

**City of Gustavus, Alaska
Resolution No. 2013-12**

**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

NOW THEREFORE BE IT RESOLVED that the Council adopts the Asset Allocation Plan for the current FY13 and upcoming FY14 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	5%	0-10%
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 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 and 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.

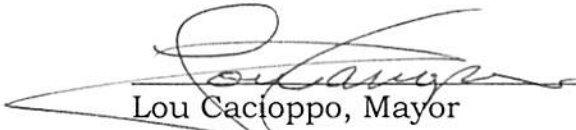
Performance measurement of the Real-Estate Equities allocation will be measured against the Target weighting, using the Standard & Poor's US REIT Index as the benchmark.


Performance measurement of the US Treasury Inflation Protected Securities (TIPS) allocation will be measured against the Target weighting, using the Barclays Capital US Treasury Inflation Notes Index.

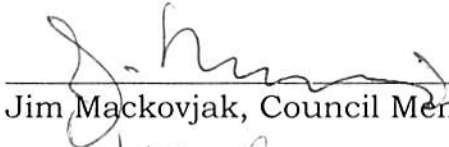
Performance measurement of the International Fixed Income allocation will be measured against the Target weighting, using the Barclays Global Treasury ex-US Capped Index.


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 ^{11th}~~14th~~ day of ^{April}~~March~~, 2013.


Lou Cacioppo, Mayor

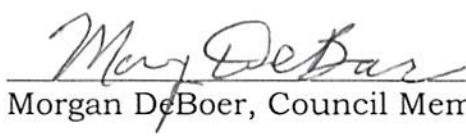

Noël Farevaag, Vice Mayor


Jim Mackovjak, Council Member


Sandi Marchbanks, Council Member


Tim Sunday, Council Member


Phil Hawley, Council Member


Morgan DeBoer, Council Member


Attest: Kapryce Manchester, MMC
City Clerk

atkinson, susan

11/20

11/21