

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY19-03**

**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 International Equity and Emerging Markets Equity performance benchmarks.

NOW THEREFORE BE IT RESOLVED that the Gustavus City Council adopts the Asset Allocation Plan for the remainder of FY19 and upcoming FY20 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	10%	0-15%
International Fixed Income	5%	0-10%
U.S. TIPS	10%	0-15%
U.S. Fixed Income	35%	20-50%
Real Estate Investment Trust	2%	0-5%
Infrastructure	3%	0-6%
Emerging Market Equity	2%	0-5%
International Equity	8%	0-15%
U.S. Small Cap Equity	1%	0-5%
U.S. Mid Cap Equity	2%	0-5%
U.S. Large Cap Equity	22%	15-50%

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.

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 **U.S. 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 **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 **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 **Infrastructure Equities** allocation will be measured against the Target weighting, using the STOXX Global Broad Infrastructure Index as the benchmark.

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

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

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council this 14th day of January, 2019, and effective upon adoption.



Susan Warner, Vice Mayor



Attest: Karen Platt, City Clerk