## CITY OF GUSTAVUS, ALASKA RESOLUTION NO. CY15-01

## A RESOLUTION BY THE CITY OF GUSTAVUS PERTAINING TO THE AUTHORIZED INVESTMENTS OF, THE INVESTMENT ALLOCATIONS 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 no changes to the asset allocation, and;

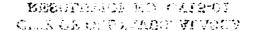
WHEREAS, the investment manager has recommended updates to the US TIPS and International Bond performance benchmarks, and now, therefore, be it

**RESOLVED** that the Gustavus City Council adopts the Asset Allocation Plan for the current FY14 and upcoming FY15 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:

TARGET WEIGHTING	RANGE
10%	0-15%
5%	0-10%
10%	0-15%
35%	20-50%
5%	0-10%
2%	0-5%
8%	0-15%
1%	0-5%
2%	0-5%
22%	15-50%
	10% 5% 10% 35% 5% 2% 8% 1% 2%



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RECOLVED that the Chestever's Chysical ball selegis the Asset Alteration Plan for the current FYM and appreciate PN 15 in folious:

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Section 1. The Asset Allocation along and Target veligibing with range rectifutions are as follows:

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U.S. Mid Cap Lepuly	****	0.00
U.S. Steal Cap Equity	Contract of the Contract of th	$Gr \otimes_{G^{n}}$
international Squite	834	Cm (250
Emerging Market Koulty	5	0.5%
Real Estate Investment Prince	208	On 144 5
U.S. Fixed beams	D288	30-1089
U.S. TIPS	<i>∆</i> ) ♦	Q=1:260°
International Fixed Income	* 1	0-1460
Cash	10	J11269
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SECTION 2. The performance of the Fund and investment managers will be measured as follows:

Performance measurement of the Fixed Income allocation will be measured against the Target Weighting, using the Barclay's Capital Aggregate Bond Index for the Benchmark.

Performance measurement of the International Equity allocations will be measured against the Target weighting, using the Financial Times Stock Exchange Developed ex North America Index for the benchmark.

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

Performance measurement of the International Emerging Markets allocation will be measured against the Target weighting, using the Financial Times Stock Exchange Emerging 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 as the benchmark.

Performance measurement of the US Treasury Inflation Protected Securities (TIPS) allocation will be measured against the Target weighting, using the Barclays US TIPS 0-5 Year 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.

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

PASSED and APPROVED by the Gustavus City Council this 12th day of January, 2015.

Mike Taylor Mayor

Attest: Noël Farevaag, City Treasurer

Attest: Lori/Ewing, City Clerk

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Performance measurement of the flixed become allocation will be measured against the Target Weighthay, using the Banday's Capital Aggregate Bond Index for the Benchmark.

Performance measurement of the International Equity allocations will be measured against the Parget weighting, using the Pinanced Times Stock Exchange Developed on North Americal Index for the benchmark.

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Periogramme measurement of the International Fixed Income affocation will be measured against the Parget weighting, using the Berengy, Global Aggregate ex-USD Float Adjusted RIC Capped Index.

Performance Measurement of the Cash officiation will be measured against the Turget weighting, using the Citi Group 90 Day T.D.C Index.

PASSED and APPROVED by the Oustovus City Council this 12th day of January, 2015.

Mike Cridon Mayor

Attest: Noël Peraviag, City Treasurer

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