

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY24-14**

**A RESOLUTION BY THE CITY OF GUSTAVUS PERTAINING TO THE AUTHORIZED
INVESTMENTS OF AND ESTABLISHING APPROPRIATE BENCHMARKS TO MEASURE
PERFORMANCE OF THE CITY'S ENDOWMENT FUNDS**

WHEREAS, pursuant to City of Gustavus Ordinance 04.13.050 (c) the Gustavus City Council shall annually approve an Asset Allocation Plan for investment of the City's Endowment Funds; and,

WHEREAS, pursuant to City of Gustavus Ordinance 04.13.060 (c) permits investment of the Endowment Funds in various asset classes and the Council believes that establishing asset allocation criteria for those various asset classes is in the best interest of the City of Gustavus; and,

WHEREAS, the annually approved Asset Allocation Plan will provide benchmarks to measure investment performance; and,

WHEREAS, the investment manager has recommended adding asset classes U.S. 1-5 Year Gov/Credit, U.S. Corporate High Yield, and Alternative Beta.

NOW THEREFORE BE IT RESOLVED that the Gustavus City Council adopts the Asset Allocation Plan for the upcoming FY25 as follows;

**ENDOWMENT FUND ASSET ALLOCATION PLAN AND PERFORMANCE MEASUREMENT
TARGETS**

Section 1. The Asset Allocation Plan and Target weighting with range restrictions are as follows:

<u>ASSET CLASS</u>	<u>TARGET WEIGHTING</u>	<u>RANGE</u>
Cash	3%	0-10%
International Fixed Income	5.9%	0-10%
U.S. TIPS	4%	0-10%
U.S. Fixed Income	18.5%	10-30%
U.S. 1-5 Year Gov/Credit	13.8%	8-20%
U.S. Corporate High Yield	5.8%	0-12%
Real Estate Investment Trust	1.8%	0-5%
Infrastructure	4.9%	0-6%
Alternative Beta	8.7%	0-15%
Emerging Markets Equity	2.1%	0-5%
International Equity	4%	0-8%
U.S. Small-Cap Equity	1.9%	0-5%
U.S. Mid Cap Equity	5.3%	0-10%
U.S. Large Cap Equity	20.4%	10-30%

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

Performance Measurement of the **Cash** allocation will be measured against the Target weighting, using the Citi Group 90 Day T-Bill Index or substantially similar index.

Performance measurement of the **International Fixed Income** allocation will be measured against the Target weighting, using the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index or substantially similar index.

Performance measurement of the **U.S. Treasury Inflation Protected Securities (TIPS)** allocation will be measured against the Target weighting, using the Barclays US TIPS 0-5 Year Index or substantially similar index.

Performance measurement of the **Fixed Income** allocation will be measured against the Target Weighting, using the Barclay's Capital Aggregate Bond Index, or substantially similar index, as the benchmark.

Performance measurement of the **1-5 Year Gov/Credit** allocation will be measured against the Target Weighting, using the Bloomberg Barclays US Gov/Credit Float Adjusted 1-5 Year Index, or substantially similar index, as the benchmark.

Performance measurement of the **Corporate High Yield** allocation will be measured against the Target Weighting, using the Bloomberg Barclays US High Yield Very Liquid Index, or substantially similar index, as the benchmark.

Performance measurement of the **Real-Estate Equities** allocation will be measured against the Target weighting, using the Standard & Poor's US REIT Index, or substantially similar index, as the benchmark.

Performance measurement of the **Infrastructure Equities** allocation will be measured against the Target weighting, using the STOXX Global Broad Infrastructure Index, or substantially similar index, as the benchmark.

Performance measurement of the **Alternative Beta** allocation will be measured against the Target Weighting, using the Wilshire Liquid Alternatives Index, or substantially similar index, as the benchmark.

Performance measurement of the **Emerging Markets** allocation will be measured against the Target weighting, using the MSCI Emerging Markets or substantially similar index as the benchmark.

Performance measurement of the **International Equity** allocations will be measured against the Target weighting, using the MSCI EAFE or substantially similar index as the benchmark.

Performance measurement of the **Small-Cap Equity** allocations will be measured against the Target Weighting, using the Standard & Poor's 600 Small-Cap Index, or substantially similar index, as the benchmark.

Performance measurement of the **Mid-Cap Equity** allocation will be measured against the Target Weighting, using the Standard & Poor's 400 Mid-Cap Index, or substantially similar index, as the benchmark.

Performance measurement of the **Large-Cap Domestic Equity** allocation will be measured against the Target Weighting, using Standard & Poor's 500 Index, or substantially similar index, for the benchmark.

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council this 10 day of June, 2024, and effective upon adoption.



Shelley K Owens, Mayor



Attest: Liesl M Barker, City Clerk

