

Board of Investments Update

Dan Villa, Executive Director

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Investment Returns

Pool	Q4 FY 22	FY22	3 Year	5 Year	10 Year	ITD	Inception Date
CAPP	(7.070)	(4.323)	7.871	7.624	8.616	7.677	07/01/1994
TFIP	(1.874)	(2.791)	2.134	2.910	3.297	5.670	10/01/1995
STIP	0.208	0.316	0.708	1.192	0.769	2.254	04/01/1997
MSF	(3.866)	(5.933)	1.836	2.887	3.435	5.206	12/01/1993

**CEM Benchmarking will present third party, independent review of BOI fees and returns in Q2 FY23.*

BOI Returns vs Market

Index/Pool	FY22 Returns
S & P 500	(12.39%)
Russell 2000	(26.74%)
NASDAQ	(21.04%)
DOW 30	(11.17%)
CAPP	(4.32%)

CAPP Asset Class	FY 22 Returns	CAPP Asset Class	FY 22 Returns
International Equity	(20.87%)	Cash	.32%
Non-Core Fixed Income	(13.66%)	Real Assets	13.90%
Domestic Equity	(13.62%)	Private Investments	22.12%
Core Fixed Income	(9.24%)	Real Estate	23.52%

General Updates - Investments

Dividend Payments

- BOI was able to rebate OTO administrative cost savings to participant pools totaling nearly 20.4% of BOI FY22 budget

Fee Reductions

- BOI has actively renegotiated contracts to reduce fees
 - All High Yield Bond contracts reduced
 - Transition to passive management from hybrid active/passive management with domestic equity to save millions per year

Landlord Activities

- BOI continues to be the lowest cost landlord to the State of Montana
 - Lease payments are to the Trust Funds Investment Pool

General Updates – Loan Programs

INTERCAP 2.0

- BOI ended the practice of remarketing INTERCAP bonds, instead financing them through the STIP portfolio, increasing yields to STIP participants and decreasing borrowing costs for Montana borrowers

Down Payment Loan Assistance Program

- Governor Gianforte granted \$37.5 million in ARPA funds to implement the program. Funds were reserved within 6 days and leveraged for a total economic impact of \$125 million.

2023 Legislative Requests

Rates (Budget Authority)

- BOI will not be requesting a rate increase and proposes to operate FY24/FY25 at FY23 budget levels
 - *NOTE: we will request adjustments for any non-BOI rate increase (Dept of Commerce, SITSD, SABHRS HR or Finance, etc.)*

Legislative Requests

- BOI will not be requesting any legislation