

August 14, 2024



Municipality of Anchorage

Trust Fund

Board of Trustees Meeting



Table of Contents

	<u>Page</u>
• Investment Policy Statement - Redline	3
• Investment Policy Statement - Clean	25
• Q2 2024 Performance Report	47

Investment Policy Statement - Redline



INVESTMENT POLICY STATEMENT

For

Municipality of Anchorage
MOA Trust Fund

Revised ~~August 14, 2024~~

~~December 14, 2023~~

Municipality of Anchorage
Trust – Board of Trustees

TABLE OF CONTENTS

MOA Trust Fund - Investment Policy Stmt.

	<u>Page</u>
Executive Summary	1
Purpose of the Investment Policy Statement	2
Authorization	3
Guidelines	4
• Investment Objectives	
• Time Horizon	
• Liquidity analysis	
• Risk Tolerances	
• Asset Allocation	
• Strategic Asset Allocation	
• Rebalancing of Strategic Allocation	
• Distribution of Income	
Security and Portfolio Guidelines.....	8
• General	
• Public Fixed Income	
• Domestic Equities	
• International Equities	
• Private Credit	
• Private Real Estate	
• Cash and Cash Equivalents	
Selection of External Investment Managers	12
Duties and Responsibilities	13
• Investment Manager	
• MOA Trust Board	
• Custodian	
• Investment Consultant	
Performance Monitoring.	176
• Monitoring of Investment Managers	
• Review of Investment Objectives	
History of Policy Creation / Amendment Dates	198

EXECUTIVE SUMMARY

MOA Trust Fund - Investment Policy Stmt.

Time Horizon: Very long-time horizon (10+ years)

Risk Tolerance: Moderate to moderately high, due to objective to maintain purchasing power of Corpus and to generate earnings for distribution

Spending Policy: Assets will be managed in a manner consistent with the need to distribute up to 4.00% in 2024 and thereafter per the payout methodology cited in Anchorage Municipal Code (AMC). AMC 6.50.060 is used to determine the amount available for annual distribution.

Asset Allocation:	<u>Min</u>	<u>Strategic Allocation</u>	<u>Max</u>
Domestic Equities	26%	31%	36%
International Equities	18%	22%	26%
Domestic Core (Plus) Fixed Income	19 21% 257%	22 4%	
Emerging Markets Debt	0%	5%	8%
Private Credit	2%	5%	8%
Real Estate	10%	13%	16%
Cash Equivalents	0%	2 9%	
	5 10%		

Performance Evaluation Benchmark: The total Trust is expected to produce a total return exceeding that of an index based upon the strategic asset allocation of the Trust and various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

<u>Allocation</u>	<u>Benchmark</u>
31%	Russell 3000 Index
22%	MSCI ACW ex-US Index
22 4%	Bloomberg US Aggregate Bond Index
5%	EMD Blended Index
5%	Credit Suisse Leveraged Loan Index + 2%
13%	NCREIF ODCE Index (AWA)
2 %	<u>ICE BofAML 3 Mo US T-Bill Index</u>

*EMD Blended Index consists of an appropriate mix of hard and local currency exposure by index (Emerging Markets Bond Global Diversified Index (Hard Currency) and JPM GBI-EM Global Diversified Index (Local Currency)).

PURPOSE OF THE INVESTMENT POLICY STATEMENT

MOA Trust Fund – Investment Policy Stmt.

The purpose of this Investment Policy Statement (IPS) is to assist the Municipality of Anchorage Trust Board (the Board) in effectively investing the assets of the Municipality of Anchorage Trust Fund (the Trust) and in monitoring investment results, by communicating the investment objectives to the Anchorage Assembly, the Consultant, and external investment managers. The IPS is required by Subsection H of Anchorage Municipal Code Chapter 6.50.060. The Trust's investment program is defined in the various sections of the IPS by:

- Stating in a written document the objectives and guidelines for the investment of Trust assets, including explicit consideration of liquidity needs and risk tolerance.
- Setting forth an investment structure for managing Trust assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an intended level of overall diversification and total investment return over the long-term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio, so that all Trust assets are managed in accordance with stated objectives.
- Establishing formal criteria to select and monitor the performance results achieved by the investment managers on a regular basis.
- Encouraging effective communications between the Trust Manager, the Assembly, the MOA Trust Board, the investment consultant, and the investment managers.
- Complying with all applicable fiduciary, prudence, and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state and federal entities that may impact Trust assets.

This IPS has been formulated after consideration by the MOA Trust Board of the financial implications of a wide range of policies and represents a prudent investment process deemed appropriate for the Trust.

AUTHORIZATION

MOA Trust Fund - Investment Policy Stmt.

Authorization to manage the Trust is derived from Anchorage Municipal Charter section 13.11 and the Anchorage Municipal Code 4.40.170. The Investment Policy Statement must comply with Anchorage Municipal Code section 6.50.060, which is incorporated herein by reference.

GUIDELINES

This section describes the guidelines for the overall management of the Trust, specifically the time horizon, liquidity constraints, risk tolerance, and income distribution needs. All of these factors are incorporated in the asset allocation, which is described in this section.

Investment Objectives

The investment objective of the Trust is to maintain the purchasing power of the Corpus and to maximize rates of return over time by utilizing a balanced investment approach, investing in equity, fixed income, and alternative investment strategies, within prudent levels of risk.

Time Horizon

The Trust has a very long-time horizon. This statement is based on the fact that Anchorage Municipal Code requires that the Trust be managed according to an endowment model whereby the payout methodology cited in Anchorage Municipal Code (AMC) 6.50.060 is used to determine the amount available for annual distribution to the City's general fund. Implicit in the Code-specified payout rate is an assumption that net long-term earnings after inflation-proofing will meet or exceed the payout rate. Thus, the assets are to be invested with a long-term time horizon. The assumptions underlying the asset allocation analysis are based on a 10+ year projection of financial markets provided by the investment consultant. While the future of the Trust extends beyond the next ten years, the relevant planning horizon is consistent with the use of the assumptions. The assumptions utilized were developed by the Trust's investment consultant, RVK Inc., and are consistent with long-term returns, risks, and statistical interrelationships observed among major asset categories.

Liquidity Analysis

Distributions from the Trust will be based on a percentage of market value not to exceed 4.00% in 2024 thereafter in accordance with the payout methodology cited in AMC 6.50.060. Annual distributions, if made, must be completed by no later than 15 days from the end of the fiscal year (i.e., December 31). [The Board has elected to target paying roughly half of the annual dividend on or around June 15th, and pay the remaining dividend on or before December 15th.](#) The Trust will be rebalanced as necessary to fund such distributions in excess of available dividend and interest income – reference “Rebalancing of Strategic Asset Allocation” section for more detail.

Commented [EP1]: While Code just requires the annual dividend be completed by December 15th, this sentence details the Boards decision to move forward with two payments per year in June and December.

Risk Tolerances

The overall risk tolerance of the Trust is heavily influenced by the objectives of the fund: to maintain the purchasing power of the fund and to generate earnings linked to a percentage of market value. Based on modern portfolio theory, the Trust must have a meaningful equity commitment to protect the Corpus from inflation and to generate meaningful earnings for distribution. Based on the Capital Market Assumptions used in the asset allocation study, such an

GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

equity commitment will entail a moderate level of risk, as measured by the volatility of investment returns. The Trust maintains a long-term investment horizon, which allows the Trust to absorb near term volatility.

GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

Asset Allocation

Based on the Trust's time horizon, risk tolerances, performance expectations and asset class preferences, an efficient or optimal portfolio was identified. The strategic asset allocation of the Trust is as follows:

<u>Strategic Asset Allocation</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Domestic Equities	26%	31%	36%
International Equities	18%	22%	26%
Domestic Core (Plus) Fixed Income	<u>19</u> 21%	<u>22</u> %	<u>25</u> 7%
Private Credit	2%	5%	8%
Emerging Markets Debt	0%	5%	8%
Real Estate	10%	13%	16%
Cash Equivalents	0%	<u>0</u> 2%	<u>10</u> 5%

The Trust will be diversified within each equity allocation and balanced to avoid any intentional style bias.

GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

Rebalancing of Strategic Allocation

The Strategic Allocation, shown in the middle column above, is the target. Some variability around the target is expected and acceptable. Extreme deviation from the target is undesirable -- as it alters the risk and return expectations for the Trust over the long term. Therefore, upper and lower limits are established for each asset class. Generally, deviation outside the upper and lower limits of any midpoint target should trigger action to formally evaluate the need for rebalancing and a plan, including timeline, to follow through with rebalancing.

Distribution of Income

The investment policy explicitly recognizes the fact that the distribution and investment decisions are related, yet separate decisions. An annual review of the investment policy will be conducted to determine that it is consistent with the distribution target set in the budgeting process, recognizing the potential for short-term fluctuations in investment returns.

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

The following guidelines apply to all Trust assets. Any mutual funds or other interests in collective and commingled funds utilized should be reviewed to determine that their governing instruments are substantially consistent with the following guidelines. All assets are to be managed pursuant to the Investment Restrictions contained in Anchorage Municipal Code section 6.50.060.

General

- All guidelines are considered at the time of purchase. The sale of a security is not automatically required due to a subsequent change in circumstance.
- The following securities and transactions are not authorized, as described below:
 - Letter stock and other unregistered securities; commodities or commodity contracts; and short sales or margin transactions are not permitted; and
 - The use of leverage at the Trust level is not permitted; leverage may be utilized in underlying investments such as real estate and other private markets, subject to the guidelines governing those investments.
- Holdings of individual securities shall be of sufficient size to assure easy liquidation.
- Each portfolio will be diversified with regard to specific issuer, industry, and economic sector, in order to reduce risk.
- Securities may be sold at a loss, if such an action is deemed to be consistent with the overall portfolio investment objectives.
- Assets may be invested through a limited liability entity, including a corporation, limited partnership, limited liability partnership, or limited liability company, or through a collective or commingled investment fund, including a fund-of-funds.

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

Public Fixed Income – Domestic Core (Plus) Fixed Income and Emerging Markets Debt

Eligible Securities - The Trust may invest in debt instruments subject to the limitations contained in the Anchorage Municipal Code section 6.50.060. Fixed income investments can be made through an institutionally oriented collective investment vehicle or a separate account where securities are owned directly by MOA. The collective investment vehicle's governing documents control the specific investment practices utilized. The MOA Trust Board and the Investment Consultant shall consider whether or not the collective investment vehicles are substantially consistent with the limitations contained in the Code.

For the separate investment account, the governing document is the Investment Management Agreement (IMA) directly with the manager. The MOA Trust Board and the Investment Consultant shall consider whether or not the IMA is substantially consistent with the limitations contained in the Code.

Domestic Equities

- Equity holdings in any one company should not exceed the greater of 5% or 1.5 times the stock's weighting in the applicable market index, such as the S&P 500 Index, at the time of purchase. If a security is not included in the applicable index, the limit is 5% of the portfolio market value at the time of purchase.
- Managers are expected to remain fully invested in equity securities (i.e., 5% maximum cash holdings), unless the manager has requested and received permission to hold significant cash.
- The manager shall emphasize quality in security selection and shall avoid risk of large loss through diversification.
- Convertible securities will be considered as equities.
- Investments for the purpose of exercising control of management are prohibited.
- The use of futures and options is prohibited except when used on an unlevered basis.

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

International Equities

- Equity holdings in any one company should not exceed the greater of 5% or 2 times the stock's weighting in the applicable market index, such as the Morgan Stanley Capital International ("MSCI") All Country World ("ACW") ex-U.S. Index, at the time of purchase. If a security is not included in the applicable index, the limit is 5% of the portfolio market value at the time of purchase.
- Countries represented within the MSCI ACW ex-U.S. Index are available for investment. Allocations among countries are expected to be diversified. Investments in emerging markets are permitted when such investments are well diversified and held within a mutual fund or commingled investment vehicle utilized to efficiently gain international equity exposure.
- The manager may enter into foreign exchange contracts on currency provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio. There shall be no direct foreign currency speculation.
- If the Trust achieves international equity exposure through a commingled fund, the policies of the fund will be examined with the objective of selecting a fund whose policies are substantially consistent with the spirit of the guidelines.

Private Credit

- Private Credit investments shall be made in a diversified portfolio of institutional quality, income producing private credit assets.
- Private Credit investments are expected to achieve attractive risk-adjusted returns, with higher average income-driven returns compared to most types of publicly traded fixed income, and lower average losses from borrower default compared to most types of high yield fixed income securities. They are expected to have a relatively low correlation to other investment asset classes, and therefore are expected to act as a diversifier at the portfolio level, potentially enhancing the risk-adjusted return of the total portfolio.

Real Estate

- Real estate investments shall be made in a diversified portfolio of institutional quality, predominantly income producing properties, held in a collective investment vehicle which limits the overall Trust's liability. The vehicle(s) utilized shall provide diversification both in terms of property type and location. The vehicle should not engage in significant (>10%) real estate development activities and should have a primary objective of providing investors with

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

competitive income returns and preservation of purchasing power over the long term, with leverage use in line with relevant and appropriate comparable peer groups, as provided by the investment consultant.

Cash and Cash Equivalents

- Cash and cash equivalents shall include repurchase agreements, certificates of deposit and shares in a money market or short-term investment fund that consist of securities of the type and quality as those permitted for the Trust as a whole.
- Cash equivalent reserves shall consist of cash instruments having a quality rating of at least A-1 by Standard & Poor's or its equivalent by another nationally recognized securities rating service.
- Any idle cash not invested by the investment manager shall be invested daily by either the Custodian or Trust Manager.
- In the use of mutual funds, careful attention should be paid to the fund's policy for investing cash and cash equivalents, with the objective of selecting funds whose policies are consistent with the spirit of the guidelines.
- Certificates of deposit must have been issued by United States commercial banks or trust companies (including foreign branches of such banks), provided that such institutions (or, in the case of a branch, the parent institution) have total assets of \$1 billion or more, be adequately capitalized, and have an excellent or superior rating from a bank rating agency.
- Repurchase Agreements must be secured by obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States.
- Cash and cash equivalents may include any security that has an effective duration under one year, a weighted average life of less than one year and spread duration less than one year.

SELECTION OF EXTERNAL INVESTMENT MANAGERS

MOA Trust Fund – Investment Policy Stmt.

To achieve the investment objectives of the Trust, external investment managers will be employed to invest the assets. Both separate accounts and collective investment vehicles may be considered. The selection process shall conform to appropriate Municipal procurement requirements. External managers must meet the following minimum criteria:

1. Be a bank, insurance company, independent investment counselor, or registered investment adviser as defined by the Investment Advisers Act of 1940.
2. Clearly articulate the investment strategy that will be followed, provide historical performance associated with the strategy, and document that the strategy is consistent with the IPS guidelines.
3. Provide historical quarterly performance numbers calculated on a time-weighted basis.
4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
5. Selected firms shall have no outstanding legal judgments or past judgments, which may reflect negatively upon the firm's ability to perform.
6. Demonstrate highly ethical business principles and strictly manage potential conflicts of interest.
7. Offer a competitive fee structure.
8. Have assets under management in an amount appropriate for the Trust's assets assigned.

DUTIES AND RESPONSIBILITIES MOA Trust Fund – Investment Policy Stmt.

Investment Managers

It is expected that all investment managers hired by the Trust will be monitored and reported on by the investment consultant.

All managers and representative funds are expected to follow their respective prospectuses and guidelines. The duties and responsibilities of each investment manager managed in a separate account vehicle structure specifically retained for the Trust include the following:

1. Manage the Trust assets under its care, custody and/or control in accordance with the IPS objectives and guidelines set forth herein.
2. Exercise investment discretion within the IPS objectives and guidelines set forth herein.
3. Provide monthly reports of the holdings and transactions, and the total return achieved. Provide quarterly reports that provide additional detail on the investment strategy and outlook, and performance attribution for the prior quarter. Quarterly reports must state whether the portfolio is in compliance with the guidelines, and note the steps being taken to correct any failures to comply. Compliance requirements of particular interest include duration, quality ratings, and the use of derivatives.
4. Promptly inform the MOA Trust Board, the Trust Manager, and/or the investment consultant in writing regarding all significant and/or material matters and changes within the investment management firm pertaining to the investment of Trust assets, including, but not limited to:
 - a. Investment strategy
 - b. Portfolio structure
 - c. Tactical approaches
 - d. Ownership
 - e. Organizational structure
 - f. Financial condition
 - g. Professional staff
 - h. Recommendations for guideline changes
 - i. All material, legal, SEC, and other regulatory agency proceedings affecting the firm
 - j. Material change in fund size
5. Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Trust set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.

DUTIES AND RESPONSIBILITIES MOA Trust Fund – Investment Policy Stmt.

Investment Managers (cont'd)

6. Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like investment programs with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.
7. Adopt a brokerage policy that ensures that all transactions effected for the Trust are “subject to the best price and execution”.
8. Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.
9. Provide on an annual basis a disclosure concerning whether the firm makes use of soft dollars. If the firm does use soft dollars, the report shall disclose how the soft dollar benefits are utilized.
10. Per AMC 6.50.060, managers can invest in various commingled type vehicle structures that are predominantly consistent with policies in place as well as code requirements.

MOA Trust Board

With the support of the Trust Manager, the MOA Trust Board shall:

1. Invest the assets of the Trust in accordance with this IPS and Anchorage Municipal Code 6.50.060.
2. Coordinate investment manager, investment consultant and MOA Trust Board meetings, activities and presentations.
3. Administer investment consultant, investment manager and custodian contracts.
4. Manage portfolio rebalancing and budgeted annual dividend payouts.

Trust Manager

Under the direction of the Board and supervision of the Chief Fiscal Officer (CFO), the Trust Manager shall:

1. Serve as primary liaison for all parties associated with serving the purpose of managing the day-to-day operations of the Trust in accordance with direction and parameters established by the board.
2. Establish and maintain communication with municipal departments and other agencies of government as necessary for the management of the Trust, and timely provide requested Trust financial information to the Controller Division and external auditors upon request.

Commented [EP2]: RVK believes this language is still appropriate. It denotes that rebalancing and dividend payouts will be done “with the support of the Trust Manager”, but ultimately the Board is still responsible for oversight and is the final decision maker.

Commented [EP3]: Added a section for the “Trust Manager”, with language taking directly from AMC 6.50.060F

DUTIES AND RESPONSIBILITIES MOA Trust Fund – Investment Policy Stmt.

3. Monitor ongoing compliance to the Trust’s current investment policy statement in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time.
4. Procure supplies, equipment, board meeting items, and non-professional contracted services of direct benefit to the Trust, consistent with authority and direction received from the board and adhering to municipal purchasing department Title 7 requirements for all such purchases and with respect to any disposal or surplus or excess municipally owned property.
5. Periodically review and confer with the CFO regarding the Trust’s internal controls and procedures to ensure that the operations of the Trust are performed in a secure and appropriate manner in accordance with municipal code and municipal policies.
6. Direct and supervise the preparation of periodic (monthly, quarterly, and annual) investment status reports of the Trust in coordination with the Trust’s investment consultant, asset managers, and custodian.
7. Direct and supervise the conduct of all necessary due diligence that is appropriate in the search and selection of all service providers of the Trust.
8. Negotiate and execute the terms and provisions of all agreements and contracts with the service providers of the Trust, including agreements and contracts directly sourced by the board in compliance with AMC 4.40.170C.3 and C.10.
9. Develop and recommend to the board a monitoring and reporting policy which sets out the board’s requirements regarding the reports it needs to receive on a regular basis in order to meet its responsibility for the oversight and management of the Trust.
10. Monitor on an ongoing basis, without limitation, the following:
 - a. The investment performance of the Trust, asset classes, and investment managers and portfolios, including the costs of managing the Trust;
 - b. The asset allocation and investment risk of the Trust; and
 - c. The compliance of the Trust with all applicable laws and regulations, as well as all policies, procedures and any bylaws established by the board.
11. Communicate and recommend, as needed, to CFO changes or enhancement to the amount of finance department resource needed, including pay and skill level, to properly support management and oversight of the Trust.
12. The Trust Manager shall develop and recommend to the board an annual expenditure appropriation for the Trust, and upon approval by the board the Trust Manager shall submit the appropriation to the Assembly via Resolution and supporting Memorandum.
13. The Trust Manager, with dual signature from the CFO or designee, shall have the authority to make all necessary operational expenditures of the Trust, consistent with monetary appropriations, policies, and internal controls established by the board.
14. The Trust Manager and CFO, jointly, shall have the authority to execute all formal documents

DUTIES AND RESPONSIBILITIES MOA Trust Fund – Investment Policy Stmt.

and contracts on behalf of the Trust, consistent with board direction.

15. Other duties as specified in AMC 4.40.170.

Custodian

The Custodian shall:

1. Provide safekeeping and custody of securities purchased by investment managers on behalf of the Trust.
2. Provide for timely settlement of securities transactions.
3. Maintain short-term investment vehicles for investment of cash not invested by investment managers.
4. Check all manager accounts daily to make sure all available cash is invested.
5. Collect interest, dividend and principal payments on a timely basis.
6. Process corporate actions.
7. Price all securities on a daily basis.
8. Provide monthly, quarterly and annual reports.

Investment Consultant

The Investment Consultant will provide general consulting services as required by the Municipality in connection with the investment of the Trust's assets. As directed, the Consultant will:

1. Review the IPS to assure it is consistent with the Trust's goals and objectives.
2. Conduct and review an asset allocation study to establish the classes of assets, the strategy and style to be used within each class of assets, levels of risk, acceptable risk tolerance and predicted rates of return that will meet the Trust's goals and objectives.
3. Recommend investment manager performance standards and guidelines to monitor and measure investment managers. It is expected the investment consultant provide ongoing due diligence on managers with regular updates provided to the Trust as appropriate.
4. Provide guidelines as to the selection of investment managers and custodian for the Trust.
5. Conduct a quarterly analysis of, and report on, the performance of the investment manager(s).

PERFORMANCE MONITORING

MOA Trust Fund – Investment Policy Stmt.

Monitoring of Investment Managers

Quarterly performance will be evaluated to test progress toward the attainment of longer-term targets. It is understood that there are likely to be short-term periods during which performance deviates from market indices. During such times, greater emphasis shall be placed on peer performance comparisons with managers employing similar styles.

The following will be reviewed on a quarterly basis:

- Manager's adherence to the security and portfolio guidelines and the duties and responsibilities of investment managers, as prescribed above;
- Material changes in the manager's organization, investment philosophy and/or personnel; and,
- Comparisons of the manager's results to appropriate indices and peer groups, specifically:

Asset Class	Index	Peer Universe
Domestic Equity	Appropriate style / capitalization index: S&P, MSCI, or Russell series	Appropriate U.S. equity style / capitalization peer universe
International Equity	Appropriate MSCI style index	Appropriate international equity style / capitalization peer universe
Fixed Income	Bloomberg US Aggregate Bond Index	Appropriate fixed income style universe
Private Credit	Credit Suisse Leveraged Loan Index + 2%	N/A
Emerging Markets Debt	EMD Blended Index*	Appropriate Emerging Markets Debt peer universe
Real Estate	NCREIF ODCE Index (AWA)**	N/A
<u>Cash & Cash Equivalent</u> ^{see}	<u>ICE BofAML 3 Mo US T-Bill Index</u>	<u>N/A</u>

*EMD Blended Index consists of an appropriate mix of hard and local currency exposure by index (Emerging Markets Bond Global Diversified Index (Hard Currency) and JPM GBI-EM Global Diversified Index (Local Currency).

**NCREIF ODCE= National Council of Real Estate Investment Fiduciaries Open-End Diversified Core Equity

The risk associated with each manager's portfolio, as measured by the variability of quarterly returns (i.e., annualized standard deviation), should not exceed that of the benchmark index and the peer group without a corresponding increase in performance above the benchmark and peer group.

It is recognized that on-going review and analysis of investment managers is an important component of fiduciary responsibility. Accordingly, thorough and regular reviews of investment managers will be conducted. Further review of managers may be warranted when:

PERFORMANCE MONITORING

MOA Trust Fund – Investment Policy Stmt.

- A manager performs in the bottom quartile (75th percentile) of their peer group over a ~~three~~-or-five-year period;
- A manager falls in the southeast quadrant of the risk/return scatter plot over a 5-year time period or full market cycle;
- A manager's 5-year risk-adjusted return fall below that of the median manager within the appropriate peer group.

Major organizational changes may also warrant immediate review of the manager, including, but not limited to:

- Change in professionals
- Significant account losses
- Significant growth of new business
- Change in ownership

The performance of the investment managers will be monitored on an on-going basis. External investment managers may be terminated at any time subject to contract provisions.

Review of Investment Objectives

The investment program will be reviewed at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

HISTORY OF POLICY CREATION/AMENDMENT DATES

MOA Trust Fund – Investment Policy Stmt.

	<u>Effective Date</u>
Original - MOA Trust Fund Investment Policy Statement	April 30, 1999
Amendment #1 - MOA Trust Fund Investment Policy Statement	June 13, 2000
Amendment #2 - MOA Trust Fund Investment Policy Statement	February 15, 2005
Amendment #3 - MOA Trust Fund Investment Policy Statement	August 29, 2007
Amendment #4 - MOA Trust Fund Investment Policy Statement	September 1, 2010
Amendment #5 - MOA Trust Fund Investment Policy Statement	February 25, 2014
Amendment #6 - MOA Trust Fund Investment Policy Statement	August 23, 2017
Amendment #7 - MOA Trust Fund Investment Policy Statement	February 28, 2018
Amendment #8 - MOA Trust Fund Investment Policy Statement	May 12, 2020
Amendment #9 - MOA Trust Fund Investment Policy Statement	September 1, 2020
Amendment #10 - MOA Trust Fund Investment Policy Statement	December 14, 2023
<u>Amendment #11 – MOA Trust Fund Investment Policy Statement</u>	<u>August 14XX, 2024</u>

Investment Policy Statement - Clean



INVESTMENT POLICY STATEMENT

For

Municipality of Anchorage
MOA Trust Fund

Revised August 14, 2024
Municipality of Anchorage
Trust – Board of Trustees

TABLE OF CONTENTS

	<u>Page</u>
Executive Summary	1
Purpose of the Investment Policy Statement	2
Authorization	3
Guidelines	4
<ul style="list-style-type: none">• Investment Objectives• Time Horizon• Liquidity analysis• Risk Tolerances• Asset Allocation• Strategic Asset Allocation• Rebalancing of Strategic Allocation• Distribution of Income	
Security and Portfolio Guidelines.....	8
<ul style="list-style-type: none">• General• Public Fixed Income• Domestic Equities• International Equities• Private Credit• Private Real Estate• Cash and Cash Equivalents	
Selection of External Investment Managers	12
Duties and Responsibilities	13
<ul style="list-style-type: none">• Investment Manager• MOA Trust Board• Custodian• Investment Consultant	
Performance Monitoring.	17
<ul style="list-style-type: none">• Monitoring of Investment Managers• Review of Investment Objectives	
History of Policy Creation / Amendment Dates.	19

EXECUTIVE SUMMARY

MOA Trust Fund - Investment Policy Stmt.

Time Horizon:	Very long-time horizon (10+ years)
Risk Tolerance:	Moderate to moderately high, due to objective to maintain purchasing power of Corpus and to generate earnings for distribution
Spending Policy:	Assets will be managed in a manner consistent with the need to distribute up to 4.00% in 2024 and thereafter per the payout methodology cited in Anchorage Municipal Code (AMC). AMC 6.50.060 is used to determine the amount available for annual distribution.

Asset Allocation:	<u>Min</u>	<u>Strategic Allocation</u>	<u>Max</u>
Domestic Equities	26%	31%	36%
International Equities	18%	22%	26%
Domestic Core (Plus) Fixed Income	19%	22%	25%
Emerging Markets Debt	0%	5%	8%
Private Credit	2%	5%	8%
Real Estate	10%	13%	16%
Cash Equivalents	0%	2%	5%

Performance Evaluation Benchmark: The total Trust is expected to produce a total return exceeding that of an index based upon the strategic asset allocation of the Trust and various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

<u>Allocation</u>	<u>Benchmark</u>
31%	Russell 3000 Index
22%	MSCI ACW ex-US Index
22%	Bloomberg US Aggregate Bond Index
5%	EMD Blended Index
5%	Credit Suisse Leveraged Loan Index + 2%
13%	NCREIF ODCE Index (AWA)
2%	ICE BofAML 3 Mo US T-Bill Index

*EMD Blended Index consists of an appropriate mix of hard and local currency exposure by index (Emerging Markets Bond Global Diversified Index (Hard Currency) and JPM GBI-EM Global Diversified Index (Local Currency)).

PURPOSE OF THE INVESTMENT POLICY STATEMENT

MOA Trust Fund – Investment Policy Stmt.

The purpose of this Investment Policy Statement (IPS) is to assist the Municipality of Anchorage Trust Board (the Board) in effectively investing the assets of the Municipality of Anchorage Trust Fund (the Trust) and in monitoring investment results, by communicating the investment objectives to the Anchorage Assembly, the Consultant, and external investment managers. The IPS is required by Subsection H of Anchorage Municipal Code Chapter 6.50.060. The Trust's investment program is defined in the various sections of the IPS by:

- Stating in a written document the objectives and guidelines for the investment of Trust assets, including explicit consideration of liquidity needs and risk tolerance.
- Setting forth an investment structure for managing Trust assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an intended level of overall diversification and total investment return over the long-term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio, so that all Trust assets are managed in accordance with stated objectives.
- Establishing formal criteria to select and monitor the performance results achieved by the investment managers on a regular basis.
- Encouraging effective communications between the Trust Manager, the Assembly, the MOA Trust Board, the investment consultant, and the investment managers.
- Complying with all applicable fiduciary, prudence, and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state and federal entities that may impact Trust assets.

This IPS has been formulated after consideration by the MOA Trust Board of the financial implications of a wide range of policies and represents a prudent investment process deemed appropriate for the Trust.

AUTHORIZATION

MOA Trust Fund - Investment Policy Stmt.

Authorization to manage the Trust is derived from Anchorage Municipal Charter section 13.11 and the Anchorage Municipal Code 4.40.170. The Investment Policy Statement must comply with Anchorage Municipal Code section 6.50.060, which is incorporated herein by reference.

This section describes the guidelines for the overall management of the Trust, specifically the time horizon, liquidity constraints, risk tolerance, and income distribution needs. All of these factors are incorporated in the asset allocation, which is described in this section.

Investment Objectives

The investment objective of the Trust is to maintain the purchasing power of the Corpus and to maximize rates of return over time by utilizing a balanced investment approach, investing in equity, fixed income, and alternative investment strategies, within prudent levels of risk.

Time Horizon

The Trust has a very long-time horizon. This statement is based on the fact that Anchorage Municipal Code requires that the Trust be managed according to an endowment model whereby the payout methodology cited in Anchorage Municipal Code (AMC) 6.50.060 is used to determine the amount available for annual distribution to the City's general fund. Implicit in the Code-specified payout rate is an assumption that net long-term earnings after inflation-proofing will meet or exceed the payout rate. Thus, the assets are to be invested with a long-term time horizon. The assumptions underlying the asset allocation analysis are based on a 10+ year projection of financial markets provided by the investment consultant. While the future of the Trust extends beyond the next ten years, the relevant planning horizon is consistent with the use of the assumptions. The assumptions utilized were developed by the Trust's investment consultant, RVK Inc., and are consistent with long-term returns, risks, and statistical interrelationships observed among major asset categories.

Liquidity Analysis

Distributions from the Trust will be based on a percentage of market value not to exceed 4.00% in 2024 thereafter in accordance with the payout methodology cited in AMC 6.50.060. Annual distributions, if made, must be completed by no later than 15 days from the end of the fiscal year (i.e., December 31). The Board has elected to target paying roughly half of the annual dividend on or around June 15th, and pay the remaining dividend on or before December 15th. The Trust will be rebalanced as necessary to fund such distributions in excess of available dividend and interest income – reference “Rebalancing of Strategic Asset Allocation” section for more detail.

Risk Tolerances

The overall risk tolerance of the Trust is heavily influenced by the objectives of the fund: to maintain the purchasing power of the fund and to generate earnings linked to a percentage of market value. Based on modern portfolio theory, the Trust must have a meaningful equity commitment to protect the Corpus from inflation and to generate meaningful earnings for distribution. Based on the Capital Market Assumptions used in the asset allocation study, such an

GUIDELINES

equity commitment will entail a moderate level of risk, as measured by the volatility of investment returns. The Trust maintains a long-term investment horizon, which allows the Trust to absorb near term volatility.

Asset Allocation

Based on the Trust's time horizon, risk tolerances, performance expectations and asset class preferences, an efficient or optimal portfolio was identified. The strategic asset allocation of the Trust is as follows:

<u>Strategic Asset Allocation</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Domestic Equities	26%	31%	36%
International Equities	18%	22%	26%
Domestic Core (Plus) Fixed Income	19%	22%	25%
Private Credit	2%	5%	8%
Emerging Markets Debt	0%	5%	8%
Real Estate	10%	13%	16%
Cash Equivalents	0%	2%	5%

The Trust will be diversified within each equity allocation and balanced to avoid any intentional style bias.

Rebalancing of Strategic Allocation

The Strategic Allocation, shown in the middle column above, is the target. Some variability around the target is expected and acceptable. Extreme deviation from the target is undesirable -- as it alters the risk and return expectations for the Trust over the long term. Therefore, upper and lower limits are established for each asset class. Generally, deviation outside the upper and lower limits of any midpoint target should trigger action to formally evaluate the need for rebalancing and a plan, including timeline, to follow through with rebalancing.

Distribution of Income

The investment policy explicitly recognizes the fact that the distribution and investment decisions are related, yet separate decisions. An annual review of the investment policy will be conducted to determine that it is consistent with the distribution target set in the budgeting process, recognizing the potential for short-term fluctuations in investment returns.

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

The following guidelines apply to all Trust assets. Any mutual funds or other interests in collective and commingled funds utilized should be reviewed to determine that their governing instruments are substantially consistent with the following guidelines. All assets are to be managed pursuant to the Investment Restrictions contained in Anchorage Municipal Code section 6.50.060.

General

- All guidelines are considered at the time of purchase. The sale of a security is not automatically required due to a subsequent change in circumstance.
- The following securities and transactions are not authorized, as described below:
 - Letter stock and other unregistered securities; commodities or commodity contracts; and short sales or margin transactions are not permitted; and
 - The use of leverage at the Trust level is not permitted; leverage may be utilized in underlying investments such as real estate and other private markets, subject to the guidelines governing those investments.
- Holdings of individual securities shall be of sufficient size to assure easy liquidation.
- Each portfolio will be diversified with regard to specific issuer, industry, and economic sector, in order to reduce risk.
- Securities may be sold at a loss, if such an action is deemed to be consistent with the overall portfolio investment objectives.
- Assets may be invested through a limited liability entity, including a corporation, limited partnership, limited liability partnership, or limited liability company, or through a collective or commingled investment fund, including a fund-of-funds.

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

Public Fixed Income – Domestic Core (Plus) Fixed Income and Emerging Markets Debt

Eligible Securities - The Trust may invest in debt instruments subject to the limitations contained in the Anchorage Municipal Code section 6.50.060. Fixed income investments can be made through an institutionally oriented collective investment vehicle or a separate account where securities are owned directly by MOA. The collective investment vehicle's governing documents control the specific investment practices utilized. The MOA Trust Board and the Investment Consultant shall consider whether or not the collective investment vehicles are substantially consistent with the limitations contained in the Code.

For the separate investment account, the governing document is the Investment Management Agreement (IMA) directly with the manager. The MOA Trust Board and the Investment Consultant shall consider whether or not the IMA is substantially consistent with the limitations contained in the Code.

Domestic Equities

- Equity holdings in any one company should not exceed the greater of 5% or 1.5 times the stock's weighting in the applicable market index, such as the S&P 500 Index, at the time of purchase. If a security is not included in the applicable index, the limit is 5% of the portfolio market value at the time of purchase.
- Managers are expected to remain fully invested in equity securities (i.e., 5% maximum cash holdings), unless the manager has requested and received permission to hold significant cash.
- The manager shall emphasize quality in security selection and shall avoid risk of large loss through diversification.
- Convertible securities will be considered as equities.
- Investments for the purpose of exercising control of management are prohibited.
- The use of futures and options is prohibited except when used on an unlevered basis.

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

International Equities

- Equity holdings in any one company should not exceed the greater of 5% or 2 times the stock's weighting in the applicable market index, such as the Morgan Stanley Capital International ("MSCI") All Country World ("ACW") ex-U.S. Index, at the time of purchase. If a security is not included in the applicable index, the limit is 5% of the portfolio market value at the time of purchase.
- Countries represented within the MSCI ACW ex-U.S. Index are available for investment. Allocations among countries are expected to be diversified. Investments in emerging markets are permitted when such investments are well diversified and held within a mutual fund or commingled investment vehicle utilized to efficiently gain international equity exposure.
- The manager may enter into foreign exchange contracts on currency provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio. There shall be no direct foreign currency speculation.
- If the Trust achieves international equity exposure through a commingled fund, the policies of the fund will be examined with the objective of selecting a fund whose policies are substantially consistent with the spirit of the guidelines.

Private Credit

- Private Credit investments shall be made in a diversified portfolio of institutional quality, income producing private credit assets.
- Private Credit investments are expected to achieve attractive risk-adjusted returns, with higher average income-driven returns compared to most types of publicly traded fixed income, and lower average losses from borrower default compared to most types of high yield fixed income securities. They are expected to have a relatively low correlation to other investment asset classes, and therefore are expected to act as a diversifier at the portfolio level, potentially enhancing the risk-adjusted return of the total portfolio.

Real Estate

- Real estate investments shall be made in a diversified portfolio of institutional quality, predominantly income producing properties, held in a collective investment vehicle which limits the overall Trust's liability. The vehicle(s) utilized shall provide diversification both in terms of property type and location. The vehicle should not engage in significant (>10%) real estate development activities and should have a primary objective of providing investors with

SECURITY AND PORTFOLIO GUIDELINES

MOA Trust Fund - Investment Policy Stmt.

competitive income returns and preservation of purchasing power over the long term, with leverage use in line with relevant and appropriate comparable peer groups, as provided by the investment consultant.

Cash and Cash Equivalents

- Cash and cash equivalents shall include repurchase agreements, certificates of deposit and shares in a money market or short-term investment fund that consist of securities of the type and quality as those permitted for the Trust as a whole.
- Cash equivalent reserves shall consist of cash instruments having a quality rating of at least A-1 by Standard & Poor's or its equivalent by another nationally recognized securities rating service.
- Any idle cash not invested by the investment manager shall be invested daily by either the Custodian or Trust Manager.
- In the use of mutual funds, careful attention should be paid to the fund's policy for investing cash and cash equivalents, with the objective of selecting funds whose policies are consistent with the spirit of the guidelines.
- Certificates of deposit must have been issued by United States commercial banks or trust companies (including foreign branches of such banks), provided that such institutions (or, in the case of a branch, the parent institution) have total assets of \$1 billion or more, be adequately capitalized, and have an excellent or superior rating from a bank rating agency.
- Repurchase Agreements must be secured by obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States.
- Cash and cash equivalents may include any security that has an effective duration under one year, a weighted average life of less than one year and spread duration less than one year.

SELECTION OF EXTERNAL INVESTMENT MANAGERS

MOA Trust Fund – Investment Policy Stmt.

To achieve the investment objectives of the Trust, external investment managers will be employed to invest the assets. Both separate accounts and collective investment vehicles may be considered. The selection process shall conform to appropriate Municipal procurement requirements. External managers must meet the following minimum criteria:

1. Be a bank, insurance company, independent investment counselor, or registered investment adviser as defined by the Investment Advisers Act of 1940.
2. Clearly articulate the investment strategy that will be followed, provide historical performance associated with the strategy, and document that the strategy is consistent with the IPS guidelines.
3. Provide historical quarterly performance numbers calculated on a time-weighted basis.
4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
5. Selected firms shall have no outstanding legal judgments or past judgments, which may reflect negatively upon the firm's ability to perform.
6. Demonstrate highly ethical business principles and strictly manage potential conflicts of interest.
7. Offer a competitive fee structure.
8. Have assets under management in an amount appropriate for the Trust's assets assigned.

Investment Managers

It is expected that all investment managers hired by the Trust will be monitored and reported on by the investment consultant.

All managers and representative funds are expected to follow their respective prospectuses and guidelines. The duties and responsibilities of each investment manager managed in a separate account vehicle structure specifically retained for the Trust include the following:

1. Manage the Trust assets under its care, custody and/or control in accordance with the IPS objectives and guidelines set forth herein.
2. Exercise investment discretion within the IPS objectives and guidelines set forth herein.
3. Provide monthly reports of the holdings and transactions, and the total return achieved. Provide quarterly reports that provide additional detail on the investment strategy and outlook, and performance attribution for the prior quarter. Quarterly reports must state whether the portfolio is in compliance with the guidelines, and note the steps being taken to correct any failures to comply. Compliance requirements of particular interest include duration, quality ratings, and the use of derivatives.
4. Promptly inform the MOA Trust Board, the Trust Manager, and/or the investment consultant in writing regarding all significant and/or material matters and changes within the investment management firm pertaining to the investment of Trust assets, including, but not limited to:
 - a. Investment strategy
 - b. Portfolio structure
 - c. Tactical approaches
 - d. Ownership
 - e. Organizational structure
 - f. Financial condition
 - g. Professional staff
 - h. Recommendations for guideline changes
 - i. All material, legal, SEC, and other regulatory agency proceedings affecting the firm
 - j. Material change in fund size
5. Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Trust set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.

Investment Managers (cont'd)

6. Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like investment programs with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.
7. Adopt a brokerage policy that ensures that all transactions effected for the Trust are “subject to the best price and execution”.
8. Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.
9. Provide on an annual basis a disclosure concerning whether the firm makes use of soft dollars. If the firm does use soft dollars, the report shall disclose how the soft dollar benefits are utilized.
10. Per AMC 6.50.060, managers can invest in various commingled type vehicle structures that are predominantly consistent with policies in place as well as code requirements.

MOA Trust Board

With the support of the Trust Manager, the MOA Trust Board shall:

1. Invest the assets of the Trust in accordance with this IPS and Anchorage Municipal Code 6.50.060.
2. Coordinate investment manager, investment consultant and MOA Trust Board meetings, activities and presentations.
3. Administer investment consultant, investment manager and custodian contracts.
4. Manage portfolio rebalancing and budgeted annual dividend payouts.

Trust Manager

Under the direction of the Board and supervision of the Chief Fiscal Officer (CFO), the Trust Manager shall:

1. Serve as primary liaison for all parties associated with serving the purpose of managing the day-to-day operations of the Trust in accordance with direction and parameters established by the board.
2. Establish and maintain communication with municipal departments and other agencies of government as necessary for the management of the Trust, and timely provide requested Trust financial information to the Controller Division and external auditors upon request.

DUTIES AND RESPONSIBILITIES

MOA Trust Fund – Investment Policy Stmt.

3. Monitor ongoing compliance to the Trust's current investment policy statement in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time.
4. Procure supplies, equipment, board meeting items, and non-professional contracted services of direct benefit to the Trust, consistent with authority and direction received from the board and adhering to municipal purchasing department Title 7 requirements for all such purchases and with respect to any disposal or surplus or excess municipally owned property.
5. Periodically review and confer with the CFO regarding the Trust's internal controls and procedures to ensure that the operations of the Trust are performed in a secure and appropriate manner in accordance with municipal code and municipal policies.
6. Direct and supervise the preparation of periodic (monthly, quarterly, and annual) investment status reports of the Trust in coordination with the Trust's investment consultant, asset managers, and custodian.
7. Direct and supervise the conduct of all necessary due diligence that is appropriate in the search and selection of all service providers of the Trust.
8. Negotiate and execute the terms and provisions of all agreements and contracts with the service providers of the Trust, including agreements and contracts directly sourced by the board in compliance with AMC 4.40.170C.3 and C.10.
9. Develop and recommend to the board a monitoring and reporting policy which sets out the board's requirements regarding the reports it needs to receive on a regular basis in order to meet its responsibility for the oversight and management of the Trust.
10. Monitor on an ongoing basis, without limitation, the following:
 - a. The investment performance of the Trust, asset classes, and investment managers and portfolios, including the costs of managing the Trust;
 - b. The asset allocation and investment risk of the Trust; and
 - c. The compliance of the Trust with all applicable laws and regulations, as well as all policies, procedures and any bylaws established by the board.
11. Communicate and recommend, as needed, to CFO changes or enhancement to the amount of finance department resource needed, including pay and skill level, to properly support management and oversight of the Trust.
12. The Trust Manager shall develop and recommend to the board an annual expenditure appropriation for the Trust, and upon approval by the board the Trust Manager shall submit the appropriation to the Assembly via Resolution and supporting Memorandum.
13. The Trust Manager, with dual signature from the CFO or designee, shall have the authority to make all necessary operational expenditures of the Trust, consistent with monetary appropriations, policies, and internal controls established by the board.
14. The Trust Manager and CFO, jointly, shall have the authority to execute all formal documents

DUTIES AND RESPONSIBILITIES MOA Trust Fund – Investment Policy Stmt.

and contracts on behalf of the Trust, consistent with board direction.

15. Other duties as specified in AMC 4.40.170.

Custodian

The Custodian shall:

1. Provide safekeeping and custody of securities purchased by investment managers on behalf of the Trust.
2. Provide for timely settlement of securities transactions.
3. Maintain short-term investment vehicles for investment of cash not invested by investment managers.
4. Check all manager accounts daily to make sure all available cash is invested.
5. Collect interest, dividend and principal payments on a timely basis.
6. Process corporate actions.
7. Price all securities on a daily basis.
8. Provide monthly, quarterly and annual reports.

Investment Consultant

The Investment Consultant will provide general consulting services as required by the Municipality in connection with the investment of the Trust's assets. As directed, the Consultant will:

1. Review the IPS to assure it is consistent with the Trust's goals and objectives.
2. Conduct and review an asset allocation study to establish the classes of assets, the strategy and style to be used within each class of assets, levels of risk, acceptable risk tolerance and predicted rates of return that will meet the Trust's goals and objectives.
3. Recommend investment manager performance standards and guidelines to monitor and measure investment managers. It is expected the investment consultant provide ongoing due diligence on managers with regular updates provided to the Trust as appropriate.
4. Provide guidelines as to the selection of investment managers and custodian for the Trust.
5. Conduct a quarterly analysis of, and report on, the performance of the investment manager(s).

Monitoring of Investment Managers

Quarterly performance will be evaluated to test progress toward the attainment of longer-term targets. It is understood that there are likely to be short-term periods during which performance deviates from market indices. During such times, greater emphasis shall be placed on peer performance comparisons with managers employing similar styles.

The following will be reviewed on a quarterly basis:

- Manager's adherence to the security and portfolio guidelines and the duties and responsibilities of investment managers, as prescribed above;
- Material changes in the manager's organization, investment philosophy and/or personnel; and,
- Comparisons of the manager's results to appropriate indices and peer groups, specifically:

Asset Class	Index	Peer Universe
Domestic Equity	Appropriate style / capitalization index: S&P, MSCI, or Russell series	Appropriate U.S. equity style / capitalization peer universe
International Equity	Appropriate MSCI style index	Appropriate international equity style / capitalization peer universe
Fixed Income	Bloomberg US Aggregate Bond Index	Appropriate fixed income style universe
Private Credit	Credit Suisse Leveraged Loan Index + 2%	N/A
Emerging Markets Debt	EMD Blended Index*	Appropriate Emerging Markets Debt peer universe
Real Estate	NCREIF ODCE Index (AWA)**	N/A
Cash & Cash Equivalents	ICE BofAML 3 Mo US T-Bill Index	N/A

*EMD Blended Index consists of an appropriate mix of hard and local currency exposure by index (Emerging Markets Bond Global Diversified Index (Hard Currency) and JPM GBI-EM Global Diversified Index (Local Currency)).

**NCREIF ODCE= National Council of Real Estate Investment Fiduciaries Open-End Diversified Core Equity

The risk associated with each manager's portfolio, as measured by the variability of quarterly returns (i.e., annualized standard deviation), should not exceed that of the benchmark index and the peer group without a corresponding increase in performance above the benchmark and peer group.

It is recognized that on-going review and analysis of investment managers is an important component of fiduciary responsibility. Accordingly, thorough and regular reviews of investment managers will be conducted. Further review of managers may be warranted when:

- A manager performs in the bottom quartile (75th percentile) of their peer group over a five-year period;
- A manager falls in the southeast quadrant of the risk/return scatter plot over a 5-year time period or full market cycle;
- A manager's 5-year risk-adjusted return fall below that of the median manager within the appropriate peer group.

Major organizational changes may also warrant immediate review of the manager, including, but not limited to:

- Change in professionals
- Significant account losses
- Significant growth of new business
- Change in ownership

The performance of the investment managers will be monitored on an on-going basis. External investment managers may be terminated at any time subject to contract provisions.

Review of Investment Objectives

The investment program will be reviewed at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

HISTORY OF POLICY CREATION/AMENDMENT DATES

MOA Trust Fund – Investment Policy Stmt.

	<u>Effective Date</u>
Original - MOA Trust Fund Investment Policy Statement	April 30, 1999
Amendment #1 - MOA Trust Fund Investment Policy Statement	June 13, 2000
Amendment #2 - MOA Trust Fund Investment Policy Statement	February 15, 2005
Amendment #3 - MOA Trust Fund Investment Policy Statement	August 29, 2007
Amendment #4 - MOA Trust Fund Investment Policy Statement	September 1, 2010
Amendment #5 - MOA Trust Fund Investment Policy Statement	February 25, 2014
Amendment #6 - MOA Trust Fund Investment Policy Statement	August 23, 2017
Amendment #7 - MOA Trust Fund Investment Policy Statement	February 28, 2018
Amendment #8 - MOA Trust Fund Investment Policy Statement	May 12, 2020
Amendment #9 - MOA Trust Fund Investment Policy Statement	September 1, 2020
Amendment #10 - MOA Trust Fund Investment Policy Statement	December 14, 2023
Amendment #11 – MOA Trust Fund Investment Policy Statement	August 14, 2024



Quarterly Summary Performance

Municipality of Anchorage Trust Fund

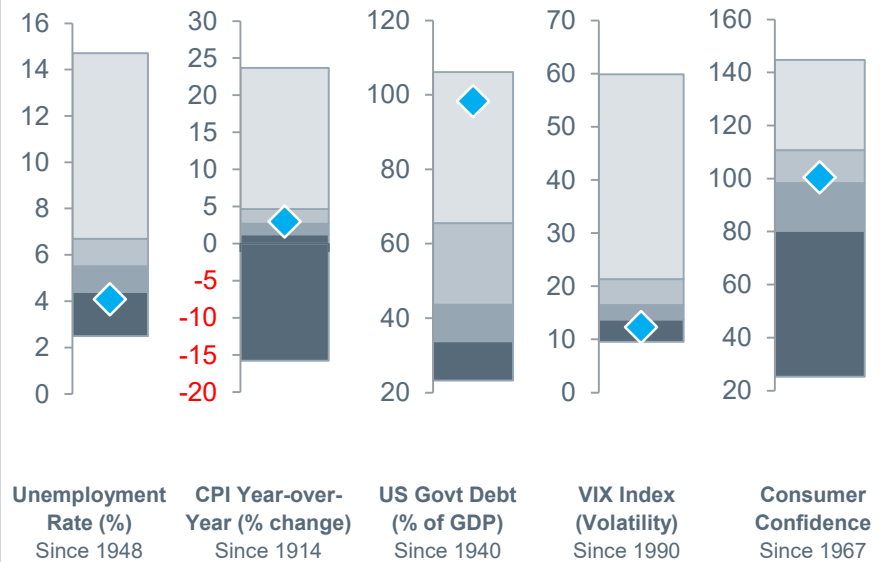
Period Ended: June 30, 2024



Second Quarter Economic Environment

During Q2, broad global equity markets experienced subdued volatility and continued appreciation, while aggregate fixed income was flat. Within equity markets, results were once again driven by mega cap growth stocks, including NVIDIA and others expected to benefit from further adoption of AI. Within fixed income, the lack of movement in monetary policy and persistently tight spreads among corporate debt led to marginally positive returns for broad fixed income indexes, but longer duration asset prices declined modestly as long-term Treasury yields rose in Q2. Inflationary conditions improved as highlighted by the personal consumption expenditures deflator reading of 2.6% in May (the preferred inflation measure of the US Federal Reserve). The headline Consumer Price Index also came in below expectations at 3.0% in the June reading. The Federal Open Markets Committee (FOMC) indicated that “greater confidence” was necessary with regard to the downward path of inflation prior to considering major policy changes. The “dot plot” released by the FOMC indicated dispersion in rate forecasts among the group with the median member indicating that the Federal Funds Rate would decline by 25 basis points by the end of 2024. The June outlook released by the World Bank forecasted global GDP growth of 2.6% in 2024 and 2.7% in 2025. Global inflation levels were forecasted to be 3.5% this year with expectations that reductions will be more gradual than in prior projections.

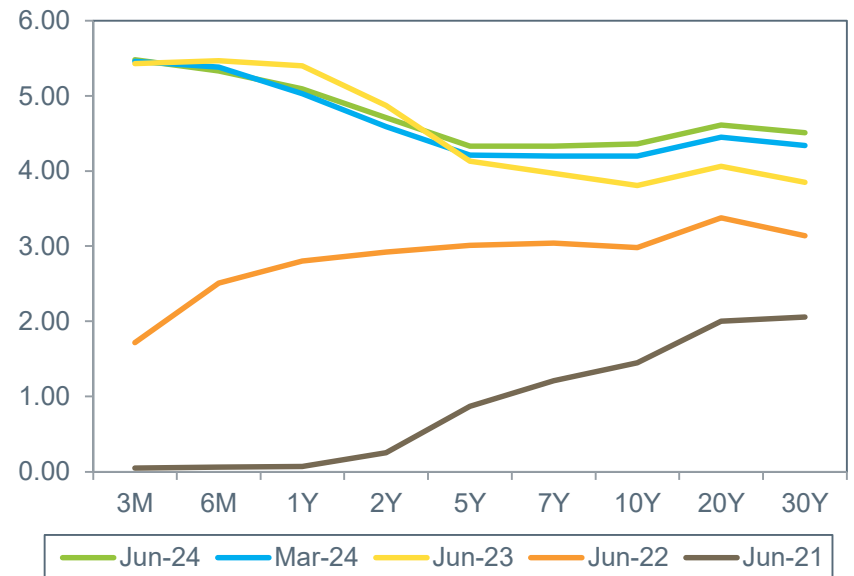
Key Economic Indicators

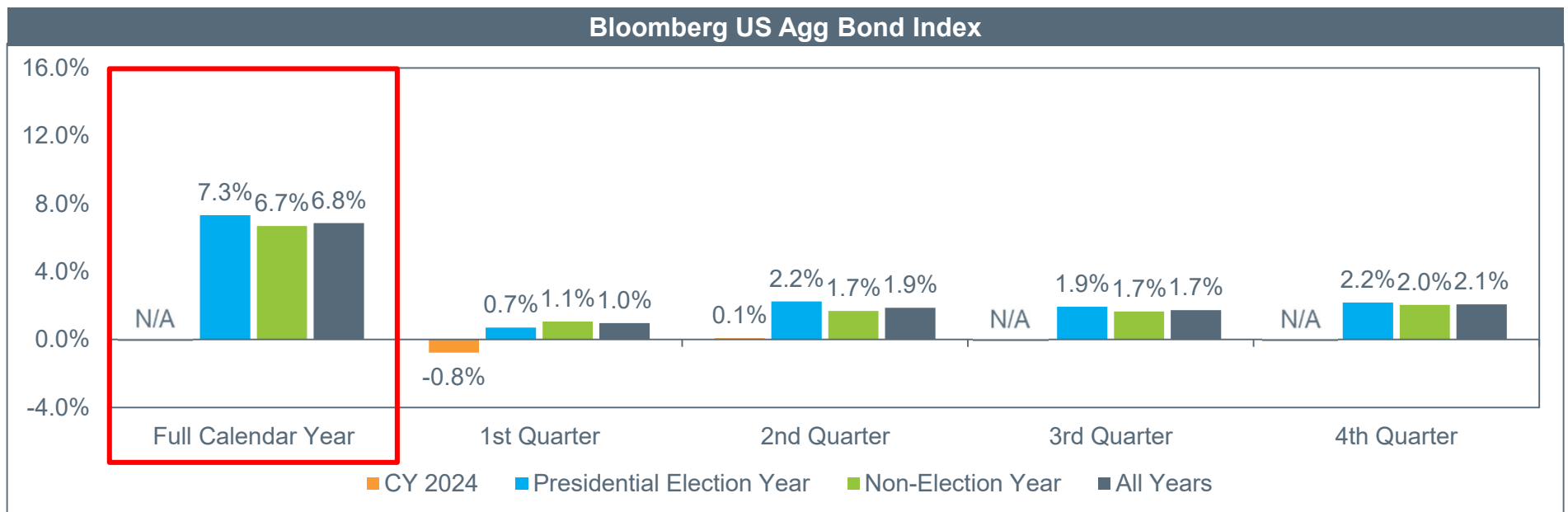
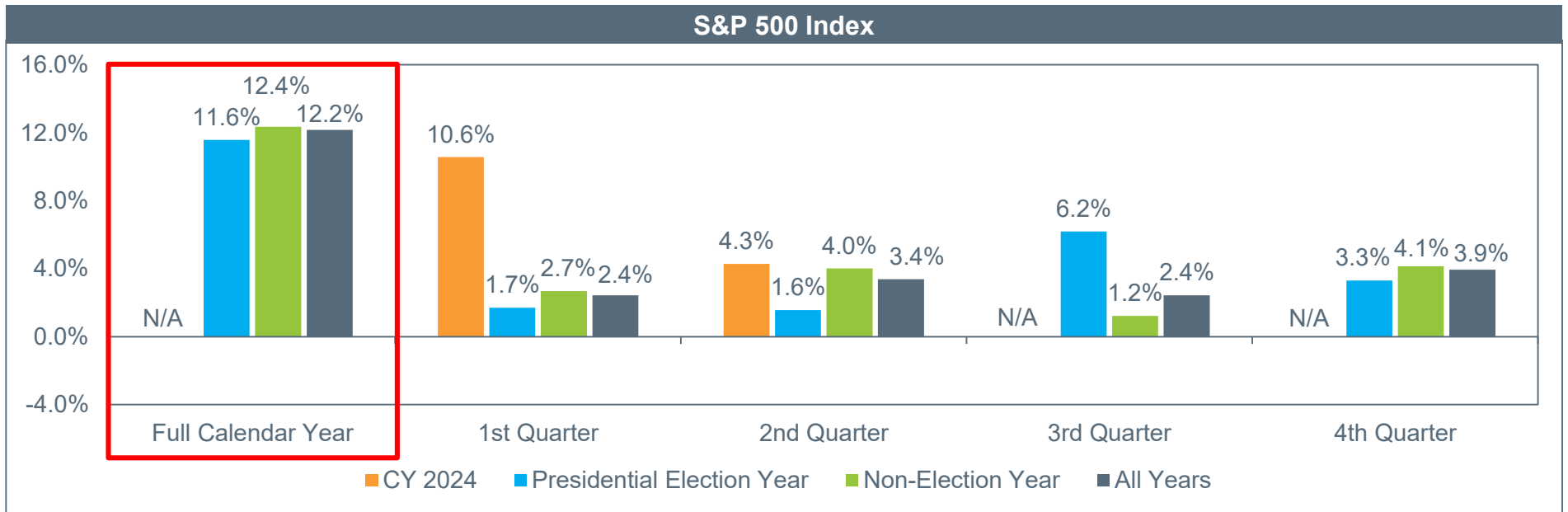


Economic Indicators	Jun-24	Mar-24	Jun-23	Jun-21	20 Yr
Federal Funds Rate (%)	5.33 —	5.33	5.08	0.08	1.60
Breakeven Infl. - 5 Yr (%)	2.24 ▼	2.44	2.17	2.50	1.94
Breakeven Infl. - 10 Yr (%)	2.27 ▼	2.32	2.21	2.34	2.09
CPI YoY (Headline) (%)	3.0 ▼	3.5	3.0	5.4	2.6
Unemployment Rate (%)	4.1 ▲	3.8	3.6	5.9	5.8
Real GDP YoY (%)	3.1 ▲	2.9	2.4	11.9	2.0
PMI - Manufacturing	48.5 ▼	50.3	46.0	60.9	53.1
USD Total Wtd Idx	124.52 ▲	121.41	119.71	112.61	104.24
WTI Crude Oil per Barrel (\$)	81.5 ▼	83.2	70.6	73.5	71.2
Gold Spot per Oz (\$)	2,337 ▲	2,230	1,906	1,770	1,282

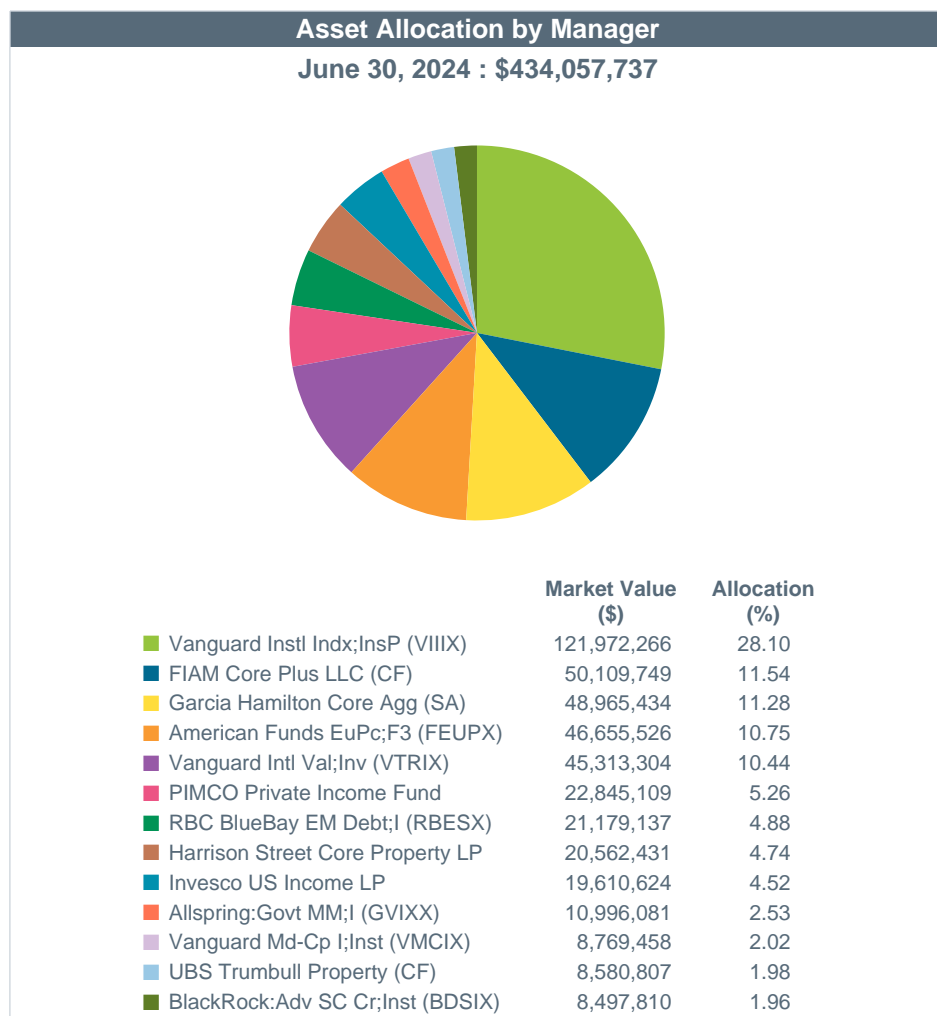
Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	4.28	15.29	24.56	15.05	12.86
Russell 2000	-3.28	1.73	10.06	6.94	7.00
MSCI EAFE (Net)	-0.42	5.34	11.54	6.46	4.33
MSCI EAFE SC (Net)	-1.84	0.51	7.78	4.19	4.29
MSCI Emg Mkts (Net)	5.00	7.49	12.55	3.10	2.79
Bloomberg US Agg Bond	0.07	-0.71	2.63	-0.23	1.35
ICE BofAML 3 Mo US T-Bill	1.32	2.63	5.40	2.16	1.51
NCREIF ODCE (Gross)	-0.45	-2.81	-9.26	3.16	6.41
FTSE NAREIT Eq REIT (TR)	0.06	-0.13	7.79	3.90	5.90
HFRI FOF Comp	0.44	4.63	8.50	4.78	3.48
Bloomberg Cmdbt (TR)	2.89	5.14	5.00	7.25	-1.29

Treasury Yield Curve (%)



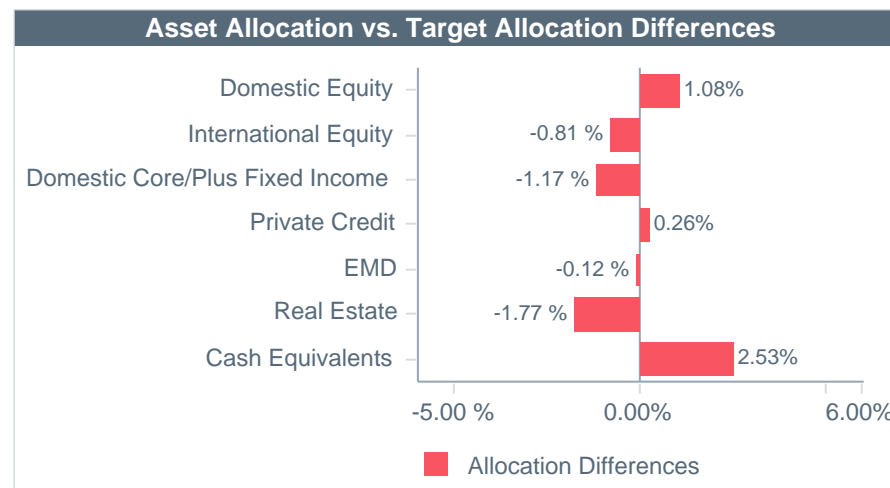


Average quarterly and calendar year returns are measured from: January 1926 to June 2024 for the S&P 500 Index (Cap Wtd); and January 1976 to June 2024 for the Bloomberg US Aggregate Bond Index.



Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Target (%)	Min (%)	Max (%)
Total Fund	434,057,737	100.00	100.00	-	-
Domestic Equity	139,239,533	32.08	31.00	26.00	36.00
International Equity	91,968,830	21.19	22.00	18.00	26.00
Domestic Core/Plus Fixed Income	99,075,183	22.83	24.00	21.00	27.00
Private Credit	22,845,109	5.26	5.00	2.00	8.00
EMD	21,179,137	4.88	5.00	0.00	8.00
Real Estate	48,753,862	11.23	13.00	10.00	16.00
Cash Equivalents	10,996,081	2.53	0.00	0.00	10.00



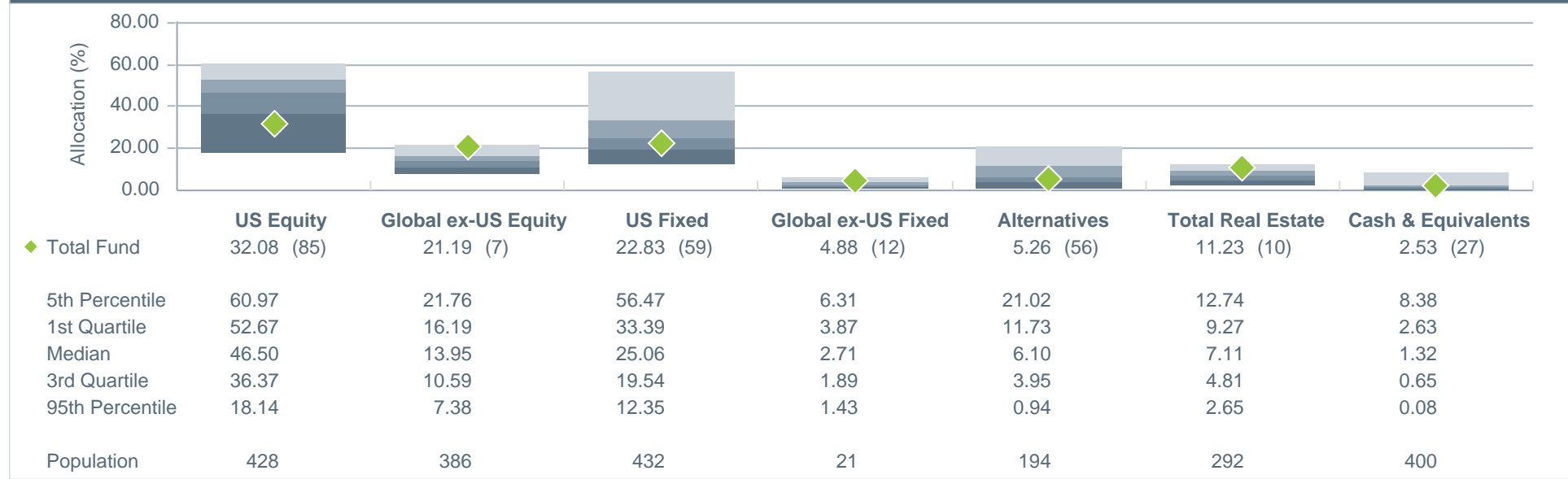
Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	410,723,037	1,663,403	21,671,297	434,057,737	5.27

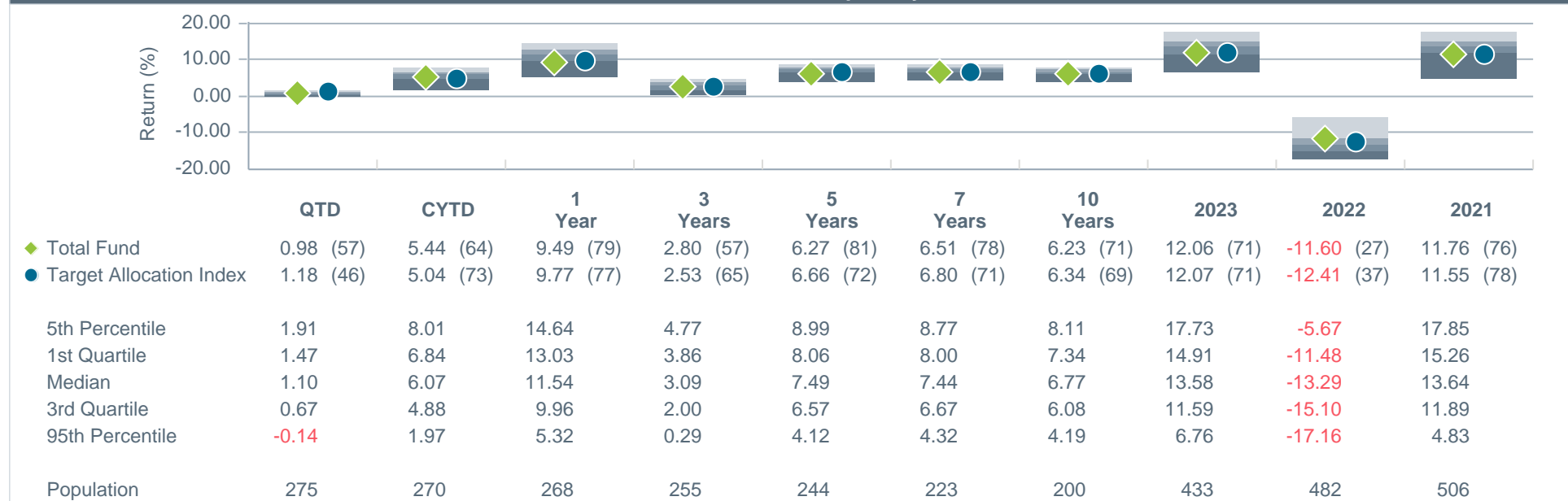
Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is net of fees. The market value for PIMCO Private Income Fund is as of 03/31/2024.



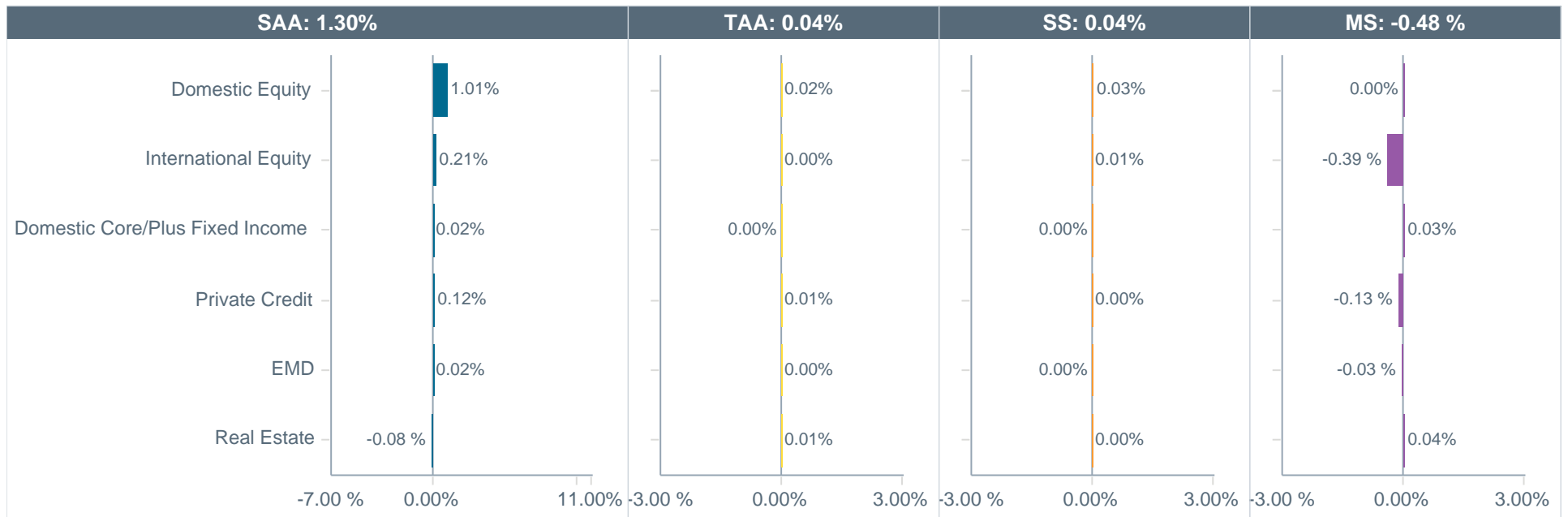
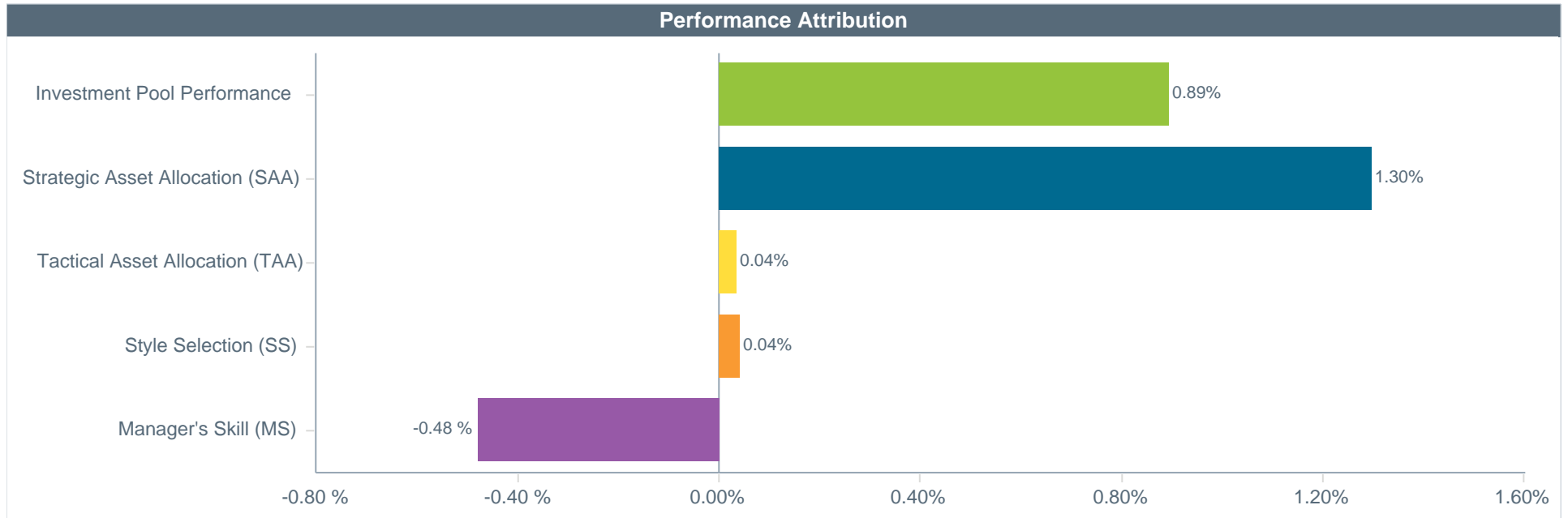
Total Fund Asset Allocation



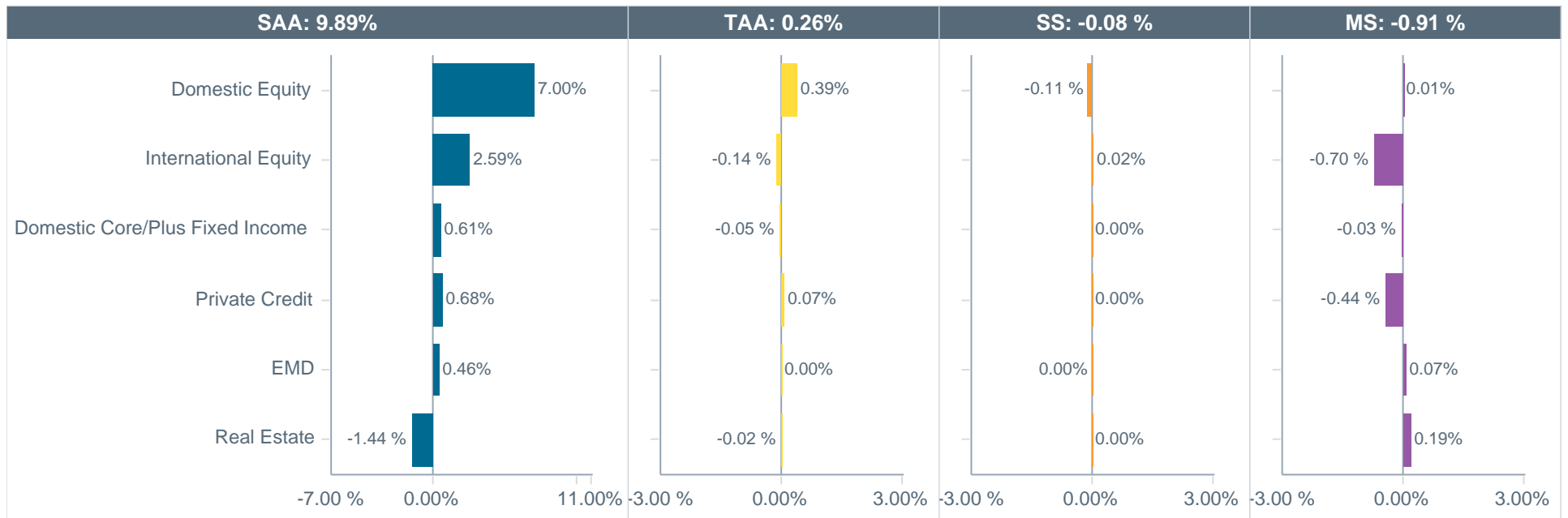
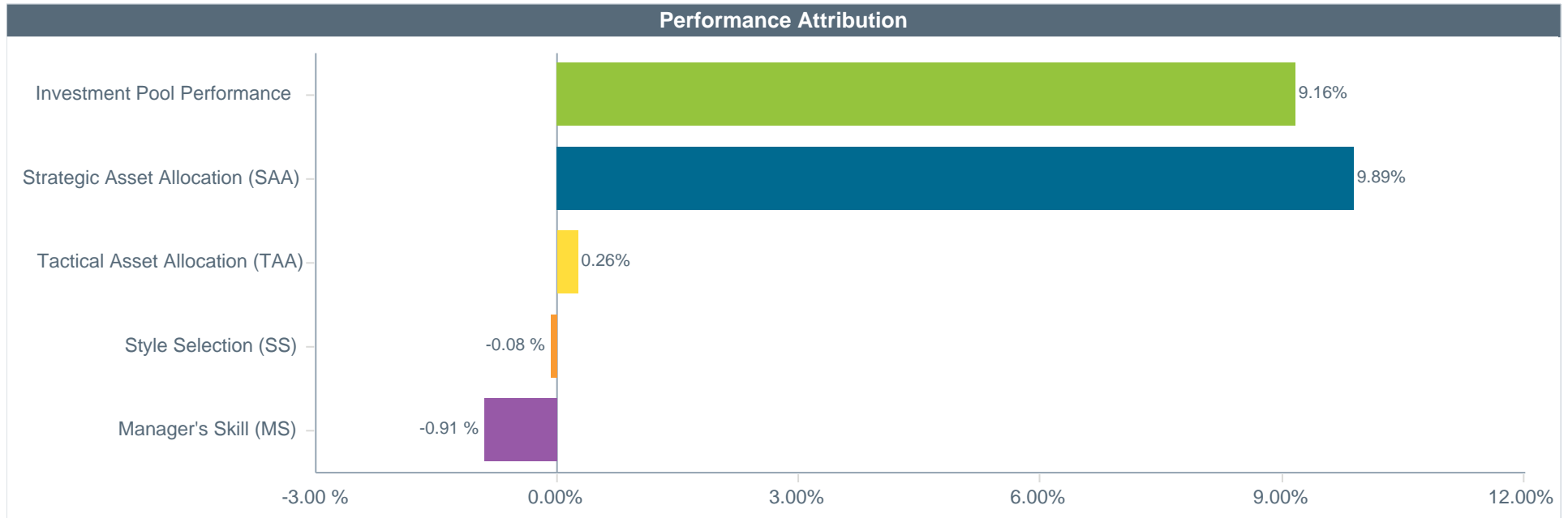
Total Fund Peer Group Analysis



Parentheses contain percentile ranks. Performance shown is gross of fees. Composite performance prior to 01/2016 consists of gross performance for separate accounts and commingled fund investments, and net performance for mutual fund investments. Calculation is based on monthly periodicity.



Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.



Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

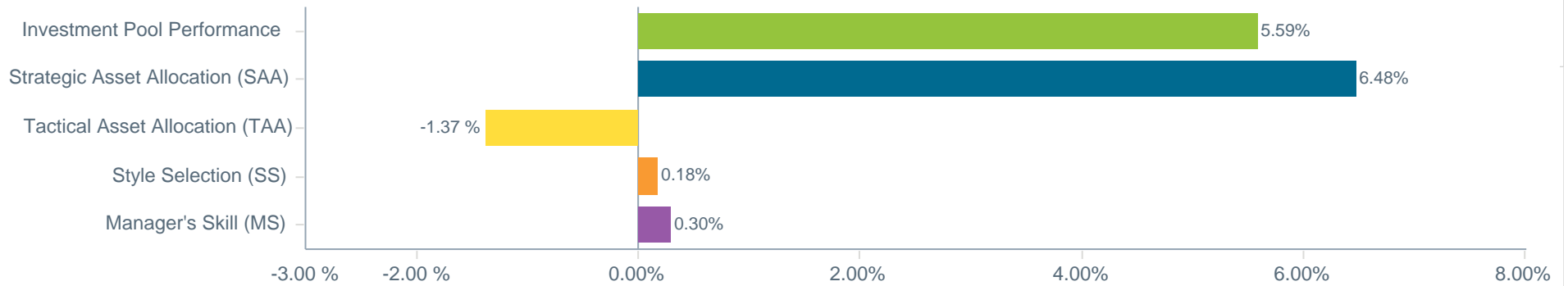
Municipality of Anchorage Trust Fund
ML&P Cash Proceeds Impact on Performance

As of June 30, 2024

Comparative Performance

	MTD	QTD	CYTD	1 Year	3 Years	Since 10/01/20	5 Years	7 Years	10 Years	2023	2022	2021	Since Incep.	Inception Date
Total Fund	0.83	0.90	5.27	9.12	2.43	5.59	5.90	6.14	5.86	11.66	-11.94	11.37	5.77	10/01/1999
Target Allocation Index (Trust)	1.11	1.18	5.04	9.77	2.53	6.48	6.66	6.80	6.34	12.07	-12.41	11.55	5.72	
Difference	-0.28	-0.28	0.23	-0.65	-0.10	-0.89	-0.76	-0.66	-0.48	-0.41	0.47	-0.18	0.05	
Target Allocation Index (Wtd Cash) (Trust)	1.11	1.18	5.04	9.77	2.53	5.59	5.99	6.32	-	12.07	-12.41	11.55	-	
Difference	-0.28	-0.28	0.23	-0.65	-0.10	0.00	-0.09	-0.18	-	-0.41	0.47	-0.18	-	
Consumer Price Index+4%	0.36	1.58	4.45	7.09	9.16	9.35	8.34	7.76	6.91	7.49	10.71	11.32	6.67	
Difference	0.47	-0.68	0.82	2.03	-6.73	-3.76	-2.44	-1.62	-1.05	4.17	-22.65	0.05	-0.90	
Total Fund Ex-Cash	0.84	0.89	5.29	9.16	2.45	6.51	6.59	6.64	-	11.69	-11.94	11.55	7.18	01/01/2016
Target Allocation Index (Trust)	1.11	1.18	5.04	9.77	2.53	6.48	6.66	6.80	6.34	12.07	-12.41	11.55	7.40	
Difference	-0.27	-0.29	0.25	-0.61	-0.08	0.03	-0.07	-0.16	-	-0.38	0.47	0.00	-0.22	

Performance Attribution - Since 10/01/2020

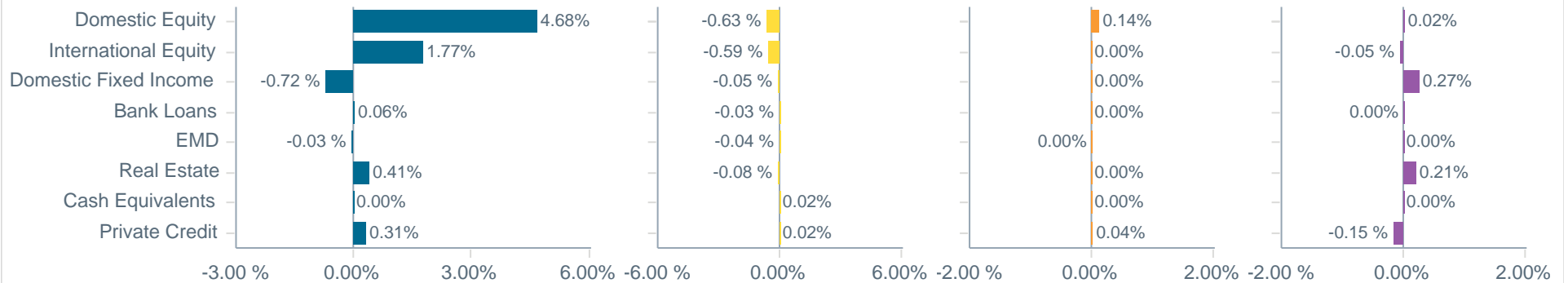


SAA: 6.48%

TAA: -1.37%

SS: 0.18%

MS: 0.30%



Performance shown is net of fees. Performance is annualized for periods greater than one year. Please see the Addendum for custom index definitions. The Target Allocation Index (Weighted Cash) (Trust) consists of a 37% allocation to cash during 11/2020 and a 12% allocation to cash during 12/2020. Remaining allocations were adjusted on a pro rata basis to fill the remaining stated targets.



Municipality of Anchorage Trust Fund
Comparative Performance

As of June 30, 2024

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	Since Incep.	Inception Date
Total Fund	0.90	5.27	9.12	2.43	5.90	6.14	5.86	11.66	-11.94	11.37	8.75	5.77	10/01/1999
Target Allocation Index (Trust)	1.18	5.04	9.77	2.53	6.66	6.80	6.34	12.07	-12.41	11.55	12.77	5.72	
Difference	-0.28	0.23	-0.65	-0.10	-0.76	-0.66	-0.48	-0.41	0.47	-0.18	-4.02	0.05	
Consumer Price Index+4%	1.58	4.45	7.09	9.16	8.34	7.76	6.91	7.49	10.71	11.32	5.42	6.67	
Difference	-0.68	0.82	2.03	-6.73	-2.44	-1.62	-1.05	4.17	-22.65	0.05	3.33	-0.90	
Domestic Equity	3.32	13.70	22.83	8.66	13.97	13.41	11.88	24.96	-18.28	27.79	17.14	7.92	10/01/1999
Russell 3000 Index	3.22	13.56	23.12	8.05	14.14	13.48	12.15	25.96	-19.21	25.66	20.89	8.20	
Difference	0.10	0.14	-0.29	0.61	-0.17	-0.07	-0.27	-1.00	0.93	2.13	-3.75	-0.28	
Domestic Large Cap Equity	4.28	15.17	24.41	9.94	14.76	14.08	12.51	26.25	-18.13	28.85	17.02	8.04	10/01/1999
Russell 1000 Index	3.57	14.24	23.88	8.74	14.61	13.93	12.51	26.53	-19.13	26.45	20.96	8.20	
Difference	0.71	0.93	0.53	1.20	0.15	0.15	0.00	-0.28	1.00	2.40	-3.94	-0.16	
Vanguard Instl Indx;InsP (VMIIX)	4.28	15.28	24.53	9.99	15.03	14.25	12.83	26.26	-18.13	28.69	18.40	8.04	10/01/1999
S&P 500 Index (Cap Wtd)	4.28	15.29	24.56	10.01	15.05	14.28	12.86	26.29	-18.11	28.71	18.40	8.03	
Difference	0.00	-0.01	-0.03	-0.02	-0.02	-0.03	-0.03	-0.03	-0.02	-0.02	0.00	0.01	
IM U.S. Large Cap Core Equity (MF) Median	3.54	14.68	23.89	8.62	14.08	13.35	11.78	24.85	-18.72	26.95	18.39	7.52	
Rank	29	39	45	28	24	24	16	38	46	26	50	27	
Domestic Mid Cap Equity	-2.74	4.90	11.82	2.20	9.10	9.35	8.98	16.00	-18.71	24.65	16.61	8.91	07/01/2006
Vanguard Spl Mid Cap Index	-2.74	4.90	11.82	2.23	9.39	9.56	9.12	15.98	-18.68	24.52	18.24	9.01	
Difference	0.00	0.00	0.00	-0.03	-0.29	-0.21	-0.14	0.02	-0.03	0.13	-1.63	-0.10	
Vanguard Md-Cp I;Inst (VMCIX)	-2.74	4.90	11.82	2.23	9.39	9.54	9.10	16.00	-18.70	24.53	18.23	8.98	07/01/2006
Vanguard Spl Mid Cap Index	-2.74	4.90	11.82	2.23	9.39	9.56	9.12	15.98	-18.68	24.52	18.24	9.01	
Difference	0.00	0.00	0.00	0.00	0.00	-0.02	-0.02	0.02	-0.02	0.01	-0.01	-0.03	
IM U.S. Mid Cap Core Equity (MF) Median	-3.95	4.82	11.93	4.27	9.20	8.32	7.22	13.86	-13.21	25.73	8.44	7.71	
Rank	22	50	51	82	45	22	13	33	93	60	15	14	
Domestic Small Cap Equity	-3.29	3.02	12.81	-1.87	7.75	7.86	6.34	16.52	-19.87	15.69	17.88	5.92	01/01/2000
Small Cap Custom Index	-3.28	1.73	10.06	-2.58	6.94	6.85	6.74	16.93	-20.44	14.82	19.96	7.55	
Difference	-0.01	1.29	2.75	0.71	0.81	1.01	-0.40	-0.41	0.57	0.87	-2.08	-1.63	
BlackRock:Adv SC Cr;Inst (BDSIX)	-3.29	3.02	12.81	-1.87	7.86	7.94	-	16.52	-19.87	14.67	19.57	8.19	12/01/2016
Russell 2000 Index	-3.28	1.73	10.06	-2.58	6.94	6.85	7.00	16.93	-20.44	14.82	19.96	7.38	
Difference	-0.01	1.29	2.75	0.71	0.92	1.09	-	-0.41	0.57	-0.15	-0.39	0.81	
IM U.S. Small Cap Core Equity (MF) Median	-3.30	1.69	10.03	1.23	7.91	7.22	7.02	15.99	-15.77	25.12	9.89	7.36	
Rank	50	29	21	84	52	26	-	44	82	91	14	24	

Performance shown is net of fees. Performance is annualized for periods greater than one year. Please see the Addendum for custom index definitions. The performance for PIMCO Private Income Fund is not available for Q2 2024 and is assumed to be 0.00%.



Municipality of Anchorage Trust Fund
Comparative Performance

As of June 30, 2024

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	Since Incep.	Inception Date
International Equity	-0.76	4.92	8.49	-0.60	5.58	4.64	3.80	16.14	-17.25	5.82	15.22	5.46	10/01/1999
MSCI ACW Ex US Index (USD) (Net)	0.96	5.69	11.62	0.46	5.55	5.17	3.84	15.62	-16.00	7.82	10.65	-	
Difference	-1.72	-0.77	-3.13	-1.06	0.03	-0.53	-0.04	0.52	-1.25	-2.00	4.57	-	
Vanguard Intl Val;Inv (VTRIX)	-1.29	2.68	6.16	1.14	-	-	-	16.15	-11.66	7.97	-	10.55	06/01/2020
MSCI ACW Ex US Val Index (USD) (Net)	1.26	4.71	13.45	3.55	5.29	4.42	2.76	17.30	-8.59	10.46	-0.77	11.99	
Difference	-2.55	-2.03	-7.29	-2.41	-	-	-	-1.15	-3.07	-2.49	-	-1.44	
IM ACWI Ex US Value (MF) Median	0.76	4.78	12.16	2.79	5.75	4.33	2.05	15.36	-11.04	10.01	3.69	11.54	
Rank	93	79	89	83	-	-	-	42	61	73	-	72	
American Funds EuPc;F3 (FEUPX)	-0.23	7.20	10.85	-2.45	6.06	5.91	5.21	16.06	-22.73	2.85	25.24	6.14	10/01/1999
MSCI ACW Ex US Grth Index (USD) (Net)	0.72	6.68	9.88	-2.62	5.49	5.69	4.74	14.03	-23.05	5.09	22.20	-	
Difference	-0.95	0.52	0.97	0.17	0.57	0.22	0.47	2.03	0.32	-2.24	3.04	-	
IM ACWI Ex US Growth (MF) Median	-0.29	5.97	8.34	-3.80	5.46	5.54	4.69	15.36	-26.63	7.93	22.75	5.44	
Rank	46	26	22	31	30	45	35	41	30	77	36	23	
Domestic Fixed Income	0.15	0.06	3.07	-1.26	0.93	1.78	2.19	6.35	-10.23	-0.07	6.90	4.52	10/01/1999
Bloomberg US Agg Bond Index	0.07	-0.71	2.63	-3.02	-0.23	0.86	1.35	5.53	-13.01	-1.55	7.51	3.89	
Difference	0.08	0.77	0.44	1.76	1.16	0.92	0.84	0.82	2.78	1.48	-0.61	0.63	
Domestic Core/Plus Fixed Income	0.18	-0.58	2.52	-2.37	0.36	1.39	-	6.24	-12.15	-0.87	7.80	2.20	01/01/2016
Bloomberg US Agg Bond Index	0.07	-0.71	2.63	-3.02	-0.23	0.86	1.35	5.53	-13.01	-1.55	7.51	1.29	
Difference	0.11	0.13	-0.11	0.65	0.59	0.53	-	0.71	0.86	0.68	0.29	0.91	
FIAM Core Plus LLC (CF)	0.38	0.18	4.07	-1.74	0.98	1.90	2.35	7.55	-12.63	0.68	7.52	3.94	10/01/2007
Bloomberg US Agg Bond Index	0.07	-0.71	2.63	-3.02	-0.23	0.86	1.35	5.53	-13.01	-1.55	7.51	2.85	
Difference	0.31	0.89	1.44	1.28	1.21	1.04	1.00	2.02	0.38	2.23	0.01	1.09	
IM U.S. Broad Market Core+ Fixed Income (SA+CF) Median	0.33	0.18	4.02	-2.60	0.57	1.52	1.93	6.47	-13.28	-0.53	8.66	3.56	
Rank	39	49	49	28	27	23	23	20	30	20	80	31	
Garcia Hamilton Core Agg (SA)	-0.02	-1.36	0.97	-2.97	-0.19	-	-	5.06	-11.66	-2.40	8.34	0.83	02/01/2018
Bloomberg US Agg Bond Index	0.07	-0.71	2.63	-3.02	-0.23	0.86	1.35	5.53	-13.01	-1.55	7.51	0.93	
Difference	-0.09	-0.65	-1.66	0.05	0.04	-	-	-0.47	1.35	-0.85	0.83	-0.10	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.17	-0.33	2.96	-2.89	0.05	1.09	1.53	5.81	-13.13	-1.47	8.03	1.16	
Rank	93	98	98	60	75	-	-	85	10	98	40	85	

Performance shown is net of fees. Performance is annualized for periods greater than one year. Please see the Addendum for custom index definitions. The performance for PIMCO Private Income Fund is not available for Q2 2024 and is assumed to be 0.00%.

Municipality of Anchorage Trust Fund
Comparative Performance

As of June 30, 2024

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	Since Incep.	Inception Date
Private Credit	0.00	2.74	5.34	4.06	-	-	-	6.70	-0.55	-	-	4.42	06/01/2021
CS Lvg'd Loan Index +2%	0.00	3.03	10.63	7.24	6.97	6.83	6.45	15.30	0.92	7.51	4.83	7.24	
Difference	0.00	-0.29	-5.29	-3.18	-	-	-	-8.60	-1.47	-	-	-2.82	
PIMCO Private Income Fund	0.00	2.74	5.34	4.06	-	-	-	6.70	-0.55	-	-	4.42	06/01/2021
CS Lvg'd Loan Index +2%	0.00	3.03	10.63	7.24	6.97	6.83	6.45	15.30	0.92	7.51	4.83	7.24	
Difference	0.00	-0.29	-5.29	-3.18	-	-	-	-8.60	-1.47	-	-	-2.82	
Emerging Markets Debt	-0.28	1.79	10.72	-2.88	-0.87	-	-	15.62	-17.73	-6.44	4.04	1.17	07/01/2018
EMD Blended Index	0.30	2.34	9.23	-2.28	-0.05	-	-	11.09	-16.36	-2.83	4.56	1.70	
Difference	-0.58	-0.55	1.49	-0.60	-0.82	-	-	4.53	-1.37	-3.61	-0.52	-0.53	
RBC BlueBay EM Debt;I (RBESX)	-0.28	1.79	10.72	-0.64	1.44	-	-	15.62	-15.27	-2.76	7.01	3.21	07/01/2018
JPM Emg Mkts Bond Gbl Dvfd Index (USD) (TR)	0.30	2.34	9.23	-2.60	-0.03	1.44	2.60	11.09	-17.78	-1.80	5.26	1.95	
Difference	-0.58	-0.55	1.49	1.96	1.47	-	-	4.53	2.51	-0.96	1.75	1.26	
IM Emerging Markets Debt (MF) Median	0.27	2.29	9.07	-1.82	0.49	1.49	1.91	11.40	-15.10	-2.96	5.74	2.10	
Rank	71	65	25	15	20	-	-	3	52	48	29	13	
Real Estate	-0.29	-2.50	-8.75	1.86	1.77	2.08	3.95	-9.98	10.21	17.92	-4.78	3.25	10/01/2007
NCREIF ODCE Index (AWA) (Net)	-0.67	-3.23	-10.00	1.02	2.27	3.45	5.47	-12.73	6.55	21.02	0.34	3.77	
Difference	0.38	0.73	1.25	0.84	-0.50	-1.37	-1.52	2.75	3.66	-3.10	-5.12	-0.52	
UBS Trumbull Property (CF)	-1.12	-2.97	-8.57	-1.53	-1.03	0.07	2.51	-15.72	5.02	15.48	-4.78	2.39	10/01/2007
NCREIF ODCE Index (AWA) (Net)	-0.67	-3.23	-10.00	1.02	2.27	3.45	5.47	-12.73	6.55	21.02	0.34	3.77	
Difference	-0.45	0.26	1.43	-2.55	-3.30	-3.38	-2.96	-2.99	-1.53	-5.54	-5.12	-1.38	
Invesco US Income LP	-0.58	-2.67	-9.32	3.07	-	-	-	-10.44	12.61	25.00	-	6.02	01/01/2021
NCREIF ODCE Index (AWA) (Net)	-0.67	-3.23	-10.00	1.02	2.27	3.45	5.47	-12.73	6.55	21.02	0.34	2.46	
Difference	0.09	0.56	0.68	2.05	-	-	-	2.29	6.06	3.98	-	3.56	
Harrison Street Core Property LP	0.35	-1.43	-7.61	2.24	-	-	-	-6.63	10.15	-	-	2.90	04/01/2021
NCREIF ODCE Index (AWA) (Net)	-0.67	-3.23	-10.00	1.02	2.27	3.45	5.47	-12.73	6.55	21.02	0.34	2.07	
Difference	1.02	1.80	2.39	1.22	-	-	-	6.10	3.60	-	-	0.83	

Performance shown is net of fees. Performance is annualized for periods greater than one year. Please see the Addendum for custom index definitions. The performance for PIMCO Private Income Fund is not available for Q2 2024 and is assumed to be 0.00%.

**Municipality of Anchorage Trust Fund
Fee Addendum**

As of June 30, 2024

	Fee Schedule	Market Value As of 06/30/2024 (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Total Fund		434,057,737	1,702,667	0.39
Vanguard Instl Indx;InsP (VFIIX)	0.02 % of Assets	121,972,266	24,394	0.02
Vanguard Md-Cp I;Inst (VMCIX)	0.04 % of Assets	8,769,458	3,508	0.04
BlackRock:Adv SC Cr;Inst (BDSIX)	0.50 % of Assets	8,497,810	42,489	0.50
Vanguard Intl Val;Inv (VTRIX)	0.39 % of Assets	45,313,304	176,722	0.39
American Funds EuPc;F3 (FEUPX)	0.46 % of Assets	46,655,526	214,615	0.46
FIAM Core Plus LLC (CF)	0.20 % of First \$100 M 0.16 % of Next \$200 M 0.12 % of Next \$200 M 0.10 % Thereafter	50,109,749	100,220	0.20
Garcia Hamilton Core Agg (SA)	0.25 % of Assets	48,965,434	122,414	0.25
PIMCO Private Income Fund	1.25 % of Assets	22,845,109	285,564	1.25
RBC BlueBay EM Debt;I (RBESX)	0.79 % of Assets	21,179,137	167,315	0.79
UBS Trumbull Property (CF)*	0.83 % of Assets	8,580,807	71,639	0.83
Harrison Street Core Property LP	1.15 % of First \$25 M 1.05 % of Next \$25 M 0.95 % of Next \$25 M 0.90 % of Next \$25 M 0.85 % Thereafter	20,562,431	236,468	1.15
Invesco US Income LP	1.20 % of First \$50 M 1.10 % of Next \$50 M 1.00 % of Next \$100 M 0.85 % of Next \$300 M 0.80 % Thereafter	19,610,624	235,327	1.20
Allspring:Govt MM;I (GVIXX)	0.20 % of Assets	10,996,081	21,992	0.20

Mutual fund fees are sourced from Morningstar and/or the investment manager.

UBS Trumbull Property - 0.955% on first \$10M, 0.825% on next \$15M, 0.805% on next \$25M, 0.79% on next \$50M, 0.67% on next \$150M, 0.60% on next \$150M, 0.56% on next \$200M and 0.52% thereafter. The variable fee has been suspended indefinitely.

*The fee schedule shown for UBS Trumbull Property is based on the effective rates as of the most recently available quarter end data for the combined assets of Anchorage Police & Fire Retirement System and Municipality of Anchorage.

Performance Related Comments

- Performance shown is net of fees, unless otherwise noted.
- Inception dates shown reflect the first full month of client specific performance.
- RVK began monitoring the assets of the Municipality of Anchorage as of 01/01/2016. Prior historical data was provided by the previous investment consultant.
- Performance for Vanguard Instl Indx;InsP (VIIIIX) prior to 11/2020 consists of the returns from the previous share class Vanguard Instl Indx;Inst (VINIX).
- Performance for Vanguard Md-Cp I;Inst (VMCIX) prior to 11/2020 consists of the returns from the previous share class Vanguard Md-Cp I;Adm (VIMAX).
- The market value and performance for PIMCO Private Income Fund is as of 12/31/2023.

Manager Transition Comments

- The cash account was transitioned to WellsFargo:Govt MM;I (GVIXX) during 09/2019.
- During 12/2019, RBC BlueBay EM Debt;I (RBESX) switched to the JPM Emg Mkts Bond Gbl Dvfd Index (USD) (TR) benchmark.
- TIF:Internatl Equity;Prm (TFEQX) was liquidated beginning in 05/2020 and Vanguard Intl Val;Inv (VTRIX) was funded by the proceeds.
- During 11/2020, assets invested in Vanguard Instl Indx;Inst (VINIX) were transferred via share class exchange to Vanguard Instl Indx;InsP (VIIIIX).
- During 11/2020, assets invested in Vanguard Md-Cp I;Adm (VIMAX) were transferred via share class exchange to Vanguard Md-Cp I;Inst (VMCIX).
- During 01/2021, Invesco US Income LP was funded via capital call.
- During 04/2021, Harrison Street Core Property LP was funded via capital call.
- During 05/2021, PIMCO Private Income Fund was funded via capital call.
- During 06/2021, Western Asset Floating Rate High Income (CF) was liquidated from the total fund.
- During 05/2022, Ashmore:EM Tot Rtn;Inst (EMKIX) was liquidated and proceeds were used to purchase RBC BlueBay EM Debt;I (RBESX).

Custom Index Comments

- The Target Allocation Index is calculated monthly and consists of 31% Russell 3000 Index, 22% MSCI ACW Ex US Index (USD) (Net), 24% Bloomberg US Agg Bond Index, 5% Credit Suisse Leveraged Loan Index +2%, 5% EMD Blended Index, and 13% NCREIF ODCE Index (AWA) (Net). The Target Allocation Index and its current targets are effective as of 06/2021.
- The Target Allocation Index (Weighted Cash) (Trust) consists of a 37% allocation to cash during 11/2020 and a 12% allocation to cash during 12/2020. Remaining allocations were adjusted on a pro rata basis to fill the remaining stated targets.
- The Vanguard Spl Mid Cap Index consists of the S&P Mid Cap 400 Index (Cap Wtd) through 05/16/2003; MSCI US Mid Cap 450 Index through 01/30/2013; and CRSP US Mid Cap Index thereafter.
- The Small Cap Custom Index consists of the Russell 2000 Index through 06/2006, the Russell 2000 Growth Index through 11/2016, and the Russell 2000 Index thereafter.
- The EMD Blended Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.

Miscellaneous Comments

- In 12/2021, due to the sale of Wells Fargo Asset Management (WFAM) by Wells Fargo & Company to GTCR LLC and Reverence Capital Partners, L.P., the WellsFargo:Govt MM;I (GVIXX) name has been changed to reflect the new company name of Allspring:Govt MM;I (GVIXX).

PORTLAND

BOISE

CHICAGO

NEW YORK

Disclaimer of Warranties and Limitation of Liability - This document was prepared by RVK, Inc. (RVK) and may include information and data from some or all of the following sources: client staff; custodian banks; investment managers; specialty investment consultants; actuaries; plan administrators/record-keepers; index providers; as well as other third-party sources as directed by the client or as we believe necessary or appropriate. RVK has taken reasonable care to ensure the accuracy of the information or data, but makes no warranties and disclaims responsibility for the accuracy or completeness of information or data provided or methodologies employed by any external source. This document is provided for the client's internal use only and does not constitute a recommendation by RVK or an offer of, or a solicitation for, any particular security and it is not intended to convey any guarantees as to the future performance of the investment products, asset classes, or capital markets.

