

Callan

September 2021



City of Valdez Permanent Fund

City Council Presentation

Alex Browning

Senior Vice President

Alex Ford

Vice President

Callan LLC



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 425 fund sponsor clients representing \$3.2 trillion in assets
- Over 190 professionals, including 108 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

Firm and employee statistics as of June 30, 2021.

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.

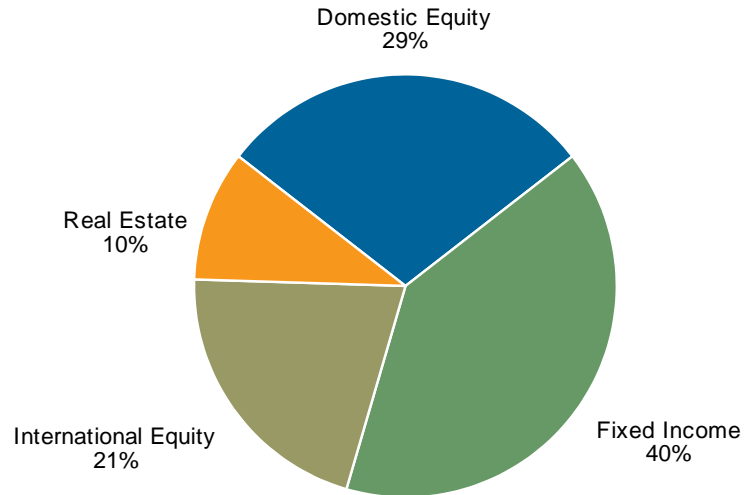


- The City of Valdez Permanent Fund is a very important client to Callan
- Our objective has always been to make the City of Valdez feel like our **only** client

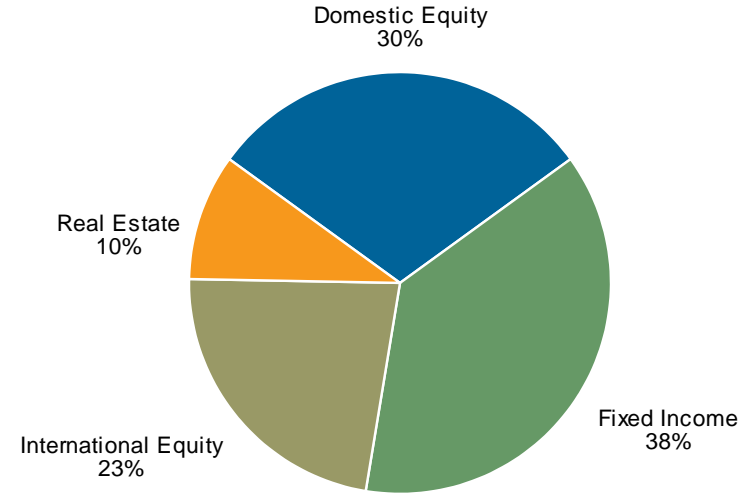
Total Fund Asset Allocation

As of June 30, 2021

Target Asset Allocation



Actual Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	82,617	30.0%	29.0%	1.0%	2,652
Fixed Income	103,748	37.6%	40.0%	(2.4%)	(6,549)
International Equity	62,667	22.7%	21.0%	1.7%	4,762
Real Estate	26,710	9.7%	10.0%	(0.3%)	(865)
Total	275,741	100.0%	100.0%		

- Annual distribution to the General Fund = 1.5%, or approximately \$4.1MM
- Long-Term Permanent Fund growth objective = CPI + 4.0%, or approximately \$16.5MM
- Permanent Fund Policy: 50% Stocks, 40% Bonds, 10% Real Estate

Manager Asset Balances

As of June 30, 2021

	June 30, 2021				March 31, 2021	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	\$82,616,779	29.96%	\$(8,751,907)	\$5,692,095	\$85,676,591	31.86%
Large Cap Equity	\$58,501,557	21.22%	\$(3,751,907)	\$4,734,708	\$57,518,755	21.39%
Vanguard Institutional Index	58,501,557	21.22%	(3,751,907)	4,734,708	57,518,755	21.39%
Mid Cap Equity	\$16,173,102	5.87%	\$(3,500,000)	\$615,576	\$19,057,526	7.09%
Vanguard S&P Mid Cap 400 Index	16,173,102	5.87%	(3,500,000)	615,576	19,057,526	7.09%
Small Cap Equity	\$7,942,121	2.88%	\$(1,500,000)	\$341,811	\$9,100,309	3.38%
QMA US Small Cap	7,942,121	2.88%	(1,500,000)	341,811	9,100,309	3.38%
 International Equity	 \$62,667,291	 22.73%	 \$(3,212,524)	 \$3,878,380	 \$62,001,435	 23.05%
Vanguard Intl Growth	26,752,549	9.70%	0	1,863,813	24,888,736	9.25%
Vanguard Intl Value	22,687,145	8.23%	(3,200,940)	891,832	24,996,253	9.29%
Brandes International Small Cap	13,227,597	4.80%	(11,584)	1,122,735	12,116,446	4.51%
 Fixed Income	 \$103,747,795	 37.63%	 \$1,248,027	 \$1,767,421	 \$100,732,348	 37.45%
Alaska Permanent Cap Mgmt	36,387,778	13.20%	1,248,027	703,798	34,435,954	12.80%
Standish Global Fixed	31,090,023	11.28%	0	355,784	30,734,240	11.43%
Baird Aggregate Bond	36,269,993	13.15%	0	707,839	35,562,154	13.22%
 Real Estate	 \$26,709,603	 9.69%	 \$5,460,012	 \$715,429	 \$20,534,162	 7.64%
UBS Trumbull Property	13,341,800	4.84%	3,884,056	372,818	9,084,927	3.38%
Morgan Stanley Prime Property Fund	13,367,803	4.85%	1,575,957	342,611	11,449,235	4.26%
 Total Fund	 \$275,741,468	 100.0%	 \$(5,256,392)	 \$12,053,324	 \$268,944,536	 100.0%

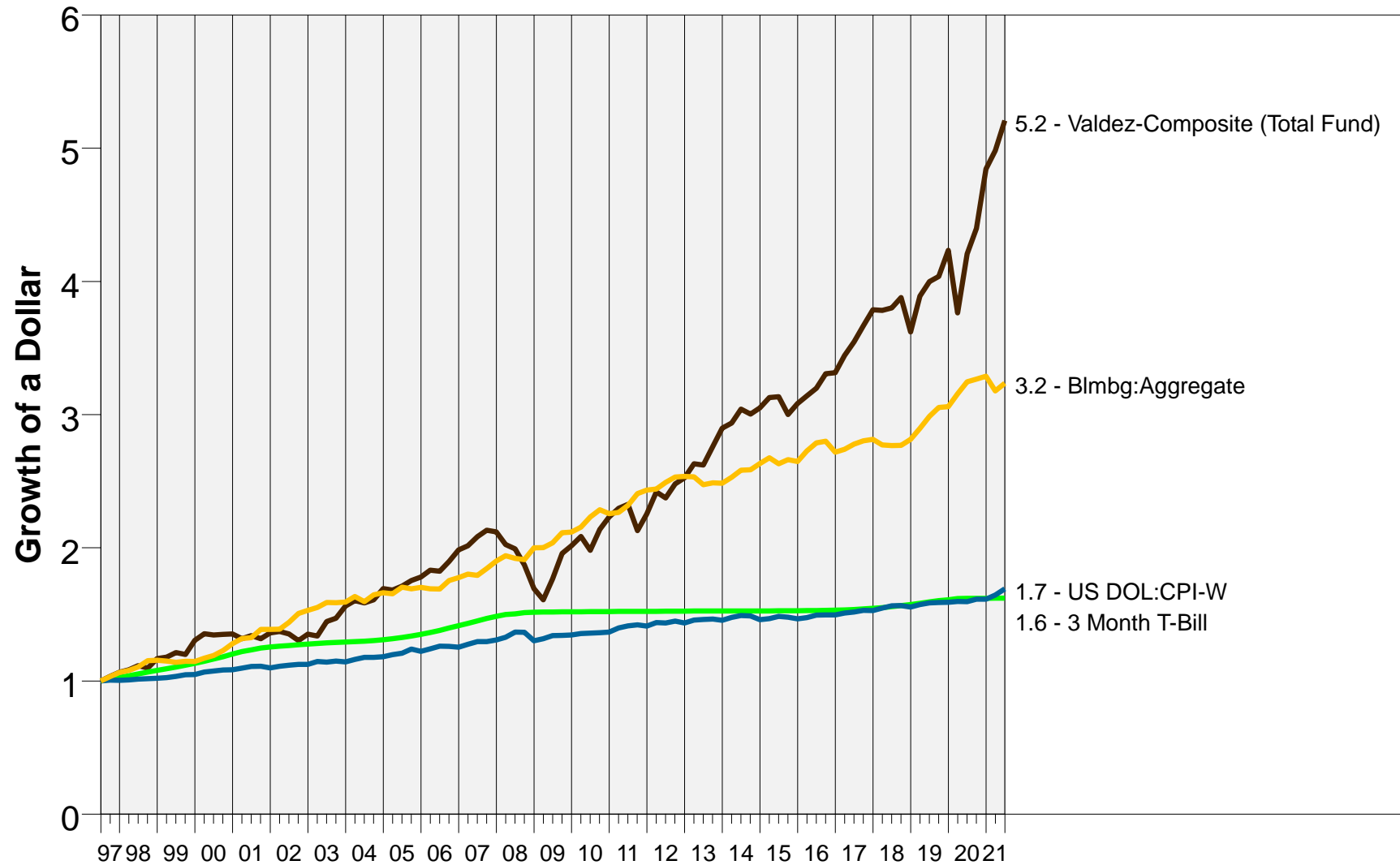
City of Valdez Permanent Fund Investment Returns (\$)

Trailing 1-Year Period as of June 30, 2021

	3Q20	4Q20	1Q21	2Q21	Last Year
Domestic Equity	\$ 4,636,814	\$ 10,810,031	\$ 6,925,609	\$ 5,692,095	\$ 28,064,549
Vanguard Institutional Index	\$ 4,171,921	\$ 5,868,008	\$ 3,344,717	\$ 4,734,708	\$ 18,119,355
Vanguard Mid Cap 400 Index	\$ 479,796	\$ 3,290,897	\$ 2,259,043	\$ 615,576	\$ 6,645,311
QMA US Small Cap	\$ (14,903)	\$ 1,651,126	\$ 1,321,849	\$ 341,811	\$ 3,299,883
International Equity	\$ 4,090,291	\$ 11,344,254	\$ 2,586,119	\$ 3,878,380	\$ 21,899,045
Vanguard International Growth	\$ 3,319,954	\$ 4,579,380	\$ (258,860)	\$ 1,863,813	\$ 9,504,286
Vanguard International Value	\$ 423,984	\$ 4,514,992	\$ 1,356,653	\$ 891,832	\$ 7,187,460
Brandes International Small Cap	\$ 346,354	\$ 2,249,883	\$ 1,488,326	\$ 1,122,735	\$ 5,207,299
Fixed Income	\$ 1,051,384	\$ 1,091,164	\$ (2,756,827)	\$ 1,767,421	\$ 1,153,143
APMC	\$ 229,024	\$ 85,219	\$ (1,077,026)	\$ 703,798	\$ (58,986)
Standish Global Fixed Income	\$ 474,481	\$ 662,987	\$ (577,478)	\$ 355,784	\$ 915,774
Baird Aggregate Bond	\$ 347,879	\$ 342,959	\$ (1,102,323)	\$ 707,839	\$ 296,355
Real Estate	\$ 128,228	\$ 18,077	\$ 351,672	\$ 715,429	\$ 1,213,406
UBS Trumbull Property	\$ (11,338)	\$ (168,424)	\$ 113,938	\$ 372,818	\$ 306,994
Morgan Stanley Prime Property Fund	\$ 139,567	\$ 186,501	\$ 237,734	\$ 342,611	\$ 906,412
Total	\$ 9,906,718	\$ 23,263,527	\$ 7,106,573	\$ 12,053,325	\$ 52,330,143

City of Valdez Permanent Fund Total Fund Growth

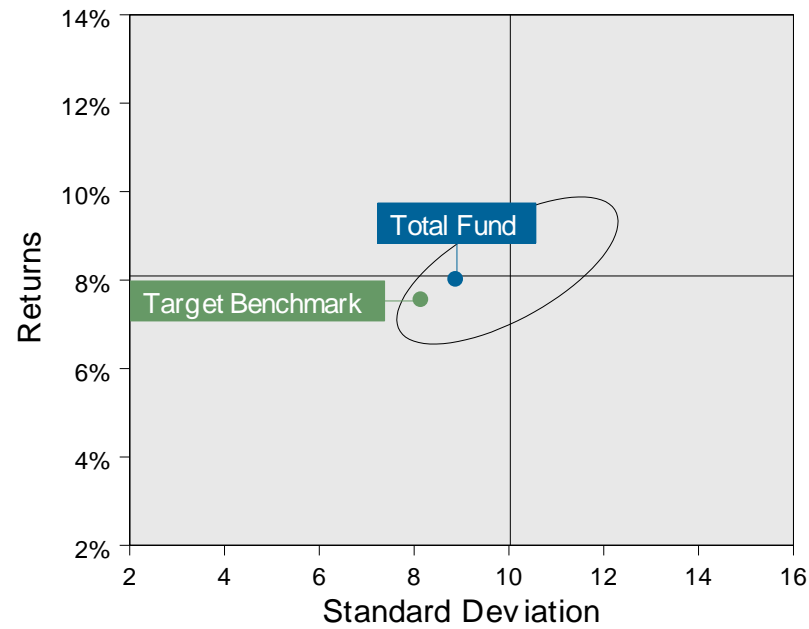
Growth of a Dollar
For 24 Years Ended June 30, 2021



City of Valdez Permanent Fund Total Returns

Cumulative Annualized as of June 30, 2021

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	5.79	30.80	13.35	12.43	9.53	10.08	8.48
25th Percentile	5.37	28.02	12.20	11.58	8.77	9.43	7.92
Median	4.93	25.39	11.08	10.74	8.10	8.50	7.36
75th Percentile	4.56	23.33	10.41	9.89	7.66	7.99	7.01
90th Percentile	4.15	21.81	9.86	9.64	6.89	7.49	6.75
Total Fund ●	4.52	23.77	11.06	10.24	7.99	8.39	7.24
Target Benchmark ▲	4.71	20.09	10.78	9.75	7.53	7.90	7.06