

A Resolution of the Haines Borough Assembly setting investment objectives, investment asset allocations, and performance benchmarks for the Haines Permanent Fund.

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 October 11, 2022 and December 13, 2022, the Finance Committee of the Haines Borough Assembly reviewed and evaluated the existing investment objectives and asset allocation goals and recommended to the Assembly changes in the investment strategies; and

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

Assumptions

Long Term Expected Rate of Return:	6.0%
Inflation Rate	2.25%
Long Term Expected Real Rate of Return:	3.7%; 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>
Risk Assets	45%	38-52%
U.S. Large-Cap Equity	22%	12-32%
U.S. Mid-Cap Equity	8%	0-16%
U.S. Small-Cap Equity	2%	0-4%
International Developed Equity	5%	0-10%
Emerging Markets Equity	2%	0-4%
U.S. High Yield Credit	6%	0-12%
Alternatives	19%	7-25%
Real Estate	3%	0-6%

Infrastructure	4%	0-8%
Commodities	2%	0-4%
Alternative Beta	10%	0-15%
Risk Control	36%	
U.S. Fixed Income	20%	10-30%
U.S. 1-5 Year Government/Credit	4%	0-8%
U.S. TIPS	4%	0-8%
International Fixed Income	5%	0-10%
Cash	3%	0-10%

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

Asset Class & Benchmarks

U.S. Large-Cap Equity

Benchmark – S&P 500 Total Return Index

U.S. Mid-Cap Equity

Benchmark – S&P MidCap 400 Total Return Index

U.S. Small-Cap Equity

Benchmark – S&P Small Cap 600 Total Return Index

International Developed Equity

Benchmark – MSCI EAFE Net Total Return USD Index

Emerging Markets Equity

Benchmark – MSCI Emerging Net Total Return USD Index

U.S. High Yield Credit

Benchmark – Bloomberg VLI: High Yield Total Return Index

Real Estate

Benchmark – S&P USA REIT USD Total Return Index

Infrastructure

Benchmark – STOXX Global Broad Infrastructure Index Net Return

Commodities

Benchmark – Bloomberg Commodity Index Total Return

Alternative Beta

Benchmark – Wilshire Liquid Alternative Total Return Index

U.S. Fixed Income

Benchmark – Bloomberg US Aggregate Bond Index Total Return

U.S. 1-5 Year Government/Credit

Benchmark – Bloomberg 1-5 Yr Gov/Credit Index

U.S. TIPS

Benchmark – Bloomberg US Treasury TIPS 0-5 Years Total Return Index Value Unhedged USD

International Fixed Income

Benchmark – Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index

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Cash
Benchmark - FTSE 3 Month Treasury Bill

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 14th day of February, 2023.

Attest:

Alekka Fullerton, Borough Clerk


Douglas Olerud, Mayor

