

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G22-05

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

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;

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 G01-14 adopted policies and guidelines to be followed in the investment of Authority assets;

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

WHEREAS, the Board desires to amend and restate Resolution G21-25 again to reflect changes in the Authority’s investment policies at the discretion of the Board;

WHEREAS, the Board has determined that certain public companies have adopted governance or operating policies that are likely to have a negative economic impact on the Arctic region of the State of Alaska;

WHEREAS, the Board may in its reasonable discretion determine the Authority's investment policies and has the responsibility under the Authority's statutes "to promote, develop, and advance the general prosperity and economic welfare of the people of the state, to relieve problems of unemployment, and to create additional employment", AS 44.88.070;

WHEREAS, as a result the Board has decided to restrict certain investments in companies that have adopted policies that may be detrimental to Alaska's economy;

WHEREAS, amending and carrying out the proposed investment policy are all in furtherance of the Authority's statutory powers and advance the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, AS FOLLOWS:

Section 1. The Authority approves the amended investment policy for the Authority's investment portfolios, which is attached in clean and tracked-change versions.

Section 2. The Executive Director of the Authority is authorized to take such actions as may be necessary or appropriate in furtherance of this Resolution.

DATED at Anchorage, Alaska, this ____th day of January, 2022.

Chair

SEAL
ATTEST:

Secretary

I. Investment Policy for Outside Advisor–Managed Investment Assets

The intent of the following policy is that the Executive Director of AIDEA (also the “Authority”) will enter an Investment Management Agreement (“IMA(s)”) with outside investment advisors (“Investment Manager(s)”).

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 an IMA 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 IMA 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. The IMA will also provide guidelines relating to cost, minimum safekeeping requirements and reporting requirements.

B. 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.

Investments must carry a rating of BB or above, at the time of purchase (subject to the BBB- weighted average credit quality of the portfolio), or 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 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. In the event that the rating of a security is downgraded below investment grade while the security is owned by AIDEA (including an unrated investment assigned a rating by the Investment Manager), it will no longer be eligible for purchase if the weighted average credit quality of the portfolio falls below BBB- (investment grade). . If the security that is downgraded causes the weighted average credit quality of the portfolio to fall below BBB- (investment grade) the Investment Manager will immediately report the downgrade to AIDEA with a plan of action for monitoring the security and its orderly disposition within a six-month period. If the Investment Manager believes that the security is undervalued, the Investment Manager may request that the Executive Director grant an additional six months in which to liquidate the security; the request shall be in writing and support the Investment Manager's position that the investment is undervalued. . In either case, the Investment Manager will reposition the portfolio within 6 months to represent a minimum weighted average credit quality of BBB-.

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.

C. 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 B 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.
 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.
- D. Duration – The duration of each externally managed fixed income portfolio may not exceed 25% of the duration of the Barclays Capital 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. dollardenominated instruments.
- E. Portfolio Quality –The weighted average quality rating shall be BBB- (investment grade) or better, usingthe methodology described in Section I.B.1 to assign a rating for compliance purposes.

- F. 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.
- G. Performance Standards – Performance will be reviewed quarterly and evaluated annually and compared to the performance of the appropriate benchmark index and peer groups. The BarclaysCapital 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-US 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. 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

D. Allowable Investments:

The Executive Director and/or those person(s) assigned by the Executive Director 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.B. 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.

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.

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.

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 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 and market conditions.

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.

Each Investment Manager will be required to submit a quarterly compliance certificate attesting to compliance with this Investment Policy and its Investment Management Agreement. The Investment Manager must immediately notify the Authority, and its consultant, in the event of discovering any violation of the guidelines or policies of the Investment Policy or Investment Management Agreement.

VI. 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.

VII. Further Restrictions and Prohibited Investments

- 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. The Authority may not buy securities issued by a restricted company. The list provided in Exhibit A displays a list of restricted companies that have been identified by AIDEA's Board as having adopted corporate governance and operational policies prohibiting engagement in oil and gas development within the Arctic region of the State of Alaska, including the Arctic National Wildlife Refuge.

Exhibit A: Restricted Companies

The following list of companies represent organizations that have adopted corporate governance and operational policies prohibiting engagement in oil and gas development within the Arctic region of the State of Alaska, including the Arctic National Wildlife Refuge. This list will be approved by the Board and provided by the Authority to each Investment Manager on or before July 1 of each year.

350 Colorado	Canadian Parks and Wilderness Society, Yukon Chapter
350 Eastside	Cass County MN Chapter, Izaak Walton League of America
350 Maine	Catholic Network US
350 Seattle	Center for Biological Diversity
350 Silicon Valley	Central Colorado Wilderness Coalition
350 Vermont	Central Sierra Audubon Society
350.org	Central Sierra Environmental Resource Center
350Brooklyn	Cetacean Society International
350NH	Charlton-Pollard Historical Neighborhood Association
350NYC	Chequamegon Audubon Society
A Community Voice	Chicago Audubon Society
ABN AMRO	Christian Council of Delmarva
Acadia Center	Citi
Al Carter Consulting	CitiBank
Alaska Community Action on Toxics	Citizen's Committee for Flood Relief
Alaska Wilderness League	Citizens Local Energy Action Network
Alaska Wildlife Alliance	Clean Energy Action
Alaskans For Wildlife	Clean Energy Action - Colorado
Alaskans Take A Stand	Clean Yield Asset Management
Alternatives North	Climate Action Now!
Amazon Watch	Climate Action Rhode Island
American Bird Conservancy	Climate Generation: A Will Steger Legacy
American Packrafting Association	Climate Hawks Vote
Anthropocene Alliance	Coalition for Wetlands and Forests
Arctic Audubon Society	Commerzbank AG
Arctic Treks LLC	Commonwealth Bank of Australia
Arctic Wild	Conejos Clean Water
Artic Solar Inc	Congregation of Sisters of St. Agnes
Audubon Society of Omaha	Conservation Alabama
AXA Insurance Company	Conservation Congress
Bank of America	Conservation Northwest
Bank of Montreal (BMO)	Conservationist Wilderness Committee
Barclays	Conservatives for Responsible Stewardship
Basin and Range Watch	Cottonwood Institute
BBVA	Crédit Agricole
Bernstein Construction	Crédit Mutuel
BNP Paribas	Credit Suisse Group
Braided River	Cultural Survival
Brighter Green	Cypress Chapter of the Izaak Walton League of America
Bucks County Audubon Society	Danske Bank
Caixabank	Decatur Audubon Society
Californians for Western Wilderness	Defenders of Wildlife
Call to Action Colorado	Detroit Audubon
Canadian Arctic Resources Committee	Deutsche Bank
Canadian Imperial Bank of Commerce (CIBC)	DNC Environment and Climate Crisis Council
Canadian Parks and Wilderness Society, Yukon Chapter	Dominican Sisters ~ Grand Rapids

Exhibit A: Restricted Companies (continued)

Dominican Sisters of Sparkill
Dominican Sisters of the Roman Congregation
DownRiver Alliance
Dunes-Calumet Audubon Society
Duval Audubon Society
Earth Action, Inc
Earth Ethics, Inc.
Earth Island Institute
Earth Ministry/Washington Interfaith Power & Light
Earthworks
EcoFlight
Ecology Center of Southern California
EEEECHO
EGG350.org, Elgin Green Groups350.org
Endangered Species Coalition
Environment America
Environment Council of Rhode Island
Environmental Protection Information Center
Evansville Audubon Society, Inc.
Everence and the Praxis Mutual Funds
Eyak Preservation Council
Fairbanks Climate Action Coalition
Families for a Livable Climate
Figure 8 Investment Strategies
First Peoples Worldwide
Florida Division of the Izaak Walton League of America
Florida Keys Chapter of the Izaak Walton League of America
Fox Valley Citizens for Peace & Justice
Franciscan Action Network
Franciscan Peace Center
Franciscan Sisters of Perpetual Adoration
Friends of Alaska National Wildlife Refuges
Friends of Great Salt Lake
Friends of the Earth
Fund Our Future
Georgia Interfaith Power and Light
Glasswaters Foundation
Global Urban Solutions
Goldman Sachs
Great Basin Resource Watch
Great Old Broads for Wilderness
Green America
Green Chalice of the Christian Church (Disciples of Christ)
Green Latinos
GreenFaith
Greenpeace USA
Green-Rock Audubon Society
Gwich'in Steering Committee
Harrington Investments, Inc.
HBCUs Outside
Hip Hop Caucus
Hispanic Access Foundation
Hrrrl Scouts
HSBC
Illinois Division of the Izaak Walton League
Indigenous Environmental Network
Information Network for Responsible Mining
ING
InterAmerican Clean Energy Institute
Interfaith Center on Corporate Responsibility
Interfaith Power & Light
Iowa Audubon
Izaak Walton League Mangrove Chapter
JP Morgan Chase
Juniata Valley Audubon Society
Keeper of the Mountains Foundation
Kentucky Interfaith Power & Light
Kern Audubon Society
Kids Speak For Parks
Klamath Forest Alliance
Labor Network for Sustainability
Lake Co. Audubon Society
Laughing Whitefish Audubon Society
LBC Action
Leadership Team of the Felician Sisters of NA
League of Conservation Voters
Lloyds Banking Group
Lloyd's of London
Local 100, United Labor Unions
LPESM Riau
Maine Audubon
Maine Conservation Voters
Market Forces
Michigan League of Conservation Voters
Minnesota River Valley Audubon Chapter
Morgan Stanley
Movement Rights
Mt. Zion Community Outreach, Inc.
National Audubon Society
National Australia Bank
National Wildlife Refuge Association
Native American Rights Fund

Exhibit A: Restricted Companies (continued)

Native Movement	San Juan Citizens Alliance
Natixis	San Luis Valley Ecosystem Council
Natural Resources Council of Maine	Santander
Natural Resources Defense Council	Save Our Canyons
Nature Abounds	Save Our Illinois Land
NatWest	Scotiabank
NDN Collective	Scott Community College Environmental Club
New Energy Economy	Seventh Generation Interfaith
New Jersey Sierra Club, Ocean Group	Sheep Mountain Alliance
New Mexico Horse Council	Sierra Club
New Mexico Sportsmen	Sierra Club Foundation
New Mexico Voices for Children	Sierra Forest Legacy
North Cascades Audubon Society	Sisters of Bon Secours USA
Northcoast Environmental Center	Sisters of Charity of Saint Elizabeth
Northeastern Wisconsin (NEW) Audubon Society	Sisters of Mary Reparatrix
Northern Alaska Environmental Center	Sisters of Mercy of the Americas Justice Team
Northern Arizona Audubon Society	Sisters of St. Dominic of Blauvelt, New York
Nuclear Information and Resource Service	Sisters of St. Dominic of Tacoma and Associates
Oakland Audubon Society	Sisters of St. Francis-Dubuque
Olympic Climate Action	Sisters of the Holy Names, U.S.-Ontario Province
Olympic Forest Coalition	Sisters of the Presentation of the BVM
Omni Center for Peace, Justice & Ecology	Skandinaviska Enskilda Banken (SEB)
Onondaga Audubon	Skye Advisors LLC
OUT There Adventures	Société Générale
OVEC-Ohio Valley Environmental Coalition	South Umpqua Rural Community Partnership
Pennsylvania Council of Churches	Southern Maine Conservation Collaborative
Perpetual Motion NW	Southern United Neighborhoods
Physicians for Social Responsibility Maine Chapter	Stand.earth
Polly Dyer Cascadia Great Old Broads for Wilderness	Standard Chartered
Project Coyote	Staten Island Coalition for Wetlands and Forests
Protect Our Winters	Staten Island Urban Center, Inc.
Pueblo Action Alliance	Stockbridge Audubon Chapter
Rabobank	Sunrise Movement
Rachel Carson Council	Sustaining Way
Rainforest Action Network	SustainUS
Rapid Shift Network	Swedbank
Raptors Are The Solution	TD
Region VI Coalition for Responsible Investment	Tennessee Wild
RESTORE: The North Woods	The American Alpine Club
Rio Grande Indivisible	The Climate Center
Rivers & Birds, Inc.	The Climate Museum
Rocky Mountain Recreation Initiative	The Land Institute
Rocky Mountain Wild	The Lands Council
Royal Bank of Canada (RBC)	The Mountain Pact
Safe Alternatives for our Forest Environment	The Wilderness Society
San Diego Audubon Society	Trustees for Alaska

Exhibit A: Restricted Companies (continued)

Turtle Island Restoration Network
UBS
UniCredit Group
Unitarian Universalist Service Committee
US Bancorp
Utah Physicians for a Healthy Environment
Vermont Conservation Voters
Voices for Earth Justice
Vote Climate
Washington Wild
Wells Fargo
Western Environmental Law Center
Western Watersheds Project
Westpac
Wild Heritage
WildEarth Guardians
Wilderness in the City
Wilderness Watch
Wildlife Adventures
Winter Wildlands Alliance
Wintu Audubon Society
Wisconsin Conservation Voters
Wisconsin Metro Audubon Society
Women's Earth and Climate Action Network (WECAN)
Zumbro Valley Audubon
Zurich Insurance Group

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- D. Duration – The duration of each externally managed fixed income portfolio may not exceed 25% of the duration of the Barclays Capital 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. dollardenominated instruments.
- E. Portfolio Quality –The weighted average quality rating shall be BBB- (investment grade) or better, usingthe methodology described in Section I.B.1 to assign a rating for compliance purposes.

- F. 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.
- G. Performance Standards – Performance will be reviewed quarterly and evaluated annually and compared to the performance of the appropriate benchmark index and peer groups. The BarclaysCapital 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-US 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. 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

D. Allowable Investments:

The Executive Director and/or those person(s) assigned by the Executive Director 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.B. 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.

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.

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.

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 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 and market conditions.

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.

Each Investment Manager will be required to submit a quarterly compliance certificate attesting to compliance with this Investment Policy and its Investment Management Agreement. The Investment Manager must immediately notify the Authority, and its consultant, in the event of discovering any violation of the guidelines or policies of the Investment Policy or Investment Management Agreement.

VI. 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.

VII. Further Restrictions and Prohibited Investments

- 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 ~~Secretary~~
- C. The Authority may not buy securities issued by a restricted company. The list provided in Exhibit A displays a list of restricted companies that have been identified by AIDEA's Board as having adopted corporate governance and operational policies prohibiting engagement in oil and gas development within the Arctic region of the State of Alaska, including the Arctic National Wildlife Refuge.

VIII. Effective Date

~~This Resolution amending Resolution G01-14D shall take effect immediately upon its adoption.~~

~~DATED at Anchorage, Alaska, 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, 2012, amended the 1st day of October, 2013, and further amended this 30th day of September, 2021.~~

~~ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY~~

Chair

SEAL
ATTEST:

Exhibit A: Restricted Companies

The following list of companies represent organizations that have adopted corporate governance and operational policies prohibiting engagement in oil and gas development within the Arctic region of the State of Alaska, including the Arctic National Wildlife Refuge. This list will be approved by the Board and provided by the Authority to each Investment Manager on or before July 1 of each year.

350 Colorado	Canadian Parks and Wilderness Society, Yukon Chapter
350 Eastside	Cass County MN Chapter, Izaak Walton League of America
350 Maine	Catholic Network US
350 Seattle	Center for Biological Diversity
350 Silicon Valley	Central Colorado Wilderness Coalition
350 Vermont	Central Sierra Audubon Society
350.org	Central Sierra Environmental Resource Center
350Brooklyn	Cetacean Society International
350NH	Charlton-Pollard Historical Neighborhood Association
350NYC	Chequamegon Audubon Society
A Community Voice	Chicago Audubon Society
ABN AMRO	Christian Council of Delmarva
Acadia Center	Citi
Al Carter Consulting	CitiBank
Alaska Community Action on Toxics	Citizen's Committee for Flood Relief
Alaska Wilderness League	Citizens Local Energy Action Network
Alaska Wildlife Alliance	Clean Energy Action
Alaskans For Wildlife	Clean Energy Action - Colorado
Alaskans Take A Stand	Clean Yield Asset Management
Alternatives North	Climate Action Now!
Amazon Watch	Climate Action Rhode Island
American Bird Conservancy	Climate Generation: A Will Steger Legacy
American Packrafting Association	Climate Hawks Vote
Anthropocene Alliance	Coalition for Wetlands and Forests
Arctic Audubon Society	Commerzbank AG
Arctic Treks LLC	Commonwealth Bank of Australia
Arctic Wild	Conejos Clean Water
Artic Solar Inc	Congregation of Sisters of St. Agnes
Audubon Society of Omaha	Conservation Alabama
AXA Insurance Company	Conservation Congress
Bank of America	Conservation Northwest
Bank of Montreal (BMO)	Conservationist Wilderness Committee
Barclays	Conservatives for Responsible Stewardship
Basin and Range Watch	Cottonwood Institute
BBVA	Crédit Agricole
Bernstein Construction	Crédit Mutuel
BNP Paribas	Credit Suisse Group
Braided River	Cultural Survival
Brighter Green	Cypress Chapter of the Izaak Walton League of America
Bucks County Audubon Society	Danske Bank
Caixabank	Decatur Audubon Society
Californians for Western Wilderness	Defenders of Wildlife
Call to Action Colorado	Detroit Audubon
Canadian Arctic Resources Committee	Deutsche Bank
Canadian Imperial Bank of Commerce (CIBC)	DNC Environment and Climate Crisis Council
Canadian Parks and Wilderness Society, Yukon Chapter	Dominican Sisters ~ Grand Rapids

Exhibit A: Restricted Companies (continued)

Dominican Sisters of Sparkill
Dominican Sisters of the Roman Congregation
DownRiver Alliance
Dunes-Calumet Audubon Society
Duval Audubon Society
Earth Action, Inc
Earth Ethics, Inc.
Earth Island Institute
Earth Ministry/Washington Interfaith Power & Light
Earthworks
EcoFlight
Ecology Center of Southern California
EEECHO
EGG350.org, Elgin Green Groups350.org
Endangered Species Coalition
Environment America
Environment Council of Rhode Island
Environmental Protection Information Center
Evansville Audubon Society, Inc.
Everence and the Praxis Mutual Funds
Eyak Preservation Council
Fairbanks Climate Action Coalition
Families for a Livable Climate
Figure 8 Investment Strategies
First Peoples Worldwide
Florida Division of the Izaak Walton League of America
Florida Keys Chapter of the Izaak Walton League of America
Fox Valley Citizens for Peace & Justice
Franciscan Action Network
Franciscan Peace Center
Franciscan Sisters of Perpetual Adoration
Friends of Alaska National Wildlife Refuges
Friends of Great Salt Lake
Friends of the Earth
Fund Our Future
Georgia Interfaith Power and Light
Glasswaters Foundation
Global Urban Solutions
Goldman Sachs
Great Basin Resource Watch
Great Old Broads for Wilderness
Green America
Green Chalice of the Christian Church (Disciples of Christ)
Green Latinos
GreenFaith
Greenpeace USA
Green-Rock Audubon Society
Gwich'in Steering Committee
Harrington Investments, Inc.
HBCUs Outside
Hip Hop Caucus
Hispanic Access Foundation
Hrrr! Scouts
HSBC
Illinois Division of the Izaak Walton League
Indigenous Environmental Network
Information Network for Responsible Mining
ING
InterAmerican Clean Energy Institute
Interfaith Center on Corporate Responsibility
Interfaith Power & Light
Iowa Audubon
Izaak Walton League Mangrove Chapter
JP Morgan Chase
Juniata Valley Audubon Society
Keeper of the Mountains Foundation
Kentucky Interfaith Power & Light
Kern Audubon Society
Kids Speak For Parks
Klamath Forest Alliance
Labor Network for Sustainability
Lake Co. Audubon Society
Laughing Whitefish Audubon Society
LBC Action
Leadership Team of the Felician Sisters of NA
League of Conservation Voters
Lloyds Banking Group
Lloyd's of London
Local 100, United Labor Unions
LPESM Riau
Maine Audubon
Maine Conservation Voters
Market Forces
Michigan League of Conservation Voters
Minnesota River Valley Audubon Chapter
Morgan Stanley
Movement Rights
Mt. Zion Community Outreach, Inc.
National Audubon Society
National Australia Bank
National Wildlife Refuge Association
Native American Rights Fund

Exhibit A: Restricted Companies (continued)

Native Movement	San Juan Citizens Alliance
Natixis	San Luis Valley Ecosystem Council
Natural Resources Council of Maine	Santander
Natural Resources Defense Council	Save Our Canyons
Nature Abounds	Save Our Illinois Land
NatWest	Scotiabank
NDN Collective	Scott Community College Environmental Club
New Energy Economy	Seventh Generation Interfaith
New Jersey Sierra Club, Ocean Group	Sheep Mountain Alliance
New Mexico Horse Council	Sierra Club
New Mexico Sportsmen	Sierra Club Foundation
New Mexico Voices for Children	Sierra Forest Legacy
North Cascades Audubon Society	Sisters of Bon Secours USA
Northcoast Environmental Center	Sisters of Charity of Saint Elizabeth
Northeastern Wisconsin (NEW) Audubon Society	Sisters of Mary Reparatrix
Northern Alaska Environmental Center	Sisters of Mercy of the Americas Justice Team
Northern Arizona Audubon Society	Sisters of St. Dominic of Blauvelt, New York
Nuclear Information and Resource Service	Sisters of St. Dominic of Tacoma and Associates
Oakland Audubon Society	Sisters of St. Francis-Dubuque
Olympic Climate Action	Sisters of the Holy Names, U.S.-Ontario Province
Olympic Forest Coalition	Sisters of the Presentation of the BVM
Omni Center for Peace, Justice & Ecology	Skandinaviska Enskilda Banken (SEB)
Onondaga Audubon	Skye Advisors LLC
OUT There Adventures	Société Générale
OVEC-Ohio Valley Environmental Coalition	South Umpqua Rural Community Partnership
Pennsylvania Council of Churches	Southern Maine Conservation Collaborative
Perpetual Motion NW	Southern United Neighborhoods
Physicians for Social Responsibility Maine Chapter	Stand.earth
Polly Dyer Cascadia Great Old Broads for Wilderness	Standard Chartered
Project Coyote	Staten Island Coalition for Wetlands and Forests
Protect Our Winters	Staten Island Urban Center, Inc.
Pueblo Action Alliance	Stockbridge Audubon Chapter
Rabobank	Sunrise Movement
Rachel Carson Council	Sustaining Way
Rainforest Action Network	SustainUS
Rapid Shift Network	Swedbank
Raptors Are The Solution	TD
Region VI Coalition for Responsible Investment	Tennessee Wild
RESTORE: The North Woods	The American Alpine Club
Rio Grande Indivisible	The Climate Center
Rivers & Birds, Inc.	The Climate Museum
Rocky Mountain Recreation Initiative	The Land Institute
Rocky Mountain Wild	The Lands Council
Royal Bank of Canada (RBC)	The Mountain Pact
Safe Alternatives for our Forest Environment	The Wilderness Society
San Diego Audubon Society	Trustees for Alaska

Exhibit A: Restricted Companies (continued)

Turtle Island Restoration Network
UBS
UniCredit Group
Unitarian Universalist Service Committee
US Bancorp
Utah Physicians for a Healthy Environment
Vermont Conservation Voters
Voices for Earth Justice
Vote Climate
Washington Wild
Wells Fargo
Western Environmental Law Center
Western Watersheds Project
Westpac
Wild Heritage
WildEarth Guardians
Wilderness in the City
Wilderness Watch
Wildlife Adventures
Winter Wildlands Alliance
Wintu Audubon Society
Wisconsin Conservation Voters
Wisconsin Metro Audubon Society
Women's Earth and Climate Action Network (WECAN)
Zumbro Valley Audubon
Zurich Insurance Group
