

# INTRODUCTION TO APCM

*November 10, 2016*



**City of Kodiak**



**ALASKA PERMANENT  
CAPITAL MANAGEMENT**

Registered Investment Adviser

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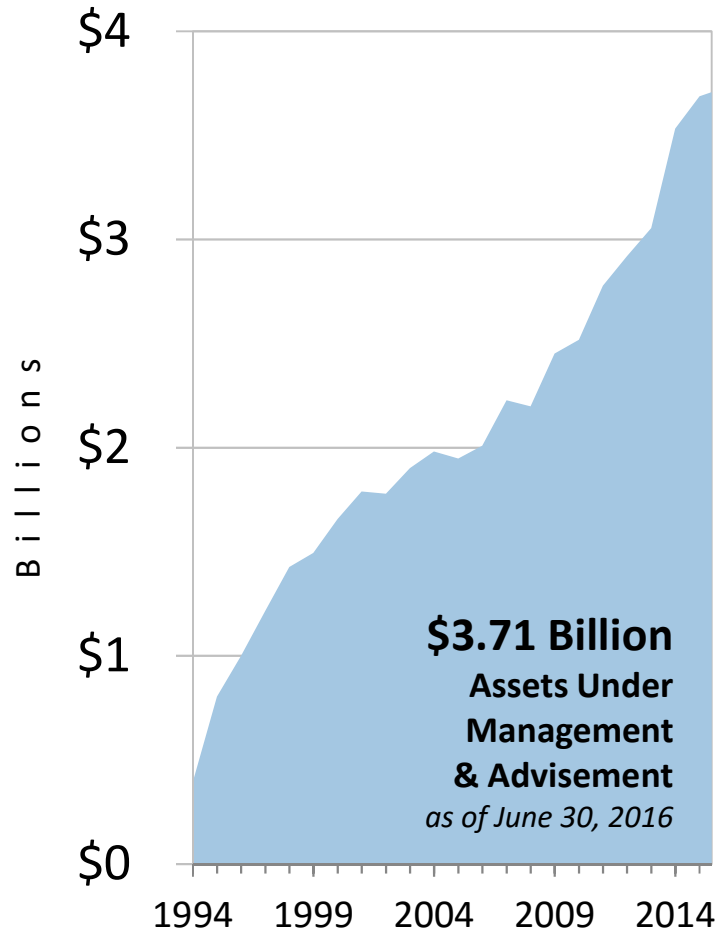
TRUSTED ADVISORS ▪ MORE EXPERTS ▪ BETTER ACCESS

# Table of Contents

- Introduction to APCM
- Investment Portfolio
- Action Items

# Alaska Permanent Capital Management

*APCM has been helping clients achieve their investment goals for over two decades.*



- **SEC Registered Investment Advisor** serving Alaska institutions
- Owned and operated by Alaskans, located in Anchorage
- Multi asset class **balanced accounts or fixed income only** portfolios
- Conservative investments tailored to each client
- Investment advisor for **AMLIP** (\$600MM)
- **A fiduciary**, acting in the client's best interest only and completely **free of any conflicts of interest**

Chart shows annual year end AUM figures for APCM and its subsidiaries from 1994 to 2015.

Data for 2016 displayed through June.

# Portfolio Decisions Made in Alaska

*APCM's clients have local access to nationally recognized investment experts.*



*Experience that adds up:*

**5** Chartered Financial Analysts® (CFA®)

**2** Certified Public Accounts (CPA)

**3** Certified Financial Planners™ (CFP®)

**1** Accredited Investment Fiduciaries® (AIF®)

**1** Chartered Financial Consultant® (ChFC®)

**1** Certified Management Accountant (CMA)

**200+ YEARS OF INDUSTRY EXPERIENCE**

# Trusted Advisors

APCM is an Alaskan corporation with a FIDUCIARY responsibility to all of its clients.

## **NO CONFLICTS OF INTEREST**

No soft dollar purchases

No “pay to play” arrangements

No revenue sharing agreements

No commission recapture programs

# Comprehensive Investment Process

**Plan**

**Analyze**

*Collaborative Process  
Led by APCM*

**Review**

**Implement**

# City of Kodiak Investment Portfolio

- 3.16.030 Permissible Investments
  - The finance director shall invest public funds only in the following types of security investments:
    - ◆ (a) Bonds, notes, or other obligations, direct or otherwise, of the United States
    - ◆ (b) Bonds and other evidence of indebtedness of the state of Alaska or its political subdivisions or other states of the United States.
    - ◆ (c) Savings accounts, certificates of deposit, bankers' acceptances, repurchase agreements, and such other security instruments as may be authorized by law; and
    - ◆ (d) The Alaska Municipal League Investment Pool, Inc., made in accordance with the terms of that pool's Common Investment Agreement.



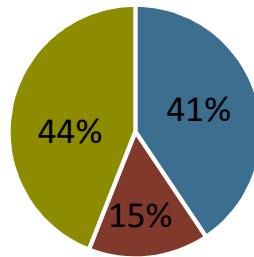
# Two Accounts

## Operating Account

Yield:	0.51%
Duration:	0.22
Market Value:	\$12,976,563

As of 11/07/2016

Holdings



■ CASH ■ GOVT ■ CORP

### Benchmark

- 90 Day T-bill Index

### Investment Plan

- Invest cash
- Final Duration TBD
- Invest in Municipals

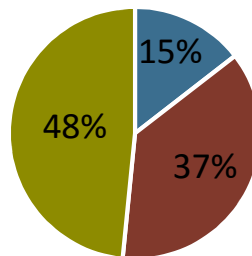
Hard Final Restriction of 2 years

## Enhancement Account

Yield:	0.89%
Duration:	0.80
Market Value:	\$4,074,843

As of 11/07/2016

Holdings



■ CASH ■ GOVT ■ CORP

### Benchmark

- 1-3 Year Government Index

### Investment Plan

- Invest cash
- Extend duration

Hard Final Restriction of 5 years

# Portfolio Management Transition

- **APCM will begin to invest** the accounts in accordance with the municipal code
- **Monthly reporting** with account **market value and performance** is provided electronically by APCM. Separate reporting is provided by the custodian
- **In-person meetings** can be held annually to provide account and market updates, as well as reaffirming cash flow needs and risk tolerance
- **APCM is always available for questions** and consultation on account or market related matters

# Action Items

- ✓ Confirm transfers and reconcile balances
- ✓ Met with investment committee
- ✓ Approve recommended benchmarks
- ✓ Understanding cash flow needs
- Investment Policy Statement development
- Future annual meetings