SITFO

School and Institutional
Trust Funds Office

SITFO Summit Agenda | October 6 & 7, 2022

Story of SITFO: Modernizing the Trusts, Executing the Vision, and Supporting the Mission

Anchor Location: Grand Summit Hotel, 4000 Canyons Resort Dr, Park City, UT 84098
Webinar Registration: https://us02web.zoom.us/webinar/register/WN_UIN8uHRsS72LomAT0zEbBA

Day 1: Modernizing the Trusts & Executing the Vision (Past & Present)

Time	Event	Presenter(s)	Location
8:00 am	Breakfast	--	White Pine II
8:45 am	Call Meeting to Order, Introductions	--	White Pine I
9:15 am	Story of SITFO *Charting past, present, and future of the organization, its resources, and portfolio design*	SITFO	White Pine I
10:30 am	Break	--	--
11:00 am	Industry Trends: Evolution of the Allocator *Albourne to discuss allocator trends, past, present, and future*	Albourne	White Pine I
12:00 pm	Lunch	--	White Pine II
1:00 pm	Investment Beliefs *Revisiting, revising, and compiling into an updated document*	SITFO	White Pine I
2:15 pm	Investment Policy & Intergenerational Equity *Clarifying and confirming return objectives and distribution policy*	SITFO / RVK	White Pine I
3:00 pm	Break	--	--
3:30 – 5:30 pm	Networking Activity	SITFO	Lobby
6:30 pm	Friend of the Trusts Award Dinner	Treasurer Oaks	Cabin I

Overnight: Grand Summit Hotel
Meals included: B/L/D

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Day 2: Supporting the Mission (Future)

Time	Event	Presenter(s)	Location
8:00 am	Breakfast	--	White Pine II
9:00 am	Closed Session *Discussion of Sale or Purchase of Identifiable Securities and Investment Funds (Utah Code Section 53D-1-304(6))*	Panelists	White Pine I
11:00 am	Break	--	--
11:15 am	Investment Beliefs *(action item)* *Finishing any discussion and finalizing with formal action*	SITFO / RVK	White Pine I
12:15 pm	Lunch	--	White Pine II
1:15 pm	Investment Policy & Intergenerational Equity *(action item)* *Finishing any discussion and finalizing with formal action*	SITFO / RVK	White Pine I
2:15 pm	Break	--	--
2:30 pm	Closing Remarks	SITFO	White Pine I

Meals included: B/L

October 2022

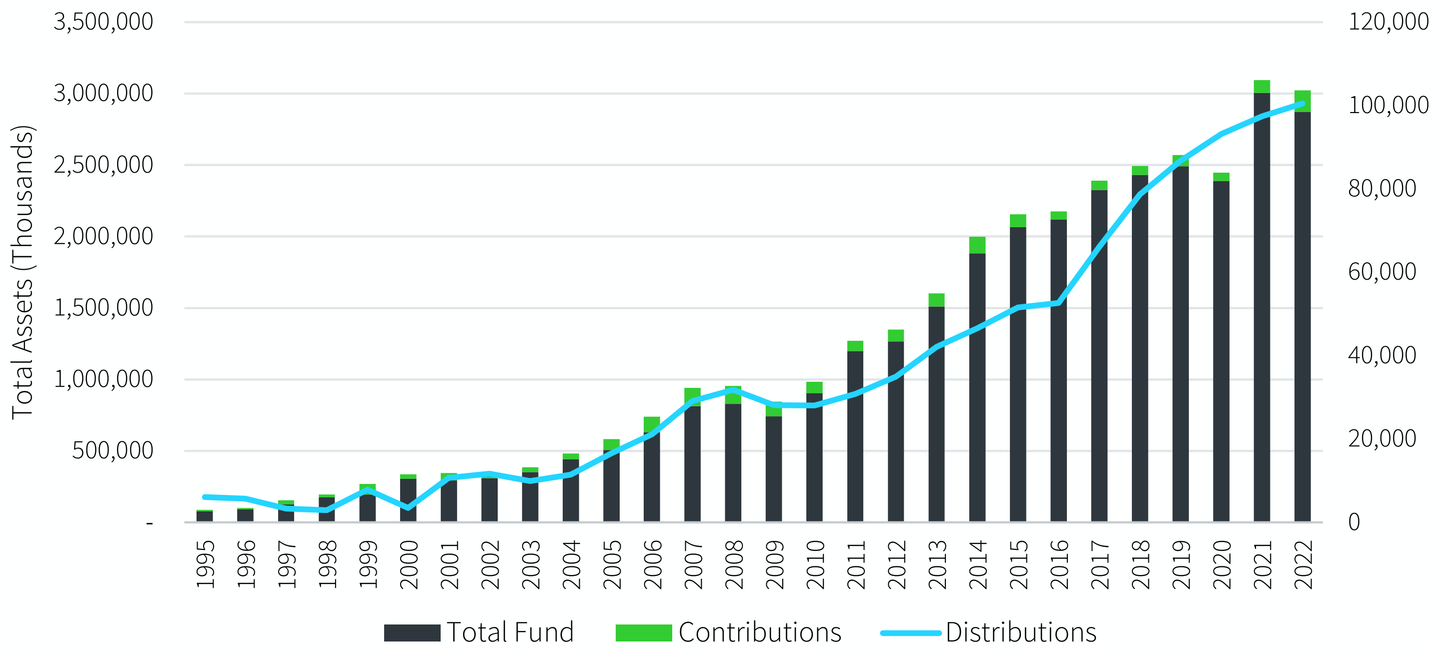
SITFO's Journey

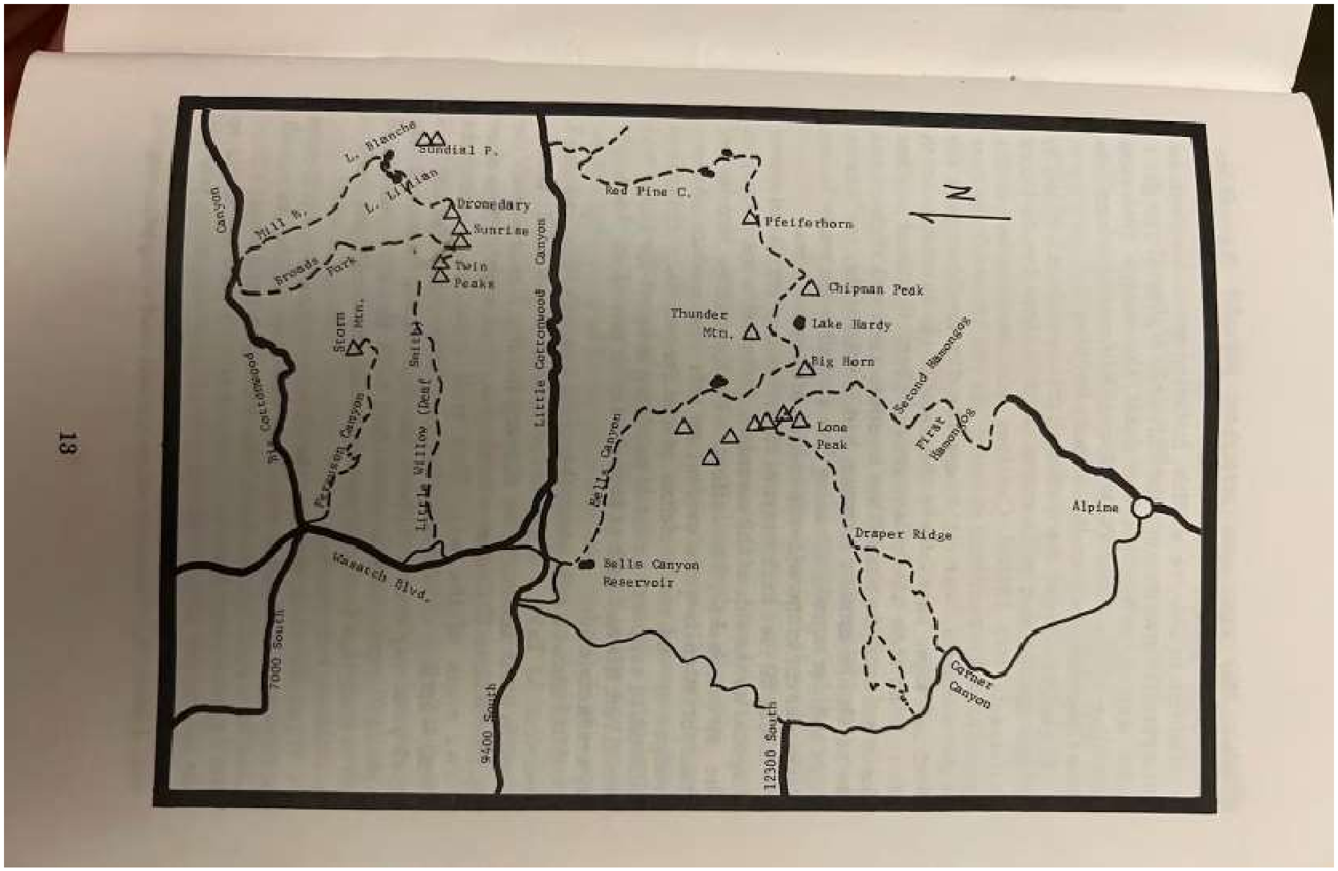
SITFO

School and Institutional Trust Funds Office

Where Have We Been? Where are We Going? What Do We Need?

Where Have We Been? Where Are We Going? What Do We Need?

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Sundial P.
L. Blanche
L. Lillian
Dromedary
Sunrise
Twin
Peaks
Mill B.
Broads Fork
Canyon
Big Cottonwood
Storm Mtn.
Ferguson Canyon
Little Willow (Deaf Smith)
Little Cottonwood Canyon
Red Pine C.
Pfeifferhorn
Chipman Peak
Thunder
Mtn.
Lake Hardy
Big Horn
Second Hamongog
First Hamongog
Lone
Peak
Bells Canyon
Alpine
Draper Ridge
Bells Canyon
Reservoir
Wasatch Blvd.
7000 South
9400 South
12300 South
Corner
Canyon

“Carry a good map and know how to use it” (Great Smoky Mountains Trail Map 1993)

INVESTMENT BELIEFS

This document contains our guiding principles, which inform our decision-making and governance. While not a policy or procedural manual, it gives an overview of who we are, what our mission is, and how we aim to achieve it.

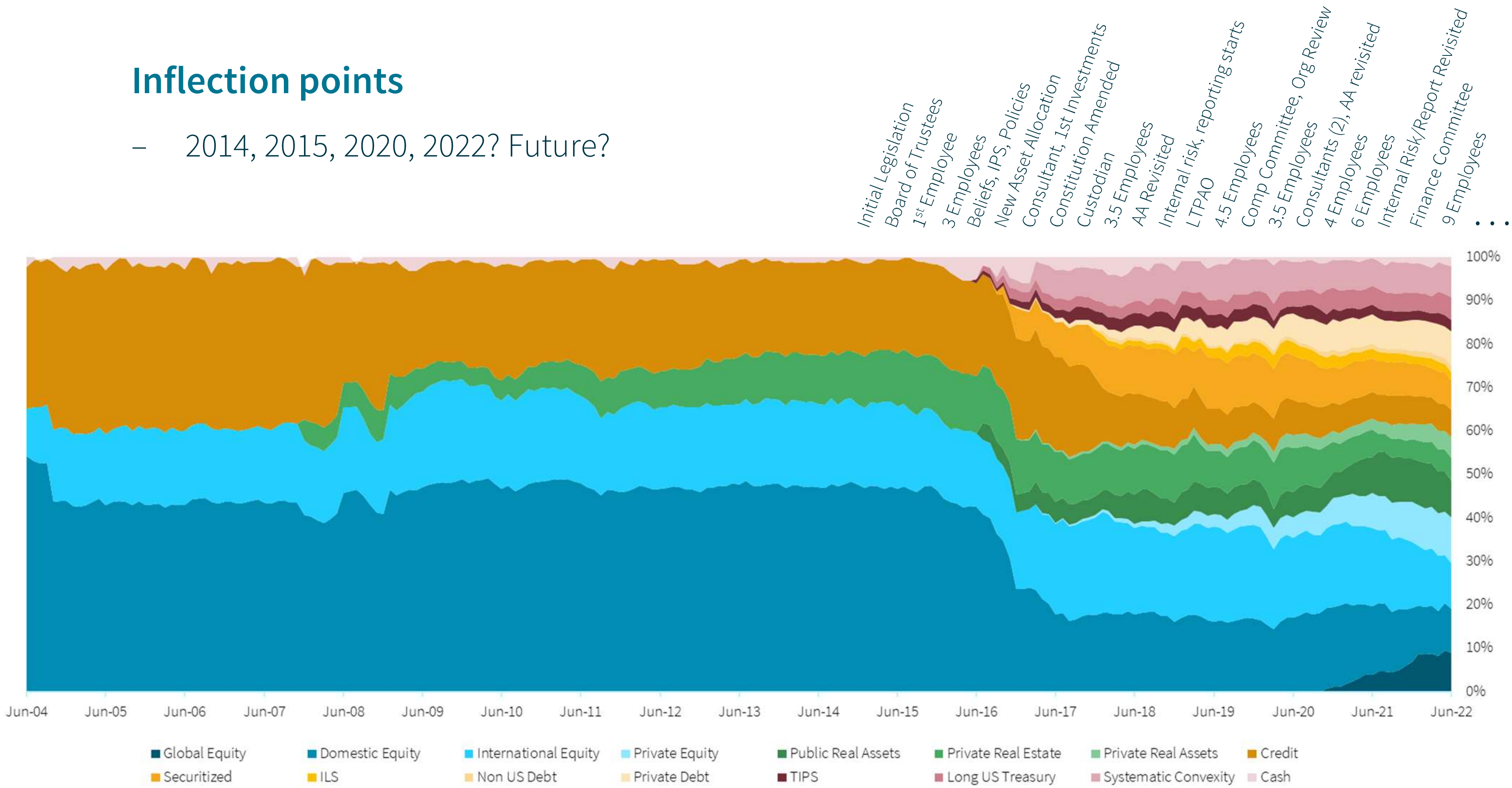
INVESTMENT POLICY

This policy outlines the governing framework within which SITFO operates. It was created in conjunction with the SITFO Board to assist in effectively supervising, monitoring and evaluating the investment of assets.

Where Have We Been?

Inflection points

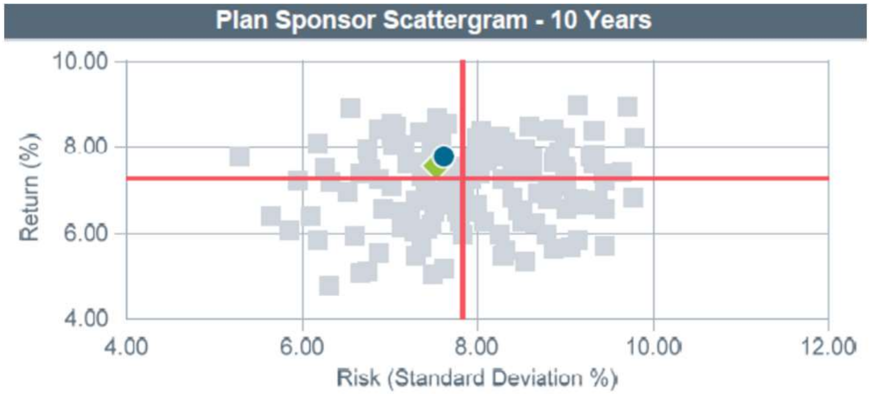
– 2014, 2015, 2020, 2022? Future?



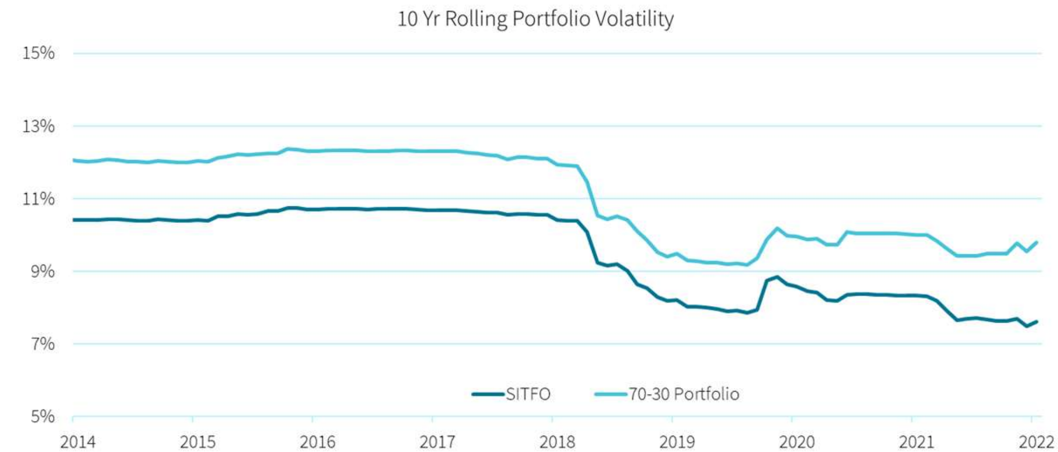
Where Have We Been?

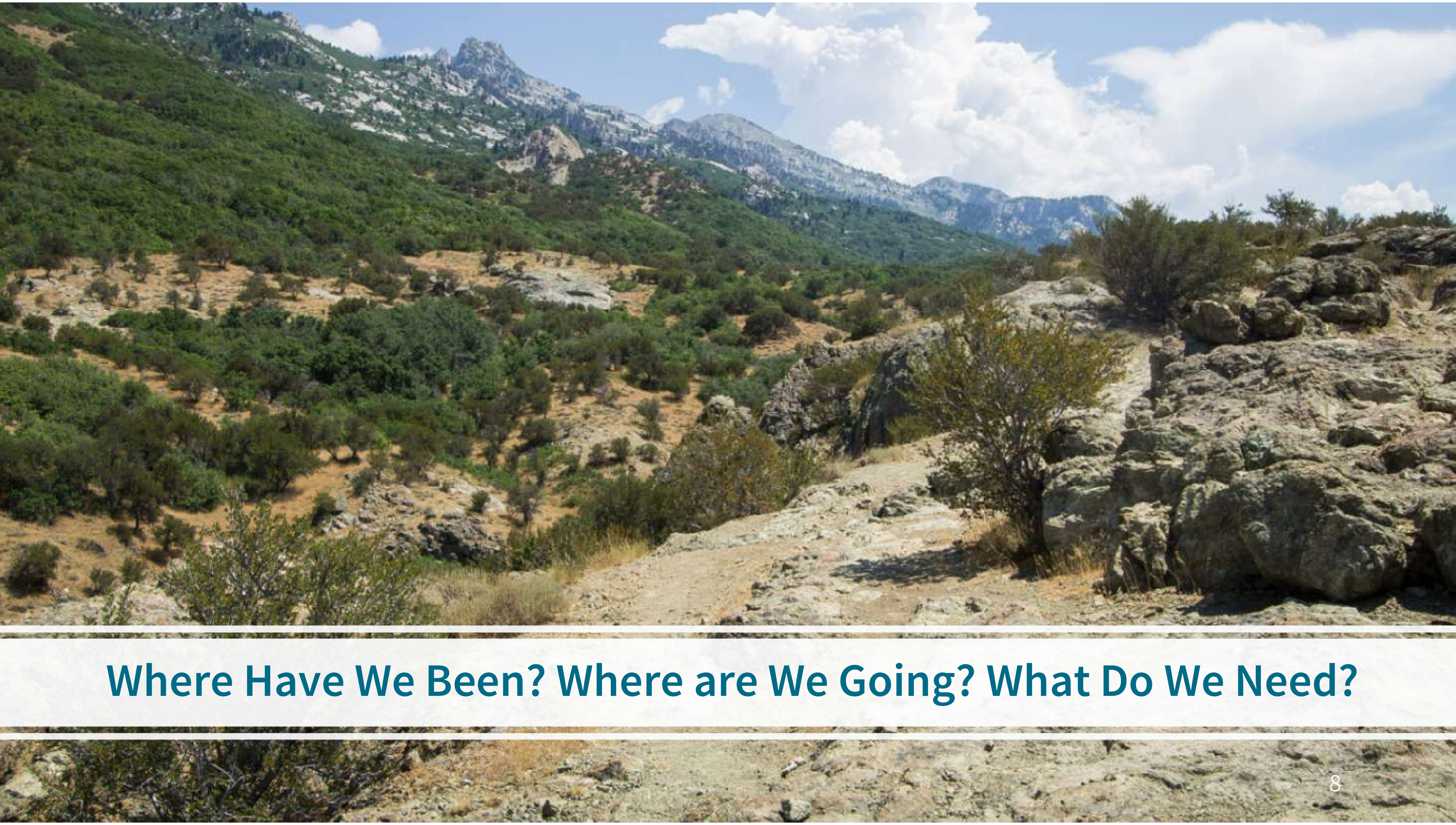
Everything, all the time aimed at meeting expected returns, mindful of risk

- Diversification has not been rewarded, until recently
- Transition to privates, slow start and picking up



	Return	Standard Deviation
Total Fund	7.60	7.53
Total Fund Interim Target Index	7.81	7.62
Median	7.28	7.82





Where Have We Been? Where are We Going? What Do We Need?

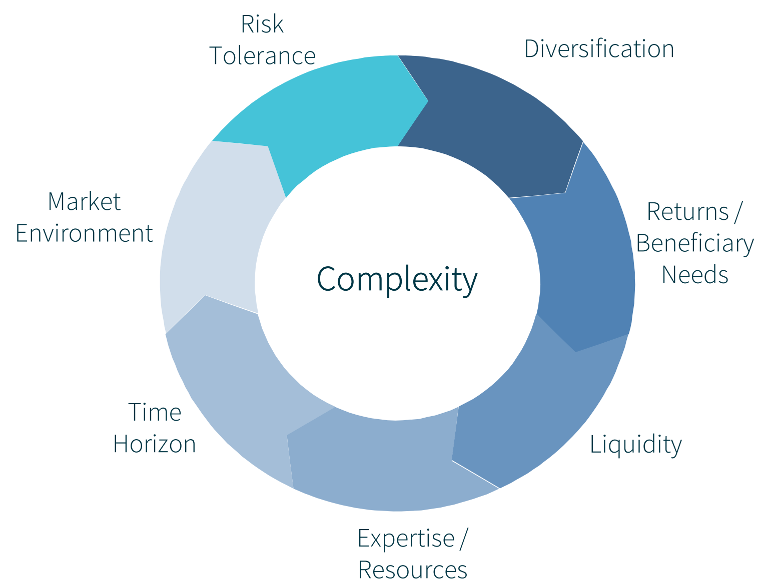
Where Are We Going? What Do We Need? – Complexity & Resources

What is complexity and what are its drivers?

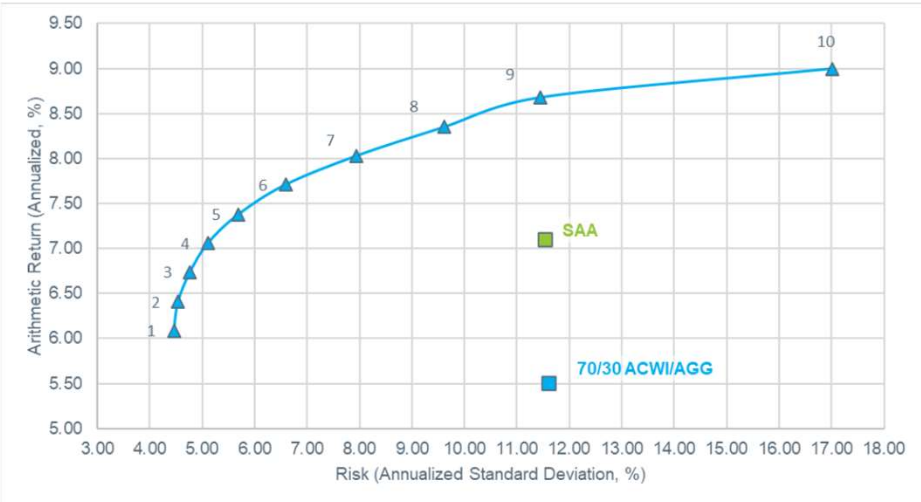
- Diversification? Sophistication? Illiquidity? Lack of expertise? Quantitative? Direct/Internal investments?

How much complexity is necessary, better, worse?

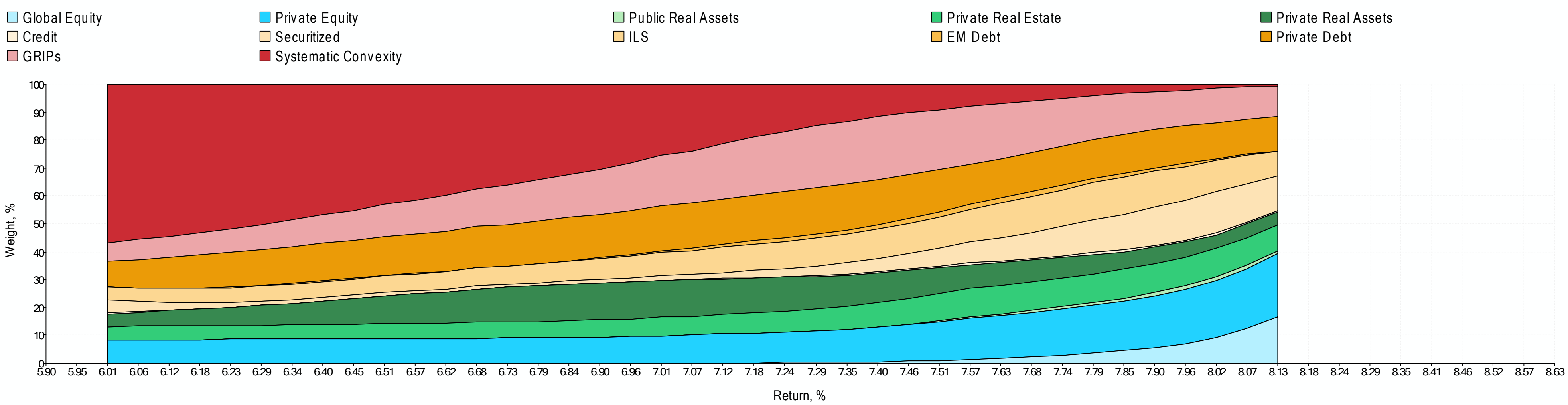
- Objectives
- Risk tolerance
- Governance
- Resources
- Diversification vs diworsification



What Do We Need – How Much Complexity?



	Description	Current (2022) SAA	70/30
Inputs			
Payout %	Gross payout	**4.0%**	**4.0%**
Payout time-period	Years over which payout is calculated	**5**	**5**
Inflow	Spread over each quarter	**$60m pa**	**$60m pa**
Corpus limit	Zero payout if corpus <$1.7bn	**Yes**	**Yes**
Output			
Median return	Includes/exclude inflow/payout as required	**4.8%**	**2.2%**
Risks			
Outcome	90th (low) percentile 10-year annualized return	**0.4%**	**-2.1%**
Inflation	Probability of beating inflation in long term	**88%**	**45%**
Rebalancing	Not being able to make payout from cash or rebalancing trade (worst)	**44%**	**53%**
Fund decline	Probability of a 25% or worse real decline in fund value over 5-years	**47%**	**76%**
Spending	Probability of a 20% or worse real decline in payout over any 5-year period	**23%**	**16%**



Where Are We Going? What Do We Need? – Complexity & Resources

Tops
- Kuiu Kutana Rain Coat
- Kuiu Kenai Insulated Vest
- Kuiu Kenai Insulated Hooded Jacket
- Kuiu Pro Merino 200 Hoody
- Kuiu Ultra Merino 145 Zip Tee Shirt

Bottoms
- Kuiu Kutana Rain Pant
- Kuiu Kutana Stretch Woven Pant
- Kuiu Merino 200 Zip Pants
- Kuiu Kutana Rain Gaitors
- Arctyrek Climbing Belt
- (2) briefs/boxers

Head
- Ball Cap
- Kuiu Merino 145 Neck Gaitor
- Kuiu Merino 145 Beanie
- Costa Sunglasses

Gloves
- Kuiu Merino 200 Gloves
- Outdoor Research Wool Fingerless M
- Kuiu Guide Pro Waterproof gloves

Footware
- Scapra Rebel K
- Crooks (camp shoes)
- (2) REI Co-Op Pro Wool Socks
- (2) Kennetrek Sock Liner

Back Pack and accessories
- Stone Glacier 40/56 Bag
- Stone Glacier Spotting Scope Pocket
- Stone Glacier Bear Spray Holster (w/
- Stone Glacier Waterproof Load Cell E
- Stone Glacier Pack Rain Cover

Shelter/Sleep
- Kuiu Mountain Star 1p Tent Pro
- (1) Leki Trekking Pole
- Kuiu 30 Degree Down Sleep Bag
- ThermaRest NeoAir Xtherm

Optics
- Swarovski ATS 65 Spotting Scope
- Swarovksi 10x42 EL w/ Outdoorsman Tripod Adaptor
- Vortex Carbon Tripod w/ Outdoorsman Head
- PhoneScope
- Leica 1000 Rangefinder
- Kuiu binocular harness

Electronics
- GoalZero Nomad Solar Panel
- Goal Zero 35 Bank
- Iphone
- InReach Mini
- Charging Cord

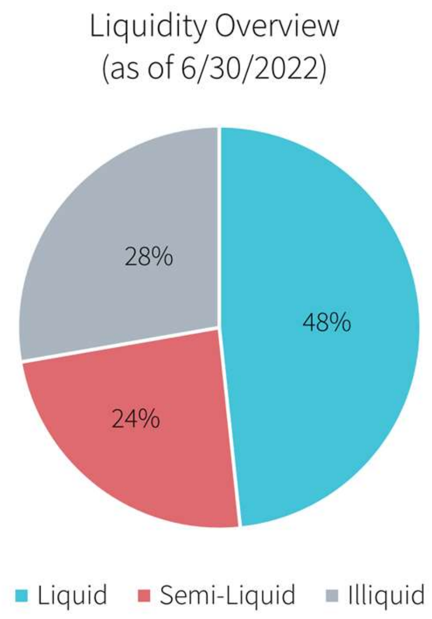
Other Gear
- Platypus 2L Water Bag
- 32 Nygene Water botter
- JetBoil Stove (w/out gas cannister)
- Titanium Camp Spoon
- (1) headlamp
- Lighter
- Fire Starter
- Electrical Tape
- Paracord (25 feet)
- (1) set extra batteries (for headlamp)
- Extra Kuiu Stuff Sack (dirty clothes)

Medical / Hygene
- First Aid Kit
- Chapstick
- Luko Tape
- Medicine Mix (Ibeuprofin, Claratin, cold tablets)
- Diaper Rash Cream
- Bugspray
- Sunblock
- (20) baby wipes (2 per day)
- (1) Hotel bar soap
- Toothbrush
- Travel size toothpaste
- Travel size unscented deodorant
- (4) medical gloves (for skinning)

(2) Food Bags (each containing 5 days; 3k daily ca
- Pro bar meal
- 2 lar bars
- Ramen noodle
- Almond butter packet
- Cosco cashew mix bag
- Cosco nut outmeal mix
- Peak Refuel Freeze Dried Dinner
- 2 Crystal Light Mango/Peach

Where Are We Going? What Do We Need?

Asset Classes	LT Target	Interim Target	Current
Growth	43.5%	43.5%	40.0%
Public Equity	30.5%	34.5%	29.8%
Private Equity	13.0%	9.0%	10.2%
Real Assets	17.5%	17.5%	18.6%
Public Real Assets	5.0%	8.5%	8.6%
Private Real Estate	5.0%	5.0%	5.4%
Private Real Assets	7.5%	4.0%	4.7%
Income	27.0%	27.0%	27.2%
Public Income	17.0%	20.0%	19.7%
Private Income	10.0%	7.0%	7.5%
Defensive	12.0%	12.0%	14.1%
GRIPS	5.0%	5.0%	5.2%
Systematic Convexity	7.0%	7.0%	7.2%
Cash	0.0%	0.0%	1.6%



Where Are We Going? What Do We Need? – How To Quantify Complexity & Resources?

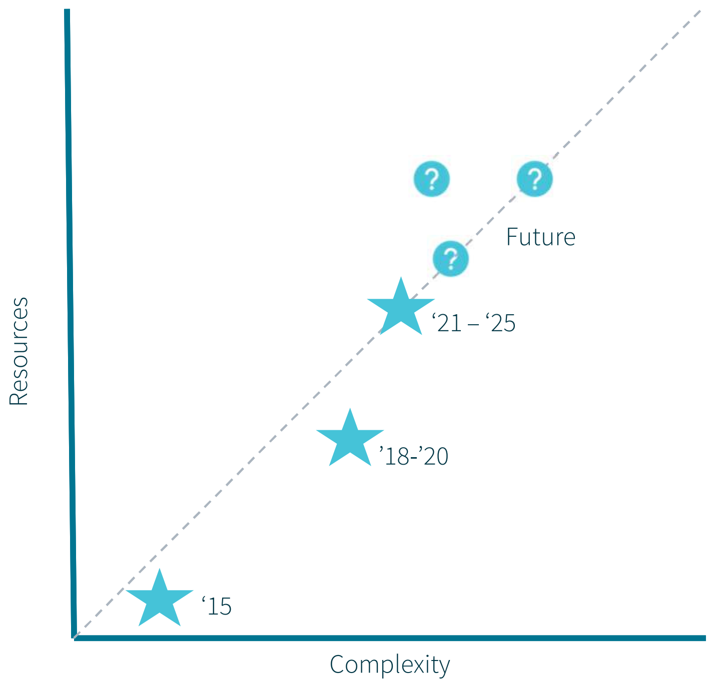
Proxying Complexity

	% Traditionals	% Alternatives	% Private	# Managers	# of Active Managers	# of Open-end Funds	# of Closed-end Funds	# Funds
Sep-2015	90%	10%	5%	5		9	6	15
Sep-2017	62%	38%	10%	31		34	11	45
Sep-2019	45%	55%	17%	45		21	35	56
Sep-2020	33%	67%	21%	54		28	50	78
Sep-2022	39%	61%	28%	64	51	17	91	108
Sep-2025								
Sep-2030								

Proxying Resources

	Staff	Expertise / Experience	Process, Risk	Governance	Software	FoFs / Adivsory	Investment Consultants	Operational Consultants	Custodian
Sep-2015	1	1	1	1	0	0	0	0	0
Sep-2017	3	2	2	2	5	2	1	1	1
Sep-2019	4.5	3	2	3	6	3	1	1	1
Sep-2020	5	3	3	4	6	3	2	1	1
Sep-2022	9	4	4	4	6	5	2	1	1
Sep-2025									
Sep-2030									

Where Have We Been? Where are We Going? What Do We Need? – Resources & Complexity



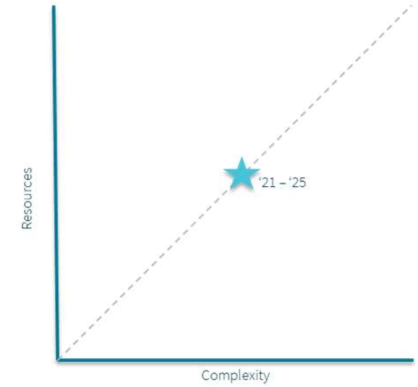
Matching complexity with resources

– Resources allow for customization and control
  - Increased and improved reporting and risk
  - Increased bandwidth and improved underwriting
  - Increased delegation and sharing of responsibilities

What might increased complexity & resources include?

– Lowering costs through more internalization
  - Less reliance on consultants (ops, investments)?
  - More directs, co-investments?
  - Increased layers and stability?
  - Other?

Where Have We Been? Where Are We Going? What Do We Need? – Resources, Talented Team



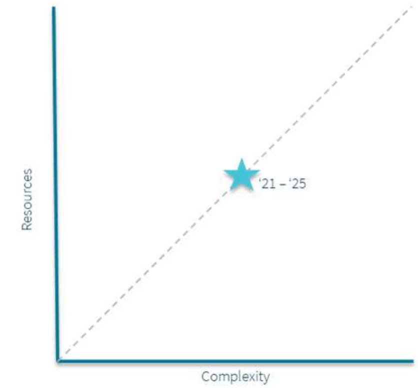
Outsourcing Helps Bandwidth & Stability

- Consultants and other network nodes matter
- Software and independent research providers
- Assistant Investment Analyst hires pending
- Risk & reporting, consultants, software, and research providers
- Delegating/sharing responsibilities, while developing expertise in areas of focus

Considerations

- Expertise through focusing, presents the risk of creating silos. Mitigated by small team dynamics of collaboration.
- Internal capabilities improves/customizes the process and portfolio but introduces risk if not institutionalized. Outsourcing has been critical, should it always be?
- Bigger isn't always better, will it help with bandwidth and stability?

Where Have we Been? Where Are We Going? What Do We Need? – Resources, Governance & Legislation



Milestones

- 2014 original statutes
- 2016 constitutional amendment and distribution policy
- 2020 Compensation Committee and team buildout
- 2021 GRAMA exemption and Finance Committee

For Consideration

- 2023 independent agency?
- 2023 distribution policy?

Future – What Has Not and Will Not Change

SITFO's Mission

- To responsibly maximize the return on the invested principal of the School and Institutional Trusts for the current and future benefit of Utah's education programs
    - We are an independent team of outcome-oriented investors for the School and Institutional Trusts of Utah. We aim to carry this torch of fiduciary responsibility forward to create a brighter future and more equitable present for Utah's public education programs.
    - To that end, we ground our decision-making in objective research and sound portfolio theory. We value long-term growth over short-term gains, impartial analysis over conventional wisdom, and will always conduct investment decisions outside the reach of political influence and act with undivided loyalty to the schools, universities and state institutions for which we serve.
    - We consider education to be an invaluable public resource and believe the School and Institutional Trusts are an enduring investment in our community.

Future – What Has Not and Will Not Change

SITFO's Vision

- Best in class, independent fiduciary
  - The character traits of an independent fiduciary are not expected to evolve
  - Best in class, may look different over time as the industry, markets, and SITFO evolve and reasonable people may disagree on the characteristics defining, "best in class"

- SITFO's vision for best in class includes:
  - Highly satisfied and aligned stakeholders and team
  - Well compensated, collaborative and talented team (internal or external)
  - Sufficient resources to meet the needs required by the objectives (experience, consultants, software)
  - Motivated by the mission, reflective and grounded in principles, innovative on investing

- SITFO will always strive to become better. Better outcomes are expected from continued growth and change e.g., better risk management, better manager selection, better operations, better learning are investments in better outcomes.

Are We There Yet?

Where we've been

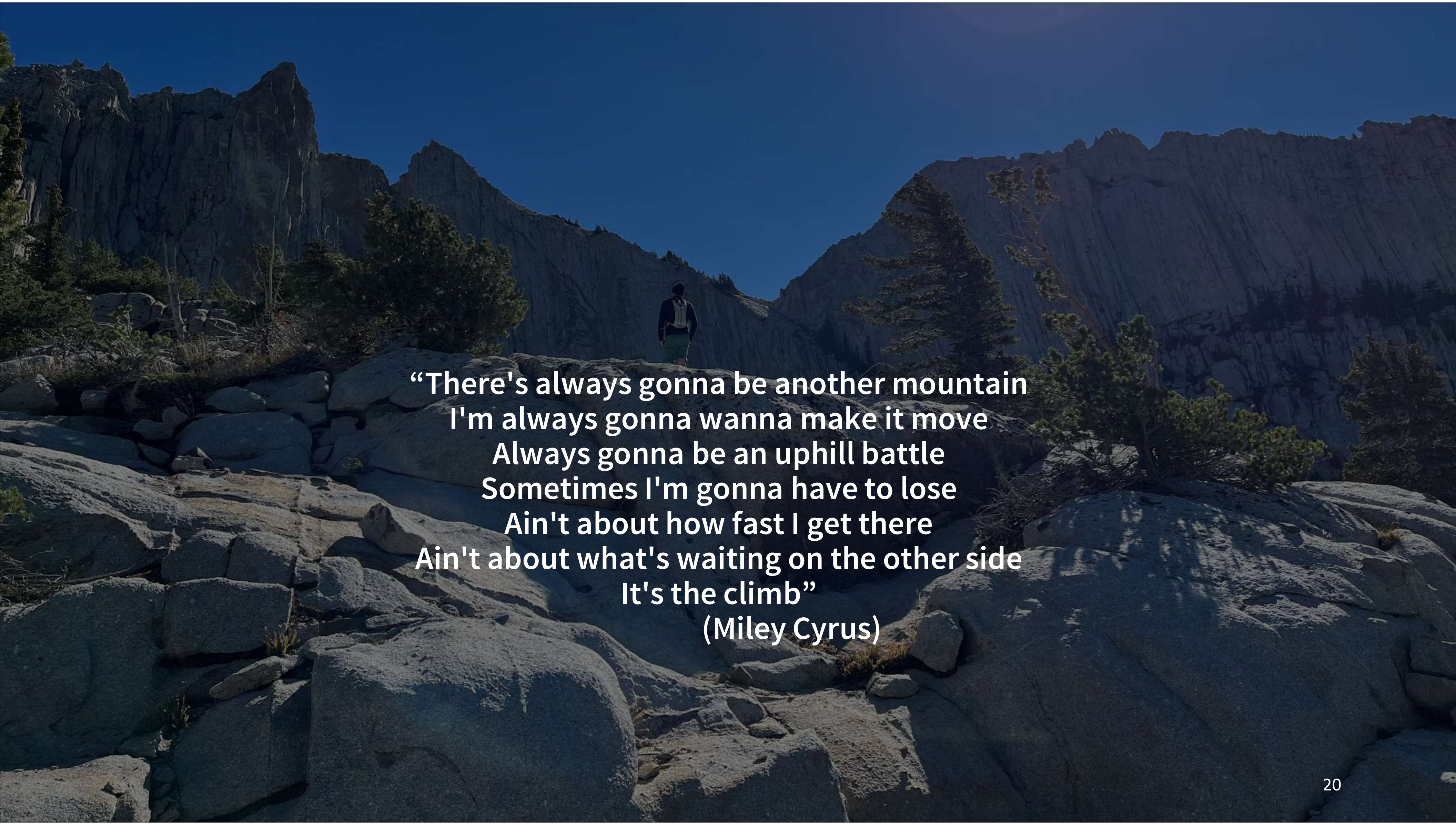
– Upward climb

Where we're going

– Best in class, independent fiduciary

What do we need

– Some complexity with resources to match


“There's always gonna be another mountain
I'm always gonna wanna make it move
Always gonna be an uphill battle
Sometimes I'm gonna have to lose
Ain't about how fast I get there
Ain't about what's waiting on the other side
It's the climb”
(Miley Cyrus)

Break

Industry Trends: Evolution of the Allocator

Past, present and future

October 6, 2022

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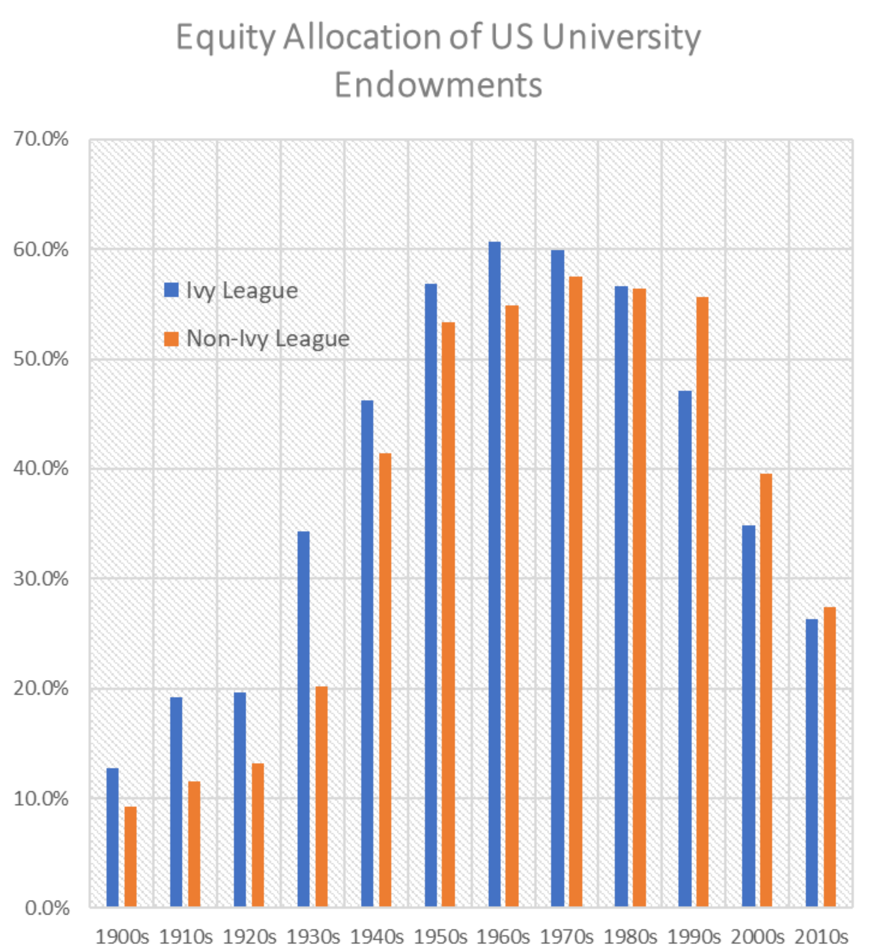
Outline

"our need will be the real creator", Plato (c 428-347 B.C.)

- The Endowment Model – a background
- Endowment – asset allocation, staffing and approach
- Trends in alternatives
- Looking ahead: themes, risks and challenges

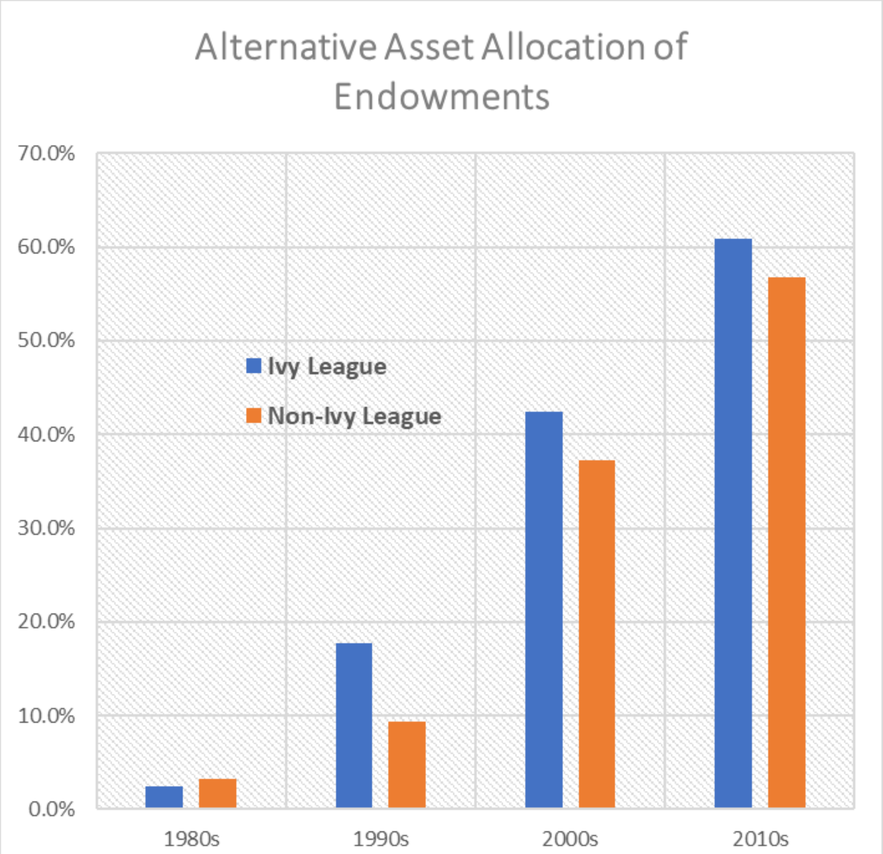
Historical Context: Rise and fall of equities



Chambers, David and Dimson, Elroy and Kaffe, Charikleia, 2020, Available at SSRN: https://ssrn.com/abstract=3694139

- Two major shifts in endowment allocations in 20th century
  - Bonds to equities in 1930s & 1940s
  - Equities to alternatives starting in the 1980s
- Bonds to equities was mirrored in pension plans, notably led by UK pension plans
- Ford Foundation reports in the late 1960s paved the way for a revision to the ‘Prudent Man’ rule, leading to move to diversification and delegation

Historical Context: Rise of Alternatives



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- Reinterpretation of the Prudent Man rule enshrined in legislation in early 1970s
- Endowment model pioneered by David Swensen at Yale from mid-1980s
  - Also encapsulated in his book in 2000

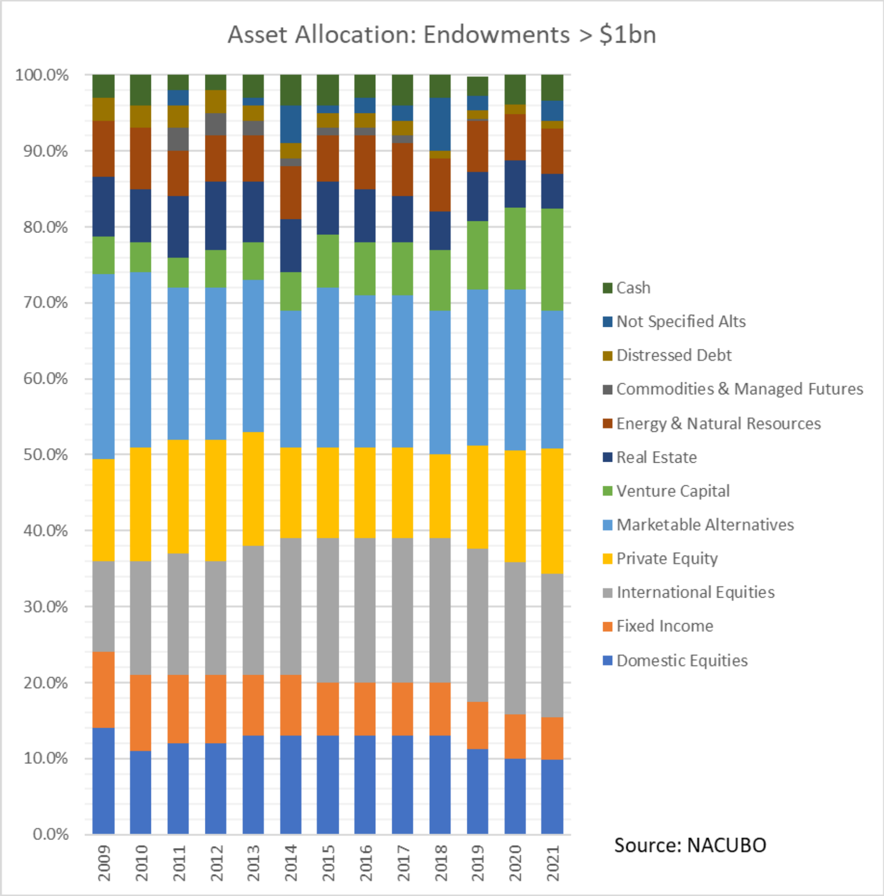
Opportunity versus necessity: expected returns

Source: Albourne, Shiller, Online Data - Robert Shiller (yale.edu)

- With payout rate of E&Fs of around 5%, such a return is required for intergenerational equity
- Decline in real interest rates and rising equity valuations led to a dilemma
- From 1990s it was no longer possible to meet that with a 60/40 Equity/Bonds portfolio
- From much of the 2000s expected real returns of a 60/40 have been between 2% and 4%

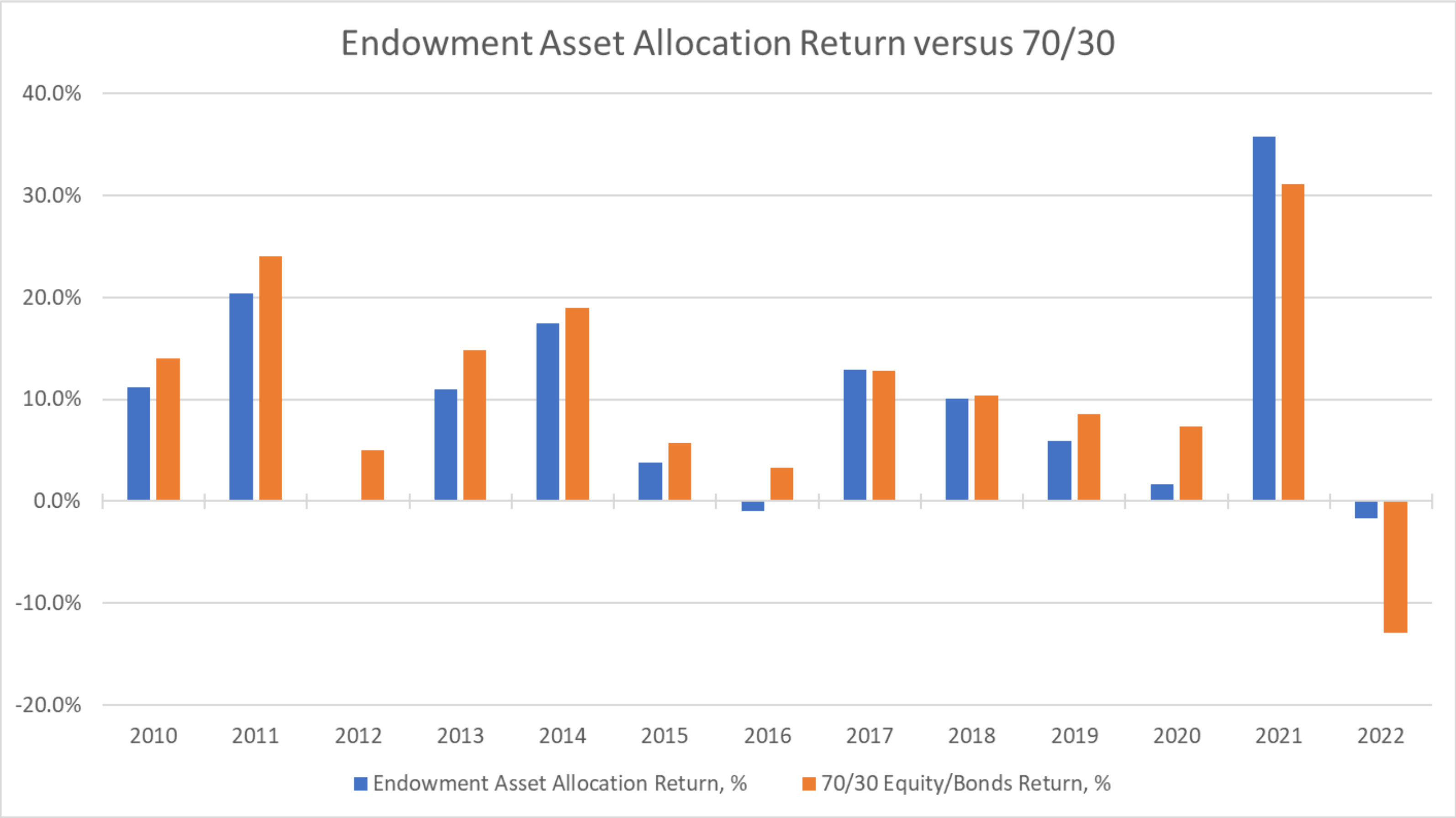
Evolving asset allocation of E&Fs

- E&Fs were early investors in Venture Capital, but has seen the most significant change in exposure over past decade
- International Equities have also risen over time
- Largest reductions have been in domestic equities and fixed income
- Consequently E&Fs have become more illiquid and equity-focused over time



A 70/30 Equity-Bond portfolio has been hard to beat

- Despite impressive long-term returns, in the era of loose monetary policy the returns to diversification and alpha were low…a rising tide lifts all boats
- “Only when the tide goes out do you discover who’s swimming naked”, Warren Buffett



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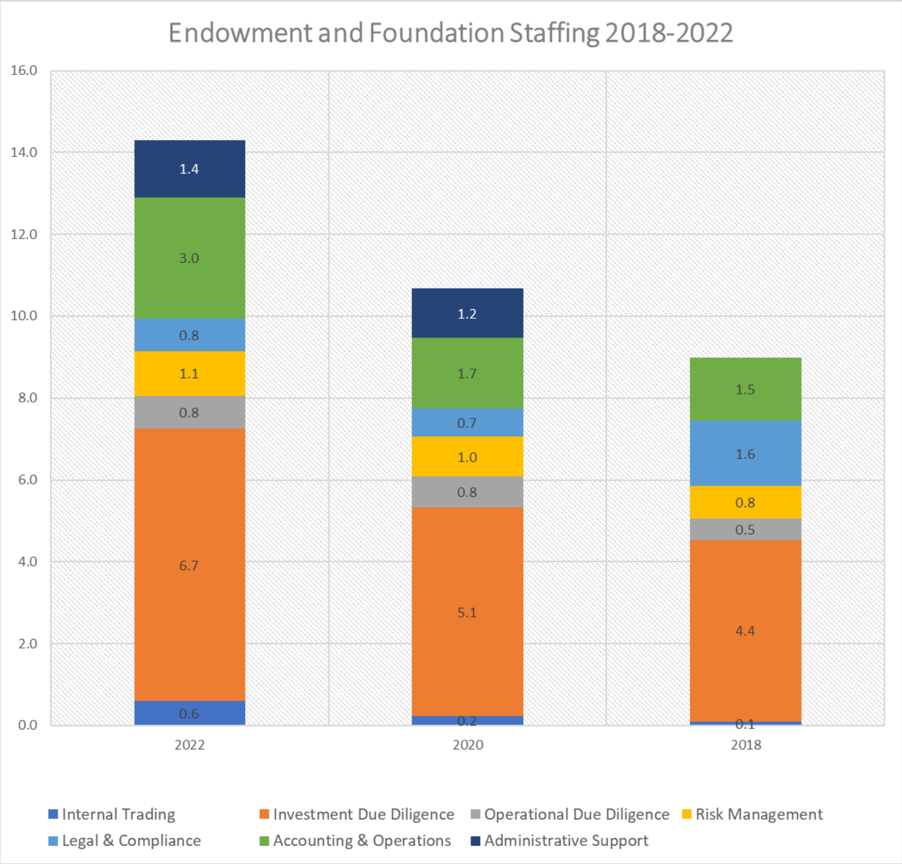
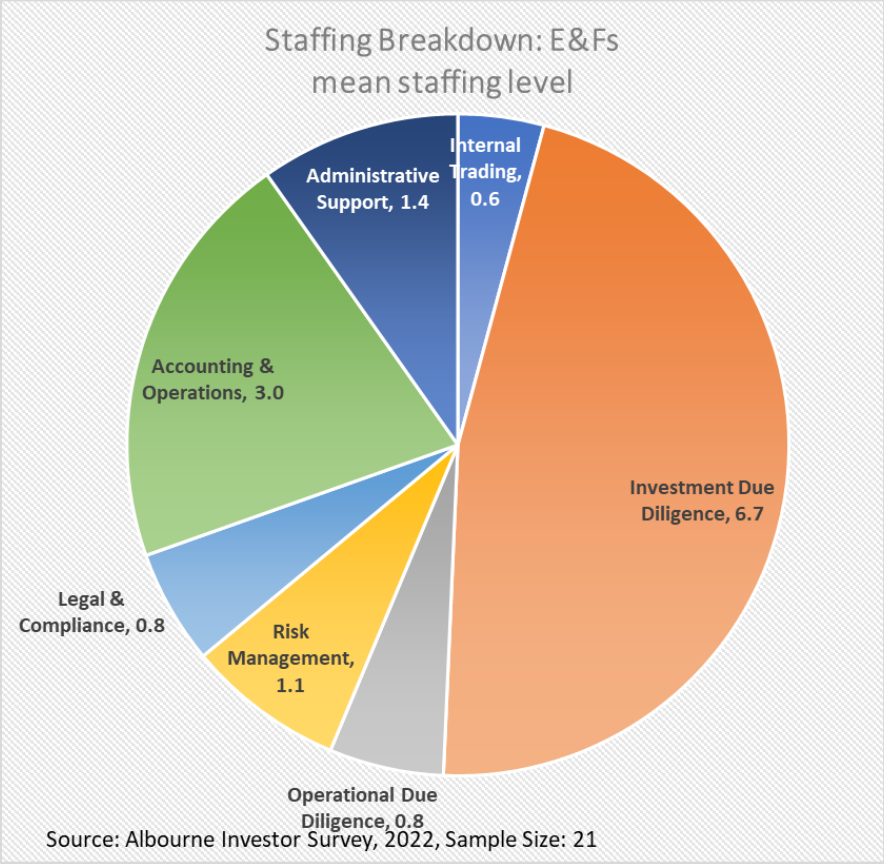
Complexity requires resourcing

- Data gathered from Albourne's bi-annual investor survey
- Average staffing grown from 9 in 2018 to 14 in 2022
- Largest increase in IDD staff, followed by Back Office and Admin/Support

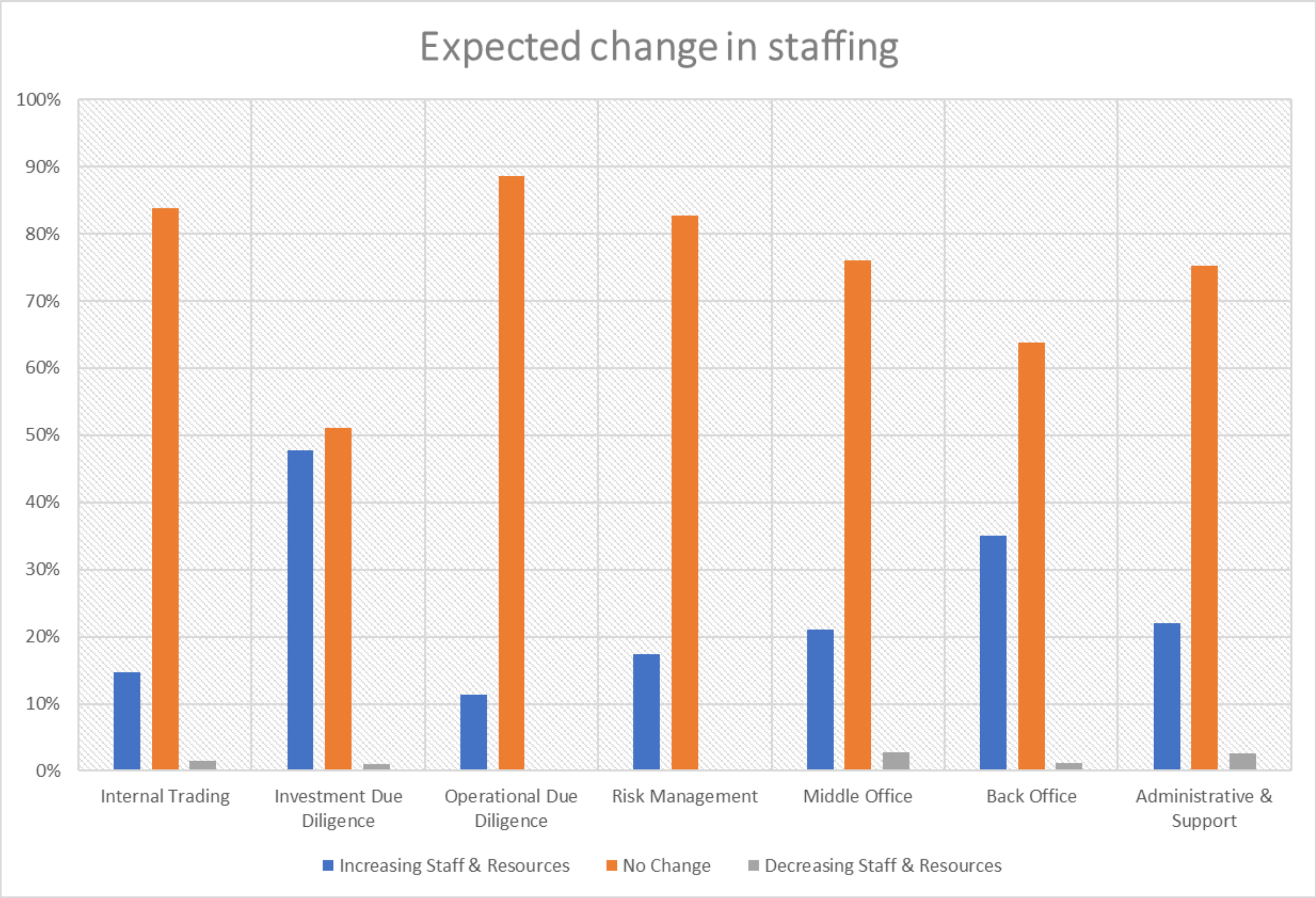




Source: Albourne, October 2022

Staffing intentions over coming 12-months

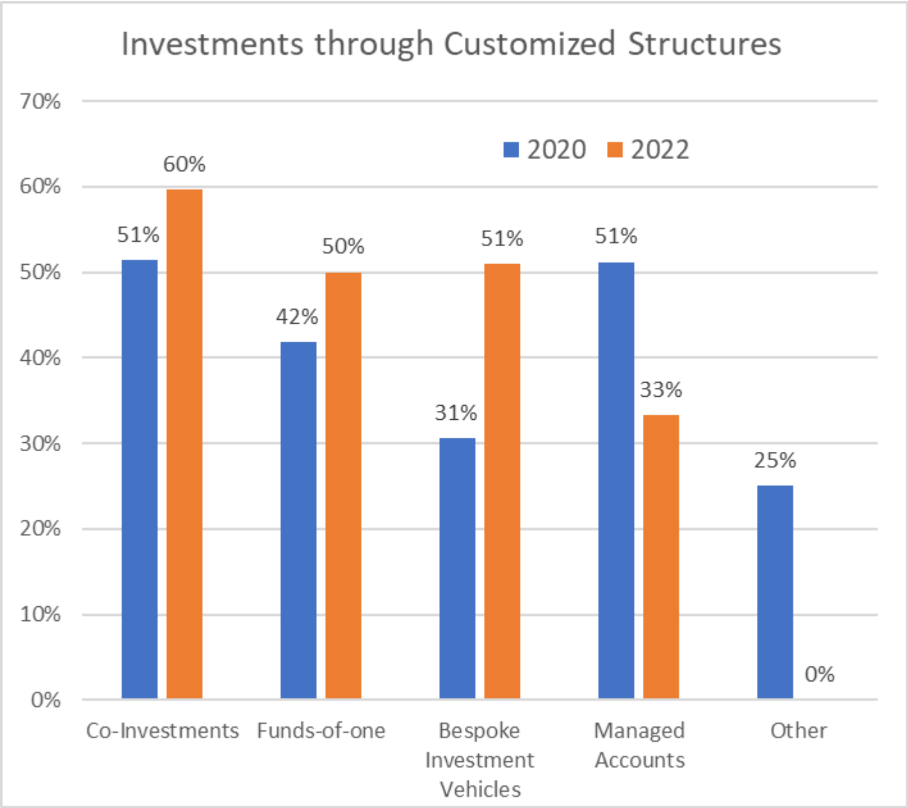
- E&Fs expect to increase staff
- Largest proportion expecting to staff up on IDD and Back Office

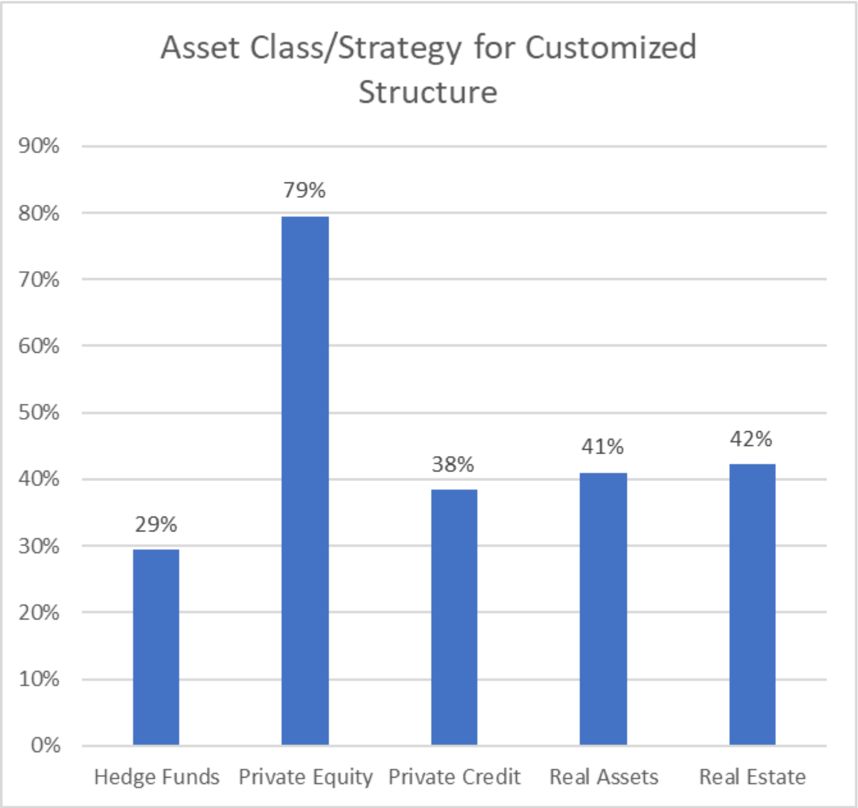


Source: Albourne, October 2022

One rationale for increasing staff is structuring

- Increasing use of co-investments and other more bespoke vehicles
- These are most notable in Private Equity

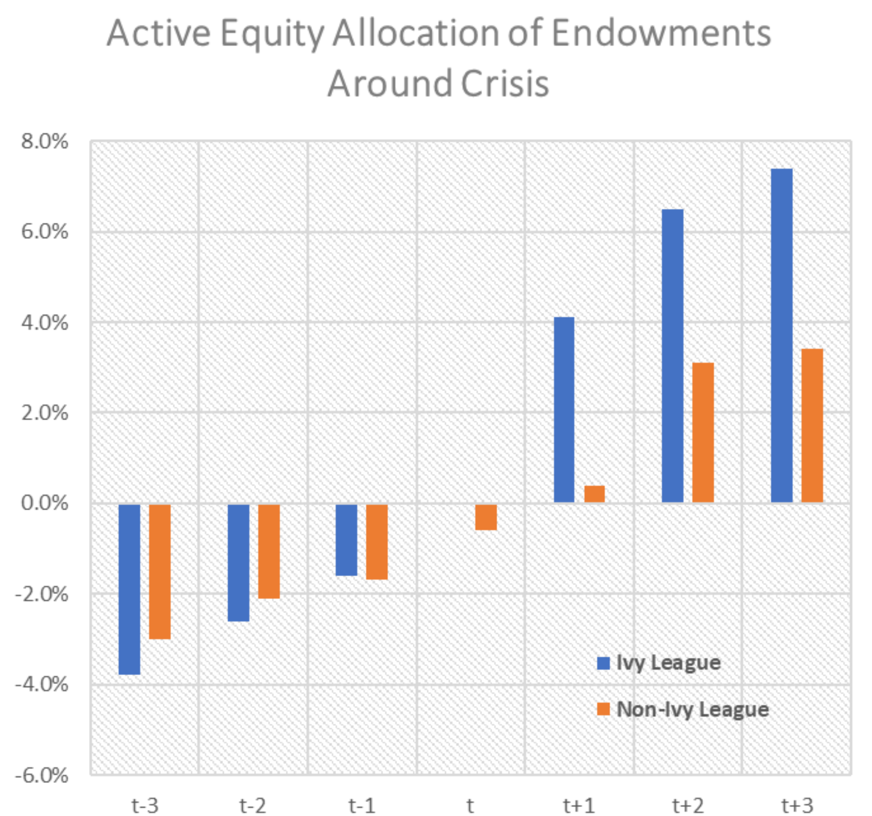




Source: Albourne, October 2022

What is the endowment model

- Predicated on public markets being largely efficient
- Can take a long-term horizon, hence holders of illiquid assets
- Believe market timing is futile
- Diversification is important
- Counter-cyclical investing
- Delegated governance model



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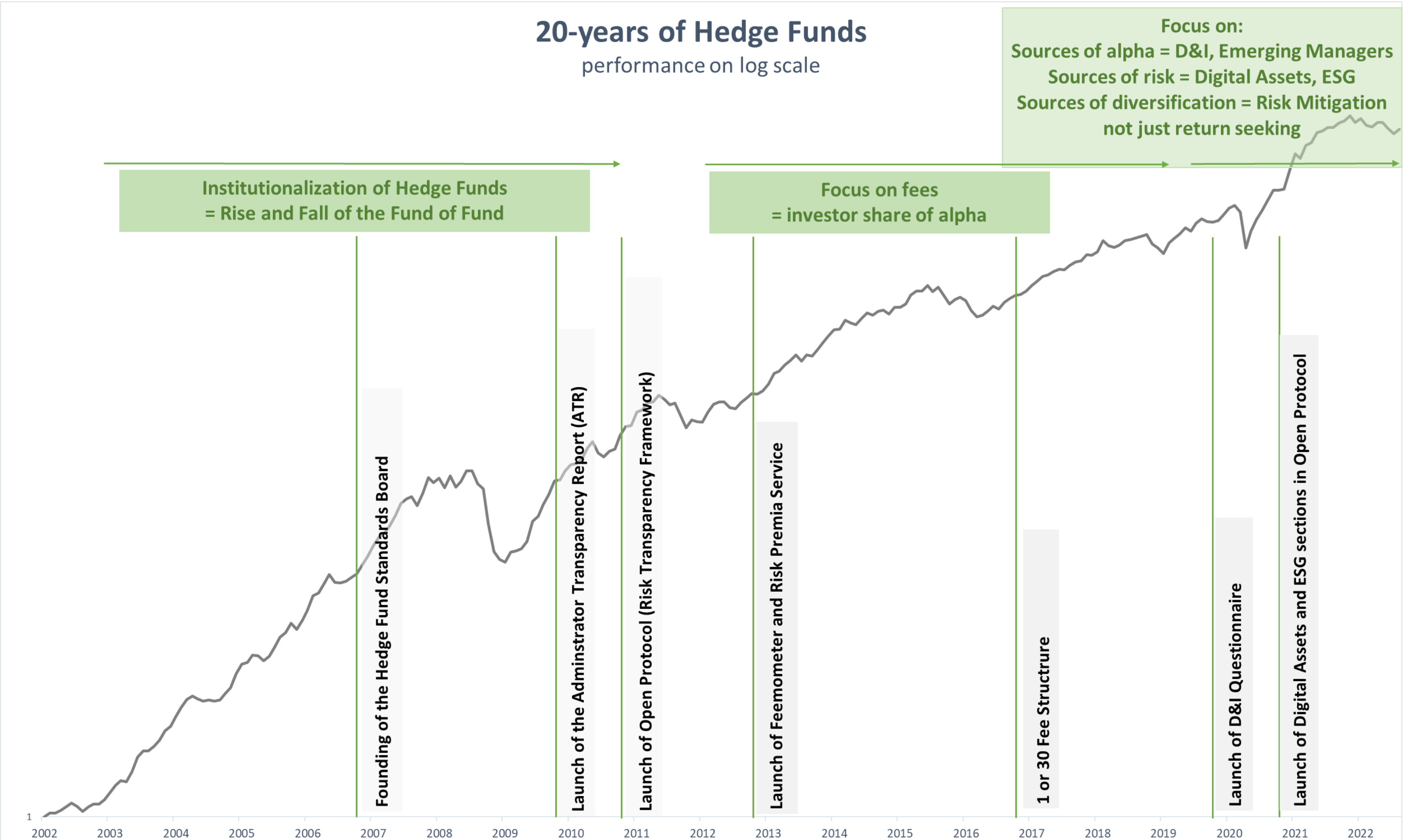
Past and future trends in Hedge Funds



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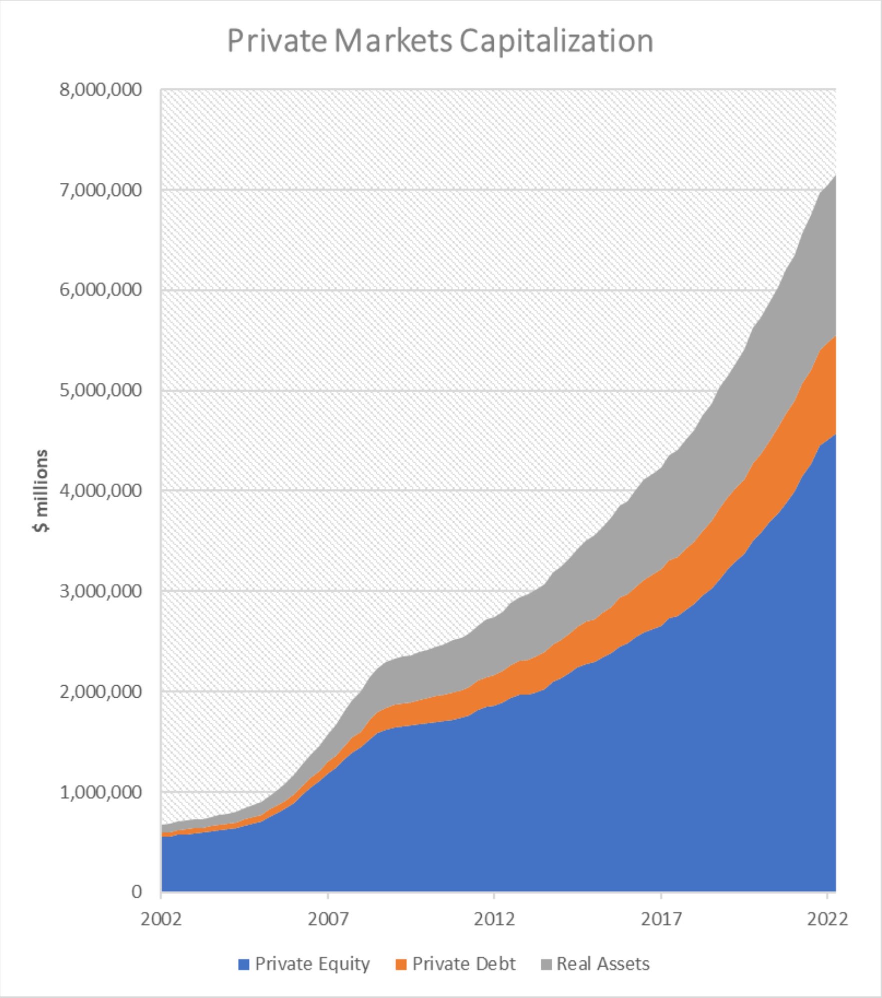
Past and future trends in Private Markets

- Co-investments
  - Low/zero fees
  - Ability to build bespoke allocations
- Secondaries
  - Portfolio management tool
  - GP-led on the rise
- Quantitative Due Diligence
  - Cashflow analysis/forecasting
  - Strategy/Sector allocation
  - Deal focus
    - where is money being made
    - sources of return: e.g. revenue growth, valuations, leverage
- Operational Due Diligence
  (Albourne has published >900 ODD reports on Private Funds)
  - Fees & expenses: significant latitude
  - Valuation: SEC focus
  - Fraud: self-custody
  - Oversight: partnerships



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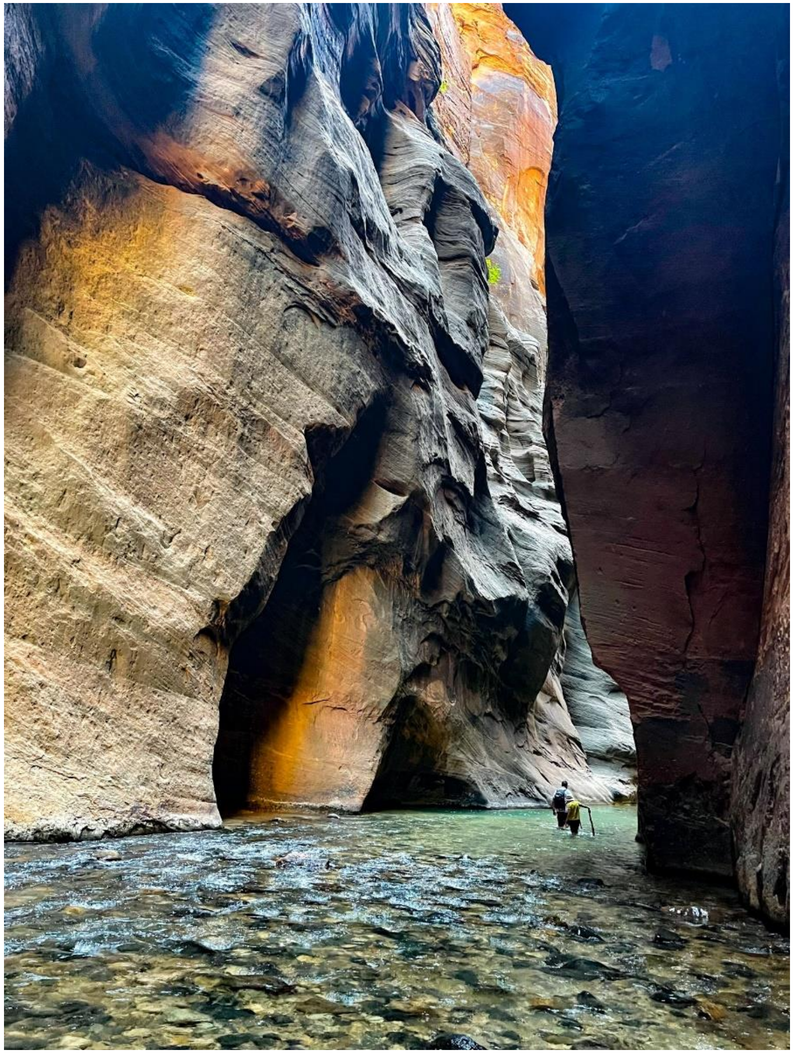
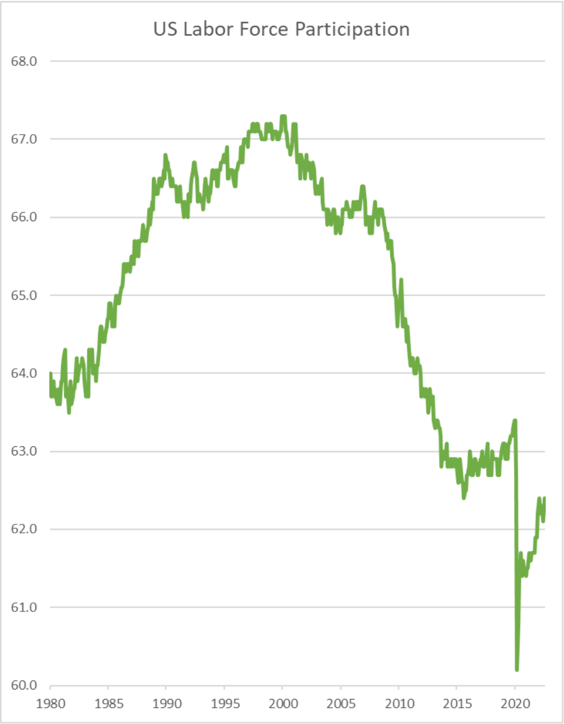
Current and future trends

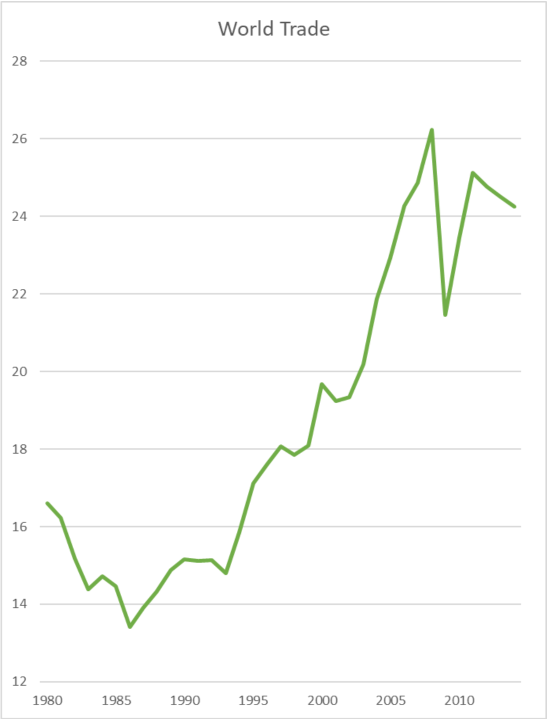
- Diversified and uncorrelated Returns
- Co-investments
- Secondaries
- Energy transition
- Data and Analytics
- Liquidity management
- Inflation hedging



Why inflation is going to be hard to tame

- Tailwinds in the 1980s/90s have become headwind
- Geo-political situation significantly more difficult
- Government finances have deteriorated

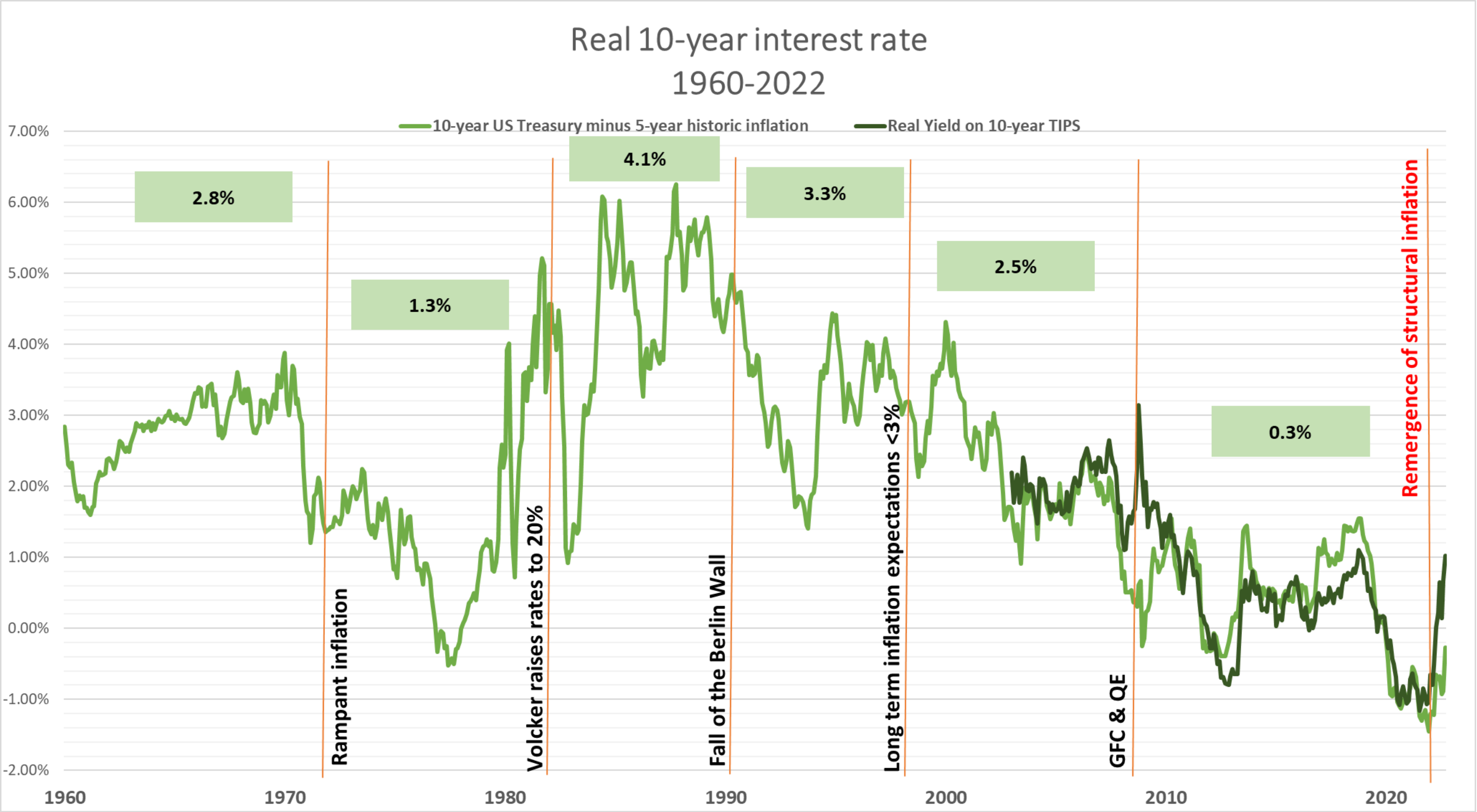




ALBOURNE

Risk, challenges and innovations

- Risk: Re-emergence of structural inflation



“plus ca change, plus c’est meme chose”

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Lunch

RVK

Intergenerational Equity Analysis

State of Utah, School and Institutional Trust Fund Office (“SITFO”)

Prepared for the 2022 Summit

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**[1].

- SITFO's long-term investment objective is CPI + 5%. The primary return objective is to maintain purchasing power while sustaining the current distribution amount which is a maximum of 4%.

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.

[1]Investment Policy Statement, SITFO, June 2022.

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Intergenerational Equity Components

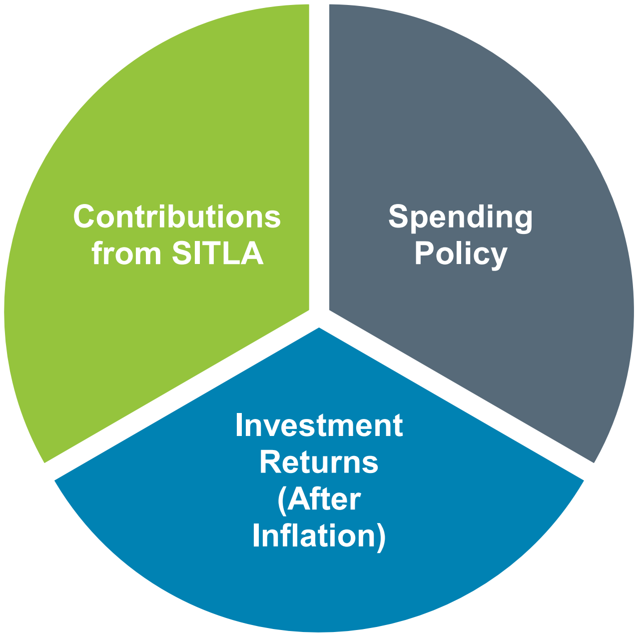
"The trustees of endowed institutions are the guardians of the future against the claims of the present. Their task in managing the endowment is to preserve equity among generations."

- 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)



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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**

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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 4%. *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[1] 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.

[1]https://gardner.utah.edu/wp-content/uploads/Projections-Brief-Final.pdf, Jan 2022.

RVK

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 *eroding* relative to generations of today
50%	Value of benefits available to future generations is *equal* relative to generations of today
51% - 100%	Value of benefits available to future generations is *greater* relative to generations of today

RVK

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 **$3.1B** today to approximately **$3.9B** 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 **78.2%,** with a projected median real market value of **$5.5B**.

Annual distributions are also expected to increase as the Fund assets grows over time. Annual distributions are expected to grow from **$97.4M** to nearly **$203.5M** over the 25-year modeling horizon.

All data shown in real terms (after 2.5% annual inflation). Monte Carlo Simulations assume SITFO is invested at the current Target Allocation. Year 25 IE Objective is established as the current Fund market value grown by 1.0% annual real growth.

RVK

SITFO Contribution Assumptions

To establish the initial assumptions for Fund contributions, RVK received projections through a collaboration of the Land Trusts Protection and Advocacy Office (LTPAO)—the agency that oversees both SITLA and SITFO—and SITLA. This analysis provided RVK with contribution projections for the full 25-year modeling horizon.

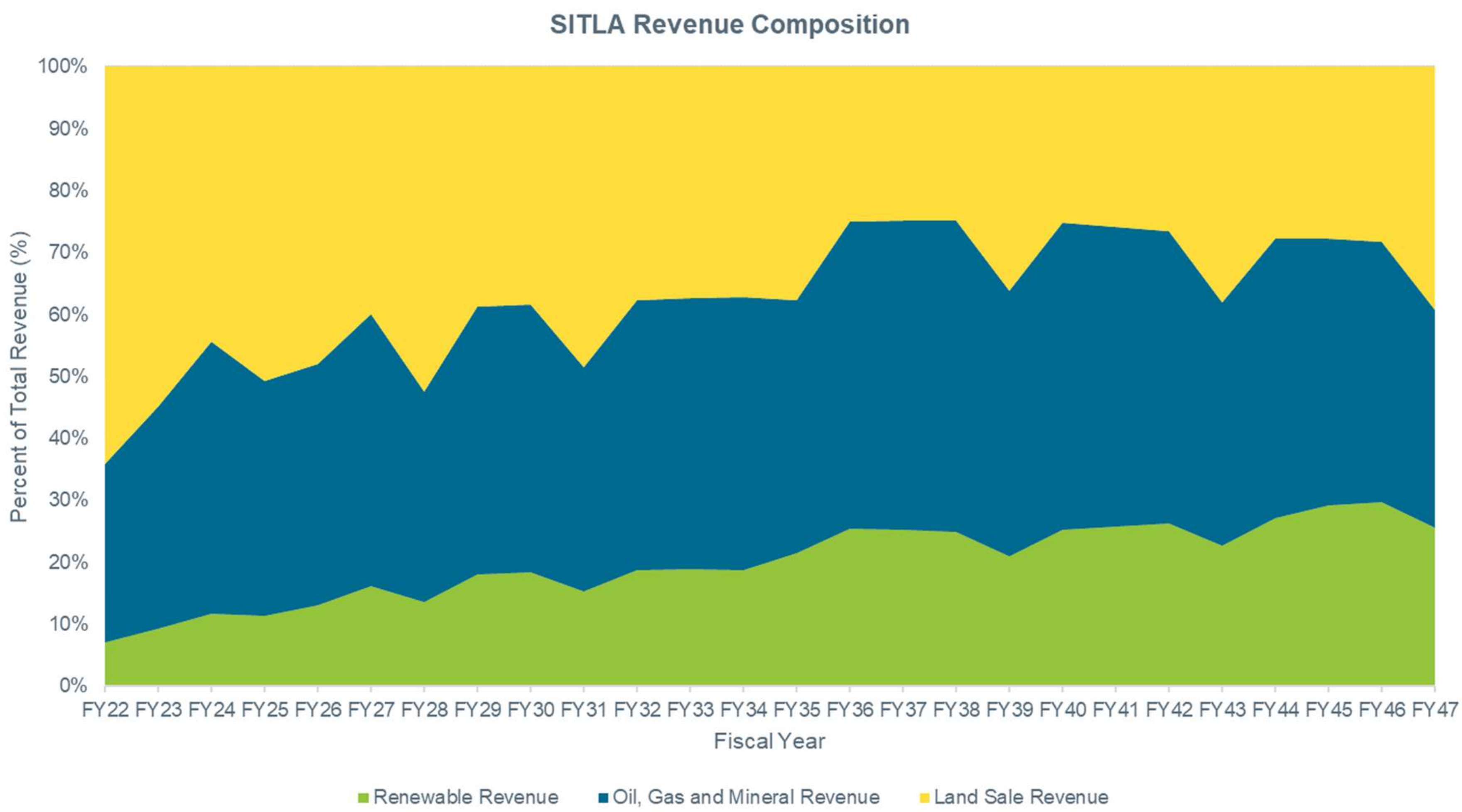
Assumptions for the major components are detailed in the table below:

Revenue / Expense Source	Projection Assumption
Oil & Gas	Initial cumulative 5% growth from FY2022-2027, 100% cumulative increase in oil revenues and 50% cumulative increase in gas revenues between FY2028-2039, 3% annual depreciation after.
Coal	$1M each year
Development, Other Minerals, Materials Permits, Sales, Easements, Rights of Entry, Agriculture, Commercial, Governmental, Industrial, Residential, Telecommunication, Forestry, and Grazing	Increase by RVK inflation assumption (2.5%) each year.
Total Operating and Stewardship Expenses	Increase by 3% each year.
Capital Expenditures	Increase by RVK inflation assumption (2.5%) each year.
Renewables	Itemized projection by current renewable lease with growth rates ranging between 0.75% and 5%.

RVK

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.

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	$149,641,791	$145,900,746
Year 2	$103,398,322	$98,293,029
Year 3	$77,937,346	$72,236,959
Year 4	$98,582,557	$89,087,863
Year 5	$96,167,317	$84,732,609
Year 6	$83,897,830	$72,073,966
Year 7	$117,852,308	$98,712,102
Year 8	$91,687,344	$74,876,635
Year 9	$95,025,350	$75,662,558
Year 10	$123,311,581	$95,730,433
Year 11	$101,702,552	$76,980,836
Year 12	$105,193,396	$77,632,552
Year 13	$108,338,071	$77,954,484
Year 14	$123,297,403	$86,500,486
Year 15	$101,160,624	$69,195,959
Year 16	$104,137,967	$69,451,710
Year 17	$107,225,218	$69,722,894
Year 18	$135,427,024	$85,859,512
Year 19	$109,811,899	$67,879,260
Year 20	$108,966,162	$65,672,563
Year 21	$108,192,463	$63,576,108
Year 22	$132,489,661	$75,907,299
Year 23	$106,856,676	$59,690,858
Year 24	$109,672,482	$59,732,192
Year 25	$109,176,111	$57,975,301
Total	**$2,709,149,453**	**$1,971,038,916**

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

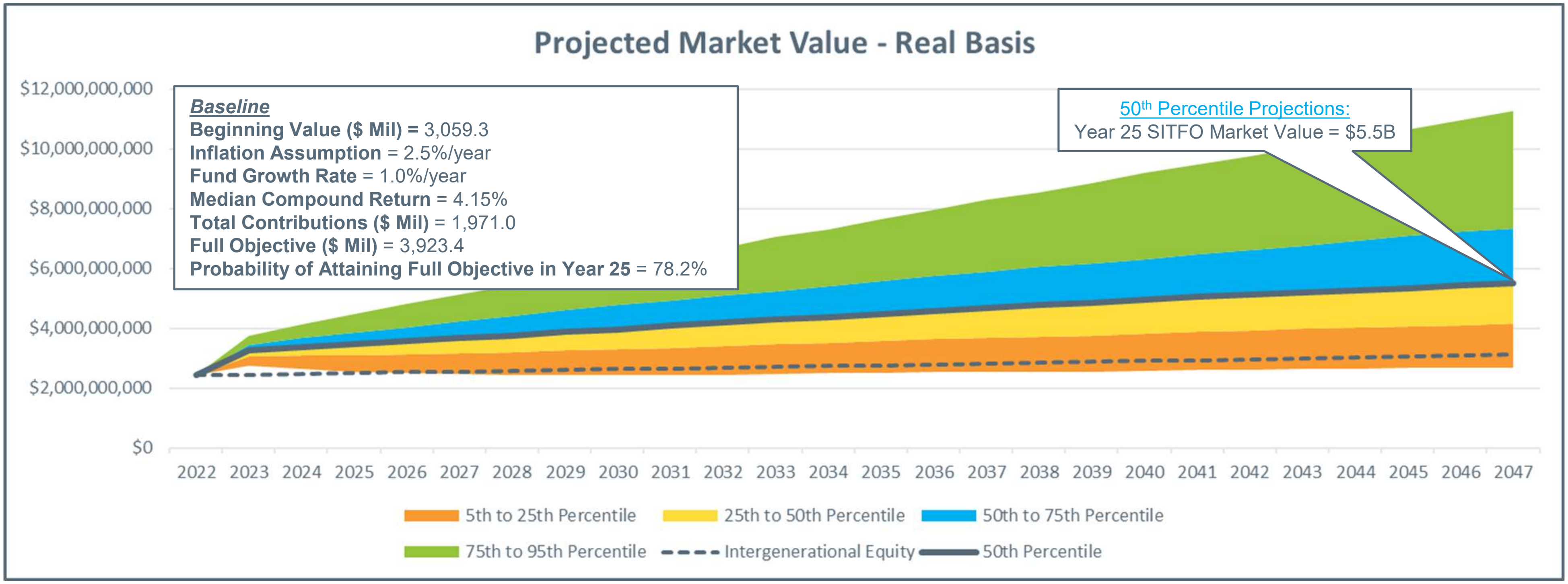
RVK

SITFO Intergenerational Model

Key Attributes:

1. **Annual Spending**: average of the previous years spending adjusted for both inflation and student enrollment growth, and 4% of the previous five-year average market value, not to exceed the calculated 4% average market value.
2. **IE Objective**: Current SITFO market value, increasing by 1.0% real growth per annum to keep pace with student enrollment growth and increasing demands on the Fund.

Projected Fund Market Value Over Time:



All data shown in real terms (after 2.5% annual inflation). Monte Carlo Simulations assume SITFO is invested at the current Target Allocation. Year 25 IE Objective is established as the current Fund market value grown by 1.0% annual real growth. Median compound return represents the 50th percentile of the Monte Carlo return distribution over 25 years.

RVK

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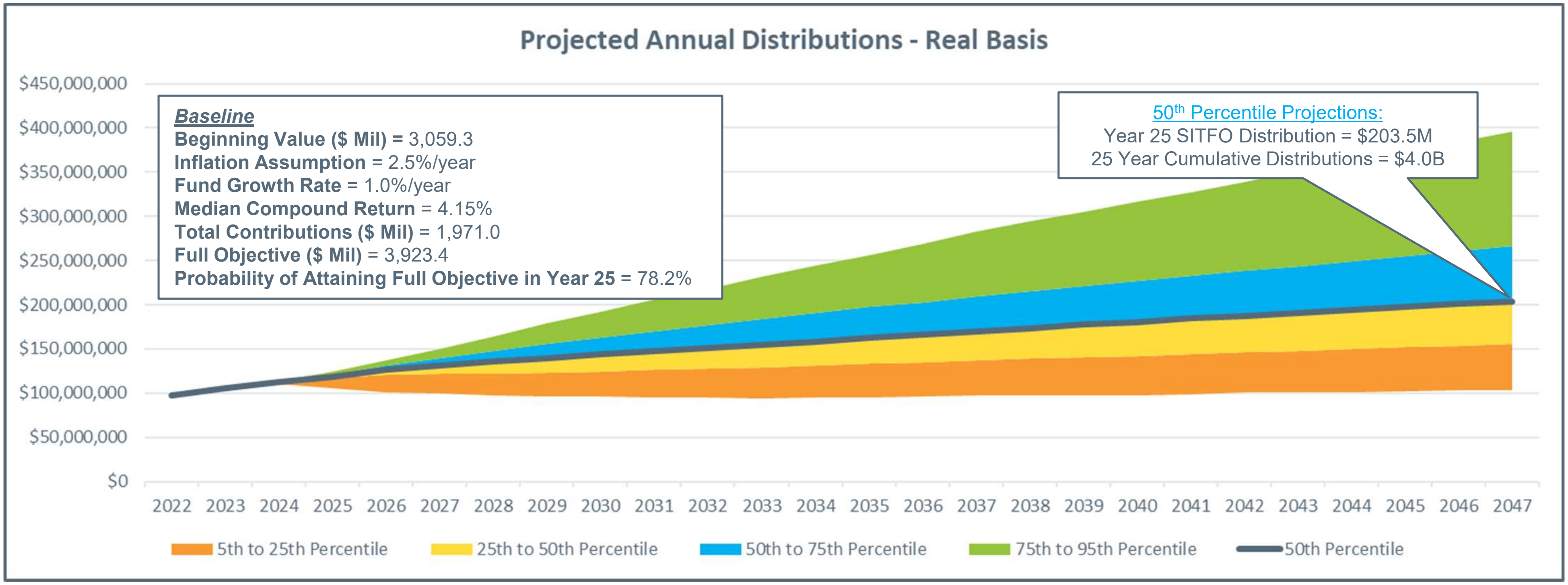
2. **IE Objective**: Current SITFO market value, increasing by 1.0% real growth per annum to keep pace with student enrollment growth and increasing demands on the Fund.

Projected Fund Annual Distributions Over Time:



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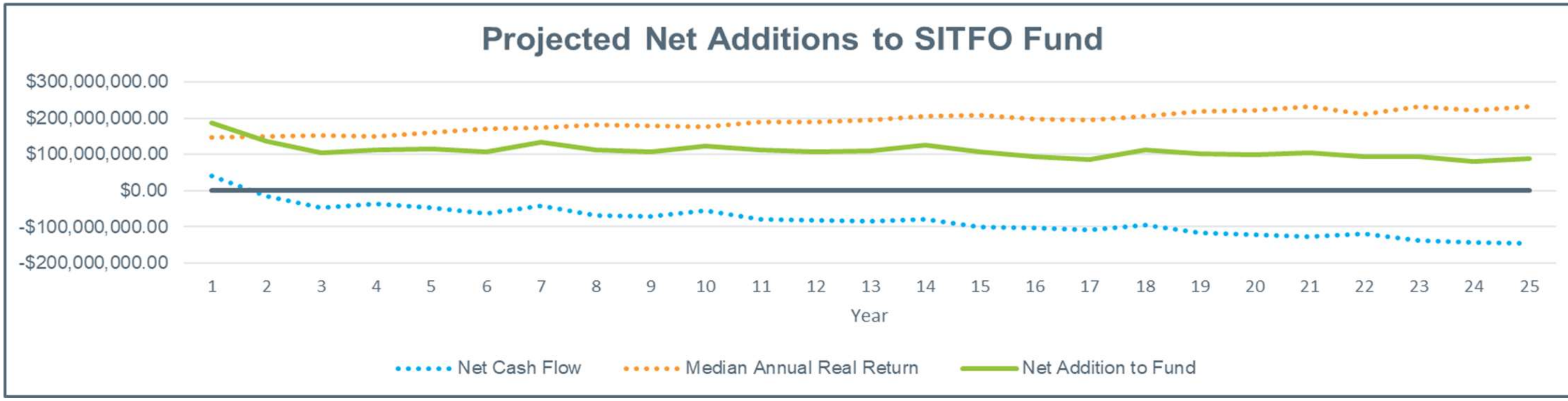
RVK

Cash Flow Assumptions – 4.00% Distribution



	Contribution Assumption	Median Distribution	Net Cash Flow	Net Cash Flow (% of Fund)	Median Annual Real Return	Net Addition to Fund
Year 1	$145,900,746.25	$105,072,781.84	$40,827,964.42	1.27%	$146,134,715.97	$186,962,680.38
Year 2	$98,293,029.46	$112,048,578.50	-$13,755,549.04	-0.42%	$149,874,262.41	$136,118,713.37
Year 3	$72,236,959.37	$118,864,981.95	-$46,628,022.58	-1.38%	$151,336,979.72	$104,708,957.14
Year 4	$89,087,862.72	$126,379,709.02	-$37,291,846.30	-1.08%	$148,607,225.58	$111,315,379.28
Year 5	$84,732,609.12	$131,741,171.20	-$47,008,562.08	-1.32%	$161,090,457.33	$114,081,895.25
Year 6	$72,073,966.16	$136,116,561.50	-$64,042,595.34	-1.77%	$171,597,049.19	$107,554,453.85
Year 7	$98,712,102.28	$139,771,015.17	-$41,058,912.88	-1.10%	$174,640,584.37	$133,581,671.49
Year 8	$74,876,635.14	$143,715,285.32	-$68,838,650.18	-1.81%	$181,624,454.80	$112,785,804.62
Year 9	$75,662,557.73	$147,287,727.60	-$71,625,169.86	-1.85%	$177,725,362.69	$106,100,192.83
Year 10	$95,730,433.17	$150,639,065.96	-$54,908,632.78	-1.38%	$176,867,435.98	$121,958,803.20
Year 11	$76,980,836.04	$154,909,320.35	-$77,928,484.31	-1.93%	$189,587,562.76	$111,659,078.46
Year 12	$77,632,552.42	$158,244,342.46	-$80,611,790.05	-1.96%	$188,726,525.50	$108,114,735.45
Year 13	$77,954,483.92	$162,105,707.75	-$84,151,223.83	-2.00%	$193,842,279.06	$109,691,055.23
Year 14	$86,500,486.16	$165,838,660.87	-$79,338,174.71	-1.85%	$206,080,017.80	$126,741,843.09
Year 15	$69,195,959.16	$169,461,865.58	-$100,265,906.43	-2.30%	$207,967,772.97	$107,701,866.55
Year 16	$69,451,710.41	$173,017,096.97	-$103,565,386.56	-2.34%	$198,191,596.82	$94,626,210.26
Year 17	$69,722,893.87	$177,304,247.15	-$107,581,353.28	-2.39%	$193,810,382.96	$86,229,029.68
Year 18	$85,859,512.42	$180,432,580.83	-$94,573,068.41	-2.06%	$206,516,262.33	$111,943,193.92
Year 19	$67,879,260.01	$184,655,000.22	-$116,775,740.21	-2.51%	$218,932,849.53	$102,157,109.31
Year 20	$65,672,563.10	$187,662,414.39	-$121,989,851.29	-2.59%	$220,604,862.41	$98,615,011.12
Year 21	$63,576,107.64	$190,874,404.97	-$127,298,297.33	-2.66%	$232,706,688.55	$105,408,391.22
Year 22	$75,907,298.52	$194,491,182.77	-$118,583,884.26	-2.44%	$211,858,444.36	$93,274,560.11
Year 23	$59,690,858.08	$197,901,146.30	-$138,210,288.22	-2.81%	$231,884,038.33	$93,673,750.12
Year 24	$59,732,191.62	$201,196,468.12	-$141,464,276.49	-2.84%	$221,868,311.99	$80,404,035.50
Year 25	$57,975,301.21	$203,481,891.83	-$145,506,590.62	-2.89%	$232,833,913.56	$87,327,322.94

All data shown is in real terms. Average net cash flow as a percentage of the Fund is -1.86%.

RVK

Sensitivity Analysis

The table below provides a summary of the various scenario testing conducted that helps to quantify the implications of changes to the various modeling inputs.

	Inflation	Rate of Return	Contributions	Distributions
Baseline (Probability of Attaining Full Objective in Year 25)	2.5%/year **(78.2%)**	Fund Target Expected Return (real, geo.): 4.15% **(78.2%)**	$1.97B over next 25 years **(78.2%)**	4% of trailing 5-year average market value **(78.2%)**
Impact of **UP** move to assumption	3.5%/year **(56.1%)**	+100 bps to 5.15% **(88.9%)**	50% increase to each annual projection. $2.96B over 25 Years (real) **(89.5%)**	5% of trailing 5-year average market value **(62.8%)**
Impact of **DOWN** move to assumption	1.5%/year **(91.5%)**	-100 bps to 3.15% **(61.6%)**	50% decrease to each annual projection. $0.99B over 25 Years (real) **(58.9%)**	3% of trailing 5-year average market value **(88.3%)**

The sensitivity analysis demonstrates that while SITFO is currently projected to provide well above intergenerational equity, changes to any—or even just one—of the components impacting the long-term fiscal health of SITFO can have a substantial influence on the ability to provide and maintain intergenerational equity.

RVK

Sensitivity Analysis

The table below provides a summary of the various scenario testing conducted that helps to quantify the implications of changes to the various modeling inputs.

	Inflation + Contributions	Rate of Return + Distributions	Year 1 Market Shock	Breakeven
Baseline (Probability of Attaining Full Objective in Year 25)	2.5%/year **(78.2%)**	Fund Target Expected Return (real, geo.): 4.15%; 4% of trailing 5-year market value **(78.2%)**	2.75% 50th percentile real geo return in Year 1 **(78.2%)**	5.70% of trailing 5-year average market value **(50.0%)**
Impact of **Positive** move to assumption	1.5%/year Inflation; 50% increase to annual contribution **(97.2%)**	+100 bps to 5.15%; 3% of trailing 5-year market value **(95.1%)**	+30% portfolio return in Year 1 **(86.2%)**	--
Impact of **Negative** move to assumption	3.5%/year Inflation; 50% decrease to annual contribution **(36.5%)**	-100 bps to 3.15%; 5% of trailing 5-year market value **(43.8%)**	-30% portfolio return in Year 1 **(59.3%)**	--

The sensitivity analysis demonstrates that while SITFO is currently projected to provide well above intergenerational equity, changes to any—or even just one—of the components impacting the long-term fiscal health of SITFO can have a substantial influence on the ability to provide and maintain intergenerational equity.

Intergenerational Equity Observations

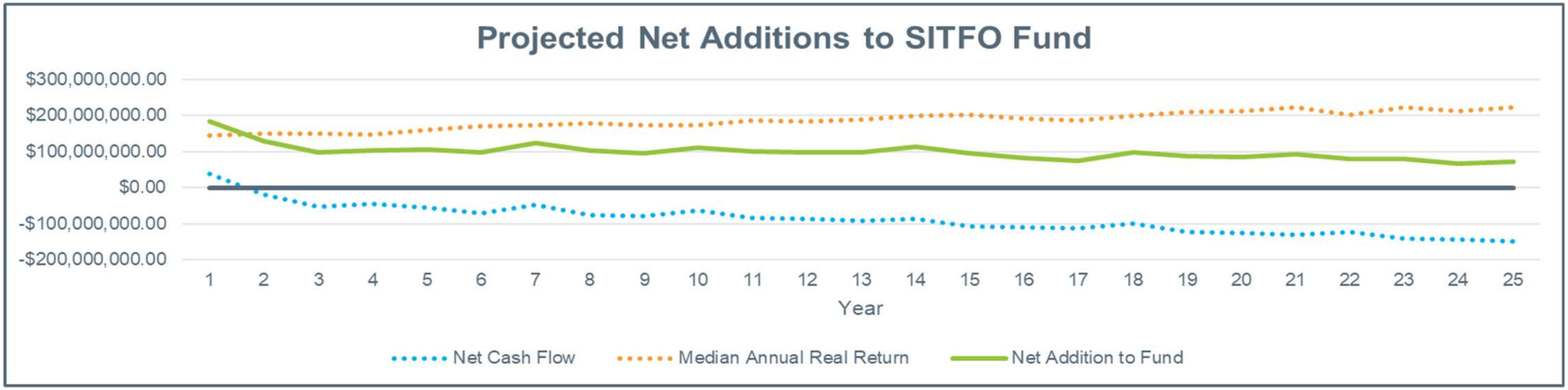
At current levels of expected contributions, distributions, and returns the portfolio is projected to be highly resilient to stresses on the portfolio.

- Sensitivity analysis conducted reflected outcomes that ranged from a low of **36.5%** chance of maintaining intergenerational equity to a high of **97.2%** as compared to the baseline of **78.2%**.
- A key driver for the resiliency is the projected level of net cash flows relative to the projected portfolio balances over the next 25 years, with an average outflow of approximately **1.9%** of Fund assets.
  - As the portfolio grows over time this relationship is anticipated to change with year 25 projected to experience a **2.9%** net outflow.

- As a result of the elevated probability of maintaining intergenerational equity, an increased distribution rate of 4.25% of the trailing 5-year average market value is evaluated on the following pages.

RVK

Cash Flow Assumptions – 4.25% Distribution



	Contribution Assumption	Median Distribution	Net Cash Flow	Net Cash Flow (% of Fund)	Median Annual Real Return	Net Addition to Fund
Year 1	$145,900,746.25	$108,489,216.92	$37,411,529.33	1.17%	$146,053,661.05	$183,465,190.37
Year 2	$98,293,029.46	$117,406,307.69	-$19,113,278.23	-0.58%	$149,612,412.86	$130,499,134.63
Year 3	$72,236,959.37	$125,396,719.53	-$53,159,760.16	-1.57%	$150,770,775.75	$97,611,015.58
Year 4	$89,087,862.72	$133,685,035.24	-$44,597,172.52	-1.29%	$147,767,491.92	$103,170,319.40
Year 5	$84,732,609.12	$139,357,859.81	-$54,625,250.69	-1.54%	$159,889,120.81	$105,263,870.12
Year 6	$72,073,966.16	$143,876,642.69	-$71,802,676.53	-1.98%	$169,811,060.84	$98,008,384.30
Year 7	$98,712,102.28	$147,392,374.34	-$48,680,272.06	-1.31%	$172,494,601.24	$123,814,329.18
Year 8	$74,876,635.14	$151,261,151.94	-$76,384,516.80	-2.01%	$178,863,581.51	$102,479,064.71
Year 9	$75,662,557.73	$154,770,076.62	-$79,107,518.89	-2.04%	$174,891,803.63	$95,784,284.74
Year 10	$95,730,433.17	$157,877,593.81	-$62,147,160.63	-1.57%	$173,578,149.70	$111,430,989.06
Year 11	$76,980,836.04	$161,929,423.10	-$84,948,587.06	-2.10%	$185,699,558.75	$100,750,971.70
Year 12	$77,632,552.42	$164,952,888.59	-$87,320,336.17	-2.12%	$184,459,627.91	$97,139,291.74
Year 13	$77,954,483.92	$168,805,789.84	-$90,851,305.92	-2.16%	$189,021,112.26	$98,169,806.33
Year 14	$86,500,486.16	$172,341,057.17	-$85,840,571.01	-2.00%	$200,561,575.08	$114,721,004.07
Year 15	$69,195,959.16	$175,716,857.21	-$106,520,898.06	-2.45%	$202,141,633.95	$95,620,735.89
Year 16	$69,451,710.41	$179,043,134.08	-$109,591,423.67	-2.48%	$192,156,845.52	$82,565,421.85
Year 17	$69,722,893.87	$182,958,027.81	-$113,235,133.94	-2.52%	$187,707,936.23	$74,472,802.29
Year 18	$85,859,512.42	$185,883,126.27	-$100,023,613.85	-2.18%	$199,530,373.28	$99,506,759.43
Year 19	$67,879,260.01	$190,037,857.05	-$122,158,597.04	-2.63%	$211,204,470.34	$89,045,873.30
Year 20	$65,672,563.10	$192,451,803.50	-$126,779,240.40	-2.69%	$212,067,894.53	$85,288,654.13
Year 21	$63,576,107.64	$195,450,670.42	-$131,874,562.78	-2.76%	$223,919,502.14	$92,044,939.36
Year 22	$75,907,298.52	$198,759,983.93	-$122,852,685.42	-2.53%	$203,329,737.55	$80,477,052.14
Year 23	$59,690,858.08	$201,782,600.49	-$142,091,742.41	-2.89%	$222,167,682.02	$80,075,939.60
Year 24	$59,732,191.62	$204,703,854.07	-$144,971,662.44	-2.92%	$211,938,035.81	$66,966,373.37
Year 25	$57,975,301.21	$206,820,899.66	-$148,845,598.45	-2.96%	$222,301,297.90	$73,455,699.45

All data shown is in real terms. Average net cash flow as a percentage of the Fund is -2.00%.

Sensitivity Analysis – 4.25% Distribution

The table below provides a summary of the various scenario testing conducted that helps to quantify the implications of changes to the various modeling inputs.

	Inflation	Rate of Return	Contributions	Distributions
Baseline (Probability of Attaining Full Objective in Year 25)	2.5%/year **(75.3%)**	Fund Target Expected Return (real, geo.): 4.15% **(75.3%)**	$1.97B over next 25 years **(75.3%)**	4.25% of trailing 5-year average market value **(75.3%)**
Impact of **UP** move to assumption	3.5%/year **(51.5%)**	+100 bps to 5.15% **(86.6%)**	50% increase to each annual projection. $2.96B over 25 Years (real) **(87.4%)**	5.25% of trailing 5-year average market value **(58.4%)**
Impact of **DOWN** move to assumption	1.5%/year **(89.8%)**	-100 bps to 3.15% **(56.9%)**	50% decrease to each annual projection. $0.99B over 25 Years (real) **(54.4%)**	3.25% of trailing 5-year average market value **(86.0%)**

The sensitivity analysis demonstrates that while SITFO is currently projected to provide well above intergenerational equity, changes to any—or even just one—of the components impacting the long-term fiscal health of SITFO can have a substantial influence on the ability to provide and maintain intergenerational equity.

RVK

Sensitivity Analysis – 4.25% Distribution

The table below provides a summary of the various scenario testing conducted that helps to quantify the implications of changes to the various modeling inputs.

	Inflation + Contributions	Rate of Return + Distributions	Year 1 Market Shock	Breakeven
Baseline (Probability of Attaining Full Objective in Year 25)	2.5%/year **(75.3%)**	Fund Target Expected Return (real, geo.): 4.15%; 4.25% of trailing 5-year market value **(75.3%)**	2.75% 50th percentile real geo return in Year 1 **(75.3%)**	5.70% of trailing 5-year average market value **(50.0%)**
Impact of **Positive** move to assumption	1.5%/year Inflation; 50% increase to annual contribution **(96.5%)**	+100 bps to 5.15%; 3.25% of trailing 5-year market value **(93.9%)**	+30% portfolio return in Year 1 **(83.9%)**	--
Impact of **Negative** move to assumption	3.5%/year Inflation; 50% decrease to annual contribution **(32.1%)**	-100 bps to 3.15%; 5.25% of trailing 5-year market value **(39.1%)**	-30% portfolio return in Year 1 **(55.1%)**	--

The sensitivity analysis demonstrates that while SITFO is currently projected to provide well above intergenerational equity, changes to any—or even just one—of the components impacting the long-term fiscal health of SITFO can have a substantial influence on the ability to provide and maintain intergenerational equity.

RVK

Intergenerational Equity Summary

- "Prediction is difficult, especially about the future."
- This analysis is a helpful tool to understanding the likely, long-term implications of certain decisions made today. While we should recognize the limitations inherent to projections, this analysis does provide a useful foundation for discussion and to make informed decision.
- The analysis clearly indicates that based on the current assumptions and expectations regarding key components to fiscal health, the value of benefits available to future generations is *greater* relative to the generations of today.
- There are three (3) components that help establish the intergenerational equity of a perpetual entity. Each of these components represents a lever that can be adjusted to impact the forward trajectory of intergenerational equity. Importantly, these levers are not "equal" by various measures and each carry different ramifications that should be carefully assessed and considered.
- The first component—the investment returns derived from SITFO's asset allocation—is currently estimated to provide an expected, compound return of 4.15%, net of inflation, over the 25-year time horizon. That return expectation is closely aligned with the current distribution policy.

RVK

Intergenerational Equity Summary (continued)

- The asset allocation is established with the help of an efficient frontier and is intended to provide attractive risk-adjusted returns under the prevailing capital market conditions. The intergenerational equity assessment indicates that a reduction of investment risk exposure, particularly in a capital environment that does not adequately reward higher risk allocations, is a feasible option that could be considered. This is helpful flexibility in the management of the Funds.

- A second component are the contributions received from SITLA. While anticipated contributions are a meaningfully additive to intergenerational equity, we should recognize that this component or lever can be most difficult to forecast and influence, particularly compared to the investment returns and the distribution policy.

- The analysis also contemplated a modest increase to the long-term distribution rate from 4.00% to 4.25%—the third and final lever. The analysis indicates such an incremental increase could be supported by the anticipated Fund dynamics and further help provide enhanced egalitarian equity between generations.

- Intergenerational equity is a moving target and should therefore be measured and revisited periodically. A major change to any single input could result in overcorrection and therefore causing unnecessary disruption. Smaller, incremental changes will provide an opportunity to adapt and readjust over time, particularly important for decisions that would be unpopular to reverse (i.e., reduction of the distribution rate at a later date).

RVK

Appendix

Historical Probability of Intergenerational Equity

Dashboard

	2020	2022	202X	202X	202X
Probability	**86.9%**	**78.2%**			
Expected Return*	4.8%	4.2%			
Expected Inflation	2.0%	2.5%	--Placeholder for Future Years--		
Distribution Rate	4.0%	4.0%			
Annual Growth Rate	1.0%	1.0%			
SITLA Contributions*	$1,645M	$1,971M			

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

RVK

2022 SITFO Capital Market Assumptions

	SITFO Asset Class	RVK Assumption	Arith. Return Assumption	Risk Assumption	Geo. Return Assumption
Growth	Global Equity	Global Public Equity	6.80	16.40	5.56
Growth	Private Equity	Private Equity (70% Buyout / 30% Venture)	9.00	22.00	6.85
Real Assets	Public Real Assets	Custom Public Real Assets Assumption[1]	6.06	13.08	5.26
Real Assets	Private Real Estate	Non-Core Real Estate	8.50	20.00	6.70
Real Assets	Private Real Assets	40% Non-Core Infrastructure / 17.5% Private Energy / 17.5% Agriculture / 25% Custom Private Credit	8.76	12.13	8.09
Income	Credit	High Yield	5.50	10.00	5.03
Income	Securitized	Custom Securitized Assumption[2]	6.75	12.00	6.08
Income	Emerging Markets Debt	1/3 EMD Hard / 1/3 EMD Local / 1/3 EMD Corp	5.42	9.65	4.98
Income	ILS	Custom ILS Assumption[3]	6.00	11.00	5.43
Income	Private Debt	Custom Private Credit[4]	9.00	17.00	7.70
Defensive	GRIPS	50% Short TIPS / 50% Long STRIPS + DRP Return Premium	5.25	15.00	4.00
Defensive	Systematic Convexity	Custom Systematic Convexity Assumption[5]	4.25	9.00	3.86
Defensive	Inflation	US Inflation	2.50	2.50	2.47

[1]Custom Public Real Assets assumption is constructed as a build-up of the underlying exposures of the S&P Real Assets Index.
[2]Custom Securitized assumption utilizes a CAPM model based on the EurekaHedge Structured Credit HF Index with a beta reference of Bank Loans.
[3]Custom ILS assumption incorporates historical asset class yields, and max drawdown data to inform the return and risk assumptions.
[4]Custom Private Credit assumption is constructed utilizing an expected return and risk premium to RVK's standard private credit assumption.
[5]Custom Systematic Convexity assumption utilizes a CAPM model based on the Man Custom Index with a beta reference of Managed Futures.

2020 Trustee Survey Summary Results

The Trustees provided responses and insight regarding their views across several relevant investment-related aspects pertaining to fund management. The below summarizes these responses and the resulting inferences.

1. There is no strong aversion to illiquidity however it should be weighted carefully and in the context of being able to more successfully meet Fund objectives.

2. Volatility should be monitored over sufficiently long time periods and appropriate to meet Fund objectives.

3. Expected Fund losses as measured by maximum drawdown should be mitigated and substantially less severe than experienced in the publicly-traded equity markets.

4. Asset classes should have attractive risk-adjusted return and correlation characteristics with a general openness to most all asset classes. Hedge Funds may be less compelling to some.

5. The distribution policy is a top priority both in terms of construction and reliability of distributions.

6. Current return objective remains generally appropriate and should be sufficient to remain intergenerational equity.

RVK

Distribution Policy Design

Desired Outcomes of a Distribution/Spending Policy*

1. Minimize year-to-year variability
2. Maintain growth above the rate of inflation
3. Ensure long-term spending sustainability

Simple Policies

Example: Spending based on only dividend and interest income earned (may also include realized gains).

Advantages

- Simple to administer.
- Has allowed for distribution of 3-5% of assets historically.

Disadvantages

- Income levels have varied significantly over time (spiked in 1980s and dropped in the 1990s).
- Spending goals are at the mercy of market yields.

Smoothing Policies

Example: Spending based on set rate (e.g., 5.0%) of an average market value over set period of time.

Advantages

- Widely recognized and simple implementation.
- Reduces impact of sudden market value changes.

Disadvantages

- Actual spending can be less predictable and fluctuate
- Spending declines can occur at the time they are needed the most

Inflation-Based Policies

Example: Spending based on prior year spending plus change in CPI.

Advantages

- Simplicity of calculation
- Spending precisely mirrors change in inflation
- Spending volatility is low

Disadvantages

- Risk of overspending in certain economic climates (e.g., stagflation)
- Risk of overspending during severe market downturns.

Blended Policies

Example: Blends inflation and average market value components.

Advantages

- Seeks to leverage benefits of various approaches
- Lower volatility relative to simple, market-based policies
- Customization possible depending on unique portfolio needs

Disadvantages

- Complexity of implementation
- Difficulty communicating methodology to stakeholders.

*Distribution/Spending Policy is the amount removed annually from the corpus and used for the designated beneficiary purpose.

RVK

Detailed SITLA Contribution Projections – FY22-FY34

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Oil & Gas	38,139,245	36,460,199	36,764,022	37,070,377	37,379,284	37,690,766	39,169,209	40,709,352	42,313,963	43,985,943	45,728,335	47,544,328	49,437,267
Helium and Other Gases													
Coal	1,056,842	1,100,000	1,100,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Minerals	6,653,912	5,500,000	5,500,000	5,637,500	5,778,438	5,922,898	6,070,971	6,222,745	6,378,314	6,537,772	6,701,216	6,868,746	7,040,465
Materials Permits	1,173,315	1,200,000	1,200,000	1,230,000	1,260,750	1,292,269	1,324,575	1,357,690	1,391,632	1,426,423	1,462,083	1,498,636	1,536,101
Development	69,534,750	60,000,000	35,000,000	35,000,000	35,875,000	36,771,875	37,691,172	38,633,451	39,599,287	40,589,270	41,604,001	42,644,101	43,710,204
Sales	34,843,616	7,500,000	10,000,000	5,000,000	5,000,000	5,125,000	5,253,125	5,384,453	5,519,064	5,657,041	5,798,467	5,943,429	6,092,014
Extra Ordinary Sales/CEs				20,000,000	15,000,000		30,000,000			25,000,000			
Easements	2,142,256	1,200,000	1,200,000	1,230,000	1,260,750	1,292,269	1,324,575	1,357,690	1,391,632	1,426,423	1,462,083	1,498,636	1,536,101
Rights of Entry	263,984	200,000	200,000	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773	256,017
Agriculture	124,704	120,000	120,000	123,000	126,075	129,227	132,458	135,769	139,163	142,642	146,208	149,864	153,610
Commercial	2,226,048	2,400,000	2,400,000	2,460,000	2,521,500	2,584,538	2,649,151	2,715,380	2,783,264	2,852,846	2,924,167	2,997,271	3,072,203
Governmental	669,661	500,000	500,000	512,500	525,313	538,445	551,906	565,704	579,847	594,343	609,201	624,431	640,042
Industrial	2,463,488	2,500,000	2,500,000	2,562,500	2,626,563	2,692,227	2,759,532	2,828,521	2,899,234	2,971,714	3,046,007	3,122,157	3,200,211
Renewable	1,342,264	1,993,022	2,309,221	2,431,192	3,990,228	5,551,929	7,151,678	8,550,932	9,368,925	10,047,599	10,740,000	11,437,643	11,690,698
Renewable Hydrogen	100,000	100,000	100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Residential	71,127	75,000	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665	96,006
Telecommunications	1,167,435	1,250,000	1,250,000	1,281,250	1,313,281	1,346,113	1,379,766	1,414,260	1,449,617	1,485,857	1,523,004	1,561,079	1,600,106
Forestry	23,137	50,000	50,000	51,250	52,531	53,845	55,191	56,570	57,985	59,434	60,920	62,443	64,004
Grazing	1,084,682	1,200,000	1,200,000	1,230,000	1,260,750	1,292,269	1,324,575	1,357,690	1,391,632	1,426,423	1,462,083	1,498,636	1,536,101
Total Revenue (all sections)	163,080,466	123,348,222	101,468,243	118,301,443	116,459,384	104,779,813	139,341,434	113,801,345	117,782,476	146,730,619	125,802,839	129,994,836	133,861,152
Less Development and Sales	(104,378,366)	(67,500,000)	(45,000,000)	(60,000,000)	(55,875,000)	(41,896,875)	(72,944,297)	(44,017,904)	(45,118,352)	(71,246,311)	(47,402,468)	(48,587,530)	(49,802,218)
Net Revenue for Operations	58,702,100	55,848,222	56,468,243	58,301,443	60,584,384	62,882,938	66,397,137	69,783,440	72,664,124	75,484,308	78,400,370	81,407,306	84,058,934
Renewable Revenue	11,578,785	11,488,022	11,804,221	13,363,567	15,165,913	16,977,006	18,832,382	20,493,653	21,580,215	22,534,170	23,508,736	24,495,597	25,045,100
Oil, Gas and Mineral Revenue	47,023,315	44,260,199	44,564,022	44,937,877	45,418,472	45,905,933	47,564,756	49,289,787	51,083,909	52,950,138	54,891,634	56,911,710	59,013,834
Land Sale Revenue	104,378,366	67,500,000	45,000,000	60,000,000	55,875,000	41,896,875	72,944,297	44,017,904	45,118,352	71,246,311	47,402,468	48,587,530	49,802,218
Other Sources													
Gross Revenue	162,980,466	123,248,222	101,368,243	118,301,443	116,459,384	104,779,813	139,341,434	113,801,345	117,782,476	146,730,619	125,802,839	129,994,836	133,861,152
	39,196,088	37,560,199	37,864,022	38,070,377	38,379,284	38,690,766	40,169,209	41,709,352	43,313,963	44,985,943	46,728,335	48,544,328	50,437,267
Oil, Gas and Coal	24.03%	30.45%	37.32%	32.18%	32.96%	36.93%	28.83%	36.65%	36.77%	30.66%	37.14%	37.34%	37.68%
FTEs	68	73	73	73	73	73	73	73	73	73	73	73	73
Operating Expenses	11,988,675	15,699,900	19,170,897	15,246,024	15,703,405	16,174,507	16,659,742	17,159,534	17,674,320	18,204,550	18,750,686	19,313,207	19,892,603
Stewardship	450,000	750,000	772,500	795,675	819,545	844,132	869,456	895,539	922,405	950,078	978,580	1,007,937	1,038,175
Capital	1,000,000	3,500,000	3,587,500	3,677,188	3,769,117	3,863,345	3,959,929	4,058,927	4,160,400	4,264,410	4,371,020	4,480,296	4,592,303
Total Expenses	13,438,675	19,949,900	23,530,897	19,718,886	20,292,067	20,881,983	21,489,126	22,114,000	22,757,126	23,419,038	24,100,287	24,801,440	25,523,082
Net to Fund	149,641,791	103,398,322	77,937,346	98,582,557	96,167,317	83,897,830	117,852,308	91,687,344	95,025,350	123,311,581	101,702,552	105,193,396	108,338,071

Detailed SITLA Contribution Projections – FY35-FY46

	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44	FY45	FY46
Oil & Gas	51,410,662	53,468,194	55,613,723	57,851,303	60,185,186	58,379,630	56,628,241	54,929,394	53,281,512	51,683,067	50,132,575	48,628,598
Helium and Other Gases												
Coal	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Minerals	7,216,477	7,396,889	7,581,811	7,771,356	7,965,640	8,164,781	8,368,900	8,578,123	8,792,576	9,012,390	9,237,700	9,468,643
Materials Permits	1,574,504	1,613,867	1,654,213	1,695,569	1,737,958	1,781,407	1,825,942	1,871,590	1,918,380	1,966,340	2,015,498	2,065,886
Development	25,000,000	25,625,000	26,265,625	26,922,266	27,595,322	28,285,205	28,992,335	29,717,144	30,460,072	31,221,574	32,002,114	32,802,166
Sales	6,244,315	6,400,423	6,560,433	6,724,444	6,892,555	7,064,869	7,241,491	7,422,528	7,608,091	7,798,294	7,993,251	8,193,082
Extra Ordinary Sales/CEs	25,000,000				25,000,000				25,000,000			
Easements	1,574,504	1,613,867	1,654,213	1,695,569	1,737,958	1,781,407	1,825,942	1,871,590	1,918,380	1,966,340	2,015,498	2,065,886
Rights of Entry	262,417	268,978	275,702	282,595	289,660	296,901	304,324	311,932	319,730	327,723	335,916	344,314
Agriculture	157,450	161,387	165,421	169,557	173,796	178,141	182,594	187,159	191,838	196,634	201,550	206,589
Commercial	3,149,008	3,227,733	3,308,427	3,391,137	3,475,916	3,562,813	3,651,884	3,743,181	3,836,760	3,932,679	4,030,996	4,131,771
Governmental	656,043	672,444	689,256	706,487	724,149	742,253	760,809	779,829	799,325	819,308	839,791	860,786
Industrial	3,280,217	3,362,222	3,446,278	3,532,435	3,620,745	3,711,264	3,804,046	3,899,147	3,996,625	4,096,541	4,198,955	4,303,928
Renewable	11,958,995	12,216,785	12,490,234	12,770,913	13,059,051	13,658,734	13,962,509	14,274,483	14,594,922	14,924,101	15,262,307	15,609,839
Renewable Hydrogen	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	11,080,000	11,080,000
Residential	98,406	100,867	103,388	105,973	108,622	111,338	114,121	116,974	119,899	122,896	125,969	129,118
Telecommunications	1,640,108	1,681,111	1,723,139	1,766,217	1,810,373	1,855,632	1,902,023	1,949,573	1,998,313	2,048,271	2,099,477	2,151,964
Forestry	65,604	67,244	68,926	70,649	72,415	74,225	76,081	77,983	79,933	81,931	83,979	86,079
Grazing	1,574,504	1,613,867	1,654,213	1,695,569	1,737,958	1,781,407	1,825,942	1,871,590	1,918,380	1,966,340	2,015,498	2,065,886
Total Revenue (all sections)	149,563,216	128,190,875	131,955,002	135,852,037	164,887,303	140,130,007	140,167,185	140,302,222	165,534,738	140,864,429	144,671,075	145,194,534
Less Development and Sales	(56,244,315)	(32,025,423)	(32,826,058)	(33,646,710)	(59,487,877)	(35,350,074)	(36,233,826)	(37,139,672)	(63,068,164)	(39,019,868)	(39,995,365)	(40,995,249)
Net Revenue for Operations	93,318,901	96,165,453	99,128,944	102,205,327	105,399,425	104,779,932	103,933,358	103,162,550	102,466,574	101,844,561	104,675,710	104,199,285
Renewable Revenue	32,117,258	32,686,504	33,279,197	33,887,100	34,510,642	35,454,115	36,110,275	36,783,443	37,474,105	38,182,764	42,289,937	43,036,160
Oil, Gas and Mineral Revenue	61,201,643	63,478,949	65,849,747	68,318,227	70,888,783	69,325,818	67,823,084	66,379,107	64,992,468	63,661,797	62,385,773	61,163,126
Land Sale Revenue	56,244,315	32,025,423	32,826,058	33,646,710	59,487,877	35,350,074	36,233,826	37,139,672	63,068,164	39,019,868	39,995,365	40,995,249
Other Sources												
Gross Revenue	149,563,216	128,190,875	131,955,002	135,852,037	164,887,303	140,130,007	140,167,185	140,302,222	165,534,738	140,864,429	144,671,075	145,194,534
	52,410,662	54,468,194	56,613,723	58,851,303	61,185,186	59,379,630	57,628,241	55,929,394	54,281,512	52,683,067	51,132,575	49,628,598
Oil, Gas and Coal	35.04%	42.49%	42.90%	43.32%	37.11%	42.37%	41.11%	39.86%	32.79%	37.40%	35.34%	34.18%
FTEs	73	73	73	73	73	73	73	73	73	73	73	73
Operating Expenses	20,489,381	21,104,063	21,737,185	22,389,300	23,060,979	23,752,808	24,465,393	25,199,355	25,955,335	26,733,995	27,536,015	28,362,096
Stewardship	1,069,321	1,101,400	1,134,442	1,168,476	1,203,530	1,239,636	1,276,825	1,315,130	1,354,583	1,395,221	1,437,078	1,480,190
Capital	4,707,111	4,824,789	4,945,408	5,069,044	5,195,770	5,325,664	5,458,806	5,595,276	5,735,158	5,878,536	6,025,500	6,176,137
Total Expenses	26,265,813	27,030,252	27,817,035	28,626,819	29,460,279	30,318,108	31,201,023	32,109,760	33,045,076	34,007,753	34,998,593	36,018,423
Net to Fund	123,297,403	101,160,624	104,137,967	107,225,218	135,427,024	109,811,899	108,966,162	108,192,463	132,489,661	106,856,676	109,672,482	109,176,111

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