



August 31, 2022

Mr. Jeff Rogers
Finance Director
City and Borough of Juneau

Dear Jeff,

Insight has reviewed the Investment Policy for the City and Borough of Juneau and we are pleased to bring forward recommended updates for your consideration. Attached for your review are redlined and accepted versions of the policy which reflect the following strategic recommendations as well as certain changes which clarify policy guidelines.

- **General Objectives:** Sustainability has been added as an investment objective. Reference is made to CBJ Resolution 2755 and flexibility is provided for staff to direct sustainability initiatives as community preferences evolve. Considerations include applicability of this objective to the Working Capital and Long-Term investment programs.
- **Authorized Investments:** Proposed language allows for the purchase of municipal debt rated AA- or better and triple-A rated securities issued by supranational agencies, with exposure to each limited to 10 percent of the portfolio. The updates would allow for participation in these asset classes, potentially increasing portfolio diversification and return.
- **Intermediate-Term Portfolio Management – Diversification:** Excepting certain asset classes, recommended exposure to any one issuer is limited to 3 percent of the portfolio from 5 percent to maintain a high level of diversification.
- **Intermediate-Term Portfolio Management – Sector Allocations:** Proposed language restricts triple-B rated securities to 10 percent of the portfolio versus the current limit of 20 percent of the corporate bond holdings. The change increases potential exposure from 8 percent of the portfolio, remains below the benchmark exposure of 12 percent, and is more manageable for portfolio compliance and monitoring.

We appreciate the opportunity to work with you on the policy updates and are available to discuss the recommended changes at your convenience.

Best regards,

Jason Celente, CFA, CTP
Senior Portfolio Manager