

SCHOOL AND INSTITUTIONAL TRUST FUND
BOARD OF TRUSTEES
200 EAST SOUTH TEMPLE
SALT LAKE CITY, UT
May 18, 2016

Minutes

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

Others Attending: Peter Madsen, SITFO; Allen Rollo, Treasurer's Office; Kirt Slaugh, Treasurer's Office; Michael Green, Utah AG; Natalie Gordon, USOE; Ryan Kulig, SITFO; Nathan Barnard, SITFO; Tracy Miller, Utah PTA; David Center, FEG.

1. Call Meeting to Order

Mr. Damschen called meeting to order.

2. Approval of Minutes

Mr. Lunt made the motion to approve the minutes, Mr. Misener seconded the motion and the Board passed the motion unanimously.

3. Work Plan

Mr. Peter Madsen reviewed the work plan with the Board. Mr. Green noted that a Board training should be added to the work plan for January. Staff took note of the addition.

4. Quarterly Budget Review

Mr. Kulig reviewed the current office budget with expenses recorded through fiscal period 10. He noted the office remains under budget for fiscal year 2016.

5. Investment Beliefs

Mr. Peter Madsen presented a clean version of the document to the Board. Mr. Misener recommended minor edits. The staff made note of the changes. Mr. Misener made the motion to adopt the Investment Beliefs document, Mr. Duane Madsen seconded the motion and the Board passed the motion unanimously.

6. Investment Policy Statement

Mr. Peter Madsen introduced an updated version of the Investment Policy Statement. The Board recommended changes to be included in the next draft. The staff will incorporate the changes and submit a non-marked version for review at the next Board meeting.

7. Asset Allocation

Mr. Center reviewed the results of the portfolio construction survey with the Board. He also introduced a study done by FEG in collaboration with SITLA on the revenue into the fund and the correlation it has to different asset classes. Next he reviewed the Capital Market Assumptions that

FEG prepared for 2016. Mr. Barnard introduced the asset allocation summary with four target portfolios. Mr. Nixon noted he would like to see additional analysis leading up to the asset class constrained versions. Mr. Lunt also commented that a higher equity allocation would be worth exploring. The staff took note and will present additional analysis at the next Board meeting.

8. Research Update

Mr. Barnard provided the Board with a structure for the income asset grouping. He noted that there are plans to present selected managers at upcoming Board meetings.

9. Investment Review

Mr. Peter Madsen noted that the cash balance has surpassed the 5% threshold. Mr. Damschen introduced a resolution to allow the cash to remain above the current target. Mr. Duane Madsen made the motion to approve, Mr. Lunt seconded the motion and the Board passed the motion unanimously.

10. Adjourn

Mr. Misener made the motion to adjourn. The meeting was adjourned.