

# Board of Trustees

## MEETING MINUTES

**Monday, December 2, 2024 – 9:00 AM**

Location: The Zermatt Utah Resort & Spa, 784 W Resort Dr, Midway, UT 84049

### Board Attendees:

Mark Siddoway, David Zucker, Bong Choi, David Nixon, (Marlo Oaks Absent)

### Other Attendees:

Peter Madsen, SITFO; Ryan Kulig, SITFO; Kim Christy, LTPAO; Liz Mumford, LTPAO; Jessie Stuart, LTPAO; Johnny Lodder, SITFO; Hayden Bergeson, SITFO; Rainey Cornaby, SITFO; Tatiana Devkota, SITFO; Jess Rowe, SITFO; John Sorensen, SITFO; Jace Richards, SITFO; Oliver Sorensen, SITFO; Rodney Tran, SITFO; Andrew Morales, SITFO; Wylie Kimball, SITFO; Steve Kennedy, Albourne; James Walsh, Albourne; Ryan Fitzgerald, Albourne; Jeremy Miller, RVK; Matthias Bauer, RVK; Paula Plant, SCT; Kira Bennet, SCT; Marcus Chen, SCT; Kevin Hitchen, Aksia; Chris Keller, Moelis Catalyst Partners; Drew Schardt, Hamilton Lane; Katie Moore, Hamilton Lane; Melissa Grant, Aksia; Seth Sutherland, SITFO Nominating Committee; Sorina Zahan, Aiperion; Simon Rhodes, Aiperion; Mike Walsh, Aiperion; Margaret Bird, Citizen; Brook McCarrick, AG's Office (Virtual); Kirt Slaugh, State Treasurer's Office (Virtual); Colin Rajala, Citizen (Virtual); Kevin Balaod, Citizen (Virtual)

### Open Session – Call the Meeting to Order (Start at 9:00 AM)

Vice Chair Nixon called the meeting to order at 9:02 AM, on the 2nd day of December 2024.

### What's Next for Capital Allocators? The Total Portfolio Approach

Guest speaker Mr. John Bowman, CFA, current president and future CEO of CAIA, presented on the rise of the Total Portfolio Approach (TPA) versus a strategic asset allocation (SAA). His presentation highlighted the growing role of alternative investments, now accounting for 21% of global AUM (\$25 trillion), compared to 79% for traditional assets. He critiqued the limitations of SAA, such as outdated

classifications, siloed strategies, and false diversification. Mr. Bowman introduced TPA as a flexible, customizable framework designed to improve performance, with early studies showing it can deliver 0.5% to 1.0% higher annual returns than SAA.

## **Panel: Private Equity Perspectives and Strategic Partners**

Guest panelists Mr. Chris Keller, Mr. Drew Schardt, and Mr. Kevin Hitchen gave a synopsis of the state of the market as it relates to private equity, guided by Mr. Peter Madsen.

## **Asset Allocation/IPS Presentation**

SITFO Senior Investment Analyst, Mr. Hayden Bergeson, presented SITFO's current Asset Allocations and potential updates to the Investment Policy Statement (IPS) to the Board of Trustees. He reviewed the asset allocation study performed in collaboration with SITFO's asset allocation consultant, Aiperion. Mr. Bergeson emphasized the asset allocation exercise focused on reducing risks such as corpus breaches, while maintaining liquidity, and achieving returns above CPI+5%. He noted that this strategy balances long-term goals with practical implementation constraints.

**Tuesday, December 3, 2024 – 9:00 AM**

Location: The Zermatt Utah Resort & Spa, 784 W Resort Dr, Midway, UT 84049

## **Board Attendees:**

Mark Siddoway, David Zucker, Bong Choi, David Nixon (Marlo Oaks Absent)

## **Other Attendees:**

Peter Madsen, SITFO; Ryan Kulig, SITFO; Kim Christy, LTPAO; Liz Mumford, LTPAO; Jessie Stuart, LTPAO; Johnny Lodder, SITFO; Hayden Bergeson, SITFO; Rainey Cornaby, SITFO; Tatiana Devkota, SITFO; Jess Rowe, SITFO; John Sorensen, SITFO; Jace Richards, SITFO; Oliver Sorensen, SITFO; Rodney Tran, SITFO; Andrew Morales, SITFO; Wylie Kimball, SITFO; Steve Kennedy, Albourne; James Walsh, Albourne; Ryan Fitzgerald, Albourne; Jeremy Miller, RVK; Matthias Bauer, RVK; Paula Plant, SCT (Virtual); Kira Bennet, SCT; Marcus Chen, SCT; Sorina Zahan, Aiperion; Simon Rhodes, Aiperion; Mike Walsh, Aiperion; Margaret Bird, Citizen; Brook McCarrick, AG's Office (Virtual); Kirt Slauch, State Treasurer's Office (Virtual); Colin Rajala, Citizen (Virtual); Kevin Balaod, Citizen (Virtual); Lindsay Allen, Eide Bailly (Virtual); Paul Skeen, Eide Bailly; Cindy Lowe, DHHS (Virtual); Frank Albanese, Citizen (Virtual)



## Open Session – Call the Meeting to Order (Start at 9:00 AM)

Vice Chair Nixon called the meeting to order at 9:01 AM, on the 3rd day of December 2024. Trustee Nixon started with a roll call of attendees.

## Administrative – Recap and Approval of Minutes from August 6, 2024 *SITFO* (action item)

Mr. Ryan Kulig provided a recap of the August board meeting. He presented the meeting minutes from the August board meeting. Vice Chair Nixon entertained a motion to approve the minutes. Trustee Zucker motioned to approve the minutes, and Trustee Siddoway seconded the motion. The motion passed.

### Record of the Vote:

Trustee Oaks: Absent

Trustee Nixon: Yes

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes

## Administrative – Annual Meetings Schedule Approved, *SITFO*

Mr. Kulig presented the annual meetings schedule for FY26 and FY27, noting that google calendar invitations had been sent out.

## Administrative – Annual Audit Review, *SITFO*

Mr. Paul Skeen, Eide Bailly, presented the results of the FY2024 audit, noting that SITFO had zero corrective errors, and zero uncorrected errors and that the auditor's issued a clean opinion in all aspects of the audit. Mr. Skeen thanked SITFO and its team for an extremely smooth audit process this year.

## Finance Committee Updates, *SITFO*

Mr. Kulig presented a personnel update, noting that Mr. Wylie Kimball recently joined the team as an Intern Analyst. Mr. Kulig turned the meeting over to Mr. Kimball who shared a brief introduction to his background. Mr. Kulig noted that a verbal offer has been extended to a future DCIO.



Ms. Rainey Cornaby presented the FY24 Budget in review summary, mentioning that SITFO was under the appropriated budget by \$884,908 (dollars rounded to the nearest dollar), and under the forecast by \$200,953 (dollars rounded to the nearest dollar) due in part to the pending status of staff. Ms. Cornaby also presented the FY25 Budget for Q1 & QTD Summary, where she noted a slight overage in current reception & meeting costs partially due to timing of charges for the Summit and some variance both quarters driven by the delay in hiring of the Deputy Chief Investment Officer.

Ms. Tatiana Devkota presented the FY24 Trust Expenses and broke out the portfolio fees. Ms. Devkota noted that overall trust expenses remain below those of comparable peer data. Trustee Bong Choi noted SITFO trust expenses are below those of peer institutions based on additional sources he is familiar with. Mr. Kulig discussed fees and expenses relating to sourcing peer data, explaining that SITFO is not planning to chase data through consulting relationships and the trustees agreed that it is not necessary to spend time and resources on sourcing peer data annually.

### **Administrative – Elect Vice Chair (action item)**

Trustee Zucker made the motion to nominate Trustee Choi as the Vice Chair of the SITFO Board of Trustees. Trustee Siddoway seconded the motion, and the motion was approved.

#### **Record of the Vote:**

Trustee Oaks: Absent

Trustee Nixon: Yes

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes

### **Administrative – Land Trusts Protection and Advocacy Office Update, LTPAO**

Mr. Kim Christy provided an update on the constitutional amendment outreach program being managed by his office, noting its passing in the recent November general election. Mr. Christy noted that Ms. Deena Loyola was a temporary hire who led the amendment B campaign and has since left LTPAO. He then introduced Ms. Liz Mumford, a recent hire at LTPAO. Ms. Mumford discussed a new study group, tasked with analyzing the trust system and the role of LTPAO in representing the beneficiaries.



## Performance and Risk Reporting – Executive Summary, *SITFO*

Mr. Hayden Bergeson summarized SITFO's Q3 allocations and liquidity. He noted, Public Equity was outside of its max range by 1 bps while all other allocations and liquidity were within compliance, Mr. Bergeson outlined portfolio performance and risk, noting the total portfolio's outperformance on the one- and three-year metrics of 42 bps and 71 bps respectively. While Growth had a strong absolute performance, outperformance in the most recent year was due to the Income and Defensive composites.

Mr. Peter Madsen addressed U.S. large-cap outperformance concerns, explaining strategy shifts to more active management. Mr. Bergeson explained Public Real Assets underperformed due to the lagged performance from our core real estate exposure and an under allocation to REITS relative to the benchmark.

Mr. Bergeson addressed the Income portfolio, noting its strong outperformance in the one year. Mr. John Sorensen also noted that defensive assets had mixed results across the asset classes but outperformed at the composite level.

## Investments – Asset Allocation and IPS Update/Approval, *SITFO* (action item)

Mr. Bergeson reviewed the proposed strategic asset allocation (SAA) changes. He mentioned that the total allocation to private markets would rise from 35.5% to 40%.

Mr. Bergeson presented the new strategic asset allocation table, interim benchmark comparisons (current vs. proposed), and outlined the necessary IPS changes, including a brief discussion on redlining adjustments.

Vice Chair Nixon entertained a motion to approve the Investment Beliefs (IB) and IPS with the changes as presented on slide 99 of the packet. Trustee Siddoway motioned to approve the Strategic Asset Allocation, Investment Policy Statement, and Investment Beliefs as amended per page 99 of the packet, and Trustee Zucker seconded the motion. The motion passed.

### Record of the Vote:

Trustee Oaks: Absent

Trustee Nixon: Yes

Trustee Siddoway: Yes



Trustee Zucker: Yes

Trustee Choi: Yes

## **Closing Thoughts, *SITFO***

Mr. Peter Madsen informally ended the public portion of the meeting, thanking all for their participation and insights, then invited attendees to adjourn for lunch.

## **Closed Session - Investments & Chief Investment Officer Review (action item)**

Ms. McCarrick, attending through zoom, walked the board through closing the meeting for criteria detailed in Utah Code § 52-4-205(1)(a) and 53D-1-304(6). She confirmed these criteria were the only matters to be discussed during the closed session. As permitted by Utah Code § 52-4-206(6), the Board did not make an audio recording or take written minutes of the personnel portion of the closed session. At 12:10 PM Vice Chair Nixon entertained a motion to close the meeting. Trustee Siddoway motioned to close the meeting, and it was seconded by Trustee Zucker. A roll call vote was taken, and the motion passed.

### **Record of the Vote:**

Trustee Oaks: Absent

Trustee Nixon: Yes

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes

## **Adjourn (action item)**

The Board Meeting was reopened, and Vice Chair Nixon entertained a motion to adjourn. Trustee Siddoway made a motion to adjourn the meeting. Trustee Choi seconded the motion, and the motion passed. The meeting was adjourned at 3:00 PM.

### **Record of the Vote:**



Trustee Oaks: Absent

Trustee Nixon: Yes

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes

