

Introduced by:	Mayor
Date:	10/10/23
Action:	Adopted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2023-062**

**A RESOLUTION DESIGNATING THE INVESTMENT AND ALLOCATION PLAN FOR  
THE BOROUGH’S LAND TRUST INVESTMENT FUND AND ESTABLISHING  
APPROPRIATE BENCHMARKS TO MEASURE PERFORMANCE AS OF NOVEMBER  
1, 2023 AND FOR CALENDAR YEAR 2024**

**WHEREAS,** pursuant to KPB 5.10.200(A)(2) the Assembly must annually approve an Asset Allocation Plan for investment of the Borough’s Land Trust Investment Fund (LTIF); and

**WHEREAS,** KPB 5.10.200(B) permits investment of the LTIF in various asset classes and the Assembly believes that establishing asset allocation criteria for these various asset classes is in the best interest of the Kenai Peninsula Borough; and

**WHEREAS,** the approved Asset Allocation Plan will provide benchmarks to measure investment performance from November 1, 2023 to December 31, 2024;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the Assembly adopts the Asset Allocation Plan as of November 1, 2023 and for calendar year 2024 as follows:

The Asset Allocation Plan and Target Weightings with range restrictions are:

<b>Asset Class</b>	<b>Strategic Weight</b>	<b>Range</b>
<b>Risk Control</b>	<b>27.00%</b>	
US Fixed Income	18.00%	8 - 28%
TIPS	2.00%	0 - 10%
International Bonds	5.00%	0 - 10%
Cash	2.00%	0 - 10%
<b>Risk Assets</b>	<b>52.00%</b>	
High Yield	5.00%	0 - 10%
US Large Cap	22.00%	12 - 32%
US Mid Cap	10.00%	5 - 15%

US Small Cap	5.00%	0 - 10%
International Equity	6.00%	0 - 12%
Emerging Markets	4.00%	0 - 8%
<b>Alternatives</b>	<b>21.00%</b>	
Real Estate	3.00%	0 - 6%
Infrastructure	5.00%	0 - 10%
Commodities	3.00%	0 - 6%
Alternative Beta	10.00%	0 - 15%

**SECTION 2.** Established benchmarks for evaluating the performance of the investment manager are as follows:

Performance measurement of the Large-Cap Domestic Equity allocation will be measured against the Target weighting, using the Standard & Poor’s 500 Index or substantially similar index for the benchmark.

Performance measurement of the Mid-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor’s 400 Mid-Cap Index or substantially similar index as the benchmark.

Performance measurement of the Small-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor’s 600 Small-Cap Index or substantially similar index as the benchmark.

Performance measurement of the International Equity allocation will be measured against the Target weighting, using the Morgan Stanley Capital International Europe, Australasia and Far East (MSCI EAFE) Index or substantially similar index for the benchmark.

Performance measurement of the International Emerging Markets allocation will be measured against the Target weighting, using the Morgan Stanley Capital International Emerging Markets Index or substantially similar index as the benchmark.

Performance measurement of the Real-Estate Equities allocation will be measured against the target weighting, using the Standard & Poor’s US REIT Index or substantially similar index as the benchmark.

Performance measurement of the Infrastructure Equities allocation will be measured against the target weighting, using the STOXX Global Broad Infrastructure Index or substantially similar index as the benchmark.

Performance measurement of the Commodities allocation will be measured against the target weighting, using the Bloomberg Commodities Index or substantially similar index as the benchmark.

Performance measurement of the Alternative Beta allocation will be measured against the target weighting, using the Wilshire Liquid Alternative Index or substantially similar index as the benchmark.

Performance measurement of the U.S. Fixed Income allocation will be measured against the target weighting, using the Bloomberg Barclays U.S. Aggregate Index or substantially similar index as the benchmark.

Performance measurement of the U.S. 1-5 Year Government/Credit allocation will be measured against the target weighting, using the Bloomberg Barclays 1-5 Year Government Credit Index or substantially similar index as the benchmark.

Performance measurement of the U.S. High Yield Credit allocation will be measured against the target weighting, using the Bloomberg Barclays U.S. High Yield Very Liquid Index or substantially similar index as the benchmark.

Performance measurement of the U.S. TIPS allocation will be measured against the target weighting, using the Bloomberg Barclays 0-5 Year TIPS Index or substantially similar index as the benchmark.

Performance measurement of the International Fixed Income allocation will be measured against the target weighting, using the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index or substantially similar index as the benchmark.

Performance measurement of the Cash allocation will be measured against the target weighting, using the Citigroup 3-Month Treasury Bill Index or substantially similar index as the benchmark.

**SECTION 3.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 10TH DAY OF OCTOBER, 2023.**

*Brent Johnson*

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Brent Johnson, Assembly President

ATTEST:

*Michele Turner*

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Michele Turner, CMC, Borough Clerk



Yes: Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Ribbens, Tupper, Johnson

No: None

Absent: None