

A Resolution of the Haines Borough Assembly establishing investment objectives for the Haines Permanent Fund, and adopting investment asset allocation goals and performance benchmarks.

WHEREAS, the Haines Borough Charter, Article 9, Section 9 establishes the Haines Permanent Fund; and

WHEREAS, the Assembly is charged with broad powers to safeguard, protect, invest and account for the Haines Permanent Fund; and

WHEREAS, the investment objective for the Haines Permanent Fund is to maintain principal while maximizing total return; and

WHEREAS, setting asset allocation policy is an essential element of the Assembly's work to ensure that the level of investment risk in the Fund is prudent and appropriate for the stated objective; and

WHEREAS, the Assembly has reviewed recent capital market return and risk assumptions; and

WHEREAS, using these assumptions, the asset allocation adopted herein is expected to produce, over time, the following return:

Assumptions

Median Expected total Fund return:	4.3%
Standard Deviation of Returns:	7.1%
Inflation Assumption:	2.25%; and

WHEREAS, it is important to provide for measuring the investment manager(s) performance against appropriate benchmarks,

NOW, THEREFORE, BE IT RESOLVED by the Haines Borough Assembly that the Assembly adopts the following asset allocation and benchmarks for the Fund which will remain effective until modified by subsequent resolution:

Section 1: The asset allocation target weightings with range restrictions are as follows:

<u>Asset Class</u>	<u>Target %</u>	<u>Range %</u>
U.S. Fixed Income	70%	60-80%
Equities		
Large Cap Equity	17%	10-25%
Mid Cap Equity	2%	0-5%
International Equity	6%	0-10%
Emerging Markets Equity	2%	0-5%
REITs	<u>3%</u>	0-5%
Total Equities	30%	

Section 2: The performance of the Fund and investment managers will be measured as follows:

Asset Class & Benchmarks

U.S. Fixed Income

Benchmark – Barclay’s Intermediate Government/Credit Index

Large Cap Equity

Benchmark – Standard & Poor’s 500 Index

Mid Cap Equity

Benchmark – Standard & Poor’s 400 Mid-Cap Index

International Equity

Benchmark – Financial Times Stock Exchange Developed ex North America Index

Emerging Markets Equity

Benchmark – Financial Times Stock Exchange Emerging Index

REITs

Benchmark – Standard & Poor’s US REIT Index.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 24th day of June, 2014.

Attest:


Julie Cozzi, MMC, Borough Clerk




Stephanie Scott, Mayor