

Callan

September 2020



City of Valdez Permanent Fund

City Council Presentation

Alex Browning

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Senior Vice President



At Callan, we collaborate with each client to build tailored and lasting investment solutions.

Firm Overview

- Founded in 1973 by Ed Callan
- Employee-owned investment consulting firm
- Advise more than 400 funds representing greater than \$2.0 trillion in assets
- Over 180 professionals, including 91 shareholders

Callan began advising the Permanent Fund in 1997

Education & Events

- Callan Institute: National Conference | Regional Workshops
- Center for Investment Training: Callan College
- Customized Sessions & Continuing Education Credits

What Makes Callan Different?

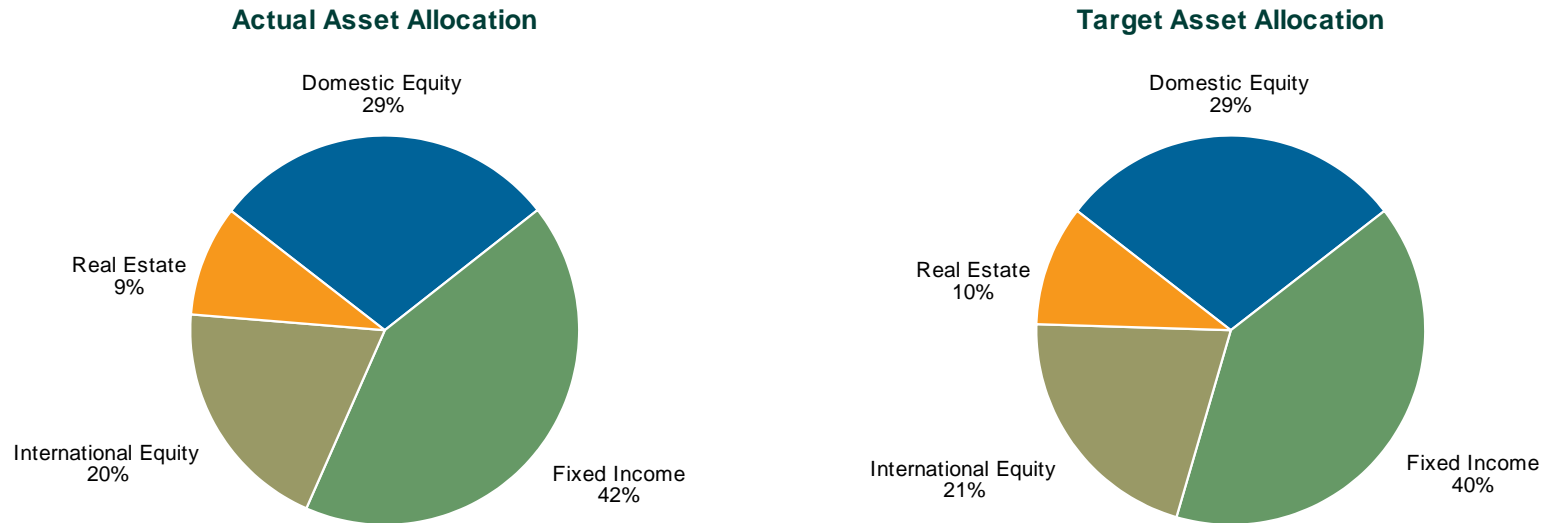
In addition to our unique culture of collaboration and peer oversight, we combine the benefits of large and small consulting firms.



- The City of Valdez Permanent Fund is a very important client to Callan
- Our objective has always been to make the City of Valdez feel like our only client

Total Fund Asset Allocation

As of June 30, 2020



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	63,337	28.9%	29.0%	(0.1%)	(253)
Fixed Income	92,501	42.2%	40.0%	2.2%	4,791
International Equity	43,271	19.7%	21.0%	(1.3%)	(2,777)
Real Estate	20,167	9.2%	10.0%	(0.8%)	(1,761)
Total	219,276	100.0%	100.0%		

- Annual distribution to the General Fund = 1.5% or approximately \$3.3MM
- Long-Term Permanent Fund growth objective = CPI + 4.0% or approximately \$11.0MM
- Permanent Fund: 50% Stocks, 40% Bonds, 10% Real Estate

Manager Asset Balances

As of June 30, 2020

	June 30, 2020				March 31, 2020	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	\$63,336,888	28.88%	\$(2,937,366)	\$11,813,275	\$54,460,979	27.39%
Large Cap Equity	\$47,143,474	21.50%	\$(2,937,366)	\$8,639,885	\$41,440,954	20.84%
Vanguard Institutional Index	47,143,474	21.50%	(2,937,366)	8,639,885	41,440,954	20.84%
Mid Cap Equity	\$11,527,791	5.26%	\$0	\$2,234,361	\$9,293,430	4.67%
Vanguard S&P Mid Cap 400 Index	11,527,791	5.26%	0	2,234,361	9,293,430	4.67%
Small Cap Equity	\$4,665,623	2.13%	\$0	\$939,028	\$3,726,595	1.87%
QMA US Small Cap	4,665,623	2.13%	0	939,028	3,726,595	1.87%
 International Equity	 \$43,271,102	 19.73%	 \$(15,051)	 \$8,136,260	 \$35,149,892	 17.68%
Vanguard Intl Growth	22,248,263	10.15%	0	5,521,971	16,726,292	8.41%
Vanguard Intl Value	14,700,624	6.70%	0	1,921,165	12,779,459	6.43%
Brandes International Small Cap	6,322,214	2.88%	(15,051)	693,124	5,644,141	2.84%
 Fixed Income	 \$92,501,277	 42.18%	 \$(1,305)	 \$3,928,547	 \$88,574,035	 44.55%
Alaska Permanent Cap Mgmt	32,853,389	14.98%	(1,305)	859,407	31,995,286	16.09%
Standish Global Fixed	26,974,250	12.30%	0	1,576,329	25,397,921	12.77%
Baird Aggregate Bond	32,673,638	14.90%	0	1,492,811	31,180,827	15.68%
 Real Estate	 \$20,166,563	 9.20%	 \$(45,861)	 \$(412,834)	 \$20,625,258	 10.37%
UBS Trumbull Property	9,211,279	4.20%	(22,420)	(229,230)	9,462,929	4.76%
Morgan Stanley Prime Property Fund	10,955,284	5.00%	(23,441)	(183,604)	11,162,329	5.61%
 Total Fund	 \$219,275,830	 100.0%	 \$(2,999,582)	 \$23,465,248	 \$198,810,164	 100.0%

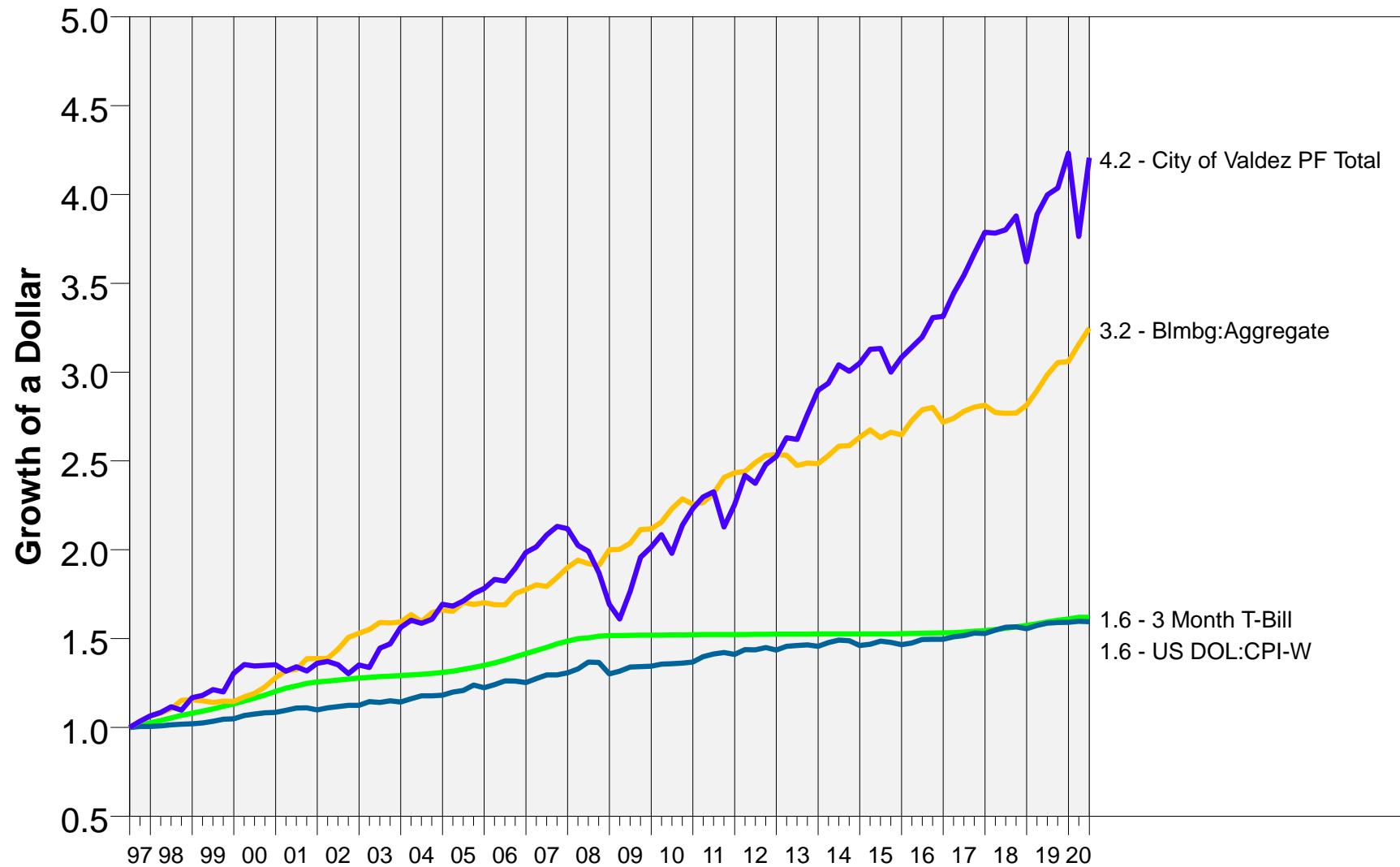
City of Valdez Permanent Fund Investment Returns (\$)

Trailing 1-Year Period as of June 30, 2020

	3Q19	4Q19	1Q20	2Q20	Last Year
Domestic Equity	\$ 775,137	\$ 5,658,950	\$ (16,163,171)	\$ 11,813,266	\$ 2,084,181
Vanguard Institutional Index	\$ 785,971	\$ 4,281,442	\$ (10,092,174)	\$ 8,639,876	\$ 3,615,115
Vanguard S&P Mid Cap 400 Index	\$ (12,184)	\$ 871,171	\$ (3,928,032)	\$ 2,234,361	\$ (834,685)
RBC Small Cap Core	\$ 1,350	\$ -	\$ -	\$ -	\$ 1,350
QMA Small Cap	\$ -	\$ 506,338	\$ (2,142,965)	\$ 939,028	\$ (697,599)
International Equity	\$ (1,045,948)	\$ 4,504,499	\$ (9,802,461)	\$ 8,136,260	\$ 1,792,351
Vanguard International Growth	\$ (539,789)	\$ 2,475,124	\$ (3,072,042)	\$ 5,521,971	\$ 4,385,264
Vanguard International Value	\$ (201,816)	\$ 1,397,332	\$ (4,553,529)	\$ 1,921,165	\$ (1,436,847)
Brandes International Small Cap	\$ (304,343)	\$ 632,043	\$ (2,176,890)	\$ 693,124	\$ (1,156,066)
Fixed Income	\$ 1,959,797	\$ 14,142	\$ 1,033,099	\$ 3,928,547	\$ 6,935,585
Alaska Permanent Capital Management	\$ 674,215	\$ 16,036	\$ 1,174,757	\$ 859,407	\$ 2,724,415
Standish Global Fixed Income	\$ 564,431	\$ (93,601)	\$ (601,654)	\$ 1,576,329	\$ 1,445,505
Baird Aggregate Bond	\$ 721,151	\$ 91,708	\$ 459,995	\$ 1,492,811	\$ 2,765,665
Real Estate	\$ 270,130	\$ 199,749	\$ 108,861	\$ (412,834)	\$ 165,905
UBS Trumbull Property	\$ 84,974	\$ 4,428	\$ 41,685	\$ (229,230)	\$ (98,143)
Mogran Stanley Prime Property Fund	\$ 185,155	\$ 195,321	\$ 67,176	\$ (183,604)	\$ 264,048
Total	\$ 1,959,115	\$ 10,377,341	\$ (24,823,673)	\$ 23,465,239	\$ 10,978,022

City of Valdez Permanent Fund Total Fund Growth

Growth of a Dollar
For 23 Years Ended June 30, 2020



City of Valdez Permanent Fund Total Returns

Cumulative Annualized as of June 30, 2020

Callan Public Fund Spons- Mid (100M-1B) (Gross)
Annualized Seven Year Risk vs Return



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years
10th Percentile	14.12	5.28	6.91	7.07	8.01	9.33	7.21
25th Percentile	13.04	4.49	6.38	6.31	7.22	8.55	6.65
Median	11.77	3.30	5.73	5.98	6.87	7.95	6.31
75th Percentile	10.86	1.99	5.04	5.41	6.32	7.36	5.83
90th Percentile	10.14	0.33	4.46	4.88	5.80	6.85	5.22
Total Fund ●	11.78	5.21	5.87	6.07	6.99	7.82	6.18
Target Benchmark ▲	10.96	5.92	6.41	6.16	6.86	7.65	6.11