

Kenai Peninsula Borough, Alaska

February 16, 2021

Proposed Agenda

- RBC GAM Firm Overview
- Market Review and Economic Discussion
- Portfolio Review (as of December 31, 2020)
- Questions/Comments?

RBC Firm Overview

RBC Global Asset Management

We are single-mindedly focused on our clients

- Service mindset pervades our organization
- Different clients, unique needs, relevant solutions

Our investment teams are specialized and strengthened by global infrastructure

- Disciplined approach and accountable for delivering client performance
- Shared philosophy and a long-term focus on generating alpha

Our ownership enhances our business

- One of the highest rated and largest banks in the world¹
- Investment in our business has allowed for funding new product development, capital for key hires and strategic acquisitions

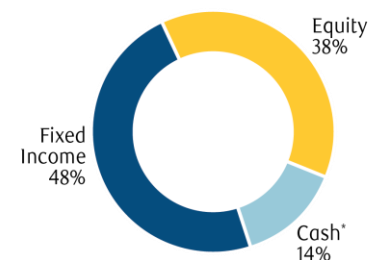
¹Ratings: **S&P: AA-**, **Moody's: Aa2**. Ranked **6th largest bank in North America** and **10th globally based on market capitalization** (Bloomberg, 12.31.20). All other data in US dollars as of 12.31.20.

²By client location

RBC Global Asset Management ("RBC GAM") is the asset management division of Royal Bank of Canada ("RBC") which includes RBC Global Asset Management (U.S.) Inc. ("RBC GAM-US") and several separate, but affiliated corporate entities. Refer to Disclosures page for more information on RBC GAM and its affiliates.

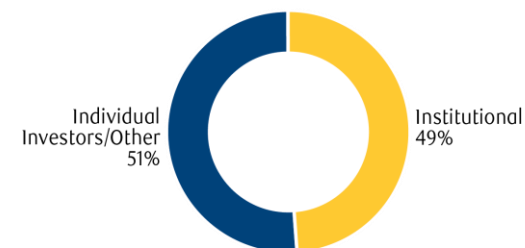
Over \$429 billion in AUM

By Asset Class

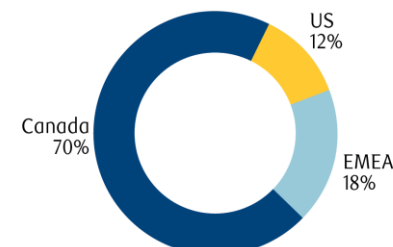


*Includes Real Estate assets

By Client Type



By Geographical Location²



Our global presence

RBC Global Asset Management

Minneapolis

US Fixed Income
Impact Investing

Boston

US Equities

Chicago

US Equities

Vancouver

PH&N¹

Canadian Equities
Canadian Fixed Income
High Yield Bonds

Toronto

Canadian Equities
Global Resources/
Precious Metals

Stamford

Global Credit

London

BlueBay

Global Credit
Alternatives

Emerging Markets Equities

Global Equities

European Equities

Hong Kong

Asia Equities

- 23 specialist investment teams
- Diverse and global set of investment capabilities
- Strengthened by access to global tools and resources

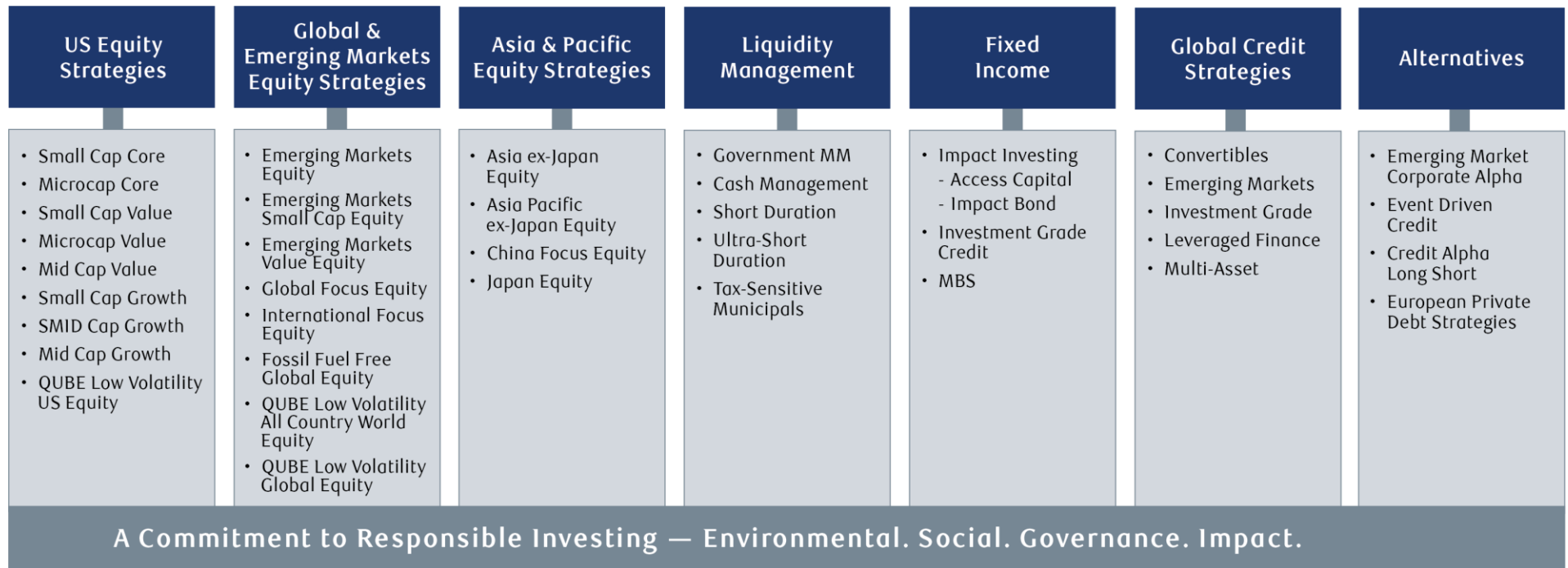
- Over 350 investment professionals
- 49% institutional assets

Not all strategies are available in the US

As of 12.31.20

¹Phillips, Hager & North, a brand name used by RBC Global Asset Management Inc.

Shared responsibility – individual accountability

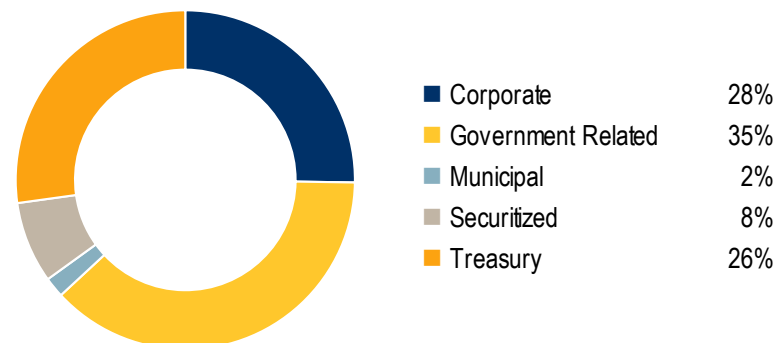


- We believe active management adds value to client outcomes
- Our investment teams are highly skilled, experienced and creative investors
- Our clients are responsible investors and we are an ESG-focused organization
- We have at our disposal a broad, deep and constantly refreshed investment toolkit

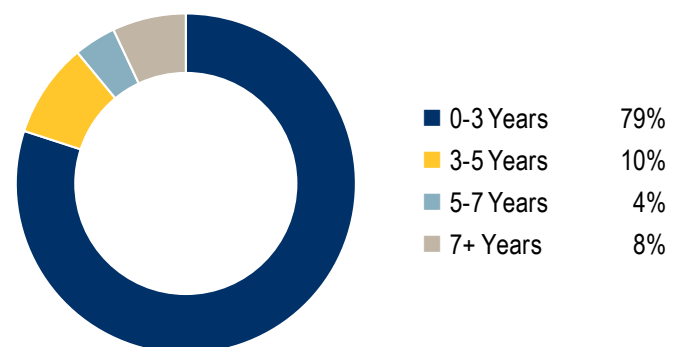
Scale and breadth in Short-Term Fixed Income

- Over \$33 billion in short term fixed income assets under management
- More than 37 years experience managing short term fixed income
- Long-standing client relations
 - Twelve clients with track records of 10-19 years
 - Five clients with track records of 20 years or more
- We have the scale and capabilities to effectively tailor solutions to meet clients' specific mandate goals

AUM by Sector¹



AUM by Effective Duration¹



As of 12.31.20. ¹RBC GAM-US Fixed Income AUM of \$43.1 billion
Values may not add up to 100% due to rounding.

The US fixed income team

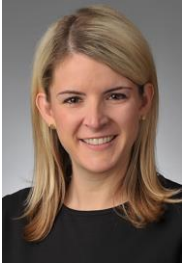
US Fixed Income Team				
Lead Portfolio Managers				Risk Management
Brian Svendahl, CFA Co-Head, US Fixed Income		Brandon Swensen, CFA Co-Head, US Fixed Income		Michael Hamp Vice President, Head of Investment Risk Management
Sector Focus				Patrick Sonmene, CFA Investment Risk Analyst Sydney Seydel Investment Risk Analyst Ly Hsieh Risk Management Analyst
Municipal, Government & Mortgage Research		Credit Research		
Raye Kanzenbach, CFA Sr Portfolio Manager	Laurie Mount Analyst	James Weinand, CFA Portfolio Manager	John Northup, CFA Senior Analyst	
Scott Kirby Sr Portfolio Manager	Valinie Dayaljee Analyst	Alexey Baskakov, CFA Associate Portfolio Manager	Matt Mueller, CFA Senior Analyst	
Eric Hathaway, CFA Sr Portfolio Manager	Karen Ly Analyst	Kelly Foley Analyst	Kelsey Bosshardt Analyst	
Ronald Homer Chief Strategist, US Impact Investing	Yeng Lee Quantitative Analyst			
Institutional Portfolio Managers / Client Service				
John Utter Head of Institutional Client Service – US	Randy Harrison, CFA Institutional Portfolio Manager Bethany Jessen Institutional Portfolio Manager	Mindy Frye Institutional Portfolio Manager Amy Carlson Associate Institutional Portfolio Manager	Chris Boppre, CFA Associate Institutional Portfolio Manager	
Investment Policy Compliance				
Eric Smith, CFA Director, Client Operations		Ryan Schaitberger Manager, Investment Policy		Elmer Pineda Investment Policy Analyst

Experienced / Stable / Diverse

- Lead PMs and sector teams average 19 years of experience
- Intentionally structured and stable platform
- Proven talent with diverse skillsets and backgrounds

As of 12.31.20. ¹Experience updated annually.

Professionals



Bethany Jessen

Institutional Portfolio Manager

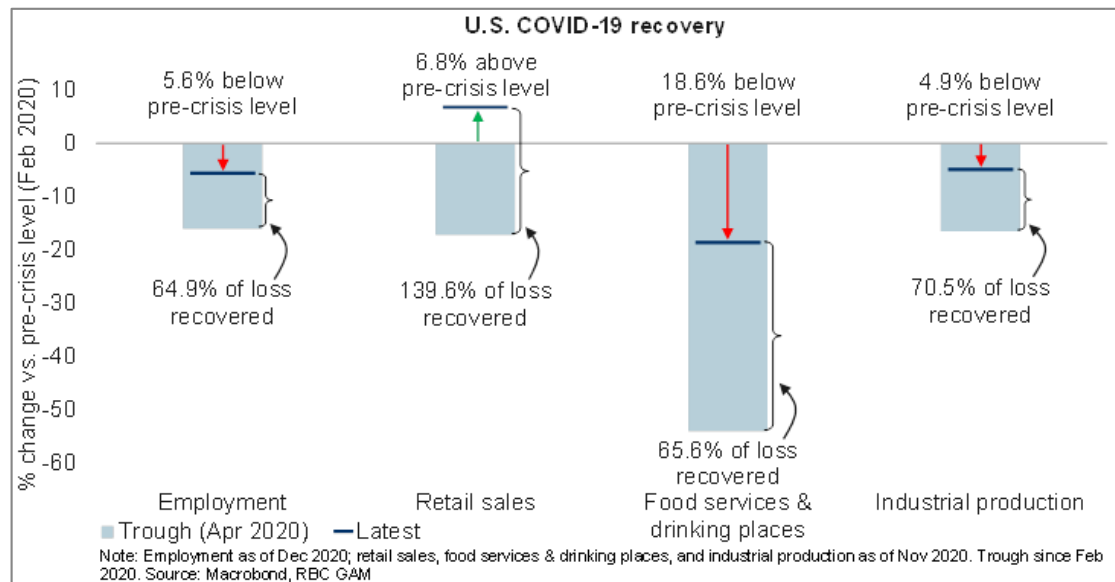
Bethany Jessen is an institutional portfolio manager within our fixed income group's client service team. Bethany articulates and coordinates the firm's strategies, account positioning and performance to ensure the most appropriate investment solutions and service for each client. She specializes in fixed income accounts for public and corporate clients. Prior to her role at RBC GAM-US, Bethany was a senior research analyst on the global fixed income team at Pavilion Advisory Group (formerly Jeffrey Slocum & Associates) where she was responsible for fixed income investment manager research and due diligence. She first joined the investment industry in 2007. She earned a BS, BA in finance from Creighton University and an MBA from the University of St. Thomas.

Economy & Market Review

Overview

Wide ranging economic impacts from COVID-19

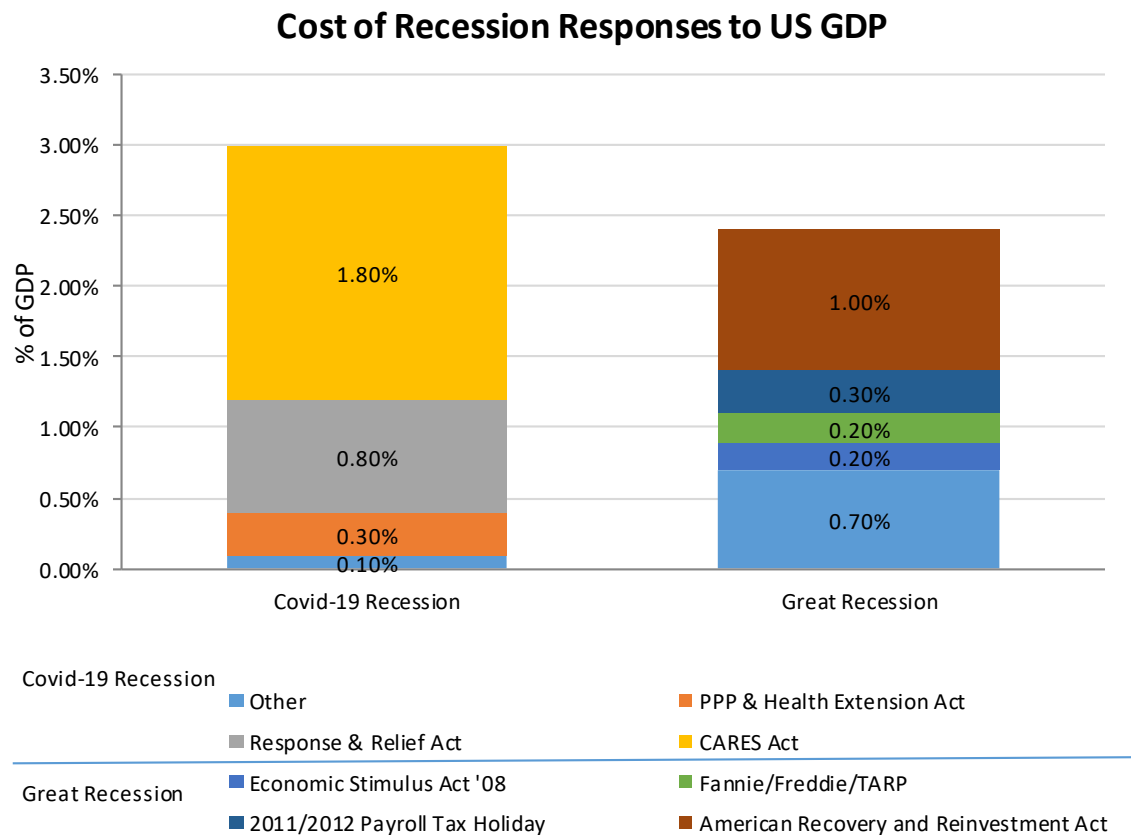
- The global pandemic has triggered a deep global recession
 - COVID-19 cases resurged through holiday season
 - Vaccine rollout in the US has faced logistical challenges
- Economic activity has recovered somewhat, but pace of recovery slowing



- Monetary and fiscal stimulus has been instrumental in supporting economy, but makes recent positive economic data hard to judge
- Interest rates remain low and anchored

Fiscal Policy Response

- Total Covid-19 fiscal stimulus since February is projected to be \$3.5 trillion
- That is more as a share of gross domestic product than the response to the 2007-09 recession and it is being spent in less than two years instead of five

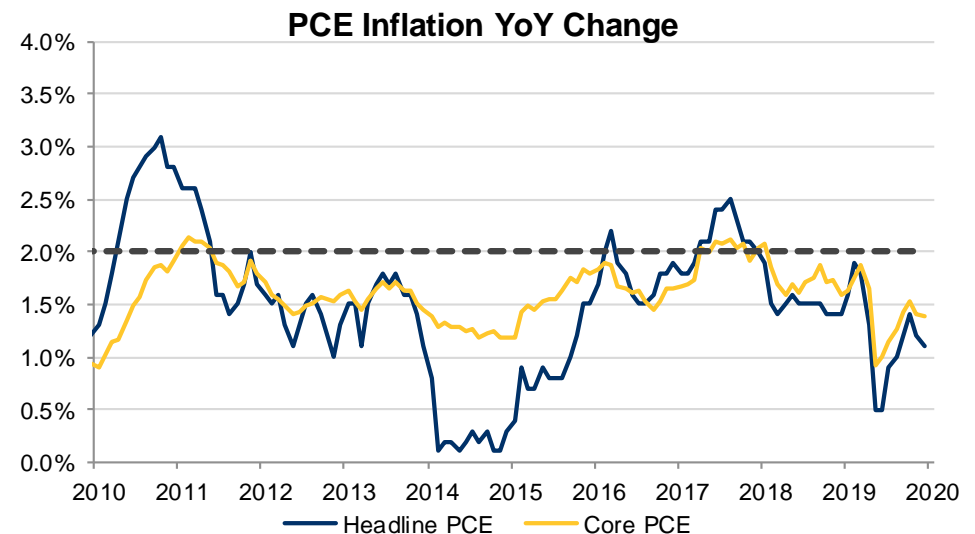
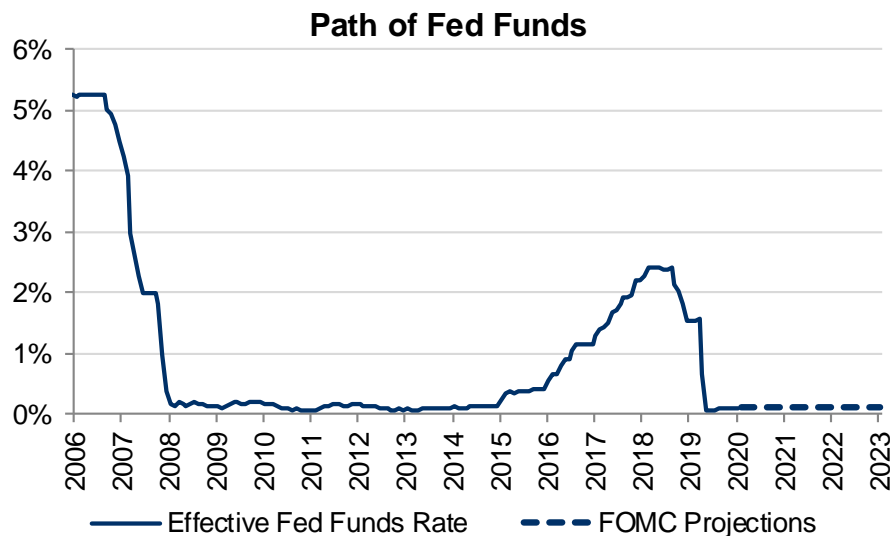


Source: Center for a Responsible Federal Budget

Federal Reserve – Aggressive Monetary Policy

The Fed has undertaken unlimited quantitative easing to support markets

- Balance sheet assets have grown by \$2.9tn since February to over \$7tn
 - Buying \$80b in Treasuries and \$40b in Agency MBS per month
 - Asset purchases expanded to include Agency CMBS and short-dated, high quality Corporates (SMCCF expired 12/31/20)
- FOMC modified inflation targets to achieve an average of 2% over time
 - Inflation has persistently been below 2% during the past decade
 - New policy likely means that inflation will have to consistently be above 2% to justify any tightening
- Projected to keep rates near 0% through 2023



As of 12.31.20
Source: Bloomberg, Federal Reserve

Financial Asset Recovery

US IG Corporate Spreads

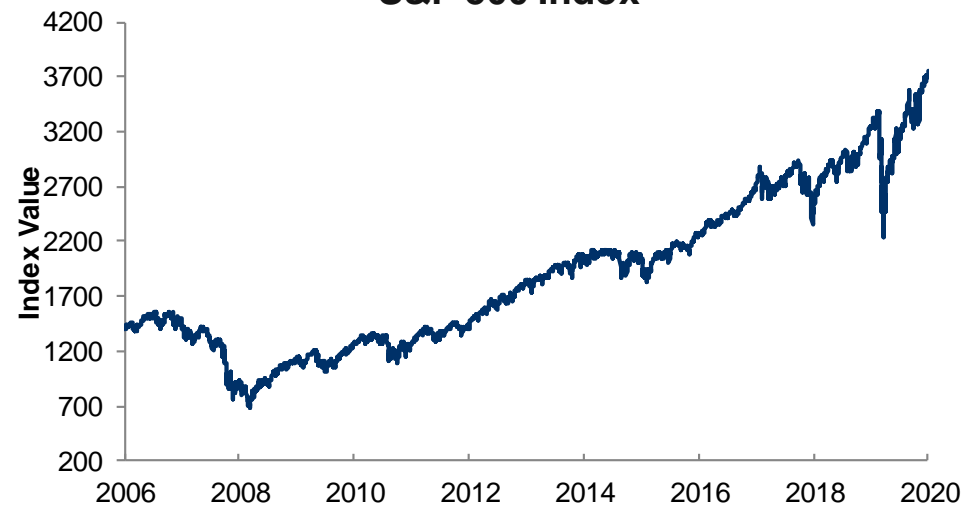


Oil Prices



- IG Corporate spreads have now tightened 277 bps of the wide levels in March at the start of the pandemic, and are just 3 bps wider than a year ago
- The S&P 500 ended the year 2020 up +16% and at record highs
- The massive, coordinated monetary and fiscal responses to Covid-19 resulted in a fast, full cycle recovery

S&P 500 Index



As of 12.31.20

Source: Bloomberg

RBC Global Asset Management

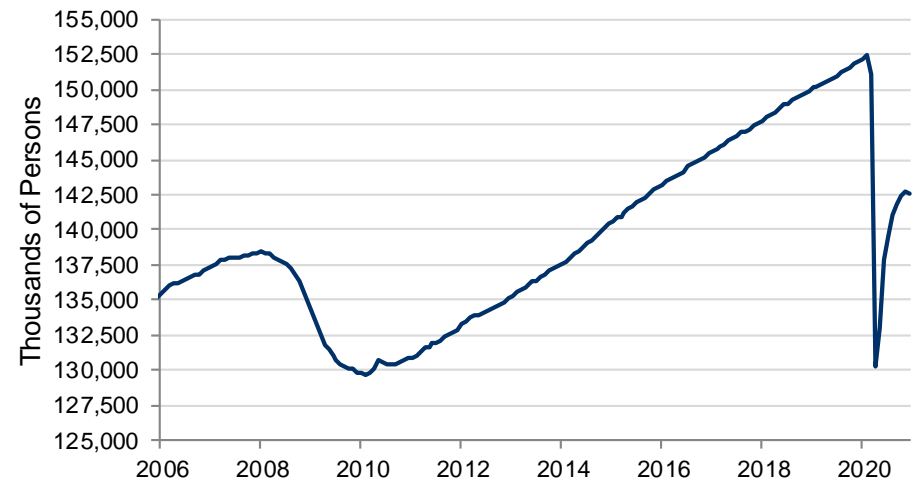


US Economy – Deep Recession

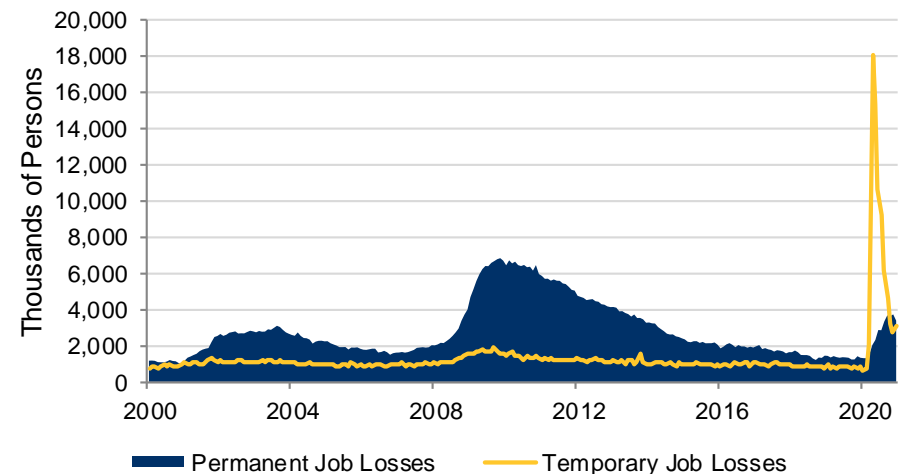
- Jobs added over Summer/Fall, bringing the official unemployment rate to 6.7%
- Business bankruptcies continue to be on the rise
- Economic data is mixed and recovery time is protracted
- Bottom line: Uncertainty remains high



Total Nonfarm Payrolls

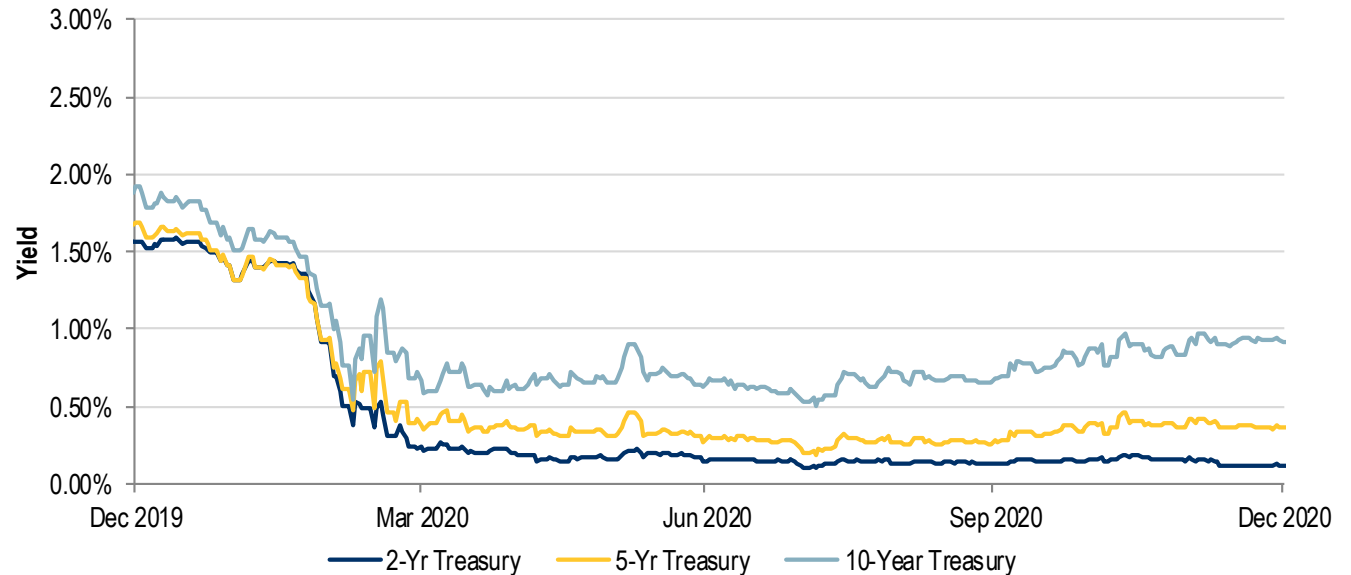


Permanent vs Temporary Job Losses

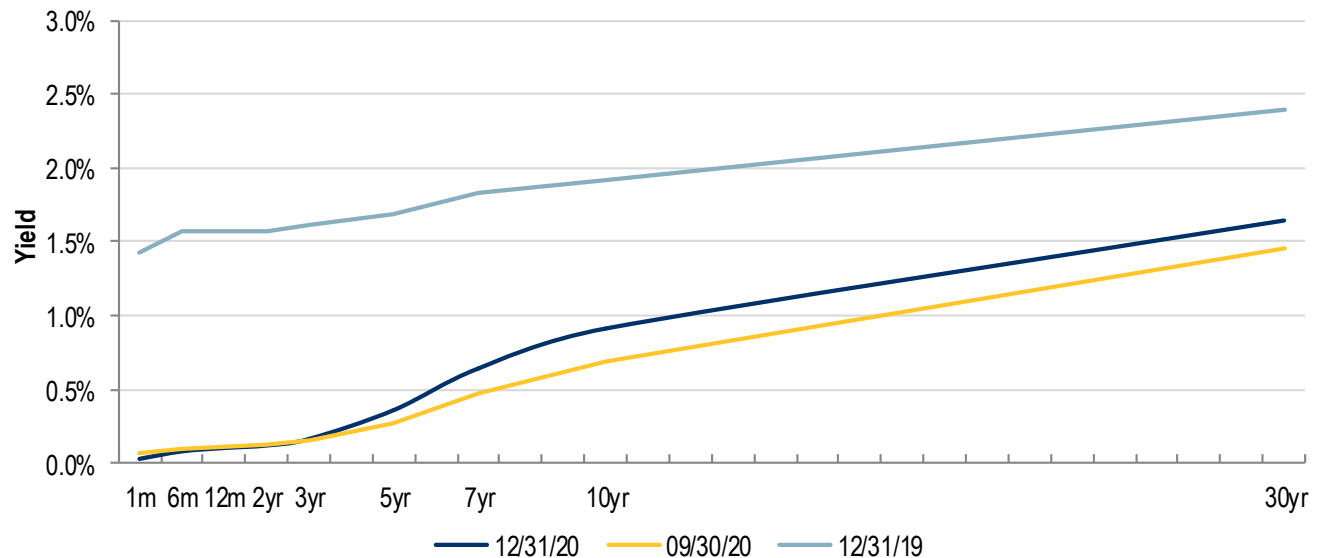


U.S. Treasury Rates

- The yield curve modestly steepened during the 4th quarter
- The 10-year Treasury was up 23 basis points to 0.91%



- Rates continue to be historically low, anchored by the Fed's accommodative policies and muted growth and inflation expectations



As of 12.31.20
Source: Bloomberg

Outlook

Economic activity rebounded somewhat over summer, but headwinds continue

- Coronavirus remains major uncertainty to global growth
 - Vaccine rollouts racing against more contagious mutated strains
- The US government transition
 - Markets anticipating more stimulus / Govt spending
 - Geopolitics – China / Iran / Russia
 - Increased social tensions (food shortages, income inequality, unemployment)

- Secondary issues
 - Corporate earnings
 - Reduced globalization

- US GDP outlook
 - 2021 expecting +4%

GDP forecasts	2021				
	RBC GAM				RBC GAM vs. CE
	Forecast date	Q3		Q4	CE forecast as of 12/10/2020
	U.S.	3.4	→ +0.6	→ 4.0	0.0
	Canada	4.5	→ +0.5	→ 5.0	+0.3
	Eurozone	3.3	→ +2.3	→ 5.6	+0.9
	U.K.	5.2	→ +1.4	→ 6.6	+1.3
	Japan	1.4	→ +2.3	→ 3.7	+1.1

Note: RBC GAM vs. CE calculated as RBC GAM forecast minus Consensus Economics (CE) forecast. Source: CE, RBC GAM

- Federal Reserve – Rates near zero for years and unlimited QE
- Interest Rates collapse – 10-year Treasury fair value around 1% over the medium term
- Risk assets – uncertain and uneven path ahead
 - Equity market rebound supported by a strong technical tailwind (the Fed and QE), but fundamentals suggest further weakness
 - The Fed can provide liquidity, but not revenue (increased defaults and bankruptcies)

Portfolio Review



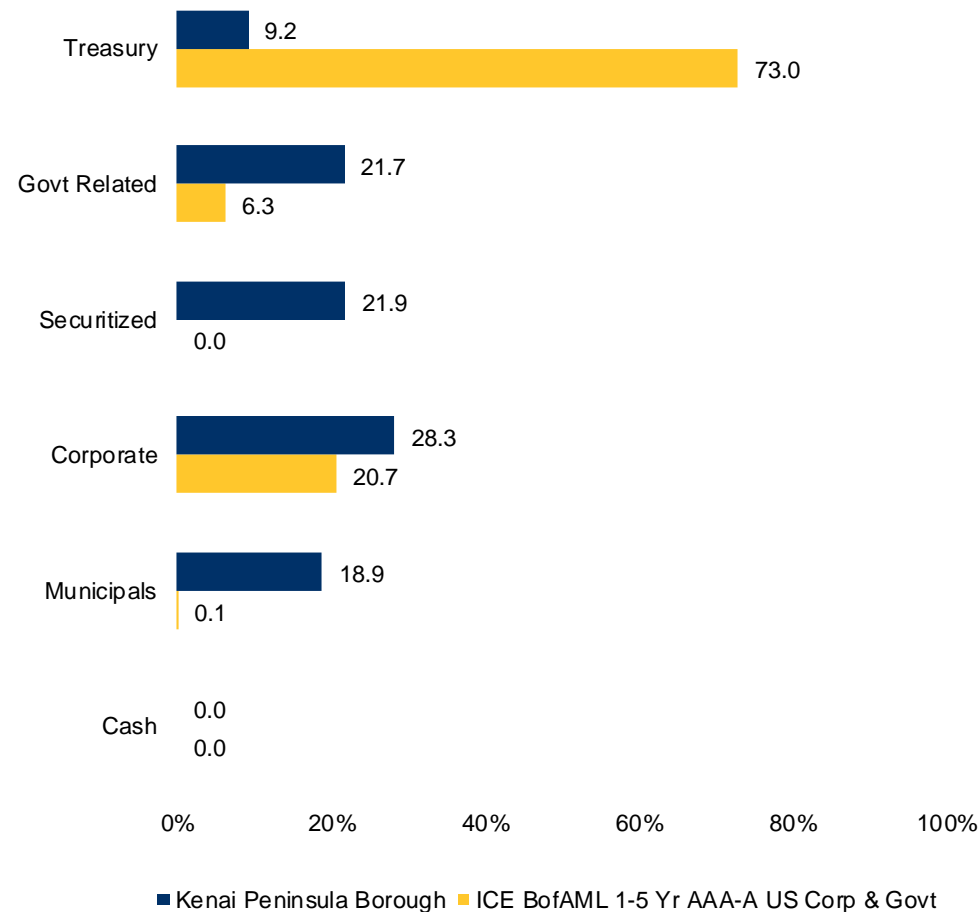
Portfolio Characteristics

Kenai Peninsula Borough

Market Value: \$115,341,526

Characteristics	Kenai Portfolio	BofAML 1-5 Yr AAA-A Corporate/Government
Effective Duration	2.64 years	2.65 years
Market Yield	0.48%	0.26%
Average Quality	AA+	AA+
OAS	24 bps	2 bps
Spread Duration	2.31 years	0.73 years

Sector Distribution

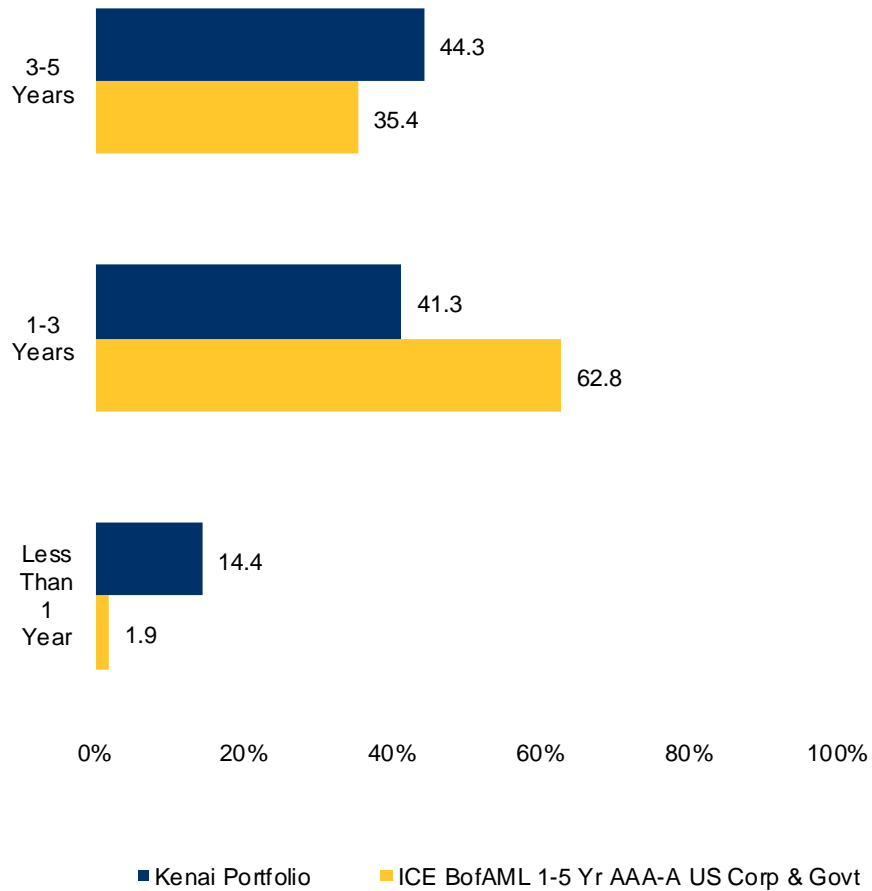


As of 12.31.20
Source: RBC GAM-US, BofAML,

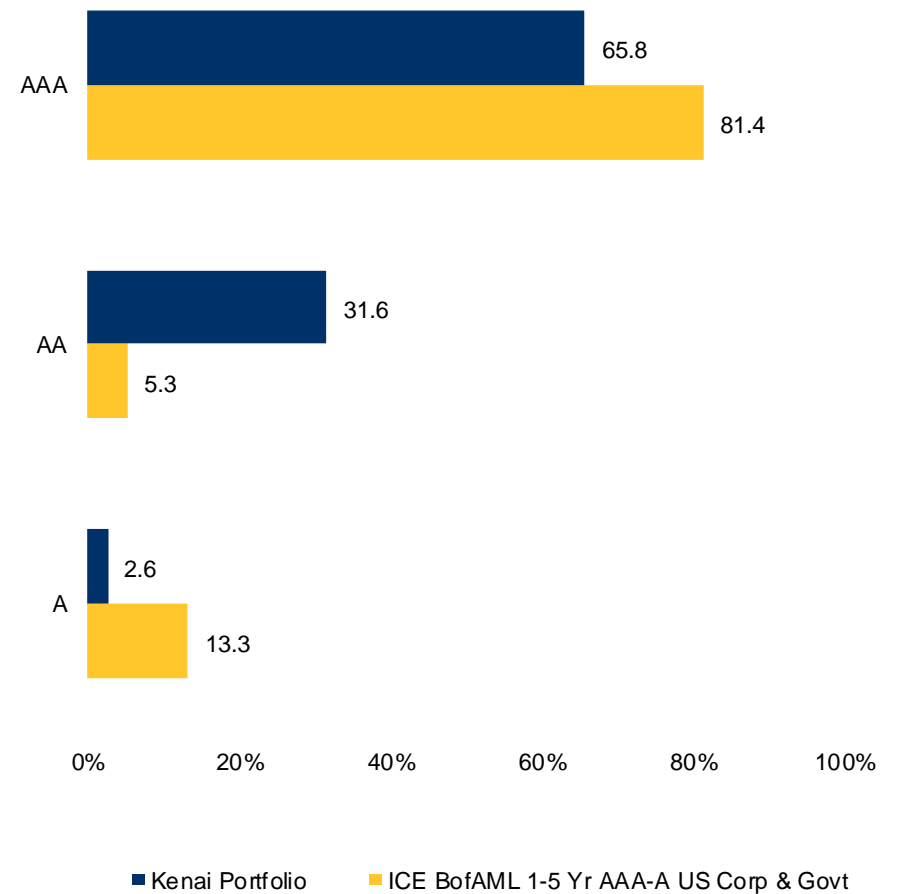
Portfolio Characteristics

Kenai Peninsula Borough

Duration Distribution



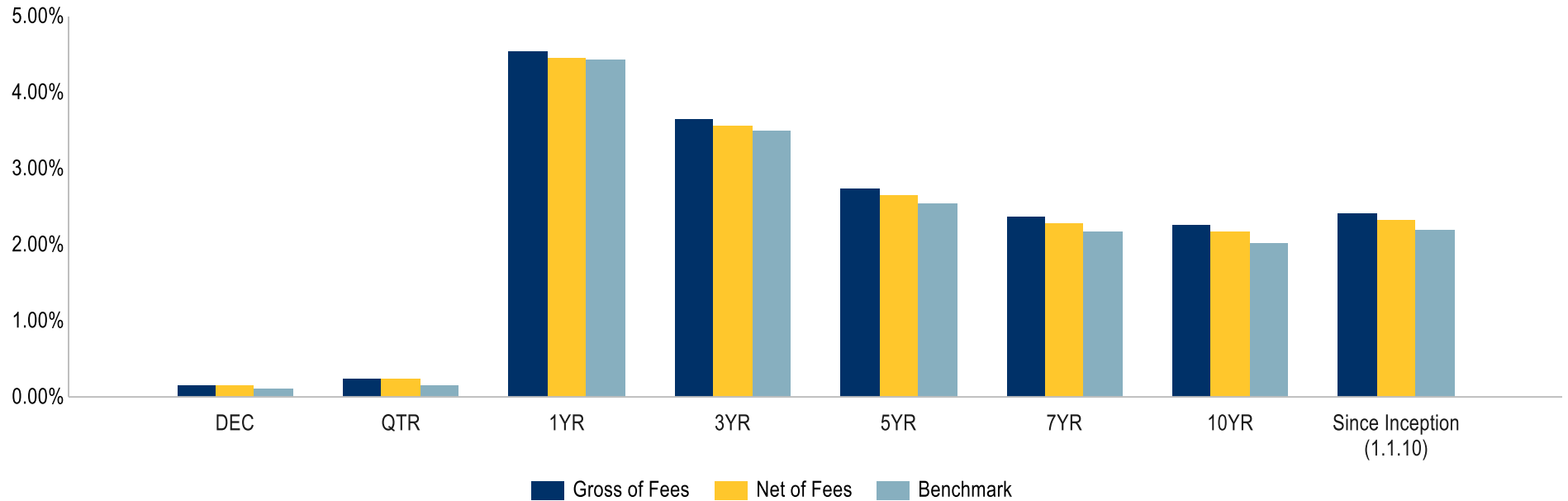
Credit Quality Distribution



As of 12.31.20
Source: RBC GAM-US, BofAML

Performance

Kenai Peninsula Borough



Returns (%)	DEC	QTR	1YR	3YR	5YR	7YR	10YR	SI
Gross of Fees	0.16	0.25	4.54	3.66	2.75	2.38	2.27	2.42
Net of Fees	0.15	0.23	4.46	3.58	2.66	2.29	2.17	2.33
Principal Return	0.00	-0.23	2.22	1.32	0.59	0.39	0.24	0.32
Income Return	0.16	0.49	2.28	2.31	2.15	1.98	2.02	2.09
Benchmark	0.11	0.15	4.43	3.50	2.56	2.18	2.04	2.20

¹ 01/19/10-Current: ICE BofA 1-5 Year AAA-A US Corporate & Government Index; 01/01/10-01/18/10: ICE BofA 1-5 Year US Corporate & Government Index

As of 12.31.20
Source: RBC GAM-US, BofAML

2020 Performance

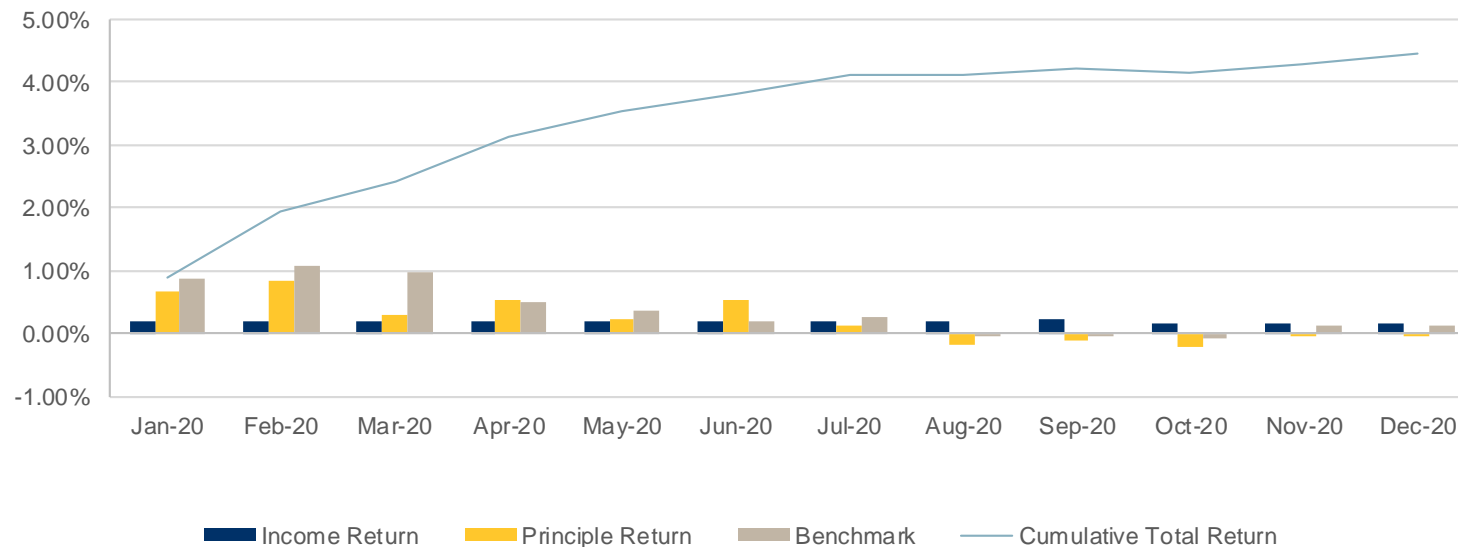
Kenai Peninsula Borough

Portfolio Performance:

- Income return and principal return contributed to positive performance in 2020
- Interest rates had the largest affect on returns earlier in 2020. As the year went on, there was very little interest rate volatility (minimal impact from principal return)
- Income continues to be the consistent force for adding positive performance to the portfolio. We focus on building income into the portfolio.

Kenai Portfolio	Market Value
December 31, 2019	\$110,422,186
December 31, 2020	\$115,341,526
	+\$4,919,340

Income vs Principal Return



Holdings



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Corporate											
A1 A+/A+	1,175,000	89236TGJ8	Toyota Motor Credit Corp	1.80 10/7/21	1,188,325.13	1,174,945.60	13,379.53	4,935.00	0.76 0.77	1.81 0.32	1.03
A1 AA-/AA-	1,000,000	90331HNX7	US Bank NA/Cincinnati OH	3.45 11/16/21	1,025,065.79	999,596.35	25,469.44	4,312.50	0.79 0.80	3.50 0.28	0.89
A1 AA-/AA-	500,000	90331HPJ6	US Bank NA/Cincinnati OH	1.80 1/21/22	507,912.57	499,906.98	8,005.59	4,000.00	1.04 1.06	1.82 0.30	0.44
Aaa AAA/NR	2,000,000	478160CD4	Johnson & Johnson	2.25 3/3/22	2,043,579.54	1,978,351.31	65,228.23	14,750.00	1.08 1.09	3.20 0.24	1.78
Aa1 AA/NA	1,000,000	30231GAJ1	Exxon Mobil Corp	2.40 3/6/22	1,021,589.17	988,876.91	32,712.26	7,657.08	1.00 1.02	3.37 0.26	0.89
A1 A+/A+	700,000	89236TFX8	Toyota Motor Credit Corp	2.65 4/12/22	721,059.70	699,810.36	21,249.34	4,070.69	1.26 1.28	2.67 0.29	0.63
Aa2 AA/A+	2,000,000	084664BT7	Berkshire Hathaway Finance Corp	3.00 5/15/22	2,077,265.20	2,048,382.84	28,882.36	7,666.67	1.35 1.38	1.21 0.18	1.81
A1 AA-/AA-	2,000,000	90331HPC1	US Bank NA/Cincinnati OH	2.65 5/23/22	2,063,578.96	1,999,015.92	64,563.04	5,594.44	1.30 1.32	2.69 0.22	1.79
Aa2 A+/AA-	1,535,000	94988J5X1	Wells Fargo Bank NA	2.90 5/27/22	1,550,679.38	1,535,000.00	15,679.38	4,199.85	0.40 0.41	2.90 0.35	1.35
Aa1 AA/NA	1,250,000	30231GBB7	Exxon Mobil Corp	1.90 8/16/22	1,283,013.13	1,250,000.00	33,013.13	8,915.63	1.59 1.63	1.90 0.27	1.12
Aa3 AA-/NA	3,000,000	92826CAG7	Visa Inc	2.15 9/15/22	3,093,918.06	3,004,772.96	89,145.10	18,991.67	1.59 1.63	2.05 0.22	2.70
Aa2 AA/NA	690,000	166764AB6	Chevron Corp	2.36 12/5/22	714,357.57	684,536.11	29,821.46	1,173.58	1.65 1.68	2.78 0.24	0.62
Aa2 AA/AA	1,500,000	931142DU4	Walmart Inc	2.35 12/15/22	1,559,838.63	1,520,180.35	39,658.28	1,566.67	1.84 1.88	1.62 0.21	1.35



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Corporate											
A1	1,075,000	90331HPF4	US Bank NA/Cincinnati OH	1.95	1,109,456.93	1,074,408.35	35,048.58	10,015.42	1.97	1.98	0.97
AA-/AA-				1/9/23					2.03	0.36	
Aa1	2,570,000	037833BU3	Apple Inc	2.85	2,701,567.06	2,576,903.71	124,663.35	26,042.67	1.92	2.71	2.36
AA+/NA				2/23/23					1.98	0.25	
Aaa	3,500,000	594918BX1	Microsoft Corp	2.88	3,756,295.62	3,605,802.15	150,493.47	40,529.51	2.80	1.82	3.29
AAA/AA+				2/6/24					2.93	0.36	
Aa2	1,000,000	931142DP5	Walmart Inc	3.30	1,088,447.28	1,085,485.83	2,961.45	6,325.00	2.92	0.48	0.95
AA/AA				4/22/24					3.06	0.39	
Aa1	1,723,000	037833CU2	Apple Inc	2.85	1,857,082.71	1,853,508.25	3,574.46	6,820.21	3.06	0.46	1.62
AA+/NA				5/11/24					3.20	0.40	
Aaa	1,331,000	478160CN2	Johnson & Johnson	0.55	1,336,271.73	1,331,240.20	5,031.53	2,562.18	4.58	0.55	1.16
AAA/NA				9/1/25					4.67	0.46	
Aaa	1,548,000	594918BJ2	Microsoft Corp	3.13	1,729,706.47	1,725,764.38	3,942.09	7,793.75	4.30	0.58	1.51
AAA/AA+				11/3/25					4.59	0.53	
Subtotal					32,429,010.63	31,636,488.56	792,522.07	187,922.52	1.97	1.97	28.28
									2.04	0.30	
Government Related											
Aaa	2,000,000	3137EAEQ8	Federal Home Loan Mortgage Corp	0.38	2,009,603.52	1,996,161.67	13,441.85	1,479.17	2.29	0.46	1.74
AA+/AAA				4/20/23					2.31	0.17	
Aaa	5,000,000	3133ELVQ4	Federal Farm Credit Banks Funding Corp	0.95	5,089,326.60	5,021,983.74	67,342.86	11,875.00	4.16	0.84	4.42
AA+/AAA				4/1/25					4.25	0.52	
Aaa	1,200,000	3130AJHU6	Federal Home Loan Banks	0.50	1,207,715.45	1,194,885.20	12,830.25	1,283.33	4.23	0.60	1.05
AA+/AAA				4/14/25					4.29	0.35	
Aaa	2,000,000	3135G03U5	Federal National Mortgage Association	0.63	2,021,041.74	1,996,440.72	24,601.02	2,395.83	4.24	0.67	1.75
AA+/AAA				4/22/25					4.31	0.38	
Aaa	5,000,000	3135G04Z3	Federal National Mortgage Association	0.50	5,025,467.75	4,990,746.63	34,721.12	972.22	4.41	0.54	4.36
AA+/AAA				6/17/25					4.46	0.38	



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Government Related											
Aaa	1,000,000	3137EAEU9	Federal Home Loan Mortgage Corp	0.38	999,925.16	995,454.14	4,471.02	1,645.83	4.50	0.48	0.87
AA+/AAA				7/21/25					4.56	0.38	
Aaa	5,000,000	3135G05X7	Federal National Mortgage Association	0.38	4,994,058.30	4,978,199.42	15,858.88	6,458.33	4.60	0.47	4.34
AA+/AAA				8/25/25					4.65	0.40	
Aaa	1,500,000	3130AK5E2	Federal Home Loan Banks	0.38	1,499,221.20	1,495,776.68	3,444.52	1,718.75	4.63	0.44	1.30
AA+/AAA				9/4/25					4.68	0.39	
Aaa	1,200,000	3137EAXE3	Federal Home Loan Mortgage Corp	0.38	1,198,138.99	1,196,581.85	1,557.14	1,200.00	4.68	0.44	1.04
AA+/AAA				9/23/25					4.73	0.41	
Aaa	1,000,000	3135G06G3	Federal National Mortgage Association	0.50	1,004,031.42	996,517.86	7,513.56	680.56	4.79	0.57	0.87
AA+/AAA				11/7/25					4.85	0.42	
Subtotal					25,048,530.13	24,862,747.91	185,782.22	29,709.02	4.25	0.58	21.74
									4.31	0.40	
Municipals											
Aaa	1,140,000	89453PBQ1	County of Travis TX	4.21	1,146,874.17	1,143,993.89	2,880.28	15,998.00	0.16	2.04	1.01
NR/NA				3/1/21					0.17	0.57	
Aa2	540,000	650035XS2	New York State Urban Development Corp	2.79	542,359.78	541,177.36	1,182.42	4,436.10	0.20	1.70	0.47
AA+/AA+				3/15/21					0.21	0.65	
Aa2	1,000,000	977100CX2	State of Wisconsin	1.62	1,004,280.01	1,000,000.00	4,280.01	2,693.33	0.33	1.62	0.87
AA-/AA				5/1/21					0.34	0.33	
Aa2	300,000	451443ZU2	Idaho State Building Authority	2.76	304,497.00	300,000.00	4,497.00	2,758.00	0.66	2.76	0.27
AA/NA				9/1/21					0.67	0.50	
Aa1	2,000,000	914805ES1	University of Pittsburgh-of the Commonwealth System of Higher Education	2.32	2,027,338.80	2,000,000.00	27,338.80	13,662.22	0.70	2.32	1.77
AA+/NA				9/15/21					0.71	0.38	
Aa1	500,000	353205BE6	County of Franklin OH	2.40	508,925.02	500,000.00	8,925.02	1,000.00	0.91	2.40	0.44
AAA/NA				12/1/21					0.92	0.45	
Aa2	500,000	605581HH3	State of Mississippi	2.88	512,179.99	502,448.34	9,731.65	1,197.92	0.91	2.33	0.45
AA/AA				12/1/21					0.92	0.21	



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Municipals											
Aa2 AA+/NA	300,000	6817124T9	City of Omaha NE	3.26 1/15/22	309,486.01	300,000.00	9,486.01	4,509.67	1.02 1.04	3.26 0.21	0.27
A1 A+/AA-	1,000,000	735389YT9	Port of Seattle WA	2.43 5/1/22	1,025,280.00	1,000,000.00	25,280.00	4,050.00	1.31 1.34	2.43 0.52	0.89
Aa2 AA/NA	1,250,000	56052AD60	State of Maine	2.50 6/1/22	1,284,675.03	1,257,029.83	27,645.20	2,604.17	1.39 1.42	2.09 0.53	1.12
Aaa AAA/AAA	1,000,000	010878AN6	County of Alameda CA	4.00 8/1/22	1,056,399.99	1,017,988.17	38,411.82	16,666.67	1.52 1.59	2.83 0.42	0.93
Aa2 AA/NA	430,000	091096NC7	Water Works Board of the City of Birmingham	2.16 1/1/23	446,451.78	430,000.00	16,451.78	4,646.15	1.95 2.00	2.16 0.24	0.39
Aa2 AA+/NA	325,000	6817124U6	City of Omaha NE	3.31 1/15/23	344,938.34	325,000.00	19,938.34	4,960.40	1.96 2.04	3.31 0.29	0.30
Aa1 AAA/AAA	1,000,000	64971XGA0	New York City Transitional Finance Authority Future Tax Secured Revenue	3.25 8/1/23	1,067,190.02	1,000,000.00	67,190.02	13,541.67	2.46 2.59	3.25 0.62	0.94
Aa2 AA/NA	700,000	44244CXM4	City of Houston TX Combined Utility System Revenue	1.75 11/15/23	726,571.99	700,000.00	26,571.99	1,561.70	2.81 2.88	1.75 0.41	0.63
Aa3 A+/NA	320,000	783186UB3	Rutgers The State University of New Jersey	2.16 5/1/24	333,600.00	320,000.00	13,600.00	1,152.53	3.21 3.34	2.16 0.86	0.29
Aa2 AA-/NA	500,000	059231X21	City of Baltimore MD	0.70 7/1/24	505,260.01	500,000.00	5,260.01	279.93	3.46 3.50	0.70 0.39	0.44
Aa1 AA+/NA	1,200,000	052403GZ9	Austin Community College District	5.00 8/1/24	1,382,484.01	1,377,599.75	4,884.26	8,166.67	3.32 3.59	0.80 0.70	1.21
Aa1 AA+/NA	1,220,000	231237N87	Cupertino Union School District	2.00 8/1/24	1,276,401.65	1,220,000.00	56,401.65	10,166.67	3.44 3.59	2.00 0.69	1.12
Aaa AA+/NA	1,100,000	54438CYJ5	Los Angeles Community College District/CA	0.67 8/1/24	1,108,481.04	1,100,000.00	8,481.04	1,048.76	3.54 3.59	0.67 0.46	0.96



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Municipals											
Aa1	250,000	576051VX1	Massachusetts Water Resources Authority	1.86	262,602.50	250,000.00	12,602.50	1,939.58	3.45	1.86	0.23
AA+/AA+				8/1/24					3.59	0.44	
Aa1	1,000,000	914460VC1	University of Minnesota	0.70	1,001,644.04	1,000,000.00	1,644.04	1,127.78	3.78	0.70	0.87
AA/NA				11/1/24					3.84	0.66	
Aa2	175,000	889294RQ9	Toledo City School District	5.00	202,408.51	201,002.07	1,406.44	729.17	3.60	1.11	0.18
AA/NA				12/1/24					3.92	0.92	
Aa1	1,000,000	765433LQ8	City of Richmond VA Public Utility Revenue	2.09	1,059,369.96	1,000,000.00	59,369.96	9,618.78	3.85	2.09	0.93
AA/AA				1/15/25					4.04	0.60	
Aa3	600,000	13032UXM5	California Health Facilities Financing Authority	0.95	601,986.91	600,000.00	1,986.91	476.00	4.31	0.95	0.52
AA-/AA-				6/1/25					4.42	0.87	
Aaa	700,000	088281N97	County of Bexar TX	5.00	831,970.98	831,899.20	71.78	1,555.56	4.07	0.70	0.72
AAA/AAA				6/15/25					4.46	0.69	
Aaa	250,000	810454BL1	City of Scottsdale AZ	0.61	250,910.00	250,000.00	910.00	4.22	4.43	0.61	0.22
AAA/AAA				7/1/25					4.50	0.53	
Aa2	500,000	898797HT5	City of Tucson AZ Water System Revenue	0.85	503,690.00	500,000.00	3,690.00	352.50	4.41	0.85	0.44
AA/AA				7/1/25					4.50	0.68	
Subtotal					21,628,257.54	21,168,138.61	460,118.93	130,904.15	2.26	1.84	18.86
									2.35	0.53	
Securitized											
Aaa	95,593	3136AJ7G5	Fannie Mae-Aces	2.68	95,593.33	95,606.19	-12.86	213.37	0.19	2.58	0.08
AA+/AAA				5/1/21					0.19	1.72	
Aaa	882,899	3137BFDQ1	Freddie Mac Multifamily Structured Pass Through Certificates	2.99	888,328.48	883,600.58	4,727.90	2,200.62	0.50	2.75	0.77
AA+/AAA				9/1/21					0.52	1.42	
Aaa	819,070	3137AJMF8	Freddie Mac Multifamily Structured Pass Through Certificates	2.97	825,455.86	819,584.62	5,871.24	2,025.56	0.58	2.80	0.72
AA+/AAA				10/1/21					0.59	1.30	
Aaa	592,788	3132WVAC8	Freddie Mac Pool (WA1602)	2.85	596,658.55	593,235.57	3,422.98	1,454.80	0.90	2.69	0.52
AA+/AAA				12/1/21					0.92	2.15	



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Securitized											
Aaa AA+/AAA	895,925	3137APP61	Freddie Mac Multifamily Structured Pass Through Certificates	2.79 1/1/22	907,684.68	896,985.56	10,699.12	2,082.28	0.84 0.86	2.55 1.03	0.79
Aaa AA+/AAA	792,665	31381TV72	Fannie Mae Pool (470538)	3.22 3/1/22	803,367.92	794,972.04	8,395.88	2,197.88	0.72 0.73	2.72 1.10	0.70
Aaa AA+/AAA	1,000,000	3138L9FX5	Fannie Mae Pool (AM8281)	2.54 5/1/22	1,012,746.31	1,000,943.69	11,802.62	2,187.22	0.89 0.90	2.40 0.97	0.88
Aaa AA+/AAA	756,837	31381VFA8	Fannie Mae Pool (471861)	2.87 7/1/22	770,332.86	758,734.86	11,598.00	1,870.44	1.03 1.05	2.54 1.03	0.67
Aaa AA+/AAA	836,630	31381VKJ3	Fannie Mae Pool (471997)	2.70 7/1/22	853,732.70	838,257.76	15,474.94	1,945.17	1.04 1.05	2.44 0.62	0.74
Aaa AA+/AAA	526,165	3136AMM48	Fannie Mae-Aces	2.51 7/1/22	530,219.01	526,819.23	3,399.78	1,100.12	0.80 0.81	2.34 1.34	0.46
Aaa AA+/AAA	1,000,000	3137AVXN2	Freddie Mac Multifamily Structured Pass Through Certificates	2.36 7/1/22	1,017,841.89	1,001,006.96	16,834.93	1,962.50	1.35 1.38	2.24 0.95	0.88
Aaa AA+/AAA	829,712	31381UE78	Fannie Mae Pool (470958)	2.56 8/1/22	843,736.08	830,773.61	12,962.47	1,829.05	1.11 1.13	2.40 0.95	0.73
Aaa AA+/AAA	973,462	3138L0MH1	Fannie Mae Pool (AM0359)	2.31 8/1/22	988,624.74	970,278.27	18,346.47	1,936.38	1.11 1.13	2.72 0.83	0.86
Aaa AA+/AAA	881,011	3138L03Q2	Fannie Mae Pool (AM0806)	2.45 11/1/22	898,878.55	879,611.83	19,266.72	1,858.69	1.34 1.37	2.62 0.87	0.78
Aaa AA+/AAA	1,101,699	3138L14P1	Fannie Mae Pool (AM1729)	2.30 1/1/23	1,124,178.57	1,091,847.81	32,330.76	2,181.98	1.53 1.57	3.19 0.89	0.98
Aaa AA+/AAA	554,579	3138L2VY0	Fannie Mae Pool (AM2430)	2.73 2/1/23	570,119.48	553,660.31	16,459.17	1,303.72	1.57 1.62	2.89 0.90	0.50
Aaa AA+/AAA	975,000	3137B36J2	Freddie Mac Multifamily Structured Pass Through Certificates	3.32 2/1/23	1,031,731.72	979,089.87	52,641.85	2,697.50	1.90 1.96	3.06 0.23	0.90



Holdings

December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost1	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Securitized											
Aaa	1,000,000	3138L3TA3	Fannie Mae Pool (AM3244)	2.52	1,030,408.73	996,876.61	33,532.12	2,170.00	1.85	2.79	0.90
AA+/AAA				5/1/23					1.90	0.85	
Aaa	1,000,000	3138LETQ4	Fannie Mae Pool (AN2358)	1.90	1,026,015.39	985,199.64	40,815.75	1,636.11	2.08	3.05	0.89
AA+/AAA				8/1/23					2.12	0.63	
Aaa	870,914	3138L42J1	Fannie Mae Pool (AM4376)	3.46	914,311.73	873,824.24	40,487.49	2,594.84	2.08	3.21	0.79
AA+/AAA				9/1/23					2.17	1.03	
Aaa	750,000	3137BVWD2	Freddie Mac Multifamily Structured Pass Through Certificates	3.00	803,099.00	757,891.04	45,207.96	1,876.25	2.67	2.60	0.70
AA+/AAA				1/1/24					2.78	0.38	
Aaa	1,000,000	3138LHQT4	Fannie Mae Pool (AN4965)	2.72	1,050,776.30	1,002,271.14	48,505.16	2,342.22	2.63	2.58	0.91
AA+/AAA				3/1/24					2.74	0.78	
Aaa	1,710,000	3138LHR97	Fannie Mae Pool (AN5011)	3.09	1,816,779.09	1,725,358.16	91,420.93	4,550.03	2.69	2.54	1.58
AA+/AAA				4/1/24					2.82	0.82	
Aaa	438,777	3136AKQM8	Fannie Mae-Aces	3.06	472,484.30	446,058.41	26,425.89	1,117.42	2.85	1.86	0.41
AA+/AAA				6/1/24					2.98	0.39	
Aaa	1,486,872	3140HYXT0	Fannie Mae Pool (BL6989)	1.47	1,535,032.05	1,511,213.22	23,818.83	1,882.13	3.43	0.69	1.33
AA+/AAA				2/1/25					3.53	0.54	
Aaa	440,084	3138L85B6	Fannie Mae Pool (AM8041)	2.45	465,884.25	464,688.85	1,195.40	928.46	3.46	-0.08	0.40
AA+/AAA				4/1/25					3.62	0.79	
Aaa	1,150,000	3140HY5A2	Fannie Mae Pool (BL7140)	1.22	1,178,285.71	1,175,099.76	3,185.95	1,208.14	3.85	0.27	1.02
AA+/AAA				6/1/25					3.96	0.59	
Aaa	1,150,000	3132XFFH6	Freddie Mac Pool (WN1067)	0.77	1,153,320.28	1,159,363.29	-6,043.01	762.51	2.38	0.41	1.00
AA+/AAA				10/1/25					2.46	0.63	
Subtotal					25,205,627.56	24,612,853.12	592,774.44	52,115.39	1.84	2.29	21.90
									1.89	0.86	
Treasury											
Aaa	2,000,000	912828XX3	United States Treasury Note/Bond	2.00	2,124,687.50	2,026,841.17	97,846.33	110.50	3.39	1.60	1.84
AA+/AAA				6/30/24					3.50	0.21	



Holdings

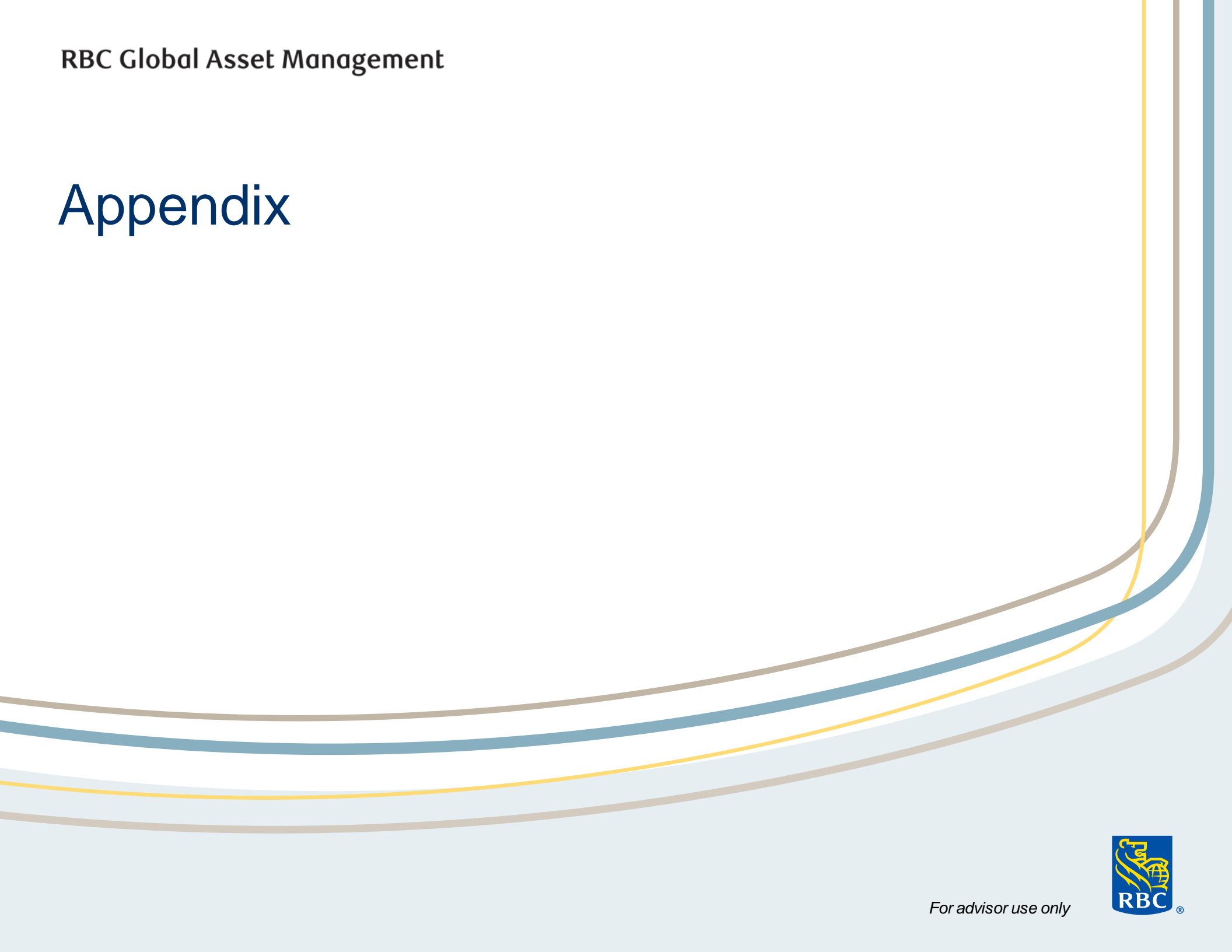
December 2020

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Unrealized Cost ¹	Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
Treasury											
Aaa	4,500,000	912828Y87	United States Treasury Note/Bond	1.75	4,746,445.34	4,533,716.01	212,729.33	32,955.16	3.46	1.53	4.14
AA+/AAA				7/31/24					3.58	0.22	
Aaa	1,500,000	912828YV6	United States Treasury Note/Bond	1.50	1,572,890.63	1,494,160.88	78,729.75	1,978.02	3.82	1.60	1.37
AA+/AAA				11/30/24					3.92	0.25	
Aaa	2,000,000	912828Z52	United States Treasury Note/Bond	1.38	2,090,156.26	1,996,715.40	93,440.86	11,508.15	3.96	1.42	1.82
AA+/AAA				1/31/25					4.08	0.26	
Subtotal					10,534,179.73	10,051,433.46	482,746.27	46,551.83	3.60	1.54	9.17
									3.71	0.23	
Cash & Equivalents											
	48,717	CASHUSD	US Dollar	0.00	48,717.28	48,717.28	0.00	0.00	0.00	0.01	0.04
									0.00	0.01	
Subtotal					48,717.28	48,717.28	0.00	0.00	0.00	0.01	0.04
									0.00	0.01	
Total					114,894,322.87	112,380,378.94	2,513,943.93	447,202.91	2.64	1.67	100.00
									2.71	0.48	

¹ Cost and Gain/Loss are based on Amortized Cost.



Appendix



Glossary of Investment Terms

Total Return	The sum of all investment income plus the changes in the capital valuation in the portfolio.
Market Value	The current face amount of the security multiplied by the market price.
Market Yield	The portfolio's overall yield, as measured by the market valuations of the portfolio holdings.
Book Yield	The yield to maturity of a security, as calculated at the time of purchase.
Duration	<p>The measure of interest rate sensitivity which estimates the price change of a security (or a portfolio of securities) resulting from a change in interest rates.</p> <p>Duration may also be considered to be a measure of the "average maturity" of a stream of payments associated with a bond. It reflects a weighted average of the lengths of time until the remaining payments are made from a bond (or portfolio).</p>
Convexity	A measure of interest rate sensitivity, used along with duration, which estimates the incremental price change resulting from the change in interest rates.
OAS	Option-Adjusted Spread (OAS) is a measure of a security's extra return over the return of a comparable risk-free security.
Spread Duration	<p>The measure of the sensitivity of a security's price to changes in spreads, relative to U.S. Treasuries (a risk-free security).</p> <p>Wider (or more narrow) spreads will cause the price of the securities to fall (rise).</p>
Amortized Cost	The price paid for the security, plus or minus adjustments for any purchase discounts of premiums associated with the purchase.
Unrealized Gain, Unrealized Loss	The gain/loss that would be recognized from selling an asset, as compared to the reported amortized cost.

Investment Policy Statement

Kenai Peninsula Borough

INVESTMENT ADMINISTRATIVE PROCEDURES

These are specific procedures for the investment of Borough funds. Investment procedures are formulated by the Finance Director under the purview of the investment code of ordinances.

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Approved by: Brandi Harbaugh 10/11/18
Brandi Harbaugh, Finance Director Date

Concur: Charlie Pierce 10/11/18
Charlie Pierce, Kenai Peninsula Borough Mayor Date

POLICY

It is the policy of the Kenai Peninsula Borough (KPB) to invest public funds in a manner that will best meets the objectives specified in Chapter 5.10.010 of the KPB Code of ordinances. The objectives listed in their relative order of importance are as follows:

1. Safety of principal: Investments of the borough shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. This objective will be met through diversification of the portfolio.
2. Maintaining sufficient liquidity to meet the borough cash flow requirements: The borough's investment portfolio will remain sufficiently liquid to enable the borough to meet all operating requirements that might be reasonably anticipated.
3. Achieving a reasonable market rate of return: The borough's investment portfolio shall be managed with the objective of attaining a market rate of return throughout the budgetary and economic cycles, taking into account the borough's investment risk constraints and the cash flow characteristics of the portfolio.

I. General Requirements

1. Diversification

The following is the maximum targeted level of investment in different instruments:

Type	Sector Level	Issuer Level	Maturity
- U.S. Treasury securities	100%	100%	5 yrs.
- Other obligations of the U.S. Govt., its Agencies and Instrumentalities (including mortgage backed)	100%	40%	5 yrs.
- Corporate Bonds	50%	5%	5 yrs.
- Municipal Bonds (state or political subdivisions)	25%	5%	5 yrs.
- Money Market Mutual Funds, subject to limits per KPB 5.10.040 (11)	20%	20%	N/A

Investment Policy Statement

Kenai Peninsula Borough

The following items are only available for purchase by the internal investment pool:

Type	Sector Level	Issuer Level	Maturity
- Overnight Repurchase Agreements	20%	20%	N/A
- Term Repurchase Agreements and Certificates of Deposit:			
7-Day Term or shorter	25%	20%	N/A
Greater than a 7-day term	25%	10%	3 yrs.
- Bankers Acceptances	10%	5%	180 days
- Commercial Paper	25%	5%	270 days
- Alaska Municipal League Investment Pool	20%		N/A
- KPB Special Assessment Districts	\$5,000,000		10 yrs.

* Issuer means counterparty in the case of Repurchase Agreements

The Borough's internally managed portfolio will include maturities of less than 3-year and is expected to be the primary source of liquidity among the Borough's investments. The externally managed portfolio will be allowed to invest in maturities ranging out to 5-years, but will have maturities laddered across that range.

Normally, a minimum of 40% of the portfolio will be invested for one year or less. Cash flow requirements combined with market opportunities may result in actual levels below or above target maturity levels. The total portfolio will be invested based on the following target maturities:

- One Year or Less 40%
- One to Three Years 30%
- Three to Five Years 30%

2. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the (entity) shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director and evidenced by safekeeping receipts and in accordance with KPB 5.10.080.

3. Minimum Ratings for Corporate Bonds and Commercial Paper

Investment grade corporate bonds with the following ratings at the time of purchase may be added to the portfolio:

- 1 year or less, single "A" rated by two major rating agencies
- 1 - 2 years, double "A" rated by at least one major rating agency
- 2 - 4 years, double "A" rated by two major rating agencies
- 4 - 5 years, triple "A" rated by two major rating agencies

Investment grade corporate bonds are defined as those with a rating of triple "B" or higher by a major rating agency. In the event an issuer of corporate bond held in the portfolio having a remaining term to maturity of more than one year is downgraded to less than triple "B" by both

Moody's and Standard and Poor's Corporation, the security will be liquidated in an orderly manner.

Commercial paper must be rated "A" or P1 or higher by Moody's Investor's Service, Inc., and "A" or A-1 or higher by Standard and Poor's Corporation at the time of purchase.

Municipal bonds issued by states or political subdivisions must be rated "A" or P1 or higher by Moody's and "A" or A-1 or higher by Standard and Poor's Corporation.

4. Current Agreements and Contracts Listing

Investment Safekeeping:	Wells Fargo
Collateral Safekeeping:	Wells Fargo
Banking Services:	First National Bank Alaska
Tri-Party:	First National Bank Alaska and Union Bank of California
Overnight Repurchase:	First National Bank Alaska
Investment Management:	RBC Public Fund Services

5. Internal Controls

The management of borough investments may be accomplished internally or through one or more external investment managers. The Finance Director is responsible for purchasing and selling investments that are managed internally and oversight of any funds being managed by an External Investment Portfolio Manager. In the absence of the Finance Director, the Controller is authorized to act on the Borough's behalf. The Controller or Treasury/Budget Analyst is responsible for accounting for investments. Control over securities is achieved through separation of the accounting and safekeeping functions.

Safekeeping Authority:	Finance Director
	Treasury/Budget Analyst

6. Report Format

A report will be prepared at least quarterly for the Assembly showing the following information:

- Name of issuer of each security held in the portfolio
- Type of investment
- Par value of each security
- Yield to maturity of each security
- Annualized yield of the portfolio
- Average term to maturity of portfolio
- Market Value of Portfolio Including Net Unrealized Gains or Losses

Investment Policy Statement

Kenai Peninsula Borough

II. Internal Investment Pool Requirements

1. Bid Procedures

At least two bids will be received from brokers listed on the broker's list for regular investment activities. The bid selected will be based on its overall value to the portfolio. Transactions will be awarded to a broker listed on the broker's list.

2. Broker List

Brokers may be placed on the list after obtaining suitable references. No investments may be purchased from a broker not on this list.

- Michael Zetameyer, RBC Wealth Management (541) 654-3704
- Greg Hagen, Piper Jaffray (503) 275-3951
- Douglas Chin, Wells Fargo Brokerage Services (800) 756-8260

3. Financial Institution List

A financial institution may appear on this list based on an evaluation of their overall credit-worthiness.

- Wells Fargo
- First National Bank of Alaska
- Key Bank
- Bank of America
- Northrim Bank

4. Collateralization

- A. If Borough moneys are invested in certificates of deposit or other deposits, the entire amount of principal and interest which will be payable to the borough upon maturity of the investment must be collateralized by any combination of the following securities, at the following margin requirements and maturities:

COLLATERAL TYPE	MARGIN REQUIREMENT
1. U.S. Treasury Securities with a maturity date 5 years or less from the date of the borough's investment transaction.....	102%
2. Actively traded U.S. Government Agency or Instrumentality Securities, except mortgage pass-through securities with a:	
a. Maturity date one year or less from the date of the borough's investment transaction.....	103%
b. Maturity date between 1 and 5 years from the date of the borough's investment transaction.....	107%
3. Government National Mortgage Association mortgage pass-through securities.....	120%
4. Obligations of the State of Alaska and its political subdivisions secured by the full faith, credit and taxing power thereof:	
a. Maturity date 1 year or less from the date of the borough's investment transaction.....	102%

- b. Maturity date between 1 and 5 years from the date of borough's investment transaction.

5. FDIC and FSLIC Insurance..... 100%

- B. A financial institution shall not release, assign, sell, mortgage, lease, transfer, pledge or grant a security interest in, encumber, substitute or otherwise dispose of or abandon all or any part of pledged collateral without prior written authorization of the borough.

III. External Money Management

1. General Requirements

The Finance Director with the approval of the Mayor may choose to enter into contracts with qualified firms for investment management services. The minimum qualifications are as follows:

- Respondents must be registered with the SEC as an investment advisor.
- Respondents must have experience as advisors with portfolios and municipalities of similar size to the Kenai Peninsula Borough.
- Respondents must have greater than \$500 million of government funds under management.
- Respondents must have a minimum of \$5 million in E&O or professional advisor liability coverage.

The external pool manager shall invest public funds in a manner that will best meets the objectives and authorized investments specified in Chapter 5.10.010 of the KPB Code of ordinances and further defined in items 1-6 of the General Requirements of the above policy.

Normally, a minimum of 40% of the combined internal and external portfolios will be invested for one year or less. Because the internal investment pool managed by the Borough which is mostly invested in investments having maturities of less than two years, and nearly matches the market value of the external portfolio, the recommended targets for the external investment pool are as follows:

- | | |
|-----------------------|----------------------|
| • One Year or Less | 10% to 30% |
| • One to Three Years | 30% to 45% |
| • Three to Five Years | Targeted Maximum 35% |

Cash flow requirements combined with market opportunities may result in actual levels below or above target maturity levels.

2. Benchmark

The external portfolio's reference benchmark is the ICE BofAML 1-5 Yr. AAA-A US Corporate & Government.

Investment Policy Statement

Kenai Peninsula Borough

III. Land Trust Investment Fund Investments (LTIF)

1. General Requirements

The Finance Director provides management of the Land Trust Investment Fund (LTIF), with the financial asset investments of the LTIF approved by the Borough Assembly through resolution during the annual budgetary process, in the form of an asset allocation plan. The asset allocation plan shall have specific categories of investments of the fund with percentage targets to allow for reasonable fluctuations above and below the target percentage. The plan will establish benchmarks for evaluating the performance of each investment manager and asset classification. Investments shall be managed and adhere to the target ranges of the asset allocation plan.

The governing ordinance KPB Ordinance 2018-29 provides that the Borough retain one or more professional investment managers with experience handling institutional endowment investments to manage, design portfolio asset allocation plans, and invest funds held by the custodian in accordance with the written investment policies adopted by the Borough Assembly established in KPB Code 5.20.030.

The Borough's Code authorizes the following investments for the LTIF through KPB Code 5.10.200.B:

Authorized Investments:

A. Financial Assets - Money in the Land Trust Investment Fund shall be invested only in the following instruments and subject to the applicable limitations and requirements.

1. Investments authorized by KPB 5.10.040.
2. Bonds or other U.S. dollar denominated debt instrument of this state, its agencies, municipalities, any other state which at the time of investment have an investment grade rating by a nationally recognized rating agency. If, after purchase, these obligations are downgraded below investment grade, the obligations shall be sold in an orderly manner within ninety (90) days of downgrading.
3. Corporate obligations of investment-grade quality as recognized by a nationally recognized rating organization. If, after purchase, these obligations are downgraded below investment grade, the obligations shall be sold in an orderly manner within ninety (90) days of downgrading.
4. Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard and Poor's 500 Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).
5. Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 400 Mid-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).
6. Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 600 Small-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

7. International equities, which taken as a whole, attempt to replicate the Financial Times Stock Exchange Developed ex North America Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).
8. Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the Standard and Poor's REIT composite index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs).
9. Emerging market equities, which taken as a whole, attempt to replicate the Financial Times Stock Exchange Emerging Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs).
10. Interfund loans for land or capital improvements.
 - a) Loans shall only be for the purpose of financing the acquisition of land or capital improvements;
 - b) The rate of interest shall be the prime rate in effect on the date of ordinance approval;
 - c) The term of a loan shall not be longer than the term allowed for a land sale contract of similar size;
 - d) Payments shall be paid in equal annual installments upon adoption of each year's annual budget until the loan is paid in full; and
 - e) All such loans must be approved by the assembly by ordinance, and the assembly may add such additional terms and conditions as appropriate.

B. Non-Financial Assets

Land Trust Investment Fund assets may be used to supplement Land Trust Fund assets for investment in the following:

- a) Land which will be added to the inventory of land assets.
- b) Income producing assets such as improvement to borough lands.

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