

SCHOOL AND INSTITUTIONAL TRUST FUND  
BOARD OF TRUSTEES  
200 EAST SOUTH TEMPLE  
SALT LAKE CITY, UT  
January 28, 2016

Draft Minutes

Board Members Attending: David Damschen, John Lunt, Kent Misener, David Nixon and Duane Madsen (by phone).

Others Attending: Peter Madsen, SITFO; Allen Rollo, Treasurer's Office; Michael Green, Utah AG; Natalie Gordon, USOE; Ryan Kulig, SITFO; Nathan Barnard, SITFO.

**1. Call Meeting to Order**

Mr. Damschen called meeting to order.

**2. Approval of Minutes**

The first item of business was the approval of the minutes from the November 20, 2015 meeting and the December 18, 2015 meeting. Mr. Lunt initiated the motion to approve, Mr. Misener seconded the motion. The motion to approve the minutes from November 20, 2015 and December 18, 2015 was unanimously passed by Board members.

**3. Staffing Update**

Mr. Peter Madsen introduced Ryan Kulig, Administrative Analyst and Nathan Barnard, Senior Investment Analyst. The board welcomed the new staff.

**4. Investment Beliefs**

Mr. Peter Madsen introduced the investment beliefs document and outlined the changes that were made since last meeting. The Board made several suggestions that will be addressed and implemented for review at the next meeting.

**5. Investment Consultant**

Mr. Peter Madsen indicated the field had been narrowed down to two finalists. Mr. Barnard added with his own due diligence he supports Mr. Peter Madsen's recommendation. The board supported the recommendation that the two finalists present at the March Board meeting.

**6. Custody Search**

Mr. Peter Madsen made a recommendation to move forward with a consultant in the custody search. Mr. Nixon noted he would like the staff to consider another consultant. Mr. Peter Madsen agreed and will have both firms present and he will make a final recommendation at the next Board meeting. Mr. Nixon made the motion to continue the search with the additional firm. Mr. Misener seconded the motion; the board unanimously passed the motion.

## **7. Investment Review**

Mr. Peter Madsen noted the reduction of equity exposure in the Permanent School Fund and the increase in the cash position to 2%. The Fund will continue to reduce equity exposure and develop a cash allocation of approximately 5%. The asset allocation will remain within ranges.

## **8. Quarterly Budget Review**

Mr. Peter Madsen introduced the budget for the SITFO office and introduced Mr. Kulig to review key line items. Mr. Kulig noted there are significant one-time expenses for office set up and he expects both FY 16 and FY 17 to remain under budget.

## **9. Distribution Policy**

Ms. Gordon provided a draft amendment to the Utah Constitution for review.

## **10. Adjourn**

Mr. Misener made the motion to adjourn with no debate from the board. The meeting was adjourned.