

**NORTHWEST ARCTIC BOROUGH ASSEMBLY  
RESOLUTION 14-48**

**A RESOLUTION OF THE NORTHWEST ARCTIC BOROUGH ASSEMBLY ESTABLISHING THE FY15 LONG-TERM INVESTMENT ALLOCATION, SETTING APPROPRIATE PERFORMANCE BENCHMARKS, AND FOR RELATED PURPOSES.**

**WHEREAS:** under the Borough’s Investment Code, the Assembly shall annually approve an Asset Allocation Plan for investment of the Borough’s long-term investments; and

**WHEREAS:** 6.20.030 directs investment of the Borough’s long-term investments in various fixed-income and equity asset classes; and

**WHEREAS:** the Assembly believes that establishing asset allocation criteria for these various long-term asset classes is in the best interest of the Borough; and

**WHEREAS:** the Assembly’s annually-approved Asset Allocation Plan will provide benchmarks to measure both absolute and relative performance of the Borough’s long-term investments and the investment manager.

**NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST ARCTIC BOROUGH ASSEMBLY:** the FY15 Asset Allocation Plan shall be as follows:

**Section 1:** The overall target allocation is 50% equity and 50% fixed-income with a maximum variance of plus or minus 10% of the target allocation.

**Section 2:** The Asset Allocation Plan and Target Weightings with range restrictions are as follows:

<b>Asset Class</b>	<b>Target % Weighting</b>	<b>Range %</b>
Fix-Income (bonds)	30	20-40
Large-Cap Domestic Equity	20	10-30
Mid-Cap Domestic Equity	7	0-15
Small-Cap Domestic Equity	3	0-10
International Equity	10	5-15
International Emerging Mark	5	0-10
Real-Estate Equities	5	0-10
TIPS	10	5-15

International Fixed Income	5	0-10
Cash	5	0-10

**Section 3:** The performance of the Fund and investment managers will be measured against the Target Weighting as follows:

- Performance measurement of the Fixed Income allocation will be measured against the Target weighting using the Barclay’s Intermediate Government/Credit Index for the benchmark.
- Performance measurement of the Large-Cap Domestic Equity allocation will be measured against the Target weighting using the 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 allocation will be measured against the Target weighting using the Standard & Poor’s 600 Small-Cap Index as the benchmark.
- Performance measurement of the International Equity allocation 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 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 Treasury Inflation Protected Securities Index.
- Performance measurement of the International Fixed-Income allocation will be measured against the Target weighting using the Barclays Capital Global Treasury ex-U.S. 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 ADOPTED THIS 28<sup>th</sup> DAY OF OCTOBER 2014.**

Walter A...  
**Assembly President**

**PASSED AND APPROVED THIS 28<sup>th</sup> DAY OF OCTOBER 2014.**

Reggie Joule  
**Reggie Joule, Mayor**

**SIGNED AND ATTESTED TO THIS 28<sup>th</sup> DAY OF OCTOBER 2014.**

Stella Atoruk  
**Stella Atoruk, Borough Clerk**

**ATTEST:**

