



**Board Members**

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Max C. Black                      Gavin M. Gee  
Vaughn Heinrich                Thomas F. Kealey  
Susan K. Simmons                Richelle Sugiyama  
R. John Taylor                    Charles L. Winder

816 W. Bannock St., Ste. 301  
Boise, Idaho 83702  
Phone: (208) 334-3311  
Fax: (208) 334-3786  
Website: [www.efib.idaho.gov](http://www.efib.idaho.gov)

**Larry Johnson, CFA, CPA**  
Manager of Investments

**Monthly Report to the Board of Land Commissioners**  
Since the November 17, 2009 Land Board Meeting thru December 8, 2009

**Investment performance thru November 30, 2009** (preliminary)

Month: **4.2%**                      Fiscal year: **15.9%**

**Status of endowment fund reserves**

For all endowments, estimated reserves as of September 30 were at least **3 times** the size of the approved FY2010 distributions.

**Significant actions of the Endowment Fund Investment Board**

Meetings: The EFIB met November 17<sup>th</sup>. **No significant actions** were taken.

**Compliance/legal issues, areas of concern**

Material deviations from Investment Policy or compliance guidelines for investment managers: **None.**

Material legal issues: **None.**

Changes in board membership or agency staffing: **None.**

**Upcoming issues/events**

An **updated forecast** of earnings reserve levels thru FY2011 will be presented to the Land Board at its January meeting and then shared with the Joint Finance and Appropriations Committee of the legislature. The Department of Lands is updating their forecast of land revenues as part of this process.

Plans to hire two **new Global Equity managers** are on track, with final selection targeted for December. This would shift about 4% of the fund from U.S. equity to foreign equity, in two stages, by the middle of next year.



# INVESTMENT REPORT

Preliminary Report (gross of fees & certain income accruals)

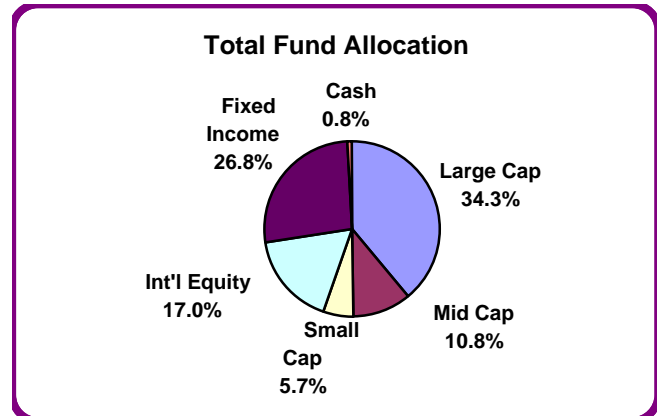
November 30, 2009

Current Value of the Fund	\$	1,051,637,608
Investment Change in Market Value FYTD	\$	146,077,149
Net Contributions FYTD	\$	(11,950,986)
Fiscal Year-to-Date Returns		15.9%
Month-to-Date Returns		4.2%

	<u>Nov-09</u>	<u>Fiscal Year to Date</u>	<u>Last Five Years</u>
<b>Total Fund</b>	<b>4.2%</b>	<b>15.9%</b>	<b>4.6%</b>
Benchmark	3.9%	15.7%	3.2%
<b>U.S Equity</b>	<b>5.5%</b>	<b>21.4%</b>	<b>2.3%</b>
Benchmark	5.7%	19.8%	0.9%
<b>Int'l Equity</b>	<b>4.0%</b>	<b>16.8%</b>	<b>7.3%</b>
Benchmark	2.9%	21.6%	4.5%
<b>Fixed Income</b>	<b>1.5%</b>	<b>5.4%</b>	<b>5.6%</b>
Benchmark	1.3%	5.6%	5.5%

## Asset Allocation

	<u>Mkt Value</u>	<u>% Alloc</u>
<b>Domestic Equity</b>	\$ 582.6	55.4%
Large Cap	\$ 408.5	38.8%
Mid Cap	\$ 114.6	10.9%
Small Cap	\$ 59.6	5.7%
<b>Int'l Equity</b>	\$ 178.9	17.0%
<b>Fixed Income</b>	\$ 281.9	26.8%
Cash	\$ 8.2	0.8%
<b>Total Fund</b>	\$ 1,051.6	100.0%

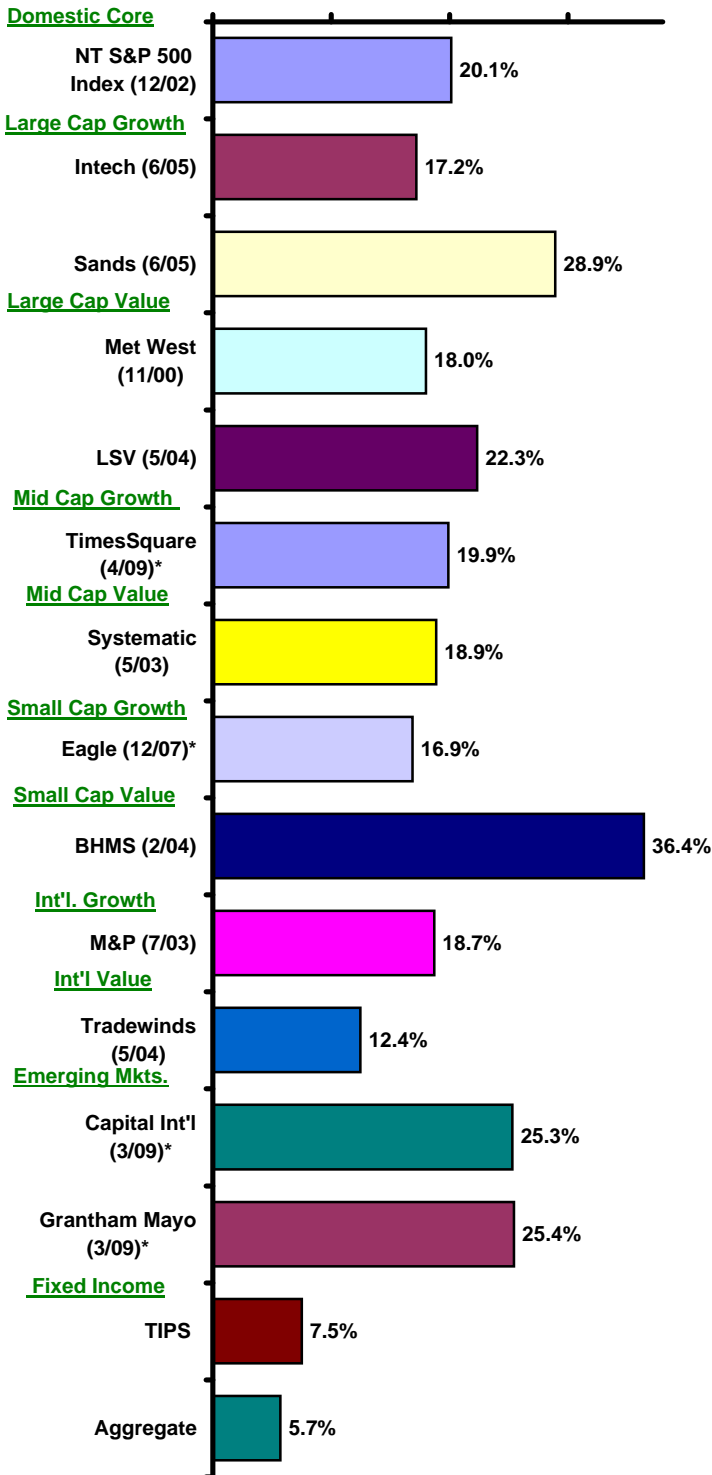


### Endowment Fund Staff Comment:

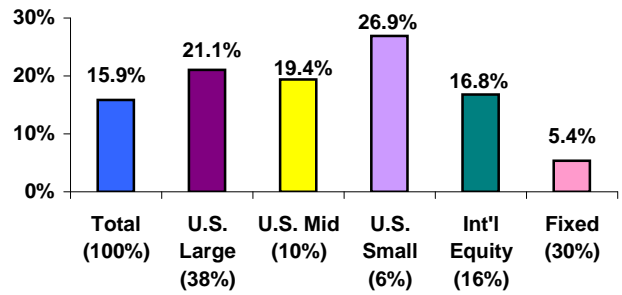
The fund was up 4.2% for the month, 0.3% over benchmark. The Russell 3000 index was up 5.7%, Russell Midcap up 4.8%, and Russell 2000 (small cap) up 3.1%. International equities (MSCI ACWI ex-US) were up 2.9%, and Emerging Markets up 4.3%. Large cap growth outperformed large cap value this month, but small and mid cap value outperformed small and mid cap growth. Bonds, as measured by the BC Aggregate index, were up 1.3% and TIPS up 2.8%. Seven of twelve active managers beat their benchmark.

On a Fiscal YTD basis the fund is up 15.9%, 0.2% over benchmark. Five of twelve active managers are ahead of their benchmark.

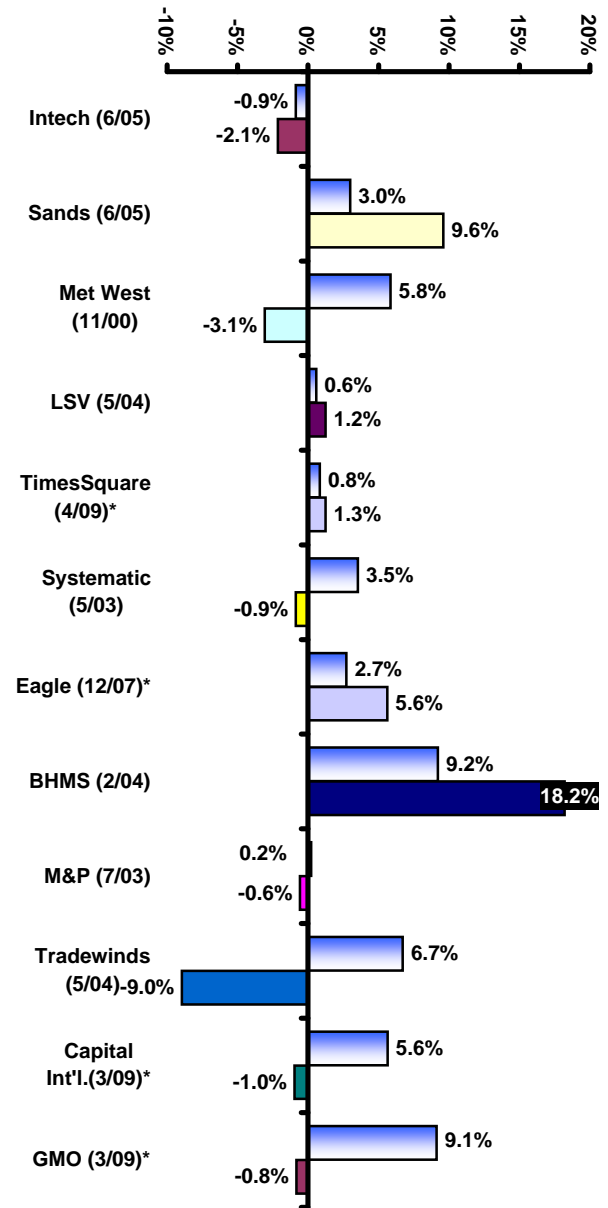
## FYTD Manager Returns



## Fiscal YTD Total Endowment Returns



## FYTD Active Manager Relative Returns 3-Yr. Annualized Relative Returns\*



\* ITD return used when manager has less than 3 years with EFIB.