

December 4, 2025



# SITFO Board of Trustees

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Quarterly Meeting



# Open Session Day 1 – Zoom Registration

# SITFO Summit Agenda

Anchor Location	Hotel Park City, 2001 Park Ave, Park City, UT 84060
Webinar Registration – Day 1 Open Session 1	<a href="https://utah-gov.zoom.us/webinar/register/WN_wbvR9b91Sc-SVymMMP9CzQ">https://utah-gov.zoom.us/webinar/register/WN_wbvR9b91Sc-SVymMMP9CzQ</a>
Webinar Registration – Day 1 Open Session 2	<a href="https://utah-gov.zoom.us/webinar/register/WN_l6w-y8qVSMmwf7RvhLPURw">https://utah-gov.zoom.us/webinar/register/WN_l6w-y8qVSMmwf7RvhLPURw</a>
Webinar Registration – Day 2	<a href="https://utah-gov.zoom.us/webinar/register/WN_My1PujVqRte_5rhB0c8M8g">https://utah-gov.zoom.us/webinar/register/WN_My1PujVqRte_5rhB0c8M8g</a>

## Day 1 – Thursday, December 4, 2025

1. Breakfast (Wasatch Room - Start at 8:00 AM)
2. Open Session – Call the Meeting to Order (Aspen Room - Start at 9:00 AM)
  - (a) Administrative
    - (i) Recap and Approval of Minutes from September 9, 2025 and September 19, 2025, *SITFO* (action item)  
Attached, Exhibit A, pages 5-12
    - (ii) Elect Vice Chair, *Trustees* (action item)
    - (iii) LTPAO Update, *LTPAO*
  - (b) Finance Committee Updates (9:20 AM)
    - (i) Annual Audit Review, *SITFO, Auditors*
    - (ii) FY 25 Trust Expenses and FY 26 Budget Review, *SITFO, Finance Committee*  
Attached, Exhibit B, pages 13-19
  - (c) Performance and Risk Reporting (10:00 AM)
    - (i) Executive Summary, *SITFO*  
Attached, Exhibit C, pages 20-49
  - (d) Asset Allocation / IPS Adoption and Approval, *RVK* (action item) (10:45 AM)  
Attached, Exhibit D, pages 50-117
  - (e) Investment Beliefs Approval, *SITFO* (action item)  
Attached, Exhibit E, pages 118-149
3. Lunch (Wasatch Room - Start at 12:00 PM)
4. Closed Session (Aspen Room - Start at 1:00 PM) (action item)
  - (a) Growth Structure Review – As Authorized by Utah Code Section 53D-1-304(6), *SITFO, Aksia*
    - (i) AI Demonstration, *External Manager* (1:00 PM)

- (ii) Private Equity Asset Class Structure
  - (iii) Public Equity Asset Class Structure
  - (iv) Chief Investment Officer Review – As Authorized by Utah Code Section 52-4-205(1)(a),  
*Trustees* (2:30 PM)
- 5. Open Session (Start at 3:00 PM)
  - (a) Adjourn (*action item*)
- 6. Networking Activity (3:30 PM Meet for Buses)
  - (a) Wreath making at Park City Gardens
  - (b) Last bus back leaves at 5:30 PM
- 7. Summit Awards Dinner (Pine Room - 6:00 PM)
  - (a) Friend of the Trusts Award Presentation to Jefferson Moss (6:00 – 6:15 PM)
    - (i) Comments from Peter Madsen
    - (ii) Treasurer Oaks awards the Friend of the Trust Award
  - (b) Mocktails (Welcome/Reception) (6:00 – 6:30 PM)
  - (c) Dinner 6:30 PM
  - (d) Fireside Chat with Peter Madsen, Clint Stone, and John Skjervem (7:00 PM)

## Day 2 – Friday, December 5, 2025

- 1. Breakfast (Wasatch Room - Start at 8:00 AM)
- 2. Open Session – Call the Meeting to Order (Aspen Room - 9:00 AM)
- 3. Presentations: AI
  - (a) Jeff Currie (9:05 AM)  
Attached, Exhibit G, *pages 153-154*
  - (b) Peter Berezin (9:35 AM)  
Attached, Exhibit H, *pages 155-190*
  - (c) Paul Arnold (10:05 AM)  
Attached, Exhibit I, *pages 191-223*
- 4. Break (11:00 AM)
- 5. SITFO's Response to AI (11:15 AM)
  - (a) Demonstration of V7  
Attached, Exhibit J, *pages 224-233*
- 6. Closing Statement– Peter Madsen (12:15 PM)  
Attached, Exhibit K, *pages 234-245*
- 7. Adjourn 12:30 PM (*action item*)
- 8. Lunch (Wasatch Room - 12:30 PM)
- 9. Depart 1:30 PM





# Exhibit A



## Board of Trustees Meeting Recap



- September 9, 2025
  - Draft Summit agenda was shared
  - Staffing updates were provided, and a second Administrative Assistant position will be hired
  - Finance Committee noted the office was under budget for FY 25 and budget for staffing changes can be accommodated through FY 27 and will be revisited in FY 28
  - Portfolio cash breached max AA threshold but is expected to be within range by the end of the third quarter. All other portfolio aspects remained in compliance.
  - Defensive Asset Class Structure Review
- September 19, 2025
  - Trustees approved the compensation of the CIO



# Board of Trustees

## MEETING MINUTES

**Tuesday, September 9, 2025 – 9:00 AM**

Location: 310 S Main St., STE 1250, Salt Lake City, UT 84101

### **Board Attendees:**

Marlo Oaks, Mark Siddoway, David Zucker, Bong Choi, Rakhi Patel

### **Other Attendees:**

Peter Madsen, SITFO; Ryan Kulig, SITFO; Angelique Pappas, SITFO; Johnny Lodder, SITFO; Hayden Bergeson, SITFO; Rainey Cornaby, SITFO; Tatiana Devkota, SITFO; Jess Rowe, SITFO; Rodney Tran, SITFO; Oliver Sorensen, SITFO; McCall Welling, SITFO; Wylie Kimball, SITFO; Jeremy Miller, RVK; Mattias Bauer, RVK; Paula Plant, SCT; Sherry Maddel, PTA; Brook McCarrick, AG's Office; Kirt Slaugh, State Treasurer's Office; Jessie Stuart, LTPAO; Liz Mumford, LTPAO; Kira Bennett, SCT (Virtual); Matt Sullivan, Aksia (Virtual); Lawrence Cinamon, Aksia (Virtual); Brett Minarik, Aksia (Virtual); Kevin Baload, Public (Virtual)

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

Chair Marlo Oaks called the meeting to order at 9:04 AM, on the 9th day of September 2025. Treasurer Oaks started the meeting with a roll call of attendees.

### **Administrative – Recap and Approval of Minutes from June 3, 2025, SITFO (Action Item)**

Mr. Ryan Kulig provided a recap of the June board meeting. He presented the meeting minutes from the board meeting. Chair Oaks 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: Yes

Trustee Patel: Absent

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes

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

Mrs. Jessie Stuart of the Land Trusts Protection and Advocacy Office (LTPAO) delivered an update covering a range of advocacy and communications efforts. She reported on the authorization of \$111 million in funding with a one-year implementation window for educational institutions and the planned allocation of \$300 each to 1,074 students graduating with teacher-preparation degrees at colleges of education. She also summarized the recent press event at Whittier Elementary School, which received coverage from local news outlets. Mrs. Liz Mumford provided updates on the advocacy study group, convened to clarify audit findings and the structure of the trust fund system, which voted unanimously to advance recommendations resulting in the initiation of a bill.

## **Administrative – Update on SITFO Summit, SITFO**

Mrs. Jess Rowe provided a brief summary of the upcoming Summit scheduled for December 4–5, 2025, with the more formal portion of the meeting taking place on the first day. The event will be held at the Hotel Park City in Park City, Utah. Mr. Peter Madsen requested feedback from the trustees to incorporate into the Summit discussions. He also advised that Day 2 will feature a discussion on artificial intelligence.

## **Administrative – Personnel Update, SITFO**

Mr. Kulig presented SITFO's current organizational chart, noting that the organization currently has thirteen staff members. He announced that Mr. Hayden Bergeson will be departing at the end of this month and extended his appreciation for Mr. Bergeson's service. Mrs. Tatiana Devkota reported that SITFO will be hiring a second Administrative Assistant to support the investment team with travel coordination, scheduling, investment documentation recordkeeping, and related functions. Trustee Patel arrived during this portion of the meeting.

## **Finance Committee Updates – FY25 Summary, SITFO**





Mrs. Rainey Pritchett provided a financial update. She explained that the appropriated budget is a hard-cap budget that undergoes an annual approval process and is enacted through legislation each year, whereas the forecast represents the expected expenses each fiscal year. Actual expenditures for FY25 were reported as under forecast and under the appropriated budget. Mr. Ryan Kulig emphasized that no funds are wasted if actual expenses are under budget and that all unused funds are returned to the trust.

## **Finance Committee Updates – FYTD 26 Summary, SITFO**

Mrs. Rainey Pritchett provided an early fiscal year update, noting that there are limited actuals to report at this stage. Mrs. Pritchett detailed that staffing assumptions have been updated to align with the most recent organizational chart, including additional headcount. Mr. Ryan Kulig noted that staffing changes can be accommodated through FY27 and will be revisited for FY28.

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

Mr. Hayden Bergeson presented the Executive Summary. He noted that SITFO has transitioned to FOS reporting and Hamilton Lane private market benchmarks.. Mr. Peter Madsen reported on portfolio positioning as of June 30, noting cash balances are above the max threshold due to a secondary sale as proceeds were received at quarter end. The cash balance is expected to be within range by the end of the third quarter. By year-end, cash is expected to be redeployed into private income and real assets, with risk positioning remaining neutral.

Mr. Bergeson walked through the portfolio’s performance, attribution and risk while detailing key market themes that influenced the portfolio. Mr. Madsen emphasized stabilization across the portfolio and that over half of recent outperformance has come from private markets.

## **Closed Session - Investments & Chief Investment Officer Review (Action Item)**

Ms. Brook McCarrick, 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 10:22 AM Ms. McCarrick noted that Chair Oaks would entertain a motion to close the meeting. Trustee Zucker motioned to close the meeting, and it was seconded by Trustees Patel. A roll call vote was taken, and the motion passed.

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



Trustee Oaks: Yes

Trustee Patel: Yes

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes

### **Adjourn (Action Item)**

Chair Oaks entertained a motion to adjourn. Trustee Zucker made a motion to adjourn the meeting. Trustee Patel seconded the motion, and the motion passed. The meeting was adjourned at 1:41 PM.

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

Trustee Oaks: Yes

Trustee Patel: Yes

Trustee Siddoway: Yes

Trustee Zucker: Yes

Trustee Choi: Yes





# Board of Trustees: CIO Compensation Meeting

## MEETING MINUTES

Friday, September 19, 2025 – 10:30 AM

Location: Zoom Webinar

### Board Attendees:

Marlo Oaks, Bong Choi, Rakhi Patel, Mark Siddoway (technical difficulties)

### Other Attendees:

Ryan Kulig, SITFO; Jess Rowe, SITFO; Liz Mumford, LTPAO; Sheri Mattle, PTA

### Open Session – Call the Meeting to Order (Start at 10:30 AM)

Chair Marlo Oaks called the meeting to order at 10:34 AM, on the 19th day of September 2025. Treasurer Oaks started the meeting with a roll call of attendees.

### CIO Compensation Update (*action item*)

Chair Oaks entertained a motion to adjust the compensation of Chief Investment Officer Peter Madsen to the rate of \$200.24 per hour, noting that said adjustment should take effect as soon as possible. Trustee Choi made a motion to adjust the compensation of Peter Madsen. Trustee Patel seconded the motion, and the motion passed.

### Record of the Vote:

Trustee Oaks: Yes

Trustee Patel: Yes

Trustee Choi: Yes

### **Adjourn (Action Item)**

Chair Oaks entertained a motion to adjourn. Trustee Patel made a motion to adjourn the meeting. Trustee Choi seconded the motion, and the motion passed. The meeting was adjourned at 10:35 AM.

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

Trustee Oaks: Yes

Trustee Patel: Yes

Trustee Choi: Yes



# Exhibit B





October 9, 2025

To the Board of Trustees  
School & Institutional Trust Funds  
Salt Lake City, UT

We have audited the financial statements of School & Institutional Trust Funds as of and for the year ended June 30, 2025, and have issued our report thereon dated October 9, 2025. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our letter dated August 15, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of School & Institutional Trust Funds solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by School & Institutional Trust Funds is included in Note 3 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are management's estimate of fair value of investments.

Management's estimate of the fair value of investments is based on information provided by third-party managers. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting School & Institutional Trust Funds' financial statements relate to the fair value of investments in Note 5 due to their significance to the governmental balance sheet.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of

transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to School & Institutional Trust Funds financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated October 9, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with School & Institutional Trust Funds, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as School & Institutional Trust Funds' auditors.

This report is intended solely for the information and use of the Board of Trustees, and management of School & Institutional Trust Funds and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah



# SITFO Personnel Update



- Total Staff (14)

- Full Time Roles (10)

- Director, Chief Investment Officer (1)
    - Deputy Chief Investment Officer (1)
    - Finance & Operations Officer (1)
    - Investment Officer (1)
    - Senior Finance & Operations Analyst (1)
    - Investment Analyst (4)
    - Administrative Assistant (1)

- Part Time Roles (4)

- Finance & Operations Analyst (1)
    - Intern Analyst (3)

- Recent Updates

- New Hires

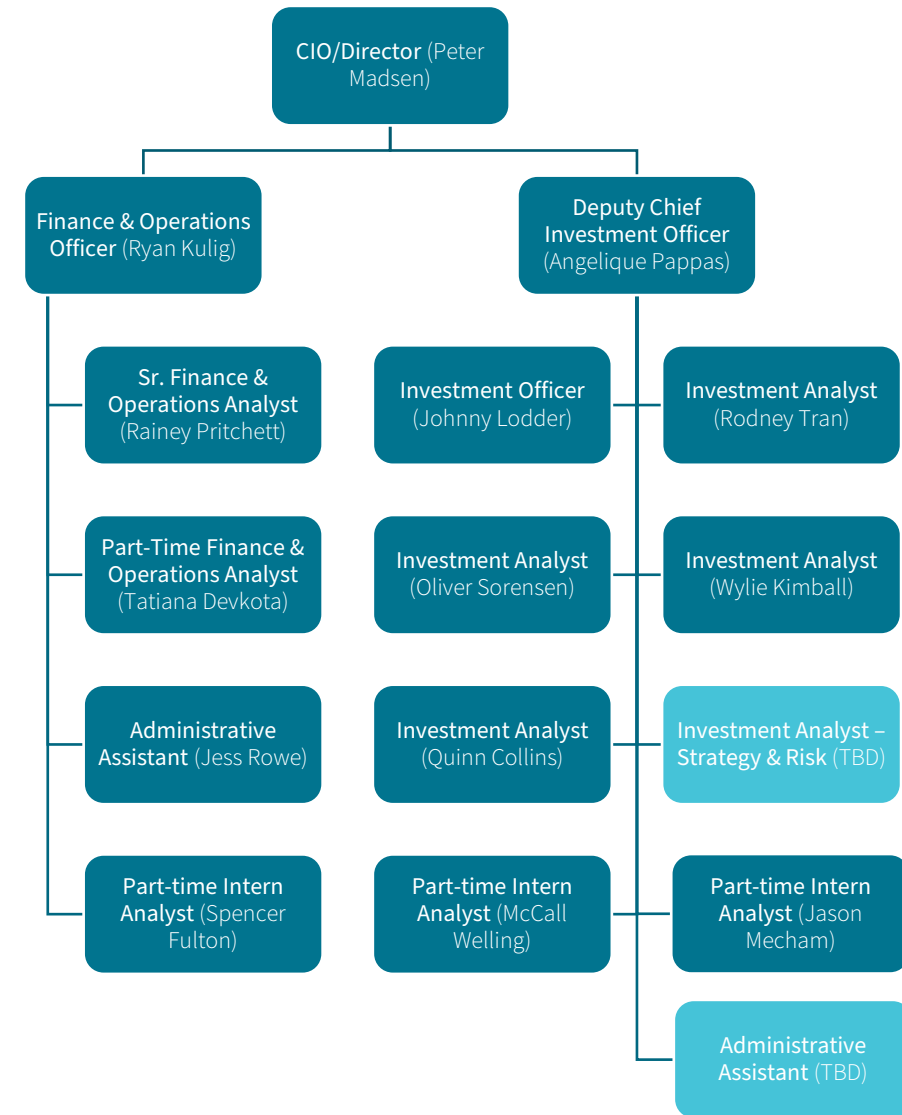
- Jason Mecham joined mid-September as a part-time Intern Analyst supporting the IMR team.
    - Quinn Collins started November 10 as an Investment Analyst focused on IMR.

- Departures

- Hayden Bergeson left at the end of September to pursue opportunities outside of the state.

- Recruitment in Progress

- Investment Analyst, Strategy & Risk hiring on hold
    - Second Administrative Assistant: position posted, interviews underway with strong candidates.



## FY 25 Trust Expenses Comparison



- 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 lower consultant fees, more resources, and more alternatives
- Expenses and fees
  - From administration .13 %
  - With Investment Management Fees 1.18 % (1.17 % including sec lending)

Expense	SITFO
Custody, FOS	.02 %
Investment Consultant	.04 %
Data, Risk, Audit	.01 %
Operating Budget	.06 %
<b>Total</b>	<b>.13 %</b>

Costs	\$10B	\$2B	\$500MM
Staffing and Compensation	\$10,833	\$3,728	\$1,392
Hardware, Office Supplies	\$34	\$12	\$8
Internal Systems & Data Licenses	\$755	\$685	\$200
Manager Diligence, Monitoring Costs	\$777	\$397	\$250
Other Costs	\$48	\$4	\$4
Total Costs	\$12,466	\$4,825	\$1,854
Total Costs in basis points	12.0	24.0	37.0

Source: **Strategic Investment Group**. *Building Blocks and Costs of an Internal Investment Office*. © 2024, Strategic Investment Management, LLC. All rights reserved.

\*As a percent of Total Portfolio Value of \$4.2 B  
Totals may not sum due to rounding.

# FY 26 Budget Review – Summary



	Q1 FY2026			Q2 FY2026			Q3 FY2026			Q4 FY2026			FY2026		
	Forecast	Actuals	Over / (Under)	Forecast	Outlook as of October	Over / (Under)	Forecast	Outlook as of October	Over / (Under)	Forecast	Outlook as of October	Over / (Under)	Forecast	Outlook as of October	Over / (Under)
AA Personnel Services	581,775	562,569	(19,208)	668,349	639,757	(28,592)	784,194	798,449	14,254	885,155	881,845	(3,311)	2,919,474	2,882,620	(36,855)
BB Travel/In State	408	4,129	3,719	408	233	(175)	408	233	(175)	408	233	(175)	1,630	4,826	3,194
CC Travel/Out of State	40,502	166	(40,336)	40,502	40,408	(94)	40,502	40,408	(94)	40,502	40,408	(94)	162,007	121,340	(40,668)
DD Current Expense	83,944	174,475	90,532	91,944	152,703	60,759	99,144	99,144	-	83,944	83,945	1	358,975	510,267	151,293
EE Data Processing Exp	46,363	18,947	(27,416)	46,363	21,362	(25,000)	46,363	21,362	(25,000)	46,363	21,362	(25,000)	185,450	83,035	(102,416)
GG Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HH Other Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	752,991	760,286	7,296	847,565	854,463	6,898	970,610	959,596	(11,014)	1,056,371	1,027,793	(28,578)	3,627,537	3,602,139	(25,398)
BUDGET															
APPROPRIATION	1,060,833	1,060,833	-	1,028,044	1,028,044	-	1,170,206	1,170,206	-	1,124,717	1,124,717	-	4,383,800	4,383,800	-
DIFFERENCE	(307,842)	(300,546)		(180,479)	(173,581)		(199,596)	(210,610)		(68,347)	(96,924)		(756,263)	(781,661)	

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# Exhibit C



9/30/2025



# Executive Summary

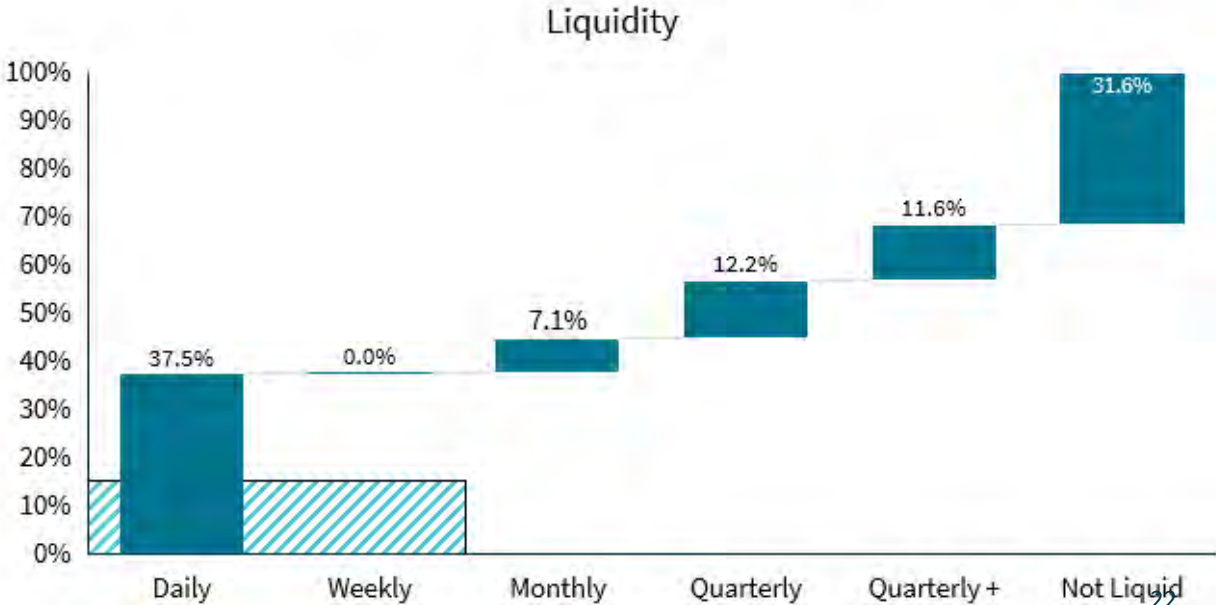
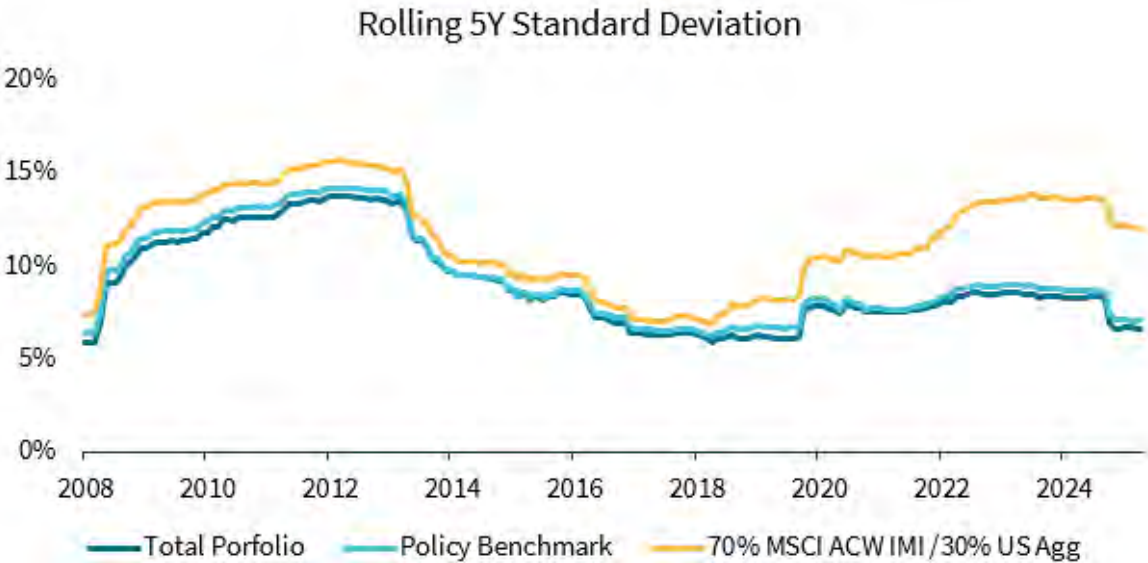
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# Total Portfolio – Objectives & Compliance



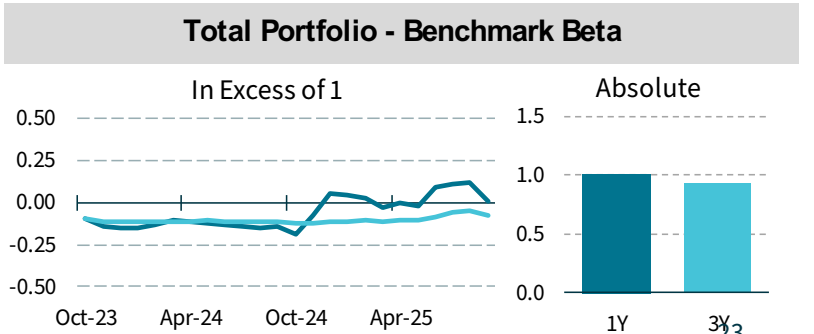
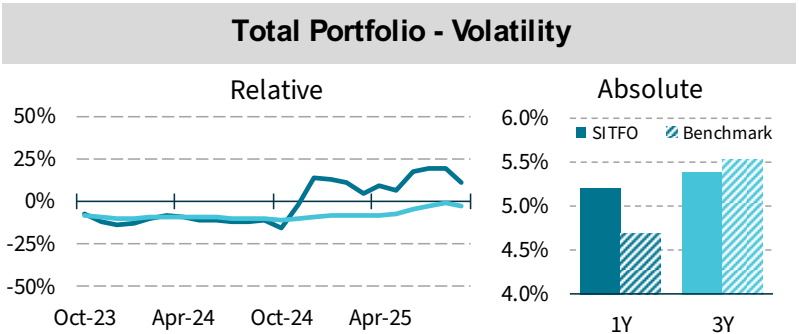
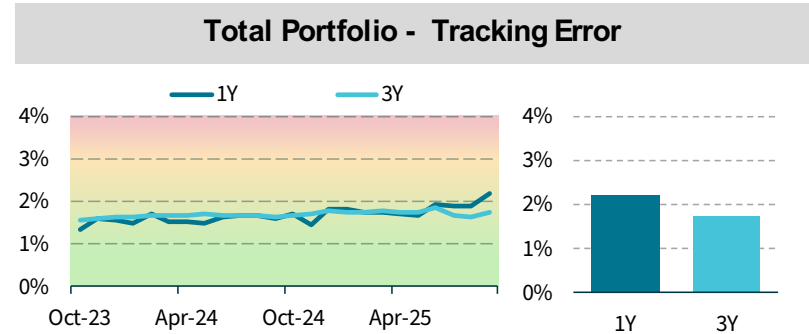
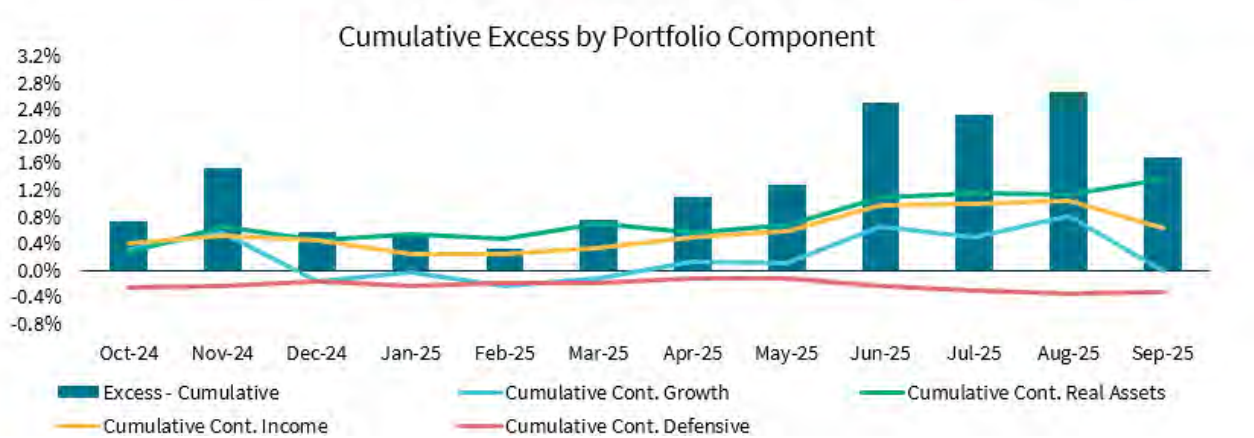
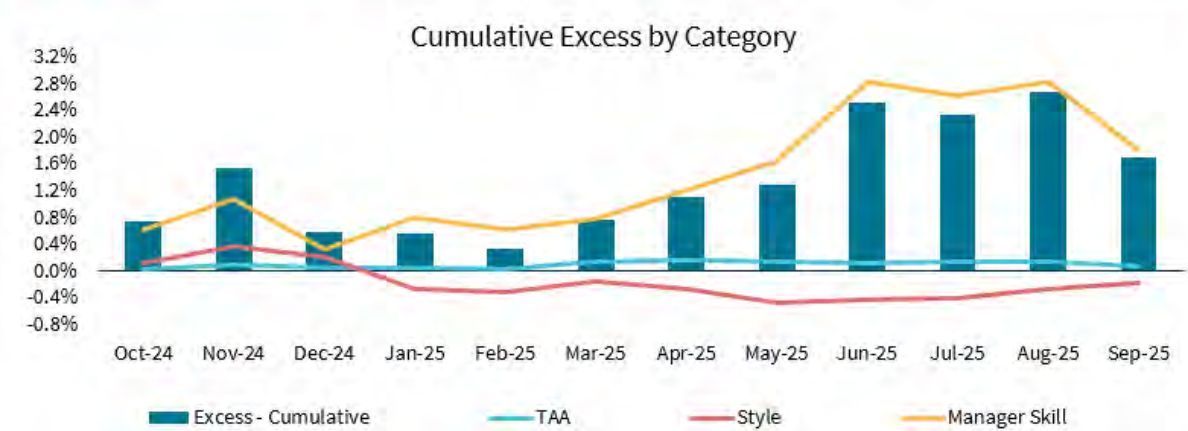
	Min Range	Portfolio	Max Range	Compliant	Interim Benchmark	Policy
Growth	40.00	46.74	50.00	Yes	45.00	45.00
Public Equity	24.50	32.46	35.50	Yes	30.50	25.00
Private Equity	9.50	14.28	20.50	Yes	14.50	20.00
Real Assets	12.00	15.80	22.00	Yes	17.00	15.00
Public Real Assets	2.00	6.58	10.00	Yes	7.00	5.00
Private Real Assets	7.00	9.22	15.00	Yes	10.00	10.00
Income	23.00	26.01	33.00	Yes	28.00	30.00
Public Income	13.50	17.76	21.50	Yes	18.50	20.00
Private Income	6.50	8.25	14.50	Yes	9.50	10.00
Defensive	5.00	11.38	15.00	Yes	10.00	10.00
Duration	0.00	2.72	6.00	Yes	3.00	3.00
Convexity	3.00	6.13	11.00	Yes	7.00	7.00
Cash	0.00	2.54	3.00	Yes	0.00	0.00



Performance Review/Attribution – Total Portfolio



	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			SAA	TAA	1 Year Style	MS	Excess
Total Portfolio	100.00%	100.00%	0.00%	9.67%	8.97%	0.71%	11.31%	10.99%	0.32%	11.00%	9.42%	1.58%	9.48%	0.06%	-0.17%	1.81%	1.70%
Growth	46.74%	45.00%	1.74%	13.58%	13.49%	0.09%	16.65%	17.79%	-1.14%	14.44%	14.45%	-0.01%	6.47%	0.00%	-0.15%	0.16%	0.01%
Real Assets	15.80%	17.00%	-1.20%	11.68%	6.73%	4.95%	8.49%	3.31%	5.18%	11.80%	3.77%	8.02%	0.66%	-0.01%	0.23%	1.13%	1.36%
Income	26.01%	28.00%	-1.99%	7.29%	6.98%	0.31%	9.93%	9.78%	0.15%	10.23%	7.98%	2.24%	2.23%	0.05%	0.14%	0.46%	0.65%
Defensive	11.38%	10.00%	1.38%	-0.80%	1.28%	-2.08%	-0.16%	0.84%	-1.00%	-1.61%	1.45%	-3.05%	0.12%	0.02%	-0.39%	0.05%	-0.31%

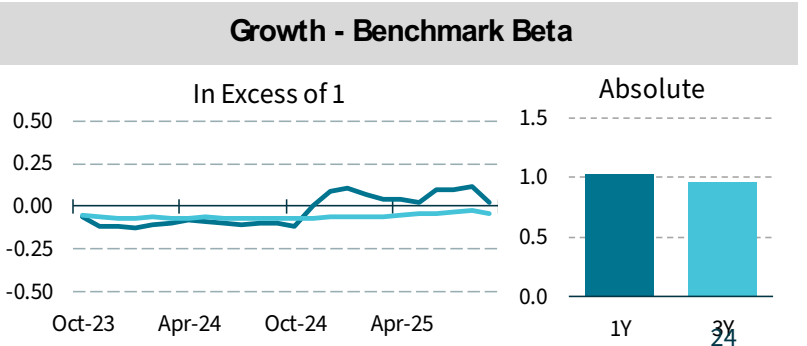
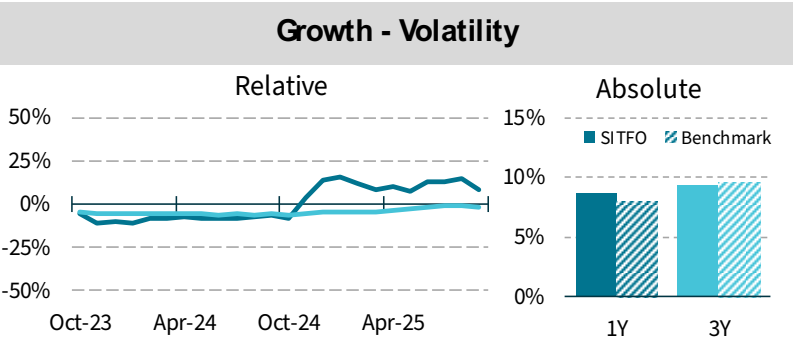
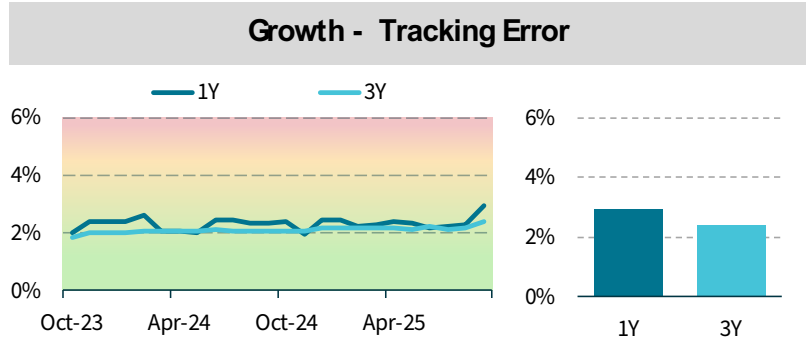
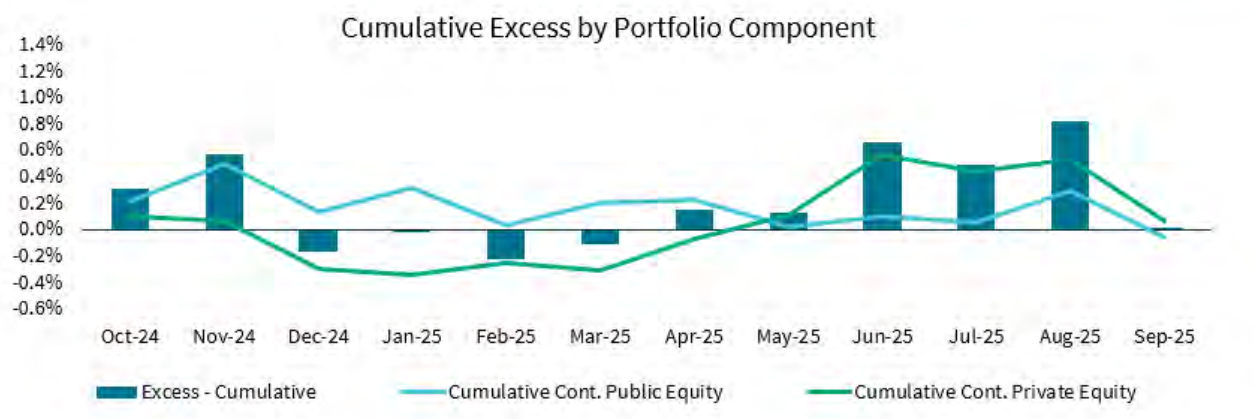
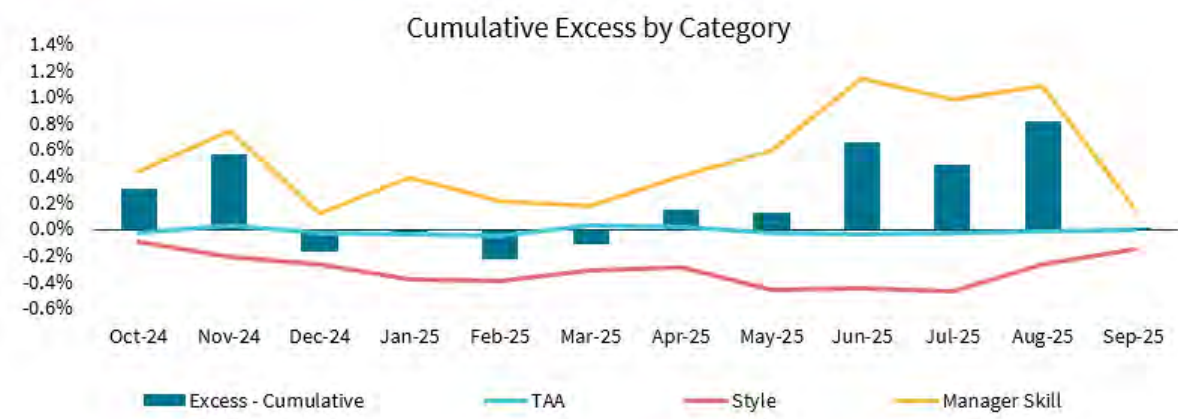




Performance Review/Attribution – Growth



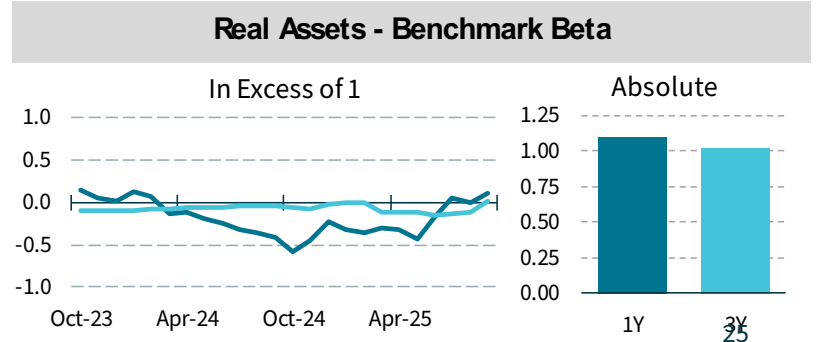
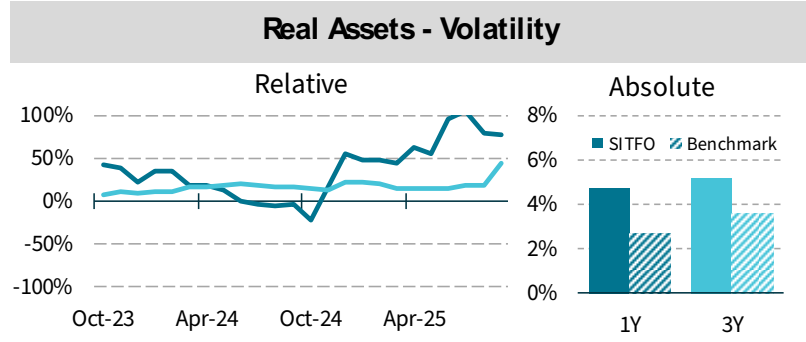
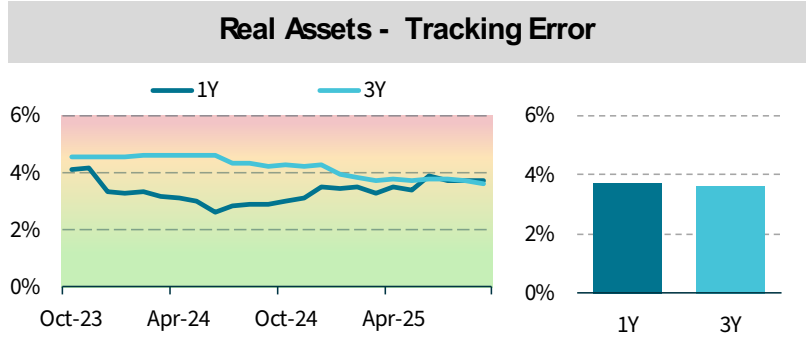
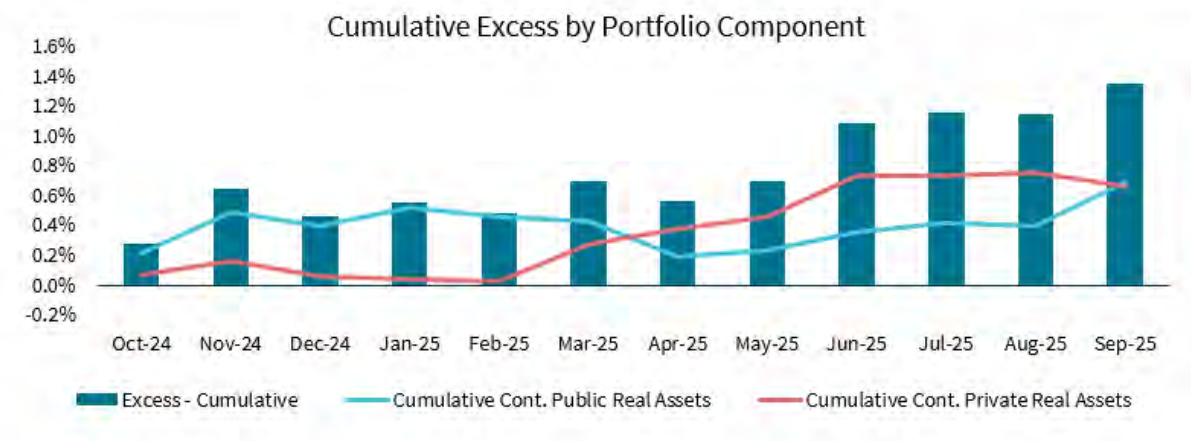
	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			SAA	TAA	1 Year Style	MS	Excess
Growth	46.74%	45.00%	1.74%	13.58%	13.49%	0.09%	16.65%	17.79%	-1.14%	14.44%	14.45%	-0.01%	6.47%	0.00%	-0.15%	0.16%	0.01%
Public Equity	32.46%	30.50%	1.96%	13.68%	13.12%	0.56%	21.76%	22.49%	-0.73%	16.57%	16.79%	-0.22%	5.20%	-0.01%	-0.15%	0.11%	-0.06%
Private Equity	14.28%	14.50%	-0.22%	15.86%	16.08%	-0.22%	2.57%	5.52%	-2.95%	10.13%	9.94%	0.19%	1.27%	0.01%	0.00%	0.06%	0.07%



Performance Review/Attribution – Real Assets



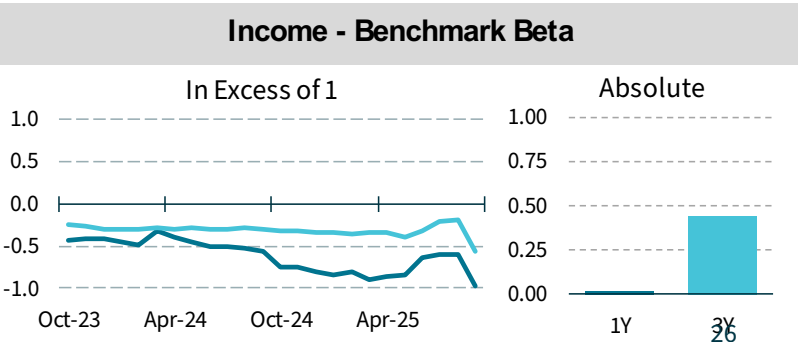
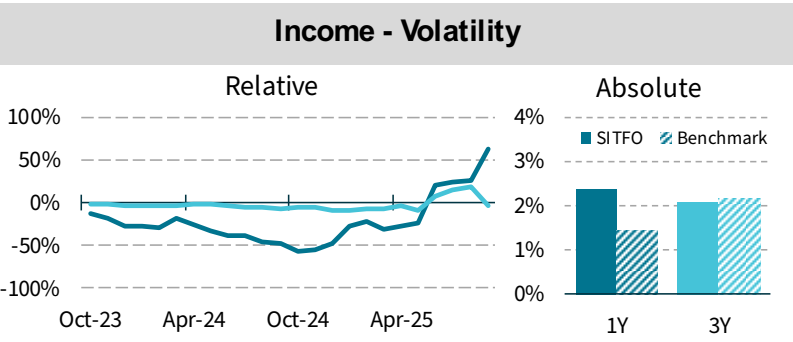
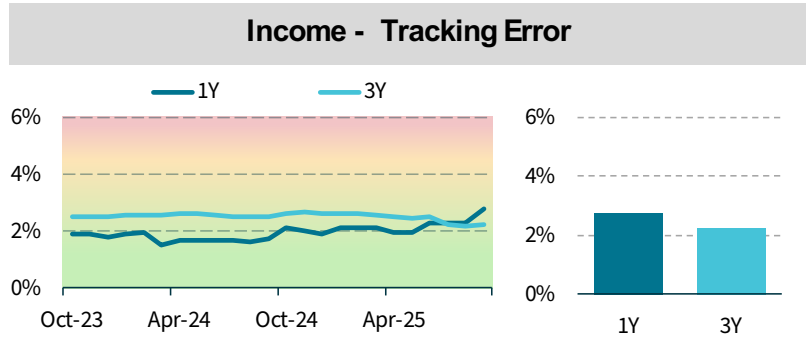
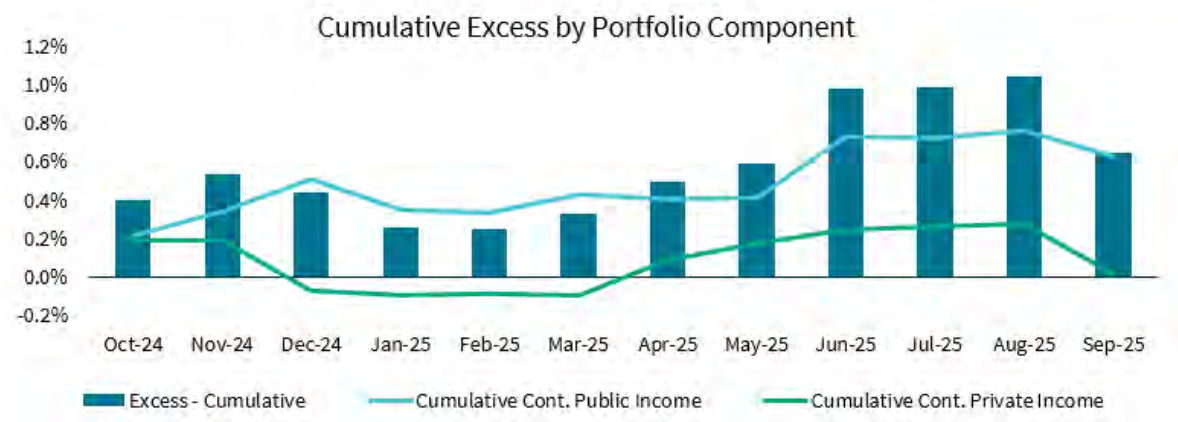
	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			1 Year				
				Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	SAA	TAA	Style	MS	Excess
Real Assets	15.80%	17.00%	-1.20%	11.68%	6.73%	4.95%	8.49%	3.31%	5.18%	11.80%	3.77%	8.02%	0.66%	-0.01%	0.23%	1.13%	1.36%
Public Real Assets	6.58%	7.00%	-0.42%	16.35%	11.69%	4.66%	13.02%	10.28%	2.74%	17.61%	6.93%	10.68%	0.48%	-0.05%	0.23%	0.51%	0.69%
Private Real Assets	9.22%	10.00%	-0.78%	8.64%	6.04%	2.60%	5.08%	-2.44%	7.52%	7.30%	1.61%	5.69%	0.17%	0.04%	0.00%	0.62%	0.66%



Performance Review/Attribution – Income



	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			SAA	TAA	1 Year Style	MS	Excess
Income	26.01%	28.00%	-1.99%	7.29%	6.98%	0.31%	9.93%	9.78%	0.15%	10.23%	7.98%	2.24%	2.23%	0.05%	0.14%	0.46%	0.65%
Public Income	17.76%	18.50%	-0.74%	6.71%	6.45%	0.26%	11.64%	10.13%	1.52%	11.32%	7.62%	3.70%	1.43%	0.02%	0.14%	0.47%	0.63%
Private Income	8.25%	9.50%	-1.25%	9.37%	10.98%	-1.61%	6.49%	8.68%	-2.19%	8.18%	8.71%	-0.53%	0.80%	0.03%	0.00%	-0.01%	0.02%

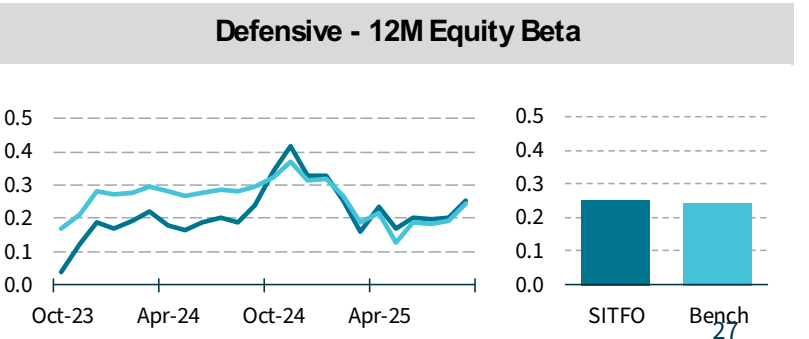
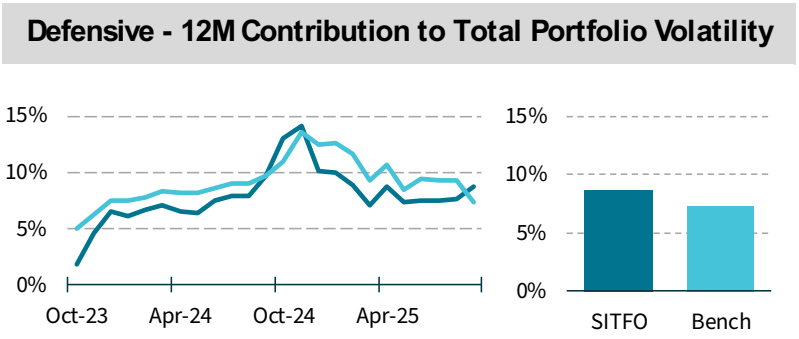
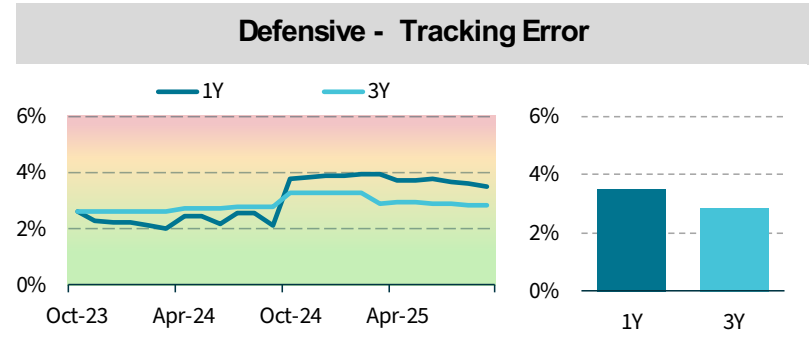
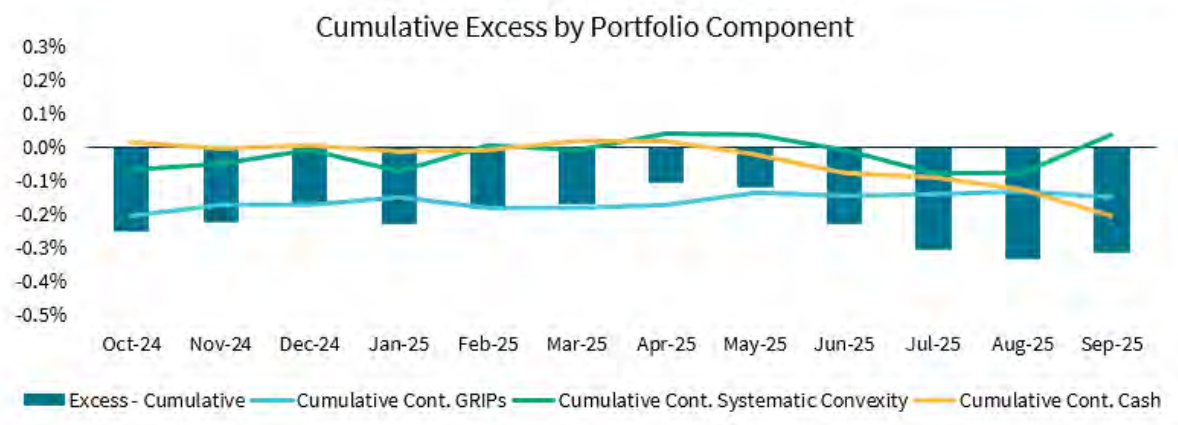
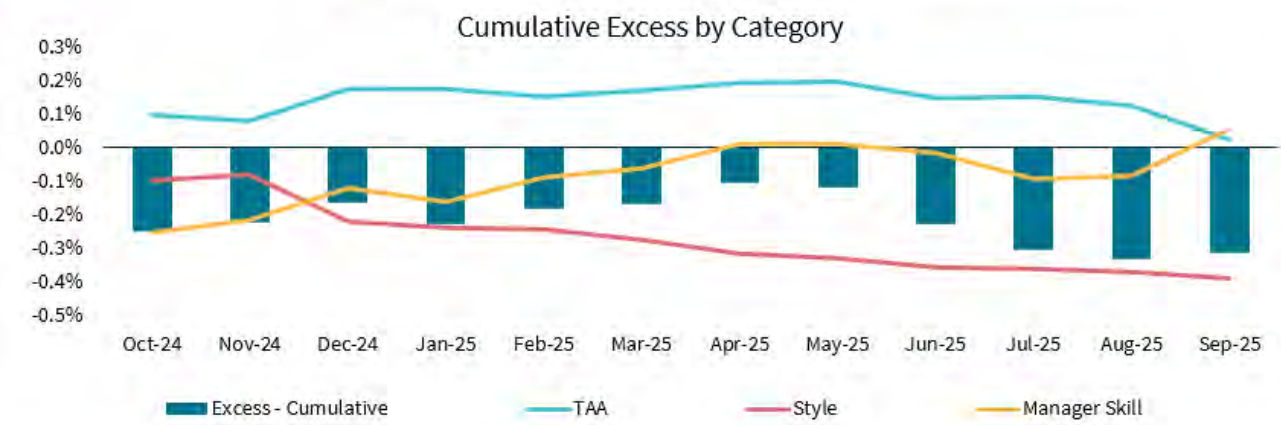




Performance Review/Attribution – Defensive



	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			SAA	TAA	1 Year Style	MS	Excess
Defensive	11.38%	10.00%	1.38%	-0.80%	1.28%	-2.08%	-0.16%	0.84%	-1.00%	-1.61%	1.45%	-3.05%	0.12%	0.02%	-0.39%	0.05%	-0.31%
Duration	2.72%	3.00%	-0.28%	-7.74%	-5.27%	-2.48%	-2.65%	0.86%	-3.51%	-15.56%	-3.37%	-12.18%	-0.22%	0.19%	-0.17%	-0.16%	-0.15%
Convexity	6.13%	7.00%	-0.87%	2.56%	5.87%	-3.31%	-0.38%	0.26%	-0.64%	4.75%	4.68%	0.07%	0.34%	0.02%	-0.22%	0.24%	0.04%
Cash	2.54%	0.00%	2.54%	2.69%	2.98%	-0.28%	4.27%	4.77%	-0.50%	3.49%	4.38%	-0.89%	0.00%	-0.18%	0.00%	-0.02%	-0.20%



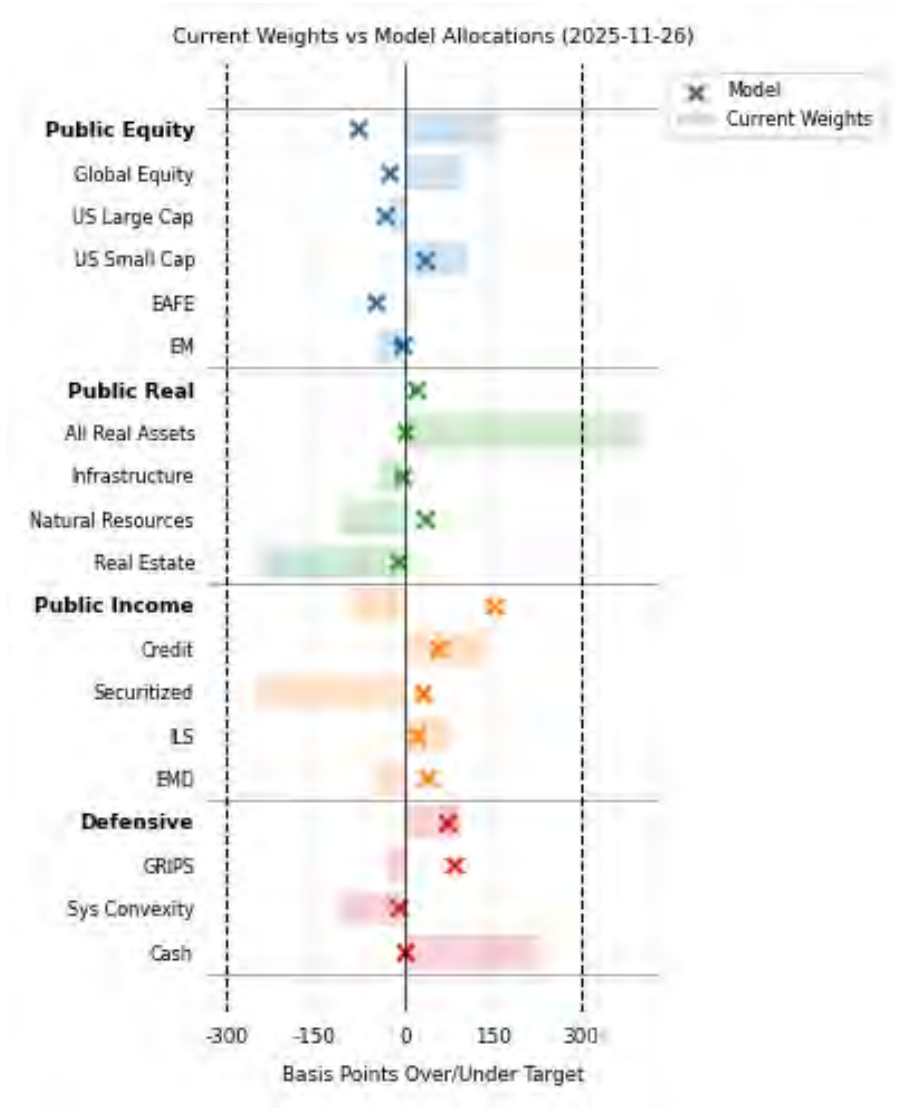


## Market Performance



Sub Asset Class	Ticker		%1D	%5D	%1M	%3M	%YTD	%1YR	3 Year Annualize	5 Year Annualize	MA 50D Pct Chg	MA 200D Pct Chg
▼ Growth												
GLEQ	MSCI ACWI	d	+ .9%	+1.4%	-1.0%	+4.0%	+17.8%	+15.4%	+19.0%	+12.1%	+1%	+8.7%
USLQ	Russell 1000 Idx TR		+1.0%	+2.0%	-.4%	+4.6%	+15.9%	+12.8%	+20.3%	+14.2%	+7%	+9.9%
USSC	Russell 2000 TR Idx		+2.1%	+5.0%	-1.8%	+4.9%	+11.9%	+3.1%	+11.3%	+7.4%	+9%	+11.7%
EAFE	MSCI EAFE NR	d	+ .8%	+1.1%	-1.8%	+1.7%	+24.8%	+24.0%	+14.9%	+8.7%	-.8%	+5.9%
EM	MSCI EM IMI	d	+ .8%	-.5%	-2.5%	+5.4%	+24.0%	+22.8%	+16.0%	+5.4%	-1.5%	+9.6%
Japan	MSCI JAPAN	d	-.3%	+1.0%	+.7%	+8.2%	+17.7%	+22.1%	+20.6%	+15.8%	+1.5%	+13.3%
China	MSCI CHINA	d	+1.0%	-.1%	-3.3%	+1.1%	+31.0%	+35.9%	+17.1%	-2.5%	-3.0%	+7.1%
India	MSCI INDIA	d	-.5%	-.8%	+.3%	+4.4%	+6.9%	+5.3%	+14.2%	+17.0%	+1.1%	+5.0%
FM	MSCI Frontier EmMkt	d	+ .6%	+ .4%	-.7%	+3.0%	+29.6%	+27.8%	+17.5%	+8.1%	--	+10.5%
▼ Real Assets												
All Real	S&PRealAstEquityTR		+ .5%	+1.0%	-.5%	+2.1%	+13.9%	+7.5%	+7.8%	+8.1%	+6%	+4.8%
Global Nat Res	S&P Global NatRes TR		+ .7%	+ .5%	+ .6%	+3.5%	+22.0%	+14.2%	+4.4%	+11.0%	+8%	+8.4%
Global Infra	S&P GLOBAL INFRASTRUCTUR	d	+ .2%	+1.0%	-.4%	+1.8%	+17.0%	+11.5%	+13.3%	+10.9%	+6%	+5.3%
Global Reit	S&P Global REIT USD TR		+ .7%	+1.7%	-1.9%	+1.7%	+8.9%	+1.5%	+7.1%	+5.5%	+1%	+3.8%
US Reit	FTSE E/N All Eqty ReitTR	d	+ .7%	+1.9%	-2.0%	+ .6%	+3.6%	-4.6%	+5.1%	+5.3%	+2%	+1.5%
MLP	AlerianMidstreamEnergyTR	d	+1.2%	+ .6%	+4.5%	+1.1%	+4.4%	-.6%	+17.4%	+22.8%	+1.3%	+1.6%
▼ Income												
Credit	Corporate		+ .3%	+ .9%	-.3%	+2.4%	+7.9%	+6.6%	+6.0%	+1%	+5%	+3.6%
Credit	US HY 1-3 Year		+ .1%	+ .3%	+ .2%	+1.0%	+6.9%	+7.2%	+9.3%	+6.1%	+3%	+2.7%
Leveraged Loan	Mstar US LL TR USD		--	+ .1%	+ .4%	+1.0%	+5.1%	+5.8%	+9.2%	+6.6%	+3%	+1.4%
MBS/ABS/CMBS	Securitized		+ .3%	+ .8%	+ .2%	+2.9%	+8.4%	+7.3%	+4.8%	+3%	+8%	+3.8%
RMB	Broad US Non-Agency RMB		-3.0%	-2.6%	-2.4%	-.4%	+4.5%	+4.7%	+7.1%	+6.9%	-2.1%	+ .6%
CMBS	Non-Agency CMBS		+ .1%	+ .5%	+ .5%	+1.8%	+7.5%	+7.8%	+6.8%	+1.8%	+8%	+3.2%
ABS	ABS		+ .1%	+ .3%	+ .3%	+1.6%	+5.6%	+5.8%	+5.7%	+2.3%	+6%	+2.5%
EM Debt	EM USD Aggregate		+ .1%	+ .3%	+ .7%	+3.2%	+10.5%	+9.7%	+9.3%	+1.7%	+9%	+4.9%
Cat Bond	Swiss Re GL Cat Bond TR		+ .2%	+ .4%	+ .6%	+4.6%	+10.6%	+12.4%	+16.9%	+9.9%	+6.6%	
▼ Defensive												
SG Trend	NEIXCTAT		+ .1%	+ .1%	-.9%	+7.2%	-.8%	+ .7%	-1.0%	+7.7%	+3%	+6.1%
Long Treasuries	U.S. Strips 20+ Yr		+ .3%	+2.1%	-2.1%	+7.6%	+4.8%	-2.5%	-3.9%	-12.2%	+4%	+4.0%
Cash	BXIIBUS0		--	+ .1%	+ .4%	+1.1%	+4.0%	+4.4%	+5.0%	+3.3%	+4%	+1.6%

\*Data as of 11/26/2025



SITFO Views					
	-		Neutral		+
Global Equity					
US Large Cap					
US Small Cap					
EAFE					
EM					
All Real Assets					
Infrastructure					
Natural Resources					
Real Estate					
Credit					
Securitized					
ILS					
EMD					
Duration					
Macro					
Trend					
Cash					

\*Data as of 11/26/2025



	10/31/2025	11/30/2025	Current Over/Under	Min Range	Interim Benchmark	Max Range
<b>Growth</b>	<b>47.1%</b>	<b>46.9%</b>	<b>1.9%</b>	<b>40.0%</b>	<b>45.0%</b>	<b>50.0%</b>
Public Equity	32.5%	32.1%	1.6%	24.5%	30.5%	35.5%
Private Equity	14.6%	14.8%	0.3%	9.5%	14.5%	20.5%
<b>Real Assets</b>	<b>15.7%</b>	<b>16.0%</b>	<b>-0.7%</b>	<b>11.8%</b>	<b>16.8%</b>	<b>21.8%</b>
Public Real Assets	6.7%	6.8%	0.0%	1.8%	6.8%	9.8%
Private Real Assets	9.1%	9.3%	-0.7%	7.0%	10.0%	15.0%
<b>Income</b>	<b>26.0%</b>	<b>26.0%</b>	<b>-2.2%</b>	<b>23.3%</b>	<b>28.3%</b>	<b>33.3%</b>
Public Income	17.9%	17.9%	-0.9%	13.8%	18.8%	21.8%
Private Income	8.2%	8.2%	-1.3%	6.5%	9.5%	14.5%
<b>Defensive</b>	<b>11.0%</b>	<b>11.0%</b>	<b>1.0%</b>	<b>5.0%</b>	<b>10.0%</b>	<b>15.0%</b>
Duration	2.7%	2.7%	-0.3%	0.0%	3.0%	6.0%
Convexity	6.2%	5.9%	-1.1%	3.0%	7.0%	11.0%
Cash	2.1%	2.3%	2.3%	0.0%	0.0%	3.0%

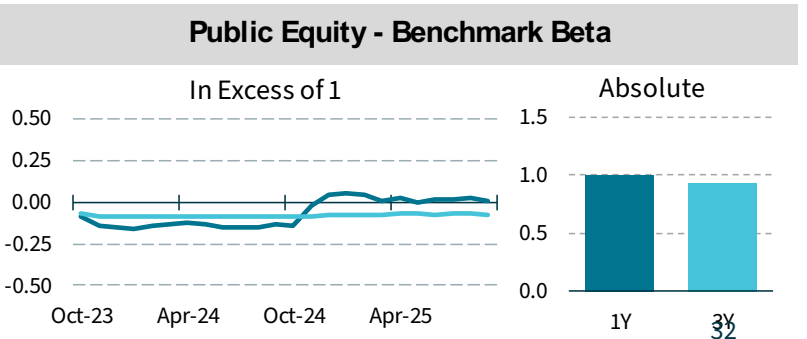
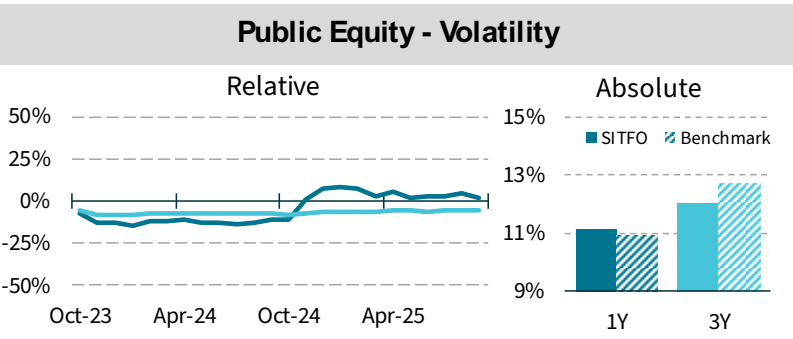
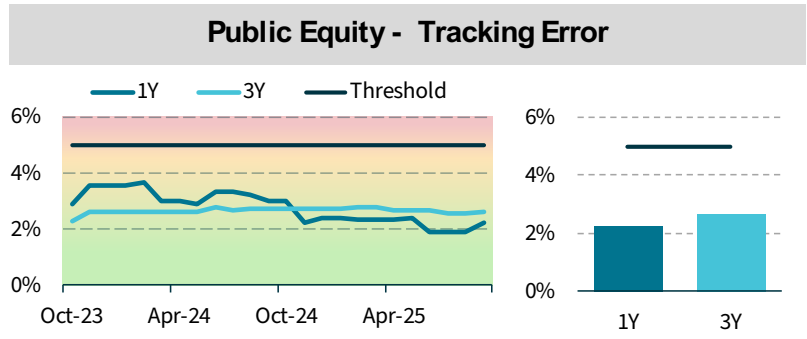
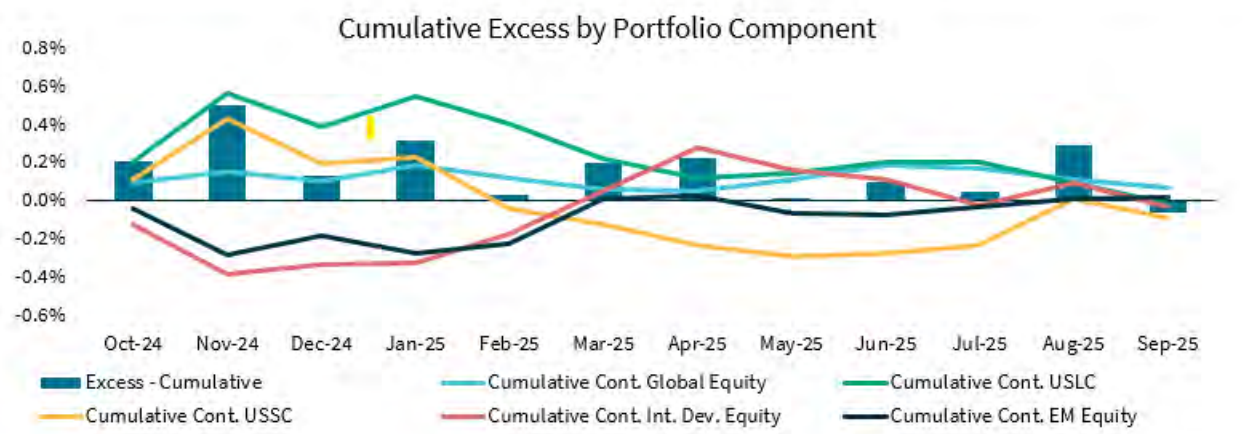
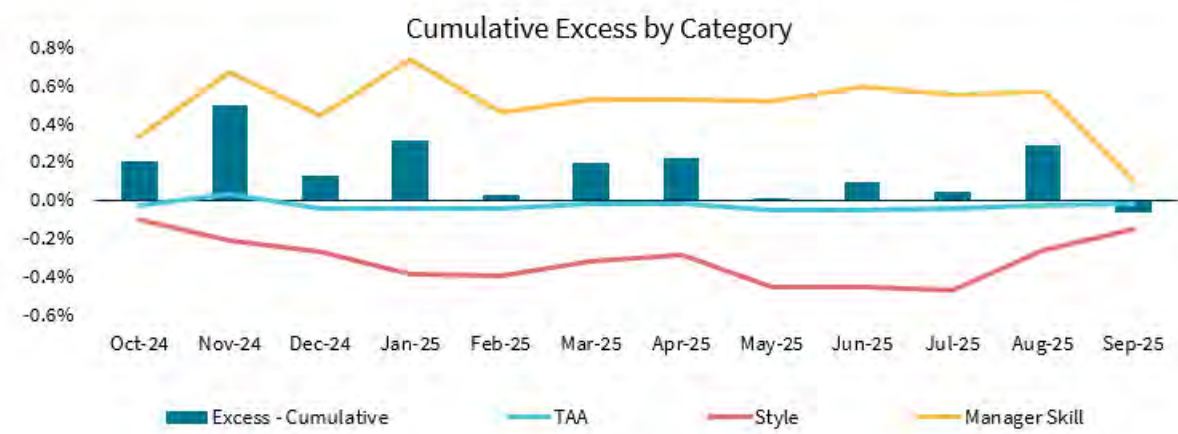
# Appendix



Performance Review/Attribution – Public Equity



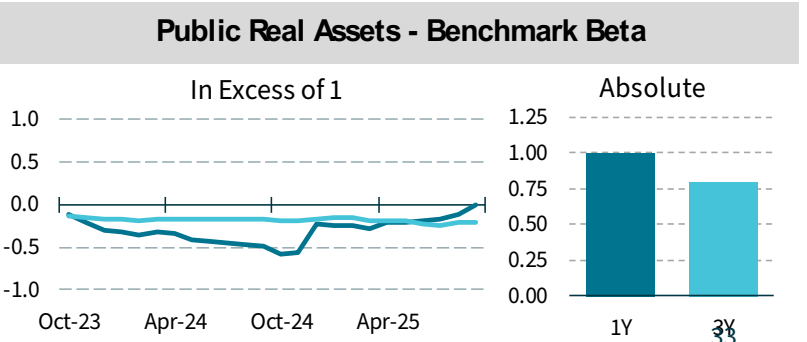
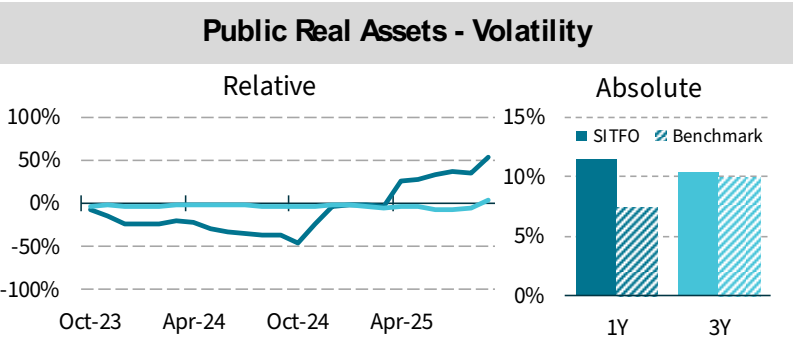
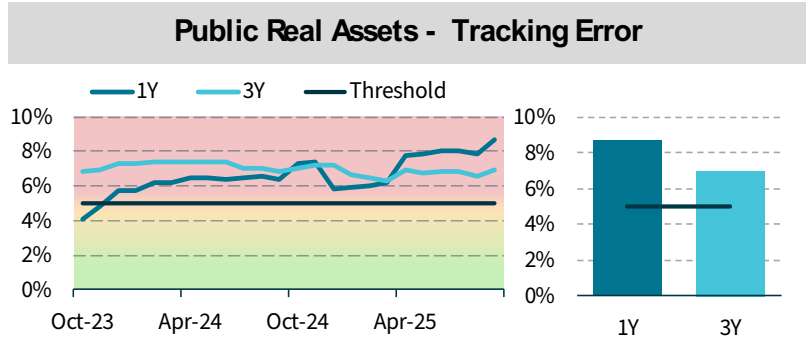
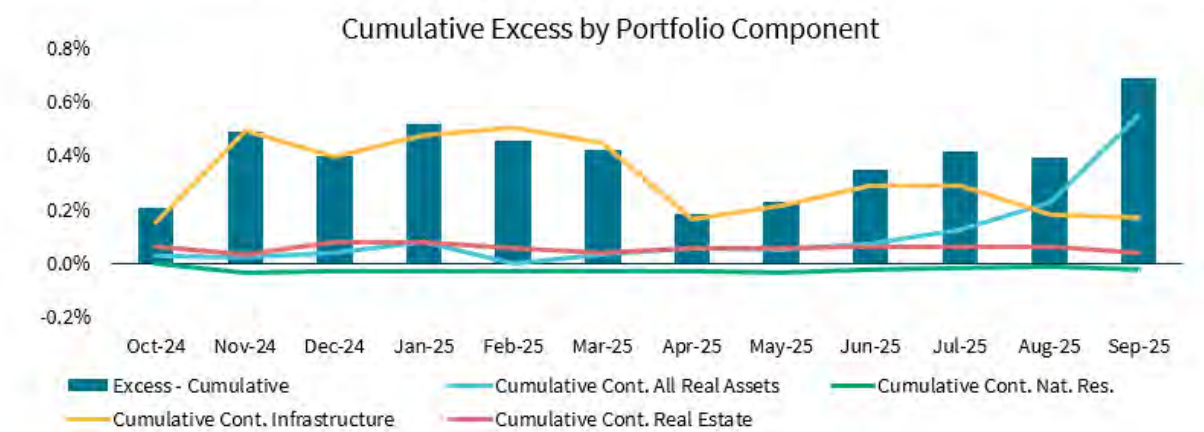
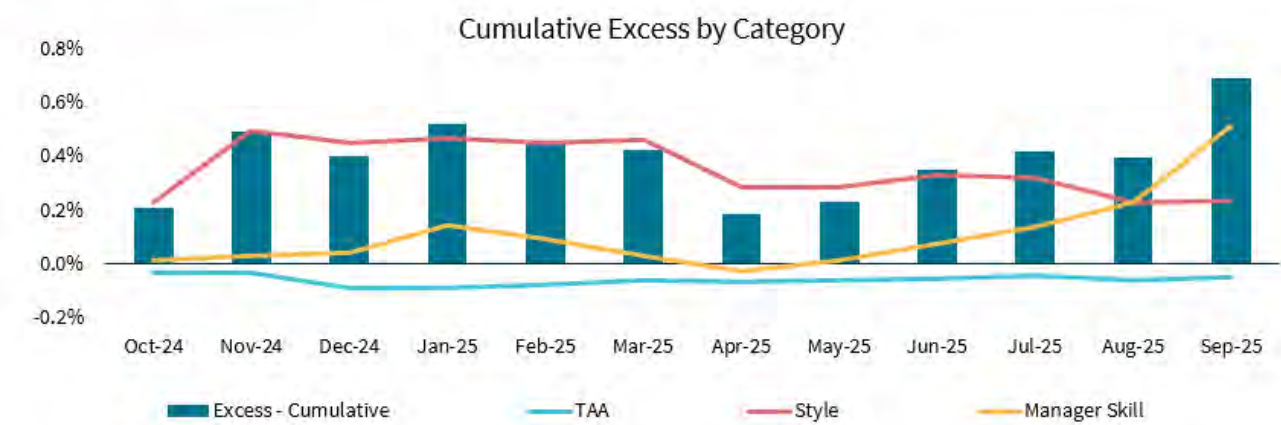
	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			SAA	TAA	1 Year Style	MS	Excess
Public Equity	32.46%	30.50%	1.96%	13.68%	13.12%	0.56%	21.76%	22.49%	-0.73%	16.57%	16.79%	-0.22%	5.20%	-0.01%	-0.15%	0.11%	-0.06%
Global Equity	11.19%			-	-	-	22.12%	22.49%	-0.37%	17.28%	16.79%	0.49%			0.03%	0.04%	0.07%
US Large Cap	7.99%			17.58%	13.12%	4.46%	27.81%	22.49%	5.32%	16.19%	16.79%	-0.59%			0.08%	-0.10%	-0.02%
US Small Cap	3.41%			14.90%	13.12%	1.78%	17.93%	22.49%	-4.56%	14.04%	16.79%	-2.75%			-0.14%	0.05%	-0.09%
International Developed Equity	5.73%			10.16%	13.12%	-2.97%	20.75%	22.49%	-1.74%	17.65%	16.79%	0.86%			-0.14%	0.11%	-0.03%
Emerging Markets Equity	4.15%			8.97%	13.12%	-4.15%	15.08%	22.49%	-7.41%	18.35%	16.79%	1.56%			0.02%	0.00%	0.02%



Performance Review/Attribution – Public Real Assets



	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	SAA	TAA	1 Year Style	MS	Excess
Public Real Assets	6.58%	7.00%	-0.42%	16.35%	11.69%	4.66%	13.02%	10.28%	2.74%	17.61%	6.93%	10.68%	0.48%	-0.05%	0.23%	0.51%	0.69%
Public All Real Assets	3.79%			-	-	-	-	-	-	28.83%	6.93%	21.90%			-0.02%	0.57%	0.55%
Public Natural Resources	0.18%			-1.41%	11.69%	-13.10%	-13.65%	10.28%	-23.93%	-45.23%	6.93%	-52.15%			-0.04%	0.02%	-0.02%
Public Infrastructure	2.35%			18.64%	11.69%	6.96%	19.00%	10.28%	8.72%	9.52%	6.93%	2.59%			0.29%	-0.12%	0.17%
Public Real Estate	0.27%			-	-	-	-0.97%	10.28%	-11.25%	7.44%	6.93%	0.52%			0.00%	0.04%	0.04%

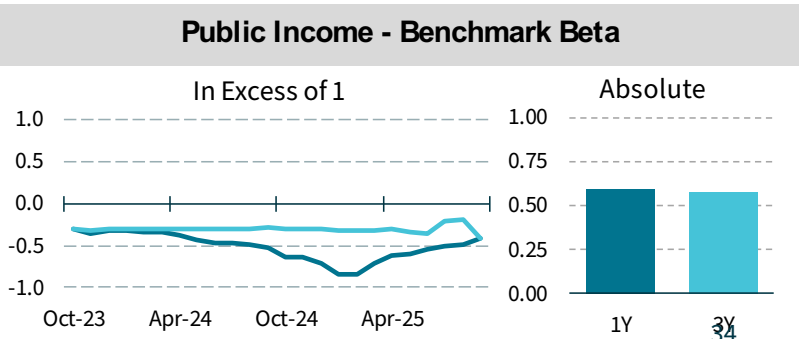
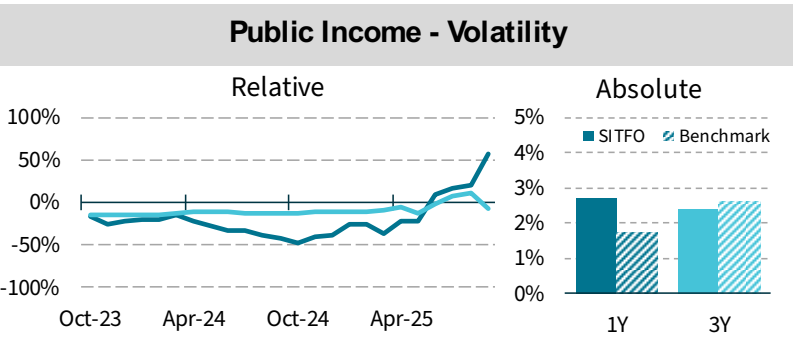
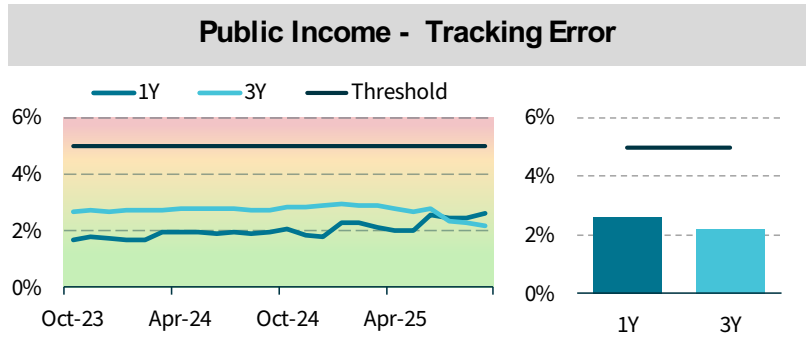
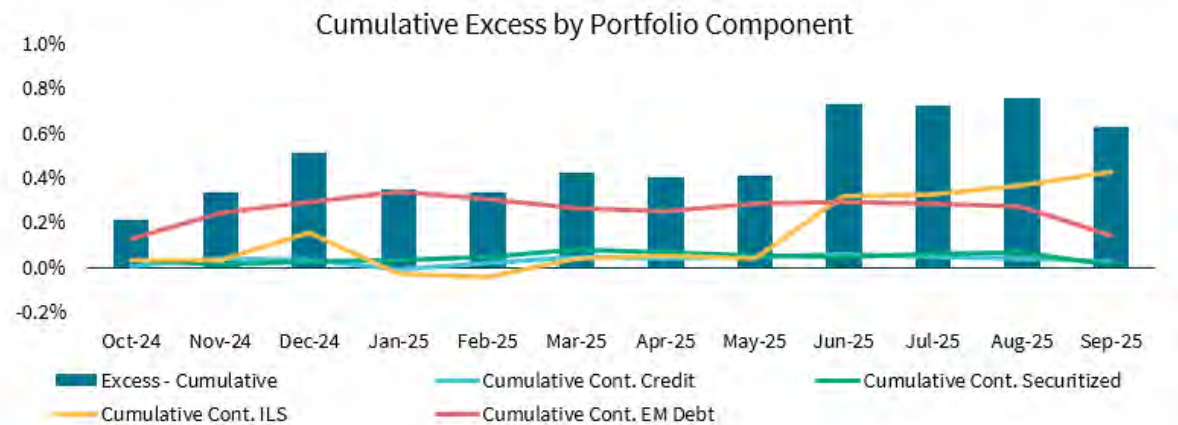




Performance Review/Attribution – Public Income



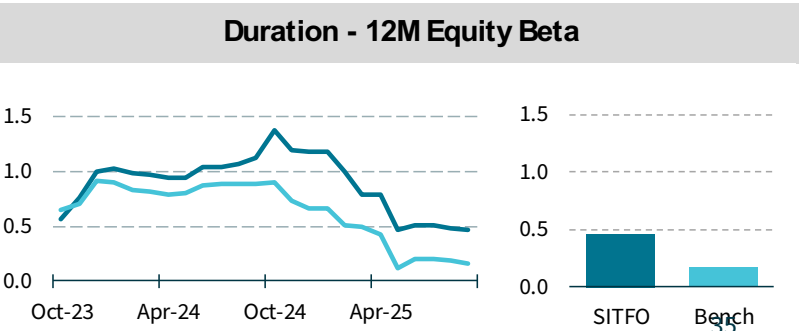
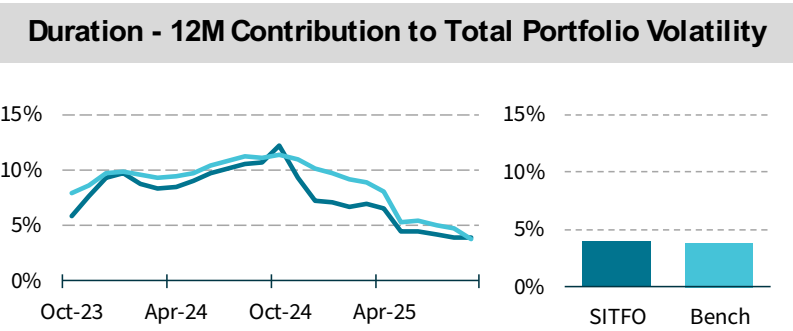
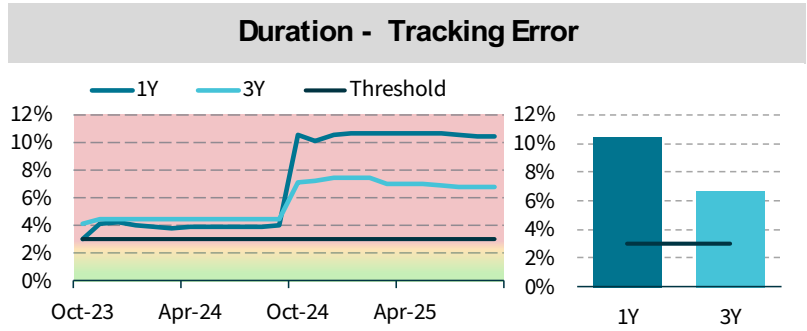
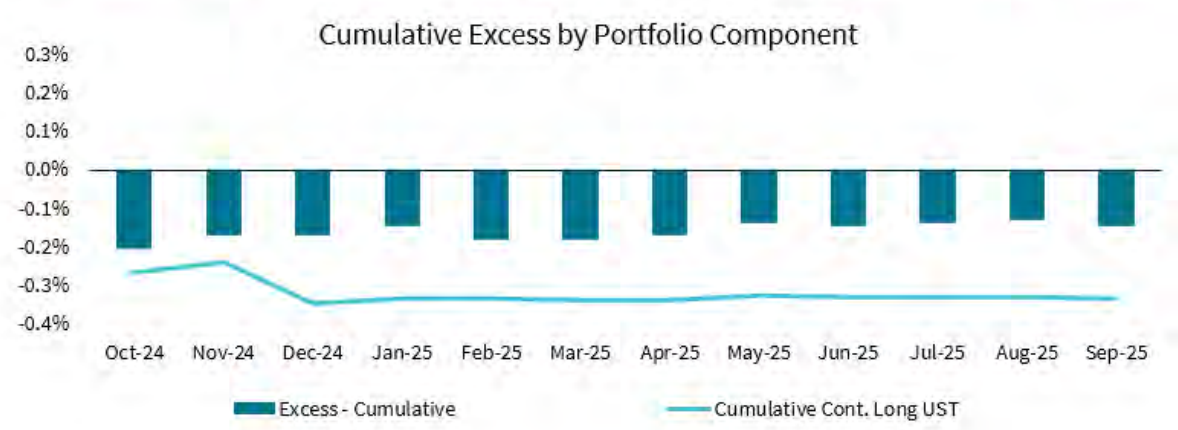
	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	5 Years			3 Years			1 Year			SAA	TAA	1 Year Style	MS	Excess
Public Income	17.76%	18.50%	-0.74%	6.71%	6.45%	0.26%	11.64%	10.13%	1.52%	11.32%	7.62%	3.70%	1.43%	0.02%	0.14%	0.47%	0.63%
Credit	7.18%			6.98%	6.45%	0.53%	9.20%	10.13%	-0.92%	8.62%	7.62%	1.00%			-0.04%	0.06%	0.03%
Securitized	2.98%			7.16%	6.45%	0.71%	7.35%	10.13%	-2.78%	7.08%	7.62%	-0.54%			0.05%	-0.04%	0.01%
Insurance Linked Securities	4.57%			3.96%	6.45%	-2.49%	14.26%	10.13%	4.13%	18.11%	7.62%	10.49%			0.04%	0.39%	0.43%
Emerging Market Debt	3.03%			7.02%	6.45%	0.57%	20.74%	10.13%	10.62%	14.66%	7.62%	7.04%			0.08%	0.06%	0.14%



Performance Review/Attribution – Duration



	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference	SAA	TAA	1 Year Style	MS	Excess
Duration	2.72%	3.00%	-0.28%	-7.74%	-5.27%	-2.48%	-2.65%	0.86%	-3.51%	-15.56%	-3.37%	-12.18%	-0.22%	0.19%	-0.17%	-0.16%	-0.15%
Long US Treasury	2.72%	3.00%	-0.28%	-15.10%	-5.27%	-9.83%	-6.49%	0.86%	-7.34%	-15.60%	-3.37%	-12.23%			-0.17%	-0.16%	-0.33%

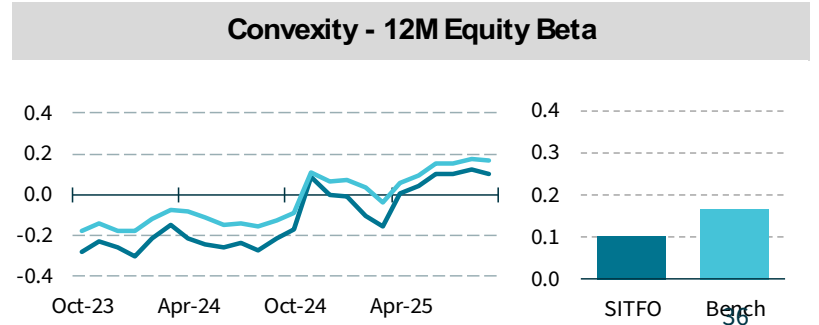
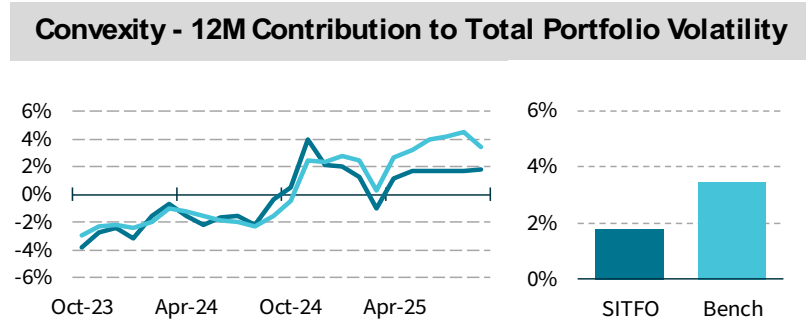
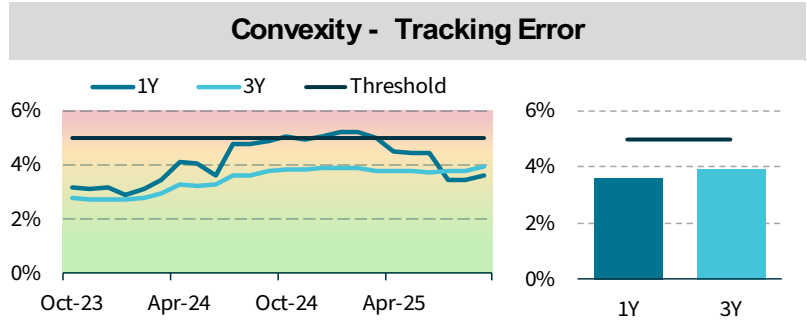
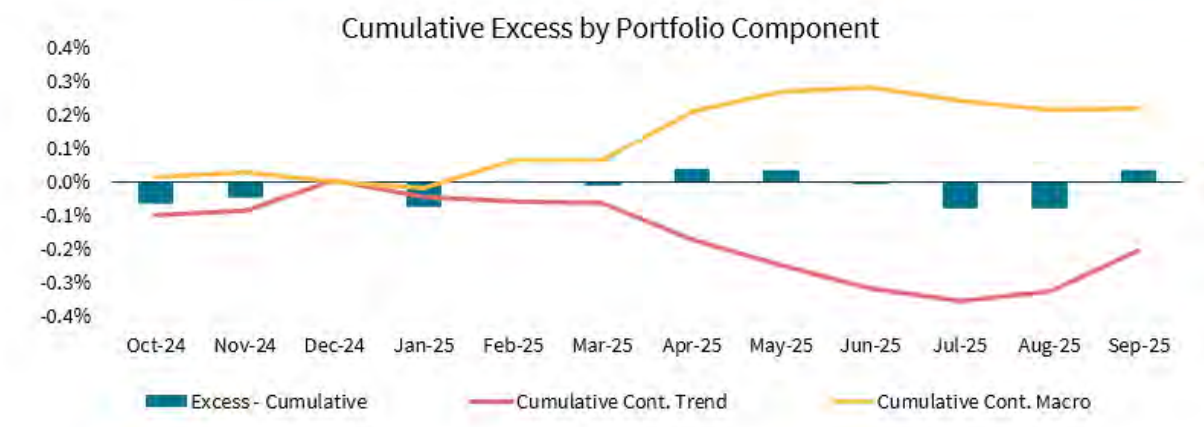




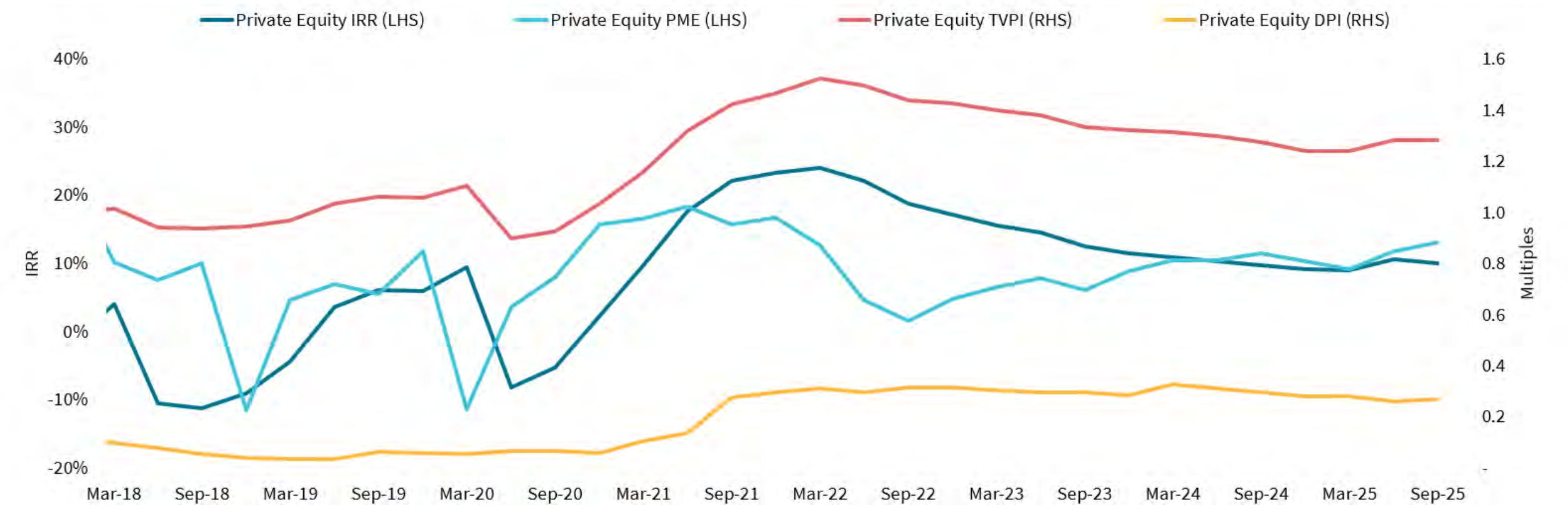
Performance Review/Attribution – Convexity



	Allocation As Of 3Q 2025			Performance As Of 3Q 2025									Return Attribution				
	Portfolio	Benchmark	Difference	Portfolio	5 Years Benchmark	Difference	Portfolio	3 Years Benchmark	Difference	Portfolio	1 Year Benchmark	Difference	SAA	TAA	1 Year Style	MS	Excess
Convexity	6.13%	7.00%	-0.87%	2.56%	5.87%	-3.31%	-0.38%	0.26%	-0.64%	4.75%	4.68%	0.07%	0.34%	0.02%	-0.22%	0.24%	0.04%
Trend	4.16%			-	-	-	-	-	-	-0.50%	4.68%	-5.17%			-0.22%	0.01%	-0.20%
Macro	1.97%			-	-	-	-	-	-	15.10%	4.68%	10.43%			0.00%	0.22%	0.22%



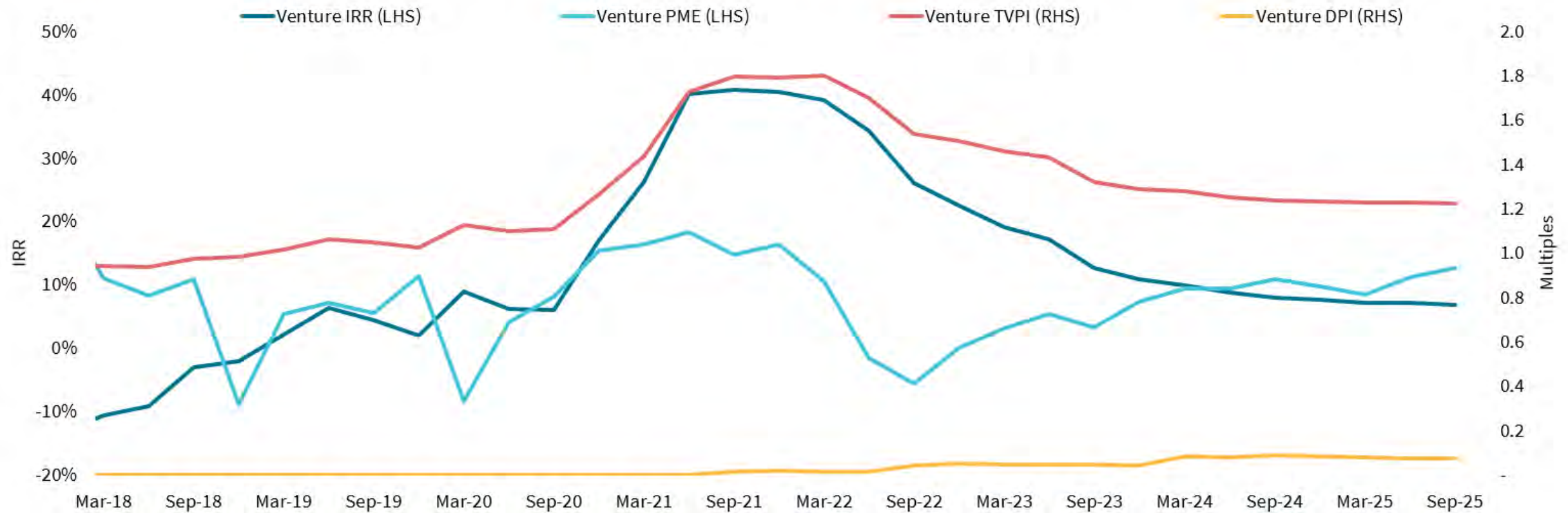
Asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Private Equity	\$ 835,518,951	64.01%	\$ 597,640,371	14.28%	10.00%	3.69%	13.14%	-3.16%	-5.59%	0.27	1.28



\*PME is the MSCI ACWI IMI  
\*PMB is the HL Private Equity Composite Benchmark



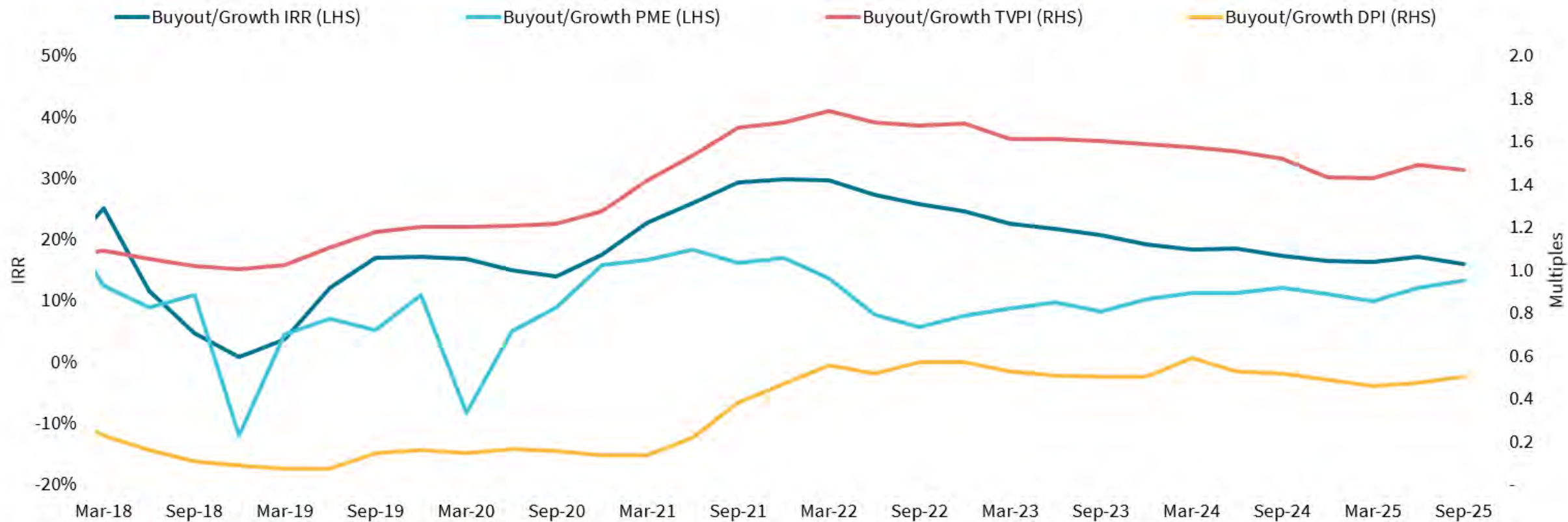
Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Venture	\$ 278,316,000	62.52%	\$ 204,530,221	4.89%	6.83%	-2.25%	6.90%	-5.82%	-5.53%	0.07	1.23



\*PME is the MSCI ACWI IMI

\*PMB is the HL Venture Composite Benchmark

Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Buyout/Growth	\$ 305,193,600	49.30%	\$ 175,537,945	4.19%	15.99%	6.14%	16.63%	2.74%	-0.85%	0.50	1.47



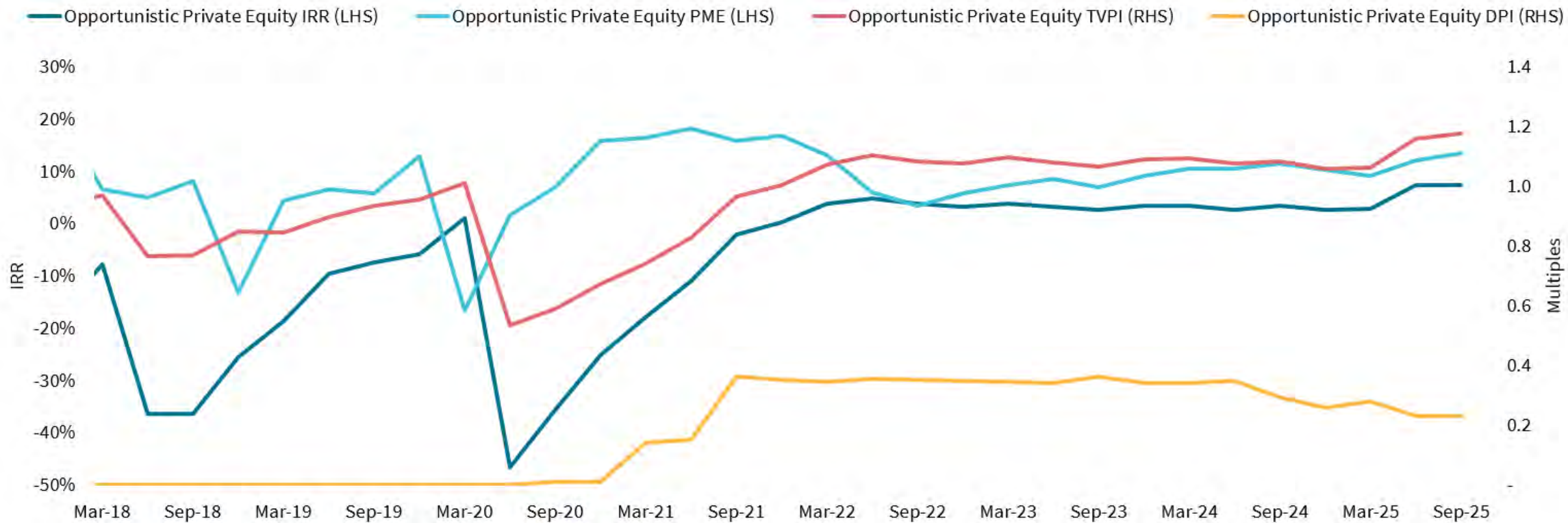
\*PME is the MSCI ACWI IMI

\*PMB is the HL Private Buyout/Growth Composite Benchmark

# Opportunistic Private Equity



Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Opportunistic Private Equity	\$ 252,009,350	83.47%	\$ 217,572,206	5.20%	7.41%	10.23%	18.48%	-6.18%	-10.66%	0.23	1.18

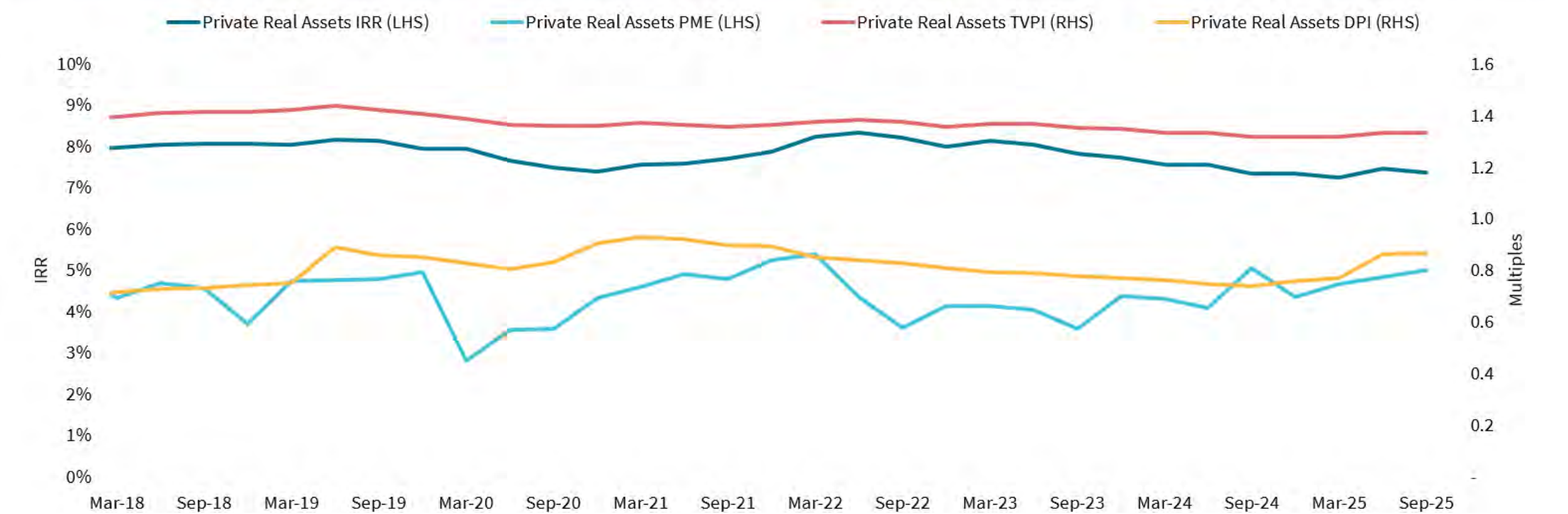


\*PME is the MSCI ACWI IMI

\*PMB is the HL Opportunistic Private Equity Composite Benchmark



Asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Private Real Assets	\$ 877,008,028	81.75%	\$ 385,803,424	9.22%	7.37%	3.91%	7.05%	2.36%	0.92%	0.87	1.33

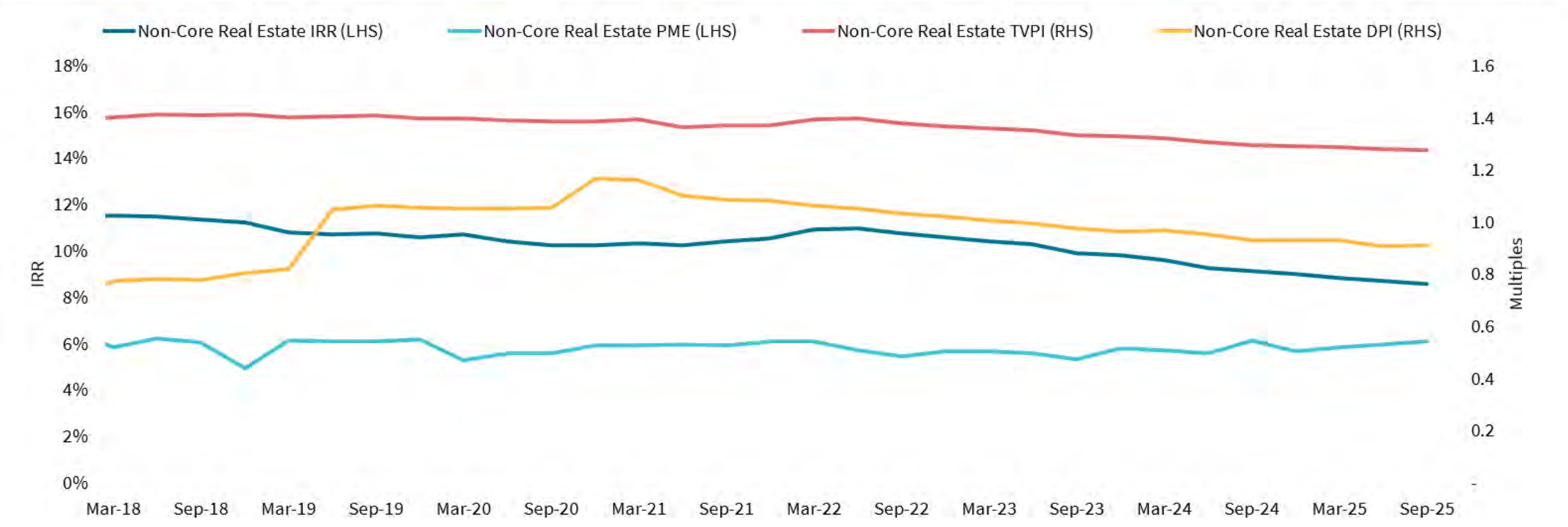


\*PME is the S&P Real Assets Equity Index  
\*PMB is the HL Private Real Assets Composite Benchmark





Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Non-Core Real Estate	\$ 400,165,725	85.70%	\$ 142,397,264	3.40%	8.60%	-3.19%	2.59%	2.48%	1.69%	0.91	1.28

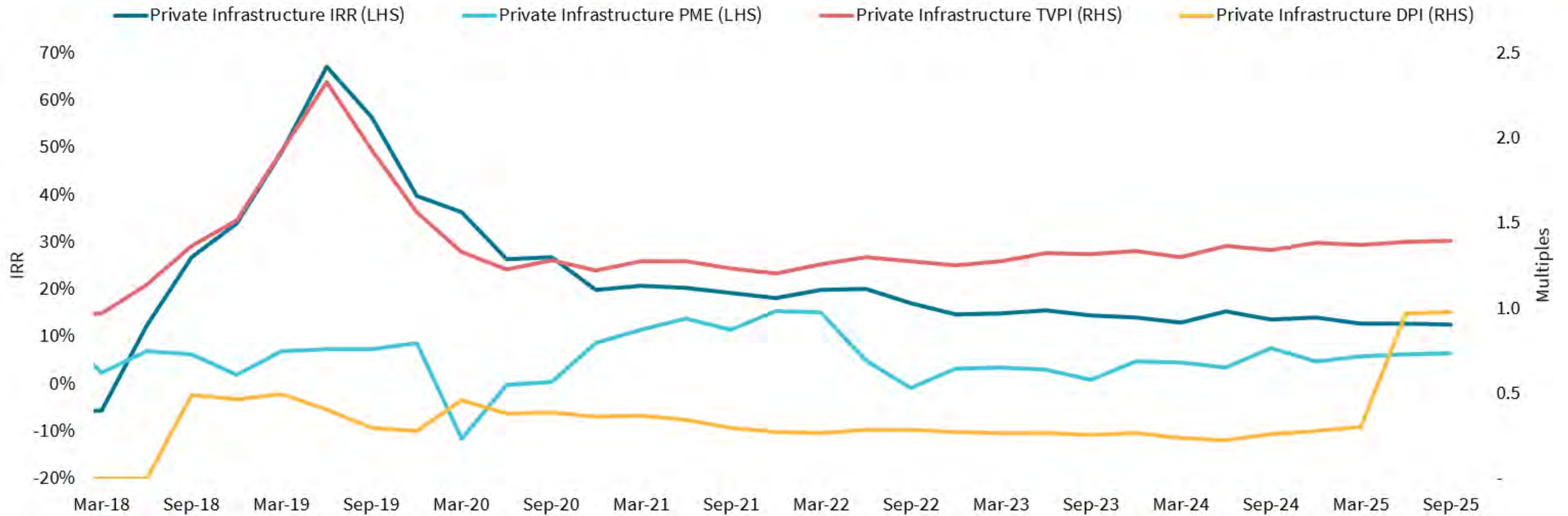


\*PME is the S&P Real Assets Equity Index  
\*PMB is the HL Non-Core Real Estate Composite Benchmark

# Private Infrastructure



Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Private Infrastructure	\$ 137,000,000	84.51%	\$ 52,022,095	1.24%	12.52%	9.85%	10.40%	6.07%	1.93%	0.98	1.39

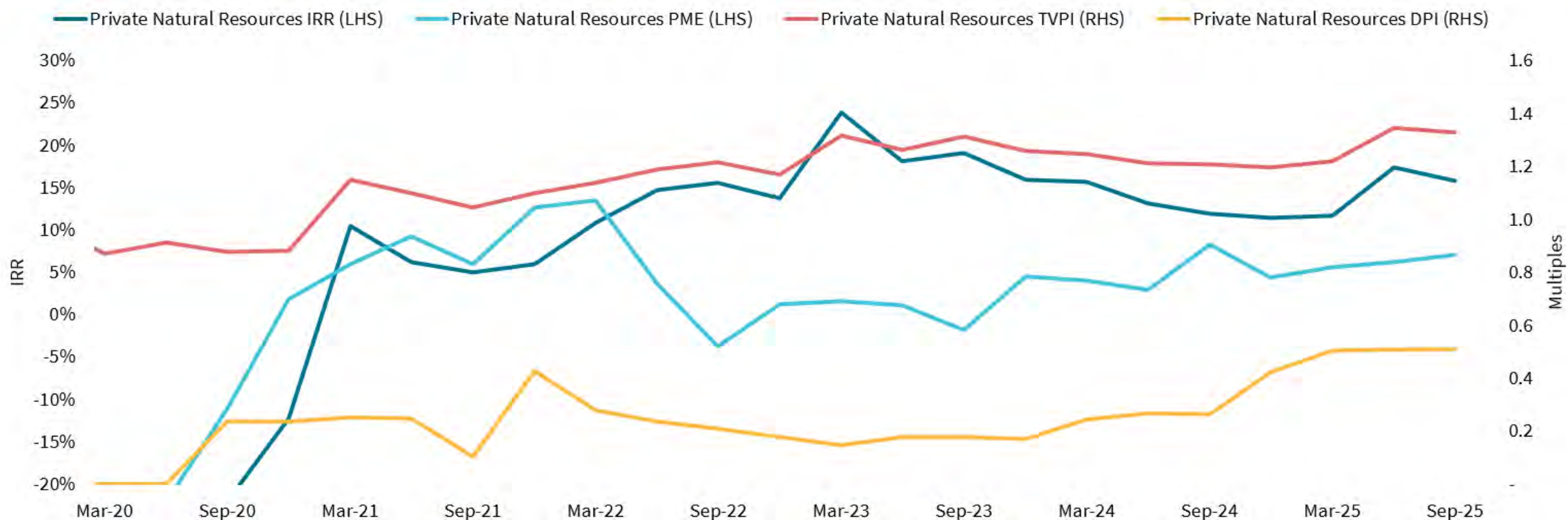


\*PME is the S&P Real Assets Equity Index  
 \*PMB is the HL Infrastructure Composite Benchmark

# Private Natural Resources



Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Private Natural Resources	\$ 123,999,999	49.03%	\$ 84,309,446	2.01%	15.77%	15.83%	18.50%	8.72%	-2.85%	0.51	1.33



\*PME is the S&P Real Assets Equity Index

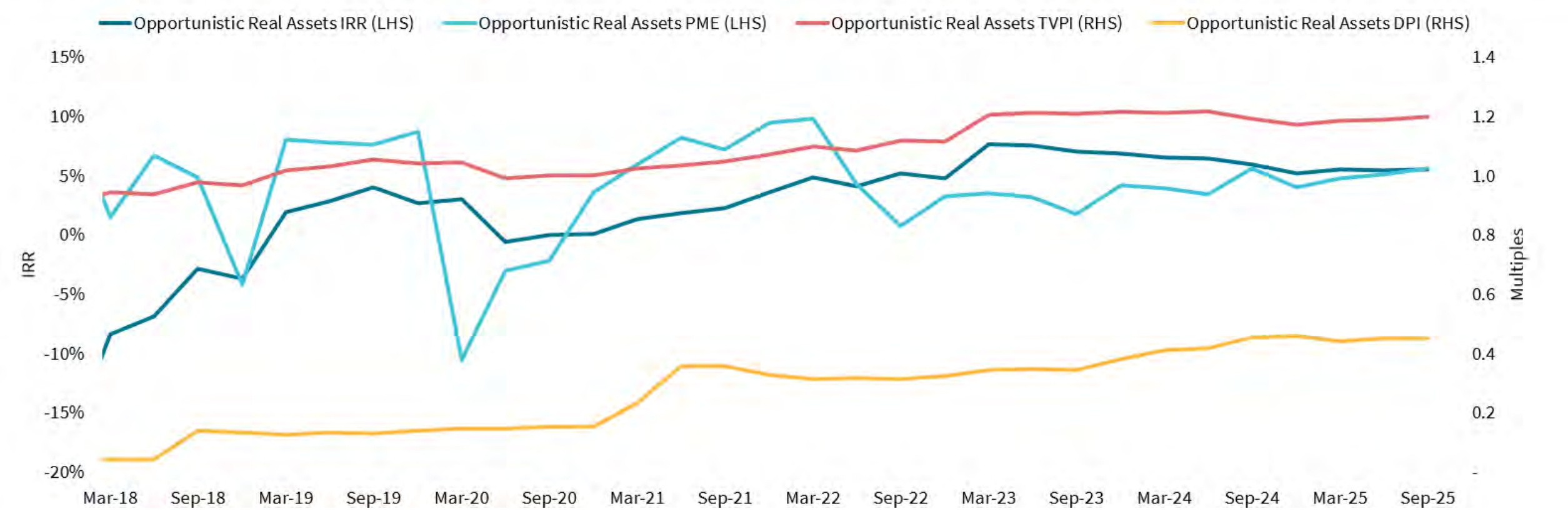
\*PMB is the HL Natural Resource Composite Benchmark



# Opportunistic Real Assets



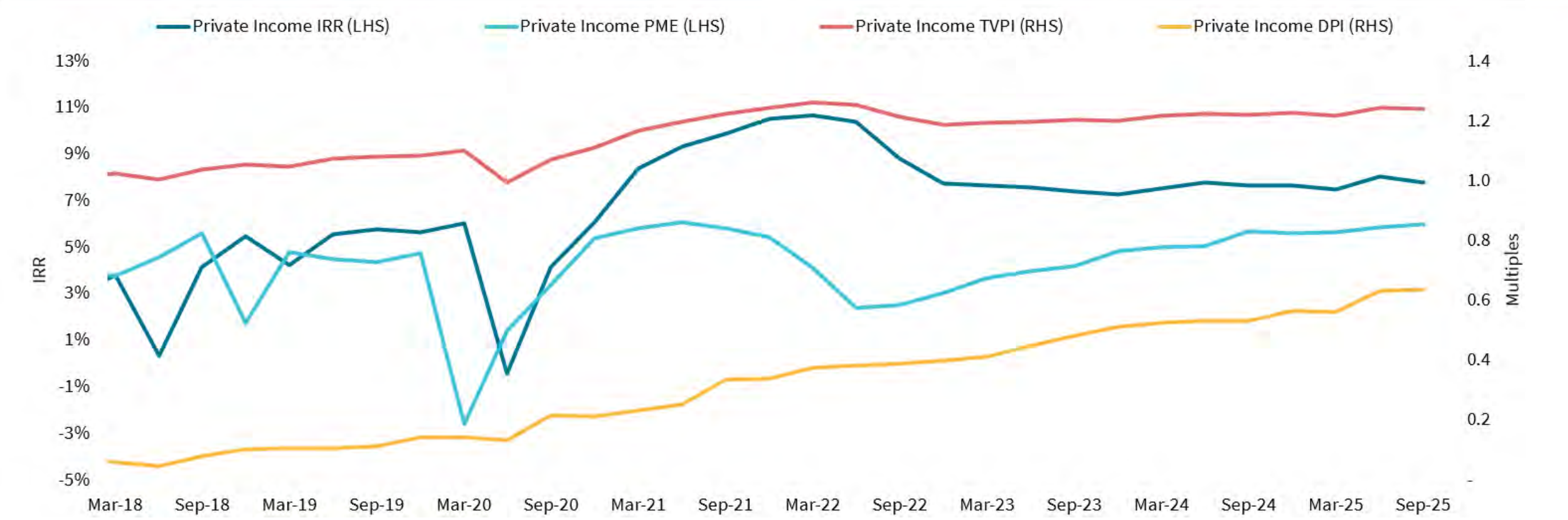
Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Opportunistic Real Assets	\$ 90,543,825	79.70%	\$ 57,706,320	1.38%	5.53%	5.89%	7.45%	-0.13%	-4.66%	0.45	1.20



\*PME is the S&P Real Assets Equity Index  
 \*PMB is the HL Opportunistic Real Assets Composite Benchmark



Asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Private Income	\$ 623,570,430	70.50%	\$ 345,099,739	8.25%	7.75%	6.56%	9.10%	1.79%	-1.88%	0.63	1.24

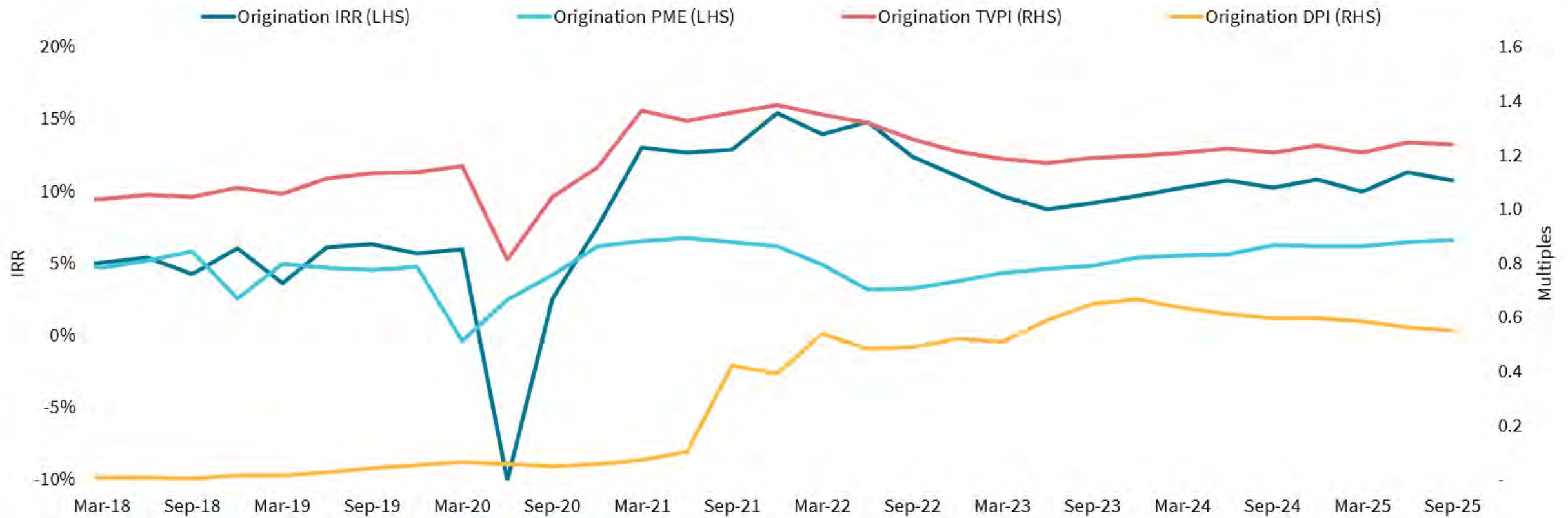


\*PME is the Bloomberg US HY 1-3yr Index  
\*PMB is the HL Private Income Composite Benchmark

# Origination



Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Origination	\$ 188,000,000	62.54%	\$ 126,146,326	3.01%	10.73%	8.96%	13.76%	4.14%	0.49%	0.55	1.24



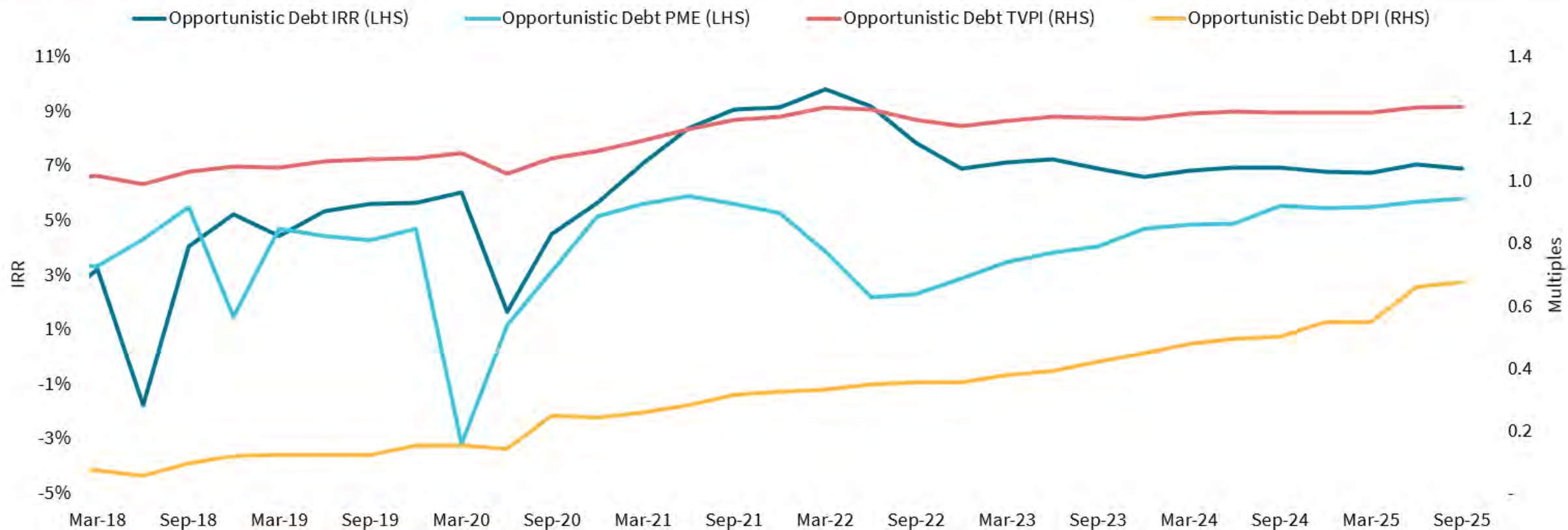
\*PME is the Bloomberg US HY 1-3yr Index

\*PMB is the HL Origination Composite Benchmark

# Opportunistic Debt



Sub-asset Class	Commitment	Funded %	NAV	% of Total Fund	IRR (Annual) %	3 Year IRR (Annual) %	5 Year IRR (Annual) %	PME Alpha	PMB Alpha	DPI	TVPI
Opportunistic Debt	\$ 435,570,430	73.94%	\$ 218,953,413	5.23%	6.87%	5.73%	7.75%	1.08%	-2.81%	0.67	1.24



\*PME is the Bloomberg US HY 1-3yr Index

\*PMB is the HL Opportunistic Debt Composite Benchmark



- SAA – Strategic Asset Allocation
  - Strategic Asset Allocation looks to capture the beta return each sub-asset class exposure contributes to total composite performance when positioned at policy target.
- TAA – Tactical Asset Allocation
  - Tactical Asset Allocation looks to measure the impact that deviations from the prescribed policy target weights for a given composite contribute to composite performance.
- SS – Style Selection
  - Style Selection looks to measure the contributions to composite returns caused by deviations in manager benchmark performance relative to asset class benchmark performance.
- MS – Manager Skill
  - Manager Skill measures the contributions to composite performance of managers relative to their individual benchmarks.



# Exhibit D



RVK

# Capital Market Assumptions & SAA Modeling

State of Utah School and Institutional Trust Funds Office

December 2025

# Summary: Capital Market Assumptions

- The majority of Capital Market Assumptions (CMAs) *did not change significantly*
- The two assumptions that experienced material changes were a result of changes in the investment approach, resulting in *higher risk* (and return):
  - Public Real Assets are now benchmarked against the S&P Real Assets Equity Index
  - Convexity now incorporates the elevated risk profile of the implementation approach

The following slides are intended to provide an overview of the Q3 2025 SITFO CMAs, including:

- Construction details and summary of modeling inputs for each asset class, leading to:
  - Expected Return
  - Expected Risk
  - Correlations
- Attribution related to changes from the prior period assumptions
- Modeling outputs using new assumptions



# 2025 Q3 SITFO CMAs: Methodology

	SITFO Asset Class	RVK Assumption
Growth	Public Equity	Global Public Equity (63.3% Broad US Equity / 36.7% Broad International Equity)
	Private Equity	Private Equity (66.3% Buyout / 16.7% Growth / 17.0% Venture)
RA	Public Real Assets	Build-up of the underlying exposures of the S&P Real Assets Equity Index
	Private Real Assets	Build-up of the underlying sub-composite custom assumptions
Income	Public Income	Build-up of the underlying sub-composite custom assumptions
	Private Income	Return and risk premium applied to RVK's standard private credit assumption
Defensive	Duration	Fixed Income return model of the Bloomberg US Treasury STRIPS 20-30 Year Index
	Convexity	CAPM model based on a historical blend <sup>1</sup> of the Convexity sub-asset class benchmarks with a beta reference of 33.3% Global Equity / 33.3% Long Duration Government Fixed Income / 33.3% Commodities, adjusted to 10% volatility
	Inflation	US Inflation

<sup>1</sup> 75% Barclay BTOP 50 Index and 25% HFRI Macro Index through 12/2007, 75% HFRI Trend Following Directional Index and 25% HFRI Macro: Discretionary Directional Index thereafter.

# 2025 Q3 SITFO CMAs: Return & Risk

	SITFO Asset Class	Arithmetic Return Assumption	Risk Assumption	Geometric Return Assumption	Return / Risk Ratio
Growth	Public Equity	7.01	16.01	5.83	0.44
	Private Equity	9.75	22.00	7.61	0.44
RA	Public Real Assets	7.45	18.22	5.94	0.41
	Private Real Assets	8.76	13.25	7.96	0.66
Income	Public Income	6.90	8.58	6.56	0.80
	Private Income	9.75	17.00	8.46	0.57
Defensive	Duration	7.00	21.50	4.90	0.33
	Convexity	5.50	10.00	5.03	0.55
	Inflation	2.50	2.50	2.47	N/A
	70/30 ACWI/AGG	6.26	11.76	5.61	0.53

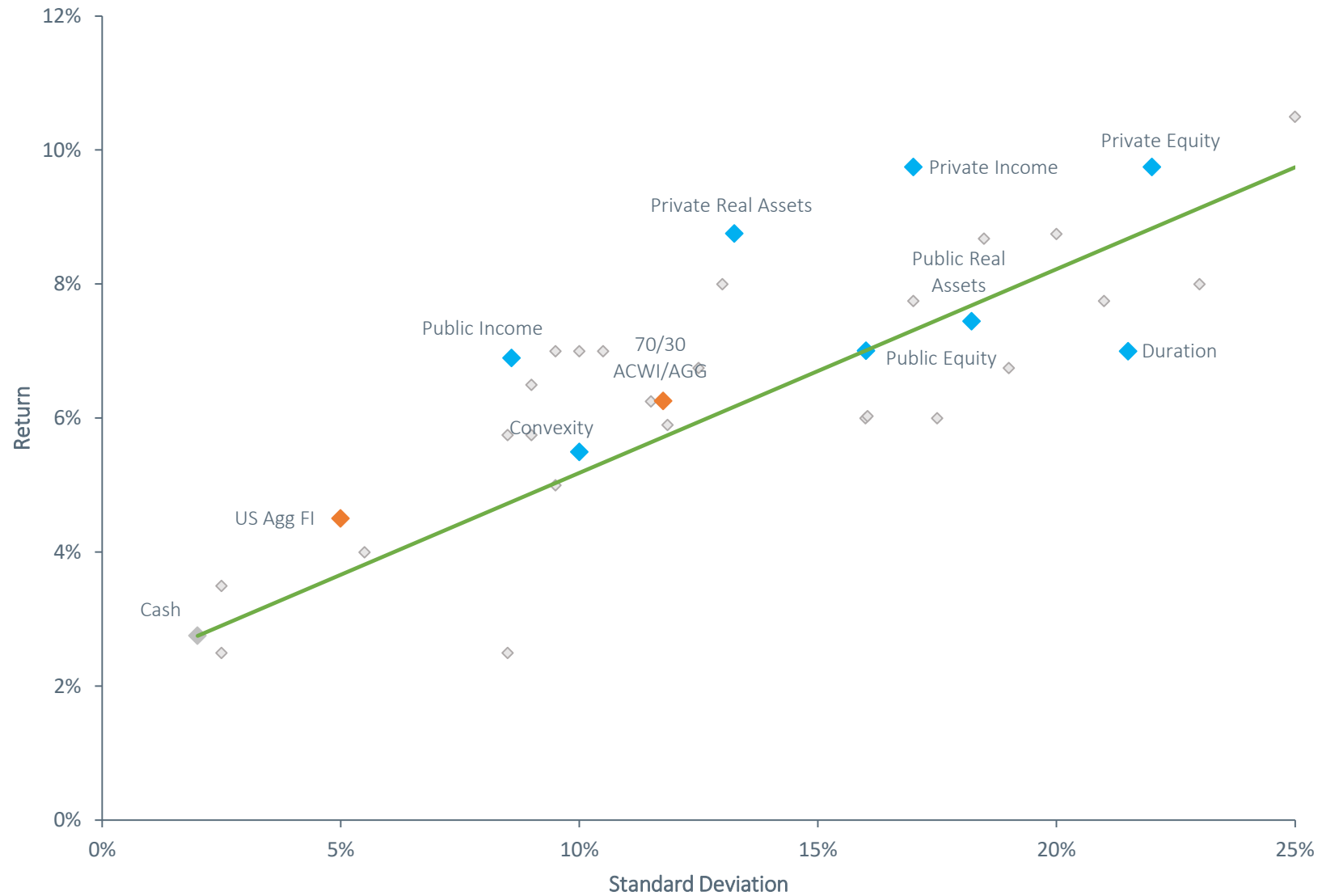
# 2025 Q3 SITFO CMAs: Correlations

## Correlation Matrix

	Public Equity	Private Equity	Public Real Assets	Private Real Assets	Public Income	Private Income	Duration	Convexity	Inflation
Public Equity	1.00	0.71	0.93	0.66	0.73	0.83	-0.05	0.22	0.02
Private Equity	0.71	1.00	0.70	0.77	0.68	0.74	-0.19	0.10	0.00
Public Real Assets	0.93	0.70	1.00	0.72	0.74	0.85	0.06	0.22	0.04
Private Real Assets	0.66	0.77	0.72	1.00	0.65	0.78	-0.39	0.20	0.27
Public Income	0.73	0.68	0.74	0.65	1.00	0.87	-0.04	0.09	0.04
Private Income	0.83	0.74	0.85	0.78	0.87	1.00	-0.50	0.16	0.30
Duration	-0.05	-0.19	0.06	-0.39	-0.04	-0.50	1.00	-0.04	-0.28
Convexity	0.22	0.10	0.22	0.20	0.09	0.16	-0.04	1.00	0.04
Inflation	0.02	0.00	0.04	0.27	0.04	0.30	-0.28	0.04	1.00



# 2025 Q3 SITFO CMAs: Capital Markets Line



Smaller diamonds represent RVK's 2025 Q3 standard asset class assumptions.

# 2025 Q3 SITFO CMAs: Period-Over-Period Changes

		2025 Q3 Assumptions			Change (2025 Q3 - 2025)		
SITFO Asset Class		Arithmetic Return Assumption	Risk Assumption	Geometric Return Assumption	Arithmetic Return Assumption	Risk Assumption	Geometric Return Assumption
Growth	Public Equity	7.01	16.01	5.83	-0.08	-0.33	-0.03
	Private Equity	9.75	22.00	7.61	--	--	--
RA	Public Real Assets	7.45	18.22	5.94	0.44	4.72	-0.23
	Private Real Assets	8.76	13.25	7.96	0.06	0.04	0.05
Income	Public Income	6.90	8.58	6.56	-0.03	0.02	-0.03
	Private Income	9.75	17.00	8.46	--	--	--
Defensive	Duration	7.00	21.50	4.90	0.25	--	0.25
	Convexity	5.50	10.00	5.03	0.50	2.50	0.30
	Inflation	2.50	2.50	2.47	--	--	--

# 2025 Q3 SITFO CMAs: Period-Over-Period Review

- **Public Equity** return assumption decreased modestly, driven by lower yields and higher valuations.
- **Public Real Assets** arithmetic return and risk assumption increased as a result of the asset class structure and benchmark change to the S&P Real Assets Equity Index. The geometric return assumption decreased due to the higher volatility of the index.
- **Private Real Assets** return assumption increased modestly, driven by higher yields.
- **Public Income** return assumption decreased modestly, driven by lower yields.
- **Duration** return assumption increased following an update to the methodology used for the asset class. The new methodology uses a custom Long Treasury STRIPS return model compared to the previously used return and risk premium over RVK's standard Long Treasury assumption.
- **Convexity** return assumption increased after increasing the volatility of the assumption to more closely align with SITFO's implementation approach.

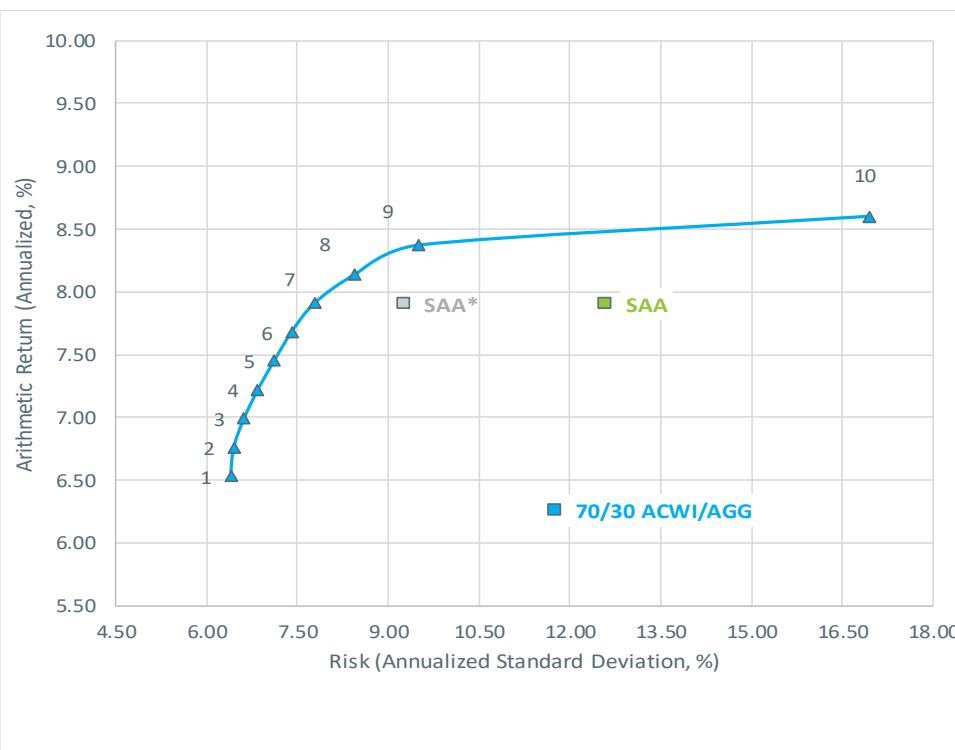


# Summary: SAA Modeling

*The SITFO portfolio is a very efficient allocation of return and risk*

- The return profile delivers the desired outcome
- The risk profile and diversification benefits provide robust downside protection
  - These outcomes are also evidenced in recent portfolio results:
    - Excellent returns, especially risk-adjusted returns
    - Robust downside protection during the most recent (2022) market downturn

	SAA	70/30 ACWI/AGG
Public Equity	25	70
Private Equity	20	0
US Agg Fixed Income	0	30
Public Real Assets	5	0
Private Real Assets	10	0
Public Income	20	0
Private Income	10	0
Duration	3	0
Convexity	7	0
Total	100	100
Capital Appreciation	72	70
Capital Preservation	20	30
Alpha	0	0
Inflation	8	0
Expected Arithmetic Return	7.90	6.26
Expected Risk (Standard Deviation)	12.61	11.77
Expected Compound Return	7.17	5.61
Expected Return (Arithmetic)/Risk Ratio	0.63	0.53
RVK Expected Eq Beta (LCUS Eq = 1)	0.68	0.70
RVK Liquidity Metric (T-Bills = 100)	44	89
Allocation to Private Assets	40	0
Max Drawdown (1 Year 1st Percentile Return)	-13.62	-27.05
Probability of achieving 5% Real Return Target (10 Years)	49	32



# Appendix



# Efficient Allocation Table

## Constrained

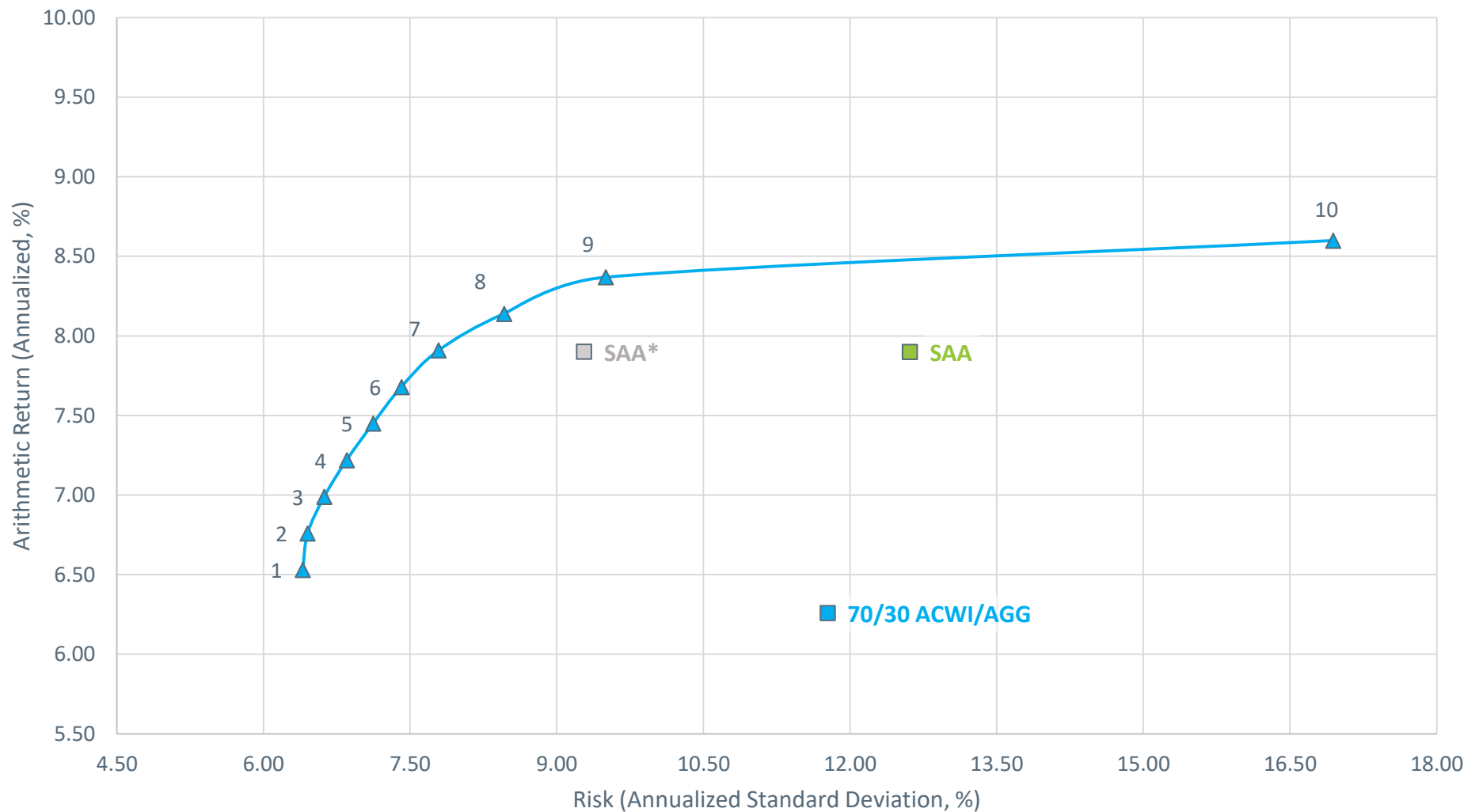
The frontier table below reflects an optimization with a maximum allowable allocation of 50% to private markets investments with allocations for each public asset class able to range from 0% to 100%. Included in the table is the reference portfolio detailed below:

- **70/30 ACWI/AGG** – A 70/30 portfolio of global public equity and aggregate fixed income.

	Min	Max	1	2	3	4	5	6	7	8	9	10	SAA	70/30 ACWI/AGG
Public Equity	0	100	0	0	0	0	0	0	0	0	0	0	25	70
Private Equity	0	50	0	0	0	0	0	0	0	0	0	0	20	0
US Agg Fixed Income	0	0	0	0	0	0	0	0	0	0	0	0	0	30
Public Real Assets	0	100	0	0	0	0	0	0	0	0	1	50	5	0
Private Real Assets	0	50	7	16	23	24	26	27	22	12	0	0	10	0
Public Income	0	100	44	39	33	24	15	6	6	11	11	0	20	0
Private Income	0	50	0	0	1	7	14	20	28	38	50	50	10	0
Duration	0	100	12	14	16	19	22	25	28	32	37	0	3	0
Convexity	0	100	37	32	27	25	24	22	16	7	0	0	7	0
Total			100	100	100	100	100	100	100	100	100	100	100	100
Capital Appreciation			27	29	32	35	38	40	45	51	56	58	72	70
Capital Preservation			71	65	60	57	53	50	47	44	43	0	20	30
Alpha			0	0	0	0	0	0	0	0	0	0	0	0
Inflation			2	5	8	9	9	9	8	4	1	43	8	0
Expected Arithmetic Return			6.53	6.76	6.99	7.22	7.45	7.68	7.91	8.14	8.37	8.60	7.90	6.26
Expected Risk (Standard Deviation)			6.40	6.45	6.62	6.85	7.12	7.41	7.79	8.46	9.50	16.94	12.61	11.77
Expected Compound Return			6.34	6.57	6.79	7.00	7.21	7.43	7.63	7.81	7.96	7.30	7.17	5.61
Expected Return (Arithmetic)/Risk Ratio			1.02	1.05	1.06	1.05	1.05	1.04	1.02	0.96	0.88	0.51	0.63	0.53
RVK Expected Eq Beta (LCUS Eq = 1)			0.24	0.26	0.27	0.29	0.31	0.32	0.36	0.40	0.45	0.90	0.68	0.70
RVK Liquidity Metric (T-Bills = 100)			46	45	43	41	39	37	37	40	43	43	44	89
Allocation to Private Assets			7	16	24	32	39	47	50	50	50	50	40	0
Max Drawdown (1 Year 1st Percentile Return)			-6.69	-6.34	-6.44	-6.52	-7.17	-8.31	-9.21	-11.23	-15.15	-19.29	-13.62	-27.05
Probability of achieving 5% Real Return Target (10 Years)			26	30	34	38	42	46	48	50	51	50	49	32

# Efficient Allocation Frontier

## Constrained



\*Represents the expected "risk" of the SAA when adjusted for observed private market index volatility (standard deviation).  
ACWI is representative of MSCI ACWI IMI.



# SITFO Custom Assumption Construction

## Custom Public Real Assets

- The custom public real assets assumption is a blend of RVK's standard assumptions constructed to reflect underlying exposures of the S&P Real Assets Equity Index as detailed below:

S&P Index Asset Class	Index Weight	Assumption	Arith. Return	Risk	Geo. Return
Global Property	40%	Global REITs	7.75	21.00	5.76
Global Infrastructure	40%	Global Infrastructure	7.25	19.00	5.61
Global Natural Resources	15%	Global Natural Resources	8.00	23.00	5.63
Global Timber	5%	Timber	5.00	9.00	4.62
<b>Total</b>	<b>100%</b>	<b>Real Assets Equity</b>	<b>7.45</b>	<b>18.22</b>	<b>5.94</b>

# SITFO Custom Assumption Construction

## Custom Private Real Assets

- The custom private real assets assumption is a blend of RVK's standard assumptions constructed to reflect underlying exposures of the private real assets portfolio:

Sub Asset Class	Asset Class Assumption	Weight	Arith. Return	Risk	Geo. Return
Real Estate	Non-Core Real Estate	25%	8.50	20.00	6.70
Infrastructure	Private Non-Core Infrastructure	25%	8.50	21.00	6.52
Natural Resources	Private Energy	10%	10.25	26.00	7.31
Natural Resources	Agriculture/Farmland	10%	6.25	10.00	5.78
Natural Resources	Metals and Mining Equities	5%	8.50	30.00	4.58
Private Opportunistic	Custom Private Credit*	25%	9.75	17.00	8.46
<b>Total</b>	<b>Private Real Assets</b>	<b>100%</b>	<b>8.76</b>	<b>13.25</b>	<b>7.96</b>

\*The custom private credit assumption is utilizing an expected risk and return premium over RVK's standard private credit assumption based on the underlying manager structure of the SITFO portfolio.

- The expected risk of the private real assets assumption is significantly lower than a simple weighted average would indicate. This outcome comes as a result of favorable correlations between the underlying asset classes, as detailed below:

Correlation Matrix	Non-Core Real Estate	Private Non-Core Infrastructure	Private Energy	Agriculture/Farmland	Metals and Mining Equities	Private Credit
Non-Core Real Estate	<b>1.00</b>	0.67	0.20	0.14	0.08	0.30
Private Non-Core Infrastructure	0.67	<b>1.00</b>	0.09	0.19	0.06	0.12
Private Energy	0.20	0.09	<b>1.00</b>	0.36	0.57	0.59
Agriculture/Farmland	0.14	0.19	0.36	<b>1.00</b>	-0.10	0.08
Metals and Mining Equities	0.08	0.06	0.57	-0.10	<b>1.00</b>	0.69
Private Credit	0.30	0.12	0.59	0.08	0.69	<b>1.00</b>

# SITFO Custom Assumption Construction

## Custom Public Income

- The custom public income assumption is a blend of RVK's custom assumptions for the asset class sub-composites constructed to reflect long-term SAA targets as detailed below:

Public Income Asset Class	Index Weight	Assumption	Arith. Return	Risk	Geo. Return
Credit	30%	High Yield Fixed Income	7.00	10.50	6.49
Securitized	30%	Custom Securitized Assumption <sup>1</sup>	8.00	11.50	7.39
Emerging Markets Debt	20%	1/3 EMD Hard / 1/3 EMD Local / 1/3 EMD Corp	6.25	9.70	5.81
ILS	20%	Custom ILS Assumption <sup>2</sup>	5.75	11.00	5.18
<b>Total</b>	<b>100%</b>	<b>Public Income</b>	<b>6.90</b>	<b>8.58</b>	<b>6.56</b>

Correlation Matrix	High Yield Fixed Income	SITFO Securitized	SITFO EMD	SITFO ILS
High Yield Fixed Income	<b>1.00</b>	0.79	0.78	0.19
Securitized	0.79	<b>1.00</b>	0.67	0.19
EMD	0.78	0.67	<b>1.00</b>	0.21
ILS	0.19	0.19	0.21	<b>1.00</b>

<sup>1</sup>Custom Securitized assumption utilizes a CAPM model based on the HFRI RV: Fixed Income-Asset Backed Index through 12/2005, the EurekaHedge Structured Credit HF Index through 12/2024, and the HFRI RV: Fixed Income-Asset Backed Index thereafter, with a beta reference of 25% MBS, 25% ABS, 25% CMBS, and 25% Bank Loans.

<sup>2</sup>Custom ILS assumption incorporates the spread profile of the ILS market, high yield characteristics and forecasted yield curve shift, historical return distribution, and expectations for potential downside events.



# SITFO Custom Assumption Construction

## Custom ILS

- The custom ILS assumption is based off a fixed income return model, subject to qualitative adjustment, that utilizes the spread profile of the ILS market. The spread included is from the ARTEMIS quarterly Catastrophe Bond & ILS Market Report and is representative of the expected yield after subtracting the expected loss rate. Duration, convexity, and forecasted yield curve shift are assumed to be the same as high yield bonds:

Asset Class Assumption	High Yield
Duration	2.85
Starting Yield	5.31%
Convexity	-0.32
Forecasted YC Shift	-0.22%

Year	Rate Movement	Income*		Annual Returns	Annualized Return	
		Amount	Yield		Compound	Arithmetic
0	0.00%	\$100	5.31%			
1	0.00%	\$105	5.31%	5.31%	5.31%	5.31%
2	0.00%	\$111	5.31%	5.31%	5.31%	5.31%
3	0.00%	\$117	5.31%	5.31%	5.31%	5.31%
4	0.00%	\$123	5.31%	5.31%	5.31%	5.31%
5	-0.22%	\$130	5.09%	5.31%	5.31%	5.31%
6	0.00%	\$137	5.09%	5.74%	5.38%	5.38%
7	0.00%	\$144	5.09%	5.09%	5.34%	5.34%
8	0.00%	\$151	5.09%	5.09%	5.31%	5.31%
9	0.00%	\$159	5.09%	5.09%	5.29%	5.29%
10	0.00%	\$167	5.09%	5.09%	5.27%	5.27%
11	0.00%	\$176	5.09%	5.09%	5.25%	5.25%
12	0.00%	\$185	5.09%	5.09%	5.24%	5.24%
13	0.00%	\$194	5.09%	5.09%	5.23%	5.23%
14	0.00%	\$204	5.09%	5.09%	5.22%	5.22%
15	0.00%	\$214	5.09%	5.09%	5.21%	5.21%
16	0.00%	\$225	5.09%	5.09%	5.20%	5.20%
17	0.00%	\$237	5.09%	5.09%	5.19%	5.19%
18	0.00%	\$249	5.09%	5.09%	5.19%	5.19%
19	0.00%	\$261	5.09%	5.09%	5.18%	5.18%
20	0.00%	\$275	5.09%	5.09%	5.18%	5.18%

- The expected risk of the ILS assumption utilizes RVK's standard risk setting process based upon the historical return distribution, and expectations for potential downside events



# SITFO Custom Assumption Construction

## Custom CAPM Models

- The custom assumptions for the securitized and convexity portfolios utilize the CAPM building blocks model detailed below:



- The model outputs for the two assumptions are detailed below:

Asset Class	Cash	Beta Source Assumptions	Beta Return	Alpha Return (Post-GFC)	Total	Alpha Return (S.I.)
Securitized	2.75%	Custom Blend <sup>1</sup>	3.57%	1.52%	<b>7.84%</b>	1.21%
Convexity	2.75%	Custom Blend <sup>2</sup>	0.52%	1.05%	<b>4.32%</b>	1.81%

- RVK utilizes the returns output from the model as a starting point before making qualitative adjustments to reflect forward-looking expectations, as well as expectations relative to other asset class assumptions.
- Risk assumptions utilize RVK's standard risk setting process based upon the historical return distribution, and expectations for potential downside events.

<sup>1</sup>Securitized Custom Blend consists of 25% MBS, 25% ABS, 25% CMBS, and 25% Bank Loans.

<sup>2</sup>Convexity Custom Blend consists of 33.3% Global Equity, 33.3% Long Duration Government Fixed Income, and 33.3% Commodities.

# SITFO Custom Assumption Construction

## Custom Duration

- The custom Duration assumption is based off a fixed income return model, subject to qualitative adjustment, that utilizes the Bloomberg US Treasury STRIPS 20-30 Year Index. The income component is adjusted to reflect the expected annualized price appreciation of the index given its weighted price and average maturity:

Asset Class Assumption	Long STRIPS
Duration	25.31
Weighted Price	30.01
Average Maturity	24.62
Convexity	6.48
Forecasted YC Shift	-0.09%

Year	Rate Movement	Income*		Annual Returns	Annualized Return	
		Amount	Appreciation		Compound	Arithmetic
0	0.00%	\$100	0.00%			
1	0.00%	\$100	5.01%	0.00%	0.00%	0.00%
2	0.00%	\$105	5.01%	5.01%	2.47%	2.50%
3	0.00%	\$110	5.01%	5.01%	3.31%	3.34%
4	0.00%	\$116	5.01%	5.01%	3.73%	3.76%
5	-0.09%	\$122	5.01%	5.01%	3.99%	4.01%
6	0.00%	\$131	5.01%	7.40%	4.55%	4.57%
7	0.00%	\$137	5.01%	5.01%	4.62%	4.64%
8	0.00%	\$144	5.01%	5.01%	4.66%	4.68%
9	0.00%	\$151	5.01%	5.01%	4.70%	4.72%
10	0.00%	\$159	5.01%	5.01%	4.73%	4.75%
11	0.00%	\$167	5.01%	5.01%	4.76%	4.77%
12	0.00%	\$175	5.01%	5.01%	4.78%	4.79%
13	0.00%	\$184	5.01%	5.01%	4.80%	4.81%
14	0.00%	\$193	5.01%	5.01%	4.81%	4.82%
15	0.00%	\$203	5.01%	5.01%	4.83%	4.84%
16	0.00%	\$213	5.01%	5.01%	4.84%	4.85%
17	0.00%	\$224	5.01%	5.01%	4.85%	4.86%
18	0.00%	\$235	5.01%	5.01%	4.86%	4.86%
19	0.00%	\$247	5.01%	5.01%	4.86%	4.87%
20	0.00%	\$259	5.01%	5.01%	4.87%	4.88%

- The expected risk of the Duration assumption utilizes RVK's standard risk setting process based upon the historical return distribution.

# RVK

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RVK

# SITFO Intergenerational Equity Analysis

December 2025



# Purpose of Sovereign Wealth Funds

Sovereign Wealth Funds are charged with transforming **finite, non-renewable real assets** into **perpetual financial wealth** for its economy and citizens.

SITFO is charged with investing School and Institutional Trust Lands Administration (SITLA) revenues in a manner that supports the distribution policy in perpetuity while **providing for intergenerational equity between current and future beneficiaries**<sup>1</sup>.

SITFO's long-term investment objective is inflation (CPI) + 5%. The primary return objective is to preserve and enhance purchasing power of the trusts while sustaining an annual distribution of up to 5% of the value of the trusts.

## Key Principles of Intergenerational Equity:

1. Strives for egalitarian equity between present and future generations of Utah school children.
2. Aims to provide a safeguard that citizens of tomorrow have the same opportunities and purchasing power as citizens of today.
3. Achieved by retaining and investing proceeds from non-renewable natural resources as part of a sustainable spending policy.

<sup>1</sup>Investment Policy Statement, SITFO.

# Intergenerational Equity Components



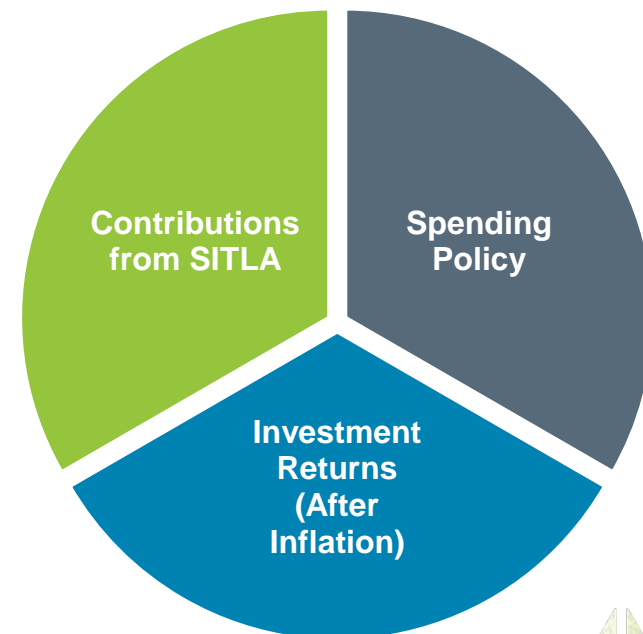
*“The trustees of endowed institutions are the guardians of the future against the claims of the present. Their task in managing the endowment is to preserve equity among generations.”*

*- Professor James Tobin, Yale University (1974)*

## Intergenerational Equity Components

Each plays an important role in maintaining Intergenerational Equity:

1. Contributions from SITLA
2. Spending Policy
3. Investment Returns (After Inflation)



RVK

# Intergenerational Equity Study

## What is an Intergenerational Equity Study?

1. Enables SITFO to monitor the Fund's ability to achieve its vision over the long-term.
  - The study will be updated when considering significant investment decisions and on a periodic basis to serve as a “dashboard” for monitoring and communicating progress—internally and externally.
2. Uses a holistic approach by assessing the fiscal health of the Fund by incorporating anticipated natural resource revenues and spending policy relative to the prospective future demands on those assets.
3. Ability to dynamically examine the impact of potential changes and amendments impacting the long-term fiscal health of the Fund including:
  - **Investment Decisions** (e.g. asset allocation changes, asset class additions)
  - **Anticipated Future Market Environments** (e.g. declining oil prices, rising inflation)
  - **Constitutional Amendments**
  - **Legislative Action**

# Defining the Intergenerational Equity Objective

**Maintaining intergenerational equity can only be achieved if it is defined and measured over time.**

The Investment Policy Statement provides that the primary return objective is to maintain purchasing power while sustaining the current distribution amount which is a maximum of 5%. *Therefore, we might define maintaining intergenerational equity as preserving the economic value after inflation.*

The definition may also be expanded to account for other relevant factors such as an increase in the future demand of those assets (through population growth for example) and to reflect the depleting/decreasing nature of the real assets that provide contributions.

Research<sup>1</sup> published by the University of Utah estimates the State's population to increase on average by 1.3% until 2060. The population ages 5-17 is projected to increase however compose a smaller share of the population in 2060 than it does now. The school age population is projected to grow from 706,174 in 2020 to 811,572 in 2060, decreasing as a share of the total population from 21.5 percent to 14.9 percent, however still growing approximately 0.5% per year on average.

To incorporate the non-renewable nature of certain revenue sources into the model, an additional 0.5% per year growth rate is added to account for anticipated reduction in revenues from finite resources.

This might inform us that in addition to preserving the economic value after inflation, an annual real growth rate of approximately 1.0% is appropriate.

<sup>1</sup><https://gardner.utah.edu/wp-content/uploads/Projections-Brief-Final.pdf>, Jan 2022.



# Defining the Intergenerational Equity Objective

## Time Horizon:

We have experience modeling and measuring the Intergenerational Equity Objective over various lengths of time. The time horizon should be sufficiently long to ensure it captures and spans at least one generation and provides sufficient time for modeling assumptions to materialize, however not so long that potential inputs may no longer be relevant or estimated with any reasonable degree of confidence. For these reasons, we recommend modeling a time period of 25 years.

## Probability of Attaining Intergenerational Equity (“IE”) Objective:

Funds should strive to reach and maintain a 50% probability of attaining the IE Objective in order to provide equitable opportunities across all generations.

Probability	Interpretation
0% - 49%	Value of benefits available to future generations is <i>eroding</i> relative to generations of today
50%	Value of benefits available to future generations is <i>equal</i> relative to generations of today
51% - 100%	Value of benefits available to future generations is <i>greater</i> relative to generations of today

# Defining the Intergenerational Equity Objective

**Maintaining the Intergenerational Equity (“IE”) Objective is defined as:**

1. Maintaining economic value after inflation
2. Achieving annual 1.0% real growth primarily to account for future student enrollment growth and increasing demands on the Fund

## **Intergenerational Equity Objective for SITFO:**

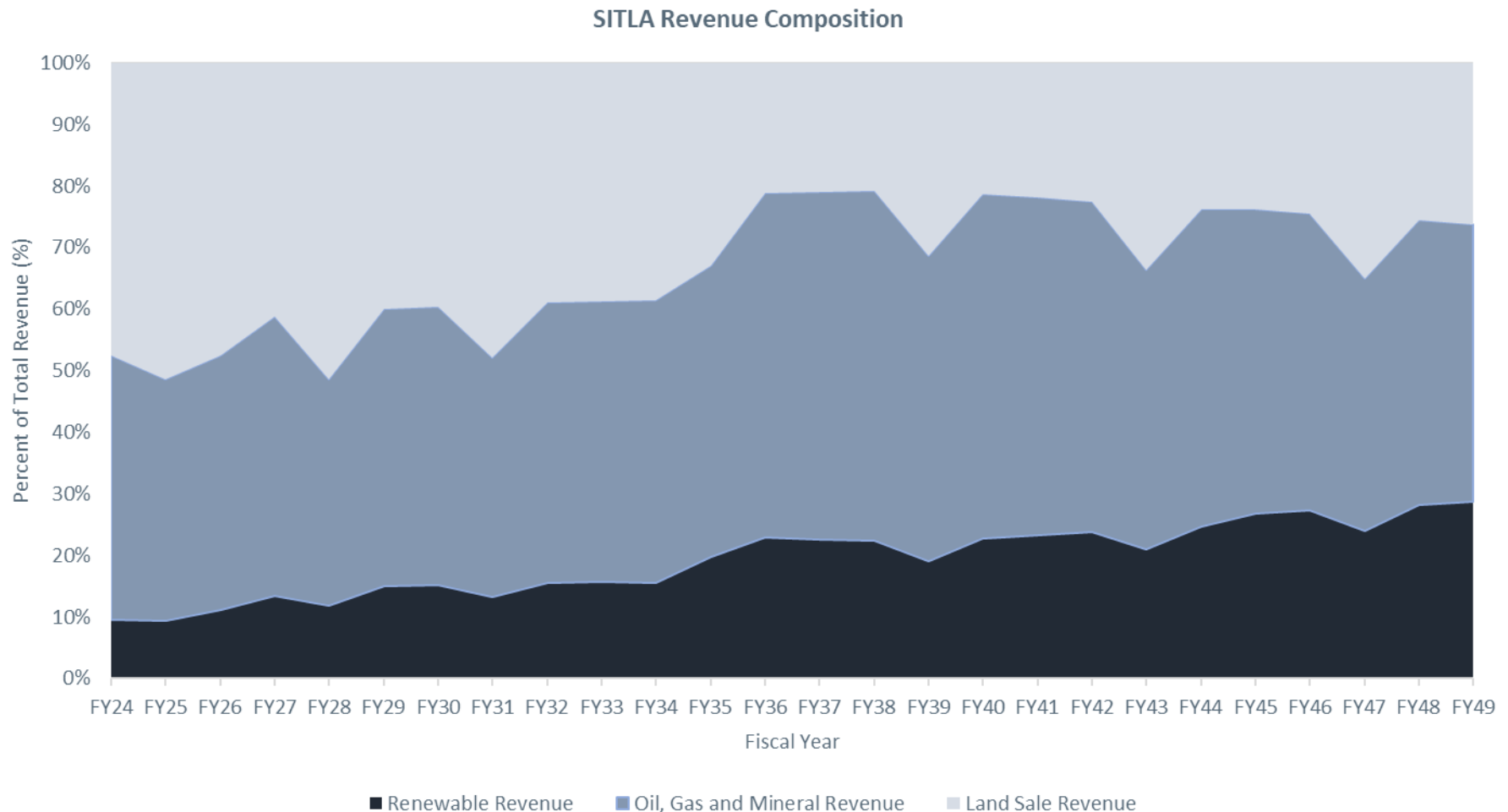
For SITFO, attaining the Intergenerational Equity Objective would mean growing the Fund assets from **\$3.7B** today to approximately **\$4.8B** in Year 25.

Based on the assumed modeling inputs that cover the current strategic asset allocation, distribution policy, expectations for future inflation, as well as the anticipated SITLA contributions, SITFO’s median probability of attaining the Intergenerational Equity Objective in Year 25 is **72.8%**, with a projected median real market value of **\$5.4B**.

Annual distributions are also expected to increase as the Fund assets grows over time. Annual distributions are expected to grow from **\$139.8M** to nearly **\$243.2M** over the 25-year modeling horizon.

# SITLA Revenue Projections

SITLA has provided RVK with revenue and expense projections for the next 25 fiscal years. The composition of the revenue projections are detailed in the graph below:



Revenue composition is gross of expenses and represents the percent of each year's annual revenue attributable to the respective classifications.

# What is a Corpus?

**Corpus Definition:** Corpus represents the principal monies used to establish a fund. This can include initial funds, as well as new funds added external to investment earnings.

**Article X, Section 7.** of the Utah State Constitution details the establishment of the corpus and its use stating:

*“The proceeds from the sale of lands reserved by Acts of Congress for the establishment or benefit of the state’s universities and colleges shall constitute permanent funds to be used for the purposes for which the funds were established. The funds’ principal shall be safely invested and held by the state in perpetuity. Any income from the funds shall be used exclusively for the support and maintenance of the respective universities and colleges.”*

**Article X, Section 5(2).** of the constitution notes that the corpus is not available for distribution (inviolate), and that only the “earnings” of the corpus can be spent:

*“(a) The permanent school fund shall be prudently invested by the state and shall be held by the state in perpetuity.*

*(b) Only earnings received from investment of the permanent State School Fund may be distributed from the fund, and any distributions from the fund shall be for the support of the public education system as defined in Article X, Section 2 of this constitution.*



# SITLA Revenue Projections

SITLA has provided RVK with revenue and expense projections for the next 25 fiscal years. The resulting projections are detailed in the table below:

	Nominal Contribution Assumption	Real Contribution Assumption
Year 1	\$124,480,127.59	\$121,368,124.40
Year 2	\$120,737,424.85	\$117,718,989.23
Year 3	\$109,251,324.22	\$103,857,040.08
Year 4	\$144,364,207.55	\$133,805,319.18
Year 5	\$118,935,927.60	\$107,480,957.54
Year 6	\$122,973,623.68	\$108,351,530.22
Year 7	\$151,885,186.38	\$130,479,749.01
Year 8	\$129,432,291.06	\$108,411,398.92
Year 9	\$135,373,464.75	\$110,552,984.15
Year 10	\$139,344,269.17	\$110,950,855.03
Year 11	\$131,801,217.24	\$102,321,189.00
Year 12	\$110,144,005.39	\$83,370,352.60
Year 13	\$113,459,966.11	\$83,733,267.30
Year 14	\$116,901,503.32	\$84,116,288.17
Year 15	\$145,256,194.38	\$101,905,888.88
Year 16	\$119,496,291.45	\$81,737,935.20
Year 17	\$118,301,094.82	\$78,897,386.09
Year 18	\$117,188,059.24	\$76,201,203.20
Year 19	\$140,875,884.29	\$89,314,040.66
Year 20	\$115,202,382.62	\$71,211,340.25
Year 21	\$117,664,870.09	\$70,915,167.60
Year 22	\$116,863,686.68	\$68,671,496.62
Year 23	\$140,796,147.10	\$80,666,333.18
Year 24	\$115,485,556.84	\$64,511,008.88
Year 25	\$114,950,885.84	\$62,607,029.61
<b>Total</b>	<b>\$3,131,165,592</b>	<b>\$2,353,156,875</b>

Real contributions are calculated as the present value of nominal contributions utilizing RVK's inflation assumption of 2.50%.

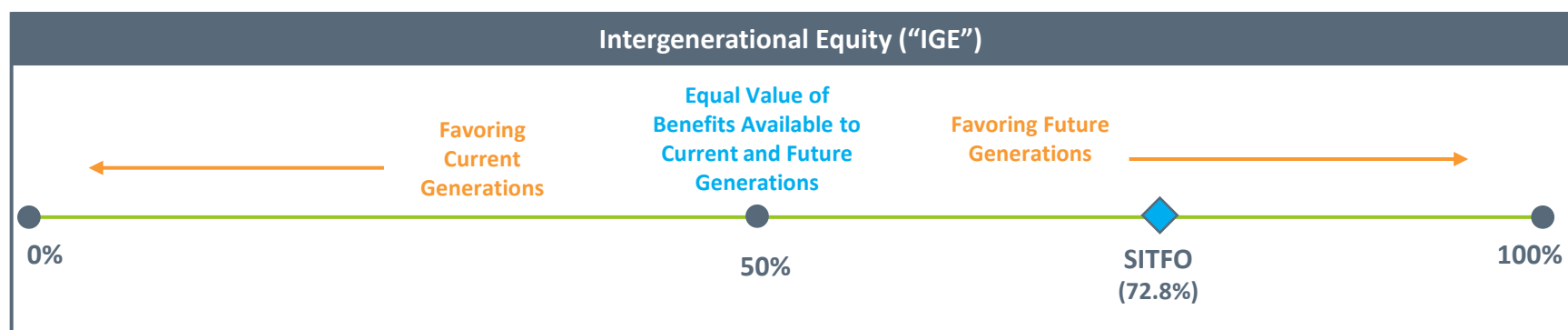
# Executive Summary

Currently, SITFO's assets are projected to strongly support intergenerational equity while safeguarding the corpus.

Under the current strategic asset allocation, RVK's 2025 capital market assumptions, projected distributions and contributions, and an inviolate corpus, the 5% distribution rate cap is projected to result in a **72.8%** probability of achieving intergenerational equity.

This represents a decline from the **86.7%** probability estimated at the time of the 2023 review.

The reduction in projected intergenerational equity is primarily attributable to lower expected contributions relative to asset levels, reduced future return expectations, and modeling enhancements that incorporate private market pacing and rebalancing.



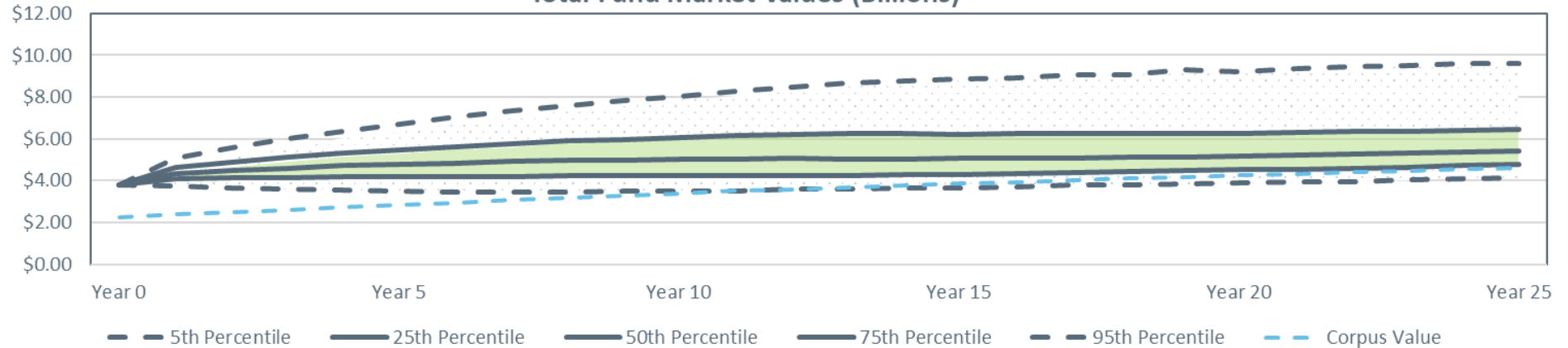
While projected results are in excess of the targeted 50% IGE value, it is important to consider that SITFO distributions are projected to outpace the growth of SITLA contributions, resulting in larger net outflows from the Fund than at present, and a likelihood of greater dependence on market returns.

# Intergenerational Equity – MV & Distribution Outcomes

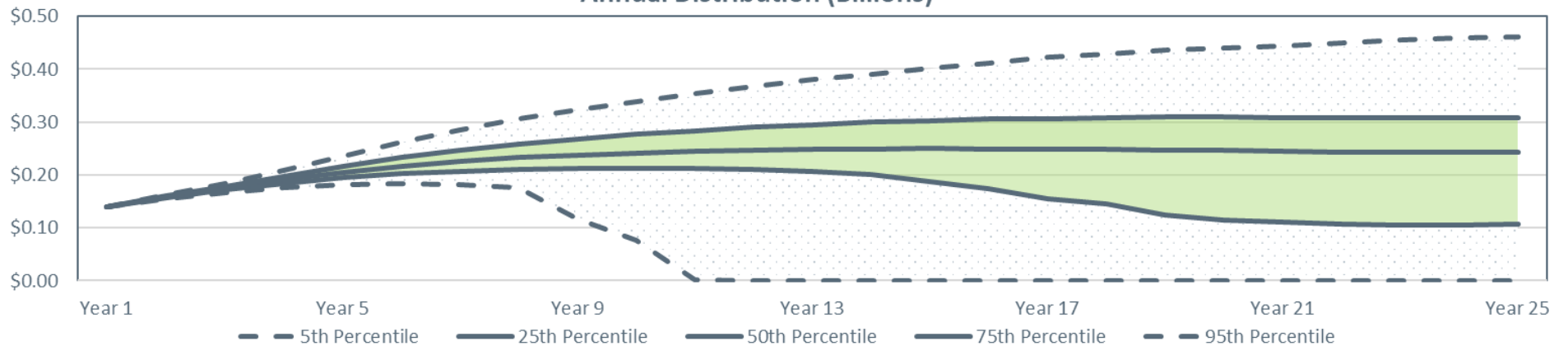
## Base Case: Current Long-Term SAA with 2025 CMAs and 5.0% distribution

Probabilities of the following – Maintaining IGE: 72.8% | Meeting CPI+5% Return Target: 56.9% | Corpus Breach: 8.6%

Total Fund Market Values (Billions)



Annual Distribution (Billions)



Projections utilize Monte Carlo analysis conducted with 5,000 return paths. Percentiles represent the respective outcomes of each year across the 5,000 return paths and does not reflect a representative path. Probability of breaching corpus is calculated across all periods and paths.

# Stress Tests – Return Paths & Contributions

The table below evaluates the impact that historical market events or stressed inflow scenarios would have on the portfolio's projected outcomes. Historical event returns are derived from the index returns of the current policy benchmark and are applied to the first year of the analysis.

Stress Test Scenarios			
Return Stress Tests		Contribution Stress Tests	
Global Financial Crisis: Oct 2007 – Mar 2009; Global Equity Return <b>-42%</b> , 4 Year Recovery	<ul style="list-style-type: none"> <li>IGE: <b>66.7%</b></li> <li>Corpus Breach: <b>16.3%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>24.2%</b></li> </ul>	Baseline Inflows	<ul style="list-style-type: none"> <li>IGE: <b>72.8%</b></li> <li>Corpus Breach: <b>8.6%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>56.9%</b></li> </ul>
COVID Market Recovery: Mar 2020 – Dec 2021; Global Equity Return <b>+39%</b>	<ul style="list-style-type: none"> <li>IGE: <b>75.6%</b></li> <li>Corpus Breach: <b>6.2%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>69.0%</b></li> </ul>	50% Reduction to all inflows	<ul style="list-style-type: none"> <li>IGE: <b>25.9%</b></li> <li>Corpus Breach: <b>8.1%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>58.3%</b></li> </ul>
Three Years Projected 5 <sup>th</sup> Percentile; Global Equity Return ~ <b>-24%</b>	<ul style="list-style-type: none"> <li>IGE: <b>66.0%</b></li> <li>Corpus Breach: <b>22.6%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>13.9%</b></li> </ul>	50% Increase to all inflows	<ul style="list-style-type: none"> <li>IGE: <b>98.4%</b></li> <li>Corpus Breach: <b>9.1%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>55.8%</b></li> </ul>
Three Years Projected 95 <sup>th</sup> Percentile; Global Equity Return ~ <b>+35%</b>	<ul style="list-style-type: none"> <li>IGE: <b>82.9%</b></li> <li>Corpus Breach: <b>3.0%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>88.2%</b></li> </ul>	No Inflows	<ul style="list-style-type: none"> <li>IGE: <b>8.4%</b></li> <li>Corpus Breach: <b>7.5%</b></li> <li>Liquidity Breach: <b>0.0%</b></li> <li>Return Target Probability: <b>60.4%</b></li> </ul>

All scenarios are 25 years.

- Return Stress Test Scenarios are based on equity market returns with other asset classes based on historical beta and alpha figures.
- Projected Three Year annual returns are applied to the first three years of the analysis.
- Corpus breach is calculated across all 25 years and 5,000 paths.
- Liquidity breach is defined as insufficient liquid assets on hand to cover the previous two years worth of distributions and private asset cash flows.
  - The inviolate corpus generally protects against liquidity breaches as liquidity is retained within the portfolio when corpus is breached and distributions are suspended.



# Stress Tests – Return Paths

The table below evaluates the projected impact adjustments to forward looking return scenarios have on median expected outcomes.

Baseline Returns	3 Years	5 Years	10 Years	25 years
IGE %	85.7%	83.6%	76.9%	72.8%
Corpus Breach %	0.0%	0.0%	0.9%	8.6%
Probability Meeting CPI+5% Return Target	50.9%	51.9%	53.5%	56.9%

Global Financial Crisis	3 Years	5 Years	10 Years	25 years
IGE %	0.1%	0.3%	37.3%	66.7%
Corpus Breach %	0.0%	0.0%	4.8%	16.3%
Probability Meeting CPI+5% Return Target	0.0%	0.0%	6.9%	24.2%

COVID Market Recovery	3 Years	5 Years	10 Years	25 years
IGE %	98.7%	95.9%	87.9%	75.6%
Corpus Breach %	0.0%	0.0%	0.3%	6.2%
Probability Meeting CPI+5% Return Target	82.2%	76.7%	71.4%	69.0%

3 Years 5 <sup>th</sup> Percentile Returns	3 Years	5 Years	10 Years	25 years
IGE %	0.0%	1.1%	25.5%	66.0%
Corpus Breach %	0.0%	4.0%	16.3%	22.6%
Probability Meeting CPI+5% Return Target	0.0%	0.0%	2.4%	13.9%

3 Years 95 <sup>th</sup> Percentile Returns	3 Years	5 Years	10 Years	25 years
IGE %	100.0%	100.0%	98.2%	82.9%
Corpus Breach %	0.0%	0.0%	0.0%	3.0%
Probability Meeting CPI+5% Return Target	100.0%	99.5%	94.7%	88.2%



# Stress Tests – Contributions

The table below evaluates the projected impact adjustments to forward looking annual inflows have on expected outcomes.

Baseline Real Contributions	3 Years	5 Years	10 Years	25 years
Cumulative	\$343M	\$584M	\$1,153M	\$2,353M
Average Annual	\$115M	\$117M	\$116M	\$89M

Baseline Contributions	3 Years	5 Years	10 Years	25 years
IGE %	85.7%	83.6%	76.9%	72.8%
Corpus Breach %	0.0%	0.0%	0.9%	8.6%
Probability Meeting CPI+5% Return Target	50.9%	51.9%	53.5%	56.9%

-50% Contributions	3 Years	5 Years	10 Years	25 years
IGE %	78.5%	71.9%	56.4%	25.9%
Corpus Breach %	0.0%	0.0%	0.7%	8.1%
Probability Meeting CPI+5% Return Target	50.9%	52.3%	54.0%	58.3%

+50% Contributions	3 Years	5 Years	10 Years	25 years
IGE %	91.1%	91.2%	93.0%	98.4%
Corpus Breach %	0.0%	0.1%	1.3%	9.1%
Probability Meeting CPI+5% Return Target	50.7%	51.6%	53.1%	55.8%

No Contributions	3 Years	5 Years	10 Years	25 years
IGE %	68.8%	58.1%	36.2%	8.4%
Corpus Breach %	0.0%	0.0%	0.4%	7.5%
Probability Meeting CPI+5% Return Target	51.1%	52.4%	54.8%	60.4%

# Concluding Thoughts

## Portfolio Construction

- SITFO achieves an appropriate balance of return and risk, with diversification playing a significant role in the overall portfolio structure.
- Higher long-term allocations to equities and other return-seeking assets—even those with lower levels of liquidity—can be appropriate for perpetual funds with intergenerational objectives.
- However, in the short term, and given the corpus considerations, careful consideration must be given to volatility management, drawdown risk, and to the manner in which certain investment strategies are implemented.

## Corpus Implications

- Protective mechanisms for distributions are important; however, strict adherence to an inviolate corpus—especially when paired with a spending policy or total return framework—can create practical challenges.

## Probability of Corpus Breach

- These modeling results suggest a relatively low probability of capital impairment under the assumed parameters, while also highlighting the importance of ongoing risk management and monitoring, particularly during periods of sustained market stress or adverse sequencing of returns.

## Earnings Reserve

- An “earnings-only” distribution framework may present challenges and could, in certain circumstances, influence asset allocation decisions, including a preference to avoid realizing losses and a bias toward income-oriented investments.

# Appendix



# YoY Change in IGE Score Attribution

**2023 IGE:** **86.7%**

2025 Market Values, Inflows, Prior Year Spend:

-6.6%

- Updated SITLA revenue projections included, done in coordination with SITLA

2025 Capital Market Assumptions & Model Enhancements:

-7.3%

- Return projections based on RVK 2025 Capital Market Projections

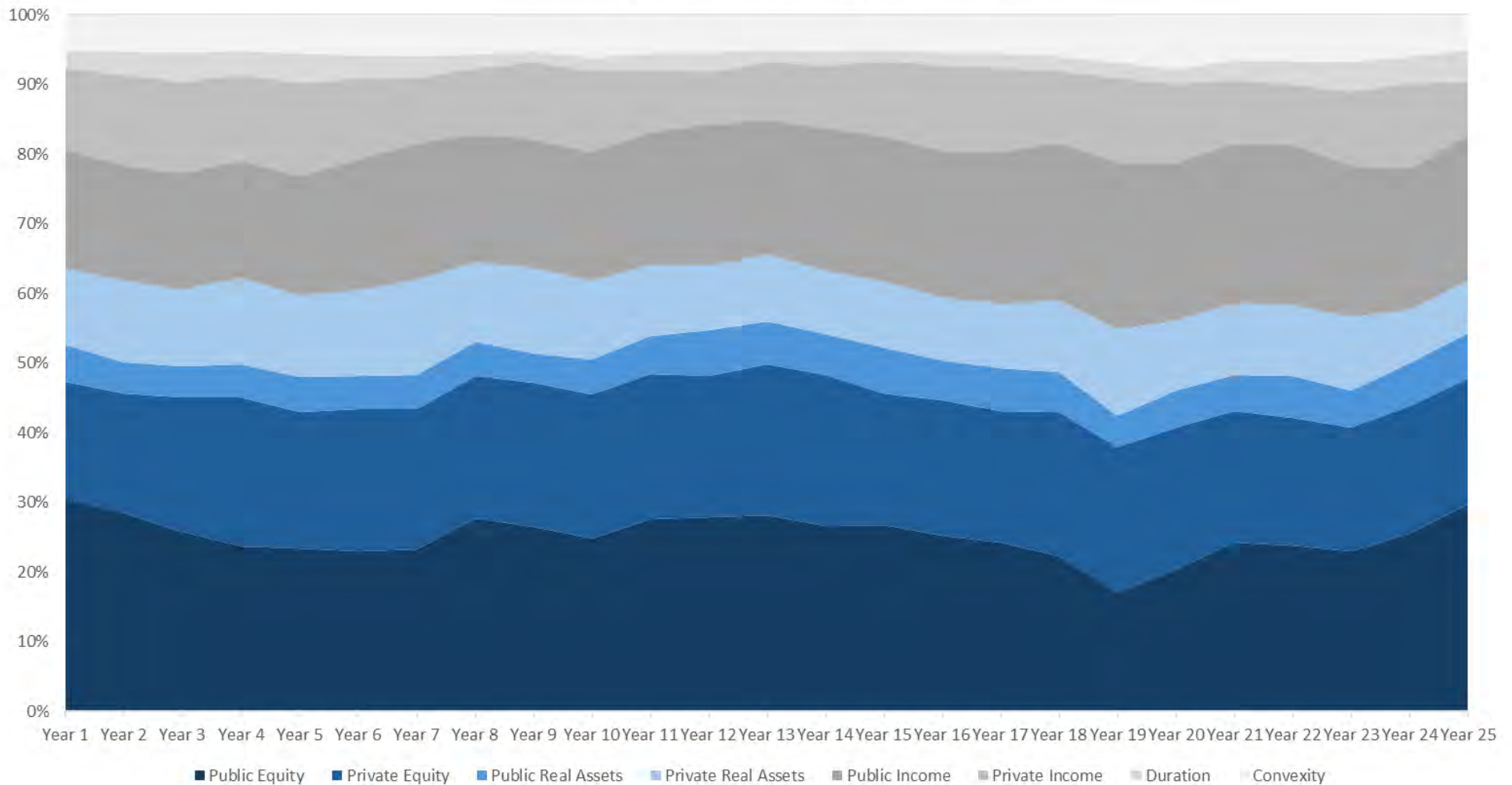
- Model enhanced to include private markets pacing and rebalancing

**2025 IGE:** **72.8%**

# Intergenerational Equity – Median Path Allocations

Base Case: Current Long-Term SAA with 2025 CMAs and 5.0% distribution

Allocations Over Time - Median Outcome Path



Allocations represent path of median projected market value outcome. Projections utilize Monte Carlo analysis conducted with 5,000 return paths. Percentiles represent the respective outcomes of each year across the 5,000 return paths and does not reflect a representative path. Probability of breaching corpus is calculated across all periods and paths.

# Intergenerational Equity – Median Path Allocations

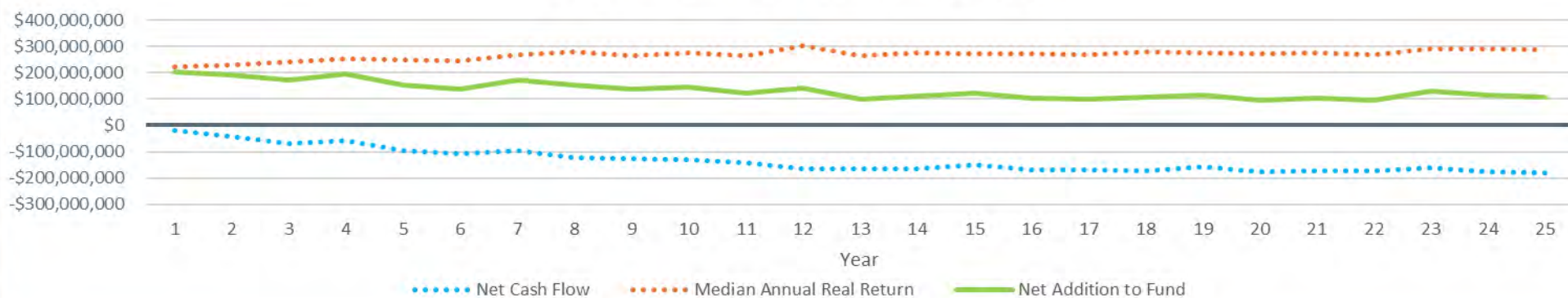
**Base Case: Current Long-Term SAA with 2025 CMAs and 5.0% distribution**

<b>Total Portfolio</b>	Median Ending MV	\$5,432,599,811
	StDev	\$1,914,099,324
	Median Ending Distribution	\$242,471,204
	StDev	\$153,355,094
	Likelihood of Liquidity Breach	0.00%
	Median 25-Year Return	5.29%
	Median 25-Year Standard Deviation	8.85%
	Median CVaR95	-12.95%
	25-Year IGE Score	72.78
	Likelihood of Meeting CPI+5%	56.90%
<b>Total Privates</b>	Probability of Corpus Breach	8.64%
	Minimum Allocation to Privates	24.10%
	Maximum Allocation to Privates	66.31%

<b>Private Equity</b>	Average Median Commitments	\$217,630,842
	Average Median Capital Calls	\$202,444,954
	Average Median Distributions	\$197,999,028
	Average Median Allocation	19.35%
	Average Median Target Variance	-0.65%
<b>Private Real Assets</b>	Average Median Commitments	\$61,149,061
	Average Median Capital Calls	\$64,009,916
	Average Median Distributions	\$72,620,300
	Average Median Allocation	10.32%
	Average Median Target Variance	0.32%
<b>Private Income</b>	Average Median Commitments	\$91,325,869
	Average Median Capital Calls	\$93,051,419
	Average Median Distributions	\$92,170,755
	Average Median Allocation	10.15%
	Average Median Target Variance	0.15%

# Median Cash Flow Summary

Projected Net Additions to SITFO Fund



	Contribution Assumption	Median Distribution	Net Cash Flow	Net Cash Flow (% of Fund)	Median Annual Real Return	Net Addition to Fund	Median Market Value - Corpus Value
Year 1	\$121,368,124	\$139,825,276	(\$18,457,151)	-0.42%	\$220,376,907	\$201,919,755	\$1,977,455,980
Year 2	\$117,718,989	\$158,713,545	(\$40,994,556)	-0.92%	\$231,566,482	\$190,571,926	\$1,995,379,744
Year 3	\$103,857,040	\$174,781,038	(\$70,923,998)	-1.55%	\$242,082,174	\$171,158,176	\$1,994,789,718
Year 4	\$133,805,319	\$190,562,477	(\$56,757,158)	-1.21%	\$252,719,977	\$195,962,819	\$1,987,021,931
Year 5	\$107,480,958	\$205,085,652	(\$97,604,695)	-2.04%	\$249,142,979	\$151,538,284	\$1,957,754,409
Year 6	\$108,351,530	\$217,117,310	(\$108,765,780)	-2.24%	\$245,877,392	\$137,111,612	\$1,912,847,615
Year 7	\$130,479,749	\$225,802,296	(\$95,322,547)	-1.94%	\$268,107,305	\$172,784,758	\$1,840,386,399
Year 8	\$108,411,399	\$232,817,853	(\$124,406,454)	-2.50%	\$278,489,366	\$154,082,912	\$1,797,583,522
Year 9	\$110,552,984	\$237,807,050	(\$127,254,066)	-2.55%	\$264,818,966	\$137,564,900	\$1,703,713,840
Year 10	\$110,950,855	\$241,758,949	(\$130,808,094)	-2.60%	\$274,648,689	\$143,840,595	\$1,629,515,602
Year 11	\$102,321,189	\$245,180,024	(\$142,858,835)	-2.84%	\$265,909,991	\$123,051,156	\$1,532,095,291
Year 12	\$83,370,353	\$247,157,928	(\$163,787,576)	-3.24%	\$303,991,984	\$140,204,409	\$1,471,792,959
Year 13	\$83,733,267	\$248,167,261	(\$164,433,993)	-3.26%	\$264,133,390	\$99,699,396	\$1,380,986,971
Year 14	\$84,116,288	\$249,449,907	(\$165,333,619)	-3.28%	\$275,376,725	\$110,043,106	\$1,286,157,640
Year 15	\$101,905,889	\$249,743,835	(\$147,837,946)	-2.92%	\$270,973,242	\$123,135,296	\$1,210,207,889
Year 16	\$81,737,935	\$249,413,085	(\$167,675,150)	-3.30%	\$270,362,377	\$102,687,226	\$1,139,519,699
Year 17	\$78,897,386	\$249,074,397	(\$170,177,011)	-3.35%	\$268,880,118	\$98,703,107	\$1,062,344,522
Year 18	\$76,201,203	\$248,213,537	(\$172,012,334)	-3.37%	\$280,167,505	\$108,155,171	\$1,008,014,940
Year 19	\$89,314,041	\$247,576,186	(\$158,262,145)	-3.08%	\$274,343,622	\$116,081,477	\$959,977,464
Year 20	\$71,211,340	\$246,708,328	(\$175,496,988)	-3.38%	\$272,665,634	\$97,168,646	\$936,583,159
Year 21	\$70,915,168	\$244,532,845	(\$173,617,677)	-3.32%	\$277,124,722	\$103,507,045	\$906,335,547
Year 22	\$68,671,497	\$242,455,021	(\$173,783,524)	-3.31%	\$269,823,310	\$96,039,786	\$864,161,593
Year 23	\$80,666,333	\$242,114,701	(\$161,448,368)	-3.03%	\$291,478,205	\$130,029,837	\$859,468,541
Year 24	\$64,511,009	\$242,828,128	(\$178,317,119)	-3.32%	\$291,935,564	\$113,618,444	\$838,374,672
Year 25	\$62,607,030	\$242,471,204	(\$179,864,174)	-3.31%	\$287,499,687	\$107,635,513	\$834,589,299

All data shown is in real terms. Average net cash flow as a percentage of the Fund is -2.65%.

# Historical Probability of Intergenerational Equity

## Dashboard

	2020	2022	2023	2025
Probability	86.9%	78.2%	86.7%	72.8%
Expected Return*	4.8%	4.2%	4.9%	4.6%
Expected Inflation	2.0%	2.5%	2.5%	2.5%
Distribution Rate	4.0%	4.0%	5.0%	5.0%
Annual Growth Rate	1.0%	1.0%	1.0%	1.0%
SITLA Contributions*	\$1,645M	\$1,971M	\$1,930M	\$2,353M

\*Expected Return represents the geometric, real return for the SAA. SITLA Contributions represent total real contributions over 25 projection horizon.



# RVK

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RVK

# SITFO Investment Policy Statement

December 2025

# Investment Policy Statement – Review and Approval

## Executive Summary

- The current Investment Policy Statement (IPS) provides that SITFO staff and the Board will review and evaluate the IPS on an annual basis. This periodic review is intended to reaffirm adherence to the policy, enhance clarity and precision of language, incorporate organizational or best-practice updates, and formally document any approved amendments.
- Given SITFO's long-term investment horizon, material policy changes are not anticipated on a year-to-year basis. Nevertheless, the annual review process serves an important governance function by ensuring that the IPS remains current, relevant, and fully aligned with SITFO's fiduciary responsibilities and statutory mandate.
- Overall, the IPS is well-constructed in both substance and structure, and no substantive amendments are required. The proposed revisions are primarily technical and clarifying in nature, aimed at strengthening governance clarity, operational precision, and consistency with evolving best practices.

# Investment Policy Statement – Review and Approval

## Executive Summary *(continued)*

- Our intent with these revisions is to elevate SITFO's documentation to a fully articulated institutional standard. The IPS is already well crafted—clear, cohesive, and aligned with fiduciary best practices defined in part by the CFA Institute.
- The proposed updates focus on sharpening definitions of roles and responsibilities, strengthening oversight and review processes, and refining language related to governance, risk management, and accountability.
- Collectively, these refinements are intended to enhance the clarity, consistency, and transparency of SITFO's governance framework, further strengthening a critical document that already ranks among the highest-quality when compared with relevant peers.
- The following slides summarize the proposed revisions to the IPS for review and approval.

# Investment Policy Statement – Review by Section

## Section: Introduction

- **Authority & Beneficiaries**
  - Minor refinements and clarifications
- **Purpose & Fiduciary Duty**
  - Consider changing review frequency from “annual” to “periodic” to avoid potential compliance issues

## Section: Duties and Responsibilities

- Include additional details related to process and structure
- Reflect current Trustee membership
- Provide further clarity related to roles
- Refine and elucidate duties and responsibilities across various functions



# Investment Policy Statement – Review by Section

## Section: Statement of Return and Risk Objectives

- Provide additional clarity regarding goals
- Removal of outdated and repetitive language

## Section: Distribution Policy

- Addition of purpose statement

## Section: Asset Allocation

- Addition of background, purpose and process considerations
- Removal of redundant language
- **Time Horizon**
  - Refinements and strategic additions to ensure stronger thematic alignment across sections
- **Portfolio Rebalancing**
  - Clarification of language and parameters

# Investment Policy Statement – Review by Section

## Section: Risk Tolerance Guidelines

- **Volatility:** additional clarity regarding reference portfolio
- **Liquidity:** removal of unnecessary language captured elsewhere
- **Strategic Asset Allocation Benchmark:** enhanced with emphasis on benchmarking approach
- **Interim Benchmark:** clarification and minor enhancements
- **Actual Allocation Benchmark:** removed (this approach is no longer in use)
- **Position Sizing:** stated purpose added and provided additional clarity

## Section: Reporting & Communication

- Definition of terms added
- Changes aimed at improving alignment with broader thematic frameworks and more clearly articulating goals and purpose

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# Investment Policy Statement

DECEMBER 2025

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# INTRODUCTION

## Authority and Beneficiaries

The Utah State Legislature created the School & Institutional Trust Funds Office (SITFO) as an independent agency within state government to manage trust assets with a clear fiduciary mandate. SITFO is governed by a five-member Board of Trustees (Board), chaired ex officio by the State Treasurer. The Board is composed of experienced investment professionals selected through a robust, statutorily defined process to ensure independence and accountability.

The purpose of SITFO is to invest Trust Lands Administration (TLA) revenues in a manner that sustains a perpetual distribution policy and preserves intergenerational equity among current and future beneficiaries. Trusts are managed for the sole benefit of their designated beneficiaries.

SITFO employs similar strategic asset allocations across trusts, reflecting shared long-term return and risk objectives. This unified approach enhances efficiency, governance consistency, and economies of scale. There is significant benefit for the smaller trusts to be invested alongside the permanent School Trust Fund, which accounts for 95% of combined assets. In addition to the School Trust Fund, there are 10 smaller institutional trust funds:

- Miners' Hospital
- Institute for the Blind
- Reservoirs Fund
- Normal School
- University of Utah
- School of Mines
- Utah State University
- Utah State Hospital
- Deaf School Fund
- State Industrial School

This investment policy is subject to all applicable state and national laws. Specific laws of the State of Utah for reference include:

- Utah Code Title 53D, Chapter 1
- State of Utah Constitution Article VI, Section 29 and Article X, Sections 5 and 7
- Utah Code 53C-3-102, 53F-9-201, 63G-6a-107, and 63E-1-102

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## Purpose and Fiduciary Duty

The purpose of this investment policy statement (IPS) is to provide a clear framework to assist SITFO and its Board in the prudent supervision, monitoring, and evaluation of the investment of the trust assets. The IPS serves as both a governance tool and a repository of institutional knowledge, ensuring continuity of approach across market cycles and leadership transitions. SITFO staff and the Board review and evaluate the IPS on an annual basis. This periodic review is designed to reaffirm adherence to policy, refine language for clarity, incorporate updates to investment processes or structures, and formalize any Board-approved amendments. . Given SITFO’s long-term investment horizon, significant policy changes are not expected from year to year. However, the annual review process ensures the IPS remains current, relevant, and aligned with SITFO’s fiduciary duties and statutory mandate.

SITFO and its Board have a fiduciary responsibility to make investment decisions and take actions solely in the best interest of the beneficiaries. Fiduciaries must adhere to the highest standards of integrity, loyalty, and prudence, consistent with their duty to manage the trust assets for the exclusive benefit of current and future beneficiaries. Fiduciaries are required to provide full and fair disclosure of all material facts regarding any actual or potential conflicts of interest and must take appropriate measures to avoid or mitigate such conflicts. In pursuing the investment objectives set forth in this policy, the Board, staff, consultants, and investment managers shall exercise prudence, skill, and due care, in accordance with the prudent investor standard and other applicable fiduciary principles established under Utah law. All investment actions and decisions must be based solely on the interest of the beneficiaries. For additional guidance, SITFO and the Board have articulated their core investment beliefs in an accompanying document titled “Statement of Investment Beliefs.” These beliefs are foundational principles that inform judgement and decision-making but do not constitute policy, and therefore are not included within this IPS. The statutes governing SITFO’s structure, authority, and fiduciary obligations are referenced throughout this document and can be found in Utah Code Title [53-D-1 School and Institutional Trust Fund Management and Land Trusts Protection and Advocacy Office.](#)

# DUTIES AND RESPONSIBILITIES

## Creation and Membership of the Board

The creation, structure, and membership of SITFO’s Board of Trustees are established under Utah Code §53D-1-301 and can be summarized as follows:

- The board consists of the State Treasurer, who serves as ex officio Chairperson, and four additional members as appointed by the State Treasurer.
- Appointments are made:
  - From a list of qualified candidates provided by the Nominating Committee,
  - On a non-partisan basis,
  - From individuals who possess demonstrated expertise in institutional investment management, and
  - For six-year staggered terms, ensuring continuity and preservation of institutional knowledge.

Trustee	Appointed	Re-Appointed	Term Expires
Chair Marlo Oaks	Ex-Officio	Ex-Officio	Ex-Officio
Vice-Chair Bong Choi	July 1, 2024	N/A	June 30, 2030
Rahki Patel	July 1, 2025	N/A	June 30, 2031
David Zucker	June 6, 2023	N/A	June 30, 2026
Mark Siddoway	July 1, 2023	N/A	June 30, 2029

## Duties and Responsibilities of the Board

The Board is vested with the authority to establish investment policy for SITFO. The Board determines its own meeting schedule and convenes no fewer than four times per year to review, evaluate, and take action on matters of policy, performance, and governance.

The Board’s primary responsibilities include, but are not limited to, the following:

- Annually review and approve:

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- The strategic asset allocation and capital market assumptions.
- The Investment Policy Statement.
- The Statement of Investment Beliefs.
- Changes to SITFO's operating budget, staffing and compensation, and operations.
- The Director's performance, goals, and compensation.
- Annually review:
  - The underlying structure and implementation framework of each asset class.
- Quarterly review:
  - The investment performance and market value of each trust.
  - The asset class weights relative to the strategic target allocation and policy ranges.
  - Compliance with the Investment Policy Statement.
- Ongoing governance and oversight:
  - Maintain a comprehensive understanding of the investment process, including asset allocation, manager selection, and risk management practices.
  - Review the annual audit report and consult with the external auditor, as necessary, to address findings or recommendations.
  - Review and approve SITFO hiring or termination of consultants and custodian.
  - Review the distribution policy governing disbursements to beneficiaries.

## Duties and Responsibilities of SITFO

SITFO staff is charged with the day-to-day management and oversight of the trust assets, operating under the strategic direction and policies established by the Board. Staff responsibilities include, but are not limited to, the following:

- Implementation, management and monitoring of the investments of each trust in accordance with the Risk Tolerance Guidelines and other parameters outlined in this IPS.
- Hiring and termination of investment managers as necessary to implement the approved strategic asset allocation and achieve the trusts' investment objectives.
- Execution of portfolio rebalancing transactions to maintain target allocations within approved ranges and ensure portfolio alignment with long-term strategy.
- Regularly review and monitor:
  - Total portfolio and asset class-level performance to assess the continued appropriateness of the strategic asset allocation, asset class structures, and investment managers.
  - Portfolio risk exposures in alignment with the Risk Tolerance Guidelines outlined in this IPS.
  - Capital market developments and emerging investment opportunities that may impact the trusts' risk-return profile.
  - Effectiveness and prudence of the securities lending program and other ancillary investment activities.
- Ensuring compliance with this Investment Policy Statement, applicable statutes, and all fiduciary standards governing SITFO's operations.
- Advise the Board on:
  - Broad investment objectives, beliefs, and policies, including risk management frameworks, , strategic asset allocation, asset class structures, and risk tolerance guidelines.

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- Sufficiency of resources—financial, technological, and human—necessary to effectively conduct the agency’s affairs and fulfill its statutory responsibilities.
- The appointment, evaluation, and effectiveness of key service providers including the custodian, investment consultant, and other external vendors essential to the management and administration of the trusts.
- Development of Board meeting agendas, ensuring that materials are comprehensive, relevant, and distributed in advance to facilitate informed and efficient decision-making.

## Duties and Responsibilities of the Investment Consultants

Investment Consultants may be retained to support the Board and SITFO staff in fulfilling their fiduciary duties. Investment Consultants serve in an advisory capacity and operate under the direction of SITFO staff and the Board, with responsibilities that include, but are not limited to, the following:

- Review and monitor:
  - Total portfolio and asset class level performance to ensure the continued appropriateness of the strategic asset allocation, asset class structures, and individual investment managers.
  - Portfolio risk exposures in alignment with the Risk Tolerance Guidelines outlined in this IPS.
  - Capital market developments and emerging investment opportunities that may impact the trusts’ risk-return profile.
- Recommend, coordinate, and advise SITFO staff and the Board on:
  - Broad investment objectives, beliefs, and policies, including risk management frameworks, , strategic asset allocation, asset class structures, and risk tolerance guidelines.
- Assist with any other investment, policy, or operational issues as requested by the Board.
- Prepare comprehensive due diligence monitoring and investment performance reports with respect to trust investments as requested by the Board of SITFO staff.
- Provide independent, research0based recommendations on portfolio positioning and potential adjustments in response to changes in market conditions and/or relative value.
- Assist with the implementation of investment decisions and support ongoing investment operations as requested.
- Provide appropriate education on investment, operational, and governance topics as necessary to strengthen fiduciary decision-making.
- Attend Board meetings and related sessions as requested to present analyses, discuss findings, and participate in strategic discussions.

## Duties and Responsibilities of the Investment Managers

The duties and responsibilities of investment managers are defined and agreed upon in the legal governing documents executed prior to the investment of any trust assets. These documents outline the specific mandate, objectives, guidelines, and constraints applicable to each investment manager. In



addition to those contractual terms, investment managers are expected to adhere to the following responsibilities:

- Manage the underlying assets in accordance with their stated investment mandate, this IPS, and other applicable guidelines provided by SITFO.
- Report investment results and meet with the Board, SITFO staff, and/or investment consultant as requested to review performance, strategy, and outlook.
- Promptly notify SITFO and its investment consultant of any material developments, including but not limited to organizational changes, investment team departures, ownership transitions, regulatory issues, or material deviations from the stated investment process.
- Exercise the care, skill, prudence, and due diligence that a prudent investment professional—acting in a like capacity and fully familiar with such matters—would use:
  - in like activities for like trusts with like aims and constraints;
  - in accordance and compliance with all applicable laws, rules, and regulations from local, state, federal, and international political entities;
  - as it pertains to fiduciary duties and responsibilities associated with the management of public trust assets.

## Duties and Responsibilities of the Custodian (Custody Policy)

The custodian's primary function is to provide secure custody of SITFO's trust assets, including individual securities, commingled fund interests, and other investment holdings. The custodian acts as the fiduciary agent responsible for the safekeeping, settlement, accounting, and reporting of trust assets in accordance with governing agreements and applicable law. The custodian's responsibilities include, but are not limited to, the following:

- Provide safe custody over the assets of each trust, including appointment and oversight of qualified sub-custodians as needed to ensure global coverage and asset protection.
- Report to SITFO (no less frequently than annually) on all outstanding withholding tax reclaims, required global market documentation updates, and necessary power of attorney renewal related to proxy voting or other legal actions.
- Facilitate cash flows and transactions, including the provision of methods for secure delivery of authorized instructions, settlement of purchases and sales, temporary investment of uninvested cash, and the provision of foreign exchange services as required.
- Reconcile account positions and activity on an ongoing basis, including monthly reconciliation with separate account investment managers.
- Account for all portfolio transactions, ensuring the accurate collection and accrual of income such as interest and dividends.
- Maintain sub-accounting records to reflect various trust ownership interests within pooled investments.
- Provide comprehensive accounting, reporting, and other value-added services (with scope and fees, if any, subject to separate written agreements) including:

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- General Ledger Reporting Templates and Ledger Activity and Trial Balance Reports
- ASC Topic 820 Fair Value Reporting Legal Determination Services
- ASC Topic 820 Enhanced Fair Value Reporting / GASB 72 Level Determination Services including Documentation of Practical Expedient Application
- Enhanced GASB Financial Reporting Services including drafting and tabular production for Financial Statement Footnotes
- Administer the Securities Lending Program in accordance with SITFO's Securities Lending Policy and the Securities Lending Authorization Agreement, ensuring appropriate risk management, transparency, and compliance.

# STATEMENT OF RETURN AND RISK OBJECTIVES

SITFO does not target a specific quantitative risk level. Rather, it seeks to minimize volatility to the extent practicable while still achieving the long-term return objective. See Risk Tolerance Guidelines contained within this IPS..

The return and risk objectives serve as the foundational principles of the asset allocation process and are directly incorporated into its construction and periodic review. Asset allocation decisions are made with explicit reference to SITFO's risk tolerance, return expectations, and long-term fiduciary obligations.

SITFO's long-term investment objective is to achieve a total return of Consumer Price Index (CPI) + 5% over full market cycles. The primary return objective is to preserve and enhance the purchasing power of the trusts while sustaining an annual distribution of up to 5% of the current market value of the trusts, as defined the Distribution Policy contained in this IPS.

## DISTRIBUTION POLICY

The School Trust Fund shall make an annual distribution based on the formula prescribed in Utah Code Section 53F-9-201. The calculation is designed to provide a stable, inflation-adjusted distribution while preserving the long-term purchasing power of the fund. The details of the formula are as follows:

1. "Annual distribution calculation" means, for a given fiscal year, the average of:
  - (a) 5% of the average market value of the State School Fund for that fiscal year; and
  - (b) the distribution amount for the prior fiscal year, multiplied by the sum of:
    - (i) one;
    - (ii) the percent change in student enrollment from the school year two years prior to the prior school year; and
    - (iii) the actual total percent change of the consumer price index during the last 12 months as measured in June of the prior fiscal year.
2. "Average market value of the State School Fund" means the results of a calculation completed by the SITFO director each fiscal year that averages the value of the State School Fund for the past 20 consecutive quarters ending in the prior fiscal year.
3. "Consumer price index" means the Consumer Price Index for All Urban Consumers: All Items Less Food & Energy, as published by the Bureau of Labor Statistics of the United States Department of Labor.
4. "SITFO director" means the director of the School and Institutional Trust Fund Office appointed under Section 53D-1-401.
5. "State School Fund investment earnings distribution amount" or "distribution amount" means, for a fiscal year, the lesser of:
  - (a) the annual distribution calculation; or
  - (b) 5% of the average market value of the State School Fund.

The other 10 trusts will make an annual distribution based on the formula outlined in Utah Code Section 53C-3-102(7):

"Distributions to the respective institutions from the associated permanent funds created from lands granted in Sections 8 and 12 of the Utah Enabling Act shall consist of 5% of the average market value of each institutional permanent fund over the past 20 consecutive quarters."

# ASSET ALLOCATION

The long-term strategic asset allocation (SAA) is the principal driver of portfolio risk and return and serves as the foundation for achieving the trusts' investment objectives. The SAA establishes the target exposures across asset classes and is designed to produce an expected total return equal to or greater than the trusts' long-term investment objective, while maintaining prudent diversification and risk control. SITFO evaluates the effectiveness of the SAA over a full market or business cycle, recognizing that short-term market fluctuations are not an appropriate measure of strategic success. The asset allocation process seeks to avoid undue concentration in any single asset class, sector, or factor exposure, thereby enhancing the portfolio resilience under a wide range of market and economic conditions.

## Time Horizon

SITFO's investment time horizon is theoretically infinite, as the trusts are expected to be invested and managed in perpetuity for the benefit of current and future beneficiaries. This long-term perspective is a defining element of SITFO's investment philosophy and exerts significant influence on all strategic and tactical decisions. A long-term horizon allows SITFO to tolerate short-term volatility, capture illiquidity premiums, and invest opportunistically across market cycles, consistent with its fiduciary duty to preserve and enhance the trusts' purchasing power over generations.

## Portfolio Rebalancing

The portfolio is governed by the strategic asset allocation weights and the maximum/minimum allocation constraints established in the Strategic Asset Allocation Table within the Risk Tolerance Guidelines section of this IPS. Allocations are monitored by SITFO and the consultant on a regular basis and reported to the Board at least quarterly. The board relies on SITFO to initiate and execute rebalancing actions consistent with the approved allocation ranges, risk guidelines, and prevailing liquidity conditions.

At any point in time, the actual asset mix may diverge from target allocations due to market fluctuations, cash contributions, capital calls and distributions, or other operational factors. The role of the allocation constraints and risk guidelines is to accommodate these short-term variations while maintaining

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discipline around the approved long-term strategic targets. These parameters also define the permissible limits for tactical deviations, intentional or otherwise, from the approved asset allocation and benchmarks. Such flexibility enables SITFO to respond to market conditions in a controlled and transparent manner, while avoiding excess turnover or unintended risk exposures. The Board reviews asset allocations relative to strategic benchmarks each quarter and assesses the portfolio's adherence to the IPS, rebalancing policies, and overall risk posture.

# RISK TOLERANCE GUIDELINES

The Risk Tolerance Guidelines establish the boundaries of investment risk that the Board authorizes SITFO to assume in pursuit of the trusts' long-term investment objectives. These guidelines define the framework within which SITFO exercises discretion to implement the strategic asset allocation and to manage the portfolio in alignment with its risk and return objectives.

SITFO and the Board recognize the inherent challenge of achieving the investment objective within complex and uncertain global investment markets. Accordingly, SITFO's approach to risk management is grounded in quantitative and qualitative portfolio analysis, ensuring that the portfolio's capacity to withstand volatility, illiquidity, and adverse market conditions is continuously assessed and managed within the authorized risk parameters.

## Volatility

In alignment with SITFO's commitment to appropriate diversification and prudent risk management, the portfolio's overall volatility is expected to be less than that of a reference portfolio comprised of 70% MSCI All Country World Index (ACWI) and 30% Bloomberg U.S. Aggregate Bond Index.

## Liquidity

Given SITFO's long-term investment horizon and the size and predictability of annual distributions, the portfolio can prudently tolerate a considerable level of illiquidity to support higher expected returns and to further enhance diversification efforts. Accordingly, SITFO maintains a disciplined balance between investment goals and liquidity requirements, ensuring that sufficient liquid reserves are available across a range of market environments. SITFO and the Board periodically review the portfolio's liquidity position to confirm that it remains consistent with both short- and long-term objectives and overall Strategic Asset Allocation (SAA). At the time of investment, the following limits apply:

- At least 15% of the total portfolio shall be available for redemption on at least a weekly basis.
- Further constraints on illiquidity are defined by the SAA targets and its ranges defined in this IPS.

## Strategic Asset Allocation Benchmark

SITFO evaluates its performance relative to a strategic asset allocation benchmark designed to reflect the strategic asset allocation using best efforts. Where possible, each asset class is benchmarked to a publicly available, investable index that best represents its intended market exposure and underlying

factor risks. For asset classes in which no suitable public benchmark exists, SITFO constructs benchmarks using appropriate peer groups to ensure meaningful comparison. The specific benchmarks and their construction methodology are detailed in the table below.

During periods of transition—the Strategic Asset Allocation Benchmark shall be temporarily replaced by the Interim Benchmark. The Interim Benchmark reflects the portfolio’s actual investable opportunity set and provides an appropriate reference for evaluating performance during the transition phase.

## Strategic Asset Allocation Table

Level	Asset Class	Min	Target	Max	Benchmark
2	Growth	40%	45%	50%	Composite of Public & Private, Pro-Rata
3	Public Equity	19%	25%	30%	MSCI ACWI IMI
3	Private Equity	15%	20%	26%	Hamilton Lane Private Equity Composite
2	Real Assets	10%	15%	20%	Composite of Public & Private, Pro-Rata
3	Public Real Assets	0%	5%	8%	S&P Real Assets Equity Index
3	Private Real Assets	7%	10%	15%	Hamilton Lane Private Real Assets Composite
2	Income	25%	30%	35%	Composite of Public & Private, Pro-Rata
3	Public Income	15%	20%	23%	U.S. High Yield 1-3 Years Index
3	Private Income	7%	10%	15%	Hamilton Lane Private Credit Composite
2	Defensive	5%	10%	15%	Composite, Pro-Rata
3	Duration	0%	3%	6%	Bloomberg 20-30 Year STRIP
3	Convexity	3%	7%	11%	HFRI Macro Index
3	Cash	0%	0%	3%	3 Mo U.S. T-Bill
1	Total Portfolio		100%		

## Interim Benchmark

SITFO recognizes that it may take considerable time to fully implement the SAA, particularly as the portfolio increases its exposure to private markets and pursues greater diversification across asset classes and strategies,

During this transitional period, the Board authorizes the use of an Interim Benchmark, which reflects the portfolio’s evolving composition. The Interim Benchmark’s allocation weights are incrementally adjusted toward the Board-approved SAA policy weights as new investments are made and capital commitments are deployed. Specifically, each quarter, the allocation weight of any approved GRID category or asset class that has not been fully implemented shall be adjusted, towards the target, in 0.25% increments based upon invested capital. These increased allocation weights are offset with a commensurate pro-rata change in allocation weights for the other asset classes within the GRID category framework.

Once the portfolio has achieved the target asset allocation defined in the SAA, the Interim Benchmark will be replaced by the Strategic Asset Allocation Benchmark. At that point, performance measurement

and reporting will reference the SAA Benchmark as the primary standard for evaluating total portfolio results.

## Position Sizing

SITFO pursues diversification with the intent to minimize the risk of significant investment losses at the total portfolio level. Consequently, the total portfolio is constructed and maintained to provide prudent diversification with respect to the concentration of holdings in individual strategies, managers, sectors, or securities. Capital is deployed in tranches, whenever practicable, to mitigate market-timing risk and to facilitate cost-effective entry into positions over time. To ensure proper concentration control and risk management, the following position-sizing limits apply:

- No single investment shall represent more than 5% of the total portfolio at the time of initial investment, except in circumstances involving a transition of or exchange between managers or vehicles pursuing a substantially similar strategy and/or style.
- No active investment manager shall represent more than 10% of the total portfolio at market value at any time.

These limits are designed to maintain diversification, mitigate idiosyncratic manager risk, and preserve portfolio flexibility while allow for scale where appropriate.

# REPORTING & COMMUNICATION

## Executive Summary – Performance and Risk

The Board will periodically receive a performance and risk report summarizing performance, attribution, and the portfolio's primary risk exposures and compliance with the IPS. The objective of this dashboard report is to provide clear and timely insight for the Board into the overall level of portfolio risk profile, both in absolute terms and relative to the benchmark, as well as the primary portfolio risk sensitivities. The report may include, but is not limited to, the following metrics and analyses:

- **Tracking Error (TE)** – measures deviation of actual portfolio returns from benchmark returns.
- **Value at Risk (VaR)** – estimates the potential loss under normal market conditions over a defined time horizon.
- **Equity Beta** – quantifies the portfolio's sensitivity to global equity markets.
- **Interest Rate Beta / Duration** – measures sensitivity to interest rate movements.
- **Scenario and, Stress Test** – evaluates potential portfolio impact under various macroeconomic or market shock scenarios.
- **Currency and Geographic Exposures** – provides transparency into non-U.S. market and FX risk.

## Performance Measurement and Portfolio Reporting

The consultant, custodian, or other independent third party will provide the Board comprehensive quarterly performance reports sufficient to monitor, measure, and analyze the portfolio's performance, risk profile, and asset allocation. These reports serve as a primary mechanism of transparency and accountability, enabling the Board to assess progress toward meeting the portfolio's investment objectives and adherence to the IPS. SITFO expects to achieve its investment objective over the long term, not each year. The Board recognizes that over shorter periods, the portfolio may outperform or underperform its benchmarks and peer groups due to market conditions, implementation timing, or investment strategy. Performance should therefore be evaluated within the context of the portfolio's long-term objectives, investment horizon, and risk posture rather than on short-term fluctuations.



## Asset Class Structure Reporting

To support the Board in its oversight and portfolio monitoring responsibilities, SITFO staff and the investment consultant will prepare Asset Class Structure Reviews that define the philosophy, objectives, and implementation of each GRID category and its respective asset classes. These reports provide transparency into how each portion of the portfolio contributes to the overall investment objectives and risk management framework. Asset Class Structure Reports will be reviewed quarterly on a rotating basis by GRID category to ensure ongoing evaluation of design, implementation, and performance alignment. Asset Class Structure Reviews will include the investment philosophy and objectives, role within the total portfolio, implementation approach, expected risk and return characteristics and any material changes or recommendations.

# Exhibit E

December 2025



# SITFO Statement of Investment Beliefs

Annual Review & Approval



- This review is in the spirit of the requirement in the IPS to “review and approve annually”, balancing against “SITFO’s long-term horizon...not expect significant changes from year to year”
- The Statement of Investment Beliefs should be well understood by trustees, and especially staff, to stay on course in difficult decision-making environments and to stay consistent in portfolio management

- Board and staff expertise
- Governance advantages
- Utilization of third-parties
- Long-term horizon
- Fiduciary responsibility
- Humility in decision-making



- Attention to overconfidence, loss aversion, inertia, group behavior, and biases
- Investment policy statement protocols to limit behavioral biases

## Section: Who We Are, Price and Opportunity Cost Awareness



- Cycle aware (economy, market, strategy/style, manager)
- Open to the less common opportunities
- Decisions made without emotion

## Section: Who We Are, Governance and Management



- Effective governance
- Board members' roles vs staff's roles
- Attracting and retaining talent
- Avoid non-investment constraints

## Section: Who We Are, Performance Measurement



- Decision-making process more important than past performance
- Not driven by fear of being different
- Benchmark aware but outcome oriented

## Section: Efficient Markets Response



- Markets aren't strictly efficient but active management is a difficult, zero-sum game
- From passive to active as a spectrum is a better framework than a binary one
- Suitability and purpose matter



- The importance of downside risk management
- Risk is disrupting the distribution, permanent losses, not volatility per se
- Risk tolerance reflects sophisticated portfolio and time horizon

- Importance of asset allocation as driver of consistency in risk management; Approach to asset class ranges and rebalancing
- Asset classes and diversification defined

## Section: Asset Class Structure and Manager Selection, Manager Diversification



- Implementation of the asset class through sub-asset classes, strategy, and manager selection
- Co-investments defined

- Each asset class philosophy and principles are defined
- Risk is described in more detail



UTAH SCHOOL & INSTITUTIONAL TRUST FUNDS OFFICE

# Statement of Investment Beliefs

DECEMBER 2025

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*The following document outlines beliefs, principles, and philosophies that SITFO’s board and staff agree to use as guiding principles. It is neither policy nor a procedural manual. The primary purpose is to assist in governance and decision making. Board and staff should consider this a living document and discuss improvements as needed.*

## WHO WE ARE

The Utah State Legislature created the School & Institutional Trust Funds Office (SITFO) as an independent agency with a clear fiduciary mandate to manage trust assets. A five-member Board of Trustees, chaired ex officio by the State Treasurer, oversees the organization, and professional staff bring diverse investment experience consistent with the responsibilities articulated in the Investment Policy Statement (IPS). SITFO invests Trust Lands Administration revenues to support a perpetual distribution policy and preserve intergenerational equity; each trust is managed solely for the benefit of its designated beneficiaries.

SITFO employs similar strategic asset allocations across trusts, reflecting common long-term return and risk objectives while capturing efficiency, governance consistency, and economies of scale. The School Trust Fund represents the majority of combined assets, and ten smaller institutional trust funds benefit from being invested alongside it.

Although the trusts share the same source of investable financial assets, contributions are expected to become relatively less important over time as investment compounding becomes the primary driver of growth. SITFO takes a conservative view of land assets as a diminishing and finite revenue source.

## Characteristics

Board and staff are expected to possess a deep understanding of modern portfolio theory and bring significant investment experience to the agency. SITFO's relatively small group of decision makers helps minimize bureaucratic inefficiencies and behavioral biases that can impede decision making, and allows objective, research-oriented recommendations to be implemented efficiently.

Recognizing the increasing complexity of managing a diversified and growing portfolio, SITFO prudently engages qualified third-party providers—such as investment consultants, research and software vendors, and external investment managers—to supplement internal expertise, while retaining discretion and emphasizing thoughtful customization. With an investment horizon measured in decades, SITFO can assume appropriate levels of volatility and illiquidity risk in pursuit of its investment objectives.

It is SITFO's fiduciary responsibility to ground investment decisions in research and portfolio theory and to objectively consider opportunities without regard to political or other non-economic considerations. Humility is recognized as an essential safeguard against cognitive and behavioral biases, so the agency commits to rigorous analysis, structured decision processes, adherence to documented checklists, and a culture that values open-mindedness, constructive challenge, and continuous improvement.

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## Behavioral

SITFO acknowledges that behavioral finance themes—such as overconfidence, loss aversion, inertia, herding behavior, and other cognitive and emotional biases—can materially affect judgment and investment decision making. Rather than provide a comprehensive review of these topics here, SITFO relies on the IPS and related governance protocols to help identify, discuss, and limit behavioral tendencies in strategic and tactical decisions.

## Price and Opportunity Cost Awareness

Understanding the cycle—economic, market, style, and strategy—and outlining the portfolio’s range of expected returns in the near to intermediate term provide essential context for prudent investment decisions, including new mandates, rebalancing, and tactical adjustments.

Investment opportunities offering higher expected returns are often less popular, misunderstood, or temporarily out of favor but should not be discarded based on perceived headline risk or conventional wisdom.

No action is also a deliberate action. Choosing not to act amid significant uncertainty can reflect prudence rather than indecision. The Board and staff acknowledge they are expected to make decisions to act—or not—in the face of significant uncertainty, based on a disciplined, long-term view rather than emotion.

## Governance and Management

Governance is most helpful when it provides robust checks and balances, and least helpful when it fosters groupthink, is used as a shield from taking responsibility, or is abused for political purposes. Board members bring valuable perspective precisely because they are not engaged in daily portfolio management, allowing them to assess strategy and risk with greater objectivity.

Board members do not typically perform the same level of research and due diligence as staff or consultants and have delegated manager selection to staff, who should source and promote the best ideas without bias and provide additional support when requested.

SITFO devotes significant effort to attracting, developing, and retaining talent. The organization seeks to offer the ability to deploy patient capital with minimal non-investment constraints and to emphasize the higher purpose of advancing public good, consistent with its statutory authority and fiduciary mandate.

## Performance Measurement

SITFO selects investments based on expected outcomes in a total portfolio context rather than out of fear of being different from the past, peers, or one's own biases. Investment decisions emphasize long-term expected outcomes and risk-adjusted returns.

Benchmarks and peer groups are important tools for fostering accountability and supporting objectivity, but their relevance to SITFO's long-term, multi-generational mandate is inherently limited. At times, particularly near extremes in the market cycle, cap-weighted benchmarks and peer rankings can become metrics of herd mentality.

Benchmarking is most effective when factor exposures are well understood and when appropriate time horizons are applied. Benchmarks at the manager, asset class, and total portfolio levels should be constructed to reflect expected outcomes and to measure performance relative to applicable factor exposures.

Decisions to hire, retain, or terminate investment managers should not be based solely on historical performance. Past performance should be analyzed to better understand a manager's process and capabilities, but decisions should be holistic and emphasize factors expected to drive future performance, including:

- organizational strength and culture;
- integrity, talent, and skill of key professionals;
- validity and consistency of investment philosophy;
- soundness and discipline of the investment process;
- nature and durability of the opportunity set; and
- approach to risk management.



# EFFICIENT MARKET RESPONSE

While SITFO does not believe markets are strictly efficient, it recognizes that many skilled investors seek to profit from inefficiencies and that competing with those investors for relative performance is a zero-sum game. SITFO believes it is possible to identify skilled managers in advance through a thorough, disciplined, and objective effort conducted by professionals with significant experience in manager research and selection.

## Passive Management

Passive investing can be an effective way to minimize tracking error and peer risk, reduce fees, lower business and operational risk, gain efficient access to multiple markets, and optimize the fee budget between lower-cost beta exposures and higher-conviction expected alpha sources. Even in markets that may be considered inefficient and therefore present higher potential for active managers, SITFO may use passive investments to minimize active risks or simply to gain exposure as needed.

## Active Management

Active management can be an important source of incremental returns, but talent, skill, and discipline are necessary to exploit this potential. Certain active strategies or styles deliver specific exposures or investment outcomes that are not readily available in a passive format. Uncommon skill, a disciplined philosophy and process, a rich opportunity set, and appropriate risk management are all necessary for an active manager to outperform.

## Rules-Based Management

Between purely passive and purely active approaches, SITFO may utilize rules-based strategies. Many investment strategies can be explained and even replicated by strategy betas or factors that are investable. Factor-based investing demonstrates that certain structural market characteristics—such as value, size, momentum, quality, and low volatility—can generate persistent risk premia over time and can complement both passive and active allocations within SITFO's total portfolio.

# RISK

A simple but effective definition of risk is the permanent loss of capital, though risk manifests in many forms and cannot be fully captured by quantitative measures alone. Qualitative considerations—such as illiquidity, governance failures, organizational instability, etc.—also represent significant sources of risk that warrant attention.

As stated above, SITFO's long investment horizon allows it to tolerate volatility and illiquidity. So, it's appropriate to tolerate properly compensated risk that might be imprudent for individuals or pension plans with finite horizons, variable liabilities, or different objectives. At the same time, SITFO remains acutely aware that the corpus of each trust represents a permanent endowment and must not be impaired. Accordingly, the agency maintains a strong focus on downside risk, capital preservation, and prudent diversification consistent with fiduciary obligations.

## Defining Risk

Relevant factors for defining risk may include high valuations, fees, timing, inflation, fraud, illiquidity, downside volatility and drawdowns, equity beta, interest-rate sensitivities (duration), credit exposure, operational and business risk, opportunity cost, leverage, currency fluctuations, and political or regulatory instability.

Volatility remains a useful and informative risk measure but is insufficient on its own, as it treats gains and losses identically. Metrics that emphasize downside volatility and account for skewness and kurtosis help capture asymmetry and tail risks more accurately. High valuations and volatility are often correlated and can materially increase the risk of permanent loss of capital, particularly when investors buy at high valuations and sell at low valuations. Risks that are most likely to lead to permanent loss of capital include inflation, fraud, extremely high valuation levels, and excessive fees.

## Risk Management

Monitoring risks on a regular basis is important to observe incremental changes that may accrue over time, including both quantitative measures and qualitative elements such as organizational developments or governance concerns at the manager level.

## Risk Tolerance

Given the nuance involved in defining risk, risk tolerances are evaluated across multiple dimensions of the portfolio, including quantitative measures—such as volatility, downside volatility, and value at risk—

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and qualitative considerations such as illiquidity, fee structures, counterparty exposures, governance quality, and operational soundness.

Risks that may be unfamiliar to the layperson, including complex strategies, emerging or less familiar geographies, and illiquidity, can be appropriate for SITFO as an organization with a time horizon measured in decades. SITFO holds itself and those responsible to a high standard of due diligence to manage these risks. Additional discussion of risk is provided in the appendix.

# ASSET ALLOCATION

Asset allocation is the predominant driver of portfolio return and risk. A long-term strategic asset allocation is therefore the most significant method of protecting the portfolio from short-term decisions influenced by emotional reactions, political pressure, or performance chasing. Asset allocation decisions are considered through both quantitative and qualitative lenses that incorporate a variety of risks, scenarios, and outcomes, and reflect the portfolio's ability to withstand a moderate level of risk, including illiquidity.

## Defining an Asset Class

Asset classes can be defined as groupings of investment strategies or exposures that perform similarly across most market environments, possess relatively high internal correlations and common risk drivers, are institutionally investable, and add value in a total portfolio framework.

Aggregating asset classes and sub-asset classes into broader groups by their expected role in the portfolio—for example, growth, defensive, or inflation protection—can enhance communication with stakeholders, improve governance and decision making, and provide for more efficient modeling and implementation.

## Diversification

Diversification is fundamental to an optimized portfolio that seeks to maximize returns for a given level of risk. It helps protect against any single portfolio segment causing the total portfolio to exceed expected risk and loss parameters.

## Ranges and Rebalancing

Rebalancing within established ranges is essential to achieving the benefits of diversification and maintaining the integrity of the strategic asset allocation.

Adhering to a predetermined asset allocation with sufficiently narrow ranges around target weights reduces the temptation to make reactive or emotion-driven allocation changes and helps avoid common behavioral pitfalls.

Because of inherent market volatility, large one-time additions or redemptions can introduce timing risk. SITFO may mitigate this risk through multi-tranche implementation that smooths market impact and enhances execution efficiency.

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## Valuations

Adding an asset class may enhance diversification when the new exposure exhibits relatively low correlation to existing holdings and is expected to improve risk-adjusted returns. However, it may not be prudent to add that same exposure at a point in time when valuations are unattractive. Valuations are incorporated into forward-looking risk and return assumptions to promote judicious and timely implementation of new investments.

## Evolution

SITFO recognizes the importance of adhering to a long-term strategic asset allocation while also acknowledging that it would be imprudent to ignore changes in market conditions or developments in investment strategies. Prudence requires continuous research, monitoring, and evaluation of both the asset allocation framework and its underlying components.

# ASSET CLASS STRUCTURE AND MANAGER SELECTION

While portfolio risk and return characteristics are largely determined by strategic asset allocation decisions, asset class structure and manager selection drive performance at the margins and are the mechanisms by which the portfolio gains exposure to asset classes. These implementation decisions can add value through rigorous and consistent due diligence while allowing flexibility to take advantage of unique strategies that meet the target return and role of the asset class.

## Structure and Bias

Asset class structure and manager selection should reflect the distinct purpose of each asset class as that is the primary channel through which the strategic allocation is implemented.

Benchmarks serve as the neutral reference point for evaluating performance and risk exposure. Therefore, asset class and manager biases should be justified by sound investment logic and capture structural inefficiencies associated with their respective asset class.

Co-investments can be an effective mechanism for improving net returns, reducing fees, and managing the pacing of private market commitments. A simple approach to avoid the need to underwrite each co-investment is to commit capital to a given fund with an additional earmarked amount for co-investing. Outsourcing co-investments to a best-in-class third-party can also be additive depending on terms, structure, and quality of deals.

## Manager Diversification

Diversification among investment managers is an important tool for mitigating firm-specific risk, avoiding concentration in investment styles or themes, broadening sources of alpha, and reducing the likelihood of material underperformance.

Over-diversification is an expensive way to capture asset-class betas, as alpha is a zero-sum game across participants. When utilizing active managers, SITFO seeks to retain alpha-generating potential while still diversifying sufficiently to address the risks noted above, implying some degree of concentration relative to maximum diversification.



## Manager Selection

Uncommon skill, a disciplined philosophy and process, an attractive opportunity set, and sound risk management are expected to enable an active manager to outperform. The collective experience of staff and consultants, in conjunction with a disciplined process, enables the identification, selection, and oversight of high-caliber investment professionals.

Each new manager should be additive to the total portfolio by enhancing diversification, providing access to a new asset class or strategy, adding a differentiated alpha-generation source, and/or improving overall risk and return characteristics. Quantitative and qualitative factors are both assessed in evaluating manager skill, and historical performance plays a limited role, serving primarily to facilitate risk analysis and to understand persistence and evidence of experience.

# APPENDIX

## Public Equity Investment Beliefs, Principles, and Philosophy

SITFO's multigenerational investment horizon allows the agency to tolerate a variety of risks such as market volatility, illiquidity, and exposure to unconventional or nascent funds and strategies. SITFO is benchmark-aware but has a total portfolio mindset and is outcome oriented.

SITFO respects the principles of the efficient market hypothesis, while recognizing that cap-weighted indices are not inherently superior beyond minimizing tracking error and fees. Such indices carry their own risks, including concentration in the most highly valued securities and a tilt toward momentum.

SITFO employs a core-satellite approach in public equity. Core managers are intended to represent the breadth of the asset class and are typically implemented through passive or rules-based strategies that provide efficient, low-cost exposure. Satellite managers are actively managed and characterized by higher skill, higher tracking error, and the potential for differentiated alpha generation with style diversification.

Each new manager should be additive to the portfolio by enhancing diversification, providing new exposures, and generally improving portfolio or asset-class-level risk and return characteristics. Too many managers or overly similar strategies may erode efficiency and result in offsetting exposures.

Low net exposure investment managers are generally not appropriate for the Growth portfolio unless the potential for alpha is deemed highly probable or the risk profile is predictive of market-like returns.

## Private Equity Investment Beliefs, Principles, and Philosophy

Private equity is used to achieve meaningful returns for the total portfolio, with a return hurdle of CPI + 8%. SITFO is building a focused portfolio of partnerships with managers who demonstrate persistent value creation through operational excellence, strategic insight, and the exploitation of structural inefficiencies rather than reliance on financial leverage.

SITFO seeks managers with sustainable competitive advantages and strong LP/GP alignment. The organization leverages its mission to gain access to capacity-constrained and emerging managers with compelling track records and distinctive strategies, and it expects private equity managers to meet or exceed upper-quartile performance benchmarks for their sub-asset class.

Alignment of interests between SITFO and its general partners is a central consideration. As part of its due diligence, SITFO evaluates factors such as firm lifecycle, governance structure, investment discipline, [sitfo.utah.gov](https://sitfo.utah.gov)

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and fund size to help ensure that each partnership reflects a sustainable business model and fiduciary alignment.

Within private equity, exposure is organized across venture capital, buyout and growth equity, and secondaries/opportunistic strategies:

- Venture exposure emphasizes early-stage managers that maintain disciplined fund sizes and secure meaningful ownership stakes in portfolio companies.
- Buyout and Growth exposure is concentrated in operationally focused managers, often in the lower middle market where structural advantages can underpin superior return prospects.
- Secondaries are used to mitigate the J-curve, provide liquidity and diversification.
- Opportunistic strategies are those that do not fit within the above but provide competitive returns and diversification.

## Public Real Assets Investment Beliefs, Principles, and Philosophy

Public real assets are expected to serve as the portfolio's primary inflation-sensitive exposure. Although these investments are designed to respond favorably to rising price environments, most public real asset exposures also embed varying degrees of equity, credit, and interest-rate sensitivity.

SITFO classifies public real asset investments into three broad sectors: real estate, natural resources, and infrastructure. These sectors can be accessed through a variety of security types.

Given the breadth and evolving nature of the opportunity set—and the absence of a widely adopted benchmark or investable index for the total real assets universe—SITFO primarily employs active managers in this asset class.

## Private Real Assets Investment Beliefs, Principles, and Philosophy

Private real assets serve as the portfolio's primary mechanism for inflation protection and an important source of diversification, while also contributing meaningfully to return objectives.

While it is difficult to achieve a perfect link to inflation, this remains an objective that SITFO balances against sensitivity to economic growth and diversification.

SITFO de-emphasizes duration in favor of inflation sensitivity and total returns, categorizing investments as infrastructure, natural resources, real estate, or opportunistic sub-asset classes.

The allocation targets a long-term return of CPI + 6.25%, resulting in a bias toward equity-oriented strategies further up the risk-return curve.

## Public Income Investment Beliefs, Principles, and Philosophy

SITFO targets much of the expected return for the public income category to be derived from contractually obligated or asset-backed cash flows associated with securities positioned higher in the capital structure than equities. These exposures are designed to provide stable income and mitigate downside risk, while recognizing that correlations and drawdowns can rise during periods of market stress or liquidity crises.

The public income category is expected to generate equity-like returns while diversifying away from traditional corporate equity risk by diversifying borrowers and collateral—for example through securitized consumer credit, insurance-linked securities, transportation and other hard-asset lending, and non-U.S. sovereign and currency exposure via emerging market debt.

Within this framework, SITFO aims to limit duration risk where practical by emphasizing floating-rate or shorter fixed-rate structures and higher-coupon securities. Given the specialized and often less efficient nature of the opportunity set, passive implementation options are limited. SITFO's long-term horizon and tolerance for illiquidity allows for the use of open-ended, private vehicles that permit periodic redemptions, enhancing access to specialized income-generating strategies while maintaining sufficient portfolio flexibility.

## Private Income Investment Beliefs, Principles, and Philosophy

Private Income allows the trusts to diversify away from traditional fixed income, trading liquidity for improved risk-adjusted returns. By accepting reduced liquidity, SITFO expects a premium from lending to borrowers or against assets that do not access public capital markets. SITFO seeks to optimize the return of this asset class with a hurdle return of CPI + 6.5% net of fees.

SITFO defines Private Income as income-oriented interests in corporate or asset-based opportunities. Investments include corporate, asset-backed, and other forms of debt or debt-like securities and are accessed through a mix of open- and closed-end structures.

Investments are broadly classified as Origination or Opportunistic Debt. Origination includes lending-oriented funds where contractual income serves as the primary driver of returns, typically emphasizing capital preservation and providing a consistent source of income that helps mitigate volatility and risk. Opportunistic Debt includes funds that may invest across the credit spectrum and employ secondary or more return-seeking strategies, introducing elements of asset appreciation and allowing the portfolio to capitalize on dislocation and volatility.

The classification of Origination and Opportunistic Debt serves to monitor and manage risk. SITFO seeks to maximize each unit of illiquidity and selects funds based on their probability of exceeding the hurdle return on a time-weighted return basis rather than their specific classification. A balanced exposure across the risk spectrum, combined with thoughtful sub-asset-class strategy and manager selection, supports achievement of return objectives.

SITFO is cognizant of the asset class's historical inefficiencies and prioritizes funds structured in ways that maximize the portfolio's prospects through both strategy and structural characteristics. SITFO seeks to partner with managers who understand their competitive advantages and limitations and who operate within well-defined investment frameworks, including differentiated sourcing networks, collateral and structuring expertise, and workout capabilities.

## Defensive Investment Beliefs, Principles, and Philosophy

The evolution from core to core-plus fixed income and the growing use of alternative strategies for defensive purposes has introduced new complexities; while these approaches may enhance yield, they can embed equity beta and negative convexity, reducing their effectiveness as true hedges during periods of market stress.

A more direct approach to hedging would be to purchase equity put options, which can be reliable but costly and behaviorally difficult to maintain. Cash remains an important tool by providing optionality and liquidity, but it offers no positive convexity, is vulnerable to erosion through inflation, and carries long-term opportunity cost via cash drag.

SITFO's response is to maintain an allocation within the Defensive category to dynamic, liquid strategies that exhibit low correlation to equities and provide positive convexity during adverse market conditions.

High-quality duration is viewed as a key hedge against most deflationary-driven drawdowns. Duration is implemented primarily in the Defensive category and is limited elsewhere in the portfolio. Because stock-bond correlations are time-varying and do not adequately capture the conditional distribution of interest-rate behavior in left-tail equity events, SITFO generally prefers higher-volatility implementations that are consistent with the diversifying role of duration.

Convexity strategies are expected to provide returns above CPI + 2.5% over the long term, convexity in significant drawdowns, and liquidity. Trend is implemented through a core/satellite approach, where core managers offer liquidity and capital efficiency and satellites may have less efficiency but higher differentiation, and must contribute to the Defensive role.

Macro exposures within Convexity are implemented through directional discretionary managers that exhibit lumpy but positively skewed returns and convexity, as opposed to relative-value managers that

lack convexity. Given the role and weight of Convexity and the diversifying nature of these strategies, higher volatility implementation is generally preferred.

## Risk Management Beliefs, Principles, and Philosophy

SITFO's risk management philosophy is centered on achieving the long-term return objective of CPI + 5% with an attractive risk profile characterized by a narrow confidence interval and positive skew in long-term outcomes. Risk management is not simply about minimizing volatility but about identifying, understanding, and managing both intended and unintended risks, with a particular focus on downside risk and negative tail events.

SITFO applies healthy skepticism to simplifying assumptions such as normally distributed returns, unchanging correlations, and fully efficient markets, recognizing that these relationships often break down in stressed environments. Benchmarks are viewed as critical reference points and communication tools for understanding and communicating risk, even as SITFO acknowledges that some asset classes lack suitable or investable benchmarks.

Illiquidity risk can be beneficial to meeting return objectives when properly managed. SITFO distinguishes between vehicle-level illiquidity—the inability to redeem capital from an investment vehicle regardless of the liquidity of underlying holdings—and asset-level illiquidity associated with the infrequent marking of private assets. Both are managed with an emphasis on asset-liability matching, particularly during periods of market stress, and through statistical methods that proxy private fund exposures for risk analysis.

Position sizing and concentration are critical determinants of portfolio risk and return. SITFO employs a disciplined, risk-based framework to determine position sizing and the number of line items when constructing the portfolio. Manager selection and ongoing monitoring rely on risk analytics to measure contributions to total portfolio risk on an ex-ante basis and to ensure that diversification benefits are genuine rather than merely statistical.

In addition to traditional single-period risk metrics such as volatility, SITFO utilizes path-dependent measures such as maximum drawdown and conditional expected drawdown to capture the full trajectory of asset behavior and to provide a more intuitive view of risk experienced over time.

The following statements of belief summarize how SITFO interprets and applies several common risk metrics within its portfolio management and oversight framework:

**Tracking Error (TE)** - SITFO does not prioritize minimizing TE in all circumstances. Expected return per unit of risk is evaluated holistically to determine whether deviations from benchmark exposures are justified.

**Volatility** - SITFO does not prioritize volatility on a stand-alone or line-item basis. Elevated volatility can be warranted and managed through correlation and position sizing. Total-portfolio volatility is a key [sitfo.utah.gov](https://sitfo.utah.gov)

State of Utah, School and Institutional Trust Funds Office  
(SITFO)



compliance metric, and SITFO focuses on downside implications using measures such as maximum drawdown, conditional value at risk, and semi-standard deviation.

**Beta** - SITFO has an ongoing interest in understanding equity beta throughout the portfolio, as it appears in many asset classes and typically contributes more to risk than its capital allocation implies.

**Correlation** - SITFO is acutely aware that correlations between asset classes are dynamic and nonstationary. During tail events, many assets are known to increase in correlation to equities.

**Trend** - SITFO is aware of the empirical evidence supporting trend and momentum effects in financial markets and monitors trend in nearly all asset classes as a component of risk management.

**Valuations** - SITFO tracks valuation metrics for each asset class as a key component of long-term risk assessment. While valuations are less useful as short-term risk indicators, they are informative for longer-term returns and are useful at extremes for monitoring both risk and opportunity.

# Open Session 2, Day 1 – Zoom Registration



December 5, 2025



# SITFO Board of Trustees

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Quarterly Meeting



# Open Session Day 2 – Zoom Registration

# Exhibit G



# Jeff Currie



# Exhibit H

# Peter Berezin



# Global Macro Outlook: Still On The Tightrope

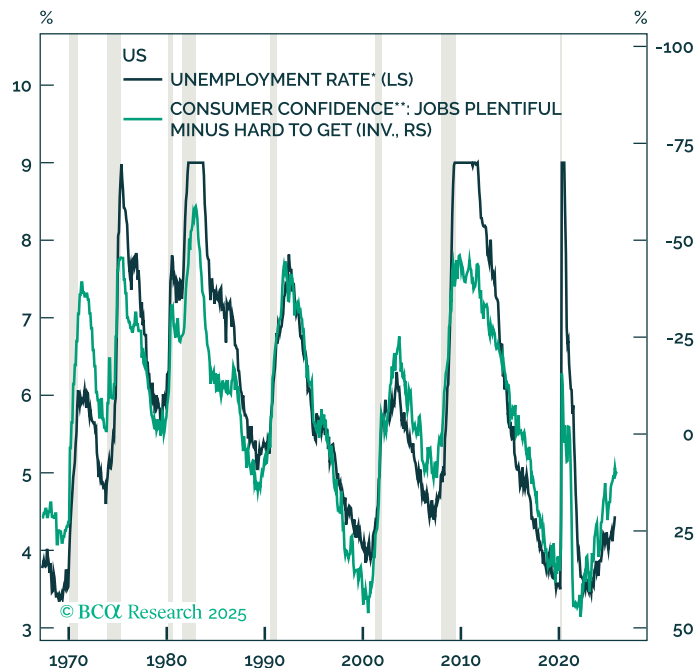
Peter Berezin  
Chief Global Strategist  
Director of Research

## Summary of Scenario Probabilities:

- Recession: 50% (Bad for stocks)
- Overheating: 20% (Might be initially regarded as good for stocks, but ultimately will be bad)
- Soft Landing: 30% (Good for stocks)

# A Soft Landing Requires That Growth Remain Close To Potential For An Extended Period

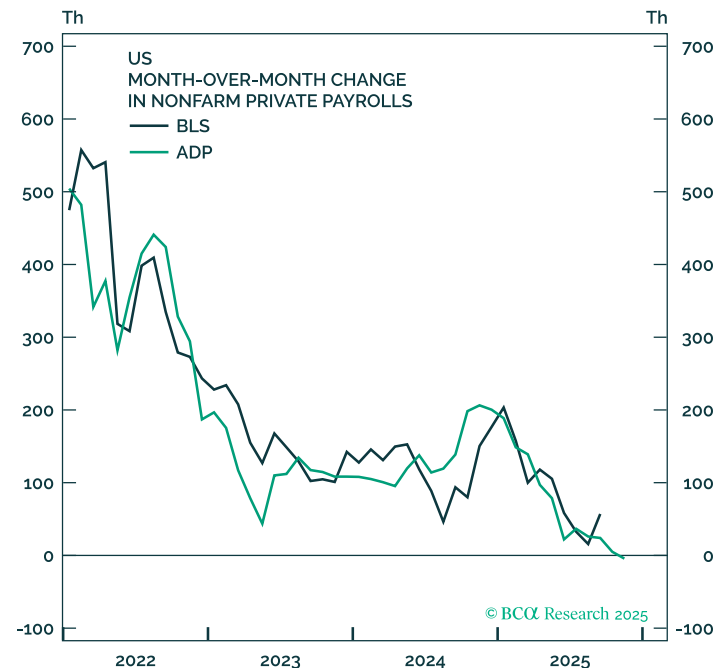
Shape Your Conviction™



\* SOURCE: BUREAU OF LABOR STATISTICS (BLS). SERIES TRUNCATED AT 9%.

\*\* SOURCE: THE CONFERENCE BOARD.

NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.

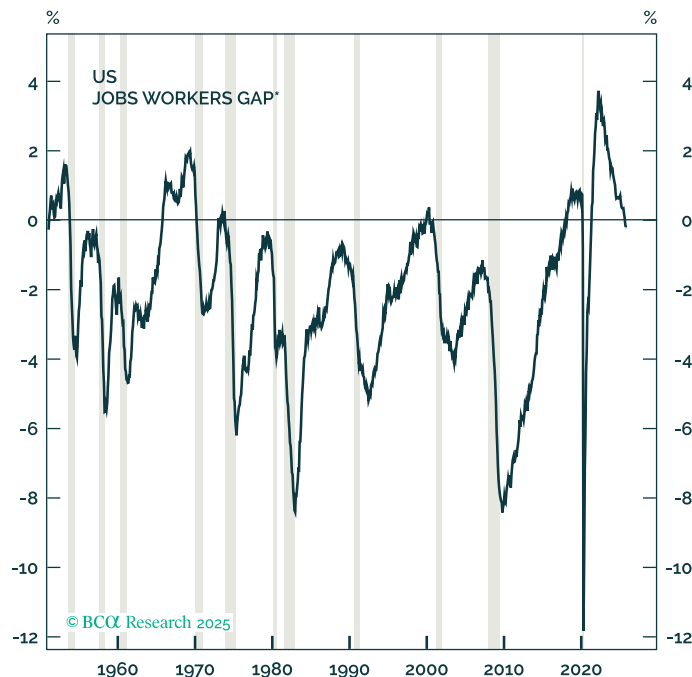


SOURCE: BUREAU OF LABOR STATISTICS (BLS) AND ADP.

NOTE: SERIES SHOWN AS 3-MONTH MOVING AVERAGES.

# From Immaculate Disinflation To Recession?

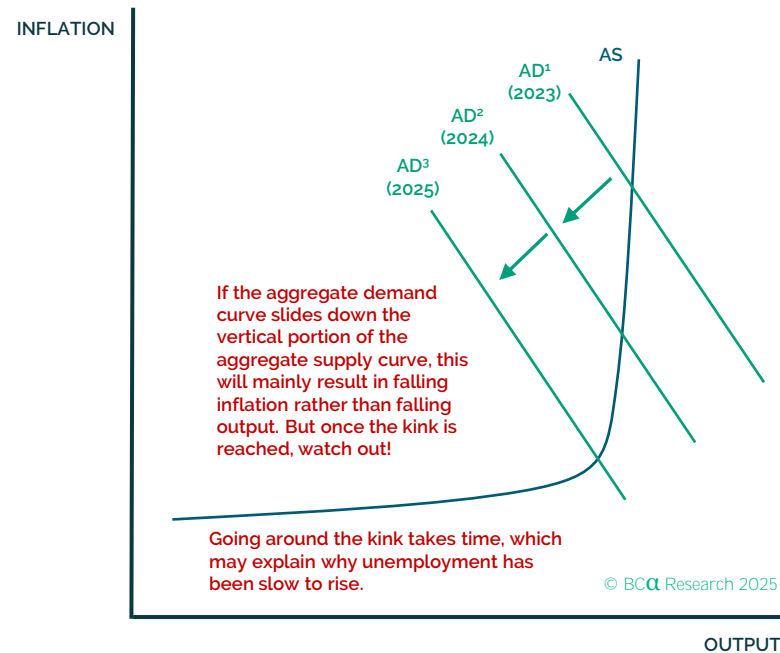
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\* JOBS-WORKERS GAP IS THE DIFFERENCE BETWEEN LABOR DEMAND (SUM OF JOB OPENINGS AND CIVILIAN EMPLOYMENT) AND LABOR SUPPLY (CIVILIAN LABOR FORCE) AS A PERCENT OF LABOR SUPPLY.

SOURCE: BUREAU OF LABOR STATISTICS (BLS), LINKUP, INDEED, AND BCA CALCULATIONS.

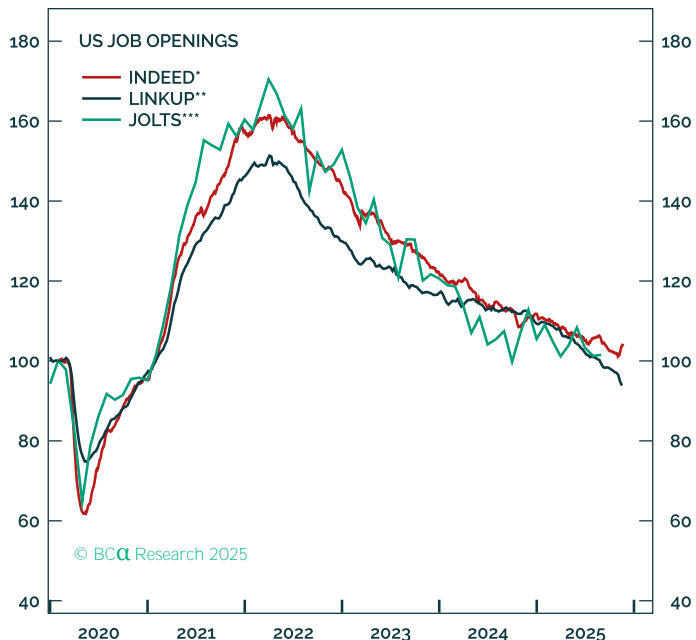
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.



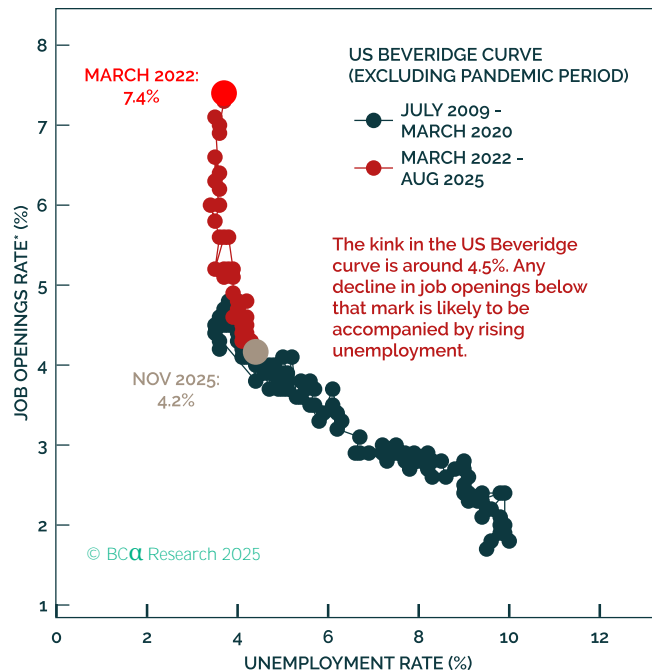


# The Job Openings Rate Has Reached The “Kink” In The Beveridge Curve

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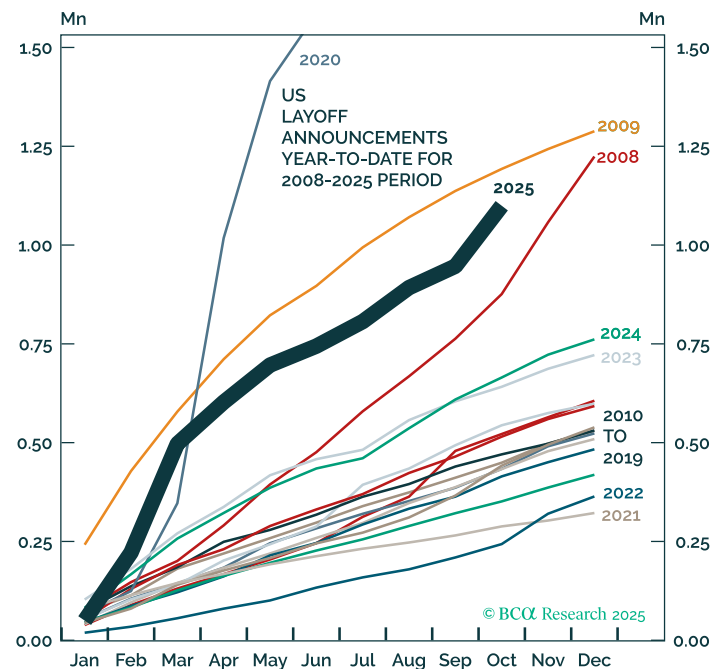
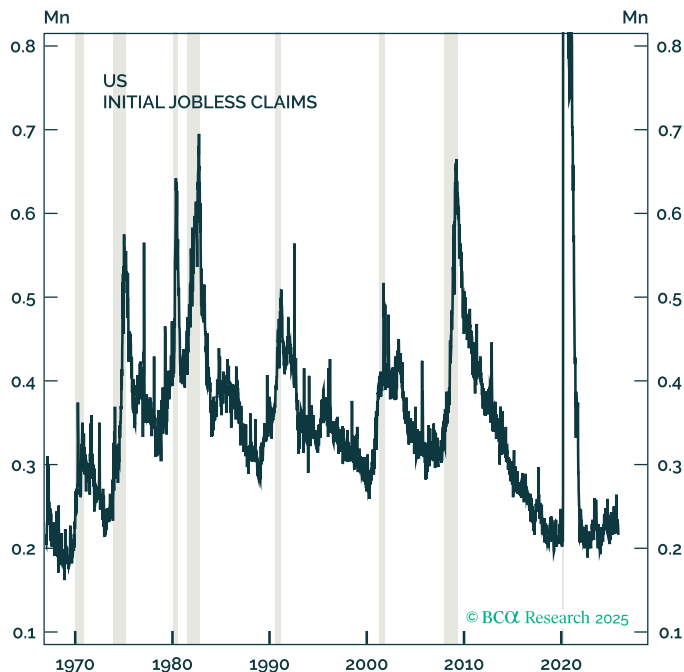
\* SOURCE: INDEED.  
 \*\* SHOWN SEASONALLY ADJUSTED BY BCA RESEARCH. SOURCE: LINKUP.  
 \*\*\* SOURCE: JOB OPENINGS AND LABOR TURNOVER SURVEY (JOLTS), BLS.  
 NOTE: ALL SERIES INDEXED TO FEB. 1, 2020 = 100.



\* THE JOB OPENINGS RATE IS COMPUTED BY DIVIDING THE NUMBER OF JOB OPENINGS BY THE SUM OF EMPLOYMENT AND JOB OPENINGS. SEPTEMBER, OCTOBER, AND NOVEMBER DATA POINTS ARE ESTIMATES BASED ON INDEED AND LINKUP.  
 SOURCE: JOB OPENINGS AND LABOR TURNOVER SURVEY (JOLTS), BLS, AND BCA CALCULATIONS.

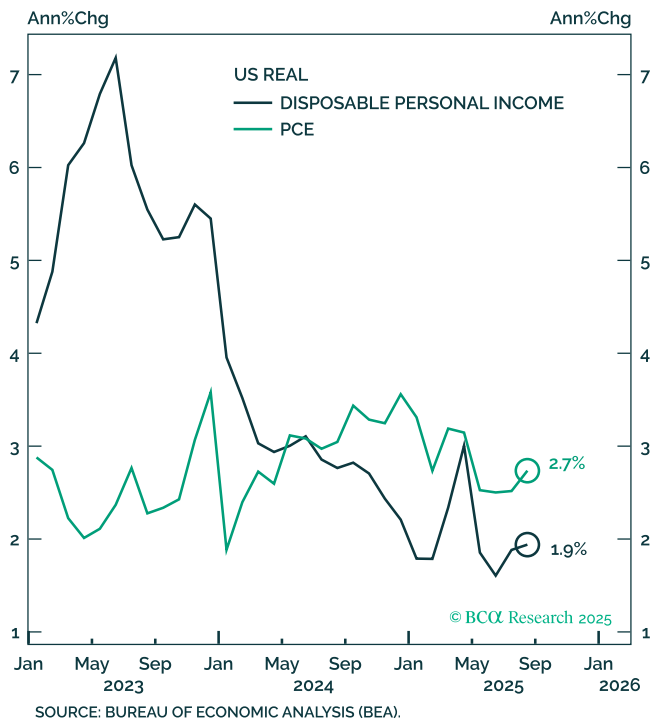
# Pay Attention To Layoffs

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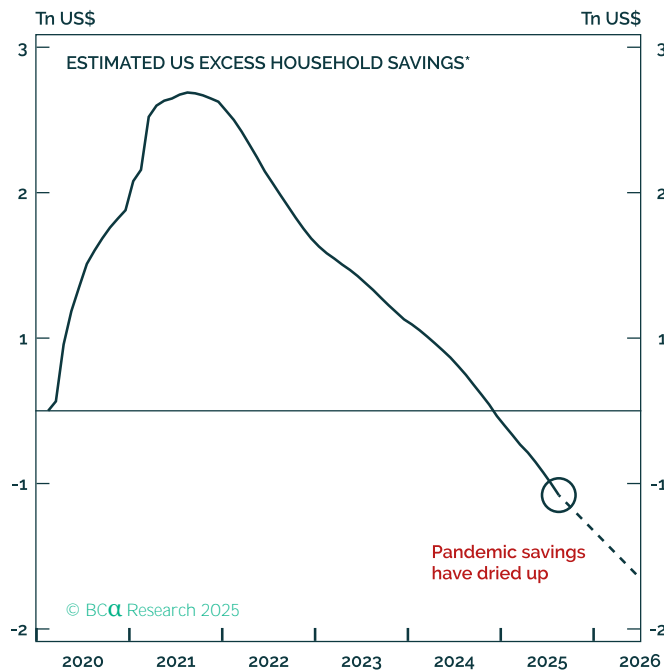
# Slowing Real Income Growth Is A Threat To Consumption

Shape Your Conviction™

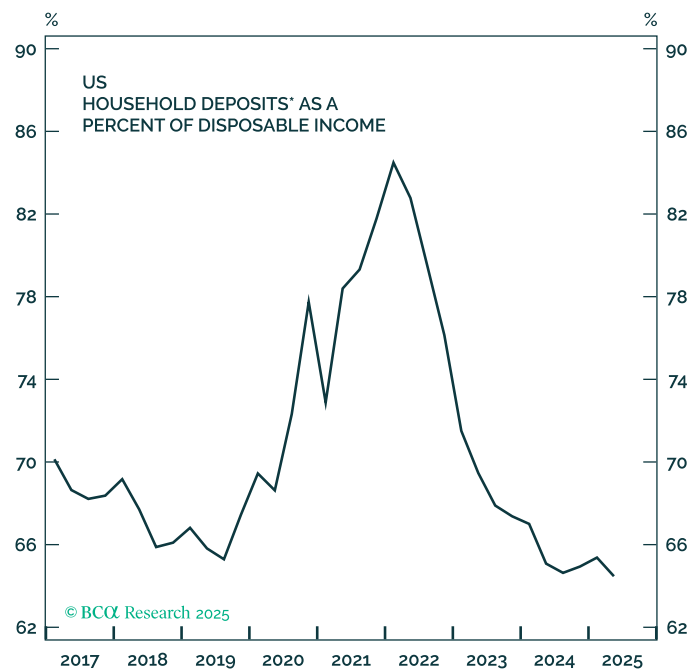


# Pandemic Savings Have Been Depleted

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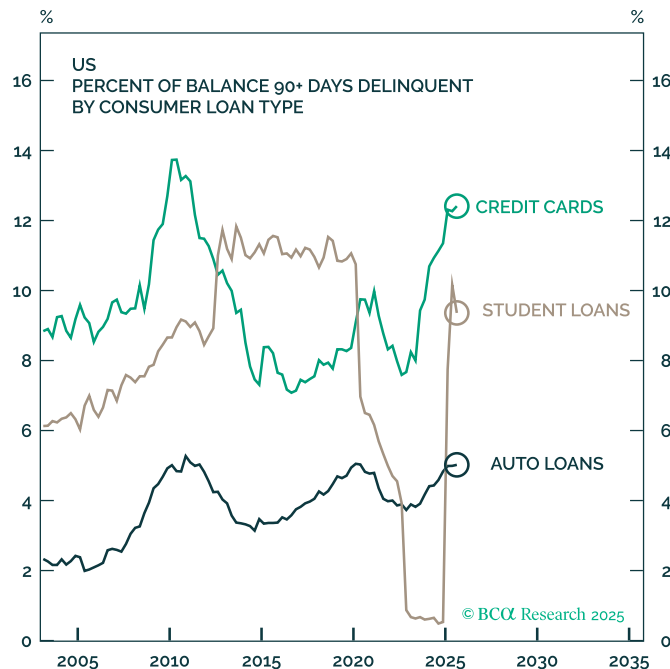
\* SOURCE: "DATA REVISIONS AND PANDEMIC-ERA EXCESS SAVINGS", H. ABDELRAHMAN AND L. OLIVEIRA, FEDERAL RESERVE BANK OF SAN FRANCISCO, NOVEMBER 8, 2023.



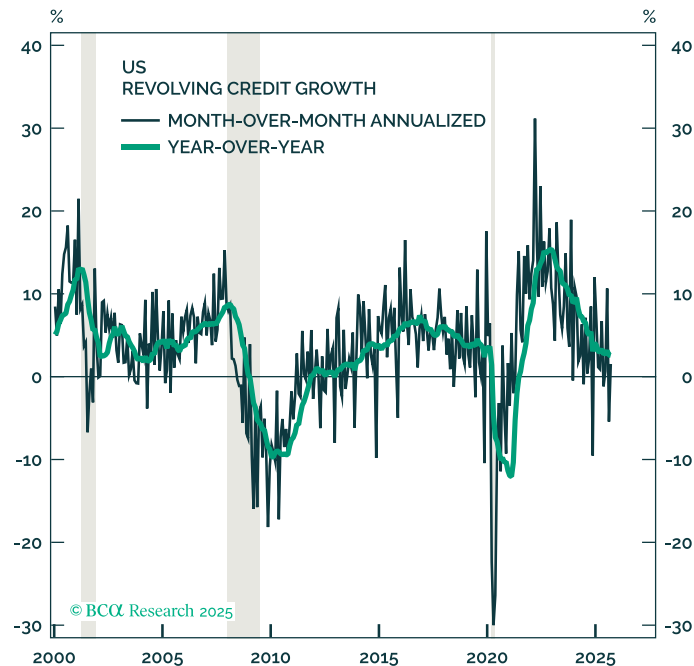
\* HOUSEHOLD AND NONPROFIT ORGANIZATIONS' CHECKABLE DEPOSITS, CURRENCY, AND TIME AND SAVINGS DEPOSITS.

# High Delinquencies On Consumer Loans

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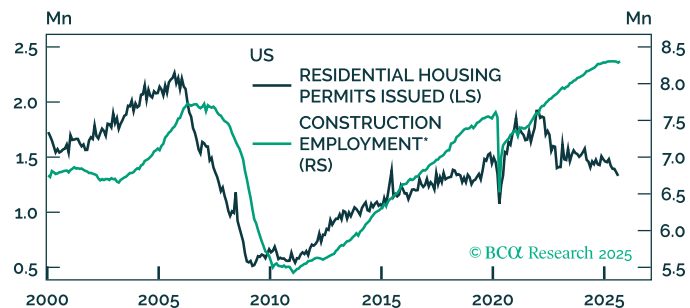
SOURCE: FEDERAL RESERVE BANK OF NEW YORK.  
NOTE: SERIES SHOWN AS A 4-QUARTER MOVING TOTAL.



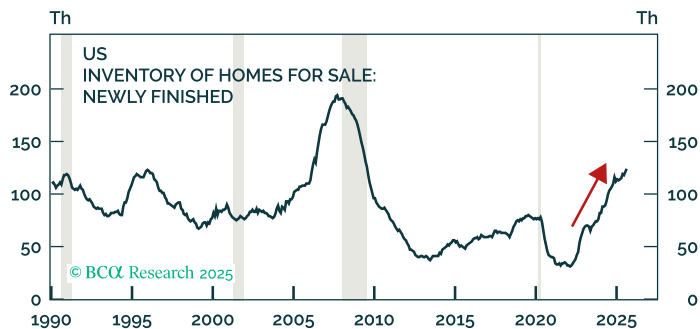
SOURCE: FEDERAL RESERVE.  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS. SERIES IS TRUNCATED AT -30%.

# Residential Real Estate Is In Trouble

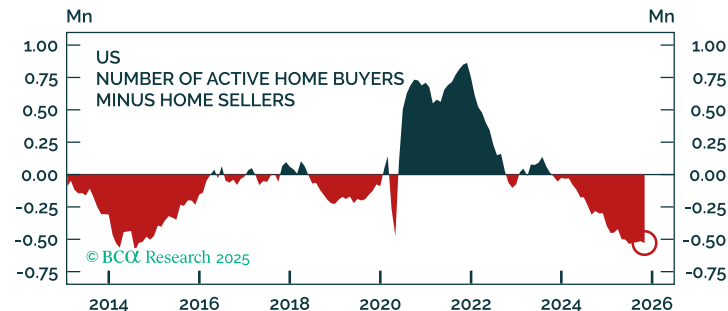
Shape Your Conviction™



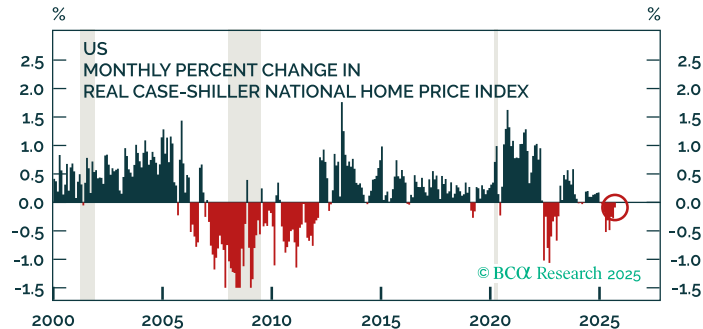
\* SOURCE: BUREAU OF LABOR STATISTICS (BLS).



NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.



NOTE: DATA PROVIDED BY REDFIN, A NATIONAL REAL ESTATE BROKERAGE.

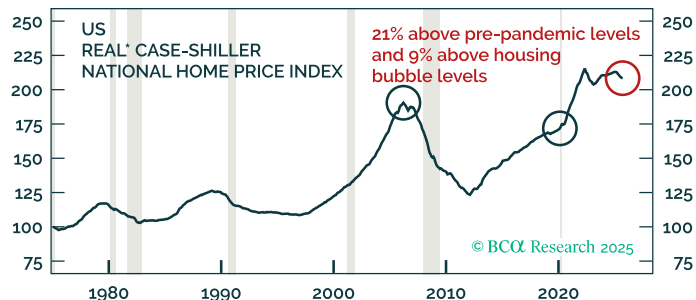


SOURCE: S&P GLOBAL AND BUREAU OF ECONOMIC ANALYSIS (BEA).  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS. SERIES IS TRUNCATED AT -1.5%.

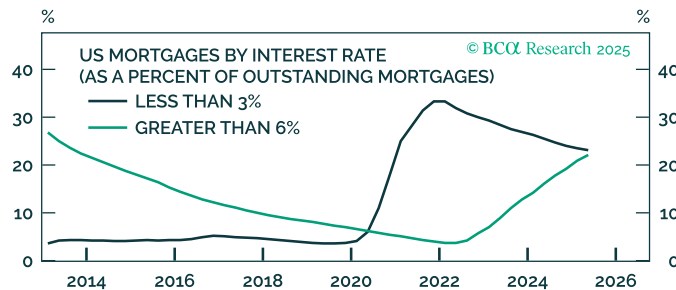


# Home Affordability Is Very Poor

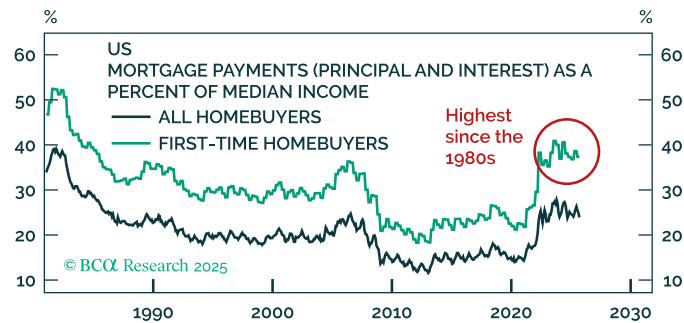
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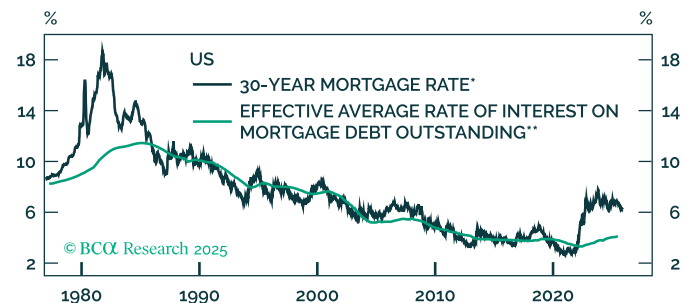
<sup>\*</sup> DEFLATED BY HEADLINE CPI AND REBASED TO JANUARY 1975 = 100.  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.



SOURCE: FHFA NATIONAL MORTGAGE DATABASE, OUTSTANDING RESIDENTIAL MORTGAGE STATISTICS.

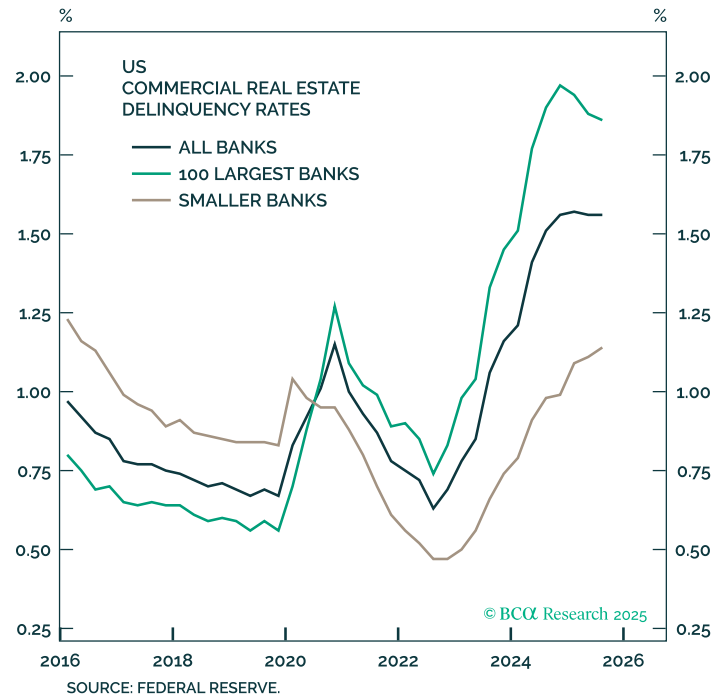
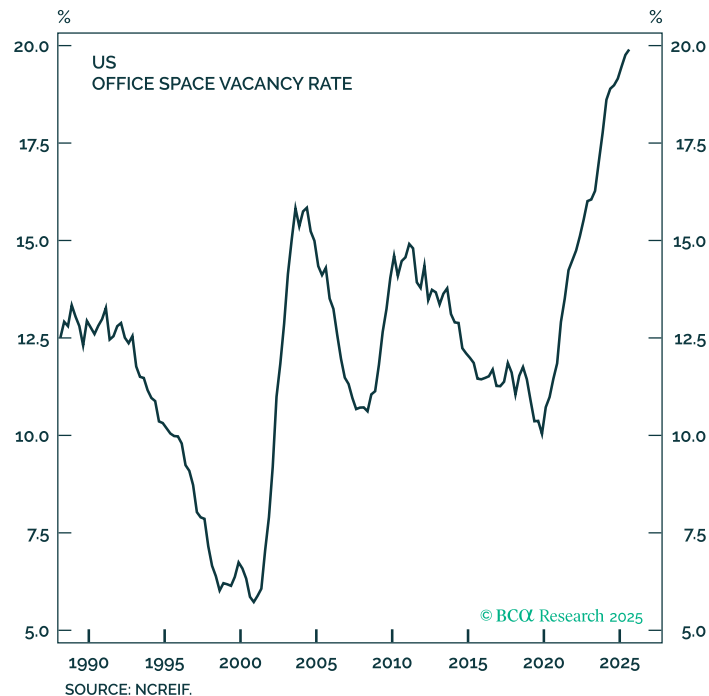


SOURCE: NATIONAL ASSOCIATION OF REALTORS.



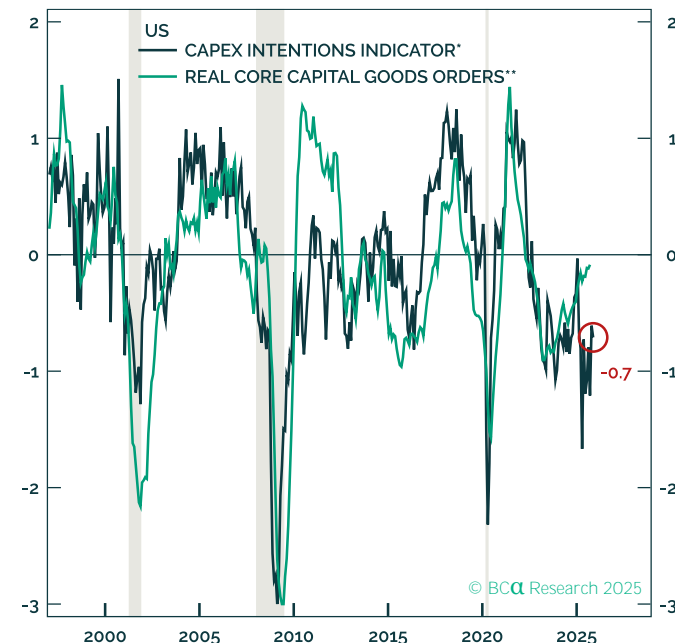
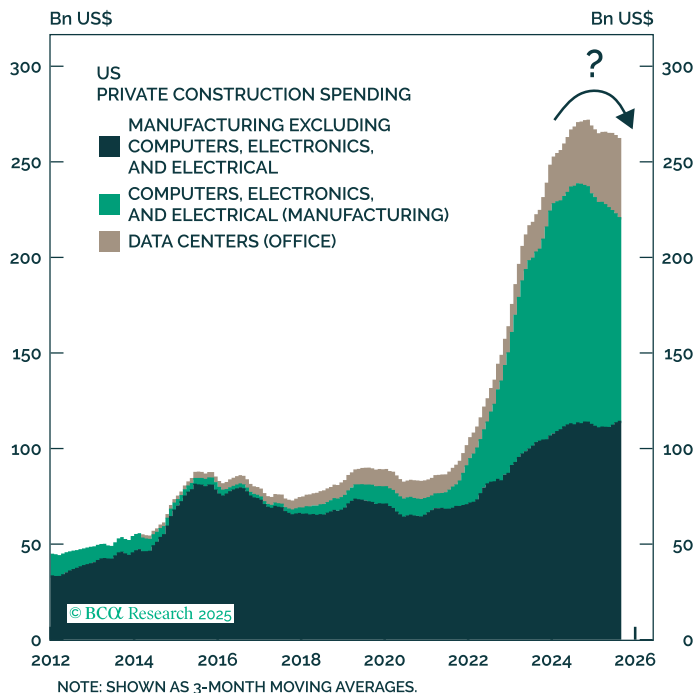
<sup>\*</sup> SOURCE: FREDDIE MAC.

<sup>\*\*</sup> SOURCE: BUREAU OF ECONOMIC ANALYSIS (BEA).



# Manufacturing Construction Is Shrinking

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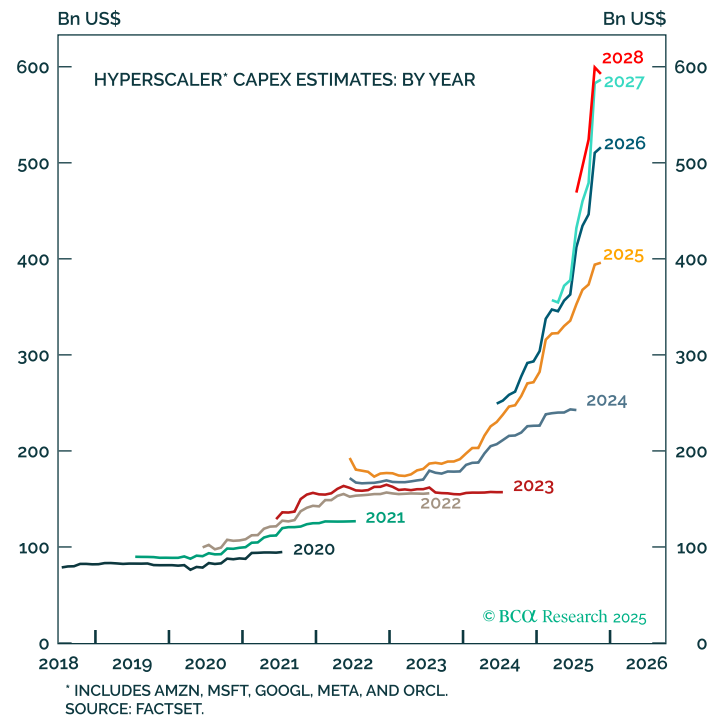
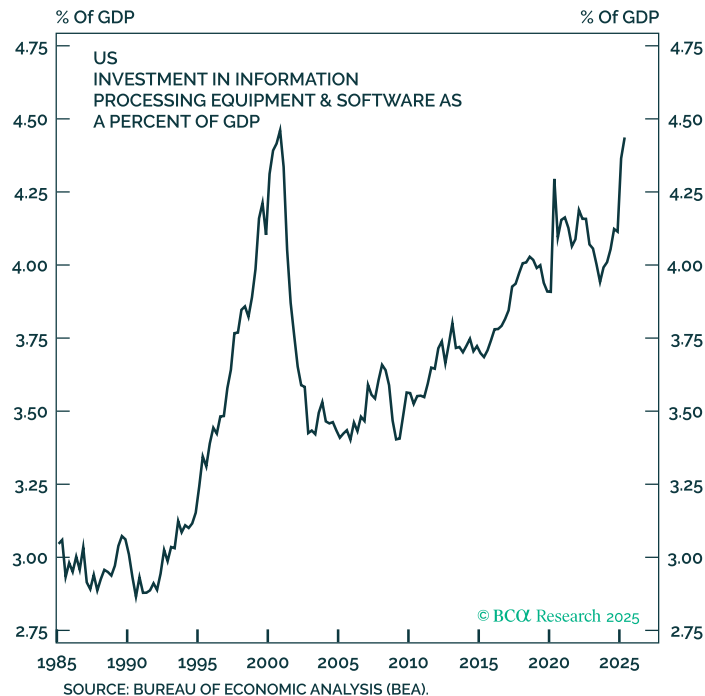
\* AVERAGE OF STANDARDIZED CAPITAL EXPENDITURE EXPECTATIONS FOR THE NFIB SURVEY (3-TO-6 MONTHS), DALLAS, KANSAS CITY, NEW YORK EMPIRE, PHILADELPHIA, AND RICHMOND FED REGIONAL SURVEYS (6 MONTHS). LATEST DATA POINT IS AN ESTIMATE.

\*\* STANDARDIZED ANNUAL PERCENT CHANGE OF 3-MONTH MOVING AVERAGE OF MANUFACTURING NONDEFENSE CAPITAL GOODS EXCLUDING AIRCRAFT. DEFLATED BY PPI FOR PRIVATE CAPITAL EQUIPMENT.

NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS. SERIES ARE TRUNCATED AT -3.

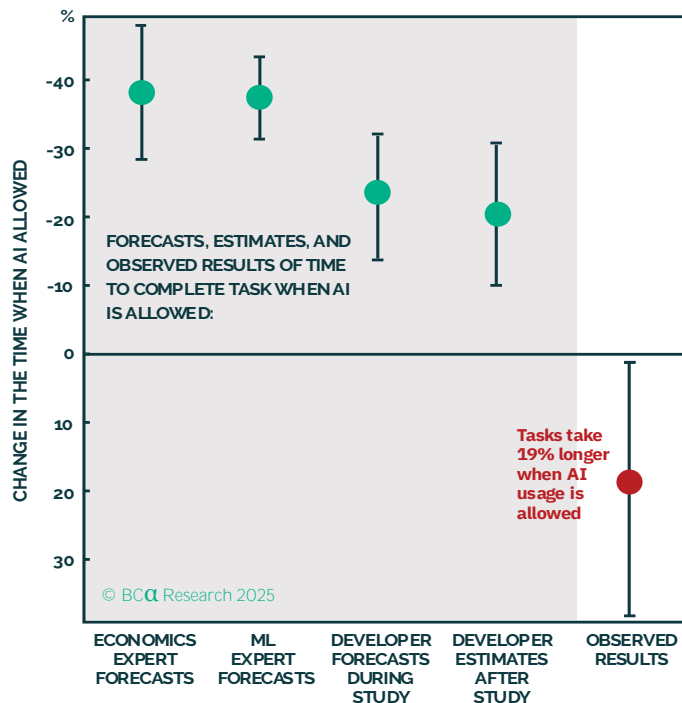
# The Hyperscalers Are On Track To Hold Over \$2 Trillion In AI-Related Assets By 2030

Shape Your Conviction™

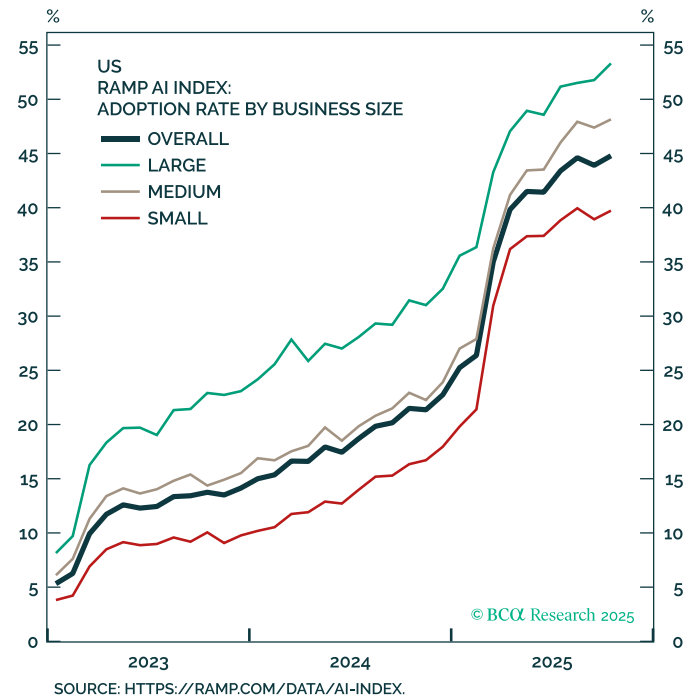


# Be On Guard For A “Metaverse Moment”

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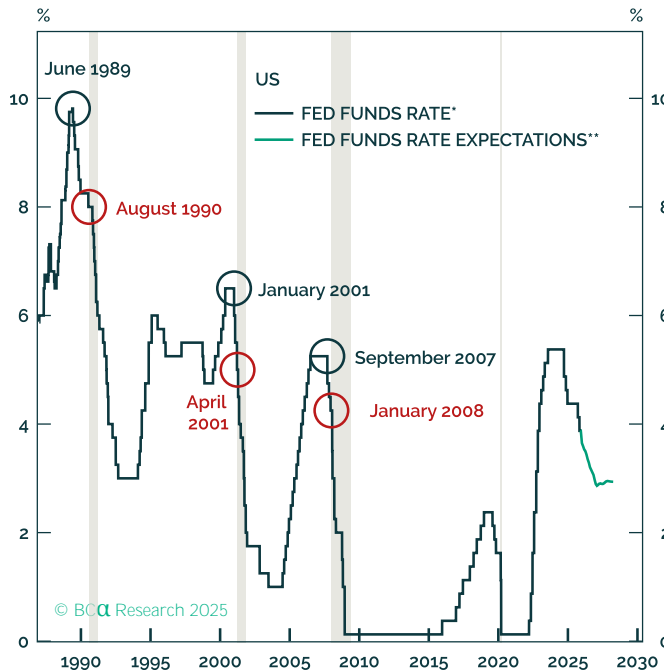


NOTE: BASED ON 16 DEVELOPERS COMPLETING 246 TASKS. PARTICIPANTS POLLED FOR FORECASTS AND ESTIMATES OF TIME BOTH PRIOR TO AND UPON COMPLETION OF TASKS. SOURCE: JOEL BECKER, NATE RUSH, BETH BARNES, AND DAVID REIN, “MEASURING THE IMPACT OF EARLY-2025 AI ON EXPERIENCED OPEN-SOURCED DEVELOPER PRODUCTIVITY,” MODEL EVALUATION & THREAT RESEARCH (METR), JULY 25, 2025.

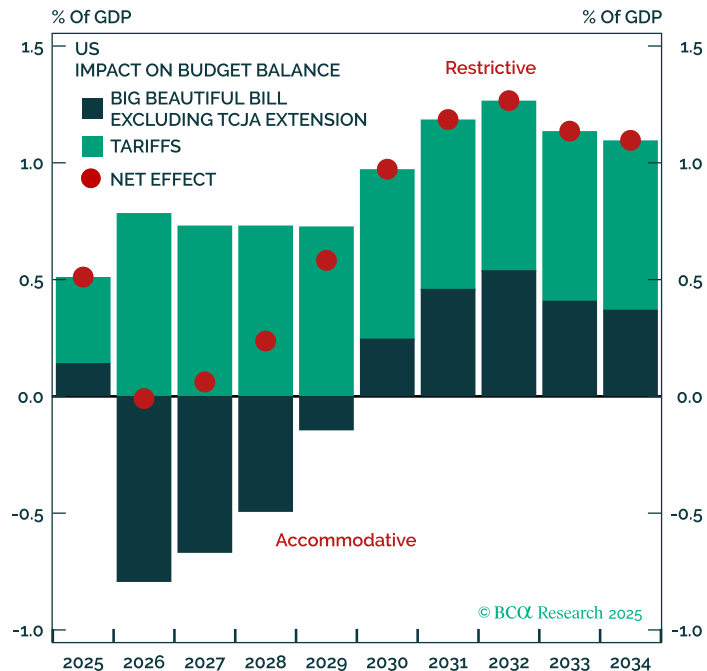


# The Overheating Scenario Rests On A Continuation Of The AI Boom, Rate Cuts, Fiscal Easing, And, Potentially, Tariff Relief

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\* SOURCE: FEDERAL RESERVE.  
 \*\* DERIVED FROM OVERNIGHT INDEX SWAP CURVE.  
 NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.

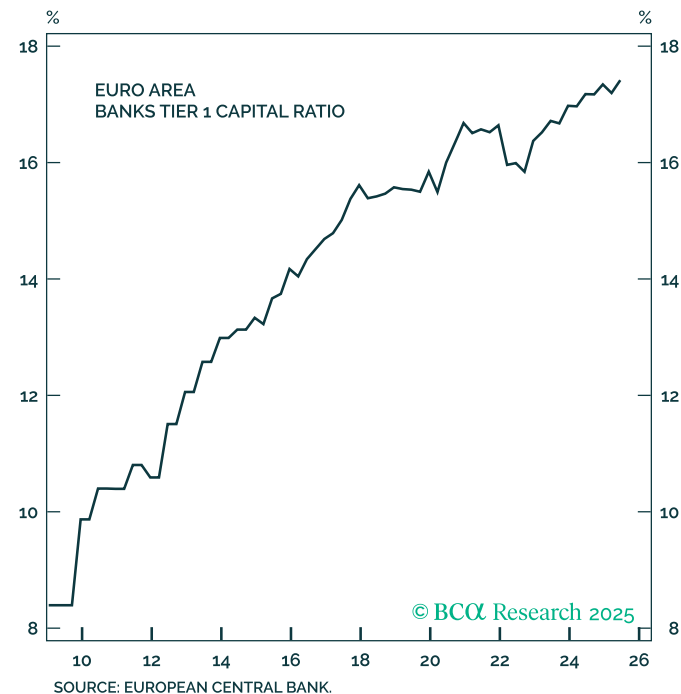
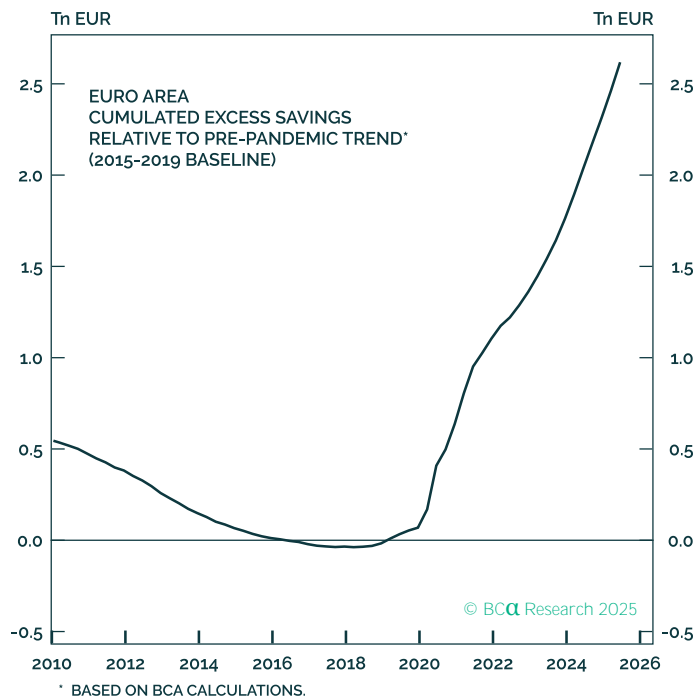


NOTE: CALCULATIONS BASED ON ESTIMATES FROM "PRESIDENT TRUMP -SIGNED RECONCILIATION BILL: BUDGET, ECONOMIC AND DISTRIBUTIONAL EFFECTS," PENN WHARTON BUDGET MODEL (JULY 2025), AND "STATE OF US TARIFFS: OCTOBER 30, 2025," THE BUDGET LAB AT YALE (OCTOBER 2025).



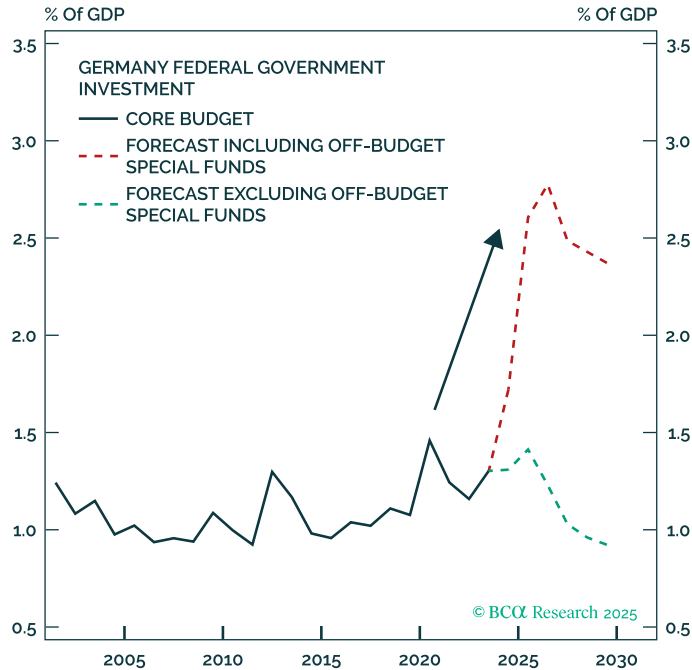
# Some Positives For Europe

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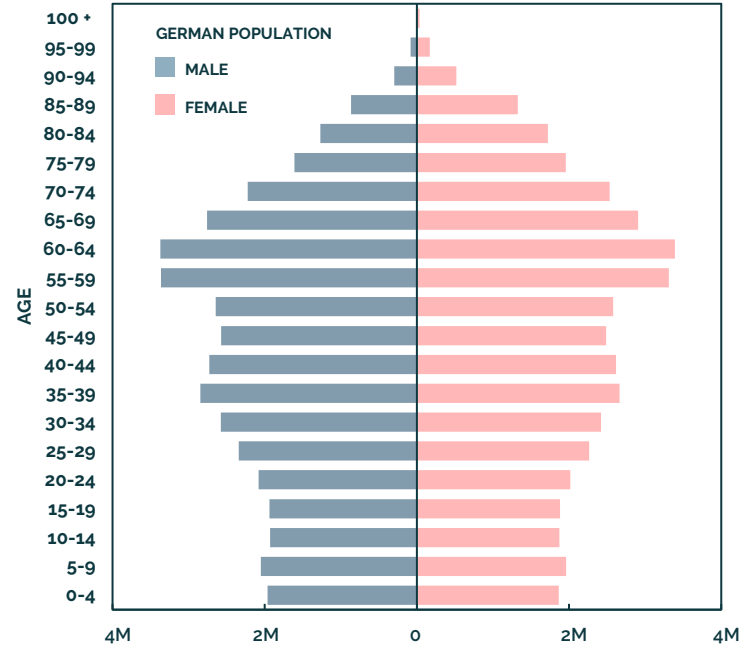


# Germany Is Stimulating... But

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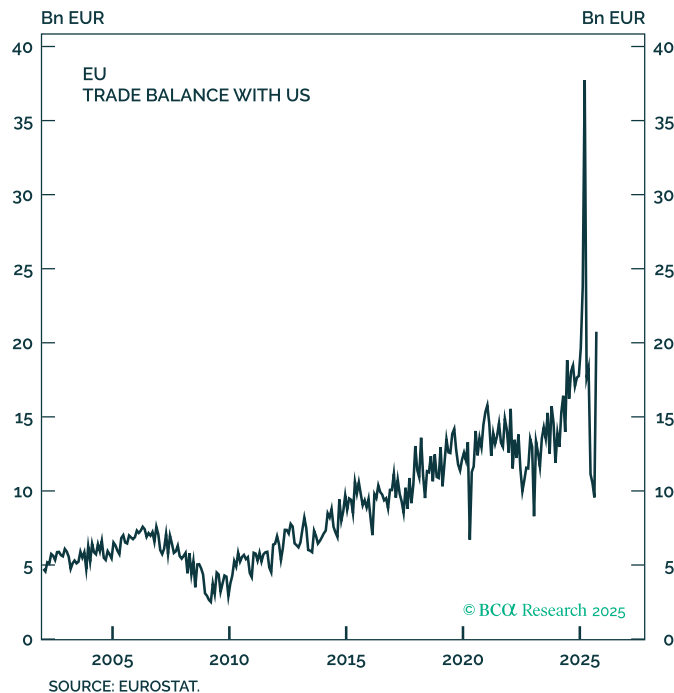
NOTE: 2025-2029 FORECASTS ARE BASED ON DRAFT MEDIUM-TERM FISCAL PLAN.  
SOURCE: MINISTRY OF FINANCE, GERMANY.



SOURCE: US CENSUS BUREAU, INTERNATIONAL DATABASE.

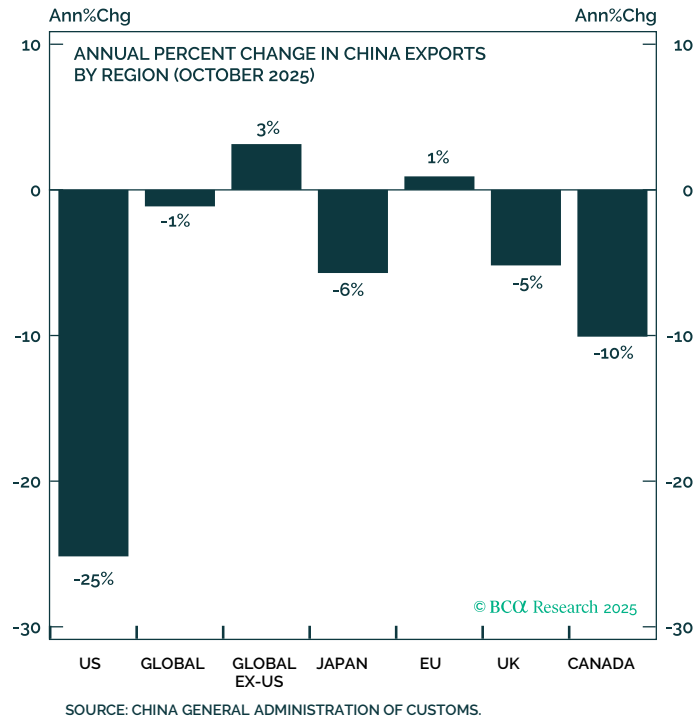
# The Tailwind From Tariff Front-Running Has Ended

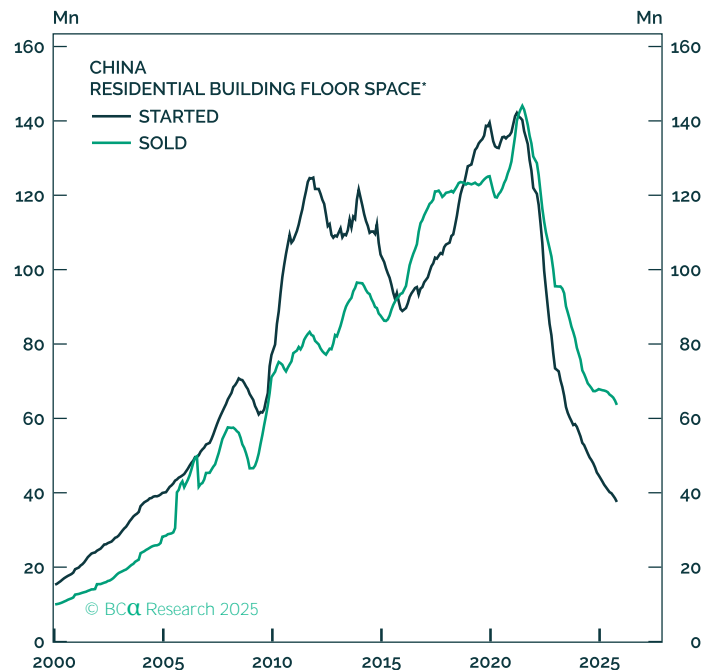
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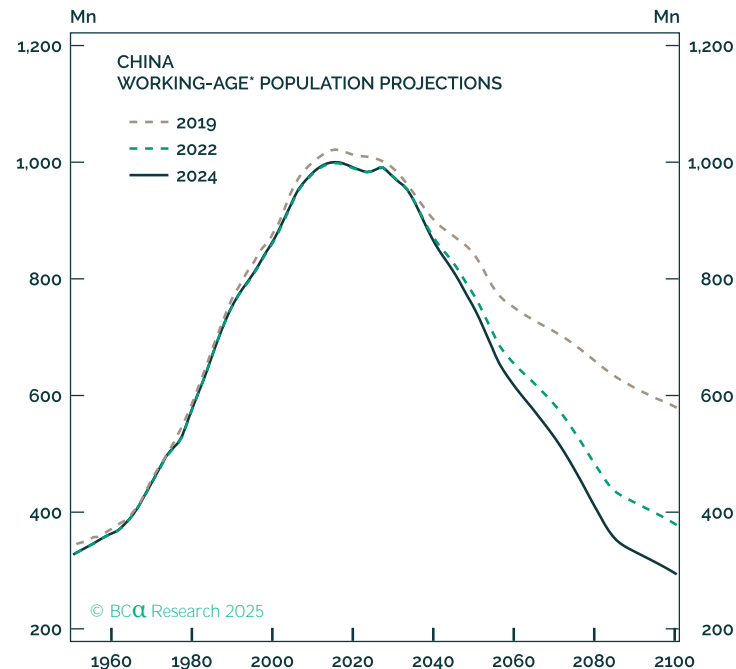
# Chinese Export Growth Has Begun To Decelerate

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\* COMMODITY BUILDING FLOOR SPACE. SHOWN IN MILLION SQUARE METERS AND AS A 12-MONTH MOVING AVERAGE.



\* ESTIMATED POPULATION BETWEEN 15-AND-64 YEARS OF AGE. SOURCE: UN POPULATION DIVISION.



\* INCLUDES GENERAL GOVERNMENT SPENDING AND GOVERNMENT  
MANAGED FUNDS. SHOWN AS A 9-MONTH MOVING TOTAL.



\* SHOWN AS A 3-MONTH MOVING AVERAGE; BCA CALCULATIONS.

\*\* CUMULATIVE AGGREGATE FINANCING EXCLUDING EQUITY FINANCING AND  
LOCAL GOVERNMENT BOND ISSUANCE; INCLUDING LGFV SWAP FROM  
2015 TO 2018.

\*\*\* GENERAL (CENTRAL AND LOCAL) GOVERNMENT, GOVERNMENT MANAGED  
FUNDS SPENDING, AND SPECIAL INFRASTRUCTURE FUND FROM  
2015 TO 2017.

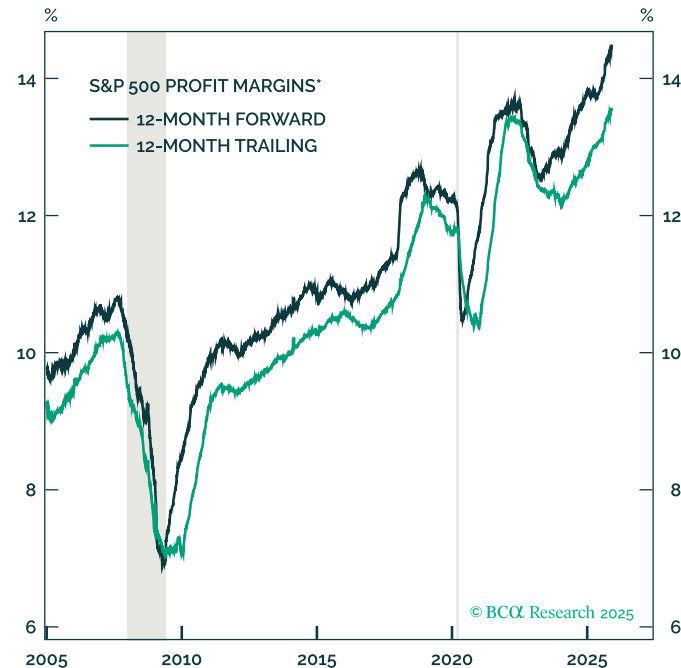


# US Stocks Are Pricing In A Lot Of Good News

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\* THE FORWARD P/E TROUGH IN OCTOBER 2002 OCCURRED AFTER THE 2001 RECESSION, DURING WHICH UNEMPLOYMENT WAS STILL RISING.  
SOURCE: FACTSET.  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.



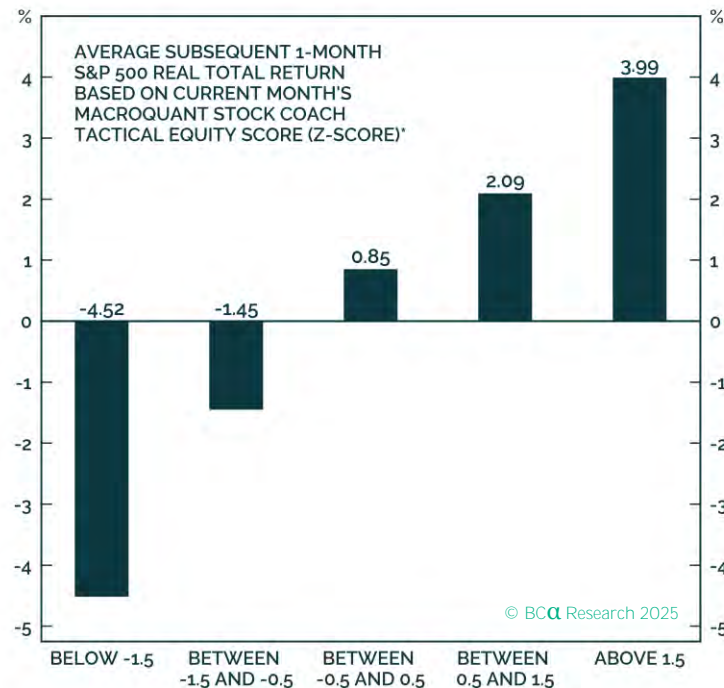
\* CALCULATED AS EPS / SPS.  
SOURCE: FACTSET.  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.

# MacroQuant Sees Downside Risks For Stocks Over A Long-Term Horizon, But Is More Equivocal About The Near-Term Outlook

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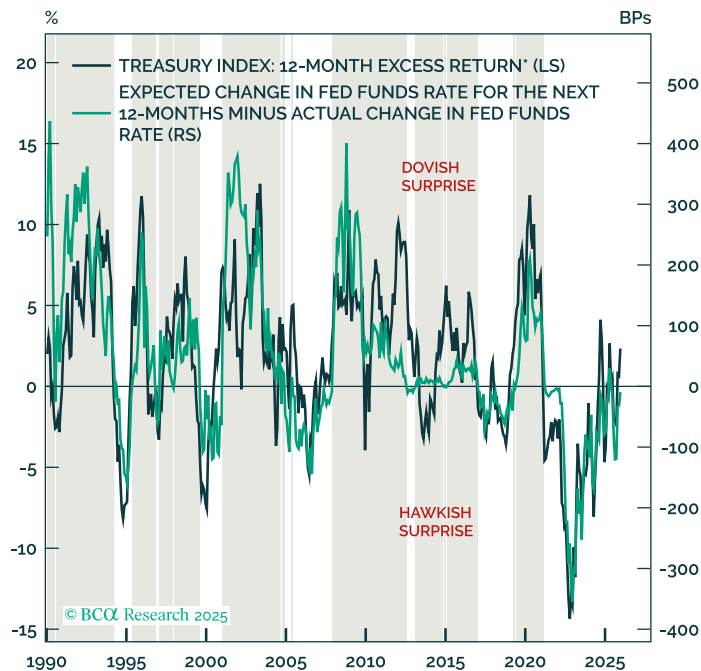
\* BASED ON DATA SINCE 1962.  
SOURCE: MACROQUANT MULTIVERSE EDITION (STOCK COACH).



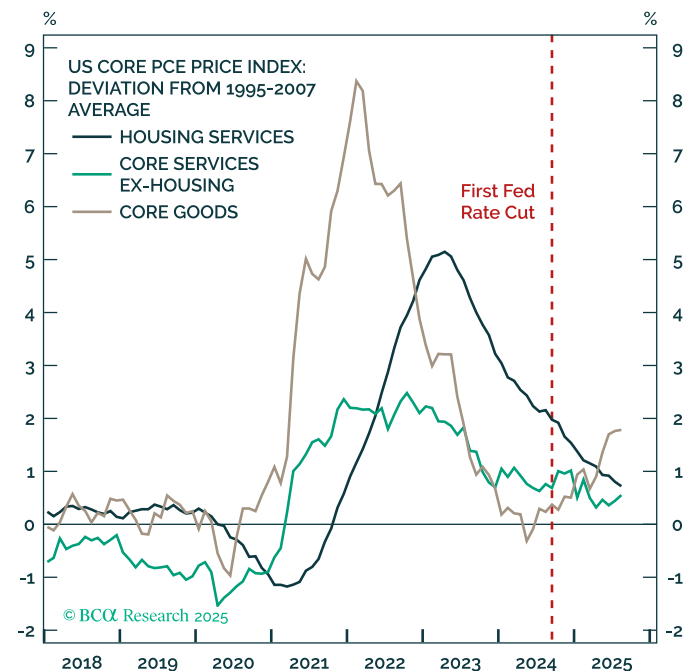
© BC& Research 2025

# A Tactical Opportunity To Go Long Duration...

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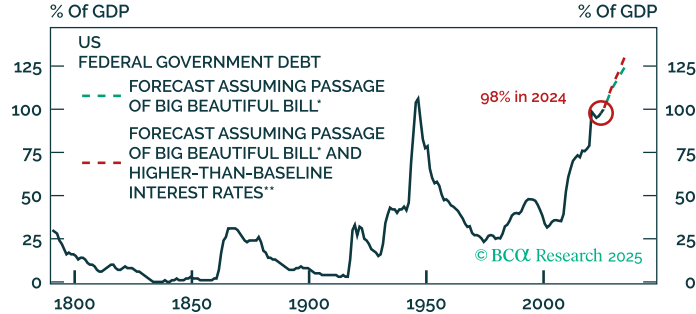
\* EXCESS RETURN RELATIVE TO A POSITION IN CASH.  
SOURCE: BLOOMBERG INDICES.



SOURCE: BUREAU OF ECONOMIC ANALYSIS (BEA) AND BCA CALCULATIONS.

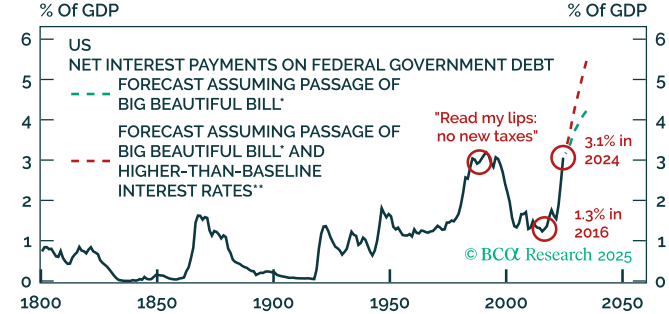
# ... But Yields Are Likely To Increase Over The Long Haul

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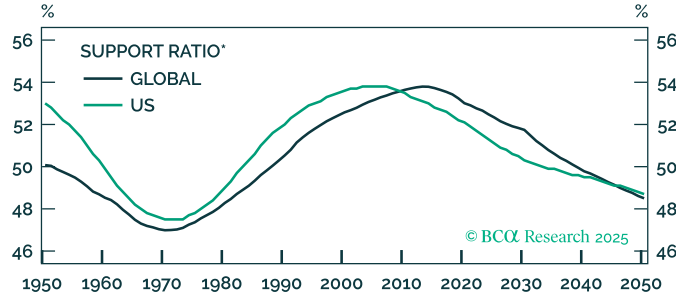
\* CALCULATIONS BASED ON ESTIMATES FROM "DEBT-SERVICE EFFECTS DERIVED FROM H.R.1, THE ONE BIG BEAUTIFUL ACT," CBO (JUNE 2025).

\*\* ASSUMES THE AVERAGE INTEREST RATE ON FEDERAL DEBT IS RAISED ABOVE THE BASELINE BY A DIFFERENTIAL THAT STARTS AT 10 BASIS POINTS IN 2025 AND INCREASES BY 10 BASIS POINTS IN EACH SUBSEQUENT YEAR UNTIL IT REACHES 1% IN 2034.  
 SOURCE: US CONGRESSIONAL BUDGET OFFICE.

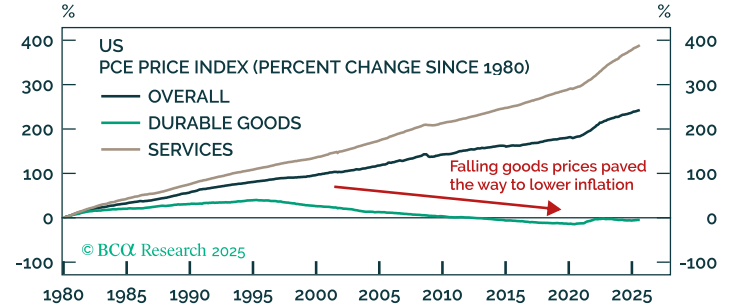


\* CALCULATIONS BASED ON ESTIMATES FROM "DEBT-SERVICE EFFECTS DERIVED FROM H.R.1, THE ONE BIG BEAUTIFUL ACT," CBO (JUNE 2025).

\*\* ASSUMES THE AVERAGE INTEREST RATE ON FEDERAL DEBT IS RAISED ABOVE THE BASELINE BY A DIFFERENTIAL THAT STARTS AT 10 BASIS POINTS IN 2025 AND INCREASES BY 10 BASIS POINTS IN EACH SUBSEQUENT YEAR UNTIL IT REACHES 1% IN 2034.  
 SOURCE: US CONGRESSIONAL BUDGET OFFICE.



\* NUMBER OF WORKERS RELATIVE TO NUMBER OF CONSUMERS. NUMBER OF WORKERS INCORPORATES AGE-SPECIFIC VARIATION IN LABOR FORCE PARTICIPATION, UNEMPLOYMENT, HOURS WORKED, AND PRODUCTIVITY. NUMBER OF CONSUMERS INCORPORATES AGE-SPECIFIC VARIATION IN NEEDS OR WANTS BASED ON AGE-SPECIFIC CONSUMPTION DATA. GLOBAL MEASURE IS SHOWN AS A GDP-WEIGHTED AGGREGATE OF 46 COUNTRIES.  
 SOURCE: NATIONAL TRANSFER ACCOUNTS.



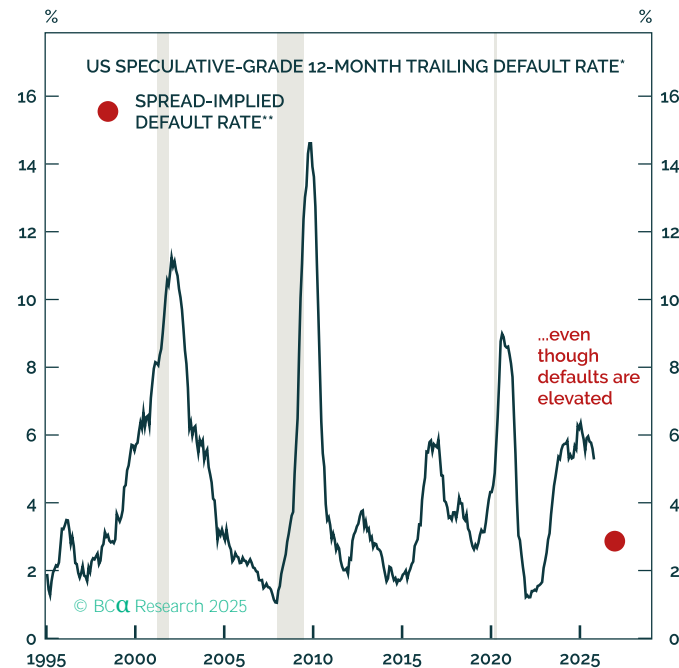
SOURCE: BUREAU OF ECONOMIC ANALYSIS (BEA).

# Tight Credit Spreads Imply An Outright Decline In Defaults

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\* OPTION-ADJUSTED SPREAD. SOURCE: BLOOMBERG INDICES.  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.



\* SOURCE: MOODY'S INVESTORS SERVICE.  
\*\* BASED ON CURRENT HIGH-YIELD CORPORATE BOND SPREAD FROM BLOOMBERG INDICES, DEFAULT-ADJUSTED SPREAD OF 100 BPS, AND A 40% RECOVERY RATE.  
NOTE: SHADED AREAS DENOTE NBER-DESIGNATED RECESSIONS.

# The Dollar Will Weaken Over The Long Haul

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\* SOURCE: ICE FUTURES US.

\*\* BCA PURCHASING POWER PARITY MODEL BASED ON ADJUSTED CPI. PLEASE REFER TO THE FOREIGN EXCHANGE STRATEGY JANUARY 20, 2023 SPECIAL REPORT TITLED "CURRENCY VALUATION AND LONG-TERM RETURNS: PART 1," FOR FURTHER DETAILS.



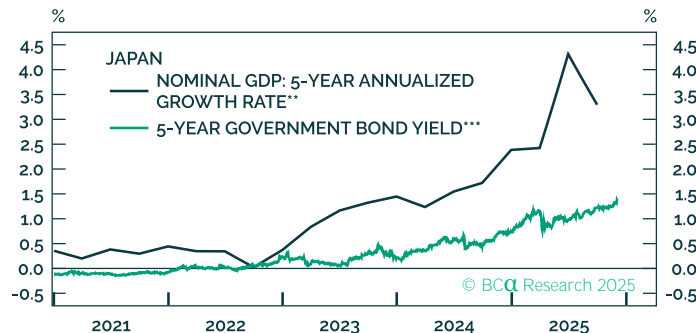
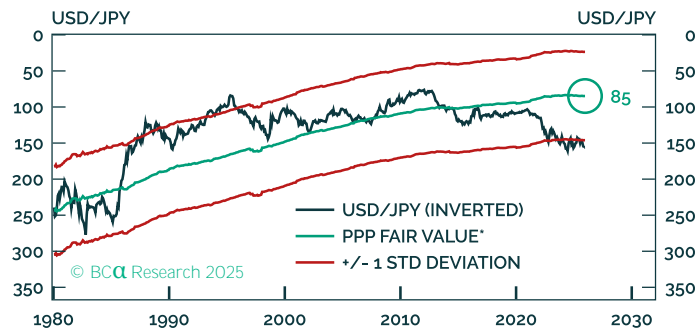
\* BCA FORECAST SIMULATING THE IMPACT OF HIGHER GLOBAL INTEREST RATES ON US NET EXTERNAL INTEREST EXPENSES RELATED TO PORTFOLIO DEBT SECURITIES, WHILE HOLDING CONSTANT THE COMPOSITION OF DEBT ASSETS AND LIABILITIES IN RELATION TO GDP AS WELL AS ALL OTHER COMPONENTS OF THE INCOME BALANCE.

SOURCE: BUREAU OF ECONOMIC ANALYSIS (BEA).



# The Yen Is Likely To Bottom

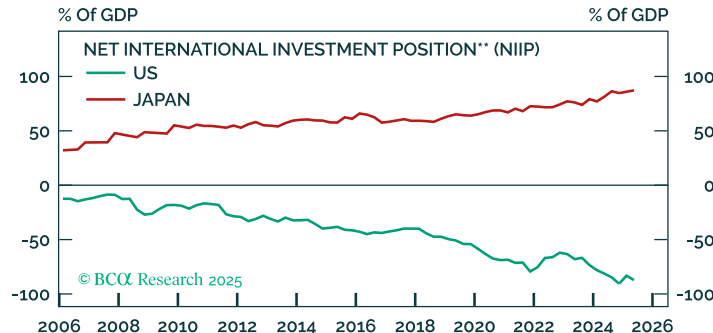
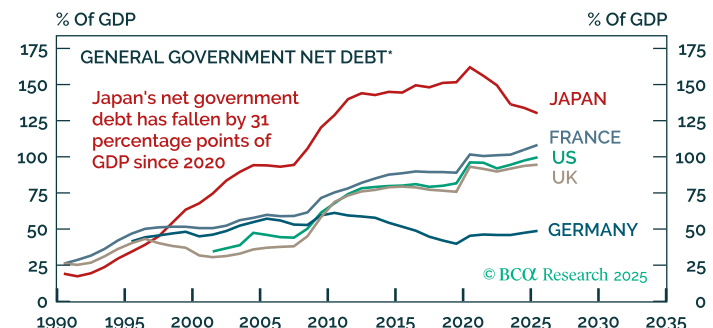
Shape Your Conviction™



\* BCA PURCHASING POWER PARITY MODEL BASED ON ADJUSTED CPI. PLEASE REFER TO THE FOREIGN EXCHANGE STRATEGY JANUARY 20, 2023 SPECIAL REPORT TITLED "CURRENCY VALUATION AND LONG-TERM RETURNS: PART 1," FOR FURTHER DETAILS.

\*\* SOURCE: JAPANESE CABINET OFFICE.

\*\*\* SOURCE: BLOOMBERG FINANCE L.P.

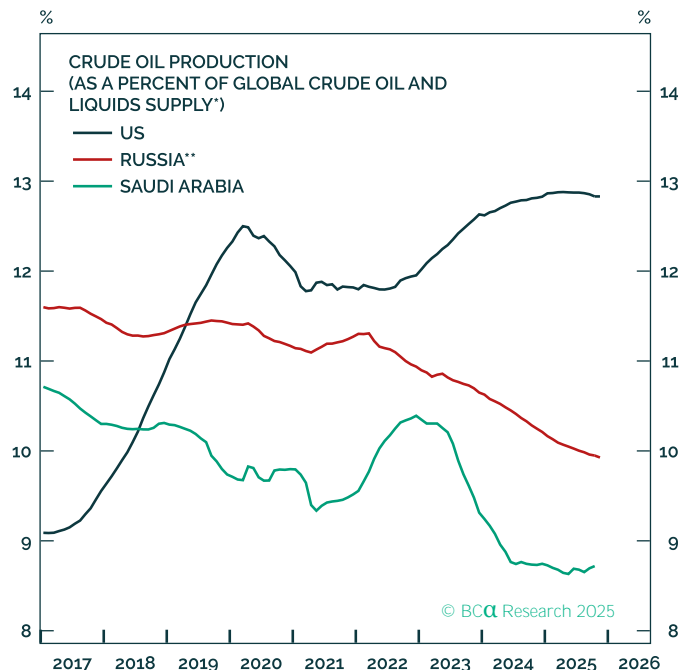


\* SOURCE: IMF, WORLD ECONOMIC OUTLOOK (OCTOBER 2025).

\*\* SOURCE: IMF, BUREAU OF ECONOMIC ANALYSIS (BEA), AND BANK OF JAPAN.

# Favor Industrial Metals Over Oil In The Long Run

Shape Your Conviction™

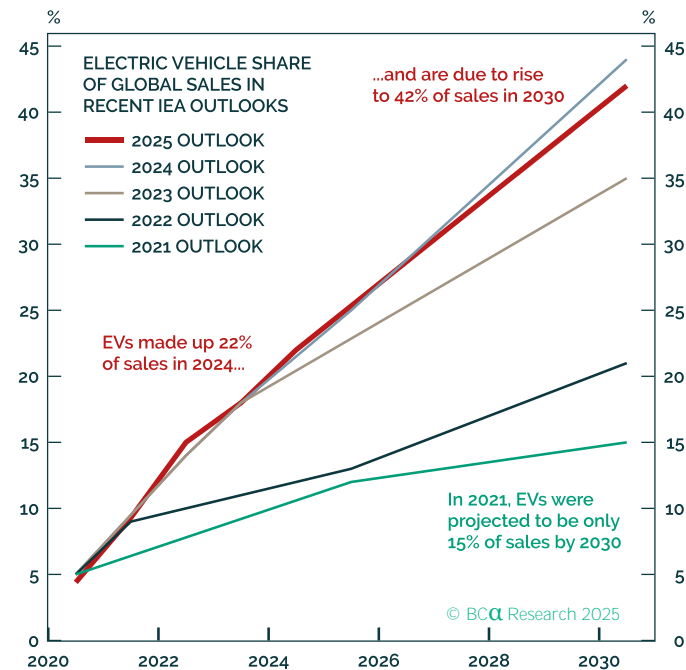


\* SUPPLY INCLUDES PRODUCTION OF CRUDE OIL (INCLUDING LEASE CONDENSATES), NATURAL GAS PLANT LIQUIDS, BIOFUELS, OTHER LIQUIDS, AND REFINERY PROCESSING GAINS.

\*\* SERIES INCLUDES CRUDE AND CONDENSATES.

SOURCE: US EIA.

NOTE: SERIES SHOWN AS 12-MONTH MOVING AVERAGES.



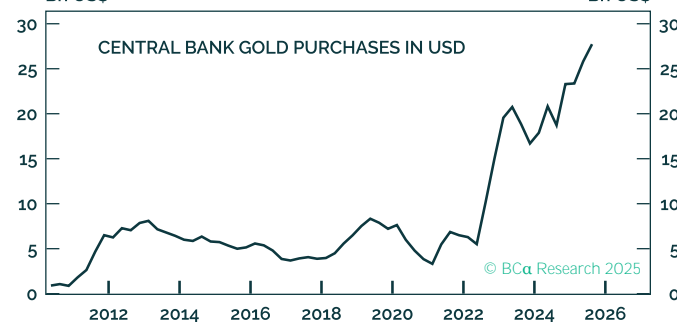
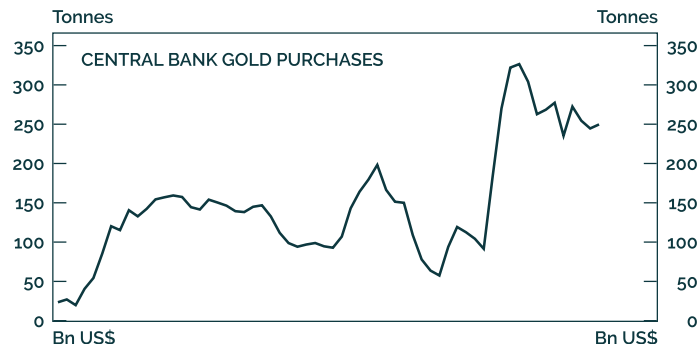
OUTLOOKS FOR ELECTRIC VEHICLES' SHARE OF OVERALL GLOBAL SALES, % 2020- 2030, IN THE IEA'S STATED POLICIES SCENARIO (STEPS), FROM SUCCESSIVE EDITIONS OF THE AGENCY'S "GLOBAL EV OUTLOOK" REPORTS. EACH LINE INDICATES THE OUTLOOK GIVEN IN THAT YEAR.

# Still In The Middle Innings Of A Secular Bull Market In Gold

Shape Your Conviction™



\* DEFLATED BY HEADLINE CPI. REBASED TO JAN 1970 = 100.  
 \*\* GOLD PRICE MULTIPLIED BY TOTAL STOCK OF GOLD SUPPLY. SOURCE: METAL FOCUS, WORLD GOLD COUNCIL, US GEOLOGICAL SURVEY, AND BCA CALCULATIONS.  
 \*\*\* SOURCE: CREDIT SUISSE, MSCI INC. (SEE COPYRIGHT DECLARATION), OECD, AND BCA CALCULATIONS.  
 \*\*\*\* SOURCE: BLOOMBERG FINANCE L.P.



SOURCE: METAL FOCUS AND WORLD GOLD COUNCIL.  
 NOTE: SERIES ARE SHOWN AS 4-QUARTER MOVING AVERAGES. PURCHASES IN VALUE TERMS ARE CALCULATED BY MULTIPLYING THE PURCHASES IN VOLUME TERMS BY THE AVERAGE LBMA GOLD PRICE FOR EACH QUARTER.

# Investment Conclusions And View Matrix

Shape Your Conviction™

- **Macro Outlook:** There is a meaningful chance that the US enters a recession over the next 12 months. Growth in the rest of the world could also slow sharply.
- **Equities:** Given current valuations, the upside for equities in a non-recessionary scenario is limited. In a recessionary scenario, however, the S&P 500 could fall back below 5000.
- **Bonds:** Rising inflation, reduced demand from overseas buyers, and large budget deficits will keep the 10-year US Treasury yield elevated over the coming months. Ultimately, however, yields will drop to 3.25% if the Fed is forced to cut rates aggressively in response to a recession.
- **Credit:** Credit spreads will widen from abnormally low levels as recession risks escalate.
- **Currencies:** The dollar will temporarily stabilize before resuming its structural downtrend. The yen and CNY will be the top-performing major currencies over the coming years.
- **Commodities:** Crude oil and industrial metals will fall if global growth slows. The longer-term outlook for metals is better than for oil. The bull market in gold has further to run.

Global Investment Strategy Views						
	3 Month			12 Month		
Global Asset Allocation	-	0	+	-	0	+
Equities						
Fixed Income						
Cash						
Global Equity Regions* (Relative To Global)	-	0	+	-	0	+
US						
Euro Area						
UK						
Canada						
Australia						
Japan						
EM						
Global Equity Sectors* (Relative To Global)	-	0	+	-	0	+
Communication Services						
Consumer Discretionary						
Consumer Staples						
Energy						
Financials						
Health Care						
Industrials						
Information Technology						
Materials						
Real Estate						
Utilities						

Global Investment Strategy Views						
	3 Month			12 Month		
Global Fixed Income**	-	0	+	-	0	+
Government						
Investment Grade						
High Yield						
Duration						
Inflation Protection						
Currencies***	-	0	+	-	0	+
USD						
EUR						
GBP						
CHF						
JPY						
CAD						
AUD						
CNY						
Commodities (vs USD)	-	0	+	-	0	+
Energy						
Base/Bulk Metals						
Gold						

## LEGEND:

■ - CURRENT

1 (MOST LEFT) - STRONG SELL

2 - SELL

3 - NEUTRAL

4 - BUY

5 (MOST RIGHT) - STRONG BUY

\* RELATIVE TO MSCI ACWI (CURRENCY UNHEDGED).

\*\* RELATIVE TO BLOOMBERG GLOBAL AGGREGATE (CURRENCY-HEDGED).

\*\*\* IN TRADE-WEIGHTED TERMS.

	GIS FullView Portfolio (%)	Benchmark (%)	Difference (% Pts)
<b>US Asset Allocation*</b>			
Equity (SPY)	57.0	60.0	-3.0
Bond (TLT)	27.8	25.0	+2.8
Cash (BIL)	15.3	15.0	+0.3
<b>Global Equity Regions</b>			
US**	38.5	40.5	-2.0
Euro Area (EZU)	4.2	4.9	-0.7
UK (EWU)	1.6	2.0	-0.4
Canada (EWC)	1.6	1.8	-0.2
Australia (EWA)	0.9	0.9	-0.0
Japan (EWJ)	3.0	3.0	-0.1
EM (EEM)	7.1	6.9	+0.3
<b>US Equity Sectors</b>			
Communication Services (XLC)	3.8	4.1	-0.3
Consumer Discretionary (XLY)	3.5	4.2	-0.7
Consumer Staples (XLP)	2.2	2.0	+0.2
Energy (XLE)	1.1	1.2	-0.0
Financials (XLF)	4.7	5.3	-0.6
Health Care (XLV)	4.1	3.7	+0.4
Industrials (XLI)	3.1	3.3	-0.3
Information Technology (XLK)	13.5	14.2	-0.7
Materials (XLB)	0.7	0.7	-0.0
Real Estate (XLRE)	0.7	0.8	-0.1
Utilities (XLU)	1.0	1.0	+0.0
<b>Performance: Asset Allocation (%)</b>	-0.56	-0.52	-0.03

Macro Overlays	Percent Return (%)	Position Size (Percent Of Capital)	Contribution To GIS FullView Portfolio Return (% Pts)
Active Overlay Trades			+0.20
Long GIS Deep Value Portfolio/Short SPY	+1.70	2.5 %	+0.04
Long GLD/Short BIL	-0.02	2.0 %	-0.00
Long SPY/Short BIL	-0.04	3.0 %	-0.00
Long INDA (India)/Short ACWI	-0.88	3.0 %	-0.03
Long EEM (EM)/Short ACWI	-1.84	5.0 %	-0.09
Long EUR/GBP	-0.02	5.0 %	-0.00
Short USD/JPY	-2.07	5.0 %	-0.10
Long CPER (Copper)/Short USO (Oil)	+7.86	5.0 %	+0.39
Long CNH/USD	+0.66	5.0 %	+0.03
Short EWU (UK)/Long ACWI	-0.96	5.0 %	-0.05
Closed Overlay Trades			+0.26
Total Contribution (% Pts)			+0.45
<b>Performance: Asset Allocation &amp; Macro Overlays***</b>	-0.10		
<b>Relative To Benchmark (% Pts)</b>	+0.42		

\* Equity, bond, and cash allocations can range between 40% to 80%, 5% to 45%, and 0% to 30% of the portfolio, respectively.

\*\* We use an unorthodox benchmark weighting of 25% for TLT and 15% for BIL to account for the fact that the average duration of TLT is much longer than in a typical government bond portfolio.

\*\*\* Comprised of US equity sector weights.

\*\*\* The GIS FullView Portfolio's performance is shown from inception on October 24, 2025.

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# Exhibit I

# Paul Arnold

## A Venture Capitalist's perspective on AI at the end of 2025

# *Agenda* for today

- The Promise of AI
- The Software Stack & Moats
- Theses on What's Coming
- Switch Case Studies in AI
- How We Use AI



# The promise of AI

# A generational tech *transformation*

**85%** of the startups we saw and diligenced in 2025 have been **AI-based**

## Major Tech Transformations

## Which Led To

Railroads

Rapid movement goods and people

Industrial agriculture

Affordable food for everyone

Internet

Mass information and communication

AI

Decision-making and synthesis on demand



# Nothing for a long time. And then everything all at once.

## CONVERGING DRIVERS

### Scale of Data

---

Two decades of digitization.

Massive text, code, image, and event data to train on.

### Compute

---

GPU capacity and specialized AI hardware scaled quickly.

Cost per unit of “intelligence” dropped sharply.

### Models

---

Performance improved with more data and compute.

Instruction-tuned chat made it open to non-experts.

## LED TO A TIPPING POINT

ChatGPT-style interfaces exposed to everyone all at once.

The models’ quality crossed a psychological threshold of user trust.

# So, what is changing?

## SOME EXAMPLES

### Productivity

HUGE GAINS IN  
OUTPUT,  
PARTICULAR IN  
KNOWLEDGE WORK

- AI as the legal drafter; lawyers as the reviewer
- Engineers are now the engineering manager; coding agents do the coding
- Investment banking entry-level modeling replaced by AI

### Innovation

NEW PRODUCTS  
THAT WEREN'T  
FEASIBLE BEFORE

- Games and movies generated unique for each person
- Call centers without people
- "IT guys" without the guy
- Voice and chat as a complete user interface

# Adoption has been rapid

## Consumers

Over a billion people offloading writing, research, coding, and personal admin to AI.

And AI has rapidly become first place they go for a question, not search.

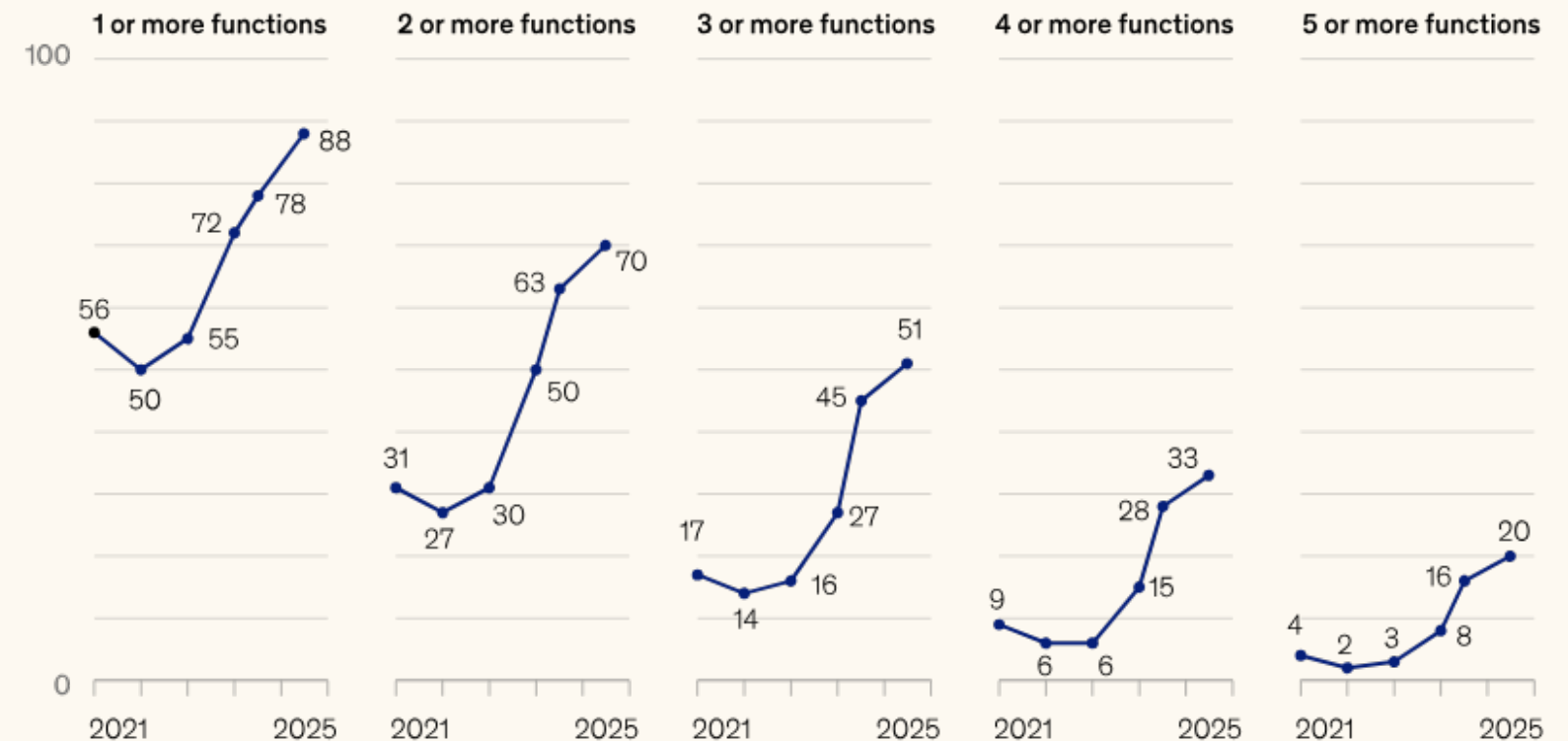
## Enterprises

Most are still in pilots or early internal roll outs.

A minority report scaling more advanced, agent like systems in at least one function, with many more experimenting.

Organizations are increasingly using AI in multiple functions.

Business functions at respondents' organizations that are using AI,<sup>1</sup> % of respondents



<sup>1</sup>In 2021, n = 1,843; in 2022, n = 1,492; in 2023, n = 1,684; in Feb–Mar 2024, n = 1,363; in July 2024, n = 1,491; in June–July 2025, n = 1,993. The survey question asks about 11 functions: HR; IT; manufacturing; marketing and sales; product and/or service development; risk, legal, and compliance; service operations; software engineering; strategy and corporate finance; supply chain/inventory management; and knowledge management.

McKinsey Global Surveys on the state of AI, 2021–25

McKinsey & Company

# *Long- vs Short-held investments will behave differently in this market*

Is AI a *bubble*?

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**Technologically**, no.

**Public markets**, probably.

**Venture markets**, early, no. Later, maybe

How I think early-stage venture

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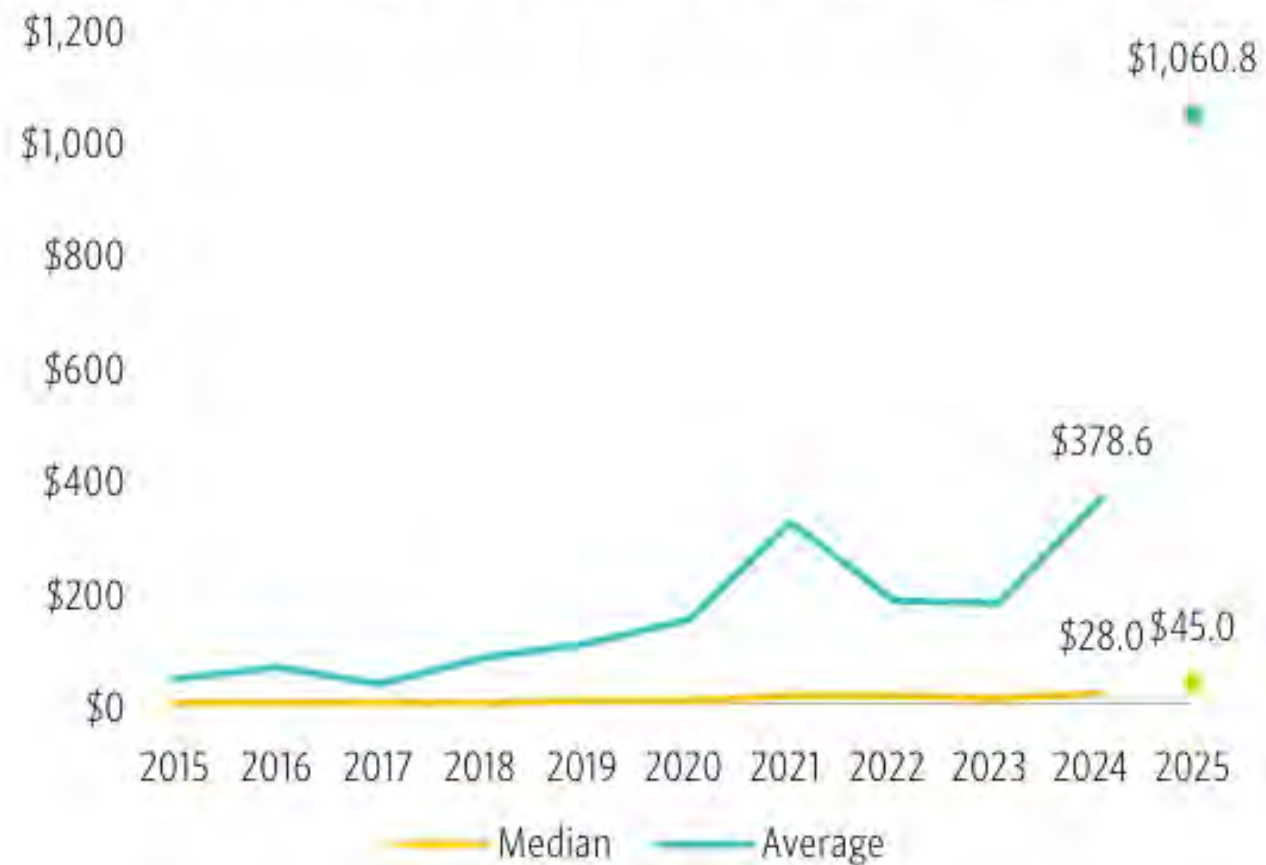
Early venture is *easier to navigate for upside* vs. in AI mega-rounds.

Early-stage venture is investing for *markets that are yet to come*.

# Bifurcation of deals is distorting the averages

## Valuations reach decade highs

Median and average AI & ML VC pre-money valuations (\$M)

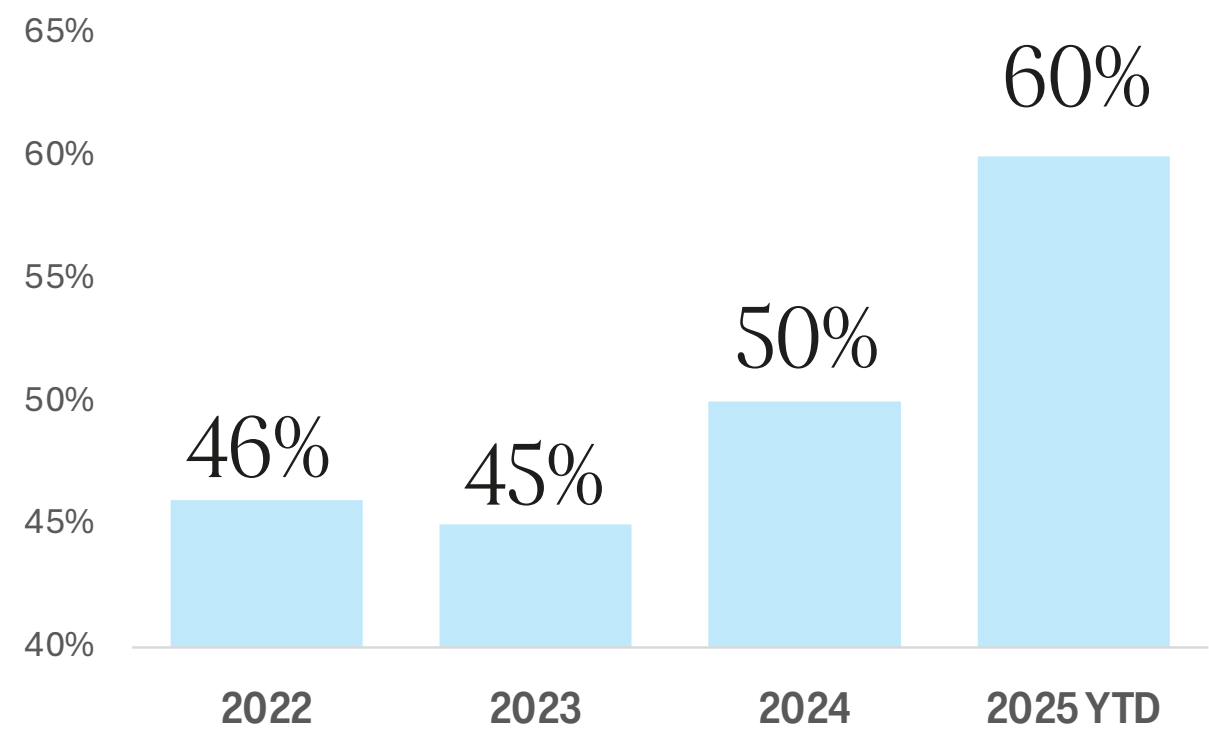


PitchBook-NVCA Venture Monitor • As of September 30, 2025

There is a bifurcation of AI deals between true seed style deals and mega first rounds led by growth funds and similar investors

# As late-stage venture entered a hype cycle that early-stage has avoided

Share of venture funding going to \$100M+ rounds



Funding by stage

**eqvista**

STAGE	Q3 2025 FUNDING	YoY GROWTH
Late Stage	\$58B	66%
Early Stage	\$30B	10%
Seed	\$9B	Slight increase



# The software stack & moats

# The stack

## Foundation Models

A few large winners  
Largely incumbent-owned  
  
Huge cost for data access,  
labeling, and compute

## Infrastructure and Developer Tools

New needs for tooling and  
infrastructure across the stack

## Applications

Nearly all applications will change—  
thousands of flowers will bloom

# You need a moat

There are a lot of “No Moat” AI Companies being started today.

GPT wrappers companies will not be defensible and will not sustain revenue margins.

## Old-fashioned moats still work

---

- Systems of record
- High switching costs
- Network effects
- Cornered resources
- Economies of scale
- Brand and speed

## But privileged data assets at scale have become increasingly important

---

A strong moat if you have data that the *foundation models are blind to*

You either create it or you have access to something proprietary

A background image of a bright blue sky with soft, white, fluffy clouds. The clouds are scattered, with a larger cluster in the upper left and some smaller ones in the lower right.

A few ideas about what is coming

# The rise of the agents

From

AI Thinking

Tool

Copilot

To

AI Doing

Worker

AI in the Org Chart

Vertical focus

**is the key to winning** here for startups.

A wide-open opportunity for a lot of winners, where winning requires building around specific and deep domain knowledge, and integration into core systems of those industries.

MY RATING OF STARTUP ATTRACTIVENESS:



# The fading life of the web

Agents *increasingly* navigate the internet for you

**You will ask for an outcome** and an agent will talk to services, vendors, and data sources on your behalf. **You will not visit any of their web pages.**

The agent will read APIs, and app interfaces in the background. Web pages will increasingly be read as legacy interfaces.

The target audience shifts from humans using browsers to agents using tools

What matters less:

Beautiful navigation and top funnel page views

What matters more:

APIs and backends being easy for agents to interact with

MY RATING OF STARTUP ATTRACTIVENESS:





# Small models fill in

## Private and hidden data

Companies that live **where large models cannot see** the data at all

And **sensitive domains** that cannot leave the customer's perimeter

## Edge and real time constraints

Small, **specialized models running on devices**, vehicles, robots, factories

Optimized for latency, bandwidth limits, energy use, and offline operation

## Control and predictability

Smaller, **simpler models that are easier to verify**, certify, and govern

Attractive where regulators or customers demand strong guarantees and auditability

## Narrow but deep expertise

Models tuned on **dense, domain specific data** where quality beats generality

Examples include certain scientific, industrial, or financial micro domains

MY RATING OF STARTUP ATTRACTIVENESS:



# Transaction without humans

Transactions  
moving from  
person to person  
to agent to agent

Agents can negotiate  
both sides of deals: price,  
timing, terms

## EXAMPLES

Supply chain  
agents

Monitor lead times,  
capacity, and risk, and  
automatically rebalance  
vendors when  
conditions change

Household  
shopping agents

Keep staples stocked by  
watching usage, prices,  
and delivery windows

MY RATING OF STARTUP ATTRACTIVENESS:



# Computation and models on devices

Much hardware cannot wait for the cloud to compute. It needs low latency, reliability, and data on the device.

Models will move to phones, wearables, robots, drones, factory lines, and cars.

## SOME EXAMPLES

- Driver assistance in cars reacting in milliseconds
- Warehouse robots navigating moving environment
- Drones inspecting remote infrastructure
- AR devices translating and coaching in real time

MY RATING OF STARTUP ATTRACTIVENESS:



# Apps collapsing into the foundation models' owners

Too many apps serve **functions that the core LLM models can do on their own.**

LLM owners will co-opt spaces where many app companies have been built.

Apps that survive:

Those that own proprietary data, workflow, or distribution.

Apps that get absorbed:

Pure UX layers on top of capabilities the core models can do.

MY RATING OF STARTUP ATTRACTIVENESS:



# Personal and organization memory across all platforms

## Persistent memory as the next frontier

AI will become more effect as it remembers context, decisions, preferences, and work across *a//* applications and over time.

## Personal memory layer

One identity across email, docs, chat, calendar, and files.

## Organizational memory layer

A shared history of customers, events, and decisions that models can reason from.

## Who is likely to own this?

### Consumers:

Operating systems, consumer AI interfaces, and the major productivity suites—iOS, Android, Windows, ChatGPT, Gemini, etc

### Enterprises:

Platforms that already sit in the center of communication, collaboration, CRM, and identity—Microsoft 365, Google Workspace, Slack, Salesforce, Okta, etc.

MY RATING OF STARTUP ATTRACTIVENESS:



CONSUMER  
STARTUP



ENTERPRISE  
STARTUP

# AI as new knowledge researcher

Capabilities expanding from summarizing human knowledge to making scientific discoveries

Early signs of new knowledge discovery math, protein design, genomics, and materials

This will spread beyond academic sciences and into discovery of pragmatic and commercial knowledge

- **Markets** and strategy: new pricing schemes, market discovery, trading signals
- **Product:** new workflows, funnels, and interfaces optimized for real behavior
- **Operations:** non-obvious changes in routing, staffing, incentives, and layouts
- **Creative fields:** new genres in music, visual style, game mechanics, and narrative forms

Human role: setting objectives and constraints, then assessing what the AI discovers

MY RATING OF STARTUP ATTRACTIVENESS:





# Switch case studies in AI

# SmarterDx

**AI CAPTURES  
LARGE  
REVENUE**

Uses hospital chart data  
to build specialize  
models that accurately  
code medical procedures

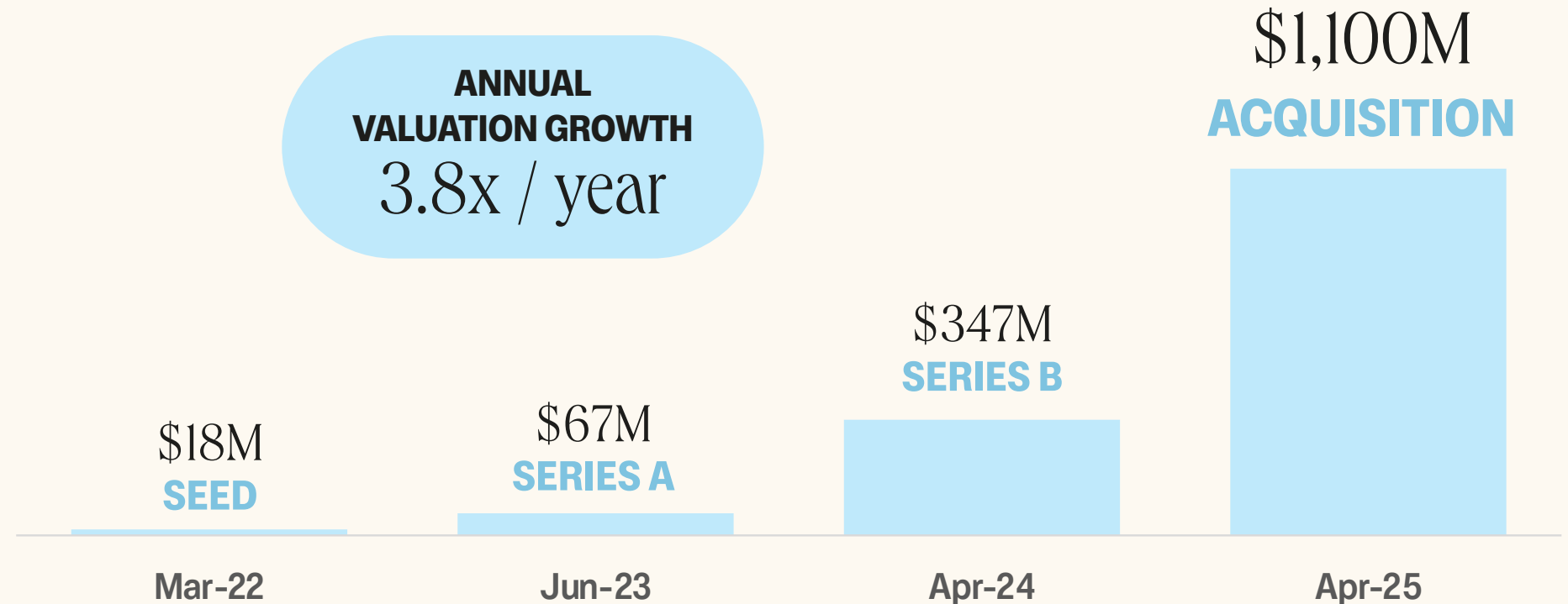
- AI as the doctor's judgment in a high-value areas where mistakes lose real revenue
- Deep vertical product specialization
- Proprietary data flywheel beats the large models here

Use of AI Decision  
Making

1x Fund  
Realization

SWITCH'S  
POSITION TODAY

**ANNUAL  
VALUATION GROWTH**  
3.8x / year



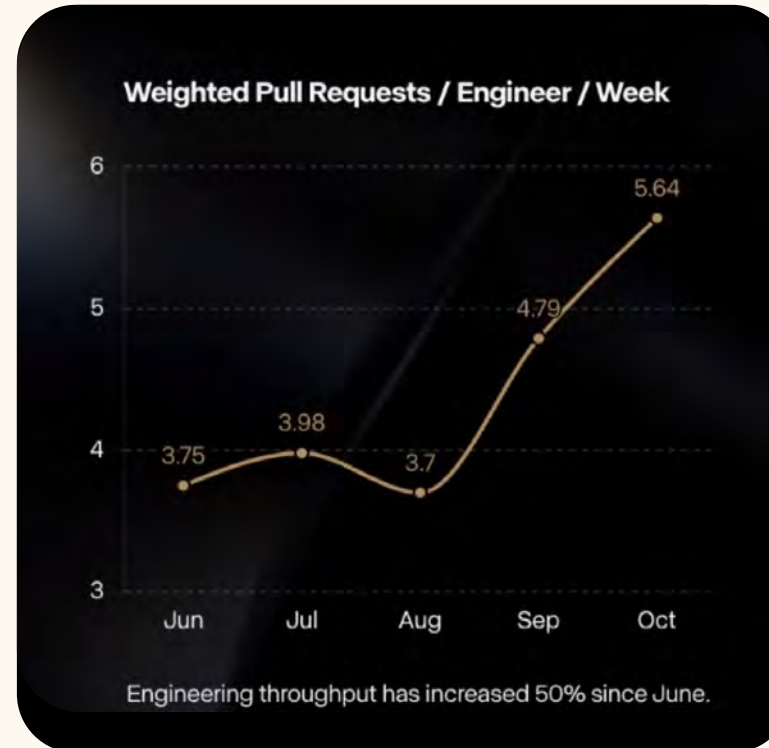
# Luxury Presence

**AI DOUBLED  
WORKFORCE  
OUTPUT**

Use of AI Engineer  
Productivity

\$41M NAV

SWITCH'S  
POSITION TODAY



Luxury Presence **systematically changed everything about the way employees work.** They launched an internal week-long “AI University” in 2025 to retool how all work is done at the company.

All functions saw big improvements. Engineering saw the largest uplift, with **over 50% improvement in output per engineer** off a base of \$20M annual R&D spend—in other words, \$10M a year in “free” productivity.

They now roll out product changes at much higher speed and need to hire fewer new folks.

# Félix

## AI IS THE USER INTERFACE

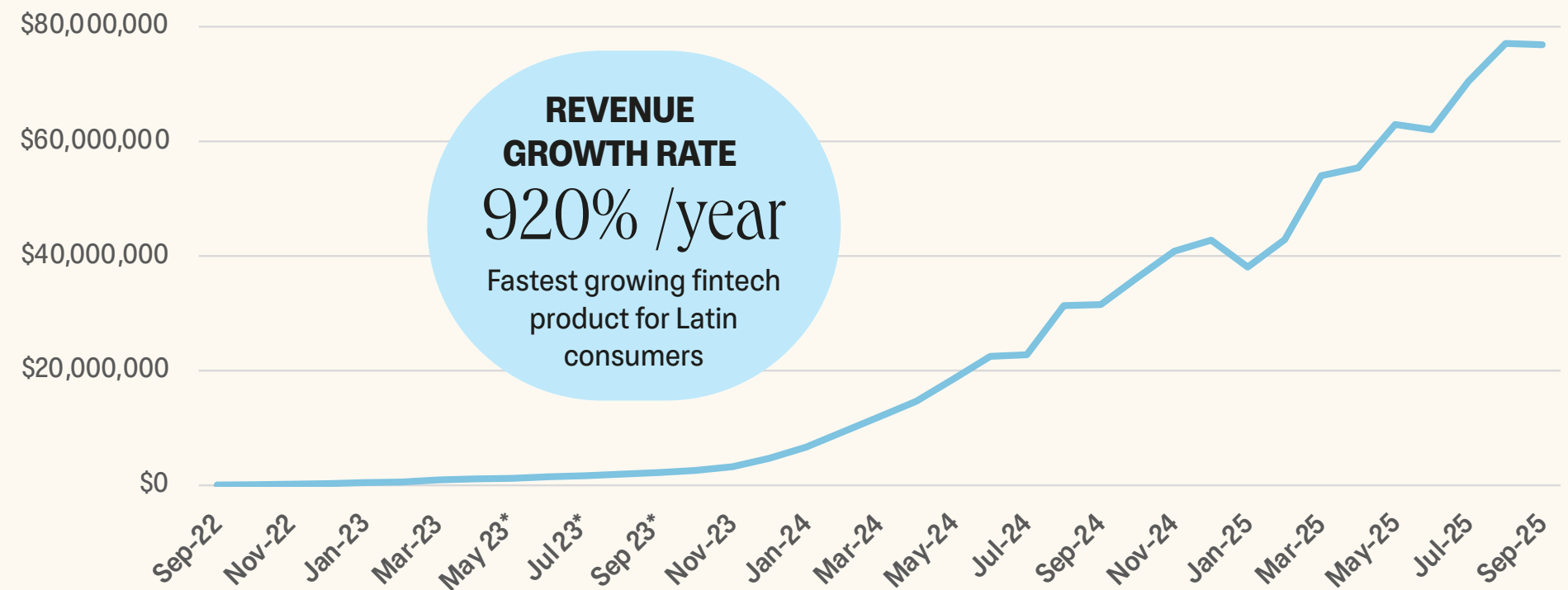
### AI Chat as the Entire User Interface

\$23M NAV

SWITCH'S  
POSITION TODAY

Chat-based interactions replacing the web and app to drive LatAm remittance via Stablecoin

- AI-driven chat as the user interface is strongly preferred by the Latino consumer
- This interface was a wedge that allowed the company to then build cash distribution and payment networks



# AI as the VC

# The Switch Experience

## Building Our Own AI

We have built our own machine learning and AI over seven years. It drives dramatic gains in how we work

1. It has improved our **productivity**

11,132

STARTUPS WERE ASSESSED TO SELECT 47  
INVESTMENTS IN OUR LAST FUND

Our AI model gives us enormous leverage to scan and assess a large volume of opportunities

The equivalent of  
**8-10 associates  
and principals**  
sourcing deals  
full time.



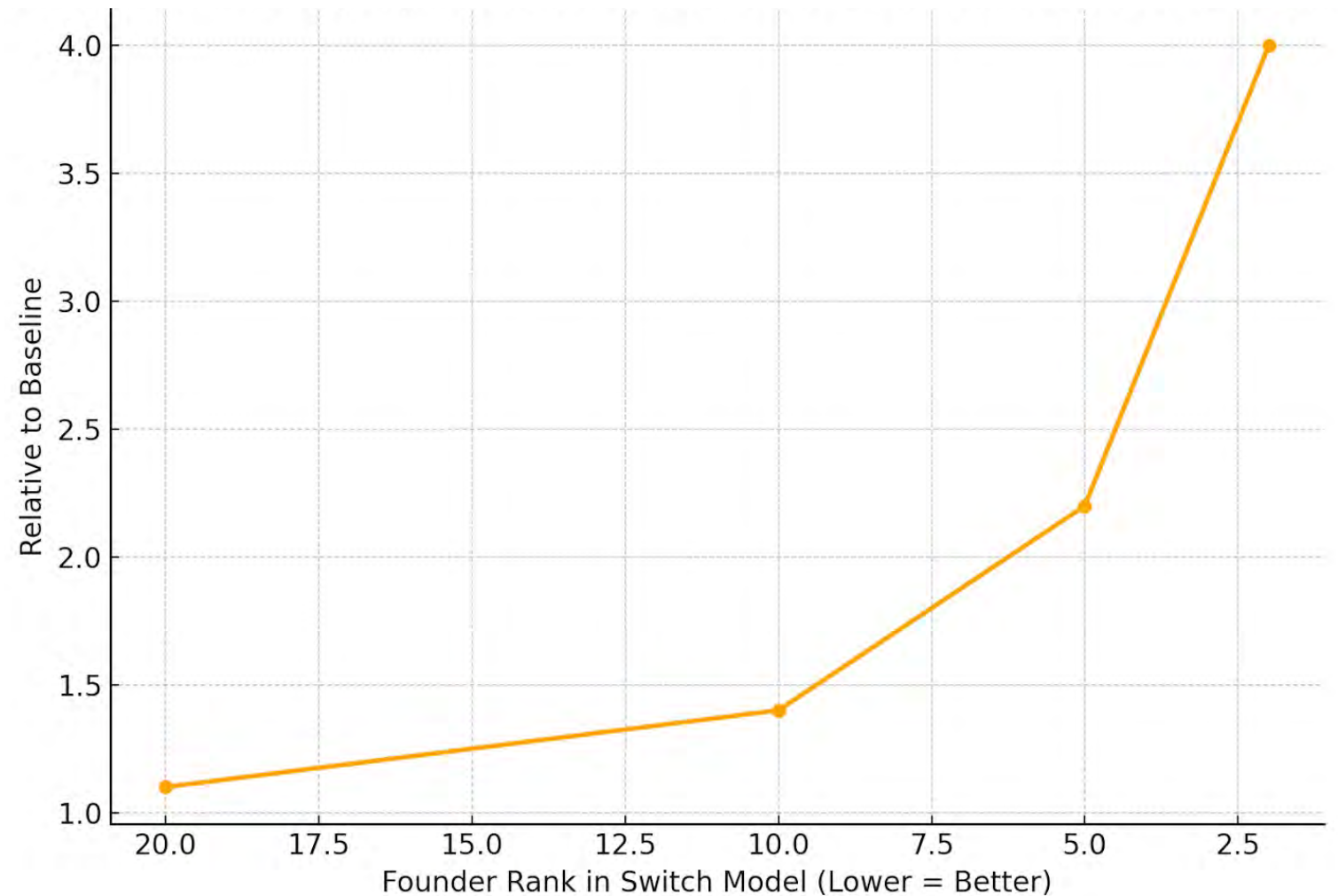
# The Switch Experience

## Building Our Own AI

2. And it has improved our investment **quality**

### HeroSignal Output Curve

HOW MUCH MORE LIKELY TOP-RANKED  
FOUNDERS ARE TO CREATE SUCCESSFUL  
VENTURE OUTCOMES



# Closing

## SHORT VS LONG TERM

Short term:

Perhaps over-exuberant pricing,  
noisy signals

Long term:

AI transforms where and how value  
is created and who captures it

## TAKE AWAYS

1. AI is a structural shift, not a fad.
2. Early-stage venture remains one of the best ways to have upside



# Thank You

## SWITCH<sub>VC</sub>

# Exhibit J



November 2025



# AI Vendor Review

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## Scope: To Enhance Capabilities Across All Team Functions



- Investment Manager Research
  - Leverage Large Language Models (LLMs) to read, categorize, sort, and present the most relevant information sent from potential managers in the form of a landscape map
  - Build agents to assist in producing repeatable due diligence materials
  - Use LLMs to condense operational information into Operational Due Diligence materials
- Finance & Operations
  - Integrate various data sources into a single sign-on i.e. performance, risk, custody, CRM, network drive, Gmail, etc.
  - Reconcile data across multiple software and platforms
  - Populate subscription documents, produce redlines by respective guidelines, and other legal document review and analysis including Legal Due Diligence
- Strategy & Risk
  - Automatically generate routine reports such as monthly risk charts, executive summaries, stakeholder dashboards, and strategy decks
  - Produce summarized analysis of external research reports
  - Enable analysts to build python script and deterministic processes using natural language prompts
  - Provide deep research tools for modeling, monitoring, and managing risk



# Process Objectives and Overview



- Overview

- Initial Screening

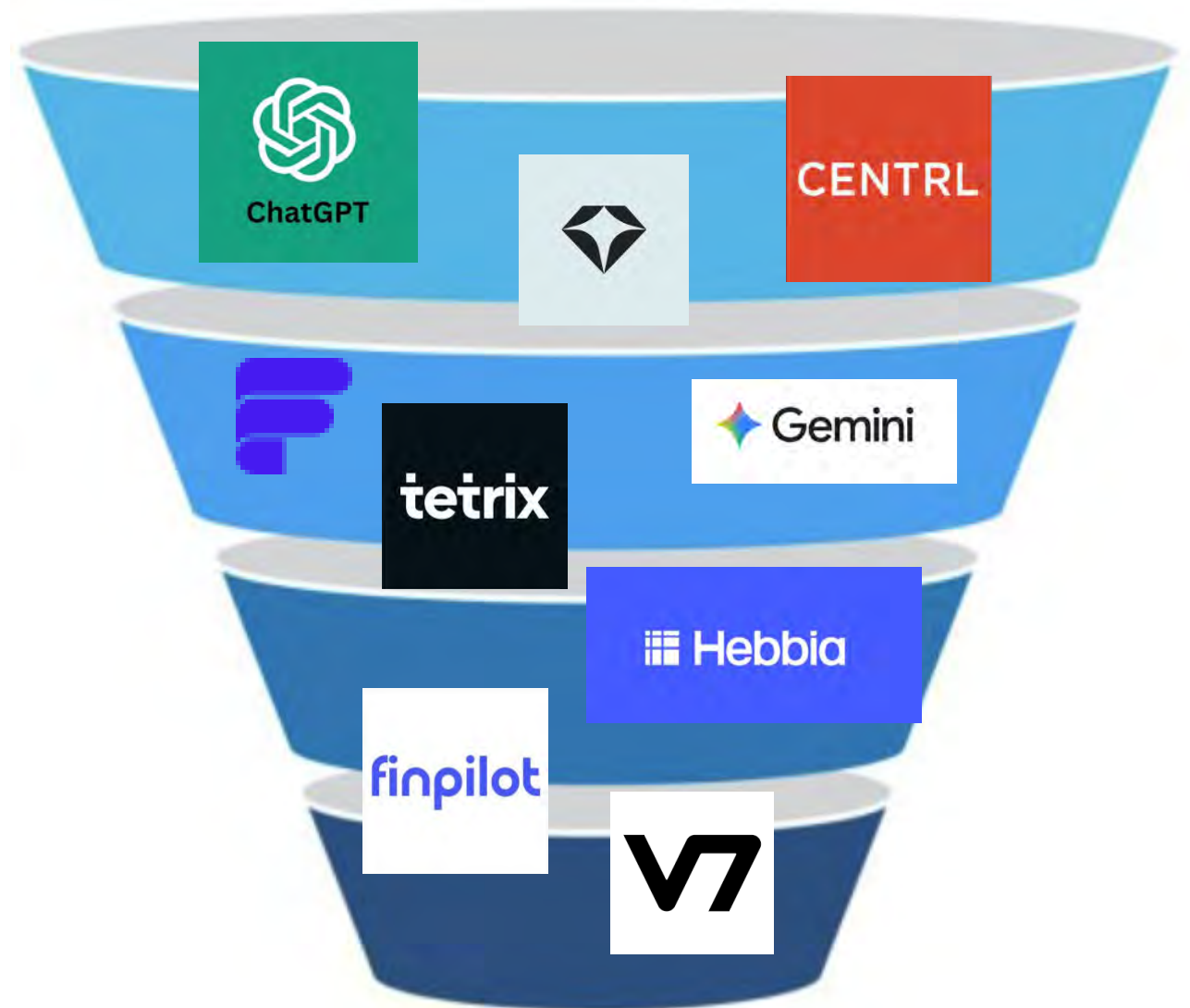
- Met with >15 vendors
    - Organized Intro calls
    - Received tech demos

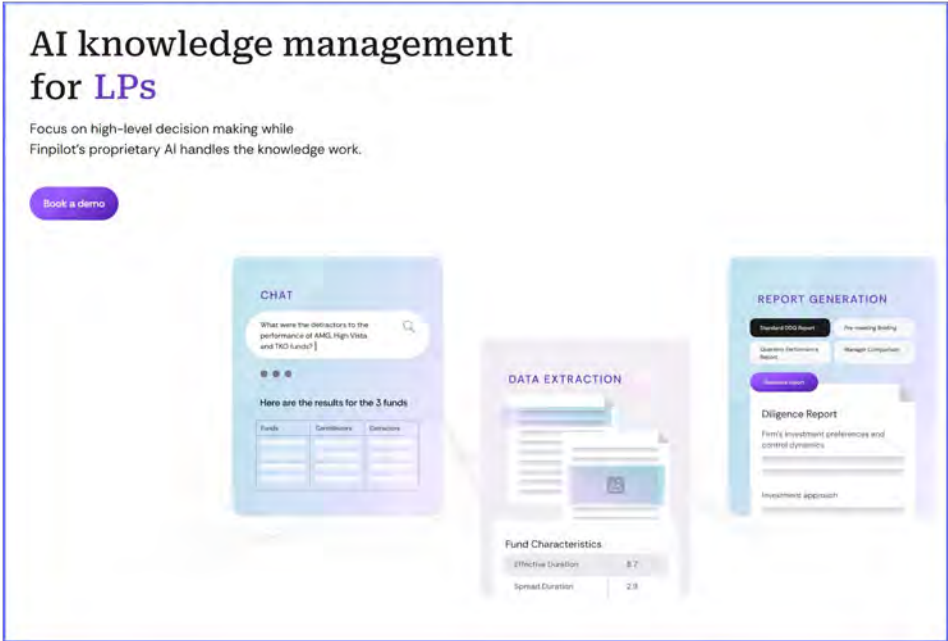
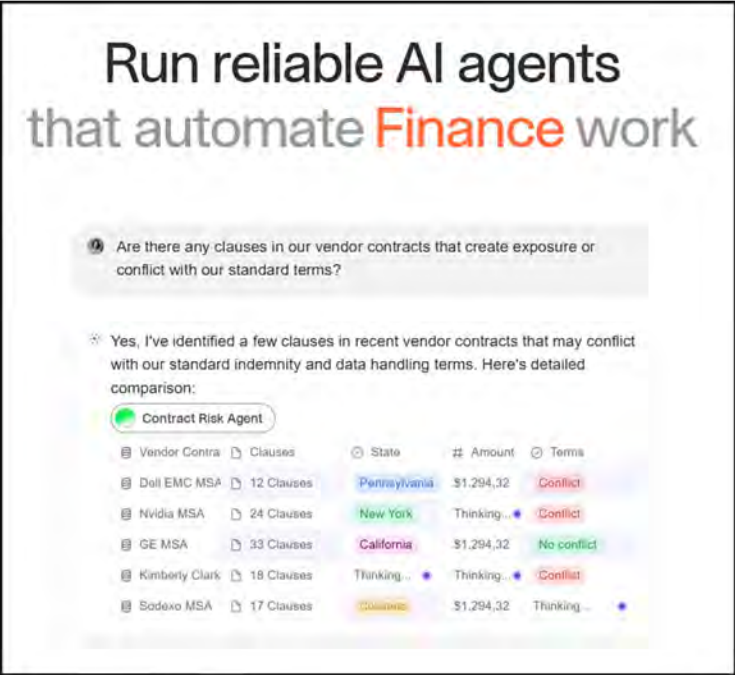
- Request for Information (RFI)

- Issued RFIs to 7 vendors, assessing long-term value through:
      - Cross functional utilization
      - Implementation and support
      - Data capabilities
      - Systems integration
      - Vendor stability and track record
    - Held video conferences and in-depth review with RFI cohort
    - Narrowed list to **V7** and **Finpilot** as finalists

- Finalist review process and considerations

- Sent and signed NDAs with finalists
    - Requested IMR agent case study using SITFO thesis and manager specific data
    - Conducted reference work
    - Security verification with DTS







Founded	2018	2023
Recent Funding	\$33mm Series A in 2023; Radical/Temasek	\$4.5mm Series Seed in 2024; Madrona VC
Target Market	Finance, legal and insurance	Institutional allocators
Notable Allocator Client	Yale	Seattle Children’s Hospital; TIFF

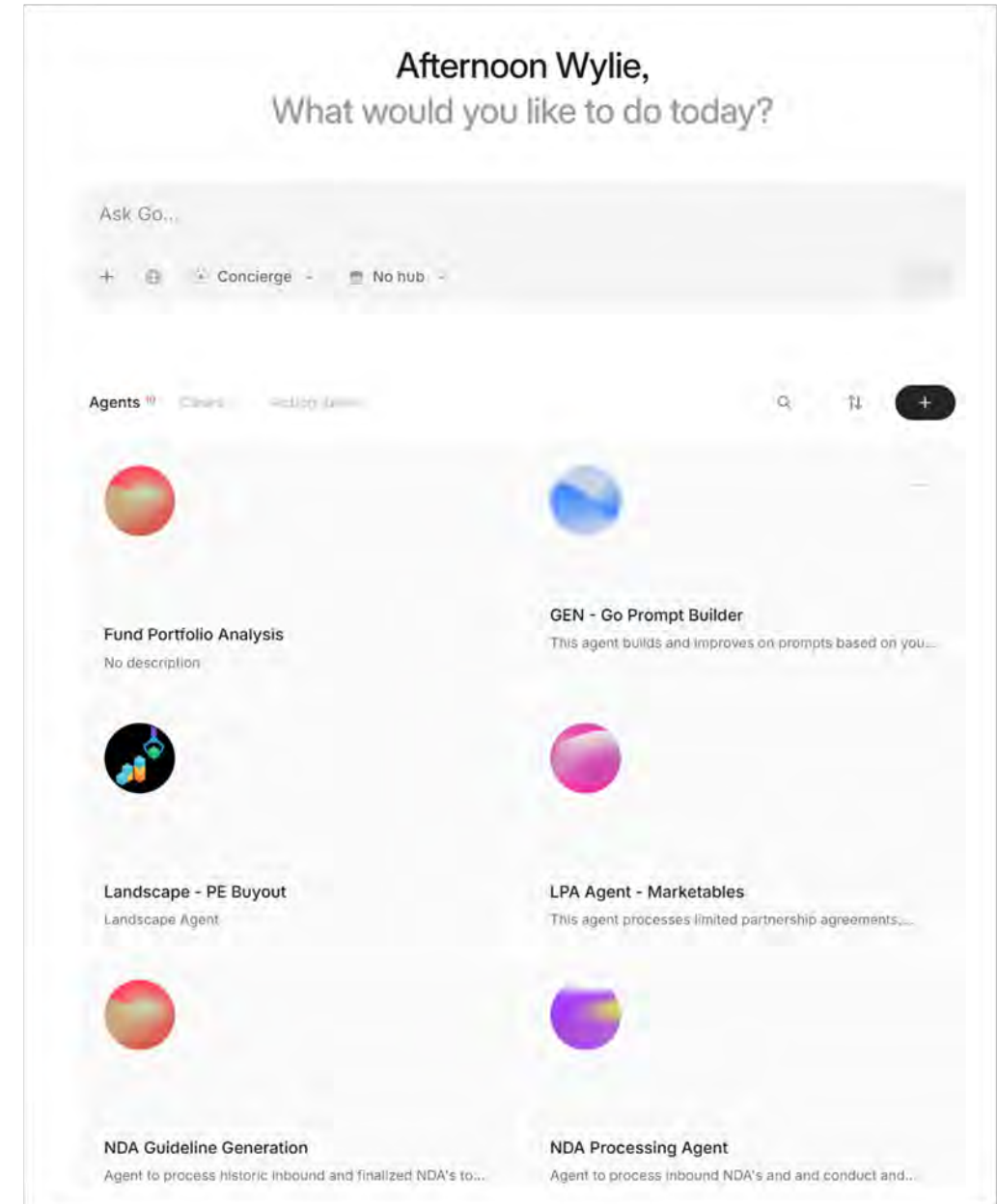
## RFI Produced Two Clear Standouts



				
Category	Pros	Cons	Pros	Cons
Cross Functional Utilization	Enterprise-grade AI platform with cross function expertise	Higher complexity and higher total cost of ownership for custom builds	Allocator specific platform with turnkey workflows	Platform is earlier-stage by funding; some advanced features require additional attention
Implementation & Support	Dedicated Solutions Engineering, enterprise onboarding and ongoing prompt/workflow support	Can require more internal time and resource commitment	Emphasizes turnkey implementation, training, and ongoing support	May need custom integrations or advanced configuration beyond base package
Data Capabilities	Explicit support for time-series, quantitative analysis; combines AI reasoning + Python for complex models	May require additional configuration and expert setup	Supports returns extraction, quantitative templates, and live execution of calculations/charting as part of the product	Limited to asset classes that report monthly returns; certain analyses may need custom work
Systems Integration	Extensive API capabilities and enterprise integrations	Custom API or integration buildout vary by source	Pre-built connectors / API integrations to common research and CRM systems	Custom API or integration buildout vary by source
Vendor Stability & Track Record	Larger funding and enterprise references (Temasek, top-3 endowment reference mentioned)	Enterprise references indicate higher scale but may come with heavier implementation processes	Focused customer base of allocators, with case studies demonstrating productivity gains and turnkey deployment	Earlier-stage funding vs larger incumbents; would need to verify long-term roadmap and enterprise scale requirements

### Key Factors in Decision

- **Cross-Functional Capabilities**
  - Agents can be customized for many tasks and workflows specific to our organization. This means adoption of the product can increase our efficiency without requiring significant modification of our existing processes and outputs. Finpilot's premade features targeting allocators would constrain the use cases and applications and mean adjusting our processes to extract value from the system.
  - Unlike Finpilot, the flexibility of V7 enables Investment Manager Research, Operations, and Risk functions to use this product, maximizing the potential applications and value of the contract.
- **Platform Stability and Adaptability**
  - The structure of V7 is built to leverage whichever AI model is better for the specific task. This flexibility means as new models continue to be released by different vendors they can easily be integrated in the way that makes most sense for the workflow.
  - V7 has a more significant financial backing and existing user base, meaning they are likely to remain a provider even if the product landscape becomes more consolidated.
- **Solutions Engineering Resources**
  - Our contract comes with substantial solutions engineering support from the V7 team who will iterate and build with us to ensure successful implementation. Twice-weekly development meetings between V7 and SITFO to aid in implementation efforts.



# V7 Implementation Process



## Project Prioritization

- SITFO has rank-prioritized 32 projects.
- Projects have been prioritized based on estimated impact to SITFO and on estimated difficulty.

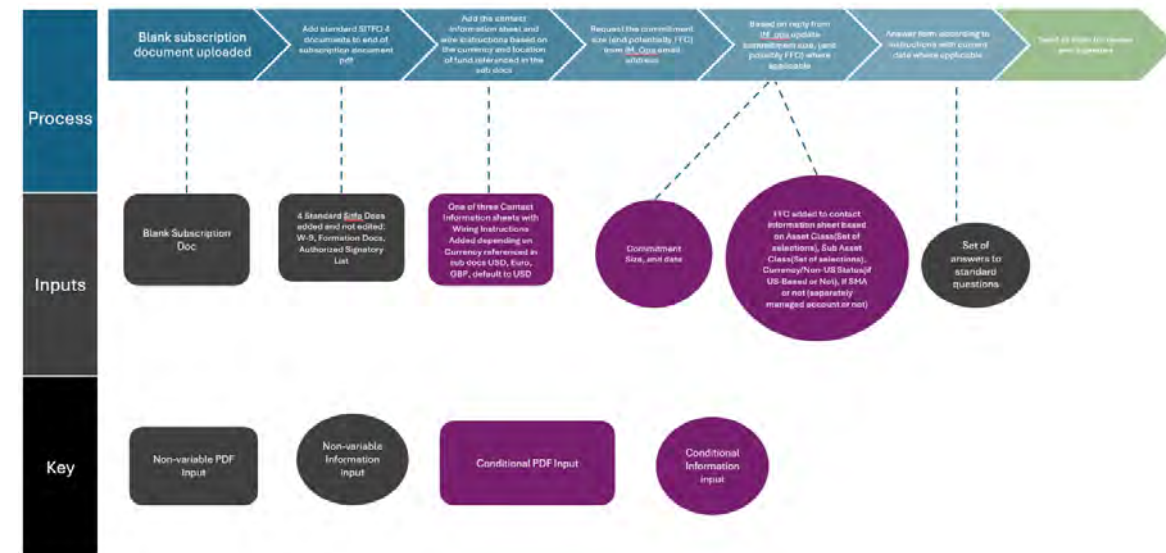
## Workflow Mapping

- Clear deliverables, objectives, inputs, and outputs for individual projects are outlined. Examples and context, including existing process workflows, have been provided and communicated to the V7 Team.

## Building Workflows in V7

- SITFO works closely with V7 team to translate objectives and existing processes into V7 workflow.

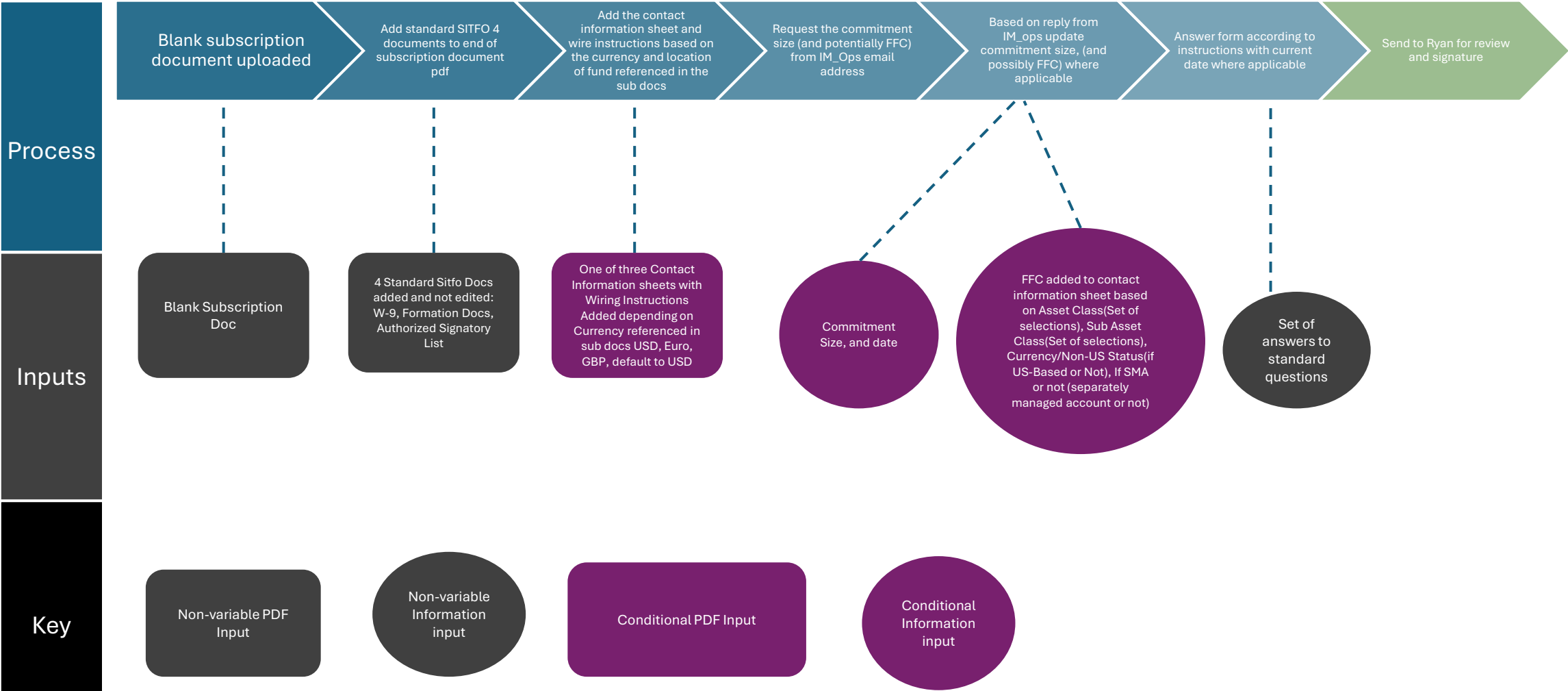
Item	Team	Output	Inputs	Estimated Difficulty (are there clear inputs and outputs, how easily verifiable is the output)	Impact	Priority	Priority for V7 time
Investment Landscape Agent - Defensive	IMR			Medium (due to reviewing and iterations)	High		1
Screen Memo Agent	IMR	Digestible one page memo, summarizing all of the column outputs	Data room, Sifto call notes, manager/consultant due diligence, investment thesis, philosophies and beliefs input into model	Medium	High		3
LDD	Ops			Low	High		4
ODD	IMR			Medium	High		5
Monthly Risk	Risk	Powerpoint - Factor exposure and active exposure	Venn Api (Performance Data, allocation data, proxy data from Bloomberg)	Low	Medium		6
Executive Summary - Performance (Board Meeting)			FOS api (Performance data, attribution data, risk data, BCA GIS (Emailed), BCA MacroQuant Report (Emailed), TopDown Market Cycle Guidebook (Emailed), ACR (JPG from Website), GRID Level 4	Medium	Medium		7
Strategy Deck - Macro Views (Strategist Summation)	Risk	Table (export to Powerpoint) - Columns: GRID M 3 classifications		High	Low		8
Strategy Deck - Bloomberg Graphs?	Risk	Graphs	Bloomberg api	7 - dependent on bloomberg integration	Low		8
Strategy Deck - Strategist Summation		Table (export to Powerpoint) - Columns: Strategist, Title, GRID Lvl 4 tags, Summary (3 sentences)		Medium	Low		8
Daily Report	Risk	Tables but then exportable into a Powerpoint	Bloomberg api, FOS api	Low	Medium		9
IMR Memo	IMR			Medium	Medium		10
New Investment Details	Ops			Low	High		11
Populate the Source of Truth Table	Ops			Low	High		12
Investment Dashboard	Risk	Powerpoint	Bloomberg api, FOS api, python script	Low	Low		13
Stakeholder Dashboard	Risk	Graphs exportable to powerpoint		Low	Medium		14
Strategy Deck - Econ Dashboard	Risk	Powerpoint	Bloomberg api, FOS api, python script	Low	Low		15
Reconciliation with FOS, Cash flows, custody	Ops			Low	Medium		2 Clarify







# Subscription Document Process



# Exhibit K

December 2025



# The Five-Year Plan

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- The Plan
  - An evolving draft for SITFO's strategic horizon to maximize risk adjusted returns, through resource and process optimization
- The Purpose
  - Longer-term considerations and planning
  - Collaboration with trustees
  - Communication with stakeholders
- The Primary Focus is to Reflect on
  - Organization and resources
  - Investment process and technology
  - Asset allocation



## Looking Back to Look Forward



- Performance
  - Volatility vs. investment objectives
- Organization & Resources
  - Lean team
  - Lack of internal reporting capability
  - Team turnover
- Portfolio
  - Nascent private market portfolio
  - Limited co-invest capability



- Performance
  - Strong 1/3/5-year results; focus on sustaining outperformance
- Organization & Resources
  - Added Deputy CIO, scaled the team; on track to be fully staffed by early 2026
  - Improved infrastructure and technology stack
  - Integrating strategic partnerships
- Portfolio
  - New SAA
  - New tool in the toolkit with the first secondary transaction
  - Expanded co-invest capability



## Organizational & Operational Alpha

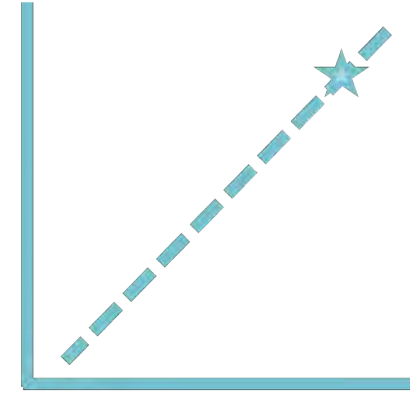


- What are SITFO's strengths and how can they be managed to meet investment objectives?
  - Mission, governance, autonomy, time-horizon, size, and location
  - Team, culture, and philosophy
  - Evolution when possible, adaptation when necessary—using a commercial approach to target best practices
  - Collaborative model and Total Portfolio Approach (TPA)





- What to prioritize?
  - Resources and processes to be aligned with philosophy and objectives (fit-for-purpose)
  - Technology optimization in relation to portfolio approach and team size/capabilities
  - Recruiting and retaining talent is critical to expanding capabilities, with culture as the key



- What should the organization and resources look like in the future?
  - Additional layers within the team for increased resiliency and knowledge retention
  - Further internal capabilities such as prioritizing co-investments, exploring a total portfolio overlay
  - Optimization of strategic relationships
  - Strong reputation and influence in the institutional investment community



- Impact of Technology on the Investment Process
  - Optimize the mix of external software and internal capabilities
  - Enhance objectivity and expedite existing processes using technology
  - Spend less time preparing information and more time analyzing it
- Impact on Expenses, Personnel, and Processes?
  - Anticipating a marginal increase in software expenses as new tools come online and other tools or resources are rationalized
  - Balancing productivity and expenses



## Collaborative Model



- Several relationships across asset classes for collaborative investing
  - Benefits include revenue sharing, advisory, sourcing, fee reductions, and co-invest support
  - Core investments in core portfolio areas with “structure” as alpha
- Collaboration as leverage
  - Satellite investments in select strategies driven by staff with additional bandwidth
  - Commercial and collaborative approach to strategic relationships to reduce costs, add resources, enhance returns, and diversify



- Competition for Capital
  - Investment objectives as the North Star
    - CPI+5% with 70/30 risk
  - Asset classes as guard-rails, purpose-driven investing
    - Each investment is additive to returns, offers diversification, or both
  - Open and opportunistic
    - Any and every idea has an opportunity, but needs to win its allocation across a field of candidates



- Questions for our Strategic Horizon
  - How might the economy and the markets perform over the next five years? What are the implications for SITFO's asset allocation?
    - Interest rates more like the post WWII average
    - Deglobalization, supply chain repositioning, and geopolitics to increase friction
    - Demographics as a risk to economic growth
    - Fiscal policy and debt vs industrial policy playbook
    - Energy, new or old, or both
    - At what pace will technological advances help (or hurt?) the economy or markets?





## Destination

- SITFO as a trusted, best-in-class institutional investor
  - Persistent performance, consistent distributions
  - Thoughtful, adaptable, and well-governed organization
  - Strong, collaborative team
  - Commercial not complacent, fit-for-purpose
  - Reputation as a reliable and respected thought partner

