end, the MSCI World ex-US Index (developed markets) was valued at 17.0x estimated next 12-month earnings, while the MSCI Emerging Markets Index was valued at 15.2x estimated next 12-month earnings. Yet as with the US valuations based upon estimates, the level of confidence in the accuracy of these levels is low.

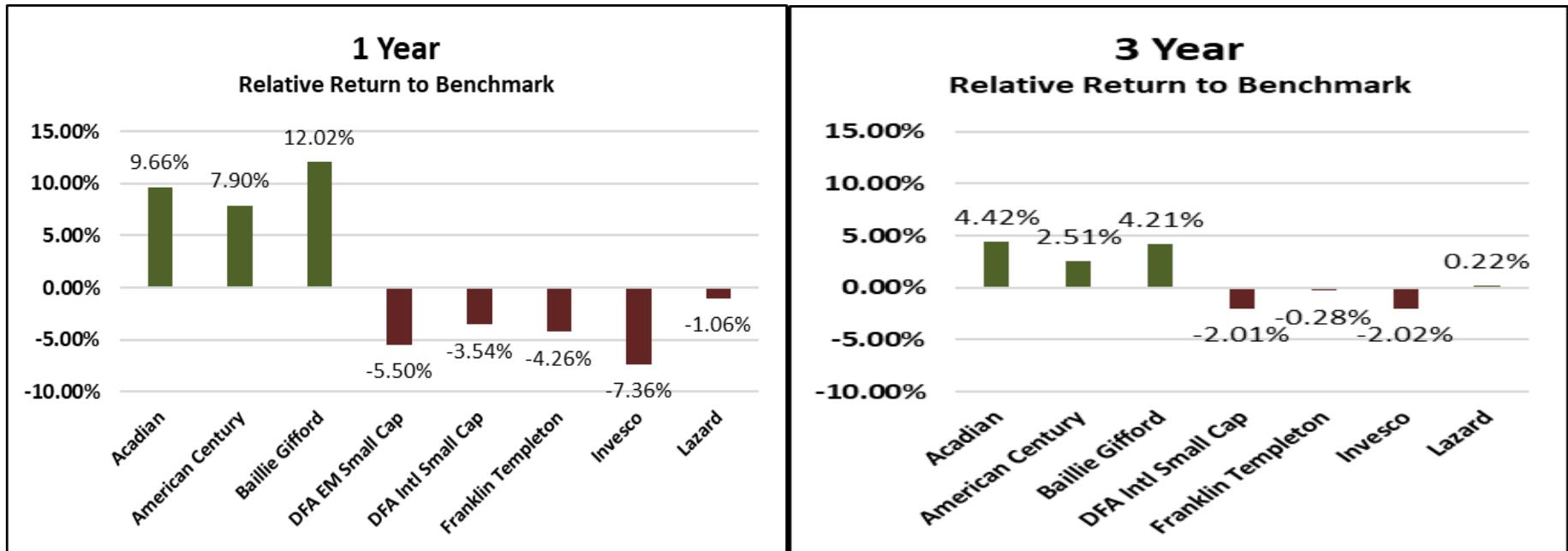


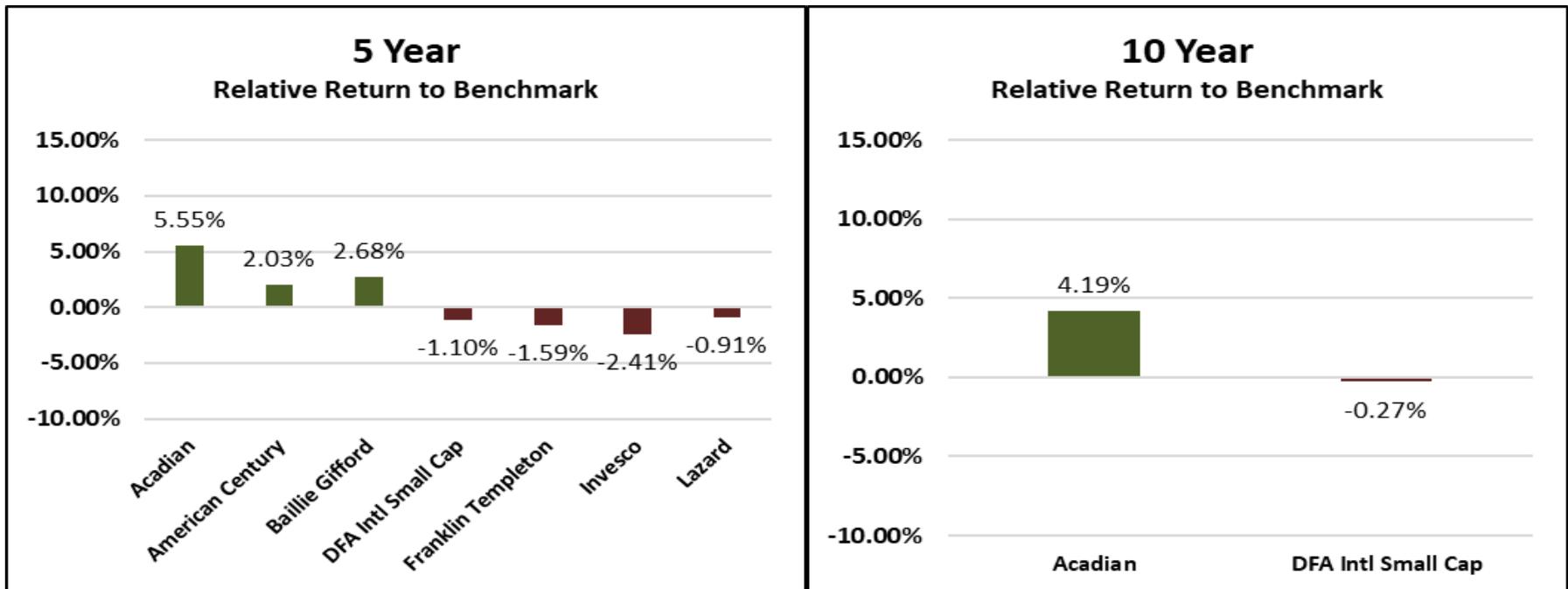
Benchmark: International Equity – PAC Custom Blend

- From inception to 10/31/2006: MSCI EAFE, Net
- 11/1/2006 to 6/30/2007: MSCI ACWI ex-US, Net
- 7/1/2007 to 2/28/2014: 92.5% ACWI ex-US + 7.5% ACWI ex-US Small Cap
- 3/1/2014 to present: MSCI ACWI ex-US IMI, Net
- Inception Date: 4/1/1997

December 31, 2020

- The international equities asset class underperformed its benchmark during the quarter by -14 basis points and outperformed for the last twelve months by +223 basis points.
- For the quarter there was a benefit from manager selection, particularly from the Baillie Gifford and Lazard portfolios. The small cap overweight had a neutral effect.
- For the last twelve months, there was a benefit from manager selection, particularly from the Baillie Gifford and Acadian portfolios. The small cap overweight had a neutral effect.
- The asset class has outperformed its benchmark for the 1 year, 5 year and 10 year periods ended December 31.





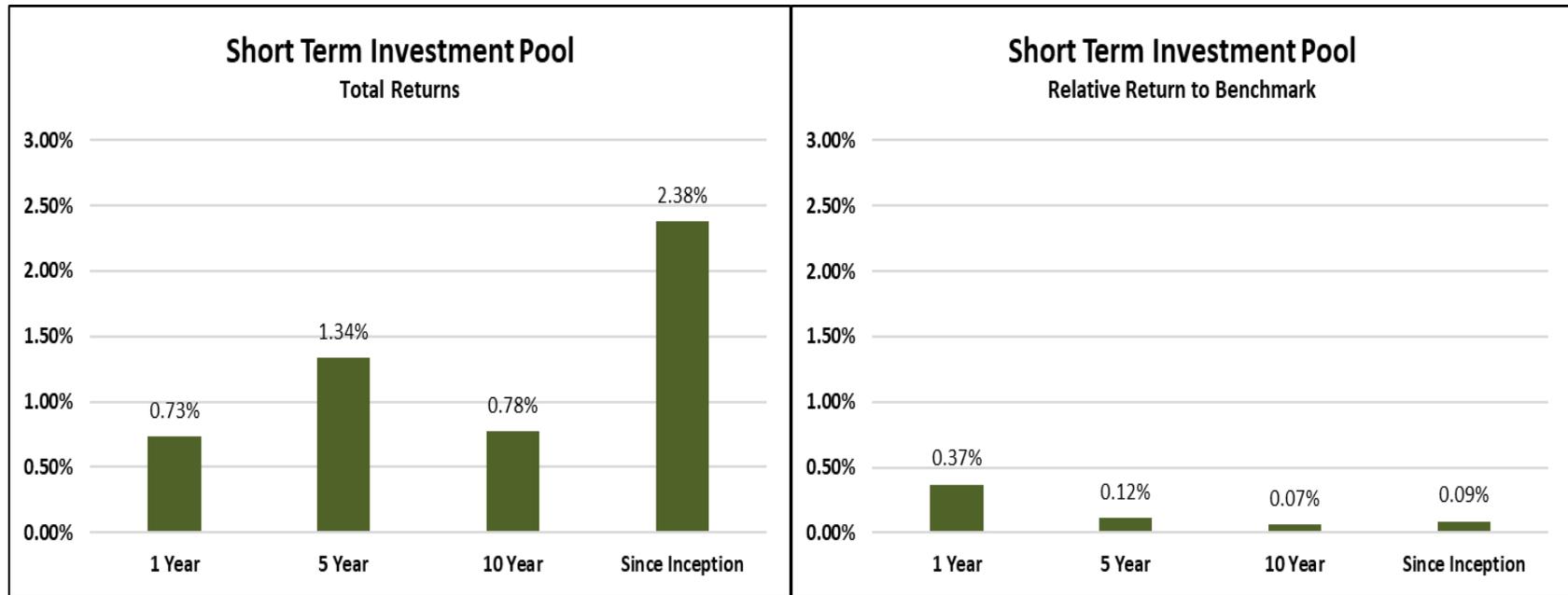
- The large cap allocation retains a significant weight to index funds.
- Small capitalization stocks are slightly overweight at 12.9%.
- There is a slight underweight to emerging markets of -0.8%.
- Cash at the asset class level is minimal per policy.
- There were no changes to the manager lineup during the quarter.
- There were no contributions or withdrawals during the quarter.

Performance

- The yield on STIP was 0.22% at the end of December.
- Outperformed the index by 37 bps over the year, net of fees.
- Good performance versus the index over 3, 5 & 10 years.

Characteristics & Activity

- Treasuries, Agencies and Government money market funds made up just over 32% of the Pool on 12/31/20 approximately the same as on 12/31/19.
- Local Government participants' percentage was 38.7% on 12/31/20, down slightly compared to the prior year.
- The STIP assets were \$5.477 billion on 12/31/20 up over \$1.08 billion since 12/31/19.
- The STIP reserve was \$53.25 million on 12/31/20.



Relevant Benchmark:

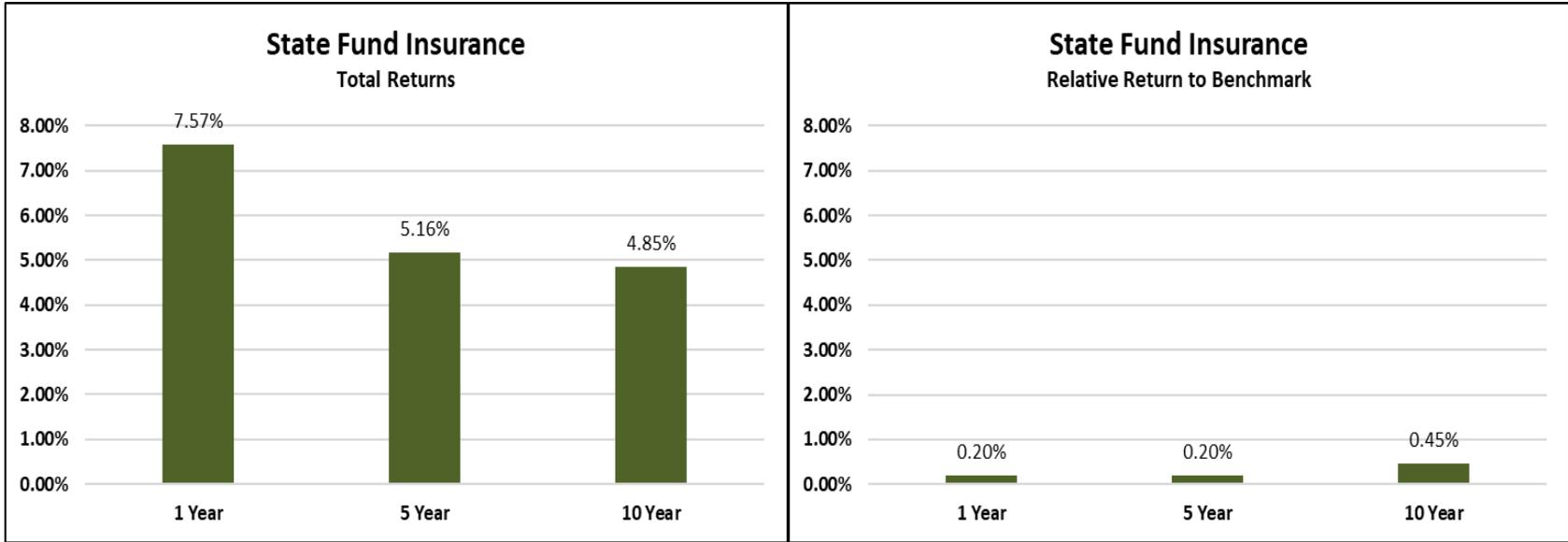
- Inception to 4/30/2018 - LIBOR 1 Month
- 5/1/2018 to present: Federal Reserve US Treasury 1M Constant Maturity Index
- Inception – 4/1/1997

Performance

- Total portfolio return was 7.57% over the last year. Led by equities at 16.09%.
- Underperformance in the fixed income portfolio in the 1st half of the calendar year reversed in the 2nd half.
- Portfolio outperformed the benchmark by 20 bps over the year.

Characteristics & Activity

- Total market value of approx. \$1.60B at year end.
- Duration was above the benchmark at year end.
- Continued overweight to spread product and underweight to Treasuries. Adding to MBS over time.
- Sold \$25 million in Domestic Equities shortly after year end.



Relevant Benchmark:

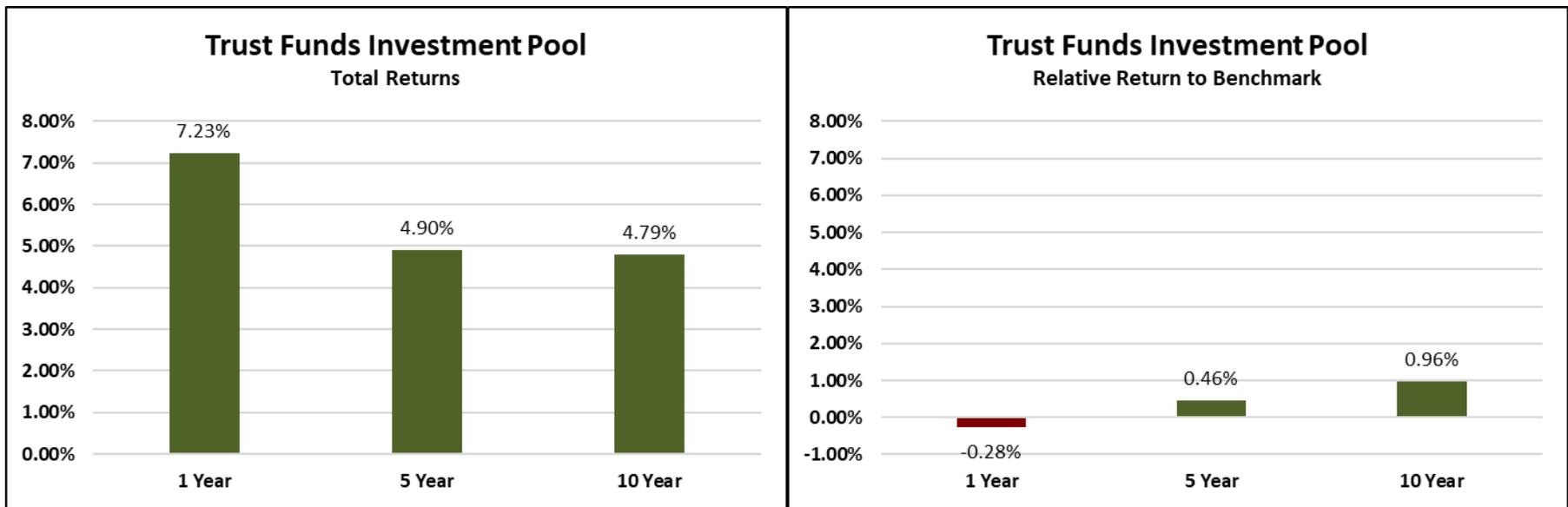
- State Fund Custom Benchmark: Proportionately weighted Bloomberg Barclays Int. Aggregate Bond Index, S&P 500 Index, MSCI ACWI ex U.S. Index, NCREIF ODCCE Index, Bloomberg Barclays US High Yield – 2% Issuer Cap

Performance

- Modest underperformance over the past year was due to relatively weak returns from Real Estate. Strong performance in the 2nd half cut into the deficit significantly.
- High Yield is now an outperformer largely due to advantageous timing of additional investments. Real Estate had positive returns but significantly below the benchmark. The internal portfolio underperformed slightly due to cash drag.
- Total portfolio underperformed the benchmark by 28 bps and the internal bond portfolio underperformed the benchmark by 16 bps.

Characteristics & Activity

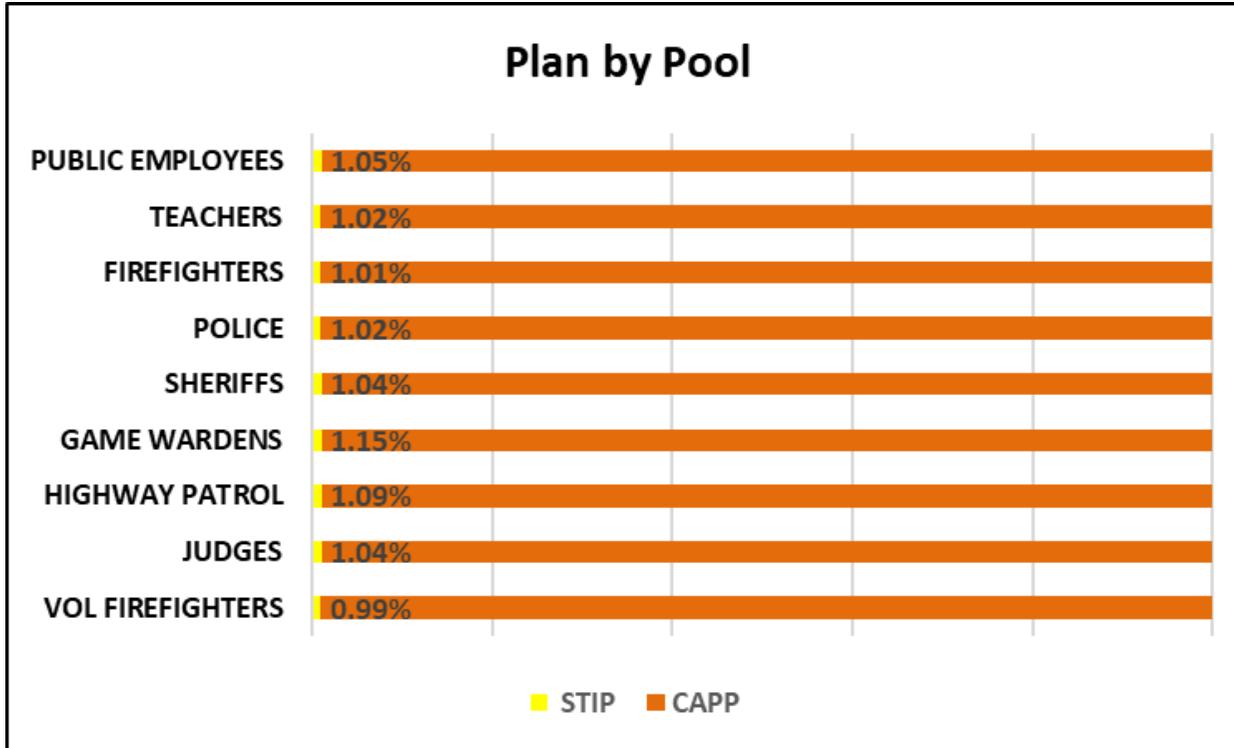
- Total market value of approx. \$2.72B at quarter end.
- TFBP duration was below below the benchmark at calendar year end on an increase in cash. Significantly underweight the long end of the curve.
- TFBP maintained overweight to Corporates, CMBS and ABS and underweight to Treasuries and MBS.
- TFIP purchased \$80.0 million of High Yield during the calendar year. TFIP purchased \$148.9 million of Real Estate during the year and an additional \$62.7 million shortly after year end.
- Staff continues to add to Real Estate in order to diversify and increase the yield of TFIP consistent with last year's change to the IPS.

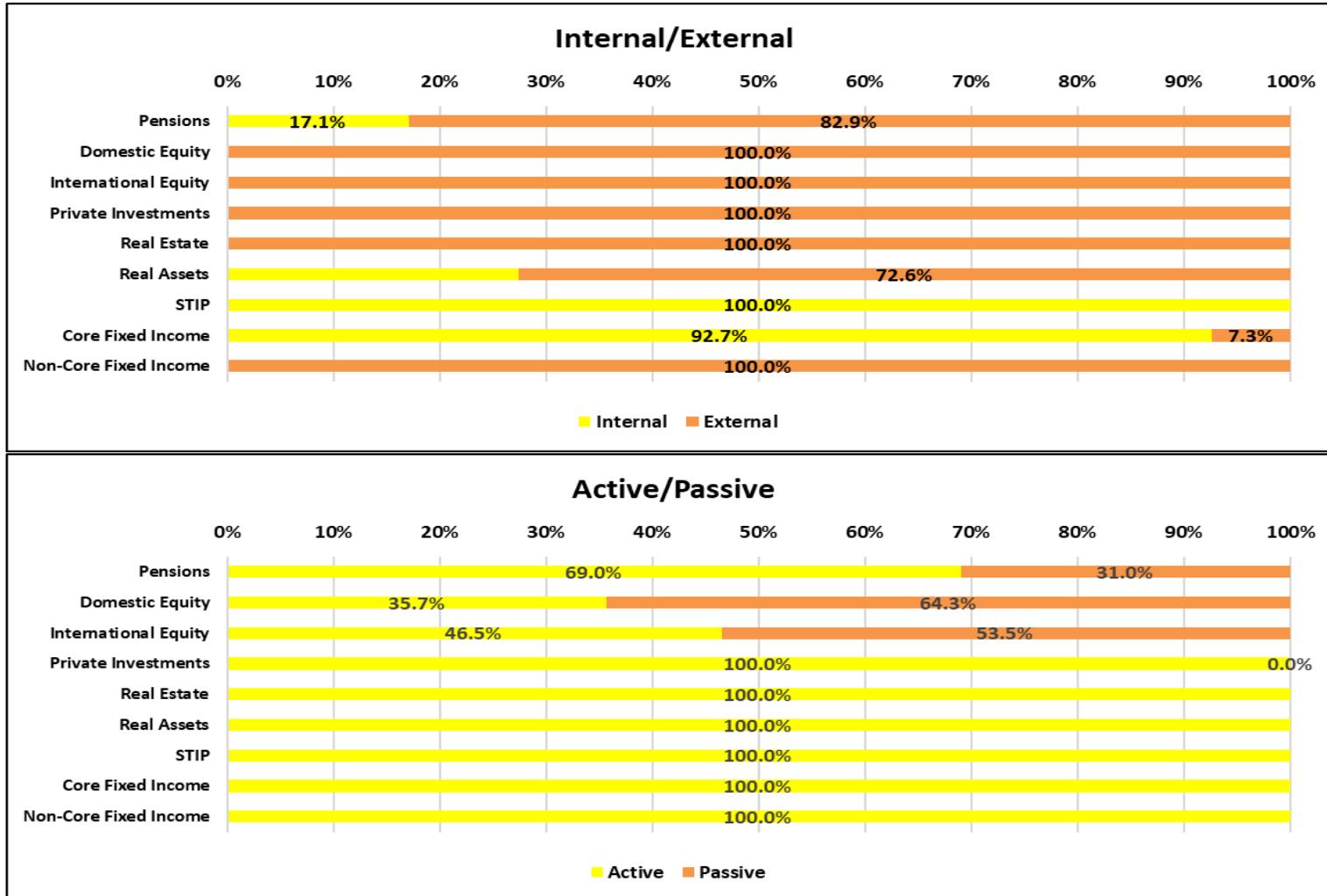


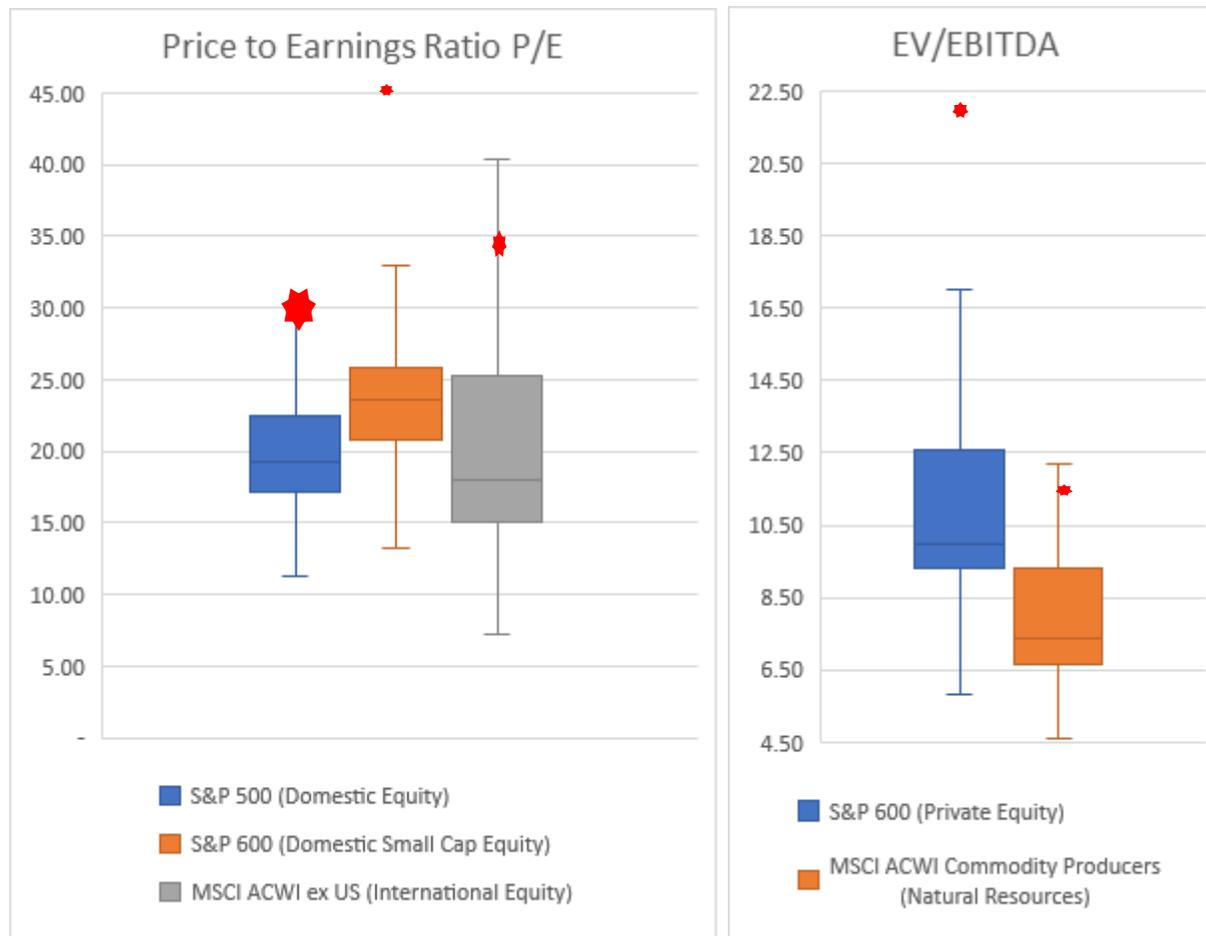
Relevant Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index

APPENDIX

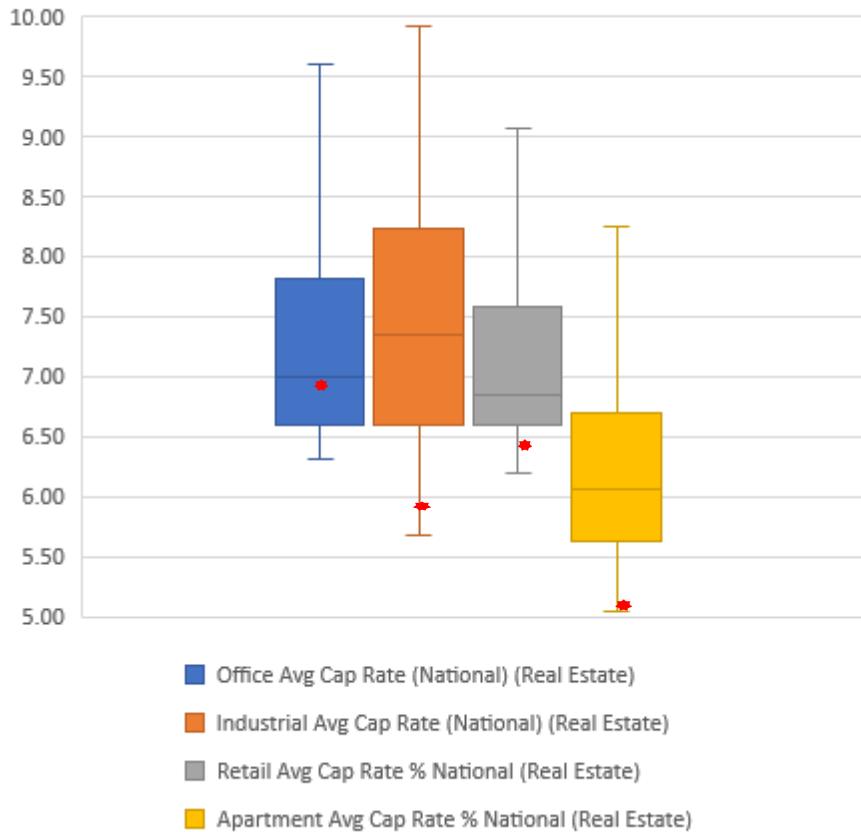
Retirement Plans Allocations by Pool



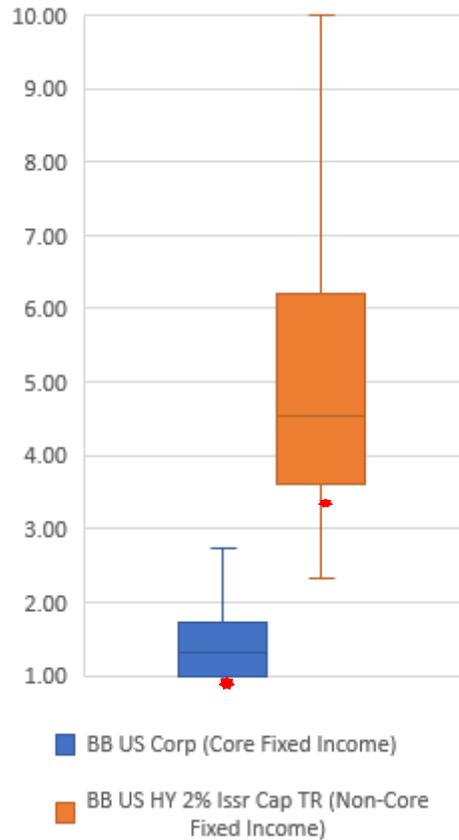




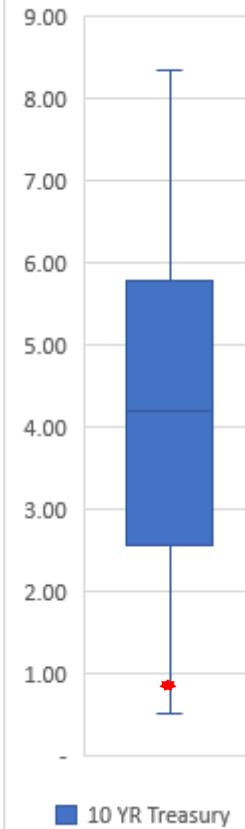
Real Estate Cap Rates



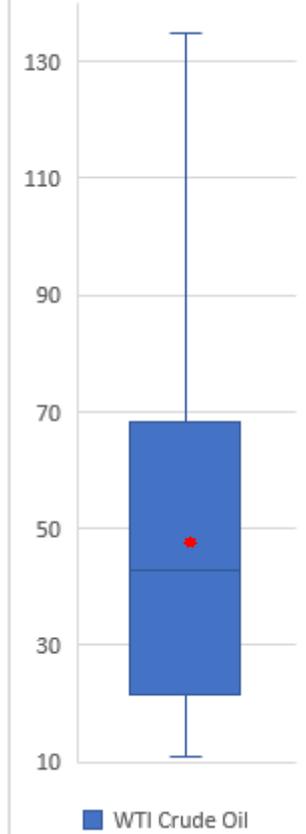
Option Adjusted Spread OAS

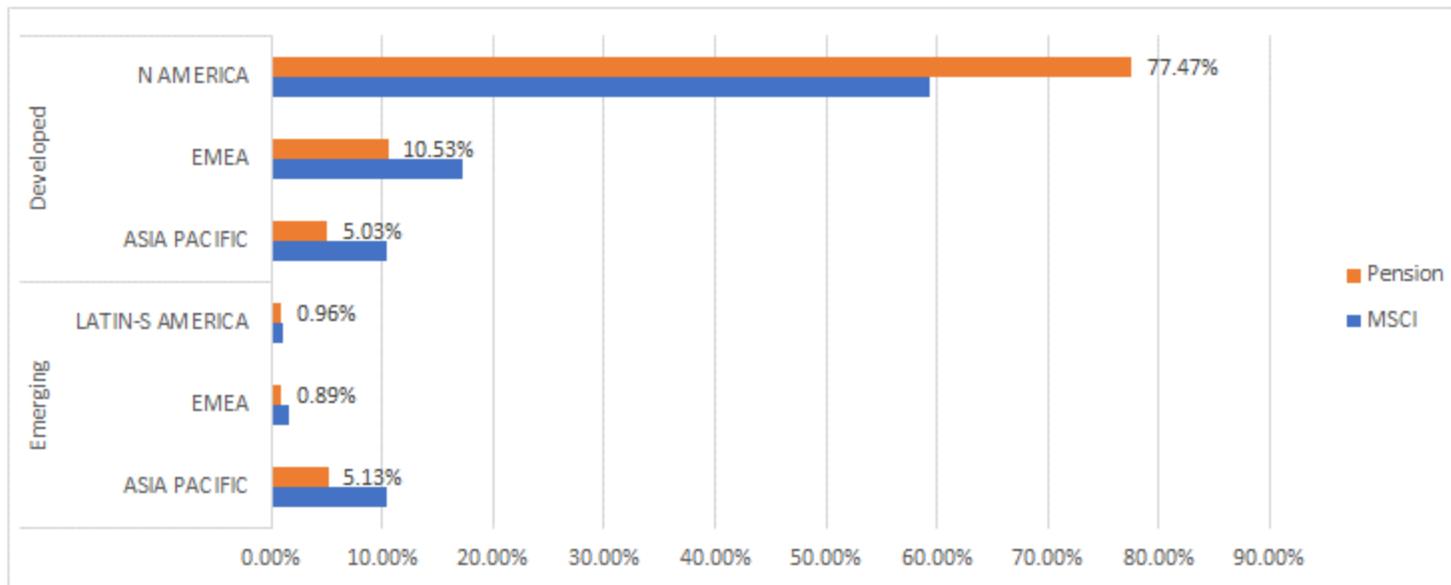
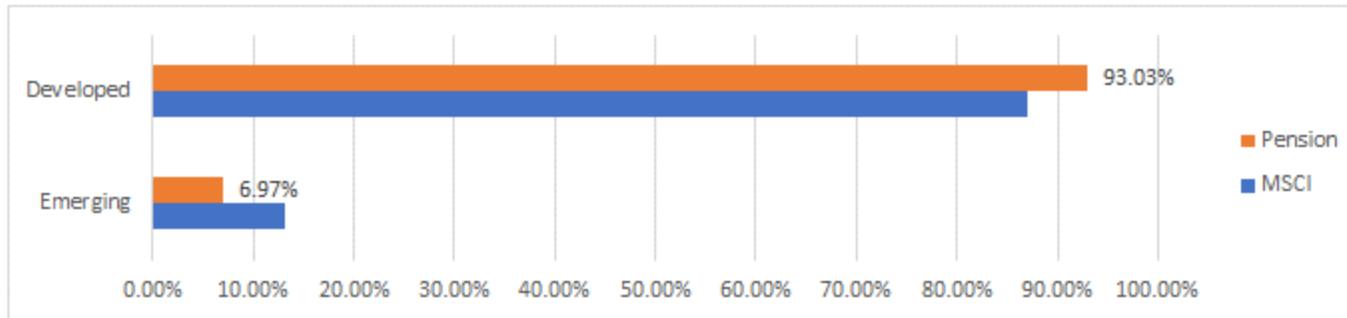


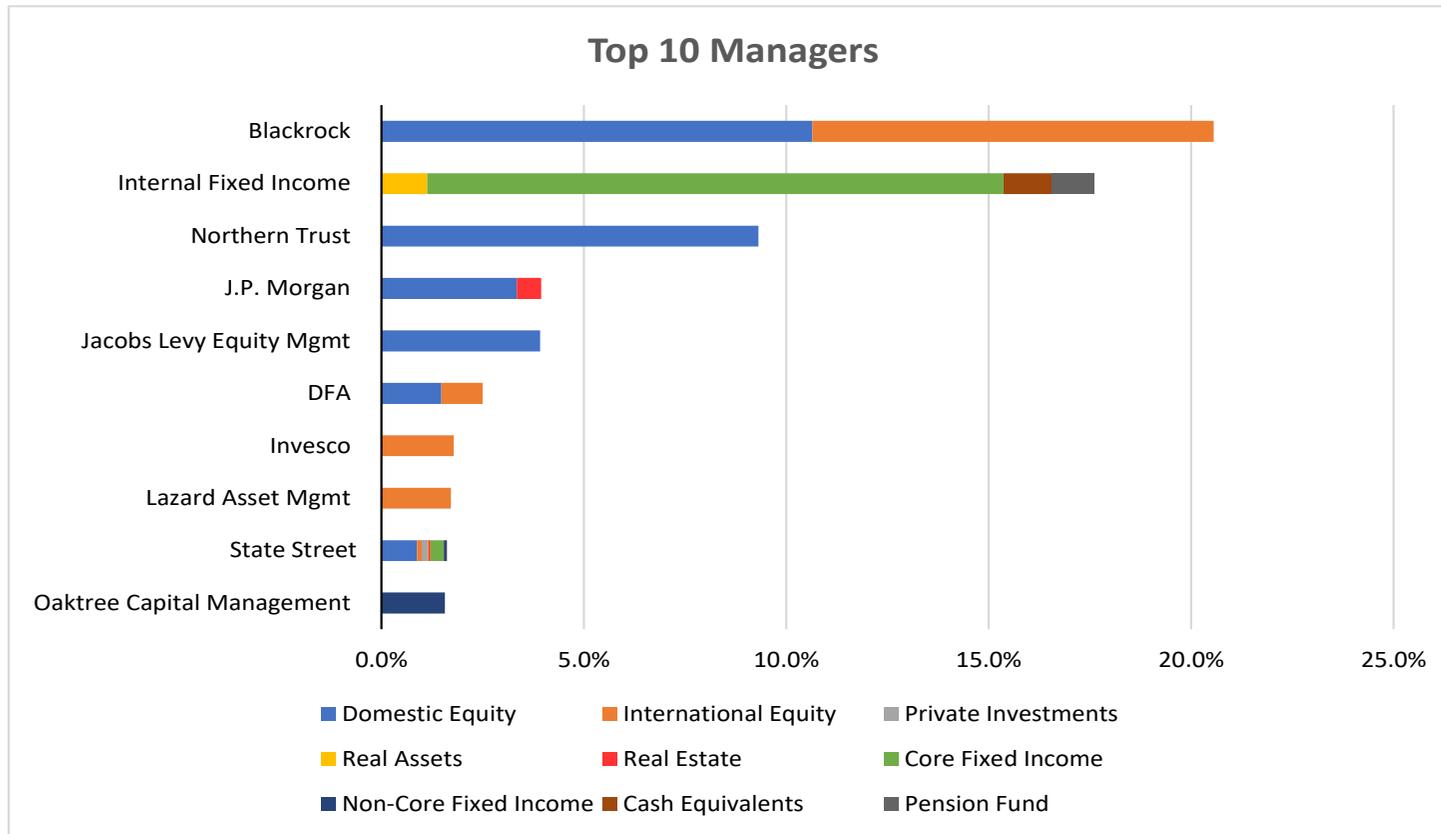
10 Yr Treasury



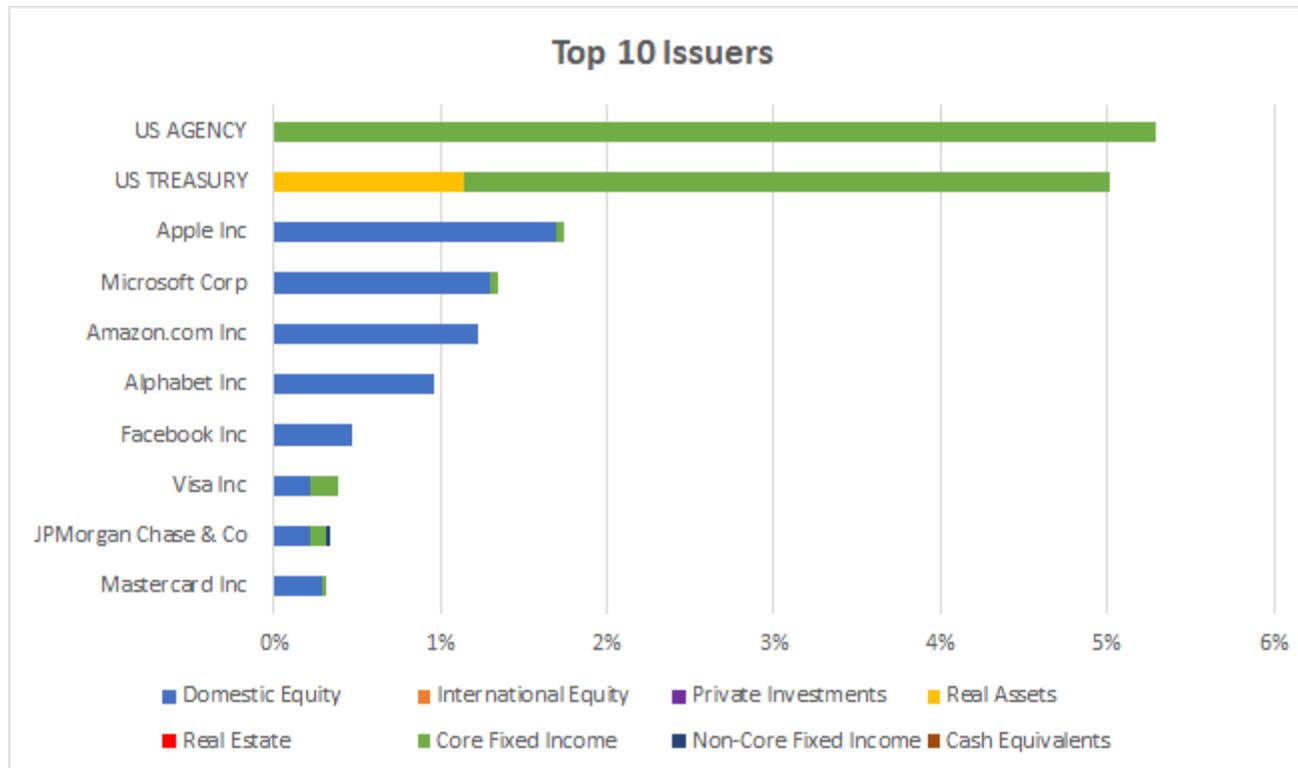
WTI Crude Oil

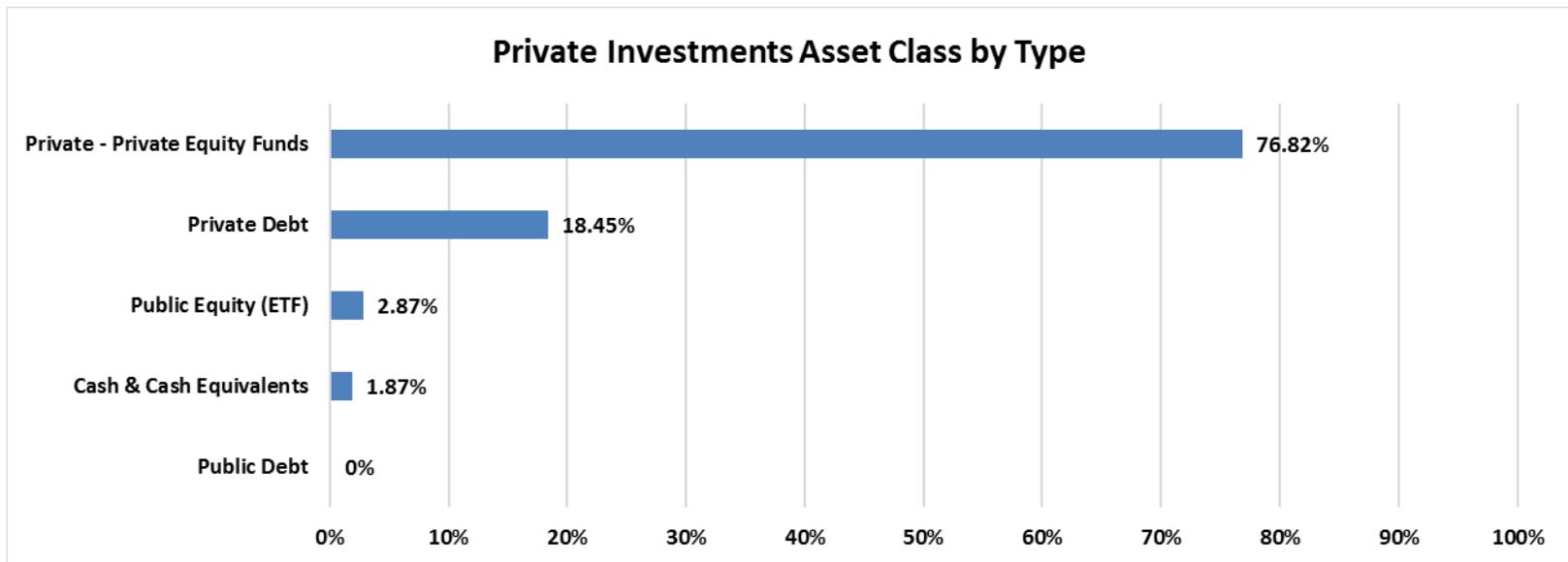


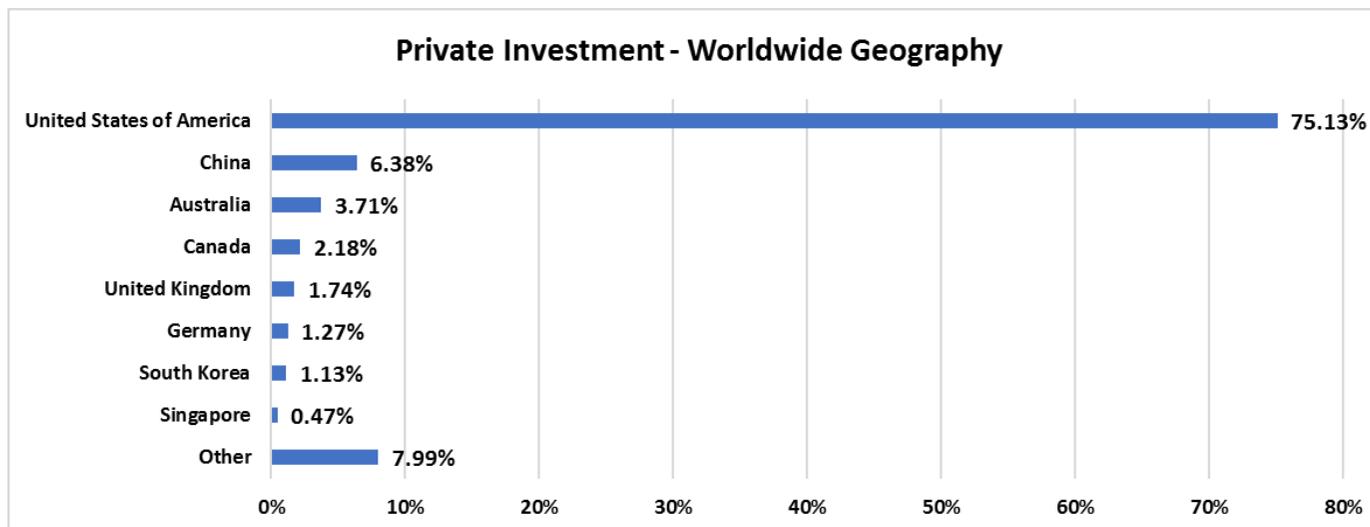
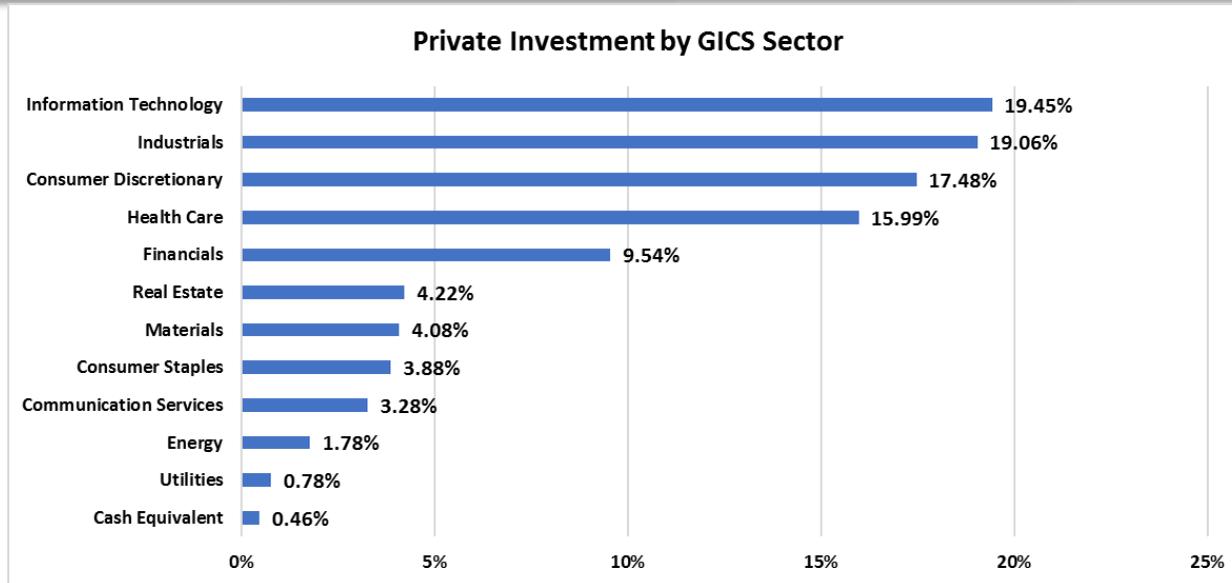




*Montana Public Retirement Plans shall have no greater than 5% of its Net Asset Value managed by any one external manager using an active investment strategy

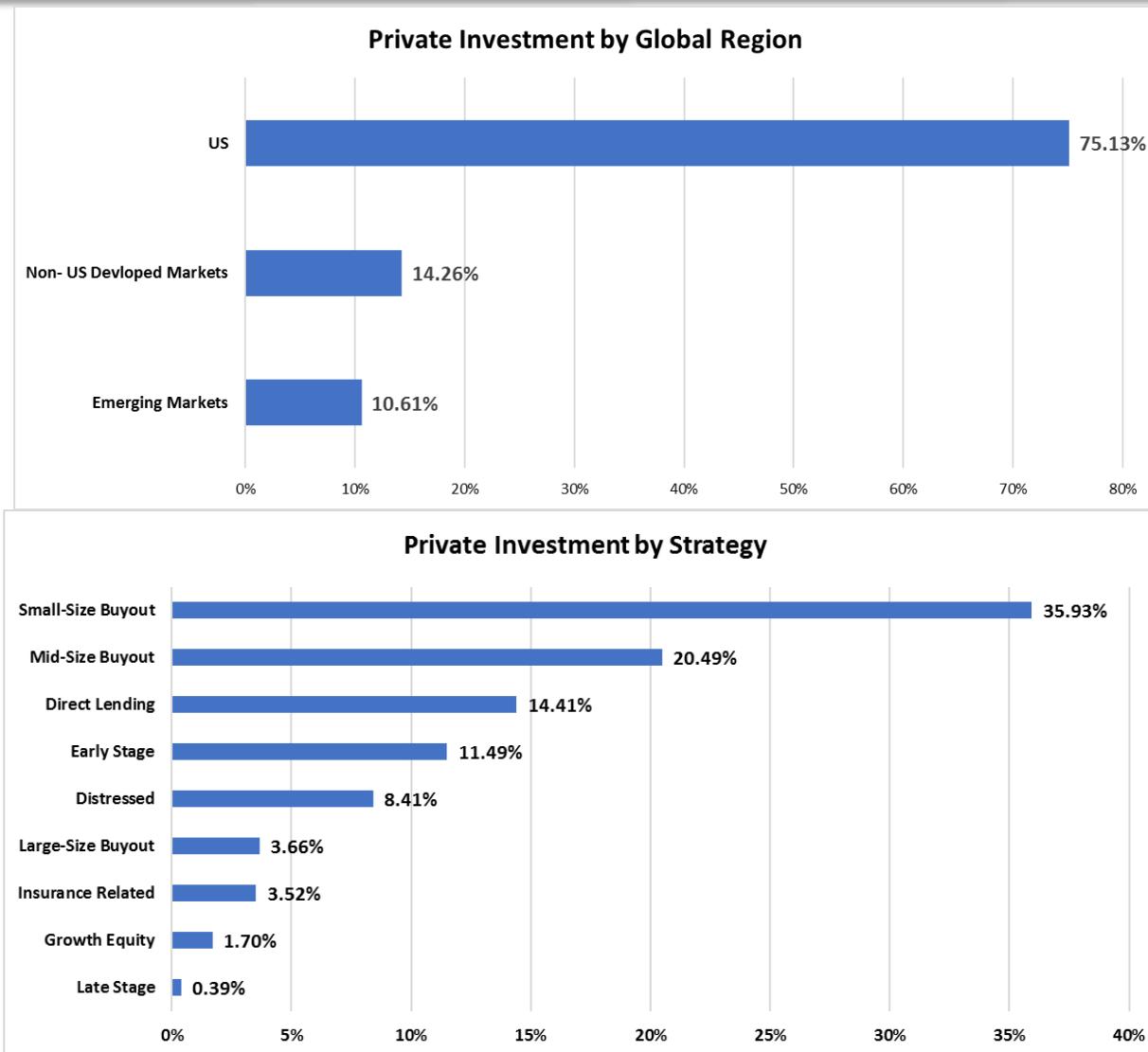






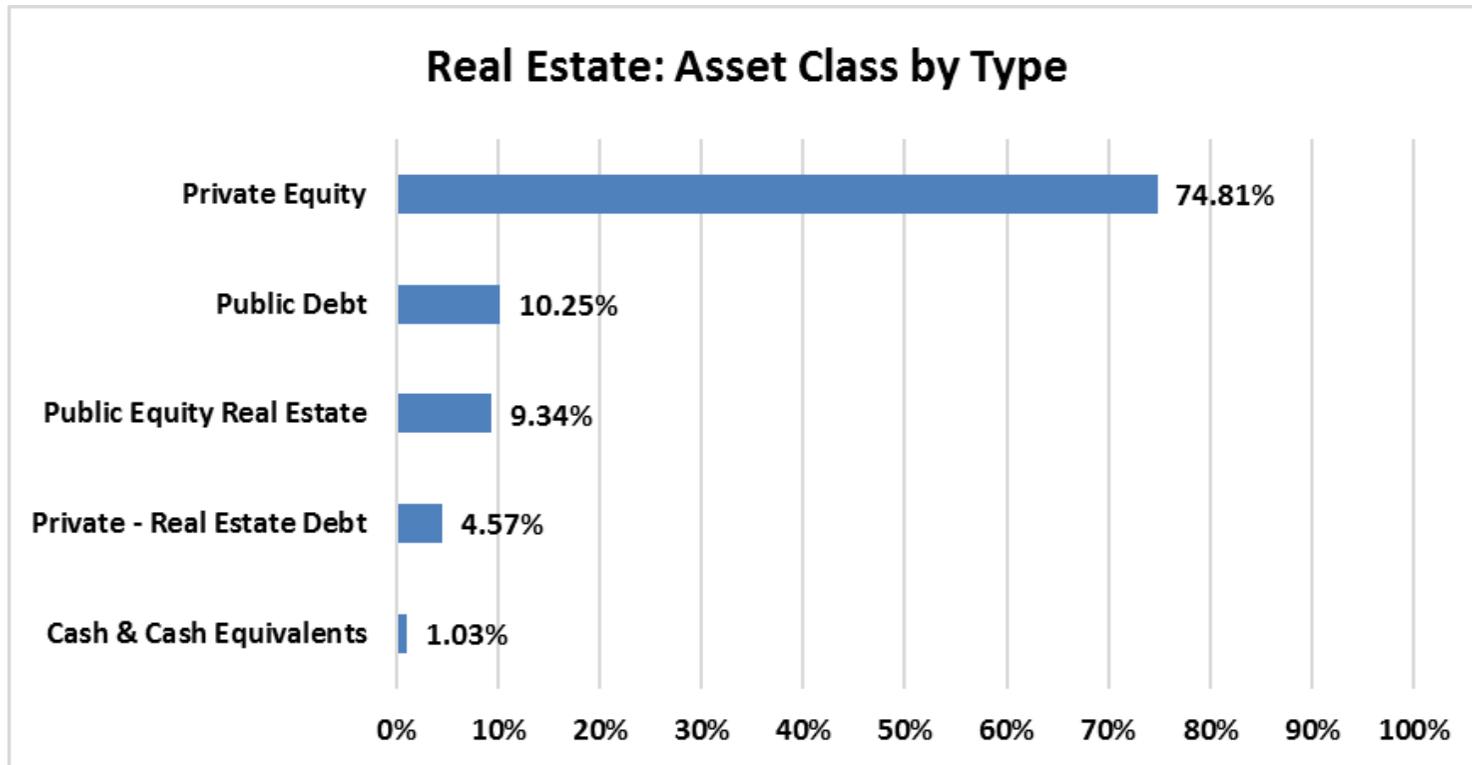
Note: Data reflects most recent GP-reported holdings as of 9/30/20

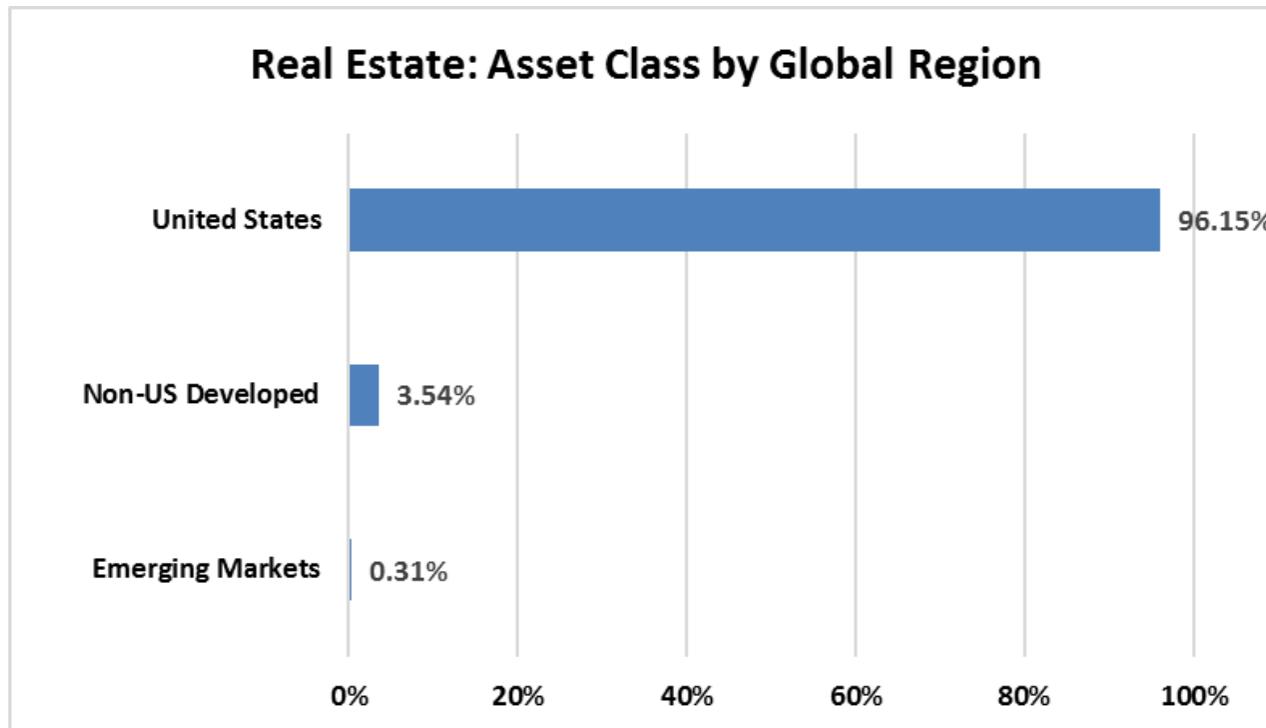
December 31, 2020



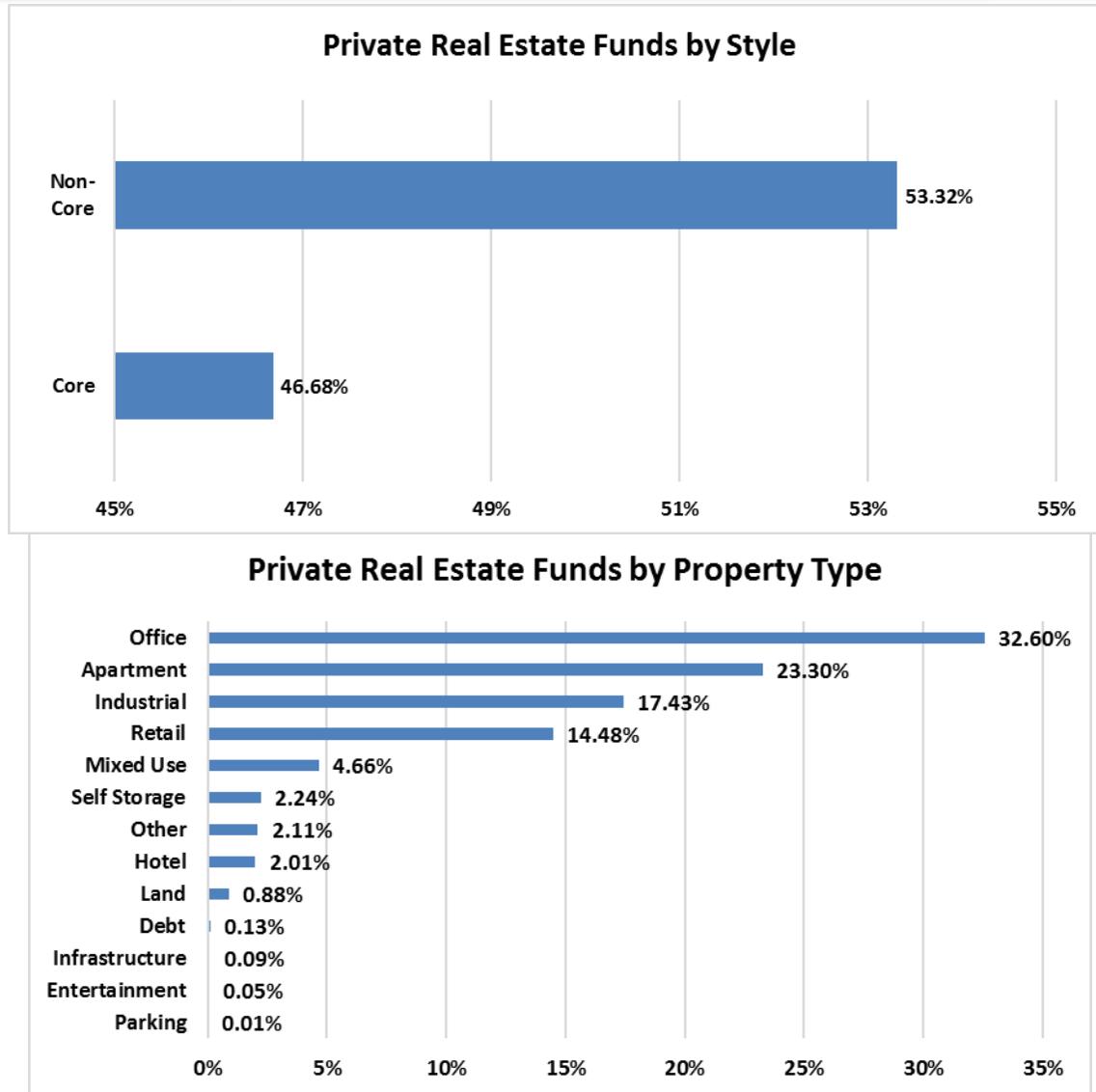
Note: Data reflects most recent GP-reported holdings as of 9/30/20

December 31, 2020



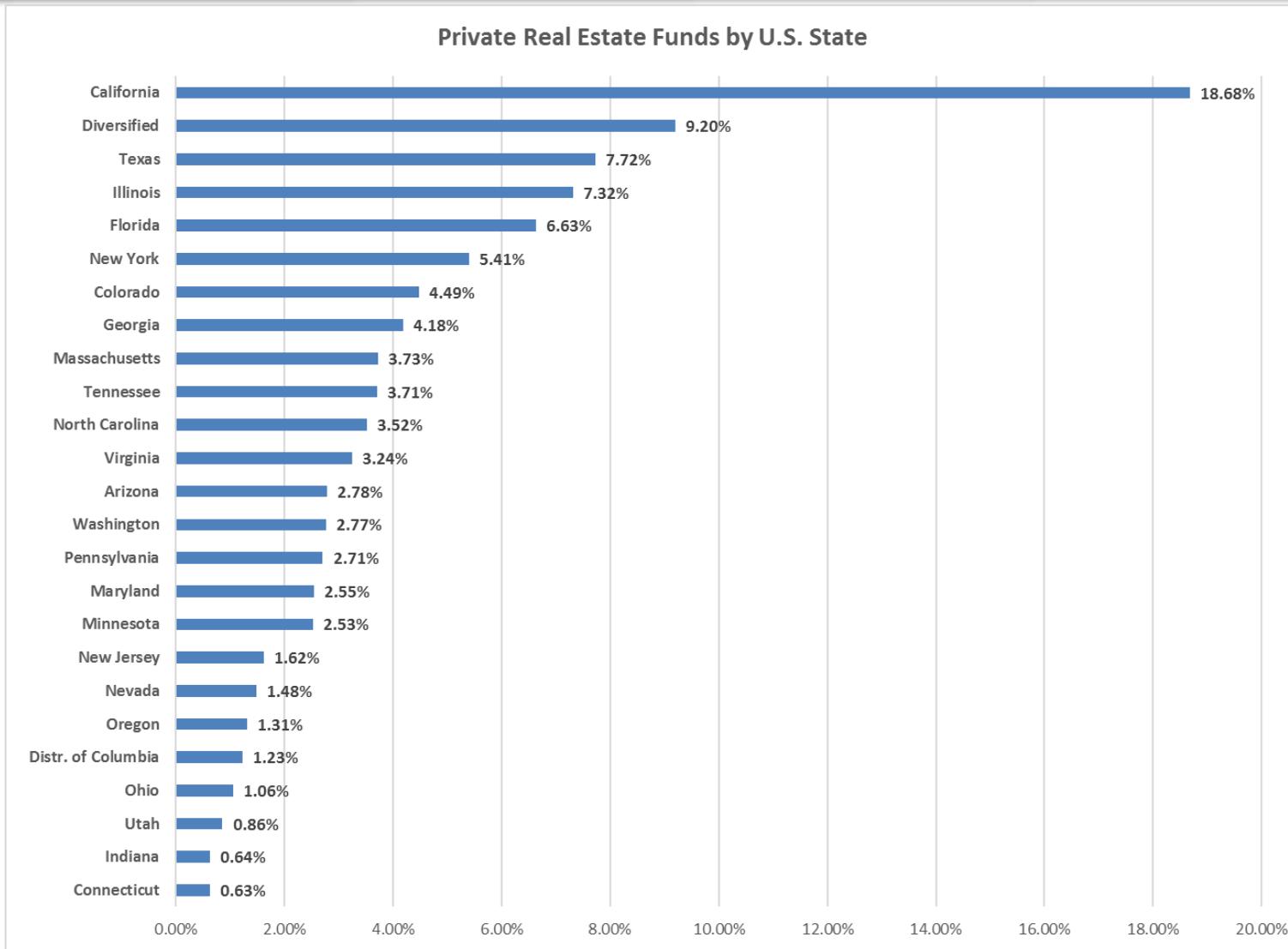


Note: Data reflects most recent GP-reported holdings as of 9/30/20
December 31, 2020



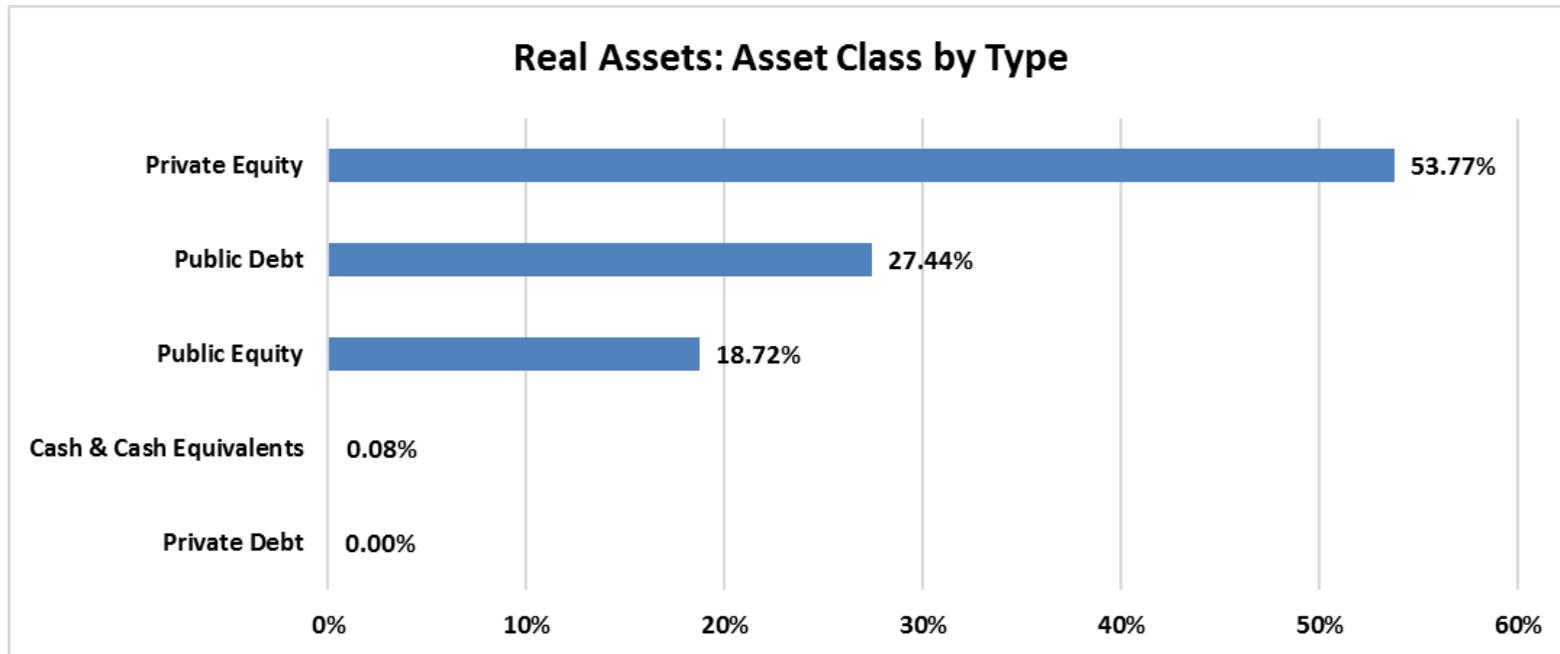
Note: Data reflects most recent GP-reported holdings as of 9/30/20

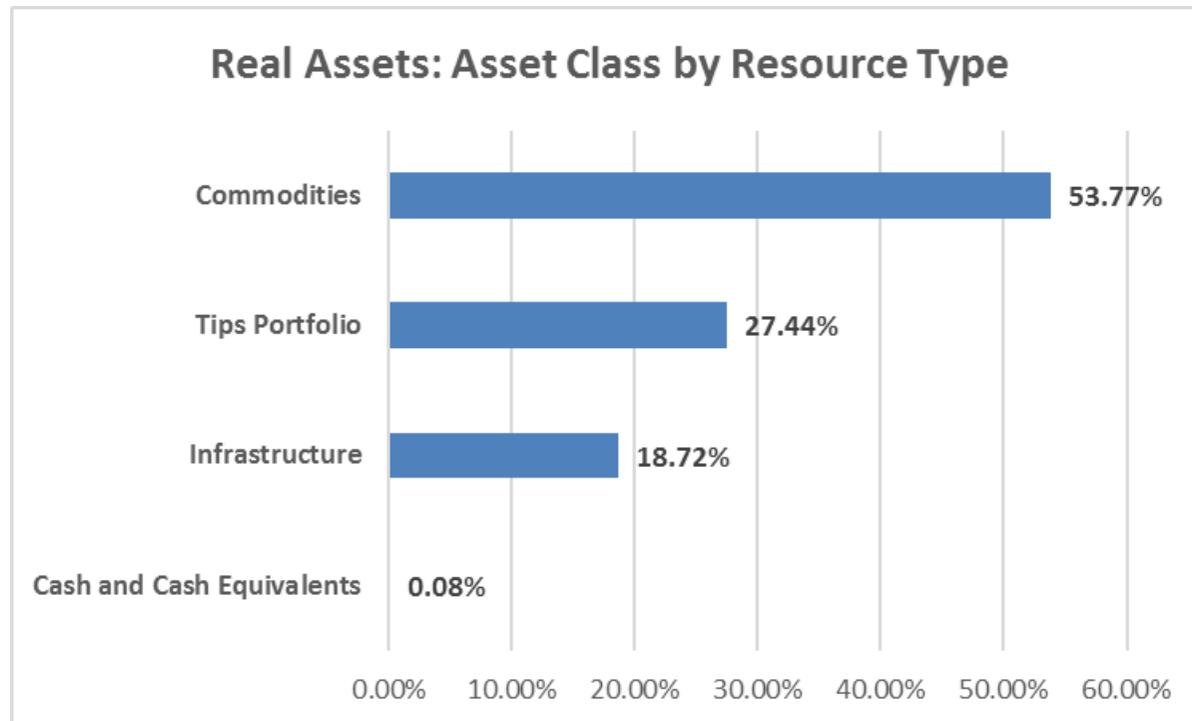
December 31, 2020

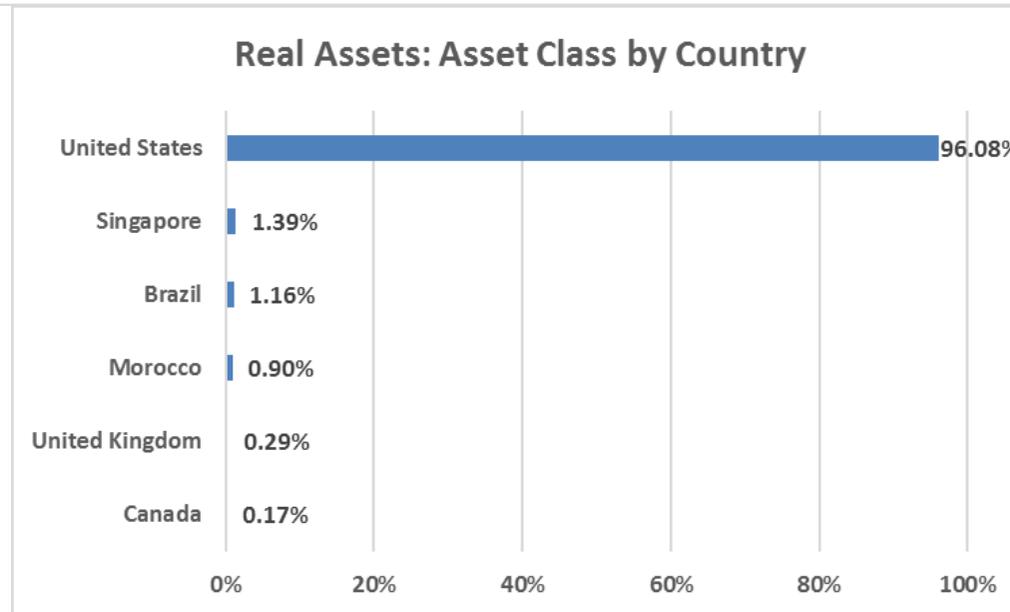
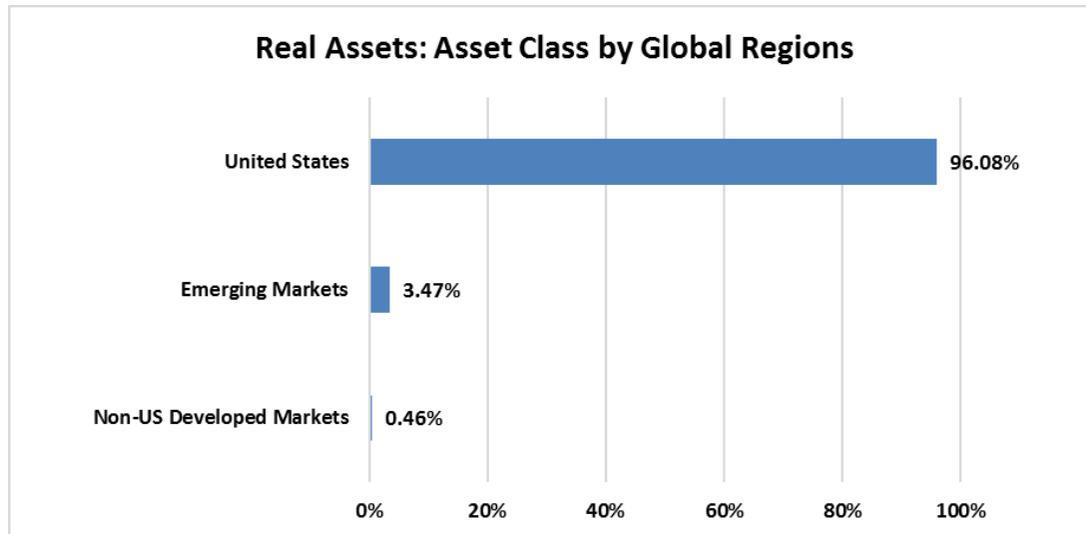


Note: Data reflects most recent GP-reported holdings as of 9/30/20

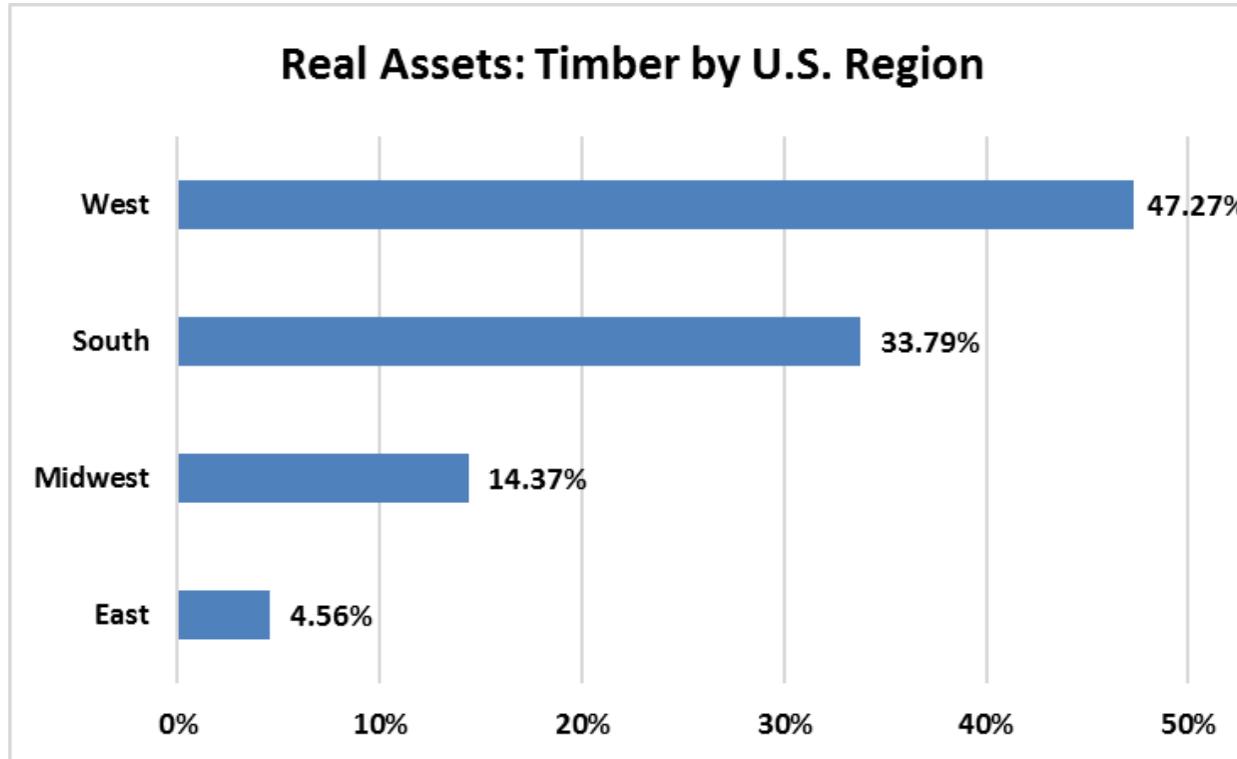
December 31, 2020





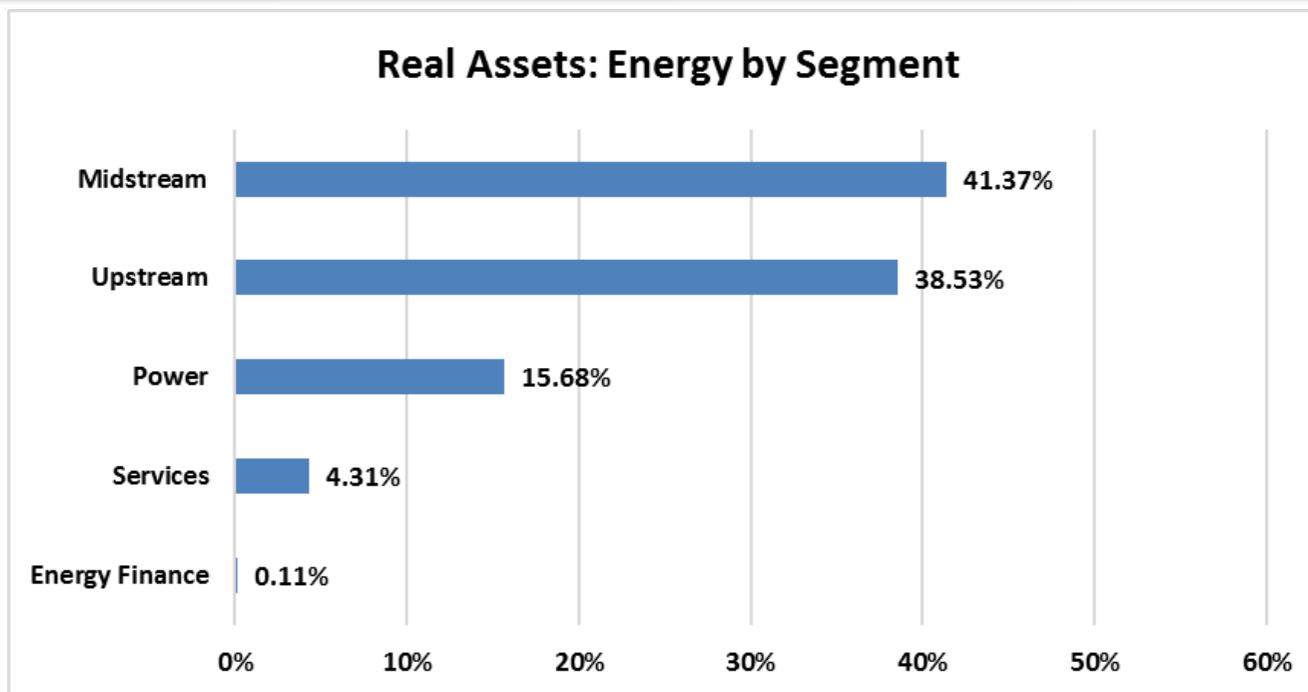


Note: Data reflects most recent GP-reported holdings as of 9/30/20
December 31, 2020



Note: Data reflects most recent GP-reported holdings as of 9/30/20

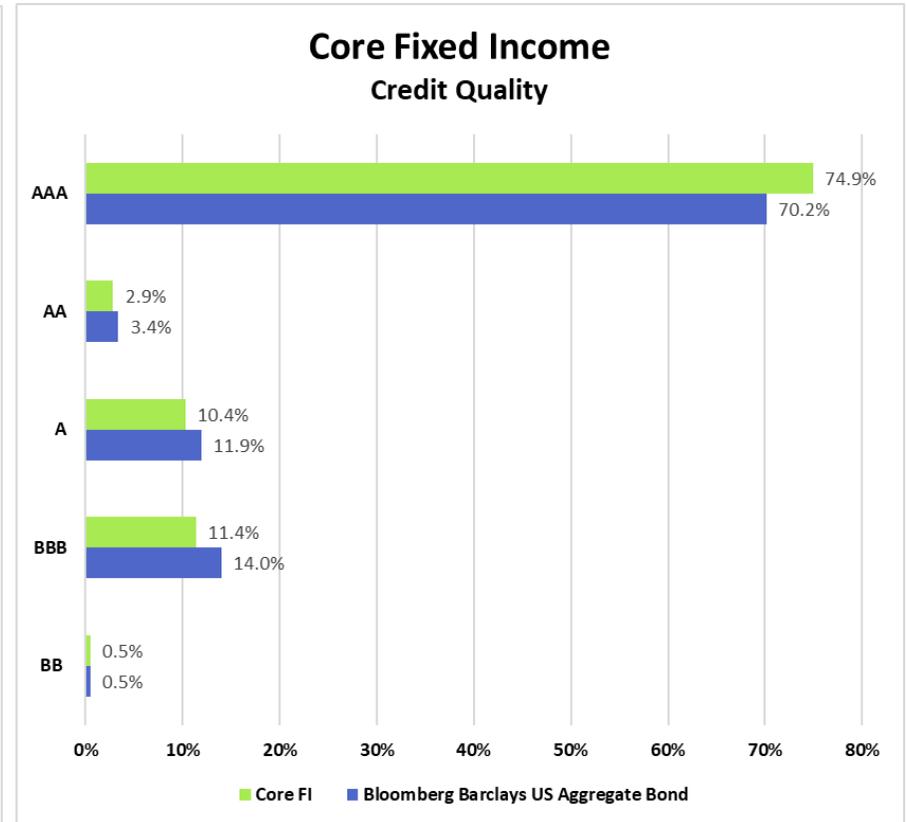
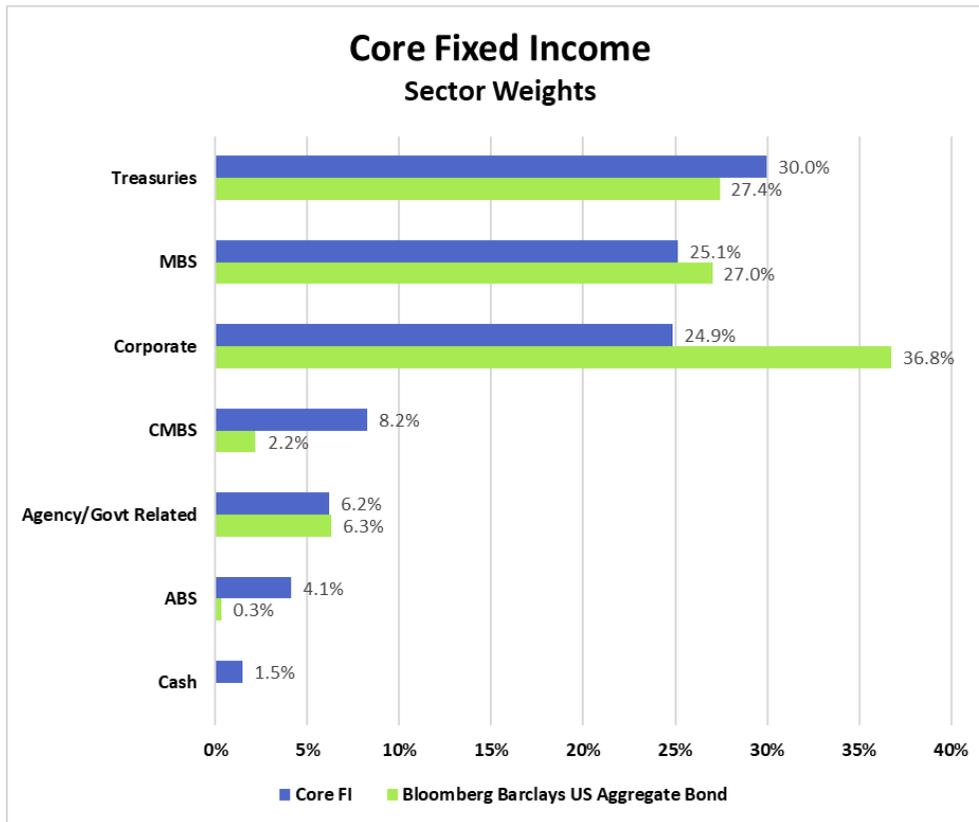
December 31, 2020



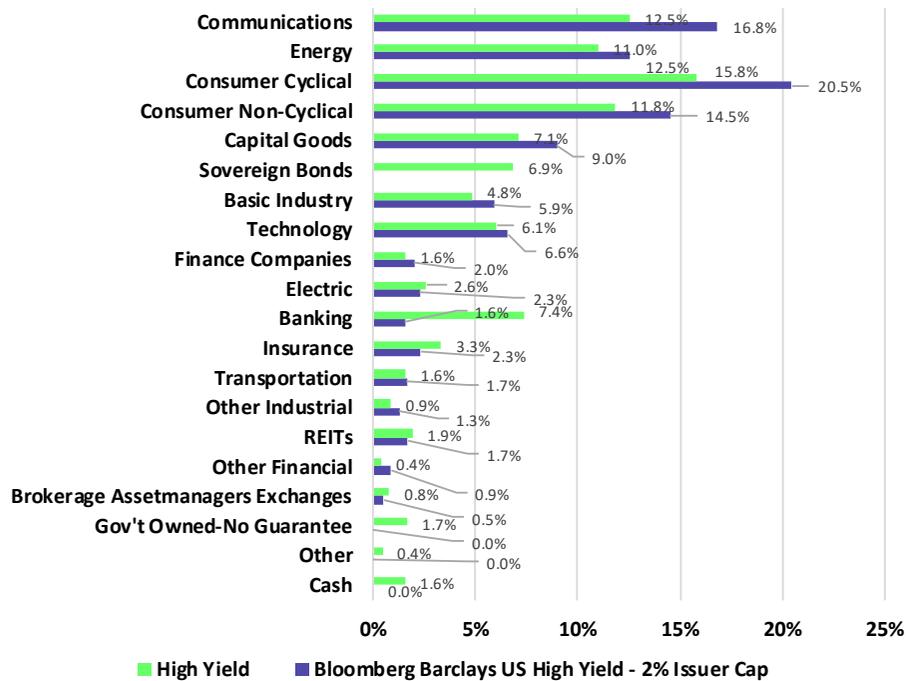
Upstream	Exploration and production
Services	Businesses that provide ancillary services and equipment required to explore for, produce and transport oil and gas
Power	Generation plants that create power
Midstream	Pipelines, terminals and storage of oil and gas and involves the transportation of oil and gas
Energy Finance	Investments in a portfolio of liquid or yield-orientated securities

Note: Data reflects most recent GP-reported holdings as of 9/30/20

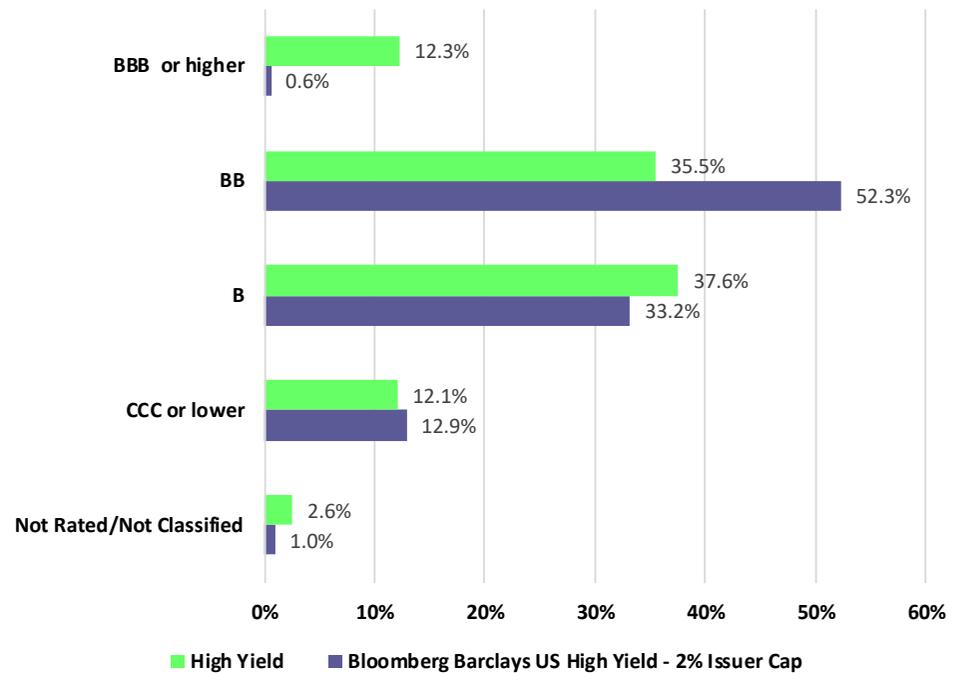
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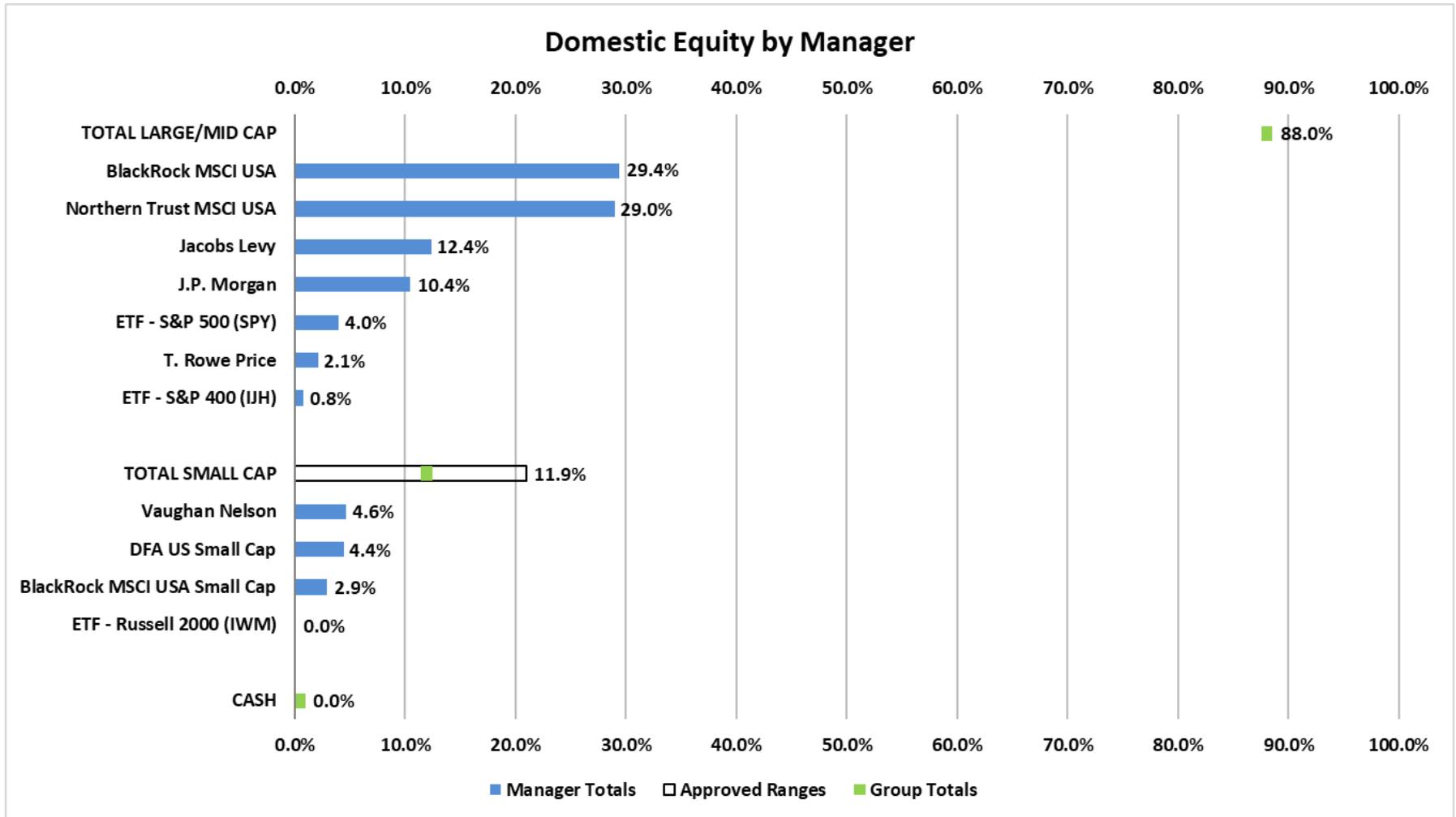


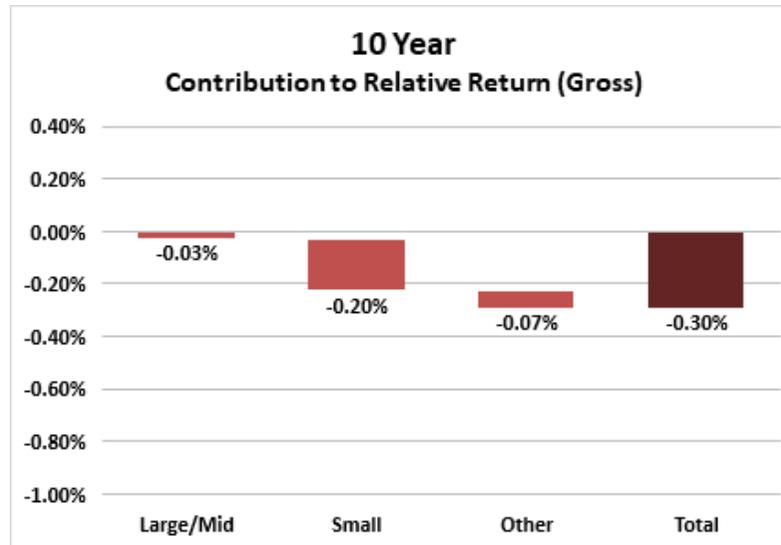
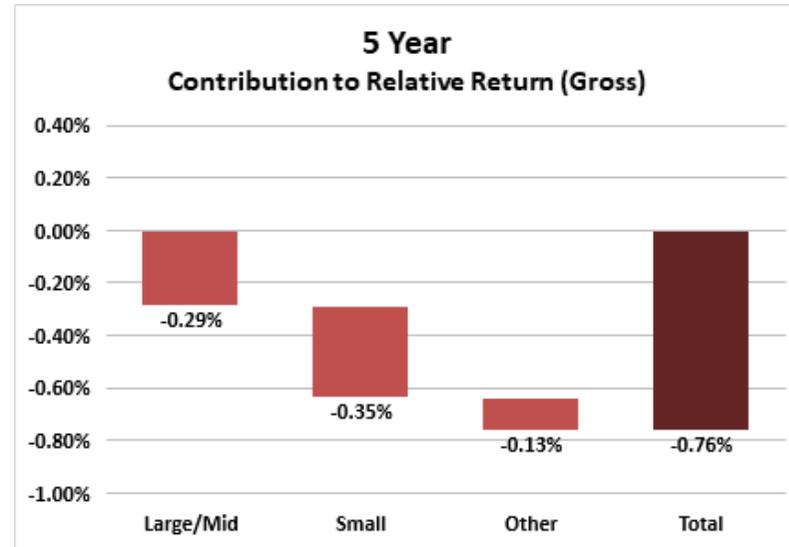
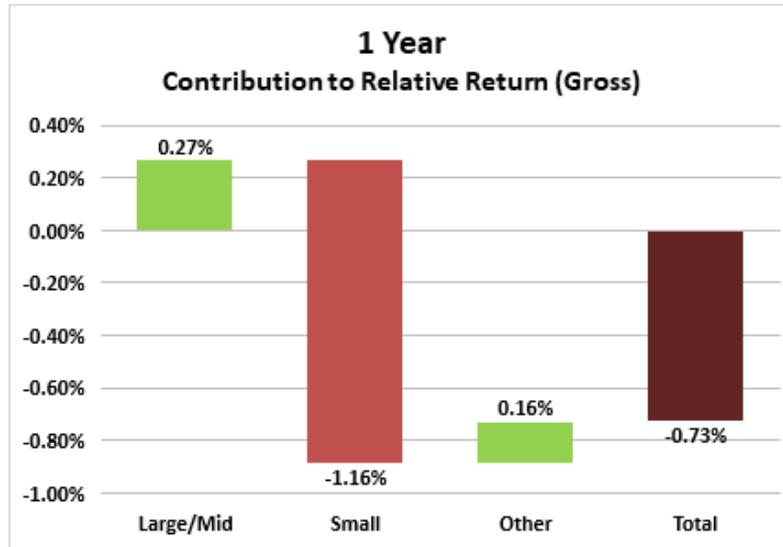
**Non-Core Fixed Income
Sector Weights**



**Non-Core Fixed Income
Credit Quality**

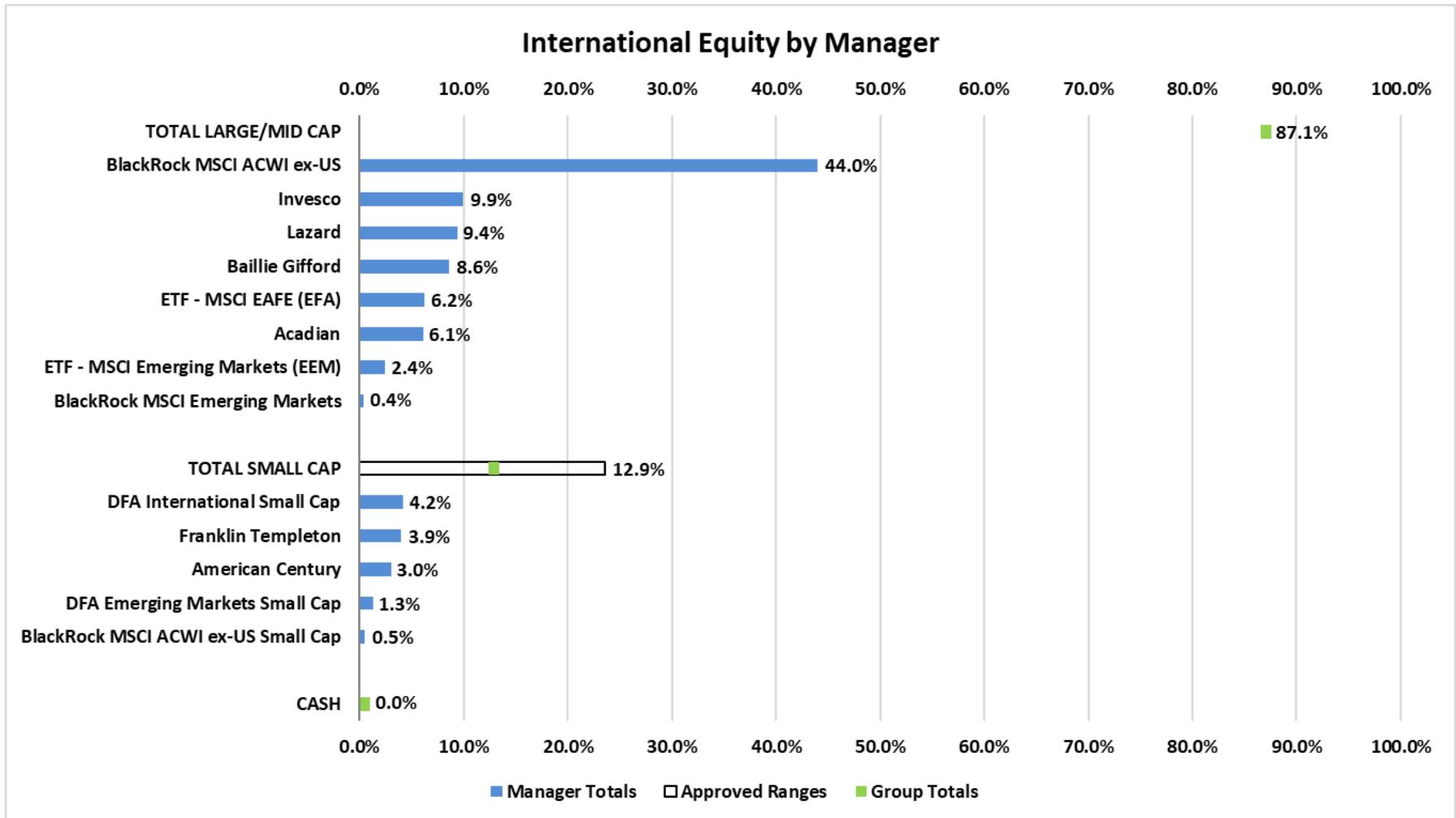


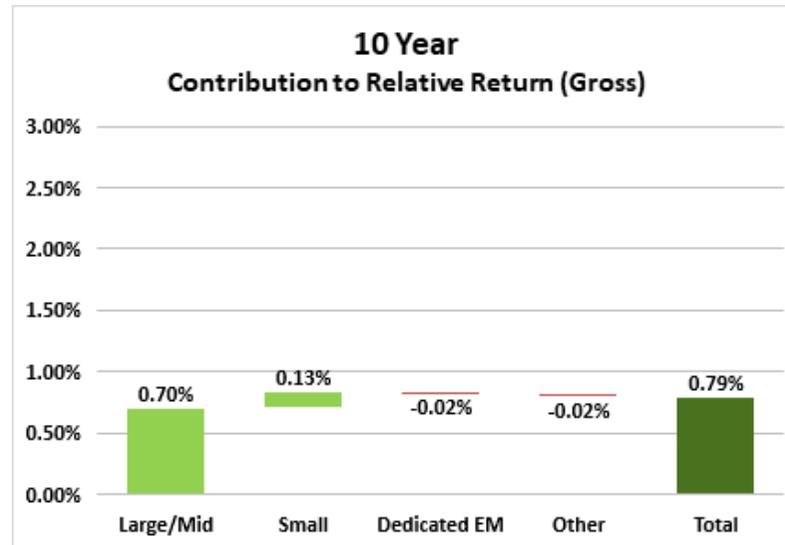
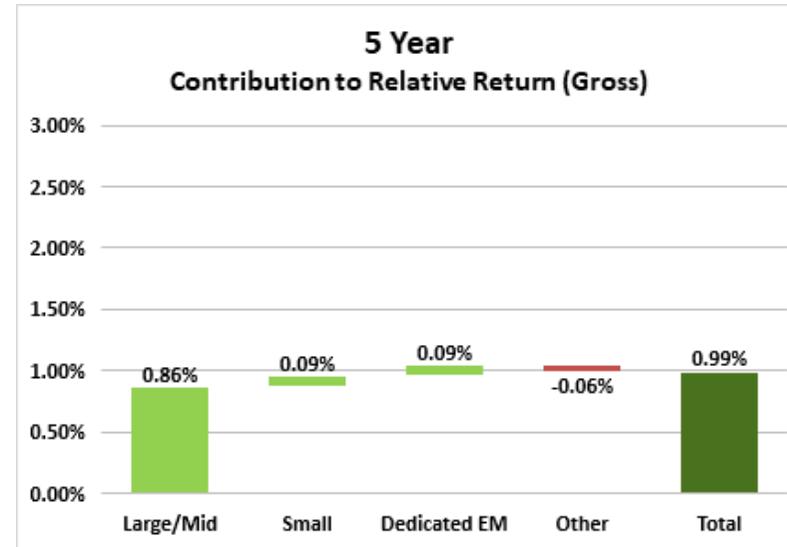
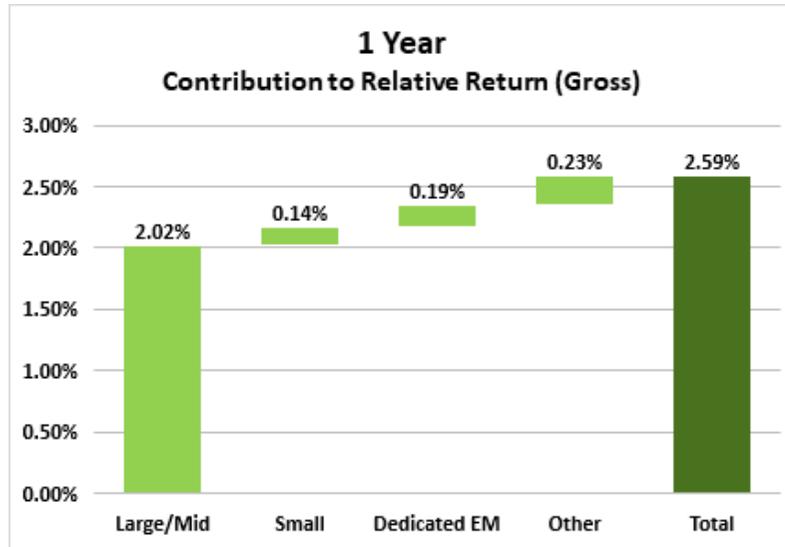




Benchmark: Domestic Equity – PAC Custom Blend

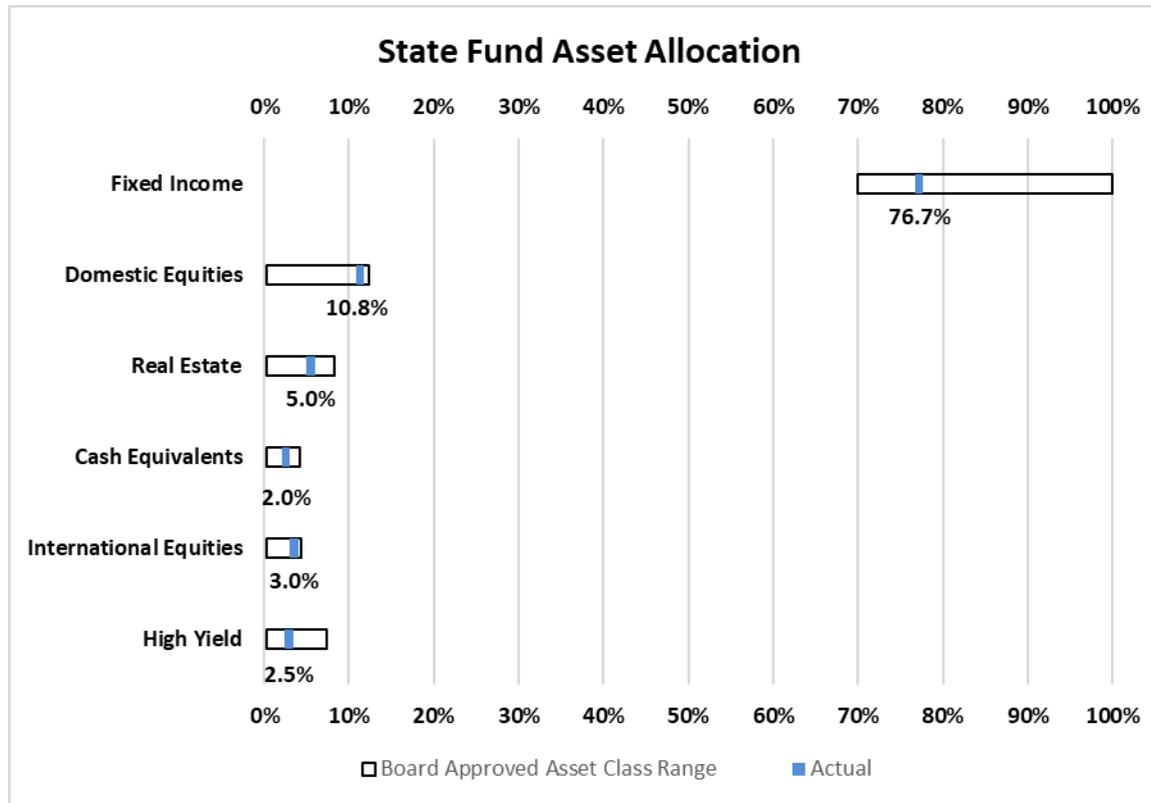
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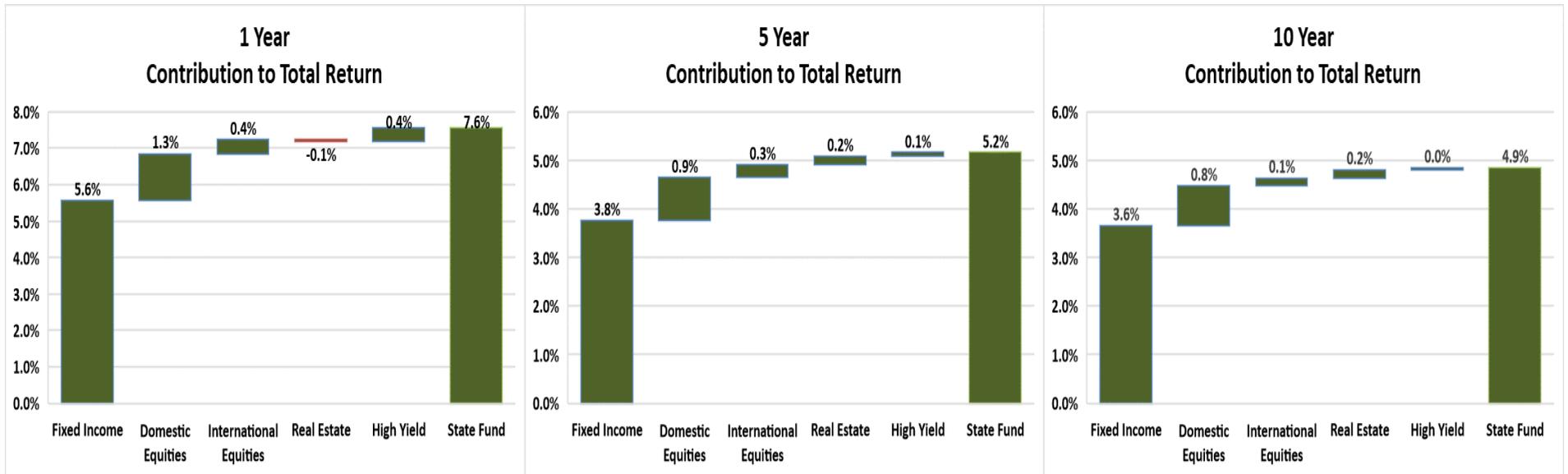


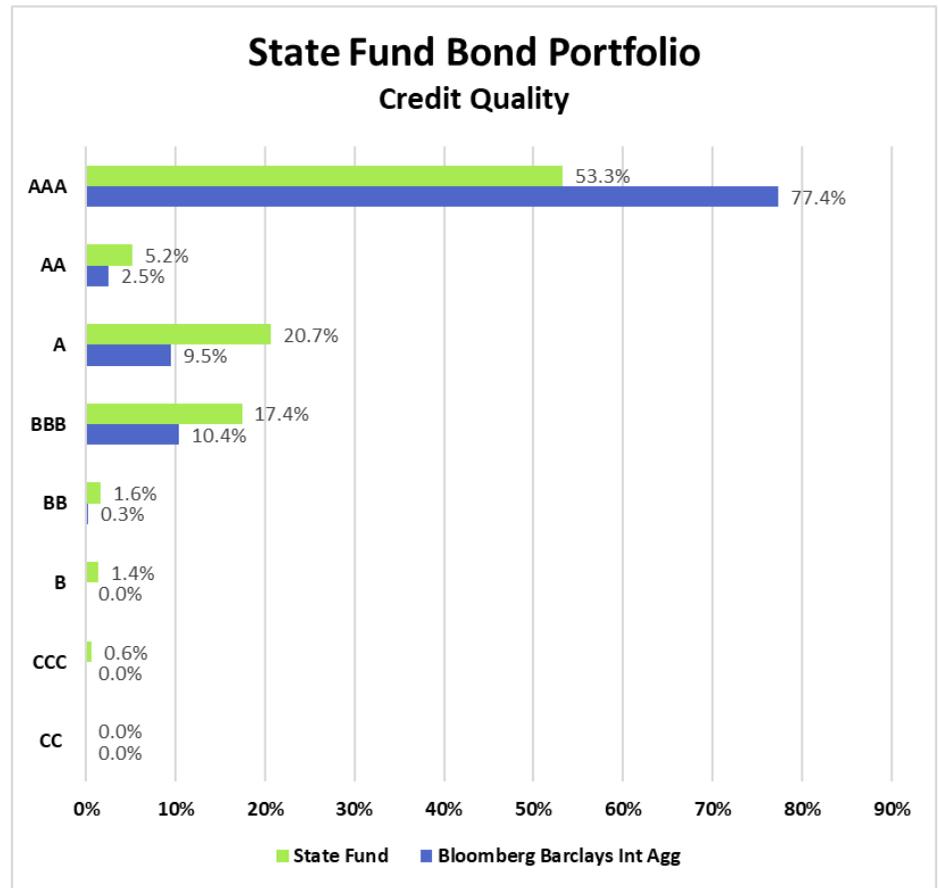
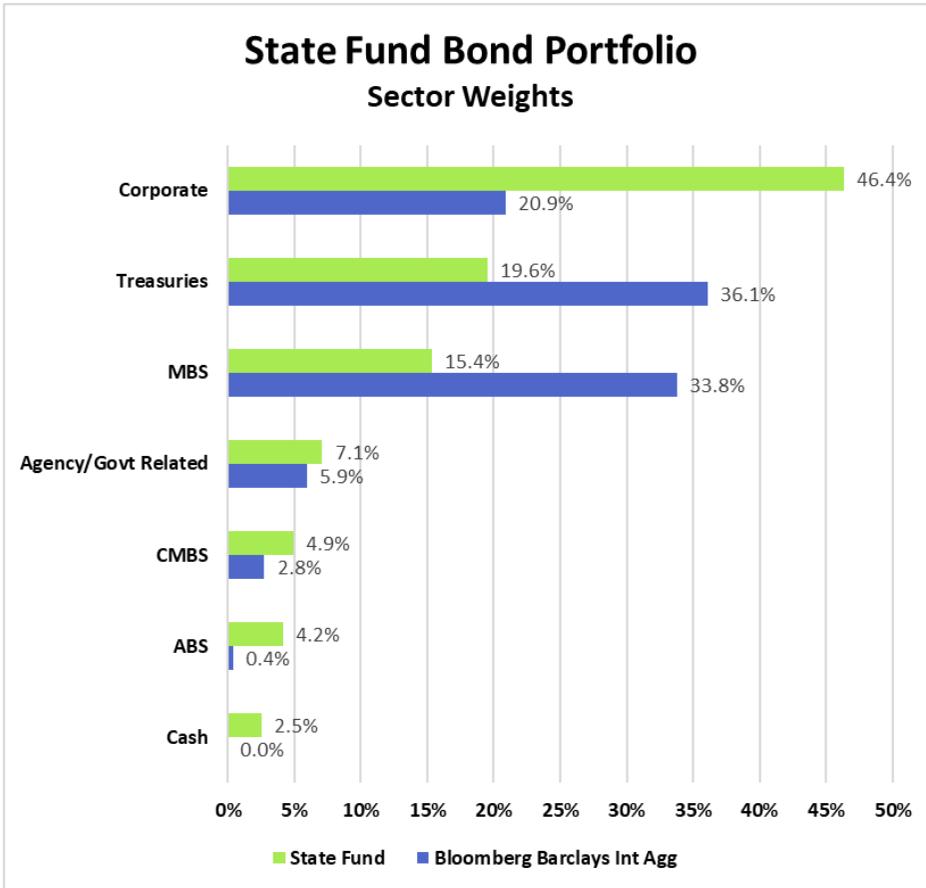


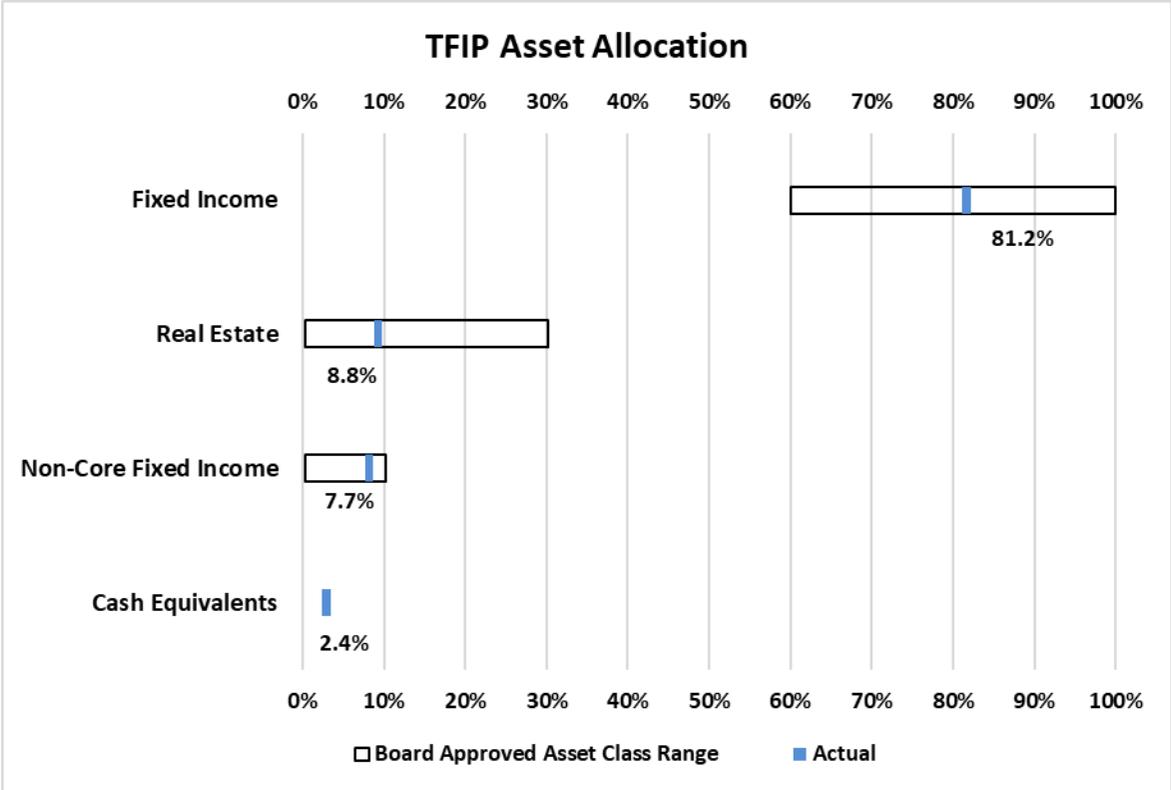
Benchmark: International Equity – PAC Custom Blend

December 31, 2020

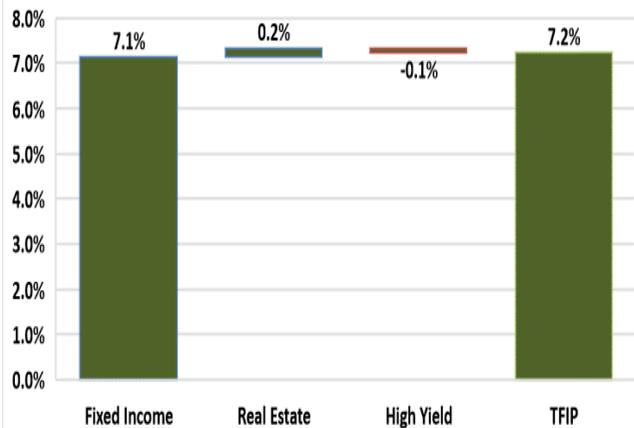




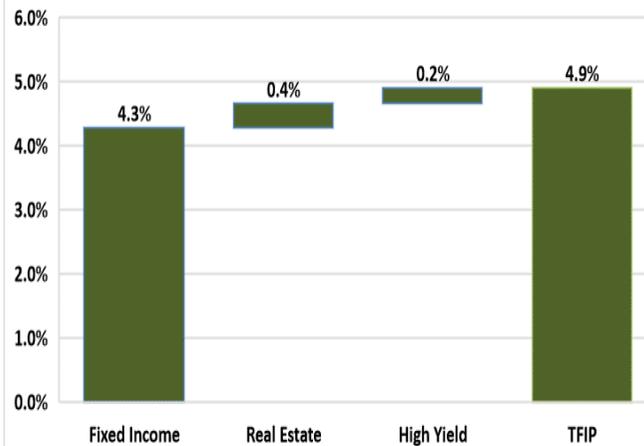




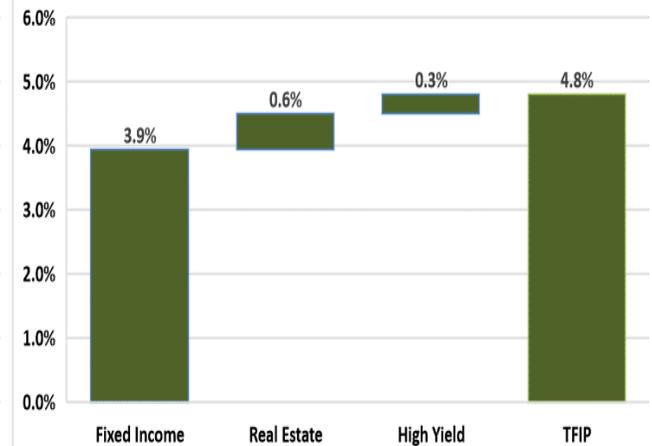
**1 Year
Contribution to Total Return**

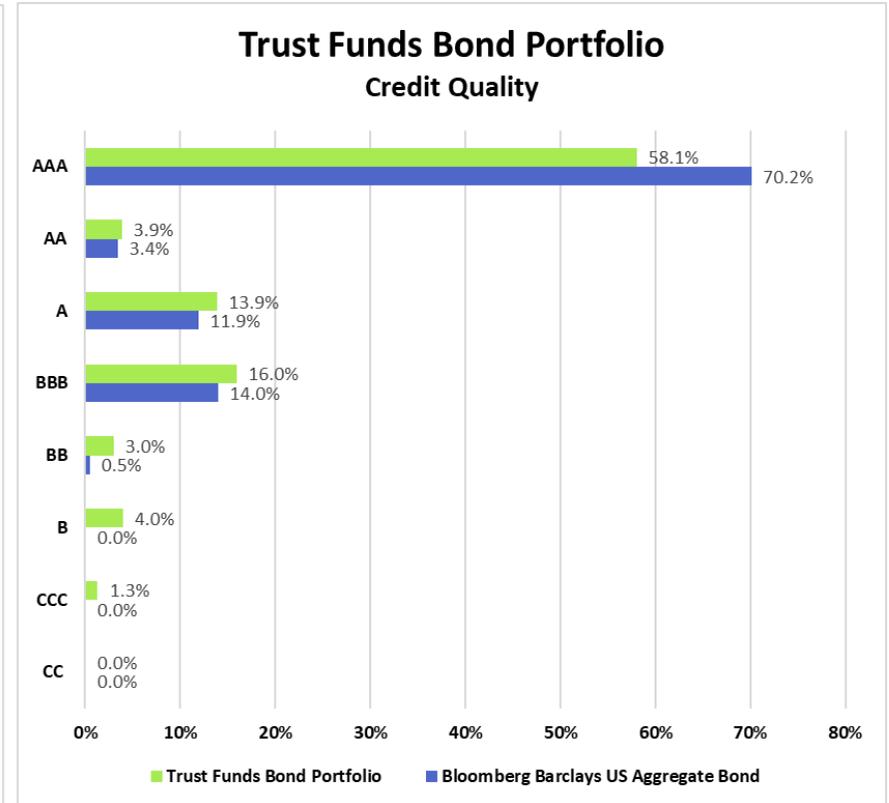
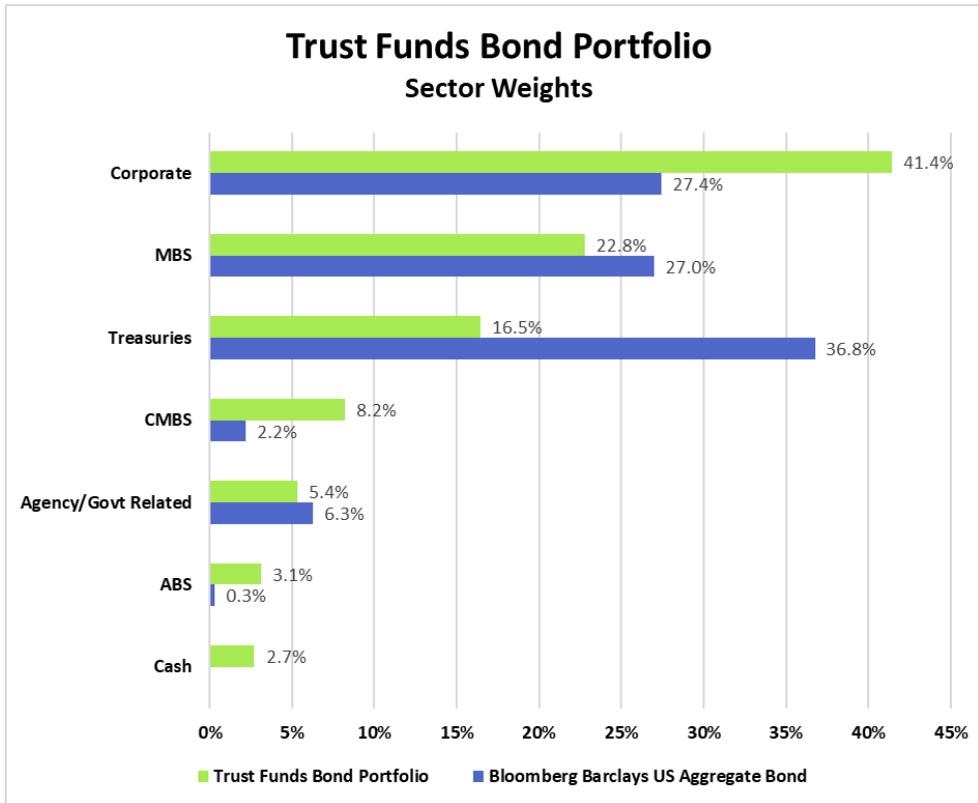


**5 Year
Contribution to Total Return**

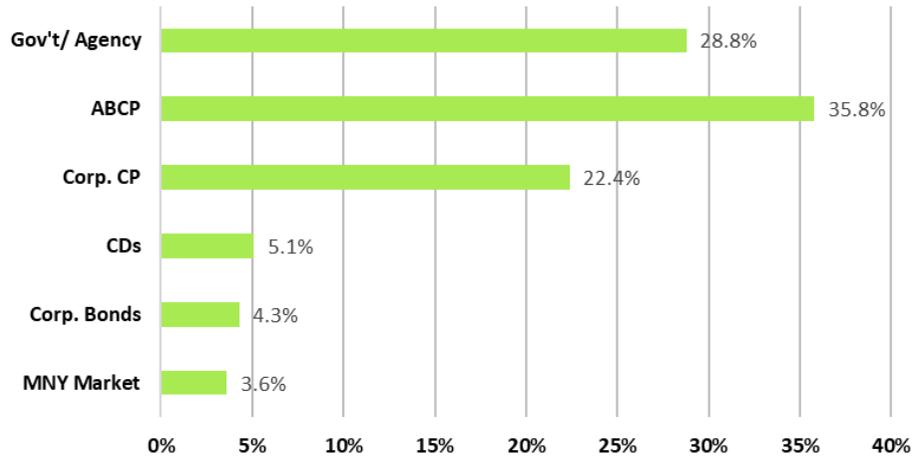


**10 Year
Contribution to Total Return**

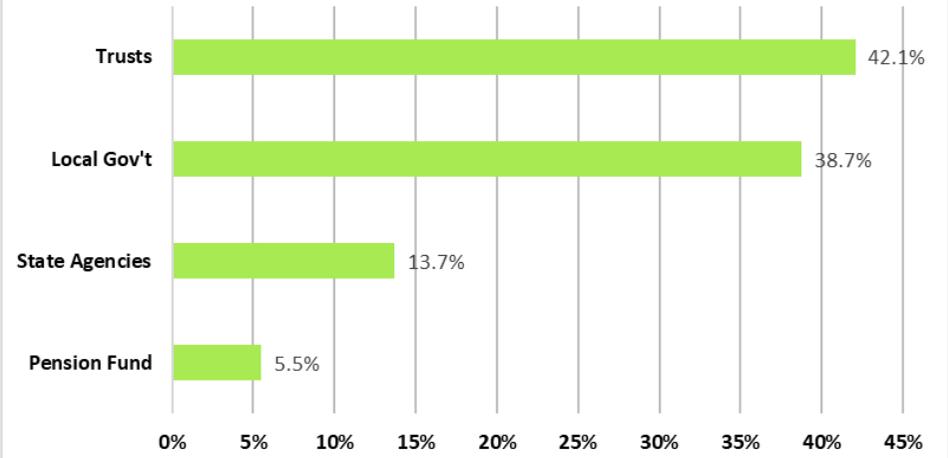




Assets by Type



Participant by Type



MONTANA

BOARD OF INVESTMENTS

TO: Members of the Board
FROM: John Romasko, Director of Fixed Income
DATE: February 24, 2021
RE: Proposed NEW Investment Policy for Department of Justice

We have two new separate accounts for Department of Justice Natural Resource Damage Program (NRDP). The proposed IPS follow this memo.

Greenway Project Trail Maintenance Fund

The Greenway Project Trail Maintenance Fund was created at the end of December 2020 through an agreement between the State of Montana and Prickly Pear Land Trust, Inc. (PPLT). It will act as a subaccount of the East Helena Compensation Fund. The Fund facilitates the transfer of land from the Montana Environmental Trust Group, LLC, to PPLT by providing funding to maintain trails on the property for up to twenty-five years. The trails are expected to be completed within the next several years.

The Fund is expendable over the long-term and a large allocation to TFIP is appropriate. It is foreseeable that individual securities could be necessary to offset some known large expenditures.

2011 Yellowstone Exxon Settlement Fund

The 2011 Yellowstone Exxon Settlement Fund was created in 2016 through a settlement between the State of Montana and the ExxonMobil Pipeline Company. The purpose of the settlement is to compensate the State for damages as a result of an oil spill in the Yellowstone River in 2011. The settlement plan document can be found on the NRDP website: <https://media.dojmt.gov/wp-content/uploads/FINAL-YSR-Recreation-Prior-Plan-Signed-05302018-Bullock-1.pdf>.

The fund is expendable over an estimated ten years and a large allocation to TFIP is appropriate. It is foreseeable that individual securities could be necessary to offset some known large expenditures.

Schedule I-AI
Investment Objectives and Guidelines
Greenway Project Trail Maintenance Fund

Preliminary Effective Date of Schedule: March 24, 2021

This schedule is effective upon adoption by the Board and supersedes all previous Investment Objectives and Guidelines for this specific portfolio.

Introduction:

The purpose of this policy statement is to provide a framework for the Greenway Project Trail Maintenance Fund investments under the guidance of the Board.

The Greenway Project Trail Maintenance Fund was established as a sub-account within the East Helena Compensation Fund, through an agreement between the Governor and Prickly Pear Land Trust, Inc. (PPLT), in December of 2020. The purpose of the fund is to provide funding for operations and maintenance (O&M) of trails created on or near the ASARCO smelter site in East Helena, MT, as well as construction of the Greenway if needed to construct the Greenway outlined in the East Helena Asarco Smelter Final Restoration Plan and Environmental Checklist (November 2019) and any subsequent amendments thereto. The Montana Department of Justice Natural Resource Damage Program (NRDP) will administer the funds. The O&M will occur over an expected period of no more than 25 years. NRDP plans to place \$1,000,000.00, in whole or parts, in this sub-account within the East Helena Compensation Fund, once all legal requirements are met.

Statement of Purpose:

The purpose of these objectives and guidelines is to:

1. Establish the investment objectives and performance standards of the Greenway Project Trail Maintenance Fund account; and
2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

Investment Objective:

Strategic:

The objective of the Greenway Project Trail Maintenance 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.

Performance:

Success in achieving this objective will be measured by comparing the risk and return of the account to the **Trust Funds Investment Pool benchmark and the Short-Term Investment Pool benchmark and the Bloomberg/Barclays 1-5 Year Treasury Index**, each weighted proportionately to the portfolio's holdings, over a five-year moving average.

Time Horizon:

The Greenway Project Trail Maintenance Fund is an expendable fund. Major expenditures are expected in future years, as projected and periodically updated by the NRDP. 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.

Investment Guidelines:

The Board will have full discretion to manage the Greenway Project Trail Maintenance 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.

Permitted Investments:

The Greenway Project Trail Maintenance Fund may only invest in the following:

1. U.S. Treasury Bonds
2. U.S. Agency Bonds
3. Trust Funds Investment Pool (TFIP)
4. Short-Term Investment Pool (STIP) or any cash vehicle at the Custodial Bank

Other Restrictions:

1. A maximum of 97% of the market value of the portfolio will be invested in the TFIP.
2. A maximum of 60% of the market value of the portfolio will be invested in U.S. Treasury and Agency bonds.
3. The maximum maturity of U.S. Treasury and Agency bonds will be 6 years.

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 cases that 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.

Schedule I-AJ
Investment Objectives and Guidelines
2011 Yellowstone Exxon Settlement Fund

Preliminary Effective Date of Schedule: March 24, 2021

This schedule is effective upon adoption by the Board and supersedes all previous Investment Objectives and Guidelines for this specific portfolio.

Introduction:

The purpose of this policy statement is to provide a framework for the 2011 Yellowstone Exxon Settlement Fund investments under the guidance of the Board.

In January 2017, the State of Montana and U.S. Department of the Interior issued the “Final Programmatic Damage Assessment and Restoration Plan and Final Programmatic Environmental Assessment for the ExxonMobil Pipeline Company July 1, 2011 Yellowstone River Oil Spill”. The plan was prepared by the State of Montana through the Department of Justice Natural Resource Damage Program (NRDP) and the U.S. Department of the Interior, through the Bureau of Land Management and U.S. Fish and Wildlife Service. The plan describes the natural resource injuries caused by the oil spill and restoration project types to compensate for those injuries. The restoration plan includes a range of project types that address specific injuries associated with the oil spill. It will guide restoration of the Yellowstone River to improve the natural and recreational resources of the river injured due to the spill.

NRDP has provided MBOI a schedule of estimated expenditures and will update the schedule with material changes.

Statement of Purpose:

The purpose of these objectives and guidelines is to:

1. Establish the investment objectives and performance standards of the 2011 Yellowstone Exxon Settlement Fund account; and
2. Provide diversified investment exposure within the guidelines in a prudent and cost-effective manner.

Investment Objective:

Strategic:

The objective of the 2011 Yellowstone Exxon Settlement 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.

Performance:

Success in achieving this objective will be measured by comparing the risk and return of the account to the **Trust Funds Investment Pool benchmark and the Short-Term Investment Pool benchmark and the Bloomberg/Barclays 1-5 Year Treasury Index**, each weighted proportionately to the portfolio’s holdings, over a five-year moving average.

Time Horizon:

The 2011 Yellowstone Exxon Settlement Fund is an expendable fund. Expenditures are expected in future years, as projected and periodically updated by the NRDP. 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.

Investment Guidelines:

The Board will have full discretion to manage the 2011 Yellowstone Exxon Settlement 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.

Permitted Investments:

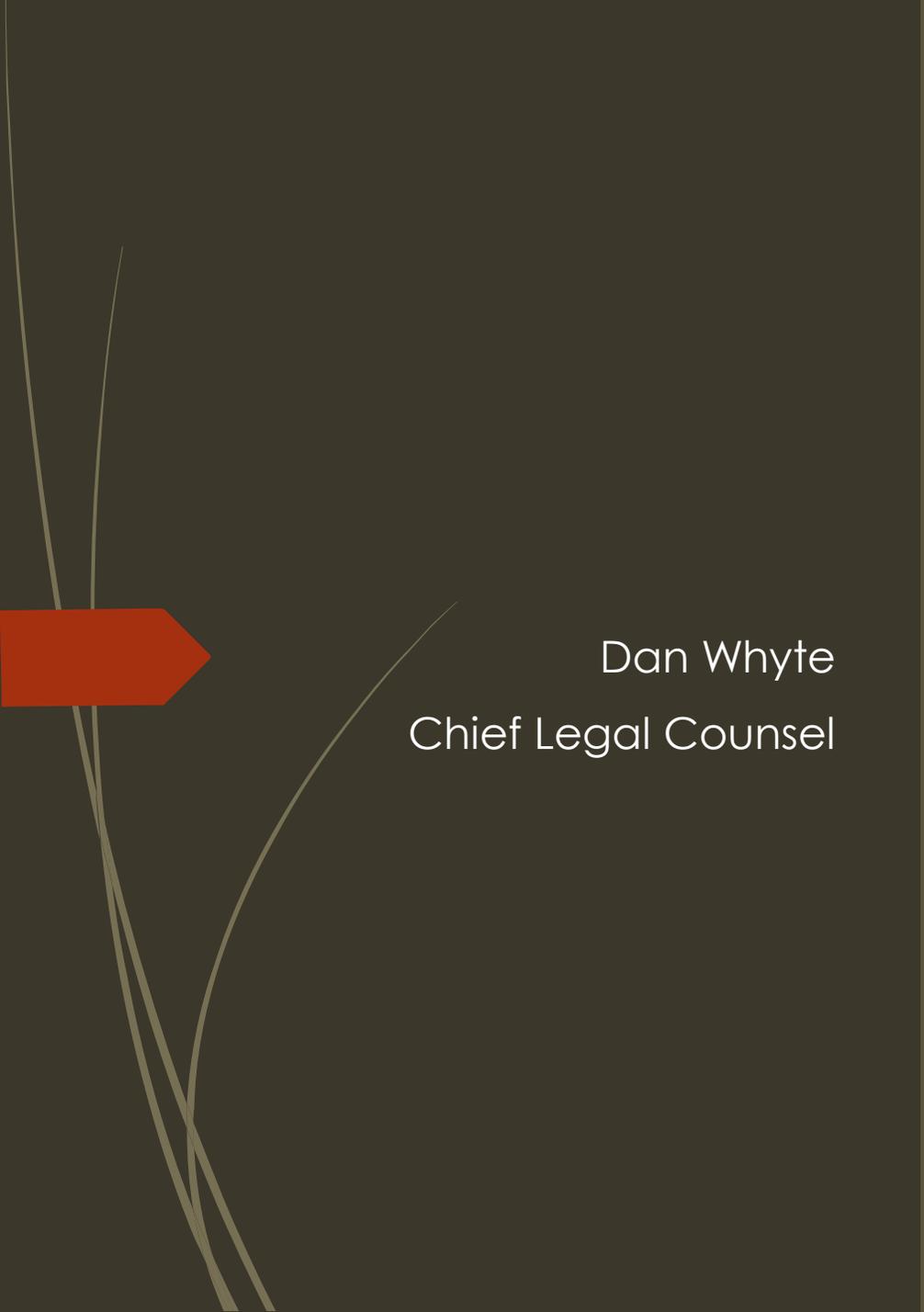
The 2011 Yellowstone Exxon Settlement Fund may only invest in the following:

1. U.S. Treasury Bonds
2. U.S. Agency Bonds
3. Trust Funds Investment Pool (TFIP)
4. Short-Term Investment Pool (STIP) or any cash vehicle at the Custodial Bank

Other Restrictions:

1. A maximum of 97% of the market value of the portfolio will be invested in the TFIP.
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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 cases that 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.



MONTANA BOARD OF INVESTMENTS

Dan Whyte
Chief Legal Counsel

FIDUCIARY DUTY



BASIC TERMINOLOGY

- Plan sponsor
 - State, county, or city that created the pension fund, trust, or other plan
 - Establishes the benefit structure and terms of the plan
- The plan sponsor
 - The Constitution and Legislature
- Plan documents
 - State or local laws governing the plan
- Beneficiary
 - Receives money from the pension or trust
- Trustees
 - Those elected or appointed to oversee the management of assets and payment of benefits in accordance with the plan documents
 - Whenever there is a trust there must be at least one trustee
 - Some trustees may be “ex-officio” members of the board, serving by virtue of the office they hold
 - All trustees are fiduciaries, without exception
 - Others may be fiduciaries as well



FIDUCIARY DUTY HISTORY

- ▶ Fiduciary law stems from the common law of trusts
 - Hundreds of years old, starting in England
 - Developed by the courts over time
 - Applied to family, business, and charitable trusts even before pension funds
- ▶ ERISA (1974), a federal law, clarified trust law as it applied to private sector pension funds
- ▶ Technically, ERISA does not apply to public pension funds, but it is influential in providing guidance about how fiduciaries should act



FIDUCIARY RESPONSIBILITY

A “fiduciary duty” is the highest duty of trust and confidence that one person may owe to another.

Many forms of conduct permissible in a workaday world for those acting at arm's length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior. As to this there has developed a tradition that is unbending and inveterate. Uncompromising rigidity has been the attitude of courts of equity when petitioned to undermine the rule of undivided loyalty by the “disintegrating erosion” of particular exceptions. Only thus has the level of conduct for fiduciaries been kept at a level higher than that trodden by the crowd.

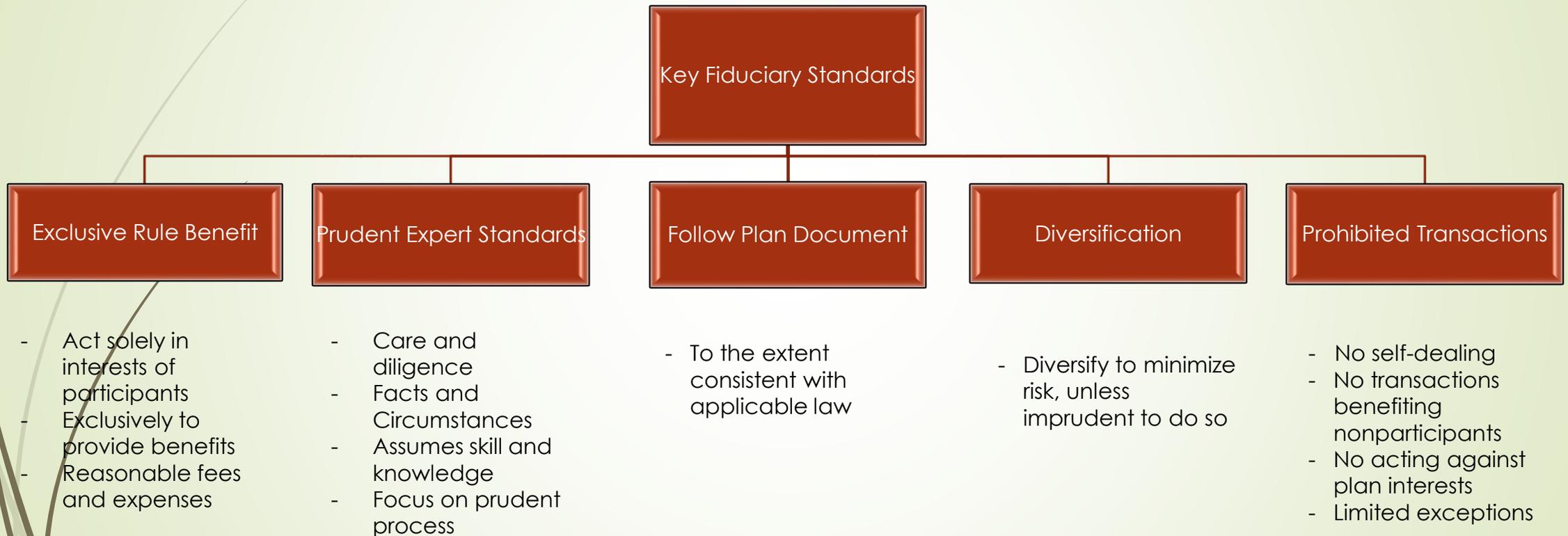
Justice Cardozo, *Meinhard v. Salmon*, 249 N.Y. 458, 464 (1928)



LEGISLATIVE V. FIDUCIARY ACTIONS

- ▶ Who is a fiduciary is a functional test
- ▶ An individual may have two roles – as a board member and an official or employee of the plan sponsor, such as *ex officio* legislative members
- ▶ The Legislature is the entity that decides to adopt a pension or plan in the first place and determines what benefits will be provided
- ▶ Examples of legislative functions
 - Choosing to create a trust and the options available in that trust
 - Amending a trust, including changing or eliminating trust benefits/options
- ▶ Examples of fiduciary functions
 - Managing the plan
 - Controlling plan assets
 - Administering benefits
- ▶ Awareness of which role you perform is critical
- ▶ Trust assets cannot be used for costs relating to legislative purposes (e.g., accounting requirements imposed on employer, plan design, etc.)
 - Costs of implementing legislative decisions may be payable from the plan

FIDUCIARY STANDARDS





FIDUCIARY STANDARDS (CONT.)

- ▶ Duty of Loyalty – Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, and defraying reasonable expenses of administering the plan
- ▶ Duty of Prudence – “With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.”

Section 17-6-201(1)(a), MCA



DUTY OF LOYALTY

- ▶ A fiduciary shall discharge his duties with respect to the plan solely in the interest of members and beneficiaries and for the exclusive purpose of providing benefits and defraying reasonable expenses of administering the plan
- ▶ Trustees are challenged more regarding the duty of loyalty than with anything else
- ▶ Solely does not mean primarily – no balancing test
- ▶ Exclusive purpose is the “exclusive benefit rule”
- ▶ “Wearing only one hat” is required
 - Complete loyalty
 - Undivided loyalty
 - An eye toward a single purpose
 - Unwavering duty of loyalty to beneficiaries



DUTY OF LOYALTY -- LOYALTY TO WHOM

- ▶ No fiduciary duty is owed to the plan sponsor or participating employers
 - They are “customers,” not beneficiaries
- ▶ No fiduciary duty is owed to a group of union members or “constituents”
 - An association or union may have a duty to a much smaller group of members
 - A statewide elected official may owe a duty to a much larger group, the citizens of the state
- ▶ No fiduciary duty is owed to the Legislature
 - It is the creator (settlor), not the beneficiary of the pension or trust
- ▶ No fiduciary duty is owed to the Governor
 - The Governor administers the state budget but does not oversee or control the plan



DUTY OF
LOYALTY --
LOYALTY TO
WHOM
(CONT.)

- ▶ No fiduciary duty is owed to the County Executive or County Commissioners
 - The Executive's duty is to a much larger group, the entire population of the county
- ▶ No fiduciary duty is owed to taxpayers
 - However, the duty to incur only reasonable costs exists
- ▶ If no fiduciary duty, then what duty is owed to these groups?
 - Duty to employ good governance - transparency and accountability
 - Open meetings
 - Communication



DUTY OF PRUDENCE

- ▶ “The test of prudence is one of conduct and not a test of the result of performance of the investment. The focus of the inquiry is how the fiduciary acted in his selection of the investment and not whether his investment succeeded or failed.”

Donovan v. Cunningham, 716 F.2d 1455, 1467 (5th Cir.1983); *Austin v. Union Bank & Trust Co.*, 2016 U.S. Dist. LEXIS 43454, 22-23



DUTY OF PRUDENCE

- ▶ The duty of prudence requires more than a good faith attempt to do the right thing
- ▶ The duty requires that trustees and other fiduciaries act with the care, skill, and diligence used by others acting in the same capacity
- ▶ It requires pure, thorough, and scrupulous processes in all decision-making
 - Understand the facts
 - Investigate the options
 - Seek expert advice if you are not an expert, and question those experts if their advice is not clear
- ▶ The duty of prudence is an ever-evolving standard that keeps getting higher and higher



DUTY OF PRUDENCE (CONT.)

- ▶ When times are tough, public pension boards are more closely scrutinized by the media, the membership, politicians, and the general public
- ▶ If a board is accused of imprudent behavior, a good process is more important than a good outcome and is the best defense to potential liability; board members are judged by the prudence of their process
- ▶ In order to show that a board member acted prudently, written documentation is critical
- ▶ You are not expected to be perfect; you are expected to be prudent



DUTY TO FOLLOW THE LAW AND PLAN DOCUMENTS

- ▶ In many public pension plans, the “plan documents” are the laws establishing the governance framework, benefits, investments, and administration of the plan
- ▶ Sometimes there are other written materials that are also considered plan documents
- ▶ Fiduciaries cannot be arbitrary and capricious in their application of applicable laws or plan documents
- ▶ Fiduciaries have a duty to comply with the plain meaning of provisions in a fair and impartial manner
- ▶ In doing so, they must consider:
 - Plan or trust provisions
 - Statutes, rules, and ordinances
 - Federal laws
 - Legal opinions
 - Common law concepts

FIDUCIARY LIABILITY

- ▶ Fiduciary liability = personal liability for losses
 - Restoration of profits
 - Limit for tort liability for an act or omission of a Board member to \$750,000 for each claim and \$15M for each occurrence
 - No claims for exemplary or punitive damages
 - Loss of reputation
 - Criminal actions
- ▶ Co-Fiduciary Liability
 - If you know of another's fiduciary breach and you do nothing about it, you are breaching your fiduciary duty
 - For liability to attach you must have actual knowledge of an action you know to be a breach
 - The courts have said that fiduciaries have a duty to speak up and try to prevent or remedy the breach
 - Resignation from the board is not sufficient



PROTECTIONS FROM LIABILITY



External Protections

- Sovereign or governmental immunity, where available
- Indemnification
- Fiduciary liability insurance – tort claims protection



Prudence Processes as Protections

- Have sound written policies
- Demonstrate that a prudent process was followed
 - Preparation for meetings
 - Good advice from true experts
 - Thorough documentation
- Verify compliance
- Require ongoing education
- Establish a culture of adherence to the highest ethical standards



CHECKLIST OF COMMON AND
BEST PRACTICES
TO MITIGATE FIDUCIARY RISK



CHECKLIST OF COMMON AND BEST PRACTICES TO MITIGATE FIDUCIARY RISK

- ✓ Establish and document prudent processes
- ✓ Maintain a good governance structure
 - A thorough decision-making processes
 - Rigorous risk identification and management
 - Ensure roles and responsibilities are clearly defined and understood
- ✓ Perform on-going oversight
- ✓ Establish appropriate reporting and disclosure
- ✓ Follow established processes
- ✓ Periodically review procedures and processes, and, if needed, revise
- ✓ Offer orientation and continuing education
- ✓ Obtain independent expert advice – law, actuarial, benefits, investments, audits



CHECKLIST OF COMMON AND BEST PRACTICES TO MITIGATE FIDUCIARY RISK (CONT.)

- ✓ Understand the investment options offered
- ✓ Monitor investments once made
- ✓ Become familiar with the qualifications and reputation of the key service providers
- ✓ Monitor transaction costs
- ✓ Make sure your service provider contracts provide for indemnification
- ✓ Read and be familiar with the law, rules, regulations and key policy documents governing the plan
- ✓ Require transparency and accountability
 - Increase communications to stakeholders
 - Benchmark operations to best practices
 - Conduct board self-evaluations
 - Adopt a culture of good governance
- ✓ Diligently attend all board and committee meetings



CHECKLIST OF COMMON AND BEST PRACTICES TO MITIGATE FIDUCIARY RISK (CONT.)

- ✓ Prepare for meetings
- ✓ Obtain insurance
- ✓ Seek indemnification
- ✓ Require ongoing education
- ✓ Adopt a culture that promotes the highest ethical standards
 - Adopt a Code of Conduct
 - Institute an Ethics Officer function
- ✓ Establish an internal control framework
 - Audit Committee
 - Internal Audit function
- ✓ Review on a regular basis the efficiency and effectiveness of the system's success in meeting its goals, including assessing the performance and actions of service providers, such as investment managers, consultants, and actuaries
- ✓ Conduct an annual Board self-assessment



FUNCTIONING AS A FIDUCIARY IN THE FACE OF POLITICAL PRESSURES



WHAT IS THE APPROPRIATE ROLE OF A BOARD IN THE POLITICAL PROCESS?

Neutral
Administra
tor

Follow the
statutory
parameters as
established

Advisor or
Educator

Give costs and
implications of
benefit
changes, but
offer no
recommendati
ons

Protector

Oppose
legislation
when the
actuarial
stability of the
system is
threatened

Innovator

Design and
recommend
changes to
benefits and
funding sources

Advocate
or Activist

Lobby for
changes in
state laws to
sustain the
system; lobby
against illegal
or ill-advised
proposed
changes



HOW TO ADDRESS POLITICAL SITUATIONS





WHAT TO EXPECT IN HARD POLITICAL TIMES?

- ▶ Being shot at because you are the messenger who is carrying bad news
- ▶ Being blamed because the general public thinks the Board sets the benefits
- ▶ Being ridiculed for not making more money for the Fund
- ▶ Being portrayed in the media as an organization you would never want to be associated with
- ▶ You should also expect ...
 - Longer board meetings
 - Increased preparation time
 - Some angst among usually collegial board members
 - Tension among board, staff, and others

Remember	Remember the difference between legislative and fiduciary functions
Act in	Act in good faith and in the best interest of the system participants and beneficiaries
Act with	Act with prudence and reasonable care
Seek	When in doubt, seek the advice of experts – investments, legal, etc.
Maintain	Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect your duty of loyalty
Abide by	Abide by all applicable laws, rules, and regulations, including the terms of the system's plan documents (IPS, resolutions, etc.)



SUMMARY OF KEY POINTS