July 10, 2026

SITFO Board of Trustees

Ad Hoc Meeting

Open Session – Zoom Registration

UTAH SCHOOL & INSTITUTIONAL TRUST FUNDS OFFICE

310 S Main St, Suite 1250
Salt Lake City, UT 84101
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Board of Trustees

AGENDA

Bathroom Code: 5124

Anchor Location	310 S. Main Street, Suite 1250, Salt Lake City, UT 84101
Webinar Registration – Open Session	https://utah-gov.zoom.us/webinar/register/WN_Bxt4vgabTIWhLUtwpfD4iA

Friday, July 10, 2026 – 1:00 PM

1. Open Session – Call the Meeting to Order (Start at 1:00 PM)
   (a) Administrative
      (i) Compensation Committee Updates *(action item)*
      Exhibit A, *pages 4-27*
   (b) Adjourn *(action item)*

Exhibit A

July 10, 2026

Compensation Committee

2026 Key Findings

SITFO is mandated to provide competitive but not excessive salary ranges relative to private and public peers.

The Mandate: Utah Code

"Board members, the director, and office staff shall act in the ***best interests of the beneficiaries****... [with respect to setting SITFO salary ranges] the board shall* ***consider salaries for similar positions in private enterprise and other public employment****."*

The Why

- Having a skilled and capable workforce enables the success and responsible management of the fund.
- The ultimate purpose is to provide intergenerational wealth to the beneficiaries.

The How

A Compensation Study is Conducted every 3 years.

- An outside firm is hired to define peer groups and leverage compensation data for comparable institutions to make a recommendation.
- Considers private & public sector benchmarks to align with Utah statute.
- Goals: Competitive and market-aligned—neither excessive nor uncompetitive. Objective, logical, repeatable.
- Depending on the scope of the prior study, considers some combination of salary ranges, organizational structure, and position titles.

Fiduciary Oversight is Embedded in All of the Stages of the Process

- Oversight for SITFO board members sit on the Compensation Committee and determine reasonable peer groups and ranges with the provider selected for the study.
- The Finance Committee provides ongoing oversight on SITFO spending and expenses.
- Ensures expenses remain prudent.

Utah Code cited, § 53D-1-301; 53D-1-303; 53D-1-402; 53D-1-601; 53D-1-602 and Utah Code § 53D-1-103(7)(b)(iii), further information available in Appendix slides.

SITFO has grown to more than $4.6 billion in assets, supporting record FY26 distributions of $143 million to 11 beneficiaries.

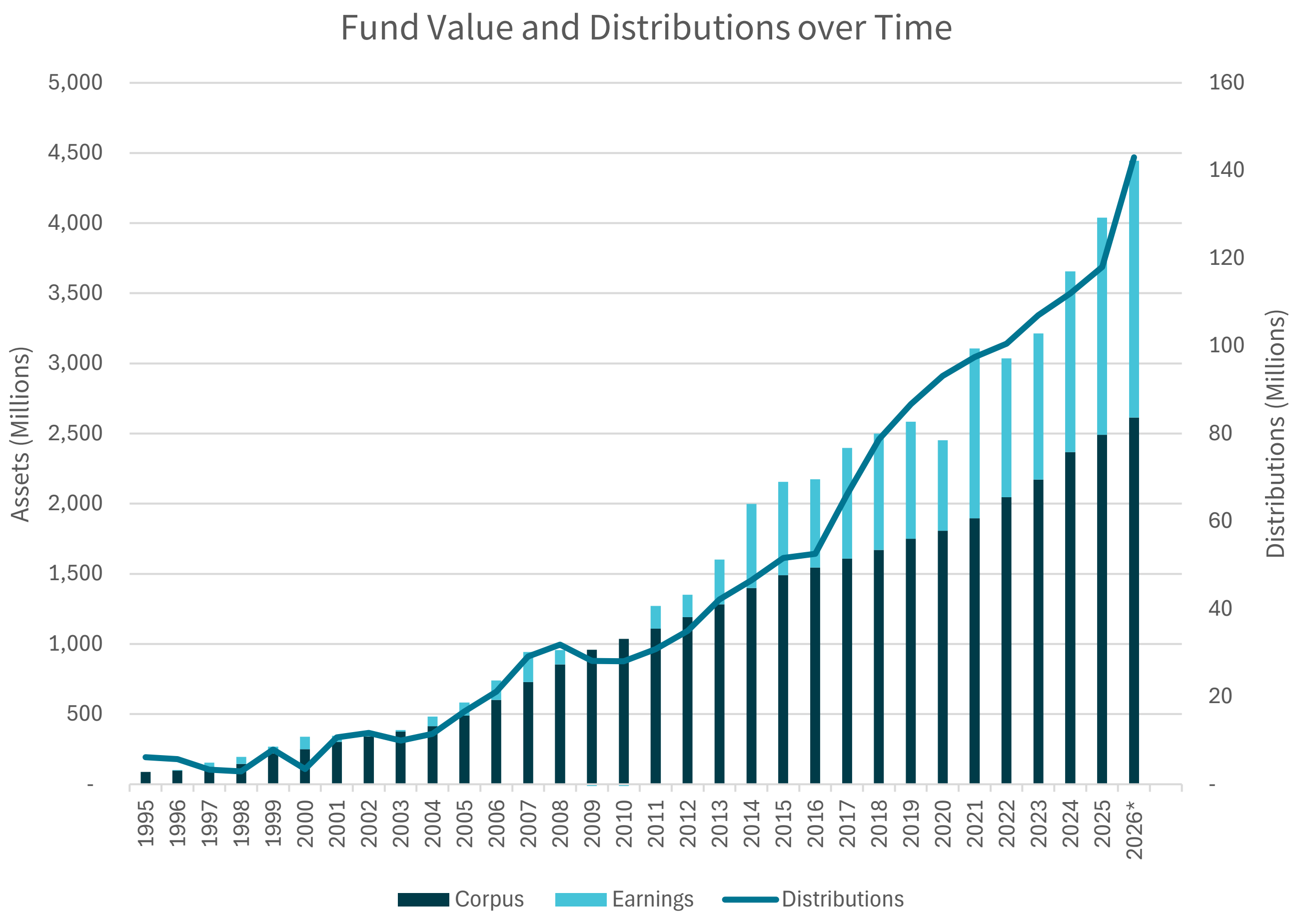


Chart adapted from SITFO FY2025 Audited Financial Statements, with the addition of 3/31/26 market value and FY26 beneficiary distributions.

Key Insights:

- SITFO's portfolio value has grown to approximately $4.6 billion through disciplined, long-term investment management.
- In FY2026, SITFO is projected to distribute a record-breaking $143.5 million to its 11 beneficiaries.
- Building on this momentum, FY2025 investment performance exceeded SITFO's primary investment objectives.
- Since FY1995, SITFO has distributed nearly $1.5 billion to beneficiaries while continuing to grow and strengthen the permanent fund portfolio.

Portfolio complexity and diversification has increased as the fund has grown.

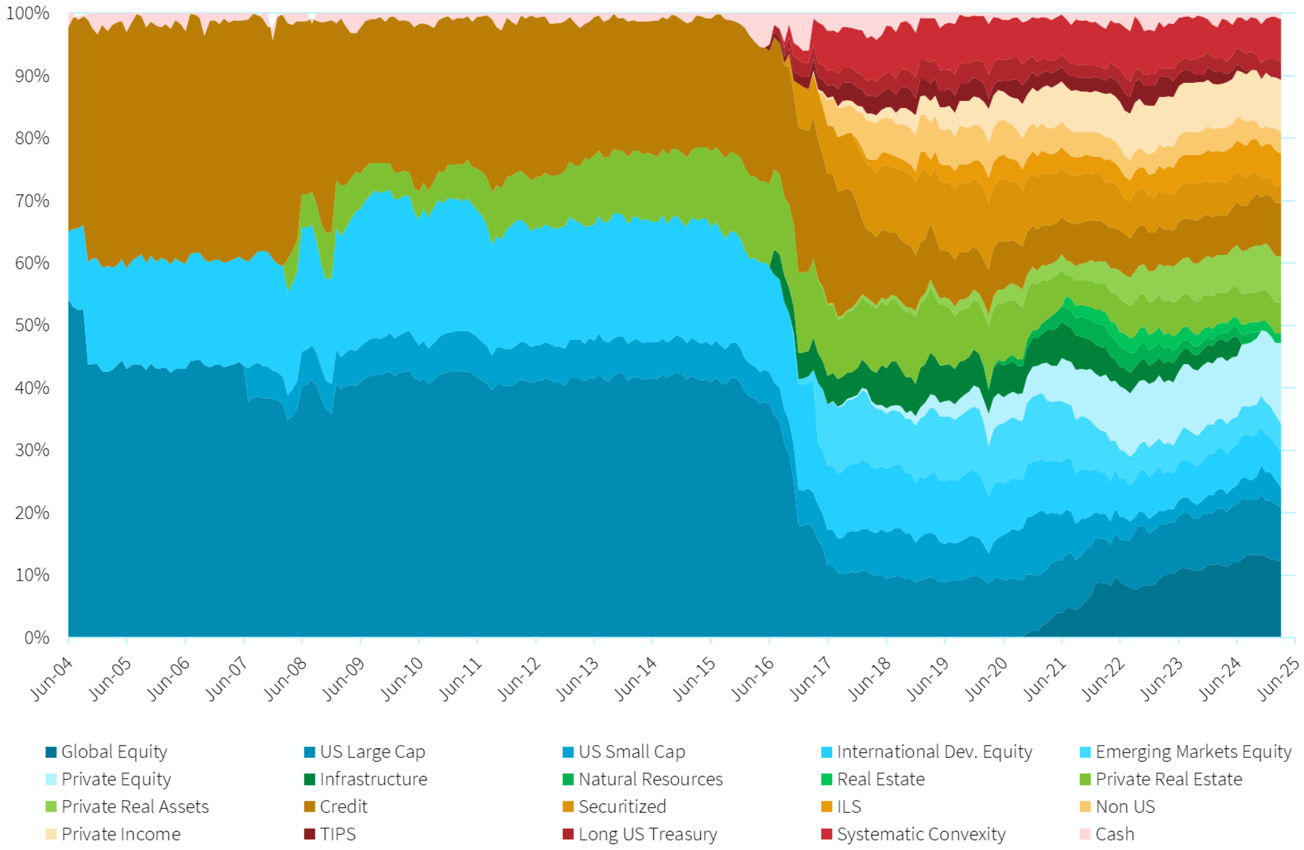


Chart from SITFO Stakeholder Dashboard with Asset Allocation as of FY25.

Key Insights:

- As the portfolio has grown in size, diversification and specialization have become increasingly important drivers of long-term growth and risk management.
- New asset classes introduce additional operational requirements, liquidity considerations, risk exposures, and governance demands.
- Managing a more institutional portfolio requires deeper specialization, stronger systems, and expanded investment expertise.

The only performance metric SITFO is not currently meeting is employee turnover.

SITFO Performance Metrics

Annualized Volatility
Target: < 8.23
Actual: 4.58
Target achieved. SITFO volatility was 56% of the comparison portfolio.

Staff Development
Target: 6 hours/FTE
Actual: 8.31 hours
Target achieved. SITFO held 9 total development sessions in the fiscal year.

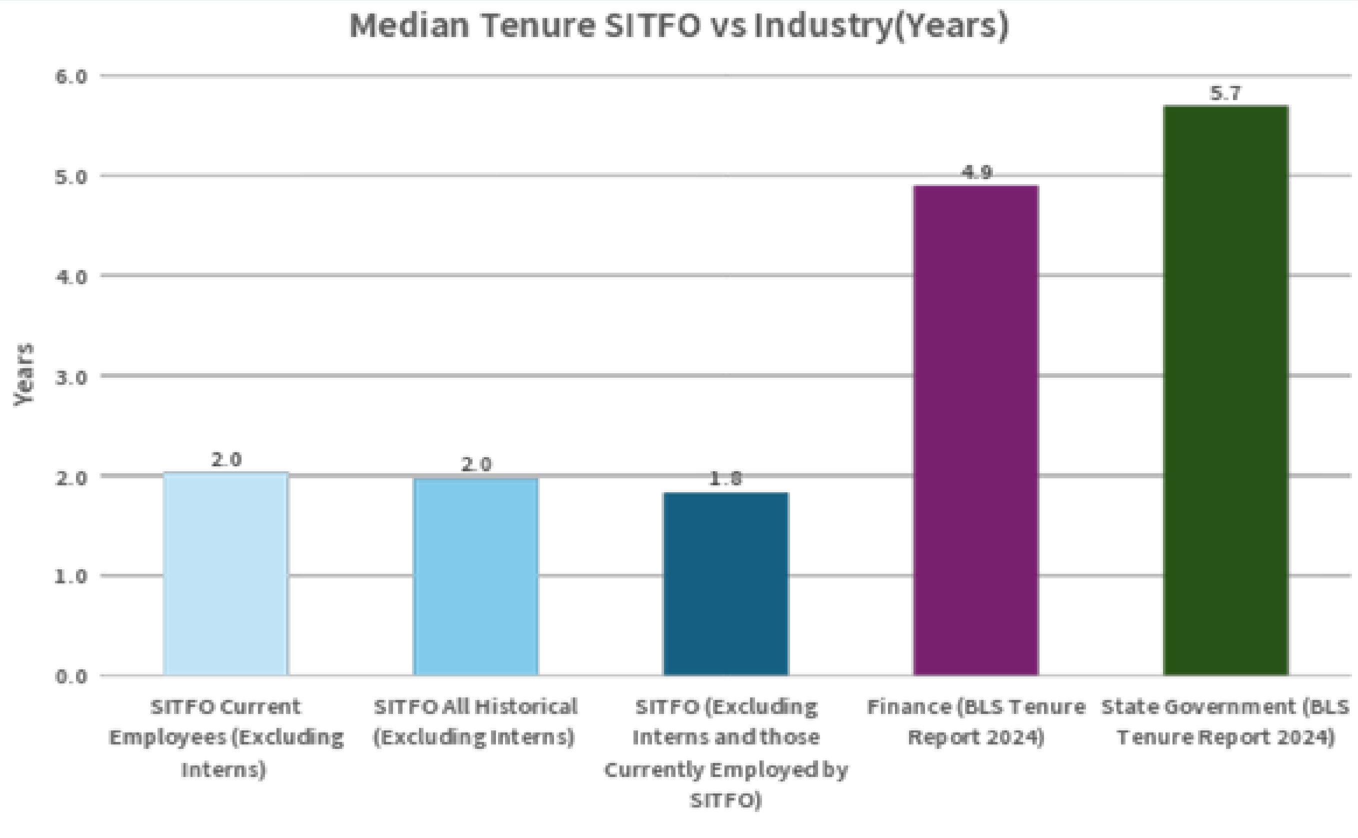
Staff Turnover
Target: < 25% (3yr)
Actual: 63.6%
Target not achieved. 7 out of an average of 11 full-time employees left over the last three years.

Fund Distributions
Target: 3% Increase
Actual: 4.79%
Target achieved. School Fund distributions increased from $106.2M to $111.3M.

Fund Performance FY25
Target: 7.79%
Actual: 10.85%
Target achieved. SITFO outperformed the target fund return of CPI+5% which was 7.79% as well as the interim benchmark which returned 8.82%

Performance Metrics reported as of FY25.

The median tenure for SITFO staff is 41% and 35% of the comparable industries of Finance and State Government, respectively, according to the Bureau of Labor Statistics 2024 report.



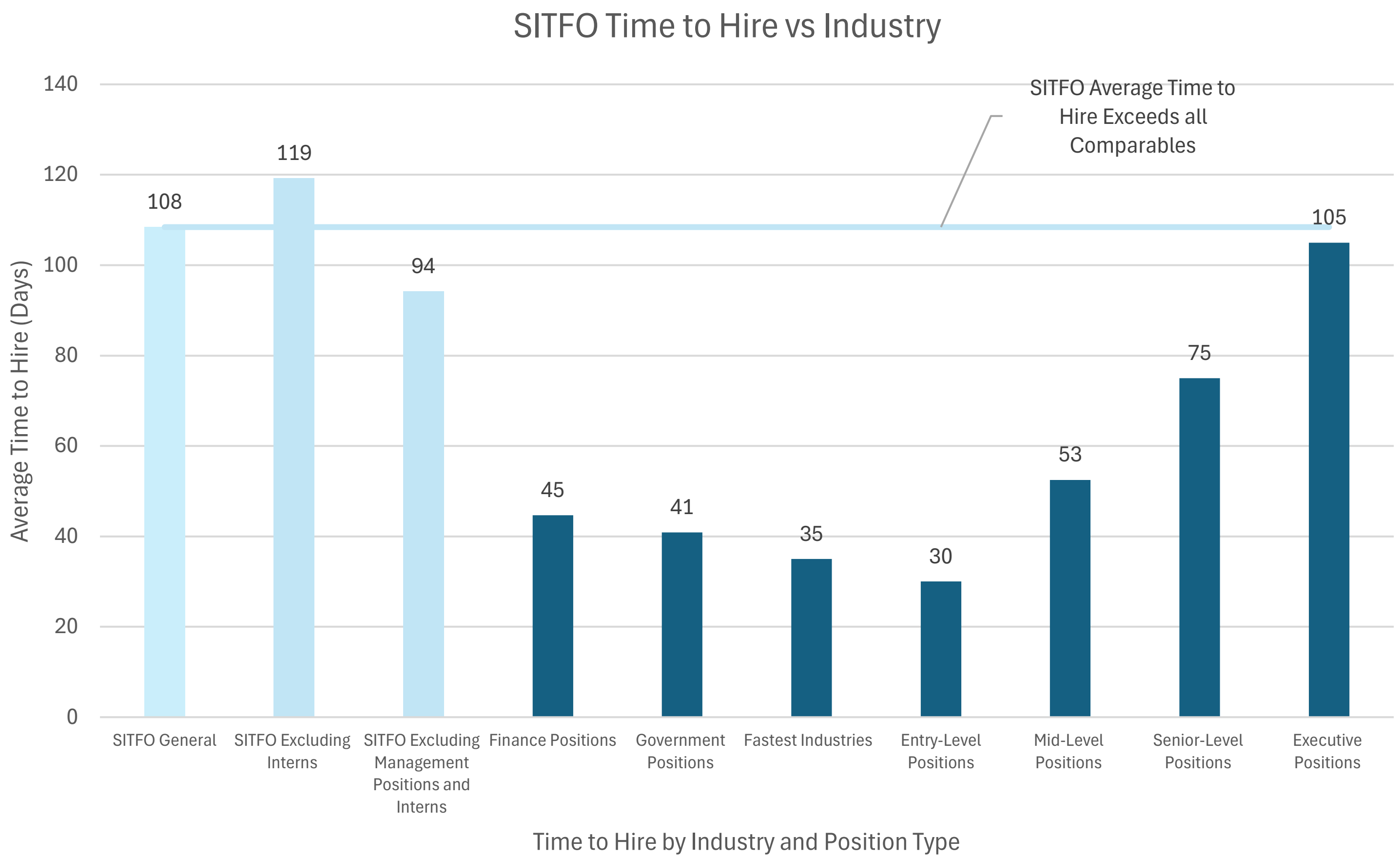
Key Insights:

- The median tenure for SITFO (**2.0 years**) is significantly lower than the lowest-tenured industries reported by the BLS in 2024.
- High churn sectors like **Retail (2.9 years)** and **Social Assistance (2.7 years)** maintain longer employee retention.

SITFO data provided by State of Utah, Division of Human Resource Management in January 2026.

Benchmark data source: U.S. Bureau of Labor Statistics, "Employee Tenure in 2024" report.

SITFO's average time to hire is over double the time to hire for the comparable industries of Finance and Government.



Key Insights:

- The average time to hire for all SITFO positions is on par with the average time to hire for executive roles.
- SITFO's time to hire exceeds averages for the industries with the longest reported times to hire.

SITFO data provided directly by the State of Utah, Division of Human Resource Management in January 2026.
Benchmark data taken from Average Time to Hire in 2025: Industry Data and Staffing Solutions – The Resource Company, Inc

Tenured employees bear the personal burden of slow hiring, losing 1851 hours of expired leave over 5 years.

Systemic Overtime

High leave loss indicates individuals are working significant overtime and are unable to take reasonable time off.

Forfeiture Cycle

Comp time (leave earned from overtime) is used first to avoid expiry, but annual leave often exceeds the 320-hour carry-over limit and is lost.

Work Year Lost

In the most recent 5 years, SITFO employees have forfeited ~1 full work year's worth of total compensation.

Average Per Person Impact

With an average head count of ~10 over this time frame, this equates to over 4 weeks of lost compensation per person.

4+ Weeks

Avg. Loss/Person

10

Avg. Headcount

Disproportionate Tenure Burden

The reality is closer to 3 highly tenured individuals losing ~15 weeks of compensation each. One of those employees has left SITFO.

~15 Weeks

Individual Loss

3

Key Individuals

SITFO data provided directly by the State of Utah, Division of Human Resource Management in January 2026.

12 individuals have left SITFO in the last five years, this number is higher than SITFO’s average headcount over the same period.

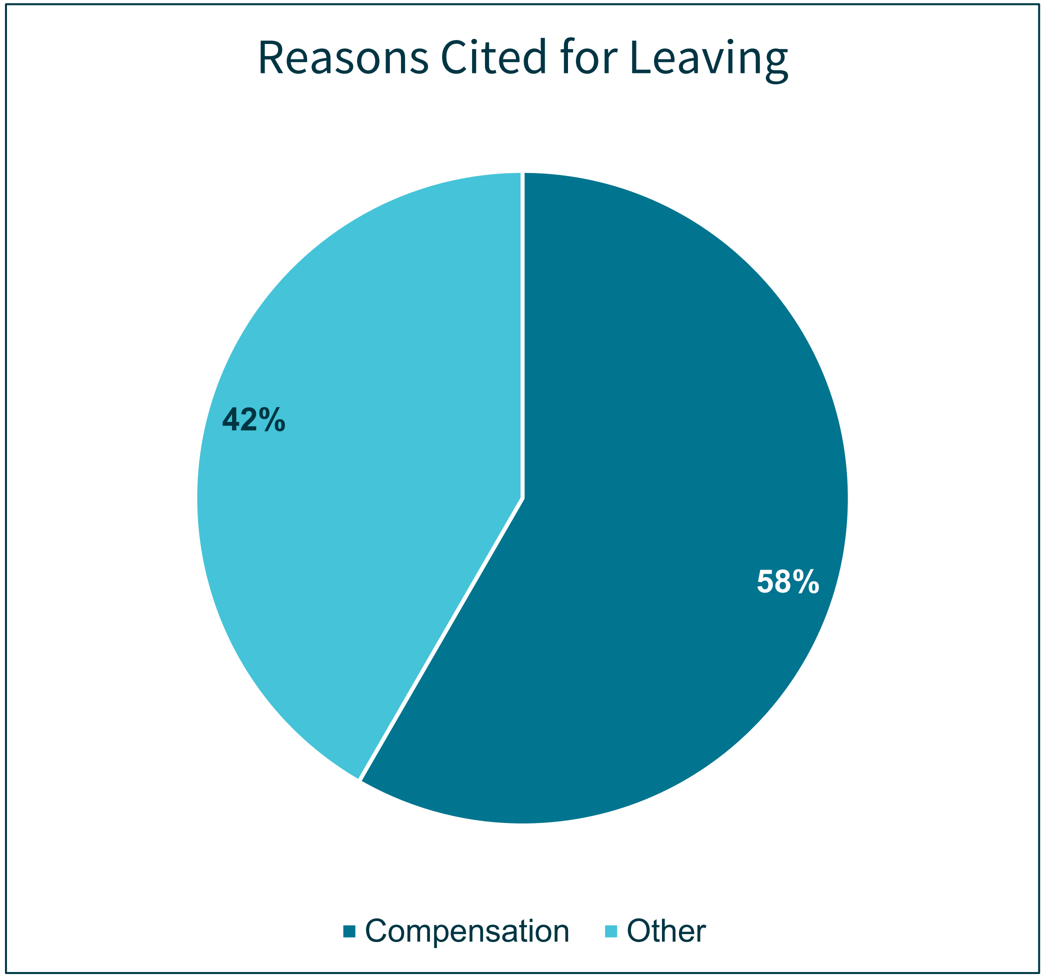
Employee ID	Title	SITFO Tenure (Years)	Calendar Year of Departure
219990	Investment Analyst, SITFO	3.27	2025
214510	Senior Investment Analyst, SITFO	5.58	2025
222533	Assistant Administrative Analyst, SITFO	2.41	2024
218183	Deputy Chief Investment Officer, SITFO	3.44	2024
231675	Investment Analyst, SITFO	1.65	2024
226415	Senior Investment Analyst, SITFO	1.83	2024
229261	Finance and Operations Analyst, SITFO	0.37	2023
223512	Senior Investment Analyst, SITFO	1.39	2023
217805	Investment Analyst, SITFO	1.42	2022
208427	Assistant Administrative Analyst, Sitfo	3.37	2021
206306	Assistant Administrative Analyst, Sitfo	1.75	2021
218971	Assistant Administrative Analyst, SITFO	0.54	2021

Key Insights:

- 7 of these departures have occurred since the most recent salary range adoption.

SITFO data provided directly by the State of Utah, Division of Human Resource Management in January 2026.

Compensation is driving the long hiring times and short tenure.



Key Insights:

- 7 out of 12, or 58% of these departures, had compensation cited as a primary or contributing reason for leaving SITFO.
- Among candidates who did not identify compensation as a factor in their departure, some may not have been the strongest long-term fit for the role. In certain cases, compensation constraints may have limited the ability to attract and secure candidates who were more closely aligned with the position and potentially more likely to remain with the organization over time.

SITFO data provided directly by the State of Utah, Division of Human Resource Management, reason for leaving provided by SITFO Management.

Human Resource, non-industry specific benchmarks estimate employee attrition costs organizations 50%–200% of salary, with senior roles and longer replacement timelines at the high end.

Benchmark Estimate of SITFO Attrition Costs in the Last 2 Years

Employee	Salary	Low-Estimate Cost of Leaving	High-Estimate Cost of Leaving
Total	$710,216	$355,108	$1,420,432
Deputy Chief Investment Officer	$255,008	$127,504	$510,016
Senior Investment Analyst	$160,410	$80,205	$320,819
Senior Investment Analyst	$129,854	$64,927	$259,709
Investment Analyst	$94,952	$47,476	$189,904
Investment Analyst	$69,992	$34,996	$139,984

Key Insights:

- Based on heuristics for turnover alone, employee attrition has cost the beneficiaries between $355K and $1.4M over the last two years.
- This cost would likely be closer to $1.4M for SITFO due to longer hiring times, specialized roles, and long times ramping.
- At SITFO's current churn rate, using this heuristic, it is likely to cost the beneficiaries $1.7M in the next two years.

Benchmark source triangulated from GALLUP, HuffPost, Work Institute, Society of Human Resource Management.

For investment allocators like SITFO, true attrition costs likely exceed standard benchmarks, driven by downstream impacts on investment decision-making, performance, and organizational continuity.

Risks of High-Volume Churn or Leadership Attrition

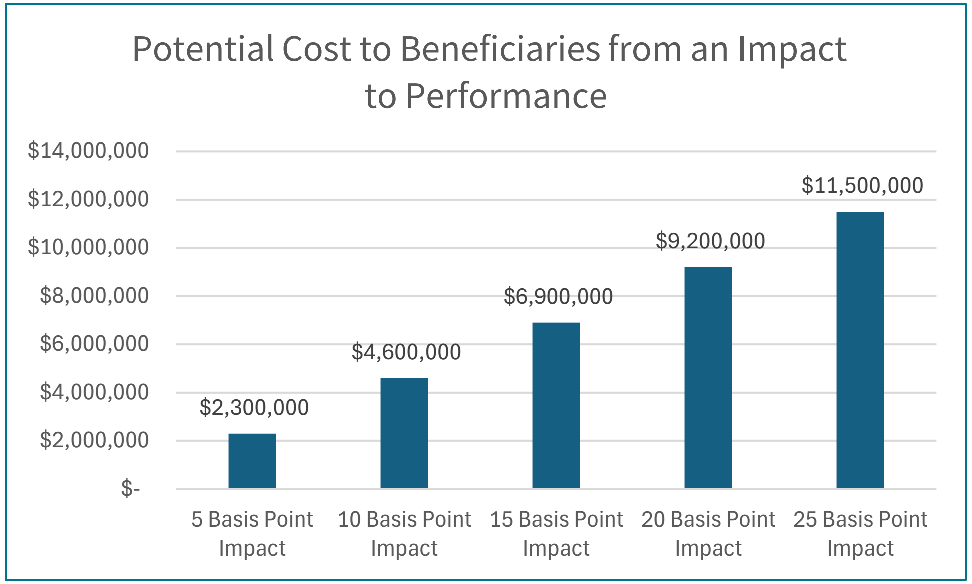
Productivity & Decision Gaps
New initiatives often stall and manager re-ups face delays. Tactical investment decisions are reduced as remaining focus shifts to maintaining basic operations and the hiring process.

Investment Performance Impairment
Loss of critical institutional knowledge regarding GP dynamics and fundraising capacity. Risk of losing access to top-performing, capacity-constrained funds.

Governance & Operational Risk
Interim periods foster conservative, consensus-driven decisions that may result in underperformance. Resource constraints increase the risk of complacency and oversight failure.

Direct Replacement Costs
Significant time drain on existing senior staff for sourcing and interviewing. Market dynamics often necessitate increased compensation to attract qualified talent.

A lack of ability to retain talent has the potential to negatively impact the performance of the organization in the future.



Key Insights:

- If investment decisions or operations are disrupted by high workforce turnover or the loss of key leadership, even a modest resulting 5-basis-point decline in fund performance could cost beneficiaries millions of dollars.

SITFO has a history of strong fiduciary responsibility and broadly conservative spending when compared with peer institutions.

- SITFO spends 12 basis points on expenses which is less than peers.
- Interpolating between spending of smaller and larger peer institutions, 15-16 basis points would be the expected spend for SITFO's fund size.
  - → Size is a major driver of relative costs.

SITFO Spending

Expense	SITFO
Custody, FOS	.01%
Investment Consultant	.02 %
Data, Risk, Audit	.01 %
Operating Budget	.08 %
Total	**.12 %**

*As a percent of Total Portfolio Value of $4.6 B

Peer Spending

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.*

While self-funded, SITFO faces constraints of operating within a government system with longer timelines for newly approved salary ranges getting factored into the budget.

SITFO

Compensation Study and Committee Review

- **Jan 2026** – Compensation committee convenes and study begins
- **Mar 2026** – The Compensation Committee reviews materials and findings from the compensation study.
- **May 2026** – The Compensation Committee establishes recommendations for salary ranges.

Board Review and Budget Generation

- **Jun 2026** – The SITFO Board of Trustees approves proposed salary ranges
- **Aug 2026** – SITFO uses new ranges to generate the budget appropriation request.
- **Sep 2026** – The SITFO Board of Trustees approves the budget appropriation request.

Budget Appropriation Approval Process

- **Sep 2026** – Comp prep and budget prep are submitted to the state for review.
- **Oct-Nov 2027** – SITFO responds to questions from legislative analysts.
- **Jan 2027** – The budget appropriation request is presented at the capitol.
- **Feb-Mar 2027** – Budget is approved by house and senate and signed by the Governor.
- **Jul 2027** – Budget incorporating new ranges takes effect.

Full cycle begins again 3 years from the start date.

18-Month Process

All SITFO data provided directly by the State of Utah, Division of Human Resource Management
Benchmark data taken from Average Time to Hire in 2025: Industry Data and Staffing Solutions – The Resource Company, Inc

SITFO is competing with the private and public sectors for talent.

SITFO

Current Employers of Prior SITFO Employees

Public Sector:

MISSOURI LAGERS

X 2

Private Sector:

charles SCHWAB

MEEDER

COVISION LIMITED

CrossRange Investment Management (CRIM)

STORM CAPITAL PARTNERS

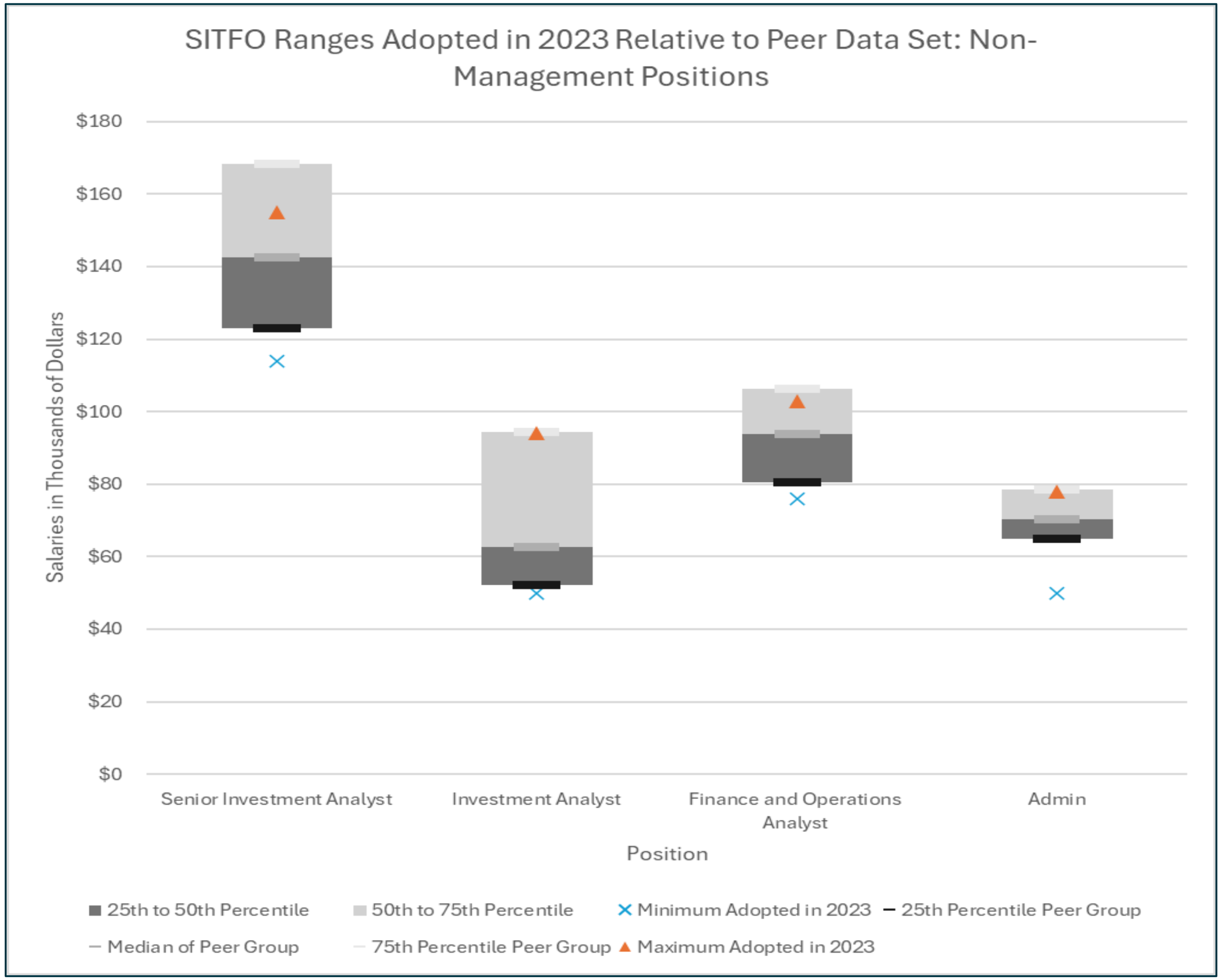
LNW

Key Insights:

- For SITFO employees who have left in recent years, only two have gone to other public sector positions. All others have gone to work in the private sector.

Based on available public information for prior employees.

Ranges in 2023 were inconsistently set relative to the peer group and did not account for the time between data collection and implementation.



Key Insights:

- Salary maximums for non management positions were set around the 75th percentile while minimums were set close to or below the 25th percentile using a 75% public 25% private blend.
- The data was over a year old at the time it was leveraged for implementation.

McLagan (Aon) provided peer group data with a 75% public, 25% private data blend.

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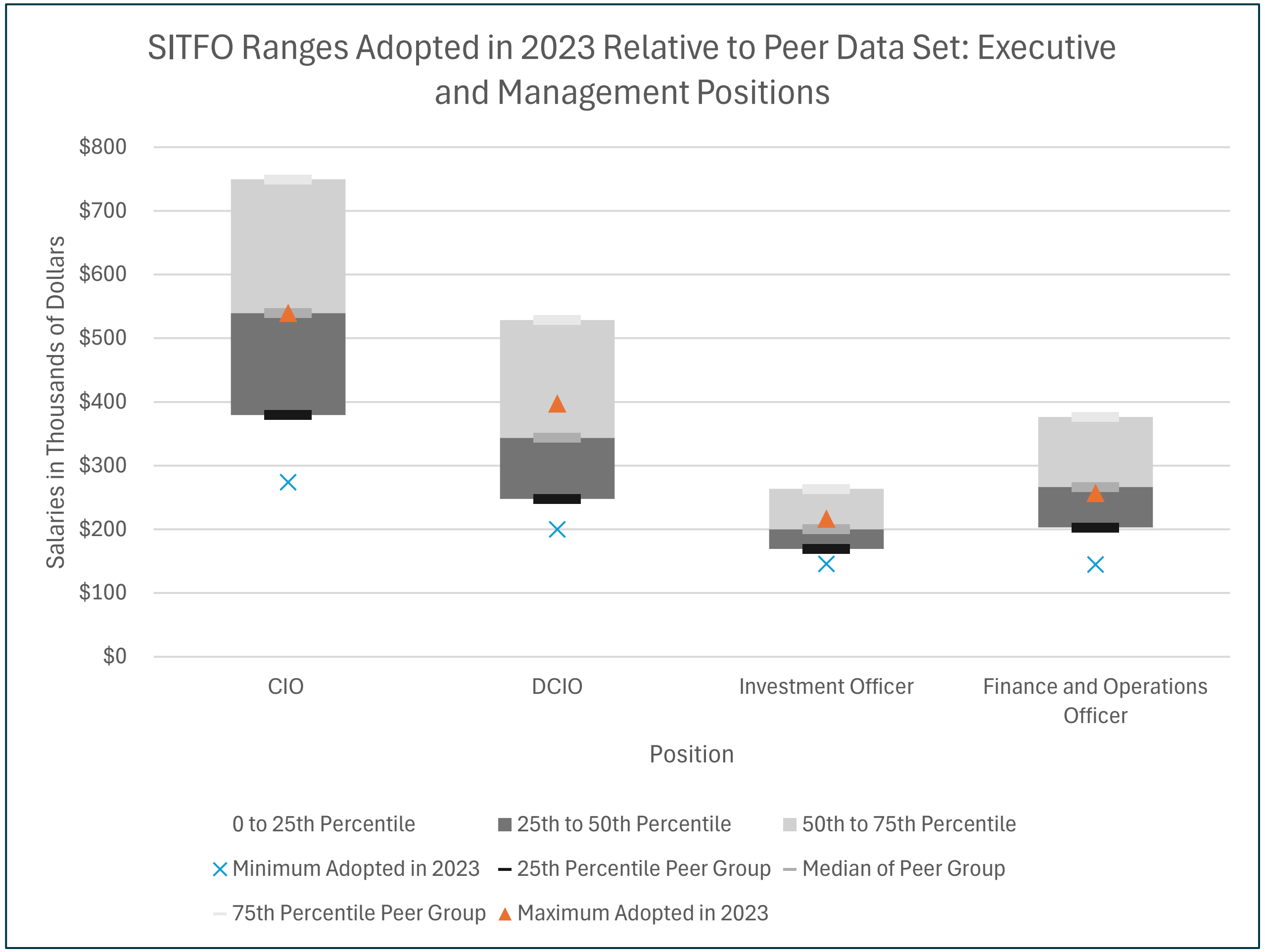
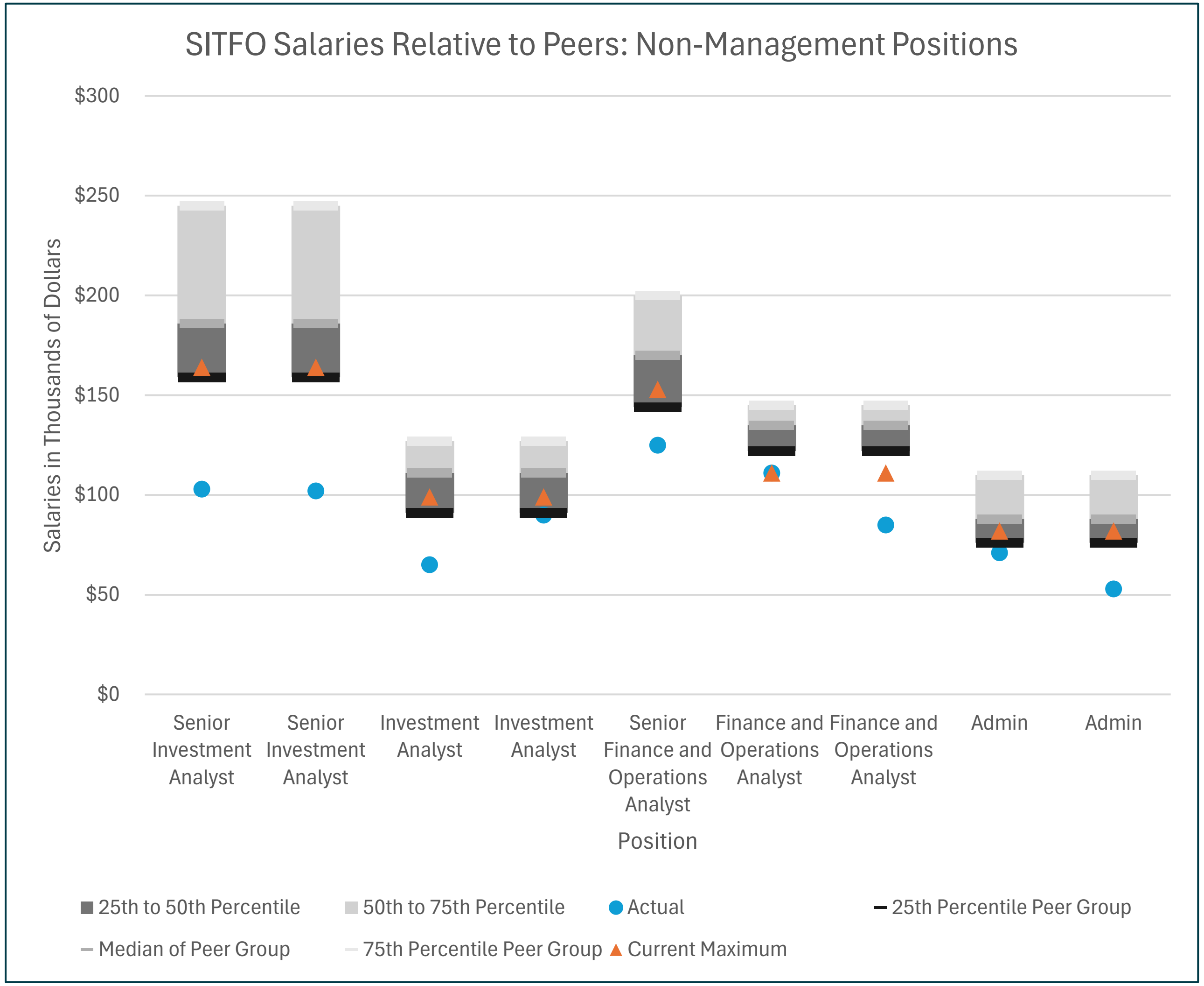


Key Insights:

- Salary maximums for management and executive positions were set around the 50th percentile while minimums were set below the 25th percentile using a 75% public 25% private blend.
- The data was over a year old at the time it was leveraged for implementation.

McLagan (Aon) provided peer group data with a 75% public, 25% private data blend.

All non-management SITFO individuals are currently getting paid below the 25th percentile for peer group.

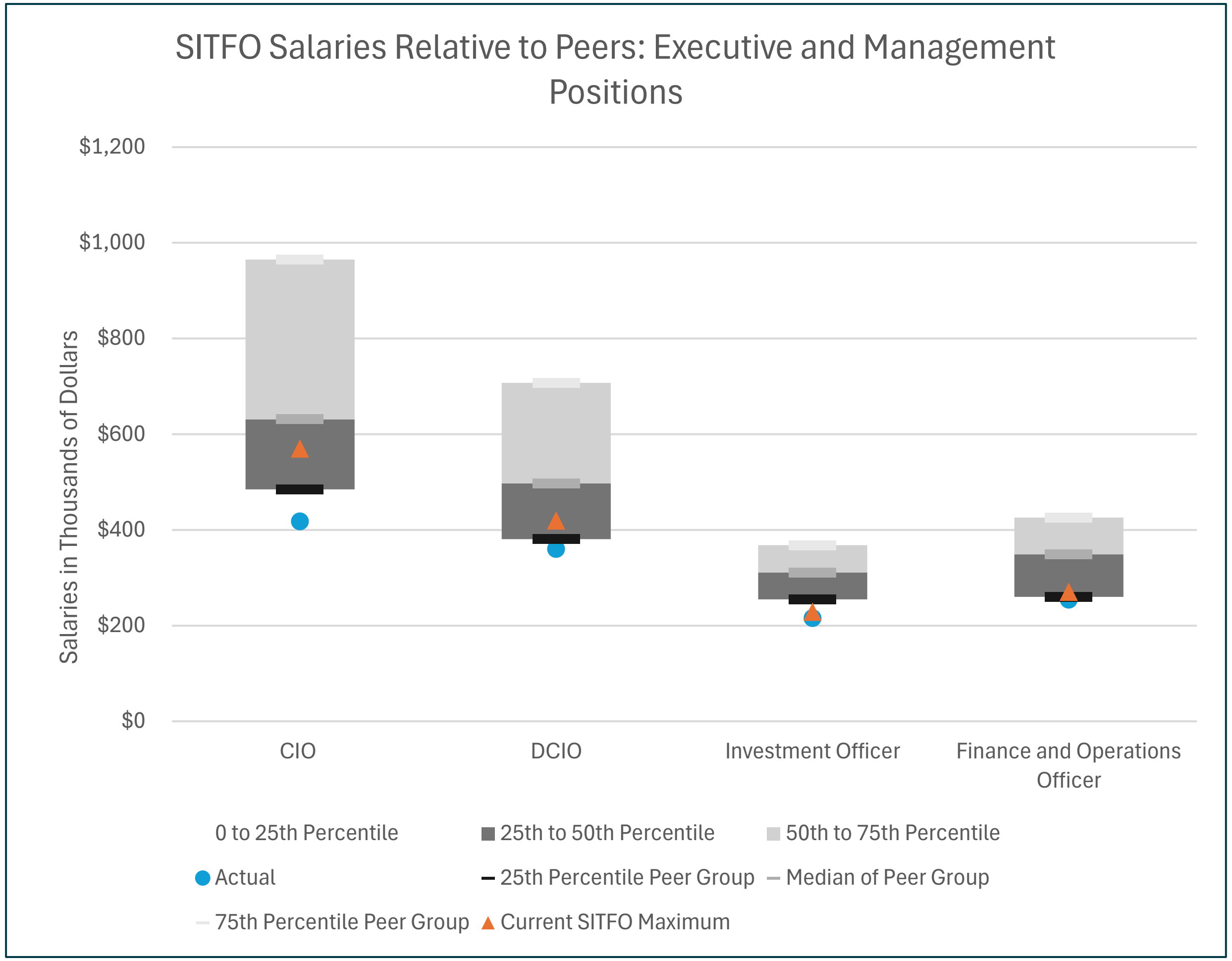


Key Insights:

- All SITFO employees currently fall below the 25th percentile in total compensation compared to peer group.
- The state-wide cola to adjust ranges for inflation has not been sufficient to keep ranges aligned with the market.
- Due to performance guidelines around SITFO ranges individuals rarely are paid in the top quartile or maximum of their ranges.
- Even the highest performing individuals maxed out within their ranges could not earn a competitive salary relative to market. The current range maximums fall close to the 25th percentile or below for their established peer groups.
- Only one of 9 non-management employees is getting paid above the 25th percentile even relative to public peers exclusively That amount is still only $2k higher than the 25th percentile and still falls $18K below the median.

McLagan (Aon) provided peer group data with a 75% public, 25% private data blend.

All executive and management SITFO individuals are currently getting paid below the 25th percentile for peer group.



Key Insights:

- All SITFO employees currently fall below the 25th percentile in total compensation compared to peer group.
- Due to performance guidelines around SITFO ranges individuals rarely are paid in the top quartile or maximum of their ranges.
- Even the highest performing individuals maxed out within their ranges could not earn a competitive salary relative to market. Most of the current range maximums for fall close to the 25th percentile or below for their established peer groups.

McLagan (Aon) provided peer group data with a 75% public, 25% private data blend.

The objective is to have market-oriented, competitive compensation based on a national set of peers which is formulaic and objective, based in logic and is repeatable

Salary Ranges

Job Title	Current Salary Ranges			Proposed Salary Ranges				
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum	% Change in Max	Annualized 3-Yr % Δ
Chief Investment Officer/Director	$289,266	$429,697	$570,128	$367,137	$550,705	$734,273	**29%**	**9%**
Deputy Chief Investment Officer	$211,141	$315,672	$420,202	$282,939	$424,408	$565,878	**35%**	**10%**
Investment Officer	$154,149	$191,631	$229,112	$161,922	$242,883	$323,844	**41%**	**12%**
Senior Investment Analyst	$99,237	$131,446	$163,654	$111,264	$166,896	$222,527	**36%**	**11%**
Investment Analyst	$52,790	$76,014	$99,237	$59,954	$89,932	$119,909	**21%**	**7%**
Finance and Operations Officer	$153,088	$212,212	$271,336	$187,532	$281,298	$375,065	**38%**	**11%**
Senior Finance and Operations Analyst	$108,763	$130,926	$153,088	$92,903	$139,355	$185,806	**21%**	**7%**
Finance and Operations Analyst	$80,246	$95,864	$111,482	$69,569	$104,354	$139,138	**25%**	**8%**
Administrative Assistant	$52,790	$67,579	$82,368	$51,012	$76,518	$102,024	**24%**	**7%**
Intern Analyst	$19,094	$42,474	$65,853					

Methodology:

Peers: Public funds selected by the SITFO Board of Trustee members sitting on the compensation committee. Private funds represent all available data for U.S. Pensions, Endowments, & Foundations.

Peer Group Blend: 75% Public, 25% Private

Max: 75th percentile for public peer group, 50th percentile for private peer group.

Source: McLagan/Aon 2025 Compensation Research

Appendix

Compensation Committee Purpose

- Relevant Utah Code
  - Utah Code § 53D-1-301; 53D-1-303; 53D-1-402; 53D-1-601; 53D-1-602

    Board members, the director, and office staff shall act in the best interests of the beneficiaries and comply with the duty of undivided loyalty to the beneficiaries.
  - Utah Code § 53D-1-103(7)(b)(i)

    Upon a recommendation from the director after the director's consultation with the director of the Division of Human Resource Management, the board may provide that specified positions in the office are exempt from Section 63A-17-307 and the career service provisions of Title 63A, Chapter 17, Utah State Personnel Management Act, as provided in Subsection 63A-17-301(1), if the board determines that exemption is required for the office to fulfill efficiently its responsibilities under this chapter.
  - Utah Code § 53D-1-103(7)(b)(iii)

    (A) After consultation with the director of the Division of Human Resource Management, the director shall set salaries for positions that are exempted under Subsection (7)(b)(i), within ranges that the board approves.

    (B) In approving salary ranges for positions that are exempted under Subsection (7)(b)(i), the board shall consider salaries for similar positions in private enterprise and other public employment.
  - Utah Code § 53D-1-402

    (1) The director has broad authority to manage the office to fulfill its purposes, consistent with the enabling act, the Utah Constitution, state law, and board policies.

    (2) The director shall:

    …

    (l) establish job descriptions and, within budgetary constraints, employ staff necessary to accomplish the purposes of the office;