

January 2024

# Land Trust Protection & Advocacy Committee Meeting



School and Institutional  
Trust Funds Office

# Administrative Update

## Audit Review

- “Extremely clean audit” Paul Skeen, Partner and Board of Directors at Eide Bailey
  - Publicly available and posted to SITFO’s website, MD&A includes performance and asset allocation information

## Trustee Update

- David Nixon re-elected as vice-chair
  - David worked at Coopers & Lybrand and as Assistant Treasurer and Director of Global Investments at EDS, responsible for assets totaling \$15 billion. David has an accounting MBA. His extensive international experience includes work in both developed and emerging markets and living in Colombia, Belgium, and England.
- Trustee vacancy on the board starting in 2H24

# Finance

- Size and “complexity” are drivers of cost
  - Smaller endowments tend to have higher consultant fees, fewer resources, and less alternatives
  - Larger endowments tend to have a lower cost for resources given larger AUM
- Pro Forma expenses and fees (approximate)
  - From investments 1.01%
  - From administration .14%
  - Total expected 1.13% (including sec lending)

Expense	FY 23	Pro Forma	Peers > \$1B*
Manager Fees*	1.01%	1.01%	1.43%
Custody	0.01%	0.01%	0.00%
Consultants	0.05%	0.04%	0.01%
Data/Systems/Audit	0.01%	0.01%	0.02 %
Operating Budget	0.08%	0.08 %	0.04 %
Sec Lending	-0.02%	-0.02%	N/A
<b>Total</b>	<b>1.14%</b>	<b>1.13%</b>	<b>1.50 %</b>

*\*Incentive fees excl. from manager fee calculation. Peer Institutions incl. those greater than 1B, average plan size is \$5.052B. Source: 2021 NACUBO Expense Data by AUM.*

## Investment Beliefs

- Annual review and approval
  - Introduced a section on risk management
  - Added an appendix to incorporate asset class and risk management specifics

## 3Q 2023 Performance and Risk Reporting

- In compliance with IPS across all measures, excluding public equity as slightly underweight
- As of 3Q 2023, the total portfolio return was 7.6% vs the benchmark of 9.1% for the trailing one-year period. The 3 and 5-year annualized periods are 7.5% and 4.9% respectively, with vs the benchmark returns of 7.4% and 5.9% for the same periods.

## Quarterly Asset Class Structure Review

- The growth category, inclusive of public and private equity was discussed in detail among trustees, consultants and staff.
- CIO review, limited to trustees and the CIO.