

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G25-11

**AMENDED AND RESTATED RESOLUTION OF THE ALASKA
INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
RELATING TO INVESTMENT POLICIES STATEMENT**

WHEREAS, AS 44.88.080(10) provides that the Alaska Industrial Development and Export Authority (“Authority”) has the power to invest its funds, subject to agreements with bondholders;

WHEREAS, AS 44.88.060 provides that the Authority has the powers and responsibilities established in AS 37.10.071 with respect to the investment of amounts held in the Revolving Fund of the Authority;

WHEREAS, AS 44.88.660 provides that the Authority has the powers and responsibilities established in AS 37.10.071 with respect to the investment of amounts held in the Sustainable Energy Transmission and Supply Development (“SETS”) Fund;

WHEREAS, AS 44.88.810 provides that the Authority has the powers and responsibilities established in AS 37.10.071 with respect to the investment of amounts held in the Arctic Infrastructure Development Fund (“AIDF”);

WHEREAS, AS 37.10.071 provides that the prudent investor rule shall apply to the fiduciary of a State of Alaska fund;

WHEREAS, it is in the best interest of the Authority to set out in detail the investment policies of the Authority;

WHEREAS, Resolution A93-14 adopted policies and guidelines to be followed in the investment of Authority assets;

WHEREAS, Resolution G01-14, Resolution G01-14A, Resolution G01-14B, Resolution G01-14C and Resolution G01-14D amended and restated Resolution G01-14; and Resolution G21-25 and G21-14, respectively, amended and restated Resolution G01-14, and

WHEREAS, the Board desires to amend and restate Resolution A93 -14 again in this new resolution to reflect changes in the Authority’s investment policies.

NOW, THEREFORE BE IT RESOLVED by the Board that the following policies and guidelines are to be followed in the investment of Authority assets:

I. Investment Policy for External Advisor–Managed Investment Assets

The intent of the following policy is that the Executive Director will enter an Investment Management Agreement (“IMA(s)”) with external investment advisors (“Investment Manager(s)”). All External Advisor–Managed assets shall be implemented exclusively via dedicated, segregated Separately Managed Accounts (“SMAs”) held in AIDEA’s name at the appointed custodian and governed by Investment Management Agreements (“IMAs”). Pooled vehicles (including mutual funds, ETFs, commingled funds, collective trusts, limited partnerships, or similar commingled vehicles) are not permitted under this Section. External Advisor Managed assets must be implemented only as SMAs pursuant to VII. Exception: units in the Alaska Municipal League Investment Pool (“AMLIP”) are authorized solely under II.D.4 as part of Direct Authority Managed assets.

- A.** The Board authorizes the Executive Director to provide for investment in the specific instruments set forth in this section at his discretion and within the prohibitions and descriptions set forth. The Executive Director is authorized to enter into IMAs on such terms and conditions as he considers necessary to carry out the purposes of this section. In addition to the authorized investments presented herein, the IMAs will provide guidelines relating to, among other things, the maximum non-U.S. dollar denominated currency exposure permitted. Such non-U.S. dollar denominated investments are permitted provided that the greater of \$200 million or 60% of the externally managed investment portfolios in aggregate shall be invested in U.S. dollar denominated investments.

Additionally, the Board has authorized the Executive Director to invest a target amount of 20% of the total market value of the Authority assets (combined Direct Authority-Managed Investment Assets and External Advisor–Managed Investment Assets) in public market (listed) equity securities and 80% in

authorized debt investment (as defined in Section I.B/C and Section II). The Board-approved asset allocation strategy is defined in the table below. Recognizing the inherent volatility of investing in markets, each permissible asset class has a minimum and maximum range established around its intended target weight. So long as each asset class is within its range, the portfolio is considered in compliance with the investment policy and the Executive Director shall not be compelled to rebalance but has discretionary authority to do so. Any permanent changes to these guidelines must be approved by the Board.

Asset Allocation Strategy

Asset Class	Strategic Target	Rebalancing Range	
		Min	Max
Public Equity	20%	15%	25%
Debt	80%	75%	85%
Total Fund	100%		

Lastly, the IMAs will also provide guidelines relating to cost, minimum safekeeping requirements and reporting requirements.

B. Authorized equity investments include:

1. Eligible long-term securities

External Investment Managers may invest in public market (i.e., listed, or exchange-traded) equity securities. Investments may span the market-capitalization spectrum (e.g., small-, mid-, large-, and mega-cap) and be domiciled in the U.S, developed international, or emerging market countries. External managers may be hired which pursue an actively-managed or passively-managed (i.e., lower-cost index fund) investment approach at the discretion of the Executive Director. The most appropriate benchmark(s) for the equity portfolio(s) will be determined prior to funding at the discretion of the Executive Director or those persons

pursuant to II(C), based on market segments and regions being targeted, in consultation with AIDEA's external investment consultant.

C. Authorized debt investments for U.S. dollar denominated portfolios include:

1. Eligible long-term securities

Investment Managers may invest in debt instruments issued or guaranteed by the U.S. Government, its agencies and instrumentalities, and Government Sponsored Enterprises ("GSEs"). Investment Managers may also purchase dollar-denominated debt instruments that have been issued by domestic and non-domestic entities. Eligible corporate investments include cumulative capital securities, Real Estate Investment Trust ("REIT") debt obligations, equipment trust securities, enhanced equipment trust securities, and pass-through securities.

Except as provided under "U.S. Corporate Debt – Below-Investment-Grade Eligibility," investments must carry a rating of BB or above at the time of purchase, subject to the portfolio's minimum market value-weighted average credit quality of BBB- (investment grade). If any investment is unrated or becomes unrated, the Investment Manager must deem the investment to be of investment grade credit quality (BBB- or above). The total of unrated investments may not exceed five percent (5%) of the Investment Manager's portfolio value and the unrated investments of a single issuer may not exceed two percent (2%) of the Investment Manager's portfolio value.

Investment Managers shall assign a rating for purposes of determining compliance with quality guidelines which will be the middle rating if ratings are provided by Moody's, Standard & Poor's, and Fitch; the lower rating if only two ratings exist; and the rating provided if only one rating exists. If a security is unrated, the Investment Manager shall assign an internal rating for compliance purposes.

A) U.S. Corporate Debt – Below-Investment-Grade Eligibility

Subject to the limits and requirements in this Section, U.S. dollar-denominated corporate debt may be purchased if rated:

- Investment grade (BBB-/Baa3 or higher); or
- Below investment grade in the BB (BB+/Ba1, BB/Ba2, BB-/Ba3), B (B+/B1, B/B2, B-/B3), or CCC (CCC+/Caa1, CCC/Caa2, CCC-/Caa3) categories.

Purchases rated CC/C/Ca or in default (D) are prohibited.

B) High Yield (U.S. Corporate Only) – Limits and Measurement

(a) Aggregate exposure to below-investment-grade U.S. corporate debt (i.e., BB, B, and CCC categories permitted above) shall not exceed five percent (5%) of (i) the market value of each externally managed fixed-income portfolio; and (ii) the market value of AIDEA's combined fixed-income assets (externally managed fixed-income portfolios plus direct Authority-managed fixed-income assets).

(b) Compliance will be measured on a market value basis at least monthly and at time of purchase. The per-issuer diversification limits in this Section continue to apply to all high yield holdings.

(c) Securities rated CC/C/Ca or in default (D) may not be purchased. If any holding is downgraded to CC/C/Ca or D, it must be sold in an orderly manner; the Investment Manager shall notify AIDEA immediately and present a plan to fully dispose of the holding within six (6) months. The Executive Director may grant one additional six (6) month period upon written request if the Investment Manager demonstrates that immediate sale would be materially detrimental.

In the event that the rating of a security is downgraded (including downgrades to below investment grade), the holding may be retained provided the portfolio remains in compliance with (i) the five percent (5%) high yield limit set forth herein and (ii) the minimum market value-weighted average credit quality requirement of BBB- (investment grade). If a downgrade or market movement causes a breach of either item (i) or (ii), the Investment Manager will immediately notify AIDEA and provide a plan of action to restore compliance within six (6)

months. If the Investment Manager believes that sale is not in AIDEA's best interest due to temporary mispricing, the Investment Manager may request one additional six (6) month period in writing from the Executive Director.

Mortgage-backed securities issued or guaranteed by Federal agencies or GSEs are permitted, as are asset backed securities, including collateralized mortgage backed securities ("CMBS") and collateralized mortgage obligations ("CMOs"). CMOs are limited to the more stable classes, including (but not limited to) Planned Amortization Class ("PAC(1)'s"), Very Accurately Defined Mortgages ("VADM"), Accretion Directed ("AD"), Z (accrual) tranches, and Sequential Pay CMOs. Prohibited CMO classes include those where principal and interest components are separated or where leverage is employed; examples include Interest Only, Principal Only, and inverse floating rate notes.

2. Certificates of Deposit and Term Deposits

Certificates of deposit and term deposits of United States domestic financial institutions which are members of the Federal Deposit Insurance Corporation provided that such entities have the highest credit rating assigned by a nationally recognized rating service and which may be readily sold in a secondary market at prices reflecting fair value.

3. Money Market Instruments

- a. short-term domestic corporate promissory notes payable in United States dollars of the highest rating assigned by a nationally recognized rating service;
- b. repurchase agreements with U.S. Treasury securities and agencies of the U.S. Government as collateral;
- c. bankers' acceptances drawn on and accepted by United States banks which have a capital and surplus aggregating at least \$200 million and that also have the highest credit rating assigned by a nationally recognized rating service;
- d. bankers' acceptances which are issued by a United States bank or

trust company located in a foreign country and are denominated in United States currency, if either (i) they may be readily sold in a secondary market at prices reflecting fair value, or (ii) the issuing bank or trust company has capital and surplus at the date of issue equaling at least \$500 million and also has the highest credit rating assigned by a nationally recognized rating service; and

- e. Investments in cash equivalent collective investment vehicles (money market funds) that have a primary objective of stability of principal and ready liquidity and that have been approved by staff for use by the external managers.

D. Authorized debt investments for use in portfolios permitted to invest in non-U.S. dollar denominated securities:

1. All the U.S. dollar denominated investments permitted in C of this document.
2. Non-U.S. dollar denominated obligations of foreign governments, sovereign states (including local currency emerging markets) and supranational entities.
3. No more than 20% of any portfolio's maximum permitted non-U.S. dollar investments, measured on the date of purchase, may be invested in non-U.S. dollar denominated corporate debt obligations. Corporate debt obligations must be rated investment grade or better by a recognized credit rating agency. In the event a split rating exists, the lower of the ratings shall for evaluating credit quality. Below-investment-grade non-USD corporate debt is prohibited.
4. No more than 20% of any portfolio's maximum permitted non-U.S. dollar investments, measured on the date of purchase, may be invested in obligations denominated in currencies not included in the Citigroup World Government Bond Index ex US.
5. Managers are not allowed to hold a net short position in any currency and may not participate in hedging other than defensive hedging which is

defined for purposes of this section as hedging of foreign currency exposure directly into the U.S. dollar.

6. Futures and forward contracts for the purchase or sale of currencies may be entered into only to facilitate securities transactions or for defensive hedging described in (5) above.

- E. Fixed Income Portfolio Duration** – The duration of each externally managed fixed income portfolio may not exceed 25% of the duration of the Bloomberg U.S. Aggregate Bond Index for domestic fixed income portfolios and the contractual non-U.S. dollar denominated benchmark for the portfolios (or sub-portfolio component) available for investment in non-U.S. dollar denominated instruments.
- F. Fixed Income Portfolio Credit Quality** – The weighted average quality rating shall be BBB- (investment grade) or better, using the methodology described in Section I.B.1 to assign a rating for compliance purposes. Across the combined AIDEA fixed-income assets (externally managed fixed-income portfolios and direct Authority-managed fixed-income assets), the market value-weighted average credit quality shall be maintained at or above BBB- (Baa3) at all times, using the rating assignment methodology in Section I.B.1 (middle of three ratings; lower of two; single rating if only one).
- G. Fixed Income Portfolio Diversification** – The exposure of each Investment Manager portfolio to any one issuer, other than securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or GSEs, or collateralized by securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or GSEs, shall not exceed 5% of the market value of the portfolio at the time of purchase.
- H. Performance Standards** – Performance will be reviewed quarterly and evaluated annually and compared to the performance of the appropriate benchmark index and peer groups. The Bloomberg U.S. Aggregate Bond Index is the appropriate index for

domestic only external fixed income portfolios. The Citigroup World Bond Index Ex-US is the appropriate benchmark for a non-U.S. bond portfolio. A blended index comprised of both primary indexes weighted in accordance with the manager Investment Management Agreement shall be the appropriate index for an individual portfolio that expected to invest in both U.S. and non-U.S. denominated securities. The most appropriate benchmark(s) for the equity portfolio(s) will be determined prior to funding at the discretion of the Executive Director or those persons pursuant to II(C), based on market segments and regions being targeted, in consultation with AIDEA's external investment consultant. Over rolling 3 – 5 year periods, Investment Managers are expected to achieve total returns, net of fees, which at a minimum match that of the market benchmark and rank at or above the median of the peer group.

II. Investment Policy for Direct Authority-Managed Investment Assets

- A.** This policy applies to all funds managed directly by the Authority excluding those assets held by trustees for investment under bond covenants. Such assets shall be invested in accordance with the controlling instruments.
- B.** The primary investment objective of direct Authority-managed investments is to safe keep Authority funds while providing for adequate liquidity to meet immediate expenditure needs. Individual investments within the portfolio are diversified as to type of security, duration, and source in order to maintain a balanced portfolio and meet Authority bond covenants.

Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investments with consideration for the purpose of the funds, the investment objectives, the continuing disposition of the fund's investments, and the probable safety of the capital as well as the probable investment returns.

Security purchases shall be based on their merits as an investment. All investments made in the internal portfolios shall be made with a primary objective of preserving principal and achieving income returns consistent with that primary objective.

- C.** Such Authority-managed investments shall be made by the Executive Director, and/or those person(s) assigned by the Executive Director which include, but are not limited to, the Chief Investment Officer.

Direct Authority–Managed status applies only when AIDEA retains 100% investment discretion. Any grant of investment discretion to a bank or third party reclassifies the relationship as External under §I and requires VII manager selection and an IMA.

- D.** Allowable Investments:

The Executive Director and/or those person(s) assigned by the Executive Director pursuant to II (C) shall invest money only in the following investment instruments:

1. Debt instruments issued or guaranteed by the U.S. Government and its agencies and instrumentalities, and GSEs.
2. Shares/units of cash equivalent collective investment vehicles (money market funds) that are authorized to invest only in assets or securities described in I.C. of this resolution and further provided that such investment vehicles shall have a primary objective of stability of principal and ready liquidity.
3. Repurchase agreements with U.S. Treasury securities and agencies of the U.S. Government as collateral.
4. Units in the investment pool or any series of the investment pool of the Alaska Municipal League Investment Pool, Inc., or any successor to that entity, or any other investment pool for public entities of the State of Alaska that is established under the Alaska Investment Pool Act. AS

37.23.010 – AS 37.23.900.

5. Certificates of Deposit & Term Deposits (priority to Alaska banks). AIDEA may place funds in FDIC-insured CDs/term deposits issued by depository institutions with a branch presence in Alaska, provided: (a) each instrument's final maturity ≤ 36 months and the II portfolio duration ≤ 24 months is maintained; (b) balances above FDIC limits are collateralized at $\geq 102\%$ with U.S. Treasury or Agency securities, marked-to-market daily and held by an independent third-party custodian under a Securities Account Control Agreement (SACA) or equivalent tri-party agreement; (c) the bank acts solely as custodian/agent with no investment discretion; no brokered/structured/callable step-up/step-down, inverse-float, or leveraged CDs; (d) exposure to any single depository (including affiliates) does not exceed the lesser of 10% of total investable assets or \$50 million at purchase; and (e) placements are competitively bid (target ≥ 3 quotes when practicable) and documented to evidence best execution.
6. Interest-Bearing Demand / Money Market Deposit Accounts (operational cash). Interest-bearing demand or money market deposit accounts at FDIC-insured banks may be used for operational settlement and near-term cash, provided average collected balances above FDIC limits are collateralized as in the preceding paragraph with SACA/tri-party control, the relationship remains custody/agent-only (no discretion), and auto-sweeps are disabled unless the sweep destination is explicitly authorized under II.D.
7. Reciprocal Deposit / Insured Cash Sweep Programs (restricted). Programs designed solely to distribute balances for FDIC coverage may be utilized only if they do not grant investment discretion to any counterparty, preserve AIDEA's direct ownership of deposits, provide daily position-level reporting, and fully collateralize any amount not FDIC-insured consistent with the CD/term deposit paragraph above. Brokered CDs or any product that impairs look-through ownership,

portability, or collateral control are prohibited.

- E.** Any investment other than those defined in D above must be specifically approved by the Board prior to any commitment being made.
- F.** Duration – The portfolio duration for internally managed assets available for longer-term investments shall be 24 months or less. The maximum maturity of any issue shall be 36 months from the date of purchase. Investments released from pledges to bondholders, which have maturities of more than 36 months from the date of release may be retained.
- G.** Performance Standards – Performance shall be evaluated quarterly and compared to the 90-day Treasury bill and a 1-year Treasury instrument. The unrestricted liquidity portfolio is expected to produce a total return, over rolling 3 – 5 year periods that at a minimum match that of the 90-day market benchmark.
- H.** Operational Controls for Direct Authority–Managed Accounts. (1) No non-conforming sweeps, any sweep must be disabled unless the destination is authorized in II.D; (2) Trade authorization. All purchases/sales require written, trade-level instruction from AIDEA; (3) Reporting. Banks must provide monthly holdings with identifier/CUSIP, par, market value, maturity, rate, collateral detail and values, haircuts, and depository exposure by counterparty; (4) Custody & control—independent custody of collateral; substitutions require prior written consent; same-day margin calls; (5) No discretion. Banks may not rebalance, substitute, or select investments absent AIDEA’s written instruction.
- I.** Depository Eligibility & Concentration. Depositories must be FDIC-insured, meet minimum regulatory capital standards, and (if applicable) maintain a CRA rating of Satisfactory or better. Per-bank limits apply as stated above. The Executive Director (or designee) shall maintain an approved depository list reviewed at least annually.

- J.** Competitive Placement & Procurement Alignment. Internal placements shall use documented competitive quotes (target ≥ 3) and align with AIDEA procurement regulations and public-funds best-execution practices. Quote records, selection rationale, and collateral terms must be retained.
- K.** Exceptions. Any internal instrument not enumerated in II.D requires Board approval under §II.E prior to commitment. The Executive Director shall promptly notify the Board if market or counterparty conditions impair collateral sufficiency or otherwise materially affect II compliance

III. Safekeeping of Securities

The Executive Director shall appoint trustee(s) to act as safekeeping and custodial agent(s) for the Authority. All investment securities will be held by the trustee(s).

IV. Movement of Funds Among Accounts

The Executive Director shall determine the level of funds to be managed internally and shall have the authority to move funds in excess of this amount to the externally managed portfolios. The amount of funds managed internally should be sufficient to meet the Authority's expected liquidity requirements for the succeeding two years. Similarly, the Executive Director shall have the authority to move funds from the externally managed portfolios to the internal portfolio when the balance in the internal portfolio is insufficient to meet anticipated liquidity requirements. The Executive Director or those persons pursuant to II(C), above, is authorized to invest a target weight of 20% of the total market value of the AIDEA portfolio (combined internally and externally managed assets) in public equity securities. The Executive Director or those persons pursuant to II(C), above, shall rebalance the AIDEA portfolio assets periodically and as needed to remain within the established ranges for each asset class. The Executive Director shall size the Direct Authority Managed liquidity portfolio to cover approximately two years of expected cash needs and may transfer funds between internal and external portfolios to maintain this target.

V. Reporting

Each quarter the Executive Director shall cause a report to be prepared and provided to the members of the Board, which sets forth amounts invested in the externally managed equity and bond portfolios and the internally managed unrestricted liquidity portfolio. The quarterly reports shall include information regarding the diversification and performance of each portfolio in relation to appropriate market indices. The report shall include comparative performance information that enables the reader to evaluate whether the portfolios are achieving returns that are consistent with objectives given prevailing market conditions. The quarterly report will also include: (i) the percentage of high yield (below-investment-grade) U.S. corporate exposure for each externally managed fixed-income portfolio and in aggregate across all fixed-income assets; and (ii) the market value-weighted average credit quality for each externally managed fixed-income portfolio and for the combined fixed-income assets.

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

Additionally, a year-end report will be prepared and presented to the Board that identifies the components of the total investment portfolio by the externally managed portfolios, the internally managed unrestricted liquidity portfolio and the remaining investments, identified by restriction.

VI. Benchmarking

The primary benchmark for the Externally Managed Portfolio shall be a blended benchmark consisting of appropriate market indices that represent the broad asset classes which the Executive Director has implemented. The blended benchmark will be weighted proportionally according to the Board-approved strategic asset allocation targets. The External Equity SMA shall be benchmarked to MSCI ACWI (Net) or a Board-approved

successor consistent with the asset-allocation policy and the advice of the investment consultant.

VII. Manager Selection

The Authority will select appropriate Investment Managers to manage its assets. A selection committee comprised of senior management shall utilize the Authority's investment consultant to conduct a manager search assignment. This selection process shall include the establishment of specific search criteria and documentation of analysis and due diligence on potential candidates. All Investment Manager candidates must meet the following minimum criteria:

1. Be a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940 or be the State of Alaska, Department of Revenue.
2. Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style.
3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.
4. 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.
5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
6. Selected firms shall have no outstanding legal judgments or past judgments that may reflect negatively upon the firm.
7. Vehicle Form: All external manager appointments shall be SMA(s) under IMA(s); pooled vehicles are ineligible under this section.

For global equity indexing, the Authority prefers passive SMA index with very low tracking error and institutional-scale operations. If a search identifies a commingled trust

as cost-leading, Staff shall request an SMA mandate at comparable economics to comply with I (SMA form).

VIII. Further Restrictions

- A.** The Authority may not buy investments on margin.
- B.** The Authority may enter into future contracts for the sale of investments only for the purpose of hedging an existing equivalent ownership position in these securities.
- C.** Except for AMLIP under II.D.4, pooled investment vehicles (including mutual funds, ETFs, commingled funds, collective trusts, hedge funds, limited partnerships, and similar vehicles) are not permitted under this Resolution.

VIII. Effective Date

This Resolution amending Resolution G24-16 shall take effect immediately upon its adoption.

DATED at Anchorage, Alaska, the 17th day of December 1993, the 11th day of October 2001, amended the 21st day of June, 2006, amended the 19th day of July 2011, amended the 6th day of December 2021, amended the 1st day of October 2013, amended the 30th day of September 30, 2021, the 4th day of December, 2024, and further amended this 18th day of November, 2025.

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY



A handwritten signature in blue ink, appearing to read "L. O. R.", written over a horizontal line.

Secretary

A handwritten signature in blue ink, appearing to read "JSS", written over a horizontal line.

Chair