



**Board Members**

M. Dean Buffington, Chairman  
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 January 19, 2010 Land Board Meeting thru February 9, 2010

**Investment performance thru January 31, 2010**

Month: **-2.3%**                      Fiscal year: **15.4%**

**Status of endowment fund reserves**

For all endowments, estimated reserves as of December 31 were at least **3 times** the size of the approved FY2010 distributions.

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

Meetings: **None.**

**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**

The EFIB's proposed rules to charge guaranty fees for school bonds were rejected by the germane House and Senate committees. However, the EFIB retains legal authority to issue (and charge fees for) guaranties thru the end of the legislative session and is optimistic a permanent solution can be worked out with stakeholders before that authority expires.

Plans to hire two **new Global Equity managers** are on track, with final selection likely to occur soon after the next EFIB meeting on February 17. This will shift about 5% 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)

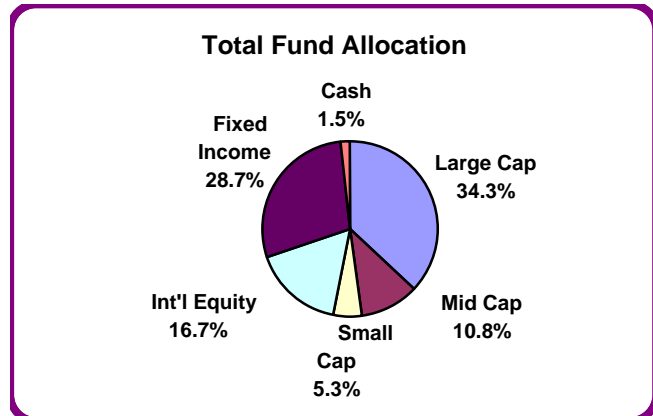
January 31, 2010

Current Value of the Fund	\$	1,048,664,174
Investment Change in Market Value FYTD	\$	141,886,147
Net Contributions FYTD	\$	(10,733,418)
Fiscal Year-to-Date Returns		15.4%
Month-to-Date Returns		-2.3%

	<u>Jan-10</u>	<u>Fiscal Year to Date</u>	<u>Last Five Years</u>
<b>Total Fund</b>	-2.3%	15.4%	4.2%
Benchmark	-2.3%	14.7%	2.7%
<b>U.S Equity</b>	-3.8%	21.1%	2.0%
Benchmark	-3.6%	18.7%	0.6%
<b>Int'l Equity</b>	-3.5%	14.6%	6.6%
Benchmark	-4.9%	18.1%	3.4%
<b>Fixed Income</b>	1.5%	5.2%	5.3%
Benchmark	1.5%	5.5%	5.2%

## Asset Allocation

	<u>Mkt Value</u>	<u>% Alloc</u>
<b>Domestic Equity</b>	\$ 556.4	53.1%
Large Cap	\$ 388.5	37.0%
Mid Cap	\$ 112.1	10.7%
Small Cap	\$ 55.8	5.3%
<b>Int'l Equity</b>	\$ 175.0	16.7%
<b>Fixed Income</b>	\$ 301.2	28.7%
Cash	\$ 16.1	1.5%
<b>Total Fund</b>	\$ 1,048.7	100.0%

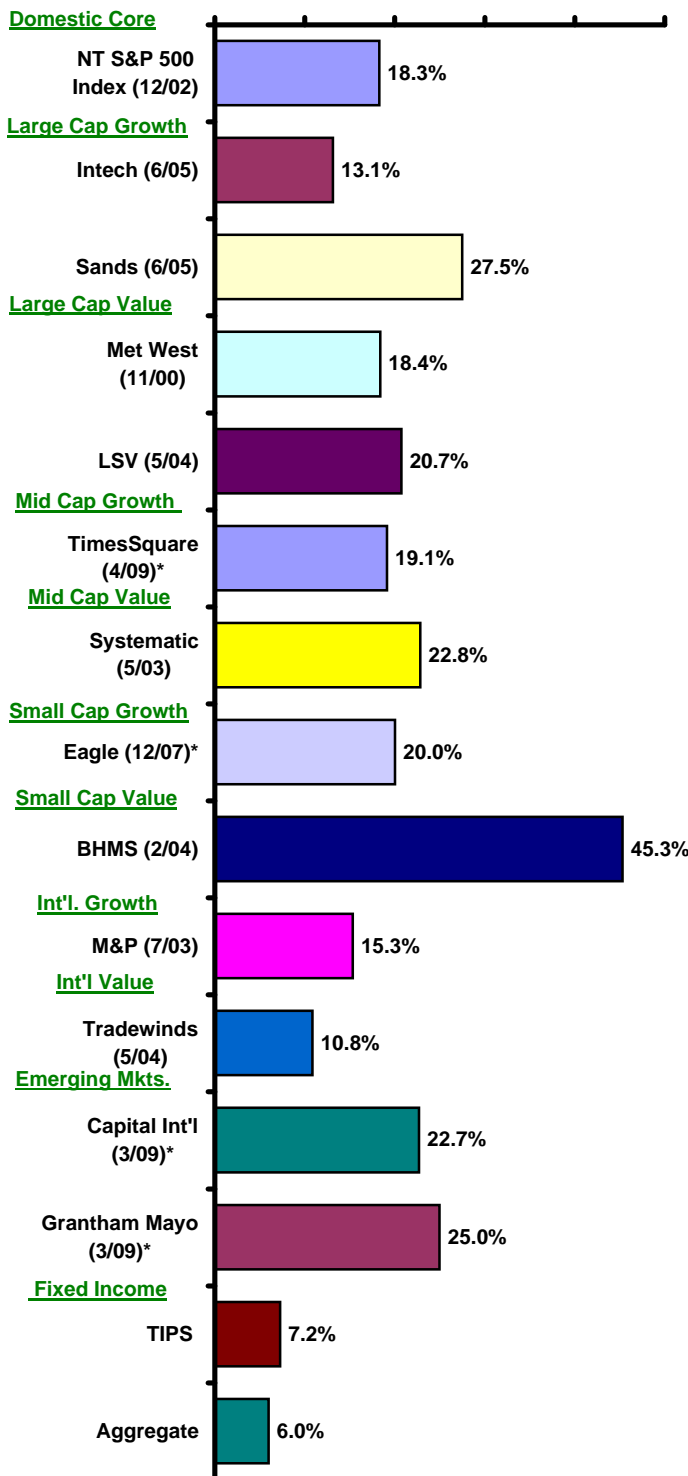


### Endowment Fund Staff Comment:

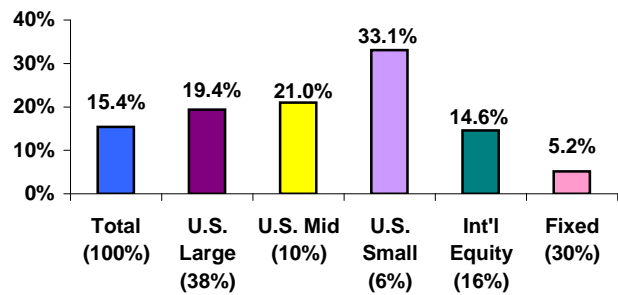
The fund was down 2.3% for the month, but even with benchmark. The Russell 3000 index was down 3.6%, Russell Midcap down 3.3%, and Russell 2000 (small cap) down 3.7%. International equities (MSCI ACWI ex-US) were down 4.9%, and Emerging Markets down 5.6%. Value outperformed growth this month and domestic equity outperformed International. Bonds, as measured by the BC Aggregate index, were up 1.5% and TIPS up 1.6%. Six of twelve active managers beat their benchmark.

On a Fiscal YTD basis the fund is up 15.4%, 0.7% over benchmark. Five of twelve active managers are ahead of their benchmark.

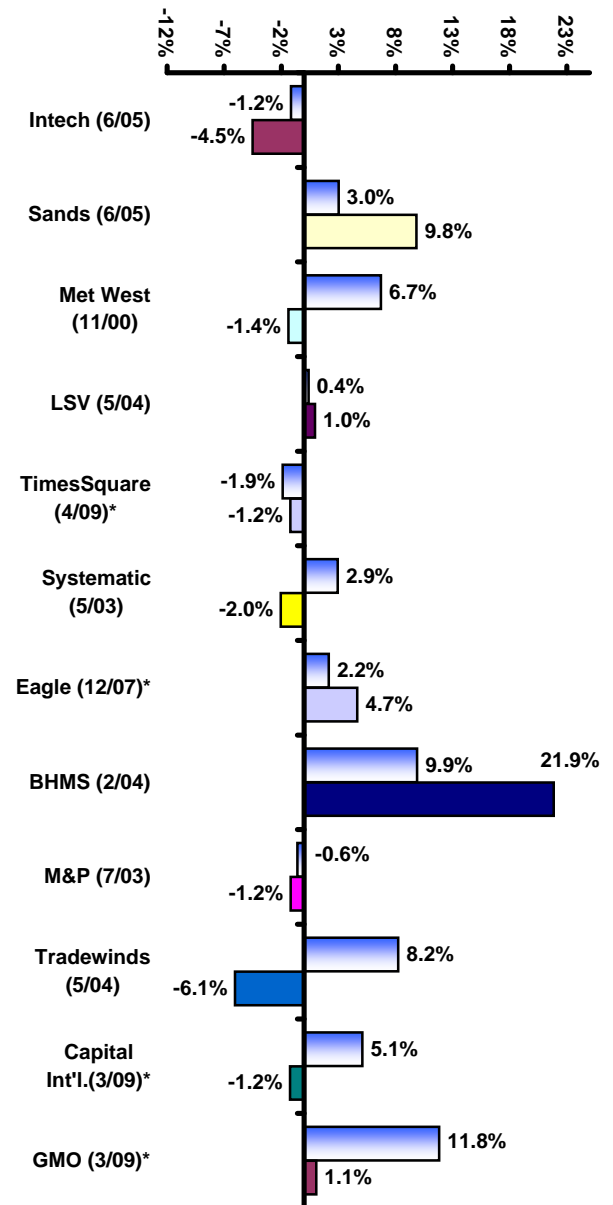
## FYTD Manager Returns



## 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.