

A Resolution of the Haines Borough Assembly confirming investment objectives for the Haines Permanent Fund, and confirming 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, on September 10, 2019 and September 24, 2019, the Finance Committee of the Haines Borough Assembly reviewed and evaluated the existing investment objectives and asset allocation goals and recommended to the Assembly to make no change in investment strategies at this time; and

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

Assumptions

Long Term Expected Rate of Return:	4.4%
Inflation Rate	2.0%
Long Term Expected Real Rate of Return:	2.4%
Standard Deviation of Returns:	4.85%: 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 confirms 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 – Bloomberg 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 –Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE)

Emerging Markets Equity


Benchmark –Morgan Stanley Capital International Emerging Markets Index (MSCI EM)

REITs

Benchmark – Standard & Poor’s US REIT Index.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 8th day of October, 2019.

Attest:


Alekka Fullerton, Borough Clerk




Jan Hill, Mayor