

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**  
**INVESTMENT POLICY STATEMENT**

**April 10, 2026**

**I. PURPOSE & SCOPE**

The purpose of this Investment Policy Statement (“IPS”) is to govern the investment of funds held by the Alaska Industrial Development and Export Authority (“Authority”). This IPS details the roles and responsibilities of those managing Authority financial assets. That includes those who manage assets internally within the Authority (“Authority Managed Investments”), Investment Managers (“Investment Managers”) selected to manage funds externally (“Externally Managed Investments”), and any professionals assisting in those investments.

The IPS does not apply to programmatic Authority investments as designated by the Executive Director (e.g., investments made by the Authority pursuant to a statutory or regulatory program under AS 44.88, such as a project as defined in AS 44.88.900(13)). The IPS applies to Authority assets held in trust unless bond or other covenants require management of funds inconsistent with the IPS, in which case those assets shall be invested in accordance with the controlling instruments. For assets held under the Authority’s Amended and Restated Master Trust Agreement with U.S. Bank Trust Company, N.A. dated November 1, 2025, as from time to time amended (“Master Trust Agreement”), Investments shall be governed by the IPS but Qualified Investments will not (as those terms are defined in the trust documents). Assets of subsidiaries of the Authority shall be managed consistent with the policies adopted by each subsidiary, which may adopt the IPS to govern the management of all, some or none of its investments.

**II. FIDUCIARY OBLIGATIONS**

All individuals and entities entrusted to manage or assist in the management of the assets of the Authority under this IPS are fiduciaries of the Authority, and are required to manage Authority assets in accordance with AS 37.10.071 and the prudent-investor rule. The prudent-investor rule as applied to investment activity of the Authority means such individuals shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the fund over time while maximizing the expected total return from both income and the appreciation of capital. Further, the Alaska Uniform Prudent Investor Act (“AUPIA”), AS 13.36.225–290, requires investment decisions to reflect reasonable care, skill, and caution considering overall portfolio strategy and economic conditions; and provides a fiduciary benchmark for evaluating the reasonableness and public-purpose alignment of the Authority’s investment-related actions. Fiduciaries under this IPS will follow the AUPIA, including for assets held under the Master Trust Agreement, unless an opinion of counsel advises that all or portions of AUPIA do not apply to such assets.

### III. ASSET ALLOCATION

#### A. Liquidity Reserves

As part of conducting its annual asset review as required by AS 44.88.205, the Authority shall analyze its projected one- and two-year liquidity needs. The Executive Director shall reserve and maintain in cash, cash equivalents or short-term fixed income investments the amount anticipated to be needed to meet the Authority’s two-year liquidity needs (“Liquidity Reserves”). The Executive Director may from time-to-time increase or decrease the Liquidity Reserves based upon changes in anticipated liquidity needs. The Executive Director will determine what portion of the Liquidity Reserves are Authority Managed Investments versus Externally Managed Investments; provided, however, such determination will not change that Liquidity Reserves are to be held in cash and cash equivalents or short-term fixed income. Unless the Executive Director determines otherwise, the Liquidity Reserves are considered IPS funds that are fixed income for the purpose of the allocation targets and rebalancing ranges established in Section III.B.

#### B. Targets & Rebalancing Ranges

Authority assets that are subject to this IPS shall be allocated for investment in public equities, fixed income, and/or private markets. The Executive Director shall have discretion to classify these assets as Authority Managed Investments or Externally Managed Investments, and to move funds between those classifications. The Executive Director shall endeavor to allocate these funds amongst the listed asset classes in the proportions established as strategic targets in the table below. When calculating the allocations between asset classes, assets held as cash or cash equivalents (except cash or cash equivalents held incidental to the management of a portfolio under an IMA) are classified as fixed income. Generally, the Executive Director shall rebalance the allocation of assets whenever necessary to maintain proportions that are within the rebalancing ranges of each asset class.

Asset Class	Strategic Target	Rebalancing Range	
		Min	Max
Public Equity	20%	15%	25%
Fixed Income	70%	55%	85%
Private Market	10%	0%	20%
Total Fund	100%		

The Executive Director shall have discretion to deviate from the Board-approved allocation targets and ranges, upon making a written finding that doing so is in the best interest of the Authority, which finding must be reported to the Board. A written best-interest finding is required on a quarterly basis until the allocation is inside the Board-approved rebalancing ranges. The Board shall review the asset allocation at least once per year, and may by

separate resolution set new asset allocations which shall be incorporated into this investment policy without the Board needing to reapprove the entire investment policy.

#### **IV. AUTHORITY MANAGED INVESTMENTS**

This Section IV applies to Authority Managed Investments. Authority Managed Investments status typically applies when the Authority retains 100% investment discretion. Any grant of investment discretion to a third party reclassifies the assets as Externally Managed Investments, except when determined otherwise by the Executive Director such as for funds managed by a Securities and Exchange Commission (“SEC”) registered money market investment fund, the State of Alaska, Department of Revenue (“DOR”), Alaska Municipal League Investment Pool, Inc. (“AMLIP”), or any other investment pool for public entities of the State of Alaska that is established under the Alaska Investment Pool Act (“AIPA”), AS 37.23.010-.900.

##### **A. Authorized Authority Managed Investments**

The primary investment objective of Authority Managed Investments is to provide for the safekeeping of Authority funds while allowing for adequate liquidity to meet expenditure needs. Pursuant to this objective, Authority Managed Investments include cash and cash equivalents (in U.S. dollars), and U.S. designated short-term fixed income. Individual investments within the portfolio shall be diversified to manage risk. Authority Managed Investments may be managed in pools or trusts with other funds or through separate accounts to the extent such investments are authorized investments under this Section IV.A. The use of derivatives is prohibited for Authority Managed Investments.

The investment of Authority Managed Investments shall be conducted by the Executive Director or one or more designees. Authority Managed Investments are authorized to be invested as follows.

##### **1. Cash and Cash Equivalents**

The primary investment objective of the cash portfolio is to ensure that funds are available to meet the Authority’s operational needs, to cover immediate expenditures, to provide funds for any anticipated programmatic or non-programmatic investment, and to otherwise achieve and maintain the appropriate level of liquidity.

Cash depositories must be federally insured, meet minimum regulatory capital standards, and meet any additional standards established by the Executive Director. The Authority has a preference to use Alaska-based banks (those with headquarters in Alaska), and then banks with a branch in Alaska, but only if doing so will have a risk level and expected return comparable to using non-Alaska banks.

The authorized cash-equivalent investments are as follows:

- a) Repurchase agreements or reverse repurchase agreements with U.S. Treasury securities and agencies of the U.S. Government as collateral;

- b) SEC registered money market investment funds;
- c) Units in the AMLIP investment pool or another investment pool established under the AIPA;
- d) Management by DOR of Authority funds in one or more accounts or portfolios with investment guidelines deemed by the Executive Director as appropriate for cash or cash equivalent investments;
- e) Federal insured certificates of deposit and term deposits issued by depository institutions, with a preference with a branch presence in Alaska, under terms, including maturity, portfolio duration, and collateralization, as approved by the Executive Director;
- f) Reciprocal deposit/insured cash sweep programs under terms approved by the Executive Director; and
- g) Other cash equivalents approved by the Executive Director.

## 2. Short-Term Fixed Income

The primary investment objective of short-term fixed income Authority Managed Investments is the same as for cash and cash equivalents, except to allow increased risk weighted returns consistent with the adopted benchmark. Short-term fixed income is debt investments that meet the following criteria:

- a) U.S. Treasuries with a maximum final maturity of 36 months;
- b) Investment grade U.S. corporate bonds rated A or better with a maximum final maturity of 24 months;
- c) AAA rated asset backed securities with a maximum final maturity, or expected average life for amortizing securities, of 24 months;
- d) Management by DOR of Authority funds in one or more portfolios with investment guidelines deemed by the Executive Director as appropriate for short-term debt and which each have a weighted average duration of less than 24 months; and
- e) Any other publicly traded fixed income investment approved by the Executive Director rated A or better with a maximum final maturity of 24 months.

## **B. Internal Benchmarking**

For all Authority Managed Investments, investment performance shall be evaluated quarterly against a benchmark that is fifty percent the 90-day Treasury bill and fifty percent the 1-year Treasury bill.

## **V. EXTERNALLY MANAGED INVESTMENTS**

This Section V applies to Externally Managed Investments. Assets designated as Externally Managed Investments shall be managed by the external Investment Manager in accordance with this IPS and the terms of its Investment Management Agreement (“IMA”) with the Authority (e.g., prohibitions against political or ESG-based investing).

### **A. Investment Management Agreements**

An IMA may provide that Authority assets will be managed in pools or trusts with other funds or through separate accounts. Each IMA shall define which asset classes may be utilized by the Investment Manager and provide any limitations to be placed on each authorized asset class. Leverage may only be used as explicitly authorized in an IMA, and the IMA must provide that debt may only be secured by the assets of an individual investment or a particular portfolio, and must be non-recourse to the Authority. Except for private markets, the Authority shall retain the right to require Investment Managers to rebalance their investments at any time in order to achieve asset allocation targets and meet liquidity needs. Investment Managers shall be required to report on their performance to the Executive Director on at least a quarterly basis, or upon request of the Executive Director.

### **B. Authorized Investments**

The Authority may enter IMAs that authorize Externally Managed Assets to be invested in one or more of the following asset classes: public equity, fixed income, and private markets.

#### **1. Public Equity**

The primary investment objective of the externally managed public equity portfolio is to invest in public market (i.e., listed, or exchange-traded) equity securities, and for the portfolio as a whole to meet or exceed the performance of a well-diversified pool of global equities embodied in the benchmark of the MSCI ACWI IMI Index, while managing risk in accordance with the applicable IMAs.

Investment strategies for the public equity portfolio must be approved by the Executive Director through an IMA. Investment strategies may be active, passive, or any combination thereof; may include investments that span the market-capitalization spectrum (e.g., small-, mid-, large-, and mega-cap); and may include investments domiciled in the U.S., developed international, or emerging market countries.

#### **2. Fixed Income**

Except for the Liquidity Reserves or as otherwise determined by the Executive Director, fixed income Externally Managed Investments shall be invested as long-term fixed income.

a) Long-Term Fixed Income

The primary investment objective of the Authority's portfolio of long-term fixed income Externally Managed Investments is to provide liquidity, protection against inflation, income-oriented investment returns to pay AIDEA's dividend to the State and fund programmatic investments, and to diversify the risks of the Authority's equity-oriented programs. The long-term fixed income portfolio invests in publicly traded and other liquid income-oriented investments authorized by the IMA to meet or exceed the performance benchmark of the Bloomberg U.S. Aggregate Bond Index, while staying within any risk constraints defined in the applicable IMA.

b) Short-Term Fixed Income

The primary investment objective of short-term fixed income Externally Managed Investments is the safekeeping of Authority funds while providing for adequate liquidity to meet expenditure needs. Unless determined otherwise by the Executive Director, short-term fixed income Externally Managed Investments is primarily for funds part of the Liquidity Reserves. For all short-term fixed income Externally Managed Investments, investment performance shall be evaluated quarterly against a benchmark that is fifty percent the 90-day Treasury bill and fifty percent the 1-year Treasury bill.

Short-term fixed income is limited to those cash and cash equivalents, and short-term fixed income, authorized for Authority Managed Investments in Section IV (except the IMA and not Executive Director must authorize any other publicly traded fixed income investment rated A or better with a maximum final maturity of 24 months).

3. Private Markets

Private markets include private equity, private credit, and real estate. The primary investment objective of the private markets' portfolio (the objective of each sub-class being more fully defined below) is for the Authority to make private Alaskan-related investments that are not available for the Authority to invest in through its programs or that diversify the Authority's other Alaska investments. All private market investments must have a nexus to Alaska and must be made consistent with the applicable IMA. The Alaska nexus requirement is met where the investment made would help address a goal, harm or purpose identified in AS 44.88.010. An IMA may authorize a private markets portfolio to contain one or more of the sub-classes authorized in this Section V.B.3. For assets held under the Master Trust Agreement, private market investments must be made in compliance with the provisions and definitions of the Master Trust Agreement.

Private market investments will generally be made at the discretion of the Investment Manager consistent with the applicable IMA. However, certain investments such as direct and co-investments, will involve Authority discretion and could be made under the IPS or the Authority's AS 44.88 programs. The Executive Director shall have authority to make such investments under the IPS, and shall determine and document whether an investment is to be accounted for as a private market investment under this IPS or as a programmatic

investment. Further, the Authority may make such private market investments regardless of whether they are authorized Authority Managed Investments under Section IV.

The net asset value of private market portfolios shall be used to measure allocations and rebalancing targets. Unfunded private market commitments shall be allocated to private markets when funds have been transferred to the Investment Manager or, in the discretion of the Executive Director, if the Authority has placed funds in reserve for the purpose of fulfilling those commitments. The performance of each private market investment will be evaluated against the benchmark established in the applicable IMA. The performance of the overall private market portfolio shall also be compared at least quarterly to the performance of all Authority Managed Investments and Externally Managed Investments, and — to the extent the Executive Director determines such information is available and useful for comparison — the performance of the Authority’s programmatic investments. The Executive Director shall develop a methodology including reporting periods to make such comparisons.

a) Private Equity

The primary investment objective of private equity is to invest in illiquid growth-oriented assets that are expected to generate risk adjusted, after-fee returns that are superior to returns available in public equity or debt investment portfolios. The authorized private equity investment strategies include venture capital, growth equity, leverage buyouts, distressed for control, and other opportunistic strategies that target returns consistent with that strategy.

Investments will generally be executed through capital commitments to limited liability commingled funds managed by external investment managers, through co-investments alongside external managers, and direct investments into operating companies. Following the public listing of any shares of a portfolio company held by an Authority-controlled investment vehicle, such shares shall be either liquidated consistent with SEC regulations within a reasonable period of time, or alternatively may be held for a period of time as directed by the Executive Director and reported to the Board.

b) Real Estate

The primary investment objective of real estate investments is to generate a risk-adjusted return comprised of an attractive level of current income and capital appreciation, while contributing to diversification of the Authority’s assets. Authorized real estate investment strategies include equity and debt funds that invest predominantly in real estate strategies (e.g., core, core-plus, value-added, and opportunistic).

c) Private Credit

The primary investment objective of the private credit portfolio is to provide attractive risk-adjusted returns that generate a high level of income and potentially provide for capital appreciation, while safeguarding principal in the manner authorized in the applicable IMA. Private credit investments involve the ownership of higher yielding, illiquid investment

opportunities — as compared to publicly traded fixed income opportunities — that cover a range of risk/return profiles. If authorized to make private credit investments in the applicable IMA, Investment Managers may target externally managed limited liability funds, co-investments, and direct investments into operating companies that target one or more of the following strategies: direct lending, subordinated and mezzanine lending, distressed debt, and opportunistic credit-oriented funds, with flexibility to pursue illiquid and liquid strategies.

### **C. Derivatives in Externally Managed Investments**

Externally Managed Investments are prohibited from using derivatives except to the extent authorized in an IMA and this Section V.C.

Any IMA that allows the use of derivatives must be approved by the Executive Director and legal counsel for the Authority. If derivatives are used in any portfolio, then there will be quarterly reporting to the Board on that use.

All liability created by the use of derivatives in the name of the Authority must be limited to the total value of the portfolio being managed by the Investment Manager.

The use of derivatives shall be conditioned on a finding by the Executive Director that the Investment Manager:

1. Has demonstrated investment expertise in the use of derivatives for the strategy they have been selected to implement;
2. Has appropriate risk management and valuation policies and procedures in place;
3. Has legal and investment experience to limit downside effect of the proposed derivative; and
4. Has demonstrated the ability to effectively monitor and control the use of derivatives and has agreed to provide a monthly derivate exposure report which details:
  - a) Total derivate exposure on a gross and net basis,
  - b) Total collateral/margin posting on a gross and net basis, and
  - c) A list of authorized counterparties and exposure by counterparty.

Derivatives may only be used to:

1. Hedge and control risks of fund portfolios so they better align with benchmarks and objectives;
2. Efficiently manage portfolio exposures synthetically as opposed to trading underlying securities;
3. Build portfolios with targeted risk and return characteristics that otherwise could not be efficiently created with securities; and

4. Facilitate rebalancing.

#### **D. Investment Manager Selection**

Investment Managers shall be selected through a formal process, for which the Executive Director may utilize one or more of the Authority's investment consultants.

The Executive Director shall appoint an investment committee ("Investment Committee") consisting of not less than three employees of the Authority. The Investment Committee shall review potential Investment Managers and make a recommendation to the Executive Director.

The final selection of an Investment Manager shall be made by the Executive Director. The Executive Director is not limited to the Investment Committee's recommendation.

Prior to selection, potential Investment Managers are required to:

1. Demonstrate they are a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940;
2. Have \$1 billion of assets under management at the firm and a firm operating history no less than three years;
3. Provide historical quarterly performance numbers calculated on a time-weighted basis, including accounts of similar investment style;
4. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the Investment Manager relative to other managers of like investment style;
5. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel, and demonstrate financial and professional staff stability;
6. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time; and
7. Have no outstanding legal judgments or past judgments that may reflect negatively upon the firm.

One or more of these requirements may be waived by the Investment Committee upon a majority vote to accommodate the circumstances specific to a potential Investment Manager, with the rationale of such waiver documented for the Executive Director's review.

## **VI. DOCUMENTATION & DELIGATION**

The Executive Director shall develop a system to document decisions made under the IPS. That includes for decisions relating to classification of assets as programmatic or IPS governed (where applicable), one- and two-year projected liquidity needs and changes to the Liquidity Reserves requirement, classification of assets as Authority Managed

Investments or Externally Managed Investments, allocation of assets between asset classes, rebalancing, Authority Managed Investments (e.g., selection of investments, and criteria for depository institutions and swept accounts), and Investment Manager selection. Decisions related to Externally Managed Investments may be documented in the IMA.

The Executive Director may delegate his authority and duties under this IPS to one or more designees, which shall also be documented.

## **VII. REPORTING TO THE BOARD**

Each quarter the Executive Director shall cause a report to be prepared and provided to the members of the Board, which sets forth the current balance of the Liquidity Reserves, the amounts invested in each asset class and sub-asset class of Authority Managed Investments and Externally Managed Investments, and rebalancing activity.

Quarterly reports shall include information regarding the diversification and performance of each portfolio in relation to the appropriate benchmark, as well as comparative performance information that enables the reader to evaluate whether the portfolios are achieving returns that are consistent with objectives given prevailing market conditions, whether any Investment Manager is out of compliance with its IMA, and any use of derivatives.

Each year the Executive Director shall cause a report to be prepared and provided to the members of the Board, which satisfies all appropriate accounting requirements.