



STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS

Financial Statements

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Administered by the School and Institutional Trust Funds Office





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Independent Auditor's Report

To the Board of Trustees
School and Institutional Trust Fund
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the School and Institutional Trust Funds, a component of the State of Utah, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School and Institutional Trust Funds' financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fund net balance and net position of the School and Institutional Trust Funds as of June 30, 2024, and its respective changes in fund balance and net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and Institutional Trust Funds, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the School and Institutional Trust Funds, a component of the State of Utah, are intended to present the fund net balance and net position, the changes in fund balance and net position of only that portion of the State of Utah that is attributable to the transactions of the School and Institutional Trust Funds. They do not purport to, and do not,

present fairly the financial position of the State of Utah as of June 30, 2024, and the changes in their financial position and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the School and Institutional Trust Funds internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 12-15 be presented to supplement the financial statements. Such

information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School and Institutional Trust Funds of the State of Utah financial statements. The trust lands permanent fund combining schedule by beneficiary governmental balance sheet and statement of net position, combining schedule by beneficiary governmental statement of revenues, expenditures and changes in governmental fund balances and statement of governmental activities, shown on pages 38 through 43 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Annual Update, supplemental schedule of operating expenditures, schedule of weighted investment returns by beneficiary, schedule of weighted investment returns by investment thematic, and schedule of brokerage commissions on pages 7 through 11 and 44 through 47 but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of the School and Institutional Trust Funds' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and

grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School and Institutional Trust Funds' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School and Institutional Trust Funds' internal control over financial reporting and compliance.

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

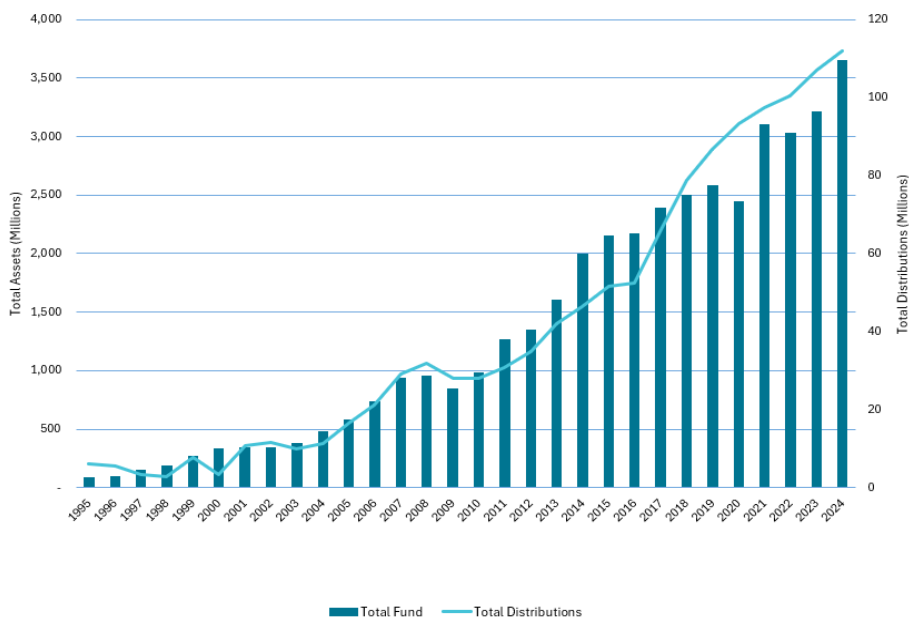
Salt Lake City, Utah
October 30, 2024

Introduction

We are pleased to present the Annual Update of the State of Utah, School & Institutional Trust Funds Office (SITFO). This report is designed to provide a comprehensive overview of our fund structure, financial performance, goals, and accomplishments for the year. We encourage readers to visit our website at <https://sitfo.utah.gov> for additional information about our agency, investment policies, and portfolio management activities.

Impact Highlights

In Fiscal Year 2024, SITFO distributed \$111,971,993 to its 11 beneficiaries. In addition to record distributions, the investment returns exceeded its primary investment objective returning 10.7% during the fiscal year while CPI + 5% returned 8.12%. The following table provides a detailed breakdown of SITFO’s fund value and distributions over time.



This fiscal year, \$106,221,909 was distributed to the School Fund, the largest of the beneficiaries, committed to enhancing the educational experience of every public K-12 student across the state. Each school council actively evaluates specific needs and pinpoints opportunities for improvement, ensuring that resources are utilized effectively within their respective districts. This targeted approach empowers students with the tools and support they need to thrive academically, paving the way for a brighter future for Utah’s youth.

Governance

In 2014, the Utah State Legislature passed statutes that created SITFO with the purpose of investing the profits from the Trust Lands Administration (“TLA”) for the sole benefit of their respective beneficiaries. While the 11 trusts represent different underlying beneficiaries, they are managed with the same asset allocation, as the return and risk objectives are similar. There are significant benefits for the trusts to invest in a uniform manner, such as greater diversification and operational efficiencies from pooling resources.

SITFO's Board of Trustees consists of the Treasurer of the State of Utah as Chair ex-officio and four additional members. Trustees are selected on a non-partisan basis and must possess substantial expertise in institutional money management. Each trustee serves a six-year term, providing stability and continuity in governance. In June 2024, a trustee whose term had ended was succeeded by a newly appointed trustee, selected by Treasurer Oaks from the committee's nominated list. The Board of Trustees plays a critical role in the governance and strategic oversight of SITFO, ensuring the organization adheres to its fiduciary responsibilities and investment objectives.

MARLO OAKS – CHAIR, BOARD OF TRUSTEES

Marlo was appointed Utah State Treasurer after a 25-year career in investment banking and investment management. He oversaw institutional portfolios at Farmers Insurance Group (\$24 billion) and Intermountain Healthcare (\$7.5 billion). Marlo holds the CFA and CAIA credentials.

DAVID NIXON – VICE CHAIR, BOARD OF TRUSTEES

David worked at Coopers & Lybrand and as Assistant Treasurer and Director of Global Investments at EDS, responsible for assets totaling \$15 billion. David has an accounting MBA. His extensive international experience includes work in both developed and emerging markets and living in Colombia, Belgium, and England.

JASON GULL – BOARD OF TRUSTEES

Jason worked as head of secondary investments at Adams Street Partners with \$30 billion of assets under management. He serves as a member of the BYU Cougar Capital Advisory Board and the BYU Marriott School National Advisory Board. Jason has an MBA from Yale.

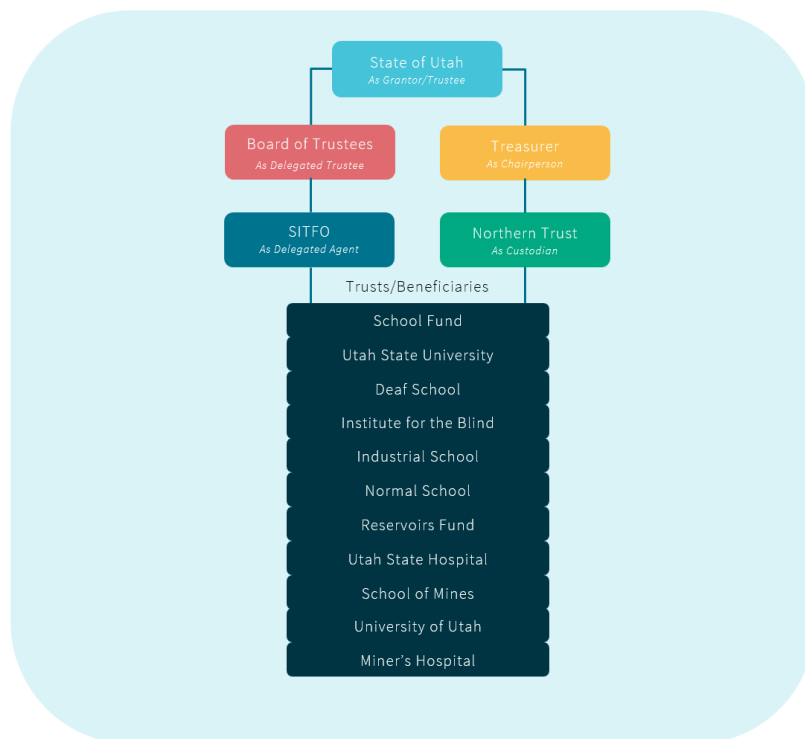
DAVID F. ZUCKER – BOARD OF TRUSTEES

David is Managing Partner of Lead Lap Enterprises. He has 30 years of experience as an executive across multiple sectors and prominent companies such as Disney and ESPN. David also serves as board chair for a leading healthcare organization with a \$4 billion foundation.

MARK SIDDOWAY – BOARD OF TRUSTEES

Mark is President of Cynosure Advisors, where he manages the advisory team and investment process for \$1.5 billion of client assets. He was previously the Head of Client Relations of Grandeur Peak Global Advisors, a Portfolio Manager and Asset Allocator in the Lehigh University Investment Office, and Deputy Chief Investment Officer at Utah Retirement Systems. He has an MBA from BYU and holds the CFA and CAIA credentials.

Figure 1: Trust Governance



SITFO currently employs a dedicated team of 10 full-time and 1 part-time professionals who manage the day-to-day operations of the office. The board of trustees has entrusted these staff members with certain decision-making authorities to ensure efficient and effective management. As the agency continues to grow and evolve, we are actively working toward expanding our team to 11 full-time professionals, further strengthening our capabilities to serve our beneficiaries.

PETER MADSEN – DIRECTOR, CHIEF INVESTMENT OFFICER

Peter was the first SITFO employee starting in 2015 and has been critical in establishing the direction of the organization. Working in the investment management industry since 1999, his most recent experience includes Managing Director of Cube Capital, an investment group in London. His career includes a range of experience in global investing for large institutional clients such as pension funds and endowments, as well as permanent school fund experience from another state. Peter holds a Bachelor of Arts degree from the University of Utah in International Political Economy and Russian. He also holds an MBA focused in International Finance from the Middlebury Institute of International Studies.

RYAN KULIG – FINANCE AND OPERATIONS OFFICER

Ryan joined SITFO in 2016 to manage office operations, portfolio administration, and investment analysis. Before joining SITFO, he worked for Sax Angle Partners, specializing in fundamental and technical analysis of equity investment opportunities. Prior to that, he performed financial analysis of federal grant activity at MRK Advisors. Ryan holds a Bachelor of Business Administration in Global Business with an Emphasis in Finance and a Minor in Economics from the University of Portland and an MBA from the University of Southern California.

JOHNNY LODDER – INVESTMENT OFFICER

In 2019 Johnny joined SITFO to support in the evaluation, due diligence and ongoing monitoring of investments. He previously performed manager research across a variety of alternative investment strategies for Aksia, an international alternatives consultant. Prior to that, Johnny spent time with Sorenson Impact where he collaborated with venture funds and foundations to identify and fund socially impactful businesses. Johnny earned a Bachelor of Science in Finance from the University of Utah.

HAYDEN BERGESON – SENIOR INVESTMENT ANALYST

Hayden joined SITFO in 2021 to assist in establishing risk and reporting frameworks in support of the ongoing evaluation, due diligence, and monitoring of investments. He was previously an Intern for SITFO from 2020-2021 where he supported the team in a variety of functions. Hayden earned a Bachelor of Science in Financial Economics from Brigham Young University Idaho and a MSF from the University of Utah.

JOHN SORENSEN – INVESTMENT ANALYST

John joined the team in 2023 to further develop risk and reporting tools and to assist the manager research team. Before joining as an Assistant Investment Analyst, John was an intern for SITFO from 2021 to 2023. John graduated from Utah State University with a Bachelor's degree in Economics, though he studied a variety of topics including programming, finance, and statistics.

JACE RICHARDS – INVESTMENT ANALYST

Jace became a full-time team member in 2024 to support in the evaluation, due diligence, and ongoing monitoring of investments. Prior to this, Jace worked at SITFO as an intern where he supported the team in a variety of functions. Previously, he interned for Moreton Asset Management where he supported portfolio managers in monitoring separately managed fixed income portfolios for institutional clients. Jace graduated from Utah State University with a Bachelor's degree in Finance and a Minor in Real Estate.

RODNEY TRAN – INVESTMENT ANALYST

Rodney was brought onboard to SITFO in 2024 to support in the evaluation, due diligence, and ongoing monitoring of investments. Prior to joining SITFO, he was an Investment Analyst Intern at Utah Retirement Systems. Rodney earned a Bachelor of Science in Finance and Management with minor in Data Analytics and MIS from Utah State University and a Master of Science in Finance degree from the University of Utah.

OLIVER SORENSEN – INVESTMENT ANALYST

Oliver joined the team in 2024 to support in the evaluation, due diligence, and ongoing monitoring of investments in the Private Equity portfolio. Prior to joining as an Investment Analyst, he worked at SITFO as an Investment Analyst Intern from 2023 to 2024, supporting due diligence across the Growth and Real Assets portfolios as well as portfolio reporting. Prior to joining SITFO, Oliver was selected to be an Analyst and a member of the Investment Committee of the BYU Silver Fund, making single-stock investments in the Russell 3000. Before the BYU Silver Fund, he worked as a Development Analyst Intern at Utah's largest multi-family developer, ICO. Oliver graduated from Brigham Young University, obtaining a Bachelor of Science in Finance.

RAINEY CORNABY – FINANCE AND OPERATIONS ANALYST

In 2024 Rainey was added to the SITFO team to support portfolio finance and office operations. Prior to joining SITFO she worked for Utah-based technology companies, Pluralsight and RedIQ, gaining experience in business strategy, data analytics, and operations optimization. Additionally, Rainey spent time working for venture capital firm, Impression Ventures, where she applied her analytical skills to aid in investment decisions. Rainey holds a Bachelors of Science from Emory University, and a Masters of Business Administration from the University of Utah David Eccles School of Business.

TATIANA DEVKOTA – FINANCE AND OPERATIONS ANALYST

Tatiana joined SITFO in 2021 to assist in portfolio finance and operations. She previously worked in finance operations at Goldman Sachs in support of client on-boarding, KYC (know your customer), and anti-money laundering initiatives. Prior to that, Tatiana worked in non-profit fundraising for the University of Utah and People Helping People. Tatiana holds a Bachelor of Arts in Political Science and a Minor in Public Policy from Georgia State University.

JESS ROWE – ADMINISTRATIVE ASSISTANT

Jess joined the team in 2024 to support office operations and administration. Prior to working at SITFO, she worked as a Customer Experience Specialist and Leasing Agent for Cottonwood Residential where she honed her office and people management skills. Jess graduated from Brigham Young University with her Bachelors of Science from the Marriott School of Business in Experience Design and Management. The major combines human psychology, intentional design, and business principles to maximize customer, employee, and other stakeholder experiences. She also has a minor in Family Life.

In addition to the investment professionals at SITFO, the board retains institutional investment consultants to work with the board and SITFO staff to develop and implement the agency's investment program. Additional third-party providers are utilized as part of the institutional framework necessary for managing the trusts.

INVESTMENT AND RISK CONSULTANTS – RVK and Albourne

RVK and Albourne were hired in 2020 to assist with all aspects of SITFO's activities. RVK is a generalist consultant providing support and services in areas ranging from governance to asset allocation, and manager research. Albourne is a specialist consultant providing support in areas such as strategy research and manager selection in alternative asset classes. Each firm is a top-rated consultant with global resources and capabilities.

INDEPENDENT RESEARCH AND DATA – Bloomberg, eVestment, BCA, NDR, Burgiss, Top Down

These partners and advisors facilitate the provision of raw data as well as its objective interpretation.

FUND MANAGERS – Strategy specific investment advisory relationships

The buying and selling of individual securities is carried out by best in class, specialized, investment managers. These investment managers are highly scrutinized before and after selection.

CUSTODIAN BANK – Northern Trust

Northern Trust is one of the largest global custodian banks. They were hired in 2016 to institutionalize custody of assets and to provide an independent accounting of the trusts.

RISK MANAGEMENT – FOS, VENN, Bloomberg, MPI, and internal tools

SITFO avails itself of software services to provide quantitative risk management analysis. In addition, SITFO utilizes its independent consultants' tools and staff to provide performance analysis and contribute to risk reporting.

Fiscal Year 2024

The Management Discussion and Analysis (MD&A) of the State of Utah, School and Institutional Trust Funds Office (SITFO) provides a detailed overview of the financial position as of June 30, 2024 and the financial activities for the fiscal year ended on that date. This discussion and analysis aims to enhance the reader's understanding of the Trust Fund's financial activities and overall position. Management has prepared the accompanying financial statements and related footnotes, along with this MD&A, in accordance with Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Readers are encouraged to review this MD&A in conjunction with the accompanying financial statements and footnotes to gain a comprehensive understanding of SITFO's financial performance and position.

Policy Developments

SITFO's Board of Trustees is working with the Treasurer's Office, TLA, the Land Trusts Protection & Advocacy Office, as well as the Utah State Legislature and other stakeholders to provide data for a constitutional amendment to adjust the cap on the annual distributions. The legislature determined that the research suggests increasing the cap could provide greater benefits across generations, aligning with statutory requirements and best practices for ensuring intergenerational equity. The legislature chose to pursue an amendment to increase the limit on the annual distributions from 4% to 5%.

Financial Highlights for FY 2024

Fiscal Year 2024 was a strong year for the portfolio with a total return of 10.7% and excess performance of 260 basis points above the long-term investment objective. The Growth and Income categories led returns, with public equity, public income, and private income asset classes being the strongest contributors to total return. Across the portfolio returns are above the benchmark in 7 of the 9 underlying asset classes. The weakest return contribution was from private equity, an asset class within the Growth category which lags public market performance and is expected to catch-up over the coming quarters.

Figure 1: Annualized Returns by Fiscal Year

Trusts	Market Value		Annualized Returns (as of 6/30/2024)			
	6/30/2024	6/30/2023	FY 24	3Y	5Y	10Y
School Fund	\$ 3,396,944,915	\$ 3,015,712,430	10.7%	4.4%	6.7%	5.9%
Utah State University	\$ 25,983,564	\$ 17,716,065	10.7%	4.4%	6.7%	5.8%
Deaf School	\$ 4,963,284	\$ 3,644,434	10.7%	4.4%	6.7%	5.3%
Institute for the Blind	\$ 25,520,116	\$ 23,502,219	10.7%	4.4%	6.7%	5.7%
Industrial School	\$ 9,940,590	\$ 5,537,798	10.7%	4.4%	6.7%	5.3%
Normal School	\$ 9,434,221	\$ 8,588,720	10.7%	4.4%	6.7%	5.3%
Reservoirs Fund	\$ 24,515,666	\$ 21,373,457	10.7%	4.4%	6.7%	5.3%
Utah State Hospital	\$ 10,114,177	\$ 6,885,837	10.7%	4.4%	6.7%	5.3%
School of Mines	\$ 27,889,477	\$ 9,931,987	10.7%	4.4%	6.7%	5.6%
University of Utah	\$ 14,239,834	\$ 12,222,887	10.7%	4.4%	6.7%	5.6%
Miners Hospital	\$ 99,674,723	\$ 81,734,913	10.7%	4.4%	6.7%	5.6%
Investment Objective			FY 24	3Y	5Y	10Y
Inflation (CPI) + 5%			8.1%	10.2%	9.4%	7.9%

Longer-term, SITFO's 10-year return of 5.9% is 200 basis points lower than the long-term investment objective of inflation plus five percent, or CPI + 5%. Inflation is moderating, and recent portfolio performance has strongly outpaced CPI + 5%, but the recent bout of high inflation continues to have a strong influence in the calculation of the long-term investment objective. The market value of the trusts is increasing as well, in part due to strong contributions from TLA, with the current value of the combined trusts above \$3.6 billion.

Figure 2: Rolling 10-Year Performance vs. Investment Objective



Figure 2 displays the rolling 10-year performance of the trusts and highlights the cyclical nature of investing and the recent impact of rising inflation which challenged markets and the lingering impacts these have on performance across public and private markets. Long-term investing requires patience during periods of underperformance. Importantly, our objectives are best considered over an investment cycle and with the full context of the long-term investment program.

Contributions to the trusts (proceeds from TLA) for the prior and current fiscal years are shown in Figure 3.

Figure 3: TLA Contributions to the Trusts

Trusts	FY24	FY23
School Fund	\$ 153,562,261	\$ 113,847,248
Utah State University	\$ 6,221,440	\$ 6,166,738
Deaf School Fund	\$ 865,557	\$ 415,051
Institute for the Blind	\$ 480,110	\$ 101,733
Industrial School	\$ 3,679,181	\$ 3,299,018
Normal School	\$ 189,119	\$ 190,474
Reservoirs Fund	\$ 1,118,497	\$ 578,871
Utah State Hospital	\$ 2,582,406	\$ 1,758,869
School of Mines	\$ 16,342,845	\$ 812,165
University of Utah	\$ 1,018,941	\$ 1,473,431
Miners Hospital	\$ 11,190,119	\$ 1,840,395

Distributions from the trusts to their respective beneficiaries (proceeds from SITFO) are shown in Figure 4.

Figure 4: SITFO Distributions to Beneficiaries

Beneficiaries	FY24	FY23
School Fund	\$ 106,221,909	\$ 101,803,347
Utah State University	\$ 348,830	\$ 254,528
Deaf School Fund	\$ 123,257	\$ 113,906
Institute for the Blind	\$ 894,409	\$ 882,915
Industrial School	\$ 89,227	\$ 61,168
Normal School	\$ 286,037	\$ 261,291
Reservoirs Fund	\$ 467,501	\$ 360,720
Utah State Hospital	\$ 206,900	\$ 182,349
School of Mines	\$ 263,819	\$ 219,846
University of Utah	\$ 356,320	\$ 312,948
Miners Hospital	\$ 2,713,785	\$ 2,529,124

Asset Allocation

The asset allocation optimizes the expected return relative to the level of risk the board of trustees views as acceptable. Given the long-term horizon of the trusts, use of third-party consultants, and sophistication of the staff and board of trustees, the trusts are investing in alternative strategies and private markets. A detailed breakout of the interim asset allocation is shown in Figure 5.

Figure 5: Asset Allocation

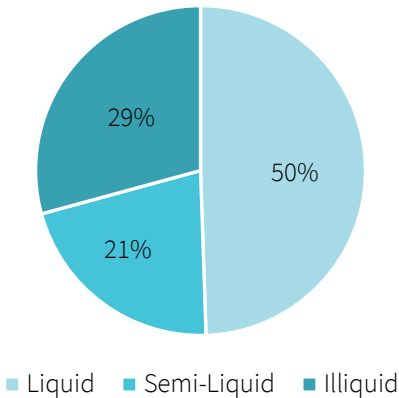
Asset Classes	Interim Target (%)	6/30/2024 (%)
Growth	43.5	44.5
Public Equity	32.5	34.5
Private Equity	11.0	10.0
Real Assets	17.5	19.0
Public Real Assets	5.5	7.1
Private Real Assets	12.0	11.8
Income	27.0	27.6
Public Income	18.5	20.0
Private Income	8.5	7.6
Defensive	12.0	8.9
GRIPs	5.0	3.6
Systematic Convexity	7.0	4.7
Cash	0.0	0.6

Note: numbers may not sum due to rounding.

Although the board of trustees adopted a long-term asset allocation, the portfolio is managed to an interim target as the private market investments draw down capital over several years. As the portfolio matures, the interim target allocation moves closer to the long-term asset allocation. As shown in Figure 6, currently 29% of the total portfolio is invested in illiquid or private assets relative to a long-term target of 35.5 %.

The portfolio continues to progress towards interim target allocation ranges. The underweight to the Growth category and overweight to Real Assets are primarily driven by the relative performance of public to private assets.

Figure 6: Liquidity Overview (as of 6/30/2024)



Condensed comparative data of the Trust Funds' financial position is shown in Figure 7.

Figure 7: Condensed Comparative Data

	FY 24	FY 23
Total Assets	\$ 3,738,522,337	\$ 3,324,034,264
Total Liabilities	\$ 81,966,085	\$ 102,826,619
Total Fund Balances/Net Position	\$ 3,656,556,252	\$ 3,221,207,645
Total Revenues	\$ 553,155,762	\$ 296,783,673
Total Expenditures	\$ 5,835,162	\$ 5,074,714
Distributions to Beneficiaries	\$ 111,971,993	\$ 106,982,142
Net Changes in Fund Balances	\$ 435,348,607	\$ 184,726,817

Using the Financial Statements

The financial statements contained within this annual report are carefully organized to provide a comprehensive understanding of the Trust Fund's financial status and performance. The statements include: a Balance Sheet and Statement of Net Position; a Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances; and Statement of Governmental Activities. Accompanying footnotes provide essential context, including the history and purpose of the SITFO office, key accounting policies, investment specifics, and other critical information necessary for interpreting the financial position of the Trust Funds. Additionally, the statements offer insights into SITFO's expenditures, weighted investment returns categorized by beneficiary, investment returns by thematic strategies, and a breakdown of brokerage commissions. Together, these elements are designed to give readers a clear and thorough understanding of SITFO's financial activities and stewardship of the funds.

Final Remarks

We would like to extend our gratitude to all those who support SITFO's mission. While it is not possible to name everyone individually, we especially acknowledge the significant contributions of the board of trustees, the State Treasurer's Office, the School Children's Trust, and the Land Trusts Protection & Advocacy Office, as well as the many legislators and professionals across state government and within the education sector. Your dedication and collaboration have been instrumental to our progress, and we are deeply grateful. We look forward to continuing our shared efforts to secure and strengthen the trusts, ensuring a lasting benefit for the generations to come.

With appreciation,

The SITFO Team



STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS

Financial Statements

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Administered by the School and Institutional Trust Funds Office

State of Utah, School and Institutional Trust Funds
GOVERNMENTAL BALANCE SHEET AND STATEMENT OF NET POSITION
As of June 30, 2024

TRUST LANDS PERMANENT FUND COMBINED

Assets

Cash with the State Treasurer	\$	1,224,083
Investments, at Fair Value		3,629,341,437
Invested Securities Lending Collateral		53,241,208
Receivable for Unsettled Trades		42,512,895
Accrued Interest and Dividends Receivable		5,621,538
Prepaid Operating Expenses		982,835
Net Income Receivable from TLA		5,598,341
Total Assets	\$	3,738,522,337

Liabilities

Securities Lending Liability	\$	53,241,208
Other Payables		28,035,381
Expense Payable		219,922
Operating Expense Payable		469,573
Total Liabilities		81,966,085

Fund Balances

Nonspendable - Permanent Funds	\$	2,325,225,788
Restricted - Earnings Reserve		1,331,330,464
Total Fund Balances		3,656,556,252

Total Liabilities and Fund Balances	\$	3,738,522,337
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Statement of Net Position

Restricted for Permanent Trust - Nonexpendable	\$	2,325,225,788
Restricted for Permanent Trust - Expendable		1,331,330,464
Total Net Position	\$	3,656,556,252

Note:
Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.
See Notes to Financial Statements

State of Utah, School and Institutional Trust Funds
GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN GOVERNMENTAL FUND BALANCES
AND STATEMENT OF GOVERNMENTAL ACTIVITIES
Fiscal Year Ended June 30, 2024

TRUST LANDS PERMANENT FUND COMBINED

Revenues	
Receipts from Trust Lands Administration	\$ 197,250,577
Earnings on Investments	355,905,185
Total Revenues	553,155,762
Expenditures	
Fund Operating Expenses	5,835,162
Total Expenditures	5,835,162
Revenues over Expenditures	547,320,600
Other Financing Uses	
Distributions to Beneficiaries	111,971,993
Net Change in Fund Balance	435,348,607
Fund Balances - Beginning of Year	3,221,207,646
Fund Balances - End of Year	\$ 3,656,556,252
 <i>There were no expenses which do not require the use of current financial resources.</i> <i>The amount for the Change in Net Position (shown below) is the same amount shown above in the Governmental Statement of Expenditures.</i>	
Change in Net Position-Government Activities	\$ 435,348,607

Note:
Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.
See Notes to Financial Statements

NOTE 1 – GENERAL DESCRIPTION OF THE TRUST FUNDS

The School and Institutional Trust Funds Office (SITFO) is charged with the administration and investment of the State of Utah, School and Institutional Trust Funds (the Trust Funds). The Trust Funds stem from the State of Utah's Enabling Act in 1894, which provided for the support of public schools and other institutions from lands granted by the federal government at statehood. Expenditures were limited to Interest for the School Trust Fund. In 1994, the Trust Lands Administration (TLA) was formed within statute to administer the lands and investments that were taken into the Office of the State Treasurer. In 2002, the Utah Constitution was amended within Article X, Section 5 to provide for expenditures of Interest and Dividends.

In 2014, through HB 168 (2014 GS) the Utah State Legislature enacted the School and Institutional Trust Fund Management Act which created SITFO as an independent agency within the state government. SITFO has a five-person board of trustees with the State Treasurer as Chairperson. The trustees are experienced investment professionals nominated via a robust and independent process outlined in statute. SITFO's purpose is to invest the funds received from TLA for the sole benefit of their respective beneficiaries. While the Trust Funds are owned by different underlying beneficiaries, they are managed with a similar asset allocation, as the return and risk objectives are expected to be similar.

In 2016, SITFO retained a custodial and fund accounting agent (Northern Trust) to facilitate the implementation of a new pooled investment structure to provide for unified investment of the Trust Fund assets, although each beneficiary retains an independent ownership interest in the Trust Fund and such holdings remain independent trust entities. The pooled structure was implemented on November 1, 2016. In 2016, the Utah Constitution was again amended (Amendment B) within Article X, Section 5 to permit expenditure of earnings.

Earnings received from TLA derived from the sale and/or lease of lands (and all net revenue for the School Fund) are deposited into trust funds held for the benefit of the eleven (11) beneficiaries as follows:

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

Trust Funds are considered part of the State of Utah's financial reporting entity and are included in the State's Annual Comprehensive Financial Report (ACFR). The Trust Funds are invested according to an investment policy established by SITFO. This investment policy is subject to all applicable state and national laws. Specific laws of the State of Utah for reference include: Utah Code Title 53D, Chapter 1; Utah Code 63G-6a-107.6 Part 1; Utah Code 63E-1-102; Utah Code 53C-3-102; and State of Utah Constitution Article VI, Section 29 and Article X, Sections 5 and 7.

SITFO has no jurisdiction over assets held by TLA or other agencies; therefore, Trust Funds give accounting recognition only when a transaction related to land assets has been completed by TLA for deposit into the Trust Funds.

SITFO employs external investment managers for the management of the Trust Funds.

NOTE 2 – CONTINGENCIES

The Utah School Bond Guaranty Act (Utah Code Sections 53G-4-801 to 808), which took effect on January 1, 1997, pledges the full faith, credit and unlimited taxing power of the State to guarantee full and timely payment of the principal and interest on general obligation bonds issued by qualifying local school boards. The primary purpose of the Guaranty Act is to reduce borrowing costs for local school boards by providing credit enhancement for Guaranteed Bonds. The local school boards do not meet the criteria for inclusion as part of the State's reporting entity.

In the event a school board is unable to make the scheduled debt service payments on its Guaranteed Bonds, the State is required to make such payments in a timely manner. For this purpose, the State may use any available monies, may use short-term borrowing from the State Permanent School Fund (part of the permanent Trust Lands Fund), or may issue short-term general obligation notes. The local school board remains liable to the State for any such payments on Guaranteed Bonds. Reimbursements to the State may be obtained by intercepting payment of state funds intended for the local school board. The State may also compel the local school board to levy a tax sufficient to reimburse the State for any guaranty payments.

The State Superintendent of Public Instruction is charged with monitoring the financial condition of local school boards and reporting, at least annually, its conclusions to the Governor, the Legislature and the State Treasurer. The State Superintendent must report immediately any circumstances which suggest a local school board may not be able to pay its debt service obligations when due. The State has not advanced any monies for the payment of debt service on Guaranteed Bonds and does not expect that it will be required to advance monies for any significant period of time.

Local school boards have \$3.43 billion principal amount of Guaranteed Bonds outstanding at June 30, 2024 with the last maturity date being 2044. The State cannot predict the amount of bonds that may be guaranteed in future years, but no limitation is currently imposed by the Guaranty Act.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial statements include all funds for which SITFO is financially accountable, i.e., the Trust Fund investments of the Beneficiary Trust Funds of the State of Utah, and are prepared in accordance with the Governmental Accounting Standards Board ("GASB") pronouncements.

The Trust Funds are part of the State of Utah reporting entity based on certain GASB criteria. These Statements present only the Trust Funds and are not intended to present the financial position and results of operations of the State of Utah in conformity with generally accepted accounting principles in the United States of America.

Basis of Presentation

The Trust Funds are accounted for and reported as a Permanent Fund as defined by GASB and use the modified accrual basis of accounting which approximates full accrual. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred. The statement of net position and the statement of activities display information about the Trust Funds and include the financial activity of the overall reporting entity on a full accrual basis. These statements report all activities of the Trust Funds as a governmental type activity. Given the type of assets and liabilities held by the Trust Funds, there are no adjustments required to convert from modified accrual basis to full accrual basis as required by GASB.

Expendable and Nonexpendable Net Position

The net position of the Restricted Funds is the expendable assets of the endowment funds. These expendable assets are used for distributions to the beneficiaries and distributions for expenses of SITFO. The net position for the Permanent Funds is the nonexpendable assets as per the Enabling Act.

Cash with the State Treasurer

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Receivable for Unsettled Trades

Receivables from brokers, dealers and clearing organizations include amounts receivable for securities not delivered by the company to the purchaser by the settlement date and margin deposits.

Prepaid Operating Expenses

Operating expenses that were prepaid during the fiscal year toward expenses incurred the following fiscal year.

Net Income Receivable from TLA

Contributions to the trusts from Trust Lands Administration (TLA) that are earned during the fiscal year but deposited in the next fiscal year.

Other Payables

Other payables represent payables associated with pending sales / exchange activity between investment funds with a final recognition date and cash settlement that was delayed until after the date of these statements.

Operating Expense Payable

Expenses that were incurred during the fiscal year for which no invoices had yet been received are considered operating expense payable.

Cash Equivalents

Treasury bills, money market funds, short-term investment funds, commercial paper, banker's acceptances, repurchase agreements and certificates of deposit.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

According to policies established by the SITFO Board of Trustees and Utah Code Title 53D Chapter 1, Part 6, Section 601, SITFO is authorized to invest the Trust Funds. This Title states in part, "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... A person who manages and invests trust fund money or assets shall... manage and invest in good faith and with the care a prudent professional in a like position would exercise under similar circumstances" (Utah Code Title 53D Chapter 1, Part 6, Section 601).

In accordance with this Title, the Board of Trustees has developed an Investment Policy Statement guided by a Statement of Investment Beliefs which contains target allocation levels with an associated minimum and maximum range. The current strategic asset allocation is structured by investment thematic, as follows:

Growth (target 43.5% / range from 38.5%-48.5%)

Investments expected to provide the strongest positive returns during periods of sustained economic growth, as well as presenting the highest expected risk (e.g., stocks, private equity).

Specific sub-component targets include:

- 1) Public Equity (target 30.5% / range from 27.5%-33.5%)
- 2) Private Equity (target 13% / range from 10%-16%)

Real Assets (target 17.5% / range from 12.5%-22.5%)

Investments that have the advantage of being linked to inflation and typically backed by hard assets (e.g., real estate, infrastructure, commodities, etc.). Real Asset investments present characteristics of income as well as price appreciation and thus have a moderate risk profile (e.g., commercial real estate, natural resources).

Specific sub-component targets include:

- 1) Public Real Assets (target 5% / range 2%-8%)
- 2) Private Real Assets (target 12.5% / range 9.5%-15.5%)

Income (target 27% / range from 22%-32%)

Investments expected to generate positive returns during economic growth scenarios through an income stream – an important component of total return for the overall portfolio in periods of less robust economic growth – and does not present as much risk as Growth although is still considered a risk-taking investment (e.g., corporate bonds, asset backed securities).

Specific sub-component targets include:

- 1) Public Income (target 17% / range from 14%-20%)
- 2) Private Income (target 10% / range 7%-13%)

Defensive (target 12% / range from 7%-17%)

Investments intended to do well in negative economic scenarios or periods of market stress which may include such investments as cash, government bonds and hedging strategies.

Specific sub-component targets include:

- 1) GRIPs (target 5% / range 2%-8%)
- 2) Systematic Convexity (target 7% / range 4%-10%)
- 3) Cash (target 0% / range 0%-3%)

Investment securities are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. Purchase and sale transactions are recorded on the trade date.

NOTE 4 – SCHEDULE OF FUND INVESTMENTS (COST AND FAIR VALUE)

The following depicts investments (cost and fair value) by SITFO allocation category at June 30, 2024:

	Cost		Fair Value with Accruals	
Growth	\$	1,382,663,033	\$	1,622,780,071
Real Assets		595,540,918		692,738,870
Income		889,985,680		1,008,149,073
Defensive		321,101,163		325,552,552
Total Fund Investments	\$	3,189,290,793	\$	3,649,220,567
Receivable for Unsettled Trades			\$	(42,512,895)
Accrued Interest and Dividends Receivable				(5,621,538)
Other Payables				28,035,381
Expense Payable				219,922
Grand Total	\$	3,189,290,793	\$	3,629,341,437

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

NOTE 5 – FAIR VALUE OF INVESTMENTS

The Trust Funds measure and record investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted Prices in Active Markets for Identical Assets;
- Level 2: Significant Other Observable Inputs; and,
- Level 3: Significant Unobservable Inputs.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

At June 30, 2024, the Trust Funds had the following recurring fair value measurements:

Assets at Fair Value as of June 30, 2024

	Total	Level 1	Level 2	Level 3
Growth				
Public Equity	\$ 880,671,505	\$ 879,965,672	\$ 579,516	\$ 126,317
Private Equity	(3,803)	32	(3,835)	-
Total Growth	880,667,702	879,965,704	575,681	126,317
Real Assets				
Public Real Assets	177,957,429	177,856,512	100,846	71
Private Real Assets	(1,051)	(1,051)	-	-
Total Real Assets	177,956,378	177,855,461	100,846	71
Income				
Public Income	2,220,526	-	(298,506)	2,519,032
Private Income	300,052,619	235,650,920	62,975,277	1,426,422
Total Income	302,273,145	235,650,920	62,676,771	3,945,454
Defensive				
GRIPs	129,788,835	129,770,907	17,928	-
Systematic Convexity	-	-	-	-
Cash	22,860,400	21,302,935	1,557,465	-
Total Defensive	152,649,235	151,073,842	1,575,393	-
Total Investments by Fair Value Level	\$ 1,513,546,460	\$ 1,444,545,927	\$ 64,928,691	\$ 4,071,842

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

Investments Measured at Net Asset Value as of June 30, 2024

Growth		6/30/2024
Public Equity	\$	377,035,867
Private Equity		365,076,503
Real Assets		
Public Real Assets		82,854,799
Private Real Assets		431,927,693
Income		
Public Income		429,137,851
Private Income		276,738,078
Defensive		
GRIPS		-
Systematic Convexity		172,903,317
Cash		-
Total Investments Measured at Net Asset Value		2,135,674,107
Total Investments Measured at Fair Value		\$ 3,649,220,567

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

Securities (cash, debt and equity securities, including registered investment companies / mutual funds with daily liquidity holding such securities) in the Investment Thematic categories classified in Level 1 are valued using prices quoted in active markets for those securities.

Securities (debt and equity securities, including derivative securities and the Trust Funds' proportionate share of securities held in commingled vehicles with regular liquidity which hold such securities) in the Investment Thematic categories classified in Level 2 are valued using the following approaches: Mid Evaluation, Bid Evaluation and Theory (a theoretical price calculated by applying a standardized formula to derive a price from a related security).

Securities (debt and equity securities, including derivative securities and the Trust Funds' proportionate share of securities held in commingled vehicles with regular liquidity holding such securities) in the Investment Thematic categories classified in Level 3 are valued using the following approaches: Bid Evaluation and other pricing indications which may be unobservable or with limited volume. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Debt securities classified in Level 3 are valued and priced using proprietary information, single source pricing and/or may have nominal value. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The Trust Funds have determined the fair value of these investments using the NAV per share of the investments (or its equivalent) as reported in current period audited statements of the manager, prior period audited statements of the manager adjusted for subsequent calls and distributions, current period unaudited statements or estimates provided by the underlying investments using recent observable transaction information for similar investments. The objectives and valuation approach for investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are more fully described below.

The following table presents the unfunded commitments, redemption frequency (if currently eligible) and the redemption notice period for the Entity's alternative investments measured at NAV:

Investments by SITFO Allocation Category	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Growth				
Public Equity	377,035,867	-	Daily - 90 Days	3 - 90 Days
Private Equity	365,076,503	226,743,683	Limited	N/A
Total Growth	\$ 742,112,369	\$ 226,743,683		
Real Assets				
Public Real Assets	82,854,799	-	90 Days, Limited	90 Days, n/a
Private Real Assets	431,927,693	223,493,899	Limited	N/A
Total Real Assets	\$ 514,782,492	\$ 223,493,899		
Income				
Public Income	429,137,851	5,389,105	30 - 183 Days, Limited	15 - 180 Days
Private Income	276,738,078	162,655,752	Limited	N/A
Total Income	\$ 705,875,929	\$ 168,044,857		
Defensive				
GRIPS	-	-	Daily	1 Day
Systematic Convexity	172,903,317	-	1 - 92 Days	1 - 45 Days
Cash	-	-	Daily	1 Day
Total Defensive	\$ 172,903,317	\$ -		
Total	\$ 2,135,674,107	\$ 618,282,438		

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

The description of underlying holdings and valuation methodologies for investments measured at net asset value, detailed above, are described further as follows:

Growth – Public Equity: Consists of seven (7) investments in hedge funds with equity investments and one (1) investment in units of a pooled investment fund. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Trust Funds' investments held or ownership interest in partners' capital.

Growth – Private Equity: Consists of sixty six (66) investments in private equity limited partnerships. Generally speaking, the types of strategies included in this portfolio include venture capital, growth equity, opportunistic real estate equity, buyouts, secondaries and special situations. These investment commitments were made in 2016 onwards and have an approximate life in excess of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnership, distributions are received as underlying partnership investments are realized. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of the Trust Funds ownership interest in partners' capital.

Real Assets – Public Real Assets: Consists of one (1) investment in a pooled investment fund with a focus on real estate property and property income and one (1) investments in a hedge fund. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Trust Funds' investments ownership interest in partners' capital.

Real Assets – Private Real Assets: Consists of ten (10) investments in private real estate limited partnerships and forty five (45) investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include core, value added and opportunistic property interests. These investment commitments were made over a period ranging from 2008 onwards and have an approximate life in excess of 10 years and are therefore considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnership, distributions are received as underlying partnership investments are realized. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of the Trust Funds' ownership interest in partners' capital.

Income – Public Income: Consists of nine (9) investments in limited partnerships with underlying insurance linked securities investments and associated strategies and seven (7) investments in pooled investment funds including hedge funds. The fair value of the investment in this type have been determined using the NAV per share (or its equivalent) of the Trust Funds' ownership interest in partners' capital.

Income – Private Income: Consists of thirty six (36) investments in limited partnerships. Generally speaking, the types of strategies included in this portfolio include securitized credit, asset backed/collateralized loan obligation, mezzanine debt and equity, distressed debt/special situations, co-investments and related investments. These investment commitments were made over a period ranging from 2016 onwards and have an approximate life, including lock-ups of three to nearly ten years and are therefore considered illiquid. The Trust Funds have no plans to liquidate the total portfolio. As of June 30, 2024, it is probable that all the investments in this type would be sold at an amount different from the NAV per share (or its equivalent) of the Trust Funds' ownership interest in partners' capital.

Defensive – Systematic Convexity: Consists of six (6) investment in hedge funds with underlying investments in Commodity Trading Advisor/Systematic Convexity and associated investment strategies. The fair values of the investments in this type has been determined using the NAV per share (or its equivalent) of the Trust Funds' investments held or ownership interest in partners' capital.

NOTE 6 – UNFUNDED COMMITMENTS

As of June 30, 2024, the Trust Funds had contractual commitments of \$1,786,805,651 to one hundred sixty eight (168) investments across Private Equity, Private Real Assets, Public Income, and Private Income.

Of this amount, an estimated \$618,282,438 remained unfunded and subject to call by the funds.

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

NOTE 7 – INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SITFO manages the Trust Funds' exposure to fair value loss arising from increasing interest rates through prudent deployment, management, and oversight of investments with exposure to interest rate sensitivity. SITFO does not have a formal policy for interest rate risk.

As of June 30, 2024, the Trust Funds' debt security investments (including the underlying portfolios of indirectly held investments, where available) had the following weighted average maturities:

Investment Category	Total Fair Value	Weighted Average Maturity (Years)
Asset Backed Securities	\$ 3,905,508	8.93
Bank Loans	9,322,888	4.83
Commercial Mortgage-Backed	79,432	6.31
Corporate Bonds	35,992,333	3.79
Corporate Convertible Bonds	1,231,575	16.46
Funds - Corporate Bond	52,787,643	3.37
Funds - Government Bond	50,245,897	8.52
Funds - Other Fixed Income	99,886,656	3.87
Funds - Short Term Investment	52,160,769	2.85
Government Bonds	92,044,415	24.88
Index Linked Government Bonds	37,546,272	2.52
Other Fixed Income	953,015	0.23
Total	\$ 436,156,402	8.63

Note:

As of June 30, 2024, the Trust Funds held \$260,073,326 in nineteen investments with a fixed income (or related) investment emphasis for which Weighted Average Maturity details were unavailable and not evaluated. These investments included Bank Loan investment funds with other assets held, and hedge fund strategies.

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

NOTE 8 – CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SITFO manages the Trust Funds' exposure to fair value loss arising from credit risk through prudent deployment, management, and oversight of investments. SITFO does not have a formal policy for credit risk.

As of June 30, 2024, the fair value of the Trust Funds' debt security investments with exposure to credit risk had the following credit quality ratings (S&P rating is primary, if not available or not rated by S&P, corresponding Moody's rating is substituted).

Credit Quality	Total Fair Value	Asset Backed Securities	Bank Loans	Commercial Mortgage-Backed	Corporate Bonds	Corporate Convertible Bonds	Funds - Corporate Bonds	Funds - Government Bonds	Funds - Other Fixed Income	Funds - Short Term Investment	Government Bonds	Index Linked Government Bonds	Other Fixed Income
AAA	\$ 10,491,115	249,904	-	-	-	-	-	-	-	-	-	10,241,211	-
AA+	\$ -	-	-	-	-	-	-	-	-	-	-	-	-
AA	\$ 900,208	900,208	-	-	-	-	-	-	-	-	-	-	-
AA-	\$ 149,133	-	-	-	149,133	-	-	-	-	-	-	-	-
A+	\$ 30,389	-	-	-	30,389	-	-	-	-	-	-	-	-
A	\$ 79,432	-	-	79,432	-	-	-	-	-	-	-	-	-
A-	\$ 104,709	-	-	-	104,709	-	-	-	-	-	-	-	-
BBB+	\$ 672,235	-	87,150	-	585,085	-	-	-	-	-	-	-	-
BBB	\$ 891,849	-	-	-	891,849	-	-	-	-	-	-	-	-
BBB-	\$ 2,324,933	-	150,257	-	1,917,505	257,171	-	-	-	-	-	-	-
BB+	\$ 2,474,806	-	-	-	2,474,806	-	-	-	-	-	-	-	-
BB	\$ 5,856,544	-	825,948	-	4,832,033	198,563	-	-	-	-	-	-	-
BB-	\$ 7,294,291	-	1,185,389	-	5,768,821	340,080	-	-	-	-	-	-	-
B+	\$ 5,827,935	-	1,086,272	-	4,741,663	-	-	-	-	-	-	-	-
B	\$ 7,684,746	-	2,772,867	-	4,911,879	-	-	-	-	-	-	-	-
B-	\$ 7,114,308	-	1,793,169	-	5,321,139	-	-	-	-	-	-	-	-
CCC+	\$ 2,700,018	-	69,880	-	2,630,138	-	-	-	-	-	-	-	-
CCC	\$ 803,313	-	33,217	-	770,096	-	-	-	-	-	-	-	-
NR	\$ 261,406,964	2,755,396	1,318,738	-	863,088	435,761	52,787,643	50,245,897	99,886,656	52,160,769	-	-	953,015
*TSY		-	-	-	-	-	-	-	-	-	92,044,415	27,305,061	-
Subtotal	\$ 316,806,927	3,905,508	9,322,888	79,432	35,992,333	1,231,575	52,787,643	50,245,897	99,886,656	52,160,769	92,044,415	37,546,272	953,015
U.S. Treasuries	119,349,475												
Total debt securities investments	\$ 436,156,402												

Note:

As of June 30, 2024 the Trust Funds held \$22,160,768.74 in the Northern Trust Institutional Funds Treasury Portfolio - Premier Class, and AAAM rated money market fund.

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

NOTE 9 – CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. SITFO manages the Trust Funds' exposure to fair value loss arising from concentrations of credit risk through prudent deployment, management, and oversight of investments. SITFO does not have a formal policy for concentrations of credit risk.

As of June 30, 2024, the Trust Funds did not hold any credit positions exceeding 5% of the total portfolio.

NOTE 10 – CUSTODIAL CREDIT RISK

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. SITFO does not have a formal policy for custodial credit risk. Investments are registered investments or held by SITFO for the Trust Funds, or by SITFO's agent in the Trust Funds' name. The State Treasurer is the custodian of investments of the Trust Funds, and the investments are held under a custodial safekeeping agreement with the Northern Trust Company.

As of June 30, 2024, the data below represents the investments, including accrued income/expense, that have custodial credit risk.

Type of Investment	Fair Value
Cash and Cash Equivalents	\$ 939,567

The \$939,567 frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Trust Funds' name. Because it is in foreign banks, it is subject to custodial credit risk. The Trust Funds do not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.

Type of Investment	Fair Value
Other Assets	\$ 506,277,148

As of June 30, 2024, the \$506,227,148 other assets represent the investments, including accrued income/expense, that have custodial credit risk which has not been determined.

Note:
Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

NOTE 11 – FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. SITFO manages the Trust Funds' exposure to fair value loss arising from foreign currency risk through prudent deployment, management, and oversight of investments. SITFO does not have a formal policy for foreign currency risk.

The Trust Funds' exposure to foreign currency (inclusive of pending foreign exchange purchases and sales) as of June 30, 2024 is as follows:

Currency	Alternative Investments	Debt	Short Term	Equity	Total
Australian dollar	\$ -	\$ -	\$ 12,242	\$ 11,901,615	\$ 11,913,857
British pound sterling	2,404,696	135,421	(73,702)	12,897,816	15,364,231
Canadian dollar	-	-	(1,567,580)	4,727,899	3,160,320
Chinese yuan renminbi	-	-	334,311	6,237,501	6,571,811
Danish krone	-	-	97,361	6,127,929	6,225,290
Euro	97,246,622	187,813	474,042	48,911,312	146,819,790
HK offshore Chinese Yuan Renminbi	-	-	403,623	4,040,138	4,443,761
Hong Kong dollar	-	-	106,442	5,019,993	5,126,435
Japanese yen	-	-	117,691	16,595,669	16,713,360
New Israeli shekel	-	-	37,740	2,108,156	2,145,896
New Zealand dollar	-	-	19,763	1,144,401	1,164,164
Norwegian krone	-	-	13,862	2,975,832	2,989,695
Singapore dollar	-	-	27,023	4,967,704	4,994,727
South African rand	-	-	42	-	42
Swedish krona	-	-	82	6,046,292	6,046,375
Swiss franc	-	-	269,539	11,646,143	11,915,682
Total securities subject to foreign currency risk	\$ 99,651,319	\$ 323,234	\$ 272,483	\$ 145,348,401	\$ 245,595,436

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS

The Trust Funds invest in derivative financial instruments through external investment managers retained by the Board and subject to investment management agreements and other policy requirements. Derivatives are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed-upon benchmark. All derivatives are considered investments. The fair value of all derivative financial instruments is reported in the Statement of Net Position. The Trust Funds do not have a formal policy for derivative financial instruments.

As of June 30, 2024, the Trust Funds had the following exposure types classified within Derivative Financial Instruments: Equity Rights/Warrants; Currency Forwards; Swaps; and Futures.

Derivative Contracts as of June 30, 2024

Risk Type	Gross Notional		Asset MV		Liability MV		Earnings
Equity Rights/Warrants	\$	97,549	\$	-	\$	-	(31,030)
Currency Forwards		335,396		2,682		-	4,993
Swaps		941,000		60,303		-	226,514
Futures		8,010,492		-		-	2,605,118
Total	\$	9,384,437	\$	62,984	\$	-	2,805,595

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

Equity Rights are rights given to existing stockholders to purchase newly issued shares in proportion to their holdings at a specific date. Equity Warrants are certificates entitling the holder to acquire shares of stock at a certain price within a stated period. Warrants often are made part of the issuance of bonds or preferred or common stock. The balances of equity rights/warrants are included in the Statements of Changes in Net Position.

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates on the foreign currency denominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions in the Statements of Changes in Net Position.

Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty, who in turn agrees to make return interest payments that float with some reference rate. Gains and losses on swaps are determined based on market values and are recorded in the Statements of Changes in Net Position. Swap market values are determined by an independent third party.

Futures represent a financial contract obligating the buyer to purchase an asset or the seller to sell an asset, such as a physical commodity or a financial instrument, at a predetermined future date and price. Futures contracts are valued at their last reported sales price as of measurement date and are included in the Statements of Changes in Net Position.

NOTE 13 – SECURITIES LENDING

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions* establishes accounting and financial reporting standards for securities lending transactions. The standard requires governmental entities to report securities lent as assets in their balance sheets. Cash received as collateral and investments made with that cash must also be reported as both an asset and a liability. The statement also requires the costs of the securities lending transactions to be reported as expenses separately from income received. In addition, the statement requires disclosures about the transactions and collateral related to them.

Under the terms of the lending agreement, the Trust Funds are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency and indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis.

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. In all cases the borrower provides more collateral than the value of securities lent. Therefore, there is no credit risk related to security lending transactions. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults.

All securities loans can be terminated on demand by either the lender or the borrower, although the average term of State of Utah, School and Institutional Trust Funds loans was approximately 136 days as of June 30, 2024.

Cash open collateral is invested in a short term investment pool, the NT Coll SL Core S/T Inv Fund, which had an interest sensitivity of 22 days as of this statement date.

As of this statement date, there were no violations of legal or contractual provisions, and no borrower or lending agent defaults or losses known to the securities lending agent.

There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

Securities lending cash collateral is invested in investment pools and is not exposed to custodial credit risk.

The following represents the Trust Funds' balances related to securities lending transactions at June 30, 2024:

Security Type	Underlying Securities on Loan for Cash	Cash Collateral	Underlying Securities on Loan for Non-Cash	Non-Cash Collateral
GLOBAL Equities	3,472,966	3,667,059	33,731,883	35,626,793
GLOBAL Government Fixed	-	-	16,684,933	17,622,219
US Corporate Fixed	10,981,377	11,217,400	2,457,612	2,595,670
US Equities	28,041,277	28,724,488	24,587,737	25,968,968
US Government Fixed	9,341,300	9,632,261	3,034,999	3,205,491
Total	\$ 51,836,920	\$ 53,241,208	\$ 80,497,163	\$ 85,019,141

Market Value of Securities on Loan against Cash Collateral	\$ 51,836,920
Market Value of Securities on Loan against Non Cash Collateral	80,497,163
Total Market Value of Securities on Loan	<u>\$ 132,334,083</u>

Note:

*Non cash collateral reported as a % of total non cash collateral by asset type on loan (as opposed to reporting by the type of collateral.)

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.



STATE OF UTAH, SCHOOL AND INSTITUTIONAL TRUST FUNDS

Supplemental Schedules

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Administered by the School and Institutional Trust Funds Office

State of Utah, School and Institutional Trust Funds
GOVERNMENTAL BALANCE SHEET AND STATEMENT OF NET POSITION
As of June 30, 2024

SUPPLEMENTAL SCHEDULE
TRUST LANDS PERMANENT FUND COMBINING
SCHEDULE BY BENEFICIARY

	Beneficiary			
	School Fund	Utah State University	Deaf School	Institute for the Blind
Assets				
Cash with the State Treasurer	\$ 1,075,887	\$ 36,054	\$ -	10,404
Investments, at Fair Value	3,378,440,057	25,842,019	4,936,247	25,381,095
Invested Securities Lending Collateral	49,560,570	379,094	72,413	372,332
Receivable for Unsettled Trades	39,573,920	302,705	57,822	297,306
Accrued Interest and Dividends Receivable	5,232,913	40,027	7,646	39,313
Prepaid Operating Expenses	914,646	7,057	1,372	6,879
Net Income Receivable from TLA	4,229,520	266,407	141,781	69,827
Total Assets	3,479,027,512	26,873,362	5,217,280	26,177,156
Liabilities				
Securities Lending Liability	\$ 49,560,570	\$ 379,094	\$ 72,413	372,332
Other Payables	26,097,256	199,620	38,131	196,060
Expense Payable	204,719	1,566	299	1,538
Operating Expense Payable	436,995	3,371	656	3,287
Total Liabilities	76,299,539	583,652	111,499	573,217
Fund Balances				
Nonspendable - Permanent Funds	\$ 2,139,899,336	\$ 22,068,202	\$ 3,956,789	14,267,455
Restricted - Earnings Reserve	1,262,828,637	4,221,508	1,148,993	11,336,485
Total Fund Balances	3,402,727,973	26,289,710	5,105,782	25,603,939
Total Liabilities and Fund Balances	\$ 3,479,027,512	\$ 26,873,362	\$ 5,217,280	26,177,156
Statement of Net Position				
Restricted for Permanent Trust - Nonexpendable	\$ 2,139,899,336	\$ 22,068,202	\$ 3,956,789	\$ 14,267,455
Restricted for Permanent Trust - Expendable	1,262,828,637	4,221,508	1,148,993	11,336,485
Total Net Position	\$ 3,402,727,973	\$ 26,289,710	\$ 5,105,782	\$ 25,603,939

Note:
Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

See Notes to Financial Statements

State of Utah, School and Institutional Trust Funds
GOVERNMENTAL BALANCE SHEET AND STATEMENT OF NET POSITION
As of June 30, 2024

SUPPLEMENTAL SCHEDULE
TRUST LANDS PERMANENT FUND COMBINING
SCHEDULE BY BENEFICIARY

	Industrial School	Normal School	Reservoirs Fund	Utah State Hospital
Assets				
Cash with the State Treasurer	\$ 38,755	\$ 1,137	\$ 18,911	\$ 21,817
Investments, at Fair Value	9,886,439	9,382,828	24,382,116	10,059,080
Invested Securities Lending Collateral	145,031	137,643	357,677	147,563
Receivable for Unsettled Trades	115,806	109,907	285,604	117,829
Accrued Interest and Dividends Receivable	15,313	14,533	37,766	15,581
Prepaid Operating Expenses	2,707	2,538	6,609	2,754
Net Income Receivable from TLA	128,153	5,281	60,046	132,076
Total Assets	10,332,204	9,653,866	25,148,730	10,496,700
Liabilities				
Securities Lending Liability	\$ 145,031	\$ 137,643	\$ 357,677	\$ 147,563
Other Payables	76,369	72,479	188,343	77,703
Expense Payable	599	569	1,477	610
Operating Expense Payable	1,293	1,212	3,158	1,316
Total Liabilities	223,292	211,903	550,656	227,192
Fund Balances				
Nonspendable - Permanent Funds	\$ 8,454,206	\$ 6,442,499	\$ 19,487,442	\$ 7,683,162
Restricted - Earnings Reserve	1,654,706	2,999,464	5,110,632	2,586,346
Total Fund Balances	10,108,912	9,441,963	24,598,074	10,269,508
Total Liabilities and Fund Balances	\$ 10,332,204	\$ 9,653,866	\$ 25,148,730	\$ 10,496,700
Statement of Net Position				
Restricted for Permanent Trust - Nonexpendable	\$ 8,454,206	\$ 6,442,499	\$ 19,487,442	\$ 7,683,162
Restricted for Permanent Trust - Expendable	1,654,706	2,999,464	5,110,632	2,586,346
Total Net Position	\$ 10,108,912	\$ 9,441,963	\$ 24,598,074	\$ 10,269,508

Note:
Reported figures are rounded to the nearest dollar and totals may not
sum due to the impact of rounding.

See Notes to Financial Statements

State of Utah, School and Institutional Trust Funds
GOVERNMENTAL BALANCE SHEET AND STATEMENT OF NET POSITION
As of June 30, 2024

SUPPLEMENTAL SCHEDULE
TRUST LANDS PERMANENT FUND COMBINING
SCHEDULE BY BENEFICIARY

	School of Mines	University of Utah	Miners Hospital	TOTAL
Assets				
Cash with the State Treasurer	\$ 4,288	\$ 16,830	\$ -	1,224,083
Investments, at Fair Value	27,737,549	14,162,263	99,131,745	3,629,341,437
Invested Securities Lending Collateral	406,900	207,756	1,454,229	53,241,208
Receivable for Unsettled Trades	324,908	165,892	1,161,196	42,512,895
Accrued Interest and Dividends Receivable	42,963	21,936	153,547	5,621,538
Prepaid Operating Expenses	7,506	3,865	26,901	982,835
Net Income Receivable from TLA	32,177	138,194	394,881	5,598,341
Total Assets	28,556,293	14,716,735	102,322,498	3,738,522,337
Liabilities				
Securities Lending Liability	\$ 406,900	\$ 207,756	\$ 1,454,229	53,241,208
Other Payables	214,263	109,398	765,758	28,035,381
Expense Payable	1,681	858	6,007	219,922
Operating Expense Payable	3,586	1,847	12,853	469,573
Total Liabilities	626,430	319,859	2,238,846	81,966,085
Fund Balances				
Nonspendable - Permanent Funds	\$ 24,428,206	\$ 10,352,760	\$ 68,185,732	2,325,225,788
Restricted - Earnings Reserve	3,501,656	4,044,117	31,897,920	1,331,330,464
Total Fund Balances	27,929,862	14,396,877	100,083,652	3,656,556,252
Total Liabilities and Fund Balances	\$ 28,556,293	\$ 14,716,735	\$ 102,322,499	\$ 3,738,522,337
Statement of Net Position				
Restricted for Permanent Trust - Nonexpendable	\$ 24,428,206	\$ 10,352,760	\$ 68,185,732	2,325,225,788
Restricted for Permanent Trust - Expendable	3,501,656	4,044,117	31,897,920	1,331,330,464
Total Net Position	\$ 27,929,862	\$ 14,396,877	\$ 100,083,652	\$ 3,656,556,252

Note:
Reported figures are rounded to the nearest dollar and totals may not
sum due to the impact of rounding.

See Notes to Financial Statements

State of Utah, School and Institutional Trust Funds

GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN GOVERNMENTAL FUND BALANCES
AND STATEMENT OF GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30, 2024

SUPPLEMENTAL SCHEDULE
TRUST LANDS PERMANENT FUND COMBINING
SCHEDULE BY BENEFICIARY

	Beneficiary			
	School Fund	Utah State University	Deaf School	Institute for the Blind
Revenues				
Receipts from Trust Lands Administration	\$ 153,562,261	\$ 6,221,440	\$ 865,557	\$ 480,110
Earnings on Investments	336,111,573	769,792	468,266	2,547,467
Total Revenues	489,673,835	6,991,232	1,333,823	3,027,577
Expenditures				
Fund Operating Expenses	5,455,545	37,762	7,583	41,225
Total Expenditures	5,455,545	37,762	7,583	41,225
Revenues over Expenditures	484,218,289	6,953,471	1,326,240	2,986,351
Other Financing Uses				
Distributions to Beneficiaries	106,221,909	348,830	123,257	894,409
Net Change in Fund Balance	377,996,380	6,604,641	1,202,983	2,091,942
Fund Balances - Beginning of Year	3,024,731,593	19,685,070	3,902,799	23,511,997
Fund Balances - End of Year	\$ 3,402,727,973	\$ 26,289,710	\$ 5,105,782	\$ 25,603,939
<p><i>There were no expenses which do not require the use of current financial resources.</i> <i>The amount for the Change in Net Position (shown below) is the same amount shown above in the Governmental Statement of Expenditures.</i></p>				
Change in Net Position-Government Activities	\$ 377,996,380	\$ 6,604,641	\$ 1,202,983	\$ 2,091,942

Note:
Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

See Notes to Financial Statements

State of Utah, School and Institutional Trust Funds

GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN GOVERNMENTAL FUND BALANCES
AND STATEMENT OF GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30, 2024

SUPPLEMENTAL SCHEDULE
TRUST LANDS PERMANENT FUND COMBINING
SCHEDULE BY BENEFICIARY

	Industrial School	Normal School	Reservoirs Fund	Utah State Hospital
Revenues				
Receipts from Trust Lands Administration	\$ 3,679,181	\$ 189,119	\$ 1,118,497	2,582,506
Earnings on Investments	(176,558)	919,335	2,401,225	(206,840)
Total Revenues	3,502,623	1,108,454	3,519,722	2,375,666
Expenditures				
Fund Operating Expenses	14,204	15,253	38,890	15,318
Total Expenditures	14,204	15,253	38,890	15,318
Revenues over Expenditures	3,488,419	1,093,202	3,480,832	2,360,347
Other Financing Uses				
Distributions to Beneficiaries	89,227	286,037	467,501	206,900
Net Change in Fund Balance	3,399,192	807,165	3,013,331	2,153,448
Fund Balances - Beginning of Year	6,709,720	8,634,799	21,584,743	8,116,060
Fund Balances - End of Year	\$ 10,108,912	\$ 9,441,963	\$ 24,598,074	\$ 10,269,508
Change in Net Position-Government Activities	\$ 3,399,192	\$ 807,165	\$ 3,013,331	\$ 2,153,448

Note:
Reported figures are rounded to the nearest dollar and totals may not sum
due to the impact of rounding.

See Notes to Financial Statements

State of Utah, School and Institutional Trust Funds

GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN GOVERNMENTAL FUND BALANCES

AND STATEMENT OF GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30, 2024

SUPPLEMENTAL SCHEDULE

TRUST LANDS PERMANENT FUND COMBINING

SCHEDULE BY BENEFICIARY

	School of Mines	University of Utah	Miners Hospital	TOTAL
Revenues				
Receipts from Trust Lands Administration	\$ 16,342,845	\$ 1,018,941	\$ 11,190,119	\$ 197,250,577
Earnings on Investments	1,770,914	1,379,114	9,920,897	355,905,185
Total Revenues	18,113,759	2,398,055	21,111,016	553,155,762
Expenditures				
Fund Operating Expenses	28,145	22,553	158,684	5,835,162
Total Expenditures	28,145	22,553	158,684	5,835,162
Revenues over Expenditures	18,085,614	2,375,502	20,952,332	547,320,600
Other Financing Uses				
Distributions to Beneficiaries	263,819	356,320	2,713,785	111,971,993
Net Change in Fund Balance	17,821,795	2,019,182	18,238,547	435,348,607
Fund Balances - Beginning of Year	10,108,067	12,377,695	81,845,105	3,221,207,646
Fund Balances - End of Year	\$ 27,929,862	\$ 14,396,877	\$ 100,083,652	\$ 3,656,556,252
Change in Net Position-Government Activities	\$ 17,821,795	\$ 2,019,182	\$ 18,238,547	\$ 435,348,607

Note:

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

See Notes to Financial Statements

SCHEDULE OF SITFO EXPENDITURES

Fiscal Year Ended June 30, 2024

SCHEDULE OF OPERATING EXPENDITURES

Fund Operating Expenses

SITFO Investment Office Budget	\$	2,685,592
LTPAO Office Budget		707,200
Audit Expense		54,169
Investment Systems and Publications		223,558
Consulting Services		1,624,934
Custodial Banking Services		539,710
Subtotal Fund Operating Expenses	\$	5,835,162

Invoiced Investment Management (IM) Fees

Bin Yuan	\$	83,087
Columbia Threadneedle		283,788
Loomis		229,715
Parametric		683,931
Westwood		422,966
SLC Management		263,565
Subtotal Invoiced IM Fees	\$	1,967,053

Total Fund Operating Expenses and Invoiced IM Fees	\$	7,802,215
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Note:

Invoiced Investment Management (IM) Fees are paid out of the assets of the IM accounts.

Fees are also paid on an indirect basis as deductions from the Net Asset Value (or its equivalent) on an indirect basis and are not reported as Operating Expenditures.

Fund expenses include budget expenses as well as off budget investment specific expenses.

Reported figures are rounded to the nearest dollar and totals may not sum due to the impact of rounding.

State of Utah, School and Institutional Trust Funds
SCHEDULE OF WEIGHTED INVESTMENT RETURNS BY BENEFICIARY
Fiscal Year Ended June 30, 2024

SCHEDULE OF WEIGHTED INVESTMENT RETURNS BY BENEFICIARY (% Net of Fees)

	FY 2024	3 Year Annualized	5 Year Annualized	10 Year Annualized	Since Inception	Inception Date
Total Fund	10.7%	4.4%	6.7%	5.9%	6.9%	July 2003
<i>CPI+5%</i>	8.1%	10.2%	9.4%	7.9%	7.7%	
<i>Total Fund Interim Target Index*</i>	9.5%	3.7%	7.5%	6.4%	7.1%	

Beneficiary	FY 2024	3 Year Annualized	5 Year Annualized	10 Year Annualized	Since Inception	Inception Date
School Fund	10.7%	4.4%	6.7%	5.9%	7.0%	July 2003
Utah State University	10.7%	4.4%	6.7%	5.8%	6.6%	July 2003
Deaf School	10.7%	4.4%	6.7%	5.3%	6.5%	July 2003
Institute for the Blind	10.7%	4.4%	6.7%	5.7%	6.8%	July 2003
Industrial School	10.7%	4.4%	6.7%	5.3%	6.3%	July 2003
Normal School	10.7%	4.4%	6.7%	5.3%	6.3%	July 2003
Reservoirs Fund	10.7%	4.4%	6.7%	5.3%	6.4%	July 2003
Utah State Hospital	10.7%	4.4%	6.7%	5.3%	6.2%	July 2003
School of Mines	10.7%	4.4%	6.7%	5.6%	6.6%	July 2003
University of Utah	10.7%	4.4%	6.7%	5.6%	6.5%	July 2003
Miners Hospital	10.7%	4.4%	6.7%	5.6%	6.3%	July 2003

*The Total Fund Interim Target Index as of June 30, 2024 consists of 43.5% Growth Interim Target Index, 17.5% Real Assets Interim Target Index, 27% Income Interim Target Index and 12% Defensive Interim Target Index.

Investment Rates of Return and Benchmark Returns are as reported by RVK.

Note:

Reported figures are rounded to the nearest dollar or tenth of one percent and totals may not sum due to the impact of rounding.

Any benchmark containing a Cambridge, NCREIF, S&P, Eurekahedge, or Actual Allocation Index is subject to change as updated data becomes available.

State of Utah, School and Institutional Trust Funds
SCHEDULE OF WEIGHTED INVESTMENT RETURNS BY INVESTMENT THEMATIC
Fiscal Year Ended June 30, 2024

SCHEDULE OF WEIGHTED INVESTMENT RETURNS BY INVESTMENT THEMATIC (% , Net of Fees)

	FY 2024	3 Year Annualized	5 Year Annualized	10 Year Annualized	Since Inception	Inception Date
Total Fund	10.7%	4.4%	6.7%	5.9%	6.9%	July 2003
<i>CPI+5%</i>	8.1%	10.2%	9.4%	7.9%	7.7%	
<i>Total Fund Interim Target Index (1)</i>	9.5%	3.7%	7.5%	6.4%	7.1%	
Investment Theme	FY 2024	3 Year Annualized	5 Year Annualized	10 Year Annualized	Since Inception	Inception Date
Growth	14.3%	4.6%	9.9%	8.2%	8.9%	July 2003
<i>Growth Interim Target Index (2)</i>	14.6%	3.2%	10.4%	8.7%	8.9%	
Real Assets	4.8%	7.7%	6.1%	7.5%	5.2%	January 2008
<i>Real Assets Interim Target Index (3)</i>	3.8%	4.8%	6.0%	6.8%	4.5%	
Income	11.6%	4.0%	4.2%	3.7%	4.1%	July 2003
<i>Income Interim Target Index (4)</i>	8.9%	4.7%	5.6%	4.8%	4.8%	
Defensive	3.0%	-0.5%	2.3%	1.0%	1.5%	June 2004
<i>Defensive Interim Target Index (5)</i>	0.8%	0.7%	3.9%	1.9%	1.7%	

(1) The Total Fund Interim Target Index as of June 30, 2024 consists of 43.5% Growth Interim Target Index, 17.5% Real Assets Interim Target Index, 27% Income Interim Target Index and 12% Defensive Interim Target Index.

(2) The Growth Interim Target Index currently consists of 74.71% MSCI ACW IM Index (USD) (Net) and 25.29% Private Equity Custom Index.

(3) The Real Assets Interim Target Index currently consists of 31.43% SPRAUT Index and 68.57% Private Real Assets Custom Index.

(4) The Income Interim Target Index currently consists of 68.52% Bloomberg US High Yield 1-3 Year Index and 31.48% Private Income Custom Index.

(5) The Defensive Interim Target Index currently consists of 20.83% Bloomberg 20-30 Year Treasury Strips Index, 20.83% Bloomberg US TIPS 0-5 Year Index and 58.33% Systematic Convexity Custom Index.

Any benchmark containing a Cambridge, NCREIF, S&P, Eurekahedge, CS, or Actual Allocation Index is subject to change as updated data becomes available.

Investment Rates of Return and Benchmark Returns are as reported by RVK.

Note:

Reported figures are rounded to the nearest dollar or tenth of one percent and totals may not sum due to the impact of rounding.

SCHEDULE OF BROKERAGE COMMISSIONS

Fiscal Year Ended June 30, 2024

SCHEDULE OF BROKERAGE COMMISSIONS

Broker Name	Shares Traded	Dollar Volume of Trades	Commission Dollar		Commission (% of dollar volume)	
			Amount	Commission Per Share		
NORTHERN TRUST	6,634,540	\$ 183,622,635	\$ 143,167	\$ 0.0216		0.0780%
FIDELITY CAPITAL MARKETS	5,201,795	364,303,312	30,776	0.0059		0.0084%
CITIGROUP GLOBAL MARKETS	8,787,251	34,525,696	19,428	0.0022		0.0563%
UBS	5,359,582	26,015,361	14,924	0.0028		0.0574%
ROYAL BANK OF CANADA	1,357,766	83,996,252	11,541	0.0085		0.0137%
JEFFERIES LLC	1,164,561	76,176,454	8,243	0.0071		0.0108%
CHINA INTL CAPITAL CORP HK SECS LTD	3,124,552	9,688,480	6,785	0.0022		0.0700%
PERSHING LLC	1,021,650	8,532,304	4,264	0.0042		0.0500%
MACQUARIE	2,515,186	7,394,889	3,769	0.0015		0.0510%
INSTINET	838,342	4,142,964	1,776	0.0021		0.0429%
Total	36,005,225	\$ 798,398,346	\$ 244,672	\$ 0.0058		0.0306%

Note:

Domestic and Global Equity trading only.

No commissions are paid on fixed income trades.

Total does not include mutual fund trade fees.

Reported figures are rounded to the nearest dollar or tenth of one percent and totals may not sum due to the impact of rounding.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
School and Institutional Trust Funds
Salt Lake City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the School and Institutional Trust Funds, a component of the State of Utah, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School and Institutional Trust Funds' financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School and Institutional Trust Funds' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School and Institutional Trust Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the School and Institutional Trust Funds' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School and Institutional Trust Funds' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Salt Lake City, Utah
October 30, 2024



Independent Auditor's Report on Compliance

To the Board of Trustees
School and Institutional Trust Funds Office
Salt Lake City, Utah

Report on Compliance

We have audited the School and Institutional Trust Funds' compliance with *Utah Code*, Sections 53F-9-201 and 53C-3-102(7), requiring distributions to be made as specified in those code sections, that could have a direct and material effect on distributions made for the year ended June 30, 2024.

Opinion on Compliance

In our opinion, School and Institutional Trust Funds complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on distributions made for the year ended June 30, 2024.

Responsibilities of Management for Compliance

Management is responsible for compliance with compliance with Utah Code, Sections 53F-9-201 and 53C-3-102(7).

Auditor's Responsibility for the Audit of Compliance

Our responsibility is to express an opinion on compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the distributions occurred. An audit includes examining, on a test basis, evidence about School and Institutional Trust Funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of School and Institutional Trust Funds' compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP".

October 30, 2024
Salt Lake City, Utah