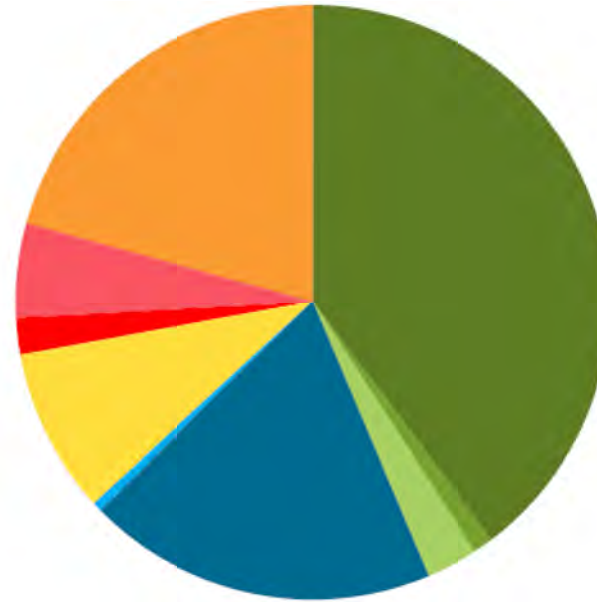




**Tax Facts**  
**Patrick Fleming**  
**CIO - Wyoming State Treasurer's Office**  
**1-8-25**

August 31, 2024 : \$30,529,208,083



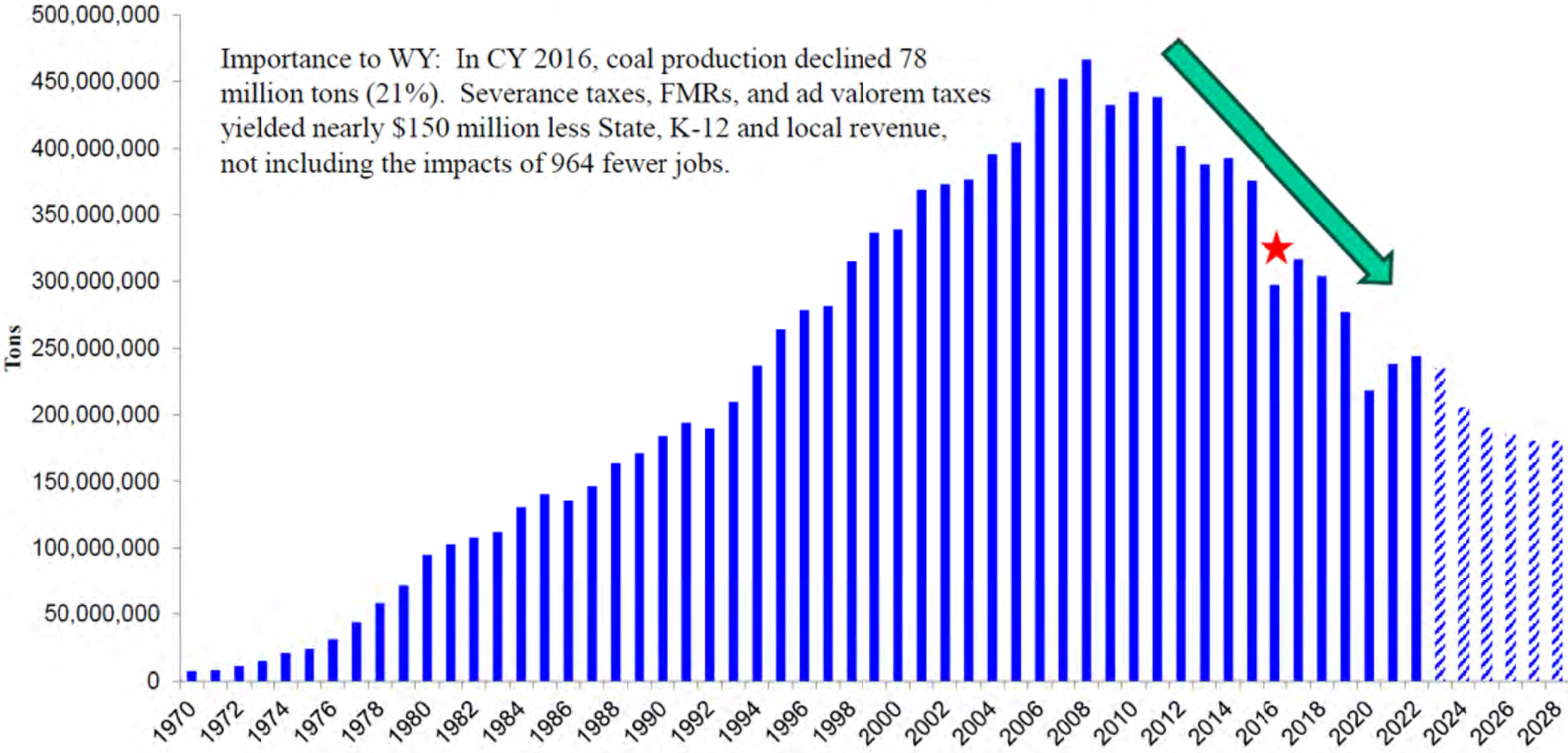
	Market Value (\$)	Allocation (%)
Permanent Mineral Trust	12,125,557,259	39.72
Permanent Land Fund	327,687,529	1.07
University Permanent Land Fund	35,152,016	0.12
Hathaway Scholarship	831,407,981	2.72
Common School PLF	5,809,087,510	19.03
Higher Education	156,204,442	0.51
Workers Compensation Fund	2,730,737,889	8.94
Pool A	613,834,153	2.01
LSRA	1,575,370,912	5.16
State Agency Pool	6,324,168,391	20.72

Allocations shown may not sum up to 100% exactly due to rounding.

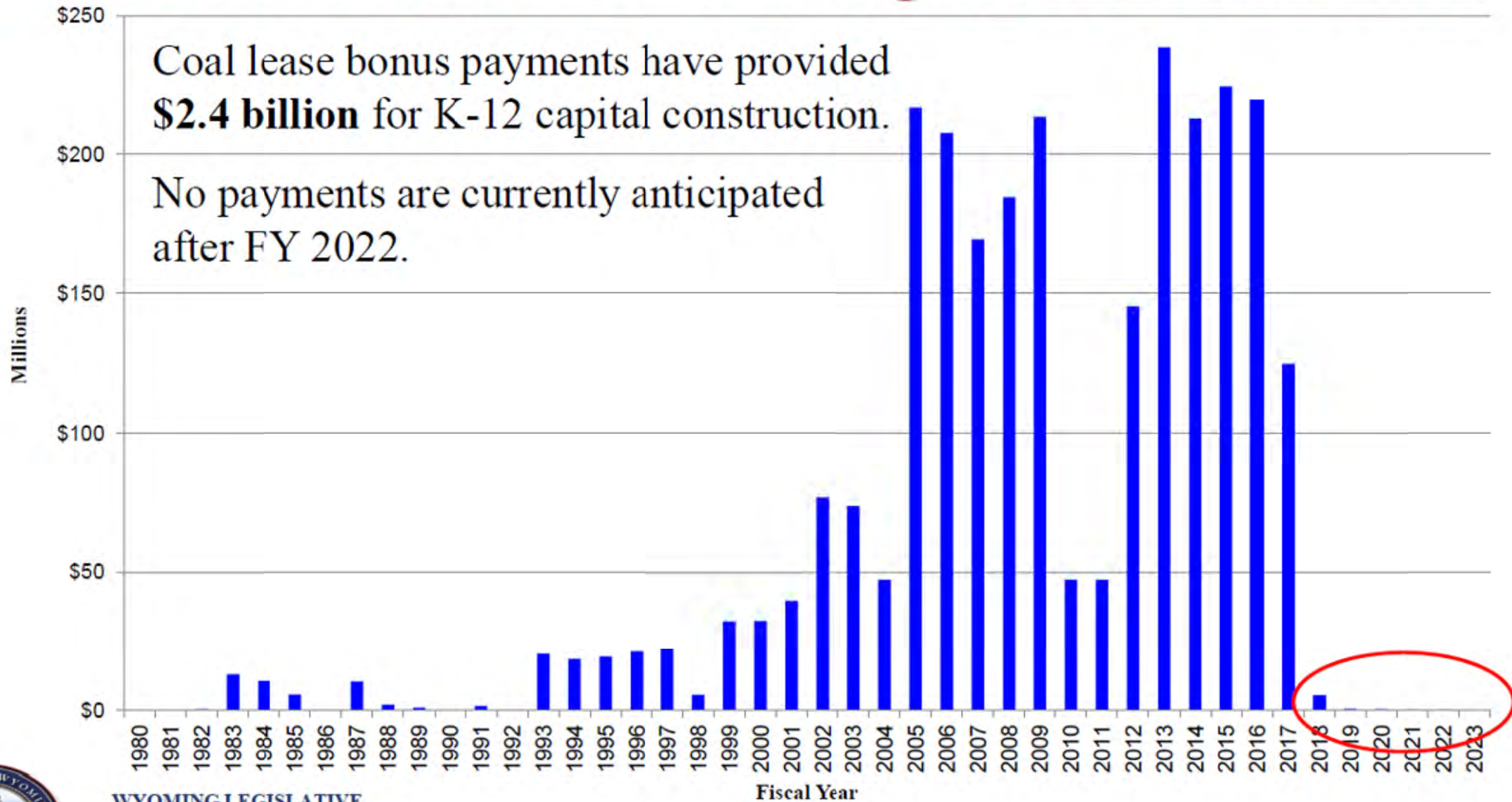
**What are some of the future problems the State and people of Wyoming face?**



# Coal Production



# Coal Lease Bonuses: “Canary in the Coal mine?”



# 2030 coal, gas and oil production scenarios

-CREG fossil fuel declines incorporated through 2028  
(GF, BRA and K-12 education) = minus \$385 million

-Assumed further reduction of 50% coal and 50% natural gas  
= minus \$319 million

Total Reduction = \$704 million



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What if oil increases by 25% = plus \$119 million

**Wyoming's mineral income is going down!**

# Are we inflation proofing the portfolio?

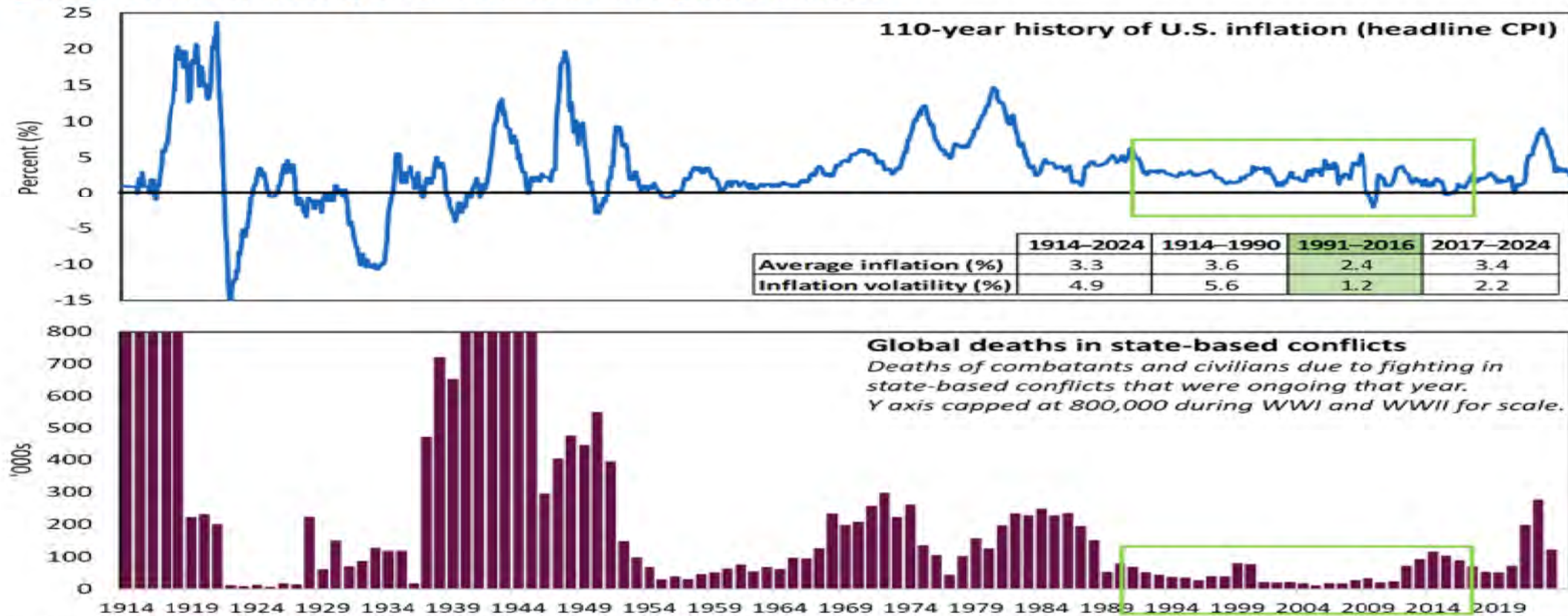
- The PMTF's return has averaged 6.3% over a 20 year period.
- Inflation has averaged **2.6%** during this time.
- The RRR "real " rate of return has been  $6.3\% - 2.6\% = 3.7\%$

If our spending policy is above 3.7%, the fund will lose income in inflation adjusted terms.

Historically, we have "inflation proofed" the fund by adding severance income. Will that continue?

# Will low inflation continue for the next 20 years?

Figure 1: 110-year history of U.S. inflation and global conflicts



Source: Bloomberg data, OurWorldinData.org, Uppsala Conflict Data Program, Peace Research Institute Oslo, and PIMCO calculations as of 31 October 2024

- Globalization. This started with the end of the Cold War in 1991.
- Signing of the Maastricht Treaty in 1992; the North American Free Trade Agreement went into effect in 1994.
- WTO (World Trade Organization) formed in 1995.
- China's accession to the WTO in 2001, unleashing "the factory of the world."



# What is intergenerational equity?



# Intergenerational Equity

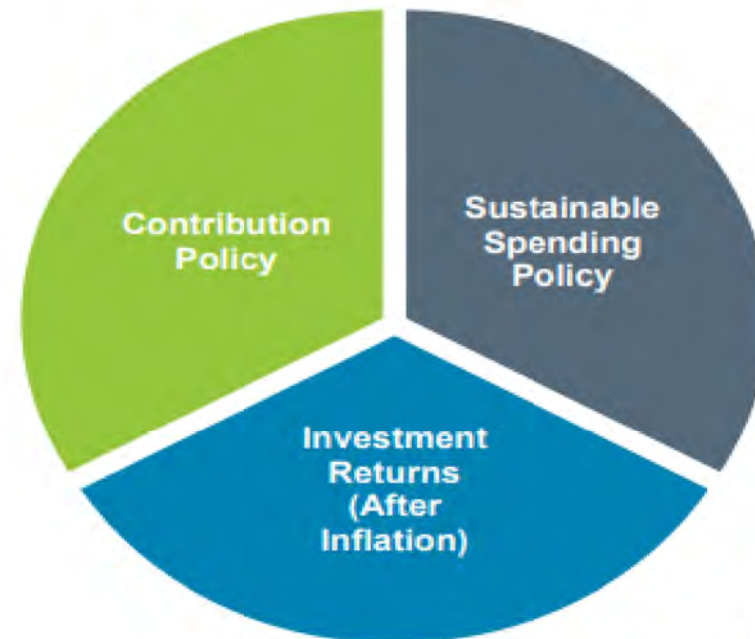
## Key Principles:

1. Strives for egalitarian equity between present and future generations in the State of Wyoming.
2. Aims to ensure citizens of tomorrow have the same opportunities and purchasing power as the citizens of today.

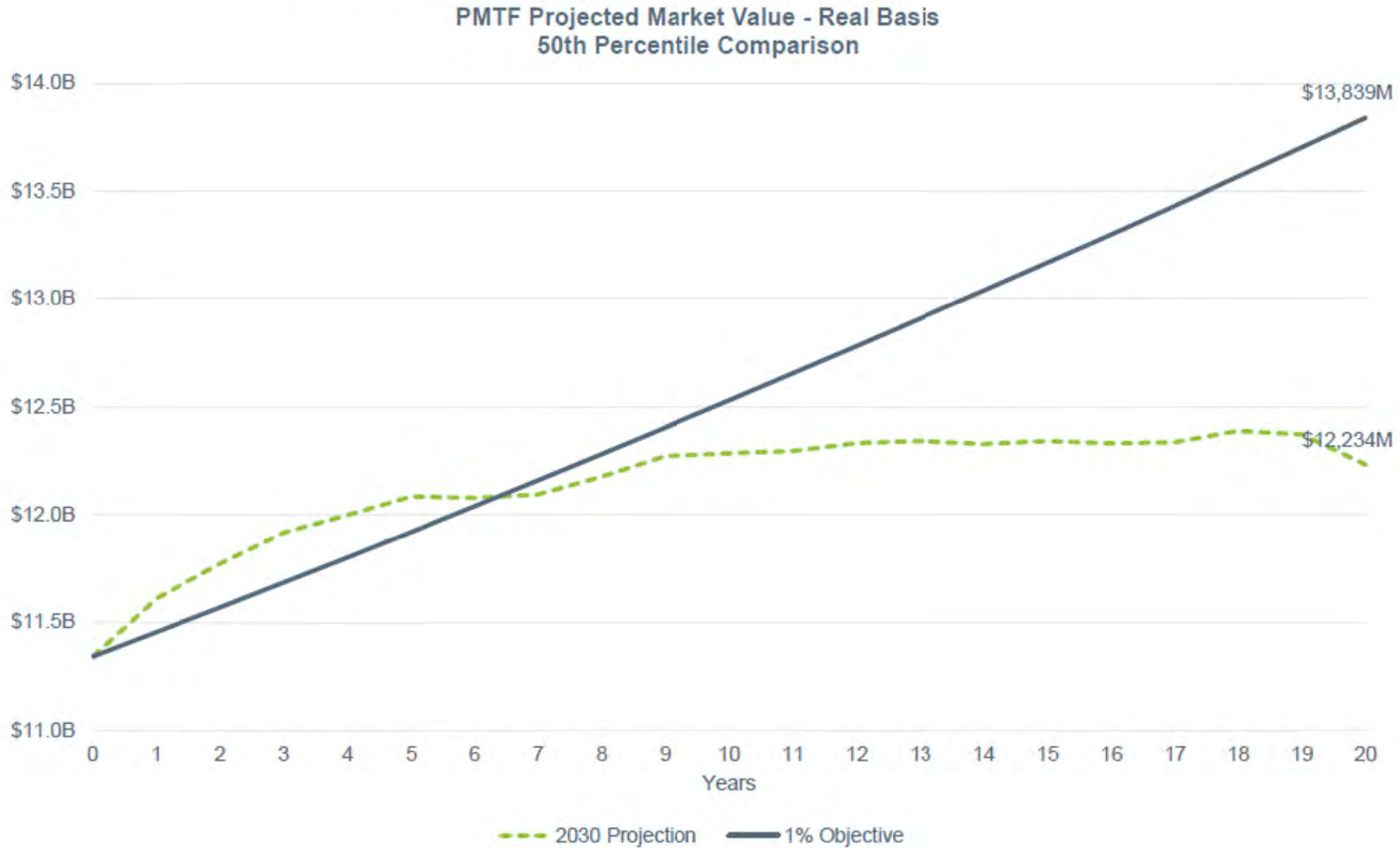
## Components:

Each plays an important role in maintaining Intergenerational Equity.

1. Sustainable Spending Policy
2. Investment Returns (After Inflation)
3. Contribution Policy



# Scenario Analysis: PMTF

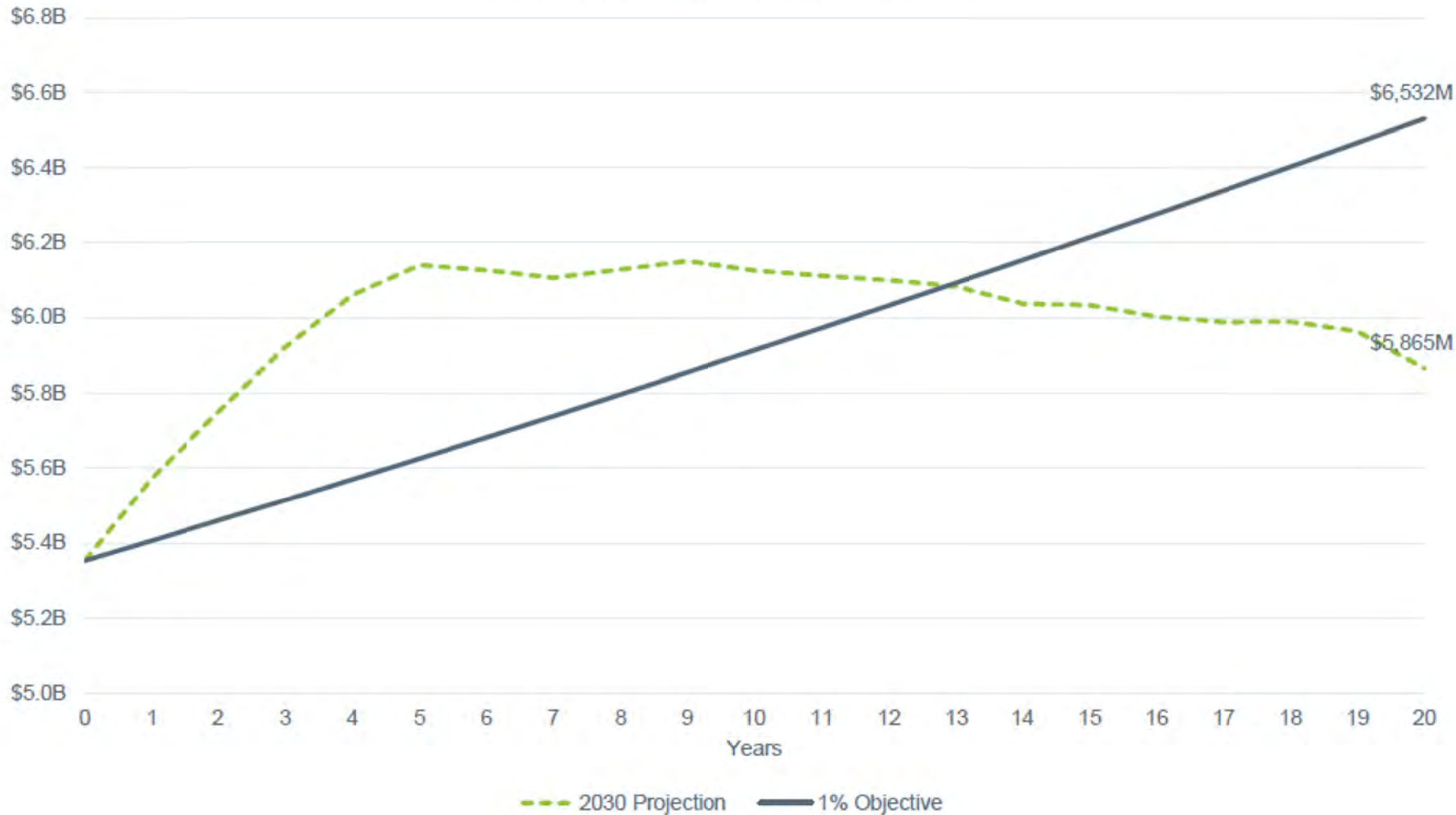


All data is shown in real terms (after 2.50% annual inflation). Model assumes investment earnings always meet or exceed the annual spending policy amount. Contribution assumptions for FY24-28 were based on the January 2024 Consensus Revenue Estimating Group (CREG) with further revisions through 2030 provided by the Wyoming Legislative Service Office. Income projections beyond 2030 are assumed to decline by 2% real per year.



# Scenario Analysis: CSPLF

CSPLF Projected Market Value - Real Basis  
50th Percentile Comparison



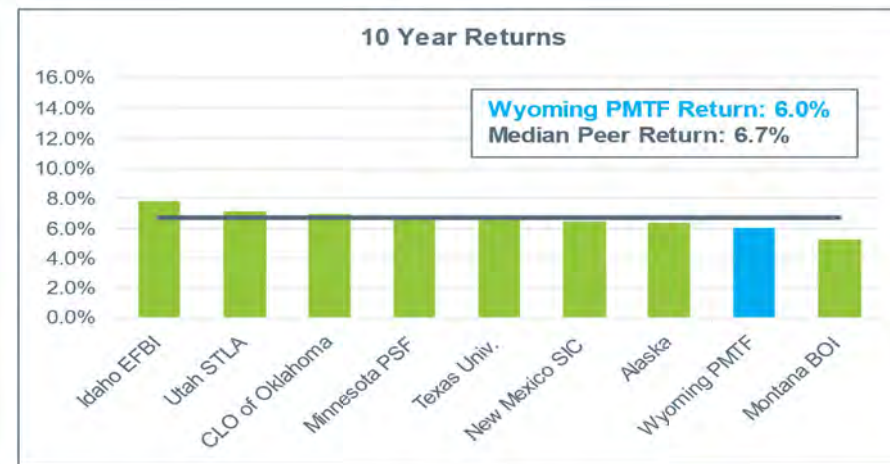
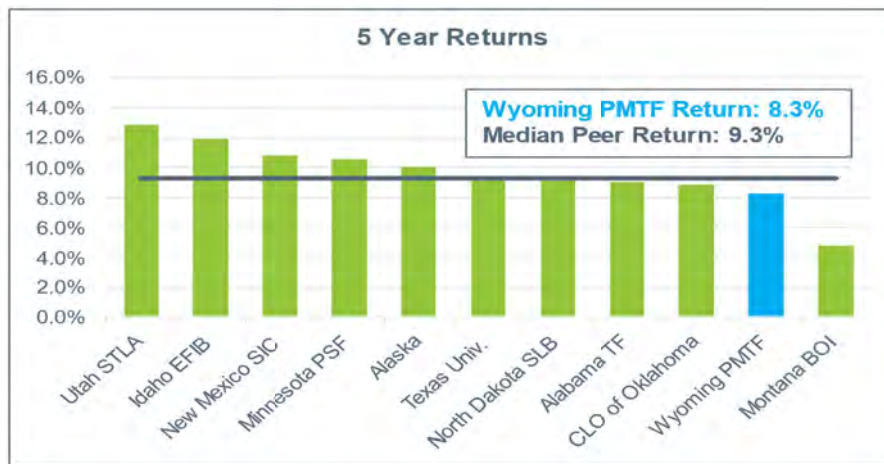
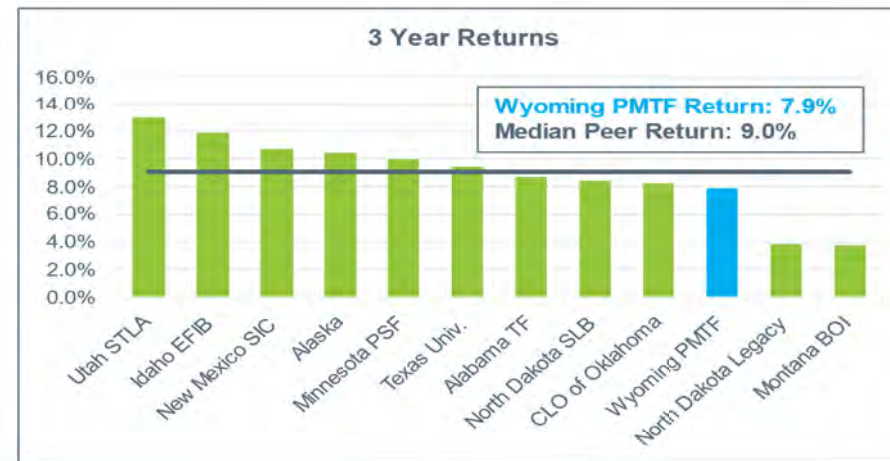
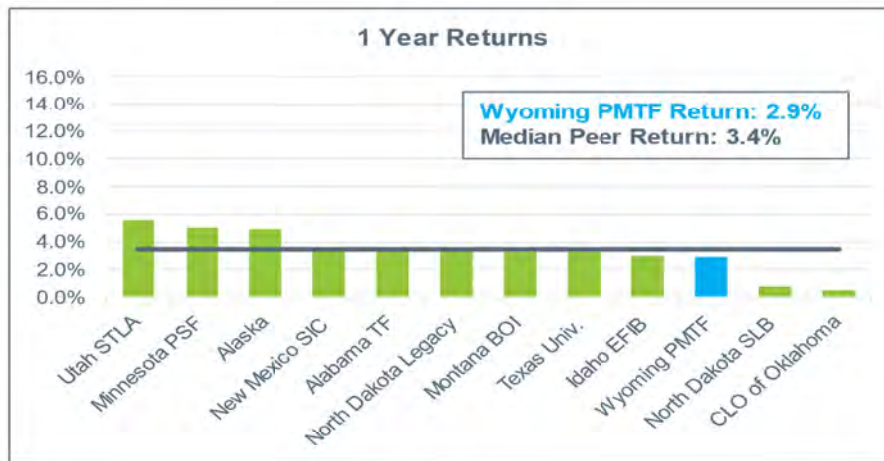
All data is shown in real terms (after 2.50% annual inflation). Model assumes investment earnings always meet or exceed the annual spending policy amount. Contribution assumptions for FY24-28 were based on the January 2024 Consensus Revenue Estimating Group (CREG) with further revisions through 2030 provided by the Wyoming Legislative Service Office. Income projections beyond 2030 are assumed to decline by 2% real per year.



# How have we preformed vs other comparable funds?

## 2015 Ranking

### Performance Comparison – US Sovereign Wealth Funds

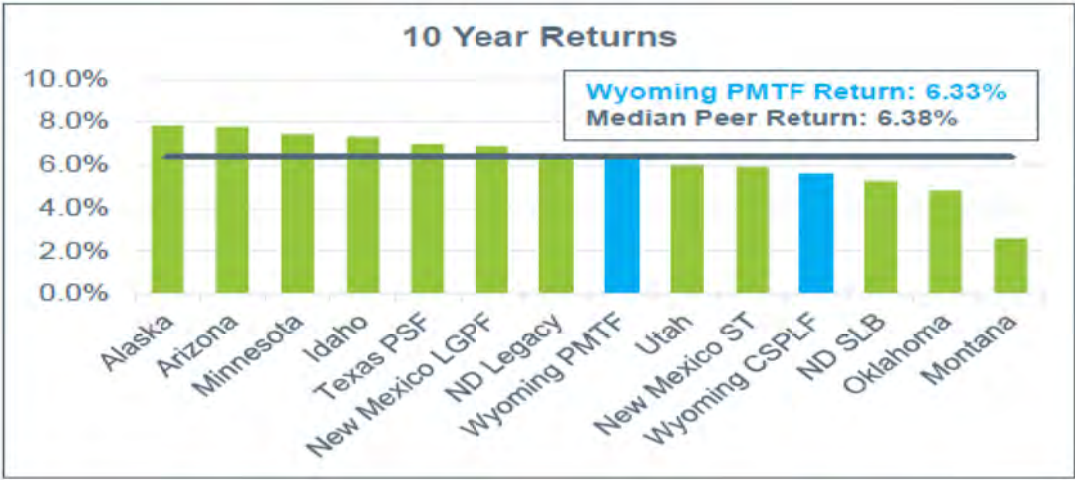
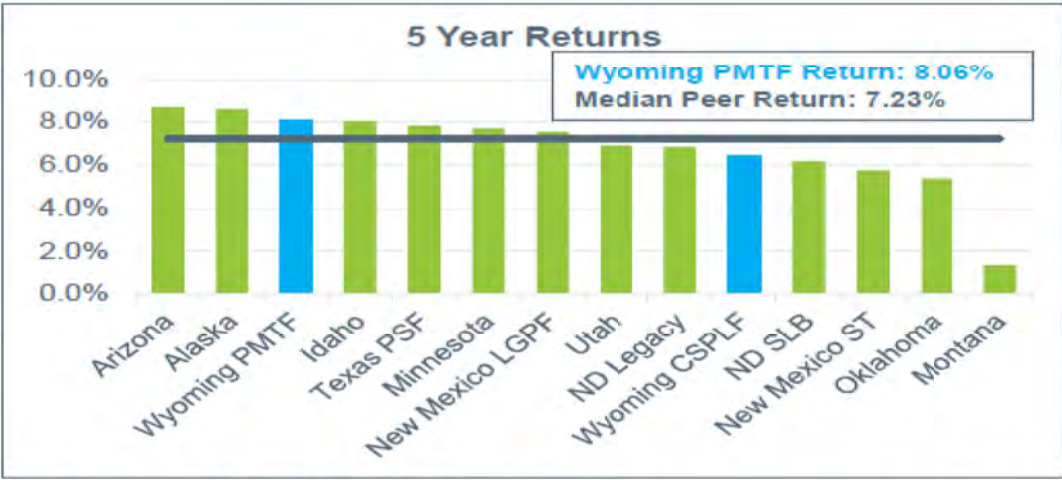
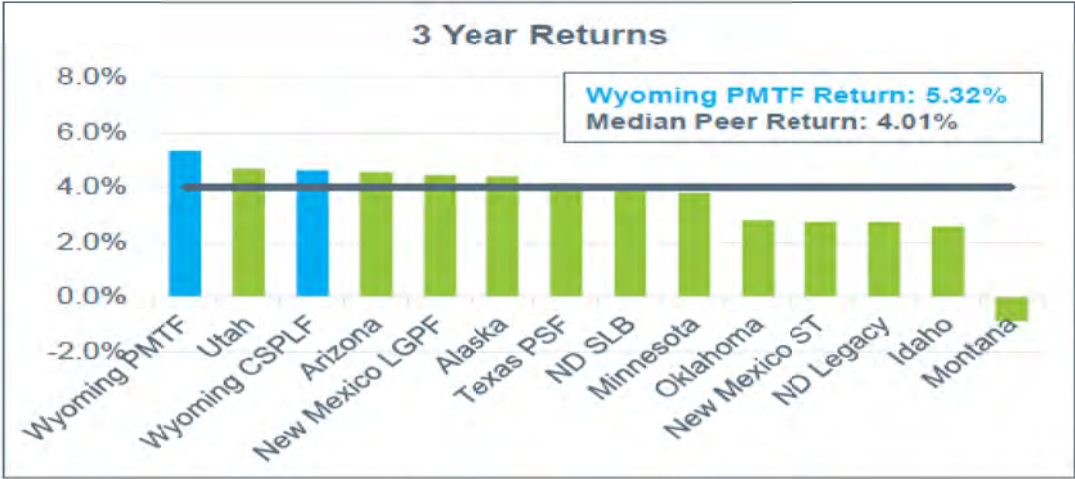
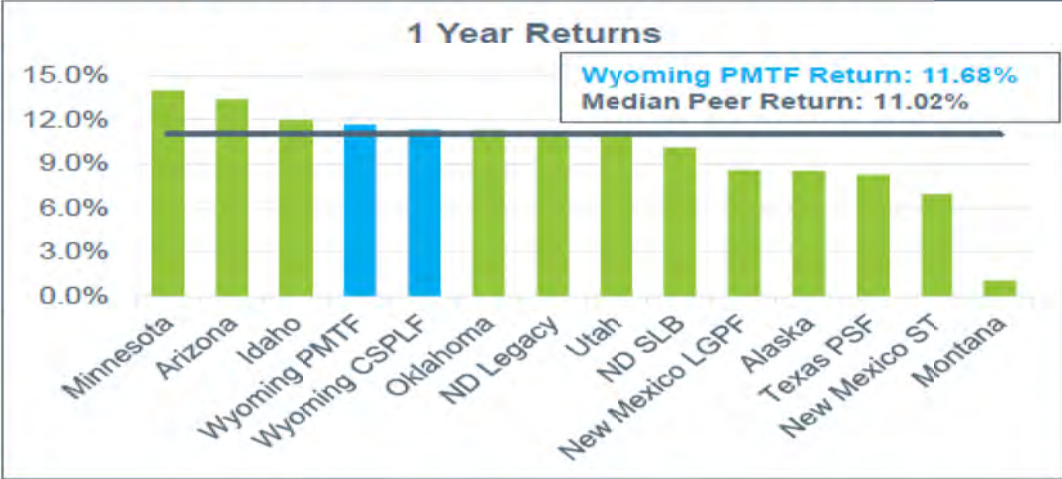


All data is as of June 30, 2015 and is gross of fees. Universe includes all sovereign wealth funds, endowments and foundations. Performance is reported in US Dollars and is reflective of permanent fund assets only.

# 2024 Ranking

## Performance

### Historical Fund Performance



All data is as of June 30, 2024 and is gross of fees.  
Utah SITFO performance is estimated using net-of-fees performance and an annual investment management fee of 0.56% (prior to 2021).



# Continuing this structure is EXTREMELY important. Why?

- Produces a better return and higher alpha
  - additional alpha dollars are a major benefit to the State and the people of Wyoming
- Ten years ago the alpha was .3%. This equated to **\$54 million.**
- FY24 we produced 1.4% in alpha or.....\$30B x 1.4% = **\$420 million.**

Wyoming State Treasurer's Office  
 Total Fund  
 Performance

As of June 30, 2024

Comparative Performance										
	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Total Fund	0.7	1.1	4.1	9.0	9.0	3.4	5.5	4.7	5.8	5.3
Wyoming State Total Fund Index	0.7	0.9	3.4	7.6	7.6	2.4	4.8	4.4	5.3	4.8
Difference	0.0	0.2	0.7	1.4	1.4	1.0	0.7	0.3	0.5	0.5

FYTD Asset Class Returns