



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB F

March 24, 2022

Annual Money Management Report – FY 2021

Pursuant to Utah Code 51-7-13(3)(a)(c), Utah Code 51-8-303(6), and Board policy R541, USHE institutions are required to submit reports to the Board monthly and annually detailing the deposit and investment of funds. The Board then submits an annual summary report of all investments by institution to both the governor and the legislature. This report serves as the annual summary report and meets the requirements outlined in the statute.

Background

On both a monthly and annual basis, institutions prepare investment reports that are reviewed and approved by both the institution treasurer and internal auditor(s). The treasurer certifies the institution is in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the State Money Management Act. The internal auditor(s) verifies compliance with state statutes, Board policy, institutional policy, federal regulation, strength of controls, and confirms the completeness and accuracy of the investment reports. Completed reports are submitted to the institution's board of trustees for review and approval (as delegated by the Utah Board of Higher Education) and forwarded to the Commissioner's office for review and record keeping.

Statute requires that the annual summary report to the governor and legislature represent audited values. To meet this requirement, this report is prepared after the state auditors complete their annual financial audit of the institutions. The investment figures used in this report tie to the audited "Statement of Net Assets" found in the institution's financial statements.

The attached report demonstrates the relative size of institutional investments and the asset allocations in place at each school by investment category. The categories are:

- Endowment Investments - governed by UPMIFA and Board policy R541
- Foundation Investments - governed by a Foundation Board of Trustees/Directors operating under the requirements of non-profit 501(c)(3)s
- Other Investments - all funds not endowment or foundation, operating under the guidelines and requirements of Utah Code 51-7, and Utah Money Management Act

Additional Information

The Commissioner's staff has worked with USHE controllers to provide additional information regarding the oversight and review of the investment process to address Board questions regarding asset allocation, compliance with laws and regulations, return on assets, and risk management. The following information has been provided by the institutions describing their processes and procedures for evaluating the performance of their respective investments, the various benchmarks used in the evaluation process, and clarifying notes describing the use of outside industry professionals to assist in the management of institutional investments.

Oversight and Review

The responsibility for oversight, management, and reporting of assets invested (including the management of the portfolio, selection of investment products, and investiture/divestiture decisions) has been delegated by the Board to an institution's board of trustees. To assist with this charge, the institutions have created investment committees to help with the operational responsibilities. The membership of these committees varies by campus but may include trustees, institutional officers, designated treasurers, institution employees, members of the business community, and/or investment professionals. Institutional use of outside professionals varies. In some cases, outside professionals (i.e., Commonfund, Wells Fargo, LCG Associates, Albourne America, and Strata Financial Services) are hired to manage pieces of investment portfolios. In other cases, individuals recognized as investment professionals may sit on the investment committees.

Investment committees are asked to evaluate the respective investments relative to returns, risk mitigation, institutional needs, reasonableness, effectiveness, overall position, prudence, and management cost while maintaining compliance with statutes, policies, authorities, and regulations.

Reports of the positions, instruments, and balances are produced monthly and quarterly by the designated treasurer, approved by committees, and presented to the institutional president and board of trustees for review and approval.

Performance Measurement

Institutions use industry-standard benchmarks to measure the return on their investments, allocation of assets, and risk level. The benchmark tools may include S&P 500, Russell 3000, Morgan Stanley (MSCI) for equity funds, UBS index, Barclays Capital Index, London Interbank Offered Rate (LIBOR), and peer group comparisons. Several institutions participate in a national survey by NACUBO – Commonfund Study of Endowments (which includes all major colleges and universities in the U.S.). The results of this annual study are a key indicator of how their investment practices and results compare to other major universities. The NACUBO study also provides insights into current investment trends and ways to

improve overall results. Dixie State University places most of their investments with the University of Utah to receive the benefit of University of Utah investment strategies and staff professionals.

Foundations

Foundations have a board and committee that oversee and direct the investments of each foundation. The foundations are subject to federal regulations. In the case of Dixie State University, the foundation is a completely separate entity from the institution. Dixie State University does not maintain any institutional investments within their foundation.

Utah State University's foundation is a part of the university or "dependent foundation," which is dedicated to maximizing support from private donations. As such, foundation funds are invested as part of the university endowment according to current university guidelines, oversight protocols, performance evaluation standards, and according to the same investment policies as all other university funds.

Note

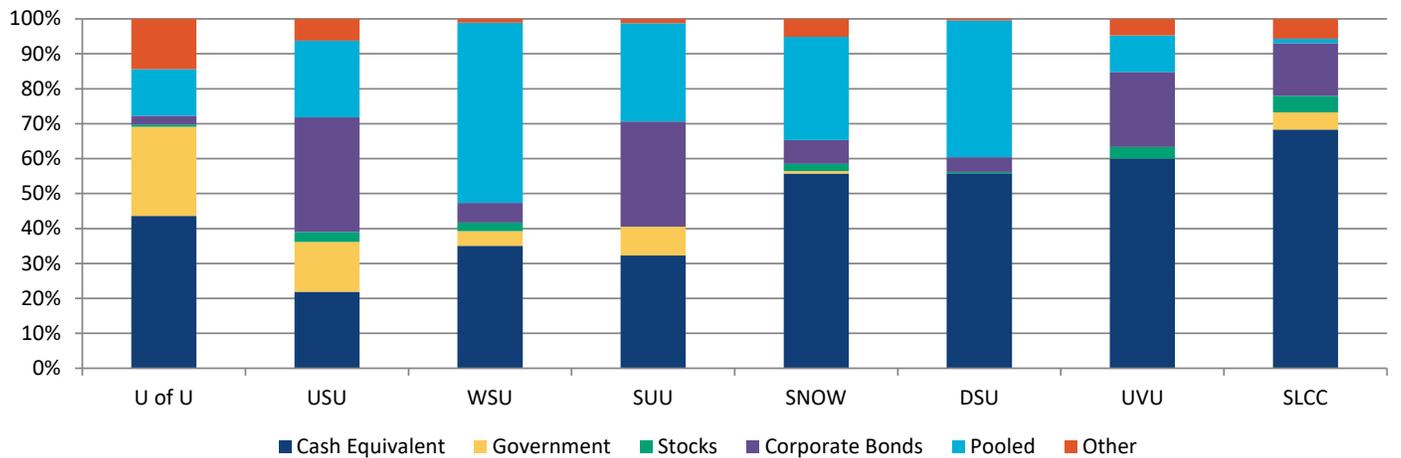
Between FY20 and FY21, Dixie Technical College saw a drop of \$672,309 in their investments. The first reason for the drop is the institution expended some federal government COVID funds in FY21, but they were not reimbursed until FY22. The second was the college spent funds for an exterior upgrade to the old St. George airport terminal and a new metal storage building for the industrial programs.

From FY20 to FY21, Dixie State University had a drop of \$8,114,910 in their investments. During FY20, the institution still had bond funds relating to the bonding for the Campus View Suites II student housing project. The building was completed in FY21, and the remaining cash was spent.

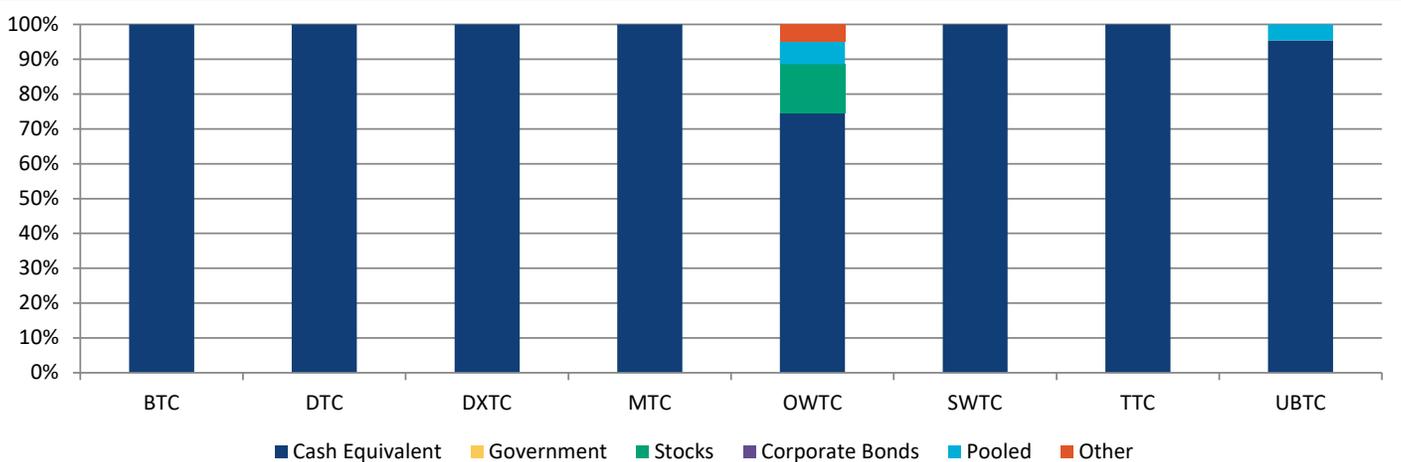
Attachments

2021 Summary of USHE Investments

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Cash Equivalent	A	43.62%	21.89%	35.01%	32.25%	55.71%	55.84%	60.05%	68.33%
Government	B	25.53%	14.30%	4.23%	8.28%	0.72%	0.00%	0.00%	4.93%
Stocks	C	0.57%	2.79%	2.43%	0.00%	2.06%	0.39%	3.29%	4.72%
Corporate Bonds	D	2.54%	32.86%	5.66%	30.13%	6.84%	4.14%	21.45%	15.06%
Pooled	E	13.36%	21.89%	51.59%	28.13%	29.54%	39.14%	10.51%	1.26%
Other	F	14.37%	6.27%	1.08%	1.22%	5.12%	0.49%	4.71%	5.70%



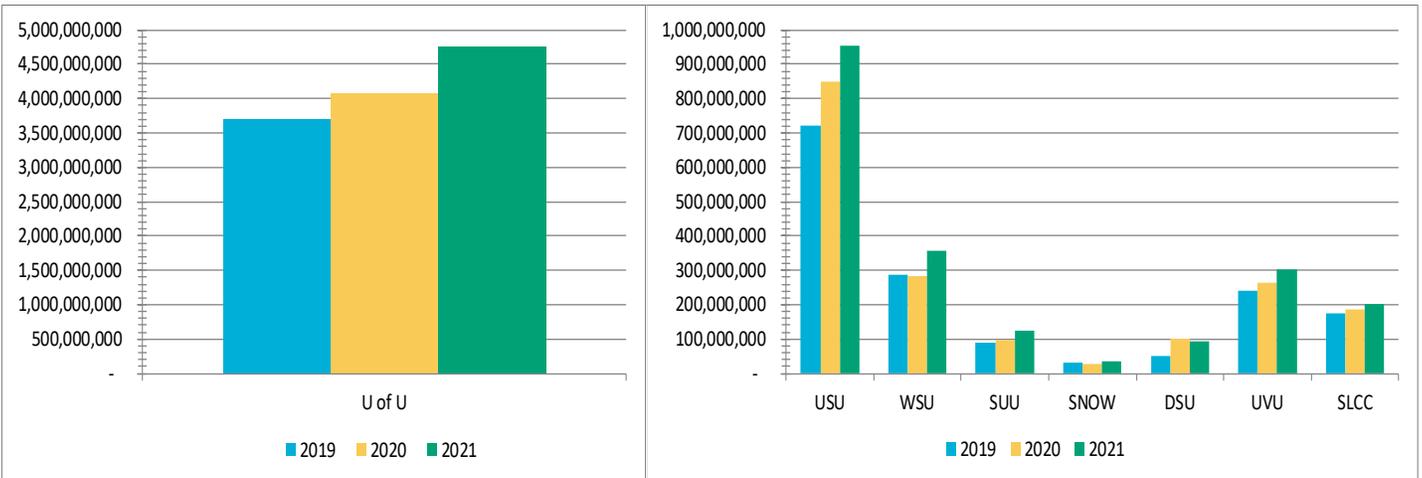
Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Cash Equivalent	A	100.00%	100.00%	100.00%	100.00%	74.62%	100.00%	100.00%	95.45%
Government	B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks	C	0.00%	0.00%	0.00%	0.00%	13.94%	0.00%	0.00%	0.00%
Corporate Bonds	D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pooled	E	0.00%	0.00%	0.00%	0.00%	6.49%	0.00%	0.00%	4.55%
Other	F	0.00%	0.00%	0.00%	0.00%	4.96%	0.00%	0.00%	0.00%



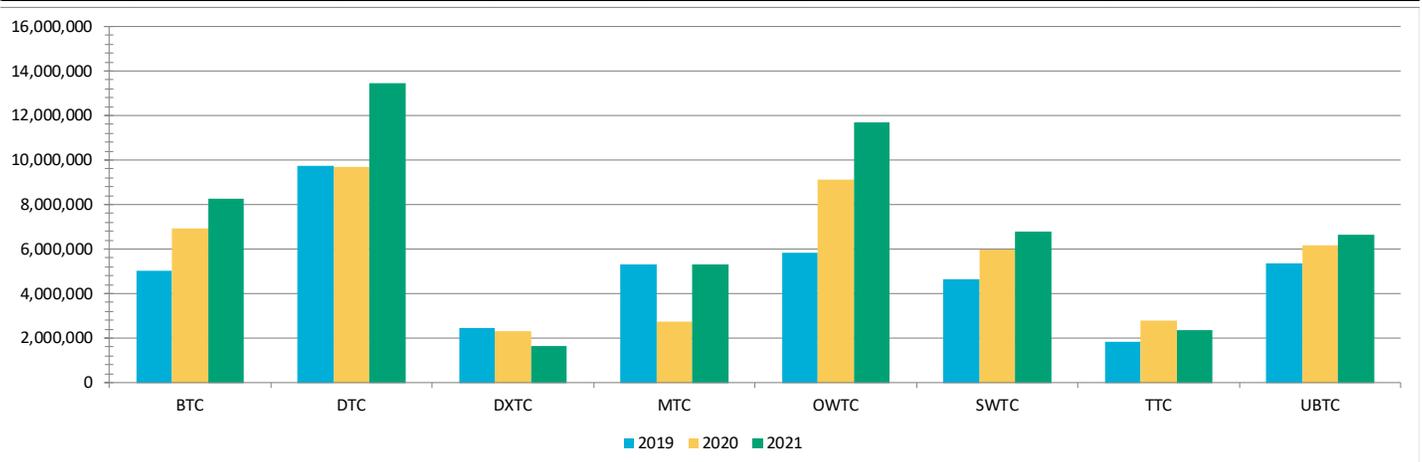
Total investment allocation by each institution, as of June 30, 2021.

3 Year Comparison of All Fund Investments

Fiscal Year	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
2019	3,706,327,030	721,201,869	286,767,866	91,269,050	31,323,819	51,044,129	241,645,821	176,672,968
2020	4,066,392,451	849,341,883	283,047,528	97,089,631	28,237,801	99,686,690	263,566,407	188,245,199
2021	4,740,861,164	952,236,339	355,985,405	124,347,042	34,588,518	91,571,780	301,531,752	203,094,178



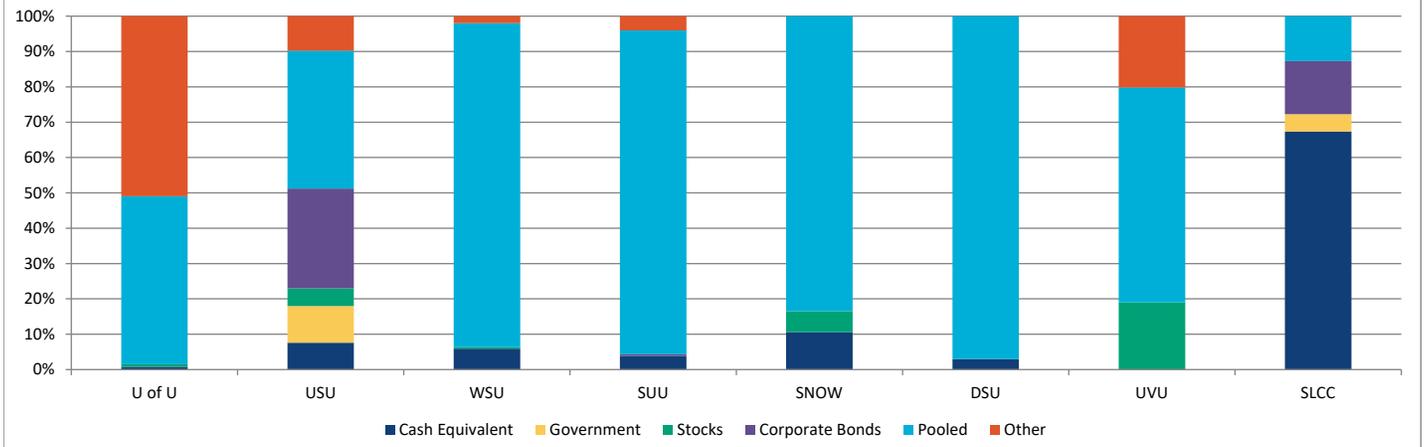
Fiscal Year	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
2019	5,050,889	9,742,323	2,459,441	5,303,101	5,821,331	4,630,091	1,859,617	5,371,075
2020	6,938,972	9,705,844	2,325,660	2,727,122	9,126,033	5,989,404	2,776,361	6,156,679
2021	8,263,683	13,429,609	1,653,351	5,299,430	11,696,953	6,804,684	2,360,802	6,647,692



Summary of all funds invested by each institution over the previous three years. Data shows the trends that the institutions are seeing in the value of their respective investments. In an attempt to present all institutions at the appropriate visual scale, the University of Utah is displayed separately.

Endowment Investments

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Cash Equivalent	A	0.78%	7.63%	5.92%	3.83%	10.59%	2.97%	0.00%	67.36%
Government	B	0.00%	10.38%	0.00%	0.00%	0.00%	0.00%	0.00%	4.91%
Stocks	C	0.70%	4.97%	0.43%	0.00%	5.95%	0.00%	19.00%	0.00%
Corporate Bonds	D	0.00%	28.26%	0.00%	0.54%	0.00%	0.00%	0.00%	14.99%
Pooled	E	47.56%	39.02%	91.68%	91.59%	83.46%	97.03%	60.81%	12.74%
Other	F	50.96%	9.76%	1.97%	4.05%	0.00%	0.00%	20.20%	0.00%



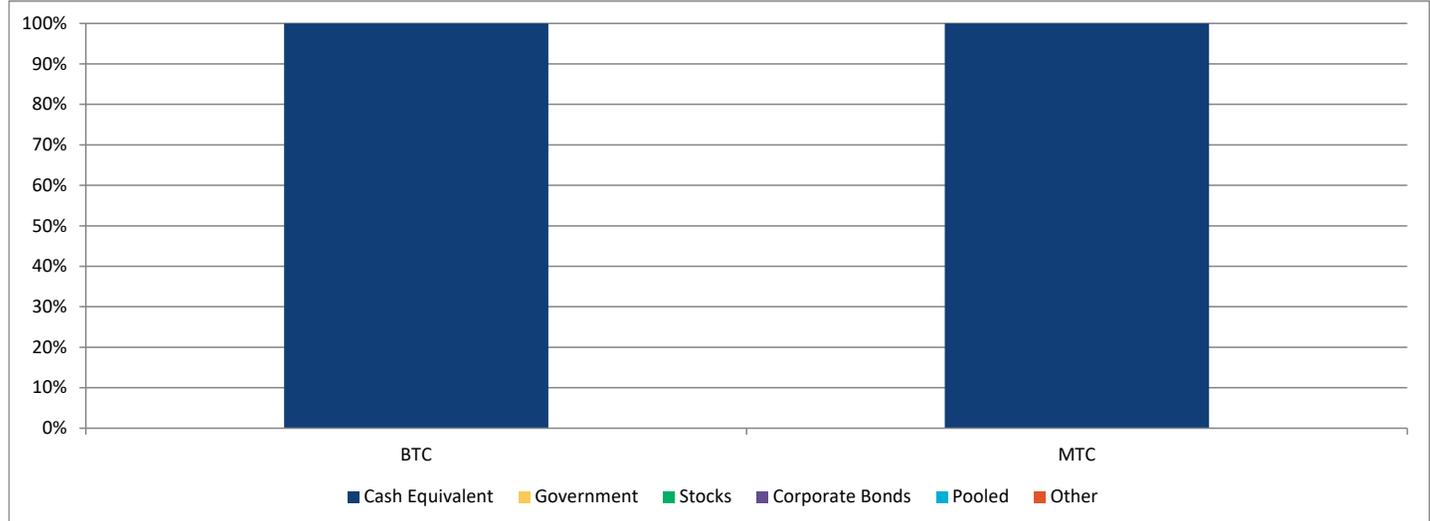
Investment allocation of endowment funds by category, as of June 30, 2021.

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Saving/Checking/Money Mkt Accounts	A	6,684,177	38,078,640	1,897,457	410,762	1,252,678	26,228	-	69,380
Repurchase Agreements	A	-	-	-	-	-	-	-	-
Certificates of Deposit	A	-	-	-	-	-	-	-	-
Commercial Paper	A	-	-	-	-	-	-	-	-
Utah PTIF Accounts	A	3,665,909	2,647,410	9,617,252	1,019,046	-	549,024	-	5,569,084
Obligations of US Government	B	-	42,004,718	-	-	-	-	-	410,977
Obligations of State/Local Government	B	-	13,426,528	-	-	-	-	-	-
Stocks	C	9,250,252	26,534,429	837,202	-	703,590	-	9,904,564	-
Corporate Bonds	D	-	150,954,174	-	199,810	-	-	-	1,255,189
Mutual Funds	E	629,784,326	172,051,412	-	34,179,545	9,873,100	18,766,884	31,696,617	1,066,399
Commonfund Accounts	E	-	36,382,015	178,224,178	-	-	-	-	-
Alternative	F	674,745,446	52,110,380	-	1,510,406	-	-	8,846,956	-
Other	F	-	-	3,832,894	-	-	-	1,680,466	-
Total		1,324,130,110	534,189,706	194,408,983	37,319,569	11,829,368	19,342,136	52,128,603	8,371,029
Percentage of Total		60.69%	24.48%	8.91%	1.71%	0.54%	0.89%	2.39%	0.38%
USHE Total		2,181,719,504							

Schedule of total endowment funds invested by each institution, as of June 30, 2021. Endowment funds are invested according to policy guidelines of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Board Policy R541. Endowment investments by institution are shown at the sub-category level, which roll up into the six categories above.

Endowment Investments

Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Cash Equivalent	A	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
Government	B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks	C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pooled	E	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	F	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



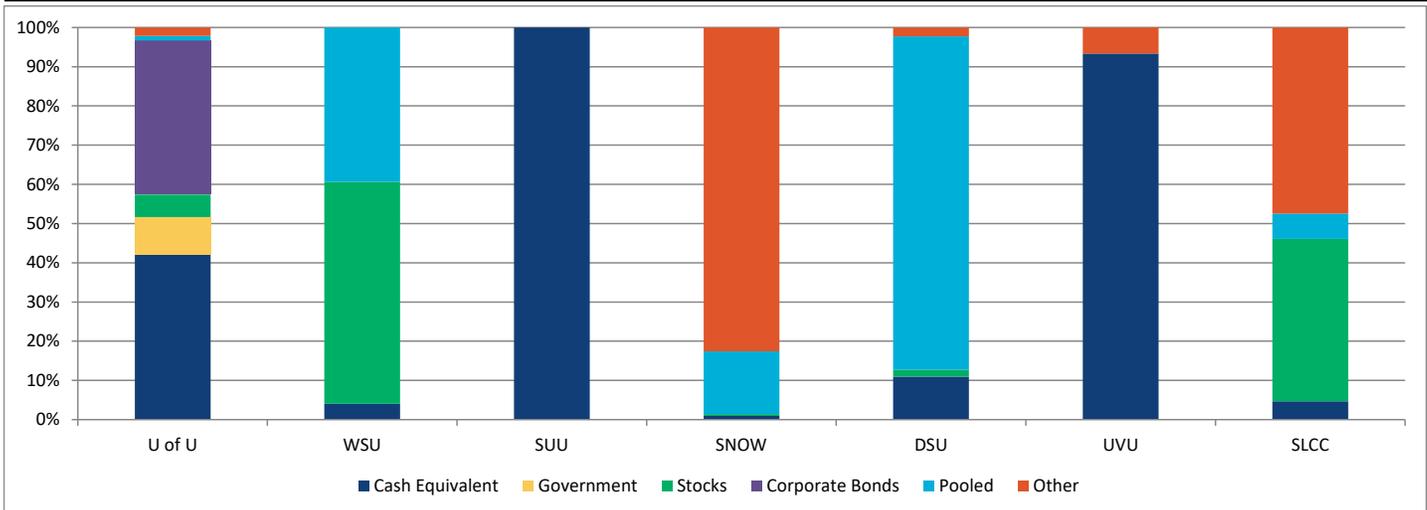
Investment allocation of endowment funds by category, as of June 30, 2021.

Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Saving/Checking/Money Mkt Accounts	A	-	-	-	-	-	-	-	-
Repurchase Agreements	A	-	-	-	-	-	-	-	-
Certificates of Deposit	A	-	-	-	-	-	-	-	-
Commercial Paper	A	-	-	-	-	-	-	-	-
Utah PTIF Accounts	A	71,268.00	-	-	689,333.00	-	-	-	-
Obligations of US Government	B	-	-	-	-	-	-	-	-
Obligations of State/Local Government	B	-	-	-	-	-	-	-	-
Stocks	C	-	-	-	-	-	-	-	-
Corporate Bonds	D	-	-	-	-	-	-	-	-
Mutual Funds	E	-	-	-	-	-	-	-	-
Commonfund Accounts	E	-	-	-	-	-	-	-	-
Alternative	F	-	-	-	-	-	-	-	-
Other	F	-	-	-	-	-	-	-	-
Total		71,268	-	-	689,333	-	-	-	-
Percentage of Total		9.37%	0.00%	0.00%	90.63%	0.00%	0.00%	0.00%	0.00%
USHE Total		760,601							

Schedule of total endowment funds invested by each institution, as of June 30, 2021. Endowment funds are invested according to policy guidelines of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Board Policy R541. Endowment investments by institution are shown at the sub-category level, which roll up into the six categories above.

Foundation Investments

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Cash Equivalent	A	42.10%	0.00%	4.00%	100.00%	0.93%	10.96%	93.34%	4.65%
Government	B	9.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks	C	5.74%	0.00%	56.67%	0.00%	0.48%	1.77%	0.00%	41.42%
Corporate Bonds	D	39.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pooled	E	1.16%	0.00%	39.33%	0.00%	16.03%	85.03%	0.00%	6.48%
Other	F	2.14%	0.00%	0.00%	0.00%	82.57%	2.24%	6.67%	47.45%



Investment allocation of foundation funds by Institution, as of June 30, 2021.

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Saving/Checking/Money Mkt Accounts	A	105,224,128	-	531,031	5,932	19,872	1,506,437	1,218,333	1,077,847
Repurchase Agreements	A	-	-	-	-	-	-	-	-
Certificates of Deposit	A	12,361,990	-	-	-	-	694,667	-	-
Commercial Paper	A	11,658,893	-	-	-	-	-	-	-
Utah PTIF Accounts	A	-	-	21,245	487,660	-	-	50,091,617	-
Obligations of US Government	B	29,388,297	-	-	-	-	-	-	-
Obligations of State/Local Government	B	-	-	-	-	-	-	-	-
Stocks	C	17,619,406	-	7,827,017	-	10,284	354,788	-	9,594,464
Corporate Bonds	D	120,574,944	-	-	-	-	-	-	-
Mutual Funds	E	3,571,879	-	-	-	343,954	17,076,055	-	1,500,709
Commonfund Accounts	E	-	-	5,432,519	-	-	-	-	-
Alternative	F	6,573,417	-	-	-	-	450,555	-	-
Other	F	-	-	-	-	1,771,925	-	3,664,177	10,991,009
Total		306,972,954	-	13,811,812	493,592	2,146,035	20,082,502	54,974,127	23,164,029
Percentage of Total		72.80%	0.00%	3.28%	0.12%	0.51%	4.76%	13.04%	5.49%
USHE Total		421,645,051							

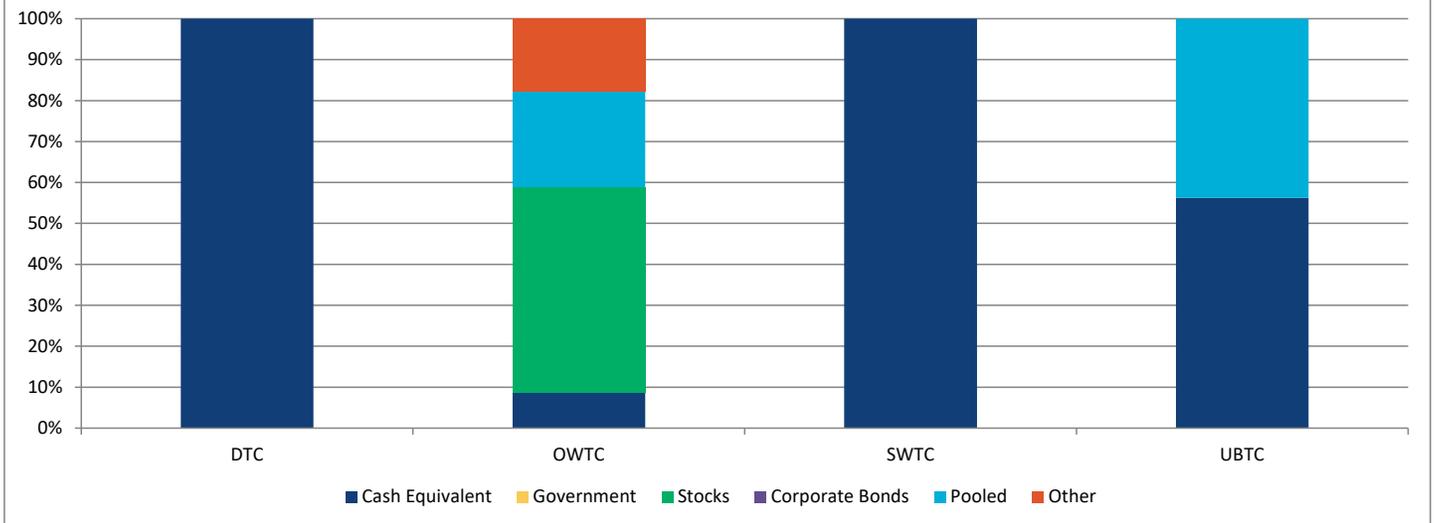
Schedule of total foundation funds invested by each institution, as of June 30, 2021. Foundation investments are approved by the Foundation's Board of Trustees, which operates under the requirements of nonprofit 501(c)(3) foundations. Foundation investments are shown at the sub-category level, which roll up into the six categories above. The following should be noted:

- USU's Foundation is invested as part of the University Endowment, and is reported as part of their financial statements.
- DSU's Foundation is not part of the Institution.

Beginning in FY 2018, UVU's Foundation Board approved new bylaws that gives the university president approval authority on all board members. UVU Foundation is now a blended component of the university, (appearing as such in the FY 2018 Financial Statements). FY 2017 Financial Statements were restated in accordance with GASB Reporting Standards.

Foundation Investments

Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Cash Equivalent	A	0.00%	100.00%	0.00%	0.00%	8.77%	100.00%	100.00%	56.21%
Government	B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks	C	0.00%	0.00%	0.00%	0.00%	50.09%	0.00%	0.00%	0.00%
Corporate Bonds	D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pooled	E	0.00%	0.00%	0.00%	0.00%	23.33%	0.00%	0.00%	43.79%
Other	F	0.00%	0.00%	0.00%	0.00%	17.82%	0.00%	0.00%	0.00%



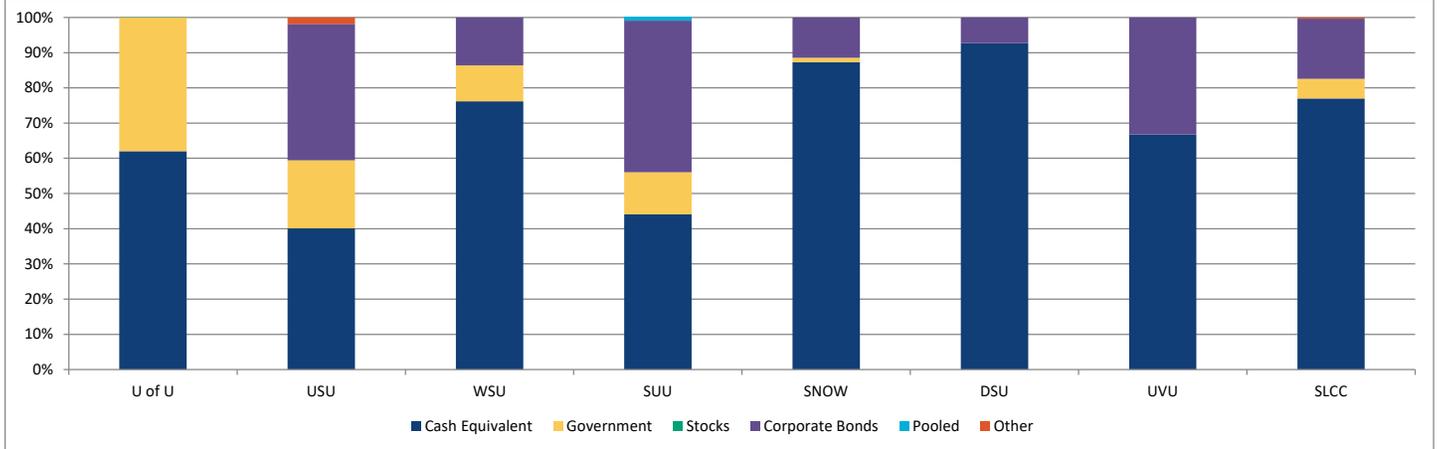
Investment allocation of foundation funds by Institution, as of June 30, 2021.

Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC	
Saving/Checking/Money Mkt Accounts	A	-	39,305	-	-	285,283	113,455	41,399	129,713	
Repurchase Agreements	A	-	-	-	-	-	-	-	-	
Certificates of Deposit	A	-	-	-	-	-	-	-	-	
Commercial Paper	A	-	-	-	-	-	-	-	-	
Utah PTIF Accounts	A	-	806,237	-	-	-	555,233	-	258,860	
Obligations of US Government	B	-	-	-	-	-	-	-	-	
Obligations of State/Local Government	B	-	-	-	-	-	-	-	-	
Stocks	C	-	-	-	-	1,630,067	-	-	-	
Corporate Bonds	D	-	-	-	-	-	-	-	-	
Mutual Funds	E	-	-	-	-	759,394	-	-	302,698	
Commonfund Accounts	E	-	-	-	-	-	-	-	-	
Alternative	F	-	-	-	-	-	-	-	-	
Other	F	-	-	-	-	579,873	-	-	-	
Total		-	845,542	-	-	3,254,617	668,688	41,399	691,271	
Percentage of Total		0.00%	15.37%	0.00%	0.00%	59.16%	12.15%	0.75%	12.57%	
USHE Total		5,501,517								

Schedule of total foundation funds invested by each institution, as of June 30, 2021. Foundation investments are approved by the Foundation's Board of Trustees, which operates under the requirements of nonprofit 501(c)(3) foundations. Foundation investments are shown at the sub-category level, which roll up into the six categories above.

Other Investments

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Cash Equivalent	A	62.02%	40.12%	76.18%	44.11%	87.31%	92.73%	66.74%	76.97%
Government	B	37.97%	19.32%	10.19%	11.90%	1.21%	0.00%	0.00%	5.60%
Stocks	C	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	D	0.00%	38.74%	13.63%	43.06%	11.48%	7.27%	33.27%	17.09%
Pooled	E	0.00%	0.00%	0.00%	0.93%	0.00%	0.00%	0.00%	0.00%
Other	F	0.00%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%



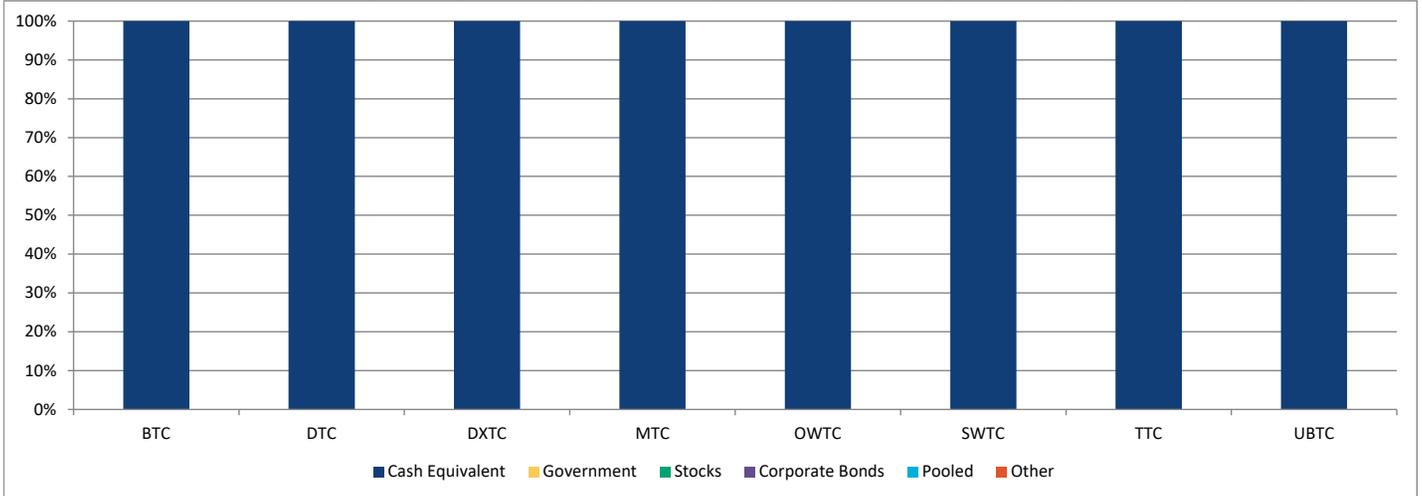
Investment allocation of other funds (not endowment or foundation) by Institution, as of June 30, 2021.

Category of Investment	Class	U of U	USU	WSU	SUU	SNOW	DSU	UVU	SLCC
Saving/Checking/Money Mkt Accounts	A	1,382,238,530	99,385,300	4,045,980	864,163	2,530,306	21,767,799	14,971,113	442,884
Repurchase Agreements	A	-	-	-	-	607,704	-	-	-
Certificates of Deposit	A	-	-	-	5,267,524	240,120	248,769	-	-
Commercial Paper	A	-	-	-	-	-	-	-	-
Utah PTIF Accounts	A	546,296,243	68,332,321	108,523,361	32,041,527	14,619,487	26,340,964	114,781,763	131,610,001
Obligations of US Government	B	1,180,864,144	75,694,956	15,053,513	10,297,838	-	-	-	9,600,278
Obligations of State/Local Government	B	-	5,089,302	-	-	250,006	-	-	-
Stocks	C	359,183	10,002	-	-	-	-	-	-
Corporate Bonds	D	-	161,962,569	20,141,756	37,261,098	2,365,492	3,789,610	64,676,146	29,320,800
Mutual Funds	E	-	-	-	801,731	-	-	-	-
Commonfund Accounts	E	-	-	-	-	-	-	-	-
Alternative	F	-	-	-	-	-	-	-	585,157
Other	F	-	-	-	-	-	-	-	-
Total		3,109,758,100	410,474,450	147,764,610	86,533,881	20,613,115	52,147,142	194,429,022	171,559,120
Percentage of Total		74.16%	9.79%	3.52%	2.06%	0.49%	1.24%	4.64%	4.09%
USHE Total		4,193,279,440							

Schedule of total other investments by each institution, as of June 30, 2021. The guidelines and requirements for these investments follow Utah Code 51-7- Utah Money Management Act. These funds are required to be invested in a qualified depository. Amounts are shown at the sub-category level, which roll up into the six categories listed above.

Other Investments

Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Cash Equivalent	A	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Government	B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks	C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pooled	E	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	F	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



Investment allocation of other funds (not endowment or foundation) by Institution, as of June 30, 2021.

Category of Investment	Class	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Saving/Checking/Money Mkt Accounts	A	121,093	963,432	276,198	473,938	991,547	651,421	122,145	1,683,065
Repurchase Agreements	A	-	-	-	-	-	-	-	-
Certificates of Deposit	A	-	-	-	-	-	-	-	-
Commercial Paper	A	-	-	-	-	-	-	-	-
Utah PTIF Accounts	A	8,071,322	11,620,635	1,377,153	4,136,159	7,450,789	5,484,575	2,197,258	4,273,356
Obligations of US Government	B	-	-	-	-	-	-	-	-
Obligations of State/Local Government	B	-	-	-	-	-	-	-	-
Stocks	C	-	-	-	-	-	-	-	-
Corporate Bonds	D	-	-	-	-	-	-	-	-
Mutual Funds	E	-	-	-	-	-	-	-	-
Commonfund Accounts	E	-	-	-	-	-	-	-	-
Alternative	F	-	-	-	-	-	-	-	-
Other	F	-	-	-	-	-	-	-	-
Total		8,192,415	12,584,067	1,653,351	4,610,097	8,442,336	6,135,996	2,319,403	5,956,421
Percentage of Total		16.42%	25.22%	3.31%	9.24%	16.92%	12.30%	4.65%	11.94%
USHE Total		49,894,086							

Schedule of total other investments by each institution, as of June 30, 2021. The guidelines and requirements for these investments follow Utah Code 51-7- Utah Money Management Act. These funds are required to be invested in a qualified depository. Amounts are shown at the sub-category level, which roll up into the six categories listed above.