



ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

Kenai Peninsula Borough Land Trust Investment Fund

August 2024



Investment success starts with a plan:

Monitoring the path toward achieving your financial goals....

Making progress toward your growth objectives...



Kenai Peninsula Borough Land Trust Investment Fund		
August 2024		
Account Inception	June 2019	
Total Contributions	\$ 12,518,397	
Withdrawals <i>Does not include custodial or management fees</i>	\$ 0	
Current Market Value <i>August 31, 2024</i>	\$ 16,206,937	
Annualized Account Return* <i>Inception – August 31, 2024</i>	+ 6.83%	
Fee Schedule**	0.27% Annual Effective Rate	
Strategic Asset Allocation	Risk Control	27%
	Risk Assets	52%
	Alternatives	21%

Purpose:

The Land Trust Investment Fund was established to manage the proceeds of land sales and the financial assets of the Land Trust Fund in excess of annual operating needs of the Land Trust Fund and to generate investment earnings to be used for Land Trust Fund operations, General Fund functions, or for other purposes as determined by the assembly.

Contribution Policy:

The net proceeds of land sales will be transferred to the Land Trust Investment Fund (LTIF), provided the fund balance minimum requirements of the Land Trust Fund (LTF) are met. After the first five years, if the fund balance of the Land Trust Fund is more than 125 percent of the maximum established in the fund balance policy the amount greater than 125 percent may be transferred to the general fund or may be used for any other purpose as determined by the assembly.

Distribution Policy:

Transfers to the LTF to invest in non-financial assets such as land or income producing investments: maximum of 10% of the market value of the LTIF in any year or 25% in any five-year period. An interfund loan from the LTIF to the LTF may be done if the fund balance in the LTF falls below the minimums set by the fund balance policy. Any such interfund loan must be repaid within five years.

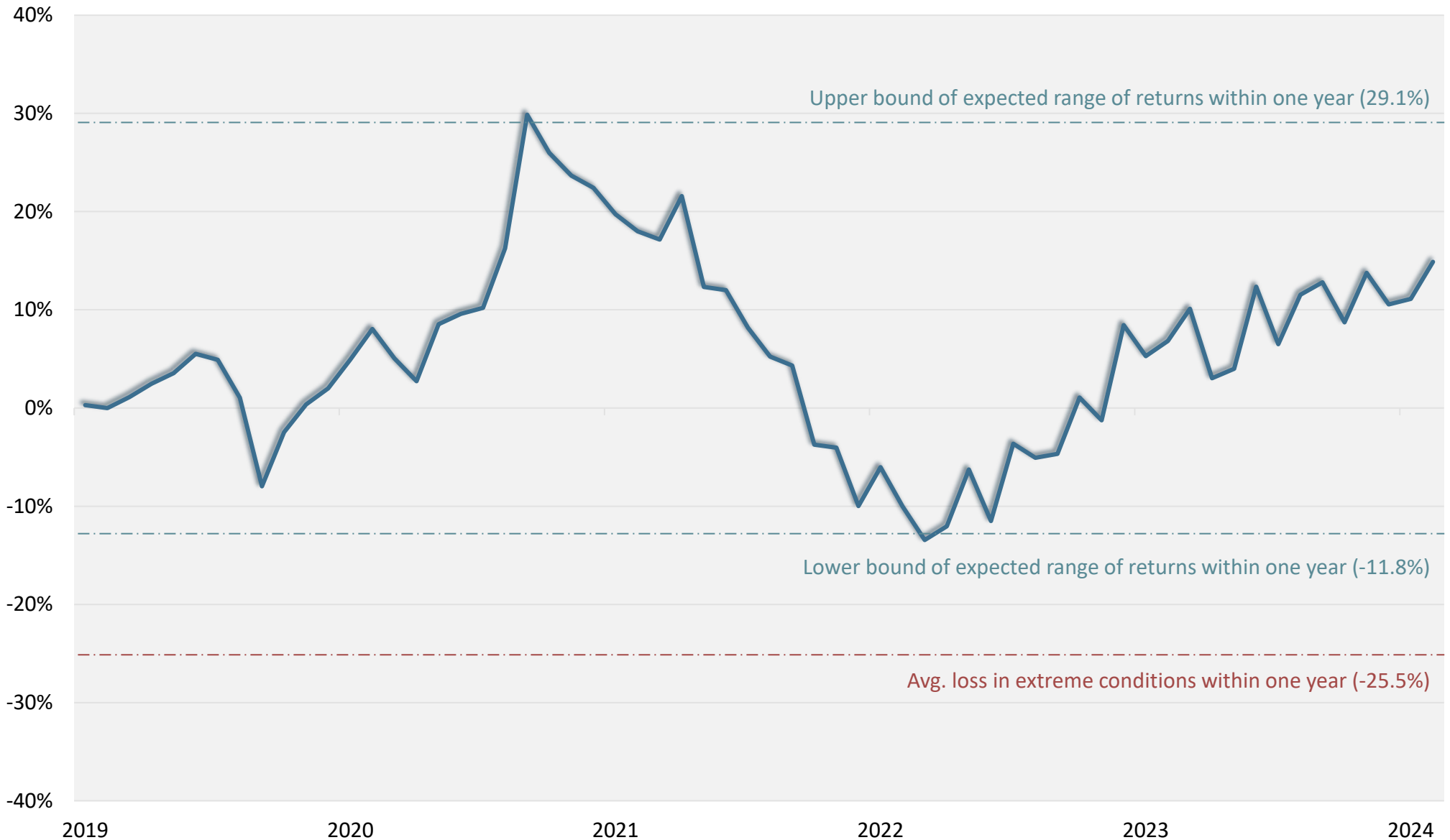
*Performance is gross of management fees, net of internal fund fees, and annualized for periods greater than one year.

** Current fee schedule is 0.35% on the first \$5M, 0.25% on the next \$5M, and 0.15% thereafter.

Realized Returns Remain Within Projections, Keeping Us on Track...

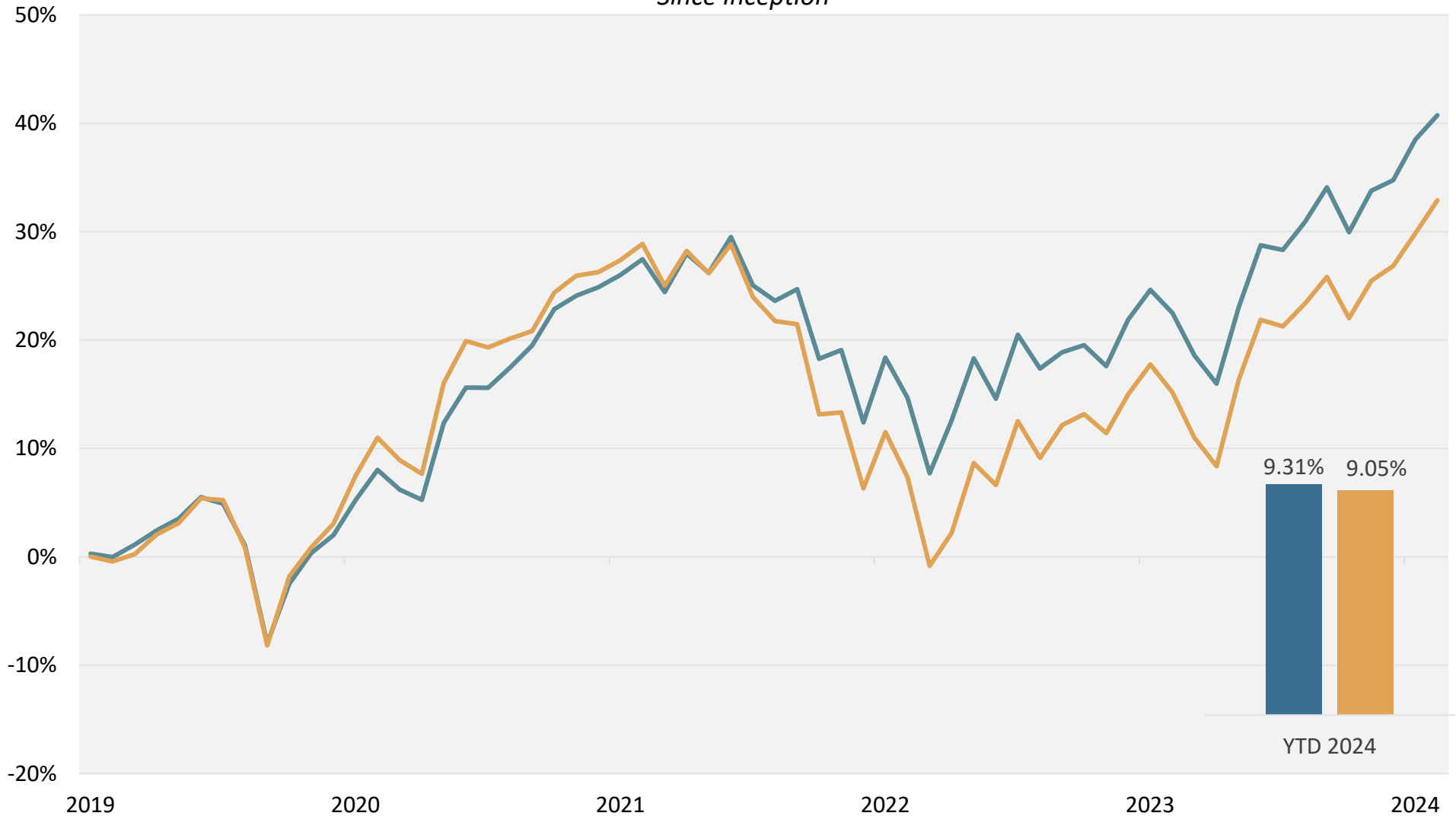


Rolling 12 Month Total Return
Since Inception



Diversification is enhancing performance beyond a traditional stock and bond portfolio...

Cumulative Total Return
Since Inception

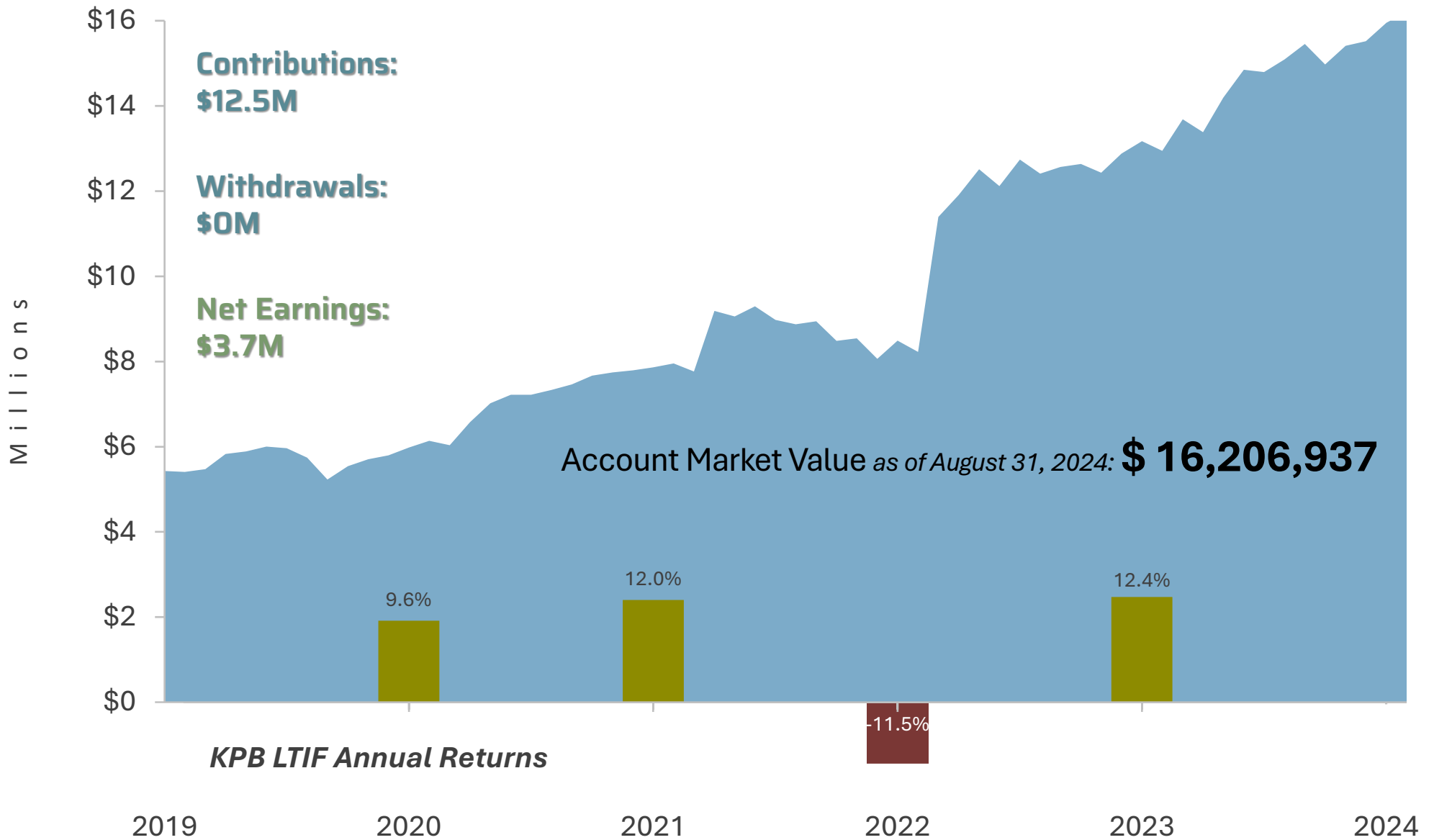


— Kenai Peninsula Borough Land Trust Investment Fund

— Traditional Stocks and Bonds Portfolio (Equivalent Risk)

Portfolio performance is gross of management fees and net of fund fees. Traditional Stocks and Bonds Portfolio (Equivalent Risk) is comprised of the ACWI World Index (55%) and Bloomberg Global Agg Index (45%).

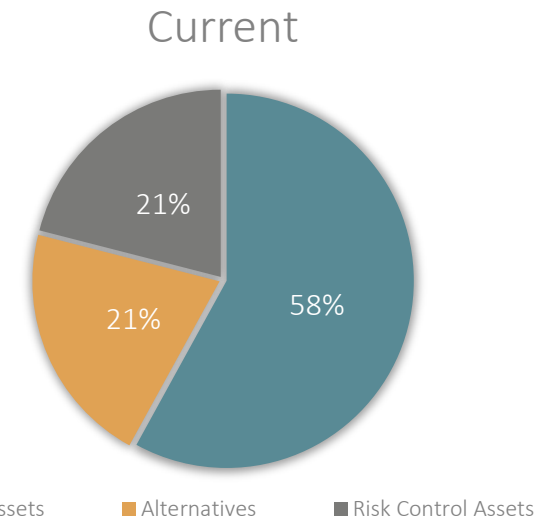
Steady Gains: The Power of Consistency in Cumulative Earnings...



Current allocation is optimally suited to meet your goals, no changes are required in 2024...

The current strategic asset allocation is expected to produce **net earnings of between 3.75% and 4.25%** with a high degree of confidence over the long-term.

Given the potential for large withdrawals to finance the purchase of non-financial assets, APCM recommends that regular annual withdrawals remain below the maximum allowable per KPB Code 5.20.200(A).



Expected Risk and Return Characteristics

	Expected	Range*
Annual Return (Gross)	7.2%	-11.8% to 29.1%
Long-Term Return (Gross)	6.7%	6.4% to 7.0%
Net Earnings Long-Term Return Less 2.5% Expected Inflation	4.2%	3.9% to 4.5%
Avg. Loss in Extreme Conditions Within a 1-Year Horizon		-25.5%

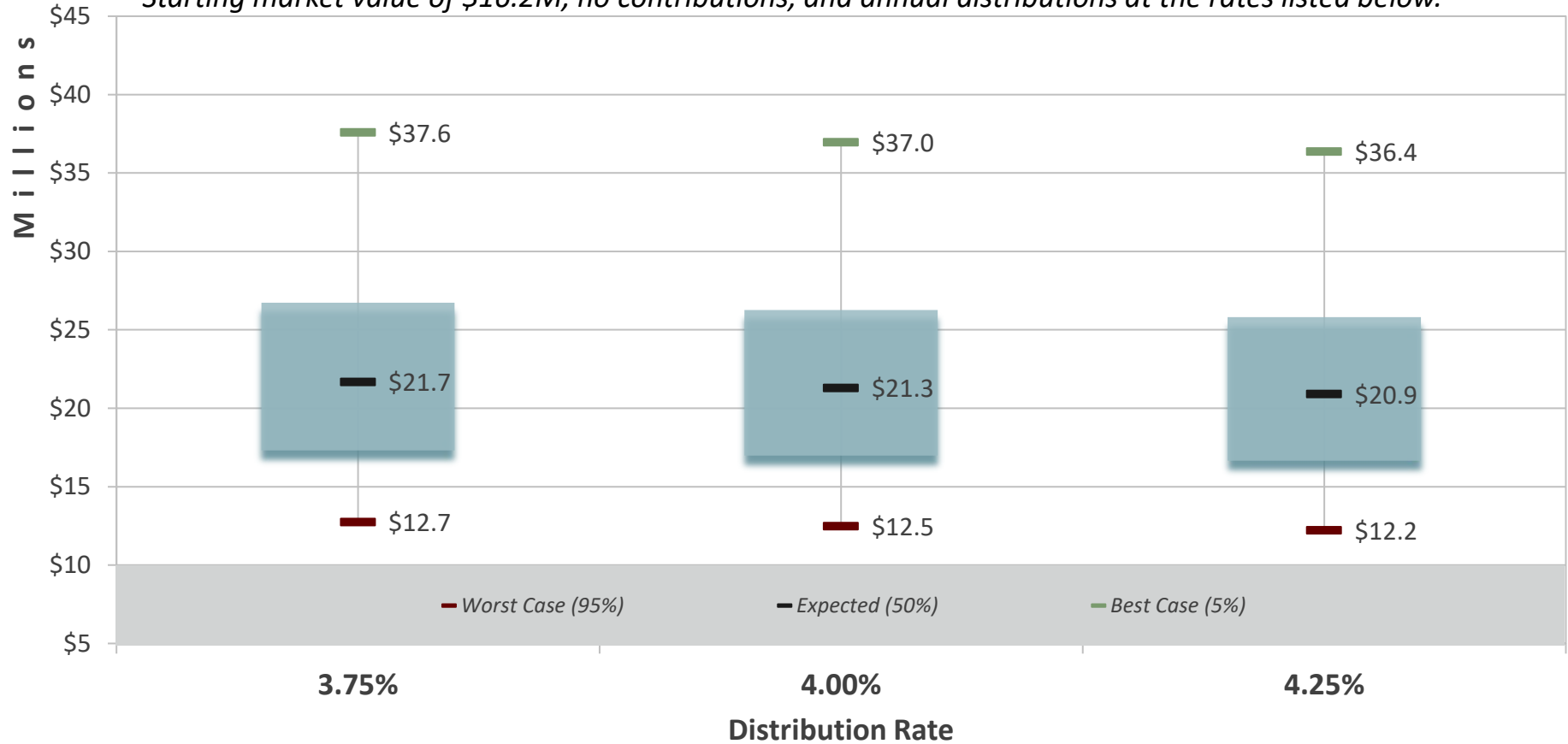
* Range denotes the 95% confidence interval. Risk and return data from Windham Portfolio Advisor.

Market value and potential distribution projections over the next 10 years...



Monte Carlo Simulation

Starting market value of \$16.2M, no contributions, and annual distributions at the rates listed below.



Distributions (\$ thousands)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	Total
3.75%	495	559	615	653	674	677	696	713	733	755	6,570
4.00%	495	567	632	679	708	720	740	757	776	797	6,871
4.25%	495	576	648	704	743	764	783	799	818	838	7,168



APCM



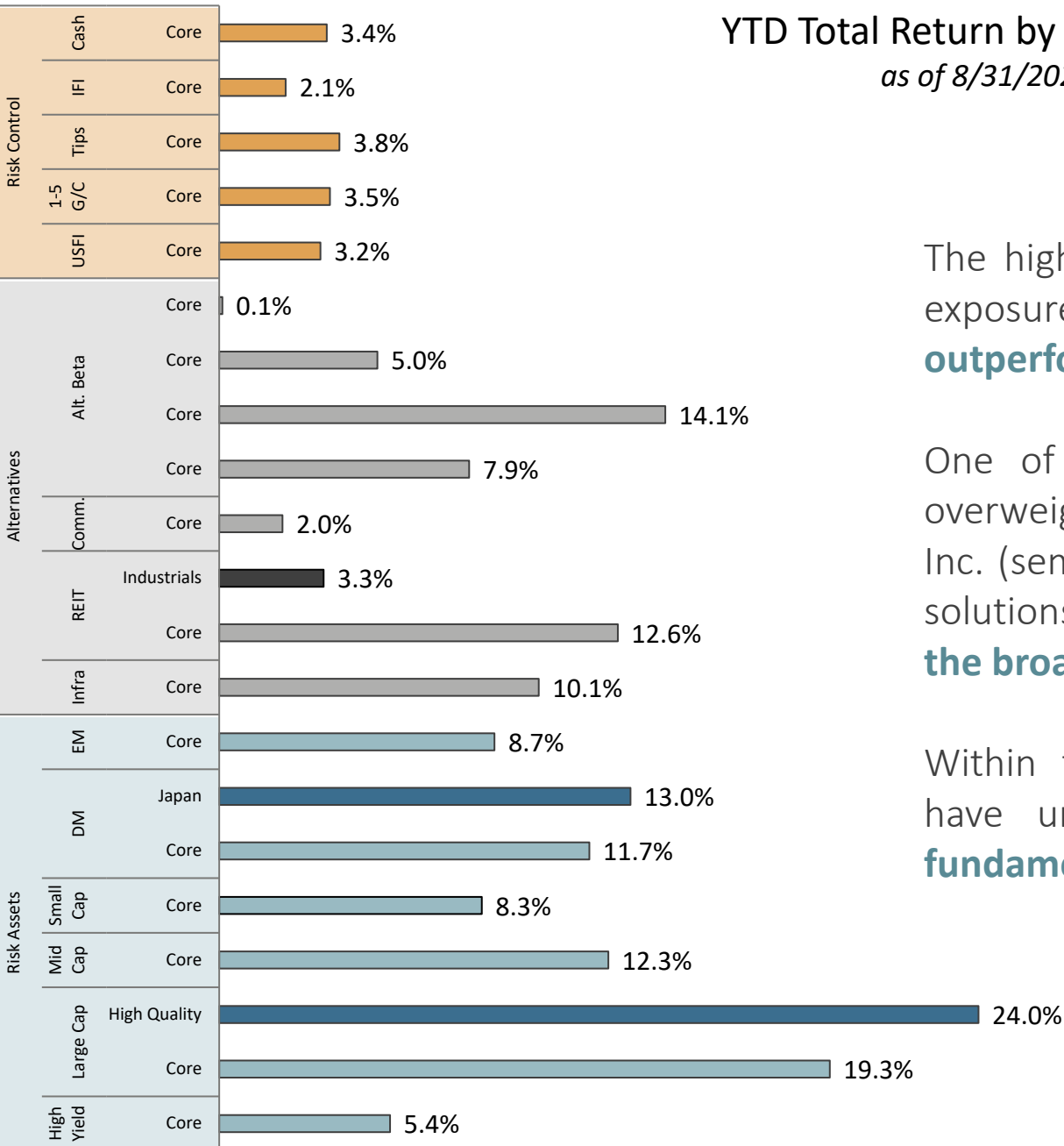
Navigating Short-Term Trends and Their Impact on Your Portfolio Strategy

Economic growth and inflation are slowing but recent returns have been positive

Equity market gains are broadening despite bouts of volatility...



YTD Total Return by Asset Class
as of 8/31/2024



The high-quality Large Capitalization U.S. stock exposure held as a tactical position this year **has outperformed the core holding by nearly 5%.**

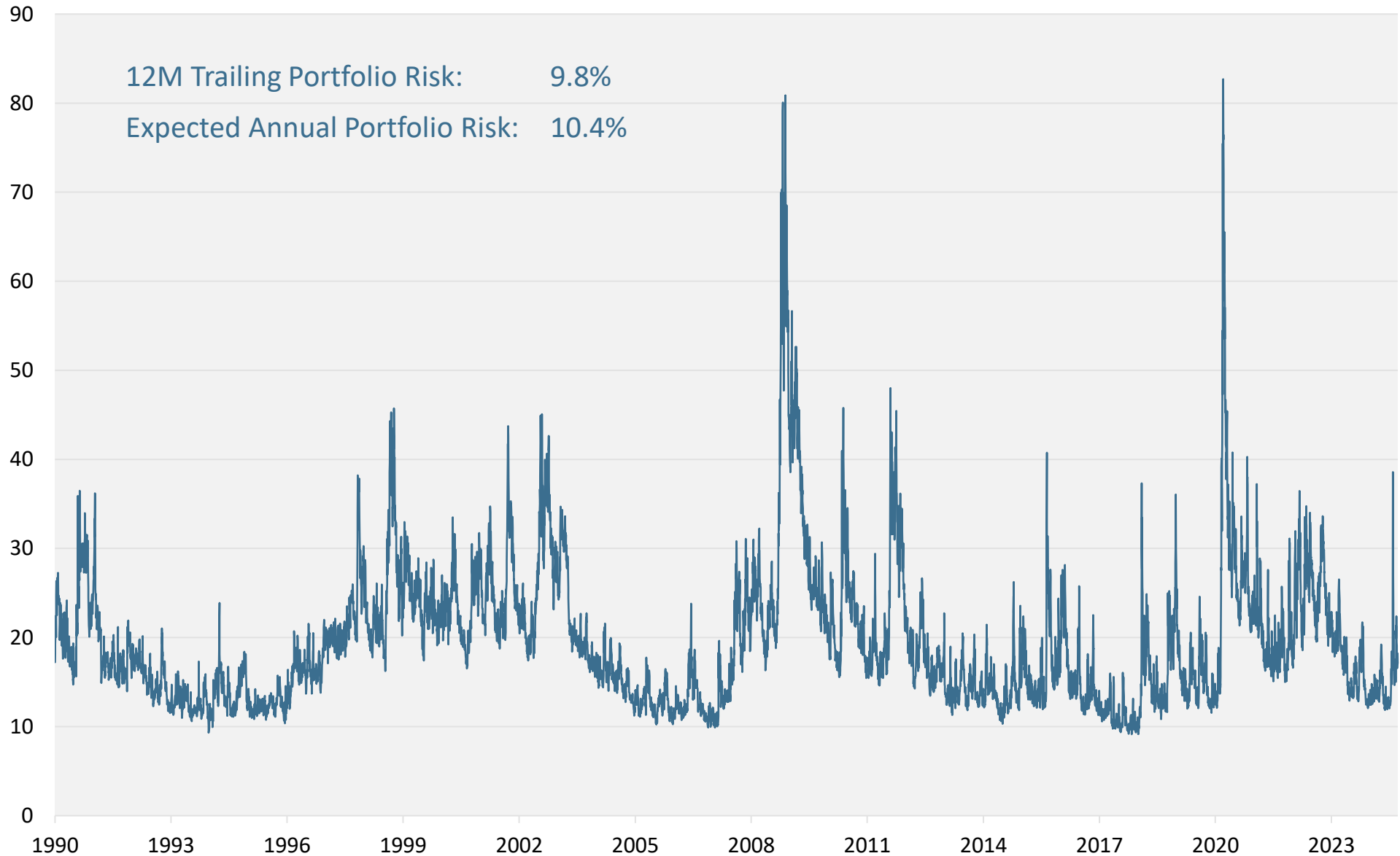
One of the largest high-quality names held overweight as a part of this position, Broadcom Inc. (semiconductor and infrastructure software solutions), **has returned 47% this year, beating the broad S&P 500 by over 27%.**

Within the Real Estate Allocation, Industrials have underperformed but **retain attractive fundamentals.**

Data: Bloomberg. Returns annualized for periods greater than one year. Darker colored bars indicate non-core holdings.

Your Portfolio Volatility has been Within Expectations for Your Risk Profile...

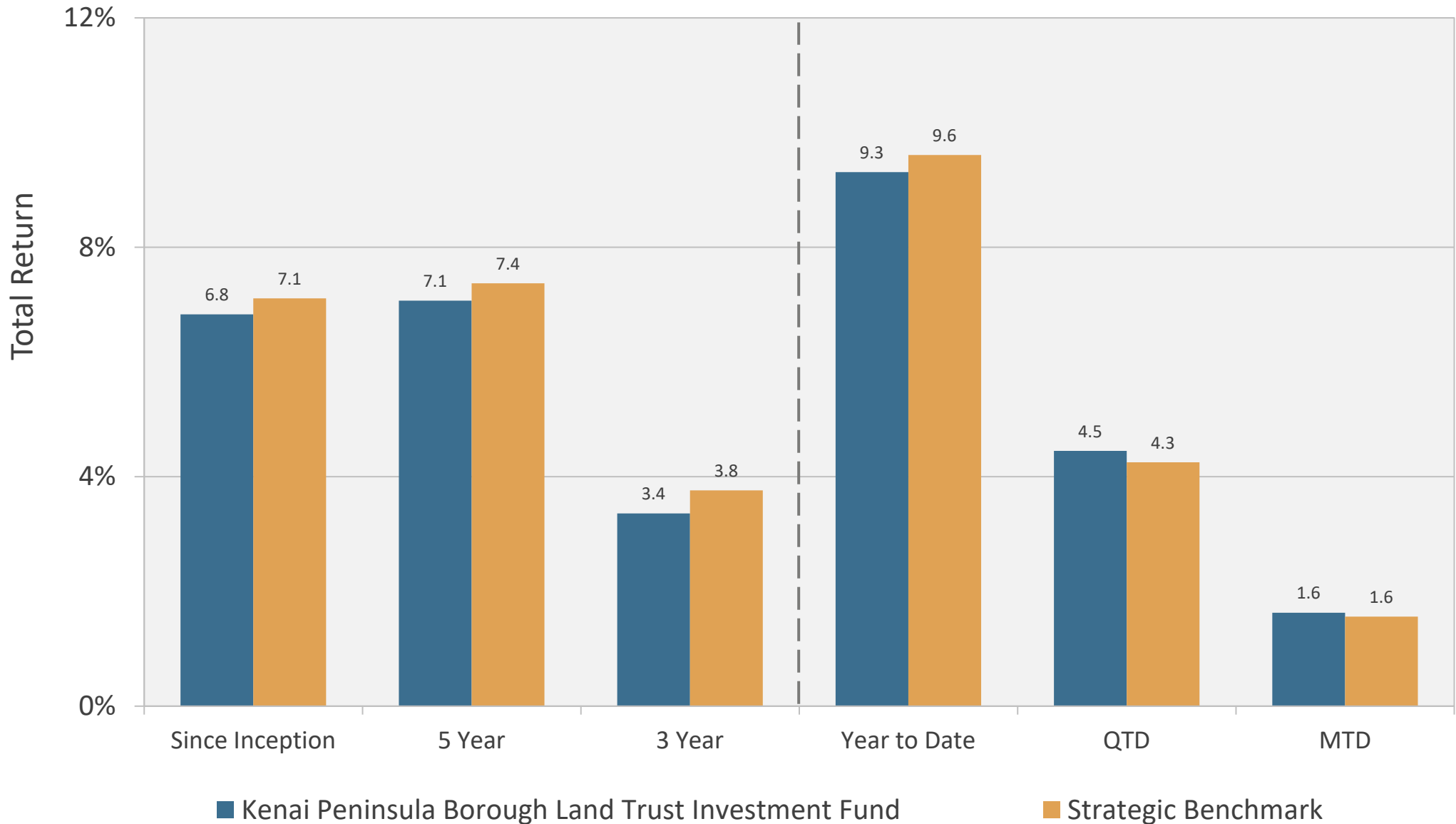
Historical Market Risk *VIX Price Index*



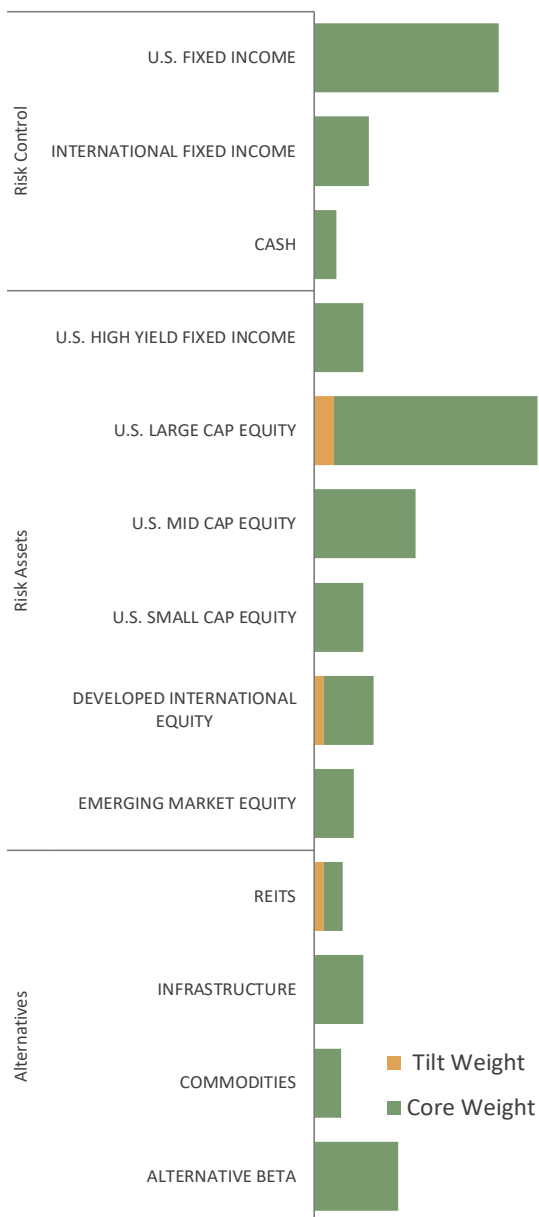
Recent Returns have been Fueled by Equity Gains and High-Quality Company Exposure...



Account Performance *as of August 31, 2024*



We are Balancing Risk and Opportunity: Overweight Bonds, Neutral Equities, Up in Quality...



Asset Class	Strategic Weight	Overweight / Underweight	Current Allocation	Range
Risk Control	27%	1.3%	28.3%	
U.S. FIXED INCOME	18%	0.6%	18.6%	8 - 28%
INTERNATIONAL FIXED INCOME	5%	0.5%	5.5%	0 - 10%
CASH	2%	0.3%	2.3%	0 - 10%
Risk Assets	52%	0.6%	52.6%	
U.S. HIGH YIELD FIXED INCOME	5%	-0.1%	4.9%	0 - 10%
U.S. LARGE CAP EQUITY	22%	0.5%	22.5%	12 - 32%
U.S. MID CAP EQUITY	10%	0.2%	10.2%	5 - 15%
U.S. SMALL CAP EQUITY	5%	-0.1%	4.9%	0 - 10%
DEVELOPED INTERNATIONAL EQUITY	6%	0.0%	6.0%	0 - 12%
EMERGING MARKET EQUITY	4%	0.0%	4.0%	0 - 8%
Alternatives	21%	-1.9%	19.1%	
REITS	3%	-0.1%	2.9%	0 - 6%
INFRASTRUCTURE	5%	0.0%	5.0%	0 - 10%
COMMODITIES	3%	-0.2%	2.8%	0 - 6%
ALTERNATIVE BETA	10%	-1.5%	8.5%	0 - 15%

Administrative Updates and Future Priorities...



- The current allocation is **optimally suited to achieve the goals of the Kenai Peninsula Borough Land Trust Investment Fund**. Therefore, APCM is **not recommending any change** to the strategic asset allocation in 2024.
- Pursuant to KPB Code 5.10.200(A)(2) the Kenai Peninsula Borough Assembly shall annually approve an Asset Allocation Plan containing target weightings and performance benchmarks for investment of the borough's Land Trust Investment Fund by resolution. **APCM provided a draft memorandum early September to accompany the annual resolution.**

Dedicated to Client Service

We are here to support you with anything you may need.

For assistance with:

- Arranging future meetings
- One-on-one educational or Q&A sessions
- Questions about invoices or statements

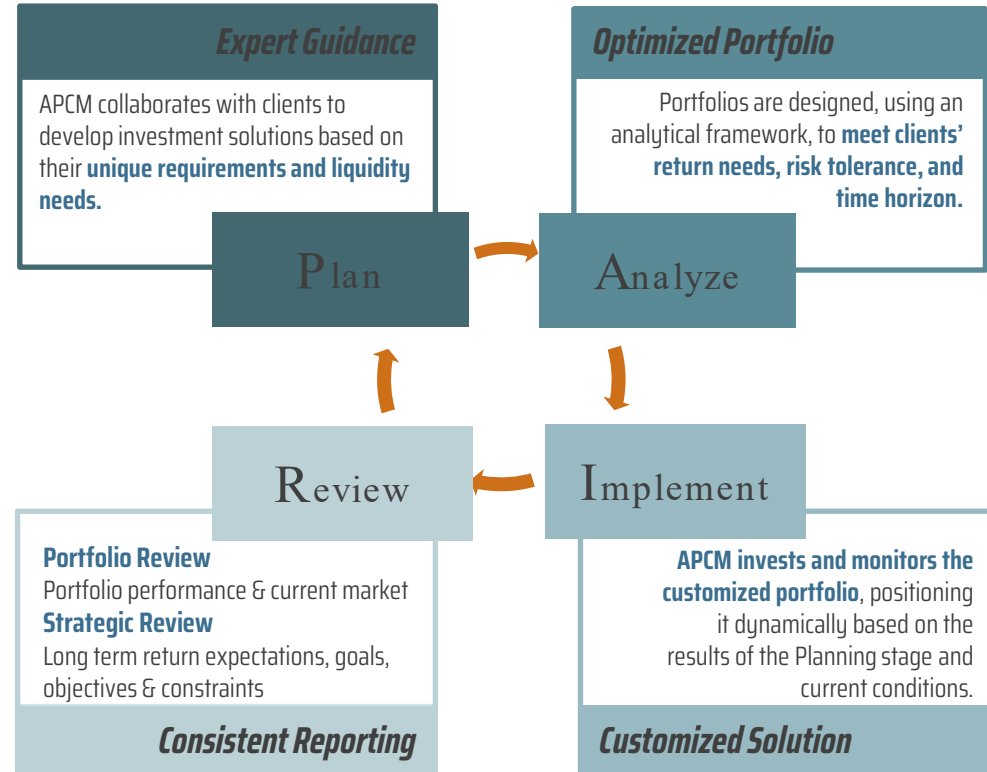
Please contact:

Blake Phillips
907-272-7575
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If they cannot answer your question directly, they will connect you with the right team member at APCM who can.

Value in Process



Important Assumptions

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

Important Legal Information

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

Other Influences on Rates of Return

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

Limitations Inherent in Model Results

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.