

# MONTANA

## BOARD OF INVESTMENTS

**TO:** Members of the Board  
**FROM:** Dan Villa, Executive Director  
**DATE:** July 7, 2025  
**RE:** Fiscal Year 2025 Results

As we close the fiscal year, I want to provide a summary of portfolio performance, operational highlights, and key developments.

### Portfolio Performance

- **Total Assets Under Management:** \$29.82 billion (as of June 30, 2025), reflecting steady growth and disciplined stewardship.
- **Investment Returns:** Preliminary estimates indicate aggregate returns of 9.44%, in excess of our 7.3% actuarial hurdle established in Art VII, Section 15 of the state constitution. Public equities outperformed expectations, while fixed income remained resilient amid ongoing rate volatility.
- **Income Distributions:** Short Term Investment Pool distributions for FY2025 totaled \$407,467,410.18, while Trust Fund Investment Pool distributions through May 31, 2025, totaled \$127,359,418.69 (note: final TFIP distributions are currently being processed).

### Operational Highlights

- **Cost Efficiency:** Operating expenses remained below budget, supported by continued process improvements. The Board adopted a FY2026 budget of \$6,442,310.84, 16% below the legislatively approved budget of \$7,631,368. Staff further implemented \$4,844,313.49 in savings, new revenues and operational efficiencies directly benefiting participants.
- **Compliance:** No material audit findings from the Legislative Audit, internal control SOC 1, Type 2 audit, or legal fiduciary review, the first of its kind for the Board, were identified. All statutory and fiduciary responsibilities were met.
- **Transparency:** Reporting enhancements and ongoing stakeholder outreach have improved communication with beneficiaries and the public.

## Key Developments

- **Legislative Engagement:** Maintained constructive relationships with elected officials, providing timely and accurate information on fund performance and policy impacts. These relationships were recognized by newly enacted legislation allowing BOI to perform all state administrative functions in house at a reduced cost through an enterprise fund (HB2 and HB863), additional investments in BOI affordable housing initiatives (HB505), and trust to develop a new Eastern Montana Behavioral Health Facility (HB5).
- **Talent & Technology:** Invested in staff development and upgraded core systems to support future growth and risk management, including targeted use of AI, in house investment modeling, and numerous credentials earned by staff, including Chartered Alternative Investment Analyst, Chartered Financial Analyst, Chartered Treasury Professional, and Human Capital Institute Certifications.

## Looking Ahead

We will continue to prioritize prudent investment, operational efficiency, and transparency as we serve the people of Montana. Thank you for your guidance and support.



*Pintler Meadows Townhomes construction photos for 28 affordable housing units to help Montana State Prison and Montana State Hospital recruit and retain employees. First move in dates are August 1.*

